

**ACCOUNTS DEPARTMENT**

**ACCOUNTS BRANCH**

**PROCEDURE MANUAL**

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ACCOUNTS BRANCH  
Procedure Manual

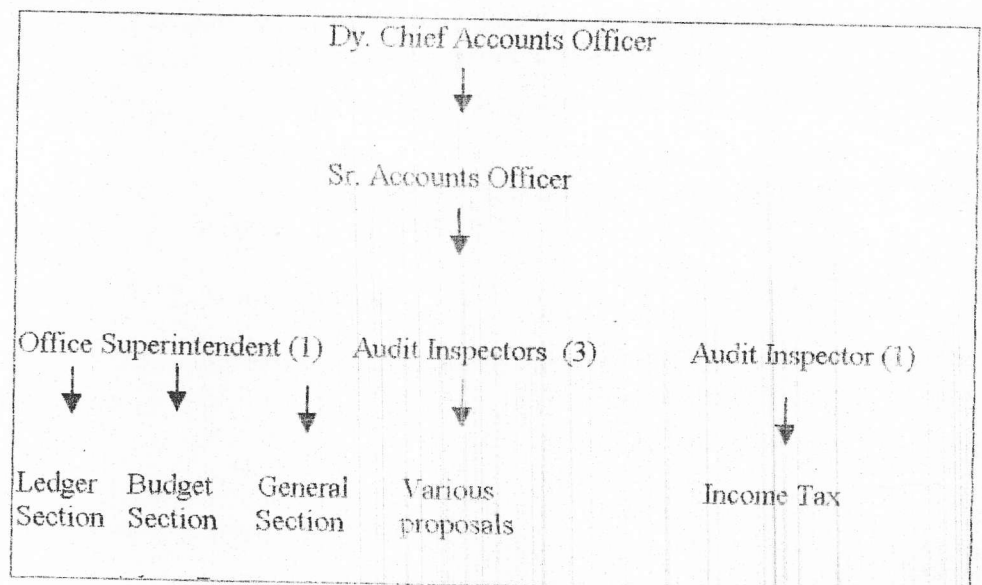
**I. FUNCTIONS**

The following are the broad functions of the Branch :

- (1) Financial accounting involving maintenance of financial ledgers and compilation of Annual Accounts, Annual Administration Report and related work.
- (2) Management Accounting involving Budgeting, Budgetary Control, MIS Reports and related work.
- (3) Financial Advice and other financial scrutiny of expenditure proposals.
- (4) Matters connected with auditing by the Principal Director of Audit.
- (5) Works involving general policy issues and other matters, having financial implications or having bearing on financial accounts.
- (6) Matters related to Income Tax as the ports have been brought under the purview of income tax from the financial year 2002-03.
- (7) Annual Accounts of Pension Fund Trust created by MbPT as per the statutory requirement under Income Tax Act, 1961. *GGFT*
- (8) Matter pertaining to audit of Pension Fund Trust. *GGFT*
- (9) Income Tax related work of Pension Fund Trust. *GGFT*

**II ORGANISATION SET UP**

1. The day to day functions of the Branch are looked after by a Senior Accounts Officer and Class III staff. The branch is under the overall supervision of a Dy. Chief Accounts Officer. The organizational chart is given below :



2. The division of duties among staff of the Branch is given in Annexure I.

### III. FINANCIAL ACCOUNTING

- (1) Objective :

This function involves the compilation and presentation of the Annual Accounts indicating the Financial Performance and State of Affairs of the Port for information of the Parliament, in terms of Section 107 of the MPT act, 1963 and also of the Port Management and other interests.

- (2) Port Accounting Procedures :

2.1 The Accounting System followed is that recommended by the Consulting Accountants, M/s. Price Water House, Peat & Co. appointed in this behalf under TR No.437 of 1966. An Officer on Special Duty had been appointed by the Comptroller and Auditor General of India (CAG) to examine and clear from audit angle the accounting system before its implementation. After clearance by the CAG, the Accounting System was adopted with effect from 1.4.1968 with Board's and Government's approval (TR No.2 of 1969). To have the common framework for reporting for all major ports, the consultants viz. M/s. S.B. Billimoria & Co. were appointed by IPA. The new format of Profit and Loss A/c. and Balance Sheet format has been adopted by the port from the year 2003-04. The guidelines given by the consultants have also been approved by Govt. and C&AG.

2.2 For the purpose of preparing the financial accounts of the Port, the activities of the Port are broadly divided into five principal activities on functional basis. These five principal activities and the services falling under each are enumerated below.

- (1) Cargo Handling and Storage :

Under this activity all the services rendered for cargo operations in the docks right from the hook point to the point of delivery are classified.

- (2) Port & Dock Facilities for Shipping :

This activity comprises all the services to vessels from the point of entry into the harbour till a vessel is berthed in the docks and leaves the Port after cargo operations.

- (3) Railway Working :

This activity comprises the services of the Port Trust Railway Network for transfer of cargo to/from the Docks and the trunk railway system.

- (4) Rentable Lands and Buildings :

The maintenance of the Port Trust estates and sheds and godowns outside the dock limits which are let out on leases/ tenancies fall under the purview of this activities mentioned above.

(5) Management and General Administration :

The activity comprises the services of the administrative departments which are not directly involved in the Port operations but tender supporting services for the functioning of the operating departments the services of which constitute the four activities mentioned above.

The expenditure incurred on the five activities mentioned above together constitute the operating expenditure of the Port.

2.3 For all services rendered as mentioned above, charges are recovered from the Port users towards cost of services. The income so derived for rendering services is grouped as follows in the same order in which the activities are listed above.

(1) Cargo Handling & Storage Charges :

These are charges recovered for cargo operations in the docks :

(2) Port and Dock Charges :

These are charges for services rendered to the vessels.

(3) Railway Earnings :

The charges recovered for the working of Port Trust railway system are classified under this head.

(4) Estate Rentals :

These are rental charges on letting out of lands, godowns and sheds outside Dock limits on tenancy/leases.

The four major types of income referred to above are called Operating Income, since it is generated by Port operations. It may be noted that the fifth Principal activity, viz., Management and General Administration mentioned above does not generate any income by itself. However, the cost of this activity is covered in the Operating Income.

2.4 In addition to the operating income and expenditure as indicated above, there is another class of income and expenditure known as Finance & Miscellaneous Income and Finance and Miscellaneous Expenditure. The F&M Income comprises mainly interest on investments of surplus funds and various miscellaneous income realized by way of sale of unserviceable/ obsolete items, etc. The F&M Expenditure comprises mainly generally types of expenditure such as interest payment, pension, Productivity Linked Bonus/ Performance Reward, etc. which cannot be directly identified with the five activities mentioned in para 2.2.

2.5 Each of the principal activities referred to above has further been divided into sub-activities or services as stated below :

INCOME

Cargo Handling and Storage Charges :

Handling and Storage Charges of General Cargo  
Storage of goods in warehouse

Charges for Container Handling Cranes and Other Cranes  
Petroleum, Oils and Lubricants Handling Charges  
Demurrage fees on General Cargo  
Miscellaneous Charges

Port and Dock Charges :

Charges for Towage, Pilotage, etc.  
Berth Charges, Basin Rents, etc.  
Port dues  
Dry Docking Charges  
Water supply to Shipping  
Salvage and Divers' fees  
Miscellaneous Charges

Railway Earnings :

Freight and Haulage Charges  
Siding Charges  
Terminal Charges  
Wharfage and Demurrage  
Miscellaneous Charges

Estate Rentals :

Rent from lands  
Rent from Buildings, Sheds and Godowns  
Recoverable Property Taxes, etc.  
Miscellaneous Income

EXPENDITURE

Cargo Handling and Storage :

Handling and Storage of General Cargo at Sheds and Wharves  
Warehousing  
Operation and maintenance of Container Handling  
Handling of Petroleum, Oil and Lubricants  
Expenditure on general facilities at Docks and Bunders  
Administration and General Expenses  
New Minor Works  
Depreciation

Port and Dock facilities for Shipping :

Towing, Berthing and Mooring  
Pollution Control  
Pilotage  
Dry Docking Charges  
Water supply to Shipping  
Fire Fighting  
Dredging and Marine Survey  
Harbour Patrol  
Operation and Maintenance of Navigational Aids

Salvage and underwater repairs  
Maintenance of dock and harbour walls and marine structures, etc.  
Administration and General Expenses  
New Minor Works  
Depreciation

Railway Workings :

Operation and maintenance of locomotives, wagons, etc.  
Maintenance of permanent way and signal and interlocking  
Operation, maintenance and administration expenses of stations, yards & sidings  
Administration and general and New Minor Works  
Depreciation.

Rentable Lands and Buildings

Estate Maintenance  
Administration and General Expenses  
New Minor Works  
Depreciation

Management and General Administration :

Management and Secretarial expenses  
Accounting and Auditing  
Legal expenses  
Labour and Welfare expenses  
Medical expenses  
Store-keeping  
Expenditure on Head Office building  
Telephones  
Engineering and Workshop administration and overheads  
Sundry expenses  
New Minor Works  
Depreciation

Finance & Miscellaneous Income and Finance & Miscellaneous Expenditure have been sub-divided as under : -

Finance and Miscellaneous Income :

Interest on investments of various funds and balances at Banks, Advances, Deposits, etc.

Profit on sale/ redemption of investments

Profit on disposal of capital and other assets

Sale of unserviceable materials

Special credits

Sundry receipts

Items relating to previous years

Finance and Miscellaneous Expenditure :

Contribution to Pension Fund Trust created as per the requirements of Income Tax Act.

Productivity Linked Bonus/ Performance Reward

Bank charges

Loss on disposal of capital and other assets

Bad debts and Stores adjustments

Items relating to previous years

### 3. Classification and Coding of Income, Expenditure, Assets and Liabilities

3.1 The accounting system has been devised with a view to enabling presentation of financial accounts, in terms of the principal activities as indicated in paras 2.2 to 2.4.

3.2 Port Operation is a combination of multifarious activities and involves different facts of Port management. Hence, the accounting system devised, apart from enabling presentation of financial accounts, facilitates compilation of Budget, Budgetary control and generation of MIS Reports (For details of this, refer Chapter IV).

3.3 The two fold objectives as referred to in paras 3.1 and 3.2 are met by providing in the system means for classification and coding of income, expenditure, assets and liabilities. To enable compilation of Annual Accounts, income and expenditure have been classified in terms of the principal activities, and as Finance & Miscellaneous Income and Finance & Miscellaneous Expenditure. To facilitate compilation of Budget and Budgetary control, expenditure has further been classified in terms of responsibility, type and object/ activity. The classification of expenditure in terms of responsibility, type and object enables :

- identification of responsibility, that is as to who has incurred the expenditure.
- identification of type of expenses, that is as to what is the type of expense.
- identification of object/ activity, that is as to the service for which the expense was incurred.

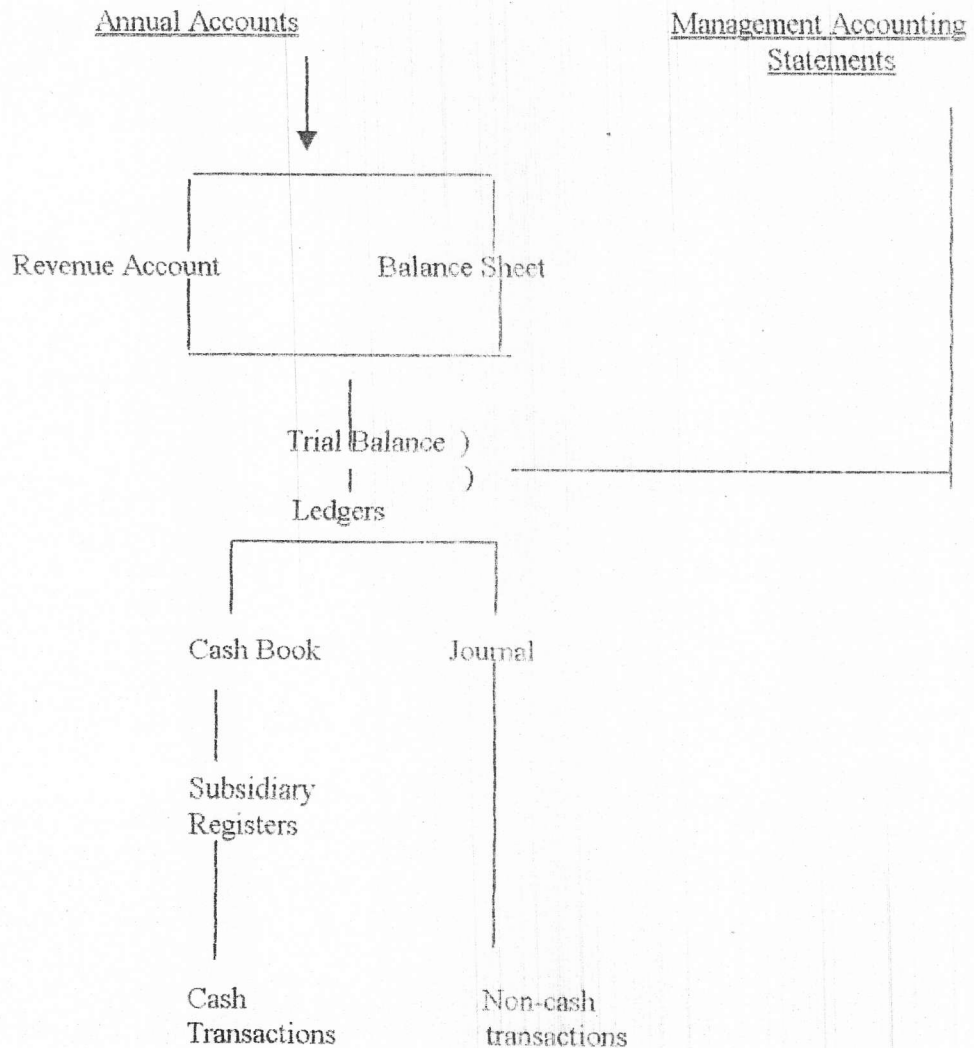
The above three distinct classification of expenditure is represented in terms of Budget centre, type of expenditure and cost centre, respectively.

3.4 The assets of the Port are classified as Capital Assets, Investments and Current Assets. The liabilities are classified as Reserves, Funds, Long Term Liabilities and Current Liabilities.

3.5 To facilitate accounting work involved in recording, transferring and summarizing of data, numerical account codes are in use. The codes are grouped in terms of the classification of income and expenditure and assets and liabilities. For detailed list of codes, Appendices 10 to 14 to the Consulting Accountant's Final Report regarding classification and coding of income and expenditure and assets and liabilities may be referred to.

### 4. Operation of Accounting System :

4.1 We follow a decentralized system of accounting. The day to day transactions are recorded in the subsidiary journals maintained in different departments and branches of Accounts Department and the Accounts Branch maintains the control accounts. The Departments and Branches of the Accounts Department where the subsidiary journals are maintained prepare a monthly summary of the day to day transactions effected through the subsidiary journals indicating income/ expenditure accounts codewise and forward the monthly summary to Accounts Branch (accounting return) for posting in the Control Accounts in the Ledger. The accounting returns are broadly of two types (i) those pertaining to cash transactions and (ii) those pertaining to non-cash transactions. The return in respect of cash transactions indicate cash receipts and payments, whereas those in respect of non-cash transactions give allocation of income/ expenditure account codewise. Thus cash book is the only return in respect of cash transactions and all others are in respect of non-cash transactions. After posting in the respective ledger accounts, a monthly trial balance is prepared. At the end of the year, from the trial balances, Annual Accounts are prepared. Management Accounting statements for Budgetary control purpose are also prepared six monthly and annually. This accounting cycle can be illustrated by the following chart :



4.2 The various accounting returns and their sources are listed in Annexure –II.



4.3 Maintenance of Ledger Accounts.

There are three types of ledgers (1) General Ledger, (2) Cost Ledger and (3) Proforma Ledger. General Ledger is maintained to post all transactions relating to (i) Budget Centres, (ii) Finance & Misc. Income and Expenditure, (iii) Clearing accounts, i.e., temporary accounts for certain type of expenditure pending distribution over proper account heads, (iv) income and (v) assets and liabilities. The proforma ledger is maintained to Post transactions relating to works, items of expenditure from Employees Welfare Fund and Fire and Motor Insurance Fund. The cost ledger is maintained for posting transactions in terms of types of expenditure. The types are identified in separate column in the General Ledger for Budget centers, as also in cost ledgers.

4.4 Under the above three broad types, in all 8 ledgers are maintained as indicated below :

(1) General Ledger.

- (i) Asset Ledger (1 No.)
- (ii) Funds and Liabilities Ledger (1 No.)
- (iii) Budget Centre Ledger (1 No.)
- (iv) Income Ledger (1 No.)

(2) Proforma Ledger

- (i) Capital Works-in-Progress Accounts Ledger (1 No.)
- (ii) New Minor Works-in-Progress Accounts Ledger (1 No.)
- (iii) Renewals and Replacement, Employees Welfare Fund and Fire & Motor Insurance Fund Ledger (1 No.)

(3) Cost (Principal Activities) Ledger (1 No.)

4.5 The nature of Accounts contained in the abovementioned ledgers are as under :

(i) Asset Ledger : This Ledger contains the following accounts :

- (1) Capital Assets (GLC Nos. 700 to 779)
- (2) Investments (GLC Nos. 780 to 799)
- (3) Current Assets (GLC Nos. 800 to 899)

(ii) Funds and Liabilities Ledger : This ledger contains the following accounts :

- (1) Reserves and Surplus (GLC Nos. 500 to 529)
- (2) Depreciation of Capital Assets (GLC Nos. 530 to 539)
- (3) Capital Debts (GLC Nos. 540 to 549)
- (4) Pension and Provident Funds (GLC Nos. 550 to 599)
- (5) Current Liabilities (GLC Nos. 600 to 699)

(iii) General Ledger regarding expenditure :

The General Ledger has a separate account for each Budget centre in which all revenue expenditure relating to that Budget centre is posted. The expenditure by 'types' is indicated in separate columns.

(iv) Ledger for Operating Income and the Finance and Miscellaneous Income and Expenditure.

