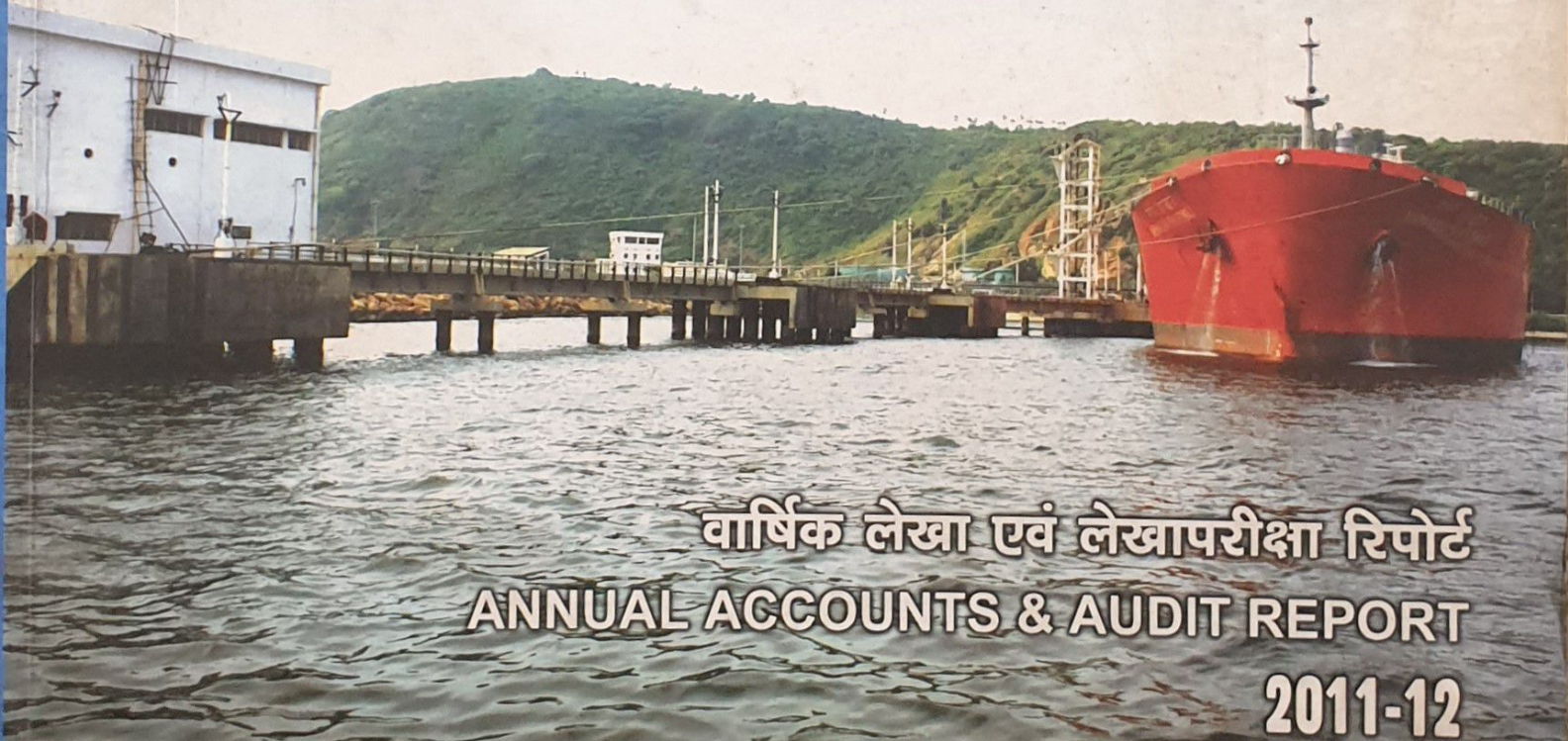
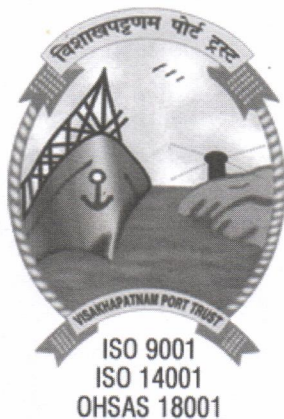




विशाखपट्टणम पोर्ट ट्रस्ट VISAKHAPATNAM PORT TRUST



वार्षिक लेखा एवं लेखापरीक्षा रिपोर्ट
ANNUAL ACCOUNTS & AUDIT REPORT
2011-12



VISA KHAPATNAM PORT TRUST

Annual Accounts and Audit Report

for the year 2011-12



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Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of Visakhapatnam Port Trust, Visakhapatnam for the year ended on 31 March 2012

We have audited the attached Balance Sheet of Visakhapatnam Port Trust as at 31 March 2012 and the Profit and Loss Account for the year ended on that date under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 102 of the Major Port Trusts Act, 1963. These financial statements are the responsibility of the Port's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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



A. General

Revision of accounts

Visakhapatnam Port Trust revised its accounts based on audit observations. As a result, the Profit Before Tax decreased by Rs. 208.82 crore (viz., from a profit of Rs. 109.43 crore to a loss of Rs. 99.39 crore) and Profit After Tax decreased by Rs.23.49 crore (viz., from a profit of Rs.80.31 crore to Rs. 56.82 crore, the loss before tax turned into profit after tax due to higher deferred tax)

B. 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 Separate 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 2012; and
 - b. In so far as it relates to Profit & Loss account of the profit/loss for the year ended on that date.
- 5. A Review of accounts showing the summarized financial results of the port for the last three years is given in Annexure-II.

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

Place: Hyderabad
Date: 25 September 2012

Sd/-
(Y. N. Thakare)
Principal Director of Commercial Audit
& Ex-Officio Member
Audit Board, Hyderabad



Annexure-I to Audit Report

1. Adequacy of Internal Audit System

The Internal Audit of Port Trust for 2011-12 was entrusted (March 2011) to an outside agency. During the current year the Internal Audit team had submitted eleven final audit reports to the Chairman covering the financial transactions up to February 2012. Though the internal audit mandate provides for various checks including verification of draft Profit & Loss Account, Balance Sheet, Schedules, Notes forming part of accounts, various deficiencies were pointed out during our audit which have been substantially rectified by the management. This indicates that the effectiveness of the internal audit system needs to be improved.

2. Adequacy of Internal Control System

Internal controls of the Visakhapatnam Port Trust are not adequate. Specific areas relating to inventory management, debtors' management etc., which 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:

- As per the Accounting Policy stock items are valued at weighted average method. The issues rates of the stock items reflected in the priced stores ledger (PSL) did not, however, match with the weighted average method. This indicates that the value/rate controls are not adequate.
- PSL revealed that in respect of some of the stock items, the total quantity of issues during the year was higher than the quantities of opening balance plus receipt quantity and consequently the closing stock quantities of the items as on 31.03.2012 indicated negative balance.
- VPT does not have any credit policy for extending services to Government/private parties on credit. No credit limits were fixed for any party. Despite this, huge amounts of unsecured debts relating to various activities are outstanding as on 31 March 2012.
- Age-wise analysis of sundry debtors revealed that debtors are outstanding since 1974-75 from Government parties and since 1990-91 from private parties. The position highlights that concrete steps are necessary to realise dues.

3. System of Physical verification of fixed assets

The physical verification of Assets is being done quinquennially and is due in the current year 2011-12. The physical verification of fixed assets is, however, not completed (August 2012). VPT stated that, the physical verification due for the year 2011-12 would be completed by December 2012. This indicates that the control mechanism to adhere to time schedule for completion of physical verification is not adequate.

