



PARADIP PORT AUTHORITY



ANNUAL ACCOUNTS & AUDIT REPORT 2021-22



PARADIP PORT AUTHORITY

**ANNUAL ACCOUNTS
AND
AUDIT REPORT THEREON**

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

FOR THE YEAR 2021-22



PARADIP PORT AUTHORITY

ANNUAL ACCOUNTS 2021-22

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PARADIP PORT AUTHORITY

ANNUAL ACCOUNTS 2021-22



BALANCE SHEET AS AT 31ST MARCH 2022

(Amount in ₹)

			As at 31.03.2022	As at 31.03.2021
I.	<u>SOURCES OF FUNDS</u>			
1	RESERVES & SURPLUS	1	74,79,31,92,535	68,58,96,49,457
2	LOAN FUNDS	2	8,11,60,348	8,11,60,348
	TOTAL		74,87,43,52,883	68,67,08,09,805
II.	<u>APPLICATION OF FUNDS</u>			
1	FIXED ASSETS	3		
	a) Gross Block		25,88,09,93,934	25,34,33,68,063
	Less: Depreciation		12,26,69,53,702	11,77,05,31,018
	Net Block		13,61,40,40,232	13,57,28,37,045
	b) Capital Works-in Progress		4,43,44,09,969	4,03,81,71,943
			18,04,84,50,201	17,61,10,08,988
2	INVESTMENTS	4	39,43,69,22,391	36,09,41,91,391
3	CURRENT ASSETS, LOANS & ADVANCES	5	41,09,45,23,094	36,26,71,98,833
	Less: CURRENT LIABILITIES AND PROVISIONS	6	23,70,55,42,803	21,30,15,89,407
	Net Current Assets		17,38,89,80,291	14,96,56,09,426
	TOTAL		74,87,43,52,883	68,67,08,09,805
	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





PARADIP
PORT
AUTHORITY



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2022

		(Amount in ₹)	
	SCH	2021-22	2020-21
INCOME			
Cargo handling & storage charges	07	9,04,46,83,260	8,23,45,64,968
Port & Dock Charges(Including pilotage Fees)	08	5,00,19,84,734	4,99,42,43,106
Railway Earnings.	09	2,63,04,26,484	2,51,35,56,785
Estate Rentals	10	64,61,34,108	50,82,57,084
TOTAL		17,32,32,28,586	16,25,06,21,943
LESS EXPENDITURE			
Cargo handling & storage Charges	11	1,29,60,68,431	1,68,26,75,734
Port & Dock Facilities (including Pilotage)	12	2,17,00,79,732	1,85,06,71,414
Railway workings.	13	52,16,36,386	57,90,95,274
Rentable land & buildings.	14	76,58,45,438	61,71,98,862
Management & General Administration (not directly attributable to a Activity)	15	2,07,04,71,753	1,97,48,88,815
TOTAL		6,82,41,01,740	6,70,45,30,099
Operating Surplus/(Deficit)		10,49,91,26,846	9,54,60,91,844
Add: Finance & Misc. Income	16	1,63,41,66,419	2,94,98,54,744
Less: Finance & Misc Expenditure	17	4,96,07,77,005	2,83,88,44,477
Net Surplus/(Deficit) before Income Tax		7,17,25,16,260	9,65,71,02,111
Provision for Income Tax		2,45,36,34,967	3,32,63,26,374
Provision for Deferred Tax Liability		70,74,401	3,96,82,886
Net Surplus after Income Tax		4,71,18,06,892	6,29,10,92,851
Less:Appropriations		-	-
Fund for Replacement, Rehabilitation and Modernisation of Capital Assets		93,00,00,000	86,00,00,000
Fund for Development, Repayment of Loan & Contingencies		93,00,00,000	86,00,00,000
Net Surplus after Appropriation		2,85,18,06,892	4,57,10,92,851
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
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PARADIP PORT AUTHORITY

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P.L.Haranadh
CHAIRMAN
PARADIP PORT AUTHORITY



SCHEDULE TO BALANCE SHEET

(Amount in ₹)

SCHEDULE - 1	RESERVES & SURPLUS	As at 31.03.2022	As at 31.03.2021
a CAPITAL RESERVE		7,72,67,210	6,11,88,210
b. REVENUE RESERVE			
i. General Reserve			
Opening Balance		38,64,22,19,461	36,91,65,75,600
Less: Earlier years short provisions		-	(4,18,55,86,401)
Add:			
- Other Adjustment		-	1,34,01,37,411
- Net Surplus		2,85,18,06,892	4,57,10,92,851
		41,49,40,26,353	38,64,22,19,461
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		46,64,59,821	46,64,59,821
		46,64,59,821	46,64,59,821



c. STATUTORY RESERVE

i. Replacement, Rehabilitation, Modernisation of Capital Assets Fund

Opening Balance	17,47,24,27,442	15,76,28,11,529
Add: Appropriation from Profit & Loss Account	93,00,00,000	86,00,00,000
Add: Interest from investment of Fund	-	-
Add: Interest from investment of Fund	87,88,63,078	84,96,15,913
	19,28,12,90,520	17,47,24,27,442

ii. Development, Repayment of Loans & Contingencies Fund.

Opening Balance	11,86,46,94,175	10,44,18,77,005
Add: Appropriation from Profit & Loss Account	93,00,00,000	86,00,00,000
Less: Repayment of GoI Loan	-	-
Add: Interest from investment of Fund	59,67,94,108	56,28,17,170
	13,39,14,88,283	11,86,46,94,175
TOTAL	74,79,31,92,535	68,58,96,49,457

SCHEDULE - 2

LOAN FUNDS

As at 31.03.2022

As at 31.03.2021

a. SECURED LOANS

b. GOVT. LOANS

i. Initial Investment by G.O.I.

c. UNSECURED LOANS

TOTAL

8,11,60,348

8,11,60,348



SCHEDULE - 3
FIXED ASSETS
SCHEDULE TO BALANCE SHEET

Description of Asset	GROSS BLOCK			
	As at 01.04.2021	Additions during the year	Del/Adj during the year	As at 31.03.2022
1	2	3	4	5
Land	20,59,21,287	-	-	20,59,21,287
Lease land	26,86,000	-	(79,000)	26,07,000
Stacking Yard	54,97,31,052	6,01,60,145	-	60,98,91,197
Capital Dredging	4,38,25,35,307	8,95,05,169	-	4,47,20,40,476
Building Sheds and Other Structures	1,92,18,47,243	3,56,76,980	-	1,95,75,24,223
Wharves, Roads, Boundaries	5,87,75,34,058	22,26,22,867	-	6,10,01,56,925
Floating Craft	82,86,12,677	-	11,98,33,060	70,87,79,617
Railway and Rolling Stock	2,47,06,78,859	11,30,17,409	-	2,58,36,96,268
Docks, Sea-Walls, Breakwaters, Piers & Navigational Aids	79,58,08,864	-	-	79,58,08,864
Cranes and Vehicles	8,19,76,528	35,50,000	-	8,55,26,528
Plant & Machinery	5,83,63,13,246	1,89,46,453	1,09,65,997	5,84,42,93,702
Installation and Equipments	1,64,12,31,484	8,44,92,992	-	1,72,57,24,476
Furniture & Equipment	27,73,392	-	-	27,73,392
General Cargo Handling Equipments	72,71,48,093	4,05,31,913	-	76,76,80,006
Flotila & Marine Crafts	1,85,69,973	-	-	1,85,69,973
Total	25,34,33,68,063	66,85,03,928	13,07,20,057	25,88,09,93,934
Works in Progress	4,03,81,71,943	1,44,20,91,993	(1,04,58,53,967)	4,43,44,09,969
Grand Total	29,38,15,40,006	2,11,05,95,921	(91,51,33,910)	30,31,54,03,903
Previous Year	27,47,33,93,733	2,83,93,86,058	(93,12,39,785)	29,38,15,40,006



(Amount in ₹)

