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## DEENDAYAL PORT TRUST

### SUMMARY OF FINANCIAL REVIEW 2019-20

The Annual Accounts of the Deendayal Port Trust for the year 2019-20 have been drawn up in the prescribed formats as required under section 102 (1) of the Major Port Trust Act 1963. The Annual Accounts are to be submitted to the Office of the Principal Director of Audit (Shipping), Mumbai for statutory audit. latest by 31.05.2020 duly approved by Board as per the time Schedule prescribed by the Central Government. As per Ministry's letter No PD-12015/4/2020-PD-VI(Coord) dated 9th June 2020 due to outbreak of Covid 19 pandemic and frequent lockdown, the said time Schedule has been extended by 30-6-2020. Accordingly, the Annual Accounts are prepared and attached herewith. The salient features of the financial performance are as under:

#### 2 Traffic

The year 2019-20 recorded increase of 6.25% in traffic. The Port has handled 1226.10 lakh tonnes of cargo during 2019-20 as against 1154.02 lakh tonnes in 2018-19. The traffic at Kandla and Vadinar is tabulated below:

(In lakh tonnes)				
SR. NO.	PARTICULARS	R.E. 2019-20	ACTUAL 2019-20	ACTUAL 2018-19
<b>I.</b>	<b>KANDLA</b>			
1	Dry Cargo	435.90	416.71	421.11
	(a) Port	354.40	342.40	353.98
	(b) BOT Operators	81.50	74.31	67.13
2	Liquid Cargo	148.00	157.84	145.96
3	Container (BOT)	47.30	70.20	39.54
	(TEUs in Lakhs)	(1.20)	(4.5)	(2.43)
4	Transshipment	8.80	8.15	1.30
	<b>Total</b>	<b>640.00</b>	<b>652.90</b>	<b>607.91</b>
<b>II.</b>	<b>VADINAR</b>			
1	Crude Oil	435.00	457.10	433.34
2	POL	115.00	116.10	112.77
	<b>Total</b>	<b>550.00</b>	<b>573.20</b>	<b>546.11</b>
	<b>OVERALL</b>	<b>1190.00</b>	<b>1226.10</b>	<b>1154.02</b>
	<b>GRT in lakhs tonnes</b>	<b>949.53</b>	<b>970.40</b>	<b>935.40</b>
	<b>Number of Vessels</b>	<b>2954</b>	<b>3095</b>	<b>2903</b>
	<b>BOT BREAKUP</b>			
3	Tuna Tekra	71.50	64.29	57.27
4	Barge Jetty	10.00	10.02	9.86
5	Container Terminal	47.30	70.20	39.54
	<b>Total</b>	<b>128.80</b>	<b>144.51</b>	<b>106.67</b>

#### 3 Financial Result

The summary of the financial performance of the Port for the year 2019-20 is as under: -

(Rs. in lakhs)				
SR. NO.	PARTICULARS	R.E 2019-20	Actual 2019-20	Actual 2018-19
1	Operating Income	172436.00	172815.53	165746.71
2	Operating Expenditure	74725.00	71403.83	70540.32
3	Operating Surplus	97711.00	101411.70	95206.39
4	Non-Operating income	24214.00	25402.68	18943.01
5	Non-Operating exp.	52377.00	23135.55	60079.81
6	Profit before tax	69548.00	103678.83	54069.59
7	Provision for Income tax & Deferred tax	36000.00	34495.62	29697.80
8	Profit / (-) Loss after tax	33548.00	69183.21	24371.79
9	Less: Income Tax for prior period	0.00	0.00	0.00
10	Net Profit /(-) Loss after tax	33548.00	69183.21	24371.79

**3.1 Operating Income** - The activity wise details of operating income is as follows:-

				(Rs. in lakhs)
SR. NO.	PARTICULARS	RE 2019-20	Actual 2019-20	Actual 2018-19
1	Cargo Handling & Storage	59000.00	60612.66	56976.45
	(a) KPT	50806.00	44850.51	43220.53
	(b) BOT	8194.00	15762.15	13755.92
2	Port & Dock Facility	83113.00	89776.35	80563.91
3	Estate Rentals	29209.00	21552.87	27148.41
	(a) KPT	22889.00	17290.28	17561.46
	(b) BOT	6320.00	4262.58	9586.94
4	Township	843.00	722.19	933.47
5	Railway Earnings	271.00	151.46	124.47
	<b>Total</b>	<b>172436.00</b>	<b>172815.53</b>	<b>165746.71</b>

**The operating income go up by Rs. 7068.82 lakhs (4.26%) compared to last year due to:-**

- >> Increase of Rs. 1629 lakhs in cargo handling income of DPT due to increase in traffic by 3.27 % coupled with Annual escalation of 4.26 % in SOR rates and increase in BOT cargo handling income by Rs. 2006 lakhs due to increase in BOT traffic by 35.46 %.
- >> Increase of Rs. 9212.44 lakhs in Port and Dock charges due to increase Port dues ,Berth Hire, pilotage charges due to increase in GRT by 35.1 lakhs tonnes, increase in number of vessels handled by 192 and increase in average dollar rate from Rs. 68 to Rs. 70.47 during the period from April-19 to March-20.
- >> Decrease of Rs. 5595.54 lakhs in Estate Rentals on account of non-payment of License fee by AKBTPPL and booking of LF receivable from AKBTPPL from April-19 to Oct-19 @ Rs. 7.39 per sqm and from Nov-19 onwards at the rate of Rs. 0.88 per sqm per month after receipt of clarification from Government vide order no. PD-13017/2/2014-PD.IV dated 5/11/2019 with regard to periodic revision of SOR for land and its applicability on PPP projects as against Rs. 26.59 per sqm per month booked in FY 2018-19 leading to reduction in LF by Rs. 3700 lakhs in respect of AKBTPPL and secondly due to nonpayment of Lease rental by IFFCO amounting to Rs. 1000 lakhs.
- >> Decrease of Rs. 211.28 Lakhs in Township Income due to more leasees opting for freehold and reduction in Transfer fees by Rs. 288 lakhs, offset by increase in freehold fees and upfront premium by Rs. 127 lakhs paid by Emami Ltd.

**3.2 Operating Expenditure** - The break up of the operating expenditure is as follows: -

				(Rs. In lakhs)
SR. NO.	PARTICULARS	RE 2019-20	Actual 2019-20	Actual 2018-19
1	Salary and wages	26991.00	26109.85	26297.18
2	Stores	1278.00	459.82	528.00
3	Office & administration expenses	3491.00	2170.35	1919.94
4	Dredging	11500.00	11615.40	12708.72
5	Operation & maintenance expenses	17533.00	15720.77	14789.30
6	CISF & other security	2736.00	2904.43	2480.35
7	Medical	2133.00	1620.19	1774.12
8	Depreciation	9037.00	10476.79	9688.56
9	Other expenditure	26.00	326.22	354.14
	<b>Total</b>	<b>74725.00</b>	<b>71403.83</b>	<b>70540.32</b>

There is an increase in operating expenditure by Rs. 863.51 lakhs (1.22%) as compared to the previous year due to as under:-

- >> Increase in Office & Administration Expenses by Rs. 250.41 lakhs mainly due to increase in legal and litigation cases .
- >> Operation & maintenance expenses increased by Rs.931.47 lakhs due to increase in fuel cost by Rs. 447 lakhs due increase in fuel rate by Rs. 5.49 per litre and fuel consumption by 8023 litres during the year, increase in hire charges paid for craft by Rs. 385 lakhs and sundry R&M works Rs. 145 lakhs.
- >> Increase in security expenditure by Rs. 424.08 lakhs due to increase in Cost of Deployment of CISF personnel and payment of Pay, DA and ECL arrears etc amounting to Rs. 125 lakhs during 2019-20
- >> Increase in Depreciation by Rs. 788.23 lakhs due to addition of assets of Rs. 927 Lakhs during FY 2019-20 and Rs. 6096 lakhs during FY 2018-19
- >> Which is offset by decrease in Dredging expenditure by Rs.1093.32 lakhs due to payment of Rs. 815 lakhs for backlog quantity for earlier years paid during 2018-19 which is not made in current year and medical expenditure by Rs. 154 lakhs and Other expenditure by Rs.27.92 lakhs, as compared to last year.

**3.3 Non Operating Income** - The major sources of non operating income are:

(Rs. in lakhs)				
SR.	PARTICULARS	RE 2019-20	Actual 2019-20	Actual 2018-19
1	Interest on investment	18996.09	19355.49	14891.20
2	Interest on advance to staff	190.20	181.07	174.52
3	Dividend	1242.18	1191.20	910.00
4	Income tax refund	200.00	0.00	151.95
5	Prior Period Income	1215.48	2018.50	443.29
6	Overhead Income (Supervision of Pipeline and Capital Works)	251.00	34.80	1263.94
7	Other receipts and penalties	2119.51	2621.61	1108.11
	<b>Total</b>	<b>24214.46</b>	<b>25402.68</b>	<b>18943.01</b>

The F&M income increased by Rs. 6459.67 lakhs as compared to the previous year, due to increase in interest on investment by Rs. 4464 lakhs due to increase in corpus by Rs. 178948 lakhs due to increase in investible TDRs with banks (Short Term & Long Term), increase in prior period income by Rs. 1575 lakhs due to part receipt of disputed land dues from Kandla leasees during the year which were not accounted earlier and disclosed as disputed and increase in their receipts by Rs. 1513 lakhs due to auction of duty credit scripts issued under SEIS (Service Export from India Scheme) amounting to Rs. 1589 lakhs which is offset by reduction in other miscellaneous income

**3.4** The finance & miscellaneous expenditure comprises the following major items.

(Rs. in lakhs)				
SR.	PARTICULARS	RE 2019-20	Actual 2019-20	Actual 2018-19
1	Contribution to Pension	44810.00	8972.04	50986.14
2	Contribution to gratuity	1300.00	3089.76	1130.10
3	Provision for Bad Debts, General Investment and Slow & Non Moving item	0.00	0.34	805.39
4	Welfare expenditure	380.00	319.05	277.30
5	Contribution to CSR	549.00	549.00	670.00
6	Contribution to Leave Encashment	1000.00	2487.04	1326.56
7	Contribution to NPS	0.00	284.67	269.73
8	Technical Advisory Fees & Others	0.00	333.84	3403.10
9	Prior Period & other expenditures	0.00	7099.81	1211.49
	<b>Total</b>	<b>48039.00</b>	<b>23135.55</b>	<b>60079.81</b>

The F&M expenditure has decreased by Rs. 36944 lakhs as compared to the previous year, on account of less contribution to Pension Trust (42014 lakhs) due to withdrawal of 50% provision amounting to Rs. 39188 lakhs made in FY 2018-19 for valuation of pension liability of retired employees as per the advice of the Audit as the same may not be as per AS 15 and will lead to huge income tax liability. The Audit was accordingly replied comprehensively in action taken notes on the observation of audit on the Annual accounts of 2018-19. Decrease in Technical advisory fees and others by Rs. 3069 lakhs due to refund of Liquidated damages of Rs. 2994 lakhs as per the direction of the Ministry to DCI in FY 2018-19.

There is increase in prior period expenditure by Rs. 5083 lakhs due to payment of Rs. 1568 lakhs being the service tax demand of earlier years settled by availing the one time settlement under Vivad se Vishwas (Legacy Dispute Resolution Scheme), payment of consolidation of pension arrears to pensioners amounting to Rs. 1127 lakhs, due to bearing of Grant in aid of Rs. 1650 lakhs by DPT as per directions of the Ministry which was paid to NHAI in 1998-99 and was appearing as Miscellaneous deposit and payment of GST of Rs. 255 lakhs pertaining to 2017-18. Increase of Rs. 1959 lakhs towards contribution to gratuity fund and increase of Rs. 1160 lakhs towards contribution of leave encashment fund being the GAP valuation

The profit before tax for the current year, thus, stands at Rs. 103678.83 lakhs as against Rs. 54069.59 lakhs of previous year.

**3.5** The provision for income tax comes around Rs. 34495.62 lakhs, as against of Rs. 29697.80 lakhs of last year. Hence, there is net profit after tax of Rs. 69183.21 lakhs, as against Rs. 24371 lakhs during previous year.

**3.6** The appropriation of Rs. 13523.63 lakhs made to the following reserves and funds as under :-

(Rs. in lakhs)		
1	Profit on disposal of Capital Asset	0.00
2	Capital asset replacement reserves	116.31
3	Two 3% MPC reserves	13407.32
	<b>Total</b>	<b>13523.63</b>

#### 4 **Financial Position :**

The financial position of the Port Trust is tabulated below:-

(Rs. in lakhs)			
A.	LIABILITIES	Actual 2019-20	Actual 2018-19
a)	Capital Reserve	277903.46	265987.15
b)	Revenue Reserve	289683.44	229767.66
d)	Capital debt	1611.62	1611.62
e)	Current Liability & Provisions	357827.83	351754.57
	<b>Total Liability</b>	<b>927026.36</b>	<b>849121.01</b>
B.	ASSETS		
a)	Fixed asset less depreciation	171288.60	181122.63
b)	Capital work in progress	51680.75	31091.97
c)	Investment	283847.15	104898.91
d)	Current asset	410929.04	523265.71
	<b>Total Asset</b>	<b>917745.54</b>	<b>840379.23</b>
C.	Working capital	53101.21	171511.14
D.	Capital employed	<b>224389.81</b>	<b>352633.77</b>
E.	Net Worth	567586.91	495754.81
F.	ROR on Capital employed	<b>30.83%</b>	<b>6.91%</b>
G.	Operating ratio	41.32%	42.56%

#### 5 **Capital Expenditure:**

The capital expenditure incurred on plan and non-plan work is shown below: -

(Rs. in lakhs)				
SR.	PARTICULARS	RE 2019-20	Actual 2019-20	Actual 2018-19
1	Construction/Strengthening of Berth	5973.00	5321.00	18759.23
2	Procurement of Craft/Equipment	442.00	273.00	1368.05
3	Rail & Road connectivity	9065.00	3135.00	2352.21
4	Green Energy Project	245.00	194.00	4143.06
5	Smart Industrial Port City	9323.00	8157.00	13395.97
6	Other Works including upto 5 crores	9883.00	4142.00	6386.56
	<b>Total</b>	<b>34931.00</b>	<b>21222.00</b>	<b>46405.08</b>

The capital expenditure has been funded out from the internal resources of the Port.

