PARADIP PORT
AUTHORITY



ANNUAL ACCOUNTS & AUDIT REPORT

2025-26

Paradip Port Authority

ANNUAL ACCOUNTS & AUDIT REPORT THEREON

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

FOR THE YEAR 2025-26



Paradip Port Authority

ANNUAL ACCOUNTS 2025-26

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Paradip Port Authority

ANNUAL ACCOUNTS
2025-26

BALANCE SHEET AS AT 31ST MARCH 2026

(Amount in ₹)

			SCH		As at 31.03.2026	As at 31.03.2025
I		**SOURCES OF FUNDS**				
	1	RESERVES & SURPLUS	1		1,31,72,57,78,742	1,14,21,68,10,597
	2	LOAN FUNDS	2		8,11,60,348	8,11,60,348
				TOTAL	**1,31,80,69,39,090**	**1,14,29,79,70,945**
II		**APPLICATION OF FUNDS**				
	1	PROPERTY, PLANT & EQUIPMENTS	3			
		a) Gross Block		34,51,71,44,892		32,41,04,85,389
		Less: Depreciation		13,82,39,48,158		13,38,45,87,285
		Net Block		20,69,31,96,734		19,02,58,98,104
		b) Capital Works-in Progress		3,14,23,50,138		2,61,10,92,348
					23,83,55,46,872	21,63,69,90,452
	2	INVESTMENTS	4		74,92,35,86,674	58,60,80,12,025
	3	CURRENT ASSETS, LOANS & ADVANCES	5	88,01,20,48,394		77,06,61,77,411
		Less: CURRENT LIABILITIES AND PROVISIONS	6	54,96,42,42,850		43,01,32,08,943
		Net Current Assets			33,04,78,05,544	34,05,29,68,468
				TOTAL	**1,31,80,69,39,090**	**1,14,29,79,70,945**
		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/-
A.K. Sahu
FA & CAO
Paradip Port Authority

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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2026

(Amount in ₹)

	SCH	2025-26	2024-25
INCOME			
Cargo handling & storage charges	07	12,97,83,23,977	12,49,16,13,653
Port & Dock Charges(Including pilotage Fees)	08	8,27,75,19,623	8,13,91,93,544
Railway Earnings	09	3,22,22,64,961	3,26,88,01,532
Estate Rentals	10	82,33,37,690	62,44,11,116
TOTAL		**25,30,14,46,251**	**24,52,40,19,845**
LESS EXPENDITURE			
Cargo handling & storage Charges	11	1,55,83,24,714	1,44,52,79,334
Port & Dock Facilities (including Pilotage)	12	2,01,88,39,563	2,68,90,75,990
Railway workings.	13	76,66,93,154	83,03,97,457
Rentable land & buildings.	14	80,22,53,928	74,37,29,447
Management & General Administration (not directly attributable to a Activity)	15	3,22,14,64,058	2,78,12,54,895
TOTAL		**8,36,75,75,417**	**8,48,97,37,123**
Operating Surplus/(Deficit)		16,93,38,70,834	16,03,42,82,722
Add: Finance & Misc. Income	16	4,14,12,88,583	3,04,46,88,474
Less: Finance & Misc Expenditure	17	68,88,18,156	47,89,59,504
Net Surplus/(Deficit) before Income Tax		**20,38,63,41,261**	**18,60,00,11,692**
Provision for Income Tax		6,87,71,42,203	6,26,57,35,268
Provision for Deferred Tax Liability		24,79,02,781	23,48,88,909
Net Surplus after Income Tax		**13,26,12,96,277**	**12,09,93,87,515**
Less: Appropriations			
Fund for Replacement, Rehabilitation and Modernisation of Capital Assets		10,00,00,00,000	2,50,00,00,000
Fund for Development, Repayment of Loan & Contingencies		1,82,00,00,000	2,50,00,00,000
Net Surplus after Appropriation		**1,44,12,96,277**	**7,09,93,87,515**
Significant Accounting policy and Notes on Accounts	18		

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

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SCHEDULE TO BALANCE SHEET

(Amount in ₹)

	SCHEDULE-1 RESERVES & SURPLUS	As at 31.03.2026	As at 31.03.2025
a.	**CAPITAL RESERVE**	14,02,33,759	14,02,33,759
b.	**REVENUE RESERVE**		
i.	General Reserve		
	Opening Balance	61,83,72,72,789	54,73,78,85,274
	Less: Earlier years short provisions	-	
	Add:		
	- Other Adjustment		-
	- Net Surplus	1,44,12,96,277	7,09,93,87,515
		63,27,85,69,066	**61,83,72,72,789**
ii	Reserve for repayment of initial investment	8,11,60,348	8,11,60,348
		8,11,60,348	**8,11,60,348**
iii	Employees Welfare Fund		
	Opening Balance	15,00,000	15,00,000
	Additions	15,00,000	15,00,000
	Less : Expenditure	(15,00,000)	(15,00,000)
		15,00,000	**15,00,000**
iv	E.L. Encashment Fund	61,22,48,385	56,89,71,778
		61,22,48,385	**56,89,71,778**

c.	**STATUTORY RESERVE**		
i.	Replacement, Rehabilitation, Modernisation of Capital Assets Fund		
	Opening Balance	29,34,17,10,864	24,96,20,67,204
	Add: Appropriation from Profit & Loss Account	10,00,00,00,000	2,50,00,00,000
	Add: Interest from investment of Fund	2,39,13,49,435	1,87,96,43,660
		41,73,30,60,299	**29,34,17,10,864**
ii	Development, Repayment of Loans & Contigencies Fund.		
	Opening Balance	22,24,59,61,059	18,36,32,11,252
	Add: Appropriation from Profit & Loss Account	1,82,00,00,000	2,50,00,00,000
	Less: Repayment of GoI Loan	-	-
	Add: Interest from investment of Fund	1,81,30,45,826	1,38,27,49,807
		25,87,90,06,885	**22,24,59,61,059**
	TOTAL	**1,31,72,57,78,742**	**1,14,21,68,10,597**

	SCHEDULE-2 **LOAN FUNDS**	**As at 31.03.2026**	**As at 31.03.2025**
a.	SECURED LOANS	-	-
b.	GOVT. LOANS		
i.	Initial Investment by G.O.I.	8,11,60,348	8,11,60,348
c.	UNSECURED LOANS	-	-
	TOTAL	**8,11,60,348**	**8,11,60,348**

SCHEDULE - 3
FIXED ASSETS

SCHEDULE TO BALANCE SHEET

Description of Asset	GROSS BLOCK			
	As at 01.04.2025	Additions during the year	Del/Adj during the year	As at 31.03.2026
1	2	3	4	5
Land	20,59,21,286	16,03,554	-	20,75,24,840
Lease land	71,10,000	1,21,41,000	(2,13,900)	1,90,37,100
Stacking Yard	1,27,96,59,074	19,26,768	-	1,28,15,85,842
Capital Dredging	5,57,49,41,379	17,57,35,700	-	5,75,06,77,079
Building Sheds and Other Structures	2,05,79,96,385	11,35,37,010	-	2,17,15,33,395
Wharves, Roads, Boundaries	7,65,82,64,396	1,45,91,55,300	-	9,11,74,19,696
Floating Craft	51,55,13,008	-	-	51,55,13,008
Railway and Rolling Stock	4,95,94,42,706	7,65,51,122	-	5,03,59,93,828
Docks, Sea-Walls, Breakwaters, Piers & Navigational Aids	78,34,22,675	-	-	78,34,22,675
Cranes and Vehicles	6,47,27,345	21,13,298	-	6,68,40,643
Plant & Machinery	6,20,47,86,290	7,66,30,760	-	6,28,14,17,050
Installation and Equipments	2,04,03,80,655	18,69,95,122	-	2,22,73,75,777
Furniture & Equipment	-	-	-	-
General Cargo Handling Equipments	1,03,97,50,196	4,83,769	-	1,04,02,33,965
Flotila & Marine Crafts	1,85,69,994	-	-	1,85,69,994
Total	**32,41,04,85,389**	**2,10,68,73,403**	**(2,13,900)**	**34,51,71,44,892**
Works in Progress	2,61,10,92,348	2,96,09,18,258	2,42,96,60,468	3,14,23,50,138
Grand Total	**35,02,15,77,737**	**5,06,77,91,661**	**2,42,94,46,568**	**37,65,94,95,030**
Previous Year	33,56,60,30,622	3,37,56,86,629	(1,92,01,39,514)	35,02,15,77,737