AS AT 31.03.2022

DEPRECIATION				NET BLOCK	
As at 01.04.2021	Provisions for the year	Del/Adj during the year	Total as on 31.03.2022	As at 31.03.2022	As at 31.03.2021
6	7	8	9	10	11
-	-	-	-	20,59,21,287	20,59,21,287
-	-	-	-	26,07,000	26,86,000
21,99,80,171	1,52,47,280	10,96,600	23,63,24,045	37,35,67,147	32,97,50,881
44,08,42,034	4,47,20,405	-	48,55,62,436	3,98,64,78,040	3,94,16,93,260
79,52,96,735	3,82,59,428	-	83,35,56,119	1,12,39,68,104	1,12,65,50,508
1,65,86,72,393	10,70,60,024	-	1,76,57,32,471	4,33,44,24,454	4,21,88,61,665
62,79,68,438	3,08,20,962	(11,98,26,060)	53,89,56,348	16,98,23,269	20,06,44,239
95,28,51,879	6,86,58,537	13,09,612	1,02,28,20,027	1,56,08,76,241	1,51,78,26,980
34,89,14,823	2,52,00,945	-	37,41,15,764	42,16,93,100	44,68,94,041
7,72,86,341	18,96,737	-	7,91,83,089	63,43,439	46,90,187
5,61,68,80,937	19,50,37,665	(10,96,600)	5,81,08,21,995	3,34,71,707	21,94,32,309
59,21,99,971	4,91,54,579	-	64,13,54,550	1,08,43,69,926	1,04,90,31,513
27,73,392	-	-	27,73,392	-	-
41,82,93,946	3,88,89,548	-	45,71,83,494	31,04,96,512	30,88,54,147
1,85,69,951	22	-	1,85,69,972	1	22
11,77,05,31,011	61,49,46,132	(11,85,16,448)	12,26,69,53,702	13,61,40,40,232	13,57,28,37,045
-	-	-	-	4,43,44,09,969	4,03,81,71,943
11,77,05,31,011	61,49,46,132	(11,85,16,448)	12,26,69,53,702	18,04,84,50,201	17,61,10,08,988
11,09,55,55,618	67,15,00,962	34,74,443	11,77,05,31,023	17,61,10,08,983	16,37,78,38,115



SCHEDULE TO BALANCE SHEET

(Amount in ₹)

SCHEDULE - 4	INVESTMENTS	As at 31.03.2022	As at 31.03.2021
A. SHARES, DEBENTURES OR BONDS			
	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.(Bonds)	10,00,00,000	10,00,00,000
	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
	Kamarajar Port Ltd.(Bonds)	20,00,00,000	20,00,00,000
	Total	5,06,36,62,570	5,06,36,62,570
B. OTHERS			
	Deferred tax fund	1,15,28,22,000	1,14,57,48,000
	Replacement, Rehabilitation and Modernisation of Capital Assets Reserve Fund	19,28,12,90,000	17,47,24,27,000
	Development, Repayment of Loan & Contingencies Reserve Fund	13,39,14,88,000	11,86,46,94,000
	Repayment of Initial Investment of GOI Fund	8,12,00,000	8,12,00,000
	E.L Encashment Fund	46,64,59,821	46,64,59,821
	Total	34,37,32,59,821	31,03,05,28,821
	G.TOTAL	39,43,69,22,391	36,09,41,91,391



SCHEDULE TO BALANCE SHEET

(Amount in ₹)

SCHEDULE - 5	As at 31.03.2022	As at 31.03.2021
CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS		
i. Accrued Interest on Investment	1,52,05,69,356	1,54,88,42,275
ii. Inventories	2,43,87,769	3,43,09,548
iii. Sundry Debtors		
a. Govt. Dues	4,77,35,477	
b. Non-Govt. Dues	93,50,47,248	98,27,82,725
iv. Cash & Bank Balance		
a. Cash in Hand	-	-
b. Bank Balance		
i. Fixed Deposit	16,28,05,01,699	17,06,02,99,703
ii. Savings Bank A/c.		
- Indian Bank	2,83,43,305	8,10,29,055
- I.D.B.I Bank (Inv)	35,39,95,793	-
- PNB (United Bank of India)	2,78,40,607	1,77,74,560
- Indian Bank (Ext)	3,63,672	3,53,316
- Uco Bank	2,01,63,852	3,47,72,604
- PNB (Oriental Bank of Commerce)		10,85,04,621
- Union Bank	2,01,20,452	22,60,286
- I.D.B.I Bank	2,00,00,000	5,43,54,151
- Axis Bank	15,31,52,272	13,00,99,967
- State Bank of India (Main)	25,05,00,000	
- State Bank of India (Suravi)	7,36,84,979	11,06,37,698
- ICICI Bank	26,71,42,349	17,87,64,777
- Indian Overseas Bank	1,03,48,557	-
- PN Bank		11,12,748
- Bank of India	2,00,96,549	4,44,672
- State Bank of India (RFID)	1,00,968	5,000
- State Bank of India (PCS)	1,73,23,592	
- Kotak Mahindra Bank	29,41,352	-
- HDFC Bank	7,08,17,406	
Bank of Baroda	1,00,27,993	
- I.D.B.I (EMD)	29,82,25,263	1,64,51,88,961
	23,82,05,056	
B. LOANS AND ADVANCES		
i. Deposits	46,47,53,080	31,10,40,468
ii. T.D.S	3,94,71,87,409	3,32,07,34,692
iii. Payments in Advance		
- Advance for Purchases	7,82,58,675	3,94,75,598
- Advance for Motor Cycle/ Scooters etc.	10,67,108	13,85,631
- Advance for Festivals	1,36,85,957	1,06,91,620
- Advance to Contractors	24,00,01,583	15,35,53,785

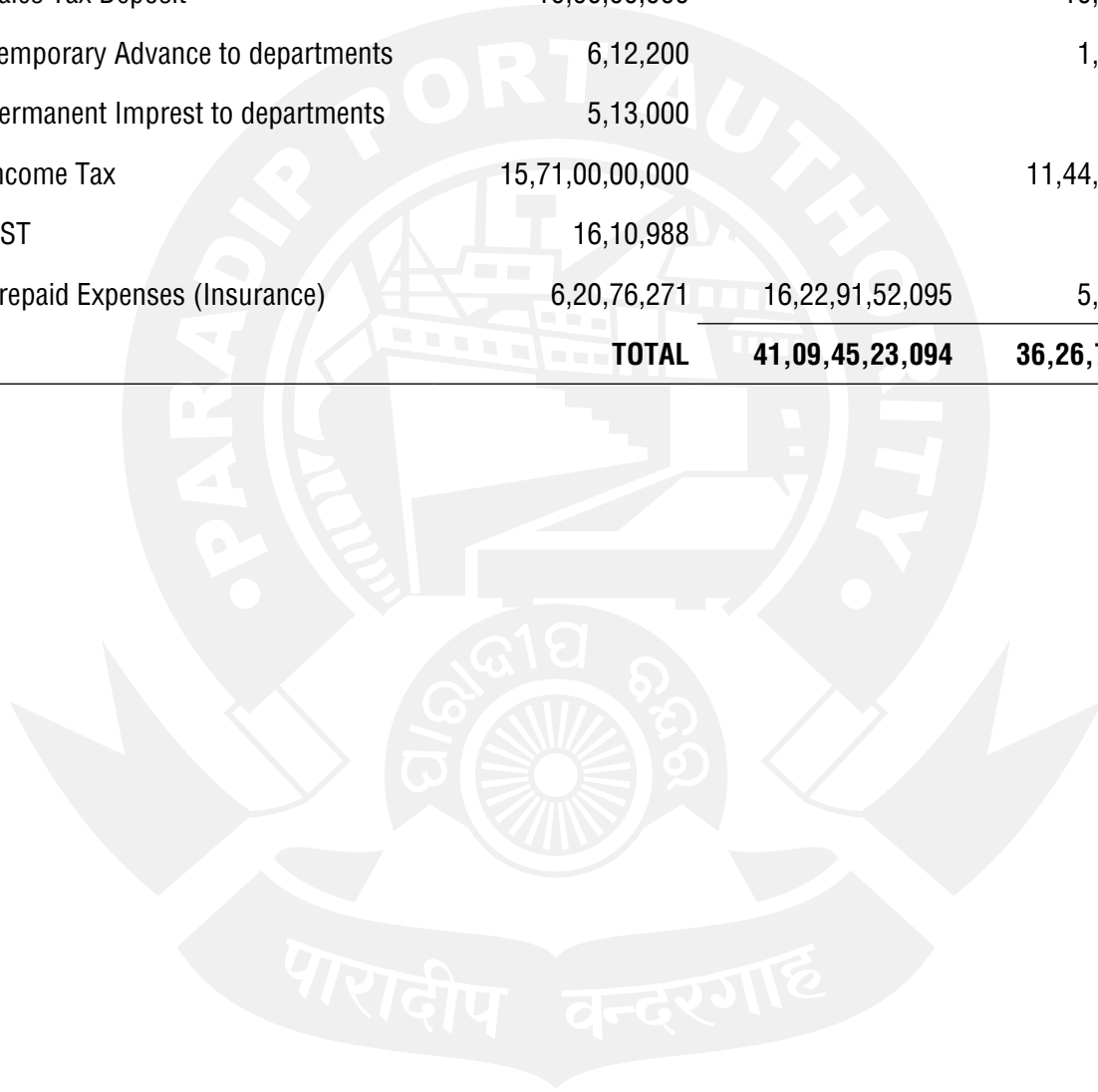




SCHEDULE TO BALANCE SHEET

(Amount in ₹)