The Work-in progress, amounting to Rs. 927.83 lakhs, has been capitalized during the year.

#### 6 **Capital debt**

The initial capital debt of 1611.62 lakhs prior to formation of the Port Trust Board is still exhibited in the financial statement, as matter has been referred to the Ministry for one time settlement of the full amount.

#### 7 **Welfare Expenses :-**

An amount of Rs. 319.05 lakhs has been spent towards the staff welfare expenses during the current year as against of Rs. 277.30 lakhs spent in the year 2018-19.

The Board is requested to approve the Annual Accounts of Deendayal Port Trust for the year 2019-20 which are annexed to this note for submission to the Office of the Principal Director of Audit (Shipping), Mumbai for statutory audit.

**FA & CAO**

**Deputy Chairman**

**Chairman**

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**DEENDAYAL PORT TRUST**  
**BALANCE SHEET AS AT 31ST MARCH 2020**

(Rs. In lakhs)

	Sch. No.	As at 31st March, 2020			As at 31st March, 2019		
<b>SOURCES OF FUNDS</b>							
<b>RESERVES AND SURPLUS</b>	1						
Capital reserve			277903.46			265987.15	
Revenue reserves			251553.92			195894.34	
Statutory reserves			15027.95			11078.16	
Infrastructure reserve			23101.58	567586.91		22795.16	495754.81
<b>LOAN FUNDS</b>	2						
Loans				1611.62			1611.62
<b>TOTAL</b>				569198.53			497366.43
<b>APPLICATION OF FUNDS</b>							
<b>FIXED CAPITAL ASSETS</b>	3						
Gross block		274417.08			273489.26		
Less Depreciation provision		103128.48	171288.60		92366.62	181122.63	
Add: Capital work in progress			51680.75	222969.35		31091.97	212214.60
<b>INVESTMENTS</b>	4						
General Fund investment			283847.15			104898.91	
Leave Encashment Fund Investment (LIC)			9280.82	293127.97		8741.77	113640.69
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	5						
<b>Current assets</b>							
i) Accrued interest							
on Provident fund investment		2386.35			2553.79		
on Swap Investment		187.04			187.04		
on General fund investment		11513.63	14087.02		9981.79	12722.63	
ii) Inventories			160.09			132.64	
iii) Sundry debtors							
-More than six month		52073.10			41133.60		
a) Government		3782.62			733.30		
b) Non-Government		48290.48			40400.30		
-Less than six month		16277.98	68351.08		17587.72	58721.32	
a) Government		727.01			3583.48		
b) Non-Government		15550.97			14004.25		
iv) Cash and bank balances			19293.87			185028.48	
v) Provident fund investments			32895.00			33718.00	
<b>LOANS, ADVANCES &amp; DEBIT BALANCES</b>	6		134787.06			290323.06	
iv) Advances & debit balance		59559.63			54497.08		
vi) Deposits		294.66			1768.50		
vii) Advance tax, Demand & TDS		216287.69	276141.98		176677.07	232942.65	
<b>LESS: CURRENT LIABILITIES &amp; PROVISION</b>	7		410929.04			523265.71	
			357827.83			351754.57	
<b>NET CURRENT ASSETS</b>				53101.21			171511.14
<b>TOTAL</b>				569198.53			497366.43

  
**CHAIRMAN**  
**KANDLA PORT TRUST**

  
**RA & CAO**  
**KANDLA PORT TRUST**

DEENDAYAL PORT TRUST			
SCHEDULE TO BALANCE SHEET		ANNUAL ACCOUNTS 19-20	
SCHEDULE I- RESERVES & SURPLUS			
(Rs. In Lakhs)			
Sr. No	Particulars	As on 31.03.2020	As on 31.03.2019
	<b>Liability Schedule</b>		
I	<b><u>Capital Reserve</u></b>		
	Opening Balance	265987.15	231712.68
	Add: Contribution from Capital Asset Repl Reserve	116.31	196.38
	Add: Contribution from 3% reserve for replacement, rehabilitation & modernization	5400.00	10962.87
	Add: Contribution from 3% reserve for development, repayment of loans & contingencies	6400.00	22756.87
	Add: Capital receipts & interest	0.00	358.35
	<b>Closing Balance I</b>	<b>277903.46</b>	<b>265987.15</b>
II	<b><u>REVENUE RESERVES</u></b>		
1	<b><u>General Reserve Fund:</u></b>		
	Opening Balance	193893.84	183626.26
	Add: Contribution from Revenue A/c	55659.58	10267.59
	<b>Closing Balance (A)</b>	<b>249553.42</b>	<b>193893.84</b>
2	<b><u>Capital Asset Replacement Reserve:</u></b>		
	Opening Balance	2000.00	2000.00
	Add: Contribution from Revenue A/c	116.31	196.38
	Less: Amt transferred to Capital reserve	-116.31	-196.38
	<b>Closing Balance (B)</b>	<b>2000.00</b>	<b>2000.00</b>
3	<b><u>Employees Welfare Fund:</u></b>		
	Opening Balance	0.50	0.50
	Add: Contribution from other funds/ reserves	334.41	298.16
	Less: Other transfer	-334.41	-298.16
	<b>Closing Balance (C)</b>	<b>0.50</b>	<b>0.50</b>
	<b>Total Closing Balance II (A+B+C)</b>	<b>251553.92</b>	<b>195894.34</b>
III	<b><u>STATUTORY RESERVES</u></b>		
1	<b><u>3% Reserve for Replacement, Rehabilitation &amp; Modernization</u></b>		
	Opening Balance	7159.66	10666.54
	Add: Contribution from Revenue A/c	6703.66	6775.25
	Add: Receipts (Interest)	1782.58	680.74
	Less: Transferred to Capital Reserve	-5400.00	-10962.87
	<b>Closing Balance (A)</b>	<b>10245.90</b>	<b>7159.66</b>
2	<b><u>3% Reserve for Development, Repayment of loans &amp; Contingencies</u></b>		
	Opening Balance	3918.49	18706.63
	Add: Contribution from Revenue A/c	6703.66	6775.25
	Add: Receipts (Interest)	559.89	1193.48
	Less: Transferred to Capital Reserve	-6400.00	-22756.87
	<b>Closing Balance (B)</b>	<b>4782.04</b>	<b>3918.49</b>
	<b>Total Closing Balance III (A+B)</b>	<b>15027.95</b>	<b>11078.16</b>
IV	<b><u>INFRASTRUCTURE RESERVE</u></b>		
	Opening Balance	22795.16	21428.04
	Add: Receipts (Interest)	306.43	1367.12
	<b>Closing Balane IV</b>	<b>23101.59</b>	<b>22795.16</b>
	<b>Grand Closing Balance (I+II+III+IV)</b>	<b>567586.91</b>	<b>495754.81</b>

**DEENDAYAL PORT TRUST**

**SCHEDULE TO BALANCE SHEET** **ANNUAL ACCOUNTS 19-20**

**SCHEDULE II - LOAN FUNDS**

(Rs. In Lakhs)

Sr. No	Particulars	As on 31.03.2020	As on 31.03.2019
1	Capital Debts from Govt. of India prior to incorporation	1611.62	1611.62
2	Secured Loan against the pledge of F.D.R	0	0
	<b>Total</b>	<b>1611.62</b>	<b>1611.62</b>

Note:

The Port Trust was formulated under MPT Act, 1963 on 29.02.1964. Under the provisions of the MPT Act an amount of Rs 161162478 was determined as initial capital debt which is exhibited in the balance sheet as capital debt pending final fixation and mode of repayment. An amount of Rs 15 lakhs is being made to Government annually as interest and charged to revenue account till a decision is taken by the Ministry.



## DEENDAYAL PORT TRUST

## SCHEDULE TO BALANCE SHEET

ANNUAL ACCOUNTS 2019-20

## SCHEDULE 3 - FIXED CAPITAL ASSETS

(Rs. In lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As on 1st April 2019	Additions	Deletions	As on 31st March. 2020	As on 1st April 2019	Additions	Deletions	As on 31st March, 2020	As on 1st April 2019	As on 31st March. 2020
Land	3238.55	0.00	0.00	3238.55					3238.55	3238.55
Capital Dredging	47332.43	0.00	0.00	47332.43	22683.95	2643.21	0.00	25327.16	24648.48	22005.27
Buildings, Sheds and Other Structures	25691.62	479.96	0.00	26171.58	8138.15	760.65	0.00	8898.81	17553.47	17272.78
Wharves, Roads & Boundaries	48675.38	-29.95	0.00	48645.43	17038.92	1583.31	0.00	18622.23	31636.46	30023.20
Floating Crafts	22534.98	0.00	0.00	22534.98	10249.64	849.33	0.00	11098.97	12285.34	11436.01
Railway & Rolling Stock	13377.10	8.43	0.00	13385.53	3361.08	564.37	0.00	3925.46	10016.02	9460.08
Docks, Sea Walls, Piers Navigational Aids	60566.70	132.08	0.00	60698.78	10888.75	1223.22	0.00	12111.97	49677.94	48586.81
Cranes & Vehicles	18320.05	0.00	0.00	18320.05	8447.05	1274.70	0.00	9721.75	9873.00	8598.29
Plant & Machinery	18515.67	7.82	0.00	18523.49	2145.99	1006.62	0.00	3152.61	16369.69	15370.89
Installations of Water, Electricity, Telecom, Fire Fighting	13916.81	329.49	0.00	14246.29	8598.17	730.43	0.00	9328.60	5318.64	4917.70
Oil Pipeline	1319.96	0.00	0.00	1319.96	814.92	126.02	0.00	940.93	505.05	379.03
<b>Gross Block</b>	<b>273489.26</b>	<b>927.83</b>	<b>0.00</b>	<b>274417.08</b>	<b>92366.62</b>	<b>10761.86</b>	<b>0.00</b>	<b>103128.48</b>	<b>181122.63</b>	<b>171288.60</b>
<b>Capital Works in Progress</b>	<b>31091.97</b>	<b>21516.61</b>	<b>927.83</b>	<b>51680.75</b>					<b>31091.97</b>	<b>51680.75</b>

Note: 1) The value of the assets is shown at original cost.

2) The total depreciation of Rs.10761.86 lakhs addition during the year includes arrear depreciation of Rs.285.07 lakhs , which is charged to prior period expense.

DEENDAYAL PORT TRUST						
SCHEDULE TO BALANCE SHEET			ANNUAL ACCOUNTS 2019-20			
SCHEDULE 4 - INVESTMENTS						
(Rs. In lakhs)						
Type of Investment	Capital Assets Replacement Reserve	Statutory Reserves	Infrastructure Reserve	General Reserve	Total as on 31/3/2020	Investments as on 31/03/2019
Long Term Investments						
Term Deposits with Banks		1262.48	23101.58	225253.95	249618.00	70670.21
Equity Participation with M/s. India Ports Rail Corporation Ltd.				720.00	720.00	720.00
Equity Participation with M/s. KRCL				5200.00	5200.00	5200.00
Equity Participation with M/s. DCI Ltd. (Quoted)				25704.52	25704.52	25704.52
Equity Participation with Petronet				500.00	500.00	500.00
Bonds in other PSUs/Long term deposits & Shares in SRC	2000.00			104.63	2104.63	2104.19
Total Investments	2000.00	1262.48	23101.58	257483.09	283847.15	104898.91

DEENDAYAL PORT TRUST				
SCHEDULE TO BALANCE SHEET		ANNUAL ACCOUNTS 2019-20		
SCHEDULE 5 - CURRENT ASSETS				
A. Current Assets		(Rs. In lakhs)		
Particulars		As on 31-3-2020	As on 31-3-2019	
<b>Accrued Interest:</b>				
Accrued interest on General Fund Investments		11513.63	9981.79	
Accrued interest on Swap Investments		187.04	187.04	
Accrued interest on Provident Fund Investments		2386.35	2553.79	
<b>Total</b>		<b>14087.02</b>	<b>12722.63</b>	
<b>Sundry Debtors:</b>				
Sundry Debtors - Traffic Department		7822.52	6033.81	
Sundry Debtors - Marine Department		7707.02	5009.20	
Sundry Debtors - Engineering Department		27969.17	26930.21	
Sundry Debtors - Township Department		22242.79	18232.13	
Sundry Debtors - Civil Engineering Department		51.54	33.71	
Sundry Debtors - Miscellaneous		2558.03	2482.25	
<b>Total</b>		<b>68351.08</b>	<b>58721.32</b>	
<b>Cash &amp; Bank Balances:</b>				
<u>Balances with Banks:</u>				
Punjab National Bank, Gandhidham(DB-10,19,26,28 & 33)		259.06	146.84	
Punjab National Bank, Kandla (Current A/c.) (DB-12 & 37)		1099.83	511.52	
Punjab National Bank, Kandla (Saving A/c.) (DB-13)		192.76	1085.29	
State Bank of India, Gandhidham (DB-2,9,14,24,30 & 35)		173.49	1684.09	
Indian Overseas Bank, Gandhidham (DB-3)		260.67	1428.93	
HDFC Bank (DB-4,16 & 21)		414.17	15.53	
AXIS Bank (DB-5,6 & 20)		275.32	1451.56	
State Bank of India, IOB & BOI, Vadinar		1240.64	1357.01	
Dena Bank (DB-7)		0.00	0.96	
Corporation Bank (23)		31.14	56.55	
State Bank of India (PF) (DB-15)		295.38	88.99	
IDBI, Gandhidham (DB-22)		405.72	0.00	
ICICI Bank(DB-8)		121.14	764.01	
Allahabad Bank (DB-31)		5.90	428.32	
Bank of Baroda (DB-32, 34 & 36)		737.23	2877.84	
Union Bank of India (DB-27)		0.01	20.61	
Cheque in Transit		0.18	0.18	
<b>Total</b>		<b>5512.64</b>	<b>11918.21</b>	
<b>Short Term Investment with Bank</b>				
-Statutory Reserve		13765.47	11078.16	
-Infrastructure Reserve			22795.15	
-General Reserve			139231.66	
<b>Total</b>		<b>13765.47</b>	<b>173104.97</b>	
<u>Cash on hand &amp; in transit</u>				
Cash Section, Gandidham		10.00	0.00	
Imprest Account with Officers		5.77	5.30	
<b>Total</b>		<b>15.77</b>	<b>5.30</b>	
<b>Provident Fund / NPS Investments</b>				
Investment of Provident Fund		32895.00	33718.00	
Investment of New Pension Scheme (NPS)		0.00	0.00	
<b>Total</b>		<b>32895.00</b>	<b>33718.00</b>	
<b>Inventories:</b>				
<b>Particulars</b>	<b>Main Store</b>	<b>Marine Store</b>	<b>Workshop Store</b>	<b>Total</b>
Opening balance as on 1.4.2019	126.06	2.38	4.19	<b>132.64</b>
Add : Purchases during the year	425.22	366.64	0.56	792.42
Less : Issues during the year	426.99	336.64	1.33	764.97
Closing balance as on 31.3.2020	124.29	32.38	3.42	<b>160.09</b>
<b>Total Current Assets</b>		<b>134787.06</b>		<b>290323.06</b>

