



विशाखपट्टणम पोर्ट ट्रस्ट Visakhapatnam Port Trust

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



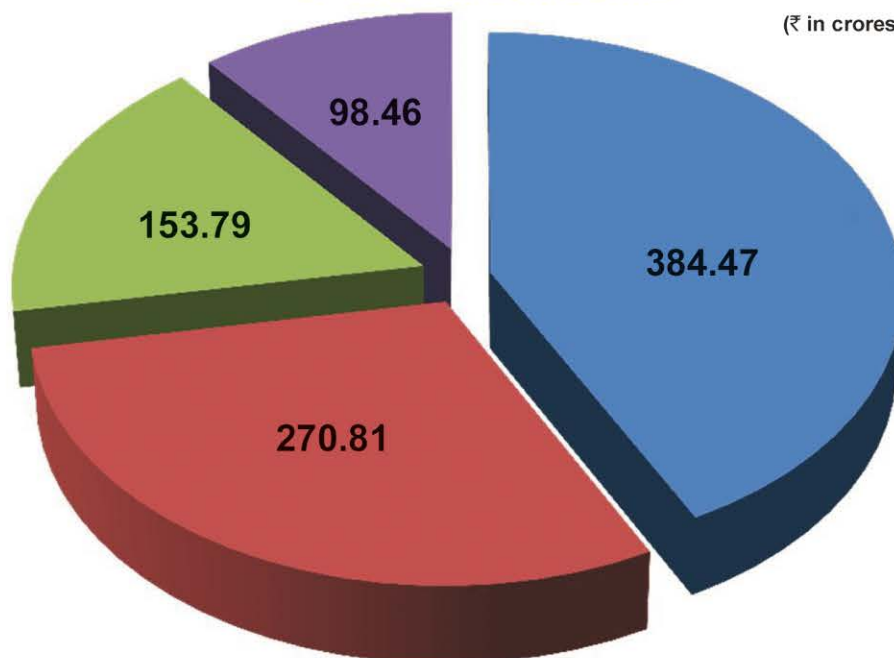
वार्षिक लेखा एवं लेखापरीक्षा रिपोर्ट Annual Accounts & Audit Report 2015 - 16

Port Road



OPERATING INCOME

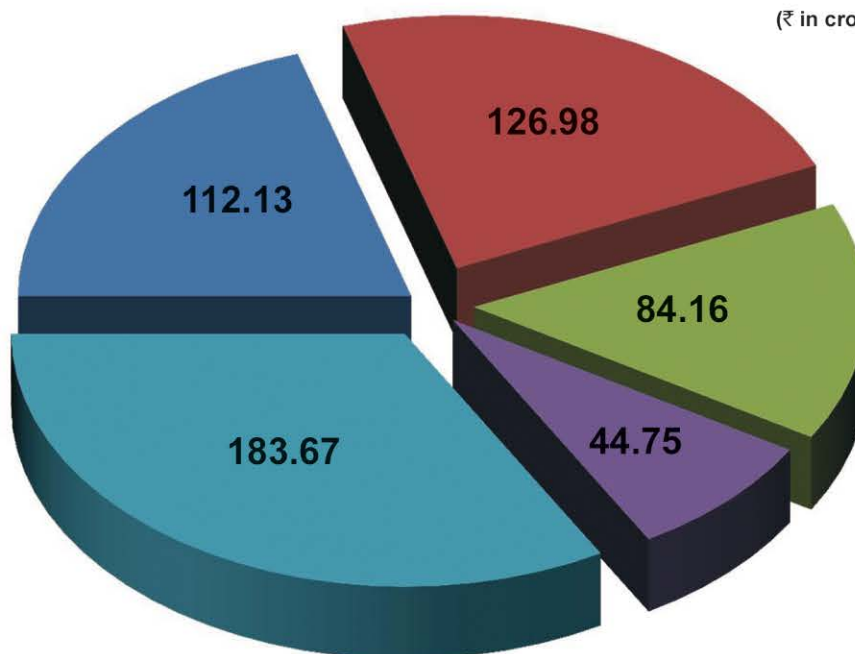
(₹ in crores)



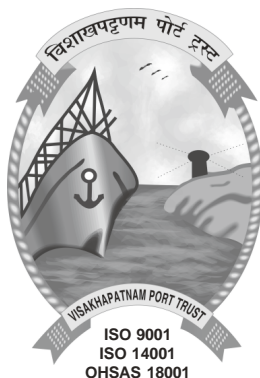
■ Cargo Handling & Storage Charges ■ Port & Dock Charges
■ Railway Earnings ■ Estate Rentals

OPERATING EXPENDITURE

(₹ in crores)



■ Cargo Handling & Storage ■ Port & Dock Facilities
■ Railway Working ■ Rentable lands & Buildings
■ Management & General Administrative Expenses



VISA KHAPATNAM PORT TRUST

Annual Accounts and Audit Report

for the year 2015-16



INDEX

1. Audit Report on the Visakhapatnam Port Trust for the year 2015 - 16	1
2. Annual Accounts 2015 - 16	7
3. Note on Accounts	27
4. Action Taken Note on Comments on Accounts	35
4. Statements showing the various stages involved finalisation of Annual Accounts and Audit Report thereon of VPT for 2015 - 16	36



Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of Visakhapatnam Port Trust, Visakhapatnam for the year ended 31 March 2016

We have audited the attached Balance Sheet of Visakhapatnam Port Trust as at 31 March 2016 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 under Section 102 of the Major Port Trusts Act, 1963.
 - iii) In our opinion, proper books of accounts and other relevant records have been maintained by the Visakhapatnam Port Trust, Visakhapatnam as required under Section 102 of the Major Port Trusts Act, 1963 in so far as it appears from our examination of such books.
 - iv) We further report that

A. Revision of accounts

The Port revised its accounts based on audit observations. As a result, the Profit before Tax decreased by ₹.10.17 crore viz., from a profit of ₹.35.85 crore to a profit of ₹.25.68 crore and Profit After Tax (after adjustment of Deferred Tax Assets) decreased by ₹.7.83 crore viz., from a profit of ₹.57.89 crore to ₹.50.06 crore.

B. BALANCE SHEET

APPLICATION OF FUNDS

Investments

Investment of General Reserve Fund: ₹.58.80 crore

Despite it being pointed out in the Separate Audit Report for the year 2014-15, the Port did not ascertain and provide for the diminution in the value of investment of ₹.30.00 crore made in M/s Sethusamudram Corporation Limited (SSCL), Chennai despite the fact that the project operations of SSCL were suspended in the year 2009. This is contrary to Accounting Standard – 13 for accounting of Investments.



C. PROFIT AND LOSS ACCOUNT

Income

Estate Rentals – ₹.98.46 crore

Finance and Miscellaneous Income – ₹.341.91 crore

During the year, the Port adopted an accounting policy of recognizing income from upfront premium in the year of receipt. Consequently, upfront fee/premium received towards lease of land amounting to ₹.12.91 crore and lease of Plant and Machinery amounting to ₹.185.38 crore was accounted as Estate Rentals and Finance and Miscellaneous Income respectively, instead of amortising equally throughout the lease period of 30 years. This has resulted in overstatement of Estate rentals by ₹.12.55 crore¹, Finance and Miscellaneous Income by ₹.179.20 crore², Profit before Tax by ₹.191.75 crore and understatement of Upfront Premium under Liabilities by ₹.191.75 crore.

D. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

Note on Accounts (Note No. 9)

As per an agreement (1998) between the Railways and the Port for handling of iron ore traffic passing through Ore Exchange Yard, Railways are responsible for maintaining and renewing the railway lines, sidings etc and in turn VPT shall pay the annual maintenance charges (AMC) at the rate of 4.5 per cent on the capital cost of siding and other civil engineering works. Accordingly, the Port paid AMC upto 2008 at the agreed rates. In the year 2009, Railways claimed these charges at an enhanced rate by including land cost, retrospectively from 01.04.2003. VPT had been contesting the same and paying the AMC at old rates. As on 31.03.2016, the total demand of the Railways for the differential amount of AMC was ₹.20.55 crore. This should have been suitably disclosed as 'Claims against the Port not acknowledged as debt' under 'Contingent Liabilities'.

E. Management Letter

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

- 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 2016, and
 - b. In so far as it relates to Profit & Loss Account of the profit for the year ended on that date.
5. A Review of accounts showing the summarised 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

(Arabinda Das)

Place: Hyderabad
Date: 29 September 2016

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

¹ Total Upfront fee/premium – Upfront fee/premium to be amortised for the year i.e. ₹.12.91 crore – ₹. 0.36 crore

² Total lease of plant and machinery – Lease of plant and machinery to be amortised for the year i.e. ₹.185.38 crore - ₹.6.18 crore



Annexure-I

1. Adequacy of Internal Audit System

The internal audit of Port Trust was entrusted to a firm of Chartered Accountants from June 2014 and renewed up to 31.05.2017. During the current year the Internal Audit teams had submitted monthly audit reports for the periods April 2015 to March 2016. 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 by us during the course of audit which have been substantially rectified by the management by revising Accounts. 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. Specific areas relating to debtors' management need to be strengthened/improved have been brought to notice of the Chairman, Visakhapatnam Port Trust, through a management letter issued separately for compliance. **Some major items are as follows:**

- Age-wise analysis reveals that trade dues outstanding since 1974-75 from Govt Parties and since 1990-91 from Private Parties is indicating the absence of concerted efforts for timely realisation.
- A test check of 284 port users revealed that they were being shown under Sundry Debtors (₹.246.82 crore) as well as Sundry Creditors (₹.195.06 crore), which required reconciliation.
- Similarly, negative balances of ₹.9.95 crore in Customer Deposit Balances (Sundry Creditors) which were transferred to Sundry Debtors in the year 2012-13 were not adjusted due to non-reconciliation of the same.
- All port users are required to maintain a minimum balance of ₹.25,000 in their revolving deposit accounts. Out of total 1846 deposit accounts, 1235 deposit account holders were not maintaining the requisite minimum balances. Further, deposit accounts of 231 customers show negative balances worth ₹.69.90 crore. This indicates inadequacy of monitoring mechanism.
- Even though provision for doubtful debts made since 2002-03 is still existed in the books, there was no follow-up to settle these provision.
- The amounts collected from the debtors (mostly from 2004-05) were not adjusted against the bill-wise dues and as a result both the bill-wise dues along with amount collected from the party as negative balances were continued to be exhibited. Due to this, it is difficult to identify the bills, against which the dues are outstanding.

