



# विशाखपट्टणम पोर्ट ट्रस्ट Visakhapatnam Port Trust

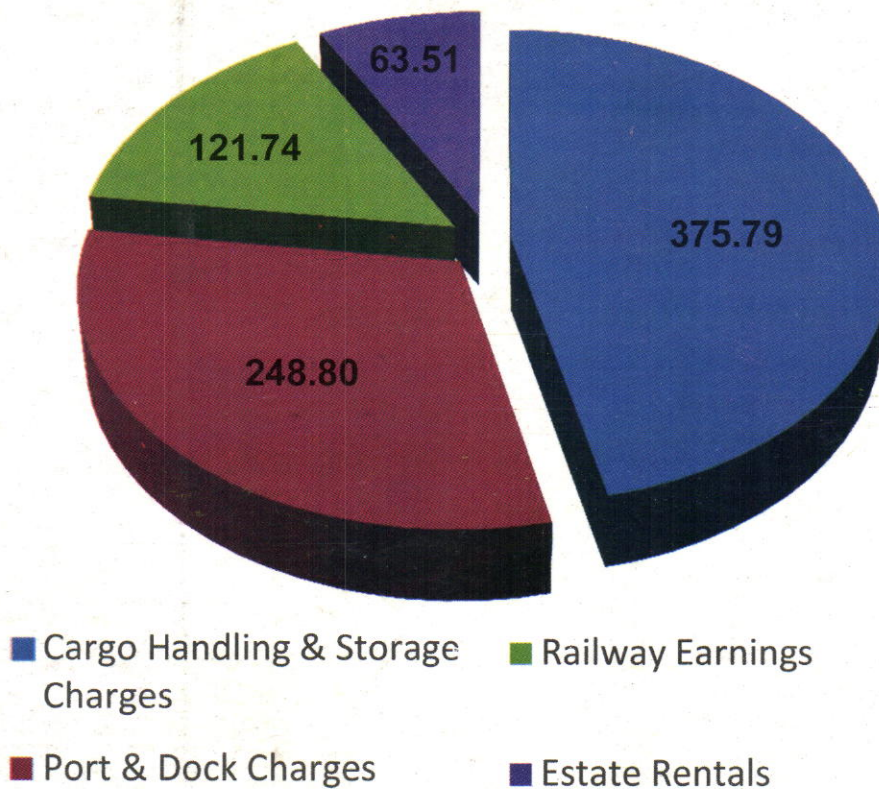
ISO 9001, ISO 14001, OHSAS 18001 Certified & ISPS Compliant



वार्षिक लेखा एवं लेखापरीक्षा रिपोर्ट  
Annual Accounts & Audit Report  
2014 - 15

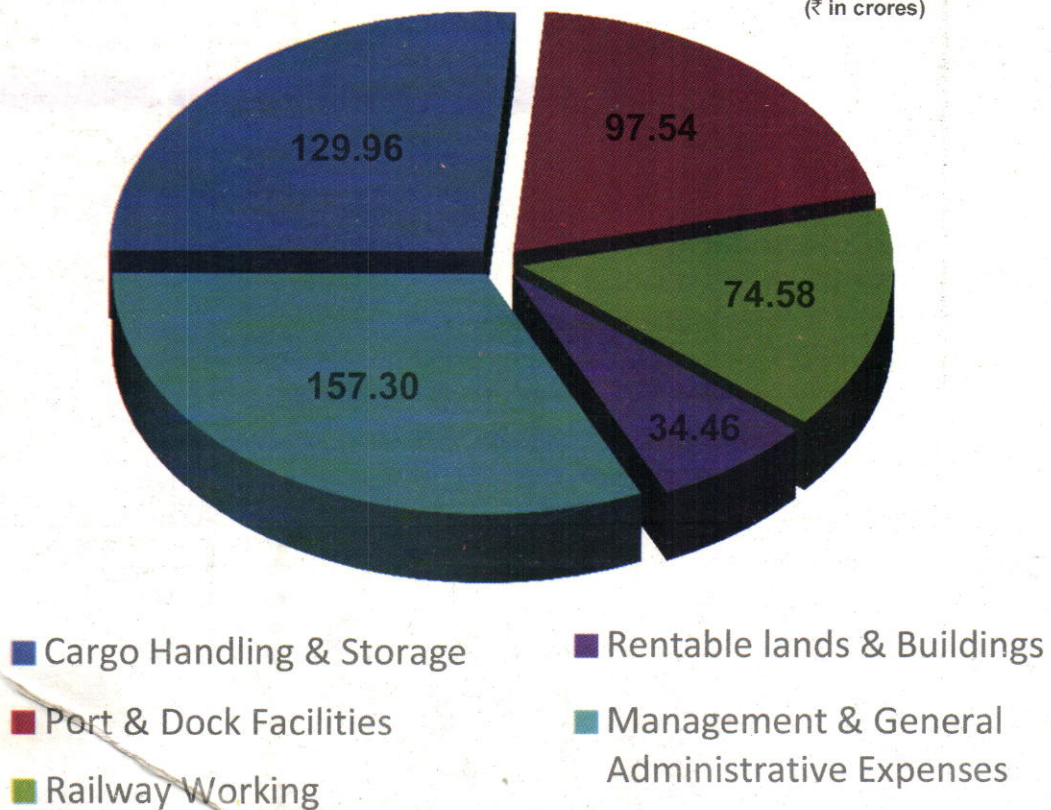
## OPERATING INCOME

(₹ in crores)



## OPERATING EXPENDITURE

(₹ in crores)





## VISAKHAPATNAM PORT TRUST

# Annual Accounts and Audit Report

*for the year 2014-15*



## INDEX

1. Audit Report on the Visakhapatnam Port Trust for the year 2014 - 15	1
2. Annual Accounts 2014 - 15	8
3. Note on Accounts	28
4. Statements showing the various stages involved finalisation of Annual Accounts and Audit Report thereon of VPT for 2014 - 15	34

**Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of Visakhapatnam Port Trust, Visakhapatnam for the year ended 31 March 2015**

We have audited the attached Balance Sheet of Visakhapatnam Port Trust as at 31 March 2015 and the Profit and Loss Account for the year ended on that date under Section 19 (2) of the Comptroller and Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 102 of the Major Port Trusts Act, 1963. 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 Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection Reports/CAG's Audit Reports separately.
3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides 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 were necessary for the purpose of our audit.
  - ii) The Balance sheet and Profit and Loss account dealt with by this report have been drawn up in the format approved by the Ministry.
  - iii) In our opinion, proper books of accounts and other relevant records have been maintained by the Visakhapatnam Port Trust, Visakhapatnam as required in so far as it appears from our examination of such books.
  - iv) We further report that

**A. Revision of accounts**

The Port Trust revised its accounts based on audit observations. As a result, the Profit before Tax decreased by ₹5.91 crore viz., from a profit of ₹109.28 crore to a profit of ₹103.37 crore and Profit After Tax increased by ₹16.04 crore viz., from a profit of ₹75.63 crore to ₹91.67 crore.

**B. Comments on Accounts**

**BALANCE SHEET**

Capital Works in Progress - ₹447.41 crore

1. VPT entrusted consultancy Services to M/s Dredging Corporation of India (DCI) to oversee Phase-III capital dredging work at inner harbour channel and inner harbour turning circle up to (-) 16.10m from (-) 14m draft. As agreed, consultancy charges payable were lumpsum ₹1.25 crore during January 2013 to May 2013 and ₹0.31 crore per month from June 2013 to May 2014. For the subsequent periods also i.e., from June 2014 VPT requested M/s DCI to agree to ₹0.31 crore per month but M/s DCI did not agree and preferred bills for ₹0.42 crore per month. VPT, however, continued to pay at ₹0.31 crore. As DCI has been raising bills for higher amount pending resolution, liability for the differential amount should have been recognized. This resulted in understatement of Capital Works in progress and Other liabilities by ₹1.04 crore.

**INVESTMENTS:**

**A. Investment of General Reserve Fund: ₹48 crore**

2. The Port Trust has not ascertained and provided for the diminution in the value of long term investment of ₹30 crore in M/s Sethusamudram Corporation Limited (SSCL), Chennai. This is contrary to the



Accounting Standard-13 for accounting of investments. Similar comment was included in the SAR since 2012-13, but no corrective action has been taken.

#### **CURRENT ASSETS, LOANS AND ADVANCES**

##### **A. CURRENT ASSETS**

##### **IV. Cash & Bank Balances**

##### **b) Bank Balances with Scheduled banks- ₹1144.91 crore**

3. The closing bank balances at the end of March 2015 ₹1144.91 crore were made adjustments through JVs to adjust the cash on hand balance variances. Because of the adjustment JVs the bank balances are now affected and the same are not reconciled with bank pass book balances. Therefore, the correctness of the bank balances could not be verified in audit.

##### **B. LOANS AND ADVANCES**

##### **a) Advances and Loans to Subsidiaries/Ports/Trusts- ₹13.40 crore**

4. VPT paid ₹5.56 crore to M/s RTTES for preparation of Techno-economic Feasibility Report for Development of new Major Port at Duggarajapatnam in Andhra Pradesh and was charged to revenue expenditure. As per the GoI decision, the above expenditure would become part of VPT's equity in joint venture company to be formed. Thus the expenditure should be classified as advances instead of revenue expenditure. This resulted in overstatement of Management and General Administration expenses and understatement of 'Advances and Loans to Subsidiaries / Ports / Trusts' under Current Assets and profit before tax by ₹5.56 crore. Similar comment was included in the SAR of 2013-14, but no corrective action has been taken.

#### **PROFIT AND LOSS ACCOUNT**

##### **EXPENDITURE**

##### **Finance & Miscellaneous Expenditure (Schedule R.11)**

##### **Contribution to Pension Fund- ₹104.16 crore**

5. The total Pension Fund liability of ₹ 2475.29 crore estimated under actuarial valuation as at the end of March 2014 was fully provided at the end of March 2015. However, in contravention to provision of Accounting Standard 15 (Accounting for Retirement Benefits), VPT did not get estimated the actuarial valuation of pension fund liability as on 31 March 2015. In absence of actuarial valuation, the pension fund liability as on 31 March 2015 could not be ascertained in audit.
- v. 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.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure-I to this Audit Report give a true and fair view in conformity with accounting principles generally accepted in India
- a. In so far as it relates to the Balance Sheet of the state of affairs of the Visakhapatnam Port Trust, Visakhapatnam, as on 31 March 2014, and
- b. In so far as it relates to Profit & Loss account of the profit/loss for the year ended on that date.
5. A Review of accounts showing the summarized financial results of the port for the last three years is given in Annexure-II.

