

**ANNUAL ACCOUNTS**  
**AND**  
**AUDIT REPORT THEREON**  
**WITH**  
**ACTION TAKEN NOTES ON AUDIT**  
**OBJECTIONS/OBSERVATIONS**  
**CONTAINED IN THE REPORT**  
**FOR THE YEAR 2014-15**



**PARADIP PORT TRUST**

# PARADIP PORT TRUST

## ANNUAL ACCOUNTS 2014-15

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BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015

(Amount in Rs.)

		SCH	As at 31.03.15	As at 31.03.14
<b>I</b>	<b>SOURCES OF FUNDS</b>			
1.	RESERVES & SURPLUS	1	39,333,046,442	35,258,688,654
2.	LOAN FUNDS	2	81,160,348	81,160,348
	<b>TOTAL</b>		<b>39,414,206,790</b>	<b>35,339,849,002</b>
<b>II.</b>	<b>APPLICATION OF FUNDS</b>			
1.	FIXED ASSETS	3		
a)	Gross Block		20,894,930,221	20,594,384,363
	Less : Depreciation		8,037,626,733	7,423,655,232
	Net Block		12,857,303,488	13,170,729,131
b)	Capital Works-in Progress		1,764,983,874	1,290,668,301
			14,622,287,362	14,461,397,432
2.	INVESTMENTS	4	17,809,611,099	15,203,491,386
3.	CURRENT ASSETS	5	23,878,985,156	22,587,342,283
	LOANS & ADVANCES			
	Less : CURRENT	6	16,896,676,827	16,912,382,099
	LIABILITIES AND			
	PROVISIONS			
	NET CURRENT ASSETS		6,982,308,329	5,674,960,184
	<b>TOTAL</b>		<b>39,414,206,790</b>	<b>35,339,849,002</b>

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/-*  
( M.T. Krishna Babu )  
Chairman  
Paradip Port Trust

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

(Amount in Rs.)

	SCH	2014-15	2013-14
<b>INCOME</b>			
Cargo Handling & Storage Charges	07	5,641,207,711	4,827,226,247
Port & Dock Charges (Including pilotage Fees)	08	2,893,742,057	2,652,610,103
Railway Earnings	09	1,345,164,301	1,342,178,726
Estate Rentals	10	281,372,807	324,006,210
<b>TOTAL</b>		<b>10,161,486,876</b>	<b>9,146,021,286</b>
<b>LESS - EXPENDITURE</b>			
Cargo Handling & Storage Charges	11	1,863,465,455	1,820,699,007
Port & Dock Facilities (including Pilotage)	12	1,761,361,546	1,523,979,150
Railway Working	13	436,171,085	412,562,459
Rentable Land & Buildings	14	502,655,079	485,089,430
Management & General Administration (not directly attributable to a Activity)	15	1,413,860,810	1,254,218,221
<b>TOTAL</b>		<b>5,977,513,975</b>	<b>5,496,548,267</b>
Operating Surplus/Defective		4,183,972,901	3,649,473,019
Add : Finance & Misc. Income	16	1,443,090,735	1,535,703,199
Less : Finance & Misc Expenditure	17	1,454,167,509	1,784,227,328
<b>Net Surplus/(+) Deficit (-) before Income Tax</b>		<b>4,172,896,127</b>	<b>3,400,948,890</b>
Provision for Income Tax		1,348,890,033	1,069,778,290
Provision for Deferred Tax Liability		68,277,217	86,293,897
<b>Net Surplus after Income Tax</b>	<b>TOTAL</b>	<b>2,755,728,877</b>	<b>2,244,876,703</b>
Less : Appropriations		-	-
Replacement, Rehabilitation and Modernisation of Capital Assets Fund		500,000,000	540,000,000
Development, Repayment of Loan & Contingencies Fund		500,000,000	540,000,000
<b>Net Surplus after Appropriation</b>		<b>1,755,728,877</b>	<b>1,164,876,703</b>
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Schedules 1 to 18 annexed hereto form part of the Balance Sheet and the Profit and Loss Account.

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(S. K. Sahu)  
F.A & C.A.O.  
Paradip Port Trust

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(M.T. Krishna Babu)  
Chairman  
Paradip Port Trust



## SCHEDULED TO BALANCE SHEET

SCHEDULE - 1	RESERVES & SURPLUS	As at 31.03.15	As at 31.03.14
		(Amount in Rs.)	
		60,445,839	60,445,839
<b>A. CAPITAL RESERVE</b>			
<b>B. REVENUE RESERVE</b>			
i. General Reserve			
Opening Balance		22,168,826,912	21,003,950,209
Less: Int.to Reserve Fund		(66,700,000)	
Add : - Net Generation		1,755,728,877	1,164,876,703
		<b>23,857,855,789</b>	<b>22,168,826,912</b>
ii. Reserve for Repayment of Initial Investment			
Opening Balance		81,160,348	81,160,348
Additions		-	-
Less : Expenditure		-	-
		<b>81,160,348</b>	<b>81,160,348</b>
iii. Employees Welfare Fund			
Opening Balance		1,500,000	1,500,000
Additions		1,500,000	1,500,000
Less : Expenditure		(1,500,000)	(1,500,000)
		<b>1,500,000</b>	<b>1,500,000</b>
iv. E.L. Encashment Fund		487,311,099	436,843,092
		<b>487,311,099</b>	<b>436,843,092</b>
<b>C. STATUTORY RESERVE</b>			
i. Replacement, Rehabilitation, Modernisation of Capital Assets Fund			
Opening Balance		6,959,556,231	5,869,556,231
Add: Appropriation from Profit & Loss Account		500,000,000	540,000,000
Add: Earlier shortfall of Interest		42,516,970	-
Add: Interest earned from investment of Fund		700,000,000	550,000,000
		<b>8,202,073,201</b>	<b>6,959,556,231</b>
ii. Development, Repayment of Loans & Contingencies Fund			
Opening Balance		5,550,356,232	4,580,356,232
Add: Appropriation from Profit & Loss Account		500,000,000	540,000,000
Add: Earlier shortfall of Interest		32,343,934	-
Add: Interest earned from investment of Fund		560,000,000	430,000,000
		<b>6,642,700,166</b>	<b>5,550,356,232</b>
<b>TOTAL</b>		<b>39,333,046,442</b>	<b>35,258,688,654</b>

