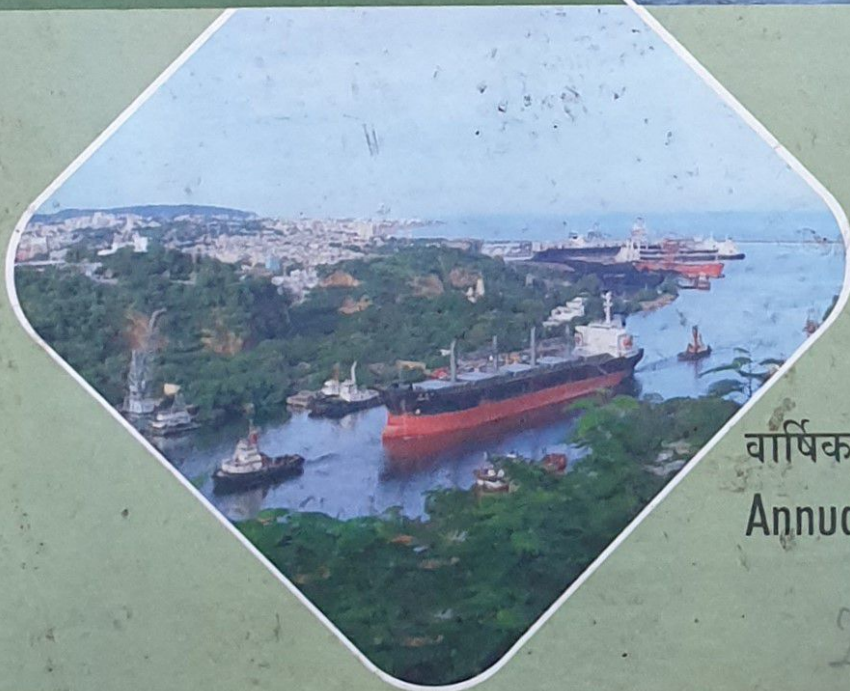


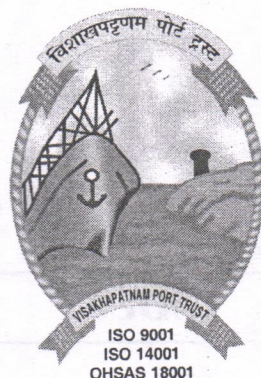


विशाखपट्टणम पोर्ट ट्रस्ट VISAKHAPATNAM PORT TRUST



वार्षिक लेखा एवं लेखापरीक्षा रिपोर्ट
Annual Accounts & Audit Report

2010-11 2011



VISAKHAPATNAM PORT TRUST

Annual Accounts and Audit Report

*thereon for 2010-11
with action taken notes on
the comments included in the
Audit Report
for the year 2010-11*



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Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of Visakhapatnam Port Trust for the year ended 31 March 2011

We have audited the attached Balance Sheet of Visakhapatnam Port Trust as at 31 March 2011 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 of Finance.
- iii) In our opinion, proper books of accounts and other relevant records have been maintained by the Visakhapatnam Port Trust, as required in so far as it appears from our examination of such books.
- iv) We further report that

Revision of accounts

The Port Trust revised its accounts based on audit observations. As a result, the Profit Before Tax had decreased by Rs.12.09 crore (from Rs.186.17 crore to Rs.174.08 crore)

A. Balance Sheet

Application of Funds

Fixed Capital Assets (Net Block)-Rs.884.34 crore

Six Fixed Assets, which were declared as non-existing/non-traceable by the Physical Verification Committee in 2006-07, were exhibited in Capital Asset Master 2011 resulting in overstatement of Net Block by Rs.81.77 lakh.



Loans and Advances – Rs. 617.18 crore

Balances with Customs, Excise, Income Tax etc – Rs.575.81 crore

This includes refunds received from Income Tax department amounting to Rs.100.07 crore resulting in overstatement of Current Assets and understatement of Income by the same extent.

B. Effect of Audit Comments on Balance Sheet and Profit and Loss Account

The net impact of comments given in the preceding paragraphs is that the Assets as on 31 March 2011 were overstated by Rs.100.89 crore and the Profit Before Tax was understated by Rs.100.89 crore.

C. Management Letter:

Deficiencies which have not been included in the Audit Report have been brought to the 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 Note 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, as on 31 March 2011, 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 summarized financial results of the Port for the last three years is given in Annexure-II.

Place: Hyderabad

Date: 22-09-2011

Vani

(VANI SRIRAM)
Accountant General
(Civil Audit)



Annexure -I

1. Adequacy of Internal Audit System:

The Internal Audit of Port Trust was entrusted (October 2009) to an outside agency. During the current year the Internal Audit team had submitted eight final audit reports to the Chairman covering the financial transactions up to November 2010.

2. Adequacy of Internal Control System:

Internal controls of the Visakhapatnam Port Trust are not adequate.

- Fixed Assets include minus balance of Rs.4.00 crore under the Head 'Construction of Type-V quarters for medical staff' which has not been reconciled for 22 years.
- Port Trust does not compare the supplier's statements with ledger accounts. There is no follow-up action to investigate differences, if any, between the supplier's statements and ledger accounts. Neither a list of unpaid creditors was prepared nor was reconciliation done at periodical intervals. As such, there is no internal control mechanism to watch the correctness of Sundry Creditors.
- The Port users shall maintain a minimum balance of Rs.25,000 in their revolving deposit account for availing Port services. However, the Port Trust allowed the users to avail its services without ensuring the minimum balance available in their deposit account resulting in exhibition of negative balances amounting Rs.86.07 lakh under 48 deposit accounts since 2008-09. These negative balances were shown under Sundry Debtors as amounts receivable.
- Priced Stores Ledger indicated closing balances even though quantities available were NIL.
- Time barred cheques were not adjusted.

3. System of Physical verification of fixed assets:

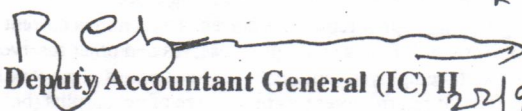
Physical verification of fixed assets is being done quinquennially and the last verification was done in the year 2006-07. There is no written procedure for verification of fixed assets.

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 had remitted the statutory payments to the respective organisations within the due dates.


Deputy Accountant General (IC) II 22/9/2011



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:

(Rs. in crore)

		2008-09	2009-10	2010-11
I.A	Liabilities			
	(i) Capital Reserves	750.05	750.06	753.98
	(ii) Other Reserves	934.47	1024.88	1220.77 ¹
	(iii) Borrowings			
	Capital Debts	14.80	11.90	11.90
	(iv) Current liabilities & Provisions	733.79	964.96	889.92
	(v) Other Liabilities (PF/Pension, Gratuity Fund)	---	---	---
	(vi) Deferred Tax Liability	03.75	8.80	60.09
	Total	2436.86	2760.60	2936.66
B	(i) Fixed Assets (Gross block)	1116.39	1171.63	1224.71
	(ii) Less: Depreciation	(-) 413.78	(-) 443.28	(-) 478.64
	(iii) Net Fixed Assets	702.61	728.35	746.07
	(iv) Work-in-Progress	39.36	62.47	138.27
	(v) Investments	883.59	938.01	1071.68
	(vi) Current Assets loans and Advances	810.65	1030.05	962.49
	(vii) Miscellaneous Expenditure (DRE)	0.65	1.72	18.15
	Total	2436.86	2760.60	2936.66
C	Working Capital ²	76.86	65.10	72.57
D	Net Worth ³	1684.52	1774.94	1974.75
E	Capital Employed ⁴	779.47	793.44	818.64
F	Percentage of Return on Capital employed ⁵	11.99	0.15	14.31
G	Capital employed (including work-in-progress)	818.83	865.91	956.91
H	Percentage of Return on Capital Employed (including works-in progress)	11.41	0.14	12.24

¹ Includes profit after tax of Rs.117.16 crore

² working capital represents current assets minus current liabilities

³ Net worth represents capital reserves and other reserves plus accumulated surplus less accumulated deficit

⁴ capital employed represents net fixed assets plus working capital

⁵ 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 2011 as compared to the last two years ended 31st March 2009, 2010 were as follows:

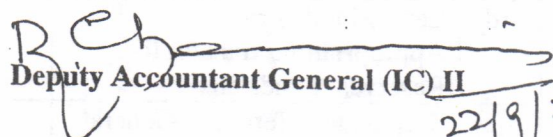
(Rs. in crore)