For and on the behalf of the  
Comptroller and Auditor General of India  
Sd/-

(Arabinda Das)

Principal Director of Commercial Audit &  
Ex-Officio Member, Audit Board, Hyderabad

Place: Hyderabad  
Date: 30 September 2015



**Annexure-I**

**1. Adequacy of Internal Audit System**

The Internal audit of Port was entrusted to M/s Rao & Kumar up to May 2014. Further, Internal audit was entrusted to M/s G.R.Kumar & Co., from June 2014 onwards. During the current year the Internal Audit teams had submitted four final audit reports to the Chairman for the periods April 2014, May 2014, from June 2014 to Sept 2014 and from Oct 2014 to Dec 2014. The audit report for the remaining period i.e., from Jan 2015 to March 2015 was not made available to audit. Though the internal audit mandate provides for various checks including verification of draft Profit & Loss account, Balance sheet, schedules, Notes forming part of accounts, various deficiencies were pointed out during current year audit which have been substantially rectified by the management. This indicates that the effectiveness of the internal audit system needs to be improved.

**2. Adequacy of Internal Control System**

Internal controls of the Visakhapatnam Port Trust are not adequate. The debtors management needs to be strengthened/improved. Some major items are as follows:

- (i) VPT neither had any credit policy for extending services to Government/Private parties, nor fixed credit limits. Due to this, dues above six months of ₹164.94 crore become unsecured.
- (ii) Age-wise analysis revealed that debtors are outstanding since 1974-75 from Government Parties and since 1990-91 from Private Parties. The position highlights that the efforts made for timely realisation of dues are not adequate.
- (iii) Letters seeking confirmation of balances are issued to very few parties.
- (iv) The amounts collected from the debtors (mostly from 2004-05) were not adjusted against bill-wise dues and as a result both bill-wise dues and amounts collected from the party were continued to be exhibited as negative balances. In the process, it is difficult to link the bills, against which the dues are outstanding. This indicates that controls regarding proper recording of the transactions, collections and reconciliation are not adequate.
- (v) There was neither action plan, nor directions with timeframe from the Board towards collection of dues.
- (vi) The port users are required to maintain minimum balance ₹ 0.25 lakh in their revolving deposit accounts while availing port services. It is observed that out of 1827 deposit accounts, 212 deposit accounts worth ₹ 54.27 crore are showing negative balances. Though journal vouchers are passed transferring such negative balance amounts to Sundry Debtors account, negative balances are still continuing in respect of some deposit accounts from 2002-03 onwards without examining reasons thereof This indicates that controls in operation of deposit accounts are Inadequate
- (vii) Tax deducted at source (TDS) in respect of estate revenues etc., is accounted only when VPT receives the TDS certificates from the parties, instead of on accrual basis. There is time lag between accrual and receipt of TDS certificates.

This indicates absence of timely monitoring in receipt of TDS Certificates

- (viii) There was no regular and periodical follow-up with regard to doubtful debts made for settlement to the logical end.



**3. System of physical verification of fixed assets**

Physical verification of the fixed assets is to be done once in five years. Physical verification of the fixed assets, due in the year 2011-12 was done up to 31.03.2013 and the Physical verification committee submitted its report in March 2014, Though the committee observed a shortage of 369 fixed assets valuing ₹ 5.48 crore, Management had neither advised the committee to investigate thoroughly with regard to shortage of fixed assets to enable it to obtain approval of the competent authority to write off such shortage of fixed capital assets nor made a suitable disclosure with proper quantification of excess/ shortage.

**4. System of Physical verification of Inventory**

The physical verification of inventory is carried out by the Management at regular intervals.

**5. Regularity in payment of Statutory dues**

The port trust has remitted the statutory payments to the respective organisations Within the due dates.

Sd/-  
(Deepak Raghu)  
Deputy Director



## 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 and Auditor General of India.

### 1. Introduction

The audit of the accounts of the Visakhapatnam Port Trust has been conducted under Section 19(2) of Comptroller & Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 102 of Major Port Trusts Act, 1963.

### 2. Financial position

The financial position of the Port Trust under broad headings as at the end of each of the last three years was as follows:

	Description	2012-13	2013-14	2014-15
I.A	Liabilities			
	(i) Capital Reserves	898.98	902.51	902.51
	(ii) Other Reserves	944.86	959.95	1052.07
	(iii) Borrowings	0.00	0.00	0.00
	Capital Debts	0.00	50.00	100.00
	(iv) Current liabilities & Provisions & other liabilities (PF/Pension, Gratuity Fund)	1420.82	1608.46	1668.91
	(v) Deferred Tax Liability	0.00	0.00	0.00
	Total	3264.66	3520.92	3723.49
B	(i) Fixed Assets (Gross block)	1431.16	1467.15	1543.58
	(ii) Less: Depreciation	532.18	564.65	601.00
	(iii) Net Fixed Assets	898.98	902.50	942.58
	(iv) Work-in-Progress	98.29	324.40	447.41
	(v) Investments	556.46	165.47	174.12
	(vi) Current Assets loans and Advances	1569.81	1993.74	2011.11
	(vii) Miscellaneous Expenditure (DRE)	0.00	0.00	0.00
	Deferred Tax Asset	141.12	134.79	148.27
	Total	3264.66	3520.90	3723.49
C	Working Capital <sup>1</sup>	148.99	385.28	342.20
D	Net Worth <sup>2</sup>	1843.84	1862.46	1954.58
E	Capital Employed <sup>2</sup>	1047.97	1287.78	1284.78
F	Percentage of Return on Capital employed <sup>4</sup>	6.08	1.43	7.13
G	Capital employed (including work-in-progress)	1146.26	1612.18	1732.19
H	Percentage of Return on Capital Employed (including works-in progress)	5.56	1.14	5.29

1 Working capital represents current assets minus current liabilities.

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

3 Capital Employed represents net fixed assets plus working capital

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



3. Summary of working results

The working results of the Port Trust for the year ended 31st March 2015 as compared to the last two years ended 31 st March 2013, 2014 were as follows:

(₹ in crore)				
II	Revenue			
a	Income			
	Operating Income	702.88	800.82	809.85
	Non-operating Income	186.64	148.92	152.37
	Total	889.52	949.74	962.22
b	Expenditure			
	Operating Expenditure	489.42	577.55	493.84
	Non-operating Expenditure	363.06	340.15	365.01
	Total	852.48	917.70	858.85
c	Net Surplus/deficit before appropriation/profit before tax	37.04	32.04	103.37
	Less: Provision for taxation			
	Previous year	.00	0.00	0.00
	Current year	15.00	7.29	25.18
	Fringe Benefit Tax	0.00	0.00	0.00
	Deferred Tax	-41.67	6.33	-13.47
	Profit after tax	63.71	18.42	91.67
d	Less: Mandatory Appropriation/transfer to Reserve Fund (Net Profit)	62.88	0.00	77.27
e	Surplus transferred to General Reserve Fund (Net profit)	0.24	18.30	14.40
f	Percentage of net surplus to			
	Operating Income	9.06	2.30	1.78
	Net fixed Assets	7.09	2.04	1.53
	Net Worth	3.46	0.99	0.74

4. Ratio Analysis (liquidity & Solvency):

- Percentage of current assets to current liabilities decreased from 123.95 in 2013-14 to 120.50 in 2014-15. Higher current ratio of more than 100 percent indicated poor planning on the part of the management as excessive amount of funds are invested in current assets than ideal level of investment in the category of Asset.
- Percentage of quick assets to current liabilities decreased from 86.46 in 2013-14 to 80.19 in 2014-15.
- Percentage of sundry debtors to operating income increases to 23.88 in 2014-15 as against 15.45 in 2013-14. This indicates poor performance in recovery of debts.
- Debt/Capital Reserves & Other Reserves ratio increased to 5.12 in 2014-15 as against 2.68 in 2013-14.
- Percentage of current assets to total assets decreased from 56.63 in 2013-14 to 54.01 in 2014-15.
- Percentage of Operating Expenditure" to Operating Income decreased from 72.12 in 2013-14 to 60.98 in 2014-15.

Sd/-  
(Deepak Raghu)  
Deputy Director



## ANNUAL ACCOUNTS

Schedules to Balance Sheet as at 31st March 2015		Schedules to Revenue Account for the year ended 31st March 2015	
Schedule 1.1	Reserves and Surplus	Schedule R.1	Cargo Handling & Storage Charges
Schedule 1.2	Loan Funds	Schedule R.2	Port & Dock Charges
Schedule 1.3	Deferred Tax Liability	Schedule R.3	Railway Earnings
Schedule 2.1	Fixed Capital Assets	Schedule R.4	Estate Rentals
Schedule 2.2	Investments	Schedule R.5	Cargo Handling & Storage
Schedule 2.3	Current Assets, Loans & Advances	Schedule R.6	Port & Dock Facilities
Schedule 2.4	Current Liabilities & Provisions	Schedule R.7	Railway Working
Schedule 2.5	Miscellaneous Expenditure	Schedule R.8	Rentable Lands and Buildings
		Schedule R.9	Management & General Administration
		Schedule R.10	Finance & Misc. Income
		Schedule R.11	Finance & Misc. Expenditure



BALANCE SHEET

(Amount in ₹)

	SCH	As at 31st MARCH 2015		As at 31st MARCH 2014	
<b>SOURCES OF FUNDS:</b>					
<b>RESERVES &amp; SURPLUSES:</b>					
A. CAPITAL RESERVE	1.1	9,02,50,51,400	1,03,19,69,307	9,02,50,51,400	
B. REVENUE RESERVES			5,51,16,769		
a) General Reserve Fund		1,17,35,40,276			
b) Employees Family Security Scheme		6,21,35,747			
		1,23,56,76,023	4,05,41,60,448	1,08,70,86,076	
C. STATUTORY RESERVES			4,45,82,20,504		
a) Reserve for Replacement, Rehabilitation and Modernisation of Capital Assets		4,44,04,95,097			
b) Reserve for Development, Repayment of Loans and Contingencies		4,84,45,55,153			
		9,28,50,50,250		8,51,23,80,952	
	1.2		19,54,57,77,673		18,62,45,18,428
<b>LOAN FUNDS:</b>					
A. SECURED LOANS		0		0	
B. GOVERNMENT LOANS		1,00,00,00,000		50,00,00,000	
C. UNSECURED LOANS		0		0	
			1,00,00,00,000		50,00,00,000
<b>DEFERRED TAX LIABILITY:</b>	1.3		0		0
<b>TOTAL SOURCES OF FUNDS</b>			20,54,57,77,673		19,12,45,18,428