**SCHEDULED TO BALANCE SHEET**

SCHEDULE - 2	LOAN FUNDS	(Amount in Rs.)	
		As at 31.03.15	As at 31.03.14
A. SECURED LOANS		-	-
B. GOVT. LOANS			
(i) Initial Investment by Govt. of India		81,160,348	81,160,348
C. UNSECURED LOANS		-	-
	<b>TOTAL</b>	<b>81,160,348</b>	<b>81,160,348</b>



## SCHEDULE - 3

## SCHEDULED TO BALANCE SHEET

## FIXED ASSETS

DESCRIPTION OF ASSET	GROSS BLOCK						
	Opening Balance As at 01.04.14	2	Additions during the year	3	Del. / Adj. during the year	4	Closing Balance As at 31.03.15
Land	77,033,494		-		-		77,033,494
Lease land	3,239,000		-		79,000		3,160,000
Stacking Yard	418,010,359		46,083,137		-		464,093,496
Capital Dredging	3,142,020,194		-		-		3,142,020,194
Building Sheds and Other Structures	1,642,120,487		-		-		1,642,120,487
Wharves, Roads, Boundaries	4,784,454,522		-		-		4,784,454,522
Floating Craft	828,612,677		-		-		828,612,677
Railway and Rolling Stock	1,715,327,028		-		-		1,715,327,028
Docks, Sea Walls, Breakwaters, Piers & Navigational Aids	699,770,242		77,363,013		-		777,133,255
Cranes and Vehicles	170,468,395		1,255,240		-		171,723,635
Plant & Machinery	5,675,418,037		-		-		5,675,418,037
Installation and Equipments	817,939,315		145,132,000		-		963,071,315
Furniture & Equipment	2,773,392		-		-		2,773,392
General Cargo Handling Equipments	598,627,248		30,791,468		-		629,418,716
Florida & Marine Crafts	18,569,973		-		-		18,569,973
Total	20,594,384,363		300,624,858		79,000		20,894,930,221
Works in Progress	1,290,668,301		869,247,605		394,932,032		1,764,983,874
Grand Total	21,885,052,664		1,169,872,463		395,011,032		22,659,914,095
Previous Year	21,099,441,038		1,763,630,146		978,018,520		21,885,052,664

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## AS AT 31.03.2015

(Amount in Rupees)

DESCRIPTION OF ASSET	DEPRECIATION AND AMORTISATION					NET BLOCK					
	Opening Balance As at 01.04.14	6	Provisions for the year	7	Del. / Adj. during the year	8	Total as on 31.03.15	9	As at 31.03.15	10	As at 31.03.14
Land	0		0		0		0		77,033,494		77,033,494
Lease land	0		0		0		0		3,160,000		3,239,000
Stacking Yard	133,776,697		11,602,337		-		145,379,034		318,714,462		284,233,662
Capital Dredging	165,722,764		31,420,202		-		197,142,966		2,944,877,228		2,976,297,430
Building Sheds and Other Structures	553,626,139		31,951,730		-		585,577,869		1,056,542,618		1,088,494,348
Wharves, Roads, Boundaries	1,061,774,694		74,866,417		-		1,136,641,111		3,647,813,411		3,722,679,828
Floating Craft	344,861,344		41,430,634		-		386,291,978		442,320,699		483,751,333
Railway and Rolling Stock	517,250,545		50,719,463		-		567,970,008		1,147,357,020		1,198,076,483
Docks, Sea Walls, Breakwaters, Piers & Navigational Aids	179,231,454		22,333,087		-		201,564,541		575,568,714		520,538,788
Cranes and Vehicles	106,347,675		5,529,175		-		111,876,850		59,846,785		64,120,720
Plant & Machinery	3,731,800,189		280,208,515		-		4,012,008,704		1,663,409,333		1,943,617,849
Installation and Equipments	375,426,601		33,465,510		-		408,892,111		554,179,204		442,512,714
Furniture & Equipment	2,773,392		-		-		2,773,392		-		-
General Cargo Handling Equipments	232,493,776		30,444,430		-		262,938,206		366,480,510		366,133,472
Florida & Marine Crafts	18,569,963		-		-		1,85,69,963		10		10
Total	7,423,655,233		613,971,500		8,037,626,733		12,857,303,488		13,170,729,131		1,290,668,301
Works in Progress	7,423,655,233		613,971,500		8,037,626,733		14,622,287,362		14,461,397,432		14,285,560,679
Grand Total	6,814,379,748		599,721,177		9,554,307		7,423,655,232		14,461,397,432		14,285,560,679

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## SCHEDULED TO BALANCE SHEET

		(Amount in Rs.)	
SCHEDULE - 4	INVESTMENTS	As at 31.03.15	As at 31.03.14
A.	INVESTMENT WITH GOVT. OR TRUST SECURITIES	-	-
	Total	-	-
B.	SHARES, DEBENTURES OR BONDS		
	Investment in Setu Samudram Corporation Ltd.	300,000,000	300,000,000
	Investment in Haridaspur Paradip Railway Co. Ltd.	510,000,000	510,000,000
	Investment in Paradip Port Road Co. Ltd.	400,000,000	400,000,000
	Investment in DCI Ltd.	100,000,000	100,000,000
	Investment in Ennore Port Ltd.	200,000,000	200,000,000
	Total	<b>1,510,000,000</b>	<b>1,510,000,000</b>
C.	INVESTMENT PROPERTIES	-	-
	Total	-	-
D.	OTHERS		
	Investment of deferred tax fund	888,400,000	753,500,000
	Investment of Replacement, Rehabilitation and Modernisation of Capital Assets Reserve Fund	8,200,000,000	6,959,500,000
	Investment of Development, Repayment of Loan & Contingencies Reserve Fund	6,642,700,000	5,550,400,000
	Investment of Repayment of Initial Investment of Govt. of India Fund	81,200,000	81,200,000
	Investment of F.I. Encashment Fund	487,311,099	348,891,386
	Total	<b>16,299,611,099</b>	<b>13,693,491,386</b>
	<b>G..TOTAL</b>	<b>17,809,611,099</b>	<b>15,203,491,386</b>



## SCHEDULED TO BALANCE SHEET

(Amount in Rs.)

