



AN ISO 9001:2015 & ISPS COMPLIANT PORT

COCHIN PORT AUTHORITY

Willingdon Island, Cochin-682009

**ANNUAL ACCOUNTS
AND
AUDIT REPORT THEREON
FOR 2022-23**

**WITH ACTION TAKEN NOTES ON AUDIT OBJECTIONS/
OBSERVATIONS CONTAINED IN THE REPORT FOR THE YEAR
2022-23**



AN ISO 9001:2015 & ISPS COMPLIANT PORT

COCHIN PORT AUTHORITY

Willingdon Island, Cochin-682009

ANNUAL ACCOUNTS AND AUDIT REPORT THEREON FOR 2022-23

COCHIN PORT AUTHORITY

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COCHIN PORT AUTHORITY
BALANCE SHEET AS AT 31ST MARCH 2023

PARTICULARS	SCH	2022-23		2021-22	
		₹	₹	₹	₹
I SOURCE OF FUNDS					
RESERVES & SURPLUS	I				
a Capital Reserve		84,84,07,574		84,84,07,574	
b Funds		65,44,947	85,49,52,521	66,61,796	85,50,69,371
c Statutory Reserves			16,72,81,794		16,72,81,794
d Grants-in-aid			32,55,37,375		37,71,72,887
LOAN FUNDS	II				
a Government Loans		4,46,82,33,147		4,46,82,33,147	
b Unsecured Loans		2,64,30,856	4,49,46,64,003	2,60,41,960	4,49,42,75,107
Total			5,84,24,35,693		5,89,37,99,159
COCHIN FISHERIES HARBOUR	IX		11,86,366		11,86,366
GRAND TOTAL			5,84,36,22,059		5,89,49,85,525
II APPLICATION OF FUNDS					
FIXED/CAPITAL ASSETS	III				
Gross Block		7,16,40,45,047		7,04,26,62,942	
Less: Provision for Depreciation		3,58,09,87,952		3,40,62,49,251	
Net Block			3,58,30,57,095		3,63,64,13,691
Capital Work-in-Progress			1,71,17,399		8,03,76,868
INVESTMENTS	IV		67,90,48,904		15,00,000
CURRENT ASSETS, LOANS AND ADVANCES					
a <u>Current Assets:</u>					
i Interest accrued		4,43,14,614		4,69,59,525	
ii Inventories		70,57,551		73,27,720	
iii Sundry Debtors	V	62,47,76,497		53,22,82,443	
iv Cash & Bank Balances	VI	1,15,40,44,466		3,44,12,04,212	
b Loans & Advances	VII	88,78,28,324		1,04,55,87,387	
Total		2,71,80,21,452		5,07,33,61,286	
Less: Current Liabilities & Provisions	VIII	5,85,98,27,148		7,66,11,98,048	
NET CURRENT ASSETS			-3,14,18,05,696		-2,58,78,36,761
c Profit & Loss account			4,70,50,17,991		4,76,33,45,362
TOTAL			5,84,24,35,693		5,89,37,99,159
COCHIN FISHERIES HARBOUR	IX		11,86,366		11,86,366
GRAND TOTAL			5,84,36,22,059		5,89,49,85,525

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CHIEF ACCOUNTS OFFICER

Sd/-
CHAIRPERSON

COCHIN PORT AUTHORITY

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2023

PARTICULARS	SUB SCH	2022-23	2021-22
		₹	₹
<u>INCOME</u>			
Cargo Handling & Storage charges	C	2,74,65,56,459	2,70,87,33,494
Port & Dock charges (including Pilotage fees)	D	3,69,73,34,315	3,35,85,90,865
Railway earnings	E	-	-
Estate Rentals	F	1,19,18,05,447	1,09,06,72,813
Total		7,63,56,96,221	7,15,79,97,172
<u>LESS EXPENDITURE:</u>			
Cargo handling and storage	G	49,55,15,247	50,21,85,606
Port & Dock facilities (including Pilotage)	H	2,38,53,17,117	1,85,96,40,783
Railway workings	I	-	-
Rentable lands and buildings	J	21,57,32,339	21,40,71,359
Management & General Administration (not directly attributed to particular activity)	K	1,15,78,80,106	1,09,71,17,610
Total		4,25,44,44,809	3,67,30,15,357
Operating Profit (+) / Loss (-)		3,38,12,51,411	3,48,49,81,814
Add: Finance & Misc. Income	L	63,66,50,166	43,32,16,324
Total		4,01,79,01,578	3,91,81,98,139
Less: Finance & Misc. Expenditure	M	3,95,95,74,207	3,82,91,92,071
Profit before Tax		5,83,27,371	8,90,06,068
Less: Provision for taxation		0	0
Profit after Tax		5,83,27,371	8,90,06,068
<u>Less : Appropriations</u>			
Capital Reserve		-	-
Statutory Reserve		-	-
Total			
Balance transferred to Revenue Reserve		5,83,27,371	8,90,06,068
<u>COCHIN FISHERIES HARBOUR</u>			
Income		3,56,34,570	3,80,60,692
Expenditure		3,21,01,903	3,64,45,709
Surplus (+) / Deficit (-)		35,32,667	16,14,983

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COCHIN PORT AUTHORITY
SCHEDULES TO BALANCE SHEET AS AT 31.03.2023

PARTICULARS	SCH	SUB SCH	2022-23	2021-22
			₹	₹
<u>RESERVES & SURPLUS</u>	I	A		
Capital Reserve			84,84,07,574	84,84,07,574
CPE (HBA) Family Benefit Fund			42,07,331	40,65,627
Employees Welfare Fund			23,34,764	25,04,751
Family Security Fund			2,852	91,418
Total			85,49,52,521	85,50,69,371
<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 Creation of Additional tourism facility-Walkway			-	-4,88,627
Grant in Aid for Construction of a Subway/Flyover in front of International Container Transshipment Terminal(ICTT)			29,99,382	3,35,22,665
Grant-Rail Over Bridge			9,02,70,508	8,66,96,800
Grant in Aid for Procurement Of Pollution Responses(PR) equipment / materials			70,72,549	69,53,423
Grant in Aid - Implementation of projects under IPDS			-35,877	-35,877
Grant in Aid for Developing infrastructure for cruise terminal(Samudrika)			-	-17,55,222
Grant in Aid-Additional Infrastructure Cruise Terminal			-65,77,715	-65,77,715
Grant in Aid-Reconstruction of South Coal Berth			-78,55,745	-30,79,058
Grant in Aid-CFH			25,64,84,890	25,00,00,000
Grant in Aid-Ro Ro			97,97,098	-
Total			35,21,55,090	36,52,36,388
Less: Interest to be repaid to Ministry disclosed under Current Liabilities			4,20,84,072	-
Less: Excess amount spent over Grant-in-Aid - receivable from Ministry disclosed under Current Assets			-1,54,66,357	-1,19,36,499
Total Grant			32,55,37,375	37,71,72,887
<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			2,34,39,348	2,30,50,452
Total			2,64,30,856	2,60,41,960

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SCHEDULE III

COCHIN PORT AUTHORITY
CAPITAL ASSET REGISTER AS ON 31.03.2023

Sl No.	Assets	GROSS BLOCK				PROVISION FOR DEPRECIATION				NET BLOCK	
		As on 01-04-2022	Additions	Deletions	As on 31-03-2023	As on 01-04-2022	On Deletions	During the year	Total as on 31-03-2023	As on 31-03-2023	As on 01-04-2022
1	Land	51,49,16,218	-	-	51,49,16,218	-	-	-	-	51,49,16,218	51,49,16,218
2	Capital Dredging	84,39,61,873	-	-	84,39,61,873	-	-	84,53,940	21,61,20,372	62,78,41,501	63,62,95,441
3	Buildings,Sheds and other structures	74,34,59,836	2,95,14,444	3,63,104	77,26,11,176	42,40,30,766	3,63,101	2,69,10,265	45,05,77,930	32,20,33,246	31,94,29,070
4	Wharves,Roads and Boundaries	2,11,78,45,851	9,22,30,756	-	2,21,00,76,607	70,14,90,193	-	4,45,36,306	74,60,26,498	1,46,40,50,109	1,41,63,55,659
5	Floating Crafts	1,30,68,57,646	-	-	1,30,68,57,646	99,45,83,584	-	4,32,49,693	1,03,78,33,277	26,90,24,369	31,22,74,062
6	Docks, Sea Walls etc	21,69,24,628	-	-	21,69,24,628	17,33,13,678	-	54,91,355	17,88,05,033	3,81,19,595	4,36,10,950
7	Cranes & Vehicles	15,15,84,248	-	-	15,15,84,248	14,01,94,060	-	80,32,414	14,82,26,474	33,57,774	1,13,90,188
8	Plant and Machinery	39,23,08,005	-	-	39,23,08,005	29,30,47,156	-	1,08,50,967	30,38,98,123	8,84,09,882	9,92,60,849
9	Installations for water, electricity, Fire fighting & Telecommunication	70,65,01,751	-	-	70,65,01,751	42,53,47,871	-	2,71,72,825	45,25,20,696	25,39,81,055	28,11,53,880
10	Oil Pipeline Installations	3,83,25,308	-	-	3,83,25,308	3,77,66,802	-	46,542	3,78,13,344	5,11,964	5,58,506
11	Miscellaneous Assets	99,77,584	3	-	99,77,587	88,08,717	-	3,57,488	91,66,205	8,11,382	11,68,867
	TOTAL	7,04,26,62,947	12,17,45,203	3,63,104	7,16,40,45,047	3,40,62,49,257	3,63,101	17,51,01,795	3,58,09,87,952	3,58,30,57,095	3,63,64,13,690
	Capital Work in Progress	8,03,76,868	47,39,197	6,79,98,666	1,71,17,399	-	-	-	-	1,71,17,399	8,03,76,868
	GRAND TOTAL	7,12,30,39,815	12,64,84,400	6,83,61,770	7,18,11,62,446	3,40,62,49,257	3,63,101	17,51,01,795	3,58,09,87,952	3,60,01,74,495	3,71,67,90,558

