

## APPENDIX 6

(See Note below paragraph 13.2.1)

Rules for the adjustment of transactions connected with stores obtained through High Commission/Embassies abroad.

1. When the stores arrive, the “**Minor head-129-Material Purchase Settlement Suspense Account**” **below “Major Head-8658-Suspense Accounts”** should be credited in the manner prescribed in paragraph 13.2.1 and the accounts of the works concerned or Stock should be debited, with the cost of the quantities actually received, the amount being determined by converting the invoiced sterling value into rupees at the composite rate of exchange (as fixed by the Ministry of Finance from time to time) for the month in which the payment was made in High Commission/Embassies abroad.

Note - If the month of payment is not known, the composite rate of exchange for the month in which the stores were dispatched from High Commission/Embassies abroad should be adopted provisionally, subject to adjustment on receipt of the debit for payment.

2. When the debit for the payment for stores made in High Commission/Embassies abroad which will be calculated in rupees at the composite rate of exchange for the month of payments, is received from the Accounts Officer the Head “MPSSA” should be debited and the head “Public Works Remittances” credited (see note below paragraph 13.2.4).

3. In case the debit for the payments made in High Commission/Embassies abroad is received before the arrival of the stores the Suspense heads within the accounts of work concerned or Stock viz., “Contractors – Other Transactions/Advance Payments” should be operated upon, suitable arrangements being made to watch the receipt of stores

4. Indian charges (e.g., balance of sea freight and carriage and incidental charges) should be debited direct to Stock or works concerned, unless incurred prior to the arrival of the stores in the division, in which case they should be kept under suspense within the accounts of the work or stock (Rule 3), and on receipt of the stores, the debit should be transferred to the relevant sub-head of work or stock, when making the adjustment of cost, as laid down in Rule 1.

5. A surcharge at the rate fixed by Government from time to time, to cover departmental expenses and marine insurance, is added by the High Commissioner for India to the invoiced price (including freight) on all stores obtained from abroad through its Supply Wing by State Government, Commercial Departments, including Irrigation Works, Government Commercial Undertakings, Local Funds, private individuals, etc. in calculating the cost debitable to or recoverable from the various sources.

Note 1 - When under special arrangements, the contractor undertakes to deliver stores at an Indian Port and not at the Stores Offices abroad the surcharge leviable will be only for departmental charges.

Note 2 - The extra charge for marine insurance covers the risk and losses during the voyage to India and not losses between the ship's side and the shore.

Note 3 - The adjustment of the surcharge is made by the Indian Embassy. A similar extra charge should be made in India for Stores imported from abroad for the Union Government, but eventually transferred to State Governments etc. In such cases, the amount of the surcharge should be credited under the minor head "Other Receipts" below the relevant functional major head on imported stores.

Note 4 - In making recoveries from the agents of vessels on account of short delivery of stores, the surcharge should not be added to the involved value of the stores (including freight).

6. The balances representing the value of stores received, for which no debits for payments made abroad have come to hand, should be watched with a view to early clearance, special reference being made at once to the Accounts Officer in such cases.

7. Balances due to short deliveries, etc which cannot be cleared by recovery of cost, are not adjustable, until their write off has been sanctioned by competent authority.

8. The transactions relating to stores procured abroad should be recorded in Form CPWA 67 Suspense Register under two classes of purchases mentioned in paragraph 13.2.6.

9. Indents on the Supply Wing of the Indian Embassies abroad should indicate the detailed classification of the charge.