SCHEDULE - 5	As at 31.03.15	As at 31.03.14
<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>		
<b>A. CURRENT ASSETS</b>		
i) Accrued Interest on Investment	1,111,529,620	1,621,203,826
ii) Inventories	39,344,675	57,305,057
iii) Sundry Debtors		
a. Govt. dues	67,914,903	
b. Non-Govt. Dues	831,399,141	943,371,430
iv) Cash & Bank Balance		
a. Cash in Hand	240,121	636,350
b. Bank Balance		
i. Fixed Deposit	5,972,137,742	6,884,871,744
ii. Savings Bank A/c.		
- Allahabad Bank	8,059,385	93,283,363
- State Bank of India	76,789,382	33,103
- United Bank of India	111,237,709	69,975,691
- Allahabad Bank (Extn.)	6,023,413	6,324,028
- Uco Bank	588,083,184	18,946,322
- Oriental Bank of Commerce	135,131,080	5,724,458
- Union Bank	94,232,702	18,946,495
- IDBI Bank	67,107,543	57,990,521
- Axis Bank	16,360,352	18,315,825
- State Bank of India(Suravi)	152,966,649	72,494,256
- ICICI Bank	50,777,502	28,976,061
- State Bank of India (EMD)	6,639,248	
- Punjab National Bank	8,810,045	7,276,518,217
	<b>7,294,596,057</b>	<b>7,276,518,217</b>



(Amount in Rs.)

## SCHEDULE - 5 (Contd.)

As at 31.03.15

As at 31.03.14

## B. LOANS AND ADVANCES

i. Deposits		141,872,158	141,872,158
ii. T.D.S.		1,803,770,297	1,464,094,910
iii. Payments in Advance			
- Advance for Purchases	45,990,617		67,764,060
- Advance for Motor Cycle/ Scooters / Motor Car/ Computer etc.	9,224,532		6,828,559
- Advance for Festivals	9,292,802		14,282,135
- Advance to Staff	4,871,532		4,619,297
- Advance against T.A.	1,843,348		1,825,645
- Natural Calamities Adv.	3,859,046		14,769,668
- Advance to Contractors	43,410,966		15,279,780
- Advance for House Building	59,637,904		46,506,731
- Suspense Accounts	100,000,000		100,000,000
- Temporary Advance to Departments	7,165,815		7,844,067
- Permanent Advances to Departments	761,743		756,743
- Income Tax	12,302,500,000	12,588,558,305	10,802,500,000
<b>TOTAL</b>		<b>23,878,985,156</b>	<b>22,587,342,283</b>



## SCHEDULED TO BALANCE SHEET

(Amount in Rs.)

### SCHEDULE - 6

As at 31.03.15

As at 31.03.14

#### CURRENT LIABILITIES & PROVISIONS

#### A. CURRENT LIABILITIES

i.	Creditors for Stores	90,195,643	123,707,410
ii.	Miscellaneous Creditors and Credit Balances	18,216,458	28,331,010
iii.	Deposits from Merchants, Contractors & others		
	- Cash	1,818,696,334	2,681,625,370
	- Securities	100,000,000	100,000,000
	Less : Securities at face values	(100,000,000)	(100,000,000)
iv.	Grant in aid	170,000,000	
		<b>2,097,108,435</b>	<b>2,833,663,790</b>

#### B. PROVISIONS

i.	Contingencies	-	-
ii.	<u>Taxation</u>		
	Income Tax	10,731,486,172	9,382,596,139
	Deferred Tax Liability	888,394,511	753,417,294
iii.	<u>Employee Related Benefits</u>		
	Pension & Gratuity Provision	-	752,226,400
	Provident Fund	356,700	-
	Salaries & Wages	138,536,740	151,127,580
iv.	<u>Other Provisions</u>		
	Accrued Expenses	3,040,794,269	3,039,350,896
		<b>14,799,568,392</b>	<b>14,078,718,309</b>
	<b>TOTAL</b>	<b>16,896,676,827</b>	<b>16,912,382,099</b>


**SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**

(Amount in Rs.)

SCHEDULE - 7	2014 - 15	2013 - 14
<b><u>CARGO HANDLING &amp; STORAGE CHARGES</u></b>		
Handling of General Cargo	1,455,763,366	1,569,407,473
Handling of Iron Ore & Other Ore	33,033,917	146,698,269
Storage of Goods	1,276,319,897	535,757,353
SPM Warfage	87,939,452	84,617,386
Cranage	281,776	117,165
Grab Royalty	5,700,861	3,182,045
Ore Mechanical Handling Plant Charges	1,236,081	1,069,320
MCHP Shipping Charges	1,630,244,294	1,434,324,067
MCHP Unloading Charges	1,006,534,044	882,251,826
POL Handling Charges	56,930,648	66,416,226
Demurrage Fees on General Cargo	81,985,420	100,068,760
Miscellaneous	5,237,955	3,316,357
<b>TOTAL</b>	<b>5,641,207,711</b>	<b>4,827,226,247</b>
<b>SCHEDULE - 8</b>		
<b><u>PORT &amp; DOCK CHARGES</u></b>		
<b>(Including Pilotage)</b>		
Towage and Mooring Fees	289,851,175	294,921,557
Dock Dues (Berth Hire)	566,746,293	498,937,704
Port Dues	574,874,723	547,137,075
Pilotage Fees	1,437,714,815	1,294,043,474
Water & Oil supply to Shipping	16,050,089	9,964,360
Dry Dock	6,633,023	5,670,640
Miscellaneous Charges	1,871,939	1,935,293
<b>TOTAL</b>	<b>2,893,742,057</b>	<b>2,652,610,103</b>



### SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

(Amount in Rs.)