AS AT 31.03.2026

(Amount in Rupees)

DEPRECIATION				NET BLOCK	
As at 01.04.2025	Provisions for the year	Del/Adj during the year	Total as on 31.03.2026	As at 31.03.2026	As at 31.03.2025
6	7	8	9	10	11
-	-	-	-	20,75,24,840	20,59,21,286
47,40,000		-	47,40,000	1,42,97,100	23,70,000
31,25,86,850	3,20,39,646	24,875	34,46,51,371	93,69,34,466	96,70,72,219
66,38,39,688	5,75,06,771	-	72,13,46,459	5,02,93,30,620	4,91,11,01,691
91,92,75,775	4,32,67,466	4,52,197	96,29,95,438	1,20,85,37,957	1,13,87,20,610
2,16,13,64,557	18,09,63,095	53,726	2,34,23,81,378	6,77,50,38,318	5,49,68,99,839
40,91,40,999	1,83,14,496	-	42,74,55,495	8,80,57,513	10,63,72,009
1,25,63,90,480	10,81,51,741	(4,14,07,525)	1,32,31,34,696	3,71,28,59,132	3,70,30,52,226
39,86,59,734	1,17,13,808	-	41,03,73,542	37,30,49,133	38,47,62,941
6,25,97,345	7,07,287	-	6,33,04,632	35,36,011	21,30,000
5,85,75,98,966	4,19,43,437	(11,71,05,393)	5,78,24,37,010	49,89,80,040	34,71,87,324
79,45,12,995	5,54,00,097	-	84,99,13,092	1,37,74,62,685	1,24,58,67,660
-	-	-	(1)	1	1
52,53,09,903	4,73,10,961	24,188	57,26,45,052	46,75,88,913	51,44,40,293
1,85,69,993	-	-	1,85,69,992	2	2
13,38,45,87,285	**59,73,18,805**	**(15,79,57,932)**	**13,82,39,48,158**	**20,69,31,96,734**	**19,02,58,98,104**
-	-	-	-	3,14,23,50,138	2,61,10,92,348
13,38,45,87,285	**59,73,18,805**	**(15,79,57,932)**	**13,82,39,48,158**	**23,83,55,46,872**	**21,63,69,90,452**
12,96,36,61,364	52,23,59,452	(10,14,33,531)	13,38,45,87,285	21,63,69,90,452	20,60,23,69,252

SCHEDULE TO BALANCE SHEET

(Amount in ₹)

	SCHEDULE-4 INVESTMENTS	As at 31.03.2026	As at 31.03.2025
A.	INVESTMENT WITH GOVT. OR TRUST SECURITIES	-	-
	Total	-	-
B.	SHARES, DEBENTURES OR BONDS (LONG TERM)		
	Setu Samudram Corporation Ltd. (3,00,00,000 shares @ ₹10/- each)	30,00,00,000	30,00,00,000
	Haridaspur Paradip Railway Co. Ltd. (13,85,21,106 shares @ ₹10/- each)	1,38,52,11,060	1,38,52,11,060
	Paradip Port Road Co Ltd. (4,00,00,000 shares @ ₹10/- each)	40,00,00,000	40,00,00,000
	Inland water Ways Consotium (3,30,000 shares @ ₹10/- each)	33,00,000	33,00,000
	Dredging Corporation of India Ltd.(Quoted) (50,40,101 shares @ ₹510/- each)	2,57,04,51,510	2,57,04,51,510
	Indian Port Rail & Rope way Corporation Ltd. (1,08,00,000 shares @ ₹10/- each)	10,80,00,000	10,80,00,000
	Total	**4,76,69,62,570**	**4,76,69,62,570**
C.	INVESTMENT PROPERTIES	-	-
	Total	-	-
D.	OTHERS (LONG TERM)		
	Deferred tax fund	1,85,11,48,187	1,60,32,45,406
	Replacement, Rehabilitation and Modernisation of Capital Assets Reserve Fund	41,73,30,60,299	29,34,17,10,864
	Development, Repayment of Loan & Contingencies Reserve Fund	25,87,90,06,885	22,24,59,61,059
	Repayment of Initial Investment of GOI Fund	8,11,60,348	8,11,60,348
	E.L Encashment Fund	61,22,48,385	56,89,71,778
	Total	**70,15,66,24,104**	**53,84,10,49,455**
	G.TOTAL	**74,92,35,86,674**	**58,60,80,12,025**

SCHEDULE TO BALANCE SHEET

(Amount in ₹)

	SCHEDULE-5		As at 31.03.2026	As at 31.03.2025
	CURRENT ASSETS, LOANS & ADVANCES			
A.	**CURRENT ASSETS**			
i.	Accrued Interest on Investment		4,89,30,71,092	3,39,94,61,643
ii.	Accrued Interest on Loan to DCI		2,35,63,043	
iii.	Inventories		2,39,40,725	72,49,273
iv.	Sundry Debtors			
	a. Govt. Dues	20,74,23,232		
	b. Non-Govt. Dues	2,69,80,27,147	2,90,54,50,379	2,33,28,79,666
v.	Cash & Bank Balance			
	a. Cash in Hand	-		-
	b. Bank Balance			
	i. Fixed Deposit	26,99,54,43,889		25,67,83,20,070
	ii. Savings Bank A/c.			
	- Indian Bank	41,28,220		6,53,81,109
	- I.D.B.I Bank (Inv)	2		2,35,25,350
	- PNB (United Bank of India)	6,46,61,062		8,55,169
	- Indian Bank (Ext)	4,05,097		3,94,866
	- Uco Bank	9,14,164		1,50,81,454
	- PNB (Oriental Bank of Commerce)	9,76,369		9,51,707
	- Union Bank	1,92,35,755		25,30,089
	- I.D.B.I Bank	22,41,06,581		4,07,06,928
	- I.D.B.I Bank (Estate)	26,09,084		27,02,436
	-Axis Bank	13,49,63,959		30,48,30,677
	- State Bank of India (Main)	765		2
	- State Bank of India (Suravi)	7,27,51,562		20,91,72,290
	- ICICI Bank	36,01,59,079		39,86,69,790
	- Indian Overseas Bank	4,79,684		1,00,50,357
	- PN Bank	5,50,670		1,11,65,714
	- Bank of India	2,33,172		45,70,358
	- State Bank of India (POS)	1,63,181		1,27,667
	- Kotak Mahinra Bank	21,71,644		4,92,963
	- HDFC Bank	22,30,90,613		30,83,10,348
	-Bank of Baroda	24,52,987		15,04,58,498
	-Bank of Maharastra	1,78,665		10,01,08,939
	-Canara Bank	2,27,208		-
	-State Bank of India (EMD)	-		-
	-I.D.B.I (EMD)	19,96,682		-
	-State Bank of India (RFID)	1,40,532		-
	- Indusind Bank	3,06,24,09,952	31,17,44,50,578	3,02,10,49,387

SCHEDULE TO BALANCE SHEET

(Amount in ₹)

SCHEDULE-5 (Contd..)		As at 31.03.2026	As at 31.03.2025
B. LOANS AND ADVANCES			
i. Deposits		77,99,02,770	75,09,27,370
ii. T.D.S		8,91,42,57,193	7,15,73,04,199
iii. Payments in Advance			
- Advance for Purchases	8,94,345		32,650
- Advance for Motor Cycle/ Scooters/Computer etc.	3,00,166		6,08,059
- Advance for Festival/Medical	63,59,001		79,80,000
- Advance to Contractors	65,37,79,497		23,10,98,383
CURRENT ASSETS, LOANS & ADVANCES			
- House Building Advance	3,92,95,691		4,64,38,672
- Temporary Advance to departments	68,17,211		26,84,903
- Permanent Imprest to departments	5,80,000		5,60,000
- Income Tax	37,54,75,19,410		31,74,75,19,410
- GST	29,42,34,641		37,90,50,767
- Loan to DCI	60,00,00,000		55,85,26,248
- Loan PPT ECCS	50,00,000		1,25,00,000
- Receivable from Pension Fund	5,00,20,264		
- Prepaid Expenses (Insurance)	9,26,12,388	39,29,74,12,614	8,19,00,000
	TOTAL	**88,01,20,48,394**	**77,06,61,77,411**

