GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

INDIAN RAILWAYS
CODE FOR THE ACCOUNTS DEPARTMENT

PART – I

(Second Reprint)

1997

(Embodying all Advance Correction Slips issued upto No. 52 date 10.12.2019)

S.No.	Particulars	Remarks
1.	PREFACE	
2.	INTRODUCTORY NOTES	
3.	*LIST OF APPENDICES*	
4.	LIST OF STANDARD ACCOUNTS DEPARTMENT FORMS	
5.	CONTENTS	
6.	CONCORDANCE	

P R E F A C E

1. The Railway Convention Committee 1971, in their first Report dealing with Accounting Matters, recommended that a Committee of Expert Railway Officers may be appointed to review the various provisions contained in the General Code, the Accounts Code and the Engineering Code and to modify them to suit present day needs. A Code Revision Cell was accordingly constituted in the middle of 1973 to take up this work.

2. The Indian Railway Accounts Code is the fifth book published by the Code Revision Cell, the first four books being, the Indian Railway Administration and Finance-An Introduction, the Indian Railway Financial Code-Vol. I and II and the Indian Railway code for the Engineering Department.

3. The provisional issue of the Indian Railway Code for the Accounts Department was brought out in 1940 and a re-print was issued in 1950. The revised edition of the Code was printed in 1959 and a re-print thereof was issued in 1970. Since the last revision of the Code in 1959, the organisation, methods, scope and fields of checks have undergone important changes as for instance setting up of a separate Finance Branch, simplification of State Railway Provident Fund and Traffic Accounts, introduction of Fuel Accounts, check of Pension benefits, mechanisation of Pay Rolls etc. The accounting classification has been revised and the demands for Grants have been restructured. Hence, it has become necessary not only to update but also to recast the code.

4. The subject matter dealt with in the Accounts Code may be broadly divided into three parts, viz. (a) Organisation; (b) the Railway Accounts Proper i.e. Book Keeping; (c) the Internal Check & Disbursement. The chapters have accordingly been re-arranged in the above order and the format of the new Code has been drawn out in consultation with the Railway Administrations so as to cover almost every field of activity of the Accounts Department. The Accounts Code is in two parts. Part I contains General Accounts and Part II deals with Traffic Accounts.

5. As stated in the Preface to the Financial Code, Chapter VIII relating to "Communications from Audit and action thereon" in the existing Code has been deleted from the new Code and incorporated as Chapter IX in the Financial Code. Additional chapters on 'Check of Pension Payments' (Chapter X), 'Finance Function' (Chapter XV), and 'Miscellaneous Expenditure' (Chapter XVI) have been introduced. Some of the voluminous Forms and Accounts have been taken out and incorporated as Appendices for the purpose of continuity of the text in the chapters.

6. This Code supersedes all existing rules and orders issued by the Railway Board on the subject dealt with it. Unless the contrary intention is expressed or implied in the wording of the existing rules, the provisions of this Code are mandatory and binding on all Indian Railways. For deviation from the mandatory rules, the sanction of the Railway Ministry should be obtained. In accordance with the Government of India's Policy, this Code is being issued as a diglot edition.

7. Any errors or omissions which may be found in this edition may please be brought to the notice of the undersigned. Equally welcome are comments and suggestions.

New Delhi.
23 rd November, 1983.

(A. JOHARI)
Secretary, Railway Board

P R E F A C E
(First Reprint)

This edition is a reprint of Indian Railway Code for the Accounts Department, 1984 edition incorporating additions and alterations introduced through Correction Slips issued upto Numbers 22-A1 dated 10th January 1989.

New Delhi
11th July, 1990

(MASIHUZZAMAN)
Secretary/Railway Board

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P R E F A C E
(Second Reprint)

This edition is second reprint of 1984 edition of Indian Railway Code for the Accounts Department, incorporating all additions and alterations introduced through Advanced Correction Slips issued up to Numbers 15- AI dated 09th June 1997.

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INTRODUCTORY NOTES

1. **Index letters for Codes:-** The following Index letters are used for distinguishing the several Indian Railway Codes from each other :-

A.	Accounts Department
E	Engineering Department
F	Financial Code
G	Administration & Finance- An Introduction

R	Establishment Code
T	Traffic Department (Commercial)
W	Mechanical Department (Workshops)

2. **Paragraph Numbers:-**For convenience of indexing and of reference, the paragraphs have been numbered according to a ¾-figure "Code", in which the last two figures give the number of the paragraph and the remaining figures the number of the Chapter. Thus paragraph 101 of any code is paragraph 1 of Chapter I of the code and paragraph 1421, paragraph 21 of Chapter XIV.

3. **Reference to paragraphs :-** Reference to the paragraphs of a code is made by putting the paragraph number, suffixed by the index letter of the code concerned. Thus 1335 A1 means paragraphs 35 of Chapter XIII of the Indian Railway Code for the accounts Department Volume 1, and 5 Appendix VIII-A1 means paragraph 5 of Appendix VIII of the Indian Railway Code for the Account Department Volume 1. Volume I contains 19 Chapters and Volume II contain 15 Chapters from Chapter XX to XXXIV. Accordingly paragraph 2105-A means paragraph 5 of Chapter XXI of the Accounts Code Volume II.

4. **Reference to "Forms":-** The "forms" referred to in any of the Indian Railway codes (except the Establishment Code) take the number of paragraph of the code in which they are described, the index letter of the code in question being prefixed to the number of the paragraph in which the form is illustrated. Thus W-703 is the form that is described and illustrated in paragraph3 of Chapter VII of the Indian Railway Code for the Mechanical Department (Workshops).

5. **Correction slips: -** The correction slips will be printed on one side and issued in separate series for each code so that these may be cut and pasted against the relevant rules.

6. **Index to Correction Slips: -** To facilitate reference to correction slips that have been issued to the codes, an up-to-date index of correction slips is published from time to time showing for each Code the paragraph or rule numbers affected by correction slips and the numbers of such correction slips. This index may be pasted inside the cover of each Code.

LIST OF APPENDICES

Appendix	Particulars
1	**DUTIES AND POWERS OF THE COMPTROLLER AND AUDITOR GENERAL WITH REGARD TO AUDIT OF ACCOUNTS**
II.	General List of important Items of Work required to be done by an Accounts Officer on his posting as in-charge of a Branch/Section of an Accounts Office.
III	Exhibition of Losses in Government Accounts
IV	List of Major and Minor Heads of Accounts
V	Rules regulating the Exhibition of Recoveries of Expenditure in government Accounts
VI	Rules relating to Inter-Department Transfers
VII	Treasury Rules of the Central Government applicable to the Railway Department

VIII Inspection of Registers maintained in the Accounts Office by a Gazetted Officer.

IX Period for which Records in Accounts Officers are to be retained

X Guarantee Bond

XI Revenue Account Current

XII Capital Account Current

XIII Final Revenue Account Current

XIV Final Capital Account Current

XV Approximate Account Current

****

LIST OF STANDARD ACCOUNTS DEPARTMENT FORMS

No. of Form	Title	Page
1	2	3
A.125	Half-Yearly Arrears Report	5
A.126	Register of Valuable and Secret Documents	6
A.304	Daily abstract of Cash Transaction or the General Cash book	16
A.306	Monthly Classified Abstract of Cash Transactions or General Cash Abstract Book	17
A.307	Journal	18
A.308	Journal Slip	19
A.310	Ledger	19
A.312	Revenue Allocation Register	20
A.313	Register of Earnings	20
A.315	Demands Payable Register	21
A.316	Unpaid Wages register	21
A.320	Suspense Register	24
Appendix XI	Revenue Account Current	25
A.327	Schedule (To accompany Account Current)	26

No. of Form	Title	Page
1	2	3
A.328	Statement showing details of Debits/Credits under Transfer Railways	26
Appendix XII	Capital Account Current	27
A.331	Schedule of Expenditure against the Major Head 5002/5003 Capital Outlay on Indian Railways-Commercial/Strategic	27
Appendix XIII	Final Revenue Account Current	35
Appendix XIV	Final Capital Account Current	35
A.339	Sub-Register of Accounts Current	35
A.340	Sub-Register of Schedules	36
Appendix XV	Approximate Account Current	36
A.344	Details of Approximate Gross Receipts and Revenue Expenditure	37
A.345	Statement of Approximate Railway Receipts and Disbursements	38
A.346	Statement showing the credits in the Net expenditure shown in the Approximate Account current	39
A.406	Transfer Certificate	42
A.413	Register of Transfers	45
A.416	Annual List of Transfers	48
A.418	Advice of Clearance	49
A.420	Memo of Clearance	50
A.422	Schedule of Remittance Transactions	51
A.429	Register of Advices issued to the Bank	53
A.430	Register of Advices received from other Accounts Officers	54

No. of Form	Title	Page
1	2	3
A.460	Advice of Transactions with Pay and Accounts Officers	60
A.461	Inward Claims Register	61
A.466	Outward Claims Register	63
A.467	Schedule of Debits/Credits adjustable	65
A.522	Schedule of Transactions adjustable with Bangladesh Railways	70
A.620	Half Yearly review of Suspense Balances	76
A.703	Capital and Revenue Accounts-Statement No. I	79
A.704	Capital and Revenue Accounts-Statement No. I I	80
A.705	Capital and Revenue Accounts-Statement No. III	80
A.706	Capital and Revenue Accounts-Statement No. IV	81
A.707	Capital and Revenue Accounts-Statement No. V	82
A.708	Capital and Revenue Accounts-Statement No. VI	85
A.709	Capital and Revenue Accounts-Statement No. VII	86
A.710	Capital and Revenue Accounts-Statement No. VIII	86
A.711	Capital and Revenue Accounts-Statement No. IX	87
A.712	Capital and Revenue Accounts-Statement No. X	88
A.713	Capital and Revenue Accounts-Statement No. XI	89
A.714	Capital and Revenue Accounts-Statement No. XII	92
A.715	Capital and Revenue Accounts-Statement No. XIII	92
A.716	Capital and Revenue Accounts-Statement No. XIV	93
A.717	Capital and Revenue Accounts-Statement No. XV	93
A.718	Capital and Revenue Accounts-Statement No. XVI	94
A.719	Capital and Revenue Accounts-Statement No. XVII	94
A.720	Capital and Revenue Accounts-Statement No. XVIII	97

No. of Form	Title	Page
1	2	3
A.721	Capital and Revenue Accounts-Statement No. XIX	98
A.722	Capital and Revenue Accounts-Statement No. XX	99
A.723	Capital and Revenue Accounts-Statement No. XXI	100
A.724	Capital and Revenue Accounts-Statement No. XXII	100
A.725	Capital and Revenue Accounts-Statement No. XXIII	101
A.727	Certificates	101
A.729	Finance Accounts-Abstract Accounts	102
A.731	Finance Accounts-Schedule A	103
A.732	Finance Accounts—Schedule B	104
A.733	Finance Accounts---Accounts of closed surveys	105
A.734	Finance Accounts---Schedule C	106
A.735	Finance Accounts—Schedule D	110
A.736	Finance Accounts—Schedule E	110
A.737	Finance Accounts—Schedule F	111
A.738	Finance Accounts—Schedule G	112
A.739	Finance Accounts—Schedule H	113
A.740	Finance Accounts—Schedule J	113
A.741	Finance Accounts—Schedule K	114
A.743	Finance Accounts-Appendix A	115
A.746	Finance Accounts—Appendix B	116
A.749	Analysis of Balances under Debit Heads	117
A.847	Register of Recoveries Foregone	129
A.850	Disallowances List	130

No. of Form	Title	Page
1	2	3
A.851	Objection Statement	130
A.854	Objection book	131
A.855	Savings Register	131
A.861	Register of Serious Irregularities	133
A.863	Half Yearly Objectionable Items Statement	132
A.908	Provident Fund Journal	137
A.909	Provident Fund Ledger Accouknt	137
A.910	Provident Fund Index Registers	138
A.912	Provident Fund Check Sheet	139
A.913	Register of Debits and Credits to S.R.P.F	140
A.914	Register of Unposted Items	140
A.915	Register of Unposted Ledger Accounts	141
A.922	Proof Sheet for Reconciliation	144
A.923	Statement of S.R.P.F.. Account	144
A.924	Advice of Transfer of State Railway Provident Fund	145
A.925	S.R.P.F. List of Closed Accounts	146
A.1022	Register of Application for Pensions	153
A.1024	Report of Pension	154
A.1032	Pension Payment Authority	157
A.1035	Check Register of Pension	158
A.1042	Family Pension Authority	160

No. of Form	Title	Page
1	2	3
A.1065	Authority for payment of Commuted Value of Pension	164
A.1104	Register of Bills received for Internal Check	210
A.1106	Accounts Enfacement on Passed Bills	211
A.1107	Abstract of Bills Passed for Payment	212
A.1110	Statement of Unchecked Bills	213
A.1111	Requisition for cheques	214
A.1125	Indemnity Bond	216
A.1137	Daily Cash Outgo	219
A.1138	Bill Form	219
A.1139	Register of Bills recoverable	220
A.1220	Register of Gratuity/Special Contribution to P.F.	225
A.1221	Register of Railway Servants of Foreign Service or lent to another Department	225
A.1222	Broad Sheet of Recoveries of Contributions	226
Annexure I	Pay Bills	231
Annexure II	Memorandum of Differences	232
Annexure III	Statement of Increments	233
Annexure IV	Absentee Statement	233
Annexure V	Last Pay Certificate	234
A.1305	Salary Register of Gazetted Railway Servant’s Pay and Allowances	235
A.1306	Alternative Form of Salary Register of Gazetted Railway Servant’s Pay and Allowances	237
A.1311	Pay Slip	241

No. of Form	Title	Page
1	2	3
A.1319	Cadre Register	243
A.1406	Register of Deductions from Salaries and Allowances	247
A.1407	Scale Check Register	247
A1412	Register of Bills Passed for Payment	248
A.1414	Scale Check Register of Engineering Gangs and Skilled Staff	249
A.1418	Register of Bills for Educations Assistance	250
A1605	Miscellaneous Receipts Transmit Note	256
A.1621	Rent Rolls	260
A.1623	Rent Variation Memo	261
A.1631	Register of Railway Buildings	263
A.1817	Register of paper Securities	270
A.1917	Cashier’s Cash Book (Receipts)	275
A.1927	Register of Cash Bags received	276
A.1942	Memorandum of Short Remittances and Remittances of Uncurrent Coins and Oiled and Spurious Notes returned to Stations	278
A.1943	Traffic Cash Check Sheet	279
A.1944	Treasury Remittance Note	280
A.1946	Chief Cashier’s Cash Book (Payments)	281
A.1948	Cashier’s Ledger Account	281
A.1949	Register of Cheques received and delivered to Cashiers	282
A.1950	Register of Cheques to be drawn by the Accounts Department	282
A.1951	Register showing Details of Bills made over to Cashiers	282
A.1952	Advice Notes of Bills and Cheques despatched	283
A.1954	CASHIER’S CASH BOOK (PAYMENTS)	283

No. of Form	Title	Page
1	2	3
A.1957	Advice Slip of Bills returned	284
A.1959	Unpaid wages List	285
A.1963	Accounts Officer's Acquittance Certificate on Cashier's Cash book	286
A.1972 & 1978	Payees Letter of Authority	288 &290
A.1975	Extract of Bills	289
A.1982	Remittance Note	292
A.1995	Charge Report of Cashiers	295

****

CONTENTS

CHAPTER NO.	SUBJECT
I	DEPARTMENTAL REGULATIONS
II	STRUCTURE OF RAILWAY ACCOUNTS
III	COMPILATION OF RAILWAY ACCOUNTS
IV	REMITTANCE TRANSACTIONS—INDIA
V	REMITTANCE TRANSACTIONS—OUTSIDE INDIA
VI	SUSPENSE ACCOUNTS
VII	ANNUAL ACCOUNTS AND RETURNS
VIII	INTERNAL CHECK
IX	PROVIDENT FUND ACCOUNTS
X	INTERNAL CHECK OF PENSION PAYMENTS
XI	BILLS
XII	CHECK OF ESTABLISHMENT CHARGES—GENERAL
XIII	CHECK OF PAY ROLLS-OFFICERS
XIV	CHECK OF PAY ROLLS—STAFF
XV	FINANCE FUNCTIONS
XVI	MISCELLANEOUS EXPENDITURE
XVII	INSPECTION OF EXECUTIVE OFFICES

XVIII	**SECURITY DEPOSITS**
XIX	**CASH AND PAY DEPARTMENT**

****

CONTENTS

CHAPTER I

DEPARTMENTAL REGULATIONS

Organisation.—Functions of the Accounts Department, 101. Gazetted Officers of the Accounts Department, 102. Chief Cashier, 103. Divisional and Workshop Organisation, 104. Non-Gazetted Establishment, 105. Accounts Officers and Executive, 107. Difference of Opinion between the Accounts and Executive, 108. Financial Adviser and Chief Accounts Officer and Director (Accounts) Railway Board, 112. Statutory Audit. 113. Object of Statutory Audit, 116.

Office Procedure.—Main Divisions of Work. 117. Office Manuals. 118. Calendar of Returns, 119. Inspection of Registers of the Accounts Office, 120. Restruction of Records, 121. Supply of Books of Reference, 122. Monthly Progress Report, 124. Half Yearly Arrear Report, 125. Register of Valuable and Secret Documents, 126. Transfer of Charges. 127. Handing over Notes, 128. Important Items of Work, 129. Periodical Demi-Official Letters to Financial Commissioner, 130

CHAPTER I

DEPARTMENTAL REGULATIONS

A. ORGANISATION

101 Functions of the Accounts Department. - The Accounts Department of a Railway Administration is mainly responsible for :-

(a) Keeping the accounts of the railway in accordance with the prescribed rules:

(b) The check with reference to rules or orders (Known as "Internal Check") of transactions affecting the receipts and expenditure of railway ;

(c) Prompt settlement of proper claims against the railway ;

(d) Tendering, as part of its important functions, advice to the administration whenever required or necessary in all matters involving railway finance;

(e) Compilation of budgets in consultation with other departments and monitoring the budgetary control procedures as may be laid down in the relevant orders and Code rules from time to time ;

(f) Generally discharging other management accounting functions such as providing financial data for management reporting, assisting inventory management, participation in purchase/contracting decisions and surveys for major schemes in accordance with the relevant rules and orders; and

(g) Seeing that there are no financial irregularities in the transactions of the railway.

102. **Gazetted Officers of the Accounts Department :-** The head of the Accounts Department of a Railway Administration is known as the Financial Adviser & Chief Accounts Officer. Below him are the Additional Financial Adviser and Chief Accounts Officer, the Deputy Chief Account Officers, Senior Accounts Officers, Junior Accounts Officers, and Assistant Accounts Officers, located in the Headquarters Office or attached to the Divisions, Workshops, Stores Depots and Construction Projects of the railway. The size of the organisation may very depending on the nature and volume of work in the Accounts Department of each Railway Administration. For the sake of brevity, all Accounts Officers of a railway, including the head of the Accounts Department, are referred to hereafter as "Accounts Officer(s)". Where, however, it is necessary to refer particularly to the head of the Accounts Department of a railway the term "Financial Adviser and Chief Accounts Officer" has been used. The term "Accounts" has, in some places, been used to denote the Accounts Department.

103. For the management of cash receipts and disbursements, the Financial Adviser and Chief Accounts Officer is assisted by the Chief Cashier, and the Assistant Chief Cashier commonly referred to as "Cashier".

104. The Divisional/Senior Divisional Accounts Officer in a Division, the Workshop Accounts Officer in a Workshop and the Stores Accounts Officer attached to the Stores Depot will function as Financial Advisers to their respective Executive Officers under the overall guidance of the Financial Adviser and Chief Accounts Officer.

105. **Non-Gazetted Establishment of the Accounts Department :-** The subordinate accounts establishment of a railway consists of both indoor and outdoor staff. The indoor or office staff is divided into two main classes viz, Section Officers (Accounts)/Sub Heads and Clerks. Section

Officers (Accounts) are employed as Superintendents in various branches of the Accounts Offices. Some minor charges of sections and sub-sections are supervised by Sub-Heads. The clerks are generally divided into two classes, a lower class (grade II) and a higher class (grade I) the latter being employed on more important work. The outdoor staff comprises Inspectors of Station Accounts, Inspectors of Stores Accounts and Stock-verifiers. There are, in addition, Finger Print Inspectors who examine the finger prints on paid pay bills for comparison with those on Service Registers.

106. For cash receipts and disbursements, the subordinate staff dealing with the work are the Divisional Cashiers, the Assistant Cashiers, Senior Cashiers, Junior Cashiers, Shroffs and clerical establishments. In addition, there are Inspectors of Cashiers whose job it is to inspect the accounts of the Cashiers.

107. **Accounts Officers and the Executive -** The head of a railway administration, referred to hereafter as the General Manager, and the various executive officers subordinate to him, are responsible for the construction, maintenance and operation of the railway. In the proper and the legitimate discharge of their responsibilities the executive officers are authorized to incur expenditure within the limits of their financial powers. All claims against the railway arising out of such authorization of expenditure are checked (in accordance with the prescribed rules) on behalf of the Railway Administration by the Accounts Officer who arranges to settle the claims which are found to be in order. In so functioning and in giving financial advice to the executive, the Accounts Officer acts solely in the interest of the executive officers with whom he jointly participates in the process of railway management. Similarly the executive officers on their part should give due consideration to the financial advice tendered by the Accounts Officer.

108. In cases where an Accounts Officer is unable to accept as proper any orders of an executive authority or any claims arising therefrom, he should bring to the notice of such executive authority the nature of the impropriety or irregularity and suggest the proper and regular course of action under the extant rules and orders. In the event of a disagreement between the Accounts Officer and the executive, the following procedure should be followed:-

(a) If the disagreement is between an executive officer other than the General Manager and an Accounts Officer other than the financial Adviser and chief Accounts Officers, the Accounts Officer should furnish a short note of his objection to the executive officer and ask him to obtain the decision of the General Manager. He should at the same time furnish a copy of his note to the Financial Adviser and Chief Accounts Officer.

(b) If the matter is settled to the satisfaction of the Financial Adviser and Chief Accounts Officer, he will issue, the necessary orders to the subordinate Accounts Officer. If. However, the General Manager and the Financial Adviser and Chief Accounts Officer are unable to come to an agreement, the former should consider himself under an obligation to make a reference to the Railway Board when so requested by the Financial Adviser and Chief Accounts Officer. While doing so the General Manager should incorporate fairly and fully the comments and views of the Financial Adviser and Chief Accounts Officer. The orders of the Railway Board on such a reference when received by the General Manager shall be furnished by him to the Financial Adviser and Chief Accounts Officer (vide paragraph 804).

(c) The above procedure will apply *mutatis mutandis* in cases where the Financial Adviser and Chief Accounts Officer himself (without intervention of his subordinate officers) considers any order of an executive officer or any claims arising there from irregular or improper in internal check.

109 In matters of interpretation of rules and of obtaining sanction of the Railway Board or higher authorities, the duty of the Accounts Officer is to address the executive officer concerned and request him to obtain the orders of the Railway Board. In such cases, the opinion of the Accounts officer should be furnished to the executive Officer in the form of a short note. Which should be

included verbatim in the report made by the General Manager to the Railway Board for orders. When the matter is really very urgent, as for instance, when delay in the issue of orders by the Railway Board may involve a serious financial loss to the Railway or dislocation of business or when a financial irregularity or defect in the working of a department of the railway has to be promptly brought to the notice of the Railway Board, the Financial Adviser and Chief Accounts Officer may, after addressing the General Manager, send a copy of his note to the Railway Board for information with an explanation of the urgency of the case and a request for the issue of early orders. In all such cases, the Financial Adviser and Chief Accounts Officer should await the orders of the Railway Board.

110. In making proposals for economy or improvement affecting other departments of the railway, the Account Officers should always consult the Executive Officers of the Department, and such proposals should, as rule, be sent to the competent executive authority through the departmental officers. But the Financial Adviser and Chief Accounts Officer is empowered, if he thinks it necessary, to make such references direct to the head of the railway.

111. In addition to the returns and accounts required to be furnished to the Departments by the Accounts Officer, in accordance with the rules in the Railway Codes and other orders of the Railway Board, the Accounts Officer should furnish the Executive Officers of the Railway with such other accounts and returns as may be called for by them. Any statistical or other information required by the executive officers which can be obtained from the records of the account office should also be promptly supplied.

112. **Financial Advisers and Chief Accounts Officers and Director Accounts, Railway Board: -** The Railway Board is responsible for the proper maintenance of the accounts of all the Indian Railways and for compilation of the whole of the accounts relating to receipts and expenditure under the various railway and non-railway heads of accounts prescribed in Appendix IV to this Code. The Director Accounts is the professional agent of the Railway Board in Accounts matters. In this capacity, he organizes trains and controls, from the professional point of view, the Railway Accounts Establishment as a whole, and is responsible to its professional efficiency as also for the correctness of accounts and accounts procedure. In the discharge of these responsibilities he will issue instructions to the Financial Advisers and Chief Accounts Officers relating to the preparation and submission of the accounts and the returns required by the Railway Board and on all other accounting matters including those which might have an administrative aspect and besides carry out inspections of their offices. These instructions will be communicated to the General Managers and it is the duty of the Financial Advisers & Chief Accounts officers to give effect to them. The Director Accounts is, however, at liberty to correspond freely with the Financial Advisers & Chief Accounts Officers and the latter with him in all accounts matters, including those which might have an administrative aspect. The Financial Adviser & Chief Accounts Officer must, however, keep the General Managers in touch with such correspondence if it is of importance to the administration of the railway. The Financial Advisers and Chief Accounts Officers will exercise such powers as may be delegated to them by their respective General Managers.

113. **Statutory Audit. -** The comptroller and Auditor General of India is the final audit authority in India. His functions and powers are derived in the main from articles 149 to 151 the Constitution of India. The Comptroller and Auditor General is responsible for the audit of the accounts of the Indian Railways but has no responsibility for the compilation of these accounts. The form in which the accounts of the Indian Railways should be kept and changes in accounts classification affecting the recording of expenditure in the Finance and Revenue accounts of the Government of India are, however, subject to his approval. He may also require such compiled accounts to be submitted to him as are required to enable him to carry out his statutory obligations.

Note - This subject has been dealt with in greater detail in Chapter IX of the Indian Railway Financial

code to which reference may be made. The duties and powers of the Comptroller & Auditor General with regard to audit of accounts are given in Appendix I.

114. In all matters relating to the audit of Railway Accounts, the Comptroller and Auditor General of India is assisted by the Additional Deputy Comptroller & Auditor General (Railways). Subordinate to him are the Chief Auditors who are responsible for conducting audit of the accounts of the Indian Railways. These Officers have been referred to in the rest of this Code as "Audit Officers" or "Audit". Where, however, it is necessary to refer to the head of the Statutory Audit Office, the term "Chief Auditor" has been used.

115. The responsibility of the Chief Auditors for the audit of the accounts is briefly as follows:

(a) it extends, in respect of expenditure transactions, to all expenditure incurred in India;

(b) in respect of receipt, it includes receipts of Indian Railways, whether under construction or open to traffic including receipt relating to accounts of manufacture and ;

(c) it includes stores and stock accounts to the extent prescribed by the Comptroller and Auditor General of India.

116. **Object of Statutory Audit. -** The Statutory Audit by the Comptroller and Auditor General of India has a three-fold purpose. Firstly, it is an accountancy audit, i. e. to check the accuracy of arithmetical calculations and to see that all payments are supported by receipted vouchers. In this respect it is some what akin to the audit by company auditors whose objectives are detection of fraud, detection of technical errors and the detection of errors in principle. It assesses the adequacy of the accounting system and the system of internal check in the organisation. Secondly, statutory audit is an appropriation audit, i. e. to check the classification of expenditure to ensure that expenditure and receipts have been charged to the proper heads of account and further that the voted appropriations under these heads have not been exceeded. Appropriation audit is applied as a measure of parliamentary control. Consequently it has to be full and complete. Thirdly, statutory audit is also an administrative audit i. e. audit of sanctions to check that expenditure has been incurred according to prescribed rules and regulations or where not so covered it has been sanctioned by a competent authority. These objects are generally secured by a percentage check to be applied to the vouchers and connected accounts records of the Accounts Office and by inspection, on the spot, of initial records and documents in the offices in which the transaction originate. Accounts Officers should afford all facilities to Audit Officers in the discharge of their audit duties.

B. OFFICE PROCEDURE

117. **Main Divisions of Work: -** The work in a railway accounts office generally falls under the following main divisions :-

(1) Administration.

(2) Booking and compilation.

(3) Budget.

(4) Cash and Pay.

(5) Compensation Claims.

(6) Engineering Accounts including construction Accounts & Surveys.

(7) Establishment Accounts.

(8) Finance and planning.

(9) Fuel Accounts.

(10) Inspection (Executive and Accounts Offices).

(11) Other Expenditure Accounts including Departmental Catering Accounts.

(12) Provident Fund and Pension.

(13) Stores Accounts and Inventory Control.

(14) Traffic Accounts.

(15) Traffic Costing.

(16) Workshop Accounts.

In addition to the above, the Statistical Branch and the Electronic Data Processing Centre are under the professional control of the Financial Adviser and Chief Accounts Officer. The actual division into branches and sections and the distribution of work among the Accounts Branch Officers is left to the discretion of the Financial Adviser and Chief Accounts Officer in the absence of orders to the contrary as regards any particular charge. The details of work relating to items 1, 2, 4, 5, 7, 10 to 12 and 14 have been dealt with generally in this Code, while rules relating to other items of work have been laid down in the relevant departmental codes and/or Manuals.

118. **Office manuals. -** Detailed working instructions in conformity with and subsidiary to the rules contained in this and other Indian Railway codes should be laid down in the office manuals of each Accounts Office, issued under the authority of the Financial Adviser & Chief Accounts Officer and these should be kept up-to-date. The office manuals should also contain:-

(a) detailed rules of procedure for the conduct of business in the Accounts Office;
(b) orders defining the duties and responsibilities of the supervising staff; and
(c) instructions for the periodical inspections of the registers maintained in each section for the test check of some portion of the work done by each clerk once a month (see para 803), for the submission of progress reports about the state of work in each section and for periodical reviews of all correspondence awaiting disposal.

119. Calendar of Returns. - Each Section of an accounts office should maintain a Calendar of Returns showing the due and actual dates of (i) despatch of reports and returns due from the section, and (ii) submission to Accounts Officers of all accounts, objection statements, registers etc. The calendar so maintained should be submitted periodically on a prescribed day, to the Accounts Officer in charge for review. The result of the review should be placed on record either in the periodical progress reports or elsewhere.

120. Inspection of Registers of the Accounts Office. - The intervals at which registers of the Accounts Office are required to be inspected by the Accounts Officer in charge of the section concerned are laid down in appendix VIII. Registers, the entries in which are required to be checked and initialed by Accounts Officers at the time they are made, need not be subjected to a separate periodical inspection, but the detailed procedure prescribed in the office manuals (c. f. para 118) for the posting and checking of such registers should ensure continuous review thereof by the officer in charge.

121. Destruction of Records. - The destruction of records in an Accounts Office will be carried out under the orders of the Financial Adviser and Chief Accounts Officer. Subject to any

orders issued by the Railway Board in a particular case, the various records connected with the accounts should be preserved for a minimum period prescribed in Appendix IX.

122. Supply of books of Reference.- Every Accounts Officer, including Probationary Officers, should be supplied with copies of all the Indian Railway Codes in force and other general books of reference such as the constitution of India, Introduction to Government Accounts and Audit, General Financial Rules and important Central Statutes such as the Indian Railways Act and such other labour statutes as have not been incorporated in the Establishment manual issued by the Railway Board. Every Section Officer (Accounts) and Inspector should be supplied with a copy each of the Indian Railway Codes in force. Similarly, copies of the office Manuals (c. f. Para 118) should also be supplied to Accounts Officers and Section Officers (Accounts). Books so supplied will be treated as personal copies and may be carried away by the officer, Section Officer (Accounts) or Inspector, on his transfer from one office to another. They will be personally responsible for the books and for keeping them corrected up-to-date.

123. Permanent Sub-heads and clerks who desire the concession, may be supplied with priced Government publications together with sets of correction slips there to, at 50 per cent of the cost price, **25 per cent being met out of the contingent grant of the office** and the **remaining 25 per cent being** covered by the discount allowed by the publishing departments.

124. Monthly Progress Reports:- The position of work in each branch of the Accounts Office should be reported by the Accounts Officer in charge of the branch in a Monthly Report to the Financial Adviser and Chief Accounts Officer by a date to be prescribed by him. In this report, all items of arrears reflected in the half Yearly Arrears Report (see para 125) and other items of interest should be exhibited indicating the action taken for the clearance of the arrears. The Monthly Report should particularly highlight the items of work which are not progressing according to plan or schedule.

125. Half-Yearly Arrears Report. - The statements showing arrears of work on the 30 th June and 31 st December in each Railway Accounts Office should be prepared in Form A. 125 and sent to the Railway Board by the 1st August, and 1st February respectively. The report should be seen by the General Manager before it is sent to the Railway Board.

Form A-125

STATEMENT SHOWING ARREARS IN THE RAILWAY ACCOUNTS DEPARTMENT ON THE 30 Th JUNE/31St DECEMBER, 20…….

S.No.	Branch and division of the Deptt.	Nature of work In arrears	Period for Which in arrears	Cause of arrears	Steps taken for clearance & When likely to be cleared	**Remarks**
	2	3	4	5	6	7

It is verified that except for items of work mentioned in this report the work in the Accounts Office is current.

……

Financial Adviser and Chief Accounts Officer.

126. Register of valuable and secret Documents, - A manuscript register should be maintained in each Accounts Office detailing all keys and valuable and secret documents in the personal charge of the Accounts Officer. At the time of transfer, the relieved Accounts Officer should hand over to his successor all the articles detailed in the register and report to his immediate superior that he has done so. This report should be countersigned by the relieving officer, who should also sign the list in the register in token of his having received all the articles specified therein.

127. Transfer of Charges - Handling over Notes:- when an Accounts Officer is relieved either permanently or temporally of the charge of office, he should prepare Handling over Notes for the information and guidance of his successor. Through these Notes, he should bring to the notice of his successor any points of importance in connection with the working of the office and of any cases or items of work which are pending and likely to call for his special attention or scrutiny. The relieved officer is expected to place the results of his special knowledge and experience of the office at the disposal of his successor, in order that the latter may not be placed at a disadvantage due to ignorance of the state of the office or of such matters as require his special and personal supervision, and that as far as possible any breach of continuity in procedure or practice may be avoided in regard to cases and matters actually under settlement.

128. The Handling over Notes should be given to the relieving officer, who should submit a copy there of, with the advice of his having assumed charge, to his immediate superior. It will be the duty of the relieving officer to make a preliminary examination of the state of affairs as mentioned in these Notes at the time of relief, and within a space of three month to make a report to his immediate superior of the action taken by him thereon. Any omission or incorrectness noticed in the Handling over Notes should also be reported by the relieving officer to his immediate superior within three months.

129. A general list of important items of work which Officers of the Accounts department are required to do on being posted to a working post or a new charge is laid down in Appendix II. All the branch Officers including Assistant Accounts Officers Class-II should carefully study the list of items of work which require their personal attention.

130. Monthly Demi-Official letter to Financial Commissioner. – Financial Advisers and Chief Accounts Officers should send Monthly Demi-Official Reports to Financial Commissioner, Railways by 15th of the following month. These Reports should dwell on budgetary aspects and also cover other items of importance viz. leakage of revenue, steps taken to improve earnings, economy in expenditure, inventory control, progress of works, improvement in internal check and inspection etc. The format of this report shall be as stipulated by Railway Board from time to time. The Financial Advisers and Chief Accounts Officers may also include in these D. O. letters any other matters of special importance which they consider should be brought to the notice of the Financial Commissioner. The demi-official report should be shown to the General Manager after issue.

(Authority: Board's letter no. 2000/ACII/30/9 dated 19.07.02)

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CHAPTER II

STRUCTURE OF RAILWAY ACCOUNTS

Commercial and Government Accounts, 201. Capital and Revenue Accounts, 202. Government Accounts, 205. Classification in Government Accounts, 208. Extra Railway Transactions, 209. Division by Heads of Accounts, 210. Commercial and Strategic Transactions, 211. Exhibition of Recoveries of Expenditure in Government Accounts, 213. Exhibition of Inter-Railway Payments in Government Accounts, 214. Inter-Departmental Adjustments, 215. Purpose of Detailed Classification in Administrative Accounts, 216, Responsibility for Allocation, 217. Allocation of Expenditure, 218. Accounts Heads, 219. Account Heads Linking Government and Commercial Accounts-Demands Payable, 220. Labour, 221. Traffic Account, 222.

Certain other Accounts **Heads.**—Misc. Advances, 223 Other Railways, 224 Deposits, 225. State Railway Provident Funds. 226. Staff Benefit Fund, 227. General Provident fund and other Provident Fund, 228. Cash. 229, Capital Outlay, 230. Net Revenue, 231. Miscellaneous Government Account, 232.

Reserve Funds—Depreciation Reserve Fund, 233. Railway Revenue Reserve Fund, 234. Railway Development Fund. 235. Railway Pension F'und. 236. Accident Compensation, Safety and Passenger Amenities Fund, 237.

CHAPTER II

STRUCTURE OF RAILWAY ACCOUNTS

201. Commercial and Government Accounts:- The financial transactions of a commercial concern should be recorded in such a way as to show how its capital has been utilised, how it stands in relation to its debtors and creditors, whether it is gaining or losing, what the sources of its gains or losses are, and whether it is solvent or insolvent. The main requirement of government accounting, on other hand, is that a systematic record of all receipts and expenditure classified under certain appropriate headings, should be available. The Government owned railways in India are a departmental Commercial Enterprise. Railway accounts should, therefore, not only secure the essential requirements of commercial accounting but also conform to the practices of government accounting. This objective is achieved by keeping the accounts of the railways on a commercial basis outside the regular government account and by maintaining a link between the two to show how much is coming into Government revenues through the railways and how much is spent by the Government, whether as capital of revenue expenditure, in carrying on the activities of the railways.

202 Capital and Revenue Accounts: – The accounts of a railway presented in such a form as to facilitate a review of the finances of the railway as a commercial undertaking are known as "Capital and Revenue Accounts". The Capital and Revenue Accounts of a railway are complied every year (see Chapter VII) and included in the Annual Report of the Railway. The various processes of accounting followed in Railway Accounts offices lead up to these accounts.

203 The financial results of the working of a railway cannot be adequately gauged unless separate accounts are maintained of its Capital transactions as distinguished from its Revenue transactions. Capital transactions may be broadly described as those which pertain to the acquisition of concrete assets while Revenue transactions are those which relate to the working of the railways, comprising both earnings and working expenses.

The expenditure incurred on acquiring concrete assets in connection with (i) unremunerative projects, (ii) amenities to passengers and other railway users, (iii) amenities to staff, and (iv) safety works, financed from the Development Fund, the Accident Compensation, Safety and Passenger Amenities Fund and Revenue (Open Line Works-Revenue) is accounted for separately.

The expenditure on renewals and replacements of railway assets is financed from the Depreciation Reserve Fund and is accounted for accordingly.

Detailed rules regulating the classifications of transactions under Capital, Revenue, Depreciation Reserve Fund, Development Fund, Accident Compensation, Safety and Passenger Amenities Fund and Revenue (Open Line works Revenue) are prescribed in Chapter VII of the Indian Railway Financial code, volume I.

204. Expenditure of a capital nature incurred on railway assets is classified under five heads viz., Capital, Depreciation Reserve Fund, Development Fund, Accident compensation, Safety and Passenger Amenities Fund and Revenue (Open Line works-Revenue). To give an overall picture of the expenditure of a capital nature incurred by the Railways as distinguished from the expenditure actually charged to Capital (loan account) a separate account is compiled namely, a block Account which exhibits the entire expenditure of a capital nature irrespective of the head of account to which it has actually been charged (see paragraph 428 of the Indian Railway Financial Code). The Loan Account will give only the extent of expenditure actually charged to capital.

205. Government Accounts: – The accounts maintained in accordance with the requirements of Government Accounts are collectively termed as the "Finance Accounts." The Finance Accounts of a railway are compiled annually, for the purpose of presenting in a condensed form, the various transactions brought to account in the books of the railway duly classified in accordance with the heads of account prescribed for Government accounting (see Chapter VII).

206. According to Article 266 of the Constitution of India, the Central Government have a consolidated fund entitled the "Consolidated Fund of India", into which flow all the revenues (for the railways traffic earnings are the main source of income) received by the Central Government, loans raised by the Government by the issue of treasury bills, loans or ways and means advances, and moneys received by the Government in repayment of loans and form which all expenditure of the Central Government is met when so authorised by the Parliament in accordance with law. The Central government have also a public account entitled the "Public Account of India" into which all other public moneys received by or on behalf of government are credited and from which disbursements are made in accordance with the prescribed rules. The procedure to be followed for the payment into, and the withdrawal, transfer or disbursement of moneys from, the consolidated Fund and the Public Account and for the custody of moneys standing in that Fund and Account, is regulated by law made by Parliament and pending such legislation, by the rules made by the President under Article 283 of the Constitution.

207. The Central Government have also, as authorised in Article 267 of the Constitution, a Contingency Fund entitled the "Contingency Fund of India". This Fund will be at the disposal of the President to enable advances to be made by him for meeting unforeseen expenditure, pending authorization of such expenditure by Parliament under Article 115 or Article 116. The procedure to be followed for the custody of the payment of moneys into, and the withdrawal of moneys from, the Fund is regulated by law made by parliament. (The procedure for granting advances to meet unforeseen expenditure of railways is laid down in paragraph 382 of the Indian Railway Financial Code.)

Note – Though the transactions of the Railway Ministry form part of the Consolidated Fund, the Contingency fund and the Public Account of India, they are accounted for in the "Railway Fund" which has been created proforma in the books of the Reserve Bank of India

208. Classification in government Accounts: – The government accounts are thus kept in the following three parts:-

Part I - Consolidated Fund of India.
Part II - Contingency Fund of India.
Part III – Public Accounts of India.

(a) *Consolidated Fund of India.* – In this part of the Account there are three main divisions, namely:-

(1) Revenue, (2) Capital and (3) Debt (comprising public Debt and Loans and Advances).

The first division deals with the proceeds of taxation and other receipts, classed as revenue and the expenditure therefrom. (In the case of the Railways, the traffic earnings are the main source of revenues). The second division deals with expenditure incurred with the object of increasing assets of a material character (see paragraph 203) also and also receipts intended to be applied as a set-off to capital expenditure. The third division comprises, so far as Railway Accounts are concerned, of loans and advances made by Government together with the repayments of the former and recoveries of the latter.

(b) *Contingency Fund of India.* – In this part are recorded transactions connected with the Contingency Fund set up by the Government of India under Article 267 of the Constitution.

(c) *Public Account of India* – Here there are two main divisions, namely (I) Debt (other than those included in Part I) and Deposits; and (2) Remittances.

The first division comprises receipts and payments other than those falling under "Debt" heads pertaining to Part I, in respect of which Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid, together with repayments of the former and the recoveries of the latter such as Contributory/Non-Contributory Provident Fund Accounts, Staff Benefit Fund, and all Railway Funds like the Development Fund, the Depreciation Reserve Fund etc. The second division comprises all adjusting heads, such as transfers between different accounting circles (for transactions appearing in the first instance in the books of one Accounts Officer but finally transferred to those of another).

209. Extra-Railway Transactions.-Besides those mentioned in the preceding paragraph, there are certain other transactions which, for convenience, are adjusted in the books of Railway Account Offices, though they do not appertain to the "Revenue" or "Expenditure" on Railways e. g., 216-Audit-Railway Audit Offices.

210. Division by Heads of Accounts. – Within each of the divisions mentioned in paragraph. 208, the transactions are grouped into sections, further sub-divided into major heads of account. The main unit of classification is the major head which has been allotted a distinct code number. There are sub-major heads, under some of the major heads. The major/sub major heads are divided into minor heads, the minor heads into sub-heads, and the sub-heads into detailed heads. The major and minor heads of account of railway revenue, capital, debt and deposits, and remittance transactions, and all other central transactions which though not pertaining to railways are adjusted in railway books, are given in Appendix IV to this code.

211. "Commercial" and "Strategic" transactions – "Revenue" and "Capital" transactions are further classified as "Commercial" and "Strategic" according to the class of section of the railway line to which they pertain. A similar classification is observed in regard to the Depreciation Reserve Fund transactions also. A list of Strategic Railway lines in given below: -

LIST OF STRATEGIC RAILWAY LINES

(i) **Pathankot-Mukerian (Northern Railway)**
(ii) **Rangapara North Lakhimpur-Murkongselek (Northeast Frontier Railway)**
(iii) **Siliguri-Jogighopa inluding BG conversion of Siliguri-Haldibari (Northeast Frontier Railway)**
(iv) **Jaisalmer-Pokaran (North Western Railway)**
(v) **Bhatinda-Suratgarh(North Western Railway)**
(vi) **Bhuj-Naliya (Western Railway)**

(Authority: Board's letter No.2009/ACI/3/5 dated: 30.11.2009) …ACS NO.31

212. (I) Subject to such detailed instructions as have been prescribed with the approval of the Comptroller and Auditor General of India, the working expenses should be distributed between commercial and strategic sections of a Railway.

The actual expenses are to be charged to be the commercial and strategic section where these can be ascertained. The remaining expenses are to be apportioned between them on the following basis:-

(a) Engineering expenses to be divided in proportion to engine track kilometrage.

(b) Locomotive expenses to be divided in proportion to engine kilometrage.

(c) Carriage and wagon expenses to be divided in proportion to vehicle kilometrage.

(d) Traffic expenses to be divided in proportion to train kilometrage.

(e) Electrical, Signal and Tele-communication expenses to be divided on the basis prescribed for the department to which the service is rendered, vide clauses (a) to (d) above. As regards Electrical and Signal workshops half of the expenditure may be apportioned on the basis of engine kilometres and the other half in proportion to the wagon/vehicle kilometres.

(f) Expenses of other departments to be divided in proportion to gross tonne kilometrage.

(2) The Stores balances of the Railway should be distributed between "Commercial" and "Strategic" on the basis of the average issues of stores to the commercial and strategic sections during the preceding three years. This distribution should be shown in the schedule of expenditure (A-331) accompanying the monthly capital accounts.

213. Exhibition of recoveries of Expenditure in government Accounts. – The general rules regulating the exhibition of recoveries of expenditure in government Accounts have been printed as Appendix V to this code. Subject to the detailed instructions contained in this and other Indian Railway codes, these rules should be followed in classifying recoveries.

Note:- (1) Recoveries on account of over-payment made in the previous year, other than over payments relating to works-in-progress (i. e. works, the accounts of which are still open), stores and other suspense accounts, should be recorded as "Earnings" under Z-650. Other unclassified receipts. However, over-payment due to difference between actual and assumed attendance should, when recovered, be adjusted in reduction of expenditure even though the recovery is made in a subsequent year.

(2) Credit upto Rs. 10,000 relating to works, the accounts of which have been closed should also be treated as "Earnings".

214. Exhibition of Inter-Railway payments in Government Accounts. – Payments and recoveries made by a Railway for the hire of goods vehicles to other railways or for other items of expenditure for which adjustments between railways are authorised by the railway board should be accounted for under one and the same detailed head of account in the expenditure abstracts of both the railways which are involved in the transaction.

215. Inter-Departmental Adjustments – The principles and rules prescribing the conditions under which one department may charge another department for services rendered or article supplies, and the procedure to be observed in the settlement of such charges have been laid down in Appendix VI to this Code.

216. Purpose of Detailed Classification in Administrative Accounts. – A careful and well-planned analysis of all items of receipt and expenditure is a condition precedent to an effective financial control and is the primary object of any accounting classification. Such a classification will secure the requisite degree of uniformity of accounting, a mid the volume and variety of the financial

transactions of railways. So as to render the accounts of different railways comparable over the same time periods and to enable preparation of budget estimates or forecasts of receipts and payments.

217. Allocation of receipts and expenditure. – The primary responsibility for the allocation of all receipts and payments rests with the concerned departmental officers. Each bill or voucher received from them should show the correct allocation of the receipt/expenditure in the fullest detail. The Accounts Department is responsible for seeing, to the extent it is possible for them to do so, that the allocation shown on the initial document is not prima facie incorrect.

218. Correct classification should be followed in recording the expenditure in accounts irrespective of whether provision in the budget has been made under correct budget head. In order, however, to avoid undue variation between the budget and accounts figures, changed in accounting classification will not ordinarily be introduced during the course of the year.

Note – In the case of works, the allocation of which has to be changed during the course of a year from one head of expenditure to another, classification of expenditure in that year should follow the original allocation. The change should be given effect to from the beginning of the next financial year only after making necessary provision in the Budget at the Budget stage or at the Revised Estimate stage to cover not only the estimated expenditure for the budget year but also write back of the expenditure incurred from the commencement of the work to the end of the previous year.

219. Account Heads . – Some of the account heads in the railway books are operated for purpose of maintaining a link (see paragraph 201) between the commercial Accounts of the railway and the government Accounts. These heads are dealt with in paragraphs 220 to 222. Other account heads, which need some explanation have been dealt with in paragraphs 223 to 237.

ACCOUNT HEADS LINKING COMMERCIAL & GOVERNMENT ACCOUNTS

220 Demands Payable. – Unlike government accounts which record expenditure only when actually disbursed or receipts only when actually realised the railway accounts maintained on a commercial basis will record the expenditure incurred or earnings accrued in a month irrespective of whether they have actually been paid or realised.

On the Expenditure side, the revenue liabilities of the railway for a month, which are not payable within the same month, are brought to account as working expenses for the month by taking contra credit to a suspense head called “Demands Payable”. When the railway’s liabilities are actually discharged by payments, this suspense head is debited with the amount of the payment so made.Thus, the balance at the end of the month in this suspense head will represent liability of the railway incurred, but not actually discharged, during that month.

Demands Payable is a suspense head of account under the major head 346/347, Indian Railway-Commercial Lines/Strategic Lines-Working Expenses. A separate account should be opened for each month, such as “Demands Payable for April”, “Demands Payable for May” etc.

The accounts of a month are generally kept open upto the end of the following calendar month. The journal entries exhibiting the debits to the working expenses (for liability incurred) by credit to the suspense head Demands Payable may be made actually in the following calendar month but will be adjusted in the accounts of the relevant (previous) month. However, the liability may be discharged by payment in the following calendar month, and this transaction will be accounted for by debit to the head Demands Payable in the accounts for the month in which the payment is made. This is because the cash book for the month is closed at the end of the same month, whereas the ledger and

the journal for a month are kept open upto the end of the following month. This is explained through the illustration given below: -

SALARY BILL FOR APRIL (PASSED FOR PAYMENT IN MAY)

1.	Journal Entry before the close of the accounts for April:-	Dr.	Cr.
	Final heads of revenue Working Expenses	5,000	……
	To Demands Payable for April	……	5,000
	Being the adjustment of liabilities to Demands payable for April.		
II.	Cash Book Entry (May Accounts) :	Dr.	Cr.
	Demands payable for April	5,000	…..
	To Cash (Cheques and Bills)	…..	4,500
	To Revenue recovery heads of accounts e. g. PF, I/Tax etc.	….	500
	This entry will be posted in the ledger in the accounts for May.		

It is important that all working expenses, properly appertaining to a year, should be charged to the Revenue Accounts of that year. For this purpose, it will be necessary to estimate the probable charges for such items as Telegraph Department charges for rent, maintenance and inspection, telephone, water and electricity bills, overtime bills of staff and all other similar bills payable etc. In such cases, the proper head of expenditure will be debited and “Demands Payable” credited, the latter account being cleared in the accounts for the month in which the actual payment is made. If the amount has been under-estimated a further entry debiting the expenditure head by credit to "Demands Payable” will be necessary; but if the estimate was too high “Demands Payable” will be debited by Cash or Transfer only to the extent of the actual payment and a journal entry debiting “Demands Payable” by credit to the head of expenditure previously over debited will be made.

Note: The following items of revenue payments should be debited direct to final heads in the accounts of the month in which the payments are made, without operating on the suspense head “Demands Payable”.-

(1) Special contributions to the State Railway Provident Fund and gratuties.

(2) Settlement dues.

(3) Supply of Sundry materials.

(4) Advertisement charges.

(5) Law charges.

(6) Payment of Compensation under Workman’s Compensation Act.

(7) Service Postage stamps and other postal charges.

(8) Payment of Compensation for goods etc. lost or damaged.

(9) Stationery, Forms, Books, News Papers and Publications.

(10) Repairs to typewriters and office equipment.

(11) Printing and Binding charges.

221. Labour.- The wages and allowances for a month of workshop staff are paid to them only in the beginning of the following month. However, to ascertain the cost incurred on a job in a month, it is essential that the value of the labour employed in the shops is charged in the same month to the specific jobs on which the workshop staff have been engaged. For this and other purposes therefore, the operation of a suspense head similar to "Demands Payable" is necessary. The total wages and allowances of staff employed in the shops during any month will, in the first place, be credited to a head under the workshop manufacture suspense (capital 7210) termed "Labour". As the Labour Pay Sheets are passed in the Accounts office for payment, the amount passed will be debited in the General Books of the railway (paragraph 302) to the head "Labour" by credit to "Transfers Revenue" (c.f. paragraph 404). The balance of the account "Labour" at the end of the month will consequently represent liabilities on account of the wages and allowances charged, but not as yet cleared by actual payment to the labour.

222. Traffic Accounts. – This is a suspense head of account under the major head 146/147 Indian Railway-Revenue Receipts-commercial/strategic lines. This account serves the same purpose for earnings as "Demands Payable' does for expenses. This head is debited with all earnings for the realisation of which a Railway Administration is responsible, irrespective of whether the earning relate to its own traffic or to traffic inter-charged with other Railways. This account is credited with the realisation of all such earnings. The balance in this account thus represents unrealised earnings either at the stations or in the Accounts Office.

CERTAIN OTHER ACCOUNTS HEADS

223. Miscellaneous Advances – this is a suspense head of account under the major head 346/347 Indian Railway-Commercial Lines/Strategic Lines-Working Expenses. This head is intended for the booking temporarily, of the following classes of transactions pending adjustment to final heads of account.

(a) Charges the allocation of which is not known or which cannot immediately be adjusted to a final head;

(b) Inter-departmental transactions awaiting acceptance.

Note – Transactions of outward monthly accounts (vide paragraph 441) pertaining to other Government Departments should as far as possible, be adjusted directly under "Remittance Account with State" and not through "Miscellaneous Advances".

(c) Expenditure incurred for other than Government Works in anticipation of receipt of deposits or pending realisation of the amount expended.

(d) Payments made in advance for stores to be supplied.

(e) Payments made in advance to Railway officials for local purchases of material and other purposes pending rendering of accounts.

Note - This head is not to be mixed up with capital 7300 Miscellaneous Advances appearing in the Classification of Capital and Other Works – Expenditure.

224. "Other Railway" – this is a suspense account under the major head 146/147- Indian Railway Revenue Receipts-commercial Lines/Strategic Lines. All transactions regarding division of earnings between Government railways will be passed through this account. The balance of this account represents unadjusted through traffic transactions with such railways.

225. Deposits – Under the major head 845 Railway Deposit (in K-Deposit and Advances (b)-Deposits not bearing interest), there are separate minor heads for Deposits of Branch Line companies and unclaimed Provident fund Deposits. The sub-heads under the Minor head "Other Deposits" are described in the subsequent paragraphs.

(1)Unpaid Wages – Wages and allowances of staff not paid to them by the Cashier within the stipulated period (see para 1989) are taken to the credit of the railway under this head of account. This head is debited with all subsequent payments made to staff and is also debited with the amount of unpaid wages transferred to Revenue or Capital heads of account in accordance with para 319.

(2)"*Private Companie*s" – When, under orders of the competent authority, through booking is permitted with companies or other carries who do not bank with a government Treasury moneys due to them on the apportionment of traffic for the month will credited to this sub head of the Deposit account. This credit will be cleared by actual payment or by debit (by credit to earnings) against moneys collected by private companies on behalf of Indian Railways.

(3) "*Miscellaneou*s" – Under this sub-head are included Cash Security Deposits, earnest money paid by tenderers for contracts, court attachment recoveries, deposits by other parties on account of estimated cost of works to be executed for them by the railway etc. Unpaid bills of contractors will also be credited to this sub-head. The debits will consist of the refund or repayment of previous credits and of amounts written-off under paragraph 321.

226. State Railway Provident Fund – this is minor head of account under the major head 805 State Provident Funds-C-Railways (under I-Small Savings, Provident fund etc.). The transactions relating to State Railway Provident fund, both contributory and non-contributory, will be shown as sub-heads under this minor head. Unpaid Provident fund accounts will be credited to this head of account (unless they relate to closed accounts, in which case they will be credited to "Deposits") Subsequent payment of such amounts will only be made on pay orders drawn out by the Provident fund Section in the usual manner.

227. Staff Benefit fund. – This is a minor head of account under the major head 821 General and other Reserve Funds (under J-Reserve Funds (a)-Reserve Funds bearing interest). It will be operated in accordance with the Staff Benefit Fund rules prescribed in the Indian Railway Establishment Code. It will be credited, besides other items, with all fines realised from employees of the Railway.

228. General Provident Fund and other Provident Funds – These heads record the credits to and payment from, the respective funds. The rules in paragraph 226 to these funds *mutatis mutandis.*

229. Cash – This head represents the amount held by the Cashier for payment into treasury and the total of cash imprests with the departmental officers. There is a minor head "Railways" under the major head 871-Departmental Balances under L-Suspense and Miscellaneous (c) Other Accounts which is debited and credited with all cash transactions as recorded in the General cash Book (A-304) and summarised in the General Cash Abstract Book (A-306): the balance under this account will represent the amount held by Cashier for payment into bank. Similarly, there is a minor head "Railways" under the major head No. 872- Permanent Cash Imprest (under L-Suspense and miscellaneous (c) Other Accounts) which represents cash imprests held by the Railway Officers.

230. "Capital Outlay" – All capital transactions under final heads (i. e. with the exception of those under final heads "Suspense heads" which will be closed to balance) will be closed to this account.

231. "Net Revenue" – All revenue transactions on account of receipts and expenditure under final heads (i. e. with the exception of those under "Suspense Heads" which will be closed to balance) will be closed to this account.

232. Miscellaneous Government Account – This is a major head No. 880, under L-Suspense and miscellaneous (e) miscellaneous, and is operated along with the following minor heads:

---Ledger Balance Adjustment Account.

--Write Off from heads of Accounts closing to balance.

This Account will be used for closing of all heads of accounts which do not record Railway revenue or expenditure. The balances, if any, under the debt and remittance heads, with the exception of 'Transfer Railways' will, however, be closed to 'Balance'. The transaction under the head 'Transfer Railways' will be closed to a minor head of "Miscellaneous Government Account", in the books of the individual railways and to 'Balance' if there is any balance in the books of the Railway Board. The transactions under the head 'Deposits with Reserve Bank (Railways)' will be closed to minor head of "Miscellaneous Government Account".

RESERVE FUNDS

233. Depreciation Reserve Fund – Railways – This is a minor head under the major 815 Depreciation/Renewal Reserve Funds. The accounts of this fund will be maintained in the books of the Railways and in the office of the Railway board. The receipts, which mainly consist of contributions from Revenue on the basis of the recommendations of the Railway Convention Committee and the interest on the Fund balances, will be credited to the fund. The payments from the fund, mainly on account of replacement and renewal of assets in accordance with the rules of the fund, will be debited to the Fund. The Balance will be carried forwarded from year to year.

234 Railway Revenue Reserve Fund – This is a minor head under the major head 816-revenue Reserve Funds (under J-Reserve Funds-(a) Reserve Funds bearing interest) the account of the Fund will be maintained in the Office of the Railway Board only. The Fund will be credited mainly with appropriation from revenue surplus, interest on the balances of the fund and loans from General Revenues. The accounts of the Fund will be debited with (i) such sums as may be required for dividend equalisation that is to say to make up the shortfall in the revenue surplus available for payment of dividend to the General Revenues, (ii) repayment of loans form General Revenue and interest on loan. The balance of the fund will be carried forward from year to year.

235. Railway Development Fund- This is a minor head under the major head 817-Development Funds (under J-Reserve Funds-(a)-Reserve Funds bearing interest). The accounts of the Fund will be maintained in railway board's Office. The Fund will be credited with appropriation from revenue surplus, interest on Fund balances and loans from General Revenue. The withdrawals from the Fund will be in accordance with the rules of the Fund, namely to meet the expenditure on providing amenities for passengers and other railway users, labour welfare works, unremunerative operating improvements etc. The balance of the Fund will be carried forward from year to year.

236. Railway Pension Fund – This is a minor head under the major head 821 General and other Reserve Funds (under J-Reserve Funds (a) Reserve Funds bearing interest). Receipts into the

Fund will consist of appropriation from revenue/capital account, transfer from contributory Provident Fund and interest on Fund balances. All payments relating to pension and other retirement benefits to pensionable employees will be debited to the accounts of the Fund. The balance of the Fund will be carried forward from year to year.

237 Accident Compensation, Safety and Passenger Amenities Fund - This is a minor head under the major head 821-General and other Reserve Funds (under J-Reserve Funds, (a) Reserve Funds bearing interest). The Fund will be credited with the amount collected as surcharge on passenger tickets (towards accident compensation etc.) and interest on the balance in the Fund. The Fund will be debited with (a) payments of compensation to passengers involved in railway accidents, (b) expenditure on safety works such as Track Circuiting or Axle Counters, Automatic warning System, Vigilance Control Device, Lifting Barriers at level crossings, inter-locking of level crossing gates with signals and such other safety works as may be authorised to be financed out of this fund from time to time and (c) expenditure on specified items of passenger amenities and allied works such as provision of platforms and covers there on, Train indicator Boards, Rest Shelters for licensed porters etc. The balances of the Fund will be carried forward from year to year.

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CHAPTER III

COMPILATION OF RAILWAY ACCOUNTS

Introduction, 301. General Books and Subsidiary Accounts Records-General Books, 303. Daily Abstract of Cash Transactions or the General Cash Book, 304. Posting of General Cash Book, 305. Monthly Classified Abstract of Cash Transactions or General Cash Abstract Book, 306. Journal, 307. Journal Slips, 308. Totaling of the Journal, 309. Ledger, 310. Subsidiary Accounts Records, 311. Revenue Allocation Registers, 312. Register of Earnings, 313. Suspense Registers. 314. Demands Payable Register. 315. Deposits Unpaid Wages, 316. Other Suspense Registers, 320. Deposit Miscellaneous, 321. Closing of the General Books. 322.

Accounts Current.—Compilation of Capital and Revenue Accounts Current, 323. Account Current, 324. Revenue Account Current, 325. Revenue Account Current Schedules, 326. Forms of Schedules, 327. Statement of Transfer Transactions, 328. Capital Account Current, 329. Capital Account Schedules, 330. Schedule of Expenditure under major head 5002/5003-CapitaI outlay on Indian Railways, 331. Annual Closing of Books. 332. Final Account Current, 335. Final Revenue Accounts Current, 336. Final Capital Account Current, 337. Consolidation of Accounts Current, 338. Sub-Register of Accounts Current. 339. Sub-Register of Schedules, 340. Consolidation in the Office of the Railway Board. 341. Approximate Account Current, 342. Statement of Approximate Receipts and Revenue Expenditure, 344. Statement showing Approximate Receipts and Disbursements, 345. Statement of Credits in the net Expenditure shown in Approximate Account Current, 346. Consolidation in the Office of the Railway Board, 347.

