



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-Insurance/ SOP/2022-23

Date: 31.03.2022

Circular No. Finance/Insurance/01/2022

Subject: SOP (Standard Operating Procedure) for submission of stock value declaration and accounting of insurance premium under floater declaration policies....reg.

- Ref:** (i) ISO document No. FC/CD/09 & FC/CD/10: Format for Acknowledgement/ warehouse receipt
(ii) CWC CO letter No. CWC CO-FD0RCVY/04/2022-FCI (Vol-III) dated 24-02-2022.
(iii) BoD agenda No. 320.11 & Minutes of BoD meeting dated 29.03.2016
(iv) ISO document No. FC/CD/26: Format for Bond register
(v) Accounting Circular No. 46 dated 03.08.2021

The Corporation has taken the following insurance policies to cover any loss to the assets of the Corporation and stocks of the depositors due to flood/ fire /theft /burglary /earthquake etc. In addition, the Corporation has also taken special policies like Fidelity Guarantee Insurance Policy, Public Liability Insurance Act Policy, Errors & Omissions Policy, and Directors/ Officers liability Policy as per details at **Annexure – I**.

2. A copy of the policy bond issued by the insurance company is sent to the Regional Offices for information and further circulation to the respective warehouses/ICDs/CFS etc. under their control.
3. The Corporation is required to submit the monthly declaration of the value of the stocks under the floater declaration policies to the Insurance Company as per the terms & conditions of the Policy.
4. The warehouse managers shall ensure that the correct value of the stock is entered in the warehouse receipt/acknowledgment of stocks issued to the depositor. The value of the stocks entered in the warehouse receipt/acknowledgment shall be entered in the insurance register. **(Ref – i)**
5. In the case of food grains stocks of FCI and State Civil Supplies Corporation, the stocks should be valued at the Average Acquisition Cost declared by FCI. The Corporate office of CWC shall issue the average acquisition cost for a respective financial year well in advance in consultation with FCI. **(Ref – ii)**
6. The monthly value of the stock shall be computed based on 'Average of the highest value of each day (highest between opening value and closing value) for the month. i.e. the sum of the highest value of each day / no. of calendar days in the month'.

7. The Board of Directors in the meeting held on 29.03.2016 vide agenda item No. 320.11 has decided that “The corporation does not take insurance in respect of customs duty payment on time-barred bonds/custom confiscated cargo/long-standing cargo and spontaneous combustion, the claim if any arises in this regard may henceforth be borne by the Corporation from its own fund”. **(ref – iii)**

8. The value of stocks for the bonded warehousing should be the CIF value entered in the Bond register. **(ref -iv)**. The value of stocks should be for live bonds only and the value of “Time-Barred Bonds” should not be included in the total value.

9. The value of custom duty for bonded warehousing should be the value of duty entered in the Bond register. **(ref -iv)**. The Custom duty value should be taken for live bonds only and the value custom duty for “Time-Barred Bonds” should not be included in the total value.

10. In case of insurance of stocks in CFS/ICD, the value of stocks of “Long Standing Cargo” should not be considered for insurance.

11. In respect of CFS/ICDs, the value of stock should be taken as per value of shipping bill in respect of export cargo and as per value of bill of entry plus applicable custom duty in respect of import cargo. If no value of goods/duty is available, the same should be taken as per average value.

12. In respect of ICPs, the value of stock should be taken as per the value declared by the Importer/Exporter, plus custom duty if any.

13. Where the insurance of stocks in the CFS/ICDs operated by SAMO is taken, the warehouse manager and regional manager shall ensure that the declaration of stocks in respect of SAMO operated CFS/ICDs is obtained from the SAMO operator with a declaration that in case of any case of under insurance, the SAMO operator shall be liable. The SAMO operator would be reimbursed the insurance claim received from the insurance company and CWC does not have any other liability in this regard.

14. **The business head, accounts in charge and regional manager should also ensure that the bills for reimbursement of insurance premium have been raised and realized from the SAMO operator and the fact should be mentioned in the e-office file. (The bills for the insurance premium shall be raised and realized on SAMO for the value declared by the SAMO operator in the beginning of policy term for whole year and when the declared value exceeds the total value of stocks insured on proportionate basis for remaining period of policy).**

For example:

Value of stocks declared by SAMO on 01.06.2021 Rs. 500 Crore
(Raise bill for Rs. 500 Crore @ rate applicable for 12 months)

निगमितकार्यालय :4/1, सीरीइंस्टीट्यूशनलएरिया,अगस्तक्रांतिमार्ग, हौज़खास,नईदिल्ली-110016.

CO: 4/1, Siri Institutional Area, August Kranti Marg, Hauz Khas, New Delhi-110016.

टेलिफोन/Landline:011-41672511, ई-मेल/Email: rraggarwal@cewacor.nic.in

Value of stocks declared by SAMO on 01.07.2021 (No bill required as insurance premium for full year already realised)	Rs. 450 Crore
Value of stocks declared by SAMO on 01.08.2021 (Raise bill for Rs. 50 Crore @ rate applicable for 10 months)	Rs. 550 Crore
Value of stocks declared by SAMO on 01.09.2021 (No bill required as insurance premium for full year already realised)	Rs. 520 Crore

15. The business section of the regional office shall collect the monthly stock valuation statement for the previous month for respective policies warehouse-wise and compile the same.
16. The business head of the regional office shall ensure that the stock valuations submitted by the warehouses are commensurate with the business and capacity utilization of the warehouse. Any abnormal changes in the stock valuations should be reviewed and clarified in the forwarding letter to the corporate office.
17. The business section shall also ensure that the stock valuation submitted in respect of the region is tallied with the insurance register drawn through WMS. The reasons for the difference, if any should be reported and rectified. The regional offices shall ensure to institute a system that the correct stock valuation can be drawn through WMS so that the activity of collection of data from warehouse and submission thereof can be dispensed with and the corporate office can draw the data from WMS.
18. The Business section of the region should submit the monthly stock valuation report to the Regional Manager enclosing therewith the excel sheet of the stock valuation in the local reference by the 7th of every month for approval with the concurrence of the regional finance head.
19. Upon approval of the stock statement by the Regional Manager, the Regional finance head shall pass the accounting entries for the expenses for insurance and record the same in the file.
20. The regional finance officer should forward the e-office file after passing the accounting entry to the Manager (T&I) by the 10th of every month as per accounting instructions issued by the corporate office. **(ref – v)**
21. The stock valuation report should be submitted to the Corporate office through the e-office file to the Manager (T&I) enclosing therewith the excel sheet of the stock valuation in the local reference by the 10th of every month.
22. The T&I section of the Corporate office would compile the data received from regional offices and submit the same to the insurance company by the 15th of the month with the approval of GGM (Finance).

23. The T&I section of the Corporate office should also pass appropriate accounting entries based on credit advices received from regional offices for adjustment of the insurance premium paid to the insurance company would compile the data received from regional offices and submit the same to the insurance company by 15th of the month with the approval of GGM (Finance).

24. The business section of the Regional office and RM should also ensure the intimate opening of any new warehouse (owned/hired) and any addition of the capacity immediately upon takeover of the warehouse/new capacity addition so that the endorsement of the new warehouse can be obtained from the insurance company in the insurance policy and also take coverage of insurance for building (for owned warehouses only). This intimation should also be given through e-office files only.