SCHEDULE - 5 (Contd..)	As at 31.03.2022	As at 31.03.2021
CURRENT ASSETS, LOANS & ADVANCES		
- House Building Advance	2,13,26,313	2,83,52,485
- Sales Tax Deposit	10,00,00,000	10,00,00,000
- Temporary Advance to departments	6,12,200	1,67,55,416
- Permanent Imprest to departments	5,13,000	5,13,000
- Income Tax	15,71,00,00,000	11,44,00,00,000
- GST	16,10,988	
- Prepaid Expenses (Insurance)	6,20,76,271	16,22,91,52,095
	TOTAL	36,26,71,98,833



SCHEDULE TO BALANCE SHEET

(Amount in ₹)

SCHEDULE - 6	As at 31.03.2022	As at 31.03.2021
CURRENT LIABILITIES & PROVISIONS		
A CURRENT LIABILITIES		
i. Creditors for Stores	10,90,84,320	6,41,91,982
ii. Miscellaneous Creditors & Balance	5,52,69,604	4,34,86,822
“iii. Deposits from Merchants, Contractors & Others”	3,84,12,80,036	4,77,32,11,032
iv. GST	36,03,72,910	42,73,68,717
	4,36,60,06,870	5,30,82,58,553
B PROVISIONS		
i. Contingencies	-	-
ii. Taxation		
Income Tax	16,11,15,18,799	13,65,78,83,831
Deferred Tax liability	1,15,28,22,760	1,14,57,48,359
iii. Employee Related Benefits		
Provident Fund	1,17,85,773	3,22,156
Salaries & Wages	2,49,05,535	1,21,32,490
Payable to Pension Fund	39,88,88,734	239633208
iv. Other Liabilities		
Capital Grant-in Aid	25,00,00,000	
v. Other Provisions		
Accrued Expenses	1,38,96,14,332	93,76,10,810
	19,33,95,35,933	15,99,33,30,854
TOTAL	23,70,55,42,803	21,30,15,89,407



SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2022

(Amount in ₹)

SCHEDULE 7	2021-22	2020-21
CARGO HANDLING & STORAGE		
Handling of General Cargo	1,48,62,68,675	1,56,73,88,371
Handling of Iron Ore & Other Ore	5,91,12,872	14,85,68,015
Licence Fee on BOT	9,90,08,454	12,72,96,008
Storage of goods	1,55,06,21,072	1,81,33,48,588
SPM Warfage	17,48,46,714	16,55,18,525
Revenue Share on BOT	83,49,85,280	75,22,96,019
HMC Royalty	60,58,92,749	29,77,72,245
Ore Mechanical Handling Plant Charges	17,36,43,466	40,38,83,682
MCHP Shipping Charges	2,31,10,18,438	1,68,32,64,902
MCHP Unloading Charges	1,44,30,74,316	1,03,59,22,347
POL Handling Charges	19,92,75,866	17,53,72,467
Demurrage fees on General Cargo	10,25,17,666	5,93,32,083
Miscellaneous	44,17,692	46,01,716
TOTAL	9,04,46,83,260	8,23,45,64,968
SCHEDULE 8		
PORT & DOCK CHARGES		
(Including Pilotage)		
Towage and Mooring Fees	60,60,26,239	59,65,74,912
Dock Dues (Berth Hire)	58,78,94,568	58,74,12,123
Port Dues	1,12,28,56,274	1,13,75,53,522
Pilotage Fees	2,64,08,29,916	2,62,76,64,868
Water & Oil supply to Shipping	1,28,85,271	1,26,97,070
Dry Dock	2,66,92,646	2,80,26,612
Miscellaneous Charges	44,31,614	43,13,999
Slipway Charges	3,68,206	-
TOTAL	5,00,19,84,734	4,99,42,43,106
SCHEDULE 9		
RAILWAY EARNING:		
Freight and Haullage Charges	73,61,62,553	82,15,45,562
Siding Charges	10,18,21,547	10,29,24,075
Terminal Charges	1,79,24,42,384	1,58,90,87,148
TOTAL	2,63,04,26,484	2,51,35,56,785



SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2022

(Amount in ₹)

SCHEDULE 10	2021-22	2020-21
ESTATE RENTALS:		
Rent from Land	28,34,27,190	31,74,90,974
Rent from Buildings, Sheds & Godowns	8,53,92,898	11,16,70,837
Recoverable Service Charges	27,55,24,583	7,59,91,813
Miscellaneous Income	17,89,437	31,03,460
TOTAL	64,61,34,108	50,82,57,084
<hr/>		
SCHEDULE 11		
CARGO HANDLING & STORAGE		
Handling & Storage of General Cargo at Sheds & Wharfages	6,57,49,520	10,13,49,027
Handling & Storage of Iron Ore & Other Ore	65,82,675	87,61,018
Operation & Maintenance of Ore Handling Plant	22,05,67,295	30,23,18,578
Operation & Maintenance of MCHP	57,81,15,290	72,16,27,190
Administration & General Expenses.	12,59,62,128	17,37,44,462
Depreciation	29,90,91,523	37,48,75,459
TOTAL	1,29,60,68,431	1,68,26,75,734



SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2022

(Amount in ₹)

SCHEDULE 12	2021-22	2020-21
PORT & DOCK FACILITIES FOR SHIPPING (INCLUDING PILOTAGE)		
Towing, Berthing & Mooring	64,92,19,999	55,58,42,570
Pilotage	9,80,61,417	6,26,91,057
Dredging & Marine Survey	1,11,23,06,242	92,94,93,853
Operation & Maintenance of Navigation Aids.	1,85,52,625	99,51,066
Maintenance of Marine Structural, Sea Shore etc.	6,19,287	1,80,98,924
Administration & General Expenses	19,05,77,851	16,80,04,815
Depreciation	10,07,42,311	10,65,89,129
TOTAL	2,17,00,79,732	1,85,06,71,414
SCHEDULE 13		
RAILWAY WORKINGS:		
Operation & Maintenance of Locomotive, Wagons etc.	32,90,06,197	36,47,20,551
Maintenance of Permanent way, Signals and Inter Locking	4,26,00,481	12,97,76,259
Operation & Maintenance of Station Yards & Sidings.	5,24,472	45,39,983
Administration and General Expenses	8,08,46,699	1,32,87,335
Depreciation	6,86,58,537	6,67,71,146
TOTAL	52,16,36,386	57,90,95,274
SCHEDULE 14		
RENTABLE LANDS & BUILDINGS:		
Estate Maintenance	62,27,10,497	49,29,61,819
Administration & General Expenses	2,90,91,286	3,18,17,686
Depreciation	11,40,43,655	9,24,19,357
TOTAL	76,58,45,438	61,71,98,862



SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2022

(Amount in ₹)