3. System of Physical verification of fixed assets

The quinquennial 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. In order to verify the findings of the said committee on the excess and shortage of assets a new committee was appointed, which also submitted its final report in March 2015. The committee finally concluded that out of shortage of 369 assets, 264 were fully depreciated and the net value of the remaining 104 assets was ₹.0.41 crore as at the end of 31.03.2015. However, management had neither taken necessary adjustments, 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.

(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, Power and Conditions of Service) Act, 1971 read with Section 102 of Major Ports 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:

(in crore)

	Description	2013-14	2014-15	2015-16
I.A	Liabilities			
	(i) Capital Reserves	902.51	902.51	909.08
	(ii) Other Reserves	959.95	1052.07	1095.21
	(iii) Borrowings			
	Capital Debts	50	100	93.51
	(iv) Grants Received	0	0	10.60
	(v) Current liabilities & Provisions & other liabilities (PF/Pension, Gratuity Fund)	1608.46	1668.91	2211.05
	(vi) Deferred Tax Liability	0	0	0
	Total	3520.92	3723.49	4319.45
B	(i) Fixed Assets (Gross block)	1467.15	1543.58	1642.63
	(ii) Less: Depreciation	564.65	601.00	639.27
	(iii) Net Fixed Assets	902.50	942.58	1003.36
	(iv) Work-in-Progress	324.40	447.41	493.86
	(v) Investments	165.47	174.12	190.21
	(vi) Current Assets loans and Advances	1993.74	2011.11	2459.37
	(vii) Miscellaneous Expenditure (DRE)	0	0	0
	Deferred Tax Asset	134.79	148.27	172.65
	Total	3520.90	3723.49	4319.45
C	Working Capital ¹	385.28	342.20	248.32
D	Net Worth ²	1862.46	1954.58	2004.30
E	Capital Employed ³	1287.78	1284.78	1251.68
F	Percentage of Return on Capital employed ⁴	1.43	7.13	4.00
G	Capital employed (including work-in-progress)	1612.18	1732.19	1745.55
H	Percentage of Return on Capital Employed (including works-in progress)	1.14	5.29	2.87

¹ Working capital represents currents 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



3. Summary of working results

The working results of the Port Trust for the year ended 31 March 2016 as compared to the last two years ended 31 March 2014 and 2015 were as follows:

(‘in crore)

		2013-14	2014-15	2015-16
II	Revenue			
a	Income			
	Operating Income	800.82	809.85	907.53
	Non-operating Income	148.92	152.37	341.91
	Total	949.74	962.22	1249.44
b	Expenditure			
	Operating Expenditure	577.55	493.84	551.69
	Non-operating Expenditure	340.15	365.01	672.07
	Total	917.70	858.85	1223.76
c	Net Surplus/deficit before appropriation/profit before tax	32.04	103.37	25.68
	Less: Provision for taxation			
	Previous year	0.00	0.00	0.00
	Current year	7.29	25.18	0.00
	Fringe Benefit Tax	0.00	0.00	0.00
	Deferred Tax	6.33	-13.47	-24.38
	Profit after tax	18.42	91.67	50.06
d	Less : Mandatory Appropriation / transfer to Reserve Fund (Net profit)	0	77.27	38.66
e	Surplus transferred to General Reserve Fund (Net profit)	18.30	14.40	11.40
f	Percentage of net surplus to			
	Operating income	2.30	1.78	5.52
	Net fixed Assets	2.04	1.53	4.99
	Net worth	0.99	0.74	2.50

4. Ratio Analysis (liquidity & Solvency)

- Percentage of current assets to current liabilities decreased from 120.50 in 2014-15 to 111.23 in 2015-16.
- Percentage of quick assets to current liabilities decreased from 80.19 in 2014-15 to 77.04 in 2015-16.
- Percentage of sundry debtors to operating income increases to 38.62 in 2015-16 as against 23.88 in 2014-15.
- Debt/Capital Reserves & Other Reserves ratio decreased from 5.12 in 2014-15 to 4.67 in 2015-16.
- Percentage of current assets to total assets increased to 56.94 in 2015-16 as against 54.01 in 2014-15.
- Percentage of operating expenditure to operating income decreased from 60.98 in 2014-15 to 60.79 in 2015-16.

(Deepak Raghu)
Deputy Director



ANNUAL ACCOUNTS

Schedules to Balance Sheet as at 31st March 2016		Schedules to Revenue Account for the year ended 31st March 2016	
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	Grants Received	Schedule R.3	Railway Earnings
Schedule 1.4	Deferred Tax	Schedule R.4	Estate Rentals
Schedule 2.1	Fixed Capital Assets	Schedule R.5	Cargo Handling & Storage
Schedule 2.2	Investments	Schedule R.6	Port & Dock Facilities
Schedule 2.3	Current Assets, Loans & Advances	Schedule R.7	Railway Working
Schedule 2.4	Current Liabilities & Provisions	Schedule R.8	Rentable Lands and Buildings
Schedule 2.5	Miscellaneous Expenditure	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 2016	As at 31st MARCH 2015
SOURCES OF FUNDS:			
<u>RESERVES & SURPLUSES:</u>			
A. CAPITAL RESERVE	1.1	9,09,08,39,442	9,02,50,51,400
B. REVENUE RESERVES			
a) General Reserve Fund		1,22,04,57,588	1,17,35,40,276
b) Employees Family Security Scheme		6,11,91,608	6,21,35,747
C. STATUTORY RESERVES			
a) Reserve for Replacement, Rehabilitation and Modernisation of Capital Assets		4,44,04,95,097	4,44,04,95,097
b) Reserve for Development, Repayment of Loans and Contingencies		5,22,99,89,153	4,84,45,55,153
		9,67,04,84,250	9,28,50,50,250
	1.3	20,04,29,72,888	19,54,57,77,673
<u>Grants Received</u>			
<u>LOAN FUNDS:</u>			
A. SECURED LOANS	1.2	0	0
B. GOVERNMENT LOANS		93,50,91,000	1,00,00,00,000
C. UNSECURED LOANS		0	0
		93,50,91,000	1,00,00,00,000
<u>DEFERRED TAX LIABILITY:</u>		0	0
TOTAL SOURCES OF FUNDS		21,08,40,69,943	20,54,57,77,673



(Amount in ₹)

		SCH	As at 31st MARCH 2016		As at 31st MARCH 2015	
APPLICATION OF FUNDS:						
A. FIXED CAPITAL ASSETS: (Net Block)						
a)	Land	2.1	39,12,18,245	39,12,18,245	73,881	73,881
b)	Lease hold Land		73,881			
c)	Capital Dredging		2,22,72,60,236	1,23,87,32,485		
d)	Building Sheds and Other Structures		41,23,21,156	42,88,32,360		
e)	Wharves, Roads, Boundaries		1,21,97,44,224	1,25,39,78,003		
f)	Floating Craft		1,06,12,66,274	1,16,84,96,920		
g)	Railway and Rolling Stock		1,13,49,13,269	1,17,98,51,176		
h)	Docks, Sea-Walls, Piers, & Navigational Aids		2,81,78,14,910	2,86,71,71,914		
i)	Cranes and Vehicles		28,97,44,760	34,48,15,544		
j)	Plant & Machinery		26,30,46,465	29,77,30,324		
k)	Installations for Water, Electricity, Telecom. & Fire fighting		21,62,39,224	25,48,65,043		9,42,57,65,895
			10,03,36,42,644	4,47,41,12,634		4,47,41,12,634
				14,97,22,95,826		13,89,98,78,529
B. CAPITAL WORKS IN PROGRESS		2.2				
INVESTMENTS:						
A. INVESTMENTS OF GENERAL RESERVE FUND						
B. INVESTMENTS OF STATUTORY RESERVES						
1.	Government or Trust Securities		58,80,00,000	58,80,00,000		48,00,00,000
2.	Shares, Debentures or Bonds		3,97,03,444	3,97,03,444		3,97,03,444
3.	Other Investments		0	33,97,03,444		35,97,03,444
C. INVESTMENTS OF CASH SURPLUS FUNDS						
1.	Other Investments		97,43,95,871	97,43,95,871		90,15,20,134
CURRENTS ASSETS, LOANS & ADVANCES:		2.3				
A. CURRENT ASSETS						
I.	Accrued interest on Investments					
II.	Inventories					
III.	Sundry Debtors					
a)	Government Dues		70,07,00,000	88,68,69,419		78,34,43,067
b)	Inter Port Dues		0	22,35,24,503		23,67,12,552
c)	Non Government Dues		2,80,44,97,926	3,50,51,97,926		1,93,37,59,188
IV.	Cash & Bank Balances					
a)	Cash Balance on hand		22,55,330			8,41,123
b)	Bank Balances with Scheduled Banks		13,52,65,75,503			11,44,90,83,069
c)	Bank Balances with other Banks		0	13,52,88,30,833		11,44,99,24,192
			18,14,44,22,681			14,40,38,38,999



BALANCE SHEET

(Amount in ₹)