This Ledger contains the following accounts :

- (1) Finance and Miscellaneous Expenditure (GLC Nos.100 to 149)
- (2) Revenue Clearing Accounts (GLC Nos.150 to 199)
- (3) Operating Income (GLC Nos.200 to 349)
- (4) Finance and Miscellenous Income (GLC Nos.350 to 399)

(v) Capital Works-in-Progress Ledger :

This is a proforma ledger showing the individual capital work account when in progress. Separate account for each capital work-in-progress is maintained in this ledger. At the end of the year the expenditure on the work physically completed is transferred to relevant capital asset account after adding 7% Engineering Supervision and Overhead charges, wherever applicable. The expenditures in respect of remaining works are carried forward to next year.

(vi) New Minor Works-in-Progress Ledger.

This is a proforma ledger showing the individual minor revenue work when in progress. Separate account for each New Minor Works-in-Progress is maintained in this ledger. This facilitates compiling expenditure of various works separately and in comparison with the sanctioned estimates.

(vii) Renewals & Replacements, Employees Welfare Fund and Fire and Motor Insurance Fund Ledger.

Proforma accounts of all the works chargeable to Revenue as special repairs and maintenance and of the expenditure to be met from the Employees Welfare Fund and the Fire and Motor Insurance Fund are maintained in this ledger.

(viii) Cost Ledger.

This ledger contains separate accounts for each cost centre in which all revenue expenditure relating to that cost centre is posted. Expenditure by 'types' is indicated in separate columns. This ledger is maintained on computer. The postings to cost ledger and general ledger regarding expenditure are done from the same set of returns.

The total expenditure on the basis of individual accounts in the proforma ledgers have to be tallied with the respective control ledger accounts for these items. Similarly the total expenditure as per cost ledger accounts should tally with the General Ledger for Budget Centres.

4.6 Brief description of the main accounting returns are given below :

(i) Cash Book :

Cash receipts and payments are recorded daily by Cash office in the Cash book. The allocation of expenditure to the relevant account codes is indicated in the Cash book. However payments/ expenditure involving transactions relating to multiple accounts are debited to allocation sheet clearing account in the cash book and the allocation to respective debit heads is done on the basis of allocation given in the supporting vouchers by Accounts Branch. The total cash receipt is originally credited to the 'allocation sheet clearing account' and the detailed allocation is furnished by the Cash Office in the miscellaneous receipt summary prepared monthly on a subsequent date from which the posting is effected and the 'allocation sheet clearing account' is cleared.

(ii) Journal Entries:

Journal Entries mainly comprises GRA Abstract, stores abstract, workshops stores transfers, entries for direct purchases made by the Chief Engineer, Book Keepers transfer form Workshops Accounts, and other entries such as inter-departmental transfers, adjustments and closing entries. Journal entries from other Departments for carrying out accounting adjustments are to be verified by the Asstt. Supdt., Ledger Section and then signed by JAO (G) / SAO (G) and supervisory officer, before posting in the Ledger.

(iii) Wages Abstract :

The wages allocation sheets accompanying the paysheets in respect of staff other than those relating to workshops non-scheduled staff, Docks Hamallage staff and those chargeable direct to works and other jobs are detached by the Cash Branch after the payment is made and sent to Accounts Branch. From these sheets summary showing Budget Centre wise and cost Centrewise allocation is prepared on computer by Accounts Branch. From this abstract, postings are effected to various Budget Centres. Postings in the cost ledger are effected direct from the computer programme. The wages chargeable to various jobs are allocated by the Engineering Departments and the abstract forwarded to this Branch, on the basis of man-hour rates. Wages abstract in respect of workshops staff is prepared every month on the basis of man- hour returns. Wages abstract in respect of workshops staff is prepared every month on the basis of returns received from the BPT Workshops by Workshops Accounts Office. The allocations in respect of Docks Hamallage are given by Hamallage Audit. Any difference in the total wages as per these abstracts and as per the unallocated Wages Account is reported back to the Department / Branches for regularizing the difference. The amount of Trustees' contribution to PF in respect of employees governed by CPF Scheme is treated as Operating Expenditure every month and debited to Salaries and Wages and credited to accrued liabilities and six monthly the accrued liabilities account is wiped out by transferring to the Provident Fund Account.

(iv) Bills Rendered Journals :

Bills Rendered Journals are received from the following Departments / Branches in respect of revenue collected by rendering bills and indicate account code-wise amount of charges billed :

- (1) Docks Department - Docks Revenue (one each for Docks charges, contained related charges and pier dues)

- (2) Estate Department
- (3) Port Department
- (4) Railway Department
- (5) Workshops Accounts Branch

Bills Rendered Journals of Docks and of Port Departments are verified by Revenue Audit Branch and that of Railway Department by Railway Audit Branch. The Bills Rendered Journal of Estate Department is verified by the Outside Audit Branch. The Bills Rendered Journals for bills rendered by Accounts Department, on the basis of the advices received from the Civil Engineering and Mechanical Engineering Departments, are prepared by Workshops Accounts Branch. These journals are received every month and postings are effected to various income codes. Total of Bills Rendered Journals is debited to Sundry Debtors Control Accounts. The individual Sundry Debtors Accounts (Present Accounts) are maintained by the Departments / Branch who render the bills, and recovery of outstandings is watched by them.

(v) Cash journals:

In respect of collection of revenue made in cash, Cash Journals are received every month from the following departments/ branches.

- (1) Estate Manager in respect of collection made by Estate Dept.
- (2) Revenue Audit Branch in respect of collections made at docks and bunders.
- (3) Railway Audit Branch in respect of Railway earnings.

The Cash Journal received from the Estate Manager is verified by the Outside Audit Branch. The Cash Journals show the allocation of revenue collected in cash for the entire month. The cash collections are paid into Bank daily and the total amount is credited to GLC 897, which is a clearing account, through the Cash Book. When the Cash Journals are received, various income accounts, Sundry Debtors Control Accounts and deposit accounts are credited and the total is debited to GLC 897. The total of all the Cash Journals should tally with total cash paid into the Bank for a month as reflected in GLC 897. In case of difference the concerned Branches should be asked to locate and adjust the difference.

4.7 As per the programme fixed for the forwarding of various returns from the Departments and Branches, all the returns for a month should reach this office by the 15<sup>th</sup> of the following month. The postings of account for a month are to be completed and trial balance prepared within the close of the following month. On receipt of returns they are given running serial numbers for each months separately, except for cash book which bears running page numbers from April to March. Alphabetical codes as given below are used to identify different type of returns and each set of returns bear separate running serial numbers :

Cash Book	CB
Wages Abstract	W
Journal Entry	J
Cash Journal	CJ
Bills Rendered Journal:	BJ

The above alphabetical codes are followed by a numerical code (such as 1 for a April, 2 for May and so on) to denote the month to which it pertains. This running serial number is entered in the ledger to identify source of each transaction. The transactions as indicated in the returns are then posted in the respective ledger accounts. As far as postings in Cost Ledger are concerned, a check list indicating reference to return, account code number and amount is obtained from the computer and then each entry is checked by Asstt. Supdt. Thereafter, monthly trial balance indicating cumulative totals upto the end of the month is prepared and then accounts are tallied. If the trial balance does not agree, recourse to returns and postings effected in the ledger is necessary to locate and adjust the difference. The postings in the ledger are also to be scrutinised by any one of the officers in charge of the Branch to see unusual/ abnormal debits/ credits to different ledger accounts and to find out the reasons therefor.

4.8 During the course of the year it so happens that certain transactions cannot be individually allocated to the proper heads of accounts and these find temporary resting places in certain suspense accounts. Under each Suspense Account, there may be so many transactions of a particular item/ subject or of different items/ subjects. Since it is not possible to enter all the details in the ledger accounts, only the total amount is indicated in the ledger and the itemwise details are indicated in a separate register maintained for this purpose. Subsequently when transaction is complete and when all the details regarding the transactions are available, those are to be allocated to the proper heads of accounts by the respective branches. Such clearance has to be periodically watched and outstanding items are brought to the notice of the respective Departments/ Branches, six monthly, requesting them to clear the items quickly. As and when the items are cleared, those are cancelled from the separate register maintained in the Accounts Branch.

## 5. Maintenance of Investment Registers

5.1 The Investment Registers are maintained to record the details of various investments made outside the organisation and the interest thereon.

5.2 The surplus cash available is invested in Bank deposits, Government Securities, Units of UTI, UDFC, Bonds of Public Sector Undertakings and Public Financial Institutions and Municipal Bonds, in terms of Section 88 of the MPT Act, 1963, and Government instructions from time to time (For details see the Manual on Cash Branch).

5.3 The cash book indicates investments at cost made each day, investment codewise. On this basis, the ledgers are posted indicating cost. The face value is also indicated in separate column on the basis of security register of cash Office. The details of the investment are recorded in the subsidiary cash books of the Cash Branch, wherein details of the day to day investments, interest collections, etc. are available. Investment Register detailing fundwise investments indicating face value and cost separately and fundwise interest collection is maintained. The total investment both in terms of face value and cost and interest collection as recorded in the Register is to be tallied with respective Control Ledger accounts. The interest collections as indicated in the Register are allocated to respective funds. While doing so the interest collections have to be reduced by the accrued interest provided in previous years accounts. The fundwise investment as per investment Register is compared with the Fund balance to see how it matches with the Fund balance and excess/ less investment is transferred to / from funds to bring the investment in comparable position (after keeping some cash balance) with the Fund balance. Any balance investment (in bank deposit form) in unallocated investment account is transferred to account for "Deposit with bank".

5.4 For any investment such as Unit Certificate, Certificate of Deposit, Bonds, etc. a proof of investment is received. The documents received are kept in the safe custody of FA&CAO/ACAO. A proforma account of such documents in safe custody in terms of face value is maintained in the Asset Ledger. The details of such documents are taken from security register of Cash Office. In the case of certificate in DEMAT form, a holding statement is received from the bank giving the details of the organisation, number of bonds etc.

## **6. Maintenance of Property Registers :**

6.1 The Property Registers are maintained to record the details of Capital Assets. There are in all 11 property registers, according to the 11 categories of assets. The 11 categories of the assets are given in Annexure III.

6.2 For each asset falling in the above categories a separate asset card is available in the property register. The asset card gives the following details :

- (1) Category of Asset.
- (2) Sub-category of the Asset.
- (3) Life.
- (4) Principal Activity and Sub-Activity for which asset is used.
- (5) Location of Asset.
- (6) Reference for sanction.
- (7) Year of Commissioning.
- (8) Original cost.
- (9) Year in which depreciation ceases.
- (10) Annual depreciation.
- (11) Year of disposal, sale proceeds, etc.
- (12) Details of additions to demolition of parts, etc.

6.3 When any capital work is physically complete an advice from the CE/CME/CMO/CPIRM is received. On the basis of this advice an asset card for that capital item is prepared. The cost of any addition to the existing capital asset is added to the cost of original asset and hence in such cases no new asset card is prepared but the details of the addition are entered in the Asset Card of the original asset. The life span of addition existing asset ceases concurrently with existing asset.

6.4 The Asset Card forms the basis for working out depreciation on capital assets. The depreciation is calculated on historical cost, by straightline method. The life span of capital assets were initially fixed in the 1950s and 1960s. This was revised in 1991-92 under TR Nos.225 and 351 of 1991 and is indicated in Annexure III.

6.5 The depreciation on historical cost basis is a charge to the Revenue Account.

## **7. Reserves and Funds**

7.1 The surplus of income generated is required to be earmarked for meeting future requirements. Such surplus is earmarked towards the following Reserves and Funds :

- (1) Fund for Replacement, Rehabilitation and Modernisation of Capital Assets (RRM).
- (2) Fund for Development, Repayment of Loans and Contingencies (DRLC).

The Major Ports Commission had recommended that Ports should set up two reserves :

- (i) Reserve for Replacement, Rehabilitation and Modernisation of Capital Assets  
and
- (ii) Reserve for Development, Repayment of Loans and Contingencies by contributing every year 3% of capital employed (Please see para 10.3 for capital employed) to each of the Reserves. This recommendation was accepted by the Government and under its letter No.PGF-15/76 dated 22.9.1976 Ministry had approved the operation of the above two Reserves from financial year 1975-76.

Even though Government had initially indicated that the Reserves should be funded every year to the extent of availability of cash, we had not done so then. In view of the massive outlay required for replacement and modernisation of assets, a review was taken in 1990-91 and it was decided by TR No.33 of 1991 that these two reserves be funded from that year (1990-91) and the unspent money be invested outside. Thus, from 1990-91 onwards the balance monies available in these funds is being invested separately on account of these funds. The interest earned on such investment is also transferred direct to the funds. These reserves were also renamed as Fund for Replacement, Rehabilitation and Modernisation of Capital Assets and Fund for Development, Repayment of Loans and Contingencies respectively in 1990-91.

The very name of the Funds indicate the purpose for which they are created and the monies in the Funds can be used only for that purpose.

**(3) Fire and Motor Insurance Fund :**

This Fund was created by TR No.452 of 1955. This Fund is meant to meet any expenditure incurred either on Revenue Account or Capital Account, for repairing any damage to Port Trust property caused by fire. The Fund is also meant to cover cost of damage to Port Trust vehicles and third party claims as a result of accidents. As and when need is felt and surplus permitting, a suitable amount is transferred to the Fund.

**(4) Employees Welfare Fund :**

This Fund is meant to meet the expenditure on employees welfare. A suitable contribution was being made to the Fund from the revenue surplus on the basis of the projected expenditure. By TR No.33 of 1991 it was decided that about 1% of the operating income be transferred to the Fund out of revenue surplus.

**(5) General Reserve Fund (GRF) :**

This Fund is meant for transferring surplus that cannot be allocated to any other Fund and hence the entire balance amount available from the revenue surplus was earlier being transferred to the General Reserve Fund. In 19\_\_\_\_, a decision was taken to restrict the balance in the Fund to that amount of loan given to other Ports out of the Fund. Thus very little amount after transfer to all funds is now transferred to the General Reserve Fund from available surplus every year.

7.2 The appropriation of surplus to the Funds indicated in para 7.1 is within the competence of Board, in terms of section 90 of MPT Act,1963. Such appropriations are indicated in Annual Accounts and get approved concurrently with approval to Annual Accounts.

**8. Bank Reconciliation**

Reconciliation of the Current Account maintained in the State Bank of India, Main Branch and State of Bikaner & Jaipur, PM Road Branch, Provident Fund account for Approved Fund in SBI, Salary A/c. with Control Ledger Account and Cash Officer Bank Balance Register is attended to by the Branch on monthly basis. For the purpose of reconciliation, the following registers/ documents are received from Cash Branch :

- (1) Daily Statements of Accounts received from the Bank.
- (2) Daily Revenue slips indicating daily revenue collections paid into Bank, alongwith remittance slips of the Departments/Cash Branch who bank their collection direct to the Bank.
- (3) Register of credits awaited and extra debits to Bank Account.
- (4) Register of extra credits.
- (5) Cheques Register indicating details of cheques issued.
- (6) Lapsed Deposit Register.
- (7) Daily Bank Balance Register.

On receipt of the above documents, the various transactions are verified, the Bank accounts reconciled and discrepancies, if any, noticed are reported to Cash Office for rectification. Details of stale cheques i.e. cheques not encashed by the parties within six months are also to be reported to transfer the amount of these cheques to Lapsed Deposit Account.

**9. Compilation of Annual Accounts :**

9.1 Once the monthly accounts upto the end of financial year are complete, the next step is compilation of Annual Accounts. After posting all the accounting returns received from various sources, certain final and closing entries are to be effected before closing the accounts, preparing the annual trial balance and then preparing the final accounts comprising the Revenue Account and Balance Sheet.



9.2 For closing of the Annual Accounts, there are so many pre-requirements as detailed below. Letters to Departments/ Branches are sent wherever necessary early March every year to get these details –

- (i) Reminders to Departments/ Branches concerned for expediting forwarding of monthly accounting returns.
- (ii) Allocation sheet clearing account – GLC 181, such as BEST, BSES, etc. to be got cleared by contacting respective branches, if need be.
- (iii) Accrued Terminal Income : Railway Audit to furnish.
- (iv) Accrued Expenditure statements to be obtained from various departments/ branches.
- (v) Yearly statement showing the closing balance in Miscellaneous Deposit Account – Docks Account.

- Sales Account
- Estate Account
- Railway Account

to be obtained from DM/EM/RM.

- (vi) Yearly stock taking at the Central Godown and Sales of various Canteens : Details to be obtained from JAO (Ham).
- (vii) Sales Proceeds of Unclaimed Goods (GLC 645) Annual Adjustment : Details to be obtained from JAO (Rly).
- (viii) Annual Journal Entry from PF Branch for --

Employees contribution during the year  
Trustees contribution during the year  
Special contribution to PF during the year, and  
Forfeiture during the year to be obtained.

- (ix) Annual letters to service rendering departments for including all bills upto 31<sup>st</sup> March in their Bill Rendered Statement – Docks Manager

- Estate Manager
- Dy. Conservator
- Railway Manager
- Workshop Accounts
- Works Audit Branch

- (x) All GRA Notes and Debit Notes to be accounted for and the liability in that respect is to be reflected in the Accounts – The following Departments/ Branches to be requested to take action :

Materials Manager	)	General Stores
Stores Accounts	)	
Chief Mechl. Engineer	)	W/shop Stores
W/shop Accounts Office	)	

- (xi) Direct purchase of stores – by GWSD, GWND and Railway Engineering Section and issued to various Section to be reflected in Accounts – CE's Department/JAO (O/A) to be requested for action.
- (xii) Revenue Collection of 31<sup>st</sup> March and Banked in April to be included in March, through Cash Journals.(Rev. Audit), EM (Rly. Audit) to be requested.
- (xiii) No. of employees (retired) who avail of medical benefits during the year to be obtained from – CMO, to ascertain the expenditure on account of medical care for retired employees. On the basis of proportion of ex-employees registered with Medical Department, to serving employee, the expenditure on Medical Department is transferred to Employees Welfare Fund by affording credit to Medical Department.
- (xiv) Hamillage and Docks Outdoor staff deployed at Warehouse : Statement to be received from Dy. Docks Manager (Ham) and Dy. Docks Manager (Gen.) for apportionment of salary expenditure.
- (xv) Allocations to be received (monthly) from Pension Branch in respect of pension payments made through State Bank of India.
- (xvi) Face value register : to be tallied with Control Ledger as on 31<sup>st</sup> March (Fundwise position).
- (xvii) Cost and Market Value Register : Cost to be tallied with Control Ledger (Fundwise) Market value worked out on receipt of Market Quotation Book.
- (xviii) Clearance of GLC 191 – 192 – Interest Account : to be ensured and Journal Entry passed for posting in Control Ledger .
- (xix) Statements in respect of accrued interest in respect of various funds – on securities, FDRs, Loans advanced to JNPT to be prepared.
- (xx) Journal Entries to be prepared in respect of interest capitalization of JNPT loans.
- (xxi) Interest earned on donation from Gunaji Dhondu (GLC 697) and Malbar Steamship (GLC 698) : Journal entry to be prepared by Budget Section, by debiting interest income and transferring their interest to respective liability account.
- (xxii) Clearance of GLC 648 – Sale proceeds of Capital Assets; Journal entries to be prepared for adjustment of Capital Block, etc.
- (xxiii) Letter to be issued to CE/CME and other departments for forwardal of their physical completion reports in respect of capital works.
- (xxiv) Depreciation working sheets showing annual depreciation to be prepared.