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COCHIN PORT AUTHORITY

SCHEDULES TO BALANCE SHEET AS AT 31.03.2023

PARTICULARS	SCH	SUB SCH	2022-23	2021-22
			₹	₹
<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
Long term Fixed Deposits			67,75,48,904	-
Total			67,90,48,904	15,00,000
<u>SUNDRY DEBTORS</u>	V			
Government Dues - Less than 6 months			20,35,04,819	12,16,72,407
- More than 6 month			6,75,91,077	8,82,74,357
Non Government Dues - Less than 6 months			13,83,22,050	11,49,30,866
- More than 6 month			32,18,25,898	31,38,72,160
			73,12,43,844	63,87,49,790
Less: Provision for doubtful debts			10,64,67,347	10,64,67,347
Total			62,47,76,497	53,22,82,443
<u>CASH & BANK BALANCES</u>	VI	B		
Cash on Hand			95,658	82,832
Bank Balance :				
Current Accounts			8,60,97,161	7,15,45,083
Savings Account			68,15,10,666	44,33,58,570
Fixed Deposits			38,60,18,201	2,92,59,54,979
Cash Card			3,22,780	2,62,747
Total			1,15,40,44,466	3,44,12,04,212
<u>LOANS AND ADVANCES (Recoverable in Cash or in kind or for Value to be Received)</u>	VII			
Payment in Advance and Debit Balance			1,17,96,04,634	1,00,38,28,095
Deposits			2,98,22,792	2,98,22,792
Add: Excess amount spent over Grant-in-Aid receivable from Ministry			1,54,66,357	1,19,36,499
Less: Advance given to contractors for Deposit work regrouped under Current Liabilities			33,70,65,459	-
Total			88,78,28,324	1,04,55,87,387
<u>CURRENT LIABILITIES & PROVISIONS</u>	VIII			
<u>Current Liabilities</u>				
General Provident Fund			60,66,406	72,58,11,515
Salaries & Wages payable			14,39,40,944	6,32,47,293
Accrued expenses			93,23,22,502	93,93,51,963
Misc. Creditors & Credit Balance			3,22,89,10,119	2,95,26,57,142
Deposits from Merchants, Contractors & Others			1,54,85,87,177	2,98,01,30,135
Total			5,85,98,27,148	7,66,11,98,048

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SUB SCHEDULE - A

COCHIN PORT AUTHORITY

DETAILS OF FUNDS & STATUTORY RESERVES

G/L CODE	Capital Reserve	Revenue Reserves				Statutory Reserves		
		General Reserve	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	
	110000	110300 & 110301	110100	110101	110102	110200	110201	
	₹	₹	₹	₹	₹	₹	₹	₹
Balance as on 1 st April 2022	84,84,07,574	-4,76,33,45,362	40,65,627	25,04,751	91,418	9,83,85,897	6,88,95,897	
Add: Contribution from GRF	-	-	13,888	-	6,11,280	-	-	
Contribution from employees	-	-	27,325	-	1,23,022	-	-	
Contribution from revenue account	-	5,83,27,371	-	-	-	-	-	
Interest on investments	-	-	2,00,930	-	-	-	-	
Total	84,84,07,574	-4,70,50,17,991	43,07,770	25,04,751	8,25,720	9,83,85,897	6,88,95,897	
Less: Expenditure / Adjustments from Fund	-	-	1,00,439	1,69,987	8,22,868	-	-	
Balance as at 31st March 2023	84,84,07,574	-4,70,50,17,991	42,07,331	23,34,764	2,852	9,83,85,897	6,88,95,897	

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COCHIN PORT AUTHORITYBALANCE AT BANKS AND CASH ON HAND AS ON 31.03.2023

PARTICULARS		₹
Cash on hand		95,658
Cash Card		3,22,780
Current Account with Nationalised and Scheduled Banks		8,60,97,161
Savings Account with Nationalised and Scheduled Banks		68,15,10,666
Fixed Deposits with Banks:		
General Reserve Fund	4,00,00,000	
Grants	34,22,18,201	
Total Deposits		38,22,18,201
HBA FBF Investments		38,00,000
TOTAL		1,15,40,44,466
Balance with Scheduled Banks		1,15,39,48,808
Balance with Non Scheduled Banks		NIL

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SUB - SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2023

INCOME

	2022-23	2021-22
	₹	₹
<u>SUB-SCHEDULE - C</u>		
<u>Cargo handling & Storage charges</u>		
Handling & Storages charges on general cargo	26,93,23,953	22,59,62,952
Cranage	1,08,929	6,07,255
Petroleum, Oil and lubricants handling charges	1,03,29,57,695	1,09,39,25,072
Demurrage on general cargo	75,00,512	1,17,43,026
Handling and Storage Charges on Containers	9,53,900	23,27,368
Miscellaneous charges - Cargo	1,34,59,428	1,24,97,943
Revenue share from ICTT	1,21,77,35,432	1,17,57,90,735
Waterfront Royalty- LNG Basin	20,24,02,698	18,33,82,362
Royalty for Stevedoring & Shore handling	21,13,912	24,96,781
Total	2,74,65,56,459	2,70,87,33,494
<u>SUB-SCHEDULE - D</u>		
<u>Port & Dock Charges</u>		
Towage and Mooring fees	37,44,91,903	36,07,01,706
Berth Hire charges	31,21,51,808	34,76,30,370
Port dues	96,62,10,308	80,88,11,288
Pilotage Fees	1,94,00,59,432	1,69,82,08,974
Water supply to shipping	2,24,266	8,40,058
Miscellaneous charges - Vessel	2,15,11,664	70,00,801
Income from Dredging Services	5,81,46,117	8,70,05,000
Income from Cruise Vessel including Maritime Service Charges	2,45,38,817	4,83,92,668
Total	3,69,73,34,315	3,35,85,90,865
<u>SUB-SCHEDULE - E</u>		
Railway earnings	-	-
<u>SUB-SCHEDULE - F</u>		
<u>Estate Rentals</u>		
Rent from land	70,31,71,141	62,29,45,556
Rent from buildings,sheds & godowns	8,86,06,111	9,34,77,290
Miscellaneous Income	37,80,48,936	35,85,42,759
Sundry Income	2,19,79,259	1,57,07,208
Total	1,19,18,05,447	1,09,06,72,813

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SUB - SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2023

EXPENDITURE

	2022-23	2021-22
	₹	₹
<u>SUB-SCHEDULE - G</u>		
<u>Cargo handling & Storage</u>		
Handling & Storage of general cargo at sheds & wharves	32,22,55,045	32,56,66,808
Handling & Storage of containers	13,18,189	13,83,826
Operation & maintenance of crane	1,42,27,183	2,07,89,440
Handling of Petroleum, Oil & Lubricants	7,84,19,321	7,70,81,129
Expenditure on general facilities at wharves & boundaries	30,51,262	30,56,837
Administration and General expenses	7,62,23,993	7,41,32,723
New Minor works	20,254	74,843
Total	49,55,15,247	50,21,85,606
<u>SUB-SCHEDULE - H</u>		
<u>Port & Dock facilities including Pilotage</u>		
Towing, Berthing and Mooring	25,79,96,209	16,82,61,287
Pilotage	7,03,11,779	7,03,84,374
Water supply to shipping	3,61,228	19,22,737
Fire fighting	10,26,64,602	9,17,15,700
Dredging and Marine survey	1,46,56,16,023	1,08,65,52,858
Harbour Patrolling	90,68,179	78,23,072
Operation & Mtnce. of Navigational aids	3,28,38,008	2,89,91,628
Administration and general expenses	44,64,56,872	40,39,21,629
New Minor works	4,217	67,499
Total	2,38,53,17,117	1,85,96,40,783
<u>SUB-SCHEDULE - I</u>		
<u>Railway workings</u>		
Maintenance of station, other Buildings and structures	-	-

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SUB - SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2023

EXPENDITURE

	2022-23	2021-22
	₹	₹
<u>SUB-SCHEDULE - J</u>		
<u>Rentable land and buildings</u>		
Estate maintenance	12,28,63,565	13,56,13,063
Administration & General expenses	9,28,68,774	7,84,58,295
Total	21,57,32,339	21,40,71,359
<u>SUB-SCHEDULE - K</u>		
<u>Management & General Administration</u>		
Management & Secretariat expenses	31,24,21,660	29,65,91,266
Medical expenses	12,17,33,551	12,25,73,244
Stores keeping	2,28,11,328	2,15,30,037
Accounting and Auditing	24,72,02,647	23,93,53,728
Head office building & telephones	67,12,413	72,19,636
Engineering & workshop administration	13,79,16,512	13,17,76,235
Overhead and sundry expenses	30,90,81,995	27,80,73,465
Total	1,15,78,80,106	1,09,71,17,610