CHAPTER III

COMPILATION OF RAILWAY ACCOUNTS

301. Introduction. – In regard to the compilation of Accounts the duties of the Accounts Officers are ;-

(i) to collect and bring to account all the receipts and disbursements of the railway, department, division, etc., to which he is attached,i.e , of his accounts circle;

(ii) to transfer to other accounts circles the items pertaining to them which originate in his circle and to adjust in his books of account the items of expenditure or receipts pertaining to his own circle and transferred to him by other Accounts officers;

(iii) to make up a detailed account of his accounts circle monthly;

(iv) to make up a detailed account of his circle for each year and

(v) to prepare relevant financial reports for management information and action.

The various process by which the receipts and disbursements of an accounts circle are collected and brought to account are described in this and other departmental codes.

Note: - (1) The detailed procedure relating the settlement of "Remittance Transactions" is laid down in chapter IV and V.

(2) The compilation of monthly accounts is dealt with in this chapter and the compilation of the annual accounts in chapter VII.

302. Accounting transactions fall under two distinct headings, viz., (I) cash receipts and disbursements and (ii) book adjustments. The latter represent transactions either initially accounted for by another Accounts Officer-as in the case of transfer transactions – or adjustments between one accounting head and another, e. g., for issue of stores from a Stores Depot for revenue maintenance purposes etc. The initial record for a cash transaction will be a cash voucher or bill. For book adjustment, it is a journal slip. Cash transactions are rendered in the Cash book, while journal slips are entered in the journal. (Paragraph 303 refers).

GENERAL BOOKS AND SUBSIDIARY ACCOUNTS RECORDS

303. General Books. – For the purpose of collecting and bringing to account the transactions of his accounts circle and for compiling the monthly and annual accounts, the Accounts Officer should maintain certain essential records, which for brevity, are referred to in this code as the "General Books" of the railway which comprises:-

(1) The Daily Abstract of Cash Transactions or the General Cash book (Form No. A-304).
(2) The Monthly Classified Abstract of Cash Transactions or the General cash Book (Form No. A-306).
(3) The Journal (Form No. A-307).
(4) The Ledger (Form No. A-310).

These are explained in detail in the following paragraphs.

Two sets of Journals and Ledgers should be maintained, one set for revenue Accounts and the other for capital Accounts, since separate accounts are maintained for these two classes of transactions.

Only one Daily Abstract and Monthly Abstract of Cash Transactions need be maintained subsidiary to the Revenue Ledger. All cash transactions of capital nature (C. f. 204), should accordingly be allocated in the cash accounts of an open line to "Transfers, Railway Capital", and the detailed allocation to Final and Suspense heads of such transactions chargeable to Capital", D. R. F., D. F., A. C. F. and O. L. W. R., should be effected in the Capital Account by means of journal entries in the Capital Books, a per contra credit or debit being afforded to "Transfers, Railway entries in the Capital Books, a per contra credit or debit being afforded to "Transfers, Railway Revenue" (Vide Paragraph 404).

304. **Daily Abstract of Cash Transactions or the General Cash Book:**-This record is intended to bring to account all cash transactions taking. Place in the circle of the Accounts Officer: -

(i) It should be maintained in Form A-304 and posted daily as indicated in paragraph 305.

(ii) A voucher duly signed by an Accounts Officer should be forthcoming in support of every entry in it.

(iii) It should be balanced daily and the balance reconciled with that in the Cashier's Cash Book (A-1917).

(iv) It should be checked and signed by the officer in-charge of the section.

Form A-304

GENERAL CASH BOOK FOR…….19

Dr. Cr.

Date	Parti-culars	No. of Voucher	Receipt No.	Amount Rs. P.	Total Rs.P.	Date	Parti-culars	No. of Voucher	Receipt No.	Amount Rs.P.	Total Rs.P.

305. **Posting the General Cash Book (A-304)** - The debit side of the General Cash Book will represent all cash received and should be posted from the following. :-

(a) In respect of station remittances from the Cash Check Sheets (A-1943).

(b) In regard to cheques drawn on the Banks-from the Requisition for cheques (A- 1111) one entry being made for the total amount of cheques drawn on each Bank for each day;

(c) In regard to miscellaneous cash receipts-from the counterfoils of the cash receipts granted. Separate entries should be made for each item of miscellaneous cash receipts;

(d) In regard to recoveries made from bills passed for payment-from the various credit heads of account as abstracted in form A-1109.

(e) In regard to unpaid amounts remitted by the Cashier-from lists of unpaid wages (A-1957).

The credit side of the Cash Book (A-304) will represent cash payments and should be posted from the following :-

(a) In regard to remittances to Bank-from Bank Remittance Receipts (A-1942); and

(b) In regard to payments-from the various debit heads of account as abstracted in Form A-1109.

306. **The monthly classified Abstract of Cash Transactions or the General Cash Abstract Book.-**This record (Form A-306) should be posted daily from the totals in the Daily Abstract of Cash Transactions (A-304). It should be kept in two parts, one part for receipts (debits) and the other for disbursements (credits). It should be totalled after the transactions of the last day of the month have been posted. The totals under the heads "Remittance into Banks" and "Cheques and Bills" should be reconciled with the statements received from banks vide paragraph 432.

Form A-306

307. **The Journal.-**All transactions, which do not involve the actual receipt or disbursement of cash, should be recorded in the Journal (Form A-307). Each entry in the Journal should be supported by a journal slip or voucher (form A-308) duly signed by an Accounts Officer.

Form A-307

……..Railway

JOURNAL

Head of Accounts

Transfer Railway				Deposits			
Dr.			Cr.	Dr.			Cr.
Voucher No.	Amount	Voucher No.	Amount	Voucher No.	Amount	Voucher No	Amount
	Rs. P.		Rs. P.		Rs. P.		Rs. P.

Head of Accounts

Final Heads				And so on			
Dr.			Cr.	Dr.			Cr.
Voucher No.	Amount	Voucher No.	Amount	Voucher No.	Amount	Voucher No	Amount
	Rs. P.		Rs. P.		Rs. P.		Rs. P.

Total

Add Cash

Total for entry in the ledger

308 **Journal Slips. -** The Journal (A-307) should be posted from Journal Slips, (Form A-308) or from the original vouchers wherein should be endorsed the heads of accounts debited and credited as in a Journal slip. Journal Slips or entries should be prepared by the concerned section of the office and sent to the accounting or booking section for incorporation in the accounts.

The Journal Slips or entries should bear separate series of numbers distinct from that for Cash vouchers. They should be filed in such a way as to permit of ready reference to any particular vouchers and to protect the voucher from being torn due to constant handling of the files.

Form A-308

……..Railway

Section……. JOURNAL SLIP Capital/Revenue
VOUCHER
No…….

EFFECT THE FOLLOWING ADJUSTMENT IN THE REVENUE/CAPITAL ACCOUNTS FOR …….20.

Dr. Cr.

Amount		Accounts Head and particulars			Amount	
Rs.	P.				Rs.	P.
		Total		Total		

Date…….. **……** **……..**
Section Officer (Accounts) **Accounts Officer**

Note.- Each Journal entry should be supported by a narration giving detailed reasons for making the adjustment and full particulars of the connected vouchers.

309. **Totalling of the Journal.-** Postings in the Journal (A-307) should be totalled up in good time before the date fixed for the submission of the monthly accounts. In the case of the Revenue Journal, the Cash Transactions of the month as abstracted in the Cash Abstract Book (A-306) should be added at the foot in the manner indicated in the form (A-307). The accuracy of posting the Journal (A-307) should be proved by drawing up a "Trial Balance" from the totals of debit and credit under each head of account in the Journal (A-307) after adding up the figures of cash transactions. The totals of the Trial Balance debits and credits should be compared and differences, if any, should be located and set right.

310. **The Ledger.-**The closing totals of the journal should be posted in the Ledger (A- 310) the various heads of account so that it records all receipts and charges of the accounting circle, under the various heads of account, and also shows the progressive balances under those heads, the end of each accounting period.

311. **Subsidiary Accounts Records.-**In addition to the General Books the following subsidiary records should be kept by each accounting circle:-

(i) Registers of Earnings (A-313).
(ii) Revenue Allocation Registers (A-312).
(iii) Registers of Works (E-1473).
(iv) Suspense Registers (A-320).
(v) Register of works expenditure classified under Capital, Depreciation Reserve Fund, Development Fund, "Revenue (Open Line Works-Revenue)" and Accident Compensation, Safety and Passenger Amenities fund.

Note: - Separate set of the above subsidiary registers should be maintained to record the expenditure met from the contingency Fund.

These records are of the utmost importance in as much as they are designed to exhibit the details of the transactions under Revenue, Capital, Depreciation Reserve fund, Development fund, Revenue (Open line Works- Revenue,) Accident Compensation, Safety and Passenger Amenities Fund, and Suspense Heads duly analysed under the prescribed detailed classification. These books should be posted directly from the Vouchers or from an allocated abstract or summary statement of a group of vouchers containing similar allocations immediately after they (the vouchers) have been passed in accounts. In cases where an allocated abstract (summary) is used for posting the subsidiary registers, these will be filed along with the group of vouchers which have been summarized therein. The rules relating to the maintenance of the Registers of Earnings and Suspense Registers are laid down in paragraphs 313 to 321.

312. **Revenue Allocation Register.-**The each Abstract of Revenue Expenditure under the major heads 346 and 347-Indian Railways-Working Expenses, as separate Allocation Register in Form A-312 should be maintained. In these Registers, the transactions should be posted separately for expenses, whether by cash payment or book adjustment, which are adjusted to the final heads (a) directly, and (b) through Demands Payable.

Form A - 312

ALLOCATION REGISTER (ABSTRACT A TO N)

Detailed heads of Accounts……..

Allotment for the year……..…

For the month of……. 20……..

S.No.	Particulars of transactions	Voucher		Primary units of Revenue Classification**	Total	Serial No.l	Remarks
		No.	Date				
1	2	3		4	5	6	7
				Rs. P. Rs. P. Rs. P.			

Total for the month……..

Add total to end of the previous month.

Total to end of the month

** Columns need not be provided for all the primary units of revenue classification. Primary units actually operated under a detailed head may be written by hand.

Note.-- The expenditure (other than on Surveys) under the major head 345 Indian Railways Policy Formulation, Direction, Research and other miscellaneous Organisations should be recorded in a separate register in accordance with the prescribed classifications vide Appendix IV of the Code.

313 **Register of Earnings.-** for each Abstract of Revenue Earnings under the major head and 147 Indian Railways Revenue Receipts, a separate register (A.313) should be maintained in the Accounts Office. The Registers of Earnings should record the earnings of the Railway under all the detailed heads of classification prescribed in Volume II of the Indian Railway Financial Code. These registers may be kept in convenient parts to facilitate application of statistics of earnings.

314 **Suspense. Registers. -** These registers reflect transactions which cannot immediately be charged to final heads. Rules relating to the maintenance of detailed registers for recording the transactions pertaining to the suspense heads under "Stores" and "Workshop manufacture Suspense" are laid down in the departmental codes concerned.

Rules relating to the maintenance of the following detailed registers for the heads of account operated in accounting sections and offices are prescribed in paragraphs 315 to 321.

(i) Demands Payable Register.

(ii) Miscellaneous Advances Register.

(iii) F. Loans and Advances Register.

(iv) Deposits Unpaid Wages Register.

(v) Deposits miscellaneous Register.

315 Demands Payable Register.-Details in support of the debit to the head "Demands Payable" in the General Cash Abstract (A-306) should be recorded in a manuscript register (A-315) by sub-major heads of revenue classification. Before closing the Revenue Accounts for a month, the entries in this Register should be totalled up and the totals reconciled with the General Cash Abstract Book on the one hand and the "Cash totals" in the Revenue Allocation Registers on the other. A journal slip should then be prepared crediting the head "Demands Payable" and debiting the various Abstracts of the Revenue Accounts.

Form A - 315

……..Railway

DEMANDS PAYABLE REGISTER

For the month of……20…….

Demands heads

Detailed heads	A	B	C	D	E	F	G	H	J and so on	Total
Abstract of Bills	Rs. P.	Rs. P	Rs. P	Rs. P	Rs. P	Rs. P	Rs. P	Rs. P	Rs. P	Rs. P
No. ..Date… Total B/F Total C/o										

316 **Deposits Unpaid Wages.-**When bills are returned by the Pay Office to the Accounts Office there may be some unpaid items in them; the amount so unpaid will be returned by the Pay Office to the Cash Office accompanied by a statement in Form A-1959 giving necessary particulars. Of the items. The statements will be treated as cash vouchers to be exhibited as such in the receipt side of the Daily Abstract of Cash Transactions. The individual items of the statement will be trans cribbed into an Unpaid Wages Register in Form A.316 (same as A. 1959).

All items of unpaid wages will, as a rule, be credited to "Deposit-Unpaid Wages" to be operated under Part III – Public Account, K-Deposits and advances. (b) Deposit not bearing interest, Major Heads – 8445. When a claim is subsequently received for any sum remaining unpaid, the same will be verified with the unpaid wages register and the fact of the subsequent payment of an amount will be noted against the entry of the relevant item in the column provided for the purpose. To obviate the possibility of a 2nd payment against the same item, this entry should be recorded under the initials of an Accounts officer or a Section officer (Accounts).

317 Where adequate arrangements exist which permit the unpaid wages statement (form A-1959) received from the Pay Office being filed separately, these files may be used as the unpaid wages Register, thus obviating the maintenance of a separate Register for the purpose. In such cases, the statements must be filed sheet by sheet in a strong skeleton file, and the sheets numbered consecutively to facilitate detection of any missing sheets at any time

318. No pay order for payment from 'unpaid wages' should be drawn in the Accounts Office in respect of items under three months old, until it has been ascertained from the Pay Department that the amount has not already been disbursed by Cashier out of this imprest or floating cash. Payments made by the Cashier in respect of unpaid wages out of his imprest or floating cash should be checked as usual and the necessary entries should be made against the relevant items in the Unpaid Wages Register without delay.

319. (a) The amounts credited to “Deposit unpaid Wages” in terms of para 316 and remaining outstanding for want of payment on account of death of employees concerned or on account of whereabouts not being known should be transferred to the credit of “Staff Benefit Fund” by the Accounts officer on the expiry of three years. This adjustment should be made before the expiry of the fifteenth day after the last day of the aforesaid period of three years.

(b) The details of the adjustment as per sub-para (a) above should be advised in Form VI of the notification (specimen enclosed) to the Chairman Staff Benefit Fund Committee of the Zonal

Railways/Units etc. concerned. The amounts deposited with the Chairman S.B.E. under sub-para 319 (a) shall remain with the Chairman of the Fund for four years.

(c) As soon as possible, the Railway Administration will publish in any two newspapers circulating in the language commonly understood in the area in which the factory or the establishment in which the undisbursed wages earned is situated and will exhibit them on notice board of the factory or establishment.

(d) The Chairman Staff Benefit Fund Committee concerned shall release the money to the nominee or to that person who has claimed to this money and which has been decided by the competent authority/court. The amount deposited as above shall be applied by the Chairman of the Staff Benefit Fund to meet the expenditure for the purpose prescribed for Staff Benefit Fund.

(e) The family member/dependent relative of employed person to make claims – the spouse or children and where the employed person does not have spouse or children, the dependent relative can make claims of the amount at any time with seven years during which time the wages remain with the paymaster for a period of first three years, as specified in rule (a) above and then credited to the Staff Benefit Fund. In such cases, only the principal amount as remaining with the paymaster or deposited by the paymaster with the Chairman Staff Benefit Fund Committee shall be payable to the claimant.

Form VI

(see para 319-AI)

Form

(Give here name and complete address of the paymaster)

_____

_____-

To,

The Chairman,
Staff Benefit Fund

Sub: Transfer of amount of undisbursed wages.

Sir,

As required under sub-para (a) read with sub-para (b) of para 319 of the Indian Railway Accounts Code. Part-I, I transfer the amount of Rs._____ (Rupees_____) from Suspense Head
(Amount in words)

"Deposit Unpaid Wages" to Staff Benefit Fund. The above mentioned amount represent all amounts payable as wages to person (s) enlisted in Annexure I & II employed in _____ (mention the name and address of the establishment) which remained undisbursed because either no nomination had been made by the employed person(s) or for any reasons such amounts could not be paid to the respective nominee(s) of the employed person(s). The relevant details are furnished hereunder :-

1. Particualrs of the relevant wage- period: _____

(Mention the detail of the wage period)

2. Number of cases in which all amounts payable to an employed person as wages., remained undisbursed for want of nomination (Details as per Annexure I):

(Mention the number of such cases)

3. Number cases in which all amounts payable in an employed person as wages could not be paid to person(s) nominated by employed person(s)

(Mention the number of such cases)

Signature of the Paymaster/officer authorised

Place……..

Designation

Date ……

Name and address of the establishment or rubber stamp thereof.

ANNEXURE---- I

S.No.	Name & address of the employee	Wage period	Amount payable
1	2	3	4
1.			
2.			
3.			
		Total	

ANNEXURE---- II

S.No.	Name & address of employee	Name & address of Nominees(s)	Wage period	Amount payable
1	2	3	4	4
1.				
2.				
3.				

Total

320. **Other Suspense Registers .-**Separate registers for Miscellaneous Advances (Capital), Miscellaneous Advances (Revenue), Loans and Advances to Government servants and Deposits Miscellaneous should be maintained in Form A-320.

All entries in these registers should be posted in sufficient detail from the original documents. These registers should be reviewed frequently by an Accounts Officer and the early clearance of all items placed under suspense insisted upon. No item posted in a suspense register should remain unadjusted longer than is absolutely necessary.

It is left to the Accounts Officer to decide whether these registers should be maintained in one section of the office or in the various accounting sections. In any case, a monthly reconciliation of the debits, credits and balances of these accounts with the laid down in Chapter VI.

Form A-320

_ _ _ _ _ _ _ _Railway

SUSPENSE REGISTER FOR THE YEAR 20

Miscellaneous advances/Deposit Miscellaneous

Item No.	Particulars	Month and year from which outstanding originated	Balance on Ist April 20	April 20… ..						
				Voucher reference						
				Dr./ Cr.	Dept. or Office	No.	Date	Dr./ Cr	Balance To end of the month	Remarks

321 **Deposits Miscellaneous** – Unpaid items other than unpaid wages of Railway staff amounting to more than Rs. 100 each should be allowed to remain in the Register of Deposits of the Railway for a period of three years, or until it is practically certain that no further claims for payment will be made. The sums may then with the personal approval of the Financial Adviser & Chief Accounts Officer be credited to the detailed head "Miscellaneous receipts" or "Traffic Accounts" according as they relate to works or Revenue transactions.

322. **Closing the General Books. –** The compiled accounts of a railway should, as a rule, be submitted so as to reach the Railway Board on the 6th of the second month following that to which the accounts relate. The accounts for the month of June, September and December should be closed

completely in all respects in the same manner in which accounts for March are closed. The accounts for June, September and December should be submitted so as to reach the Office of the Railway Board not later than the 16th of August, November, and February respectively. The additional time allowed for closing of accounts for these months should be utilised for the complete reconciliation and final adjustment of outstanding transfer transactions and other book adjustments.

The accounts for the month of March mat be submitted so as to reach the Board by the 31st July, or an earlier date as fixed by the Railway Board.

The General Books of the Railway should, therefore, be closed every month in good time for the compilation of the Monthly/Annual Accounts. The various subsidiary registers should be totalled up and reconciled with the General Books within a week of the submission of the Accounts. The certificate of reconciliation should be recorded each month in the subsidiary registers under the signature of an Accounts Officer.

ACCOUNTS CURRENT

323. Compilation of Capital and Revenue Accounts Current.- After the General Books for a month have been closed and the Ledger (A-310) has been written up, the monthly Accounts Current (see next para) should be prepared, separately for Capital and Revenue transactions from the Ledger and submitted to the Railway Board together with the prescribed supporting schedules.

A separate Accounts Current should be prepared for expenditure of a New Construction when the accounts are maintained by a separate accounts organization. When the accounts of expenditure on Construction are maintained by the Financial Adviser and Chief Accounts Officer of an Open Line Administration, separate Accounts Current is not necessary, but separate Schedules of expenditure on such Constructions should be prepared (see para 330).

The monthly accounts of the Divisions/Workshops should be submitted by the Divisional/Workshop Accounts Officer to the Financial Adviser and Chief Accounts Officer by the last day of the following month or on such other day, as may be fixed by him so as to enable him to compile the accounts of the entire railway and submit them in time to the Railway Board. When, in exceptional cases, the accounts cannot, in due course, be sent so as to reach the Railway Board on the prescribed date, the fact should be reported immediately to the Board with an explanation of the cause of the delay stating when the accounts may be expected.

324. **Accounts Current.** –An Account Current is simply a statement showing the receipts and disbursements of an accounts circle, duly classified under the prescribed heads of account (see Appendices XI and XII). The principle on which the Account Current is prepared is that all entries should be shown net, i. e., after deduction of the write back adjustments, against each head of account. On no account should minus results be transferred as plus result to the opposite side of the account. The column “account to date” in the Accounts Current forms should show the transactions from the beginning of the official year, the each balances should be opening balance of the year and the closing balance of the month to which the account refers.

325 Revenue Account Current.-The monthly Revenue Account Current should be prepared as in Appendix XI. The prior approval of the Railway Board is necessary for the omission or addition of a major or a minor head in this form. Railway administrations may, however, introduce sub and detailed head in this form Railway administrations may, however, introduce sub and detailed heads to meet local requirements.

326. The monthly Revenue Account Current should be accompanied by the schedules listed in the form (Appendix XI) in support of the transactions shown against the various heads in the account current.

Note – Separate schedules should be prepared and submitted for expenditure in Part II "Contingency Fund".

327. **Forms of Schedules.-** The schedules should be in Form A-327 and should exhibit the transactions under each head by the prescribed sub-major heads (vide Appendix IV) and by such other details as may be required by the Railway Board. In the case of the schedules of debits and credits to Transfers Railway, two separate schedules, one for debits and the other for credits, showing the analysis by railways, should be prepared.

Form A - 327

Schedule No……. **Description No…….**

Head of Accounts	Current official year		Grant for the year
	During the month	To end of the month	
	Rs. P.	Rs. P.	Rs. P.

Dated…… ……..… **……..……**
for General Manager

328. Statement of Transactions .- In order that a proper reconciliation may be effected, in the office of the Railway Board, of the transactions of the various railways under the head "Transfers Railway", statements in Form A-328 should be prepared and submitted with the monthly Revenue Account Current (Appendix XI). The figures shown in these statements should be the sum total of the adjustments made both in Capital, Revenue and Construction Accounts.

Form A-328

……Railway

STATEMENT SHOWING DETAILS OF DEBITS/CREDITS UNDER TRANSFER RAILWAYS FOR AND TO END OF ……20..

Name of Railway	Difference as per last month's statements	Originating Rly.		Responding Rly.		Difference	Remarks
		For the month	To end of the month	For the month	To end of the month		
1	2	3	4	5	6	7	8
	Total	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	

Summary

Capital Account

Revenue Account

Construction Account

Branch Line Account

Total.—Columns 2 and 5 to 7 are intended For use in Railway Board's

329. **Capital Account Current.** –The monthly Capital Account Current of Open Lines and of New Constructions should be prepared as in Appendix XII. The rule laid down in paragraph 325 is equally applicable to this form.

330. **Capital Account schedules.-**The monthly Capital Account Current should be accompanied by the following schedules in support of the transactions shown against the various heads in the account current. All the schedules, with the exception of the Schedules of Expenditure under 5002 and 5003 Capital Outlay on Indian Railways (see next paragraph), should be prepared in Form A. 327 in accordance with the instructions in paragraph 327.

Schedules to accompany the Capital and New Construction Accounts:-

1. Schedule of credits and debits to Transfer Railways.
2. Schedule of Deposits with "Reserve Bank".
3. Schedule of expenditure under 5002 Capital Outlay on Indian Railways- Commercial.
4. Schedule of expenditure under 5003 Capital Outlay on Indian Railways- Strategic.
5. Schedule of Expenditure on New Construction Accounts which are maintained by the Financial Adviser and Chief Accounts Officer of an Open Line Railway separately for each construction with a summary there of.
6. Schedule of Receipt and Expenditure-Deposits of Branch Line Companies.
7. Schedule of Expenditure of preparation period

Note (1) Separate schedules shall be prepared and submitted for expenditure under. Part II-Contingency Fund .

(2) The schedule referred to in item 1 above should be submitted with the Capital Account of New Constructions only where such Accounts are kept separately from Open Line Accounts.

331. **Schedule of Expenditure under 5002 and 5003. -** Capital Outlay on Indian Railway for the first eleven months should show expenditure for the current financial year. This should be in Form A. 331. The schedule for the month of March should show cumulative Expenditure since commencement of operation in Form A. 331- A Separate schedules should be prepared for the transactions under the head "5002- Capital Outlay on Indian Railway - Commercial" and "5003- Capital Outlay on Indian Railways-Strategic" along with a summary of transactions under both these heads. In the case of new lines under construction a separate schedule should be submitted for each line. The details under the Suspense heads in Form A. 331-B should be appended to these schedules.

Form A-331

332. **Annual Closing Of Books. –** The books relating to the financial year should, in every case, be closed by the 28th July following or by on earlier date as fixed by the Railway Board.

333. The accounts of a year are kept open after the close of the year so that, as far as possible all the transactions of the year may be included therein. For any expenditure actually incurred but bills for which are not accepted or accounted for by the executive, provisional adjustments should be carried out on the basis of readily available allocation. Such provisional adjustments should be noted down in a manuscript register for prompt regularization. It is not essential that transactions relating to earlier years should be booked in the accounts of the latest year which are still open. If it is impossible to have any expenditure booked in the accounts of the year to which it relates owing to the fact that the actual incidence of the expenditure is under dispute, it ought to be charged to the accounts of the year in which the final decision is taken, though at the same time, efforts should be made to expedite the decision as far as possible. Adjustments should not be made in the accounts of the past year if the disbursements could not have been reasonably anticipated in time for a grant being obtained from the proper authority. In all cases, where the expenditure, could have reasonably been anticipated as for example, recurring payment to a State or Department of the Central Government and payments which, though not of fixed amount, are of a fixed character, etc., the Accounts Officer should make the adjustment in the accounts before they are finally closed.

334. When demands (original or supplementary) for appropriation of the necessary amounts for the expenditure are placed before the Parliament, suitable provision should always be made for anticipated liabilities and the provision in paragraph 333 that adjustment should not be made in the previous year's accounts in certain circumstances should not be used to cover the results of defective budgeting. The onus of proving that the disbursements could not have reasonably been anticipated should lie on the Controlling Officer.

335. **Final Accounts Current. –** After the books for a financial year are closed, Final Accounts Current of the Capital and Revenue transactions of the railway should be prepared and submitted to the Railway board so as to reach them not later than the 30th August following. These Accounts Current are intended to show the transactions of the railway for the year under the various final heads of account and the opening and closing balances under the suspense and debt heads.

336. **Final Revenue Accounts Current. –** The Final Revenue Accounts Current should be prepared as in Appendix XIII.

337. **Final Capital Account Current. –** The final Capital Account Current should be prepared as in Appendix XIV.

338. **Consolidation of Accounts Current. –** On Railways, where the Accounts Officers subordinate to the Financial Adviser and Chief Accounts Officer submit compiled accounts to the head office, the Accounts Current (whether monthly or final) submitted by them should be consolidated into one Account Current for the entire railway. Similarly, the Accounts Current of Constructions should be consolidated so that one Account Current for Constructions may be prepared. The process by which the various Accounts Current are consolidated are outlined in the succeeding paragraphs.

339. **Sub-Register of Account Current. –** A register in Form A.339 should be maintained for consolidating the receipts and charges in the various Accounts Current. This register should be posted direct from the Accounts Current and the totals struck. Figures "to end of the month" should be worked out by adding the month's figures to those brought out to end of the previous month. The Account Current for the entire railway or of Constructions should be prepared from this register. (The ledger A.310) maintained in the Central Accounts Office of the railway should also be posted from this register.

Form A-339

340. **Sub-Register of Schedules.-**For the purpose of preparing consolidated schedules in support of the consolidated Account Current a subsidiary register in Form A. 340. Should be maintained. In it, separate pages should be allotted for each head of account for which schedules are prepared. Alternatively, a separate register may be maintained for each head of account.

Form A-340

341. **Consolidation in the Office of the Railway Board.-**The Accounts Current submitted by the various railways are consolidated in the office of the Railway Board and a statement of Receipts and Charges is prepared and submitted to the Finance ministry of the Central government to enable that Ministry to control the "Ways & Means" arrangements of the Government.

342. **Approximate Account Current.-**A statement of receipts and expenditure for each month and from the commencement of the financial year to the end of the month under such heads, as may be prescribed, should be sent to the Railway Board in Form Appendix XV so as to reach them not later than the 15th of the month following that to which the figures relate. The approximate Account Current for the months of July, October and January may however reach them not later than 20th of the month following that to which figures relate. The Approximate Account current for March should, reach the Railway Board's office by 3rd May. The information should be posted by Air Mail by name to the officer incharge of the Accounts Branch of the Board's office. If, in any case, the statements cannot be sent on the due date by post, the information contained therein should be telegraphed to the Railway Board, the Code words indicated in Appendix XV being used for the purpose.

343. **The approximate Account Current** Appendix XV **should be accompanied by the following statements** :-

(i) Statements comparing the approximate gross receipts and revenue expenditure with the actual of the corresponding period of the previous year together with brief explanations for the variations.
(ii) Statement showing Approximate Railway Receipts and Disbursements.
(iii) Credits booked in reduction of expenditure under Capital and Revenue by demands.

344. Statement of Approximate Receipts and Revenue Expenditure. – This statement should be prepared in Form A. 344. And should be accompanied by explanations for the variations brought out in the statement. If it is not possible to send the explanations with the statement, they may be sent separately within six days of the dates specified in paragraph 342 for the despatch of the statement.

Note- Explanations for variations will be submitted for the months of July, October, November, February and March every year.

Form A-344

……Railway

DETAILS OF APPROXIMATA GROSS RECEIPTS AND REVENUE EXPENDITURE FOR AND TO END OF ……..20…….

345. **Statement showing Approximate Railway Receipts and Disbursements.-**this statement should be prepared in Form A.345.

Form A-345

346. **Statement showing he credits in the net expenditure shown in the approximate Account Current.-**This statement should be prepared in Form A- 346.

Form A-346.

347. **Consolidation in the office of the Railway Board.-**The Approximate Account Current received from the various railways are consolidated in the Accounts Branch of the Railway Board and one Approximate Accounts Current is prepared for the Railway Ministry. This Account Current is sent to the Finance ministry for use in the consideration of "Ways & Means" of the Central Government. From the statement of Gross Receipts and Revenue received from the various Railways, a consolidated statement for the entire Railway Ministry is prepared for the information of the Railway board.

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CHAPTER IV

REMITTANCE TRANSACTIONS—INDIA

Introduction.—Classification of Transactions. 401. Settlement of Transactions, 402. Transfer Transactions Intra-Railway. 404 Transfer Certificates, 406. Acceptance of Transfer Certificates, 407. Numbering and watching of Acceptance of Transfer Certificates, 408. Adjustment in Accounts, 410. Transfers between Construction Divisions, 411. Inter-Railway Transfers, 412. Register of Transfers, 413. Procedure and Programme for Exchange of Transfer Certificates, 414. Disposal of Monthly Lists of Transfers. 415. Procedure for Exchange of Transfer Certificates at Annual Closing of Accounts, 416.

Remittance Transactions. —Settlement of Transactions through the Reserve Bank of India, 417. Advice of Clearance, 418. Memo of Clearance by Reserve Bank, 420. Outward and Inward Accounts of Remittance Transactions, 421. Advance Schedule. 422, Adjustment of Remittance Transactions, 423. Adjustment of Transactions relating to February and March, 425.

Detailed Accounting Procedures. —Register of Advices issued, 429. Register of Advices received, 430. Posting of the Advices Registers. 431. Statement from Banks and Treasuries, 432. Accounts Heads, 435. Reserve Bank Suspense, 436. Remittance into Banks, 437(a). Cheques and Bills, 437(b). Accounts with States, 438. Deposit with Reserve Bank, 439. Accounting Procedure of Adjustment, 440. Verification and Reconciliation, 441. Reconciliation of Transactions under the Heads Deposits with Reserve Bank, 445.

Inter-Departmental Transactions. —Income Tax Recoveries, 446. Debts Deposits and Advances, 447. Interest on the Balances of the Provident Fund Deposits. 448. Interest on Loans and Advances, 450. Interest on Balances of the Depreciation Reserve Fund. 451. Dividend to General Revenues, 452. Miscellaneous Remittances into Banks, 453. Provident Fund Recoveries Adjustable by other Accounts Officers and Foreign Service Contributions, 454. Pension Payments, 455. Purchase of Service Postage Stamps. 456.

Settlement of Transactions. —Pay and Accounts Offices, 457. Transactions Relating to Railways Earning in the Accounts of Pay and Accounts Officers and vice-versa, 458. Payments by/to Pay and Accounts Officer, 459. Transactions arising in the Accounts of the Pay and Accounts Officer adjustable by Railway Accounts Officer, 460. Payments in March. 465. Transactions arising in Accounts of the Railway Accounts Officer adjustable with Pay and Accounts Officer, 466.

CHAPTER IV

REMITTANCE TRANSACTIONS-INDIA

A.INTRODUCTORY

401. **Classification of transactions-** Transactions between the Railway Ministry and other ministries or States which are settled through the Central Accounts Section of the Reserve Bank are referred to in this Code as "Remittance Transactions". The transactions between the Railway Ministry and the Pay and Accounts Officers which are settled through the issue of cheques or Government drafts are referred to as "Pay & Accounts" transactions. All inter railway transactions are technically known as "Transfer Transactions" and are referred to as such in this code.

402. **Settlement of transactions. -**As a general rule all transactions between two different accounting units in the same railway or between two railways (excluding company worked railways) should be settled by book adjustment (i. e. not by actual payment or recovery of cash).

With the departmentalisation of Government Accounts the accounts of all the ministries of the Central Government are maintained under overall supervision of the Controller General of Accounts, Ministry of finance, Department of Expenditure. A Pay and Accounts officer is attached to each of the ministries of the Central Government who is responsible for maintaining the accounts of his ministry.

The transactions arising between the ministry of Railways and the other Ministries of the Central Govt. and the State Govts. would the settled by the issue of cheques or Govt. drafts. As an exception to this rule, the transactions listed below, would be settled through Reserve Bank of India Nagpur in the manner laid down in Para 436 :-

(i) Transaction (including those relating to services) between Railways, Post and Telegraph and Defence Departments.
(ii) Transaction arising in the books of the High Commissioner of India in London and Indian Embassy in Washington. These transactions will be settled through Ministry of External Affairs.
(iii) Contribution to General Revenues for grants to States in lieu of Passenger Fare Tax.
(iv) Loan from Central Revenues to the Railways and recovery of interest on loan and advances to Railway servants.
(v) Settlement of Income Tax recoveries made from Staff Salary Bills and from the Contractors.
(vi) Settlement of Payments against supplies arranged by the DGS&D in the Deptt. of Supply in the Ministry of Supply and Rehabilitation.
(vii) Transactions relating to the Government of Burma.

Transactions between the Railways and non-government bodies and institutions or individuals should be settled by actual payment or by actual recoveries in cash/cheque as the case may be.

The settlement of transactions by book adjustment or through the Reserve Bank should be arranged by the Accounts Officer. Settlement by book adjustment should be done by classifying the transactions in the books of the Railways under the relevant remittance head of accounts and transferring them by means of Transfer Certificates (A 406) to the Accounts Officers concerned for incorporation in their accounts for the months specified. Settlement through the Reserve Bank of India should be effected by sending the advices of Clearance in Form A. 418 to the Reserve Bank and to the party in whose accounts the transactions are to be incorporated.

403. In the case of transactions between two accounting units of the same railway or between two railways (excluding company worked railways) debits by unit "A" or railway "A" to unit "B" or railway "B" are set off against credits by "B" to "A" in the Central Books of the Financial Adviser and Chief Accounts Officer or of the Railway Board. In the case of transactions enumerated as exceptions in para 402 between the Railway Ministry and other Ministry or a State, the net amounts due to or from the ministry or State are debited and credited to the "Railway Fund" (see para 417 in the central books of the Reserve Bank).

B. TRANSFER TRANSACTIONS-INTRA-RAILWAY

404. **Transfers within the Railway-Transfers Capital, and Transfers Revenue .-** As separate accounts records are kept for "Capital" and "Revenue" transactions of a railway, it often becomes necessary to transfer capital items brought to account through revenue books to capital account and vice versa. For this purpose, the following two remittance heads should be operated on in accounts :-

(a) Transfers, Railway Revenue-For transfers involving revenue account in the Capital Accounts Books,

(b) Transfers, Railway Capital-For transfers to capital account in the Revenue Account Books.

If a capital transaction is brought to account through the Revenue Account Books, its transfer to Capital Account Books will be effected as in the journal entries below:-

(i) **Revenue Books.-**
Appropriate Revenue. Head Dr./Cr.
To/By Transfers, Railway Capital.

(ii) **Capital Books.-**
Transfers, Railway Revenue Dr./Cr.
To/By Appropriate Head under major head 546/547-Capital outlay on Indian Rlys. Commercial lines/strategic lines.

The result is that the per contra debit or credit to transactions recorded under the head "Transfers, Railway Capital" in the revenue books will appear under "Transfers, Railway Revenue" in the capital books and vice versa.

405. **Transfers within the Railway-Transfers Divisional**- The transactions arising in the accounts of one accounting unit which are adjustable in the accounts of another should be transferred to the latter by operating on the head "Transfers, Divisional". Separate sub-heads should be allotted to each Accounting unit. A railway having divisions A. B, C, etc. besides Stores and Workshop Divisions, should operate on the following heads :-

(a) Transfers, Divisional A-for Division A

(b) Transfers, Divisional B-for Division B

(c) Transfers, Divisional C-for Division C

(d) Transfers, Divisional Stores for Stores Accounts, Office.

(e) Transfers, Divisional Workshops-for workshops Accounts Office.

(f) Transfers, Divisional Books-for the Central Accounts office.

(g) Transfers construction-for Construction Accounts Office.

406. **Transfer Certificates-** Transfers between any two accounting units within the same railway should be effected by means of Transfer Certificates (A. 406) The unit initiating a transfer should prepare the Transfer Certificates (A.406) in duplicate, send one copy duly supported by the initial accounts records or vouchers in which the details of the transactions are set forth to the unit to which the transaction pertains and retain the other copy as the office copy.

Form A. 406

…….. Railway/Office

CASH/STORES/MISCELLANEOUS TRANSFER CERTIFICATE

No. …….. Date……..

A sum of Rs…….. has *been debited/credited to…….. by credit/debit to ……. Division/Railway as per particulars detailed on reserve in the accounts for the months of …… 19. The necessary vouchers, as detailed against each item in support of the *charge/credit are enclosed. Vouchers for item ……. cannot be sent as they contain other charges/credits and it is certified that these *charges/credits have been checked in accordance with the rules in force.

Forwarded with…… vouchers/enclosures to……Division/Railway for acceptance and advice.

……..
For Accounts Officer

……
Division/Railway

Cut here _____Cut here

ACCEPTANCE OF TRANSFER

Cash/Stores/Miscellaneous

Reference: ……. Division/Railway's T. C. No…….. …… Dated…….

Certified that a sum of Rs……. has been accepted as *debit/credit to the ……. Division/Railway and adjusted accordingly in the accounts for the month of……..

No…… …….. Date……..

Forwarded to…….. Division/Railway for information.

……

for Accounts Officer

……..
Division/Railway

*Strike out whichever is not applicable.

(Reverse)							
S No	No. Date and other particulars of the vouchers for charge/credit	Full particulars of charge- including the No. and date of order from the Indenting Officer	Designation of officer to whom the charge credit relates	Detailed allocation of the charge /credit	Amount		Remarks
					Dr.	**Cr.**	
	Total No. of vouchers sent. Total: Net Debit/Credit				Rs. P.	Rs. P.	

Note- In case the vouchers cannot be sent in support of the Transfer Certificate, a certificate showing the particulars of the charge should be sent.

407. **Acceptance of Transfer Certificates.-**The responding Accounts Office i. e., the accounting unit which receives the Transfer Certificate, should accept the transfer in the accounts of the same month in which the transfer is proposed in the Transfer Certificate. The Transfer Certificates for cash transactions should be accepted without demur.

Similarly, the Transfer Certificates for Stores transactions should be accepted without fail if the Transfer Certificates give full particulars of allocation. Even in cases where some vouchers have not been received duly accepted and allocated by the Departmental Officers, the Transfer Certificate should be provisionally adjusted in the accounts based on the allocations noted in the vouchers, and in the absence of any allocations in the vouchers, on the basis of the allocations to be ascertained from the Executive Offices concerned, if necessary, steps being simultaneously taken to obtain the acceptance later on as per the provision in para 410. It should be ensured that the transaction is invariably accounted for in the accounts for the month proposed by the originating Accounts Officer so that nothing in respect of stores transactions is left outstanding under Intra- Railway Transfers at the close of a month's accounts.

The acceptance of Transfer certificate should normally be intimated through the lower half of the transfer Certificate, (Form A-406).

If the transaction does not pertain to the responding unit, the transfer certificate should be returned forthwith with suitable remarks.

In cases other than those for Cash and Stores transactions for which Transfer Certificates bear the allocation, if the responding unit cannot accept the transfer in the account for the month proposed by the originating unit, the former should indicate the month in which the Transfer Certificate is being accepted.

408. **Numbering and Watching the Acceptance of Transfer Certificates.-**Transfer Certificates issued against a particular accounting unit should be serially numbered each month. Every accounting unit should see that there is no break in the serial number of Transfer Certificate received by it from another, and if any break is noticed, should call for the missing Transfer Certificate immediately. The acceptance of transfers should, as they are received, be pasted on the office copies the Transfer Certificates.

Before closing the accounts of the month, the office copies of all Transfer Certificates issued for the month should be reviewed and the acceptance of any outstanding Transfer Certificate should be called for. However, in the case of Cash and Stores transactions the amounts involved should be incorporated in the accounts and the unit concerned advised telegraphically of the numbers of the Transfer Certificates so included.

409. It will be found convenient to have the Transfer Certificate (A-406) bound in books of convenient sizes and to use separate books for the various accounting units to whom Transfer Certificates are issued. If this method is not followed, a manuscript register similar to form A-413 should be maintained in each account in unit for the purposes of registration of Transfer Certificates issued and for watching the acceptance thereof.

410. **Adjustment in Accounts.-**In the accounts of the originating Accounts office a transfer transaction should be booked under the appropriate sub-head under "Transfers Divisional". In the accounts of the responding office, the transaction should be adjusted by minus debit or minus credit, as the case may be, to the subhead under "Transfers Divisional" and by debit or credit to the appropriate head of account. The result will be that the net total of the transactions under all the subheads of "Transfers Divisional" in the books of the Central Accounts Office of the railway will be nil and there will be no outstanding under the head "Transfers Divisional".

For achieving this result, the following rules should be observed: -

(i) All items of cash outlay or receipt, and transfer of stores must be initially recorded under "Transfers divisional" in the originating Accounts Office. Transfer Certificates relating to Cash and Stores transactions should be adjusted by the responding Accounts Office in the accounts for the same month in which these transactions are recorded in the books of the originating Accounts Office.

(ii) In the case of other items the Accounts Office originating the transfer should carry out the necessary adjustments in its books only on receipt of the acceptance from the responding accounts Office. At the end of the year, however, Transfer certificates for Stores should be accepted by operating on suspense if necessary.

(iii) The responding Accounts Office should examine the bills or other supporting vouchers received with the Transfer Certificates to see that debits or credits transferred to it pertain to it and that they have been admitted in internal check. In cases where items of debits or credits require the acceptance of the competent departmental officers the relevant vouchers should be passed on to such officers for verification, acceptance and return. As stated above, the Transfer Certificates for cash and stores transactions should be accepted and adjusted in the accounts, the acceptance of Transfer Certificates being provisional where departmental officers' countersignature has to be obtained. The finalization of the adjustments should be watched through the Register of Transfer Certificates (A-413) or other manuscript register maintained for the purpose. The Transfer Certificates for transactions other than the two specified above, should normally (but not in the accounts for March) be kept pending and adjusted on receipt of vouchers duly accepted and allocated by the competent departmental officer.

Note:- Normally, there should be no outstanding at the close of the year under the head "Transfers Divisional". If, however, for any reason there is an unadjusted balance under this head at the close of the year it should be allowed to remain there and not cleared by debit or credit to Suspense Head. Such outstanding should be reported to the Financial Adviser and Chief accounts Officer stating the circumstances under which the accounts could not be cleared and he will take necessary measures for their expeditious clearance.

411. **Transfers between Construction Divisions .-**All transfers transactions between two construction divisions submitting compiled accounts to the same Accounts Officer should be adjusted by the exchange of Transfer Certificates, (form A.406), between the construction divisions concerned. The responding division should as a rule, acknowledge the debit or credit in the same month's accounts in full, reserving for future consideration objections, if any, relating to items included in the Transfer Certificate. The rules prescribed in the matter for the accounts officer of the open line will apply to construction accounts offices also in other respects.

C. TRANSFER TRANSACTIONS-INTER-RAILWAY

412. **Inter-Railway Transfers .-**All transfer transactions between Railways (excluding Railways worked by Company or District Boards) will be adjusted by means of Transfer Certificates. In the books of the responding Railway, the adjustment in respect of a transfer transaction will always be by *per contra credit* or debit, as the case may be, and not by minus debit or minus credit. With this difference, and the procedure in regard to the acceptance of Transfer Certificates indicated in sub para below, the rules laid down in paragraphs 406-411 should be followed *mutates mutandis* in inter-railway transfers also. The same procedure will apply in the case of transfers between a Railway and the Railway Board or units such as the Chittaranjan Locomotive Works, Integral Coach Factory, Metropolitan Transport Projects etc. Transfer Certificates for inter railway transactions should be issued or accepted only by the Central Accounts Office of the railway, inter-railway transactions originating in a subordinate accounting unit of a railway being passed on in "transfers" to the Central Accounts Office for issuing Transfer Certificates against other railways. The detailed procedure to be followed in this respect will be laid down by the Financial Adviser and Chief Accounts Officer.

As for Cash transactions, Stores transactions should also be adjusted by the responding railway invariably in the accounts of the month proposed by the railway forwarding the Transfer Certificate. The amount, of the Transfer Certificate should, if necessary, be charged to suspense head by the responding railway if the allocation is not known and the Transfer Certificate should not be kept pending for that purpose. For transactions other than Cash and Stores also, the Transfer Certificate should be adjusted, as far as possible, in the accounts indicated by the railway forwarding the Transfer Certificate. In cases, however, where this is not possible, every effort should be made to adjust the Transfer Certificate before the accounts for the year are closed. If inspite of all efforts any balance still remains uncleared under the head "Transfer Railways" the same should be dealt with in terms of the note under para 410.

Note.- Items of cash receipts and disbursement, misclassified between different railways by the Treasury/Bank with which the Railway has transactions should be set right through the Reserve Bank, as explained in paragraph 432 and not through the head "Transfers Railways".

413. **Register of Transfers** .- With a view to watching disposal of Transfer Certificates issued or received in connection with inter-railway transfers and to eliminating outstanding under the head "Transfers Railways", a register of transfers to and from other railways in form A. 413 should be kept in each Accounts Office, submitting monthly accounts direct to the Railway board. The register will be kept by months and will contain reference to Transfer Certificate issued/received and the month in which it is proposed to take them to account. The entries will be serially numbered each month.

Form A-413

…….Railway

REGISTER OF TRANSFERS

Transfers with ……..…… Railway/Division. For the year……

Issued/Received

S. No.	Particulars of transactions	Transfer Certificate					Acceptance	
		Proposed month the of adjustment	No.	Date	Amount		No.	Date
					Capital	Revenue		
					Rs. P.	Rs. P.		

Acceptance and Adjustment in Accounts For…….					Journal Voucher through which adjusted in Accounts		Outstanding items carried forward	
April 20		May 20		And so On upto March	No.	Month		Remarks
Capital	Revenue	Capital	Revenue					

Rs. P	Rs. P	Rs. P	Rs. P					

414. **Procedure and Programme for exchange of Transfer Certificates**.- To facilitate the prompt closing of the monthly accounts for each railway, the following instructions regarding exchange of Transfer Certificates are laid down :-

(i) No Transfer Certificate should be issued without accepted vouchers except in the case of Cash transactions or Stores supplied to other railways or Labour Department Central Cess charges and in the latter cases, full particulars should be given as to the authority for raising debits and credits.

(ii) Separate Transfer Certificates should be issued for charges of different nature and relating to different departments or accounting units of the same railway.

(iii) The following target dates for the submission and acceptance and return of Transfer Certificates should be observed by each railway:-

1.	(a)	Each originating railway should send Transfer Certificate before	10th of the following month
	(b)	Transfer Certificates for Railway Board's Bulk Orders should be sent by the railways to reach Railway Board's office not later than	10th of the following month
2.		Each originating railway must receive acceptance by	25th of the following month

(iv) The last Transfer Certificates issued to a railway in each month should be accompanied by a complete list in form A. 414 of all Transfer Certificates despatched to that railway which should be returned by the responding railway by the 25th of the same month with reasons for the non-acceptance of any of the Transfer Certificates.

(v) Complete reconciliation of all transfer transactions should be enforced in the Accounts for June, September and December each year in the same way as for annual accounts.

(vi) Only such Transfer Certificates as have been shown as accepted in the monthly list of transfer transaction by the responding Accounts Officer should be included in the accounts of the originating railway and the responding railway should not adjust any item which has not been indicated as having been accepted in the list (Form A. 414)

Note.- Transfer Certificates should be issued/returned duly accepted in even flow and not left over till the last dates mentioned against items (1) and (2) above.

Form A. 414

415. **Disposal of monthly Lists of Transfers .-** On receipt of a Monthly List of Transfers (A. 414) from another railway, each entry should be compared with the corresponding entry, if any, in the counterfoil of the lists despatched to that railway and, if it agrees, the month in which it originated and the month in which it has been adjusted should be noted in red ink against the item on the lists in which the item was respectively responded to and originated, any difference which may come to light being at once enquired into with a view to rectification.

416. **Procedure for Exchange of Transfer Certificates with reference to annual closing of accounts. -** In order to ensure the prompt closing of March Accounts, the following programme should be adopted for the submission and acceptance of Transfer Certificates by the railways: -

	(1)	
(1)	Last date by which Transfer Certificates should reach the responding Accounts Offices:-	
	(i) Between Railways.	31st May
	(ii) By the Railway Board for transactions with U. K	25th May
	(iii) By Railways to Railway Board for transactions relating to Railway Bulk Order Programme.	10th May
	(iv) By Railway Board to Railways for transactions relating to Railway Board's Bulk Order Programme.	10th July
	(v) For interest on Depreciation Reserve Fund balances by the Railways to the Railway Board.	3rd July
(2)	Date by which acceptance should be communicated (for items other than items (iv) and (v) above. Which should be communicated telegraphically.	15th June
(3)	Date by which reconciliation should be completed (for other) than items (iv) and (v) above.	22nd June

To enable the Railway Board to appreciate the progress made in the acceptance of Transfer Certificates, the monthly accounts current for the months of December to February should be accompanied by a statement showing the outstanding Inward Transfer Certificates for more than Rs. 500/- each giving clearly reasons for their remaining unaccepted. A similar statement of Outward Transfer Certificates awaiting acceptance by other Railways should also be submitted with the monthly accounts current for these months.

Soon after closing of the accounts for February the transfer transactions adjusted with other Railways during the course of the year should be reviewed and special efforts made to secure adjustment of all outstanding items in the accounts of the year. To facilitate this, an Annual List of Transfers (A-416) should be despatched to each Accounts Officer with whom there have been transfer transactions during the financial year for check and return. This list should show the total amount debited and credited each month during the year. Similar action should be taken after the closing of the accounts for May, August and November of each year in order to secure adjustment of all outstanding transfer transactions in the accounts for the months of June, September and December which should be closed in the same way as accounts for march each year.

The additional time allowed for closing of the quarterly accounts for June, September and December should be utilized for reconcilation and final adjustment of outstanding transfer transactions. For this purpose, a meeting of the representatives of all Railways should be held at the end of the accounts of each quarter so that a complete reconcilation of all transfer transaction is effected in the accounts for June, September and December, It is necessary that all efforts should be made to ensure that the transfer transactions are not left outside the accounts of the month to which they relate, and whatever left out should be located during reconcilation and adjusted in the quarterly accounts and not left over to the fag end of the year for adjustment in the March accounts.

Form A-416

D. REMITANCE TRANSACTIONS

417. **Settlement of Transactions through the Reserve Bank of India.**-There is one central fund in the books of the Reserve Bank for the Railway ministry as a whole but the details working up to the total figures for each railway will be available in the books of the Reserve Bank. All transactions enumerated as exceptions in para 402 will be settled through the Reserve Bank by operating on this fund. For transactions with Pay and Accounts Officers see para 457 etc.

Note: The provisions of this paragraph do not apply to the adjustments on account of the Dividend to general revenues and the interest on the balances of the railway reserves (see paragraph 451 and 452 "etc".

418. **Advice of Clearance.-**The total amount due to each Railway from State Government and Central Ministries other than Railway Ministry should be advised monthly to the Reserve Bank of India Nagpur in Form A. 418 for adjustment against the balance of the State Government or the non-Railway balance of the Central Government as the case may be. These advices should be sent to the Reserve Bank of India, Nagpur at intervals, viz., on the 10th, the 20th and at the end of the month, the last one being sent before the 5th of the following month and always marked "Final". As a general rule, the advices should be based on accepted vouchers or bills (but seen para 427).

Note- If it is not a practicable, without causing much extra work, to prepare and send advices to the Reserve Bank three times in month, it is open to the Financial Adviser and Chief Accounts Officer to send them twice a month keeping in view, however, the fact that there should no under delay or heavy rush on the Bank in the settlement of transactions and that there should be no large outstanding under "Suspense".

Form A-418

419. A consolidated advice embodying all the transactions relating to the States and the Central Accounts Offices such as Accountant General (Central Revenues). Accountant General (Posts and Telegraphs), Controller General of Defence Accounts, during the period should be prepared and sent to the Reserve Bank of India, Extracts of this advice to the Bank should be sent to the Accountants General of States or the Accounts Officers of the Central Ministries concerned.

420. **Memo of Clearance by the Reserve Bank.-** The Reserve Bank will, on receipt of each Advice (A-418) make the necessary adjustment in the accounts of the party

concerned and issue an intimation in Form A-420,both to the debtor and to the creditor party to the transactions. It should be watched that there is no delay in the receipt of such intimations from the Bank and on receipt of the intimation a note should be made in the Register of Advices issued to the Bank (A-429) against the advice issued to the Bank. Similarly copies of advices received from the State Accountants General and other Central Accounts Officers should be linked with the information received from the Bank.

Form A-420

421. **Outward and Inward Accounts of Remittance Transactions.** - In addition to the Advices (A-418) sent during the month, a separate "Outward" account (A- 421) for each month supported by vouchers (or schedules, if the connected vouchers have been forwarded in advance, vide Para 422 working upto the net debit or credit advised to the Reserve Bank during the month should be sent monthly to the Accountant General of the State or the appropriate Accounts Officer. This account will cover only those items in respect of which the initiative rests with the Railways. Similarly, an "Inward" account (supported by vouchers or schedules, if the connected vouchers have been forwarded in advance) will be received every month from the other Accounts Officers, i. e., the Accountants General of States and the Accounts Officers of the ministries of the Central Government with which the railway have an account, in respect of items for which the initiative rests with them.

422. **Advance schedule.-**The Railway Accounts Officer should sent the connected vouchers for a month in advance of the monthly account to the Accounts Officer concerned with an Advance schedule in form A-422. After the advice for the clearance of the same is issued to the Reserve Bank, a copy of the advice should also be sent to him and a reference to these Advance Schedules (A-422) should be given in the Schedules (A-421). Similarly, vouchers will be sent in advance by other Accounts Officers to the Railway Accounts Officer.

Form A-422

SCHEDULE OF REMITTANCE TRANSACTIONS

Details of amounts debited/credited to the …… Department (……..Government) during the month of …….. 20……..

Serial No.	Particulars	Bill		Amount		Remarks
		No.	Date	Rs.	P.	
	Total					

……..
Accounts Officer

423. **Adjustment of Remittance Transactions.** - The adjustment of all transactions with a State and other Central ministries will be effected provisionally in the railway accounts under Suspense heads in the first instance. As remittance are made, cheques issued, advices for clearance sent to the Reserve Bank and monthly accounts received from the State Accountant Generals etc… the transactions should be allocated to the Suspense heads mentioned in paragraph 435 by *per contra* debit or credit to the appropriate revenue and service heads.

The suspense heads should be cleared on receipt of necessary information from the Central Accounts Office of the Reserve Bank.

Note: For adjustments on account of the Dividend to the General Revenues and the interest on the balances of the railway reserves, see paragraph 451 and 452 "et c..

424. All the items included in an account received from another Accounts Officer, whether of a State or a Central ministry, should be accepted and adjusted in full by the Railway Accounts Officer in the manner described in paragraph 435. If it is found during course of the internal check or adjustment that an item does not relate to the railway, it should not be rejected but referred to the Accounts Officer concerned indicating the reasons for reversal of the adjustment. After obtaining his consent a reversing entry should be included in the Advice (A-418) to the Reserve Bank. Similarly, the reversing entry should be reflected the 'Outward' account (A-421) sent to that Accounts Officer for the month in which that advise is included.

425. **Adjustment of Transactions relating to February and March.**-Special steps should be taken for the prompt clearance of transactions relating to the accounts of the last two months of the year, viz., February and March. The books of the reserve Bank for the month of March will be closed by the 25th April after which date no transactions will be cleared by the Bank in that month's account. To facilitate early settlement of the accounts for March, adjustments which originate in the accounts for February and earlier months should be completely settled and advised to the Reserve Bank in good time before the end of March. Adjustments for the month of March should be advised to the Reserve Bank to the extent possible before the expiry of that month and what is left over, on the 5th, the 15th and the 25th April (or on the previous dates if any of these dates is a holiday); the last three advices to be sent by telegram, if necessary. The last advice to be sent by the 25th April should include a certificate by the Financial Adviser and Chief Accounts Officer that no further adjustment will be intimated to the Bank in respect of the accounts of the financial year just ended. Any further adjustment pertaining to the preceding year should be taken into the account of the subsequent year. Occasions for such postponement should, however, seldom arise. Every such delayed adjustment should be brought to the notice of the Railway Board with an explanation of the circumstances which led to the delay.

426. As the time for the clearance of bills for a month is limited owing to the closing of the Bank's books for a month by the 7th of the following month, such of the bills against other Accounts Officers as are not ready before that date may be taken in the accounts of the next month. It should, however, be arranged that the bills covering the transactions pertaining to the month of March or the year are cleared in the accounts of the year.

427. With regard to the settlement of transactions with other Central Departments and State Governments the following instructions should be strictly followed:-

(a) Schedules (A. 422) for February and March should be sent to the non-Railway Accounts Officers so as to reach them on the 25th March and 10th April respectively, the corrections found necessary in the February Schedule being also advised so as to reach them not later than the 10th April.

(b) There is no objection to accounting officers arranging by mutual agreement for the submission of advance schedules in batches if this is considered more convenient.

(c) Subject to the provisions of sub-paragraph (d) below, debits in respect of supplies made or services rendered may be raised in accounts for March in anticipation of their acceptance by the officers concerned, provided they are supported by vouchers or papers giving full classification of the charges and indicating clearly the department and officers to whom the supplies were made or services rendered. This procedure is not meant to cover individual items on which separate agreements may have been arrived at.

(d) In order to overcome the difficulty that may be experienced in connection with the settlement of the bills on account of warrants and credit notes received during March in the accounts for the year, provisional bills may be prepared on the basis of station figures and adjusted against the ministries and State Government concerned, any undercharges or overcharges detected as a result of check by the Accounts Office being adjusted in the accounts for April of the next financial year. The original vouchers need not be sent with the provisional bills but may be submitted with the final bills. Non-railway Accounts Officers have instructions to accept debits on account of warrants and credit notes relating to March without insisting on the submission of the original vouchers. A similar procedure should be adopted with regard to the transactions adjustable with the Burma Government (see Chapter V) so that the settlement of the transactions may be effected through the Reserve Bank of India before 25th April when the books of the Bank for the month of March will close.

DETAILED ACCOUNTING PROCEDURE

428. Two registers in Forms A. 409 and A. 430 should be maintained by the Accounts Office to record the transactions cleared by the Reserve Bank from day to day on behalf of the railway.

429. **Register of Advices Issued.-** As advices are issued to the Bank by the Railway Accounts Officer, they should be posted in Register A. 429.

Form A-429

430. Register of Advices received. -- Copies of the advices received from other Accounts Officers should be posted in the Register- A-430

Form A-430

431. **Posting of the Advices Registers .-**The Memo of clearance (A.420) received from the Reserve Bank in compliance with the Advices (A. 418) issued by the Railway Accounts Officers, or in compliance with those issued by other Accounts Officers should be

posted in the columns provided in the Forms A. 429 and A. 430 immediately on receipt. The figures for other columns, viz, "Balance uncleared" should then be worked out at the end of the month and the balance agreed with the balance in the ledger under the Suspense heads mentioned in paragraph 435.

432. **Statements from Banks and Treasuries.-**Each bank with which the railway has transactions will send daily a statement to the Railway Accounts Officer showing separately the cheques paid and earnings and other miscellaneous receipts received by it for each railway. These statements should be checked immediately on receipts with the counterfoils of cheques and cash remittance notes. Any discrepancies noticed in the figures should, after verification with the bank's record, be pointed out immediately to the Central Accounts Section of the Reserve Bank who would set them right by addition to or deduction from the figures of a railway transactions of the following month and show them as such in the relative closing statements of that month. This procedure will also apply to the items misclassified between different railways in the initial accounts of the banks and treasuries (see note under paragraph **412**).

Similarly, each treasury/bank with which the railway has transactions will also send daily duplicate copies of the scrolls together with relative vouchers (i. e. challans and paid instruments). These should be checked in the same manner as the other statements received from Reserve/State Banks. The cash remittance notes which are not accounted for in these statements and the unpaid cheques should be listed out separately in two separate manuscript registers and the total for each worked out at the end of every month.

433. After the statement received from the banks and treasuries for each date have been checked, the totals of the (to the end of the) previous date should be brought forward and the totals to end of the period worked out in different columns of the statements. The grand totals for the month should at a later date be reconciled with the totals of the monthly transactions of the railway as recorded in the books of the Reserve Bank which will be intimated to the Railway account officer by he reserve Bank or in respect of treasury transactions, with the amount included in the account rendered by the Civil Accountant General. The discrepancy, if any, noticed in this reconcilation should be reported to the Reserve Bank at Nagpur (for transactions at banks) to the Accountant General (for transactions at treasuries) and the Railway Board immediately.

434. The statements received from the banks should be carefully filed as these will take the place of the Bank/Treasury Pass Books and the consolidated treasury receipts.

435. **Accounts Heads.-** The following heads should be operated in the ledger for adjustment of transactions under the above procedure :-

(1) **L-** Suspense and miscellaneous (b) Suspense
- (a) Reserve Bank Suspense.
- (b) Remittance into banks.
- (c) Cheques and Bills.

(2) **M-**Remittances-Inter-Government adjustment accounts.
(3) **L-**Suspense and miscellaneous (c) other accounts-Deposits with Reserve Bank.