		2008-09	2009-10	2010-11
II.	Revenue			
(a)	Income			
	Operating Income	599.73	660.80	738.65
	Non-operating Income	51.14	56.87	77.66
	Total	650.87	717.67	816.31
(b)	Expenditure			
	Operating Expenditure	349.87	464.71	407.71
	Non-operating Expenditure	136.01	209.21	234.52
	Total	485.88	673.92	642.23
(c)	Net Surplus before appropriation/Profit before tax	164.99	43.75	174.08
	<u>Less: Provision for taxation</u>			
	Previous year	67.24	0.00	(-) 64.37
	Current Year	0.57	37.50	70.00
	Fringe Benefit Tax	0.00	0.00	0.00
	Deferred Tax	3.75	5.05	51.29
	Profit after tax	93.43	1.20	117.16
(d)	Less: Mandatory Appropriation/ transfer to Reserves, Funds etc.	47.07	0.28	97.01
(e)	Surplus transferred to General Reserve Fund (Net Profit)	46.36	0.91	16.24
(f)	Percentage of net surplus to			
	Operating Income	15.58	0.18	15.86
	Net Fixed Asset	13.30	0.17	15.70
	Net worth	5.55	0.07	5.93



4. Ratio Analysis (liquidity & Solvency)

- (a) Percentage of Current Assets to Current Liabilities increased from 106.75 in 2009-10 to 108.15 in 2010-11. 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 that category of Asset.
- (b) Percentage of Quick Assets to Current Liabilities decreased from 46.16 in 2009-10 to 30.57 in 2010-11. Decrease in quick ratio indicates improvement in liquidity management.
- (c) Percentage of Sundry Debtors to Operating Income decreased from 9.03 in 2009-10 to 7.86 in 2010-11. This indicated improvement in collections.
- (d) Debt/Capital Reserves & General Reserves ratio remained at 0.01 in 2010-11 as in 2009-10.
- (e) Percentage of Current Assets to Total Assets decreased from 37.34 in 2009-10 to 32.98 in 2010-11.
- (f) Percentage of Operating Expenditure to Operating Income decreased from 70.33 in 2009-10 to 55.20 in 2010-11. Decrease in percentage of operating expenditure to operating income indicates ability to control operating expenses.


Deputy Accountant General (IC) II
22/9/2011



ANNUAL ACCOUNTS

Schedules to Balance Sheet as at 31st March 2011		Shedules to Revenue Account for the year ended 31st March 2011	
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 2011		As at 31st MARCH 2010	
SOURCES OF FUNDS:					
RESERVES & SURPLUSES:					
A. CAPITAL RESERVE	1.1		7,53,97,53,090	7,50,06,07,178	
B. REVENUE RESERVES					
a) General Reserve Fund		2,84,34,39,910		2,46,32,71,340	
b) Employees' Welfare Fund		0		0	
c) Employees Family Security Scheme		4,64,23,400		4,35,31,982	
d) Protective Equipemnt Fund		0		49,16,104	
e) Liability Reserve Fund		0		24,43,801	
			2,88,98,63,310	2,51,41,63,227	
C. STATUTORY RESERVES					
a) Reserve for Replacement, Rehabilitation and Modernisation of Capital Assets		4,45,68,87,636		3,66,52,73,434	
b) Reserve for Development, Repayment of Loans and Contingencies		4,86,09,47,655		4,06,93,33,469	
			9,31,78,35,291	7,73,46,06,903	
	1.2		19,74,74,51,691		17,74,93,77,308
LOAN FUNDS:					
A. SECURED LOANS			0	0	
B. GOVERNMENT LOANS			11,90,68,972	11,90,68,972	
C. UNSECURED LOANS			0	0	
					11,90,68,972
DEFERRED TAX LIABILITY:	1.3		60,09,00,000		8,80,02,705
TOTAL SOURCES OF FUNDS			20,46,74,20,663		17,95,64,48,985



BALANCE SHEET

		(Amount in ₹)	
	SCH	As at 31st MARCH 2011	As at 31st MARCH 2010
APPLICATION OF FUNDS:			
A. FIXED CAPITAL ASSETS: (Net Block)			
a) Land	2.1	39,13,65,641	39,13,65,641
b) Lease hold Land		73,881	73,881
c) Capital Dredging		66,86,84,687	67,29,40,097
d) Building Sheds and Other Structures		49,07,63,574	48,44,94,507
e) Wharves, Roads, Boundaries		78,92,61,029	77,07,13,943
f) Floating Craft		68,08,15,876	75,04,93,129
g) Railway and Rolling Stock		1,09,60,37,772	77,99,13,921
h) Docks, Sea-Walls, Piers, & Navigational Aids		2,11,48,44,739	2,11,15,16,329
i) Cranes and Vehicles		52,18,83,799	57,69,78,256
j) Plant & Machinery		35,02,86,272	37,01,44,932
k) Installations for Water, Electricity, Telecom. & Fire fighting		35,66,48,303	37,48,23,702
B. CAPITAL WORKS IN PROGRESS			7,28,34,58,338
			62,46,76,013
		8,84,33,88,116	
			7,90,81,34,351
INVESTMENTS:			
A. INVESTMENTS OF GENERAL RESERVE FUND			
B. INVESTMENTS OF STATUTORY RESERVES			
1. Government or Trust Securities	2.2	1,78,99,50,000	2,19,00,12,199
2. Shares, Debentures or Bonds		3,97,03,444	3,97,03,444
3. Other Investments		28,00,00,000	23,00,00,000
C. INVESTMENTS OF CASH SURPLUS FUNDS			
1. Other Investments	2.3	7,92,98,92,300	6,40,74,00,000
CURRENTS ASSETS, LOANS & ADVANCES:			
A. CURRENT ASSETS			
I. Accrued interest on Investments		67,72,13,693	51,30,00,000
II. Inventories			
III. Sundry Debtors			
a) Government Dues		65,96,98,485	73,37,50,837
b) Inter Port Dues		7,31,19,022	6,82,87,802
c) Non Government Dues			
IV. Cash & Bank Balances			
a) Cash Balance on hand		40,71,62,169	33,12,42,029
b) Bank Balances with Scheduled Banks		0	0
c) Bank Balances with other Banks		17,30,89,154	26,54,72,756
		6,54,656	7,39,010
		2,13,94,27,127	3,85,64,60,542
		0	0
		2,14,00,81,783	3,85,71,99,552
		3,45,31,50,613	5,25,59,52,976
B. LOANS & ADVANCES			
a) Advances & Loans to subsidiaries/ Ports		12,40,00,000	22,92,81,717
b) Advances recoverable in cash or in kind for the value to be received		24,90,32,612	25,90,42,657
c) Balances with Customs, Excise, Income Tax etc.		5,75,80,75,817	4,51,56,28,447
d) Deposits		4,06,88,578	4,06,43,778
		6,17,17,97,007	5,04,45,96,599
		9,62,49,47,620	10,30,05,49,575



BALANCE SHEET

	SCH	As at 31st MARCH 2011		As at 31st MARCH 2010	
		(Amount in ₹)			
LESS: CURRENT LIABILITIES & PROVISIONS:					
A. CURRENT LIABILITIES:					
I. PROVIDENT, PENSION & GRATUITY FUNDS					
a) Provident Fund		2,42,84,693		8,24,09,241	
b) Pension Fund		8,35,64,367		21,47,08,473	
c) Gratuity Fund		1,79,65,160	12,58,14,220	10,30,09,290	40,01,27,004
II. SUNDRY CREDITORS					
a) Creditors for Stores		3,83,98,141		2,97,90,727	
b) Unadjusted Sale proceeds of unclaimed goods		0		0	
c) Unadjusted Sale proceeds of surplus materials		0	3,83,98,141	0	2,97,90,727
III. MISCELLANEOUS CREDITORS & CREDIT BALANCES					
a) Demurrage/Wagon Hire charges payable to Railways		3,44,63,069		2,98,91,018	
b) Statutory Payments		22,46,48,728		32,24,22,492	
c) Liability towards Capital Expenses		2,13,58,276		2,13,58,276	
d) Others		46,35,05,264		78,45,15,742	
e) Deposits from Merchants, Contractors & Others		59,81,48,460	1,34,21,23,797	53,20,39,403	1,69,02,26,931
IV. ADVANCE PAYMENTS & UN EXPIRED DISCOUNTS			3,21,93,41,093		2,72,16,81,315
for the portion for which value has still to be given					
V. OTHER LIABILITIES					
VI. INTEREST ACCRUED BUT NOT DUE ON LOANS					
			1,55,97,34,662		2,24,53,82,686
			35,01,04,838		35,01,04,838
			6,63,55,16,751		7,43,73,13,501
B. PROVISIONS:					
a) Provision for Taxation		2,26,36,50,000		2,21,22,50,000	
b) Provision for contingencies		0		0	
c) Other provisions		0		0	
NET CURRENT ASSETS			2,26,36,50,000		2,21,22,50,000
MISCELLANEOUS EXPENDITURE:					
(To the extent not written off or adjusted)			8,89,91,66,751		9,64,95,63,501
			72,57,80,869		65,09,86,074
			18,14,92,241		1,72,12,917
TOTAL APPLICATION OF FUNDS			20,46,74,20,663		17,95,64,48,985