4. System of Physical verification of inventory

The Physical verification of inventory is carried out by the management at regular intervals.

5. Regularity in payment of statutory dues

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

Sd/-
(V.M.V.Nawal Kishore)
Deputy Director

**Annexure- II to Audit Report**

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)		
		2009-10	2010-11	2011-12
I.A	Liabilities			
	(i) Capital Reserves	750.06	753.98	831.30
	(ii) Other Reserves	1024.88	1220.77	948.86 ¹
	(iii) Borrowings			
	Capital Debts	11.90	11.90	0.00
	(iv) Current liabilities & Provisions	964.96	889.92	1395.64
	(v) Other Liabilities (PF/Pension, Gratuity Fund)	0.00	0.00	0.00
	(vi) Deferred Tax Liability	8.80	60.09	0.00
	Total	2760.60	2936.66	3175.80
B	(i) Fixed Assets (Gross block)	1171.63	1224.71	1328.55
	(ii) Less: Depreciation	-443.28	-478.64	-497.25
	(iii) Net Fixed Assets	728.35	746.07	831.30
	(iv) Capital Work-in-Progress	62.47	138.27	138.46
	(v) Investments	938.01	1071.68	647.48
	(vi) Current Assets loans and Advances	1030.05	962.49	1459.11
	(vii) Miscellaneous Expenditure (DRE)	1.72	18.15	0.00
	Deferred Tax Asset	0.00	0.00	99.45
	Total	2760.60	2936.66	3175.80
C	Working Capital ²	65.10	72.57	63.47
D	Net Worth ³	1774.94	1974.75	1780.16
E	Capital Employed ⁴	793.44	818.64	894.77
F	Percentage of Return on Capital employed ⁵	0.15	14.31	6.35
G	Capital employed (including capital work-in-progress)	865.91	956.91	1033.23
H	Percentage of Return on Capital Employed (including works-in progress)	0.14	12.24	5.50

1 Includes profit after tax of Rs.56.82 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 2012 as compared to the last two years ended 31st March 2010, 2011 were as follows:

		(Rs. in crore)		
		2009-10	2010-11	2011-12
II	Revenue			
(a)	Income			
	Operating Income	660.80	738.65	726.42
	Non-operating Income	56.87	77.66	450.91
	Total	717.67	816.31	1177.33
(b)	Expenditure			
	Operating Expenditure	464.71	407.71	436.36
	Non-operating Expenditure	209.21	234.52	840.36
	Total	673.92	642.23	1276.72
(c)	Net Surplus/deficit before appropriation / profit before tax	43.75	174.08	-99.39
	Less: Provision for taxation			
	Previous year	0.00	-64.37	-49.67
	Current year	37.50	70.00	53.00
	Fringe Benefit Tax	0.00	0.00	0.00
	Deferred Tax	5.05	51.29	-159.54
	Profit after tax	1.20	117.16	56.82
(d)	Less: Mandatory Appropriation / transfer to Reserve Fund (Net Profit)	0.28	97.01	53.69
(e)	Surplus transferred to General Reserve Fund (Net profit)	0.91	16.24	2.99
(f)	Percentage of net surplus to			
	Operating Income	0.18	15.86	7.82
	Net fixed Assets	0.17	15.70	6.84
	Net Worth	0.07	5.93	3.19



4. Ratio Analysis (liquidity & Solvency)

- (a) Percentage of Current Assets to Current Liabilities decreased from 108.15 in 2010-11 to 104.55 in 2011-12. Higher current ratio of more than 100 percent indicated poor planning on the part of the management as excessive amount of funds are invested in current assets than ideal level of investment in the category of Asset.
- (b) Percentage of Quick Assets to Current Liabilities increased from 30.57 in 2010-11 to 68.11 in 2011-12.
- (c) Percentage of Sundry Debtors to Operating Income increased from 7.86 in 2010-11 to 8.52 in 2011-12. This indicates poor performance in recovery of debts.
- (d) Debt/Capital Reserves & General Reserves ratio decreased from 0.01 in 2010-11 to Nil in 2011-12.
- (e) Percentage of Current Assets to Total Assets increased from 32.98 in 2010-11 to 45.94 in 2011-12.
- (f) Percentage of Operating Expenditure to Operating Income increased from 55.20 in 2010-11 to 60.07 in 2011-12. This indicates the need for proper control on operating expenses.

Sd/-

(V.M.V.Nawal Kishore)

Deputy Director



Annual Accounts

Schedules to Balance Sheet as at 31st March 2012		Schedules to Revenue Account for the year ended 31st March 2012	
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 2012	As at 31st MARCH 2011
	SOURCES OF FUNDS:		
	<u>RESERVES & SURPLUSES:</u>		
	A. CAPITAL RESERVE		
	B. REVENUE RESERVES		
	a) General Reserve Fund	1,556,437,045	2,843,439,910
	b) Employees' Welfare Fund	0	0
	c) Employees Family Security Scheme	48,598,906	46,423,400
		1,605,035,951	2,889,863,310
	C. STATUTORY RESERVES		
	a) Reserve for Replacement, Rehabilitation and Modernisation of Capital Assets	3,739,769,012	4,456,887,636
	b) Reserve for Development, Repayment of Loans and Contingencies	4,143,829,067	4,860,947,655
		7,883,598,079	9,317,835,291
		17,801,636,811	19,747,451,691
	<u>LOAN FUNDS:</u>		
	A. SECURED LOANS		
	B. GOVERNMENT LOANS	0	0
	C. UNSECURED LOANS	0	119,068,972
		0	0
		0	119,068,972
	<u>DEFERRED TAX LIABILITY:</u>		
		0	600,900,000
	TOTAL SOURCES OF FUNDS	17,801,636,811	20,467,420,663



BALANCE SHEET

		(Amount in ₹)	
APPLICATION OF FUNDS :	SCH	As at 31st MARCH 2012	
		As at 31st MARCH 2011	As at 31st MARCH 2012
A. FIXED CAPITAL ASSETS: (Net Block) a) Land b) Lease hold Land c) Capital Dredging d) Building Sheds and Other Structures e) Wharves, Roads, Boundaries f) Floating Craft g) Railway and Rolling Stock h) Docks, Sea-Walls, Piers, & Navigational: Aids i) Cranes and Vehicles j) Plant & Machinery k) Installations for Water, Electricity, Telecom. & Fire fighting B. CAPITAL WORKS IN PROGRESS	2.1	391,218,245 73,881 659,058,513 450,675,016 834,317,000 1,073,997,409 1,220,569,219 2,510,673,749 470,647,193 338,569,422 363,203,134	391,365,641 73,881 668,684,687 490,763,574 789,261,029 680,815,876 1,096,037,772 2,114,844,739 521,883,799 350,286,272 356,648,303
	2.2	8,313,002,781 1,384,598,977	7,460,665,573 1,382,722,543
INVESTMENTS: A. INVESTMENTS OF GENERAL RESERVE FUND B. INVESTMENTS OF STATUTORY RESERVES 1. Government or Trust Securities 2. Shares, Debentures or Bonds 3. Other Investments C. INVESTMENTS OF CASH SURPLUS FUNDS 1. Other Investments	2.3	480,000,000 39,703,444 240,000,000 5,040,758,684 674,279,773	1,789,950,000 39,703,444 280,000,000 7,929,892,300 677,213,693
	2.3	1,018,195,403 68,519,672 618,734,883 8,887,144,424 10,592,594,382	659,698,485 73,119,022 580,251,323 2,140,081,783 3,453,150,613
CURRENTS ASSETS, LOANS & ADVANCES: A. CURRENT ASSETS I. Accrued interest on Investments II. Inventories III. Sundry Debtors a) Government Dues b) Inter Port Dues c) Non Government Dues IV. Cash & Bank Balances a) Cash Balance on hand b) Bank Balances with Scheduled Banks c) Bank Balances with other Banks B. LOANS & ADVANCES a) Advances & Loans to subsidiaries/ Ports / Trusts b) Advances recoverable in cash or in kind for the value to be received c) Balances with Customs, Excise, Income Tax etc. d) Deposits		412,382,852 0 206,352,031 661,820 8,886,482,604 0 124,000,000 236,017,447 3,573,441,427 65,082,726	407,162,169 0 173,089,154 654,656 2,139,427,127 0 124,000,000 249,032,612 5,758,075,817 40,688,578
		3,998,541,600	6,171,797,007
		14,591,135,982	10,716,759,437
		9,697,601,758	8,843,388,116
		9,697,601,758	10,716,759,437
		3,998,541,600	6,171,797,007
		14,591,135,982	9,624,947,620