- (xxv) Preparation of Journal Entry in respect of capital works to be transferred to specific assets accounts and new assets cards. Even if physical completion reports are not received, the works on which the entire expenditure is incurred, or when we come to know otherwise that the works have been physically completed, can be transferred to Asset Card and depreciation charged.
- (xxvi) Supervision and overhead charges to be calculated @ 7% on all Capital Works in Progress for which no separate staff complement exists. 7% S&O charges is worked out and debited to the works by affording credit to Income – GLC 385/386 – Recovery of CME's/CE's overhead on Capital Works.
- (xxvii) The balance in the provision for bad and doubtful debts should be seen as to whether it would be sufficient. The provision for bad and doubtful debts should be 5% of Sundry Debtors in terms of TR No.173 of 1979. If the provision is not sufficient, it should be increased adequately by means of a Journal Entry by giving debit to F&M Expenditure.
- (xxviii) While closing the Annual Accounts the following points have to be specifically considered :
- (1) In terms of the decision of the Board under TR No.325 of 1989, estate rentals that do not come in hand should be left out of consideration in the Revenue Account. Hence while closing the Annual Accounts, the unrecovered portion of estate rentals should be transferred from the respective income codes to the provision for unrecovered estate rentals by a Journal Entry. However, the Sundry Debtors should be show in the balance sheet at the billed amount;
  - (2) Railway Terminal charges provided on accrued basis in a year and not received in the next year, should be continued to be shown as accrued terminal charges in the next year;
  - (3) It has to be ensured that all capital works physically completed are transferred to respective capital assets account and asset card prepared. Even if physical completion report is not received, if the expenditure booked being near to the estimate sanctioned indicates that the work might have been completed the work should be transferred to Asset Account;
  - (4) The expenditure on Capital Account is to be met from the respective funds and other sources of finance and is transferred to Capital Reserve [See item (7) below]. The first source is annual depreciation. Grants and loans/ budgetary supports from Government, etc. are the next source. To effect the withdrawal from RRM, a Journal Entry is effected debiting RRM and crediting Capital Reserve;
  - (5) The 'Capital Reserve' representing investments on Capital Account must tally with net Capital block. The Capital Reserve has two components – investment out of internal resources/non-repayable grants and investment out of loans/budgetary support. The combined balance of these two parts will tally with the net Capital block. The balance in the Capital Reserve at the year end can be arrived at as follows :

**Opening Balance**

Less : Depreciation on Capital Assets upto the year end.

Less : Depreciated Value of extinct assets.

Add : Expenditure on Capital works represented by balance in Works in Progress Account (GLC 779) excluding expenditure out of loan/ budgetary support/ grant.

Add : Repayment of loan.

If the closing balance as arrived at above is more than net Capital Block it indicates sources of funds being on the higher side than the expenditure on Capital Account. The difference is to be wiped out by transfer to RRM.

(6) The expenditure on Productivity Linked Bonus/ Performance Reward is incurred after the Financial Year is over. Hence the estimated expenditure as considered in the Revised Estimates of a year is charged to Revenue Account and the amount is credited to the respective liability account. Subsequently when the actual payment is made and if the estimated expenditure transferred to liability account is found to be excessive the difference is taken back to Revenue as income relating to previous year.

9.3 After tallying and closing the accounts, the trial balance is prepared and accounts tallied. On the basis of agreed trial balance, Revenue Account and Balance-sheet are prepared. The Revenue Account and Balance-sheet are drawn in the format suggested by the Consulting Accountants at Appendix 9 to their final report. In the Balance-sheet and Revenue Account actual figures for the previous financial year are also indicated. All figures in Balance-sheet and Revenue Account are shown in crores with two decimal points.

9.4 Since the Revenue Account proper is operated only once a year at the year end, this Account will not appear in the Control Ledger posted monthly. Hence to bring Revenue Income and Revenue Expenditure into the Revenue Account it is necessary to effect closing entries. The income is transferred to Revenue Account by affording credit to Revenue Account and giving debits to income heads in Control Ledger. Similarly expenditure is brought over to Revenue Account by debiting Revenue Account and crediting expenditure heads in Control Ledger. The Revenue Account is compiled activity-wise, the activity-wise income and expenditure being shown separately. The difference gives operating surplus/ deficit as the case may be. To this F&M income has to be added and then F&M expenditure is deducted, arriving at the net surplus. There are certain types of expenditure required to be met from the specific reserves created for that purpose viz. Employees Welfare Fund and Fire & Motor Insurance Fund. However, in normal operation, these expenditures are initially treated as part of operating expenditure to have correct picture of the expenditure. However, having added this to operating expenditure, the net surplus would be less to that extent. Hence this expenditure to be met from the specific funds and having been added to operating expenditure, an equivalent amount is transferred from the respective fund to the Revenue Account and added to the net surplus. the balance so arrived at is appropriated/ transferred as follows :

9.5 From the balances as arrived at above, an amount equivalent to 3% of the capital employed has to be transferred to the Fund for Replacement, Rehabilitation and Modernisation of Capital Assets and Fund for Development, Repayment of Loans and Contingencies. Thereafter an amount not more than 1% of operating income (TR No.33 of 1992) is transferred

to Employees Welfare Fund. Thereafter, surplus permitting the additional depreciation is appropriated by transfer to the Fund for Replacement, Rehabilitation and Modernisation of Capital Assets. Surplus permitting and if decided, an appropriate amount is transferred to the Fire and Insurance Fund. All these transfers are effected in round figure in crores. Out of the balance left after the above transfers, the amount in fraction of a crore is transferred to General Reserve Fund and the balance in whole crores is transferred to Fund for Development, Repayment of Loans and Contingencies. For effecting these transfers Revenue Account is debited and credit afforded to respective Funds by means of Journal Entry. While the transfer (appropriations) to Funds are considered for preparing the Annual Accounts the Journal Entries to that effect are put through the ledgers only after the Board's sanction in terms of section 90 of MPT Act, 1963.

9.6 After preparing the Revenue Account and after transferring the amount of surplus to various Funds, the Balance Sheet is prepared. The copy is sent to the Board for approval. On Board's approval, the Annual Accounts are send for auditing by the Principal Director of Audit, Bombay.

#### 10. Accounting Ratios :

The following ratios are worked for analysis of financial performance :

- (1) **Operating Ratio** : This represents the ratio of operating expenditure to operating income and is expressed in percentage.
- (2) **Ratio of operating income to investment in Capital Assets** : This is the ratio of operating income to capital assets at original cost (excluding work-in-progress).
- (3) **Rate of Return on Capital employed** : This is the ratio in percentage of net surplus to capital employed. The net surplus for this purpose represents net surplus before interest on loans, ex-gratia payments and excludes interest on investment of GRF. The capital employed represents net capital block (Gross block minus depreciation minus work-in-progress) plus working capital (current assets minus provision for unrecovered estate rentals minus current liabilities).
- (4) **Current Ratio** : This is the ratio of current assets to current liabilities.
- (5) **Ratio of Current Assets to Total Assets** : The total assets for this purpose represent net block including work-in-progress.
- (6) **Store Turn Over Ratio** : This represents the ratio of cost of stores issued to average stock of Stores Department.
- (7) **Ratio of Stores Inventory to Working Capital** : The stores for this purpose include stores of Stores, Engineering and Labour Departments.
- (8) **Debtors Turn Over Ratio** : This is the ratio of amount billed in a year to total outstanding at the end of the year.

The above ratios are presented in Statement No.31 of the Administration Report for each year.

## 11. Administration Report

11.1 Administration Report is a resume of the working of the Port – physical and financial – in a financial year. This report has to be submitted to the Central Government under section 106 of the Major Port Trusts Act, 1963 for presentation before the Parliament. As per existing Government directive the report for a financial year has to be considered by Board on or before 31<sup>st</sup> October of the following year and forwarded to Government.

11.2 The Administration Report contains two parts, viz. (i) the Chairman's descriptive report interspersed by charts, graphs and photographs and (ii) Statistical and Financial Statements. The descriptive Chairman's Report is prepared by the SAO (G) on the basis of Departmental Reports received from various Departments the Monthly Performance Report send by the Chairman to the Ministry (copy available with PA to FA&CAO) and other relevant material. (Departmental Reports are forwarded by all Departments except Secretary's and Accounts Departments; detailing therein the working of the Departments and achievements during the year). The statistical statements are prepared by different Departments, Branches of Accounts Department and the Financial Statements are prepared by Accounts Branch.

11.3 It is necessary to issue letters to the Departments concerned in April every year requesting them to send the Departmental Reports and Statistical Statements well in time. The Chairman's descriptive report contains an introductory report by the Chairman accompanied by a Performance Profile detailing Port performance in the following fields :

- (1) Trade of the Port.
- (2) Port Finance.
- (3) Modernisation and Development.
- (4) Human Resources and Welfare Measures.
- (5) Safety and Civil Defence.
- (6) Environmental protection and upgradation
- (7) Vigilance measures

11.4 The statistical and financial statements give quantitative details of physical performance and financial performance respectively. There are in all 39 statements. These statements generally present comparative picture for two years. The financial statements, however, give comparative picture for five years. The names of these statements and the Departments/ Branches preparing them are given below :

	Statistical/ financial tables	Department/ Branch
(1)	Vital port statistics	
	A. Topography of Mumbai Port	Port
	B. Storage capacities at port	Docks
	C. Berth particulars	Planning & Research
	D. Floating craft	Mechanical Engineering
	E. Cargo handling equipment	Mechanical Engineering

	Statistical/ financial tables	Department/ Branch
(2)	Traffic handled according to principal commodities	Planning & Research
(3)	Flagwise distribution of cargo handled during the year of report and previous year	Revenue Audit Branch
(4)	Principal items of traffic regionwise (Docks and Bunders combined, excluding overside) from 1 <sup>st</sup> April to 31 <sup>st</sup> March of the year of report - Imports & Exports	Revenue Audit Branch
(5)	Principal items of Imports and Exports (Docks and Bunders including overside) handled during the year of report and previous year.	Revenue Audit Branch
(6)	No. and type of containers handled during the year of report	Docks
(7)	Dock labour productivity for the year	Docks
(8)	Container cargo and tareweight of containers landed during the year	Docks
(9)	Commodity-wise export/ import cargo received/ dispatched by different modes of transport from the port.	Docks
(10)	Output in long tons relative to datum lines of cargo handled by the departmental shore labour	Docks
(11)	No. of size of ships called at the Port during the year of report and previous year	Director (P & R)
(12)	Performance of ships left the port during the year of report and previous year	D (P & R)/ D.C.
(13)	Distribution of pre-berthing delay according to reasons in the year of report	Director (P & R)
(14)	Distribution of non-working time at berth according to reasons in the year of report	Director (P & R)
(15)	Berth Occupancy in the year of report	Director (P & R)
(16)	Productivity of Port Shore labour ('A' and 'B' category Mazdoors) during the year	Director (P & R)
(17)	Performance Indicators	Director (P&R)
(18)	Availability and utilisation of container/ cargo handling equipment during the year of report	Chief Mechl. Engineer

	Statistical/ financial tables	Department/ Branch
(19)	Progress of capital works during the year of report	Chief Engineer/Chief Mechl. Engineer
(20)	Occupation of dry docks during the year of report	Chief Mechl. Engineer
(21)	Particulars of SC/ST reservation	Manager (SOM)
(22)	Performance of Dredgers in the year of report	Dy. Conservator
(23)	Quantity dredged during the year	Port
(24)	Typewise number of wagons received/ despatched in the year of report	Railway Manager
(25)	Particulars of strikes/ stoppages of work and man-days in the year of report.	Chief Labour Officer
(26)	Particulars of housing as on end of year of report.	Chief Labour Officer
(27)	Staff strength as on end of year of report (31 <sup>st</sup> March) and previous year.	Estt. Branch
(28)	Particulars of salaries/ wages and earning per employee during the year of report.	Estt. Branch
(29)	Particulars of accidents in the year of report and previous year.	All Departments
(30)	Capital expenditure on Plan and Non-Plan Schemes in the year of report.	Accounts Branch
(31)	Income and expenditure statement .	Accounts
(32)	Revenue Account – Income under various heads.	Accounts Branch
(33)	Revenue Account – Expenditure under various heads.	Accounts Branch
(34)	Summary of Operating Expenditure by tyres.	Accounts Branch
(35)	Summarised Revenue Accounts.	Accounts Branch
(36)	Summarised Balance sheet	Accounts Branch
(37)	Sources and Application of Funds	Accounts Branch
(38)	Approved outlay during Five Year Plans/ Annual Plans and the actual expenditure incurred	Accounts Branch
(39)	Financial Indicators	Accounts Branch



11.5 After Chairman's approval the Report and Statements are printed bilingually. The descriptive Report has to be got translated into Hindi either through the Hindi Cell or through employees of Accounts Department, who has been trained in Hindi or whose mother tongue is Hindi. All text matter and tabular pages are to be typed from Typing Section. Once the laser printouts are taken, the same is given to printer alongwith photographs, rough graphs/ charts to be included in Report for four colour printing to the lowest tenderer.

11.6 The printed Report is forwarded to the Secretary for placing before the Board at a special meeting to be held in this behalf before 31<sup>st</sup> October every year. After the Board meeting, one copy is forwarded to the Govt. by the Secretary in compliance of Section 106 of the MPT Act, 1963. Thereafter 70 copies of Administration Report together with 70 copies of a note (in Hindi and English) giving a brief review of the working of MbPT are sent to Government before 10th November, the scheduled date prescribed by the Govt. The reports duly certified by the Minister of Shipping, Road Transport and Highways are placed before the parliament in the winter session.

#### IV. MANAGEMENT ACCOUNTING

1. This function involves the following :

- (i) Compilation of yearly Budgets
- (ii) Maintenance of records of actual performance
- (iii) Reporting of actual performance vis-à-vis Budgeted performance for Budgetary control and other MIS Reports.

2. Budgeting

2.1 There are two types of Budgets prepared :

- (i) Performance Budgets defining Ports objectives for Budgetary period in terms of measurement units.
- (ii) Financial Budget comprising income budget, revenue expenditure budget, capital budget and stores budget.

2.2 The Financial Budget is compiled in two volumes – Volume I sub-divided into Part A and Part B and Volume II. Volume I – Part A contains the Budget estimates of income and expenditure. Volume I – Part B contains (i) Programme of Capital Works-in-Progress, New Minor Works-in-Progress and Renewals and Replacement Works chargeable to Revenue on Special Repairs and Maintenance, (ii) Expenditure to be met from Employees Welfare Fund and (iii) Expenditure to be met from the Fire and Motor Insurance Fund. Volume II contains details of expenditure on salaries and wages.

2.3 In terms of Section 98 of the MPT Act, 1963, the Revised Estimates for a year and the Budget Estimates for the following year have to be approved by the Board at a special meeting to be held in this behalf on or before 31<sup>st</sup> October every year and thereafter the Estimates have to be forwarded to the Govt. by October or mid November for sanction under section 98 of MPT Act, 1963. For holding the meeting of the Board, 10 working days' statutory notice to the Trustees has to be given.

### 3. Procedure for Budgeting :

3.1 By end of July and early in August of every year, circulars are issued to all the Departments and respective branches of Accounts Department calling for details for compilation of Budget Estimates. The circular calling for details of Programme of Capital and Revenue works is issued to the Engineering, Medical and Chief Personnel and Industrial Relations Manager's Departments. The circular calling for details for fixing income budget is issued to Docks, Port, Railway, Engineering (both Civil and Mechanical), Secretary and Estate Departments and the Workshops Accounts office of Accounts Department. The circular calling for details for compiling the Performance Budget is issued to the Docks, Port, Director (P&R), Engineering (both Civil and Mechanical), Railway and Stores Departments and Establishment Branch of Accounts Department. A circular is also issued to all the departments requesting them to send the respective Budget Centre Officers to the SAO(G)/ JAO(G) with all the details for fixing the operating expenditure budget, budget centrewise, with mutual discussion.

3.2 In the meantime, the ledger section of the Accounts Branch has to take action for timely closing of July accounts so that figures for the first four months of the year are available by early September. As soon as these figures are ready, the ledger section should keep the required statements ready, both for income and expenditure indicating itemwise actuals for previous year, original Budget Estimates for the year and actuals for the first four months of the year, alongwith quantitative data wherever available. This statement is normally prepared in the proforma of the Budget and helps in fixing the Revised Estimates for that year and Budget Estimates for the next year.

### 3.3 Fixing Traffic Estimates :

Traffic Estimates are framed in consultation with Director (P&R) and the Docks Department. Actual traffic handled in the first six/ eight months of the year, trend and behaviour of different items of cargo, likely impact of fiscal policies and diversion of cargo to adjoining Port at Nhava Sheva and other factors are considered for this purpose. The staff attached to the statistics section of the Revenue Audit Branch prepares statement indicating actual itemwise traffic for the first six/eight months of the year, in comparison with Budget and actuals for previous year and Budget of the year under review. This statement is used for fixing itemwise revised traffic for the year under review and estimated traffic for the next year. After fixing the target the wharfage revenue therefrom on the basis of rates applicable to different items of cargo is worked out by staff of statistics section of Revenue Audit. The traffic estimates alongwith a detailed background note is submitted to Chairman for approval. The whole work is attended to by the Supervisory Officer in charge direct with the assistance of Sr. Accounts Officer.

