



# केन्द्रीय भण्डारण निगम

(भारत सरकार का उपक्रम)

CENTRAL WAREHOUSING CORPORATION

(A Govt. of India Undertaking)

जन-जनकेलिएभण्डारण/ Warehousing for Everyone



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

29<sup>th</sup> July, 2020

## ACCOUNTING CIRCULAR No-32

### Subject: Accounting for reversal of income

There can be cases in which excess billing done to any depositor may be required to be reversed in books. This may be due to factors like invoice issued twice by oversight, Reduction in rates at a later date, Change in actual date of handing over of warehouse or may be due to any reservation disputes etc.

In above cases, income accounted due to excess billing is required to be reversed by passing the accounting entries in the following manner:

**Case 1:** Income of current year is reversed in current year and GST is also reversed by way of issue of credit note.

Pass the following accounting entry:

Sales A/c.	Debit	Rs. 100/-
GST Payable A/c.	Debit	Rs. 18/-
To sundry Debtors	Credit	Rs. 118/-

**Case 2:** Income of previous year is reversed in current year due to any decision taken by management in current year (for ex – Charging at a reduced rate retrospectively) and for GST reversal credit note is issued.

Sale A/c.	Debit	Rs. 100/-
GST Payable A/c.	Debit	Rs. 18/-
To sundry debtors	Credit	Rs. 118/-

In no case, prior period head is to be operated in case no 2.

**Case 3:** Income of previous year is reversed in current year due to any error done in previous years billing (for ex – wrong rate charged or erroneous calculation) and for GST reversal credit note is issued.

44102 Prior Period Income A/c.	Debit	Rs. 100/-
GST Payable A/c.	Debit	Rs. 18/-
To sundry debtors	Credit	Rs. 118/-

**Case 4:** Income of previous year reversed in current year due to decision done in current year /any error done in previous years billing and for GST reversal credit note cannot be issued.

In such cases, GST already paid by CWC is a loss to the Corporation and following accounting entry is required to be passed:

Sales /Prior Period A/c. Debit	Rs. 100/-
49999 Misc Exp A/c. Debit	Rs. 18/-
To sundry debtors Credit	Rs. 118/-

Compliance of above be strictly ensured.

**Vijay Kumar Garg**  
**Manager 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.

**Copy 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, CO, New Delhi.
4. PPS to GGM (Systems), CWC, CO, New Delhi place this Circular on CWC's Website.