



विशाखपट्टणम पोर्ट ट्रस्ट
Visakhapatnam Port Trust
ISO 9001, ISO 14001, OHSAS 18001 Certified & ISPS Compliant



वार्षिक लेखा एवं लेखापरीक्षा रिपोर्ट
Annual Accounts & Audit Report
2013 - 14



विशाखपट्टणम पोर्ट ट्रस्ट
VISA KHAPATNAM PORT TRUST

वार्षिक लेखा एवं लेखापरीक्ष रिपोर्ट 2013-14
ANNUAL ACCOUNTS & AUDIT REPORT



VISA KHAPATNAM PORT TRUST

**Annual Accounts
and
Audit Report**

for the year 2013-14



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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 2014**

We have audited the attached Balance Sheet of Visakhapatnam Port Trust as at 31 March 2014 and the Profit and Loss Account for the year ended on that date under Section 19 (2) of the Comptroller and Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 102 of the Major Port Trusts Act, 1963. These financial statements are the responsibility of the Port's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

A. Revision of accounts

The Port Trust revised its accounts based on audit observations. As a result, the Profit Before Tax decreased by ₹ 1.72 crore (viz., from a profit of ₹ 33.77 crore to a profit of ₹ 32.05 crore) and Profit After Tax decreased by ₹ 1.72 crore (viz., from a profit of ₹ 20.15 crore to ₹ 18.43 crore). Further, the Assets and Liabilities were also decreased by ₹ 1.72 crore (viz., from ₹ 1914.17 crore to ₹ 1912.45 crore).

**B. Comments on Accounts****BALANCE SHEET****APPLICATION OF FUNDS****Investments (Schedule – 2.2)****A. Investment of General Reserve Fund - ₹48.00 Crore**

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 (SSCL), Chennai. This is in contrary to the Accounting Standard-13 regarding accounting for Investments.

Current Assets, Loans and Advances

A. Current Assets (Schedule 2.3)

Loans and Advances

a) Advances and Loans to Subsidiaries/Ports/Trusts – ₹13.40 Crore

2. VPT paid ₹5.56 crore to M/s RITES for preparation of Techno-economic Feasibility Report for Development of new Major Port at Duggarajapatnam in Andhra Pradesh and was charged to revenue expenditure. As per the GoI decision, the above expenditure would become part of VPT's equity in joint venture company to be formed. Thus the expenditure should be classified as advances instead of revenue expenditure. This resulted in overstatement of Management and General Administration expenses and understatement of 'Advances and Loans to Subsidiaries / Ports / Trusts' under Current Assets and profit before tax by ₹5.56 crore.

C. Management Letter

3. Deficiencies which have not been included in the Audit Report have been brought to notice of the Chairman, Visakhapatnam Port Trust, through a management letter issued separately for corrective action.
 - v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure-I to this Audit Report give a true and fair view in conformity with accounting principles generally accepted in India-
 - a. In so far as it relates to the Balance Sheet of the state of affairs of the Visakhapatnam Port Trust, Visakhapatnam, as on 31 March 2014, and
 - b. In so far as it relates to Profit & Loss account of the profit/loss for the year ended on that date.
5. A Review of accounts showing the summarized financial results of the port for the last three years is given in Annexure-II.

(V.V.L.NARASIMHAM)
Deputy Director

**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 31.03.2014. During the current year the Internal Audit team had submitted twelve final audit reports to the Chairman covering the financial transactions up to March 2014. 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 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:

- 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 the efforts put for timely realisation of dues are not adequate.
- Letter of confirmation of balances have been issued to only few parties and the same were issued just before the commencement of audit.
- VPT has to extend services against collection of sufficient deposits and not supposed to extend service beyond the amount of the deposit collected. In spite of above due to extension of services without ensuing whether sufficient deposits existing or not resulted in huge amount of unsecured debts of ₹ 123.76 crore as on 31st March 2014.
- 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. In the process, it is difficult to identify the bills, against which the dues are outstanding. This indicates the controls regarding proper recording of the transactions / collections are not adequate. Further this highlights that the controls regarding timely reconciliation are not adequate.
- There was no action plan / proper direction with timeframe from the top level for collection of debtors.
- The port users shall maintain a minimum balance of ₹ 25,000 in their revolving deposit accounts for availing port services. Some of the deposit accounts, however, show negative balances on the dates of balance sheet. Even though manual corrective journal vouchers are used to be passed to transfer such negative balance amount to Sundry Debtors account, such negative



balances are continued to be shown in respect of some of deposit accounts years together i.e., from 2002-03 onwards, without ascertaining / indicating reasons thereof. This indicates the control regarding operation of deposit accounts is not adequate.

- Even though provision for doubtful debts made since 2002-03 is still continued, there was no follow-up / settlement of the issues to the logical end.

3. System of Physical verification of fixed assets

- Physical verification of the fixed assets is to be done once in five years and is due in the year 2011-12. The Physical verification of fixed assets was done up to 31.3.2013 and the report was submitted by the Physical Verification Committee on 29.03.2014. The reconciliation on the remarks of the report was not yet commenced (July 2014).

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.

(V.V.L.NARASIMHAM)
Deputy Director

**Annexure- II**

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

1. Introduction

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

2. Financial position

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

(₹ in crore)

	Description	2011-12	2012-13	2013-14
I.A	Liabilities			
	(i) Capital Reserves	831.3	898.98	902.51
	(ii) Other Reserves	948.86	944.86	959.95
	(iii) Borrowings			
	Capital Debts	0.00	0.00	50.00
	(iv) Current liabilities & Provisions & other liabilities(PF/Pension, Gratuity Fund)	1395.64	1420.82	1608.46
	(v) Deferred Tax Liability	0.00	0.00	0.00
	Total	3175.80	3264.66	3520.92
B	(i) Fixed Assets (Gross block)	1328.55	1431.16	1467.15
	(ii) Less: Depreciation	-497.25	-532.18	564.65
	(iii) Net Fixed Assets	831.3	898.98	902.5
	(iv) Work-in-Progress	138.46	98.29	324.40
	(v) Investments	647.48	556.46	165.47
	(vi) Current Assets loans and Advances	1459.11	1569.81	1993.74
	(vii) Miscellaneous Expenditure (DRE)	0.00	0.00	0.00
	Deferred Tax Asset	99.45	141.12	134.79
	Total	4007.1	4163.64	5552.70
C	Working Capital	63.47	148.99	385.28
D	Net Worth	1780.16	1843.84	1862.46
E	Capital Employed	894.77	1047.97	1287.78
F	Percentage of Return on Capital employed	6.35	6.08	1.43
G	Capital employed (including work-in-progress)	1033.23	1146.26	1612.18
H	Percentage of Return on Capital Employed (including works-in progress)	5.5	5.56	1.14

**3. Summary of working results**

The working results of the Port Trust for the year ended 31st March 2014 as compared to the last two years ended 31st March 2012, 2013 were as follows:

(Rs. in crore)

		2011-12	2012-13	2013-14
II	Revenue			
a	Income			
	Operating Income	726.42	702.88	800.82
	Non-operating Income	450.91	186.64	148.92
	Total	1177.33	889.52	949.74
b	Expenditure			
	Operating Expenditure	436.36	489.42	577.55
	Non-operating Expenditure	840.36	363.06	340.15
	Total	1276.72	852.48	917.70
c	Net Surplus/deficit before appropriation / profit before tax	-99.39	37.04	32.04
	Less: Provision for taxation			
	Previous year	-49.67	0.00	0.00
	Current year	53	15.00	7.29
	Fringe Benefit Tax	0.00	0.00	0.00
	Deferred Tax	-159.54	-41.67	6.33
	Profit after tax	56.82	63.71	18.42
d	Less: Mandatory Appropriation / transfer to Reserve Fund (Net Profit)	53.69	62.88	0.00
e	Surplus transferred to General Reserve Fund (Net profit)	2.99	0.24	18.30
f	Percentage of net surplus to			
	Operating Income	7.82	9.06	2.30
	Net fixed Assets	6.84	7.09	2.04
	Net Worth	3.19	3.46	0.99

4. Ratio Analysis (liquidity & Solvency)

- Percentage of current assets to current liabilities increased from 110.49 in 2012-13 to 123.95 in 2013-14. 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 68.49 in 2012-13 to 86.46 in 2013-14.
- Percentage of sundry debtors to operating income increases to 15.45 in 2013-14 as against 10.13 in 2012-13. This indicates poor performance in recovery of debts
- Debt/Capital Reserves & Other Reserves ratio raised to 2.68 in 2013-14 which was nil in 2012-13
- Percentage of current assets to total assets increased from 48.08 in 2012-13 to 56.63 in 2013-14
- Percentage of Operating Expenditure to Operating Income increased from 69.63 in 2012-13 to 72.12 in 2013-14. This indicates the need for proper control on operating expenses.

