



PARADIP PORT AUTHORITY



2023-24

**ANNUAL ACCOUNTS
& AUDIT REPORT**



PARADIP PORT AUTHORITY

**ANNUAL ACCOUNTS
AND
AUDIT REPORT THEREON**

**WITH ACTION TAKEN
NOTES ON AUDIT OBJECTION/
OBSERVATIONS CONTAINED
IN THE REPORT**

FOR THE YEAR 2023-24



PARADIP PORT AUTHORITY

Annual Accounts and Audit Report 2023-24





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ANNUAL ACCOUNTS 2023-24

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BALANCE SHEET AS AT 31ST MARCH 2024

			(Amount in ₹)	
			As at 31.03.2024	As at 31.03.2023
I	SOURCES OF FUNDS			
1	RESERVES & SURPLUS	1	98,77,70,86,188	85,30,04,41,601
2	LOAN FUNDS	2	8,11,60,348	8,11,60,348
	TOTAL		98,85,82,46,536	85,38,16,01,949
II	APPLICATION OF FUNDS			
1	PROPERTY PLANT AND EQUIPMENT	3		
	a) Gross Block		30,87,22,58,298	26,17,44,58,898
	Less: Depreciation		12,96,36,61,364	12,45,22,50,842
	Net Block		17,90,85,96,934	13,72,22,08,056
	b) Capital Works-in Progress		2,69,37,72,324	5,31,75,76,900
			20,60,23,69,258	19,03,97,84,956
2	INVESTMENTS	4	50,22,12,02,241	43,83,37,93,596
3	CURRENT ASSETS, LOANS & ADVANCES	5	63,39,34,49,450	51,31,54,28,240
	Less: CURRENT LIABILITIES AND PROVISIONS	6	35,35,87,74,413	28,80,74,04,843
	Net Current Assets		28,03,46,75,037	22,50,80,23,397
	TOTAL		98,85,82,46,536	85,38,16,01,949
	Significant Accounting policy and Notes on Accounts	18		

Schedules 1 to 18 annexed hereto form part of the Balance sheet and the Profit and Loss Account.

Sd/-
D.N.Sondhi
 FA & CAO
 PARADIP PORT AUTHORITY

Sd/-
P.L.Haranadh
 CHAIRMAN
 PARADIP PORT AUTHORITY





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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in ₹)

	SCH	2023-24	2022-23
INCOME			
Cargo handling & storage charges	07	12,69,77,18,346	10,38,27,06,043
Port & Dock Charges(Including pilotage Fees)	08	7,80,68,00,153	6,42,76,98,174
Railway Earnings	09	3,04,30,72,021	2,86,08,73,357
Estate Rentals	10	57,10,28,665	1,06,52,17,981
TOTAL		24,11,86,19,185	20,73,64,95,555
LESS EXPENDITURE			
Cargo handling & storage Charges	11	1,42,59,51,576	1,36,51,17,803
Port & Dock Facilities (including Pilotage)	12	2,94,03,69,686	2,81,24,86,737
Railway workings.	13	66,21,74,311	69,75,77,361
Rentable land & buildings.	14	83,77,11,761	63,70,64,062
Management & General Administration (not directly attributable to a Activity)	15	2,72,09,18,667	2,23,09,70,128
TOTAL		8,58,71,26,001	7,74,32,16,091
Operating Surplus/(Deficit)		15,53,14,93,184	12,99,32,79,464
Add: Finance & Misc. Income	16	2,46,33,09,682	1,81,56,66,558
Less: Finance & Misc Expenditure	17	1,13,96,67,314	1,85,26,51,743
Net Surplus/(Deficit) before Income Tax		16,85,51,35,552	12,95,62,94,279
Provision for Income Tax		5,87,02,65,798	4,44,84,19,356
Provision for Deferred Tax Liability		14,36,24,179	7,19,09,558
Net Surplus after Income Tax		10,84,12,45,575	8,43,59,65,365
Less: Appropriations		-	-
Fund for Replacement, Rehabilitation and Modernisation of Capital Assets		1,80,00,00,000	1,25,00,00,000
Fund for Development, Repayment of Loan & Contingencies		1,80,00,00,000	1,25,00,00,000
Net Surplus after Appropriation		7,24,12,45,575	5,93,59,65,365
Significant Accounting policy and Notes on Accounts	18		

Schedules 1 to 18 annexed hereto form part of the Balance Sheet and the Profit and Loss Account.

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CHAIRMAN
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SCHEDULE TO BALANCE SHEET

(Amount in ₹)

SCHEDULE-1	RESERVES & SURPLUS	As at 31.03.2024	As at 31.03.2023
a. CAPITAL RESERVE		10,40,76,248	7,54,46,042
b. REVENUE RESERVE			
i. General Reserve			
Opening Balance		47,42,99,91,718	41,49,40,26,353
Less: Earlier years short provisions			
Add:			
- Other Adjustment		6,66,47,981	
- Net Surplus		7,24,12,45,575	5,93,59,65,365
		54,73,78,85,274	47,42,99,91,718
ii Reserve for repayment of initial investment		8,11,60,348	8,11,60,348
		8,11,60,348	8,11,60,348
iii Employees Welfare Fund			
Opening Balance		15,00,000	15,00,000
Additions		15,00,000	15,00,000
Less : Expenditure		(15,00,000)	(15,00,000)
		15,00,000	15,00,000
iv E.L. Encashment Fund		52,71,85,862	55,30,59,786
		52,71,85,862	55,30,59,786



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c. STATUTORY RESERVE

i. Replacement, Rehabilitation, Modernisation of Capital Assets Fund

Opening Balance	21,70,35,92,952	19,28,12,90,520
Add: Appropriation from Profit & Loss Account	1,80,00,00,000	1,25,00,00,000
Add: Interest from investment of Fund	1,45,84,74,252	1,17,23,02,432
	24,96,20,67,204	21,70,35,92,952

ii. Development, Repayment of Loans & Contingencies Fund.

Opening Balance	15,45,56,90,755	1,33,91,48,82,83
Add: Appropriation from Profit & Loss Account	1,80,00,00,000	1,25,00,00,000
Less: Repayment of GoI Loan	-	-
Add: Interest from investment of Fund	1,10,75,20,497	81,42,02,472
	18,36,32,11,252	15,45,56,90,755
TOTAL	98,77,70,86,188	85,30,04,41,601

SCHEDULE-2	LOAN FUNDS	As at 31.03.2024	As at 31.03.2023
a. SECURED LOANS		-	-
b. GOVT. LOANS			
i. Initial Investment by G.O.I.		8,11,60,348	8,11,60,348
c. UNSECURED LOANS		-	-
	TOTAL	8,11,60,348	8,11,60,348





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SCHEDULE - 3 FIXED ASSETS

SCHEDULE TO BALANCE SHEET

Description of Asset	GROSS BLOCK			
	As at 01.04.2023	Additions during the year	Del/Adj during the year	As at 31.03.2024
1	2	3	4	5
Land	20,59,21,287	-	-	20,59,21,286
Lease land	71,10,000	-	-	71,10,000
Stacking Yard	60,98,91,198	51,24,01,439	-	1,12,22,92,637
Capital Dredging	4,47,20,40,476	1,10,29,00,903	-	5,57,49,41,379
Building Sheds and Other Structures	1,91,94,49,873	6,71,56,847	(3,49,738)	1,98,62,56,982
Wharves, Roads, Boundaries	6,25,95,88,591	83,51,31,103	-	7,09,47,19,694
Floating Craft	70,87,79,618	-	-	70,87,79,618
Railway and Rolling Stock	2,67,91,80,066	2,03,14,35,968	-	4,71,06,16,034
Docks, Sea-Walls, Breakwaters, Piers & Navigational Aids	78,34,22,675	-	-	78,34,22,675
Cranes and Vehicles	6,47,27,345	-	-	6,47,27,345
Plant & Machinery	5,78,98,41,155	5,85,49,234	-	5,84,83,90,389
Installation and Equipments	1,92,86,67,142	9,05,73,643	-	2,01,92,40,785
Furniture & Equipment	-	-	-	-
General Cargo Handling Equipments	72,72,69,480	-	-	72,72,69,480
Flotila & Marine Crafts	1,85,69,994	-	-	1,85,69,994
Total	26,17,44,58,899	4,69,81,49,137	(3,49,738)	30,87,22,58,298
Works in Progress	5,31,75,76,900	2,22,64,76,293	(4,85,02,80,869)	2,69,37,72,324
Grand Total	31,49,20,35,799	6,92,46,25,430	(4,85,06,30,607)	33,56,60,30,622
<i>Previous Year</i>	30,31,54,03,903	2,08,56,83,974	(90,90,52,079)	31,49,20,35,798



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AS AT 31.03.2024

(Amount in Rupees)

DEPRECIATION				NET BLOCK	
As at 01.04.2023	Provisions for the year	Del/Adj during the year	Total as on 31.03.2024	As at 31.03.2024	As at 31.03.2023
6	7	8	9	10	11
-	-	-	-	20,59,21,286	20,59,21,286
45,82,000	79,000	-	46,61,000	24,49,000	25,28,000
25,15,71,325	2,80,57,316	-	27,96,28,641	84,26,63,991	35,83,19,873
53,02,82,841	5,57,49,414	1,54,87,491	60,15,19,746	4,97,34,21,633	3,94,17,57,635
83,82,44,744	3,95,61,938	4,04,878	87,82,11,560	1,10,80,45,422	1,08,12,05,129
1,87,60,50,881	13,03,95,596	61,04,477	2,01,25,50,954	5,08,21,68,740	4,38,35,37,710
56,97,77,310	2,16,98,501	(91,22,461)	58,23,53,350	12,64,26,268	13,90,02,308
1,03,10,26,810	9,04,53,656	3,16,96,482	1,15,31,76,948	3,55,74,39,086	1,64,81,53,256
37,52,32,118	1,17,13,808	-	38,69,45,926	39,64,76,749	40,81,90,550
5,97,88,385	14,04,480	-	6,11,92,865	35,34,480	49,38,960
5,74,87,45,589	65,95,590	85,47,412	5,76,38,88,591	8,45,01,798	4,10,95,566
69,47,36,911	5,01,96,721	(29,76,583)	74,19,57,049	1,27,72,83,736	1,23,39,30,231
-	-	-	(1)	1	-
45,36,41,965	3,07,63,099	(54,00,323)	47,90,04,741	24,82,64,739	27,36,27,515
1,85,69,963	30	-	1,85,69,992	2	31
12,45,22,50,842	46,66,69,149	4,47,41,373	12,96,36,61,364	17,90,85,96,934	13,72,22,08,056
-	-	-	-	2,69,37,72,324	5,31,75,76,900
12,45,22,50,842	46,66,69,149	4,47,41,373	12,96,36,61,364	20,60,23,69,258	19,03,97,84,956
12,26,69,53,702	41,85,99,445	(23,33,02,305)	12,45,22,50,842	19,03,97,84,956	18,04,84,50,201