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GL CODE	Description	2022-23	2021-22
		₹	₹
	<u>SUB-SCHEDULE - L</u>		
	<u>Finance & Miscellaneous Income</u>		
540000	Sundry Receipts	17,93,36,503	18,70,18,538
540001	Profit/Loss on disposal of Capital Assets	18,57,78,461	60,49,044
540004	Recovery of Insurance Claim on Capital Assets	-	11,00,780
540005	Interest Income	11,77,66,190	11,01,33,803
540006	Sale of Unserviceable Stores	26,44,867	56,93,694
540007	Hire of Motor Lorry & Sundry Plants	1,00,777	2,24,988
540008	Charges for Project Management Services	12,48,73,237	7,55,23,904
540009	Items Relating to Previous Year	87,06,560	2,85,14,666
540010	Medical Scheme for Pensioners	24,412	49,789
540011	Medical Treatment to Non-Entitled Persons	11,10,244	4,76,362
540012	Premium for lease of land	1,63,08,915	1,84,30,755
	Total	63,66,50,166	43,32,16,324
	<u>SUB-SCHEDULE - M</u>		
	<u>Finance & Miscellaneous Expenditure</u>		
670002	Bank Charges	7,94,415	4,63,078
670004	Prov. For Doubtful Debts	-	65,30,422
670007	Contribution to Family Security Fund	6,11,280	4,35,000
670008	Contribution to Pension Fund Trust including Pension Payments	3,50,17,89,482	3,53,91,29,636
670009	Items Relating to Previous Years	3,45,97,918	5,19,58,465
670010	Contribution to CPTe HBA FBF	13,888	20,225
670012	Contribution to CPE New Pension Scheme	1,77,02,889	2,64,08,954
670014	Contribution to Gratuity Fund Trust including Gratuity Payments	39,88,18,239	19,89,70,046
670016	Loss on disposal	-	1,73,762
670023	Interest on Electricity Deposit	21,87,018	22,23,586
670026	Interest on other source loans	3,88,896	3,88,896
670027	Expense on Feasibility and R&D Studies	-	3,29,837
670031	Corporate Social Responsibility scheme	26,70,182	21,60,164
	Total	3,95,95,74,207	3,82,91,92,071

Sd/-
FINANCIAL ADVISER &
CHIEF ACCOUNTS OFFICER

ADDITIONAL SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2023

OPERATING EXPENDITURE

GL CODE	Description	2022-23	2021-22
		₹	₹
	<u>SALARIES & WAGES:</u>		
600000	Salaries & Wages (General)	25,43,09,218	21,06,01,829
600002	PLR	1,54,81,368	1,77,98,427
600003	Overtime	1,33,30,597	1,13,16,175
600004	Incentive	21,64,702	24,65,742
600005	Honararium	9,06,531	8,33,780
600006	Leave Encashment	10,10,08,186	9,03,43,924
600007	Salaries & Wages (Operational)	67,11,47,521	65,68,01,435
600008	Salaries & Wages (R&M)	34,28,82,757	33,26,98,590
600010	Leave Travel Concession	1,92,296	-
600011	Staff Amenities & Welfare Measures	22,080	20,240
600012	Employers ESI contribution	5,67,701	9,95,917
600013	Employers EPF contribution	34,32,508	35,75,480
640000	Salaries (Port Security)	34,44,981	32,58,868
650000	Salaries & Wages-Medical	9,19,71,152	9,09,81,487
	TOTAL (A)	1,50,08,61,598	1,42,16,91,894
	<u>STORES</u>		
610000	Stores-General	5,43,328	5,41,843
610001	Stores-Uniform	3,56,939	4,25,682
610002	Stores-Operational	1,40,78,130	81,28,124
610003	Stores-Fuel	27,54,93,353	20,96,28,141
610004	Stores -R&M	1,58,20,812	1,34,48,401
	TOTAL (B)	30,62,92,562	23,21,72,192
	<u>OFFICE & ADMINISTRATIVE EXPENSES</u>		
620000	Consumption Stores-Stationery	94,166	2,54,361
620001	Books & Periodicals	7,350	-
620002	Travelling Expense	36,83,266	10,62,020
620004	Courier charges	1,22,776	1,66,927
620005	Licence fees & Royalty	29,93,067	30,86,454
620006	Equipment & Furniture	1,24,189	1,98,314

GL CODE	Description	2022-23	2021-22
		₹	₹
620010	Miscellaneous Expenses	63,65,953	58,24,038
620011	New Minor Works	5,17,913	5,39,680
620013	Entertainment	2,91,430	1,21,061
620014	Training Programme	6,21,233	2,45,387
620015	Sports & Games	7,00,000	2,33,166
620016	Legal Charges	67,62,058	87,83,224
620017	Printing Charges	3,03,477	4,37,297
620018	Office Machine hire & service charges	18,261	25,744
620019	Publicity & Advertisement	15,04,745	14,59,661
620020	Audit & Accounting	74,94,219	76,88,413
620021	Rent, Rates & Taxes	32,57,190	20,42,149
620022	Telephones	14,21,237	12,06,631
620023	Subscription	1,74,643	1,74,968
620025	IPA Share Contribution	84,78,201	1,46,90,577
620026	Marketing expense	5,40,789	1,78,757
	TOTAL (C)	4,54,76,163	4,84,18,830
	OPERATION & MAINTENANCE EXPENSES		
630000	R&M arranged through Contract-Roads	68,70,525	81,72,886
630001	R&M arranged through Contract-Buildings	59,26,266	47,23,508
630002	R&M arranged through Contract-Plant & Equipments	34,78,283	24,89,496
630004	Dry Docking of Floating Crafts	19,18,31,605	5,77,70,583
630005	Special R&M arranged through Contract-Roads	2,35,038	6,57,569
630006	Special R&M arranged through Contract-Buildings	59,20,200	62,45,343
630007	Special R&M arranged thru Contract-Plant & Equipments	1,52,24,472	79,96,699
630008	Hire of Vehicles & Transport Charges	1,30,34,105	1,09,09,920
630009	Water Charges	4,03,11,597	4,17,15,900
630012	Electricity Charges	26,02,88,525	26,07,09,742
630013	Hire of Boats, Tugs & Launches	21,70,00,474	21,34,23,852
630015	Maintenance Dredging	1,26,08,63,798	95,67,46,986
630016	Sundry Expense	2,95,97,861	3,49,26,403
630017	Insurance	63,09,319	67,19,838
630018	Self Consumption-Electricity	1,54,33,175	1,46,21,031
	TOTAL (D)	2,07,23,25,243	1,62,78,29,755

GL CODE	Description	2022-23	2021-22
		₹	₹
	<u>SECURITY EXPENSES</u>		
640001	Hire of Boats for Patrolling	33,02,847	32,17,477
640002	I S P S	3,12,500	48,500
640004	CISF-Deployment Charges	11,41,60,559	12,92,35,488
640005	SEZ - Cost Recovery	10,96,838	13,60,380
640006	Private Security Charges	77,03,516	37,22,326
	TOTAL (E)	12,65,76,260	13,75,84,171
	<u>MEDICAL EXPENSES</u>		
650001	Stipend, Fees & Honorarium to Specialists	26,31,742	26,86,624
650002	Stores-Medical	1,78,62,270	2,04,01,291
650003	Provisions-Medical	1,31,791	89,580
650004	Hospital Equipment	7,57,274	24,718
650005	Medical Expenses	11,86,120	19,26,825
650006	Charges paid to Outside Hospitals	51,61,349	51,15,982
650007	Med Treat.-Pensioner	80,644	-
	TOTAL (F)	2,78,11,190	3,02,45,020
	<u>DEPRECIATION</u>		
	Depreciation for the year	17,07,02,001	17,50,50,236
670021	Prior Period Depreciation	43,99,794	23,259
	TOTAL (G)	17,51,01,795	17,50,73,495
	GRAND TOTAL (A) TO (G)	4,25,44,44,811	3,67,30,15,357

Sd/-
FINANCIAL ADVISER &
CHIEF ACCOUNTS OFFICER

COCHIN FISHERIES HARBOUR
BALANCE SHEET AS ON 31ST MARCH 2023

(Amount in ₹)

PARTICULARS		2022-23		2021-22	
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	18,98,56,828		18,98,45,895	
	Work in Progress	0		0	
		18,98,56,828		18,98,45,895	
	Less : Grant received	18,98,45,895	10,933	18,98,45,895	0
	Current Assets, Loans and Advances				
	a. Current Assets:				
	(i) Interest accrued on investments	8,90,877		7,88,808	
	(ii) Sundry Debtors	1,44,99,007		1,44,49,198	
	(iii) Cash & Bank Balances	4,79,70,574		4,42,18,328	
	b. Loans & Advances	3,53,588		3,53,588	
	Total	6,37,14,046		5,98,09,923	
	Less: Current Liabilities & Provisions	9,24,68,443		9,20,86,055	
	NET CURRENT ASSETS		-2,87,54,397		-3,22,76,132
	Profit & Loss Account (Accumulated Deficit)		2,99,29,830		3,34,62,499
	TOTAL		11,86,366		11,86,366

Sd/-
FINANCIAL ADVISER &
CHIEF ACCOUNTS OFFICER

COCHIN FISHERIES HARBOUR
INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2023

(Amount in ₹)

Expenditure	Amount 2022-23	Amount 2021-22	Income	Amount 2022-23	Amount 2021-22
Salary & Other Benefits	2,01,31,696	2,58,67,660	Toll Collection	97,31,214	1,08,62,080
Electricity Charges	21,20,115	19,72,542	Electricity Charges	17,76,919	19,07,845
Security Charges	37,90,101	19,17,967	Fish out - handling Charges	34,68,669	61,38,567
Water Charges	16,02,086	14,38,265	Lease Rent on Land	70,08,161	70,22,005
Repairs & Maintenance	13,27,211	13,44,469	Building and Ground Rent	45,61,108	44,75,911
Professional Charges	5,73,538	5,96,890	Misc. Receipts	27,20,413	13,17,596
Printing and Stationary	34,857	45,200	Lease of Slipway	21,31,665	20,89,866
Sundry Expenses	82,104	82,329	Water Charges	7,21,083	9,28,914
Travelling Expenses	67,624	34,372	Licensing and License Fee	10,67,789	9,09,556
Telephone Charges	22,575	32,561	Fish Landing Charges	6,55,696	7,01,864
Advertisement Expenses	1,33,580	2,68,011	Bank Interest	17,14,141	16,09,294
Depreciation	1,929	-	Enrolment of Fishing Crafts	77,712	97,195
Provision for Retirement Benefits	22,14,487	28,45,443			
Net Surplus	35,32,667	16,14,983			
	3,56,34,570	3,80,60,692		3,56,34,570	3,80,60,692

