

THE FOOD CORPORATION OF INDIA
HEAD QUARTERS : NEW DELHI

No. Accts/9(17)/91

DT : 14.2.1992

CIRCULAR NO. 591/ACCTS.

Sub:- Provision of Contingent liabilities – Reg.

Reference is invited to the Circular No. 434/Accts. regarding disclosure of contingent liabilities where cases are pending in high Courts/arbitration or where competent authority has decided to go in appeal in the superior courts.

Para 2(b) of the above referred circular be substituted as under :-

2(b) In the cases where the decision of the arbitration/Court has gone against the Corporation but the competent authority instead of accepting has decided to go in for appeal to the superior Court/authority; the disputed amount in such cases should continue to be shown under the head "contingent liability." In other words accounting liability should not be provided in such cases for such amount.

All other contents of Circular No. 434/Accts. remain unchanged.

**Sd/-
(K. RAMACHANDRAN)
ADDL. FINANCIAL ADVISER**