

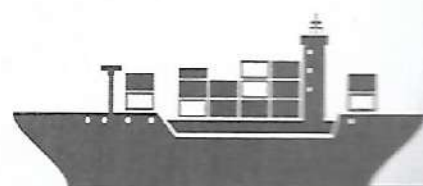
**ANNUAL ACCOUNTS  
AND  
AUDIT REPORT THEREON  
WITH ACTION TAKEN  
NOTES ON AUDIT OBJECTIONS/  
OBSERVATIONS CONTAINED  
IN THE REPORT  
FOR THE YEAR 2018-19**



**PARADIP PORT TRUST**

## PARADIP PORT TRUST ANNUAL ACCOUNTS 2018-19

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**BALANCE SHEET AS AT 31ST MARCH 2019**

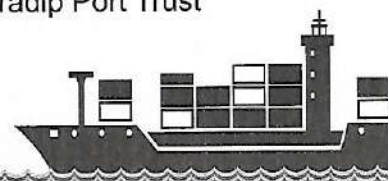
(Amount in ₹)

	SCH	As at 31.03.19	As at 31.03.18	
<b>I. SOURCES OF FUNDS</b>				
1	RESERVES & SURPLUS	1	58,52,69,48,479	54,47,85,48,599
2	LOAN FUNDS	2	8,11,60,348	8,11,60,348
	<b>TOTAL</b>		<b>58,60,81,08,827</b>	<b>54,55,97,08,947</b>
<b>II. APPLICATION OF FUNDS</b>				
1	FIXED ASSETS	3		
	a) Gross Block		23,57,35,23,877	22,78,40,11,736
	Less: Depreciation		10,43,65,94,924	9,79,91,90,012
	Net Block		13,13,69,28,953	12,98,48,21,724
	b) Capital Works-in Progress		2,13,93,26,824	2,22,70,93,457
			15,27,62,55,777	15,21,19,15,181
2	INVESTMENTS	4	30,04,68,72,289	26,08,72,08,195
3	CURRENT ASSETS, LOANS & ADVANCES	5	34,33,06,70,425	32,74,34,58,572
	Less: CURRENT LIABILITIES AND PROVISIONS	6	21,04,56,89,664	19,48,28,73,001
	Net Current Assets		13,28,49,80,761	13,26,05,85,571
	<b>TOTAL</b>		<b>58,60,81,08,827</b>	<b>54,55,97,08,947</b>
	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/-  
**S.K.Sahu**  
F.A & C.A.O  
Paradip Port Trust

Sd/-  
**Rinkesh Roy**  
Chairman  
Paradip Port Trust







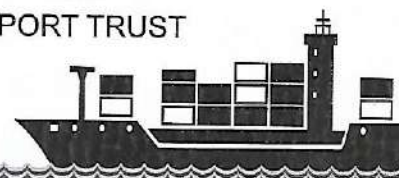
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2019**

	SCH	2018-19	2017-18
(Amount in ₹)			
<b>INCOME</b>			
Cargo handling & storage charges	07	6,97,89,71,935	6,65,71,58,816
Port & Dock Charges(Including pilotage Fees)	08	4,35,32,60,988	3,81,94,09,246
Railway Earnings.	09	2,40,04,08,543	2,41,62,93,055
Estate Rentals	10	56,99,34,809	37,61,68,725
<b>TOTAL</b>		<b>14,30,25,76,275</b>	<b>13,26,90,29,842</b>
<b>LESS EXPENDITURE</b>			
Cargo handling & storage Charges	11	1,83,37,94,380	1,80,63,48,518
Port & Dock Facilities (including Pilotage)	12	1,47,70,17,067	1,50,88,70,486
Railway workings.	13	59,95,71,561	62,41,50,055
Rentable land & buildings.	14	69,58,35,235	57,94,50,358
Management & General Administration (not directly attributable to a Activity)	15	1,99,58,73,933	1,97,34,18,748
<b>TOTAL</b>		<b>6,60,20,92,176</b>	<b>6,49,22,38,165</b>
Operating Surplus/(Deficit)		7,70,04,84,099	6,77,67,91,677
<b>Add: Finance &amp; Misc. Income</b>	16	1,50,58,84,708	2,52,60,06,573
<b>Less: Finance &amp; Misc Expenditure</b>	17	3,15,17,58,724	3,87,62,84,149
<b>Net Surplus/(Deficit) before Income Tax</b>		<b>6,05,46,10,083</b>	<b>5,42,65,14,101</b>
Provision for Income Tax		2,04,32,27,478	1,85,38,45,982
Provision for Deferred Tax Liability		4,33,07,830	4,01,96,661
<b>Net Surplus after Income Tax</b>		<b>3,96,80,74,775</b>	<b>3,53,24,71,458</b>
<b>Less: Appropriations</b>		-	-
Fund for Replacement, Rehabilitation and Modernisation of Capital Assets		62,00,00,000	60,00,00,000
Fund for Development, Repayment of Loan & Contingencies		62,00,00,000	60,00,00,000
<b>Net Surplus after Appropriation</b>		<b>2,72,80,74,775</b>	<b>2,33,24,71,458</b>
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/-  
S.K.Sahu  
FA & CAO  
PARADIP PORT TRUST

Sd/-  
Rinkesh Roy  
CHAIRMAN  
PARADIP PORT TRUST





### SCHEDULE TO BALANCE SHEET

(Amount in ₹)

SCHEDULE - 1	RESERVES & SURPLUS	As at 31.03.19	As at 31.03.18
a	<b>CAPITAL RESERVE</b>	6,11,88,210	6,04,45,839
b.	<b>REVENUE RESERVE</b>		
i.	General Reserve		
	Opening Balance	31,31,97,28,752	26,22,48,61,266
	<b>Less: Earlier years short provisions</b>	(3,25,93,769)	(16,77,23,133)
	<b>Add:</b>		
	- Other Adjustment	72,64,219	2,93,01,19,161
	- Net Surplus	2,72,80,74,775	2,33,24,71,458
		<b>34,02,24,73,977</b>	<b>31,31,97,28,752</b>
ii.	Reserve for repayment of initial investment	8,11,60,348	8,11,60,348
		<b>6,11,60,348</b>	<b>8,11,60,348</b>
iii.	Employees Welfare Fund		
	Opening Balance	15,00,000	15,00,000
	<b>Additions</b>	15,00,000	15,00,000
	<b>Less: Expenditure</b>	(15,00,000)	(15,00,000)
		<b>15,00,000</b>	<b>15,00,000</b>
iv.	E.L. Encashment Fund	68,95,11,199	63,84,36,295
		<b>68,95,11,199</b>	<b>63,84,36,295</b>





**Paradip Port Trust / Annual Accounts 2018-19**

**c. STATUTORY RESERVE**

**i. Replacement, Rehabilitation, Modernisation of Capital Assets Fund**

Opening Balance	12,45,75,20,441	11,01,10,73,201
<b>Add:</b> Appropriation from Profit & Loss Account	62,00,00,000	60,00,00,000
<b>Add:</b> Interest from investment of Fund	-	-
<b>Add:</b> Interest from investment of Fund	98,78,81,371	84,64,47,240
	<b>14,06,54,01,812</b>	<b>12,45,75,20,441</b>

**ii. Development, Repayment of Loans & Contingencies Fund.**

Opening Balance	9,91,97,56,924	8,94,72,45,738
<b>Add:</b> Appropriation from Profit & Loss Account	62,00,00,000	60,00,00,000
<b>Less:</b> Repayment of Govt Loan	(1,74,63,32,844)	(32,34,83,034)
<b>Add:</b> Interest from investment of Fund	81,22,88,853	69,59,94,220
	<b>9,60,57,12,933</b>	<b>9,91,97,56,924</b>