25. Upon receipt of intimation of a new warehouse or new capacity addition, the T&I division shall take prompt action for endorsement of the new warehouse in the insurance policy and pay the premium for building insurance (if applicable).

(RR Aggarwal)
Group General Manager (Finance)

Encl: As above

Distribution to:

1. All HoDs, CO CWC
2. All Regional Managers, CWC ROs
3. GM(System), CWC CO, with the request to arrange the uploading of circular on website of the Corporation

Copy to:

1. Sr. PA to MD, CWC
2. PS to Dir. (M&CP/Fin./Pers), CWC

S. No.	Name and Type of Policy	Brief description of Risk(s)
1.	Standard Fire & Special Perils Policy for Stocks stored in godowns with Add-on cover for Earthquake (Floater Declaration basis). (Sum Insured- Rs. 16,663 crores)	Depositor's goods or stocks stored in godowns or sheds or varandas or in open at various locations in the Country. Stocks stored in sheds or varandas or in open are mainly non-hazardous and do not exceed 2 % of the total sum insured.
2.	Standard Fire & Special Perils Policy for Stocks with Add-on cover for Earthquake (Zone-I) and Terrorism risk (Floater Declaration basis) (Sum Insured- Rs. 88 crores)	Depositor's goods or stocks stored in godowns or sheds or varandas or in open at selected locations in North Eastern States under Guwahati Region. Depositors' goods or stocks stored in godowns or sheds or varandas' or in open at ICP Petrapole (West Bengal) and ICP-Attari (Chandigarh). The stocks are to be insured at CIF value. (Costs, Insurance & Freight) Stocks stored in sheds or varandahs or in open are mainly non-hazardous and do not exceed 2 % of the total sum insured.
3.	Standard Fire & Special Perils Policy for Stocks with Add-on cover for Earthquake (Floater Declaration basis) – Bonded Warehousing (Sum Insured- Rs. 1415 crores)	Depositor's goods or stocks stored in Bonded Warehouses, CFSs/ICDs godowns or sheds or Varandas or in open or in containers at various locations in the Country. The stocks are to be insured at CIF value. (Cost, Insurance & Freight) Stocks stored in sheds or varandas or in open are mainly non-hazardous and do not exceed 2 % of the total sum insured. Policy to be endorsed in favor of Commissioner of Customs.
4.	Custom Duty all-risk policy (Sum Insured- Rs. 200 crores)	Custom duty all risk insurance at Bonded Warehouses/ CFSs/ ICDs/ ICPs in respect of Depositors goods or stocks stored in godowns or sheds or varandas or in open at various locations in the Country (as per Customs Notification no. 70/2016-Customs (N.T.) dt. 14.05.2016) Stocks stored in sheds or varandas or in open are mainly non-hazardous and do not exceed 2 % of the total sum insured. The Policy is to be endorsed in favor of the President of India.
5.	Standard Fire & Special Perils Policy for Warehouse Buildings with Add-on Cover for Earthquake	CWC's own constructed godowns, CFSs, ICDs, as also Multi-storey Warehouse Buildings used for storage of stock covered for the structure including plinth, foundation, Office Complex, Roads, Boundary Wall together with additional facilities & fixtures, such as ACs, elevators, heat sensors, lifts, lorry

	(Sum Insured- Rs. 5005.46 crores)	weighbridges, Gensets, AC panelboards, etc. on reinstatement value basis as stated below.
6.	Standard Fire & Special Perils Policy for Office Buildings, Guest Houses and Residential Flats with Add-on cover for Earthquake (Zone-II) (Sum Insured- Rs. 69.15 crores)	Corporate Office Building at Hauz Khas New Delhi including lifts, Gensets, ACs, AC Panel Boards, etc. and contents on a reinstatement value basis Sum insured includes contents of Rs. 4.22 Crore Guest House Building at South Extension-II, New Delhi and Contents including ACs, etc. on a reinstatement value basis. Sum insured includes contents of Rs. 40.5 lakhs 40 LIG and 40 MIG Residential Flats at Mayur Vihar Phase-I, New Delhi on reinstatement value basis Residential Flat in Asian Game Village Complex, Hauz Khas New Delhi and contents including ACs, etc. on a reinstatement value basis
9.	Standard Fire & Special Perils Policy to cover Assets and Deadstock items with Add-on Cover for Earthquake. (Sum Insured- Rs. 90 crores)	CWC's Properties, Plant & Equipment and Dead Stock Items such as Sand Snakes, Tarpaulin Covers, Wooden Crates, Bamboo Mats, Chemicals & Fumigants, Electrical Equipments, Furniture & Fixtures, Lorry Weigh Bridges, Office Equipments, Other Equipment, etc. lying at warehouses, CFSs, ICDs, ICPs, Regional Offices, Guest Houses, Training Centres, and Corporate Office.
10.	Electronic Equipment's Policy (Sum Insured- Rs. 20 crores)	Loss or Damage to Computers, & other Electronic Gadgets installed in warehouses, CFSs, ICDs, ICPs, Regional Offices, Guest Houses, Training Centers and Corporate Office.
11.	House Breaking & Burglary Policy with Theft Extension (Sum Insured- AOA Rs. 5 crores AOY Rs. 10 crores)	House Breaking, Burglary & Theft Insurance covering Depositors' Stocks as well as CWC's Own Property & Dead Stock Items stored in all its Warehouses, CFSs, ICDs, ICPs, DPE, Cold Storage, Regional Offices, Corporate Office, Guest Houses, and Training Centre.
12.	Fidelity Guarantee Insurance Policy (Sum Insured- AOA Rs. 5 crores AOY Rs. 10 crores)	Risk of Losses likely to occur due to act of dishonesty or fraud on the part of about 2500 regular employees of CWC in Dec-2021.
13.	Public Liability Insurance Act Policy Sum Insured- Rs. 15 crores	Risk of Death, injury, or damage to any property arising out of storage and handling of hazardous Commodities in CFSs, ICDs, ICPs or Warehouses of CWC all over the country to Public at large as required under Public Liability Insurance Act, 1991

14.	Errors & Omissions Policy (Sum Insured- Rs. 50 crores)	Legal Liability arising out of storage and handling of cargo at ICD NSEZ and Cargo held in Trust as bailee and also during Transportation of valuables, jewelry, and precious items by road/ rail from Noida SEZ to IGI Airport and back.
15.	Directors/ Officers Liability Policy (Sum insured – 5 crores)	To cover board-level Directors including Managing Director and officer's up to the level of Manager. The total number of such officers is 119 presently.
16.	Cash in Chest & Cash in Transit Policy with RSMD & Terrorism Extension (Sum Insured- Rs. 5,00,000)	Risk arising out of Cash kept in Chest at Corporate Office not exceeding Rs.1 Lakh and Cash being carried from Bank to Cash Chest Corporate Office and vice versa not exceeding Rs. 1 Lakh



CONTROLLED

E.