DEENDAYAL PORT TRUST				
SCHEDULE TO BALANCE SHEET		ANNUAL ACCOUNTS 2019-20		
SCHEDULE 6 - LOANS, ADVANCES & DEBIT BALANCES				
(Rs. In lakhs)				
Particulars	Opening Balance as on 1.4.2019	Addition	Deletion	Closing Balance as on 31.3.2020
<b>Advances &amp; Debit Balances:</b>				
Marriage Advance	266.40	172.98	179.63	259.76
Conveyance Advance	301.68	74.97	156.81	219.84
House Building Advance	306.68	159.31	75.50	390.50
Festival Advance	848.98	1038.17	1156.20	730.95
Computer Advance	38.19	2.00	16.07	24.12
Service Tax Recoverable	12096.00	0.00	0.00	12096.00
GST Recoverable	5043.71	5627.15	262.62	10408.24
Advance to Suppliers, Contractor & Others	35595.42	69033.66	69198.87	35430.22
<b>Total</b>	<b>54497.08</b>	<b>76108.25</b>	<b>71045.70</b>	<b>59559.63</b>
<b>Deposits</b>				
Deposits with other Organisation	1768.50	176.16	1650.00	294.66
<b>Total</b>	<b>1768.50</b>	<b>176.16</b>	<b>1650.00</b>	<b>294.66</b>
<b>Income Tax</b>				
Advance tax, TDS, Demand and Refund	176677.07	48091.90	8481.28	216287.69
<b>Total</b>	<b>176677.07</b>	<b>48091.90</b>	<b>8481.28</b>	<b>216287.69</b>
<b>Total Advances &amp; Debit Balances</b>	<b>232942.65</b>	<b>124376.31</b>	<b>81176.98</b>	<b>276141.98</b>
Total Current Assets, Advances & Debit Balance	<b>266660.65</b>			<b>309036.98</b>

DEENDAYAL PORT TRUST		
SCHEDULE TO BALANCE SHEET	ANNUAL ACCOUNTS 2019-20	
SCHEDULE 7 - CURRENT LIABILITIES & PROVISIONS	(Rs. In lakhs)	
Particulars	As at 31.3.2020	As at 31.3.2019
<b><u>Current Liabilities</u></b>		
Salaries & wages payable	401.82	3305.96
Creditors for Stores	15.06	50.98
Accrued Expenses	14921.49	21815.08
<u>Miscellaneous Creditors &amp; Credit Balances</u>		
Income Tax - TDS from employees	61.35	431.36
Income Tax - TDS from others	254.14	303.32
Society, Associations, Club and Union Recovery	37.10	21.73
Integrated Goods and Services Tax	131.02	21.53
Central Goods and Services Tax	1482.48	987.55
State Goods and Service Tax	1482.48	987.55
Professional Tax	55.36	46.10
Provision for Income Tax	195609.49	161113.87
Provision for contriution to KPTSS	9197.64	43081.00
Others	318.56	320.74
	208629.63	207314.75
Unadjusted Sales Proceeds of Capital Assets & Unclaimed Goods	1366.49	1246.86
Deposits from Merchants, Contractors & Others	71687.53	60176.29
KPT Employee Insurance	9.17	17.97
HBA Special Benefit Scheme	156.42	150.47
Leave Encashment Fund	9280.82	8113.06
Provisions for diminution in investments	604.60	604.60
Provisions for diminution in interest	187.04	187.04
Provisions for Bad Debts	470.50	470.50
Provision for Slow & Bon Moving items of stores	35.16	43.26
Gratuity Fund	1799.27	0.00
New Pension Scheme	85.48	43.40
Provident fund	35575.18	36024.35
Prime Minister Fund	3.48	0.00
Fund for Corporate Social Responsibility	2809.04	2400.34
Provision for Deferred Tax Liability	9789.67	9789.67
<b>Total</b>	<b>357827.83</b>	<b>351754.57</b>

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**DEENDAYAL PORT TRUST**  
**PROFIT & LOSS ACCOUNT FOR 2019-20**

(Rs. In lakhs)

Particulars	Schedule No.	Current Year 2019-20	Previous Year 2018-19
<b>Income</b>			
Cargo Handling & Storage Charges	I	60612.66	56976.45
Port & Dock Charges	II	89776.35	80563.91
Railway Earnings	III	151.46	124.47
Estate Rentals	IV	22275.05	28081.88
<b>Total Operating Income</b>		<b>172815.53</b>	<b>165746.71</b>
<b>Expenditure</b>			
Cargo Handling & Storage	V	20290.88	20219.01
Port & Dock Facilities	VI	31252.45	31039.84
Railway Workings	VII	562.03	593.25
Rentable Land & Buildings	VIII	3462.94	3392.84
Management & General Administration	IX	15835.53	15295.38
<b>Total Operating Expenditure</b>		<b>71403.83</b>	<b>70540.32</b>
<b>Operating Surplus / Deficit:</b>		<b>101411.70</b>	<b>95206.39</b>
Add: Finance & Miscellaneous Income	X	25402.68	18943.01
Less: Finance & Miscellaneous Expenditure	XI	23135.55	60079.81
<b>Profit Before Tax</b>		<b>103678.83</b>	<b>54069.59</b>
Provision for Deferred Tax (Note No.B(1) to Notes on Accounts)		0.00	0.00
Income Tax for the year (Note No. B(1) to Notes on Accounts)		34495.62	29697.80
<b>Profit after Tax</b>		<b>69183.21</b>	<b>24371.79</b>
<b>Less :-</b>			
Income Tax for the prior period		0.00	0.00
<b>Amount Available for Appropriation</b>		<b>69183.21</b>	<b>24371.79</b>
Profit on disposal of Capital Assets	X	0.00	357.32
Contribution to Capital Assets Replacement Reserve	1	116.31	196.38
Contribution to Reserve for Replacement, Rehabilitation & Modernisation of Assets	1	6703.66	6775.25
Contribution to Reserve for Development, Repayment & Contingencies	1	6703.66	6775.25
<b>Total Appropriations</b>		<b>13523.63</b>	<b>14104.20</b>
<b>Balance transferred to General Reserve</b>		<b>55659.58</b>	<b>10267.59</b>

  
**CHAIRMAN**  
**KANDLA PORT TRUST**

  
**FA & CAO**  
**KANDLA PORT TRUST**

**DEENDAYAL PORT TRUST**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT**  
**OPERATING INCOME**

(Rs. In lakhs)

Particulars	Current Year 2019-20	Previous Year 2018-19
<b><u>Schedule - I</u></b>		
<b><u>Cargo Handling &amp; Storage Charges</u></b>		
Handling & Storage Charges	18804.90	16626.50
Warehousing Fees	445.16	465.71
POL Handling Charges	16261.35	15296.77
Sundry Handling	158.15	99.36
Demurrage Fees	901.59	833.24
Weighment Charges	386.96	388.25
Entry Permit Fees	49.25	42.92
Stevedoring Income from Agriculture Product	1134.09	521.46
Revenue share for operating Mobile Harbour Crane	1628.56	1848.23
Dock Labour Stevedoring Income	5080.49	7098.09
<b><u>Royalty Income from BOT</u></b>	<b><u>15762.15</u></b>	<b><u>13755.92</u></b>
Vadinar Oil Terminal	8104.05	7241.11
Tuna Port - M/s. Adani Kandla Bulk Terminal	5100.12	4916.39
Container Terminal Kandla - M/s. KICTPL	2164.87	1248.88
Barge Jetty - M/s. IFFCO Kisan	393.12	349.53
<b>Total</b>	<b>60612.66</b>	<b>56976.45</b>
<b><u>Schedule - II</u></b>		
<b><u>Port &amp; Dock Charges</u></b>		
Towage & Mooring Fees	8287.77	7316.17
Berth Hire Charges	14379.42	14731.00
Pilotage Fees	47028.04	40247.87
Port Dues	19428.89	18084.86
Drydocking Charges	624.51	181.85
Launch Hire	0.00	2.16
Other Receipts	27.72	0.00
<b>Total</b>	<b>89776.35</b>	<b>80563.91</b>
<b><u>Schedule - III</u></b>		
Railway Earnings	151.46	124.47
<b>Total</b>	<b>151.46</b>	<b>124.47</b>
<b><u>Schedule - IV</u></b>		
<b><u>Estate Rentals</u></b>		
Township Land Rentals	32.93	56.80
Freehold Conversion Fees	249.15	216.12
Rent from Lands	19908.73	25842.26
Rent from Buildings, Sheds & Godowns	154.61	318.99
Premium on Leased Land	326.25	198.67
Water Charges	21.61	22.19
Electricity Charges	1265.70	397.31
Mortgage Charges	37.72	122.36
Transfer Fees	128.64	417.43
Other Miscellaneous Income (Kandla Land)	68.70	434.14
Other Miscellaneous Income (Gandhidham Land)	81.02	55.61
<b>Total</b>	<b>22275.05</b>	<b>28081.88</b>
<b>Total Operating Income</b>	<b>172815.53</b>	<b>165746.71</b>

<b>DEENDAYAL PORT TRUST</b> <b>SCHEDULE TO PROFIT &amp; LOSS ACCOUNT</b> <b>OPERATING EXPENDITURE</b>			(Rs. In lakh)
Particulars	Current Year 2019-20	Previous Year 2018-19	
<b><u>Schedule - V</u></b>			
<b><u>Cargo Handling &amp; Storage</u></b>			
Handling & Storage of General Cargo at Sheds & Wharves	10806.86	10510.89	
Warehousing	123.39	245.07	
Operation & Maintenance of Cranes	2022.79	2579.26	
POL Handling Expenses	204.73	193.39	
Expenditure on General Facilities (Jetties, Sanitation, Elect., Road, etc.)	1122.75	785.32	
Administration & General Expenses	692.62	1550.92	
Insurance	0.00	7.68	
Depreciation	5317.74	4346.49	
<b>Total</b>	<b>20290.88</b>	<b>20219.01</b>	
<b><u>Schedule - VI</u></b>			
<b><u>Port &amp; Dock Facilities</u></b>			
Berthing & Mooring	2405.59	2755.96	
Pilotage & Towing	10617.83	8835.72	
Dry Docking Expenses	104.85	110.49	
Water Supply to Shipping	1.10	41.74	
Fire Fighting	1019.47	1051.62	
Dredging & Marine Survey	12164.76	13254.66	
Expenditure on 11th & 12th Cargo Berth	31.39	55.64	
Operation & Maintenance of Navigational Aids	153.30	151.57	
Salvage & Underwater Repairs	31.45	33.81	
Maintenance of Docks, Harbour Walls & Marine Structure	4.11	0.00	
Administration & General Expenses	1238.83	1123.96	
Depreciation	3479.77	3624.66	
<b>Total</b>	<b>31252.45</b>	<b>31039.84</b>	
<b><u>Schedule - VII</u></b>			
<b><u>RAILWAY WORKINGS</u></b>			
Maintenance of Yards & Sidings	90.65	123.56	
Depreciation	471.38	469.69	
<b>Total</b>	<b>562.03</b>	<b>593.25</b>	
<b><u>Schedule - VIII</u></b>			
<b><u>Rentable Lands &amp; Buildings</u></b>			
Estate Maintenance	2554.34	2362.54	
Administration & General Expenses	488.04	597.50	
Depreciation	420.56	432.79	
<b>Total</b>	<b>3462.94</b>	<b>3392.84</b>	
<b><u>Schedule - -IX</u></b>			
<b><u>Management &amp; General Administration</u></b>			
Management & Secretarial Expenses	6102.27	5248.91	
Accounting & Auditing	1256.20	1341.27	
Legal	1084.77	968.22	
Medical Expenses	2356.12	2583.83	
Store Keeping	327.82	349.40	
Expenditure on Head Office Bldg. & Telephone	248.55	201.38	
Engineering & Workshop Overheads	3602.95	3708.19	
Sundry Expenses	236.19	245.95	
Depreciation	620.66	648.23	
<b>Total</b>	<b>15835.53</b>	<b>15295.38</b>	
<b>Total Operating Expenditure</b>	<b>71403.83</b>	<b>70540.32</b>	



**DEENDAYAL PORT TRUST**  
**SCHEDULE TO PROFIT & LOSS ACCOUNT**

(Rs. In lakh)