SCHEDULE TO BALANCE SHEET

(Amount in ₹)

	SCHEDULE-6		As at 31.03.2026	As at 31.03.2025
	CURRENT LIABILITIES & PROVISIONS			
A	**CURRENT LIABILITIES**			
i.	Creditors for Stores	20,65,883		92,767
ii.	Miscellaneous Creditors & Balance	7,54,55,466		5,77,83,126
iii.	Deposits from Merchants, Contractors & Others	10,43,00,98,215		6,03,90,22,750
iv.	GST	84,81,12,916		74,22,88,755
			11,35,57,32,480	**6,83,91,87,398**
B	**PROVISIONS**			
i.	Contingencies	-		-
ii.	Taxation			
	Income Tax	39,57,30,81,455		32,69,59,39,252
	Deferred Tax liability	1,85,11,48,187		1,60,32,45,406
iii.	Employee Related Benefits			
	Provident Fund	1,45,88,782		81,15,396
	Productive Linked Bonus	1,60,00,000		1,75,25,607
	Payable to Pension Fund	-		1,88,81,470
iv.	Other Liabilities			
	Capital Grant-in Aid GOI	20,90,74,610		12,63,04,362
	Capital Grant-in Aid GOO	5,00,00,000		5,00,00,000
v.	Other Provisions			
	CSR Liability	14,12,14,147		11,06,03,118
	Accrued Expenses	1,75,34,03,189		1,54,34,06,934
			43,60,85,10,370	**36,17,40,21,545**
		TOTAL	**54,96,42,42,850**	**43,01,32,08,943**

SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026

(Amount in ₹)

SCHEDULE-7	2025-26	2024-25
CARGO HANDLING & STORAGE		
Handling of General Cargo	2,19,98,07,647	1,74,41,25,853
Handling of Iron Ore & Other Ore	7,58,31,267	6,78,19,734
Licence Fee on BOT	11,76,59,521	8,35,55,881
Storage of goods	52,68,29,495	81,79,91,563
SPM Warfage	26,91,22,800	23,84,13,483
Revenue Share on BOT	3,76,87,24,739	3,69,78,44,014
HMC Royalty	77,88,74,175	70,02,73,988
Ore Mechanical Handling Plant Charges	8,56,17,639	20,18,34,737
MCHP Shipping Charges	2,85,55,04,090	2,75,15,44,540
MCHP Unloading Charges	1,77,87,72,818	1,77,80,63,321
POL Handling Charges	38,07,15,384	33,23,91,901
Demurrage fees on General Cargo	13,37,56,526	7,25,34,256
Miscellaneous	71,07,876	52,20,382
TOTAL	**12,97,83,23,977**	**12,49,16,13,653**

SCHEDULE-8		
PORT & DOCK CHARGES		
(Including Pilotage)		
Towage and Mooring Fees	1,45,77,08,293	1,25,33,65,550
Dock Dues (Berth Hire)	67,80,06,110	67,88,61,696
Port Dues	2,05,53,74,235	1,99,41,62,958
Pilotage Fees	4,03,17,86,284	4,15,71,18,825
Water & Oil supply to Shipping	1,52,96,399	1,87,15,935
Dry Dock	2,73,26,599	2,66,43,423
Miscellaneous Charges	50,89,029	35,47,630
Slipway Charges	69,32,674	67,77,527
TOTAL	**8,27,75,19,623**	**8,13,91,93,544**

SCHEDULE-9		
RAILWAY EARNING:		
Freight and Haullage Charges	63,90,32,522	67,41,93,927
Siding Charges	9,50,32,974	9,02,19,792
Terminal Charges	2,48,78,28,019	2,50,43,87,813
Wharfage Demurrage	-	-
Weighment Charges - Railway	3,71,446	
TOTAL	**3,22,22,64,961**	**3,26,88,01,532**

SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026

(Amount in ₹)

SCHEDULE-10		2025-26	2024-25
ESTATE RENTALS:			
Rent from Land		40,27,98,277	27,87,65,670
Rent from Buildings, Sheds & Godowns		9,72,80,679	8,43,59,805
Recoverable Service Charges		31,73,60,374	25,12,88,345
Miscellaneous Income		58,98,360	99,97,296
	TOTAL	**82,33,37,690**	**62,44,11,116**

SCHEDULE-11			
CARGO HANDLING & STORAGE			
Handling & Storage of General Cargo at Sheds & Wharfages		4,40,56,972	2,70,39,268
Handling & Storage of Iron Ore & Other Ore		23,94,255	3,43,07,610
Operation & Maintenance of Ore Handling Plant		20,19,45,082	19,56,24,011
Operation & Maintenance of MCHP		94,03,45,083	89,28,21,361
Administration & General Expenses		19,82,32,573	14,24,79,273
Depreciation		17,13,50,749	15,30,07,811
	TOTAL	**1,55,83,24,714**	**1,44,52,79,334**

SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026

(Amount in ₹)

SCHEDULE-12		2025-26	2024-25
PORT & DOCK FACILITIES FOR SHIPPING (INCLUDING PILOTAGE)			
Towing, Berthing & Mooring		86,32,79,524	92,28,52,972
Pilotage		12,70,68,704	10,16,16,690
Dredging & Marine Survey		62,25,24,458	1,36,83,40,964
Operation & Maintenance of Navigation Aids		-	2,02,17,661
Maintenance of Marine Structurals, Sea Shore etc.		1,08,45,143	85,73,364
Administration & General Expenses		30,75,86,659	17,99,56,858
Depreciation		8,75,35,075	8,75,17,481
	TOTAL	**2,01,88,39,563**	**2,68,90,75,990**

SCHEDULE-13			
RAILWAY WORKINGS			
Operation & Maintenance of Locomotive, Wagons etc.		47,69,96,003	49,54,80,813
Operation & Maintenance of Station Yards & Sidings			
Maintenance of Permanent way, Signals and Inter Locking		14,85,17,919	21,54,89,286
Administration and General Expenses		3,30,27,491	2,46,99,412
Depreciation		10,81,51,741	9,47,27,946
	TOTAL	**76,66,93,154**	**83,03,97,457**

SCHEDULE-14			
RENTABLE LANDS & BUILDINGS			
Estate Maintenance		56,93,38,593	55,64,02,514
Administration & General Expenses		4,47,62,794	3,97,72,351
Depreciation		18,81,52,541	14,75,54,582
	TOTAL	**80,22,53,928**	**74,37,29,447**

SCHEDULE TO PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026

(Amount in ₹)

SCHEDULE-15	2025-26	2024-25
MANAGEMENT & GENERAL ADMINISTRATION		
Management & Secretarial Expenses	88,04,58,762	75,07,40,090
Labour & Welfare Expenses etc.	17,05,33,503	9,79,72,576
Medical Expenses	49,92,89,220	45,92,92,000
Store Keeping	3,49,70,955	4,13,60,269
Insurance on Port Properties	19,84,94,669	17,32,68,270
Accounting, Auditing & Others	12,22,57,959	12,19,88,205
Telephone Expenses	46,95,322	54,15,132
Engineering & Workshop Administration & Overhead	1,21,63,41,851	1,03,64,03,105
Sundry Expenses	5,22,93,118	5,52,63,616
Depreciation	4,21,28,699	3,95,51,632
TOTAL	**3,22,14,64,058**	**2,78,12,54,895**
SCHEDULE-16		
FINANCE & MISCELLANEOUS INCOME		
Interest on deposit	3,23,23,25,778	2,26,38,42,354
Interest on Advances to DCI		17,27,667
Interest on Loan to DCI	5,33,66,795	4,80,60,000
Interest on loans & advances	65,90,033	27,97,765
Sale of unservicable materials	72,15,080	2,52,47,865
Miscellaneous Income	62,81,10,473	60,69,89,182
Items Relating to Previous Years	21,36,80,424	9,60,23,641
TOTAL	**4,14,12,88,583**	**3,04,46,88,474**
SCHEDULE-17		
FINANCE & MISCELLANEOUS EXPENSES		
Bank Charges	3,52,662	2,08,915
Interest Payable on:-		
- Initial Investment of Govt. of India	21,30,459	21,30,459
- Interest on GPF		-
Pension payments including contribution		
- Contribution to Pension Fund	-	20,00,00,000
- Contribution to Other Ports		1,76,17,046
Electrical Charges	-	
E.L. Encashment		
Employer's Contribution CPF & Tire-I A/c	3,08,35,474	2,38,07,622
TA to Retired employees	31,56,633	27,67,148
PMRS	50,50,00,000	
C.S.R	10,00,00,000	10,00,00,000
Service Charges for NPS	24,459	24,377
Gratuity Payment		
Employees Welfare Fund	15,00,000	15,00,000
Items relating to Previous years	4,58,18,469	13,09,03,937
TOTAL	**68,88,18,156**	**47,89,59,504**

