



Visakhapatnam Port Authority

ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 Certified & ISPS Compliant



2021-22

Annual Accounts & Audit Report



K. RAMA MOHANA RAO, IAS
Chairman, IYPT

Smt. M. VENKAJIAH RAO
Inauguration of the Project at IIT



Annual Accounts & Audit Report 2021-22

ANNUAL ACCOUNTS

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VISAKHAPATNAM PORT AUTHORITY
BALANCE SHEET

(In Rupees)

	SCH	As at 31st MARCH 2022		As at 31st MARCH 2021	
SOURCES OF FUNDS:					
RESERVES & SURPLUSES:					
A. CAPITAL RESERVE	1.1		10,19,48,02,230		10,17,08,23,557
B. REVENUE RESERVES					
a) General Reserve Fund		4,69,17,88,602		3,35,27,08,176	
b) Employees' Welfare Fund		0		0	
c) Employees Family Security Scheme		9,06,49,338		10,25,34,149	
d) Protective Equipemnt Fund		0		0	
e) Liability Reserve Fund		0		0	
			4,78,24,37,940		3,45,52,42,325
C. STATUTORY RESERVES					
a) Reserve for Replacement, Rehabilitation and Modernisation of Capital Assets		8,26,68,90,991		7,57,20,01,079	
b) Reserve for Development, Repayment of Loans and Contingencies		8,22,39,89,203		7,52,90,99,290	
			16,49,08,80,194		15,10,11,00,369
Grants Received	1.3				28,72,71,66,251
LOAN FUNDS:	1.2				21,27,27,227
A. SECURED LOANS					
B. GOVERNMENT LOANS					0
C. UNSECURED LOANS					7,71,92,990
					0
DEFERRED TAX LIABILITY:					7,71,92,990
TOTAL SOURCES OF FUNDS			31,88,99,19,674		29,13,80,99,862

VISAKHAPATNAM PORT AUTHORITY
BALANCE SHEET

(In Rupees)

		As at 31st MARCH 2022		As at 31st MARCH 2021	
SCH					
	APPLICATION OF FUNDS:				
	A. FIXED CAPITAL ASSETS: (Net Block)				
2.1	a) Land	34,84,37,415		34,84,37,415	
	b) Lease hold Land	73,881		73,881	
	c) Capital Dredging	4,82,35,24,892		4,87,74,29,921	
	d) Building Sheds and Other Structures	58,28,69,668		60,05,14,805	
	e) Wharves, Roads, Boundaries	1,82,31,26,974		1,86,06,70,146	
	f) Floating Craft	53,03,85,514		60,31,31,982	
	g) Railway and Rolling Stock	1,89,59,16,380		1,04,31,53,533	
	h) Docks, Sea-Walls, Piers, & Navigational: Aids	8,14,34,22,858		8,18,67,43,640	
	i) Cranes and Vehicles	3,45,77,232		4,92,40,919	
	j) Plant & Machinery	79,86,82,062		76,07,26,617	
	k) Installations for Water, Electricity, Telecom. & Fire fighting	40,61,28,356	19,38,71,45,232	32,15,31,806	18,65,16,54,665
			3,22,67,08,650		2,37,54,12,849
	B. CAPITAL WORKS IN PROGRESS		22,61,38,53,882		21,02,70,67,514
	INVESTMENTS:				
2.2	A. INVESTMENTS OF GENERAL RESERVE FUND				
	Shares, Debentures or Bonds (N.T)	29,40,00,000		29,40,00,000	
	Government or Trust Securities	3,42,06,31,950		3,42,06,31,950	
	Other Investments	3,97,03,444		3,97,03,444	
		1,52,97,79,537	5,28,41,14,931	1,44,03,71,163	5,19,47,06,557
	CURRENTS ASSETS, LOANS & ADVANCES:				
2.3	A. CURRENT ASSETS				
	I. Accrued interest on Investments		37,11,11,678		37,87,49,227
	II. Inventories		10,66,52,780		22,95,91,061

VISAKHAPATNAM PORT AUTHORITY BALANCE SHEET

(In Rupees)

	SCH	As at 31st MARCH 2022		As at 31st MARCH 2021	
III. Sundry Debtors					
a) Government Dues		1,32,59,63,095		37,03,73,578	
b) Inter Port Dues		0		0	
c) Non Government Dues		3,90,34,30,019	5,22,93,93,114	3,27,11,89,023	3,64,15,62,601
IV. Cash & Bank Balances					
a) Cash Balance on hand		20,89,372		15,93,797	
b) Bank Balances with Scheduled Banks		10,54,95,76,846		9,78,07,57,429	
c) Bank Balances with other Banks		0	10,55,16,66,218	0	9,78,23,51,227
B. LOANS & ADVANCES					
a) Adv. & Loans to subsidiaries/ Ports / Trusts		12,80,00,000		12,80,00,000	
b) Advances recoverable in cash or in kind for the value to be received		64,26,52,169	16,25,88,23,790	66,74,83,780	14,03,22,54,115
c) Gratuity Fund		75,71,034		19,98,398	
d) Provident Fund		59,81,093		0	
d) Balances with Customs, Excise, Income Tax etc.		10,00,84,16,726		8,17,60,70,703	
e) Deposits		12,18,93,266		12,18,63,771	
LESS: CURRENT LIABILITIES & PROVISIONS:					
A. CURRENT LIABILITIES:					
I. PROVIDENT, PENSION & GRATUITY FUNDS					
a) Provident Fund		0		4,97,75,022	
b) Pension Fund		25,68,77,461		18,31,07,074	
c) Gratuity Fund		0	25,68,77,461	0	23,28,82,096
			10,91,45,14,288		9,09,54,16,652
	2.4		27,17,33,38,078		23,12,76,70,767

VISAKHAPATNAM PORT AUTHORITY
BALANCE SHEET

(In Rupees)

	SCH	As at 31st MARCH 2022		As at 31st MARCH 2021	
II. SUNDRY CREDITORS		29,38,15,419		13,32,75,998	
a) Creditors for Stores		0		0	
b) Unadjusted Sale proceeds of unclaimed goods		0		0	
c) Unadjusted Sale proceeds of surplus materials		0	29,38,15,419	0	13,32,75,998
III. MISCELLANEOUS CREDITORS & CREDIT BALANCES					
a) Demurrage/Wagon Hire charges payable to Railways		29,38,89,197		17,47,33,877	
b) Statutory Payments		1,83,99,74,275		1,38,83,86,072	
c) Liability towards Capital Expenses		2,12,72,455		2,12,72,455	
d) Others		1,33,27,64,477		1,44,54,72,909	
e) Deposits from Merchants, Contractors & Others		2,53,03,92,618	6,01,82,93,022	2,28,51,80,076	5,31,00,45,389
IV. ADVANCE PAYMENTS & UN EXPIRED DISCOUNTS			7,21,41,92,286		5,99,06,11,041
for the portion for which value has still to be given					
V. OTHER LIABILITIES			3,51,01,71,915		3,65,05,13,655
VI. INTEREST ACCRUED BUT NOT DUE ON LOANS			36,89,31,489		36,89,31,489
B. PROVISIONS:			17,66,22,81,591		15,68,62,59,668
a) Provision for Taxation		5,73,52,04,629		4,52,50,85,309	
b) Provision for contingencies		0		0	
c) Other provisions		0		0	
NET CURRENT ASSETS			5,73,52,04,629		4,52,50,85,309
MISCELLANEOUS EXPENDITURE:					
(To the extent not written off or adjusted)	2.5				
DEFERRED TAX ASSET:					
	1.4				
TOTAL APPLICATION OF FUNDS					
			23,39,74,86,220		20,21,13,44,977
			3,77,58,51,858		2,91,63,25,790
			0		0
			21,60,99,003		0
			31,88,99,19,674		29,13,80,99,862

Sd/-
CHAIRMANSd/-
FA&CAO

SCHEDULE - 1.1

VISAKHAPATNAM PORT AUTHORITY

RESERVES AND SURPLUSES

(In Rupees)

Schedules to Balance Sheet

	Capital Reserve	Revenue Reserves			Statutory Reserves		
		General Reserve Fund	Employees' Family Security Scheme	Employees' Welfare Fund	Capital Assets Replacement Reserve	Reserve for Development, Repayment of Loans & Contingencies	
Opening Balance as on 01.04.2021	10,17,08,23,557	3,35,27,08,176	10,25,34,149	0	7,57,20,01,079	7,52,90,99,291	
ADD:							
1 (a) Contribution from Revenue A/c	0	0	83,92,717	0	69,48,89,912	69,48,89,912	
(b) Additional Depreciation	0	0	0	0	0	0	
2 Transfer from Revenue A/c	2,39,78,673	1,34,18,80,426	0	0	0	0	
3 (a) Transfer from Other Reserves	0	0	0	0	0	0	
(b) General Reserve Fund	0	0	3,00,000	25,00,000	0	0	
4 Other Transfers	0	0	0	0	0	0	
	10,19,48,02,230	4,69,45,88,602	11,12,26,866	25,00,000	8,26,68,90,991	8,22,39,89,203	
LESS:							
1 Transfer from Reserves	0	0	0	0	0	0	
a) Net Deficit	0	0	0	0	0	0	
b) Transfer to Capital Reserve	0	0	0	0	0	0	
c) Repayment of Loans	0	0	0	0	0	0	
d) Transfer to Statutory Reserves	0	0	0	0	0	0	
2 Other Transfers	0	0	0	0	0	0	
a) Transfer to Family Security Scheme and Welfare fund	0	28,00,000	0	0	0	0	
3 Expenditure during the year	0	0	2,05,77,528	25,00,000	0	0	
Closing Balance as on 31.03.2022	10,19,48,02,230	4,69,17,88,602	9,06,49,338	0	8,26,68,90,991	8,22,39,89,203	

Sd/-
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Schedules to Balance Sheet

VISAKHAPATNAM PORT AUTHORITY

SCHEDULE - 1.2

LOAN FUNDS

(In Rupees)

	Secured Loans	
	Loans & Advances	Funds provided by Govt. of India
	₹	JICA LOAN
Balance as on 1-04-2021	0	7,71,92,990
Received during the year	0	0
Payments during the year	0	7,71,92,990
Balance as on 31.03.2022	0	0

Schedules to Balance Sheet

SCHEDULE - 1.3

GRANTS RECEIVED

	Grants Received	
Received Grant towards Construction of Cruise Berth received during the F Y 2018-19	19,25,00,000	
Interest received upto FY 2020-21	2,02,27,227	
Interest received during the FY 2021-22	1,11,68,179	22,38,95,406
Received Grant for Fishing Harbour Terminal received on 31.03.2022	22,92,99,300	
Interest received during the FY 2021-22	0	22,92,99,300
Interest payable to the Govt.		-3,13,95,396
Balance as on 31.03.2022		42,17,99,310

Schedules to Balance Sheet

SCHEDULE - 1.4

DEFERRED TAX

	AS AT 31st MARCH 2022	AS AT 31st MARCH 2021
Deffered Tax Liabilities - Opening Balance:		
Timing difference on account of Depreciation	39,44,90,761	38,93,07,752
Less/Add:Upfront amortissation DTL	58,08,41,670	60,56,23,341
Less: Timing difference on account of sums payable as employer u/s 43(B) of IT Act, 1961	85,43,19,037	2,54,04,93,105
Deffered Tax Liability / (Asset)	12,10,13,394	-1,54,55,62,012
Timing difference on account of Depreciation DTL	35,97,90,231	39,44,90,761
Less/Add:Upfront amortissation DTL	55,60,59,999	58,08,41,670
Less: Timing difference on account of sums payable as employer u/s 43(B) of IT Act, 1961 DTA	1,13,19,49,233	85,43,19,037
Deffered Tax Liability / (Asset) Closing balance	-21,60,99,003	12,10,13,394
Net Deffered Tax charged to P&L Account	-33,71,12,397	1,66,65,75,406

Sd/-
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SCHEDULE - 2.1

VISAKHAPATNAM PORT AUTHORITY
FIXED ASSETS AND CAPITAL WORK IN PROGRESS

Schedules to Balance Sheet

(In Rupees)

	Asset class	Gross Block					Depreciation				Net Block	
		As on 1st April 2021	Additions	Deletions	As on 31st March 2022	As on 1st April 2021	Depreciation during the year	Depreciation adjustment	Depreciation as on 31/3/2022	As at 1st April 2021	As at 1st April 2022	
1	Land	34,84,37,415	0	0	34,84,37,415	0	0	0	0	34,84,37,415	34,84,37,415	
	Lease hold Land	73,881	0	0	73,881	0	0	0	0	73,881	73,881	
2	Capital Dredging	5,57,93,24,662	1,20,000	0	5,57,94,44,662	70,18,94,741	5,40,25,029	0	75,59,19,770	4,87,74,29,921	4,82,35,24,892	
3	Buildings Sheds and Other Structures	1,04,03,85,801	53,49,837	0	1,04,57,35,638	43,98,70,997	2,38,86,591	8,91,618	46,28,65,970	60,05,14,805	58,28,69,668	
4	Wharves, Roads, Boundaries	2,59,36,62,008	2,37,86,264	2,65,066	2,61,71,83,206	73,29,91,863	6,95,55,935	84,91,566	79,40,56,232	1,86,06,70,146	1,82,31,26,974	
5	Floating Craft	2,21,41,19,893	0	9,83,59,116	2,11,57,60,777	1,61,09,87,910	8,01,57,015	10,57,69,662	1,58,53,75,263	60,31,31,982	53,03,85,514	
6	Railway and Rolling Stock	1,87,67,16,641	1,07,06,95,282	0	2,94,74,11,923	83,35,63,107	21,99,62,823	20,30,387	1,05,14,95,543	1,04,31,53,533	1,89,59,16,380	
7	Docks, Sea-Walls, Piers, and Navigational Aids	9,58,54,93,104	8,64,64,380	0	9,67,19,57,484	1,39,87,49,464	21,74,23,036	8,76,37,874	1,52,85,34,626	8,18,67,43,640	8,14,34,22,858	
8	Cranes and Vehicles	47,46,10,127	0	2,56,75,776	44,89,34,351	42,53,69,208	1,68,54,083	2,78,66,172	41,43,57,119	4,92,40,919	3,45,77,232	
9	Plant & Machinery	1,77,87,39,689	8,57,24,954	56,09,197	1,85,88,55,446	1,01,80,13,073	5,26,17,363	1,04,57,052	1,06,01,73,384	76,07,26,617	79,86,82,062	
10	Installations for Water, Electricity, Telecom. & Fire Fighting	1,53,34,25,956	18,48,47,927	2,35,39,772	1,69,47,34,111	1,21,18,94,150	8,23,80,548	56,68,943	1,28,86,05,755	32,15,31,806	40,61,28,356	
	TOTAL	27,02,49,89,177	1,45,69,88,644	15,34,48,927	28,32,85,28,894	8,37,33,34,512	81,68,62,424	24,88,13,274	8,94,13,83,662	18,65,16,54,665	19,38,71,45,232	
11	Capital Works in progress	2,37,54,12,849	3,39,45,12,561	2,54,32,16,760	3,22,67,08,650					2,37,54,12,849	3,22,67,08,650	
	TOTAL FIXED CAPITAL ASSETS	29,40,04,02,026	4,85,15,01,205	2,69,66,65,687	31,55,52,37,544					21,02,70,67,514	22,61,38,53,882	

Sd/-
FA&CAO

INVESTMENTS

(In Rupees)