436. **Reserve Bank Suspense.-**The account received from other Accounts Officers should be verified with the total amount of the advices (copies) and of the advance schedules for a month received in advance from those Accounts Officers. The various items included in the account except remittances and cheques paid which will be journalized as

indicated in paragraph 440 should, after verification and acceptance, be adjusted against the appropriate head of account by per contra credit/debit to the head "Reserve Bank Suspense". On receipt of the clearance memo from the Reserve Bank in clearance of the transactions-intimated to the Reserve Bank by other Accounts officers, the head "Reserve Bank Suspense" should be debited/credited by credit/debit to the head "Deposit with Reserve Bank".

Note.- Normally, the advices along with the connected vouchers should be received from the Civil Accounts Offices every month and the head, "Reserve Bank Suspense" should be cleared monthly by adjustment against the final heads concerned. Where, however, the items cannot be admitted in internal check and charged to the final heads, for want of full particulars, acceptance of the vouchers etc., the amount together with the amount of which no vouchers are received, should be allowed to remain under "Reserve Bank Suspense" during the course of the year, but before the year's accounts are closed, all balances under the head, "Reserve Bank suspense" should be cleared by adjustment to the final heads to the extent possible or to "Miscellaneous Advances" "Deposits miscellaneous" Capital or Revenue, as the case may be.

437. **(a) Remittance into Banks**.-This head should be operated upon as earnings are remitted into the Banks and Treasuries. The amount of all Remittance Notes for a day should be debited against the head "Remittance into Banks". At the end of the month, after the figures have been reconciled as indicated in paragraph 432 and 433 the total amount of the remittances acknowledged by the Banks and Treasuries should be debited to the head "Deposit with Reserve Bank" by credit to "Remittances into Banks". It should be seen that only that amount of the remittances received in a month at Bank is adjusted against "deposit with Reserve Bank" as has been cleared by the Reserve Bank on behalf of the Accountant General.

(b) Cheques and Bills.- This head should be operated upon as cheques are drawn by the Railway Accounts Officer. The amount of all cheques drawn for the day should be credited to the head "cheques and Bills". At the end of the month after the figures have been reconciled as indicated in paragraph 432 and 433, the total amount of cheques paid by the Banks and Treasuries should be credited to the head "Deposit with the Reserve Bank" by debit to the head "Cheques and Bills". It should be seen that only hat amount of the cheques paid in a month at the Treasuries/Banks is adjusted against "Deposit with the Reserve Bank" as has been cleared by the Reserve Bank.

438. **Accounts with States etc.-**As a transaction on behalf of a non-Railway Accounts Officer originates, it should be taken under this head by per contra debit/credit to the appropriate service head. The total amount of the transactions booked under the head "890-Accounts with States etc.", will be verified with that recorded in the Register of Advices (A-429) and will be cleared on receipt of the Clearance Memo from the Bank.

439. **Deposits with Reserve Bank.-**This head will be operated upon only to record (a) the Memo which are received from the Reserve Bank in clearance of transactions intimated to the Bank by the Financial Adviser and Chief Accounts Officer or in clearance of transactions intimated by other Accounts officers (civil, Defence, posts and Telegraphs etc.), to the bank and (b) the clearance of remittances and cheques and bills. The net amount of each advice received from the bank will be debited/credited to the head "Deposit with

Reserve Bank" by per contra credit/debit to one or more heads mentioned above under which the transactions have been accommodated in the first instance.

Note.- The provisions of this paragraph do not apply to the adjustments on account of Dividend to general revenues and the interest on the balances of the railway reserves (See paragraph 451 and 452 et seq.).

440. **Accounting.-**The procedure of adjustment will be as follows:-

(a) For remittance. Into banks-

(i) As remittance notes are received-

Remittance into Banks	Dr.
To Appropriate revenue and service heads	Cr.

(ii) At the end of the month when figures have been reconciled with the bank's figures-

Deposits with Reserve Bank	Dr.
To Remittance into Banks	Cr.

(b) for cheques issued;-

(i) total amount of cheques issued on a day-

Appropriate revenue, service heads etc.	Dr.
To Cheques and Bills	Cr.

(ii) At the end of the month when the figures of cheques paid are available and reconciled—

(Total amount of Paid cheques)-

Cheques and Bills	Dr.
To Deposits with Reserve Bank	Cr.

Note: Credit to the head "Deposits with Reserve Bank" for the amount of cheques paid at treasuries should be afforded once only, i. e., when the account from the Accountant General concerned has been received and figures reconciled with the clearance by the Reserve Bank

(c) For transactions of the outward monthly account-

(i) As the transactions originate or advices are issued to the bank--

890 - Accounts with States-etc. (railways) (the name of the state to be specified).	Dr./Cr.
To/By Appropriate Revenue Service head, etc.	Cr./DR.

(ii) As advices are received from the bank in clearance of the advices sent to the bank, vide (c) (i) above-

Deposit with reserve Bank	Dr./Cr.
Inter-government Adjustment Accounts	Cr./DR.

(d) For transactions of inward monthly accounts (other than remittances and cheques)-

(i) As vouchers and accounts are received from other Accounts Officers-

Appropriate revenue service head, etc.	Dr./Cr.
To/by Reserve Bank Suspense	Cr./DR.

(ii) As advices re received from the bank in clearance of the advice sent by other Accounts Officers, to the bank for vouchers and accounts, vide (d) (i) above-

Reserve Bank Suspense	Dr./Cr.
To/By Deposits with Reserve Bank	Cr./DR.

441. **Verification and Reconciliation.-** The net amount of the Clearance Memos received in a month from the bank in clearance of the transactions originated by other Accounts Officers (Central and State) against the railway should be verified by the Financial Adviser and Chief Accounts Officer of the railway with the Accounts and the schedules received for the month from the parties concerned. The transactions should be adjusted in the accounts of the railway in the same month as in those of the Reserve Bank, and any discrepancy noted in the course of adjustment or verification should be promptly referred to the other Accounts Officers concerned for settlement by a further original entry in a latter outward account of the Financial adviser and Chief Accounts Officer of the railway.

442. Ordinarily there should remain no balance at the end of the year under the heads "890-Accounts with States-etc., (Railways)" and "Reserve Bank suspense", if prompt action is taken in intimating the transactions to the Reserve Bank for clearance and in adjusting the transactions of the inward monthly accounts of other accounts officers. In case there is an outstanding balance at the end of the year the reasons for the same should be investigated and the items adjusted in the accounts in hand, i. e. in the earliest possible month of the next year. (See also note under para 436).

443. The transactions cleared by the Reserve Bank as posted in the Registers (A-429 and A-430) will only represent a part of the transactions under the head "Deposits with Reserve Bank" i. e. those passed through the monthly inward and outward accounts. To these totals should be added the net amount of the remittances acknowledged and the amount of the cheques paid by the banks, (of. Para 432) to arrive at the total transactions cleared by the Reserve Banks in a month. This total figure should be verified with the transactions booked in the accounts under the head "Deposit with Reserve Bank". This verification should be done by the Financial Adviser and Chief Accounts Officer soon after the close of the accounts of the month. The net balances at the end of the month under that head should after verification be intimated by him to the Railway Board for reconcilation of the total balance for all the railways as intimated by the Reserve Bank to that Office. An intimation of the balance (after verification) should also be sent to the Reserve Bank of India, Nagpur.

444. The balance under the head "Remittance into Banks" and "Cheques and Bills" will represent the amount of unaccounted for remittances (which will be rare) and the amount of uncashed cheques respectively. These should be reconciled every month with the totals of cash remittance notes which had not been included in the intimation received from the Reserve Bank the accounts received from State Accountants General and the amount of unpaid cheques as per counterfoils of cheques as recorded in the register mentioned in paragraph 432 This reconciliation should be made as early as possible before the accounts for the month are closed. The net balance at the end of the year under these Suspense

heads should be carried forward to the next year under each of these heads. See also paragraph 233.

Note: The balance under the head "Cheques and Bills" should be reviewed half yearly and the amount of cheques, remaining uncashed for more than six months after the date of issue should be credited to 'Abstract Z650 other unclassified or to the work concerned according as the transaction relate to working expenses or works respectively. The particulars of all uncashed cheques so adjusted in accounts should be kept in a special register to be maintained for the purpose to facilitate disposal of requests for fresh cheques that may be received subsequently.

445. **Reconciliation of the Transactions under the heads "Deposits with Reserve Bank" etc.-**The Reserve Bank will intimate to the Financial Adviser and Chief Accounts Officer in the beginning of every month, the net figures of the transactions for the preceding month cleared by the bank on behalf of each railway and the net figure cleared since 1st April of the year. These figures should be reconciled with the total figures recorded in the registers in forms A-429 and A-430 and the statements of remittances and cheques received from the banks including Nationalised Banks and also with those recorded in the general books under the head "Deposits with Reserve Bank".

Note- The provisions of this paragraph do not apply to the adjustments on account of the Dividend and the interest on the balances of the railway reserves (See paragraph 451 and 452, et seq.)

INTER-DEPARTMENTAL TRANSACTIONS

446. **Income-Tax Recoveries.-**Recoveries on account of income-tax made from the salary bill should be credited to the Railway Board in "Transfers" by the 5th of the following month. The Railway Board will-settle them with the Accountant General, Central Revenues and through the Reserve Bank.

447. **Debits, Deposits and Advances. -**The transactions under the head "I-Small Savings, Provident Funds etc.," "K-Deposits and Advances", "L-Suspense and miscellaneous" will be booked finally in the Railway Accounts, i. e., the recoveries on accounts of General Provident Fund, State Railway Provident Fund, etc, and the payments therefrom will be booked under the heads prescribed vide Appendix IV. Similarly, security deposits received for works done, earnings of worked lines, etc, and the contribution to the Depreciation Reserve Fund etc. will be booked under the heads "Deposits" and Depreciation Reserve Fund" etc., respectively.

448. **Interest on the balance of Provident Fund Deposits.-**The amount of interest due on the balances in the Provident funds for the year should be worked out after completing, in all respects the postings for march (i. e., recoveries made in pay bills for February) and communicated to the Railway Board by the 25th July, debit being raised for this amount under "Transfer Railways (R. B.)" in the accounts for March. The interest on the Provident Fund balances will be adjusted by the Railway board (Accounts) directly with the Accountant General, Central Revenues, in the Accounts for March.

449. Interest in respect of the Provident Fund accounts closed in the course of the year should also be adjusted every month by the financial adviser and Chief Accounts Officer with the Railway board under "Transfers Railways". The intimation of the figure of interest on the fund balances for a month should be sent to reach the Railway Board by the 5th of the following month.

450. **Interest on Loans and Advances.-**the interest recovered on account of loans and advances should be credited to the Railway Board through "Transfers Railways", and the transfer advised by the 5th of the month following that to which the transaction relates.

451. **Interest on the balance of the Depreciation Reserve Funds .-** Interest on the balances of the Depreciation Reserve fund will be worked out by railways and credited to the fund itself by debiting the head "Transfers Railway" Railway Board. In the books of the Railway Board the amounts involved will be debited against the head "Deposits with reserve Bank" by a contra credit to the head "Transfers" Railway. This transaction will not pass through the accounts of the reserve Bank but an intimation there of will be sent to the Accountant General Central Revenues. (Interest on balances in the development fund and Reserve Fund, Pension Fund. Accident Compensation, Safety and Passenger Amenities Fund is adjusted by the Board's Office in its own books).

452. **Dividend to General Revenues.-**The Dividend on the capital outlay on the railways which is payable to the General Revenues is adjusted in the books of the Railway board with the Accountant General Central Revenues. These charges are calculated in the Railway Board's Office. The amount involved will be debited to the head "351-Payment to General Revenues" by a per contra credit, to the head "Deposits with Reserve Bank", but the per contra adjustment will not pass through the Reserve Bank; only an intimation there of will be sent to the Accountant General, Central revenues.

453. **Miscellaneous Remittances into Treasuries/Banks**.-All amounts due to the railway from non-Government institutions, private bodies and individuals should, as a rule be required to be paid to the Cashier, whose duty it is to receive the amounts, grant suitable receipts duly signed by the Railway official authorised in this behalf and deposit the amounts collected into the treasury/bank for credit to the railway. In exceptional cases where this arrangement is not practicable, a departmental officer may receive the amounts due to the railway and grant suitable receipts. In such cases the moneys received should ordinarily be remitted to the treasury/bank either direct or through the Cashier or the nearest Station Master, in all these cases, the receipt foil of the Treasury Remittance Note (A- 1944) or the miscellaneous Receipts Transmit Note (A-1605) should be required to be submitted to the accounts Officer (with the account rendered by the departmental officer) for watching the credit. It occasionally happens that money is deposited in treasuries/banks by outsiders to the credit of the railway. In such cases, also, the depositor should be instructed to submit the receipt foil of the Remittance Note to the Accounts Officer to enable the latter to watch the credit.

454. **Provident Fund recoveries adjustable by other Accounts Officer and Foreign Service Contributions .-**Recoveries on account of Provident funds, if adjustable in the books of another office, should be intimated to that office as and when these are actually made from the bills, particular care should be taken in this respect in the months of January, February and march so as to enable the Accounts officer concerned to credit the amounts to the accounts of the deposits in the proper month or the year concerned. Similarly, it should be arranged to recover and adjust foreign service contributions in the accounts of the same year to which they relate.

455. **Pension Payments.-**the payment of pensions and the commuted value of pensions will be made at civil Treasuries/Post Offices/Banks and the debit for the same will be adjusted by the State Accountants General/Director Accounts (Postal) banks against the Financial Adviser and Chief Accounts Officer of the Railway concerned through the Reserve Bank. (See Chapter X)

456. **Purchase of Service Postage Stamps .-**For obtaining service postage stamps from the treasury a cheques for the amount should invariably be issued. The procedure of settlement through the Reserve bank should not be followed for this purpose.

E. SETTLEMENT TRANSACTIONS-PAY AND ACCOUNTS

457. **Settlement transactions-Pay and accounts Offices.-**Payment and accounting of transactions relating to the departments of the Central and State Governments for which the accounts have been separated from Audit, is the responsibility of Pay and Accounts officers attached to the Department or ministry concerned. The Pay and Accounts Officers will not issue any authorisation on railway Accounts Officers to make payments on their behalf or vice versa, such transactions being settled on cash basis as explained in the following paragraphs. As an exception to this rule, payments made by the Chief Pay and Accounts officers in respect of purchases made through the agency of the Directorate General, Supplies and Disposals, should be adjusted through the Reserve Bank of India in the manner laid down in para 436.

458. **Transactions relating to railways arising in the Accounts of Pay and Accounts Officers and vice versa.-**Pay and Accounts officers will not settle transactions with railways through the Reserve Bank and vice-versa. All their dues will be paid/received at weekly intervals on cash basis i. e., by cheques or Government drafts.

459. **Payments by/to Pay and Accounts Officer.-**All cheques (or government drafts in the case of outstation payments) will be crossed with the words "Account Government".

Note. (1)the minimum limit for the preparation of cheque or for drafts will not apply for this purpose.
(2)where the amount involved is Rs. 5 lakhs or more and if the settlement for any reason has to be by drafts it will be effected by telegraphic remittances being issued at par by the Reserve Bank just like Government drafts.

460. **Transactions arising in the Accounts of the Pay and Accounts Officers which are adjustable by Railway Accounts Officers .-**the Pay and Accounts Officers will make weekly claims or remittances in settling all transactions originating in their books to be settled with the Railway Accounts Officers and the claims or a cheque as the case may be will be forwarded with an advice in Form A-460(P.A.O.9).

Form A-460
(P.A.O.9).

461. Immediately on receipt of an account of such transactions from the Pay and Accounts Officers, the railway Accounts Officer will check the vouchers accompanying it to see that the totals are correct, that the items correctly pertain to the railway and that no voucher is missing. He will then enter it in an Inward Register Form A-461` (P.A.O10) and affix on it the serial number of the register.

Form A-461
(P.A.O10)

462. In cases in which the account shows some amount due to the railway, it will be accompanied by a Government draft/cheque, which will be sent to the Chief Cashier for remittance to the treasury/bank for being credited to Railway Account.

463. In the converse case when the account shows an amount due to the Pay and Accounts Officer, arrangements will be made to send a cheque (for local payment) or a Government draft as the case may be within 7 days of the receipt of the account without waiting for the detailed check of the vouchers. The cheque or government draft will always be for the full amount claimed by the Pay and Accounts of officer except in cases where some mistake in calculation is detected in the course of the preliminary check of totals or where an item clearly pertaining to another Accounts officer has been wrongly included in the account. In the latter cases cheques/government draft will be sent for the correct amount, the discrepancy being pointed out to the Pay and Accounts Officer, simultaneously. The connected pay orders will be included in separate Abstracts (A.1107) and the cheque will be sent to the Railway Cash and Pay Office together with the forwarding Note Form A-460 (P. A. O.9) for transmission to the Pay and Accounts Officer. The amount will be shown as debitable to the appropriate service head (where the final allocation is known), a suspense head, a transfer head or Purchase Account as the case may be. Transactions relating to stores for stock should be debited to "Purchases" and other for which the allocation is not known may be booked to "miscellaneous Advances". Incidental charges on stores required for general purposes which are debitable to Abstract "A" vide para 2164- S should be debited to the final head direct. When payments have to be made on the basis of telegraphic intimations received from the Pay and Accounts Officer in regard to payments made by them from the 20th to 28th March the distribution of incidental charges between the "Works" stores and "General Purposes" stores may be made on the date available for the earlier months of the year.

464. If at the time of adjustment of the transactions under final heads of account. The Railway Accounts officer finds that an items has been passed on to him erroneously, he will re-credit or debit it to the Pay and Accounts officer through the next weekly intimation to be sent to the latter along with the supporting vouchers.

465. **Payments in March.-**In order to claim reimbursements for transactions arising in March within the financial year, the pay and Accounts officer will not normally make any payment adjustable with the Railways after the 25th March. They will send bi-weekly intimation to the Railway Accounts Officers in respect of transactions arising from the period from 17th to 25th March positively. In exceptional cases where such payments have got to be made after 25th March, a telegraphic intimation will be sent to the Railway Accounts Officer and the latter will arrange to issue the cheque or Government draft before 31st march.

466. **Transactions arising in the accounts of the Railway Accounts Officers adjustable with the Pay and Accounts Officer.-**All transactions appearing in the Railway books which are adjustable with the Pay and Accounts officer will be classified under "M-Remittances-Inter Government adjustment accounts-Pay and Accounts Officers A,B,C, etc." a separate suspense register being maintained for each Pay and Accounts Officers with whom the transactions are to be settled. These transactions will be posted daily and weekly totals will be struck in the subsidiary register for transactions arising during the period from 1st to 8th, 9th to 16, 17 to 24th and 25th to the last day of the month. From these registers, the weekly figures will be transcribed in the outward claim register in Form A. 466 (P. A. O.6) separate pages being allotted for each Accounts Officer.

Form A. 466
(P. A. O. 6)

467. Receipts and payments will then be listed separately in two schedules in Form A. 467 (P. A. O.7) If the account closes with some amount due to the Pay and Accounts officers, a cheque or draft as the case may be will be sent to the pay and Accounts officer concerned with the forwarding letter in Form A. 460 (P. A.O .9) Acknowledgement f the cheques/drafts by the Pay and Accounts officer will be watched and reference the acknowledgement when received pasted on the back of the office copy connected forwarding letter. In the converse case when payment on behalf of Pay and Accounts Officers are more than their receipts during the week the schedule with supporting vouchers will be sent to the Pay and Accounts Officers with the forwarding letter in Form A.460(P. A. O.9) referred to above calling for a cheque for the amount due to the railway. On receipt of the cheque from the Pay and Accounts officer, it will be sent to the Railway Cash Office under, a Miscellaneous Receipts Transmit Note Form A. 1605 showing the amount as creditable to the suspense head M-Remittances Inter Government adjustment accounts-Pay and Accounts Officers A, B, C. etc.

Form A. 467
(P. A. O. 7)

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CHAPTER V

REMITTANCE TRANSACTIONS—OUTSIDE INDIA

Transactions with United Kingdom, 501. Adjustment in Railway Account, 502. Rate of Conversion for adjustment. 505. Stores procured from other European Countries, 507. Direct Purchase of Stores in the United Kingdom, 508. Direct Purchase of Stores in the United States of America, 509. Miscellaneous Instructions relating to Transactions with United Kingdom, 510.

Transactions with Burma. —Settlement of Transactions between the Indian Railways and Burma Government/Burma Railways, 512. Transactions originating in India, 513. Transactions originating in Burma, 515. Correspondence, 516

Transactions through supply Missions. —Adjustment of debits on Account of Cost of Rolling Stock, 517.

Transactions with Pakistan. —Transactions with Pakistan, 518. Monthly Schedule of Transactions adjustable with Pakistan, 519.

Payments by Diplomatic/Trade Missions. —Procedure for Payment by Diplomatic missions abroad on behalf of Indian Railways, 521.

Indo-Bangladesh Transactions. —Procedure for Settlement of Indo-Bangladesh Inter-Railway Transactions, 522.

ACCOUNTING ARRANGEMENTS UNDER INTERNATIONAL DEVELOPMENT

Accounting arrangements under International Development Association (I.D.A.) Credit. —Accounting arrangements for Payments made to Foreign Suppliers against Supplies under Credit by I.D.A., 526.

CHAPTER V

REMITTANCE TRANSACTIONS OUTSIDE INDIA

501. **Transactions with United Kingdom-**The railway transactions in the United Kingdom requiring to be adjusted in India will be advised to the Railway Board by the chief Accounting Officer to the High commissioner in London, both in respect of.-

(a) Payment made in England on behalf of Indian Railways, viz.-

(i) Payments on accounts of establishment and services chargeable to the Railway Ministry, leave-salary and allowances, made by the High Commissioner, which are to be borne by the Ministry of Railways; and

(ii) Payment for stores and miscellaneous services.

(b) Other transactions such as.-

(i) Provident Fund recoveries;

(ii) Recoveries of advances;

(iii) Inspection charges on stores; and

(iv) Miscellaneous items.

The advice in respect of (a) is received through the monthly Statements of Issues and of Payments and that in respect of (b) through monthly Schedules of miscellaneous Remittance Transactions.

502. **Adjustment in Railway Accounts.-**the net amount of the transactions in the united Kingdom equiring to be adjusted in India will be advise by the Accounting Authorities in the united Kingdom to the Accountant General, Maharashtra, who will intimate the rupee equivalent therefor at the average rate of exchange to the Central Office of the Reserve Bank at Nagpur for adjustment against the 'Railway Fund'. A copy of the intimation to the Bank will be sent by the Accountant General, Maharashtra to the Railway Board.

503. On receipt of the Statements of Issues and of Payments and the Schedules of Miscellaneous Remittance Transactions from the high Commissioner, the Railway Board will verify the total amount in rupees and sterling with the intimation received from the Accountant General, Maharashtra, and will send relevant portions of the Statements and extracts from the Schedules to the Financial Adviser and Chief Accounts Officers of the Railways concerned with a Transfer Certificate or an Acceptance of Transfer , as the case may be. The adjustment of the debits and credits thus advised will be made by the Railways through the head "Transfer Railways" with the Railway Board.

504. In the Railway Board's Office the amount of each advice received from the Accountant General, Maharashtra will also be verified with the memo of clearance (A.420) received from the Reserve Bank in that connection (see paragraph 420). The rupee amount as shown in the memo received from the reserve Bank will be adjusted under the head "Reserve bank-Suspense" by per contra debit or credit under "Deposits with Reserve Bank". The former head will be cleared when the Transfer Certificates issued by the Railway Board are accepted by the Railways.

505. **Rate of conversion for adjustment**.-The Financial Adviser and Chief Accounts Officer will, after verifying the correctness of the sterling amount, convert the same at the average rate of exchange and adjust the rupee equivalent of the total sterling transactions for a month under "Transfer Railways". The corresponding debit or credit against the final or other account heads will be adjusted at the prescribed rate of exchange, i. e. at the average rate in the case of transactions adjusted at the prescribed rate of exchange in the case of other transactions like recoveries of State Railway Provident fund, Loans and Advances, etc. the difference on account of the conversion of the sterling figure at the average rate and the statutory rate of exchange in respect of the transactions taken under other final heads should be adjusted under revenue heads in the case of open line offices other than Statutory Audit Offices, and under "345-Policy formulation, Direction, Research and other Miscellaneous Organisations" in all other cases.

506. It will not be necessary to make any separate adjustment on account of the transactions with United Kingdom debitable against the final heads in respect of difference in the rate of exchange. The sterling amount converted into rupee at the average rate should be taken under those heads. The amount of exchange difference on these transactions, i. e. the difference between the conversion at the average rate and the statutory rate should only be exhibited proforma in a footnote in the schedules of expenditure accompanying the monthly accounts.

507. **Stores procured from other European countries for Indian Railways.-**In the case of stores supplied for the Indian Railways, the high Commissioner forwards statement of payments and shipping documents to the Financial Adviser and Chief Accounts officer of the railway concerned and it is the duty of the latter officer to see that the invoices of all stores shipped for the railway have been received and distributed and to satisfy himself that all stores for which payments have been made have actually been received and brought on to the accounts of the railway. The detailed rules to be followed in this connection are set out in the Indian Railway Code for the Stores Department.

508. **Direct Purchase of Stores in the United kingdom.-**Payments for stores obtained by direct orders on private firms and individuals in the united kingdom are made by means of Bank Drafts purchased by the Accounts Officer in India in favour of the suppliers in the united kingdom. These payments are brought to account directly in books in India. In the case or stores obtained direct from firms abroad on f. o. b. basis subject to inspection by the Director general of Supplies, London, the payment may, if the purchasing officers have so desired, be made directly by the high Commissioner on receipt of supplier's bills duly verified by the inspecting authority, viz. The Director General of Supplies, London. Such payments are passed on with the supplier's bills to the Accounts Officers (in India) concerned for adjustments duly certified by the Director General and will be adjusted in accordance with the rule in paragraph 505.

509. **Direct Purchase of Stores in the United States of America.-**Payments for articles obtained by direct order on private firms and individuals in America are to be made by means of Bank Drafts purchased by Accounts Officer in India in favour of the Director General, Indian Supply mission, Washington. These payments are brought to account directly in books in India. In the case of stores obtained direct from firms abroad on f. o. b. basis subject to inspection by director General of the Indian Supply mission Washington, the payment may, if the Purchasing officers have so desired, be made directly by the Indian Supply mission on receipt of supplier's bill duly verified and certified by the director General, Such payments are passed on with the supplier's bills to the Accounts Officers (in India) concerned for adjustment, duly certified by the Director General and will be adjusted in accordance with the rule in paragraph 505

510. **Miscellaneous instructions relating to Transactions with United kingdom.-** Except under special orders, no debits should be raised by the Railways against the Railway Board on account of transactions with United kingdom until receipt of intimation that credits have been afforded by the high Commissioner for India. No item of receipt or payment is to be intimated to the Railway Board when the credit or debit to the general revenues of India will remain unaltered; thus an amount outstanding against an officer proceeding out of India, which is noted on his leave-salary certificates, is not to be advised to the Railway Board as it recovered by short payment of his leave-salary. Such an amount should remain finally charged off to establishment or other head of service concerned.

511. Any sum which is recoverable in cash by the High Commissioner should also remain charged to establishment but should be held in the Objection book (A.866) until advice of recovery by the High Commissioner is received from the Railway Board. On receipt of such intimation the amount recovered in sterling should be converted into Indian rupees and adjusted in accordance with paragraph 505.

TRANSACTIONS WITH BURMA

512. **Settlement of Transactions between the Indian Railways and the Burma Government/Burma Railways.-** The settlement of all transactions originating from the Indian Railways and adjustable with the Burma Government or the Burma Railways will be made by the Railway Board with Accountant General, Burma through the Reserve bank of India, in accordance with the procedure outlined in paragraph 417. Similarly, the transactions originating from the Burma Government and adjustment with the Indian Railways will be settled by the Accountant General, Burma, or the Controller of Railway Accounts,. Burma, with the Railway Board through the Reserve Bank of India.

513. **Transactions originating in India.-**All vouchers relating to the original transactions (debits and credits) of a railway requiring adjustment with the Burma Government or Burma railway should be classified separately as adjustable with the Accountant General, Burma, and in separate schedules. One copy of the schedule with the relevant original vouchers and bills should be forwarded at the end of each month to the Accountant General, Burma. The schedules should indicate clearly the accounts of the particular month in which the transactions included therein are to be adjusted.

514. Simultaneously with the issue of the schedules to the Accountant General, Burma and controller of Railway Accounts, Burma a transfer certificate for the net debit or credit of the schedules should be prepared and sent to the Railway Board, duly supported by a copy of the schedules. The Railway Board will, on receipt of the transfer certificates from the Railways prepare a consolidated statement of debits and issue the necessary Advice of Clearance (A. 418) to the Reserve Bank.

515. **Transactions originating in Burma.-**In regard to transactions originating from the Burma Government or the Burma Railways and adjustable with the Indian Railways, the advice of debits and credits will be received by the Railway Board, who will adjust the same with the Railways concerned.

516. **Correspondence.-**With a view to avoiding delay in the settlement of these transactions all correspondence relating to discrepancies in the vouchers and bills should be carried on direct with the Accounting Officers in Burma (viz. The Accountant General, Burma, and the Controller of Railway Accounts, Burma).

TRANSACTIONS THROUGH SUPPLY MISSION

517. **Adjustment of Debits on Account of Cost of Rolling Stock etc., purchased through India Supply Missions .-**The debits as also the connected documents and invoices etc. of stores purchased through Indian supply missions are received by the Accounting Officer to the Supply Ministry, New Delhi, who passes on the documents and debits direct to the railway concerned. The debits relating to the railway Board's Bulk Order Programme, will, however, be adjusted by the Accounting Officer to the Supply Ministry, New Delhi, with the Railway Board, which is to accept the debit on behalf of all Railways. The Railway Board will, in turn, pass on the debit etc, to the Railways to which it pertains according to the approved allotment of stock.

TRANSACTIONS WITH PAKISTAN

518. **Transactions with Pakistan.-**As per procedure agreed upon between the Comptroller and Auditor General of Pakistan, financial settlement of transactions occurring in India on behalf of Pakistan and vice versa is to be made monthly in cash by means of Bank Draft issued for the net amount due to the creditor country. Railway Board (India) acts as central agency for settlement of transactions of all departments of the Government of India including Railways adjustable with the N. W. (Pakistan) Railways and also for Indian Railway transactions with Pakistan Provincial civil Accountants General. The transactions adjustable with the Central Government Departments, Pakistan are directly adjusted by the Indian Railways with the central agency in India. e. g., Accountant General, Central Revenues, Accountant General, Posts and Telegraphs, Controller of Defence Accounts, Pune.

519. The Indian Railways are required to send a monthly schedule of transactions adjustable with the Pakistan Railways so as to reach Railway Board (Partition Coordination) on the 5th of the second following month to which the transactions pertain. A schedule for the Pakistan Railways is compiled in the Railway Board's Office incorporating the transactions of all the Indian Railways. A monthly schedule of such transactions is exchanged on the 5th of each month between Railway Board (India) and N. W. Railway (Pakistan) embodying through traffic (including hire and penalty charges on rolling stock interchanged) and other miscellaneous transaction for which inter-Government adjustment is authorized by the Government of India. The settlement of such accounts is required to be made after necessary checks within one month of receipt of the schedule, subsequent adjustment being permissible within two calendar months thereafter in so far as transactions other than through traffic are concerned. For through traffic transactions, the time limit as laid down in the fundamental and subsidiary rules for interchange of traffic and stock between India and Pakistan in force from 1st January, 1951, would apply, (prior to 1st January, 1951, the time limit as laid down in conference Rules was applicable).

520. The transactions are booked in the Indian Railways' account under the suspense head "L-Suspense and Miscellaneous-Accounts with Government of other countries-Pakistan (Railways)" and are cleared as and when the relevant financial settlement has been effected with Pakistan Government by Railway Board (India), who will advise the amount due to from each Indian Railway through a transfer certificate. A proforma account of these transactions is maintained by Railway Board (India).

PAYMENTS BY DIPLOMATIC TRADE MISSIONS

521. **Procedure for Payments by Diplomatic missions abroad on behalf of the Railways.-** An application with full particulars should be made by the Railway Administration

to the Railway Board for obtaining necessary permission of the Ministry of Finance (Department of Economic Affairs) from foreign exchange angle to make payment in the country concerned. On receipt of necessary permission, the request for payment in the country abroad should be made through the Financial Adviser and Chief Accounts officer to the Accountant General, Central Revenues.

The Accountant General, Central Revenues, on receipt of request will issue necessary authorization to the Indian Mission abroad under intimation to the Financial Adviser and Chief Accounts Officer concerned and the Finance Ministry.

In the case of payments to be made in London through the high Commissioner for India, London, an authorization from the Accountant General, Central Revenues, is not necessary, the Financial adviser and Chief Accounts Officer may send a request direct to the Mission.

INDO-BANGLADESH TRANSACTIONS

522. **Procedure for settlement of Indo-Bangladesh Inter-Railway transactions .-** The settlement of all Indo-Bangladesh inter-Railway transactions will be effected through the Railway Board (India) and in co-ordination with Railway Division of Ministry of Communications, Government of People's Republic of Bangladesh. The transactions that are likely to arise between India and Bangladesh are as under:-

(i) Hire and penalty charges on account of coaching and goods stock interchanged,

(ii) Compensation claims for goods lost or damaged within Bangladesh.
(iii) Repair charges as a result of mechanical interchange of rolling stock.
(iv) Cost of repair of Bangladesh Railway's Rolling stock in Indian Railways workshops

(v) Cost of running staff working on trains in Bangladesh.
(vi) Marine staff loaned to run the river crafts transferred to Bangladesh.
(vii) Other staff placed on deputation with Bangladesh Railway.
(viii) POH of rolling stock of Bangladesh Railway.
(ix) Hire charges of coaches given by Indian Railways to Bangladesh Railway.
(x) Cost of coal or diesel oil, supplied to engines of other country.
(xi) Charges for performing shunting by engines of using Railway at any station over the running power section.
(xii) Cost of railway publications sent by Indian Railways to Bangladesh Railway and vice versa.
(xiii) Other miscellaneous transactions not specially covered by item (i) to (xii).

The above transaction should be advised by the Indian Railways monthly to the Railway Board In form A.522 (ii) by debit or credit, as the case may be, to a new major head of account 879 Accounts with Governments of other countries-Bangladesh (Railway) under L-Suspense and miscellaneous'. These advices should be sent by the 6th of each month accompanied by schedules in form A.522 (i) exhibiting clearly the particulars relating to receipt and expenditure; in the case of expenditure the schedules should be supported by vouchers or accepted bills. No debit/credit should be included in the Indo-Bangladesh monetary accounts unless these Debit/credit are supported by relevant vouchers an complete particulars of he transaction are furnished. No debit/credit requiring acceptance of

the Executive Department of the Debtor/creditor should be included in the Indo- Bangladesh monetary accounts without obtaining such acceptance.

The clearance of this head of account viz. Accounts with Government of Bangladesh will be carried out in the manner indicated in para 524 below.

Form A. 522 (i)
Form A. 522 (ii)

523. On receipt of advices and schedules etc. from various Indian Railways, the Railway Board will consolidate these advices. The amount arrived at in respect of all these transactions will be advised to the Secretary. Railway Division, Ministry of Communications, Government of Bangladesh by the 15th of each month, along with a copy each of the consolidated schedules prepared in the office of the Railway Board, India and schedules received from the Railways, supported by vouchers or accepted bills, where necessary. 524. A monthly advice, duly supported by schedules and vouchers will also be received by the Secretary, Railway Board (India) from the Secretary, Railway Division, Ministry of Communication, Government of Bangladesh in respect of transactions pertaining to receipt and payment adjustable in the books of the Indian Railways but originating on Bangladesh Railway. On receipt of such an advice the net amount (debit or credit) in respect of the advices issued to the Bangladesh Railway and that received from them will be worked out. In case any amount is due to the Indian Railways the Secretary, Railway Board will take action to obtain a Bank draft in convertible currency for such amount from the secretary, Railway Division, Ministry of Communications, Government of Bangladesh. Further adjustment with the Railways in clearance of the entries in deposit head 'Account with Government of Bangladesh'. will be made by the Secretary, Railway Board, India. In case Bangladesh Railway is a creditor. A Bank draft for the amount due to the Secretary, Railway Division, Ministry of Communications, Government of Bangladesh in convertible currency will be issued by the Secretary, Railway Board, India.

525. The advices received by either side will be settled (through payment) within one month of their receipt. Subsequent re-adjustment where necessary, in respect of these advices will be permissible within a period of four months from the dates of their receipt. Advices, in respect of which no re-adjustments are carried out within the above mentioned period of four month will be deemed to have been accepted finally.

Note: the procedure prescribed above will have effect from the 1st January, 1973.

ACCOUNTING ARRANGEMENTS UNDER INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA) CREDIT

526. Accounting arrangements for payments made to foreign suppliers against supplies under the credits extended by the international Development Association (IDA), and affiliate of the worlds bank are guided by one of the three procedures prescribed by the IDA in this connection, viz., procedures I. III & VI.

(a) Payment Procedure.-Under procedure I expenditure will first be incurred from free foreign exchange resources, either through a letter of credit opened for the purpose or by direct payment through normal banking channels i. e. through authorised dealers in

foreign exchange. These payments will subsequently be claimed for reimbursement from the IDA.

Under procedure III, payments will be made by the IDA directly to the foreign suppliers on a request made by the authorised representative nominated for the purpose.

Under procedure VI, letters of credit will be established with commercial banks, with IDA's qualified agreement to reimburse payments made under such letters of credit.

(b) Accounting arrangements.-Since under Procedure I, Payment would have been made from the Railways Projects own funds no separate accounting arrangements are indicated, as these arrangements will be the same as for the expenditure incurred in the normal course. The debits for the payments that may be made by the Chief Accounting officer, India Supply Mission, London, and the Chief Accounts Officer, India Supply Mission, Washington, under procedure I, will be passed on, as in the case of any other payments made by them for supply of Railway Stores.

Under procedures III and VI, the rupee equivalent of the direct payment made to the suppliers by IDA is worked out at the composite rate of exchange as advised by the Ministry of Finance (Department of Economic Affairs) from time to time, and credit is afforded to Accountant General, Central Revenue by debit to a suspense head "Loans from international Development Association" opened in the Railway Board's books under the Major Head 959 Suspense Accounts- Suspense Account (Railways) under L-Suspense and Miscellaneous. The latter head of account will be cleared by adjustment of debits against the appropriate Railway heads of account in the books of the Railway Board or of the Railways as the case may be.

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CHAPTER VI

SUSPENSE ACCOUNTS

General, 601. Proving of Balances, 602. Review of Suspense Balances, 605. Stores, 606. Purchases, 607. Sales, 608. Workshop Manufacture Suspense, 609. Miscellaneous Advances, 610. Demands Payable, 611. Traffic Accounts, 612. Other Railways, 613. Deposits, 614. Deposits of Branch Line Companies, 615. F-Loans and Advances by Central Government, 616. Reserve Bank Suspense, 617. M-Remittances, 618. Results of Review, 619. Half yearly Review of Suspense Balances, 620.

CHAPTER VI

SUSPENSE ACCOUNTS

601. **General.-**Under Suspense heads are recorded transactions which can not be booked to final heads of account for any reason. Accounts operated in connection with inventories, such as materials held in stock and works-in process (Workshops) etc. and sundry debtors/creditors accounts are also treated as suspense heads of account. Transactions in the suspense heads are held temporarily pending clearance by payment or recovery or adjustment to the final heads of account. By and large, the following types of transactions are booked to suspense heads on the Railways:-

(i) inventory accounts such as Stores Suspense, Purchase, Sales, Stores in transit, and Workshop manufacture Suspense, etc.

(ii) cash advances made to various parties in terms of relevant contracts, pending recovery/adjustment;

(iii) materials issued to contractors in terms of relevant contracts pending adjustment through the contractor's bills;

(iv) To accommodate a transaction temporarily when detailed particulars or allocation are not known or when final acceptance of a party to the claim is awaited;

(v) for serving as link between Commercial and Government systems of accounting vide paras 220 to 222 for the instant accountal of accrued earnings and expenses till these are realised, paid or adjusted.

Unless otherwise provided for by code rules or specific orders of competent authorities, the use of suspense heads for provisional adjustment of transactions ultimately adjustable under final heads should be avoided as far as possible.

Each transaction should be recorded in the suspense Register in sufficient detail, indicating full reference to the connected vouchers etc., so that there is no difficulty in tracing the source of the item at any time, and no item becomes inefficient merely due to non-availability of detailed particulars. Section officers (Accounts) should scrutinise each item and ensure that only such items are placed in Suspense Accounts which have to be kept there unavoidably in terms of the guidelines given above, and that the items are neatly posted with all the detailed particulars.

602. **Proving of balances.-**The balance under each of the Suspense Heads should be "proved" every month as far as possible, i. e., the balance in the general books subsidiary accounts where the figures appear, and it should be seen that the total is supported by details, and that the items are current and efficient. The reconciliation of balances under the Suspense heads at the end of each financial year must be complete in all respects.

603. In order to clear the items under suspense accounts, the Accounts Officer should, (when items are placed in a Suspense account due to absence of particulars, allocation, acceptance or similar reasons) at the time of passing the bill or voucher, take prompt measures to obtain the necessary information, acceptances, etc., for the removal of the items from suspense. It is not sufficient, in such cases, to await the monthly review of the Suspense accounts as required under the preceding paragraph.

604. (1) An item of receipt should not be carried to miscellaneous Advances, except for adjustment against a debit already there; (2) likewise, an item of payment should not be booked under "Deposits', except against a credit already in that account. (3) A recovery in excess of the amount at debit in Miscellaneous advances should be credited to the head of service concerned or to Deposits, and similarly, a payment in excess of the amount at credit in Deposits, should be debited to the head of service concerned or to Miscellaneous Advances.

REVIEW OF SUSPENSE BALANCES

605. The chief points to be looked into in examining and proving the different suspense items are indicated in the paragraphs which follow.

606. **Stores.-** It should be seen that--

(a) the computerized stores ledgers or the Transaction Statements work up to the amount at debit of Stores in the General Books of Account;

(b) the rates at which articles are priced on computer are in accordance with para 210-S and that due allowance is made for depreciation;

(c) here are no entries of (i) quantities without values (ii) values without quantities, (adjustments should be carried out for all small value balances without quantity arising out of rounding off of rates) and (iii) minus values or quantities or both.

(d) That the various Exception Reports generated on the computer in respect of overstocks, inactive items etc. are regularly reviewed and remedial action taken in time to avoid overstocks.

607. **Purchases (Imported/indigenous).-**It should be seen that-

(a) all the credit items are current, and relate to bills payable for supplies received for which payment is outstanding; and
(b)there are no debit items, except as provided for in paragraph 2815-S.

Note.-An advance payment made under contract for Purchase of Stores,

should be carried to miscellaneous Advances where such payment is made otherwise than against shipping documents.

608. **Sales.-** It should be seen that--

(a) all debit items are current and that sufficient documentary evidence is available to claim recovery;

(b) the sales have been made under competent authority, and that the proper departmental charges have been added to the book prices, when necessary; and

(c) there are no credit items except in the case of cash sales, auction sales or sale by tender where the value of material sold is received in advance of actual issue of stores.

609. **Workshop Manufacture Suspense.-**The chief points to be looked into are-

(1) that all the items are current and have been undertaken after the issue of a proper work order, under the sanction of a competent authority.

(2) that the details consist of nothing else except labour, material and works oncost charges expended on unfinished jobs or completed jobs awaiting adjustment;

(3) that there are no credit items in the details of balances and if there are any such items, they are noted for immediate adjustment;

(4) that in the case of jobs undertaken for outsiders, sufficient deposit has been obtained as may be required by rules, and on the first appearance of such a work it is seen that an estimate is on record containing the extra departmental charges required to be levied under the rules, and that the
estimate has been accepted by the party ordering the work; and

(5) that there are no inefficient balances, and that the periodical adjustments in respect of overcharges and undercharges' under the on cost, manufacture and repair work orders are carried out regularly as laid down in chapter X of the Indian railway code for the Mech. Department (workshops), and the outstandings are not allowed to accumulate.

610. **Miscellaneous Advances**.- It should be seen that—

(a) there are no credit items;
(b) there are no items which can be carried to a final head of account or which can straightaway be adjusted through Transfers or settled through the Reserve Bank;
(c) all items are current and are recoverable in cash or otherwise adjustable;
(d) sufficient documentary* evidence exists to support recovery or adjustment;

*Note.-The documentary evidence by way of acknowledgement of debit to the Railway should be verified on the 31st march if no already done earlier.

(e) all advances have been made under competent authority and
(f) the entries in the accounts are confined to the following classes of items:-

(i) charges where the allocation are not known;
(ii) advances recoverable in cash or through adjustment ;
(iii) inter-departmental transactions awaiting acceptance by other department.

Note.- Transactions pertaining to other Government Departments should, as general rule, be adjusted directly through the head "M Remittances- 890-Accounts" with States (Railways) and not through "Miscellaneous Advances".

(iv) expenditure incurred on other than government work in anticipation of receipt of deposits.
(v) payments made in advance for stores to be supplied or transfer debits adjusted pending receipt of materials.
(vi) Payments made in advance for local purchase of stores or expenditure of miscellaneous nature pending submission of accounts.

611. Demands Payable.-

(a) the balance in this account should be proved item wise;
(b) there should be no debit items;
(c) outstandings under this heads should consist only of items of undischarged revenue liabilities.

612. **Traffic Accounts.-**the balances under Traffic Account should be proved by the balance sheets of the stations and the Accounts Office balance sheet. While scrutinising this account the items of unrealised earnings should be reviewed and steps taken towards their realisation.

613. **Other Railways.-**This account should be proved by the Traffic Book. Under the procedure laid down for adjustment of earnings the results of apportionment of through traffic transactions for a month are required to be transferred to other railway in the same months account by means of wireless messages in lieu of Transfer certificates and these are to be adjusted in accounts without waiting for formal acceptance to the advice of transfer. Normally. Therefore, there should not be any outstanding under this head at the end of the month. However, if there are should not be any outstanding these should be carefully scrutinised and adjusted in the accounts of the month in hand.

614. **Deposits (Other Deposits)-(1) Deposits**-*Unpaid Wages*.-It should be seen that the balances outstanding under this head during each half year which were outstanding at the end of the preceding held-year are duly adjusted to the final head under Revenue working expenses or to the head "Miscellaneous Receipts" under works Expenditure Classification as laid down in paragraph 319. The balance under this head in the General Books should be reconciled half-yearly with the aggregate of balances in the unpaid Wages Register (A-316).

(2) **Deposits-***Private Companies*.-As for "Other Railways".

(3) **Deposits-***miscellaneous*.-The balances under this head should be scrutinised to see--

(a) no items other than those indicated in paragraph 225 (3) appear under this head:

(b) there are no debit items;

(c) all the outstanding items rightly belong to this account, e. g.,-

(i) Sums received to be expended on works on behalf of agencies not belonging to the Central Government, such as individuals, States or Corporations,

(ii) Sums received as security for faithful performance of agreements,

(iii) Sums payable to contractors on closed accounts, vide paragraph 1715-E.

(d) all items are current and relate to works in progress or to agreements in course of fulfillment.

615. **Deposits of Branch Line companies.--**It should be seen that the amounts deposited by the Branch Line companies are correctly taken to account under this head, that all charges relating to works for which the deposits are made are correctly debited to this head and that there are no debit balances. It should also be seen that all items are current and relate to works in progress.

616. **F-Loans and Advances--**Loans to Government Servants and Miscellaneous Loans.-- The internal check of the balances under this head should be such as to enable the Accounts Officer to furnish the certificate required under paragraph 751 (3).

617. **Reserve Bank Suspense.-**the items outstanding in this Suspense Account should be reviewed to see that they pertain to debits (or credits) raised against the Railway by Accountants General and that no items are outstanding for which a clearance memo from the Reserve Bank has been received or for which the vouchers and schedules have been received from non-Railway accounts Officers. It should be seen that the entire balance under this head is cleared by the end of each financial year.

618. **M-Remittances.-**It should be seen that the items appearing under this Account represent transactions originating on the Railway which are adjustable with other Government Departments, and that there is no undue delay in the clearance of the items by the issue of Advice to Reserve Bank (A. 418) and the receipt of clearance memo from the Bank (A.420).

619. **Results of review.-**Items in the various Suspense Accounts which as result of review, are found to have been wrongly. Included therein, and also those which can otherwise be cleared should be noted for immediate adjustment.

620. **Half-Yearly Review of Suspense Balances.-**Half-Yearly Review of Suspense Balances outstanding in accounts for the months of may and November should be prepared in Form A. 620 by the Financial Adviser and Chief Accounts Officer and submitted to the Railway Board by 1st September and 1st March respectively.

Form A. 620

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CHAPTER VII

ANNUAL ACCOUNTS AND RETURNS

Introductory, 701. Capital and Revenue Account, 702. Statement No. I Capital Authorised, 703. Statement No. II Stock and Share Capital Created, 704. Statement No. Ill Capital raised by Loans debentures and debenture stock, 705. Statement No. IV Receipts and Expenditure on Capital Account, 706. Statement No. V Details of Capital Expenditure, 707. Statement No. VI Estimates of Further Expenditure on Capital Account, 708. Statement No. VII Capital, Powers and Other Assets, 709. Statement No. VIII Capital Account, 710. Statement No. IX Revenue Account, 711. Statement No. X Distribution of the actual Earnings and Proportionate Shares of Working Expenses, 712. Statement No. XI Summary of Working Expenses, 713. Statement No. XII Detailed Accounts of Revenue Working Expenses, 714. Statement No. XIII Detailed Accounts of Revenue Earnings, 715. Statement No. XIV Statement of Outstanding Earnings, 716. Statement No. XV Net Revenue Account, 717. Statement No. XVI Account of Total Net Receipts, 718. Statement No. XVII Dividend Account, 719. Statement No. XVIII Depreciation Reserve Fund, Pension Fund and Accident Compensation, Safety and Passenger Amenities Fund Accounts, 720. Statement No. XIX Expenditure under 345-Indian Railways Policy Formulation Direction, Research and Other Miscellaneous Organisations, 721. Statement No. XX Expenditure Charged to Development Fund, 722. Statement No. XXI Expenditure Charged to Open Line Works Revenue, 723. Statement No. XXII Expenditure Charged to Accident Compensation, Safety and Passenger Amenities Fund, 724. Statement No. XXIII Expenditure Charged to Depreciation Revenue Fund, 725. Supplementary Accounts, 726. Certificates, 727.

Finance Accounts.—Definitions. Scope and Date of Submission, 728. Abstract Accounts, 729. Schedules. 730. Schedule 'A', 731. Schedule 'B', 732. Detailed Account of Closed Surveys, 733. Schedule 'C', 734. Schedule 'D', 735. Schedule 'E\ 736. Schedule T", 737. Schedule 'G', 738. Schedule 'H', 739. Schedule 'J', 740.Schedule 'K',741.Appendiccs to Finance Account/742.. Appendix 'A', 743..Ap-pendix 'B', 746. Audit Certificate, 747.

Debt Head Report. —Due date of submission, 748. Analysis of balances, 749. Report, 750. Certificates, 751. Statement of Annual Expenditure, 753.

CHAPTER VII

ANNUAL ACCOUNTS AND RETURNS

701. **Introductory.-**After the books for a financial year have been closed and after the final accounts current have been submitted, the following accounts and return should be compiled:-

(a) The Capital and Revenue Accounts (Section II of the Annual Report-Financial Statements).
(b) The Finance Accounts.
(c) The Debt Head Report.
(d) Statement of Voted ad Charged Expenditure.
(e) Appropriation accounts and connected Returns.

This Chapter deals with the first four items only; for the fifth, Chapter IV of the Indian Railway Financial code should be seen.

A.CAPITAL AND REVENUE ACCOUNTS

702. **Capital and Revenue Accounts.-**the Capital and Revenue Accounts which are intended to facilitate a review of the finances of the railway as a Commercial undertaking comprise the following statements of accounts which should be prepared, as regards Capital expenditure from the ledger (A. 310) and Register of Capital, Depreciation Reserve Fund, Development Fund, Accident compensation, Safety and Passenger Amenities Fund, and Revenue (open line works Revenue) Expenditure (E 1480) as regards revenue expenditure from the Revenue Allocation Registers (A. 312) and as regards earnings from the Registers of Earnings (A. 313). The forms prescribed in the following paragraphs for the various statements of accounts are intended to serve only as models; they may be amplified if local conditions necessitate additions. Fifteen printed copies of the Capital and Revenue Accounts should be submitted so as to reach the Railway ministry not later than the 15th September each year.

STATEMENT OF ACCOUNTS INCLUDED IN THE CAPITAL AND REVENUE ACCOUNTS

(i) Statement of Capital authorised.
(ii) Statement of Stock and Share Capital created, showing the proportion received.
(iii) Statement of Capital raised by loans, debentures and Debenture Stock.
(iv) Statement of Receipts and Expenditure on Capital Account.
(v) Statement showing Details of Capital. Expenditure for the year.
(vi) Statement showing estimate of further. Expenditure on Capital Account.

(vii) Capital powers and other Assets available to meet further expenditure.
(viii) Capital account.
(ix) Revenue account for the year.
(x) Statement showing the distribution of earnings and working expenses of worked lines.
(xi) Summary of working expenses for the year.
(xii) Detailed accounts of Revenue working Expenses.
(xiii) Detailed accounts of Revenue Earnings.
(xiv) Statement of outstanding earnings for the year.
(xv) Net Revenue Account for the year.
(xvi) Account of total New Receipts.
(xvii) Dividend Account.
(A) Statement showing capital-at-Charge and calculation of Dividend payable to general Revenues for the year.
(B) Statement showing details of subsidy received from General Revenues.
(xviii) Depreciation Reserve Fund Account
(A) Pension fund Account
(B) Accident compensation, Safety and Passenger Amenities Fund Account.
(xix) Statement of Expenditure under major Head 345 Policy Formulation, Direction Research & other Miscellaneous Organizations.
(xx) Statement of Expenditure charged to Development Fund.
(xxi) Statement of Expenditure charged to Revenue (open line works revenue)
(xxii) Statement of Expenditure charged to Accident Compensation, Safety and Passenger amenities Fund.
(xxiii) Statement of Expenditure charged to Depreciation Reserve Fund,

Note.-The accounts of the worked (lines paras 704, 705, 706 and 709) need not be printed and sent to the Railway Ministry. These should be compiled by the Railway Administrations, tendered to Audit for check and preserved for a period of ten years so that these may be available for use in Railway ministry as and when necessary.

703. **Statement No. I**-Capital Authorised.-This statement should be in the following form:-

Form A. 703

…….Railway

Statement No. **I-CAPITAL OUTLAY AUTHORISED**

S.No.	Reference to sanction		Sanctioning Authority	Nature of Estimate	Amount
	No.	Date			
1	2		3	4	5

				Rs. P

704. Statement No. II-**Stock and Share Capital created showing the proportion received.-** this is only for the worked lines and should be in the following form:-

Form A. 704

…….Railway

Statement No. II-**STOCK AND SHARE CAPITAL-CREATED SHOWING THE PROPORTION RECEIVED.**

Description	Amount Created	Amount received	calls in Arrear	Amount Uncalled	Amount Unissued
1	2	3	4	5	6
	Rs. P	Rs. P	Rs. P	Rs. P	Rs. P
(State each class of stocks and shares in order of date of creation showing the premium or discount, if any, at which it was issued, the preferential or Fixed dividend, if any, to which it is entitled and nay other conditions attached to it).					
Total					

705. Statement No. III-**Capital raised by Loans, Debentures and Debenture Stock.-** This Statement is also for worked lines and should be in the form given below:-

Form A. 705

……..Railway

Statement No. III-**CAPITAL RAISED BY THE LOANS, DEBENTURES AND DEBENTURE STOCK**

	Raised by Loans	Raised by issue of Debentures	Raised by issue of Debenture Stock	Total raised by loans, Debentures and Debenture Stock
1	2	3	4	5
	At %	At % Total	At % Total	At % Total
Existing at….. Do at….. Increase …. Decrease …..				

Total amount authorised to be raised by loans, Debentures and Debenture Stock in respect of Capital created as per Statement I…….

Total amount raised by lo ans, Debentures and Debentures stock as above……
Balance being available borrowing power at…….. 20 …..

706. Statement No. IV-**Receipts and Expenditure on Capital Account.-**This statement should be prepared only for worked lines. It should be in Form A. 706.

Form A 706

707. Statement No. V-**Details of Capital Expenditure.-**This statement should be in form a.707. in this statement the expenditure for the year would be shown and it should be shown separately for lines open for traffic and for lines in the course of construction. The figures in this statement should tally with those shown in schedule "C" of Finance Account. The nature of all credit entries-due to adjustment of account should invariably be explained in foot-notes.

Form A. 707

708. Statement No. VI-**Estimates of further expenditure on Capital Account.-** This statement should be in Form A-708, and should show the expenditure by minor heads of Account, separately, on lines opened for traffic more than five years, on lines opened for traffic not more than five years and on lines in the course of construction. In preparing this statement, the following instructions should be noted:--

(a) As long as the sanctioned Construction Estimate (E-553) of a Railway remains in
force, the "further expenditure" on Capital account to be entered in form A-708 should represent the represent the unexpended balance of that estimate, the amount being divided between expenditure "during the following year" and "in subsequent years" as provided in the form.

(b) When the construction Estimate (E-553) is closed and outlay is being passed against a Completion Estimate (E-713), the "further expenditure," should agree with the unexpended balance of the cost of works provided for in the Completion
Estimate (E-713).

(c) After the sanction of the Completion Reports (E-1706), the column for "further expenditure in subsequent years" may be left blank.

(d) The cause of any great difference between the current estimate and that which preceded it should be fully explained in a foot-note.

Form A-708

709. Statement No. VII-**Capital, Powers and other Assets available to meet further expenditure .-**This statement should be prepared only for worked lines and should be in Form A. 709.

Form A. 709

……Railway

Statement No. VII-**CAPITAL POWERS AND OTHER ASSETS AVAILABLE TO MEET FURTHER EXPENDITURE AS PER STATEMENT NO, VI.**

Share and loan capital authorised of Created but not yet received.	
Any other assets (in detail)	Total

710. Statement no. VIII-**Capital Account**.-This account should show capital transactions from the commencement of operations to the end of the year and should be prepared in Form A. 710.

Form A-710

…….Railway

Statement No. VIII-**CAPITAL ACCOUNT**

Dr. Cr.

	Amount Rs. P		Amount Rs. P
I. To expenditure incurred Upto 1963-64. (a) In India (b) In England (i) Stores (ii) Miscellaneous		By Outlay Expenditure to be shown Under the same heads as given in the form prescribed for statement No.(V)	
Total I			
II. To expenditure incurred in 1964-65 and onward.			
Total I &II			
To charge for leave and Pension allowances.			
To charge for Capitalisation of abatement of Land Revenue.			
Total			

Note. -The statement should show the transactions from the commencement of operations to end of the year.

…….. ……. ……..…….

Financial Adviser and Chief Accounts Officer **General Manager**

711. Statement No. IX-**Revenue Account.** -This account should be in Form A. 711.

Form A. 711

……...Railway

Statement No. IX-**STATEMENT OF REVENUE ACCOUNT**

Dr. Cr.

Percent-age of gross	Expenditure Earnings				Earnings		Current year
	Previ-ous year	To	Curr-ent year	Percent-age of gross	Previo-us year	BY	
		General Superintendence and Services.				Coaching Earnings	
		Repairs and Maintenance of Permanent Way and Works.					
		Repairs and Maintenance of Motive Power.				Goods Earnings	
		Repairs and Maintenance of Carriages and Wagons.				Sundry other Earnings...	
		Repairs and Maintenance of Plant and Equipment.					
		Operating Expenses-Rolling Stock and Equipment.					
		Operating Expenses-Traffic					
		Operating Expenses-Fuel.					
		Staff Welfare and Amenities.					
		Miscellaneous Working Expenses.					
		Provident Fund, Pension and other retirement benefits.					
		Appropriation to Depreciation Reserve Fund.					
		Appropriation to Railway Pension Fund.					
		Deduct-Amount met from Accident Compensation, Safety and Passenger Amenities Fund Accident compensation only.					
		Deduct-Amount met from Railway pension fund.					
		Total Working Expenses					
		To Balance Net Earnings.					

		Total				Total Gross Earnings of the system	

712. Statement No. X.-**Distribution of the actual Earnings and proportionate shares of working expenses of the various lines comprising the railway system.-**This statement should be in the Form A. 712.

Form A. 712

……..Railway

Statement No. X-**DISTRIBUTION STATEMENT OF THE ACTUAL EARNNINGS AND PROPORTIONABLE OF THE WORKING EXPENSES OF THE VARIOUS LINES COMPRISING RAILWAY SYSTEM FOR THE YEAR ENDING….20….**

Particulars	Total Earnings and Working Expenses of the system		Distribution			
			……Railway		……Railway	
	Amount	Percent-age of gross	Amount	Percent-age of gross	Amount	Percent-age of gross
Earnings			Rs. P	Rs. P	Rs. P	Rs. P
Abstract X-Earnings from Coaching Traffic.						
Abstract Y-Earnings from Goods Traffic.						
Abstract Z-Sundry other earnings.						
Total earnings						
Working Expenses						
General Superintendence and Services __A						
Repairs and maintenance of Permanent Way and works ___ B						
Repairs and Maintenance of Motive Power ___C						
Repairs and maintenance of Carriage and Wagons __ _ D						
Repairs and Maintenance of Plant and Equipment ___ E						
Operating Expenses__Rolling Stock and Equipment ____F						

Operating Expenses-Traffic ____ G						
Operating Expenses __ Fuel ___ H						
Staff Welfare and amenities ____ J						
Miscellaneous working Expenses _____ K						
Provident Fund, Pension and other retirement benefits …… L						
Appropriation to Depreciation Reserve Fund….						
Appropriation to Railway						
Pension fund…						
Deduct-Amount met from Accident Compensation, Safety and passenger Amenities Fund.						
Deduct-Amount met from railway Pension Fund.						
Total Working expenses….						
Net earnings….						

713. **Statement No. XI-Summary of working Expenses.-**This statement should show expenditure under each Demand, Primary Unit wise. This should be in form A-713.

Form A-713

714. Statement No. XII-**Detailed Accounts of Revenue Working Expenses.-** This statement should be in Form A-714 and should show the working expenses duly analysed under the detailed heads of classification provided for Revenue Working Expenses (appendix I to the Indian Railway Financial Code). A separate statement should be prepared for each Abstract of Revenue Working Expenses.

Form A- 714.

……..…..Railway

Statement No. XII-**EETAILED ACCOUNTS OF WORKING EXPENSES**

Abstract ……

(A to N of Revenue Expenses)

Expenditure for the previous year	Particulars (Detailed heads of Account)	Expenditure for the year	Particulars (Detailed heads of Account)
1	2	3	4
		Total	

Note. A separate statement should be prepared for each Abstract of Revenue Working Expenses.

715. Statement No. XIII.-**Detailed Accounts of Revenue Earnings**.-this statement should be in form A-715 and should show the earnings. Duly analysed under the various heads of detailed classifications provided for revenue earnings (Appendix III to the Indian Railway Financial Code).

A separate statement should be prepared for each Abstract of "Earnings"

Form –715

……..Railway

Statement No. XIII-**DETAILED ACCOUNTS OF REVENUES EARNINGS**

Earning for the previous years	Particulars (Sub and detailed heads of Account	Earnings for the year	Particulars (Sub and detailed heads of Account
1	2	3	4
		Total	

Note. A separate statement should be prepared for each Abstract of Revenue Working Expenses.

