



Visakhapatnam Port Trust

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

BIMSTEC CONCLAVE OF PORTS

VISAKHAPATNAM
INDIA



on 7th - 8th November
2019



Administration Report Annual Accounts & Audit Report 2019-20

GREENTECH FOUNDATION[®]

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18th Annual

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This is to certify that

Visakhapatnam Port Trust

Visakhapatnam

has been declared

WINNER

in **Services Sector**

for outstanding achievements in

Safety Management.



8th December 2019
New Delhi (India)

Rema

Mrs. REMA
General Secretary



ADMINISTRATION REPORT ANNUAL ACCOUNTS & AUDIT REPORT 2019-20



Visakhapatnam Port Trust
ISO 9001, ISO 14001, OHSAS 18001 certified
& ISPS compliant

Annual Accounts & Audit Report 2019-20

ANNUAL ACCOUNTS

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BALANCE SHEET

(Amount in ₹)

	SCH	As at 31st MARCH 2020		As at 31st MARCH 2019	
SOURCES OF FUNDS:					
RESERVES & SURPLUSES:					
A. CAPITAL RESERVE	1.1		9,62,98,32,707	9,62,94,08,653	
B. REVENUE RESERVES					
a) General Reserve Fund		2,26,38,91,338		1,00,67,70,803	
b) Employees' Welfare Fund		0		0	
c) Employees Family Security Scheme		7,98,88,743		7,41,08,907	
d) Protective Equipemnt Fund		0		0	
e) Liability Reserve Fund		0		0	
			2,34,37,80,081	1,08,08,79,710	
C. STATUTORY RESERVES					
a) Reserve for Replacement, Rehabilitation and Modernisation of Capital Assets		6,92,49,61,665		6,39,02,64,848	
b) Reserve for Development, Repayment of Loans and Contingencies		6,88,20,59,877		5,93,31,21,202	
			13,80,70,21,542	12,32,33,86,050	
Grants Received	1.3		25,78,06,34,330	23,03,36,74,413	
LOAN FUNDS:	1.2		20,34,58,813	19,52,72,750	
A. SECURED LOANS			0	0	
B. GOVERNMENT LOANS			23,39,29,590	39,06,66,190	
C. UNSECURED LOANS			0	0	
			23,39,29,590	39,06,66,190	
			0	0	
DEFERRED TAX LIABILITY:					
TOTAL SOURCES OF FUNDS			26,21,80,22,733		23,61,96,13,353

BALANCE SHEET

(Amount in ₹)

	SCH	As at 31st MARCH 2020		As at 31st MARCH 2019	
APPLICATION OF FUNDS:					
A. FIXED CAPITAL ASSETS: (Net Block)	2.1				
a) Land		34,84,37,415		39,12,18,245	
b) Lease hold Land		73,881		73,881	
c) Capital Dredging		4,93,14,54,950		4,98,75,10,336	
d) Building Sheds and Other Structures		62,06,52,513		55,64,64,301	
e) Wharves, Roads, Boundaries		1,87,82,61,071		1,88,82,71,837	
f) Floating Craft		67,69,51,501		77,50,87,545	
g) Railway and Rolling Stock		1,08,02,72,878		1,10,35,33,114	
h) Docks, Sea-Walls, Piers, & Navigational: Aids		8,31,44,46,305		6,29,57,91,840	
i) Cranes and Vehicles		6,77,90,615		9,40,46,735	
j) Plant & Machinery		80,23,42,967		71,38,75,712	
k) Installations for Water, Electricity, Telecom. & Fire fighting		33,07,75,330	19,05,14,59,426	31,02,66,482	17,11,61,40,028
B. CAPITAL WORKS IN PROGRESS			1,75,94,31,615		3,50,21,12,447
					20,61,82,52,475
INVESTMENTS:	2.2		20,81,08,91,041		
A. INVESTMENTS OF GENERAL RESERVE FUND		79,40,00,000	79,40,00,000	79,40,00,000	79,40,00,000
B. INVESTMENTS OF STATUTORY RESERVES					
1. Government or Trust Securities		3,97,03,444		3,97,03,444	
2. Shares, Debentures or Bonds		2,93,03,72,100		3,06,83,72,100	
3. Other Investments		0	2,97,00,75,544	0	3,10,80,75,544
C. INVESTMENTS OF CASH SURPLUS FUNDS					
1. Other Investments		1,32,57,26,318	1,32,57,26,318	1,23,30,41,197	1,23,30,41,197
					5,13,51,16,741

BALANCE SHEET

(Amount in ₹)

	SCH	As at 31st MARCH 2020		As at 31st MARCH 2019	
CURRENTS ASSETS, LOANS & ADVANCES:					
A. CURRENT ASSETS	2.3				
I. Accrued interest on Investments			43,30,21,644	42,09,38,849	
II. Inventories			28,11,25,963	27,77,03,643	
III. Sundry Debtors					
a) Government Dues		79,87,20,641		89,63,00,000	
b) Inter Port Dues		0		0	
c) Non Government Dues		2,87,30,66,376	3,67,17,87,017	3,35,66,39,786	4,25,29,39,786
IV. Cash & Bank Balances					
a) Cash Balance on hand		16,17,971		15,31,206	
b) Bank Balances with Scheduled Banks		9,87,20,58,868		6,35,52,61,794	
c) Bank Balances with other Banks		0	9,87,36,76,839	0	6,35,67,93,000
			14,25,96,11,463		11,30,83,75,278
B. LOANS & ADVANCES					
a) Advances & Loans to subsidiaries/ Ports / Trusts		12,80,00,000		12,80,00,000	
b) Advances recoverable in cash or in kind for the value to be received		62,76,14,662		62,23,45,955	
c) Balances with Customs, Excise, Income Tax etc.		7,40,66,88,965		6,58,28,82,223	
d) Deposits		11,10,82,644		10,77,56,440	
			8,27,33,86,270		7,44,09,84,618
			22,53,29,97,733		18,74,93,59,896
LESS: CURRENT LIABILITIES & PROVISIONS:	2.4				
A. CURRENT LIABILITIES:					
I. PROVIDENT, PENSION & GRATUITY FUNDS					
a) Provident Fund		4,76,40,327		7,13,81,864	
b) Pension Fund		5,25,07,00,070		4,66,55,50,940	
c) Gratuity Fund		31,79,388	5,30,15,19,785	-4,49,14,552	4,69,20,18,252

BALANCE SHEET

(Amount in ₹)

	SCH	As at 31st MARCH 2020		As at 31st MARCH 2019	
II. SUNDRY CREDITORS					
a) Creditors for Stores		3,28,49,632		1,11,41,621	
b) Unadjusted Sale proceeds of unclaimed goods		0		0	
c) Unadjusted Sale proceeds of surplus materials		0	3,28,49,632	0	1,11,41,621
III. MISCELLANEOUS CREDITORS & CREDIT BALANCES					
a) Demurrage/Wagon Hire charges payable to Railways		18,35,62,424		16,48,62,523	
b) Statutory Payments		1,01,00,32,711		78,19,03,065	
c) Liability towards Capital Expenses		2,12,72,455		2,12,72,455	
d) Others		59,95,86,343		69,84,81,900	
e) Deposits from Merchants, Contractors & Others		2,50,64,17,389	4,32,08,71,322	2,34,47,73,788	4,01,12,93,731
IV. ADVANCE PAYMENTS & UN EXPIRED DISCOUNTS for the portion for which value has still to be given			5,18,41,43,062		5,36,05,64,211
V. OTHER LIABILITIES			4,02,86,19,637		3,77,63,14,300
VI. INTEREST ACCRUED BUT NOT DUE ON LOANS			36,81,41,168		36,65,73,733
			19,23,61,44,606		18,21,79,05,848
B. PROVISIONS:					
a) Provision for Taxation		4,52,50,85,309		3,83,95,32,141	
b) Provision for contingencies		0		0	
c) Other provisions		0		0	
NET CURRENT ASSETS			4,52,50,85,309		3,83,95,32,141
MISCELLANEOUS EXPENDITURE: (To the extent not written off or adjusted)	2.5		23,76,12,29,915		22,05,74,37,989
DEFERRED TAX ASSET:	1.4		-1,22,82,32,182		-3,30,80,78,093
			0		0
			1,54,55,62,012		1,17,43,22,230
TOTAL APPLICATION OF FUNDS			26,21,80,22,733		23,61,96,13,353

CHAIRMAN

FA&CAO

Schedules to Balance Sheet

SCHEDULE - 1.1

RESERVES AND SURPLUSES

	Capital Reserve	Revenue Reserves			Statutory Reserves	
		General Reserve Fund	Employees' Family Security Scheme	Employees' Welfare Fund	Capital Assets Replacement Reserve	Reserve for Development, Repayment of Loans & Contingencies
Opening Balance as on 01.04.2019	9,62,94,08,653	1,00,67,70,803	7,41,08,907	0	6,39,02,64,848	5,93,31,21,202
ADD:						
1. (a) Contribution from Revenue A/c	0	0	76,24,443	31,51,267	53,46,96,817	94,89,38,675
(b) Additional Depreciation	0	0	0	0	0	0
2. Transfer from Revenue A/c	4,24,054	1,25,99,20,535	0	0	0	0
3. (a) Transfer from Other Reserves	0	0	0	0	0	0
(b) General Reserve Fund		0	0	0	0	0
4. Other Transfers	0	0	0	0	0	0
	9,62,98,32,707	2,26,66,91,338	8,17,33,350	31,51,267	6,92,49,61,665	6,88,20,59,877
LESS:						
1. Transfer from Reserves						
a) Net Deficit	0	0	0	0	0	0
b) Transfer to Capital Reserve	0	0	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	28,00,000	0		0	0
3. Expenditure during the year	0	0	18,44,607	31,51,267	0	0
Closing Balance as on 31.03.2020	9,62,98,32,707	2,26,38,91,338	7,98,88,743	0	6,92,49,61,665	6,88,20,59,877

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Schedules to Balance Sheet

SCHEDULE - 1.2

LOAN FUNDS

	Secured Loans	
	Loans & Advances	Funds provided by Govt. of India
	₹	₹
Balance as on 1-04-2019		39,06,66,190
Received during the year		0
Payments during the year		15,67,36,600
Balance as on 31-03-2020		23,39,29,590

Schedules to Balance Sheet

SCHEDULE - 1.3

GRANTS RECEIVED

Balance as on 1-04-2019	19,52,72,750
Received during the year (Interest on accrued on unspent Grant)	81,86,063
Payments during the year	0
Balance as on 31-03-2020	20,34,58,813

Schedules to Balance Sheet

SCHEDULE - 1.4

DEFERRED TAX

	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
Deferred Tax Liabilities - Opening Balance:		
Timing difference on account of Depreciation	41,93,09,570	37,52,85,895
Less/Add: Upfront amortisation DTL	63,26,27,908	2,67,57,764
Less: Timing difference on account of sums payable as employer u/s 43(B) of IT Act, 1961	2,22,62,59,708	1,92,41,80,479
Deferred Tax Liability / (Asset)	-1,17,43,22,230	-1,57,56,52,348
Timing difference on account of Depreciation DTL	38,93,07,752	41,93,09,570
Less/Add: Upfront amortisation DTL	60,56,23,341	63,26,27,908
Less: Timing difference on account of sums payable as employer u/s 43(B) of IT Act, 1961 DTA	2,54,04,93,105	2,22,62,59,708
Deferred Tax Liability / (Asset) Closing balance	-1,54,55,62,012	-1,17,43,22,230
Net Deferred Tax charged to P&L Account	-37,12,39,782	40,13,30,118

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Schedules to Balance Sheet

SCHEDULE - 2.1

FIXED CAPITAL ASSETS

		Gross Block				Depreciation				Net Block	
	Asset class	As on 1st April 2019	Additions	Deletions	As on 31st March 2020	As on 1st April 2019	Depreciation during the year	Depreciation adjustment	Depreciation as on 31/3/2020	As at 1st April 2019	As at 1st April 2020
1	Land	39,12,18,245	41,48,151	4,69,28,981	34,84,37,415	0	21,77,780	21,77,780	0	39,12,18,245	34,84,37,415
	Lease hold Land	73,881	0	0	73,881	0	0	0	0	73,881	73,881
2	Capital Dredging	5,57,96,26,847	0	3,02,185	5,57,93,24,662	59,21,16,511	5,60,55,366	3,02,185	64,78,69,712	4,98,75,10,336	4,93,14,54,950
3	Buildings Sheds and Other Structures	95,34,16,252	9,57,67,270	1,22,57,574	1,03,69,25,948	39,69,51,951	2,44,00,771	50,79,288	41,62,73,435	55,64,64,301	62,06,52,513
4	Wharves, Roads, Boundaries	2,45,80,79,689	10,07,00,236	83,17,799	2,55,04,62,125	56,98,07,852	12,03,04,395	1,79,11,192	67,22,01,054	1,88,82,71,837	1,87,82,61,071
5	Floating Craft	2,25,35,74,907	66,51,005	4,18,07,727	2,21,84,18,185	1,47,84,87,362	10,32,36,502	4,02,57,180	1,54,14,66,684	77,50,87,545	67,69,51,501
6	Railway and Rolling Stock	1,89,77,59,548	1,99,75,930	4,10,18,837	1,87,67,16,641	79,42,26,434	4,32,36,166	4,10,18,837	79,64,43,763	1,10,35,33,114	1,08,02,72,878
7	Docks, Sea-Walls, Piers, and Navigational Aids	7,35,47,82,678	2,24,51,29,149	1,54,66,825	9,58,44,45,002	1,05,89,90,838	24,55,38,832	3,45,30,973	1,26,99,98,698	6,29,57,91,840	8,31,44,46,305
8	Cranes and Vehicles	63,82,42,518	35,71,556	16,55,07,904	47,63,06,169	54,41,95,783	2,23,56,557	15,80,36,786	40,85,15,554	9,40,46,735	6,77,90,615
9	Plant & Machinery	1,61,65,37,284	29,76,23,551	15,62,80,997	1,75,78,79,839	90,26,61,572	6,79,36,053	1,50,60,753	95,55,36,872	71,38,75,712	80,23,42,967
10	Installations for Water, Electricity, Telecom. & Fire Fighting	1,38,04,40,377	9,94,66,232	1,51,62,873	1,46,47,43,735	1,07,01,73,895	7,37,06,354	99,11,843	1,13,39,68,406	31,02,66,482	33,07,75,330
	TOTAL	24,52,37,52,226	2,87,30,33,080	50,30,51,703	26,89,37,33,603	7,40,76,12,198	75,89,48,796	32,42,86,817	7,84,22,74,177	17,11,61,40,028	19,05,14,59,426
11	Capital Works in progress	3,50,21,12,447	1,00,28,45,378	2,74,55,26,210	1,75,94,31,615					3,50,21,12,447	1,75,94,31,615
	TOTAL FIXED CAPITAL ASSETS	28,02,58,64,673	3,87,58,78,459	3,24,85,77,913	28,65,31,65,218	7,40,76,12,198				20,61,82,52,475	20,81,08,91,041