SCHEDULE-18

ANNUAL STATEMENT OF ACCOUNTS 2025-26
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. ACCOUNTING POLICIES

1. The financial statement of PPA have been prepared based on the revised accounting policy as set up in the recommendation of the Billimoria Committee Report and approved by the Ministry of Shipping vide its communication bearing reference No. PR-20021/2/98-PG dated 06.11.2002.
2. The Books are maintained under Mercantile System of accounting except interest due on advances to employees, amount withheld from the bills but not released during the year.
3. Operating Income is recognized as and when services are rendered except the income from the vessels arrived during the year but the service completed in subsequent year. Income from defaulted /disputed parties are not considered as income as suggested by Audit.
4. Fixed Assets are exhibited at historical cost.
5. Fixed Assets that have outlived their useful life/surveyed off earlier are removed from the financial statements upon their disposal and not found during physical verification.
6. Fixed Assets under Construction are categorized as Capital Works in Progress.
7. Govt. Grants are recognized by reducing the value of Assets to the extent of grants and only on receipt basis.
8. One time non-refundable upfront fee received from parties are apportioned over the period of lease.
9. Inventories are valued at weighted average cost.
10. Long term Investments are stated at Fair Value and Face value.
11. Investments are classified as below:-
    a) Government or Trust Securities
    b) Shares , Debentures or Bonds
    c) Investment Properties
    d) Others

Considering the nature of investment, all the investments as stated above are long term in nature. The short term investments have been shown under "Current Assets" as fixed deposits.

12. Prior period income or expenses which arise in the current period as a result of errors or omission in the preparation of Financial Statements of one or more prior periods are included under Finance and Miscellaneous Income or Expenditure.
13. The stores received during the financial year but not check measured are not accounted for.
14. Foreign Currency denominated transactions: Foreign exchange denominated transactions are evaluated at the rate of exchange prevailing on the date of service, unless a specific date is prescribed in a particular contract.
15. Figures of the previous year are being regrouped/ rearranged where ever necessary to confirm to the current year classification.
16. **Depreciation (AS 10)**

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

    The depreciation on fixed assets has been calculated on the basis of straight-line method which is being followed consistently. The depreciation is provided for the full year irrespective of the date of capitalization of the asset.

    As per the Govt. of India guidelines, assets costing less than ₹1 lakh and having life not more than 5 years unless it is a part of any project are fully charged to Revenue Account.
17. **Profit or loss on sale of Property, Plant & Equipments**

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

    Statutory Reserve has been created for the specific purposes and it's fund is being restricted to use for the purposes mentioned therein.
19. **Capital Work In Progress capitalization:**

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

    The interest income from the investment of statutory funds are being credited to respective funds.

21. **Provisions, Contingent Liabilities & Contigent Assets:**

A provision is made when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience.

No provision is made or the liabilities arising from transactions and events whose future outcome can't be ascertained with reasonable certainties. Such contingent liabilities are not recognized but are disclosed in the notes of contingent liabilities.

22. **Dredging Expenditure:**

Dredging for maintaining the existing depth and width are charged to revenue. However, Dredging Expenditure for achieving the additional depth and width is treated as capital in nature which is amortised over a period of 100 years as per the Government guidelines.

23. **Retirement benefits (Accounting Standard -15)**

Actuarial valuation is carried out by Life Insurance Corporation of India towards pension and gratuity liability in respect of employees. As per availability of funds as required contributions are made to Pension Fund and Gratuity Fund created for the purpose by charging to revenue account.

Port's contribution to new Pension Scheme is also charged to Profit & Loss Account. Employees who have joined services in the Port after 01.01.2004 are covered under New Contributory Pension Scheme. The said Employees and Employer's contribution is being remitted to NPS Trust through Protean under the registration Code of the Port on monthly basis.

B. NOTES ON ACCOUNTS

1. RESULTS FOR THE YEAR

PARTICUKARS	2025-26	2024-25
Traffic (in Million MT)	156.45	150.41
Operating Income (₹ In Cr.)	2530.14	2452.40
Operating Expenditure (₹ In Cr.)	836.76	848.97
Operating Surplus (₹ In Cr.)	1693.38	1603.43
Total Income (₹ In Cr.)	2944.27	2756.87
Total Expenditure (₹ In Cr.)	905.64	896.87
Net Surplus (₹ In Cr.)	2038.63	1860.00
Operating Ratio (in percentage)	33.07	34.62
Unit Operating Cost per Ton of Cargo Handled (₹)	53.48	56.44
Salary & Wages as percentage of total expenditure (%)	9.79	10.20
Provision of Income Tax (₹ In Cr.)	687.71	626.57

2. **PROFIT AND LOSS ACCOUNT**

The Profit and Loss Accounts shows an operating surplus of ₹1693.38crores and a Net Surplus of ₹2038.63crores. ₹1182 crores has been transferred to two reserve funds.

3. **PROVISION TOWARDS PRODUCTIVITY LINKED REWARD**

₹1.60 crores has been provided against the anticipated payment towards Productivity Linked Reward to the employees.

4 **PROVISION TOWARDS VARIOUS RESERVE FUNDS**

₹1182crores has been appropriated to the following Reserves out of the Net Surplus after Income Tax as per the guidelines of Ministry.

a) Replacement, Rehabilitation and Modernization of Capital Assets Reserve	₹1000.00 crore
b) Development, Repayment of Loan and Contingencies Reserve	₹182.00 crore

As per the Ministry of Surface Transport Port Wing Letter No. PR-15024/7/93-PG dated 16.06.1994. a minimum 3% of the Capital employed should be appropriated and transferred to the statutory reserves. During the year, 19.52% of the Capital employed has been appropriated to the Statutory reserves to support future capital augment across various project.

5 **TITLE DEEDS OF THE LAND**

I. A meeting of High Power Committee was held on 31.03.2016, where in, Government of Odisha had agreed to handover the land under the possession of Paradip Port Authority on transfer basis instead of lease. In accordance to the outcome of the meeting, a joint petition was filed in the Hon'ble High Court of Odisha. The order of Hon'ble High Court of Odisha has already been passed with a direction to adhere to the decision arrived at the meeting held on 31.03.2016. The port has already filed mutation cases before District Administration for transfer of 6285.54 Acres of land

In favour of Paradip Port Authority. However, the land utilization letter for the vacant areas was submitted vide letter No. AD/EST-LAND-35/2016 (Pt.V)/2802 dated 07.11.2017 to the Joint Secretary, R&D, Govt. of Odisha. Again the report relating to optimization study of land Assets of Paradip Port was submitted on 20.02.2018 vide Letter No. ADESTLAND-35/2016(Pt.V)/655 dated20.02.2018. The proposal has already been cleared by Revenue and Disaster Management Department, Government of Odisha which is pending with the Office of Chief Minister, Odisha for order.

Again Principal Secretary, R&DM Department, Govt. of Odisha had undertaken meetings on 21.02.2018 and 27.10.2018. In the said meetings, it was decided that Revenue Department will take further course of action for transfer of land to PPA with Govt. approval. A review meeting on different issues with PPA & Govt of Odisha including mutation of land was conducted during visit of Chief Secretary, Govt. of Odisha to Paradip on 04.01.2020.