SCHEDULE - 9	2014 - 15	2013 - 14
<b><u>RAILWAY EARNING</u></b>		
Freight and Haullage Charges	505,556,376	498,467,925
Siding Charges	95,031,438	98,598,614
Terminal Charges	744,576,487	745,112,187
<b>TOTAL</b>	<b>1,345,164,301</b>	<b>1,342,178,726</b>

**SCHEDULE - 10****ESTATE RENTALS**

Rent from Lands	78,134,128	111,328,924
Rent from Buildings, Sheds & Godowns	70,569,887	71,264,724
Recoverable Service Charges	130,843,900	132,527,090
Miscellaneous Income	1,824,892	8,885,472
<b>TOTAL</b>	<b>281,372,807</b>	<b>324,006,210</b>



## SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

(Amount in Rs.)

SCHEDULE - 11	2014 - 15	2013 - 14
<b><u>CARGO HANDLING &amp; STORAGE CHARGES</u></b>		
Handling & Storage of General Cargo at Sheds & Wharfages	371,759,215	364,806,682
Handling & Storage of Iron Ore & Other Ore	14,340,069	10,963,476
Ware Housing	3,626,843	16,499,402
Operation & Maintenance of Wharf Crane & Cranes	-	503,044
Operation & Maintenance of Ore Handling Plant	194,586,682	197,110,143
Operation & Maintenance of MCHP	665,978,521	656,893,933
Administration & General Expenses	234,948,982	198,388,836
Depreciation	378,225,143	375,533,491
<b>TOTAL</b>	<b>1,863,465,455</b>	<b>1,820,699,007</b>

### SCHEDULE - 12

#### **PORT & DOCK FACILITIES FOR SHIPPING (INCLUDING PILOTAGE)**

Towing, Berthing & Mooring	340,036,644	279,784,861
Pilotage	50,192,822	56,188,004
Dry Dock Expenses	3,907,946	4,737,365
Dredging & Marine Survey	1,078,975,949	846,967,165
Operation & Maintenance of Navigation Aids.	43,223,616	38,209,911
Maintenance of Docks & Harbour Walls, Marine Structural, Sea Shore etc.	41,034,298	89,298,988
Administration & General Expenses	108,806,348	121,345,235
Depreciation	95,183,923	87,447,621
<b>TOTAL</b>	<b>1,761,361,546</b>	<b>1,523,979,150</b>



### SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

(Amount in Rs.)

SCHEDULE - 13	2014 - 15	2013 - 14
<b><u>RAILWAY WORKINGS</u></b>		
Operation & Maintenance of Locomotives, Wagons etc.	277,703,600	237,777,800
Maintenance of Permanent way, Signals and Inter Locking	66,110,558	70,335,981
Operation & Maintenance and Administrative Expenses of Station Yards & Sidings	5,987,344	6,343,371
Administration and General Expenses	35,650,120	47,385,844
Depreciation	50,719,463	50,719,463
<b>TOTAL</b>	<b>436,171,085</b>	<b>412,562,459</b>

#### SCHEDULE - 14

##### RENTABLE LANDS & BUILDINGS

Estate Maintenance	410,498,066	406,956,044
Administration & General Expenses	27,540,208	17,129,711
Depreciation	64,616,805	61,003,675
<b>TOTAL</b>	<b>502,655,079</b>	<b>485,089,430</b>



## SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

SCHEDULE - 15	(Amount in Rs.)	
	2014 - 15	2013 - 14
<b><u>MANAGEMENT &amp; GENERAL ADMINISTRATION</u></b>		
Management & Secretarial Expenses	435,367,400	402,812,344
Labour & Welfare Expenses	114,887,461	106,369,862
Medical Expenses	252,346,201	205,233,553
Store Keeping	34,526,066	57,503,812
Accounting & Auditing	72,769,032	61,325,669
Expenditure on Office Telephones	5,131,900	4,080,162
Engineering & Workshop Administration and Overhead	458,098,203	371,636,037
Sundry Expenses	15,508,381	20,239,864
Depreciation	25,226,166	25,016,918
<b>TOTAL</b>	<b>1,413,860,810</b>	<b>1,254,218,221</b>

### SCHEDULE - 16

#### **FINANCE & MISCELLANEOUS INCOME**

Interest on Fixed Deposit	902,396,388	927,221,518
Interest on Loans & Advances	5,537,239	22,530,645
Sale of Unservicable Materials	-	3,170,293
Miscellaneous Income	446,978,252	599,961,235
Items Relating to Previous Years	88,178,856	(17,180,492)
<b>TOTAL</b>	<b>1,443,090,735</b>	<b>1,535,703,199</b>



### SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

(Amount in Rs.)

SCHEDULE - 17	2014 - 2015	2013- 14
<b><u>FINANCE &amp; MISCELLANEOUS EXPENSES</u></b>		
Bank Charges	258,637	149,876
Interest Payable on :		
- Initial Investment of Govt. of India	2,130,459	2,130,459
Pension Contribution	1,243,830,849	1,152,038,054
Employer's Contribution CPF & Tire-IA/c.	4,037,786	3,528,359
TA to Family of Deceased Employees	4,799,078	1,167,379
E.L. Encashment Provision	18,021,108	46,367,642
C.S.R.	44,900,000	56,285,000
Service Charges for NPS	22,635	18,008
Gratuity Provision	20,629,601	537,346,724
Employees Welfare Fund	1,500,000	1,500,000
Items Relating to Previous Years	114,037,356	(16,304,173)
<b>TOTAL</b>	<b>1,454,167,509</b>	<b>1,784,227,328</b>