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Schedules to Balance Sheet

SCHEDULE - 2.2

INVESTMENTS

	As at 31st MARCH 2020		As at 31st MARCH 2019	
	COST VALUE	FACE VALUE	COST VALUE	FACE VALUE
Non Tradable Investments	₹	₹	₹	₹
A. GENERAL RESERVE				
CURRENT INVESTMENTS				
LONG TERM INVESTMENTS:				
1. Government or Trust Securities NT				
2. Shares, Debentures or Bonds (N.T)	79,40,00,000	79,40,00,000	79,40,00,000	79,40,00,000
	79,40,00,000	79,40,00,000	79,40,00,000	79,40,00,000
3. Other Investments				
	0	0	0	0
TOTAL(A)	79,40,00,000	79,40,00,000	79,40,00,000	79,40,00,000
B. STATUTORY RESERVES				
CURRENT INVESTMENTS	—	—	—	—
LONG TERM INVESTMENTS:				
1. Government or Trust Securities				
CG 2034 @ 7.50% (N.T)	2,01,70,333	2,00,00,000	2,01,70,333	2,00,00,000
CG 2035 @ 7.40% (N.T)	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 (N.T)				
Bank of Maharashtra Bonds (N.T)	0	0	10,00,00,000	10,00,00,000
Canara Bank Bonds (N.T)	0	0	3,00,00,000	3,00,00,000
Canara Bank Bonds (N.T)	5,00,00,000	5,00,00,000	5,00,00,000	5,00,00,000
Tamilnadu Electricity Board Bonds (N.T)	0	0	80,00,000	80,00,000
UBI Bonds Issue (N.T)	0	0	0	0
DCI Tax Free Bonds-2013 (N.T)	10,00,00,000	10,00,00,000	10,00,00,000	10,00,00,000
DCI Shares (5451710 Shares @ Rs.10/-each as face value) (T)	2,78,03,72,100	5,45,17,100	2,78,03,72,100	5,45,17,100
	2,93,03,72,100	20,45,17,100	3,06,83,72,100	34,25,17,100
3. Other Investments	0	0	0	0
TOTAL(B) (1+2)	2,97,00,75,544	24,45,17,100	3,10,80,75,544	38,25,17,100

Schedules to Balance Sheet

SCHEDULE - 2.2

INVESTMENTS

	As at 31st MARCH 2020		As at 31st MARCH 2019	
	COST VALUE	FACE VALUE	COST VALUE	FACE VALUE
	₹	₹	₹	₹
C. CASH SURPLUS FUNDS				
LIC of India under Group Leave Encashment Scheme	1,15,60,89,933	1,15,48,46,973	1,07,63,24,777	1,07,62,87,523
Bajaj Allianz under Group Leave Encashment Scheme	4,54,78,340	4,27,36,924	4,21,75,644	4,21,75,644
Bajaj Allianz under Family Security Scheme	8,12,55,042	7,91,97,513	7,47,05,119	7,47,05,119
State Bank of India (Life) under Group Leave Encashment Scheme	4,29,03,003	4,99,89,482	3,98,35,657	3,98,35,657
TOTAL (C)	1,32,57,26,318	1,32,67,70,892	1,23,30,41,197	1,23,30,03,943
TOTAL INVESTMENTS: (A+B+C)	5,08,98,01,862	2,36,52,87,992	5,13,51,16,741	2,40,95,21,043

N.T - Non Tradable

T - Tradable : Market Value as on 31.03.2020 is Rs.145.90 per share

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Schedules to Balance Sheet

SCHEDULE - 2.3

CURRENT ASSETS, LOANS & ADVANCES

	As at 31st MARCH 2020		As at 31st MARCH 2019	
	₹	₹	₹	₹
CURRENT ASSETS				
i. Accrued Interest on Investments		43,30,21,644		42,09,38,849
ii. Inventories				
Service Stock & Spares				
Inventories held for less than 2 years	27,74,76,078		27,33,87,171	
Inventories held for more than 2 years but less than 3 years	10,06,271		3,67,188	
Inventories held for more than 3 years but less than 10 years	28,66,983		41,64,060	
Inventories held for more than 10 years but less than 15 years	42,405		3,32,625	
Inventories held for more than 15 years	20		20	
	28,13,91,757		27,82,51,064	
less: Depreciation on Non-moving Inventories	2,65,794	28,11,25,963	5,47,421	27,77,03,643
iii. Sundry Debtors				
a) Debts Considered good but not secured:				
a. Cargo related dues	62,51,17,876		35,76,85,689	
b. Vessel related dues	63,79,458		23,81,543	
c. Estate dues	2,79,03,61,925		3,53,12,82,958	
d. Railway dues	16,96,01,720		15,68,38,496	
e. Fishing Harbour dues	4,29,40,285		16,73,84,229	
f. Other misc. dues	3,73,85,753		3,73,66,871	
		3,67,17,87,017		4,25,29,39,786
b) Debts Considered doubtful or Bad:				
a. Cargo related dues	2,29,27,786		2,29,27,786	
b. Vessel related dues	2,377		2,377	
c. Estate dues	42,59,566		42,59,566	
d. Railway dues	4,08,79,049		4,08,79,049	
e. Fishing Harbour dues	50,26,643	7,30,95,421	50,26,643	7,30,95,421
		3,74,48,82,438		4,32,60,35,207
less: Provision for Doubtful Debts		7,30,95,421		7,30,95,421
		3,67,17,87,017		4,25,29,39,786
iv. Cash & Bank Balances				
a. Cash on hand		16,17,971		15,31,206
b. Balance at Banks:				
c. In Current/Savings Bank Accounts:				
Andhra Bank - Port Branch	21,41,29,869		65,16,788	

Schedules to Balance Sheet

SCHEDULE - 2.3

CURRENT ASSETS, LOANS & ADVANCES

	As at 31st MARCH 2020		As at 31st MARCH 2019	
	₹	₹	₹	₹
Axis Bank	4,15,06,637		1,84,646	
Bank of Baroda	58,188		58,648	
Canara Bank	7,627		7,982	
VIJAYA BANK	0		0	
Indian Overseas Bank	8,725		9,559	
Industrial Development Bank of India (IDBI)	1,76,623		1,76,623	
Oriental Bank of Commerce	11,08,696		11,08,696	
State Bank of India - Surya Bagh Branch	51,76,710		27,60,330	
State Bank of India - Main Branch	6,55,337		6,55,337	
State Bank of India - Main Branch (Escrow A/c)	16,40,584		15,39,465	
State Bank of India - Port Branch	25,10,93,100		11,28,67,617	
Union Bank of India - RTGS SB A/c 133641	98,91,907		49,91,625	
SBI Imprest	6,03,538		84,566	
SBI-PB-PCS A/c(I)-31	1,00,000		1,00,000	
IDBI-PCS(O)-15010300	61,602		1,01,529	
HDFC-PCS A/c(O)-5003	4,09,42,934		1,88,789	
SBI- RFID	3,76,38,049		3,38,09,594	
ICICI-PCS A/c(I)-600	74,13,648		0	
Misc. Banks	84,58,115		0	
		62,06,71,889		16,51,61,794
d. In Deposits Accounts (TDR A/c & CLTD A/c):				
Andhra Bank	1,55,99,00,000		39,01,00,000	
Union Bank of India	1,25,00,00,000		2,00,00,000	
Canara Bank	85,00,00,000		0	
IDBI	0		1,88,00,00,000	
LIC Of INDIA	3,89,89,86,980		3,26,00,00,000	
State Bank of India - Port Branch	7,25,00,000		12,00,00,000	
Corporation Bank	15,00,00,000		0	
Allahabad Bank	1,99,99,999		0	
Indian Overseas Bank	1,15,00,00,000		52,00,00,000	
Indian Bank	30,00,00,000		0	
	9,25,13,86,979	9,25,13,86,979	6,19,01,00,000	6,19,01,00,000
		9,87,36,76,838		6,35,67,92,999
TOTAL CURRENT ASSETS		14,25,96,11,463		11,30,83,75,277

Schedules to Balance Sheet

SCHEDULE - 2.3

CURRENT ASSETS, LOANS & ADVANCES

	As at 31st MARCH 2020		As at 31st MARCH 2019	
	₹	₹	₹	₹
LOANS & ADVANCES *				
1. Advances & Loans to subsidiaries/ Ports / Trusts				
Stores drawn by Cargo Handling Division	0		0	
Intercompany Loan	1,00,00,000		1,00,00,000	
Advance to Pension Fund Trust				
Advance to Gratuity Fund Trust				
Sub-ordinate Loan to Visakhapatnam Port Road Co. Ltd.	11,80,00,000		11,80,00,000	
		12,80,00,000		12,80,00,000
2. Advances recoverable in cash or in kind or the value to be received				
Advances for Contract Works	28,77,60,670		28,18,30,906	
Advances for Purchases - Stores	5,82,08,118		5,09,89,982	
Computer Advances	28,25,862		30,55,917	
House Building Advances	41,21,747		43,83,730	
Motor Car/Cycle Advances	14,82,761		18,12,981	
Travel/LTC Advances	59,91,724		56,93,212	
Others	26,78,28,179		27,51,83,627	
		62,82,19,061		62,29,50,354
less: Provision for Doubtful Advances		6,04,399		6,04,399
		62,76,14,662		62,23,45,955
3. Balances with Customs, Excise, Income Tax etc.				
Voluntary deposit with Telecommunication Dept.	30,550		30,550	
Income Tax - TDS, Advance Tax & Service Tax	7,40,66,58,415		6,58,28,51,673	
		7,40,66,88,965		6,58,28,82,223
4. Deposits				
Deposits with APTRANSCO.	5,75,88,984		5,42,62,780	
Deposits with GVMC.	5,34,93,660		5,34,93,660	
		11,10,82,644		10,77,56,440
* Loans and Advances considered as good and unsecured.				
TOTAL LOANS & ADVANCES		8,27,33,86,271		7,44,09,84,618

FA&CAO

Schedules to Balance Sheet

SCHEDULE - 2.4

CURRENT LIABILITIES AND PROVISIONS

	As at 31st MARCH 2020		As at 31st MARCH 2019	
	₹	₹	₹	₹
I. PROVIDENT, PENSION & GRATUITY FUNDS				
a) Provident Fund	4,76,40,327		7,13,81,864	
b) Pension Fund	5,25,07,00,070		4,66,55,50,940	
c) Gratuity Fund	31,79,388		-4,49,14,552	
		5,30,15,19,785		4,69,20,18,252
II. SUNDRY CREDITORS				
a) Creditors for Stores	3,28,49,632		1,11,41,621	
b) Unadjusted Sale proceeds of unclaimed goods	0		0	
c) Unadjusted Sale proceeds of surplus materials	0		0	
		3,28,49,632		1,11,41,621
III. MISCELLANEOUS CREDITORS & CREDIT BALANCES				
a) Demurrage/Wagon Hire charges payable to Railways	18,35,62,424		16,48,62,523	
b) Statutory Payments	1,01,00,32,711		78,19,03,065	
c) Liability towards Capital Expenses	2,12,72,455		2,12,72,455	
d) Others	59,95,86,343		69,84,81,900	
e) Deposits from Merchants, Contractors & Others	2,50,64,17,389		2,34,47,73,788	
		4,32,08,71,322		4,01,12,93,731
IV. ADVANCE PAYMENTS & UN EXPIRED DISCOUNTS for the portion for which value has still to be given				
a) Prepaid Income	15,53,78,056		11,41,32,355	
b) Up-front Premium to be amortised	5,02,87,65,006		5,24,64,31,856	
		5,18,41,43,062		5,36,05,64,211
V. OTHER LIABILITIES		4,02,86,19,637		3,77,63,14,300
VI. INTEREST ACCRUED BUT NOT DUE ON LOANS		36,81,41,168		36,65,73,733
TOTAL CURRENT LIABILITIES		19,23,61,44,606		18,21,79,05,848
B. PROVISIONS:				
I) Provision for Taxation	4,52,50,85,309		3,83,95,32,141	
II) Provision for contingencies	0		0	
III) Other provisions	0		0	
TOTAL PROVISIONS		4,52,50,85,309		3,83,95,32,141
TOTAL CURRENT LIABILITIES & PROVISIONS		23,76,12,29,915		22,05,74,37,989