# BALANCE SHEET

(Amount in ₹)

APPLICATION OF FUNDS:	SCH	As at 31st MARCH 2015		As at 31st MARCH 2014	
A. <u>FIXED CAPITAL ASSETS: (Net Block)</u>	2.1	39,12,18,245 73,881 1,23,87,32,485 42,88,32,360 1,25,39,78,003 1,16,84,96,920 1,17,98,51,176 2,86,71,71,914 34,48,15,544 29,77,30,324 25,48,65,043	9,42,57,65,895 4,47,41,12,634	39,12,18,245 73,881 1,05,74,80,434 44,27,21,008 1,21,40,73,383 1,27,74,24,789 1,21,89,55,745 2,43,43,20,323 36,84,19,388 32,86,30,675 29,17,33,529	12,26,90,88,531
B. CAPITAL WORKS IN PROGRESS	2.2	48,00,00,000	48,00,00,000	48,00,00,000	48,00,00,000
INVESTMENTS:					
A. INVESTMENTS OF GENERAL RESERVE FUND					
B. INVESTMENTS OF STATUTORY RESERVES					
1. Government or Trust Securities		3,97,03,444	3,97,03,444	3,97,03,444	3,97,03,444
2. Shares, Debentures or Bonds		32,00,00,000	32,00,00,000	32,00,00,000	32,00,00,000
3. Other Investments		0	0	0	0
C. INVESTMENTS OF CASH SURPLUS FUNDS					
1. Other Investments		90,15,20,134	90,15,20,134	81,50,31,235	81,50,31,235
CURRENTS ASSETS, LOANS & ADVANCES:	2.3				
A. CURRENT ASSETS					
I. Accrued interest on Investments					
II. Inventories					
III. Sundry Debtors					
a) Government Dues		46,13,06,805	46,13,06,805	44,05,01,423	44,05,01,423
b) Inter Port Dues		0	0	0	0
c) Non Government Dues		1,47,24,52,383	1,93,37,59,188	79,70,86,310	1,23,75,87,733
Cash & Bank Balances					
a) Cash Balance on hand		8,41,123	11,44,99,24,192	15,16,942	12,66,92,90,561
b) Bank Balances with Scheduled Banks		11,44,90,83,069	0	12,66,77,73,619	12,66,92,90,561
c) Bank Balances with other Banks		0	14,40,38,38,999	0	14,97,02,65,903
LOANS & ADVANCES					
B. LOANS & ADVANCES					
a) Advances & Loans to subsidiaries/ Ports / Trusts		13,40,00,000	13,40,00,000	13,40,00,000	13,40,00,000
b) Advances recoverable in cash or in kind for the value to be received		45,46,28,417	45,46,28,417	24,22,71,703	24,22,71,703
c) Balances with Customs, Excise, Income Tax etc.		5,02,85,65,487	5,02,85,65,487	4,51,31,21,190	4,51,31,21,190
d) Deposits		9,01,11,185	9,01,11,185	7,77,44,034	7,77,44,034
		5,70,73,05,089	5,70,73,05,089	4,96,71,36,927	4,96,71,36,927
		20,11,11,44,088	20,11,11,44,088		19,93,74,02,830



BALANCE SHEET

(Amount in ₹)

	SCH	As at 31st MARCH 2015		As at 31st MARCH 2014	
LESS: CURRENT LIABILITIES & PROVISIONS:					
A. CURRENT LIABILITIES:	2.4				
I. PROVIDENT, PENSION & GRATUITY FUNDS					
a) Provident Fund		6,26,37,579		3,90,79,019	
b) Pension Fund		4,53,27,29,077		3,78,12,71,492	
c) Gratuity Fund		14,87,67,565	4,74,41,34,221	17,24,15,303	3,99,27,65,814
II. SUNDRY CREDITORS					
a) Creditors for Stores		4,99,39,309		5,26,77,860	
b) Unadjusted Sale proceeds of unclaimed goods		0		0	
c) Unadjusted Sale proceeds of surplus materials		0	4,99,39,309	0	5,26,77,860
III. MISCELLANEOUS CREDITORS & CREDIT BALANCES					
a) Demurrage/Wagon Hire charges payable to Railways		2,15,95,350		7,12,86,998	
b) Statutory Payments		30,49,08,492		30,07,13,270	
c) Liability towards Capital Expenses		2,12,72,455		2,12,72,455	
d) Others		43,71,66,080		43,08,14,525	
e) Deposits from Merchants, Contractors & Others		1,86,36,15,796	2,64,85,58,173	1,15,40,24,749	1,97,81,11,997
IV. ADVANCE PAYMENTS & UN EXPIRED DISCOUNTS for the portion for which value has still to be given			4,08,62,42,490		3,95,33,50,529
V. OTHER LIABILITIES			2,03,41,76,408		3,24,10,86,828
VI. INTEREST ACCRUED BUT NOT DUE ON LOANS			35,77,58,690		35,01,04,838
B. PROVISIONS:			13,92,08,09,291		13,56,80,97,866
a) Provision for Taxation		2,76,83,15,930		2,51,65,34,746	
b) Provision for contingencies		0		0	
c) Other provisions		0		0	
NET CURRENT ASSETS			2,76,83,15,930		2,51,65,34,746
MISCELLANEOUS EXPENDITURE:					
(To the extent not written off or adjusted)					
DEFERRED TAX ASSET:	2.5		16,68,91,25,221		16,08,46,32,612
			3,42,20,18,867		3,85,27,70,218
			0		0
TOTAL APPLICATION OF FUNDS	1.3		1,48,26,56,699		1,34,79,25,000
			20,54,57,77,673		19,12,45,18,428

Sd/-  
CHAIRMAN

Sd/-  
FINANCIAL ADVISOR & CHIEF ACCOUNTS OFFICER



Schedules to Balance Sheet

SCHEDULE - 1.1

RESERVES AND SURPLUSES

	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 01.04.2014	9,02,50,51,400	1,03,19,69,307	5,51,16,769	0	4,05,41,60,448	4,45,82,20,504	
ADD:							
1. (a) Contribution from Revenue A/c	0	0	80,18,110	24,63,856	38,63,34,649	38,63,34,649	
(b) Additional Depreciation	0	0	0	0	0	0	
2. Transfer from Revenue A/c	0	14,39,91,605	0	0	0	0	
3. (a) Transfer from Other Reserves	0	0	0	0	0	0	
(b) General Reserve Fund	0	0	0	0	0	0	
4. Other Transfers	0	0	0	0	0	0	
	9,02,50,51,400	1,17,59,60,912	6,31,34,879	24,63,856	4,44,04,95,097	4,84,45,55,153	
LESS:							
1. Transfer from Reserves							
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							
a) Transfer to Revenue Account	0	24,20,636	0	0	0	0	
3. Expenditure during the year	0	0	9,99,132	24,63,856	0	0	
Closing Balance as on 31.03.2015	9,02,50,51,400	1,17,35,40,276	6,21,35,747	0	4,44,04,95,097	4,84,45,55,153	

Sd/-  
F.A. & C.A.O.



Schedules to Balance Sheet

SCHEDULE - 1.2

LOAN FUNDS

	Secured Loans	
	Loans & Advances	Funds provided by Govt. of India
	₹	₹
Balance as on 1-04-2014		50,00,00,000
Received during the year		50,00,00,000
Balance as on 31-03-2015		1,00,00,00,000

SCHEDULE - 1.3

DEFERRED TAX LIABILITY

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
	₹	₹
Deffered Tax Liabilities - Opening Balance:		
Timing difference on account of Depreciation	48,03,75,000	41,70,75,000
Less: Timing difference on account of sums payable as employer u/s 43(B) of IT Act, 1961	1,82,83,00,000	1,82,83,00,000
Deffered Tax Liability	(1,34,79,25,000)	(1,41,12,25,000)
Timing difference on account of Depreciation	13,87,79,264	48,03,75,000
Less: Timing difference on account of sums payable as employer u/s 43(B) of IT Act, 1961	1,62,14,35,963	1,82,83,00,000
Deffered Tax Asset - Closing Balance	(1,48,26,56,699)	(1,34,79,25,000)
Net Deffered Tax charged to P&L Account	(13,47,31,699)	6,33,00,000

Sd/-  
F.A. & C.A.O.