	SCH	As at 31st MARCH 2016		As at 31st MARCH 2015	
B. LOANS & ADVANCES					
a) Advances & Loans to subsidiaries/ Ports / Trusts		13,40,00,000		13,40,00,000	
b) Advances recoverable in cash or in kind for the value to be received		63,75,29,042		45,46,28,417	
c) Balances with Customs, Excise, Income Tax etc.		5,58,75,78,413		5,02,85,65,487	
d) Deposits		9,01,76,375		9,01,11,185	
	2.4	6,44,92,83,830	24,59,37,06,511	5,70,73,05,089	20,11,11,44,088
LESS: CURRENT LIABILITIES & PROVISIONS:					
A. CURRENT LIABILITIES:					
I. PROVIDENT, PENSION & GRATUITY FUNDS					
a) Provident Fund		1,91,67,436		6,26,37,579	
b) Pension Fund		4,55,77,03,528		4,53,27,29,077	
c) Gratuity Fund		13,02,91,972	4,70,71,62,936	14,87,67,565	4,74,41,34,221
II. SUNDRY CREDITORS					
a) Creditors for Stores		5,32,70,590		4,99,39,309	
b) Unadjusted Sale proceeds of unclaimed goods		0		0	
c) Unadjusted Sale proceeds of surplus materials		0	5,32,70,590	0	4,99,39,309
III. MISCELLANEOUS CREDITORS & CREDIT BALANCES					
a) Demurrage/Wagon Hire charges payable to Railways		2,77,86,681		2,15,95,350	
b) Statutory Payments		42,92,37,793		30,49,08,492	
c) Liability towards Capital Expenses		2,12,72,455		2,12,72,455	
d) Others		3,37,27,18,787		43,71,66,080	
e) Deposits from Merchants, Contractors & Others		3,22,92,23,432	7,08,02,39,148	1,86,36,15,796	2,64,85,58,173
IV. ADVANCE PAYMENTS & UN EXPIRED DISCOUNTS			4,02,63,55,350		4,08,62,42,490
for the portion for which value has still to be given					
V. OTHER LIABILITIES					
a) Interest accrued but not due on loans		3,11,53,86,660		2,03,41,76,408	
		35,97,61,901		35,77,58,690	
		19,34,21,76,585		13,92,08,09,291	
B. PROVISIONS:					
a) Provision for Taxation		2,76,83,15,930		2,76,83,15,930	
b) Provision for contingencies		0		0	
c) Other provisions		0		0	
		2,76,83,15,930	22,11,04,92,515	2,76,83,15,930	16,68,91,25,221
NET CURRENT ASSETS					
MISCELLANEOUS EXPENDITURE:					
(To the extent not written off or adjusted)	2.5		2,48,32,13,996		3,42,20,18,867
DEFERRED TAX ASSET:			0		0
TOTAL APPLICATION OF FUNDS	1.4		1,72,64,60,806		1,48,26,56,699
			21,08,40,69,943		20,54,57,77,673

Sd/-
C.E. & F.A. & C.A.O (F.P)

Sd/-
CHAIRMAN



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 01.04.2015	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	
ADD:							
1. (a) Contribution from Revenue A/c	0	0	64,28,855	25,30,200	0	38,54,34,000	
(b) Additional Depreciation	0	0	0	0	0	0	
2. Transfer from Revenue A/c	6,57,88,042	11,40,32,265	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	
4. Other Transfers	0	0	0	0	0	0	
	9,09,08,39,442	1,28,75,72,541	6,85,64,602	25,30,200	4,44,04,95,097	5,22,99,89,153	
LESS:							
1. Transfer from Reserves							
a) Net Deficit	0	0	0	0	0	0	
b) Transfer to Capital Reserve	0	6,46,14,953	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	25,00,000	0		0	0	
3. Expenditure during the year	0	0	73,72,994	25,30,200	0	0	
Closing Balance as on 31.03.2016	9,09,08,39,442	1,22,04,57,588	6,11,91,608	0	4,44,04,95,097	5,22,99,89,153	

Sd/-
C.E. & F.A. & C.A.O (F.P)



Schedules to Balance Sheet

SCHEDULE - 1.2

LOAN FUNDS

	Secured Loans	
	Loans & Advances	Funds provided by Govt. of India
	₹	₹
Balance as on 1-04-2015		1,00,00,00,000
Received during the year		13,58,91,000
Payments during the year		20,08,00,000
Balance as on 31-03-2016		93,50,91,000

Schedules to Balance Sheet

SCHEDULE - 1.3

GRANTS RECEIVED

	₹
Received during the year	30,00,00,000
Payments during the year	19,39,93,945
Balance as on 31-03-2016	10,60,06,055

SCHEDULE - 1.4

DEFERRED TAX

	AS AT 31st MARCH 2016	AS AT 31st MARCH 2015
	₹	₹
Deferred Tax Liabilities - Opening Balance:		
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
Deferred Tax Liability	-1,48,26,56,699	-1,34,79,25,000
Timing difference on account of Depreciation	16,69,50,121	13,87,79,264
Upfront amortisation DTL	65,24,53,210	
Less: Timing difference on account of sums payable as employer u/s 43(B) of IT Act, 1961	2,54,58,64,137	1,62,14,35,963
Deferred Tax Asset - Closing Balance	(1,72,64,60,806)	(1,48,26,56,699)
Net Deferred Tax charged to P&L Account	(24,38,04,107)	(13,47,31,699)

Sd/-
C.E. & F.A. & C.A.O (F.P)



SCHEDULE - 2.1

FIXED CAPITAL ASSETS

Schedules to Balance Sheet

Asset Class	Gross Block				Depreciation				Net Block	
	As on 1st April 2015	Additions	Deletions	As on 31st March 2016	As on 1st April 2015	Depreciation during the year	Depreciation adjustment	Depreciation as on 31/3/2016	As at 1st April 2015	Net Block as on 31/3/2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
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	1,64,35,24,416	1,20,73,36,960	19,39,93,945	2,65,68,67,431	40,47,91,931	2,48,15,264	0	42,96,07,195	1,23,87,32,484	2,22,72,60,236
3 Buildings Sheds and Other Structures	74,74,37,368	0	0	74,74,37,368	31,75,87,632	1,75,28,579	0	33,51,16,211	42,98,49,736	41,23,21,156
4 Wharves, Roads, Boundaries	1,62,16,98,176	25,62,452	0	1,62,42,60,629	36,87,37,549	3,57,78,856	0	40,45,16,405	1,25,29,60,628	1,21,97,44,224
5 Floating Craft	2,25,19,09,923	20,96,085	0	2,25,40,06,008	1,08,34,13,003	10,93,28,731	0	1,19,27,39,734	1,16,84,96,920	1,06,12,86,274
6 Railway and Rolling Stock	1,88,84,47,139	0	0	1,88,84,47,139	70,85,95,963	4,49,37,907	0	75,35,33,870	1,17,98,51,175	1,13,49,13,269
7 Docks, Sea-Walls, Piers, and Navigational Aids	3,64,27,17,996	14,02,965	0	3,64,41,20,961	77,55,46,082	5,07,59,970	0	82,63,06,051	2,86,71,71,914	2,81,78,14,910
8 Cranes and Vehicles	1,11,77,15,595	0	3,54,14,871	1,08,23,00,724	77,29,00,051	5,05,36,912	3,08,80,999	79,25,55,964	34,48,15,544	28,97,44,760
9 Plant & Machinery	1,02,68,61,868	0	15,28,281	1,02,53,33,587	72,91,31,544	3,44,54,616	12,99,038	76,22,87,122	29,77,30,324	26,30,46,465
10 Installations for Water, Electricity, Telecom. & Fire Fighting	1,10,41,53,085	81,52,918	0	1,11,23,06,003	84,92,88,041	4,67,78,738	0	89,60,66,779	25,48,65,044	21,62,39,224
TOTAL	15,43,57,57,692	1,22,15,51,381	23,09,37,097	16,42,63,71,975	6,00,99,91,796	41,49,17,572	3,21,80,037	6,39,27,29,331	9,42,57,65,894	10,03,36,42,645
Capital Works in progress	4,47,41,12,634	1,68,60,91,929	1,22,15,51,381	4,93,86,53,182				0	4,47,41,12,634	4,93,86,53,182
TOTAL FIXED CAPITAL ASSETS	19,90,98,70,326	2,90,76,43,310	1,45,24,88,478	21,36,50,25,157	6,00,99,91,797	41,49,17,572	3,21,80,037	6,39,27,29,331	13,89,98,78,528	14,97,22,95,827

Sd/-
C.E. & F.A. & C.A.O (F.P)



Schedules to Balance Sheet

SCHEDULE - 2.2

INVESTMENTS

	As at 31st MARCH 2016		As at 31st MARCH 2015	
	COST VALUE	FACE VALUE	COST VALUE	FACE VALUE
	₹	₹	₹	₹
A. GENERAL RESERVE				
CURRENT INVESTMENTS				
LONG TERM INVESTMENTS:				
1. Government or Trust Securities				
2. Shares, Debentures or Bonds	48,00,00,000	48,00,00,000	48,00,00,000	48,00,00,000
	48,00,00,000	48,00,00,000	48,00,00,000	48,00,00,000
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. STATUTORY RESERVES				
CURRENT INVESTMENTS	—	—	—	—
LONG TERM INVESTMENTS:				
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
	3,97,03,444	4,00,00,000	3,97,03,444	4,00,00,000
2. Shares, Debentures or Bonds				
APPFC Limited Power Bonds				
Bank of Maharastra 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	0	0	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
	30,00,00,000	30,00,00,000	32,00,00,000	32,00,00,000



Schedules to Balance Sheet

SCHEDULE - 2.2

INVESTMENTS

	As at 31st MARCH 2016		As at 31st MARCH 2015	
	COST VALUE	FACE VALUE	COST VALUE	FACE VALUE
	₹	₹	₹	₹
3. Other Investments				
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	0	0
TOTAL(B)	33,97,03,444	34,00,00,000	35,97,03,444	36,00,00,000
C. CASH SURPLUS FUNDS				
LIC of India under Group Leave Encashment Scheme	84,85,99,383	84,85,99,383	77,96,06,482	77,96,06,482
Bajaj Allianz under Group Leave Encashment Scheme	3,46,64,271	3,46,64,271	3,20,96,547	3,20,96,547
Bajaj Allianz under Family Security Scheme	5,97,56,856	5,97,56,856	6,10,45,568	6,10,45,568
State Bank of India (Life) under Group Leave Encashment Scheme	3,13,75,361	3,13,75,361	2,87,71,537	2,87,71,537
TOTAL (C)	97,43,95,871	97,43,95,871	90,15,20,134	90,15,20,134
TOTAL INVESTMENTS: (A+B+C)	1,79,40,99,315	1,79,43,95,871	1,74,12,23,578	1,74,15,20,134

Sd/-
C.E. & F.A. & C.A.O (F.P)