**TOTAL**

**58,52,69,46,479**      **54,47,85,48,599**

**SCHEDULE - 2**

**LOAN FUNDS**

**As at 31.03.19**

**As at 31.03.18**

**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**

**8,11,66,346**      **8,11,60,348**

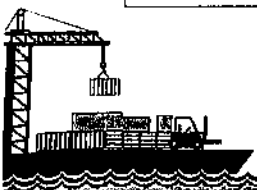




**SCHEDULE TO BALANCE SHEET**

**SCHEDULE - 3  
FIXED ASSETS**

DESCRIPTION OF ASSET	GROSS BLOCK			
	As at 01.04.18	Additions during the year	Del/Adj during the year	As at 31.03.19
1	2	3	4	5
Land	9,45,84,615	-	-	9,45,84,615
Lease land	29,23,000	-	(79,000)	28,44,000
Stacking Yard	46,40,93,496	5,69,23,488	-	52,10,16,984
Capital Dredging	3,86,92,35,307	-	-	3,86,92,35,307
Building Sheds and Other Structures	1,80,13,32,518	2,78,34,755	-	1,82,91,67,273
Wharves, Roads, Boundaries	5,04,41,48,824	21,64,02,336	-	5,26,05,51,160
Floating Craft	82,86,12,677	-	-	82,86,12,677
Railway and Rolling Stock	2,35,18,26,457	-	-	2,35,18,26,457
Docks, Sea-Walls, Breakwaters, Piers & Navigational Aids	7771,33,255	-	-	77,71,33,255
Cranes and Vehicles	8,21,35,923	23,64,593	(25,23,988)	8,19,76,528
Plant & Machinery	5,65,26,88,447	13,33,09,429	-	5,78,59,97,876
Installation and Equipments	1,18,59,23,366	35,52,80,527	-	1,54,12,03,893
Furniture & Equipment	27,73,392	-	-	27,73,392
General Cargo Handling Equipments	60,80,30,486	-	-	60,80,30,486
Flotila & Marine Crafts	1,85,69,973	-	-	1,85,69,973
<b>Total</b>	<b>22,78,40,11,736</b>	<b>79,21,15,128</b>	<b>(26,02,988)</b>	<b>23,57,35,23,876</b>
Works in Progress	2,22,70,93,457	99,00,86,935	(1,07,78,53,568)	2,13,93,26,824
<b>Grand Total</b>	<b>25,01,11,05,103</b>	<b>1,78,22,02,063</b>	<b>(1,08,04,56,556)</b>	<b>25,71,28,50,700</b>
<i>Previous Year</i>	24,47,56,52,655	1,94,19,37,791	(1,40,64,85,253)	25,01,11,05,193





**Paradip Port Trust | Annual Accounts 2018-19 |**

**AS AT 31.03.2019**

(Amount in ₹)

DEPRECIATION				NET BLOCK	
As at 01.04.18	Provisions for the year	Del/Adj during the year	Total as on 31.03.19	As at 31.03.19	As at 31.03.18
6	7	8	9	10	11
-	-	-	-	9,45,84,615	9,45,84,615
-	-	-	-	28,44,000	29,23,000
18,01,86,045	1,30,25,425	-	19,32,11,470	32,78,05,514	28,39,07,451
31,44,98,975	3,86,92,353	-	35,31,91,328	3,51,60,43,979	3,55,47,36,332
68,47,17,861	3,56,92,666	-	72,04,10,527	1,10,87,56,746	1,11,66,14,657
1,37,30,95,873	8,67,68,832	-	1,45,98,64,705	3,80,06,86,455	3,67,10,52,951
51,05,83,880	4,14,30,634	-	55,20,14,514	27,65,98,163	31,80,28,797
75,17,12,105	6,47,86,311	-	81,64,98,416	1,53,53,28,041	1,60,01,14,352
27,18,08,364	2,55,77,649	-	29,73,86,013	47,97,47,242	50,53,24,891
7,45,91,207	16,52,906	(22,63,584)	7,39,80,529	79,95,999	75,44,716
4,79,63,20,928	27,19,06,114	-	5,06,82,27,042	71,77,70,834	85,63,67,519
49,48,77,302	3,24,18,427	-	52,72,95,729	1,01,39,08,164	69,10,46,064
27,73,392	-	-	27,73,392	-	-
32,54,54,124	2,77,17,177	-	35,31,71,301	25,48,59,185	28,25,76,362
1,85,69,963	-	-	1,85,69,963	10	10
<b>9,79,91,99,629</b>	<b>63,96,68,494</b>	<b>(22,63,584)</b>	<b>10,43,65,94,929</b>	<b>13,13,69,26,947</b>	<b>12,96,48,21,717</b>
-	-	-	-	2,13,93,26,824	2,22,70,93,457
<b>9,79,91,90,029</b>	<b>63,96,68,494</b>	<b>(22,63,584)</b>	<b>10,43,65,94,929</b>	<b>15,27,62,55,771</b>	<b>15,21,19,15,174</b>
9,17,67,72,720	61,67,57,738	56,59,561	9,79,91,90,029	15,21,19,15,174	15,29,88,79,935







SCHEDULE TO BALANCE SHEET

(Amount in ₹)

<u>SCHEDULE - 4</u>	<u>INVESTMENTS</u>	<u>As at 31.03.19</u>	<u>As at 31.03.18</u>
<b>A. <u>INVESTMENT WITH GOVT.OR TRUST SECURITIES</u></b>		-	-
	<b>Total</b>	-	-
<b>B. <u>SHARES, DEBENTURES OR BONDS</u></b>			
	Setu Samudram Corporation Ltd.	30,00,00,000	30,00,00,000
	Haridaspur Paradip Railway Co.Ltd.	86,35,39,580	53,90,64,900
	Paradip Port Road Co Ltd.	40,00,00,000	40,00,00,000
	DCI Ltd.	10,00,00,000	10,00,00,000
	Dredging Corporation of India Ltd.	2,57,04,51,510	-
	Indian Port Rail Corporation Ltd.	10,80,00,000	10,80,00,000
	Kamarajar Port Ltd.	20,00,00,000	20,00,00,000
	<b>Total</b>	<b>4,54,19,91,090</b>	<b>1,64,70,64,900</b>
<b>C. <u>INVESTMENT PROPERTIES</u></b>		-	-
	<b>Total</b>	-	-
<b>D. <u>OTHERS</u></b>			
	Deferred tax fund	1,06,30,56,000	1,01,97,48,000
	Replacement, Rehabilitation and Modernisation of Capital Assets Reserve Fund	14,06,54,01,000	12,45,75,20,000
	Development, Repayment of Loan & Contingencies Reserve Fund	9,60,57,13,000	10,24,32,39,000
	Repayment of Initial Investment of GOI Fund	8,12,00,000	8,12,00,000
	E.L Encashment Fund	68,95,11,199	63,84,36,295
	<b>Total</b>	<b>25,50,46,81,199</b>	<b>24,44,01,43,295</b>
	<b>O.TOTAL</b>	<b>30,04,66,72,269</b>	<b>26,06,72,06,195</b>

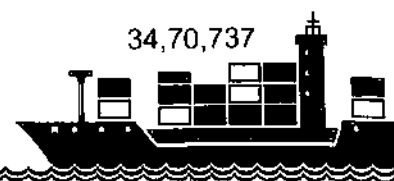




**SCHEDULE TO BALANCE SHEET**

(Amount in ₹)