Sd/-
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CHIEF ACCOUNTS OFFICER**

SCHEDULE - IX

COCHIN FISHERIES HARBOUR
RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2023

(Amount in ₹)

Receipts	Amount 2022-23	Amount 2021-22	Payments	Amount 2022-23	Amount 2021-22
Opening Cash in Hand	10,000	91,655	Salary & PLR	1,92,23,925	2,61,82,524
Opening Cash at Bank	4,42,08,328	3,82,82,808	Travelling Expenses	51,139	42,718
Enrolment of Fishing Crafts	77,712	97,195	Printing And Stationary	35,901	76,100
Licensing and License Fee	10,29,316	4,96,093	Advertisement charges	1,03,580	2,68,011
Lease Rent On Land & others	91,39,826	1,01,70,636	Repairs & Maintenance	9,25,010	8,25,822
Building And Ground Rent	45,61,108	48,64,060	Refund Of SD / Ground Rent	3,31,237	6,16,818
Fish Landing Charges	6,55,696	7,01,864	Telephone Charges	22,575	33,503
Fish Out - Handling Charges	34,68,669	61,38,567	Electricity Charges	21,20,115	19,72,542
Electricity Charges	17,76,919	20,24,420	Water Charges	16,02,086	14,38,265
Toll Collection	72,20,157	1,41,18,176	Cheque Charges	7,819	12,806
Misc. Deposit / Security	32,370	1,83,603	Sundry Expenses	86,447	62,689
Misc. Receipts	4,11,853	12,86,160	Professional Charges	5,23,978	6,05,890
Bank Interest	40,60,016	15,89,403	Security Charges	28,86,461	16,44,326
Tds Liability	1,48,552	1,09,261	TDS Liability Paid	1,52,199	1,12,851
Water Charges	8,12,269	9,55,264	Deposit-Service Tax Appeal	-	74,901
GST Collection	52,02,258	30,78,231	Purchase of Water ATM	6,43,083	-
CSR Fund	6,30,221	-	GST Paid	67,59,141	59,99,302
			Closing Cash Balance	1,23,528	10,000
			Closing Bank Balance	4,78,47,046	4,42,08,328
	8,34,45,270	8,41,87,396		8,34,45,270	8,41,87,396

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

COCHIN PORT AUTHORITY
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 lifespan as ₹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 ₹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 ₹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.

COCHIN PORT AUTHORITY
NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR 2022-23

1. Performance of the Port

Cochin Port Authority handled 35.26 MMT of cargo during 2022-23 as against 34.55 MMT during 2021-22. During 2022-23, number of vessels cleared from the Port is 1549 as against 1509 vessels during 2021-22. Port handled 6,95,230 TEUs of containers in 2022-23 as against 7,35,577 TEUs in 2021-22.

2. Grant in Aid:

a) The Grant in Aid received, 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.

b) Status of Grant as on 31.03.2023 is as follows:

Particulars	Amount (₹ in Crore)
Balance of Grant as on 01.04.2022	37.71
Less: excess expenditure incurred over grant receivable from Ministry as on 01.04.2022	1.19
Add: Grant received during the year for various Projects	7.38
Add: Interest earned during 2022-23	1.18
Less Expenditure incurred during 2022-23	9.87
Less: Interest earned as on 31.03.2023 repayable to Ministry regrouped under current liabilities	4.21
Add: Grant receivable from ministry regrouped under Loans and advances	1.55
Balance Grant as on 31.03.2023	32.55

3. 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) is ₹558.53 crore. As committed, Port had been paid the first and second installments of ₹55.85 crore each in March 2019 & March 2020. Further, CCEA approved the proposal of CoPA for granting Moratorium for repayment of loan for 3 years (2020-21, 2021-22 and 2022-23) which was communicated by the Ministry vide letter No PD-

25021/4/2013-COPT(Pt.I) (e 316731) dated 06.07.2022, thereby rescheduling the balance frozen amount of ₹446.83 crore in 8 years commencing from 2023-24.

4. Capitalisation:

Assets worth ₹12.17 crore have been capitalized during the year 2022-23 and the Capital Work in Progress as on 31.03.2023 amounts to ₹1.71 crore.

5. Capital Expenditure:

Capital Expenditure during the year 2022-23 is as follows:

Sl. No.	Particulars	Amount (₹ in Crore)
1	Out of Government Budgetary Support (GBS)	3.17
2	Out of Internal & Extra Budgetary Resources (IEBR)	
	a) Internal Resources	4.84
	b) Grant from various Ministries	7.20
	c) Other Agencies	0.01
	Total Capital Expenditure	15.22

6. Provisions:

The expenditure on salaries for the year 2022-23 includes an additional provision of ₹9.08 crore towards wage revision of Class III& IV employees, which is effective from 01.01.2022.

7. Corporate Social Responsibility

As per the CSR Guidelines of Ministry of Shipping, Ports & Waterway, an amount of ₹26,70,182/- has been provided for CSR. (3% of profit of ₹8,90,06,067.92 during 2021-22). The balance available under CSR Scheme as on 31.03.2023 is ₹57,64,855/-.

8. Tax matters

a) Income Tax

- i) Income Tax Assessments are completed till AY 2021-22.

- ii) During the year 2022-23, Income tax refund (including interest) to the tune of ₹7.87 crore were received for AY 2021-22.
- iii) 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 which is pending with Jurisdictional Assessing Officer.
- iv) No provision has been created for current year tax due to accumulated business loss and unabsorbed depreciation brought forward from previous years.

b) Service Tax

No provision is considered for disputed 9 Nos. Service tax demands which are under appeal proceedings before various Authorities involving a financial implication of ₹14.92 crore on account of non-collection of service tax on services provided viz., Upfront payment of Estate Rentals, Royalty from M/s.IGTPL, Ineligible CENVAT Credit, Legal charges, Liquidated damages, etc., (Annexure I)

Besides, the Department has issued 6 Nos. of Show cause Notices involving a financial implication of ₹19.71 crore and Port has furnished replies to the Department. No further communication is received from the Department.

c) 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.

9. Retirement Benefits:

- a) The actuarial valuation of Pension liability of employees on rolls as on 31.03.2023 is ₹734.36 crore as assessed by LIC of India. Similarly, valuation in respect of pensioners as on 31.03.2023 is ₹2267.77 crore. Thus, the total actuarial valuation of pension liability is ₹3,001.58 crore. The contribution to Pension Fund Trust for the year 2022-23 is ₹350.18 crore which includes pension payment of ₹237.61 crore. The shortfall of ₹2,171.51 crore between the actual fund available in Pension Fund as on 31.03.2023 of ₹830.07 crore and this includes transfer of ₹1.63 crore received as premium on lease of land in line with the Board resolution No 106 dated 22.08.2015.

The shortfall liability will be made good in future considering the availability of surplus and reserve position.

- b) The Actuarial valuation of gratuity liability of the employees on rolls as on 31.03.2023 is ₹114.51 crore as assessed by LIC of India. The contribution to Gratuity Fund Trust for the year 2022-23 amounts to ₹39.88 crore which includes gratuity payment to the employees retired during 2022-23 amounting to ₹21.56 crore. The shortfall of ₹101.95 crore between the actual fund available of ₹12.56 crore as on 31.03.2023 and the liability as per actuarial valuation will be made good in future subject to availability of surplus and reserves.
- c) Port's contribution to New Pension Scheme is also charged to the Profit and Loss Account. Employees who have joined service in the Port after 1.1.2004 are covered under the New Contributory Pension Scheme. The said Employee's and Employer's contribution is being remitted to NPS Trust through NSDL under the Registration Code of the Port on monthly basis. As on Balance Sheet date 178 employees are covered under this scheme.

10. General Provident Fund

The amounts recovered towards Provident Fund Contribution, from the members of General Provident Fund, are transferred to Employees General Provident Fund Account. Accordingly, the fund balance, advances granted, final withdrawals, closing bank balances, Interest Accrued but not due and investment of surplus fund thereon, which has been disclosed upto 31.03.2022 under relevant heads, has been regrouped under Current liabilities as a net off.

11. Deposit works:

The amount received on account of deposit works, advances paid to contractors/suppliers and the investment of balance funds thereon, which has been disclosed upto 31.03.2022 under relevant heads, has been regrouped under Current liabilities, except bank balances, as a net off.

12. Contingent Liabilities:

Contingent liabilities not provided for in the Books of Accounts, owing to uncertainty in nature and which are disputed, are as follows;

a) Arbitration and legal proceedings thereon are given as **Annexure II**.

b) Status of other legal proceedings are as follows:

(i) A suit was filed by M/s. Jakhau Salt Company Pvt. Ltd. for the loss of cargo due to collapse of Mattancherry Wharf for ₹1.47 crore which was decreed against the Port. Port filed an appeal before the Hon'ble High Court of Kerala. The case was posted on 08.03.2023 and Hon'ble Justice adjourned the case to 03.04.2023. However, the case has not come for hearing and no updates on further hearing.

(ii) Port had filed a civil suit on 28.03.2014 against M/s. Tebma Shipyards Ltd., (TSL), before the Hon'ble Sub Court at Kochi to recover an amount of ₹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. In this connection, TSL has 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 TSL, 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 (CSL) has taken over Tebma Shipyards as their wholly owned subsidiary. The matter is being examined to take up the matter with CSL.

(iii) Cases 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 ₹1.58 crore).

The Hon'ble Supreme Court of India has, in its judgment dated 05.08.2020 on Civil Appeal No.2525 of 2018, 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.

Accordingly, Cochin Port has in compliance of the order, vide letter No. A6/SLPs/2012/2017/T dated 19.07.2021, requested all the parties to submit documents evidencing the payment made in this regard along with details of containers. However, only one firm has submitted the details and payment had made in FY 2021-22 amounting to ₹2,36,360. M/s.Greenway shipping has submitted their letter but not able to produce any evidence of the payment made and other relevant documents. No other parties to this case have contacted for payment so far.