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SCHEDULE TO BALANCE SHEET

		(Amount in ₹)	
SCHEDULE-4	INVESTMENTS	As at 31.03.2024	As at 31.03.2023
A.	<u>INVESTMENT WITH GOVT. OR TRUST SECURITIES</u>	-	-
	Total	-	-
B.	<u>SHARES, DEBENTURES OR BONDS</u>		
	Setu Samudram Corporation Ltd.	30,00,00,000	30,00,00,000
	Haridaspur Paradip Railway Co. Ltd.	1,38,52,11,060	1,38,52,11,060
	Paradip Port Road Co Ltd.	40,00,00,000	40,00,00,000
	Dredging Corporation of India Ltd.	2,57,04,51,510	2,57,04,51,510
	Indian Port Rail & Rope way Corporation Ltd.	10,80,00,000	10,80,00,000
	Total	4,76,36,62,570	4,76,36,62,570
C.	<u>INVESTMENT PROPERTIES</u>	-	-
	Total	-	-
D.	<u>OTHERS</u>		
	Deferred tax fund	1,36,24,00,234	1,23,90,98,000
	Replacement, Rehabilitation and Modernisation of Capital Assets Reserve Fund	24,99,48,74,970	21,70,97,44,000
	Development, Repayment of Loan & Contingencies Reserve Fund	18,46,30,79,605	15,46,86,30,240
	Repayment of Initial Investment of GOI Fund	10,99,99,000	9,95,99,000
	E.L Encashment Fund	52,71,85,862	55,30,59,786
	Total	45,45,75,39,671	39,07,01,31,026
	G.TOTAL	50,22,12,02,241	43,83,37,93,596



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SCHEDULE TO BALANCE SHEET

(Amount in ₹)

SCHEDULE-5		As at 31.03.2024	As at 31.03.2023
CURRENT ASSETS, LOANS & ADVANCES			
A. CURRENT ASSETS			
i.	Accrued Interest on Investment	5,45,36,33,365	3,71,41,38,494
ii.	Inventories	37,75,012	1,65,46,508
iii.	Sundry Debtors		
	a. Govt. Dues	19,44,90,548	
	b. Non-Govt. Dues	1,72,79,34,441	1,58,09,54,804
iv.	Cash & Bank Balance		
	a. Cash in Hand	-	-
	b. Bank Balance		
	i. Fixed Deposit	20,96,82,09,398	19,72,54,38,386
	ii. Savings Bank A/c.		
	- Indian Bank	10,71,34,009	2,29,85,134
	- I.D.B.I Bank (Inv)	2	14,97,352
	- PNB (United Bank of India)	95,88,944	1,87,50,882
	- Indian Bank (Ext)	3,84,192	3,73,776
	- Uco Bank	57,99,254	47,47,075
	- PNB (Oriental Bank of Commerce)	9,26,441	3,06,23,568
	- Union Bank	3,96,26,706	2,32,60,087
	- I.D.B.I Bank	1,03,28,40,222	5,64,24,249
	- I.D.B.I Bank (Estate)	12,860	18,35,720
	- Axis Bank	10,94,85,631	1,23,92,714
	- State Bank of India (Main)	22,00,49,591	21,35,48,564
	- State Bank of India (Suravi)	7,62,10,787	6,09,31,228
	- ICICI Bank	59,70,41,350	2,87,39,581
	- Indian Overseas Bank	2,47,83,721	1,03,69,794
	- PN Bank	16,19,96,524	9,66,835
	- Bank of India	2,41,91,420	40,57,850
	- State Bank of India (PCS)		1,03,456
	- Kotak Mahindra Bank	1,07,15,858	18,24,859
	- HDFC Bank	30,14,34,664	7,48,617
	- Bank of Baroda	24,03,62,753	67,555
	- Bank of Maharashtra	4,00,07,535	
	- State Bank of India (EMD)	26,53,04,250	25,75,73,203
	- I.D.B.I (EMD)	1,32,705	13,57,270
	- State Bank of India (RFID)	5,600	7,62,181
	- State Bank of India (POS)		7,79,513
		24,23,62,44,417	





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SCHEDULE TO BALANCE SHEET

(Amount in ₹)

SCHEDULE-5 (Contd..)	As at 31.03.2024	As at 31.03.2023
B. LOANS AND ADVANCES		
i. Deposits	69,72,56,038	74,95,10,804
ii. T.D.S	5,86,85,78,432	4,73,72,23,125
iii. Payments in Advance		
- Advance for Purchases	-	14,44,910
- Advance for Motor Cycle/ Scooters /Computer etc.	6,26,771	1,50,500
- Advance for Festival/Medical	20,10,000	60,13,675
- Advance to Contractors	34,06,18,122	34,46,09,144
CURRENT ASSETS, LOANS & ADVANCES		
- House Building Advance	1,39,97,863	1,63,78,912
- Temporary Advance to departments	6,38,678	18,48,969
- Permanent Imprest to departments	5,17,000	5,13,000
- Income Tax	24,12,94,79,716	19,56,04,71,789
- GST	8,02,12,984	1,49,12,069
- Loan to DCI	55,87,96,248	
- Prepaid Expenses (Insurance)	8,46,39,815	25,21,15,37,197
		9,05,52,088
TOTAL	63,39,34,49,450	51,31,54,28,240



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SCHEDULE TO BALANCE SHEET

(Amount in ₹)

SCHEDULE-6	As at 31.03.2024	As at 31.03.2023
<u>CURRENT LIABILITIES & PROVISIONS</u>		
A <u>CURRENT LIABILITIES</u>		
i. Creditors for Stores	66,42,755	3,19,17,206
ii. Miscellaneous Creditors & Balance	4,82,18,648	5,85,69,919
iii. Deposits from Merchants, Contractors & Others	5,02,13,64,903	4,78,69,42,798
iv. GST	68,11,99,275	49,34,62,911
	5,75,74,25,581	5,37,08,92,834
B <u>PROVISIONS</u>		
i. Contingencies	-	-
ii. Taxation		
Income Tax	26,43,02,03,984	20,55,99,38,186
Deferred Tax liability	1,36,83,56,497	1,22,47,32,318
iii. <u>Employee Related Benefits</u>		
Provident Fund	97,80,714	1,76,72,856
Salaries & Wages Payable to Pension Fund	1,83,99,281	3,26,53,662
iv. <u>Other Liabilities</u>		
Capital Grant-in Aid GOI	53,07,50,712	47,06,21,767
Capital Grant-in Aid GOO	5,00,00,000	
v. Other Provisions		
Accrued Expenses	1,19,38,57,644	1,13,08,93,220
	29,60,13,48,832	23,43,65,12,009
TOTAL	35,35,87,74,413	28,80,74,04,843





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SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in ₹)

SCHEDULE 7	2023-24	2022-23
CARGO HANDLING & STORAGE		
Handling of General Cargo	1,60,84,76,136	1,50,38,85,470
Handling of Iron Ore & Other Ore	5,98,57,022	1,85,16,781
Licence Fee on BOT	11,46,84,593	11,54,85,114
Storage of goods	92,27,78,507	61,88,75,799
SPM Warfage	24,42,38,655	21,02,70,912
Revenue Share on BOT	3,27,65,49,529	2,27,29,48,485
HMC Royalty	66,84,10,850	69,10,04,862
Ore Mechanical Handling Plant Charges	23,42,42,013	8,07,18,769
MCHP Shipping Charges	2,80,45,00,249	2,79,00,68,946
MCHP Unloading Charges	1,80,89,15,630	1,78,46,28,764
POL Handling Charges	82,43,26,424	20,17,71,955
Demurrage fees on General Cargo	12,46,28,579	8,74,32,159
Miscellaneous	61,10,159	70,98,027
TOTAL	12,69,77,18,346	10,38,27,06,043

SCHEDULE 8		
PORT & DOCK CHARGES		
(Including Pilotage)		
Towage and Mooring Fees	1,27,52,11,045	1,02,01,17,155
Dock Dues (Berth Hire)	58,07,98,446	53,97,05,432
Port Dues	1,87,74,43,829	1,52,80,09,838
Pilotage Fees	4,02,12,27,578	3,28,81,57,733
Water & Oil supply to Shipping	1,45,22,231	1,54,58,135
Dry Dock	2,63,12,485	2,57,96,905
Miscellaneous Charges	45,84,267	39,00,796
Slipway Charges	67,00,272	65,52,180
TOTAL	7,80,68,00,153	6,42,76,98,174

SCHEDULE 9		
RAILWAY EARNING:		
Freight and Haulage Charges	60,31,95,675	58,20,91,537
Siding Charges	8,18,78,918	8,71,92,221
Terminal Charges	2,35,79,97,428	2,19,15,89,599
TOTAL	3,04,30,72,021	2,86,08,73,357



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SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in ₹)

SCHEDULE 10	2023-24	2022-23
ESTATE RENTALS:		
Rent from Land	27,71,72,639	78,40,84,728
Rent from Buildings, Sheds & Godowns	7,47,17,810	8,06,56,990
Recoverable Service Charges	20,96,04,845	19,50,02,393
Miscellaneous Income	95,33,371	54,73,870
TOTAL	57,10,28,665	1,06,52,17,981

SCHEDULE 11

CARGO HANDLING & STORAGE

Handling & Storage of General Cargo at Sheds & Wharfages	7,35,65,796	7,09,10,989
Handling & Storage of Iron Ore & Other Ore	3,10,42,573	2,72,01,546
Operation & Maintenance of Ore Handling Plant	19,61,02,242	25,13,60,879
Operation & Maintenance of MCHP	84,42,60,822	76,74,66,598
Administration & General Expenses.	16,48,44,213	14,34,11,882
Depreciation	11,61,35,930	10,47,65,909
TOTAL	1,42,59,51,576	1,36,51,17,803





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SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in ₹)