SCHEDULE 15	2021-22	2020-21
MANAGEMENT & GENERAL ADMINISTRATION:		
Management & Secretarial Expenses	68,80,82,597	61,41,12,758
Labour & Welfare Expenses etc.	9,48,99,909	8,12,14,992
Medical Expenses	36,40,43,498	31,29,10,448
Store Keeping	3,84,18,157	3,25,52,794
Insurance on Port Properties	11,54,05,327	9,87,39,720
Accounting, Auditing & Others	6,34,06,277	13,31,45,086
Telephone Expenses	45,17,173	45,58,096
Engineering & Workshop Administration & Overhead.	65,63,22,178	65,46,00,672
Sundry Expenses	1,33,47,909	1,22,08,378
Depreciation	3,20,28,728	3,08,45,871
TOTAL	2,07,04,71,753	1,97,48,88,815
SCHEDULE 16		
FINANCE & MISCELLANEOUS INCOME		
Interest on deposits	1,01,95,65,126	96,46,53,350
Interest on loans & advances	20,93,086	1,18,88,986
Sale of unservicable materials	25,71,938	7,92,72,898
Miscellaneous Income	43,16,46,928	1,67,91,17,027
Items Relating to Previous Years	17,82,89,341	21,49,22,483
TOTAL	1,63,41,66,419	2,94,98,54,744
SCHEDULE 17		
FINANCE & MISCELLANEOUS EXPENSES:		
Bank Charges	3,69,554	4,43,812
Interest Payable on:-		
- Initial Investment of Govt. of India	21,30,459	21,30,459
- Interest on GPF	-	60,92,407
Pension payments including contribution		
- Contribution to Pension Fund	4,81,56,54,670	3,84,67,00,000
- Contribution to Other Ports	-	-
Employer's Contribution CPF & Tire-I A/c.	2,75,12,113	1,43,45,675
TA to Retired employees	14,76,187	17,93,120
C.S.R	10,00,00,000	8,88,00,000
Service Charges for NPS	27,451	27,710
Gratuity Payment	-	-
Employees Welfare Fund	15,00,000	15,00,000
Items relating to Previous years	1,21,06,571	(1,12,29,88,706)
TOTAL	4,96,07,77,005	2,83,88,44,477



SCHEDULE-18

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 received 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.



B NOTES ON ACCOUNTS

1 YEAR IN BRIEF

RESULTS FOR THE YEAR	2021-22	2020-21
Traffic (in Million MT)	116.13	114.55
Operating Income (₹ In Cr.)	1732.32	1,625.06
Operating Expenditure (₹ In Cr.)	682.41	670.45
Operating Surplus (₹ In Cr.)	1049.91	954.61
Total Income (₹ In Cr.)	1895.73	1,926.72
Total Expenditure (₹ In Cr.)	1178.49	954.33
Net Surplus (₹ In Cr.)	717.25	965.71
Operating Ratio	1:0.39	1:0.41
Unit Operating Cost per Ton of Cargo Handled (₹)	58.76	58.53
Salary & Wages as percentage of total expenditure (%)	7.44	10.51
Provision of Income Tax (₹ In Cr.)	245.36	332.63

2 PROFIT AND LOSS ACCOUNT

The Profit and Loss Accounts shows an operating surplus of ₹1049.91 crores and a Net Surplus of ₹717.25 crores. ₹186 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.1.10 crores has been provided against the anticipated payment towards Productivity Linked Reward to the employees.

5 PROVISION TOWARDS VARIOUS RESERVE FUNDS

₹186 crores has been appropriated to the following Reserves out of the Net Surplus after Income Tax of ₹ 245.36 Crores as per the guidelines of Ministry.

a)	Replacement, Rehabilitation and Modernization of Capital Assets Reserve	₹93.00 crore
b)	Development, Repayment of Loan and Contingencies Reserve	₹93.00 crore





6 TITLE DEEDS OF THE LAND

- (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.AD-EST-LAND-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 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.



7 PLAN AND NON-PLAN EXPENDITURE

The total capital expenditure during the year 2021-22 was ₹ 123.12 crores. An amount of ₹ 34.10 crores is the commitment as on 31.03.2022 towards ongoing plan projects.

8 PENDING LEGAL CASES

There are 19 nos of cases filed by PPA against different parties during 2021-22. There are 51 nos of cases filed against PPA by different parties during 2021-22.

9 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 2022 is as under considering the provision to meet the liability:

(₹ in Crore)

Fund	Actuarial Valuation as on 31.03.2022	Corpus Fund as on 31.03.2022	Funded Status as on 31.03.2022
Superannuation Fund	2752	2752.02	Fully Funded
Gratuity Fund	91.84	109.96	Fully Funded
Leave Encashment Fund	43.84	51.32	Fully Funded

The shortfall of ₹ 36.80cr has been made good subsequently by net accretions to the fund.

10 INCOME TAX

The registration U/s. 12A of Income Tax Act, 1961 for the financial year 2002-03, 2003-04 and 2004-05 has already been approved by Hon'ble CIT, (Exempt), Hyderabad. A writ Petition is filed before the Honorable High Court of Odisha, Cuttack against the rejection of return filed U/s 12A by the Assessing Office.

For the Financial Year 2005-06 to 2013-14, the assessment has been completed.

For the Financial Year 2014-15, 2015-16 and 2016-17 appeal has been filed before the Hon'ble CIT (Appeal), Cuttack against the assessment order passed by the Assessing Officer.

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 years 2019-20 the Scrutiny Assessment is in Progress.

11 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.



12 CONTINGENT LIABILITY

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

Name of the party	₹ in Lakhs
DDCPL	602.11
CIMCO BIRLA	502.00
BAM DEV NAYAK	168.00
MESCO STEEL	8.10
PPL	1,229.00
MODI PROJECTS LIMITED	1,366.00

13 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: ₹ in Crore

F.Y	CSR Provision	CSR Expenditure
2019-20	7.94	7.94
2020-21	8.88	8.88
2021-22	10.00	10.00

14 DISCLOSURE OF ACCOUNTING POLICIES

a Revenue Recognition (AS 9)

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.
- ii. The store issued to site stores for consumption but lying in the site stores as on 31st March 2022 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.
- iii. Nothing is outstanding as per Micro Small and Medium Enterprise Development Act,2006.

b 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. Due to this the residual value of asset stands at nil value at the end of the economic life. 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.



- c Govt. Grants (AS 12)
Capital grant in aid has been received during 2021-22 towards fishery harbor amounting to Rs.25 Crores during the year.
- d Investments (AS 13)
Investment of various funds and surplus have been made in different approved banks and approved institutions. The income from investments of different funds have been credited to respective funds.
- e Employee Benefits (AS 15)
- f Funds created for Pension, Gratuity and Leave Encashment are fully funded as on 31.03.2022 to meet the liability.
- g As per the order of honorable high court of Odisha against the Odisha Sales Tax Tribunal order, Paradip Port Authority has deposited Rs.10 Crores with Sales Tax Department.
- h Against the arbitration proceeding with Surena Solar Limited towards payment of Rs.8.69 crores, PPA management is in the process of appeal before the Honorable High court of Odisha.

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 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 Rs.257.07 crore towards equity of M/s.Dredging Corporation of India Limited with a lock in period of 3 years.
During the FY 2021-22 Paradip Port Authority has paid towards maintenance and capital dredging amounting to ₹108.90 crores and ₹Rs.16.7 crores respectively.
The market price of DCI share as on 31.03.2022 stands at ₹Rs.315.55 as per share (BSE) .
- 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 As per clause no.27 of the Major Port Authorities Act,2021 and Clause no.7 of Major Port Authorities (Fixation and Implementation of scale of rate, fees and conditions) Rules,2021, the Board has adopted the existing scale of rate within a period of 180 days from the date of commencement of the Act.
- d The figures has been rounded up to rupees one.