Schedules to Balance Sheet

SCHEDULE - 2.3

CURRENT ASSETS, LOANS & ADVANCES

	As at 31st MARCH 2016		As at 31st MARCH 2015	
	₹	₹	₹	₹
CURRENT ASSETS				
i. Accrued Interest on Investments		88,68,69,419		78,34,43,067
ii. Inventories				
Service Stock & Spares				
Inventories held for less than 2 years	22,13,78,112		23,09,40,660	
Inventories held for more than 2 years but less than 3 years	5,08,370		37,11,990	
Inventories held for more than 3 years but less than 10 years	19,25,589		24,23,414	
Inventories held for more than 10 years but less than 15 years	1,815			
Inventories held for more than 15 years	0		0	
	22,38,13,886		23,70,76,064	
less: Depreciation on Non-moving Inventories	2,89,383	22,35,24,503	3,63,512	23,67,12,552
iii. Sundry Debtors				
a) Debts Considered good but not secured:				
a. Cargo related dues	21,83,51,657		16,60,88,494	
b. Vessel related dues	23,81,543		24,69,821	
c. Estate dues	2,82,41,96,630		1,34,93,25,985	
d. Railway dues	17,36,17,846		18,04,74,800	
e. Fishing Harbour dues	17,35,98,227		12,36,11,089	
f. Other misc. dues	11,30,52,023		11,17,88,999	
		3,50,51,97,926		1,93,37,59,188
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
		3,57,82,93,347		2,00,68,54,609
less: Provision for Doubtful Debts		7,30,95,421		7,30,95,421
		3,50,51,97,926		1,93,37,59,188
iv. Cash & Bank Balances				
a. Cash on hand		22,55,330		8,41,123
b. Balance at Banks:				
c. In Current/Savings Bank Accounts:				
Andhra Bank - Port Branch	9,05,55,656		24,82,16,661	
Axis Bank	1,315		1,315	
Bank of Baroda	7,58,648		7,59,216	
Bank of India	0		0	
Canara Bank	20,82,982		20,82,982	
Central Bank of India	0		374	
ICICI Bank	0		0	
Indian Overseas Bank	33,29,559		33,29,588	
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	0		0	
State Bank of Hyderabad - Surya Bagh Branch	45,47,120		39,57,131	
State Bank of India - Main Branch	6,55,337		6,55,337	
State Bank of India - Main Branch (Escrow A/c)	14,13,958		13,59,052	
State Bank of India - Port Branch	4,63,97,525		6,37,71,111	
Union Bank of India - RTGS SB A/c 133641	42,08,524		34,25,423	
Vijaya Bank	0		0	
		15,65,75,503		33,01,83,069



Schedules to Balance Sheet

SCHEDULE - 2.3

CURRENT ASSETS, LOANS & ADVANCES

	As at 31st MARCH 2016		As at 31st MARCH 2015	
	₹	₹	₹	₹
d. In Deposits Accounts (TDR A/c & CLTD A/c):				
Andhra Bank	3,66,00,00,000		1,51,00,00,000	
State Bank of Patiala				
Canara Bank	2,32,00,00,000		1,40,00,00,000	
Bank of India	54,00,00,000			
Life Insurance Corporation of India			0	
State Bank of Hyderabad	2,39,00,00,000		3,20,00,00,000	
State Bank of India - Port Branch	2,00,00,000		13,89,00,000	
Vijaya Bank	2,86,00,00,000		0	
State Bank of Mysore			0	
Indian Overseas Bank	50,00,00,000		2,05,00,00,000	
Syndicate Bank	1,08,00,00,000		87,00,00,000	
TDRs with Union Bank of India @ 9.00%			0	
TDRs with Indian Overseas Bank @ 9.25%				
TDRs with Vijaya Bank @ 8.90%			1,20,00,00,000	
TDRs with State Bank of Patiala @ 8.70%			75,00,00,000	
TDRs with Canara Bank @ 9.25%				
	13,37,00,00,000	13,37,00,00,000		11,11,89,00,000
		13,52,88,30,833		11,44,99,24,191
TOTAL CURRENT ASSETS		18,14,44,22,681		14,40,38,38,998
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			0	
Advance to Gratuity Fund Trust			0	
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	32,13,57,727		15,67,86,332	
Advances for Purchases - Stores	6,45,84,688		6,59,23,016	
Computer Advances	71,30,556		90,10,819	
House Building Advances	77,52,559		1,01,55,064	
Motor Car/Cycle Advances	41,74,805		52,85,264	
Travel/LTC Advances	53,10,685		49,41,164	
Others	22,78,22,421		20,31,31,157	
		63,81,33,441		45,52,32,816
less: Provision for Doubtful Advances		6,04,399		6,04,399
		63,75,29,042		45,46,28,417
3. Balances with Customs, Excise, Income Tax etc.				
Voluntary deposit with Telecommunication Dept.	30,550		30,550	
Income Tax - TDS, Advance Tax & Service Tax	5,58,75,47,863		5,02,85,34,937	
		5,58,75,78,413		5,02,85,65,487
4. Deposits				
Deposits with APTRANSCO.	5,34,28,893		5,33,63,703	
Deposits with GVMC.	3,67,47,482		3,67,47,482	
		9,01,76,375		9,01,11,185
* Loans and Advances considered as good and unsecured.				
TOTAL LOANS & ADVANCES		6,44,92,83,831		5,70,73,05,089

Sd/-
C.E. & F.A. & C.A.O (F.P)



Schedules to Balance Sheet

SCHEDULE - 2.4

CURRENT LIABILITIES AND PROVISIONS

	As at 31st MARCH 2016		As at 31st MARCH 2015	
	₹	₹	₹	₹
A. CURRENT LIABILITIES:				
I. PROVIDENT, PENSION & GRATUITY FUNDS				
a) Provident Fund	1,91,67,436		6,26,37,579	
b) Pension Fund	4,55,77,03,528		4,53,27,29,077	
c) Gratuity Fund	13,02,91,972		14,87,67,565	
		4,70,71,62,936		4,74,41,34,221
II. SUNDRY CREDITORS				
a) Creditors for Stores	5,32,70,590		4,99,39,309	
b) Unadjusted Sale proceeds of unclaimed goods	0		0	
c) Unadjusted Sale proceeds of surplus materials	0		0	
		5,32,70,590		4,99,39,309
III. MISCELLANEOUS CREDITORS & CREDIT BALANCES				
a) Demurrage/Wagon Hire charges payable to Railways	2,77,86,681		2,15,95,350	
b) Statutory Payments	42,92,37,793		30,49,08,492	
c) Liability towards Capital Expenses	2,12,72,455		2,12,72,455	
d) Others	3,37,27,18,787		43,71,66,080	
e) Deposits from Merchants, Contractors & Others	3,22,92,23,432		1,86,36,15,796	
		7,08,02,39,148		2,64,85,58,173
IV. ADVANCE PAYMENTS & UN EXPIRED DISCOUNTS for the portion for which value has still to be given				
a) Prepaid Income	21,30,84,235		10,76,87,975	
b) Up-front Premium to be amortised	3,81,32,71,115		3,97,85,54,515	
c) Volume Discount to be given to Trade	0		0	
		4,02,63,55,350		4,08,62,42,490
V. OTHER LIABILITIES		3,11,53,86,660		2,03,41,76,408
VI. INTEREST ACCRUED BUT NOT DUE ON LOANS		35,97,61,901		35,77,58,690
TOTAL CURRENT LIABILITIES		19,34,21,76,585		13,92,08,09,291
B. PROVISIONS:				
I) Provision for Taxation	2,76,83,15,930		2,76,83,15,930	
II) Provision for contingencies	0		0	
III) Other provisions	0		0	
TOTAL PROVISIONS		2,76,83,15,930		2,76,83,15,930
TOTAL CURRENT LIABILITIES & PROVISIONS		22,11,04,92,515		16,68,91,25,221

Sd/-
C.E. & F.A. & C.A.O (F.P)



PROFIT AND LOSS ACCOUNT

	FOR THE PERIOD ENDING	
	31st MARCH 2016	31st MARCH 2015
INCOME :	₹	₹
Cargo Handling & Storage Charges	3,84,47,22,100	3,75,79,01,076
Port & Dock Charges	2,70,81,27,536	2,48,80,24,261
Railway Earnings	1,53,78,78,515	1,21,74,27,828
Estate Rentals	98,46,11,054	63,51,30,015
TOTAL OPERATING INCOME	9,07,53,39,205	8,09,84,83,180
EXPENDITURE :		
Cargo Handling & Storage	1,12,13,29,709	1,29,96,41,768
Port & Dock Facilities	1,26,97,95,581	97,54,14,722
Railway Working	84,15,72,890	74,57,49,761
Rentable lands & Buildings	44,74,87,084	34,45,87,643
Management & General Administrative Expenses	1,83,66,91,931	1,57,30,29,557
TOTAL OPERATING EXPENDITURE	5,51,68,77,195	4,93,84,23,451
OPERATING SURPLUS :	3,55,84,62,010	3,16,00,59,729
Add: Finance & Miscellaneous Income	3,41,91,14,943	1,52,37,44,750
Less: Finance & Miscellaneous Expenditure	6,72,07,41,704	3,65,00,94,091
PROFIT BEFORE TAX	25,68,35,249	1,03,37,10,388
Less: Provision for Taxation:		
Previous Years	0	0
Current Year	0	25,17,81,184
Deferred Tax	-24,38,04,107	-13,47,31,699
PROFIT AFTER TAX	50,06,39,356	91,66,60,903
Less: Profit on Disposal of Capital Assets transferred to Capital Reserve	11,73,089	0
Amount Available for Appropriations	49,94,66,266	91,66,60,903
Less: Appropriations		
Fund for Development, Repayment of Loans and Contingencies	38,54,34,000	38,63,34,649
Fund for Replacement, Rehabilitation and Modernisation of Capital Assets	0	38,63,34,649
TOTAL APPROPRIATIONS	38,54,34,000	77,26,69,298
BALANCE TRANSFERRED TO GENERAL RESERVE	11,40,32,266	14,39,91,605

Sd/-
CHAIRMAN

Sd/-
C.E. & F.A. & C.A.O (F.P)