SCHEDULE 12	2023-24	2022-23
PORT & DOCK FACILITIES FOR SHIPPING (INCLUDING PILOTAGE)		
Towing, Berthing & Mooring	73,65,24,934	70,48,56,914
Pilotage	10,27,50,645	9,48,05,431
Dredging & Marine Survey	1,78,67,67,874	1,70,90,44,042
Operation & Maintenance of Navigation Aids.	49,76,628	44,47,300
Maintenance of Marine Structural, Sea Shore etc.	63,54,993	50,68,938
Administration & General Expenses	21,38,32,889	20,70,08,938
Depreciation	8,91,61,723	8,72,55,174
TOTAL	2,94,03,69,686	2,81,24,86,737
SCHEDULE 13		
RAILWAY WORKINGS:		
Operation & Maintenance of Locomotive, Wagons Etc.	37,80,24,161	37,32,08,388
Maintenance of Permanent way, Signals and Inter Locking	16,61,20,636	23,04,99,771
Administration and General Expenses	2,75,75,858	2,31,46,215
Depreciation	9,04,53,656	7,07,22,987
TOTAL	66,21,74,311	69,75,77,361
SCHEDULE 14		
RENTABLE LANDS & BUILDINGS:		
Estate Maintenance	65,81,64,560	48,06,48,105
Administration & General Expenses	4,60,06,178	3,32,26,216
Depreciation	13,35,41,023	12,31,89,741
TOTAL	83,77,11,761	63,70,64,062



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SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in ₹)

SCHEDULE 15	2023-24	2022-23
MANAGEMENT & GENERAL ADMINISTRATION:		
Management & Secretarial Expenses	79,32,28,361	64,27,55,086
Labour & Welfare Expenses etc.	15,52,96,764	7,73,15,927
Medical Expenses	44,50,05,440	39,96,52,933
Store Keeping	2,75,56,940	3,17,82,374
Insurance on Port Properties	18,39,47,745	18,35,13,931
Accounting, Auditing & Others	17,07,79,300	6,70,57,868
Telephone Expenses	81,46,485	48,54,245
Engineering & Workshop Administration & Overhead.	84,66,37,445	75,12,27,743
Sundry Expenses	5,29,43,369	4,01,44,387
Depreciation	3,73,76,818	3,26,65,634
TOTAL	2,72,09,18,667	2,23,09,70,128
SCHEDULE 16		
FINANCE & MISCELLANEOUS INCOME		
Interest on deposits	1,71,86,36,113	1,33,08,35,211
Interest on Advances to DCI	1,51,83,768	-
Interest on Loan to DCI	1,87,96,248	-
Interest on loans & advances	27,56,801	1,26,60,189
Sale of unservicable materials	62,67,774	4,32,96,950
Miscellaneous Income	60,02,61,448	40,16,20,705
Items Relating to Previous Years	10,14,07,530	2,72,53,503
TOTAL	2,46,33,09,682	1,81,56,66,558
SCHEDULE 17		
FINANCE & MISCELLANEOUS EXPENSES:		
Bank Charges	9,08,496	1,91,805
Interest Payable on:-		
- Initial Investment of Govt. of India	21,30,459	21,30,459
- Interest on GPF		-
Pension payments including contribution		
- Contribution to Pension Fund	61,85,95,981	1,57,95,27,072
- Contribution to Other Ports		-
Employer's Contribution CPF & Tire-I A/c.	2,24,66,652	2,20,36,095
TA to Retired employees	36,06,045	9,91,769
C.S.R	10,00,00,000	10,00,00,000
Service Charges for NPS	24,399	25,223
Employees Welfare Fund	15,00,000	15,00,000
Items relating to Previous years	39,04,35,282	14,62,49,320
TOTAL	1,13,96,67,314	1,85,26,51,743





PARADIP PORT AUTHORITY

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SCHEDULE-18

ANNUAL ACCOUNTS 2023-24

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. ACCOUNTING POLICIES

1. The financial statement of PPA have been prepared based on the revised accounting policy as set up 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 06.11.2002.
2. The Books are maintained under Mercantile System of accounting except interest due on advances to employees, amount withheld from the bills but not released during the year, which are being accounted for on actual basis.
3. Operating Income is recognized as and when services are rendered except the income from the vessels arrived during the year but the service completed in subsequent year. Income from defaulted /disputed parties are not considered as income as suggested by Audit.
4. Fixed Assets are exhibited at historical cost.
5. Fixed Assets that have outlived their useful life/surveyed off earlier are removed from the financial statements upon their disposal.
6. Fixed Assets under Construction are categorized as Capital Works in Progress.
7. Govt. Grants are recognized by reducing the value of Assets to the extent of grants and only on receipt basis.
8. One time non-refundable upfront fee received from parties are apportioned over the period of lease.
9. Inventories are valued at weighted average cost.
10. Long term Investments are stated at Fair Value and Face value.
11. Investments are classified as below:-
 - a) Government or Trust Securities
 - b) Shares , Debentures or Bonds
 - c) Investment Properties
 - d) Others
12. Prior period income or expenses which arise in the current period as a result of errors or omission in the preparation of Financial Statements of one or more prior periods are included under Finance and Miscellaneous Income or Expenditure.





13. The stores have received amounting to INR.2,44,99,585/- during the financial year but not check measured are not accounted for.
14. Foreign Currency denominated transactions: Foreign exchange denominated transactions are evaluated at the rate of exchange prevailing on the date of service, unless a specific date is prescribed in a particular contract.
15. Figures of the previous year have been regrouped/ rearranged where ever necessary to confirm to the current year classification.

16. **Depreciation (AS 10)**

As per the standard, depreciation is charged for every accounting period is recognized in the Profit and Loss statement, unless it is included in carrying the amount of any other Asset. Depreciable amount of any Asset is allocated on methodical basis over the useful life of the Asset.

The depreciation on fixed assets has been calculated on the basis of straight-line method which is being followed consistently. As per the Govt. of India guidelines full depreciation is being charged in respect of assets costing less than ₹1 lakh and having life not more than 5 years unless it is a part of any project.

17. **Profit or loss on sale of Property, Plant & Equipments**

We are following the consistent practice of taking profit or loss on sale of Property, Plant and Equipments directly into the Capital Reserve.

18. **Statutory Reserve:**

Statutory Reserve has been created for the specific purposes and it's fund is being restricted to use for the purposes mentioned therein.

19. **Reserve for repayment of Initial Investment:**

₹8.11 Crore is being received on 01.11.1967 from Government of India as initial investment in the form of 50% as Debenture Capital carrying 5.25% interest and the remaining 50% as deferred redeemable capital, conveyed vide telex message dated 03.05.1988.

20. **Capital Work In Progress capitalization:**

We are capitalizing all the cost directly incurred on separately identifiable asset code-wise. In case of Govt. Grants, we are showing as Net Value method. Further, the borrowing cost directly linked to the particular asset is capitalized to that asset. Capitalisation is being done based on the confirmation on "put to use" by the concerned department or user of the asset.





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B NOTES ON ACCOUNTS

1. YEAR IN BRIEF

RESULTS FOR THE YEAR	2023-24	2022-23
Traffic (in Million MT)	145.38	135.36
Operating Income (₹ In Cr.)	2,411.86	2,073.65
Operating Expenditure (₹ In Cr.)	858.71	774.32
Operating Surplus (₹ In Cr.)	1,553.15	1,299.33
Total Income (₹ In Cr.)	2,658.19	2,255.22
Total Expenditure (₹ In Cr.)	972.68	959.59
Net Surplus (₹ In Cr.)	1,685.51	1,295.63
Operating Ratio	01:0.36	01:0.38
Unit Operating Cost per Ton of Cargo Handled (₹)	59.07	57.20
Salary & Wages as percentage of total expenditure (%)	8.19	8.11
Provision of Income Tax (₹ In Cr.)	587.03	444.84

2. PROFIT AND LOSS ACCOUNT

The Profit and Loss Accounts shows an operating surplus of ₹1553.15 crores and a Net Surplus of ₹1685.51 crores. ₹360 crores has been transferred to two reserve funds.

3. INVESTMENT AND INTEREST

Various funds and surplus amount have been invested in different approved banks & institutions. The income from investments of statutory funds has been credited to respective fund accounts which is being followed consistently.

4. PROVISION TOWARDS PRODUCTIVITY LINKED REWARD

₹Rs.1.70crores has been provided against the anticipated payment towards Productivity Linked Reward to the employees.

5. PROVISION TOWARDS VARIOUS RESERVE FUNDS

₹360crores has been appropriated to the following Reserves out of the Net Surplus after Income Tax of ₹587.03 crores as per the guidelines of Ministry.

a) Replacement, Rehabilitation and Modernization of Capital Assets Reserve	₹180.00 crore
b) Development, Repayment of Loan and Contingencies Reserve	₹180.00 crore





6. TITLE DEEDS OF THE LAN

- (I) A meeting of High Power Committee was held on 31.03.2016, where in, Government of Odisha had agreed to handover the land under the possession of Paradip Port Authority on transfer basis instead of lease. In accordance to the outcome of the meeting, a joint petition was filed in the Hon'ble High Court of Odisha. The order of Hon'ble High Court of Odisha has already been passed with a direction to adhere to the decision arrived at the meeting held on 31.03.2016. The port has already filed mutation cases before District Administration for transfer of 6285.54 Acres of land in favour of Paradip Port Authority. However, the land utilization letter for the vacant areas was submitted vide letter No.AD/EST-LAND-35/2016 (Pt.V)/2802 dated 07.11.2017 to the Joint Secretary, R&D, Govt. of Odisha. Again the report relating to optimization study of land Assets of Paradip Port was submitted on 20.02.2018 vide Letter

No.ADESTLAND-35/2016(Pt.V)/655 dated 20.02.2018. The proposal has already been cleared by Revenue and Disaster Management Department, Government of Odisha which is pending with the Office of Chief Minister, Odisha for order.

Again Principal Secretary, R&DM Department, Govt. of Odisha had undertaken meetings on 21.02.2018 and 27.10.2018. In the said meetings, it was decided that Revenue Department will take further course of action for transfer of land to PPA with Govt. Approval.

A review meeting on different issues with PPA & Govt of Odisha including mutation of land was conducted during visit of Chief Secretary, Govt. of Odisha to Paradip on 04.01.2020.

In compliance to review meeting dated 04.01.2020 another meeting was conducted in Bhubaneswar under the Chairmanship of Chief Secretary, Govt. of Odisha where land mutation issue was discussed along with other issues pertaining to Govt. of Odisha.