FA&CAO

PROFIT AND LOSS ACCOUNT

	FOR THE PERIOD ENDING	
	31st MARCH 2020	31st MARCH 2019
INCOME :		
Cargo Handling & Storage Charges	5,14,43,73,282	4,14,68,18,387
Port & Dock Charges	5,01,27,96,519	3,98,31,82,083
Railway Earnings	1,76,23,79,831	1,61,18,27,750
Estate Rentals	2,12,22,56,377	2,27,20,82,703
TOTAL OPERATING INCOME	14,04,18,06,009	12,01,39,10,923
EXPENDITURE :		
Cargo Handling & Storage	1,35,52,07,983	1,13,08,21,950
Port & Dock Facilities	1,58,43,74,634	1,33,21,56,208
Railway Working	95,15,44,194	1,05,99,43,699
Rentable lands & Buildings	50,99,61,242	40,12,90,065
Management & General Administrative Expenses	2,22,44,37,766	1,98,58,97,395
TOTAL OPERATING EXPENDITURE	6,62,55,25,819	5,91,01,09,317
OPERATING SURPLUS :	7,41,62,80,189	6,10,38,01,606
Add: Finance & Miscellaneous Income	1,07,65,36,201	99,41,61,756
Less: Finance & Miscellaneous Expenditure	5,43,45,22,924	5,08,88,54,942
PROFIT BEFORE TAX	3,05,82,93,466	2,00,91,08,420
Less: Provision for Taxation:		
Previous Years	0	0
Current Year	68,55,53,168	36,26,54,830
Deferred Tax	(37,12,39,783)	40,13,30,118
PROFIT AFTER TAX	2,74,39,80,081	1,24,51,23,472
Less: Profit on Disposal of Capital Assets transferred to Capital Reserve	4,24,054	1,59,66,880
Amount Available for Appropriations	2,74,35,56,027	1,22,91,56,592
Less: Appropriations		
Fund for Development, Repayment of Loans and Contingencies	94,89,38,675	39,53,59,788
Fund for Replacement, Rehabilitation and Modernisation of Capital Assets	53,46,96,817	80,96,01,646
TOTAL APPROPRIATIONS	1,48,36,35,493	1,20,49,61,434
BALANCE TRANSFERRED TO GENERAL RESERVE	1,25,99,20,535	2,41,95,159

CHAIRMAN

FA&CAO

Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2020	31st MARCH 2019
SCHEDULE - R.1	₹	₹
CARGO HANDLING & STORAGE CHARGES:		
Handling & Storage charges on General Cargo	2,21,93,93,279	1,56,54,79,424
Storage of goods in Ware Houses	3,71,32,631	7,06,64,244
Cranage	22,92,095	1,04,80,330
Lighterage	0	0
Handling of POL Oils & Lubricants	76,08,01,609	77,40,80,159
Demurrage fees on General Cargo	2,16,81,949	3,70,97,286
Royalties from BOT Contracts	2,06,05,85,269	1,64,83,16,392
Miscellaneous Charges	4,24,86,450	4,07,00,552
TOTAL	5,14,43,73,282	4,14,68,18,387
SCHEDULE - R.2		
PORT & DOCK CHARGES:		
Towing and Mooring Fees	5,46,87,502	5,99,87,245
Dock Dues	1,02,71,87,409	67,39,63,425
Port Dues	1,36,85,23,006	1,13,73,54,405
Pilotage Fees	2,51,93,64,978	2,07,19,08,204
Dry - Docking charges	1,62,09,066	1,99,81,234
Water supply to shipping	81,12,886	57,93,351
Salvage and Under Water Repairs	28,44,712	2,66,076
Miscellaneous Charges	1,58,66,960	1,39,28,143
TOTAL	5,01,27,96,519	3,98,31,82,083
SCHEDULE - R.3		
RAILWAY EARNINGS:		
Wagon Hire & Haulage Charges	17,10,15,430	17,98,88,176
Siding Charges	58,38,24,895	54,91,76,065
Terminal Charges	83,23,44,117	67,30,75,778
Miscellaneous Charges	17,51,95,389	20,96,87,731
TOTAL	1,76,23,79,831	1,61,18,27,750

Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2020	31st MARCH 2019
SCHEDULE - R.4	₹	₹
ESTATE RENTALS:		
Rent from Lands	2,02,93,64,403	2,10,77,61,839
Rent on Storage Sheds	0	0
Rent from accommodation provided for outside offices	1,15,74,781	1,42,09,002
Kalavani Auditorium	90,07,555	73,00,000
Rent from Port Trust quarters	30,19,927	22,39,103
Recoverable Charges	5,23,40,848	11,79,83,493
Miscellaneous Income	1,69,48,863	2,25,89,266
TOTAL	2,12,22,56,377	2,27,20,82,703
SCHEDULE - R.5		
CARGO HANDLING & STORAGE :		
Handling and Storage of General Cargo at Sheds and Wharves	74,69,31,874	69,82,51,953
Warehousing	0	0
Operation and Maintenance of OSTT	1,43,43,964	2,52,11,889
Operation and Maintenance of Lighters and Barges	1,54,328	2,11,731
Operation and Maintenance of Wharf Cranes & Crane Vessels	2,06,48,587	3,38,95,997
Expenditure on General facilities at Docks	2,29,03,180	2,66,71,912
Administration & General Expenses	44,00,91,613	21,96,59,085
New Minor Works	0	0
Depreciation	11,01,34,437	12,69,19,383
TOTAL	1,35,52,07,983	1,13,08,21,950

Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2020	31st MARCH 2019
SCHEDULE - R.6	₹	₹
PORT & DOCK FACILITIES:		
Towing, Berthing and Mooring	52,48,57,579	47,09,13,144
Pilotage	29,25,09,384	28,23,78,817
Dry Docking Expenses	4,13,68,343	4,24,04,791
Water Supply to Shipping	1,07,86,902	1,12,06,489
Fire Fighting	6,28,91,982	6,80,10,797
Dredging and Marine Survey	21,39,52,078	10,31,37,427
Operation & Maint. of Navigational aids	1,61,32,888	1,62,41,929
Salvage & Under-water repairs	4,60,181	4,92,926
Maintenance of Docks & Harbour Walls, Marine Structures etc.	2,00,56,640	2,10,54,295
Administration & General Expenses	2,95,37,432	2,99,58,595
New Minor Works	0	0
Depreciation	37,18,21,225	28,63,56,998
TOTAL	1,58,43,74,634	1,33,21,56,208
SCHEDULE - R.7		
RAILWAY WORKING:		
Operation & Maintenance of Locomotives, Wagons etc.	34,69,20,993	34,19,99,686
Maintenance of Permanent Way Signals & Inter-locking	11,34,73,269	26,08,43,330
Operation, Maint. & Admn. expenses of Stations, Yards and Sidings	0	2,21,94,920
Administration & General Expenses	44,72,19,893	38,86,86,265
New Minor Works	0	0
Depreciation	4,39,30,039	4,62,19,498
TOTAL	95,15,44,194	1,05,99,43,699

Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2020	31st MARCH 2019
SCHEDULE - R.8	₹	₹
RENTABLE LANDS & BUILDINGS:		
Estate Maintenance	44,06,76,449	32,00,72,747
Land repairs and reclamation	21,98,008	30,85,209
Administration & General Expenses	13,17,961	13,36,942
New Minor Works	0	0
Depreciation	6,57,68,824	7,67,95,167
TOTAL	50,99,61,242	40,12,90,065
SCHEDULE - R.9		
MANAGEMENT & GENERAL ADMINISTRATION:		
Management & Secretarial Expenses	14,37,04,081	13,92,70,392
Port Security (C.I.S.F)	37,00,27,623	34,41,90,377
Legal Expenses	1,26,18,628	2,11,96,767
Labour and Welfare Expenses	3,85,63,693	14,13,74,074
Research and Planning Cell	6,23,30,937	6,57,80,842
Medical Expenses	37,51,98,371	40,42,22,246
Store Keeping	6,13,69,065	6,48,63,694
Accounting and Auditing	5,20,37,643	12,68,19,220
Expenditure on Head Office Building	17,85,911	0
Telephones	99,04,443	1,15,52,779
Engineering & Workshop Administration Overheads	95,20,10,538	54,44,91,435
Sundry Expenses	10,20,22,056	7,46,37,776
Depreciation	4,28,64,777	4,74,97,793
TOTAL	2,22,44,37,766	1,98,58,97,395

Schedules to Profit and Loss Account

	FOR THE PERIOD ENDING	
	31st MARCH 2020	31st MARCH 2019
SCHEDULE - R.10	₹	₹
FINANCE & MISCELLANEOUS INCOME:		
Interest on Fixed Deposits & Cash Balances	65,89,79,358	74,19,12,398
Interest on Revenue Account	5,70,52,871	3,22,17,339
Interest on Deposit Account	31,65,436	22,45,680
Interest on Income Tax Refunds	0	1,53,90,640
Hire of plant other than for cargo handling	0	0
Miscellaneous Income	22,58,87,229	11,03,46,401
RFID Income	2,89,69,786	2,57,72,961
Sundry Receipts	9,26,71,860	3,18,79,429
Profit on Disposal of Capital Assets	12,42,669	1,66,22,768
Centage Charges	65,408	1,81,171
Sale of Tender documents	6,79,726	20,42,006
Stores Adjustments (Excesses)	95,75,069	34,11,551
Items relating to previous year	-17,53,211	1,21,39,412
TOTAL	1,07,65,36,201	99,41,61,756
SCHEDULE - R.11		
FINANCE & MISCELLANEOUS EXPENDITURE:		
Bank Charges	3,31,056	7,19,663
INTEREST PAYABLE ON :		
i) Loans from Government	74,77,447	46,61,06,248
ii) Loans from Other agencies	0	0
iii) Interest on Others	0	0
Coin adjustment	18,403	-4,874
Bad Debts written off	0	0
Provision for Bad and Doubtful debts	0	0
Provision for anticipated reduction in investment	0	30,00,00,000
Property Tax	55,78,10,339	46,42,56,919
Expenses on IT appeals etc	1,000	1,000
Loss on Disposal of Capital Assets	6,32,442	14,05,999
Stores Adjustments	0	45,938
Loss from external product price differences	69,86,860	29,30,145
Lumpsum payment to ML Candidates	0	82,000
i) Retirement Gratuities	23,83,00,000	17,79,00,000
ii) V.R.Scheme Ex-gratia payment	12,68,36,655	2,89,06,777
iii) a) Pension Payments	2,81,81,57,453	2,78,26,67,684
b) Contribution to New Pension (Tier-I) Scheme	6,15,27,299	4,82,97,182
c) Contribution to pension fund	61,01,00,000	64,58,00,000
d) Commutation of Pension	24,25,70,111	13,03,75,666
e) Provision for Drop in Pension payment	50,00,00,000	0
Contribution to Corporate Social Responsibility Fund	3,73,53,704	3,91,74,362
Trustees' Contribution to P.F.	0	1,26,348
Prior period expenses	22,64,20,155	63,885
TOTAL	5,43,45,22,924	5,08,88,54,942

FA&CAO

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

	FOR THE PERIOD ENDING	
	31st MARCH 2020	31st MARCH 2019
A. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :		
1. SALARIES, WAGES & BONUS ETC.		
i. Salaries and wages	3,19,08,20,906	3,02,52,15,338
ii. Wage Revision Arrears Provision	0	8,70,45,677
iii. Bonus	4,78,15,469	5,30,51,422
	3,23,86,36,375	3,16,53,12,437
2. CONTRIBUTION TO PROVIDENT AND OTHER FUNDS		
i. Trustees' contribution to Provident fund	0	1,26,348
ii. Contribution to Pension fund	61,01,00,000	64,58,00,000
iii. Pension payments including commutation of pension	3,08,65,99,852	2,93,95,71,464
iv. Pool Kalasi EPF VPT & CHD Contrib	3,56,55,011	2,17,69,068
	3,73,23,54,863	3,60,72,66,880
3. GRATUITY	23,83,00,000	17,79,00,000
4. WORKMEN AND STAFF WELFARE EXPENSES		
i. Leave Travel Expenses	10,66,907	19,84,720
ii. Medical Reimbursement Expenses	15,16,80,286	15,55,11,428
iii. Nutrition to inpatients	3,71,457	4,43,712
iv. Stores (Medicines)	6,22,52,679	8,04,80,240
v. Stores (Surgical)	62,00,637	5,33,169
vi. Payments under workmen compensation Act.	0	84,260
vii. Passes and PTO's	0	0
viii. Scholarships, Prizes and awards	84,500	98,700
ix. VR scheme Ex-gratia Payments	12,68,36,655	2,89,88,777
	34,84,93,121	26,81,25,006
TOTAL (A)	7,55,77,84,359	7,21,86,04,323
B. OPERATING EXPENSES :		
1. CONSUMPTION OF STORES ON SPARE PARTS ETC.	6,63,17,744	6,14,13,624
2. REPAIRS TO PLANT AND MACHINERY (MECH)	26,33,15,247	27,46,79,840
3. REPAIRS TO BUILDINGS AND CIVIL STRUCTURES	22,87,49,845	23,81,37,728
4. OTHER REPAIRS		
i. Special Repairs	0	0
ii. Special Repairs Covered by Estimates	2,43,21,298	7,44,94,548
iii. Office machine Hire & service charges	3,97,46,462	3,24,92,117
	6,40,67,760	10,69,86,665
5. STORES CONSUMED		
i. Stores General	5,04,73,585	3,39,04,161
	5,04,73,585	3,39,04,161

