



केन्द्रीय भण्डारण निगम

(भारत सरकार का उपक्रम)

CENTRAL WAREHOUSING CORPORATION

(A Govt. of India Undertaking)

जन-जन के लिये भण्डारण-Warehousing for Everyone



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No.CWC/PC Sub-Divn./PCS- Marketing/2019-20

Dated:- 31.7.2019

CIRCULAR/PCS/2019/1

Subject:- Minimum Profit Margin for finalisation of Pest Control Contracts ..reg.

Reference:- TQC/DOP/2004-05/56F dated:27.09.2004.(Now superseded after issue of this CIRCULAR).

During an In house training programme on "Pest Management Services Strategy & Tactics" held at Corporate Office in May,2019 the matter of profit margins was discussed and reviewed by the Management. In this regard the policy of profit margins prevalent till now, based on above mentioned circular of 2004 was reviewed. Vide above circular guidelines for keeping minimum profit margins in PCS work were conveyed.

Now, it has been decided that profit margins given in the said circular may be reduced to 50%, on specific recommendations of the Regional Managers on file, as given in the table below:-

Sl. No	Contract Value	Minimum profit margin	50% profit margin
1.	Upto Rs.1 Lakh	12.5%	6.25%
2.	Above 1 Lakh upto 5 Lakh	11%	5.5%
3.	Above 5 Lakh upto 10 Lakhs	10%	5.0%
4.	Above 10 Lakhs	8%	4%

Note: The margin can be further reduced to upto Zero percent based on 'Negative Gross Margin Strategy' (NGMS) on recommendation of RM and sanction of the Technical Head at Corporate Office but only for major customers of Govt. Organisations.

This shall ensure increase of turnover by way of getting more contracts, in turn increasing CWC profits in the long run. These guidelines may be followed while working out economy for any Pest Control Contract.

Receipt of the circular may please be acknowledged.

(S.C.Chaturvedi)
GGM(Technical)

Distribution:

1. All Regional Managers, CWC, Regional Office, for information and necessary action.

Copy to:-

1. Sr.P.A. to M.D /PS to Director (M&CP),CWC, CO, New Delhi for kind information please.