

OOD CORPORATION OF INDIA  
HEAD QUARTERS : NEW DELHI

No.: Accts/9(24)/92

DT : 14.8.1992

**CIRCULAR NO. 610/ACCTS.**

As per existing practice the recoveries on account of OTA, extra expenditure for discharge of Cargo from Wing tank, handling charges, other expenses for discharge, crane charges etc. are being effected from 10% freight payment to the shipping agents. It has been observed that there is no uniform practice being followed by the port offices as some of them are booking these items directly to the Expenditure heads while others account for under "Claims Recoverable". In order to maintain uniformity in the accounting of these transactions, it has been decided that those items of expenditure which are prima-facie recoverable, as per terms of the contract, should not be accounted for as expenditure but are to be booked as claims in the books of Port Offices, and simultaneously debit IOG Advice be sent to Headquarters giving full details of the expenditure to enable Hqrs. to effect necessary recovery. As such the following para is added in the Accounts Manual as para 8.2.2.1. :

Para 8.2.2.1 : "Expenditure which are prima-facie recoverable as per terms of contract such as OTA, extra expenditure for discharge of cargo from wing tank, handling charges, other expenses for discharge, crane charges etc. should not be accounted for as expenditure but are to be booked as claims in the books of port offices and simultaneously debit IOG advice is sent to Hqrs. to enable them to effect the necessary recovery.

It is therefore, emphasised that these expenses should not be charged to direct expenditure head as these may be lost sight of with the passage of time and it would become difficult to compile the details in case these are referred to Arbitration or Court of Law.

These instructions are effective from 1.4.92.

**SD/-  
(T.K. SETH)  
MANAGER (ACCTS.)**