716. Statement No. XIV-**Statement of Outstanding Earnings. -**this statement should be in Form A-716

FormA. 716

…….Railway

Statement No. XIV-**STATEMENT OF OUTSTANDING EARNINGS**

S.No.		Outstanding on		
		Last Day of the year	Date of preparation of the statement	Reasons for outstanding
1.	Due from the central Government.- postal Department Telegraph Department Defence ministry etc.			
2.	Due from the State Government.- ……..Government ……..Government ……..Government ……..Government			
3.	Due from Public companies corporation, Municipal boards, Traders etc.,			
4.	Due from other Railway.- …….Railway …….Railway …….Railway …….Railway			
5.	Sundries. - Cash in transit…….. Station outstanding….. Outstanding "Debits" etc.,…….			
	Toal			

717. Statement No. XV.—This should be in Form A. 717

Form A. 717

……Railway

Statement No. XV-**NET REVENUE ACCOUNT FOR THE REAY……..**

Dr. **Cr.**

Particulars	Amount	Particulars	Amount

	Rs. P		Rs. P
To Payments to general Revenues.- (i) Dividend to general Revenue @ 6% on capital outlay , Pre-1980 (ii) Dividend to General Revenues @6.5% on capital outlay, Post 1980 (iii) Dividend to General Revenue @ 3 ½ % on capital outlay of Residential buildings. (iv) Dividend to General Revenues on new lines at average borrowing rate. (v) Payment to General Revenue in lieu of tax on Passenger Fares. To balance being surplus profit.		By net earnings of the year as per statement no. IX. By balance being loss to Government	

718. Statement No. XVI-**Account of total Net Receipts**.-This should be prepared in form A. 718.

Form A. 718

……..Railway

Statement No. XVI-ACCOUNTS OF TOTAL NET RECEIPTS

Dr. Cr.

	Rs.		Rs.
To Net Earnings to end of previous year		By amount outstanding at debit of Traffic Account	
To Net Earnings for Current year		By amount outstanding at debit of Traffic Account.	
To other Railways		By Other Railways	
		By amount of net Receipts	
Total		Total	

719. Statement No. XVII-**Dividend Account.-**this statement should be prepared in Form A. 719.

Form A. 719

……..Railway

Statement No. XVII-**ACCOUNT OF DIVIDEND TO GENERAL REVENUES AND**

PAYMENT TO GENERAL REVENUES IN LIEN OF TAX ON RAILWAY PASSENGER FARES, AND CONTRIBUTION TO GENERAL REVENUES FOR ASSISTING THE STATES FOR FINANCE SAFETY WORKS.

Dr. **Cr.**

	Rs.		Rs.
To amount of Net Receipts from Account No. XVI.		By Payments to General Revenues to end of previous year. —	
		(i) Dividend to General Revenues.	
To Balance excess of payments to genera Revenue over Net Receipts.		(ii) Payment to General Revenues in lieu of tax on Railway passenger Fares.	
		(iii) Contribution for assisting the states for financing safety works.	
		By payments to General revenues during the current year.-	
		(ii) Payment to General revenues in lieu of tax on Railway Passenger Fares	
		(iii) Contribution for assisting the states for financing Safety Works.	
		By Balance, excess of Net Receipts over payments to General revenues.	
Total		Total	

This statement should be accompanied by the following two statements.

****

Form a. 719 (A)

Statement No. XVII-A-**STATEMENT SHOWING CAPITAL AT CHARGE AND DIVIDEND PAYABLE TO GENERAL REVENUES DURING THE YEAR……...**

1. Capital-at-charge on 31-3-….
2. T. W. F. A.
3. Capital-at-charge on 1-4-….
4. Pre 1964 capital-at-charge on 31-3-
5. T. W. F. A.
6. Total pre 1964 capital-at-charge on 1-4-
7. Deduct.-

   Capital contributed by companies.

8. Net Pre 1964 capital-at-charge on 1-4-

   (a) Outlay relating to the Residential Buildings.
   (b) Outlay relating to New Lines other than those taken up on other than financial considerations.
   (c) Outlay other than that mentioned at (a) & (b) above.

9. Post 1964 capital-at-charge form 01.04.1964 to 31.03

10. T. W. F. A.

11. Total post 1964 capital-at-charge.-

   (a) Outlay relating to residential Buildings.
   (b) Outlay on New Lines other than those taken up on other than financial considerations
   (c) Outlay on P&T line wires.
   (d) Outlay other than that mentioned at (a), (b) & 9c) above.

12. Outlay during……

   (a) Relating to Residential Buildings.
   (b) Relating to New Lines other than those taken up on other than financial consideration
   (c) Relating to P&T line wires.

13. Net Outlay during……. i. e. outlay other than that mentioned at 12 9a) to 12 (c).

14. Half of net outlay

15. Net outlay for the purpose of dividend.

16. Dividend.-

   (a) @ 6 %
   (b) @ 6.5 %
   (c) @ 3.5 %
   (d) @ Average borrowing rate.

17. Arrear adjustment, any.

18. Surplus of national investment.

19. Deferred Dividend

20. Total dividend.

21. Deductions on account of difference between dividend rate of 6% and average borrowing rate of …… on fund balances.

   Depreciation Reserve Fund.
   Pension fund.
   Accident compensation, Safety and Passenger Amenities Fund.

22. Net Dividend payable.

T. W. F. A. stands for transfer without financial adjustment.

****

Form A.719(B)

Statement No. XVII 'B'-**STATEMENT SHOWING DETAILS OF SUBSIDY UNDER SPECIFIC HEADS RECEIVED FROM GENERAL REVENUES AGAINST EQUITABLE CONCESSION IN PAMENT OF DIVIDEND VIDE PARA 91 OF THE 5TH REPORT OF RAILWAY CONVENTION COMMITTEE 1977.**

Capital outlay relating to		Pre 1964	Post 1964 (1-4-64 to 31-3-)	During (Hall)
1.	Unremunerative branch lines			
2.	Ferries			
3.	Welfare Buildings.			
4.	One lines			
5.	New lines taken up on 01.04.1955 or afterwards on other than financial considerations.			
6.	New lines taken up on 01.04.1955 or afterwards other than those taken up on other than financial considerations.			
7.	Strategic lines			
8.	Non-strategic portion of N. F. Railway			
9.	National investment			
10.	Works-in-progress			
	20-----			
	20-----			
	20-----			
Total				

11.	Subsidy (a) @ 5.5% on pre 1964 capital (b) @ 6.00% on post 1964 capital (c) @ Average borrowing rate on New Lines capital taken up on 01.04.1955 and afterwards other than those taken up on other than financial considerations.	
12.	Total Subsidy	

*****

720. Statement **No. XVII.-Depreciation Reserve Fund, Pension Fund, and Accident Compensation, Safety and Passenger Amenities Fund Account.-** This statement should be prepared in Forms No. A-720A, A0720 B. and A- 720 C.

Form A. 720-A
Form A. 720-B
Form A. 720-C

Form A. 720-A

……Railway

Statement No. XVIII-A-**DEPRECIATION RESERVE FUND ACCOUNT AS ON 31ST MARCH…….**

Dr.		Cr.	
Particulars	Amount Rs. P	Particulars	Amount Rs. P
To appropriation (expenditure) from the Depreciation Reserve Fund.		By Balance on 31st March….	
(i) Renewal and Replacements		T.W.F.A	
Less credits for materials released from Replacement and renewal works.		By Balance on 1st April….	
(ii) Other Expenditure (to be detailed)		By Appropriation (contribution) to the Depreciation Reserve Fund.	
		By Interest on DRF	
To Balance on 31st March….			
Total		Total	

Form A. 720-B

…….Railway

Statement No. XVIII-B-**PENSION FUND ACCOUNT AS ON 31st March….**

Dr. Cr.

Particulars	Amount Rs. P	Particulars	Amount Rs. P
To appropriation (expenditure) from the Railway Pension Fund.		By Balance on 31st March….	
(i) Pension and other retirement benefits		T.W.F.A	
		By Balance on 1st April….	
		By Appropriation to Pension Fund.	
		By Transfers from contributory Provident Funds.	
		By Interest on Pension Fund	
To Balance on 31st March….			
Total		Total	

Form A. 720-C

…….Railway

Statement No. XVIII C-ACCIDENT COMPENSATION SAFETY AND PASSENGER AMENITIES FUND ACCOUNT AS ON 31ST MARCH…..

Dr. Cr.

Particulars	Amount Rs. P	Particulars	Amount Rs. P
To appropriation (expenditure) from Accident Compensation Safety and Passenger Amenities Fund.		By Balance on 31st March….	
(i) Accident Compensation (ii) Safety works (iii) Passenger amenity works		By Appropriation (contribution) to the Fund.	
		By Interest on Pension Fund	
To Balance on 31st March….			
Total		Total	

721. Statement No. XIX.-**Expenditure under 345-Indian Railway Policy Formulation, Direction, Research and other Miscellaneous Organisations** .- Commercial Lines/Strategic Lines. This statement should be prepared in Form A- 721.

Form A.721

…….Railway

Statement No. XIX-**DETAILED ACCOUNT OF EXPENDITURE UNDER MAJOR HEAD 345-POLICY FORMULATION DIRECTION, RESEARCH AND OTHER MISCELLANEOUS ORGANISATIONS COMMERCIAL/STRATEGIC.**

For the year ending…

	Minor heads of expenditure	Outlay during the year	Outlay to end of the previous year	Outlay to end of the year
1.	Inspection-(by each circle)			
2.	Railway Board-			
	(a) Pay of Officers (b) Pay of Establishment (c) Other charges (d) Credits and Recoveries (e) Pensionary charges Deduct-amount met from Railway pension Fund. (f) Appropriation to Pension fund			
3.	Research, Design and Standards Organisation-			
	(a) Pay of Officers (b) Pay of Establishment (c) Other charges (d) Credits and Recoveries (e) Pensionary charges Deduct-amount met from Pension Fund (f) Appropriation to pension fund			
4.	Audit - Cost of Railway Audit Staff-			
	(a) Pay of Officers (b) Pay of Establishment (c) Other charges (d) Pensionary charges Deduct-amount met from Pension Fund (e) Appropriation to Pension Fund			
5.	Miscellaneous Establishments Total misc. Charges			
6.	Miscellaneous Charges Total Misc. Charges			
7.	Surveys.- Current surveys (Vide details on Page…. to ……. Closed Accounts of Surveys 9Vide details on page…..…. to……			
8.	Subsidised companies			
9.	Payment to worked lines			

10.	Suspense-miscellaneous Advances			
11	Appropriation to Accident compensations, Safety and passenger Amenities fund.			
	Grand Total			
	Add-Loss by Exchange … … Deduct-Gain by Exchange … … Deduct-Expenditure in England … … Net Indian Outlay			

722. Statement No. XX-Expenditure charged to Development Fund.-The statement should be prepared in Form A-722.

Form A. 722

…Railway

Statement No. XX-**EXPENDITURE CHARGED TO DEVELOPMENT FUND FOR THE YEAR ENDING 31ST MARCH, 20……**

Minor and Sub-heads of Expenditure	Outlay during the year	Outlay to end of the previous year
1	2	3

723. Statement No. XXI.-**Expenditure charged to Revenue (open line Works Revenue).-** This statement should be prepared in Para A. 723.

Form A. 723.

…Railway

Statement No. XXI-- **EXPENDITURE CHARGED TO DEVELOPMENT FUND FOR THE YEAR ENDING 31ST MARCH, 20……**

Minor and Sub-heads of Expenditure	Outlay during the year	Outlay to end of the previous year
1	2	3

724. Statement No. XXII-**Expenditure charged to-Accident compensation Safety and passenger Amenities fund.-**this statement should be prepared in Form A. 724.

Form A. 724

…Railway

Statement No. XX-**EXPENDITURE CHARGED TO DEVELOPMENT FUND FOR THE YEAR ENDING 31ST MARCH, 20……**

Minor and Sub-heads of Expenditure		Outlay during the year	Outlay to end of the year
1		2	3
II.	**Safety works--**		
	(i) Track circuiting of axle counters (including the cost of new wooden sleepers). (ii) Automatic Warning Systems (iii) Vigilance Control Device (iv) Provision of lighting barriers at level crossings (v)Interlocking of level crossing gates with signals (vi) Provision of Scotch light of reflective materials on sighting/warning boards.		
III.	**Passenger Amenities-** (i) Provision of goods platforms and covers over goods platforms. (ii) Train Indicator boards on important stations of suburban and non-suburban sections. (iii) Rest shelters for licensed porters		

725. Statement No. XXIII-**Expenditure charged to Depreciation Reserve Fund.-**The statement should be prepared in Form A. 725.

Form A. 725

…Railway

Statement No. XXIII-**EXPENDITURE CHARGED TO DEVELOPMENT FUND FOR THE YEAR ENDING 31ST MARCH, 20……**

Minor and Sub-heads of Expenditure	Outlay during the year	Outlay to end of the year since 1-4-79

1	2	3

726. **Supplementary Accounts.-** The accounts pertaining to Capital expenditure and Revenue earnings and Working expenses of the Northern Railway and Northeast Frontier Railway system which are composed of both commercial and strategic lines should be analysed to exhibit figures separately under "Commercial" and 'Strategic". This may be done either in the Capital and Revenue Accounts themselves or in separate Subsidiary statements. The latter course in recommended as it is comparatively convenient. The subsidiary statement of accounts may collectively be termed the Supplementary (capital and Revenue) Accounts.

727. **Certificates.-**the following certificates should be appended to the Capital and Revenue Accounts (Section II of Annual Report). The Audit Certificate will be signed by the Audit Officer and the other certificates by the heads of departments concerned and the head of the railway. The last two certificates will, in addition, be countersigned by the Commissioner of Railway Safety.

Form A. 727

……..Railway

FOR THE YEAR ENDING 31ST MARCH, 20 ……

1. Certificate respecting Accounts-

Certified that the foregoing accounts of the …… Railway for the year ending……. 19…….. Are correct and have been prepared strictly in accordance with the rules and orders in force.

Dated…….. 20. **……**
General Manager

2 Audit Certificate-

Certified as a result of test audit of the accounts compiled under the direction of the General Manager that subject to the observations below, the Capital and Revenue Accounts of the ……. Railway have to the best of my knowledge and belief been correctly prepared.

Dated…….20 **… ……..**
Chief Auditor

3. Certificate respecting the Permanent Way and Other Structural Works-

I here by certify that the whole of the permanent way, stations, buildings, bridges, fencing, signalling and interlocking and other structures on the …….. Railway have during the year……..been maintained in good working condition and repairs.

……	**……**
Engineer-in-Chief/Chief Engineer/Chief Signal and Telecommunication Engineer, Chief Electrical Engineer, etc.	**General manager**
Dated…….20	**Dated……20**
	(Countersigned)
Dated……20	**Commissioner of Railway Safety**

4. Certificate respecting the Rolling Stock, etc.-

I hereby certify that the whole of the plant, engines, tender carriages, wagons, machinery and tools also the steam vessels and their engines, cargo boats and other stocks have, during the past year been maintained in good working order and repairs.

……	**……**
Chief Mechanical Engineer/Chief electrical Engineer	**General manager**
Dated…….20	**Dated……20**
	(Countersigned)
Dated……20	**Commissioner of Railway Safety**

728. **Definition, Scope And Date of submission.-**The Finance Accounts are compiled in accordance with the requirements of Government Accounts, duly classified in accordance with the heads of accounts prescribed for Government accounting (see Appendix IV). The transactions brought to account in the books of the railway under the various railway heads of account are, after the closing of accounts for each financial year, summarised in the form of a handy compilation called the 'Finance Accounts". The compilation comprises (I) Abstract accounts of the various railway heads together with detailed schedules, and (ii) Appendices. Six printed copies of the compilation should be submitted so as to reach the Railway Ministry not later than the 20th September. If printed copies cannot be dispatched by the prescribed by the prescribed date. A manuscript copy should be sent in time.

729. **Abstract Accounts.-**The Abstract accounts should show in Form A. 729 the booked actuals by major and minor heads of accounts for the year concerned in juxtaposition with those for the previous year.

Form A. 729

……..Railway

FINANCE ACCOUNTS

Abstract Accounts for the year……..20

Major Heads	Sub – Major- Heads	Reference to schedule	Actuals of the year	Actuals of the previous Year
1	2	3	4	5
146. Indian Railways Commercial Lines Revenue Receipts	Abstract X – Coaching Earnings Abstract X – Goods Earnings Abstract X – Sundry Earnings			
	Total Gross Earnings			
	Suspense—			
	Traffic Accounts— Other Railways			
	Total Gross Receipts			
346. Indian Railways— Commercial Lines— Working Expenses	Abstract A to N (Separately). Total Expenditure Voted Charged Net Traffic Receipts			
And so on for each Major Head as per Appendix IV and separately for Commercial and Strategic.				

730. **The Schedules.-**The Abstract Accounts (a-729) should generally be supported by detailed accounts in the following schedules. If further details are found desirable they may be given in additional schedules or in statements subsidiary to the main schedules. Schedules prepared in support of the Abstract Accounts:-

(1) Schedule A-Detailed Account of expenditure under subsidized companies.

(2) Schedule B-Detailed Account of expenditure under 345-policy formulation, Direction, Research and other miscellaneous organisations.

(3) Schedule C-Detailed Account of Capital Expenditure on Construction of Railways outside the Revenue Accounts.
(4) Schedule D-Detailed Account of expenditure on Construction of Railways, charged against State governments and Corporate Body's capital.
(5) Schedule E-balances in the books of the Railway.
(6) Schedule F-Account of expenditure under Major head 5002-5003 met from Development Fund.
(7) Schedule G-Account of expenditure under major head 5002/5003 transferred to Major head 348 "Revenue (Open Line works) Revenue.
(8) Schedule H-Expenditure charged to final heads met from Contingency Fund.
(9) Schedule J-Account of expenditure under Major head 5002/5003 met from Depreciation Reserve Fund.
(10) Schedule K-Account of expenditure under major head 5002/5003 met from Accident Compensation Safety, and passenger Amenities fund.

731. Schedule A.-this schedule should be prepared in Form A.-731.

Form A. 731

……..Railway

Schedule A-**DETAILED ACCOUNT OF EXPENDITURE SUBSIDIZED COMPANIES FOR THE YEAR ENDING 31ST MARCH, 20**

Minor heads of expenditure	Outlay during the year	Outlay to end of the previous year	Outlay to end of thee year	Sanctioned estimate
1	2	3	4	5
Land ……Railway ……Railway				
Total				
Subsidy ……..Railway ……..Railway				
Total				
Grand Total				

732. Schedule B-**Detailed Account of Expenditure 345 Indian Railway policy, formulation, Direction, Research and Miscellaneous Organisations Commercial/Strategic.-**This schedule should show the expenditure booked under the Major Heads 345 Indian Railway Policy Formulation. Direction, Research and

Miscellaneous Organisations, Commercial/Strategic, during the year and to end of the year. It should be prepared in form A. 732.

Form A. 732

…….Railway

Schedule B-**DETAILED ACCOUNT OF EXPENDITURE UNDER MAJOR HEAD 345-INDIAN RAILWAY POLICY FORMULATION, DIRECTION, RESEARCH AND MISCELLANEOUS ORGANISATION FOR THE YEAR ENDING 31ST MARCH 20**

	Minor heads of expenditure	Outlay during the year	Outlay to end of the previous year	Outlay to end of the year
1.	Inspection-(by each circle)			
2.	Railway Board-			
	(a) Pay of Officers (b) Pay of Establishment (c) Other charges (d) Credits and Recoveries (e) Pensionary charges Deduct-amount met from Railway pension Fund. (f) Appropriation to Pension fund			
3.	Research, Design and Standards Organisation-			
	(a) Pay of Officers (b) Pay of Establishment (c) Other charges (d) Credits and Recoveries (e) Pensionary charges Deduct-amount met from Pension Fund (f) Appropriation to pension fund			
4.	Audit - Cost of Railway Audit Staff-			
	(a) Pay of Officers (b) Pay of Establishment (c) Other charges (d) Pensionary charges Deduct-amount met from Pension Fund (e) Appropriation to Pension Fund			
5.	Miscellaneous Establishments Total misc. Charges			
6.	Miscellaneous Charges Total Misc. Charges			
7.	Surveys.- Current surveys (Vide details on Page…. to ……. Closed Accounts of Surveys 9Vide details on page…..…. to……			

8. 9.	Subsidised companies Payment to worked lines			
10 .	Suspense-miscellaneous Advances			
11	Appropriation to Accident compensations, Safety and passenger Amenities fund.			
	Grand Total			
	Add-Loss by Exchange … … Deduct-Gain by Exchange … … Deduct-Expenditure in England … … Net Indian Outlay			

733. **Detailed Account of Closed Surveys.-**A statement of surveys the accounts of which have been closed should be prepared on **Form A.** 733. And appended to Schedule B, in support of the figure shown against the item "Closed Accounts of Survey."

Form A. 733

……Railway

DETAILED ACCOUNT OF EXPENDITURE ON CLOSED SURVEYS

Name of Surveys	Total expenditure to end of the year		Remarks
	Commercial	Strategic	

734. Schedule C-**Detailed Accounts of Capital and other Works Expenditure outside the Revenue Accounts,-**This schedule should shown the outlay booked under the major Head 546/547 Capital Outlay on Indian Railways Commercial Lines/Strategic lines during the year and to end of the year, separately for the open line and for lines under construction the accounts of which have not been closed. The schedule for Capital expenditure should be prepared in Form A. 734 on the basis of the Concordance List of old and revised classification under Capital. The schedule of Depreciation Reserve Fund, Development Fund, Accident Compensation Safety and passenger Amenities Fund and Revenue (Open Line Works Revenue) should be prepared in Form A, 734-A.

Form A.734

735. Schedule D-**Detailed Account of Expenditure on construction of Railways charged against State governments and Corporate body's capital.-**This schedule, form A.735 should show the capital outlay "during the year" and "to end of the year" on each of such lines whether open to traffic or under construction. This schedule is required for worked lines (Form A. 735 is identical to Form A. 734).

736. Schedule E-**Schedule of Balances.-**This schedule should exhibit the balances in the Accounts Officer's book at the end of the year to which the Finance Accounts relate and the increase or decrease during the year. It should be prepared in Form A. 736. A certificate regarding the internal check of suspense balances by the Financial Adviser and Chief Accounts officers should, as shown in the form, be furnished on this schedule. The certificate of correctness of the Finance Accounts as a whole buy the Statutory Audit (see paragraph 747) may also be appended to this schedule.

Form A. 736

…….Railway

Schedule E- **STATEMENT SHOWING BALANCES IN THE BOOKS OF ……..RAILWAY AT THE END OF THE 31ST MARCH, 20**

Dr. Cr.

Total	Revenue	Capita!		Ledger Heads	Revenue	Capital		Total
		Open Line	New Construc-tion			0pen Line	New Constr-uction	
				Suspense balance affecting charge to grant				
				Purchases — Imported Purchases — Indigenous Purchased by Railways including Railway Board. Purchases through Centralized Agencies such as DSG & D, CS & P etc. Sales other than fuel Sales Fuel Stores Stores-in-transit Stock adjustment account Workshop manufactures suspense				
				Other Manufacture Suspense Accounts Miscellaneous Advances Demands payable				
				Total				

				Increase/Decrease in suspense balances during the year				
				Suspense balances affecting credit to Revenue. Traffic Account Other Railways				
				Total				
				Increase/Decrease in suspense Balances during the year				
				Closing Balance (all other heads in the ledger to be detailed). Cash Government				
				Total				

AMOUNT OF UNCASHED CHEQUES RS……..ON 31ST MARCH 20……...

Certified that the balances under the several Suspense heads have been checked in accordance with the rules and orders in force and that the cash balance shown in the foregoing schedule is the sum of cash balances including imprest of the Disbursing officers as verified from their cash balance statement.

Dated……. **…….**
General Manager

Certified that as a result of test audit of test audit of the accounts compile under the direction of General Manager that the Finance Account of …… Railway for the year. ……have to the best of my knowledge and belief been correctly prepared.

…….
Chief Auditor

737. Schedule F-**Account of Expenditure under Major head 5002/5003 met from Development Fund.-**This schedule should show the expenditure during the year and to end of the year by minor heads (plan heads) of classification. It should be prepared in Form A. 737.

Form A. 737

……Railway

Schedule F-**EXPENDITURE UNDER MAJOR HEAD 5002/5003 MET FROM DEVELOPMENT FUND, BY MINOR HEADS OF CLASSIFICATION (PLAN HEADS) FOR THE YEAR ENDING**

Head of Account		DF. I		D.F. II		D.F. III	
		Expend-itue during the year	Expendit-ure to end of year… since 1-4-79	Expend-Iture during the year	Expen-diture to end of year… since 1-4-79	Expend-itue during the year	Expendit-ure to end of year… since 1-4-79
1400.	Gauge conversion						
1500.	Doubling						
1600.	Traffic facilities-yard remodeling and others						
2100.	Rolling stock						
3100.	Track Renewal						
3200.	Bridge Works						
3300.	Signalling & Tele-communication Works						
3500.	Electrification Projects						
3600.	Other electrical Works						
4100.	Machinery and plant						
4200.	Workshops including Production Units						
5100.	Staff Quarters						
5200.	Amenities for Staff						
5300.	(i) passenger Amenities (ii)Other Railway Users Amenities						
6400.	Other Specified Works						
	Total						
	Expenditure to end of 31.03.1979 Expenditure since commencement						

738. Schedule G.—Account of Expenditure under Major head 5002/5003 transferred to Major head 348 Revenue (Open Line Works Revenue).—This schedule should show the expenditure during the year and to end of the year by minor (Plan heads) of classification. It should be prepared in Form A.738

Form A.738

…….Railway

Schedule G-**EXPENDITURE UNDER MAJOR HEAD 5002/5003 TRANSFERRED TO MAJOR HEAD 348 REVENUE OLWR BY MONOR HEADS OF CLASSIFICATION (PLAN HEADS FOR THE YEAR ENDING**

Head of Account		Expenditure during the year	Expenditure to end of year… since 1-4-79
1400.	Gauge conversion		
1500.	Doubling		
1600.	Traffic facilities-yard remodeling and others		
2100.	Rolling stock		
3100.	Track Renewal		
3200.	Bridge Works		
3300.	Signalling & Tele-communication Works		
3500.	Electrification Projects		
3600.	Other electrical Works		
4100.	Machinery and plant		
4200.	Workshops including Production Units		
5100.	Staff Quarters		
5200.	Amenities for Staff		
5300.	(i) passenger Amenities (ii) Other Railway Users Amenities		
6400.	Other Specified Works		
	Total		
	Expenditure to end of 31.03.1979 Expenditure since commencement		

739. Schedule H-**Schedule of expenditure from the Contingency Fund.-**The detail of expenditure recorded under final heads met from the Contingency Fund and not reimbursed during the year should be shown in this schedule which should be submitted in the following form A. 739.

Form A. 739

Schedule H- **EXPENDITURE FROM THE CONTINGENCY FUND.**

Minor abd Sub- head	Total Outlay during the year from Contingency Fund	Extent of outlay in column 2 reimbursed from Consolidated fund	Balance of outlay from Contingency fund awaiting reimbursement
	Rs. P.	Rs. P.	Rs. P.

740. Schedule J-**Amount of Expenditure under major head 5002/5003 met from Depreciation Reserve Fund.-**This schedule should show the expenditure during the year and to end of the year by minor heads (Plant heads) of classification. It should be prepared in Form A. 740.

Form A. 740

Schedule J-**EXPENDITURE UNDER MAJOR HEAD 5002/5003 MET FROM DEPRECIATION RESERVE FUND BY MINOR HEADS OF CLASIFICATION (PLAN HEADS) FOR THE YEAR ENDING….**

Head of Account		Expenditure during the year	Expenditure to end of year… since 1-4-79
1300.	Restoration of dismantled lines		
1400.	Gauge conversion		
1500.	Doubling		
1600.	Traffic facilities-yard remodeling and others		
2100.	Rolling stock		
3100.	Track Renewal		
3200.	Bridge Works		
3300.	Signalling & Tele-communication Works		
3500.	Electrification Projects		

3600. 4100. 4200. 5100. 5200.	Other electrical Works Machinery and plant Workshops including Production Units Staff Quarters Amenities for Staff		
5300.	(i) passenger Amenities (ii) Other Railway Users Amenities		
6400.	Other Specified Works		
	Total		
	Expenditure to end of 31.03.1979 Expenditure since commencement		

741. Schedule K-**Account of Expenditure under Major head 5002/5003 met from Accident Compensation, Safety and passenger Amenities Fund.-**This schedule should show the expenditure during the year and to end of the year by minor heads (plant heads) of classification. It should be prepared in Form A. 741.

Form A. 741

Schedule K-**EXPENDITURE UNDER MAJOR HEAD 5002/5003 MET FROM ACCIDENT COMPENSATION, SAFTY AND PASSENGER AMENITIES FUND (SAFETY AND PASSENGER AMENITY WORKS)-PLAN HEAD WISE FOR THE YEAR ENDING…….**

Head of Account		A.CF. II		A.C.F..I II	
		Expenditure during the year	Expenditure to end of year… since 1-4-79		
1400.	Gauge conversion				
1500.	Doubling				
1600.	Traffic facilities-yard remodeling and others				
2100.	Rolling stock				
3100.	Track Renewal				
3200.	Bridge Works				
3300.	Signalling & Tele-communication Works				

3500.	Electrification Projects				
3600.	Other electrical Works				
4100.	Machinery and plant				
4200.	Workshops including Production Units				
5100.	Staff Quarters				
5200.	Amenities for Staff				
5300.	(i) passenger Amenities (ii)Other Railway Users Amenities				
6400.	Other Specified Works				
	Total				
	Expenditure to end of 31.03.1979 Expenditure since commencement				

742. **Appendices to Finance Accounts.-**The following are the appendices to the Finance Accounts:-

Appendix A. -Statement of indirect charges relating to the Capital and Revenue Accounts.

Appendix B. –Statements of works undertaken on behalf of the Defence ministry on which interest and maintenance charges are leviable.

The appendices are intended o give information, which the compiled accounts do not reveal, but which is necessary for the proper understanding of the financial position of the railway. While submission of Appendix A with the Finance Accounts is obligatory, that of Appendix B is not. The latter should nevertheless be prepared and kept on the record for the purpose of effecting the necessary recoveries from the Defence Ministry.

743. Appendix A-**Statement of indirect Charges.-**This statement should be prepared in Form A 743.

Form A. 743.

744. In preparing the above statement the following instructions should be noted:-

(a) Under columns 5, 6, and 12 no allowance should be made for indirect charges relating to Capitalisation of land revenue and leave-salary of staff as these charges are now adjusted directly in the railway accounts.

(b) Allowance should be made for indirect charges relating to pensionary charges for pension able establishment and to dividend on Capital Outlay, as these are not adjusted in the accounts of individual railways.

Note.- In the case of New Construction, surveys and large open line projects, as contribution for pensionary charges in respect of pension able establishment is adjusted in the accounts in the Department, it is not necessary to make an further proforma adjustments in this respect.

745. The total dividend for all railways is adjusted in the Books of the Railway Board, In order that the financial result of the individual railway may be exhibited correctly, it is necessary that due allowance should be made for dividend. For this purpose the figures of dividend should be adopted as intimated by the Railway ministry.

746. Appendix B.-Statement of Works undertaken on behalf of Defence Ministry on which interest and maintenance charges are leviable.-This statement should be prepared in Form A.746.

Form A. 746

747. **Audit Certificate.-**The Annual Finance Accounts should be got audited by the Audit Officer and a signed copy of the audit certificate should be furnished to the Railway Ministry The audit certificate will be on the following lines:-

Certified that t as a result of the test audit of the accounts compiled under the direction of the General Manager that subject to the observation below the Finance Accounts of the …….. Railway for the year…. have to the best of may knowledge and belief been correctly prepared.

C. DEBT HEAD REPORT

748. **Due date for submission.-** A report on the balances under the "Debt heads" (see Appendix IV) should be submitted by each Financial Adviser and Chief Accounts officer so as to reach the Railway ministry not later than the 10th September, a copy being furnished at the same time to the Statutory Auditor. A copy duly audited should be submitted to the Railway ministry, to reach them by the 25th September.

749. **Analysis of Balances. -**The report should be based on an analysis of the various balances. The analysis may be in the form given below, separate forms being prepared for "I-Small Savings, Provident fund". "K-Deposits and Advances", "F-Loans and Advances" and "M-Remittances inter-Government adjustment accounts-Accounts with States".

Form A. 749

……..Railway

STATEMENT SHOWING BALANCE UNDER DEBT HEADS FOR THE YEAR ENDING 31ST MARCH, 20

S.No.	Heads of Account	Balance at the end of the previous year	Balance at the end of the under review	Increase or Decrease in balance during the year under review	Remarks
1	2	3	4	5	6
Total					

750. **The Report-**The report should, besides generally reviewing the outstanding balances, furnish explanations for important variations from the previous year's balances and comments on the efficiency of the balances at the end of the year under review.

751. **Certificates by the Accounts Officer.-**The following certificates, suitably modified wherever necessary, should be furnished by the Financial Adviser and Chief Accounts officers on the Debt head Report :-

1. Regarding-"I-Small savings & provident Fund"-Provident Fund Balances.-

Certified that the balances at the end of the year, as per the general books agree with the total of the balances of the individual members, as per personal ledgers and that advice slips showing the balances in the Fund the credit of members on the 31st March, 19….. have been issued to them.

2. Regarding "K-Deposits and Advances"-

(i) **Deposits.-**Certified that action has been taken for the clearance of items outstanding for more than three months.
(ii) **Cash**.-(a**)** Certified that the cash balance actually in charge of the Cashier (s) and departmental officers on the 31st march 19…… was Rs. …….
(b) Certified that the cash balances in the hands of the Cashier (s) and disbursing officers were verified by actual count and found correct.

3. Regarding "F-Loans & Advances-Loans by the Central Government".-

(a) Certified that the recoveries during the year were made regularly as required under the rules.

(b) It is also certified that these balances have been analysed and reviewed by sub-heads and there are no cases of write-off suspensions or doubtful assets in the balances; also there are no cases of remission of interest, grant of loan without or at a nominal rate of interest. Grant of loans without necessary safeguards for recovery, and unusually large loans to an individual.
(c) The acceptance of the balances outstanding against the employees concerned as on the 31st march, 19……. Have been obtained.

4. Regarding "M-Remittances-inter-Government adjustment accounts-Accounts with States".-

Certified that the outstanding balance represents the amount for which settlement could not be effected in the Reserve Bank Account during the year.

5. General.-

Certified that the balances shown in the Report agree with the General books and are supported by details.

752. **Audit Certificate.-**The Debt Head Report should be got audited by the Statutory Auditor and his audit certificate should be furnished to the Railway Board along with the audited copy of the report. The audit certificate will be on the following lines:-

Certified that as a result of the test audit of the accounts compiled under the direction of the general manager that, subject to the observations below, the Review of Balances of the …… Railways for the year…….. has, to the best of my knowledge and belief, been correctly prepared.

……
Chief Auditor

D. STATEMENT OF ANNUAL EXPENDITURE

753. As soon as possible after the closing of the accounts of a year, a statement A. 753 showing the expenditure for the year under the various heads of accounts prescribed in Appendix IV should be prepared and got audited by the Statutory Audit. An audited copy of the statement should be submitted to the Railway Board on the 1st September following the close of the financial year. Great care should be taken in compiling this statement as it is used in connection with the preparation and check of the Appropriation Accounts.

754. The following annual statements are required to be sent by the Railways so as to reach the Railway ministry on the dates noted against them:-

(i)	Statement of exchange on sterling transactions	25th July
(ii)	Statement of transfers without financial adjustments	25th July
(iii)	Statement showing share capital, debenture and loans of certain branch lines, forms as in Appendix B to Finance revenue Accounts.	Advance Copy 25th August Audited copy 5th September.

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CHAPTER VIII

INTERNAL CHECK

Scope and Method of Internal Check, 801. Test Check, 803. Internal Check of Sanctions and Orders, 804. Check of Sanction with a Long Period of Currency, 808. Date of Effect, 809. Internal Check of Delegations of Financial Authority, 810. Scrutiny of Receipts, 811. Internal Check of Expenditure, 812. Post Check System, 813. Scrutiny of Expenditure, 815. Check of Bills, 816. Check of Paid Vouchers, 817. Finger Print Check System, 819. Internal Check of Debt and Remittance Transactions, 820. Deposits, 821. Provident Funds, 822. Pension, 823. Remittance Transactions, 824. Internal Check of Workshop Account, 825. Internal Check of Stores Transactions, 826. Internal Check of Fuel Accounts, 833. Internal Check of Catering Accounts, 834. Internal Check of Grants in Aid, 835. Propriety of Expenditure, 840. Check of Departmental Manuals, 842. Check of Records not submitted to Accounts Office, 843.

Results of **Internal** Check.—Irregular Payments and Objections, 844. Correct Preparation of Bills, 845. Waiving of Objections, 846. Treatment of Erroneous Payments, 848. Objections Relating to Expenditure, 849. Disallowance Lists, 850. Objection Statements, 851. Objection Book, 854. Savings Register, 855. Classification of Objections, 856. Posting of Objection Book, 857. Subsidiary Objection Book, 858. Review of Objection Books, 859. Register of Serious Irregularities, 861. Regularisadon of Objections, 862. Half Yearly Objectionable Items Statement, 863. Reports to Railway Board, 864. Rectification of Mistakes in Accounts, 865. Objections relating to Receipts, 866. Exhibition of Losses in Government Accounts 867. and Appendix III

CHAPTER VIII

INTERNAL CHECK

A. SCOPE AND METHOD OF INTERNAL CHECK

801. Internal Check- The check exercised by the Accounts Officer on the financial transactions of the railway on behalf of the Railway Administration is called internal check. It is so called to distinguish it from the audit conducted by the Chief Auditor of the Railway on behalf of the Comptroller and Auditor General. The internal check should be conducted with reference to-

(a) Rules and orders issued by the President , the Railway Board, General Managers of Railways and other subordinate authorities to whom the power to issue rules or orders has been delegated;

(b) the instructions contained in this and other Indian Railway Codes and any further instructions issued from time to time by the Railway Board; and

(c) the recognised standards of financial propriety vide paragraph 116 of Financial Code.

802. Unless an exception is specially permitted in any particular case. All transactions, whether relating to receipts or expenditure, should be checked cent per cent and no transactions should be brought into account before they have been completely checked.

803. **Test Check.-**the Financial Adviser and Chief Accounts Officer will prescribe for the different items of work dealt with in various sections the minimum test-check over the work of the clerks that should be exercised both by the subordinate supervisory staff and the Accounts Officer in charge of the sectional; the Accounts Officer should primarily test check items which do not in the ordinary course pass through him. The Officer's test-check should lay particular emphasis on the procedure and method adopted for the work and should bring out whether these are adequate or over elaborate or whether there is any room for improvement in either. The results of the test-check should be systematically recorded and submitted to the Financial Adviser and Chief Accounts Officer for review, at prescribed intervals.

804. **Internal check of Sanctions and Orders. -**All sanctions and orders involving financial considerations. i. e. affecting railway receipts and expenditure and establishment charges, issued by the Railway board, or higher authority are sent to the General managers of the Railways concerned in duplicate. The duplicate copies of all such sanctions and orders will be made over to the Financial adviser and Chief Accounts officer promptly by the General Manager No sanction or order should be accepted and

acted upon unless it is so communicated. The sanctions accorded by authorities subordinate to the Railway Board will similarly be communicated to the Finance Adviser and Chief Accounts officer concerned.

805. The Accounts Officer should examine every rule, order or sanction whether issued by the President or the Railway Board or any subordinate authority in order to see:-

(a) That the authority framing the rule or according the sanctions is competent to do so;

(b) That the sanction is definite and thus needs no reference either to the Sanctioning authority it self or to any higher authority;

(c) That the rule or order or sanction does not contravene any general or special orders of any higher authority, and

(d) That in all orders conveying sanctions to expenditure of definite amounts or upto specified limits, the amounts sanctioned are always expressed both in words and figures.

If in the opinion of the Accounts Officer, any rule, order or sanction is open to objection in the light of facts known to him, he should report the matter to the Railway Board if the rule, order or sanctions was issued by the president or the Railway Board. In other cases of sanction by lower authorities, he should take action as indicated in paragraphs 108 and 109.

806. The financial scrutiny of the proposals for expenditure and sanctions there for accorded by the General manager or by a subordinate authority is also a part of the functions of the Accounts office viz. Finance Branch. All proposals for fresh expenditure (i. e. exclusive of expenditure such as that involved in the grant of increments under the rules, grant of leave, sanction to officiating arrangements, etc.) which are referred to Accounts office should be examined in the Accounts office (Finance Branch) before sanction is accorded by the General manager or before the Railway Board is addressed for obtaining sanctions. The more important proposals should receive the personal attention of the Financial Adviser and Chief Accounts officer. The internal check of sanctions to proposals already examined in the Finance Branch of the Railway should be confined to the verification of the fact that the Finance Branch has given its concurrence there to. Sanctions which have not had the concurrence of the Finance Branch should, where such concurrence is required under rules, be scrutinised both with reference to competency of sanction and to the propriety of the expenditure.

If the Financial Adviser and Chief Accounts Officer considers that a certain expenditure requires higher sanction, but the General Manager does not accept his views, he should take action as indicated in paragraph 108.

807. Utmost care and attention should be devoted to internal check of sanctions to

expenditure as once a sanction has been accepted by the Accounts office, the expenditure may have to be passed against it for a length of time. When a sanction to expenditure received by the Accounts Officer has been examined and admitted as regular and correct, the check of expenditure against the sanction becomes a simple matter as it has merely to be seen that the expenditure conforms to the provisions of the sanction.

808. Sanctions with a long period of currency as well as sanctions of a permanent nature should be reviewed periodically so that the administrative authority may be requested to revise the sanction if such a course is called for by any event.

809. Date of effect.- All sanctions take effect from the date of issue, unless a different date is specified in the order communicating the sanction, Statutory rules made by the president take effect from the date of their notification in the Gazette of India, unless as different date is specified in the rules themselves.

810. Internal check of Delegations of Financial authority.-All orders of delegation of financial authority should be scrutinized carefully to see that the delegation is made by a competent authority and only where the rules or orders of higher authority approve of such delegation, as once they have been accepted, the internal check of sanctions as well as of expenditure or other transactions may be conducted against them for an indefinite length of time. They should receive the personal attention of the Accounts officer and should be formally accepted by him before they are admitted in internal check. Any re-delegation of financial powers will be made by the General Manager only after consultation with the Financial Adviser and Chief Accounts officer vide note (1) to the preamble to Annexure II to Chapter V of the Indian Railway Financial Code.

811. Scrutiny of Receipts.-in scrutinizing receipts, it should be seen that-

(a) the amounts due to the railway for services rendered, supplies. Made, or for any other reason, are correctly and promptly assessed and recovered as soon as they fall due;
(b) all receipts are properly brought into accounts; and
(c) all receipts are correctly classified and, if they represent amounts due to more than one railway, they are correctly apportioned among the railways.

812. Internal check of Expenditure .-Pre-check and Post-check-All claims against the railway should be checked by the Accounts officer before payment is made (i. e. pre-checked). As exceptions to this general rule, the following payments may be made before such check, but they should all be checked in the Accounts Office after payment is made (i. e. post-checked) :-

(a) Payments from imprest;
(b) Payments from station earnings when permitted under rules,
(c) Commission deducted by auctioneers from sale proceeds under their agreement;

(d) Payments of certain classes of pay bills, muster sheets and labour pay sheets of open line staff specially permitted to be made by the Financial Adviser and Chief Accounts Officer, under paragraphs 813 and 814; and

(e) Payments made in advance to Executive Officers for purchase of stores etc. pending rendering of the accounts and vouchers.

813. Post-check System.-The Financial Adviser and Chief Accounts Officer of an open line railway may permit the payment of any class of pay bills, muster sheets or labour pay sheets before internal check, either-

(a) when the ordinary procedure of pre-check in offices under his control is likely to lead any delay and thereby cause any inconvenience to the staff affected or violate any of the provisions of the extant statutes (e. g. Payment of Wages Act), or

(b) when a system of post-check is found necessary in order to secure an even distribution of work throughout the month either in the bill preparing offices or in the bill checking offices under his control in the pay Department.

814. Detailed instructions to the Executive should be prescribed by the Financial Adviser and Chief Accounts Officer regarding the preparation of pay bills, muster sheets and labour pay sheets which are to be dealt with under the post-check system covering inter-alia the following points:-

(a) The bills should be prepared with the greatest accuracy possible and

(b) An abstract in duplicate for each bill should be furnished by the bill preparing officer bringing out-

(i) the gross amount of pay or wages and allowances charged

(ii) the deductions made, such as contributions to provident funds, income tax etc. and

(iii) the net amount payable together with a certificate to the effect that to the best of his knowledge, it is a correct abstract of the bill which has been prepared in accordance with extant rules and orders.

(c) The original of the abstract should be submitted tot he Accounts officer for authorising payment, the concerned bill being sent direct or through the Accounts officer, if so directed by him, to the Cashier. The forwarding endorsement on the Abstract should clearly indicate the latest date on which payment is to be made to the employees concerned. The Abstract should be accompanied by all the deduction sheets (e. g., Provident Fund deduction sheets, income-tax recovery statements, etc.) pertaining to the bill.

(d) No detailed internal check need ordinarily be exercised in the Accounts Officer before passing such abstracts for payment. Where possible, however, it should be seen, by comparison with the corresponding bill for the preceding month, that there is no large variation in the amount of the Abstract. In cases where the bills are passed through the Accounts office (i. e., not passed on direct to the Cashier by the bill-preparing officers), the gross and net amounts of the Abstract should be verified and the allocation checked from the corresponding bills before passing the Abstracts for payment.

(e) All bills under the post-check system should be prominently enfaced by means of a rubber-stamp or otherwise, as follows-
"Passed on the authority of…….(designation of the bill preparing officer). Should be returned to Accounts Office for check within ten days of receipt by the Cashier."

(f) No payment should be made by a Cashier on a bill under the post-check system, until after the receipt of the corresponding Abstract duly passed by the Accounts Officer. On receipts of a passed Abstract, the Cashier should link up the corresponding bill, if received separately by him, and make payments on the dates specified on the Abstract. The paid bills together with the connected Abstracts should be returned so as to reach the Accounts Office within ten days of the receipt by the Cashier.

(g) If any item included in such bills remain unpaid, the unpaid amounts should be dealt with in the usual way. A copy of the unpaid wages list being furnished to the to the Accounts Officer and to the authority who prepared the bill.

(h) In the Accounts office, all bills under the post-check system should, on receipt from the Cashier, be subjected to all the internal checks prescribed in the following paragraphs, and any irregularities noticed should be promptly reported to the bill preparing office for regulation.

815. **Scrutiny of Expenditure .-**All claims against the railway should be scrutinized to see-

(a) that the expenditure is incurred by an officer competent to incur it ;

(b) that the remission of revenue has been sanctioned by competent authority;

(c) that all prescribed preliminaries to expenditure have been observed, e. g.
that proper estimates have been framed and approved by competent authority for works expenditure;
(d) that it is covered by the grant at the disposal of the officer incurring it or by funds reappropriated by competent authority for the purpose;
(e) that the expenditure does not contravene any rules and orders in force, or any general or special orders issued by competent authority;
(f) that the expenditure does not involve a breach of the canons of financial propriety;

(g) that the expenditure sanctioned for a limited period is not admitted beyond that period without further sanction;
(h) that, in the case of recurring charges which are payable on the fulfillment of certain conditions or till the occurrence of a certain event, a certificate is forthcoming from the drawing officer to the effect that the necessary conditions have been fulfilled or the event has not yet occurred;
(i) that the expenditure has been properly and fully vouched for an that payment has been so recorded as to render a second claim on the same account impossible;
(j) that the charge has been correctly classified and
(k) that if a charge is debitable to the personal account of a contractor, employee or other individual or is recoverable from him under any rule or order, it is recorded as such in a prescribed account.

816. **Check of Bills.-**All bills should, in so far as they represent claims against the railway, be scrutinized as required in the preceding paragraph. They should, in addition, be checked to see-

(a) that they are in the prescribed form, are written in ink and are in original;
(b) That they are in English/Hindi or if in any other language, have been rendered into English/Hindi;
(c) That their totals are given both in words and in figures, that there are no erasures, and that any alterations in the totals are attested as many times as they are made;
(d) That Fund and Income-tax deductions, where applicable have been correctly made;
(e) That they bear a certificate, wherever necessary, from the departmental officer that the services for which the payment is claimed have been actually rendered;
(f) That if the proof of the correctness of a claim does not accompany the bill (e. g. the leave account of a subordinate for whom leave salary is drawn), a certificate is furnished that the claim has been checked with the relevant document and found correct;

(g) That if the bill is for tools or other articles of equipment for which an inventory is prescribed, it has been certified by the departmental officer that the necessary entries have been made in the relevant stock Account.

Note in respect of internal checks of Pay Bills, please refer to Chapters XIII to XIV.

817. **Check of Paid Vouchers.-**Paid vouchers and bills on which no more payments can be made are received from the Pay Department, vide para 1961. On receipt of the paid vouchers and bills in the Accounts office, the column relating to "Date of return by pay Department", of the Bills Register (A. 1104) should be filled up. Bills which were not pre-checked should then be sorted out and sent to the section concerned for internal check, vide para 814 (h).

Note.-Bills outstanding with the Cashier as disclosed by a review of the Register of Bills, (A 1104 should be called for keeping in view the time limit prescribed in para 1988.

818. All bills, whether under the pre-check or the post-check system, on which payment has been made should be checked to see.

(a) that the acknowledgements of payments are in English or in Hindi, and if in any other language have been rendered into English or Hindi;
(b) that the names of payees mentioned in the bills tally with the signatures obtained in acknowledgement of the amount paid;
(c) That the payment has been witnessed, where so required, by the official named in the bill and that the acknowledgement is unqualified and that, *prime facie*, the voucher is a full acquittance of the amount due so that a second claim against the Railway on the same account is impossible;
(d) That where a person other than payee himself has received the amount, the payment has been made under proper authority;
(e) That vouchers are stamped, where necessary;
(f) That if the amounts are not acknowledged by the payees, such as wages paid to workshop staff through the Boxing System, the Departmental Officer has certified that the payment has been made by him or in his presence; and
(g) That each voucher has been cancelled efficiently and prominently.

Note.-Receipt stamps affixed to paid vouchers should be punched or defaced with "Paid" stamp.

819. **Finger Print Check System.-**The nature of check exercised by the Finger Print Examiner is briefly indicated below-

(a) Verification of thumb Impressions on the Service Records with those recorded on the health certificates of the employee;

(b) Verification of thumb impressions on the Special Contribution to Provident fund applications and gratuity bills with those obtained on Service Records, before and after payment;
(c) Checking of thumb impression on the paid vouchers for some consecutive months;
(d) Verification of thumb impression on paid vouchers with those recorded in the Service Records;

(e) Verification of thumb impressions on privilege Ticket Orders with those recorded in the Service Records;
(f) Verification of thumb impressions on the pay sheets of the staff employed in small road-side and flag-stations.

Note.-The Finger Print Examiner should occasionally witness payments independently in the course of surprise check and compare the thumb impressions of the payees with those recorded in the previous month.

820. **Internal check of Debt and Remittance Transactions .-**The general principles and rules of internal check which govern check of expenditure apply mutatis mutandis to disbursement, under Debt and remittance heads (see para 208). In the case of repayment, the Accounts Office should check the payment against the original receipt and should satisfy itself that the repayment is made according to the rules, regulations or orders which govern the transactions. Similarly, in case of a payment which is to be subsequently recovered. The Accounts Office should ascertain that the payment has been made in accordance with the extant rules and regulations and should further watch the moneys are regularly recovered from the debtor.

821. **Deposits.-**In the case of moneys received to be held as deposit with the railway, it should be examined whether such moneys can be so held by virtue of general or special orders of the General Manager or higher authorities.

It should be seen that no item is held as a deposit which could be credited as a revenue receipt or taken in reduction of expenditure.

In respect of refunds of deposits, the Accounts Office should examine that there are proper voucher in support of the amounts to be repaid and should check each repayment against the original receipt either individually or against the total credit in a particular account in order to ensure that repayments do not exceed the amounts originally received and credited to the railway.

It is the function of the accounts Department to see that balances in deposit accounts are correctly carried over from year to year, Any deposits remaining unclaimed in excess of such periods as have been prescribed in paragraph 321 are to be credited as receipts of the railway.

822. **Provident Funds-Contributory and non-Contributory.-**the internal Check of transactions pertaining to Provident funds controlled by Government mainly consists

in seeing that these transactions conform to the rules or regulations governing the administration of each Fund and any subsidiary instructions issued thereunder.

Subscriptions to a Provident Fund can be received only from such railway/government servants as are either required or permitted by the rules of the Fund to subscribe to it.

The Accounts Office should further see that subscriptions and any other dues recoverable under the rules of a fund are duly and regularly recovered from the Railway/Government servants concerned. In the case of Contributory provident Funds, the Accounts Office has also to see that Governments share is properly calculated and brought to account. Finally, it should be verified that the accounts of the funds are correct both in total and in the detailed accounts of the subscribers.

823. **Pension.-**The internal check of pension payments consists in verifying the qualifying service, the pay drawn during the last ten months, check of the Service Record, Leave Account etc., and a certification of the amount of Pension, Family Pension and Death-cum-retirement Gratuity etc. (For detailed instructions in this connection see Chapter X).

824. **Remittance Transactions .-**In the internal check of Remittance Transactions, it should be seen that debits and credits are cleared either by receipt of cash or by book adjustment under the relevant service or revenue heads of accounts or have been paired off by the corresponding credits or debits within the same or in another Accounts Circle. An important part of the check is the scrutiny of balances from month to order to effect their early clearance and to determine the accuracy of the outstandings at the end of the year. For detailed rules in this connection, see Chapters IV and V.

825. **Internal check of Workshop Accounts.-**The internal check of Workshop accounts will include, *inter alia*, an examination of any cost accounts, where maintained, in order to see that they are correctly compiled. Appreciable discrepancies between the aggregate of the expenditure charged to various jobs and the figures in the expenditure account should be investigated. Detailed rules relating to check of workshop expenditure are laid down in the Indian Railway Code for the mechanical Department (Workshops).

826. **Internal check of Stores Transactions .-**The internal check of stores transactions of a railway should be directed to ascertain that the departmental regulations governing purchase, receipt and issue, custody, condemnation, sale and stock-taking of stores are properly carried into effect, and to bring to notice any important deficiencies in quantities of stores held, or any grave defects in the system of control. Detailed rules in this connection are laid down I the Indian Railway Code for the Stores Department.

827. As regards purchases of stores, Accounts should see that.-

(a) The quantity to be ordered has been correctly estimated on the basis of past consumption and/or other factors.

(b) These are properly sanctioned, are made economically and in accordance with any rules or orders made by competent authority for purchase of stores for the railways; in particulars, when stores are purchased from contractors, the system of competitive tendering is adopted and the purchase is made from the lowest tenderer, unless there are recorded reasons to the contrary.

(c) The rates paid agree with those shown in the contractor or agreement for the supply of the stores

(d) In the case of advance payment, pending receipt of materials, the relevant documents in terms of the contract are enclosed with the bill.

(e) Certificates of quality and quantity are furnished by the passing and receiving railway servants before payment is made and

(f) Purchase orders have not been split up so as to evade the sanction of higher authority which may be necessary with reference to the total amount of the orders.

Accounts should call attention to cases of uneconomical purchase of stores and to any losses, which may be clearly attributed to the defective or inferior nature of stores, which were accepted and certified to be satisfactory in quality.

828. Accounts should see that the accountal of receipts of stores whether purchased or otherwise obtained and of their issues and balances are correctly maintained. Where a scale has been prescribed for issue of stores of any particulars kind, it should be seen that the scale is not exceeded and that the scale is also subjected to a periodical review for modifications preferably annual with reference to the actual requirements.

829. Stores, represent a locking up of capital, which is not justifiable unless essential, in order to effect economy in this direction, Accounts should see that the balance in hand does not exceed the maximum limit prescribed by competent authority and is not in excess of requirements for a reasonable period. The movement of Stores should also be reviewed so as to regulate further purchases.

830. The accounting for an maintenance of unserviceable stores which cannot be utilized by the department in whose custody they are kept, involve waste of labour and space, the retention of such stores in excess of the probable requirements of the department in the near future may result in loss through obsolescence and deterioration. Accounts should, therefore, see that measures are taken to survey, segregate and consider the disposal of unserviceable, surplus and obsolete stores in accordance with the procedure prescribed for this purpose.

831. It is an important function of the Accounts Department to ensure that the articles in stock are counted periodically and otherwise examined to verify the accuracy of the quantity balances in the books (e. f. paragraph 1704) Accounts should, to the extent authorised in the Indian Railway Code for the Stores Department, assume responsibility

for the physical verification of stores and investigate balances of stores, if any discrepancies in the stores accounts suggest that such action is necessary. Where, under the rules, Executive Officers are required to verify periodically stores in their custody, Accounts should call for certificates of verification of stores from the Executive officers concerned and see that the system of verification adopted by the executive is adequate and proper. All discrepancies found on stock-taking, whether by Accounts or the Executive should be properly investigated and adjusted. Wherever possible, the staff responsible for the verification should be independent of the staff which is responsible for the physical custody of the stock or for keeping accounts of it.

832. Where a priced account is maintained, Accounts should see that.-

(a) the stores are priced with reasonable accuracy and the rates initially fixed are review from time to time and are correlated with market rates and revised where necessary.,

(b) the value accounts tally with the accounts of works and of departments connected with stores transactions, that the total of the valued account tallies with the outstanding amount in the general accounts and that the numerical balance of stock material is reconcilable with the total of value balances in the accounts at the rates applicable to the various classes of stores;

(c) steps are taken for the adjustment of profits or losses due to revaluation, stocktaking or other causes, and that these are not indicative of any serious disregard of rules

(d) irregular balances and the outstanding under suspense heads, Purchases, Stock Adjustment Account, Stores-in Transit are reviewed periodically with a view to expedite clearance; and

(e) steps are taken to rationalise the items stocked and to ensue that the nonstandard items with 'Nil' balances are closed properly and that the new stock items are introduced after due scrutiny regarding their necessity as well as the initial quantities to be procured.

833. **Fuel Accounts.-**The payment for the supply of coal/coke is arranged by the Accounts officer (Fuel Accounts Branch) of each Railway, on receipt of bills for the same from the subsidiaries of Coal India Ltd. supported by suppliers' copy of Wagon Disposal Statements, Despatch. Advice notes/Forwarding notes, by debit to the head 'Purchases'. These bills are passed for payment by the Accounts officer after checking with reference to entries in the Wagon Disposal Statement, Despatch Advice notes/Forwarding notes and the Grade Authorisation Certificate issued by C. M. A., Dhanbad without verifying the fact whether the coal has actually been received or not.

Particulars of coal/coke wagons received at the sheds, shops and transhipment points are shown in their trimonthly receipt returns. For the coal/coke wagons received in the sheds and shops the debits are raised by the Fuel Accounts Branch against the Divisional/Workshop Accounts Officers concerned by credit to Purchases. The wagons received at transhipment points are debited to SIT by credit to Purchases.

The payments made by each Railway for the coal/coke wagons, as shown in the Wagon Disposal Statements, are linked with the wagons shown as received by the sheds, workshops and transhipment points in their periodical receipt returns, through the process of a centralised linking procedure on computer.

Value of the wagons paid for buy the Railway which are found to have been received on the same Railway are noted down in the Suspense Register maintained in its Fuel Accounts Branch to clear the debits lying under the head Purchases. For the wagons paid for by the Railway which are found to have been received on other railways the debits are raised against the latter by the Fuel Accounts Branch of the Railway which made the payment.

The wagons which remain unlinked on the computer after the prescribed period are traced manually and their cost adjusted.

For the wagons paid for but not linked as received claims are preferred against the Chief claims Officer, Eastern Railway, Dhanbad or the Chief Claims Officer of the Railway through which the wagon was to be received. The Chief Claims Officer concerned will furnish tracing particulars of the wagons, wherever possible and for the rest he will accept liability. Debits will be raised against Railways concerned on the basis of it. For the wagons which are reported to have been received on the Railway which cannot be linked as received on any of its sheds and shops the matter is referred to the CCO of the Railway to trace the wagons. For the wagons traced the head Purchases is credited by debit to the other Railway or the unit concerned of the home Railway.

The coal wagons received on the Railway but not linked as received on any of its sheds/workshops are termed as missing wagons. The value of hard core of missing coal wagons remaining under Purchases or SIT (for wagons received at Transhipment points, the contents of which are not traceable further) for over three years from the month of payment, because these remained unlinked after all the phases of mechanised linking followed by manual efforts, are transferred to Abstract-K with the approval of Railway Board. The proposals to be submitted to Board in this regard should have the concurrence of Audit and these should be supported by a certificate from the Commercial Department that the wagons could not be traced in spite of all efforts.

The value of unconnected coal wagons (wagons received in the sheds which could not be lined with the payments made there for) lying under purchases/stores in Transit after exhausting all processes of mechanised linking and efforts at manual linking thereafter are transferred to Stock Adjustment Account after one year from the month of accountal. Efforts are continued to clear these wagons through manual linking by home Railway or with the receipt of debits from other Railways. The value of wagons which remain unconnected in spite of all efforts is transferred from Stock Adjustment Account to Abstract after three years, from the month of accountal, with the Board's approval after obtaining the concurrence of Audit.

The suspense registers for the under noted heads of Accounts maintained in the Fuel Accounts Branches are not posted in detail. Only lumpsum entries are made and relevant machine produced reports in support of these entries are filed in the guard files month wise in serial order.

(a) Purchase-Fuel)Coal)
(b) Stores-In Transit-Fuel(Coal)
(c) Stock Adjustment Account-Fuel (coal)

Priced ledgers for the loco coal are maintained in the Divisional/Work shop a Accounts Officers.

Detailed procedures in this connection is laid down in the circulars issued by the Railway Board. It is being incorporated in the Indian Railway Code for the Stores Department.

834. **Internal Check of Catering Accounts.-**The Departmental Catering on Railways is required to run on a 'No Profit No Loss' basis. A proforma Profit and loss Account is prepared for each unit after taking into account the receipts from Sales and all direct and indirect expenses in running the Departmental catering units The Accounts Check of Profit and loss Account of each unit will cover not only the usual check of receipts and payments but also correct preparation of the proforma Profit and Loss Accounts.

835. **Internal Check of Grants-in-Aid.-**The internal check of sanctions to grants-in-aid should be conducted with reference to the relevant rules contained in Chapter XVI.

836. **Utilization of the Grants for the purpose for which sanctioned.-**The Accounts officer should satisfy him self either at the time of scrutinizing the proposal for the sanction to the grants-in-aid or at the time of internal check of the sanctions as the case may be that the sanctioning authority has satisfied itself that the funds will be utilized for the purpose for which these were sanctioned and that the sanctioning authority has also laid down specifically the conditions attached to the grants. Acertificate of actual utilisation of the grants should be obtained from the sanctioning authority, by Financial Adviser and Chief Accounts Officer in every case of grant made for specific purposes within the prescribed target date.

837. **Refund of Unspent Balances.-**At the time of inspection of the offices of the sanctioning authority, it may also be examined that certificates regarding unspent balances for grants are obtained from the institutions and that the unspent balances remitted by the latter are promptly remitted to stations of cash offices.

838. **Extent of check at Local Inspections .-**The quantum and extent of check during local inspection may be decided by the Financial Adviser and Chief accounts Officer. The accounts of the institutions receiving grants Rs. 1 lakh (recurring) per annum

and Rs. 5 lakhs (non-recurring) should be subjected to test check by the Accounts Department.

