

FOOD CORPORATION OF INDIA
HEADQUARTERS : NEW DELHI

NO.Accts/9(24)/91-92

Dt: 2.6.1992

CIRCULAR NO. 607/ACCTS

Reference is invited to Circular no.593/Accts dt. 4.3.92 regarding changes/amendments in Accounting Policies of the Corporation. Explanatory note to para 6(b) (i) against Sl.3 has been slightly amended and be read as under:-

“Arrears of pay & allowances and wages to staff and departmental labour shall be accounted for on the basis of the orders issued on or before 31st May on accrual basis at District level. In the event of any order being issued thereafter and before finalization of accounts including certification by Regional Statutory Auditors, provision shall be made at Regional Office Level. For events occurring after the date of certification of Regional consolidated accounts by Regional Statutory Auditors, entries shall be passed at Headquarters level.”

In view of the revised Policy, some of the Unit Offices have sought clarification whether arrears referred to above mean huge sums arising out of wage settlement only or whether it will also include small arrears arising out of pending regularization of leave etc. In this connection, it is clarified that the Accounting Policy is not to be examined and interpreted in isolation & arrears shall hence-forth be accounted for on accrual basis which would mean and imply all payments towards pay and allowances and wages irrespective of the nature of payment-leave salary on regularization of leave, arrears of salary due to wage revision etc.

(T.K. SETH)
MANAGER (A/cs.)