CENTRAL WAREHOUSING
CORPORATION

ACKNOWLEDGEMENT

DOCUMENT NO.
F/CD/09ACKNOWLEDGEMENT

Sr No _____

Central Warehouse _____

Received from (Name & address of the depositor) _____

goods of the following description :-

Name of Commodity	Quality/Grade	No of Packages/ Units / Bags or Lots	Net quantity in MT/Qtls. by weight or in meters by measures	Condition of goods & packages

Market rate of goods at the
Time of deposit Rs. _____

Total Value of goods Rs _____

Market rate of packages
at the Time of deposit Rs. _____

Total Value of packages Rs _____

Indemnified for Rs _____ against Fire/ Flood/ Theft/ Misappropriation/ Riots/ Strikes/
Terrorism with _____ (Name of Insurance Co.)

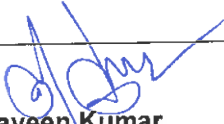
Rate of storage and other charges _____

Goods are accepted for storage from _____ to _____


Date _____

Signature of the Warehouse Manager or
Authorised Person

Date	Quantity Released		Quantity Released		Signature
	Bags/Packages	Weigh	Bags/Packages	Weight	


 Sh. Naveen Kumar
 Manager (Comm.)
 Prepared By


 Sh. M.K. Verma
 G.M (Comm)
 Approved By


 Sh. Pawan Kant
 GGM(QS)/MR
 Issued By

 Issue NO. 1
 Date of Issue: 28.03.2018
 Page 1 of 1

Not for use/disclosure outside CWC, Except under prior written agreement. This is controlled Electronically and any hard copy should be considered as uncontrolled except stamped as "Master copy"



CONTROLLED

CENTRAL WAREHOUSING
CORPORATION

WAREHOUSE RECEIPT

DOCUMENT NO.

F/CD/10

WAREHOUSE RECEIPT - NEGOTIABLE / NON-NEGOTIABLE

Serial No of Receipt : _____
 Name of Warehouse : _____
 Warehouse Licence No : _____ valid upto _____

Received from (Name & address of the depositor) _____

goods of the following description:-

Name of Commodity	Class or Standard Quality of Grade	No of packages/units/Bags or Lots	Net quantity in MT/ Qtls. By weight or in meters by measure	Name and/or License No. of the Weigher/ Classifier/ sampler

Condition of goods - (i) Good (ii) Fair (iii) Average _____

Private marks of depositor on the packages, if any _____

Rate of storage and other charges _____

Indemnified for Fire/Flood/Theft/Misappropriation/Riots/Strikes/Terrorism with
_____ (name of Insurance Co.)

For the amount of Rs _____

Goods are accepted for storage from _____ to _____

Market rate at the time of deposit _____

Valuation _____

Date _____

Signature of the Warehouse Manager
or authorised person

The goods mentioned below are hereby released from the receipt for delivery from Warehouse. Any unreleased balance of goods is subject to a lien for unpaid charges and Advances on the released portion.

Date	Quantity Released		Quantity Released		Signature
	Bags/Packages	Weight	Bags/Packages	Weight	

Sh. Naveen Kumar
Manager (Comm.)
Prepared By

Sh. M.K.Verma
G.M (Comm)
Approved By

Sh. Pawan Kant
GGM(QS)/MR
Issued By

Issue NO. 1
Date of Issue: 28.03.2018
Page 1 of 1

Not for use/disclosure outside CWC, Except under prior written agreement. This is controlled Electronically and any hard copy should be considered as uncontrolled except stamped as "Master copy"



75
Azadi Ka
Amrit Mahotsav

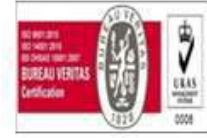


केन्द्रीय भण्डारण निगम
(भारत सरकार का उपक्रम)

CENTRAL WAREHOUSING CORPORATION

(A Govt. of India Undertaking)

जन-जन के लिए भण्डारण/Warehousing for Everyone



CWC CO-FD0RCVY/04/2022-FCI(Vol-III)

Dated: 24-02-2022

The Regional Manager

Central Warehousing Corporation

Regional Office

Ahmedabad/ Bangalore/ Bhopal /Chennai/Chandigarh/Delhi/Guwahati

Hyderabad/ Jaipur /Kochi/Kolkata/ Lucknow/Mumbai/Patna

Sub: Average acquisition cost for insurance of foodgrains stocks of FCI and State Civil Supplies Corporations and settlement of claims of insurance and Storage losses

Ref: (i) FCI HQ's ltr. No. S&C/QP/06/2019(3)/ Stg. VII (257) dated 19.08.2020 regarding Regularisation of SL/TL, rate of recoveries, instruction/ procedure to be followed for payment to CWC/SWC

(ii) CWC CO Circular no. CWC/CO/FD-Insurance/Circular/2020-21 dated 10.04.2021

Apropos above, the settlement of any losses/claims is to be made @ average acquisition cost of the respective financial year as per FCI HQrs letter at ref (i).

Therefore, all the regional managers are advised to take the insurance of foodgrains stocks for FY 2022-23 @ average acquisition cost declared by FCI as under:

Commodity	Average Acquisition Cost (Rs. Per Qtl) for FY 2022-23
Wheat	2,320.53
Rice	3382.59

Accordingly, all claims of FCI and State Civil Supplies Corporation for insurance and storage losses should be settled @ average acquisition cost for the respective financial year in which the losses have occurred. The details of year-wise average acquisition cost published by FCI is placed at **Annexure-I**.

Digitally signed
by Ratti Ram
Aggarwal
Date: 2022.02.24
18:04:45 +05'30'

(RR Aggarwal)
GGM (Fin)

Enclosures: As above

Copy to:

1. GM (S&C), FCI HQ's, New Delhi: He is requested to issue a circular for average acquisition cost for FY 2022-23. Meanwhile instructions have been issued to get the insurance of FCI stocks at the Average Acquisition stock of Wheat and Rice for FY 2022-23 available on FCI website.
2. Managing Directors, State Civil Supplies Corporation: The stocks of State Civil Supplies Corporations would be insured at the average acquisition cost intimated

निगमित कार्यालय :4/1, सीरी इंस्टीट्यूशनल एरिया, अगस्त क्रांति मार्ग, हौज़ खास, नई दिल्ली-110016.

CO: 4/1, Siri Institutional Area, August Kranti Marg, Hauz Khas, New Delhi-110016.

टेलिफोन/Landline:011-41672511, ई-मेल/Email: rraggarwal@cewacor.nic.in

3. by FCI and all claims for insurance and storage losses would be settled @ average acquisition cost only.
4. GGM (System), CWC, CO, New Delhi: He is requested to make suitable changes in WMS to ensure that Average Acquisition cost is used for valuation of foodgrains stock of FCI and SCSCs for insurance purpose.
5. GM (Com) /DGM (Tech), CWC, CO, New Delhi
6. Director ((M&CP/Fin), CWC, New Delhi
7. MD, CWC, New Delhi

Annexure-I

Acquisition Cost of Rice & Wheat published by FCI

			Rate Rs/QTL
SN	Year	Acquisition Cost (Rice)	Acquisition Cost (Wheat)
1.	2001-02	978.34	726.29
2.	2002-03	1007.31	738.49
3.	2003-04	1021.57	749.00
4.	2004-05	1047.08	796.21
5.	2005-06	1067.32	807.31
6.	2006-07	1101.6	908.42
7.	2007-08	1252.04	1,067.32
8.	2008-09	1459.97	1,135.16
9.	2009-10	1635.15	1,224.24
10.	2010-11	1759.62	1,276.70
11.	2011-12	1862.20	1,354.86
12.	2012-13	2017.59	1,482.76
13.	2013-14	2225.54	1,557.52
14.	2014-15	2446.16	1,664.39
15.	2015-16	2622.23	1,773.23
16.	2016-17	2672.37	1,834.75
17.	2017-18	2772.58	1,891.81
18.	2018-19	2893.68	1,956.88
19.	2019-20	3023.42	2,071.30
20.	2020-21(U/A)	3145.13	2,131.59
21.	2021-22(RE)	3297.80	2,258.19
22.	2022-23 (BE)	3382.59	2,320.53

