

CENTRAL WAREHOUSING CORPORATION
(GOVT. OF INDIA UNDERTAKING)

By Speed Post / Email

No. CWC/FD-Compilation/An. Closing/18-19

13th Feb, 2019

Accounts Circular # 21

Subject: Accounting guidelines for Property, Plant & Equipment(PPE)...reg

- 1) Till financial year 2017-18, all items of Property, Plant & Equipment (PPE) booked at Purchase price, depreciation is provided on year to year basis and the written down value (WDV) was being maintained in tally. We have not been maintaining the gross value and the accumulated depreciation of the individual asset in our accounting package i.e. Tally software.
- 2) System of accounting of PPE has been changed w.e.f F/Y 2018-19 where the Gross value and accumulated depreciation of asset is to be recorded in tally. Accounting codes for all items of PPE and provision for Depreciation are given in Annexure-I enclosed.
- 3) For all the existing Assets for which only W.D.V is maintained in books, the following entry may be passed for all heads of assets:

Particulars	Debit	Credit
PPE (item wise)	Gross Value	
To Provision for Depreciation		Accumulated Depreciation
To PPE (item wise)		W.D.V already maintained

- 4) The Accounting entries for purchase of Assets, provision of depreciation, sale, inter-unit transfer and buyback of assets by employees are explained below for your reference.

a) At the time of Purchase of Assets:

Particulars	Debit	Credit
Assets	1,00,000/-	
To Bank/Cash/Party		1,00,000/-
Being assets purchased.		

b) For providing Depreciation on Assets.

A/c Code	Particulars	Debit	Credit
43000	Depreciation A/c	16210/-	
	To Provision for Depreciation- Asset wise		16210/-
	Being depreciation provided for year-1		

c) At the time of sale of assets.

Assuming asset having gross value of Rs. 10,000/- , provision for Depreciation Rs.4,500/-, W.D.V is Rs.5,500/- and is Sold for Rs.6,000/- plus applicable GST @12% as scrap. The GST invoice shall be issued on sale of assets on scrap.

(i) Entry for sale

A/c Code	Particulars	Debit	Credit
	Cash/bank/Party	6,720/-	
30613	To Sale Of Scrap-12%		6,000/-
12101	To CGST Output Tax Payable		360/-
12102	To SGST Output Tax Payable		360/-
	Being Assts Sold		

(ii) Entry for Removal of Gross Value, Provision for Depreciation and booking of loss/profit on sale.

A/c Code	Particulars	Debit	Credit
	Provision for Depreciation-Assets (Depreciation till month of sale)	4,500/-	
30613	Sale Of Scrap-12%	6,000/-	
31500	To Profit on Sale of Assets		500/-
	To Assets (Gross value)		10,000/-
	Being Assets sold removed from books.		

Assuming in above case that accumulated depreciation was Rs.3500/- instead of 4500 and W.D.V is Rs.6,500/-.

A/c	Particulars	Debit	Credit
	Provision for Depreciation-Assets (Depreciation till month of sale)	3,500/-	
30613	Sale Of Scrap-12%	6,000/-	
41901	Loss on Sale of Assets	500/-	
	To Assets (Gross value)		10,000/-
	Being Assets sold removed from books.		

d) At the time of Transfer of Assets by one unit (RO/CO) to another unit (RO/CO).

Assuming an assets having gross value Rs. 10,000/- , provision for Depreciation Rs.4500/- is transferred to RO-Delhi by Corporate office

(i) Entry for sale in books of Corporate Office (Transfer shall be treated as sale on the value of W.D.V of the assets)

A/c	Particulars	Debit	Credit
50111	Interunit Delhi	6490/-	
30614	To Transfer of Assets to Units(RO/CO)		5,500/-
12101	To CGST Output Tax Payable		495/-
12102	To SGST Output Tax Payable		495/-
	Being Assets transferred		

(ii) Adjustment of transfer of assets.

A/c Code	Particulars	Debit	Credit
	Provision for Depreciation-Assets (Depreciation till month of sale)	4,500/-	
30614	Transfer of Assets to Units(RO/CO)	5,500/-	
21600	To Assets (Gross value)		10,000/-
Being Gross Value and Depreciation Reserve removed from books.			

e) Buyback of Assets by employees.

