



कंडला पोर्ट ट्रस्ट
KANDLA PORT TRUST

वर्ष 2014-15 का वार्षिक लेखा
तथा लेखा परीक्षा रिपोर्ट और
तत्संबंधी कार्रवाई से संबंधित टिप्पणिया

ANNUAL ACCOUNTS FOR THE
YEAR 2014-15 AND AUDIT REPORT WITH
ACTION TAKEN NOTE THEREON

INDEX

Sr. No.	Description	Page Nos.
(A)	ANNUAL ACCOUNTS	
1.	Summary of Financial Review 2014-15	1-4
2.	Balance Sheet	5
3.	Schedule of Balance Sheet	6-11
4.	Profit & Loss Account	12
5.	Schedule of Profit & Loss Account	13-16
6.	Accounting Policies and Notes forming parts of Accounts	17-22
7.	Gratuity and Pension Account	23-24
(B)	SEPARATE AUDIT REPORT & ACTION TAKEN NOTE	
1.	Separate Audit Report & Action Taken Note	25-27
2.	Annexure I	28
3.	Annexure II	29-30

KANDLA PORT TRUST

SUMMARY OF FINANCIAL REVIEW 2014-15

The Annual Accounts of the Kandla Port Trust for the year 2014-15 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 Principal Director of Commercial Audit & Ex-Officio Member, Audit Board –I, Mumbai, latest by 31.05.2015 duly approved by Board as per the time Schedule prescribed by the Central Government. Accordingly, the Annual Accounts are prepared and attached herewith. The salient features of the financial performance are as under:

2 Traffic

The year 2014-15 recorded increase of 6.31% in traffic. The Port has handled 924.97 lakh tonnes of cargo during 2014-15 as against 870.05 lakh tonnes in 2013-14. The traffic at Kandla and Vadinar is tabulated below:

(In lakh tonnes)			
Particulars	R.E 2014-15	Actual 2014-15	Actual 2013-14
Import at Kandla	285.22	291.57	218.97
Export at Kandla	129.26	96.19	139.91
Total at Kandla	414.48	387.76	358.88
Import at Vadinar	407.00	403.99	375.95
Export at Vadinar	127.00	131.41	130.87
Total at Vadinar	534.00	535.39	506.81
Transshipment	1.52	1.82	4.35
Grand Total	950.00	924.97	870.05

3 Financial Result

The summary of the financial performance of the Port for the year 2014-15 is as under: -

(Rs. in lakhs)			
Particulars	R.E 2014-15	Actual 2014-15	Actual 2013-14
Operating Income	82441.19	88469.42	74412.15
Operating Expenditure	64364.75	62059.17	60022.43
Operating Surplus	18076.44	26410.25	14389.72
Non-Operating income	22188.13	16357.51	26392.36
Non-Operating exp.	29879.40	38074.26	27467.23
Profit before tax	10385.17	4693.50	13314.85
Provision for Income tax & Deferred tax	4391.06	11054.09	9720.35
Profit / Loss after tax	5994.11	-6360.59	3594.50

3.1 The operating income increased by Rs. 14057.27 lakhs (18.89%) over previous year. This is mainly due to: -

- >> Increase of Rs. 3916.42 lakhs in cargo handling income due to increase in traffic by 6.31%.
- >> Increase of Rs. 1848.96 lakhs in Port and Dock charges due to increase in GRT by 36 lakhs tonnes.
- >> Increase of Rs. 8239.55 lakhs in Estate Rentals due to increase in tariff of Kandla Land.

3.2 There is an increase in operating expenditure by Rs. 2036.74 lakhs (3.39%) as compared to the previous year mainly due to:-

- >> Salary & Wages expenditure increased by Rs. 2876.58 lakhs due to more overtime, normal increment and increase in VDA rates.
- >> Increase in Office & Administration Expenses by Rs. 260.06 lakhs mainly due to increase in Advertisement & Publicity expenditure and more contribution for school at Vadinar.
- >> Security expenditure increased by Rs. 437.23 lakhs due to increase in cost of deployment of CISF personnel.
- >> Increase in Depreciation(Rs. 1220 lakhs, Medical(Rs. 230 lakhs) and other expenditure(Rs. 27.04 lakhs) by Rs. 1477.04 lakhs.
- >> Operation & maintenance expenses increased by Rs. 1290.90 lakhs due to increase in Maintenance of infrastructures, Power charges & Hire of Crafts by Rs. 903 lakhs, Rs. 98 lakhs and 302 lakhs respectively.
- >> Which is offset by decrease in dredging expenditure by Rs. 4936.33 lakhs due to backlog quantity was carried out in the previous year.

The break up of the operating expenditure is as follows: -

(Rs. In lakhs)			
Particulars	RE 2014-15	Actual 2014-15	Actual 2013-14
Salary and wages	24890.44	25065.35	22188.77
Stores	2139.07	1175.87	544.60
Office and administration expenses	1704.34	1448.86	1188.80
Dredging	13173.89	12123.18	17059.51
Operation and maintenance expense	13350.95	12400.00	11109.11
CISF & other security	2261.65	2128.18	1690.96
Medical	1137.10	1121.66	891.29
Depreciation	5470.00	6304.07	5084.51
Other expenditure	237.31	292.00	264.88
Total	64364.75	62059.17	60022.43

3.3 The major sources of non operating income are:

(Rs. in lakhs)			
Particulars	RE 2014-15	Actual 2014-15	Actual 2013-14
Interest Income	18670.00	12461.39	17154.73
Other Misc. Income	3518.13	3896.12	9237.63
Total	22188.13	16357.51	26392.36

The F&M income has gone down by Rs. 10034.85 lakhs as, compared to the previous year mainly on account of reduction in interest & dividend income by Rs. 5603.34 lakhs due to less investible surplus on account of payment of retirement contribution, and less income from Penalties & Prior Period Income by Rs. 4869 compared to previous year, which has been offset by Rs. 738 lakhs due to interest on refund of Income Tax received during current year.

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

(Rs. in lakhs)

Particulars	RE 2014-15	Actual 2014-15	Actual 2013-14
Contribution to Pension	25800.00	30664.97	20345.00
Contribution to gratuity	1800.00	2979.39	3750.00
Grant-in-aid		73.50	
Welfare expenditure	300.00	226.86	223.23
Misc. expenses	1871.40	4022.53	2506.00
Contribution to CSR	108.00	107.00	643.00
Total	29879.40	38074.26	27467.23

The profit before tax for the current year, thus, stands at Rs. 4693.50 lakhs as against Rs. 13314.85 lakhs of previous year.

3.5 The provision for income tax and deferred tax liability for the financial year 2014-15 works out Rs. 11054.09 lakhs. Hence, there is net loss of Rs. 6360.59 lakhs during current year.

3.6 The amount available for appropriation as works out to Rs.(-) 6360.59 lakhs, which has been appropriated to the following reserves and funds as under :-

(Rs. in lakhs)

1	Profit on disposal of Capital Asset	10.40
2	Infrastructure Reserve	3474.06
3	Capital asset replacement reserves	583.75
4	Two 3% MPC reserves	8984.94
5	General reserve	-19413.75
	Total	-6360.59

4 Financial Position :

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

(Rs. in lakhs)

A.	LIABILITIES	Actual 2014-15	Actual 2013-14
a)	Capital Reserve	171404.71	155765.53
b)	Revenue Reserve	185795.96	203655.73
d)	Capital debt	1611.62	1611.62
e)	Current Liability & Provisions	149390.49	123642.83
	Total Liability	508202.79	484675.71
B.	ASSETS		
a)	Fixed asset less depreciation	100664.29	82882.72
b)	Capital work in progress	42048.87	31882.98
c)	Investment	167014.53	210225.07
d)	Current asset	198475.08	159684.94
	Total Asset	508202.78	484675.71
C.	Working capital	49084.59	36042.12
D.	Capital employed	149748.88	118924.84
E.	Net Worth	357200.67	359421.26
F.	ROR on Capital employed	-4.25%	3.02%
G.	Operating ratio	70.15%	80.66%

5 **Capital Expenditure:**

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

(Rs. in lakhs)

Particulars	RE 2014-15	Actual 2014-15	Actual 2013-14
Plan	47526.66	32447.00	14725.55
Non-Plan	3966.23	2733.23	882.10
Total	51492.89	35180.23	15607.65

The total amount of plan and non-plan capital expenditure has been funded out of the internal resources of the Port.

