

THE FOOD CORPORATION OF INDIA  
HEAD QUARTERS : NEW DELHI

**No. Accts/9(24)/94**

**DT : 9.12.1994**

CIRCULAR NO. 667/ACCTS.

As per para 9(d) of the significant Accounting Policy of the Corporation, stocks of foodgrains declared sub-standard or pending segregation and analysis are valued as sound stocks at the close of the year. The losses and gains are accounted for as and when these stocks are disposed off. Now, it has been decided to maintain separate accounts for the stocks declared sub-standard and the necessary instructions have also been issued to the field units to prepare Monthly stocks Accounts separately for sub-standard stocks vide Hqrs. Sales Division letter No. S&S/SA/37(1)/18/APV/94/63 dated 7.9.94 and telex issued from AFA (A/cs) vide reference No. Accts/2(2)/92-94 dated 27.9.94. Change in existing policy in valuation of the closing stock of sub-standard stocks is considered necessary and amended para 9(d) of Accounting Policy is as follows :-

“Stocks of foodgrains declared as sub-standard, after due segregation and analysis by the Quality Control Division and as approved by the Competent Authority, shall be valued at realisable value, as estimated by them, taking into consideration the average rate obtained in the last three tenders for such quality of stocks. In case tenders have been floated for disposal, the rates obtained may be taken for purpose of closing stock valuation”.

This is effective from 1.4.1994.

Authority : File No. Accts/2(2)/92-94

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