<b>SCHEDULE - 5</b>	<b>As at 31.03.19</b>	<b>As at 31.03.18</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>a. CURRENT ASSETS</b>		
i. Accrued Interest on Investment	1,75,59,27,014	1,50,55,38,232
ii. Inventories	2,91,51,525	5,44,61,470
iii. Sundry Debtors		
a. Govt. Dues	13,86,29,031	
b. Non-Govt. Dues	99,93,96,289	1,14,48,75,356
iv. Cash & Bank Balance		
a. Cash in Hand	-	-
b. Bank Balance		
i. Fixed Deposit	12,13,24,68,208	12,79,84,51,208
ii. Savings Bank A/c.		
- Allahabad Bank	23,30,04,214	2,88,06,352
- State Bank of India	6,87,04,309	6,28,22,045
- United Bank of India	14,75,39,737	9,39,25,155
- Allahabad Bank (Ext)	3,36,51,038	43,39,098
- Uco Bank	4,14,99,271	4,23,82,496
- Oriental Bank of Commerce	29,43,27,795	34,43,58,297
- Union Bank	3,40,32,214	1,80,01,272
- I.D.B.I Bank	17,85,80,131	11,06,42,185
- Axis Bank	10,37,82,536	43,90,784
- State Bank of India(Suravi)	1,88,69,472	30,48,29,207
- ICICI Bank	13,20,71,260	9,45,93,096
- SBI (EMD)	2,64,47,160	56,08,333
- PN Bank	1,09,149	1,16,80,226
- Bank of India	87,51,059	2,13,47,686
- State Bank of India(RFID)	70,311	52,614
- I.D.B.I Bank (POS)	34,70,737	34,70,737





**SCHEDULE TO BALANCE SHEET**

(Amount in ₹)

<b>SCHEDULE - 5</b>	<b>As at 31.03.19</b>	<b>As at 31.03.18</b>
<b>b. LOANS AND ADVANCES</b>		
i. Deposits	21,60,29,973	19,53,77,446
ii. T.D.S	2,74,19,21,193	2,47,51,55,246
iii. Payments in Advance		
- Advance for Purchases	1,53,91,615	4,29,04,669
- Advance for Motor Cycle/ Scooters	7,520	8,52,882
etc.		
- Advance for Festivals	98,36,611	59,90,582
- Advance to Contractors	46,43,63,997	11,94,87,462
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
- House Building Advance	3,14,45,133	3,82,21,231
- Sales Tax Deposit	10,00,00,000	10,00,00,000
- Temporary Advance to departments	1,72,55,451	1,81,33,223
- Permanent Imprest to departments	13,96,243	13,96,243
- Income Tax	13,50,42,93,102	12,24,33,17,324
- Grants to Management Committee	84,82,47,127	84,80,46,415
<b>TOTAL</b>	<b>34,33,06,70,425</b>	<b>32,74,34,56,572</b>





**Paradip Port Trust | Annual Accounts 2018-19 |**

(Amount in ₹)

<b>SCHEDULE - 6</b>	<b>As at 31.03.19</b>	<b>As at 31.03.18</b>
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
<b>A <u>CURRENT LIABILITIES</u></b>		
i. Creditors for Stores	1,55,33,871	9,57,65,289
ii. Miscellaneous Creditors & Balance	3,19,22,383	1,97,32,402
iii. Deposits from Merchants, Contractors & Others		
- Cash	3,49,10,07,149	31,30,9,57,088
iv. GST	29,26,58,691	19,90,71,946
v. Collection of Labour Cess	74,68,86,599	43,25,97,232
	<b>4,57,80,08,693</b>	<b>3,87,81,23,957</b>
<b>B <u>PROVISIONS</u></b>		
i. Contingencies	-	-
ii. <u>Taxation</u>		
Income Tax	10,85,46,64,257	8,81,87,00,998
Deferred Tax liability	1,06,30,56,633	1,01,97,48,803
iii. <u>Employee Related Benefits</u>		
Pension & Gratuity Provision	-	-
Provident Fund	1,71,73,819	(1,91,93,132)
Salaries & Wages	63,35,73,194	40,50,57,822
iv. <u>Other Provisions</u>		
Accrued Expenses	3,89,92,13,068	5,38,04,34,553
	<b>16,46,76,80,971</b>	<b>15,60,47,49,044</b>
<b>TOTAL</b>	<b>21,04,56,89,664</b>	<b>19,48,28,73,001</b>





**SCHEDULE TO PROFIT AND LOSS ACCOUNTS  
FOR THE YEAR ENDED 31ST MARCH 2019**

	(Amount in ₹)	
SCHEDULE 7	2018-19	2017-18
<b>CAROO HANDLING &amp; STORAGE</b>		
Handling of General Cargo	1,50,17,59,079	1,85,30,76,218
Handling of Iron Ore & Other Ore	4,37,85,573	5,02,48,593
Storage of goods	1,38,53,87,043	1,47,35,56,529
SPM Warfage	17,62,53,719	15,95,06,662
Royalty	21,97,08,972	-
Ore Mechanical Handling Plant Charges	33,45,56,116	26,77,41,881
MCHP Shipping Charges	1,95,41,35,499	1,60,90,24,868
MCHP Unloading Charges	1,08,18,42,426	99,22,10,027
POL Handling Charges	18,56,98,788	15,09,92,848
Demurrage fees on General Cargo	8,47,06,917	7,01,85,263
Penalty/Incentive for performance	-	2,48,40,410
Miscellaneous	1,11,37,803	57,75,517
<b>TOTAL</b>	<b>8,97,89,71,935</b>	<b>0,85,71,58,818</b>
<b>SCHEDULE 8</b>		
<b>PORT &amp; DOCK CHAROES</b>		
<b>(Including Pilotage)</b>		
Towage and Meoring Fees	63,33,89,909	51,53,18,992
Dock Dues (Berth Hire)	56,17,60,505	54,35,90,303
Port Dues	95,09,79,016	83,94,90,249
Pilotage Fees	2,18,76,43,625	1,89,45,86,681
Water & Oil supply to Shipping	1,17,73,431	1,38,95,779
Dry Dock	43,54,419	1,02,05,011
Miscellaneous Charges	33,60,083	23,22,231
<b>TOTAL</b>	<b>4,35,32,80,988</b>	<b>3,81,94,09,248</b>



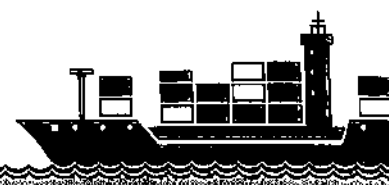




**SCHEDULE TO PROFIT AND LOSS ACCOUNTS  
FOR THE YEAR ENDED 31ST MARCH 2019**

(Amount in ₹)

SCHEDULE 9	2016-19	2017-18
<b><u>RAILWAY EARNING:</u></b>		
Freight and Haulage Charges	75,79,17,493	82,20,63,740
Siding Charges	11,55,24,314	11,30,05,155
Terminal Charges	1,47,83,23,583	1,43,44,00,957
Wharfage Demurrage	4,86,43,153	4,68,23,203
<b>TOTAL</b>	<b>2,40,04,08,543</b>	<b>2,41,62,93,055</b>
<b>SCHEDULE 10</b>		
<b><u>ESTATE RENTALS:</u></b>		
Rent from Land	33,34,61,413	13,18,65,264
Rent from Buildings, Sheds & Godowns	8,59,37,578	10,06,36,973
Recoverable Service Charges	14,93,43,731	13,97,87,511
Miscellaneous Income	11,92,087	38,78,977
<b>TOTAL</b>	<b>56,90,34,809</b>	<b>37,61,68,725</b>
<b>SCHEDULE 11</b>		
<b><u>CARGO HANDLING &amp; STORAGE</u></b>		
Handling & Storage of General Cargo at Sheds & Wharfages	25,59,86,701	29,07,07,105
Handling & Storage of Iron Ore & Other Ore	28,04,334	3,48,84,218
Operation & Maintenance of Ore Handling Plant	33,81,22,278	23,74,62,714
Operation & Maintenance of MCHP	67,08,70,734	69,85,42,753
Administration & General Expenses.	20,22,34,410	18,90,64,365
Depreciation	36,37,75,923	35,56,87,363
<b>TOTAL</b>	<b>1,83,37,94,380</b>	<b>1,80,63,48,518</b>