## SCHEDULE-18

ANNUAL ACCOUNTS 2014-15  
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.
- 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 One time non refundable upfront fee received from lessees are apportioned over the period of lease.
- 7 Inventories are valued at weighted average cost.
- 8 The Investments are stated at Cost. The NAV value of Mutual Fund are disclosed separately in the notes to accounts.
- 9 Investments classified as below:-
  - a) Government or Trust Securities
  - b) Shares , Debentures or Bonds
  - c) Investment Properties
  - d) Others
- 10 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.
- 11 The stores received during the financial year but not check measured are not accounted for.
- 12 Foreign currency transactions: Foreign exchange transactions are evaluated at the rate of exchange prevailing on the date of payment (unless a specific date is prescribed in a particular contract)..
- 13 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	2014 - 15	2013 - 14
Traffic (in Million MT)	71.10	68.00
Operating Income (₹ in Cr.)	1016.15	914.60
Operating Expenditure (₹ in Cr.)	597.75	549.65
Operating Surplus (₹ in Cr.)	418.40	364.95
Total Income (₹ in Cr.)	1160.46	1068.175
Total Expenditure (₹ in Cr.)	743.17	728.07
Net Surplus (₹ in Cr.)	417.29	340.09
Operating Ratio	1:0.59	1:0.60
Unit Operating Cost per Ton of Cargo Handled (₹)	84.07	80.83
Salary & Wages as percentage of Total Expenditure	17.55	16.62
Provision of Income Tax (₹ in Cr.)	134.89	106.98



## 2. PROFIT AND LOSS ACCOUNT

The Profit and Loss Accounts shows an operating surplus of ₹ 418.40 crores and a Net Surplus of ₹ 417.29 crores. ₹ 100.00 crores has been transferred to two reserve funds. The accumulated surplus stands at ₹ 2385.79 crores as on 31.03.2015 which has been exhibited in the General Reserve.

## 3. PENSION CONTRIBUTION

To meet the liabilities on account of pensionary benefits, ₹ 124.38 crores has been provided towards Pension Fund and for Gratuity Fund ₹ 2.06 crores as per the actuarial valuation of L.I.C.

## 4. INVESTMENT AND INTEREST

Various funds and surplus 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.

## 5. PROVISION TOWARDS PRODUCTIVITY LINKED REWARD

₹ 1.20 crores has been provided against the anticipated payment towards Productivity Linked Reward.

## 6. PROVISION TOWARDS VARIOUS RESERVE FUNDS

₹ 100.00 crores has been appropriated to the following reserves out of the Net surplus after income tax of ₹ 134.89 crores as per the guidelines of Ministry.

a)	Replacement, Rehabilitation and Modernization of Capital Assets Reserve	₹ 50.00 crore
b)	Development, Repayment of Loan and Contingencies Reserve	₹ 50.00 crore

## 7. TITLE DEEDS OF THE LAND

The title deed for land transferred by Government of Odisha to Paradip Port Trust has not yet been received. However a meeting of High Power Committee was held during March, 2015, where in, Govt. of Odisha has 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 has already been filed in the Hon'ble High Court of Odisha for orders. After disbursal of the case, Paradip Port Trust will obtain title deed from Govt. of Odisha.

**8. PLAN AND NON-PLAN EXPENDITURE**

The total capital expenditure during the year 2014-15 was ₹90.05 crores, (Plan Capital ₹85.10 crores and Non-plan Capital ₹4.95 crores). An amount of ₹1.70 Crores is the commitment as on 31.03.2015 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 Odisha.

**10. PENDING LEGAL CASES**

There are 24 nos of cases filed by PPT against different parties during 2014-15. There are 77 nos of cases filed against PPT by different parties during 2014-15

**11. PENSION & PROVIDENT FUND ACCOUNT**

The Pension and Gratuity Fund and Provident Fund Accounts are annexed at Annexure -I & II respectively. Paradip Port Trust has also 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 are pending before the Hon'ble CIT, Cuttack Charge as per the Order of Hon'ble ITAT, Cuttack to reconsider the belated application for registration.

For the financial year 2011-12, appeal has been filed before the Hon'ble CIT (Appeal), Cuttack against the assessment order passed by the Assessing Officer.

For the financial year 2012-13 and 2013-14, the assessment is pending before the Assessing Officer.

**13. CONTRIBUTION FOR TIER - I 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 with the approval of Pension Fund Regulatory & Development Authority.

#### 14. GOVT.OFINDIA LOAN

Ministry of Shipping is initiating a proposal through a Cabinet Note for waiver of penal interest on loans as per the decision of the meeting dated 15.01.2013 and MOS Letter No.26025/03/2014-PDVI dated 11.04.2014 which is in active consideration as communicated vide MoS letter PAO/Control/Reconciliation of loans/2013-14 dated 19.02.2015.

#### 15. CONTINGENT LIABILITY

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

Name of the party	₹ In Lac
DDCPL	602.11
CIMCO BIRLA	307.00
CESCO	44.90
Sri U.N.ROUT	86.92
MESCO STEEL	8.50

#### 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 plan and non-plan projects.

**b Revenue Recognition (AS 9)**

The accounts of PPT has 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 2015 are treated as consumed as its impact in the account is not significant and is being followed consistently. Similarly, medicines purchased 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 Rs. 32 lakh were received at Central Store during 2014-15 have not been accounted for as those materials were inspected and check measured during 2015-16.
- iv. Nothing is outstanding as per Micro Small and Medium Enterprise Development Act,2006.

**c Fixed Asset (AS 10)**

Capital Work in Progress has been accounted for on Cash basis.

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

Fixed Assets created out of Govt. Grants have been shown at a nominal value. Govt. Grant of ₹ 17 crores has been received during 2014-15 towards dredging of South Oil Jetty. On completion of asset, the necessary accounting effect will be made.

