

FOOD CORPORATION OF INDIA  
HEAD QUARTERS : NEW DELHI

Ref. No. Accts/2(2)/92

DT : 13.3.1992

**CIRCULAR NO. 595/ACCTS.**

**Sub.: Physical Verification of cash balances foodgrains, fertilisers, sugar, other commodities dead stock articles and movable and immovable assets of the Food Corporation of India as on 31<sup>st</sup> march, 1992.**

You are already aware that the Corporation is required to ensure that the cash and stock balances of the Corporation are physically verified at the close of the business on 31<sup>st</sup> March. The detailed instructions for conducting physical verification of cash balances, foodgrains, fertilisers, sugar, other commodities, dead stock articles and movable and immovable assets of the Corporations already exist. In this regard Circular No. S&S/SA/37/1(16)92 dated 19.2.92 and D.O. No. PID/Comp/ PV/89-90 dt. 1.2.1990 and Circular No. 03/89 (No. PID/CE/Contract Circular/87 dt. 9.2..1989 (Copies enclosed) issued by stocks and Sales Division and Chief PID be referred to.

2. The following guidelines may please be noted for strict compliance so as to ensure that all the assets to the Corporation as on 31.3.92 are physically verified.

(A) **CASH BALANCES** : The general policy of the Corporation as laid down in chapter-II of Accounts Manual contemplates that all the cash balances in hand with all the persons handling cash (i.e. Cashiers depot officers and other disbursing officers etc.) are deposited in the bank well in time and in any case before the close of the banking hours as on 31<sup>st</sup> March so as to ensure that the cash balance as on 31.3 92 is Nil. In exceptional cases, the cash balance left out at the close of business should, however be verified by actual count and the requisite certificates/schedules furnished in accordance with the detailed instructions contained in Chapter-II *ibid*.

(B) **Closing stocks of sound and damaged foodgrains – fertilisers-Sugar-other Commodities stores and spares etc.**

Para 8(a) of the statement of significant Accounting Policies contained in chapter XVI of Account Manual contemplates that physical verification of the stocks is required to be made at the end of the year on the basis of the Peripheral count and by weighment under random sampling method in the case of wheat and rice and peripheral count @ 10% weighment in the case fertiliser, sugar, pulses, coarse grains and other commodities. It may, therefore, be ensured that the physical verification of all the closing stocks is done in the manner prescribed and in accordance with the detailed instructions on the subject issued from time to time by the stock and sales division. It may, however, be ensured that statements showing physical balance of Closing stocks are drawn strictly in accordance with the instructions contained in Chapter XIII of Accounts Manual in the prescribed proforma XIII/3 to XIII/7 in respect of the physical balance of stocks held in each district in various Depots/Purchase Centres/Mandies under the control (including CWC/SWC and other hired godowns and other agencies).

Certificates duly signed by the godowns superintendent/custodian of stocks should be obtained and countersigned by the Competent authority. Though Physical verification of

stocks store in CWC/SWC godowns is not conducted by the Physical verification squads of the Corporation, certificate of physical balances duly signed by them should be obtained.

**(c) STOCKS HELD ON BEHALF OF OTHER AGENCIES:**

Physical verification of stocks held by the District as on 31<sup>st</sup> March which are not the property of the Food Corporation of India is also required to be done. A separate physical balance statement in Form XIII/7 should be drawn for such stocks as these stocks do not constitute the closing stocks of the FCI.

**(D) STOCKS GIVEN ON LOAN TO OTHER ORGANISATIONS :**

Physical balance certificates clearly indicating the quantity held by other Organisations as loan as on 31<sup>st</sup> March should invariably be obtained in Form XIII/6. These stocks are however, accounted for as per book balances and discrepancies reconciled.

**(E) DEAD STOCK ARTICLES- MOVABLE & IMMOVABLE PROPERTIES :**

All the dead stock articles, movable and immovable properties of the Corporation physically available as on 31<sup>st</sup> March should also be verified and fully reconciled with book balances.

3. IA & PV parties may also be associated with the work of verification on the eve of the close of financial year. The particulars of the staff associated for the purpose viz. name, designation etc. should be clearly indicated while countersigning the certificates. Complete record of physical verification should be maintained so that it can be produced to auditor(s) as and when required.
4. A comprehensive programme for physical verification of all balances may be drawn, so that annual PV commences on or about 15<sup>th</sup> of March, 1992 in order to ensure completion before the close of the financial year.
5. One copy of each of the certificates prepared in accordance with the instructions and in the proforma prescribed in the Accounts Manual alongwith a covering statement and consolidated for the region as a whole should be sent to me by the dates prescribed in the supplementary instructions, for closing of accounts for the year 1991-92.
6. A copy of the programme of physical verification of different assets at all locations may be supplied to the statutory Auditors so that they can co-opt themselves with physical verification to the extent they consider necessary.

