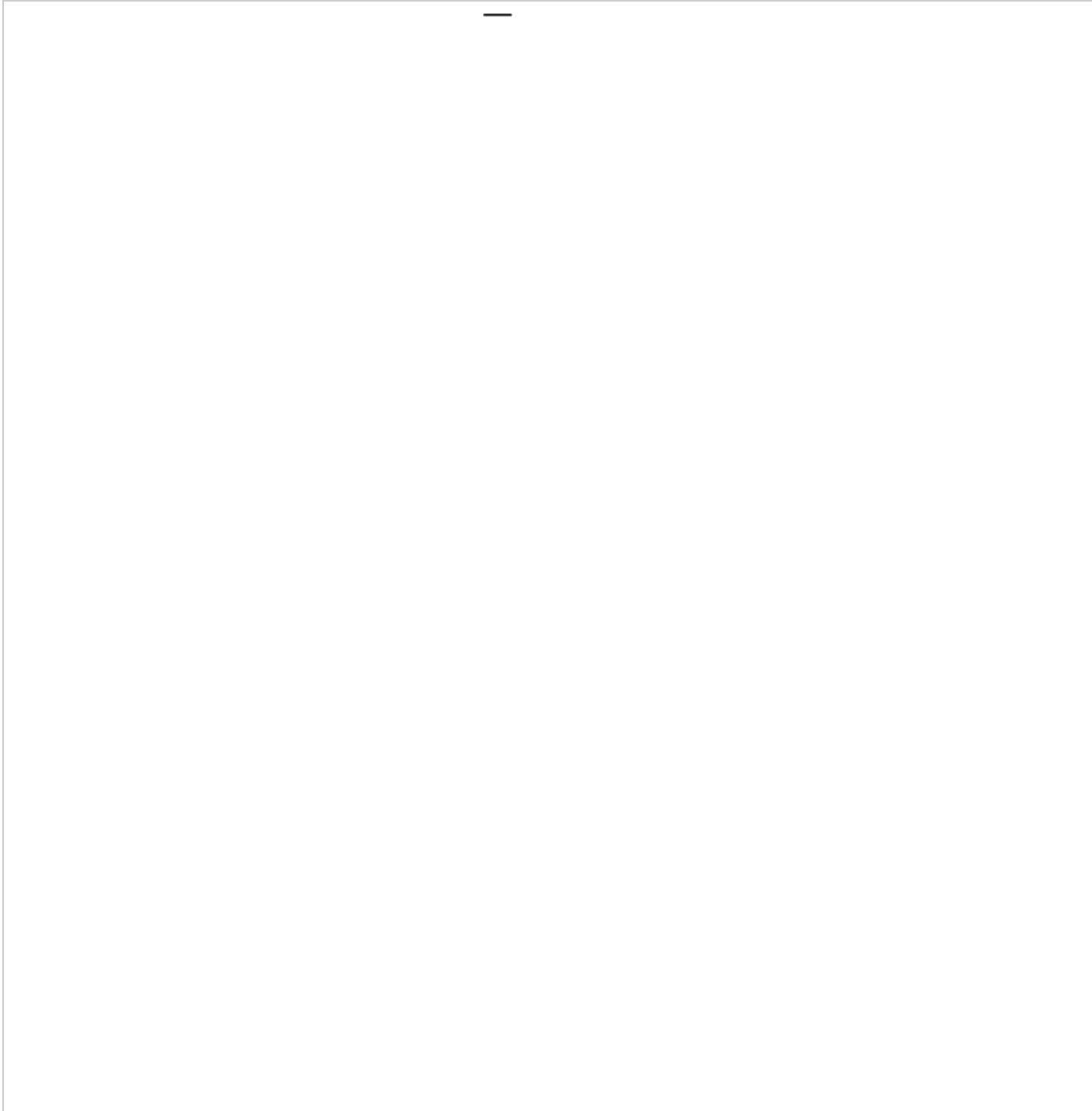


ANNUAL ACCOUNTS

2015-16





BALANCE SHEET AS AT 31ST MARCH, 2016

		(Amount in ₹)	
	SCH	As at 31.03.16	As at 31.03.15
I. SOURCES OF FUNDS			
1 RESERVES & SURPLUS	1	42,829,389,641	39,333,046,442
2 LOAN FUNDS	2	81,160,348	81,160,348
	TOTAL	42,910,549,989	39,414,206,790
II. APPLICATION OF FUNDS			
1 FIXED ASSETS	3		
a) Gross Block		20,850,733,401	20,894,930,221
Less: Depreciation		8,599,037,367	8,037,626,733
Net Block		<u>12,251,696,034</u>	<u>12,857,303,488</u>
b) Capital Works-in Progress		<u>2,626,167,179</u>	<u>1,764,983,874</u>
		14,877,863,213	14,622,287,362
2 INVESTMENTS	4	20,505,547,831	17,809,611,099
3 CURRENT ASSETS,	-	-----	-----

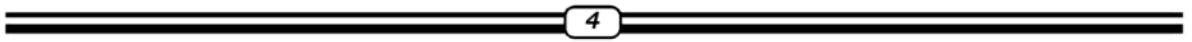
2	INVESTMENTS	4	20,505,547,831	17,809,611,099
3	CURRENT ASSETS,			
	LOANS & ADVANCES	5	26,508,751,217	23,878,985,156
	Less: CURRENT			
	LIABILITIES AND			
	PROVISIONS	6	18,981,612,272	16,896,676,827
	Net CURRENT ASSETS		7,527,138,945	6,982,308,329
			TOTAL	
			<u>42,910,549,989</u>	<u>39,414,206,790</u>

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






PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹)

	SCH	2015 - 16	2014 - 15
I N C O M E			
Cargo Handling & Storage Charges	07	4,869,704,998	5,641,207,711
Port & Dock Charges (Including pilotage Fees)	08	3,201,583,592	2,893,742,057
Railway Earnings	09	1,876,136,119	1,345,164,301
Estate Rentals	10	291,624,146	281,372,807
TOTAL		10,239,048,855	10,161,486,876
LESS - EXPENDITURE			
Cargo Handling & Storage Charges	11	1,837,211,272	1,863,465,455
Port & Dock Facilities (including Pilotage)	12	1,477,467,533	1,761,361,546
Railway Working	13	515,834,487	436,171,085
Rentable Land & Buildings	14	513,052,191	502,655,079
Management & General Administration (not directly attributable to a Activity)	15	1,410,662,527	1,413,860,810
TOTAL		5,754,228,010	5,977,513,975
Operating Surplus/Defective		4,484,820,845	4,183,972,901
Add : Finance & Misc. Income	16	1,470,254,538	1,443,090,735
Less : Finance & Misc Expenditure	17	2,027,646,367	1,454,167,509
Net Surplus/(+) Deficit (-) before Income Tax		3,927,429,016	4,172,896,127
Provision for Income Tax		1,320,221,686	1,348,890,033
Provision for Deferred Tax Liability		43,384,654	68,277,217
Net Surplus after Income Tax	TOTAL	2,563,822,676	2,755,728,877
Less : Appropriations		-	-
Replacement, Rehabilitation and Modernisation of Capital Assets Fund		600,000,000	500,000,000
Development, Repayment of Loan & Contingencies Fund		600,000,000	500,000,000
Net Surplus after Appropriation		1,363,822,676	1,755,728,877
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