Sd/-
CHAIRMANSd/-
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	Protective Equipment Fund	PLR Employers' Liability Reserve Fund	Capital Assets Replacement Reserve	Reserve for Development, Repayment of Loans & Contingencies
	₹	₹	₹	₹	₹	₹	₹	₹
Opening Balance as on 01.04.2010	7,50,06,07,178	2,46,32,71,340	4,35,31,982	0	49,16,104	24,43,801	3,66,52,73,434	4,06,93,33,469
ADD:								
1. (a) Contribution from Revenue A/c	0	0	3,00,000	25,00,000	0	0	48,36,26,725	48,36,26,725
(b) Additional Depreciation	0	0	0	0	0	0	0	0
2. Transfer from Revenue A/c	3,91,45,912	16,23,94,400	0	0	0	0	0	0
3. (a) Transfer from Other Reserves	0	0	0	0	0	0	0	0
(b) General Reserve Fund	0	0	0	0	0	0	0	0
4. Other Transfers	0	21,77,74,170	40,09,355	0	0	0	30,79,87,477	30,79,87,461
	7,53,97,53,090	2,84,34,39,910	4,78,41,337	25,00,000	49,16,104	24,43,801	4,45,68,87,636	4,86,09,47,655
LESS:								
1. Transfer from Reserves								
a) Net Deficit	0	0	0	0	0	0	0	0
b) Transfer to Capital Reserve	0	0	0	0	0	0	0	0
c) Repayment of Loans	0	0	0	0	0	0	0	0
d) Transfer to Statutory Reserves	0	0	0	0	0	0	0	0
2. Other Transfers	0		0	0	49,16,104	24,43,801	0	0
3. Expenditure during the year	0	0	14,17,937	25,00,000	0	0	0	0
Closing Balance as on 31.03.2011	7,53,97,53,090	2,84,34,39,910	4,64,23,400	0	0	0	4,45,68,87,636	4,86,09,47,655

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



Schedules to Balance Sheet

SCHEDULE - 1.2

LOAN FUNDS

	Government Loans		Unsecured Loans
	Loans & Advances from Govt. of India	Funds provided by Govt. of India	
	₹	₹	₹
Balance as on 01-04-2009	39,47,500	11,90,68,972	2,50,00,000
Amount of loan borrowed during the year	0	0	0
Amount of loan repaid during the year	39,47,500	0	2,50,00,000
Balance as on 31-03-2010	0	11,90,68,972	0
Amount of loan borrowed during the year	0	0	0
Amount of loan repaid during the year	0	0	0
Balance as on 31-03-2011	0	11,90,68,972	0

Schedules to Balance Sheet

SCHEDULE - 1.3

DEFERRED TAX LIABILITY

	AS AT 31st MARCH 2011	AS AT 31st MARCH 2010
	₹	₹
Deferred Tax Liabilities - Opening Balance	8,80,02,705	3,75,15,705
Timing difference on account of Depreciation	0	0
Less: Timing difference on account of sums payable as employer u/s 43(B) of IT Act, 1961	0	0
Deferred Tax Liability	8,80,02,705	3,75,15,705
Timing difference on account of Depreciation	60,09,00,000	8,80,02,705
Less: Timing difference on account of sums payable as employer u/s 43(B) of IT Act, 1961	0	0
Deferred Tax Liability - Closing Balance	60,09,00,000	8,80,02,705
Net Deferred Tax Liability	51,28,97,295	5,04,87,000

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



SCHEDULE - 2.1

FIXED CAPITAL ASSETS

Schedules to Balance Sheet

Particulars of Assets	Gross Block			Depreciation			Net Block	
	As at 1-Apr-10	Additions	Deletions	As at 31-Mar-11	As at 1-Apr-10	Provision	Adjustments	As at 31-Mar-11
	₹	₹	₹	₹	₹	₹	₹	₹
Land	39,13,65,641	0	0	39,13,65,641	0	0	0	39,13,65,641
Lease hold Land	73,881	0	0	73,881	0	0	0	73,881
Capital Dredging	1,01,65,93,888	3,79,546	0	1,01,69,73,434	34,36,53,791	46,34,956	0	67,29,40,097
Buildings Sheds and Other Structures	71,45,41,927	5,30,33,047	1,50,60,771	75,25,14,203	23,00,47,420	3,68,90,582	51,87,373	26,17,50,629
Wharves, Roads, Boundaries	99,09,59,581	4,68,26,177	1,12,056	1,03,76,73,702	22,02,45,638	2,81,89,639	22,604	24,84,12,673
Floating Craft	1,53,89,41,346	0	1,00,37,731	1,52,89,03,615	78,84,48,217	6,33,61,763	37,22,241	84,80,87,739
Railway and Rolling Stock	1,27,28,65,079	36,84,91,295	0	1,64,13,56,374	49,29,51,158	5,23,67,444	0	54,53,18,602
Docks, Sea-Walls, Piers and Navigational Aids	2,64,20,28,457	4,04,73,518	0	2,68,25,01,975	53,05,12,128	3,71,45,108	0	56,76,57,236
Cranes and Vehicles	1,21,54,55,293	14,04,208	31,62,595	1,21,36,96,906	63,84,77,037	5,64,98,665	31,62,595	69,18,13,107
Plant & Machinery	94,74,95,486	1,65,48,443	51,26,182	95,89,17,747	57,73,50,554	3,63,91,138	51,10,217	60,86,31,475
Installations for Water, Electricity, Telecom. & Fire Fighting	98,59,23,376	4,01,22,163	29,12,052	1,02,31,33,487	61,10,99,674	5,79,67,340	25,81,830	66,64,85,184
TOTAL	11,71,62,43,955	56,72,78,397	3,64,11,387	12,24,71,10,965	4,43,27,85,617	37,34,46,635	1,97,86,860	4,78,64,45,392
Capital Works in progress	62,46,76,013	1,27,96,91,626	52,16,45,096	1,38,27,22,543	0	0	0	62,46,76,013
Total Fixed Capital Assets	12,34,09,19,968	1,84,69,70,023	55,80,55,483	13,62,98,33,508	4,43,27,85,617	37,34,46,635	1,97,86,860	4,78,64,45,392

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



Schedules to Balance Sheet

SCHEDULE - 2.2

INVESTMENTS

	As at 31st MARCH 2011		As at 31st MARCH 2010	
	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				
TDRs with Andhra Bank @ 6.75%	25,00,00,000	25,00,00,000		
TDRs with Indian Bank @ 9.90%	5,00,00,000	5,00,00,000		
TDRs with State Bank of Hyderabad @ 7.09%	1,00,00,00,000	1,00,00,00,000		
TDRs with State Bank of Mysore @ 7.00%	99,50,000	99,50,000		
TDRs with Indian Bank @ 7.25%	0	0	20,00,00,000	20,00,00,000
TDRs with Canara Bank @ 4.25%	0	0	1,00,12,199	1,00,12,199
TDRs with State Bank of India(P) @ 7.00%	0	0	1,50,00,00,000	1,50,00,00,000
	1,30,99,50,000	1,30,99,50,000	1,71,00,12,199	1,71,00,12,199
TOTAL(A)	1,78,99,50,000	1,78,99,50,000	2,19,00,12,199	2,19,00,12,199
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	4,00,00,000	4,00,00,000	4,00,00,000	4,00,00,000
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	0	0
Rural Electrification Bonds	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
Tamilnadu Electricity Board Bonds	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
UBI Bonds Issue @ 7.45%	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
	28,00,00,000	28,00,00,000	23,00,00,000	23,00,00,000



