



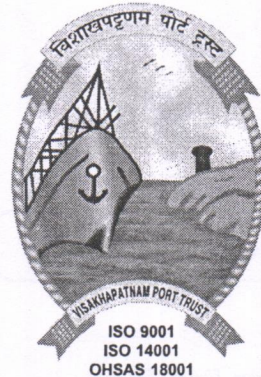
# Visakhapatnam Port Trust

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



वार्षिक लेखा एवं लेखापरीक्षा रिपोर्ट  
Annual Accounts & Audit Report  
2012 - 13





## **VISAKHAPATNAM PORT TRUST**

# **Annual Accounts and Audit Report**

*for the year 2012-13*



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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 31 March, 2013.**

We have audited the attached Balance Sheet of Visakhapatnam Port Trust as at 31 March 2013 and the Profit and Loss Account for the year ended on that date under Section 19(2) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 102 of the Major Port Trusts Act, 1963. These financial statements are the responsibility of the Port's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The Port Trust revised its accounts based on audit observations. As a result, the Profit Before Tax was decreased by ₹15.51 crore (viz., from a profit of ₹52.55 crore to ₹37.04 crore) and Profit After Tax was increased by ₹12.55 crore (viz., from a profit of ₹51.16 crore to ₹63.71 crore).





**B. Balance Sheet**

**Application of Funds**

**Investments (Schedule 2.2)**

**A. Investments of General Reserve Fund ₹48.00 Crores.**

1. The Port Trust has not ascertained and provided for the diminution in the value of long-term investment of ₹30.00 Crore in M/s. Sethusamudram Corporation Limited, Chennai. This is in contrary to the Accounting Standrad-13 regarding accounting for Investments.

**C. 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 and 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 explanation 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, Visakhapatnam, as on 31 March 2013, 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.

Sd/-

**(N. Karunakaran)**

O/o the Principal Director of Commercial Audit &  
Ex-Officio Member, Audit Board,  
Hyderabad

Place : Hyderabad  
Date : 07 October 2013





### Annexure-I

#### 1. Adequacy of Internal Audit System

The internal audit of Port Trust was entrusted to M/s. Rao & Kumar in October 2009 and further renewed up to 31.03.2013. During the current year the Internal Audit team had submitted twelve final audit reports to the Chairman covering the financial transactions up to March, 2013. However, there is no system of monitoring at Board level. Further though the Internal audit mandate provides for various checks including verification of draft Profit & Loss account, Balance Sheet, Schedules, Notes forming part of accounts, various deficiencies were pointed out during current year audit which have been substantially rectified by the management. This indicates that the effectiveness of the internal audit system needs to be improved.

#### 2. Adequacy of Internal Control System

Internal controls of the Visakhapatnam Port Trust are not adequate. Specific areas relating to debtors' management, updation of accounts manual / codes, etc., which need to be strengthened / improved have been brought to the notice of the Chairman, VPT, through a management letter issued for compliance. Some major items are as follows:

- 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 amounting to ₹.71.22 Crore relating to various activities are outstanding as on 31 March 2013.
- 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.
- The amounts collected from the debtors (mostly from 2004-05) were not adjusted against the bill-wise dues and as a result both the bill-wise dues along with amount collected from the party as negative balances were continued to be exhibited. This indicates that the controls regarding proper recording of the transactions / collections are not adequate.
- In respect of advance berth reservation charges collected, the transactions are not accounted under a separate accounting code. As these charges have to be refunded if the committed tonnage is achieved by the party during the contract period, berth reservation charges need to be accounted under separate liability head of accounts.





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

The physical verification of Assets is being done quinquennially and is due in the year 2011-12. The physical verification of fixed assets is, however, not completed (August 2013). VPT stated that the physical verification would be completed by October, 2013. 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 organisation within the due dates.

Sd/-

(V.M.V. Nawal Kishore)

Director





## Annexure-II

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

### 1. Introduction

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

### 2. Financial position

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

(₹ in Crores)

		2010-11	2011-12	2012-13
I. A	Liabilities			
	(i) Capital Reserves	753.98	831.30	898.98
	(ii) Other Reserves	1220.77	948.86	944.86 <sup>1</sup>
	(iii) Borrowings			
	Capital Debts	11.90	0.00	0.00
	(iv) Current Liabilities & Provisions	889.92	1395.64	1420.82
	(v) Other Liabilities (PF/Pension, Gratuity Fund)			
	(vi) Deferred Tax Liability	60.09	0.00	0.00
	<b>TOTAL:</b>	<b>2936.66</b>	<b>3175.80</b>	<b>3264.66</b>
B	(i) Fixed Assets (Gross block)	1224.71	1328.55	1431.16
	(ii) Less: Depreciation	-478.64	-497.25	-532.18
	(iii) Net Fixed Assets	746.07	831.30	898.98
	(iv) Work-in-progress	138.27	138.46	98.29
	(v) Investments	1071.68	647.48	556.46
	(vi) Current Assets, Loans and Advances	962.49	1459.11	1569.81
	(vii) Miscellaneous Expenditure (DRE)	18.15	0.00	0.00
	Deferred Tax Asset	0.00	99.45	141.12
	<b>TOTAL:</b>	<b>2936.66</b>	<b>3175.80</b>	<b>3264.66</b>
C	Working Capital <sup>2</sup>	72.57	63.47	148.99
D	Net Worth <sup>3</sup>	1974.75	1780.16	1843.84
E	Capital Employed <sup>4</sup>	818.64	894.77	1047.97
F	Percentage of Return on Capital employed <sup>5</sup>	14.31	6.35	6.08
G	Capital employed (including work-in-progress).	956.91	1033.23	1146.26
H	Percentage of Return on Capital employed (including work-in-progress).	12.24	5.50	5.56

<sup>1</sup> Includes profit after tax ₹63.71 Crores.

<sup>2</sup> Working Capital represents Current Assets minus Current Liabilities.

<sup>3</sup> Net worth represents Capital Reserves and Other Reserves plus accumulated surplus less accumulated deficit.

<sup>4</sup> Capital Employed represents Net Fixed Assets plus Working Capital.

<sup>5</sup> Rate of Return represents percentage of Net Surplus (before appropriations) to Capital employed.





