MUMBAI PORT AUTHORITY

FINANCE DEPARTMENT

EXPENDITURE AUDIT BRANCH

PROCEDURE MANUAL

(Incorporating erstwhile Tenders Branch, Bills Payable Branch, and Stores & Workshops Accounts Branch)

Updated for eOffice and SAP Environment – 2026

Note: This manual supersedes the separate procedure manuals of the Tenders Branch, Bills Payable Branch, and Stores & Workshops Accounts Branch previously in force. All proposals, estimates, and allied files are now processed through eOffice. All bills are processed and paid through SAP. References to the legacy Financial Management System (FMS) and physical file movement are replaced accordingly throughout this manual.

CHAPTER I – EXPENDITURE AUDIT BRANCH: ORGANISATION AND FUNCTIONS

1.1 Background and Formation

The Expenditure Audit Branch of the Finance Department, Mumbai Port Authority (MbPA) was formed by merging three erstwhile branches: the Tenders Branch, the Bills Payable Branch, and the Stores & Workshops Accounts Branch. This consolidation was carried out with the objective of streamlining expenditure-related audit functions under a single command, improving efficiency, and eliminating duplication of effort.

The merged branch operates under the overall supervision of the Financial Advisor & Chief Accounts Officer (FA&CAO), the Sr. Deputy Chief Accounts Officer (Sr. DCAO), and the Deputy Chief Accounts Officer (DCAO).

1.2 Jurisdiction and Scope

The Expenditure Audit Branch is responsible for:

- Financial scrutiny of estimates for capital and revenue works and projects received from all departments including Civil Engineering, MEED, GAD, Marine and Traffic and finance.
- Scrutiny of tender proposals, witnessing tender openings and verification of scrutiny reports for acceptance by competent Authority.
- Verification and certification of contractors' interim bills, final bills, escalation claims, and refund of security deposits and retention money etc.
- Scrutiny of allied proposals such as extension of contract ,excess quantity execution, extra and substituted items, liquidated damages and other penalties.
- Passing of miscellaneous bills including utilities, medical bills of empanelled hospitals and medical centres, imprest recoupment, telephone bills, legal bills, and other statutory and misc. payments.
- Audit of Stores transactions: procurement proposals, scrutiny of tender, receipt notes, bills, ledgers, stock verification.
- Management of Bank Guarantees including e-BG / Insurance Surety Bonds and foreign exchange remittances with the assistance of respective department officials.
- Monthly remittance of TDS from contractors' bills and filing of quarterly returns with the Income Tax authorities, GST remittances on RCM basis, etc.,

1.3 Organisational Structure

The branch is headed by a Senior Accounts Officer (SAO) and assisted by one or more SAO/ Accounts Officers Grade- I (AO Gr.I). The branch is organised into the following functional sections:

- Estimates, Tenders & Allied Proposals Section
- Bills Section (Contractors' Bills)
- Bills Payable Section (Miscellaneous / Utility Bills)
- Stores and workshops Accounts Section
- General Section.

Audit Inspectors/ Financial Analysts on contract handle scrutiny of proposals and verification of bills. Clerical and supervisory staff attend to processing of bills, record keeping, monthly/quarterly/annual reports, general work and correspondence.

1.4 Digital Work Environment

> **Note:** Important: All files, estimates, scrutinies, and allied proposals are now processed through the eOffice platform. All bills are processed and payments made through SAP. Physical file movement has been discontinued. Staff must familiarise themselves with both eOffice and SAP modules relevant to their functions.

Key implications for daily operations:

- Receipt of proposals/estimates: Files are received electronically via eOffice and Report of eoffice files is maintained in Excel to track the pendency of files and completed files. The files are then marked to Audit Inspector/ Financial Analyst for auditing of the same.
- Scrutiny and noting: All noting, scrutiny reports, and recommendations are recorded on the eOffice noting sheet. Drafts are prepared within eOffice and submitted electronically to the Sr. Accounts Officer / Accounts Officer Gr-I as the case may be for further processing. The concern officer will sent the file to the Dy. Chief Accounts Officer for further submission to higher authorities i.e. Sr. Dy. Chief Accounts Officer and FA & CAO. After finance concurrence, the said eoffce proposal is submitted for approval of the competent authority as per delegation of powers.
- Bill processing: Bills received from contractors and suppliers are registered in SAP by Initiators from department concerned. The bills are then approved by concerned engineer/officer as first approver. After audit verification by audit inspector and final approval of Accounts Officer, the passing endorsement is recorded in SAP, which automatically generates the payment voucher and forwards it to the Cash/Treasury function electronically. Physical copy of bills are also sent to Treasury branch to facilitate payment and for custody of bills.
- Bank Guarantee Register: Maintained in both the physical register (as a backup) and SAP. Expiry alerts should be monitored in SAP. With introduction of EBG, the BGs are received electronically through National E Governance Services Ltd (NeSL)
- Income Tax deductions: TDS on contractors' bills is captured automatically in SAP. Reconciliation statements are generated from SAP for filing quarterly returns.