The Work-in progress, amounting Rs. 25014.34 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 no decision for its repayment is finalised by the Ministry. Barring this, the Port has no loan liability.

7 **Welfare Expenses :-**

An amount of Rs. 226.86 lakhs has been spent towards the staff welfare expenses during the current year as against of Rs. 223.23 lakhs spent in the year 2013-14.

8 **Tax Auditor :**

The Port has appointed M/s Shah Thacker & Co., C.A., Bhuj, as Tax Auditor for the financial year 2014-15, as required under the Income Tax Act.

The Board is requested to approve the Annual Accounts of Kandla Port Trust for the year 2014-15 for submission to the Principal Director of, Commercial Audit & Ex-Officio Member, Audit Board -I, Mumbai.

// 5 //
KANDLA PORT TRUST
BALANCE SHEET AS AT 31ST MARCH 2015

(RS. IN LAKH)

	Sch. No.	As at 31st March, 2015			As at 31st March, 2014		
SOURCES OF FUND							
RESERVES AND SURPLUS							
Capital reserve	1		171404.71			155765.53	
Revenue reserves			141740.75			161154.50	
Statutory reserves			27050.33			30289.78	
Infrastructure reserve			17004.88	357200.67		12211.46	359421.26
LOAN FUNDS							
Government loans	2			1611.62			1611.62
TOTAL				358812.28			361032.89
APPLICATION OF FUNDS							
FIXED CAPITAL ASSET							
Gross block	3	158751.55				134327.82	
Less Depreciation provision		58087.25	100664.29			51445.10	82882.72
Add: Capital work in progress			42048.87	142713.17		31882.98	114765.70
INVESTMENTS							
General investment	4			167014.53			210225.07
CURRENT ASSETS, LOAN & ADVANCES							
Current assets							
i) Accrued interest							
on Provident fund investment		2196.86				2164.90	
on New Pension Scheme Investments		0.00				23.39	
on General fund investment		9403.77	11600.63			12455.63	14643.92
ii) Inventories			166.74				151.83
iii) Sundry debtors							
-More than six month							
a) Government		7216.41				7220.53	
b) Non-Government		393.14				7220.53	
-Less than six month		15574.29	22790.69			5395.88	12616.41
a) Government		414.56					
b) Non-Government		15159.73					
iv) Cash and bank balances			6751.10				8063.13
v) Provident fund investments			27537.00				25666.50
vi) New Pension Scheme Investments			0.00				525.00
			68846.17				61666.80
Loans and advances							
iv) Advances & debit balance	6	87110.91				68436.84	
vi) Deposits		1981.79				2369.99	
vii) Advance tax		40536.22	129628.92			27211.31	98018.15
LESS:CURRENT LIABILITIES & PROVISIONS							
	7		198475.08			159684.94	
			149390.49			123642.83	
NET CURRENT ASSTES				49084.59			36042.12
TOTAL				358812.28			361032.89

CHAIRMAN
KANDLA PORT TRUST

FA & CAO
KANDLA PORT TRUST

KANDLA PORT TRUST							
SCHEDULE TO BALANCE SHEET		SCHEDULE 1 - RESERVES & SURPLUS				ANNUAL ACCOUNTS 2014-15	
(Rs. in Lakhs)							
RESERVES & SURPLUS	CAPITAL RESERVE	CAPITAL ASSETS REPLACEMENT RESERVE	INFRA-STRUCTURE RESERVE	GENERAL RESERVE	EMPLOYEES WELFARE FUND	3% RESERVE FOR REPLACEMENT RE-HABILITATION & MODERNISATION	3% RESERVE FOR DEVELOPMENT RE-PAYMENT OF LOANS & CONTINGENCIES
BALANCE AS ON 1ST APRIL.2014	155765.53	2000.00	12211.46	159154.00	0.50	17748.63	12541.15
ADD/LESS: TRANSFER FROM REVENUE ACCOUNT		583.75	3474.06	-19413.75		4492.47	4492.47
TRANSFER FROM OTHER FUNDS & RESERVES	15628.77				235.36		
REPAYMENT OF LOANS FROM GOVERNMENT							
RECEIPTS	10.40		1319.36			1703.78	1116.85
CAPITAL RECEIPT	0.00						
	171404.70	2583.75	17004.88	139740.25	235.86	23944.88	18150.47
LESS: TRANSFER TO OTHER RESERVES AND FUNDS							
CAPITAL RESERVE		583.75				8344.78	6700.23
OTHER TRANSFERS					235.36		
TOTAL :		583.75	0.00	0.00	235.36	8344.78	6700.23
BALANCE AS ON 31ST MARCH.2015	171404.70	2000.00	17004.88	139740.25	0.50	15600.10	11450.24

SCHEDULE 2 - LOAN FUNDS		
(Rs. in lakhs)		
PARTICULARS	AS ON 31.3.2015	AS ON 31.3.2014
Capital Debts	1611.62	1611.62
NOTE:		
<p>The Port Trust was formulated under MPT Act, 1963 on 29.2.1964. 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.</p>		

KANDLA PORT TRUST

SCHEDULE TO BALANCE SHEET

ANNUAL ACCOUNTS 2014-15

SCHEDULE 3 - FIXED ASSETS

(Rs. in Lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1st April 2014	Additions	Deletions	As on 31st March. 2015	As on 1st April 2014	Additions	Deletions	As on 31st March, 2015	As on 1st April 2014	As on 31st March. 2015
LAND	3470.24	1.40	237.37	3234.26					3470.24	3234.26
CAPITAL DREDGING	20672.38	17750.48	0.00	38422.86	10756.34	2213.15	0.00	12969.50	9916.03	25453.36
BUILDINGS, SHEDS AND OTHER STRUCTURES	15512.78	819.17	0.90	16331.05	4751.23	480.21	0.00	5231.43	10761.55	11099.61
WHARVES, ROADS & BOUNDARIES	31189.58	5026.26	84.75	36131.08	9639.00	1438.55	0.00	11077.55	21550.58	25053.53
FLOATING CRAFTS	12548.46	0.74	172.23	12376.98	7450.14	519.41	130.21	7839.34	5098.32	4537.64
RAILWAY & ROLLING STOCK	3755.94	18.14	0.01	3774.08	942.57	146.96	0.00	1089.53	2813.37	2684.55
DOCKS, SEA WALLS, PIERS NAVIGATIONAL AIDS	23759.27	289.61	0.09	24048.79	6952.40	545.56	0.00	7497.96	16806.86	16550.83
CRANES & VEHICLES	11274.15	35.48	7.66	11301.97	4606.87	651.07	3.79	5254.14	6667.29	6047.83
PLANT & MACHINERY	469.77	113.17	2.15	580.80	385.26	14.93	2.15	398.04	84.52	182.76
INSTALLATIONS OF WATER, ELECTRICITY, TELECOM, FIRE FIGHTING	10757.96	959.89	85.45	11632.39	5240.03	766.08	23.49	5982.62	5517.93	5649.78
OIL PIPELINE	917.29	0.00	0.00	917.29	721.26	25.88	0.00	747.14	196.03	170.14
GROSS BLOCK	134327.82	25014.34	590.61	158751.55	51445.10	6801.79	159.63	58087.25	82882.72	100664.29
CAPITAL WORKS IN PROGRESS	31882.98	35180.23	25014.34	42048.87					31882.98	42048.87

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

2) The total depreciation of Rs.6801.79 lakhs addition during the year includes arrear depreciation of Rs.497.73 lakhs , which is charged to prior period expense.

