

**MOST URGENT**

**V.O.CHIDAMBARANAR PORT TRUST**

**FINANCE DEPARTMENT**

**No.: A-4/1/2016-AAB/D**

**Date : 12.02.2016**

**CIRCULAR No.26/2015-16**

**Subject : Finalisation of Annual Accounts 2015-16 - Reg.**

-----

The Accounts for the financial year 2015-16 is to be compiled and finalized for submission to Audit and the Government, after approval by the Board of Trustees of V.O. Chidambaranar Port Trust. Port being the assessee is to comply with the Provisions of Income Tax Act, 1961. Further, a return of income is also to be filed with the Income Tax authorities. This is in addition to the statutory audit by the Comptroller and Auditor General of India through the Resident Audit Office, V.O.C Port Trust.

2. To meet the above statutory requirements, Port has to take appropriate action including addressing of all the short comings.

3. Based on the experience in respect of submission of information regarding finalization of Annual Accounts in the previous years, your personal attention is requested for the following :

\*A Nodal Officer to deal with the requirements as in Annexure may please be nominated in your Department to facilitate easy contact and compliance of the requirement and communicate to Finance Department **on or before 15.02.2016.**

4. **Special Attention**

<b>Sl. No.</b>	<b>Subject</b>	<b>Status</b>	<b>Due Date</b>	<b>Departments</b>
<b>1</b>	Physical verification of Capital Assets	Critical	5.4.2016	All Departments
<b>2</b>	Verification of Tools and Plant	Critical	5.4.2016	All Departments
<b>3</b>	Minimum Guaranteed Traffic, Penalties levied/ leviable	Critical	5.4.2016	Traffic & Civil Engineering Departments
<b>4</b>	List of Assets completed / commissioned	It is expected to implement the process online in the Project	15.2.2016	All Departments

	during 2015-16 along with the details of expenditure incurred/liability to be incurred	module by the Departments. This is yet to be operationalised by the Departments and to be complied with immediately for the past period and ensured for February 2016 & March 2016		
<b>5</b>	Inventory of Medicines and chemicals as required in the previous Year (2014-15) Audit	To be completed without omission	05.03.2016	Advance action required from Medical Department in consultation with EDP

5. The above requirements are to be complied scrupulously and all the details called for vide Annexure I, II and III are to be furnished within the due dates specified to Finance Department. The Heads of Department are requested to extend their full cooperation in this regard for finalizing the Annual Accounts for the year 2015-16 as per the time schedule given in the Annexure.

6. It is, once again requested that adherence to due date is most important and may please be ensured without any omission.

Encl:

Annexure I, II, & III

To

- a. All Heads of Departments
- b. All Sections of Finance Department

Copy to

1. PS i/c to Chairman
2. PA to Deputy Chairman
3. PA to FA & CAO
4. Guard file

Signed  
**FINANCIAL ADVISER AND  
CHIEF ACCOUNTS OFFICER**

**ANNEXURE I**

**LIST OF ACTIVITIES TO BE COMPLETED IN CONNECTION WITH FINALIZATION OF ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2015-16**

Sl. No.	Description	Name of the Activities	Due date
1.	Fixed assets  Completion of work in progress and transfer to fixed asset	<p>a. All assets which are completed and commissioned during the year 2015-16 are to be transferred to the fixed assets account (Block Assets Register) maintained in the AAB Section from the work in progress. Details of the work in progress have to be listed and furnished to Finance Department.</p> <p>b. Assets which have been decommissioned/dismantled/survey reported and disposed off are to be removed from the fixed asset account by liaisoning with concerned officers of Finance Department.</p> <p>c. Decrease in the realizable value of existing assets in use with reference to the book value of the asset is to be brought into accounts after proper assessment of marked value.</p> <p>The above information (a), (b) &amp; (c) are to be furnished by all the Heads of Department in the prescribed form (Form I) of Annexure III on or before the due date. Even if the information to be furnished is Nil, a <u>Nil report is to be sent for confirmation</u>. The Heads of Department are requested to ensure that correct and full information are given as these have a bearing on the Income Tax payable by Port <b>and any error shall lead to penalty &amp; interest for which the concerned Officer will be held responsible.</b></p> <p><b>Action : The Officer in charge of the work &amp; HoD is requested to issue suitable orders for the same</b></p>	31.03.2016