	As at 31st MARCH 2022		As at 31st MARCH 2021	
	COST VALUE	FACE VALUE	COST VALUE	FACE VALUE
Non Treadable Investments	₹	₹	₹	₹
A. GENERAL RESERVE				
CURRENT INVESTMENTS				
LONG TERM INVESTMENTS:				
1 Government or Trust Securities NT				
2 Shares, Debentures or Bonds (N.T)				
VPRCL SHARES	18,60,00,000	18,60,00,000	18,60,00,000	18,60,00,000
SETHU SAMUDRAM CORP LTD	30,00,00,000	30,00,00,000	30,00,00,000	30,00,00,000
Provision made for diminution SETHU SAMUDRAM CORP LTD	-30,00,00,000	-30,00,00,000	-30,00,00,000	-30,00,00,000
INDIAN PORT RAIL CORPORATION	10,80,00,000	10,80,00,000	10,80,00,000	10,80,00,000
TOTAL (A)	29,40,00,000	29,40,00,000	29,40,00,000	29,40,00,000
B. STATUTORY RESERVES				
CURRENT INVESTMENTS				
LONG TERM INVESTMENTS:				
1 Government or Trust Securities				
CG 2034 @ 7.50% (N.T)	2,01,70,333	2,00,00,000	2,01,70,333	2,00,00,000
CG 2035 @ 7.40% (N.T)	1,95,33,111	2,00,00,000	1,95,33,111	2,00,00,000
TOTAL (1)	3,97,03,444	4,00,00,000	3,97,03,444	4,00,00,000
2 Shares, Debentures or Bonds				
DCI Shares 5451710 Shares@10/-face	2,78,03,72,100	5,45,17,100	2,78,03,72,100	5,45,17,100
DCI Tax Free Bonds - 2013 (N.T)	10,00,00,000	10,00,00,000	10,00,00,000	10,00,00,000
Visakhapatnam Port logistics park ltd	54,02,59,850	54,02,59,850	54,02,59,850	54,02,59,850
TOTAL (2)	3,42,06,31,950	69,47,76,950	3,42,06,31,950	69,47,76,950
TOTAL (B = 1+2)	3,46,03,35,394	73,47,76,950	3,46,03,35,394	73,47,76,950
TOTAL(A+B)	3,75,43,35,394	1,02,87,76,950	3,75,43,35,394	1,02,87,76,950

Schedules to Balance Sheet

VISAKHAPATNAM PORT AUTHORITY

SCHEDULE - 2.2

INVESTMENTS

(In Rupees)

	As at 31st MARCH 2022		As at 31st MARCH 2021	
	COST VALUE	FACE VALUE	COST VALUE	FACE VALUE
	₹	₹	₹	₹
C. Other Funds				
LIC of India under Group Leave Encashment Scheme	1,36,41,86,908	1,15,48,46,973	1,26,73,53,916	1,15,48,46,973
Bajaj Allianz under Group Leave Encashment Scheme	3,78,02,551	4,27,36,924	3,52,14,300	4,27,36,924
Bajaj Allianz under Family Security Scheme	9,88,07,319	7,91,97,513	9,36,01,761	7,91,97,513
State Bank of India (Life) under Group Leave Encashment Scheme	2,89,82,759	4,99,89,482	4,42,01,186	4,99,89,482
TOTAL (C)	1,52,97,79,537	1,32,67,70,892	1,44,03,71,163	1,32,67,70,892
TOTAL INVESTMENTS: (A+B+C)	5,28,41,14,931	2,35,55,47,842	5,19,47,06,557	2,35,55,47,842

N.T - Non Tradeable

T - Tradeable: Market Value as on 31.03.2022 is Rs.314.40 per share

FA&CAO

VISAKHAPATNAM PORT AUTHORITY
CURRENT ASSETS, LOANS & ADVANCES

(In Rupees)

	As at 31st MARCH 2022		As at 31st MARCH 2021	
	₹	₹	₹	₹
CURRENT ASSETS				
i. Accrued Interest on Investments		37,11,11,678		37,87,49,227
ii. Inventories				
Service Stock & Spares				
Inventories held for less than 2 years	10,46,06,622		22,75,18,993	
Inventories held for more than 2 years but less than 3 years	6,03,221		6,03,221	
Inventories held for more than 3 years but less than 10 years	14,81,912		14,81,912	
Inventories held for more than 10 years but less than 15 years	46,038		46,038	
Inventories held for more than 15 years	20		20	
	10,67,37,813		22,96,50,184	
less: Depreciation on Non-moving Inventories	85,033	10,66,52,780	59,123	22,95,91,061
iii. Sundry Debtors				
a) Debts Considered good but not secured:				
a. Cargo related dues	30,48,87,224		29,98,78,776	
b. Vessel related dues	23,81,543		23,81,543	
c. Estate dues	4,55,26,25,130		3,03,80,29,021	
d. Railway dues	26,45,54,824		21,35,13,798	
e. Fishing Harbour dues	6,10,83,046		5,03,73,710	
f. Other misc. dues	4,38,61,347		3,73,85,753	
		5,22,93,93,114		3,64,15,62,601
b) Debts Considered doubtful or Bad:				
a. Cargo related dues	2,29,27,786		2,29,27,786	
b. Vessel related dues	2,377		2,377	
c. Estate dues	42,59,566		42,59,566	
d. Railway dues	4,08,79,049		4,08,79,049	
e. Fishing Harbour dues	50,26,643	7,30,95,421	50,26,643	7,30,95,421
		5,30,24,88,535		3,71,46,58,022
less: Provision for Doubtful Debts		7,30,95,421		7,30,95,421
		5,22,93,93,114		3,64,15,62,601
iv. Cash & Bank Balances				
a. Cash on hand		20,89,372		15,93,797
b. Balance at Banks:				

Schedules to Balance Sheet

VISAKHAPATNAM PORT AUTHORITY
CURRENT ASSETS, LOANS & ADVANCES

SCHEDULE - 2.3

(In Rupees)

	As at 31st MARCH 2022		As at 31st MARCH 2021	
	₹	₹	₹	₹
c. In Current/Savings Bank Accounts:				
Andhra Bank - Port Branch	7,97,63,984		1,61,47,346	
Axis Bank	0		4,46,83,704	
Bank of Baroda	0		7,08,998	
Canara Bank	6,248		7,153	
Bank of Baroda(VIJAYA BANK)	0		30,94,239	
Indian Overseas Bank	0		8,561	
Industrial Development Bank of India (IDBI)	9		1,76,623	
Oriental Bank of Commerce	0		11,08,696	
State Bank of India - Surya Bagh Branch	87,08,782		1,02,35,009	
State Bank of India - Main Branch	0		6,55,337	
State Bank of India - Main Branch (Escrow A/c)	16,73,684		16,29,247	
State Bank of India - Port Branch	77,83,73,948		35,52,40,140	
Union Bank of India - RTGS SB A/c 133641	24,391		52,46,063	
SBI Imprest	0		4,12,429	
SBI-PB-PCS A/c(I)-31	0		1,00,000	
IDBI-PCS(O)-15010300	1,53,48,059		58,620	
HDFC-PCS A/c(O)-5003	1,10,97,217		3,58,73,849	
SBI- RFID	93,98,493		37,79,024	
ICICI-PCS A/c(I)-600	11,84,997		12,70,60,911	
Misc. Banks	2,86,33,910		39,11,491	
		93,42,13,722		61,01,37,440
d. In Deposits Accounts (TDR A/c & CLTD A/c):				
Union Bank of India(Andhra Bank)	36,00,00,987		33,25,15,315	
Union Bank of India	3,95,99,99,987		1,45,99,99,988	
Canara Bank	87,50,00,000		60,00,00,000	
LIC Of INDIA	2,99,08,62,163		3,72,56,04,795	
State Bank of India - Port Branch	62,25,00,000		2,01,24,99,903	
Union Bank of India (Corporation Bank)	0		23,99,99,988	
Corporation Bank - Main Branch	70,69,99,987		0	
Indian Bank	10,00,00,000		80,00,00,000	
		9,61,53,63,124		9,17,06,19,989
		10,55,16,66,218		9,78,23,51,226
TOTAL CURRENT ASSETS		16,25,88,23,790		14,03,22,54,115

Schedules to Balance Sheet

VISAKHAPATNAM PORT AUTHORITY
CURRENT ASSETS, LOANS & ADVANCES

SCHEDULE - 2.3

(In Rupees)

	As at 31st MARCH 2022		As at 31st MARCH 2021	
	₹	₹	₹	₹
LOANS & ADVANCES *				
1 Advances & Loans to subsidiaries/ Ports / Trusts				
Stores drawn by Cargo Handling Division	0		0	
Intercompany Loan	1,00,00,000		1,00,00,000	
Advance to Pension Fund Trust				
Advance to Gratuity Fund Trust				
Sub-ordinate Loan to Visakhapatnam Port Road Co. Ltd.	11,80,00,000		11,80,00,000	
		12,80,00,000		12,80,00,000
2 Advances recoverable in cash or in kind or the value to be received				
Advances for Contract Works	28,22,29,152		33,34,23,541	
Advances for Purchases - Stores	6,93,44,120		5,72,59,330	
Computer Advances	20,40,347		24,53,085	
House Building Advances	38,14,712		39,02,326	
Motor Car/Cycle Advances	10,95,434		13,49,224	
Travel/LTC Advances	60,03,300		60,31,496	
Gratuity Fund	75,71,034		19,98,398	
Provident Fund	59,81,093		0	
Others	27,87,29,503		26,36,69,178	
		65,68,08,694		67,00,86,577
less: Provision for Doubtful Advances		6,04,399		6,04,399
		65,62,04,295		66,94,82,178
3 Balances with Customs, Excise, Income Tax etc.				
Voluntary deposit with Telecommunication Dept.	30,550		30,550	
Income Tax - TDS, Advance Tax & Service Tax	10,00,83,86,176		8,17,60,40,153	
		10,00,84,16,726		8,17,60,70,703
4 Deposits				
Deposits with APTRANSCO.	6,83,99,606		6,83,70,111	
Deposits with GVMC.	5,34,93,660		5,34,93,660	
		12,18,93,266		12,18,63,771
* Loans and Advances considered as good and unsecured.				
TOTAL LOANS & ADVANCES		10,91,45,14,287		9,09,54,16,652

Sd/-
FA&CAO

Schedules to Balance Sheet

VISAKHAPATNAM PORT AUTHORITY
CURRENT LIABILITIES AND PROVISIONS

SCCHEDULE - 2.4

(In Rupees)

	As at 31st MARCH 2022		As at 31st MARCH 2021	
	₹	₹	₹	₹
I. PROVIDENT, PENSION & GRATUITY FUNDS				
a) Provident Fund	0		4,97,75,022	
b) Pension Fund	25,68,77,461		18,31,07,074	
c) Gratuity Fund	0		0	
		25,68,77,461		23,28,82,096
II. SUNDRY CREDITORS				
a) Creditors for Stores	29,38,15,419		13,32,75,998	
b) Unadjusted Sale proceeds of unclaimed goods	0		0	
c) Unadjusted Sale proceeds of surplus materials	0		0	
		29,38,15,419		13,32,75,998
III. MISCELLANEOUS CREDITORS & CREDIT BALANCES				
a) Demurrage/Wagon Hire charges payable to Railways	29,38,89,197		17,47,33,877	
b) Statutory Payments	1,83,99,74,275		1,38,33,86,072	
c) Liability towards Capital Expenses	2,12,72,455		2,12,72,455	
d) Others	1,33,27,64,477		1,44,54,72,909	
e) Deposits from Merchants, Contractors & Others	2,53,03,92,618		2,28,51,80,076	
		6,01,82,93,022		5,31,00,45,388
IV. ADVANCE PAYMENTS & UN EXPIRED DISCOUNTS for the portion for which value has still to be given				
a) Prepaid Income	26,59,47,726		23,29,56,755	
b) Up-front Premium to be amortised	6,94,82,44,560		5,75,76,54,286	
		7,21,41,92,286		5,99,06,11,041
V. OTHER LIABILITIES		3,51,01,71,915		3,65,05,13,655
VI. INTEREST ACCRUED BUT NOT DUE ON LOANS		36,89,31,489		36,89,31,489
TOTAL CURRENT LIABILITIES		17,66,22,81,591		15,68,62,59,668
B. PROVISIONS:				
I) Provision for Taxation	5,73,52,04,629		4,52,50,85,309	
II) Provision for contingencies	0		0	
III) Other provisions	0		0	
TOTAL PROVISIONS		5,73,52,04,629		4,52,50,85,309
TOTAL CURRENT LIABILITIES & PROVISIONS		23,39,74,86,220		20,21,13,44,977

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VISAKHAPATNAM PORT AUTHORITY
PROFIT AND LOSS ACCOUNT

(In Rupees)

PARTICULARS	Sch	FOR THE PERIOD ENDING	
		31st MARCH 2022	31st MARCH 2021
INCOME:			
Cargo Handling & Storage Charges	R.1	6,23,81,21,870	5,50,95,70,480
Port & Dock Charges	R.2	5,21,61,41,756	5,41,87,80,348
Railway Earnings	R.3	1,46,77,19,720	1,41,45,33,429
Estate Rentals	R.4	2,33,69,79,201	2,11,39,92,037
TOTAL OPERATING INCOME		15,25,89,62,547	14,45,68,76,294
EXPENDITURE:			
Cargo Handling & Storage	R.5	2,02,80,67,493	1,53,11,30,762
Port & Dock Facilities	R.6	1,47,59,28,255	1,44,86,90,645
Railway Working	R.7	1,00,33,40,585	90,34,47,348
Rentable lands & Buildings	R.8	46,79,52,260	43,29,06,378
Management & General Administrative Expenses	R.9	2,42,63,29,491	2,22,53,25,623
TOTAL OPERATING EXPENDITURE		7,40,16,18,084	6,54,15,00,755
OPERATING SURPLUS:		7,85,73,44,463	7,91,53,75,539
Add: Finance & Miscellaneous Income	R.10	83,96,59,853	78,15,75,392
Less: Finance & Miscellaneous Expenditure	R.11	5,06,83,58,470	4,64,39,48,860
PROFIT BEFORE TAX		3,62,86,45,846	4,05,30,02,070
Less: Provision for Taxation:			
Previous Years		0	0
Current Year		1,21,01,19,320	0
Deferred Tax		-33,71,12,397	1,66,65,75,405
PROFIT AFTER TAX		2,75,56,38,923	2,38,64,26,665
Less: Profit on Disposal of Capital Assets transferred to Capital Reserve		2,39,78,673	7,31,000
Amount Available for Appropriations		2,73,16,60,250	2,38,56,95,665
Less: Appropriations			
Fund for Development, Repayment of Loans and Contingencies		69,48,89,912	64,70,39,414
Fund for Replacement, Rehabilitation and Modernisation of Capital Assets		69,48,89,912	64,70,39,414
TOTAL APPROPRIATIONS		1,38,97,79,824	1,29,40,78,827
BALANCE TRANSFERRED TO GENERAL RESERVE		1,34,18,80,426	1,09,16,16,838

Sd/-
CHAIRMAN

Sd/-
FA&CAO

VISAKHAPATNAM PORT AUTHORITY
SCHEDULES TO PROFIT AND LOSS ACCOUNT

(In Rupees)

	FOR THE PERIOD ENDING	
	31st MARCH 2022	31st MARCH 2021
SCHEDULE - R.1	₹	₹
CARGO HANDLING & STORAGE CHARGES:		
Handling & Storage charges on General Cargo	3,07,94,74,848	2,35,05,16,748
Storage of goods in Ware Houses	2,67,16,674	4,11,81,458
Crannage	33,46,003	28,91,374
Handling of POL Oils & Lubricants	1,10,02,54,115	1,12,95,00,692
Demurrage fees on General Cargo	3,03,89,844	1,52,11,723
Royalties from BOT Contracts	1,95,45,71,940	1,90,65,24,647
Miscellaneous Charges	4,33,68,445	6,37,43,838
TOTAL	6,23,81,21,870	5,50,95,70,480
SCHEDULE - R.2		
PORT & DOCK CHARGES:		
Towing and Mooring Fees	5,70,00,737	6,40,67,805
Dock Dues	1,09,78,32,920	1,19,62,29,117
Port Dues	1,46,30,56,575	1,44,06,35,371
Pilotage Fees	2,54,01,78,715	2,65,77,56,572
Dry - Docking charges	1,78,62,498	2,68,800
Water supply to shipping	51,25,627	61,14,484
Salvage and Under Water Repairs	46,38,253	2,95,75,965
Miscellaneous Charges	3,04,46,431	2,41,32,234
TOTAL	5,21,61,41,756	5,41,87,80,348
SCHEDULE - R.3		
RAILWAY EARNINGS:		
Wagon Hire & Haulage Charges	20,71,94,118	22,27,93,962
Siding Charges	37,95,78,570	42,42,80,570
Terminal Charges	73,58,78,650	77,48,76,001
Miscellaneous Charges	14,50,68,382	-74,17,104
TOTAL	1,46,77,19,720	1,41,45,33,429

VISAKHAPATNAM PORT AUTHORITY
SCHEDULES TO PROFIT AND LOSS ACCOUNT

(In Rupees)