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

ii. An area measuring 26.68 acres was in possession of East Coast railway since 1970 without payment of License fees.

iii. An area measuring 73.50 acres of port land was under encroachment.

iv. Settlement of State land records in respect of 187.82 Acres of land at Haridaspur - Case has been filed in the Court of the Director Consolidation, Odisha Cuttack vide RS No.157/2019.

v. Further, a letter has been communicated addressing to Principal Secretary to the Government, Revenue & Disaster Management Department, Govt. of Odisha on dated 17.02.2021 requesting for issue suitable instruction to the Collector, Jagatsinghpur and Tahasildar, Kujang to complete the mutation process of 6,285.54 acres of land as per the settlement arrived between Paradip Port Authority and Government of Odisha in the meeting dated 30.01.2015 and in compliance of the order of the Hon'ble High Court of Odisha.
Subsequently, reminders have been issued to State Government and multiple meetings were held in presence of the Chief Secretary, Govt. of Odisha.
Further, on 22.12.2025 Additional Secretary to Govt of Odisha directed special secretary to Govt, of Odisha, R & D Department for completion of mutation of land in favour of PPA. State Government is in process of mutation of Ac.6285.54 in favour of PPA now.

6 PLAN AND NON-PLAN EXPENDITURE

The total capital expenditure during the year 2025-26 was ₹332.56 crore. An amount of ₹.55.09 crore is the commitment as on 31.03.2026 towards ongoing plan projects.

7 FUNDING STATUS OF SUPERANNUATION, GRATUITY & LEAVE ENCASHMENT FUNDS

The position of corpus available with Superannuation Fund, Gratuity Fund and Leave encashment and the actuarial valuation done by LIC of India as on 31st March 2026 is as under.

(Rs. in Crore)

FUND	Actuarial Valuation as on 31.03.2026	Corpus Fund as on 31.03.2026	Remarks
Superannuation Fund	2870.95	3244.78	Fully Funded
Gratuity Fund	105.78	129.55	Fully Funded
Leave Encashment Fund	52.82	61.22	Fully Funded

8 INCOME TAX

For the Financial Year 2002-03 to 2011-12, the assessment has been completed. The Principal CIT revised the order of the Assessing Officer for the Assessment Years 2003-04, 2004-05 and 2005-06 under section 263 and stated that the order is prejudice to the interest of the revenue. PPA filed appeal before the Income Tax Appellate Tribunal, Cuttack against the order of the Principal CIT, Bhubaneswar-1. The ITAT, Cuttack bench squshed the order of the Pr.CIT and passed the order in favour of PPA. PPA had filed a writ before the Hon'ble High Court of Odisha to refund back interest u/s244A of the Income Tax Act.

For the Financial Year 2012-13 to 2014-15 and 2022-23, the case is pending with ITAT Cuttack Bench and 2015-16, 2016-17, 2019-20, 2020-21, 2021-22 and 2023-24 appeal has been filed before the Hon'ble CIT (Appeal) against the assessment order passed by the Assessing Officer.

For the financial year 2017-18, the scrutiny assessment completed, but the order is yet to be received. For the Financial year 2018-19, the assessment is completed U/s 143(1) of the Income Tax Act, 1961. There is no scrutiny assessment for that year. For the financial year 2024-25 the Scrutiny Assessment is in progress.

9 CONTRIBUTION FOR TIER - I EMPLOYEES

In line with Govt. of India Order, NPS-TIER – I A/c is in operation for employees who have joined on or after 01.01.2004. The contribution of these

employees along with contribution of Port has been transferred to CRA system under Protean.

10 CONTINGENT LIABILITY

There are 267 nos. of cases filed against PPA by different parties as on 31.03.2026. The Financial implication is around ₹269.60 Cr.

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

Name of the party	₹ in Cr.
PPL	44.64
BAM DEV NAYAK	9.92
TRIVENI EARTH MOVERS	10.00
M/S SEATRANS MARINE PVT. LTD	50.00
REACH DREDGING LTD.	2.54
MANOJ KUMAR ACHAYATH	50.00
GOPINATH PARIDA	10.00
LAXMIDHAR MOHANTY	8.24
PEQCTPL	36.38
OTHERS	47.88
TOTAL	**269.60**

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

The details of the CSR expenditure and provision for last 5 years is as below which has been charged to Finance and Misc. Expenditure:

₹ in Crore

F.Y	CSR Provision	CSR Expenditure
2021-22	10.00	10.00
2022-23	10.00	10.00
2023-24	10.00	10.00
2024-25	10.00	10.00
2025-26	10.00	5.88

CSR liability is being shown separately under the major head "Current Liabilities and Provision". The liability as on 31.03.2026 comes to ₹14.12 crore.

12. The accounts of PPA have been prepared as per the uniform accounting practices followed by all Major Port Trusts since 1972. The accrual system of Accounting has been followed in recognisation 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 2026 are treated as consumed as its impact in the account is not significant and is being followed consistently. Similarly, medicines purchased during the year are considered to be consumed and charged to Profit and Loss account and is being followed consistently.

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

13. After winding up of Paradip Port Road Company Limited and SPV of NHAI all the equity shares held by NHAI has been transferred to National Highway Logistic Management Limited and as per the above absorption investment of Paradip Port Authority is safe.

14 PHYSICAL VERIFICATION OF FIXED ASSETS:

The physical verification of fixed assets has been completed by M/s DM Associates, Chartered Accountants in Financial year 2022-23. PPA had duly accounted for the observations made in the physical verification report.

Considering the complexity of the work, Physical verification of Fixed Assets is done in every five years interval.

15. Capital grant in aid has been received up to 2025-26 towards fishery harbor amounting to ₹83.00 crore including interest under Pradhan Mantri Maschya Sampad Yojana and an amount of ₹5.00 crore has been received from Govt. of Odisha during 2023-24. Out of the total grant of ₹83.00 crore under Pradhan Mantri Maschya Sampad Yojana, ₹62.09 crore has been exclusively utilized for the localization of fisheries harbours and ₹20.91 crore is in the balance as on 31.03.2026.

16. Paradip Port Authority made an investment of Rs.30 Crores in the Equity Shares of M/s. Sethusamudram Corporation Limited (M/s. SCL) and the same has been disclosed under investment at cost. As per Ministry of Shipping and Road Transport & Highways Letter No. PD-26014/3/2004-Setu dated 1st June 2005 along with other major Ports, PSUs and Government of India. Accordingly, the investment is made by the Port with M/s. SCL under investment at cost. Since SCL is not a listed company and own by major Ports, PSUs and Government of India, it is not ascertainable for declining of investment. Long Term Investments are usually carried at cost and when there is decline in the value of long term investment, carrying amount is reduced to recognize the decline. Indicators of value of an investment are obtained on it's market value. As pointed out above, SCL shares are not listed in the Stock Exchange. Hence, the value has not been disclosed. Further, it is informed that SCL has moved a proposal for liquidation to the Ministry against which no direction has been received till date. Even M/s. SCL has also not indicated any such impact in writing to recognize such decline/diminution. Since it is a long term investment and necessary action, if any on the carrying cost will be taken on receipt of information on winding up of M/s. SCL from Govt. of India.

17. **RESERVE FOR REPAYMENT OF INITIAL INVESTMENT:**

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

18. **GENERAL:**

a) As per the Clause 11.7 the Share Purchase agreement entered into between M/s .Dredging Corporation of India Limited and Paradip Port Authority. Paradip Port Authority has invested(quoted) ₹257.04crore towards equity of M/s. Dredging Corporation of India Limited with a lock in period of 3 years.

The market price of DCI share as on 31.03.2026 stands at ₹939.95 as per (BSE) and ₹938.45 as per (NSE) and the total share value is ₹472.99 crore as per (NSE).

b) PPA had given loan to M/s .Dredging Corporation of India Limited amounting to ₹60.00crore in two installments, i.e ₹54.00crore on dated 10.11.2023 and ₹6.00 on dated 12.05.2025.The rate of interest is @8.95% per annum.

c) All Sundry Debtors are considered good and hence no provision is made for bad debts as per Government letter No. PR-20021/298-PG dated 06.11.2002. The matter is being taken up with CAG to formulate a uniform policy in this regard by Ministry of Shipping vide letter No. PD-21015/1/2017-PD-IV/327607 dated 05.05.2018.

d) The figures has been rounded up to rupees one.