CHAPTER II – SCRUTINY OF ESTIMATES AND TENDER PROPOSALS

2.1 Scrutiny of Estimates for Works and Capital Equipment

2.1.1 Receipt and Registration

Proposals with detailed estimates for capital works (Plan/Non-Plan), revenue works, consultancy work and procurement of capital equipment are received from the Departments through eOffice and marked to audit inspectors/ financial analyst.

2.1.2 Classification of Works – Capital vs. Revenue

The classification of a work as Capital or Revenue in estimates is invariably mentioned by the departments and the same is verified by this branch in context with the extant norms or guidelines prescribed by General branch of finance department

Capital works are further classified into 'Plan' and 'Non-Plan' schemes in accordance with Government guidelines.

Plan schemes must be included in the approved Five Year Plan or Annual Plan.

2.1.3 Points to be Examined During Scrutiny

The following checks are to be exercised during financial scrutiny of estimates:

- Whether there is adequate justification for executing the work.
- Whether in-principle / administrative approval for executing work is obtained.
- Whether the estimate is submitted in prescribed format.
- Whether adequate budget provision is available.
- Whether the work involves replacement of an existing asset, and if so, whether the asset has completed its theoretical life; if not, whether specific justification has been provided.
- Whether the estimate contains abnormal items requiring special comment.
- Whether the new work relates to something temporarily banned by the Government.
- Whether the estimate is prepared on the basis of current Schedule of Rates or market rates. If the rate of any item is based on market enquiry amounting to above Rs. 10000/- then minimum three quotations has been attached or not (Circular No. FA/Exp./1267 dated 24.06.2025).
- Whether 3% contingencies (higher for marine/remote works), GST, PMC (if any) and other charges (if any) etc. have been correctly included.
- Whether cost per item is not unrealistically low or high.
- Whether rate analysis is provided for BOQ item costing Rs. 10000 and above for which SOR rate is not available.
- Whether the self certification of engineer is attached for the item rate below Rs. 10,000/- if the rate is not supported by any SOR or market enquiry Circular No. FA/Exp./1267 dated 24.06.2025).
- Whether checklist is signed by HOD/ Dy. HOD.
- Whether the estimate is signed or routed through competent authority (HOD, if sanctioning authority for the same is above the level of HOD).
- Whether the estimate signed or routed by user department.
- Whether the correct provision of delegation of powers is mentioned.

- If required, Whether PQC has been submitted along with estimate, if submitted, then correct calculation of PQC has been made as per applicable guidelines.
- Whether the relevant provisions of transparency plan have been complied.
- Whether standing committee report is furnished, if the amount of estimate is Rs. 10 crores or above (Circular No. FA/AWC-T-34(58)Delegation of Powers/410 dated 12.02.2025).

2.1.4 Sanction and Communication (eOffice)

After scrutiny, the audit concurrence/note seeking sanction is prepared on the eOffice noting sheet and submitted to the SAO/DCAO/Sr.DCAO/FA&CAO as appropriate. The sanctioning authority's order is communicated to the proposing department via eOffice.

2.2 Tender Opening – Witnessing

Tenders are opened electronically in the presence of an Audit Representative from this branch. The audit representative has to confirm the receipt of EMD or tender fee or exemption there for, also check whether the bids are submitted in prescribed format without any counter conditions. Prima facie, if any discrepancy is found in bids, Audit Representative may record the same on bid sheet and sign.

2.3 Financial Scrutiny of Tender Proposals

2.3.1 Objective and Time Standard

The objective is to complete scrutiny of tender proposals within prescribed time frame of the Scrutiny Report received from the Executing Department.

2.3.2 Receipt and Initial Processing

On receipt of the Scrutiny Report via eoffice the same is marked by the Sr. Accounts Officer / Accounts Officer Gr I to the Audit Inspector / Financial Analyst. The supporting documents are generally sent by the department through Workdrive on Email.

