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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



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

Date:16-02-2023

Accounts Circular No. 70

Subject: Timely submission of bills by Contractors & Suppliers.

Ref.: 1) Accounting circular # 36 dated 16.10.2020.

2) Payment Section Circulars#1 dated 12.12.2022.

1. Provision for expense at the end of financial year 2021-22 was booked with an amount of Rs. 27.86 Crore which has increased to Rs. 134.75 Crores as on 31.01.2023. Provision of expenses are not allowable expenses as per section 40(a)(ia) of Income tax Act 1961 and therefore corporation has to bear tax on this amount.

2. Significant delay has been observed on submission of bills by various vendors/contractors and suppliers. The delay noticed in submission of bills is even upto one year in certain cases. Therefore, all the contractors and the suppliers should be sensitized to submit the bill on fortnightly / monthly basis as per the terms of tender/agreement with the contractors/suppliers.

3. Further, March being the last month of the financial and year and corporation need to be finalised its accounts by 10th of the April, all the vendors and suppliers must be sensitised and advised to submit the invoices for the month of march as per following schedule:

Bill for services provided up to 15 th March	Bills must be received by 25 th March and accounted before 31 st march.
Bill for services provided up to 16 th March to 31 st March	Bills must be received by 2 nd April and accounted by 5 th April.

4. Contractor should be advised that in case of delay in submission of the bill, the contractor shall be liable for following penalties, which shall be deducted from the bills of the vendor/contractor/suppliers at the time of payment.

a) Interest at the applicable rate under GST Act i.e 1.50% per month on account of delayed availment/ utilization of GST credit by CWC (in case of taxable supply).

b) Interest prescribed under Income Tax Act on account of delayed deduction and deposit of TDS on Bills i.e 2.50 % per month (1% for delayed deduction & 1.50% for delayed deposit).(As bills shall be accounted for on accrual basis).

c) Recovery @25.17% towards tax lost by the Corporation in case the expenses are booked under "Prior Period" account. This is the case where bill of previous financial year is received and passed for payment in current financial year.

5. It must be ensured that all bills up to the 31st March are received before finalisation of accounts and provision for expenses are not booked to the extent possible. Provision for expenses should only be booked in extreme exigency and specially in case where the liability is disputed by the contractor/CWC and amount is uncertain.

(Vijay Kumar Garg)
AGM (Corp. A/cs)

Distribution to:

1. All Regional Managers of CWC with the advise to issue instruction to all vendors/suppliers for submission of bills as per above timelines.
2. All HODs, CWC, CO with the advice to issue instruction to all vendors/suppliers for submission of bills as per above timelines
3. All DGMs/AGMs/Managers (Sr.)/ Asstt. Managers/Accountants in Finance, Accounts & Internal Audit Wings of all ROs.
4. Terminal Managers, RWCs.

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. Dir. (Fin.), CWC, CO, New Delhi.
3. MD, CWC, CO, New Delhi
4. GGM (Systems), CWC, CO, New Delhi to place this Circular on CWC's Website.