839. **Audits of Accounts of Private institutions, Receiving Grants-in-Aid.-** Whereas it is not necessary for the Financial Adviser and Chief Accounts Officer to conduct the audit of the transactions of the private bodies receiving rants he should ensure that the sanctions for the grants are made by the competent authority after referring to statements of accounts of the institutions duly audited by registered auditors wherever the amount of the grant is more than Rs. 1000 at a time.

840. **Propriety of Expenditure .-**It is an essential function of the Accounts Officer to bring to light not only cases to clear irregularity but also every matter which. In his judgement appears to involve improper expenditure or waste of public money or stores even though the accounts themselves may be in order and no obvious irregularity has occurred. It is thus not sufficient to see that sundry rules or orders of competent authority have been observed. It is of equal importance to see that the broad principles of orthodox finance are borne in mind not only by Executive Officers but also by sanctioning authorities.

841. No precise rules can be laid down for regulating the course of internal check against propriety. Its object is to support a reasonably high standard of public financial morality, sound financial administration and devotion to the financial interests of the Government. Accounts officers, in the performance of their duties should, in any case, apply the general principles laid down in paragraph 116 of Financial code which have for long been recognized as standards of financial propriety. The proper discharge of duties by an Accounts Officer in this field is a very delicate matter and requires much discretion and tact. A challenge against expenditure should not be expressed as based on "standards of financial propriety" but as transgressing universally accepted standard of conduct or financial administration.

842. **Check of Departmental Manuals.-**Though the Accounts Department is not required to undertake the formal scrutiny of departmental manuals of other departments when these so far as financial and accounting matters are concerned, merely reproduce extracts from codes, Regulations, Rules etc., yet any rules in them which introduce new detailed financial accounting or Internal check procedure or authorise deviations from the procedure laid down in Indian Railway Codes, should be examined by the Accounts officer with a view to see whether they are intra vires of the authority issuing the manual and in accordance with correct principles.

843. **Check of Records not submitted to the Accounts office.-**Initial records which are not submitted to the Accounts office in support of claims or in support of the correctness of an account of receipts or expenditure rendered to the Accounts office should be inspected locally to such extent as the Financial Adviser and Chief Accounts Officer may prescribe subject to the general orders contained in Chapter XVII.

B. RESULTS OF INTERNAL CHECK

844. Irregular Payment and Objections.-(1) There should ordinarily be no irregular payments in connection with expenditure subject to pre-check. Claims which are not susceptible of internal check should be returned to the officer submitting them for amendment or explanation. If in a particular case, the explanation of the officer submitting a claim or an amended claim is not accepted or, if the claim is considered irregular by the Accounts officer in internal check. The claim may either be disallowed or passed provisionally pending regularisation in accordance with the following rules.:-

(a) As a General rule a claim may be disallowed only when there is prima facie evidence that it is incorrect and that its payment might result in loss to the Railway.

(b) Claims though technically open to objection e. g. want of proper allocation or of sanction to estimate or appropriation must be admitted if they are prima facie correct and if the railway is clearly liable for them and claims which are open to substantial objection but which do not affect the title of the payee to the amount claimed may be admitted at the discretion of the Financial adviser and Chief Accounts Officer if the postponement of disbursement till the removal of the objection is likely, in his opinion, to cause undue delay and hard ship to the payee. Certain claims may, in the opinion of the Accounts Officer be irregular but General manager or any subordinate authority to whom the power has been delegated (vide paragraphs 1103-G and 1136-E) may in spite of the view of the Accounts Officer take upon himself the responsibility of ordering that the claim be accepted. In all such cases where claims considered as technically open to objection or regular by the Accounts Officer are passed as technically open to objection or irregular by the Accounts Officer are passed for payment the expenditure should be passed provisionally and placed under objection.

(2) Payments made before scrutiny by the Accounts office, if found to be irregular in internal check, should also be placed under objection.

845. **Correct preparation of Bills.-**The correct preparation of bills in every particular by Departmental Officers should be insisted on by the Accounts Officer. Failure in this respect necessitates a large accounts staff than would otherwise be necessary and leads to delays in payments. Instances of gross or repeated carelessness in the preparation of bills should be brought specially to the notice of the head of the office concerned and when necessary, to the head of the Department or of the Railway.

846. **Waiving of Objections .-**To avoid unnecessary correspondence in trivial cases or to avoid delay in the settlement of claims against the railway or the final adjustment of transactions in the accounts, the Accounts officers are permitted to waive objections in the following cases in respect of transactions for the final check of which they are responsible. The principle underlying the grant of these powers to the Financial

Adviser and Chief Accounts Officer is that when an objection is of purely formal nature and the amount involved relatively trifling and Financial Adviser and Chief Accounts Officer has reason to think that the expenditure will be sanctioned by the authority competent to sanction if formally referred to it, it may be waived by the Financial Adviser and chief Accounts Officer himself without such a reference.

(a) The Financial Adviser and Chief Accounts Officer/Additional Financial Adviser and Chief Accounts Officer or his Deputy may waive the objection if there is irregular expenditure not exceeding Rs. 100/- in any individual case any other Accounts Officer may exercise the same power up to a limit of Rs. 25/- If the irregularity is such as likely to recur the Drawing Officer should be told that the expenditure, although admitted was irregular.

(b) If an expenditure although justifiable in itself, is not covered by sufficient sanction or if full proof, such as is afforded by vouchers and sub-vouchers, that it has been incurred is not forthcoming, the financial Adviser and Chief Accounts Officer etc. may admit expenditure upto a limit of Rs. 500/- in each case and an Accounts Officer incharge of a sub-accounts office upto a limit of Rs. 50/- in each case, provided.-

(i) the expenditure is not of a recurring nature;

(ii) if the expenditure is not covered by sufficient sanction, the Financial Adviser and Chief Accounts Officer etc. is satisfied that the authority empowered to sanction the expenditure would accord sanction requested to do so, and that unnecessary inconvenience and trouble will be caused if the bill is returned unpassed for want of such sanction;

(iii) if sufficient proof that the expenditure has been incurred has not been produced, the Financial Adviser and Chief Accounts Officer etc. is satisfied that undue trouble will be caused by his insisting on the submission of such proof, and sees no reason to doubt, that the charge has been actually paid.

(c) The recovery of payment not exceeding Rs. 200/- in each case, may be waived by the Financial Adviser and Chief Accounts Officer/Additional Financial Adviser and Chief Accounts Officer or a Deputy, if the amount, for any reason becomes irrecoverable. An Officer in independent charge of a sub-accounts office or in charge of a branch of an accounts office may exercise this power upto Rs. 20/- in each case.

(d) Any Accounts Officer may waive recovery of under charge upto Rupees two and Rupees five in individual items of coaching and goods earnings respectively, and the Financial Adviser and Chief Accounts Officer/Additional Financial Adviser and Chief Accounts officer or his Deputy may exercise similar power upto Rs. 50 and Rs. 20 respectively. Any tendency on the part of the station staff to take undue advantage of this concession should be prevented.

(e) Any Accounts Officer may write-off losses on account of base or counterfeit coins and may write off freight on missing or unclaimed goods or parcels upto any amount. The Financial Adviser and Chief Accounts officer/Additional Financial Adviser and Chief Accounts Officer or his Deputy may write-off other irrecoverable earnings upto Rs. 1000/- in each case when he is satisfied that in the circumstances in which the amount has become irrecoverable the Railway Administration would write-off the amount if approached.

847. The power given to Accounts Officer under the preceding paragraph of waiving recovery of over-payments or undercharges may be exercised where the irregularity has come to notice in the course of internal check. Objections raised by Audit may be waived by the Accounts Officer only with the consent of Audit. A register in Form A. 847 should be maintained of all recoveries foregone by the Accounts Officer under the powers given under paragraph 846 and those waived with the concurrence of audit. This register should be open to inspection by Audit at any time.

Note.-Recoveries foregone by the Administrative and Executive authorities should also be recorded in the Register of Recoveries Foregone (A. 847).

Form A. 847

848. **Treatment of Erroneous Payments.-**When erroneous payments have been passed for a considerable time, owing either to a wrong interpretation of financial rules or to oversight, the following procedure should be observed:-

(a) when a wrong interpretation of a financial rule has been followed in an Accounts Office, the new interpretation should be given effect to/from the date which the competent authority may decide, when giving the correct interpretation. If no date is specifically fixed, the correct interpretation will be given effect to/from the date of issue of orders of the competent authority stating the correct interpretation.

(b) when erroneous payments have been passed through oversight in the Accounts Office, payments made less than twelve months ago, should be recovered, and the orders of competent authority obtained with regard to previous overpayments. The justification that overpayments had been received in good faith should not be regarded as an adequate reason for not enforcing recovery. Every over payment of money to a railway servant is and must be regarded as a debt owed to public and all possible action should be taken to recover it with despatch.

849. **Objections relating to Expenditure .-**Apart from enquiries to elicit further information and comments of a general nature for future guidance, the principal results of internal check should be communicated to the authority responsible for the expenditure through Disallowance Lists (A. 850) or Objection Statements (A. 851) in accordance with the rules in the succeeding Paragraphs.

850. Disallowance Lists.-All disallowances from or objectionable items noticed in establishment bills should be communicated to the officer who submitted the bills through Disallowance lists in form A. 850.

Form A. 850

851. **Objection Statements.-**On open lines of Railways, all objectionable items noticed in the internal check of bill or documents other than establishment bills should be communicated to the officer concerned through Objection Statements in Form A. 851. Irregular or objectionable outlay (of the nature of expenditure incurred in the absence, or in excess, of sanctioned estimates or appropriations), which comes to notice after the postings in the register of works and allocation registers are totalled up and reconciled with general books, should also be intimated to the offices responsible for the outlay through Form A. 851.

Form A. 851

852. In all Disallowance Lists (A. 850) and Objection Statements (A. 851), the reasons for the disallowances or objection should be stated concisely and clearly, the rules or orders on which each disallowance or objection is based being mentioned. Departmental officers are required to record their replies to disallowances and objections against each item in the Disallowance List or Objection Statement in the column provided for the purpose. These replies, together with the Accounts officer's rejoinder or final orders, should be entered in the office copies of forms A. 850 and A. 851 kept in the Accounts office. On the final disposal of a disallowance list or as Objection Statement, it will be returned to the Officer responsible for the outlay, for record in his office.

853. As soon as the accounts for a month are closed, the Disallowance Lists (A. 850) and Objection Statements (A.851) issued during that month should be carefully scrutinized and all items still unadjusted or which are still held as objectionable should be transferred to the Objection Book (A. 854) under the appropriate headings there of (c. f.

paragraph 851). All items finally disallowed should be transferred to Savings Register 9A. 855).

854. **Objection Book.-**An Objection Book in Form A. 854 should be maintained in each Accounts Office or Section of Accounts Office responsible for the internal check of expenditure.

Form A. 854

855. **Savings Register**.-A register in Form A. 855 should be maintained in each Accounts office or Section of an Accounts Office to record all savings or avoidance of expenditure or increase in earnings as a result of the internal check of the financial advice of the accounts Officer. All entries made in this register should be attested by the Accounts officer.

Form A. 855

856. **Classification of Objections.-**For the purpose of posting the Objection Book (Form A. 854) the various items of expenditure held under objection are classified as follows:-

(a) Want of sanctioned estimate.
(b) Excess over sanctioned estimate.
(c) Want of sanctioned appropriation.
(d) Excess over sanctioned appropriation.
(e) Miscellaneous, e. g., irregular personal claims, absence of vouchers, breach of a financial rule, provision acceptance of allocation of estimates.

857. **Posting of objection Book.-**Separate pages should be allotted in the Objection book for each class of objection. Objections should be recorded under the appropriate classes and arranged by the class of expenditure, viz., Capital, Development Fund, Revenue open Line Works Revenue, Depreciation Reserve Fund, Accident Compensation, Safety and passenger Amenities fund and Revenue, to which they relate. All objections raised by the Accounts Office, as a result of internal check, or by the Statutory Audit Office should, after their posting in the Objection book, be watched until they are cleared. An objection may be cleared.

(a)	by the recovery of the expenditure held to be irregular, if such a course is permissible under the rules, or
(b)	by the withdrawal of the objection raised, either as a result of further information or on receipt of the necessary sanction of competent authority.

Objection raised by audit should be recorded under the month in which the objection is raised reference being quoted to the number and date of the document

concerned. Even if an objection raised by Audit is not accepted by the Accounts officer as valid it should be recorded in the objection Book (A. 854), if convenient in a separate portion of the register, and the objection should not be considered as having been cleared until it has been withdrawn by Audit.

858. **Subsidiary objection Book.-**A Subsidiary Objection Book should be maintained for the record of petty objections like "want of detailed vouchers" and "payee's receipts". This book should be examined every month following that to which the objections relate should be transferred to the main objection Book without any details beyond the serial numbers of the items or other indication that may be necessary for identification. This procedure may, at the discretion of the Railway Board, be extended to other definite classes of objections of a similar nature, provided that such objection do not involve substantial deviations from the rules.

859. **Review of objection Book.-**The Objection Books should be closed every month by the 15th and a review of the action taken should be prepared and submitted along with the objection Book to the Accounts officer in charge of the section. Items which have remained under objection for more than three months should be brought out separately in this view for the special notice of the Accounts officer.

860. Expenditure which has been authorised by the General Manager of the Railway but which requires the sanction of higher authority should be recorded in a separate folio of the objection book (A.854) through which the receipt of the sanction should be watched. Such expenditure should be separately mentioned in the statement to be prepared under para 863.

861. **Register of Serious irregularities.-**Every Accounts officer, 'Should in addition to the objection Book (Form A. 854) maintained a record of the more important irregularities which he has noticed in the course of his internal check or inspection, or which have been brought to his notice by Audit, and of the action taken by him. All cases of losses, frauds, or embezzlements in his accounts circle should also be recorded in the register. This record should be open to inspection by Statutory Audit at any time. The entries in the register should be reviewed by the Accounts officer once a month and suitable action taken on all outstanding cases.

862. **Regularisation of objections.-**it is the duty of the Accounts officer to take all necessary action without avoidable delay to secure the regularisation of all expenditure placed under objection. The Accounts officer should , if necessary, send extracts from the objection book to the Divisional officers concerned and ask them in writing to intimate to him the action taken by them in each case. With regard to all serious irregularities, the Accounts officer should see that adequate action, disciplinary or otherwise, is taken and that the responsibility of the supervising staff is enforced. If the Financial Adviser and Chief Accounts officer considers that any irregularity is so serious and important that it should be brought to the notice of the Railway board at once or that the action taken by the administration in particular case is insufficient he should request

the General Manager to report the matter to the Railway Board for orders, furnishing at the same time for transmission to the Railway Board a statement of the reasons for which he considers such action imperative.

863. **Half-yearly objectionable Items Statement.-**A half-yearly statement of all objections which have been outstanding for six months and more at the close of the accounts for September and March should be prepared in Form A. 863 given below by the 20th June and 20th December respectively. The statement should be carefully scrutinised by the Financial Adviser and Chief Accounts officer to ensure that prompt and suitable action is being taken to remove the objection. The following instructions should be observed in connection with the preparation of this statement :-

(1) The statement for the half year ending 31st March should include items of objections relating to the account for the half year ending 30th September of the preceding year but not cleared upto the close of the accounts for march. Similarly, the statement for the half year ending 30th September should include items of objections relating to the accounts for the half year ending 31st March but not cleared upto the close of the accounts of following September.

(2) The items of objection included in this statement should be grouped under the following headings:-
   (a) No Estimate.
   (b) Excess over Estimates.
   (c) Miscellaneous items.

(3) The total number of items and the total amount of expenditure under objection should be shown under each group, the following items being detailed-
   (a) Those requiring Railway Board's sanction.
   (b) Those in which the Accounts officer considers that sufficient action is not being taken by the local administration or officers.
   (c) Those in which action taken locally is sufficient but in which it may appear that regularisation is delayed for want of due attention elsewhere.

(4) in the case of objections under the group "Excess over Estimates" the amount of estimate should be shown under the appropriate column

(5) The action, taken by the Accounts, officer to secure clearance of items under objections should be stated briefly but clearly in the column provided for the purpose.

Form A. 863

864. **Reports to the Railway Board.-**any matters of major financial importance which, in the opinion of the Financial Adviser and chief Accounts officer are likely to be of interest to the Railway board should be brought to the notice of the latter as and when they arise.

865. **Rectification of mistakes in Accounts.-**mistakes discovered in the accounts after they have been compiled should be rectified in accordance with the procedure detailed in para 922 of Financial code.

866. **Objection relating to Receipts.-**The clearance of objections raised in the course of scrutiny of receipts, should be watched in the same way as that of objections relating to expenditure. The objections relating to traffic receipts may be against another railway or another railway or another Government Department or against home railway stations. Those against other railways should be recorded in a separate register. Those against home line stations, whether raised by the Financial Adviser and Chie Accounts officer or by Audit should be recorded in a register separately by each station and by each month, until such time as the objections have been either withdrawn or have been taken into account in the Station Balance Sheet. Subsequent watch over their clearance being effected through the Station Balance Sheet (cf. Chapter XXVII). Objections against another department will be recorded in the Accounts office Balance Sheet 9cf. Chapter XXIII). Similarly, all items passed provisionally in the course of internal check pending verification with the clearance vouchers or other documents should also be entered in the register and their connected should be watched. The objection outstanding at the end of a month should be carried forward to the next month's account.

Outstanding more than twelve months old should be separately watched through a special register. A list of such oustandings should be prepared by the 20th June and in this list only items of objections exceeding Rs. 250/- need be detailed. Items of Rs. 250/- and below may be grouped together under one entry for each year, subject to the condition that the date of the earliest item is indicated. This statement should be made available for inspection by the Director Accounts, Railway board or his representative, during his periodical inspections of the various Railway Accounts Office. The Financial Adviser and Chief Accounts Officer should arrange for a regular review of all records of the objections by an accounts Officer and for a report of the progress of their clearance being made to him every month.

C. EXHIBITION OF LOSSES IN GOVERNMENT ACCOUNTS

867. The rules regarding exhibition of losses in Government Accounts are contained in Appendix-III.

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CHAPTER IX

PROVIDENT FUND ACCOUNTS

Introductory. 901. Head of Account, 902. Accounting Procedure, 903. Credits and Debits to the Fund, 904. Subscriptions and Refunds of Withdrawals, 905. Posting of Ledger Accounts, 906. Provident Fund Journals, 908. Ledger Accounts, 909. Index Registers, 910. Opening of New Accounts, 911, Check Sheets. 912.

Posting and Reconciliation.—Register of Debits and Credits, 913. Register of Unposted Items, 914. Register of Unposted Ledger Account, 915. Reconciliation with General Books, 916. Government Contribution, 917. Interest, 918. Annual Closing and Reconciliation with General Books, 921. Account Furnished to each Member, 923. Transfer of Provident Fund Accounts, 924. Closed Accounts, 925. List of Closed Accounts, 926. Special Contribution to Provident Fund, 929.

CHAPTER IX
PROVIDENT FUND ACCOUNTS
A. INTRODUCTORY

901. The responsibility for the internal check of all transactions pertaining to, and the maintenance of the accounts of the State provident Funds to which the personnel of the railway subscriber devolves upon the Accounts officer. Internal check in connection with subscriptions by and withdrawals and payments from the various Funds should be conducted with reference to the rules of the provident Fund concerned. The Accounts Office deals with transaction of the following funds: -

UNDER MAJOR HEAD 805-STATE PROVIDENT FUNDS

A. Civil-General provident Fund

C. Railways-State Railway Provident Fund
-State Railway Provident Fund (Contributory)
-State Railway Provident fund (Non-Contributory)
-Transferred Railway Personnel Provident fund
-Transferred Railway Personnel provident Fund (Contributory)
-Transferred Railway Personnel Provident Fund (non-Contributory)

D. Other Provident Funds.-
Other miscellaneous Provident Funds
(i) Ex-N.S. Railway Provident Funds(Contributory)
(ii) Ex-N.S. Railway Provident Fund (non-Contributory)
(iii) Ex-N. S. Railway Guaranteed Provident Fund (Contributory)
(iv) Ex-N.S. Railway Guaranteed Provident Fund (non-Contributory)
(v) Punjab (government Central Workshop) Contributory Provident Fund

UNDER MAJOR HEAD 837-k-DEPOSITS & ADVANCES

-I.R.C. A. Employees Provident Fund
-I.R.C.A. Employees Provident Fund (Contributory)
-I.R.C.A. Employees Provident Fund (Non-Contributory)
-I.R.C.A. Employees Provident Fund Investment Accounts (Contributory)
-I.R.C.A. Employees Provident Fund Investment Accounts (Non-Contributory)

The accounts of the funds should be maintained also in accordance with the rules of the funds which prescribe the more important books and accounts to the kept and the manner in which they should be posted. The rules of the State Railway provident funds will be found in the Indian Railway Establishment Code. The rules of other Provident Funds are published as separate pamphlets.

Note.- The Fund Accounts of the Statutory Audit staff will be maintained by the Accountant General, Central Revenues, or the Accounts Officer of the railway in accordance with paragraph 1228 of Chapter XII.

A. STATE RAILWAY PROVIDENT FUND

902. Head of Account.- The transaction of the State Railway Provident Fund will pass through the debt head " State Railway Provident Fund Contributory/Non-Contributory" under C-Railways, under the major head "805- state Provident Funds" under "I-small Savings Provident Funds, etc." (See Appendix IV).

903. **Outline of Accounting Procedure**.-in the Accounts Office, a ledger account should be kept for each individual subscriber to the fund. All transactions affecting the head "State Railway provident fund Contributory/Non-Contributory" should be posted in the ledger accounts of the subscriber concerned. In order to ensure that the postings have been correctly made, the entries in the ledger accounts should be abstracted in a statement, called the check sheet, and the totals of the check sheet reconciled monthly with the amounts credited and debited to the fund. The aggregate balance in the ledger accounts should represent the balance under the head "State Railway provident Fund Contributory/Non-Contributory" in the General books of the Railway.

904. the credits and debits to the head "State Railway provident Fund Contributory/Non-Contributory" comprise the following-

CREDITS

(a) Subscriptions from members.
(b) Refund{ of temporary with drawals.
(c) Half-yearly bonus (for S. R. P. F.-contributory only).
(d) Interest.
(e) Miscellaneous adjustments including transfers to and from other

Accounts
Offices.

DEBITS

(a) Temporary withdrawals.
(b) Payments to staff who have ceased to be members of the Fund.
(c) Miscellaneous adjustments.

905. Subscriptions and refunds of temporary withdrawals by the members of the Fund are generally recovered through pay bills (pay sheets, in the case of workshop staff). The recoveries effected are shown in statements, called provident Fund journals which accompany the regular pay bills. The sections which are responsible for the internal check of the pay bills should check the correctness of the recoveries effected, compare the details shown in the provident Fund Journal with the recoveries made in the pay Bills and then pass on the provident fund journals to the provident fund Section for posting into the ledgers. In the case of staff whose subscriptions or refunds of temporary withdrawals are remitted in cash or are recovered outside India and passed on to India for adjustment, necessary Journals should be prepared in the Provident Fund Section from the Cash remittance notes or the extracts of schedules of miscellaneous remittances (see paragraph 503), as the case may be, for posting in the ledger accounts of the staff concerned. Credits on account of Government contribution and interest should be posted in the manner indicated in paragraphs 925 to 927. Postings necessitated by any adjustments should be made direct from the adjustment vouchers.

906. The postings in the ledger accounts of payments and debit adjustment should made from the relevant pay orders passed for payment and the adjustment vouchers respectively. All debit entries in the ledger accounts should be attested by the Accounts officer-in-charge of the section at the time of passing the pay order for payment. The opening balances carried forward from the previous year's ledger should be attested by the Section officer (Accounts) or sub-head in charge. A percentage (as may be fixed by the Financial Adviser and Chief Accounts Officer) of the entries of opening balances should be checked and attested by the Accounts officer-incharge.

907. **Account books to be in Sections or compartments.-**For the convenience of positing and reconciliation and for localizing errors in posting, the ledger accounts, the check sheets, the Provident fund journals should all be in compartments or sections, i. e., by departments, districts or categories of state as may be decided by the Financial Adviser and Chief Accounts officer.

908. **Form of Provident Fund journals.-**the provident Fund journals showing the deductions made from pay bills on account of the State Railway Provident Fund should be in Form A. 908.

Form A. 908

909. **Form of Ledger Accounts.-**The ledger account of each individual subscriber to the Fund should be in Form A. 909. This form should be printed on both

sides of the paper. One sheet should be allotted to each subscriber so that the account for two consecutive years may be recorded in the same ledger book.

Note.- In the case of non-contributory S. R. P. F. Accounts the columns under government contribution will not be printed.

Form A. 909

910. **Index Registers .-** (1) A numerical index to the ledger in the order of entrants should be maintained in Form A. 910. Besides this an alphabetical index by each group or unit of accounts may be maintained to facilitate reference to the subscriber's accounts numbers. The index Register (A. 910), whether numerical or alphabetical, should shown the following particulars-

(a) The month in which the account is opened.
(b) Account number.
(c) Name of the subscriber.
(d) Designation and office or department and the staff or ticket number.
(e) The month in which the account is closed.
(f) Remarks.

(2) Additional columns may be provided in the numerical index register to show:-

(a) reference to the memorandum under which the account number is intimated in each case; and
(b) date of receipt of provident fund Declaration from each subscriber, if no separate register for provident Fund Declarations is maintained.

Note.- The Provident Fund Rules require that the Accounts officer should call upon every subscriber to declare, in the prescribed form. The person or persons entitled to receive the provident fund moneys due to him in the event of his death. The declaration forms submitted by the subscribes should, on receipt in the Accounts office be kept under lock and key in the personal custody of the Accounts officer. When a revised declaration is received from a subscriber, the old declaration form should be cancelled and returned to the subscriber. The dates of receipt of all declaration forms should be systematically noted in the index Register or the separate register kept for the purpose. Reference to the declaration forms submitted to the Accounts officer should also be quoted on top; of the individual subscriber's ledger accounts.

911. **Opening of New Accounts.-**When opening new accounts the following points should be attended to:-

(a) The member's full name, designation (and station) should be entered in the index Register (A.910) and the ledger (A. 909) in a clear hand. The name of a subscriber should be spelt according to the subscriber's own way and this spelling should be strictly followed in all accounts and statement. In the case of Anglo-Indians and Christians, the surname should be written first and after it the Christian name or names.

(b) The staff or ticket number, where available, should be noted in the index registers and the ledger, so as to guard against errors in posting.

(c) Separate blocks of numbers (e.g., 1001 to 2000, 2001 to 3000) should be alloted to separate departments or classes of employees; and within each such block the number assigned to the members accounts should be consecutive. A member's number should never be altered, nor should the numbers of closed accounts be given to new members.

(d) If a Muslim member, on opening his account makes the express request that interest be not added to his deposit, a note to this effect should be made in the index register and the words "No interest" written on the top of the account in the ledger, Such a remark should be repeated whenever a new ledger is opened.

(e) No accounts should be opened in the name of two or more persons jointly.

912. **Check Sheets.-**The check sheets referred to in paragraph 903 should be kept in two parts, one part for recording "Deposits of subscriptions and regular half yearly bonuses" and the other for "withdrawals and deposits of other than the regular half-yearly bonuses (e. g. Government Contribution allowed during the course of the half-year ; retrospective Government contribution; Government contribution transferred from or to other divisions or railways)". Both the parts should be posted from the ledger.

Form A. 912

B. POSTING AND RECONCILIATION

913. **Register of Debits and Credits to "State Railway Provident Fund Contributory/non-Contributory".-**All Provident Fund journals received in the Provident Fund Section should, before distribution to the ledger-keepers for posting into the ledgers, be serially numbered and entered in a manuscript register called the Register of Debits and Credits to the State Railway Provident fund Contributory/non-Contributory (A. 913). This register should have separate Columns for the various compartments or sections of the ledgers. The total recovery shown in each journal should be posted under the appropriate column in the credit side of the register. The total of the Provident Fund journals relating to all the abstracts of Bills (Form A. 1107) of a particular date should be struck and agreed with the total credit to "S. R. P. F. C./N. C." for the date in the General

Cash Book (A. 304). Similarly withdrawals should be posted from the pay orders passed for payment under the appropriate columns in the debit side of the register and the total for each date agreed with the debit to "S. R. P. F. C./N.C" in the General Cash Book. Miscellaneous adjustments of credit and debits should be posted separately and agreed with the totals in the journal (A.307). The register of Debits and Credits to "S.R.P.F. C/N.C." (A.913) will thus shown a complete analysis of the "S.R.P.F. C/N.C." transactions booked in the accounts of the railway by compartments or sections of Provident Fund ledgers and facilitate reconciliation of the postings in each section of ledger accounts with the General books of the railway.

Form A. 913

914. **Register of Unposted items .-**If, while posting a Provident Fund Journal, a ledger account cannot be traced, the relevant recovery in the Provident fund journal should be posted in a "Register of unposted Items" (Form A. 914). Every attempt should be made to locate the ledger account and to post the item in the proper ledger before the monthly accounts are reconciled so that no unposted item is left in this register at the end of each month. See also paragraph 915.

Form A. 914

REGISTER OF UNPOSTED ITEMS DURING ……20 .

Compartment of section of ledger	Name	Account No.	Page No. of the P.F. Journal	Amount	Compartment or section of ledger where posted	Remarks as to transfer new number allotted, & c.
				Rs.		

915. **Register of Unposted Ledger Accounts.-**After the journals pertaining to a compartment or section of the ledger accounts have been posted, it should be seen that entries for the month have been made in all the accounts of the compartment or section. If any ledger account remains unposted. It should be noted in the "Register of unposted ledger Accounts". A ledger account will remain unposted it no pay has been drawn for the employee concerned or if he is transferred to another compartment or section within the same accounts circle or to another accounts circle. In the case of a transfer within the same accounts circle, the register of unposted items (A. 914) will show the item to be posted. In the case of a transfer outside the accounts circle, steps should be taken to transfer the ledger account to the accounts circle concerned (see paragraph A. 932). In reconciling the monthly postings in the various compartments or sections of the ledger

accounts, due allowance should be made for inter-compartmental or intersectional transfers within the same accounts circle.

Form A. 915

REGISTER OF UNPOSTED LEDGER ACCOUNTS FOR……20.

Compartment or section where the ledger account is posted	Account No.	Name	Compartment or section From which recovery is posted		Amount	Remarks
			Compartment Or section	Page No. of The P.F. Journal		
					Rs.	

916. **Reconciliation with General Books.-**After the postings for a month in the ledger accounts are complete, the check sheets (A. 912) should be posted from the ledger accounts and totalled. The register in Form A. 913 will show the amounts debited and credited during the month to the 'State Railway Provident Fund Contributory/Non-Contributory" by compartments or sections of ledger accounts the totals in the Check Sheets (A. 9120 should be reconciled with the totals under the relevant column in the register of debits and credits to State Railway Provident Fund Contributory/Non-Contributory (A. 913). In making this reconciliation due allowance should be made for inter-compartmental or intersectional transfers within the same accounts circle. The ground totals of debits and credits of the check sheets of the entire accounts circle should be agreed with the total debits and credits appearing in the General Books and in the monthly accounts of the circle under the head "State Railway Provident Fund Contributory/non-Contributory".

917. **Government Contribution. -**After the ledger postings of subscriptions for a half-year have been completed and reconciled through check sheets, the Government Contribution admissible under the rules should be credited to each account. The column for Government Contribution in the check sheet should thereafter be posted from the ledger accounts and totalled. The total of government Contribution allowed should be equal to the total subscriptions during the half-year, less total items not eligible for government contribution. The total Government contribution allowed at the end of the half-year should be adjusted by crediting "State Railway provident Fund/Contributory" and debiting the service heads concerned in accordance with Chapter VIII of the Indian Railway Financial Code in the accounts for the months of September and March (or October and April according to existing practice).

918. **Interest. -**The interest admissible under the rules on the balances a credit of members should be worked out and credited to the respective accounts at the close of each financial year. The interest on contributions during the year will be calculated by taking a single month's interest on the total of the minimum balances bearing interest between the close of the fourth day and the end of each month for a year or any shorter

period for which it may become necessary to close the account. At the end of the year this column should be totalled up in each account. One month's interest on this total will represent the amount to be totaled up in each account. One month's interest on this total will represent the amount to be allowed as interest on monthly deposits. If the slab system of computing the interest is to be allowed as interest on monthly deposits. If the slab system of computing the interest is to be applied. The interest should be calculated at the appropriate rate on the average monthly balance for the year in the individual subscriber's account as explained below-

The balance in a subscriber's State Railway Provident Fund/non- Contributory and subscriber's side of the State Railway Provident Fund/Contributory Account at the beginning of the financial year will consist of subscriber's own subscription including interest thereon upto the end of the preceding financial year. Subscriptions compulsory and voluntary refunds and withdrawals from the Fund will be taken into account for working out the minimum balance as shown in the illustration given below and then monthly average worked out at the end of the financial year or earlier if necessary to close the account. In the case of State Railway Provident Fund Contributory Account, with a view to arrive at the interest due on Government contribution, the minimum balance shall be worked out for Government Contribution side separately as explained below and interest worked at the appropriate rate applicable for the year. The differential rates of interest on S. R. P. F. Balances shall be applied separately to employee's own contribution and Government contribution. The interest on subscriptions and Government contribution should be posted separately in the ledger accounts. The interest figures in each account should be copied from the ledger into the appropriate columns of the Check Sheet (A. 912) and the totals of these columns should be adjusted in the General Books by debit to "Transfers Railway-Railway board". Vide paragraph 449.

Illustration showing the Calculation for Working out the minimum Balance and Interest on S. R. P. F. Accounts.-Assuming the Rates of interest as 7.5% per annum for the first Rs. 25,000/- and 7% per annum for any sums in excess of Rs. 25,000/-

Month	Subscription		C. S. P. Depo-sit	Refu-nd	With-drawal	Government Contribution		
	Compul-sory	Volun-tary Depo-sit				Minimum Balance bearing interest	Deposi t	Minimum Balance bearing Interest
1	2	3	4	5	6	7	8	9
Opening Balance	24020						24000	
April, 76	100	50				24170		24000
May	100	50				24320		24000
June	100	50				24470		24000
July	100	50				24620		24000
August	100	50				24770		24000

September	100	50				24920	600	24000
October	100	50				25070		24600
November	100	50		1200		24020		24600
December	100	50				24170		24600
January, 77	100	50	50			24370		24600
February	100	50	50			24570		24600
March	100	50	50			24770	600	24600
				Total				
				÷12		294240		291600
							÷12	

Average monthly balance-Rs. 24520-Rs. 24300

A. <u>Interest on Subscription.-</u>

Monthly Average of column 6=Rs. 24520

Interest on 1st 2452027.5%=Rs. 1839

B. <u>Interest on Government Contribution</u>.-

Monthly Average of column 8=Rs. 24300

Interest on 1st Rs. 24300 @ 7.5%=1822.50 or Rs. 1823.

ABSTRACT FROM WHICH ANNUAL DEPOSIT ACCOUNT IS TO BE COPIED

		Subscription	**<u>government contribution</u>**
A.	Opening Balance	24020	24000
B.	Contribution during the year	1800	1200
C.	Refunds	150	
D.	Interest	1839	1823
	Total A+B+C+D	27809	27023
	Less withdrawal	1200	……
	Balance carried forward	26609	27023

Note.-(1) in cases where the rate of subscriptions to the Fund has been uniform throughout the year, the total minimum balance bearing interest may be obtained by applying the formula of Arithmetical Progression viz., $\frac{[(n.\ s.\ (n \text{ plus } I)]}{2}$ wherein 'n' is the number of months and 's' the rate of subscription.

(2) When a temporary advance is granted from the State Railway Provident fund Contributory/Noncontributory, the outstanding balance in respect of a previous advance which is deducted therefrom and credited to the Subscriber's account should be included under the minimum balance bearing interest for that.

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919. **Special measures should be taken towards the close of the year to make the interest calculations .-**As no interest is allowed on deposit made after the close of

the fourth day in any month, the monthly minimum balances bearing interest can be totalled immediately after the posting for March and the interest calculated and entered in pencil. In making repayment in March any of these calculations may if necessary be altered (see also paragraph 449).

920. **Points to be noted in crediting subscriptions, govt. Contribution for contributory S. R. P. F. S and interest.-**The following points should be noted in crediting subscriptions, government contribution and interest to ledger accounts.

(i) In all cases in which the emoluments of staff are paid on the basis of the "accommodation month" i. e. wages period not coinciding with the calendar month), the Provident Fund recoveries made should be credited in the accounts on the 1st of the calendar month preceding the last day of the accommodation month.

(ii) In case where subscription to the Provident Fund have been recovered in excess of those admissible under the rules the amounts of subscriptions and interest thereon credited in excess should be refunded to the subscribers and the amounts of Government Contribution and interest there on together with interest on subscriptions credited in excess should be written back as soon as the irregularity comes to notice. This rule should be applied in all cases of excess credits, whether due to wrong fixation of pay or irregular membership. In all such cases the F. A. & C. A. O.'s . are competent to sanction the payment of interest to the staff under them. For the purpose of calculation of interest on excess contributions the ledger accounts need not be recast. Simple interest at the prescribed rates on the total overpayments for half the period will yield fairly accurate results and this method should be adopted.

(iii) In the case of a subscriber whose Government Contribution was forfeited because of his quitting service before the completion of five years and was credited to the Staff Benefit Fund under Rule 1205 (2) of the Indian Railway Establishment Code Vol. I the forfeited Government contribution should be re-employment be re-credited by writing back the amount from the Staff Benefit Fund to his Provident Fund account, provided the break in service between quitting the service and re-employment is duly condoned and the employee is permitted to refund the Provident fund money received by him. This adjustment will however he made after the recoveries on account of the arrears of the Provident Fund have been effected.

Note.- (1) When the recovery of overpayments of emoluments is waived by the competent authority in cases of wrong fixation of pay recovery is waived only on such portion of overpayment as is not covered by the amount that is being refunded from the Provident Fund.

(2) The interest allowed on amounts irregularly credited to "S. R. P. F. C. / N. C." and subsequently written back should be credited to "146 Indian Railways/Commercial lines Revenue Receipts".

(3) The Interest charges on retrospective Govt. Contribution 1312 (4) RI should be debited to the working expenses of the Railway (and not to "Transfers Railway-Railway Board").

921. **Annual Closing and Reconciliation with General Books.-**The account of the State Railway Provident Fund including the accounts of members should be made up annually at the close of the financial year and reconciled with the general books (see paragraph 922). The Accounts Officer should certify that the balances have been reconciled with the General Books of the Railway and record the certificate in his Debt Head Report (see paragraph 748-A).

922. **The reconciliation with the General Books should be made in the following manner.-**After the postings for March are completed each account in the ledger should be closed. The opening and closing balances of 'subscriptions" and "govt. Contribution", the total deposits and withdrawals during the year and the interest in each account should be copied from the ledger in the check sheet under the appropriate columns the postings in the check sheet should them be totalled and agreed with the figures in the General Books. Reconciliation by each compartment or section of the ledger should be done with the help of the Register of Debits and credits to "State Railway Provident Fund Contributory/Noncontributory" (Form A. 913).

923. **Account furnished to each member.-**The annual statement of account furnished to each number after the close of each year should be in Form A. 923.

Form A. 923

923. **Distribution of Annual P. F. Statements.-**It is essential that every employee gets his annual statement of P. F. Account regularly every year. For this purpose the F.A. & C. A. O. in consultation with the Chief Personnel Officer will work out a detailed scheme for distribution of the statements amongst the employees along with the disbursement of pay in accordance with a programme which should be notified to the employees in advance.

924. **Transfers of Provident Fund Accounts.-**A member, who is transferred without break of service, from one Railway or Office to another with the permission of the head of the Railway or Office concerned, should have his provident fund Account transferred to the new Railway or Office. Interest should not be credited to the member's account for a part of the year but should be credited at the end of the financial year and adjusted in the Books of the Railway or the Office to which the depositor is transferred. The transfer should be initiated by the Accounts Office of the Railway or circle to which the subscriber was attached by forwarding. -

(a) an advice of transfer (A. 924);

(b) a copy of the ledger account showing the details of his deposits and withdrawals, and

(c) his nomination form, if any, in original

to the Accounts Officer of the Railway or circle to which the subscriber has been transferred. On receipt of the advice of transfer the latter Accounts Officer should issue a transfer certificate against the former for acceptance and return. In cases of temporary transfers where the period of transfer is likely to exceed on year, the Provident Fund Accounts may be transferred to the Accounts Officer of the Railway of office to which the subscriber has been transferred. In other cases the balances may continue to be kept by the parent Railway or Office of the Railway servant concerned.

Note.-(1) In the case of a permanent transfer to another department of the Central Government or a State Government the current year's interest will be credited to the member's account up to the end of the month preceding that in which the account is transferred. The same procedure would be followed by other department of the Central Government and State Government in case of transfer to the Railway Department.

(2) In order to ensure that the Accounts are transferred without delay, the Register of Last Pay Certificate maintained in the Establishment Section of the Accounts Office should be revised every minth and necessary action taken to transfer the S. R. P. F. Account.

Form A.924

925 **Closed Accounts.-(**1) As soon as possible after the death of a subscriber, or after a subscriber quits service, prompt action should be taken by the Accounts Officer to close the account of the subscriber and to issue the requisite notice to the person or persons entitled to receive the provident Fund money specifying the balance at the credit of the account and tendering payment thereof.

Note- When a subscriber quits the service or dies while in service, interest on the amount standing at his credit in the Fund accrues up to the date of tender of payment or up to the end of the sixth month after the month in which the subscriber quits the service or dies, whichever is earlier.

(2) The Accounts Officer, shall, subject to the provisions of Rules 1339 and 1340 of the Indian Railway Establishment Code, Volume I, make prompt payment of that portion of the amount is the Fund in regard to which there is no dispute or doubt, the balance being adjusted as soon after as may be possible. (3) If the person to whom any amount is to be paid under the rules of the Provident Fund is a minor or lunatic for whose estate a guardian under the Guardians and Wards Act, 1890 (VIII of 1890) or a manager under the Indian Lunacy Act, 1912 (IV of 1912), as the case may be, has been appointed, the payment shall be made to such guardian or manager and if no such guardian or

manager has been appointed, the payment shall be made to the person authorized by law to receive payment on behalf of the minor or lunatic. In cases where no natural guardian of minor or minors exists, the payment of the share of each minor, after deduction of Government dues, etc. of the Provident Fund money (including special contribution to Provident Fund) to the extent of Rs. 5,000 (or the first Rs. 5,000 where the amount payable exceeds Rs. 5,0000 may be made to the person considered fit by the Controlling Officer to receive payment on behalf of the minor or minors without requiring him/her to produce a guardianship certificate provided he/she executes a bond signed by two sureties agreeing to indemnify the railway against any subsequent claims which might arise. The person claiming payment on behalf of the minor or minors should also be required to produce an affidavit that he/she is in charge of the property of the minor or minors and is looking after it or that if the minor or minors has/have no property other than the Provident Fund money the minor or minors is/are in his/her custody and care. The balance is excess of Rs. 5,000 if any, would be payable in accordance with the normal rules, i. e., on production of certificate of guardianship.

Note.- The power of the controlling officer under this rule may be exercised by a District officer or an Assistant officer in independent charge of a district.

(4) If the existence, en venture de sa mere, of a child to the subscriber is brought to the notice of the Accounts Officer, he shall retain the amount which will be due to the child in the event of its being born alive, and distribute the balance. If subsequently no child is born or the child is still born, the amount retained shall be distributed in accordance with the provisions of Rule 1340 of the Indian Railway Establishment Code Volume 1.

926. When an account is closed, it should be removed from the Provident Fund ledger to a separate list called the list of Closed Accounts (Form A. 926). The balance on such accounts closed during the year should not be removed from the books of the Railway Department, but should in accounts for march, be transferred to "Deposit". Any item so transferred, not exceeding unclaimed by the 31st March of the third succeeding year, will be credited to revenue. The list of "Closed Accounts" should be consulted when applications for refund are received by the Accounts Officer and the refund should be noted in the list to prevent a double payment.

Form A. 926

927. If after an account is closed, a petty error in calculation is discovered, the correction of which leaves a small balance in the account, the Accounts Officer should, after having, if possible, informed the subscriber and after six months have elapsed, credit it in the Railway Account at "Z 650 other unclassified Receipts" making a note in the ledger (A. 909) of the transaction. Such an amount, may, at any time, be refunded.

928. There is no limitation of time to the legal liability to pay accumulations in the Provident Fund with interest already accrued. When legal ownership is contested and

the amount involved in more than Rs. 5,000, earliest possible action should be taken to ascertain in whose favour the case has been decided by a Court of law and to issue the requisite notice tendering payment.

929. **Special contribution to Provident Fund.-**The Special Contribution to Fund sanctioned in favour of retired, etc, employees (see paragraph 1314-R) should be incorporated in the Ledger of State Railway Provident Fund Contributory Accounts and the payment of the Special contribution should also be recorded therein.

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* CHAPTER X *

INTERNAL CHECK OF PENSION PAYMENTS

Pensionary Benefits. 1001. Definition, 1002. Delay in Payment, 1004. Statement of Service, 1005. Verification of Service by Head of the Office, 1008. Check of Accounts Inspection Party, 1010. Check by Accounts Department, 1011. Verification of Service in case of non-availability of records, 1014. Check of Foreign Service Contribution, 1017. Completion of Pension Papers, 1018. Last Pay Certificate, 1020. Memorandum of Average Emoluments, 1021. Check of Pension Application, 1022. Check of S. R. P. F. Ledgers, 1024. Average Emoluments, 1025. Issue of Pension Payment Authority, 1031. Amount of Pension to be in whole Rupees, 1034. Check Register of Pensions, 1035. Payment of D. C. R. G., 1040. Family Pension, 1042. Death of Pensioner, 1043. Non-drawal of Pension, 1044. Check of Paid Pension Bills, 1045. Payment of Provisional Pension and Gratuity, 1048. Deduction from Gratuity, 1049. Provisional Pension to become Final, 1051. Last Pay Certificate, 1052. Revision of Pensionary Benefits, 1055. Commutation of Pension, 1056. Payment of arrears of Pensionary Benefits, 1066. Transfer from one Treasury to another, 1068. Transfer from one Accountant General to another, 1070. Payment through Post Offices, 1072 Annexure I, Payment of Pension through Nationalised Banks, 1072. Annexure II.,,1073 annexure III

CHAPTER X

INTERNAL CHECK OF PENSION PAYMENT

1001. Pensionary benefits granted to Railway servants in respect of their service generally fail under one or the other of the following categories.-

(i) Superannuation Pension
(ii) Retiring Pension
(iii) Compensation Pension
(iv) Invalid Pension
(v) Commuted Pension
(vi) Ex-gratia Pension
(vii) Death-cum-retirement Gratuity
(viii) Service Gratuity
(ix) Other (extra-ordinary) Gratuity
(x) Compassionate allowances/grants
(xi) Family Pension
(xii) Terminal Gratuity
(xiii) Death Gratuity.

The detailed rules regulating the grant of pensionary benefits are contained in the Indian Railway Establishment Code Vol. II, in the Manual of Railway pension Rules, 1950 and extant orders issued from time to time. The instructions contained in this Chapter relate to internal check on such payments.

1002. The term 'Pension' used in this Chapter includes the pensionary benefits and the term 'Manual' used in this Chapter refers to the Manual of Railway Pension Rules, 1950, issued by the Ministry of Railways (Railway Board).

1003. The internal check of pension consists in verifying that the qualifying conditions governing the grant of a pension are fulfilled, the calculation of amount of pension is correct and the incidence and allocation is correct.

1004. Delay in payment of pension involves pecuniary hardship. It is, therefore, imperative that the pension cases are dealt with expeditiously. Objections, if any, should be raised on the first occasion and not piecemeal and settled expeditiously so that the beneficiary receives his dues without delay.

1005. Statement of Service Non-gazetted Staff.-On receipt of the application for pension in the prescribed form the head of the Office/Department immediately prepares a statement of the applicant's services in accordance with the instructions contained in form No. 30A RII to enable the Accounts Officer to verify the service.

1006. Statement of Service-Gazetted Staff.-As the Service Records and leave accounts of Gazetted Officers are maintained by the Accounts Officer, the concerned Accounts Officer will send the service record and leave account of the Officer to the head of the Department to enable the head of the Department to prepare the Statement of Service. In addition, a statement showing the pay drawn during the last ten months of service by the officer will be sent by the Accounts Officer to the head of the Department for preparing the Memorandum of average emoluments (see paragraph 1021).

1007. The Statement of Service shows all the important events; the temporary and officiative service or those affecting the emoluments, of the Railway servant. It should be clearly seen that:-

(a)	The statement shows not only the periods which count as qualifying service but also all periods of leave, suspension, overstayal etc., which do not so count. The latter is entered in red ink in order to clearly distinguish them, and reasons for their rejection are given in the remarks column.
(b)	If the date of confirmation has been determined in terms of para 411 of the Manual i. e. deemed date of confirmation, the fact should be clearly mentioned in the statement, the details of the case being given in the remarks column; The
(c)	statement shows date, month and year of the various appointments, promotions and reversions. For the purpose of adding together broken periods, a month is reckoned as thirty days.
(d)	Periods which count as qualifying service, in terms of Chapter IV of the manual are clearly indicated and that full details of the nature of posts/service and the relevant para under which the same qualifies is indicated in respect of each period in the remarks column;
(e)	If the emoluments drawn in an officiating appointment count in full for pensionary benefits under para 501 of the Manual, all details regarding the officiating appointment are given;
(f)	The total of the periods of the qualifying service shown in the statement tallies with the total service less the non-qualifying service shown in the statement tallies with the total service less the non-qualifying periods shown in the statement;
(g)	In the column "how verified" the particulars of records such as verification certificate in the service book/pay bills, acquittance rolls/office orders, collateral evidence/affidavit, etc., are mentioned.

1008. Verification of Service by Head of the Office/Department.-The head of the Office/Department is required to verify the service of Non-Gazetted staff recorded in the Statement of Service, as indicated in Paras 1016 to 1021 of the Manual. The head of the Office/Department will also verify the portion of service, if any, of a Gazetted Officer rendered in Non-Gazetted capacity in the manner laid down in Paras 1016-1021 of the Manual. The service of a Gazetted Officer rendered in the Gazetted capacity should be verified by the Accounts Officer himself.

1009. Check of Service by the heads of Offices.-The heads of offices are required to verify service annually and record a certificate regarding the service verified, in the Service Book as prescribed in para 1200 of Indian Railway Administration and Finance-an Introduction. In regard to past service (prior to 01.04.1957 i. e. the date from which pension scheme has been introduced on Railways) only one consolidated certificate is recorded for the whole service in the Service Book. Where it may not be possible to verify the entire past service due to non-availability of office copies of pay bills etd. From which service is verified, the verification id done in the manner laid down in paras 1018-20 of the Manual i. e. from the application of the employee supported by collateral evidence of contemporary employees etc. These documents relied upon by the Head of the Office in verifying the service may be accepted in Accounts Office.

1010. Check by Accounts Inspection Party-The verification of service by the head of office as indicated in para 1009 should be supplemented by a test check by the Accounts Inspection Party during their local inspection of the Executive Offices annual, bi-ennial or

tri-ennial as the case may be. The test check should be conducted by the Accounts inspection Party in the manner indicated below :-

(a)	It should be seen that the annual certificate (consolidated certificate also for past service, in the case of staff who entered service prior to 01.04.1957) has been recorded in every service book and the certificate has been signed by the head of the office. The Inspection Party should sign the certificate in token of having exercised this check.
(b)	The entries in the Service Books should be test checked to see that they are correct. For this purpose the Service Books of employees who are due to retire within three years from the date of inspection should all be test checked while in other cases the entries regarding qualifying service in the service books should be test checked in a percentage of the employees, the percentage being so regulated that each service book comes under the test check at least thrice or four times before the employee attains the age of 55 years i. e. three years before the age of Superannuation.
(c)	A percentage of the entries relating to past service (prior to 01.04.1957 or prior to the year of date of option) for which a consolidated certificate is recorded by the head of office should also be test checked preferably with the paid pay bills etc., if available (in the case of offices located at the headquarters of the Railway/Division) or office copies there of and other available establishment records e. g. office orders. The percentage of entries to be test checked should be fixed by the Financial Adviser and Chief Accounts officer. The test check should be so regulated that all service books containing the consolidated certificate are subjected to test check in the course of two to three inspections.
(d)	Besides the above, the first year of permanent service and all previous qualifying service should be checked in the case of employees who are confirmed in the period intervening between two inspections (the last inspection and the one on Hand). This check, should be however, cover all employees who entered service on or after 01.04.1957.

The inspection party should record in every service book inspected by them a clear certificate to the effect that "Entries Nos…….covered by the certificate by the head of office for the period ending …….. have been checked".

1011. Check by Accounts Department of Qualifying Service.- In Accounts Office the qualifying service is checked in the following manner :-

Category of Employees		Check to be applied at the time of local inspections	Check to be applied in the A/cs Office at the time of verification of pension application
1		2	3
1.	Employee who entered service prior to 1/4/57	(i) To see that the consolidated certificate for service from the date of appointment to the last date of the financial year	(i) To check first year of permanent qualifying service and all previous qualifying service.

		preceding the date of option & the annual certificate of verification of service is recorded by the head of Office (including temporary staff).	
		(ii) To test check accuracy of consolidated certificate recorded by head of office relating to past service from the date of appointment to the last date of the financial year preceding the date of option.	(ii) To check last one year qualifying service. Where however it brings to light any discrepancies or where there has been variations in the scale of pay of the applicant during the last three years an intelligent scrutiny of the service book for the period should be conducted in addition to the verification of last year's service.
		(iii) To test check accuracy of certificate relating to service from the year of date of option onwards particularly in case of staff due to retire within three years.	(iii) To look for the certificate of test check vide items (ii) & (iii) in column 2 recorded by the Accounts inspection party in the service book.
2.	Employee who entered service on or after 1/4/57.	(i) To see that annual certificate of verification of service is recorded by the head of office (including temporary staff).	(i) To check last one year qualifying service. Where however it brings to light any discrepancies or where there has been variations in the scale of pay of the applicant during the last three years, an intelligent scrutiny of the service book for the period should be conducted in addition to the verification of last year's service.
		(ii) To check fully the first year of permanent qualifying service and all previous qualifying service.	(ii) To look for the certificate of check/test check vide items (ii) and (iii) in column 2, recorded by the Accounts Inspection Party in the service books.

		(iii) To test check accuracy of certificate relating to service after the first year of permanent service in such a manner that each service book comes under test check at least three or four times before the employee attains the age of 55 years, service books of employees due to retire within three years from the date of inspection being invariably rest checked.	

WHERE THE CERTIFICATES OF TEST-CHECK ARE NOT AVAILABLE

1012. Where, however the certificate of test check vide items (ii) and (iii) in column 2 of para 1011 (1) and (2) required to be recorded by the accounts in inspection party in the service book are missing for any reason e. g. in reconstructed records the following checks should be exercised in the Accounts Office at the time of verification of Pension application:-

(1) first year of permanent qualifying service and all previous qualifying service.
(2) the last three years of qualifying service.
(3) One or two intermediate years selected at random. The check over these periods of service should be exercised in accordance with the provision laid down in para 1013 to 1016

1013 (a) The details of service as given in the statement of Service should be checked in the Accounts Office for the periods laid down in para 1012 with paid vouchers.P. F. ledger cards copies of Office Orders and any other documents that may be available in the Accounts Office In the absence of these records for any period selected in terms of para 1012 the various documents e. g. personal files, office order books, Gradation Lists, Records of Selection Boards, Pass Records, Grain Shop Records, applications for loans from Co-operative Credit Societies etc. (or attested extracts there from) that have been used by the Executive Offices for the verification of service in terms of para 1016 of the Manual may also be relied upon in the Accounts Office.

(b) Regarding periods of qualifying service, the check should be conducted for the periods specified in para 1012 with reference to the available records e. g. paid vouchers which would help to verify continuity of service, appointment held, periods of leave etc. during the selected period. Similarly, a perusal of the Provident Fund Ledger Accounts would reveal the continuity of service and also periods of extraordinary leave, if any, taken since no contributions are recoverable during such leave.

1014. Verification of service in the case of non-availability of records .-If paid vouchers or other documents are not available in the Accounts Office for the selected period. The verification may be made from the documents made use of by the Executive Offices. If it be impossible to verify (a portion of the) service otherwise, the facts determined in terms of para 1017 to 1020 of the Manual should also be accepted for the purpose of check in the Accounts Department relating to the particular period of service.

1015. The date of birth, and the date of beginning of service, as shown in the Application Form and the service Statement may be checked with the Office Order containing the appointment of the employee or old Gradation Lists etc. and in the absence of these with the Service Book Register.

1016. Whenever the Service Book/Roll sent with the pension application, contains entries relating to important events such as alteration in date of birth, suspension, dismissal resignation etc. these entries may be verified with copies of orders furnished to the Accounts Office.

1017. Check of Foreign Service contribution- In cases when a railway servant has rendered any foreign service, the Accounts Officer should verify from his records that foreign service contributions have been duly recovered for the periods in question. In cases where verification is not possible in the normal manner action may be taken on the basis indicated in para 1014.

1018. (i) After completing the pension papers in all respects these would be received alongwith the documents mentioned in para 1026 of the Manual in the Accounts Office with the forwarding letter in Form 30 A/R-II not later than 6 months before the date or retirement. The amount to be withheld out of the Gratuity till the outstanding dues are assessed should be indicated in the Form.

(ii) In case of a deceased Railway servant, the name, address and relationship to the deceased Railway servant of the person or persons to whom the payment is to be made and the amount to be paid to each of them should be indicated. When the Death-cum-Retirement Gratuity is payable to a minor, the name of the natural guardian to whom the payment is to be made on his behalf and in the absence of the natural guardian, the name of the person who furnishes the Guardianship Certificate should also be clearly indicated.

(iii) In the case of Family pension payable under para 801 of 802 the Manual the period upto which it is payable and the event, if any, on the happening of which payment will be stopped should also be specified.

1019. The Service Book should show the date of appointment, the date of confirmation, the cause of retirement, and the date of retirement, It should also contain a clear record of:

(i)	Periods of service counted as qualifying service in terms of para 413 of the Manual.
(ii)	If the Railway servant has been on foreign service, reference to the orders of transfer to foreign service and the fact of recovery (or waiver) of the Foreign Service Contributions;
(iii)	all non-qualifying periods, which should be entered in red ink;
(iv)	Periods of strikes, suspension and breaks in service, and how each such periods has been treated, supported by reference to the orders of the competent authority; and
(v)	Periods of service verified from collateral evidence/affidavit duly accepted by the competent authority.

1020. Last Pay Certificate.- In the case of ordinary pension, the Last Pay Certificate, with a clear certificate of “No Demand” it no dues are outstanding, or a list of outstandings, as the case may be, should be attached. As Pension papers are sent in advance of the date of

retirement, the Last Pay Certificate should follow as early as possible. The Gratuity payment Order will include a provision for the withholding of 10% of the gratuity or Rs. 1000/- whichever is less, pending the receipt of the Last Pay Certificate.

1021. (i) Memorandum of Average Emoluments. – The Memorandum of Average Emoluments of the Railway servant should be prepared in Form No. II. The Memorandum should be prepared with reference to the provisions of Chapter V of the Manual, a separate memorandum being prepared in connection with each subpara of that para, if more than one sub-para is applicable in any case. The calculation of average emoluments should be based on the actual number of days contained in each month.

(ii) The Memorandum of Average Emoluments should be supported by a statement of all periods of leave/foreign service, suspension during the last two years of qualifying service, In the case of a Railway servant who proceeded on such leave/foreign service or was placed under suspension while officiating in a post higher than his substantive post, a certificate to the effect that he would have continued to officiate in the higher post but for being on leave or foreign service or suspension during such periods, should be recorded on the statement. The emoluments that the Railway servant would have drawn but for being on leave/foreign service/suspension during such periods should also be clearly indicated against the respective periods.

(iii) In case the Service Registers have been subjected to checks at various stages i.e. by Head of Office by according annual certificate of verification and test checked by the Accounts Office in accordance with paras 1010 and 1011 the check of emoluments drawn during the last ten months of service may be conducted with reference to the entries in the Service Register.

1022. Check of Pension application.- The pension on receipt in Accounts Office should be entered in the Register of Applications for Pensions Form A. 1022. The serial number assigned to it in the register should be noted in red ink on the application. The register should also have an alphabetical index too facilitate reference. The Pension application should be carefully scrutinized to see that these are complete in all respects. If the pension papers are plainly incorrect or incomplete, the Accounts Officer should return them promptly for correction or completion. He should also detail the nature of the discrepancy. The authority submitting the pension papers shall settle such discrepancy to the satisfaction of the Accounts Officer.

The Register of Pension Application should be reviewed periodically by the Accounts Officer in order to ensure that the payments are made as early as possible and no undue delay occurs in dealing with them in the Accounts Office.

Form A 1022

1023. The following checks should be exercised on the Pension Applications:-

(i)	The statement of qualifying service as compiled by the departmental officer should be checked in the manner laid down in the paragraph 1011.
(ii)	The date of retirement shown in the printed Application Form, the Service Records and the Last Pay Certificate should agree.
(iii)	The Last Pay Certificate should be examined to see the last pay drawn, outstanding dues etc.

(iv)	The statement of average emoluments and the last pay drawn should be checked with the service records etc.
(v)	The instructions regarding the period upto which the pension is payable and the event, if any, on the happening of which payment has to be stopped should be taken note and specified on the Pension Payment Order.
(vi)	It should be verified from the Service Records, SRPF Ledger Account or the Register of Pension Application, Check Register of pension etc. that Pension/DCRG has not previously been passed for payment.
Note:- The work involves not merely an arithmetical calculation of the average emoluments but also a check of the correctness of the emoluments which enter into that calculation. The correctness of the emoluments on the first date of the ten month period would naturally depend on the correctness of the emoluments prior to this date. However, any such check of the correctness of past emoluments should not become an occasion for an extensive examination going back into the distant past, the check should be minimum which is absolutely necessary and it should in any case not go back to a period earlier than a maximum of 24 months preceding thew retirement.	

1024. (a) Check of SRPF Ledgers. – The SRPF card of the employee should be consulted to ensure that Government contribution is not being allowed to him. In case it is being allowed it should be written back to the Pension Fund. The fact of issue of payment authority for pension, DCRG etc. should be noted on the PF ledger card.

(b) Remarks of payment on all Pension Documents. – A remark should be given on all the documents accompanying the pension application viz. Service Records, Leave Account, Personal File etc. showing conspicuously in red ink that the pension/ DCRG etc. have been passed for payment under Accounts Bill No……. dated……. .

(c) After exercising the requisite checks the endorsement on the third page of the application in form 30-R-II should be filled showing the total period of qualifying service which has been verified and accepted, the average emoluments of the last ten months of service, the last pay drawn the amount of pension, family pension and DCRG etc. admissible in the case. A certificate and Report of the pension should be drawn out in Form A. 1024 and signed by the Accounts officer in-charge.

(d) Cent per cent Check. – The pension papers should be put up to the Accounts Officer through Section Officer (Accounts) alongwith the Register of Application for pension (Form A.1022). These will be checked cent per cent by the Section officer (Accounts) and the Accounts Officer who will sign the certificate and Report (Form A.1024) and initial the entries in the Register.