### 3. Summary of working results

The working results of the Port Trust for the year ended 31 March 2013 as compared to the last two years ended 31<sup>st</sup> March 2011, 2012 were as follows:

		(₹ in Crores)		
		2010-11	2011-12	2012-13
II	Revenue			
a	Income			
	Operating Income	738.65	726.42	702.88
	Non-operating Income	77.66	450.91	186.64
	<b>TOTAL:</b>	<b>816.31</b>	<b>1177.33</b>	<b>889.52</b>
b	Expenditure			
	Operating Expenditure	407.71	436.36	489.42
	Non-operating Expenditure	234.52	840.36	363.06
	<b>TOTAL:</b>	<b>642.23</b>	<b>1276.72</b>	<b>852.48</b>
c	Net Surplus / deficit before appropriation / profit before tax	174.08	-99.39	37.04
	Less: Provision for taxation			
	Previous year	-64.37	-49.67	0.00
	Current year	70.00	53.00	15.00
	Fringe Benefit Tax	--	--	--
	Deferred Tax	51.29	-159.54	-41.67
	Profit after Tax	<b>117.16</b>	<b>56.82</b>	<b>63.71</b>
d	Less: Mandatory/Appropriation/transfer to Reserve Fund (Net Profit)	97.01	53.69	62.88
e	Surplus transferred to General Reserve Fund (Net Profit)	16.24	2.99	0.24
f	Percentage of net surplus to:			
	Operating Income	15.86	7.82	9.06
	Net Fixed Assets	15.70	6.84	7.09
	Net Worth	5.93	3.19	3.46

### 4. Ratio Analysis (Liquidity & Solvency)

- Percentage of Current Assets to Current Liabilities increased from 104.55 in 2011-12 to 110.49 in 2012-13. Higher current ratio of more than 100 percent indicated poor planning on the part of the management as excessive amount of funds are invested in current assets than ideal level of investment in the category of Asset.
- Percentage of Quick Assets to Current Liabilities increased from 68.11 in 2011-12 to 68.49 in 2012-13. Increase in quick ratio indicates the requirement of improvement in liquidity management.
- Percentage of Sundry Debtors to Operating Income increased from 8.52 in 2011-12 to 10.13 in 2012-13. This indicates poor performance in recovery of debts.
- Debt / Capital Reserves & General Reserves ratio remains same (Nil) in 2011-12 and 2012-13.
- Percentage of Current Assets to Total Assets increased from 45.94 in 2011-12 to 48.08 in 2012-13.
- Percentage of Operating Expenditure to Operating Income increased from 60.07 in 2011-12 to 69.63 in 2012-13 indicates the need for proper control on operating expenses.

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





## ANNUAL ACCOUNTS

Schedules to Balance Sheet as at 31st March 2013		Shedules to Revenue Account for the year ended 31st March 2013	
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 2013		As at 31st MARCH 2012	
<b>SOURCES OF FUNDS:</b>					
<b>RESERVES &amp; SURPLUSES:</b>					
<b>A. CAPITAL RESERVE</b>	1.1		8,989,758,022	8,313,002,781	
<b>B. REVENUE RESERVES</b>					
a) General Reserve Fund		885,507,710		1,556,437,045	
b) Employees' Welfare Fund		0		0	
c) Employees Family Security Scheme		50,767,082		48,598,906	
d) Protective Equipemnt Fund		0		0	
e) Liability Reserve Fund		0		0	
			936,274,792	1,605,035,951	
<b>C. STATUTORY RESERVES</b>					
a) Reserve for Replacement, Rehabilitation and Modernisation of Capital Assets		4,054,160,448		3,739,769,012	
b) Reserve for Development, Repayment of Loans and Contingencies		4,458,220,504		4,143,829,067	
			8,512,380,952	7,883,598,079	
	1.2				17,801,636,811
<b>LOAN FUNDS:</b>					
<b>A. SECURED LOANS</b>			0	0	
<b>B. GOVERNMENT LOANS</b>			0	0	
<b>C. UNSECURED LOANS</b>			0	0	
					0
<b>DEFERRED TAX LIABILITY:</b>					0
<b>TOTAL SOURCES OF FUNDS</b>	1.3		18,438,413,766		17,801,636,811





## BALANCE SHEET

(Amount in ₹)

APPLICATION OF FUNDS:	SCH	As at 31st MARCH 2013	As at 31st MARCH 2012
<b>A. FIXED CAPITAL ASSETS: (Net Block)</b>			
a) Land	2.1	391,218,245	391,218,245
b) Lease hold Land		73,881	73,881
c) Capital Dredging		1,070,222,421	659,058,513
d) Building Sheds and Other Structures		443,081,407	450,675,016
e) Wharves, Roads, Boundaries		935,071,234	834,317,000
f) Floating Craft		1,375,365,095	1,073,997,409
g) Railway and Rolling Stock		1,232,215,103	1,220,569,219
h) Docks, Sea-Walls, Piers, & Navigational Aids		2,476,247,627	2,510,673,749
i) Cranes and Vehicles		430,374,587	470,647,193
j) Plant & Machinery		303,146,285	338,569,422
k) Installations for Water, Electricity, Telecom. & Fire fighting		332,742,137	363,203,134
<b>B. CAPITAL WORKS IN PROGRESS</b>		8,989,758,021	8,313,002,781
		982,915,364	1,384,598,977
	2.2	480,000,000	480,000,000
<b>INVESTMENTS:</b>			9,972,673,385
<b>A. INVESTMENTS OF GENERAL RESERVE FUND</b>			
<b>B. INVESTMENTS OF STATUTORY RESERVES</b>			
1. Government or Trust Securities		39,703,444	39,703,444
2. Shares, Debentures or Bonds		240,000,000	240,000,000
3. Other Investments		4,060,000,000	5,040,758,684
<b>C. INVESTMENTS OF CASH SURPLUS FUNDS</b>			
1. Other Investments		744,855,395	674,279,773
<b>CURRENTS ASSETS, LOANS &amp; ADVANCES:</b>	2.3		6,474,741,901
<b>A. CURRENT ASSETS</b>			
I. Accrued interest on Investments		968,197,677	1,018,195,403
II. Inventories		114,071,673	68,519,672
III. Sundry Debtors			
a) Government Dues		412,382,852	412,382,852
b) Inter Port Dues		0	0
c) Non Government Dues		712,227,258	618,734,883
IV. Cash & Bank Balances			
a) Cash Balance on hand		743,258	661,820
b) Bank Balances with Scheduled Banks		9,018,199,281	8,886,482,604
c) Bank Balances with other Banks		0	0
		9,018,942,539	8,887,144,424
		10,813,439,147	10,592,594,382
<b>B. LOANS &amp; ADVANCES</b>			
a) Advances & Loans to subsidiaries/ Ports / Trusts		124,000,000	124,000,000
b) Advances recoverable in cash or in kind for the value to be received		263,956,715	236,017,447
c) Balances with Customs, Excise, Income Tax etc.		4,425,235,963	3,573,441,427
d) Deposits		71,478,526	65,082,726
		4,884,671,204	3,998,541,600
		15,698,110,351	14,591,135,982





## BALANCE SHEET

(Amount in ₹)