(V.V.L.NARASIMHAM)
Deputy Director



ANNUAL ACCOUNTS

Schedules to Balance Sheet as at 31st March 2014		Schedules to Revenue Account for the year ended 31st March 2014	
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 2014		As at 31st MARCH 2013	
SOURCES OF FUNDS:					
<u>RESERVES & SURPLUSES:</u>	1.1				
A. CAPITAL RESERVE			9,02,50,51,400	8,98,97,58,022	
B. REVENUE RESERVES					
a) General Reserve Fund		1,03,19,69,307		88,55,07,710	
b) Employees Family Security Scheme		5,51,16,769		5,07,67,082	
			1,08,70,86,076	93,62,74,792	
C. STATUTORY RESERVES					
a) Reserve for Replacement, Rehabilitation and Modernisation of Capital Assets		4,05,41,60,448		4,05,41,60,448	
b) Reserve for Development, Repayment of Loans and Contingencies		4,45,82,20,504		4,45,82,20,504	
			8,51,23,80,952	8,51,23,80,952	
					18,43,84,13,766
<u>LOAN FUNDS:</u>	1.2				
A. SECURED LOANS			0	0	
B. GOVERNMENT LOANS			50,00,00,000	0	
C. UNSECURED LOANS			0	0	
					0
			50,00,00,000		
TOTAL SOURCES OF FUNDS			19,12,45,18,428		18,43,84,13,766



BALANCE SHEET

		(Amount in ₹)	
	SCH	As at 31st MARCH 2014	As at 31st MARCH 2013
APPLICATION OF FUNDS:			
A. FIXED CAPITAL ASSETS: (Net Block)			
a) Land	2.1	39,12,18,245	39,12,18,245
b) Lease hold Land		73,881	73,881
c) Capital Dredging		1,05,74,80,434	1,07,02,22,421
d) Building Sheds and Other Structures		44,27,21,008	44,30,81,407
e) Wharves, Roads, Boundaries		1,21,40,73,383	93,50,71,234
f) Floating Craft		1,27,74,24,789	1,37,53,65,095
g) Railway and Rolling Stock		1,21,89,55,745	1,23,22,15,103
h) Docks, Sea-Walls, Piers, & Navigational: Aids		2,43,43,20,323	2,47,62,47,627
i) Cranes and Vehicles		36,84,19,388	43,03,74,587
j) Plant & Machinery		32,86,30,675	30,31,46,285
k) Installations for Water, Electricity, Telecom. & Fire fighting		29,17,33,529	33,27,42,137
B. CAPITAL WORKS IN PROGRESS		9,02,50,51,400	8,98,97,58,021
		3,24,40,37,131	98,29,15,364
		12,26,90,88,531	9,97,26,73,385
INVESTMENTS:			
A. INVESTMENTS OF GENERAL RESERVE FUND	2.2	48,00,00,000	48,00,00,000
B. INVESTMENTS OF STATUTORY RESERVES		3,97,03,444	3,97,03,444
1. Government or Trust Securities		32,00,00,000	24,00,00,000
2. Shares, Debentures or Bonds		0	4,06,00,00,000
3. Other Investments		0	4,33,97,03,444
C. INVESTMENTS OF CASH SURPLUS FUNDS		81,50,31,235	74,48,55,395
1. Other Investments	2.3	81,50,31,235	74,48,55,395
CURRENTS ASSETS, LOANS & ADVANCES:			
A. CURRENT ASSETS		98,77,10,211	96,81,97,677
I. Accrued interest on Investments		7,56,77,398	11,40,71,673
II. Inventories		0	0
III. Sundry Debtors		44,05,01,423	41,23,82,852
a) Government Dues		0	0
b) Inter Port Dues		79,70,86,310	29,98,44,406
c) Non Government Dues		1,23,75,87,733	71,22,27,258
IV. Cash & Bank Balances		15,16,942	7,43,258
a) Cash Balance on hand		12,66,77,73,619	9,01,81,99,281
b) Bank Balances with Scheduled Banks		0	0
c) Bank Balances with other Banks		12,66,92,90,561	9,01,89,42,539
		14,97,02,65,903	10,81,34,39,147
B. LOANS & ADVANCES		13,40,00,000	12,40,00,000
a) Advances & Loans to subsidiaries/ Ports / Trusts		24,22,71,703	26,39,56,715
b) Advances recoverable in cash or in kind for the value to be received		4,51,31,21,190	4,42,52,35,963
c) Balances with Customs, Excise, Income Tax etc.		7,77,44,034	7,14,78,526
d) Deposits		4,96,71,36,927	4,88,46,71,204
		19,93,74,02,830	15,69,81,10,351



BALANCE SHEET

(Amount in ₹)

	SCH	As at 31st MARCH 2014			As at 31st MARCH 2013		
LESS: CURRENT LIABILITIES & PROVISIONS:							
A. CURRENT LIABILITIES:							
I. PROVIDENT, PENSION & GRATUITY FUNDS							
a) Provident Fund		3,90,79,019			2,85,52,834		
b) Pension Fund		3,78,12,71,492			3,49,51,49,461		
c) Gratuity Fund		17,24,15,303	3,99,27,65,814		18,17,98,673	3,70,55,00,968	
II. SUNDRY CREDITORS							
a) Creditors for Stores		5,26,77,860			2,85,17,012		
b) Unadjusted Sale proceeds of unclaimed goods		0			0		
c) Unadjusted Sale proceeds of surplus materials		0	5,26,77,860		0	2,85,17,012	
III. MISCELLANEOUS CREDITORS & CREDIT BALANCES							
a) Demurrage/Wagon Hire charges payable to Railways		7,12,86,998			3,09,22,424		
b) Statutory Payments		30,07,13,270			35,65,15,872		
c) Liability towards Capital Expenses		2,12,72,455			2,12,72,455		
d) Others		43,08,14,525			45,71,33,990		
e) Deposits from Merchants, Contractors & Others		1,15,40,24,749	1,97,81,11,997		87,00,08,548	1,73,58,53,289	
IV. ADVANCE PAYMENTS & UN EXPIRED DISCOUNTS for the portion for which value has still to be given			3,95,33,50,529			3,85,86,90,004	
V. OTHER LIABILITIES							
VI. INTEREST ACCRUED BUT NOT DUE ON LOANS							
			3,24,10,86,828			2,08,58,37,697	
			35,01,04,838			35,01,04,838	
			13,56,80,97,866			11,76,45,03,809	
B. PROVISIONS:							
a) Provision for Taxation		2,51,65,34,746			2,44,36,50,000		
b) Provision for contingencies		0			0		
c) Other provisions		0			0		
NET CURRENT ASSETS							
MISCELLANEOUS EXPENDITURE: (To the extent not written off or adjusted)							
DEFERRED TAX ASSET:							
	2.5		2,51,65,34,746	16,08,46,32,612		2,44,36,50,000	14,20,81,53,809
				3,85,27,70,218			1,48,99,56,542
				0			0
				1,34,79,25,000			1,41,12,25,000
TOTAL APPLICATION OF FUNDS	1.3			19,12,45,18,428			18,43,84,13,766