Form A. 1024

1025 Emoluments/Average Emoluments. – The following points should be seen in the Memorandum of Average Emoluments:

(1)	The “emoluments’ for pensionary benefits shall mean the “Pay” as defined in Rule 2003 (21)-R-II, which the Railway servant was receiving immediately before quitting service. The benefit of higher officiating pay for gratuity/death cum-retirement gratuity will, however, be given only if such pay was/would have been drawn Continuously for a period of not less than 22 days. In the case of running staff, emoluments for gratuity/death-cum-retirement gratuity will also include the monthly average of the allowance drawn during the 265 days of running duty immediately preceding the date of quitting service limited to 75 per cent of the emoluments as defined above.	
(2)	The calculation of emoluments is subject to the following provisions:-	
	(i)	If immediately before quitting service a Railway servant has been absent from duty on leave with allowances (including leave preparatory to retirement) or on foreign service or having been suspended but reinstated without forfeiture of qualifying service, his emoluments should be taken at what they should have been had he not been on such leave or foreign service or suspension.
	(ii)	The emoluments shall not be increased on account of increase in pay not actually drawn except as provided in this para and paras below. For example, where a Railway servant is allowed to count time retrospectively towards increase of pay but does not receive retrospectively the intermediate periodical increments, these intermediate increments shall not be reckoned in the calculation of average emoluments.
	(iii)	In cases of wrongful reversion caused by administrative errors. Where on repromotion the pay of the Railway servant is fixed Performa, the emolument that the Railway servant would have drawn but for his reversion should be taken into account.
	(iv)	If the Railway servant earns an increment, during privilege leave/leave on average pay not exceeding 4 months (120 days in the case of liberalized leave rules) or during the first four months (120 days in the case of liberalized leave rules) of any period of privilege leave/leave on average pay (including leave preparatory to retirement but excluding any kind of post-superannuation leave except in respect of staff governed by ex-Company Railway leave rules) the increment or the increase in pay will count as emoluments even though it is not actually drawn during leave.
	(v)	Where the emoluments of a Railway servant have been reduced during the last 10 months of his qualifying service, otherwise than as a penalty, the average emoluments may, at the discretion of the authority competent to sanction the Pensionary benefits be treated as emoluments for the purpose of calculation of the gratuity or death-cum-retirement gratuity.

	(vi)	In cases of joining time falling under clauses (a) and (c) of Rule 2138-R-II- (F.R. 107), where the pay of a particular post is drawn, the actual emoluments (not the actual joining time allowance) drawn should be taken into account. In case of joining time falling under clause (b) (ii) of Rule 2138-R-II (F.R. 107) during which leave salary is drawn and in cases falling under clause (b) (i) of Rule 2138(F.R. 107) during which no leave salary is drawn the pay (i.e. emoluments) which would have been drawn (but for a rule or order not allowing it) if the Railway servant had not been on joining time, should be taken into account.
	(vii)	In the case of workshop staff, for unpaid holidays, Sundays and short periods of leave for half-a-day or less which count as qualifying service for Pensionary benefits the emoluments for the whole day calculated at the monthly rate of pay should be taken into account for the purpose of calculating average emoluments.

1026. The term " average emoluments" means the average of the emoluments drawn during the last ten months of qualifying service.

Provided that if during last ten months of his service, a Railway servant is absent from duty on extraordinary leave (without leave salary) or has been under suspension, the period where of does not count as service, the aforesaid period of leave or of suspension should be disregarded in the calculation of the average emoluments, an equal period before the ten months being included.

1027. In the case of a member of running staff, the actual amount of running allowance, referred to in Para 1025 will include :-

(a)	For period of leave with allowances (including leave preparatory to retirement) or foreign service or suspension which does not result in forfeiture of service, the full average running allowances admissible for inclusion in the leave salary if the leave were on average pay not exceeding one month under the relevant rules;
(b)	For periods in which "mileage in lieu" of running allowance is drawn, "mileage in lieu" actually drawn.
(c)	For period of officiating running duty, running allowances actually drawn;

1028. (i) The term "monthly average of running allowances drawn during the three hundred and sixty-five days of duty immediately preceding the date of quitting service" used in Para 1025(1) should be interpreted to mean 1/12th of the total running allowances drawn during the three hundred and sixty-five days of duty immediately preceding the date of quitting service.

(ii) For working out the average running allowances for the purpose of average emoluments, the limit of 75 per cent of other emoluments should be applied separately in respect of each of the 10 months, the excess of the actual over such 75 per cent being dropped monthly and the aggregate total should be divide by 10 to arrive at the average running allowances.

1029. The higher emoluments actually drawn by a Railway servant on deputation to another Ministry, Armed Forces or a State Government, will be taken into account for the purpose of calculation of emoluments/average emoluments. 1030. The following do not count as “emoluments” for Pensionary benefits and should not be taken into account for reckoning as emoluments:

(i)	Local allowances such as bad climate allowance when sanctioned as compensatory allowance and deputation (local) allowance or deputation (duty) allowance drawn on deputation to non-Government departments or bodies;		
(ii) (iii)	Messing allowances; House rent allowance, or estimated value of rent free quarters;		
(iv) (v) (vi) (vii) (viii)	Travelling allowance; Conveyance allowance; City compensatory allowance; Uniform allowance; Washing allowance;		
(ix)	Any other part of a Railway servant’s emoluments which is specially intended to provide for expenses incidental to his duty;		
(x) (xi) (xii) (xiii)	Bonus; Honorarium; Fees; and Overtime		

.1031. The Accounts Officer, after necessary scrutiny of the papers should issue the pension payment Authority/Pension Payment Order to the Accountant General, Director of Accounts (Postal) or public Sector Bank, as the case be may not later than one month in advance of the date of retirement.

1032. (i) Where the payment of pension is to be arranged through Treasury the Accounts Officer will issue the pension payment order in the Form prescribed in Annexure I-H duly signed and embossed seal affixed on it to the concerned Treasury Officer alongwith the requisite documents as indicated in para 6 of Annexure I. The specimen special seal and specimen signatures of the Accounts Officers empowered to sign the Pension Payment Orders (special seal) should be sent to the Treasury Officers direct and any change in the incumbency should be intimated over the signature of an authorised officer preferably of the officer, whose authority is substituted.

(ii) Where the payment is to be arranged through the post Offices the Accounts Officer will forward to the concerned Director of Accounts (Postal) the Pension payment Order along with the requisite documents as laid in para 6 of Annexure I. The Director of Accounts (Postal) will forward the documents to the Head Post Office concerned after keeping a record in his office of necessary particulars relating to the pensioner. The Head Post Master will send these documents to the Sub Post Master concerned authorising him to make the necessary payment through the saving bank account (Pension) in the name of the pensioner vide paragraph 7 of Annexure I.

(iii) Where the payment is to be arranged through the public Sector Bank the Accounts Officer will issue the necessary Pension Payment Order alongwith the necessary documents to the Link Branch of the nominated Public Sector Bank in accordance with the instructions laid down in paragraph 6.3 of Annexure II.

1033. In the case of Railway servants governed by the family pension scheme for Railway employees, 1964 the amount of the family pension admissible to the widow/widower in the event of death of the pensioner should also be indicated on the Pension Payment Authority issued to the Accountant General so that the letter may indicate the same in the Pension Payment Order.

The Pension Payment Authority should be signed by the Accounts Officer whose specimen signatures are on record with the Accountant General etc. concerned and it should be sealed with special seal.

1034. The amount of pension should be expressed in whole rupee and when the pension calculated according to the rules contains a fraction of a rupee, it should be rounded off to the next higher rupee.

1035. Check Register of Pensions. – A check Register of Pensions in Form A. 1035 should be maintained in the Accounts Office. Separate pages should be set apart for each Treasury, Bank/Post Office. All Pension Payment Authorities should be noted in the Register under the initials of the Accounts Officer. The debits received from the Accountant General concerned in respect of the pension paid at treasuries will be noted in this register.

Form A. 1035

1036. On receipt of the intimation from the Accountant General concerned of the number and date of Pension Payment Order issued by him to the Treasury Officer concerned, the same should be noted in the Check Register of Pensions. (Form A.1035). When entries are transferred from an old Check Register to a new one, the entries so transferred to the new Register should be similarly attested by an Accounts Officer.

When a pension cases to be payable, or is transferred to another place, the unused pages for dates of monthly payments should be cancelled and the cause noted across them.

Note:- (1) If any pension have remained undrawn without any explanation being forthcoming regarding them for three years the entries may be omitted when opening New Pension Check Registers.	
(A) (i) In the Check Register of Family Pensions an additional column should show 'limitation of Pension, which must be stated as precisely as possible	
	(ii) In all cases where the determination of the pension can not be fixed for a precise date, the payment can be admitted only upon a certificate in each case that the event (wherever it is) which terminates the pension has not happened.

1037. Death-cum-retirement Gratuity and Commuted Value of Pension are not liable to income-tax. Ordinary Gratuity which is payable to a person who has completed less that 10 years qualifying service, ordinary pension, and family pension are, however, subject to income-tax. All Pensionary benefits are exempted from the Gift-tax.

1038. A Pensionary benefit as also the commuted value of pension may be sanctioned in rupees only even when it is payable abroad. The rate of exchange for conversion, where the question of conversion arises, shall be such rate as may be prescribed from time to time.

1039. When necessary payments have been arranged, the Accounts Officer should promptly report the fact to the Personnel Branch, returning also the papers which are no longer required by him.

1040. Payment of Death-Cum-retirement Gratuity. - The DCRG Application should be checked in the Accounts Office with the last pay drawn and the length of service as verified. After exercising the requisite checks Pay Order should be drawn for the amount admitted in the Accounts Officer. It should be carefully seen that the recoveries of Railway dues, if any, indicated thereon, are made from the amount. Where, however, Provisional Payment is to be made pending receipt of the audited Last Pay Certificate, 10% of the gratuity or Rs. 1000/-, whichever is less, should be with held from the gratuity.

Before issuing the Pay Order a reference should be given in the SRPF ledger card of the employee after making sure that no such remarks exist previously. The fact of the Pay Order having been issued should be intimated to the Personnel Branch and also to the applicant. The pay Order should be noted in the Register of Application for Pension under the signature of the Accounts Officer.

1041. Lump sum payment on account of every kind of gratuity and commuted value of ordinary pension unless the payment of pension has already commenced from the Civil Treasury, is made by the Accounts Officer. In cases where the payment of ordinary pension has commend from the Civil Treasury commuted value of pension will be paid by the disbursing officer on the authorization of the Accountant General concerned.

FAMILY PENSION

1042. A Family Pension is granted to the widow/widower or to the minor children of a Railway servant in accordance with the rules laid down in chapter VIII of the Manual. On receipt of the Family Pension Application the Accounts Officer will check the particulars of service, verify the last pay drawn by the Railway, servant and calculate the Family Pension admissible to the beneficiary. He will then issue a Family Pension Authority in Form A.1042 to the Accounts General concerned for the payment of Family Pension at the specified Treasury indicating the event at the occurrence of which the payment of family pension ceases to be operative. The Family Pension Authority should be noted in the Check Register of Pensions Form A. 1035 under the initials of the Accounts Officer.

Note. - Pension sanctioned to the minor children will be paid through their natural guardian, if any, otherwise through their de-facto guardian on production of Indemnity Bond.

Form A. 1042

1043. Death of Pensioner. - Whenever the death of a pensioner/recipient of pension is intimated the facts should at once be noted both in the Check Register of Pension Form A.1035 and necessary action taken by the Accounts Officer. Similarly any other order or information which has the effect of authorizing or stopping payment of a pension should be noted in the Check Register of Pensions Form A.1035 and the entry attested by the Accounts Officer.

1044. Cases of non-drawal of pension. - Every pension disbursing officer shall submit through the Accountant General concerned, every six months, a statement of cases of failure to draw pensions for more than one year. The reason for non-drawal, if known, shall be stated against the name. Also when a pension ceases to be payable during the life time of a pensioner, both portions of Pension Payment Order should be returned by the Treasury Officer through the Accountant General after making the last payment and with a note

recording the reasons for the cessation of the pension. On receipt of this report a note should be made in the Check Register of Pensions A. 1035 showing the date from which the pension has remained undrawan and the reason therefor so that the debits for the period after that are not accepted.

1045. Check of Paid Pension Bills. - After payment of pension to the Railway Pensioners the Treasury Officer/Postal Authorities/Banks are required to send the paid bills to the Railway Accounts Officer through proper channel in support of the debits raised by them against the Financial Adviser and chief Accounts Officer of the Railway concerned. After initial check of debits, the supporting paid bills will be sent to the Pension Section for necessary post audit of the bills.

Besides the normal checks which are applied to all paid vouchers the following points should be seen.-

(i)	that the vouchers are in the prescribed form, payments made in cash or credited to the Account of the Pensioner etc. are certified by the Disbursing Officer;
(ii)	that the amount of pension paid is in accordance with the amount authorised by the Railway.
(iii)	that the vouchers are duly supported by prescribed Life Certificate etc. as per extant orders;
(iv)	that the prescribed certificate regarding Non-employment, Marriages etc. are furnished therewith in evidence of the continued title to pension;
(v)	that income tax has been correctly deducted.

1046. After exercising the above noted checks the following steps should be taken.-

(1)	The certificates and declarations received alongwith the paid vouchers should be noted in Check Register of Pensions (A.1035).
(2)	The payment should be recorded in the Check Register of Pensions (A.1035).and it should be ensured that the payment is in order.
(3)	The vouchers should be properly enfaced showing the detailed head of account to which the pension is chargeable.
(4)	The vouchers should be stamped as admitted or objected, as the case may be and thereafter properly bled.

1047. Percentage Check of Paid Vouchers. - The percentage check to be applied to the paid voucher relating to pension payment is left to the discretion of the Financial Adviser and Chief Accounts Officer who may lay down the down the suitable percentage in the light of the experience gained i.e. the incidence of errors and omissions detected by the Accounts Office. The selection should be made by the Accounts Officer at random in such a way so as to ensure that the vouchers received from the various Disbursing Officers are covered under the test-check.

1048. Payment of Provisional Pension and Gratuity. - If for any special reason it has not been found possible to complete and forward the pension papers to the Accounts Officer for issuing the Pension Payment Order within the prescribed time schedule in a particular case, or if the pension papers have been sent late to that office and/or that office has either returned the papers to the head of Office for eliciting further information or has not been able to issue the Pension Payment Order before one month prior to the date of retirement of the Railway servant, steps should be taken by the Head of the Office to authorize the payment of Provisional Pension and Gratuity by the first of the month in which it is due. For

this purpose, such information as is available in the official records may be used and further the Head of Office should ask the retiring Railway servant for a simple statement giving his total length of service (from the date of joining duty to the date of retirement indicating the period of breaks, if any), and also the emoluments during the last ten months of service. The retiring Railway servant may also be asked to certify that the facts stated by him are correct to the best of his knowledge and belief. If complete information in regard to emoluments drawn during the last ten months is not available either with the Head of Office or with the Railway servant, the emoluments last drawn should be taken provisionally as average emoluments. The head of Office shall sanction 100 per cent of the pension calculated with reference to the information so obtained, as a Provisional Pension. The Death-cum-Retirement Gratuity should similarly be determined. The Provisional Pension and Gratuity will be authorized by the head of the office in respect of non-gazetted Railway servants after withholding the amount from the Gratuity (vide para 1049).

1049. Deduction from Gratuity. - Before disbursing the provisional Gratuity, all known dues such as long term advances still outstanding, over payment of pay and allowances etc. and other recoveries due, should be adjusted. Where no such adjustments are due, a deduction of 10 per cent of gratuity or Rs 1,000/- whichever is less, should be made partly to cover unassisted dues, if any, and partly as a margin for adjustment in the light of the final determination of the Gratuity.

1050. Similarly, in the case of gazetted Railway servant, if the final pension payment order has not been issued by the Accounts Officer one month before the retirement date, the Railway servant may ask the Head of the Office for the drawal and disbursement of provisional Pension and Gratuity in accordance with para 1048.

1051. Provisional Pension to become final after six months. - The provisional pension is not intended to be continued on provisional basis beyond a period of six months from the date of retirement. If the office responsible for issuing the Pension Payment Order has not finalized the pension case by that time, the Provisional Pension shall be deemed to have become final and it will be obligatory for the office concerned to issue the final Pension Payment Order for the amount of pension and gratuity already calculated on a provisional basis; and the deduction made from the gratuity as per para 1049, should also be released subject to para 1052.

1052. Last Pay Certificate. - The issue of the Last Pay Certificate should not be insisted upon before the payment of provisional pension. During the period of six months after Retirement, which has been provided for various purposes, it should be possible for the head of the Office or other office concerned to issue the Last Pay Certificate to a Railway servant. In cases in which the Last Pay Certificate has not been issued by the time, the formal Pension/Gratuity payment order are received (whether this happens prior to the retirement of the Railway servant or after his retirement and after the grant of provisional pension) the Gratuity Payment Order will in any case include a provision for with-holding 10 per cent of the Gratuity or Rs. 1,000/- whichever is less, pending the production of Last Pay Certificate.

1053. Release of with-held Gratuity. - Every effort should be made to assess the Railway dues recoverable from the Railway servants prior to the prescribed deadline. In case where major recoveries are due, but 10 per cent of the Gratuity of Rs. 1,000/- has been with held because there might be unassessed Government dues or because the Gratuity has been provisionally paid or because Last Pay- Certificate has not been received, the with-held amount shall automatically become payable on the expiry of six months after retirement. The Head of Office (or the office issuing the Pension and Gratuity Orders) should indicate in the orders granting a provisional Gratuity (or the final Gratuity Payment Order) itself, the amount

of gratuity with-held and add further that the with-held amount shall be released by the office disbursing pension without further instructions on the expiry of the period of six months from the date of retirement unless instructions for the recovery of a specified sum or sums from the withheld amount are issued within the aforesaid period.

1054. A special Check Register should be opened in the Accounts Office in which should be entered the orders for Anticipatory Pensions passed under the relevant services rules and the dates of payments noted against it. The orders should be entered in consecutive orders and when final adjustment of the payment is made against the final order granting the pensions, full note of it should be made in the Register. This check Register must be reviewed by the Accounts Officer personally every month in order to see that no undue delay has occurred in the final settlement of the cases.

Note. - 1.When the final pension is sanctioned, it should be dealt with in the Pension Check Register as covering the anticipatory order and not as being in continuation o it, and the cancellation of the order issued for payment of anticipatory pension ensured.
2. It is not necessary that an Anticipatory Pension Payment Order should be cancelled before the final order is issued. All final pension payment orders must, however be forwarded to the Disbursing Officers concerned under cover of special letter. The subsequent cancellation of the Anticipatory Pension Payment Order should be carefully watched through the Special Check Register of anticipatory pensions in which the date of issue of the final and the date of cancellation of the anticipatory orders should be noted over the initials of the Accounts Officer.

REVISION OF PENSIONARY BENEFITS

1055. In cases where a Pensionary benefit already sanctioned has to be enhanced as result of fresh facts coming to notice at a later date, or a fresh order taking retrospective effect, neither a fresh formal application, nor a fresh printed application is necessary. In such cases, only an attested copy of the first and third pages of the original printed application in Form No. 30R-II is received in the Accounts Office with revised figures filled in against entries No. 10,11,12 only (average emoluments, proposed gratuity/pension and/or death-cum-retirement gratuity) of first page so as to enable the Accounts Officer to record the revised report at the proper place on the third page of the application.

COMMUTATION OF (ORDINARY) PENSION

1056. **Calculation of Commutation value** . - Application for commutation of pensions will be received in Accounts Office in Part I of Form No. XL(A)-R-II, for lump sum payment of a portion not exceeding one third of the pension which has been or is about to be granted to him. The amount of pension to be commuted should be in whole rupees but where the maximum amount that can be commuted consists of rupees and paise, the amount to be commuted shall be rounded off to the rupee below. The Accounts Officer should complete Part II of Form No. XL(A)-R-II showing the calculations of commutation values expressed as number of year's purchase on age next birthday in accordance with the prescribed table (see para 1214 of the Manual). It should be transmitted to the authority competent to sanction the commutation.

1057. In cases where medical examination is not necessary application for commutation of pension will be made by the Railway Servant after the date of retirement but within one year of the date of retirement on superannuation. The Commutation in such cases becomes absolute on the date on which his application is received by the Administration and

the Railway Servant has no option to withdraw his application. The commuted value should be paid by the Accounts Officer in accordance with paragraph 1065. Where, however, medical examination is necessary the Railway servant has to appear before the Medical Authority within the specified date.

1058. After medical examination the medical authority transmits Form No., XL(A)-R-II and SC(C)-R-II in original and copy of the photograph attested by it to the Accounts Officer who save the certificate contained in Part II of Form No. XL(A)-R-I a certified copy of the completed Form No. XL(C)-R-II to the sanctioning authority and a certified copy of Part III of Form No. XL(C)-R-II to the applicant.

1059. **Option to withdraw the application.-** If the medical authority directs that his age for the purpose of commutation shall be assumed to be greater than his actual age, the applicant may withdraw his application by written notice dispatched within two weeks from the date on which he receives intimation of the revised sum payable in commutation.

Note. - If the medical certificate prescribes that more than five years should be added to the applicant's actual age, the Accounts Officer shall forthwith inform the applicant of the revised sum payable on commutation.

1060. **Commutation becomes absolute**. - Where medical examination is not necessary the Commutation becomes absolute on the date on which the application for commutation is received by the administration after the date of retirement and where medical examination is necessary on the date on which the medical authority signs the medical certificate. Accordingly, the title to receive the commuted portion of the pension ceases and the title to receive the commuted value of pension accrues on that date.

1061. **Death of a pensioner**. - If a Railway servant dies after the commutation becomes absolute (see para 1060) but before receiving payment, the commuted value will be paid by the Accounts Officer to his legal heir if the payment of ordinary pension has not commenced. If, however the payment of ordinary pension has commenced, the commuted value of the pension will be paid through the Paying Officer to the legal heir of the deceased Railway servant.

1062. Where medical examination is not necessary the lump sum payable on commutation shall be calculated assuming the age net birthday in accordance with table of present values laid down in para 1214of the Manual. Where medical examination is necessary, the age in the case of impaired lives shall be assumed to be such, not being less that the actual age, as the certifying medical authority may direct.

1063. Payment of the commuted value shall be made as expeditiously as possible. In cases in which commutation becomes absolute before pension or anticipatory pension is sanctioned, the payment of commutation should not be authorized until formal sanction to pension or anticipatory pension is received. If a portion of anticipatory pension is commuted, before authorizing payments the Accounts Officer should see that the pensioner has executed a declaration in Form No. 21 of the Manual.

1064. Whatever the date of actual payment, the amount paid and the effect upon the pension shall be the same as if the commuted value were paid on the date on which commutation became absolute. If the commuted portion of the pension has been drawn after the date on which the commutation became absolute, the amount drawn shall be deducted from the amount payable in commutation. While issuing the Authority for Payment of

Commuted value of Pension (Form A.1065.) the date of effect of commutation should be clearly indicated.

1065. **Payment of Commuted Value**. – (i) the Accounts Officer, on receipt of the completed Forms No. XL(A)-R-II and XL(C)-R-II shall arrange forthwith for the payment of the appropriate commuted value in lump sum and for the corresponding reduction of ordinary pension. If, however, the payment of the ordinary pension has already commenced from a Civil Treasury/Post Office/ Bank, he shall issue an authority in Form A. 1065 to the Paying authority to arrange payment of the commuted value. The Payment Authority for Commutation of Pension and consequential reduction of monthly pension will be noted in the Check Register of Pensions Form 1035 under the initials of the Accounts Officer.

(ii) Payment outside India. – If the pensioner is drawing his pension outside India the commuted value of pension will be payable at the office through which the pension is drawn, the rate of exchange for conversion of the lump sum, where the question of conversion arises, shall be such rate is the President may by order prescribe.

Form A. 1065

1066. (i) **Arrears due to deceased Railways servant himself** – The payment **of** arrears of Pensionary benefits actually due to a deceased Railway servant may be made to the beneficiary indicated below provided that he or she applies for such payment with in one year of the date of **death** of the Railway servant. Such arrears cannot be paid thereafter without the sanction of the authority by whom the pension was sanctioned which should be obtained by the disbursing Treasury Officer through the Accountant General concerned. If, however, the arrears do not exceed **Rs.500** and the case presents no peculiar features, the Accountant General concerned is empowered to pass the arrears on his own authority.

The arrears of payment due to the deceased Railway servant will be made to the persons as shown below (whether death occurs before or after sanction of the benefits).

Nature of benefit		To whom payable
(a)	Ordinary gratuity	The nominee, or if no nomination exists or subsists, to the legal heir of the deceased employee.
(b)	D.C.R. Gratuity/Residuary Gratuity	The nominee or, if no nomination exists or subsists, to the surviving members of the family of the deceased employee at the time of payment, in equal shares in terms of para 702 of the Manual (see also para 1032 of the Manual).
(c)	Ordinary pension.	The legal heir of the deceased employee.

Ordinary gratuity and death-cum-retirement gratuity/Residuary gratuity will be paid, by the Railway Accounts Officer. Regarding ordinary pension, if the sanction for a pension has not been communicated by the Railway Accounts Officer to the Accountant General concerned, the arrears of pension will be paid by the Railway Accounts Officer himself. However, the payment of arrears of ordinary pension will be arranged by the Treasury Officer, if the payment authority for ordinary pension has been issued by the Railway Accounts Officer to the Accountant General. The Treasury Officer as soon as he comes to know of the death of

pensioner shall report the matter to Accountant General who will in turn communicate the same to the Railway Accounts Officer concerned. After the payment of the arrears of ordinary pension, the Treasury Officer shall return the pension payment order to the Accountant General concerned, except in the case of pensioners governed by the Family Pension Scheme for Railway Employees, 1964, in which case the pensioner's portion of the Pension Payment Order will be returned to the widow/widower.

(ii) **Arrears due to a deceased beneficiary of a deceased Railway Servant**. - The arrears in such cases are payable as indicated below:-

Nature of benefit		To whom payable
(a)	Ordinary gratuity	The legal heir of the beneficiary.
(b)	Death-cum-retirement gratuity	The surviving members of the family of the deceased employee at the time of payment in equal shares (see para 702 & 1032 of the Manual)
(c)	Arrears of family pension	Person next eligible to receive family pension..

Arrears in (a) and (b) above will be payable by the Railway Accounts Officer and arrears in regard to (c) by the Treasury Officer.

1067. (i) When the arrears of Pensionary benefits are payable to the nominee/other family member/legal heir of the Railway servant, it will be the responsibility of the sanctioning authority to satisfy himself that the claimant is the nominee/other family member/legal heir. The disbursing officer will be responsible only for the identification of the person/persons to whom payment is authorised.

(ii)A payment claimed on behalf of a deceased recipient by a person other than a nominee should be supported by the necessary legal documents. Arrears of pension to the extent of **Rs 500** may, however, be paid without the production of the usual legal authority under the orders of the Collector or other officer responsible for the payment after such inquiry into the right and title of the claimants may as be deemed sufficient. Any excess above Rs. 500 may also be paid without the production of the usual legal authority under the orders of the General Managers or Heads of Offices or Projects directly under the Railway Board, in respect of Railway servants employed under them. Other cases should be referred to the Railway Board.

Where the amount of death-cum-retirement gratuity is payable to a minor the payment to the extent of Rs.**5,000** (or the first Rs. 5,000 where the amount payable exceeds Rs. 5,000) may be made to his/her guardian, in the absence of a natural guardian, without the production of a formal guardianship certificate but subject to the production of an indemnity bond with suitable sureties to the satisfaction of the sanctioning authority. The balance in excess of Rs**. 5,000** if any, would become payable on the production of a certificate of guardianship. It is essential however, that there should be prima facie grounds for making this payment to the person claiming it. Such ground can exist only if he is shown by a sworn declaration to be a *de facto* guardian and his bona ides have been ascertained. Even if a guardian has not yet been appointed by the Court, if the minor and his property are in custody of some person, such a person is in law a *de facto* guardian. The authorities making the payment should therefore, require the person who comes forward to claim payment on behalf of the minor to satisfy them by an affidavit that he is in charge of the property of the minor and is looking after it or that, if the minor has no property other than the gratuity, the minor is in his custody and care. The affidavit so to be produced is in addition to the indemnity bond with suitable sureties.

The indemnity bond mentioned above should be executed in Form No. 24 of the Manual. The stamp duty payable on the indemnity bond will be borne by the Government. The indemnity bond should be executed on any durable plain paper.

REQUEST FOR TRANSFER FROM ONE TREASURY TO ANOTHER

1068. On request from a pensioner a Treasury Officer may authorise payment in any of the outlying treasuries subordinate to his district treasury, of a pension payable under proper authority at his headquarters, and may transfer the payment of a pension from such subordinate treasury to the district treasury or from one subordinate treasury to another in the same district.

1069. The Accountant General under whose jurisdiction the disbursing treasury is situated may on application and on sufficient cause being shown, permit transfer of payment one, treasury to another under his jurisdiction.

1070. Procedure of transfer from one Accountant General to another, in the case of Pension Payment orders issued by the Accountant General prior to 1-1-79.

1. On receipt of an application from Railway pensioner (alongwith Pensioners half of the pension Payment Order) for transfer of Payment of Pension to a treasury situated in another state, the Treasury Officer in whose jurisdiction the pension is being drawn will send both halves of the Pension Payment Order alongwith the application to the Accountant General who issued the Pension Payment Order.

2. The Accountant General will score through the entries in the Pension Payment Order register and the Audit register, cancel both halves of the original Pension Payment Order and forward both cancelled halves of the Pension Payment Order to the Accountant General of the state in which the Pension Payment is to be made, with a covering letter under intimation both to the Railway Accounts Officer who issued the Pension Payment Authority quoting reference to the Pension Payment Authority and the Pensioner.

3. The new Accountant General on receipt of the letter, alongwith cancelled halves of the Pension Payment Order will issue fresh Pension Payment Order to the Treasury Officer where he Railway Pensioner desires pension disbursement under intimation to Railway Accounts Officer who issued the Pension Payment Authority and the Pensioner.

Railway Accounts Officer who issued the Pension Payment Authority will correct his records and watch receipt of debits for pension disbursement from the new Accountant General.

1071. Procedure of transfer from one treasury to another in the case if PPO's issued by the Railway Accounts Officers on after 01.01.1979 – 1. On receipt of an application from the Railway Pensioner (along with pensioner's half of the Pension Payment Order) for transfer of payment of pension to a treasury situated in another state, the Treasury Officer in whose jurisdiction the pension is being drawn will send both halves of the PPO along with the application the Railway Accounts Officer who originally issued the PPO.

2. The Railway Accounts Officer will cancel both the halves of the PPO received from the Treasury Officer and issue a fresh Pension Order after correcting his records in the Pension register and forward the same to the new treasury officers with a covering letter under intimation to the pensioner.

1072. Payment of Pension through Post Officer and Nationally Banks. – Schemes for disbursement of pensions to Railway pensioners through Post Offices and Nationalized Banks have been introduced to cover all over the country. The details of the Schemes are laid down in Annexure I & II to this Chapter.

1073. The procedure for revocation of option from Public Sector Banks to Post Office or Treasury; Post Office to Public Sector Banks/Post Office to treasury is explained in Annexure III.

*****

Annexure I

SCHEME FOR THE DISBURSEMENT OF PENSION TO RAILWAY PENSIONERS THROUGH POST OFFICES

(See Paragraph 1072)

1. **Important features of the Scheme.** - The Important features of the Scheme are as under :

(i)	The pension amount would be credited automatically to the Post Office Savings Banks Account of the retired employee on the first working day of every month. A separate series of Post Office Saving Bank Account will be operated for this purpose. From this account the pensioner can draw money as and when he requires in accordance with the rules of the Post Office Savings Bank Account.
(ii)	No bill for the pension will be required to be presented to be presented by the pensioner every month.
(iii)	The pensioner will be required to appear in person once a year before the Post Master concerned and in addition furnish a life certificate once again during the course of the year six months after personal appearance; in addition certificate of non - employment etc. will have to be furnished twice a year in June and December, failing which the automatic credit to Savings Bank Account will cease, and
(iv)	Under this Scheme, pensions will not be paid in cash or through a “Joint” or “Either or Survivor” account

2. **Applicability.** – The scheme will cover:

- existing railway pensioners, drawing pension through Treasuries, who opt to draw pension through Post Offices under this Scheme ; and

- All railway employees retiring from service hereafter, who opt to draw pension through Post Office Savings Bank Account instead of through Treasuries.

3. Disbursement of pension through Post Offices is an additional facility. Existing railway pensioners as also railway employees who retire from service hereafter will continue to have the option of drawing their pension from the Treasuries as per existing procedure.

4. The Scheme will cover payment of all types of pension. It will not, however, cover payment of Death-cum-Retirement Gratuity for which the existing procedure for payment departmentally by the Railways will continue.

5. The railway pensioner will apply in duplicate, as per Annexure I-A, to the Post Office through which he wishes to draw his pension after retirement, for a Savings Bank Account to be opened in his name in that Post Office with an undertaking that excess payment credited to his account can be recovered by the P & T Department.

6. The F.A. & C. A. O./Workshop/Divisional Accounts Officer will forward to the concerned Director of Accounts (Postal), under intimation to the pensioner, the following documents :-

(i)	Pension Payment Order (disburser’s portion).

(ii)	Copy of photograph/joint photographs,
(iii)	Specimen signatures duly attested,
(iv)	An application from the pensioner as in Annexure I-A.

7. The Director of Accounts (Postal) will forward the documents referred to above to the Head Post Office concerned after keeping a record in his office of necessary particulars relating to the pensioner.

The Head Post Master concerned will send these documents to the Sub-Post Master concerned after keeping a record in his office of necessary particulars relating to the pensioner and simultaneously authorise the Sub-Post Master concerned to open a Saving Bank Account (Pension) in the name of the pensioner. The Sub-Post Master shall handover the Pensioner's portion of the PPO to the Pensioner when they present themselves for receiving first payment of pension.

8. In the case of an existing pensioner who opts for pension through the Post Offices, the pensioner will have to hand over the following to the Treasury Officer concerned :-

(i)	An application as in Annexure I-A in duplicate addressed to the Post Master of the Post Office from where he wishes to draw his pension.
(ii)	An application as in Annexure I-B in duplicate addressed to the Treasury Officer, and;
(iii)	The pensioner's half of the P.P.O.

9. The Treasury Officer will forward these documents under his special seal, together with the disburser's half of the P.P.O. (which has been in his custody), to the Director of Accounts (Postal) for arranging payment of pension under this Scheme. In the forwarding letter, the Treasury Officer will indicate clearly the month upto which pension has actually been paid to the pensioner, which should tally with the entries in the disburser's half of the P.P.O. A copy of that letter will be forwarded by the Treasury Officer simultaneously to (i) his Accountant General and (ii) the Pensioner. In addition the Treasury Officer will also send to the Accountant General, every month alongwith the monthly accounts, a separate schedule in the Form at Annexure I-G giving particulars of P.P.Os., transferred to P. & T. Accounts Officers for payment through Post Offices in accordance with this Scheme. Each item shown in the schedule will be repeated in the schedules accompanying the monthly accounts for two consecutive months after the month in which the item first appears. It will also be certified by the Treasury Officer on the schedule itself that payment has been stopped in respect of the P.P.O mentioned in the schedule with effect from the dates mentioned therein and that no further payment will be made in respect of these P.P.Os. at his treasury. This schedule should invariably be sent with the month's account even if in any particular month no entry has to be recorded in the schedule, in which case a 'Nil' schedule should be sent.

10. on receipt of this intimation from the Treasury Officer, the Accountant General will advise the concerned F.A. & C.A.O./Divisional/Workshop Accounts Officer about the pension payment having been transferred to the Postal Department.

11. On receipt of Pension Payment Order and other documents from the Treasury Officer in respect of an existing pensioner who now wants to draw his pension from a Post Office, the Director of Accounts (Postal) will send an intimation to the Railway Accounts Officer concerned who had issued the Pension Payment Authority (with a copy to F.A. & C.A.O. and A.G. concerned) stating that the payment of pension to the particular pensioner will here after be made by the Postal Department under this Scheme. While sending this intimation, the Director of Accounts (Postal) should clearly give the following details: -

(i)	Name of the Pensioner.
(ii)	Pension Payment Authority no.
(iii)	Pension Payment Order No.
(iv)	Amount of pension.
(v)	Month from which payment of pension would be made by the Postal Department.

12. On receipt of such an intimation from the Director of Accounts (Postal), the Railway Accounts Officer will verify the correctness of the details and note the same in his records. He should also acknowledge the receipt of the intimation sent by the Director of Accounts (Postal), a copy of this intimation being endorsed to his F.A. & C.A.O. and the A.G. concerned.

The procedure to be followed thereafter by the Director of Accounts (Postal) will be on the same lines as for new pensioners.

13. The personal identification of the pensioner will be the responsibility of the Post Master of the Post Office where the pension is to be paid. The identification will have to be done in accordance with the procedure laid down under Rule 356 of the Central Treasury Rules.

14. The pensioner will:–

(a)	appear in person once a year either in June or December before the Post Master Sub-post Master of the Post Office.
(b)	send a life certificate as per Annexure I-C to the Post Office once a year in June or December, (if he/she has appeared in person in June, he/she will then send the life certificate in December and vice-versa) : and
(c)	furnish to the Post Master a certificate of non-employment in the form at Annexure I-D twice a year in the months of June and December.

Failing compliance with these requirements, the automatic credit to the Saving Bank account will cease. In such an event the Post Master would inform the Pensioner in writing the particular deficiency which has caused the cessation of the automatic credit to his/her Saving Bank Account.

"It would be the responsibility of the pensioners to have the necessary entries made in the pensioners' portion of the P.P.O., at the time of revision of pension/relief or when the paying Branch of the Post Office is to be changed."

15. **Receipt of Family Pension**. – The amount of family pension payable to the widow/widower of the deceased pensioner is given in the Pension Payment Order. When she/he becomes entitled to receive family pension, the Head Post Office will on receipt of :-

- death certificate of the pensioner,
- application for grant of Family Pension,
- application for opening a Savings Bank Account in the name of the widow/widower for this purpose with an undertaking for recovery by the P& T.

Department any excess credit to widow/widower's account as per Annexure I-A.

- a copy of her/his photograph.

authorise the concerned Post Office to start paying family pension to the widow/widower as mentioned in the P.P.O. The Head Post Office will also send an intimation in this regard to the Director of Accounts (Postal) who will in turn send an advice to the F.A. & C.A.O. concerned. Declaration in form at Annexure I-E from the pensioner whose family pension is terminable on marriage/remarriage will have to be sent by her/him to the Post Office twice a year in June and December. The certificate contained in the declaration will be countersigned by a responsible officer or a well known person.

16. **Commutation of Pension.** – When a pensioner wishes to commute his pension he/she will apply to the railway authority concerned duly informing the Post Master concerned from where he is drawing his pension to this effect. The work relating to commutation of pension will continue to be the responsibility of the Railways and after commutation has become absolute as a consequence of the Railway Administration and the pensioner having observed all the formalities in accordance with the extant rules on the subject, the commuted value of pension so arrived at will be advised under special seal by the Accounts authorities to the Director of Accounts (Postal). Reduced amount of pension effective from the date of payment of commuted value or three months from the date of authorisation by the Accounts Officer, whichever is earlier, will also be communicated to the Director of Accounts (Postal). There after the Director of Accounts (Postal) will take further action to authorise the Post Office concerned through the Head Post Office for the payment of commuted value as also the reduced amount of pension. The reduced amount of pension falls due with effect from the date of payment of commuted value to the pensioner or three months from the date of authorization by the Railway Accounts Officer for payment of commuted value of pension, whichever is earlier. An intimation to the effect that necessary entries have been made in the Pension Payment Order under attestation by the Head Post Office, will have to be sent by the Director of Accounts (Postal) to the F.A. & C.A.O./Divisional/Workshop Accounts Officer concerned. The commuted value of pension will be credited to the account of the Post Office through which he/she draws pension. The amount of pension drawn in excess as a result of commutation from the date, the revised pension is payable will also be adjusted.

17. **Relief to Pensioners. –** Whenever relief/ ad hoc relief to pensioners is sanctioned by Government, the Ministry of Railways would convey the same to all the Director of Accounts (Postal) for enabling them to instruct the Head Post Offices concerned to take necessary action for recording the necessary entries in the P.P.Os. at their end. Action would simultaneously be initiated by the Head Post Office for instructing the Post Offices under its jurisdiction for incorporating the necessary entries in the P.P.O. which is in the custody of the Post Offices concerned. Thereafter the revised pension amount inclusive of the reliefs would be credited to the Saving Bank Account alongwith arrears, if any, on this account as per procedure already laid down under the Scheme.

18. **Income Tax deductions. –** Income tax will be deducted by the Post Office wherever necessary from the monthly pension. The total amount of income tax to be deducted will be calculated by the Head Post Office and intimated to the Post Office concerned. Deductions will be made in monthly installments. The gross amount of the pension will be credited to the pensioners account and simultaneously, a debit entry of income tax deductions will be made. At the close of the financial year the Head Post Master will furnish a certificate in form at Annexure I-F to the pensioner showing the gross amount of pension payable in the year and the total amount of deduction made on account of income tax.

19. **Transfer of pension.** – When a pensioner desires to change the Post Office from where he is drawing his pension, he will have to apply to the Post Master of the Post office where he is drawing his pension. The Pension Payment Order and other documents would be transferred by the Post Master of the Post Office where pension was being paid to the Head Post Office.

(a)	In case the new Post Office, through which the pensioner now wants to draw his pension, falls within the jurisdiction of the same Head Post Office, the Head Post Master concerned will forward the P.P.O. and other papers to the Post Master for the New Post Office where the pensioner now wishes to draw his pension under intimation to the pensioner and to the concerned Director of Accounts (Postal).
(b)	If, however, the new Post Office from where the pensioner wishes to draw his pension falls within the jurisdiction of another Head Post Office under the control of the same Director of Accounts (Postal), the Pension Payment Order and other relevant documents would be transferred by the Head Post Office for onward transmission to the Post Office from which the pension is to be drawn by the pension is to be drawn by the pensioner hereafter with suitable advice to the Director f Accounts (Postal) and under intimation to the pensioner.
(c)	If the new Post Office from where the pensioner wishes to draw his pension falls within the jurisdiction of another Director of Accounts (Postal), the Pension Payment Order and other documents will be forwarded by the Head Post Office to the Director of Accounts (Postal). The Director of Accounts (Postal) will then arrange for the transfer of these documents to the other Director of Accounts (postal) under whose jurisdiction the new Post Office falls. The documents will then be transferred to the particular Post Office through the Head Post Office concerned, with intimation to the pensioner. In all cases of transfer of payment of pension from one Post Office to another the Director of Accounts (Postal) should send an intimation to the F.A.&C.A.O. concerned.

20. **Accounting.** – The Director of Accounts (Postal) will raise every month debits separately against each of the F.A. & C.A.Os. in respect of amounts paid as pension, family pension and commuted value of the pension, in respect of P.P.Os. issued from his side. The amount debited to each Railway should be supported by details containing the following information :-

(i)	Name of the Railway
(ii)	Name of the Pensioner
(iii)	Pension Payment Order No.
(iv)	Amount of Pension/Family Pension
(v)	Commuted value of pension
(vi)	Savings Bank Account No.
(vii)	Particulars of Post Office.

21. As far as possible separate consolidated lists pertaining to each Division/Workshop (falling within the jurisdiction of the same F.A. & C.A.O. from where the original P.P.O. has been issued should be prepared by the Director of Accounts (Postal) at the

time of raising of debits. Details of all adjustments as a result of excess credits/erroneous credits or erroneous debits raised in the previous months should be clearly brought out at the time of raising debits by the Director of Accounts (Postal).

22. **Arrears of pension on death.** – Pension can be drawn for the day of the pensioner's death. When a pensioner dies, the rightful claimant of the balance lying at the pensioners Savings Bank Account will have to furnish a death certificate to the Post Master concerned, on receipt of which the Post Master would work out any arrears due to the deceased or over payments, if any, made to him. The Post Master concerned will immediately take action for recovery/adjustment of the overpayments in accordance with the rules of Post Office Savings Bank Accounts (Pension).

"The balance amount will be paid to the nominee(s). In case there is no nomination, the amount will be paid to the heirs of the deceased in accordance with the Post Office Savings Bank Rules."

23.1 **Cessation of Pension**. – Where pension ceases to be payable to a pensioner/recipient of family pension on death etc. the Post Office concerned will make necessary entries in the Pension Payment Order and its records and return it to the pension sanctioning authority through the Head Post Office and the Director of Accounts (Postal). The latter will also amend the records.

23.2 "If all the columns for entering monthly payments in the disbursers/pensioners portion of the PPO get fully used up, the disbursing Post Office may add extra sheet(s) with similar columns for noting further payments. A suitable entry will be made by the Post Office on the PPO (disbursers/pensioners portion) whenever a continuation sheet is added, specifying the number of pages on the sheet".

23.3 In cases in which pensioner's portion of the PPO is lost, worn out or torn and is sought to be renewed, the disbursing post office will renew the PPO in its own authority.

23.4 In case both the halves of the PPO are reported lost in transit due to floods or any other natural calamity before commencement of payment of pension, the paying Post Office to which the matter is reported, will write to the Railway Accounts Officer, through the Director of Accounts (Postal) and request for issue of duplicate PPO in favour of the concerned pensioner. Before taking this action, the Paying Post Office will, however, verify from its records that no payment to the pensioner has already been made and it will confirm this fact to the Railway Accounts Officer, while writing for duplicate PPO. The Paying Post Office will also take the following further action before action before commencing payment in such cases on receipt of duplicate PPOs through the concerned Director of Accounts (Postal) :-

(a)	The fact that no payment is to be made against the original PPO will be prominently mentioned in the remarks column of the pension payment register while noting therein the particulars of duplicate PPO.
(b)	A confirmation will be obtained from the pensioner to the effect that he has not already received any payment against the original PPO and kept on record. He will also furnish an undertaking that he will surrender to the paying Post Office the original PPO if traced out late and will not claim any payment on its strength.
(c)	It will be verified that no payment has been made to the pensioner on the basis of the original PPO during the period following the report made to the Railway Accounts Officer as regards its reported loss.

	The first payment of pension against the duplicate PPO shall in no case be authorised at an office other than the one mentioned in the original PPO.

24. As no bills will have to be presented by the pensioner the debit Schedules received from the P & T Department will not be supported by paid vouchers. The Debit Schedules will, however, contain the following details :-

(i)	Name of the Pensioner
(ii)	Pension Payment Order Number
(iii)	Amount of pension
(iv)	Post Office in which pension has been disbursed
(v)	Savings Bank Account Number.

On receipt of the Debit Schedules in the F.A. & C.A.O.'s Office these will be checked with reference to the details quoted above.

25. **Revocation of option**. – A pensioner who has opted for this Scheme is free to revoke his option and to draw his pension otherwise, but before doing so he must give notice of a minimum period of three calendar months to the Post Master of the Post Office from where he has been drawing his pension.

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Annexure I-A

PENSIONER/GOVT. SERVANTS LETTER OF AUTHORITY AND UNDERTAKING

(Paras 5,6,8 and 15)

*1. I hereby authorise the Post Master/Sub-Post Master to receive my monthly pension on my behalf and credit the same to my Savings Bank Account (Pension) on the first working day of every month as per particulars given below: -

(i)	Name in full……..……..
(ii)	Particulars of Post Office/Sub-Post Office……
(iii)	Particulars of Head Post Office concerned……
(iv)	Savings Bank Account (Pension) No…….
(v)	Amount of pension, per month (in words) ……
(vi)	Designation, Office and Railway at the time to retirement…..
	…….
	* Para 1 is to be filled in by retiring Govt. Servant only.

**2. I am a Railway pensioner drawing my pension from the Treasury at …… I wish to draw my pension through Post Office and accordingly I hereby authorize the Post Master/ Sub-Post Master to receive my monthly pension on my behalf and credit the same to my Savings Bank Account (Pension) on the first working day of every month as per particulars given below :-

(i)	Name in full…….……
(ii)	Designation, Office and the Railway at the time of retirement ……
(iii)	Post Office/Sub-Post Office from where I want to draw the pension in future…….……
(iv)	Particulars of the Head Post Office concerned……
(v) †	Savings Bank Account (Pension) No. …….
(vi)	Pension Payment Order No…….
(vii)	Amount of pension per month (in words) ……
(viii)	Treasury from which it is now being drawn ……
	** Para 2 is to be filled only by existing Railway pensioners who opt for the Scheme.
	† To be filled in at the time of first personal appearance of the pensioner before the Post Master/Sub-Post Master.

3. I agree to undertake that any amount of excess/wrong payment of pension if credited to my above S.B. Account may be recovered or withdrawn from the said Savings Bank Account by the said Post Master/Sub-Post Master.

4. This authority shall remain inforce until due notice in writing of its revocation is given by me.

…… …….. ……

Signature of witness **Signature of the Govt. Servant/Railway Pensioner**

1.	Name ……..	Name……
	Address …….	Father's name……
	Date ……..	Address……
……..……..		……..……..
Signature of witness		

2.	Name ……..……		
	Address ……		
	Date …….		Date …….…….

********** **********

ANNEXURE I-B

APPLICATION FOR DRAWAL OF PENSION THROUGH POST OFFICES

(Para 8)

(To be submitted in duplicate)

To,

The Treasury Officer,
(Place)

Sir,

I opt to draw my pension through Post Office and give below necessary particulars to enable you to make arrangements in this regard :-

1.	Particulars of Pensioner :-
(a)	Name ……..……..
(b)	Pension Payment Order Number …….
(c)	Present Address ……..……

2.	Particulars of Head Post Office :-
(a)	Name ……..……
(b)	Sub/Post Office where payment desired ……..…

Place……..
Date……..

Yours faithfully,
……..
(Pensioner).

Pensioner's Specimen Signature

FOR USE IN TREASURY

Forwarded to the Director of Accounts (Postal) …… both the halves of the P.P.O. No…… of Shri/Smt./Kumari …….. are sent herewith.

The pensioner has been paid pension for the period up to the month of …… …… Pension due from the month of …… is to be arranged by the Post Office.

Station ……

……
Treasury Officer
(with his seal)

Date ……

**********_____********

ANNEXURE I-C

CERTIFICATE TO BE SUBMITTED BY PENSIONER

(Para 14)

LIFE CERTIFICATE

Certified that I have seen the pensioner Shri/Smt.....holder of Pension Payment Order No…….....and that he/she is alive on this date.
(Name of Pensioner)

Place.....

Name ……

Date..... **Designation of authorised Officer……..**

(with seal)

********* **********

Annexure I-D

NON-EMPLOYMENT CERTIFICATE

(Para 14)

%I declare that I have not received any remuneration for serving in any capacity in an establishment of the Central Government or a State Government undertaking or from a Local Fund during the period December to May, 20..... June, to November, 20.....

%I declare that I have been employed/re-employed in the Office of.....and was in receipt of the following emoluments during the period*.....

*to be specified.

%I declare that I have accepted commercial employment after obtaining/without obtaining sanction of the Government (to be furnished by Central Service Class I Officers during first two years from the date of retirement).

%I declare that I have/have not accepted any employment under any Government outside India after obtaining/without obtaining sanction of the Government (to be furnished by Central Service Class I Officers only).

%delete whichever is not applicable.

Place.....	**Signature .....**
Dated.....	**Name of the Pensioner.....**
	P. P. O. No. .....

********** **********

ANNEXURE I - E

CERTIFICATE OF RE-MARRIGAGE /NON-MARRIAGE

(Para 15)

I hereby declare that I am not married/I have not been married during the past six months.

Place..... **Signature .....**
Dated..... **Name of the Pensioner.....**
P. P. O. No. .....

I certify to the best of my knowledge and belief that the above declaration is correct.

Signature of a responsible Officer or a well known person …….. .

Place.....
Dated..... **Name .....**
Designation .....

********** ———————————— **********

Annexure I-F

CERTIFICATE OF DEDUCTION OF INCOME TAX

(Para 18)

Certified that the following amounts have been recovered on account of Income Tax and Surcharge on Income Tax from the amount of pension credited to the Savings Bank Account (Pension) of the pensioner named below. The amounts deducted have been credited in the Reserve Bank of India.

(1) Name of the pensioner.....
(2) Financial year.....
(3) Amount of pension.....
(4) Income Tax..... .....
(5) Surcharge on Income tax.....

Post Master.....

Head Post Office….

********** ———————————— **********

Annexure-1-G

SCHEDULE OF P. P. O OF RAILWAY PENSIONS TRANSFERRED FOR PAYMENT THROUGH POST OFFICE

(Para 9)

(Authority……..)

S. No.	P. P.O. No.	Name of pensioner	Railway to which pension pertains	Amount Rs. P.	Date up to which payment made	No. & date of advice to Director of Accounts (Postal)
1	2	3	4	5	6	7

Certified that payment has been stopped in respect of the above P. P. Os. and that no further payments beyond the date shown in Column 6 will be made in respect of these P. P. Os.. in this Treasury.

……..

Treasury Officer

********** _____ **********

ANNEXURE I-H

PENSION PAYMENT ORDER

[See Para 1032 (i)]

Pensioner's Portion

Date of Retirement.....

Debitable to.....Government

Date of Commutation …….....

……..……..

Joint photograph of the Government servant with his/her spouse duly attested.

Head of Account

Major Head

Minor Head

Voted/Charged

Name of pensioner, service to which belonged and post last held

Name of his wife/her husband ……..

Class of pension and the date of commencement	Date or Approxi-mate date of birth	Religion and Nationality	Res. Address	Amount of monthly pension	Relief in pensioner		Total monthly amount payable
					Date	Amount	
1	2	3	4	5	6	7	8

1. *

2. Family Pension

Date of death of the pensioner.....

Date of remarriage or death of the widow/widower ……To be filled in and attested by the Treasury/designated officer of the paying branch/Pay and Accounts Officer.

*Indicate Class of Pension here.

No... . . . . Dated, the.. 20

Sir,

UNTIL FURTHER NOTICE, and on the expiration of every month be pleased to pay to .....the sum of Rupees.....(less Income Tax), being the amount of..... .....pension plus Relief thereon as..... upon the production of the pensioner's portion of this order taking from the claimant a receipt of the amount/according to usual form. The payment should commence from.....

2. Arrears of pension/Family Pension and relief thereon *Rs .....(Rs.....P. M.) from..... to .....may also be paid to Shri/Smt.....

3. Due to the death of Shri/Smt.....on.....In the event of the death of Shri/Smt.....Family Pension may be paid at the rates indicated below to Smt./Shri.....till the date of her/Ms remarriage or death whichever is earlier (on the receipt of death certificate and lorm of applica-lion from widow/widower).

1. Rs. .....P. M.	(Rs. .....)
upto.....	
2. Rs. ……...P. M.	(Rs. .....…….....)
from.....	

*(for a period of seven years or upto the date on which deceased would have attained the age of 65 years, had. he survived whichever period is less).

To

The Treasury officer/Pay & Accounts Officer.

Signature.....
Designation.....

Note.—(1) No pension shall be liable **to** seizure, attachment or sequestration by process of any court in India **at the instance of** creditor **for** any demand against the pensioner (Sec. **SI,** Act XXIII of 1871).
(2) Payment under this order is to be made only to the pensioner in person with the following exceptions:—
(a) To persons specially exempted by Government.
(b) To female unaccustomed to appear in public and lo persons unable to appear on account of illness or bodily infirmity.
(Payment hi both cases (a) and (b) is made on production of a Life Certificate signed by a responsible officer of Government or other well known and trustworthy person).
(c) To any person sending a Life Certificate signed by some persons exercising the powers of a Magistrate under the Criminal Procedure Code, or

by any Registrar or Sub-Registrar appointed under the Indian Registration Act. 1908. or by any pensioned officer who, before retirement exercised the powers of a Magistrate or by any gazetted officer, or by a Munsiff by a Police Officer not below the rank of Sub-Inspector in-charge of a Police Station or by a Post Master a Departmental Sub-Post Master or an Inspector of Post Offices or by Officers of the Reserve Bank of India and Public Sector Banks or by the Head of a Village Panchayat, Gaon Panchayat or Gram Panchayat or by the Head of !he executive Committee of a Village or by a bank included in the second schedule lo the Reserve Bank of India Act. 1934 in respect of a pensioner drawing pension through that bank.
(d) In all cases referred to in clause (a), ib) and (c) the disbursing officer must at least once a year require proof independent of that furnished by the Life Certificate of the continued existence of the pensioner. The pension shall not be paid on account of period more than a year after the dale of Life Certificate last received, and the disbursing officer must be on the watch for authentic information of the decease of any such pensioner and on receipt thereof, shall promptly stop further payments.
(3) On the decease of the pensioner, this order should be immediately returned by his family to the District Officer with a report of the date of his/her decease if the contributory family pension is not admissible to the widow/ widower.
In the event of the death of a pensioner governed by C. C. S. (Pension) Rules within a period of five years from the date of retirement, the following benefits are admissible under certain circumstances:—
(a) Grant of family pension to the nominee, or in absence of nominee to the person mentioned in Rule 55, and
(b) Payment of a residuary gratuity under Rule 50 (2) ibid to the nominee, or in cases where there is no nomination or where the nominations made do not subsist to the legal heir of the deceased.

Formal claims for these benefits duly supported by legal authority where necessary, should be submitted to the Head of Office/Department

REVISION OF PENSION AND RELIEF

Amount of pension at the time of retirement Rs. .....

Amount of relief at the time of retirement Rs. .....

REVISED PENSION/RELIEF

Letter No. and Date	Date of effect	Amount of revised pension	Reason for revision	Amount of additional relief sanctioned	Total relief payable	Total monthly pension plus relief payable	Remarks	Initials of designated official
1	2	3	4	5	6	7	8	9

TRANSFER OF THE P. P. O. FROM ONE PLACE TO ANOTHER

S. No.	Name of Treasury to which Transferred	Name of Public Sector Bank to which transferred	Dated Signature of the Offices authorised to transfer	Remarks

Name of the Public Sector Bank and Saving Bank Account Number of the Pensioner.....

Amount of pension Rs.....(in words).....

Amount of Relief Rs.....(in words).....

Every separate Payment is to be recorded below by the Disbursing Officer.-

Month for which pension is due	20.....	20.....	20.....	20.....	20.....	20.....	20.....	20.....
	Date of payment	Disbursing officer's initial	Date of payment	Disbursing officer's initial	Date of payment	Disbursing officer's initial	Date of payment	Disbursing officer's initial
March April May June July August September October November December January February								

********** _____ **********

Annexure -B

PENSION PAYMENT ORDER

Disburser's Portion

Debatable to.....Government
Head of Account Major Head Minor Head
Voted/Charged

Name of Pensioner.....

Name of spouse.....

Service to which belonged and post last held	Personal identification mark on face, hand if any	Height	Date or approximate date of birth	Religion and Nationality
1	2	3	4	5

*Date of death of the pensioner

(*) To be filled and attested by the Treasury Officer/designated official of the paying branches/Pay and Accounts Officer.

(Refer to Para 3)

Payment Order Portion

Date of Retirement……

Date of Commutation

Place for signature of pensioner to be taken at the time of first Payment……

Joint Photograph of the Government servant with his/her spouse duly attested.

Residential Address	Class of pension	Date of commencement of pension	Amount of		Total monthly amount payable
			Monthly pension	Pension per month	
6	7	8	9	10	11
	1. t				
	2. Family Pension.				

* Date of re-marriage or death of the widow/widower.....
(*) To be filled and attested by the Treasury Officer/designated official of the paying branches/Pay and Accounts Officer.
† Indicate the class of pension here.

No... . . . . Dated, the.. 20

Sir,

UNTIL FURTHER NOTICE, and on the expiration of every month be pleased to pay to .....the sum of Rupees.....(less Income Tax), being the amount of..... .....pension plus Relief thereon as..... upon the production of the pensioner's portion of this order taking from the claimant a receipt of the amount/according to usual form. The payment should commence from.....

2. Arrears of pension/Family Pension and relief thereon *Rs .....(Rs.....P. M.) from..... to .....may also be paid to Shri/Smt.....

3. Due to the death of Shri/Smt.....on.....In the event of the death of Shri/Smt.....Family Pension may be paid at the rates indicated below to Smt./Shri.....till the date of her/Ms remarriage or death whichever is earlier (on the receipt of death certificate and lorm of applica-lion from widow/widower).

1. Rs. .....P. (Rs. .....) upto.....
2. Rs. ……...P. M. (Rs. .....…….....) from.....

(for a period of seven years or upto the date on which deceased would have attained the age of 65 years, had. he survived whichever period is less).

To

The Treasury officer/Pay & Accounts Officer.

Signature.....
Designation.....

Note.—(1) No pension shall be liable to seizure, attachment or sequestration by process of any court in India at the instance of creditor for any demand against the pensioner (Sec. SII, Act XXIII of 1871).

(2) Payment under this order is to be made only to the pensioner in person with the following exceptions:—

(a) To persons specially exempted by Government.
(b) To female unaccustomed to appear in public and lo persons unable to appear on account of illness or bodily infirmity.

(Payment hi both cases (a) and (b) is made on production of a Life Certificate signed by a responsible officer of Government or other well known and trustworthy person).

(c) To any person sending a Life Certificate signed by some persons exercising the powers of a Magistrate under the Criminal Procedure Code, or by any Registrar or Sub-Registrar appointed under the Indian Registration Act. 1908. or by any pensioned officer

who, before retirement exercised the powers of a Magistrate or by any gazetted officer, or by a Munsiff or by a Police Officer not below the rank of Sub-Inspector in-charge of a Police Station or by a Post Master a Departmental Sub-Post Master or an Inspector of Post Offices or by Officers of the Reserve Bank of India and Public Sector Banks or by the Head of a Village Panchayat, Gaon Panchayat or Gram Panchayat or by the Head of !he executive Committee of a Village or by a bank included in the second schedule lo the Reserve Bank of India Act. 1934 in respect of a pensioner drawing pension through that bank.

(d) In all cases referred to in clause (a), (b) and (c) the disbursing officer must at least once a year require proof independent of that furnished by the Life Certificate of the continued existence of the pensioner. The pension shall not be paid on account of period more than a year after the dale of Life Certificate last received, and the disbursing officer must be on the watch for authentic information of the decease of any such pensioner and on receipt thereof, shall promptly stop further payments.

(3) On the decease of the pensioner, this order should be immediately returned by his family to the district Officer with a report of the date of his/her decease if the contributory family pension is not admissible to the widow/widower.

(a) In all cases referred to in clauses (a), (b) and (c) the disbursing officer must at least once a year require proof independent of that furnished by the Life Certificate of the continued existence of the pensioner. The pension shall not be paid on account of period more than above or after the date of Life Certificate last received and the disbursing officer must be on the watch for authentic information of the decease of any such pensioner and on receipt thereof, shall promptly stop further payments.

(4) In the even of the death of a pensioner covered by the Liberalised pension rules with in a period of five years from the date of retirement., the Disbursing Officer should take the following action:-

(i) Intimation regarding the benefits of family pension and / or residuary gratuity, admissible under the Liberalised pension rules under certain circumstances should be sent to the persons to whom arrears of pension are paid or are payable under Rule 370 of the Central Treasury Rules. Vol. I and

(ii) Intimation about the death of the pensioner should be sent to the Head of the Offices/Department alongwith a statement of pension etc., so far paid, in order to enable him to take further regarding grant of Family pension and / or residuary gratuity.

REVISION OF PENSION AND RELIEF

Amount of pension at the time of retirement Rs.....

Amount of relief at the time of retirement Rs.....

REVISED PENSION/RELIEF

Letter No. and Date	Dale of effect	Amount of revised Pension	Reason for revision	Amount of addi-tional relief sanc-tioned	Total relief payable	Total monthly pension plus relief payable	Remarks	Initials of designated official
1	2	3	4	5	6	7	8	9

TRANSFER OF THE P. P. O. FROM ONE PLACE TO ANOTHER

S. No.	Name of Treasury to which Transferred	Name of Public Sector Bank to which transferred	Dated Signature of the Officer authorised to transfer	Remarks

Name of the Public Sector Bank and Saving Bank Account Number of the Pensioner…….. …….