	SCH	As at 31st MARCH 2013		As at 31st MARCH 2012	
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS:</b>					
<b>A. CURRENT LIABILITIES:</b>	2.4				
I. PROVIDENT, PENSION & GRATUITY FUNDS					
a) Provident Fund		28,552,834		42,555,907	
b) Pension Fund		3,495,149,461		4,895,614,327	
c) Gratuity Fund		181,798,673	3,705,500,968	274,361,547	5,212,531,781
II. SUNDRY CREDITORS					
a) Creditors for Stores		28,517,012		33,634,061	
b) Unadjusted Sale proceeds of unclaimed goods		0		0	
c) Unadjusted Sale proceeds of surplus materials		0	28,517,012	0	33,634,061
III. MISCELLANEOUS CREDITORS & CREDIT BALANCES					
a) Demurrage/Wagon Hire charges payable to Railways		30,922,424		20,910,932	
b) Statutory Payments		356,515,872		370,826,355	
c) Liability towards Capital Expenses		21,272,455		21,272,455	
d) Others		457,133,990		449,438,544	
e) Deposits from Merchants, Contractors & Others		870,008,548	1,735,853,289	684,576,449	1,547,024,735
IV. ADVANCE PAYMENTS & UN EXPIRED DISCOUNTS			3,858,690,004		3,096,583,906
for the portion for which value has still to be given					
V. OTHER LIABILITIES			2,085,837,697		1,422,838,509
VI. INTEREST ACCRUED BUT NOT DUE ON LOANS			350,104,838		350,104,838
			11,764,503,809		11,662,717,830
B. PROVISIONS:					
a) Provision for Taxation		2,443,650,000		2,293,650,000	
b) Provision for contingencies		0		0	
c) Other provisions		0		0	
NET CURRENT ASSETS			2,443,650,000		2,293,650,000
MISCELLANEOUS EXPENDITURE:	2.5		14,208,153,809		13,956,367,830
(To the extent not written off or adjusted)			1,489,956,542		634,768,152
DEFERRED TAX ASSET:	1.3		0		0
			1,411,225,000		994,525,000
TOTAL APPLICATION OF FUNDS			18,438,413,766		17,801,636,811

Sd/-  
CHAIRMAN i/cSd/-  
FINANCIAL ADVISOR & CHIEF ACCOUNTS OFFICER i/c





## RESERVES AND SURPLUSES

	Capital Reserve	Revenue Reserves				Statutory Reserves	
		General Reserve Fund	Employees' Family Security Scheme	Employees' Welfare Fund	Capital Assets Replacement Reserve	Reserve for Development, Repayment of Loans & Contingencies	
		₹	₹	₹	₹	₹	
Opening Balance as on 01.04.2012	8,313,002,781	1,556,437,045	48,598,906	0	3,739,769,012	4,143,829,067	
ADD:							
1. (a) Contribution from Revenue A/c	0	0	4,211,912	2,500,000	314,391,437	314,391,437	
(b) Additional Depreciation	0	0	0	0	0	0	
2. Transfer from Revenue A/c	5,943,515	2,382,391	0	0	0	0	
3. (a) Transfer from Other Reserves	0	0	0	0	0	0	
(b) General Reserve Fund	670,811,726	0	0	0	0	0	
4. Other Transfers	0	0	1,256,781	0	0	0	
	8,989,758,022	1,558,819,436	54,067,599	2,500,000	4,054,160,448	4,458,220,504	
LESS:							
1. Transfer from Reserves							
a) Net Deficit	0	0	0	0	0	0	
b) Transfer to Capital Reserve	0	670,811,726	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	2,500,000	0		0	0	
3. Expenditure during the year	0	0	3,300,517	2,500,000	0	0	
Closing Balance as on 31.03.2013	8,989,758,022	885,507,710	50,767,082	0	4,054,160,448	4,458,220,504	

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





Schedules to Balance Sheet

SCHEDULE - 1.3

DEFERRED TAX LIABILITY

	AS AT 31st MARCH 2013	AS AT 31st MARCH 2012
	₹	₹
<b>Deferred Tax Liabilities - Opening Balance:</b>		
Timing difference on account of Depreciation	(994,525,000)	600,900,000
Less: Timing difference on account of sums payable as employer u/s 43(B) of IT Act, 1961		0
<b>Deferred Tax Liability</b>	<b>(994,525,000)</b>	<b>600,900,000</b>
Timing difference on account of Depreciation	417075000	757,700,000
Less: Timing difference on account of sums payable as employer u/s 43(B) of IT Act, 1961	1828300000	1,752,225,000
<b>Deferred Tax Asset - Closing Balance</b>	<b>(1,411,225,000)</b>	<b>(994,525,000)</b>
<b>Net Deferred Tax charged to P&amp;L Account</b>	<b>(416,700,000)</b>	<b>(1,595,425,000)</b>

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



## FIXED CAPITAL ASSETS

Particulars of Assets	Gross Block			Depreciation			Net Block	
	As at 1-Apr-12	Additions	Deletions/ Adjustments	As at 31-Mar-13	As at 1-Apr-12	Provision	Adjustments	As at 31-Mar-13
	₹	₹	₹	₹	₹	₹	₹	₹
Land	391,218,245	0	0	391,218,245	0	0	0	391,218,245
Lease hold Land	73,881	0	0	73,881	0	0	0	73,881
Capital Dredging	1,016,973,434	432,557,037	0	1,449,530,471	357,914,921	21,393,129	0	659,058,514
Buildings Sheds and Other Structures	720,584,900	10,576,876	3,433,884.61	727,727,891	269,909,884	17,553,261	2,816,661	443,081,407
Wharves, Roads, Boundaries	1,107,808,911	127,347,297	0	1,235,156,208	273,491,910	26,593,063	0	935,071,234
Floating Craft	1,910,555,381	411,410,767	14,831,395	2,307,134,753	836,557,972	109,378,707	14,167,021	1,375,365,095
Railway and Rolling Stock	1,808,663,359	58,698,459	0	1,867,361,817	588,094,139	47,052,575	0	1,232,215,103
Docks, Sea-Walls, Piers, and Navigational Aids	3,118,579,293	8,849,104	0	3,127,428,397	607,905,544	43,275,226	0	2,476,247,627
Cranes and Vehicles	1,169,550,830	15,315,742	28,920,155	1,155,946,418	698,903,637	55,458,158	28,789,964	430,374,587
Plant & Machinery	969,447,370	293,626	8,582,581	961,158,415	630,877,948	35,716,763	8,582,581	303,146,285
Installations for Water, Electricity, Telecom. & Fire Fighting	1,072,009,445	17,102,100	268,074.0	1,088,843,471	708,806,311	47,563,097	268,074.0	332,742,137
<b>TOTAL</b>	<b>13,285,465,049</b>	<b>1,082,151,007</b>	<b>56,036,089</b>	<b>14,311,579,967</b>	<b>4,972,462,267</b>	<b>403,983,979</b>	<b>54,624,302</b>	<b>8,989,759,022</b>
Capital Works in progress	1,384,598,977	680,467,394	1,082,151,007	982,915,364				982,915,364
<b>TOTAL FIXED CAPITAL ASSETS</b>	<b>14,670,064,026</b>	<b>1,762,618,402</b>	<b>1,138,187,097</b>	<b>15,294,495,331</b>	<b>4,972,462,267</b>	<b>403,983,979</b>	<b>54,624,302</b>	<b>9,972,673,386</b>

