

FOOD CORPORATION OF INDIA
HEAD QUARTERS : NEW DELHI

No. Accts/9(24)/93

DT: 18.1.1994

CIRCULAR NO. 644/ACCTS.

Para 5(a) of Significant Accounting policy has been reviewed in the light of Law of limitations which clearly stipulates the limitations period as 30 years for Central Govt./State Govts. in respect of their claims. However, in accordance with the instructions contained therein, this limit of 30 years is not applicable to private parties, Central/ State Govts. agencies and even Co-operative societies registered under statutory law whose major shares are even held by the Government and who can be termed as private parties for application of this law and in such cases the period of limitation is 3 years only.

Para 5(a), be read as under : Liabilities other than those relating to Central/State Governments which have not been claimed within a period of three years, are generally written back. However, this limitation will not be applicable to Central / State Governments liabilities, which are valid for 30 years and also to the claims / counter claims of State Governments Agencies where there are continuing transactions and where reconciliation / acceptance is pending.

This will be effective from 1.4.93.

Sd/-
(A.K. CHAKRABORTY)
JOINT MANAGER (A/cs)