Particulars	Current Year 2019-20	Previous Year 2018-19
<b><u>Schedule - X</u></b>		
<b><u>Finance &amp; Miscellaneous Income</u></b>		
Interest on General & Other Reserve Fund Investments	19355.49	14891.20
Interest on Staff Advances & delayed Payments	181.07	174.52
Dividend Income	1191.20	910.00
Profit on Sale of Capital Asset	0.00	357.32
Sale of Unserviceable Materials	3.78	0.00
Lapsed & Forfeited Deposits	17.05	51.75
Sale of Unclaimed Goods	36.32	3.28
Testing Fees	7.05	48.85
Interest on refund of Income Tax	0.00	151.95
Overhead Income	34.80	1263.94
Income from 11th & 12th Cargo Berth	0.00	0.03
Permit & License	26.50	4.60
Storage Charges	0.00	0.14
Fire Fighting Charges	67.97	31.98
Sale of Documents	29.78	7.24
Vehicle Hire Charges	0.08	0.08
Medical Charges from Outsiders	1.64	1.40
Other Receipts	2431.43	601.44
Prior Period Income	2018.50	443.29
<b>Total F&amp;M Income</b>	<b>25402.68</b>	<b>18943.01</b>
<b>Total Income</b>	<b>198218.21</b>	<b>184689.71</b>
<b><u>Schedule - XI</u></b>		
<b><u>Finance &amp; Miscellaneous Expenditure</u></b>		
Bank & Commission Charges	1.14	0.87
Interest on delayed/disputed payment of Service Tax/GST	3.05	20.64
Interest on delayed/disputed payment of Income Tax	0.00	0.15
Interest on Govt. Loan and Secured Loan	15.00	15.00
GST expenses	1436.93	929.57
Loss on Sale of Assets	0.00	0.47
Covid Expenses	9.51	0.00
Contribution to Gratuity Fund	3089.76	1130.10
Contribution to Pension Fund	8972.04	50986.14
Exgratia on Special V.R.S. Scheme	441.32	0.33
Retirement Travelling Allowance	9.33	6.38
Contribution to New Pension Scheme	284.67	269.73
Contribution to Leave Encashment Fund	2487.04	1326.56
Provisions for General Investment	0.00	291.64
Provision for Bad & Doubtful debts	0.00	470.50
Provision for Non Moving & slow moving of stores	0.34	43.26
Misc. Expenditure	333.84	3403.10
Grant-in-aid	1650.00	0.00
Welfare Expense	319.05	277.30
Contribution to Corporate Social Responsibility	549.00	670.00
Wage Revision Dues	1127.72	46.61
Prior Period Expenditure	2405.81	191.48
<b>Total F &amp; M Expenditure</b>	<b>23135.55</b>	<b>60079.81</b>
<b>Total Expenditure</b>	<b>94539.38</b>	<b>130620.12</b>
<b>Surplus before Tax</b>	<b>103678.83</b>	<b>54069.59</b>
Provision for Deferred Tax (See Note No.B (1) of Notes on Accounts)	0.00	0.00
Income Tax (See Note No.B (1) of Notes on Accounts)	34495.62	29697.80
<b>Net Surplus after Tax</b>	<b>69183.21</b>	<b>24371.79</b>
Income Tax for the prior period	0.00	0.00
<b>Amount Available for Appropriation</b>	<b>69183.21</b>	<b>24371.79</b>

DEENDAYAL PORT TRUST		
SCHEDULE TO PROFIT & LOSS ACCOUNT		(Rs. In lakh)
Particulars	Current Year 2019-20	Previous Year 2018-19
<b><u>Schedule - XII</u></b>		
<b><u>A) Salaries &amp; Wages</u></b>		
Salaries & Wages	21332.70	21931.99
Overtime	4133.77	3647.94
Stipend to Trainees	227.74	225.06
Productivity Linked Reward	365.00	443.77
Leave Travel Concession	50.65	48.42
<b>Salaries &amp; Wages Total</b>	<b>26109.85</b>	<b>26297.18</b>
<b><u>B) Stores</u></b>		
Stores (Uniform)	40.75	14.08
Stores (Operation)	73.72	0.60
Stores (Repairs & Maintenance)	345.36	513.32
<b>Stores Total</b>	<b>459.82</b>	<b>528.00</b>
<b><u>C) Office &amp; Administrative Expenses</u></b>		
Communication	82.18	42.38
Travelling Expenses	130.26	115.50
Furniture, Office Equipment, Etc.	20.96	14.79
Books & Periodicals	0.54	0.76
Stationery	18.86	15.34
Payment under Workmen Compensation Act	0.00	2.98
Advertisement & Publicity	111.60	161.00
Legal, Arbitration & Professional Fees	1239.57	1020.58
Rent, Rates & Taxes	13.76	15.12
Audit Fees and Accounting Expenses	24.76	10.94
Tax Audit Fees	32.00	57.30
Contribution & Subscription	484.11	451.08
Trustees Fees	1.37	0.48
Office Equipment Maintenance	1.52	2.04
Entertainment	8.85	9.67
<b>Office &amp; Administrative Expenses Total</b>	<b>2170.35</b>	<b>1919.94</b>
<b><u>D) Operation &amp; Maintenance Expenses</u></b>		
Power	987.10	1087.35
Fuel	4169.98	3722.08
Maintenance Dredging	11615.40	12708.72
R&M of Equipment, Craft, Infrastructure Facilities	4052.74	3906.99
Hire Charges of Vehicles	396.82	441.17
Hire of Crafts	5737.83	5352.46
Water Charges	376.31	279.26
<b>Operation &amp; Maintenance Expenses Total</b>	<b>27336.17</b>	<b>27498.03</b>
<b><u>E) Security Expenses</u></b>		
Expenditure on CISF	2897.16	2476.46
Police & Other Security Agencies	7.27	3.90
<b>Security Expenses Total</b>	<b>2904.43</b>	<b>2480.35</b>
<b><u>F) Medical Expenses</u></b>		
Fees to Outside Professionals	76.20	50.99
Stores (Medical)	50.79	35.94
Medicines to Staff	395.06	632.46
Charges Paid to Outside Hospitals	477.79	361.38
Retired Medical Scheme	583.22	663.58
Other Medical Expenses	37.13	29.76
<b>Medical Expenses Total</b>	<b>1620.19</b>	<b>1774.12</b>
<b><u>G) Depreciation</u></b>	<b>10476.79</b>	<b>9688.56</b>
<b><u>(H) Other Expenses</u></b> - AMC for EDP	56.29	66.84
Printing & Publishing	14.65	22.05
Insurance	15.83	19.91
Training, Sports, Contingencies, Departmental Charges, etc.	239.45	245.34
<b>Other Expenses Total</b>	<b>326.22</b>	<b>354.14</b>
<b>Total Operating Expenses</b>	<b>71403.83</b>	<b>70540.32</b>

DEENDAYAL PORT TRUST		
SCHEDULE TO BALANCE SHEET	ANNUAL ACCOUNTS 2019-20	
CASH FLOW	(Rs. In lakhs)	
Particulars	As at 31.3.2020	As at 31.3.2019
<b><u>A. CASH FLOW OPERATING ACTIVITIES</u></b>		
Net Surplus / Loss	<b>69183.21</b>	<b>24371.79</b>
<b><u>ADJUSTMENT FOR</u></b>		
Extra Ordinary Item		
Depreciation	10476.79	9688.56
Profit / Loss on Sale of Asses (Net)	0.00	356.86
Deferred Income		
Interest on Investment	-19355.49	-14891.20
Interest on loan	15.00	15.00
<b>Operating Profit / Loss before Working Capital changes</b>	<b>60319.51</b>	<b>19541.00</b>
<b><u>WORKING CAPITAL ADJUSTMENTS</u></b>		
Inventories	35.80	6.57
Sundry Debtors	-9629.76	-13879.98
Accrued interest / Advances & Debit Balances	-6426.94	-2451.15
Current Liabilities & Provisions	6073.26	53470.93
<b>Total Working Capital Adjustments</b>	<b>-9947.64</b>	<b>37146.37</b>
<b>Net Cash Flow from Operating Activities</b>	<b>50371.86</b>	<b>56687.37</b>
<b><u>B. CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Sale of Fixed Assets	121.63	315.27
Plan & Non-Plan Expenditure (Excl. Interest Capitalised to WIP)	-21222.00	-46405.08
Insurance/Welfare/Escrow/Encashment/CSR Funds		
Investments	-178948.23	10129.71
Cash and Bank Balance	165734.61	-5111.83
<b>Total Cash Flow from investing Activities</b>	<b>-34314.00</b>	<b>-41071.93</b>
<b><u>C. CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Grants Received		
Loans Availed / Repaid		
Interest on Loans (Incl. Interest Capitalised to WIP)		
<b>Total Cash Flow from Financing Activities</b>	<b>0.00</b>	<b>0.00</b>
<b>D. CASH / INVESTMENT (A+B+C)</b>	<b>16057.86</b>	<b>15615.44</b>
<b>OPENING BALANCE OF CASH</b>	<b>185028.48</b>	<b>179916.65</b>
<b>CLOSING BALANCE OF CASH</b>	<b>19293.87</b>	<b>185028.48</b>
<b>INCREASE / (DECREASE)</b>	<b>-165734.61</b>	<b>5111.83</b>

## Summary of significant accounting policies for the year ended 31 March 2020

### **1. NATURE OF PRINCIPAL ACTIVITIES**

Deendayal Port Trust (referred to as “DPT”) is a Major Port under the Major Port Trust Act, 1963 functioning under the Ministry of Shipping, Government of India. DPT has an offshore oil terminal at Vadinar. DPT is primarily providing marine and cargo related services as mandated under Section 42 of the MPT Act, 1963

### **2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE**

DPT has its Administrative Office at Gandhidham Kutch

The financial statements of DPT have been prepared based on the revised accounting policy as set out in the recommendation of the Billimoria Committee Report and approved by the Ministry of Shipping vide its communication bearing reference No.PR-20021/2/98-PG dated 6<sup>th</sup> November 2002 and implemented with effect from the year 2003-04. The recommendations are based on the provisions of the then prevailing Companies Act, 1956 as well as the directions issued by the Ministry of Shipping from time to time on various issues like rates of depreciation, useful life of assets etc.

The financial statements for the year ended 31 March 2020 have been approved by the Board of Trustees of Trustees in its meeting held on 25<sup>th</sup> June 2020

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. ACCOUNTING CONCEPTS**

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements. The accounts are prepared on historical cost concept based on accrual method of accounting as a going concern. The figures shown in the accounts are in lakhs and figures of the previous year have been regrouped / reclassified wherever necessary to conform to this year classification.

#### **B. REVENUE RECOGNITION**

##### **REVENUE RECOGNITION**

Revenue is recognised on completed service method. Operating Revenue is measured based on the rates of various services specified in the Scale of Rates approved by the TAMP from time to time, which is the consideration, adjusted for variable considerations, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

#### **DIVIDEND INCOME**

Dividend on units/shares is accounted for when the dividend is actually received.

## C. FIXED ASSETS & DEPRECIATION

### Recognition

Fixed Assets are stated at Original Cost of acquisition plus other incidental expenses of the same. The cost of any software purchased initially along with the computer hardware is being capitalized along with the cost of the hardware. Fixed Assets under construction are categorized as Capital Work in Progress.

Repair and maintenance costs are recognised in statement of profit and loss as incurred.

### Subsequent measurement (depreciation)

Depreciation on Fixed Assets is charged on straight line method based on the useful life & scrap value of the assets fixed by the Ministry of Shipping vide its communication bearing reference **No.PR-24021/28/98-PG dated 20.08.1998** or based on the useful life fixed by the concerned Department and is applied consistently so far.

The depreciation on assets put to use for less than 30 days are provided with no depreciation and assets put to use for less than 180 days are provided with half the depreciation and assets in use for 180 days or more are provided full depreciation.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed only when the directions are received in this regard from the Ministry of Shipping.

### De-recognition

An item of Fixed Asset and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss when the asset is derecognised.

## D. FOREIGN CURRENCY

### Functional and presentation currency

The financial statements are presented in INR, which is also the functional currency of DPT. All dollar denominated rates are converted into equivalent Indian Rupees at the market buying rate notified by the Reserve Bank of India, State Bank of India or its associates or any other Public Sector banks as may be specified from time to time, on the date of entry of vessel into the port limits. Payments made in Foreign Currency are accounted for at the rate prevailing on the date of transaction.

## **E. FINANCIAL INSTRUMENTS**

### **INVESTMENTS**

Long term Investments are valued at Cost. The investments consist of PSU Bonds, Equity participation and Term deposits with Banks. All investments are non-trade investments. Interest on investments and deposits is recognized on time basis. The interest earned/accrued on the investment of the Statutory Reserves & Infrastructure Reserve is being credited directly to the respective reserves.

### **F. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized when the DPT has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed by way of note unless the possibility of outflow is remote.

### **G. GOVERNMENT GRANT**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. DPT follows capital approach for accounting grants received by it and accordingly the amounts of grants received for an asset is reduced from the cost of such asset. Accordingly, the cost of such asset is reflected in the financial statements after reducing the related grant. Depreciation is provided on such reduced value

### **H. LEASES**

Operating leases are considered as Revenue in nature and accordingly receipts and payments are accounted. However, one time non refundable upfront Premium received from lessees are apportioned over the period of lease.

### **I. INVENTORIES**

The Moving Weighted Average Method is adopted for valuation of inventory and no depreciation policy has been adopted by the Port on the stores items

### **J. INCOME TAX**

DPT has claimed exemption of its income under section 11 of the Income Tax Act, 1961, but as a prudent side, provided liability for income tax in the books of accounts on a conservative basis. The income tax refunds will be reckoned as income in the year of receipt as per the out come of pending litigation in this regard before the ITAT

## K. CASH AND BANK BALANCES

Cash comprises cash on hand and demand deposits i.e. balances held with banks for unrestrictive use. Cash equivalents are short term, highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

## L. POST-EMPLOYMENT BENEFITS AND SHORT-TERM EMPLOYEE BENEFITS

### Defined benefit plans

The pension & gratuity payable to the employees of DPT recruited prior to 01-01-2004 is defined and based on the Salary of the employee at the time of retirement and length of service. DPT has created separate Trusts for Pension and Gratuity to meet the defined benefit obligations. Every year necessary contribution is made to build the corpus of these funds based on the Actuarial Valuation done by LIC of India. The corpus fund is invested with LIC of India. The pension and gratuity payments of the year have been made from the respective Trust accounts

Similarly, Leave Encashment Fund has been constituted for meeting the encashment liability with effect from 2017-18. Every year necessary contribution is being made to build the corpus of the fund based on actuarial valuation done by LIC of India as per AS-15. Based on the above valuation, the liability is recognised in accounts and necessary amount deposited with LIC Group Leave Encashment Scheme subject to a minimum contribution to the extent of actual expenditure incurred during the previous year. The payment of leave encashment availed by the employees is being made by LIC of India from the corpus of this fund.

Consequent upon the formation of Superannuation & Gratuity Fund Trusts as separate entities the financial statements of these Trusts are excluded from the Financial Statements of Deendayal Port Trust and presented separately

### Short-term employee benefits

Short term benefits comprise of employee costs such as salaries, bonus etc. are accrued in the year in which the associated service are rendered by employees.

### Defined contribution plans

DPT's share of contribution to New Pension Scheme (TIER-I) is made to the NPS trust every month.

### Other benefits

Voluntary /Special Voluntary retirement expenses are charged to statement of profit and loss in the year of its incurrence.