### 3.4 Fixing Income Budget :

For this purpose, the statement prepared as per para 3.2 above and the quantitative data furnished by the operating departments are made use of. Wherever necessary, the respective departments are consulted. The operating income is first estimated department-wise and then clubbed principal activity-wise. The estate rentals are estimated on the basis of actual realization of rental in the first six months of the year. The operating income so estimated is presented itemwise, departmentwise and principal activitywise in Volume I - Part A of the

Budget Estimates. This work is also directly attended to by the Supervisory Officer with the assistance of the Sr. Accounts Officer. The Finance and Miscellaneous Income comprising interest income, income relating to previous years, profit on sale of old assets and income from sale of uncleared cargo, and other miscellaneous income is estimated by the Sr. Accounts Officer(G). The interest income is estimated on the basis of standing investments, realization of interest, estimated cash flow, etc. The estimated income from sale of uncleared cargo is furnished by Sr. Accounts Officer (DASB). The rest of the income is estimated purely on ad-hoc basis, on the basis of trend.

### 3.5 Revenue Expenditure Budget :

This comprises Operating Expenditure and Finance and Miscellaneous Expenditure. The Operating Expenditure is estimated itemwise on discussion with the respective Budget officers, on the basis of trend of expenditure and specific requirements of each Budget centre. The Revised Estimates of salaries and wages forming part of Operating Expenditure is worked out by the Accounts Branch on the basis of actuals for the first six months of the year, estimated rise in VDA for the remaining six months and likely reduction in or addition to in staff strength. The salaries and wages for inclusion in the Budget Estimates of the following year is worked out by the Establishment Branch on the basis of operated strength, means of pay and allowances, likely rise in VDA, etc. After estimating the operating Expenditure, the budget centre staff is asked to give cost centrewise break up of the expenditure later. The Finance and Miscellaneous Expenditure mainly comprises pension and other retirement benefits, expenditure relating to previous years, Productivity Linked Bonus/ Performance Reward and other miscellaneous items of expenditure which cannot be taken under operating expenditure. The estimate for pension and retirement expenditure is worked out on ad-hoc basis on the basis of actual of previous year and the first six months of the year and fixed slightly on a higher side so that the Pension Fund can be sufficiently build up. The PLB/ PR estimate is given by JAO(E)-I. Rest of expenditure is purely taken on ad-hoc basis on the basis of trend. After compiling the information, statements showing itemwise operating expenditure is prepared Budget Centrewise and departmentwise. The Finance and Miscellaneous Expenditure is indicated in a separate statement.

### 3.6 Preparation of Estimated Revenue Account :

After the estimation of income and expenditure, the Estimated Revenue Account is prepared. For Budget Estimates, the Revenue Account is not prepared exactly in the manner in which the Revenue Account for the purpose of Annual Account is prepared. For Budget Estimates, in the Revenue Accounts, while income is indicated principal activitywise, operating expenditure is indicated in terms of departments. The departmentwise presentation of operating expenditure is done for control purpose. The estimated depreciation and F&M income and expenditure are also indicated separately. Depending on the estimated surplus position, the appropriations to various Funds are estimated and shown.

### 3.7 Compilation of Works Budget :

3.7.1 Works Budget is prepared separately for the following types of works :

- (i) Plan Capital Works
- (ii) Non-Plan Capital Works

- (iii) New Minor Works
- (iv) Renewals and Replacements  
(Special Repairs and Maintenance) Works

(See Chapter V for distinction between above four type of works)

### 3.7.2. Capital Works :

The programme of Plan Capital Works involves a long terms Five Year Plan and Annual Plan / Annual Budget. The Plan Works which are to be executed during the five year plan have to be identified well in advance of the formulation of the Five Year Plan. The Chief Engineer and Chief Mechl. Engineer after consulting the various departments prepare the list of plan works to be undertaken in a five year plan period. The work is co-ordinated by the Director (P& R). The Works so identified and approved by the Chairman are listed out and forwarded to the Government for obtaining Planning Commission's approval by Director (P & R). In the list continuing schemes and new schemes are to be shown separately. Continuing schemes are those schemes spilled over from the earlier Five Year Plan and new schemes are those included afresh in the proposed Five Year Plan. While forwarding the list of schemes, the total estimated cost of the schemes, the likely expenditure in the Five Year Plan period, tentative yearwise phasing of the expenditure, information regarding internal and external resources that would be available for financing the Plan schemes , etc. are to be furnished. Once the Five Year Plan is approved by the Planning Commission it becomes final and in normal course no changes therein are entertained by the Planning Commission. Nevertheless, in justifiable case, the Planning Commission approves inclusion of a new scheme within the approved outlay, dropping or deferring of schemes to the next plan, etc. In any case, the outlay approved is never allowed to cross.

3.7.3 The Accounts Branch has to estimate the internal, and external resources if any, that would be available for financing the Plan Schemes, in Five Plan period. The estimation of internal resources is based on the traffic likely to be handled during the five year plan. The estimated traffic will be available with Director (P & R). On the basis of the estimated traffic, the trend of current income, likely impact of any revision already on the anvil, (and if decided on the basis of future rate revision already on the anvil, (and if decided on the basis of future rate revision also) and likely finance and miscellaneous income, the total yearly working expenditure for the five year plan period is worked out by increasing the current expenditure by 5% in respect of salaries and wages and 10% in respect of rest of the items. A standard proforma for working out the internal and external resources can be seen at Annexure IV. To the internal resources so worked out the opening balances of internal resources represented by the balances in the Fund for Replacement , Rehabilitation and Modernisation of Capital Assets and Fund for Development, Repayment of loan and contingencies and Fire and Motor Insurance Fund and balance if any in the General Reserve Fund (other than loan to other ports) have to be added to arrive at the total internal resources available for the plan period.

3.7.4. After having got approved the Five Year Plan it is necessary to prepare for each year in October of previous year an Annual Plan indicating the names of works to be undertaken that year, the outlay required therefor, position of internal and external resources for financing the schemes etc. Since the five year plan is finalised well in advance of the five year plan is finalised well in advance of the five year period involved, it may so happen that certain subsequent developments may necessitate changes in the phasing of expenditure earlier projected. Hence the need to prepare an Annual Plan. The Annual Plan so prepared is forwarded to Government for obtaining planning Commissions approval. The Annual Plan so prepared forms the basis for compilation of Budget Estimates of Plan works.

3.7.5 The Budget Estimates for Plan Works are prepared in two parts – Budget Estimates of continuing schemes and that for new schemes. This is normally prepared strictly in accordance with the Annual Plan, unless some changes are warranted as indicated by CE / CME without in any way exceeding total outlay projected in the Annual Plan sent to Government.

3.7.6 The programme of non-plan Capital Budget is given by CE / CME /CMO / CPIRM for works respectively executed by them. Care is to be taken to ensure that the programme given by these departments, do not contain schemes crossing the limits fixed for non-plan schemes.

3.7.7. In the Capital Budget estimates the works are arranged into the respective categories of assets to which each work belongs. Detailed description of each plan work is given. As far as non-plan works, only works individually costing more than Rs. 5 lakhs is separately listed in the Budget programme. Works individually costing less than Rs. 5 lakhs is grouped and a lump provision indicated therefore. The details of the individual works going into a group are separately maintained in the Branch, for ready reference. In the Budget Programme, against each work the total estimated cost (with break – up of Civil/ Mechanical / Electrical Components), cumulative expenditure upto the end of the previous financial year, actual expenditure in the previous financial year, original budget estimates for the year under review, Revised estimates for that year, Budget Estimates, for the next financial year and reference to sanction are indicated. In respect of schemes financed by external resources such as loan, Budgetary support the break up of expenditure to be met from internal resources and external resources is given. At the end of Capital Budget a summary of all the programmes is indicated separately. As a part of the Capital Budget, a statement of “Sources” and “Utilization” of funds has also to be incorporated – “Sources” represent sources of finance and “Utilization” represent Capital Expenditure.

#### 3.7.8 Revenue Works :

The New Minor Works and R & R Works form part of the Revenue Works. Programme of Revenue Works presented in the Budget are actually proforma budget, showing certain details of the Revenue Works. The estimated expenditure on these works form part of the Revenue Expenditure Budget prepared Budget Centre-wise. In the Proforma, the estimated expenditure for new minor works are indicated Department-wise. However, in actual operation it is total provision made for New Minor Works that is considered for incurring expenditure. The estimated expenditure for R & R works indicated separately should be less than the aggregate provision included in all Budget Centres for special repairs and maintenance works, since, the aggregate provision of all budget centre include expenditure on normal repairs and maintenance.

3.7.9 Any new work other than plan capital is required to be administratively approved before inclusion in the Budget. Works costing upto Rs.10 lakhs can be administratively approved by the HOD from Rs. 10 to Rs.20 lakhs by Dy.Chairman, above Rs.20 lakhs and upto Rs.60 lakhs by Chairman and above Rs.60 lakhs by Board. The relative power for sanctioning the estimates for work are applied

For the purpose of Administrative approval also. After having identified the new works to be undertaken, CE/CME/CPIRM/CMO send lists thereof. These lists are scrutinized to see that -

- (i) none of the works exceed the limit fixed for nonplan capital works; and
- (ii) revenue works and non-capital works are properly indicated.

After having satisfied about the above requirement audit concurrence for including these works in the Budget estimates is issued and the works are simultaneously included in the Budget. The detailed procedure for Administrative approval has been laid down by procedure order No.365 of 15.11.1989.

3.8 A proforma of the expenditure to be incurred itemwise from the Fire and Motor Insurance Fund and Employees Welfare Fund respectively is also included in the Budget.

3.9 In the Budget Estimates statement giving the following information is also indicated :-

- (1) Estimated position of Reserve and Funds at the end of each Budget period;
- (2) Details of operating income and expenditure according to principal activities;
- (3) Estimates for the purchase of stores and materials by COS (information is given by COS).

3.10 The income code wise estimation of operating income enables preparation of statements giving details of operating income according to Principal Activity. The cost centre-wise breakup of estimated expenditure enables preparation of statements indicating operating expenditure activity-wise.

3.11 After having compiled all the estimates as stated in the foregoing paras., Chairman's introductory note to the Budget is prepared by SAO(G). In the introductory note the traffic estimates, estimates of operating income and expenditure and F&M income and expenditure, Capital Budget Estimates and estimated position of funds are separately covered. The introductory note so prepared is submitted to the Chairman for approval alongwith supporting statements showing details of estimates.

3.12 In the meantime, this branch will have prepared estimates of salaries and wages budget centre-wise. On receipt of these estimates summary thereof indicating Budget Centrewise estimates is prepared.

3.13 When all the material is ready and approved by Chairman, required number of copies thereof are taken and sent to Secretary for obtaining Board's and Government's sanction. The Budget Estimates sent for sanction contain only the following details :

- I. Volume -I Part A
  - (1) Chairman's Introductory Note
  - (2) Estimated Revenue Account

- (3) Activity-wise Income
- (4) Departmentwise Operating Expenditure
- (5) Finance and Miscellaneous Income
- (6) Departmentwise Operating Income
- (7) Estimated position of Reserves and Funds

Volume -I Part B

- (8) Capital Budget Estimates
- (9) Revenue works budget estimates
- (10) Estimates of expenditure from Fire and Motor Insurance Fund and Employees' Welfare Fund.

II. Volume - II

- (1) Summary of expenditure on salaries and wages

III. The statement showing summary of traffic to be handled at the Docks and Bunders is also sent. The statement showing Budget Centre wise details of Operating expenditure, details of F&M Income & Expenditure and statements showing activity wise details of operating expenditure are not included while forwarding Budget Estimates for sanction. These statements are required for internal control only.

4. Supplementary material for Budget sanction.

4.1 For consideration of the Budget Estimates Government requires certain supplementary material as detailed below :

- (1) Anticipated rate of return on capital employed;
- (2) Details of major types of Operating expenditure for two years in comparison, indicating percentage of each type to total;
- (3) Activitywise Income, expenditure, surplus/ deficit;
- (4) A note detailing man-power planning.
- (5) Defaults in repayment of Government loan, if any;
- (6) Accumulated deficit, if any
- (7) Performance Budget.

- 4.2 The Performance Budget indicates the target in measurement units for certain important items of physical performance of the Port in the field of Capital expenditure, shipping and cargo traffic, equipment function, civil maintenance, etc., and targeted performance indices such as berth occupancy, berth day at docks, labour productivity, etc. These details are furnished by the respective departments.
5. For taking out the required copies of Budget Estimates containing various statements as indicated in the foregoing para, a master copy (computer print out) of each statements is prepared in the Typing Section attached to the Accounts Department and compiled by the Accounts Branch. The same then sent to the outside printer for taking out the required number of copies and subsequently for binding.
6. On obtaining Board's approval, Secretary forwards the Budget Estimates for Government's sanction. Board's and Government's approval is taken under Sections 98, 99, 100 of MPT Act, 1963. Board's sanction is also taken to the estimated appropriations to Fund. If the estimated balance in the Funds is likely to exceed the ceiling on the accumulations in the Fund as fixed by Government, Board's and Government's sanction to raise the limit of the Fund in terms of Section 90 of the MPT Act, 1963, is taken. Since Government's sanction to Budget Estimates does not come before the beginning of the Financial Year, Government's pending sanction to the Budget Estimates, conveys its ad-hoc approval to proportionate monthly expenditure till proper sanction is issued. Such ad-hoc approval is communicated to all Departments / Branches. On receipt of Government's proper sanction, required number of copies of Budget Estimates, including changes therein, if any, made by Government are forwarded to Departments and Branches.
7. Reappropriation of Funds.

It has been mentioned in para.35 that the Budget Estimate of Operating expenditure is prepared Department-wise. Separate Budget Estimates are also prepared for Capital Works, R&R works, etc. Budget Estimates are prepared in such a way from the control angle. The distinct groups in terms of which expenditure Budget is prepared are called "Major Heads". The "Major Heads" in operation in Mumbai Port are given below :

- (1) Docks Department
- (2) Port Department
- (3) Railway Department
- (4) Civil Engineering Department
- (5) Mechanical Engineering Department
- (6) Secretary's Department
- (7) Legal Department
- (8) Labour Department
- (9) Medical Department
- (10) Estate Department
- (11) Stores Department
- (12) Accounts Department
- (13) Depreciation
- (14) Finance and Miscellaneous Expenditure
- (15) Capital Works in Progress
- (16) Programme of New Minor Works
- (17) Expenditure from Employees' Welfare Fund
- (18) Expenditure from Fire and Motor Insurance Fund
- (19) Programme of Renewals and Replacement Works



There are more than one Budget Centre (Responsibility Units) under some Departments. Under each major head type of expenditure / individual work is a detailed head. Budget provision made for one detailed head can be re-appropriated to another detailed head within the same major head with Chairman's sanction. Re-appropriation of funds from one major head to another can be done only with Government's sanction under Section 100 of the Major Port Trusts Act. During the course of the year re-appropriation of funds within the restrictions placed as stated above may become necessary on the advice of respective Departments. Such proposals as and when received are processed and Chairman's sanction obtained.

#### 8. Incurring of expenditure in the absence of Budget provision

If there is no provision in the Budget Estimates for a particular expenditure, the same can be incurred upto Rs.5 lakhs with Dy. Chairman's sanction and upto Rs.10 lakhs with Chairman's / Board's sanction, in terms of Section 101(1) of the MPT Act, 1963, read with TR No.161 of 1989. Any expenditure of more than Rs.10 lakhs can also be incurred by Board under Section 101(1) of the MPT Act, treating it as pressing emergency with a report to the Government, under Section 101(2).

#### 9. Budgetary Control

9.1 Budgetary control refers to centralized control of activities with reference to the plan and Budgets to ensure that the programmes, Budget and standards are really met and is a tool for analyzing any tendency for deviation from the plan. Budget is built up by responsibility. It, therefore, follows that there is proper controlling system to see that the responsibility is fulfilled and that go in the right way. A good reporting system enabling various levels of Management to compare performance at each level with the set objectives and focusing attention on matters that is adverse or unusually favourable variance so as to enable controlling authorities to concentrate their attention in the right direction and take corrective action is a must for success of Budgetary control.

9.2 The Accounting system in vogue enable preparation of the various reports mentioned in the foregoing para. It has been mentioned in Chapter I, para. 3.3 that the Accounting system has been devised providing for classification of income type-wise and of expenditure in terms of responsibility (Budget Centre), type (i.e. type of expenditure) and object/activity (Cost Centre).

9.3 The classification and coding of income type-wise and Principal Activity-wise enables comparison of the actual income with the budgeted income and finding out the variance. The classification and coding of expenditure Budget Centre-wise, type-wise and cost center-wise enables comparison of actual expenditure with limits placed for this expenditure in the budget.

9.4 The following are the reports prepared for control purpose :

##### (i) **Revenue Analysis Statement**

Prepared monthly this statement indicates Principal Activity-wise/ Type-wise come in comparison with proportionate budget estimates and indicates variance and reasons therefore so that corrective action wherever necessary can be taken. The statement has to be submitted to Chairman and Revenue Earning Departments.

(ii) **Monthly Cost Control Statements**

This statement gives actual expenditure Budget Centre-wise and Cost Centre-wise in comparison with budgeted expenditure. The report is forwarded to the Heads of Departments so that they can ask the Budget Centre officers to analyse the variance and take corrective action wherever necessary.

(iii) **Monthly Revenue Account**

This indicate Activity-wise income and Department-wise expenditure upto the end of each month in comparison with budgeted Revenue Account and indicate variance and reasons therefore. This is submitted to Chairman.

(iv) **Management Accounting Statement (MAS)**

This is prepared six monthly and indicates actual performance in comparison with budgeted performance and previous year's performance. The MAS for the first six months of the year is send to all Departments. The MAS for the period ending 31<sup>st</sup> March every year is placed before Board.

The Management Accounting Statements prepared give the following details in comparison with corresponding period of previous year, proportionate Budget Estimates and indicates variance and reasons therefore.

- (1) Abstract of Income (Activity-wise) and Expenditure (Department-wise).
- (2) Revenue Account showing income and expenditure Principal Activity-wise and Finance and Miscellaneous Income and Expenditure.
- (3) Analysis of operating results showing receipts, expenditure and surplus/deficit for each of the Principal Activity.
- (4) Operating expenditure by type.
- (5) Operating Expenditure Department-wise/Activity-wise/Major Type-wise.
- (6) Expenditure of Capital Works.
- (7) Utilisation of floating cranes.
- (8) Statistical information such as cargo/ vessels handled, usage of dry docks, quantity of water supply to shipping, quantity of dredging done and Railway traffic (cargo and wagons handled)
- (9) Economic viability of Principal Activities.
- (10) Department-wise/ type-wise Revenue Expenditure.
- (11) Budget Centre-wise break up of expenditure.
- (12) Activity-wise income and expenditure indicating income and expenditure according to Published Accounts Head and further servicewise.