Sources: <https://fci.gov.in/finances.php?view=109>

FINANCE DIVISION

No. CWC/CO/FD-Insurance/Circular/2020-21

Dated: 10.04.2021

Sub: Implementation of Insurance register report and monthly stock valuation report for insurance to be submitted to insurance company

MIS division has implemented the insurance register report and monthly stock valuation report for submission to the insurance company. While reviewing the insurance register, it is observed that the warehouse manager is required to update the cost of stocks at the time of deposit of the stock and can update the value of the stocks at the time of renewal of acknowledgement/warehousing receipt issued as per the rate declared by the depositor or as per the market rate as per his acquaintance.

However, in case of FCI no deposit application is given by FCI. As per instructions of FCI Headquarters, the FCI stocks are required to be insured at "Average acquisition cost" declared by FCI for relevant Financial Year. Similarly in case of the stocks of foodgrains of State Civil Supplies Corporation also, the cost of foodgrains stock shall be taken as above so that there is uniformity of the cost for the same commodities. **Therefore, MIS division may make a provision to enter the average cost of all FCI/State Civil Supplies Corporation stocks as under:**

	Average Acquisition Cost (Rs. Per quintal) for FY 2021-22
Wheat	2240.62
Rice	3274.85

As per extant instructions the acknowledgement (ACK) issued to depositors is valid for 90 days. During discussions with Sh. K N Jayaraman Sr. Project Manager, MIS division, CWC, CO New Delhi, it is understood that the when the ACK are renewed after considerable gap from the expiry of the ACK, the same gets renewed with retrospective date and the value of the stock changes in the insurance register with retrospective date.

Since the value of the stock is submitted to the insurance company on monthly basis, **MIS division may make suitable changes in WMS to ensure that the ACKs are renewed from prospective date after realization of storage charges upto the date of renewal of ACK and the value of stock is updated from prospective date only.**

Digitally signed by
Ratti Ram
Aggarwal
Date: 2021.04.10
21:28:25 +05'30'
(RR Aggarwal)
GGM (Finance)

GGM (System) / GM (Commercial, CWC, CO, New Delhi

Copy to:

1. GM (S&C), FCI Headquarters, New Delhi: He is requested to issue a circular for average acquisition cost for FY 2021-22. Meanwhile instructions have been issued to get the insurance of FCI stocks at the Average Acquisition stock of Wheat and Rice for FY 2021-22 available on FCI website.
2. All Regional Managers, CWC: They are advised that the stocks of FCI and State Civil Supplies Corporations are valued at Average Acquisition Cost indicated above.
3. MD/ Director (Finance) / Director(M&CP), CWC, CO, New Delhi

63030(3)/2020/O/o_MD

-: 2 :-

However, not only the information is not being furnished to Hqrs. but arbitrary deductions are being made by field offices from CWC bills in contravention to the direction / guidelines issued by Hqrs. Instances have been brought to notice wherein the recovery on account of storage loss / transit loss has been made from CWC after 3-4 years. In some cases, recoveries are being made on economic cost instead of average acquisition cost.

Non-compliance of Hqrs instructions have been viewed seriously and therefore, it is advised to direct the field offices to adhere to the instructions issued and no arbitrary recoveries may be done which are not as per instructions issued by FCI / Government. In case any other recoveries are to be effected for which no instructions are available, then in such case the authority making such a decision must take approval from his reporting authority. The amount and ground for recoveries made should be conveyed to CWC without fail. It may also ensured that the information in the prescribed proforma as sought vide this office letter of even no. dated 14.10.19 is furnished to Hqrs. every month.

कृपया इसे सर्वोच्च प्राथमिकता दें।

भवदीय,


(आर.मंत्रिगबल)

उप महाप्रबन्धक (भण्डा. एवं अनु.)

कृते कार्यकारी निदेशक (भण्डा. एवं अनु.)

प्रतिलिपि:

- प्रबन्ध निदेशक, केन्द्रीय भण्डारण निगम, 4/1, सीरी इन्स्टीच्यूशनल एरिया, अगस्त क्रांति मार्ग, होज खाम, नई दिल्ली - 110016 को सूचनार्थ प्रेषित।



कृते कार्यकारी निदेशक (भण्डा. एवं अनु.)

का.प्र.प. 19/8/20

CENTRAL WAREHOUSING CORPORATION
(A GOVT. OF INDIA UNDERTAKING)

320th MEETING OF BOARD OF DIRECTORS TO BE HELD ON 29-03-2016

AGENDA ITEM NO. 11

Re: Discontinuation of Self-Indemnification Scheme

- 1.0 Considering the increase in cost of premium and the then claim experience of the Corporation, the matter of self-insurance of the stocks/buildings on selective basis was examined by a Committee of senior officers. The Board in its 234th meeting held on 31.12.2001 approved self-insurance of stocks/buildings on selective basis and creation of self-insurance fund vide agenda item No.VI-3. The scheme continued upto the year 2008-09
- 2.0 A Committee was formed to examine and recommend the insurance policies to be taken by CWC in the year 2009. After detailed deliberations, the Committee observed and recommended in its report that CWC had started the Self-Indemnification (SI) Scheme in 2002-2003 due to the steep rise in the insurance cost, since the tariff controlled rates were quite high and the amount, which could be saved by taking over the risk for about 60-65 centres, used to be Rs.165 Lakh for 2002-2003, Rs.121 Lakh for 2003-2004, Rs.125 Lakh for 2004-2005, Rs.100 Lakh for 2005-2006, Rs.124 Lakh for 2006-2007, Rs.97 Lakh for 2007-2008 & Rs.32 Lakh for 2008-2009. Further that the tariff having been decontrolled and the rates of fire premium have come down, there would perhaps be no justification of saving a premium of merely Rs.32 lakh and assuming upon the Risk of over Rs.800 Crore, particularly in the light of a fire incident at that time resulting in colossal loss at CW, Dadri, which virtually gutted the entire building & stocks therein to ashes/garbage.
- 3.0 The Committee, therefore, recommended that the Self Indemnification Scheme may, be suspended and may be reviewed on Year to Year Basis and to take insurance of stocks, building etc. for all the warehouses including the warehouses covered under self-indemnification scheme. Committee also

recommended that no insurance may be taken for long standing cargo and time barred bond, custom confiscated cargo and for spontaneous combustion and also that existing SI Reserve, which stood at Rs.903 Lakh as on 31.3.2008, may continue to be reinvested and shown separately in the Books of Accounts of the Corporation.

The recommendation of the Committee was approved by the then CMD.