2.3.3 Detailed Checks during Scrutiny

The Audit Inspector reads the originating department's proposal/ tender document carefully. The following checks are to be exercised based on the scrutiny whether it is technical bid or financial bid as the case may be -

- Verify whether the work/item of purchase has been duly sanctioned by a competent authority in a separate estimate or as part of a consolidated estimate along with PQC (if any) along with the conditions which effect the bidder’s responsiveness.
- If the tender work forms part of a consolidated estimate, ascertain the exact portion to be executed and its estimated cost.
- Ensure tenders were duly invited through GeM or CPP Portal or by advertisement (along with press advertisement if required), as appropriate.
- Verify that tenders were opened in the presence of an Accounts representative on scheduled date as mentioned in tender document or corrigendum and that the tender

docket and all tenders are attached to the Scrutiny Report sent by eoffice or by email in case of bulky bids.

- Check EMD lodgement or exemption as applicable.
- In the case of item-rate tenders: check that extensions in the comparative statement are arithmetically correct, and that items and rates in the Schedule of Quantities & Rates tally with the estimate items.
- In the case of percentage-rate tenders: verify the percentage written in words and figures.
- Compare recommended tender value with the proportionate cost in the sanctioned estimate; comment if the divergence exceeds 10%.
- Check completion periods, counter-stipulations, and their financial implications.

  Verify that the Departmental Scrutiny Officer has commented on each bidder's financial capacity and technical capability along with the bid's responsiveness.
- For foreign suppliers: compute CIF value in rupees at current exchange rate; note any conditions regarding Letter of Credit.
- For capital works, verify that allocation of expenditure to Capital Account has been sanctioned by the competent authority (MPA Act Section 38).
- Identify all sanctions required (fresh/revised estimate, acceptance of offer, supplementary estimate, Capital Account allocation) and ensure they are covered in the proposal.
- Check the composition of the Tender Committee (as per Annexure D) and that the Scrutiny Report is prepared as per prescribed format.
- Whether checklist is signed by HOD/ Dy. HOD.
- Whether the PQC published along with tender document is as per the approved PQC or not.

2.3.4 Scrutiny Report and Forwarding

After exercising the above checks, the observations on the Scrutiny Report (Part I, II, III furnished by the Executing Department) is submitted by the Audit Inspector / Financial Analysts to the Sr. Accounts Officer / Accounts Officer Gr-I as the case may be. The concern officer will check the observations and if require, will discuss the same with Audit Inspector/ Financial Analyst/ executing engineer and final report of the observations will be sent to Departmental Scrutiny Officer by the Sr. Accounts Officer / Accounts Officer Gr-I.

> **Note:** The authority competent to accept tenders varies by value and type. Refer the Circular No.FA/AWC-T-34(58)Delegation of Powers/1265 dated 27.05.2024, Circular No. FA/AWC-T-34(58)/Delegation of Powers/680 dated 19.06.2024, Circular No. FA/AWC-T-34(58)/Delegation of Powers/1019 dated 30.07.2024 and Circular No. FA/Exp. Audit/AWC-T-34(58)/4436 dated 10.04.2026 regarding Delegation of Power. Also refer to Circular No. FA/AWC-T-34(58)/4435 dated 10.04.2026 regarding Formation of Tender committees at different levels.

CHAPTER III – VERIFICATION AND CERTIFICATION OF CONTRACTORS' BILLS

3.1 Overview

The Expenditure Audit Branch is responsible for verification and certification of all bills emanating from contracts awarded by the Departments. Bills are received electronically through SAP. After audit scrutiny, the bill is passed for payment by recording the endorsement in SAP, which generates the payment voucher automatically.

The time standards as per ISO are: Interim/Measured Bills – 10 working days; Final Bills – 20 working days from the date of receipt of bill complete in all respect in Finance

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3.2 Quotation Files and SAP Records

For each accepted tender, a Quotation File was being opened and maintained. However on implementation of SAP the same is discontinued as the data of bills is readily available in SAP.