	FOR THE PERIOD ENDING	
	31st MARCH 2022	31st MARCH 2021
SCHEDULE - R.4	₹	₹
ESTATE RENTALS:		
Rent from Lands	2,25,66,99,706	2,04,71,27,224
Rent on Storage Sheds	0	3,726
Rent from accommodation provided for outside offices	1,11,81,877	91,00,489
Kalavani Auditorium	45,28,125	-32,24,833
Rent from Port Trust quarters	11,76,641	17,53,305
Recoverable Charges	5,39,17,012	4,57,31,793
Miscellaneous Income	94,75,840	1,35,00,333
TOTAL	2,33,69,79,201	2,11,39,92,037
SCHEDULE - R.5		
CARGO HANDLING & STORAGE :		
Handling and Storage of General Cargo at Sheds and Wharves	1,74,19,31,580	90,05,55,605
Operation and Maintenance of OSTT	2,27,93,720	1,57,16,787
Operation and Maintenance of Lighters and Barges	10,130	70,714
Operation and Maintenance of Wharf Cranes & Crane Vessels	2,26,35,235	2,41,28,441
Expenditure on General facilities at Docks	2,62,80,224	2,47,87,930
Administration & General Expenses	13,95,31,627	46,58,73,192
Depreciation	7,48,84,977	9,99,98,093
TOTAL	2,02,80,67,493	1,53,11,30,762
SCHEDULE - R.6		
PORT & DOCK FACILITIES:		
Towing, Berthing and Mooring	57,91,58,648	54,20,34,781
Pilotage	37,56,03,506	34,08,60,690
Dry Docking Expenses	3,35,86,561	3,25,88,963
Water Supply to Shipping	74,27,739	75,79,829
Fire Fighting	6,80,09,121	6,36,72,891
Dredging and Marine Survey	6,98,37,762	12,94,58,099
Operation & Maint. of Navigational aids	1,58,11,396	1,45,26,636
Salvage & Under-water repairs	2,50,428	87,909
Maintenance of Docks & Harbour Walls, Marine Structures etc.	1,65,55,604	1,76,67,274
Administration & General Expenses	4,03,29,749	3,38,80,902
Depreciation	26,93,57,741	26,63,32,671
TOTAL	1,47,59,28,255	1,44,86,90,645

VISAKHAPATNAM PORT AUTHORITY
SCHEDULES TO PROFIT AND LOSS ACCOUNT

(In Rupees)

	FOR THE PERIOD ENDING	
	31st MARCH 2022	31st MARCH 2021
SCHEDULE - R.7	₹	₹
RAILWAY WORKING:		
Operation & Maintenance of Locomotives, Wagons etc.	27,71,69,905	29,16,84,322
Maintenance of Permanent Way Signals & Inter-locking	20,18,78,735	11,73,06,211
Administration & General Expenses	45,03,15,143	45,46,78,444
Depreciation	7,39,76,802	3,97,78,371
TOTAL	1,00,33,40,585	90,34,47,348
SCHEDULE - R.8		
RENTABLE LANDS & BUILDINGS:		
Estate Maintenance	38,99,01,058	35,12,99,138
Land repairs and reclamation	20,97,644	47,63,244
Administration & General Expenses	83,370	7,18,431
Depreciation	7,58,70,188	7,61,25,565
TOTAL	46,79,52,260	43,29,06,378
SCHEDULE - R.9		
MANAGEMENT & GENERAL ADMINISTRATION:		
Management & Secretarial Expenses	12,55,16,924	11,10,86,354
Port Security (C.I.S.F)	48,18,04,490	51,58,71,830
Legal Expenses	1,50,67,707	1,45,10,485
Labour and Welfare Expenses	1,77,71,630	4,72,41,755
Research and Planning Cell	10,01,61,892	5,43,68,048
Medical Expenses	39,61,97,923	37,48,19,107
Store Keeping	5,78,28,039	6,76,75,703
Accounting and Auditing	19,25,37,745	17,59,09,006
Expenditure on Head Office Building	0	42,32,308
Telephones	60,31,332	65,98,345
Engineering & Workshop Administration Overheads	91,83,55,979	74,25,44,675
Sundry Expenses	6,87,39,495	7,09,50,730
Depreciation	4,63,16,334	3,95,17,277
TOTAL	2,42,63,29,491	2,22,53,25,623

VISAKHAPATNAM PORT AUTHORITY
SCHEDULES TO PROFIT AND LOSS ACCOUNT

(In Rupees)

	FOR THE PERIOD ENDING	
	31st MARCH 2022	31st MARCH 2021
SCHEDULE - R.10	₹	₹
FINANCE & MISCELLANEOUS INCOME:		
Interest on Fixed Deposits & Cash Balances	64,21,13,936	43,92,11,955
Interest on Revenue Account	2,19,64,599	1,01,66,557
Interest on Deposit Account	26,93,314	19,68,413
Interest on Income Tax Refunds	0	5,61,37,833
Hire of plant other than for cargo handling	0	0
Miscellaneous Income	14,31,32,610	25,00,68,616
RFID Income	25,484	0
Sundry Receipts	33,87,824	2,11,12,260
Coin adjustment	0	28,630
Profit on Disposal of Capital Assets	2,39,78,673	7,31,000
Centage Charges	3,06,834	0
Sale of Tender documents	17,96,177	3,62,124
Stores Adjustments (Excesses)	2,60,402	17,88,004
Items relating to previous year	0	0
TOTAL	83,96,59,853	78,15,75,392

VISAKHAPATNAM PORT AUTHORITY
SCHEDULES TO PROFIT AND LOSS ACCOUNT

(In Rupees)

	FOR THE PERIOD ENDING	
	31st MARCH 2022	31st MARCH 2021
SCHEDULE - R.11	₹	₹
FINANCE & MISCELLANEOUS EXPENDITURE:		
Bank Charges	1,48,362	2,07,180
INTEREST PAYABLE ON :		
i) Loans from Government	13,43,211	16,24,353
ii) Loans from Other agencies	0	0
iii) Interest on Others	11,10,617	1,94,58,613
Coin adjustment	3,17,793	0
Bad Debts written off	0	42,887
Provision for Bad and Doubtful debts	0	0
Provision for anticipated reduction in investment	0	0
Property Tax	61,76,48,309	58,69,63,268
Expenses on IT appeals etc	4,000	22,000
Loss on Disposal of Capital Assets	0	0
Loss from external product price differences	2,26,39,289	22,75,993
Survival benefits pa	0	5,78,351
i) Retirement Gratuities	19,46,00,000	20,99,99,990
Gratuity Expenditure	84,17,380	0
ii) V.R.Scheme Ex-gratia payment	12,76,44,039	6,97,50,025
Covid Ex-gratia payment	18,50,00,000	4,00,00,000
iii) a) Pension Payments	2,88,54,22,589	2,71,97,92,845
b) Contribution to New Pension (Tier-I) Scheme	7,49,36,416	6,05,24,898
c) Contribution to pension fund	55,08,00,000	58,00,00,000
d) Commutation of Pension	18,83,90,952	25,34,20,548
e) Provision for Drop in Pension payment	0	0
Contribution to Corporate Social Responsibility Fund	4,77,28,553	5,48,79,602
Miscellaneous Expenditure	8,11,244	1,97,25,000
Prior period expenses	16,13,95,716	2,46,83,306
TOTAL	5,06,83,58,470	4,64,39,48,860

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VISAKHAPATNAM PORT AUTHORITY
ADDITIONAL SCHEDULE TO PROFIT AND LOSS ACCOUNT
TOTAL EXPENDITURE (INCLUDING FINANCE AND MISC. EXPENSES) (In Rupees)

	FOR THE PERIOD ENDING	
	31st MARCH 2022	31st MARCH 2021
A. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :		
1 SALARIES, WAGES & BONUS ETC.		
i. Salaries and wages	3,37,91,46,715	3,41,80,54,915
ii. Bonus	2,53,98,600	4,39,88,393
	3,40,45,45,315	3,46,20,43,308
2 CONTRIBUTION TO PROVIDENT AND OTHER FUNDS		
i. Trustees' contribution to Provident fund	0	0
ii. Contribution to Pension fund	55,08,00,000	58,00,00,000
iii. Pension payments including commutation of pension	3,13,08,94,352	3,00,16,50,545
iv. Pool Kalasi EPF VPT& CHD Contrib	1,78,55,605	3,26,66,087
	3,69,95,49,957	3,61,43,16,632
3 GRATUITY	20,30,17,380	21,00,00,000
4 WORKMEN AND STAFF WELFARE EXPENSES		
i. Leave Travel Expenses	5,11,805	94,154
ii. Medical Reimbursement Expenses	13,65,59,920	13,99,23,885
iii. Nutrition to inpatients	2,71,723	4,67,620
iv. Stores (Medicines)	15,89,74,699	5,76,60,621
v. Stores (Surgical)	60,91,020	1,04,71,951
vi. Payments under workmen compensation Act.	0	12,34,280
vii. Passes and PTO's	0	0
viii. Scholarships, Prizes and awards	16,500	28,500
ix. VR scheme Ex-gratia Payments	12,76,44,039	6,97,50,025
x. Exgratia on Covid 19	18,50,00,000	4,00,00,000
	61,50,69,706	31,96,31,036
TOTAL (A)	7,92,21,82,357	7,60,59,90,976
B. OPERATING EXPENSES :		
1 CONSUMPTION OF STORES ON SPARE PARTS ETC.	6,62,25,786	2,89,51,606
2 REPAIRS TO PLANT AND MACHINERY (MECH)	21,83,46,809	22,33,79,263
3 REPAIRS TO BUILDINGS AND CIVIL STRUCTURES	29,42,86,153	18,69,83,329
4 OTHER REPAIRS		
i. Special Repairs	0	0
ii. Special Repairs Covered by Estimates	5,37,16,512	1,86,45,576
iii. Office machine Hire & service charges	7,56,22,824	3,44,85,081
	12,93,39,336	5,31,30,657

VISAKHAPATNAM PORT AUTHORITY
ADDITIONAL SCHEDULE TO PROFIT AND LOSS ACCOUNT
TOTAL EXPENDITURE (INCLUDING FINANCE AND MISC. EXPENSES)

(In Rupees)

	FOR THE PERIOD ENDING	
	31st MARCH 2022	31st MARCH 2021
5 STORES CONSUMED		
i. Stores General	7,65,58,042	3,50,88,300
	7,65,58,042	3,50,88,300
6 POWER, FUEL, LUBRICANTS ETC.		
i. Stores (Operational)	39,92,36,777	34,77,44,224
ii. Electric Power	1,86,79,172	11,33,90,559
	41,79,15,949	46,11,34,783
7 NEW MINOR WORKS	0	0
8 OTHER OPERATIONAL EXPENSES		
i. Damages & Deficiencies payable to Railways	1,82,22,425	94,76,684
ii. Wagon hire charges	0	0
iii. Hire charges for floating crafts	3,60,57,286	2,55,18,313
iv. Hire charges for vehicles	6,90,18,788	8,23,11,499
v. Hire charges for Pvt. Tugs	20,09,40,801	17,53,85,089
vi. Handling charges	75,13,80,767	21,83,94,970
vii. Sundry expenses Operational	6,33,57,275	1,03,97,590
viii. Freight and handling charges	0	0
ix. Safety	0	0
x. Security Charges	52,01,04,203	48,37,91,454
x. Private Security	2,14,85,871	2,20,28,997
xi. Dredging Charges	71,17,914	7,37,41,354
xii. Depreciation	54,04,06,042	52,17,51,977
	2,22,80,91,371	1,62,27,97,927
TOTAL (B)	3,43,07,63,446	2,61,14,65,865
C. GENERAL EXPENSES:		
i. Rent, Rates and Taxes	2,93,816	2,85,944
ii. Audit Fees	55,00,000	54,99,000
iii. Water Charges	4,02,81,462	3,93,68,448
iv. Communication Expenses	1,96,807	3,33,372
v. Other Expenses	0	0
vi. Insurance	6,51,87,933	6,84,51,371
vii. Traveling Expenses	12,55,816	24,12,659

VISAKHAPATNAM PORT AUTHORITY
ADDITIONAL SCHEDULE TO PROFIT AND LOSS ACCOUNT
TOTAL EXPENDITURE (INCLUDING FINANCE AND MISC. EXPENSES) (In Rupees)

	FOR THE PERIOD ENDING	
	31st MARCH 2022	31st MARCH 2021
viii. Furniture and Office Equipment	1,10,000	1,09,478
ix. Miscellaneous Expenses	39,31,631	4,27,50,704
x. Stevedoring Expenses	0	0
xi. Port Health	0	0
xii. Advertisement and Publicity	29,62,291	32,62,126
xiii. Trustees' Fees	36,000	36,000
xiv. Entertainment	50,55,514	18,01,313
xv. Books and Periodicals	4,54,870	4,60,655
xvi. Legal and Professional Charges	5,33,64,004	4,61,01,133
xvii. Printing and Publishing	1,67,000	2,14,960
xviii. Deputation to Training Courses	7,32,306	1,31,800
xix. License Fees	14,40,274	4,50,185
xx. Telephones	46,19,378	61,72,283
xxi. Research and Development	5,64,84,145	3,15,07,734
xxii. Subscriptions	4,750	11,750
xxiii. Contributions	2,18,05,660	87,49,660
TOTAL (C)	26,38,83,657	25,81,10,575
D. FINANCE EXPENSES:		
1 INTEREST EXPENSES		
i. Bank Charges	1,48,362	2,07,180
ii. Interest on Government Loans	13,43,211	16,24,353
iii. Interest on Other Loans	11,10,617	1,94,58,613
	26,02,190	2,12,90,146
2 PROPERTY TAX	61,76,48,309	58,69,63,268
TOTAL (D)	62,02,50,499	60,82,53,414

VISAKHAPATNAM PORT AUTHORITY
ADDITIONAL SCHEDULE TO PROFIT AND LOSS ACCOUNT
TOTAL EXPENDITURE (INCLUDING FINANCE AND MISC. EXPENSES)

(In Rupees)

	FOR THE PERIOD ENDING	
	31st MARCH 2022	31st MARCH 2021
E. PROFIT OR LOSS IN RESPECT OF TRANSACTIONS OF KIND NOT USUALLY UNDERTAKEN BY PORT OR UNDER IN CIRCUMSTANCES OF AN EXCEPTIONAL OR NON - RETURNS, IF MATERIAL IN AMOUNT		
i. Bad Debts written off	0	42,887
ii. Provision for Drop in Pension payment	0	0
iii. Provision for Bad and Doubtful debts	0	0
iv. Loss on Disposal of Capital Assets	0	0
v. Stores Adjustments	0	0
vi. Provision for anticipated reduction in investment	0	0
vii. Prior Period expenses	16,13,95,716	2,46,83,306
vii. Expenses on Tax Appeals	4,000	22,000
vii. Contribution to Corporate Social Responsibility Fund	4,77,28,553	5,48,79,602
viii. Loss from external product price differences	2,26,39,289	22,75,993
ix. Miscellaneous Expdr	8,11,244	1,97,25,000
Coin Adjustment	3,17,793	0
TOTAL (E)	23,28,96,594	10,16,28,788
TOTAL EXPENDITURE	12,46,99,76,554	11,18,54,49,617

Sd/-
FA & CAO

ANNUAL ACCOUNTS 2021-2022

Significant Accounting Policies and Note on Accounts.

(A). ACCOUNTING POLICIES:

1. The Books are maintained under Mercantile System of accounting. The fundamental Accounting assumption of going concern and consistency is followed. Revenue is recognized on accrual basis and presented net of (service tax) / GST and rebates/incentives if any.

2. Fixed Capital Assets and Depreciation

All assets are capitalised at original cost

Assets with an expected life of less than 5 years and costing less than Rs.1,00,000/- are treated as revenue assets and charged to revenue expenditure as per the existing directives of the Government.

Depreciation is provided under straight line method.

Depreciation on assets put to use for less than 3 months are provided with nil depreciation and assets put to use for less than 6 months are provided with 50% depreciation and assets in use for more than 6 months are provided 100% depreciation as per the Government guidelines.

Fixed assets are excluded from the financial statements on disposal. The write off of assets are made, as per the provisions of the Major Port Authority, Act 2021

Fixed assets under construction are categorized as Capital works in progress.

Profit or losses on disposal of capital assets are being accounted under Finance & Miscellaneous Income & Finance & Miscellaneous expenditure respectively. Capital Profit arising on disposal, over the original acquisition cost is being transferred to Capital Reserve account.

3. Investments

The Investments for more than a year are classified as Long Term Investments and Investments for a year or less are treated as Current Investments. The Investments are carried in the books of accounts at cost. Provision for diminution in the market value of long term investments is made, if in the opinion of the Board such diminution are permanent in nature.

4. Valuation of Inventory

Inventory of stock items are valued at weighted average method.