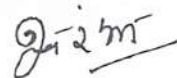
- 4.0 Since then, the Corporation has been taking insurance from insurance companies in respect of stocks, building etc. of all the warehouses. It was also approved that the self-indemnification fund existing in the Corporation be used for claim against custom duty payment on time barred/custom confiscated cargo/long standing cargo, risk of spontaneous combustion for which Corporation does not take insurance cover and accordingly the self-insurance fund has continued to be maintained in the books of Corporation for claims, if any, against such cases.
- 5.0 It is to mention that in the recent years, the occurrence of natural calamities e.g. cyclone, storm, flood etc. were frequent causing damage to the properties. The Hudhud and Phelin have caused huge damage in the recent years. This has resulted increase in claim against stocks, buildings of CWC.
- 6.0 Keeping in view the high exposure of risk to the stocks in the warehouses, it will not be prudent to continue with the Self-Indemnification Scheme and it is proposed that we may continue with the existing arrangement of taking insurance policies for stocks/buildings of all its warehouses. For the year 2016-17 also, Corporation is insuring stocks/buildings of all its warehouses.
- 7.0 The auditors during audit for the year 2014-15 had also advised to review whether Corporation requires to continue the Self-Indemnification Reserve in books of accounts.

8.0 In view of above, it is proposed that:-

- i) The present practice of taking insurance coverage for stocks, buildings etc. for all the warehouses may be continued.
- ii) To discontinue the Self-Indemnification Scheme and transfer the balance in Self-Indemnification Reserve Fund of Rs.17.67 crore as on 31.3.2015 to the General Reserve Fund in the year 2015-16 alongwith the accrued interest on the amount invested in the Fixed Deposits.
- iii) Since self-indemnification reserve fund would not exist and Corporation does not take insurance in respect of custom duty payment on time barred bonds/custom confiscated cargo/long standing cargo and spontaneous combustion, the claim, if any, arises in this regard may henceforth be borne by the Corporation from its own fund.

Board is requested to approve the above proposal and resolve as under:-

"Resolved that proposal as per 8.0(i) to (iii) be and is approved".



(V.R. Gupta)
Director (Finance)

CENTRAL WAREHOUSING CORPORATION
(A Government of India Undertaking)

**MINUTES OF THE 320TH MEETING OF THE BOARD OF DIRECTORS
HELD ON 29TH MARCH, 2016**

AGENDA ITEM NO. 320.11

DISCONTINUATION OF SELF-INDEMNIFICATION SCHEME

The Board resolved that proposal as per para 8.0(i) to (iii) of the agenda
i.e. :-

- (i) The present practice of taking insurance coverage for stocks, buildings etc. for all the warehouses may be continued.
 - (ii) To discontinue the Self-Indemnification Scheme and transfer the balance in Self-Indemnification Reserve Fund of Rs.17.67 crore as on 31.3.2015 to the General Reserve Fund in the year 2015-16 alongwith the accrued interest on the amount invested in the Fixed Deposits.
 - (iii) Since Self-Indemnification Reserve Fund would not exist and Corporation does not take insurance in respect of custom duty payment on time barred bonds/custom confiscated cargo/long standing cargo and spontaneous combustion, the claim, if any, arises in this regard may henceforth be borne by the Corporation from its own fund.
- be and is hereby approved.

CENTRAL
WAREHOUSING
CORPORATION

BOND REGISTER

DOCUMENT NO.
F/CD/26

BOND REGISTER

Godown No./Stack No. _____

Name & Address of Importer _____

Bond No. & Date _____

Name & Address of CHA _____

Expiry date of Initial
bond period _____

In-To Bond

B.O.E. No. & Date _____

I.G.M. No. & Date _____

SAC No. & Date _____ Area Booked _____

Advance charges _____ CR No. & Date _____




Realised Rs. _____

RECEIPTS

Date	No. of Units	Weight (M.T.)	Area in Sq. mtrs.	CIF Value	Duty	Total Value	Condition of Packages
(Gross or Net)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

ISSUES

Ex-Bond BOE No. & Date	No. of Units	Weight (M.T.)	Area released in Sq. mtr.	CIF Value	Duty	Total Value
(Gross or Net)						
(9)	(10)	(11)	(12)	(13)	(14)	(15)

 Ananya Pandey SAM (Comm.) Prepared By	 Sh. M.K. Verma G.M (Comm) Approved By	 Sh. Pawan Kant GGM(QS)/MR Issued By	Issue No. 1 Date of Issue: 28.03.2018 Page 1 of 2
--	--	---	---

Not for use or disclosure outside CWC, Except under prior written agreement. This is controlled Electronically and any hard copy should be considered as uncontrolled except stamped as "Master copy"



केन्द्रीय भण्डारण निगम
(भारत सरकार का उपक्रम)
CENTRAL WAREHOUSING CORPORATION
(A Govt. of India Undertaking)
जन-जन के लिए भण्डारण/Warehousing for Everyo



No. CWC-FD/CA-Accounts Circular/21-22

03rd August, 2021

ACCOUNTING CIRCULAR NO. # 46

SUB: Accounting of expense on account of insurance premium paid/adjustment of advances, treatment of input tax credit/adjustment at the end of policy period

1. In supersession of any earlier instructions issued on the above subject, the following accounting treatment is instructed to be followed with respect to above subject-
2. **At the time of obtaining the policy and payment of advance insurance premium-**
 - (a) Invoices with respect to insurance premium paid to the insurance company for insurance policies taken by Corporate Office on behalf of regions shall be taken under ISD number of Corporate Office i.e. **07AAACC120D2ZH** and at the time of making payment to the insurance company, following entries shall be passed by Insurance Cell, C.O-

(i) Booking of insurance premium payable

28804	Advance against insurance premium	Dr.	XXX	
29540/29550/29560	GST input control account	Dr.	XXX	
12401	Insurance Company (Being insurance premium payable to insurance company for the period.....)	Cr.		XXX

(ii) Payment of insurance premium

12401	Insurance Company	Dr.	XXX	
	Bank account (Being amount of insurance premium paid)	Cr.		XXX

- (b) The details of region-wise sum insured along with the insurance premium paid (including GST) shall be provided by Insurance Cell, C.O. to GST Cell at C.O. along with copies of Insurance Policies.



केन्द्रीय भण्डारण निगम

(भारत सरकार का उपक्रम)

CENTRAL WAREHOUSING CORPORATION

(A Govt. of India Undertaking)

जन-जन के लिए भण्डारण/Warehousing for Everyo



GST Cell at Corporate Office shall check reflection of the GST input credit of the invoices provided by insurance company on GST portal and pass the following entry-

29510/29520/29530	GST input availment account	Dr.	XXX	
29540/29550/29560	GST input control account (Being amount transferred from control account to availment account on reflection in GST portal)	Cr.		XXX

(c) Distribution of GST Input Credit to Regional Offices

The details of GST input credit to be distributed shall be provided by GST cell to payment section at corporate office on monthly basis and payment section shall issue an ISD invoice to regions and following entry shall be passed by them at Corporate Office-

	Inter units	Dr.	XXX	
29510/29520/29530	GST input credit availment account (being GST input credit transferred to units for the month of)	Cr.		XXX

On receipt of ISD invoice, Regional Offices shall pass the following entry –

29540/29550/29560	GST input control account	Dr.	XXX	
	Corporate office (Being ISD invoice no.datedaccounted for)	Cr.		XXX

The amount once reflected on GST portal must be transferred from GST input control account to GST input credit availment account as under-



केन्द्रीय भण्डारण निगम

(भारत सरकार का उपक्रम)

CENTRAL WAREHOUSING CORPORATION

(A Govt. of India Undertaking)

जन-जन के लिए भण्डारण/Warehousing for Everyo



29510/29520/29530	GST input credit availment account	Dr.	XXX	
29540/29550/29560	GST input control account (being amount transferred from control account to availment account on reflection in GSTR-2A)	Cr.		XXX

(d) Booking of insurance expense at regional offices-

Regional Offices shall account for the insurance expense in ledger code 40900-Insurance others/Stocks-Direct Charge on monthly basis as per stock value declaration and rates communicated by insurance section (**placed at Annexure-I**) and following entry shall be passed-

40900	Insurance others/Stocks-Direct charge	Dr.	XXX	
	Corporate office	Cr.		XXX

At corporate office, the amount received from Regional Offices shall be adjusted against the balance lying in ledger code-Advance against insurance premium and following entry shall be passed by insurance section-

	Inter units	Dr.	XXX	
28804	Advance against insurance premium	Cr.		XXX

The above exercise shall be repeated as and when any additional insurance premium is paid during the currency of the policy period.