16 SUNDRY DEBTORS:

- i) The age wise classification of sundry debtors are given below;
- | | |
|--------------------|---------------|
| Less than 6 months | ₹69.99 crores |
| More than 6 months | ₹28.28 crores |

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

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





PENSION & GRATUITY FUND BALANCE SHEET AS AT 31.03.2022

AMOUNT(₹)

LIABILITIES	2021-22	2020-21	ASSETS	2021-22	2020-21
Pension Fund			Investment		
Opening Balance	22,38,27,02,825		Pension Fund		
			Investment in LIC	27,15,20,76,363	22,15,51,91,500
Add:			Gratuity Fund		
(i) Contribution from PPT	4,80,83,66,792		Investment in LIC	1,09,96,91,506	98,53,00,000
(ii) LSPC	94,63,822				
(iii) Other Port Receipt	3,08,88,734		Current Assets and Loan & Advances		
Add:			Receivable from PPT	39,88,88,734	23,96,33,208
(ii) Excess of Income over Expenditure (As per income & Expenditure A/c)	39,85,95,876				
Less: Excess salary recovery	84,413				
Less: Payable to Pensioner	17,53,591				
Add: Medical Re-imbursement Payable	10,80,083	27,62,92,60,128			22,38,27,02,825
Gratuity Fund			Cash & Bank Balance		
Opening Balance	1,04,62,05,412		Cash at Bank	3,56,86,140	4,87,83,529
Add: Excess of Income over Expenditure (As per income & Expenditure A/c)	1,08,77,203	1,05,70,82,615			1,04,62,05,412
	<u>28,68,63,42,743</u>	<u>23,42,89,08,237</u>		<u>28,68,63,42,743</u>	<u>23,42,89,08,237</u>

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P.L.Haranadh
Chairman
Paradip Port Authority



PENSION & GRATUITY FUND INCOME AND EXPENDITURE ACCOUNTS FOR THE YEAR ENDING 31.03.2022

AMOUNT(₹)

EXPENDITURE	2021-22	2020-21	INCOME	2021-22	2020-21
Pension Payment	1,40,57,52,902	1,45,39,19,728	Interest Income		
Gratuity Payment	9,49,83,296	18,53,10,854	From Saving Account	63,11,878	43,60,035
Arrear Pension Payment-WRC	88,47,963	6,77,28,262	From LIC on Pension Fund	1,80,68,84,863	1,27,77,47,817
Premium towards Gratuity	7,17,009		- From LIC on Gratuity Fund	10,65,77,508	5,86,57,173
Excess of Income Over Expenditure of Gratuity Fund	1,08,77,203		- Other Income		
Excess of Income Over Expenditure of Pension Fund	39,85,95,876		Excess of Expenditure Over Income of Pension Fund		23,95,40,138
			Excess of Expenditure Over Income of Gratuity Fund		12,66,53,681
	1,91,97,74,249	1,70,69,58,844		1,91,97,74,249	1,70,69,58,844

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Chairman
Paradip Port Authority





PROVIDENT FUND ACCOUNT BALANCE SHEET AS AT 31.03.2022

Amount (₹)

	LIABILITIES	2021-22	2020-21	ASSETS	2021-22	2020-21
GPF Fund				Investment		
Opening Balance	1,01,84,14,023			Principal Amount	94,96,39,999	
Add: Contribution	15,24,13,602			Interest Accrued	30,19,705	95,26,59,704
Add: Refund of Advance	26,42,027					1,03,75,29,620
Add: Interest	6,41,98,309					
Add: Surplus Interest	89,14,130					
	1,24,65,82,091			Current Assets, Loan & Advances		
				Receivable from PPT	1,17,85,773	
Less Withdrawal	26,24,52,456	98,41,29,635	1,01,84,14,023			
Current Liabilities						
Payable to PPT		-	18,53,633			
CPF Fund				Cash & Bank Balance		
Opening Balance	1,74,50,123			Cash at Bank	3,57,77,587	1,88,159
Add: Contribution (Employee)	3,57,086					
Add: Contribution (Employer)	3,57,086					
Add: 50% CLR	28,876					
Add: Recovery of Temporary Adv	2,61,500					
Add: Interest	10,92,032					
	1,95,46,703					
Less: Withdrawal	34,53,274	1,60,93,429	1,74,50,123			
		1,00,02,23,064	1,03,77,17,779		1,00,02,23,064	1,03,77,17,779

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**PROVIDENT FUND ACCOUNT
INCOME AND EXPENDITURE ACCOUNTS
FOR THE YEAR ENDING 31.03.2022**

EXPENDITURE			INCOME	AMOUNT(₹)	
	2021-22	2020-21		2021-22	2020-21
Interest on GPF Balances	6,41,98,309	7,09,88,690	Interest on FDR	7,30,48,275	6,47,63,318
Interest on CPF Balances	10,92,032	13,33,589	Interest on Saving Bank A/c	11,59,074	14,66,554
Bank Charges	2,878		- Excess of Interest receivable from PPT	-	60,92,407
Surplus Interest	89,14,130				
	7,42,07,349	7,23,22,279		7,42,07,349	7,23,22,279

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Paradip Port Authority

P.L.Haranadh
Chairman
Paradip Port Authority





PARADIP
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PARADIP PORT AUTHORITY

AUDIT REPORT

2021-22

पारादीप बन्दरगाह



Separate Audit Report of the Comptroller & Auditor General of India on the accounts of Paradip Port Authority for the year ended 31st March, 2022

- 1 We have audited the attached Balance Sheet of Paradip Port Authority, Paradip as at 31st March 2022 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. These financial statements are 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, Paradip as required under Section 44(1) of the Major Port Authorities Act, 2021 in so far as it appears from our examination of such books.
 - iv. We further report that:

A. BALANCE SHEET
SOURCES OF FUND
Reserves & Surplus (Schedule-1)
Revenue reserve
E.L Encashment Fund: ₹46.65 crore

1. The Paradip Port Authority (PPA) maintains its E.L Encashment Fund with the Life Insurance Corporation (LIC). During 2021-22, the LIC credited a sum of ₹3.52 crore to the fund against interest accrued thereon, which was omitted to be accounted for by PPA. Besides, there was a short account of ₹1.16 crore being the difference between the opening balance of the fund as per PPA (₹46.64 crore) and as certified by LIC (₹47.80 crore).

This has resulted in understatement of the above head and Investment (Schedule-4) by ₹ 4.68 crore each.



Current Liabilities & Provisions (Schedule-6)

Accrued Expenses: ₹138.96 crore

- 2(i). This includes a sum of ₹108.91 crore being the expenditure incurred by the PPA towards maintenance/revenue dredging for the year 2021-22. However, as per the records maintained by the Marine Department of PPA, the actual expenditure incurred during the year for dredging works was ₹106.81 crore.

Hence, the excess provision of ₹2.10 crore for maintenance/revenue dredging has resulted in overstatement of the above head by ₹2.10 crore, understatement of Maintenance/Revenue dredging with corresponding understatement of Net Surplus before Tax by ₹2.10 crore.

- (ii) As per accrual concept, all expenses related to the relevant accounting year are required to be accounted for irrespective of their payment. However, it was observed that PPA did not account for ₹ 2.21 crore (as per list attached in **Annexure A**) being the expenditure incurred during 2021-22 but paid in subsequent year.

The exclusion of the above items has resulted in understatement of the above by ₹ 2.21 crore head with corresponding overstatement of Net Surplus before Tax by the same amount.

- (iii) The Government of Odisha (GoO) decided (May 2015) to create a Water Conservation Fund (WCF) for construction of different water conservation projects. The corpus fund was to be created by way of receipt of one-time contribution @ ₹2.50 crore per cusec of water allocated to the industries having requirement of one (1) cusec of water or more.

As per revised requirement of 13.50 cusec of water, the PPA was to contribute ₹ 33.75 crore towards WCF as one-time measure. The PPA had already deposited a sum of ₹ 5.57 crore in two instalments. Thereafter, it was allowed by the GoO to pay the balance amount of ₹ 28.18 crore in five annual instalments of ₹ 5.64 crore each. The PPA deposited three instalments amounting to ₹ 16.91 crore during 2019-22 and accounted for on cash basis instead of accrual basis and did not provide for the remaining dues of ₹ 11.27 crore (two instalments) This has resulted in understatement of the above head by ₹ 11.27 crore with corresponding overstatement of Net Surplus before Tax by the same amount.

APPLICATION OF FUNDS

Fixed Assets (Schedule-3)

Capital Works-In-Progress: ₹ 443.44 crore

- 3(i). The above head includes two sub-heads i.e Capital Dredging (Asset Code 612) and Wagons (636). An amount of ₹ 0.79 crore towards the work 'Replacement of Wagon Tippler-150 at Iron Ore Handling Plant was wrongly booked under Capital Dredging instead of Wagons.

This has resulted in understatement of CWIP-Wagons by ₹ 0.79 crore and overstatement of CWIP- Capital Dredging by the same amount.

- (ii) A sum of ₹ 0.34 crore was paid to a Contractor (upto 4th RA Bill) for construction of new additional room of Paradip Ladies Club. Since, the expenditure is capital in nature, the same should have been booked under CWIP rather than charging the same to P& L Account as revenue expenditure.