SCHEDULE - 2.1

FIXED CAPITAL ASSETS

Particulars of Assets	Gross Block				Depreciation				Net Block	
	As on 1st April 2014	Additions	Deletions	As on 31st March 2015	As on 1st April 2014	Depreciation during the year	Depreciation adjustment	Depreciation as on 31/3/2015	As at 1st April 2014	Net Block as on 31/3/2015
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
1 Land	39,12,18,245	0	0	39,12,18,245	0	0	0	0	39,12,18,245	39,12,18,245
Lease hold Land	73,881	0	0	73,881	0	0	0	0	73,881	73,881
2 Capital Dredging	1,44,95,30,471	19,39,93,946	0	1,64,35,24,416	39,20,50,037	1,27,41,894	0	40,47,91,931	1,05,74,80,434	1,23,87,32,485
3 Buildings Sheds and Other Structures	74,26,92,058	47,45,310	0	74,74,37,368	30,00,15,705	1,85,89,303	0	31,86,05,008	44,26,76,353	42,88,32,360
4 Wharves, Roads, Boundaries	1,54,74,85,394	7,42,12,782	0	1,62,16,98,176	33,34,12,018	3,43,08,155	0	36,77,20,173	1,21,40,73,376	1,25,39,78,003
5 Floating Craft	2,31,84,38,725	1,89,257	6,67,18,059	2,25,19,09,923	1,04,10,13,940	10,91,17,122	6,67,18,059	1,08,34,13,003	1,27,74,24,785	1,16,84,96,920
6 Railway and Rolling Stock	1,88,25,51,142	58,95,997	0	1,88,84,47,139	66,35,95,397	4,50,00,566	0	70,85,95,963	1,21,89,55,745	1,17,98,51,176
7 Docks, Sea-Walls, Piers, and Navigational: Aids	3,12,88,62,886	51,41,97,464	3,42,354	3,64,27,17,996	69,45,04,647	8,13,83,789	3,42,354	77,55,46,082	2,43,43,58,239	2,86,71,71,914
8 Cranes and Vehicles	1,09,14,24,455	2,77,50,000	14,58,860	1,11,77,15,595	72,30,05,061	5,13,53,850	14,58,860	77,29,00,051	36,84,19,394	34,48,15,544
9 Plant & Machinery	1,02,41,59,075	34,96,000	7,93,207	1,02,68,61,868	69,55,22,161	3,44,02,590	7,93,207	72,91,31,544	32,86,36,914	29,77,30,324
10 Installations for Water, Electricity, Telecom. & Fire Fighting	1,09,50,79,150	90,73,935	0	1,10,41,53,085	80,33,45,114	4,59,42,928	0	84,92,88,042	29,17,34,035	25,48,65,042
Total	14,67,15,15,481	83,35,54,691	6,93,12,480	15,43,57,57,692	5,64,64,64,080	43,28,40,197	6,93,12,480	6,00,99,91,797	9,02,50,51,400	9,42,57,65,895
Capital Work in Progress	3,24,40,37,131	2,00,05,95,354	77,05,19,851	4,47,41,12,634					3,24,40,37,131	4,47,41,12,634
Grand Total	17,91,55,52,612	2,83,41,50,044	83,98,32,331	19,90,98,70,326	5,64,64,64,080	43,28,40,197	6,93,12,480	6,00,99,91,797	12,26,90,88,531	13,89,98,78,529

Sd/-  
F.A. & C.A.O.



Schedules to Balance Sheet

SCHEDULE - 2.2

INVESTMENTS

	As at 31st MARCH 2015		As at 31st MARCH 2014	
	COST VALUE	FACE VALUE	COST VALUE	FACE VALUE
	₹	₹	₹	₹
<b>A. GENERAL RESERVE</b>				
<b>CURRENT INVESTMENTS</b>				
<b>LONG TERM INVESTMENTS:</b>				
1. Government or Trust Securities	0	0	0	0
2. Shares, Debentures or Bonds	48,00,00,000	48,00,00,000	48,00,00,000	48,00,00,000
	<b>48,00,00,000</b>	<b>48,00,00,000</b>	<b>48,00,00,000</b>	<b>48,00,00,000</b>
3. Other Investments	0	0	0	0
TOTAL(A)	48,00,00,000	48,00,00,000	48,00,00,000	48,00,00,000
<b>B. STATUTORY RESERVES</b>				
<b>CURRENT INVESTMENTS</b>	—	—	—	—
<b>LONG TERM INVESTMENTS:</b>				
1. Government or Trust Securities				
CG 2034 @ 7.50%	2,01,70,333	2,00,00,000	2,01,70,333	2,00,00,000
CG 2035 @ 7.40%	1,95,33,111	2,00,00,000	1,95,33,111	2,00,00,000
	<b>3,97,03,444</b>	<b>4,00,00,000</b>	<b>3,97,03,444</b>	<b>4,00,00,000</b>
2. Shares, Debentures or Bonds				
APPFC Limited Power Bonds				
Bank of Maharashtra Bonds	10,00,00,000	10,00,00,000	10,00,00,000	10,00,00,000
Canara Bank Bonds	3,00,00,000	3,00,00,000	3,00,00,000	3,00,00,000
Canara Bank Bonds	5,00,00,000	5,00,00,000	5,00,00,000	5,00,00,000
Tamilnadu Electricity Board Bonds	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
UBI Bonds Issue	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
DCI Tax Free Bonds-2013	10,00,00,000	10,00,00,000	10,00,00,000	10,00,00,000
	<b>32,00,00,000</b>	<b>32,00,00,000</b>	<b>32,00,00,000</b>	<b>32,00,00,000</b>



Schedules to Balance Sheet

SCHEDULE - 2.2

INVESTMENTS

	As at 31st MARCH 2015		As at 31st MARCH 2014	
	COST VALUE	FACE VALUE	COST VALUE	FACE VALUE
	₹	₹	₹	₹
<b>3. Other Investments</b>				
TDRs with State Bank of Mysore @ 10.70%				
TDRs with I.D.I.B.I. Bank @ 9.41%				
TDRs with Andhra Bank @ 9.00%				
TDRs with Andhra Bank @ 9.20%				
TDRs with Andhra Bank @ 9.10%				
TDRs with Corporation Bank @ 9.68%				
TDRs with Union Bank of India @ 9.00%				
TDRs with Andhra Bank @ 9.80%				
TDRs with Indian Overseas Bank @ 9.82%				
TDRs with Vijaya Bank @ 9.23%				
	0	0		
<b>TOTAL(B)</b>	<b>35,97,03,444</b>	<b>36,00,00,000</b>	<b>35,97,03,444</b>	<b>36,00,00,000</b>
<b>C. CASH SURPLUS FUNDS</b>				
LIC of India under Group Leave Encashment Scheme	77,96,06,482	77,96,06,482	70,37,03,389	70,37,03,389
Bajaj Allianz under Group Leave Encashment Scheme	3,20,96,547	3,20,96,547	2,50,56,448	2,50,56,448
Bajaj Allianz under Family Security Scheme	6,10,45,568	6,10,45,568	5,99,72,004	5,97,69,459
State Bank of India (Life) under Group Leave Encashment Scheme	2,87,71,537	2,87,71,537	2,62,99,394	2,62,99,394
<b>TOTAL ( C )</b>	<b>90,15,20,134</b>	<b>90,15,20,134</b>	<b>81,50,31,235</b>	<b>81,48,28,690</b>
<b>TOTAL INVESTMENTS: (A+B+C)</b>	<b>1,74,12,23,578</b>	<b>1,74,15,20,134</b>	<b>1,65,47,34,679</b>	<b>1,65,48,28,690</b>

Sd/-  
F.A. & C.A.O



Schedules to Balance Sheet

SCHEDULE - 2.3

CURRENT ASSETS, LOANS & ADVANCES

	As at 31st MARCH 2015		As at 31st MARCH 2014	
	₹	₹	₹	₹
<b>CURRENT ASSETS</b>				
i. Accrued Interest on Investments				
ii. Inventories		78,34,43,067		98,77,10,211
Service Stock & Spares				
Inventories held for less than 2 years	23,09,40,660		6,99,05,510	
Inventories held for more than 2 years but less than 3 years	37,11,990		37,11,990	
Inventories held for more than 3 years but less than 10 years	24,23,414		24,23,411	
Inventories held for more than 10 years but less than 15 years	0		0	
Inventories held for more than 15 years	0		0	
	23,70,76,064		7,60,40,911	
less: Depreciation on Non-moving Inventories	3,63,512	23,67,12,552	3,63,512	7,56,77,399
iii. Sundry Debtors				
a) Debts Considered good but not secured:				
a. Cargo related dues	16,60,88,494		12,95,77,045	
b. Vessel related dues	24,69,821		23,81,543	
c. Estate dues	1,34,93,25,985		72,46,48,567	
d. Railway dues	18,04,74,800		15,91,28,719	
e. Fishing Harbour dues	12,36,11,089		11,05,60,578	
f. Other misc. dues	11,17,88,999		11,12,91,281	
		1,93,37,59,188		1,23,75,87,733
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		50,26,643	
		7,30,95,421		7,30,95,421
		2,00,68,54,609		1,31,06,83,154
		7,30,95,421		7,30,95,421
		1,93,37,59,188		1,23,75,87,733
iv. Cash & Bank Balances				
a. Cash on hand		8,41,123		15,16,942
b. Balance at Banks:				
c. In Current/Savings Bank Accounts:				
Andhra Bank - Port Branch	24,82,16,661		4,79,38,278	
Axis Bank	1,315		1,315	
Bank of Baroda	7,59,216		7,59,216	
Canara Bank	20,82,982		20,82,982	
Central Bank of India	374		374	
Indian Overseas Bank	33,29,588		32,99,884	
Industrial Development Bank of India (IDBI)	15,16,183		15,16,183	
Oriental Bank of Commerce	11,08,696		11,08,696	
State Bank of Hyderabad - Surya Bagh Branch	39,57,131		36,06,209	
State Bank of India - Main Branch	6,55,337		6,55,337	
State Bank of India - Main Branch (Escrow A/c)	13,59,052		13,07,120	
State Bank of India - Port Branch	6,37,71,111		3,29,94,951	
Union Bank of India - RTGS SB A/c 133641	34,25,423		9,32,146	
		33,01,83,069		9,62,02,691