While preparing the economic viability statements the indirect expenditure and income, comprising Management and General Administration and Finance and Miscellaneous Expenditure and Income have to be allocated to the Principal Activities in terms of Ministry's letter No.11-PS M/3 dated 10.8.1976 (filed in File No.CA/A/A/73-74).

#### 9.5 **Other MIS Reports**

In addition to the above said reports prepared for the purpose of budgetary control, there are certain other reports submitted to various authorities. These are detailed below :

##### **(1) Report on mobilisation of internal resources**

This report to be forwarded to Ministry every month gives the internal resources generation upto the end of each month against the targeted generation. The target is fixed on the basis of Budget Estimates/ Revised Estimates. The method of working out internal resources is given in Annexure- II.

##### **(2) Expenditure on Plan schemes and Non-Plan schemes costing more than Rs.15 lakhs.**

This report is forwarded to Ministry, with copy of executing Departments and indicates cumulative expenditure on Plan/ Non-Plan schemes upto the end of each quarter.

##### **(3) Statement of expenditure on overtime, traveling allowances, printing and stationery, staff car and petrol and statement of expenditure on entertainment.**

These reports are to be sent to Ministry for every quarter indicating quarterly expenditure on each of the items mentioned in the above heading.

##### **(4) Cost summaries of works**

This report indicating work-wise expenditure in comparison with budget provision in each quarter on all works both Capital and Revenue is forwarded to the Chief Engineer/ Chief Mechanical Engineer/ Chief Personnel & Industrial Relations Manager.

9.6 A consolidated statement indicating the various Reports prepared by the Branch periodically and the authority to whom the reports are sent is at Annexure VI.

#### **V. Scrutiny of other expenditure proposals**

1. This consists of scrutiny of proposals from Departments / Branches of Accounts Department for the following :

- (1) Purchase of furnitures, office equipments, etc.
- (2) Purchase of miscellaneous items such as books, stores, etc.
- (3) Welfare expenses to be met from Employees' Welfare Fund.

On receipt of the proposals are given case number and entered in Case Register. These proposals are scrutinised and appropriate sanction taken wherever necessary. Proposals falling within the competence of Heads of Department are given finance concurrence.

2. Any other general proposals having financial implications are also examined and appropriate advice given to those concerned.

## VI. AUDITING

1. In terms of Section 102 of MPT Act, the accounts of the Port are to be audited by the Comptroller and Auditor General of India. The Principal Director of Audit, Central, Mumbai, conducts the real auditing. One resident unit of the Office of the Principal Director of Audit is stationed in our office to conduct the auditing.
2. There are three types of auditing conducted.
  - (1) Audit of Annual Accounts
  - (2) Concurrent Audit of Revenue Collection
  - (3) Test audit.
3. Audit of Annual Accounts
  - 3.1 Audit of annual accounts is conducted once a year and is restricted to Annual Accounts and Ledgers and supporting documents. In this auditing all transactions put through the accounts for March are subjected to cent per cent auditing whereas those of previous months are subjected to test auditing.
  - 3.2 On approval of the Annual Accounts, the same is forwarded to the Principal Director of Audit. Five copies of the Annual Accounts signed by FA & CAO and Chairman are to be given to the audit.
  - 3.3 For the purpose of Auditing, the audit required certain additional information which are not directly available in the Annual Accounts and Ledgers. A list of items required is given in *Annexure VI*. Those information required to be given by other Departments / Branches are called for from them.
  - 3.4 During the course of audit Auditors seek several clarifications / information by issuing us mema known as Half Margin mema. These Half Margin mema are required to be replied to immediately. Thereafter proposed paras regarding audit observations/ comments on Annual Accounts for inclusion in the draft audit report are sent to us for confirmation of audits observations, figures, comments, etc. Suitable reply is given in this respect.
  - 3.5 On completion of the audit and on receiving our replies to the Half Margin mema and proposed paras, the Principal Director of Audit sends to us the Draft Audit Report. Copies of the draft audit report on receipt are sent to the respective Branches for verification and furnishing their comments. Verification and preparation of comments on paras having direct bearing on accounts are to be done by Accounts Branch itself. On receipt of the comments of the Branches, those are consolidated and then submitted to Chairman for approval before issue to Principal Director of Audit.

- 3.6 On receipt of our comments on draft audit report, Principal Director of Audit examines the same. Thereafter a meeting is arranged between FA & CAO and Audit Officers to sort out problems, if any. Thereafter, the Principal Director of Audit issues the Final Audit Report alongwith the Audit Certificate to the Ministry and copy of the audit report is sent to us. On receipt of the audit report, action taken note thereon is prepared after obtaining comments / clarifications from the Departments and Branches. Concurrently the audit report and action taken note are translated into Hindi. The Audit Report, Annual Accounts and Action Taken Note are placed before the Board for consideration. On Board's approval, required number of copies (generally 70) of the Annual Accounts, Audit Report and Action Taken Note are sent to Ministry. These material duly certified by the Minister is placed before the Parliament in its winter session.
- 3.7 The various stages involved, as stated in the foregoing paras, have to be complied within the time limit prescribed by Government under its letter No.PR-20021/4/2002-PG dated 5.5.2003. The time schedule fixed by Government is given below.

Time schedule for laying Annual Accounts and the Audit Report with Action Taken Note thereon of Major Ports in Parliament.		
Sl No.	Description	Due date
1	Date of submission of draft Annual Accounts to the Audit	10 <sup>th</sup> June
2	Date of release of Draft Audit Report by Audit	10 <sup>th</sup> August
3	Date of submission of reply by Port Trust to the Draft Audit Report	20 <sup>th</sup> August
4	Date of release of English Version of Audit Report by the Audit	30 <sup>th</sup> September
5	Date of submission of Tax Auditor's Report to the Port Trust	20 <sup>th</sup> October
6	Date of filing of Annual Tax Return by the Port to Income Tax Department	31 <sup>st</sup> October
7	Date of submission of printed copies of English and Hindi version of the Report to the Ministry by the Port Trust.	10 <sup>th</sup> November
8	Laying of Reports in Parliament by the Ministry	Winter Session

#### 4. Concurrent Audit

This refers to audit of Chappas and Bills prepared by Docks and Port Departments and is done concurrently with the billing and internal auditing. This is a cent per cent auditing. Audit observations during the course of concurrent audit are communicated to the respective Departments and Revenue Audit Branch for reply.

5. Test Audit

This covers expenditure side and also certain miscellaneous revenue collections of Chief Engineer's and Chief Mechl. Engineer's Departments that are not audited in concurrent audit. For the purpose of test auditing, audit has divided the Port Establishment into so many units depending on the volume of expenditure. Those units accounting for major portion of expenditure are subjected to test auditing six monthly and others in the order of annual, biennial and triennial auditing. The documents pertaining to various transactions for the period involved are subjected to random checking. Observations during the course of test auditing are communicated to the respective Departments for reply. After completing the test auditing, a test audit report containing audit observations are forwarded by audit to the respective Department with a copy of Accounts Department. These copies received in Accounts Branch are to be endorsed to Branches wherever necessary for follow up action. Periodically the Departments will have to be reminded to send replies to outstanding test audit reports by respective branches.

6. Audit paras for inclusion in CAG's Report - (Conventional Audit Report) on Autonomous Bodies

Audit observations during the course of auditing as stated in foregoing paras relating to major irregularities, losses, etc. find place as Audit Para in the CAG's Report on Autonomous Bodies. Every year paras proposed termed as Factual Notes - to be included in the Union Civil Audit Report are first sent to us for our comments. Our comments are offered in consultation with Department concerned and then sent to Principal Director of Audit under FA&CAO's signature. If comments are satisfactory the para is dropped, otherwise a draft para is prepared by the Principal Director of Audit and is sent to Ministry. Ministry in turn asks for our comments. The Branch concerned has to prepare the comments in consultation with department concerned if necessary and then Ministry is replied with Chairman's approval. Ministry thereafter examines our comments with reference to Draft Audit Para and replies to the Principal Director of Audit. If the Ministry's comments are also not satisfactory, the para finally finds place in the Union Civil Audit. Subsequent to the issue of Union Civil Audit Report action taken note, updating of action taken etc. are periodically called for by Principal Director of Audit and Ministry. These also have to be furnished as and when required by respective Branches.

**VII TAX AUDIT :**

In terms of section 44AB of Income Tax Act, 1961, a tax audit is required to be conducted. Tax audit is conducted by the tax auditors.

- I. Assistance is given to the tax auditor in conducting tax audit.
  - (i) seeking information from various departments/ branches of Accounts Dept. on the basis of questionnaire furnished by Tax consultants.
  - (ii) coordinating with various branches of Accounts dept. for queries raised by tax auditor
  - (iii) Receipt of TDS certificates- preparing statement of the same and reconciliation

2. The related tax audit work is required to be done as given below :
  - (i) Payment of advance tax, if any, on 15<sup>th</sup> September, 15<sup>th</sup> December and 15<sup>th</sup> March-based on taxable income.
  - (ii) Payment of fringe benefit tax quarterly by 15th of following month every year. The last installment should be paid on 15th March itself.
  - (iii) Preparation of data for yearly assessment as requested by I.T. Authorities and incidental work.
  - (iv) Filing of appeals if any.
  - (v) Filing of returns of income u/s. 139(1) by 31st October every year alongwith tax audit report and report received from C&AG.
  - (vi) Appointment of tax consultant and tax auditor.

#### VIII. GENERAL ITEMS OF WORK

- (1) Assessment of BPT properties for payment of Municipal General Tax.

Bombay Port Trust pays every year to the Municipal Corporation of Greater Bombay (MCGB) what is known as Municipal Property Tax, in lieu of the general tax leviable by the Corporation in respect of the properties vested in the Board. The tax is payable on the basis of rateable value of properties as fixed quinquennially by the Central Government under Section 36 (2) of the BPT Act, 1879 read with Section 133 2 (A) of the MPT Act, 1963. The Section provides that the rateable value shall be fixed with a general regard to the provisions contained in the City of Bombay Municipal Act, 1888, concerning the valuation of property assessable to property taxes at such amount as the Central Government shall deem to be fair and reasonable. Although, statutorily, the rateable value is to be fixed by the Central Government, in fact the Central Government endorses the rateable value that is proposed by the Port Trust with the concurrence of the Municipal Corporation. If for some reason or the other there happens to be a delay in fixing the rateable values for a quinquennium the annual payment to the corporation is made on the basis of the rateable values fixed by the Central Government for immediately preceding quinquennium 1964 -69. (The rateable value for the quinquennium 1969 - 74 and onwards are yet to be fixed - Position existing as on 1.4.1994).

2. For the purpose of fixing the rateable value, BPT properties are divided into six categories. The basis of computing rateable values of these properties are as under : -

- (i) Docks, Wharves and Railway

Rateable value computed on principles established in England for the rating of Docks, etc. i.e. on profit basis.

- (ii) Buildings outside Dock Limits  
Rateable value computed on the basis of rents actually realised. Rateable value for quarters, however, computed on the basis of 'fair rent' as determined by the Assessor & Collector of Municipal Taxes.
- (iii) Lands temporarily occupied i.e. casual occupation and monthly tenancies  
Rateable value computed on the basis of actual rent realised.
- (iv) Lighthouses  
Rateable value computed on the basis of cost of construction.
- (v) Vacant Lands  
Rateable value computed at 4% of the estimated value of the lands, with rebate of 2/3rds of the General Tax.
- (vi) Lands let on leases of a year and over  
The leases are assessed direct by the Corporation.

Computation of rateable value for items (ii) and (iii) above is comparatively simple matter because these properties can be assessed in the ordinary manner like any other rentable property in the City of Bombay as these properties are let out to outside parties and fetch 'rent'. Computation of rateable value for items (iv) and (v) above is also equally simple matter. In case of item of (i) Docks, Wharves and Railway, the property is used for rendering various services normally provided by a port and cannot be said to be 'rented' and hence cannot be assessed in ordinary manner. The property was, therefore, being valued on 'Profit Basis'.

3 (1) Since the rateable value arrived at on the 'Profit Basis' in respect of Docks, Wharves, and Railway for quinquennium 1964-69 was not acceptable to MCGB it being a negative figure, it was suggested among various alternatives to them as an ad hoc measure to fix the rateable value in respect of this property for the quinquennium 1964-69 at the level of that fixed for 1959-64. After obtaining the consent of the MCGB, sanction of the Board under TR No. 365 of 1974 was obtained and the Government was fixed the rateable value by Transport Ministry's letter No. PGB - 59/74 dated 5.6.1974. The assessment from the quinquennium 1969-74 onwards was under dispute as to the basis for arriving at the rateable value till 1996. In the meeting held on 5.9.1996 with the then Addl. Municipal Commissioner, it was agreed that Finance Ministry's (FM's) circular dated 29.3.1967, be followed for computing the rateable value of Category I. As per the said circular the net rateable value/annual value shall be 9% of the original capital value of land, building in operations areas. Since the basis of arriving of rateable values (i.e. 9% of capital cost) was mutually agreed by MCGM and MbPT in 1996, rateable values of Category I worked out by MbPT were provisionally concurred by MCGM. Board and Government's sanction was subsequently obtained to the above rateable values. (Ref : Ministry's letter No.PR-22013/98-PG dated 17.7.2002). The tax is paid on the basis of assessment for 1994-99 for Category I, IV, and III. For other categories on the basis of assessment for 1964-69.

For category III, payment of property tax is recommended on the basis of rateable value fixed by this office for 1994-99 excluding way leave fees and storage charges inadvertently included while computing rateable values of category III. So far MCGM has neither given concurrence for the revised rateable values nor clarified its stand in this regard. As such the bills are rendered by MCGM on rateable values arrived at including way leave fees



and storage charges and are paid by excluding way leave fees and storage charges. However, in the light of Supreme Court judgement dated 10.1.2004 in respect of General Rent Revision matters. Rateable value of for Cat. II and III properties will have to be reworked and refixed for the period from 1.10.1994 onwards. The General Tax calculated on the above basis has to be paid before 30th September every year. During August/ September every year Bills for payment of tax are received from the Municipal Corporation. These bills on verification are to be sent to Bills Payable Branch for payment.

(2) Rebate for cleaning, lighting and maintaining BPT Roads Wharves, etc.

In terms of Section 37 of the BPT Act, in consideration of the payment of General Tax, BPT can requisition BMC to maintain, clean and light BPT roads, wharves, etc. For those roads, wharves, etc, that have not been handed over to BMC for maintenance clean and light, the BMC allows us a rebate. The rebate amount is revised periodically on the basis of details given by CE/ CME. Every year before 31<sup>st</sup> March the rebate claim has to be lodged with the BMC indicating the area of roads etc, repaired, maintained, light points etc. and the rebate amount at the agreed rate. The details are to be called for from CE and CME. The rebate so claimed was deducted from the General Tax payable, upto 1996. Since it was decided at the meeting held on 5.9.1996 that payment of maintenance cost (rebate) would not be linked with payment of municipal taxes by MbPT, yearly municipal taxes from 1996-97 were paid to MCGM without adjusting the maintenance cost. Suddenly MCGM changed its stand and refused to pay maintenance cost (rebate). In this regard, the opinion of Advocate General of Maharashtra has been sought for. Though the opinion is in favour of MbPT, MCGM has refused to consider the payment. The matter is yet to be resolved. As on 31.3.2005, the outstanding rebate (maintenance cost) is Rs.20.96 crore.

(3) Write - off cases

The cases relating to write-off of loss due to theft or loss of tools or any article, due to sale or loss of any Capital Asset due to demolition of any structure, etc, are processed by the Branch and necessary sanction is obtained. Other write off cases are processed by the Branches concerned.

(4) Government's contribution towards upkeep of Kennerly Light House (Renamed as Kanhoji Angre Light House).

The local Light House at Khanderi is maintained by the Bombay Port Trust. 25% of the actual expenditure incurred for maintaining the Light House is reimbursed by the Director General of the Light House.

(5) Fixing Stores Overhead

The proposal to levy the stores overhead charges on MT Account jobs annually on the basis of the proportion of the cost of stores establishment and charges to the value of stores issued in the preceding year was approved by the Board under TR No. 164 of 1942. It was further decided under TR No. 506 of 1960 that as conditions in our organisation do not fluctuate widely from year to year, our requirement could be reasonably met by revising the rate every three years. Yearly average rate for the past three years is worked out and the rate for the next three years is fixed. While sanctioning the rate for the triennium 1984-85, 1985-86 and 1986-87, the Board directed (TR No. 141 of 1984) that such proposals need not be brought up to the Board as the overheads to be charged to various accounts were matters of accounting and no formal sanction of the Board is required. Since then Chairman's approval is being obtained.

(6) Employees Welfare Fund.

The Fund was created in 1975 (TR No.506 of 1975) for meeting the expenditure on employees welfare. The Fund is credited with suitable contribution from the Revenue surplus. There are standing / general sanctions for certain type of expenditure from the Fund. Any new item of expenditure or even recurring items such as grant-in-aid to Recreational and Sports Clubs, purchase of library books for Welfare Centre, purchase of furniture and loan to Co-operative Canteens/ Consumer Stores, Scholarship, etc. requires specific sanction every year/ occasion. Proposals for such expenditure as and when received are processed and appropriate sanction taken in terms of the delegated powers (Ref : Circular No.CA/A/APT-9426 dated 1.6.1990).

(7) Verification of payments from Centenary Commemoration Fund.

The Centenary Commemoration Fund was created in under TR No.25 of 1974 (Government's sanction No.3 - PGB/23/73 dated 3/5/1974). The fund was created to meet expenditure on welfare of retired and serving employees as a part of the Centenary Celebrations of Bombay Port Trust. The welfare schemes covered under the CCF Regulations are those not covered / admissible under Employees Welfare Fund Regulations. The corpus of the Fund is Rs.1 crore and the interest earned on investment thereof is to be used for welfare schemes. The payments towards various items are being made by Chief Labour Officer who has been provided with an imprest cash for this purpose. The imprest is frequently recouped by Cash Office. After recoupment the statement of expenditure is received from Cash Office for verification. The expenditure statement is verified by the Audit Inspector. During this process the claims from employees already settled are subjected to test auditing. The claims from retired employees towards reimbursement of travelling expenses is, however, settled only after pre-audit by the Audit Inspector. After the close of the Financial Year, the Chief Labour Officer has to send the Annual Report of the Activities of the CCF Committee alongwith Statement of Accounts for placing before the Board in terms of Regulation 8 of the CCF Regulations. This report and statement of accounts are verified, reconciled with control ledger accounts and forwarded to Secretary for placing before Board.