- (iv) In connection with Land Acquisition cases related to the Project 'Providing Direct Road Connectivity to the SEZ area at Puthuvypeen, Cochin Port advanced an amount of ₹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 ₹26.97 lakhs each.
- (v) With respect to the arbitration award dated 26.09.2019 issued in favour of M/s Lots Shipping Ltd in connection with the operation of Ro-Ro/Lo-Lo Barge Service between W/Island & Bolghatty, an amount of ₹57,99,411/- was payable by the Port along with 9% interest from the date of the award till realization. Cochin Port challenged the award and filed Application under Section 34 of Arbitration & Conciliation Act in the Dist. Court, Ernakulam. The party filed Execution petition before Hon'ble Commercial Court, Ernakulam for enforcement of arbitration award. The matter was referred to court annexed mediation wherein the parties have arrived at a settlement wherein Port accepted the proposal of the party for a one-time settlement of ₹39,79,984/- i.e., 40% of the Award Amount + Interest @ 9% from the date of Award upto and including 30.11.2022 subject to both parties withdrawing the pending cases before the Court.

One time settlement amount of ₹39,79,984/- was paid on 12.04.2023 as per settlement Agreement was signed on 16.02.2023 before the mediator and the pending cases AOP 237/2020 and EP 675/2020 closed recording the above settlement. Fixed Deposit Receipt of ₹63,51,547/- dated 25.07.2022 which was issued by the Port marking a lien to the Principal Sub Court, Ernakulam as a security to lift the Garnishee order dated 20.12.2021 issued by the Hon'ble Commercial Court, Ernakulam in EP 675/2020, is yet to be released.

- (vi) 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 ₹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. An amount of ₹5,02,278/- was deducted towards LD, reinstating charges of the cable trenches and filling the foundation pit using JCB. M/s. Ambligola Exporters, filed a case before the Hon'ble Munsiff Court, Kochi against Cochin Port and the judgment of the Court went in favour of the Plaintiff M/s. Ambligola Exporters, directing Cochin Port to pay ₹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 case is posted to 08/06/2023 for further hearing.
- (vii) As per the award dated 20.06.2020 issued by the Conciliator, in connection with the work of dredging for maintenance of channel and basins of Cochin Port for the year 2017-18, Cochin Port may retain 10% as well as the security deposit and to release 15% of the bill amount to DCI as against the withheld amount of 25%. Accordingly, with the approval of the Board [Reso. No.50 (Agenda Item No. B2) dated 28.08.2020] and after obtaining DCI's undertaking that the release of ₹11.95 crore plus GST (total amount ₹14.09crore) is full and final settlement of the subject contract, the payment of ₹11.95 crore has been released.

However, subsequently, DCIL vide letter dated 22.01.2021 and 23.10.2021 claimed to release the SD amount of ₹5.59 Crore withheld. Cochin Port has not agreed to DCIL's request and informed vide letter dated 25.11.2021 based on the advice of LA.

In this regard, DCI vide letter dated 04/05/2022, intimated that they are invoking Arbitration Proceedings and requested CoPA to propose its name for appointment of Arbitrator in the subject matter. In reply, CoPA vide letter dated 14/06/2022 informed that there is no scope to open the case or reconsider and as such CoPA is unable to accede to their claim for refunding the security deposit of ₹5.59 Crores and also to appoint any Arbitrator in this regard.

In addition to the above, some other suits/cases with various Port customers/lessees etc which are pending before various legal forums for disposal.

- (viii) Service-related cases are pending before various forum of the Court of Law, challenging appointments, promotion, seniority, MACP, regularization etc., and in certain cases, Port has been made as Garnishee on the loan obtained by the Port employees which is neither quantifiable nor has major bearing on the revenue /expenditure on the Port account, hence the same is not specifically stated.

c) 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 in Sl No 12(b)(v) of this Notes.

The audited accounts of JMC as on 31.03.2018 shows accumulated profit amounting to ₹35.17 Lakhs. 30% of the profit share amounting to ₹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 ₹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, Cochin Port Leaseholders Association along with 2 other petitioners (pre-1996 lessees) filed a petition vide WP(C) No. 12138/2017 (N) in the Hon'ble High Court of Kerala. Vide order dated 06.04.2017 and on interim stay for recovery of enhanced amounts was granted. Subsequently, 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 31.03.2023 under litigation amounts to ₹3.88 crore, out of which, ₹1.53 crore. 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 ₹1,297/- per Jetty per annum which was enhanced to ₹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 rate ranging between ₹2,000 to ₹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 ₹1.28 crore as on 31.03.2023.

- 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 10 lease cases for which billing has been stopped due to the initiation of Public Property Act/resumption notice issued/litigation.

The License Fee / Lease rental income receivable which are disputed due to court cases being sub-judice are not accounted as income in books of accounts.

- d) Figures of Balance Sheet, P & L Account & Schedules have been regrouped where ever necessary consequent on changes in the items during the year.
- e) A separate set of accounts of Cochin Fisheries Harbour is annexed at Schedule IX to the accounts.

Sd/-
FINANCIAL ADVISER &
CHIEF ACCOUNTS OFFICER

SERVICE TAX MATTERS PENDING BEFORE VARIOUS AUTHORITIES

Annexure-I

Sl. No.	SCN No. & Date	Brief of the Case	Demand (Rs in Cr)	Present Status
1	82/2015/ST dated 17.04.2015	Service tax demand on IGTPPL Royalty for FY 2013-14	6.63	Remitted Pre-deposit of 7.50% of demand of Rs.0.49 crore on 6-04-2016 and filed appeal before the Hon'ble CESTAT, Bangalore on 6.4.2016 against order in original COC -EXCUS-000 -COM- 050/2015-16 dated 28.12.2015
2	287/2015/ST dated 09.10.2015	Service tax demand on Cenvat on Common service Utilized during FY 2010-11 to 2011-12	2.37	Appeal filed before Hon'ble CESTAT, Bangalore in Jan 2019 against Order in Original No CoC-EXCUS-000-COM-30/2018 dated 01.11.2018 by remitting reduced penalty of Rs 28,00,093 as approved by competent authority.
3	146/2011 Dt.10.10.2011	Service Tax on Estate Rentals on Upfront Premium for the period 01.04.2010 to 30.09.2010	2.48	Appeal filed before Hon'ble CESTAT, Bangalore on 09-07-2013 against Order in original No 26/2013/ST dated 23.01.2013 which is being handled by M/s Menon & Pai, advocates from 2020 onwards since the matter may come up to higher courts in future.
4	47/2012/ST Dt.04.04.2012	Service tax of Estate Rentals for the period 01.01.2010 to 31.03.2011	0.61	Appeal filed before Hon'ble CESTAT on 10-07-2013 against order in original 26-27/2013/ST dt. 23.01.2013 which is being handled by M/s Menon & Pai, advocates from 2020 onwards since the matter may come up to higher courts in future.
5	65/2012/ST Dt.17.04.2012 -Appeal No.21335/2016	Various Services Ambuja Cement for FY 2010-11	1.14	Appeal filed before Hon'ble CESTAT on 31.08.2016 against Order-in-Original NO.90/2015-16 Dated 01-03-2016 (Denovo).
6	29/2009/ST DT.02-03-2009	way leave charges from Oct 2007 to Sep 2008	0.06	Appeal filed by Port before Hon'ble CESTAT by depositing pre deposit of 10% against order in original No.640/2014/ST Dated 27-11-2014.
7	53/2014/ST 08.10.2014	ST on Legal charges for the period July 2012 to March 2013	0.001	Appeal filed at Hon'ble CESTAT Bangalore on 11.12.2017 against Order in original APP-209-2017 dated 28.09.2017
8	105/2018-ST Dated 17-04-2018	ST on Minor Port Survey Organisation from FY 2012-13 to 2016-17	0.31	Appeal filed before the Commissioner of Appeals on 21.06.2021 against Order in original 31/2020-21/ST dated 23.03.2021.
9	104/2018/ST/JC dated 30.07.2018	ST on Liquidated Damages from FY 2012-13 to FY 2016-17	1.32	Appeal filed before the Commissioner of Appeals on 18.03.2021 against Order in original No.08/2021-ST (JC) dated 18.01.2021.
		Total	14.92	

Arbitration and Legal proceedings

Sl. No	Party Name	Case Ref No. (OP/WP No. etc)	Brief of the case	Amount Involved	Level of Court	Advocate Name	Last hearing and status of the case
a	M/s India Gateway Terminal Private Limited	OP (Arb) 185/20 (Old No.OP (Arb) 866/17)	Arbitral Tribunal passed award on 12.05.2017 wherein revised date of commencement of License period was awarded in favour of IGTPPL and deployment cost of CISF, Service benefits to deputed employees of Port to be borne by IGTPPL, which is in favour of Port with a direction to sort out the quantum of monies between the parties and disallowed the remaining claims of both IGTPPL and CoPA. Aggrieved by the Orders of Arbitration, CoPA filed petition against this award before District Court, Ernakulam on 16.08.2017.	Claim of IGTPPL - Rs 300 crore and counter claim of CoPA- Rs.1070.71 crore	Principal sub Court, EKM (Commercial Court, EKM) (old - District Court, Ernakulam)	Joseph & Kurian	The case has been partially heard and since, the disputes have been referred to the Conciliation and Settlement Committee, requested the Hon'ble Court for keeping abeyance of the proceedings pending outcome of the settlement.