Schedules to Balance Sheet

SCHEDULE - 2.3

CURRENT ASSETS, LOANS & ADVANCES

	As at 31st MARCH 2015		As at 31st MARCH 2014	
	₹	₹	₹	₹
d. In Deposits Accounts (TDR A/c & CLTD A/c):				
Andhra Bank	1,51,00,00,000		1,26,50,00,000	
State Bank of Patiala			70,00,00,000	
Canara Bank	1,40,00,00,000		0	
Life Insurance Corporation of India	0		9,58,98,952	
State Bank of Hyderabad	3,20,00,00,000		2,57,00,00,000	
Andhra Bank			81,00,00,000	
State Bank of India - Port Branch	13,89,00,000		4,06,71,976	
Vijaya Bank	0		50,00,00,000	
State Bank of Mysore	0		1,20,00,00,000	
Indian Overseas Bank	2,05,00,00,000		2,00,00,00,000	
Syndicate Bank	87,00,00,000		0	
TDRs with Union Bank of India @ 9.00%	0		1,37,00,00,000	
TDRs with Indian Overseas Bank @ 9.25%	0		82,00,00,000	
TDRs with Vijaya Bank @ 8.90%	1,20,00,00,000		1,20,00,00,000	
TDRs with State Bank of Patiala @ 8.70%	75,00,00,000		0	
TDRs with Canara Bank @ 9.25%				
	11,11,89,00,000	11,11,89,00,000		12,57,15,70,928
		11,44,99,24,191		12,66,92,90,561
<b>TOTAL CURRENT ASSETS</b>		<b>14,40,38,38,998</b>		<b>14,97,02,65,904</b>
<b>LOANS &amp; ADVANCES *</b>				
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	
Sub-ordinate Loan to Visakhapatnam Port Road Co. Ltd.	12,40,00,000		12,40,00,000	
		13,40,00,000		13,40,00,000
2. Advances recoverable in cash or in kind or the value to be received				
Advances for Contract Works	15,67,86,332		10,78,67,629	
Advances for Purchases - Stores	6,59,23,016		4,95,05,869	
Computer Advances	90,10,819		1,09,54,652	
House Building Advances	1,01,55,064		1,32,84,093	
Motor Car/Cycle Advances	52,85,264		60,49,934	
Travel/LTC Advances	49,41,164		47,42,138	
Others	20,31,31,157		5,04,71,787	
		45,52,32,816		24,28,76,102
less: Provision for Doubtful Advances		6,04,399		6,04,399
		45,46,28,417		24,22,71,703
3. Balances with Customs, Excise, Income Tax etc.				
Voluntary deposit with Telecommunication Dept.	30,550		30,550	
Income Tax - TDS, Advance Tax & Service Tax	5,02,85,34,937		4,51,30,90,640	
		5,02,85,65,487		4,51,31,21,190
4. Deposits				
Deposits with APTRANSCO.	5,33,63,703		5,33,49,886	
Deposits with GVMC.	3,67,47,482		2,43,94,148	
		9,01,11,185		7,77,44,034
* Loans and Advances considered as good and unsecured.				
<b>TOTAL LOANS &amp; ADVANCES</b>		<b>5,70,73,05,089</b>		<b>4,96,71,36,927</b>

Sd/-  
F.A. & C.A.O.



Schedules to Balance Sheet

SCHEDULE - 2.4

CURRENT LIABILITIES AND PROVISIONS

	As at 31st MARCH 2015		As at 31st MARCH 2014	
	₹	₹	₹	₹
<b>A. CURRENT LIABILITIES:</b>				
<b>I. PROVIDENT, PENSION &amp; GRATUITY FUNDS</b>				
a) Provident Fund	6,26,37,579		3,90,79,019	
b) Pension Fund	4,53,27,29,077		3,78,12,71,492	
c) Gratuity Fund	14,87,67,565		17,24,15,303	
		4,74,41,34,221		3,99,27,65,814
<b>II. SUNDRY CREDITORS</b>				
a) Creditors for Stores	4,99,39,309		5,26,77,860	
b) Unadjusted Sale proceeds of unclaimed goods	0		0	
c) Unadjusted Sale proceeds of surplus materials	0		0	
		4,99,39,309		5,26,77,860
<b>III. MISCELLANEOUS CREDITORS &amp; CREDIT BALANCES</b>				
a) Demurrage/Wagon Hire charges payable to Railways	2,15,95,350		7,12,86,998	
b) Statutory Payments	30,49,08,492		30,07,13,270	
c) Liability towards Capital Expenses	2,12,72,455		2,12,72,455	
d) Others	43,71,66,080		43,08,14,525	
e) Deposits from Merchants, Contractors & Others	1,86,36,15,796		1,15,40,24,749	
		2,64,85,58,173		1,97,81,11,997
<b>IV. ADVANCE PAYMENTS &amp; UN EXPIRED DISCOUNTS</b> for the portion for which value has still to be given				
a) Prepaid Income	10,76,87,975		10,50,77,178	
b) Up-front Premium to be amortised	3,97,85,54,515		3,84,82,73,351	
c) Volume Discount to be given to Trade	0		0	
		4,08,62,42,490		3,95,33,50,529
<b>V. OTHER LIABILITIES</b>		2,03,41,76,408		3,24,10,86,828
<b>VI. INTEREST ACCRUED BUT NOT DUE ON LOANS</b>		35,77,58,690		35,01,04,838
<b>TOTAL CURRENT LIABILITIES</b>		13,92,08,09,291		13,56,80,97,866
<b>B. PROVISIONS:</b>				
I) Provision for Taxation	2,76,83,15,930		2,51,65,34,746	
II) Provision for contingencies	0		0	
III) Other provisions	0		0	
<b>TOTAL PROVISIONS</b>		2,76,83,15,930		2,51,65,34,746
<b>TOTAL CURRENT LIABILITIES &amp; PROVISIONS</b>		16,68,91,25,221		16,08,46,32,612

Sd/-  
F.A. & C.A.O.



### PROFIT AND LOSS ACCOUNT

	FOR THE PERIOD ENDING	
	31st MARCH 2015	31st MARCH 2014
<b>INCOME:</b>	₹	₹
Cargo Handling & Storage Charges	3,75,79,01,076	3,65,28,01,240
Port & Dock Charges	2,48,80,24,261	2,54,05,68,395
Railway Earnings	1,21,74,27,828	1,18,37,95,281
Estate Rentals	63,51,30,015	63,10,44,777
<b>TOTAL OPERATING INCOME</b>	<b>8,09,84,83,180</b>	<b>8,00,82,09,693</b>
<b>EXPENDITURE:</b>		
Cargo Handling & Storage	1,29,96,41,768	1,59,13,28,817
Port & Dock Facilities	97,54,14,722	1,22,28,29,965
Railway Working	74,57,49,761	99,83,40,014
Rentable lands & Buildings	34,45,87,643	34,80,31,193
Management & General Administrative Expenses	1,57,30,29,557	1,61,49,37,316
<b>TOTAL OPERATING EXPENDITURE</b>	<b>4,93,84,23,451</b>	<b>5,77,54,67,305</b>
<b>OPERATING SURPLUS:</b>	3,16,00,59,729	2,23,27,42,388
Add: Finance & Miscellaneous Income	1,52,37,44,750	1,48,91,91,116
Less: Finance & Miscellaneous Expenditure	3,65,00,94,091	3,40,14,74,121
<b>PROFIT BEFORE TAX</b>	<b>1,03,37,10,388</b>	<b>32,04,59,383</b>
<u>Less: Provision for Taxation:</u>		
Previous Years	0	0
Current Year	25,17,81,184	7,28,84,746
Deferred Tax	(13,47,31,699)	6,33,00,000
<b>PROFIT AFTER TAX</b>	<b>91,66,60,903</b>	<b>18,42,74,637</b>
<u>Less: Profit on Disposal of Capital Assets transferred to Capital Reserve</u>	0	12,61,864
Amount Available for Appropriations	91,66,60,903	18,30,12,773
<u>Less: Appropriations</u>		
Fund for Development, Repayment of Loans and Contingencies	38,63,34,649	0
Fund for Replacement, Rehabilitation and Modernisation of Capital Assets	38,63,34,649	0
<b>TOTAL APPROPRIATIONS</b>	<b>77,26,69,298</b>	<b>0</b>
<b>BALANCE TRANSFERRED TO GENERAL RESERVE</b>	<b>14,39,91,605</b>	<b>18,30,12,773</b>

Sd/-  
CHAIRMAN

Sd/-  
F.A. & C.A.O.



**Schedules to Profit and Loss Account**

	FOR THE PERIOD ENDING	
	31st MARCH 2015	31st MARCH 2014
	₹	₹
<b>SCHEDULE - R.1</b>		
<b>CARGO HANDLING &amp; STORAGE CHARGES:</b>		
Handling & Storage charges on General Cargo	2,14,78,20,922	2,27,73,68,472
Storage of goods in Ware Houses	1,42,68,207	1,73,71,144
Cranage	44,13,786	36,29,644
Lighterage	0	40,916
Handling of POL Oils & Lubricants	55,68,63,720	56,82,84,414
Demurrage fees on General Cargo	7,20,16,407	25,01,33,055
Royalties from BOT Contracts	95,09,46,216	51,76,24,567
Miscellaneous Charges	1,15,71,818	1,83,49,028
<b>TOTAL</b>	<b>3,75,79,01,076</b>	<b>3,65,28,01,240</b>
<b>SCHEDULE - R.2</b>		
<b>PORT &amp; DOCK CHARGES:</b>		
Towing and Mooring Fees	13,51,09,361	12,97,79,803
Dock Dues	35,39,35,125	49,42,98,275
Port Dues	65,08,73,694	60,59,10,592
Pilotage Fees	1,31,16,80,517	1,24,38,91,603
Dry - Docking charges	1,02,26,953	1,90,88,393
Water supply to shipping	31,24,341	29,13,951
Salvage and Under Water Repairs	1,04,11,374	52,60,360
Miscellaneous Charges	1,26,62,896	3,94,25,418
<b>TOTAL</b>	<b>2,48,80,24,261</b>	<b>2,54,05,68,395</b>
<b>SCHEDULE - R.3</b>		
<b>RAILWAY EARNINGS:</b>		
Wagon Hire & Haulage Charges	17,64,14,332	19,96,82,845
Siding Charges	40,25,01,411	29,56,42,365
Terminal Charges	47,45,03,538	54,52,58,947
Miscellaneous Charges	16,40,08,547	14,32,11,124
<b>TOTAL</b>	<b>1,21,74,27,828</b>	<b>1,18,37,95,281</b>

Sd/-  
F.A. & C.A.O.



**Schedules to Profit and Loss Account**

	FOR THE PERIOD ENDING	
	31st MARCH 2015	31st MARCH 2014
	₹	₹
<b>SCHEDULE - R.4</b>		
<b>ESTATE RENTALS:</b>		
Rent from Lands	54,57,44,468	54,17,52,650
Rent on Storage Sheds	1,06,158	2,62,668
Rent from accommodation provided for outside offices	18,97,041	18,91,600
Kalavani Auditorium	94,00,000	70,50,000
Rent from Port Trust quarters	37,53,309	57,72,204
Recoverable Charges	6,38,92,961	4,05,25,569
Miscellaneous Income	1,03,36,078	3,37,90,086
<b>TOTAL</b>	<b>63,51,30,015</b>	<b>63,10,44,777</b>
<b>SCHEDULE - R.5</b>		
<b>CARGO HANDLING &amp; STORAGE :</b>		
Handling and Storage of General Cargo at Sheds and Wharves	50,16,47,885	67,04,62,585
Warehousing	27,290	0
Operation and Maintenance of Ore Handling Plant	45,21,69,165	59,25,38,357
Operation and Maintenance of Lighters and Barges	3,73,281	71,02,384
Operation and Maintenance of Wharf Cranes & Crane Vessels	4,38,74,001	10,07,45,609
Expenditure on General facilities at Docks	2,37,14,036	6,01,32,736
Administration & General Expenses	16,12,81,776	3,67,66,825
New Minor Works	0	0
Depreciation	11,65,54,334	12,35,80,321
<b>TOTAL</b>	<b>1,29,96,41,768</b>	<b>1,59,13,28,817</b>

Sd/-  
F.A. & C.A.O.