Sl. No.	Description	Name of the Activities	Due date
2.	Inventory	<p>Inventory account is to show the assessed/realizable value of all items. Hence, the realizable value of vital high value items like insurance spares, non moving items, etc. shall be assessed and any decrease in the value is to be accounted in the books of account through <b>Journal Voucher by 31.3.2016.</b></p> <p>A report of the action in this regard shall be sent to AAB Section of Finance Department by <b>05.04.2016.</b> The stock verification reports along with the corrective and preventive action taken to ensure the conformance of correct physical balance with Priced Stores Ledger shall be available by <b>05.04.2016.</b> This will be ensured by Mechanical, Marine and Medical Bill Sections.</p> <p><b>(Action : MEE Department &amp; Sr. AO/Mechanical &amp; Marine Bills and AO Medical Bills)</b></p>	05.04.2016
3.	Advance Payments	<p>Advance payments made to the suppliers against for which materials have not been received are to be adjusted without any omission. Advance payments remaining un cleared because of non supply/incomplete supply beyond the period stipulated in the supply order shall be reviewed for getting refund of the advance. If the amount is not recoverable and it is decided as irrecoverable, then the same is to be removed from the advance account with the approval of the Competent Authority in co-ordination with the concerned sections in the Finance Department and furnish the information/Journal Vouchers by 15.2.2016.</p> <p><b>(Action : ALL HoDs)</b></p>	31.03.2016
4.	Contingent Liabilities	<p>Provision is to be created to account for those probable expenditure/losses which can be estimated in clear monetary terms and which throw a liability on the Port Trust to pay, except those which are contingent upon any specific event/not exactly sure to happen like pending before the Court for decision.</p> <p>In those cases where the outcomes are not predicable in clear monetary terms and</p>	31.03.2016

Sl. No.	Description	Name of the Activities	Due date
		<p>which are contingent upon any future event are to be listed for the purpose of incorporation in the Notes to Annual Accounts.</p> <p>All Departments shall furnish details, if any, by 15.03.2016 to the corresponding sections in Finance Department. All sections will pursue and get the information consolidated and propose necessary JV and send it to AAB Section of Finance Department by 31.03.2016. If there is no information to furnish, a “Nil’ report may be given by the Departments.</p> <p><b>(Action: All HODs)</b></p>	
5.	Deposits	<p>All deposits made by the Port with other organizations like TNEB, etc. are to be supported by Certificate of Balance obtained from those organizations as on 31.03.2016. The concerned Departments are requested to co-ordinate with the concerned sections in Finance Department for obtaining the said certification from the concerned organizations.</p> <p>(Action : Civil and MEE Departments)</p>	31.03.2016
6.	Items of Furniture purchased and charged to Revenue Account	<p>Based on the Government guidelines, assets costing more than Rs.1,00,000/-and having a life period of more than 5 years are treated as Capital assets. As per the provision of Income Tax Act of 1961, furniture, fixtures etc. though charged to Revenue A/C in V.O.C Port Trust, they are to be shown under the schedule of Fixed Assets.</p> <p>For this purpose, all HoDs shall furnish the details of list of furniture <b>&amp; fittings</b> procured during the year in the prescribed pro forma (Form II) of Annexure III by 31.03.2016. Even if the information to be furnished is ‘Nil’, a Nil report is to be sent to the Finance Department for confirmation.</p> <p><b>Action : All HoDs</b></p>	31.03.2016

Sl. No.	Description	Name of the Activities	Due date
7.	Review of Booking of Expenditure under each activity, each Cost Centre and Rectification of Wrong Booking	<p>The details of the operating expenditure are available in SAP system. Based on the review of Cost Centre wise expenditure, Departments are to review the booking of expenditure on a regular basis and ensure correction by proposing the Journal Voucher wherever wrong bookings are noticed. The Heads of Department and sections in Finance Department will review the accounts up to March 2016 again and propose rectification wherever necessary. All such rectifications relating to the year 2015-16 proposed by the respective Department are to be done through concerned sections of the Finance Department latest by 05.04.2016 for incorporation in the Accounts.</p> <p><b>(Action: All HODs)</b></p>	31.03.2016
8.	Preparation of Bills for the Work Done	<p>All works done by the Contractors up to 25.03.2016 shall be measured, billed and sent to the Finance Department by 28.03.2016 for verification and payment before 31.03.2016. The works done after 25.03.2016 and up to 31.03.2016 shall also be measured and the value of work done should be intimated to the Finance Department by 05.04.2016 for incorporating the expenditure in the current years account. This is to ensure booking of expenditure incurred during the year in the accounts of the year itself. All Heads of Department shall furnish the bills and details as stated above. TDS payable shall also be accounted simultaneously. <b>Please note that any bill amount due for the work done but not agreed for liability shall not be considered &amp; passed at a later date and the officer in charge shall be liable</b></p> <p><b>Action : Civil and MEE Departments</b></p>	31.03.2016
9.	Recoupment of permanent imprest /settlement	<p><b>All the Officials sanctioned Imprest Account shall submit the account for the period ending 31.3.2016 with closing balance as on 31.3.2016 and ensure that of all expenses for the period up to 31.3.2016 are accounted/submitted.</b></p> <p>All temporary imprest holders shall close all temporary imprest accounts by</p>	31.03.2016