KANDLA PORT TRUST						
SCHEDULE TO BALANCE SHEET		SCHEDULE 4 - INVESTMENTS			ANNUAL ACCOUNTS 2014-15	
(Rs. In lakh)						
TYPE OF INVESTMENT	CAPITAL ASSETS REPLACEMENT RESERVE	STATUTORY RESERVES	INFRASTRUCTURE RESERVE	GENERAL RESERVE	TOTAL AS ON 31/3/2015	INVESTMENTS AS ON 1/4/2014
CURRENT INVESTMENTS: (SHORT TERMS)						
Term deposits with Banks		20730.33	17004.88	111049.25	148784.47	189296.99
Total		20730.33	17004.88	111049.25	148784.47	189296.99
LONG TERM INVESTMENT						
Bonds in Sardar Sarovar Nigam Ltd.						602.50
Equity Participation with M/s. KRCL				5200.00	5200.00	5200.00
Equity Participation with Petronet				500.00	500.00	500.00
Joint Venture with Chabahar Port				200.00	200.00	
Bonds in other PSUs/Long term deposits	2000.00	6320		4010.06	12330.06	14625.58
Total	2000.00	6320.00		9910.06	18230.06	20928.08
TOTAL INVESTMENTS	2000.00	27050.33	17004.88	120959.31	167014.53	210225.07
NOTE:(1) Investments are shown at original cost. (2) Current investments are investments made for an year or less. (3) Long term investment are investment made for a period of more than one year. (4) Equity participation with KRCL, Petronet V.K. Ltd. and SRC Ltd. are un-quoted investments. (5) Previous year figures have been re-grouped and re-classified, where ever necessary.						

KANDLA PORT TRUST				
SCHEDULE TO BALANCE SHEET		ANNUAL ACCOUNTS 2014-15		
SCHEDULE 5 - CURRENT ASSETS, LOANS & ADVANCES				
A. CURRENT ASSETS		(Rs. In lakhs)		
PARTICULARS	AS ON 31.3-2015	AS ON 31.3-2014		
ACCRUED INTEREST:				
Accrued interest on General Fund Investments	9403.77	12455.63		
Accrued interest on Provident Fund Investments	2196.86	2164.90		
Accrued interest on NPS Investments	0.00	23.39		
TOTAL	11600.63	14643.92		
SUNDRY DEBTORS:				
Sundry Debtors - Traffic Department	2410.55	2189.18		
Sundry Debtors - Marine Department	665.50	798.84		
Sundry Debtors - Engineering Department	4374.37	1385.83		
Sundry Debtors - Township Department	12608.71	2391.38		
Sundry Debtors - Civil Engineering Department	70.45	53.76		
Sundry Debtors - Miscellaneous	2661.11	5797.43		
TOTAL	22790.69	12616.41		
CASH & BANK BALANCES:				
BALANCES WITH BANKS:				
Punjab National Bank, Gandhidham(DB-10,19,28 & 33)	1417.67	397.96		
Punjab National Bank, Kandla (Current A/c.) (DB-12)	580.55	499.02		
Punjab National Bank, Kandla (Saving A/c.) (DB-13)	1348.73	879.86		
State Bank of India, Gandhidham (DB-2,9,14,17, 24 &30)	657.67	583.02		
Indian Overseas Bank, Gandhidham (DB-3)	976.12	2185.70		
HDFC Bank (DB-4,16 & 21)	68.13	9.11		
AXIS Bank (DB-5,6 & 20)	127.80	40.88		
State Bank of India, IOB & BOI, Vadinar	376.88	1191.12		
Dena Bank (DB-7)	88.69	54.28		
State Bank of India (PF) (DB-15)	543.06	1525.33		
IDBI, Gandhidham (DB-22)	0.00	32.55		
Corporation Bank(DB-23)	0.00	22.44		
Allahabad Bank (DB-31)	553.91	594.68		
Bank of Baroda (DB-32)	0.00	39.32		
TOTAL	6739.22	8055.27		
CASH ON HAND				
Cash Section, Gandhidham	1.23	0.44		
Cash Section, Kandla	7.42	4.22		
Imprest Account with Officers	3.23	3.21		
TOTAL	11.89	7.87		
PROVIDENT FUND / NPS INVESTMENTS				
Investment of Provident Fund	27537.00	25666.50		
Investment of New Pension Scheme (NPS)	0.00	525.00		
TOTAL	27537.00	26191.50		
INVENTORIES:				
PARTICULARS	MAIN STORE	MARINE STORE	WORKSHOP STORE	TOTAL
Opening balance as on 1.4.2014	148.98	-5.20	8.06	151.83
Add : Purchases during the year	118.47	309.52	3.13	431.12
Less : Issues during the year	113.08	298.88	4.25	416.21
Closing balance as on 31.3.2015	154.37	5.44	6.93	166.74
TOTAL CURRENT ASSETS	68846.17			61666.80

KANDLA PORT TRSUT				
SCHEDULE TO BALANCE SHEET		ANNUAL ACCOUNTS 2014-15		
SCHEDULE 6 - LOANS, ADVANCES & DEBIT BALANCES				
(Rs. in Lakhs)				
Particulars	Opening Balance as on 1.4.2014	Addition	Deletion	Closing Balance as on 31.3.2015
Advances & Debit Balances:				
Marriage Advance	84.76	237.97	93.11	229.61
Conveyance Advance	384.29	137.00	175.76	345.53
House Building Advance	344.33	37.04	101.74	279.62
Festival Advance	634.60	974.85	870.99	738.46
Computer Advance	102.08	4.60	40.09	66.59
Advance to Suppliers, Contractor & Others	66886.79	30593.13	12028.82	85451.10
Total	68436.84	31984.59	13310.51	87110.91
Deposits				
Deposits with other Organisation	1764.80	0.00	0.00	1764.80
Service Tax Payable	520.41	210.25	520.41	210.25
Income Tax - TDS from others	79.28	0.00	79.28	0.00
Sales Tax Recovery	5.51	6.74	5.51	6.74
Total	2369.99	216.99	605.20	1981.79
Income Tax				
Income tax and Demand of Income tax paid to Income Tax Department	27211.31	24467.45	11142.54	40536.22
Total	27211.31	24467.45	11142.54	40536.22
Total Advances & Debit Balances	98018.15	56669.02	25058.25	129628.92
Total Current Assets, Advances & Debit Balance	124209.65			157165.92

KANDLA PORT TRUST		
SCHEDULE TO BALANCE SHEET	ANNUAL ACCOUNTS 2014-15	
SCHEDULE 7 - CURRENT LIABILITIES & PROVISIONS		
(Rs. in lakh)		
Particulars	As at 31.3.2015	As at 31.3.2014
<u>CURRENT LIABILITIES</u>		
Salaries & wages payable	2943.88	2867.00
Creditors for Stores	74.49	9.42
Accrued Expenses	17211.74	11324.10
<u>Miscellaneous Creditors & Credit Balances</u>		
Sales Tax Payable	19.25	22.50
Income Tax - TDS from employees	124.14	137.41
Income Tax - TDS from others	1.71	0.00
Sales Tax Recovery	0.00	0.00
Service Tax Payable	0.00	0.00
Professional Tax	26.71	26.94
Provision for Income Tax	65785.70	50227.23
Provision for Gratuity Scheme	313.33	329.33
Others	145.12	99.63
	66415.96	50843.03
Unadjusted Sales Proceeds of Capital Assets & Unclaimed Goods	294.95	137.32
Deposits from Merchants, Contractors & Others	18954.68	16757.78
KPT Employee Insurance Fund	18.99	19.16
HBA Special Benefit Scheme	106.18	87.93
Leave Encashment Fund	1559.14	0.00
New Pension Scheme	130.67	718.77
Provident fund	30968.15	30103.55
Fund for Corporate Social Responsibility	921.75	814.75
Combating Oil Spill at Kandla(Sinking Fund)	0.25	5.54
Provision for Deferred Tax Liability	9789.67	9954.49
Total	149390.49	123642.83

**KANDLA PORT TRUST
PROFIT & LOSS ACCOUNT FOR THE YEAR 2014-15**

(Rs. In lakh)