BALANCE SHEET

(Amount in ₹)

		SCH	As at 31st MARCH 2012		As at 31st MARCH 2011		(Amount in ₹)
LESS: CURRENT LIABILITIES & PROVISIONS:		2.4					
A. CURRENT LIABILITIES:							
I. PROVIDENT, PENSION & GRATUITY FUNDS							
a) Provident Fund			42,555,907		24,284,693		
b) Pension Fund			4,895,614,327		83,564,367		
c) Gratuity Fund			274,361,547	5,212,531,781	17,965,160	125,814,220	
II. SUNDRY CREDITORS							
a) Creditors for Stores			33,634,061		38,398,141		
b) Unadjusted Sale proceeds of unclaimed goods			0		0		
c) Unadjusted Sale proceeds of surplus materials			0	33,634,061	0	38,398,141	
III. MISCELLANEOUS CREDITORS & CREDIT BALANCES							
a) Demurrage/Wagon Hire charges payable to Railways			20,910,932		34,463,069		
b) Statutory Payments			370,826,355		224,648,728		
c) Liability towards Capital Expenses			21,272,455		21,358,276		
d) Others			449,438,544		463,505,264		
e) Deposits from Merchants, Contractors & Others			684,576,449	1,547,024,735	598,148,460	1,342,123,797	
IV. ADVANCE PAYMENTS & UN EXPIRED DISCOUNTS							
for the portion for which value has still to be given							
V. OTHER LIABILITIES							
VI. INTEREST ACCRUED BUT NOT DUE ON LOANS							
B. PROVISIONS:							
a) Provision for Taxation							
b) Provision for contingencies							
c) Other provisions			2,293,650,000		2,263,650,000		
			0		0		
			0		0		
NET CURRENT ASSETS				2,293,650,000		2,263,650,000	8,899,166,751
				13,956,367,830			
MISCELLANEOUS EXPENDITURE:		2.5		634,768,152			725,780,869
(To the extent not written off or adjusted)							181,492,241
DEFERRED TAX ASSET:		1.3		994,525,000			0
TOTAL APPLICATION OF FUNDS				17,801,636,811			20,467,420,663

Sd/-
CHAIRMAN

**Sd/-
FINANCIAL ADVISOR & CHIEF ACCOUNTS OFFICER**



SCHEDULE - 1.1

RESERVES AND SURPLUSES

Schedules to Balance Sheet

	Capital Reserve	Revenue Reserves				Statutory Reserves	
		General Reserve Fund	Employees' Family Security Scheme	Employees' Welfare Fund	Capital Assets Replacement Reserve	Reserve for Development, Repayment of Loans & Contingencies	
	₹	₹	₹	₹	₹	₹	₹
Opening Balance as on 01.04.2011	7,539,753,090	2,843,439,910	46,423,400	0	4,456,887,636	4,860,947,655	
ADD:							
1.(a)Contribution from Revenue A/c	0	0	300,000	2,500,000	268,433,128	268,433,128	
(b)Additional Depreciation	0	0	0	0	0	0	
2.Transfer from Revenue A/c	1,345,477	29,938,992	0	0	0	0	
3.(a)Transfer from Other Reserves	0	0	0	0	0	0	
(b)General Reserve Fund	652,835,242	0	0	0	0	0	
4.Other Transfers	119,068,972	0	7,623,888	0	0	0	
	8,313,002,781	2,873,378,902	54,347,288	2,500,000	4,725,320,764	5,129,380,783	
LESS:							
1.Transfer from Reserves							
a)Net Deficit	0	0	0	0	0	0	
b)Transfer to Capital Reserve	0	652,835,242	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	664,106,615	0	0	985,551,752	985,551,716	
3.Expenditure during the year	0	0	5,748,382	2,500,000	0	0	
Closing Balance as on 31.03.2012	8,313,002,781	1,556,437,045	48,598,906	0	3,739,769,012	4,143,829,067	

Sd/-

F.A. & C.A.O.



SCHEDULE - 1.2

Schedules to Balance Sheet

LOAN FUNDS

	Government Loans		Unsecured Loans
	Loans & Advances from Govt. of India	Funds provided by Govt. of India	
	₹	₹	
Balance as on 01-04-2010	0	119,068,972	0
Received during the year	0	0	0
Paid during the year	0	0	0
Balance as on 31-03-2011	0	119,068,972	0
Received during the year	0	0	0
Transferred to Capital Reserve during the year	0	119,068,972	0
Balance as on 31-03-2012	0	0	0

SCHEDULE - 1.3

Schedules to Balance Sheet

DEFERRED TAX

	AS AT	AS AT
	31st MARCH 2012	31st MARCH 2011
	₹	₹
Deferred Tax Liabilities - Opening Balance:		
Timing difference on account of Depreciation	600,900,000	88,002,705
Less: Timing difference on account of sums payable as employer u/s 43(B) of IT Act, 1961	0	0
Deferred Tax Liability	600,900,000	88,002,705
Timing difference on account of Depreciation	757,700,000	600,900,000
Less: Timing difference on account of sums payable as employer u/s 43(B) of IT Act, 1961	1,752,225,000	0
Deferred Tax Asset - Closing Balance	(994,525,000)	600,900,000
Net Deferred Tax charged to P&L Account	(1,595,425,000)	512,897,295

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



SCHEDULE - 2.1

Schedules to Balance Sheet

FIXED CAPITAL ASSETS

Particulars of Assets	Gross Block			Depreciation			Net Block	
	As at 1-Apr-11	Additions	Deletions/ Adjustments	As at 31-Mar-12	As at 1-Apr-11	Provision	Adjustments	As at 31-Mar-12
	₹	₹	₹	₹	₹	₹	₹	₹
Land	391,365,641	0	147,396	391,218,245	0	0	0	391,365,641
Lease hold Land	73,881	0	0	73,881	0	0	0	73,881
Capital Dredging	1,016,973,434	0	0	1,016,973,434	348,288,747	9,626,174	0	668,684,687
Buildings Sheds and Other Structures	752,514,203	843,354	32,772,656	720,584,901	261,750,629	16,907,183	8,747,927	490,763,574
Wharves, Roads, Boundaries	1,037,673,702	76,055,771	5,920,562	1,107,808,911	248,412,673	27,182,466	2,103,228	789,261,029
Floating Craft	1,528,903,615	472,223,185	90,571,419	1,910,555,381	848,087,739	78,864,992	90,394,759	680,815,876
Railway and Rolling Stock	1,641,356,374	168,899,961	1,592,977	1,808,663,358	545,318,602	44,126,827	1,351,290	1,096,037,772
Docks, Sea-Walls, Piers, and Navigational Aids	2,682,501,975	437,970,133	1,892,815	3,118,579,293	567,657,236	41,555,395	1,307,087	2,114,844,739
Cranes and Vehicles	1,213,696,906	2,787,081	46,933,157	1,169,550,830	691,813,107	54,023,887	46,933,157	521,883,799
Plant & Machinery	958,917,747	23,243,777	12,714,154	969,447,370	608,631,475	29,754,057	7,507,584	350,286,272
Installations for Water, Electricity, Telecom. & Fire Fighting	1,023,133,487	49,756,528	880,570	1,072,009,445	666,485,184	43,178,208	857,081	363,648,303
TOTAL	12,247,110,965	1,231,779,790	193,425,706	13,285,465,049	4,786,445,392	345,218,989	159,202,113	7,460,665,573
Capital Works in progress	1,382,722,543	1,233,656,224	1,231,779,790	1,384,598,977				1,382,722,543
TOTAL FIXED CAPITAL ASSETS	13,629,833,508	2,465,436,014	1,425,205,496	14,670,064,026	4,786,445,392	345,218,989	159,202,113	8,843,398,116
								9,697,601,758