5. Income

Revenue arising out of rendering of a service is recognised in proportion to the stage of completion of the service without waiting for its completion. Wharfage charges are levible on goods entering docks as per notified scale of rates, even if they are not shipped. Accordingly the wharfage income is accounted for. Upfront fee collected on lease of Berths/Facilities and lands are accounted for as advance income and are being amortized during the lease period as per Billimoria report.

6. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, constructions of assets and are capitalised till the date on which the asset is commissioned. Interest on loans after capitalisation is charged to Revenue on accrual basis.

7. Foreign Currency Transactions

Foreign currency transactions for import of spares and capital equipment are recorded at the exchange rate prevailing on the date of the transaction. Till date the Port does not have any loans in foreign currency for import of spares/capital equipment, nor has it entered into any foreign contracts. As and when such a situation arises, the policy will be framed keeping in view the relevant accounting standards.

Port revenues like vessel related charges etc., which are denominated in US\$, but collected in Indian Rupees using the buying rate notified by the State Bank of India or its subsidiaries or any other Public Sector Bank as on the date of entry of vessel into Port.

8. Taxes on Income

Provision for current tax is made in accordance with the provisions of Income tax act 1961. Pursuant to AS 22, timing differences mainly on account of depreciation and items covered under Sec. 43B of the Income Tax Act, 1961 resulting in Deferred Tax Assets and Liabilities have been recognised in the Accounts duly charging to Profit & Loss Account. Deferred Tax Assets are recognized and carried forward since there is a reasonable certainty of their realisation considering the past record and estimates of future profits.

9. Actuarial Valuation on annual basis is made by LIC/SBI for ascertaining the Pension, Gratuity and Leave Encashment liabilities.

B. NOTE ON ACCOUNTS

1. As per Ministry of Shipping, approval vide letter No.SS-28036/18/2016-DCI-Part-VI dt 19.11.2018, VPA Board resolved Vide resolution no. 196/2018-19 dt 21.2.2019 to acquire 54,51,710 number of equity shares of DCI Ltd from Government of India at a cost of Rs. 278.04 crores and the same has been shown under Long Term Investments under Shares & Debentures at Schedule 2.2
2. Capital Reserve includes Funds provided by the Government of India during 1933 to 1964 as initial Capital.
3. An amount Rs. 2.40 crores transferred to Capital reserve on account of Profit on disposal of capital assets during the year.
4. Physical Verification of Fixed Assets is being done quinquennially as per the policy and procedure laid down in this regard. The committee constituted for Physical verification of fixed assets submitted report. Basing on the report, letters were issued to relevant departments for confirmation. On receipt of confirmation from departments, assets which are existing with Zero / one paise value in books and as identified by committee were deleted from Assets master. Regarding other items for which value is existing in books, letters being issued to departments to verify once again and to submit details. On receipt of the same, suitable action will be taken.
5. Physical verification of inventories has been carried out during 2021-22 and negligible discrepancies noticed are of insignificant amount.
6. As per Ministry LR.NO. pgf-15/76 DT 22.9.1976, 3% reserve for Capital Assets replacement and 3% reserve for Development, Repayment of Loans & contingencies on capital employed is to be funded every year to extent of availability of cash.

Description	2021-22
Reserve for Replacement and Modernization of capital asset	Rs. 67,49,78,232
Reserve for Development, Repayment of Loans & contingencies	Rs. 67,49,78,232

7. An amount of Rs. 19.25 crores received as grant for Construction of Cruise Berth and an amount of Rs. 22.93 Crores was received as grant for Fishing Harbour Terminal

Any Grant amount is received, the amount is kept in a separate account in books and as and when the specific work is completed for which grant was received, liability is cancelled duly crediting the asset transferred to the asset account.

8. VPA as Local Authority U/S 10 (20) of the Income Tax Act 1961 was exempted from income tax liability up to Assessment Year 2002-03 (Financial year 2001-02). With the amendments in Finance Act 2002, exemption as "Local Authority" to Ports was withdrawn from Assessment year 2003-04 (Financial year 2002-03) onwards. Therefore, VPA is liable to pay income tax from the Assessment Year onwards 2003-04. VPA however applied for registration U/S 12 A of IT Act as charitable institution for claiming exemption from IT assessment. Registration certificate U/S 12AA was obtained vide order dated 20.3.2008 retrospectively from Assessment Year 2003-04 onwards. Consequently tax payments made for the assessment years 2003-04 to 2008-09 were refunded except a portion relating to TDS certificates. The details of Assessment Year-wise balance refunds due from IT Department are as below:

Assessment Year	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Refund due (Rs. in crore)	0.19	0.07	0.08	0.04	0.00	5.61

Above amounts are under persuasion with the IT Department for refund. For the Assessment Year 2008-09, IT Department refunded (1.4.2013) Rs.43.99 crore including interest Rs.16.85 crore and interest was credited to P&L Account of 2012-13. Rectification Petition U/S 154 of IT Act was filed for the assessment by IT Dept. for Assessment Year 2008-09 and is under pursuance including balance refund of Rs.5.61 crore.

Due to amendment to Section 2 (15) in the Finance Act, 2008, Ports were not eligible for exemption under section 11 of the IT Act from Assessment Year 2009-10 onwards and VPA was brought into income tax payee with effect from financial year 1 April 2008. The details of tax payments made/TDS claimed, provision made in VPA accounts, tax liability/net refunds claimed as per returns filed and present status of assessments for the Assessment Years 2009-10 to 2018-19 are as below:

Sl No	Particulars	Status of Assessments from time to time
1	Financial Year	2008-09
	Assessment Year	2009-10
	Advance Tax paid & TDS credit	77.72
	Tax provision made in VPA accounts	67.24
	Tax liability as per IT return filed by VPA	54.45
	Refund claimed by VPA as per IT return	23.27
		<p>a. VPA while filing revised return in March 2010, claimed refund of tax of Rs.23.27 crore.</p> <p>b. After scrutiny and calling several queries, Assessing Officer in its initial assessment computed (December 2011) taxable income as Rs.176.21 crore with tax liability of Rs.70.32 crore and considering, taxes paid/TDS/interests/refunds, ordered net refund of Rs.6.68 crore to VPA.</p> <p>c. Aggrieved by this, Order was contested (30 Jan. 2012) before The Commissioner, IT (CIT)-Appeals, Visakhapatnam. The CIT(Appeals) commenced the hearing in February 2017 and the hearings are in progress.</p> <p>d. VPA filed petition U/s 154 of the IT Act(30.12.2016) for grant of short credit of TDS of Rs.0.72 Crs.</p>

Sl No	Particulars		Status of Assessments from time to time
2	Financial Year	2009-10	<p>a. VPA while filing revised return in March 2012, claimed refund of tax of Rs.51.32 crore</p> <p>b. After scrutiny and calling several queries, Assessing Officer computed (Nov. 2012) taxable income as Rs.190.60 crore and arrived tax liability of Rs.58.90 crore. Considering taxes paid/TDS/interests/refunds, ordered VPA to pay balance net tax of Rs.37.02 crore. VPA contested before CIT-Appeals, Visakhapatnam who directed (Jan. 2013) the Assessing Officer to re-compute the taxable income.</p> <p>c. Assessing Officer while re-assessing (27.5.14), revised the income as Rs.130.15 crore with tax liability of Rs.40.22 crore. Considering tax paid/TDS/interests/refunds, ordered for net refund Rs.26.42 crore to VPA.</p> <p>d. Subsequently, Asst. Commissioner of Income Tax (ACIT), Circle-1 Visakhapatnam revised (14 May 2015) the income as Rs.135.25 crore with tax liability of Rs.41.79 crore and ordered net refund of Rs.22.48 crore to VPA.</p> <p>e. IT Dept. refunded (6 April 2016) balance amount Rs.7.54 crore after adjusting additional demand (Rs.14.93 crore) for Assessment year 2013-14.</p> <p>f. VPA filed petition U/s 154 of the IT Act(25.4.2016) to deduct an amount of Rs.0.89 Crs. from total income on account of Upfront amortization.</p> <p>g. VPA filed petition U/s 154 of the IT Act(3.1.2017) for grant of short credit of TDS of Rs.9.53 Crs.</p> <p>h. The CIT(Appeals) vide Order CIT(A), VSP No.0266/12-13/Addl.CIT/R-1/VSP/2013-14 dt.28.3.2014 has partly allowed the appeal for the order U/s 143(3) of the IT Act and VPA filed(13.6.2014) petition before ITAT, Visakhapatnam Bench and hearings are in progress.</p> <p>i. The CIT-1, Visakhapatnam has initiated revision of assessment U/s 263 of the IT Act(21.11.2013) directing the A.O. to consider for disallowance U/s 14A a sum of Rs.5.09 Crs and VPA has appealed the same before ITAT, Visakhapatnam Bench(27.1.2014) and hearings are in progress.</p> <p>j. While finalising (May 2015) assessments U/s 154 for the AY 2010-11 the IT Dept. Ordered tax refunds including net interest on tax refunds of Rs.4.71 Crs and the same has been recognised as interest income of 2015-16.</p> <p>k. IT Dept. has shown refund (16 June 2016) of Rs.0.37 Crs being the interest U/s 244A from 14.5.2015 to 31.3.2016 and refund received in June 2017 and the same has been recognised as interest income of 2017-18</p>
	Assessment Year	2010-11	
	Advance Tax paid & TDS credit	76.41	
	Tax provision made in VPA accounts	37.50	
	Tax liability as per IT return filed by VPA	25.09	
	Refund claimed by VPA as per IT return	51.32	

SI No	Particulars		Status of Assessments from time to time
3	Financial Year	2010-11	<p>a. VPA while filing return in Sept. 2011, claimed refund of tax of Rs.20.52 crore.</p> <p>b. After scrutiny and calling several queries, Assessing Officer in the initial assessment computed (Jan. 2013) taxable income as Rs.329.93 crore and arrived tax liability of Rs.101.95 crore. Considering, taxes paid/TDS/interests/refunds, ordered VPA to pay balance net tax of Rs.42.40 crore. VPA contested (25.2.13) before the Commissioner, IT (CIT) - Appeals, Visakhapatnam.</p> <p>c. Subsequently, taxable income was revised (28.2.14) to Rs.338.44 crore with tax liability of Rs.104.58 crore. Considering tax paid/TDS/interests/refunds, ordered VPA to pay balance tax of Rs.5.09 crore. Aggrieved by this, VPA filed appeal before CIT (A) on 5.3.14.</p> <p>d. ACIT, Circle-1, Visakhapatnam vide order dt.14.5.15 under section 154, assessed taxable income as Rs.279.86 crore with tax liability of Rs.86.48 crore and considering tax paid/TDS/refunds/interests, net refund due to VPA was arrived at Rs.21.14 crore. Refund was finally revised to Rs.21.42 crore.</p> <p>e. IT Dept. refunded (6 April 2016) balance amount Rs.7.43 crore after adjusting additional demand (Rs.13.99 crore) for Assessment year 2012-13.</p> <p>f. VPA filed petition U/s 154 of the IT Act(25.4.2016) to deduct an amount of Rs.1.35 Crs. from total income on account of Upfront amortization.</p> <p>g. VPA filed petition U/s 154 of the IT Act(20.1.2017) for grant of short credit of TDS of Rs.1.06 Crs.</p> <p>h. The CIT(Appeals) vide Order CIT(A), VSP No.0362/12-13/ACIT/C-1/VSP/2013-14 dt.28.3.2014 has partly allowed the appeal for the order U/s 143(3) of the IT Act and VPA filed(22.12.2014) petition before ITAT, Visakhapatnam Bench and hearings are in progress.</p> <p>i. The CIT-1, Visakhapatnam has initiated revision of assessment U/s 263 of the IT Act(21.11.2013) directing the A.O. to consider for disallowance U/s 14A a sum of Rs.8.51 Crs and VPA has appealed the same before ITAT, Visakhapatnam Bench and hearings are in progress.</p> <p>j. While finalising (May 2015) assessments U/s 154 for the AY 2011-12 the IT Dept. Ordered tax refunds including net interest on tax refunds of Rs.0.29 Crs and the same has been recognised as interest income of 2015-16.</p> <p>k. IT Dept. has shown refund (16 June 2016) of Rs.0.37 Crs being the interest U/s 244A from 14.5.2015 to 31.3.2016 and refund received in June 2017 and the same has been recognised as interest income of 2017-18.</p>
	Assessment Year	2011-12	
	Advance Tax paid & TDS credit	85.66	
	Tax provision made in VPA accounts	70.00	
	Tax liability as per IT return filed by VPA	65.14	
	Refund claimed by VPA as per IT return	20.52	

SI No	Particulars		Status of Assessments from time to time
4	Financial Year	2011-12	<p>a. VPA while filing return in Sept. 2012, claimed refund of tax of Rs.67.25 crore.</p> <p>b. After scrutiny and calling several queries, initial assessment was completed by the Assessing officer vide order dated 23.3.15 and computed taxable income as Rs.134.30 crore with tax liability of Rs.41.50 crore and considering tax paid/TDS/interests/refunds, Notice of demand was issued for net balance tax payable by VPA at Rs.0.75 crore.</p> <p>c. Aggrieved by this, VPA filed (15.4.15) an appeal before CIT (Appeals).</p> <p>d. ACIT, Circle-1, by disallowing provision for Gratuity of Rs.30.17 crore, however, revised (25.6.15) the taxable income as Rs.164.47 crore with tax liability of Rs.50.82 crore plus interest demand of Rs.3.92 crore. Considering advance tax paid/TDS/interests/refunds, ordered VPA to pay balance net tax at Rs.13.99 crore. VPA appealed (16.7.15) before CIT (Appeals), Visakhapatnam. Appeal is pending settlement.</p> <p>e. In the meanwhile, IT Dept. adjusted (6 April 2016) balance tax demand of Rs.13.99 crore and released Rs.7.43 crore to VPA out of refund ordered for Rs.21.42 crore for Assessment year 2011-12.</p> <p>f. For (c) above, the CIT(Appeals) in Appellate Order and Grounds of decision(30.3.2017) has partly allowed the appeal and VPA filed a petition with ITAT.</p> <p>g. For (d) above, the CIT(Appeals) in Appellate Order and Grounds of decision(13.3.2017) has dismissed the appeal and VPA filed a petition with ITAT.</p> <p>h. For (f) and (g) above the ITAT hearings are in progress.</p> <p>i. The ACIT vide letter dt.9.5.2017 on giving effect to the CIT(A)-1 order dt.30.3.2017 revised the total income from Rs.164.47 Crs to Rs.160.34 Crs and arrived at a refund of Rs.32.62 Crs which included the interest U/s244A of the IT Act of Rs.8.41 Crs.</p> <p>j. The refund of Rs.32.62 Crs was issued to VPA on 5.1.2018 and the interest U/s 244A for Rs.8.41 Crs. was recognised as interest income of 2017-18.</p> <p>k. For AY 2011-12, a consequential order dt.31.3.2016 was passed with a refund amount of Rs.21.42 Crs. Out of the total refund amount, an amount of Rs.13.99 Crs was adjusted for the outstanding demand for the AY 2012-13 and remaining amount was issued to VPA. Later while passing the consequential order dt.9.5.2017 for AY 2012-13, credit of Rs.13.99 Crs was not given to VPA.</p> <p>l. The Dy.CIT, Circle-1(1), Visakhapatnam vide order U/s 154 of the IT Act dt.1.3.2019 refunded Rs.13.99 Crs along with</p>
	Assessment Year	2012-13	
	Advance Tax paid & TDS credit	81.37	
	Tax provision made in VPA accounts	53.00	
	Tax liability as per IT return filed by VPA	14.12	
	Refund claimed by VPA as per IT return	67.25	

