



No. CWC/FD-CA/Annual Closing/21-22

21<sup>st</sup> February, 2022

**ACCOUNTS CIRCULAR NO. # 56**

**Sub: Standard Operating Procedure (SOP) for Accounting of Receivables**

- Ref: (i) CWC/FD-Rec/Debtors Mgmt./2019-20/14659 dated 20.12.2019 [Circular-Credit Policy, Debtors Management Policy & Debt Recovery Management Policy]**  
**(ii)Accounts Circular#26 (dated 31/07/2019) and Accounts Circular #45 (dated 01.06.2021) related to accounting of receivables.**

In addition to the above referred policy and accounting circulars and further to bring uniformity in accounting of receivables, the following SOP is to be followed:

- i. All Regional Managers shall ensure that no amount is deducted by any depositor without submitting **a claim to CWC**.
- ii. The claim submitted by depositor shall be examined by the Regional Managers and a decision on the claim, either **to accept the claim or reject the claim** should be taken within seven working days and communicated to the respective depositor.
- iii. Wherever a **claim has been accepted**, a **credit note should be issued** to the depositor and shall be accounted for in the Books of Accounts and the corresponding debtors should be reversed. Following entry shall be passed in books:

a.	<b>Where claim has been accepted and Credit Note is issued within 30<sup>th</sup> September of next FY/any other date notified by GST Department (Say service value Rs.100/-)</b>		
	<b>Group Code/Ledger Code</b>	<b>Debit</b>	<b>Credit</b>
	33000/35000/30500 Income	100	
	12100 Goods and Service Tax	18	
	29800 Sundry Debtors		118

**Note:** The RMs should ensure that credit note is issued by all means **before 30<sup>th</sup> September of next FY/ any other date notified by GST Department** to ensure that CWC gets due benefit of GST.

- iv. In case the credit note is not issued by prescribed date **against the claim** as mentioned above, the amount should be booked to compensation to depositor and responsibility for loss of GST shall also be fixed. Following entry shall be passed in books:

b.	<b>Where claim has been accepted and Credit Note not issued by 30<sup>th</sup> September of next FY/ any other date notified by GST Department</b>		
	<b>Group Code/Ledger Code</b>	<b>Debit</b>	<b>Credit</b>
	49113 Compensation to Depositors (incl. GST Loss)	118	
	29800 Sundry Debtors		118

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:011-40810544, ई-मेल/Email: puri.amit@cewacor.nic.in



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Azadi Ka  
Amrit Mahotsav

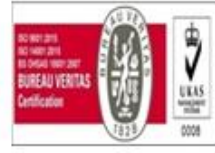


केन्द्रीय भण्डारण निगम  
(भारत सरकार का उपक्रम)

**CENTRAL WAREHOUSING CORPORATION**

(A Govt. of India Undertaking)

जन-जन के लिए भण्डारण/Warehousing for Everyone



- v. Regional Managers should investigate for reasons for the claims and fix up responsibility on concerned officials.
- vi. The Regional Managers should submit details of all such credit note issued to the functional director for approval in consultation with Director (Finance) on monthly basis.
- vii. In cases, where the claims have not been accepted by the Regional Managers or no claim has been submitted by the depositor with sufficient details, they should ensure that no deductions for such claims is made by the depositors.
- viii. If the amount is deducted by the depositors after rejection of such claim or without submission of the claims with sufficient details, the Warehouse Manager and Regional Manager should ensure that the actions for exercising lien on the stocks and realization of the amount should be taken as per the debt management policy.
- ix. Where a claim has been made by the depositor and not accepted by the Corporation and still amount is deducted by the Depositor, the same should be accounted for as a contingent liability.

Effective date of above circular for purpose of accounting is 01.04.2021.

This is for information of all concerned.