This has resulted in understatement of CWIP expenses by ₹ 0.34 crore, overstatement of Revenue Expenses for the year by ₹ 0.14 crore and prior period(s) by ₹0.20 crore with corresponding understatement of General Reserves (Schedule-I) by ₹0.34 crore including Net Surplus before Tax for the year by ₹ 0.14 crore.

Investments

Shares, Debentures or Bonds

Setu Samudram Corporation Ltd.: ₹ 30 Crore

4. The PPA has an investment of ₹30 crore in the equity shares of Setu Samudram Corporation Limited (SSCL), the Company which was promoted by the Government of India to raise finance and to undertake activities to facilitate operation of a navigable channel from Gulf of Mannar to Bay of Bengal through Palk Bay. 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 Ministry for liquidation. Considering the non-viability of the project, the other PSUs like Visakhapatnam Port Trust, Shipping Corporation of India and Dredging Corporation of India have already made full provision against their respective investments in SSCL except PPA.

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

Current Assets, Loans & Advances (Schedule-5): ₹ 4109.45 crore

Sundry Debtors: ₹ 98.28 crore

5. This includes a sum of ₹1.51 crore receivable towards electricity charges of which, ₹1.34 crore is lying unrealised for more than 10 years. The Management could not recover the amount despite making various efforts several times. As the chances of realisation is bleak, a provision towards the same should have been made.

Non-provision of the above doubtful debt has resulted in overstatement of the above head by ₹ 1.34 crore leading to overstatement of Net Surplus before Tax for the year and understatement of Current Liabilities & Provisions (Schedule-6) by the same amount.

B. Profit and Loss Account

Expenditure

Management & General Administration (Schedule-15)

Insurance on Port Properties: ₹ 11.54 crore

1. This includes a sum of ₹ 6.21 crore being 50 per cent of the annual insurance premium paid by PPA against an insurance policy procured from New India Assurance for its properties, plants & machinery. Since the annual premium of ₹ 12.42 crore (excluding GST) covered the period 20 September 2021 to 19 September 2022, the proportional amount (₹ 6.57 crore for 193 days) for the expired period (20 September to 31 March 2022) should have been charged to P&L Account.

This has resulted in understatement of the above head, leading to overstatement of Net Surplus before Tax by ₹ 0.36 crore (₹ 6.57 crore - ₹ 6.21 crore) and overstatement of Current Assets, Loans and Advances (Prepaid Insurance) (Schedule-5) by the same amount.

C. Accounting Policies

Significant Accounting Policies & Notes on Accounts (Schedule-18)

Significant Accounting Policies

- 1 As per Para 4(a) of Accounting Manual of the Common Framework for Financial Reporting by Major Port Trusts, Fixed Assets are required to be shown under each of the asset heads at original cost including additions thereto and deletions there from during the year. PPA acquired (25 September 2006) land measuring 1.422 acres in Gopabandhu Nagar, Bhubaneswar from Government of Orissa at an upfront premium of ₹ 0.71 crore and marginal annual ground rent of ₹427/- per annum. However, in contravention of AMCFFR, the PPA has exhibited this Leasehold land (Schedule-3) in the Balance Sheet at its amortised value instead of gross value.

Notes on Accounts

Contingent Liabilities

- 2(i) A reference is invited to Para-12 of the Notes to Accounts wherein, a contingent liability of ₹1.68 crore has been disclosed against a Contractor named Bamadev Nayak Infrastructures Ltd (BNIL).

The fact is that consequent upon termination of contract for “Construction of surge Protection Embankment from Sandhakud Basti to Refinery Project” by PPA citing non-fulfilment of contractual obligations by the



contractor, the BNIL initiated arbitration proceedings against PPA. The Arbitrator vide his order dated 26 March 2021 awarded a sum of ₹ 9.92 crore to be paid to the BNSL by PPA. Aggrieved by the order, the PPA filed petition in the District Court, Jagatsinghpur which is yet to be disposed of. However, the PPA has not disclosed the full amount of ₹ 9.92 crore as contingent liability.

This has resulted in understatement of contingent liability to the extent of ₹ 8.24 crore.

- (ii) In the arbitration proceedings (No. 51 of 2019) with Surana Solar Ltd. (SSL), the Arbitrator passed (08.04.2021) an order in favour of SSL directing the PPA to pay an amount of ₹ 8.69 crore to SSL. The Management has made an appeal against the above-mentioned award at higher forum. This amount should have been included under contingent liability, but the Port management has not shown the same as such.

Hence, the contingent liability has been understated to that extent.

D. General

- 1(i). The list of Saving Bank Accounts and the closing balances lying therein as of March 2021-22, as disclosed under Schedule-5 includes two bank accounts named State Bank of India and Punjab National Bank (United Bank of India) which are in fact "Current Accounts" and the same should have been disclosed distinctly from the Saving Accounts.

Similar observation was raised during finance audits since 2018-19. However, no corrective action has been taken since then.

- (ii) A sum of ₹3.43 crore was booked under CWIP for construction of four lane road from L&T junction to F.H. But while capitalising the same under Fixed Assets (Wharves, Roads, Boundaries), the CWIP was credited by a sum of ₹ 3.52 crore leading to a negative balance of ₹0.09 crore as of March 2022 in that head. This needs to be reconciled.

- (iii) A sum of ₹ 1.07 crore spent for construction of new Conference Hall inside Admn. Building was wrongly debited to Repair & Maintenance of Residential Buildings of E.E. R & B. This was subsequently rectified by crediting "Repair & Maintenance of Residential Buildings of E.E. R & B" and debiting "CWIP" through three JVs (JV No-143 for ₹15,61,078/- JV No-20 for ₹ 50,78,651/-and JV No-331 for ₹ 47,62,046/). However, entry was passed for a sum of ₹1.14 crore instead of ₹ 1.07 crore. The difference of ₹ 0.07 crore was mainly because the rectification JV No. 331 was passed for an amount of ₹ 47,62,046/-whereas, the actual booking under Repair & Maintenance of Residential Buildings of E.E. R & B was ₹ 40,35,632/. This needs to be reconciled.

E. 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 2022; and
b. In so far as it relates to Profit and Loss Account, of the surplus for the year ended on that date.

5 A review of accounts showing the summarized financial results of the Paradip Port Authority for the last three years ended 31 March 2022 is given in Annexure-II.

Place: Kolkata
Date:

(Suparna Deb)
Director General of Audit (Mines)
Kolkata



ANNEXURE – I TO AUDIT REPORT

- (A) **Adequacy of the Internal Audit System:** Internal Audit for the year 2021-22 was conducted by a firm of Chartered Accountants (DM Associates). Though the report covered most of the departments, there was much scope of improvement.
- (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:** No Physical Verification of fixed assets was done after 2001. On 25th March 2021, a work order for physical verification of fixed assets was issued. The Report is yet to be finalized.
- (D) **System of Physical Verification of Inventories:** This exercise should be conducted annually for better management of inventory. On 25th March 2021, a work order for physical verification of inventories was issued. The Report is yet to be finalized.
- (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 organisation. 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 31.03.2022, an amount of ₹ 6.12 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.