19. **SUNDRY DEBTORS:**

The age wise classification of sundry debtors are given below:

Less than 6 months	₹173.49 Crores
More than 6 months	₹117.05 Crores

Sd/-
A.K. Sahu
F.A & C.A.O.
Paradip Port Authority

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

PARADIP PORT AUTHORITY
परादीप बन्दरगाह

Annexure-I

PENSION & GRATUITY FUND
BALANCE SHEET AS AT 31.03.2026

AMOUNT(₹)

LIABILITIES		2025-26	2024-25	ASSETS		2025-26	2024-25
nsion Fund				Investment			
ening Balance	31,93,94,08,479		31,28,12,44,969	Pension Fund			
				Investment in LIC	32,44,78,24,955		31,83,46,60,130
Add:							
(i) Contribution from PPA	-		20,00,00,000	Gratuity Fund			
(ii) LSPC	18,62,584		1,86,81,470				
				Investment in LIC	1,29,55,28,471		1,20,29,12,735
Add:						33,74,33,53,426	33,03,75,72,865
(i)Excess of Income over Expenditure (As per Income & Expenditure A/c)	58,44,00,486		43,92,34,642	Current Assets and Loan & Advances			
	32,52,57,71,519		31,93,93,61,081	Receivable from PPA		-	1,86,81,470
Loss:Excess salary recovery	-						
Less: Payable to Pensioner	-						
Add: Medical Re-Imbursement Payable	6,34,715		47,398				
		32,52,64,06,234	31,93,94,08,479				
Payable to Provident Fund				Cash & Bank Balance			
Payable to PPA		5,00,20,264		Cash at Bank		4,43,66,816	3,47,70,273
atuity Fund							
ening Balance	1,15,16,16,129		1,10,66,94,995				
Add: Excess of Income over Expenditure (As per Income & Expenditure A/c)	6,94,79,615		4,51,21,134				
		1,21,12,95,744	1,15,18,16,129				
		33,78,77,22,242	33,09,12,24,608			33,78,77,22,242	33,09,12,24,608

Sd/-
A.K. Sahu
F.A & C.A.O
Paradip Port Authority

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

Annexure-I

PENSION & GRATUITY FUND
INCOME AND EXPENDITURE ACCOUNTS
FOR THE YEAR ENDING 31.03.2026

AMOUNT (₹)

EXPENDITURE	2025-26	2024-25	INCOME	2025-26	2024-25
Pension Payment	1,77,51,41,741	1,57,92,42,158	**Interest Income**		
Gratuity Payment	3,31,34,941	4,28,49,690	From Saving Account	25,70,421	37,50,243
Arrear Pension Payment-WRC	8,61,93,019	42,02,33,219	From LIC on Pension Fund	2,44,31,64,825	2,43,49,59,776
Premium towards Gratuity	–	6,47,023	From LIC on Gratuity Fund	9,26,15,736	8,86,17,847
Bank Charges	1,180		**Other Income**		
Excess of Income Over Expenditure of Gratuity Fund	5,94,79,615	4,51,21,134	Excess of Expenditure Over Income of Pension Fund		
Excess of Income Over Expenditure of Pension Fund	58,44,00,486	43,92,34,642	Excess of Expenditure Over Income of Gratuity Fund		
	2,53,83,50,982	**2,52,73,27,865**		**2,53,83,50,982**	**2,52,73,27,865**

Sd/-
A.K. Sahu
F.A & C.A.O
Paradip Port Authority

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

Annexure-II

PROVIDENT FUND ACCOUNT
BALANCE SHEET AS AT 31.03.2026

AMOUNT (₹)

LIABILITIES		2025-26	2024-25	ASSETS		2025-26	2024-25
GPF Fund				**Investment**			
Opening Balance	1,00,78,91,788		98,89,82,947	Principal Amount	94,36,23,687		92,78,68,797
Add: Contribution	9,68,78,432		10,31,26,456	Interest Accrued	96,50,256		47,28,387
Add: Recovery	20,42,300		28,21,895			95,32,73,943	93,25,97,184
Add: Interest	6,61,36,570		6,64,29,468				
Add: Surplus Interest	1,14,19,721		3,26,752				
	1,18,43,66,811		1,16,16,89,516	**Current Assets, Loan & Advances**			
				Receivable from PPT		1,45,88,782	61,15,396
Less Withdrawal	19,86,88,266		15,37,97,728				-
		98,56,78,545	1,00,78,91,788				
CPF Fund				**Cash & Bank Balance**			
Opening Balance	81,18,589		1,07,20,900	Cash at Bank		2,66,11,017	7,52,97,797
Add: Contribution (Employee)	69,626		1,10,655				
Add: Contribution (Employer)	69,626		1,10,655				
Add: Recovery of Temporary Adv	60,000		1,82,800				
Add: Interest	4,77,356		6,07,770				
	87,95,197		1,17,32,780				
Less: Withdrawal	-		36,14,191				
		87,95,197	81,18,589				
		99,44,73,742	1,01,60,10,377			99,44,73,742	1,01,60,10,377

Sd/-
A.K. Sahu
F.A & C.A.O
Paradip Port Authority

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

Annexure-II

PROVIDENT FUND ACCOUNT
INCOME AND EXPENDITURE ACCOUNTS
FOR THE YEAR ENDING 31.03.2026

AMOUNT (₹)

EXPENDITURE	2025-26	2024-25	INCOME	2025-26	2024-25
Interest on GPF Balances	6,61,36,570	6,64,29,466	Interest on FDR	7,59,62,009	6,31,86,284
Interest on CPF Balances	4,77,355	6,07,770	Income from MF	7,54,889	28,18,444.00
Bank Charges	1,180	295	Interest on Saving Bank A/c	13,17,928	13,61,555
Surplus	1,14,19,721	3,28,752			
	7,80,34,826	**6,73,66,283**		**7,80,34,826**	**6,73,66,283**

Sd/-
A.K. Sahu
F.A & C.A.O
Paradip Port Authority

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

Annexure-III

EMPLOYEES POST RETIREMENT MEDICAL BENEFIT SCHEME
INCOME AND EXPENDITURE ACCOUNTS FOR THE YEAR ENDING 31.03.2026

AMOUNT (₹)

EXPENDITURE	2025-26	2024-25	INCOME	2025-26	2024-25
Surplus Transferred to Fund	2,63,39,178		Interest from LIC	2,63,39,178	-
	2,63,39,178	**-**		**2,63,39,178**	**-**

Sd/-
A.K. Sahu
F.A & C.A.O
Paradip Port Authority

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

Annexure-III

EMPLOYEES POST RETIREMENT MEDICAL BENEFIT SCHEME
BALANCE SHEET AS ON 31.03.2026

AMOUNT (₹)

LIABILITIES	2025-26	2024-25	ASSETS	2025-26	2024-25
Employees PRMPS Fund	50,50,00,000	-	Investment with LIC	52,63,39,178	-
Add: Surplus during the year	2,63,39,178	-	Balance with Bank	50,00,000	-
	53,13,39,178	**-**		**53,13,39,178**	**-**

Sd/-
A.K. Sahu
F.A & C.A.O
Paradip Port Authority

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

Paradip Port Authority

AUDIT REPORT
2025-26

SEPARATE AUDIT REPORT ON THE ACCOUNTS OF PARADIP PORT AUTHORITY FOR THE YEAR ENDED 31 MARCH 2026

A. Balance Sheet
Application of Funds

(1) Property, Plant & Equipment (Schedule-3)
Capital Works-in Progress: ₹314.24 crore (Schedule-3)

The above includes an amount of ₹20.87 crore advance paid to East Coast Railway for the deposit work 'Grid separation for simultaneous reception of trains from CTC and HDS ends'. Booking of the advance amount in Capital work-in-progress (CWIP) without actual execution of work resulted in overstatement of the CWIP by ₹20.87 crore with corresponding understatement of "Advance to contractors" (Loans and Advance – Schedule 5).