## M. Miscellaneous

(a) All Sundry Debtors are considered good and hence no provision is made for bad debts as per Government letter No. PR-20021/2/98-PG dated 6/11/2002. **The matter is being taken up with CAG to formulate a uniform policy in this regard by Ministry of Shipping vide letter No. PD-21015/1/2017-PD-IV/327607 dated 04/05/2018.**

Pending clarification from Government of India and to comply with the CAG remarks, DPT framed a policy as under:-

*(I) No provision is being made for Debts due from an Government undertaking irrespective of any time limit.*

*(ii) No Provision is being made for Debts recognized in books relating to PPP & other projects in the case of on-going litigation in any Court, Arbitration and other forums.*

*(iii) Provision is being made for the un-identifiable amounts lying in accounts for more **than 5 years based on the estimate made by respective department***

(b) Disputed claims & interest on delayed payments are recognized on receipt basis in view of the uncertainty involved in ultimate realization.

(c) Dredging expenditure incurred for maintaining existing levels of depth and width are charged to Revenue, while expenditure incurred on achieving additional depth is treated as Capital in nature.



## NOTES FORMING PART OF THE ACCOUNTS 2019-20

### A. Notes pertaining to Balance Sheet Items

#### 1. Reserves & Surplus

- (a) Capital Reserve represents the investment in Fixed Assets by Port's own funds and other capital receipts. The balance of Rs.277903.46 Lac standing to the credit of Capital Reserve does not include Capital Work In Progress incurred during the current year amounting to Rs 51680.75 lakh
- (b) Ministry of Shipping vide letter No. PG-F-15/76 dated 22/09/1976 has directed the creation of the following reserves: -

*(i) 3 percent of Capital Employed to Replacement, Rehabilitation & Modernisation.*

*(ii) 3 percent of Capital Employed towards Development, Repayment and Contingencies.*

Accordingly, these reserves are being operated accordingly since then. Capital employed has been taken as "Net Capital Block Plus Working Capital." (Working Capital is Current Assets Minus Current liabilities) as defined in Ministry of Shipping's letter No. PG-F-15/76 dated 22/09/1976

- (c) "Capital Assets Replacement Reserve" has been created for the purpose of meeting the gap between historical and replacement cost of assets in compliance of Ministry's directions issued vide letter No. PGF/53/78 dated 29/06/1979 with a ceiling of Rs. 2000 lakhs.

#### 2. Fixed Assets

- (a) Furniture is charged under the Revenue heads.
- (b) New Minor Works i.e. works costing less than Rs. One lakh are charged under Revenue heads.

#### 3. Investments

- (a) The equity investment of Rs. 500 lakhs, made in Petronet V. K. Ltd has eroded due to negative net worth of Petronet V K Ltd. and the company has become sick. A provision of Rs. 500 lakhs has been made during the year 2015-16 towards diminution in the value with the approval as approved by the Board vide Resolution No. 152 of 12/02/2016.
- (b) During the year 2018-19 DPT had invested an amount of Rs. 25704.52 lakhs in acquiring 50,40,101 Nos. of equity shares of Dredging Corporation of India @ Rs. 510 per share in accordance with the Shareholder Agreement dated 8<sup>th</sup> March 2019. The shares are listed on Recognized Stock Exchanges and closing price as on 31/03/2020 is Rs.145.45 per share on National Stock Exchange of India. Since Long Term Investments are usually valued at cost and when there is decline, other than temporarily in the value of such amount, the carrying amount is reduced to recognise the decline. Since, the decline in the value of DCI is temporary and is not long term in nature, the same is not recognised in the books.

(c) As per the Arbitral Tribunal Order dated 08/03/2019, in the case of DPT vs RAS, DPT has earmarked fixed deposit receipts amounting to **Rs. 18300 lakhs** which are included under the head investments.

(d) DPT has filed court case for repayment of Principal Amount together with Interest due in respect of investments in following two PSUs. These investments originally pertain to Provident Fund which have since been swapped with General Fund Investments in the past with the approval of the Board. The details of these investments & present status of court cases are as under:-

Sr. No	Name of PSU	Original Investment (Rs. In Lacs)	Present Principal (Rs. In Lacs)	Present Status & Remarks
01	Madhya Pradesh State Industrial Development Corporation	46.00	27.60	40% of the face value has been received as per Court Order during 2015-16.  The matter is still pending before the High Court of Jabalpur.
02	Uttar Pradesh Co-Operative Spinning Mills Limited	77.00	77.00	A petition has been filed in the High Court of Gujarat at Ahmedabad against the Order of Gandhidham Court which has dismissed the claim of DPT

The provision for principal and interest amount made in the accounts upto the date of swapping.

#### 4 CURRENT ASSETS

An amount of Rs. 1650 lakhs was paid by DPT to National Highway Division, Road and Building, Govt. of Gujarat being financial assistance during 1998-99 for widening of National Highway road from Kandla Special Economic Zone to West Gate No.2, which was to repay from the toll tax recoverable from the road. But, since no toll tax can be recovered within the limit of 80 KM as per the relevant Act and as opposed by the public, NH Authority is unable to recover the toll tax. However, due to non-receipt of toll tax since 1999, as per Ministry's decision communicated vide letter no. PD-24015/41/2019-DPT/336844 dated 14/01/2020, board vide resolution no. 116 dated 17/03/2020 has approved to bear the cost of Rs. 1650 lakhs given as grant-in aid NHAI for the above work and accordingly the amount of Rs.1650 lakhs included under the head "Deposits with Other Organizations" Code 1835 has been charged to Profit & Loss Account and treated as Revenue Expenditure.

## 5. CONTINGENT LIABILITIES

The amount claimed by following entities mentioned below from DPT being subject matter of pending litigation is contingent: -

Sr. No	Name of Entity	Amount (in Lakhs)	Case No.	Status
01	M/s. ABGKCTL	32035	Appeal no. 2583 of 2013	Cross examination of witness of ABGKCTL & lenders has been completed.
02	Jaisu Shipping Co.Pvt. Ltd.	11911	CMA no. 116 of 2016	DPT has filed suit for recovery of Rs. 5707 lakhs and party had counter claim of Rs. 11911 lakhs. The matter has been appealed in the Hon'ble High Court against the commercial court's order.
03	Doongursee Salt Works	8086	Spl C.S. No. 5 of 2014	The compensation of Rs. 8086.40 towards eviction from salt land has been claimed by the party before the district court. The matter is at hearing stage.
04	Bhumi Kwang	17509		Against claim of Bumi Kwang, the KPT has filed counter claim of Rs. 70.259 crores. 53 to 55 meetings on 7.7.2019, 13.7.2019 & 14.7.2019. Presently for cross examination of witness of DPT
05	PSLIPL	11400	CMA no. 21 of 2017	An execution petition has been filed in the District court in Gandhidham (ref. commercial Exec. petition).Next date of hearing is 20th sept, 2020.
06	J.R.E. Infra.	246602	Under Arbitration	Final argument in the matter are going on as per Tribunal Order, 90% Debt due deposited by DPT in escrow account have been apportioned by the lenders. IMC Ltd., the parent company of JRE has been impleaded in the Arbitration proceedings.
07	Frost International	29800	Under Arbitration	Cross examination of witness is complete. Party to move court for further extension of time.

Sr. No	Name of Entity	Amount (in Lakhs)	Case No.	Status
08	RAS Infra.	185687	Under Arbitration	Final arguments in the matter are going on. Indian Consortium members are impleaded in the Arbitration proceedings. The Order of Tribunal on interim application (u/s. 17) has been challenged in the commercial court.
09	M/s. V. K Patel	14.32		As per NITI Aayog's policy, 75% of the payment is to be released in Escrow A/c to be opened by the claimant along with furnishing of Bank Guarantee for the claimed amt. Party has been informed of the same. However, response is still awaited.
10	M/s. Khurana	138.79		-do-
11	Chandanani Gope Tirathdas	1.66		-do-
12	Gammon India Ltd.	364		-do-
13	M/s Sunshrey Associates	1.81		-do-
14	Shri Shantilal Patel	11.25		-do-
15	M/s. A.D. Mehta & Co.	79.55		Bank Guarantee is submitted by M/s. A.D. Mehta & Co. for Rs. 1,47,07,351/- against which 75% i.e. Rs. 1,31,31,563 is released on 23 <sup>rd</sup> June 2017 in the Escrow a/c. opened by the Contractor.

## B. Notes pertaining to Profit & Loss Account

1) The income tax for current year works out to Rs. 34495.62 lakhs which includes Rs 20700 lakhs being the advance tax paid during the year & Rs. 13800 lakhs being TDS deducted from payments made to DPT by various entities & port users during the year.

2) A provision of Rs.365 lakhs has been made for PLR for the year 2019-20 considering the amount of Rs. 16800/- per employee as disbursed for the year 2018-19.

### 3) DISPUTED DUES

In accordance with the concept of prudence and conservatism, the following amounts are not recognised in the accounts:-

#### (a) Dues from PPP/BOT Operators

**(i) Name of PPP Operator:** RAS Infraport Ltd - Erstwhile operator of 13<sup>th</sup> Cargo Berth

Nature of Dues	Brief of Dispute	Amount Recognized in books	Not in	Present Status
Royalty / LF / /Port Charges /Penalty / Goodwil Etc	<ul style="list-style-type: none"> <li>• License Agreement terminated by DPT on 29/09/2017.</li> <li>• Physical Possession of Berth taken over by DPT and commercial operation started by DPT on 05.11.2017</li> <li>• Claim of Rs. 246602.14 Lakhs made by DPT before the Arbitral Tribunal formed as per the terms of the License Agreement.</li> <li>• Indian Consortium members are impleaded in the arbitration proceedings.</li> </ul>	<p>(a) Amount of Rs. 246602.14 lakhs claimed by DPT except Rs.9209.46 lakhs already recognized in the past</p> <p>(b) Counter Claim of Rs. 185687.11 lakhs made by the BOT Operator which has instead been shown as Contingent Liability</p>		<p>The order of the Tribunal on interim application (u/s 17) has been challenged in the commercial court.</p> <p>Though, DPT has taken control and physical possession of the assets of this Berth to DPT is not complete and accordingly, no entry is made in the books of accounts of DPT to take over the assets of this Berth.</p> <p>Arbitration Proceedings are going on.</p>

(ii) Name of PPP Operator: JRE Ltd - Erstwhile operator of 15<sup>th</sup> Cargo Berth

Nature of Dues	Brief of Dispute	Amount Not Recognized in books of Accounts	Present Status
Royalty / LF / /Port Charges /Penalty/ Goodwil Etc	<ul style="list-style-type: none"> <li>• License Agreement terminated by DPT on 29/09/2017</li> <li>• Claim of Rs. 244044.75 Lakhs made by before the Arbitral Tribunal</li> <li>• Counter claim of Rs. 176963.49 lakhs made by BoT Operator.</li> <li>• . Though, DPT has taken control and physical possession of the assets of this Berth to DPT is not complete and accordingly, no entry is made in the books of accounts of DPT to take over the assets of this Berth.</li> <li>• Commercial Operations started by DPT on 20.10.2018</li> <li>• DPT has deposited a sum of Rs. 9282.33 in the Escrow Account with a nationalised bank as per the directions of the Arbitral Tribunal and pending disposal of this arbitration. This amount is grouped as advances in the balance sheet under code 1850. After apportioning by lenders of 90% of Debt due deposited by DPT in the Escrow Account, lenders have released the charge over the assets of 15th Cargo Berth.</li> </ul>	<p>(a) Amount of Rs. 244044.75 lakhs except to the extent of Rs.3529.90 lakhs already booked</p> <p>(b) Counter claim of Rs. 176963.49 lakhs made by the BOT Operator which has instead been shown as Contingent Liability</p>	Arbitration Proceedings are going on.

## (iii) Name of PPP Operator: CETL (formerly VLTL)

Nature of Dues	Brief of Dispute	Amount Not Recognized in books of Accounts	Present Status
<b>License Fee</b>	The PPP operator has objected to the rates of LF revised along with revision of SOR Kandla Land	<b>Rs. 73.04 Crore</b>	The concern raised by the operator with regard to LF rate is under examination after obtaining legal opinion from Additional Solicitor General of India & a final decision has not yet been taken.

## (iv) Name of BOT Operator: M/s ABGKCTL

Nature of Dues	Brief of Dispute	Amount Not Recognized in books of Accounts	Present Status
<b>Royalty, LF &amp;</b>	<ul style="list-style-type: none"> <li>• License Agreement executed on 23/06/2006 for the Project of Development, Operation, Management and Maintenance of Berth Nos. 11 &amp; 12 at Kandla Port as Container Terminal on Build, Operate and Transfer (BOT) basis for a period of 30 years</li> <li>• Due to various defaults (technical &amp; financial), KPT issued a Termination Notice to ABGKCTL. M/s. ABGKCTL took the matter to the court, in which, the Hon'ble High Court passed an interim order dated 16/08/2013.</li> <li>• As per the said orders, the berth No. 11 &amp; 12 along with the assets and structures have been taken over by KPT on 27/09/2013 for which, KPT has submitted the FDRs amounting to Rs. 14800 lakhs in the Court.</li> </ul>	As the Arbitration, proceedings are pending, no counter claim of Rs. 234535 lakhs have been recognised in books of accounts, except to the extent of Rs.2002.98 lakhs.	In pursuance to the Oral Order dated 20/12/2013 of the High Court of Gujarat, the Arbitral Tribunal of Sole Arbitrator, Justice Shri C. K. Thakker, Retired Judge of Supreme Court of India has been constituted to adjudicate the disputes and differences between ABGKCTL, KPT & the Lender Banks

## B. DISPUTED DUES (OTHER THAN BOT/PPP)

Name of the Entities	Nature of Dues	Brief of Dispute	Amount Recognized in books Accounts	Not in of	Present Status
Various Parties	Lease Rentals & Compensation Bills	The revised rate structure for Kandla Lands approved by the TAMP vide Notification No. 106 of 11/05/2011 and 350 of 4/12/2014 has been challenged before the High Court of Gujarat	(a) Lease Rental Rs. 7685.92 lakhs  (b) <b>Compensation Bills</b>  Rs. 12185.71 lakhs  Total (a) + (b)  <b>Rs. 19871.63 lakhs</b>		The Gujarat High Court vide its Judgment dated 10-05-2019 has partly set aside the order dated 25.3.2011 passed by the TAMP and published vide Notification dated 11.5.2011 to the extent it approves the SoR with retrospective effect from July 1999. The SoR approved by the TAMP for the period from 1.1.2009 to 31.12.2013 as per the said order are confirmed. The aforesaid judgment has been appealed before the Division Bench of Gujarat High Court by DPT as well as Lease holders.