PARTICULARS	SCH. NO.	CURRENT YEAR 2014-15	PREVIOUS YEAR 2013-14
INCOME			
CARGO HANDLING & STORAGE CHARGES	I	28575.33	24658.91
PORT & DOCK CHARGE	II	40392.99	38544.03
RAILWAY EARNINGS	III	129.58	77.23
ESTATE RENTALS	IV	19371.53	11131.98
TOTAL OPERATING INCOME		88469.42	74412.15
EXPENDITURE			
CARGO HANDLING & STORAGEES	V	14737.05	12494.19
PORT & DOCK FACILITIES	VI	30298.86	33128.61
RAILWAY WORKINGS	VII	100.35	117.09
RENTABLE LAND & BUILDINGS	VIII	4962.50	4081.72
MANAGEMENT & GENERAL ADMINISTRATION	IX	11960.42	10200.83
TOTAL OPERATING EXPENDITURE	X	62059.17	60022.43
OPERATING SURPLUS / DEFICIT:		26410.25	14389.72
ADD: FINANCE & MISCELLANEOUS INCOME	XI	16357.51	26392.36
LESS: FINANCE & MISCELLANEOUS EXPENDITURE	XII	38074.26	27467.23
PROFIT BEFORE TAX		4693.50	13314.85
PROVISION FOR DEFERRED TAX		-164.82	173.35
INCOME TAX FOR THE YEAR		11218.92	9547.00
PROFIT AFTER TAX		-6360.59	3594.50
ADD: INCOME TAX REFUNDED			
AMOUNT AVAILABLE FOR APPROPRIATION		-6360.59	3594.50
PROFIT ON DISPOSAL OF CAPITAL ASSETS	XI	10.40	457.24
CONTRIBUTION TO INFRASTRUCTURE RESERVE		3474.06	2949.26
CONTRIBUTION TO CAPITAL ASSETS REPLACEMENT RESERVE	1	583.75	774.92
CONTRIBUTION TO RESERVE FOR REPLACEMENT, REHABILITATION & MODERNISATION OF ASSETS	1	4492.47	3567.92
CONTRIBUTION TO RESERVE FOR DEVELOPMENT, REPAYMENT & CONTINGENCIES	1	4492.47	3567.92
TOTAL APPROPRIATIONS		13053.16	11317.26
BALANCE TRANSFERRED TO GENERAL RESERVE		-19413.75	-7722.76

KANDLA PORT TRUST
SCHEDULE TO PROFIT & LOSS ACCOUNT
OPERATING INCOME

(Rs. in Lakhs)

PARTICULARS	CURRENT YEAR 2014-15	PREVIOUS YEAR 2013-14
<u>SCHEDULE - I</u>		
<u>CARGO HANDLING & STORAGE CHARGES</u>		
HANDLING & STORAGE CHARGES	8392.23	7486.86
WHAREHOUSING FEES	155.57	186.56
CONTAINER STORAGE	5.10	0.00
POL HANDLING CHARGES	5623.27	5262.33
SUNDRY HANDLING	1035.95	178.04
DEMMURAGE FEES	1102.99	809.81
WEIGHTMENT CHARGES	206.66	169.34
ENTRY PERMIT FEES	27.34	24.84
ROYALTY INCOME FROM ESSAR LTD. VADINAR	4582.90	3956.50
REVENUE SHARE FOR OPERATING MOBILE HARBOUR CRANE	87.33	0.00
DOCK LABOUR STEVEDORING INCOME	4990.75	4642.61
INCOME FROM TUNA PORT-M/S. ADANI	104.94	13.20
INCOME FROM 11TH & 12TH CARGO BERTH(ABGKCTL)	0.34	0.20
INCOME FROM BARGE JETTY ON BOT BASIS (IFFCO)	141.03	16.41
INCOME FROM 13TH CARGO BERTH ON BOT BASIS (RAS INFRA.)	1668.25	1866.23
INCOME FROM 15TH CARGO BERTH ON BOT BASIS (JRE INFRA.)	450.68	45.97
TOTAL	28575.33	24658.91
<u>SCHEDULE - II</u>		
<u>PORT & DOCK CHARGES</u>		
TOWAGE & MOORING FEES	4352.89	3837.50
BERTH HIRE CHARGES	7050.38	7112.71
PILOTAGE FEES	21020.54	20301.12
PORT DUES	7860.21	7123.29
DRYDOCKING CHARGES	96.63	162.25
LAUNCH HIRE	7.09	5.01
FIRE SERVICE CHARGES	0.00	1.02
OTHER RECEIPTS	5.25	1.13
TOTAL	40392.99	38544.03
<u>SCHEDULE - III</u>		
RAILWAY EARNINGS	129.58	77.23
TOTAL	129.58	77.23
<u>SCHEDULE - IV</u>		
<u>ESTATE RENTALS</u>		
TOWNSHIP LAND RENTALS	872.98	1369.63
RENT FROM LANDS	17235.43	8310.86
RENT FROM BUILDINGS, SHEDS & GODOWNS	94.94	109.19
PREMIUM ON LEASED LAND	30.40	74.23
WATER CHARGES	24.44	52.38
ELECTRICITY CHARGES	304.16	300.15
MORTGAGE CHARGES	407.65	355.85
TRANSFER FEES	159.89	345.19
MISCELLANEOUS INCOME(KANDLA LAND)	133.56	57.01
MISCELLANEOUS INCOME(GANDHIDHAM LAND)	108.08	157.51
TOTAL	19371.53	11131.98
TOTAL OPERATING INCOME	88469.42	74412.15

KANDLA PORT TRUST
SCHEDULE TO PROFIT & LOSS ACCOUNT
OPERATING EXPENDITURE

(Rs. in Lakhs)

PARTICULARS	CURRENT YEAR 2014-15	PREVIOUS YEAR 2013-14
<u>SCHEDULE - V</u>		
<u>CARGO HANDLING & STORAGE</u>		
HANDLING & STORAGE OF GENERAL CARGO AT SHEDS & WHARVES	7055.18	6216.95
WAREHOUSING	148.72	205.96
OPERATION & MAINTANACE OF CONTAINER HANDLING & CRANES	2780.32	2066.58
POL HANDLING EXPENSES	249.90	222.39
EXPENDITURE ON GENERAL FACILITIES	1138.92	767.59
ADMINISTRATION & GENERAL EXPENSES	839.10	747.33
DEPRECIATION	2524.91	2267.40
TOTAL	14737.05	12494.19
<u>SCHEDULE - VI</u>		
<u>PORT & DOCK FACILITIES</u>		
BERTHING & MOORING	2606.72	2298.13
PILOTAGE & TOWING	9304.20	8959.79
DRY DOCKING EXPENSES	142.69	122.43
WATER SUPPLY TO SHIPPING	3.76	3.62
FIRE FIGHTING	988.90	834.48
DREDGING & MARINE SURVEY	12598.34	17485.06
EXPENDITURE ON 11TH & 12TH CARGO BERTH	253.03	227.72
OPERATION & MAINTANACE OF NAVIGATIONAL AIDS	198.50	125.62
SALVAGE & UNDERWATER REPAIRS	44.75	40.34
MAINTANACE OF DOCKS, HARBOUR WALLS & MARINE STRUCTURE	56.16	9.06
ADMINISTRATION & GENERAL EXPENSES	1176.04	1005.42
DEPRECIATION	2925.77	2016.94
TOTAL	30298.86	33128.61
<u>SCHEDULE - VII</u>		
<u>RAILWAY WORKING</u>		
MAINTANACE OF YARDS & SIDINGS	49.46	66.51
DEPRECIATION	50.89	50.58
TOTAL	100.35	117.09
<u>SCHEDULE - VIII</u>		
<u>RENTABLE LANDS & BUILDINGS</u>		
ESTATE MAINTANACE	3774.22	3054.89
ADMINISTRATION & GENERAL EXPENSES	822.41	700.42
DEPRECIATION	365.87	326.40
TOTAL	4962.50	4081.72
<u>SCHEDULE - IX</u>		
<u>MANAGEMENT & GENERAL ADMINISTRATION</u>		
MANAGEMENT & SECRETARIAL EXPENSES	3907.89	3181.10
ACCOUNTING & AUDITING	1204.34	1036.31
LEGAL	282.59	279.42
MEDICAL EXPENSES	1899.89	1557.87
STORE KEEPING	521.72	462.30
EXPENDITURE ON HEAD OFFICE BLDG. & TELEPHONE	256.74	192.68
ENGINEERING & WORKSHOP OVERHEADS	3594.17	3168.54
NEW MINOR WORKS	9.22	6.10
SUNDRY EXPENSES	13.56	59.65
DEPRECIATION	270.31	256.87
TOTAL	11960.42	10200.83
TOTAL OPERATING EXPENDITURE	62059.17	60022.43