Sl. No.	Description	Name of the Activities	Due date
	of temporary imprest	<p>rendering accounts and submit them to the Finance Department by 31.03.2016 to bring the expenditure into the current year's account. All Heads of Department are requested to ensure that the Officers of their Department holding temporary imprest for various purposes are settled in all the cases where the need for the imprests is achieved / completed and close the accounts immediately latest by 31.03.2016. <b>No special Imprest shall be sanctioned after 25.03.2016 except at most necessary.</b></p> <p>All permanent imprest holders shall furnish a Certificate of Balance showing the amount of imprest held by them as on 31.03.2016 for verification by Cash Section to ensure conformity with the account balances as per the imprest suspense accounts. The tallied accounts with certificates will be sent to AAB Section by 2.4.2016.</p> <p><b>Action : All HoDs</b></p>	
10.	Physical verification of Fixed Assets	<p>The existence of all assets held by the Port is to be verified. Hence, a copy of the statement containing the list of assets held by the Port will be sent by 15.03.2016 to all the Departments. All Heads of Department may arrange to verify the existence of all the assets to their Departments and send by 31.03.2016.</p> <p><b>Action : All HoDs</b></p>	31.03.2016
11.	Physical verification of material at site	<p>The closing balance of Materials at Site accounts maintained in sub-division as on 31.03.2016 shall be arranged to be verified and a report of the verification shall be sent to Finance Department by 31.03.2016.</p> <p><b>Action : Civil and MEE Departments</b></p>	31.03.2016
12.	Review of Assessment for Service rendered	<p>The Department extending various services shall ensure that charges for all services rendered up to 31.03.2016 have been collected and accounted in the Accounts of the Port on or before 31.03.2016. Outstanding income, if any, shall be assessed and the details should be communicated to the respective Sections of the Finance</p>	31.03.2016

Sl. No.	Description	Name of the Activities	Due date
	pending realization accounting thereof as accrued income	Department in Form 3 for incorporation in the Accounts without omission. All refunds due, arising out of excess collection/non availing of services applied for, concessions and rebates as on 31.03.2016 may also be assessed and the details should be communicated to the respective section of the Finance Department in Form 4 for incorporation in the Accounts by 16.04.2016  <b>Action: TM, DC and CME</b>	
13.	Clearance of accrued expenses and income of the previous year.	Provisions for accrued income and expenses created in the previous year i.e. 2014-15 are to be reviewed and the income realized/expenses paid shall be properly adjusted in the provisions created. Excess provisions shall be withdrawn after proper scrutiny. All the Departments in consultation with the respective sections of Finance Department will complete this action before 28.2.2016.  <b>Action : All HoDs</b>	29.02.2016
14	Minimum Guaranteed Traffic	If there is any shortfall in achieving the Minimum Guaranteed Traffic, the Civil Engineering Department is requested to see whether dues have been collected and claimed as stipulated in the Lease Agreement & as per MGT and the complete details of the same may be furnished. If not realized, it should to be accounted as accrued income (dispute cases need not be accounted as accrued income as per the Accounting Policy)  <b>Action : Engineering (Civil), Estate and Traffic Departments - Sr. AO/Civil &amp; Mechanical Bills and AO Traffic</b>	05.04.2016
15	Physical verification of Medical stores	The closing balance of Medicines by reviewing the Stores should be given on 31.3.2016 and a report of the verification shall be sent to Finance Department by 31.03.2016.	31.03.2016

Sl. No.	Description	Name of the Activities	Due date
		<b>Action : Chief Medical Officer in charge, V.O.C Port Trust in consultation with EDP Centre)</b>	
<b>16</b>	Issues relating to EMD, Security Deposit and Court cases.	<p>(a) The Earnest Money Deposit (EMD) not released for more than 3 years shall be transferred to revenue income. Hence reasons for EMD not released to be furnished.</p> <p>(b) Security Deposit - Security Deposit not released after the defects liability period and remaining for more than three years shall be transferred to revenue income. Hence, reasons for retaining the same subject to disputes/recoveries/litigations may please be intimated.</p> <p>(c) List of Court cases at various levels 'for' VOCPT and 'against' VOCPT – Amount involved in favour of Port and against the Port may please be furnished distinctly so as to incorporate in the Notes on Account as contingent assets and liabilities.</p>	05.04.2016