Sd/-

FA. &amp; C.A.O. i/c







Schedules to Balance Sheet

SCHEDULE - 2.2

INVESTMENTS

	As at 31st MARCH 2013		As at 31st MARCH 2012	
	COST VALUE	FACE VALUE	COST VALUE	FACE VALUE
	₹	₹	₹	₹
<b>A. GENERAL RESERVE</b>				
<b>CURRENT INVESTMENTS</b>				
<b>LONG TERM INVESTMENTS:</b>				
1. Government or Trust Securities	--	--	--	--
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	0	0	0	0
<b>TOTAL(A)</b>	<b>480,000,000</b>	<b>480,000,000</b>	<b>480,000,000</b>	<b>480,000,000</b>
<b>B. STATUTORY RESERVES</b>				
<b>CURRENT INVESTMENTS</b>	—	—	—	—
<b>LONG TERM INVESTMENTS:</b>				
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
	<b>39,703,444</b>	<b>40,000,000</b>	<b>39,703,444</b>	<b>40,000,000</b>
2. Shares, Debentures or Bonds				
APPFC Limited Power Bonds				
Bank of Maharashtra 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
Tamilnadu Electricity Board Bonds	20,000,000	20,000,000	20,000,000	20,000,000
UBI Bonds Issue	20,000,000	20,000,000	20,000,000	20,000,000
DCI Tax Free Bonds-2013	100,000,000	100,000,000		
	<b>320,000,000</b>	<b>320,000,000</b>	<b>240,000,000</b>	<b>240,000,000</b>





Schedules to Balance Sheet

SCHEDULE - 2.2

INVESTMENTS

	As at 31st MARCH 2013		As at 31st MARCH 2012	
	COST VALUE	FACE VALUE	COST VALUE	FACE VALUE
	₹	₹	₹	₹
<b>3. Other Investments</b>				
TDRs with State Bank of India (P) @ 9.00%	0	0	250,000,000	250,000,000
TDRs with Andhra Bank (P) @ 9.80%	0	0	250,000,000	250,000,000
TDRs with Bank of Baroda @ 9.88%	0	0	250,000,000	250,000,000
TDRs with Canara Bank @ 9.88%	0	0	250,000,000	250,000,000
TDRs with Andhra Bank @ 10.00%	0	0	750,000,000	750,000,000
TDRs with I.D.I.B.I. Bank @ 9.96%	0	0	1,710,000,000	1,710,000,000
TDRs with Indian Overseas Bank @ 9.85%	0	0	400,000,000	400,000,000
TDRs with Oriental Bank of Commerce @ 9.75%	0	0	130,000,000	130,000,000
TDRs with Canara Bank @ 9.99%	0	0	800,000,000	800,000,000
TDRs with Indian Overseas Bank @ 10.10%	0	0	40,000,000	40,000,000
TDRs with Vijaya Bank @ 10.75%	0	0	110,758,684	110,758,684
TDRs with State Bank of Mysore @ 10.70%	100,000,000	100,000,000	100,000,000	100,000,000
TDRs with I.D.I.B.I. Bank @ 9.41%	1,500,000,000	1,500,000,000	0	0
TDRs with Andhra Bank @ 9.00%	1,100,000,000	1,100,000,000	0	0
TDRs with Andhra Bank @ 9.20%	900,000,000	900,000,000	0	0
TDRs with Andhra Bank @ 9.10%	200,000,000	200,000,000	0	0
TDRs with Corporation Bank @ 9.68%	180,000,000	180,000,000	0	0
	3,980,000,000	3,980,000,000	5,040,758,684	5,040,758,684
<b>TOTAL(B)</b>	<b>4,339,703,444</b>	<b>4,340,000,000</b>	<b>5,320,462,128</b>	<b>5,320,758,684</b>
<b>C. CASH SURPLUS FUNDS</b>				
LIC of India under Group Leave Encashment Scheme	643,349,148	643,349,148	587,421,311	587,421,311
Bajaj Allianz under Group Leave Encashment Scheme	22,882,601	22,882,601	20,897,353	20,897,353
Bajaj Allianz under Family Security Scheme	54,583,981	54,583,981	43,987,009	43,987,009
State Bank of India (Life) under Group Leave Encashment Scheme	24,039,665	24,039,665	21,974,100	21,974,100
<b>TOTAL ( C )</b>	<b>744,855,395</b>	<b>744,855,395</b>	<b>674,279,773</b>	<b>674,279,773</b>
<b>TOTAL INVESTMENTS: (A+B+C)</b>	<b>5,564,558,839</b>	<b>5,564,855,395</b>	<b>6,474,741,901</b>	<b>6,475,038,457</b>
<b>TOTAL QUOTED INVESTMENTS:</b>				
<b>FACE VALUE</b>	40,000,000			
<b>COST VALUE</b>	39,703,444			
<b>MARKET VALUE</b>	--			

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





Schedules to Balance Sheet

SCHEDULE - 2.3

CURRENT ASSETS, LOANS & ADVANCES

	As at 31st MARCH 2013		As at 31st MARCH 2012	
	₹	₹	₹	₹
<b>CURRENT ASSETS</b>				
i. Accrued Interest on Investments		968,197,677		1,018,195,403
ii. Inventories				
Service Stock & Spares				
Inventories held for less than 2 years	113,101,285		67,418,518	
Inventories held for more than 2 years but less than 3 years	585,038		0	
Inventories held for more than 3 years but less than 10 years	2,615,360		2,041,895	
Inventories held for more than 10 years but less than 15 years	0		1,368,720	
Inventories held for more than 15 years	0		0	
	116,301,683		70,829,133	
less: Depreciation on Non-moving Inventories	2,230,010	114,071,673	2,309,461	68,519,672
iii. Sundry Debtors				
a) Debts Considered good but not secured:				
a. Cargo related dues	96,086,440		75,985,508	
b. Vessel related dues	2,381,543		2,863,188	
c. Estate dues	367,277,450		310,274,995	
d. Railway dues	135,386,998		150,899,099	
e. Fishing Harbour dues	1,531,895		9,197,593	
f. Other misc. dues	109,562,932		69,514,500	
		712,227,258		618,734,883
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	39,829,234		36,948,244	
e. Fishing Harbour dues	5,026,643		5,026,643	
		72,045,606		69,164,616
		784,272,864		687,899,499
less: Provision for Doubtful Debts		72,045,606		69,164,616
		712,227,258		618,734,883
iv. Cash & Bank Balances				
a. Cash on hand		743,258		661,820
b. Balance at Banks:				
c. In Current/Savings Bank Accounts:				
Andhra Bank - Port Branch	38,254,151		25,370,489	
Axis Bank	1,315		1,010	
Bank of Baroda	760,007		760,007	
Bank of India	0		0	
Canara Bank	2,073,625		2,073,625	
Central Bank of India	1,236		2,960	
ICICI Bank	0		0	
Indian Overseas Bank	350,986		350,986	
Industrial Development Bank of India (IDBI)	161,812		161,204	
Oriental Bank of Commerce	1,108,696		648,301	
State Bank of Hyderabad	0		0	
State Bank of Hyderabad - Surya Bagh Branch	5,568,804		677,354	
State Bank of India - Main Branch	1,801,504		1,318,177	
State Bank of India - Main Branch (Escrow A/c)	1,231,530		3,680,317	
State Bank of India - Port Branch	27,345,387		12,229,594	
Union Bank of India - RTGS SB A/c 133641	451,462		356,454	
Vijaya Bank	0		0	
		79,110,515		47,630,478