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



SCHEDULE - 1.1

RESERVES AND SURPLUSES

	Capital Reserve	Revenue Reserves				Statutory Reserves	
		General Reserve Fund	Employees' Family Security Scheme	Employees' Welfare Fund	Capital Assets Replacement Reserve	Reserve for Development, Repayment of Loans & Contingencies	
		₹	₹	₹	₹	₹	
Opening Balance as on 01.04.2013	8,98,97,58,022	88,55,07,710	5,07,67,082	0	4,05,41,60,448	4,45,82,20,504	
ADD:							
1. (a) Contribution from Revenue A/c	0	0	46,42,618	25,00,000	0	0	
(b) Additional Depreciation	0	0	0	0	0	0	
2. Transfer from Revenue A/c	12,61,864	18,30,12,773	0	0	0	0	
3. (a) Transfer from Other Reserves	0	0	0	0	0	0	
(b) General Reserve Fund	3,40,31,514	0	0	0	0	0	
4. Other Transfers	0	0	13,74,891	0	0	0	
	9,02,50,51,400	1,06,85,20,483	5,67,84,591	25,00,000	4,05,41,60,448	4,45,82,20,504	
LESS:							
1. Transfer from Reserves							
a) Net Deficit	0	0	0	0	0	0	
b) Transfer to Capital Reserve	0	3,40,31,514	0	0	0	0	
c) Repayment of Loans	0	0	0	0	0	0	
d) Transfer to Statutory Reserves	0	0	0	0	0	0	
2. Other Transfers							
a) Transfer to Revenue Account	0	25,19,662	0		0	0	
3. Expenditure during the year	0	0	16,67,822	25,00,000	0	0	
Closing Balance as on 31.03.2014	9,02,50,51,400	1,03,19,69,307	5,51,16,769	0	4,05,41,60,448	4,45,82,20,504	

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



Schedules to Balance Sheet

SCHEDULE - 1.2

LOAN FUNDS

	Secured Loans	
	Loans & Advances	Funds provided by Govt. of India
	₹	₹
Balance as on 31-03-2013	0	0
Received during the year	0	50,00,00,000
Transferred to Capital Reserve during the year	0	0
Balance as on 31-03-2014	0	50,00,00,000

SCHEDULE - 1.3

DEFERRED TAX LIABILITY

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
	₹	₹
Defferred Tax Liabilities - Opening Balance:		
Timing difference on account of Depreciation	41,70,75,000	-99,45,25,000
Less: Timing difference on account of sums payable as employer u/s 43(B) of IT Act, 1961	1,82,83,00,000	
Defferred Tax Liability	-1,41,12,25,000	-99,45,25,000
Timing difference on account of Depreciation	48,03,75,000	41,70,75,000
Less: Timing difference on account of sums payable as employer u/s 43(B) of IT Act, 1961	1,82,83,00,000	1,82,83,00,000
Defferred Tax Asset - Closing Balance	(1,34,79,25,000)	(1,41,12,25,000)
Net Defferred Tax charged to P&L Account	6,33,00,000	(41,67,00,000)

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



SCHEDULE - 2.1

FIXED CAPITAL ASSETS

Schedules to Balance Sheet

Particulars of Assets	Gross Block			Depreciation			Net Block	
	As at 1-Apr-13	Additions	Deletions/ Adjustments	As at 31-Mar-14	As at 1-Apr-13	Provision	Adjustments	As at 31-Mar-14
	₹	₹	₹	₹	₹	₹	₹	₹
1 Land	39,12,18,245	0	0	39,12,18,245	0	0	0	39,12,18,245
Lease hold Land	73,881	0	0	73,881	0	0	0	73,881
2 Capital Dredging	1,44,95,30,471	0	0	1,44,95,30,471	37,93,08,049	1,27,41,988	0	1,07,02,22,421
3 Buildings Sheds and Other Structures	72,77,27,891	1,81,94,053	32,29,887	74,26,92,058	28,46,46,484	1,75,45,970	22,21,405	29,99,71,049
4 Wharves, Roads, Boundaries	1,23,51,56,208	31,23,29,166	0	1,54,74,85,394	30,00,84,974	3,33,27,037	0	33,34,12,011
5 Floating Craft	2,30,71,34,753	1,13,03,972	0	2,31,84,38,725	93,17,69,658	10,92,44,278	0	1,04,10,13,936
6 Railway and Rolling Stock	1,86,73,61,817	3,39,90,690	1,88,01,365	1,88,25,51,142	63,51,46,714	4,72,50,048	1,88,01,365	66,35,95,397
7 Docks, Sea-Walls, Piers, and Navigational Aids	3,12,74,28,397	14,34,489	0	3,12,88,62,886	65,11,80,770	4,33,61,793	0	69,45,42,563
8 Cranes and Vehicles	1,15,59,46,418	0	6,45,21,963	1,09,14,24,455	72,55,71,830	5,55,68,584	5,81,35,347	72,30,05,067
9 Plant & Machinery	96,11,58,415	6,47,08,523	17,07,863	1,02,41,59,075	65,80,12,130	3,91,92,932	16,76,663	69,55,28,399
10 Installations for Water, Electricity, Telecom. & Fire Fighting	1,08,88,43,471	62,84,865	49,186	1,09,50,79,150	75,61,01,334	4,72,92,596	48,310	80,33,45,620
TOTAL	14,31,15,79,967	44,82,45,778	8,83,10,263	14,67,15,15,481	5,32,18,21,944	40,55,25,227	8,08,83,090	9,98,97,58,022
11 Capital Works in progress	98,29,15,364	2,70,93,67,545	44,82,45,778	3,24,40,37,131	--	--	--	98,29,15,364
TOTAL FIXED CAPITAL ASSETS	15,29,44,95,331	3,15,76,13,323	53,65,56,041	17,91,55,52,612	5,32,18,21,944	40,55,25,227	8,08,83,090	9,97,26,73,386

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



Schedules to Balance Sheet

SCHEDULE - 2.2

INVESTMENTS

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



Schedules to Balance Sheet

SCHEDULE - 2.2

INVESTMENTS

	As at 31st MARCH 2014		As at 31st MARCH 2013	
	COST VALUE	FACE VALUE	COST VALUE	FACE VALUE
	₹	₹	₹	₹
3. Other Investments				
TDRs with State Bank of Mysore @ 10.70%	--	--	10,00,00,000	10,00,00,000
TDRs with IDBI Bank @ 9.41%	--	--	1,50,00,00,000	1,50,00,00,000
TDRs with Andhra Bank @ 9.00%	--	--	1,10,00,00,000	1,10,00,00,000
TDRs with Andhra Bank @ 9.20%	--	--	90,00,00,000	90,00,00,000
TDRs with Andhra Bank @ 9.10%	--	--	20,00,00,000	20,00,00,000
TDRs with Corporation Bank @ 9.68%	--	--	18,00,00,000	18,00,00,000
	0	0	3,98,00,00,000	3,98,00,00,000
TOTAL(B)	35,97,03,444	36,00,00,000	4,33,97,03,444	4,34,00,00,000
C. CASH SURPLUS FUNDS				
LIC of India under Group Leave Encashment Scheme	70,37,03,389	70,37,03,389	64,33,49,148	64,33,49,148
Bajaj Allianz under Group Leave Encashment Scheme	2,50,56,448	2,50,56,448	2,28,82,601	2,28,82,601
Bajaj Allianz under Family Security Scheme	5,99,72,004	5,97,69,459	5,45,83,981	5,45,83,981
State Bank of India (Life) under Group Leave Encashment Scheme	2,62,99,394	2,62,99,394	2,40,39,665	2,40,39,665
TOTAL (C)	81,50,31,235	81,48,28,690	74,48,55,395	74,48,55,395
TOTAL INVESTMENTS: (A+B+C)	1,65,47,34,679	1,65,48,28,690	5,56,45,58,839	5,56,48,55,395