**SCHEDULE TO PROFIT AND LOSS ACCOUNTS  
FOR THE YEAR ENDED 31ST MARCH 2019**

(Amount in ₹)

<b>SCHEDULE 12</b>	<b>2016-19</b>	<b>2017-16</b>
<b><u>PORT &amp; DOCK FACILITIES FOR SHIPPING (INCLUDING PILOTAGE)</u></b>		
Towing, Berthing & Mooring	50,58,38,470	48,05,80,509
Pilotage	7,51,26,177	6,41,86,090
Dredging & Marine Survey	56,30,67,240	59,98,25,383
Operation & Maintenance of Navigation Aids.	2,77,04,826	1,79,99,182
Maintenance of Marine Structural, Sea Shore etc.	3,85,16,826	8,79,88,896
Administration & General Expenses	16,10,62,892	15,25,89,790
Depreciation	10,57,00,636	10,57,00,636
<b>TOTAL</b>	<b>1,47,70,17,067</b>	<b>1,50,88,70,486</b>
<b><u>SCHEDULE 13</u></b>		
<b><u>RAILWAY WORKINGS:</u></b>		
Operation & Maintenance of Locomotive, Wagons etc.	38,01,09,264	33,19,57,784
Maintenance of Permanent way, Signals and Inter Locking	9,57,56,993	10,32,35,837
Operation & Maintenance of Station Yards & Sidings.	61,65,832	40,18,689
Administration and General Expenses	3,80,36,455	3,70,51,504
Depreciation	7,95,03,017	14,78,86,241
<b>TOTAL</b>	<b>59,95,71,561</b>	<b>62,41,50,055</b>
<b><u>SCHEDULE 14</u></b>		
<b><u>RENTABLE LANDS &amp; BUILDINGS:</u></b>		
Estate Maintenance	58,32,44,863	48,53,75,396
Administration & General Expenses	3,39,08,213	2,87,25,643
Depreciation	7,86,82,159	6,53,49,319
<b>TOTAL</b>	<b>69,56,35,235</b>	<b>57,94,50,356</b>



**SCHEDULE TO PROFIT AND LOSS ACCOUNTS  
FOR THE YEAR ENDED 31ST MARCH 2019**

(Amount in ₹)

SCHEDULE 15	2018-19	2017-18
<b><u>MANAGEMENT &amp; GENERAL ADMINISTRATION:</u></b>		
Management & Secretarial Expenses	64,08,97,181	56,57,41,533
Labour & Welfare Expenses etc.	11,45,49,767	12,74,02,904
Medical Expenses	28,69,81,452	31,63,60,645
Store Keeping	3,27,59,294	3,44,68,291
Accounting, Auditing & Others	14,23,17,996	18,24,25,163
Telephone Expenses	35,89,274	48,42,832
Engineering & Workshop Administration & Overhead.	72,01,96,437	69,16,65,286
Sundry Expenses	2,77,91,700	2,40,06,887
Depreciation	2,67,90,832	2,65,05,207
<b>TOTAL</b>	<b>1,99,58,73,933</b>	<b>1,97,34,18,748</b>
<b><u>SCHEDULE 18</u></b>		
<b><u>FINANCE &amp; MISCELLANEOUS INCOME</u></b>		
Interest on deposits	1,13,74,67,000	86,28,20,829
Interest on loans & advances	52,72,896	41,60,765
Sale of unservicable materials	2,02,50,869	79,40,300
Miscellaneous Income	45,54,97,421	1,52,53,69,131
Items Relating to Previous Years	(11,26,03,478)	12,57,15,548
<b>TOTAL</b>	<b>1,50,58,84,708</b>	<b>2,52,60,08,573</b>





(Amount in ₹)

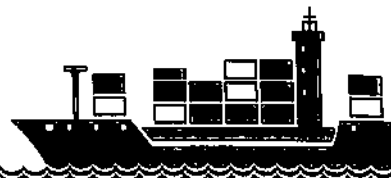
SCHEDULE 17	2018-19	2017-18
<b>FINANCE &amp; MISCELLANEOUS EXPENSES:</b>		
Bank Charges	7,71,733	9,96,160
Interest Payable on:-		
-Initial Investment of Govt. of India	21,30,459	45,84,20,773
-Interest on GPF	92,39,741	28,51,720
Pension payments including contribution	3,04,58,91,471	3,35,18,21,249
Employer's Contribution CPF & Tire-I A/c.	78,77,208	74,08,079
TA to Retired employees	8,35,692	5,41,123
C.S.R	7,06,00,000	5,51,00,000
Service Charges for NPS	22,190	-
Gratuity Payment	-	4,94,528
Employees Welfare Fund	15,00,000	15,00,000
Items relating to Previous years	1,28,90,230	(28,49,483)
<b>TOTAL</b>	<b>3,15,17,58,724</b>	<b>3,87,82,84,149</b>



**ANNUAL ACCOUNTS 2018-19  
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**A ACCOUNTING POLICIES**

- 1 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.
- 2 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.
- 3 Fixed Assets are exhibited at historical cost.
- 4 Fixed Assets are excluded from the financial statements on disposal.
- 5 Fixed Assets under Construction are categorized as Capital Works in Progress.
- 6 Govt. Grants are recognized by reducing the value of Assets to the extent of grants.
- 7 One time non-refundable upfront fee received from parties are apportioned over the period of lease.
- 8 Inventories are valued at weighted average cost.
- 9 The Investments are stated at Cost.
- 10 Investments are classified as below:-
  - a) Government or Trust Securities
  - b) Shares , Debentures or Bonds
  - c) Investment Properties
  - d) Others
- 11 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.
- 12 The stores received during the financial year but not check measured are not accounted for.
- 13 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.
- 14 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	2018-19	2017-18
Traffic (in Million MT)	109.27	102.01
Operating Income (₹ In Cr.)	1430.25	1326.90
Operating Expenditure (₹ In Cr.)	660.21	649.22
Operating Surplus (₹ In Cr.)	770.04	677.68
Total Income (₹ In Cr.)	1580.83	1579.50
Total Expenditure (₹ In Cr.)	975.39	1036.85
Net Surplus (₹ In Cr.)	605.46	542.65
Operating Ratio	1:0.46	1:0.49
Unit Operating Cost per Ton of Cargo Handled (₹)	60.42	63.64
Salary & Wages as percentage of total expenditure (%)	14.01	12.61
Provision of Income Tax (₹ In Cr.)	204.32	185.38

**2 PROFIT AND LOSS ACCOUNT**

The Profit and Loss Accounts shows an operating surplus of ₹770.04 crores and a Net Surplus of ₹605.46 crores. ₹124.00 crores has been transferred to two reserve funds.

**3 PENSION AND GRATUITY CONTRIBUTION**

To meet the liabilities on account of pensionary and gratuity benefits, necessary provision has been made in these accounts.