KANDLA PORT TRUST
SCHEDULE TO PROFIT & LOSS ACCOUNT

(Rs. in Lakhs)

PARTICULARS	CURRENT YEAR 2014-15	PREVIOUS YEAR 2013-14
<u>SCHEDULE - XI</u>		
<u>FINANCE & MISCELLANEOUS INCOME</u>		
INTEREST ON GENERAL & OTHER RESERVE FUND INVESTMENTS	12461.39	17154.73
INTEREST ON STAFF ADVANCES & DELAYED PAYMENTS	317.87	286.85
DIVIDEND INCOME	0.00	910.00
PROFIT ON SALE OF CAPITAL ASSET	10.40	457.24
SALE OF UNSERVICEABLE MATERIALS	37.75	0.95
LAPSED & FOREFEITED DEPOSIT	0.00	3.19
SALE OF UNCLAIMED GOODS	0.00	1.62
TESTING FEES	8.57	8.14
INTEREST ON REFUND OF INCOME TAX	1074.36	336.59
OVERHEAD INCOME	497.66	393.06
INCOME FROM 11TH & 12TH CARGO BERTH-INTERST	0.00	0.00
PERMIT & LICENCE	6.92	29.88
STORAGE CHARGES	0.08	0.06
FIRE FIGHTING CHARGES	9.49	8.66
SALE OF DOCUMENTS	18.91	23.94
VEHICLE HIRE CHARGES	0.01	0.03
INCOME FROM COLLECTION OF OPC	14.63	9.39
MEDICAL CHARGES	3.23	3.15
OTHER RECEIPTS	520.99	3730.06
PRIOR PERIOD INCOME	1375.25	3034.82
TOTAL	16357.51	26392.36
TOTAL INCOME	104826.93	100804.51
<u>SCHEDULE - XII</u>		
<u>FINANCE & MISCELLANEOUS EXPENDITURE</u>		
BANK & COMMISSION CHARGES	0.19	43.20
INTEREST ON DELAYED PAYMENT OF SERVICE TAX	0.57	0.02
INTEREST ON DELAYED PAYMENT OF INCOME TAX	0.75	0.00
INTEREST ON LOAN	15.00	15.00
CONTRIBUTION TO GRATUITY FUND	2979.39	3750.00
CONTRIBUTION TO PENSION FUND	30664.97	20345.00
EXGRATIA ON SPECIAL V.R.S. SCHEME	1159.89	0.00
RETIREMENT TRAVELLING ALLOWANCE	7.76	7.54
CONTRIBUTION TO NEW PENSION SCHEME	132.58	120.96
CONTRIBUTION TO LEAVE ENCASHMENT FUND	1559.14	0.00
GRANT IN AID	73.50	0.00
MISC. EXPENDITURE	252.70	437.88
BOARD CONTRIBUTION TO PF	1.08	0.96
WELFARE EXPENSE	226.86	223.23
CONTRIBUTION TO CORPORATE SOCIAL RESPONSIBILITY	107.00	643.00
WAGE REVISION DUES	407.86	1512.98
EXPENDITURE ON CYCLONE	1.34	0.00
ITEMS RELATING TO PREVIOUS YEAR	483.68	367.47
TOTAL	38074.26	27467.23
TOTAL EXPENDITURE	100133.43	87489.66
SURPLUS BEFORE TAX	4693.50	13314.84
PROVISION FOR DEFERRED TAX	-164.82	173.35
INCOME TAX	11218.92	9547.00
REVENUE CLEARING ACCOUNTS	0.00	0.00
NET SURPLUS AFTER TAX	-6360.59	3594.50

KANDLA PORT TRUST		
SCHEDULE TO PROFIT & LOSS ACCOUNT		
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	2014-15	2013-14
<u>SCHEDULE - X</u>		
SALARIES & WAGES	20614.15	18363.34
OVERTIME	4191.54	3583.01
STIPHEND TO TRAINEES	7.04	4.55
PRODUCTIVITY LINKED REWARD	216.89	211.08
LEAVE TRAVEL CONCESSION	35.73	26.79
SALARIES & WAGES TOTAL	25065.35	22188.77
STORES (UNIFORM)	57.40	63.57
STORES (OPERATION)	23.06	12.39
STORES (REPAIRS&MAINTANANCE)	1095.40	468.64
STORES TOTAL	1175.87	544.60
<u>C) OFFICE & ADMINISTRATIVE EXPENSES</u>		
COMMUNICATION	44.95	32.32
TRAVELLING EXPENSES	146.62	142.17
FURNITURE, OFFICE EQUIPMENTS ETC.	18.24	17.84
BOOKS & PERIODICALS	0.76	0.95
STATIONNERY	10.54	14.49
NEW MINOR WORKS	9.19	6.10
ADVERTISEMENT & PUBLICITY	368.83	254.23
LEGAL, ARBITRATION & PROFESSIONAL FEES	547.83	508.49
RENT, RATES & TAXES	8.10	8.73
AUDIT FEES AND ACCOUNTING EXPENSES	8.58	0.00
TAX AUDIT FEES	4.44	0.00
CONTRIBUTION & SUBSCRIPTION	265.28	188.10
TRUSTEE"S FEES	7.07	6.85
OFFICE EQUIPMENT MAINTANANCE	1.71	1.40
ENTERTAINMENT	6.75	7.14
OFFICE & ADMINISTRATIVE EXPENSES TOTAL	1448.86	1188.80
<u>D) OPERATION & MAINTENANCE EXPENSES</u>		
POWER	2055.31	1957.79
FUEL	3054.54	3184.37
MAINTENANCE DREDGING	12123.18	17059.51
R&M OF EQUIP.,CRAFT,INFRASTRUCTURE FACILITIES	3536.14	2633.27
HIRE CHARGES OF VEHICLES	294.76	206.83
HIRE OF CRAFTS	3251.58	2949.56
WATER CHARGES	207.67	177.28
OPERATION & MAINTENANCE EXPENSES TOTAL	24523.18	28168.61
EXPENDITURE ON CISF	2081.39	1647.32
POLICE & OTHER SECURITY AGENCIES	46.79	43.64
SECURITY EXPENSES TOTAL	2128.18	1690.96
FEES TO OUTSIDE PROFESSIONALS	12.70	19.08
STORES (MEDICAL)	33.21	33.81
REIMBURSEMENT OF MEDICINES TO STAFF	397.44	347.44
CHARGES PAID TO OUTSIDE HOSPITALS	295.62	218.11
RETIRED MEDICAL SCHEME	374.46	266.81
OTHERS	8.23	6.05
MEDICAL EXPENSES TOTAL	1121.66	891.29
<u>G) DEPRECIATION</u>		
AMC FOR EDP	43.00	72.08
PRINTING & PUBLISHING	30.92	22.67
INSURANCE	14.04	15.09
MISCELLENOUS	204.05	155.04
OTHERS EXPENSES TOTAL	292.00	264.88
TOTAL OPERATING EXPENSES	62059.17	60022.43

ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS 2014-15

A. SIGNIFICANT ACCOUNTING POLICIES: -

- 1) The annual accounts have been prepared based on the revised accounting policy as set out in the Billimoria Report and implemented from the year 2003-04 and the figures shown in the accounts are in lakhs.
- 2) Accrual Basis of Accounting is followed in preparation of accounting statements. The Fundamental Accounting Assumptions of Going Concern and Consistency is followed.
- 3) Revenue is recognized on completed service method.
- 4) Fixed assets are valued at Original Cost of acquisition.
- 5) The depreciation is calculated based on Straight-line Method for accounting purpose and is applied consistently so far. The depreciation on assets put to use for less than 30 days were provided with no depreciation and assets put to use for less than 180 days were provided with half the depreciation and assets in use for more than 180 days provided full depreciation.
- 6) Investments are valued at Original Face Value. The investments consist of PSU Bonds, Equity participation and Term deposits with Banks.
- 7) 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.
- 8) The separate Trusts for Pension and Gratuity have been created for managing the Pension and Gratuity Funds. The contributions to the Trusts are made as per Actuarial Valuation.
- 9) Capital Reserve represents the investment in Fixed Assets by Port's own funds and other capital receipts.
- 10) Capital employed has been taken as "Net Fixed Assets plus Net Current Assets". 3% of the capital employed has been appropriated to each of the two 3% Statutory Reserves.
- 11) Furniture is charged under the Revenue heads.
- 12) New Minor Works i.e. works costing less than Rs. One lakh are charged under Revenue heads.
- 13) Dredging expenditure relating to Maintenance of existing levels of depth and width are charged to Revenue while that of additional depth achieved are treated as Capital in nature.

