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CENTRAL WAREHOUSING CORPORATION

(A GOVT. OF INDIA UNDERTAKING)



No. CWC /FD-Recovery/2009-10

Dated :22.04.2009

CIRCULAR

Sub: Recovery of outstanding dues



Outstanding dues of the Corporation as on 31.3.2009 have been reported at Rs. 166.68 crores on account of Storage Charges and Rs.22.93 crores on account of MF Charges. Against storage charges, FCI has already made an adhoc payment of Rs. 50.00 crores. Such huge outstandings recoverable from various depositors include both the disputed as well as undisputed amounts belonging to past many years. Such huge outstanding recoverable balances pose an alarming situation for any organization. Non recovery as also delayed recoveries of these amounts make them non performing asset.

In order to give new impetus and to revamp the machinery relating to recovery of the outstanding dues of the Corporation, in supersession of all earlier instructions, the following instructions are issued to be implemented in the Corporation w.e.f. 01.04.2009.

So far as the old outstanding dues are concerned both on account of Storage and MF Charges, the outstanding balances as on 31.03.2009 will be frozen and known as old outstanding. Billwise-warehousewise-depositorwise statements in respect of these old outstanding dues shall be got prepared on the basis of the audited figures.

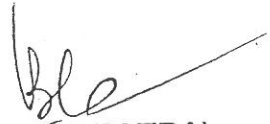
- 2 Large number of instances have come to notice that the billwise outstanding dues as shown in the account books of the RO do not tally with the account books maintained at the warehouses. Therefore, after preparation of the billwise statements for the old outstanding dues both on account of Storage and MF Charges, the same shall be got reconciled with the books/record as maintained at the warehouse level. The reconciliation must be completed within a month's time of the completion of the audit i.e. latest by 30.05.2009 and a reconciliation certificate recorded on the billwise statement both by the concerned Warehouse Manager as also the head of the Accounts Section at RO.
- 3 After the outstanding dues as per the account books of the RO and the warehouse have been reconciled, billwise, warehousewise statements shall be furnished to the concerned depositor for confirmation of the balances by them within a period of 15 days i.e. latest by 15.06.2009. The outstanding balances may be got reconciled and confirmed from the respective depositors by deputing officials from the RO or the warehouse as the case may be and such reconciliation/confirmation of the balances with the depositors

may be got completed within a month's time i.e. latest by 15.07.2009.

- 4 Now, the billwise/ warehousewise statements, the balances of which have been duly confirmed by respective depositors, shall be sent to the respective depositors with a request to make the payment immediately and wherever there is any difficulty with the depositor in making any payment against any of the bill, the depositor shall be requested to intimate the reasons for the same. Thereafter, the reasons can be analyzed by preparing region wise, billwise, warehousewise statements for taking further action with regard to either realization of the amount from the depositor or for taking necessary action with regard to its write back/write off etc.
- 5 While the actions shall be taken as per the above instructions, at the same time efforts should continue to be made to realize the outstanding dues from the respective depositors through written communications as well as personal contracts.
- 6 With regard to current outstanding dues which would fall due on or after 01.04.2009, one official not below the level of JS shall be designated as Nodel Officer for recovery of the outstanding dues at each of the warehouses. His responsibility will be to ensure the timely submission of the bills to the respective depositors and to recover the amount their-against within a month's time and in case the payment is not forthcoming, he shall obtain the reasons for non payment from the depositor concerned in writing so that for every bill which is not paid by the depositor, the reasons for such non payment are clearly and immediately known to us. The concerned Warehouse Managers shall, in turn, report those reasons immediately to RO. Similar exercise shall also take place at the level of RO where the billing is done by RO.
- 7 To monitor the realization etc of the outstanding dues from time to time, Accounts Section at RO shall obtain monthly billwise statements from the warehouses and shall ensure billwise reconciliation on monthly basis.
- 8 As per the reason-wise analysis, the concerned Sections namely Business Section and Technical Section shall take up the matter further with the depositors for the settlement of the dispute and to realise the amount and where the amount is not realizable, the concerned Section will initiate action for write back/write off etc. and to place the proposal for consideration by the Regional Outstanding Review Committee. It will be the concerned Section to take up the matter with the concerned Division at Corporate Office wherever required, for any clarification or decision on any issue as the case may be.
9. The depositor-wise details of major disputes in Annexure 'A' and 'B' in respect of FCI and in Annexure 'C' and 'D' in respect of other major depositors be prepared and sent to CO which should also be updated for bilateral meetings with the depositors.

10. Regional Outstanding Review Committee headed by RM shall continue to function for reviewing the actions taken at various levels in this regard and shall hold its meetings once in a month to review the progress as also to decide future course of action. The major disputed cases with FCI and other major depositors so prepared in Annexure 'A', 'B', 'C' and 'D' should also be reviewed by Regional Outstanding Review Committee every month and accordingly updated.
11. Reporting to CO shall be made
- a) When the audited billwise statement of the outstanding dues have been completed.
 - b) When the work relating to reconciliation as per the account books maintained at RO and warehouse have been completed and the certificate to that effect recorded by the RO and Warehouse.
 - c) When the confirmation after reconciliation of the outstanding dues is received from the respective depositors.
 - d) A consolidated regionwise, depositorwise details of the outstanding dues shall be furnished on monthly basis.
 - e) Minutes of the Regional Outstanding Review Committee shall continue to be sent for monitoring the progress by the CO.

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


(Dr. S.C. BATRA)
OSD (RECOVERY)

To

All Regional Managers(By name)

Copy to:

1. All HODs.CWC.CO,New Delhi., GM (Commercial)
2. All Officers in Fin.Div.CO(Manager & above)CWC,New Delhi.
3. All Accounts Incharges of ROs
4. PS to MD/PS to Dir(Fin)/PS to Dir(Pers)