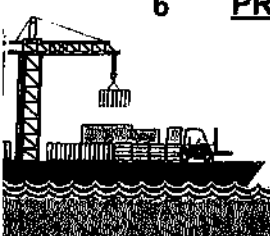
**4 INVESTMENT AND INTEREST**

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

**5 PROVISION TOWARDS PRODUCTIVITY LINKED REWARD**

₹2.10 crores has been provided against the anticipated payment towards Productivity Linked Reward to the employees.

**6 PROVISION TOWARDS VARIOUS RESERVE FUNDS**





## Paradip Port Trust | Annual Accounts 2018-19 |

₹124.00 crores has been appropriated to the following Reserves out of the Net Surplus after Income Tax of ₹204.32 Crores as per the guidelines of Ministry.

a)	Replacement, Rehabilitation and Modernization of Capital Assets Reserve	₹62.00 crore
b)	Development, Repayment of Loan and Contingencies Reserve	₹62.00 crore

### 7 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 Trust 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 Trust. 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 PPT with Govt. approval.

- (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 is under review.

### 8 PLAN AND NON-PLAN EXPENDITURE

The total capital expenditure during the year 2018-19 was ₹115.99 crores. An amount of ₹11.75 crores is the commitment as on 31.03.2019 towards ongoing plan projects.

### 9 ARBITRATION AWARD IN FAVOUR OF M/S.PPL

The dispute in between PPL and Paradip Port Trust is under subjudice before Hon'ble High Court of Orissa.





**10 PENDING LEGAL CASES**

There are 03 nos of cases filed by PPT against different parties during 2018-19. There are 49 nos of cases filed against PPT by different parties during 2018-19.

**11 PENSION & PROVIDENT FUND ACCOUNT**

The Pension & Gratuity Fund and Provident Fund Accounts are annexed at Annexure –I & II respectively. Paradip Port Trust has purchased annuity from approved Institutions amounting to ₹143.44 crores for meeting Pension liabilities.

**12 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. The effect of 12A for above years is pending before the Assessing Officer

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

For the financial year 2016-17 and 2017-18, the assessment is pending before the Assessing Officer.

**13 CONTRIBUTION FOR TIER – EMPLOYEES**

In line with Govt. of India Order, TIER – I A/c is in operation for employees 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.

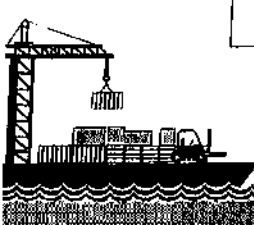
**14 GOVT.OF INDIA LOAN**

Govt.of India, MoS vide their letter No.PD-26205/03/2014-PD-VI(Pt.) dtd.14.08.2018 has conveyed the approval of Cabinet Committee of Economic Affairs (CCEA) towards waiver of Penal Interest and freed the liability at ₹623.06 crore.

The details are as below.

₹ In Crore

Type of loan	Defaulted paid	Defaulted Interest	0.25% of PI	Total
Capital Loan	146.87	220.34	1.84	369.05
ADB Loan	188.32	43.42	1.07	232.81
W&M Loan	14.08	6.98	0.14	21.20
<b>Total</b>	<b>349.27</b>	<b>279.74</b>	<b>3.04</b>	<b>023.06</b>





15 **CONTINGENT LIABILITY**

The under stated claims are subjudice and have not been considered as liability

Name of the party	₹ In Lakhs
DDCPL	602.11
CIMCO BIRLA	307.00
CESCO	44.90
Sri U.N.ROUT	51.00
MESCO STEEL	8.10
PPL	1229.00

16 **DISCLOSURE OF ACCOUNTING POLICIES**

a **Depreciation (AS 6)**

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.

b **Revenue Recognition (AS 9)**

The accounts of PPT 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 31<sup>st</sup> March 2019 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. The valuation of inventories as well as the cost of issue of stores has been calculated on weighted average method. Stores materials worth `3.67 lakh were received at Central Store during 2018-19 have not been accounted for as those materials were inspected and check measured during 2018-19.





## Paradip Port Trust / Annual Accounts 2018-19

iv. Nothing is outstanding as per Micro Small and Medium Enterprise Development Act, 2006.

c **Govt. Grants (AS 12)**

No grant has been received during 2018-19.

d **Investments (AS 13)**

Investment of various funds and surplus have been made in different PSU banks and approved institutions on long term basis. The income from investments of different funds have been credited to respective funds.

e **Employee Benefits (AS 15)**

Necessary provision has been made towards Pension, Gratuity and Leave Encashment fund to meet the liability.

### 17. **SUNDRY DEBTORS:**

i) The age wise classification of sundry debtors are given below;

Less than 6 months	₹ 65.73 crores
More than 6 months	₹ 48.07 crores

Sd/-  
**S.K.Sahu**  
F.A & C.A.O.  
Paradip Port Trust

Sd/-  
**Rinkesh Roy**  
Chairman  
Paradip Port Trust







**PENSION & GRATUITY FUND  
BALANCE SHEET AS AT 31.03.2019**

LIABILITIES		AMOUNT(₹)	ASSETS		AMOUNT(₹)
<b><u>Pension Fund</u></b>			<b><u>Investment</u></b>		
Opening Balance	12,30,68,97,453		Pension Fund	15,19,06,52,576	
<b>Add:</b> Contribution from PPT			Gratuity Fund	1,51,77,28,947	
(i) Transfers	3,04,15,26,346				
(ii) LSPC	43,65,125				
<b>Less:</b> Adjustment of Previous Year	1,22,00,000				
<b>Less:</b> Trasfer to Gratuity Fund	18,00,19,498		<b><u>Current Assets &amp; Loans and Advances</u></b>		
<b>Add:</b> Excess of Income over Expenditure	<u>2,52,23,055</u>	15,18,57,92,481	Interest Accrued (IDBI)	26,99,600	
			<b><u>Cash &amp; Bank Balance</u></b>		
			Cash at Bank	5,45,88,732	
<b><u>Gratuity Fund</u></b>					
Opening Balance	1,46,62,09,993				
<b>Add:</b> Transfer from Pension Fund	18,00,19,498				
<b>Less:</b> Excess of expenditure over income	6,75,95,132	1,57,86,34,359			
<b><u>Current Liability &amp; Provisions</u></b>					
Payable to PPT towards recovery		12,43,015			
		<b><u>16,76,56,69,655</u></b>		<b><u>16,76,56,69,855</u></b>	

Sd/-  
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F.A & C.A.O  
Paradip Port Trust

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**Rinkesh Roy**  
Chairman  
Paradip Port Trust



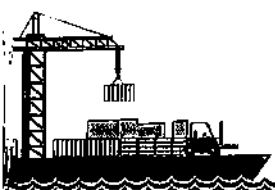


**PENSION & GRATUITY FUND  
INCOME AND EXPENDITURE ACCOUNTS FOR  
THE YEAR ENDING 31.03.2010**

<b>EXPENDITURE</b>	<b>AMOUNT(₹)</b>	<b>INCOME</b>	<b>AMOUNT(₹)</b>
Pension Payment	1,02,28,44,985	<b>Interest Income</b>	
Gratuity Payment	18,00,19,498	Saving Account	21,77,338
Bank Charges	1,474	Pension Fund	1,04,58,92,176
Excess of Income Over expenditure of Pension Fund	2,52,23,055	Gratuity Fund	11,24,24,366
		Excess of Expenditure OverIncome of Gratuity Fund	6,75,95,132
	<b>1,22,80,89,012</b>		<b>1,22,80,89,012</b>