**Schedules to Profit and Loss Account**

	FOR THE PERIOD ENDING	
	31st MARCH 2015	31st MARCH 2014
	₹	₹
<b>SCHEDULE - R.6</b>		
<b>PORT &amp; DOCK FACILITIES:</b>		
Towing, Berthing and Mooring	38,20,48,940	29,77,76,442
Pilotage	24,03,67,130	31,91,78,691
Dry Docking Expenses	3,64,92,732	8,00,13,914
Water Supply to Shipping	1,30,30,962	2,53,11,502
Fire Fighting	3,79,24,119	6,17,02,801
Dredging and Marine Survey	3,87,77,077	22,07,53,466
Operation & Maint. of Navigational aids	1,12,18,856	2,59,63,782
Salvage & Under-water repairs	14,00,884	11,08,766
Maintenance of Docks & Harbour Walls, Marine Structures etc.	1,42,06,003	23,03,616
Administration & General Expenses	2,09,49,582	1,58,53,804
New Minor Works	0	0
Depreciation	17,89,98,437	17,28,63,181
<b>TOTAL</b>	<b>97,54,14,722</b>	<b>1,22,28,29,965</b>
<b>SCHEDULE - R.7</b>		
<b>RAILWAY WORKING:</b>		
Operation & Maintenance of Locomotives, Wagons etc.	24,61,59,159	44,19,72,444
Maintenance of Permanent Way Signals & Inter-locking	10,82,51,457	21,35,04,059
Operation, Maint. & Admn. expenses of Stations, Yards and Sidings	85,62,402	7,27,34,201
Administration & General Expenses	33,67,60,107	21,82,25,070
New Minor Works	0	0
Depreciation	4,60,16,636	5,19,04,240
<b>TOTAL</b>	<b>74,57,49,761</b>	<b>99,83,40,014</b>

Sd/-  
F.A. & C.A.O.



**Schedules to Profit and Loss Account**

	FOR THE PERIOD ENDING	
	31st MARCH 2015	31st MARCH 2014
	₹	₹
<b>SCHEDULE - R.8</b>		
<b>RENTABLE LANDS &amp; BUILDINGS:</b>		
Estate Maintenance	30,16,09,654	28,19,41,925
Land repairs and reclamation	11,25,611	55,76,742
Administration & General Expenses	18,08,798	2,61,81,666
New Minor Works	0	0
Depreciation	4,00,43,580	3,43,30,860
<b>TOTAL</b>	<b>34,45,87,643</b>	<b>34,80,31,193</b>
<b>SCHEDULE - R.9</b>		
<b>MANAGEMENT &amp; GENERAL ADMINISTRATION:</b>		
Management & Secretarial Expenses	3,92,97,850	39,32,53,215
Port Security (C.I.S.F)	34,56,55,066	28,57,94,020
Legal Expenses	17,55,128	23,37,574
Labour and Welfare Expenses	4,28,76,857	0
Research and Planning Cell	5,45,73,575	5,68,68,326
Medical Expenses	28,73,18,807	27,62,51,395
Store Keeping	5,29,28,729	5,85,96,205
Accounting and Auditing	1,63,76,406	7,09,60,711
Expenditure on Head Office Building	0	0
Telephones	86,88,151	64,33,158
Engineering & Workshop Administration Overheads	52,29,76,949	43,00,14,032
Sundry Expenses	18,16,67,161	1,47,75,364
New Minor Works	0	0
Depreciation	1,89,14,878	1,96,53,316
<b>TOTAL</b>	<b>1,57,30,29,557</b>	<b>1,61,49,37,316</b>

Sd/-  
F.A. & C.A.O.



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2015	31st MARCH 2014
	₹	₹
<b>SCHEDULE - R.10</b>		
<b>FINANCE &amp; MISCELLANEOUS INCOME:</b>		
Interest on Fixed Deposits & Cash Balances	1,26,16,27,245	1,32,59,87,993
Interest on Revenue Account	83,01,601	54,98,669
Interest on Deposit Account	4,84,058	45,30,217
Interest on Income Tax Refunds	0	0
Miscellaneous Income	21,42,13,408	8,30,05,014
Sundry Receipts	12,61,457	3,70,37,729
Profit on Disposal of Capital Assets	90,88,792	82,29,618
Centage Charges	45,126	1,44,072
Sale of Tender documents	6,37,045	4,43,235
Stores Adjustments (Excesses)	4,78,616	1,569
Items relating to previous year	2,76,07,402	2,43,13,000
<b>TOTAL</b>	<b>1,52,37,44,750</b>	<b>1,48,91,91,116</b>
<b>SCHEDULE - R.11</b>		
<b>FINANCE &amp; MISCELLANEOUS EXPENDITURE:</b>		
Bank Charges	1,14,844	34,343
<b>INTEREST PAYABLE ON :</b>		
i) Loans from Government	3,94,06,198	44,06,198
ii) Loans from Other agencies	0	0
iii) Interest on Others	3,68,485	0
Coin adjustment	(6,978)	0
Bad Debts written off	0	10,49,815
Provision for Bad and Doubtful debts	0	0
Property Tax	32,10,88,928	31,68,34,587
Expenses on IT appeals etc	11,000	21,000
Loss on Disposal of Capital Assets	0	0
Stores Adjustments	19,53,861	0
Productivity linked Bonus/PLR	0	0
Lumpsum payment to ML Candidates	41,65,000	1,69,40,000
<b>Retirement Benefits:</b>		
i) Retirement Gratuities	16,72,79,861	13,77,03,000
ii) V.R.Scheme Ex-gratia payment	1,49,85,255	3,71,41,768
iii) a) Pension Payments	1,83,19,57,689	1,24,34,89,932
b) Contribution to New Pension (Tier-I) Scheme	1,47,50,534	1,44,30,382
c) Contribution to pension fund	1,22,02,51,000	1,50,00,00,000
d) Commutation of Pension	9,69,62,803	10,85,07,353
Contribution to Corporate Social Responsibility Fund	55,30,000	1,91,00,000
Trustees' Contribution to P.F.	85,808	76,134
Prior period expenses	(6,88,10,197)	17,39,609
<b>TOTAL</b>	<b>3,65,00,94,091</b>	<b>3,40,14,74,121</b>

Sd/-  
F.A. & C.A.O.



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

	FOR THE PERIOD ENDING	
	31st MARCH 2015	31st MARCH 2014
	₹	₹
<b>A. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :</b>		
1. <b>SALARIES, WAGES &amp; BONUS ETC.</b>		
i. Salaries and wages	2,61,21,56,424	2,78,56,65,590
ii. Bonus	3,31,52,926	4,02,85,046
	<b>2,64,53,09,351</b>	<b>2,82,59,50,636</b>
2. <b>CONTRIBUTION TO PROVIDENT AND OTHER FUNDS</b>		
i. Trustees' contribution to Provident fund	85,808	76,134
ii. Contribution to Pension fund	1,22,02,51,000	1,50,00,00,000
iii. Pension payments including commutation of pension	1,94,36,71,026	1,36,64,27,667
	<b>3,16,40,07,834</b>	<b>2,86,65,03,801</b>
3. <b>GRATUITY</b>	<b>16,72,79,861</b>	<b>13,77,03,000</b>
4. <b>WORKMEN AND STAFF WELFARE EXPENSES</b>		
i. Leave Travel Expenses	28,35,726	17,28,597
ii. Medical Reimbursement Expenses	10,51,18,774	13,61,47,679
iii. Nutrition to inpatients	3,68,954	2,54,904
iv. Stores (Medicines)	6,40,06,148	4,95,21,362
v. Stores (Surgical)	10,14,422	19,62,175
vi. Payments under workmen compensation Act.	0	6,77,760
vii. Passes and PTO's	0	0
viii. Scholarships, Prizes and awards	70,345	13,800
ix. VR scheme Ex-gratia Payments	1,91,50,255	5,40,81,768
	<b>19,25,64,624</b>	<b>24,43,88,045</b>
<b>TOTAL (A)</b>	<b>6,16,91,61,669</b>	<b>6,07,45,45,482</b>
<b>B. OPERATING EXPENSES :</b>		
1. CONSUMPTION OF STORES ON SPARE PARTS ETC.	23,02,48,636	16,13,19,868
2. REPAIRS TO PLANT AND MACHINERY (MECH)	22,81,20,000	27,52,66,655
3. REPAIRS TO BUILDINGS AND CIVIL STRUCTURES	10,66,10,871	7,44,22,953
4. <b>OTHER REPAIRS</b>		
i. Special Repairs	0	0
ii. Special Repairs Covered by Estimates	2,66,32,717	16,23,22,875
iii. Office machine Hire & service charges	3,14,53,753	3,28,64,947
	<b>5,80,86,470</b>	<b>19,51,87,822</b>
5. <b>STORES CONSUMED</b>		
i. Stores General	4,90,63,269	2,50,90,129
	<b>4,90,63,269</b>	<b>2,50,90,129</b>

Sd/-  
F.A. & C.A.O.