SCHEDULED TO BALANCE SHEET

		(Amount in ₹)	
SCHEDULE - 1	RESERVES & SURPLUS	As at 31.03.16	As at 31.03.15
A. CAPITAL RESERVE		64,594,530	60,445,839
B. REVENUE RESERVE			
i. General Reserve			
Opening Balance		23,857,855,789	22,168,826,912
Less: Int. to Reserve Fund		(388,800,000)	(66,700,000)
Add : - Net Generation		1,363,822,676	1,755,728,877
		24,832,878,465	23,857,855,789
ii. Reserve for Repayment of Initial Investment			
Opening Balance		81,160,348	81,160,348
Additions		-	-
Less : Expenditure		-	-
		81,160,348	81,160,348
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)
		1,500,000	1,500,000
iv. E.L. Encashment Fund		544,482,931	487,311,099
		544,482,931	487,311,099
C. STATUTORY RESERVE			
i. Replacement, Rehabilitation, Modernisation of Capital Assets Fund			
Opening Balance		8,202,073,201	6,959,556,231
Add: Appropriation from Profit & Loss Account		600,000,000	500,000,000
Add: Earlier shortfall of Interest		---	42,516,970
Add: Interest earned from investment of Fund		700,000,000	700,000,000
		9,502,073,201	8,202,073,201
ii. Development, Repayment of Loans & Contingencies Fund			
Opening Balance		6,642,700,166	5,550,356,232
Add: Appropriation from Profit & Loss Account		600,000,000	500,000,000
Add: Earlier shortfall of Interest		---	32,343,934
Add: Interest earned from investment of Fund		560,000,000	560,000,000
		7,802,700,166	6,642,700,166
	TOTAL	42,829,389,641	39,333,046,442



SCHEDULED TO BALANCE SHEET

		(Amount in ₹)	
SCHEDULE - 2	LOAN FUNDS	As at 31.03.16	As at 31.03.15
A.	SECURED LOANS	---	---
B.	GOVT. LOANS		
	(i) Initial Investment by Govt. of India	81,160,348	81,160,348
C.	UNSECURED LOANS	---	---
	TOTAL	81,160,348	81,160,348



SCHEDULE - 3

SCHEDULED TO BALANCE SHEET

FIXED ASSETS

DESCRIPTION OF ASSET	GROSS BLOCK			
	Opening Balance As at 01.04.15	Additions during the year	Del. / Adj. during the year	Closing Balance As at 31.03.16
1	2	3	4	5
Land	77,033,494	-	-	77,033,494
Lease land	3,160,000	-	(79,000)	3,081,000
Stacking Yard	464,093,496	-	-	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

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	777,133,255	-	-	777,133,255
Cranes and Vehicles	171,723,635	-	-	171,723,635
Plant & Machinery	5,675,418,037	-	(22,729,590)	5,652,688,447
Installation and Equipments	963,071,315	-	-	963,071,315
Furniture & Equipment	2,773,392	-	-	2,773,392
General Cargo Handling Equipments	629,418,716	-	(21,388,230)	608,030,486
Flotila & Marine Crafts	18,569,973	-	-	18,569,973
Total	20,894,930,221	-	(44,196,820)	20,850,733,401
Works in Progress	1,764,983,874	1,234,557,643	(373,374,338)	2,626,167,179
Grand Total	22,659,914,095	1,234,557,643	(417,571,158)	23,476,900,580
<i>Previous Year</i>	21,885,052,664	1,169,872,463	395,011,032	22,659,914,095



AS AT 31.03.2016

(Amount in ₹)

DEPRECIATION AND AMORTISATION				NET BLOCK	
Opening Balance As at 01.04.15	Provisions for the year	Del. / Adj. during the year	Total as on 31.03.16	As at 31.03.16	As at 31.03.15
6	7	8	9	10	11

Balance As at 01.04.15	for the year	during the year	as on 31.03.16	31.03.16	31.03.15
6	7	8	9	10	11
-	-	-	-	77,033,494	77,033,494
-	-	-	-	3,081,000	3,160,000
145,379,034	11,602,337	-	156,981,371	307,112,125	318,714,462
197,142,966	31,420,202	-	228,563,168	2,913,457,026	2,944,877,228
585,577,869	31,951,730	-	617,529,599	1,024,590,888	1,056,542,618
1,136,641,111	74,866,417	-	1,211,507,528	3,572,946,994	3,647,813,411
386,291,978	41,430,634	-	427,722,612	400,890,065	442,320,699
567,970,008	50,719,463	-	618,689,471	1,096,637,557	1,147,357,020
201,564,541	22,333,087	-	223,897,628	553,235,627	575,568,714
111,876,850	5,529,175	-	117,406,025	54,317,610	59,846,785
4,012,008,704	276,513,386	(22,729,590)	4,265,792,500	1,386,895,947	1,663,409,333
408,892,111	30,692,229	-	439,584,340	523,486,975	554,179,204
2,773,392	-	-	2,773,392	-	-
262,938,206	28,093,486	(21,011,922)	270,019,770	338,010,716	366,480,510
18,569,963	-	-	18,569,963	10	10
8,037,626,733	605,152,146	(43,741,512)	8,599,037,367	12,250,688,234	12,857,303,488
-	-	-	-	2,626,167,179	1,764,983,874
8,037,626,733	605,152,146	(43,741,512)	8,599,037,367	14,876,855,413	14,622,287,362
7,423,655,232	613,971,500	-	8,037,626,732	14,622,287,363	14,461,397,432



SCHEDULED TO BALANCE SHEET

		(Amount in ₹)	
SCHEDULE - 4	INVESTMENTS	As at 31.03.16	As at 31.03.15
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.	539,064,900	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 Indian Port Rail Corporation Ltd.	108,000,000	-
	Investment in Kamarajar Port Ltd.	200,000,000	200,000,000
	Total	1,647,064,900	1,510,000,000
C.	INVESTMENT PROPERTIES	-	-
	Total	-	-
D.	OTHERS		
	Investment of deferred tax fund	930,100,000	888,400,000
	Investment of Replacement, Rehabilitation and Modernisation of Capital Assets Reserve Fund	9,500,000,000	8,200,000,000
	Investment of Development, Repayment of Loan & Contingencies Reserve Fund	7,802,700,000	6,642,700,000
	Investment of Repayment of Initial Investment of Govt. of India Fund	81,200,000	81,200,000
	Investment of E.L Encashment Fund	544,482,931	487,311,099
	Total	18,858,482,931	16,299,611,099
	G..TOTAL	20,505,547,831	17,809,611,099