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2016	31st MARCH 2015
	₹	₹
SCHEDULE - R.1		
CARGO HANDLING & STORAGE CHARGES:		
Handling & Storage charges on General Cargo	1,74,87,41,246	2,14,78,20,922
Storage of goods in Ware Houses	1,46,46,188	1,42,68,207
Cranage	36,09,921	44,13,786
Ligherage	0	0
Handling of POL Oils & Lubricants	53,80,79,125	55,68,63,720
Demurrage fees on General Cargo	46,96,93,976	7,20,16,407
Royalties from BOT Contracts	1,05,74,98,651	95,09,46,216
Miscellaneous Charges	1,24,52,993	1,15,71,818
TOTAL	3,84,47,22,100	3,75,79,01,076
SCHEDULE - R.2		
PORT & DOCK CHARGES:		
Towing and Mooring Fees	8,44,22,350	13,51,09,361
Dock Dues	38,76,67,724	35,39,35,125
Port Dues	73,73,35,737	65,08,73,694
Pilotage Fees	1,46,69,96,743	1,31,16,80,517
Dry - Docking charges	57,28,707	1,02,26,953
Water supply to shipping	43,06,856	31,24,341
Salvage and Under Water Repairs	56,28,381	1,04,11,374
Miscellaneous Charges	1,60,41,038	1,26,62,896
TOTAL	2,70,81,27,536	2,48,80,24,261
SCHEDULE - R.3		
RAILWAY EARNINGS:		
Wagon Hire & Haulage Charges	18,64,01,573	17,64,14,332
Siding Charges	47,42,89,310	40,25,01,411
Terminal Charges	64,91,28,657	47,45,03,538
Miscellaneous Charges	22,80,58,975	16,40,08,547
TOTAL	1,53,78,78,515	1,21,74,27,828

Sd/-
C.E. & F.A. & C.A.O (F.P)



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2016	31st MARCH 2015
	₹	₹
SCHEDULE - R.4		
ESTATE RENTALS:		
Rent from Lands	74,34,19,437	54,57,44,468
Rent on Storage Sheds	76,933	1,06,158
Rent from accommodation provided for outside offices	24,72,349	18,97,041
Kalavani Auditorium	1,17,47,500	94,00,000
Rent from Port Trust quarters	48,16,134	37,53,309
Recoverable Charges	20,32,10,138	6,38,92,961
Miscellaneous Income	1,88,68,563	1,03,36,078
TOTAL	98,46,11,054	63,51,30,015
SCHEDULE - R.5		
CARGO HANDLING & STORAGE :		
Handling and Storage of General Cargo at Sheds and Wharves	52,73,02,637	50,16,47,885
Warehousing	0	27,290
Operation and Maintenance of Ore Handling Plant	22,69,84,893	45,21,69,165
Operation and Maintenance of Lighters and Barges	1,45,214	3,73,281
Operation and Maintenance of Wharf Cranes & Crane Vessels	4,26,91,533	4,38,74,001
Expenditure on General facilities at Docks	2,28,31,364	2,37,14,036
Administration & General Expenses	18,80,07,356	16,12,81,776
New Minor Works	0	0
Depreciation	11,33,66,712	11,65,54,334
TOTAL	1,12,13,29,709	1,29,96,41,768

Sd/-
C.E. & F.A. & C.A.O (F.P)



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2016	31st MARCH 2015
	₹	₹
SCHEDULE - R.6		
PORT & DOCK FACILITIES:		
Towing, Berthing and Mooring	42,46,87,023	38,20,48,940
Pilotage	27,72,30,586	24,03,67,130
Dry Docking Expenses	3,70,65,104	3,64,92,732
Water Supply to Shipping	1,17,80,798	1,30,30,962
Fire Fighting	4,55,62,471	3,79,24,119
Dredging and Marine Survey	23,10,65,389	3,87,77,077
Operation & Maint. of Navigational aids	1,19,00,193	1,12,18,856
Salvage & Under-water repairs	7,38,190	14,00,884
Maintenance of Docks & Harbour Walls, Marine Structures etc.	1,49,31,959	1,42,06,003
Administration & General Expenses	2,23,35,909	2,09,49,582
New Minor Works	0	0
Depreciation	19,24,97,961	17,89,98,437
TOTAL	1,26,97,95,581	97,54,14,722
SCHEDULE - R.7		
RAILWAY WORKING:		
Operation & Maintenance of Locomotives, Wagons etc.	28,68,72,862	24,61,59,159
Maintenance of Permanent Way Signals & Inter-locking	11,21,39,606	10,82,51,457
Operation, Maint. & Admn. expenses of Stations, Yards and Sidings	2,33,34,789	85,62,402
Administration & General Expenses	37,03,81,143	33,67,60,107
New Minor Works	0	0
Depreciation	4,88,44,490	4,60,16,636
TOTAL	84,15,72,890	74,57,49,761

Sd/-
C.E. & F.A. & C.A.O (F.P)



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2016	31st MARCH 2015
	₹	₹
SCHEDULE - R.8		
RENTABLE LANDS & BUILDINGS:		
Estate Maintenance	40,31,57,967	30,16,09,654
Land repairs and reclamation	17,46,279	11,25,611
Administration & General Expenses	13,81,898	18,08,798
New Minor Works	0	0
Depreciation	4,12,00,941	4,00,43,580
TOTAL	44,74,87,084	34,45,87,643
SCHEDULE - R.9		
MANAGEMENT & GENERAL ADMINISTRATION:		
Management & Secretarial Expenses	11,26,33,206	3,92,97,850
Port Security (C.I.S.F)	33,99,95,766	34,56,55,066
Legal Expenses	33,72,879	17,55,128
Labour and Welfare Expenses	7,53,21,827	4,28,76,857
Research and Planning Cell	5,70,41,447	5,45,73,575
Medical Expenses	32,42,96,304	28,73,18,807
Store Keeping	5,16,55,141	5,29,28,729
Accounting and Auditing	8,44,97,477	1,63,76,406
Expenditure on Head Office Building	0	0
Telephones	1,19,38,870	86,88,151
Engineering & Workshop Administration Overheads	68,99,47,217	52,29,76,949
Sundry Expenses	6,69,84,330	18,16,67,161
New Minor Works	0	0
Depreciation	1,90,07,468	1,89,14,878
TOTAL	1,83,66,91,931	1,57,30,29,557

Sd/-
C.E. & F.A. & C.A.O (F.P)



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2016	31st MARCH 2015
SCHEDULE - R.10	₹	₹
FINANCE & MISCELLANEOUS INCOME:		
Interest on Govt. Securities	0	0
Interest on Long Term F D Rs	0	0
Interest on Fixed Deposits & Cash Balances	1,36,24,73,732	1,26,16,27,245
Interest on Revenue Account	1,24,82,566	83,01,601
Interest on Deposit Account	41,65,583	4,84,058
Interest on Income Tax Refunds	5,00,01,461	0
Miscellaneous Income	13,92,92,845	21,42,13,408
Sundry Receipts	1,85,83,13,240	12,61,457
Profit on Disposal of Capital Assets	22,58,443	90,88,792
Centage Charges	32,292	45,126
Sale of Tender documents	7,75,750	6,37,045
Stores Adjustments (Excesses)	9,60,967	4,78,616
Items relating to previous year	-1,16,41,936	2,76,07,402
TOTAL	3,41,91,14,943	1,52,37,44,750
SCHEDULE - R.11		
FINANCE & MISCELLANEOUS EXPENDITURE:		
Bank Charges	66,403	1,14,844
INTEREST PAYABLE ON :		
i) Loans from Government	4,22,20,818	3,94,06,198
ii) Loans from Other agencies	0	0
iii) Interest on Others	2,60,844	3,68,485
Coin adjustment	-468	-6,978
Bad Debts written off	0	0
Provision for Bad and Doubtful debts	0	0
Property Tax	34,77,20,571	32,10,88,928
Expenses on IT appeals etc	2,000	11,000
Loss on Disposal of Capital Assets	46,894	0
Stores Adjustments	23,84,828	19,53,861
Productivity linked Bonus/PLR	0	0
Lumpsum payment to ML Candidates	4,55,000	41,65,000
Retirement Benefits:		
i) Retirement Gratuities	17,70,26,000	16,72,79,861
ii) V.R.Scheme Ex-gratia payment	3,93,66,101	1,49,85,255
iii) a) Pension Payments	1,81,31,12,228	1,83,19,57,689
b) Contribution to New Pension (Tier-I) Scheme	1,61,59,337	1,47,50,534
c) Contribution to pension fund	4,04,57,00,000	1,22,02,51,000
d) Commutation of Pension	19,99,36,119	9,69,62,803
Contribution to Corporate Social Responsibility Fund	2,74,99,827	55,30,000
Trustees' Contribution to P.F.	88,322	85,808
Prior period expenses	86,96,880	-6,88,10,197
TOTAL	6,72,07,41,704	3,65,00,94,091

Sd/-
C.E. & F.A. & C.A.O (F.P)



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

	FOR THE PERIOD ENDING	
	31st MARCH 2016	31st MARCH 2015
	₹	₹
A. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :		
1. SALARIES, WAGES & BONUS ETC.		
i. Salaries and wages	2,73,46,32,383	2,61,21,56,424
ii. Bonus	2,45,78,648	3,31,52,926
	2,75,92,11,031	2,64,53,09,351
2. CONTRIBUTION TO PROVIDENT AND OTHER FUNDS		
i. Trustees' contribution to Provident fund	88,322	85,808
ii. Contribution to Pension fund	4,04,57,00,000	1,22,02,51,000
iii. Pension payments including commutation of pension	2,02,92,07,684	1,94,36,71,026
	6,07,49,96,006	3,16,40,07,834
3. GRATUITY	17,70,26,000	16,72,79,861
4. WORKMEN AND STAFF WELFARE EXPENSES		
i. Leave Travel Expenses	15,63,755	28,35,726
ii. Medical Reimbursement Expenses	10,03,59,604	10,51,18,774
iii. Nutrition to inpatients	4,15,415	3,68,954
iv. Stores (Medicines)	7,15,03,713	6,40,06,148
v. Stores (Surgical)	15,60,992	10,14,422
vi. Payments under workmen compensation Act.	0	0
vii. Passes and PTO's	0	0
viii. Scholarships, Prizes and awards	77,200	70,345
ix. VR scheme Ex-gratia Payments	3,98,21,101	1,91,50,255
	21,53,01,781	19,25,64,624
TOTAL (A)	9,22,65,34,817	6,16,91,61,669
B. OPERATING EXPENSES :		
1. CONSUMPTION OF STORES ON SPARE PARTS ETC.	7,10,24,088	23,02,48,636
2. REPAIRS TO PLANT AND MACHINERY (MECH)	19,58,72,862	22,81,20,000
3. REPAIRS TO BUILDINGS AND CIVIL STRUCTURES	25,68,33,486	10,66,10,871
4. OTHER REPAIRS		
i. Special Repairs	0	0
ii. Special Repairs Covered by Estimates	4,29,14,711	2,66,32,717
iii. Office machine Hire & service charges	3,35,14,519	3,14,53,753
	7,64,29,230	5,80,86,470
5. STORES CONSUMED		
i. Stores General	3,99,34,915	4,90,63,269
	3,99,34,915	4,90,63,269