- (II) An area measuring 26.68 acres was in possession of East Coast railway since 1970 without payment of License fees.
- (III) An area measuring 73.50 acres of port land was under encroachment.
- (IV) Settlement of State land records in respect of 187.82 Acres of land at Haridaspur - Case has been filed in the Court of the Director Consolidation, Odisha Cuttack vide RS No.157/2019.
- (V) Further, a letter has been communicated addressing to Principal Secretary to the Government, Revenue & Disaster Management Department, Govt. of Odisha on dated 17.02.2021 requesting for issue suitable instruction to the Collector, Jagatsinghpur and Tahasildar, Kujang to complete the mutation process of 6,285.54 acres of land as per the





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settlement arrived between Paradip Port Authority and Government of Odisha in the meeting dated 30.01.2015 and in compliance of the order of the Hon'ble High Court of Odisha.

- (VI) Subsequently, reminders have been issued on dated 02.12.2022, 23.03.2023, 13.04.2023 and 12.01.2024 to the Chief Secretary, Govt. of Odisha for his kind intervention towards early mutation of AC.6285.54 of land in favour of PPA, the Chairperson, PPA has personally met the Chief Secretary, Govt. of Odisha and handed over the letter No.Ad/EST-LAND-35/2007(Pt-V)/1253 Dated: 13.04.2023

7. **PLAN AND NON-PLAN EXPENDITURE**

The total capital expenditure during the year 2023-24 was ₹190.83 crore. An amount of ₹.8.86 crore is the commitment as on 31.03.2024 towards ongoing plan projects.

8. **FUNDING STATUS OF SUPERANNUATION, GRATUITY & LEAVE ENCASHMENT FUNDS**

The position of corpus available with Superannuation Fund, Gratuity Fund and Leave encashment considering the provisions made to meet the liability and the actuarial valuation done by LIC of India as on 31st March 2024 is as under considering the provision to meet the liability:

(Rs. in Crore)

Fund	Actuarial Valuation as on 31.03.2024	Corpus Fund as on 31.03.2024	Funded Status as on 31.03.2024
Superannuation Fund	2,980.00	3,117.97	Fully Funded
Gratuity Fund	62.61	111.49	Fully Funded
Leave Encashment Fund	51.37	52.71	Fully Funded

Funds created for Pension, Gratuity and Leave Encashment are fully funded as on 31.03.2024 to meet the liability.

9. **INCOME TAX**

For the Financial Year 2002-03 to 2013-14, the assessment has been completed. The Principal CIT revised the order of the Assessing Officer for the Assessment Years 2003-04, 2004-05 and 2005-06 under section 263 and stated that the order is prejudice to the interest of the revenue. PPA filed appeal before the Income Tax Appellate Tribunal, Cuttack against the order of the Principal CIT, Bhubaneswar-1.

For the Financial Year 2014-15 to 2016-17 and 2019-20,2020-21 & 2021-22, appeal has been filed before the Hon'ble CIT (Appeal) against the assessment order passed by the Assessing Officer.



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For the financial year 2017-18, the scrutiny assessment completed, but the order is yet to be received. For the Financial year 2018-19, the assessment is completed U/s 143(1) of the Income Tax Act, 1961. There is no scrutiny assessment for that year. For the financial year 2022-23 the Scrutiny Assessment is in Progress.

10. CONTRIBUTION FOR TIER – I EMPLOYEES

In line with Govt. of India Order, NPS-TIER – I A/c is in operation for employees who have joined on or after 01.01.2004. The contribution of these employees along with contribution of Port has been transferred to CRA system under NSDL.

11. CONTINGENT LIABILITY

There are 341 nos. of cases filed against PPA by different parties as on 31.03.2024. The Financial implication is around ₹309.32 Cr.

The major claimed by following entities mentioned as below from PPA being subject matter of Pending litigation is contingent.

Name of the party	₹ in Cr.
PPL	80.00
SURANA SOLAR	8.69
BAM DEV NAYAK	9.92
TRIVENI EARTH MOVERS	10.00
MODI PROJECTS LTD	13.66
M/S SEATRANS MARINE PVT. LTD	30.00
REACH DREDGING LTD.	5.00
K.V.R RAIL INFRA PROJECT	30.00
DDCPL	8.00
MANOJ KUMAR ACHAYATH	50.00
GOPINATH PARIDA	10.00
OTHERS	54.05
TOTAL	309.32

12. CORPORATE SOCIAL RESPONSIBILITY (C.S.R)

The details of the CSR expenditure and provision for last 3 years is as below which has been charged to Finance and Misc. Expenditure:





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F.Y	₹ In Crore	
	CSR Provision	CSR Expenditure
2021-22	10.00	10.00
2022-23	10.00	10.00
2023-24	10.00	10.00

CSR liability is being shown under "Accrued Expenses" under the major head "Current Liabilities and Provision"

13. The accounts of PPA have been prepared as per the uniform accounting practices followed by all Major Port Trusts since 1972. The accrual system of Accounting has been followed in recognition of Revenue and booking of expenditure except
- I. The with-held amounts from different bills have not been taken into account. This is being followed consistently.
 - I. The store issued to site stores for consumption but lying in the site stores as on 31st March 2024 are treated as consumed as its impact in the account is not significant and is being followed consistently. Similarly, medicines purchased during the year are considered to be consumed and charged to Profit and Loss account and is being followed consistently.
 - II. Nothing is outstanding as per Micro Small and Medium Enterprise Development Act, 2006.
14. After winding up of Paradip Port Road Company Limited and SPV of NHAI all the equity shares held by NHAI has been transferred to National Highway Logistic Management Limited and as per the above absorption investment of Paradip Port Authority is safe.
15. **PHYSICAL VERIFICATION OF FIXED ASSETS**
The physical verification of fixed assets has been completed by M/s DM Associates, Chartered Accountants in Financial year 2022-23. PPA had duly accounted for the observations made in the physical verification report,
16. The Govt. of Odisha approved the proposal to create Water Conservation Fund (WCF) for construction of different water conservation projects. It was decided that a corpus fund will be created by way of receipt of one time contribution @₹2,50,00,000/- per cusec water allocated to the industries. As per the revised requirement of 13.50 cusec of water, PPA was to pay ₹33.86 Crores towards WCF. PPT had deposited a sum of ₹5.57 crores in two instalments. PPA was allowed to pay the remaining amount of ₹28.18 crores in five equal instalments of ₹5.63 crores. PPA has already paid the fifth and final instalment during the year, which has been booked under revenue account.



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17. Capital grant in aid has been received up to 2023-24 towards fishery harbor amounting to ₹53.08 crore including interest under Pradhan Mantri Maschya Sampad Yojana. During this year, an amount of ₹5.00 crore has been received from Govt. of Odisha, Fisheries Department. Further, the interest earned on this grant has been added to this Govt. aid. The subject Grant receipts will be exclusively utilized for the localization of fisheries harbours.
18. Paradip Port Authority made an investment of Rs.30 Crores in the Equity Shares of M/s. Sethusamudram Corporation Limited (M/s. SCL) and the same has been disclosed under investment at cost. As per Ministry of Shipping and Road Transport & Highways Letter No. PD-26014/3/2004-Setu dated 1st June 2005 along with other major Ports, PSUs and Government of India. Accordingly, the investment is made by the Port with M/s. SCL under investment at cost. Since SCL is not a listed company and own by major Ports, PSUs and Government of India, it is not ascertainable for declining of investment. Long Term Investments are usually carried at cost and when there is decline in the value of long term investment, carrying amount is reduced to recognize the decline. Indicators of value of an investment are obtained on it's market value. As pointed out above, SCL shares are not listed in the Stock Exchange. Hence, the value has not been disclosed. Further, it is informed that SCL has moved a proposal for liquidation to the Ministry against which no direction has been received till date. Even M/s. SCL has also not indicated any such impact in writing to recognize such decline/diminution. Since it is a long term investment and necessary action, if any on the carrying cost will be taken on receipt of information on winding up of M/s. SCL from Govt. of India.

19. **GENERAL:**

- a) As per the Clause 11.7 the Share Purchase agreement entered into between M/s .Dredging Corporation of India Limited and Paradip Port Authority. Paradip Port Authority has invested ₹257.07crore towards equity of M/s. Dredging Corporation of India Limited with a lock in period of 3 years.

The market price of DCI share as on 31.03.2024 stands at ₹673.05 as per (BSE) and ₹679.60 as per (NSE).

- b) All Sundry Debtors are considered good and hence no provision is made for bad debts as per Government letter No.PR-20021/298-PG dated 06.11.2002. 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 05.05.2018.
- c) The figures has been rounded up to rupee one.





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20. **SUNDRY DEBTORS:**

The age wise classification of sundry debtors are given below;

Less than 6 months	₹134.93 Crores
More than 6 months	₹57.31 Crores

D.N.Sondhi
F.A & C.A.O.
Paradip Port Authority

P.L.Haranadh
Chairman
Paradip Port Authority



PARADIP PORT AUTHORITY
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Annexure-I

PENSION & GRATUITY FUND BALANCE SHEET AS AT 31.03.2024

AMOUNT (₹)

LIABILITIES	2023-24	2022-23	ASSETS	2023-24	2022-23
Pension Fund			Investment		
Opening Balance	29,78,85,09,990	276,29,26,01,28	Pension Fund		
			Investment in LIC	31,17,97,00,354	29,75,52,45,500
Add:			Gratuity Fund		
(i) Contribution from PPT	61,85,95,981	157,95,27,07,2	Gratuity Fund		
(ii) LSPC	23,23,891	79,09,310	Investment in LIC	1,11,49,41,811	1,18,49,17,698
(iii) Other Port Receipt	14,04,021	15,84,194			
Add:			Current Assets and Loan & Advances		
(i) Excess of Income over Expenditure (As per Income & Expenditure A/c)	86,99,69,600	67,00,76,220	Receivable from PPT	32,29,46,42,265	30,94,01,63,099
	31,28,08,03,283	29,78,83,66,824			
Less: Excess salary recovery	-	-			
Less: Payable to Pensioner	-	-			
Add: Medical Re-imbursment Payable	4,41,686	1,53,066	Cash & Bank Balance		
			Cash at Bank	9,32,97,699	2,67,33,303
Payable to Provident Fund		12,00,00,000			
	31,28,12,44,969	29,78,85,09,990			
Gratuity Fund					
Opening Balance	1,05,83,86,412	1,05,70,82,815			
Add: Excess of Income over Expenditure (As per Income & Expenditure A/c)	4,83,06,583	13,03,797			
	1,10,66,94,995	1,05,83,86,412			
	<u>32,38,79,39,964</u>	<u>30,96,68,96,402</u>		<u>32,38,79,39,964</u>	<u>30,96,68,96,402</u>