Schedules to Balance Sheet

SCHEDULE - 2.2

INVESTMENTS

	As at 31st MARCH 2011		As at 31st MARCH 2010	
	COST VALUE	FACE VALUE	COST VALUE	FACE VALUE
	₹	₹	₹	₹
3. Other Investments				
TDRs with Allahabad Bank@7%			99,00,000	99,00,000
TDRs with Allahabad Bank@7.25%			20,00,00,000	20,00,00,000
TDRs with Andhra Bank@7%			25,99,00,000	25,99,00,000
TDRs with Andhra Bank@7.10%	40,00,00,000	40,00,00,000		
TDRs with Andhra Bank@7.25%			20,00,00,000	20,00,00,000
TDRs with Bank of India @ 10.35%	10,00,00,000	10,00,00,000		
TDRs with Canara Bank @ 8.20%	15,00,00,000	15,00,00,000		
TDRs with Canara Bank@7%			10,00,00,000	10,00,00,000
TDRs with Cental Bank of India@10.25%			1,21,09,00,000	1,21,09,00,000
TDRs with Corporation Bank @ 7.85%	25,00,00,000	25,00,00,000		
TDRs with I.D.B.I Bank Ltd@6.55%			25,00,00,000	25,00,00,000
TDRs with I.D.B.I Bank@7%			2,00,00,000	2,00,00,000
TDRs with I.D.B.I Bank@7.03%			25,00,00,000	25,00,00,000
TDRs with I.D.B.I. BANK @ 7.16%	65,00,00,000	65,00,00,000		
TDRs with I.D.B.I. BANK @ 7.56%	1,00,00,00,000	1,00,00,00,000		
TDRs with I.D.B.I. BANK @ 9.56%	43,00,00,000	43,00,00,000		
TDRs with Indian Bank@7%			1,00,00,000	1,00,00,000
TDRs with Indian Bank@7.25%			30,00,00,000	30,00,00,000
TDRs with Indian Overseas Bank @ 8.20%	20,00,00,000	20,00,00,000		
TDRs with Indian Overseas Bank@7%			2,05,00,000	2,05,00,000
TDRs with Indian Overseas Bank@7.25%			4,95,00,000	4,95,00,000
TDRs with Oriental Bank of Commerce @ 8.26%	18,00,00,000	18,00,00,000		
TDRs with Oriental Bank of Commerce @ 9.56%	50,98,92,300	50,98,92,300		
TDRs with State Bank of Hyderabad @ 10.33%	15,00,00,000	15,00,00,000		
TDRs with State Bank of Hyderabad @ 7.15%	1,50,00,00,000	1,50,00,00,000		
TDRs with State Bank of Hyderabad @ 7.30%	46,00,00,000	46,00,00,000		
TDRs with State Bank of Hyderabad @ 9.95%	37,00,00,000	37,00,00,000		
TDRs with State Bank of Hyderabad@7%			44,00,00,000	44,00,00,000
TDRs with State Bank of Hyderabad@7.25%			37,70,00,000	37,70,00,000
TDRs with State Bank of India - Mutual Funds@ 7.80%	3,00,00,000	3,00,00,000		
TDRs with State Bank of India - Mutual Funds@ 8.25%	3,00,00,000	3,00,00,000		
TDRs with State Bank of India - Mutual Funds@6.77%	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
TDRs with State Bank of India (P) @ 9.25%	1,00,00,00,000	1,00,00,00,000		
TDRs with State Bank of India (Port Branch)@6.5%			1,50,00,00,000	1,50,00,00,000
TDRs with State Bank of India (Port)@7%			53,00,00,000	53,00,00,000
TDRs with State Bank of Mysore@7%			3,00,00,000	3,00,00,000
TDRs with Syndicate Bank@7%			25,00,00,000	25,00,00,000
TDRs with Union Bank of India@7%	10,00,00,000	10,00,00,000	36,98,00,000	36,98,00,000
TDRs with Vijaya Bank @ 10.35%	10,00,00,000	10,00,00,000		
TDRs with Vijaya Bank@7%			99,00,000	99,00,000
TDRs with Vijaya Bank@7.51%	30,00,00,000	30,00,00,000		
	7,92,98,92,300	7,92,98,92,300	6,40,74,00,000	6,40,74,00,000
TOTAL(B)	8,24,95,95,744	8,24,98,92,300	6,67,71,03,444	6,67,74,00,000
C.CASH SURPLUS FUNDS				
LIC of India under Group Leave Encashment Scheme	60,46,61,771	60,46,61,771	51,30,00,000	51,30,00,000
Bajaj Allianz under Group Leave Encashment Scheme	1,00,00,000	1,00,00,000	0	0
Bajaj Allianz under Family Security Scheme	4,24,84,251	4,24,84,251	0	0
State Bank of India (Life) under Group Leave Encashment Scheme	2,00,67,671	2,00,67,671	0	0
TOTAL(C)	67,72,13,693	67,72,13,693	51,30,00,000	51,30,00,000
TOTAL INVESTMENTS:(A+B+C)	10,71,67,59,437	10,71,70,55,993	9,38,01,15,643	9,38,04,12,199
TOTAL QUOTED INVESTMENTS:				
FACE VALUE	4,00,00,000			
COST VALUE	3,97,03,444			
MARKET VALUE	—			

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



Schedules to Balance Sheet

SCHEDULE - 2.3

CURRENT ASSETS, LOANS & ADVANCES

	As at 31st MARCH 2011		As at 31st MARCH 2010	
	₹	₹	₹	₹
CURRENT ASSETS				
i. Accrued Interest on Investments		65,96,98,485		73,37,50,837
ii. Inventories				
Service Stock & Spares				
Inventories held for less than 2 years	7,09,51,423		6,68,60,889	
Inventories held for more than 2 years but less than 3 years	9,46,268		5,03,112	
Inventories held for more than 3 years but less than 10 years	19,00,314		10,08,364	
Inventories held for more than 10 years but less than 15 years	13,68,720		13,68,720	
Inventories held for more than 15 years	0		0	
	7,51,66,725		6,97,41,085	
less: Depreciation on Non-moving Inventories	20,47,703	7,31,19,022	14,53,283	6,82,87,802
iii. Sundry Debtors				
a) Debts Considered good but not secured:				
a. Cargo related dues	9,57,25,825		12,24,61,250	
b. Vessel related dues	8,32,033		8,42,381	
c. Estate dues	25,34,70,504		20,16,65,432	
d. Railway dues	15,26,65,233		18,45,80,815	
e. Fishing Harbour dues	89,65,607		78,88,018	
f. Other misc. dues	6,85,94,498		7,92,76,889	
(Debts outstanding for less than 6 months - 7,63,54,469/-)		58,02,53,700		59,67,14,785
b) Debts Considered doubtful or Bad:				
a. Cargo related dues	2,29,27,786		2,22,00,098	
b. Vessel related dues	2377		0	
c. Estate dues	42,59,566		18,08,738	
d. Railway dues	3,58,72,669		4,27,01,942	
e. Fishing Harbour dues	50,26,643	6,80,89,041	50,26,643	7,17,37,421
		64,83,42,741		66,84,52,206
less: Provision for Doubtful Debts		6,80,89,041		7,17,37,421
		58,02,51,323		59,67,14,785
iv. Cash & Bank Balances				
a. Cash on hand		6,54,656		7,39,010
b. Balance at Banks:				
c. In Current/Savings Bank Accounts:				
Andhra Bank - Port Branch	95,31,060		52,68,938	
Bank of Baroda	7,60,007		7,60,007	
Canara Bank	3,20,73,848		19,45,827	
Central Bank of India	5,110		7,67,342	
Indian Overseas Bank	3,51,042		3,51,042	
Industrial Development Bank of India (IDBI)	6,21,295		5,69,690	
Oriental Bank of Commerce	6,48,301		6,48,301	
State Bank of Hyderabad - Surya Bagh Branch	50,44,847		1,50,22,57,389	
State Bank of India - Main Branch	2,21,761		7,40,231	
State Bank of India - Main Branch (Escrow A/c)	35,43,213		34,23,286	
State Bank of India - Port Branch	63,82,542		34,31,235	
Union Bank of India - RTGS SB A/c 133641	8,71,097		17,29,784	
		6,00,54,123		1,52,18,93,072
d. In Deposits Accounts (TDR A/c & CLTD A/c):				
Andhra Bank	2,00,00,000		13,80,65,936	
Allahabad Bank	0		11,00,00,000	
Bank of India	5,00,00,000		0	
Industrial Development Bank of India (IDBI)	55,00,00,000		0	
Life Insurance Corporation of India	96,45,13,904		43,28,14,551	
State Bank of Hyderabad	32,97,18,000		65,43,62,661	
State Bank of India - Main Branch	1,33,55,451		28,70,00,000	
State Bank of India - Port Branch	5,17,85,649		69,05,00,000	
Union Bank of India	10,00,00,000		0	
Vijaya Bank	0		2,18,24,322	
		2,07,93,73,004		2,33,45,67,470
		2,14,00,81,783		3,85,71,99,552
TOTAL CURRENT ASSETS		3,45,31,50,613		5,25,59,52,976



Schedules to Balance Sheet

SCHEDULE - 2.3

CURRENT ASSETS, LOANS & ADVANCES

	As at 31st MARCH 2011		As at 31st MARCH 2010	
	₹	₹	₹	₹
LOANS & ADVANCES *				
1. Advances & Loans to subsidiaries/ Ports				
Intercompany Loan to Hindustan Shipyard Limited	0		10,52,81,717	
Sub-ordinate Loan to Visakhapatnam Port Road Co. Ltd.	12,40,00,000		12,40,00,000	
		12,40,00,000		22,92,81,717
2. Advances recoverable in cash or in kind or the value to be received				
Advances for Contract Works	6,54,18,070		3,59,97,917	
Advances for Purchases - Stores	67,58,179		1,13,32,252	
Computer Advances	1,69,75,113		1,82,26,217	
House Building Advances	2,71,38,834		3,36,98,126	
Motor Car/Cycle Advances	45,87,218		35,95,895	
Travel/LTC Advances	44,88,011		49,17,017	
Others	12,42,71,586		15,18,79,632	
		24,96,37,011		25,96,47,056
less: Provision for Doubtful Advances		6,04,399		6,04,399
		24,90,32,612		25,90,42,657
3. Balances with Customs, Excise, Income Tax etc.				
Voluntary deposit with Telecommunication Department	90,550		90,550	
Income Tax - TDS, Advance Tax & Service Tax	5,75,79,85,267		4,51,55,37,897	
		5,75,80,75,817		4,51,56,28,447
4. Deposits				
Deposits with APTRANSCO.		4,06,88,578		4,06,43,778
* Loans and Advances considered as good and unsecured.				
TOTAL LOANS & ADVANCES		6,17,17,97,007		5,04,45,96,599