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



SCHEDULE - 2.2

Schedules to Balance Sheet

INVESTMENTS

	As at 31st MARCH 2012		As at 31st MARCH 2011	
	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	480,000,000	480,000,000	480,000,000	480,000,000
	480,000,000	480,000,000	480,000,000	480,000,000
3. Other Investments				
TDRs with Andhra Bank @ 6.75%	0	0	250,000,000	250,000,000
TDRs with Indian Bank @ 9.90%	0	0	50,000,000	50,000,000
TDRs with State Bank of Hyderabad @ 7.09%	0	0	1,000,000,000	1,000,000,000
TDRs with State Bank of Mysore @ 7.00%	0	0	9,950,000	9,950,000
	0	0	1,309,950,000	1,309,950,000
TOTAL(A)	480,000,000	480,000,000	1,789,950,000	1,789,950,000
B.STATUTORY RESERVES				
CURRENT INVESTMENTS				
	--	--	--	--
LONG TERM INVESTMENTS:				
1.Government or Trust Securities				
CG 2034 @ 7.50%	20,170,333	20,000,000	20,170,333	20,000,000
CG 2035 @ 7.40%	19,533,111	20,000,000	19,533,111	20,000,000
	39,703,444	40,000,000	39,703,444	40,000,000
2.Shares, Debentures or Bonds				
APPFC Limited Power Bonds	0	0	40,000,000	40,000,000
Bank of Maharastra Bonds	100,000,000	100,000,000	100,000,000	100,000,000
Canara Bank Bonds	30,000,000	30,000,000	30,000,000	30,000,000
Canara Bank Bonds	50,000,000	50,000,000	50,000,000	50,000,000
Rural Electrification Bonds	20,000,000	20,000,000	20,000,000	20,000,000
Tamilnadu Electricity Board Bonds	20,000,000	20,000,000	20,000,000	20,000,000
UBI Bonds Issue @ 7.45%	20,000,000	20,000,000	20,000,000	20,000,000
	240,000,000	240,000,000	280,000,000	280,000,000



SCHEDULE - 2.2

Schedules to Balance Sheet

INVESTMENTS

	As at 31st MARCH 2012		As at 31st MARCH 2011	
	COST VALUE	FACE VALUE	COST VALUE	FACE VALUE
	₹	₹	₹	₹
3. Other Investments				
TDRs with Andhra Bank@7.10%	0	0	400,000,000	400,000,000
TDRs with Bank of India @ 10.35%	0	0	100,000,000	100,000,000
TDRs with Canara Bank @ 8.20%	0	0	150,000,000	150,000,000
TDRs with Corporation Bank @ 7.85%	0	0	250,000,000	250,000,000
TDRs with I.D.B.I. BANK @ 7.16%	0	0	650,000,000	650,000,000
TDRs with I.D.B.I. BANK @ 7.56%	0	0	1,000,000,000	1,000,000,000
TDRs with I.D.B.I. BANK @ 9.56%	0	0	430,000,000	430,000,000
TDRs with Indian Overseas Bank @ 8.20%	0	0	200,000,000	200,000,000
TDRs with Oriental Bank of Commerce @ 8.26%	0	0	180,000,000	180,000,000
TDRs with Oriental Bank of Commerce @ 9.56%	0	0	509,892,300	509,892,300
TDRs with State Bank of Hyderabad @ 10.33%	0	0	150,000,000	150,000,000
TDRs with State Bank of Hyderabad @ 7.15%	0	0	1,500,000,000	1,500,000,000
TDRs with State Bank of Hyderabad @ 7.30%	0	0	460,000,000	460,000,000
TDRs with State Bank of Hyderabad @ 9.95%	0	0	370,000,000	370,000,000
TDRs with State Bank of India - Mutual Funds@ 7.80%	0	0	30,000,000	30,000,000
TDRs with State Bank of India - Mutual Funds@ 8.25%	0	0	30,000,000	30,000,000
TDRs with State Bank of India - Mutual Funds@6.77%	0	0	20,000,000	20,000,000
TDRs with State Bank of India (P) @ 9.25%	0	0	1,000,000,000	1,000,000,000
TDRs with Union Bank of India@7%	0	0	100,000,000	100,000,000
TDRs with Vijaya Bank @ 10.35%	0	0	100,000,000	100,000,000
TDRs with Vijaya Bank@7.51%	0	0	300,000,000	300,000,000
TDRs with State Bank of India (P) @ 9.00%	250,000,000	250,000,000	0	0
TDRs with Andhra Bank @ 9.80%	250,000,000	250,000,000	0	0
TDRs with Bank of Baroda @ 9.88%	250,000,000	250,000,000	0	0
TDRs with Canara Bank @ 9.88%	250,000,000	250,000,000	0	0
TDRs with Andhra Bank @ 10.00%	750,000,000	750,000,000	0	0
TDRs with I.D.B.I. Bank @ 9.96%	1,710,000,000	1,710,000,000	0	0
TDRs with Indian Overseas Bank @ 9.85%	400,000,000	400,000,000	0	0
TDRs with Oriental Bank of Commerce @ 9.75%	130,000,000	130,000,000	0	0
TDRs with Canara Bank @ 9.99%	800,000,000	800,000,000	0	0
TDRs with Indian Overseas Bank @ 10.10%	40,000,000	40,000,000	0	0
TDRs with Vijaya Bank @ 10.75%	110,758,684	110,758,684	0	0
TDRs with State Bank of Mysore @ 10.70%	100,000,000	100,000,000	0	0
TOTAL(B)	5,040,758,684	5,040,758,684	7,929,892,300	7,929,892,300
TOTAL(B)	5,320,462,128	5,320,758,684	8,249,595,744	8,249,892,300
C.CASH SURPLUS FUNDS				
LIC of India under Group Leave Encashment Scheme	587,421,311	587,421,311	604,661,771	604,661,771
Bajaj Allianz under Group Leave Encashment Scheme	20,897,353	20,897,353	10,000,000	10,000,000
Bajaj Allianz under Family Security Scheme	43,987,009	43,987,009	42,484,251	42,484,251
State Bank of India (Life) under Group Leave Encashment Scheme	21,974,100	21,974,100	20,067,671	20,067,671
TOTAL(C)	674,279,773	674,279,773	677,213,693	677,213,693
TOTAL INVESTMENTS:(A+B+C)	6,474,741,901	6,475,038,457	10,716,759,437	10,717,055,993
TOTAL QUOTED INVESTMENTS:				
FACE VALUE	40,000,000			
COST VALUE	39,703,444			
MARKET VALUE	-			