SCHEDULED TO BALANCE SHEET

SCHEDULE - 5	As at 31.03.16	As at 31.03.15
<u>CURRENT ASSETS, LOANS & ADVANCES</u>		
A. CURRENT ASSETS		
i) Accrued Interest on Investment	1,353,059,668	1,111,529,620
ii) Inventories	48,161,900	39,344,675
iii) Sundry Debtors		
a. Govt. Dues	58,753,001	
b. Non-Govt. Dues	1,061,454,011	899,314,044
iv) Cash & Bank Balance		
a. Cash in Hand	221,498	240,121
b. Bank Balance		
i. Fixed Deposit	6,488,641,967	5,972,137,742
ii. Savings Bank A/c.		
- Allahabad Bank	450,716,834	8,059,385
- State Bank of India	56,065,417	76,789,382
- United Bank of India	122,765,030	111,237,709
- Allahabad Bank (Extn.)	12,404,885	6,023,413
- Uco Bank	27,956,475	588,083,184
- Oriental Bank of Commerce	200,478,595	135,131,080
- Union Bank	13,636,155	94,232,702
- IDBI Bank	117,173,290	67,107,543
- Axis Bank	15,826,751	16,360,352
- State Bank of India (Suravi)	113,070,359	152,966,649
- ICICI Bank	32,626,401	50,777,502
- State Bank of India (EMD)	75,968,782	6,639,248
- Punjab National Bank	16,984,091	
	7,744,536,530	8,810,045



SCHEDULE - 5 (Contd.)	(Amount in ₹)	
	As at 31.03.16	As at 31.03.15
B. LOANS AND ADVANCES		
i. Deposits	195,377,446	141,872,158
ii. T.D.S. (Tax Deducted at Source)	2,138,146,103	1,803,770,297
iii. Payments in Advance		
- Advance for Purchases	45,750,353	45,990,617
- Advance for Motor Cycle/ Scooters / Motor Car/ Computer etc.	2,579,536	9,224,532
- Advance for Festivals	11,177,108	9,292,802
- Advance to Staff	4,612,847	4,871,532
- Advance against T.A.	1,843,348	1,843,348
- Natural Calamities Adv.	3,814,376	3,859,046
- Advance to Contractors	55,703,005	43,410,966
- Advance for House Building	53,503,224	59,637,904
- Sales Tax Deposites	100,000,000	100,000,000
- Temporary Advance to Departments	7,017,018	7,165,815

- Sales Tax Deposites	100,000,000	100,000,000
- Temporary Advance to Departments	7,017,018	7,165,815
- Permanent Advances to Departments	761,743	761,743
- Income Tax	13,622,500,000	12,302,500,000
	13,909,262,558	12,588,558,305
TOTAL	26,508,751,217	23,878,985,156



SCHEDULED TO BALANCE SHEET

		(Amount in ₹)	
SCHEDULE - 6		As at 31.03.16	As at 31.03.15
<u>CURRENT LIABILITIES & PROVISIONS</u>			
A. CURRENT LIABILITIES			
i. Creditors for Stores	91,678,087		90,195,643
ii. Miscellaneous Creditors and Credit Balances	29,408,474		18,216,458
iii. Deposits from Merchants, Contractors & others			
- Cash	1,835,785,502		1,818,696,334
- 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
		1 056 872 063	2 007 108 435

	(100,000,000)	(100,000,000)
iv. Grant in aid	-	170,000,000
	1,956,872,063	2,097,108,435
B. PROVISIONS		
i. Contingencies	-	-
ii. <u>Taxation</u>		
Income Tax	12,051,707,858	10,731,486,172
Deferred Tax Liability	932,979,165	888,394,511
iii. <u>Employee Related Benefits</u>		
Pension & Gratuity Provision	-	-
Provident Fund	46,500	356,700
Salaries & Wages	141,129,820	138,536,740
iv. <u>Other Provisions</u>		
Accrued Expenses	3,898,876,866	3,040,794,269
	17,024,740,209	14,799,568,392
TOTAL	18,981,612,272	16,896,676,827



SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

SCHEDULE - 7	2015 - 16	2014 - 15
<u>CARGO HANDLING & STORAGE CHARGES</u>		
Handling of General Cargo	1,451,596,310	1,455,763,366

CARGO HANDLING & STORAGE CHARGES

Handling of General Cargo	1,451,596,310	1,455,763,366
Handling of Iron Ore & Other Ore	21,007,770	33,033,917
Storage of Goods	264,083,890	1,276,319,897
SPM Warfage	97,270,753	87,939,452
Cranage	89,100	281,776
Grab Royalty	2,976,532	5,700,861
Ore Mechanical Handling Plant Charges	-	1,236,081
MCHP Shipping Charges	1,805,403,614	1,630,244,294
MCHP Unloading Charges	1,062,440,494	1,006,534,044
POL Handling Charges	75,856,797	56,930,648
Demurrage Fees on General Cargo	82,214,242	81,985,420
Miscellaneous	6,765,496	5,237,955
TOTAL	4,869,704,998	5,641,207,711

SCHEDULE - 8**2015 - 16****2014 - 15****PORT & DOCK CHARGES****(Including Pilotage)**

Towage and Mooring Fees	317,771,429	289,851,175
Dock Dues (Berth Hire)	468,194,160	566,746,293
Port Dues	652,154,003	574,874,723
Pilotage Fees	1,735,742,694	1,437,714,815
Water & Oil supply to Shipping	17,187,238	16,050,089
Dry Dock	8,783,229	6,633,023
Miscellaneous Charges	1,750,839	1,871,939
TOTAL	3,201,583,592	2,893,742,057



SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)		
SCHEDULE - 9	2015 - 16	2014 - 15
<u>RAILWAY EARNING</u>		
Freight and Haulage Charges	666,897,636	505,556,376
Siding Charges	108,158,942	95,031,438
Terminal Charges	1,101,079,541	744,576,487
TOTAL	<u>1,876,136,119</u>	<u>1,345,164,301</u>

SCHEDULE - 10	2015 - 16	2014 - 15
<u>ESTATE RENTALS</u>		
Rent from Lands	80,796,197	78,134,128
Rent from Buildings, Sheds & Godowns	65,971,634	70,569,887
Recoverable Service Charges	143,598,866	130,843,900
Miscellaneous Income	1,257,449	1,824,892
TOTAL	<u>291,624,146</u>	<u>281,372,807</u>



SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

SCHEDULE - 11	2015 - 16	2014 - 15
<u>CARGO HANDLING & STORAGE CHARGES</u>		
Handling & Storage of General Cargo at Sheds & Wharfages	297,962,744	371,759,215
Handling & Storage of Iron Ore & Other Ore	6,799,723	14,340,069
Ware Housing	7,179,965	3,626,843
Operation & Maintenance of Ore Handling Plant	162,697,386	194,586,682
Operation & Maintenance of MCHP	753,316,562	665,978,521
Administration & General Expenses	237,075,822	234,948,982
Depreciation	372,179,070	378,225,143
TOTAL	1,837,211,272	1,863,465,455
<u>SCHEDULE - 12</u>		
<u>PORT & DOCK FACILITIES FOR SHIPPING (INCLUDING PILOTAGE)</u>		
Towing, Berthing & Mooring	322,151,573	340,036,644
Pilotage	38,861,582	50,192,822
Dry Dock Expenses	91,661	3,907,946
Dredging & Marine Survey	677,125,736	1,078,975,949
Operation & Maintenance of Navigation Aids.	39,622,560	43,223,616
Maintenance of Docks & Harbour Walls, Marine Structural, Sea Shore etc.	176,195,431	41,034,298
Administration & General Expenses	128,235,067	108,806,348
Depreciation	95,183,923	95,183,923
TOTAL	1,477,467,533	1,761,361,546



SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

SCHEDULE - 13	2015 - 16	2014 - 15
<u>RAILWAY WORKINGS</u>		
Operation & Maintenance of Locomotives, Wagons etc.	315,228,863	277,703,600
Maintenance of Permanent way, Signals and Inter Locking	100,046,821	66,110,558
Operation & Maintenance and Administrative Expenses of Station Yards & Sidings	2,069,488	5,987,344
Administration and General Expenses	47,769,852	35,650,120
Depreciation	50,719,463	50,719,463
TOTAL	515,834,487	436,171,085
<hr/>		
SCHEDULE - 14	2015 - 16	2014 - 15
<u>RENTABLE LANDS & BUILDINGS</u>		
Estate Maintenance	418,433,908	410,498,066

RENTABLE LANDS & BUILDINGS

Estate Maintenance	418,433,908	410,498,066
Administration & General Expenses	30,001,478	27,540,208
Depreciation	64,616,805	64,616,805
TOTAL	513,052,191	502,655,079

**SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016**

(Amount in ₹)

SCHEDULE - 15	2015 - 16	2014 - 15
<u>MANAGEMENT & GENERAL ADMINISTRATION</u>		
Management & Secretarial Expenses	463,345,543	435,367,400
Labour & Welfare Expenses	87,953,261	114,887,461
Medical Expenses	246,608,947	252,346,201
Store Keeping	29,792,666	34,526,066
Accounting & Auditing	70,046,861	72,769,032
Expenditure on Office Telephones	4,939,695	5,131,900
Engineering & Workshop Administration	453,168,211	458,098,203

Expenditure on Office Telephones	4,939,695	5,131,900
Engineering & Workshop Administration and Overhead	453,168,211	458,098,203
Sundry Expenses	32,354,458	15,508,381
Depreciation	22,452,885	25,226,166
TOTAL	1,410,662,527	1,413,860,810

SCHEDULE - 16	2015 - 16	2014 - 15
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FINANCE & MISCELLANEOUS INCOME

Interest on Fixed Deposit	1,021,659,573	902,396,388
Interest on Loans & Advances	13,389,392	5,537,239
Sale of Unservicable Materials	11,809,697	-
Miscellaneous Income	468,769,155	446,978,252
Items Relating to Previous Years	(45,373,279)	88,178,856
TOTAL	1,470,254,538	1,443,090,735



SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

SCHEDULE - 17	2015 - 2016	2014 - 15
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SCHEDULE - 17	2015 - 2016	2014 - 15
<u>FINANCE & MISCELLANEOUS EXPENSES</u>		
Bank Charges	-	258,637
Interest Payable on :		
- Initial Investment of Govt. of India	389,730,459	2,130,459
Pension Contribution including contribution the other part	1,397,917,547	1,243,830,849
Employers Contribution to CPF & Tire-IA/c.	4,537,770	4,037,786
TA to Family of Deceased Employees	4,224,166	4,799,078
E.L. Encashment Provision	14,586,539	18,021,108
C.S.R.	55,100,000	44,900,000
Service Charges for NPS	23,574	22,635
Gratuity Provision	161,034,465	20,629,601
Employees Welfare Fund	1,500,000	1,500,000
Items Relating to Previous Years	(1,008,153)	114,037,356
TOTAL	<u>2,027,646,367</u>	<u>1,454,167,509</u>

**SCHEDULE-18****ANNUAL ACCOUNTS 2015-16
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 Govt. Grants are recognized by reducing the value of Assets.
- 7 One time nonrefundable upfront fee received from lessees are apportioned over the period of lease.
- 8 Inventories are valued at weighted average cost.
- 9 The Investments are stated at Cost.
- 10 Investments 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 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).
- 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	2015 - 16	2014 - 15
Traffic (in Million MT)	76.39	71.01
Operating Income (₹ in Cr.)	1023.90	1016.15
Operating Expenditure (₹ in Cr.)	575.42	597.75
Operating Surplus (₹ in Cr.)	448.48	418.40
Total Income (₹ in Cr.)	1170.92	1160.46
Total Expenditure (₹ in Cr.)	778.18	743.17
Net Surplus (₹ in Cr.)	392.74	417.29
Operating Ratio	1:0.56	1:0.59
Unit Operating Cost per Ton of Cargo Handled (₹)	75.33	84.07
Salary & Wages as percentage of Total Expenditure	15.50	17.55
Provision of Income Tax (₹ in Cr.)	132.02	134.89



2. **PROFIT AND LOSS ACCOUNT**

The Profit and Loss Accounts shows an operating surplus of ₹ 448.48 crores and a Net Surplus of ₹ 392.74 crores. ₹ 120.00 crores has been transferred to two reserve funds. The accumulated surplus stands at ₹ 2483.28 crores as on 31.03.2016 which has been exhibited in the General Reserve.

3. **PENSION CONTRIBUTION**

To meet the liabilities on account of pensionary benefits, ₹ 138.68 crores has been provided towards Pension Fund and for Gratuity Fund ₹ 16.06 crores as per the actuarial valuation of LIC.

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**

₹ 2.75 crores has been provided against the anticipated payment towards Productivity Linked Reward.