Amount of pension Rs..... (in words)…….

Amount of pension Rs..... (in words)……

This document is to be retained by the Disbursing Officer so long as the authority remains in force in such manner that the pensioner shall have no access to it. Each separate payment is to be recorded below:—

Month for which pension is due	20……	20……	20……	20……	20……	20……	20……	20……	Remarks
	Date of payment	Disbursing officer's initial	Date of pay-ment	Disbursing officer's initial	Date of pay-ment	Disbursing officer's initial	Date of pay-ment	Disbursing officer's initial	
1	2	3	4	5	6	7	8	9	10
March April May June July August September October November December January February									

Pensioner's Identi-fication	Initials	Date	Initials	Date	Initials	Date	Initials	Date	Initials
						'			

*If the payment is by postal money order, identification is required twice a year as prescribed otherwise annually.

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Annexure II

SCHEME FOR DISBURSEMENT OF PENSIONS TO RAILWAY PENSIONERS

THROUGH PUBLIC SECTOR BANKS EFFECTIVE FROM 1-8-1976

(See Para 1072)

1. The scheme is applicable to Public Sector Banks indicated in Annexure II-F and as notified by the Ministry of Railways from time to time.

2.1 **Applicability** – The Scheme will apply to :-

(i)	Railway employees (including pensioners of the Railway Audit Offices) retiring hereafter, and
(ii)	Existing Railway pensioners (including pensioners of the Railway Audit Offices) who are drawing their pensions from Treasuries.

2.2 The Scheme is an additional facility.

2.3 The existing Railway pensioners can continue to draw their pensions through Treasuries/Post Offices. Employees retiring hereafter will have the option to draw their pensions either from a Treasury or from a post Office or through a Public Sector Bank under the present Scheme in the places where the Scheme is being introduced.

3. Salient features. – (i) Under this scheme the amount of pension will be credited to the pensioners A/c. on the last working day of the month, except in the case of pension for the month of March Which shall be credited on or after the first working day of the succeeding month and if for any reason the payment of any pension is delayed it must be ensured that it will be paid as soon as possible, thereafter, and in any case before the 7th of the month succeeding the month for which the pension is due.

Note: The work pertaining the credit of pension to respective pensioner's account can be spread over a period of last four working days of the month except the month of March for which the pension will continue to be credited on or after the first working day of April to avoid rush/delay in payments. The details and modalities of the phasing out is left to the Branch Manager of the PSBs. Disbursement, however, shall continue to be made on the last working day of the month (except for the month of March)

(ii) No bills will be required to be submitted for this purpose by the pensioner.

(iii) A pensioner availing of this facility will have to open a Savings/Current Account for this purpose in his name in the particular branch of the bank unless he is already having one. In case the pensioner is already having an account and has authorized a power of attorney holder to operate on it as his agent, he should be asked to open a new account in his/her sole name or revoke the mandate in favour of the attorney before the pension is credited to such an account.

(iv) Pension will not be paid in cash or through a " Joint'' or " Either or Survivor'' account under this Scheme.

(v) **In respect of employees retiring hereafter who opt for the scheme, the Pension Payment Order will be prepared by the concerned Zonal Accounts Officers/ Divisional Accounts Officer/Workshop Accounts Officer and forwarded by him to his FA&CAO (vide list in Annexure J) who will arrange to forward it immediately to the nominated link branch of the particular Public Sector Bank from where the pensioner wishes to draw the pension. In all**

cases, where the FA&CAO issuing the PPO is not also the designated FA&CAO vide Annexure II-G for the purpose of receiving the reimbursement claim for he particular PPO, a separate extract in duplicate will be prepared by the Accounts Officer preparing the PPO giving therein all the particulars required for posting of the Pension Check Register. One copy of this extract shall be forwarded by the FA&CAO issuing the PPO (vide AnnexureII-J) to the designated FA&CAO and the other retained by him for office record.

(Authority: 2010/AC-II/21/12 dated 21.09.2010)

(vi) The PPOs so issued should be numbered under a standard system in serial order from 1st January each year as indicated below: -

1st place	**2nd place**	**3rd place**
Abbreviation of the issuing Railway/Unit (e.g. NR, SR, ER etc.)	**Year of issue**	**Sr. No. of the PPO with reference to the index to be maintained separately by each FA&CAO.**

For example: - The 5th PPO issued by Northern Railway for payment through Public Sector Banks during 1988 will be numbered as NR/1988/5.

(Authority: 2010/AC-II/21/12 dated 21.09.2010)

4. Detailed procedure. – The detailed procedure to be followed for transfer of payment of pension work to Public Sector Banks and accounting of pension payment under the Scheme is outlined in the following paragraphs.

5.1 Public Sector Banks. – The Public Sector Banks in the specified States/Centres have already nominated their link branch at each district head quarters for co-ordinating the work connected with the disbursement and account of pension payments by their branches in the district/centres. The banks would now furnish the name and address of the link branch together with complete list of all paying branches linked to it and their addresses to all the FA&CAOs indicated in Annexure II-J as also to the designated FA&CAOs indicated in Annexure II-G.

(Authority: 2010/AC-II/21/12 dated 21.09.2010)

5.2 Railway. – For the purpose of the scheme for disbursement of pension each of the FA&CAOs of the Zonal Railways including of the Production Units enumerated in Annexure II-J will directly send the PPOs of the pensioners of their Railway/Unit to the Link Branch of the PSBs without routing the same through the designated FA&CAO indicated in Annexure II- G. Copies of the impression of special seal of such FA&CAOs (as indicated in Annexure II-J) together with the specimen signature of the officers of the Zonal Railways and Production Units who are authorized to forward the Pension Payment Orders to the Link Branches concerned should be sent to the Agent/Manager of the Link Branch, by name, under Registered cover immediately. The special seal and specimen signature should be forwarded duly countersigned by the Local Manager, Reserve Bank of India or State Bank of India conducting Govt. Business at the centre as the case may be.

(Authority: 2010/AC-II/21/12 dated 21.09.2010)

5.3 Railway pensioner drawing their pension at the Treasury who are desirous of drawing their pension through a Public Sector Bank will apply to the Treasury Officer in the form at Annexure II-A in triplicate.

5.4 Applications received upto 15th of a month will be processed for payment of the pension pertaining to that month (payable on the first of the next month) at the selected branches of the PSBs. In the case of applications received after 15th of a month payment of pensions pertaining to that month at the selected PSB branch may be delayed because of time lag in transit of the PPOs.

5.5 Future pensioners should indicate their option in the application for pension itself.

6.1 On receipt of application from the pensioner, the Treasury Officer will arrange to send, under his special seal, the disburser's half of the Pension Payment Order (PPO) alongwith two copies of the application to the **FA&CAO issuing the PPO (Annexure II-J)**for onward transmission to the Link Branch of the PSB concerned. The Treasury Officer will indicate the month upto which

the pension has been paid at the Treasury and the month from which it is payable by the PSB. The Treasury Officer will also send an intimation to this effect to the Accountant General and will note details of the PPOs so transferred in his records. The triplicate copy of the application will be retained by the Treasury Officer for his records. The Treasury Officer will also send to the Accountant General every month along with the monthly accounts, a separate schedule in the Form at Annexure 'H' giving particulars of Railway pensioners who have opted for payment through PSBs under the scheme.

(Authority: 2010/AC-II/21/12 dated 21.09.2010)

6.2 The FA&CAO will enter the PPO in the check register and send it alongwith the original application to the Link Branch of the Public Sector Bank, under special seal and signature of the authorized office, indicating the month upto which the pension has been paid and also the month from which pension is to be commenced by the PSB. In case the FA&CAO of the Railway is not also the designated FA&CAO for accepting reimbursements claim vide para 10.2, a separate extract in duplicate giving therein all the particulars required for posting of the Pension Check Register should be prepared by the FA&CAO issuing the PPO and a copy thereof should be forwarded to the designated FA&CAO concerned (vide Annexure II-G). A copy of the forwarding advice containing all relevant details for posting of check register shall also be forwarded by FA&CAO to the designated FA&CAO concerned (vide Annexure II-G).

(Authority: 2010/AC-II/21/12 dated 21.09.2010)

6.3 In respect of new pensioners, the Railway Accounts Officer who prepares the initial PPO should send both halves of the PPO to the FA&CAO of his Railway. In all cases, where the FA&CAO issuing the PPO is not also the designated FA&CAO vide 'Annexure II-G' for the purpose of receiving the reimbursement claim for the particular PPO, a separate extract in duplicate will also be forwarded by the Accounts Office. FA&CAO of the Railway, immediately on the receipt of the same, should ensure that both halves of the PPO are sent to the Link Branch of the PSB concerned, either through a messenger or under registered cover duly countersigned by the office (whose signatures are already available with the Link Branch of the PSB concerned) under a forwarded letter bearing the special seal, simultaneously advising the pensioner to this effect and that the copy of the extract meant for the designated FA&CAO is also forwarded immediately.

(Authority: 2010/AC-II/21/12 dated 21.09.2010)

7.1 Transmission of PPOs by Link Branch to Paying Branch. – The PSBs will maintain at their Link Branch a register in the form prescribed in Annexure II-B to serve as an index of the pension payments in respect of Railway pensioners authorised through the Bank.

7.2 The Link Branch will verify the special seal and the countersignature of the Railway Account Officer concerned.

7.3 The Disbursers half of the PPO (both halves in the case of new pensioners) and any other document received from the FA&CAO of the Railway will thereafter be forwarded by the Link Branch to the branch selected by the pensioner hereafter referred to as the "Paying Branch".

(Authority: 2010/AC-II/21/12 dated 21.09.2010)

8.1 Functions of the Paying Branch. – The Paying Branch will maintain a detailed record of pension payments made from time to time at that Branch in the form prescribed in Annexure II-C.

8.2 On receipt of documents from the Link Branch, before commencing payment of pension, the Paying Branch will. –

(i)	advise the pensioner to appear at the Branch for identification;
(ii)	obtain an undertaking from the pensioner that excess payment credited to his/her account due to delay in receipt of any material information or any bonafide error can be recovered by the bank ; and

(iii)	obtain in the case of a new pensioner, copy of the communication addressed to him by the F.A. & C.A.O. and specimen signature or thumb impression as the case may be, in the space provided for the purpose in the disburser's portion of the P.P.O. and hand over pensioner's portion of the P.P.O. to him/her. Disbursement cages in the pensioner's portion of the P.P.O. will not be put to any use except (a) where a pensioner requests the Paying Branch for recording thereon the period upto which pension has been paid, and (b) where payment of the pension is sought to be transferred from one place to another.

8.3 The process of identification has been laid down in Rule 356 of the Central Treasury Rules. This comprises checking of signature with that available on the disburser's half of the P.P.O. and resemblance with the pensioner's photograph thereon. In case a photograph is not available on the disburser's portion, the Paying Branch will, in due course, obtain new photograph from the pensioner (which can be attested by any Officer of the Reserve Bank or a P.S.B.) and complete the disburser's portion.

Note – Personal identification will be only for first payment pension at a Public Sector Bank Branch

8.4 Opening the Bank Account and facility for withdrawal of pension to sick and physically handicapped pensioners:-

The following provisions will apply for opening the Bank Account and withdrawal of pension by old, sick incapacitated and handicapped pensioners.

(1) Opening the Account

In case of a pensioner who has lost both his hands and therefore cannot sign, his signatures can be obtained by means of a mark. This mark can be placed by the persons in any manner. It could be the toe impression. It can be by means of a mark which anybody can put on pensioner's behalf, the mark put by an instrument which has had a physical contract with the persons who has to sign.

(2) Withdrawal of Money from the account

The following method will be adopted in case of sick, incapacitated handicapped pensioners:

(a) Pensioners who is too ill to sign a cheque and cannot be physically present in the bank to withdraw money from his account but can put his thumb/toe impression on the cheque/withdrawal form.
In this case, the thumb or toe impression should be identified by two independent witnesses known to the Bank, One of whom should be a responsible Bank official.
(b) Pensioner who is not only unable to be physically present in the bank, but is also not even able to put his thumb/toe impression on the cheque/withdrawal from due to certain physical defect/incapacity.
In case a mark can be obtained on the cheque/withdrawal form in the same manner as described in sub-para (1) above. That mark should be identified by two witnesses one of whom should be a responsible bank official.
(c) In both the cases mentioned above, the pensioner might also be asked to indicate to the Bank as to who would withdraw pension amount from the bank on the basis of cheque/withdrawal form as obtained above and that person should be identified by two independent witnesses. The person who is actually drawing the money from the Bank should be asked to furnish his signatures to the Bank.

8.5. "No bills will be required to be submitted by the pensioners for drawing their pensions through a Public Sector Bank: the payment of pension after deduction of tax will be made by the Public Sector Bank by credit to Savings/Current A/C of the pensioner for the net amount payable for the month on the last working day of the month to which the pension relates except in the case of the pension for the month of March, which shall be credited on or after the 1st working day it must be ensured that it is credited as soon, thereafter, as possible and in any case, not later than the 7th of the month, following the month for which pension, is due.

Note:	The term 'working day' shall have the same meaning as given in expatiation (1) below Rule 217 of Central Treasury Rules, Vol. I Thus where the last working day of the month happens to be a Bank holiday, the paying branch may credit the pensioners. Accounts with the net amount of pension payable on the previous working day.

8.6 The Paying Branch will deduct income-tax at source from the pension payments in accordance with the rates prescribed from time to time. To all pensioners from whose pensions income-tax has been deducted, the Paying Branch will issue, in April each year, a certificate of income-tax deducted, in the form prescribed in the Income Tax Rules.

8.7 Pink colour scrolls will be prepared by the Pension Disbursing Bank branch in respect of Railway Pensioners.

8.8 Scrolls will be prepared by Paying Branch in triplicate (in duplicate, if the Paying Branch and the Link Branch happen to be the same) in the form prescribed in Annexure II-C. Each Paying Branch will send advice of pension payments made by it to its Link Branch by the 10th of the month; a certificate of payment will be recorded on the advice sent. The advice will be supported by a scroll in duplicate (or one copy where the Paying Branch is also the Link Branch) and necessary certificates submitted by the pensioner (see paragraph 11.1 below) The Link Branch, in turn, would send the scrolls and the certificates to the designated FA&CAO to enable the latter to check the amount of pensions disbursed by the PSBs.

8.9 If both halves of a P.P.O. are reported lost in transit due to floods, etc., before commencement of payment of pension, the paying branch to which the matter is reported will write to the concerned **FA&CAOs of Railways as indicated in Annexure II- J** through usual channels i.e., link branch etc., and request for issue of a duplicate P.P.O. in favour of the concerned pensioner in terms of the provisions of Rule 332A of CTRs. Before taking this action, the paying branch will, however, verify from the Register of Payment of pensions (Annexure II 'C') that no payment to the pensioner has already been made and it will confirm this fact to the **FA&CAOs of Railways as indicated in Annexure II- J** while writing for the duplicate P.P.O. The paying branch will also take following further action before action before commencing payment in such cases on receipt of duplicate P.P.Os. –

(a) The fact that no payment is to be made against the original P.P.O. will be prominently mentioned in 'Remarks' column of the Register of payment of pensions (Annexure II 'C') while noting therein the particulars of the duplicate P.P.O.

(b) A confirmation will be obtained from the pensioner and kept on record that he has not already received any payment against the original P.P.O., he will also furnish if traced out later and will not claim any payment on its strength.

(c) It will verify that no payment has been made to the pensioner on the basis of original P.P.O. during the period following the report made to the **FA&CAOs of Railways as indicated in Annexure II- J** as regards its reported loss.

(Authority: 2010/AC-II/21/12 dated 21.09.2010)

9.1 Functions of the Link Branch. – On receipt of advices and scrolls alongwith the supporting documents from the Paying Branches, the Link Branch will consolidate them alongwith supporting documents.

9.2 The original copy of the scroll alongwith summary sheet and a duly stamped receipt acknowledging receipt of the amount from Government on behalf of the pensioners will be sent by the PSB. Link Branch to the Reserve Bank of India or the State Bank of India or its subsidiaries conducting Government business, as the case may be by the 15th of each month.

10.1 **Reimbursement to PSBs and subsequent action. –** On receipt of the scrolls, the Reserve Bank of India or the State Bank of India or its subsidiaries conducting Government business as the case may be, will check the scrolls to ensure that it is complete in all respects and is accompanied by the relevant certificates in respect of each payment included therein. Thereafter the net amount of pensions disbursed by a PSB will be reimbursed to that Bank by debit to the Account of the Railway under whose jurisdiction the place where the pensioner receives his pension falls. A copy of the debit advice together with the scrolls and certificate received from the PSB will be sent to the designated F.A. & C.A.O.

10.2 The designated FA&CAO as indicated in Annexure II-G (Revised) will, on receiving the scrolls showing the gross and net amount, arrange for the necessary credits to appropriate heads of accounts of the amounts deducted, by debit to appropriate Head of Account. For this purpose, the FA&CAOs of the Zonal Railways/Production Units who will be forwarding individual PPOs to the Link Branches of PSBs direct shall, besides, sending copies of the individual extracts of Pension Payment Orders forwarded direct by them, send a monthly statement giving precisely the same data to each of the designated FA&CAO concerned to enable the latter to reconcile the postings in his Pension Check Register and exercise the checks at present being done on the scrolls.

NOTE: - In respect of payment of commuted value of pension and arrears of pension exceeding Rs 5000 each, the Paying Branch may submit the scrolls relating to such payments and obtain reimbursements through the prescribed channel as and when these payments are made. The related scrolls etc., will, however, be forwarded by the reimbursing banks to the designated FA&CAOs concerned alongwith the regular pension payment scrolls once in a month as at present.

(Authority: 2010/AC-II/21/12 dated 21.09.2010)

11.1 Certificates to be submitted by the Pensioners. – Pensioners would be required to submit a life certificate once a year in the month of November, in the form at Annexure II-D.

Senior Pensioners aged 80 years and above shall be allowed to give their Life Certificate w.e.f. 1St October every year instead of November which woulds be valid till 30th November of the subsequent year.

The remaining pensioners below the age of 80 years may continue to give their Life Certificate in November as per existing provisions.

(Authority : Board's letter No.2014/AC II/21/13(pt-II) dated 05.8.2019)

Note. – Under this Scheme, the Officer's of Reserve Bank and other nominated PSBs are also authorised to issue life certificates to the pensioners. In case a Pensioner is unable to obtain Life Certificate from the authorised Bank Officer on account of serious illness/incapacitation etc., an intimation to this effect alongwith a medical certificate from a recognized practitioner in support of his/her inability to appear in person may be sent by him/her to the officer incharge of the paying branch so that the latter may nominate an officer to visit the pensioner at his/her residence/hospital for the purpose of recording the Life Certificate.

A Life Certificate issued online by a Government Agency as a result of Aadhaar Biometric Authentication will also be accepted as a valid certificate. This document may be accessed through a website (jeevanpramaan.gov.in) by the Pension Disbursing Agency without insisting either on personal appearance of the pensioner or Life certificate by the competent authority. (Authority: Board's Letter No. 2012/AC-II/21/1 dated 19.11.2014)...acs no.39

11.2 Central Service Class I Officers including Railway Services are also required to furnish a declaration about acceptance/non-acceptance of commercial employment within 2 years

from the date of their retirement. They are also required to furnish declaration about acceptance/non-acceptance of any employment under any Government outside India. Such declaration should be obtained every six months (May and November). Where such employment has been accepted, without obtaining Government's approval, the Paying Branch will seek Government's orders from the F.A. & C.A.Os. who have been designated for this purpose before making further pension payments.

11.3 **Non-Employment/Re-employment Certificate**. – A pensioner including a holder of family pension would be required to furnish a certificate of non-employment/ re-employment in a government department/office or a Government Company or a Corporation or an autonomous body of a society set up by a Central or State Government or Union Territory or a local Fund, half yearly, in the months of May and November each year in the form prescribed in Annexure II-D-II.

11.3A- "The pension including element of dearness relief for November and onward may not be credited by the Bank in case the pensioner fails to submit the requisite certificates except the non- employment or employment/ re-employment certificate on due date.

In cases, however, where the pensioner fails to submit the non-employment or an employment/re-employment certificate on due date, only the element of dearness relief for November and onward may not be credited by the Bank. Pension will continue to credited "

11.4 In the case of family pensions, if the recipient is an unmarried daughter or widower, certificate of non-marriage/remarriage is required to be furnished by the recipient once in six months i.e. in May and November. In the case of widow recipients, if an undertaking is furnished by the widow, that she would report promptly such an event to the pension disbursing office (i.e. the PSB Branch concerned), the furnishing of separate certificate of remarriage twice a year will not be necessary.

11.5 The certificate mentioned above will be in the form given in Annexure II-D.

11.6 In cases where the son or daughter of a Government Servant is suffering from any disorder or disability of mind or is physically crippled or disabled so as to render him/her unable to earn a living even after attaining the age of twenty-five years is being continued to be paid family pension beyond the maximum age-limit referred to above, under proviso to rule 75(6) of the Railway Service (Pension) Rules, 1993, the pension receiving the family pension as guardian should produce every three years (in the month of November) a certificate from a medical officer not below the rank of Civil Surgeon to the effect that the person continues to suffer from disorder or disability of mind or continues to be physically crippled or disabled. In such cases, the guardian shall be required to furnish certificate every month that he or she has not started earning his/her livelihood, and in case of a girl, that she has not got married.

11.7 As already mentioned in paragraph 8.6 above, the Paying Branch will indicate compliance of these requirements in the advices and scrolls sent to the Link Branch.

12.1 **Transfer of Pensions**. – Applications for transfer of pensions may fall under the following three categories :-

(a)	Transfer from one paying branch to another within the same station or at a different station:
(b)	transfer from one PSB to another within the same station (such transfer to be allowed only once in a financial year): and
(c)	transfer from one PSB to another PSB at a different station or by a treasury.

12.2 Request falling under category (a) above may be entertained by PSB itself. In case the transfer is at the same station. Link Branch will make necessary entries in the register

maintained .by them in the form in Annexure 'B' and forward the disburser's portion of PPO to the paying branch at which payment is desired under intimation to the designated FA & CAO, and the pensioner. In case the transfer is at different station Link Branch after keeping the requisite note will forward the disburser's portion of the PPO to the Link Branch at new station for arranging payment through the new pay branch. Necessary intimation of effecting such transfer will be sent to designated FA & CAO by the new as well as old link branches for keeping a note of change in their records under intimation to the pensioner. The receiving link branch on receipt of pension documents, will ensure forwarding the PPO to the paying branch within three days and intimate the pensioner simultaneously.

Before forwarding the disburser's portion of PPO to the new paying branch/link branch, it will be ensured that the month upto which the payment has been made is invariably indicated in the disburser's portion of PPO.

12.3 (i) In cases falling under categories (b) and (c) of Para 12.1 when a pensioner applies for transfer on a single sheet of paper, the old bank (Transferer paying branch) will send a letter duly signed by its Branch Manager to the new paying branch wherever located alongwith a photocopy to the pensioner's PPO showing the last payment made. This will be sent by speed post/courier/Regd.Post to the new paying branch at the new location alongwith a copy each to the pensioner. FA&CAO and for information to the Link Branch of the old paying branch. The PPO issuing FA&CAO will also arrange to intimate the new designated FA&CAO (i.e. pension debit accepting FA&CAO) in case change of designated FA7CAO is also involved. Simultaneously the old paying branch will send the bank's copy of PPO through its link branch, duly completing all entries to the FA&CAO who issued the PPO for transmission to the new link branch. However pensioner's copy of PPO will be retained by pensioner and produced at the new paying branch.

(ii) The new paying branch will commence pension payment immediately on receipt of letter of the last payment certificate as at (i) above. Simultaneously it will send an intimation to its link branch with full details of the commencement of the pension. The old paying branch and its link branch will ensure that the Bank's copy of PPO is transmitted to the new paying branch through its link bank.

(iii) Pension will be paid for 3 months on the basis of the photocopy of the pensioner's PPO at transferee (New) Branch, from the date of payment made at the transferer (Old) 7 transferee (New) bank branch to ensure that all documents under the procedure are received by the transferee (New) branch with in a period of 3 months. However in a case falling under category (c) of para 12.1 where pensioner wishes to draw his pension from the Treasury it will be necessary for the FA&CAO to forward the documents duly countersigned along with a forwarding letter bearing his special seal to the Accountant General concerned under whose jurisdiction the Treasury from where the pensioner wishes to draw his pension for onward transmission to the Treasury concerned.

12.4 To avoid the risk of over payment at the time of transfer the following certificate may recorded on the PPO by the Paying Branch of the P.S.B. –

"Certified that payment of pension upto the month of ……..…20 …….. has been made and that this PPO consists of ……Continuation sheets for recording disbursement."

12.5 Except as provided for above, the transfer of the pension from one place to another will not ordinarily be permitted.

13.1. **Relief to Pensioners**. – The pensioners/family pensioners are entitled to relief on pension at the rates sanctioned by the Government of India, from time to time. Every pensioner/or family pensioner will be required to furnish half yearly in the months of May and November each year, the certificate prescribed in para 11.3 supra, with a view to enabling the paying Branch to determine their eligibility or otherwise for the payment of relief. If a pensioner/family Pensioner including the already in receipt of pension from a public sector Bank is re-employed/employed in a government department/office or a Government Company or a Corporation or an autonomous body

or a society set up by the Central or State Government or Union Territory or a Local Fund, he must furnish the necessary particulars as regards his re-employment/employment immediately without waiting for the month of May and November. When the submission of half yearly certificate normally becomes due. The paying Branch will, thereupon suspend the payment of relief to the pensioner/family pensioner from the date of his/her reemployment. After the spell of re-employment/employment ceases, the payment of relief will be resumed by the Bank.

13.2. Whenever any additional relief in pensions is sanctioned by the Government to the Central/Civil/Defence/Railway pensioners, necessary orders covering these pensioners will be issued by the Ministry of Finance. Copies of the order alongwith the ready reckoner relating thereof will be sent by the Ministry of Finance to the Central Offices and Regional/Local Head Offices of the Public Sector Banks. These offices will in turn make immediate arrangements for supplying copies of these orders to their respective paying branches say within 10 days for implementation. Each paying branch will promptly determine the revised rates of relief on pensions payable to Railways Pensioners under its payment. The calculations of these rates applicable to individual pensioners would be made as in Annexure II-K and these will be noted in disburser's portions of the PPOs alongwith their effective date(s) under the attestation by the Branch Manager or in-charge before commencing payment of relief at these rates to the Pensioners together with arrears, if any due to them on this account.

13.3. The statement showing the calculations of the revised rates (Annexure II-K) will be prepared in triplicate, First two copies thereof will be sent by the paying branch to the concerned designated F.A. & C.A.O. (through its link branch) for ratification and return. The designated F.A. & C.A.O. will immediately check the calculations shown in the statement and wherever necessary, indicate, in both the copies, the correct revised rates of additional relief in the remarks column of the statement under his attestation. He will return one copy of the statement duly checked and attested to the paying Branch through the link branch within 2 weeks of its receipt. The second copy will be retained for his record. The corrections, if any indicated by the designated F.A. & C.A.O. in the "Remarks" column of the verified statement will be noted urgently by the link branch in its related records and it will then pass on the statement to the paying branch for similar action being taken in respect of the disburser's portions of the PPO and other concerned records. Thereafter, the paying branch will take steps to make subsequent payments to the pensioners at the revised and verified rates and adjust any over/under payment already made by it on the basis of the revised rates initially adopted for payment as per para 13.1 above.

13.4. Whenever a paying branch is unable to workout the rates and process the payments according to para 13.1 and 13.2 above, it will on receipt of the copy of the orders sanctioning additional relief prepare a statement in duplicate immediately covering all such railway pensioners under its payment in the same from as in Annexure II-K but leaving blank Cols. 8 and 9 thereof and send it immediately to the designated F.A. & C.A.O. (through the link branch) for calculating the revised rates of additional relief. The designated F.A. & C.A.O. will work out these rates and fill in columns 8 and 9 in both the copies under his attestation. He will within two weeks, return the original statement to the paying branch through the link branch. The link branch will transmit urgently the statement bearing the revised rates to the paying branch after noting the same in its related records. On receipt of the completed statement, the paying branch will note the revised entitlements in the Disbursor's portion of the P.P.O. under the attestation of Branch Manager or Incharge and proceed with the payment of relief to pensioners at the revised rates, including arrears, if any; payable to them on this account.

13.5. The enhanced entitlements arising from the sanctioning of additional relief and their effective date(s) may be entered by the paying branch in the pensioners portions of the P.P.Os. at their request, only after the same are verified/intimated by the designated F.A. & C.A.Os.

13.6. (a) The link branch will be responsible for ensuring that copies of the orders sanctioning additional relief have actually been received by their paying branches ;and
(b) Payment of additional relief at the revised rates to pensioners has been commenced by them without any undue delay.

They will also take up with the concerned designated F.A. & C.A.Os. cases of delays, if any, for the verification or intimation of entitlement of relief at the revised rates. All abnormal delays exceeding three months will be brought to the notice of the Ministry of Railways.

14.1. ***Commutation of Pensions****. – In the case of commutation of a* pension, as and when it is sanctioned by the Railway Administration which had issued the PPO initially, the following procedure will be followed for its payment and amendment of the PPO.

14.2. The Railway Administration Sanctioning the Commutation should send the letter of sanction to the FA & CAO issuing the PPO as indicated in Annexure 'J', except when a Government Servant retiring on superannuation is paid commuted value of pension directly by the nominated FA & CAO as per Annexure T, the lump-sum, payment of partly commuted pension becoming due would fee made by the authorised bank branch on receipt of the authorisation from the nominated FA & CAO through a separate authority letter only. For this purpose, the nominated FA & CAO as per Annexure T will issue a special seal authority to the Paying Branch through the link Branch of the public Sector Banks for payment of commuted value of pension with a copy to the designated FA & CAO concerned. On receipt of the special authority letter regarding sanctioning of commutation and the revised rate of pension payable after commutation, from the link Branch, the paying Branch Will: –

(i) arrange immediate payment of the commuted portion of the pension i.e., within one month from the due date and indicate in the related payment scroll against this item of payment the FA & CAO's letter of authority;
(ii) enter the date of the payment of commuted amount of pension, and date from which the reduced pension is payable (as indicated in the commutation sanction) in the disburser's half of the PPO (as well as on the pensioner's half of the PPO at the earliest opportunity);
(iii) commence payment of reduced pension and simultaneously arrange recovery of excess payment made, if any, to the pensioner; and
(iv) advise the FA & CAO through the Link Branch the date on which payment of commuted portion of pension was made and the date from which payment of reduced pension was commenced.

The link branch will also make appropriate entries in its records on the basis of such intimation.

14.3. In case where the amount of pension payable is revised for some reason, payment thereof at the revised rate, including arrears if any, may be arranged in the following manner. **A copy of amendment letter will also be endorsed to the designated FA&CAO concerned by the FA&CAO issuing PPO.**

(a) On receipt of amendment letter from the Railway Accounts Officer through the **FA&CAO issuing the PPO as indicated in Annexure II-J**, indicating revised rate of pension and graded relief due thereon alongwith the date(s) from which the payment at the revised rate is to be made, the link branch of the concerned Public Sector Bank will transmit that letter, after required verification urgently to the concerned paying branch under advice to the pensioner, after making necessary corrections in the Index Register of Pension Payments (Annexure 'B' of the Brochure) maintained by the Link Branch. The Paying Branch on receipt of the amendment letter will carry out the required corrections on both the halves of the affected PPO under attestation by the Branch Manager or in-charge, quoting reference to the Railway Accounts Officer's letter as endorsed by the **FA&CAO issuing the PPO as indicated in Annexure II-J** as authority. The pensioners half of the PPO will be obtained by the Paying Branch from the pensioner for making these corrections. Simultaneously, a note to the effect that necessary corrections have been made in both the halves of the Pension Payment order will also be made on the amendment letter.

(Authority: 2010/AC-II/21/12 dated 21.09.2010)

(b) Before making payment, the paying Branch will make a 'due and drawn' statement of pension and graded relief due thereon as in the enclosed form (to introduced as a new Annexure 'E' in the Brochure). Further action to pay the pension and graded relief at revised rates based on the amended PPO from the date of revision, alongwith arrears if any, will then be taken by the paying Branch in accordance with para 13.1 to 13.3 of the Scheme. In cases however, where the arrears are referred to the FA & CAO for recheck the payment of pension at the revised rate alongwith the graded relief due thereon indicated in the amendment may be started by the paying Branch who will no doubt ensure that the 'due and drawn' statements are received from **FA&CAO issuing the PPO as indicated in Annexure II-J** promptly and payment of arrears etc., or recovery of amounts over paid, if any, is made expeditiously.

(Authority: 2010/AC-II/21/12 dated 21.09.2010)

(c) The additional amount of Death-cum-retirement Gratuity, if any, payable due to the revision of pension (if not directly paid by the Railway Accounts Officer) might also be authorised like-wise for payment by the paying branch through the amendment letter. The amount of graded relief, if any, recoverable shall be adjusted to the extent possible from the additional amount of DCRG and balance amount, if any, would be recovered from the future payment of the reduced amount of graded will be paid to the pensioner and a note of this payment kept in column 5 of the register of payment of pension (Annexures 'C' of the Brochure). Gratuity payment being debited to a separate head of account requires to be included in a separate Bank Scroll.

In the remarks column of the Pension Payment Scroll, portion of gratuity which is adjusted against the amount overpaid as graded relief should be indicated. In the scroll for gratuity payments, the gross amount of gratuity payable may be shown in columns 5, the amount recovered towards overpaid graded relief in Col. 6 and net amount paid in column 8 thereof. The entries in the two scrolls may also be cross referred for facility or verification.

The entry 'Add amount recovered on account of graded relief' may also be passed at the end of the scroll for gratuity payment indicating the aggregate amount recovered in column 8 so as to arrive at the gross amount paid as gratuity. A contra-entry 'Deduct amount recovered on account of graded relief' may also be similarly passed at the end of the scroll for pension payments for working out the net amount debitable, to the head 'Superannuation and Retirement Benefits'.

(d) An amount of the recoveries made on account of excess payment of graded relief (whether by adjusting it against the amount of additional gratuity or from further payments of graded relief due on the revised pension (Annexure 'C' of the Brochure).

14.4 **Payment of pension to N.R.I. Railway Pensioners** :- (i) The authorised Bank may credit the pension amount of a non-resident to a Non-Resident (Ordinary Account opened/ maintained as per provisions of the Exchange Control). The amount of pension of a Railway pensioner who has become non-resident may be credited to the said account after ensuring the personel identification and other requirements as stipulated under the Scheme (Para 8.3).

(ii) In case of the existing accounts, the pensioner should intimate the fact that he has become non-resident Indian to the pension paying Branch in India and on receipt of the same the Paying Branch in India should convert the account of the pensioner to Non-resident Ordinary (NRO) Account.

(iii) The pensioner has to furnish the life certificate issued by an authorised official of the Embassy7/High Commission of India of Consul of Indian Consulates or a Notary Public or an Officer

of an Indian Public Sector Bank attached to its branch in the country where the pensioner is residing, once in a year in November.

(iv) The pensioner has to furnish other certificates viz. Non-employment/reemployment certificate. Non-marriage/non-re-marriage certificate as prescribed in the pension scheme.

(v) The Paying Branches will credit the amount of pension due every month to the Non-Resident Ordinary account of the Pensioner.

(vi) Withdrawals from the Non-Resident Ordinary Accounts will be governed by the instructions contained in the Exchange Control Manual and the Paying Branch should allow the withdrawals accordingly.

(vii) Pension credited to the pensioner's Non-Resident. Ordinary Accounts will not be allowed to the repatriated abroad.

(viii) The Paying Branch should return PPOs of such Non-Resident Indian Railway pensioners who are drawing pension from them and are unable to furnish the prescribed life certificate to the designated FA&CAO.

(ix) The Change in the citizenship by any non-resident Indian Pensioner will not affect his entitlement to the pension.

15.1. Arrears of Pension on death of a Pensioner:- Pension shall be drawn for the day of the pensioners death irrespective of the time of death. On receipt of a death certificate in respect of a pensioner , the paying branch will workout the amount of arrears due to the deceased or over payments, if any made to him. It will take action immediately to recover the over payments from the deceased's account in terms of the undertaking obtained by the paying branch from the pensioner at the time of commencement of pension as provided in para 8.2 (II) above. The payment of arrears will be made to the heir(s) of the deceased pensioner, if the deceased pensioner had not submitted any nomination under the Payment of Arrears of Pension (Nomination) Rules 1983. In case a valid nomination is submitted in form 'A' or 'B '(Annexure 'L' and 'M') as the case may be, by the pensioner, payment will be made to the nominee(s) in accordance with the nomination. However for payment of arrears to the heir(s)of the deceased pensioner , the PSB after furnishing information regarding the date of pensioner's death , amount of arrears due in respect of the deceased pensioner and particulars of claimant(s) claiming payment, and the authority , if any in which their claim is based, will seek instructions of the designated FA&CAO.

(Authority: Railway Board's letter No. 2005/AC-II/21/4 dated 04.08.05)

15.2. For payment of arrears to the nominee he/she will be asked to apply for the same to the paying branch alongwith the pensioner's half of the PPO and a receipt, duly stamped for the amount showing the period of arrears. The paying branch, after verifying the fact that the payment is actually due to the deceased pensioner, and also the particulars of the nominee as given in the nomination will make payment and make a suitable note on both the halves of the PPO. The receipt of the nominee will be enclosed by the paying branch with the relevant payment scroll while claiming reimbursement through link Branch.

15.3. The provision of this rule will apply mutatis mutandis to cases where the family pension ceases to be payable either due to death of the family pensioner, his/her re-marriage/marriage or on the pensioner attaining the maximum age prescribed in this rules.

15.4. In cases other than those in which arrears of pension arise due to the death of a pensioner, where the pension has not been credited by the bank, to the account of a pensioner for any reason for a period exceeding one year. (as for example, for want of life certificate) details thereof and reasons for not crediting the pension, if known shall be communicated to the designated FA & CAO through the link branch by means of a report sent half-yearly on 1st April and 1st October each year, to enable the designated FA&CAO to report such cases to the in-charge of the Accounts Organisation under Rule 371 of CTR Vol. I.

15.5. The arrears on the above account shall be paid by the paying branch only on receipt of sanction of competent authority (as specified in rule 369 of CTRs). Which will be obtained by the FA&CAO on receipt of intimation through the link branch that the particular payment shown as outstanding in the half-yearly return(s) has been claimed by or on behalf of the concerned pensioner. For this purpose, the number and date of the letter through which the half-yearly report was sent shall be indicated by the paying bank. However, if the arrears do not involve the first payment of pension, and if they have arisen due to late submission of the prescribed certificate by the pensioners and the arrears do not exceed Rs.10,000/- where the amount of pension plus relief thereon is Rs.2000/- and below per month; Rs.20,000/- where the amount of pension plus relief thereon is between Rs.2001/- to Rs.3000/- p.m.; and Rs.30,000/- where the amount of pension plus relief thereon exceeds Rs.3000/- p.m.; they may be paid by the paying branch after obtaining specific orders of the Manager/ Officer incharge who would sanction the payment after personally satisfying himself that the amount payable is actually due, the certificate (s) furnished has/have been duly countersigned, and the claim has remained undrawn due to unavoidable reasons. Such payment scrolls quoting particulars of the latest relevant half yearly return through which non-drawal had been reported.

15.6. If the arrears exceed Rs.10,000/-, Rs.20,000/-, Rs.30,000/- (as the case may be in terms of para 15.5 above) or relate to the period more than a year but less than a three years and also in cases involving first payment of the pension, if not credited to the pensioner's account due to non-submission of the prescribed certificate(s) etc. of for other petty reasons which do not require detailed examination with reference to the original files of the PPO. FA & CAO who authorised to issue PPO may, on the merit of each case, also issue requisite sanction for the resumption of pension under intimation to the Accounting Organisation.

15.7. If, in such cases, pension has not been credited to the account of the pensioner for a period of 3 years, the disburser's portion of the PPO should also be returned to FA & CAO through the link branch, with suitable endorsement thereon, specifying the date upto which the pension was credited in the pensioner's account. Payment of arrears in such cases as also payment of current pension resumed by the paying branch will be made only on receipt of the PPO with a sanction of the competent authority through the FA & CAO/link branch.

16.1. Family Pension. – In the case of pensioners drawing their pension through PSBs, payment of family pension at the rate indicated in the P.P.O. may be commenced by the Paying Branch within one month from the date of receipt of death certificate and application for family pension in Form (Annexure II-E) in the bank along with the pensioner's portion of the P.P.O. without prior and specific authorization on the P.P.O. by the F.A. & C.A.O. and in the register in form at Annexure II-B. . (Authority: Board's Letter No. 2016/AC II/21/6 dated 24.08.16)

16.2. Payment of family pension will be made by credit to Savings/Current account of the recipient (not a "Joint" or "either or Survivor" account) which may be opened if the recipient does not already have one. Additionally, an undertaking similar to the one referred to in para 8.2 (ii) above will be obtained by the Paying Branch from the recipient before the family pension is paid.

16.3. The paying Branch will also advise the designated F.A. & C.A.O., through the Link Branch, the date of pensioner's death and commencement of payment of family pension.

Before, however, the payment is actually commenced, the identity of the spouse entitled to the Family Pension shall be verified with reference to the joint photograph, if any, affixed to the P.P.O. and other particulars given by the claimant in the Family Pension, Application from (Annexure II-E). In case, the claimant is a child, the payment may be commenced after a fresh payment authority is received and the identity of the beneficiary/guardian is verified in the manner indicated in para 8.3 of the Scheme.

17. **Cessation of Pension**. – When pension ceases to be payable to the pensioner/recipient of a family pension on death etc., the Paying Branch will make necessary entries in the P.P.O. and its records and return it to the designated F.A. & C.A.O. through the Link Branch.

The latter will likewise amend his records and send both halves of the P.P.O. to the Railway Accounts Officers who had issued the P.P.O. initially.

18.1. **Miscellaneous.** – The Paying Branch will add continuation sheet to the disburser's half of the P.P.O., a suitable entry being made to this effect specifying the number of cages countable on the sheet if all the cages have been fully used up. If, however, the P.P.O. is torn or mutilated or cannot be used, it may be returned to the designated F.A.& C.A.O. through the Link Branch for renewal and return.

18.2. "In cases in which pensioners portion of the P.P.O. is lost, worn and torn and it is sought to be renewed, the paying branch will forward the request of the pensioners, alongwith both the halves of the P.P.O. to the concerned **FA&CAO issuing the PPO as indicated in Annexure J** through the link branch for renewal in terms of the provisions of rules 331-332 of CTRs. In order that payment of pension is not unnecessarily delayed in such cases in the absence of the disburser's portion of the P.P.O., care may be taken to send the connected documents to **FA&CAO issuing the PPO as indicated in Annexure J**, immediately after payment for a month is made so as to leave sufficient time with the **FA&CAO issuing the PPO as indicated in Annexure J**. to do the needful and return the documents by the time payment for the next month becomes due. The **FA&CAO issuing the PPO as indicated in Annexure J** will also be reminded by the paying branch in cases where the return of the document is unduly delayed.

(Authority: 2010/AC-II/21/12 dated 21.09.2010).. acs no.33

18.3 If both the halves of a PPO are reported to have been lost in transit due to floods etc., before commencement of payment of pension, the paying branch to which the matter is reported will address the concerned Accounts Office through the usual channel i.e. Link Branch, FA&CAO requesting for issue of a duplicate PPO in favour of the concerned pensioner in terms of the provisions of rule 332-A of CTRs. Before initiating action in this behalf the paying branch will, however, verify from the register of payment of pensions that no payment has already been made to the pensioner and confirm this fact to the Accounts Office while writing for a duplicate PPO. The paying branch will also take the following further action before commencing payment in such cases on receipt of duplicate PPOs:

a. The fact that no payment is to be made against the original PPO will be prominently mentioned in the 'Remarks' column of the Register of Payments of Pension while noting therein the particulars of the duplicate PPO.
b. A declaration from the pensioner to the effect that he has not already received any payment against the Original PPO; and also an undertaking from him to the effect that he will surrender to the paying branch the Original PPO, if traced out later and will not claim any payment on its strength will be obtained from the pensioner and kept on their record.
c. It will ensure that no payment has been made to the pensioner on the basis of original PPO during the period following the report made to the PAO as regards its reported loss.

18.4 In case where disburser's portion of PPO is lost by the Paying branch of the bank, the Paying branch will report the matter to the concerned Accounts Office through the usual channel, i.e. link branch, FA&CAO requesting for issue of duplicate disburser's portion of PPO. For this purpose, the Paying Branch will forward the photocopy of the pensioner's portion of PPO duly attested by the Bank Manager and certificate indicating the month upto which the payment has been made to the pensioner. FA&CAO will send this information to the concerned Accounts office for issue of duplicate Disburser's portion of PPO

(Authority: Board's Letter No. 2015/AC-II/21/8 dated 29.09.2015)..acs no.44

19. The accounts, records and registers maintained in the branches of the PSBs making pension payments and also in the Link Branch shall be open to audit by the Comptroller and Auditor General of India or any person appointed by him on his behalf.

***** **********

Annexure II-A

APPLICATION FOR DRAWAL OF PENSION THROUGH PUBLIC SECTOR BANKS

(To be submitted in triplicate)

(See Paragraph 5.3)

To

The Treasury Officer (Place)

Sir,

I opt to draw my pension through Public Sector Bank and give below necessary particulars to enable you to make arrangements in this regard :-

1. Particulars of Railway Pensioner :

   (a) Name
   (b) Pension Payment Order Number
   (c) Present Address
   (d) Designation, Office and Railway at the time of retirement

2. Particulars of Public Sector Bank:

(a) Name
(b) Branch where payment desired.

3. *Pensioners' S.B./Current Account No. at the Branch to which pension is to be credited.

Place …….. **Your faithfully**
Date …….. …….
(Pensioner)

*(Not 'Joint' or 'Either or 'Survivor' account).

Pensioner's Specimen Signature

FOR USE IN TREASURY

Forwarded to the Manager/Agent …….……..... (Link Branch of P.S.B.)

The Disburser's half of the P.P.O. of Shri/Smt./Kumari .....….....….…… bearing P.P.O. No. ……..…….....……..…… is sent herewith.

The pensioner has been pension for the period upto month of ……....…… Pension due from the month of …….. is to be arranged by the Bank.

Station……..
Date …….. ……..

Treasury Officer

(with his seal)

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ANNEXURE II-B

INDEX REGISTER OF ENSION PAYMENTS TO RAILWAY PENSIONERS AUTHORISED THROUGH BRANCHES OF THE PUBLIC SECTOR BANKS

(See Paragraph 7.1)

Railway	Railway Name of the pensioner	Number of the Pension Payment Order (PPO)	Monthly amount of pension (Basic pension & relief to be shown separately)	Branch at which the Payment is to be made	Date from which pension payment will commence	Railway against which debits have to be raised	Remarks
1	2	3	4	5	6	7	8

Note. – Each entry should be attested by the nominated officer of the Link Branch of the Public Sector Bank.

******** _____ *********

ANNEXURE II-C

DEBIT SCROLL/REGISTER OF PAYMENT OF PENSIONS

(See Paragraph 8.1 ,8.8 and 8.9)

Railway	Railway Name of the pensioner	Number of the Pension Payment Order (PPO)	Monthly amount of pension (Basic pension & relief to be shown separately)	Branch at which the Payment is to be made	Date from which pension payment will commence	Railway against which debits have to be raised	Remarks
1	2	3	4	5	6	7	8

Note. – Each entry should be attested by the nominated officer of the branch at which the payment is made.

****

Annexure II-D

CERTIFICATES TO BE SUBMITTED BY PENSIONER

(See paragraph 11.1 & 11.4)

I. Life Certificate

Certified that I have seen the pensioner..…..……

(name of the Pensioner)

holder of Pension Payment Order No……...…. and that he is alive on this date.

Place…….. **Name……..……..……..**

Date …….. **Designation of authorised Officer ……....**

Seal……..……..

Form of Certificate of Non-employment/Re-employment

(i) I declare that I have not been serving in any capacity either in a Government department/ office, Company Corporation, Autonomous body or Society of Central or State Government or Union Territory or a Local Fund during the half year ended May/November 19…..

OR

I declare that I have been employed/re-employed in the office of …… which is a part of/financed by…….. Government and was in receipt of the following monthly rates of emoluments during the half year ended May/November 19 ….
Or during the months of…… falling within the said half year.

(a) Pay……..
Special Pay……..
Allowances (including DA, ADA, etc.)

OR

(b) Honorarium……..

Further that the orders of re-employment do/do not stipulate my pension being held in abeyance during the re-employment period.

*(ii) I declare that I have not accepted any commercial employment in India.

OR

I declare that I have accepted commercial employment in India, after obtaining previous sanction of the Central Government and none of the conditions, if any, attached thereto has been violated.

Note. – This declaration is required to be given for a period of two years from the date of retirement.

*(iii) I declare that I have not accepted any employment under a Government outside India/an inter-national organisation of which the Government of India is not a member.

OR

I declare that I have accepted employment under a Government outside India/an international organisation of which Government of India is not a member after obtaining the previous sanction of the Central Government and none of conditions attached thereto by the Government has been deviated from.

Place …….. **Signature ……..……...….**
Date …… **Name of the pensioner…….**
PPO No……..

*Certificates at ii and iii are to be furnished only by retired Group 'A' officer.

III. Certificate of Re-Marriage/Non-Marriage

I hereby declare that I am not married/I have not been married during the past One Year.
(Authority: Board's Letter No. 2014/AC II/21/Misc dated 18.10.16)

Place ……. Signature…….……
Date ……. **Name of the Rly. Pensioner……..**
P.P.O. No.…….

I certify to the best of my knowledge and belief that the above declaration is correct.

Place ……. **…….**
Signature of a responsible Office or a well know person.
Date ……. **Name ……**
Designation …….

****

Annexure II-E

FORM OF APPLICATION
(Family Pension Scheme for Railway Employees, 1964)

(See Para 16.1)

Application for a family pension for the family of late Shri/Smt……. (Designation) ……. in the Office /Department/
Ministry of ……..…….

1. Name of the application ……..……..……..…
2. Relationship to the deceased Government servant/pensioner……..
3. Date of retirement, if the deceased was a pensioner ……..……
4. Date of death of Govt. servant/pensioner ……..……
5. Name and ages of surviving kindred of the deceased ……..……

	Name	Date of birth
Widow/Widower	……	…….
Sons	……	…….
Unmarried Daughters	……	…….

6. Name of Treasury/Sub-Treasury/Public Sector Bank branch at which payment is desired. ……..……..……..…….
7. Signature or left-hand thumb impression (in the case of those who are not literate enough to sign their names) ……..……..
8. Descriptive roll of ……..……..……..……
   widow/widower/guardian of the minor children of late ……

(i) Date of birth ……..……..……..……
(ii) Height ……..……..……..……
(iii) Personal marks, if any, on hand or face ……..……
(iv) Left-hand thumb and finger impressions –

Small finger	Ring finger	Middle finger	Index finger	Thumb

9. Full address of the applicant

Attested by	Witness
(1) ……..…….	(1) ……..……
(2) ……..…….	(2) ……..……

Note. – The description roll (column 8) and signature or left hand thumb and finger impressions accompanying application for family pension should be in duplicate in two separate sheets and attested by two gazetted officers or persons of respectability in the town, village or pargana in which the applicant resides

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Annexure II-F

LIST OF PUBLIC SECTOR BANKS OF DIFFERENT STATES REGARDING THE SCHEME FOR PAYMENT OF PENSIONS

(See para 5.1)

S.No.	State	Name of the public sector banks
1.	Gujarat	(1) State Bank of India. (2) Dena Bank (3) Bank of Baroda. (4) Central Bank of India. (5) Bank of India. (6) Union Bank of India.
		(7) Punjab National Bank. **(Authority : 2010/AC-II/21/12 dated 13.09.2011)…..acs no.35**
		(8) State Bank of Saurashtra
		(9) United Commercial Bank
		(10) Oriental Bank of Commerce **(Authority : 2010/AC-II/21/12 dated 17.10.2013) …..acs no.36**
		(11) IDBI Bank Limited. (Authority : 2010/AC-II/21/12(PT) DT.dated 20.04.2015)…..acs no.41
		(12) Vijaya Bank **(Authority : 2010/AC-II/21/12(PT) dt..18.06.2015).. acs no.42**
		(13) Canara Bank(Authority : 2015/AC-II/21/8 dated 08.09.2015)…acs no.43
		(14) Union Bank of India
		Authority : No.2015/AC-II/21/8 dated 25.01.2017…acs no.49
2.	Haryana	(1) State Bank of India. (2) Punjab National Bank. (3) Central Bank of India. (4) Syndicate Bank (5) Bank of India. (6) Union Bank of India (7) State Bank of Patiala
		(8) Bank of Baroda **(Authority : 2010/AC-II/21/12 dated 13.09.2011…acs no.35**
		(9) Oriental Bank of Commerce **(Authority : 2010/AC-II/21/12 dated 17.10.2013…acs no.36**
		(10) Allahabad Bank (Authority : 2010/AC-II/21/12 dated 04.03.14) acs no.37
		(11) Canara Bank(Authority : 2015/AC-II/21/8 dated 08.09.2015) .acs no.43 (12) Union Bank of India Authority : No.2015/AC-II/21/8 dated 25.01.2017 acs no.49
3.	Karnataka	(1) State Bank of India (2) State Bank of Mysore. (3) Canara Bank (4) Syndicate Bank (5) Union Bank of India (6) Indian Bank (7) State Bank of Hyderabad (8) Corporation Bank (9) Vijay Bank **(Authority : 2010/AC-II/21/12 dated 17.10.2013)…acs no.36**
		(10) Central Bank of India **(Authority: 2010/AC-II/21/12 dated 04.03.14) acs no.37**
		(11) Bank of Baroda (12) Punjab National Bank (13) IDBI Bank Limited (Authority: 2010/AC-II/21/12(PT)DT.20.04.2015)..acs no.41
		(14) Union Bank of India Authority : No.2015/AC-II/21/8 dated 25.01.2017 acs no.49
4.	Kerala	(1) State Bank of India

		(2) State Bank of Travancore (3) Canara Bank (4) Syndicate Bank (5) Union Bank of India (6) Central Bank of India
		(7) Indian Overseas Bank **(Authority : 2010/AC-II/21/12 dated 13.09.2011)..acs no.35**
		(8) Indian Bank **(9) Vijay Bank** **(Authority : 2010/AC-II/21/12 dated 17.10.2013)…acs no.36**
		(10) Punjab National Bank (11) Bank of Barada (Authority :2010/AC-II/21/12(PT)DT.20.04.2015)…acs no.41
		Union Bank of India (12) Authority : No.2015/AC-II/21/8 dated 25.01.2017 acs no.49
5.	Maharashtra	(1) State Bank of India (2) Bank of Maharashtra (3) Bank of India (4) Central Bank of India (5) Dena Bank (6) Union Bank of India
		(7) Allahabad Bank **(Authority : 2010/AC-II/21/11 dated 13.03.2003)…acs no.22**
		(8) Canara Bank **(9) Syndicate Bank** **(10) United Commercial Bank** **(11) State Bank of Hyderabad** **(12) Bank of Barada** **(Authority : 2010/AC-II/21/12 dated 17.10.2013…acs no.36**
		(13) Punjab National Bank (14) IDBI Bank Limited (Authority : 2010/AC-II/21/12(PT)Dt.20.04.2015)…acs no.41
		(15) Vijaya Bank **(Authority : 2010/AC-II/21/12(PT)dt.18.06.2015)…acs no.42**
		(16) Oriental Bank of Commerce (Authority : Railway Board letter No.2015/AC-II/21/8 dated 02.03.2016) acs no.45
		Union Bank of India (17) Authority : No.2015/AC-II/21/8 dated 25.01.2017 acs no.49
6.	Punjab	(1) State Bank of India (2) Punjab National Bank (3) Central Bank of India (4) United Commercial Bank (5) Bank of India (6) Indian Overseas Bank (7) State Bank of Patiala
		(8) Bank of Baroda (9) Punjab & Sind Bank **(Authority : 2010/AC-II/21/12 dated 13.09.2011)..acs no.35**
		(10) Oriental Bank of Commerce **(Authority : 2010/AC-II/21/12 dated 17.10.2013)…acs no.36**
		(11) Allahabad Bank (Authority : 2010/AC-II/21/12 dated 04.03.14) acs no.37
		(12) Union Bank of India (Authority : 2015/AC-II/21/8 dated 08.09.2015)… acs no.43 (13) Canara Bank (Authority : 2015/AC-II/21/8 dated 08.09.2015.. acs no.43 (14) Union Bank of India (Authority : No.2015/AC-II/21/8 dated 25.01.2017 acs no.49

7.	Uttar Pradesh	(1) State Bank of India (2) Punjab National Bank (3) Allahabad Bank (4) Central Bank of India (5) Union Bank of India (6) Bank of Baroda
		(7) Punjab & Sind Bank (Authority : 2010/AC-II/21/12 dated 13.09.2011) acs no.35
		(8) Bank of India **(9) Canara Bank** **(10) Oriental Bank of Commerce** **(11) Syndicate Bank** **(Authority : 2010/AC-II/21/12 dated 17.10.2013)..acs no.36**
		(12) IDBI Bank Limited (Authority : 2010/AC-II/21/12(pt)DT.20.04.2015)…acs no.41
		(13) Vijaya Bank **(Authority : 2010/AC-II/21/12(PT)DT.18.06.2015)…acs no.42**
		(14) Union Bank of India (Authority : 2015/AC-II/21/8 dated 25.01.2017 acs no.49
8.	West Bengal	(1) State Bank of India (2) United Bank of India (3) United Commercial Bank (4) Central Bank of India (5) Allahabad Bank (6) Bank of India
		(7) Andhra Bank (8) Canara Bank (Authority : 99/AC-II/21/11 dated 26.11.03) ..acs no.24
		(9) Indian Overseas Bank (Authority : 99/AC-II/21/11 dated 26.02.09)..acs no.30
		(10) Punjab & Sind Bank (Authority : 2010/AC-II/21/12 dated 13.09.2011)..acs no.35
		(11) Bank of Barada **(12) Punjab** **(13) Union Bank of India** **(Authority : 2010/AC-II/21/12 dated 17.10.2013)…acs no.36**
		(14) IDBI Bank Limited (Authority : 2010/AC-II/21/12(PT)DT.20.04.2015)..acs no.41
		(15) Oriental Bank of Commerce (Authority : Railway Board letter No.2015/AC-II/21/8 dated 02.03.2016) acs no.45
		(16) Union Bank of India Authority : No.2015/AC-II/21/8 dated 25.01.2017 acs no.49
9.	Chandigarh	(1) State Bank of India (2) Punjab National Bank (3) Central Bank of India (4) United Commercial Bank (5) State Bank of India (6) Bank of India
		(7) Bank of Baroda (Authority : 2010/AC-II/21/12 dated 13.09.2011) …acs no.35
		(8) Allahabad Bank (Authority : 2010/AC-II/21/12 dated 04.03.14) acs no.37
		(9) Canara Bank(Authority : 2015/AC-II/21/8 dated 08.09.2015)..acs No,43

10.	Andhra Pradesh	(1) State Bank of India (2) State Bank of Hyderabad (3) Syndicate Bank (4) Indian Bank (5) Union Bank of India (6) Central Bank of India
		(7) Andhra Bank **(8) Corparation Bank** **(9) Vijay Bank** **(10) Canara Bank** **(Authority : 2010/AC-II/21/12 dated 17.10.2013)…aca no.36**
		(11) Bank of Baroda (12) Punjab National Bank (13) IDBI Bank Limited (Authority : 2010/AC-II/21/12(PT)DT.20.04.2015)..acs no.41
		(14) Oriental Bank of Commerce (Authority : Railway Board letter No.2015/AC-II/21/8 dated 02.03.2016) acs no.45
		(15) Union Bank of India Authority : No.2015/AC-II/21/8 dated 25.01.2017 acs no.49
11.	Assam	(1) State Bank of India (2) United Bank of India (3) United Commecial Bank (4) Punjab National Bank (5) Central Bank of India (6) Allahabad Bank
		(7) Indian Overseas Bank (8) Syndicate Bank (Authority : 2010/AC-II/21/12 dated 13.09.2011) …acs no.35
		(9) Bank of Baroda **(Authority : 2010/AC-II/21/12 dated 17.10.2013…acs no.36**
		(10) Canara Bank(Authority : 2015/AC-II/21/8 dated 08.09.2015)… acs no.43
12.	Bihar	(1) State Bank of India (2) Central Bank of India (3) Punjab National Bank (4) Bank of India (5) United Commercial Bank (6) Allahabad Bank
		(7) Union Bank of India **(8) United Bank of India** **(9) Bank of Baroda** **(Authority : 2010/AC-II/21/12 dated 17.10.2013) …acs no.36**
		(10) Canara Bank(Authority : 2015/AC-II/21/8 dated 08.09.2015)…acs no.43
		(11) Union Bank of India Authority : 2015/AC-II/21/8 dated 25.01.2017 acs no.49
13.	Himachal Pradesh	(1) State Bank of India (2) Punjab National Bank (3) United Commercial Bank (4) State Bank of Patiala (5) Central Bank of India (6) Union Bank of India
		(7) Allahabad Bank (Authority : 2010/AC-II/21/12 dated 04.03.14) acs no.37 (8) Bank of Baroda (Authority : 2010/AC-II/21/12(PT)DT.20.04.2015…acs no.41
14.	Jammu and kashmir	(1) State Bank of India (2) Punjab National Bank (3) Central Bank of India (4) United Commercial Bank

		(5) Allahabad Bank (Authority : 2010/AC-II/21/12 dated 04.03.14) acs no.37
		(6) Bank of Baroda (Authority : 2010/AC-II/21/12(PT)DT.20.04.2015)..acs no.41
15.	Madhya Pradesh	(1) State Bank of India (2) State Bank of Indore (3) Central Bank of India (4) Bank of India (5) Punjab National Bank (6) Allahabad Bank
		(7) Bank of Baroda (Authority : 2010/AC-II/21/12 dated 13.09.2011)..acs no.35
		(8) Bank of Maharashtra **(9) Union Bank of India** **(10) United Commercial Bank** **(11) Dena Bank** **(Authority : 2010/AC-II/21/12 dated 17.10.13 acs no.36**
		(12) IDBI Bank Limited (Authority : 2010/AC-II/21/12(PT)DT.20.04.2015)..acs no.41
		(13) Canara Bank(Authority : 2015/AC-II/21/8 dated 08.09.2015…acs no.43
		(14) Oriental Bank of Commerce (Authority : Railway Board letter No.2015//AC-II/21/8 dated 02.03.2016) acs no.45
		(15) Union Bank of India Authority : No.2015/AC-II/21/8 dated 25.01.2017 acs no.49
16.	Nagaland	(1) State Bank of India (2) United Bank of India (3) United Commercial Bank (4) Bank of Baroda **(Authority : 2010/AC-II/21/12 dated 17.10.13 acs no.36**
		(5) Central Bank of India (Authority : 2010/AC-II/21/12 dated 04.03.14) acs no.37
17.	Odisha	(1) State Bank of India (2) United Commercial Bank (3) Bank of India (4) United Bank of India (5) Indian Overseas Bank (6) Indian Bank
		(7) Punjab National Bank (Authority : 99/AC-II/21/11 dated 3.2000) acs no.18
		(8) Andhra Bank (9) Central Bank of India **(Authority : 2010/AC-II/21/12 dated 17.10.13 acs no.36**
		(10) Allahabad Bank (Authority : 2010/AC-II/21/12 dated 04.03.14) acs no.37
		(11) Bank of Baroda (Authority : 2010/AC-II/21/12(PT)DT.20.04.2015)…acs no.41
		(12) Union Bank of India(Authority : 2015/AC-II/21/8 dated 08.09.2015)) .. acs no.43 (13) Canara Bank (Authority : 2015/AC-II/21/8 dated 08.09.2015)) .. acs no.43
		(14) Union Bank of India (Authority : No.2015/AC-II/21/8 dated 25.01.2017 acs no.49

18.	Rajasthan	(1) State Bank of India (2) State Bank of Bikaner & Jaipur (3) Punjab National Bank (4) Bank of Baroda (5) United Commercial Bank (6) Central Bank of India
		(7) Union Bank of India **(Authority : 2010/AC-II/21/12 dated 17.10.13 acs no.36**
		(8) Allahabad Bank (Authority : 2010/AC-II/21/12 dated 04.03.14) acs no.37
		(9) Canara Bank(Authority : 2015/AC-II/21/8 dated 08.09.2015).. acs no.43
		(10) Oriental Bank of Commerce (Authority : Railway Board letter No.2015/AC-II/21/8 dated 02.03.2016) acs no.45
		(11) Union Bank of India (Authority : No.2015/AC-II/21/8 dated 25.01.2017) acs no.49
19.	Tamil Nadu	(1) State Bank of India (2) Indian Bank (3) Canara Bank (4) Indian Overseas Bank (5) Union Bank of India (6) Syndicate Bank
		(7) Bank of Baroda **(8) Bank of India** **(9) Central Bank of India** **(10) Corporation Bank** **(11) United Commercial Bank** **(Authority : 2010/AC-II/21/12 dated 17.10.13 acs no.36**
		(12) Punjab National Bank (13) IDBI Bank Limited (Authority : 2010/AC-II/21/12(PT)DT.20.04.2015)..acs no.41
		(14) Vijaya Bank **(Authority : 2010/AC-II/21/12(PT)DT.18.06.2015)..acs no.42**
		(15) Union Bank of India Authority : No.2015/AC-II/21/8 dated 25.01.2017 acs no.49
20.	Manipur	(1) State Bank of India (2) United Bank of India (3) United Commercial Bank
		(4) Bank of Baroda **(Authority : 2010/AC-II/21/12 dated 17.10.13 acs no.36**
		(5) Central Bank of India (Authority : 2010/AC-II/21/12 dated 04.03.14) acs no.37
21.	Meghalaya	(1) State Bank of India (2) United Bank of India (3) United Commercial Bank (4) Bank of Baroda
22.	Tripura	(1) State Bank of India (2) United Bank of India (3) United Commercial Bank
		(4) Bank of Barada **(Authority : 2010/AC-II/21/12 dated 17.10.13 acs no.36**
		(5) Central Bank of India (Authority : 2010/AC-II/21/12 dated 04.03.14) acs no.37
23.	Sikkim	(1) State Bank of India
		(2) Central Bank of India (3) Bank of Baroda

		(Authority : 2010/AC-II/21/12 dated 17.10.13 acs no.36
24.	Pondicherry	(1) State Bank of India (2) Indian Bank (3) United Commercial Bank (4) Indian Overseas Bank
25.	Goa, Daman and Diu	(1) State Bank of India (2) Bank of India (3) Bank of Baroda (4) Central Bank of India (5) Canara Bank (6) Syndicate Bank
26.	Dadra and Nagar Haveli	(1) Dena Bank
27.	Mizoram	(1) State Bank of India
		(2) Bank of Baroda **(Authority : 2010/AC-II/21/12 dated 17.10.13 acs no.36**
		(3) Central Bank of India (Authority : 2010/AC-II/21/12 dated 04.03.14) acs no.37
28.	Arunachal Pradesh	(1) State Bank of India
		(2) Bank of Baroda **(Authority : 2010/AC-II/21/12 dated 17.10.13 acs no.36**
		(3) Cantral Bank of India (Authority : 2010/AC-II/21/12 dated 04.03.14) acs no.37
29.	Andaman and Nicobar Islands	(1) State Bank of India (2) Syndicate Bank
30.	Lakshadweep	(1) Syndicate Bank
31.	Chhattisgarh	(1) State Bank of India (2) State Bank of Indore (3) Central Bank of India (4) Bank of India (5) Punjab National Bank (6) Allahabad Bank (99/AC-II/21/11 dated 29.06.10) …acs no.32
		(7) Bank of Baroda (Authority : 2010/AC-II/21/12 dated 13.09.11) ….acs no.35
32.	Jharkhand	(1) State Bank of India (2) Central Bank of India (3) Punjab National Bank (4) Bank of India (5) United Commercial Bank (6) Allahabad Bank (99/AC-II/21/11 dated 29.06.10)…acs no.32
		(7) Bank of Baroda (Authority : 2010/AC-II/21/12(PT)DT.20.04.2015)…acs no.41
		(8) Union Bank of India(Authority : 2015/AC-II/21/8 dated 08.09.2015) ..acs no.43 (9) Canara Bank (Authority: 2015/AC-II/21/8 dated 08.09.2015)… acs no.43
		(10) Union Bank of India Authority : No.2015/AC-II/21/8 dated 25.01.2017 acs no.49
33.	Uttarakhand	(1) State Bank of India (2) Punjab National Bank (3) Allahabad Bank (4) Central Bank of India (5) Union Bank of Indai (6) Bank of Baroda (99/AC-II/21/11 dated 29.06.10)…acs no.32

		(7) Punjab & Sind Bank (Authority : 2010/AC-II/21/12 dated 13.09.11)…acs no.35
		(8) Oriental Bank of Commerce (Authority : Railway Board letter No.2015/AC-II/21/8 dated 02.03.2016) acs no.45
		(9) Union Bank of India (Authority : No.2015/AC-II.21/8 dated 25.01.2017) acs no.49
34.	Telangana	(1) State Bank of India (2) State Bank of Hyderabad (3) Syndicate Bank (4) Indian Bank (5) Union Bank of India (6) Central Bank of India (7) Andhra Bank (8) Corporation Bank (9) Vijay Bank (10) Canara Bank (11) Bank of Baroda (12) Punjab National Bank (13) IDBI Bank Limited (Authority : 2010/AC-II/21/12(PT)DT.20.04.2015)..acs no.41
		(14) Oriental Bank of Commerce (Authority : Railway Board letter No.2015/AC-II/21/8 dated 02.03.2016) acs no.45
		(15) Union Bank of India Authority : No.2015/AC-II/21/8 dated 25.01.2017) acs no.49

Note :- For metropolitan cities of Delhi/New Delhi, Mumbai, Chennai, Kolkatta, Hyderabad/Secunderabad Bangalore and Lucknow, where the Scheme was introduced with effect from 1-7-77, all public Sector Banks have been authorized to disburse pension under this Scheme.