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

	FOR THE PERIOD ENDING	
	31st MARCH 2015	31st MARCH 2014
	₹	₹
<b>6. POWER, FUEL, LUBRICANTS ETC.</b>		
i. Stores (Operational)	6,54,70,657	36,10,62,003
ii. Electric Power	22,23,97,586	31,02,76,322
	<b>28,78,68,243</b>	<b>67,13,38,325</b>
<b>7. NEW MINOR WORKS</b>	<b>0</b>	<b>0</b>
<b>8. OTHER OPERATIONAL EXPENSES</b>		
i. Damages & Deficiencies payable to Railways	3,72,18,823	3,83,51,512
ii. Wagon hire charges	(86,83,450)	77,97,574
iii. Hire charges for floating crafts	1,11,89,451	1,11,50,227
iv. Hire charges for vehicles	4,06,18,339	3,41,15,957
v. Hire charges for Pvt. Tugs	10,27,92,173	14,23,61,541
vi. Fire charges	0	0
vii. Sundry expenses Operational	5,49,15,983	7,92,89,831
viii. Freight and handling charges	7,03,692	0
ix. Safety	0	0
x. Security Charges	32,73,05,839	28,02,07,691
xi. Dredging Charges	(1,60,88,791)	7,44,26,725
xii. Depreciation	40,05,27,865	40,23,31,919
xiii. Inter Departmental Charges	0	0
xiv. Provision for Non-moving stores	0	(18,66,498)
	<b>95,04,99,925</b>	<b>1,06,81,66,479</b>
<b>TOTAL (B)</b>	<b>1,91,04,97,414</b>	<b>2,47,07,92,230</b>
<b>C. GENERAL EXPENSES:</b>		
i. Rent, Rates and Taxes	2,01,803	4,57,055
ii. Audit Fees	3,10,84,875	62,74,440
iii. Water Charges	5,15,81,722	9,88,12,596
iv. Communication Expenses	4,09,398	5,96,942
v. Other Expenses	1,03,83,123	1,12,33,273
vi. Insurance	6,70,046	5,07,140
vii. Traveling Expenses	71,35,413	89,11,353
viii. Furniture and Office Equipment	0	2,34,637
ix. Miscellaneous Expenses	1,25,13,835	2,36,51,352
x. Stevedoring Expenses	0	0
xi. Port Health	0	0
xii. Advertisement and Publicity	1,08,68,482	81,45,929
xiii. Trustees' Fees	33,000	8,54,257
xiv. Entertainment	24,48,748	22,93,841
xv. Books and Periodicals	4,49,435	2,97,283
xvi. Legal and Professional Charges	62,82,539	85,27,293
xvii. Printing and Publishing	12,73,240	12,63,000
xviii. Deputation to Training Courses	11,78,563	(3,68,977)
xix. License Fees	31,68,172	32,90,817
xx. Telephones	55,86,234	62,93,818
xxi. Research and Development	4,82,06,908	9,86,27,020
xxii. Subscriptions	27,484	17,271
xxiii. Contributions	1,56,99,298	84,97,821
<b>TOTAL (C)</b>	<b>20,92,02,318</b>	<b>28,84,18,161</b>

Sd/-  
F.A. & C.A.O.



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

	FOR THE PERIOD ENDING	
	31st MARCH 2015	31st MARCH 2014
	₹	₹
<b>D. FINANCE EXPENSES:</b>		
1. INTEREST EXPENSES		
i. Bank Charges	1,14,844	34,343
ii. Interest on Government Loans	3,94,06,198	44,06,198
iii. Interest on Other Loans	3,68,485	0
	<b>3,98,89,527</b>	<b>44,40,541</b>
2. PROPERTY TAX	<b>32,10,88,928</b>	<b>31,68,34,587</b>
TOTAL (D)	<b>36,09,78,455</b>	<b>32,12,75,128</b>
<b>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</b>		
i. Bad Debts written off	0	0
ii. Provision for Bad and Doubtful debts	0	10,49,815
iii. Loss on Disposal of Capital Assets	0	0
iv. Stores Adjustments	19,53,861	0
v. Prior Period expenses	(6,88,10,197)	17,39,610
vi. Expenses on Tax Appeals	11,000	21,000
vii. Contribution to Corporate Social Responsibility Fund	55,30,000	1,91,00,000
Coin Adjustment	(6,978)	0
TOTAL (E)	<b>(6,13,22,314)</b>	<b>2,19,10,425</b>
<b>TOTAL EXPENDITURE</b>	<b>8,58,85,17,542</b>	<b>9,17,69,41,427</b>

Sd/-  
F.A. & C.A.O.



## ANNUAL ACCOUNTS 2014-15

### Significant Accounting Policies and Note on Accounts.

#### (A). ACCOUNTING POLICIES:

1. The Books are maintained under Mercantile System of accounting.

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/- were 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 were provided with no depreciation and assets put to use for less than 6 months were provided with half the depreciation and assets in use for more than 6 months were provided full depreciation as per the Government's guidelines.

Fixed assets are excluded from the financial statements on disposal. The write off of assets are made, as per the provisions of Section 96 of the Major Port Trusts' Act 1963.

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

Profit or loss on disposal of capital assets is being accounted for under Finance & Miscellaneous Income & Finance & Miscellaneous expenditure respectively. Capital Profit arising on disposal, over the original acquisition cost is, however, 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 is 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 liveable on goods entering docks even if they are not shipped as per notified scale of rates. Accordingly the wharfage income is accounted for. Up-front fee collected on lease of Berths / Facilities and premium on lease of lands are accounted for as pre-paid Income and are being amortised during the lease period.

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 forward contracts. As and when such a situation arises, the policy will be framed keeping in view the relevant accounting standards.

Port has certain income 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

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 of Pension, Gratuity and Leave Encashment will be done quinquennially i.e once in 5 years and shortfall will be recouped over a period of 5 years depending on the availability of funds.

**B. NOTE ON ACCOUNTS**

- Capital Reserve includes Funds provided by the Government of India during 1933 to 1964 as initial Capital.
- In compliance with Government of India directions, Capital Reserve is maintained at an amount equivalent to the Net Capital Block less Capital Debts.
- As per the directions of the Government on the Port Trust's revised proposal on repayment of defaulted principal and interest on the Government Loans obtained for Outer Harbour, VPT had paid the entire defaulted principal and interest by end of 2004-05. The penal interest of Rs 213.05 crores to the end of 31/03/2004 and further accruals of Rs 119.46 crores till 31/03/2015 has been considered as contingent liability since VPT has requested the Government for waiver of the same. In this regard, the Ministry of Shipping already submitted a cabinet note to Finance Ministry and the issue is being pursued with the Ministry.
- Physical Verification of Fixed Assets is being done quinquennially as per the policy and procedure laid down in this regard. The physical verification was done to the end of 31.3.2013 and reconciliation of assets with that of asset register taken up in current year i.e during 2014-15 and the same is in progress. Physical verification of Investments and Stores & Materials are being done annually.
- 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. During the year 2013-14, as the profit after tax is available is very less, no appropriation was made. During the year 2014-15 appropriation for statutory reserve for the year 2013-14 was made @ 3% each. For the year 2014-15, No appropriation could be made for statutory reserves and the same will be provided during 2015-16 basing on the availability of profit after tax.
- Visakhapatnam Port Trust has been claiming exemption U/s10(20) of the IT Act as Local Authority up to the Asst. Year 2002-03. With the amendment to section 10(20) of the Act by the Finance Act 2002, VPT ceased to be a "Local Authority" w.e.f. 1.4.2003. Consequently, the income of VPT has become liable to tax from the Asst. Year 2003-04 onwards. VPT has applied for registration U/s 12A of the Act w.e.f. 1.4.2002, i.e. Asst. Year 2003-04 onwards. VPT was granted registration U/s 12AA of the Act vide order dated 20.3.2008 retrospectively, w.e.f. 1.4.2002, i.e. Asst. Year 2003-04 onwards. Consequent on grant of registration the tax payments made from AY 2003-04 to AY 2008-09 have been refunded except certain amounts relating to TDS certificates. The balance refunds receivable in respect of the following assessment years is under persuasion with the Income Tax Department.

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

By virtue of amendment to Section 2(15) by the Finance Act, 2008 made the Trust not eligible for exemption under section 11 of the IT Act and VPT was brought under Income Tax bracket w.e.f. 1.4.2008 i.e. AY 2009-10 onwards. The status of the assessment proceedings are as follows



(Rs in Crores)

Assessment Year	Tax payments including Tax credits	Income Tax Provision made in books	Income Tax Provision as per IT Returns	Refunds claimed as per IT returns	Status of Assessments
2009-10	78.00	67.24	54.45	23.27	The assessment order has been issued by the Assessing Officer with a refund of Rs6.68 crores. The order was contested before CIT(Appeals) and the same is pending with CIT(Appeals).
2010-11	76.41	37.50	25.09	51.32	<p>1. The scrutiny is taken up by the Assessing Officer and a notice of the demand payable for Rs37.02 crores has been passed. The order was contested before CIT(Appeals) and the same is pending.</p> <p>2. Pertaining to item No.1 above the appeal with CIT(A) the Appellate Order and Grounds of Decision has been issued vide CIT(A) Order dt.28.3.2014 and received by VPT on 17.4.2014. The result of the appellate Order for AY 2010-11 is partly allowed. Notice of 156 of the IT Act, 1961 has been issued with the Order that an amount of Rs.37,02,13,030/- is payable by VPT. The opinion of VPT Tax Auditors and ITAT Consultant was sought on the issue.</p> <p>3. The Commissioner of IT-1, Visakhapatnam has initiated revision of assessment U/s263 of the IT Act directing the A.O. to consider for disallowance U/s 14A a sum of Rs.5.09 Crores and VPT had appealed the same before ITAT, Visakhapatnam Bench.</p> <p>4. The ACIT, Circle(1), Visakhapatnam has issued the consequential order for AY 2010-11 dt.27.5.2014 and received by VPT on 12.9.2014 giving effect to the order of the CIT(Appeals), Visakhapatnam vide his order dt.28.3.2014, the assessment order U/s 143(3) dt.30.11.2012 and consequent order U/s 154 dt.31.1.2013 were revised and the total income was recomputed. The assessing officer has issued a notice U/s 154/155 of the I.T. Act, 1961 dt.8.5.2015 for amendment of the order U/s 143(3) r.w.s. 263 of the I.T. Act and VPT has submitted a reply to ACIT dt.13.5.2015. Another order U/s 154 of IT Act was issued dt.14.5.2015 amending the order dt.8.5.2015 issuing a refund of Rs.22,47,56,981/-</p>
2011-12	83.92	70.00	65.14	20.52	1. The assessment order has been issued by the Assessing Officer and a notice of demand payable U/s 156 of the IT Act for