(2) Investments₹ 7492.36 crore (Schedule-4)

The above includes ₹30 crore invested by the PPA in equity shares of M/s Sethusamudram Corporation Limited (SCL) in 2005. However, the work on Sethusamudram Project has been halted in 2007 and SCL has sold various operational assets. SCL applied for liquidation and Ministry also directed (June 2021) to complete the winding up activities.

Thus, the investments made by the Port may not be realized and the erosion in investmentvalue should have been provided for. Non-creation of provision resulted in an overstatement of investments and profit by 30 crore each.

This is repeat comment is being raised since 2021-22, however no corrective action has been taken.

(3) Current Liabilities & Provisions: ₹5496.42 crore (Schedule-6)

The Board of Directors' of PPA approved (August 2024) formation of 'Post Retirement Medical Benefit Scheme' Trust for better and effective management of the LIC of India's post-retirement medical benefit scheme which is fund based group savings scheme and settlement of claims. PPA contributed ₹50.50 crore to the above fund during 2025-26. As per the actuarial valuation for the above scheme, the present value of the obligation towards the scheme as of 31 March 2025 was ₹355.65 crore. However, PPA has not made provision for the balance amount of ₹305.15 crore (₹355.65 crore - ₹50.50 crore) in its accounts for the year ended March 2026.

This resulted in understatement of the 'Current Liabilities & provisions' and 'Finance and Miscellaneous Expenditure' by ₹305.15 crore with overstatement of 'Net Surplus before Income Tax' for the year to the same extent.

B. Profit & Loss Account-Nil

C. Receipts and Payments Account-Nil

D. Accounting Policies

(1) Significant Accounting Policies and Notes on Accounts
Notes on Accounts
Contingent Liability: ₹269.60 crore

The above does not include an amount of ₹1527.09 crore demanded by Income Tax Department on various dates related the Assessment Year 2013-14, 2015-16, 2016-17, 2017-18 and 2020-21 to 2024-25, which are under appeals. Similarly, demand raised by the GST Commissioner for excess input tax credit of Rs.15.57 crore claimed by the authority during 2017-18 , 2018-19 and 2020-21 which are under appeals before the Appellate Authority are not included in contingent liability.

E. General
Current Assets-Loan &Advance: ₹8,801.12 crore
Bank Balance: 417.90 crore

The above includes bank balances aggregating to Rs.417.65 crore, pertaining to 25 SB/CA accounts maintained by PPA with various bank. Confirmation of these balances was not received from the respective banks. Accordingly, the balance aggregating Rs.417.65 crore remain unconfirmed as at the reporting date

F. Management Letter

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

G. Assessment of Internal Controls

(1) I. Adequacy of Internal Control system

(a) Temporary Advance to Department

A temporary advance, which has already been passed for payment, is given to a department, to cover immediate expenses. This advance is intended to be temporary and is usually adjusted later against the presentation of detailed bills and vouchers. The process involves specific procedures for sanctioning, utilizing and ultimately adjusting of advances. The account of temporary advance should be adjusted/closed as soon as the expenditure for the purpose has been incurred. The above represented unreconciled/ unadjusted temporary advance/non recovery amount of Rs. 68,17,211 since April 2025.

This unadjusted Temporary Advances is an indication of weak Internal Control System. The issue was also raised through the Management Letter for the year 2024-25, however, no corrective actions are taken during the year 2025-26 by the management.

(b) Permanent Imprest to Departments

Paradip Port Authority used to disburse a sum of money to different departments for a specific purpose, often to cover recurring or unexpected expenses, such as petty cash expenses. It's essentially a pre-approved cash advance that needs to be accounted for with documentation and records of how the funds were spent. Unspent balance, at the end of the financial year i.e. 31st March 2026, should be returned to the Cash Section. Otherwise, closing cash balance, should be supported by Physical Verification Report of Closing Cash Balance (31.03.2026) or to obtain from the custodian an acknowledgment or confirmation of the balances. However, the closing balance of imprest account (₹5,80,000) neither have Physical Verification Report of such balance nor any confirmation from custodians of such liquid cash. Hence, the existence of such cash balance, as depicted in the accounts, couldn't be confirmed in audit. This is an indicative of weak Internal Control System. The issue was raised through the Management Letter for the year 2024-25, however, no corrective action are taken during the year 2025-26 by the management.

ii. Internal Audit System

The Major Port Authorities (Accounts and Audit) Rules, 2021, stipulate that the Board may appoint a practising Chartered Accountant (CA), Cost and Management Accountant (CMA), or any other approved professional empanelled with the Comptroller and Auditor General © & AG) or the Reserve Bank of India (RBI) as the Internal Auditor.

Internal Auditor for the period from 01.10.2023 to 30.09.2025, and subsequently for the period from 01.11.2025 to 30.09.2027 were appointed. However, both appointments were made without obtaining the approval of the Board of Paradip Port Authority, as required under the Rules.Further, the Internal Audit Reports for April 2025 to October 2025 and March 2026 were not produced to Audit for verification.

iii. System of Physical Verification of Fixed Assets

PPA conducts physical verification of Fixed Assets at interval of five years. The last physical verification of Fixed Assets was carried out in the year 2022-23. The Fixed Asset Register made available to Audit did not contain essential particulars such as the date of addition/acquisition. In the absence of these records, Audit could not verify the existence of fixed assets or the accounting of discrepancies.

iv. System of Physical Verification of Inventory.

The Physical verification of the Inventories was not carried out during 2023-24, 2024-25 and 2025-26. The management has stated that the physical verification of inventories is proposed to commence during FY 2026-27.

v. Regularity in payment of statutory dues

According to the information and explanation given and the records of the Authority provided to audit, PPA is generally regular in depositing with the appropriate authorities undisputed

statutory dues including Income Tax, Custom Duty, Service Tax, Sales Tax, royalty, ESI dues, Cess etc. and any other material statutory dues applicable to the Authority.

H Grants-in-aid

Particulars	Amount (₹ in crore)
Opening Balance as on 01.04.2025	13.91
Add: Grants received during the year for various projects	29.93
Less Expenditure incurred during 2025-26	22.93
Closing Balance of Grant as on 31.03.2026	20.91

I. Lack of Response : Nil

Place: Chennai
Date:

(S. Velliangiri)
Principal Director of Audit, Shipping

Paradip Port Authority

ACTION TAKEN NOTE ON SEPARATE AUDIT REPORT FROM THE OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT, SHIPPING, CHENNAI ON THE ACCOUNTS OF PARADIP PORT AUTHORITY FOR THE YEAR ENDED 31 MARCH 2026

Sl. No.	Observation made by Audit	Action Taken by Paradip Port Authority
A.1.	**Capital work-n-progress: ₹314.24 crore (Schedule - 3)** i. The above includes an amount of ₹20.87 crore advance paid to East Coast Railway for the deposit work 'Grid separation for simultaneous reception of trains from CTC and HDS ends'. Booking of the advance amount in Capital work-in-progress (CWIP) without actual execution of work resulted in overstatement of the CWIP by ₹20.87 crore with corresponding understatement of "Advance to contractors" (Loans and Advance - Schedule 5).	Necessary accounting effect has given in the FY 2026-27.
2.	**Investment: ₹7492.36 crore (Schedule - 4)** The above includes ₹30 crore invested by the PPA in equity shares of M/s Sethusamudram Corporation Limited (SCL) in 2005. However, the work on Sethusamudram Project has been halted in 2007 and SCL has sold various operational assets. SCL applied for liquidation and Ministry also directed (June 2021) to complete the winding up activities. Thus, the investments made by the Port may not be realized and the erosion in investmentvalue should have been provided for. Non-creation of provision resulted in an overstatement of investments and profit by 30 crore each. This is repeat comment is being raised since 2021-22, however no corrective action has been taken.	In this regard, attention is invited to Sl. No. 17 of the Notes to Accounts, wherein it has been appropriately disclosed that Paradip Port Authority has invested ₹30.00 crore in the equity shares of M/s Sethusamudram Corporation Limited (SCL) pursuant to the directions of the Ministry of Shipping, Road Transport & Highways vide Letter No. PD-26014/2004-Setu dated 01.06.2005, along with other Major Ports, Public Sector Undertakings and the Government of India. Accordingly, the investment has been accounted for as a long-term investment at cost. As prescribed under Accounting Standard (AS)-13 on Accounting for Investments, long-term investments are ordinarily carried at cost. A reduction in the carrying amount is required only when there is a decline, other than temporary, in the value of the investment. Such diminution is required to be recognised based on objective and reliable evidence. In the present case, M/s SCL is an unlisted Government-promoted company, and its equity shares are not quoted on any recognised stock exchange. Therefore, no market value is available to objectively determine any diminution in the value of the investment. Further, although M/s SCL has reportedly forwarded a proposal for liquidation to the Ministry of Ports, Shipping and Waterways, no final decision or approval has been communicated by the Government of India, nor has M/s SCL formally intimated any diminution or impairment in the value of its equity shares warranting recognition in the books of account.