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

		FOR THE PERIOD ENDING	
		31st MARCH 2020	31st MARCH 2019
6.	POWER, FUEL, LUBRICANTS ETC.		
i.	Stores (Operational)	33,67,61,206	27,70,88,462
ii.	Electric Power	9,59,13,227	1,84,76,161
		43,26,74,433	29,55,64,623
7.	NEW MINOR WORKS	0	0
8.	OTHER OPERATIONAL EXPENSES		
i.	Damages & Deficiencies payable to Railways	64,59,684	5,82,97,666
ii.	Wagon hire charges	0	0
iii.	Hire charges for floating crafts	2,51,17,021	1,24,55,596
iv.	Hire charges for vehicles	5,55,87,777	5,32,60,272
v.	Hire charges for Pvt. Tugs	10,98,59,043	9,92,54,919
vi.	Handling charges	21,74,78,074	0
vii.	Sundry expenses Operational	70,81,919	35,39,767
viii.	Freight and handling charges	0	0
ix.	Safety	0	0
x.	Security Charges	36,20,58,623	34,64,19,125
x.	Private Security	2,28,57,821	70,26,830
xi.	Dredging Charges	15,43,15,099	4,45,20,789
xii.	Depreciation	63,45,19,301	58,37,88,838
		1,59,53,34,363	1,20,85,63,802
	TOTAL (B)	2,70,09,32,977	2,21,92,50,443
	C. GENERAL EXPENSES:		
i.	Rent, Rates and Taxes	4,25,070	11,27,358
ii.	Audit Fees	78,39,950	54,95,000
iii.	Water Charges	4,87,15,731	5,51,33,559
iv.	Communication Expenses	2,83,530	4,35,597
v.	Other Expenses	2,03,279	2,03,279
vi.	Insurance	4,50,07,748	2,26,64,978
vii.	Traveling Expenses	97,12,952	1,33,44,192
viii.	Furniture and Office Equipment	1,28,906	8,24,725
ix.	Miscellaneous Expenses	23,19,28,953	2,85,71,924
x.	Stevedoring Expenses	0	0
xi.	Port Health	0	0
xii.	Advertisement and Publicity	62,75,144	83,61,954
xiii.	Trustees' Fees	72,000	69,000
xiv.	Entertainment	68,61,252	76,50,313
xv.	Books and Periodicals	1,96,883	2,24,449
xvi.	Legal and Professional Charges	3,93,26,432	6,40,50,780
xvii.	Printing and Publishing	11,21,936	21,43,705
xviii.	Deputation to Training Courses	11,76,542	18,06,973
xix.	License Fees	31,53,595	42,17,336
xx.	Telephones	60,84,657	60,83,526
xxi.	Research and Development	3,80,26,136	3,71,53,992
xxii.	Subscriptions	4,750	5,714
xxiii.	Contributions	1,77,54,555	2,68,41,856
	TOTAL (C)	46,43,00,001	28,64,10,207

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

	FOR THE PERIOD ENDING	
	31st MARCH 2020	31st MARCH 2019
D. FINANCE EXPENSES:		
1. INTEREST EXPENSES		
i. Bank Charges	3,31,056	7,19,663
ii. Interest on Government Loans	74,77,447	46,61,06,248
iii. Interest on Other Loans	0	0
	78,08,503	46,68,25,911
2. PROPERTY TAX	55,78,10,339	46,42,56,919
TOTAL (D)	56,56,18,842	93,10,82,830
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 Drop in Pension payment	50,00,00,000	
iii. Provision for Bad and Doubtful debts	0	0
iv. Loss on Disposal of Capital Assets	6,32,442	14,05,999
v. Stores Adjustments	0	45,938
vi. Provision for anticipated reduction in investment	0	30,00,00,000
vii. Prior Period expenses	22,64,20,155	63,885
vii. Expenses on Tax Appeals	1,000	1,000
vii. Contribution to Corporate Social Responsibility Fund	3,73,53,704	3,91,74,362
Loss from external product price differences	69,86,860	29,30,145
Coin Adjustment	18,403	-4,874
TOTAL (E)	77,14,12,564	34,36,16,455
TOTAL EXPENDITURE	12,06,00,48,743	10,99,89,64,258

FA&CAO

ANNUAL ACCOUNTS 2019-2020

Significant Accounting Policies and Note on Accounts.

(A) ACCOUNTING POLICIES:

1. The Books are maintained under Mercantile System of accounting. The fundamental Accounting assumption of Going concern and consistency is followed. Revenue is recognized on accrual basis and presented net of (service tax) / GST and rebates/incentives if any.
2. Fixed Capital Assets and Depreciation
All assets are capitalised at original cost
Assets with an expected life of less than 5 years and costing less than Rs.1,00,000/- were treated as revenue assets and charged to revenue expenditure as per the existing directives of the Government.
Depreciation is provided under straight line method.
Depreciation on assets put to use for less than 3 months were provided with no depreciation and assets put to use for less than 6 months were provided with half the depreciation and assets in use for more than 6 months were provided full depreciation as per the Government's guidelines.
Fixed assets are excluded from the financial statements on disposal. The write off of assets are made, as per the provisions of Section 96 of the Major Port Trusts' Act 1963.
Fixed assets under construction are categorized as Capital works in progress.
Profit or loss on disposal of capital assets is being accounted for under Finance & Miscellaneous Income & Finance & Miscellaneous expenditure respectively. Capital Profit arising on disposal, over the original acquisition cost is, however, being transferred to Capital Reserve account.
3. Investments
The Investments for more than a year are classified as Long Term Investments and Investments for a year or less are treated as Current Investments. The Investments are carried in the books of accounts at cost. Provision for diminution in the market value of long term investments is made, if in the opinion of the Board such diminution is permanent in nature.
4. Valuation of Inventory
Inventory of stock items are valued at weighted average method.
5. Income
Revenue arising out of rendering of a service is recognised in proportion to the stage of completion of the service without waiting for its completion. Wharfage charges are levible on goods entering docks as per notified scale of rates, even if they are not shipped. Accordingly the wharfage income is accounted for. Upfront fee collected on lease of Berths/Facilities and premium on lease of lands are accounted for as advance income and are being amortized during the lease period as per Billimoria report.
6. Borrowing Costs
Borrowing costs that are directly attributable to the acquisition, constructions of assets and are capitalised till the date on which the asset is commissioned. Interest on loans after capitalisation is charged to Revenue on accrual basis.
7. Foreign Currency Transactions
Foreign currency transactions for import of spares and capital equipment are recorded at the exchange rate prevailing on the date of the transaction. Till date the Port does not have any loans in foreign currency for import of spares/capital equipment, nor has it entered into any forward contracts. As and when such a situation arises, the policy will be framed keeping in view the relevant accounting standards.

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

8. Taxes on Income

Provision for current tax is made in accordance with the provisions of Income tax act 1961.

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

9. Actuarial Valuation on annual basis is made for Pension, Gratuity and Leave Encashment.

B. NOTE ON ACCOUNTS

1. As per Ministry of Shipping, approval vide letter No.SS-28036/18/2016-DCI-Part-VI dt 19.11.2018, VPT Board resolved Vide resolution no. 196/2018-19 dt 21.2.2019 to acquire 54,51,710 number of equity shares of DCI Ltd from Government of India at a cost of Rs. 278.04 crores and the same has been shown under Long Term Investments under Shares & Debentures at Schedule 2.2
2. Capital Reserve includes Funds provided by the Government of India during 1933 to 1964 as initial Capital.
3. An amount Rs. 4,24,054/- transferred to Capital reserve on account of Profit on disposal of capital assets during the year.
4. Physical Verification of Fixed Assets is being done quinquennially as per the policy and procedure laid down in this regard. The committee constituted for Physical verification of fixed assets submitted report. Basing on the report, letters were issued to relevant departments for confirmation. On receipt of confirmation from departments, assets which are existing with Zero / one paise value in books and as identified by committee were deleted from Assets master. Regarding other items for which value is existing in books, letters being issued to departments to verify once again and to submit details. On receipt of the same, suitable action will be taken.
5. Physical verification of inventories has been carried out during 2019-20 and negligible discrepancies noticed are of insignificant amount.
6. As per Ministry LR.NO. pgf-15/76 DT 22.9.1976, 3% reserve for Capital Assets replacement and 3% reserve for Development, Repayment of Loans & contingencies on capital employed is to be funded every year to extent of availability of cash. During the year 2018-19, no appropriation was made to the Fund for development, repayment of Loans and contingencies as no sufficient surplus is available. The same is now provided and the current year 3% appropriations also made for the two reserves @3% each.

Description	2019-20
Reserve for Replacement and Modernization of capital asset	53,46,96,817
Reserve for Development, Repayment of Loans & contingencies	*94,89,38,675
*Includes an amount of Rs. 41,42,41,858/- pertaining to 2018-19 now provided.	

7. An amount of Rs.27,72,750/- received from Ministry of Shipping as grant for procuring and commissioning of Oil Boom equipment. An amount of Rs. 19.25 crores received as grant for construction of Cruise berth.

When Grant is received, the practice being followed is to create a liability to the extent of grant received in books and as and when the specific work is completed for which grant is received, liability is cancelled duly crediting the asset.

Position of other Grants / amounts received and adjusted are as follows:

Grant received	Details of Asset acquired	Remarks
Rs.30.00 Crores	This amount utilised for creation of two assets under Green Channel Berth namely; a. Strengthening of existing WQ return end at a cost of Rs.18.46 in 2015-16 b. Extension of WQ return end in replacement of RCC lay by jetty for Rs.11.54 crores in 2016-17	Value of the assets reduced to the extent grant received and balance amount of asset is shown in Asset register.
Rs.20.00 Crores	The amount was received under Sagarmala development activity for execution of existing 2 lane road into 4 lane road from VPT to NH 5 Phase-2 work under Sagarmala. VPT sought approval of Govt of India for contributing the amount received as equity participation of VPT in the SPV i.e VPRCL. and shown the same as Equity investment.	Share certificate in the name of Sagarmala Development Corporation is yet to be issued by NHAI. Till such time, the same is shown as investment in VPT books. Necessary entries for withdrawal of investment in VPT books will be made as soon as NHAI issues share certificate in the name of Sagarmala.

8. VPT as Local Authority U/S 10 (20) of the Income Tax Act 1961 was exempted from income tax liability up to Assessment Year 2002-03 (Financial year 2001-02). With the amendments in Finance Act 2002, exemption as "Local Authority" to Ports was withdrawn from Assessment year 2003-04 (Financial year 2002-03) onwards. Therefore, VPT is liable to pay income tax from the Assessment Year onwards 2003-04. VPT however applied for registration U/S 12 A of IT Act as charitable institution for claiming exemption from IT assessment. Registration certificate U/S 12AA was obtained vide order dated 20.3.2008 retrospectively from Assessment Year 2003-04 onwards. Consequently tax payments made for the assessment years 2003-04 to 2008-09 were refunded except a portion relating to TDS certificates. The details of Assessment Year-wise balance refunds due from IT Department are as below:

Assessment Year	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Refund due (Rs. in crore)	0.19	0.07	0.08	0.04	0.00	5.61

Above amounts are under persuasion with the IT Department for refund. For the Assessment Year 2008-09, IT Department refunded (1.4.2013) Rs.43.99 crore including interest Rs.16.85 crore and interest was credited to P&L Account of 2012-13. Rectification Petition U/S 154 of IT Act was filed for the assessment by IT Dept. for Assessment Year 2008-09 and is under pursuance including balance refund of Rs.5.61 crore.

Due to amendment to Section 2 (15) in the Finance Act, 2008, Ports were not eligible for exemption under section 11 of the IT Act from Assessment Year 2009-10 onwards and VPT was brought into income tax payee with effect from financial year 1 April 2008. The details of tax payments made/ TDS claimed, provision made in VPT accounts, tax liability/net refunds claimed as per returns filed and present status of assessments for the Assessment Years 2009-10 to 2018-19 are as below: (Rs. in crore)

Sl. No.	Particulars		Status of Assessments from time to time
1.	Financial Year	2008-09	<p>a) VPT while filing revised return in March 2010, claimed refund of tax of Rs.23.27 crore.</p> <p>b) After scrutiny and calling several queries, Assessing Officer in its initial assessment computed (December 2011) taxable income as Rs.176.21 crore with tax liability of Rs.70.32 crore and considering, taxes paid/TDS/interests/refunds, ordered net refund of Rs.6.68 crore to VPT.</p> <p>c) Aggrieved by this, Order was contested (30 Jan. 2012) before The Commissioner, IT (CIT)-Appeals, Visakhapatnam. The CIT(Appeals) commenced the hearing in February 2017 and the hearings are in progress.</p> <p>d) VPT filed petition U/s 154 of the IT Act(30.12.2016) for grant of short credit of TDS of Rs.0.72 Crs.</p>
	Assessment Year	2009-10	
	Advance Tax paid & TDS credit	77.72	
	Tax provision made in VPT accounts	67.24	
	Tax liability as per IT return filed by VPT	54.45	
	Refund claimed by VPT as per IT return	23.27	
2.	Financial Year	2009-10	<p>a. VPT while filing revised return in March 2012, claimed refund of tax of Rs.51.32 crore</p> <p>b. After scrutiny and calling several queries, Assessing Officer computed (Nov. 2012) taxable income as Rs.190.60 crore and arrived tax liability of Rs.58.90 crore. Considering taxes paid/TDS/interests/refunds, ordered VPT to pay balance net tax of Rs.37.02 crore. VPT contested before CIT-Appeals, Visakhapatnam who directed (Jan. 2013) the Assessing Officer to re-compute the taxable income.</p> <p>c. Assessing Officer while re-assessing (27.5.14), revised the income as Rs.130.15 crore with tax liability of Rs.40.22 crore. Considering tax paid/TDS/interests/refunds, ordered for net refund Rs.26.42 crore to VPT.</p> <p>d. Subsequently, Asst. Commissioner of Income Tax (ACIT), Circle-1 Visakhapatnam revised (14 May 2015) the income as Rs.135.25 crore with tax liability of Rs.41.79 crore and ordered net refund of Rs.22.48 crore to VPT.</p> <p>e. IT Dept. refunded (6 April 2016) balance amount Rs.7.54 crore after adjusting additional demand (Rs.14.93 crore) for Assessment year 2013-14.</p> <p>f. VPT filed petition U/s 154 of the IT Act(25.4.2016) to deduct an amount of Rs.0.89 Crs. from total income on account of Upfront amortization.</p>
	Assessment Year	2010-11	
	Advance Tax paid & TDS credit	76.41	
	Tax provision made in VPT accounts	37.50	
	Tax liability as per IT return filed by VPT	25.09	
	Refund claimed by VPT as per IT return	51.32	