#### 4. VERIFICATION & CERTIFICATION OF REVENUE OF PPP PROJECTS

DPT has appointed M/s. Ashok Chajjed, CA Firms, Ahmedabad, empanelled with the Office of C&AG, as Special Auditors to verify the revenues due to DPT from the PPP projects. The summary of revenue certified in respect of each project and the amount recognized in the books of accounts is as under:-

Name of the PPP Operator	Revenue Due for the FY 2019-20 as per License Agreement			Revenue Certified by Chartered Accountant			Revenue Booked in FY 2019-20		
	LF	Royalty	Total	LF	Royalty	Total	LF	Royalty	Total
KICT	2076.55	2164.87	4241.42	2076.55	2164.87	4241.42	2076.55	2164.87	4241.42
IKBLL	213.30	393.72	607.02	213.30	393.72	607.02	213.30	393.72	607.02
AKBTPL	1650.90	5100.12	6751.02	1650.90	4206.89	5857.79	1546.62	5100.12	6646.74

**All figures in Rs. Lakhs**

Note:

1. Royalty Income on storage charges amounting to Rs. 893.23 lakhs in respect of AKBTL has not been certified by CA as complete details of storage charges & performance standards have not been provided to them by the Dept
2. Royalty income received from IKBLL amounting to Rs.59988 has been booked under Income Codes 6259 & 6256
3. In case of AKBTL, LF on power corridor amounting to Rs. 123.24 lakhs has been booked on the basis of actual amount received which is Rs. 18.8 lakhs due to which the actual LF booked is less by Rs.104.24 lakhs.

#### 5. PHYSICAL VERIFICATION OF FIXED ASSETS & INVENTORY

The physical verification of inventory and fixed assets has been carried out through M/s RSD Associates, Rajkot Chartered Accountants, who have been awarded the work of Internal Audit of DPT. The action on the observations made by the Internal Auditor and seeking their compliance from the respective Departments of DPT is in hand. Owing to outbreak of COVID 19 pandemic and subsequent imposition of National Lockdown the commencement of the work has been delayed. Necessary rectification action in respect of any observations which could have effect of impairing the value of the assets to any material extent shall be taken in the next financial year.

## 6. GRANT-IN-AID

During the FY 2015-16, DPT received a grant of Rs.375.00 lakhs from Central Government towards Water Spillage Works costing Rs.985.80 lakhs and the cost of this Works is reflected in the balance sheet at Rs.610.80 lakhs. The receipt balance amount of grant is awaited from the Government.

## 7. GST, SERVICE TAX & SALES TAX ISSUES

### A. DISPUTED SERVICE TAX DEMAND

Nature of Dispute	Year (s) to which pertains	Amt. in dispute as on 31-03-2020	Amt. in Dispute as on 31.03.2019	Present Status
Input Tax Credit on work related to viewers gallery	2015-16	-	Rs.11,09,775 with equivalent amount of penalty and interest	DPT has opted for the SVLDRS scheme & dispute settled
Input Tax Credit for CISF services received at vadinar	2013-14 to 2015-16	-	Rs.93,64,183 with equivalent amount of penalty and applicable interest	DPT has opted for the SVLDRS scheme & dispute settled
Service Tax on renting of immovable properties	2012-13 to F.Y. 2014-15	-	Rs.5,98,98,898 with equivalent amount of penalty and applicable interest	DPT has opted for the SVLDRS scheme & dispute settled
Service Tax on Penalty and other litigated issues	2013-14 to 2016-17	-	Rs.9,03,50,922 with equivalent amount of penalty and applicable interest	DPT has opted for the SVLDRS scheme & dispute settled
Service Tax on monitory benefits provided to CISF	2009-10 to 2012-13	-	Rs.79,15,130 with equivalent amount of penalty and applicable interest	DPT has opted for the SVLDRS scheme & dispute settled
Service Tax on royalty from PPP projects	2012 to 2014	-	Rs.2,00,23,963 with equivalent amount of penalty with applicable interest	DPT has opted for the SVLDRS scheme & dispute settled
Applicability of rate of service tax	2012		Rs.39,68,177 with interest	DPT has opted for the SVLDRS scheme & dispute settled
Service Tax on amount paid to government agencies	2016-17	-	Rs. 95,531 with equivalent amount of penalty and applicable interest	DPT has opted for the SVLDRS scheme & dispute settled

**DISPUTED SERVICE TAX DEMAND.....Contd.**

Nature of Dispute	Year (s) to which pertains	Amt. in dispute as on 31-03-2020	Amt. in Dispute as on 31.03.2019	Present Status
Service Tax under Reverse charge mechanism for works contract service	2012	-	Rs.14,54,460 with equivalent amount of penalty and applicable interest	DPT has opted for the SVLDRS scheme & dispute settled
Applicability of Service Tax on vacant land for particular period	2007 to 2011	Rs. 6,94,49,319 with equivalent amount of penalty and applicable interest	Rs. 6,94,49,319 with equivalent amount of penalty and applicable interest	Stay granted by CESTAT, A'bad
Demand of Interest on Service Tax	2013-14	Rs.3,04,00,376 with equivalent amount of penalty	Rs.3,04,00,376 with equivalent amount of penalty	The matter is pending before commissioner (Service Tax)
Demand of Service Tax on various litigated matters and Input Tax Credit on various services	2007 to 2011	-	Rs.14,65,29,248 with equivalent amount of penalty and applicable interest	DPT has opted for the SVLDRS scheme & dispute settled

Total Amount of Service Tax Liability Settled under <b>Sabka Vishavas (Legacy Dispute Resolution) Scheme, 2019</b> (Rs. In Lakhs)	Service Tax liability of Rs. 53,10,50,432 (Including potential penalty but excluding interest) has been settled by paying Rs.15,68,98,546
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**Summary of Disputed Matters of Service Tax as on 31-03-2020**

Total Number of Disputed Cases of Service Tax Pending at the beginning of FY 2019-20 & arises during the year	<b>12</b>
Number of Cases settled during 2019-20	<b>10</b>
Number of Cases pending as on 31-03-2020	<b>2</b>
Disputed Service Tax Liability as on 31-03-2020	<b>Rs.9,98,49,695 (Tax)</b>

### B. DISPUTED SALES TAX REFUND

The following refunds pertaining to Sales Tax are pending with department:-

Brief of Case	Sales Tax Paid Rs. (in Lakhs)	Year	Present Status
Excess Sales Tax deposited on disposal of M D Kutch Vallabh	13.18	1997-98	Pending with Commissioner of Commercial Tax (Appeals) Rajkot
Penalty levied for Sales Tax due for Un-registered Dealer period	57.93	05-08-1985 to 12-11-1991	Pending with Commissioner of Commercial Tax (Appeals) Rajkot
Refund due on account of Cement Purchased from out of Gujarat	13	1991 to 1993	Pending with Commissioner of Commercial Tax (Appeals) Rajkot
	84.11		

### C: GST PAID ON DISPUTED DUES

#### SUMMARY OF GST PAID BY DPT ON UNPAID COMPENSATION BILLS & DISPUTED LEASE RENTALS

Nature of Dues	2019-20			2018-19		
	GST on Unpaid Lease Rentals	GST on Disputed Lease Rentals	Total GST Paid	GST on Unpaid Lease Rentals	GST on Disputed Lease Rentals	Total GST Paid
Annual Lease Rent	76393621	117242858	193636479	10300526	137922402	148222928
Compensation Bills	1236157	185334744	186570901	497657	205875601	206373258
<b>TOTAL</b>	<b>77629778</b>	<b>302577602</b>	<b>380207380</b>	<b>10798183</b>	<b>343798003</b>	<b>354596186</b>

Amount in Lakhs **3802.07** **3545.96**  
 Total GST Paid on Unpaid & Disputed Dues Rs. **7348.04**

#### Summary of GST Paid on Disputed & Unpaid Dues

GST paid on Disputed & Unpaid Land Dues as on 31-03-2020	Rs.7348.04
Balance being GST paid on Dues not paid by PPP Operators & Others	Rs. 3060.20
Total Amount of GST Recoverable as on 31-03-2020	Rs. 10408.24

Rs. In Lakhs

## 8. CORPORATE SOCIAL RESPONSIBILITY

As per Government's guidelines, an amount of Rs. 549 lakhs has been contributed towards Corporate Social Responsibility Fund during the current year approved by the Board vide its resolution No. 58 of the meeting held on 10-10-2019 and charged to Finance & Miscellaneous Expenditure as detailed hereunder:-

Sr. No.	Financial Year	Net Profit	Less, profit from Sale of immovable property/ assets	Net Profit for CSR (Rs. in Cr)
01	2016-17	693.85		693.85
02	2017-18	-109.85	0.06	-109.91
03	2018-19	243.71	3.57	240.14
Total of three years				824.08
Average of Three years				274.69
2% of the above				5.49
Contribution to CSR Fund for F.Y. 2019-20				5.49

### List of CSR Projects undertaken

Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Location where Projects /programs undertaken (1) Local areas (2) State and district	Budgeted Outlay (Rs. in Lacs)	Actual Amt Spent (Rs. in Lacs)
01	(a) Construction of School Rooms (b) Providing R.O. Plant (c) Water cooler (d) Providing dust bins (e) Sanitation drainage line (f) Construction of toilet block	<ul style="list-style-type: none"> <li>• Education</li> <li>• Public Health</li> <li>• Water Supply</li> <li>• Sanitation</li> </ul>	Local Area (Adjoining villages )	185	85

## 9. LAND REVENUE

As per provisions of clause 5 (ii)/5(ix) and 10 of the Head Lease executed between the President of India and the SRC Ltd. on 28/11/1955, the income for Transfer fee and mortgage fee of plots allotted by SRC Ltd., is booked under revenue of DPT. As regards Transfer Fee the Ministry of Shipping vide letter No. PD-13011/1/2014-PD-IV (Pt.1) dated 18-07-2018, which is self explanatory, has already confirmed that in light of the agreement entered into between DPT and the lessee the transfer fee can be retained by DPT. On similar analogy Mortgage fees have also been retained by DPT. Also the ***unambiguous provisions of Section 29(1)(a) & 29(1)(d) of the MPT Act, 1963 and the express provisions in the lease agreements also entitle the port to retain all rates, fees, rents & other sums of money***

## 10. BOT PROJECTS UNDERTAKEN

Type	Name of Party	Concession Period	Date of Concession Agreement	MGT MMTPA	Status
Berth No.13	RAS Infraport Pvt. Ltd	30 year	15-03-2011	0.375	License agreement terminated.
Berth No. 15	JRE Infraport Pvt.	30 year	27-09-2011	0.375	License agreement terminated.
Barge Jetty	Iffco Kisan Bazar & Logistics Ltd.	30 years	11-08-2011	1.00	Commercial operation started on 16/11/2013
Bulk Terminal	Adani Bulk Terminal Pvt. Ltd	30 years	19-12-2012	3.50	Commercial operation started on 10/02/2015
Container Terminal	Kandla International Container Terminal	30 years	12-09-2016	-	Operation started from Feb.,17.
Marine Liquid Terminal	Coviva Energy Terminals Limited	30 years	16-08-2019	For SPM 10.15 & For Product Jetty 7	Operation not yet started.

## 11. Capital Contracts awarded but not provided for in the Accounts as at 31-03-2020 are as under:-

Description	Amount (Rs. In Crores)
Capital Works	Rs. 1162

## 12. NON – MOVING & SLOW MOVING ITEMS

Out of the total inventory of Rs. 160.09 lakhs as on 31-03-2020, a provision of Rs.0.33 lakhs has been made during the year towards Slow-Moving Items, while Non-Moving Items amounting to Rs. 8.43 lakhs for which provision was made during the year 2018-19 have been issued during the year and accordingly the provision made in FY 2018-19 has been reversed to the above extent.

## 13. FUNDING STATUS OF SUPERANNUATION, GRATUITY & LEAVE ENCASHMENT FUNDS

The position of corpus available with Superannuation Fund & Gratuity, the actuarial valuation done by LIC of India and funded status as on 31<sup>st</sup> March 2020 is as under:

Fund	Actuarial Valuation as on 31-03-2020 Rs.	Corpus Fund as on 31-03-2020 Rs.	Funded Status as on 31-03-2020 Rs.
Kandla Port Trust Superannuation Scheme	1261.52	1169.58	<b>(-)Rs. 91.94</b> Provision for shortfall has been made in Current Financial Year
Kandla Port Trust Employees Gratuity Fund	193.76	172.27	(-) Rs 21.49 Cr. (Shortfall) Less Rs. 3.5 Cr Bank balance) Provision for shortfall of Rs. 17.99 made in current Financial Year
Leave Encashment Fund	91.49	91.49	Fully Funded

**All Rs in Crores**

## 14. INTERNAL AUDIT

The Ministry of Shipping has directed that the internal audit work is required to be entrusted to independent chartered accountancy firm. Accordingly, in compliance of the same the work of internal audit of DPT has been awarded to **M/s RSD & Associates, Jamnagar**, who carried out the same and action on the reports and compliances are being perused with the respective Departments of DPT.

## 15. STATISTICAL INFORMATION

The details of the existing staff strength and cost there as is as under :-

### A. Employees

Category	Strength	
	2019-20	2018-19
Class – I	82	89
Class – II	66	61
Class – III	996	998
Class –IV	609	604
Shore Workers	87	188
Dock Workers	374	506
Total	<b>2214</b>	<b>2446</b>
Employee Cost (Rs. In lakhs)	<b>26109.85</b>	<b>26297.18</b>

### B. Pensioners & Family Pensioners

Category	Numbers	
	31-03-2020	31-03-2019
Pensioners & Family Pensioners	4439	4323

## 16 MISCELLANEOUS

(a) The figures of previous year have been re-grouped and re-classified, where ever necessary to confirm this year classification.

(b) M/s Ashok Chajjed & Associates, Ahmedabad have been appointed as Tax Auditor for the year 2019-20 to carry out tax audit under Section 44AB of the Income Tax Act, 1961

(d) The audited accounts of Kandla Port Superannuation Scheme (KPTSS) Trust, Kandla Port Employees Gratuity Fund & Kandla Port Employees Welfare Trust are annexed.