Schedules to Balance Sheet

SCHEDULE - 2.3

CURRENT ASSETS, LOANS & ADVANCES

	As at 31st MARCH 2013		As at 31st MARCH 2012	
	₹	₹	₹	₹
<b>d. In Deposits Accounts (TDR A/c &amp; CLTD A/c):</b>				
Andhra Bank	645,000,000		160,000,000	
Allahabad Bank	0		0	
Bank of India	100,000,000		1,500,000,000	
Industrial Development Bank of India (IDBI)	2,100,000,000		0	
Life Insurance Corporation of India	1,032,080,086		1,386,681,126	
State Bank of Hyderabad	800,000,000		5,292,171,000	
State Bank of India - Main Branch	41,389,882		25,000,000	
State Bank of India - Port Branch	520,618,804		425,000,000	
Union Bank of India	0		50,000,000	
State Bank of Mysore	1,000,000,000			
Indian Overseas Bank	2,700,000,000			
		8,939,088,766		8,838,852,126
		9,018,942,539		8,887,144,424
<b>TOTAL CURRENT ASSETS</b>		<b>10,813,439,147</b>		<b>10,592,594,382</b>
<b>LOANS &amp; ADVANCES *</b>				
1. Advances & Loans to subsidiaries/ Ports / Trusts				
Stores drawn by Cargo Handling Division	0		0	
Intercompany Loan to Hindustan Shipyard Limited	0		0	
Advance to Pension Fund Trust	0		0	
Advance to Gratuity Fund Trust	0		0	
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	149,042,002		130,951,761	
Advances for Purchases - Stores	41,208,644		14,463,279	
Computer Advances	12,836,268		14,544,175	
House Building Advances	16,565,001		20,823,924	
Motor Car/Cycle Advances	6,720,146		6,573,476	
Travel/LTC Advances	4,366,175		4,574,419	
Others	33,822,879		44,690,812	
		264,561,114		236,621,846
less: Provision for Doubtful Advances		604,399		604,399
		263,956,715		236,017,447
3. Balances with Customs, Excise, Income Tax etc.				
Voluntary deposit with Telecommunication Dept.	30,550		30,550	
Income Tax - TDS, Advance Tax & Service Tax	4,425,205,413		3,573,410,877	
		4,425,235,963		3,573,441,427
4. Deposits				
Deposits with APTRANSCO.	47,084,378		40,688,578	
Deposits with GVMC.	24,394,148		24,394,148	
		71,478,526		65,082,726
* Loans and Advances considered as good and unsecured.				
<b>TOTAL LOANS &amp; ADVANCES</b>		<b>4,884,671,204</b>		<b>3,998,541,600</b>

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





## Schedules to Balance Sheet

## SCHEDULE - 2.4

## CURRENT LIABILITIES AND PROVISIONS

	As at 31st MARCH 2013		As at 31st MARCH 2012	
	₹	₹	₹	₹
<b>A. CURRENT LIABILITIES:</b>				
<b>I. PROVIDENT, PENSION &amp; GRATUITY FUNDS</b>				
a) Provident Fund	28,552,834		42,555,907	
b) Pension Fund	3,495,149,461		4,895,614,327	
c) Gratuity Fund	181,798,673		274,361,547	
		3,705,500,968		5,212,531,781
<b>II. SUNDRY CREDITORS</b>				
a) Creditors for Stores	28,517,012		33,634,061	
b) Unadjusted Sale proceeds of unclaimed goods	0		0	
c) Unadjusted Sale proceeds of surplus materials	0		0	
		28,517,012		33,634,061
<b>III. MISCELLANEOUS CREDITORS &amp; CREDIT BALANCES</b>				
a) Demurrage/Wagon Hire charges payable to Railways	30,922,424		20,910,932	
b) Statutory Payments	356,515,872		370,826,355	
c) Liability towards Capital Expenses	21,272,455		21,272,455	
d) Others	457,133,990		449,438,544	
e) Deposits from Merchants, Contractors & Others	870,008,548		684,576,449	
		1,735,853,289		1,547,024,735
<b>IV. ADVANCE PAYMENTS &amp; UN EXPIRED DISCOUNTS</b> for the portion for which value has still to be given				
a) Prepaid Income	85,694,716		72,096,519	
b) Up-front Premium to be amortised	3,772,995,288		3,024,487,387	
c) Volume Discount to be given to Trade	0		0	
		3,858,690,004		3,096,583,906
<b>V. OTHER LIABILITIES</b>		2,085,837,697		1,422,838,509
<b>VI. INTEREST ACCRUED BUT NOT DUE ON LOANS</b>		350,104,838		350,104,838
<b>TOTAL CURRENT LIABILITIES</b>		11,764,503,809		11,662,717,830
<b>B. PROVISIONS:</b>				
I) Provision for Taxation	2,443,650,000		2,293,650,000	
II) Provision for contingencies	0		0	
III) Other provisions	0		0	
<b>TOTAL PROVISIONS</b>		2,443,650,000		2,293,650,000
<b>TOTAL CURRENT LIABILITIES &amp; PROVISIONS</b>		14,208,153,809		13,956,367,830

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





## PROFIT AND LOSS ACCOUNT

	FOR THE PERIOD ENDING	
	31st MARCH 2013	31st MARCH 2012
<b>INCOME :</b>	₹	₹
Cargo Handling & Storage Charges	3,217,858,743	3,359,688,875
Port & Dock Charges	2,218,954,616	2,295,613,349
Railway Earnings	1,056,451,029	1,043,115,398
Estate Rentals	535,506,806	565,807,136
<b>TOTAL OPERATING INCOME</b>	<b>7,028,771,194</b>	<b>7,264,224,758</b>
<b>EXPENDITURE :</b>		
Cargo Handling & Storage	1,347,222,815	1,322,846,954
Port & Dock Facilities	1,120,264,503	937,918,789
Railway Working	701,143,209	658,866,652
Rentable lands & Buildings	302,102,389	289,671,918
Management & General Administrative Expenses	1,423,470,301	1,154,325,388
<b>TOTAL OPERATING EXPENDITURE</b>	<b>4,894,203,217</b>	<b>4,363,629,701</b>
<b>OPERATING SURPLUS :</b>		
Add: Finance & Miscellaneous Income	2,134,567,977	2,900,595,057
Less: Finance & Miscellaneous Expenditure	1,866,440,888	4,509,117,250
	3,630,600,085	8,403,602,411
<b>PROFIT BEFORE TAX</b>	<b>370,408,780</b>	<b>(993,890,104)</b>
Less: Provision for Taxation:		
Previous Years	0	(496,615,829)
Current Year	150,000,000	530,000,000
Deferred Tax	(416,700,000)	(1,595,425,000)
<b>PROFIT AFTER TAX</b>	<b>637,108,780</b>	<b>568,150,725</b>
Less: Profit on Disposal of Capital Assets transferred to Capital Reserve	5,943,515	1,345,477
Amount Available for Appropriations	631,165,265	566,805,248
Less: Appropriations		
Fund for Development, Repayment of Loans and Contingencies	314,391,437	268,433,128
Fund for Replacement, Rehabilitation and Modernisation of Capital Assets	314,391,437	268,433,128
Other Funds		
a) Employees Welfare Fund	0	0
b) Employees Family Security Scheme	0	0
<b>TOTAL APPROPRIATIONS</b>	<b>628,782,874</b>	<b>536,866,256</b>
<b>BALANCE TRANSFERRED TO GENERAL RESERVE</b>	<b>2,382,391</b>	<b>29,938,992</b>