Sl. No.	Particulars	Status of Assessments from time to time												
		<p>g. VPT filed petition U/s 154 of the IT Act(3.1.2017) for grant of short credit of TDS of Rs.9.53 Crs.</p> <p>h. The CIT(Appeals) vide Order CIT(A), VSP No.0266/12-13/Addl.CIT/R-1/VSP/2013-14 dt.28.3.2014 has partly allowed the appeal for the order U/s 143(3) of the IT Act and VPT filed(13.6.2014) petition before ITAT, Visakhapatnam Bench and hearings are in progress.</p> <p>i. The CIT-1, Visakhapatnam has initiated revision of assessment U/s 263 of the IT Act(21.11.2013) directing the A.O. to consider for disallowance U/s 14A a sum of Rs.5.09 Crs and VPT has appealed the same before ITAT, Visakhapatnam Bench(27.1.2014) and hearings are in progress.</p> <p>j. While finalising (May 2015) assessments U/s 154 for the AY 2010-11 the IT Dept. Ordered tax refunds including net interest on tax refunds of Rs.4.71 Crs and the same has been recognised as interest income of 2015-16.k. IT Dept. has shown refund (16 June 2016) of Rs.0.37 Crs being the interest U/s 244A from 14.5.2015 to 31.3.2016 and refund received in June 2017 and the same has been recognised as interest income of 2017-18</p>												
3.	<table><tr><td>Financial Year</td><td>2010-11</td></tr><tr><td>Assessment Year</td><td>2011-12</td></tr><tr><td>Advance Tax paid & TDS credit</td><td>85.66</td></tr><tr><td>Tax provision made in VPT accounts</td><td>70.00</td></tr><tr><td>Tax liability as per IT return filed by VPT</td><td>65.14</td></tr><tr><td>Refund claimed by VPT as per IT return</td><td>20.52</td></tr></table>	Financial Year	2010-11	Assessment Year	2011-12	Advance Tax paid & TDS credit	85.66	Tax provision made in VPT accounts	70.00	Tax liability as per IT return filed by VPT	65.14	Refund claimed by VPT as per IT return	20.52	<p>a. VPT while filing return in Sept. 2011, claimed refund of tax of Rs.20.52 crore.</p> <p>b. After scrutiny and calling several queries, Assessing Officer in the initial assessment computed (Jan. 2013) taxable income as Rs.329.93 crore and arrived tax liability of Rs.101.95 crore. Considering, taxes paid/TDS/interests/refunds, ordered VPT to pay balance net tax of Rs.42.40 crore. VPT contested (25.2.13) before the Commissioner, IT (CIT) - Appeals, Visakhapatnam.</p> <p>c. Subsequently, taxable income was revised (28.2.14) to Rs.338.44 crore with tax liability of Rs.104.58 crore. Considering tax paid/TDS/interests/refunds, ordered VPT to pay balance tax of Rs.5.09 crore. Aggrieved by this, VPT filed appeal before CIT (A) on 5.3.14.</p> <p>d. ACIT, Circle-1, Visakhapatnam vide order dt.14.5.15 under section 154, assessed taxable income as Rs.279.86 crore with tax liability of Rs.86.48 crore and considering tax paid/TDS/refunds/interests, net refund due to VPT was arrived at Rs.21.14 crore. Refund was finally revised to Rs.21.42 crore.</p>
Financial Year	2010-11													
Assessment Year	2011-12													
Advance Tax paid & TDS credit	85.66													
Tax provision made in VPT accounts	70.00													
Tax liability as per IT return filed by VPT	65.14													
Refund claimed by VPT as per IT return	20.52													

Sl. No.	Particulars	Status of Assessments from time to time												
		<p>e. IT Dept. refunded (6 April 2016) balance amount Rs.7.43 crore after adjusting additional demand (Rs.13.99 crore) for Assessment year 2012-13.</p> <p>f. VPT filed petition U/s 154 of the IT Act(25.4.2016) to deduct an amount of Rs.1.35 Crs. from total income on account of Upfront amortization.</p> <p>g. VPT filed petition U/s 154 of the IT Act(20.1.2017) for grant of short credit of TDS of Rs.1.06 Crs.</p> <p>h. The CIT(Appeals) vide Order CIT(A), VSP No.0362/12-13/ACIT/C-1/VSP/2013-14 dt.28.3.2014 has partly allowed the appeal for the order U/s 143(3) of the IT Act and VPT filed(22.12.2014) petition before ITAT, Visakhapatnam Bench and hearings are in progress.</p> <p>i. The CIT-1, Visakhapatnam has initiated revision of assessment U/s 263 of the IT Act(21.11.2013) directing the A.O. to consider for disallowance U/s 14A a sum of Rs.8.51 Crs and VPT has appealed the same before ITAT, Visakhapatnam Bench and hearings are in progress.</p> <p>j. While finalising (May 2015) assessments U/s 154 for the AY 2011-12 the IT Dept. Ordered tax refunds including net interest on tax refunds of Rs.0.29 Crs and the same has been recognised as interest income of 2015-16.</p> <p>k. IT Dept. has shown refund (16 June 2016) of Rs.0.37 Crs being the interest U/s 244A from 14.5.2015 to 31.3.2016 and refund received in June 2017 and the same has been recognised as interest income of 2017-18.</p>												
4.	<table><tr><td>Financial Year</td><td>2011-12</td></tr><tr><td>Assessment Year</td><td>2012-13</td></tr><tr><td>Advance Tax paid & TDS credit</td><td>81.37</td></tr><tr><td>Tax provision made in VPT accounts</td><td>53.00</td></tr><tr><td>Tax liability as per IT return filed by VPT</td><td>14.12</td></tr><tr><td>Refund claimed by VPT as per IT return</td><td>67.25</td></tr></table>	Financial Year	2011-12	Assessment Year	2012-13	Advance Tax paid & TDS credit	81.37	Tax provision made in VPT accounts	53.00	Tax liability as per IT return filed by VPT	14.12	Refund claimed by VPT as per IT return	67.25	<p>a. VPT while filing return in Sept. 2012, claimed refund of tax of Rs.67.25 crore.</p> <p>b. After scrutiny and calling several queries, initial assessment was completed by the Assessing officer vide order dated 23.3.15 and computed taxable income as Rs.134.30 crore with tax liability of Rs.41.50 crore and considering tax paid/TDS/interests/refunds, Notice of demand was issued for net balance tax payable by VPT at Rs.0.75 crore.</p> <p>c. Aggrieved by this, VPT filed (15.4.15) an appeal before CIT (Appeals).</p> <p>d. ACIT, Circle-1, by disallowing provision for Gratuity of Rs.30.17 crore, however, revised (25.6.15) the taxable income as Rs.164.47 crore with tax liability of Rs.50.82 crore plus interest demand of Rs.3.92</p>
Financial Year	2011-12													
Assessment Year	2012-13													
Advance Tax paid & TDS credit	81.37													
Tax provision made in VPT accounts	53.00													
Tax liability as per IT return filed by VPT	14.12													
Refund claimed by VPT as per IT return	67.25													

Sl. No.	Particulars	Status of Assessments from time to time
		<p>crore. Considering advance tax paid/TDS/interests/refunds, ordered VPT to pay balance net tax at Rs.13.99 crore. VPT appealed (16.7.15) before CIT (Appeals), Visakhapatnam. Appeal is pending settlement.</p> <p>e. In the meanwhile, IT Dept. adjusted (6 April 2016) balance tax demand of Rs.13.99 crore and released Rs.7.43 crore to VPT out of refund ordered for Rs.21.42 crore for Assessment year 2011-12.</p> <p>f. For (c) above, the CIT(Appeals) in Appellate Order and Grounds of decision(30.3.2017) has partly allowed the appeal and VPT filed a petition with ITAT.</p> <p>g. For (d) above, the CIT(Appeals) in Appellate Order and Grounds of decision(13.3.2017) has dismissed the appeal and VPT filed a petition with ITAT.</p> <p>h. For (f) and (g) above the ITAT hearings are in progress.</p> <p>i. The ACIT vide letter dt.9.5.2017 on giving effect to the CIT(A)-1 order dt.30.3.2017 revised the total income from Rs.164.47 Crs to Rs.160.34 Crs and arrived at a refund of Rs.32.62 Crs which included the interest U/s244A of the IT Act of Rs.8.41 Crs.</p> <p>j. The refund of Rs.32.62 Crs was issued to VPT on 5.1.2018 and the interest U/s 244A for Rs.8.41 Crs. was recognised as interest income of 2017-18.</p> <p>k. For AY 2011-12, a consequential order dt.31.3.2016 was passed with a refund amount of Rs.21.42 Crs. Out of the total refund amount, an amount of Rs.13.99 Crs was adjusted for the outstanding demand for the AY 2012-13 and remaining amount was issued to VPT. Later while passing the consequential order dt.9.5.2017 for AY 2012-13, credit of Rs.13.99 Crs was not given to VPT.</p> <p>l. The Dy.CIT, Circle-1(1), Visakhapatnam vide order U/s 154 of the IT Act dt.1.3.2019 refunded Rs.13.99 Crs along with interest U/s 244 A of Rs.1.54 Crs (total amount Rs.15.53 Crs) and adjusted the refund of Rs.15.53 Crs against the outstanding demand for the AY 2016-17(total demand of Rs.46.92 Crs).</p> <p>m. The interest U/s 244A for Rs.1.54 Crs. for AY 2012-13 was recognised as interest income of 2018-19.</p>

Sl. No.	Particulars		Status of Assessments from time to time
5.	Financial Year	2012-13	<p>a. VPT assessed business loss of Rs.53.65 crore while filing return in Sept. 2013 and sought refund of Rs.69.48 crore. Revised return filed in March 2015 claiming refund of Rs.82.69 crore.</p> <p>b. After scrutiny and calling several queries, ACIT, Circle-1(1), Visakhapatnam in his initial assessment order on 31.3.2016, after disallowing Rs.356.64 crore, arrived business taxable income as Rs.302.98 crore duly deducting loss of Rs.53.65 crore as per return filed by VPT and assessed total tax liability of Rs.97.57 crore.</p> <p>c. After adjusting Rs.82.64 crore towards advance tax received and TDS claimed, balance tax of Rs.14.93 crore has been recovered, while processing (6 April 2016) refund order for Rs.22.48 crore for Assessment year 2010-11 and refunded balance Rs.7.54 crore.</p> <p>d. Aggrieved by this, VPT filed (18 April, 2016) before CIT(Appeals), Visakhapatnam. Appeal is pending with CIT(Appeals) and hearings have not commenced with CIT (Appeals).</p> <p>e. VPT filed petition U/s 154 of the IT Act(25.4.2016) to deduct an amount of Rs.3.53 Crs. from total income on account of Upfront amortization and also for granting the short credit of TDS for Rs.0.05 Crs.</p>
	Assessment Year	2013-14	
	Advance Tax paid & TDS credit	82.69	
	Tax provision made in VPT accounts	15.00	
	Tax liability as per IT return filed by VPT	0.00	
	Refund claimed by VPT as per IT return	82.69	
6.	Financial Year	2013-14	<p>a. VPT assessed business loss of Rs.35.40 crore while filing revised return in March 2016 and claimed refund of tax of Rs.56.33 crore.</p> <p>b. After scrutiny and calling several queries, ACIT, Circle-1(1), Visakhapatnam in his initial assessment order on 31.12.2016, after disallowing Rs.169.49 crore, arrived business taxable income as Rs.134.09 crore duly deducting loss of Rs.35.40 crore as per return filed by VPT and assessed total tax liability of Rs.41.43 crore.</p> <p>c. After adjusting Rs.56.08 crore towards advance tax received and TDS claimed, Rs.14.64 crore along with interest U/s244A allowed and total refundable by the IT Department is Rs.17.06 Crores.</p> <p>d. The IT Department refunded(4.2.2017) an amount of Rs.17.06 Crs which included the interest of Rs.2.42 Crs U/s 244A of the IT Act and the same recognised as interest income of 2016-17.</p> <p>e. Aggrieved of the disallowances of Rs.169.49 Crore at (b) VPT e-filed petition(8.2.2017) petition before</p>
	Assessment Year	2014-15	
	Advance Tax paid & TDS credit	56.33	
	Tax provision made in VPT accounts	7.29	
	Tax liability as per IT return filed by VPT	0.00	
	Refund claimed by VPT as per IT return	56.33	