3.3 Checks for Interim / Measured Bills -

(Refer the Circular No. FA/EA-T/Bills/3633 dated 22.12.2025 for detailed process and checkpoints for verification of bills)

Before certifying any interim bill, the following are verified:

- Peruse the acceptance of tender, acceptance letter, and all special conditions. Confirm that a formal contract agreement has been executed where required.
- Verify that the required (normally 5%) security deposit was lodged before commencement. Check status of additional security deposit (if any).
- Verify that the Workmen's Compensation Policy is in force for the period covered by the bill.
- Trace quantities from Fair Measurement Books / EMB (Electronic Measurement Book) into Abstract Books accurately.
- Verify rates of items from the certified copy of the accepted Schedule of Quantities & Rates.
- Check the arithmetic of gross payment, recoveries (materials, water charges, advances), and net payment.
- Check that excess quantities (if any) over tender quantities are within permissible limits or have been sanctioned by the competent authority.
- Check that extra/substituted items are duly sanctioned.
- Check completion period: if expired, verify that extension has been granted; if not, ensure liquidated damages are provisionally recovered.
- Verify provision of funds in the Budget and correct allocation of expenditure.

3.4 Checks for Final Bills / First and Final Bills

In addition to all checks for interim bills, the following are verified for final bills:

- Re-check rates from original tender quotation or certified schedule.

- Confirm all materials supplied by the Port Authority have been recovered; excess materials returned allowing 5% wastage for steel etc.
- Confirm water charges (MCGM bills) and Port Authority watermain maintenance charges have been paid by the contractor.
- Confirm the contractor has handed over the completed work and cleared the site, evidenced in writing.
- If work not completed in stipulated time, confirm full provisional recovery of liquidated damages.
- Confirm contractor has furnished tracings (as-built drawings) as required.
- Confirm from bank statements of vendors the fulfilment of Fair Wages clause and compliance of relevant provisions of labour codes.
- Verify the Workmen's Compensation Policy was in force throughout; if not, confirm no accidents occurred or Indemnity Bond has been furnished.
- Ensure payment of labour cess, if applicable.
- Ensure total tender value (including extras and excess quantities) has not been exceeded by more than 10% without fresh sanction.
- Confirm validity of Bank/Insurance Guarantee covers the free maintenance period.
- Confirm final bill is certified by the competent authority of the Executing Department.
- Compliance of Defect Liability clauses.

3.5 Certification Process in SAP

After audit verification, the Audit Inspector approves the same in SAP. On approval by Audit Inspector the same will move to the inbox of Accounts Officer Gr-I. The said officer then approve the same in SAP. SAP then generates the payment voucher, which is forwarded electronically to the Cash/Treasury section for payment. (For detailed procedure refer to the SAP FICO Module Manual)

3.6 Escalation Claims

Contracts with a completion period of more than 18 months are subject to price escalation, if provided in tender/contract. The following checks are exercised:

- Confirm the contract fulfils all conditions for escalation and that the required indices and base prices are authenticated by satisfactory evidence or statutory auditor's certificate.
- Check base prices of labour and materials declared by tenderer as ruling on the date of the offer.
- Verify actual rise in material prices from invoices; ensure quantities used do not exceed standard quantities at tendering stage.
- Verify labour cost variation using the prescribed formula.
- Ensure benefit of downward variation is passed on to the Port Authority.
- Confirm total escalation does not exceed any percentage cap stipulated in the contract.

3.7 Refund of Security Deposit, Retention Money, and Other Deposits

Recommendations from Executing Departments for refund of deposits are received via SAP. The Audit Inspector verifies the relevant records before certifying:

- Security Deposits (3% to 10% as per procurement Manual) and ASD: Refund is certified based on Department's certificate of completion without independent verification by

Audit, unless specific remarks on the available records indicate outstanding obligations or disputes.

- Retention Money (usually 5%): Verified independently by the Audit Inspector after confirming: free maintenance period has expired; no defects in workmanship are outstanding; water charges and material costs have been recovered; and liquidated damages (if applicable) have been settled.
- In all cases, verify the amount of deposit against the SAP/Quotation file record. Discrepancy to be resolved before certification.

The certification takes the form of a memo/endorsement to the Cashier in SAP. Return of Bank/Insurance Guarantee bonds is processed by the clerk against entries in the Bank Guarantee Register.

CHAPTER IV – SCRUTINY OF ALLIED PROPOSALS

4.1 Proposals for Sanction to Excess Quantities

When quantities of individual tender items are likely to be exceeded by more than the delegated limits during execution, the Executing Department submits a proposal through eOffice seeking sanction.