SI No	Particulars	Status of Assessments from time to time												
		<p>interest U/s 244 A of Rs.1.54 Crs (total amount Rs.15.53 Crs) and adjusted the refund of Rs.15.53 Crs against the outstanding demand for the AY 2016-17(total demand of Rs.46.92 Crs).</p> <p>m. The interest U/s 244A for Rs.1.54 Crs. for AY 2012-13 was recognised as interest income of 2018-19.</p> <p>n. The ACIT, Circle-1(1), Visakhapatnam vide Visakhapatnam e proceedings DIN & Letter No ITBA/COM/F/17/2020-21/1030949719(1) dt.24.2.2021 passed rectification Order U/s 154 of the IT Act dt.8.2.2021 and refunded Rs.11.58 Crs along with interest U/s 244 of Rs.3.99 Crs((rectification order dt.15.12.2020) and Rs.0.076 Crs (February 2021). The interest U/s 244A for Rs.4.07 Crs was recognised as interest income of 2020-21.</p>												
5	<table border="1"> <tr> <td>Financial Year</td> <td>2012-13</td> </tr> <tr> <td>Assessment Year</td> <td>2013-14</td> </tr> <tr> <td>Advance Tax paid & TDS credit</td> <td>82.69</td> </tr> <tr> <td>Tax provision made in VPA accounts</td> <td>15.00</td> </tr> <tr> <td>Tax liability as per IT return filed by VPA</td> <td>0.00</td> </tr> <tr> <td>Refund claimed by VPA as per IT return</td> <td>82.69</td> </tr> </table>	Financial Year	2012-13	Assessment Year	2013-14	Advance Tax paid & TDS credit	82.69	Tax provision made in VPA accounts	15.00	Tax liability as per IT return filed by VPA	0.00	Refund claimed by VPA as per IT return	82.69	<p>a. VPA assessed business loss of Rs.53.65 crore while filing return in Sept. 2013 and sought refund of Rs.69.48 crore. Revised return filed in March 2015 claiming refund of Rs.82.69 crore.</p> <p>b. After scrutiny and calling several queries, ACIT, Circle-1(1), Visakhapatnam in his initial assessment order on 31.3.2016, after disallowing Rs.356.64 crore, arrived business taxable income as Rs.302.98 crore duly deducting loss of Rs.53.65 crore as per return filed by VPA and assessed total tax liability of Rs.97.57 crore.</p> <p>c. After adjusting Rs.82.64 crore towards advance tax received and TDS claimed, balance tax of Rs.14.93 crore has been recovered, while processing (6 April 2016) refund order for Rs.22.48 crore for Assessment year 2010-11 and refunded balance Rs.7.54 crore.</p> <p>d. Aggrieved by this, VPA filed (18 April, 2016) before CIT(Appeals), Visakhapatnam. Appeal is pending with CIT(Appeals) and hearings have not commenced with CIT (Appeals).</p> <p>e. VPA filed petition U/s 154 of the IT Act(25.4.2016) to deduct an amount of Rs.3.53 Crs. from total income on account of Upfront amortization and also for granting the short credit of TDS for Rs.0.05 Crs.</p> <p>f. Against (d) above The CIT(Appeals) issued notice U/s 250 of the Act vide DIN No.ITBA,/NFAC/F/APL_1/2020- 21/1029229691(1) for Appeal No. CtT (A), Visakhapatnam- 1/10059/2016-17 for Ay 2013-14 and VPA submitted submissions vide Lr dt.6.1.2021 for the Order passed U/s 143(3) of the IT Act.</p>
Financial Year	2012-13													
Assessment Year	2013-14													
Advance Tax paid & TDS credit	82.69													
Tax provision made in VPA accounts	15.00													
Tax liability as per IT return filed by VPA	0.00													
Refund claimed by VPA as per IT return	82.69													

SI No	Particulars		Status of Assessments from time to time
6	Financial Year	2013-14	<p>a. VPA assessed business loss of Rs.35.40 crore while filing revised return in March 2016 and claimed refund of tax of Rs.56.33 crore.</p> <p>b. After scrutiny and calling several queries, ACIT, Circle-1(1), Visakhapatnam in his initial assessment order on 31.12.2016, after disallowing Rs.169.49 crore, arrived business taxable income as Rs.134.09 crore duly deducting loss of Rs.35.40 crore as per return filed by VPA and assessed total tax liability of Rs.41.43 crore.</p> <p>c. After adjusting Rs.56.08 crore towards advance tax received and TDS claimed, Rs.14.64 crore along with interest U/s244A allowed and total refundable by the IT Department is Rs.17.06 Crores.</p> <p>d. The IT Department refunded(4.2.2017) an amount of Rs.17.06 Crs which included the interest of Rs.2.42 Crs U/ s 244A of the IT Act and the same recognised as interest income of 2016-17.</p> <p>e. Aggrieved of the disallowances of Rs.169.49 Crore at (b) VPA e-filed petition(8.2.2017) petition before CIT (Appeals), Visakhapatnam. Appeal is still pending with CIT(Appeals). Hearings have not commenced on the CIT appeal.</p> <p>f. VPA filed petition U/s 154 of the IT Act(8.2.2017) for granting the short credit of TDS for Rs.0.25 Crores.</p> <p>g. VPA filed petition U/s 154 of the IT Act(2.3.2017) for granting the short credit of TDS for Rs.0.25 Crores and also for grant of interest U/s244A which was allowed upto 31.12.2016 only amounting to Rs.2.42 Crs. instead of payment of interest up to February 2017 being the date of receipt of refund.</p> <p>h. IT Department issued a notice U/s 154/155 of the IT Act for levy of Surcharge @10% i.e. Rs.4.82 Crs on the order U/s 143(3) passed on 31.12.2016.</p> <p>i. While issuing the refund for the AY 2015-16 of Rs.6.73 Crs the demand at (h) was adjusted and balance amount of Rs.1.90 Crs was refunded for the AY 2015-16.</p> <p>j. Against (e) above, The CIT(Appeals) issued notice U/s 250 of the Act vide DIN No. ITBA/NFAC/F/APL-1/2021-/1029329391(1) dated 29.12.2020 for Appeal No. CIT(A), Visakhapatnam- 1/10477/2016-17 for AY 2014-15 and VPA submitted submissions vide Lr. Dt.11.1.2021 against the Order passed U/s 143(3) of the IT Act.</p>
	Assessment Year	2014-15	
	Advance Tax paid & TDS credit	56.33	
	Tax provision made in VPA accounts	7.29	
	Tax liability as per IT return filed by VPA	0.00	
	Refund claimed by VPA as per IT return	56.33	

SI No	Particulars		Status of Assessments from time to time
7	Financial Year	2014-15	<p>VPA while filing return in March 2017, claimed refund of tax of Rs.48.11 crore.</p> <p>After scrutiny and calling several queries, ACIT, Circle-1(1), Visakhapatnam in his initial assessment order on 31.12.2017, after disallowing Rs.37.70 crores, arrived business taxable income as Rs.123.34 crore as per return filed by VPA and assessed total tax liability of Rs.41.92 crore. After adjusting Rs.5.00 crore towards advance tax received and TDS credit allowed Rs.42.70 crore along with interest U/s244A allowed and total refundable by the IT Department is Rs.6.73 Crores.</p> <p>a. The IT Department refunded(19.1.2018) an amount of Rs.6.73 Crs duly adjusting an amount of Rs.4.82 Crs towards demand for Assessment Year 2014-15 for non-levy of surcharge @ 10% while issuing the assessment order for AY 2014-15 and net refund of Rs1.90 Crs which included the interest of Rs.0.95 Crs U/s 244A of the IT Act.</p> <p>b. Aggrieved of the disallowances of Rs.37.70 Crores at (b) VPA e-filed petition(2.2.2018) petition before CIT (Appeals), Visakhapatnam. Appeal is still pending with CIT(Appeals). Hearings have not commenced on the CIT appeal.</p> <p>c. VPA filed petition U/s 154 of the IT Act(2.2.2018) for granting the short credit of TDS for Rs.0.41 Crores.</p> <p>d. on (b) above written submissions(9.1.2020) before the CIT(Appeals) for AY 2015-16 were filed in ITA No.10251/2017-18/AY 2015-16. The CIT (Appeals), vide ITA No.10251/2017-18/CIT(A)-1/VSP/2019-20 dt.22.9.2020 has partly allowed the appeal.</p> <p>e. On partly allowing the appeal for AY 2015-16, the ACIT, Circle-1(1) issued a consequential order dt.27.11.2020 and granted relief of Rs.3.88 Crs and issued refund of Rs.2.32 Crs including interest of Rs.1.54 Crs.</p> <p>f. The interest U/s 244A for Rs.1.54 Crs. for AY 2015-16 was recognized as interest income of 2020-21</p> <p>g. The refund at (e) above of Rs.2.32 Crs for AY 2015-16 was adjusted against the demand for the AY 2017-18.</p> <p>h. VPA filed an appeal with ITAT on the Appellate Order and Grounds of Decision(21.9.2020) of CIT(Appeals) for AY 2015-16.</p>
	Assessment Year	2015-16	
	Advance Tax paid & TDS credit	48.11	
	Tax provision made in VPA accounts	25.18	
	Tax liability as per IT return filed by VPA	0.00	
	Refund claimed by VPA as per IT return	48.11	

SI No	Particulars		Status of Assessments from time to time
8	Financial Year	2015-16	<p>a. VPA assessed business loss of Rs.11.41 crore while filing revised return in March 2018 and claimed refund of tax of Rs.47.01 crore.</p> <p>b. After scrutiny and calling several queries through online mode, ACIT, Circle-1(1), Visakhapatnam in his initial assessment order under section 143(3) dt. 25.12.2018 disallowing Rs.351.95 crores and arrived business taxable income as Rs.237.78 crores and arrived at aggregate Income tax liability of Rs.93.93 Crs.</p> <p>c. After adjusting Rs.5.00 crore towards advance tax received and TDS credit allowed Rs.42.01 crore and total demand payable by VPA u/s 156 of the Act dt.25.12.2018 to the IT Department is Rs.46.92 Crores.</p> <p>d. Aggrieved of the disallowances of Rs.351.95 Crores at (b) VPA opined to file a petition before CIT(Appeals).</p> <p>e. VPA e-filed an appeal before CIT(Appeals) dt.23.1.2019. Appeal is pending with CIT(Appeals). Written submissions have been submitted to the CIT(Appeals) vide our letter dt.9.1.2020 and 21.1.2020.</p> <p>f. The AO vide e proceedings issued penalty proceedings and issued a demand notice U/s 156 of the IT Act dt.25.12.2018 for payment of Rs.46.92 Crs.</p> <p>g. In order to file the appeal on stay of collection of the disputed demand of Rs.46.92 Crs against the demand notice U/s 156 of the IT Act, VPA has to pay Rs.9.38 Crs being 20% of the disputed demand for AY 2016-17 of Rs.46.92 Crs.</p> <p>h. For AY 2011-12, a consequential order dt.31.3.2016 was passed with a refund amount of Rs.21.42 Crs. Out of the total refund amount, an amount of Rs.13.99 Crs was adjusted for the outstanding demand for the AY 2012-13 and remaining amount was issued to VPA. Later while passing the consequential order dt.9.5.2017 for AY 2012-13, credit of Rs.13.99 Crs was not given to VPA.</p> <p>i. VPA vide its stay petition before the DCIT, Circle-1(1), Visakhapatnam on 24.1.2019 filed a stay petition for stay of collection of demand for the AY 2016-17 raised u/s 143(3) of the IT Act and requested the AO to adjust the 20% of the demand against the AY 2012-13 refund for credit of Rs.13.99 Crs along with interest U/s 244 A of the Act.</p> <p>j. The Dy.CIT, Circle-1(1), Visakhapatnam vide order U/s 154 of the IT Act dt.1.3.2019 refunded Rs.13.99 Crs along with interest U/s 244 A of Rs.1.54 Crs(total amount Rs.15.53 Crs) and adjusted the refund of Rs.15.53 Crs against the outstanding demand for the AY 2016-17(total demand Rs.46.92 Crs).</p>
	Assessment Year	2016-17	
	Advance Tax paid & TDS credit	47.01	
	Tax provision made in VPA accounts	0.00	
	Tax liability as per IT return filed by VPA	0.00	
	Refund claimed by VPA as per IT return	47.01	

SI No	Particulars	Status of Assessments from time to time												
		<p>k. The Chief Commissioner of Income Tax-1, Visakhapatnam vide order on the application for stay of collection of disputed demand for AY 2016-17 vide order dt.18.3.2019 informed for payment of Rs.10.00 Crs on or before 22.3.2019 and directed the A.O. to keep the collection of balance of disputed demand in abeyance till the disposal of the 1st appeal by the CIT(A) or 31.12.2019 whichever is earlier on certain terms and conditions.</p> <p>l. VPA paid an amount of Rs.10.00 Crs on 20.3.2019 against the disputed demand of Rs.46.92 Crs. Total amount paid against the demand is Rs.25.53 Crs(Rs.15.53 at (h) above and Rs.10.00 Crs) and balance to be paid is Rs.21.39 Crores.</p> <p>m. VPA was issued a notice dt.31.1.2020 in e-proceedings by IT department for payment of Rs.21.39 Crores balance disputed demand payable by VPA and VPA has filed a petition dt.6.2.2020 requesting the Assessing Officer that rectification petitions for refund due to VPA are still pending for disposal by the department and on being allowed by the Department are more than the balance disputed demand made by the Assessing Officer for AY 2016-17.</p> <p>n. On (d) above written submissions(9.1.2020) before the CIT(Appeals) for AY 2016-17 were filed in ITA No.10269/2018-19 AY 2016-17. The CIT (Appeals), vide ITA No.10251/2017-18/CIT(A)-1/VSP/2019-20 dt.22.9.2020 has partly allowed the appeal.</p> <p>o. VPA filed a petition with the ACIT(19.11.2020) requesting for passing a consequential order giving effect to the order passed by the CIT(A)-1 for AY 2016-17.</p> <p>p. VPA filed an appeal with ITAT on the Appellate Order and Grounds of Decision (21.9.2020) of CIT(Appeals) for AY 2016-17.</p>												
9	<table border="1"> <tr> <td>Financial Year</td> <td>2016-17</td> </tr> <tr> <td>Assessment Year</td> <td>2017-18</td> </tr> <tr> <td>Advance Tax paid & TDS credit</td> <td>56.13</td> </tr> <tr> <td>Tax provision made in VPA accounts</td> <td>13.09</td> </tr> <tr> <td>Tax liability as per IT return filed by VPA</td> <td>0.00</td> </tr> <tr> <td>Refund claimed by VPA as per IT return</td> <td>56.13</td> </tr> </table>	Financial Year	2016-17	Assessment Year	2017-18	Advance Tax paid & TDS credit	56.13	Tax provision made in VPA accounts	13.09	Tax liability as per IT return filed by VPA	0.00	Refund claimed by VPA as per IT return	56.13	<p>a. VPA while filing revised return in March 2019, claimed refund of tax of Rs.56.13 crore.</p> <p>b. Initial assessment has commenced and notice under section 143(2) has been issued vide e-proceedings dt.14.8.2018, 27.9.2018 and 27.9.2019 and notice under section 142(1) issued on 19.9.2019 and notice under section 143(3) Show cause issued on 29.11.2019, 18.12.2019, 21.12.2019.</p> <p>c. After scrutiny and calling several queries through online mode, ACIT, Circle-1(1), Visakhapatnam in his initial assessment order under section 143(3) dt.28.12.2019 disallowed Rs.169.83 crores and arrived business taxable income as Rs.169.83 crores and arrived at aggregate Income tax liability of Rs.59.65 Crs.</p> <p>d. After adjusting TDS credit allowed Rs.56.12 crores and total demand payable by VPA is Rs.3.52 Crores.</p>
Financial Year	2016-17													
Assessment Year	2017-18													
Advance Tax paid & TDS credit	56.13													
Tax provision made in VPA accounts	13.09													
Tax liability as per IT return filed by VPA	0.00													
Refund claimed by VPA as per IT return	56.13													