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



Schedules to Balance Sheet

SCHEDULE - 2.4

CURRENT LIABILITIES AND PROVISIONS

	As at 31st MARCH 2011		As at 31st MARCH 2010	
	₹	₹	₹	₹
A. CURRENT LIABILITIES:				
I. PROVIDENT, PENSION & GRATUITY FUNDS				
a) Provident Fund	2,42,84,693		8,24,09,241	
b) Pension Fund	8,35,64,367		21,47,08,473	
c) Gratuity Fund	1,79,65,160		10,30,09,290	
		12,58,14,220		40,01,27,004
II. SUNDRY CREDITORS				
a) Creditors for Stores	3,83,98,141		2,97,90,727	
b) Unadjusted Sale proceeds of unclaimed goods	0		0	
c) Unadjusted Sale proceeds of surplus materials	0		0	
		3,83,98,141		2,97,90,727
III. MISCELLANEOUS CREDITORS & CREDIT BALANCES				
a) Demurrage/Wagon Hire charges payable to Railways	3,44,63,069		2,98,91,018	
b) Statutory Payments	22,46,48,728		32,24,22,492	
c) Liability towards Capital Expenses	2,13,58,276		2,13,58,276	
d) Others	46,35,05,264		78,45,15,742	
e) Deposits from Merchants, Contractors & Others	59,81,48,460		53,20,39,403	
		1,34,21,23,797		1,69,02,26,931
IV. ADVANCE PAYMENTS & UN EXPIRED DISCOUNTS for the portion for which value has still to be given				
a) Prepaid Income	10,55,47,331		6,22,58,169	
b) Up-front Premium to be amortised	3,11,37,93,762		2,65,94,23,146	
		3,21,93,41,093		2,72,16,81,315
V. OTHER LIABILITIES		1,55,97,34,662		2,24,53,82,686
VI. INTEREST ACCRUED BUT NOT DUE ON LOANS		35,01,04,838		35,01,04,838
TOTAL CURRENT LIABILITIES		6,63,55,16,751		7,43,73,13,501
B. PROVISIONS:				
I) Provision for Taxation	2,26,36,50,000		2,21,22,50,000	
II) Provision for contingencies	0		0	
III) Other provisions	0		0	
TOTAL PROVISIONS		2,26,36,50,000		2,21,22,50,000
TOTAL CURRENT LIABILITIES & PROVISIONS		8,89,91,66,751		9,64,95,63,501

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



Schedules to Balance Sheet

SCHEDULE - 2.5

MISCELLANEOUS EXPENDITURE

	As at 31st MARCH 2011		As at 31st MARCH 2010	
	₹	₹	₹	₹
I. PRELIMINARY EXPENSES		—		—
II. INTEREST PAID OUT OF CAPITAL DURING CONSTRUCTION		—		—
III. DEVELOPMENT EXPENDITURE NOT ADJUSTED		—		—
IV. OTHER ITEMS				
a) Exgratia paid on VRS Scheme 2006-07	0		32,34,518	
b) Exgratia paid on VRS Scheme 2009-10	1,04,77,466		1,39,78,399	
c) Exgratia paid on VRS Scheme 2010-11	17,10,14,775	18,14,92,241	0	1,72,12,917
TOTAL		18,14,92,241		1,72,12,917

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



PROFIT AND LOSS ACCOUNT

	FOR THE PERIOD ENDING	
	31st MARCH 2011	31st MARCH 2010
INCOME:	₹	₹
Cargo Handling & Storage Charges	3,69,10,15,570	3,09,67,21,856
Port & Dock Charges	2,21,59,44,304	2,05,73,85,943
Railway Earnings	1,00,88,16,839	1,06,17,61,293
Estate Rentals	47,06,85,929	39,21,49,391
TOTAL OPERATING INCOME	7,38,64,62,642	6,60,80,18,483
EXPENDITURE:		
Cargo Handling & Storage	1,29,47,41,861	1,07,74,43,963
Port & Dock Facilities	82,84,75,572	85,39,86,285
Railway Working	60,02,72,196	57,07,98,273
Rentable lands & Buildings	26,92,06,910	24,08,00,446
Management & General Administrative Expenses	1,08,43,84,055	1,90,40,60,732
TOTAL OPERATING EXPENDITURE	4,07,70,80,594	4,64,70,89,699
OPERATING SURPLUS:	3,30,93,82,048	1,96,09,28,784
Add: Finance & Miscellaneous Income	77,66,26,782	56,86,95,494
Less: Finance & Miscellaneous Expenditure	2,34,52,33,662	2,09,20,86,381
PROFIT BEFORE TAX	1,74,07,75,168	43,75,37,897
Less: Provision for Taxation:		
Previous Years	(64,37,15,889)	0
Current Year	70,00,00,000	37,50,00,000
Fringe Benefit Tax	0	0
Deferred Tax	51,28,97,295	5,04,87,000
PROFIT AFTER TAX	1,17,15,93,762	1,20,50,897
Less: Profit on Disposal of Capital Assets transferred to Capital Reserve	3,91,45,912	1,06,122
Amount Available for Appropriations	1,13,24,47,850	1,19,44,775
Less: Appropriations		
Fund for Development, Repayment of Loans and Contingencies	48,36,26,725	0
Fund for Replacement, Rehabilitation and Modernisation of Capital Assets	48,36,26,725	0
Other Funds		
a) Employees Welfare Fund	25,00,000	25,00,000
b) Employees Family Security Scheme	3,00,000	3,00,000
TOTAL APPROPRIATIONS	97,00,53,450	28,00,000
BALANCE TRANSFERRED TO GENERAL RESERVE	16,23,94,400	91,44,775

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



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2011	31st MARCH 2010
	₹	₹
SCHEDULE - R.1		
CARGO HANDLING & STORAGE CHARGES:		
Handling & Storage charges on General Cargo	2,65,62,60,400	2,05,58,86,308
Storage of goods in Ware Houses	2,57,99,196	3,30,72,292
Cranage	1,04,55,926	69,24,241
Lighterage	3,22,162	4,53,792
Handling of POL Oils & Lubricants	79,99,72,934	80,62,42,051
Demurrage fees on General Cargo	9,44,56,107	9,09,22,606
Royalties from BOT Contracts	6,94,35,467	6,89,82,886
Miscellaneous Charges	3,43,13,378	3,42,37,680
TOTAL	3,69,10,15,570	3,09,67,21,856
SCHEDULE - R.2		
PORT & DOCK CHARGES:		
Towing and Mooring Fees	10,77,58,180	11,92,05,756
Dock Dues	48,31,91,371	39,93,41,897
Port Dues	50,66,54,008	49,51,00,103
Pilotage Fees	1,04,02,92,641	98,39,10,648
Dry - Docking charges	2,69,60,108	1,78,33,789
Water supply to shipping	80,01,324	1,01,08,505
Salvage and Under Water Repairs	96,40,620	8,21,460
Miscellaneous Charges	3,34,46,052	3,10,63,785
TOTAL	2,21,59,44,304	2,05,73,85,943
SCHEDULE - R.3		
RAILWAY EARNINGS:		
Wagon Hire & Haulage Charges	26,68,64,388	25,21,90,671
Siding Charges	18,21,40,782	19,42,62,738
Terminal Charges	50,63,26,134	58,04,52,947
Miscellaneous Charges	5,34,85,535	3,48,54,937
TOTAL	1,00,88,16,839	1,06,17,61,293

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



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2011	31st MARCH 2010
	₹	₹
SCHEDULE - R.4		
ESTATE RENTALS:		
Rent from Lands	42,57,90,028	34,35,42,455
Rent on Storage Sheds	1,45,338	1,80,242
Rent from accommodation provided for outside offices	8,76,710	12,14,122
Kalavani Auditorium	49,08,039	10,46,597
Rent from Port Trust quarters	50,67,769	48,28,011
Recoverable Charges	2,03,37,321	3,42,07,498
Miscellaneous Income	1,35,60,724	71,30,466
TOTAL	47,06,85,929	39,21,49,391
SCHEDULE - R.5		
CARGO HANDLING & STORAGE :		
Handling and Storage of General Cargo at Sheds and Wharves	48,87,38,892	36,02,61,877
Warehousing	15,000	0
Operation and Maintenance of Ore Handling Plant	49,36,01,936	41,90,32,304
Operation and Maintenance of Lighters and Barges	72,24,806	54,38,443
Operation and Maintenance of Wharf Cranes & Crane Vessels	9,52,37,294	9,15,96,604
Expenditure on General facilities at Docks	5,02,09,999	5,00,17,974
Administration & General Expenses	2,54,19,002	1,87,06,829
New Minor Works	0	0
Depreciation	13,42,94,932	13,23,89,932
TOTAL	1,29,47,41,861	1,07,74,43,963