(B. C. Behera)

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 31 MARCH 2022 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 Port Authority under broad headings for the last three years ending 31.03.2022 was as follows:

2. FINANCIAL POSITION

The financial position of the Port Authority under broad headings for the previous three years ending 31.03.2022 was as follows

(₹ in Crore)

(A) LIABILITIES	2021-22	2020-21	2019-20
(i) Capital Reserve (#)	3283.13	2947.94	2634.71
(ii) Other Reserve (@)	4196.20	3911.01	3766.12
(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	2370.55	2130.16	1921.13
(v) Other Liabilities (CPF/Pension fund etc.)	Nil	Nil	Nil
TOTAL	9858.00	8997.24	8330.08
(B) ASSETS			
(i) Fixed Assets (Gross Block)	2588.1	2534.33	2446.57
(ii) Less: Depreciation	1226.7	1177.05	1109.56
(iii) Net Fixed Assets	1361.4	1357.28	1337.01
(iv) Work-in-Progress	443.44	403.82	300.77
(v) Investments	3943.69	3609.42	3275.73
(vi) Current Assets, Loans & Advances	4109.45	3626.72	3416.57
TOTAL	9857.98	8997.24	8330.08



(C)	Working Capital (*)	1738.90	1496.56	1495.44
(D)	Net Worth (**)	4196.20	3911.02	3766.12
(E)	Capital Employed (***)	3100.30	2853.84	2832.45
(F)	Return on Capital Employed (****)	23.13%	33.84%	24.05%
(G)	Capital Employed (Including Capital Work-in-Progress)	3543.74	3257.66	3133.22
(H)	Return on Capital Employed (Including Capital Work-in-Progress)	20.24%	29.64%	21.74%

- (#) 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 previous three years ending 31 March 2022 are summarized below:

		(₹ in Crore)		
		2021-22	2020-21	2019-20
(A)	REVENUE			
	(i) Operating Income	1732.32	1631.73	1563.26
	(ii) Non-operating Income	163.42	294.99	161.77
	TOTAL	1895.74	1926.72	1725.03
(B)	EXPENDITURE			
	(i) Operating Expenditure	682.41	677.13	666.93
	(ii) Non-operating Expenditure	496.08	283.88	376.86
	TOTAL	1178.49	961.01	1043.79
(C)	Net Surplus/(Deficit) before tax	717.25	965.71	681.24
(D)	Less:			
	(i) Provision for taxation	245.36	332.63	233.07
	(ii) Deferred Tax Liability	0.71	3.97	4.30



(E)	Net Surplus/(Deficit) after tax	471.18	629.11	443.87
(F)	Less: Mandatory appropriation/ Transfer to Reserve Fund	186	172.00	124.00
(G)	Surplus/(Deficit) transferred to General Reserve fund	285.18	457.11	319.87
(H)	Percentage of Net Surplus (before tax) to			
	(a) Operating Income	41.4	59.18	43.58
	(b) Net Fixed Assets	52.68	71.15	50.95
	(c) Net Worth	17.09	24.69	18.09

4. RATIO ANALYSIS (LIQUIDITY AND SOLVENCY)

No	Ratios	2021-22	2020-21	2019-20
(a)	Percentage of Current Assets to Current Liabilities	173.35	170.26	177.84
(b)	Percentage of Quick Assets to Current Liabilities	86.18	97.44	84.04
(c)	Percentage of Sundry Debtors to Operating Income	5.67	7.29	6.04
(d)	Debt to Capital Reserve & General Reserve	0.00109:1	0.00118:1	0.00127:1

(B. C. Behera)
Dy. Director





PARADIP
PORT
AUTHORITY





PARADIP PORT AUTHORITY

**ACTION TAKEN
NOTES ON SEPARATE
AUDIT REPORT OF THE
COMPTROLLER AND AUDITOR
GENERAL OF INDIA ON THE
ACCOUNTS OF PARADIP PORT
AUTHORITY FOR THE
YEAR ENDED 31ST MARCH,
2022.**

ACTION TAKEN NOTES ON SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF PARADIP PORT AUTHORITY FOR THE YEAR ENDED 31ST MARCH, 2022.

Observation made by Audit	Action Taken by Paradip Port Authority
<p>4.(iv) We further report that:</p> <p>A. BALANCE SHEET</p> <p>SOURCES OF FUND</p> <p>Reserves & Surplus (Schedule-1)</p> <p>Revenue reserve</p> <p>E.L Encashment Fund: ₹ 46.65 crore</p> <p>1. The Paradip Port Authority (PPA) maintains its E.L Encashment Fund with the Life Insurance Corporation (LIC). During 2021-22, the LIC credited a sum of ₹3.52 crore to the fund against interest accrued thereon, which was omitted to be accounted for by PPA. Besides, there was a short account of ₹1.16 crore being the difference between the opening balance of the fund as per PPA (₹46.64 crore) and as certified by LIC (₹47.80 crore). This has resulted in understatement of the above head and Investment (Schedule-4) by ₹ 4.68 crore each.</p>	<p>Necessary accounting effect has already been given in the accounts of 2022-23. Vide JV No. 1136.</p>
<p>Current Liabilities & Provisions (Schedule-6)</p> <p>Accrued Expenses: ₹138.96 crore</p> <p>2(i). This includes a sum of ₹108.91 crore being the expenditure incurred by the PPA towards maintenance/revenue dredging for the year 2021-22. However, as per the records maintained by the Marine Department of PPA, the actual expenditure incurred during the year for dredging works was ₹106.81 crore. Hence, the excess provision of ₹2.10 crore for maintenance/revenue dredging has resulted in overstatement of the above head by ₹2.10 crore, understatement of Maintenance/ Revenue dredging with corresponding understatement of Net Surplus before Tax by ₹2.10 crore.</p>	<p>Necessary accounting effect has already been given in the accounts of 2022-23. Vide JV No. 1137.</p>
<p>(ii) As per accrual concept, all expenses related to the relevant accounting year are required to be accounted for irrespective of their payment. However, it was observed that PPA did not account for ₹ 2.21 crore (as per list attached in Annexure A) being the expenditure incurred during 2021-22 but paid in subsequent year. The exclusion of the above items has resulted in understatement of the above by ₹ 2.21 crore head with corresponding overstatement of Net Surplus before Tax by the same amount.</p>	<p>Necessary accounting effect has already been given in the accounts of 2022-23. Vide JV No. 1130.</p>
<p>(iii) The Government of Odisha (GoO) decided (May 2015) to create a Water Conservation Fund (WCF) for construction of different water conservation projects. The corpus fund was to be created by way of receipt of one-time contribution @ ₹ 2.50 crore per cusec of water allocated to the industries having requirement of one (1) cusec of water or more.</p>	<p>As per the decision, PPA was to pay Rs.28.17 Crores towards WCF in five equated installments of Rs.5.64 Crores each year from 2019-20 to 2023-24. The Orissa Govt. has offered flexibility in payment of the installments. It is only the</p>



<p>As per revised requirement of 13.50 cusec of water, the PPA was to contribute ₹ 33.75 crore towards WCF as one-time measure. The PPA had already deposited a sum of ₹5.57 crore in two instalments. Thereafter, it was allowed by the GoO to pay the balance amount of ₹ 28.18 crore in five annual instalments of ₹ 5.64 crore each. The PPA deposited three instalments amounting to ₹ 16.91 crore during 2019-22 and accounted for on cash basis instead of accrual basis and did not provide for the remaining dues of ₹ 11.27 crore (two installments)</p> <p>This has resulted in understatement of the above head by ₹ 11.27 crore with corresponding overstatement of Net Surplus before Tax by the same amount.</p>	<p>commitment for payment for the coming years which will be booked as expenditure only when it is due for payment. Hence, Port has rightly accounted for in line of Audit observation for the year 2020-21. However, suitable disclosure will be made in the notes to accounts in future.</p>
<p>APPLICATION OF FUNDS Fixed Assets (Schedule-3) Capital Works-In-Progress: ₹ 443.44 crore</p> <p>3(i). The above head includes two sub-heads i.e Capital Dredging (Asset Code 612) and Wagons (636). An amount of ₹ 0.79 crore towards the work 'Replacement of Wagon Tippler-150 at Iron Ore Handling Plant was wrongly booked under Capital Dredging instead of Wagons.</p> <p>This has resulted in understatement of CWIP-Wagons by ₹0.79 crore and overstatement of CWIP- Capital Dredging by the same amount.</p>	<p>Necessary accounting effect has already been given in the accounts of 2022-23. Vide JV No. 1129.</p>
<p>(ii) A sum of ₹0.34 crore was paid to a Contractor (upto 4th RA Bill) for construction of new additional room of Paradip Ladies Club. Since, the expenditure is capital in nature, the same should have been booked under CWIP rather than charging the same to P&L Account as revenue expenditure.</p> <p>This has resulted in understatement of CWIP expenses by ₹ 0.34 crore, overstatement of Revenue Expenses for the year by ₹ 0.14 crore and prior period(s) by ₹ 0.20 crore with corresponding understatement of General Reserves (Schedule-I) by ₹ 0.34 crore including Net Net Surplus before Tax for the year by ₹ 0.14 crore.</p>	<p>Necessary accounting effect has already been given in the accounts of 2022-23. Vide JV No. 1132.</p>
<p>Investments Shares, Debentures or Bonds Setu Samudram Corporation Ltd.: ₹ 30 Crore</p> <p>4. The PPA has an investment of ₹30 crore in the equity shares of Setu Samudram Corporation Limited (SSCL), the Company which was promoted by the Government of India to raise finance and to undertake activities to facilitate operation of a navigable channel from Gulf of Mannar to Bay of Bengal through Palk Bay. 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 Ministry for liquidation. Considering the non-viability of the project, the other PSUs like Visakhapatnam Port Trust, Shipping Corporation of India and Dredging Corporation of India have already made full provision against their respective investments in SSCL except PPA.</p>	<p>Paradip Port Authority made an investment of Rs.30 Crores in the equity share of Sethusamudram Corporation Limited (SCL). As per Ministry of Shipping, Road Transport & Highways Letter No.PD-26014/3/2004-Sethu dtd.1st June, 2005 along with other major ports, PSUs and govt. 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 Govt. of India, it is not ascertainable for declining of investment.</p>