Sd/-
D.N.Sondhi
FA & CAO
Paradip Port Authority

Sd/-
P.L.Haranadh
Chairman
Paradip Port Authority



PARADIP PORT AUTHORITY

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Annexure-I

PENSION & GRATUITY FUND INCOME AND EXPENDITURE ACCOUNTS FOR THE YEAR ENDING 31.03.2024

EXPENDITURE			INCOME	AMOUNT (₹)	
	2023-24	2022-23		2023-24	2022-23
Pension Payment	1,47,70,47,376	1,50,51,88,461.09	Interest Income		
Gratuity Payment	3,76,09,634	8,39,22,295	From Saving Account	26,82,602	26,34,059
Arrear Pension Payment-WRC	1,20,479	5,38,515	From LIC on Pension Fund	2,34,44,54,853	2,07,31,69,137.39
Premium towards Gratuity	8,74,588	-	From LIC on Gratuity Fund	8,67,92,805	8,52,26,091.75
Excess of Income Over Expenditure of Gratuity Fund	4,83,08,583	13,03,797	Other Income		
Excess of Income Over Expenditure of Pension Fund	86,99,69,600	57,00,76,220.3	Excess of Expenditure Over Income of Pension Fund		
			Excess of Expenditure Over Income of Gratuity Fund		
	<u>2,43,39,30,260</u>	<u>2,16,10,29,288</u>		<u>2,43,39,30,260</u>	<u>2,16,10,29,288</u>

Sd/-
D.N.Sondhi
FA & CAO
Paradip Port Authority

Sd/-
P.L.Haranadh
Chairman
Paradip Port Authority





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Annexure-II

PROVIDENT FUND ACCOUNT BALANCE SHEET AS AT 31.03.2024

LIABILITIES			ASSETS	AMOUNT (₹)	
	2023-24	2022-23		2023-24	2022-23
GPF Fund			Investment		
Opening Balance	96,58,55,238	98,41,29,635	Principal Amount	90,73,89,295	80,47,83,049
Add: Contribution	8,95,13,905	13,36,48,287	Interest Accrued	2,17,37,064	1,01,30,672
Add: Refund of Advance	37,19,413	35,77,281		92,91,06,359	81,49,13,721
Add: Interest	6,46,13,389	6,58,16,471			
Add: Surplus Interest	17,74,440	-			
	1,12,54,76,385	1,18,71,71,674	Current Assets, Loan & Advances		
Less-Shortfall of Interest		62,891	Receivable from PPT	97,80,714	1,76,72,856
Less Withdrawal	13,64,93,438	22,12,53,545	Receivable from Pension & Gratuity Fund		12,00,00,000
		96,58,55,238			
CPF Fund			Cash & Bank Balance		
Opening Balance	1,68,06,093	1,60,93,429	Cash at Bank	6,08,16,774	3,00,74,754
Add: Contribution (Employee)	2,14,814	3,41,340			
Add: Contribution (Employer)	2,14,814	3,41,340			
Add: 50% CLR	-	43,982			
Add: Recovery of Temporary Adv	2,59,872	4,56,360			
Add: Interest	9,00,975	11,01,421			
	1,83,96,568	1,83,77,872			
Less: Withdrawal	76,75,668	15,71,779			
	1,07,20,900	1,68,06,093			
	99,97,03,847	98,26,61,331		99,97,03,847.00	98,26,61,331

Sd/-
D.N.Sondhi
FA & CAO
Paradip Port Authority

Sd/-
P.L.Haranadh
Chairman
Paradip Port Authority



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Annexure-II

PROVIDENT FUND ACCOUNT INCOME AND EXPENDITURE ACCOUNTS FOR THE YEAR ENDING 31.03.2024

EXPENDITURE			INCOME	AMOUNT (₹)	
	2023-24	2022-23		2023-24	2022-23
Interest on GPF Balances	6,46,13,389	6,58,16,471	Interest on FDR	6,66,64,237	6,58,88,200
Interest on CPF Balances	9,00,975	11,01,421	Interest on Saving Bank A/c	6,24,920	9,67,391
Bank Charges	353	590	Shortfall of Interest		62,891
Surplus Interest	17,74,440				
	6,72,89,157	6,69,18,482		6,72,89,157	6,69,18,482

Sd/-
D.N.Sondhi
FA & CAO
Paradip Port Authority

Sd/-
P.L.Haranadh
Chairman
Paradip Port Authority





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AUDIT REPORT 2023-24





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**SEPARATE AUDIT REPORT OF THE COMPTROLLER & AUDITOR
GENERAL OF INDIA ON THE ACCOUNTS OF PARADIP PORT AUTHORITY
FOR THE YEAR ENDED 31ST MARCH 2024**

- 1 We have audited the attached Balance Sheet of Paradip Port Authority, Paradip as at 31st March 2024 and the Profit and Loss Account for the year ended on that date under Section 19 (2) of the Comptroller & Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 44(2) of the Major Port Authorities Act, 2021. Preparation of these financial statements is the responsibility of the management of Paradip Port Authority. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms etc. Audit observations on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection Reports/CAG's Audit Reports separately.
- 3 We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the 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;
 - ii. The Balance Sheet and Profit and Loss Account dealt with by this report have been drawn up in the format approved by the Government of India under Section 44(1) of the Major Port Authorities Act, 2021;
 - iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Paradip Port Authority as required under Section 44(1) of the Major Port Authorities Act, 2021 in so far as it appears from our examination of such books.We further report that:





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A.1 Application of Funds

Property, Plant & Equipment ₹2060.24 crore

Fixed Assets Gross Block - ₹ 3087.23 crore

Fixed Assets Net Block - ₹ 1790.86 crore

Profit and Loss Account

Depreciation - ₹ 46.67 crore

Net Surplus before Income Tax - ₹ 1685.51 crore

A.1.1 Works amounting to ₹27.21 crore (**Annexure-III**), capitalised in the books of accounts in 2023-24, were actually completed either in 2021-22 or in 2022-23.

This resulted in understatement of depreciation pertaining to previous period amounting to ₹0.77 crore and overstatement of Net Block of Fixed assets by the same amount. This also resulted in overstatement of Net Surplus before Income Tax by ₹0.77 crore.

A.1.2 Capital Dredging work for North BOT Dock Complex (comprising of Iron Ore and New Coal berth) and South BOT Dock Complex (comprising of Multipurpose berth) was awarded to Dredging Corporation of India (DCI). The latest berth (New Coal Berth) was put into commercial use from 18.10.2021.

Capital dredging amounting to ₹110.29 crore was capitalised in the year 2023-24 and corresponding depreciation for the year has been charged. Out of ₹ 110.29 crore, depreciation @ one per cent per annum amounting to ₹ 1.55 crore (₹ 0.77 crore X two years i.e. 2021-22 and 2022-23) has been charged in 2023-24 for an amount of ₹ 77.44 crore considering prior period item. However, no depreciation has been charged for the balance amount of ₹ 32.85 crore for the years 2021-22 and 2022-23.

This resulted in understatement of Items relating to previous years- Schedule-17 (due to not charging the depreciation in the earlier years) amounting to ₹0.66 crore (at the rate of one *per cent* per annum for two years on ₹32.85 crore) and overstatement of Net Block of Fixed assets by the same amount. This also resulted in overstatement of Net Surplus before Income Tax by ₹0.66 crore.

A.1.3 Capital Works-in-Progress

(a) Capital works-in-progress included ₹54.85 crore on account of three projects (**Annexure-IV**) completed in 2023-24 or earlier but not capitalized. Such non capitalization resulted in understatement of Fixed assets (net Block) by ₹47.12 crore and overstatement of CWIP by ₹54.85 crore.





Further, prior period items were understated by ₹5.53 crore, depreciation for the year was understated by ₹2.20 crore and profit for the year was overstated by ₹7.73 crore.

(b) The work "Renewal of old rails and replacement of damaged sleepers in between entrance point and exit point of Rs-2 Track" was completed in December 2023 at a total cost of ₹1.85 crore. Out of the above, ₹1.10 crore was lying in CWIP and the balance ₹0.75 crore was charged to Profit and Loss A/c during previous years.

Above non-capitalization and charging of capital expenditure to revenue resulted in overstatement of CWIP by ₹1.10 crore, understatement of Net Fixed Assets by ₹1.82 crore and understatement of Net Profit before Tax by ₹0.72 crore (₹ 0.75 crore minus ₹ 0.03 crore towards depreciation).

A.1.4 Investments (Sch-4)

Shares, Debentures or Bonds ₹476.37 crore

The PPA has an investment of ₹30 crore in the equity shares of Sethu Samudram Corporation Limited (SSCL). The project could not make any progress since the main work was suspended in 2007-08 on the order (14 September 2007) of the Supreme Court. In the meantime, SSCL has also moved the proposal to the Ministry for liquidation. Considering the non-viability of the project, other PSUs like Visakhapatnam Port Trust, Shipping Corporation of India and Dredging Corporation of India have already made full provisions against their respective investment in SSCL but PPA did not do so.

Hence, non-provision against the above investment by PPA resulted in overstatement of 'Investment in SSCL', understatement of Provisions (Schedule-6) and corresponding overstatement of Net Surplus before Tax by ₹30 crores each.

Despite the comment of C&AG in the SAR since 2021-22, no corrective action has been taken in this regard.

A.1.5 Sundry Debtors-Non Govt dues ₹172.79 crore

The Common Framework for Financial Reporting for Major Port Trusts (November 2002) stated that bad and doubtful debts should be provided for. Moreover, other Major Ports also make provisions for bad and doubtful debts. Scrutiny of Sundry Debtors (Non-Govt dues) for more than six months revealed that there are some parties where PPA initiated legal proceedings long back (ranging from 2011 to 2019) and some companies are in liquidation stage. However, PPA has not provided for any amount of doubtful debts for the year 2023-24. Appropriate provision should have been made in Accounts against these Debts as chances of





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recovery are very remote as the time lapsed in 19 cases valuing ₹27.38 crore ranged between 5 and 13 years (**Annexure-V**).

In view of the above, it was observed that there had been overstatement of Net Surplus before tax by ₹ 27.38 crore with overstatement of Sundry Debtors by the same amount.

A.2 Current Liabilities and Provisions (Schedule-6) - ₹ 35,35,87,74,413

Accrued Expenses - ₹ 1,19,38,57,644

Profit and Loss Account

Net Surplus before Income Tax - ₹ 16,85,51,35,552

A.2.1 The head Accrued Expense does not include a sum of ₹ 4.16 crore (Annexure- VI) being the expenditure incurred by PPA on account of various revenue works for the year 2023-24.

This resulted in understatement of Current Liabilities and Provisions (Accrued Expenses) by ₹4.16 crore with corresponding overstatement of Net Surplus before Income Tax by the same amount.