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



Schedules to Balance Sheet

SCHEDULE - 2.3

CURRENT ASSETS, LOANS & ADVANCES

	As at 31st MARCH 2014		As at 31st MARCH 2013	
	₹	₹	₹	₹
CURRENT ASSETS				
i. Accrued Interest on Investments		98,77,10,211		96,81,97,677
ii. Inventories				
Service Stock & Spares				
Inventories held for less than 2 years	6,99,05,507		11,31,01,285	
Inventories held for more than 2 years but less than 3 years	37,11,990		5,85,038	
Inventories held for more than 3 years but less than 10 years	24,23,414		26,15,360	
Inventories held for more than 10 years but less than 15 years	0		0	
Inventories held for more than 15 years	0		0	
	7,60,40,911		11,63,01,683	
less: Depreciation on Non-moving Inventories	3,63,512	7,56,77,399	22,30,010	11,40,71,673
iii. Sundry Debtors				
a) Debts Considered good but not secured:				
a. Cargo related dues	12,95,77,045		9,60,86,440	
b. Vessel related dues	23,81,543		23,81,543	
c. Estate dues	72,46,48,567		36,72,77,450	
d. Railway dues	15,91,28,719		13,53,86,998	
e. Fishing Harbour dues	11,05,60,578		15,31,895	
f. Other misc. dues	11,12,91,281		10,95,62,932	
		1,23,75,87,733		71,22,27,258
b) Debts Considered doubtful or Bad:				
a. Cargo related dues	2,29,27,786		2,29,27,786	
b. Vessel related dues	2,377		2,377	
c. Estate dues	42,59,566		42,59,566	
d. Railway dues	4,08,79,049		3,98,29,234	
e. Fishing Harbour dues	50,26,643	7,30,95,421	50,26,643	7,20,45,606
		1,31,06,83,154		78,42,72,864
less: Provision for Doubtful Debts		7,30,95,421		7,20,45,606
		1,23,75,87,733		71,22,27,258
iv. Cash & Bank Balances				
a. Cash on hand		15,16,942		7,43,258
b. Balance at Banks:				
c. In Current/Savings Bank Accounts:				
Andhra Bank - Port Branch	4,79,38,278		3,82,54,151	
Axis Bank	1,315		1,315	
Bank of Baroda	7,59,216		7,60,007	
Canara Bank	20,82,982		20,73,625	
Central Bank of India	374		1,236	
Indian Overseas Bank	32,99,884		3,50,986	
Industrial Development Bank of India (IDBI)	15,16,183		1,61,812	
Oriental Bank of Commerce	11,08,696		11,08,696	
State Bank of Hyderabad - Surya Bagh Branch	36,06,208		55,68,804	
State Bank of India - Main Branch	6,55,337		18,01,504	
State Bank of India - Main Branch (Escrow A/c)	13,07,120		12,31,530	
State Bank of India - Port Branch	3,29,94,951		2,73,45,387	
Union Bank of India - RTGS SB A/c 133641	9,32,147		4,51,462	
		9,62,02,691		7,91,10,515



Schedules to Balance Sheet

SCHEDULE - 2.3

CURRENT ASSETS, LOANS & ADVANCES

	As at 31st MARCH 2014		As at 31st MARCH 2013	
	₹	₹	₹	₹
d. In Deposits Accounts (TDR A/c & CLTD A/c):				
Andhra Bank	1,26,50,00,000		64,50,00,000	
State Bank of Patiala	70,00,00,000		0	
Bank of India	0		10,00,00,000	
Industrial Development Bank of India (IDBI)	0		2,10,00,00,000	
Life Insurance Corporation of India	9,58,98,952		1,03,20,80,086	
State Bank of Hyderabad	2,57,00,00,000		80,00,00,000	
Andhra Bank	81,00,00,000		4,13,89,882	
State Bank of India - Port Branch	4,06,71,976		52,06,18,804	
Vijaya Bank	50,00,00,000		0	
State Bank of Mysore	1,20,00,00,000		1,00,00,00,000	
Indian Overseas Bank	2,00,00,00,000		2,70,00,00,000	
TDRs with Union Bank of India @ 9.00%	1,37,00,00,000		0	
TDRs with Indian Overseas Bank @ 9.82%	82,00,00,000		0	
TDRs with Vijaya Bank @ 9.23%	1,20,00,00,000		0	
		12,57,15,70,928		8,93,90,88,766
		12,66,92,90,561		9,01,89,42,539
TOTAL CURRENT ASSETS		14,97,02,65,904		10,81,34,39,147
LOANS & ADVANCES *				
1. Advances & Loans to subsidiaries/ Ports / Trusts				
Intercompany Loan to Hindustan Shipyard Limited	1,00,00,000		0	
Sub-ordinate Loan to Visakhapatnam Port Road Co. Ltd.	12,40,00,000		12,40,00,000	
		13,40,00,000		12,40,00,000
2. Advances recoverable in cash or in kind or the value to be received				
Advances for Contract Works	10,78,67,629		14,90,42,002	
Advances for Purchases - Stores	4,95,05,869		4,12,08,644	
Computer Advances	1,09,54,652		1,28,36,268	
House Building Advances	1,32,84,093		1,65,65,001	
Motor Car/Cycle Advances	60,49,934		67,20,146	
Travel/LTC Advances	47,42,138		43,66,175	
Others	5,04,71,787		3,38,22,879	
		24,28,76,102		26,45,61,114
		6,04,399		6,04,399
less: Provision for Doubtful Advances		24,22,71,703		26,39,56,715
3. Balances with Customs, Excise, Income Tax etc.				
Voluntary deposit with Telecommunication Dept.	30,550		30,550	
Income Tax - TDS, Advance Tax & Service Tax	4,51,30,90,640		4,42,52,05,413	
		4,51,31,21,190		4,42,52,35,963
4. Deposits				
Deposits with APTRANSCO.	5,33,49,886		4,70,84,378	
Deposits with GVMC.	2,43,94,148		2,43,94,148	
		7,77,44,034		7,14,78,526
* Loans and Advances considered as good and unsecured.				
TOTAL LOANS & ADVANCES		4,96,71,36,927		4,88,46,71,204

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



Schedules to Balance Sheet

SCHEDULE - 2.4

CURRENT LIABILITIES AND PROVISIONS

	As at 31st MARCH 2014		As at 31st MARCH 2013	
	₹	₹	₹	₹
A. CURRENT LIABILITIES:				
I. PROVIDENT, PENSION & GRATUITY FUNDS				
a) Provident Fund	3,90,79,019		2,85,52,834	
b) Pension Fund	3,78,12,71,492		3,49,51,49,461	
c) Gratuity Fund	17,24,15,303		18,17,98,673	
		3,99,27,65,814		3,70,55,00,968
II. SUNDRY CREDITORS				
a) Creditors for Stores	5,26,77,860		2,85,17,012	
b) Unadjusted Sale proceeds of unclaimed goods	0		0	
c) Unadjusted Sale proceeds of surplus materials	0		0	
		5,26,77,860		2,85,17,012
III. MISCELLANEOUS CREDITORS & CREDIT BALANCES				
a) Demurrage/Wagon Hire charges payable to Railways	7,12,86,998		3,09,22,424	
b) Statutory Payments	30,07,13,270		35,65,15,872	
c) Liability towards Capital Expenses	2,12,72,455		2,12,72,455	
d) Others	43,08,14,525		45,71,33,990	
e) Deposits from Merchants, Contractors & Others	1,15,40,24,749		87,00,08,548	
		1,97,81,11,997		1,73,58,53,289
IV. ADVANCE PAYMENTS & UN EXPIRED DISCOUNTS for the portion for which value has still to be given				
a) Prepaid Income	10,50,77,178		8,56,94,716	
b) Up-front Premium to be amortised	3,84,82,73,351		3,77,29,95,288	
c) Volume Discount to be given to Trade	0		0	
		3,95,33,50,529		3,85,86,90,004
V. OTHER LIABILITIES		3,24,10,86,828		2,08,58,37,697
VI. INTEREST ACCRUED BUT NOT DUE ON LOANS		35,01,04,838		35,01,04,838
TOTAL CURRENT LIABILITIES		13,56,80,97,866		11,76,45,03,809
B. PROVISIONS:				
I) Provision for Taxation	2,51,65,34,746		2,44,36,50,000	
II) Provision for contingencies	0		0	
III) Other provisions	0		0	
TOTAL PROVISIONS		2,51,65,34,746		2,44,36,50,000
TOTAL CURRENT LIABILITIES & PROVISIONS		16,08,46,32,612		14,20,81,53,809