B. NOTES ON ACCOUNTS: -

- 1) Provision for Income tax of Rs. 11232.90 lakhs has been made for the year 2014-15.
- 2) 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.
- 3) The pension and gratuity payments of the year have been made from the respective Trust accounts.
- 4) A provision of Rs. 216.89 lakhs has been made for PLR for the year 2014-15 on the basis of actual amount disbursed in the previous year.
- 5) The interest earned on the investment of the Statutory Reserves & Infrastructure Reserve has been credited directly to the respective reserves.
- 6) The Capital Reserve of Rs. 171404.71 lakhs shown in the Balance Sheet does not include Capital Work In Progress incurred during the year amounting to Rs. 35180.23 lakhs.
- 7) KPT has issued the following Compensation bills to various Lessees, Leave and License holders, whose Lease/Leave and License period has been expired. The accumulated amount as on 31.03.2015 is Rs. 12276.98 lakhs. Port has already initiated actions for taking possession back from the above Lessees and parties were issued notice to hand over the peaceful possession of land under Public Premises (Eviction of Unauthorized Occupants) Act. 1971. Civil suits for recovery of dues are pending in the Court.
- 8) A Refund claim for Rs. 84.11 lakhs paid by KPT towards sales tax and penalty was in appeal and was pending with Dy. Commissioner, Sales Tax, Rajkot.
- 9) The equity investment of Rs. 500 lakhs, made in Petronet V. K. Ltd. is being eroded due to negative net worth of Petronet V K Ltd. and the company has become sick. The provision for loss will be made after approval of Board and subject to approval of Ministry of Shipping.
- 10) The contingent liabilities in respect of following suits are pending:-

Sr.	Name of Party	Amount in Lakhs	Particulars of receipts
a	M/s. ABGCTL(Now, Kandla Container Terminal Pvt. Ltd.)	32035.00	The disputable claim of Berth No.11&12 involved is filed in the High Court of Gujarat.
b	M/s, Jaisu Shipping Co.Pvt. Ltd.	11911.00	The KPT has filed a suit for recovery in the District Court, Gandhidham.
c	M/s. Doongarsey Salt Worsk	8086.40	The KPT has filed a suit for recovery in the District Court, Gandhidham.
d	M/s. Bhumi Kwang	17509.00	The case filed with the Arbitration, Ahmedabad towards loss suffered by claimant due to rescission of contract by KPT.

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

Sr.	Particulars	2014-15	2013-14
a	Class – I	81	80
b	Class – II	57	54
c	Class – III	1160	1255
d	Class – IV	941	1019
e	Shore workers	246	239
f	Dock Labour	627	652
	Total	3112	3299
	Employees cost (Rs. In Lakhs)	25065.35	22188.77

12) An amount of Rs. 1558 lakhs was paid by KPT to National Highway Division, 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, they have been asked to repay the amount.

13) The number of vessels handled during 2014-15 & 2013-14 is 2216 and 2304 respectively.

14) The GRT handled during 2014-15 & 2013-14 is 715.97 lakhs tonnes and 679.98 lakhs tonnes respectively.

15) Kandla Port Trust executed a Licence Agreement with M/s. ABGKCTL on 23/06/2006 for the Project of Development, Operation, Management and Maintenance of Berth Nos. 11 & 12 at Kandla Port as Containere Terminal on Build, Operate and Transfer (BOT) basis for a period of 30 years. Due to various defaults (technical & financial), KPT issued a Termination Notice to ABGKCTL. The matter was taken to the court by M/s. ABGKCTL, in which, the Hon'ble High Court passed an interim order dated 16/08/2013.

As per the said orders, the berth No. 11 & 12 alongwith the assets and structures have been taken over by KPT on 27/09/2013 for which, KPT has submitted the FDRs amounting to Rs. 11533 lakhs i.e. Rs. 11000 lakhs (+) interest amounting to Rs. 533 lakhs in the Court. 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. The amount outstanding against M/s. ABGKCTL have already been shown in the earlier years accounts.

16) The provision towards towards leave encashment liability has been made on the basis of actuarial valuation as per AS-15, as done by LIC based on Average Leave Balance of 100 in individual account.

- 17) The details of service tax demand and interest at appropriate rate by Service Tax Department and status thereof is furnished as under:-

Sr.	Period	Amount in Lakhs	Status of Case
a	FY 2007-08 to 2010-11	694.49	Demand not accepted & stay granted to appeal.
b	FY 2007-08 to 2010-11	1465.29	Demand not accepted & stay granted to appeal.
c	FY 2011-12	239.01	Demand not accepted & stay granted to appeal.
d	FY 2012-13	169.47	Demand not accepted & stay granted to appeal.
e	Wrongly availed cenvet credit in respect of Caretaking/ Telephone/Const. Service at Guest House for FY 2011-12.	3.69	Reply given to Asst. Commissioner and hearing awaited.
f	Royalty & L.F. of berth No. 13 for FY 2012-13	72.05	Reply given to Asst. Commissioner and hearing awaited.
g	Wrongly availed cenvet credit on Rent-a-cab for FY 2012-13	12.44	Hearing held on 13/03/2015
h	Wrongly availed cenvet credit in respect of Caretaking/ Telephone/Const. Service at Guest House for FY 2012-13.	7.32	Hearing held on 13/03/2015
I	- do - for FY 2013-14	0.17	Reply given to Asst. Commissioner on 3/3/15
j	Non-payment of S.Tax on income received from berth Nos. 11 & 12 for FY 2013-14	0.03	Reply given to Asst. Commissioner on 3/3/15
k	Royalty & L.F. of berth No. 11-13 for FY 2013-14	230.69	Demand issued on 20/3/15 & reply yet to be given.
	Total	2894.65	

- 18) An amount of Rs. 1578 lakhs, swapped from Provident Fund Investment to General Fund Investment as per Board Resolution No. 23 of Board Meeting held on 19.06.2008. This 1578 lakhs includes Rs. 833 lakhs towards principal and Rs. 755 lakhs towards interest due from Investments in three different defunct PSUs. The realization of amounts depends on the outcome of court case filed by KPT. Out of three PSU's compromise/settlement has been made with PICUP as per instruction of Ministry of Shipping and with approval of the Board. The distribution of swapped interest of Rs. 755 lakhs to the subscribers is on hand.
- 19) An amount of Rs. 3474.06 lakhs has been appropriated from Net Surplus during the current year and shown separately as Infrastructure Development Reserve in Balance sheet, being 50% of the Revenue share received from BOT operators.
- 20) The National Pension Scheme in respect of employees appointed on or after 1/4/2004 has been operationalized. At present, 508 employees, out of around 535 employees, have obtained Permanent Retirement Account Number (PRAN). Employees Contribution recovered from salary of employees w.e.f. 1/4/2004 along with Employers Contribution has been deposited in the respective PRAN of employees.

- 21) As per Government's guidelines, an amount of Rs. 107 lakhs has been contributed towards Corporate Social Responsibility Fund during the current year and charged to Finance & Miscellaneous Expenditure.
- 22) To comply with the provisions of Income Tax Act, two separate Trusts were created for Gratuity and Pension Funds. The Accounts of Pension Trust and Gratuity Trust are annexed.
- 23) The Custom Department has issued the recovery notice dated 29/2/2012 of Rs. 67.10 lakhs with interest thereon towards differential custom duty and accordingly, the matter was referred to Ministry of Shipping, as it is not agreed by KPT.
- 24) The following major deferred tax liabilities and assets are recognized by the KPT and the moments thereof during the year :- (Rs. In lakhs)

Sr. No.	Deferred Tax Liability	As on 31/3/2014	Add- ition	Reversal	As on 31/3/2015
1	Deferred Tax Liability (Depreciation)	9954.49	150.57		10105.06
2	Deferred Tax Asset	0.00	315.40		315.40
	Net Deferred Tax Liability	9954.49	-164.82	0.00	9789.67

- 25) During the F.Y. 2014-15, Income Tax Demand of Rs. 7619.45 lakhs for FY 2011-12 and Rs. 10530 lakhs for FY 2012-13 respectively have been made due to addition made by the Assessing Officer. Our Tax Advocate, advised that the above additions will not sustain at appeal levels and accordingly, the demand paid has been kept in receivable accounts.