6. **PROVISION TOWARDS VARIOUS RESERVE FUNDS**

₹ 120.00 crores has been appropriated to the following reserves out of the Net surplus after income tax of ₹ 132.02 crores as per the guidelines of Ministry.

a)	Replacement, Rehabilitation and Modernization of Capital Assets Reserve	₹ 60.00 crore
b)	Development, Repayment of Loan and Contingencies Reserve	₹ 60.00 crore

7. **TITLE DEEDS OF THE LAND**

A meeting of High Power Committee was held on 31.03.2015, where in Government of Odisha

7. TITLE DEEDS OF THE LAND

A meeting of High Power Committee was held on 31.03.2015, where in, Government 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 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 31.03.2015. The port has already filed mutation cases before District Administration for transfer of 6285.54 acres of land in favour of Paradip Port Trust. The proposal has already been cleared by Revenue and Disaster Management Department, Government of Odisha and pending with the Office of Chief Minister for order.



8. PLAN AND NON-PLAN EXPENDITURE

The total capital expenditure during the year 2015-16 was ₹ 111.44 crores, (Plan Capital ₹ 106.24 crores and Non-plan Capital ₹ 5.20 crores). An amount of ₹ 34.66 Crores is the commitment as on 31.03.2016 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 62 nos of cases filed by PPT against different parties during 2015-16. There are 117 nos of cases filed against PPT by different parties during 2015-16.

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

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, Paradip Port Trust filed an appeal before CIT (Appeal), against the order of the Assessing Officer. The Hon'ble CIT (Appeal) passed the order in favour of Paradip Port Trust.

For the financial year 2012-13, appeal has been filed before the Hon'ble CIT (Appeal), Cuttack against the assessment order passed by the Assessing Officer.

For the financial year 2013-14 and 2014-15, 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.

01.01.2004. The contribution of these employees along with contribution of FOM has been transferred to CRA system under NSDL with the approval of Pension Fund Regulatory & Development Authority.

14. GOVT.OFINDIALOAN

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. However, PPT is providing for interest w.e.f. 2014-15.

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
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 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 2016 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 ₹ 21.93 lakh were received at Central Store during 2015-16 have not been accounted for as those materials were inspected and check measured during 2016-17.
- 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)

No grant has been received during 2015-16.

e Investments (AS 13)

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



- ii. The share certificates for the investment made with IPRCL amounting to ₹ 10.80 crore is yet to be 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	₹ 58.15 crores
More than 6 months	₹ 53.87 crores

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

Sd/-
(Rinkesh Roy)
Chairman
Paradip Port Trust



Annexure - I

PENSION & GRATUITY FUND BALANCE SHEET AS AT 31.03.2016

(Amount in ₹)

LIABILITIES	Amount	ASSETS	Amount
<u>Pension Fund Account</u>		<u>Investment</u>	
Opening Balance	6,635,425,743	Pension Fund	7,662,360,160
Add : Contributiion from PPT	1,386,865,300	Gratuity Fund	1,198,172,846
Add : LSPC received from other Ports	27,035,980	Interest Accrued on Investment	25,972,500
	8,049,327,023		
Less: Excess of expenditure over Income	265,762,800		7,783,564,223
		<u>Cash & Bank Balance</u>	
<u>Gratuity Fund Account</u>		Cash at Bank	112,078,756
Opening Balance	1,175,207,884		
Add : Contributiion	160,000,000		
	1,335,207,884		
Less: Excess of expenditure over income	128,822,801		1,206,385,083
Current Liabilities			

over income 128,822,801 1,206,385,083

Current Liabilities

PPT Account 8,634,956

8,998,584,262

8,998,584,262

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

Sd/-
(Rinkesh Roy)
Chairman
Paradip Port Trust



**PENSION & GRATUITY FUND
INCOME AND EXPENDITURE ACCOUNTS
FOR THE YEAR ENDING 31.03.2016**

(Amount in ₹)

EXPENDITURE	Amount	INCOME	Amount
Pension Payment	838,005,370	Interest from Saving Account	4,254,009
Gratuity Payment	225,966,026	Interest on Investment of Pension Fund	567,988,461
Premium towards Gratuity	1,107,555	Interest on Investment of Gratuity Fund	98,250,780
		Bank Charges	100

Gratuity

Bank Charges 100

Excess of Expenditure Over Income

Transfer to Pension Fund 265,762,800

Transfer to Gratuity Fund 128,822,801 394,585,601

1,065,078,951

1,065,078,951

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

Sd/-
(Rinkesh Roy)
Chairman
Paradip Port Trust

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ANNUAL ACCOUNTS 2015-16



PARADIP PORT TRUST

Annexure - II

PROVIDENT FUND ACCOUNT

BALANCE SHEET AS AT 31.03.2016

BALANCE SHEET AS AT 31.03.2016

(Amount in ₹)

LIABILITIES	Amount	ASSETS	Amount
<u>GPF Fund</u>		<u>Investment</u>	
Opening Balance	1,339,217,525	Principal Amount	1,219,000,000
Add : Contribution	335,814,420	Interest Accrued	64,846,995
Add : Recovery	10,211,033		1,283,846,995
Add : Interest	117,712,417	Receivable from PPT	46,500
	1,802,955,395	Receivable from PPT (TDS)	1,668,779
Less : Withdrawal	506,573,649		
	1,296,381,746	<u>Cash & Bank Balance</u>	
		Cash at Bank	56,451,999
<u>CPF Fund</u>			
Opening Balance	16,873,229		
Add : Contribution	584,934		
(Employee)			
Add : Contribution	584,934		
(Employer)			
Add : Recovery	1,065,905		
Add : Interest	1,543,498		
	20,652,500		
Less Withdrawal	1,059,810		
	19,592,690		
Reserve Fund	24,581,718		
Less : Adjustment	1,458,119		
		1,342,014,273	1,342,014,273

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 31.03.2016**

(Amount in ₹)

EXPENDITURE	Amount	INCOME	Amount
Interest on GPF Balances	117,712,417	Interest on FDR	119,277,473
Interest on CPF Balances	1,543,498	Interest on Savings A/c.	1,436,561
Adjusted on Reserve Fund	1,458,119		
	<u>120,714,034</u>		<u>120,714,034</u>

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

Sd/-
(Rinkesh Roy)
Chairman
Paradip Port Trust



AUDIT REPORT

2015 - 16



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**SEPARATE AUDIT REPORT OF THE COMPTROLLER & AUDITOR
GENERAL OF INDIA ON THE ACCOUNTS OF PARADIP PORT TRUST,
PARADIP FOR THE YEAR ENDED 31ST MARCH, 2016**

We have audited the attached Balance Sheet of Paradip Port Trust, Paradip as at 31st March 2016 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

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. Fixed Assets (Schedule -3)**

A.1. Application of Fund

A.1.1. Fixed Assets (Schedule -3)

Net block ₹ 1225.17 Crore.