As some of the expenditure incurred from CCF for welfare of serving employees could as well be met from Employees' Welfare Fund, it was decided with Chairman's sanction (Reference CA/ABI-2(75)/1371 dated 2.1.1991) that expenditure on following schemes initially met from CCF be reimbursed every year from the Employees' Welfare Fund :

- (1) Holiday Home Charges
- (2) Vocational Training classes
- (3) CASP Contribution
- (4) Assistance to Athletes
- (5) Conveyance to handicapped children
- (6) Expenses on Yoga classes

At the end of the year the expenditure on the above schemes is collected from CLO and then necessary transfer effected in Accounts.

(8) **Material for Annual Report of the Ministry**

Ministry of Surface Transport brings out every year an annual report of the activities of Ministry. For inclusion in this report certain reports regarding working of Port have to be sent to Ministry by Chief Engineer, Docks Manager, Director (P & R), Chief Labour Officer, Deputy Conservator and Accounts. As far as Accounts Department is concerned, a report on financial performance and strength of officers has to be sent. The work is co-ordinated by Secretary.

(9) **Material for Performance Budget of the Ministry.**

For preparing the performance of the Ministry, a report on traffic, organisational set up, performance of plan schemes, financial position, etc. has to be forwarded. The report on financial position has to be prepared by Accounts Branch and the rest by Director(P&R).

(10) **Physical verification of capital assets.**

This has to be attended to by Chief Engineer/Chief Mechanical Engineer/Chief Medical Officer/Chief Personnel and Industrial Relations Manager every five years and report of the findings forwarded to the Accounts Department. On receipt of the report, it is verified with reference to the Property Register. After verification a report on the physical verification is submitted for Board's information. Sanction for write off of loss, if any, in respect of items not found physically existing is also concurrently sought.

(11) **Verification of statement of expenditure against advances given to Departments by Cash Office.**

Statements of expenditure involving large volume of transactions against advances given by Cash Office to Departments are received from Cash Office for verification by Audit Inspectors.

(12) **Contribution towards the working expenditure of Indian Ports Association.**

The working expenditure of the Indian Ports Association, the representative body of all Major Ports, including the expenditure of Indian Institute of Port Management, Calcutta, National Institute of Port Management, Madras, and Major Ports Sports Control Board has to be borne by the Ports at the agreed percentage. MbPT sends its contribution towards this on receipt of the request from the IPA.

(13) **Calculation of rate of interest on PF subscriptions.**

In terms of Rule 11 of the Rules for Provident Fund, balance in the PF Account of employees in a year has to be allowed interest at the rate of which interest was earned on PF investment in the preceding Financial Year. The interest rate is worked out by the Accounts Branch and got verified by the Principal Director of Audit. For working out the interest the individual investments are adjusted in proportion to the period of investment and on such adjusted investment interest at the appropriate rate is worked out. The adjusted investment amount will be cost or face value, whichever is higher. The rate so worked out is rounded off to the nearest quarter percent.

(14) **Pension Fund Account.**

**Procedure for maintenance of a separate books of accounts for recording transactions relating to Pension Fund A/c.**

- (i) Accounts Branch will prepare a statement of affairs relating to Pension Fund Trust Account as on 31.3.2003. The closing balance of Pension Fund as on 31.3.2003 will be transferred to Pension Fund Trust A/c.
- (ii) Cash Branch and Accounts Branch will prepare a list of investments allocated to Pension Fund A/c. as on 31.3.2003 and reconcile the same with consolidated balance of investment manifested in statement of affairs relating to Pension Fund.
- (iii) Cash in hand/bank pertaining to employees Pension Fund as on 31.3.2003 (Difference between Pension Fund and Pension Fund investments plus Accrued interest if any) will be deposited by Cash Branch in the new Bank A/c.
- (iv) Accounts Branch will pass necessary entries so that the Accounts viz. Pension Fund, Investment of Pension Fund, Accrued Interest pertaining to Pension Fund are closed from MbPT's General Ledger.
- (v) With the help of Planning & Research Department, Accounts Branch will provide a new system of software for proper accounting and maintenance of accounts of MbPT Pension Fund Trust. Till then, journals, cash book and ledgers should be maintained manually by Accounts Branch.
- (vi) Cash Branch will arrange to obtain adequate cheque books from SBI Main Branch to operate new Bank Account.
- (vii) Cash Branch in consultation with Accounts Branch will take all investments decisions in respect of Pension Fund monies accumulated in new bank account opened in the name of MbPT Pension Fund Trust.
- (viii) Cash Branch will approach the institutions with whom the Pension Fund monies have been invested in the form of deposits, bonds, units, etc. and request them to transfer the investments in the name of 'MbPT Pension Fund Trust'.
- (ix) Till all earlier investments of Pension Fund in the name of 'Board of Trustees of Port of Mumbai' are matured or transferred in the name of 'MbPT Pension Fund Trust', the cheques/D.D. received in favour of 'Board of Trustees of Port of Mumbai' towards interest/dividends on Pension Fund investments and maturity proceeds will be deposited by Cash Branch in Revenue A/c. and an equivalent amount will be transferred by Cash Branch to newly opened bank account of MbPT Pension Fund Trust.

- (x) Cash Branch will issue letters to the institutions with whom the monies of Pension Fund have been invested in the form of deposits, bonds, etc. requesting them not to deduct income tax at source on interest/dividend, etc. on investment of Pension Fund. Cash Branch will also forward a copy of order issued by CIT 12(1) Bombay granting recognition to Pension Fund as 'Approved Superannuation Fund' and also intimate that the captioned investment is earmarked towards Pension Fund.
  - (xi) From 1.6.2004 onwards Cash Branch will draw the cheques in respect of all types of Pension Payments (through ECS, M.O., etc.), Gratuity payments of MbPT Pensioners invariably on the new Bank A/c. The cheques pertaining to Pension/Gratuity payments drawn on Revenue A/c. and lying in hand as on 31.5.2004 i.e. CND (cheques not delivered) will be cancelled by Cash Branch on 31.5.2004 and fresh cheques will be drawn on newly opened Bank A/c.
  - (xii) In view of entries passed as per (iv) above, the Pension Fund A/c., Investments of Pension Fund A/c., Accrued Interest pertaining to Pension Fund would have nil balance. In respect of the transactions entered into regarding interest receipts and payments towards Pension, Gratuity, etc. during the period from 1.4.2003 to 31.3.2004, Accounts Branch will ascertain net effect and pass requisite entry in books as on 31.03.2004 showing it outstanding from MbPT Pension Fund Trust. Similar entry should be passed for period from 1.4.2004 to 31.5.2004. MbPT Pension Fund Trust will settle these dues during current year 2004-05.
  - (xiii) All receipts from Pensioners (if any) will be deposited in New Bank A/c.
  - (xiv) Accounts Branch will carry out the work of reconciliation of newly opened Bank A/c (GLC C881) and forward reconciliation statement in detail to Cash Branch for necessary action.
  - (xv) Cash Branch will pursue extra debit, extra credit and credit awaited items with bank and clear the same.
  - (xvi) Accounts Branch will prepare Trial balance as on 31<sup>st</sup> March every year and present annual results pertaining to Pension Fund Trust A/c.
- (15) **Miscellaneous work.**
- (1) Distribution of proceedings of Board meeting to all officers and Branches.
  - (2) Maintenance of Inward/Outward Registers of all confidential letters for the department as a whole.
  - (3) Weeding out of old records of Accounts Branch once a year according to the classification of records.
  - (4) Collection of information, notes, etc. from Branches and preparation thereof wherever necessary for periodical meetings of FA&CAOs of Major Ports with Financial Adviser of Ministry as also periodical conferences of FA&CAOs, Major Ports.

- (5) Collection and preparation of materials for Ports Chairmen's conference, meeting of Governing Body of IPA, Estimate Committee meeting, Public Accounts Committee meeting etc. For the purpose of Public Accounts Committee meeting, the audit paras from date of the latest meeting of the have to be kept ready, there being separate folders for each para.
- (6) Collection and preparation of material in reply to Parliament questions, Parliamentary/Estimates Committee questions etc. on matters connected with Finance and Accounts.
- (7) Collection and furnishing of information sought by Ministry, IPA, other Ports, State Government, Reserve Bank of India and other Government Bodies.

Division of duties among staff.  
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The work of the branch as a whole has been distributed among the staff as given below.

(A) FMS Staff: (Sr. Asstt : 4, Jr. Asstt. : 2, TCCC : 2)

- (1) Posting of ledger accounts, checking, tallying and preparation of monthly trial balance,
- (2) Bank reconciliation,
- (3) Preparation of cost summaries of work,
- (4) Verification of completion reports and preparing statements thereof for reporting to CE, CME, CP&IRM after verification for further action etc.
- (5) Preparation of periodical reports to be forwarded to other branches.
- (6) Preparation of quarterly statement of Revenue Expenditure forwarded to the Secretary's Department for placing before the Board as Table Paper.
- (7) Posting of Wages Allocation Sheet (earnings and deductions),
- (8) All assistance to the Asstt. Superintendent-in-charge of the section in preparation of periodical reports and any work related to Accounts.
- (9) Work relating to with Investment & interest earned on Trustees' investments.
- (10) Maintenance of Investment Registers.
- (11) Working out accrued interest on investments,
- (12) Calculation of PF rate of interest,
- (13) Monthly IEBR,
- (14) R/R, NMW - Budget related works
- (15) Data Entry of regular JEs, CJs and BJs
- (16) Regular reminders to Branches/ Departments, to send the returns.
- (17) Preparation of Asset Cards,

- (18) Work relating to depreciation, schedule to balancesheet.
- (19) Preparation of statement of outstanding Sundry Debtors for FOM.
- (20) Periodical Back-up of Sys.
- (21) Checklists of Regular JEs, MHRs, CJs and BJs.
- (22) Cost- centrewise allocation of operating expenditure sanctioned under Budget and Revised Budget Estimates.
- (23) Reports/ Statements as and when demanded by the branches of Accounts Deptt. and other Departments.
- (24) Annual Ledgers printing -
  - (i) Asset/ liability ledgers.
  - (ii) GL (B.C)/ Cost Ledgers
  - (iii) Capital & RR, NMW Ledgers printing.
- (25) Work relating to wages earning as well as deduction.
- (26) Data Import/ Transfer from Pay Roll, PF & Tenders systems.
- (27) Data Entry of MHRs and clearance of unallocated wages.
- (28) Qtrly. Rev. Account
- (29) Capital Ledger, R/R & NMW Ledgers.
- (30) Budget related work of capital works in progress, Plan & Non-Plan works.
- (31) General correspondence.
- (32) Work relating to Annual Accounts.
- (33) Completion Report of Capital works.
- (34) New FMS, Annual Accounts.
- (35) Working related to Pension Fund Trust and TDS on interest received on investments.
- (36) Preparation of Journal entries in connection with;
  - (a) allocation of interest collection and investments and accountal of accrued interest,
  - (b) accountal of depreciation,



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- (c) adjustment of sale proceeds of Capital assets and consequential adjustment of Gross Block,
- (d) write-off of loss of Capital assets,
- (e) transfer of completed work to Capital Asset Account.

(B) Asstt. Superintendent (General) :

- (1) General supervision of the work and staff of the section,
- (2) Watching receipt of various accounting returns from Departments/ Branches and scrutiny thereof,
- (3) Preparation of periodical reports mentioned in Chapters III & IV with the assistance of FMS staff,
- (4) Issue of six monthly mema to branches for clearance of balances in Suspense Accounts, with the assistance of the FMS staff,
- (5) Issue of circulars to Departments/ Branches in connection with closing of Annual Accounts,
- (6) Preparation of closing journal entries as well as other routine adjustment entries with the help of FMS staff,
- (7) Compilation of Revenue Account and Balance Sheet, with assistance of FMS staff,
- (8) Preparation of Statement of Targeted Internal Resource for Five Yea Plan and Annual Plan purposes with the help of FMS staff,
- (9) Arranging for payment of Audit fees on receipt of letters from Resident Audit Officer,
- (10) All assistance to Officer/ Office Superintendent (at present vacant) whenever required.
- (11) Attending to Government references, audit objections and other miscellaneous information sought by any authority.
- (12) Replies to Government references, various fax messages, etc. personally.

- (13) Attending queries regarding capital assets from outsiders.
  - (14) Statistical data - preparation of statement manually as and when required (in required format) by ministry/any other authorities/ departments.
  - (15) Work regarding Annual Account, Draft Audit Report and Final Audit Report.
  - (16) Issuing circular/ reminders to departments/ audit branches regarding reconciliation of Sundry Debtors.
  - (17) Verification of half margin mema, proposed paras etc. received from Principal Director of Audit with the help of FMS staff.
  - (18) To meet all arrangements, to have the required number of copies of Annual Accounts, Audit Report and Action Taken Note thereon, ready by getting them typed or by taking out computer print out, having required copies on zerox or resograph or from outside printer and arranging to send them in proper manner to the appropriate.
- (C) Asstt. Supdt-in-charge of Budget :
- (1) Overall supervision of the work regarding Budget and Administration Report.
  - (2) Processing of reappropriation statements,
  - (3) Preparation of yearly performance budget and preparation of material for inclusion in the performance budget as per Ministry's requirement.
  - (4) Issue of circular calling for data for compilation of Budget,
  - (5) Scrutiny of statements of new works to be included in the Budget with the help of FMS staff,
  - (6) Compilation of Draft Budget,
  - (7) To take note regarding sanction to individual works included in Budget,
  - (8) To meet all arrangements, to have the required number of copies of Draft Budget Estimates, ready by getting them typed or by taking out computer print out, having required copies on zerox or resograph or from printer and arranging to send them in proper manner to the appropriate.
  - (9) Taking appropriate note in the Budget on receipt of Govt. sanction to Budget and taking out required copies of Budget, indicating changes made by Govt. and forwardal of copies to Departments/ Branches.

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- (10) All assistance to officers/ Office Superintendent whenever needed.
  - (11) Sundry Debtors - Work regarding preparation of statements, etc. for periodical meeting.
  - (12) Attending to Govt. references regarding Budget.
  - (13) Arranging for work regarding Cost Centre-wise allocation of operating expenditure.
  - (14) Manual work relating to Revenue Draft Budget Estimates.
- (D) Accounts Section Staff : (Sr. Asstt. : 2 , Jr. Asstt. : 1)
- (1) Preparation of bills for Government's contribution towards maintenance of Kennery Light House (25% of actual expenditure) every year.
  - (2) Working out Stores Supervision Charges every three years,
  - (3) Preparation of Report on Financial Performance for the Annual Report of the Ministry and Performance Budget of Ministry,
  - (4) Issue of circular for Administration Report,
  - (5) Preparation of statements for the Administration Report,
  - (6) Compilation of Administration Report,
  - (7) To meet all arrangements, to have the required number of copies of Administration Report, ready by getting them typed or by taking out computer print out, having required copies from outside printer and arranging to send them in proper manner to the appropriate.
  - (8) Issue of circular to Departments/ Branches for collection of information required by Principal Director of Audit in connection with audit of Annual Accounts,
  - (9) Checking of allocation of monthly wages.
  - (10) Preparation of Monthly J/Es.
  - (11) Periodical reports to Establishment Branch.

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- (12) Issue of circular to Departments/Branches for collection of information required by Principal Director of Audit in connection with Audit of Annual Accounts for onward transmission to RAO.
  - (13) Disposal cases – GLC 648 – Sale proceeds of Capital Assets.
  - (14) Maintenance of Inward Register.
  - (15) Physical verification of capital assets.
  - (16) Verification of Inspection Reports for disposal of capital assets.
  - (17) All assistance - general and specific - required by the Assistant Supdt-in-charge of the Section in discharge of their duties.
  - (18) Arranging records as per requirement of officers and outside departments.
- (E) **Case Clerks:**
- (1) Maintenance of files,
  - (2) Maintenance of Case Register,
  - (3) Maintenance of Write off Registers and Periodical submission thereof to the Board,
  - (4) Allotment of Chairman's/ Dy. Chairman's sanction number to proposals sanctioned by them.
  - (5) Issue of intimations of sanctions obtained,
  - (6) Issue of reminders,
  - (7) Distribution of Proceedings of Board meetings to all officers/ branches,
  - (8) Maintenance of Inward/ Outward Register of Confidential correspondence,
  - (9) Classification and weeding out of records,
  - (10) Maintaining Audit para files,
  - (11) Any other work that may be directed by the officers.
  - (12) Write off of loss of Capital Assets, Board note.

(13) Preparation of quarterly / monthly report on action taken.

(F) Audit Inspectors (2 Nos.) :

- (1) Verification of payments from CCF along with verification statement of expenditure prepared for recoupment of imprest,
- (2) Verification of Inspection Reports for disposal of Capital Assets,
- (3) Processing of proposals for disposal of surplus, obsolete and other materials (including Capital items) and for demolition of structures.
- (4) Processing of proposals in relation to expenditure from Employees Welfare Fund and CCF,
- (5) Verification of reimbursement of Travelling Expenses (RTE) for retired employees.
- (6) Preparation and compilation of Establishment Budget.
- (7) Processing of miscellaneous proposals from departments for purchase of furnitures, office equipments, books, stores etc.
- (8) Preparation of statement of rebate to be claimed from BMC for cleaning, maintaining and lighting,
- (9) Verification of bills for property taxes,
- (10) Arranging for payment of grant-in-aid to Sports Clubs etc. on receipt of undertaking from them,
- (9) Arranging for payment of contribution to IPA,
- (10) Verification of statements of expenditure received from Cash office,
- (11) Obtaining any sort of information/ documents/ literature/ records etc. as may be required by the officers from time to time by visiting other branches/ departments/ organizations/ market.