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



SCHEDULE - 2.3

Schedules to Balance Sheet

CURRENT ASSETS, LOANS & ADVANCES

	As at 31st MARCH 2012		As at 31st MARCH 2011	
	₹	₹	₹	₹
CURRENT ASSETS				
i. Accrued Interest on Investments		1,018,195,403		659,698,485
ii. Inventories				
Service Stock & Spares				
Inventories held for less than 2 years	67,418,518		70,951,423	
Inventories held for more than 2 years but less than 3 years	0		946,268	
Inventories held for more than 3 years but less than 10 years	2,041,895		1,900,314	
Inventories held for more than 10 years but less than 15 years	1,368,720		1,368,720	
Inventories held for more than 15 years	0		0	
	70,829,133		75,166,725	
less: Depreciation on Non-moving Inventories	2,309,461	68,519,672	2,047,703	73,119,022
iii. Sundry Debtors				
a) Debts Considered good but not secured:				
a. Cargo related dues	75,985,508		95,725,825	
b. Vessel related dues	2,863,188		829,656	
c. Estate dues	310,274,995		253,470,504	
d. Railway dues	150,899,099		152,665,233	
e. Fishing Harbour dues	9,197,593		8,965,607	
f. Other misc. dues	69,514,500		68,594,498	
(Debts outstanding for less than 6 months - ₹. 5,33,80,179/-)		618,734,883		580,251,323
b) Debts Considered doubtful or Bad:				
a. Cargo related dues	22,927,786		22,927,786	
b. Vessel related dues	2,377		2,377	
c. Estate dues	4,259,566		4,259,566	
d. Railway dues	36,948,244		35,872,669	
e. Fishing Harbour dues	5,026,643	69,164,616	5,026,643	68,089,041
		687,899,499		648,340,364
less: Provision for Doubtful Debts		69,164,616		68,089,041
		618,734,883		580,251,323
iv. Cash & Bank Balances				
a. Cash on hand		661,820		654,656
b. Balance at Banks:				
c. In Current/Savings Bank Accounts:				
Andhra Bank - Port Branch	25,370,489		9,531,060	
Axis Bank	1,010		0	
Bank of Baroda	760,007		760,007	
Canara Bank	2,073,625		32,073,848	
Central Bank of India	2,960		5,110	
Indian Overseas Bank	350,986		351,042	
Industrial Development Bank of India (IDBI)	161,204		621,295	
Oriental Bank of Commerce	648,301		648,301	
State Bank of Hyderabad - Surya Bagh Branch	677,354		5,044,847	
State Bank of India - Main Branch	1,318,177		221,761	
State Bank of India - Main Branch (Escrow A/c)	3,680,317		3,543,213	
State Bank of India - Port Branch	12,229,594		6,382,542	
Union Bank of India - RTGS SB A/c 133641	356,454		871,097	
		47,630,478		60,054,123
d. In Deposits Accounts (TDR A/c & CLTD A/c):				
Andhra Bank	160,000,000		20,000,000	
Bank of India	1,500,000,000		50,000,000	
Industrial Development Bank of India (IDBI)	0		550,000,000	
Life Insurance Corporation of India	1,386,681,126		964,513,904	
State Bank of Hyderabad	5,292,171,000		329,718,000	
State Bank of India - Main Branch	25,000,000		13,355,451	
State Bank of India - Port Branch	425,000,000		51,785,649	
Union Bank of India	50,000,000		100,000,000	
		8,838,852,126		2,079,373,004
		8,887,144,424		2,140,081,783
TOTAL CURRENT ASSETS		10,592,594,382		3,453,150,613



SCHEDULE - 2.3

Schedules to Balance Sheet

CURRENT ASSETS, LOANS & ADVANCES

	As at 31st MARCH 2012		As at 31st MARCH 2011	
	₹	₹	₹	₹
LOANS & ADVANCES *				
1. Advances & Loans to subsidiaries/ Ports / Trusts				
Sub-ordinate Loan to Visakhapatnam Port Road Co. Ltd.	124,000,000		124,000,000	
		124,000,000		124,000,000
2. Advances recoverable in cash or in kind or the value to be received				
Advances for Contract Works	130,951,761		65,418,070	
Advances for Purchases - Stores	14,463,279		6,758,179	
Computer Advances	14,544,175		16,975,113	
House Building Advances	20,823,924		27,138,834	
Motor Car/Cycle Advances	6,573,476		4,587,218	
Travel/LTC Advances	4,574,419		4,488,011	
Others	44,690,812		124,271,586	
		236,621,846		249,637,011
		604,399		604,399
less: Provision for Doubtful Advances		236,017,447		249,032,612
3. Balances with Customs, Excise, Income Tax etc.				
Voluntary deposit with Telecommunication Department	30,550		90,550	
Income Tax - TDS, Advance Tax & Service Tax	3,573,410,877		5,757,985,267	
		3,573,441,427		5,758,075,817
4. Deposits				
Deposits with APTRANSCO.	40,688,578		40,688,578	
Deposits with GVMC.	24,394,148		0	
		65,082,726		40,688,578
* Loans and Advances considered as good and unsecured.				
TOTAL LOANS & ADVANCES		3,998,541,600		6,171,797,007

Sd/-

F.A. & C.A.O.



SCHEDULE - 2.4

Schedules to Balance Sheet

CURRENT LIABILITIES AND PROVISIONS

	As at 31st MARCH 2012		As at 31st MARCH 2011	
	₹	₹	₹	₹
A. CURRENT LIABILITIES:				
I. PROVIDENT, PENSION & GRATUITY FUNDS				
a) Provident Fund	42,555,907		24,284,693	
b) Pension Fund	4,895,614,327		83,564,367	
c) Gratuity Fund	274,361,547		17,965,160	
		5,212,531,781		125,814,220
II. SUNDRY CREDITORS				
a) Creditors for Stores	33,634,061		38,398,141	
b) Unadjusted Sale proceeds of unclaimed goods	0		0	
c) Unadjusted Sale proceeds of surplus materials	0		0	
		33,634,061		38,398,141
III. MISCELLANEOUS CREDITORS & CREDIT BALANCES				
a) Demurrage/Wagon Hire charges payable to Railways	20,910,932		34,463,069	
b) Statutory Payments	370,826,355		224,648,728	
c) Liability towards Capital Expenses	21,272,455		21,358,276	
d) Others	449,438,544		463,505,264	
e) Deposits from Merchants, Contractors & Others	684,576,449		598,148,460	
		1,547,024,735		1,342,123,797
IV. ADVANCE PAYMENTS & UN EXPIRED DISCOUNTS				
for the portion for which value has still to be given				
a) Prepaid Income	72,096,519		105,547,331	
b) Up-front Premium to be amortised	3,024,487,387		3,113,793,762	
c) Volume Discount to be given to Trade	0		0	
		3,096,583,906		3,219,341,093
V. OTHER LIABILITIES		1,422,838,509		1,559,734,662
VI. INTEREST ACCRUED BUT NOT DUE ON LOANS		350,104,838		350,104,838
TOTAL CURRENT LIABILITIES		11,662,717,830		6,635,516,751
B. PROVISIONS:				
I) Provision for Taxation	2,293,650,000		2,263,650,000	
II) Provision for contingencies	0		0	
III) Other provisions	0		0	
TOTAL PROVISIONS		2,293,650,000		2,263,650,000
TOTAL CURRENT LIABILITIES & PROVISIONS		13,956,367,830		8,899,166,751

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



SCHEDULE - 2.5

Schedules to Balance Sheet

MISCELLANEOUS EXPENDITURE

	As at 31st MARCH 2012		As at 31st MARCH 2011	
	₹	₹	₹	₹
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 2009-10	0		10,477,466	
b) Exgratia paid on VRS Scheme 2010-11	0		171,014,775	181,492,241
TOTAL		0		181,492,241

