

FOOD CORPORATION OF INDIA
HEAD QUARTERS : NEW DELHI

No. Accts/14(1)/93-94

Dated : 10.6.1994

CIRCULAR NO. 659/ACCTS

Sub. : Accountal of Soft-ware – Reg.

It has been noticed that Zones/Regions and the Districts have received software despatched by Hqrs. Computer Division in the year 1992-93 and 1993-94. The question has been raised whether the expenditure incurred by the Corporation for purchase of software will be treated as capital or revenue. It is clarified that systems software is to be treated as a part of Computer cost and the same should be capitalised and depreciated accordingly. As regards application software, cost is to be treated as revenue expenditure.

The field units are advised to follow these instructions scrupulously.

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