

THE FOOD CORPORATION OF INDIA
HEAD QUARTERS : NEW DELHI

No. ACCTS/9(24)/92

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CIRCULAR NO. 606/ACCTS.

The existing Accounting policies of the Corporation have been reviewed in accordance with the instructions contained in Accounting Standard IX published by the Institute of Chartered Accountants of India, and the following changes are effected in the Accounting policies & the Accounts Manual with effect from 1.4.1992:-

Para 6(a)(ii) be substituted as under :- Claims on shipping agents for short landing in weight in bulk cargo as well as in bagged cargo where number of bags are found correct having no slack and torn bags noticed at the time of discharge of vessel and for disputed demurrages. Accordingly para 8.2.2 and 13.2.1. (k) (ii) of Account Manual have been changed and be read as under: -

Para 8.2.2 : The claims on shipping agents for shortages in bagged cargo to the extent of less number of bags received as well as slack and torn bags, damaged cargo & despatch money earned etc. in respect of foodgrains and sugar will be accounted for on accrual basis. The claims for short landing in weight in bagged cargo where number of bags discharged from the ships are in agreement with the number of bags shown in bill of la-ding and that there are no slack and torn bags will be accounted for on cash basis. The claims for short landing in bulk cargo & disputed demurrages in respect of foodgrains, will also be accounted for on cash basis, unless there is a definite proof available to substantiate the short landing. In respect of fertilisers, the claims for short landing, damaged cargo, despatch money etc. are settled directly by the Department of Agriculture and are not reflected in the accounts of the Corporation.

Para 13.2.1(k)(ii) : Claims on shipping agents for short landing in weight in bagged cargo (where number of bags are found correct and tallies with the number in Bill of la-ding. and no slack and torn bags are noticed at the time of completion of discharge of vessels) short landing in bulk cargo and for disputed demurrages.

These changes have been carried out with a view to bring uniformity in the Accounts manual vis-à-vis Shipping Manual of the Corporation (Para 8.8(ii)(b).

(T.K. SETH)
MANAGER (ACCTS.)