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



PROFIT AND LOSS ACCOUNT

	FOR THE PERIOD ENDING	
	31st MARCH 2014	31st MARCH 2013
INCOME :	₹	₹
Cargo Handling & Storage Charges	3,65,28,01,240	3,21,78,58,743
Port & Dock Charges	2,54,05,68,395	2,21,89,54,616
Railway Earnings	1,18,37,95,281	1,05,64,51,029
Estate Rentals	63,10,44,777	53,55,06,806
TOTAL OPERATING INCOME	8,00,82,09,693	7,02,87,71,194
EXPENDITURE :		
Cargo Handling & Storage	1,59,13,28,817	1,34,72,22,815
Port & Dock Facilities	1,22,28,29,965	1,12,02,64,503
Railway Working	99,83,40,014	70,11,43,209
Rentable lands & Buildings	34,80,31,193	30,21,02,389
Management & General Administrative Expenses	1,61,49,37,316	1,42,34,70,301
TOTAL OPERATING EXPENDITURE	5,77,54,67,305	4,89,42,03,217
OPERATING SURPLUS :	2,23,27,42,388	2,13,45,67,977
Add: Finance & Miscellaneous Income	1,48,91,91,116	1,86,64,40,888
Less: Finance & Miscellaneous Expenditure	3,40,14,74,121	3,63,06,00,085
PROFIT BEFORE TAX	32,04,59,383	37,04,08,780
Less: Provision for Taxation:		
Previous Years	0	0
Current Year	7,28,84,746	15,00,00,000
Deferred Tax	6,33,00,000	-41,67,00,000
PROFIT AFTER TAX	18,42,74,637	63,71,08,780
Less: Profit on Disposal of Capital Assets transferred to Capital Reserve	12,61,864	59,43,515
Amount Available for Appropriations	18,30,12,773	63,11,65,265
Less: Appropriations		
Fund for Development, Repayment of Loans and Contingencies	0	31,43,91,437
Fund for Replacement, Rehabilitation and Modernisation of Capital Assets	0	31,43,91,437
TOTAL APPROPRIATIONS	0	62,87,82,874
BALANCE TRANSFERRED TO GENERAL RESERVE	18,30,12,773	23,82,391

Sd/-
CHAIRMAN

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



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2014	31st MARCH 2013
	₹	₹
SCHEDULE - R.1		
CARGO HANDLING & STORAGE CHARGES:		
Handling & Storage charges on General Cargo	2,27,73,68,472	2,34,17,05,668
Storage of goods in Ware Houses	1,73,71,144	2,25,80,497
Cranage	36,29,644	75,48,700
Lighterage	40,916	1,15,692
Handling of POL Oils & Lubricants	56,82,84,414	62,82,47,254
Demurrage fees on General Cargo	25,01,33,055	8,75,11,045
Royalties from BOT Contracts	51,76,24,567	10,18,47,745
Miscellaneous Charges	1,83,49,028	2,83,02,142
TOTAL	3,65,28,01,240	3,21,78,58,743
SCHEDULE - R.2		
PORT & DOCK CHARGES:		
Towing and Mooring Fees	12,97,79,803	9,94,79,394
Dock Dues	49,42,98,275	40,72,95,466
Port Dues	60,59,10,592	56,27,42,490
Pilotage Fees	1,24,38,91,603	1,11,41,09,757
Dry - Docking charges	1,90,88,393	67,13,539
Water supply to shipping	29,13,951	20,91,850
Salvage and Under Water Repairs	52,60,360	32,57,540
Miscellaneous Charges	3,94,25,418	2,32,64,580
TOTAL	2,54,05,68,395	2,21,89,54,616
SCHEDULE - R.3		
RAILWAY EARNINGS:		
Wagon Hire & Haulage Charges	19,96,82,845	25,33,77,890
Siding Charges	29,56,42,365	21,52,07,630
Terminal Charges	54,52,58,947	53,26,04,222
Miscellaneous Charges	14,32,11,124	5,52,61,287
TOTAL	1,18,37,95,281	1,05,64,51,029

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



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2014	31st MARCH 2013
	₹	₹
SCHEDULE - R.4		
ESTATE RENTALS:		
Rent from Lands	54,17,52,650	46,16,43,205
Rent on Storage Sheds	2,62,668	2,21,407
Rent from accommodation provided for outside offices	18,91,600	8,90,340
Kalavani Auditorium	70,50,000	47,62,000
Rent from Port Trust quarters	57,72,204	53,59,324
Recoverable Charges	4,05,25,569	3,60,85,849
Miscellaneous Income	3,37,90,086	2,65,44,681
TOTAL	63,10,44,777	53,55,06,806
SCHEDULE - R.5		
CARGO HANDLING & STORAGE :		
Handling and Storage of General Cargo at Sheds and Wharves	67,04,62,585	53,14,83,285
Warehousing	0	5,504
Operation and Maintenance of Ore Handling Plant	59,25,38,357	51,27,94,118
Operation and Maintenance of Lighters and Barges	71,02,384	64,38,091
Operation and Maintenance of Wharf Cranes & Crane Vessels	10,07,45,609	9,05,23,512
Expenditure on General facilities at Docks	6,01,32,736	4,98,26,728
Administration & General Expenses	3,67,66,825	3,23,94,966
New Minor Works	0	0
Depreciation	12,35,80,321	12,37,56,611
TOTAL	1,59,13,28,817	1,34,72,22,815

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



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2014	31st MARCH 2013
	₹	₹
SCHEDULE - R.6		
PORT & DOCK FACILITIES:		
Towing, Berthing and Mooring	29,77,76,442	23,14,80,265
Pilotage	31,91,78,691	33,47,25,866
Dry Docking Expenses	8,00,13,914	4,86,32,245
Water Supply to Shipping	2,53,11,502	1,97,86,755
Fire Fighting	6,17,02,801	5,51,08,968
Dredging and Marine Survey	22,07,53,466	23,70,82,957
Operation & Maint. of Navigational aids	2,59,63,782	48,05,127
Salvage & Under-water repairs	11,08,766	8,88,075
Maintenance of Docks & Harbour Walls, Marine Structures etc.	23,03,616	18,47,812
Administration & General Expenses	1,58,53,804	1,31,22,749
New Minor Works	0	0
Depreciation	17,28,63,181	17,27,83,684
TOTAL	1,22,28,29,965	1,12,02,64,503
SCHEDULE - R.7		
RAILWAY WORKING:		
Operation & Maintenance of Locomotives, Wagons etc.	44,19,72,444	31,70,11,323
Maintenance of Permanent Way Signals & Inter-locking	21,35,04,059	9,66,20,565
Operation, Maint. & Admn. expenses of Stations, Yards and Sidings	7,27,34,201	4,42,97,107
Administration & General Expenses	21,82,25,070	19,51,65,706
New Minor Works	0	0
Depreciation	5,19,04,240	4,80,48,508
TOTAL	99,83,40,014	70,11,43,209