CASE:1 Profit on Buyback of Assets

(i) Entry for sale

Example: Assuming Gross Value of laptop is 40,000/- .W.D.V is Rs.1/- amount recoverable from employee as per Laptop policy is Rs.4,000/- applicable GST rate is 18%(Buyback after 4 years).

Note: Competent authority has approved that GST liability is to be borne by the corporation and shall not be recovered from employee. Amount recoverable from employee shall be treated as inclusive GST. (In above example sale Rs.3390/-, GST Rs. 610/-)

A/c Code	Particulars	Debit	Credit
	Cash/ Bank	4,000/-	
30617	To Sale Of Laptop to Employees		3390/-
12101	To CGST Output Tax Payable(9%)		305/-
12102	To SGST Output Tax Payable(9%)		305/-
Being LAPTOP Sold			

(ii) Entry for Removal of assets and booking of profit on buyback.

A/c Code	Particulars	Debit	Credit
27100	Sale Of Laptop to Employees	3390/-	
15600	Provision for Depreciation- Laptop	39,999/-	
21600	To Laptop		40,000/-
31500	To Profit on Sale of Assets		3389/-
Being amount recovered from employees.			

CASE:2 Loss on Buyback of Assets

(ii) Entry for sale

Example: Assuming Gross Value of laptop is 40,000/- .W.D.V is Rs.26,667/- amount recoverable from employee as per Laptop policy is Rs.20,000/- GST rate is 18%.%(Buyback after 1 years).

A/c Code	Particulars	Debit	Credit
	Cash/ Bank.	20,000/-	
30617	To Sale Of Laptop to Employees		16,950/-
12101	To CGST Output Tax Payable(9%)		1525/-
12102	To SGST Output Tax Payable(9%)		1525/-
	Being LAPTOP Sold		

(ii) Entry for Removal of assets and booking of profit on buyback.

A/c Code	Particulars	Debit	Credit
27100	Sale Of Laptop to Employees	16,950/-	
15600	Provision for Depreciation- Laptop	13,333/-	
41901	Loss on Sale of Assets	9717/-	
21600	To Laptop		40,000/-
	Being amount recovered from employees.		

The above guidelines are effective w.e.f 01.04.2018.

The Circular may be brought to the notice of all concerned and be scrupulously followed.

This issues with the approval of GGM(F&A).

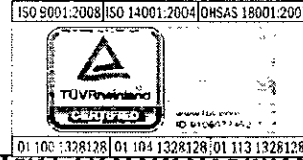

(Vijay Kumar Garg)
Manager(Corp. A/cs)

Distribution to:

1. All Regional Managers of CWC.
2. All AGMs/Managers/ (Sr.) Asstt. Managers in-charge of the Finance, Accounts & Internal Audit Wings of all ROs of CWC.

Copies for information to:

1. All HODs at CWC, Corporate Office, New Delhi.
2. All DGM/AGMs/Managers/(Sr.) Asstt. Managers/Accountants in Finance, Accounts & Internal Audit Cadre at CWC, Corporate Office, New Delhi.
3. PPS to Managing Director, CWC, CO, New Delhi.
4. SAM to Director (Fin), CWC, CO, New Delhi.
5. PS to GGM (F&A), CWC, Corp. Office, New Delhi.
6. PS to GM (Systems), CWC, CO, New Delhi with a request to place this Circular on CWC's Website.
7. Manager (Rajbhasha), CWC, CO, New Delhi with a request to arrange Hindi Version of this Circular.