Sl. No	Party Name	Case Ref No. (OP/WP No. etc)	Brief of the case	Amount Involved	Level of Court	Advocate Name	Last hearing and status of the case
b	M/s. Jaisu Shipping Co. Pvt. Ltd.	OS No 175/2011	Consequent on dismissal of Petition filed by the Port by the Hon'ble District Court vide Order dated 31.01.2020 and as per advise of legal advisors that there is no scope for further appeal, it was decided to close the case by adjusting the amount payable to the party against the sponsorship fee due from the party under the judgment and decree in O.S No 175/2011 amounting to Rs 2.98 crore along with interest @ 12% p.a for volvo ocean race, which was awarded in favour of CoPA on 26.09.2013	Claim of M/s Jaisu Shipping Co Pvt Ltd -Rs 3.51 crore	Dist. Court, Ernakulam	Joseph & Kurian	CoPA is in the process of filing Execution petition for realizing the balance dues from the party.
c	M/s. Jaisu Shipping Co. Pvt. Ltd.	Arbitration	The Bank Guarantee of Rs. 19.25 Crore submitted by M/s. Jaisu Shipping Co. Pvt. Ltd was encashed during 2011-12 as the contract failed to provide the deliverables for which the payments has been withheld by the Port. Arbitration clause invoked by the party.	Claim of M/s Jaisu Shipping Co Pvt Ltd -Rs 795 crore, counter claim Rs 322 crore	Arbitral Tribunal	Joseph & Kurian	As the party defaulted arbitrator's fees for several sittings, proceedings of claim submitted by the party was terminated by the Arbitral Tribunal and only the counter claims of CoPA will be heard. Meanwhile, the presiding arbitrator was deceased on 05.10.2010 and Tribunal not yet re-constituted.

Sl. No	Party Name	Case Ref No. (OP/WP No. etc)	Brief of the case	Amount Involved	Level of Court	Advocate Name	Last hearing and status of the case
d	M/s. Siemens Ltd., Chennai	OP Arb 51/20 (Previous No.Arb.OP 697/13)	Arbitration invoked by the party against recovery of Liquidated Damages w.r.t., Installation & Commissioning of 110 KV sub-station and connected works. Arbitration award was against the Port and hence the Port appealed against the award before the Hon'ble District Court, Ernakulam.	Rs.1.76 Crore	Principal Sub court, EKM.	Joseph & Kurian	The last hearing was posted on 29.03.2023 and adjourned to 18.07.2023.
e	M/s. Tebma Shipyards Ltd	OP Arb 86/20 (Previous No.O.P.(Arb) 39/14)	Arbitration invoked by the party against recovery of Liquidated damages w.r.t., construction and delivery of 2 Nos of 45 TBP tugs. Award was in favour of Port. Appeal filed by the party before Hon'ble District Court, Ernakulam	Rs.8.09 Crore	Principal Sub court, EKM.	Joseph & Kurian	The hearing was last posted on 09.03.2023 but adjourned to 03.06.2023.
f	M/s. East India Engineers	Arbitration Appeal 9/22	Arbitration invoked by the M/s. East India Engineers in connection with release of retention money, modified rates for executing road rectification work etc on the project of 'Providing 200mm Ductile Iron pumping line from UG tanks at Halt area at various locations in Willington Island and Road rectification thereof' and the award is in favor of the Contractor.	Rs.74.59 lakhs	High Court of kerala	B S Krishnan Associates	Aggrieved on Arbitration Award, the OP (Arb.) No.70/2020 before the Hon'ble Commercial Court, Ernakulam, filed by the Port was decreed by upholding the Original Arbitration Award. However, Port preferred further appeal vide Arb Appeal No.9/2022 before the Hon'ble High Court of Kerala which was admitted. The case is adjourned to 29-05-2023.

Sl. No	Party Name	Case Ref No. (OP/WP No. etc)	Brief of the case	Amount Involved	Level of Court	Advocate Name	Last hearing and status of the case
g	M/s. RKEC Projects Private Limited,	Arbitration (Arb. Request No.52/2019)	M/s. RKEC Projects Private Limited invoked Arbitration on 27.04.2019 towards 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., in connection with the project of Construction of MULT at Puthuvypeen amounting to Rs.84.76 crore	Rs.84.76 crore.	Arbitral Tribunal	Menon & Pai	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.
h	M/s. RKEC Projects Private Limited	Arbitration (Arb. Request No.53/2019)	M/s. RKEC Projects Private Limited invoked Arbitration towards 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., in connection with the project of 'Construction of Barge Jetty amounting to Rs. 17.26crore.	Rs.17.26 crore	Arbitral Tribunal	Menon & Pai	Counter claims filed by Cochin Port amounts to Rs.12.57 crore and the Arbitration proceedings are in progress.

Sl. No	Party Name	Case Ref No. (OP/WP No. etc)	Brief of the case	Amount Involved	Level of Court	Advocate Name	Last hearing and status of the case
i	M/s. Marymathal Infrastructure Private Limited	Arbitration	As per the directions of Hon'ble High Court of Kerala, Shri Pius C.Kuriakose, Hon'bleChief Justice (Retd.) has been appointed as Sole Arbitrator in case filed by M/s. Marymatha Infrastructure Pvt Ltd. In connection with the work of 'Construction of Jetty and Allied Facilities for Govt. of India at Cochin Port.	Rs.16.92 Crore including interest.	Sole Arbitrator Justice Pius C. Kuriakose	Justice Pius C. Kuriakose	Posted for Award.
j	IGTPL	Arbitration Petition 36242/22	IGTPL has not paid revenue share @33.3% on sale of SEIS Scrips for 2015-16, 2016-17 and 2017-18 for Rs.6.77 Crore, Rs.6.40 Crore and Rs.8.48 Crore respectively. Port has invoked the Arbitration Clause as per Article 15.3 of the Licence Agreement. The award dated 12.08.2022 passed is in favour of IGTPL and Rs. 50 lakhs have been imposed on CoPA as Costs.		Hon'ble High Court of Bombay	Adv. Anil D'Souza at Mumbai through M/s Joseph &Kuriyan	Port preferred an appeal challenging the Award in the Hon'ble High Court of Bombay. The case not yet posted.

Sl. No	Party Name	Case Ref No. (OP/WP No. etc)	Brief of the case	Amount Involved	Level of Court	Advocate Name	Last hearing and status of the case
k	National Electric Company	OP (Arb) 46/22	Arbitration invoked by M/s. National Electric Company on recovery of Liquidated damages by CoPAin connection with the work of "Providing 1950 KVA HT supply to M/s.Indian Oil Corporation Limited at MULT premises for supply of their LPG Handling facilities" which was decided in favour of the claimant.	Rs 14.89 lakhs	Principal Sub Court, EKM	Joseph & Kurian	Aggrieved, Port preferred an appeal vide OP(Arb) 46/2022 before the Principal Sub Court, Ernakulam. The case is posted to 24/06/2023 for hearing.



AN ISO 9001:2015 & ISPS COMPLIANT PORT

COCHIN PORT AUTHORITY

Willingdon Island, Cochin-682009

AUDIT REPORT ON ANNUAL ACCOUNTS FOR 2022-23

**SEPARATE AUDIT REPORT OF THE COMPTROLLER & AUDITOR GENERAL OF
INDIA ON THE ACCOUNTS OF COCHIN PORT AUTHORITY FOR THE YEAR
ENDED 31 MARCH 2023**

We have audited the attached Balance Sheet of Cochin Port Authority, Cochin as at 31 March 2023 and the Profit and 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 44(2) of the Major Port Authorities Act, 2021. 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 Authority as per Concession Agreement with IGTPL.
- ii. The Balance Sheet and Profit and Loss Account dealt with by this report have been drawn up in the format approved by the Central Government under Section 44(1) of the Major Port Authorities Act, 2021;
- iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Cochin Port Authority as required under Section 44(1) of the Major Port Authorities Act, 2021 in so far as it appears from our examination of such books.

iv. We further report that:

A	BALANCE SHEET
	Application of Funds
1	<p>Current Liabilities & Provisions – ₹ 585.98 crore(Schedule VIII)</p> <p>The Port did not provide the liability for contribution in Pension Fund,Gratuity Fund and towards leave encashment being the retirement benefits of employees amounting to ₹2,171.51 crore ₹101.95 crore and ₹61.05 crore respectively as ascertained through the actuarial valuation by Life Insurance Corporation of India for FY 2022-23. The above short provision of ₹2,334.51 crore is very high as compared to the Profit (₹5.83 crore) of the Port for FY 2022-23.In case the full provision is made in accounts, the Net Worth of the Port would decrease from (-)₹335.73 crore to (-)₹2,670.24 crore and profit for the year would turn in loss of ₹2,328.68 crore.</p> <p>Non-provision for the liability towards retirement benefits of employees resulted in understatement of provisions and overstatement of profit to the extent of ₹2,334.51 crore.</p>
2	<p>Current Liabilities – Deposits from Merchants, Contractors & Others (Sch. VIII): ₹154.86 crore</p> <p>The amount of deposits from merchants, contractors & others was ₹371.90 crore. However, CoPA has netted off the amounts of Advances given to Contractors for Deposit work (₹33.71 crore) and Fixed deposit for deposit work (₹183.33 crore) with the above current liabilities.</p> <p>This resulted in understatement of Current Liabilities - Deposits from Merchants, Contractors and Others by ₹217.04 crore and Current Assets - Loans and Advances by ₹33.71 crore and Cash & Bank balances by ₹183.33 crore.</p>
3	<p>Current Liabilities – General Provident Fund: ₹72.58 crore (Schedule VIII)</p> <p>The amount shown against General Provident Fund balance is understated by ₹69.38 crore due to netting off the account by amount of invested funds in fixed deposits & bank balances. This also resulted in understatement of Cash and Bank balances by ₹66.38 crore and accrued interest by ₹3.00 crore.</p>
B	PROFIT & LOSS ACCOUNT
	EXPENDITURE
1	<p>Finance & Miscellaneous Expenditure: ₹395.96 crore(Schedule M)</p> <p>CoPA did not transfer a minimum of three <i>per cent</i> of the Capital Employed to two reserves viz Reserve for Replacement, Rehabilitation and Modernisation of Capital Assets; and Reserve for Development, Repayment of Loans and Contingencies as per the Ministry’s direction (22 September 1976).</p> <p>This resulted in understatement of Finance & Miscellaneous Expenditure and</p>