A.1.1.1. As per mandatory requirements of Accounting Standard 10 of ICAI, two Electrical Level Luffing Wharf Cranes retired from active use due to obsolescence and held for disposal should have been shown at ₹ 1.00 crore being the lower of net realizable value and net book value (₹ 5.49 crore). Non-compliance of the same has resulted in overstatement of Fixed Assets (net block) with corresponding overstatement of net surplus before income tax by ₹ 4.49 crore.

A.1.2 Capital Works-in-progress ₹ 262.62 crore.

A.1.2.1. The above includes Capital dredging work of South Oil Jetty and Enhancement of dredged depth in the Central Dock Basin amounting to ₹ 28.07 crore and ₹ 12.27 crore completed in July 2015 and March 2015 respectively. This non-capitalization of completed capital dredging work resulted in overstatement of CWIP by ₹ 40.34 crore and understatement of Net fixed assets by ₹ 39.82 crore and understatement of depreciation including prior period by ₹ 0.52 crore with consequent overstatement of net surplus by ₹ 0.52 crore.

A.1.2.2. The above includes ₹ 0.15 crore towards expenditure on providing 3 sets of RDSO standard height gauges at the level crossings of IOHP yard and ₹ 9.76 crore on signalling arrangement at Paradip Port for coal handling which were completed in March 2013 and August 2014 respectively. Thus non-capitalization of completed assets resulted in overstatement of CWIP by ₹ 9.91 crore and understatement of Net fixed assets by ₹ 8.92 crore and understatement of depreciation including prior period by ₹ 0.99 crore with consequent overstatement of net surplus by ₹ 0.99 crore.



A.1.2.3 The above also includes ₹2.75 crore towards expenditure for extension of sick line at PPT exchange yard completed in February 2015. Further, materials amounting to ₹1.03 crore utilised for the said asset were booked in revenue account in stead of capitalization. Thus, Non-capitalization of the work already completed has resulted in overstatement of CWIP by ₹2.75 crore and understatement of Fixed Assets (net block) by ₹3.65 crore. This has also resulted in understatement of net surplus before income tax by ₹0.90 crore after adjustment of depreciation including prior period ₹0.13 crore.

A.1.3. Investment (Sechedule-4) ₹2050.55 crore

A.1.3.1 The above includes 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 the investment at cost is contrary to the Accounting Standard -13 regarding accounting for investments. Similar comment was including in the Separate Audit Report of 2014-15, but no corrective action has since been taken.

A.1.3.2 The above also includes 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 (-) ₹422.91 crore as on 31 March 2014. Therefore, provision should be made for diminution in the value of long-term investment as required under Accounting Standard 13 of ICAI. This has resulted overstatement of investments with corresponding overstatement of Net surplus before tax by ₹40 crore.

A.1.4 Current Assets, Loans & Advance (Schedule-5) ₹265.87 crore

A.1.4.1 Advance for Purchases ₹4.58 crore

The above includes ₹2.79 crore towards expenditure on overhead electrification of new warehouse line which was completed in September 2013. Thus, non-capitalization of completed asset resulted in overstatement of Current Assets, Loans & Advances by ₹2.79 crore and understatement of Net fixed assets by ₹2.65 crore and understatement of depreciation including prior period by ₹0.14 crore.

**B. Profit & Loss Account****B.1 Income****B.1.1 Net Surplus/(Deficit) before Income Tax ₹392.74 crore**

B.1.1.1 The above does not include profit on disposal of fixed assets amounting to ₹0.41 crore which is in the nature of revenue profit and therefore, should have been accounted for as income in the Profit & Loss Account instead of transferring the same to capital reserve. Thus, this has resulted in understatement of net Surplus before Income Tax with corresponding overstatement of capital reserve by ₹0.41 crore.

B.1.2 Financial and Miscellaneous Income (Schedule-16) ₹ 147.03 crore**B.1.2.1 Interest on deposits ₹102.17 crore**

The above includes ₹ 28.18 crore being the interest income pertaining to Statutory Funds viz. Replacement, Rehabilitation and Modernisation of Capital Assets Fund and Development, Repayment of Loans and Contingencies Fund. However, due to inappropriate basis of apportionment, income is overstated by ₹28.18 crore on accounts of short credit of interest to the statutory funds as well as overstatement of Net Surplus before Income Tax by the same amount. This has also resulted in understatement of replacement, Rehabilitation and Modernisation of Capital Assets Fund by ₹ 14.90 crore and Development, Repayment of loans and Contingencies Fund by ₹ 13.28 crore.

B.2 Expenditure**B.2.1 Railway Workings (Schedule-13) ₹51.58 crore**

B.2.1.1 The above does not include ₹ 1.39 crore paid to Railway for Annual Maintenance Contract of Auto Signalling of ADB Bulb. As the expenditure pertains to maintenance, the same should have been charged as revenue expenditure in the Profit & Loss Account. Thus this has resulted in understatement of expenditure of Railway Working as well as overstatement of CWIP with corresponding overstatement of net surplus before income tax by ₹ 1.39 crore.

B.2.2 Finance and Miscellaneous Expenses (Schedule-17) ₹202.76 crore.



B.2.2.1 Pension Contribution ₹139.79 crore

As per actuarial valuation done by Life insurance Corporation of India (LIC), the assessed liability towards pension fund of the employees as on 31.03.2016 was ₹887.64 crore. PPT maintains a separate pension fund, wherein the fund balance was ₹ 778.36 crore as on 31.03.2016 (as per the unaudited statement). No provision, however, has been made in the books of accounts to make good the deficit of ₹ 109.28 crore in the Pension Fund. Thus, this has resulted in understatement of Provision for pension Contribution with corresponding overstatement of net surplus before income tax by ₹ 109.28 crore.

- C. 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 2016; and
 - b. In so far as it relates to Profit and Loss Account of the surplus for the year ended on that

- 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 2016 is given in Annexure-II.

Place: Kolkata
Date: 04 / 10 / 2016

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.