					<p>Rs42.39 Crores has been passed. The order was contested before CIT(Appeals) and the same is pending.</p> <p>2. Pertaining to item No.1 above the appeal with CIT(A) the Appellate Order and Grounds of Decision has been issued vide CIT(A) Order dt.28.3.2014 and received by VPT on 17.4.2014. The result of the appellate Order for AY 2011-12 is partly allowed. Notice of 156 of the IT Act, 1961 has been issued with the Order that an amount of Rs.42,39,81,720/- is payable by VPT. The opinion of VPT Tax Auditors and ITAT Consultant was sought on the issue.</p> <p>3. The Commissioner of IT-1, Visakhapatnam has initiated revision of assessment U/s263 of the IT Act directing the A.O. to consider for disallowance U/s 14A a sum of Rs.8.51 Crores and VPT had appealed the same before ITAT, Visakhapatnam Bench.</p> <p>4. The ACIT, Circle(1), Visakhapatnam has issued the consequential order for AY 2011-12 dt.27.5.2014 and received by VPT on 12.9.2014 giving effect to the order of the CIT(Appeals), Visakhapatnam vide his order dt.28.3.2014, the assessment order U/s 143(3) dt.31.1.2013 and the assessment order U/s 143(3) r.w.s. 263 dt.28.2.2014 are revised and the total income was recomputed. The assessing officer has issued a notice U/s 154/155 of the I.T. Act, 1961 dt.8.5.2015 for amendment of the consequential order passed on 5.1.2015 and VPT has submitted a reply to ACIT dt.13.5.2015. Another order U/s 154 of IT Act was issued Dt 14.5.2015 amending the order dt.8.5.2015 issuing a refund of Rs.21,13,99,668/-.</p>
2012-13	80.75	53.00	14.12	67.25	<p>The assessment was completed by the Assessing officer with additions to the return of income to the tune of Rs.88,61,47,558/- and a notice of demand u/s 156 of the I.T. Act for payment of Rs.74,32,910/- was issued. Being aggrieved of the same VPT filed an appeal before CIT(Appeals).</p>
2013-14	75.50	15.00	0.00	82.69	<p>The scrutiny of the assessment has not been taken up by the I.T. Department.</p>
2014-15	55.17	7.29	0.00	56.08	<p>The scrutiny of the assessment has not been taken up by the I.T. Department.</p>

In respect of current Financial Year 2014-15 (Assessment Year 2015-16), the Income Tax payable has been assessed at Rs. 25.18 crores provisionally against which an amount of Rs.5.00 Crores was paid as Advance Tax and Tax credit of Rs. 19.67 Crores is available by way of TDS certificates.



7. The following items constitute contingent liabilities. (Rs in lakhs)
- |   |          |
|---|----------|
| a) Law suits pending in Courts against Port Trust for claims  | 2863.97  |
| b) Disputed Property Tax Claim for the years 86-87 to 98-99   | 2798.00  |
| c) Penal interest on defaulted principal and interest on loans obtained for Outer Harbour to be waived by the Govt. | 33251.07 |
| Total   | 38913.04 |
8. The actual monthly Pension Payments are being met from Port Funds duly charging to Finance & Miscellaneous Expenditure till the size of the Pension Fund attains the requisite level. The actuarial valuation of pension liability of the Employees on roles is **Rs 871.12 crores** that of pensioners is **Rs 1604.17 crores** as on 1.4.2014 as assessed by LIC of India. Thus the total actuarial valuation of Pension liability is **Rs 2475.29 crores** as on 31.3.2014. During the year contribution to the pension fund is made @ 27% of Salary (basic and DA) payment which amounts to **Rs 53.99 crores** and additional contribution of **Rs. 50.17 crores** and **Rs.17.86 crores** was also made in order to match the actuarial liability in full.
9. As per Actuarial valuation as assessed by LIC of India, as on 31.3.2014 the liability towards gratuity fund is **Rs165.38 crores** and a short provision of Rs. 9.87 crores exists to the end of 31.3.2014. During the year provision made amount to **Rs 16.73 crores** as on **31.3.2015**.
10. The actuarial valuation of Employees Leave Encashment Liability as on 31/03/2014 as per M/s. LIC of India is **Rs 85.54 crores** and a further provision made during the year 2013-14 is Rs **14.91 crores** in order to match the actuarial liability of GLES fund. An amount of Rs 77.96 crores already held with M/s LIC, Rs2.88 crores with SBI (Life) and Rs 3.21 crores with Bajaj Allianz are earmarked for the said Liability under Group Leave Encashment Schemes.
11. The financial statements have been prepared taking in to consideration the closing balances as at 31.3.2014 (audited) as opening balance as on 01.04.2014 and the total transactions during 2014-15 recorded in ERP system of SAP and arrived closing balances as on 31.3.2015 in SAP.
12. **As per accounting practice followed till previous year, medicines/surgical items and certain non-stock items are expensed on purchase. In the current year 2014-15 with full fledged implementation of SAP in the area of Inventories, these items are routed through inventories and unused items by end of March 2015 are taken in to inventory. Change in practice resulted in increase of Profit before tax by Rs.10.42 crores.**
13. The revision of pension for pensioners was not finalized along with the Wage settlement of Class III & IV employees. A sub-committee was constituted for fixation of pension and family pension. In the absence of such report / directions from the Ministry, liability for the revision of pension and family pension could not be assessed and hence, no provision could be made in the books.
14. Due to severe cyclone HUD HUD hit at Visakhapatnam coast during October 2014, damages caused to some of the fixed capital assets of VPT i.e OSTT, South Break waters etc. A factual note was processed to the Ministry duly estimating the restoration cost around Rs.205.00 crores and to provide the same as budgetary support from Government. No approval was received till date.
15. Disputed claims are not accounted under Sundry Debtors but only disclosed in the Note on Accounts.
16. Irrecoverable debtors / claims are treated as Bad Debts and written off on approval of the competent authority.
17. 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.



18. 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.
19. As per the Ministry's guidelines vide Lr. No. 25021/1/2011-PD-II dt.02/12/2011, Corporate Social Responsibility fund of **Rs.0.55** crores has been created during the year
20. Reconciliation of quantity balances of Stores Priced Ledgers with Bin Cards has been done and necessary adjustments were carried out wherever necessary.
21. During the year, letters seeking confirmation of balances have been issued except certain lessee since the same are governed by specific lease agreements.
22. Previous year's figures have been regrouped wherever necessary to confirm to the current year's classification.

**M.T.KRISHNA BABU**  
**CHAIRMAN**  
Visakhapatnam Port Trust

**R.JAYA CHANDRAN**  
**FA&CAO**  
Visakhapatnam Port Trust

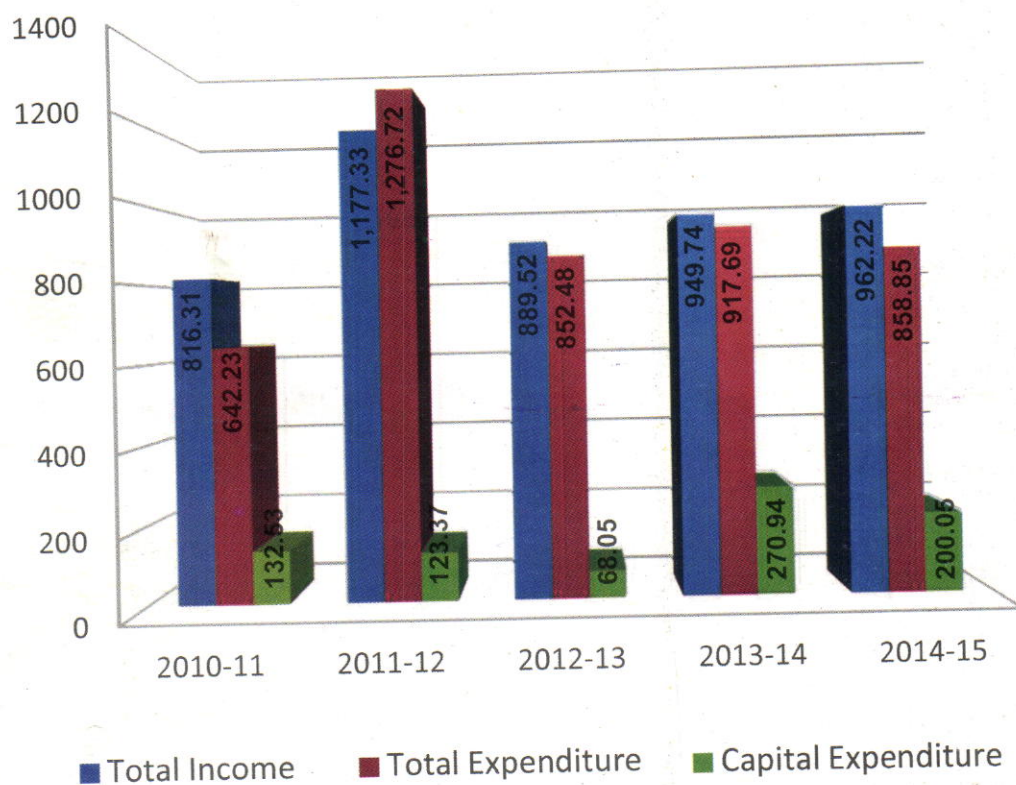


**The Time Schedule for Laying Annual Accounts and Audit Report with Action Taken Notes Thereon of Major Ports in the Parliament**

Sl.No	Description	Time Schedule prescribed by the Ministry (CON/VKS 16/2015) Dt.08-09-2015	Date on which action taken
1	Date of submission of Draft Annual Accounts to the Audit	31st May	03-06-2015
2	Date of release of draft Audit Reports	31st July	30-07-2015
3	Date of submission of reply by the Ports Trusts to the draft Audit Report	10th August	26-08-2015
4	Date of release of English version of Audit Report by the Audit	20th September	30-09-2015
5	Date of submission of Tax Auditor's Report to the Port Trust	25th September	29-09-2015
6	Date of filing of Annual Tax Return by the Port to Income Tax Department	30th September	29-09-2015
7	Date of submission of printed copies of English and Hindi versions of the Report to the Ministry by the Port Trust	9th October	
8	Laying of Reports in Parliament by the Ministry	Winter Session	

## INCOME, EXPENDITURE & CAPITAL EXPENDITURE

(₹ in crores)





**VISAKHAPATNAM PORT TRUST**

Visakhapatnam - 530 035, Andhra Pradesh, India.

Tel : 91-891-2876000 | Fax : 91-891-2565023

Web : [www.vizagport.com](http://www.vizagport.com) | E-mail : [info@vizagport.com](mailto:info@vizagport.com)