 Sd/-  
 CHAIRMAN i/c

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





Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2013	31st MARCH 2012
	₹	₹
<b>SCHEDULE - R.1</b>		
<b>CARGO HANDLING &amp; STORAGE CHARGES:</b>		
Handling & Storage charges on General Cargo	2,341,705,668	2,408,678,311
Storage of goods in Ware Houses	22,580,497	23,625,360
Cranage	7,548,700	11,396,920
Lighterage	115,692	256,842
Handling of POL Oils & Lubricants	628,247,254	723,344,562
Demurrage fees on General Cargo	87,511,045	79,353,318
Royalties from BOT Contracts	101,847,745	80,699,463
Miscellaneous Charges	28,302,142	32,334,099
<b>TOTAL</b>	<b>3,217,858,743</b>	<b>3,359,688,875</b>
<b>SCHEDULE - R.2</b>		
<b>PORT &amp; DOCK CHARGES:</b>		
Towing and Mooring Fees	99,479,394	120,724,697
Dock Dues	407,295,466	450,671,798
Port Dues	562,742,490	551,033,776
Pilotage Fees	1,114,109,757	1,110,695,445
Dry - Docking charges	6,713,539	24,454,886
Water supply to shipping	2,091,850	7,100,834
Salvage and Under Water Repairs	3,257,540	3,108,944
Miscellaneous Charges	23,264,580	27,822,969
<b>TOTAL</b>	<b>2,218,954,616</b>	<b>2,295,613,349</b>
<b>SCHEDULE - R.3</b>		
<b>RAILWAY EARNINGS:</b>		
Wagon Hire & Haulage Charges	253,377,890	266,510,659
Siding Charges	215,207,630	207,824,125
Terminal Charges	532,604,222	524,964,702
Miscellaneous Charges	55,261,287	43,815,912
<b>TOTAL</b>	<b>1,056,451,029</b>	<b>1,043,115,398</b>

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





Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2013	31st MARCH 2012
	₹	₹
<b>SCHEDULE - R.4</b>		
<b>ESTATE RENTALS:</b>		
Rent from Lands	461,643,205	522,982,740
Rent on Storage Sheds	221,407	129,221
Rent from accommodation provided for outside offices	890,340	1,204,888
Kalavani Auditorium	4,762,000	5,660,020
Rent from Port Trust quarters	5,359,324	5,959,681
Recoverable Charges	36,085,849	27,446,090
Miscellaneous Income	26,544,681	2,424,496
<b>TOTAL</b>	<b>535,506,806</b>	<b>565,807,136</b>
<b>SCHEDULE - R.5</b>		
<b>CARGO HANDLING &amp; STORAGE :</b>		
Handling and Storage of General Cargo at Sheds and Wharves	531,483,285	465,994,920
Warehousing	5,504	0
Operation and Maintenance of Ore Handling Plant	512,794,118	549,516,942
Operation and Maintenance of Lighters and Barges	6,438,091	10,065,022
Operation and Maintenance of Wharf Cranes & Crane Vessels	90,523,512	98,771,866
Expenditure on General facilities at Docks	49,826,728	52,397,734
Administration & General Expenses	32,394,966	30,534,722
New Minor Works	0	0
Depreciation	123,756,611	115,565,748
<b>TOTAL</b>	<b>1,347,222,815</b>	<b>1,322,846,954</b>

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





Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2013	31st MARCH 2012
	₹	₹
<b>SCHEDULE - R.6</b>		
<b>PORT &amp; DOCK FACILITIES:</b>		
Towing, Berthing and Mooring	231,480,265	265,142,970
Pilotage	334,725,866	259,401,068
Dry Docking Expenses	48,632,245	44,701,344
Water Supply to Shipping	19,786,755	19,013,766
Fire Fighting	55,108,968	49,074,065
Dredging and Marine Survey	237,082,957	143,136,327
Operation & Maint. of Navigational aids	4,805,127	4,633,737
Salvage & Under-water repairs	888,075	915,538
Maintenance of Docks & Harbour Walls, Marine Structures etc.	1,847,812	1,035,713
Administration & General Expenses	13,122,749	13,706,393
New Minor Works	0	0
Depreciation	172,783,684	137,157,868
<b>TOTAL</b>	<b>1,120,264,503</b>	<b>937,918,789</b>
<b>SCHEDULE - R.7</b>		
<b>RAILWAY WORKING:</b>		
Operation & Maintenance of Locomotives, Wagons etc.	317,011,323	298,402,699
Maintenance of Permanent Way Signals & Inter-locking	96,620,565	81,032,104
Operation, Maint. & Admn. expenses of Stations, Yards and Sidings	44,297,107	43,479,345
Administration & General Expenses	195,165,706	190,829,735
New Minor Works	0	0
Depreciation	48,048,508	45,122,769
<b>TOTAL</b>	<b>701,143,209</b>	<b>658,866,652</b>

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





Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2013	31st MARCH 2012
	₹	₹
<b>SCHEDULE - R.8</b>		
<b>RENTABLE LANDS &amp; BUILDINGS:</b>		
Estate Maintenance	243,356,695	233,189,800
Land repairs and reclamation	4,884,559	4,188,046
Administration & General Expenses	22,089,400	21,945,984
New Minor Works	0	0
Depreciation	31,771,735	30,348,088
<b>TOTAL</b>	<b>302,102,389</b>	<b>289,671,918</b>
<b>SCHEDULE - R.9</b>		
<b>MANAGEMENT &amp; GENERAL ADMINISTRATION:</b>		
Management & Secretarial Expenses	351,166,626	158,036,411
Port Security (C.I.S.F)	253,329,033	218,889,367
Legal Expenses	973,600	1,266,865
Labour and Welfare Expenses	148,091	157,856
Research and Planning Cell	44,716,483	46,036,068
Medical Expenses	252,747,913	223,918,180
Store Keeping	54,847,170	52,293,888
Accounting and Auditing	62,008,147	63,096,816
Expenditure on Head Office Building	0	0
Telephones	9,688,557	7,449,159
Engineering & Workshop Administration Overheads	341,094,685	338,889,419
Sundry Expenses	33,938,774	27,266,842
New Minor Works	0	0
Depreciation	18,811,222	17,024,517
<b>TOTAL</b>	<b>1,423,470,301</b>	<b>1,154,325,388</b>