Sd/-
C.E. & F.A. & C.A.O (F.P)



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

	FOR THE PERIOD ENDING	
	31st MARCH 2016	31st MARCH 2015
	₹	₹
6. POWER, FUEL, LUBRICANTS ETC.		
i. Stores (Operational)	31,64,91,976	6,54,70,657
ii. Electric Power	21,54,37,187	22,23,97,586
	53,19,29,163	28,78,68,243
7. NEW MINOR WORKS	0	0
8. OTHER OPERATIONAL EXPENSES		
i. Damages & Deficiencies payable to Railways	3,74,54,653	3,72,18,823
ii. Wagon hire charges	1,52,40,379	(86,83,450)
iii. Hire charges for floating crafts	1,34,10,363	1,11,89,451
iv. Hire charges for vehicles	3,93,77,989	4,06,18,339
v. Hire charges for Pvt. Tugs	12,61,81,849	10,27,92,173
vi. Fire charges	0	0
vii. Sundry expenses Operational	1,39,16,463	5,49,15,983
viii. Freight and handling charges	8,31,718	7,03,692
ix. Safety	0	0
x. Security Charges	34,54,94,884	32,73,05,839
xi. Dredging Charges	17,12,24,531	(1,60,88,791)
xii. Depreciation	41,49,17,572	40,05,27,865
xiii. Inter Departmental Charges	0	0
xiv. Provision for Non-moving stores	0	0
	1,17,80,50,400	95,04,99,925
TOTAL (B)	2,35,00,74,144	1,91,04,97,414
C. GENERAL EXPENSES:		
i. Rent, Rates and Taxes	1,12,482	2,01,803
ii. Audit Fees	1,56,29,759	3,10,84,875
iii. Water Charges	7,45,93,566	5,15,81,722
iv. Communication Expenses	4,38,769	4,09,398
v. Other Expenses	93,21,944	1,03,83,123
vi. Insurance	17,68,732	6,70,046
vii. Traveling Expenses	68,80,867	71,35,413
viii. Furniture and Office Equipment	13,93,833	0
ix. Miscellaneous Expenses	1,52,47,227	1,25,13,835
x. Stevedoring Expenses	0	0
xi. Port Health	0	0
xii. Advertisement and Publicity	2,31,49,051	1,08,68,482
xiii. Trustees' Fees	1,56,000	33,000
xiv. Entertainment	21,33,126	24,48,748
xv. Books and Periodicals	91,659	4,49,435
xvi. Legal and Professional Charges	90,72,955	62,82,539
xvii. Printing and Publishing	11,98,081	12,73,240
xviii. Deputation to Training Courses	15,46,821	11,78,563

Sd/-
C.E. & F.A. & C.A.O (F.P)



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

	FOR THE PERIOD ENDING	
	31st MARCH 2016	31st MARCH 2015
	₹	₹
xix. License Fees	33,21,735	31,68,172
xx. Telephones	85,98,838	55,86,234
xxi. Research and Development	5,09,79,045	4,82,06,908
xxii. Subscriptions	15,204	27,484
xxiii. Contributions	90,08,916	1,56,99,298
TOTAL (C)	23,21,11,341	20,92,02,318
D. FINANCE EXPENSES:		
1. INTEREST EXPENSES		
i. Bank Charges	66,403	1,14,844
ii. Interest on Government Loans	4,22,20,818	3,94,06,198
iii. Interest on Other Loans	2,60,844	3,68,485
	4,25,48,065	3,98,89,527
2. PROPERTY TAX	34,77,20,571	32,10,88,928
TOTAL (D)	39,02,68,636	36,09,78,455
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	0
ii. Provision for Bad and Doubtful debts	0	0
iii. Loss on Disposal of Capital Assets	46,894	0
iv. Stores Adjustments	23,84,828	19,53,861
v. Prior Period expenses	86,96,880	(6,88,10,197)
vi. Expenses on Tax Appeals	2,000	11,000
vii. Contribution to Corporate Social Responsibility Fund	2,74,99,827	55,30,000
Coin Adjustment	-468	(6,978)
TOTAL (E)	3,86,29,961	(6,13,22,314)
TOTAL EXPENDITURE	12,23,76,18,900	8,58,85,17,542

Sd/-
C.E. & F.A. & C.A.O (F.P)



ANNUAL ACCOUNTS 2015-16
Significant Accounting Policies and Note on Accounts.

(A). ACCOUNTING POLICIES:

1. The Books are maintained under Mercantile System of accounting. Revenue is recognized on accrual basis and presented net of service tax 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/- 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. Accounting of Income from Upfront premium in the year of receipt has been adopted from 2015-16.
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

Provision for current tax is made in accordance with the provisions of Incometax 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. As per Board resolution no.268/2015-16, Actuarial Valuation of Pension, Gratuity and Leave Encashment will be done every year.

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 ₹.213.05 crores to the end of 31/03/2004 and further accruals of ₹.130.32 crores till 31/03/2016 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 completed during 14-15. Letters to the concerned departments i.e CE, CME and DC were sent for confirmation and the same is yet to receive from CE and CME departments. On receipt of the confirmations from departments, the same will be put up to Board for taking further action.
- Physical verification of inventories is carried out annually. Physical verification of inventories for the year 2015-16 has been completed and discrepancies noticed are insignificant.
- 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 2014-15, no appropriation could be made for statutory reserves. In the current year also as profit after tax is less, an amount of ₹. 38.54 crores appropriated towards Fund for Development, Repayment of Loans and Contingencies for the year 2014-15. Other 3% reserve for replacement, Rehabilitation and modernisation of capital assets for the year 2014-15 and current year 3% reserves will be provided during 2016-17 basing on the availability of profit after tax.
- An amount of ₹.30 crores received from Ministry of Shipping as grant for construction of Green channel berth. VPT has taken up two projects under Green channel berth, out of which one work costing ₹.19.40 crores completed and hence, the grant received was adjusted fully against this work and balance grant of ₹.10.60 crores will be adjusted against the other work on completion. As on date the other work is still under progress. Till such time, the balance amount of grant received i.e ₹.10.60 crores is shown under Grants received from government.
- VPT 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, VPT is liable to pay income tax from the Assessment Year 2003-04 onwards. VPT 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(₹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) ₹.43.99 crore including interest ₹.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 ₹.5.61 crore.

- 1) 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 VPT 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 VPT accounts, tax liability/net refunds claimed as per returns filed and present status of assessments for the Assessment Years 2009-10 to 2015-16 are as below:

(₹ in crore)

SI No	Particulars		Status of Assessments from time to time
1	Financial Year	2008-09	<p>a. VPT while filing revised return in March 2010, claimed refund of tax of ₹23.27 crore.</p> <p>b. After scrutiny and calling several queries, Assessing Officer in its initial assessment computed (December 2011) taxable income as ₹176.21 crore with tax liability of ₹70.32 crore and considering, taxes paid/TDS/interests/refunds, ordered net refund of ₹6.68 crore to VPT.</p> <p>c. Aggrieved by this, Order was contested (30 Jan. 2012) before The Commissioner, IT (CIT)-Appeals, Visakhapatnam. Appeal is still pending finalisation.</p>
	Assessment Year	2009-10	
	Advance Tax paid & TDS credit	77.72	
	Tax provision made in VPT accounts	67.24	
	Tax liability as per IT return filed by VPT	54.45	
	Refund claimed by VPT as per IT return	23.27	

SI No	Particulars		Status of Assessments from time to time
2	Financial Year	2009-10	<p>a. VPT while filing revised return in March 2012, claimed refund of tax of ₹51.32 crore</p> <p>b. After scrutiny and calling several queries, Assessing Officer computed (Nov. 2012) taxable income as ₹190.60 crore and arrived tax liability of ₹.58.90 crore. Considering taxes paid/TDS/interests/refunds, ordered VPT to pay balance net tax of ₹37.02 crore. VPT 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 ₹130.15 crore with tax liability of ₹40.22 crore. Considering tax paid/TDS/interests/refunds, ordered for net refund ₹26.42 crore to VPT.</p> <p>d. Subsequently, Asst. Commissioner of Income Tax (ACIT), Circle-1 Visakhapatnam revised (14 May 2015) the income as ₹135.25 crore with tax liability of ₹41.79 crore and ordered net refund of ₹22.48 crore to VPT.</p> <p>e. IT Dept. refunded (6 April 2016) balance amount ₹7.54 crore after adjusting additional demand (₹14.93 crore) for Assessment year 2013-14.</p>
	Assessment Year	2010-11	
	Advance Tax paid & TDS credit	76.41	
	Tax provision made in VPT accounts	37.50	
	Tax liability as per IT return filed by VPT	25.09	
	Refund claimed by VPT as per IT return	51.32	



SI No	Particulars		Status of Assessments from time to time
3	Financial Year	2010-11	<p>a. VPT while filing return in Sept. 2011, claimed refund of tax of ₹20.52 crore.</p> <p>b. After scrutiny and calling several queries, Assessing Officer in the initial assessment computed (Jan. 2013) taxable income as ₹329.93 crore and arrived tax liability of ₹101.95 crore. Considering, taxes paid/TDS/interests/refunds, ordered VPT to pay balance net tax of ₹42.40 crore. VPT contested (25.2.13) before the Commissioner, IT (CIT) -Appeals, Visakhapatnam.</p> <p>c. Subsequently, taxable income was revised (28.2.14) to ₹338.44 crore with tax liability of ₹104.58 crore. Considering tax paid/TDS/interests/refunds, ordered VPT to pay balance tax of ₹5.09 crore. Aggrieved by this, VPT 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 ₹279.86 crore with tax liability of ₹86.48 crore and considering tax paid/TDS/refunds/interests, net refund due to VPT was arrived at ₹21.14 crore. Refund was finally revised to ₹21.42 crore.</p> <p>e. IT Dept. refunded (6 April 2016) balance amount ₹7.43 crore after adjusting additional demand (₹13.99 crore) for Assessment year 2012-13.</p>
	Assessment Year	2011-12	
	Advance Tax paid & TDS credit	85.66	
	Tax provision made in VPT accounts	70.00	
	Tax liability as per IT return filed by VPT	65.14	
	Refund claimed by VPT as per IT return	20.52	