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



PROFIT AND LOSS ACCOUNT

	FOR THE PERIOD ENDING	
	31st MARCH 2012	31st MARCH 2011
INCOME:	₹	₹
Cargo Handling & Storage Charges	3,359,688,875	3,691,015,570
Port & Dock Charges	2,295,613,349	2,215,944,304
Railway Earnings	1,043,115,398	1,008,816,839
Estate Rentals	565,807,136	470,685,929
TOTAL OPERATING INCOME	7,264,224,758	7,386,462,642
EXPENDITURE:		
Cargo Handling & Storage	1,322,846,954	1,294,741,861
Port & Dock Facilities	937,918,789	828,475,572
Railway Working	658,866,652	600,272,196
Rentable lands & Buildings	289,671,918	269,206,910
Management & General Administrative Expenses	1,154,325,388	1,084,384,055
TOTAL OPERATING EXPENDITURE	4,363,629,701	4,077,080,594
OPERATING SURPLUS:	2,900,595,057	3,309,382,048
Add: Finance & Miscellaneous Income	4,509,117,250	776,626,782
Less: Finance & Miscellaneous Expenditure	8,403,602,411	2,345,233,662
PROFIT BEFORE TAX	(993,890,104)	1,740,775,168
Less: Provision for Taxation:		
Previous Years	(496,615,829)	(643,715,889)
Current Year	530,000,000	700,000,000
Deferred Tax	(1,595,425,000)	512,897,295
PROFIT AFTER TAX	568,150,725	1,171,593,762
Less: Profit on Disposal of Capital Assets transferred to Capital Reserve	1,345,477	39,145,912
Amount Available for Appropriations	566,805,248	1,132,447,850
Less: Appropriations		
Fund for Development, Repayment of Loans and Contingencies	268,433,128	483,626,725
Fund for Replacement, Rehabilitation and Modernisation of Capital Assets	268,433,128	483,626,725
Other Funds		
a) Employees Welfare Fund	0	2,500,000
b) Employees Family Security Scheme	0	300,000
TOTAL APPROPRIATIONS	536,866,256	970,053,450
BALANCE TRANSFERRED TO GENERAL RESERVE	29,938,992	162,394,400

Sd/-
CHAIRMAN

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



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2012	31st MARCH 2011
	₹	₹
SCHEDULE - R.1		
CARGO HANDLING & STORAGE CHARGES:		
Handling & Storage charges on General Cargo	2,408,678,311	2,656,260,400
Storage of goods in Ware Houses	23,625,360	25,799,196
Cranage	11,396,920	10,455,926
Lighterage	256,842	322,162
Handling of POL Oils & Lubricants	723,344,562	799,972,934
Demurrage fees on General Cargo	79,353,318	94,456,107
Royalties from BOT Contracts	80,699,463	69,435,467
Miscellaneous Charges	32,334,099	34,313,378
TOTAL	3,359,688,875	3,691,015,570
SCHEDULE - R.2		
PORT & DOCK CHARGES:		
Towing and Mooring Fees	120,724,697	107,758,180
Dock Dues	450,671,798	483,191,371
Port Dues	551,033,776	506,654,008
Pilotage Fees	1,110,695,445	1,040,292,641
Dry - Docking charges	24,454,886	26,960,108
Water supply to shipping	7,100,834	8,001,324
Salvage and Under Water Repairs	3,108,944	9,640,620
Miscellaneous Charges	27,822,969	33,446,052
TOTAL	2,295,613,349	2,215,944,304
SCHEDULE - R.3		
RAILWAY EARNINGS:		
Wagon Hire & Haulage Charges	266,510,659	266,864,388
Siding Charges	207,824,125	182,140,782
Terminal Charges	524,964,702	506,326,134
Miscellaneous Charges	43,815,912	53,485,535
TOTAL	1,043,115,398	1,008,816,839

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



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2012	31st MARCH 2011
	₹	₹
SCHEDULE - R.4 ESTATE RENTALS:		
Rent from Lands	522,982,740	425,790,028
Rent on Storage Sheds	129,221	145,338
Rent from accommodation provided for outside offices	1,204,888	876,710
Kalavani Auditorium	5,660,020	4,908,039
Rent from Port Trust quarters	5,959,681	5,067,769
Recoverable Charges	27,446,090	20,337,321
Miscellaneous Income	2,424,496	13,560,724
TOTAL	565,807,136	470,685,929
SCHEDULE - R.5 CARGO HANDLING & STORAGE :		
Handling and Storage of General Cargo at Sheds and Wharves	465,994,920	488,738,892
Warehousing	0	15,000
Operation and Maintenance of Ore Handling Plant	549,516,942	493,601,936
Operation and Maintenance of Lighters and Barges	10,065,022	7,224,806
Operation and Maintenance of Wharf Cranes & Crane Vessels	98,771,866	95,237,294
Expenditure on General facilities at Docks	52,397,734	50,209,999
Administration & General Expenses	30,534,722	25,419,002
New Minor Works	0	0
Depreciation	115,565,748	134,294,932
TOTAL	1,322,846,954	1,294,741,861

Sd/-

F.A. & C.A.O.



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2012	31st MARCH 2011
	₹	₹
SCHEDULE - R.6		
PORT & DOCK FACILITIES:		
Towing, Berthing and Mooring	265,142,970	206,898,260
Pilotage	259,401,068	269,505,142
Dry Docking Expenses	44,701,344	42,833,681
Water Supply to Shipping	19,013,766	19,603,759
Fire Fighting	49,074,065	44,828,114
Dredging and Marine Survey	143,136,327	97,974,706
Operation & Maint. of Navigational aids	4,633,737	6,659,877
Salvage & Under-water repairs	915,538	939,227
Maintenance of Docks & Harbour Walls, Marine Structures etc.	1,035,713	10,557,287
Administration & General Expenses	13,706,393	15,732,071
New Minor Works	0	0
Depreciation	137,157,868	112,943,448
TOTAL	937,918,789	828,475,572
SCHEDULE - R.7		
RAILWAY WORKING:		
Operation & Maintenance of Locomotives, Wagons etc.	298,402,699	215,824,012
Maintenance of Permanent Way Signals & Inter-locking	81,032,104	115,630,507
Operation, Maint. & Admn. expenses of Stations, Yards and Sidings	43,479,345	49,220,116
Administration & General Expenses	190,829,735	175,792,001
New Minor Works	0	0
Depreciation	45,122,769	43,805,560
TOTAL	658,866,652	600,272,196

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



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2012	31st MARCH 2011
	₹	₹
SCHEDULE - R.8		
RENTABLE LANDS & BUILDINGS:		
Estate Maintenance	233,189,800	207,914,405
Land repairs and reclamation	4,188,046	3,512,154
Administration & General Expenses	21,945,984	24,554,865
New Minor Works	0	0
Depreciation	30,348,088	33,225,486
TOTAL	289,671,918	269,206,910
SCHEDULE - R.9		
MANAGEMENT & GENERAL ADMINISTRATION:		
Management & Secretarial Expenses	158,036,411	166,021,541
Port Security (C.I.S.F)	218,889,367	165,681,345
Legal Expenses	1,266,865	1,319,194
Labour and Welfare Expenses	157,856	247,694
Research and Planning Cell	46,036,068	17,902,052
Medical Expenses	223,918,180	226,721,133
Store Keeping	52,293,888	45,077,400
Accounting and Auditing	63,096,816	62,683,887
Expenditure on Head Office Building	0	5,726
Telephones	7,449,159	8,383,002
Engineering & Workshop Administration Overheads	338,889,419	341,113,556
Sundry Expenses	27,266,842	32,989,916
New Minor Works	0	0
Depreciation	17,024,517	16,237,609
TOTAL	1,154,325,388	1,084,384,055

Sd/-

F.A. & C.A.O.