Further, during the year, an amount of Rs. 4661.84 lakhs and Rs. 6675.13 lakhs have been received as refund of Income Tax for AY. 2008-09 and A.Y. 2007-08 respectively.

- 26) The details of BOT project undertaken by the Port upto the report is furnished as under:--

(Rs. In lakhs)

Sr.No.	Name of Party	Period of Lease	MGT	Income		Status
				2014-15	2013-14	
a	M/s. RAS Infraport Pvt. Ltd(Cargo Berth No.13)	30 year w.e.f. 15.3.11	0.375 MMTPA	1668.25	1866.23	L.D. of Rs. 45.55 lakhs is due on account of delay in fulfilling CPs.
b	M/s. Royal Maritime Handles Pvt. Ltd (Cargo Berth No.14)	30 years from (Not awarded)	0.375 MMTPA	0.00	0.00	Termination notice issued & L.D. of Rs. 45.55 lakhs is recoverable from the party.
c	M/s. JRE Infraport Pvt. Ltd(Cargo Berth No.15)	30 year w.e.f. 27.9.11	0.375 MMTPA	141.03	16.41	L.D. of Rs. 45.55 lakhs is due on account of delay in fulfilling CPs.

d	M/s. Renuka Tuna Port Pvt. Ltd(Captive Jetty at Tuna)	30 (Not awarded)		4990.75	4642.61	The project has been terminated & after adjustment of EMD, Rs. 3.22 lakhs is due from party.
e	M/s. Iffco Kisan Bazar & Logistics Ltd.(Barge Jetty)	30 years from 11.8.11	1.00 MMTPA	0.00	0.00	No cargo other than captive cargo handled.
f	M/s. PSL India Pvt. Ltd. (Cargo Berth No.16)	30 year from 28.9.12	0.375 MMTPA	8392.23	7486.86	Termination notice issued & Rs. 1630.74 lakhs due upto 31/3/15 and, out of which Rs. 363.49 lakhs provided as Debtors and balance amount is not ascertained, hence not shown in the accounts.
g	M/s. Adani Bulk Terminal Pvt. Ltd(Bulk Terminal at Tuna Tekra)	30 years from 19.12.12	3.50 MMTPA	0.00	0.00	The recovery of L.D. to the tune of Rs. 82 lakhs is under dispute.

L.D. is not recognized in books of accounts, as it's recovery is not certain.

KANDLA PORT SUPERANNUATION SCHEME					
RECEIPT AND PAYMENT ACCOUNT FOR THE YEAR 2014-2015					
2013-14	RECEIPT	2014-15	2013-14	PAYMENT	2014-15
	Opening balance:				
99642	Cash in hand	99642	1366	Bank charges	2115
89444996	Cash in bank	73435137	635062685	Payment of pension	851413474
4841416016	Investment in LIC	6759662278	195372709	Payment of TDS	592550
540756469	Interest earned	678293986	97686345	Income Tax Payment	138833440
220115859	Reimb from LIC	102089345		Adj. by LIC	1511187
31093656	Reimb from SBI Life	28705171		Closing balance:	
3893524	Pension recd. Back	1867576	99642	Cash in hand	
	Pro-rata Pension recd	9894493	73435137	Cash in bank	141168581
	TDS recovered	592550			
2034500000	Contribution from KPT	2794833440	6759662278	Investment in LIC	9315952271
	Contribution from KPT				
	Adjusted through Debtors	271663623		Contribution receivable	271663623
	Account as per Contra			Account as per Contra	
7761320162		10721137241	7761320162		10721137241
KANDLA PORT SUPERANNUATION SCHEME BALANCE SHEET AS ON 31.3.2015					
2013-14	LIABILITY	2014-15 IN RS.	2013-14	ASSET	2014-15 IN RS.
9021002813	Superannuation fund	11782826992	1876465909	<u>Investment:</u>	
			310406791	Annuity from LIC	1876465909
			6759662278	Annuity from SBI Life	310406791
				LIC	9315952271
			74368193	<u>Deposit with I.T. Deptt.</u>	138833440
			99642	Cash in Bank	141168581
9021002813	TOTAL	11782826992	9021002813	TOTAL	11782826992

KANDLA PORT EMPLOYEES GRATUITY FUND					
RECEIPT & PAYMENT STATEMENT FOR THE YEAR 2014-15					
2013-14	RECEIPT	2014-15	2013-14	PAYMENT	2014-15
	Opening balance:		155581748	Gratuity payment	253139415
13059127.33	Cash in bank	60633929	650	Bank charges	1950
1092426681	Investment	1371994652	4553960	Annual Premium	5090763
107513715	Interest earned	136183489	134071341	Adjustment by LIC	209745653
134071341	Reimburse from LIC	209745653	20000000	Repayment of Loan	
20000000	Loan from KPTSS			<u>Closing balance:</u>	
1000000	Other receipt	2522060	60633929	Cash in bank	146222986
3765416	Recoveries	12255369	1371994652	Investment	1426634385
375000000	Contribution from KPT	247500000		<u>Debtor</u>	
	Contribution from KPT (Adjusted through General fund in Sundry Debtors Account as per Contra)	50439349		General fund account as per contra	50439349
1746836280		2091274501	1746836280		2091274501

KANDLA PORT EMPLOYEES GRATUITY FUND

BALANCE SHEET AS AT 31.3.2015

2013-14 IN RS.	LIABILITY	2014-15 IN RS.	2013-14 IN RS.	ASSET	2014-15 IN RS.
1427090934	Gratuity fund	1561559542		<u>Investment:</u>	
	Creditors:		1371994653	LIC	1426634385
5537648	KPT	11297830			
			60633929	Cash in bank	146222987
1432628582	TOTAL	1572857372	1432628582	TOTAL	1572857372

**Separate Audit Report of the Comptroller and Auditor General of India on the
Accounts of Kandla Port Trust for the year ended 31 March 2015**

Audit Observation	Action Taken Notes
<p>We have audited the attached Balance Sheet of the Kandla Port Trust (KPT) as at 31 March 2015 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.</p>	<p>Factual position and hence, no comments.</p>
<p>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.</p>	
<p>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.</p>	
<p>4. Based on our audit, we report that:</p>	
<p>(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;</p>	
<p>(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;</p>	
<p>(iii) In our opinion, proper books of accounts and other relevant records have been maintained by the Kandla Port Trust 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.</p>	
<p>(iv) We further report that::</p>	