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



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2014	31st MARCH 2013
	₹	₹
SCHEDULE - R.8		
RENTABLE LANDS & BUILDINGS:		
Estate Maintenance	28,19,41,925	24,33,56,695
Land repairs and reclamation	55,76,742	48,84,559
Administration & General Expenses	2,61,81,666	2,20,89,400
New Minor Works	0	0
Depreciation	3,43,30,860	3,17,71,735
TOTAL	34,80,31,193	30,21,02,389
SCHEDULE - R.9		
MANAGEMENT & GENERAL ADMINISTRATION:		
Management & Secretarial Expenses	39,32,53,215	35,11,66,626
Port Security (C.I.S.F)	28,57,94,020	25,33,29,033
Legal Expenses	23,37,574	9,73,600
Labour and Welfare Expenses	0	1,48,091
Research and Planning Cell	5,68,68,326	4,47,16,483
Medical Expenses	27,62,51,395	25,27,47,913
Store Keeping	5,85,96,205	5,48,47,170
Accounting and Auditing	7,09,60,711	6,20,08,147
Expenditure on Head Office Building	0	0
Telephones	64,33,158	96,88,557
Engineering & Workshop Administration Overheads	43,00,14,032	34,10,94,685
Sundry Expenses	1,47,75,364	3,39,38,774
New Minor Works	0	0
Depreciation	1,96,53,316	1,88,11,222
TOTAL	1,61,49,37,316	1,42,34,70,301

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



Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2014	31st MARCH 2013
SCHEDULE - R.10		
FINANCE & MISCELLANEOUS INCOME:		
Interest on Fixed Deposits & Cash Balances	1,32,59,87,993	1,39,81,88,321
Interest on Revenue Account	54,98,669	99,66,255
Interest on Deposit Account	45,30,217	56,75,222
Interest on Income Tax Refunds		16,85,31,263
Miscellaneous Income	8,30,05,014	23,62,86,349
Sundry Receipts	3,70,37,729	2,24,64,289
Profit on Disposal of Capital Assets	82,29,618	2,31,87,768
Centage Charges	1,44,072	39,744
Sale of Tender documents	4,43,235	43,53,545
Stores Adjustments (Excesses)	1,569	3,31,481
Items relating to previous year	2,43,13,000	(25,83,349)
TOTAL	1,48,91,91,116	1,86,64,40,888
SCHEDULE - R.11		
FINANCE & MISCELLANEOUS EXPENDITURE:		
Bank Charges	34,343	54,015
INTEREST PAYABLE ON :		
i) - Loans from Government	44,06,198	44,06,198
ii) Loans from Other agencies	0	0
Bad Debts written off	0	0
Provision for Bad and Doubtful debts	10,49,815	28,80,990
Property Tax	31,68,34,587	27,93,24,954
Expenses on IT appeals etc	21,000	2,500
Loss on Disposal of Capital Assets	0	3,47,222
Stores Adjustments	0	0
Productivity linked Bonus/PLR	0	0
Lumpsum payment to ML Candidates	1,69,40,000	14,51,10,000
Retirement Benefits:		
i) Retirement Gratuities	13,77,03,000	18,31,81,674
ii) V.R.Scheme Ex-gratia payment	3,71,41,768	1,28,54,276
iii) a) Pension Payments	1,24,34,89,932	1,09,63,18,263
b) Contribution to New Pension (Tier-I) Scheme	1,44,30,382	96,74,928
c) Contribution to pension fund	1,50,00,00,000	1,77,14,00,000
d) Commutation of Pension	10,85,07,353	8,98,54,881
Contribution to Corporate Social Responsibility Fund	1,91,00,000	1,70,45,000
Trustees' Contribution to P.F.	76,134	68,742
Prior period expenses	17,39,609	1,80,76,442
TOTAL	3,40,14,74,121	3,63,06,00,085

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 2014	31st MARCH 2013
	₹	₹
A. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :		
1. SALARIES, WAGES & BONUS ETC.		
i. Salaries and wages	2,78,56,65,590	2,36,97,26,188
ii. Bonus	4,02,85,046	3,71,15,100
	2,82,59,50,636	2,40,68,41,288
2. CONTRIBUTION TO PROVIDENT AND OTHER FUNDS		
i. Trustees' contribution to Provident fund	76,134	68,742
ii. Contribution to Pension fund	1,50,00,00,000	1,77,14,00,000
iii. Pension payments including commutation of pension	1,36,64,27,667	1,19,58,48,072
	2,86,65,03,801	2,96,73,16,814
3. GRATUITY	13,77,03,000	18,31,81,674
4. WORKMEN AND STAFF WELFARE EXPENSES		
i. Leave Travel Expenses	17,28,597	10,31,659
ii. Medical Reimbursement Expenses	13,61,47,679	12,12,74,392
iii. Nutrition to inpatients	2,54,904	3,45,890
iv. Stores (Medicines)	4,95,21,362	4,71,89,677
v. Stores (Surgical)	19,62,175	27,96,820
vi. Payments under workmen compensation Act.	6,77,760	6,52,280
vii. Passes and PTO's	0	89,500
viii. Scholarships, Prizes and awards	13,800	20,600
ix. VR scheme Ex-gratia Payments	5,40,81,768	15,79,64,276
	24,43,88,045	33,13,65,094
TOTAL (A)	6,07,45,45,482	5,88,87,04,869
B. OPERATING EXPENSES :		
1. CONSUMPTION OF STORES ON SPARE PARTS ETC.	16,13,19,868	8,80,66,222
2. REPAIRS TO PLANT AND MACHINERY (MECH)	27,52,66,655	27,23,19,371
3. REPAIRS TO BUILDINGS AND CIVIL STRUCTURES	7,44,22,953	8,95,25,110
4. OTHER REPAIRS		
i. Special Repairs	0	0
ii. Special Repairs Covered by Estimates	16,23,22,875	4,16,72,433
iii. Office machine Hire & service charges	3,28,64,947	1,76,37,439
	19,51,87,822	5,93,09,872
5. STORES CONSUMED		
i. Stores General	2,50,90,129	2,95,28,754
	2,50,90,129	2,95,28,754

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 2014	31st MARCH 2013
	₹	₹
6. POWER, FUEL, LUBRICANTS ETC.		
i. Stores (Operational)	36,10,62,003	28,36,39,657
ii. Electric Power	31,02,76,322	24,44,54,677
	67,13,38,325	52,80,94,334
7. NEW MINOR WORKS	0	0
8. OTHER OPERATIONAL EXPENSES		
i. Damages & Deficiencies payable to Railways	3,83,51,512	2,64,51,829
ii. Wagon hire charges	77,97,574	14,53,188
iii. Hire charges for floating crafts	1,11,50,227	1,18,94,732
iv. Hire charges for vehicles	3,41,15,957	2,67,59,156
v. Hire charges for Pvt. Tugs	14,23,61,541	10,89,00,969
vi. Fire charges	0	0
vii. Sundry expenses Operational	7,92,89,831	8,22,63,538
viii. Freight and handling charges	0	0
ix. Safety	0	0
x. Security Charges	28,02,07,691	25,14,20,978
xi. Dredging Charges	7,44,26,725	13,01,87,083
xii. Depreciation	40,23,31,919	39,51,71,760
xiii. Inter Departmental Charges	0	1,717
xiv. Provision for Non-moving stores	-18,66,498	(79,451)
	1,06,81,66,479	1,03,44,25,499
TOTAL (B)	2,47,07,92,230	2,10,12,69,162
C. GENERAL EXPENSES:		
i. Rent, Rates and Taxes	4,57,055	5,11,915
ii. Audit Fees	62,74,440	67,04,377
iii. Water Charges	9,88,12,596	7,40,54,330
iv. Communication Expenses	5,96,942	6,75,496
v. Other Expenses	1,12,33,273	1,02,92,741
vi. Insurance	5,07,140	11,61,520
vii. Traveling Expenses	89,11,353	75,52,369
viii. Furniture and Office Equipment	2,34,637	1,66,016
ix. Miscellaneous Expenses	2,36,51,352	1,65,77,491
x. Stevedoring Expenses	0	0
xi. Port Health	0	0
xii. Advertisement and Publicity	81,45,929	1,12,74,453
xiii. Trustees' Fees	8,54,257	25,150
xiv. Entertainment	22,93,841	20,40,003
xv. Books and Periodicals	2,97,283	2,51,659
xvi. Legal and Professional Charges	85,27,293	66,29,076
xvii. Printing and Publishing	12,63,000	10,41,800
xviii. Deputation to Training Courses	-3,68,977	55,91,746
xix. License Fees	32,90,817	45,25,013
xx. Telephones	62,93,818	54,49,239
xxi. Research and Development	9,86,27,020	4,93,84,402
xxii. Subscriptions	17,271	15,878
xxiii. Donations and Contributions	84,97,821	87,67,274
xxiv. Platinum Jubilee Celebrations	0	0
TOTAL (C)	28,84,18,161	21,26,91,948