Sl. No.	Particulars	Status of Assessments from time to time												
		<p>CIT (Appeals), Visakhapatnam. Appeal is still pending with CIT(Appeals). Hearings have not commenced on the CIT appeal.</p> <p>f. VPT filed petition U/s 154 of the IT Act(8.2.2017) for granting the short credit of TDS for Rs.0.25 Crores.</p> <p>g. VPT filed petition U/s 154 of the IT Act(2.3.2017) for granting the short credit of TDS for Rs.0.25 Crores and also for grant of interest U/s244A which was allowed upto 31.12.2016 only amounting to Rs.2.42 Crs. instead of payment of interest up to February 2017 being the date of receipt of refund.</p> <p>h. IT Department issued a notice U/s 154/155 of the IT Act for levy of Surcharge @10% i.e. Rs.4.82 Crs on the order U/s 143(3) passed on 31.12.2016.</p> <p>i. While issuing the refund for the AY 2015-16 of Rs.6.73 Crs the demand at (h) was adjusted and balance amount of Rs.1.90 Crs was refunded for the AY 2015-16.</p>												
7.	<table><tr><td>Financial Year</td><td>2014-15</td></tr><tr><td>Assessment Year</td><td>2015-16</td></tr><tr><td>Advance Tax paid & TDS credit</td><td>48.11</td></tr><tr><td>Tax provision made in VPT accounts</td><td>25.18</td></tr><tr><td>Tax liability as per IT return filed by VPT</td><td>0.00</td></tr><tr><td>Refund claimed by VPT as per IT return</td><td>48.11</td></tr></table>	Financial Year	2014-15	Assessment Year	2015-16	Advance Tax paid & TDS credit	48.11	Tax provision made in VPT accounts	25.18	Tax liability as per IT return filed by VPT	0.00	Refund claimed by VPT as per IT return	48.11	<p>VPT while filing return in March 2017, claimed refund of tax of Rs.48.11 crore.After scrutiny and calling several queries, ACIT, Circle-1(1), Visakhapatnam in his initial assessment order on 31.12.2017, after disallowing Rs.37.70 crores, arrived business taxable income as Rs.123.34 crore as per return filed by VPT and assessed total tax liability of Rs.41.92 crore. After adjusting Rs.5.00 crore towards advance tax received and TDS credit allowed Rs.42.70 crore along with interest U/s244A allowed and total refundable by the IT Department is Rs.6.73 Crores.</p> <p>a. The IT Department refunded(19.1.2018) an amount of Rs.6.73 Crs duly adjusting an amount of Rs.4.82 Crs towards demand for Assessment Year 2014-15 for non-levy of surcharge @ 10% while issuing the assessment order for AY 2014-15 and net refund of Rs1.90 Crs which included the interest of Rs.0.95 Crs U/s 244A of the IT Act.</p> <p>b. Aggrieved of the disallowances of Rs.37.70 Crores at (b) VPT e-filed petition(2.2.2018) petition before CIT (Appeals), Visakhapatnam. Appeal is still pending with CIT(Appeals). Hearings have not commenced on the CIT appeal.</p> <p>c. VPT filed petition U/s 154 of the IT Act(2.2.2018) for granting the short credit of TDS for Rs.0.41 Crores.</p>
Financial Year	2014-15													
Assessment Year	2015-16													
Advance Tax paid & TDS credit	48.11													
Tax provision made in VPT accounts	25.18													
Tax liability as per IT return filed by VPT	0.00													
Refund claimed by VPT as per IT return	48.11													

Sl. No.	Particulars		Status of Assessments from time to time
8.	Financial Year	2015-16	<p>a. VPT assessed business loss of Rs.11.41 crore while filing revised return in March 2018 and claimed refund of tax of Rs.47.01 crore.</p> <p>b. After scrutiny and calling several queries through online mode , ACIT, Circle-1(1), Visakhapatnam in his initial assessment order under section 143(3) dt. 25.12.2018 disallowing Rs.351.95 crores and arrived business taxable income as Rs.237.78 crores and arrived at aggregate Income tax liability of Rs.93.93 Crs.</p> <p>c. After adjusting Rs.5.00 crore towards advance tax received and TDS credit allowed Rs.42.01 crore and total demand payable by VPT u/s 156 of the Act dt.25.12.2018 to the IT Department is Rs.46.92 Crores.</p> <p>d. Aggrieved of the disallowances of Rs.351.95 Crores at (b) VPT opined to file a petition before CIT(Appeals).</p> <p>e. VPT e-filed an appeal before CIT(Appeals) dt.23.1.2019. Appeal is pending with CIT(Appeals). Written submissions have been submitted to the CIT(Appeals) vide our letter dt.9.1.2020 and 21.1.2020.</p> <p>f. The AO vide e proceedings issued penalty proceedings and issued a demand notice U/s 156 of the IT Act dt.25.12.2018 for payment of Rs.46.92 Crs.</p> <p>g. In order to file the appeal on stay of collection of the disputed demand of Rs.46.92 Crs against the demand notice U/s 156 of the IT Act, VPT has to pay Rs.9.38 Crs being 20% of the disputed demand for AY 2016-17 of Rs.46.92 Crs.</p> <p>h. For AY 2011-12, a consequential order dt.31.3.2016 was passed with a refund amount of Rs.21.42 Crs. Out of the total refund amount, an amount of Rs.13.99 Crs was adjusted for the outstanding demand for the AY 2012-13 and remaining amount was issued to VPT. Later while passing the consequential order dt.9.5.2017 for AY 2012-13, credit of Rs.13.99 Crs was not given to VPT.</p> <p>i. VPT vide its stay petition before the DCIT, Circle-1(1), Visakhapatnam on 24.1.2019 filed a stay petition for stay of collection of demand for the AY 2016-17 raised u/s 143(3) of the IT Act and requested the AO to adjust the 20% of the demand against the AY 2012-13 refund for credit of Rs.13.99 Crs along with interest U/s 244 A of the Act.</p> <p>j. The Dy.CIT, Circle-1(1), Visakhapatnam vide order U/s 154 of the IT Act dt.1.3.2019 refunded Rs.13.99 Crs along with interest U/s 244 A of Rs.1.54 Crs(total</p>
	Assessment Year	2016-17	
	Advance Tax paid & TDS credit	47.01	
	Tax provision made in VPT accounts	0.00	
	Tax liability as per IT return filed by VPT	0.00	
	Refund claimed by VPT as per IT return	47.01	

Sl. No.	Particulars	Status of Assessments from time to time												
		<p>amount Rs.15.53 Crs) and adjusted the refund of Rs.15.53 Crs against the outstanding demand for the AY 2016-17(total demand Rs.46.92 Crs).</p> <p>k. The Chief Commissioner of Income Tax-1, Visakhapatnam vide order on the application for stay of collection of disputed demand for AY 2016-17 vide order dt.18.3.2019 informed for payment of Rs.10.00 Crs on or before 22.3.2019 and directed the A.O. to keep the collection of balance of disputed demand in abeyance till the disposal of the 1st appeal by the CIT(A) or 31.12.2019 whichever is earlier on certain terms and conditions.</p> <p>l. VPT paid an amount of Rs.10.00 Crs on 20.3.2019 against the disputed demand of Rs.46.92 Crs. Total amount paid against the demand is Rs.25.53 Crs(Rs.15.53 at (h) above and Rs.10.00 Crs) and balance to be paid is Rs.21.39 Crores.</p> <p>m. VPT was issued a notice dt.31.1.2020 in e-proceedings by IT department for payment of Rs.21.39 Crores balance disputed demand payable by VPT and VPT has filed a petition dt.6.2.2020 requesting the Assessing Officer that rectification petitions for refund due to VPT are still pending for disposal by the department and on being allowed by the Department are more than the balance disputed demand made by the Assessing Officer for AY 2016-17.</p>												
9.	<table><tr><td>Financial Year</td><td>2016-17</td></tr><tr><td>Assessment Year</td><td>2017-18</td></tr><tr><td>Advance Tax paid & TDS credit</td><td>56.13</td></tr><tr><td>Tax provision made in VPT accounts</td><td>13.09</td></tr><tr><td>Tax liability as per IT return filed by VPT</td><td>0.00</td></tr><tr><td>Refund claimed by VPT as per IT return</td><td>56.13</td></tr></table>	Financial Year	2016-17	Assessment Year	2017-18	Advance Tax paid & TDS credit	56.13	Tax provision made in VPT accounts	13.09	Tax liability as per IT return filed by VPT	0.00	Refund claimed by VPT as per IT return	56.13	<p>a. VPT while filing revised return in March 2019, claimed refund of tax of Rs.56.13 crore.</p> <p>b. Initial assessment has commenced and notice under section 143(2) has been issued vide e-proceedings dt.14.8.2018, 27.9.2018 and 27.9.2019 and notice under section 142(1) issued on 19.9.2019 and notice under section 143(3) Show cause issued on 29.11.2019, 18.12.2019, 21.12.2019.</p> <p>c. After scrutiny and calling several queries through online mode, ACIT, Circle-1(1), Visakhapatnam in his initial assessment order under section 143(3) dt.28.12.2019 disallowed Rs.169.83 crores and arrived business taxable income as Rs.169.83 crores and arrived at aggregate Income tax liability of Rs.59.65 Crs.</p> <p>d. After adjusting TDS credit allowed Rs.56.12 crores and total demand payable by VPT is Rs.3.52 Crores.</p> <p>e. Demand notice dt.28.12.2019, U/s 156 of the IT Act was issued to VPT for payment of Rs.3.52 Crores and VPT vide its petition dt.7.1.2020 requested the Assessing Officer that VPT is filing an appeal before the CIT(Appeals) and stated that the amount of</p>
Financial Year	2016-17													
Assessment Year	2017-18													
Advance Tax paid & TDS credit	56.13													
Tax provision made in VPT accounts	13.09													
Tax liability as per IT return filed by VPT	0.00													
Refund claimed by VPT as per IT return	56.13													

Sl. No.	Particulars	Status of Assessments from time to time												
		<p>Rs.0.70 Crores being 20% of the disputed demand of Rs.3.52 Crs be adjusted against the refund receivable to VPT against the petition filed by VPT under section 154 of the IT Act for AY 2016-17.</p> <p>e. Aggrieved of the disallowances of Rs.3.52 Crores at (d) VPT opined to file a petition before CIT(Appeals)</p> <p>f. VPT e-filed an appeal before CIT(Appeals) dt.10.1.2020 Appeal is pending with CIT(Appeals). Hearings have not commenced on the CIT appeal.</p> <p>g. VPT was issued a notice dt.31.1.2020 in e-proceedings by IT department for payment of Rs.3.52 Crores demand payable by VPT and VPT has paid an amount of Rs.0.70 Crores dt.13.2.2020 as regular assessment tax being 20% of the disputed demand of Rs.3.52 Cr</p>												
10.	<table><tr><td>Financial Year</td><td>2017-18</td></tr><tr><td>Assessment Year</td><td>2018-19</td></tr><tr><td>Advance Tax paid & TDS credit</td><td>56.46</td></tr><tr><td>Tax provision made in VPT accounts</td><td>57.77</td></tr><tr><td>Tax liability as per IT return filed by VPT</td><td>27.29</td></tr><tr><td>Refund claimed by VPT as per IT return</td><td>29.17</td></tr></table>	Financial Year	2017-18	Assessment Year	2018-19	Advance Tax paid & TDS credit	56.46	Tax provision made in VPT accounts	57.77	Tax liability as per IT return filed by VPT	27.29	Refund claimed by VPT as per IT return	29.17	<p>a. VPT while filing revised return in March 2019, claimed refund of tax of Rs.29.17 crores.</p> <p>b. Initial assessment has commenced and notice under section 143(2) has been issued vide e-proceedings dt.22.9.2019 and 29.9.2019.</p>
Financial Year	2017-18													
Assessment Year	2018-19													
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10.	<table><tr><td>Financial Year</td><td>2018-19</td></tr><tr><td>Assessment Year</td><td>2019-20</td></tr><tr><td>Advance Tax paid & TDS credit</td><td>65.35</td></tr><tr><td>Tax provision made in VPT accounts</td><td>36.26</td></tr><tr><td>Tax liability as per IT return filed by VPT</td><td>23.49</td></tr><tr><td>Refund claimed by VPT as per IT return</td><td>41.85</td></tr></table>	Financial Year	2018-19	Assessment Year	2019-20	Advance Tax paid & TDS credit	65.35	Tax provision made in VPT accounts	36.26	Tax liability as per IT return filed by VPT	23.49	Refund claimed by VPT as per IT return	41.85	<p>a. VPT while filing revised return in March 2020, claimed refund of tax of Rs.41.85 crores.</p> <p>b. Initial assessment has not yet commenced.</p>
Financial Year	2018-19													
Assessment Year	2019-20													
Advance Tax paid & TDS credit	65.35													
Tax provision made in VPT accounts	36.26													
Tax liability as per IT return filed by VPT	23.49													
Refund claimed by VPT as per IT return	41.85													
10.	For the financial year 2019-20(Assessment year 2020-21), advance tax paid Rs.19.10 Crores and TDS at credit as per Form 26As is of Rs.68.99 crores. Provision towards income tax provided is Rs.68.55 Crs. Tax Return will be filed as per time lines.													

9.	The following items constitute contingent liabilities.	(Rs.in crores)
a)	Law suits pending in Courts against Port Trust for claims	63.97
b)	Contingent liability on account of non payment of 75% amount as per NITI ayog guidelines due to non-production of required Documents like BG and opening of Escrow account by PPP operator M/s.AVR Infra	16.23
c)	Disputed Property Tax Claim for the years 86-87 to 98-99	27.98
	Total	<u>108.18</u>

*In addition to the above, M/s.SEW –vizag coal terminal filed a claim for Rs.1685.74 crores against termination of Concession agreement and VPT also filed a counter claim of Rs.2951.24 crores for revenue loss due to default in completion of EQ-1 against M/s.SEW –Vizag Coal Terminal Pvt Ltd.