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2012	31st MARCH 2011
	₹	₹
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	1,395,924,011	195,043,749
Interest on Revenue Account	6,886,253	44,937,316
Interest on Deposit Account	2,354,652	9,770
Interest on Income Tax Refunds	230,667,540	360,490,457
Miscellaneous Income	212,545,968	172,763,458
Sundry Receipts	41,202,580	31,632,205
Profit on Disposal of Capital Assets	16,940,361	4,412,710
Centage Charges	729,996	352,918
Sale of Tender documents	1,584,250	4,040,646
Stores Adjustments (Excesses)	19,109	0
Items relating to previous year	2,600,262,530	(37,056,447)
TOTAL	4,509,117,250	776,626,782
SCHEDULE - R.11		
FINANCE & MISCELLANEOUS EXPENDITURE:		
Bank Charges	150,460	121,088
INTEREST PAYABLE ON :		
i) Loans from Government	4,406,198	4,406,198
ii) Loans from Other agencies	0	2,996,061
Bad Debts written off	0	6,829,273
Provision for Bad and Doubtful debts	1,075,575	(3,648,380)
Property Tax	290,141,253	293,491,227
Expenses on IT appeals etc	28,000	140,575
Loss on Disposal of Capital Assets	3,427,697	8,090,478
Stores Adjustments	0	27,869
Lumpsum payment to ML Candidates	152,600,000	0
Retirement Benefits:		
i) Retirement Gratuities	441,478,223	163,111,045
ii) V.R.Scheme Ex-gratia payment	473,532,978	49,620,839
iii) a) Pension Payments	924,974,146	859,000,136
b) Contribution to New Pension (Tier-I) Scheme	11,434,715	8,137,685
c) Contribution to pension fund	5,778,903,885	721,693,937
d) Commutation of Pension	279,626,007	195,987,914
Contribution to Corporate Social Responsibility Fund	30,000,000	0
Trustees' Contribution to P.F.	61,330	76,354
Prior period expenses	11,761,944	35,151,363
TOTAL	8,403,602,411	2,345,233,662

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 2012	31st MARCH 2011
	₹	₹
A. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :		
1. SALARIES, WAGES & BONUS ETC.		
i. Salaries and wages	2,126,084,543	2,127,653,000
ii. Bonus	38,841,310	39,500,254
	2,164,925,853	2,167,153,254
2. CONTRIBUTION TO PROVIDENT AND OTHER FUNDS		
i. Trustees' contribution to Provident fund	61,330	76,354
ii. Contribution to Pension fund	5,778,903,885	721,693,937
iii. Pension payments including commutation of pension	1,216,034,868	1,063,125,735
	6,995,000,083	1,784,896,026
3. GRATUITY	441,478,223	163,111,045
4. WORKMEN AND STAFF WELFARE EXPENSES		
i. Leave Travel Expenses	1,691,238	4,783,301
ii. Medical Reimbursement Expenses	94,088,501	93,858,067
iii. Nutrition to inpatients	490,861	563,399
iv. Stores (Medicines)	47,123,662	45,225,940
v. Stores (Surgical)	3,105,525	5,843,162
vi. Payments under workmen compensation Act.	2,092,200	736,680
vii. Passes and PTO's	310,000	21,231
viii. Scholarships, Prizes and awards	36,300	54,100
ix. VR scheme Ex-gratia Payments	626,132,978	49,620,839
	775,071,265	200,706,719
TOTAL (A)	10,376,475,424	4,315,867,044
B. OPERATING EXPENSES :		
1. CONSUMPTION OF STORES ON SPARE PARTS ETC.	181,222,719	186,766,163
2. REPAIRS TO PLANT AND MACHINERY (MECH)	175,238,609	81,221,138
3. REPAIRS TO BUILDINGS AND CIVIL STRUCTURES	98,319,852	99,501,822
4. OTHER REPAIRS		
i. Special Repairs	0	0
ii. Special Repairs Covered by Estimates	19,580,340	70,240,812
iii. Office machine Hire & service charges	17,597,442	17,815,260
	37,177,782	88,056,072
5. STORES CONSUMED		
i. Stores General	24,270,358	35,293,139
	24,270,358	35,293,139

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 2012	31st MARCH 2011
	₹	₹
6. POWER, FUEL, LUBRICANTS ETC.		
i. Stores (Operational)	293,493,351	259,823,586
ii. Electric Power	212,503,496	204,874,930
	505,996,847	464,698,516
7. NEW MINOR WORKS	0	0
8. OTHER OPERATIONAL EXPENSES		
i. Damages & Deficiencies payable to Railways	21,930,057	17,660,248
ii. Wagon hire charges	1,913,136	3,819,684
iii. Hire charges for floating crafts	11,981,279	13,441,101
iv. Hire charges for vehicles	27,534,389	25,890,292
v. Hire charges for Pvt. Tugs	106,100,566	62,129,619
vi. Fire charges	0	0
vii. Sundry expenses Operational	91,665,797	80,863,616
viii. Freight and handling charges	336	2,750
ix. Safety	0	0
x. Security Charges	216,570,954	165,308,367
xi. Dredging Charges	34,118,667	(15,033,881)
xii. Depreciation	345,218,989	340,507,035
xiii. Inter Departmental Charges	0	0
xiv. Provision for Non-moving stores	261,758	594,420
	857,295,928	695,183,251
TOTAL (B)	1,879,522,095	1,650,720,101
C. GENERAL EXPENSES:		
i. Rent, Rates and Taxes	562,886	105,215
ii. Audit Fees	7,058,144	5,185,857
iii. Water Charges	67,812,269	47,474,390
iv. Communication Expenses	945,109	1,724,165
v. Other Expenses	7,510,898	284,091
vi. Insurance	2,430,331	384,201
vii. Traveling Expenses	6,264,375	5,267,346
viii. Furniture and Office Equipment	380,725	449,567
ix. Miscellaneous Expenses	14,054,394	14,395,863
x. Stevedoring Expenses	0	0
xi. Port Health	0	0
xii. Advertisement and Publicity	13,998,558	9,908,392
xiii. Trustees' Fees	14,600	4,750
xiv. Entertainment	1,723,259	2,397,445
xv. Books and Periodicals	146,304	476,606
xvi. Legal and Professional Charges	6,868,981	4,402,831
xvii. Printing and Publishing	1,210,275	1,188,739
xviii. Deputation to Training Courses	3,147,992	1,956,970
xix. License Fees	1,006,731	2,571,698
xx. Telephones	7,162,451	7,549,851
xxi. Research and Development	19,811,868	1,855,854
xxii. Subscriptions	9,452	8,681
xxiii. Donations and Contributions	8,123,864	528,847
TOTAL (C)	170,243,466	108,121,359

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 2012	31st MARCH 2011
	₹	₹
<u>D. FINANCE EXPENSES:</u>		
1. INTEREST EXPENSES		
i. Bank Charges	150,460	121,088
ii. Interest on Government Loans	4,406,198	4,406,198
iii. Interest on Other Loans	0	2,996,061
	4,556,658	7,523,347
2. PROPERTY TAX	290,141,253	293,491,227
TOTAL (D)	294,697,911	301,014,574
<u>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</u>		
i. Bad Debts written off	0	6,829,273
ii. Provision for Bad and Doubtful debts	1,075,575	(3,648,380)
iii. Loss on Disposal of Capital Assets	3,427,697	8,090,478
iv. Stores Adjustments	0	27,869
v. Prior Period expenses	11,761,944	35,151,363
vi. Expenses on Tax Appeals	28,000	140,575
vii. Contribution to Corporate Social Responsibility Fund	30,000,000	0
TOTAL (E)	46,293,216	46,591,178
TOTAL EXPENDITURE	12,767,232,112	6,422,314,256

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 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.