Checks to be exercised:

- Verify that the value of excess quantities has been correctly computed using accepted contract rates.
- Examine whether the excess could have been anticipated at the time of preparation of the estimate; if yes, note accordingly.
- Verify that the Executing Department has provided cogent reasoning for the excess.
- Confirm that as a result of excess execution, the total tender value does not exceed the sanctioned estimate by more than 10% (in which case a revised estimate and fresh sanction would be required).
- Assess whether the competitive position of offers would have been affected had the excess been anticipated originally.
- Confirm that excess execution has in-principle approval of departmental competent authority.

The audit report takes the form of a note/memo to the Dy. Chairperson or Chairperson (routed through eOffice) covering: reference to original sanction; request for sanction to the excess; audit's view on whether excess could have been anticipated; effect on competitive position; and any special observations. (Refer to the Circular No. FA/AWC-T-34(58)/3656 dated 23.12.2025 regarding simplified SOP and the format for seeking approval to extra/excess/ extension along with checklist).

4.2 Proposals for Extra and Substituted Items

An extra item is an entirely new item with no accepted rate in the contract. A substituted item replaces an existing contract item. These arise from technical deviations during execution.

Checks:

- Confirm convincing reasons have been given for the necessity of extra/substituted items.
- Verify that rates are arrived at on a rational basis and are reasonable compared to similar items in the same or recent tenders.
- Confirm the appropriate authority's sanction has been obtained or sought as per delegation of powers.
- Confirm the resultant contract value does not violate the original competitive position of the tenders.

4.3 Proposals for Liquidated Damages (Final Recovery)

The Executing Department submits proposals for determination of final liquidated damages after granting of extensions. Checks:

- Verify facts of the case: dates of acceptance, extensions, and amount of liquidated damages provisionally recovered.
- Verify whether grounds for extension are properly substantiated.

- Indicate (where possible) actual pecuniary damages suffered by the Port Authority.

As these proposals involve questions of law, they are normally routed through CLO&A. ????The Audit report is prepared accordingly and submitted to the competent authority through eOffice.

4.4 Other Miscellaneous Allied Proposals

Occasionally the Branch deals with proposals for: negotiation with tenderers (which requires full justification since negotiations are ordinarily prohibited); sanction to contingent works; blacklisting of contractors; and forfeiture of EMD or Security Deposit. These may require sanction of the Chairperson/ Board and are processed through eOffice.

4.5 Arbitration and /or Mediation related work:

This office may have to assist the Executing Departments in works related to Arbitration or Mediation processes. This assistance include verification of facts and figures in claim/counter claim/submssions, giving evidence on finance related matter, etc.,

CHAPTER V – BILLS PAYABLE: MISCELLANEOUS AND UTILITY BILLS

5.1 Overview

The Bills Payable function covers passing of miscellaneous bills, utility payments, imprest recoupment, medical bills of empanelled hospitals/ medical centres, legal bills and allied payments. All bills are now registered and processed through SAP. Vouchers are generated in SAP and forwarded electronically to the Cash Office for payment. Physical voucher dispatch has been discontinued.

5.2 Miscellaneous and Direct Purchase Bills

Verified bills from departments (excluding CME and MM departments whose bills are processed by the Stores/Workshops Accounts section) are received and processed in SAP. The following are checked before passing the bills:

- Whether competent authority's sanction exists for the purchase/expenses; the sanction is entered in SAP against the bill.
- Whether the bill is in proper form, verified, certified and signed by the concerned HOD/competent officer.
- Arithmetical accuracy and applicable taxes.
- Income Tax is deducted at source at applicable rates if the amount payable exceeds the prescribed limit. TDS is captured in SAP at the time of passing.

After passing, SAP generates the voucher and the payment is released by the Treasury / Cash Office.

5.3 Utility Bills

5.3.1 Water Charges (MCGM)

Bills from MCGM for water supply are verified and recommended by the Chief Engineer's Department and received by this Branch. The Branch verifies applicable rates, allocation, and MCGM demand before passing the bill in SAP. Accrued expenses for water charges are intimated by CE to SAO (General) and processed through this Branch.

5.3.2 Property Tax and Other Municipal Taxes

Property tax (general tax), Employment Guarantee Cess, Non-residential State Education Cess are paid to MCGM every financial year by 30th September. MbPA is entitled to deductions for lighting/maintenance of wharves and roads, and for properties occupied by Central/State Governments. The Branch verifies the MCGM bills as certified by SAO (General), computes allowable deductions, and passes the net bill through SAP. The total allocation to various cost centres is forwarded to SAO (General).