SI No	Particulars		Status of Assessments from time to time
4	Financial Year	2011-12	<p>a. VPT while filing return in Sept. 2012, claimed refund of tax of ₹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 ₹134.30 crore with tax liability of ₹41.50 crore and considering tax paid/TDS/interests/refunds, Notice of demand was issued for net balance tax payable by VPT at ₹0.75 crore.</p> <p>c. Aggrieved by this, VPT filed (15.4.15) an appeal before CIT (Appeals).</p> <p>d. ACIT, Circle-1, by disallowing provision for Gratuity of ₹30.17 crore, however, revised (25.6.15) the taxable income as ₹164.47 crore with tax liability of ₹50.82 crore plus interest demand of ₹3.92 crore. Considering advance tax paid/TDS/interests/refunds, ordered VPT to pay balance net tax at ₹13.99 crore. VPT 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 ₹13.99 crore and released ₹7.43 crore to VPT out of refund ordered for ₹21.42 crore for Assessment year 2011-12.</p>
	Assessment Year	2012-13	
	Advance Tax paid & TDS credit	81.37	
	Tax provision made in VPT accounts	53.00	
	Tax liability as per IT return filed by VPT	14.12	
	Refund claimed by VPT as per IT return	67.25	



SI No	Particulars		Status of Assessments from time to time
5	Financial Year	2012-13	<p>a. VPT assessed business loss of ₹53.65 crore while filing return in Sept. 2013 and sought refund of ₹69.48 crore. Revised return filed in March 2015 claiming refund of ₹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 ₹356.64 crore, arrived business taxable income as ₹302.98 crore duly deducting loss of ₹53.65 crore as per return filed by VPT and assessed total tax liability of ₹97.57 crore.</p> <p>c. After adjusting ₹82.64 crore towards advance tax received and TDS claimed, balance tax of ₹14.93 crore has been recovered, while processing (6 April 2016) refund order for ₹22.48 crore for Assessment year 2010-11 and refunded balance ₹7.54 crore.</p> <p>d. Aggrieved by this, VPT filed (18 April 2016) before CIT (Appeals), Visakhapatnam.</p>
	Assessment Year	2013-14	
	Advance Tax paid & TDS credit	82.69	
	Tax provision made in VPT accounts	15.00	
	Tax liability as per IT return filed by VPT	0.00	
	Refund claimed by VPT as per IT return	82.69	
SI No	Particulars		Status of Assessments from time to time
6	Financial Year	2013-14	<p>a. VPT assessed business loss of ₹35.40 crore while filing revised return in March 2016 and claimed refund of tax of ₹56.33 crore.</p> <p>b. Initial assessment is still pending.</p>
	Assessment Year	2014-15	
	Advance Tax paid & TDS credit	56.33	
	Tax provision made in VPT accounts	7.29	
	Tax liability as per IT return filed by VPT	0.00	
	Refund claimed by VPT as per IT return	56.33	
SI No	Particulars		Status of Assessments from time to time
7	Financial Year	2014-15	<p>a. VPT while filing return in Sept. 2015, claimed refund of tax of ₹47.74 crore.</p> <p>b. Initial assessment is still pending.</p>
	Assessment Year	2015-16	
	Advance Tax paid & TDS credit	47.74	
	Tax provision made in VPT accounts	25.18	
	Tax liability as per IT return filed by VPT	0.00	
	Refund claimed by VPT as per IT return	47.74	
8	For the financial year 2015-16 (Assessment year 2016-17), advance tax paid and value of TDS certificates for total are worth of ₹.18.99 crore. No Provision towards income tax.		



While finalising (May 2015) assessments under section 154 for the Assessment Years 2010-11 and 2011-12, IT Dept. ordered tax refunds including net interest on tax refunds ₹.4.71 crore and ₹.0.29 crore respectively and same has been recognised as interest income of 2015-16.

9. The following items constitute contingent liabilities.

(₹. in lakhs)

a)	Law suits pending in Courts against Port Trust for claims	2184.07
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.	34337.70

Total 39319.77

- 10 Employees recruited on or after 1.1.2004 are covered under New Pension (Tier-I) Scheme (NPS) with 10% of Basic +DA as monthly employee contribution with employer's matching contribution. Employee and VPT contributions are also transferred to Pension Fund pending remittance to Pension Fund Regulatory Authority (PFRDA)
- 11 The consolidation of pension for retirees prior to 2006 and retired between 1.1.2007 and 31.12.2011 was settled during the year 2015-16 and arrears payable from 1.1.2012 were also paid amounting to ₹.22.51 crores.
- 12 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 as on 31.3.2016 as assessed by LIC of India in respect of the Employees on roles is ₹.1427.34 crores that of pensioners is ₹.1843.04 crores . Thus the total actuarial valuation of Pension liability is ₹.3270.38 crores as on 31.3.2016. During the year contribution to the pension fund is made @ 27% of Salary (basic and DA) payment which amounts to ₹.53.21 crores and additional contribution of ₹.351.36 crores was also made. After considering the interest earned during the year of ₹.138.40 crores there is a short provision of ₹.252.12 as on date.
- Earlier, Portion of Pension Trust Fund was used for purchase of annuities from three insurers, which disburse fixed monthly pension to the retirees covered under annuity scheme and enhancement of pension if any over the above fixed sum is borne by VPT. On demise of retirees covered under Annuity scheme, payment by insurers is ceased. Thereafter, monthly family pensions are paid to nominees through VPT funds.
- 13 As per Actuarial valuation as assessed by LIC of India, as on 31.3.2016 the liability towards gratuity fund is ₹.180.02 crores . During the year provision for 8.33% made amount to ₹.17.70 crores.
- 14 The actuarial valuation of Employees Leave Encashment Liability as on 31/03/2016 as per M/s. LIC of India is ₹.96.71 crores. A provision of ₹.3.75 crores made during the year 2015-16 to match the liability in full.
- 15 Separate Trust accounts are maintained for Pension Fund, Gratuity Fund and Provident Fund. Group Leave encashment fund is maintained internally by VPT.
- 16 Detailed statement of Actuarial liability, Provisions created / still to create and funds position there on is furnished herewith.



POSITION OF ACTUARIAL LIABILITY AS AT 31.3.2016.	Rupees in crores		
DETAILS	Pension liability for employees recruited before 31.12.2003.	Gratuity liability	Group leave encashment
Total estimated actuarial liability as on 31.3.2016.	3270.38	180.02	96.71
Liability provided to the end of 31.3.2015	2475.29	168.45	85.54
Provision created during the year 2015-16	404.57	17.70	3.75
Interest earned during the year 2015-16	138.40	13.36	7.42
total provision created to the end of 2015-16	3018.26	199.51	96.71
Provision still to be provided / excess provided	252.12	-19.49	nil

PENSION, GRATUITY AND GLES FUNDS POSITION as on 31.3.2016			
DETAILS	Pension fund trust	Gratuity fund trust	GLES
Funds to be provided as per Actuarial valuation	3270.38	180.02	96.71
Fund available to the end of 31.3.2015	2063.08	156.42	84.05
Investment made during the year 2015-16	402.57	18.71	0
Interest earned during the year 2015-16	138.40	13.36	7.42
Payments made from funds during 2015-16 *	nil	16.78	nil
Total investment made to the end of 31.3.2016	2604.05	171.71	91.47
Shortfall in fund	666.33	8.31	5.24

- 17 Short provision and deficit in Pension Fund trust will be made good in future basing on the availability of surplus funds. Excess Provision in Gratuity fund will make set off in 2016-17.
Short funding in case of Gratuity and GLES will be made good in future basing on the availability of surplus funds.
- 18 The financial statements have been prepared taking in to consideration the closing balances as at 31.3.2015 (audited) as opening balance as on 01.04.2015 and GL balances (Debits and Credits) for Trial balance drawn from SAP environment for the year 2015-16 and arrived closing balances as on 31.3.2016.
- 19 Though SAP system of accounting is introduced in 2012-13, migration of balances in to SAP in respect of Balance sheet items still in progress. SAP accounting of profit and loss account items on financial year to year is complete.
- 20 The consolidation of pension for retirees prior to 2006 and retired between 1.1.2007 and 31.12.2011 was settled during the year 2015-16. Hence arrears from 1.1.2012 paid amounting to ₹.22.51 crores.
- 21 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 ₹.205.00 crores and to provide the same as budgetary support from Government. No approval was received till date.
- 22 Disputed claims are not accounted under Sundry Debtors.



- 23 Irrecoverable debtors / claims are treated as Bad Debts and written off on approval of the competent authority.
- 24 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.
- 25 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.
- 26 As per the Ministry's guidelines vide Lr. No. 25021/1/2011-PD-II dt.02/12/2011, Corporate Social Responsibility fund of ₹.2.75 crores has been created during the year
- 27 Reconciliation of quantity balances of Stores Priced Ledgers with Bin Cards has been done and necessary adjustments were carried out wherever necessary.
- 28 During the year, letters seeking confirmation of balances have been issued except certain lessee since the same are governed by specific lease agreements.
- 29 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

A.K.MEHRA
CE & FA&CAO (FP)
Visakhapatnam Port Trust



ACTION TAKEN NOTE ON COMMENTS ON ACCOUNTS

A. Investment of General Reserve Fund – Rs.58.80 Crores.

Audit Comments	Reply of VPT
The Port did not ascertain and provide for the diminution in the value of investment of Rs.30.00 Crores made in M/s. Sethusamudram Corporation Ltd. (SSCL), Chennai. Despite the fact that the project operations of SSCL were suspended in the year 2009. This is contrary to accounting standard-15 for accounting of investments	The amount of Rs.30.00 Crores is invested in M/s. Sethusamudram Corporation Ltd., as directed by the Ministry. Sethusamudram Corporation Ltd. is a going concern. As per AS-13, lower value of cost or fair market value to be stated in the Balance Sheet. Since shares of Sethusamudram Corporation Ltd. are not traded in the Stock Exchange, there is no evidence regarding the market value. Therefore, the investment is considered at cost as was done in the earlier years. Hence, no action is proposed.