(Amit Puri)  
GM (Tax & A/cs)

**Distribution to:**

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

**Copy for information to:**

1. PS to MD/ PA to Director (Fin.), CWC, CO, New Delhi
2. GGM(F&A), CWC, Corporate Office, New Delhi
3. All DGMs/AGMs/Managers/ (Sr.) Asstt. Managers /Accountants in Finance, Accounts & Internal Audit Cadre at CWC, Corporate Office, New Delhi
4. PPS to GGM (systems), CWC, CO, New Delhi with the request to place this Circular on CWC's website under GST circulars.
5. Manager (Rajbhasha), CWC, CO, New Delhi with a request to arrange Hindi Version of this circular.

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.

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CENTRAL WAREHOUSING CORPORATION

(GOVT. OF INDIA UNDERTAKING)



By Speed Post / Email

No. CWC/FD-Compilation/An. Closing/18-19

31<sup>st</sup> July, 2019

Accounts Circular # 26

**Subject: Accounting of Debtors Written Off towards compensation to depositors on account of Storage Losses / Transit Losses / Damages**

- 1) In the year 2018-19, Regional Offices have written off the storage losses / transit losses / damages for which the Corporation is responsible as bad debt. Such losses are not to be accounted for as Bad Debt as depositor is not responsible for the same and be accounted for as "Compensation to Depositors".
- 2) Compensation to depositors due to damage due to flood, fire, theft and infidelity of employees etc. is to be charged to Compensation to Depositors after reducing the amount recoverable /recovered from Insurance Company. Similarly, Compensation to depositors on account of deficiency in MF services / PCS services etc. is also to be accounted for as Compensation to Depositors.
- 3) It has been noticed that some Regions have booked above losses as Bad Debts whereas they should have been booked as Compensation to Depositors. You are requested to review all the write off cases which have been wrongly accounted for as Bad Debts written off against provision for Doubtful Debts – Account No.10751 (written off under DOP No. 21(A), 21(B) and 21(C)) for the year 2018-19, whether approved by RM or by competent authority at CO. Please send the details of such cases in Annex-I and Annex-II enclosed duly supported by the copy of the recommendation of the Committee and approval of the competent authority.
- 4) The correction entry in accounts for the year 2018-19 will be passed at Corporate Office. So, you are requested to send the details in the enclosed format today.
- 5) The amount should be correctly charged to Compensation to Depositors in future.

This issues with the approval of Director(Finance).

JS(M/S)  
AKS

Chakravarty  
1/8/19

21/7/19  
(R.R. Aggarwal)

General Manager(F&A)

Corporate Office: Warehousing Bhawan, 4/1, Siri Institutional Area, August  
Kranti Marg Hauz Khas, New Delhi-110016 Telefax No. 26518675

**Distribution to:**

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

**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. PS to Director(MCP) / SAM to Director (Fin), CWC, CO, New Delhi.
5. PPS to GGM (F&A), CWC, Corp. Office, New Delhi.
6. PS to GM (Systems), CWC, CO, New Delhi with a request to place this Circular on CWC's Website.



**CENTRAL WAREHOUSING CORPORATION**

(Details of amount written off towards compensation to Depositors on account of Storage losses / transit losses / damages / insurance losses etc.)

S.No.	Depositor	Details of Amount written off	Amount written off as Bad Debt (should tally with R-5)	Break Up of Amount Written Off				Approved by (RM / CO)
				Amount written off towards claims payable against Storage Charges, MF Charges and other dues including BFR cases which is due to the Corporation (Under DOP No. 21.0)	Compensation to depositors on account of storage losses / transit losses / damages (Under DOP No. 21(A))	Compensation to Depositors on account of losses due to flood, fire, theft etc. (Under DOP No. 21(B))	Compensation to Depositors on account of deficiency in MF Service / PCS Service (Under DOP No. 21(C))	
1	2	3	4 (5+6+7+8)	5	6	7	8	9
	<b>Total</b>		0	0	0	0	0	0
Accounts Incharge				Regional Manager				