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:** The physical verification of inventory for the year 2015-16 has not been conducted. This exercise should be conducted annually for better management of inventory.
- (e) **Regularity in payment of statutory dues:** According to the information and explanations given to us and the records of the 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)
Director



ANNEXURE -II TO AUDIT REPORT

**REVIEW OF ACCOUNTS OF PARADIP PORT TRUST, PARADIP FOR THE YEAR ENDED
31 MARCH, 2016 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

Note: This review of Accounts has been prepared without taking into account the audit observation/

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 31.03.2016 was as follows:

(₹ in Crore)

A. LIABILITIES	2015-16	2014-15	2013-14
(i) Capital Reserve (#)	1745.05	1498.64	1265.15
(ii) Other Reserve (@)	2537.89	2434.66	2260.71
(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	1898.16	1689.67	1691.24
(v) Other Liabilities (CPF/Pension fund etc.)	Nil	Nil	Nil
TOTAL	6189.22	5631.09	5225.22



B. ASSETS	2015-16	2014-15	2013-14
(i) Fixed Assets (Gross Block)	2085.07	2089.49	2059.44
(ii) Less: Depreciation	859.90	803.76	742.37
(iii) Net Fixed Assets	1225.17	1285.73	1317.07
(iv) Work-in-Progress	262.62	176.50	129.07
(v) Investments	2050.55	1780.96	1682.47
(vi) Current Assets, Loans & Advances	2650.88	2387.90	2096.61
TOTAL	6189.22	5631.09	5225.22
C. Working Capital (*)	752.72	698.23	405.37
D. Net Worth (**)	2483.29	2385.78	2216.88
E. Capital Employed (***)	1977.88	1983.96	1722.44
F. Return on Capital Employed (****)	19.86%	21.03%	19.74%
G. Capital Employed (Including Capital Work-in-Progress)	2240.50	2160.46	1851.51
H. Return on Capital Employed (Including Capital Work-in-Progress)	17.53%	19.31%	18.37%



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



3. SUMMARY OF WORKING RESULTS

The working results of Paradip Port Trust for the last three years ending 31 March 2016 are summarized below -

(₹ in Crore)

		2015-16	2014-15	2013-14
(A)	REVENUE			
	(i) Operating Income	1023.90	1016.15	914.60
	(ii) Non-operating Income	147.02	144.31	153.57
	TOTAL	1170.92	1160.46	1068.17
(B)	EXPENDITURE			
	(i) Operating Expenditure	575.42	597.75	549.65
	(ii) Non-operating Expenditure	202.76	145.42	178.42
	TOTAL	778.18	743.17	728.07
(C)	Net Surplus/(Deficit) before tax	392.74	417.29	340.09
(D)	Less:			
	(i) Provision for taxation	132.02	134.89	106.98
	(ii) Deferred Tax Liability	4.34	6.83	8.63
(E)	Net Surplus/(Deficit) after tax	256.38	275.57	224.49
(F)	Less: Mandatory appropriation /			

	(ii) Deferred tax Liability	4.54	6.85	8.65
(E)	Net Surplus/(Deficit) after tax	256.38	275.57	224.49
(F)	Less: Mandatory appropriation / Transfer to Reserve Fund	120.00	100.00	108.00
(G)	Surplus/(Deficit) transferred to General Reserve fund	136.38	175.57	116.49
(H)	Percentage of Net Surplus (before tax) to			
	(a) Operating Income	38.36	41.06	37.18
	(b) Net Fixed Assets	32.06	32.45	25.82
	(c) Net Worth	15.82	17.49	15.34



4. RATIO ANALYSIS (LIQUIDITY AND SOLVENCY)

- (a) The percentage of Current Assets to Current Liabilities was 123.97, 141.32 and 139.65 during the years 2013-14, 2014-15 and 2015-16 respectively.
- (b) The percentage of quick Assets to Current Liabilities was 48.26, 55.07 and 53.83 during the years 2013-14, 2014-15 and 2015-16 respectively (Quick Assets represent Current Assets minus Inventories).
- (c) The percentage of Sundry Debtors to Operating Income was 10.31, 8.85 and 10.94 during the

- (c) The percentage of Sundry Debtors to Operating Income was 10.31, 8.85 and 10.94 during the years 2013-14, 2014-15 and 2015-16 respectively.
- (d) Debt to Capital Reserve & General Reserve ratio were 0.0023:1, 0.0021:1 and 0.00189:1 during the years 2013-14, 2014-15 and 2015-16 respectively.

Sd/-
(B. C. Mandal)
Director



**Action Taken Notes on
Audit Objections /
Observations Contained
in the Report of the Year
2015-16**



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**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 31ST MARCH, 2016**

Observation made by the Audit	Action taken by Paradip Port Trust
<p>iv. We further report that:</p> <p>A. BALANCE SHEET</p> <p>A.1. Application of Fund</p> <p>A.1.1. Fixed assets (Schedule -3) Net block ₹ 1225.17 Crore</p> <p>A.1.1.1. As per mandatory requirements of Accounting Standard 10 of ICAI, two Electrical Level Luffing Wharf Cranes retired from active use due to obsolescence and held for disposal should have been shown at ₹ 1,00 crore being the lower of net realizable value and net book value (₹ 5.49 crore). Non-compliance of the same has resulted in overstatement of Fixed Assets (net block) with corresponding overstatement of net surplus before income tax by ₹ 4.49 crore.</p> <p>A.1.2 Capital Works-in-progress ₹ 262.62 crore.</p> <p>A.1.2.1. The above includes Capital dredging work of South Oil Jetty and Enhancement of dredged depth in the Central Dock Basin amounting to ₹ 28.07 crore and ₹ 12.27 crore completed in July 2015 and March 2015 respectively. Thus non-capitalization of completed capital dredging work resulted in overstatement of CWIP by ₹ 40.34 crore and understatement of Net fixed assets by</p>	<p>Necessary accounting effect has been made vide JV No.622 of October 2016</p> <p>Necessary accounting effect has been made vide JV No.601-606 of October 2016</p>

resulted in overstatement of CWIP by ₹ 40.54 crore and understatement of Net fixed assets by



Observation made by the Audit	Action taken by Paradip Port Trust
<p>₹ 39.82 crore and understatement of depreciation including prior period by ₹0.52 crore with consequent overstatement of net surplus by ₹0.52 crore.</p>	
<p>A.1.2.2. The above includes ₹0.15 crore towards expenditure on providing 3 sets of RDSO standard height gauges at the level crossings of IOHP yard and ₹9.76 crore on signalling arrangement at Paradip Port for Coal Handling Project which were completed in March 2013 and August 2014 respectively. Thus non-capitalization of completed assets resulted in overstatement of CWIP by ₹9.91 crore and understatement of Net fixed assets by ₹8.92 crore and understatement of depreciation including prior period by ₹0.99 crore with consequent overstatement of net surplus by ₹0.99 crore.</p>	<p>Necessary accounting effect has been made vide JV No.607-610 of October 2016</p>
<p>A.1.2.3 The above also includes ₹2.75 crore towards expenditure for extension of sick line at PPT exchange yard completed in February 2015.</p>	<p>Necessary accounting effect has been made vide JV No.611-614 of October 2016</p>

The above also includes ₹ 2.75 crore towards expenditure for extension of sick line at PPT exchange yard completed in February 2015. Further, materials amounting to ₹1.03 crore utilised for the said asset were booked in revenue account instead of capitalization. Thus Non-capitalization of the work already completed has resulted in overstatement of CWIP by ₹2.75 crore and understatement of Fixed Assets (net block) by ₹3.65 crore. This has also resulted in understatement of net surplus before income tax

necessary accounting effect has been made vide JV No.611-614 of October 2016



Observation made by the Audit

Action taken by Paradip Port Trust

by ₹0.90 crore after adjustment of depreciation including prior period ₹0.13 crore.