SI No	Particulars	Status of Assessments from time to time
		<p>e. Demand notice dt.28.12.2019, U/s 156 of the IT Act was issued to VPA for payment of Rs.3.52 Crores and VPA vide its petition dt.7.1.2020 requested the Assessing Officer that VPA is filing an appeal before the CIT(Appeals) and stated that the amount of Rs.0.70 Crores being 20% of the disputed demand of Rs.3.52 Crs be adjusted against the refund receivable to VPA against the petition filed by VPA under section 154 of the IT Act for AY 2016-17.</p> <p>e. Aggrieved of the disallowances of Rs.3.52 Crores at (d) VPA opined to file a petition before CIT(Appeals).</p> <p>f. VPA e-filed an appeal before CIT(Appeals) dt.10.1.2020 Appeal is pending with CIT(Appeals). Hearings have not commenced on the CIT appeal.</p> <p>g. VPA was issued a notice dt.31.1.2020 in e-proceedings by IT department for payment of Rs.3.52 Crores demand payable by VPA and VPA has paid an amount of Rs.0.70 Crores dt.13.2.2020 as regular assessment tax being 20% of the disputed demand of Rs.3.52 Cr.</p> <p>h. as per (f) above the CIT(Appeals) issued notice U/s 250 of the Act vide DIN No. ITBA./NFAC/F/APL_1/2020- 21/1029734733(1) dt.13.1.2021 for Appeal No. CtT (A), Visakhapatnam- 1 /10413/2019-20 for Ay 2017-18 and VPA submitted submissions vide Lr dt.19.1.2021 for the Order passed U/s 143(3) of the IT Act. The CIT(Appeals) are in progress.</p> <p>i. The ACIT, Circle1(1), Visakhapatnam issued notice(12.3.2021) U/s 154 of the IT Act stating that the order U/s 143(3) passed on 28.12.2019 for AY 2017-18 requires to be amended.</p> <p>j. VPA vide reply dt.16.3.2021 requested to defer the rectification proposed U/s 154 of the Act till disposal of the appeals filed before CIT(Appeals) and ITAT.</p> <p>k. The refund of Rs.2.32 Crs for AY 2015-16 was adjusted against the demand for the AY 2017-18.</p> <p>l. On (i) and (j) above, the Assessing Officer stating that a mistake in the Order passed U/s 143(3) dt.28.12.2019 of the IT Act and passed an order u/s 154 r.w.s 143(3) of the Act for AY 2017-18 disallowing the brought forward losses of Rs.51,97,27,909/-. The total income was considered at Rs.2,21,80,53,397/- and arrived at demand payable of Rs.26,73,90,440/-.The demand notice was sent to VPA Tax consultants for their advise/filing of appeal. The appeal with CIT(Appeals) on notice U/s 154 r.w.s.143(3) was filed on 21.10.2021.</p>

SI No	Particulars		Status of Assessments from time to time
10	Financial Year	2017-18	<p>(a) VPA while filing revised return in March 2019, claimed refund of tax of Rs.29.17 crores.</p> <p>(b) Initial assessment has commenced and notice under section 143(2) has been issued vide e-proceedings dt.22.9.2019 and 29.9.2019.</p> <p>(c) Notices under e-proceedings U/s 142(1) are in progress.</p> <p>(d) Gross Total Income as per return of income before set off of loss/ depreciation of VPA is Rs.172,28,55,086.</p> <p>(e) Finally the Assessment was completed by the A.O. U/s 143(3) vide e proceedings Order dt.24.9.2021, with disallowances of Rs.175,20,10,588/- bringing the Gross Total Income to Rs. 347,48,65,674/-. After deduction of claim U/s 80IA of the IT Act of Rs. 27,81,92,328 and arrived at the Total Income of Rs. 319,66,73,350/-.</p> <p>(f) Aggrieved of the disallowances of Rs.175,20,10,588/-at (e) above and demand payable by VPA is Rs.77,46,42,657/- VPA is preferring an Appeal with CIT(Appeals) and the appeal with CIT is filed on 21.10.2021.</p>
	Assessment Year	2018-19	
	Advance Tax paid & TDS credit	56.46	
	Tax provision made in VPA accounts	57.77	
	Tax liability as per IT return filed by VPA	27.29	
	Refund claimed by VPA as per IT return	29.17	
11	Financial Year	2018-19	<p>a. VPA while filing revised return in March 2020, claimed refund of tax of Rs.41.85 crores.</p> <p>b. Initial assessment has not yet commenced.</p>
	Assessment Year	2019-20	
	Advance Tax paid & TDS credit	65.35	
	Tax provision made in VPA accounts	36.26	
	Tax liability as per IT return filed by VPA	23.49	
	Refund claimed by VPA as per IT return	41.85	
12	Financial Year	2019-20	<p>(a) VPA filed its revised return in March 2021 with total income of Rs.211.39 Crs and claimed refund of tax of Rs.14.95 Crores.</p> <p>(b) Initial assessment has commenced and notice under section 143(2) has been issued on 29.6.2021 and VPA filed response on 12.7.2021.</p> <p>(c) Notices under e-proceedings U/s 142(1) were issued on 24.11.2021 and VPA filed response on 16.12.2021.</p> <p>(d) Again notice under e-proceedings U/s 142(1) was issued on 16.3.2022 and VPA filed response on 21.3.2022.</p>
	Assessment Year	2020-21	
	Advance Tax paid & TDS credit	88.96	
	Tax provision made in VPA accounts	68.56	
	Tax liability as per IT return filed by VPA	74.00	
	Refund claimed by VPA as per IT return	14.95	

SI No	Particulars	Status of Assessments from time to time												
		(e) Finally notice was issued U/s 143(3) on 25.3.2022 and draft Assessment Order was issued on 25.3.2022 and disallowed Rs.109.99 crores and arrived business taxable income as Rs.321.39 crores and response due date was fixed as 28.3.2022. VPA requested for adjournment till 10.4.2022. Information is yet to be received from the A.O.												
13	<table border="1"> <tr> <td>Financial Year</td> <td>2020-21</td> </tr> <tr> <td>Assessment Year</td> <td>2021-22</td> </tr> <tr> <td>Advance Tax paid & TDS credit</td> <td>97.95</td> </tr> <tr> <td>Tax provision made in VPA accounts</td> <td>0.00</td> </tr> <tr> <td>Tax liability as per IT return filed by VPA</td> <td>0.00</td> </tr> <tr> <td>Refund claimed by VPA as per IT return</td> <td>97.95</td> </tr> </table>	Financial Year	2020-21	Assessment Year	2021-22	Advance Tax paid & TDS credit	97.95	Tax provision made in VPA accounts	0.00	Tax liability as per IT return filed by VPA	0.00	Refund claimed by VPA as per IT return	97.95	<p>a. VPA while filing revised return in March 2022, claimed refund of tax of Rs.97.95 crores.</p> <p>b. Initial assessment has not yet commenced.</p>
Financial Year	2020-21													
Assessment Year	2021-22													
Advance Tax paid & TDS credit	97.95													
Tax provision made in VPA accounts	0.00													
Tax liability as per IT return filed by VPA	0.00													
Refund claimed by VPA as per IT return	97.95													
14	For the financial year 2021-22(Assessment year 2022-23), advance tax paid Rs. 59.83 Crores and TDS at credit as per Form 26As is of Rs.51.44 crores. Provision towards income tax provided is 121.01 Cr. Tax Return will be filed as per time lines.													

9.	The following items constitute contingent liabilities.	(Rs.in crores)
a)	Law suits pending in Courts against VPA for claims	62.49
b)	Contingent liability on account of non payment of 75% amount as per NITI Ayog guidelines due to non-production of required Documents like BG and opening of Escrow account by PPP operator M/s AVR INFRA PRIVATE LIMITED	16.23
c)	Disputed Property Tax Claim for the years 86-87 to 98-99	27.98
	Total	<u>106.70</u>

*In addition to the above, M/s. SEW – Vizag coal terminal filed a claim for Rs. 1,685.74 crores against termination of Concession agreement and VPA also filed a counter claim of Rs. 2,951.24 crores for revenue loss due to default in completion of EQ-1A against M/s. SEW –Vizag Coal Terminal Pvt Ltd.

- 10 Separate Trust accounts are maintained for Pension Fund, Gratuity Fund and Provident Fund. There is no separate Trust for Group Leave encashment but separate fund is maintained for GLES. During the year 2021-22, payments for Leave encashment met from revenue and the Leave Encashment Actuarial Valuation as on 31.03.2022 is Rs. 112.30 Crores and it is fully funded.

- 11 Detailed statement of Actuarial liability, Provisions created / still to create and funds position there on is furnished herewith.

PENSION & GRATUITY FUNDS POSITION AS ON 31.03.2022		
DETAILS	Pension Fund Trust	Gratuity Fund Trust
Funds to be provided as per Actuarial valuation (A)	5,389.86	261.20
Fund available to the end of 31.3.2021	4,626.87	180.77
Investment made during the year 2021-22	55.08	19.46
Interest earned during the year 2021-22	314.42	13.61
Payments made from funds during 2021-22	Nil	-28.92
Total investment made to the end of 31.3.2022 (B)	4,996.37	184.92
(Shortfall) / Excess in fund (B-A)	(393.49)	(76.28)

12. Shortfall in Pension Fund Trust and Gratuity Fund Trust will be made good in future basing on the availability of surplus funds.
13. Trial balance is generated from SAP and financial statements are prepared in excel, as P&L account and Balance sheet together with schedules are not available in SAP, as per the format prescribed by the Ministry (Billimoria Report)
14. Provision for PLR to officers and employees provided for Rs.4.70 Crores for 2021-22.
15. Claims accounted as income, but subsequently considered to be ineligible for receipt are treated in the books of accounts as expenditure on approval of the competent authority.
16. All sundry debtors are considered as good and hence no provision is made for bad debts and also awaiting for uniform policy from the Ministry for the same.
17. Prior period income or expenses which arise in the current periods as a result of errors or omission in preparation of Financial statements of one or more prior periods are included under Finance and Miscellaneous Income or Expenditure.
18. As per the Ministry's guidelines vide Lr. No. 25021/1/2011-PD-II dt.02/12/2011, Corporate Social Responsibility fund of Rs 4.77 crores has been created during the year
19. Reconciliation of quantity balances of Stores Priced Ledgers with Bin Cards has been done and necessary adjustments were carried out wherever necessary.
20. Previous year's figures have been regrouped wherever necessary to confirm to the current year's classification.
21. Western Quay -6 (WQ-6) berth in the Northern Arm of Inner Harbor for handling dry bulk cargo was developed by M/s West Quay Multi Port Pvt. Limited (WQMPL) on DBFOT as per Concession Agreement (July 2010) valid for a period of 30 years. After operating the berth for three years ten months, concessionaire suspended operations in March 2019. The concession agreement was terminated and port is operating the same. After obtaining the valuation report as per the concession agreement from the valuer and after receipt of orders from the judicial authorities all necessary adjustments will be passed as per the orders.
- In addition to the above, VPA has submitted a fresh SFC Proposal and on approval of SFC for revamping of the existing WQ 6 project on PPP mode by the Ministry. The RFQ was hosted in CPP Portal on 28.01.2022 for inviting applications from the prospective bidders.
22. VPT Employees General Provident Fund Trust (VPTEGPF Trust) has invested an amount of Rs. 8.00 Crores as Secured Non-Convertible debentures in DHFL during the year 2015-17. During 2019 DHFL has become defaulter and RBI has initiated Corporate Debt Resolution Process against DHFL in National Company Law Tribunal as per Insolvency and Bankruptcy Code, 2016. During June 2021, NCLT has declared DHFL as defaulter. Thereafter, as per the Resolution Plan and distribution mechanism submitted by PCHFC Ltd., VPTEGPF Trust has suffered with a Principal Loss of Rs. 4.13 Crores for which VPA (being the Principal Employer to the VPTEGPF Trust) has proposed to write-off the losses in VPTEGPF Trust Accounts and a letter was addressed to the Ministry for sanction. The Ministry approval is awaited.

23. General disclosures as per Billimoria report.

Sl.No	Particulars	2021-22		2020-21		Remarks	
1.	Fixed capital Assets retired from active use and awaiting disposal should be disclosed separately.	Nil		Nil		The assets were disposed as and when the same were deemed unfit and the sale proceedings are booked/charged to revenue in the respective years.	
2.	Estimated amount of contracts remaining to be executed on capital account and not provided for as at the end of FY (Rs.in crores)	157.25		14.20		As per the policy of VPA to recognize revenue on accrual basis, estimated capital expenditure due to the end of March 2021-22 provided for as at the end of 31.3.2022	
3.	Contingent liability not provided for due to disputes	106.70		108.18			
4.	CIF value of Imports during the year: Stores and SparesCapital goods /spares (Rs.in crores)	1.17		0.75			
5.	Expenditure in foreign currency (Rs. in Crores)	1.17		0.75			
6.	Earnings in foreign exchange	Nil		Nil			
7.	Value of imported and indigenous stores and spare parts consumed during the financial year with %	Nil		Nil			
8.	Expenditure incurred on research, planning and developmental activities (Rs.in Crores)	5.65		3.15			
9.	Borrowing costs capitalized during the year	Nil		Nil			
10.	Foreign exchange gain/losses during the year	Nil		Nil			
11.	Total capacity of VPA (Million tonnes)	126.89		126.89			
12.	Actual number of vessels handled during the year (No.)	1939		2040			
13.	Tonnage handled during the year (Million tonnes)	69.03		69.84			
14.	Details of class-wise staff strength (operating) including CHD is : (No.)	CHD	VPA	CHD	VPA		
		CI I	1	102	CI I	2	120
		CI II	1	94	CI II	1	89
		CI III	30	1403	CI III	33	1503
		CI IV	513	614	CI IV	537	676
		TOTAL	545	2213	TOTAL	573	2388

Sd/-
S.SHANTHI
FA&CAO, V.PA

Sd/-
K.RAMA MOHANA RAO, IAS
CHAIRMAN, V.PA



भारतीय लेखापरीक्षा और लेखा विभाग
महा निदेशक वाणिज्यिक लेखापरीक्षा एवं
पदेन सदस्य लेखापरीक्षा बोर्ड का कार्यालय, हैदराबाद

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL OF
COMMERCIAL AUDIT AND EX-OFFICIO MEMBER,
AUDIT BOARD, HYDERABAD

No.: DGCA/A/cs Desk/VPT/2021-22/1.41/

Date: 31.10.2022

To
The Secretary to Government of India,
Department of Ports Wings, Ministry of Shipping,
Parivahan Bhavan, No.1, Parliament Street,
New Delhi-110001

Sub: Separate Audit Report on the Accounts of the Visakhapatnam Port Trust,
Visakhapatnam for the year 2021-22

Sir,

I forward herewith a copy of the Separate Audit Report along with certified copy of accounts of the Visakhapatnam Port Trust, Visakhapatnam for the year 2021-22 for placing before the Parliament after approval of the Board and resolution passed to the effect for having adopted the above documents. The Separate Audit Report has been finalised after considering the replies furnished by the Board. A copy of the same has also been furnished to the Chairman, Visakhapatnam Port Trust, Visakhapatnam for information and necessary action.

Two copies of the printed Annual Report containing above documents as placed in the Parliament along with the dates of placement in the Parliament may please be furnished to this office.

Yours faithfully,

S.S.J.

(M. S. Subrahmanyam)
Director General


महालेखाकार का कार्यालय परिसर, सैफाबाद, हैदराबाद - 500 004.
A.G.'s Office Complex, Saifabad, Hyderabad - 500 004
e-mail : mabhyderabad@cag.gov.in

Grams : DIRCOMIT Fax : 040-23231318
Phone : 23233315, 23230415

No.: DGCA/A/cs Desk/VPT/2021-22/1.41/ 549

Date: 31.10.2022

A copy of the Separate Audit Report and certified copy of accounts of the Visakhapatnam Port Trust, Visakhapatnam for the year 2021-22 to: **The Chairman, Visakhapatnam Port Trust, Port Area, Visakhapatnam – 530 035** with the information that the documents may be adopted by the Board and resolution passed before sending to Government for placement in the Parliament. Two copies of the printed annual report containing the above documents and a copy of the resolution passed in this regard may please be furnished to this office.


(M. S. Subrahmanyam)
Director General 31/10/22

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

1. We have audited the attached Balance Sheet of Visakhapatnam Port Authority as at 31 March 2022 and the Profit and Loss Account for the year ended 31 March 2022 under Section 19 (2) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 44 of Major Port Authorities Act, 2021. These financial statements are the responsibility of the Port's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. This Draft 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, disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Laws, Rules & Regulations (Propriety and Regularity), efficiency-cum-performance aspects, etc., if any, are reported through Inspection Reports/CAG's Audit Report 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 that 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 a reasonable basis for our opinion.
4. Based on our audit, we report that:
 - i) We have obtained all the information and explanations which, to the best of our knowledge and belief, are 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 Ministry.
 - iii) In our opinion, proper books of accounts and other relevant records have been maintained by the Visakhapatnam Port Authority, Visakhapatnam as required in so far as it appears from our examination of such books.
 - iv) We further report that:

A. Revision of accounts

Visakhapatnam Port Authority (VPA) revised its annual accounts to give effect to some of the audit findings issued by this office. As a result,

- a) Profit Before Tax increased by ₹13.40 crore, i.e., from ₹349.46 crore to ₹362.86 crore.
- b) Profit After Tax increased by ₹7.38 crore, viz., from ₹268.18 crore to ₹275.56 crore.

It is to be noted that the above effect on Profit includes an entry made in Recast Accounts to account for the accrued interest of ₹20.41 crore being the interest receivable from LIC for VPA's deposit during the year 2021-22.

