

FOOD CORPORATION OF INDIA
HEAD QUARTERS : NEW DELHI

Ref. No. Accts/D.C I/17(13)/92-93/3225

Dt March, 26, 1993

CIRCULAR NO. 626/ACCTS.

Sub.: Accounting instructions for Defence supplies on prepayment system w.e.f. 1-4-1993.

As per the existing instructions supplies to Defence Authorities are effected on credit basis and bills raised by the District Offices for such supplies are routed through Head Office to the Ministry. After these Bills are passed by the Ministry the payment is received Centrally at Head Office level and credit IOGs are passed on to the District Offices Concerned.

With the introduction of prepayment system for Defence Supplies w.e.f. 1.4.93 at District level vide Head Office d.o. letter No. 4(18)91-93 SI dated 3.3.93 (Copy enclosed for ready reference), the procedure so far adopted in accounting for such issues to Defence under the procedure as enunciated at Para-I above stands modified w.e.f. 1.4.93. Since payments are received in advance at District level and Release Orders are issued on the basis of such payments the accounting procedure prescribed for Cash Sales have to be adopted. Detailed accounting instructions have already been issued and the same are reproduced in Accounts Manual (vide para 4.3). A copy of the same is enclosed for ready reference and for strict compliance.

For the supplies effected prior to 1.4.93 a detailed bill-wise & supply Orderwise / commoditywise / Distt.wise/year-wise statements (duly reconciled with the accounts) be sent to the H.O for follow up action with the Defence Authorities.

Sd/-
(M. RAJU)
JOINT MANAGER (FUNDS)

By speed post

THE FOOD CORPORATION OF INDIA
HEAD QUARTERS : NEW DELHI

Y. ANANDAN
MANAGER(SALES)

D.O. No.4(18)/91-S.I.
March 3, 1993

My Dear

It has now been decided to implement the prepayment system for supplies to Defence and the new procedure will come into effect from 1st April, 1993. To ensure that this procedure works effectively, a meeting was held in the Ministry of Food, followed by discussions with the Chief Director of Purchase, represented also by the Army H.Qrs. as well as the Controller of Defence Accounts.

The procedure which will govern supply of goodgrains to Defence on pre-payment effective from 1.4.1993 is outlined as per Annexure. Detailed instructions regarding the accountal, reconciliation etc., would be issued separately. Any doubt or clarification on the implementation of this procedure may be sought for well in advance and , in any case, the implementation should be effective from 1.4.93.

In view of the decision already arrived at for implementing the pre-payment system for Defence supplies, I would be thankful if all the field offices are suitably communicated these guidelines for strict compliance.

Receipt of this d.o. may please be acknowledged and it may be confirmed that suitable instructions have been issued to the District Managers.

Yours sincerely,

With best wishes,

(Y. ANANDAN)

Sh.
Sr. Regional Manager
Food Corporation of India,

Copy to:-

1. The Zonal Manager, FCI
2. The District Manager, FCI
3. The Jt. Secretary(Food), Ministry of Food, Krishi Bhawan, New Delhi.
4. Addl. FA(Funds), Hqrs., FCI, New Delhi...with a copy of the proposed procedure and with the request to issue further instructions on the subject.
5. PS to ED(F)/MD/Chairman

MANAGER(SALES)

**PROCEDURE FOR SUPPLY OF FOODGRAINS TO DEFENCE ON
PREPAYMENT SYSTEM EFFECTIVE FROM 1-04-1993.**

1. On receipt of the allotment order from Ministry of Food for supply of Wheat/Rice to Defence, FCI, Headquarters will convey the same to the Regional Offices concerned and the R.Os in turn will convey the same to the District Offices concerned under their jurisdiction immediately.
2. The O.C., Supply Depot., ASC, will intimate the approximate monthly requirement of wheat/Rice to the concerned FCI Depot one month in advance.
3. The representatives of O.C., Supply Depot, ASC would identify the stocks and draw the samples as usual for analysis by C.F.L. The stack(s) identified by Defence representative would be bounded by FSD for issue to Defence and will not be disturbed/issued to any other allottee. The Depot Incharge/AM(D) will accordingly issue a certificate indicating the details of stack No., Commodity, Variety, Bags and weight in the stack sealed by Defence representative and will also inform District Manager concerned.
4. On receipt of the verdict of C.F.L. approving the stocks identified by Defence, the District Office would prepare a 'Proforma Invoice' in Form FD(M)-53 (Revised) in triplicate indicating, inter-alia, the availability of stocks duly countersigned by the representative of supply Depot and handover the same in duplicate to the Defence representative on the same day for arranging the payment from the office C.D.A. The Proforma Invoice has to be certified jointly by FCI District Office, Defence representative to the effect that stocks covered in the Invoice are bounded and are available for lifting by Defence.
5. The Cheque in favour of District Manager, FCI for the quantity to be issued to Defence, would be delivered to the District Manager by the representative of Supply Depot and the District Manager would issue a Release Order on the same day without waiting for the collection of amount by the Banker. The cheques are required to be either drawn on R.B.I. or Local Treasury Cheques in faovur of FCI and to the District Offices collecting these cheques should deposit them immediately on receipt for realization. Separate instructions on tagging the CDA authorities, issuing depots and District Offices concerned which have to account for the receipt of the cheques and reconciliation of sale proceeds with issues of stocks as per depot returns etc. are under issue.
6. Central Issue prices and other charges like Sales Tax, Octroi if any, would be as applicable on the date of issue of stocks.
7. The Release Order issued by the District Office would be presented to the Depot Officer, FSD concerned for issue of stocks on priority basis.

- 8. The Defence authorities may be permitted to lift the stocks in instalments subject to the condition that the payment has been received by the District office for the quantity mentioned in the invoice.**
- 9. Delivery of stocks would be given to authorized representative of Supply Depot ex-FCI godowns duly loaded in the truck etc.**
- 10. In the case of short lifting, the excess amount would either be refunded to the C.D.A. or adjusted against the subsequent supplies as per the convenience of O.C., Supply Depot. Suitable documentation is required to be mentioned for their purpose.**
- 11. The FSDs would keep the identified/approved stocks bounded for issue to Defence authorities till the delivery of quantity for which payment has already been received by Distt. Office, is completed. In case, it is observed that the stocks identified/approved in the particular stack(s) were in excess of the allotted quantity, such stocks can be offered/issued to Defence authorities against the allotment for next month, if any.**
- 12 Defence will complete lifting of the allotted wheat within the month to which the allotment pertains. However allotted rice may be lifted by Defence within the particular quarter.**
- 13 Under the existing policy, no backlog quota of wheat /rice is to be issued to Defence. However any request of Ministry of Defence for supply of lapsed quota would be considered by Minsitry of Food**