	<p>overstatement of Profit for the year by ₹2.51 crore.</p> <p>This was non-compliance was pointed out in SAR for the year 2021-22 also. However, no corrective action was taken by the Port.</p>
C	NOTES TO ACCOUNTS
1	CoPA took over (October 2021) the land extending to 50.52 cents and buildings having total area of 1357 square meter. However, no disclosure about the details of the buildings were made in the notes to the accounts of CoPA for the year 2022-23 as per the Accounting policy disclosed under note no 15.
D	GENERAL
1	Major Port Authorities (Corporate Social Responsibility) Rules, 2021 (1 of 2021) stipulates creation of a social responsibility budget and to allocate funds to the Corporate Social Responsibility projects. As per the Central Government's Revised Guidelines on Corporate Social Responsibility (CSR) for Major Ports (March 2020 and December 2021) a separate paragraph/chapter of the Annual Report of the port on the implementation of the CSR activities/projects including the facts relating to physical and financial progress should be included. However, the annual accounts of the Port do not disclose these facts.
E	GRANT IN AID
	Opening balance of Grant in Aid as on 01 April 2022 was ₹37.71 crore. Grant received by the Port during 2022-23 was ₹ 7.38 crore. A sum of ₹9.87 crore was expended during the year 2022-23 of which ₹0.36 crore was spent from Port's own funds. Interest earned during the year 2022-23 amounts to ₹1.18 crore and interest to be repaid to Ministry amounts to ₹4.21 crore as on 31 March 2023. A sum of ₹32.55 crore remained towards unutilized Grant as on 31 March 2023.

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.

- (i) 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.
- (ii) 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.
 - a. In so far as it relates to the Balance Sheet, of the state of affairs of the Cochin Port Authority as at 31 March 2023; 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 Authority for the last three years is given in **Annexure - II**.

For and on behalf of C&AG of India

Sd/-

(S. Velliangiri)
Principal Director of Commercial Audit

Place: Chennai
Date: 09-10-2023

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) All the balances of various funds are maintained/ deposited together in different bank accounts and treated as a single pool, hence, the exact amount of interest earned pertaining to specific funds like CSR fund is not ascertainable.
- ii) System of obtaining confirmation of balances from Sundry Debtors and Sundry Creditors was not effective. No confirmations were produced for verification.

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 was regular in making payment of undisputed statutory dues except for an amount of ₹4,70,042 payable towards property tax (in respect of IInd Half Yearly Property Tax for the period from 1 October 2022 to 31 March 2023).

Sd/-

DIRECTOR/CA

ANNEXURE - II

Review of Accounts of Cochin Port Authority for the year ended 31 March 2023 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 2021, 2022 and 2023.

(Rs.incrore)

PARTICULARS		2020-21	2021-22	2022-23
A	LIABILITIES			
(i)	Capital Reserves	84.84	84.84	84.84
(ii)	Other reserves	37.42	55.11	49.93
(iii)	Borrowings - Capital debts, Loan from Govt.	206.51	446.82	446.82
	Other loans	0.30	0.30	0.30
(iv)	Current liabilities and Provisions	971.06	768.42	588.32
(v)	Other liabilities	70.98	-	-
	Total	1371.11	1355.49	1170.21
B	ASSETS			
(i)	Fixed Assets	702.36	704.27	716.40
(ii)	Less: Depreciation	(324.30)	(340.63)	-358.10
(iii)	Net fixed assets	378.05	363.64	358.30
(iv)	Capital work in progress	3.70	8.03	1.71
(v)	Investments	1.15	0.15	67.90
(vi)	Current assets, Loans & advances	502.97	507.34	271.80
(vii)	Accumulated deficit	485.24	476.33	470.50
	Total	1371.11	1355.49	1170.21
C	Working Capital ¹	(-468.09)	(-261.08)	(-316.52)
D	Net worth ²	(-362.98)	(-336.38)	(-335.73)
E	Capital employed ³	(-90.04)	(+102.56)	(+) 41.78
F	Return on capital employed ⁴ (in %)	(+)8.00	(+)8.68	(+)13.95
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 2023 are summarized below:-

(Rs.incrore)

	PARTICLUARS	2020-21	2021-22	2022-23
A	Revenue			
(i)	Operating income	683.32	715.80	763.57
(ii)	Non-operating income	43.66	43.32	63.66
	Total	726.98	759.12	827.23
B	Expenditure			
(i)	Operating Expenditure	343.43	367.30	425.44
(ii)	Non-operating expenditure	376.35	382.92	395.96
	Total	719.78	750.22	821.40
C	Net surplus/deficit before appropriation	(+) 7.20	(+) 8.90	(+)5.83
D	Less: Appropriations / add: transfers (net)	0	0	0
E	Surplus/deficit transferred to revenue Reserve	(+) 7.20	(+) 8.90	5.83
F	Percentage of net surplus/ deficit to:			
(i)	Operating income	(+) 1.05	(+) 1.24	(+)0.76
(ii)	Net fixed assets	(+) 1.90	(+) 2.45	(+)1.63
(iii)	Net worth	(-) 1.98	(-) 2.65	(-)1.74

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 51.80, 66.02 and 46.20 during 2020-21, 2021-22 and 2022-23 respectively.
- ❖ Percentage of Quick assets to Current liabilities was 43.88, 52.32 and 30.99 during 2020-21, 2021-22 and 2022-23 respectively.
- ❖ Percentage of Sundry debtors to Operating income was 7.59, 7.44 and 8.18 during 2020-21, 2021-22 and 2022-23 respectively.
- ❖ Capital debt to Capital reserves & General reserves Ratio was 2.02, 4.37 and 4.37 during 2020-21, 2021-22 and 2022-23 respectively.

Sd/-

SENIOR AUDIT OFFICER/CA-II



AN ISO 9001:2015 & ISPS COMPLIANT PORT

COCHIN PORT AUTHORITY

Willingdon Island, Cochin-682009

AUDIT REPORT
WITH
ACTION TAKEN NOTES
FOR 2022-23

Action Taken Notes on the comments on Accounts raised in the Separate Audit Report of Cochin Port Authority for the year ended 31.03.2023

	Audit Query	Reply
A	BALANCE SHEET	
	Application of Funds	
1	<p>Current Liabilities & Provisions (Schedule VIII) – ₹ 585.98 crore</p> <p>The Port did not provide the liability for contribution in Pension Fund, Gratuity Fund and towards leave encashment being the retirement benefits of employees amounting to ₹2,171.51 crore ₹101.95 crore and ₹61.05 crore respectively as ascertained through the actuarial valuation by Life Insurance Corporation of India for FY 2022-23. The above short provision of ₹2,334.51 crore is very high as compared to the Profit (₹5.83 crore) of the Port for FY 2022-23. In case the full provision is made in accounts, the Net Worth of the Port would decrease from (-) ₹335.73 crore to (-) ₹2,670.24 crore and profit for the year would turn in loss of ₹2,328.68 crore.</p> <p>Non-provision for the liability towards retirement benefits of employees resulted in understatement of provisions and overstatement of profit to the extent of ₹2,334.51 crore.</p>	<p>Port is providing contribution to pension fund fully in case of “current service cost” and in case of past service cost, based on availability of funds.</p> <p>Port could not make suitable provisions in connection with past service cost retirement benefit liabilities as per Actuarial valuation in case of pension, gratuity and leave encashment due to its financial crunch, which has huge past service cost.</p> <p>Further, it is to inform that mere providing the liability may not serve the purpose until funds have been transferred.</p> <p>As stated above, considering the availability of funds, past service liability is being made good to the extent of available profits in addition to contribution against “current service liability”.</p> <p>The above position i.e., actuarial liability, fund availability and shortfall thereon has been reported in the Notes to Accounts vide SL No.9.</p>

<p>2</p>	<p>Current Liabilities – Deposits from Merchants, Contractors & Others (Sch. VIII): ₹154.86 crore</p> <p>The amount of deposits from merchants, contractors & others was ₹371.90 crore. However, CoPA has netted off the amounts of Advances given to Contractors for Deposit work (₹33.71 crore) and Fixed deposit for deposit work (₹183.33 crore) with the above current liabilities.</p> <p>This resulted in understatement of Current Liabilities - Deposits from Merchants, Contractors and Others by ₹217.04 crore and Current Assets - Loans and Advances by ₹33.71 crore and Cash & Bank balances by ₹183.33 crore.</p>	<p>The deposit works represents projects carried out by the Port on behalf of other organisations apart from the normal business activity of the Port on centage basis and the projects are being executed out of the funds deposited by those organisations. Hence, disclosing the 'fixed deposits' and 'advance to contractors' made out of funds meant for deposit works and showing the total funds received under Current Liabilities as payable will not reflect true and fair view.</p> <p>Hence, in order to reflect a true and fair view of the financial position of the Port, the reclassification of accounts related to Deposit works are carried out and suitably disclosed in the Notes to Accounts vide SL No.11 under "Deposit Works".</p>
<p>3</p>	<p>Current Liabilities – General Provident Fund: ₹72.58 crore (Schedule VIII)</p> <p>The amount shown against General Provident Fund balance is understated by ₹69.38 crore due to netting off the account by amount of invested funds in fixed deposits & bank balances. This also resulted in understatement of Cash and Bank balances by ₹66.38 crore and accrued interest by ₹3.00 crore.</p>	<p>The surplus contributions of General Provident Fund are being invested with various banks under Fixed Deposits and such investments are not part of Port funds to reflect under "Cash & Bank balances" of the Port, as these funds are related to employees.</p> <p>Hence, in order to reflect a true and fair view of the financial position of the Port, the reclassification of accounts related to General Provident Fund are carried out and suitably disclosed in the Notes to Accounts vide SL No.10 under "General Provident Fund".</p>

