

FOOD CORPORATION OF INDIA  
HEAD QUARTERS : NEW DELHI

**No. Accts/14(1)/93**

**Dated : 9/2/94**

CIRCULAR NO. 650/ACCTS

Reference is invited to Headquarters Circular No. 553/Accts issued under letter No Acct/14(1)/90 dt. 17.1.91 which clearly stipulates that in case of lump-sum payments made by FCI in cases where it does not acquire a clear title of lease hold land, till the date of utilisation of the facilities constructed thereon shall be capitalised in addition to the cost of land in as much as all the preliminary expenses incurred in the acquisition of asset/land. The matter has further been examined and it is hereby clarified that the interest charges, apart from compensation/additional compensation shall be capitalised till the land is taken over and interest charges paid thereafter shall be charged to revenue only. In case interest charges are paid later on compensation / additional compensation that portion of interest charges upto the date of taking over of land, shall, however, be capitalised.

Sd/-  
(M.V. AVADHANI)  
Joint Manager (A/cs.)