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



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2011	31st MARCH 2010
	₹	₹
SCHEDULE - R.6		
PORT & DOCK FACILITIES:		
Towing, Berthing and Mooring	20,68,98,260	15,92,23,068
Pilotage	26,95,05,142	19,29,27,573
Dry Docking Expenses	4,28,33,681	3,75,57,198
Water Supply to Shipping	1,96,03,759	1,41,36,247
Fire Fighting	4,48,28,114	3,41,83,916
Dredging and Marine Survey	9,79,74,706	25,35,47,290
Operation & Maint. of Navigational aids	66,59,877	44,72,618
Salvage & Under-water repairs	9,39,227	7,52,237
Maintenance of Docks & Harbour Walls, Marine Structures etc.	1,05,57,287	2,19,76,536
Administration & General Expenses	1,57,32,071	1,02,01,602
New Minor Works	0	0
Depreciation	11,29,43,448	12,50,08,000
TOTAL	82,84,75,572	85,39,86,285
SCHEDULE - R.7		
RAILWAY WORKING:		
Operation & Maintenance of Locomotives, Wagons etc.	21,58,24,012	23,93,67,913
Maintenance of Permanent Way Signals & Inter-locking	11,56,30,507	7,80,25,055
Operation, Maint. & Admn. expenses of Stations, Yards and Sidings	4,92,20,116	6,62,80,296
Administration & General Expenses	17,57,92,001	14,65,01,218
New Minor Works	0	0
Depreciation	4,38,05,560	4,06,23,791
TOTAL	60,02,72,196	57,07,98,273

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



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2011	31st MARCH 2010
	₹	₹
SCHEDULE - R.8		
RENTABLE LANDS & BUILDINGS:		
Estate Maintenance	20,79,14,405	19,13,30,266
Land repairs and reclamation	35,12,154	26,44,292
Administration & General Expenses	2,45,54,865	1,56,29,281
New Minor Works	0	0
Depreciation	3,32,25,486	3,11,96,607
TOTAL	26,92,06,910	24,08,00,446
SCHEDULE - R.9		
MANAGEMENT & GENERAL ADMINISTRATION:		
Management & Secretarial Expenses	16,60,21,541	1,09,46,57,468
Port Security (C.I.S.F)	16,56,81,345	26,77,04,031
Legal Expenses	13,19,194	21,16,180
Labour and Welfare Expenses	2,47,694	3,48,547
Research and Planning Cell	1,79,02,052	3,47,16,912
Medical Expenses	22,67,21,133	14,01,09,851
Store Keeping	4,50,77,400	3,33,67,456
Accounting and Auditing	6,26,83,887	4,31,28,848
Expenditure on Head Office Building	5,726	16,306
Telephones	83,83,002	89,89,845
Engineering & Workshop Administration Overheads	34,11,13,556	24,97,44,668
Sundry Expenses	3,29,89,916	1,47,11,027
New Minor Works	0	0
Depreciation	1,62,37,609	1,44,49,593
TOTAL	1,08,43,84,055	1,90,40,60,732

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



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2011	31st MARCH 2010
	₹	₹
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	19,50,43,749	23,70,27,454
Interest on Revenue Account	40,54,27,773	4,75,34,413
Interest on Deposit Account	9,770	0
Miscellaneous Income	17,27,63,458	14,08,45,262
Sundry Receipts	3,16,32,205	8,67,49,170
Profit on Disposal of Capital Assets	44,12,710	42,29,668
Centage Charges	3,52,918	1,03,811
Sale of Tender documents	40,40,646	24,90,624
Stores Adjustments (Excesses)	0	1,05,700
Items relating to previous year	(3,70,56,447)	4,96,09,392
TOTAL	77,66,26,782	56,86,95,494
SCHEDULE - R.11		
FINANCE & MISCELLANEOUS EXPENDITURE:		
Bank Charges	1,21,088	78,300
INTEREST PAYABLE ON :		
i) Loans from Government	44,06,198	47,98,872
ii) Loans from Other agencies	29,96,061	44,56,240
Bad Debts written off	68,29,273	19,89,344
Provision for Bad and Doubtful debts	(36,48,380)	3,45,55,781
Property Tax	29,34,91,227	26,50,92,624
Expenses on IT appeals etc	1,40,575	1,31,700
Loss on Disposal of Capital Assets	80,90,478	56,99,357
Stores Adjustments	27,869	0
Retirement Benefits:		
i) Retirement Gratuities	16,31,11,045	21,83,33,742
ii) V.R.Scheme Ex-gratia payment	4,96,20,839	67,24,785
iii) a) Pension Payments	85,90,00,136	86,45,82,581
b) Contribution to New Pension (Tier-I) Scheme	81,37,685	59,39,303
c) Contribution to pension fund	72,16,93,937	63,85,87,600
d) Commutation of Pension	19,59,87,914	1,96,23,253
Trustees' Contribution to P.F.	76,354	1,38,045
Prior period expenses	3,51,51,363	2,13,54,854
TOTAL	2,34,52,33,662	2,09,20,86,381

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 2011	31st MARCH 2010
	₹	₹
A. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :		
1. SALARIES, WAGES & BONUS ETC.		
i. Salaries and wages	2,12,76,53,000	2,51,52,21,880
ii. Bonus	3,95,00,254	3,73,76,050
	2,16,71,53,254	2,55,25,97,930
2. CONTRIBUTION TO PROVIDENT AND OTHER FUNDS		
i. Trustees' contribution to Provident fund	76,354	1,38,045
ii. Contribution to Pension fund	72,16,93,937	63,85,87,600
iii. Pension payments including commutation of pension	1,06,31,25,735	89,01,45,137
	1,78,48,96,026	1,52,88,70,782
3. GRATUITY	16,31,11,045	21,83,33,742
4. WORKMEN AND STAFF WELFARE EXPENSES		
i. Leave Travel Expenses	47,83,301	26,77,115
ii. Medical Reimbursement Expenses	9,38,58,067	2,67,45,618
iii. Nutrition to inpatients	5,63,399	4,31,603
iv. Stores (Medicines)	4,52,25,940	4,63,04,716
v. Stores (Surgical)	58,43,162	49,52,960
vi. Payments under workmen compensation Act.	7,36,680	4,14,491
vii. Passes and PTO's	21,231	5,42,396
viii. Scholarships, Prizes and awards	54,100	94,788
ix. VR scheme Ex-gratia Payments	4,96,20,839	67,24,785
	20,07,06,719	8,88,88,472
TOTAL (A)	4,31,58,67,044	4,38,86,90,926
B. OPERATING EXPENSES :		
1. CONSUMPTION OF STORES ON SPARE PARTS ETC.	18,67,66,163	28,65,35,378
2. REPAIRS TO PLANT AND MACHINERY (MECH)	8,12,21,138	18,20,89,942
3. REPAIRS TO BUILDINGS AND CIVIL STRUCTURES	9,95,01,822	9,49,14,314
4. OTHER REPAIRS		
i. Special Repairs	0	0
ii. Special Repairs Covered by Estimates	7,02,40,812	4,24,41,467
iii. Office machine Hire & service charges	1,78,15,260	1,43,72,628
	8,80,56,072	5,68,14,095
5. STORES CONSUMED		
i. Stores General	3,52,93,139	3,86,40,180
	3,52,93,139	3,86,40,180