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ANNEXURE-1

Accounting codes of items of PPE

Sl. No.	Account Code	Property, Plant & Equipment (Gross Value)	Account Code	Property, Plant & Equipment (Accumulated Depreciation)
TANGIBLE ASSETS			TANGIBLE ASSETS	
1	20100	LAND (FREE HOLD)	14100	PROVISION FOR DEPRECIATION - LAND (FREE HOLD)
2	20200	LAND (LEASE HOLD)	14200	PROVISION FOR DEPRECIATION- LAND (LEASE HOLD)
3	20300	WAREHOUSES & GODOWN	14300	PROVISION FOR DEPRECIATION-WAREHOUSES & GODOWN
4	20400	ELECTRICAL INSTALLATION	14400	PROVISION FOR DEPRECIATION-ELECTRICAL INSTALLATION
5	20500	WATER INSTALLATION	14500	PROVISION FOR DEPRECIATION-WATER INSTALLATION
6	20600	OFFICE BUILDINGS	14600	PROVISION FOR DEPRECIATION-OFFICE BUILDINGS
7	20700	WOODEN CRATES	14700	PROVISION FOR DEPRECIATION-WOODEN CRATES
8	20800	POLY PALLETS	14800	PROVISION FOR DEPRECIATION-POLY PALLETS
9	20900	PCC BLOCKS	14900	PROVISION FOR DEPRECIATION-PCC BLOCKS
10	21000	HBL SHEET	15000	PROVISION FOR DEPRECIATION-HBL SHEET
11	21100	DISINFESTATION EQUIPMENTS	15100	PROVISION FOR DEPRECIATION-DISINFESTATION EQUIPMENTS
12	21200	FURNITURE & FIXTURES	15200	PROVISION FOR DEPRECIATION- FURNITURE & FIXTURES
	21201	ALMIRAH		15201 PROVISION FOR DEPRECIATION - ALMIRAH
	21202	CHAIR		15202 PROVISION FOR DEPRECIATION- CHAIR
	21203	RACKS		15203 PROVISION FOR DEPRECIATION- RACKS
	21204	TABLE		15204 PROVISION FOR DEPRECIATION-TABLE
	21205	OTHER FURNITURE ITEMS		15205 PROVISION FOR DEPRECIATION-OTHER FURNITURE ITEMS
13	21300	D.T.R. COVERS	15300	PROVISION FOR DEPRECIATION-D.T.R. COVERS
14	21400	LABORATORY EQUIPMENTS	15400	PROVISION FOR DEPRECIATION-LABORATORY EQUIPMENTS

15	21500	<i>COMPUTERS</i>		15500	<i>PROVISION FOR DEPRECIATION-COMPUTERS</i>	
16	21600	<i>LAPTOPS</i>		15600	<i>PROVISION FOR DEPRECIATION-LAPTOPS</i>	
17	21700	<i>LORRY WEIGH BRIDGE (UNDER INSTALLATION)</i>		15700	<i>PROVISION FOR DEPRECIATION-LORRY WEIGH BRIDGE (UNDER INSTALLATION)</i>	
18	21800	<i>PLANT & MACHINERY</i>		15800	<i>PROVISION FOR DEPRECIATION-PLANT & MACHINERY</i>	
19	21900	<i>RESIDENTIAL FLATS</i>		15900	<i>PROVISION FOR DEPRECIATION-RESIDENTIAL FLATS</i>	
20	22000	<i>RACKS</i>		16000	<i>PROVISION FOR DEPRECIATION-RACKS</i>	
21	22100	<i>TIN TRAYS</i>		16100	<i>PROVISION FOR DEPRECIATION-TIN TRAYS</i>	
22	22200	<i>VEHICLES</i>		16200	<i>PROVISION FOR DEPRECIATION-VEHICLES</i>	
23	22300	<i>OFFICE EQUIPMENTS</i>		16300	<i>PROVISION FOR DEPRECIATION-OFFICE EQUIPMENTS</i>	
		22301	PRINTERS & SCANNERS		16301	PROVISION FOR DEPRECIATION-PRINTERS & SCANNERS
		22302	UPS/STABLIZERS		16302	PROVISION FOR DEPRECIATION-UPS/STABLIZERS
		22303	TELECOME/INTERCOME		16303	PROVISION FOR DEPRECIATION-TELECOME/INTERCOME
		22304	PHOTOSTATE MACHINE		16304	PROVISION FOR DEPRECIATION-PHOTOSTATE MACHINE
		22305	PAPER SHERDER		16305	PROVISION FOR DEPRECIATION-PAPER SHERDER
		22306	FINGER PRINT/BIO-MATRIC DEVICE		16306	PROVISION FOR DEPRECIATION-FINGER PRINT/BIO-MATRIC DEVICE
		22307	EPABX		16307	PROVISION FOR DEPRECIATION-EPABX
		22308	FRANKING MACHINE		16308	PROVISION FOR DEPRECIATION-FRANKING MACHINE
		22309	OTHER OFFICE EQUIPMENTS		16309	PROVISION FOR DEPRECIATION-OTHER OFFICE EQUIPMENTS
24	22400	<i>RAILWAY SIDING-OWN</i>		16400	<i>PROVISION FOR DEPRECIATION-RAILWAY SIDING-OWN</i>	
25	22500	<i>CONTAINER YARDS OWN</i>		16500	<i>PROVISION FOR DEPRECIATION-CONTAINER YARDS OWN</i>	
26	22600	<i>OTHER EQUIPMENTS</i>		16600	<i>OTHER EQUIPMENTS</i>	
		22601	ELECTRICAL EQUIPMENTS		16601	PROVISION FOR DEPRECIATION-ELECTRICAL EQUIPMENTS
		22602	AIR COOLERS		16602	PROVISION FOR DEPRECIATION-AIR COOLERS
		22603	AIR CONDITIONERS		16603	PROVISION FOR DEPRECIATION-AIR CONDITIONERS
		22604	OTHER EQUIPMENTS		16604	PROVISION FOR DEPRECIATION-OTHER EQUIPMENTS
		22605	LORRY WEIGH BRIDGE		16605	PROVISION FOR DEPRECIATION-LORRY WEIGH BRIDGE
27	22700	<i>CONSTN.MATERIAL AT SITE/HAND</i>		16700	<i>PROVISION FOR DEPRECIATION-CONSTN.MATERIAL AT SITE/HAND</i>	
28	22800	<i>EQUIPMENTS IN HAND</i>		16800	<i>PROVISION FOR DEPRECIATION-EQUIPMENTS IN HAND</i>	