Sl. No.	Observation made by Audit	Action Taken by Paradip Port Authority
		In the absence of any conclusive evidence indicating a permanent diminution in the value of the investment, the Authority has continued to carry the investment at cost in accordance with the provisions of AS-13. Necessary accounting action, if any, shall be considered upon receipt of a final decision from the Government of India.
3.	**Current Liabilities & Provisions: ₹5496.42 crore (Schedule - 6)** The Board of Directors' of PPA approved (August 2024) formation of 'Post Retirement Medical Benefit Scheme' Trust for better and effective management of the LIC of India's post-retirement medical benefit scheme which is fund based group savings scheme and settlement of claims. PPA contributed ₹50.50 crore to the above fund during 2025-26. As per the actuarial valuation for the above scheme, the present value of the obligation towards the scheme as of 31 March 2025 was ₹355.65 crore. However, PPA has not made provision for the balance amount of ₹305.15 crore (₹355.65 crore - ₹50.50 crore) in its accounts for the year ended March 2026. This resulted in understatement of the 'Current Liabilities & provisions' and 'Finance and Miscellaneous Expenditure' by ₹305.15 crore with overstatement of 'Net Surplus before Income Tax' for the year to the same extent.	As per Accounting Standard (AS) 15 – Employee Benefits, actuarial valuation is required for measurement and disclosure of employee benefit obligations. This Standard does not mandate to fund or contribute to the respective Trust in a single accounting period. Accordingly, the PRMBS will be funded based on the fund availability.
D.1.	**Significant Accounting Policies and Notes on Accounts** **Notes on Accounts** **Contingent Liability: ₹269.60 crore.** The above does not include an amount of ₹1527.09 crore demanded by Income Tax Department on various dates related the Assessment Year 2013-14, 2015-16, 2016-17, 2017-18 and 2020-21 to 2024-25, which are under appeals. Similarly, demand raised by the	The mere raising of a demand by the Assessing Officer does not, by itself, establish the existence of a present and enforceable liability. In earlier assessment years, the appellate authorities have either deleted or substantially reduced the tax demands raised by the Department. Hence, these disputed tax demand will not be included in the contingent liability. Similarly, raising of GST demand by the Department does not establish its liability. Hence, it is not proper to include those items as contingent liability.

Sl. No.	Observation made by Audit	Action Taken by Paradip Port Authority
	GST Commissioner for excess input tax credit of Rs.15.57 crore claimed by the authority during 2017-18 , 2018-19 and 2020-21 which are under appeals before the Appellate Authority are not included in contingent liability.	
E.	**General** **Current Assets - Loan & Advance: Rs.8,801.12 Crore** **Bank Balance : 417.90 Crore** The above includes bank balances aggregating to Rs.417.65 crore, pertaining to 25 SB/CA accounts maintained by PPA with various bank. Confirmation of these balances was not received from the respective banks. Accordingly, the balance aggregating Rs.417.65 crore remain unconfirmed as at the reporting date.	The online bank statement and/or bank passbook are shown to Auditor during audit. However, the observation made is noted for future compliance.
F.	**Management Letter** Deficiencies which have not been included in the Separate Audit Report have been brought to the notice of the Management through a Management Letter issued separately for remedial / corrective action.	Noted.
G.1.	**I. Assessment of Internal Controls** **(a) Temporary Advance to Department:** A temporary advance, which has already been passed for payment, is given to a department, to cover immediate expenses. This advance is intended to be temporary and is usually adjusted later against the presentation of detailed bills and vouchers. The process involves specific procedures for sanctioning, utilizing and ultimately adjusting of advances. The account of temporary advance should be adjusted/closed	Noted for future compliance.

Sl. No.	Observation made by Audit	Action Taken by Paradip Port Authority
	as soon as the expenditure for the purpose has been incurred. The above represented unreconciled / unadjusted temporary advance/non recovery amount of Rs.68,17,211 since April 2025. This unadjusted Temporary Advances is an indication of weak Internal Control System. The issue was also raised through the Management Letter for the year 2024-25, however, no corrective action are taken during the year 2025-26 by the management.	
	(b) Permanent Imprest to Departments Paradip Port Authority used to disburse a sum of money to different departments for a specific purpose, often to cover recurring or unexpected expenses, such as petty cash expenses. It's essentially a pre-approved cash advance that needs to be accounted for with documentation and records of how the funds were spent. Unspent balance, at the end of the financial year i.e. 31st March 2026, should be returned to the Cash Section. Otherwise, closing cash balance, should be supported by Physical Verification Report of Closing Cash Balance (31.03.2026) or to obtain from the custodian an acknowledgment or confirmation of the balances. However, the closing balance of Imprest account (₹5,80,000) neither have Physical Verification Report of such balance nor any confirmation from custodians of such liquid cash. Hence, the existence of such cash balance, as depicted in the accounts, couldn't be confirmed in audit. This is an indicative of weak Internal Control System. The issue was raised through the Management Letter for the year 2024-25, however, no corrective action are taken during the year 2025-26 by the management.	Noted for future compliance.

Sl. No.	Observation made by Audit	Action Taken by Paradip Port Authority
	ii. Internal Audit System: The Major Port Authorities (Accounts and Audit) Rules, 2021, stipulate that the Board may appoint a practising Chartered Accountant (CA), Cost and Management Accountant (CMA), or any other approved professional empanelled with the Comptroller and Auditor General (C&AG) or the Reserve Bank of India (RBI) as the Internal Auditor. Internal Auditor for the period from 01.10.2023 to 30.09.2025, and subsequently for the period from 01.11.2025 to 30.09.2027 were appointed. However, both appointments were made without obtaining the approval of the Board of Paradip Port Authority, as required under the Rules.Further, the Internal Audit Reports for April 2025 to October 2025 and March 2026 were not produced to Audit for verification.	Noted for future compliance.
	iii System of Physical Verification of Fixed Assets PPA conducts physical verification of Fixed Assets at interval of five years. The last physical verification of Fixed Assets was carried out in the year 2022-23. The Fixed Asset Register made available to Audit did not contain essential particulars such as the date of addition/acquisition. In the absence of these records, Audit could not verify the existence of fixed assets or the accounting of discrepancies.	Noted for future compliance.
	iv. System of Physical Verification of Inventory. The Physical verification of the inventories was not carried out during 2023-24, 2024-25 and 2025-26. The management has stated that the physical verification of inventories is proposed to commence during FY 2026-27.	Noted for future compliance.

Sl. No.	Observation made by Audit	Action Taken by Paradip Port Authority
	v. Regularity in payment of statutory dues According to the information and explanation given and the records of the Authority provided to audit, PPA is generally regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Custom Duty, Service Tax, Sales Tax, royalty, ESI dues, Cess etc. and any other material statutory dues applicable to the Authority.	Noted.

H Grants-in-aid

Particulars	Amount (₹ in crore)
Opening Balance as on 01.04.2025	13.91
Add: Grants received during the year for various projects	29.93
Less Expenditure incurred during 2025-26	22.93
Closing Balance of Grant as on 31.03.2026	20.91

I. Lack of Response: NIL

FA & CAO
Paradip Port Authority



PARADIP PORT AUTHORITY

An ISO 9001-2015 Certified Port

Paradip Port-754142, Odisha (India)

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