



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-Accounts Circular/2021**

**Dated: 16.10.2020**

### **ACCOUNTS CIRCULAR # 36**

#### **Sub: Submission of bills by H&T contractors and delay in raising of bills on FCI towards market facilitation charges**

- Ref: (i) ISO document NO. WI/CD/Stg/01  
(ii) FCI circular No. E12(5)/80- Stg. VII dated 24.05.2000  
(iii) ISO document No. P/FIN/MFC/01  
(iv) CWC letter No. CWC/CD/IX-H&T/DVNGR/2016-17 dated 27.03.2017  
(v) FCI Circular No. 01/2020 (CWC) dated 17.03.2020  
(vi) CWC letter No. CWC CO-FDORCVY/27/2020-FIN Dated: 10.07.2020

1. Significant delay has been observed in submission of the bills by the H&T Contractor and raising of the bills by CWC offices against FCI. The delay noticed in submission of bills is upto one year in certain cases. The field offices are also following different practices in processing of H&T bills submitted by the contractor and raising of bills by CWC against FCI. In this regard, all Regions are advised to follow the following procedure:
  - a. Work slip through WMS should be issued to the H&T contractor for the work carried out by them on day to day basis. No manual work slip should be issued.
  - b. The contractor has to submit bills on fortnightly basis as per Clause no- XVI(Payment terms) of the model H & T contract/ tender. The contractor shall submit the bill in triplicate.
  - c. Bill received from the H&T contractor shall be entered in Bill Tracking System (BTS) as soon as it is received by the warehouse manager. All H&T bills are to be verified w.r.t the work slips issued and then forwarded to the commercial division of the Regional office alongwith required documents through BTS.
  - d. Bills shall be scrutinized by the commercial division of the Regional office w.r.t the tender conditions and in case of any discrepancy the same shall be returned to the contractor through the concerned warehouse for rectification. The

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entries for each movement of the bill shall be recorded in the BTS appropriately to ensure transparency.

- e. After due scrutiny, the commercial division shall obtain the approval of the competent authority with due financial concurrence and sanction order shall be issued for payment.
  - f. The finance division upon receipt of the sanction order from the commercial division, raise the bills for actual payment made to the contractor and supervision charges on the depositor. Till the time, H & T Bill module is made fully operational in WMS, the bills shall be raised through Tally and shall be accounted for under the respective cost center of the warehouse. The bills raised by CWC along with original bill of the contractor shall be submitted to the depositor by finance division of the regional office under intimation to the commercial division.
  - g. The Finance division and commercial division of the regional office shall be jointly responsible for realization of the payment.
  - h. No recovery shall be made by the depositor/FCI from the bills of the Corporation. In case of any deduction a clear speaking order/letter for the deductions must be issued by the depositor/FCI.
  - i. In case of non-realization of the bills from the depositors as per the payment terms with the depositor, action shall be initiated for recovery of amount as per credit policy, debt management policy and debt recovery policy of the corporation.
  - j. The payment to the contractor shall be made upon realization of the bills from the depositor as per clause XVI (c) of the tender document. If any deduction has been reported by the depositor for unsatisfactory services by the contractor, same shall be intimated to the contractor and recovery for such amount shall be made from the contractor. (Ref letter under ref – vi).
2. Contractors should be sensitized to submit the bills on fortnightly basis in their own interest so that the payment is realized from the depositor at the earliest and payment is made to the contractor immediately after its realization.
3. In case any small depositor wants to avail the handling & transportation services at respective warehouse, the same can be provided on immediate payment basis (no credit is allowed to the depositor) by raising the bills for the amount payable to the contractor and 15% supervision charges thereon. In such cases, the bills can be raised through WMS through “Other Income Menu”.


4. Wherever such services are provided, a separate work slip depositor-wise on daily basis shall be prepared in WMS. The contractor shall be advised to submit separate H&T bill for the services provided to small depositors on immediate payment basis. The Warehouse manager shall ensure that the bill of H&T contractor for services provided to small depositor on immediate payment basis is certified w.r.t. the bills raised and realized from such small depositors and forward the same to Commercial Division of Regional Office. The Commercial Division of Regional office shall verify such bills and obtain the approval of the competent authority for payment. Since the payments against these bills have already been realized by the Corporation, the payment against the bill shall be released by Finance Division immediately upon receiving the sanction order.
5. Contractor should be advised that in case of abnormal delay in submission of the bill (i.e more than 30 days from the due date on which bills should have been submitted), the contractor shall be liable for following penalties ,which shall be deducted from the bills of the contractor at the time of payment.
  - a. Interest at the applicable rate under GST Act i.e 1.50% per month on account of delayed availment/ utilization of GST credit by CWC (in case of taxable supply).
  - b. Interest prescribed under Income Tax Act on account of delayed deduction and deposit of TDS on H & T Bills i.e 2.50 % per month (1% for delayed deduction & 1.50% for delayed deposit).(as H&T bills shall be accounted for on accrual basis)
  - c. Recovery @25.17% towards tax lost by the Corporation in case the H & T expense is booked under “Prior Period” account. This is the case where bill of previous financial year is received and passed for payment in current financial year.

To give an example, in case a Bill of Rs 1,00,000/- is received from the H & T Contractor in June,20 for the service period of Feb, 20, recovery on account of a, b and c above shall be as under :

- (i) Intt(GST)- 4 months @ 1.50% per month- Rs 1,080/- (assuming GST of Rs 18000/- on Rs 1,00,000/-)
  - (ii) Intt(TDS)- 4 months @ 2.50% per month- Rs 1,000(assuming TDS of Rs 10,000/-)
  - (iii) Tax Lost @ 25.17%- Rs 25,170/-
6. All the efforts should be made to obtain bills timely from the H&T contractor so that CWC can submit bills to the depositors in time.

7. All the contractors shall be advised by the regional managers to submit all pending bills within 30 days failing which penalties given in para 4 above shall be imposed and raise the bills on the depositors/FCI immediately.

8. This issues with the approval of Director(Finance).

 Digitally signed  
by Amit Puri  
Date:  
2020.10.16  
13:06:55 +05'30'

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

**Distribution:**

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 DGMs/AGMs/Managers/ (Sr.) Asstt. Managers in-charge of the Finance, Accounts & Internal Audit Wings of CWC, Corporate Office, New Delhi
2. SAM to Dir.(Fin.), CWC, CO, New Delhi
3. PPS to GGM(Fin.), CWC, CO, New Delhi
4. PPS to GGM(SPC), CWC, CO, New Delhi
5. Sr. PA to GM(Comm.), CWC, CO, New Delhi
6. PPS to GGM (Sys.), CWC, CO, New Delhi with a request to place the circular on CWC's website.
7. Manager (Rajbhasha), CWC, CO, New Delhi with a request to arrange hindi version of this circular.