



केन्द्रीय भण्डारण निगम

(भारत सरकार का उपक्रम)

CENTRAL WAREHOUSING CORPORATION

(A Govt. of India Undertaking)

जन-जन के लिए भण्डारण/ Warehousing for Everyone



No. CWC-FD/CA-Accounts Circular/20-21

23rd July, 2020

ACCOUNTING CIRCULAR No-29

Sub: Accounting of accrued income in the books of Accounts at the end of the year and reversal of same next year.

- (I) Accrual of income is to be booked in the books of accounts as on 31st March every year for accounting the correct operating income as per the policy of the corporation and to have a true and fair view of the Annual Accounts. The same is with respect to the stock for which delivery has not been taken up by the depositor and no bill towards the same has been raised as on 31st March. This is to be followed for both over and above stock and GWT stock (General warehousing term).
- (II) When the stock remains for more than 30 days from the date of receipt, the accrual for Over and Above /GWT stock needs to be booked @25%, 50%, 75% and 100% of monthly charges for upto one week, upto two weeks, upto three weeks and for more than three weeks upto 30 days respectively.
- (III) In case, Over and Above /GWT stock is received during a month and either fully or partly issued out within 30 days then the accrued income for such stock is to be done as under:
- First Week - 44% of monthly tariff rounded off to one paisa
First 2 weeks - 68% of monthly tariff rounded off to one paisa
First 3 weeks - 88% of monthly tariff rounded off to one paisa
Beyond 3 weeks and upto 30 days – Full month tariff
- (iv) Presently, following three types of Warehousing receipts are issued by the warehouses:
- a. Negotiable Warehouse Receipt (NWR) – Physical having validity of 3 months
 - b. Non- Negotiable Warehouse Receipt (NNWR) – Physical having validity of 3 months
 - c. Electronic Negotiable Warehouse Receipt (ENWR) – Electronic having validity of 6 months.

Note: All the above three types of receipts can be further renewed by the depositor for a further period of 3 months only on payment of accrued warehouse charges at the applicable rate.

- (I) Accordingly, on the above basis, it is instructed to reverse the accrued income booked on 31st March in the next year as soon as the validity of the warehouse receipt of the stock whose accrued income had been accounted on 31st March has expired.
- (II) Same is explained by way of examples as under:
- a. Stock is received on 01.02 2020 at WH and is having the WH receipt has 3 month validity i.e till 30.04.2020.
Accrued Income is to be reversed in full by 30.04.2020. In case delivery is taken before 30.04.2020 by the customer, reverse the accrued income booked on 31st Mar on the day of invoice.
 - b. Stock is received on 01.02 2020 at WH and is having the WH receipt has 6 month validity i.e till 31.07.2020.
Accrued Income is to be reversed in full by 31.07.2020. In case delivery is taken before 31.07.2020 by the customer, reverse the accrued income booked on 31st Mar on the day of invoice.
 - c. Stock is received on 01.03 2020 at WH and is having the WH receipt has 3 month validity i.e till 31.05.2020.
Accrued Income is to be reversed in full by 31.05.2020. In case delivery is taken before 31.05.2020 by the customer, reverse the accrued income booked on 31st Mar on the day of invoice.

The above calculations for calculation of accrued income and reversal of accrued income is to be followed while accounting for accrued income in TALLY. Necessary instructions also be issued to Warehouse Managers accordingly to give the required information in time.

(Amit Puri)
General Manager (Tax & A/cs)

Distribution to:

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

Copies for information to:

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

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