Sd/-  
**S.K.Sahu**  
F.A & C.A.O  
Paradip Port Trust

Sd/-  
**Rinkesh Roy**  
Chairman  
Paradip Port Trust



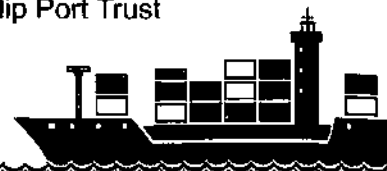


**PROVIDENT FUND ACCOUNT  
BALANCE SHEET AS AT 31.03.2019**

LIABILITIES		AMOUNT(₹)	ASSETS		AMOUNT(₹)
<b><u>GPF Fund</u></b>			<b><u>Investment</u></b>		
Opening Balance	1,18,60,97,947		Principal	93,30,83,994	
			Amount		
<b>Add:</b>	20,99,92,964		Interest	<u>4,20,49,918</u>	97,51,33,912
Contribution			Accrued		
<b>Add: Refund of</b>	55,20,554				
Advance					
<b>Add: Interest</b>	8,47,20,556				
	<u>1,48,63,32,021</u>		<b><u>Current Assets, Loan &amp; Advances</u></b>		
			Receivable		1,71,73,819
Less Withdrawal	41,23,94,957	1,07,39,37,064	from PPT		
<b><u>CPF Fund</u></b>			<b><u>Cash &amp; Bank Balance</u></b>		
Opening Balance	1,88,90,547		Cash at Bank		10,25,14,492
<b>Add:</b>	4,93,319				
Contribution					
(Employee)					
<b>Add:</b>	4,93,319				
Contribution					
(Employer)					
<b>Add: Refund of</b>	10,64,755				
Advance					
<b>Add: Interest</b>	14,86,716				
	<u>2,24,28,656</u>				
Less Withdrawal	15,43,497	2,08,85,159			
		<u>1,09,48,22,223</u>			<u>1,00,48,22,223</u>

Sd/-  
**S.K.Sahu**  
F.A & C.A.O  
Paradip Port Trust

Sd/-  
**Rinkesh Roy**  
Chairman  
Paradip Port Trust





**PROVIDENT FUND ACCOUNT  
INCOME AND EXPENDITURE ACCOUNTS FOR THE YEAR ENDING 31.03.2019**

<b>EXPENDITURE</b>	<b>AMOUNT(₹)</b>	<b>INCOME</b>	<b>AMOUNT(₹)</b>
Interest on GPF Balances	8,47,20,556	Interest on FDR	7,36,45,161
Interest on CPF Balances	14,86,716	Interest on Saving Bank A/c	33,26,377
Bank Charges	4,007	Excess of Interest payment adjustment against Reserve Fund	92,39,741
	<b>8,62,11,279</b>		<b>8,82,11,279</b>

Sd/-  
**S.K.Sahu**  
F.A & C.A.O  
Paradip Port Trust

Sd/-  
**Rinkesh Roy**  
Chairman  
Paradip Port Trust



# **AUDIT REPORT**

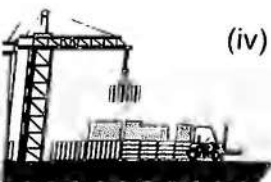
## **2018-19**





**Separate Audit Report of the Comptroller & Auditor General of India on the accounts of Paradip Port Trust for the year ended 31<sup>st</sup> March, 2019.**

1. We have audited the attached Balance Sheet of Paradip Port Trust as at 31<sup>st</sup> March 2019 and the Profit and Loss Account for the year ended on that date under Section 19 (2) of Comptroller & Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 102 (2) of the Major Port Trusts Act, 1963. Preparation of these financial statements is the responsibility of the Paradip Port Trust's management. 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 Laws, Rules & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects etc., if any, are reported through Inspection Reports/CAG's Audit Reports separately.
3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides 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 102 (1) of the Major Port Trusts Act, 1963;
  - (iii) In our opinion, proper books of accounts and other relevant records have been maintained by the Paradip Port Trust as required under Section 102 (1) of the Major Port Trusts Act, 1963 in so far as it appears from our examination of such books.
  - (iv) We further report that:





**A BALANCE SHEET**

**A.1 Application of fund**

**A.1.1 Fixed Assets (Schedule-3)**

**Net block- ₹ 1313.69 crore**

**A.1.1.1** 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 represented under each of the asset head at original cost including additions thereto and deletions there from during the year. The Port Trust acquired (25.09.2006) a land measuring 1.422 acres from General Administration Department, Government of Orissa in Gopabandhu Nagar, Bhubaneswar at an upfront premium of ₹ 0.71 crore and marginal annual ground rent of ₹ 427 @ ₹ 300 per acre per annum.

In the Fixed Assets (Schedule – 3) the Lease hold Land should be shown in the Gross value i.e. ₹ 0.71 crore and the amount of amortization should be exhibited in the Depreciation/ Amortization column. But the Port Trust is adjusting the value of amortization from the balance under the gross block of that assets -Schedule – 3. Thus there is a deviation of stipulations of Common Framework for Financial Reporting by Major Port Trusts.

**A.1.2 Investments (Schedule-4) ₹ 3004.60 crore**

**A.1.2.1** The above include an amount of ₹ 30 Crore towards investment in equity shares of Setu Samudram Corporation Ltd., Chennai which has stopped working since August 2009. Valuation of investment at cost is contrary to the AS-13 regarding accounting for investments. Similar comment was included in the Separate Audit Report of 2017-18, but no corrective action has since been taken. This has resulted in overstatement of investment and corresponding overstatement of Net surplus before tax by ₹30 crore.

**A.1.2.2** The above also include investment of ₹ 40 Crore towards equity shares in Paradip Port Road Co. Ltd. (PPRCL), a Special Purpose Vehicle with National Highways Authority of India. The net worth of PPRCL has fully eroded which stood at (-) ₹ 495.52 crore as on 31.03.2016. Meanwhile the Board of trustees (Paradip Port Trust) have been appraised in the meeting No 02/20018-19 held on 18.10.2019 that NHAI had proposed for winding up of the SPV. Therefore, provision should be made for diminution in the value of long term investment as required under AS-13. This has resulted in overstatement of investment and corresponding overstatement of Net surplus before tax by ₹ 40 crore.

**A.1.3 Current Assets, Loans & Advances (Schedule-5) - ₹ 3433.07 crore**

**Cash & bank balances (Schedule-5)**





**Bank Balance**

**Bank A/c ₹ 1345.74 crore**

**A.1.3.1** Cheques amounting to ₹ 0.08 crore were issued between 05.04.2018 to 20.12.2018. As the issued cheques haven't been presented for payment within 3 months from the date of issue, hence they have become stale. So, the aforesaid cheques issued should be cancelled and the amount should be booked in current liabilities. However, this has not been done.

This has resulted in understatement of Bank balance and Current liabilities & provisions by ₹ 0.08 crore.

**A.1.4 Current liabilities & provisions (Schedule-0) ₹ 2104.57 crore**

**Accrued expenses ₹ 3899.21 crore**

The provision for liabilities do not include an amount of ₹ 5.16 crore on account of Capital dredging work of proposed South & North BOT Dock Complex by M/s Dredging Corporation of India Ltd which was completed on 30.11.2017. As the work was completed in November 2017 the amount should have been taken in the Current Liabilities. Non considering the liability has resulted in understatement of Current liabilities & provision by ₹ 5.16 crore with corresponding understatement of CWIP by ₹ 5.16 crore.