<p>Hence, non-provision against the above investment by PPA has resulted in overstatement of Investment, understatement of Provisions (Schedule-6) and corresponding overstatement of Net Surplus before Tax by ₹ 30 crore each.</p>	<p>Long term investments are usually carried at cost and when there is a decline in the value of long term investment, the carrying amount is reduced to recognize the decline. Indicators of value of an investment is 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. 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 Govt. of India.</p>
<p>Current Assets, Loans & Advances (Schedule-5): ₹ 4109.45 crore Sundry Debtors: ₹ 98.28 crore</p> <p>5. This includes a sum of ₹1.51 crore receivable towards electricity charges of which, ₹1.34 crore is lying unrealised for more than 10 years. The Management could not recover the amount despite making various efforts several times. As the chances of realisation is bleak, a provision towards the same should have been made.</p> <p>Non-provision of the above doubtful debt has resulted in overstatement of the above head by ₹1.34 crore leading to overstatement of Net Surplus before Tax for the year and understatement of Current Liabilities & Provisions (Schedule-6) by the same amount.</p>	<p>As per the Ministry guidelines “no debt will be considered as bad irrespective of any time limit” which has also been disclosed in the Notes to Accounts at SI.No.15(B).</p>
<p>B.Profit and Loss Account Expenditure Management & General Administration (Schedule-15) Insurance on Port Properties: ₹11.54 crore</p> <p>1. This includes a sum of ₹6.21 crore being 50 per cent of the annual insurance premium paid by PPA against an insurance policy procured from New India Assurance for its properties, plants & machinery. Since the annual premium of ₹ 12.42 crore (excluding GST) covered the period 20 September 2021 to 19 September 2022, the proportional amount (₹ 6.57 crore for 193 days) for the expired period (20 September to 31 March 2022) should have been charged to P&L Account.</p> <p>This has resulted in understatement of the above head, leading to overstatement of Net Surplus before Tax by ₹0.36 crore (₹ 6.57 crore - ₹ 6.21 crore) and overstatement of Current Assets, Loans and Advances (Prepaid Insurance) (Schedule-5) by the same amount.</p>	<p>Necessary accounting effect has already been given in the accounts of 2022-23. Vide JV No. 1133.</p>



<p>C. Accounting Policies Significant Accounting Policies & Notes on Accounts (Schedule-18) Significant Accounting Policies</p> <p>1 As per Para 4(a) of Accounting Manual of the Common Framework for Financial Reporting by Major Port Trusts, Fixed Assets are required to be shown under each of the asset heads at original cost including additions thereto and deletions there from during the year. PPA acquired (25 September 2006) land measuring 1.422 acres in Gopabandhu Nagar, Bhubaneswar from Government of Orissa at an upfront premium of ₹ 0.71 crore and marginal annual ground rent of ₹427/- per annum. However, in contravention of AMCFFR, the PPA has exhibited this Leasehold land (Schedule-3) in the Balance Sheet at its amortised value instead of gross value.</p>	<p>The leasehold land is only for a specific period to be amortized progressively in line with the period itself. After completion of the lease period the same would not be the asset of PPA unless the lease period is extended. Hence, the gross amount of the lease amount has been amortized as per the efflux of time as per the regular practice followed by PPA. Further, there is no impact on profitability. However observation of Audit is noted for future compliance.</p>
<p>Notes on Accounts Contingent Liabilities</p> <p>2(i) A reference is invited to Para-12 of the Notes to Accounts wherein, a contingent liability of ₹1.68 crore has been disclosed against a Contractor named Bamadev Nayak Infrastructures Ltd (BNIL). The fact is that consequent upon termination of contract for “Construction of surge Protection Embankment from Sandhakud Basti to Refinery Project” by PPA citing non-fulfilment of contractual obligations by the contractor, the BNIL initiated arbitration proceedings against PPA. The Arbitrator vide his order dated 26 March 2021 awarded a sum of ₹ 9.92 crore to be paid to the BNSL by PPA. Aggrieved by the order, the PPA filed petition in the District Court, Jagatsinghpur which is yet to be disposed of. However, the PPA has not disclosed the full amount of ₹ 9.92 crore as contingent liability.</p> <p>This has resulted in understatement of contingent liability to the extent of ₹ 8.24 crore.</p>	<p>Noted for compliance in future.</p>
<p>(ii) In the arbitration proceedings (No. 51 of 2019) with Surana Solar Ltd. (SSL), the Arbitrator passed (08.04.2021) an order in favour of SSL directing the PPA to pay an amount of ₹ 8.69 crore to SSL. The Management has made an appeal against the above-mentioned award at higher forum. This amount should have been included under contingent liability, but the Port management has not shown the same as such.</p> <p>Hence, the contingent liability has been understated to that extent.</p>	<p>It has been disclosed under 14(g) and however the same will be suitably disclosed under contingency liability in future.</p>
<p>D. General</p> <p>1(i). The list of Saving Bank Accounts and the closing balances lying therein as of March 2021-22, as disclosed under Schedule-5 includes two bank accounts named State Bank of India and Punjab National Bank (United Bank of India) which are in fact “Current Accounts” and the same should have been disclosed distinctly from the Saving Accounts.</p>	<p>Observation of audit is noted for future compliance.</p>





<p>Similar observation was raised during finance audits since 2018-19. However, no corrective action has been taken since then.</p> <p>(ii) A sum of ₹3.43 crore was booked under CWIP for construction of four lane road from L&T junction to F.H. But while capitalising the same under Fixed Assets (Wharves, Roads, Boundaries), the CWIP was credited by a sum of ₹3.52 crore leading to a negative balance of ₹0.09 crore as of March 2022 in that head. This needs to be reconciled.</p> <p>(iii) A sum of ₹ 1.07 crore spent for construction of new Conference Hall inside Admn. Building was wrongly debited to Repair & Maintenance of Residential Buildings of E.E. R & B. This was subsequently rectified by crediting "Repair & Maintenance of Residential Buildings of E.E. R & B" and debiting "CWIP" through three JVs (JV No-143 for ₹15,61,078/- JV No-20 for ₹ 50,78,651/- and JV No-331 for ₹ 47,62,046/). However, entry was passed for a sum of ₹1.14 crore instead of ₹1.07 crore. The difference of ₹0.07 crore was mainly because the rectification JV No. 331 was passed for an amount of ₹ 47,62,046/-whereas, the actual booking under Repair & Maintenance of Residential Buildings of E.E. R & B was ₹40,35,632/. This needs to be reconciled.</p>	<p>Necessary accounting effect has already been given in the accounts of 2022-23. Vide JV No. 1127.</p> <p>Necessary accounting effect has already been given in the accounts of 2022-23. Vide JV No. 1128.</p>
<p>E. 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.</p> <p>i. 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>ii. 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:</p>	<p>Noted.</p> <p>Noted.</p>
<p>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 2022; and</p> <p>b. In so far as it relates to Profit and Loss Account, of the surplus for the year ended on that date.</p> <p>5 A review of accounts showing the summarized financial results of the Paradip Port Authority for the last three years ended 31 March 2022 is given in Annexure-II.</p>	<p>Facts and figures are confirmed.</p>

FA & CAO
Paradip Port Authority





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PARADIP PORT AUTHORITY

AN ISO 9001-2015 CERTIFIED PORT

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