



CWC/Ind AS/2023-24/Circulars

Dated: 13-04-2024

Ind-AS FINANCIAL STATEMENTS

CORRIGENDUM TO CIRCULAR # 27

Sub: Cost Centre wise accounting of Claims received against the corporation for which deduction has been made by Customers and Expected Credit Loss (ECL) of Trade Receivables

Ref: Circular No. 27 dated 27-03-2024

1. Accounting of Claims received against the corporation for which deduction has been made by Customers.

It has been decided that expenses on account of (1) above should be booked to 49113 Compensation to Depositor /Customer (Expense) **Warehouse/Cost Centre-wise** as it is prima facie identifiable. For example, FCI has made recovery against the storage loss at Moga-I, whether recovery is made from bills of any other centre. The Cost Centre should be Moga-I for booking of this expenditure using accounting ledger 49113 Compensation to Depositor /Customer (Expense).

2. Accounting of Expected Credit Loss (ECL) of Trade Receivables

The ECL should be computed as the rate specified in the Circular No. 27 dated 27.03.2024 and excess/short amount should be posted to ledger 44010 Expected Credit loss Expense in respective Cost Centre. The Excel sheet to attached herewith to Compute Cost-centre-wise ECL. The Regions may have bills/references where cost centre is not available. In such a case, Region should decide a Cost centre which should not be changed till that bill/reference exists in Tally.

The Region should allocate the amount as on 01.04.2023 in 10765 - ECL Provision cost-wise and compute the ECL required as on 31.03.2024 Cost centre wise based on outstanding debtors. The difference in Opening and closing ECL to be routed through Profit and Loss Account i.e. 44010 Expected Credit loss Expense.

3. Write off Bad Debts: The entry for write-off should be passed Warehouse/Cost Center wise as Warehouse/Cost Center wise is clearly identifiable.

4. Transfer of Credit balance appearing in Expense ledger: If any Regional office is having credit balance in the expenses ledger i.e. 44010 Expected Credit loss Expense and 49113 Compensation to Depositor /Customer (Expense) at the end of Financial Year, the same should be transferred to 31403 - Excess Reserve for Bad & Doubtful Debts Written Back (Non-Operating) Cost center-wise.


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

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5. **Periodicity of Expected Credit Loss (ECL) expense booking:** The status of Outstanding dues and the financial performance is reported on quarterly basis to Audit Committee/ BoD. The Regional offices should book expenses on quarterly basis i.e. 30th June, 30th September, 31st December and 31st March.
6. **Periodicity of booking of Claims received against the Corporation:** Regional offices should book expenses as and when the claims are deducted by depositors from the bills and informed of the corporation.

 Digitally signed
by Amit Puri
Date:
2024.04.13
16:51:00 +05'30'

(Amit Puri)
General Manager (F&A)

Distribution to:

1. All Regional Managers of CWC.
2. All DGMs/AGMs/Managers/ (Sr.) Asstt. Managers in-charge of the Finance, Accounts & Internal Audit Wings of all ROs.

Copy for information to:

1. All GM/DGM/AGMs/Managers/(Sr.) Asstt. Managers/Accountants in Finance, Accounts & Internal Audit Cadre at CWC, Corporate Office, New Delhi.
2. Sr PA to Dir. (Fin.), CWC, CO, New Delhi.
3. PPS to MD MD, CWC, CO, New Delhi
4. SAM (Systems), CWC, CO, New Delhi to place this Circular on CWC's Website.

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

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