**B Profit & Loss Account**

**Net surplus/ (Deficit) before Income Tax ₹ 8054.01 crore**

**Grants to Management Committee ₹ 84.80 crore**

**B.1** The Ministry approved (21.03.2016) the Port Trust's proposal (13.11.2015) for implementation of the scheme for giving VRS to CF & H workers under the nomenclature 'Special Severance Package for Clearing Forwarding & Handling (CF&H) workers of PPT' and directed the Port Trust to comply with Section 80(1)(i) of Major Port Trust Act 1963. The Ministry also directed that the entire financial implication would have to be borne by the Port Trust along with investments required to be made for mechanization and developing other infrastructure for increasing port profitability and efficiency. The Management Committee has disbursed ₹ 84.80 crore till 31.03.2019. However, the aforesaid disbursements have been booked in 'Grants to Management Committee' under the line item 'Current Assets Loans & Advances' in Balance Sheet. This disbursement under Severance Scheme is in the nature of revenue expenditure to be borne by the Port Trust. Hence this should have been charged to Profit & Loss Account in the year of disbursement instead of being treated as an Advance.

Thus, due to this there has been an overstatement of Net surplus before tax with corresponding overstatement of 'Current Assets Loans & Advances' to the extent of ₹ 84.80 crore.





**C.1 General**

**C.1.1** As per the Common Framework of Financial Reporting for Ports, a provision for bad and doubtful debts should be created and deducted from Sundry Debtors. The port did not furnish any statement on age wise and party wise details of Sundry Debtors. Also there is no accounting policy for provision for bad and doubtful debts. In absence of the above, audit is unable to comment on the correctness of Sundry Debtors or surplus of the Trust for the year 2018-19.

**D. Management Letter:** Deficiencies which have not been included in the Audit Report have been brought to the notice of Paradip Port Trust 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 Trust as at 31 March 2019; 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 Trust for the last three years ended 31 March 2019 is given in Annexure-II.

Place: Kolkata

Date: 18.09.2019

Sd/-  
**(Suparna Deb)**  
Director General of Commercial Audit  
& Ex-Officio Member Audit Boar-I,  
Kolkata

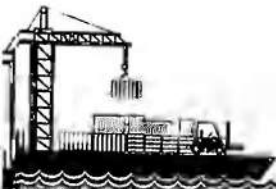




**ANNEXURE – I TO AUDIT REPORT**

- (a) **Adequacy of the Internal Audit System:** Internal Audit for the year 2018-19 was conducted by a firm of Chartered Accountants. The Audit coverage was not comprehensive. Moreover, no action taken note/compliance report on the observations were found on record. Further, it could not be ascertained whether the Internal Audit Reports were put up to the Chairman for review and appraisal of the Board of Trustees. Thus the Audit Objectives were not fulfilled and hence the Internal Audit was not adequate and commensurate with the size and nature of the business.
- (b) **System of Physical Verification of Fixed Assets:** No Physical Verification of fixed assets was done after 2001. No effort was made to evolve system of verification either departmentally or through outsourcing.
- (c) **System of Physical Verification of Inventories:** The physical verification of inventory for the year 2018-19 has not been conducted. This exercise should be conducted annually for better management of inventory.
- (d) **Regularity in payment of statutory dues:** According to the information and explanations given to us and the records of the Trust examined by us, PPT 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 Trust.

Sd/-  
**(Tanya Singh)**  
Director





**ANNEXURE – II TO AUDIT REPORT**

**FINANCIAL POSITION OF PARADIP PORT TRUST, PARADIP**

REVIEW OF ACCOUNTS OF PARADIP PORT TRUST, PARADIP FOR THE YEAR ENDED 31 MARCH 2019 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

**Note:** This review of Accounts has been prepared without taking into account 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 Trust, 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 Section 102 (2) of Major Port Trust Act 1963. The financial position of the Port Trust under broad headings for the last three years ending 31.03.2019 was as follows:

(₹ in Crore)

<b>A. LIABILITIES</b>	<b>2016-19</b>	<b>2017-16</b>	<b>2016-17</b>
(i) Capital Reserve (#)	2381.34	2251.89	2009.99
(ii) Other Reserve (@)	3471.35	3195.97	2681.81
(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	2104.57	1948.28	2175.63
(v) Other Liabilities (CPF/Pension fund etc.)	Nil	Nil	Nil
<b>TOTAL</b>	<b>7965.36</b>	<b>7404.26</b>	<b>6675.55</b>







## Paradip Port Trust / Annual Accounts 2018-19

(₹ in Crore)

<b>(B) ASSETS</b>			
(i) Fixed Assets (Gross Block)	2357.35	2278.40	2173.08
(ii) Less: Depreciation	1043.66	979.92	917.67
(iii) Net Fixed Assets	1313.69	1298.48	1255.41
(iv) Work-in-Progress	213.93	222.71	274.48
(v) Investments	3004.69	2608.72	2324.18
(vi) Current Assets, Loans & Advances	3433.07	3274.35	3021.48
<b>TOTAL</b>	<b>7965.38</b>	<b>7404.26</b>	<b>6875.55</b>
<b>(C) Working Capital (*)</b>	1328.50	1326.06	845.85
<b>(D) Net Worth (**)</b>	3402.25	3131.97	2622.49
<b>(E) Capital Employed (***)</b>	2642.19	2624.54	2101.26
<b>(F) Return on Capital Employed (****)</b>	22.92%	20.67%	20.13%
<b>(G) Capital Employed</b> (Including Capital Work-in-Progress)	2856.12	2847.25	2375.74
<b>(H) Return on Capital Employed</b> (Including Capital Work-in-Progress)	21.20%	19.06%	17.80%

(#) 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.





## Paradip Port Trust / Annual Accounts 2018-19

### 3. SUMMARY OF WORKING RESULTS

The working results of Paradip Port Trust for the last three years ending 31 March 2019 are summarized below –

		(₹ in Crore)		
		2018-19	2017-18	2016-17
(A)	REVENUE			
	(i) Operating Income	1430.26	1326.90	1147.19
	(ii) Non-operating Income	150.59	252.60	118.57
	TOTAL	1580.85	1579.50	1265.76
(B)	EXPENDITURE			
	(i) Operating Expenditure	660.21	649.22	610.20
	(ii) Non-operating Expenditure	315.18	387.62	232.57
	TOTAL	975.39	1036.84	842.77
(C)	Net Surplus/(Deficit) before tax	605.46	542.65	422.99
(D)	Less:	204.32	185.38	144.19
	(i) Provision for taxation	4.33	4.02	3.17
	(ii) Deferred Tax Liability	396.81	353.25	275.63
(E)	Net Surplus/(Deficit) after tax	124.00	120.00	120.00
(F)	Less: Mandatory appropriation/ Transfer to Reserve Fund	272.81	233.25	155.63
(G)	Surplus/(Deficit) transferred to General Reserve fund			
(H)	Percentage of Net Surplus (before tax) to			
	(a) Operating Income	42.33	40.90	36.87
	(b) Net Fixed Assets	46.09	41.79	33.69
	(c) Net Worth	17.80	17.33	16.13

### 4. RATIO ANALYSIS (LIQUIDITY AND SOLVENCY)

No	Ratios	2018-19	2017-18	2016-17
(a)	Percentage of Current Assets to Current Liabilities	163.12	168.06	138.88
(b)	Percentage of Quick Assets to Current Liabilities	77.69	85.20	53.17
(c)	Percentage of Sundry Debtors to Operating Income	7.96	8.63	13.85
(d)	Debt to Reserve and Surplus	0.00139:1	0.00149:1	0.00173:1

Sd/-  
(Tanya Singh)  
Director







**ACTION TAKEN NOTES ON  
AUDIT OBSERVATIONS/  
OBJECTIONS ON THE  
ANNUAL ACCOUNTS OF  
PPT FOR THE YEAR  
2018-19**



**ACTION TAKEN NOTES ON SEPARATE AUDIT REPORT (SAR) OF THE  
COMPTROLLER & AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF  
PARADIP PORT TRUST FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019.**

**Observation made by Audit**

**Action taken by Paradip Port Trust**

iv) We further report that:

**A BALANCE SHEET**

**A.1 Application of fund**

**A.1.1 Fixed Assets (Schedule-3)**

**Net block- ₹1313.69 crore**

**A.1.1.1** 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 represented under each of the asset head at original cost including additions thereto and deletions there from during the year. The Port Trust acquired (25.09.2006) a land measuring 1.422 acres from General Administration Department, Government of Orissa in Gopabandhu Nagar, Bhubaneswar at an upfront premium of ₹ 0.71 crore and marginal annual ground rent of ₹ 427 @ ₹ 300 per acre per annum.