**A.1.3. Investment (Schedule-4)
₹2050.55 crore**

A.1.3.1 The above includes 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 the investment

Paradip Port trust has already made correspondence with other ports in respect of investment made with Setu Samudram Corporation Ltd and the procedure followed for the said investment. In reply, (1) Chennai Port informed "Long-term investment are value at cost"

Chennai which has stopped working since August 2009. Valuation of the investment at cost is contrary to the Accounting Standard -13 regarding accounting for investments. Similar comment was included in the Separate Audit Report of 2014-15, but no corrective action has since been taken.

Corporation Ltd and the procedure followed for the said investment. In reply, (1) Chennai Port informed "Long-term investment are value at cost" and (2) Visakhapatnam Port trust informed "Since shares of SCL are not traded in the stock exchange and there is no evidence regarding market value, investment is considered at cost." However, suitable disclosure will be made in 2016-17.

A.1.3.2 The above also includes 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 (-) ₹422.91 crore as on 31 March 2014. Therefore, provision should be made for diminution in the value of long-term investment as required under

As per Common Frame Work for financial reporting long term investment are valued at cost. However, correspondence will be made with PPRCL regarding status of investment made with them. Based on their clarification, suitable disclosure will be made in 2016-17.



Observation made by the Audit

Action taken by Paradip Port Trust

Accounting Standard 13 of ICAI. This has resulted overstatement of investments with corresponding overstatement of Net surplus before tax by ₹40

overstatement of investments with corresponding overstatement of Net surplus before tax by ₹40 crore.

A.1.4 Current Assets, Loans & Advance (Schedule-5) ₹2650.87 crore

A.1.4.1 Advance for Purchases ₹4.58 crore

The above includes ₹2.79 crore towards expenditure on overhead electrification of new warehouse line which was completed in September 2013. Thus, non-capitalization of completed asset resulted in overstatement of Current Assets, Loans & Advances by ₹2.79 crore and understatement of Net fixed assets by ₹2.65 crore and understatement of depreciation including prior period by ₹0.14 crore.

Necessary accounting effect has been made vide Jr No.615-616 of October 2016

B. Profit & Loss Account

B.1 Income

B.1.1 Net Surplus/(Deficit) before Income Tax ₹392.74 crore

B.1.1.1 The above does not include profit on disposal of fixed assets amounting to ₹0.41 crore which is in the nature of revenue profit and therefore, should have been accounted for as income in the Profit & Loss Account instead of transferring the same to capital reserve. Thus, this has resulted in understatement of net Surplus before Income Tax with corresponding overstatement of capital reserve by ₹0.41 crore.

Necessary accounting effect has been made vide Jr No.617 of October 2016



Observation made by the Audit	Action taken by Paradip Port Trust
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**B.1.2 Financial and Miscellaneous Income
(Schedule-16) ₹ 147.03 crore**

B.1.2.1 Interest on deposits ₹102.17 crore

The above includes ₹ 28.18 crore being the interest income pertaining to Statutory Funds viz. Replacement, Rehabilitation and Modernisation of Capital Assets Fund and Development, Repayment of Loans and Contingencies Fund. However, due to inappropriate basis of apportionment, income is overstated by ₹28.18 crore on accounts of short credit of interest to the statutory funds as well as overstatement of Net Surplus before Income Tax by the same amount. This has also resulted in understatement of Replacement, Rehabilitation and Modernisation of Capital Assets Fund by ₹14.90 crore and Development, Repayment of Loans and Contingencies Fund by ₹13.28 crore.

Necessary accounting effect has been made vide JV No.618 of October 2016

B.2 Expenditure

**B.2.1 Railway Workings (Schedule-13)
₹51.58 crore**

B.2.1.1 The above does not include ₹ 1.39 crore paid to Railway for Annual Maintenance Contract of Auto Signalling of ADB Bulb. As the expenditure pertains to maintenance, the same should have been charged as revenue expenditure in the Profit & Loss Account. Thus this has resulted in understatement of expenditure of Railway Working as well as overstatement of CWIP with corresponding overstatement of net surplus before income tax by ₹ 1.39 crore.

Necessary accounting effect has been made vide JV No.619 of October 2016



Observation made by the Audit	Action taken by Paradip Port Trust
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**B.2.2 Finance and Miscellaneous Expenses
(Schedule-17) ₹ 202.76 crore.**

B.2.2.1 Pension Contribution ₹ 139.79 crore

As per actuarial valuation done by Life Insurance Corporation of India (LIC), the assessed liability towards pension fund of the employees as on 31.03.2016 was ₹ 887.64 crore. PPT maintains a separate pension fund, wherein the fund balance was ₹ 778.36 crore as on 31.03.2016 (as per the unaudited statement). No provision, however, has been made in the books of accounts to make good the deficit of ₹ 109.28 crore in the Pension Fund. Thus, this has resulted in understatement of Provision for Pension Contribution with corresponding overstatement of net surplus before income tax by ₹ 109.28 crore.

Paradip Port Trust has been obtaining actuarial valuation from LIC being a Public Sector Undertaking to ascertain the approximate liability towards pension fund. Further, provision is being made depending on suitability and availability of surplus in that particular financial year.

C. 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.

Suitable disclosure will be made on the discrepancies as listed in the annexure during 2016-17.

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

Profit and Loss Account dealt with by this report are in agreement with the books of accounts.



Observation made by the Audit	Action taken by Paradip Port Trust
<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>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 2016; and</p> <p>In so far as it relates to Profit and Loss Account of the surplus for the year ended on that date.</p>	<p>No Action</p>
<p>5 A review of accounts showing the summarized financial results of the Paradip Port Trust for the</p>	<p>No Action</p>

- 5 A review of accounts showing the summarized No Action
financial results of the Paradip Port Trust for the
last three years ended 31 March 2016 is given in
Annexure-II.

Place :Paradip
Dt. : 07 / 10 / 2016

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



ANNUAL ACCOUNTS

AND

AUDIT REPORT THEREON

WITH

WITH
ACTION TAKEN NOTES ON AUDIT
OBJECTIONS/OBSERVATIONS
CONTAINED IN THE REPORT
FOR THE YEAR 2015-16



PARADIP PORT TRUST

PARADIP PORT TRUST

ANNUAL ACCOUNTS 2015-16

ANNUAL ACCOUNTS 2015-16

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