- 10 Employees recruited on or after 1.1.2004 are covered under New Pension (Tier-I) Scheme (NPS) with 10% of Basic + DA as monthly employee contribution with employer's matching contribution. Employee and VPT contributions are also transferred to Pension Fund pending remittance to Pension Fund Regulatory Authority (PFRDA)
- 11 The actual monthly Pension Payments are being met from Port Funds duly charging to Finance & Miscellaneous Expenditure till the size of the Pension Fund attains the requisite level. The actuarial valuation of pension liability as on 31.03.2020 as assessed by LIC of India in respect of the Employees on roles is **Rs 1499.97 crores** that of pensioners is **Rs 2940.28** crores. Thus the total actuarial valuation of Pension liability is **Rs 4440.25** crores as on 31.3.2020. During the year contribution to the pension fund is made @ 27% of Salary (basic and DA) payment which amounts to **Rs 60.55** crores. After considering the interest earned during the year Rs. 223.17crores, short fall in pension fund is Rs. 629.46 crores. Further, there is a short provision of Rs. 104.39 crores against actuarial valuation.
- Earlier, Portion of Pension Trust Fund was used for purchase of annuities from three insurers, which disburse fixed monthly pension to the retirees covered under annuity scheme and enhancement of pension if any over the above fixed sum is borne by VPT. On demise of retirees covered under Annuity scheme, payment by insurers is ceased. Thereafter, monthly family pensions are paid to nominees through VPT funds.
- 12 As per Actuarial valuation as assessed by LIC of India, as on 31.3.2020 the liability towards gratuity fund is **Rs 248.06** crores. During the year, contribution to Gratuity fund is made@ 8.33% amounting to Rs.18.63 crores. After considering interest accrued on fund and payments made from the fund, there is a short fall in Gratuity fund amount Rs.73.90. Further, there is a short provision of Rs.73.58 crores against actuarial valuation.
- 13 The actuarial valuation of Employees Leave Encashment Liability as on 31/03/2020 as per M/s. LIC of India is Rs 97.10 crores and investment in fund is Rs. 124.45 crores.
- 14 Separate Trust accounts are maintained for Pension Fund, Gratuity Fund and Provident Fund. There is no separate trust for Group Leave encashment but separate fund is maintained for GLES. During the year 2019-20, payments for Leave encashment met from revenue.
- 15 Detailed statement of Actuarial liability, Provisions created / still to create and funds position there on is furnished herewith.

PENSION, GRATUITY AND GLES FUNDS POSITION as on 31.3.2020

(₹ in Crores)

DETAILS	Pension fund trust	Gratuity fund trust	GLES
Funds to be provided as per Actuarial valuation	4440.25	248.06	97.10
Fund available to the end of 31.3.2019	3527.42	168.94	115.83
Investment made during the year 2019-20	60.55	18.63	0
Interest earned during the year 2019-20	222.82	13.54	8.72
Payments made from funds during 2019-20 *	nil	26.95	nil
Total investment made to the end of 31.3.2020	3810.79	174.16	124.45
(Shortfall) / Excess in fund	(629.46)	(73.90)	+27.35

16. Shortfall in Pension Fund trust and Gratuity Fund trust will be made good in future basing on the availability of surplus funds. Excess funding existing in GLES. A provision of Rs.50.00 crores made towards drop in pension.
17. Net current assets is resulting in negative balance due to increased liability on account of Pension fund and provision for Income tax.
18. As against reserves of Rs. 1607.09 crores (General Reserve and Statutory reserves) an amount of Rs.1301.55 crores investments existing. Details of investments are as stated at Schedule 2.2 A & B amounting to Rs.376.41 crores + Schedule 2.3 D amounting to Rs. 925.14 crores. The difference is due to repayment of Govt loan, Additional contribution towards pension and due to contract payments,
19. Trial balance is generated from SAP and financial statements were prepared in excel, as P&L account and Balance sheet together with schedules is under customization by TCS.
20. Due to severe cyclone HUD HUD, which hit at Visakhapatnam coast during October 2014, damages caused to some of the fixed capital assets of VPT i.e OSTT, South Break waters etc. A factual note was processed to the Ministry duly estimating the restoration cost around Rs.205.00 crores and to provide the same as budgetary support from Government. No approval has been received till date.
21. Provision for Bonus to officers and employees provided.
22. 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.
23. All sundry debtors are considered as good and hence no provision is made for bad debts .
24. 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.
25. As per the Ministry's guidelines vide Lr. No. 25021/1/2011-PD-II dt.02/12/2011, Corporate Social Responsibility fund of **Rs 3.74** crores has been created during the year
26. Reconciliation of quantity balances of Stores Priced Ledgers with Bin Cards has been done and necessary adjustments were carried out wherever necessary.
27. During the year, letters seeking confirmation of balances have been issued except certain lessee since the same are governed by specific lease agreements.
28. Previous year's figures have been regrouped wherever necessary to confirm to the current year's classification.
29. As per age wise analysis, Sundry debtors below 6 months is Rs.28.65 crores and above six months dues are Rs.338.52 crores.

30. General disclosures as per Billimoria report.

Sl.no	Particulars	2019-20			2018-19			Remarks
1.	Fixed capital Assets retired from active use and awaiting disposal should be disclosed separately.	Nil			Nil			The assets were disposed as and when the same were deemed unfit and the sale proceedings are booked/charged to revenue in the respective years.
2.	Estimated amount of contracts remaining to be executed on capital account and not provided for as at the end of 31.03.2020	Nil			Nil			As per the policy of VPT to recognize revenue on accrual basis, estimated capital expenditure due to the end of March 2019-20 provided for as at the end of 31.3.2020
3.	Contingent liability not provided for due to disputes	Nil			Nil			In VPT, the contingent liability is provided for all the dispute/court cases. Hence, the same may be treated as Nil
4.	CIF value of Imports during the year:Stores and Spares Capital goods /spares(Rs.in crores)	0.90			1.26			
5.	Expenditure in foreign currency	0.90			1.26			
6.	Earnings in foreign exchange	Nil			Nil			
7.	Value of imported and indigenous stores and spare parts consumed during the financial year with %	Nil			Nil			
8.	Expenditure incurred on research, planning and developmental activities	4.13			3.72			
9.	Borrowing costs capitalized during the year	Nil			Nil			
10.	Foreign exchange gain/ losses during the year	Nil			Nil			
11.	Total capacity of VPT	126.89			126.89			
12.	Actual number of vessels handled during the year	2099			2012			
13.	Tonnage handled during the year	72.72			65.30			
14.	Details of class-wise staff strength (operating) including CHD is :		CHD	VPT		CHD	VPT	
		CI I	4	126	CI I	3	123	
		CI II	1	88	CI II	1	81	
		CI III	44	1583	CI III	51	1523	
		CI IV	581	728	CI IV	652	884	
		TOTAL	630	2525	TOTAL	707	2611	

Sd/-
S.SHANTHI
FA&CAO
V.P.T

Sd/-
K.RAMA MOHANA RAO, IAS
CHAIRMAN
V.P.T



भारतीय लेखापरीक्षा और लेखा विभाग
महा निदेशक वाणिज्यिक लेखापरीक्षा एवं
पदेन सदस्य लेखापरीक्षा बोर्ड का कार्यालय, हैदराबाद

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL OF
COMMERCIAL AUDIT AND EX-OFFICIO MEMBER,
AUDIT BOARD, HYDERABAD

No.: DGCA/A/cs Desk/VPT/2019-20/1.41/ 178

Date: 04.12.2020

To
The Secretary to Government of India,
Department of Ports Wings, Ministry of Shipping,
Parivahan Bhavan, No.1, Parliament Street,
New Delhi-110001

Sub: Separate Audit Report on the Accounts of the Visakhapatnam Port Trust,
Visakhapatnam for the year 2019-20

Sir,

I forward herewith a copy of the Separate Audit Report along with certified copy of accounts of the Visakhapatnam Port Trust, Visakhapatnam for the year 2019-20 for placing before the Parliament after approval of the Board and resolution passed to the effect for having adopted the above documents. The Separate Audit Report has been finalised after considering the replies furnished by the Board. A copy of the same has also been furnished to the Chairman, Visakhapatnam Port Trust, Visakhapatnam for information and necessary action.

Two copies of the printed Annual Report containing above documents as placed in the Parliament along with the dates of placement in the Parliament may please be furnished to this office.

Yours faithfully,

M. S. Subrahmanyam
04/12/20
(M. S. Subrahmanyam)
Director General

Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of Visakhapatnam Port Trust, Visakhapatnam for the year ended 31 March 2020

1. We have audited the attached Balance Sheet of Visakhapatnam Port Trust as at 31 March 2020 and the Profit and Loss Account for the Financial Year ended 31 March 2020 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, disclosure norms, etc. Audit findings on financial transactions with regard to compliance with the Laws, Rules & Regulations (Propriety and Regularity), 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 that 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 the 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, are 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

Visakhapatnam Port Trust revised its annual accounts to give effect to some of the audit findings issued by this Office. As a result,

- a) Profit Before Tax (PBT) increased by ₹10.16 crore i.e., ₹295.67 crore to PBT of ₹305.83 crore and
- b) Profit After Tax (PAT) increased by ₹6.54 crore i.e., from PAT of ₹267.86 crore to PAT of ₹274.40 crore.

B. Comments on Accounts:

Balance Sheet:

A. Current Liabilities

V. Other Liabilities: ₹402.86 crore

1. The above does not include ₹11.34 crore, being the amount pertaining to the investments of GPF trust of VPT employees downgraded by rating agencies viz., ICRA, CARE and India Ratings & Research. Being the principal employer, VPT has to absorb the losses of GPF trust, for which no liability was provided in the books of VPT during the year. This has resulted in understatement of Other Liabilities as well as Finance & Miscellaneous Expenditure by ₹11.34 crore with corresponding overstatement of Profit for the year by ₹ 11.34 crore.

Application of Funds:**Capital Works in Progress: ₹175.94 crore**

2. The above was overstated by ₹15.96 crore due to continuation of the completed work, viz., Connection of dead end lines at North of R&D Yard to Eastern Grid (third line) from East Coast Railways under Capital Work in progress. Thus, non-capitalisation of the above completed work has resulted in understatement of Railways and Rolling Stock by ₹15.96 crore. This has also resulted in understatement of depreciation by ₹0.26 crore with corresponding overstatement of Profit for the year by a similar amount.

Current Assets, Loans and Advances**Current Assets****Sundry Debtors: ₹367.18 crore**

3. Provision towards doubtful debts made till March 2014 was ₹7.31 crore. Subsequently, despite giving assurances year after year, VPT had not made further provision towards doubtful debts. Out of gross Sundry Debtors of ₹374.49 crore as at 31st March 2020, amount outstanding for more than five years was ₹132.36 crore (35.34 percent).

Similar comment was included in the Separate Audit Report for the year 2018-19 in view of assurance by VPT to take necessary action during financial year 2019-20. However, no corrective action was taken.

C Management Letter

Deficiencies which have not been included in the Separate Audit Report have been brought to the notice of the Chairman, VPT through Management Letter issued separately for remedial/corrective action in 2020-21.

- 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 at 31 March 2020 and
- b. In so far as it relates to Profit & Loss Account, of the profit for the year ended on that date.
- vii. A Review of accounts showing the summarised financial results of the Port for the last three years ended 31 March 2020 is given in Annexure-II.

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

**(M. S. Subrahmanyam)
Director General of Commercial Audit
Hyderabad**

**Place: Hyderabad
Date: 4 December 2020**

Annexure-I

1. **Adequacy of Internal Audit System:**

The Internal Audit of Visakhapatnam Port Trust (VPT) was entrusted to outside agencies, viz., M/s G.R. Kumar & Co for the period from 01-04-2019 to 30-09-2019 and M/s RSM and Associates for the period 01-10-2019 to 31-03-2020. During the current year 2019-20, as per the terms of reference, Internal Audit had submitted monthly Audit Reports to FA & CAO, VPT for the months of April 2019 to March 2020. Though the internal audit mandate provided for various checks including verification of draft Balance Sheet, Profit & Loss Account, Schedules, etc., deficiencies still persisted from the fact that C&AG Audit pointed out 80 Audit Findings¹ during financial audit of annual accounts for 2019-20, out of which VPT management passed rectification entries for 62 Audit Findings. This indicates the need for further improvement and effectiveness of internal audit system.

2. **Adequacy of Internal Control System:**

Internal Controls in VPT are not adequate. Specific areas like the need for strengthening/improvement of sundry debtors' management have been brought to the notice of the Chairman, VPT with inclusion in the Management Letter issued separately for compliance. **Some major items are as follows:**

- ❖ Analysis of Sundry Debtors reveals that trade dues were outstanding from various agencies for a period more than five years. Out of ₹ 374.49 crore of accumulated Sundry Debtors, Government parties have accumulated balances of ₹ 89.22 crore (23.82%) and private parties including cargo handling division amounts to ₹ 285.27 crore (76.18%) without effective persuasion for their actual realisation. A provision of ₹ 7.31 crore was created for bad and doubtful debt in 2014 and the same is still continued without any follow-up/settlement to the logical end. This indicates the absence of regular pursuance and concerted efforts for realisation of outstanding dues.
- ❖ The amounts collected from the debtors are not being adjusted against bill-wise oldest outstanding dues first, on first in first out basis. As a result, bill-wise dues along with amount collected from the party with negative balances continue to be exhibited. In the process, it is becoming difficult to identify the bills against which the dues are outstanding. This position requires an additional module or change in SAP environment to ensure that customer-wise collections from time to time are adjusted against customer-wise oldest outstanding dues sequentially.
- ❖ All port users shall maintain a minimum balance of ₹ 25,000 in their revolving deposit accounts. Out of total 1961 deposit accounts, 1011 deposit account holders are not maintaining the requisite above minimum balance. Deposit accounts of 244 customers have negative balances (receivable by VPT) worth ₹ 59.81 crore and 4 Public Private Partnership (PPP) customers have negative balances (receivable by VPT) worth ₹ 52.50 crore. This indicates inadequacy of deposit amount in the account before rendering port services.
- ❖ Appeals against Income Tax Assessment orders from AY 2009-10 to AY 2019-20 have been pending before various appellate authorities of Income Tax. The Management has to ensure appropriate efforts for speedy disposal of the appeals.
- ❖ No efforts were initiated to adjust the opening balances of various ledger accounts which were accounted as cut over balances while migrating to SAP environment in 2012-13. In spite of lapse of seven years, these cut over balances prior to 2012-13 are being exhibited in the books in 2019-20 also without any adjustment.