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. 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.

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.

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

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. Segment Reporting

The Port operates only in one business segment i.e., Port operations and hence there is no reportable geographical segment to be reported as per Accounting Standard 17.

6. Borrowing Costs

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

**7. Foreign Currency Transactions**

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

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

8. Taxes on Income

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

B. BALANCE SHEET

- 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.
- 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. Capital Employed has been taken as Net Fixed Assets plus Net Current Assets as reported in the Balance Sheet.
- 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 ₹. 86.88 crores till 31/03/2012 has been considered as contingent liability since VPT has requested the Government for waiver of the same. The issue is being pursued with the Ministry.
- Fixed Assets includes 1 No. 10 Ton ELL Wharf Cranes and Buildings & Structures in Malkapuram Housing colony declared as 2nd hand surplus assets pending disposal (Net Block of ₹ 50.73 lakhs)
- Physical Verification of Fixed Assets is being done quinquennially as per the policy and procedure laid down in this regard. The physical verification due in 2011-12 is under process. Physical verification of Investments and Stores & Materials are being done annually.
- Consequent on grant of registration as Charitable Institution under Section 12A of the Income Tax Act, 1961, the tax payments made for AY 2003-04 to AY 2005-06 together with interest thereon has been refunded during the current year except certain amounts relating to TDS certificates. Accordingly, interest received of ₹. 21.48 crores for AY 2003-04 to AY 2005-06 as well as interest received of ₹. 1.58 crores for AY 2006-07 & AY 2007-08 were credited to Profit & Loss Account. The balance refunds receivable in respect of the following assessment years is under persuasion with the Income Tax Department :

(₹. in crores)

Assessment Year 2003-04	0.19
Assessment Year 2004-05	0.07
Assessment Year 2005-06	0.08
Assessment Year 2006-07	0.04



Out of total refund receivable of ₹. 79.49 crores for the AY 2008-09 from the IT Department, an amount of ₹.40.29 crores received during the FY 2010-11 and the balance of ₹.39.20 crores is still receivable. Subsequently, the Assessing Officer has issued an order u/s. 154 of IT Act, 1961 on 24/01/2012 claiming tax of ₹.457.04 crores. The order was contested before CIT (Appeals) and the same is pending.

Consequent to the amendments made to Income Tax Act, 1961 in the Finance Bill 2008, VPT was brought under Income Tax bracket with effect from 01/04/2008 i.e., from AY 2009-10 onwards. The status of the assessment proceeding is as follows:

(₹. in crores)

Assessment Year	Tax payments including Tax credits	Income Tax Provision made in books	Income Tax Provision as per IT Returns	Refunds claimed as per IT returns	Status
2009-10	78.00	67.24	54.45	23.27	The assessment order has been issued by the Assessing Officer with a refund of ₹.6.68 crores. The order is contested before CIT (Appeals) and the same is pending.
2010-11	76.41	37.50	25.09	51.32	The scrutiny is taken up by the Assessing Officer and is under progress
2011-12	81.64	70.00	65.14	20.52	The scrutiny is yet to be taken

In respect of current Financial year (Assessment Year 2012-13), the Income Tax payable has been assessed at ₹.53.00 crores provisionally and an amount ₹. 59.00 crores was paid as Advance Tax and ₹. 10.53 crores towards Tax Credit by way of TDS Certificates.

8. The following items constitute Contingent liabilities.

(₹. in lakhs)

a) Law suits pending in Courts against Port Trust for claims	24,80.61
b) Disputed Property Tax Claim for the years 1986-87 to 1998-99	27,98.00
c) Penal interest on defaulted principal and interest on loans obtained for Outer Harbour to be waived by the Govt.	299,93.05

Total

352,71.66

C. PROFIT & LOSS ACCOUNT

- 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 ₹. 910.53 crores and that of Pensioners is ₹.1322.84 crores as on 31/03/2012 as assessed by M/s. LIC of India. Thus the total actuarial valuation of pension liability is ₹. 2233.37 crores. The contribution for the current year 2011-12 is made @ 27% of Salary/Pension payment which amounts to ₹. 77.89 crores (Approximately) pursuant to the provisions of IT Rules, 1962 and an additional contribution of ₹. 500 crores is also made. The shortfall of ₹. 529.21 crores between the actual fund available in Pension Fund as on 31/03/2012 of ₹. 1704.16 crores and the liability as per the actuarial valuation will be made good in next two to three years.



2. The expenditure on Gratuity Payments under Finance & Miscellaneous Expenditure represents contribution of ₹. 13.98 crores made @ 8 1/3% of salaries pursuant to the provisions of IT Rules, 1962 to the Gratuity Fund during the year. Further, in order to match the Actuarial Liability of Gratuity fund of ₹. 133.03 crores an additional contribution of ₹. 30.17 crores is also made.
3. The Ex-gratia payment to the employees retired under VR Scheme during the Financial Year 2011-12 amounting to ₹. 29.30 crores along with unamortised balance Ex-gratia as on 31/03/2012 amounting to ₹. 18.05 crores is charged to Profit & Loss Account.
4. Provision for Bad & Doubtful Debts has been made on specific assessment of individual Debtors and Loans & Advances.
5. The actuarial valuation of Employees Leave Encashment Liability as on 31/03/2012 as assessed by M/s. LIC of India is ₹. 64.21 crores. An amount of ₹. 58.74 crores already held with M/s LIC, ₹. 2.20 crores with SBI (Life) and ₹. 2.09 crore with Bajaj Allianz are earmarked for the said Liability under Group Leave Encashment Schemes.
6. As per the Ministry's guidelines vide Lr. No. 25021/1/2011-PD-II dt.02/12/2011, Corporate Social Responsibility fund of ₹. 3.00 crores has been created during the year
7. In line with Ministry's approval for payment of one time lumpsum compensation to Master list candidates on compassionate grounds, 1055 Master list candidates opted for lumpsum payment before the cut-off date. So far a payment of ₹. 15.26 crores was made during the year for 387 Master list candidates.

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.
3. There was no impact on Financial Statements on account of new/change in Accounting Policies No.s 2,3,5,6 and 7. In respect of New Accounting Policy 8 (Taxes on Income), Deferred Tax Asset of ₹.175.22 crores has been recognised as disclosed in Schedule 1.3.

Sd/-**FINANCIAL ADVISOR &
CHIEF ACCOUNTS OFFICER**



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/16/ 2012-PD-VI Dt.29-8-2012	Date on which action taken by VPT	Remarks
1.	Date of submission of Draft Annual Accounts to the Audit	31 st May	08-06-2012	
2.	Date of release of Draft Audit Report	31 st July	25-07-2012	
3.	Date of submission of reply by Port Trust to the Draft Audit Report	10 th August	21-08-2012	
4.	Date of release of English version of Audit report by the Audit	20 th September	25-09-2012	
5.	Date of submission of Tax Auditors Reports to the Port Trust	25 th September	27-09-2012	
6.	Date of filling of Annual Tax Return by the Port to the Income Tax Dept.	30 th September	27-09-2012	
7.	Date of submission of printed copies of English and Hindi version of the report to the Ministry by the Port Trust.	09 th October		
8.	Laying of Audit Report in Parliament by the Ministry.	Winter Session		