**e Investments (AS 13)**

- i. Investment of various funds and surplus have been made in different banks and approved institutions. The income from investments of different funds have been credited to respective funds.



ii. The share certificates for the investment made with HPRCL amounting to ₹ 51.00 crore is received.

f **Employee Benefits (AS 15)**

Necessary provision has been made for creation of 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	₹ 42.67 crores
More than 6 months	₹ 47.26 crores

*Sd/-*

(S. K. Sahu)  
F.A & C.A.O.  
Paradip Port Trust

*Sd/-*

(M.T. Krishna Babu)  
Chairman  
Paradip Port Trust



## Annexure - I

## PENSION & GRATUITY FUND BALANCE SHEET AS AT 31.03.2015

		(Amount in Rs.)	
LIABILITIES	Amount	ASSETS	Amount
<b><u>Pension Fund Account</u></b>		<b><u>Investment</u></b>	
Opening Balance,	5,411,790,477	Pension Fund	6,449,049,194
Add: Contribution for 2014-15	1,243,830,849	Gratuity Fund	1,172,565,677
Add: Earlier year Contribution	117,600,000	Interest Accrued on FDR	89,461,377
	<u>6,773,221,326</u>		
Less: Payment of LS & PC	<u>3,968,559</u>		
	6,769,252,767	<b><u>Cash &amp; Bank Balance</u></b>	
		Cash at Bank	101,872,619
Less: Excess of expenditure over Income	133,827,024		
			6,635,425,743
<b><u>Gratuity Fund Account</u></b>			
Opening Balance	1,253,300,550		
Add: Contribution from PPT	<u>20,629,601</u>		
	1,273,930,151		
Less: Interest on differential Gratuity	<u>618,291</u>		
	1,273,311,860		
Less: Excess of expenditure over income	98,103,976		
			1,175,207,884
<b><u>Current Liabilities</u></b>			
PPT Account			
		2,315,240	
		<u>7,812,948,867</u>	<u>7,812,948,867</u>

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

*Sd/-*  
(M.T. Krishna Babu)  
Chairman  
Paradip Port Trust



**PENSION & GRATUITY FUND  
INCOME AND EXPENDITURE ACCOUNTS  
FOR THE YEAR ENDING 31.03.2015**

EXPENDITURE	Amount	INCOME	(Amount in Rs.)
			Amount
Pension Payment	637,890,948	Interest from Saving Account	3,134,799
Gratuity Payment	195,357,791	Interest on Investment of Pension Fund	500,929,125
Annual Premium towards Gratuity	1,900,671	Interest on Investment of Gratuity Fund	99,154,486
<u>Excess of Expenditure Over Income</u>			
		Transfer to Pension Fund	133,827,024
		Transfer to Gratuity Fund	98,103,976
	<u>835,149,410</u>		<u>231,931,000</u>
			<u>835,149,410</u>

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

*Sd/-*  
(M.T. Krishna Babu)  
Chairman  
Paradip Port Trust



## PROVIDENT FUND ACCOUNT

### BALANCE SHEET AS AT 31.03.2015

LIABILITIES		ASSETS	
	Amount		Amount
(Amount in Rs.)			
<b><u>GPF Fund</u></b>		<b><u>Investment</u></b>	
Opening Balance	1,329,614,667	Principal Amount	1,304,000,200
Add: Contribution	352,907,820	Interest Accrued	73,880,310
Add: Recovery	9,653,156	Receivable from PPT	356,700
Add: Interest	<u>124,091,275</u>		
	1,816,266,918	<b><u>Cash &amp; Bank Balance</u></b>	
Less Withdrawal	<u>477,049,393</u>	Cash at Bank	2,435,262
	1,339,217,525		
<b><u>CPF Fund</u></b>			
Opening Balance	14,545,485		
Add: Contribution	1,120,954		
Add: Recovery	853,090		
Add: Interest	<u>1,414,916</u>		
	17,934,445		
Less Withdrawal	<u>1,061,216</u>		
	16,873,229		
Reserve Fund	24,664,203		
Less: Adjustment	<u>82,485</u>		
	24,581,718		
	<u>1,380,672,472</u>		<u>1,380,672,472</u>

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

*Sd/-*  
(M.T. Krishna Babu)  
Chairman  
Paradip Port Trust



**PROVIDENT FUND ACCOUNT  
INCOME AND EXPENDITURE ACCOUNTS  
FOR THE YEAR ENDING 31.03.2015**

EXPENDITURE	Amount	INCOME	Amount
Interest on GPF Balances	124,091,275	Interest on FDR	123,389,982
Interest on CPF Balances	1,414,916	Interest on Savings A/c.	2,033,724
		Adjusted on Reserve Fund	82,485
	125,506,191		125,506,191

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

*Sd/-*  
(M.T. Krishna Babu)  
Chairman  
Paradip Port Trust.



# **AUDIT REPORT**

## **2014-15**



**SEPARATE AUDIT REPORT OF THE COMPTROLLER & AUDITOR  
GENERAL OF INDIA ON THE ACCOUNTS OF PARADIP PORT TRUST,  
PARADIP FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

We have audited the attached Balance Sheet of Paradip Port Trust, Paradip as at 31st March 2015 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, Paradip 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. Investments (Schedule - 4) - ₹ 1780.96 Crore.

##### A.1.1.1. Investments in Setu Samudram Corporation Ltd. - ₹ 30.00 Crore

A.1.1.1.1 Paradeep Port Trust has not ascertained and provided for the diminution in the value of long-term investment of ₹ 30 crore in M/s. Sethusamudram Corporation Limited, Chennai which has stopped working since August 2009. This is in contrary to the Accounting Standard-13 regarding accounting for Investments.

#### A.2.1 Current Liabilities & Provisions (Schedule-6) - ₹ 1689.67 crore

A.2.1.1 As per Ministry of Shipping, Government of India (GoI), principal amount of ₹ 387.61 crore was due for repayment as on 31.03.2014 on account of various loans taken prior to 1990 by PPT. The said amount has to be paid along with interest @ 10 per cent per annum with effect from April 2014. However, PPT has not provided interest of ₹ 38.76 crore on this account for the year 2014-15. This has resulted in understatement of interest on Government of India loan and overstatement of Net Surplus by ₹ 38.76 crore.