¹ Out of 80 Audit Findings communicated by Audit, VPT passed rectification entries in respect of 62 Audit Findings.

3. System of Physical verification of Fixed Assets

As per the policy and procedure of VPT, physical verification of fixed assets is done once in five years. Physical verification of fixed assets was conducted upto the end of 31 March 2013. Accordingly, physical verification due by 31 March 2018 was conducted in 2018-19 by a committee constituted for the purpose. The report has been sent to the departments of VPT concerned. The Physical Verification Report recommended for deletion of 788 assets out of which 538 assets were deleted as on 31st March 2020 and reconciliation in respect of other assets is under progress.

4. System of Physical verification of inventory

As per policy and procedure of VPT, physical verification of Inventory of Stores and Materials should be conducted regularly on annual basis. Physical verification of the same for the year 2019-20 has been completed.

5. Regularity in payment of statutory dues

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

(M. S. Subrahmanyam)
Director General

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

2. Financial Position:

The financial position of VPT under broad headings as at the end of each of the last three years of 2019-20 was as follows:

(₹ in crore)

	Description	2017-18	2018-19	2019-20
I.A	Liabilities			
	(i) Capital Reserves	961.34	962.94	962.98
	(ii) Other Reserves	1261.94	1340.43	1615.08
	(iii) Borrowings	0.00	0.00	0.00
	(iv) Capital Debts	54.86	39.06	23.39
	(v) Grants Received	0.28	19.53	20.35
	(vi) Current liabilities & Provisions & other liabilities(PF/Pension, Gratuity Fund)	2150.09	2205.74	2376.12
	(vii) Deferred Tax Liability	0.00	0.00	0.00
	Total	4428.51	4567.70	4997.92
I.B	Assets			
	(i) Fixed Assets (Gross block)	2099.23	2452.37	2689.37
	(ii) Less: Depreciation	684.17	740.76	784.23
	(iii) Net Fixed Assets	1415.06	1711.61	1905.14
	(iv) Capital Works-in-Progress	576.57	350.21	175.94
	(v) Investments	226.41	513.51	508.98
	(vi) Current Assets loans and Advances	2052.89	1874.94	2253.30
	(vii) Miscellaneous Expenditure (DRE)	0.00	0.00	0.00
	(viii) Deferred Tax Asset	157.57	117.43	154.56
	Total	4428.51	4567.70	4997.92
C	Working Capital ²	-97.20	-330.81	-122.82
D	Net Worth ³	2223.28	2303.36	2578.06
E	Capital Employed ⁴	1317.87	1380.80	1782.33
F	Percentage of Return on Capital employed ⁵	14.86	8.90	15.40
G	Capital employed (including work-in-progress)	1894.44	1731.01	1958.27
H	Percentage of Return on Capital Employed (including works-in progress)	10.34	7.10	14.01

² Working capital represents currents assets minus current liabilities.

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

⁴ Capital Employed represents net fixed assets plus working capital

⁵ Rate of return represents percentage of net surplus (before appropriations) to capital employed

3. Summary of working results:

The working results of VPT for the year ended 31 March 2019 as compared to the last two years ended 31 March 2017 and 2018 were as follows:

(₹ in crore)

	Description	2017-18	2018-19	2019-20
II	Revenue			
A	Income			
	Operating Income	1063.81	1201.39	1404.18
	Non-operating Income	133.57	99.42	107.65
	Total	1197.38	1300.81	1511.83
B	Expenditure			
	Operating Expenditure	541.70	591.01	662.55
	Non-operating Expenditure	396.16	508.89	543.45
	Total	937.86	1099.90	1206.00
C	Net Surplus/deficit or profit before tax and appropriations	259.52	200.91	305.83
	Less: Provision for taxation			
	Previous year	0.00	0.00	0.00
	Current year	57.77	36.27	68.55
	Fringe Benefit Tax	0.00	0.00	0.00
	Deferred Tax	5.89	40.13	-37.12
	Profit after tax	195.87	124.51	274.40
D	Less: Profit on disposal of fixed assets and transferred to Capital Reserve	0.22	1.60	0.04
E	Amount available for Appropriations	195.65	122.91	274.36
F	Less : Mandatory Appropriation / transfer to Reserve Fund (Net profit)	189.49	120.50	148.36
G	Surplus transferred to General Reserve Fund (Net profit)	6.16	2.41	126.00
H	Percentage of net profit after tax to			
I	Operating income	18.41	10.36	19.54
	i Net fixed Assets	13.84	7.27	14.40
	ii Net worth	8.81	5.41	10.64

4. Ratio Analysis (Liquidity & Solvency)

- Percentage of current assets to current liabilities increased from 85.00 in 2018-19 to 94.83 in 2019-20;
- Percentage of quick assets to current liabilities increased from 48.10 in 2018-19 to 57.01 in 2019-20;
- Percentage of liquid assets to current liabilities increased from 28.82 in 2018-19 to 41.55 in 2019-20;
- Percentage of sundry debtors to operating income decreased from 35.40 in 2018-19 to 26.15 in 2019-20;
- Debt/Capital Reserves & Other Reserves ratio decreased from 1.70 in 2018-19 to 0.91 in 2019-20;
- Percentage of Current assets to Total assets increased from 41.05 in 2018-19 to 45.08 in 2019-20;
- Percentage of Operating expenditure to Operating income decreased from 49.19 in 2018-19 to 47.18 in 2019-20.

(M. S. Subrahmanyam)
Director General

ACTION TAKEN NOTES ON COMMENTS OF CAG ON THE ACCOUNTS OF VPT**1.Current Liabilities- Other Liabilities Rs.402.86 crores**

Rs.11.34 Crores pertaining to the Investments of GPF trust of VPT employees downgraded by rating agencies viz. ICRA, CARE and India Ratings & Research. Being the principal employer, VPT has to absorb the losses of GPF trust, for which no liability was provided in the books of VPT during the year. This has resulted in understatement of Other Liabilities as well as Finance & Misc. expenditure by Rs.11.34 crore with corresponding overstatement of Profit for this year by Rs11.34 crore

It was reviewed and observed that, it requires Ministry Sanction & Board's approval. Hence Provision not considered in the books of accounts. Moreover it is also to state that, till now the liability has not crystalized and also this shall form part of GPF Accounts, which is separately assessed and maintained.

2 Application of Funds - Capital Works in Progress Rs.175.94 crore

It was overstated by Rs.15.96 crore due to continuation of the completed work, viz. Connection of dead end lines at North of R&D Yard to Eastern Grid (third line) from East Coast Railways under Capital Works in Progress. Thus, non-capitalization of the above completed work has resulted in understatement of Railways and Rolling Stock by Rs.15.96 crore. This has also resulted in understatement of depreciation by Rs.0.26 crore with corresponding overstatement of Profit for the year by a similar amount.

Reconciliation of the M/s IPRCL account is in progress and final bill yet to be received from M/s IPRCL. Hence, the said asset will be capitalized in this current Fiscal Year after completion of reconciliation and arriving the entire project built-up cost.

3 Current Assets, Loans and Advances – Sundry Debtors Rs.367.18 Crore

Provision towards debts made till March 2014 was Rs.7.31 crore, subsequently, despite giving assurances year after year, VPT had not made further provision towards doubtful debts. Out of gross Sundry Debtors of Rs.374.49 crore as at 31st March 2020, amount outstanding for more than five years was Rs.132.36 crore (35.34 Percent).

In this regard Ministry is in the process of formulating uniform policy on provision for Sundry Debtors. On receipt of the same, VPT shall adhere to the same and process necessary entries.

Annexure-I

1 Adequacy of Internal Audit System

The internal audit of VPT was entrusted to outside agencies viz. M/s G.R.Kumar and Co. for the period from 1.4.2019 to 30.09.2019 and M/s R.S.M AND Associates for the period 1.10.2019 to 31.03.2020. During the current year 2019-20, as per the terms of reference, internal audit had submitted monthly audit reports to FA & CAO VPT for the months of April 2019 to March 2020. Though the internal audit mandate provided for various checks including verification of Draft Balance Sheet, Profit & Loss Account, and Schedules etc. deficiencies still persisted from the fact that C&AG Audit pointed out 80 audit findings during financial audit of annual accounts for 2019-20 out of which VPT Management passed rectification entries for 62 audit findings. This indicates the need for further improvement and effectiveness of internal audit system.

Noted

2 Adequacy of Internal Control System

Analysis of Sundry Debtors reveals that Trade dues were outstanding from various agencies for a period more than 5 years. Out of Rs.374.49 crore of accumulated Sundry Debtors, Govt. Parties have accumulated balance of Rs.89.22 crore (23.82%) and private parties including Cargo Handling Division amounts to Rs.285.27 crore (76.18%) without effective persuasion for their actual realization. A provision of Rs.7.31 crore was created for bad and doubtful debts in 2014 and the same is still continued without any follow-up/ settlement to the logical end. This indicates the absence of regular pursuance and concerted efforts for realization of outstanding dues.

Realization of sundry debtors i.e Rs.52.76 Crores was made during the financial year 2019-20 when compared to debtors outstanding as on 31.03.2019 up to 3 years period, which is evident that VPT is making best efforts in realizing Sundry Debtors. Considerable reduction will be seen/ made on Sundry Debtors during the year 2020-'21 and appropriate action will be taken as necessary deemed fit and as pointed out by the audit. However it is to state that Traffic & Estate dept. are constantly pursuing for realization.

The amounts collected from the debtors are not being adjusted against bill wise oldest outstanding dues first, on first in first out basis. As a result, bill wise dues along with amount collected from the party with negative balances continue to be exhibited. In the process, it is becoming difficult to identify the bills against which the dues are outstanding. This position requires an additional module or change in SAP environment to ensure that customer wise collections from time to time are adjusted against customer wise oldest outstanding dues sequentially

The Latest position will be checked and confirmed. However since collection of money is based on replenishable deposit and not service wise settlement this has arisen, the same will be reviewed and corrective action will be taken.

All Port users shall maintain a minimum balance of Rs.25,000/- in their revolving deposit accounts. Out of total 1961 deposit accounts 1011 deposit account holder are not maintaining the requisite above minimum balance. Deposit accounts 244 customers have negative balances, (receivable by VPT) worth Rs.59.81 crore and four public private partnership (PPP) customers have negative balances (receivable by VPT) worth Rs.52.50 crore. This indicates inadequacy of deposit amount in the account before rendering Port Services.	Port is in the process of changing the accounting pattern similar to the other Ports and as per IPA directions to use PCS 1x which will resolve the issue.
Appeals against Income Tax assessment orders from AY 2009-10 to AY 2019-20 have been pending before various Appellate Authorities of Income Tax. The Management has to ensure appropriate efforts for speedy disposal of the appeals.	This will be reviewed and taken care of in the ensuing years
No efforts were initiated to adjust the opening balances of various ledger accounts which were accounted as Cut over balances while migrating to SAP environment 2012-13. In spite of laps of 7 years these cutover balance prior to 2012-13 are being exhibited in the books in 2019-20 also without any adjustment.	The VPT migrated the accounts to SAP in Dec.2012, while migrating to SAP, the GL balances are uploaded as cutover balance, will be reviewed and adjusted in due course.
3 System of physical verification of fixed Assets	
As per the policy and procedure of VPT physical verification of fixed assets is done once in five years. Physical verification of fixed assets was conducted up to the end of 31.3.2013. Accordingly physical verification due by 31.3.2018 was conducted in 2018-19 by a committee constituted for the purpose. The report has been sent to the departments of VPT concerned. The physical verification report recommended for deletion of 788 assets out of which 538 assets were deleted as on 31.3.2020 and reconciliation in respect of other assets is under progress.	Necessary adjustment in Fixed Assets is under progress.
System of physical verification of inventory	
As per policy and procedure in VPT physical verification of inventory of stores and materials should be conducted regularly on annual basis. Physical verification of the same for the year 2019-20 has been completed	No comments
Regularity in payment of statutory dues	
The Port Trust remitted the statutory payments to the respective departments within the due dates.	No comments

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11 - 12 July 2019
New Delhi (India)

Rema

Ms. Rema
General Secretary





Fog Cannon

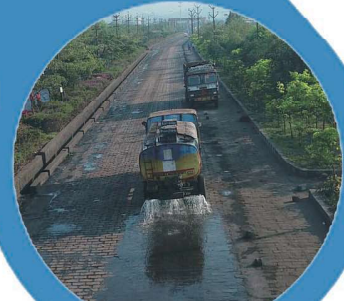
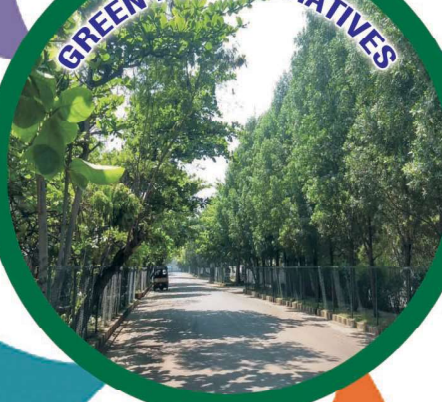


Mechanical Dust Suppression System

GREEN PORT INITIATIVES



Mechanical Road Sweeping Machine



Water Sprinkling



10 MW Solar Plant



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