Audit Observation	Port's Reply
A. BALANCE SHEET	
A.1. Capital Work-in-Progress – Rs.420.49 crore (Schedule 3)	
<p>The above includes an amount of Rs. 43.15 crores on account of cost of 32 works completed and put to use before 31 March 2015 but not capitalized as Fixed Asset. (A reference is invited to Comment No. A.1.1 of the Separate Audit Report on the accounts of Kandla Port Trust for the year ended 31 March 2014 in this regard). This has resulted in overstatement of Capital Work-in-Progress and understatement of Fixed Assets by Rs. 43.15 crore. In the absence of useful life and depreciation rates to be charged, the impact on the profitability cannot be commented upon.</p>	<p>In this connection, it is to clarify that on completion of work, the life and scrap value is fixed and same will be transferred to final asset head after approval of competent authority and if the same is not transferred during current year, the same is transferred in subsequent year after charging arrears depreciation as per consistent accounting policy. In current year, an amount of Rs. 250.14 crores has been capitalized during 2014-15 and arrear depreciation of Rs. 4.98 crores provided during 2014-15 as per practice in vogue.</p>
A.2. Long Term Investments	
A.2.1. Equity Participation with Petronet – Rs.5 crore Read with Note No.9 of Notes to Accounts (Schedule 4)	
<p>The above includes Rs. 5 crore invested in Petronet V K Limited towards equity share during the year 2000. As Petronet V K Limited has negative Net Worth and has become a sick company, the investment should have been written off fully. (A reference is invited to Comment No.A.2.1 of the Separate Audit Report on the accounts of Kandla Port Trust for the year ended 31 March 2014 in this regard). This has resulted in overstatement of investment and understatement of deficit by Rs. 5 crore.</p>	<p>Since, the Government of India have delegated certain powers for written off losses to different authority as per the values and such amount can be adjusted only after approval of the competent authority and accordingly, this has been disclosed at Sr. No. 9 of Notes on Accounts for the year 2014-15. As such, there is no overstatement of investment and understatement of deficit by Rs. 5 crore. Action to write off the investment in Petronet is being put up to the Board.</p>
B. Effect of Audit Comments on Accounts	
<p>The net impact of the comments given in preceding paras is overstatement of liabilities and loss by Rs.5 crore.</p>	<p>Considering the above clarifications, as furnished on each item, the misclassification and overstatement/understatement to the extent agreed to by the Kandla Port Trust has been/being adjusted in the accounts of 2015-16. The net understatement of liabilities and net loss is only Rs. 0.17 crore, as against 5 crore as observed by Audit. The observations of audit has been noted for further compliance, wherever acceptable as clarified against each to the observations.</p>
<p>(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.</p>	<p>Factual Position</p>

Audit Observation	Action Taken Notes
<p>(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 give a true and fair view in conformity with accounting principles generally accepted in India:</p>	
<p>(a) In so far as it relates to Balance Sheet, of the state of affairs of the Kandla Port Trust as at 31 March 2015; and</p>	
<p>(b) In so far as it relates to Profit and Loss Account of the Profit for the year ended on that date.</p>	
<p>5. A Review of Accounts showing the summarized financial results of Kandla Port Trust for three years ended 31 March 2015 is given in Annexure –II.</p>	
<p style="text-align: center;">For and on behalf of the Comptroller & Auditor General of India SD/- (Roop Rashi) Principal Director of Commercial Audit & Ex-officio Member Audit Board-I, Mumbai</p> <p>Place : Mumbai Date : 30 September 2015.</p>	

Audit Observation	Action Taken Notes
<u>Annexure-I</u>	
1. Adequacy of Internal Audit System	
Internal Audit of the Port for the year 2014-15 was not conducted.	The 100% pre-audit of all the vouchers is done before payment. However, as per Government's instruction dated 8/7/2014, the tender to appoint professional internal auditors is under process.
2. Adequacy of Internal Control System	
The Internal Control System of the Port requires strengthening for the following reasons, as the Port has not appointed a firm of Chartered Accountants to conduct special audit of the gross revenue and the financial statements, documents and supporting evidences thereto as may be mandated by KPT in respect of royalty received from RAS Infraport Private Limited and JRE Infra Private Limited. Accordingly, royalty accounted by KPT from these operators was without any independent audit / clarification.	As per the Concession Agreement, a firm of Chartered Accountants is appointed to conduct Special Audit of Gross Revenue and Financial statements, documents up to 31/03/2014 and subsequent action as pointed out by Auditor is being taken and action to appoint a firm of C.A. for special audit is in process.
3. System of physical verification of fixed assets	
Physical verification of Fixed Assets was carried out during 2014-15 and no major discrepancy was found. However, different Divisions of the Port were maintaining the Fixed Assets Register in different formats and there was no uniformity.	The observation of audit for maintaining the Assets Register in uniformity is noted for future compliance.
4. System of physical verification of inventories	
Physical verification of inventory was carried out during 2014-15 and no discrepancy was found.	Factual position.
5. Regularity in payment of statutory dues	
Kandla Port Trust was regular in depositing statutory dues.	Factual position.
<p style="text-align: center;">Sd/- (C. S. Panwar) Deputy Director of Commercial Audit & Ex-officio Member Audit Board-I, Mumbai</p> <p>Place : Mumbai Date : 30 September 2015.</p>	<p style="text-align: center;">Sd/- Financial Adviser & Chief Accounts Officer</p> <p>Place: Gandhidham Date : 01 October 2015.</p>

Audit Observation		Action Taken Notes		
Annexure II				
Review of Accounts of Kandla Port Trust for three years ended 31 March 2015 by the Comptroller and Auditor General of India		Factual position.		
(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)				
1. Financial Position				
Financial position of Kandla Port Trust under the broad headings for three years ended 31 March 2015 was as follows:				
(Rs. in Crore)				
Particulars	2012-13	2013-14	2014-15	
A. Liabilities				
Capital Reserve	1380.23	1557.66	1714.05	
Other Reserve	2232.33	2036.56	1857.96	
Borrowing – Capital Debt	16.12	16.12	16.12	
Current liabilities and Provisions	941.33	1136.88	1396.01	
Deferred Tax Liability	0	99.54	97.90	
Total	4570.01	4846.76	5082.03	
B. Assets				
Fixed assets – (Gross Block)	1277.60	1343.28	1587.52	
Less: Depreciation	465.18	514.451	580.87	
Net Block	812.42	828.83	1006.64	
Capital Work in progress	234.29	318.83	420.49	
Investments	2222.04	2102.25	1670.15	
Current Assets	1301.26	1596.85	1984.75	
Total	4570.01	4846.76	5082.03	
C. Working Capital*	359.93	459.96	588.74	
D. Net Worth**	3612.55	3594.21	3572.01	
E. Capital Employed***	1172.35	1288.79	1595.39	
F. Capital Employed (Including work in progress)	1406.64	1607.62	2015.88	
G. Return on Capital Employed****	21.94%	2.79%	-3.99%	
H. Return on Capital employed (Including Work in progress)	18.29%	2.24%	-3.16%	
* Working Capital represents Current Assets minus Current Liabilities.				
** Net Worth represents Capital Reserves and Other				
*** Capital Employed represents Net Fixed Assets plus Working Capital.				
**** Return on Capital Employed represents percentage of Net Surplus (before appropriation/profit after tax) to Capital Employed.				

Audit Observation				Action Taken Notes
2. Working Results				Factual position.
The Working Results of Kandla Port Trust for three years ended 31 March 2014 are summarized below:				
(In crore)				
Particulars	2012-13	2013-14	2014-15	
(a) Revenue				
(i) Operating Income	780.41	744.12	884.69	
(ii) Non-operating	202.52	263.92	163.58	
Total	982.93	1008.04	1048.27	
(b) Expenditure				
(i) Operating	514.97	600.22	620.59	
(ii) Non Operating Expenditure	78.30	274.67	380.74	
Total	593.27	874.89	1001.33	
(c) Net Surplus before tax	389.66	133.15	46.93	
(d) Less: Income tax	132.40	97.20	110.54	
(e) Net Surplus after tax	257.26	35.95	-63.61	
(f) Less: Mandatory Appropriation /Transfer to Reserve Fund	116.54	113.17	130.53	
(g) Surplus / Deficit transferred to General Reserve Fund	140.72	-77.22	-194.14	
3. Ratio Analysis (Liquidity and Solvency)				Factual position
Some important ratios on liquidity and solvency and on financial health of the Port Trust are shown below:				
Particulars	2012-13	2013-14	2014-15	
a. Current Assets to Current Liabilities	1.38	1.40	1.42	
b. Quick Assets to Current Liabilities	0.58	0.56	0.56	
c. Sundry Debtors to Operating Income	0.14	0.17	0.26	
d. Debt / Capital Reserve and General Reserve Ratio	0.01	0.01	0.01	
e. Percentage of Net Surplus before tax to:				
(i) Operating Income	49.93	17.89	5.31	
(ii) Net Fixed Assets	47.96	16.06	4.66	
(iii) Net Worth	10.79	3.70	1.31	
Sd/- (C. S. Panwar) Deputy Director of Commercial Audit & Ex-officio Member Audit Board-I, Mumbai Place : Mumbai Date : 30 September 2015.				