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KANDLA PORT SUPERANNUATION SCHEME

Rs. In Lakhs

**BALANCE SHEET AS ON 31/03/2020**

2018-19 IN RS.	LIABILITY	2019-20 IN RS.	2018-19 IN RS.	ASSET	2019-20 IN RS.
231541.88	SUPERANNUATION FUND	238680.01		INVESTMENT:-	
				ANNUITY FROM LIC	89529.32
			89529.32	Add: New Annuity Purchase	14301.57
				Total	103830.89
				Minus - Annuity Written Off	3956.58
					99874.31
				ANNUITY FROM SBI LIFE	2612.98
			2612.98	LESS:ANNUITY WRITEN OFF	142.19
					2470.79
4.24	CREDITORS PRO-RATA PENSION PAYABLE		87670.56	LIC	116957.64
			43081.00	CONTRIBUTION RECEIVABLE FROM DPT	9194.00
				INCOME TAX :-	
				A.Y. 2017-18	2577.99
				A.Y. 2016-17	2488.52
				A.Y. 2015-16	1831.92
				A.Y. 2014-15	1027.52
				A.Y. 2013-14	692.10
				A.Y. 2012-13	93.51
				A.Y. 2011-12	534.81
				A.Y. 2010-11	378.28
				A.Y. 2009-10	210.95
				A.Y. 2008-09	142.27
				A.Y. 2007-08	65.77
			7521.91	A.Y. 2006-07	56.26
					10099.90
				CASH IN BANK :-	
			1130.34	CORPORATION BANK	0.06
			0.00	SBI BANK	83.32
					83.37
<b>231546.11</b>	<b>TOTAL</b>	<b>238680.01</b>	<b>231546.11</b>	<b>TOTAL</b>	<b>238680.01</b>

**KANDLA PORT SUPERANNUATION SCHEME**

Rs. In Lakhs

**RECEIPT AND PAYMENT ACCOUNT FOR THE YEAR 2019-20**

2018-19	RECEIPT	2019-20	2018-19	PAYMENT	2019-20
	OPENING BALANCE				
1606.18	CASH IN BANK	1130.34	0.10	BANK CHARGES	0.03
57950.78	INVESTMENT IN LIC	87670.56	14166.19	PAYMENT OF PENSION	15084.05
5886.73	INTEREST EARNED	7323.24	11.60	PRO RATA PENSION CONTRIBUTION	51.99
6191.61	REIMBURSEMENT FROM LIC (Annuity Payout)	6688.29	2596.68	PAYMENT OF INCOME TAX	0.00
263.43	REIMBURSEMENT FROM SBI LIFE (Annuity Payout)	255.55	0.33	PAYMENT OF EX-GRATIA	0.00
2449.25	REFUND OF ANNUITY (ROC)	3354.75	16.60	LOAN PAID TO KPTEGF	0.00
2400.34	COMMUTATON RECEIVED FROM LIC	2072.06	33.98	Wrongly credited Leave salary returned back to DPT	7.89
	COMMUTATON REVERTED BACK	4.04		Recovery from pro rata commutation and paid to DPT	4.24
	MONTHLY PENSION REVERT BACK			COMMUTATION PAID TO PENSIONER	4.04
2724.05	CORPUS PAYOUT RECEIVED FROM LIC	4870.00	2400.34	INTEREST PAID AS PER COURT ORDER	0.18
				COMMUTATION PAID TO PENSIONER	2072.06
0.33	EX-GRATIA PAYMENT RECD DPT		2724.05	CORPUS PAYOUT FORM LIC	4870.00
21.21	EXCESS PENSION RECEIVED BACK	20.14	9199.21	PURCHASE OF ANNUITY	14301.57
68.41	PRO-RATA PENSION RECEIVED	98.84		CLOSING BALANCE	
				CASH IN BANK:-	
2596.68	REIMBURSEMENT FROM DPT (INCOME TAX)		0.06	CORPORATION BANK	0.06
35691.00	CONT FROM DPT (LIC )	40279.00	1130.28	SBI BANK	83.32
2100.00	ADDITIONAL CONT. RECEIVED FROM DPT FOR PAYMENT OF ARREARS		87670.56	INVESTMENT IN LIC	116957.64
				Commutation paid to pensioner directly LIC	329.76
<b>119949.98</b>	<b>Total</b>	<b>153766.81</b>	<b>119949.98</b>	<b>Total</b>	<b>153766.81</b>

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**KANDLA PORT SUPERANNUATION SCHEME**

Rs. In Lakhs

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR 2019-20**

<b>INCOME</b>	<b>AMOUNT</b>	<b>EXPENDITURE</b>	<b>AMOUNT</b>
Interest Earned	7323.24	Bank Charges	0.03
Reimbursement From Lic (Annuity Pay Out)	6688.29	Payment Of Pension	15084.05
Reimbursement From Sbi Life (Annuity Payout)	255.55	Annuity Writeen Off	4098.77
Pension Received Back (Excess Aymnt Recovered)	20.16	Pro Rata Pension Contribution	51.99
Pro-Rata Pension Received	98.84	Payment Of Ex-Gratia	0.00
Reimbursement From Dpt (Income Tax)		Wrongly Creduted Leave Salary Returned Back To Dpt	0.00
Ex-Gratia Payment Recd Dpt		Interest Paid As Per Court Order	0.18
Annuity Payment From Lic (Roc)	3354.75	Commutation Directly Paid By Lic To Pensioner	329.76
		Excess Refund Of Pension Adjusted By Bank	0.02
Income Tax Paid By Dpt Of Ay 2017-18 Behalf Of Kptss	2577.99	Wrongly Creduted Leave Salary Returned Back To Dpt	7.89
Contribution From Dpt	6392.00	Surplus Carried Over To Superannuation Fund A/C.	0.00
			7138.13
<b>TOTAL</b>	<b>26710.82</b>	<b>TOTAL</b>	<b>26710.82</b>

**KANDLA PORT SUPERANNUATION SCHEME**

Rs. In Lakhs

**SUPERANNUATION FUND ACCOUNT AS ON 31.03.2020**

<b>PARTICULAR</b>	<b>AMOUNT</b>	<b>PARTICULAR</b>	<b>AMOUNT</b>
		Opening Balance	231541.88
Closing Balance	238680.01	Surplus Transfer From Income And Expenditure A/C	7138.13
<b>TOTAL</b>	<b>238680.006</b>	<b>TOTAL</b>	<b>238680.01</b>

**KANDLA PORT TRUST SUPERANNUATION SCHEME****NOTES TO ACCOUNTS**

- 1) Cash basis of accounting is followed in the preparation of financial statements of superannuation fund.
- 2) Based on actuarial valuation, contribution to superannuation fund is made.
- 3) Due to pandemic COVID 19, interest on Pension Fund has not been declared by LIC of India. Hence, no Pension Fund Statement has been provided by LIC of India for finalization of KPTSS Accounts. Moreover, transactions for the whole year have also not been provided by LIC of India, Rajkot.
- 4) Accordingly, the accounts has been finalized based on the available data and provisional interest has been worked out considering the interest of 7.95% declared by LIC of India during 2018-19.
- 5) Provisional gap funding has been worked out to Rs. 91.94 cr. and kept as bill receivable contribution from DPT in balance sheet.
- 6) The amount paid to Income Tax Authority has been shown in the asset side of the balance sheet on the presumption that the appeal filed before ITAT will be in the favour of the Trust and accordingly it will be adjusted against the future contribution of Deendayal Port Trust.
- 7) The tax demand for the assessment year 207-18 amounting to Rs. 25,77,98,598.00 has been directly paid by DPT on behalf of KPTSS.

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KANDLA PORT EMPLOYEES GRATUITY FUND

Rs. In Lakhs

**BALANCE SHEET AS AT 31/03/2020**

F.Y 2018-19	LIABILITY	F.Y 2019-20	F.Y 2018-19	ASSET	F.Y 2019-20
18210.74	GRATUITY FUND	19572.57		IN RS.	
	CREDITORS		14226.08	INVESTMENTS :-	
	DPT	2.00		L.I.C.	17226.92
				Receivable from DPT	0.00
			3984.66	CASH IN BANK	1799.27
					0.00
					548.38
<b>18210.74</b>	<b>TOTAL</b>	<b>19574.57</b>	<b>18210.74</b>	<b>TOTAL</b>	<b>19574.57</b>

**KANDLA PORT EMPLOYEES GRATUITY FUND**

Rs. In Lakhs

**RECEIPT & PAYMENT STATEMENT ACCOUNT FOR THE YEAR 2019-20**

F.Y 2018-19	RECEIPT	F.Y 2019-20	F.Y 2018-19	PAYMENT	F.Y 2019-20
	TO OPENING BALANCE	0.00	2161.72	GRATUITY PAYMENT	3091.79
4919.23	CASH IN BANK	3984.66			
13040.05	INVESTMENT WITH LIC	14226.08	0.00	BANK CHARGES	0.00
			5.74	PRO-RATA GRATUITY PAYMENT	50.41
			23.09	PREMIUM AND CHARGES TO LIC	25.08
	INTEREST EARNED				
1093.97	from LIC	1315.11			
0.10	from Indian Overseas Bank	0.01			
176.82	from S B I Bank	26.53			
2008.87	REIMB FROM LIC	3090.99	2008.87	CLAIM PAID FROM LIC	3090.99
5.65	LC PREMIUM FROM LIC	33.10			
28.33	PRO RATE GRATUITY RECEIPT	64.61	44.94	REIMBURSEMENT TO DPT	15.64
				(RECOVERIES)	
44.94	RECOVERIES ON BEHALF OF DPT	17.65	13.88	OUTSTANDING AMOUNT PAID TO DPT	
4.06	LC PREMIUM REFUND FROM LIC			LOAN TO KPTSS	
1130.00	CONTRIBUTION FROM DPT	1290.49			
	REPAYMENT OF LOAN			CLOSING BALANCE	
16.60	RECEIVED FROM KPTSS		3984.66	CASH IN BANK	548.38
			14226.08	INVESTMENT WITH LIC	17226.92
0.38	REFUND OF GRATUITY				
<b>22468.99</b>	<b>Total</b>	<b>24049.21</b>	<b>22468.99</b>	<b>Total</b>	<b>24049.21</b>

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KANDLA PORT EMPLOYEES GRATUITY FUND

Rs. In Lakhs

**INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDING 31/03/2020**

<b>F.Y 2018-19</b>	<b>EXPENDITURE</b>	<b>F.Y 2019-20</b>	<b>F.Y 2018-19</b>	<b>INCOME</b>	<b>F.Y 2019-20</b>
2116.78	TO PAYMENT OF GRATUITY	3091.79	1130.00	BY CONTRIBUTION FROM KPT	1290.49
23.09	TO PREMIUM	25.08	1270.89	BY INTEREST EARNED	1341.65
5.74	TO PRO-RATA PAYMENT	50.41			
0.00	TO BANK CHARGES	0.00		BY OTHER RECEIPT	
			28.33	PRO RATA RECEIPT	64.61
			0.38	GRATUITY RECEIVED BACK	
			4.06	LC PREMIUM REFUND	33.10
				Receivable from DPT	1799.27
293.69	BALANCE TRANSFERRED TO FUND ACCOUNT	1361.83	5.65		
<b>2439.30</b>	<b>Total</b>	<b>4529.11</b>	<b>2439.30</b>	<b>Total</b>	<b>4529.11</b>

Rs. In Lakhs

**GRATUITY FUND ACCOUNT AS ON 31.03.2020**

<b>PARTICULAR</b>	<b>AMOUNT</b>	<b>PARTICULAR</b>	<b>AMOUNT</b>
		OPENING BALANCE	18210.74
CLOSING BALANCE	19572.57	TRANSFERRED FROM INCOME & EXPENDITURE ACCOUNT	1361.83
<b>TOTAL</b>	<b>19572.57</b>	<b>TOTAL</b>	<b>19572.57</b>

**KANDLA PORT TRUST EMPLOYEES GRATUITY FUND****NOTES TO ACCOUNTS**

- 1) Cash basis of accounting is followed in the preparation of financial statement of Gratuity fund.
- 2) Based on actuarial valuation contribution to Gratuity fund is made.
- 3) Due to pandemic COVID 19, interest on Gratuity Fund has not been declared by LIC of India. Hence, no Gratuity Fund Statement has been provided by LIC of India for finalization of KPTEGF Accounts. Moreover, transactions for the whole year have also not been provided by LIC of India, Rajkot.
- 4) Accordingly, the accounts has been finalized based on the available data and provisional interest has been worked out considering the interest of 7.95% declared by LIC of India during 2018-19.