A.2.2 Current Liabilities and Provisions (Schedule-6) - ₹ 35,35,87,74,413

Accrued Expenses - ₹ 1,19,38,57,644

Application of Funds

Property, Plant & Equipment (Schedule-3) - ₹ 20,60,23,69,258

Capital Works-in-Progress - ₹ 2,69,37,72,324

Accrued Expenses does not include three bills of ₹2.41 crore, ₹2.13 crore and ₹0.67 crore related to different capital works (**Annexure - VII**)

The above omission resulted in understatement of Current Liabilities and Provisions (Accrued Expenses) by ₹5.21 crore and Capital Works-in-Progress by the same amount.

A.2.3 Provisions ₹2960.13 crore (Schedule-6)

The above includes Capital Grant-in Aid (Govt. of India) amounting to ₹53.08 crore and Capital Grant-in Aid (Govt. of Odisha) of ₹5 crore for Modernization & Upgradation of Paradip Fishing Harbour. It should have been shown under Sources of Funds (Long term Liabilities) instead of Current Liabilities and Provisions.

The above error of classification resulted in understatement of Sources of Funds by ₹58.08 crore and corresponding overstatement of Current Liabilities and Provisions by equal extent.



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A.2.4 Provisions ₹2960.13 crore (Schedule-6)

The above does not include bills received during the year 2023-24 amounting to ₹4.40 crore pertaining to upgradation and modernization of Fishery harbour.

This omission resulted in understatement of Capital Works in Progress and Current Liabilities & Provisions by ₹4.40 crore each.

B. Management Letter: Deficiencies which have not been included in the Audit Report have been brought to the notice of Paradip Port Authority through a Management Letter issued separately for remedial/ corrective action.

- v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure-I to this Audit Report give a true and fair view in conformity with accounting principles generally accepted in India:
 - a) In so far as it relates to the Balance Sheet, of the state of affairs of the Paradip Port Authority, Paradip as at 31 March 2024; and
 - b) In so far as it relates to Profit and Loss Account, of the surplus for the year ended on that date.
- vii. A review of accounts showing the summarized financial results of the Paradip Port Authority for the last three years ended 31 March 2024 is given in Annexure-II.

Place: Kolkata
Date:

(Anindya Dasgupta)
Principal Director of Audit (Mines),
Kolkata





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ANNEXURE - I TO AUDIT REPORT

- (A) **Adequacy of the Internal Audit System:** The Authority has not disclosed about Internal Audit for the year 2023-24.
- (B) **Adequacy of Internal Control System:** The Internal Control System was not adequate and commensurate with the size and nature of the business.
- (C) **System of Physical Verification of Fixed Assets:** The Authority has disclosed that Physical Verification of Fixed Assets had been conducted in the year 2022-23. But no such disclosure is given for the year 2023-24.
- (D) **System of Physical Verification of Inventories:** Physical verification of Inventories was not done during the period 2023-24. This exercise should be conducted periodically for better management of inventory.
- (E) **Regularity in payment of statutory dues:** According to the information and explanations given to us and the records of the Authority examined by us, PPA is generally regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Custom Duty, Service Tax, Sales Tax, Royalty, ESI dues, Cess etc. and any other material statutory dues applicable to the Authority.
- (F) **Debt Management:** Age-wise analysis of dues/receivables of various departments are required for better control of the debt position of an organization. However, PPA has not prepared proper age-wise analysis of dues/receivables. Further, no mechanism of Debtors' and Creditors' confirmation is in practice in PPA.
- (G) **No Unclaimed/Old Cheque register is maintained by PPA.**
- (H) **Non-adjustment of Temporary Advance:** Non-adjustment of Temporary Advance paid to various departments. As on 31.03.2024, an amount of ₹6.39 lakh paid to various departments is lying unadjusted. In this regard, audit observed that this type of advances is given to various departments for identified purposes and this should be adjusted as soon as the expenditure for the same has been incurred.

(S. Sivakumar)
Dy. Director





ANNEXURE - II
TO AUDIT REPORT

FINANCIAL POSITION OF PARADIP PORT AUTHORITY, PARADIP
REVIEW OF ACCOUNTS OF PARADIP PORT AUTHORITY, PARADIP FOR THE YEAR ENDED
31st MARCH 2024 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

Note: This review of Accounts has been prepared without considering the audit observation /comments contained in the Audit Report of the Comptroller and Auditor General of India.

1. INTRODUCTION

The audit of accounts of the Paradip Port Authority, Paradip was conducted under Section 19(2) of the Comptroller and Auditor General of India's (Duties, Powers and Conditions of Service) Act, 1971 read with 44 (2) of the Major Port Authorities Act, 2021. The financial position of the PPA under broad headings for the last three years ending 31.03.2024 was as follows:

2. FINANCIAL POSITION

The financial position of the PPA under broad headings for the three years ending 31.03.2024 was as follows:

	(₹ in crore)		
	2023-24	2022-23	2021-22
A. LIABILITIES			
(i) Capital Reserve (#)	4351.05	3731.59	3283.12
(ii) Other Reserve (@)	5526.66	4798.46	4196.20
(iii) Borrowings -			
(a) Inter Corporate Loan	Nil	Nil	Nil
(b) Capital Debt. (Govt. of India Loan)	8.12	8.12	8.12
(c) Institutional Loan (Asian Development Bank)	Nil	Nil	Nil
(iv) Current Liabilities and Provisions	3535.88	2880.74	2370.55
(v) Other Liabilities (CPF/Pension fund etc.)	Nil	Nil	Nil
TOTAL	13421.70	11418.90	9857.99
B. ASSETS			
(i) Fixed Assets (Gross Block)	3087.23	2617.45	2588.10
(ii) Less: Depreciation	1296.37	1245.23	1226.70
(iii) Net Fixed Assets	1790.86	1372.22	1361.40
(iv) Work-in-Progress	269.38	531.76	443.44
(v) Investments	5022.12	4383.38	3943.69
(vi) Current Assets, Loans & Advances	6339.34	5131.54	4109.45
TOTAL	13421.70	11418.90	9857.99



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C. Working Capital (*)	2803.47	2250.80	1738.90
D. Net Worth (**)	5526.66	4798.46	4196.20
E. Capital Employed (***)	4594.33	3623.02	3100.30
F. Return on Capital Employed (****)	36.69	35.76	23.13
G. Capital Employed	4863.70	4154.78	3543.74
(Including Capital Work-in-Progress)			
H. Return on Capital Employed	34.65	31.18	20.24
(Including Capital Work-in-Progress)			

- (#) Capital Reserve represents 'Reserve for repayment of initial investment', 'Replacement, Rehabilitation, modernisation of Capital Assets Reserve' and 'Reserve for Development, Repayment of Loans and Contingencies' and Capital Reserve as well.
- (@) Other Reserve represents 'General Reserve', 'EL encashment fund' and 'Employees Welfare Fund'.
- (*) Working Capital represents Net Current Assets i.e., Current Assets minus Current Liabilities.
- (**) Net worth represents Free Reserves less accumulated deficit.
- (***) Capital Employed represents net fixed assets plus Working Capital.
- (****) Rate of Return represents percentage of Net Surplus (before provision for tax) to Capital Employed.

3. SUMMARY OF WORKING RESULTS

The working results of Paradip Port Authority for the PPA three years ending 31st March 2024 are summarized below:

		(₹ in crore)		
		2023-24	2022-23	2021-22
A	Revenue			
	(i) Operating Income	2411.86	2073.65	1732.32
	(ii) Non-operating Income	246.33	181.57	163.42
	TOTAL	2658.19	2255.22	1895.74
B	EXPENDITURE			
	(i) Operating Expenditure	858.71	774.32	682.41
	(ii) Non-operating Expenditure	113.97	185.27	496.08
	TOTAL	972.68	959.59	1178.49
C	Net Surplus/(Deficit) before tax	1685.51	1295.63	717.25
	Less:			
D	(i) Provision for taxation	587.03	444.84	245.36
	(ii) Deferred Tax Liability	14.36	7.19	0.71
E	Net Surplus/(Deficit) after tax	1084.12	843.60	471.18
F	Less: Mandatory appropriation/ Transfer to Reserve Fund	360.00	250.00	186.00
G	Surplus/(Deficit) transferred to General Reserve fund	724.12	593.60	285.18



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H	Percentage of Net Surplus (before tax) to			
(a)	Operating Income	69.88	62.48	41.40
(b)	Net Fixed Assets	0.94	0.94	0.53
(c)	Net Worth	30.50	27.00	17.09

4. RATIO ANALYSIS (LIQUIDITY AND SOLVENCY)

No	Ratios	2023-24	2022-23	2021-22
(a)	Percentage of Current Assets to Current Liabilities	179.29	178.13	173.35
(b)	Percentage of Quick Assets to Current Liabilities	89.40	89.47	86.18
(c)	Percentage of Sundry Debtors to Operating Income	7.97	7.62	5.67
(d)	Debt to Capital Reserve & General Reserve	0.00082	0.00095	0.00109

(S. Sivakumar)
Dy. Director





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Annexure - III

WORKS COMPLETED IN PREVIOUS YEAR BUT CAPITALIZED IN 2023-24

Sl. No.	Name of the work	Value (in ₹ crore)	Year of completion	Amount of Depreciation not charged (in ₹ crore)
1.	Improvement to existing backup space of CQ-1 & CQ-II Berths in Harbour Area	3.87	2022-23	₹ 0.10 crore (@2.5per cent p.a.for the year 2022-23)
2.	Extension of Fertilizer Berth Return Arm	6.29	2021-22	₹ 0.16 crore (@1.33per cent p.a. for 2021-22 & 2022-23)
3.	Improvement to existing entire MPB backup area	3.04	2022-23	₹ 0.04 crore (@1.33per cent p.a. for the year 2022-23)
4.	Construction of additional loop line adjacent to RSS-4 near Indira Park area	4.94	2022-23	₹ 0.08 crore (@1.33per cent p.a. for 2022-23)
5.	Upgradation of main down line track from TATA level crossing to ATBK Bridge	1.6	22021-22	₹ 0.06 crore (@1.67per cent p.a.for 2021-22 & 2022-23)
6.	Upgradation of Railway Tracks (Route No. 15) in PPT exchange yard at old station	1.12	2022-23	₹ 0.02 crore (@1.67per cent p.a. for the year 2022-23)
7.	4 Lane Road from Substation Square to Dock Recreation	4.50	2021-22	₹ 0.22 crore (@2.50per cent p.a. for 2021-22 & 2022-23)
8.	Re-alignment of 450 mm. Dia D.I. Water supply pipe line from Gate No. 02 to MCHP Canteen	1.83	2022-23	₹ 0.09 crore (@5.00 per cent p.a. for the year 2022-23)
Total		27.21 crore		0.77 crore