**(12) Taxation Cell (Inspector : 1 and TCCC : 1)**

1. Assisting Tax Auditor in conducting Tax Audit and Filing of Returns of Income on a before 31 October it includes --
  - i) issuance of various circulars to all departments/Branches of Accounts Department seeking information like -
    - information based on questionnaire advanced by Tax consultant – All Departments and branches of Accounts Department.
    - Details of furniture/computer purchased and disposed off during the year – All Departments and branches.
    - Details of accrued interest on advances like House Building Advance, Motor Car/.Scooter Advance, Computer Advance – Housing Loan and Establishment Branch.
    - Details of TDS certificates – All Departments.
  - ii) Compilation of information received.
  - iii) arranging for all the requisite ledger/ documents required by Tax Auditors.
  - iv) Arranging for visit of Tax Auditors to branches of Accounts Department.
  - v) Preparing statements of assets disposed off, but proceeds not credited to P&L Account on the basis of workings of unadjusted sale proceeds by staff of Accounts Branch.
  - vi) Finding out details of completion dates/months of new assets purchased/ additions to old assets during the year. (FMS records)
  - vii) Keeping records of all TDS Certificates received and preparing a statement of details of TDS certificates as per its category.
2. Assisting in ongoing assessment
3. Work related with issuance of Power of Attorney to officials of Accounts Department for Tax-related matters.
4. Payment of Advance Tax on 15th March, 15th September, 15th December of every year.
5. Payment of FBT for every quarter of the year.

6. Obtaining Certificates of 'Nil' rate of tax from interest on investment and port dues, Estate Rentals under section 197 of Income Tax Act, 1961.
7. Filing of Revised Returns whenever required.
8. Filing of FBT Returns on 31st October every year.
9. Appointment of Tax Consultant.
10. Correspondence with Ministry/RAO/LIC regarding Pension Fund/Pension Fund Trust (except AA of MbPT PFT) - Submitting drafts, etc.
11. Visiting Income Tax Office, Tax Consultant's office for enquiry, delivering letters/documents filing of appeals.
12. Filing of Appeals - As directed by SAO(G)
13. Working of Tax liability for Annual Accounts.
14. Correspondence regarding Pension Fund Trust.
15. Correspondence regarding Gratuity Fund Trust.

**(G) Office Superintendent ( post vacant ) :**

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## Returns/ Statements received by the Accounts Branch

Sr. No.	Particulars	To be received from	When expected
1	Cash Journals	i) Revenue Audit Office a) Docks collection b) Bunders collection	By 13 <sup>th</sup> of every month
		ii) Railway Audit Office	
		iii) E.M.	
2	Bills Rendered Journals	i) T.M.	By 13 <sup>th</sup> of every month
		ii) E.M.	
		iii) R.M.	
		iv) D.C.	
		v) Workshops Accounts Office	
		vi) O.S.C. Revenue Audit	
3	Wages Recovery Summary	Cash Branch	By 13 <sup>th</sup> of every month
4	Miscellaneous deposits	i) R.M.	By 15 <sup>th</sup> of every month
		ii) E.M.	
5	Miscellaneous Receipts- Summary	Cash	-"
6	Inter-departmental adjustments	Bills Payable Section	-"
7	Transfers- Materials	i) G.W.M.O.T.	-"
		ii) G.W.S.D.	
		iii) G.W.N.D.	
		iv) Railway Engg. Section	
8	Hire of plants	i) G.W.S.D.	-"
		ii) G.W.N.D.	
9	Hire of motor vehicles	i) G.W.S.D.	-"
		ii) G.W.N.D.	
10	Book-keeper's Transfers (WAO)	Workshop Accounts Office	-"
11	Stores Transfers (W.A.O.)	Workshop Accounts Office	By 15 <sup>th</sup> of every month



Sr. No.	Particulars	To be received from	When expected
12	Stores Abstract	Stores Accounts Office	"
13	Expenditure on postage	i) Secretary's office	"
		ii) E.M.'s office	
		iii) M.M.	
		iv) C.E.'s office	
		v) T.M.'s office	
		vi) FA&CAO's office	
14	Canteen Transfer	Hamallage Audit Office	"
15	Electricity charges due to Tata Power Co. Ltd.- Allocations	Workshop Accounts Office	"
16	Petrol & Diesel Oil-Transfers	Stores Accounts Office (GLC 172, 173, 174)	"
17	Contingent Expenditure- Allocations	Cash Branch	"
18	Leave Travel Concessions- Allocation	Cash Branch	"
19	Abstract of G.R.A. Notes	i) Stores A/c.s Office	"
		ii) G.W.S.D.	
		iii) G.W.N.D.	
20	Hamallage Labour- Allocation	Hamallage Audit Office	"
21	Water charges- Allocation	i) G.W.S.D.	"
		ii) G.W.N.D.	
		iii) G.W.M.O.T.	
22	Electricity charges due to Bombay Suburban Electric Supply Co. Ltd.- Allocation	Workshops Accounts Office	"
23	Statistical information (For Management Accounting Statement)	i) R.M.	"
		ii) D.C.	
		iii) T.M.	
		iv) Revenue Audit Office	
		v) Workshop A/c.s Office	
24	Physical Completion Reports for work (Quarterly)	i) C.E.	As soon as the work is physically completed.
		ii) C.M.E.	
		iii) C.M.O.	
25	Statement of outstanding Sundry Debtors	i) T.M.	20 <sup>th</sup> of every month
		ii) D.C.	
		iii) E.M.	
		iv) R.M.	
		v) Workshop A/cs Office	

Sr. No.	Particulars	To be received from		When expected
26	Miscellaneous Receipt-Summary	Cash Office		Upto 13 <sup>th</sup> of every month
27	Revised Estimates & Budget Estimates of Capital Works Programme	i)	C.E.	On or before 16 <sup>th</sup> August
		ii)	C.M.E.	
28	Revised Estimates & Budget Estimates of Programme of New Minor Works-in-Progress	i)	C.E.	On or before 16 <sup>th</sup> August
		ii)	C.M.E.	
29	Revised Estimates & Budget Estimates-			
	(a) Programme of Renewals and Replacements (Special Repairs and Maintenance) Works chargeable to Revenue Account as Repairs and Maintenance	i)	CE	On or before 16 <sup>th</sup> August
	ii)	CME		
	(b) Expenditure to be met from: (1)The Employees' Welfare Fund (2)Fire and Motor Insurance Fund			
30	Revised Estimates & Budget Estimates- Estimates of Income	All Heads of Departments		On or before 16 <sup>th</sup> August
31	Revised Estimates and Budget Estimates- Estimate of Revenue Expenditure	All Heads of Departments		End of August (at the latest)
32	Departmental Reports	i)	CE	15 <sup>th</sup> June
		ii)	CME	
		iii)	TM	
		iv)	EM	
		v)	Other departments	16 <sup>th</sup> May

Sr. No	Particulars	To be received from	When expected
33	Administration Report Statistical Information, Photographs etc.	i) All departments	1 <sup>st</sup> July
		ii) Rev. Audit Branch	
		iii) Establishment Branch	
34	Man-hour rate- Allocation	i) GWMOT	By 15 <sup>th</sup> of every month
		ii) GWSD	
		iii) GWND	
		iv) Railway Engg. Section	
		v) OPL and EEMOT and B.I.	
		vi) Crane & Dock Machinery, P&V Docks	
		vii) Crane & Dock Machinery, Indira Dock	
		viii) EESD	
		ix) EEND	
		x) EE Wadala Antop	
		xi) Loco Shed	
		xii) Mobile Crane Section	
		xiii) Workshops- Part I to VIII and Part XVI	
		xiv) Workshops- Parts XIV & XV (from Sr. Executive Engineer, Mechanical)	
35	Quarterly statement of expenditure on overtime working by Class III and Class IV employees	Paysheet Section- Quarter ending - 30 <sup>th</sup> June 30 <sup>th</sup> September 31 <sup>st</sup> December 31 <sup>st</sup> March	By the end of the following month

## CLASSIFICATION AND CODING OF ASSETS

- \* Appendix IV of the Consulting Accountants Report dated 5.12.1967 Para No.46, Depreciation Policy.
- @ TR No.225 of 16.7.1991
- \$ TR No.351 of 26.11.1991
- # TR No.206 of 28.9.1999 (Supplementary information is furnished at pages 65,66 and 67)

Section	Category	Sub-section and sub-group		General Ledger Code No.	Life of Asset (Years)	
I	Land	Land		711	—	
II	Capital Dredging	Capital Dredging		712	\$ 50	
III	Buildings, sheds, other structures	(a)	Transit sheds-1	713	\$ 30	
		(b)	Warehouses-2	714	\$ 40	
		(c)	Quarters-3	715	\$ 40	
		(d)	Other structures-4	716	\$ 30	
		(e)	Minor structures-5	717	\$ 30	
IV	Wharves, roads, boundaries	(a)	(i)	Wharves & pavements-RCC-6	721	\$ 10
			(ii)	Wharves & pavements-Asphalt-6	721	\$ 5
		(b)	Boundary walls and fences-7			
			(i)	Solid Type (Masonry)	722	\$ 30
			(ii)	RCC trespass proof fence	722	\$ 10
			(c)	(i)	Roads-RCC-8	723
			(ii)	Roads-Asphalt surface-8	723	\$ 5
		(d)	Drains and culverts-9		724	\$ 20
		(e)	Bridges (Structural maintenance)-10		725	# 40

Section	Category	Sub-section and sub-group		General Ledger Code No.	Life of Asset (Years)
V	Floating craft	(a)	Launches- steel-11	731	\$ 20
		(b)	Launches- wooden-11	731	# 20
		(c)	Launches- fiberglass reinforced plastic-11	731	# 20
		(d)	Tugs- conventional-11	731	\$ 20
		(e)	Tugs- Voith Schneider/ steerable rudder Propulsion-11	731	# 20
		(f)	Barges- flat/ hopper-11	731	\$ 15
		(g)	Dredger- self propelled-11	731	\$ 20
		(h)	Floating cranes-11	731	\$ 25

Section	Category	Sub-section and sub-group		General Ledger Code No.	Life of Asset (Years)	
VI	Railway and rolling stock	(a) Locomotives-12		735	# 20	
		(b) Wagons (Not proposed Gross Block 'Nil')-13		736	* 30	
		(c)	(i)	Railway permanent way- Rails-14	737	\$ 60
			(ii)	Railway permanent way- wooden sleepers-14	737	\$ 10
			(iii)	Railway permanent way- concrete sleepers-14	737	\$ 20
			(d) Signaling & interlocking-15		738	* 20
VII	Docks, sea walls, piers, navigational	(a) Dock walls, piers, jetties-16				
			(i)	Gravity type	741	\$ 60
			(ii)	Pile structure	741	\$ 25
		(b) Dry dock-17		742	\$ 60	
		(c) Slipways-22		743	\$ 25	
		(d) Fenders, buoys & moorings-18				
			(i)	Fenders- steel, rubber, wooden	744	\$ 10
			(ii)	RCC precast post tensioned fenders	744	\$ 20
	(iii)	Buoys & moorings	744	\$ 15		

Section	Category	Sub-section and sub-group		General Ledger Code No.	Life of Asset (Years)	
		(e) Dock entrance gates-19				
		(i)	Lock gates/ caissons	745	\$ 35	
		(ii)	Lock gate machinery	745	\$ 20	
		(f) Navigational aids-structures-20		746	\$ 30	
		(g) Navigational aids-equipments-21		747	# 10	
VIII	Cranes and vehicles	(a)	(i)	Mobile Cranes-23	751	@ 10
			(ii)	Tower Cranes-23	751	@ 10
			(iii)	Crawler Cranes-23	751	@ 10
		(b)	(i)	Electric Wharf Cranes	752	# 20
			(ii)	Rail Mounted Quay Cranes	752	# 20
			(iii)	Rubber Tyred Gantry Cranes-24	752	# 20
			(iv)	Rail Mounted Gantry Cranes	752	# 20
		(c)	(i)	Vehicles, <u>Diesel</u> forklift trucks, <u>Electric</u> toplift trucks, forklift trucks, Reach Stackers-25	756	# 8
			(ii)	Jeeps/ cars	756	\$ 6 with 1.20 km lakhs run
			(iii)	Lorries	756	# 8 with 2.00 km lakhs run
			(iv)	Road rollers	756	\$ 12

Section	Category	Sub-section and sub-group		General Ledger Code No.	Life of Asset (Years)	
IX	Plant and machinery	(a) Workshop Machine Tools-26		761	\$ 20	
		(b) Winches, Capstans-29		762	\$ 20	
		(c) Pumping Plant-27		763	\$ 20	
		(d)	(i)	Other machinery-28	764	\$ 20
			(ii)	Diesel Generators Diesel Air Compressors Diesel Welding Plants Diesel Pump Sets Electric Overhead Traveling Cranes	764	# 10
			(iii)	Lifts and Hoists	764	\$ 15
		(e) Water coolers (Net block 'Nil' and charged to Revenue Account)		765	* 12	
		(f) Weigh Bridges		766	# 10	
		(g) Hospital- Furniture and Equipment		768	* 10	
X	Installations for telecommunication and fire fighting	(a) Electricity supply, Distribution water, electricity and Lighting-33				
		(i)	H.T. cables	771	\$ 25	
		(ii)	L.T. cables	771	\$ 20	
		(iii)	Switches/ Gears/ Motors/ Transformers Feeder Pillars	771	# 25	
		(iv)	Tower Lighting/ Building Wiring	771	\$ 15	
		(v)	Air-conditioning package units	771	\$ 10	



Section	Category	Sub-section and sub-group	General Ledger Code No.	Life of Asset (Years)
		(b) Telephones & Telecommunications-34	772	* 40
		(c) Water supply, Hydraulic Pressure and Return Water Pipes-35	773	# 30
		(d) Fire-fighting installation equipment-36	774	\$ 10
XI	Oil Pipe Line Installation	Oil Pipe Line Installations and equipments-37		
		(a) M.S. Pipe Line	778	\$ 15
		(b) C.I. Pipe Line	778	\$ 25
XII	Capital Work-in-progress	Capital Work-in-progress	779	---
		Misc.-38		

STATEMENT SHOWING THE ECONOMIC LIFE NORMS SUGGESTED BY THE GOVERNMENT (AS PER TR NO.206 DATED 28.9.1999)

	DESCRIPTION	ECONOMIC LIFE NORMS APPROVED BY THE GOVT. (Years)
I.	<u>CRANES</u>	
1)	Electric Wharf Crane	20
2)	Rail Mounted Quay Crane (RMQC)	20
3)	Rubber Tyred Gantry Crane (RTGC)	20
4)	Rail Mounted Gantry Crane (RMGC)	20
5)	Grab Crane	20
6)	Mobile Crane	10
7)	Harbour Mobile Crane	10
8)	Overhead Travelling Crane	15
9)	Floating Crane	25
10)	Crawler Mounted Crane	10
II.	<u>LIFT TRUCKS</u>	
1)	Diesel Fork Lift Truck	8
2)	Electric Fork Lift Truck	8
3)	Top Lift Truck	8
4)	Fork Lift Truck	8
5)	Reach Stacker	8

	DESCRIPTION	ECONOMIC LIFE NORMS APPROVED BY THE GOVT. (Years)
<u>III.</u>	<u>LOADERS/ SHUNTERS</u>	
1)	Payloader	8
2)	Power Shovel	10
3)	Mini dozer	8
4)	Road Roller	12
5)	Tractor	10
6)	Trailer	10
7)	Skidd shovel	10
8)	Rear dumper/ tipper	8
9)	Excavator with back hoe	8
10)	Road sweeper	8
<u>IV.</u>	<u>LOCOS</u>	
1)	Diesel Locos	20
2)	Loco Traversers	15

DESCRIPTION	ECONOMIC LIFE NORMS APPROVED BY THE GOVERNMENT
V. <u>BRIDGES</u> 1) Bascule 2) Swing Bridge 3) Capstans and Winches 4) Weigh Bridge	40 40 20 10
VI. <u>FLOTILLA</u> 1) Dredgers 2) Tugs – Conventional 3) Tugs – Others 4) Launches (all types) 5) Barges (all types) 6) Buoy Laying vessels	20 20 20 20 20 20
VII. <u>AUTOMOBILES</u> 1) Cars/ Vans/ Jeeps 2) Trucks/ Lorries/ Water Tankers	6 years or 1.2 lakhs kms. whichever is earlier. 8 years or 2 lakhs kms. whichever is earlier.
VIII. <u>PIPELINES</u> 1) Oil pipelines 2) Sea Water flushing pipeline 3) G. I. and RCC Water pipeline 4) Steel and G. I. Water pipeline 5) Pumping Plants 6) Shore pipeline for dredging 7) HDPE pipeline 8) Marine Unloading arms	15 10 30 20 20 10 10 20

DESCRIPTION	ECONOMIC LIFE NORMS APPROVED BY THE GOVT.
<u>WORKSHOP MARCHINERIES</u>	
Machine Tools	20
Welding Plants	15
Diesel Welding Plants	10
Compressors	10
<u>BULK HANDLING EQUIPMENT</u>	
Wagon Tippers        }	20
Stackers                }	
Reclaimers            }	
Shiploaders           }	
Barge Unloaders      }	
Conveyors              }	
<u>ELECTRICAL EQUIPMENT</u>	
Transformers (Outdoor)	20
Transformers (Indoor)	35
Switchgears	25
Lift	15
<u>FIRE FIGHTING EQUIPMENT</u>	
	10
<u>TELEPHONE EXCHANGE</u>	
	10
<u>ELECTRONIC EQUIPMENT</u>	
Such as – Medical, Audit Visual & Communication	10
<u>NAVIGATIONAL EQUIPMENT</u>	
(i) All Radio Communication equipment & VHF equipment	7
(ii) Grabs	5
(iii) Channel Buoys	15
(iv) All navigational aids (equipment)	10

ESTIMATES OF INTERNAL & EXTRA BUDGETARY RESOURCES  
FOR ANNUAL PLAN

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MINISTRY/ DEPARTMENT: Ministry of Shipping, Road Transport & Highways

NAME OF THE UNDERTAKING: Mumbai Port Trust

PART I- Retained Profits/ Surplus

(Rs. in crore)

Sr. No.	Description	Actual/ Pre Actual	B.E.	R.E.	B.E.
1	RECEIPTS: Gross Sale/ Operating Income Other Income  Total (1)				
2	OPERATING COST: Salaries & Wages Other Costs  Total (2)				
3	DEPRECIATION AND WRITE OFFS: Depreciation Write Off  Total: (2 + 3)      Total (3)				
4	Accretion (+) or Decretion (-) of Stock of Finished Products		Not applicable		
5	Gross/ Net Profit (1 – 2 to 4)				
6	INTEREST PAYMENTS TO : (i) Central Government (ADB loan) (ii) Others (iii) Total (6)				
7(a)	Provision for Income Tax Current Deferred				
(b)	Fringe Benefit Tax.				