B. Comments on Accounts:**Balance Sheet****Current Liabilities and Provisions****A. Current Liabilities****I. Provident, Pension & Gratuity Funds: ₹25.69 crore**

1. (a) As per the Actuarial Valuation Report submitted by LIC, the requirement of funds to meet the future obligations of Pension and Gratuity as on 31 March 2022 is ₹5651.06¹ crore. However, VPA apportioned an amount of ₹5181.29² crore to meet the above obligation till 31 March 2022 and invested the amount in Pension Fund Trust and Gratuity Fund Trust. This has resulted in shortfall of ₹469.77 crore towards investment in Pension Fund Trust and Gratuity Fund Trust as on 31 March 2022. This has resulted in understatement of Current Liabilities and Provisions and overstatement of Profit by ₹469.77 crore.
- (b) Audit verified the confirmation certificates furnished by the Financial Institutions against the investments in Pension Fund and Gratuity Fund and observed that VPA has not furnished the confirmation certificates in respect of annuities amounting to ₹580.16 crore stated to be invested towards Pension Fund and ₹4.22 crore stated to be invested towards Gratuity Fund. Hence, Audit could not vouchsafe the authenticity of investment of ₹584.38 crore invested in the Pension Fund Trust and Gratuity Fund Trust upto the Financial Year 31 March 2022.

APPLICATION OF FUNDS**Application of Funds****Current Assets, Loans & Advances****Current Assets : ₹1625.88 crore****Sundry Debtors : ₹522.94 crore**

2. Provision towards doubtful debts made till March 2014 was ₹7.31 crore. Subsequently, despite giving assurances year after year, VPA had not made further provision towards doubtful debts. Out of gross Sundry Debtors of ₹530.25 crore as on 31 March 2022, amount outstanding for more than five years was ₹109.56 crore (20.66 per cent). Similar comment was also included in the Separate Audit Reports for the years 2019-20 and 2020-21. However, no corrective action was taken in the year 2021-22.
3. The above includes ₹5.37 crore (Estate Rentals) as receivable from M/s Adani Vizag Coal Terminal Private Limited (AVCTPL) as on 31 March 2022. VPA terminated (March 2021) the concession agreement with AVCTPL and claimed ₹2.56 crore as Estate Rentals in Arbitration. However, the differential Estate Rentals amounting to ₹2.81 crore was not provided for. This has resulted in overstatement of Sundry Debtors and understatement of Provision for Bad and Doubtful Debts with consequential overstatement of Profit Before Tax by ₹2.81 crore.
4. The above includes ₹27.45 crore from the year from 1973-74 to 2013-14 (till implementation of SAP). The Debtors have been lying un-reconciled for a period ranging between seven and 50 years. Though chances of realisation of these Debtors are remote, suitable provision was not created resulting in overstatement of Sundry Debtors and understatement

¹ ₹5651.06 crore = ₹5389.86 crore towards Pension Fund + ₹261.20 crore towards Gratuity Fund

² ₹5181.29 crore = ₹4996.37 crore in Pension Fund Trust + ₹184.92 crore in Gratuity Fund Trust

of Provision for Bad and Doubtful debts by ₹27.45 crore with consequential overstatement of Profit Before Tax by a similar amount.

5. The above includes an amount of ₹0.11 crore towards estate dues receivable from erstwhile CPSU Hindustan Zinc Limited (HZL) for the years 2008-09, 2010-11, 2011-12 and 2012-13. Since HZL was privatized, chances of recovery of the above estate dues are remote and need to be provided for. Non-provision of the same resulted in overstatement of Sundry Debtors and understatement of Provision for Bad and Doubtful debts by ₹0.11 crore with consequential overstatement of Profit Before Tax by a similar amount.
6. The above includes an amount of ₹14.63 crore shown as estate dues from different parties since 1993-94 to 2015-16. Since these debts were lying unrealized for more than five to 27 years and chances of their realization are remote, the same needs to be reviewed and provided for. Non-provision has resulted in overstatement of Sundry Debtors and understatement of Provision for bad and doubtful debts by ₹14.63 crore with consequential impact of overstatement of profit by the same amount.
7. VPA has leased land measuring Acres 28.045 (Acres 34.135 cents - Acres 6.09 cents) at Exim Park area to M/s Visakha Container Terminal Pvt. Ltd.(VCTPL) for Container Freight Station in terms of Concessionaire License Agreement and rent chargeable under the commercial category during the period from 2018-19 to 2021-22 was ₹43.12 crore as intimated (June 2021) to M/s. VCTPL. However, Sundry Debtors for the year ended 2021-22 included an amount of ₹47.43 crore as Estate dues instead of ₹43.12 crore from the above firm. Hence, Estate rentals, Sundry Debtors and Profit Before Tax were overstated by ₹4.31 crore.

Advances recoverable in cash or in kind or the value to be received: 64.27 crore

Advances for Contract works: ₹28.22 crore

8. Advances for contract works include an amount of ₹11.26 crore towards Advance given to Railways during 2014-15 towards Maintenance charges and revamping of Railway interlocking for R & D yard. Though the work was awarded during the year 2014-15, for the period of three years, VPA has not regularised the advance till date. Though this issue was pointed during the audit for the year 2020-21, no entry was done. As assured by VPA during audit for the year 2021-22, the advance given to Railways needs to be reconciled and necessary entries be passed in the year 2022-23.

Current Liabilities & Provisions (Schedule 2.4)

III. Miscellaneous Creditors & Current Balances

9. The above includes ₹42.46 crore (including ₹32.59 crore lying unclaimed for the period prior to the year 2013 and these cutover balances were uploaded to the SAP from the Legacy system) being the Deposits collected from the Merchants, Contractors and Others for the services provided to them like Estate rentals, Electricity and Water charges lying unclaimed relating to the period prior to March 2016. Since the Deposits have been lying unclaimed for more than five years and there were no claims pending against these amounts, the necessary adjustment entries need to be passed after due reconciliation during the year 2022-23.

V. OTHER LIABILITIES: 351.72 crore

10. The above includes other liabilities of ₹21.12 crore being the amounts lying in this account since implementation of SAP, i.e., 2012 without any adjustment/reconciliation against the Deposit received by Chief Engineer towards execution of works of other parties. The same needs to be reviewed and requisite accounting entries may be passed during the year 2022-23.

Profit and Loss Account**Operating Surplus****Finance & Miscellaneous Expenditure (Schedule R-11): ₹493.13 crore**

11. General Provident Fund (VPAEPGPF) Trust funds are invested through appointed portfolio manager. As a part of the investments, an amount of ₹8.00 crore was invested in Dewan Housing Finance Limited (DHFL) in 2018. Subsequently, DHFL became a defaulting entity and Corporation Insolvency Resolution Process was initiated by the Reserve Bank of India. VPA has also received (September 2021) ₹3.86 crore towards final settlement proceeds. Board of Trustees, vide its resolution no. 111/2021-22, accorded approval to transfer the amount of 6.39 crore (principal and interest) from VPA General Reserves to VPAEPGPF account to compensate for the loss incurred in the investment made in DHFL after obtaining approval from Ministry. Accordingly, VPA requested (01 February 2022) Ministry of Ports, Shipping & Waterways (Ports Wing) to accord approval for writing off the loss of ₹6.40 crore in VPA Books of Accounts. It was also apprised to the Board of Trustees that the loss has to be made good by VPA, since these funds pertain to Employees PF and VPA as principal employer is liable to return these funds to the employees on their superannuation/ withdrawal. However, VPA has not recognized the liability of ₹6.40 crore in the books for the year 2021-22. This has resulted in understatement of Other Liabilities as well as Finance and Miscellaneous Expenditure by ₹6.40 crore with corresponding overstatement of Profit Before Tax by a similar amount.

C. Management Letter

Deficiencies which have not been included in the Audit Report have been brought to the notice of the Chairman, Visakhapatnam Port Authority through a management letter issued separately for remedial/corrective action in 2022-23.

- i. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
- ii. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with Accounting Policies and Notes on Accounts, 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 Visakhapatnam Port Authority, Visakhapatnam as on 31 March 2022 and
 - b. In so far as it relates to Profit & Loss Account, of the profit for the year ended on that date.
- iii. A Review of accounts showing the summarised financial results of the Visakhapatnam Port Authority for the last three years is given in Annexure-II.

**For and on the behalf of the
Comptroller and Auditor General of India**

**(M. S. Subrahmanyam)
Director General of Commercial Audit
Hyderabad**

**Place: Hyderabad
Date: 31 October 2022**

Annexure-I

1. Adequacy of Internal Audit System

The internal audit of Visakhapatnam Port Authority (VPA) was entrusted to M/s. RSM Associates. During the current year the Internal Audit teams submitted monthly audit reports to the FA&CAO/VPA for five months from April 2021 to August 2021. Subsequently, the contract was terminated in the month of September 2021 and awarded to M/s. JLN US & Co on 11 April 2022 for a period of two years from 01 October 2021. However, the firm has not conducted Internal Audit so far. Though the internal audit mandate provides for various checks including verification of draft Profit & Loss Account, Balance Sheet, Schedules, Notes forming part of accounts, deficiencies still persist which is evident from the fact that C&AG pointed out 79 Audit Findings (including three Supplementary Audit Findings and one additional audit finding) during financial audit for the year 2021-22, out of which Management of VPA passed rectification entries for 55 Audit Findings. This indicates need for further improvement and effectiveness of the Internal Audit System.

2. Adequacy of Internal Control System

Internal controls of the Visakhapatnam Port Authority are not adequate. Specific areas relating to debtors' management requiring to be strengthened/improved have been brought to the notice of the Chairman, Visakhapatnam Port Authority, through a Draft Management Letter issued separately for compliance. **Some major items besides issues already pointed out in SAR are as follows:**

- All port users shall maintain minimum balance of 25,000 in their revolving deposit accounts with VPA. Out of total 1142 deposit accounts, 915 customers are maintaining requisite minimum balances. However, deposit accounts of 227 port users are not having the requisite minimum balances and showing the negative balances of ₹104.07 crore. This indicates the inadequacy of monitoring mechanism.
- Appeals against Income Tax (IT) assessment orders for the Assessment Years 2009-10 to 2019-20 have been pending before various appellate authorities of Income Tax Department. Management has to ensure appropriate efforts for speedy disposal of the appeals.

(Note: As per section 208 of IT Act, VPA pays Advance Tax and Tax Deduction at Source (TDS) (for which VPA gets credit as per Form 26 AS TDS Certificate issued by the customer) to Income Tax Authorities. To obtain the refund from IT Authorities from the above advances, VPA files IT returns every year with applicable tax assessment. However, due to non-adjustment of amounts submitted by VPA in ITRs from 2009-10 to 2021-22, an amount of ₹1000.84 crore was appearing as Current Asset and ₹573.52 crore as current liability and the same is inflating the current ratio of VPA.)

- VPA has no standard report for ageing of debtors in SAP. The Finance Department has downloaded the SAP data for 2021-22 and added to the opening balance of the ageing statement which is done manually. VPA stated that it is also migrating to SAP HANA and all the gaps which were found in the present SAP software would be dealt with and reviewed in the Financial Year 2022-23.
- As regards the provision for Bad and Doubtful Debts, VPA intimated that Ministry was in the process of formulating uniform policy on provision for Sundry Debtors applicable to all the Ports, so as to adhere to the same and bring the suitable entries in the Accounts of VPA. It was further stated that settlement to port users is under finalization and the total outstanding will be adjusted against dues to them and the same is not yet crystalized.

3. System of Physical Verification of Fixed Assets

According to the Policy and Procedure of VPA, physical verification of Fixed Assets is to be carried out once in five years. Accordingly, physical verification of Fixed Assets due in 2018 was conducted in the the year 2018-19. It is informed by the management that VPA is in the process of constituting a Committee during the year 2022-23 and the action will be initiated in compliance with the Committee Report.

4. System of Physical verification of inventory

The Physical verification of inventory is carried out at regular intervals by VPA and through Internal Auditor. However, the same has not been reviewed by the internal auditor from September 2021.

5. Regularity in payment of statutory dues

The Port Authority has remitted the statutory payments to the respective organisations within the due dates.

(M. S. Subrahmanyam)
Director General

Annexure-II

This review of accounts has been prepared without taking into account the audit observations/comments included in the audit report of the Comptroller & Auditor General of India.

a) **Introduction:**

The financial audit of accounts of VPA has been conducted under Section 19 (2) of Comptroller & Auditor General's (Duties, Power and Conditions of Service) Act, 1971 read with read with Section 44 of Major Port Authorities Act, 2021.

b) **Financial Position:**

The financial position of VPA under broad headings as at the end of each of the last three years of 2021-22 was as follows:

(₹. in crore)

	Description	2019-20	2020-21	2021-22
I.A	Liabilities			
	(i) Capital Reserves	962.98	1017.08	1019.48
	(ii) Other Reserves	1615.08	1855.64	2127.32
	(iii) Borrowings	0.00	0.00	0.00
	(iv) Capital Debts	23.39	7.72	0.00
	(v) Grants Received	20.35	21.27	42.18
	(vi) Current liabilities & Provisions & other liabilities (PF/Pension, Gratuity Fund)	2376.12	2021.13	2339.75
	(vii) Deferred Tax Liability	0.00	12.10	0.00
	Total	4997.92	4934.94	5528.73
I.B	Assets			
	(i) Fixed Assets (Gross block)	2689.37	2702.49	2832.85
	(ii) Less: Depreciation	784.23	837.33	894.14
	(iii) Net Fixed Assets	1905.14	1865.16	1938.71
	(iv) Capital Works-in-Progress	175.94	237.54	322.67
	(v) Investments	508.98	519.47	528.41
	(vi) Current Assets, Loans and Advances	2253.30	2312.77	2717.33
	(vii) Miscellaneous Expenditure (DRE)	0.00	0.00	0
	(viii) Deferred Tax Asset	154.56	0.00	21.61
	Total	4997.92	4934.94	5528.73
C	Working Capital ³	-122.82	291.64	377.58
D	Net Worth ⁴	2578.06	2872.72	3146.81
E	Capital Employed ⁵	1782.33	2156.80	2316.29
F	Percentage of Return on Capital employed ⁶	15.40	11.06	11.90
G	Capital employed (including work-in-progress)	1958.27	2394.34	2638.96
H	Percentage of Return on Capital Employed (including works-in progress)	14.01	9.97	10.44

¹ Working capital represents current assets minus current liabilities.

² Net worth represents capital reserves and other reserves plus accumulated surplus less accumulated deficit

³ Capital Employed represents net fixed assets plus working capital

⁴ Rate of return represents percentage of net surplus (before appropriations) to capital employed

c) Summary of working results:

The working results of VPA for the year ended 31 March 2022 as compared to the last two years ended 31 March 2020 and 2021 were as follows:

(₹. in crore)

	Description	2019-20	2020-21	2021-22
II	Revenue			
A	Income			
	Operating Income	1404.18	1445.69	1525.90
	Non-operating Income	107.65	78.16	83.97
	Total	1511.83	1523.85	1609.87
B	Expenditure			
	Operating Expenditure	662.55	654.15	740.17
	Non-operating Expenditure	543.45	464.40	506.84
	Total	1206.00	1118.55	1247.01
C	Net Surplus/deficit or profit before tax and appropriations	305.83	405.30	362.86
	Less: Provision for taxation			
	Previous year	0.00	0.00	0.00
	Current year	68.55	0.00	121.01
	Fringe Benefit Tax	0.00	0.00	0.00
	Deferred Tax	-37.12	166.66	-33.71
	Profit after tax	274.40	238.64	275.56
D	Less: Profit on disposal of fixed assets and transferred to Capital Reserve	0.04	0.07	2.40
E	Amount available for Appropriations	274.36	238.57	273.17
F	Less : Mandatory Appropriation / transfer to Reserve Fund (Net profit)	148.36	129.41	138.98
G	Surplus transferred to General Reserve Fund (Net profit)	126.00	109.16	134.19
H	Percentage of net profit after tax to			
i	Operating income	19.54	16.51	18.06
ii	Net fixed Assets	14.40	12.79	14.21
iii	Net worth	10.64	8.31	8.76

d) Ratio Analysis (liquidity & Solvency)

- Percentage of current assets to current liabilities increased from 114.43 in 2020-21 to 116.14 in 2021-22.
- Percentage of quick assets to current liabilities increased from 66.42 in 2020-21 to 67.45 in 2021-22.
- Percentage of liquid assets to current liabilities decreased from 48.40 in 2020-21 to 45.10 in 2021-22.
- Percentage of sundry debtors to operating income increased to 25.19 in 2020-21 as against 34.27 in 2021-22.
- Debt/Capital Reserves & Other Reserves ratio decreased from 0.27 in 2020-21 to 0.00 in 2021-22.
- Percentage of Current assets to Total assets increased from 46.87 in 2020-21 to in 49.15 2021-22.
- Percentage of Operating expenditure to Operating income increased from 45.25 in 2020-21 to 48.51 in 2021-22.