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





## Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2013	31st MARCH 2012
	₹	₹
<b>SCHEDULE - R.10</b>		
<b>FINANCE &amp; MISCELLANEOUS INCOME:</b>		
Interest on Fixed Deposits & Cash Balances	1,398,188,321	1,395,924,011
Interest on Revenue Account	9,966,255	6,886,253
Interest on Deposit Account	5,675,222	2,354,652
Interest on Income Tax Refunds	168,531,263	230,667,540
Miscellaneous Income	236,286,349	212,545,968
Sundry Receipts	22,464,289	41,202,580
Profit on Disposal of Capital Assets	23,187,768	16,940,361
Centage Charges	39,744	729,996
Sale of Tender documents	4,353,545	1,584,250
Stores Adjustments (Excesses)	331,481	19,109
Items relating to previous year	(2,583,349)	2,600,262,530
<b>TOTAL</b>	<b>1,866,440,888</b>	<b>4,509,117,250</b>
<b>SCHEDULE - R.11</b>		
<b>FINANCE &amp; MISCELLANEOUS EXPENDITURE:</b>		
Bank Charges	54,015	150,460
<b>INTEREST PAYABLE ON :</b>		
i) Loans from Government	4,406,198	4,406,198
ii) Loans from Other agencies	0	0
Bad Debts written off	0	0
Provision for Bad and Doubtful debts	2,880,990	1,075,575
Property Tax	279,324,954	290,141,253
Expenses on IT appeals etc	2,500	28,000
Loss on Disposal of Capital Assets	347,222	3,427,697
Stores Adjustments	0	0
Productivity linked Bonus/PLR	0	0
Lumpsum payment to ML Candidates	145,110,000	152,600,000
<b>Retirement Benefits:</b>		
i) Retirement Gratuities	183,181,674	441,478,223
ii) V.R.Scheme Ex-gratia payment	12,854,276	473,532,978
iii) a) Pension Payments	1,096,318,263	924,974,146
b) Contribution to New Pension (Tier-I) Scheme	9,674,928	11,434,715
c) Contribution to pension fund	1,771,400,000	5,778,903,885
d) Commutation of Pension	89,854,881	279,626,007
Contribution to Corporate Social Responsibility Fund	17,045,000	30,000,000
Trustees' Contribution to P.F.	68,742	61,330
Prior period expenses	18,076,442	11,761,944
<b>TOTAL</b>	<b>3,630,600,085</b>	<b>8,403,602,411</b>

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





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

	FOR THE PERIOD ENDING	
	31st MARCH 2013	31st MARCH 2012
	₹	₹
<b>A. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :</b>		
<b>1. SALARIES, WAGES &amp; BONUS ETC.</b>		
i. Salaries and wages	2,369,726,188	2,126,084,543
ii. Bonus	37,115,100	38,841,310
	2,406,841,288	2,164,925,853
<b>2. CONTRIBUTION TO PROVIDENT AND OTHER FUNDS</b>		
i. Trustees' contribution to Provident fund	68,742	61,330
ii. Contribution to Pension fund	1,771,400,000	5,778,903,885
iii. Pension payments including commutation of pension	1,195,848,072	1,216,034,868
	2,967,316,814	6,995,000,083
<b>3. GRATUITY</b>	183,181,674	441,478,223
<b>4. WORKMEN AND STAFF WELFARE EXPENSES</b>		
i. Leave Travel Expenses	1,031,659	1,691,238
ii. Medical Reimbursement Expenses	121,274,392	94,088,501
iii. Nutrition to inpatients	345,890	490,861
iv. Stores (Medicines)	47,189,677	47,123,662
v. Stores (Surgical)	2,796,820	3,105,525
vi. Payments under workmen compensation Act.	652,280	2,092,200
vii. Passes and PTO's	89,500	310,000
viii. Scholarships, Prizes and awards	20,600	36,300
ix. VR scheme Ex-gratia Payments	157,964,276	626,132,978
	331,365,094	775,071,265
<b>TOTAL (A)</b>	<b>5,888,704,869</b>	<b>10,376,475,424</b>
<b>B. OPERATING EXPENSES :</b>		
<b>1. CONSUMPTION OF STORES ON SPARE PARTS ETC.</b>	88,066,222	181,222,719
<b>2. REPAIRS TO PLANT AND MACHINERY (MECH)</b>	272,319,371	175,238,609
<b>3. REPAIRS TO BUILDINGS AND CIVIL STRUCTURES</b>	89,525,110	98,319,852
<b>4. OTHER REPAIRS</b>		
i. Special Repairs	0	0
ii. Special Repairs Covered by Estimates	41,672,433	19,580,340
iii. Office machine Hire & service charges	17,637,439	17,597,442
	59,309,872	37,177,782
<b>5. STORES CONSUMED</b>		
i. Stores General	29,528,754	24,270,358
	29,528,754	24,270,358

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





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

	FOR THE PERIOD ENDING	
	31st MARCH 2013	31st MARCH 2012
	₹	₹
<b>6. POWER, FUEL, LUBRICANTS ETC.</b>		
i. Stores (Operational)	283,639,657	293,493,351
ii. Electric Power	244,454,677	212,503,496
	528,094,334	505,996,847
	0	0
<b>7. NEW MINOR WORKS</b>		
<b>8. OTHER OPERATIONAL EXPENSES</b>		
i. Damages & Deficiencies payable to Railways	26,451,829	21,930,057
ii. Wagon hire charges	1,453,188	1,913,136
iii. Hire charges for floating crafts	11,894,732	11,981,279
iv. Hire charges for vehicles	26,759,156	27,534,389
v. Hire charges for Pvt. Tugs	108,900,969	106,100,566
vi. Fire charges	0	0
vii. Sundry expenses Operational	82,263,538	91,665,797
viii. Freight and handling charges	0	336
ix. Safety	0	0
x. Security Charges	251,420,978	216,570,954
xi. Dredging Charges	130,187,083	34,118,667
xii. Depreciation	395,171,760	345,218,990
xiii. Inter Departmental Charges	1,717	0
xiv. Provision for Non-moving stores	(79,451)	261,758
	1,034,425,499	857,295,929
<b>TOTAL (B)</b>	<b>2,101,269,162</b>	<b>1,879,522,096</b>
<b>C. GENERAL EXPENSES:</b>		
i. Rent, Rates and Taxes	511,915	562,886
ii. Audit Fees	6,704,377	7,058,144
iii. Water Charges	74,054,330	67,812,269
iv. Communication Expenses	675,496	945,109
v. Other Expenses	10,292,741	7,510,898
vi. Insurance	1,161,520	2,430,331
vii. Traveling Expenses	7,552,369	6,264,375
viii. Furniture and Office Equipment	166,016	380,725
ix. Miscellaneous Expenses	16,577,491	14,054,394
x. Stevedoring Expenses	0	0
xi. Port Health	0	0
xii. Advertisement and Publicity	11,274,453	13,998,557
xiii. Trustees' Fees	25,150	14,600
xiv. Entertainment	2,040,003	1,723,259
xv. Books and Periodicals	251,659	146,304
xvi. Legal and Professional Charges	6,629,076	6,868,981
xvii. Printing and Publishing	1,041,800	1,210,275
xviii. Deputation to Training Courses	5,591,746	3,147,992
xix. License Fees	4,525,013	1,006,731
xx. Telephones	5,449,239	7,162,451
xxi. Research and Development	49,384,402	19,811,868
xxii. Subscriptions	15,878	9,452
xxiii. Donations and Contributions	8,767,274	8,123,864
xxiv. Platinum Jubilee Celebrations	0	0
<b>TOTAL (C)</b>	<b>212,691,948</b>	<b>170,243,465</b>