8	Dividend payment to Central Govt.	Not applicable
9	Investment in securities if obligatory due to statutory or other requirements.	Not applicable
9.A	Contribution to unrecognised Pension Fund	
9.B	Initial contribution to Pension Fund Trust	
9.C	Contribution to Gratuity Fund	
10	Retained Profit/ Surplus carried over to Part II (Item No.1 : Item Nos.2 to 9C, except item No.5)	

## PART – II

(GENERATED INTERNAL AND EXTRA-BUDGETARY RESOURCES FOR PLAN SCHEMES)

Sr. No.	Description	Actual/ Pre Actual	B.E.	R.E.	B.E.
1	Retained surplus from Part I				
	Add:				
2	(a) Depreciation and Write off				
	(b) Withdrawal from EWF				
	(c) Interest credited to various funds				
	(d) Repayment of principal of JNPT loan				
	(e) Other receipts				
	(f) Provision for deferred tax.				
	Total (2)				
3	Deduct:				
	(i) Total loan repayment of ADB loan (To Govt. of India)				
	(ii) Net increase in the margin for Working Capital requirement.				
	(iii) Non-Plan Capital requirement (Break up of major items like replacement, repair & maintenance held be indicated)				

: 71 :

- (iv) Others, if any (please specify)  
Interest on JNPT loan  
EWF  
Relief Fund  
Deficit of BDLB upto 1997-98  
Contribution to Pension Fund  
Reduction in value of investments due to  
conversion under unit 1964 scheme.
- (v) Total (3)
- 4 Adjusted internal resources  
available for plan schemes  
(1 + 2 - 3)
- 5 Carry forward surplus available  
from previous year (as per Sr.No.11)
- 6 Total internal resources (4 + 5)
- 7 Extra Budgetary Resources  
(other than from Govt. of India)
- (i) Gross assistance from domestic  
Financial Institutions for Plan  
Projects
- (ii) Foreign commercial  
borrowings/ suppliers' credit
- (iii) Bonds/ Debentures issued during the year
- (iv) Inter-corporate transfers
- (v) Receipts from other funds, -  
(a) OADB  
(b) SDF  
(c) Other funds
- (vi) Issue of Equity to Public
- (vii) Others, sources of EBR
- (viii) ADB loan (direct )
- Total (7)



: 72 :

- 8 Total Internal and External Resources available for financing Plan Expenditure on Project Renewals & Replacements (6 + 7)
- 9 Plan Outlay (according to printed budget)
- 10 (i) Budgetary support from Govt. for Plan Schemes (9 - 8) or 'Nil' if 8 is greater than 9
- (ii) External Assistance through Budget
- (iii) External Assistance direct
- (iv) Net Budgetary Support [(i) - (ii)]
- 11 Carry forward of surplus for next year -
- (i) Memorandum items:
- (i) Installed Production Capacity (Million tones)
- (ii) Production Plan
- (iii) Percentage Capacity
- (ii) Revision in price/ tariff etc.
- (i) Price revision per unit
- (ii) Date of price revision
-

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- (ii) Production Plan
- (iii) Percentage Capacity
- (ii) Revision in price/ tariff etc.
- (i) Price revision per unit
- (ii) Date of price revision
-

Returns/ Statements forwarded/ submitted  
by the Accounts Branch

Sr. No.	Particulars	Action by the branch	Due date	Actual date
1	Report on pending replies to Ministry & CAG on audit paras	Forwarded to D(P&R) Secretary	D(P&R) -1 <sup>st</sup> day of each month. Secretary – 10 days before Board meeting.	
2	Progress Report	To be submitted to the FA&CAO	5 <sup>th</sup> day of each month	
3	Statement of references pending with Government	Forwarded to Secretary.	1 <sup>st</sup> day of each month	
4	Control of non-essential items of expenditure	Forwarded to SAO (Stores Accounts Office)	By end of each month	
5	Monitoring the progress of court cases	Forwarded to SAO (E)-I	2 <sup>nd</sup> of each month	
6	Use of Typist-cum-Computer Clerk attached to Accounts Branch	Forwarded to SAO (WRC)	5 <sup>th</sup> of each month	
7	Quarterly Revenue Analysis statements	Submitted to the Dy. Chairman/ Chairman	20 <sup>th</sup> of following quarter	
8	Progress Report for Hindi	Forwarded to SAO (E)-I	5 <sup>th</sup> day of April, July, October & January	
9	Complaint Report of grievances	Forwarded to A.C.A.O.	5 <sup>th</sup> day of April, July, October & January	
10	Staff distribution statement	Forwarded to SAO (E)-I and DCAO (Jr.)-IV	5 <sup>th</sup> day of April, July, October & January	
11	Cost summaries of- (i) Capital Works (ii) New Minor Works (iii) R & R works	Forwarded to Chief Engineer/ Chief Mechanical Engineer	Immediately after the quarterly accounts are closed	
12	Write off of losses	Forwarded to the Secretary as a Table Paper	Every financial year	
13	Annual Plan Appendices	Forwarded to the Director (P&R)	25 <sup>th</sup> October	
14	Performance Budget Appendices		Kept ready immediately after finalisation of draft budget.	

Sr. No	Particulars	Action by the branch	Due date	Actual date
15	Annual Report on the activities of the Ministry of Shipping, Road Transport & Highways	Forwarded to the Secretary for submission to Government	25 <sup>th</sup> November	
16	Foreign Exchange Budget-Yearly Requirement	Forwarded to the Under Secretary to the Govt. of India, MOSRTH.	January	
17	Approved Annual Accounts	Forwarded to the Accountant General for Audit	31 <sup>st</sup> May	
18	Replies to the objection, mema, Inspection Reports issued by the Accountant General	Forwarded to the Accountant General for audit	By 10 <sup>th</sup> September	
19	Furnishing of required number of printed copies of the Audit Reports and Accounts (Hindi & English version)	Ministry of Shipping, Road Transport & Highways	10 <sup>th</sup> November	
20	Draft Revised Estimates & Budget Estimates & Performance Budget	Forwarded to the Secretary for submission to the Board/ Govt.	10 clear days before the Special Meeting to be held on or before 31 <sup>st</sup> October.	
21	(i) Administration Report (Draft)	Forwarded to the Secretary for submission to the Board/ Govt.	2 <sup>nd</sup> week of October	
	(ii) Administration Report (Final Print-Hindi & English version)	Forwarded to the Secretary for submission to the Government	10 <sup>th</sup> November	
22	Implementation Report (quaterly)	Forwarded to Secretary	End of every quarter.	
23	Fortnightly report on references through Chairman's office.	Forwarded to PA to FA&CAO	5 <sup>th</sup> and 20 <sup>th</sup> of every month.	
24	Monthly pending/disposal cases.	Establishment Branch	5 <sup>th</sup> of every month	

DOCUMENTS/ STATEMENTS SHWOING YEAR END POSITION TO  
BE SENT ALONGWITH ANNUAL ACCOUNTS

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- (1) The position of physical verification of Capital Assets
- (2) The position of physical verification of stores with-
  - (a) Materials Manager
  - (b) Workshops
  - (c) Engineering Departments
- (3) Statement showing cost of stocks in respect of Departmental Canteens and Central Godowns of Labour Department in the usual form.
- (4) Statement of Capital Works completed with costs where the estimates are kept open for want of completion reports (with year-wise breakup of No. of works and amounts).
- (5) The position of reconciliation between Stores Account and General Ledger
- (6) The department-wise position of miscellaneous dues outstanding in the usual form and with year-wise breakup and summary in the form shown in the Audit Report for 1974-75 under Sundry Debtors alongwith reasons for the delay in not recovering the dues. The amounts due from Government Departments and Private Parties may be shown separately.
- (7) A statement showing the provisional debits awaiting finalisation (year-wise position of No. and amounts).
- (8) A statement showing the remission of revenue sanctioned during the year classified under suitable headings as shown in the Audit Report of previous year indicating separately the remission cases sanctioned by the Remission Committee.
- (9) A statement of losses written off during the year under the following heads:
  - (a) Losses due to damage and accidents;
  - (b) Losses on account of demolition and disposal of Capital Assets;
  - (c) Canteen losses;
  - (d) Wharfage, demurrage and other docks dues written off;
  - (e) Materials stolen, missing, shortages detected during physical verification;

- (f) Obsolete materials, equipments etc.;
  - (g) Miscellaneous
- (10) A statement of reconciliation of various deposit accounts with FA&CAO's ledger.
  - (11) The position of sale proceeds of unclaimed goods with Traffic Manager remaining unallocated as on the said date with the year-wise breakup of items and amounts.
  - (12) The position of allocation of the Sale Suspense Account with the Materials Manager with year-wise breakup of items and amount.
  - (13) The position of Railway Manager's General Suspense Account showing year-wise breakup of items and amount.
  - (14) Certificate of cash in hand with the FA&CAO as well as with the various officers of Mumbai Port Trust.
  - (15) Cash balance as per Bank Pass Book and that as per Cash Book alongwith the Bank Reconciliation Statement.
  - (16) A statement of position of advances granted to Chief Engineer and Materials Manager and other various departments for purchases with year-wise breakup.
  - (17) A statement of advances granted to the officers and members of the staff of Mumbai Port Trust (category-wise) and outstanding with year-wise breakup.
  - (18) A statement of assets noticed as extinct but not adjusted in accounts with the year-wise breakup and reasons for delay in adjustment.
  - (19) A statement of securities where market value is less than the cost showing the amount of market value, cost price and differences in the cost.
  - (20) A statement of stores purchased during the year issued during the same year and closing balance under GLC 811, 812, 813, 814, 815 in the books of the respective departments.
  - (21) Asset Cards.
  - (22) List of securities in the safe custody of FA&CAO.
  - (23) A signed copy of Proforma accounts of CCF and Departmental Canteen.
  - (24) Working sheet of PF rate of interest for MbPT and Ex.BDLB.
  - (23) Capital work in progress.

- (24) Details of Income Tax , Sales Tax , Professional Tax, Octroi, Service Tax, TDS, Records of TDS paid, TDS deducted by payee.
- (25) Details of investments transferred to Pension Fund Trust Account, interest accrued thereon, Pension payment made during the year and amount of pension payment debited to profit and loss account.
- (26) Details of repayment of loan/ grant received if any.  
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## Subject-wise Compilation Codes

Compilation No.	Subject
FA/AA	Accounts
FA/A/APT	Delegation of powers
FA/A/AR	Administration Report
FA/AB(Gen)	Budget
FA/ABI	Investment of Fund balance
FA/AD	Donations
FA/ADP	Damage to Port Trust property
FA/ADS	Dead Stock
FA/AESP	Exchange and sale of plant
FA/WFD	Fixed deposits
FA/FE	Fires and explosions
FA/FI	Fire Insurance
FA/AGA	Government Audit objections
FA/ALG	Loans from Government
FA/A/MA	Municipal Assessment
FA/A/PTS	Port Trust School- Gunaji Dhondu
FA/A/SF	Sinking Fund
FA/AWC	Works- Capital
FA/AWR	Works- Revenue
FA/AZ	Accounts- Miscellaneous
FA/A/WT	Wadala Institute (Reynolds)
FA/A/A-Misc	Miscellaneous correspondence
FA/HDP	Harbour and Dock Police
FA/SDP	Stores- Direct Purchase
FA/A/S/SV	Stock Verification, Write off
FA/A/OQ	Outside queries
FA/A/ECA	Estimate Committee
FA/A/IPA	Indian Ports Association
FA/NSP/DPR FA/A/BI-5(82)	Jawaharlal Nehru (Nhava Sheva) Port Trust (Loan to JNPT)
FA/RAS	Revised Accounting System correspondence
FA/AA-3(77)	Time schedule for finalisation of Accounts, Audit Report etc.



Compilation No.	Subject
FA/ALG-VIII(AP)	Annual Plan
FA/ALG-VIII	Eighth Five Year Plan
FA/ALG-VIII/MR	Mobilisation of resources of BPT
FA/ALG-VIII/GR	Generation of Internal Resources
FA/AA-29(84)	Quarterly statement of expenditure in proforma prescribed by Govt.
FA/AA-General	Miscellaneous correspondence
FA/AA-4(75)	Outstanding Port Trust dues
FA/RAS-Gen	Allotment of Code Nos. (Procedure Orders)
FA/E/PFG	Rate of interest on Provident Fund
FA/AA-PC	Physical Completion Reports
FA/AA-5	BPT Rly. proforma
FA/AA-Suppl. Estt/	Reappropriation statements
FA/A/FMS/Gen	General Correspondence
FA/A/QA/	Quarterly Revenue
FA/A/ALG/VIII	Monthly EIBR (DPR)

Classification of records and registers  
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Sr. No.	Description	Classification
	LEDGERS	
1	Assets & Liabilities- Part I and II	B3
2	Capital	B3
3	Income	C
4	New Minor Works	C
5	Renewals and replacements	C
6	General	C
7	Cost: Cargo handling & storage (1)	C
8	Cost: Port and dock facilities (2)	C
9	Cost: Railway working and rentable Lands and buildings (3 & 4)	C
10	Cost: Management & General Administration	C
	OTHER REGISTERS/ FILES	
11	Journal vouchers	C
12	Wages allocation	D
13	Wages man hour rate allocations	D
14	Detailed wages allocations	D
15	Management Accounting Statements	A
16	Cash books	B3
17	Trial Balance sheets	D
18	Completion Report files	D
19	Bank reconciliation registers	D
20	Administration Reports (Bound)	A
21	Departmental Reports (Bound)	A
22	Budget Estimates (Bound)	A
23	Annual Accounts (Bound)	A
24	Circular files (Bound)	A
25	Annual Accounts	C
26	Audit Reports	C
27	Additional expenditure	D
28	Excess expenditure over revised budget grant	D
29	4% Govt. of India Loan, 1969 5 ½% Govt. of India Loan, 1999, 25,00,000	B1

Sr. No.	Description	Classification
30	7 ¼% City and Industrial Development Corporation of Maharashtra Ltd.- Debentures- 1986- Purchase	B3
31	Investments	C
32	Donations	D
33	Donations	D
34	Damage to Port Trust property	D
35	10 locomotives and spares- Purchase of wagons	D
36	Dead stock	D
37	Forwarding letter of special contingencies	D
38	Disposal of stores	B3
39	Purchase, demolition and removal of C.I. sheets sheds, railway and trolley tracks	B3
40	Disposal cases	B3
41	Fire and explosion on 14.4.1944	B1
42	Fire insurance	D
43	Govt. Audit objections	C
44	Internal security meetings	C
45	Five years plan	C
46	Land, sale and exchange	B1
47	Municipal assessment	B2
48	Works capital	C
49	Wadala institute	D
50	Miscellaneous welfare activities	D
51	Miscellaneous cases	D
52	Port Trust Central Library	B3
53	Rest House at Vijay Deep	B3
54	Allotment of East Wing of 3 <sup>rd</sup> floor, Thackersey House, Ballard Estate	C
55	Visit of team of experts nominated by International Association of Port & Harbour	B3
56	Cleanliness week	D
57	Dock safety week	D
58	Celebration of 25 <sup>th</sup> anniversary of Independence Day	D
59	Miscellaneous correspondence	D
60	Port working committee	C
61	Dead weight tonnage	D
62	Appendix 'C'	D
63	Appendix C(1)	D
64	Theft cases	D
65	Establishment of Presidency Magistrate's Court of B.E. (Railway Manager's Bldg.)	B3

Sr. No.	Description	Classification
66	Expenditure incurred during the period of strike from 8.6.1958	B3
67	Bills paid	D
68	Works sanctioned by the Chairman- Registers	D
69	Special contingencies- Items sanctioned by the Chairman (Registers)	D
70	Write off sanctioned by the Chairman/ Government/ Board (Register)	D
71	Maharashtra Government Gazette	O
72	Third copies (Circulation of letters)	O
73	Magazines (Time, Economists, Capital, Commerce, IRJ, New Statement)	O
74	Market quotations	O
75	Rough proceedings	O
76	Index to proceedings (Spare printed TRs)	O
77	Index Card Rate Notes	O
78	Management Accounting Statements of other Ports- Quarter ended	O
79	Various funds	A
80	War Memorial Fund	A
81	Standing Deposit with Bombay Municipality	A
82	Acquisition of land for quarry	Retained
83	Limit upto which expenditure on works should be debited to Revenue/ Capital account	A
84	Hamallage, Workshop, New HDD and Ham. Gear Depot Workshop at White Gate, Indira Dock, Transfer to CE	A
85	Question of debiting items of current expenditure of capital nature to Revenue	A
86	Vessels Replacements Fund and Pilotage account	A
87	Tour Programme of Study Group of the PAC during September 1969	Retained
88	Collection of town duty by Port Trust	Retained
89	Port Trust Act	A
90	Administration Report File	A
91	Banking arrangements	A
92	Centenary Commemoration Fund	A
93	Banking arrangements in London	A
94	Capital Debt due to Government	Retained
95	Furniture for the Chairman's Bungalow	A
96	Surplus Furniture	A
97	Government Audit fees	A

Sr. No.	Description	Classification
98	Detailed particulars of projects included in the IBRD loan to cover Foreign Exchange Expenditure	A
99	Mazagaon Sewree Reclamation and Railway Incinerator Plot at Wadala	A
100	Sinking Fund	A
101	Major Ports Commission	A
102	Notifications- Indian Ports Act, 1908	A
103	Important circulars, etc.	A
104	Organisation Chart (Report of the Inspection of Branches of FA&CAO)	Retained
105	Bungalow at Anik	Retained
106	Returns/ statements received and sent by Departments- Review of	Retained
107	Contribution from Govt. towards upkeep of Kennery Light House	A
108	Harbour and Dock Police (Bills Section's files)	A
109	Lease in Dock area to Govt. etc. Concessions etc. matters pertaining to Docks	A
110	Case Registers	A
111	Spare copies of TRs (printed)	A
112	H.O.D. minutes	A

Every year weeding out of records is done as per the above classification and the records weeded out are disposed of through the contract awarded by Materials Manager.

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Classification of records and registers  
according to period of preservations

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CLASSIFICATION

- A : Permanent
- B1 : Upto 45 years
- B2 : Upto 30 years
- B3 : Upto 20 years
- C : Upto 10 years
- D : Upto 5 years
- O : Upto 1 year

(Ref: CA/A/Z-11(75)/27913 of 18.8.1975)

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