B. Finance and Miscellaneous Income – Rs.341.91 Crores.

Audit Comments	Reply of VPT
The Port adopted an accounting policy of recognising Income from upfront premium in the year of receipt. Consequently, upfront fee / premium received towards lease of land amounting to Rs.12.91 Crores and lease of plant and machinery amounting to Rs.185.38 Crores was accounted as Estate Rentals and Finance and Miscellaneous Income respectively, instead of amortizing equally throughout the lease period of 30 years.	Noted the Audit comments. The issue will be reviewed during the year 2016-17.

C. Significant accounting policies and notes to the accounts:

Audit Comments	Reply of VPT
As per an Agreement (1998) between the Railways and the Port for handling of iron ore traffic passing through Ore Exchange Yard, Railways are responsible for maintaining and renewing the Railway Lines, Sidings, etc. and in turn VPT shall pay the annual maintenance charges (AMC) @ 4.5% on the Capital Cost of siding and other civil engineering works. Accordingly, the port paid AMC up to 2008 at the agreed rates. In the year 2009, Railways claimed these charges at an enhanced rate by including land cost, retrospectively from 01.04.2003. VPT had been contesting the same and paying the AMC at old rates. As on 31.03.2016, the total demand of the Railways for the differential amount of AMC was Rs.20.55 Crores. This should have been suitably disclosed as "Claims against the Port not acknowledged as debt under Contingent Liabilities.	It is to state that though the Railways are demanding OEC Charges, duly including the land cost as Capital cost. The same has been contested by VPT in various forums including taking up the issue at GM Railway level. The issue is not yet settled. A letter was addressed by VPT to GM, Railways. As the issue is not settled, crystallization of liability does not arise. Once the issue is settled duly arriving a consensus decision, action will be taken accordingly.

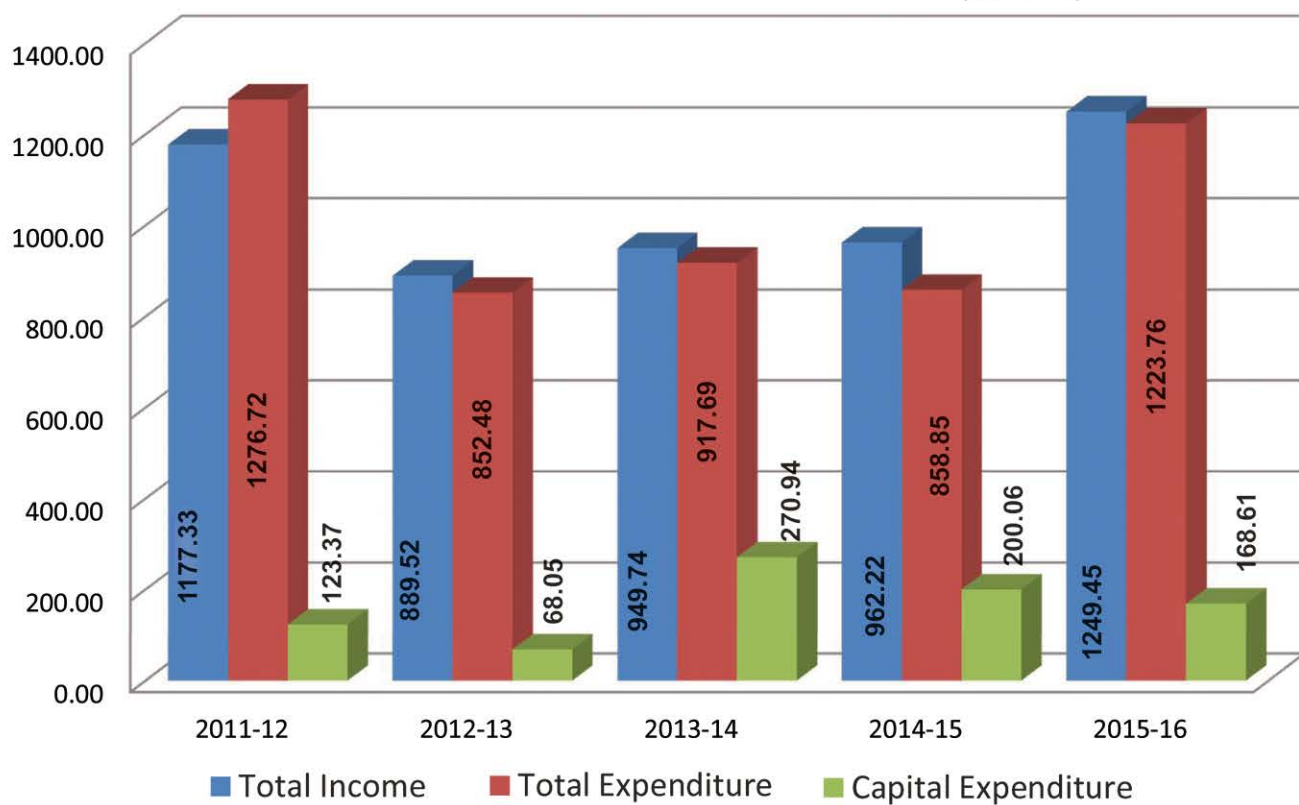


The Time Schedule for Laying Annual Accounts and Audit Report with Action Taken Notes Thereon of Major Ports in the Parliament

Sl.No	Description	Time Schedule prescribed by the Ministry (PD-Misc/26/2016- PD-VI(Coord)) Dt.29.08.2016	Date on which action taken
1	Date of submission of Draft Annual Accounts to the Audit	31st May	26-05-2016
2	Date of release of draft Audit Reports	31st July	26-07-2016
3	Date of submission of reply by the Ports Trusts to the draft Audit Report	10th August	11-08-2016
4	Date of release of English version of Audit Report by the Audit	20th September	29-09-2016
5	Date of submission of Tax Auditor's Report to the Port Trust	25th September	29-09-2016
6	Date of filing of Annual Tax Return by the Port to Income Tax Department	30th September	Filing date extended upto 17-10-2016, return filed on 13-10-2016
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)



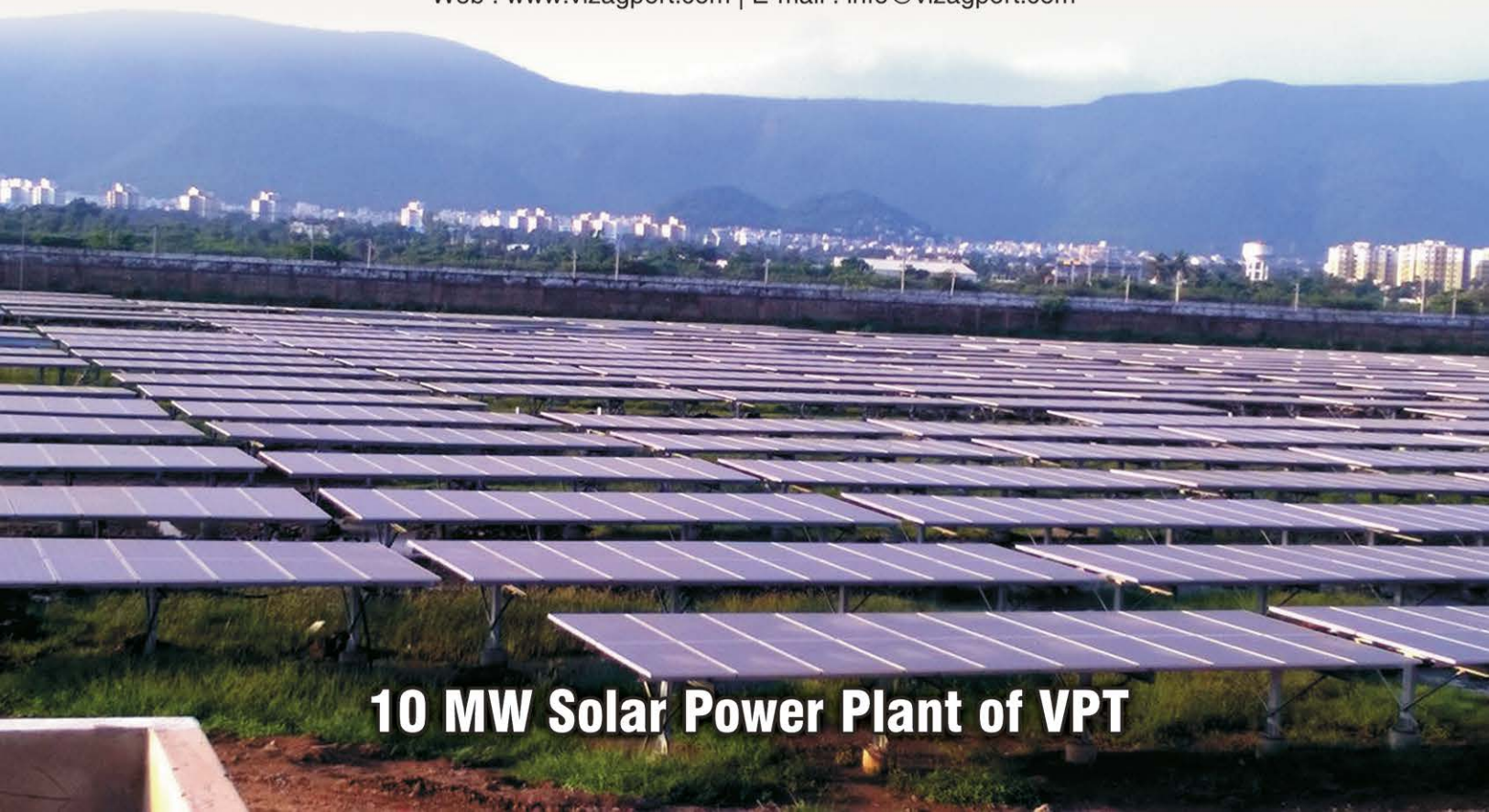


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10 MW Solar Power Plant of VPT