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 2011	31st MARCH 2010
	₹	₹
6. POWER, FUEL, LUBRICANTS ETC.		
i. Stores (Operational)	25,98,23,586	19,83,80,600
ii. Electric Power	20,48,74,930	17,16,97,698
	46,46,98,516	37,00,78,298
7. NEW MINOR WORKS	0	0
8. OTHER OPERATIONAL EXPENSES		
i. Damages & Deficiencies payable to Railways	1,76,60,248	3,72,31,672
ii. Wagon hire charges	38,19,684	(1,62,636)
iii. Hire charges for floating crafts	1,34,41,101	77,29,858
iv. Hire charges for vehicles	2,58,90,292	2,26,37,340
v. Hire charges for Pvt. Tugs	6,21,29,619	0
vi. Fire charges	0	0
vii. Sundry expenses Operational	8,08,63,616	5,09,77,760
viii. Freight and handling charges	2,750	2,20,861
ix. Safety	0	0
x. Security Charges	16,53,08,367	27,11,41,391
xi. Dredging Charges	(1,50,33,881)	10,63,45,163
xii. Depreciation	34,11,01,455	34,39,01,859
xiii. Inter Departmental Charges	0	0
	69,51,83,251	84,00,23,268
TOTAL (B)	1,65,07,20,101	1,86,90,95,475
C. GENERAL EXPENSES:		
i. Rent, Rates and Taxes	1,05,215	95,648
ii. Audit Fees	51,85,857	61,63,855
iii. Water Charges	4,74,74,390	4,77,03,993
iv. Communication Expenses	17,24,165	20,57,689
v. Other Expenses	2,84,091	2,79,642
vi. Insurance	3,84,201	9,63,904
vii. Traveling Expenses	52,67,346	68,93,819
viii. Furniture and Office Equipment	4,49,567	10,91,861
ix. Miscellaneous Expenses	1,43,95,863	1,22,56,316
x. Stevedoring Expenses	0	0
xi. Port Health	0	0
xii. Advertisement and Publicity	99,08,392	92,86,285
xiii. Trustees' Fees	4,750	12,500
xiv. Entertainment	23,97,445	68,46,837
xv. Books and Periodicals	4,76,606	6,50,709
xvi. Legal and Professional Charges	44,02,831	60,92,541
xvii. Printing and Publishing	11,88,739	9,20,037
xviii. Deputation to Training Courses	19,56,970	17,40,992
xix. License Fees	25,71,698	27,72,108
xx. Telephones	75,49,851	75,48,858
xxi. Research and Development	18,55,854	2,17,13,041
xxii. Subscriptions	8,681	4,11,756
xxiii. Donations and Contributions	5,28,847	79,13,206
xxiv. Platinum Jubilee Celebrations	0	(1,82,990)
TOTAL (C)	10,81,21,359	14,32,32,607

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 2011	31st MARCH 2010
	₹	₹
D. FINANCE EXPENSES:		
1. INTEREST EXPENSES		
i. Bank Charges	1,21,088	78,300
ii. Interest on Government Loans	44,06,198	47,98,872
iii. Interest on Other Loans	29,96,061	44,56,240
	75,23,347	93,33,412
2. PROPERTY TAX	29,34,91,227	26,50,92,624
TOTAL (D)	30,10,14,574	27,44,26,036
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	68,29,273	19,89,344
ii. Provision for Bad and Doubtful debts	(36,48,380)	3,45,55,781
iii. Loss on Disposal of Capital Assets	80,90,478	56,99,357
iv. Stores Adjustments	27,869	0
v. Prior Period expenses	3,51,51,363	2,13,54,854
vi. Expenses on Tax Appeals	1,40,575	1,31,700
TOTAL (E)	4,65,91,178	6,37,31,036
TOTAL EXPENDITURE	6,42,23,14,256	6,73,91,76,080

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



NOTE ON ACCOUNTS

(FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT)

A. ACCOUNTING POLICIES:

1. Fixed Capital Assets and Provision for 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.

Depreciation on non-moving items of stores and materials is provided as per laid down policy.

Profit on disposal of capital assets is being accounted for under Finance & Miscellaneous Income. Capital Profit arising on disposal, over the original acquisition cost is, however, being transferred to Capital Reserve account.

2. Investments

The Investments for more than a year are classified as Long Term Investments and Investments for an year or less are treated as Current Investments.

The Investments are carried in the books of accounts at cost.

The investments of Port Funds Viz., General Reserve and Statutory Reserves are as per the Port's Investment Policy.

3. Valuation of Inventory

Inventory of stock items are valued at weighted average method.

Non-stock items are being charged off to the respective heads of accounts for which they were specifically procured.

4. 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 leviable 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.

**5. Deferred Tax Liability**

Pursuant to AS 22, VPT recorded a net deferred tax liability of ₹ 51.29 crores on account of timing difference in respect of Depreciation as per management estimate and accounted for duly charging to Profit & Loss Account.

B. BALANCE SHEET

1. Capital Reserve is maintained at an amount equivalent to the Net Capital Block less Capital Debts.
2. Provisions to the Statutory Reserves viz., Reserve for Replacement, Rehabilitation and Modernisation of Capital Assets and Reserve for Development, Repayment of Loans and Contingencies were made @ 3% of the Capital Employed during the year. The contributions to the said Reserves which could not be made during the previous year 2009-10 due to non-availability of surplus is also made good during the year. Capital Employed has been taken as Net Fixed Assets plus Net Current Assets as reported in the Balance Sheet.
3. 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 issue regarding waiver of the penal interest of ₹ 213.05 crores to the end of 31-3-2004 and further accruals there on, is still under consideration of the Government. The issue is being pursued with the Ministry.
4. Fixed Assets includes 2 No.s 10 Ton ELL Wharf Cranes declared as 2nd hand surplus equipment pending disposal.
5. Physical Verification of Fixed Assets is being done quinquennially as per the policy and procedure laid down in this regard. The last verification was done in 2006-07. Physical verification of Investments and Stores & Materials are being done annually.
6. Miscellaneous Expenditure represents expenditure incurred on Ex-gratia Payment to the employees retired under Special Voluntary Retirement Scheme during 2006-07 which have been completely amortized to end of 2010-11. The Ex-gratia payment to the employees retired under VR Scheme during 2009-10 is being amortized @ ₹ 0.35 crores per annum. The Ex-gratia payment to the employees retired under VR Scheme during 2010-11 which amounts to ₹ 21.38 crores is also being amortised @ ₹ 4.28 crores per annum. The balance to be amortised is ₹ 18.15 crores as on 31/03/2011.



7. The following amounts which were paid to Income Tax Departments towards Advance Tax, Tax credits in lieu of TDS Certificates, amounts paid against various tax demand notices are yet to be settled.

(₹ in crores)

Assessment year 2003-04	19.35
Assessment year 2004-05	27.72
Assessment year 2005-06	58.83
Assessment year 2006-07	72.18
Assessment year 2007-08	41.46
Assessment year 2008-09	79.48
Assessment year 2009-10	71.50
Assessment year 2010-11	78.74

It has been claimed that the income is entitled for exemption under Section 11 of Income Tax Act, 1961 consequent on grant of registration as Charitable Institution under Section 12 A of the Act by Commissioner of Income Tax, Visakhapatnam. The contention was not accepted by the Assessing Officer. After preferring appeals with various authorities, the Commissioner of Income Tax, Visakhapatnam has given its proceedings dated 5th May, 2011, accepting the Port's contention and directed the Assessing Officer to rework out the income of the Port for Assessment years 2003-04 to 2005-06 after granting the benefit of exemption of income under Section 11 of the Act. As result, the amount paid for the said assessment years as indicated above is expected to be refunded in due course.

The Assessment Orders for the Assessment Years 2006-07 and 2007-08 have also been contested before the CIT (Appeals) on the same grounds and the appellate order given are in favour of VPT. The amount paid for the said assessment years together with interest there on has been refunded on 13-5-2011. Accordingly, Interest received of ₹29.20 crores for AY 2006-07 & SY 2007-08 as well as interest of ₹ 6.85 crores on provisional refund of tax paid for Assessment Year 2008-09 were credited to Profit & Loss Account.

The Order for Assessment Year 2008-09 has been issued by the Assessing Officer on 31-12-2010 duly claiming a tax of ₹ 33.42 Crores. The order was contested before CIT (Appeals) and is pending.

The IT Returns filed for Assessment years 2009-10 and 2010-11 are yet to be taken up for scrutiny by the Assessing Officer of Income Tax Department.

8. The following items constitute Contingent liabilities.

	(₹ in lakhs)
a) Law suits pending in Courts against Port Trust for claims	2566.73
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.	21305.00
Total	26669.73

**C. PROFIT & LOSS ACCOUNT**

1. 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 rolls is ₹ 769.18 crores and that of Pensioners is ₹1126.89 crores as on 31/03/2011 as assessed by LIC. Thus the total actuarial valuation of pension liability is ₹1896.07 crores. The contribution for the current year 2010-11 is made @ 27% of Salary/Pension payment which amounts to ₹72.17 crores (Approximately) pursuant to the provisions of IT Rules, 1962. The shortfall of ₹ 852.86 crores between the actual fund available in Pension Fund as on 31/03/2011 of ₹ 1043.21 crores and the liability as per the actuarial valuation will be made good in next eight years considering the availability of surpluses, Funds and Reserves position.
2. The expenditure on Gratuity Payments under Finance & Miscellaneous Expenditure represents contribution of ₹16.31 crores made @ 8 1/3% of salaries pursuant to the provisions of IT Rules, 1962 to the Gratuity Fund during the year. The total accumulated balance under Gratuity Fund is ₹116.06 crores as against actuarial valuation of Gratuity Liability of ₹137.98 crores as assessed by the LIC. The short fall of ₹ 21.92 crores will be made good in next eight years considering the availability of surpluses, Funds & Reserves position.
3. Provision for Bad & Doubtful Debts has been made on specific assessment of individual debtors and Loans & Advances.
4. The actuarial valuation of Employees Leave Encashment Liability as on 31/03/2011 as assessed by M/s LIC of India is ₹ 66.22 crores. In pursuant of AS-15 (Revised), an amount of ₹ 12.84 crores is provided towards the balance liability on accrual basis had been debited to Profit & Loss Account respectively. An amount of ₹ 60.47 crores already held with M/s LIC, ₹ 2.01 crores with SBI (Life) and ₹ 1.00 crore with Bajaj Allianz are earmarked for the said Liability under Group Leave Encashment Schemes.