(e) Accounting treatment at the expiry of insurance policy period

At the end of insurance policy, if a refund is determined i.e. over all premium paid during the currency of policy period is found to be in excess of amount payable to the insurance company, credit note shall be taken from the insurance company and following entry shall be passed by Insurance Cell-

29402	Sundries recoverable from party-Insurance Company	Dr.	XXX	
28804	Advance against insurance premium	Cr.		XXX



केन्द्रीय भण्डारण निगम

(भारत सरकार का उपक्रम)

CENTRAL WAREHOUSING CORPORATION

(A Govt. of India Undertaking)

जन-जन के लिए भण्डारण/Warehousing for Everyo



29540/29550/29560	GST input control account (Being amount recoverable from insurance company on account of excess premium accounted for on the basis of credit note no.....dated.....received from insurance company)	Cr.		XXX
-------------------	---	-----	--	-----

GST Cell shall check the reflection of credit note on GST portal and pass following entry:

29540/29550/29560	GST input control account	Dr.	XXX	
29510/29520/29530	GST input credit availment account (Being amount transferred from control account to availment account on reflection on GST portal)	Cr.		XXX

(f) Final adjustment of advances against insurance premium

Insurance Cell shall provide the region-wise details of final sum insured along-with insurance premium considering the impact of credit note received from insurance company. Based on details provided by insurance cell, GST cell shall recalculate the amount of GST input credit to be distributed amongst regions for full policy period and issue an ISD debit/ credit note and pass following entry through payment section-.

(i) In case excess credit has been transferred to units-

29510/29520/29560	GST input availment account	Dr.	XXX	
	Inter units (Being credit redistributed on receipt on receipt of credit note from insurance company)	Cr.		XXX



केन्द्रीय भण्डारण निगम
(भारत सरकार का उपक्रम)
CENTRAL WAREHOUSING CORPORATION
(A Govt. of India Undertaking)
जन-जन के लिए भण्डारण/Warehousing for Everyo



(ii) In case short credit has been transferred to units-

	Inter units	Dr.	XXX	
29510/29520/29530	29510/29520/29530 (GST input availment account) (Being credit redistributed on receipt on receipt of credit note from insurance company)	Cr.		XXX

After all above adjustments, the balance in ledger code- Advance against insurance premium lying in corporate office shall be NIL.

On the receipt of above debit/credit notes, following entries shall be made by the Regional Offices:

(i) (in case a credit advice is received)

	Corporate office	Dr.	XXX	
29540/29550/29560	GST input control account (being ISD credit note no.....dated..... received from CO accounted for)	Cr.		XXX

(ii) (in case a debit advice is received)

29540/29550/29560	GST input control account	Dr.	XXX	
	Corporate office (being ISD debit note no.....dated..... received from CO accounted for)	Cr.		XXX

Balance from GST input control account shall be transferred to GST input availment account after verification of GST input credit on GST portal.

3. Apart from this, **Annexure 'I'** is enclosed which details the complete process to be followed for providing the insurance cover taken this year from M/s. United India insurance Co. Ltd. along with steps involved for settlement of insurance claims. This also details the method to be followed for adjusting the advances against insurance premium and transfer the insurance premium on monthly basis.



केन्द्रीय भण्डारण निगम
(भारत सरकार का उपक्रम)
CENTRAL WAREHOUSING CORPORATION
(A Govt. of India Undertaking)
जन-जन के लिए भण्डारण/Warehousing for Everyo



Digitally signed
by Amit Puri
Date: 2021.08.04
10:14:48 +05'30'

Amit Puri
GM (Tax & A/Cs)

Distribution to:

1. All Regional Managers of CWC.
2. All DGMs/AGMs/Managers/ (Sr.) Asstt. Managers, Accounts 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. Dir. (Fin.)/MD, CWC, CO, New Delhi.
3. PPS to GGM (F&A), CWC, Corp. Office, New Delhi.
4. PPS to GGM (Systems), CWC, CO, New Delhi place this Circular on CWC's Website.

Subject: Insurance Cover for warehouse building, depositor stock, CWC property and Dead stock items stored in Warehouses/ICD/CFS

The Corporation has taken insurance cover for safeguarding its Property i.e. Warehouse/ICD/CFS building/ICP, Dead stock items stored therein and Depositor's stock from M/s United India Insurance Co. Ltd. Himalaya House, KG Marg, New Delhi for the period from 01.06.2020 to 31.05.2021. The copy of policy bond had already been sent to all the Regional Offices for its circulation among field units and necessary action on the matter.

For preparing the Insurance Register, the following logic should be taken:

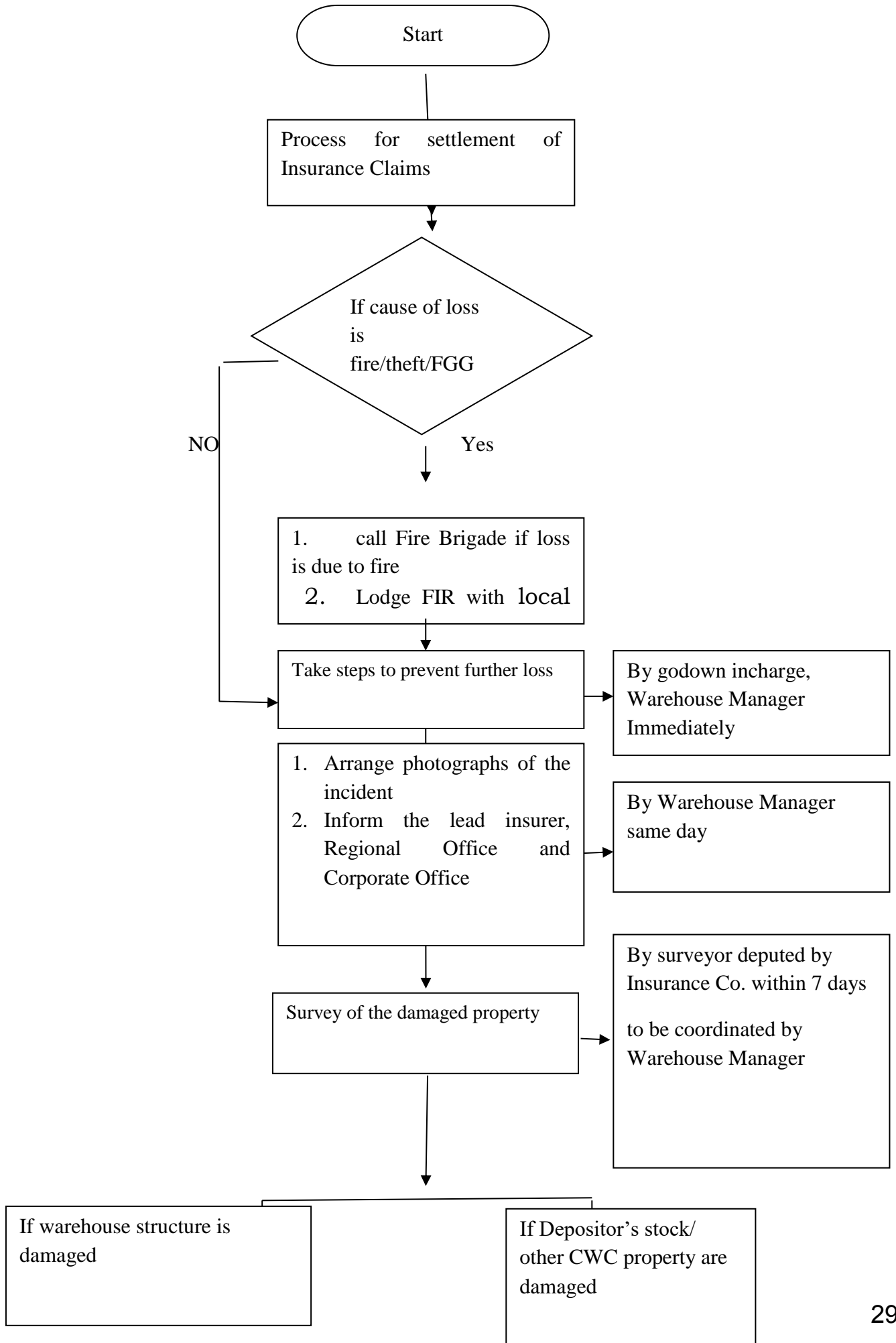
‘Average of the highest value of each day (highest between opening value and closing value) for the month. i.e the sum of the highest value of each day / no of calendar days in the month’.

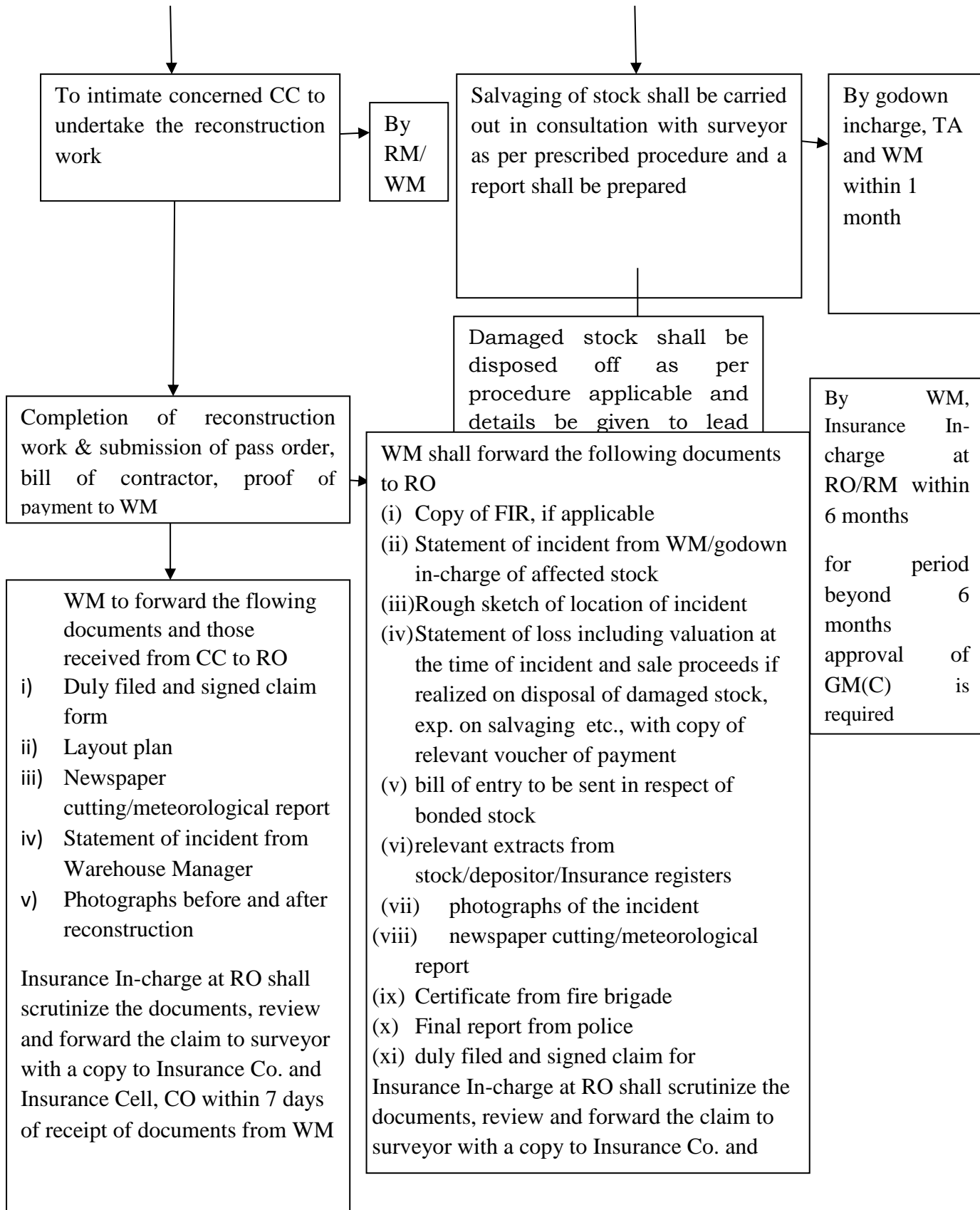
It has been observed while reviewing the claims outstanding that the claims remain pending /unsettled for quite long time due to the reasons like delay in lodging of Final Claim, Delay in submission of documents required by surveyor/ reply to the queries of surveyor, non-reinstatement of damaged warehouse building, and delay in salvaging or disposal of salvaged material.