5.3.3 CISF Salary and other payments

The invoices for CISF Salary and other allowances are received through GAD (Security Division) duly verified and certified for payment by them. The payment is processed by this branch based on said certification.

5.3.4 Telephone and Communication Bills

Bills for all telephone/broadband lines under MbPA's account are received monthly. The Branch verifies each bill against the authorised list of telephone numbers maintained in SAP. Vouchers are prepared exchange/service-provider wise in SAP. Bills not received are followed up for duplicate bills. Recovery from officers/staff for personal STD / ISD calls and calls exceeding entitlement is computed and advised to the Paysheet/Wages section for recovery.

5.4 Legal (Advocates') Bills

MbPA maintains a panel of Advocates approved by the Chairperson/Dy. Chairperson. Bills verified by CLO&A are received and passed by this Branch. An Advocate-wise register is maintained in SAP. Payments are debited directly to the Revenue Expenditure.

5.5 Imprest Bills

5.5.1 Ordinary Imprest

Ordinary Imprest facilitates prompt settlement of petty expenditure. All imprest bills (except CME and MM departments) are processed by this Branch. The bill is checked with reference to sanction, powers of the officer operating the imprest, and supporting bills/vouchers. Vouchers below Rs. 10/- are not sent. Stamps are affixed on vouchers to prevent duplicate claims. Vouchers are passed in SAP.

5.5.2 Special Imprest

Special Imprest was created for expeditious repairs to costly equipment, vehicles, and flotilla. Recoupment should generally be sought when balance falls to 50%. Cash memos for officer-level purchases are countersigned by the next senior officer. Bills are checked with reference to sanction and delegated powers before passing in SAP. The amount is debited to the appropriate head in SAP.

5.6 Medical bills of empanelled Hospitals/ Medical Centres

All medical bills are verified, certified and recommended for payment by CMO/Sr. Dy.CMO. Audit staff verifies bills with CGHS rates / approved rates. The AO approves the bills in SAP and payment is released through Treasury Branch.

5.7 Annual Rent and Statutory Payments

Payments include: annual rent to Collector of Mumbai for Chairperson's Bungalow and other properties; half-yearly annuity to Trustees of Maneckji Nowroji Self Charities for Elphinstone Bunder; renewal of Wireless Licence; renewal of Petroleum Storage Licence; and insurance of MbPA vehicles. These are processed on receipt of recommendations/demand notes through eOffice and passed in SAP.

5.8 Accrued Expense Liability

At the close of each financial year, liability is created in SAP through journal entries for bills pertaining to the year not yet received but where the liability can be estimated. Accrued liabilities above Rs. 1,000/- are normally created (e.g., for advertisements, police, Port Fire Station, Medical Department purchases and medical bills). These entries are adjusted when actual bills are received and passed.

CHAPTER VI – STORES AND WORKSHOP ACCOUNTS OFFICE

6.1 Functions

The Stores Accounts section exercises independent audit of all stores transactions, passes bills for stores purchases and maintains accounts of stores purchased and stocked by the MM Division. The key functions are:

- Valuation and linking of Receipt Notes with suppliers' bills, and passing bills for payment in SAP.
- Annual physical verification of stores held by the MM Division.
- Audit scrutiny of purchase orders and amendments; obtaining sanction of competent authority.
- Passing of contingent bills and imprest recoupment bills of the Materials Manager's Division.
- Scrutiny of Security Deposit and EMD refund recommendations; forwarding to Treasury Branch. Custodian of Bank Guarantees sent by MM Division.
- Processing of pharmacy (Medicines) bills. Checking for Markup and discount. All medical bills are verified, certified and recommended for payment by CMO/Sr. Dy.CMO.
- Verification of Oil fuel rate sent in e-office and verification of settlement of oil fuel bills and reconciliation for the same.

6.2 Proposal and order Section

The proposals (estimates / scrutiny) as sent by other department to tender sections are being sent by the MM division to this section. The same are dealt similar to the one mentioned in Chapter II to IV above

6.3 Bills Section

6.3.1 Receipt Notes and Valuation

Goods Received and Acceptance Notes are prepared by the MM Division in triplicate. One copy is forwarded to Stores Accounts Office.

Receipt Notes are valued with reference to the Purchase Order: rate, taxes, freight, and discount are considered. Calculations on bills are checked by the clerk, and the pay order/passing endorsement is recorded in SAP. After passing, the bill is forwarded electronically to the Cash Branch for payment.