B	PROFIT & LOSS ACCOUNT	
	Expenditure	
1	<p>Finance & Miscellaneous Expenditure ₹ 395.96 crore (Schedule M)</p> <p>CoPA did not transfer a minimum of three <i>per cent</i> of the Capital Employed to two reserves viz Reserve for Replacement, Rehabilitation and Modernisation of Capital Assets; and Reserve for Development, Repayment of Loans and Contingencies as per the Ministry's direction (22 September 1976).</p> <p>This resulted in understatement of Finance & Miscellaneous Expenditure and overstatement of Profit for the year by ₹2.51 crore.</p> <p>This was non-compliance was pointed out in SAR for the year 2021-22 also. However, no corrective action was taken by the Port.</p>	<p>It is to mention that Port is giving utmost importance to recoup the shortfall in Pension and Gratuity fund from available surpluses after meeting the operational and statutorily mandatory exigencies as the shortfall in Pension and Gratuity funds are very huge.</p> <p>In view of the above, the expenditure, if any, incurred for Rehabilitation and Modernisation is being met from surplus revenue funds as against the 3% reserve. However, necessary contributions to statutory reserves will be made for Replacement, Rehabilitation and Modernisation of Capital Assets and for the Development, Repayment of Loans and Contingencies from FY 2023-24 onwards, subject to availability of profit after tax, if any.</p>
C	NOTES TO ACCOUNTS	
1	<p>CoPA took over (October 2021) the land extending to 50.52 cents and buildings having total area of 1357 square meter. However, no disclosure about the details of the buildings were made in the notes to the accounts of CoPA for the year 2022-23 as per the Accounting policy disclosed under note no 15.</p>	<p>The matter of M/s. Vazhakkala Rubbers is still under litigation, the property has not been leased out to any other party and the cost of these buildings were also not paid /adjusted against its dues.</p> <p>Further, even though the building is under the possession of CoPA, the legal possession of the building is not yet completed and hence, no disclosure is made on the same in the Notes to Accounts.</p>

D	GENERAL	
1	<p>Major Port Authorities (Corporate Social Responsibility) Rules, 2021 (1 of 2021) stipulates creation of a social responsibility budget and to allocate funds to the Corporate Social Responsibility projects. As per the Central Government's Revised Guidelines on Corporate Social Responsibility (CSR) for Major Ports (March 2020 and December 2021) a separate paragraph/chapter of the Annual Report of the port on the implementation of the CSR activities/projects including the facts relating to physical and financial progress should be included. However, the annual accounts of the Port do not disclose these facts.</p>	<p>As per the directions of the then Ministry of Shipping, necessary annual contributions are being made towards CSR Scheme and the status of such scheme as on 31.03.2023 is disclosed under Sl. No. 7 of Notes to Accounts.</p> <p>As required as per the guidelines, a separate paragraph/chapter of the Annual Report of the Port on the implementation of CSR activities/projects including the facts relating to physical and financial progress will be included in the Annual Administration Report from 2022-23 onwards.</p>
E	<p>GRANT IN AID</p> <p>Opening balance of Grant in Aid as on 01 April 2022 was ₹37.71 crore. Grant received by the Port during 2022-23 was ₹ 7.38 crore. A sum of ₹9.87 crore was expended during the year 2022-23 of which ₹0.36 crore was spent from Port's own funds. Interest earned during the year 2022-23 amounts to ₹1.18 crore and interest to be repaid to Ministry amounts to ₹4.21 crore as on 31 March 2023. A sum of ₹32.55 crore remained towards unutilized Grant as on 31 March 2023.</p>	<p>Factual except Opening Balance of grant-in-aid of ₹37.72 crore and ₹0.35crore spent from Port's own fund.</p>

ANNEXURE I

<p align="center">1</p>	<p>Adequacy of Internal Audit :- No discrepancies were noticed in the Internal Audit</p>	<p align="center">Factual</p>
<p align="center">2</p>	<p>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:</p> <p>i) All the balances of various funds are maintained/ deposited together in different bank accounts and treated as a single pool, hence, the exact amount of interest earned pertaining to specific funds like CSR fund is not ascertainable.</p> <p>ii) System of obtaining confirmation of balances from Sundry Debtors and Sundry Creditors was not effective. No confirmations were produced for verification.</p>	<p>With reference to the interest on CSR funds, there was no specific mandate is exists in the Corporate Social Responsibility guidelines issued by the Ministry, from time to time, for creation of a dedicated fund towards CSR and hence, Cochin Port has not created any fund towards CSR and hence, not earned any interest from the unspent balance.</p> <p>Port generally obtains confirmation from the sundry debtors and accordingly, Port has received confirmations from 58 Nos. of sundry debtors. Since, Audit had not sought any documents in respect of confirmations from debtors, the same was not made available to Audit for verification.</p> <p>With regard to sundry creditors, generally the vendors request the port for balance confirmation. However, as per the information available with the Finance Department, no confirmation has been sought.</p> <p>With regard to the deposit works of Indian Navy, NTRO etc, fund status is reported by way of Monthly Expenditure Report/ Quarterly Expenditure Report etc.</p>

3	<p>Physical verification of Fixed Assets</p> <p>No discrepancies were noticed in the system of verification of Fixed Assets.</p>	Factual
4	<p>System of Physical Verification of Inventories</p> <p>No discrepancies were noticed in the system of verification of Inventories</p>	Factual
5	<p>Regularity in payment of Statutory dues</p> <p>The Port was regular in making payment of undisputed statutory dues except for an amount of ₹ 4,70,042 payable towards property tax (in respect of 2nd Half Yearly Property Tax for the period from 1st October 2022 to 31st March 2023).</p>	<p>Generally, Port is releasing the property tax after adjusting the amount payable by Cochin Corporation. In line with the above, port had issued cheque of ₹ 2,103/- towards property tax for 2nd half of 2022-23 after adjusting the dues of ₹4,67,939/- payable by the Municipal Corporation to Cochin Port Authority, which was denied by Cochin Corporation.</p> <p>The reasons quoted by Cochin Corporation for non-acceptance of payment of ₹4,67,939/- is under examination and suitable decision will be taken on the merits of the case during FY 2023-24.</p>

ANNEXURE II

**REVIEW OF ACCOUNTS OF COCHIN PORT AUTHORITY FOR THE YEAR ENDED
31 MARCH 2023 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 2021, 2021 and 2023.

PARTICULARS		2020-21	2021-22	2022-23	
A	LIABILITIES				
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(ii)	Other reserves	37.42	55.11	49.93	
(iii)	Borrowings - Capital debts, Loan from Govt.	206.51	446.82	446.82	
	Other loans	0.30	0.30	0.30	
(iv)	Current liabilities and Provisions	971.06	768.42	588.32	
(v)	Other liabilities	70.98	-	-	
	Total	1371.11	1355.49	1170.21	
B	ASSETS				
(i)	Fixed Assets	702.36	704.27	716.40	FACTUAL
(ii)	Less: Depreciation	(324.30)	(340.63)	(-)358.10	
(iii)	Net fixed assets	378.05	363.64	358.30	
(iv)	Capital work in progress	3.70	8.03	1.71	
(v)	Investments	1.15	0.15	67.90	
(vi)	Current assets, Loans & advances	502.97	507.34	271.80	
(vii)	Accumulated deficit	485.24	476.33	470.50	
	Total	1371.11	1355.49	1170.21	
C	Working Capital ¹	(-)468.09	(-)261.08	(-)316.52	
D	Net worth ²	(-)362.98	(-)336.38	(-)335.73	
E	Capital employed ³	(-)90.04	(+)102.56	(+) 41.78	
F	Return on capital employed ⁴ (in %)	(+)8.00	(+)8.68	(+)13.95	
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)			
	PARTICULARS	2020-21	2021-22	2022-23	
A	Revenue				FACTUAL
(i)	Operating income	683.32	715.80	763.57	
(ii)	Non-operating income	43.66	43.32	63.66	
	Total	726.98	759.12	827.23	
B	Expenditure				
(i)	Operating Expenditure	343.43	367.30	425.44	
(ii)	Non-operating expenditure	376.35	382.92	395.96	
	Total	719.78	750.22	821.40	
C	Net surplus/deficit before appropriation	(+) 7.20	(+) 8.90	(+)5.83	
D	Less: Appropriations / add: transfers (net)	0	0	0	
E	Surplus/deficit transferred to revenue Reserve	(+) 7.20	(+) 8.90	5.83	
F	Percentage of net surplus/ deficit to:				
(i)	Operating income	(+) 1.05	(+) 1.24	(+)0.76	
(ii)	Net fixed assets	(+) 1.90	(+) 2.45	(+)1.63	
(iii)	Net worth	(-) 1.98	(-) 2.65	(-)1.74	

3. Ratio Analysis:

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

<ul style="list-style-type: none"> ❖ Percentage of Current assets to Current liabilities was 51.80, 66.02 and 46.20 during 2020-21, 2021-22 and 2022-23 respectively. ❖ Percentage of Quick assets to Current liabilities was 43.88, 52.32 and 30.99 during 2020-21, 2021-22 and 2022-23 respectively. ❖ Percentage of Sundry debtors to Operating income was 7.59, 7.44 and 8.18 during 2020-21, 2021-22 and 2022-23 respectively. ❖ Capital debt to Capital reserves & General reserves Ratio was 2.02, 4.37 and 4.37 during 2020-21, 2021-22 and 2022-23 respectively. 	FACTUAL
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Sd/-
**FINANCIAL ADVISER &
CHIEF ACCOUNTS OFFICER**