In the Fixed Assets (Schedule – 3) the Lease hold Land should be shown in the Gross value i.e. ₹ 0.71 crore and the amount of amortization should be exhibited in the Depreciation/ Amortization column. But the Port Trust is adjusting the value of amortization from the balance under the gross block of that assets -Schedule – 3. Thus there is a deviation of stipulations of Common Framework for Financial Reporting by Major Port Trusts.

**A.1.2 Investments (Schedule-4) ₹3664.69 crore**

Necessary accounting effect will be given after reviewing the matter in consultation with other ports.





**Observation made by Audit**

**A.1.2.1** The above include an amount of ₹30 Crore towards investment in equity shares of Setu Samudram Corporation Ltd., Chennai which has stopped working since August 2009. Valuation of investment at cost is contrary to the AS-13 regarding accounting for investments. Similar comment was included in the Separate Audit Report of 2017-18, but no corrective action has since been taken. This has resulted in overstatement of investment and corresponding overstatement of Net surplus before tax by ₹30 crore.

**A.1.2.2** The above also include investment of ₹40 Crore towards equity shares in Paradip Port Road Co. Ltd. (PPRCL), a Special Purpose Vehicle with National Highways Authority of India. The net worth of PPRCL has fully eroded which stood at (-) ₹495.52 crore as on 31.03.2016. Meanwhile the Board of trustees (Paradip Port Trust) have been appraised in the meeting No 02/20018-19 held on 18.10.2019 that NHAI had proposed for winding up of the SPV. Therefore, provision should be made for diminution in the value of long term investment as required under AS-13. This has resulted in overstatement of investment and corresponding overstatement of Net surplus before tax by ₹40 crore.

**Action taken by Paradip Port Trust**

Correspondence was made with other ports as per the observation of audit during 2017-18 and the replies received from the ports on these investments are as below:

(i)V.O.Chidambanar Port Trust informed "the investment of ₹50 crore has been shown in Sch-4(1) to Balance sheet at its face value and no diminution".

(ii)Chennai Port Trust replied, "Long Term Investments made in M/s.Sethusamudram Corporation Ltd at its original investment value as per its approved accounting policy and has not provided for any diminution in its value".

There is no change in the status of for which Paradip Port has continued to value these investment at their face value.

As per common frame work for financial reporting "Long Term Investments are valued at cost". This has also been done in line with the investment in equity share of Sethusamudram Corporation Ltd.





Observation made by Audit	Action taken by Paradip Port Trust
<p><b>A.1.3 Current Assets, Loans &amp; Advances (Schedule-5)</b> - ₹3433.07 crore</p> <p><b>Cash &amp; bank balances (Schedule-5)</b></p> <p><b>Bank Balance</b></p> <p><b>Bank A/c ₹ 1345.74 crore</b></p> <p><b>A.1.3.1</b> Cheques amounting to ₹0.08 crore were issued between 05.04.2018 to 20.12.2018. As the issued cheques haven't been presented for payment within 3 months from the date of issue, hence they have become stale. So, the aforesaid cheques issued should be cancelled and the amount should be booked in current liabilities. However, this has not been done.</p> <p>This has resulted in understatement of Bank balance and Current liabilities &amp; provisions by ₹0.08 crore.</p>	<p>Noted. Necessary accounting effect will be made in 2019-20.</p>
<p><b>A.1.4 Current liabilities &amp; provisions (Schedule-6) ₹ 2104.57 crore</b></p> <p><b>Accrued expenses ₹ 3899.21 crore</b></p> <p>The provision for liabilities do not include an amount of ₹5.16 crore on account of Capital dredging work of proposed South &amp; North BOT Dock Complex by M/s Dredging Corporation of India Ltd which was completed on 30.11.2017. As the work was completed in November 2017 the amount should have been taken in the Current Liabilities. Non considering the liability has resulted in understatement of Current liabilities &amp; provision by ₹5.16 crore with corresponding understatement of CWIP by ₹5.16 crore.</p>	<p>The RA 8 bill of DCI has been verified and found that the payment of ₹5.16 crore to DCI was made against their invoice No.ORPRINV-00009 dated 07.05.2019 for the period 21.03.2019 to 01.05.2019. The actual payment to DCI was made on 15.05.2019. The copy of invoice is enclosed for reference (Annexure-1). Hence, there is no understatement of current liabilities and corresponding understate of CWIP. In view of this it is requested to drop the para.</p>
<p><b>B Profit &amp; Loss Account</b></p> <p><b>Net surplus/ (Deficit) before Income Tax ₹6054.61 crore</b></p> <p><b>Grants to Management Committee ₹84.80 crore</b></p>	





**Observation made by Audit**

**Action taken by Paradip Port Trust**

**B.1** The Ministry approved (21.03.2016) the Port Trust's proposal (13.11.2015) for implementation of the scheme for giving VRS to CF & H workers under the nomenclature 'Special Severance Package for Clearing Forwarding & Handling (CF&H) workers of PPT' and directed the Port Trust to comply with Section 80(1)(i) of Major Port Trust Act 1963. The Ministry also directed that the entire financial implication would have to be borne by the Port Trust along with investments required to be made for mechanization and developing other infrastructure for increasing port profitability and efficiency. The Management Committee has disbursed ₹84.80 crore till 31.03.2019. However, the aforesaid disbursements have been booked in 'Grants to Management Committee' under the line item 'Current Assets Loans & Advances' in Balance Sheet. This disbursement under Severance Scheme is in the nature of revenue expenditure to be borne by the Port Trust. Hence this should have been charged to Profit & Loss Account in the year of disbursement instead of being treated as an Advance.

The observation of Audit is noted. Necessary accounting effect will be made during 2019-20.

Thus, due to this there has been an overstatement of Net surplus before tax with corresponding overstatement of 'Current Assets Loans & Advances' to the extent of ₹84.80 crore.

**C.1 General**

**C.1.1** As per the Common Framework of Financial Reporting for Ports, a provision for bad and doubtful debts should be created and deducted from Sundry Debtors. The port did not furnish any statement on age wise and party wise details of Sundry Debtors. Also there is no accounting policy for provision for bad and doubtful debts. In absence of the above, audit is unable to comment on the correctness of Sundry Debtors or surplus of the Trust for the year 2018-19.

Noted.





Observation made by Audit	Action taken by Paradip Port Trust
<p><b>D. Management Letter:</b> Deficiencies which have not been included in the Audit Report have been brought to the notice of Paradip Port Trust through a management letter issued separately for remedial/corrective action.</p>	<p>Noted.</p>
<p>v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.</p>	
<p>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:</p>	
<p>a. In so far as it relates to the Balance Sheet, of the state of affairs of the Paradip Port Trust as at 31 March 2019; 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 Trust for the last three years ended 31 March 2019 is given in Annexure-II.</p>	<p>Noted.</p>

Place: Paradip Port  
Date: 25.09.2019

Sd/-  
(S.K.Sahu)  
F.A & C.A.O.  
PARADIP PORT TRUST