B. **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, Paradip as at 31 March 2015; 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 2015 is given in Annexure-II.

**Place: Kolkata**  
**Date: 11.09.2015**

Sd/-  
(Praveer Kumar)  
**Principal Director of Commercial Audit  
& Ex-Officio Member, Audit Board - I,  
Kolkata**



## ANNEXURE - I TO AUDIT REPORT

- (a) **Adequacy of the Internal Audit System:** Internal Audit conducted by a firm of Chartered Accountants is adequate and commensurate with the size and nature of the business.
- (b) **Adequacy of Internal Control System:** The internal Control System is 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. No effort was made to evolve system of verification either departmentally or through outsourcing.
- (d) **System of Physical Verification of Inventories:** Paradip Port Trust has appointed a firm of Chartered Accountants for conducting Physical verification of inventories for the year 2013-14. The firm submitted its report in September 2014.
- (e) **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/-*  
(B. C. Mandal)  
Deputy Director



## ANNEXURE -II TO AUDIT REPORT

REVIEW OF ACCOUNTS OF PARADIP PORT TRUST, PARADIP FOR THE YEAR ENDED  
31 MARCH, 2015 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.

## 2. FINANCIAL POSITION

The financial position of the Port Trust under broad headings for the last three years ending 31.03.2015 was as follows: (₹ in Crore)

A. LIABILITIES	2014-15	2013-14	2012-13
(i) Capital Reserve (#)	1498.64	1265.15	1059.15
(ii) Other Reserve (@)	2434.66	2260.71	2136.97
(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	1689.67	1691.24	1499.62
(v) Other Liabilities (CPF/Pension fund etc.)	Nil	Nil	Nil
<b>TOTAL</b>	<b>5631.09</b>	<b>5225.22</b>	<b>4703.86</b>



<b>B. ASSETS</b>			
(i) Fixed Assets (Gross Block)	2089.49	2059.44	1989.69
(ii) Less: Depreciation	803.76	742.37	681.39
(iii) Net Fixed Assets	1285.73	1317.07	1308.30
(iv) Work-in-Progress	176.50	129.07	120.26
(v) Investments	1780.96	1682.47	1353.57
(vi) Current Assets, Loans & Advances	2387.90	2096.61	1921.73
<b>TOTAL</b>	<b>5631.09</b>	<b>5225.22</b>	<b>4703.86</b>
C. Working Capital (*)	698.23	405.37	422.11
D. Net Worth (**)	2385.78	2216.88	2100.40
E. Capital Employed (***)	1983.96	1722.44	1730.41
F. Return on Capital Employed (****)	21.03%	19.74%	15.57%
G. Capital Employed (Including Capital Work-in-Progress)	160.46	1851.51	1850.67
H. Return on Capital Employed (Including Capital Work-in-Progress)	19.31%	18.37%	14.56%



- (#) 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', 'EI. 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 Trust for the last three years ending 31 March 2015 are summarized below -

(₹ in Crore)

		2014-15	2013-14	2012-13
<b>(A)</b>	<b>REVENUE</b>			
	(i) Operating Income	1016.15	914.60	683.73
	(ii) Non-operating Income	144.31	153.57	114.51
	<b>TOTAL</b>	<b>1160.46</b>	<b>1068.17</b>	<b>798.24</b>
<b>(B)</b>	<b>EXPENDITURE</b>			
	(i) Operating Expenditure	597.75	549.65	441.11
	(ii) Non-operating Expenditure	145.42	178.42	87.74
	<b>TOTAL</b>	<b>743.17</b>	<b>728.07</b>	<b>528.85</b>
<b>(C)</b>	<b>Net Surplus/(Deficit) before tax</b>	417.29	340.09	269.39
<b>(D)</b>	Less:			
	(i) Provision for taxation	134.89	106.98	75.82
	(ii) Deferred Tax Liability	6.83	8.63	5.95
<b>(E)</b>	<b>Net Surplus/(Deficit) after tax</b>	275.57	224.49	187.62
<b>(F)</b>	Less: Mandatory appropriation / Transfer to Reserve Fund	100.00	108.00	104.00
<b>(G)</b>	<b>Surplus/(Deficit) transferred to General Reserve fund</b>	175.57	116.49	83.62
<b>(H)</b>	Percentage of Net Surplus (before tax) to			
	(a) Operating Income	41.06	37.18	39.4
	(b) Net Fixed Assets	32.45	25.82	20.59
	(c) Net Worth	17.49	15.34	12.83