D. GENERAL

1. Reconciliation of quantity balances of Stores Priced Ledgers with Bin Cards has been done and necessary adjustments were carried out wherever necessary.
2. During the year, letters seeking confirmation of balances have been issued except certain lessee since the same are governed by specific lease agreements. But a few agencies have responded.
3. The Income Tax Return for the Accounting Year 2009-10 (Assessment Year 2010-11) has been e-filed with the Income Tax Authorities after tax audit within the prescribed date with Taxable earnings of ₹ 81.20 crores and Tax Liability of ₹ 25.09 crores. After adjusting the Advance Tax, TDS and Self Assessment Tax paid, a refund of ₹ 43.44 crores has been claimed.
4. The Income Tax payable for the current year (Assessment Year 2011-12) has been assessed at ₹70.00 crores provisionally and an amount ₹57.50 crores was paid as Advance Tax and ₹14.56 crores towards Tax Credit by way of TDS Certificates.

Sd/-

**FINANCIAL ADVISOR &
CHIEF ACCOUNTS OFFICER**



ACTION TAKEN NOTES ON THE COMMENTS INCLUDED IN THE SEPARATE AUDIT REPORT FOR THE YEAR 2010-11

Comment No.	Audit Comment	Action taken by VPT
A	Balance Sheet	
	Application of Funds	
1	Fixed Capital Assets (Net Block) - Rs.884.34 crore	
	Six Fixed Assets, which were declared as non-existing/non-traceable by the Physical Verification Committee in 2006-07, were exhibited in Capital Asset Master 2011 resulting in overstatement of Net Block by Rs.81.77 lakh.	The assets pointed out were procured for construction of berths at outer harbor as project equipment and charged to the project cost as Ore Berths under Capital Head "Dock, Seawalls, piers & Navigational aids". Since these are components/equipments/assets ancillary to the Project, the same are being shown with consolidating into a single asset. As the Physical Verification Committee has certified the existence of Ore Berths, the components of its cost elements are deemed to have been certified. From Financial Year 2011-12 onwards, the Capital Assets Master will be prepared duly clubbing all its components as single identifiable asset.
2	Loans and Advances - Rs. 617.18 crore	
	Balances with Customs, Excise, Income Tax etc - Rs.575.81 crore	
	This includes refunds received from Income Tax department amounting to Rs.100.07 crore resulting in overstatement of Current Assets and understatement of Income by the same extent.	The refunds including interest received from Income Tax Department for AY 2006-07, AY2007-08 & AY2008-09 on 13/05/2011. As per the Accounting Standard 4, the significant events that occur between balance sheet date and the date on which the financial statements are approved has to be accounted or disclosed. Accordingly, the necessary adjustments were carried out in the accounts i.e., reversal of provisions made earlier years (AY 2006-07) and interest received for AY 2006-07, AY2007-08 & AY2008-09. There was no provision made towards Taxation for AY 2007-08 consequent on grant of Registration U/s 12AA as Charitable Institute. In view of the Registration u/s 12AA, the advance taxes paid for AY 2003-04 to AY 2008-09 were kept under Advances and receivable since the same were receivable from IT Department. On realisation of the said refunds, the same will be credited to receivable account and not to the Income as the reversal of provisions made earlier for the above assesment year were already made during FY 2010-11. The Interest receivable on the above advance taxes for said Assessment years from the IT Department were accounted as amounts receivable from IT Department under Loans & Advances. This was sufficiently disclosed in the Notes on Accounts as such no adjustment is required to be made.
B	Effect of Audit Comments on Balance Sheet and Profit and Loss Account	
	The net impact of comments given in the preceding paragraphs is that the Assets as on 31 March 2011 were overstated by Rs.100.89 crore and the Profit Before Tax was understated by Rs.100.89 crore .	No Comments



ACTION TAKEN NOTES ON THE COMMENTS INCLUDED IN THE SEPARATE AUDIT REPORT FOR THE YEAR 2010-11

Comment No.	Audit Comment	Action taken by VPT
Annexure - I		
1	Adequacy of Internal Audit System:	
	The Internal Audit of Port Trust was entrusted (October 2009) to an outside agency. During the current year the Internal Audit team had submitted eight final audit reports to the Chairman covering the financial transactions up to November 2010	The outside agency M/s. Rao & Kumar, Chartered Accountants conducted the Internal Audit for 2010-11 and submitted the balance Final Audit Reports during 2011-12
2	Adequacy of Internal Control System:	
	Internal controls of the Visakhapatnam Port Trust are not adequate	
	Fixed Assets include minus balance of Rs.4.00 crore under the Head 'Construction of Type-V quarters for medical staff' which has not been reconciled for 22 years.	The sale proceeds of retrieved materials on dismantling of quarters in the Port area of ₹.405.38 lakhs erroneously credited to the separate Estimate No. but to the same head in 1985-86. Since, the transaction dates back about 22 to 25 years and the details and reasons for account of said amount with reference to the general ledgers are not available. As the said Port area Quarters which are constructed at the time of construction of Port were almost depreciated fully and the sale proceeds exceeded over and above the original cost of the quarters are treated as capital profit.
	Port Trust does not compare the supplier's statements with ledger accounts. There is no follow-up action to investigate differences, if any, between the supplier's statements and ledger accounts. Neither a list of unpaid creditors was prepared nor was reconciliation done at periodical intervals. As such, there is no internal control mechanism to watch the correctness of Sundry Creditors	VPT reconciles suppliers ledgers on par with other ledger accounts. The suppliers accounts are being reconciled Purchase Order wise.
	The Port users shall maintain a minimum balance of Rs.25,000 in their revolving deposit account for availing Port services. However, the Port Trust allowed the users to avail its services without ensuring the minimum balance available in their deposit account resulting in exhibition of negative balances amounting Rs.86.07 lakh under 48 deposit accounts since 2008-09. These negative balances were shown under Sundry Debtors as amounts receivable.	Port is providing some services on post paid basis. Where ever these bills are approved in online system the balance available in the deposit a/c will be adjusted and the remaining balance if any will be shown by the online system as negative balance in Party's Deposit Account. However, steps will be taken to streamline during the current Financial Year 2011-12.
	Priced Stores Ledger indicated closing balances even though quantities available were NIL.	The inventory valuation is being done by Online system. However, necessary steps will be taken during the current Financial Year 2011-12.
	Time barred cheques were not adjusted.	Time barred cheques as on 31/03/2011 were adjusted during the Current Financial Year 2011-12.



ACTION TAKEN NOTES ON THE COMMENTS INCLUDED IN THE SEPARATE AUDIT REPORT FOR THE YEAR 2010-11

Comment No.	Audit Comment	Action taken by VPT
3	System of physical verification of Fixed Assets :	
	Physical verification of fixed assets is being done quinquennially and the last verification was done in the year 2006-07. There is no written procedure for verification of fixed assets.	The Port trust is having a system of undertaking physical verification of assets once in 5 years and accordingly the latest physical verification was carried out in 2006-07 and a committee constituted already for physical verification of Fixed Assets during the current financial year 2011-12. Regarding the written procedure for verification of fixed assets is under consideration and will be made available on finalisation.
4	Physical verification of inventory:	
	The physical verification of inventory is carried out by the management at regular intervals	Informative
5	Regularity in payment of statutory dues:	
	The Port Trust had remitted the statutory payments to the respective organisations within the due dates.	Informative

**THE SCHEDULE FOR LAYING ANNUAL ACCOUNTS AND AUDIT REPORT WITH ACTION TAKEN NOTE THEREON OF MAJOR PORTS IN THE PARLIAMENT**

Sl. No.	Description	Time Schedule Prescribed by the Ministry (PR 20021/6/2008-PG Dt. 27-10-2009)	Date on which action by VPT	Remarks
1.	Date of submission of Draft Annual Accounts to the Audit	31st May	27-05-2011	
2.	Date of release of Draft Audit Report	31st July	25-08-2011	
3.	Date of submission of reply by Port Trust to the Draft Audit Report	10th August	05-09-2011	Port Trust submitted the reply with in 10 days from the receipt of Draft Audit Report
4.	Date of release of English version of Audit report by the Audit	20th September	26-09-2011	
5.	Date of submission of Tax Auditors Reports to the Port Trust	25th September	29-09-2011	
6.	Date of filling of Annual Tax Return by the Port to the Income Tax Dept.	30th September	29-09-2011	
7.	Date of submission of printed copies of English and Hindi version of the report to the Ministry by the Port Trust	10th November		
8.	Laying of Audit Report in Parliament by the Ministry	Winter Session		