6.3.2 Income Tax Deduction

TDS as applicable is to be recovered from the bills. Generally this section deals with recovery of TDS u/s 194Q i.e. on purchase of goods exceeding Rs 50,00,000 /- TDS is deducted at prescribed rates. The deduction is captured in SAP at the time of passing the bill and credited to GLC-18150033. Details are forwarded monthly to the Tenders Section for filing the consolidated TDS return.

6.3.3 Imprest Recoupment (MM Division and MEED)

The MM Division maintains an imprest of Rs. 15 lakhs for miscellaneous and emergency expenditure. These bills are verified and recouped, MEED and MM's SBI ez card bills (MEED 8 cards & MM 1 card) are verified and processed for payment. IDBI account for recoupment in GEM imprest of Rs. 2 crores is maintained for purchase goods. Bills with GRA notes and supporting documents are received. These are verified and approved in EBS. MM Division locks the payment in M_07 module and sends recommendation sheet (Journal Voucher). The same is sent to Treasury Branch for recouping the amount in IDBI Account and reconciliation for the same.

6.4 Ledger Section

Reconciliation between Stores Accounts Office ledgers and MM Division' binders is conducted throughout the year. Discrepancies addressed include: receipt rate lower than average by 10% or more; credit balances in quantity or value; quantities without value or vice versa; unit mismatches.

6.5 Stock Verification Section

6.5.1 Annual Physical Verification

Annual physical verification of stores held by the MM Division is conducted, generally in March/ April. Field sheets are prepared in advance from SAP balances. Physical balances are recorded and compared; excesses are taken to ledger and shortages investigated. Proposals for write-off of shortages are submitted to the competent authority for sanction. After sanction, the Materials Manager is informed and equivalent material recouped.

6.6 Payment of Government Duty on Electricity Distribution:

On receipt of intimation from MEED regarding Government duty on electricity distribution along with supporting documents, the same is entered in SAP by this section and then sent to Treasury / Cash office for payment. Quarterly statement of Government Duty is prepared by this section and submitted to Government of Maharashtra.

6.7 Payment of Electricity charges:

On receipt of bill for Electricity charges and on verification of the same at departmental level, the MEED forwards the same to this section for further processing through SAP. Audit Inspector and Accounts officer Gr-I from this section approves the same and sends to Treasury/Cash office for payment. Efforts are taken by branch to make the payment before due date.

CHAPTER VII – OTHER IMPORTANT FUNCTIONS

7.1 E Bank Guarantee and Insurance Surety Bonds

A Bank Guarantee Register is maintained in SAP (and as a physical backup) recording: serial number, receipt date, CE's/CLO&A's forwarding reference, tender number, contractor's name, amount, bank/insurance company name, bond number, and date of expiry. A month/year-wise index of expiry dates is maintained to issue advance reminders to the Executing Department. Every new entry is attested by the AO. Bonds/BGs are kept in safe custody. At the time of return, the register entry is closed and the bond is returned against acknowledgement.

> **Note:** Under the revised arrangement, it is the responsibility of the concerned Executing Department to ensure timely renewal of Bank Guarantees. This Branch monitors through SAP alerts and issues reminders; but the primary obligation rests with the Department. With introduction of EBG, the monitoring of the same is through e platform provided by NeSL (National E-Governance Services Ltd)

7.3 Foreign Exchange Remittances and Letters of Credit

For contracts with foreign suppliers requiring payment in foreign currency, this Branch arranges remittances through the Port Authority's bankers. The procedure involves:

- Obtaining Reserve Bank of India (RBI) approval for remittance on the strength of the import license through the bank ('Form A').
- Advising the banker with details: name of foreign supplier, their banker, order details, foreign exchange amount, import license reference.
- For Letters of Credit: filling prescribed LC application forms (obtained from bank), specifying revocable/irrevocable, part shipment allowed/not allowed, validity, documents required, etc., signed by an authorised officer.
- Monitoring LC amendments for delays in shipment; amendment charges are recovered from the beneficiary in consultation with the department.

A Foreign Exchange Register (FA/T/FO/24) is maintained in SAP recording all remittances and LC transactions.

7.4 TDS on Contractors' Bills and Quarterly Returns

Tax is deducted at source (TDS) from contractors' bills at the prescribed rates as applicable from time to time. The TDS is automatically accounted for in SAP at the time of passing the bills.