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





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

	FOR THE PERIOD ENDING	
	31st MARCH 2013	31st MARCH 2012
	₹	₹
<b>D. FINANCE EXPENSES:</b>		
<b>1. INTEREST EXPENSES</b>		
i. Bank Charges	54,015	150,460
ii. Interest on Government Loans	4,406,198	4,406,198
iii. Interest on Other Loans	0	0
	4,460,213	4,556,658
<b>2. PROPERTY TAX</b>	279,324,954	290,141,253
<b>TOTAL (D)</b>	<b>283,785,167</b>	<b>294,697,911</b>
<b>E. PROFIT OR LOSS IN RESPECT OF TRANSACTIONS OF KIND NOT USUALLY UNDERTAKEN BY PORT OR UNDER IN CIRCUMSTANCES OF AN EXCEPTIONAL OR NON - RETURNS, IF MATERIAL IN AMOUNT</b>		
i. Bad Debts written off	0	0
ii. Provision for Bad and Doubtful debts	2,880,990	1,075,575
iii. Loss on Disposal of Capital Assets	347,222	3,427,697
iv. Stores Adjustments	0	0
v. Prior Period expenses	18,076,443	11,761,944
vi. Expenses on Tax Appeals	2,500	28,000
vii. Contribution to Corporate Social Responsibility Fund	17,045,000	30,000,000
<b>TOTAL (E)</b>	<b>38,352,155</b>	<b>46,293,216</b>
<b>TOTAL EXPENDITURE</b>	<b>8,524,803,302</b>	<b>12,767,232,112</b>

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





## 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 ₹.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 ₹ 97.74 crores till 31/03/2013 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.
- 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 of 2011-12. 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

For the AY 2008-09 an amount of ₹ 78.48 crores has been paid as advance tax. Subsequently the assessing officer has issued an order U/S 154 of the IT Act, 1961 on 24.1.2012 for a tax of ₹457.04 crores and the IT department has adjusted the refunds pertaining to AY 2009-10 ₹6.68 crores, AY 2010-11 ₹44.37 crores and AY





2011-12 ₹20.52 crores against the demand raised for ₹457.04 crores. The order was contested before CIT (appeals) and orders have been issued in VPT favour. A refund of ₹43.99 crores was received on 1.4.2013 which is inclusive of interest received ₹ 16.85 crores and interest amount was credited to P&L account. An amount of ₹5.61 crores is still receivable and rectification petition U/S 154 of the IT Act has been filed with the department.

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 are 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 a notice of the demand payable for ₹.37.02 crores has been passed. The order is contested before CIT(Appeals) and the same is pending.
2011-12	81.64	70.00	65.14	20.52	The assessment order has been issued by the and a notice of demand payable U/S156 of the IT Act for ₹42.39 crores has been passed. The order is contested before CIT(Appeals) and the same is pending.
2012-13	77.34	53.00	14.12	59.95	The scrutiny is taken up by the Assessing officer and is under process.

In respect of current Financial year (Assessment Year 2013-14), the Income Tax payable has been assessed at ₹. 53.00 crores provisionally and an amount ₹.50.00 crores was paid as Advance Tax and ₹ 9.38 crores towards Tax Credit by way of TDS Certificates.

7. The following items constitute Contingent liabilities.

(₹in lakhs)

a) Law suits pending in Courts against Port Trust for claims	2480.61
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.	31079.05

Total

36357.66





### 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 ₹ 910.53 crores and that of Pensioners is ₹ 1322.84 crores as on 31.3.2012 as assessed by LIC of India. Thus the total actuarial valuation of Pension liability is ₹ 2233.37 crores as on 31.03.2012. The shortfall of Pension as on 31.3.2012 is ₹ 529.21 crores. During the year 2012-13 the actuarial valuation towards pension liability was made by LIC of India to the tune of ₹ 2730.12 crores. The increase in liability from 2011-12 to 2012-13 is ₹ 496.75 crores. After contribution to the Pension fund of ₹ 177.05 crores and interest earned of ₹ 77.47 crores, the net liability towards Pension Fund is ₹ 771.44 crores, which will be made good in next years. However, V.P.T desire to take up independent actuarial valuation of Pension Fund during the year 2013-14.
2. As per Actuarial valuation as assessed by LIC of India, the liability towards gratuity fund as on 31.3.2013 is ₹141.74 crores. Therefore an amount of ₹ 8.71 crores was provided during the financial year 2012-13 and hence the Gratuity Fund is fully contributed.
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 31/03/2013 as per M/s. LIC of India is ₹70.53 crores. An amount of ₹64.33 crores already held with M/s LIC, ₹2.40 crores with SBI (Life) and ₹2.29 crores with Bajaj Allianz are earmarked for the said Liability under Group Leave Encashment Schemes. Further contribution made during the year is ₹ 0.66 crores.
5. As per the Ministry's guidelines vide Lr. No. 25021/1/2011-PD-II dt.02/12/2011, Corporate Social Responsibility fund of ₹.1.70 crores has been created during the year
6. In line with Ministry's approval for payment of one time lump-sum compensation to Master list candidates on compassionate grounds, 1055 Master list candidates opted for lump-sum payment before the cut-off date. So far a payment of ₹.14.51crores was made during the year for 356 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 ₹41.67 crores has been recognised as disclosed in Schedule 1.3.

Sd/-

**FINANCIAL ADVISOR &  
CHIEF ACCOUNTS OFFICER i/c**





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

Sl.No	Description	Time Schedule prescribed by the Ministry (CON/VKS 4/2013) Dt.18-07-2013	Date on which action taken by VPT
1	Date of submission of Draft Annual Accounts to the Audit	31st May	03-06-2013
2	Date of release of draft Audit Reports	31st July	07-08-2013
3	Date of submission of reply by the Ports Trusts to the draft Audit Report	10th August	28-08-2013
4	Date of release of English version of Audit Report by the Audit	20th September	07-10-2013
5	Date of submission of Tax Auditor's Report to the Port Trust	25th September	30-09-2013
6	Date of filing of Annual Tax Return by the Port to Income Tax Department	30th September	30-09-2013
7	Date of submission of printed copies of English and Hindi versions of the Report to the Ministry by the Port Trust	9th October	
8	Laying of Reports in Parliament by the Ministry	Winter Session	