(M. S. Subrahmanyam)
Director General

ACTION TAKEN NOTES ON COMMENTS OF CAG ON THE ACCOUNTS OF VPA FOR THE YEAR 2021-22**A. Current Liabilities****I. Provident, Pension & Gratuity Funds: ₹.25.69 crore**

1 (a) As per the Actuarial Valuation Report submitted by LIC, the requirement of funds to meet the future obligations of Pension and Gratuity as on 31 March 2022 is ₹.5651.06¹ crore. However, VPA apportioned an amount of ₹.5181.29² crore to meet the above obligation till 31 March 2022 and invested the amount in Pension Fund Trust and Gratuity Fund Trust. This has resulted in shortfall of ₹.469.77 crore towards investment in Pension Fund Trust and Gratuity Fund Trust as on 31 March 2022. This has resulted in understatement of Current Liabilities and Provisions and overstatement of Profit by ₹.469.77 crore.

The short fall in Pension Fund and Gratuity Fund is Rs. 393.49 Crores and Rs. 76.28 Crores respectively as on 31.03.2022. After considering the Annual contribution for the year 2022-23 and anticipated interest receivables for the year 2022-23, the net deficit in the Pension and Gratuity Fund is around Rs.17.00 Crores and Rs. 41.00 Crores respectively. However, the said deficit will be adjusted in the due course, subject to variation in the Actuarial valuation on yearly basis and as per the Income Tax Rules.

1 (b) Audit verified the confirmation certificates furnished by the Financial Institutions against the investments in Pension Fund and Gratuity Fund and observed that VPA has not furnished the confirmation certificates in respect of annuities amounting to ₹.580.16 crore stated to be invested towards Pension Fund and ₹.4.22 crore stated to be invested towards Gratuity Fund. Hence, Audit could not vouchsafe the authenticity of investment of ₹.584.38 crore invested in the Pension Fund Trust and Gratuity Fund Trust upto the Financial Year 31 March 2022.

The investment in Life Annuities to the tune of Rs. 572.31 Crores were made from the FY 2006-07 to the FY 2011-12 and accordingly accounted in the books of pension fund trust and the same were shown in the notes to accounts of VPA since then and the above said period was duly audited by the CAG and no fresh investments were made from last 10 years including the Current Financial Year. Normally no confirmations are being issued by the said parties and in past also the same was not done/obtained. However, as desired by CAG, during the FY 22-23, Port shall request the said parties. It is further to state that the annuity figures stated in the SAR towards pension fund has to be read as Rs. 572.31 Crores and no annuities were purchased from Gratuity Fund.

APPLICATION OF FUNDS Application of Funds**Current Assets, Loans & Advances****Current Assets : 1625.88 crore****Sundry Debtors : 522.94 crore**

2. Provision towards doubtful debts made till March 2014 was ₹.7.31 crore. Subsequently, despite giving assurances year after year, VPA had not made further provision towards doubtful debts. Out of gross Sundry Debtors of ₹.530.25 crore as on 31 March 2022, amount outstanding for more than five years was ₹.109.56 crore (20.66 per cent). Similar comment was also included in the Separate Audit Reports for the years 2019-20 and 2020-21. However, no corrective action was taken in the year 2021-22.

For providing Bad and doubtful Debts, policy guidelines is yet to be received from the Ministry for which, a committee is constituted in the Ministry so as to have a uniform policy to all the Major Ports. Soon after the receipt of the policy from the Ministry, suitable provision will be made.

¹ ₹.5651.06 crore = ₹.5389.86 crore towards Pension Fund + ₹.261.20 crore towards Gratuity Fund

² ₹.5181.29 crore = ₹.4996.37 crore in Pension Fund Trust + ₹.184.92 crore in Gratuity Fund Trust.

3. The above includes ₹.5.37 crore (Estate Rentals) as receivable from M/s Adani Vizag Coal Terminal Private Limited (AVCTPL) as on 31 March 2022. VPA terminated (March 2021) the concession agreement with AVCTPL and claimed ₹.2.56 crore as Estate Rentals in Arbitration. However, the differential Estate Rentals amounting to ₹.2.81 crore was not provided for. This has resulted in overstatement of Sundry Debtors and understatement of Provision for Bad and Doubtful Debts with consequential overstatement of Profit Before Tax by ₹.2.81 crore.

The issue of AVCTPL terminal has been referred to Arbitration. Arbitration proceedings are under progress. Both the parties have filed the respective claims and at this stage, the amount referred in Audit i.e., Rs. 5.37 Crores stands as Sundry Debtors in the books of accounts and the difference has been informed to CE/LAW Division to claim with the other additional claims.

4. The above includes ₹.27.45 crore from the year from 1973-74 to 2013-14 (till implementation of SAP). The Debtors have been lying un-reconciled for a period ranging between seven and 50 years. Though chances of realisation of these Debtors are remote, suitable provision was not created resulting in overstatement of Sundry Debtors and understatement of Provision for Bad and Doubtful debts by ₹.27.45 crore with consequential overstatement of Profit Before Tax by a similar amount.

For providing Bad and doubtful Debts, policy guidelines is yet to be received from the Ministry for which, a committee is constituted in the Ministry so as to have a uniform policy to all the Major Ports. Soon after the receipt of the policy from the Ministry, suitable provision will be made.

5. The above includes an amount of ₹.0.11 crore towards estate dues receivable from erstwhile CPSU Hindustan Zinc Limited (HZL) for the years 2008-09, 2010-11, 2011-12 and 2012-13. Since HZL was privatized, chances of recovery of the above estate dues are remote and need to be provided for. Non-provision of the same resulted in overstatement of Sundry Debtors and understatement of Provision for Bad and Doubtful debts by ₹.0.11 crore with consequential overstatement of Profit Before Tax by a similar amount.

6. The above includes an amount of ₹.14.63 crore shown as estate dues from different parties since 1993-94 to 2015-16. Since these debts were lying unrealized for more than five to 27 years and chances of their realization are remote, the same needs to be reviewed and provided for. Non-provision has resulted in overstatement of Sundry Debtors and understatement of Provision for bad and doubtful debts by ₹.14.63 crore with consequential impact of overstatement of profit by the same amount.

7. VPA has leased land measuring Acres 28.045 (Acres 34.135 cents - Acres 6.09 cents) at Exim Park area to M/s Visakha Container Terminal Pvt. Ltd.(VCTPL) for Container Freight Station in terms of Concessionaire License Agreement and rent chargeable under the commercial category during the period from 2018-19 to 2021-22 was ₹.43.12 crore as intimated (June 2021) to M/s. VCTPL. However, Sundry Debtors for the year ended 2021-22 included an amount of ₹.47.43 crore as Estate

VPA has allotted an extent of land 28.045 Acres (Acs 34.135 cts - Acs 6.09 cts) in r/o M/s. Visakha Container Terminal Pvt. Ltd. In the year 2015 With the land rentals rate under industrial category only existing at that time, subsequently these rates divided in three categories i.e. Industrial/Commercial/Residential in the quinquennial revision of SOR By the TAMP for the period 2018-23. And the land under lease hold of M/s VCTPL is comes under commercial category. The same was disputed by

dues instead of ₹.43.12 crore from the above firm. Hence, Estate rentals, Sundry Debtors and Profit Before Tax were overstated by ₹.4.31 crore.

the firm represented to implement the industrial rates only to them. The issue was placed before the Ministry of Ports, Shipping and Water ways. In this connection, Final Report of Committee constituted by the Ministry was received and is under process for implementation of Start date. Therefore C.E , Estate division has raised bills in r/o M/s. Vizag Seaport Pvt. Ltd., up to the year 2018-19 But Annual bills from the year 2019-2020 to 2021-22 were not raised due to pending finalisation of dispute for start date to implement the industrial rate instead of commercial rate in r/o M/s VCTPL, but accounted as accrued income while finalizing the Annual Accounts of 21-22

Advances recoverable in cash or in kind or the value to be received: ₹.64.27 crore

Advances for Contract works: ₹.28.22 crores:

8. Advances for contract works include an amount of ₹.11.26 crore towards Advance given to Railways during 2014-15 towards Maintenance charges and revamping of Railway interlocking for R & D yard. Though the work was awarded during the year 2014-15, for the period of three years, VPA has not regularised the advance till date. Though this issue was pointed during the audit for the year 2020-21, no entry was done. As assured by VPA during audit for the year 2021-22, the advance given to Railways needs to be reconciled and necessary entries be passed in the year 2022-23.

Necessary adjustment entry after due reconciliation will be carried out after receipt of the details from Railways.

Current Liabilities & Provisions (Schedule 2.4)

III. Miscellaneous Creditors & Current Balances

9. The above includes ₹.42.46 crore (including ₹.32.59 crore lying unclaimed for the period prior to the year 2013 and these cutover balances were uploaded to the SAP from the Legacy system) being the Deposits collected from the Merchants, Contractors and Others for the services provided to them like Estate rentals, Electricity and Water charges lying unclaimed relating to the period prior to March 2016. Since the Deposits have been lying unclaimed for more than five years and there were no claims pending against these amounts, the necessary adjustment entries need to be passed after due reconciliation during the year 2022-23.

The adjustment of advances and deposit amount is a regular process, every year the adjustments are being carried out as and when required. Necessary adjustment entry after due reconciliation will be carried out after receipt of details.

V. OTHER LIABILITIES: ₹.351.72 crore:

10. The above includes other liabilities of ₹.21.12 crore being the amounts lying in this account since implementation of SAP, i.e., 2012 without any adjustment/reconciliation against the Deposit received by Chief Engineer towards execution of works of other parties. The same needs to be reviewed and requisite accounting entries may be passed during the year 2022-23.

Necessary adjustment entry after due reconciliation will be carried out on receipt of the details.

Profit and Loss Account**Operating Surplus****Finance & Miscellaneous Expenditure (Schedule R-11): ₹.493.13 crore**

11. General Provident Fund (VPAEPGPF) Trust funds are invested through appointed portfolio manager. As a part of the investments, an amount of ₹.8.00 crore was invested in Dewan Housing Finance Limited (DHFL) in 2018. Subsequently, DHFL became a defaulting entity and Corporation Insolvency Resolution Process was initiated by the Reserve Bank of India. VPA has also received (September 2021) ₹.3.86 crore towards final settlement proceeds. Board of Trustees, vide its resolution no. 111/2021-22, accorded approval to transfer the amount of ₹.6.39 crore (principal and interest) from VPA General Reserves to VPAEPGPF account to compensate for the loss incurred in the investment made in DHFL after obtaining approval from Ministry. Accordingly, VPA requested (01 February 2022) Ministry of Ports, Shipping & Waterways (Ports Wing) to accord approval for writing off the loss of ₹.6.40 crore in VPA Books of Accounts. It was also apprised to the Board of Trustees that the loss has to be made good by VPA, since these funds pertain to Employees PF and VPA as principal employer is liable to return these funds to the employees on their superannuation/ withdrawal. However, VPA has not recognized the liability of ₹.6.40 crore in the books for the year 2021-22. This has resulted in understatement of Other Liabilities as well as Finance and Miscellaneous Expenditure by ₹.6.40 crore with corresponding overstatement of Profit Before Tax by a similar amount.

Though Board has recommended, the authority lies with Ministry to approve, whether the same shall be made good or otherwise. The Ministry approval is awaited and the same will be shown in the Notes to accounts till receipt of approval from the Ministry.

VPT reply to the Management letter Dt: 31st October 2022

1. Adequacy of Internal Audit System:

The internal audit of Visakhapatnam Port Authority (VPA) was entrusted to M/s. RSM Associates. During the current year the Internal Audit teams submitted monthly audit reports to the FA&CAO/VPA for five months from April 2021 to August 2021. Subsequently, the contract was terminated in the month of September 2021 and awarded to M/s. JLN US & Co on 11 April 2022 for a period of two years from 01 October 2021. However, the firm has not conducted Internal Audit so far. Though the internal audit mandate provides for various checks including verification of draft Profit & Loss Account, Balance Sheet, Schedules, Notes forming part of accounts, deficiencies still persist which is evident from the fact that C&AG pointed out 79 Audit Findings (including three Supplementary Audit Findings and one additional audit finding) during financial audit for the year 2021-22, out of which Management of VPA passed rectification entries for 55 Audit Findings. This indicates need for further improvement and effectiveness of the Internal Audit System.

Noted for compliance. VPA is in the process of tendering for conducting Internal Audit of VPA by CAG empanelled auditors and the same will be finalized and work will be awarded.

2. Adequacy of Internal Control System:

- All port users shall maintain minimum balance of 25,000 in their revolving deposit accounts with VPA. Out of total 1142 deposit accounts, 915 customers are maintaining requisite minimum balances. However, deposit accounts of 227 port users are not having the requisite minimum balances and showing the negative balances of 104.07 crore. This indicates the inadequacy of monitoring mechanism.

Revised SOP and accounting of billing approved by Chairman which will be submitted to Board and on approval, shall be implemented.

- Appeals against Income Tax (IT) assessment orders for the Assessment Years 2009-10 to 2019-20 have been pending before various appellate authorities of Income Tax Department. Management has to ensure appropriate efforts for speedy disposal of the appeals.

(Note: As per section 208 of IT Act, VPA pays Advance Tax and Tax Deduction at Source (TDS) (for which VPA gets credit as per Form 26 AS TDS Certificate issued by the customer) to Income Tax Authorities. To obtain the refund from IT Authorities from the above advances, VPA files IT returns every year with applicable tax assessment. However, due to non-adjustment of amounts submitted by VPA in ITRs from 2009-10 to 2021-22, an amount of 1000.84 crore was appearing as Current Asset and 573.52 crore as current liability and the same is inflating the current ratio of VPA.)

VPA has appointed the CA firms to take up the issues of IT appeals to close the same at the earliest. It is a fact on record that due to bifurcation of the state the bench was not constituted. It is not appropriate to state that efforts were not made by VPA for speedy disposal. It is pertinent to state that, in the present Taxation regime all the assessments, appeals are being made faceless (e-assessments). On receipt of the Assessment Notices, VPA is responding then and there for speedy disposal of the assessments. Finalization of appeals either at CIT/ITAT is not in the hands of VPA.

<ul style="list-style-type: none"> VPA has no standard report for ageing of debtors in SAP. The Finance Department has downloaded the SAP data for 2021-22 and added to the opening balance of the ageing statement which is done manually. VPA stated that it is also migrating to SAP HANA and all the gaps which were found in the present SAP software would be dealt with and reviewed in the Financial Year 2022-23. 	Once SAP HANA is implemented by IT Division, the same shall be made available.
As regards the provision for Bad and Doubtful Debts, VPA intimated that Ministry was in the process of formulating uniform policy on provision for Sundry Debtors applicable to all the Ports, so as to adhere to the same and bring the suitable entries in the Accounts of VPA. It was further stated that settlement to port users is under finalization and the total outstanding will be adjusted against dues to them and the same is not yet crystalized.	Soon after the crystallization of the policy by the Ministry, action will be taken as per the directions of the Ministry.
3. System of Physical Verification of Fixed Assets	
According to the Policy and Procedure of VPA, physical verification of Fixed Assets is to be carried out once in five years. Accordingly, physical verification of Fixed Assets due in 2018 was conducted in the the year 2018-19. It is informed by the management that VPA is in the process of constituting a Committee during the year 2022-23 and the action will be initiated in compliance with the Committee Report.	A Committee in this regard is being formulated and the physical verification of the Fixed Assets will be taken in the current year 2022-23
4. System of Physical verification of inventory:	
The Physical verification of inventory is carried out at regular intervals by VPA and through Internal Auditor. However, the same has not been reviewed by the internal auditor from September 2021.	The task of physical verification of Inventory will be handed over to the eligible Internal Auditors appointed after finalization of the Tender for the year 2022-23.
5. Regularity in payment of statutory dues	
The Port Authority has remitted the statutory payments to the respective organisations within the due dates.	No comments.



CRUISE TERMINAL BUILDING UNDER CONSTRUCTION PHASE



OR - III BERTH OVER VIEW



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