29	22900	CONSTRUCTION EQUIPMENTS		16900	PROVISION FOR DEPRECIATION-CONSTRUCTION EQUIPMENTS		
30	23000	CONSTN.MATERIAL DAMAGED STOCK IN HAND		17000	PROVISION FOR DEPRECIATION-CONSTN.MATERIAL DAMAGED STOCK IN HAND		
31	23100	DISMANTELED MATERIAL IN HAND		17100	PROVISION FOR DEPRECIATION- DISMANTELED MATERIAL IN HAND		
32	23200	CONVERTIBLE PLINTHS		17200	PROVISION FOR DEPRECIATION- CONVERTIBLE PLINTHS		
33	23300	NON-CONVERTIBLE PLINTHS		17300	PROVISION FOR DEPRECIATION- NON-CONVERTIBLE PLINTHS		
34	23400	MOBILE PHONES		17400	PROVISION FOR DEPRECIATION-MOBILE PHONES		
35	23500	ROOF (Pre-coated galvalume steel sheet)		17500	PROVISION FOR DEPRECIATION-ROOF (Pre-coated galvalume steel sheet)		
36	23600	FLOOR (Cement Concrete)		17600	PROVISION FOR DEPRECIATION-FLOOR (Cement Concrete)		
37	23700	ROAD (Cement Concrete)		17700	PROVISION FOR DEPRECIATION-ROAD (Cement Concrete)		
INTANGIBLE				INTANGIBLE			
38	24000	RIGHT TO USE OF LAND		18000	PROVISION FOR DEPRECIATION- RIGHT TO USE OF LAND		
39	24100	REGN FEE FOR RUNNING CONTAINER TRAINS		18100	PROVISION FOR DEPRECIATION- REGN FEE FOR RUNNING CONTAINER TRAINS		
40	24200	SOFTWARES		18200	PROVISION FOR DEPRECIATION- SOFTWARES		
41	24300	LICENSE FEE FOR PRIVATE FREIGHT TERMNAL		18300	PROVISION FOR DEPRECIATION-LICENSE FEE FOR PFT		
WORK IN PROGRESS							
41	25000	WORK IN PROGRESS					
		25010	WORK IN PROGRESS-ROOF (Pre-coated galvalume steel sheet)				
		25020	WORK IN PROGRESS- FLOOR (Cement Concrete)				
		25030	WORK IN PROGRESS- ROAD (Cement Concrete)				
		25040	WORK IN PROGRESS- OTHER WORKS				
42	25100	CONSTN.OVERHEADS(ESTT.)					
43	25200	CONSTRUCTION OVERHEAD(OTHERS)					