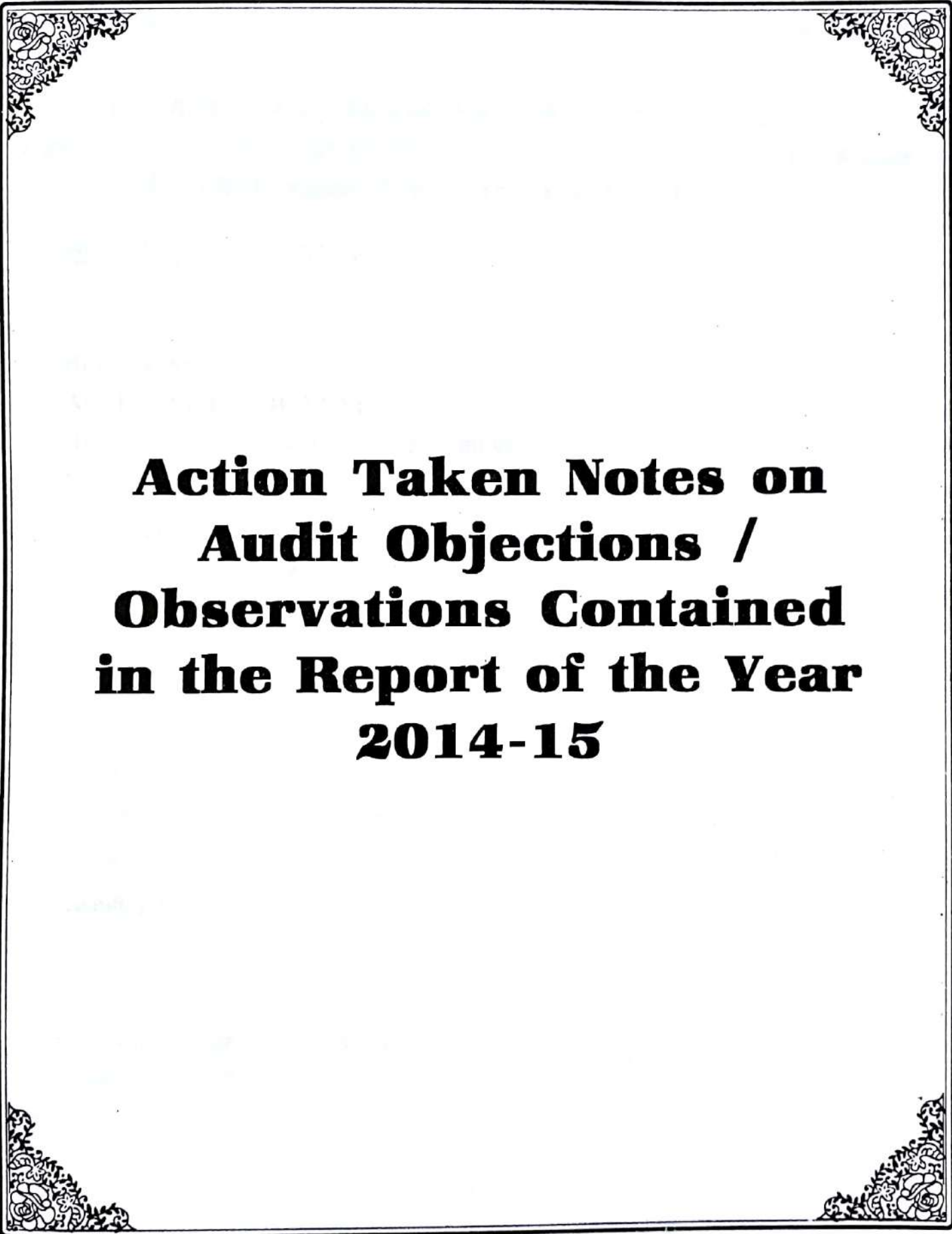
**4. RATIO ANALYSIS (LIQUIDITY AND SOLVENCY)**

- (a) The percentage of Current Assets to Current Liabilities was 128.15, 123.97 and 141.32 during the years 2012-13, 2013-14 and 2014-15 respectively.
- (b) The percentage of quick Assets to Current Liabilities was 53.00, 48.26 and 55.07 during the years 2012-13, 2013-14 and 2014-15 respectively (Quick Assets represent Current Assets minus Inventories).
- (c) The percentage of Sundry Debtors to Operating Income was 8.52, 10.31 and 8.85 during the years 2012-13, 2013-14 and 2014-15 respectively.
- (d) Debt to Capital Reserve & General Reserve ratio were 0.0025:1, 0.0023:1 and 0.0021:1 during the years 2012-13, 2013-14 and 2014-15 respectively.

*Sd/-*

(B. C. Mandal)

**Deputy Director**



**Action Taken Notes on  
Audit Objections /  
Observations Contained  
in the Report of the Year  
2014-15**



**ACTION TAKEN NOTES ON SEPARATE AUDIT REPORT (SAR) OF THE  
COMPTROLLER & AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF PARADIP  
PORT TRUST, PARADIP FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

Observation made by the Audit	Action taken by Paradip Port Trust
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iv. We further report that:

**A Balance Sheet**

**A.1. APPLICATION OF FUND**

**A.1.1. Investments (Schedule - 4) - ₹ 1780.96  
Crore.**

**A.I.I.I Investments in Setu Samudram  
Corporation Ltd. - ₹ 30.00 Crore**

Paradip Port Trust has not ascertained and provided for the diminution in the value of long-term investment of ₹ 30 crore in M/s. Setu Samudram Corporation Limited, Chennai which has stopped working since August 2009. This is in contrary to the Accounting Standard-13 regarding accounting for Investments.

Paradip Port Trust has already made correspondences with other ports in respect of investment made with Setu Samudram Corporation Ltd. and the procedure followed for the said investment. In reply one of the port, i.e. Chennai Port Trust informed that Long Term investment are valued at cost and hence no provision has been made in the Accounts on diminution in values. However, based on other Ports clarification necessary action will be taken in the Accounts of 2015-16.

**A.2.1 Current Liabilities & Provisions  
(Schedule-6) - ₹1689.67 crore**

**A.2.1.1 As per Ministry of Shipping, Government of India (GoI), principal amount of ₹ 387.61 crore was due for repayment as on 31.03.2014 on**

Necessary accounting effect has been made vide JV No.551 dated 21.09.2015.



## Observation made by the Audit

## Action taken by Paradip Port Trust

account of various loans taken prior to 1990 by PPT. The said amount has to be paid along with interest @ 10 per cent per annum with effect from April 2014. However, PPT has not provided interest of ₹ 38.76 crore on this account for the year 2014-15. This has resulted in understatement of interest on Government of India loan and overstatement of Net Surplus by ₹ 38.76 crore

**B. 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.

Necessary accounting effect has been made vide JV No.552 dated 21.09.2015 in respect of Para No.1 of the Annexure to Management Letter of Annual Accounts of Paradip Port Trust for the year 2014-15. Further in respect of Para No.2 to 6 of the said letter suitable disclosure will be made in the Accounts of 2015-16.

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.

No Action

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

No action.



## Observation made by the Audit

## Action taken by Paradip Port Trust

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, Paradip as at 31 March 2015; 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 2015 is given in Annexure-II.

No Action

Paradip  
Dt. 21/9/2015

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