



CENTRAL WAREHOUSING CORPORATION

(GOVT. OF INDIA UNDERTAKING)



By Speed Post / Email

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

31st July, 2019

Accounts Circular # 26

Subject: Accounting of Debtors Written Off towards compensation to depositors on account of Storage Losses / Transit Losses / Damages

- 1) In the year 2018-19, Regional Offices have written off the storage losses / transit losses / damages for which the Corporation is responsible as bad debt. Such losses are not to be accounted for as Bad Debt as depositor is not responsible for the same and be accounted for as "Compensation to Depositors".
- 2) Compensation to depositors due to damage due to flood, fire, theft and infidelity of employees etc. is to be charged to Compensation to Depositors after reducing the amount recoverable /recovered from Insurance Company. Similarly, Compensation to depositors on account of deficiency in MF services / PCS services etc. is also to be accounted for as Compensation to Depositors.
- 3) It has been noticed that some Regions have booked above losses as Bad Debts whereas they should have been booked as Compensation to Depositors. You are requested to review all the write off cases which have been wrongly accounted for as Bad Debts written off against provision for Doubtful Debts – Account No.10751 (written off under DOP No. 21(A), 21(B) and 21(C)) for the year 2018-19, whether approved by RM or by competent authority at CO. Please send the details of such cases in Annex-I and Annex-II enclosed duly supported by the copy of the recommendation of the Committee and approval of the competent authority.
- 4) The correction entry in accounts for the year 2018-19 will be passed at Corporate Office. So, you are requested to send the details in the enclosed format today.
- 5) The amount should be correctly charged to Compensation to Depositors in future.

This issues with the approval of Director(Finance).

JS(M/S)
A/S

Chakravarty
1/8/19

(R.R. Aggarwal)
21/7/19

General Manager(F&A)

Corporate Office: Warehousing Bhawan, 4/1, Siri Institutional Area, August
Kranti Marg Hauz Khas, New Delhi-110016 Telefax No. 26518675

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. PS to Director(MCP) / SAM to Director (Fin), CWC, CO, New Delhi.
5. PPS 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.