Annexure - IV
(₹ in crore)

Name of Scheme	CWIP not capitalized	Work completed in	Depreciation for earlier years	Depreciation for current year	Net Block
New Electronic Linking (EI) system at Paradip	18.51	Dec. '22	0.31	0.31	17.89
"Supply, installation, commissioning of navigational/range lights"	1.55	Dec. '23	0	0.15	1.40
Coal Handling System for Interconnection of IOHP to MCHP at Paradip	34.79	Aug, '20	5.22	1.74	27.83
	54.85	5.53	2.20	47.12	



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Annexure - V

SUNDRY DEBTORS MORE THAN FIVE YEARS FOR THE YEAR 2023-24

Sl.No.	Code	Party Name	Closing Balance (Rs)
1	73501071	ATHENA CHHATTISGARH POWER LTD	9943448.00
2	73501063	AUROGLOBAL COMTRADE PVT. LTD.	69485720.00
3	73504062	DAGARA MINERALS & ALLOYS LTD5	178761.00
4	73504048	DEPAK STEEL & POWER LTD.	2085409.00
5	73507065	GNG EXPORTS	5919958.00
6	73507044	GRAN OVERSEAS LTD	5371104.00
7	73510006	JAGWANI PROJECTS (P) LTD.	50835035.00
8	73510015	JINDAL STEEL & POWER LTD.	16084720.00
9	73511051	KALINGA COMMERCIAL CORPORATION LIMITED	70263363.00
10	7351109	7KASHVI INTERNATIONAL PVT. LTD.	10379967.00
11	73511003	KSK MAHANADI POWER COMPANY LIMITED	119541.00
12	73511010	KVK NILACHAL POWER PVT LTD	151206.00
13	73512017	LANCO BABANDH POWER LIMITED	7715862.00
14	73514020	MSPL LIMITED	3314898.00
15	73516003	PATANAIK MINERALS P. LTD	2298686.00
16	73519027	REKTOR MINES & MINERALS LTD	1181797.00
17	73520004	TATA STEEL LTD.	10543700.00
18	73520020	TULIP MINES (P) LTD.	809998.00
19	73521025	UTKAL STEELS LTD.	2076470.00
		Total :-	27,37,59,643.00 Say ₹27.38 crore





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Annexure - VI

ACCRUED EXPENSES OF REVENUE NATURE NOT PROVIDED FOR IN 2023-24

Sl. No.	Vr. No.	Date	Party Name	Amount (in ₹ Lakh)	Name of work of Work (Brief Description)	Related to (Department)
1.	312/IDBI	09.05.2024	R.L. Security & Manpower Services	26.68	Watch & ward of Port Properties at different sites of PPT round the clock for March 2024	Administration
2.	152/IDBI	06.05.2024	R.L. Security & Manpower Services	25.45	Watch & ward of Port Properties at different sites of PPT round the clock for February 2024	Administration
3.	310/IDBI	09.05.2024	Amri Hospital	48.88	Bills of employees of PPA for 2023-24	Medical
4.	237/JV	25.04.2024	AradhyaEngg. & Construction	9.90	Outsourcing the day-to-day PH / Sewerage maintenance, Carpentry Service, Operation of Fire Hydrant etc. for March 2024	Administration
5.	80/JV	06.05.2024	AradhyaEngg. & Construction	3.56	Providing assistance in various works under Engineering Department for March 2024	Harbour
6.	08/JV	01.05.2024	Bhairab Charan Swain	15.75	Maintenance and development of garden in and around Port Township (Biju Udyan, Jawahar Guest House, MannodUdyan, PPT Hospital Premises) for two years (period of claim for January & February 2024)	E&M
7.	145/JV	18.04.2024	Bhairab Charan Swain	3.66	Providing three nos. Mechanical Truck Tyre washing facility at Gate No.1(A) & Gate No.IV inside Harbour area including operation & Maintenance (for a period of three years) for February 2024	Port Railway Division
8.	110/JV	07.05.2024	Bavya Health	7.79	Various Technical/ High Skilled Health Workers for PPA Hospital for the month of February-2024	Medical
9.	261/IDBI	09.05.2024	Bhumishree Consultancy	12.98	Providing Field/Office Assistance for Estate work for the month of February 2024	Administration



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10.	16/JV	01.05.2024	Bibekananda Mohapatra	3.34	Outsourcing of mechanical work for tyre washing system near Gate No. 3 for March 2024	Building & Construction
11.	238/JV	25.04.2024	Bibekananda Mohapatra	5.9	Annual operation works of Pump House inside Harbour area for March 2024	Harbour Works Division
12.	02/JV	01.05.2024	Formula One Solution	8.01	Facility Management of Integrated Port Operation System (POS) and Port Community System (PCS) for February & March 2024	EDP
13.	24/JV	01.05.2024	Frontline Ex-Serviceman	29.58	Service Contract & other allied works for various departments for March 2024	Administration
14.	25/JV	01.05.2024	Frontline Ex-Serviceman	27.93	Payment of Retrenchment and Leave Salary benefits paid to the worker against the work Providing assistance to regular employees in misc. works of various departments/divisions and operational areas of PPA for 01.10.2022 to 30.09.2023 & 01.10.2023 to 31.12.2023	Administration
15.	236/JV	25.04.2024	Harihar Nayak	15.91	Annual maintenance repair to colony roads for the year 2023-24	Building & Construction
16.	140/JV	08.05.2024	OFDC	47.64	Development of new landscaping area in Paradip area for the year 2023-24	E&CM
17.	271/JV	29.04.2024	Paradip Labour Co-Operative Society	8.71	Wage Bill of Muck Cleaning & Spillage Removal Workers (26 nos.) for March 2022	IOHP
18.	374/IDBI	13.05.2024	Pramod Nayak	8.14	Outsourcing work for maintenance of marine aquarium for one year (period of claim for February & March 2024)	Building & Construction
19.	34/JV	03.05.2024	Raghavendra Enterprises	9.68	Providing Hospitality Services to Jawahar Guest House, Sector 21 Paradip and Paradip Port Guest House, Bhubaneswar for January 2024	Administration





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20.	108/JV	07.05.2024	Sacaya Technologies	8.70	Supply, Installation & Commissioning of CCTV Security Surveillance System in Corridor of Administrative Building	PED
21.	192/JV	22.04.2024	Shreyashi Construction	9.39	Providing assistance in various works under Roads & Building division for the year 2023-24 (for March 2024)	Roads & Building Division
22.	10/JV	01.05.2024	Shreyashi Construction	5.35	Providing Assistance in various works under E&CM Division in Engineering Department on job work basis for the year 2023-24 (for March 2024)	E&CM Division
23.	292/JV	29.04.2024	SombaisiEngg.	28.95	Outsourcing the operation of Balijhara water work on job contract basis under P.H. Division (M) for two years (for March 2024)	Public Health Division
24.	309/IDBI	09.05.2024	Akshar Fire	2.59	Operation of two nos. of trucks on which mist cannons are mounted for a period of three years (for March 2024)	Workshop Division
25.	239/JV	29.04.2024	Bikram Samal	2.98	Outsourcing the operation of mechanical truck tyre washing system at gate no.2 (for March 2024)	Building & Construction
26.	266/JV	29.04.2024	BSNL	4.33	Providing 40 MBPS internet leased line for one year	PED
27.	263/IDBI	09.05.2024	Dibyashree Agency	2.95	Providing Assistance to carry out day-today operation and maintenance at Gopabandhu Stadium for 2 years (for March 2024)	Administration
28.	313/IDBI	09.05.2024	GyanaRanjan Mohanty	4.03	Operational work of pump houses at different locations in and around Paradip Port on job contract basis under P.H Division for one year (for March 2024)	Public Health Division
29.	54/JV	03.05.2024	NTCPWC, IIT Madras	3.54	Modernization of Weighbridge at Paradip Port Authority	Workshop Division



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30.	38/JV	03.05.2024	In Machineries	6.90	Supply of 01 No. 25 Knots speed patrol-cum-chase Boat along with Manning Crew on hire for a period of five years (for March 2024)	Harbour
31.	268/JV	29.04.2024	Indian Ports Association	4.27	Re-imbusement of Over Time allowance paid by IPA to the contractual staffs (for July 2022 to October 2023)	Administration
32.	294/JV	29.04.2024	Multisoft Communications	2.16	Supply of Facility Management of Computer based Online Freight Operation and Information System (for March 2024)	Traffic
33.	131/JV	07.05.2024	Naresh Chandra Bhatta	6.00	Operational works of pump house at different locations (BHC Sector-04, JGH) in & around Paradip port of job contract basis under P.H.Division (M) for the year 2023-24 (for March 2024)	Public Health Division
34.	11/JV	11.05.2024	Times Security	4.32	Providing assistance in day-to-day work for Finance & Accounts (for March 2023-24)	Administration
			Total	415.96		

Annexure - VII

(₹ in crore)

Name of Project	CWIP not capitalized
A sum of ₹ 2.41 crore (15th RA Bill of ₹ 0.17 crore and 16th RA Bill of ₹ 2.24 crore) for the work 'Supply Fabrication, Supply Erection & Commissioning of SCR 3000 TPH (Supply of initial spare)' of M/S. Chennai RadhaEngg. Works (P) Ltd.	2.41
An amount of ₹ 2.13 crore on account of 29th RA Bill for the work 'Construction of 2nd Exit Road cum Flyover at Paradip as a part of Additional Port Connectivity from National Highway' of Indian Port Rail & Ropeway Corporation Ltd.	2.13
An amount of ₹ 0.67 crore for the work 'Construction of 2nd RCC Bridge over Atharabanki creek near Gate No.-2 at Paradip port' of CMRCS Infrastructure Projects Ltd.	0.67





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**ACTION TAKEN NOTES ON SEPARATE
AUDIT REPORT OF THE PRINCIPAL
DIRECTOR OF AUDIT (MINES)
KOLKATA ON THE ACCOUNTS OF
THE PPA FOR THE YEAR
2023-24**