These instructions may please be brought to the notice of all concerned for strict compliance.

Encl.: (As above)

**SD/-  
(V.P. BHATNAGAR)  
JOINT MANAGER (ACCTS.)**

**FOOD CORPORATION OF INDIA  
(PROJECTS IMPLEMENTATION DIVISION)**

No. PID/CE/Contract Circular/87

Feb. 09, 1989

**CIRCULAR NO. 3/89**

All Sr. Regional Managers / Regional Managers,  
Food Corporation of India,

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As already stated in this office Circular No. CE/MC/19/Contract Circular/88 dt. 29.11.88, it has been observed from the Annual report of the Food Corporation of India for the year 1986-87 that physical verification of stocks of building materials such as cement, steel, AC Sheets, tubular trusses and dead stock articles is not being carried out by the Regional/District Offices at the end of the Financial year. It is essential that proper stock accounting for the receipt and issue of all such stores is done by the concerned units and a statement of quantities received, source of receipts and quantities issued to the contractors is made available to the concerned accounting unit every month to enable them to maintain proper financial accounts.

It is also absolutely necessary that the physical verification of stock of materials should be conducted on the last day of the Financial year. For this purpose, the concerned SRMs/RMs/District Managers should appoint physical verification teams and P.V. should be conducted in the presence of the Asstt. Manager (Engg.) / AM (Depot) in whose custody the stores are kept. After completion of physical verification, a report should be prepared by the P.V. Team indicating therein the discrepancies between book balance and physical balance. If any, or in case the book balances tally with the physical balances, a certificate to this effect should be recorded by the team which should be sent to the concerned District Office / Regional Office for further necessary action. A record of shortages or excesses, if any, should be kept in the stock ledger pending regularization and necessary action to investigate reasons of such shortages and excesses need to be taken by the concerned District / Regional Office.

Apart from stocks, dismantled materials, stores, material at site accounts indicating materials issued to contractors are also to be checked in the same manner every year and certificates recorded in the registers.

Attention is also drawn to the provision made under section 27 of the CPWD Manual vol.-II regarding issue of materials to contractors and, the recovery of cost thereof should be strictly followed by all the Engineering field units. A detailed physical verification of all such materials should also be got done immediately after the completion or abandonment of works by the contractors in order to establish the shortages / discrepancies and the cost recovered from the contractors.

All SRMs/RMs/District Managers may, therefore, ensure that the physical verification of all engineering stores is carried out at the end of the financial year and proper follow up action is taken in regard to the discrepancies noticed between book balances and physical balances. The position of having conducted the physical verification should be reported to the Regional Office/Zonal Office so that in action on the part of the field units is not repeated.

**These instructions may be brought to the notice of all concerned for strict compliance.**

**Sd/-  
(S.C. DHALL)  
MANAGER (ENGINEERING)**

FOOD CORPORATION OF INDIA (PID)  
42-44, NEHRU PLACE; NEW DELHI-110019

**S.PARTHASARATHI  
CHIEF (PID)**

**URGENT**

**D.O.No: PID/Comp/PV/89-90**

**DT: 1<sup>st</sup> Feb. 1990**

**My dear Ramamurthy/Dhall/Gaur/Roy/Banerjee,**

**Please refer this office Circular No.PID/CE/Contract Circular/87 dated 9<sup>th</sup> Feb. 1989 and Sh. Vijayaraghavan's D.O. letter No.PID/CE/MC/19/CC/88 dt. 19<sup>th</sup> March, 1989 regarding annual physical verification of Engineering materials. Since the close of the Financial year 1989-90 is fast approaching, it is necessary that you should take timely action to organise the physical verification of all the Engineering materials done on 31.3.90 through P.V. squads duly appointed by SRMs/RMs/District Managers. The detailed guidelines in this connection have already been given in this office Circular dt. 9.8.89 referred to above.**

**You may please ensure that the P.V. reports from various Dy. Managers(Engg.) are obtained by you by 15<sup>th</sup> April '90 and a consolidated PV report for the entire year is sent to this office by 30<sup>th</sup> April, '90 positively. The matter may please be treated by "Most Important".**

**Yours sincerely,**

**Sd/-  
(S. PARTHASARATHI)**

**Sh. Ramamurthy/Dhall/Gaur/Roy/Banerjee,  
Manager/Jt.Manager(Engg.)  
Food Corporation of India,  
Madras/New Delhi/Calcutta/Bombay/Guwahati.**

**C.C. :**

**Sh. T. Ramaswamy, Chief(IA), FCI, Hqrs. New Delhi...with a request to issue necessary instructions to the concerned IA&PV officers in the Zones to associate themselves with the physical verification of Engg. materials, in various Regions/District Offices.**

**Sd/-  
CHIEF (PID)**