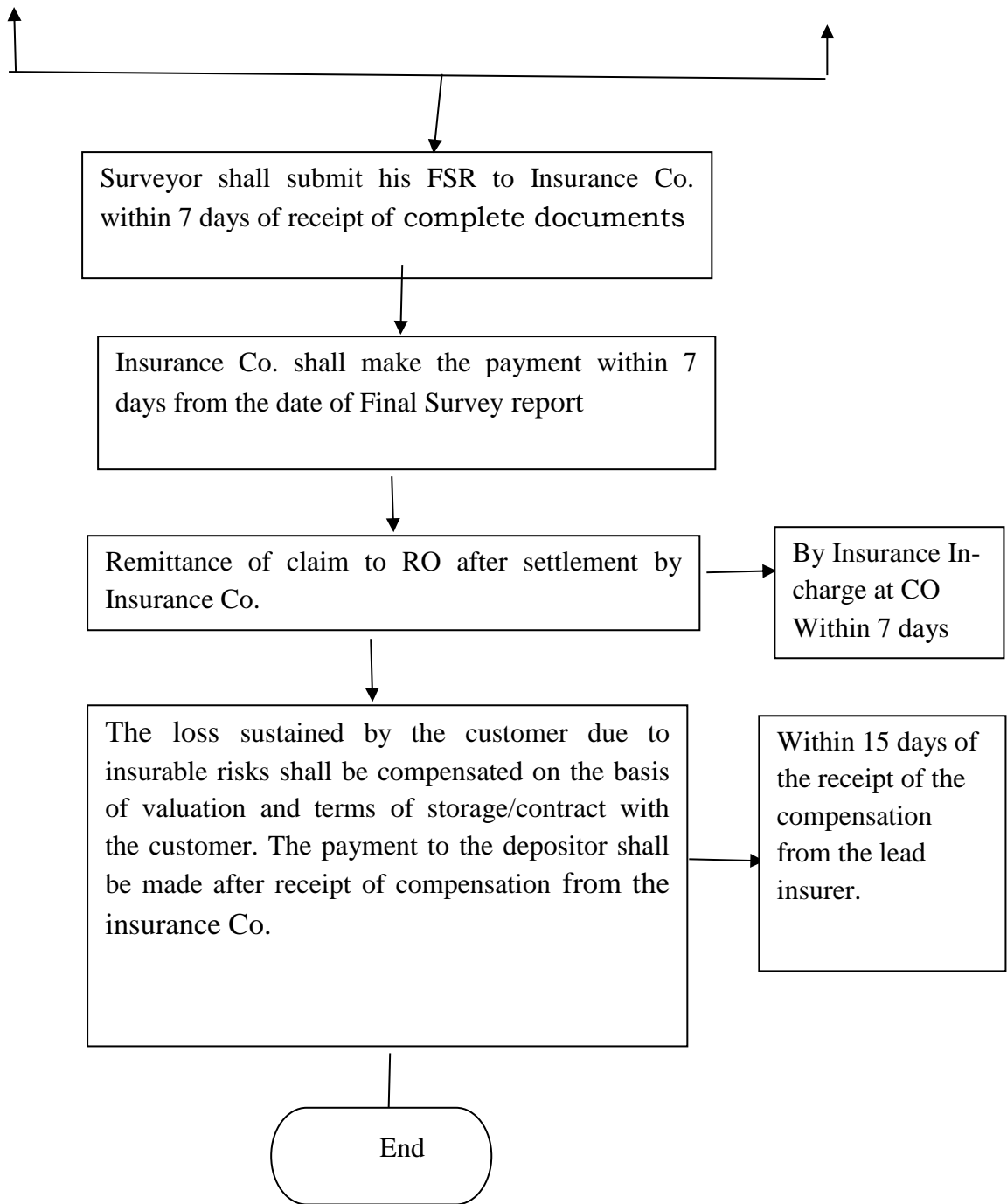
In order to streamline the process of settlement of insurance claims, the following salient points are reiterated for compliance:

1. The nature and tentative quantum of loss on occurrence of an event must be intimated to Insurance Company immediately through email and phone followed by written communication under intimation to Corporate Office (insurance cell).
2. The Insurance Company must also be requested for deputing surveyor for assessment of the loss Documentation.
3. Necessary documentation including photographs. Newspaper cutting/metrology department report etc. to be kept ready in support of the incident and quantum of loss as per the existing procedure. Besides, the copy of FIR/Fire brigade report in case of Theft/Fire must be kept ready during the visit of surveyor.
4. Segregation of sound stock from damaged stock should be done as per laid down procedure to minimize the loss.
5. Salvaging of the damaged stock to be carried out and damaged stock which cannot be issued is to be intimated to the surveyor and disposed off by following laid down procedure.
6. In case of damage to warehouse structure, same must be reinstated within 1 year as per the terms of the Insurance Policy. RO must take necessary steps to ensure reinstatement of damaged property on priority.
7. The final claim under relevant policy is to be lodged with the insurance company enclosing therewith all the required documents as per the procedure in vogue and required by the surveyor with an endorsement to Insurance cell, Corporate Office.

8. The insurance claim should be persuaded with surveyor and insurance company with copy to insurance cell at CO for expeditious settlement of claim.
9. For deductions made by Insurance Company except for disallowances/deductions as per the terms of the Insurance Policy, the responsibility of erring officials shall be fixed on case to case basis after carrying out the investigation, if required.
10. Queries if any raised by surveyor during the course of assessment to be complied in a time bound manner on priority so as to get the claim settled early.
11. Insurance cell at CO be apprised in case of any difficulty in getting claim assessed/settled on case to case basis for interaction/interference with surveyor/insurance company at CO level.
12. The insurance claim be monitored periodically for expeditious settlement thereof. The following email-id may be used for faster communication with difference offices:-
 - a) M/s. United India Ins. Co. Ltd: yashdalmia@iiic.co.in,
anjukochhar@uiic.co.in,sujaathaganguli@uiic.co.in
 - b) CWC CO Insurance Cell: cwc.insurancecell@cewacor.nic.in
13. Details of various steps involved in settlement of Insurance claims are reiterated in the enclosed flow chart.







Insurance expense shall be booked by regions on monthly basis at the rate detailed below for every Rs. 1000 value of stock stored at Warehouses covered under the given floater policy:-

Policy No.	Stock Covered	Rate per 1000 value of stock per month	Column no. of stock statement
5003001120P102035572	General Stock at Warehouse under Earthquake Zone-I	0.12	8
5003001120P102035587	General Stock at Warehouse under Earthquake Zone-II	0.0972	8
5003001120P102035552	General Stock at Warehouse under Earthquake Zone-III	0.0834	8
5003001120P102035540	General Stock at Warehouse under Earthquake Zone-IV	0.0788	8
5003001120P103108778	Custom Bonded Stock under Earthquake Zone-I	0.12	11
5003001120P103108871	Custom Bonded Stock under Earthquake Zone-II	0.0972	11
5003001120P103108075	Custom Bonded Stock under Earthquake Zone-III	0.0834	11
5003001120P103171221	Custom Bonded Stock under Earthquake Zone-IV	0.0788	11
5003001120P103196224	All Stocks at ICP Petrapole	0.1183	8+11
5003001120P103200956	General Stocks at CW Jorhat-I, Jorhat-II, Dimapur, Agartala(H), Agartala(CS) in North eastern states under Guwahati Region	0.1412	8

For example:

- a) Policy no. 5003001120P102035572*
- b) Total value of general stock
for all warehouses under Earthquake Zone-I
in a state as per
the monthly stock statement : Rs. 1,00,00,000/-
- c) Rate per Rs.1000 value of stock : Rs. 0.12 per month
- d) Premium to be charged
For the month : $\frac{10000000 * 0.12}{1000} = \text{Rs. } 1200$

*premium to be calculated for each policy separately as per above example.

Further, for building and other policies at s.no. 1-4 and 7 under Misc. policies proportionate premium per month dividing by 12, be booked as expenditure on the last day of the month by passing accounting entry mentioned above.

Any additional premium on account of additional capacity/new warehouse or on account of increase in the value during the remaining period of the policy will be accounted for as expenditure in the books of respective RO as advised by CO.