

THE FOOD CORPORATION OF INDIA
HEAD QUARTERS : NEW DELHI

No. Accts/14(1)/94

DT : 25.7.1994

CIRCULAR NO. 663/ACCTS

It is observed that some of the Unit Offices have purchased Fire Extinguisher set each costing above Rs. 5,000/- during 1993-94. A question has been raised whether the amount spent on the purchase of Fire Extinguisher set will be capitalised or booked to revenue considering these as sundry articles of small usage as stipulated under para 10.5.7 of Account Manual.

The matter has been examined in the Headquarters and it has been decided that considering the value of each set costing over Rs. 5,000/- (Five Thousand) the amount spent on purchase of 'Fire Extinguisher' set may be capitalised and booked under Account head 6.409 (other equipments) and shown under Plant & Machinery block in the Fixed Assets Register/Schedule and depreciation charged in terms of provision under section 32 of Income Tax Act.

Please acknowledge receipt.

Sd/-
JT. MANAGER (ACCTS.)