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 2014	31st MARCH 2013
	₹	₹
D. FINANCE EXPENSES:		
1. INTEREST EXPENSES		
i. Bank Charges	34,343	54,015
ii. Interest on Government Loans	44,06,198	44,06,198
iii. Interest on Other Loans	0	0
	44,40,541	44,60,213
2. PROPERTY TAX	31,68,34,587	27,93,24,954
TOTAL (D)	32,12,75,128	28,37,85,167
E. PROFIT OR LOSS IN RESPECT OF TRANSACTIONS OF KIND NOT USUALLY UNDERTAKEN BY PORT OR UNDER IN CIRCUMSTANCES OF AN EXCEPTIONAL OR NON - RETURNS, IF MATERIAL IN AMOUNT		
i. Bad Debts written off	0	0
ii. Provision for Bad and Doubtful debts	10,49,815	28,80,990
iii. Loss on Disposal of Capital Assets	0	3,47,222
iv. Stores Adjustments	0	0
v. Prior Period expenses	17,39,610	1,80,76,443
vi. Expenses on Tax Appeals	21,000	2,500
vii. Contribution to Corporate Social Responsibility Fund	1,91,00,000	1,70,45,000
TOTAL (E)	2,19,10,425	3,83,52,155
TOTAL EXPENDITURE	9,17,69,41,427	8,52,48,03,302

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



ANNUAL ACCOUNTS 2013-14

SIGNIFICANT ACCOUNTING POLICIES AND NOTE ON ACCOUNTS.

(A). ACCOUNTING POLICIES:

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

2. Fixed Capital Assets and Depreciation

All assets are capitalised at original cost

Assets with an expected life of less than 5 years and costing less than Rs.1,00,000/- were treated as revenue assets and charged to revenue expenditure as per the existing directives of the Government.

Depreciation is provided under straight line method.

Depreciation on assets put to use for less than 3 months were provided with no depreciation and assets put to use for less than 6 months were provided with half the depreciation and assets in use for more than 6 months were provided full depreciation as per the Government's guidelines.

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

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

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

3. Investments

The Investments held for one year more are classified as Long Term Investments and other Investments are treated as Current Investments.

The Investments are carried in the books of accounts at cost. Provision for diminution in the market value of long term investments is made, if in the opinion of the Board such diminution is permanent in nature.

4. Valuation of Inventory

Inventory of stock items are valued at weighted average method. Non-stock items are being charged off to the respective heads of accounts for which they were specifically procured

5. Income

Revenue arising out of rendering of a service is recognised in proportion to the stage of Completion of the service without waiting for its completion. Wharfage charges are liveable on goods entering docks even if they are not shipped as per notified scale of rates. Accordingly the wharfage income is accounted for. Up-front fee collected on lease of Berths / Facilities and premium on lease of lands are accounted for as pre-paid Income and are being amortised during the lease period.

6. Borrowing Costs

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

7. Foreign Currency Transactions

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

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



8. Taxes on Income

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

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

B. NOTE ON ACCOUNTS

1. Capital Reserve includes Funds provided by the Government of India during 1933 to 1964 as initial Capital.
2. In compliance with Government of India directions, Capital Reserve is maintained at an amount equivalent to the Net Capital Block less Capital Debts.
3. As per the directions of the Government on the Port Trust's revised proposal on repayment of defaulted principal and interest on the Government Loans obtained for Outer Harbour, VPT had paid the entire defaulted principal and interest by end of 2004-05. The penal interest of Rs 213.05 crores to the end of 31/03/2004 and further accruals of Rs108.60 crores till 31/03/2014 has been considered as contingent liability since VPT has requested the Government for waiver of the same. In this regard, the Ministry of Shipping already submitted a cabinet note to Finance Ministry and the issue is being pursued with the Ministry.
4. Physical Verification of Fixed Assets is being done quinquennially as per the policy and procedure laid down in this regard. The physical verification was done to the end of 31.3.2013 and reconciliation of assets with that of asset register will be taken up in current year i.e during 2014-15. Physical verification of Investments and Stores & Materials are being done annually.
5. As per Ministry LR.NO. pgf-15/76 DT 22.9.1976, 3% reserve for Capital Assets replacement and 3% reserve for Development, Repayment of Loans & contingencies on capital employed is to be funded every year to extent of availability of cash. Since the profit after tax available is very less, no appropriation was made for said reserves during the year.
6. Visakhapatnam Port Trust has been claiming exemption U/s10(20) of the IT Act as Local Authority up to the Asst. Year 2002-03. With the amendment to section 10(20) of the Act by the Finance Act 2002, VPT ceased to be a "Local Authority" w.e.f. 1.4.2003. Consequently, the income of VPT has become liable to tax from the Asst. Year 2003-04 onwards. VPT has applied for registration U/s 12A of the Act w.e.f. 1.4.2002, i.e. Asst. Year 2003-04 onwards. VPT was granted registration U/s 12AA of the Act vide order dated 20.3.2008 retrospectively, w.e.f. 1.4.2002, i.e. Asst. Year 2003-04 onwards. Consequent on grant of registration the tax payments made from AY 2003-04 to AY 2008-09 have been refunded except certain amounts relating to TDS certificates. The balance refunds receivable in respect of the following assessment years is under persuasion with the Income Tax Department.

7.

(Rs in Crores)

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

For the AY 2008-09 an amount of Rs.43.99 Crores was received as refund on 1.4.2013 which was inclusive of interest received Rs.16.85 Crores and interest was credited to P&L account for the Financial Year 2012-13. An amount of Rs5.61 crores is still receivable and rectification petition U/s 154 of the IT Act was filed with the department and the same is under persuasion.