By the 2nd of each month, statements of bills passed during the previous month are received from all Branches/Sections. These are reconciled by this Branch with the records maintained by the Treasury Branch in respect of bills actually paid. Thereafter, a consolidated TDS challan is generated in SAP and remitted to the Government through the Cashier on or before the 7th of each month (under GLC 657).

TDS certificates in the prescribed format are issued within the stipulated time after remittance. Further, quarterly TDS returns are filed with the concerned Tax Authority within the prescribed due dates for the respective quarters.

CHAPTER VIII – SERVICE NORMS AND TURNAROUND TIMES

8.1 Time Standards

The following turnaround time standards apply across the Branch:

Activity	Turnaround Time
Auditing of Technical Scrutiny	8 days (Vigilance letter No. V/SS/1362 dt. 09.10.2018)
Auditing of Price Scrutiny	4 days (Vigilance letter No. V/SS/1362 dt. 09.10.2018)
Interim / Measured Bills (Contractors)	10 working days (As per ISO guidelines)
Final Bills (Contractors)	20 working days (As per ISO guidelines)
Monthly TDS Challan Remittance	By 7th of each month
Annual Stock Verification Report	Within 30 days of completion

8.2 Escalation of Delays

If a file/bill cannot be processed within the stipulated time, the Audit Inspector/ Financial Analyst must bring it to the notice of the SAO / AO Gr-I with the reason for delay. SAO/ AO Gr-I shall review pending cases every fortnight through the SAP/eOffice and take corrective action or record reasons for delay.

CHAPTER IX – KEY REGISTERS, FORMATS, AND RECORD MANAGEMENT

9.1 Registers and Formats Maintained

The following registers and formats, previously maintained as physical records, are now maintained in SAP and/or eOffice:

Description	Platform
Estimate Register	SAP / eOffice
Audit Concurrence / Finance Concurrence Format	eOffice
Inward Register – Tender Opening	eOffice
Inward Register – Tender Scrutiny Report	eOffice
Quotation File	SAP + Physical
Monitoring Sheet (Bills)	SAP
Passed for Payment Endorsement	SAP (auto-generated)
Despatch Book	eOffice
Foreign Exchange Register	SAP
Request Letter to Banker for LC Opening	Standard template
Request Letter for Telegraphic Transfer	Standard template
Scrutiny Report (Tenders)	eOffice
Bank Guarantee Register	SAP + Physical
Receipt Note Register (Stock/Non-stock)	SAP
Stores Creditors Ledger (GLC 616)	SAP
Blacklisted Firms/Persons Register	SAP
TDS Register and Returns	SAP

9.2 Record Retention

Files/records are retained as per MbPA's general records retention schedule. As a guide, bills and related vouchers are retained for 7 years; tender files for 5 years from completion of the contract; estimate files for 5 years from sanction/completion; registers for 5 years.

Note: FMS (Financial Management System) references appearing in the earlier Branch manuals (FA/T/FO/22 – FMS Provisional Numbers stamp) stand superseded. All provisional and final voucher numbers are now generated by SAP. Existing old records/registers maintained in FMS should be archived as per the IT/Finance Department's archival policy.

CHAPTER X – GENERAL ADMINISTRATION

10.1 Housekeeping

The General Section of the Branch is responsible for: receipt and despatch of correspondence (physical and eOffice); attendance and muster rolls; maintenance of leave accounts; stationery indents; updating of circulars, office orders, procedure orders, and other important instructions in eOffice; and maintenance of the Dead Stock Register.

10.2 Progress Reports

A monthly Progress Report of work done by all sections is compiled by the 10th of the following month and sent to AO (E) for compilation and submission to Dy. Chairperson. The report is prepared by the General Section with inputs from each section and forwarded through email.

10.4 Review and Update of this Manual

This manual is to be reviewed at least once every five years, or earlier whenever:

- There is a change in relevant legislation, Government orders, or MbPA regulations.
- There is a significant change in the digital systems (eOffice, SAP) that affects procedures.
- New functions are assigned to or removed from the Branch.

The SAO of the Expenditure Audit Branch is responsible for initiating the review and obtaining approval of FA&CAO for amendments. Amendments are to be circulated to all staff through eOffice/ emails.

— End of Manual —

Mumbai Port Authority, Finance Department, Expenditure Audit Branch
Updated 2026 – Supersedes separate manuals of Tenders Branch, Bills Payable Branch, and Stores & Workshops Accounts Branch