Signed  
**FINANCIAL ADVISER AND  
CHIEF ACCOUNTS OFFICER**

**ANNEXURE II****TIME SCHEDULE FOR COMPLETION OF ANCILLIARY WORKS FOR FINALISATION OF ANNUAL ACCOUNTS 2015-16.**

<b>Sl. No.</b>	<b>Item of work</b>	<b>To be done by</b>	<b>Section to be sent in Finance</b>	<b>Due date</b>
<b>01</b>	List of assets added / removed / changed in values etc.	All HoDs	AAB Section	31.03.2016
<b>02</b>	Valuation of Inventory and booking of changes in value by adjustment journal vouchers	All HoDs	Mechanical, Marine, Medical Bills & MMD Section	31.03.2016
<b>03</b>	Stock Verification Report	All HoDs	AAB Section	05.04.2016
<b>04</b>	Advance Payments for supply of materials	All HoDs	Mechanical, Marine, Medical Bills & MMD Section	31.03.2016
<b>05</b>	Contingent Liabilities	All HoDs	Respective sections of Finance Department	05.04.2016
<b>06</b>	Certificate on confirmation of balances in deposit	All Sections of Finance	AAB Section	05.04.2016
<b>07</b>	List of T & P, Furniture, fixtures for inclusion in the lists of assets	All HoDs	AAB Section	04.04.2016
<b>08</b>	Review of income & expenditure and proposal for rectification of wrong bookings	All HoDs	AAB Section	02.04.2016
<b>09</b>	Bills for work done through contract	All HoDs	Civil, Mechanical, Administration, Marine Bills Section of Finance Department	31.03.2016
<b>10</b>	Permanent Imprest a/c rendering & furnishing certificate	All HoDs & Cash Section of Finance and permanent	Respective Sections of Finance Department	31.03.2016

<b>Sl. No.</b>	<b>Item of work</b>	<b>To be done by</b>	<b>Section to be sent in Finance</b>	<b>Due date</b>
		Imprest holders		
<b>11</b>	Temporary Imprest a/c rendering & furnishing certificate	All HoDs & Cash Section of Finance and temporary Imprest holders	Respective Sections of Finance Department	31.03.2016
<b>12</b>	Verification of Fixed Asset and furnishing of Physical verification Certificate as on 31.03.2016	All HoDs	AAB Section	04.04.2016
<b>13</b>	Verification of material at site a/c and furnishing of certificate	All HoDs	Respective Sections of Finance Department	31.03.2016
<b>14</b>	Accrued income/refund of excess income collected	All HoDs	Respective Sections of Finance Department	01.04.2016
<b>15</b>	Clearance of accrued income/expenditure	All HoDs	Respective Sections of Finance Department	29.02.2016
<b>16</b>	Creation of accrued income/expenditure for outstanding liabilities for payment to Contractors	All HoDs	Respective Sections of Finance Department	31.03.2016
<b>17</b>	List of Bank Guarantees as on 31.03.2016	All HoDs	Respective Sections of Finance Department	31.03.2016 Validity to be confirmed with reference to the scheduled time of completion

**FINANCIAL ADVISER AND  
CHIEF ACCOUNTS OFFICER**

**ANNEXURE III****Form 1**

1. Name of the Department
2. Details of assets to be added/deleted/value to be adjusted in the Fixed Assets up to 31.3.2016

<b>Sl. No.</b>	<b>Name of the asset</b>	<b>New asset addition / existing asset deletion/increase or decrease in value of the existing asset</b>	<b>Value to be added of deleted</b>	<b>Date of addition / deletion / value adjustment</b>
<b>01</b>				
<b>02</b>				

**Head of Department****Form 2**

1. Name of the Department
2. Details of T&P, Furniture and Fixtures to be brought into Assets Account

<b>Sl. No.</b>	<b>Name of the asset</b>	<b>Full value</b>	<b>Date of acquisition</b>
<b>01</b>			
<b>02</b>			

**Head of Department****Form 3**

1. Name of the Department
2. Name of the Section : Revenue I or Revenue II
3. Details of services rendered for which charges are due and yet be received as on 31.03.2016
4. Debtors list

<b>Sl. No.</b>	<b>Name of the service</b>	<b>Name of the party</b>	<b>Head of Account</b>	<b>Amount to be collected</b>
<b>01</b>				
<b>02</b>				

**Head of Department**