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Observation made by Audit	Action taken by Paradip Port Authority
<p>A.1 Application of Funds Property, Plant & Equipment ₹2060.24 crore Fixed Assets Gross Block - ₹ 3087.23 crore Fixed Assets Net Block - ₹ 1790.86 crore Profit and Loss Account Depreciation - ₹ 46.67 crore Net Surplus before Income Tax - ₹ 1685.51 crore.</p> <p>A.1.1 Works amounting to ₹27.21 crore (Annexure-III), capitalised in the books of accounts in 2023-24, were actually completed either in 2021-22 or in 2022-23. This resulted in understatement of depreciation pertaining to previous period amounting to ₹0.77 crore and overstatement of Net Block of Fixed assets by the same amount. This also resulted in overstatement of Net Surplus before Income Tax by ₹0.77 crore.</p>	<p>Necessary accounting effect has already given in the accounts of 2024-25 vide voucher No-11/JV dated 01.07.2024. In view of the above the para may kindly be dropped</p>
<p>A.1.2 Capital Dredging work for North BOT Dock Complex (comprising of Iron Ore and New Coal berth) and South BOT Dock Complex (comprising of Multipurpose berth) was awarded to Dredging Corporation of India (DCI). The latest berth (New Coal Berth) was put into commercial use from 18.10.2021. Capital dredging amounting to ₹110.29 crore was capitalised in the year 2023-24 and corresponding depreciation for the year has been charged. Out of ₹ 110.29 crore, depreciation @ one per cent per annum amounting to ₹ 1.55 crore (₹ 0.77 crore X two years i.e. 2021-22 and 2022-23) has been charged in 2023-24 for an amount of ₹ 77.44 crore considering prior period item. However, no depreciation has been charged for the balance amount of ₹ 32.85 crore for the years 2021-22 and 2022-23. This resulted in understatement of Items relating to previous years- Schedule-17 (due to not charging the depreciation in the earlier years) amounting to ₹0.66 crore (at the rate of one per cent per annum for two years on ₹32.85 crore) and overstatement of Net Block of Fixed assets by the same amount. This also resulted in overstatement of Net Surplus before Income Tax by ₹0.66 crore.</p>	<p>Necessary accounting effect has already given in the accounts of 2024-25 vide voucher No-12/JV dated 01.07.2024. In view of the above the para may kindly be dropped</p>
<p>A.1.3 Capital Works-in-Progress</p> <p>(a) Capital works-in-progress included ₹54.85 crore on account of three projects (Annexure-IV) completed in 2023-24 or earlier but not capitalized. Such non capitalization resulted in understatement of Fixed assets (net Block) by ₹47.12 crore and overstatement of CWIP by ₹54.85 crore. Further, prior period items were understated by ₹5.53 crore, depreciation for the year was understated by ₹2.20 crore and profit for the year was overstated by ₹7.73 crore.</p> <p>(b) The work "Renewal of old rails and replacement of damaged sleepers in between entrance point and exit point of RRs-2 Track" was completed in December 2023 at a total cost of ₹1.85 crore. Out of the above, ₹1.10 crore was lying in CWIP and the balance ₹0.75 crore was charged to Profit and Loss A/c during previous years. Above non-capitalization and charging of capital expenditure</p>	<p>Necessary accounting effect has already given in the accounts of 2024-25 vide voucher No-01/JV dated 01.07.2024 and corresponding depreciation vide voucher No-02/JV dated 01.07.2024, voucher No-05/JV dated 01.07.2024 and corresponding depreciation vide voucher No-06/JV dated 01.07.2024 and voucher No-07/JV dated 01.07.2024 and corresponding depreciation vide voucher No-08/JV dated 01.07.2024. In view of the above the para may kindly be dropped.</p> <p>Necessary accounting effect has already given in the accounts of 2024-25 vide voucher No-03/JV dated 01.07.2024 and corresponding depreciation vide voucher No-04/JV dated 01.07.2024 In view of the above the para may kindly be dropped</p>





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Observation made by Audit	Action taken by Paradip Port Authority
<p>to revenue resulted in overstatement of CWIP by ₹1.10 crore, understatement of Net Fixed Assets by ₹1.82 crore and understatement of Net Profit before Tax by ₹0.72 crore (₹ 0.75 crore minus ₹ 0.03 crore towards depreciation).</p>	
<p>A.1.4 Investments (Sch-4) Shares, Debentures or Bonds ₹476.37 crore</p> <p>The PPA has an investment of ₹30 crore in the equity shares of SethuSamudram Corporation Limited (SSCL). The project could not make any progress since the main work was suspended in 2007-08 on the order (14 September 2007) of the Supreme Court. In the meantime, SSCL has also moved the proposal to the Ministry for liquidation. Considering the non-viability of the project, other PSUs like Visakhapatnam Port Trust, Shipping Corporation of India and Dredging Corporation of India have already made full provisions against their respective investment in SSCL but PPA did not do so.</p> <p>Hence, non-provision against the above investment by PPA resulted in overstatement of 'Investment in SSCL', understatement of Provisions (Schedule-6) and corresponding overstatement of Net Surplus before Tax by ₹30 crores each. Despite the comment of C&AG in the SAR since 2021-22, no corrective action has been taken in this regard.</p>	<p>Please refer sl no18 of the Note to Accounts, wherein it is disclosed that Paradip Port Authority made an investment of Rs.30 Crores in the Equity Shares of M/s Sethusamudram Corporation Limited (M/s SCL) as per Ministry of Shipping and Road Transport & Highways letter No.PD-26014/3/2004-Setu dtd.1st June,2005 along with, other Major Ports, PSUs and Government of India. Accordingly, the investment is made by the port with M/s SCL under investment at cost. Since, SCL is not a listed company and owned by Major Ports, PSUs and Government of India, it is not ascertainable for declining of Investment. Long term Investments are usually carried at cost and when there is decline in the value of long term investment, carrying amount is reduced to recognise the decline. Indicators of value of an investment are obtained on its market value. As pointed out above, SCL shares are not listed in the Stock exchange. Hence, the value has not been disclosed. Further, it is informed that SCL has moved a proposal for liquidation to the Ministry against which no direction has been received till date, even M/s SCL has also not indicated any such impact in writing to recognise such decline/diminution. Since, it is a long term investment and necessary action if any on the carrying cost will be taken on receipt of information on winding up of the SCL from the Government of India. In view of the above the para may kindly be dropped.</p>
<p>A.1.5 Sundry Debtors-Non Govt dues ₹172.79 crore</p> <p>The Common Framework for Financial Reporting for Major Port Trusts (November 2002) stated that bad and doubtful debts should be provided for. Moreover, other Major Ports also make provisions for bad and doubtful debts. Scrutiny of Sundry Debtors (Non-Govt dues) for more than six months revealed that there are some parties</p>	<p>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 item no.2(iii). The matter has been taken up with CAG to formulate a uniform policy in this regard by Ministry of</p>



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Observation made by Audit	Action taken by Paradip Port Authority
<p>where PPA initiated legal proceedings long back (ranging from 2011 to 2019) and some companies are in liquidation stage. However, PPA has not provided for any amount of doubtful debts for the year 2023-24. Appropriate provision should have been made in Accounts against these Debts as chances of recovery are very remote as the time lapsed in 19 cases valuing ₹27.38 crore ranged between 5 and 13 years (Annexure-V). In view of the above, it was observed that there had been overstatement of Net Surplus before tax by ₹ 27.38 crore with overstatement of Sundry Debtors by the same amount.</p>	<p>Shipping vide letter No. PD-21015/1/2017-PD-IV/327607 dated 04/05/2018. Further, any direction in this matter is still awaited</p>
<p>A.2 Current Liabilities and Provisions (Schedule-6) - ₹ 35,35,87,74,413 Accrued Expenses - ₹ 1,19,38,57,644 Profit and Loss Account Net Surplus before Income Tax - ₹ 16,85,51,35,552</p> <p>A.2.1 The head Accrued Expense does not include a sum of ₹ 4.16 crore (Annexure- VI) being the expenditure incurred by PPA on account of various revenue works for the year 2023-24. This resulted in understatement of Current Liabilities and Provisions (Accrued Expenses) by ₹4.16 crore with corresponding overstatement of Net Surplus before Income Tax by the same amount.</p>	<p>Necessary accounting effect has already given in the accounts of 2024-25 vide voucher No-9/JV dated 01.07.2024. In view of the above the para may kindly be dropped</p>
<p>A.2.2 Current Liabilities and Provisions (Schedule-6) - ₹ 35,35,87,74,413 Accrued Expenses - ₹ 1,19,38,57,644 Application of Funds Property, Plant & Equipment (Schedule-3) - ₹ 20,60,23,69,258 Capital Works-in-Progress - ₹ 2,69,37,72,324 Accrued Expenses does not include three bills of ₹2.41 crore, ₹2.13 crore and ₹0.67 crore related to different capital works (Annexure - VII) The above omission resulted in understatement of Current Liabilities and Provisions (Accrued Expenses) by ₹5.21 crore and Capital Works-in-Progress by the same amount.</p>	<p>Necessary accounting effect has already given in the accounts of 2024-25 vide voucher No-10/JV dated 01.07.2024. In view of the above the para may kindly be dropped.</p>
<p>A.2.3 Provisions ₹2960.13 crore (Schedule-6) The above includes Capital Grant-in Aid (Govt. of India) amounting to ₹53.08 crore and Capital Grant-in Aid (Govt. of Odisha) of ₹5 crore for Modernization & Upgradation of Paradip Fishing Harbour. It should have been shown under Sources of Funds (Long term Liabilities) instead of Current Liabilities and Provisions. The above error of classification resulted in understatement of Sources of Funds by ₹58.08 crore and corresponding overstatement of Current Liabilities and Provisions by equal extent.</p> <p>A.2.4 Provisions ₹2960.13 crore (Schedule-6) The above does not include bills received during the year 2023-24 amounting to ₹4.40 crore pertaining to upgradation and modernization of Fishery harbour. This omission resulted in understatement of Capital Works in Progress and Current Liabilities & Provisions by ₹4.40 crore each.</p>	<p>Necessary accounting effect has already given in the accounts of 2024-25 vide voucher No-260/JV dated 26.04.2024. In view of the above the para may kindly be dropped</p>





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Observation made by Audit	Action taken by Paradip Port Authority
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.	Noted.
vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure-I to this Audit Report give a true and fair view in conformity with accounting principles generally accepted in India: a) In so far as it relates to the Balance Sheet, of the state of affairs of the Paradip Port Authority, Paradip as at 31 March 2024; and b) In so far as it relates to Profit and Loss Account, of the surplus for the year ended on that date.	Noted.
vii. A review of accounts showing the summarized financial results of the Paradip Port Authority for the last three years ended 31 March 2024 is given in Annexure-II.	Facts and Figures are confirmed.

FA & CAO
Paradip Port Authority





PARADIP PORT AUTHORITY

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