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



(Rs in Crores)

Assessment Year	Tax payments including Tax credits	Income Tax Provision made in books	Income Tax Provision as per IT Returns	Refunds claimed as per IT returns	Status of Assessments
2009-10	78.00	67.24	54.45	23.27	The assessment order has been issued by the Assessing Officer with a refund of Rs6.68 crores. The order was contested before CIT(Appeals) and the same is pending with CIT(Appeals).
2010-11	76.41	37.50	25.09	51.32	1.The scrutiny is taken up by the Assessing Officer and a notice of the demand payable for Rs37.02 crores has been passed. The order was contested before CIT(Appeals) and the same is pending.2. Pertaining to item No.1 above the appeal with CIT(A) the Appellate Order and Grounds of Decision has been issued vide CIT(A) Order dt.28.3.2014 and received by VPT on 17.4.2014. The result of the appellate Order for AY 2010-11 is partly allowed. Notice of 156 of the IT Act, 1961 has been issued with the Order that an amount of Rs.37,02,13,030/- is payable by VPT. The opinion of VPT Tax Auditors and ITAT Consultant was sought on the issue.3.The Commissioner of IT-1, Visakhapatnam has initiated revision of assessment U/s263 of the IT Act directing the A.O. to consider for disallowance U/s 14A a sum of Rs.5.09 Crores and VPT had appealed the same before ITAT, Visakhapatnam Bench.
2011-12	83.89	70.00	65.14	20.52	1.The assessment order has been issued by the Assessing Officer and a notice of demand payable U/s 156 of the IT Act for Rs42.39 Crores has been passed. The order was contested before CIT(Appeals) and the same is pending.2. Pertaining to item No.1 above the appeal with CIT(A) the Appellate Order and Grounds of Decision has been issued vide CIT(A) Order dt.28.3.2014 and received by VPT on 17.4.2014. The result of the appellate Order for AY 2011-12 is partly allowed. Notice of 156 of the IT Act, 1961 has been issued with the Order that an amount of Rs.42,39,81,720/- is payable by VPT. The opinion of VPT Tax Auditors and ITAT Consultant was sought on the issue.3. The Commissioner of IT-1, Visakhapatnam has initiated revision of assessment U/s263 of the IT Act directing the A.O. to consider for disallowance U/s 14A a sum of Rs.8.51 Crores and VPT had appealed the same before ITAT, Visakhapatnam Bench.



2012-13	80.70	53.00	14.12	67.25	The scrutiny was taken up by the Assessing officer and the same is under progress.
2013-14	73.33	15.00	0.00	69.48	The scrutiny of the assessment has not been taken up by the Department .

In respect of current Financial Year 2013-14 (Assessment Year 2014-15), the Income Tax payable has been assessed at Rs.7.29 crores provisionally against which an amount of Rs13.00 Crores was paid as Advance Tax and Tax credit of Rs. 16.73 Crores is available by way of TDS certificates.

8. The following items constitute contingent liabilities.

	(Rsin lakhs)
a) Law suits pending in Courts against Port Trust for claims	2863.97
b) Disputed Property Tax Claim for the years 86-87 to 98-99	2798.00
c) Penal interest on defaulted principal and interest on loans obtained for Outer Harbour to be waived by the Govt.	32165.06
Total	37827.06

9. The actual monthly Pension Payments are being met from Port Funds duly charging to Finance & Miscellaneous Expenditure till the size of the Pension Fund attains the requisite level. The actuarial valuation of pension liability of the Employees on roles is **Rs1983.80 crores** that of pensioners is **Rs491.42 crores** as on 1.4.2014 as assessed by LIC of India. Thus the total actuarial valuation of Pension liability is **Rs 2475.29 crores** as on 31.3.2014. During the year contribution to the pension fund is made @ 27% of Salary (basic and DA) payment which amounts to **Rs 44.23 crores** and additional contribution of Rs. **105.77 crores** was also made. After considering the interest earned there on, there is a short fall of provision towards pension fund is **Rs.248.37 crores**.
10. The revision of pension for pensioners was not finalized along with the Wage settlement for Class III & IV employees. A sub-committee was constituted for fixation of pension and family pension. In the absence of the such report/ directions from the Ministry, liability for the revision of pension and family pension could not be assessed and hence, no provision could be made in the books.
11. As per Actuarial valuation as assessed by LIC of India, the liability towards gratuity fund is **Rs165.38 crores** and contributions made for this during the year amount to **Rs13.77 crores** resulting in short provision in Gratuity amounting to Rs 9.87 crores.
12. The actuarial valuation of Employees Leave Encashment Liability as on 31/03/2013 as per M/s. LIC of India is **Rs 85.44 crores**. An amount of Rs 70.81 crores already held with M/s LIC, Rs2.63 crores with SBI (Life) and Rs2.51 crores with Bajaj Allianz are earmarked for the said Liability under Group Leave Encashment Schemes. Further provision made during the year is **Rs14.91 crores**.
13. Confirmation of Debtor balances not envisaged
14. Disputed claims are not accounted under Sundry Debtors but only disclosed in the Note on Accounts.
15. Irrecoverable debtors / claims are treated as Bad Debts and written off on approval of the competent authority.
16. Claims accounted as income, but subsequently considered to be ineligible for receipt are treated in the books of accounts as expenditure on approval of the competent authority.
17. Prior period income or expenses which arise in the current periods as a result of errors or omission in preparation of Financial statements of one or more prior periods are included under Finance and Miscellaneous Income or Expenditure.
18. As per the Ministry's guidelines vide Lr. No. 25021/1/2011-PD-II dt.02/12/2011, Corporate Social Responsibility fund of Rs.1.91 crores has been created during the year
19. Reconciliation of quantity balances of Stores Priced Ledgers with Bin Cards has been done and necessary adjustments were carried out wherever necessary.
20. During the year, letters seeking confirmation of balances have been issued except certain lessee since the same are governed by specific lease agreements.
21. Previous year's figures have been regrouped wherever necessary to confirm to the current year's classification.
22. There was no impact on Financial Statements on account of change in Accounting policies No.s 3,4

M.T.KRISHNA BABU
CHAIRMAN
Visakhapatnam Port Trust

R.RAMESH KARTHIKEYAN
F A & C A O
Visakhapatnam Port Trust

**ACTION TAKEN NOTE ON COMMENTS ON ACCOUNTS****A. INVESTMENT OF GENERAL RESERVE FUND - ₹.48.00 CRORES:**

Audit Comments	Reply of VPT
The Port Trust has not ascertained and provided for the diminution in the value of long term investment of Rs.30.00 crores in M/S Sethusamudram Corporation Limited (SSCL), Chennai. This is in contrary to the Accounting Standard - 13 regarding accounting for investments.	<p>The amount of Rs.30.00 crores is invested in Sethusamudram Corporation Limited as directed by the Ministry. Sethusamudram Corporation Limited is a going concern. As per AS-13, lower value of cost or fair market value to be stated in the Balance sheet. Since, shares of Sethusamudram Corporation Limited are not traded in the Stock exchange and there is no evidence regarding the market value. Therefore, the investment is considered at cost as was done in the earlier years.</p> <p>Hence, no action is proposed.</p>

B. ADVANCES AND LOANS TO SUBSIDIARIES/PORTS/TRUSTS - ₹.13.40 Crores:

Audit Comments	Reply of VPT
VPT paid Rs.5.56 crores to M/S Rites for preparation of Techno-economic Feasibility Report for development of New Major Port at Duggarajapatnam in Andhra Pradesh and was charged to revenue expenditure. As per the Gol decision, the above expenditure would become part of VPT's equity in Joint venture company to be formed. Thus, the expenditure should be classified as advances instead of revenue expenditure. This resulted in overstatement of Management and General Administration expenses and understatement of Advances and Loans to Subsidiaries/Ports/Trusts' under Current Assets and Profit before tax by Rs.5.56 Crores.	<p>The amount of Rs.5,56,18,200/- paid to M/S Rites for preparation of Techno economic Feasibility report for development of another major port in A.P. As the assignment is given for feasibility study of establishing a new port, this expenditure is debited to Management and General Administration expenses. It is further to state that as on date, no SPV is formed. Therefore, the subject expenditure was considered as revenue nature only.</p> <p>Hence, the action taken by VPT is correct. However, on formation of SPV, necessary adjustment as deemed fit will be considered.</p>



**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 6/2014) Dt.08-08-2014	Date on which action taken
1	Date of submission of Draft Annual Accounts to the Audit	31st May	31-05-2014
2	Date of release of draft Audit Reports	31st July	04-08-2014
3	Date of submission of reply by the Ports Trusts to the draft Audit Report	10th August	22-08-2014
4	Date of release of English version of Audit Report by the Audit	20th September	09-10-2014
5	Date of filing of Annual Tax Return by the Port to Income Tax Department	30th September	25-09-2014
6	Date of submission of Tax Auditor's Report to the Port Trust	25th September	
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	