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**DEENDAYAL PORT TRUST**

**Separate Audit Report of Comptroller and Auditor General of India on the accounts of Deendayal Port Trust for the year ended 31 March 2020**

Audit Observation	Action taken Notes
<b>Separate Audit Report of the Comptroller and Auditor General of India on the Accounts of Deendayal Port Trust for the year ended 31 March 2020</b>	
We have audited the attached Balance Sheet of the Deendayal Port Trust (DPT) as at 31 March 2020 and the Profit and Loss Account for the year ended on that date under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 102(2) 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.	Factual Position
2. This Separate Audit Report contains the comments of the Comptroller and 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 and 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 except those which are specifically referred in this report.	
(ii) The Balance Sheet and the Profit and Loss Account dealt with by this report have been drawn up in the format approved by the Board of Trustee under Section 102(1) of the Major Port Trusts Act, 1963;	
(iii) In our opinion, proper books of accounts and other relevant records have been maintained by the DPT as required under Section 102(1) of the Major Port Trusts Act, 1963 in so far as it appears from our examination of such books.	
(iv) We further report that:	

Audit Observation						Action taken Notes
<b>A. Balance Sheet</b>						
<b>A.1 Reserves &amp; Surplus - Schedule I</b>						
<b>Statutory Reserves — Rs. 150.28 crore Infrastructure Reserve – Rs. 231.01 crore</b>						
The Investments of DPT’s General Funds, Statutory Funds and Specific Funds like Infrastructure Reserve fund have been made in a combined manner in the long term and short term deposits with Banks and the interest earned on these Investments are proportionately allocated to the respective funds based on the average rate of return earned during the year.						There has been an inadvertent interchange in carrying forward of the opening balances in respect of three Reserves during the year 2019-20 which has resulted in wrong distribution of interest amount pertaining to these reserves. However, there will neither be any change in the overall interest as allocated nor there shall be any impact on overall balances and this fact has been acknowledged while furnishing reply to the <b>AR No. 04</b> and suitable corrections shall be made, while carrying forward the balances during the FY 2020-21.
While allocating the amounts of interest applicable to the Statutory Reserves, there were interchange of amounts which resulted in depiction of wrong balances in the Statutory Funds in Schedule 1 as given below:						
(₹ in lakh)						
Name of the Fund	Opening Balance	Average Interest Rate	Interest Amount allocated as per the Balance Sheet	The correct allocable interest	Difference in closing balance of respective Fund	
3% Reserve for Replacement, Rehabilitation & Modernization	7159.66	7.82%	1782.58	559.89	1222.69	
3% Reserve for Development, Repayment of loans & Contingencies	3918.49	7.82%	559.89	306.43	253.46	
Infrastructure Reserve	22795.16	7.82%	306.43	1782.58	(-)1476.15	
<b>A.2 Fixed Capital Assets — Schedule III</b>						
<b>Gross Block - ₹2744.17 crore</b>						
<b>Cranes &amp; Vehicles ₹183.20 crore</b>						
The life of Electrical Wharf Crane was fixed by the Ministry as 20 years with no scrap value. Deviating from this, the expenditure on four Wharf Cranes of 16/12 ton and 12/8-ton capacity, was capitalized by DPT on 22 May 2000 at the cost of ₹20.23 crore with life of 25 years and scrap value 10%. This has resulted in understatement of prior period expenditure/ depreciation by ₹3.64 crore and overstatement of fixed assets by ₹3.64 crore.						The understatement of prior period expenditure/ depreciation by Rs. 3.64 crores and overstatement of fixed assets by Rs. 3.64 crores will be rectified in the current year.



Audit Observation	Action taken Notes
<b>B. Profit &amp; Loss Account</b>	
<p><b>B.1. Cargo Handling &amp; Storage Charges Rs. 606.12 crore (Schedule - I)</b></p> <p>The above includes royalty income from BOT operators amounting to 157.62 crore (Vadinar Oil Terminal: ₹81.04 crore, M/s Tuna Port- M/s. Adani Kandla Bulk Terminal: ₹51.00 crore, Container Terminal Kandla-M/s KICTL: ₹21.65 crore and Barge Jetty- M/s IFFCO Kisan: ₹3.93 crore).</p> <p>As per clause 9.4 of Concession Agreements, DPT has awarded the work of special audit of gross revenue reported by BoT operators (ABKBTL, KICTL and IFFCO) for the year 2019-20 to M/s Ashok Chhajed &amp; Associates for verification of the gross revenue reported by Concessionaires (BoT Operators). However, the final special audit report has not yet been submitted.</p> <p>DPT did not provide primary records to Audit for verifying the correctness of royalty income received from BOT operators. In the absence of relevant records, Audit is unable to ensure the accuracy of royalty income from BOT operators of ₹ 157.62 crore reflected in the books of accounts.</p> <p>This observation is being raised by Audit since 2016-17.</p>	<p>The certification of the income due to be received from the BOT operators duly certified by the Chartered Accountant and the revenue booked has already been presented in the notes to accounts and has been explained to the audit.</p> <p>Due to Covid 19 the timelines for finalisation of Annual accounts in respect of the entities governed by the Companies Act, 1956 has been extended upto 31/12/2020 and the operators being companies registered under the Companies Act, 1956 had not finalised their Annual Accounts at the time when audit was being undertaken. However, it has been confirmed by our chartered accountant that the audited accounts have since been received from the operators and the audit report is under finalization and shall be submitted soon.</p> <p>The similar observation raised in the past years have been replied and special Audit report since then have been made available to the Audit.</p>
<b>C. General</b>	
<p>The Pension payable to employees of DPT (who were appointed prior to 1.1.2004) is a 'defined benefit pension' i.e. 50 per cent of the basic pay drawn at the time of retirement plus the applicable dearness allowance. DPT has created a Superannuation Trust Fund and the trust has taken a Group Superannuation Policy. At the time of superannuation of an employee, annuities are purchased by utilizing the fund available in respect of that employee. The annuities will take care of the monthly pension liability (as on the date of retirement) of the retired employee but not the increase in D.A amounts, which are revised from time to time and also any revisions in pension The cost of immediate annuities required to be purchased to bridge the shortfall was assessed by management last year as ₹783.76 crore out of which provision was created for ₹391.88 crore i.e. 50 per cent, in the accounts of 2018-19. Management reversed the provision in the accounts for 2019-20 on the ground that they intend to make payment of shortfall directly rather than make additional contribution to the Fund to purchase immediate payout annuities.</p>	<p>The monthly shortfall between the pension payable and the annuities received from LIC is being made good by KPTSS by way of withdrawal of interest earned on the corpus fund with LIC. Therefore, there is no liability of DPT in meeting the shortfall in annuities payout.</p>
<p>However, the liability of DPT in meeting the shortfall in annuity payouts has not been assessed and provided for in the accounts of 2019-20. This has resulted in understatement of provisions and overstatement of profit, the extent of which could not be quantified by Audit since the shortfall has not been assessed by management.</p>	

Audit Observation	Action taken Notes
<b>D. Management Letter</b>	
Deficiencies which have not been included in the Separate Audit Report have been brought to the notice of the Trust through a Management letter issued separately for remedial/ corrective action.	The observation raised in the management letter will be complied during the current year.
(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.	Factual Position
(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 to Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure - I to this Audit Report do give a true and fair view in conformity with accounting principles generally accepted in India:	It is to clarify that the facts have been materially disclosed in Notes to Accounts so as to present a true and fair view of the financial statements and all generally accepted accounting principles have been followed.
(a) In so far as it relates to Balance Sheet, of the state of affairs of the DPT as at 31 March 2020; and	Factual Position
(b) In so far as it relates to Profit and Loss Account of the Profit for the year ended on that date.	Factual Position
5. A Review of Accounts showing the summarized financial results of DPT for three years ended 31 March 2020 is given in Annexure –II.	Factual Position
For and on behalf of the Comptroller and Auditor General of India  SD/- (P. V. Hari Krishna) Principal Director of Audit (Shipping), Mumbai.	(B. Bhagyanath) Financial Adviser & Chief Accounts Officer, Deendayal Port Trust.
Place: Mumbai, Date: 5 <sup>th</sup> November, 2020	Place: Gandhidham Date: November, 2020.

Audit Observation	Action Taken Notes
<b>Annexure I</b>	
<b>1. Adequacy of Internal Audit System</b> DPT had outsourced the work of internal audit to M/s RSD Associates, Chartered Accountants, Rajkot for a period of three years with effect from 1 April 2017. Accordingly, the internal audit was taken up but completed only in respect of two units i.e. Human Resources and Port Land and Town Development Wing.	The Final report has since been furnished by M/s. RSD & Associates for Gandhidham and Vadinar. The same is furnished via email to local Audit team.
<b>2. Adequacy of Internal Control System</b>  The Internal Control System of the Port requires strengthening for the following reasons:	
(i) Dead stock register was not maintained. Hence, discrepancies, if any, could not be ruled out.	The observations of audit are already covered in the scope of work of Internal Audit and the action is in hand by all the Divisions/Department to comply with the same.
(ii) Accrued interest on General Fund as well as specific funds also invested in the long term and short-term deposits with banks. As per the item wise data furnished by the Port, the accrued interest during the period from 2017 to 2020 was ₹113.93 crore whereas the amount accounted is ₹115.13 crore and the difference of ₹1.20 crore is not reconciled.	Certain FDRs invested are of long term nature and the interest accrued on such FDRs spills over into two to three financial years. The reconciliation of such interest accrued is on hand and the un-cleared amount of Rs. 1,20,01,926/- shall be traced out during the current year 2020-21 and necessary rectification entry shall be passed.
(iii) As per Balance Sheet, the accrued interest on PF Investment is ₹23.86 crore, whereas as per the item wise details furnished by the Port, it was ₹16.59 crore. The Port needs to reconcile the difference of ₹7.27 crore.	The difference of Rs. 7.27 crore represents very old difference being carried over since many years and the reconciliation of which will require verification old records. The same will be carried out before posting the balances in upcoming ERP Module.
<b>3. System of Physical Verification of Fixed Assets</b>  The Physical Verification Report of Fixed Assets was not completed for the year 2019-20. Based on the physical verification report for the year 2018-19, audit observed that several items which were disposed off were included in the Gross Block of Fixed Asset schedules.	The Physical Verification report of Inventories for the year 2019-2020 has been furnished to Audit vide letter no. FA/AC/3609-1920/342 dated 23/07/2020 and the Physical Verification Report of fixed Assets vide letter no. FA/AC/3609-I-1920/371 dated 14/08/2020.
<b>4. System of Physical Verification of Inventories</b>  The Port has not adopted any depreciation policy nor done any revaluation in conformity with the guidelines contained in the CFFR.	The matter is referred to the Ministry and IPA to frame a policy. This fact has been also informed to Audit last year.
<b>5. Regularity in payment of statutory dues</b>  DPT was regular in depositing undisputed statutory dues	Factual position
SD/- (V. S. K. Nampoodiry) Dy. Director	(B. Bhagyanath) Financial Adviser & Chief Accounts Officer, Deendayal Port Trust.
Place: Mumbai, Date: 5 <sup>th</sup> November, 2020	Place: Gandhidham Date: November, 2020

Audit Observation				Action taken Notes
<b>Annexure II</b>				
<b>Review of Accounts of Deendayal Port Trust for three years ended 31 March 2020 by the Comptroller and Auditor General of India</b>				
(The Review of Accounts has been prepared without taking into account the audit observations/comments contained in the Separate Audit Report of the Comptroller and Auditor General of India)				
<b>1. Financial Position</b>				
The Financial Position of Deendayal Port Trust under the broad headings for three years ended 31 March 2020 is given below:				
<b>Particulars</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	Factual position
<b>LIABILITIES</b>				
Capital Reserve	2317.13	2659.87	2779.03	
Other Reserves	2364.28	2297.67	2896.84	
Borrowings	16.12	16.12	16.12	
Deferred Tax Liability	97.90	97.90	97.90	
Current liabilities and Provisions	2884.94	3419.65	3480.38	
<b>Total</b>	<b>7680.37</b>	<b>8491.21</b>	<b>9270.27</b>	
<b>ASSETS</b>				
Net Fixed Assets	1298.28	1811.22	1712.89	
Work-in-Progress	456.47	310.92	516.81	
Investments	1150.29	1136.41	2931.28	
Current Assets and Loans & Advances	4775.33	5232.66	4109.29	
Deferred Tax Assets	0.00	0.00	0.00	
<b>Other Assets/Misc. Expenditure</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
Sheds handed over to BOT operator	0.00	0.00	0.00	
SVRS Expenditure	0.00	0.00	0.00	
<b>Total</b>	<b>7680.37</b>	<b>8491.21</b>	<b>9270.27</b>	
Working Capital *	1890.39	1715.11	531.01	
Net Worth **	4681.41	4957.54	5675.87	
Capital Employed ***	3188.67	3526.24	2243.90	
Net Surplus (before appropriation)	-109.85	243.71	691.83	
Return on Capital Employed **** (percentage)	-3.45	6.91	30.83	
Capital Employed (Including work-in-Progress)	3645.14	3526.32	2243.90	
Return on Capital Employed **** (Including Work-in-progress) (percentage)	-3.01	6.35	25.06	

Audit Observation				Action taken Notes
* Working Capital represents Current Assets minus Current Liabilities; **Net worth represents Capital Reserves and other reserves ***Capital Employed represents Net Fixed Assets Plus Working Capital; ****Return on Capital Employed represents percentage of Net Surplus (before appropriation) to Capital Employed.				
2. Working Results				
The working results of the Deendayal Port Trust for the last three years ending 31 March 2020 are summarized below:				Factual position
Particulars	2017-18	2018-19	2019-20	
Revenue				
Operating Income	1475.35	1657.47	1728.16	
Non-operating Income	261.12	189.43	254.02	
Total	1736.47	1846.90	1982.18	
Expenditure				
Operating expenditure	677.99	705.40	714.03	
Non-operating expenditure	512.03	600.80	231.35	
Total	1190.02	1306.20	945.39	
Extra ordinary items	0.00	0.00	0.00	
Prior Period charges	0.00	0.00	0.00	
Net Surplus before tax	546.45	540.70	1036.79	
Less: Provision for Tax	656.30	296.98	344.96	
Add / Less: Deferred tax liability / assets	0.00	0.00	0.00	
Add: Withdrawn from Welfare fund	0.00	0.00	0.00	
Net surplus before appropriation	-109.85	243.72	691.83	
Less: Mandatory Appropriations /Transfers to Res. Funds, etc.	145.29	141.04	135.24	
Surplus / Deficit transferred to General Reserve Fund	-255.14	102.68	556.59	
Percentage of net surplus to:				
(i) Operating Income	-7.45	14.70	40.03	
(ii) Net Fixed Assets	-8.46	13.46	40.39	
(iii) Net Worth	-2.35	4.92	12.19	

Audit Observation				Action taken Notes
<b>3. Ratio Analysis (Liquidity and Solvency)</b>				
Some important ratios on liquidity and solvency and on financial health of the Deendayal Port Trust are shown below:				Factual position
<b>Particulars</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	
a. The Percentage of Current Assets to Current Liabilities (including Provisions)	165.53	148.76	114.84	
b. Percentage of Quick Assets to Current Liabilities	42.74	0.69	0.24	
c. Percentage of Sundry Debtors to Operating Income	30.39	35.43	39.55	
d. Percentage of Debt to Capital Reserve & General Reserve	0.39	0.33	0.28	
e. Percentage of profit before tax to:				
a) Net Worth	11.67	10.91	18.27	
b) Capital Employed	17.14	37.04	46.20	
c) Operating Income	37.04	32.62	59.99	
SD/- (V. S. K. Nampoodiry) Dy. Director				(B. Bhagyanath) Financial Adviser & Chief Accounts Officer, Deendayal Port Trust.
Place: Mumbai, Date: 5 <sup>th</sup> November, 2020				Place: Gandhidham Date: November, 2020