



**CENTRAL WAREHOUSING CORPORATION**  
**(GOVT. OF INDIA UNDERTAKING)**

**By Speed Post / Email**

No. CWC/FD-Compilation/An. Closing/15-16

8<sup>th</sup> April, 2016

**Accounts Circular # 09**

**Subject: Accounting for Death Compensation...reg**

- 1) Presently, provision for death compensation is made in the books based on actuarial valuation. CO/RO/CC are creating the provision in the books at a fixed percentage informed by C.O.
- 2) Corporation has amended its Significant accounting policies. The new Significant accounting policy on Ex-gratia payments on death w.e.f 01.04.2015 is as below:  
  
Policy No. 25(d) "Ex-gratia payments on death are recognized on payment basis in the Profit & Loss A/c"
- 3) Accordingly, as per the new policy, no provision for Death compensation will be made in accounts. Ex-gratia payments made for Death compensation is charged to P&L under the head R793 Death Compensation on accrual basis. Liability for expenses (P511) is to be created for deaths occurred during the year but not paid by the end of the financial year.
- 4) Provision already made during the year is to be reversed from books of accounts.
- 5) Provisions/liabilities made during previous years is to be credited to Excess liability/provisions written back for which action is to be taken at Corporate office.

The Circular may be brought to the notice of all concerned for scrupulous compliance.

  
**(Vijay Kumar Garg)**  
**SAM(Corp. A/cs)**

**Distribution to:**

1. All Regional Managers of CWC.
2. All Executive Engineers in-charge of all the Construction Cells of CWC.
3. All AGMs/Managers/ (Sr.) Asstt. Managers in-charge of the Finance, Accounts & Internal Audit Wings of all ROs & CCs of CWC.

**Corporate Office: Warehousing Bhawan, 4/1, Siri Institutional Area, August Kranti  
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**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. AM to Director (Fin), CWC, CO, New Delhi.
5. SAM to Director(Per.), CWC, CO, New Delhi.
6. PS to GM (F&A), CWC, Corp. Office, New Delhi.
7. PS to GM (Systems), CWC, CO, New Delhi with a request to place this Circular on CWC's Website.
8. Manager (Rajbhasha), CWC, CO, New Delhi with a request to arrange Hindi Version of this Circular.