Annexure II-G

LIST OF DESIGNATED F.A.& C.A.OS

(See paragraph 5.1)

S.No	Address of Designated FA&CA)	State	Union Territory
1.	FA&CAO, Central Railway, Mumbai.	Maharashtra	
2.	FA&CAO, Eastern Railway, Kolkata.	West Bengal	
3.	FA&CAO, East Central Railway, Hajipur	Bihar	
4.	FA&CAO, East Coast Railway, Bhubaneshwar.	Orissa	
5.	FA&CAO, Northern Railway, New Delhi.	Delhi Punjab Haryana Himachal Pradesh Jammu & Kashmir	Chandigarh
6.	FA&CAO, North Central Railway, Allahabad.	Uttar Pradesh	

7.	FA&CAO, North Eastern Railway, Gorakhpur	Uttaranchal	
8.	FA&CAO, North East Frontier Railway, Guwahati.	Arunachal Pradesh Assam Manipur Meghalaya Mizoram Nagaland Sikkim Tripura	
9.	FA&CAO, North West Railway, Jaipur.	Rajasthan	
10.	FA&CAO, Southern Railway, Chennai.	Kerala Tamil Nadu	Andaman Nicobar Islands Pondicherry
11.	FA&CAO, South Eastern Railway, Kolkata.	Jharkhand	
12.	FA&CAO, South East Central Railway, Bilaspur.	Chattisgarh	
13.	FA&CAO, South Central Railway, Secunderabad.	Andhra Pradesh **Telangana**	
14.	FA&CAO, South Western Railway, Hubli.	Karnataka Goa	Dadra Nagar Haveli Lakshadweep
15.	FA&CAO, Western Railway, Mumbai.	Gujarat	Daman & Diu
16.	FA&CAO, West Central Railway, Jabalpur.	Madhya Pradesh	

(Authority: 2010/AC-II/21/12(pt)dt 20.04.2015) ACS no. 41

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Annexure II-H

SCHEDULE OF P.P.OS OF RAILWAY PENSION TRANSFERRED FOR PAYMENT THROUGH PUBLIC SECTOR BANKS

(See paragraph 6.1)

S. No.	P.P.O. No.	Name of Pensioner	Railway to which pension pertains	Amount Rs. P.	Date upto which payment made	No. & date of advice to the designated F.A. & C.A.O.,
1	2	3	4	5	6	7

Certified that payment of pension has been stopped in respect of the above P.P.Os. and that no further payment beyond the date shown in Column 6 will be made in respect of these P.P.Os in this Treasury.

……

Treasury Officer

FORMULA

(See para 13)

Formula for calculating Ad-hoc relief w.e.f. 1-9-77.

The President of India has sanctioned a further relief to the extent of 5% of pension subject to a minimum of Rs. 5/- and a maximum of Rs. 25/- per month with effect from 1st September, 1977 to compensate the Railway Pensioner/Family Pensioners for the raise in the cost of living. The total relief now payable with effect from 1st September, 1977 inclusive of relief sanctioned earlier, works out to thirty five per cent of the pension subject to a minimum of Rs. 35/- and maximum of Rs. 175. The formula given below may be used by the Public Sector Banks for calculating the enhanced entitlements of the pensioners :-

(a)	Amount of original pension/family pension/extra ordinary pension (prior to commutation if any).	Rs……..
(b)	For Pre 31-12-72 pensions -	
	(i) ad-hoc relief sanctioned with effect from 1-1-73	Rs…….
	(ii) temporary/ad-hoc increase if any admissible prior to 1-1-73.	Rs……..
(c)	total i.e. (a) + (b)(i)+ (b) (ii)	
(d)	total relief payable w.e.f. 1-9-77 (amount of (c) multiplied by 0.35). Subject to minimum of Rs. 35 and maximum of Rs. 175	*Rs……

Relief already under payment Additional relief now admissible w.e.f. 1-9-77.

*To be rounded off to the nearest 10 paisa, five paisa being rounded off to the next 10 paisa.

Note. – (1) Amount of item (a) and (b) will be shown on the PPO in possession of paying branch.

(2) Item (b) covers pensions/family pension extras ordinary pensions sanctioned and under payment on 31-12-1972. In the case of post 31-12-1972 pensions item (b) will not be applicable.

(3) The total relief payable with effect from 1-9-77 will normally be equal to 35/30 of relief already sanctioned.

(Ref. – Ministry of Railway letter No. PC III/76/PN/ 1, dated 12-1-1977 from the Joint Director, Pay Commission, Railway Board).

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Annexure II-J
(See Para 14.2)

List of FA & CAO authorized to issue Pension Payment orders.

S.No.	RAILWAYS & PRODUCTION UNITS
1.	FA & CAO, RCF/KAPURTHALA
2.	FA & CAO, ICF/CHENNAI
3.	FA & CAO, RWF/BANGALORE
4.	FA & CAO, CLW/CHITTARANJAN
5.	FA & CAO, DLW/VARANASI
6.	FA & CAO, DMW/PATIALA
7.	FA & CAO, METRO/KOLKATA
8.	FA & CAO, NORTHERN RAILWAY, NEW DELHI
9.	FA & CAO, SOUTHERN RAILWAY, CHENNAI
10.	FA & CAO, SOUTH WESTERN RAILWAY, HUBLI
11.	FA & CAO, SOUTH EASTERN RAILWAY, KOLKATTA
12.	FA & CAO, NORTH EASTERN RAILWAY, GORAKHPUR
13.	FA & CAO, CENTRAL RAILWAY, MUMBAI
14.	FA & CAO, EASTERN RAILWAY, KOLKATA
15.	FA & CAO, NORTH FRONTIER RAILWAY, GUWAHATI
16.	FA & CAO, SOUTH CENTRAL RAILWAY, HYDERABAD
17.	FA & CAO, WESTERN RAILWAY, MUMBAI
18.	FA & CAO, EAST CENTRAL RAILWAY, HAJIPUR
19.	FA & CAO, EAST COAST RAILWAY, BHUBANESHWAR
20.	FA & CAO, NORTH WESTERN RAILWAY, JAIPUR
21.	FA & CAO, NORTH CENTRAL RAILWAY, ALLAHABAD
22.	FA & CAO, SOUTH EAST CENTRAL RAILWAY, BILASPUR
23-	FA & CAO, WEST CENTRAL RAILWAY, JABALPUR
24.	FA & CAO, RAIL COACH FACTORY, RAI BARELI
25.	FA & CAO, RAIL WHEEL PLANT, BELA

(Authority: Railway Board’s letter No.2012/AC-II/1/6 dated 18.09.2014)..acs no.38

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Annexure II-K
(Para 13)

STATEMENT OF ENTITLEMENTS OF ADDITIONAL RELIEF/AD-HOC RELIEF TO RAILWAY PENSIONERS SANCTIONED VIDE GOVERNMENT OF INDIA, MINISTRY OF RAILWAYS OFFICE MEMORANDUM NO…… DATED……

S. No.	Railway	Name of Pensioner	No. of P.P.O	Amount of Pension			Additional relief payable w.e.f.	Total Pension payable (Cols. 7 & 8)	Remarks
				Basic Pension	Relief	Total			
1	2	3	4	5	6	7	8	9	10

Station…….
Date…….

……..…….……
(**Signature of Manager or Incharge of the paying branch with stamp).**

Forwarded in duplicate to the Designated F.A. & C.A.O., …….Railway…….

……..…….……
(Signature of Office authorized of the link office with stamp).

Checked and found correct.

Designated F.A. & C.A.O., …….Railway.

(Seal)

Forwarded to the Agent/Manager ……..……
(Name of the Bank)

****

Annexure . II – L

Form for Payment of arrears of Pension
(To be submitted in triplicate.)

FORM A

[See Paragraph 15.1 of Scheme for disbursement of pension to Railway pensioners through Public Sector Banks.]

The Pension Disbursing Authority/Head of Office
(Name of Bank/Treasury/Post Office/Accounts Officer, etc.)
Place ……

I,…… (Name of the pensioner in Capital letters) hereby nominate the person named below , in terms of para 15.1 of the Scheme for disbursement of pension to Railway pensioners through Public Sector Banks

Name and address of the nominee	Relationship with the pensioner	If nominee is minor		Name and address of other nominee under Column (1) predeceases the pensioner	Relationship with pensioner
		Date of birth	Name and address of person who may receive the said pension during the nominee's minority		
1	2	3	4	5	6

Date of birth if the other nominee is minor	Name and address of person who may receive the pension during the other nominee's minority	Contingency on happening of which nomination shall become invalid
7	8	9

Place:……..

Signature(or thumb-impression if illiterate) and name of pensioner.

PPO NO.

Date:……..

Address:

Witness: Signature:
Name & address:
Pension Disbursing Authority/Head of Office.
Acknowledgement to be sent by the Pension disbursing Authority/Head of Office.

Certified that the application/nomination has been received from ……..……...(name of Pensioner) whose address is …….

Signature of Pension Disbursing Authority
Bank/Treasury/Post Office/Accounts Officer
Head of Office

(Authority: Railway Board letter No. 2005/AC-II/21/4 dt. 4.8.05))

******** **********

Annexure . II – M.

Form for Payment of arrears of Pension
(To be submitted in triplicate.)

FORM B

[See Paragraph 15.1 of Scheme for disbursement of pension to Railway pensioners through Public Sector Banks.]

The Pension Disbursing Authority
(Name of Bank/Treasury/Post Office/Accounts Officer, etc.)
Place ……

I,…….. (Name of the pensioner in Capital letters) hereby make the following alternate nomination in terms of para 15.1 of the Scheme for disbursement of pension to Railway pensioners through Public Sector Banks.

Name and address of the nominee	Relationship with the pensioner	If nominee is minor			
		Date of birth	Name and address of person who may receive the said pension during the nominee's minority	Name and address of other nominee under Column (1) predeceases the pensioner	Relationship with pensioner
1	2	3	4	5	6

Date of birth if the other nominee is minor	Name and address of person who may receive the pension during the other nominee's minority	Contingency on happening of which nomination shall become invalid
7	8	9

Place:……..

Signature(or thumb-impression if illiterate) and name of pensioner

PPO NO.

Date:……..

Address:

Witnes: Signature:
Name & address:

Signature of Pension Disbursing Authority
Date Stamp

Certified that the application/nomination has been received from ……(name of Pensioner) whose address is ……form A has been cancelled and returned to him.

Place:
Date:

Signature of Pension Disbursing Authority
P.O./Bank/Treasury/ with full address…….
Full Address:

(Authority: Railway Board letter No. 2005/AC-II/21/4 dt. 4.8.05))

******* **********

ANNEXURE III

PROCEDURE FOR REVOCATION OF OPTION

(See para 1073)

1. **Revocation of option from Public Sector Bank to Post Office or to Treasury**.—When a Railway pensioner drawing his pension through a Public Sector Bank desires to revoke his option for the scheme and instead wishes to draw his pension through a Post Office or a Treasury, he should apply to this effect to the Paying Branch of the Public Sector Bank from where he is drawing his pension by giving a clear notice of three calendar months. The application should be submitted in triplicate in case the pensioner is drawing his pension from a branch of bank other than the link branch (in case he is drawing his pension from the link branch, the application should be in duplicate). The application should contain the following details:—

(a)	Name of the pensioner.
(b)	P.P.O. No.
(c)	Designation, Office and Railway at the time of retirement.
(d)	Present address.
(e)	Particulars of the Treasury/Post Office from where payment is desired in future.
(f)	Pensioner's Savings Bank Account No.

2. On receipt of the application from the pensioner, the Paying Branch will arrange to send the disburser's half of the P.P.O., duly completed, as also two copies of the application to the link branch of the bank concerned retaining the third copy of the application as Office copy. The Paying Branch will ensure that the entries are made up-to-date not only in the disburser's half of the P.P.O. but also in the pensioner's half of the P.P.O., the latter being retained by the pensioner. The link branch will make necessary entries in the register maintained by it and forward the disburser's half of the P.P.O. alongwith a copy of the application to the Director of Accounts (Postal) concerned or the Accountant General, as the case may be. At the time of transferring the payment of pensions from the Bank, a specific Certificate to the effect that the entries recorded in the disburser's half & the pensioners half of the pension payment order had been verified with the relevant entries, in the Bank A/c. of the pensioner and that there are no omissions in the entries made in the two halves of the Pension Payment Orders.

3. The link branch should also send an intimation about the transfer of documents to the designated F.A. & C.A.O. concerned.

PROCEDURE IN THE OFFICE OF THE DIRECTOR OF ACCOUNTS (POSTAL) (IN CASE OF OPTION FOR POST OFFICE)

On receipt of the documents from the link branch of the public sector bank, the Director of Accounts (Postal) will endorse the disburser's half of the P.P.O. and send the same alongwith the other documents to the Head Post Office concerned for onward transmission to the particular Post Office from where the pensioner wishes to draw his pension under advice to the F.A. & C.A.O. concerned. The procedure to be followed in this respect will be on the same lines as is already prevalent in respect of the Scheme for payment of pension to Railway pensioners from Post Office.

PROCEDURE TO BE FOLLOWED BY THE OFFICER OF THE ACCOUNTANT GENERAL CONCERNED IN RESPECT OF OPTION FOR PAYMENT THROUGH TREASURY

On receipt of the documents from the link branch of the public sector bank concerned the Accountant General will forward the P.P.O. to the Treasury Officer concerned authorizing payment of pension, simultaneously sending an intimation to this effect to the F.A. & C.A.O. under whose

jurisdiction the Treasury falls. An intimation to the effect that the documents are being forwarded to the Treasury Officer may also be sent to the pensioner.

Thereafter, the procedure to be followed by the Treasury Officer will be on the same lines as is being followed in respect of pension to Railway pensioners at the Treasuries.

PROCEDURE FOR REVOCATION OF OPTION FROM POST OFFICE TO PUBLIC SECTOR BANK

When a pensioner, who is drawing his pension through a Post Office, desires to revoke his option in favour of a public sector bank, he should apply to this effect to the Post Master concerned by giving a clear notice of three calendar months; the application should be submitted in triplicate in case the pension account stands at a Sub-Post Office and in duplicate if the account stands at the Head Post Office.

The application should contain the following details.—

(a)	Name of the pensioner
(b)	P.P.O. No.
(c)	Office from where he retired
(d)	Post held before retirement
(e)	Amount of pension
(f)	Name of the Post Office from which the pension is being drawn
(g)	Savings Bank (Pension Account) No.
(h)	Name of the Public Sector Bank with full particulars from where he wishes to draw his pension in future.

When a pensioner is drawing pension from a Sub-Post Office, the Sub-Post Master will forward two copies of the pensioner's application alongwith the disburser's half of the P.P.O. as also the Savings Bank Account (Pension Account) Pass Book, duly completed, to the Head Post Office concerned, keeping the third copy of the application as office record. A suitable note will be made in the Pension Account in the ledger about the revocation of option and the month from which it has to take effect under the dated signature of the Sub-Post Master. The Head Post Master, on receipt of the application of revocation in duplicate, from a pensioner drawing his pension from his office or from the Sub-Post Office, as the case may be will make necessary entries regarding revocation in the ledger maintained at his end, under his clear signature and date.

That Head Post Master will thereafter send the disburser's half of the P.P.O. alongwith a copy of the application of the Pensioner to the Director of Accounts (Postal) after making suitable remarks of transfer in the register of P.P.O.'s against the relevant entry.

No further amount of pension will be credited in the pensioner's account by Sub-Post Master/ Head Post Master after the transfer of documents to the Director of Accounts (Postal)/Head Post Office respectively. After the transfer of the disburser's half of the P.P.O., the pensioner will be advised the date of transfer of documents by the Sub-Post Master/Head Post Master. He will also be advised to close the accounts. (The pensioner's half of the P.P.O. should also be completed by the Sub-Post Master/Head Post Master concerned, as the case may be and handed over back to the pensioner on receipt of the application seeking for revocation of option from the pensioner).

On receipt of documents from Post Master, the Director of Accounts (Postal) will take necessary action at his end and send the disburser's half of the Pension Payment Order duly endorsed alongwith a copy of the pensioner's application under a forwarding letter bearing his special seal to the nominated F.A. & C.A.O. of the Railway for onward

transmission to the Link Branch of the Public Sector Bank concerned advising the F.A. & C.A.O. of the concerned Railway.

Thereafter the procedure to be followed by the Link Branch of the Public Sector Bank will be the same as in the case with the payment of pension to Railway Pensioners under the Scheme.

PROCEDURE FOR REVOCATION OF OPTION FROM POST OFFICE TO TREASURY

On receipt of the documents from Post Master, the Director of Accounts (Postal) will take necessary action at his end and send the disburser's half of the PPO duly endorsed alongwith the copy of the pensioners application under a forwarding letter under registered post to the nominated FA & CAO of the Railway for onward transmission to the link branch of the Public Sector Bank concerned advising the FA & CAO of the concerned Railways.

The application should contain the following details.—

(a) Name of the pensioner
(b) P.P.O. No.
(c) Office from where he retired
(d) Post held before retirement
(e) Amount of pension
(f) Name of the Post Office from which the pension is being drawn
(g) Savings Bank (Pension Account) No.
(h) Name of the Public Sector Bank with full particulars from where he wishes to draw his pension in future.

2. When a pensioner is drawing pension from a Sub-Post Office, the Sub-Post Master will forward two copies of the pensioner's application alongwith disburser's half of the P.P.O. as also the Savings Bank Account (Pension Account) Pass Book, duly completed, to the Head Post Office concerned, keeping the third copy of the application as office record. A suitable note will be made in the Pension Account in the ledger about the revocation of option and the month from which it has to take effect under the dated signature of the Sub-Post Master. The Head Post Master, on receipt of the application of revocation in duplicate from a pensioner drawing his pension from Ms office or from the Sub-Post Office, as the case may be. will make necessary entries regarding revocation, in the ledger card maintained at his end. under his clear signature and date.

3. That Head Post Master will thereafter, send both the halves of the P.P.O. alongwith a copy of the application of the pensioner, to the Director of Accounts (Postal) after making suitable remarks of transfer in the register of P.P.O's against the relevant entry.

4. No further amount of pension will be credited in the pensioner's Account by the Sub-Post Master/Head Post Master after the transfer of documents to the Head Post Office and Director of Accounts (Postal) respectively. After the transfer of the P.P.O's, the pensioners will be advised the date of transfer of documents by the Sub-Post Master/Head Post Master. He will also be advised to close the account.

5. On receipt of documents from Post Master, the Director of Accounts (Postal) will take necessary action at his end and send both the halves of the P.P.O. duly endorsed alongwith the copy of the pensioner's application under a forwarding letter bearing his special seal to the F.A. & C.A.O. concerned.

6. Thereafter, the procedure to be followed by F.A. & (T.A.O. will be on the same lines as is being followed in respect of pension to Railway pensioners al Treasuries.

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CHAPTER XI

BILLS

Introductory. 1101. Bills Payable, 1102. Registration of Bills, 1104. Accounts Enfacement on Bills, 1106. Abstracts of Bills passed. 1107. Abstract of Allocation, 1108. Statement of unchecked Bills, 1110. Issue of Cheques. 1111. Cheque Books, 1113. Specimen Signatures, 1115. Writing of Cheques, 1116. Crossing of Cheques, 1118. Receipt of Cheques, 1119. Cancellation of Cheques, 1123. Duplicate Cheques. 1125. Date of Payment by Cheque, Demand Draft, Money Order, Postal Order. 1126. Government Drafts, 1127. Authorization for Payments, 1132. Daily Cash Outgo, 1137. Bills Recoverable, 1138. Bills Recoverable Register. 1139. Review of the Registers of Bills Recoverable, 1140. Realisation of Bills Recoverable, 1141.

CHAPTER XI

BILLS

1101. **Introductory. –** The document through which a claim is preferred is referred to as a 'Bill' in this Code. Bills which are payable by the Railway are referred to as 'Bills Payable' and those which are recoverable from other parties as 'Bills Recoverable'.

1102. **Bills Payable. –** There are bills which are to be settled by actual payment of cash and bills which do not involve any payment or receipt of cash but are only to be adjusted in the accounts.

1103. All bills which are to be settled by payment in cash are to be registered on receipt in the Accounts Office and subjected to the required checks. Thereafter abstracts of the bills are to be prepared based on which cheques are drawn and payment arranged through the Pay Department. This process is further explained in the following paragraphs.

1104. **Registration of Bills to be settled by Cash Payment. –** All bills which are to be settled by cash payment should be entered in a register of Bills (A. 1104) and should be numbered in consecutive order and the date of receipt should be entered upon them. The number thus allotted to each bill will be referred to as the Accounts Bill Number or briefly as "AB No. or CO-6 No.". The bills should then be sent to the section concerned for check. After a bill has been checked, the amount for which it has been passed in internal check will be entered in the appropriate column of the Register (A. 1104) provided for the purpose. The register will be so maintained that the particulars of all bills received during each month are shown distinctly.

Form A. 1104

1105. Bills received from other Railways and other Ministries of the Central Government or the State Governments which are not payable in cash but are adjusted in accounts (see Chapter IV) should not be entered in the Register of Bills (A. 1104) but should be recorded separately.

1106. **Accounts Enfacement on Bills (for Bills to be settled in cash). –** All bills entered in the Register of Bills (A. 1104) should be passed on to the sections of the Accounts Office concerned for internal check. On the completion of the internal check (or before detailed check in the case of bills dealt with under the post-check system vide rules in para 813 & 814) every bill should be enfaced showing the amount for which the claim has been admitted by the Accounts Officer, the total amount deducted and the net amount payable The accounts office enfacement on bills should be in Form A. 1106.The head of account to which the total amount of the claim admitted is chargeable and the

head of account to which deductions are creditable should be shown on or near the enfacement.

Note. - (1) In the case of bills on which payments have to be made through another Accounts Officer (Cf. Paragraph 1132) the words "Not to be included in A. 1107" should be distinctly written above the Enfacement.

(2) The Accounts Office enfacement (Form A. 1106) should be signed by the concerned Accounts Officer. When, however, there is only one Accounts Officer attached to an office (e.g., Divisional Accounts Office or Workshop Accounts Office) and the Officer is away from the station on tour or is on leave or absent from office for unavoidable reasons, the enfacement may be signed by the Section Officer (Accounts) attached to the Section of that office.

Form A. 1106

1107. **Abstracts of Bills Passed. –** The bills passed by the Accounts Officer for payment in cash or by cheque should be posted into the Abstract of Bills Passed (A. 1107). The object of this abstract is (i) to reduce to the extent possible the number of cheques to be drawn each day and (ii) to present the various bills passed by an Accounts Officer in a condensed form to the Officer who has to sign the cheques. The entries in the Abstracts of Bills Passed (A. 1107) should be sufficiently full and clear to obviate a reference to the vouchers. The Abstract of Bills Passed will thus give the particulars of each bill, the amounts passed, the amount recoverable and the net amount to be paid. It should show the name of the Bank on which the cheque is to be drawn, details of the payee and the allocation of the charges.

The Abstract should be checked with the connected bills and signed by the Accounts Officer. As a safeguard against the inclusion of a bill in more than one Abstract, the enfacement on a bill included in an Abstract should be crossed off by the Accounts Officer signing the Abstract. The Abstract of Bills Passed (A. 1107) should be forwarded to the section preparing cheques. The numbers of the Abstract of Bills Passed (A.1107) should be quoted in all records in which the Abstracts are referred to. The Abstract of each week, fortnight or month should, after their return from the Cashier be bound together and carefully preserved so as to form a record of bills passed for payment. This record should be treated as a subsidiary book to the Daily Abstract of Cash Transactions (A. 304).

Note. – The Abstract may be signed by Section Officer (Accounts) in the circumstances in which they are permitted to sign bills, vide para 1106 but all such Abstracts must be countersigned by the Accounts Officer on his return to duty.

Form A. 1107

1108. **Abstract of Allocation. –** The allocation (debits and credits) entered on the Accounts Enfacement (A. 1106) on bills passed for payment should be abstracted in an Abstract of Allocation, Form A. 1108. A separate Abstract of Allocation should be prepared for each Form A. 1107.

1109. The totals of the several Abstracts of allocation (A. 1108) compiled in a day should be consolidated into one Form A. 1109. From this Consolidated Daily Abstract (A. 1109) which should be totalled at the end of the day, the Daily Abstract of Cash Transactions (A. 304) will be posted. The object of the Daily Abstract of Allocation (A. 1109) is to reduce to a minimum the postings in the Daily Abstract of Cash Transaction (A. 304).

Form A. 1108/Form A. 1109

ABSTRACT OF ALLOCATION/CONSOLIDATED DAILY ABSTRACT

No. of Accounts Bills Form A.1107	Heads of Accounts	Total
Debits Total Debits Credits Total Credits		Rs. P

1110 Statement of Unchecked Bills. – It is essential that all claims against the Railway should be promptly checked and passed for payment. With a view to ensure that no delays occur in checking and passing bills for payment without the knowledge of the Accounts Officer, a Statement (A. 1110) should be prepared from the Register of Bills (A. 1104) on the 11th, 21st and the last day of each month, of bills received upto the 1st, 11th and 21st respectively, but not passed upto the date of the preparation of the statement. A separate statement should be compiled for each section of the office in which the bills have been received for internal check. On these statements (A. 1110) the sections responsible for internal check should offer reasons for the delay in passing the bills and submit them to the Officer-in-charge of these sections for scrutiny and remarks where necessary. They should then be submitted to the Divisional Accounts Officer or to the Deputy Chief Accounts Officer in a centralised Accounts Office.

Form A. 1110

STATEMENT OF UNCHECKED BILLS

Account Bill No.	By whom rendered	Brief particulars	Amount Rs. P	Remarks of Section concerned	Accounts Officer's Remarks

1111 Issue of Cheques:

All payments will normally by arranged by the Accounts Officer in cash (through pay office) or by cheques (through Cheque Disbursement cell) in accordance with the detailed rules laid down in Chapter XIX. Cheques are drawn on the Reserve Bank of India, or a Bank functioning as the agent of the Reserve Bank, or a Government Treasury by Accounts Officers authorized in this behalf by the Financial Adviser and Chief Accounts Officer or an Accounts Officer in independent charge of a project. Funds required for payment in cash will be obtained by cheques drawn in favour of the Cashier, while other payment will be made by cheques drawn in favour of the payees/bank disbursing the payment on behalf of railways concerned. Cheques should be prepared in accordance with the details furnished on the Abstract of Bills Passed (A. 1107 third page). The cheques should be classified bank-wise in the Form A.1111, Requisition for cheques, and this form together with the Abstracts …… (A. 1107) should be submitted to the Officer authorized to sign cheques. The Officer should satisfy himself that the cheques have been correctly drawn in all respects and should check the correctness of the entries in the Requisition for Cheques (A. 1111) which is used as a voucher for posting the General Cash Book (A. 304). He should cross off the enfacements on the Abstract of Bills (A. 1107) or otherwise cancel them by rubber stamp to ensure that cheques are not prepared more than once for the same Abstracts.

The Accounts officer should thereafter segregate the payments into four categories viz a) NEFT b) ECS/NECS c) Third party cheque and d) Cash. The Bills for NEFT/ECS/ NECS and third party cheques shall be dealt by Accounts Officer under Disbursement cell of Books section. Only those bills where the payment in cash is required to be made should be sent to Pay office.

Form A. 1111

1112. All cheques should have the name of the Railway printed on the top in bold letters so as to enable the Banks and Treasuries to classify the payments correctly against the account of the Railway concerned.

1113. **Cheque Books. –** A separate cheque book should be used for each bank, head treasury or sub-treasury and the Accounts Officer should notify to the treasury or the bank upon which he draws, the number of the cheque book which from time to time he brings into use and the number of cheques it contains. Cheque Books must be kept under lock and key in the personal custody of the Accounts Officer, who when relieved, shall take a receipt for the correct number of cheques made over to the relieving officer. The loss of a cheque book or blank cheque form should be notify promptly to the Bank or to the Treasury Officers with whom the Accounts Officer concerned has an authorised drawing account (see para 1115).

1114. An account of the cheque books in stock should be kept in a manuscript register and on each occasion a cheque book is issued or brought into use the manuscript register should be duly posted and got initialed by the Accounts Officer.

The number of cheques contained in the Cheque Book should be counted and a certificate recorded on the cover of the Cheque Book.

1115. **Supply of Specimen Signatures to Banks and Treasuries. –** The specimen signature of all officers who are authorised by the Financial Adviser and Chief Accounts Officer to sign cheques should be supplied to all banks and treasuries with which such officers are in account. When an Officer authorised to sign cheques is relieved of that duty, the fact should be intimated to all such banks and treasuries. (The term treasuries has been defined in para 1905).

1116. **Writing of Cheques. –** Each cheque should have a cross entry at right angles to the type indicating a sum, a little in excess of that for which they are granted, thus "under thirty rupees" will mean that the cheque is for a sum not less than Rs. 20 but less than Rs. 30 and similarly "under eight hundred rupees" will mean that it is for less than Rs. 800 but not less than Rs. 700. The cross entry is not necessary if the amount in words in the cheque is typed/perforated by a special cheque writing machine. No abbreviations such as "eleven hundred" for one thousand one hundred" should be used. The amount should be written in words as well as in figures. In case the amount involved is in rupees only and there are no paise, the word "only" should be inserted after the number of whole rupees as in the following examples and care should be taken to leave no space for interpolation :-

"Rupees twenty-six only"
"Rupees twenty-five and paise fifty"

Note. – (1) All cheques should be written and signed in indelible ink only.

(2) In drawing or cashing a cheque, it should be remembered that a common form of fraud consists in altering the word into four by prefixing an 'f' and changing the 'e' into an 'r', the figure being easily altered to correspond. The word twenty, if written carelessly, has also sometimes been changed into seventy. The drawer of a cheque in which these words occur should, therefore, so write as to make such a fraud impossible.

1117 No erasure or overwriting should be made in a cheque. – If any alteration is necessary, the incorrect entry should be cancelled neatly in red ink and the correct entry inserted. Each such alteration should be attested by the Accounts Officer under his dated signature.

1118 Crossing of Cheques. – (a) Cheques drawn in favour of Government officers and departments in settlement of Government dues should always be crossed 'A/c payee only-not negotiable."

(b) In the absence of a specific request to the contrary from the payee cheques drawn in favour of corporate bodies, firms or private persons should always be crossed. Subject to any instructions received from the payee, a cheque should be crossed "…… & Co." with the addition of the words "Not negotiable" between the crossing. Were the payee is believed to have a banking account, further precautions should be adopted, where possible, by crossing the cheque "specially" (instead of by the "general" crossing ……..……. & Co.") by quoting the name of the bank through which the payee will receive payment and by adding the words "A/c

payee only Not negotiable". These instructions regarding the method of crossing of cheques are applicable in all cases where the use of crossed cheques is prescribed. (c) The instructions in this para graph apply mutates mutandis to Indian Postal Orders issued for remittance of money on Government account.

1119. Cheques received in settlement of Railway dues. – When an Accounts Officer receives a cheque and sends it to a Bank not for cash payment, but for credit of its amount in the Bank accounts he must before endorsing the same, add the words "Received payment by transfer credit to ……" Omission to do this facilitates fraudulent appropriation of money.

1120. Ordinarily a cheque payable to order is not cashed by the Bank unless it is receipted by the payee himself or other person in whose favour it is regularly endorsed for payment. In special cases, when the head of an office is unable himself to receive the cheques payable to his orders, owing to his being absent on tour or for other causes and when he considers that strict compliance with the ordinary rule would cause inconvenience, he may specially authorise in writing an Office subordinate to him to endorse for him cheques drawn in his favour by his official designation.

1121. Every cheque in favour of a Government Officer must be made payable to 'order' only; but when the payee is not in Government employ, the drawer may at the specific request in writing of the payee, make the cheque payable to 'bearer'.

1. 1122:

All cheques issued by the Accounts Office should be sent to the Cheque Disbursement cell (in books section) along with the connected bills, Abstracts of bills (A. 1107) and Requisition for cheques (A. 1111) for arranging, payment. Before passing on the bills to the Cashier for arranging payment, columns 8 to 10 of the Bills Register (A. 1104) should be posted. After making the necessary entries in the Cash Book (A. 1941) the Cashier will return the Abstracts of Bills and Requisition for Cheques to the Accounts Office for record.

1122 a) Accounts office (Cheque Disbursement Cell) should generate Cheque Abstract and cheques for arranging payment through NEFT/ECS/Third party cheques/Cash based on CO-7s confirmed by concerned Bill passing sections. Cheque cell should send Cheque Abstract Report of the day indicating Cheque numbers and Cheque Abstract wise Total amount payable for the day along with all the cheques and connected Bills, CO-7s duly stamped as “Cheque issued” and Cheque Abstracts to Cheque Disbursement Cell along with the NEFT cheques for onward submission to RBI/SBI for arranging payment in Beneficiary’s Account. Cheque cell should maintain records for Cheque Abstracts received from Disbursement cell duly acknowledged and will also maintain section wise details for Net amount payable as per Disbursement Cash Book and Disbursement Report of a Day received from Disbursement cell for verification by Bill passing sections.

1122 b) Accounts Office (Disbursement Cell) should generate Disbursement Cell Number (DCN) for each Co-6 Bill through system and make manual Entry of Disbursement Number, Date and amount on each bill with Red Ink. Cheque Disbursement cell should also generate Disbursement Cash Book and Disbursement Report of a Day from system listing out the Disbursement Cell Number given to each bill, section code and Name, Co-6 No., Amount of each Bill, Co-7 No. and Total amount of payment disbursed in a Day and reconcile the Total Amount disbursed as per Disbursement Report of the day with the Cheque Abstract Report of the Day and Cheques & Bills figures accounted for in the Receipt & Payment of the Day. Cheque Disbursement cell should disburse the NEFT/ECS/NECS cheques along with encrypted file to Bank and Third party cheques through Postal agency. Cashier’s Cheques for cash payments should be sent to Pay office for arranging Cash Payments. Cheque Disbursement cell should maintain the Register to record of number of cheques disbursed in a Day and reconcile with the Cheque Abstract Report of the Day received from Cheque cell. Disbursement cell should directly send the Disbursement Report of a Day in duplicate along with NEFT/ECS/Third party cheques connected Bills, Co-7 to Post Audit Cell. Post Audit cell should return one copy duly acknowledged to Cheque Disbursement cell. Cheque Disbursement cell should send Disbursement Cash Book in duplicate along with Cheque abstracts to Cheque cell. Cheque cell should return one copy duly acknowledged to Cheque Disbursement Cell.

For arranging Cash Payments by Pay office, Cheque Disbursement cell should send Cashier’s Cheques along with the connected Bills and the Cashier’s Cheque Disbursement Report (generated from system) in duplicate to Pay Office. Cashier’s Cheque Disbursement Report of the Day should list out the details of cheque number, cheque date, amount, Disbursement cell Number given to each bill, section code & Name of the section, Co-6, No., Amount of each bill, Co-7 No., name of beneficiary to pay office.

The data sent to Bank along with cheques for arranging payment to Beneficiary's Account should be reconciled with the data received from RBI/designated bank giving status of each Transaction. Cheque Disbursement cell should indicate Returned Transactions based on Bank transaction report received from cheque cell section responsible for issuing cheques fortnightly in the Disbursement Cash Book of the Month and send to Post Audit cell.

1122 c) Disbursement of Cash Payments through Pay Office - Pay office should acknowledge receipt of Cashier's Cheque Disbursement Report of the day and connected bills, and return one copy of Cheque Disbursement Report of the Day to Cheque Disbursement cell of Accounts office. For Accountal of Bills in Pay office, generation of relevant documents and accordance of Acquittance for cash payments, procedure as per para 1945 A to para 1963-A should be followed.

1122 d) Accounts office Post Audit cell should maintain records of Disbursement Report of a Day and NEFT/ ECS/ Third party cheques connected Bills, Co-7s received from Cheque Disbursement cell daily and Paid /Unpaid Bills received from Pay office after stipulated period of one month. Post Audit cell should reconcile the receipt of Bills from Cheque Disbursement cell and Pay office with the Disbursement Report of the Day/ month received from Cheque Disbursement cell. Post Audit cell should distribute Bills received from Cheque Disbursement cell and Pay office to the concerned Bill Passing section for accordance of Final Acquittance Certificate to Post Audit cell of Books section for these Bills. Post Audit cell should accord Final Acquittance Certificate to Pay Office for Cash payments.

1122 e) Bill Passing sections - should exercise check of Paid vouchers / Bills as per para 817- A & 818 – A and accord Final Acquittance Certificate to Cheque Disbursement cell.

1123. Cancellation of Cheques. – Cheques are ordinarily valid for a period of three months after the month of issue; thus a cheque bearing any date in January is payable upto 30th April. Should the currency of a cheque expire owing

to its not being presented within three months after the month of its issue, it may be returned to the drawer who will destroy it himself and draw a new cheque in lieu thereof. The fact of the destruction and the number and the number and date of the new cheque should be recorded on the counterfoil of the old cheque, and the number and date of the old cheque that is destroyed should be recorded on the counterfoil of the new one. The fact of the new cheque having been issued should be entered on the date of issue in red ink parenthetically in the cash book, but not in the column for payment. A note should also be made against the original entry in the cash book.

1124. When it necessary to cancel a cheque, the cancelment should be recorded on the counterfoil, and the cheque, if in the drawer's possession, should be destroyed. If not in his possession, he should promptly request the Bank to stop payment of the cheque and on ascertaining that payment has been stopped, he should write back the entry in his

cash book by exhibiting the amount of the cheque on the receipt side as "Refunds of Expenditure". A counter-reference must be given in the cash book, against the original, to the second entry of the cheque. When the amount is thus adjusted, it will be deducted from the amount credited to the head, "Cheques and Bills" for cheques of railway department officers.

1125. Duplicate Cheques. – On receipt of a request for a fresh cheque in lieu of a cheque reported to have been lost, the drawing officer should send an intimation by Registered Post Acknowledgement Due to the Bank regarding the alleged loss of the cheque and advise it to stop payment if the same cheque is presented thereafter. A written confirmation about the Bank having recorded the 'Stop Order' should also be obtained from it. However, in cases where the currency of the cheque alleged to have been lost has already expired at the when the request for recording the 'Stop Order' by the Bank is made, no acknowledgement of the 'Stop Order' by the Bank other than a postal acknowledgement due, is necessary.

The party requesting for a fresh-cheque in lieu of a lost one should execute an Indemnity Bond in Form (A. 1125). However, in the case of a Government Department or a Bank, the execution of the Indemnity Bond is not necessary but a fresh cheque should be issued in its favour only on receipt of a certificate stating that it has not received the cheque alleged to have been lost or having received it, it has been lost and that it will be returned to the drawer if found later.

On completion of the above enquiries the Accounts Office, may issue a fresh cheque in lieu of the lost one after verifying it from the list of cheques paid received from the Banks in terms of para 432.

As a measure of additional precaution, particulars of Railway cheques relating to such of the debit scrolls as have been wrongly sent by the Reserve Bank to a Railway and have not been withdrawn in the same month's account should be advised by that Railway to the issuing Railway which should keep a note of such cheques in the details of balance under 'Cheques and Bills' and this list should also be consulted before issuing any duplicate cheque.

Form A. 1125

1126. Date of payment by Cheque. Demand Draft, Money Order or Postal Order etc. – If a payment is made by cheque and the cheque is honoured or presentation the payment shall be deemed to be made on the date the cheque is handed over to the payee or the person authorised to give a legal acquittance on his behalf. If the payment is not made in person but by post, the payment shall be deemed to be made on the date of despatch of cheque, money order or postal order etc., if payment by post is made at the request of the payee, otherwise on the date the cheque, money order or postal order etc. is received by the payee.

Provided that where a cheque is marked as not payable before a certain date, the payment shall not be deemed to have been made until the date on which it becomes payable.

GOVERNMENT DRAFTS

1127 Government Drafts at par will be issued for remittance on behalf of the Railways and for other quasi public purposes set forth in paragraph 1130 below under the terms and conditions hereinafter specified. Government drafts will be issued for a minimum amount of Rs. 50.

1128. Two forms of Government drafts will be issued :-

(i) *Reserve Bank of India Government Drafts.* – To be drawn by or on places, where the Reserve Bank is represented by its Treasury Agencies/nationalized Banks, and drafts to be drawn by the Reserve Bank on its own offices and branches of the State Bank of India/ nationalized banks; and

(ii) *State Bank of India Government Drafts.* – To be drawn by the State Bank of India on its own offices and branches. In either case, the drafts will be superscribed "on Government account only".

1129 The officer requiring the draft shall tender with the money a formal application in , which may be obtained from the bank. He shall certify on the application that the draft is wanted for *bona fide* public purpose and described the object of the remittance.

1130 (1) The issue of Government drafts at par is authorised in the following types of cases:–

(a) all cases where payment have to be made by bank drafts either under the provisions of any law, or other legal or contractual obligations;

(b) Payment towards pay and allowances and other personal entitlements of outstation establishments, and contingencies etc., relating to outstation offices where it is not possible to resort to the procedure prescribed under the provisions of the following paras 1132 to 1136. (Bank drafts required in favour of disbursing officers of outstation offices to enable them to make disbursements of pay and allowances and other personal entitlements of staff, office contingencies etc., in cash in exceptional circumstances will be drawn in favour of the Disbursing Officer by designation and bear the superscription 'not transferable' and the work "ONLY" should be added after the designation of the payee.

(c) Public Sector Undertakings and Corporations (other than local bodies) set up by Government should open bank accounts at the station where the Pay and Accounts Office concerned is located in order to facilitate payments to them by crossed, negotiable cheques only. Wherever this is not possible, payments may be arranged by crossed demand draft(s);

(d) Payments to semi-Government / private institutions /private companies/individual etc., not covered under (a) to (c) above and located at outstations by crossed bank drafts.

1131. A draft on Government account is not transferable and is only payable to: -

(a) the payee or his lawful agent on identification; or

(b) the payee's banker who should certify that the amount has been placed to the payee's credit; or

(c) a person holding a letter of authority from the payee, whose signature must be known to the Bank, and if the letter directs the Bank to pay the money to a certain named person, that person must be identified to the Bank before payment can be made to him. Before presentation for encashment, the draft must be receipted on the back by a person entitled to give a legal acquittance.

AUTHORISATION FOR PAYMENTS

1132 An Accounts officer may, if necessary or expedient arrange to discharge a bill or liability which has been duly checked in the Accounts Office through another Accounts Officer. In such a case, an authority for payment should be issued in favour of the Account Officer who is required to arrange the payment.

Note: However, in case where payee requests for crediting of payments due to him in his bank account, the accounts officer shall arrange to credit the amount payable to the bank account of the payee directly.

This will take effect from 1.12.07

(Authority: Railway Board's letter no.2004/AC-II/21/15 dated 12.11. 2007)—acs no.28

1133 The above authority for payment may be issued in the form of a letter, telegram, or enfacement on vouchers, and it should be signed by an officer who has been duly empowered by the head of the office in this respect.

1134 The authority for payment issued to another Accounts Officer should be sealed with a special seal except when such authority is issued telegraphically (the confirmation copy of the telegram should be duly sealed (Also see para 1136). The

special seal should remain in the custody of the officer authorised to sign the payment authorities. Specimen impressions of the seal and also specimen signatures of the officers authorised to sign the payment authorities should be furnished to all other Accounts Officers, who should also be advised of any change in the seal or of officers as and when they occur.

Note. – The Specimen of signature of Officers and of the seal when forwarded on a sheet of paper other than the forwarding letter itself, should be attested by the Officer signing the forwarding letter.

1135 The arrangement prescribed in the above paragraph should be observed not only between Railway Accounts Offices but also with Offices of the Accountants General (Civil) and Post & Telegraph, etc. These, arrangement do not, however, apply to transactions with the Defence Accounts Department.

1136 Before arranging payment on the basis of authority for payments received from another Accounts Officer, the Section Officer (Accounts) should satisfy himself by comparison with the specimen signature on record that the signature on it is genuine. In the case of payment authority received by telegram, payment should not be authorised until the post copy of the telegram is received. In case of special urgency, it should be specially brought to the notice of the Accounts officer for orders.

1137 **Daily Cash Outgo. –** For the purpose of maintaining a concurrent record of the cash outgo, the net amount of bills passed for payment and entered in the Abstract of Bills (A.1107) should be posted daily in a manuscript register Form A. 1137 classified by subheads of Demands. The running totals of the Cash Outgo by sub-heads of Demands should be intimated by the Accounts Officer to the Financial Adviser and Chief Accounts Officer daily or weekly as may be prescribed.

Form A. 1137

Date ……

Form A. 1107 No.	Net amount payable	Allocation by sub-heads of Demands for Grants	Total
Total for the day			

BILLS RECOVERABLE

1138 Bill Form. – All dues of the Railway should, as a rule, be realized by issue of Bills in Form A. 1138.

Form A. 1138/E. 1463

BILL FOR

To

……..
Name of the party

Dear Sir,

Subject.……

Reference. – Agreement dated ……

The following amount has become due to be paid to the Railway: -

Particular of the claims	Amount	Previous dues if any	Total

shown in column 4 by cash/cheque/Bank draft to the Chief Cashier/Divisional Cashier …… on or before …….. under advice to this office failing which interest @ …….% will be charged on the outstanding balance. The amount is creditable to the Head of Account ……..

Please acknowledge receipt.

Yours faithfully,

Errors & Omissions Excepted **Excepted Accounts Officer ……...**

Designation ……

Copy forwarded to ……..….. (Executive Officer) for information and necessary action.

1139. Bills Recoverable Register. – All dues recoverable from the parties on account of service rendered, material supplied or for any other purpose should be entered in the Register of Bills Recoverable (A. 1139). A separate page should be set apart for each party and the opening entries should be made from the agreement, Register of Works etc. under the initials of the Accounts officer. The bills should be accurately prepared, issued regularly in time and numbered in consecutive order. As the bills are realized, suitable remarks in the appropriate columns of the register should be recorded. At the close of the year, the outstanding balance of amounts due from each party should be carried forward into the new register. Any change in respect of the terms and conditions of the claim should be made in the register under the initials of the Accounts Officer.

Form A. 1139/E. 1464

REGISTER OF BILLS RECOVERABLE

1. Name of the party …….
2. Particulars of the charges ……..

3. Reference to Agreement etc. ……

4. Amount Recoverable ……

5. Period viz. Monthly, Quarterly, Half-yearly, Annually ……

6. Due date of payment …….

7. Accounts Officer (Initials) ……

No. and date of bill	Amount	Period	Date of realisation	Particulars of remittance	Outstanding dues	Remarks
1	2	3	4	5	6	7

1140. Review. – The Bills Recoverable Register should be reviewed monthly with a view to see that the bills have been correctly issued to all parties in time and necessary action is taken towards the realisation of the outstanding bills. At the close of the month, a summary of the outstanding bills should be prepared and put up to the Accounts Officer for review.

1141. Realisation of Bills Recoverable. – It will be the duty of Accounts Officer to see that the bills for services rendered, supplies made or for any purpose are correctly made out and promptly issued to the parties concerned. There should be no delay in preparing bills on mutually accepted basis or as per agreement. The due date of payment, mode of remittance and the penalty for delayed payment should be indicated on the bill. The realisation of the bills should be vigorously pursued with the parties and cases of delay in payment should be promptly brought to the notice of the executive officer concerned for expeditious action to recover the outstanding dues or to discontinue the service rendered to the party or such action as may be deemed necessary. The executive officers are responsible for rendering all possible assistance in securing promptly realisation of sums due to the railway. High value, old and disputed bills should be specially followed up through personal contact in order to avoid accumulation of the outstanding dues and possible loss due to waiver of the irrecoverable dues. The Accounts Officer should advise the Executive Head of the Office the position of the outstanding bills every month and also report the position every quarter to the Financial Adviser and Chief Accounts Officer.

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CHAPTER XII

CHECK OF ESTABLISHMENT CHARGES—GENERAL

Pay Bills.—Introductory, 1201. Method of Check, 1205. Extent of Check, 1206. Detailed Check, 1207. Check of Recoveries, 1208. Check of G. P. Fund Recoveries, 1209. Postal Life Insurance Recoveries, 1210. Other Recoveries, 1211. Travelling Allowance Bills, 1213. Sea and Air Journeys, 1215. Advances, 1217. Adjustment of Recoveries, 1218. Gratuity. Special Contribution to Provident Fund, 1219. Foreign Service Contributions, 1221. Broad Sheet of Recoveries, 1222.

Check of Expenditure of Statutory Audit Offices.—Payment and Checks, 1224. Audit of Expenditure of Statutory Audit, 1225. Check of Pension, 1226. Foreign Service, 1227. Maintenance of Provident fund Accounts, 1228. Advance to Staff, 1229. Certificate of Actual Expenditure. 1230.

Miscellaneous—Annual Return of Staff attaining the Age of Superannuation, 1231. Annual Income Tax Return. 1232. Furnishing of Income Tax Return to Staff, 1233. Computer Pay Roll.—Policy, 1234. Coding. 1235. Master Data, 1236. Changes,-1237. Other Statements, 1239. Pay Roll Mechanisation Cell, 1240. Responsibility of Bill Preparing Units, 1241. Computer Cell, 1242. Audit of Pay Rolls. 1243.

Form of **Pay Bills.**—Anncxure I. Form of Memorandum of Differences. Annexure II. Form of Statement of Increment, Annexure III. Form of Absentee Statement, Anncxure IV. Form of Last Pay Certificate Annexure V.

CHAPTER XII

CHECK OF ESTABLISHMENT CHARGES – GENERAL

1201. **Introductory** – Subject to the general instructions contained in Chapter VIII and detailed instructions in the next two chapters, the following rules should be applied in the internal check of claims for establishment charges.

1202. The internal check of establishment claims should be conducted with reference to the Indian Railway Codes, other authorized rules and regulations and the extant orders and sanctions.

1203. In the disposal of establishment claims, quickness is as important as accuracy, as delays in personal matters cause inconvenience to the staff concerned.

1204. **Check against Sanctions and Funds** – Expenditure on pay and allowances and other establishment matters should, like any other kind of expenditure, be covered by the sanction of the competent authority and be within the sanctioned budget provision. In the internal check relating to pay and allowances, it should also be seen that the charges are incurred against sanctioned posts.

A. PAY BILLS

1205. **Method of Check**. – The internal check of pay and allowances charged through pay bills (Annexure I) should be conducted on the basis of the information given in the Memorandum of Differences (Annexure II) and the List of Absentees (Annexure IV) which accompany the bills and in cases where forms (Annexure II) & (Annexure IV) are not submitted with the pay bills (vide note below) the check is to be made on the basis of the information given in the bills themselves.

Note. – (1) In regard to class IV staff, the submission of a 'Memorandum of Differences' (Annexure II)) may be dispensed with in consultation with the Accounts Officer, the necessary check being applied by the latter at his local inspections.

(2) Submission of 'Memorandum of Differences' (Annexure II)) in the case of Officers' Pay Bill is not necessary

1206. **Extent of Check.** – A complete check should be applied –

(a) to the details in the Memorandum of Differences (Annexure II)or to the corresponding entries in the pay bills themselves;

(b) in regard to the entries under the column "gross pay and allowances claimed" in the bills, to only those as are affected by the Memorandum of Differences, whether recorded in the Memorandum of Differences (Annexure II) or in the bills.

(c) To the entries in the other columns of the bills;

(d) To the admissibility of increments drawn with the Statement of Increments (Annexure III)

(e) To all calculations and totals.

1207. **Detailed Check.** – The detailed check should be carried out with reference to the following : -

(1) *For new posts* – Sanction to the post. This should be communicated to the Accounts Officer by the sanctioning authority (cf. Paragraph 804)

(2) *For first appointment to Railway Service –*

(a) Order of appointment.

(b) ı certificate as required by rule (or a certificate from the departmental officer to the effect that a health certificate has been obtained).

(c) Report of the date of birth, duly supported by authentic records, if required under the rules (or a certificate from the departmental officer about the date of birth).

(3) *For transfer –*

(a) Last-pay certificate.

(b) Reports of dates of giving and taking over charge.

(4) *In case of leave –*

(a) Sanction to the leave, and statement of its nature and extent.

(b) Admissibility of the leave-salary claimed under the rules applicable to each case.

(5) In the case of promotion, increment or any new claim – Sanction of competent authority. This should be communicated by the sanctioning authority, vide paragraph 804. In the case of time scales of pay with efficiency bars at certain stages, the Accounts Officer should not pass pay at a rate above the stage at which an efficiency bar is fixed until he has received a declaration from the authority empowered to make the promotion that it has satisfied itself that the Railway/Government servant in question is fit to pass the efficiency bar.

(6) Admission to State Railway Provident Fund –

(a) Eligibility Certificate for joining the Fund.

(b) Nomination Form.

(7) Admission to Pensionary benefit –

(a) Eligibility Certificate.

(b) Option Form.

(c) Nomination Form.

1208. **Check of Recoveries**. – The Accounts Officer is responsible for seeing that all sums due to be recovered from the pay of a railway servant are correctly recovered. These recoveries include subscription to and repayment of advances from Provident

Fund, taxes on income, house rent, service charges on account of water, electricity etc., security deposits, Postal Life Insurance premia, Court attachment, repayment of advances etc.

Note. – The recoveries made from the staff in respect of the following advances, for which Suspense Accounts/ Registers are maintained for watching recoveries, may be subjected to detailed post check by the staff, the pre-check being limited only to ensuring the correctness of the totals of the relevant recovery list and entries made in the relevant column in the pay bills and also that the individual and total amounts of the list and the pay bills agree with each other : -

(i) Refund of advances from Provident Fund.
(ii) Repayment of advances and loans taken from the Government viz.

(a) Cycle Advance.
(b) Flood Advance.
(c) House Building Advance.
(d) Advance of pay and travelling allowance on transfer.
(e) Festival Advance.

(iii) Advance of leave salary while proceeding on leave.
(iv) Recoveries on account of rent of Railway quarters occupied by staff.

The missing credits should be taken up if recoveries are not made even in the succeeding month.

1209. **Check of General Provident Fund Recoveries**. – In the case of subscribers to the General Provident Fund, the rate of pay entered in the "Schedule of General Provident Fund deductions" attached to the pay bills for March paid in April, should be checked by the Section which passes the pay bill before the schedules are made over to the Fund Section.

1210. **Postal Life Insurance Recoveries**. – The Director Postal Life Insurance advises the Accounts Officer of the recoveries to be made from Railway servants on account of Postal Life Insurance Policies taken by them. Necessary deductions should be made from the pay bills of the staff concerned and the credits passed on to the Accounts Officer of the Director, Postal Life Insurance along with the detailed recovery list showing name of the employee, Policy number and the amount deducted etc. When a subscriber to the Postal Life Insurance Fund is transferred from the jurisdiction of one Accounts Officer to another, an intimation of the transfer should be sent to the Director, Postal Life Insurance, by the Accounts Officer concerned. The rate of recovery and policy number etc. should be indicated in the Last Pay Certificate of the employee to enable the Accounts Officer to watch the recovery.

1211. **Other Recoveries**. – Recoveries of the nature of School Medical fees and Institute subscriptions, recoveries. On behalf of cooperative Societies, Stores, etc. can be made from the pay of railway servants through the pay bills. Each pay bill in which such recoveries are made will be supported by statement giving details of such recoveries. The Accounts Office will not be responsible for the correctness of the entries in these statements but will check the entries in the statement with the corresponding entries in the

pay bills. The Accounts Office will be responsible for the payment of these recoveries to the persons to whom due.

1212. **Recoveries to be shown in Last-Pay Certificate**. – When an employee is transferred from one establishment to another, the various items recoverable from him should be recorded in the Last Pay Certificate (Annexure V) so that the necessary deductions may be made from his pay at the new office.

B. TRAVELLING & OTHER ALLOWANCES BILLS

1213. **Travelling Allowance Bills** – Travelling Allowance Bills will be accompanied by---

(a) "Journals" countersigned by the duly appointed Controlling Officer personally, except in cases where these are not required to be sent.
(b) Sanctions of competent authority to grants of special allowances. (These would as a rule, be sent to the Accounts Officer by the sanctioning authority).
(c) Certificates, in special cases, as required by rules.
(d) Authority for travelling beyond jurisdiction.
(e) Certificate of Steamer/Air Companies, for sea/air journeys (A. 1215).

1214. **Check of Travelling Allowance Bills**. – In checking Travelling Allowance Bills, it should be seen that the Journals, wherever these are required to be sent, have in every case been countersigned by the competent controlling officer. Countersignature does not dispense with the necessity for formal internal check with reference to rates and general conditions. Ordinarily, the countersignature by the proper authority, or the signature of the drawing officer, when a bill does not require countersignature should be accepted as final evidence that the facts of the journey on which the claim is based are correct and that the controlling or the drawing officer, as the case may be, has exercised the scrutiny entrusted to him under the rules. Occasionally, a test check should be exercised to see that these officers scrutinize the bills properly. In the case of Non-Gazetted Officers, apart from the test check of Travelling Allowance Bill with the pay bills at the time of periodical inspection, it should be seen in all cases that the pay sown in the Travelling Allowance Bill does not exceed the maximum pay of the grade of the post held and a post-check should be applied to the correctness of the pay shown in the Travelling Allowance Bill, the extent of 10 per cent of the item included in each Travelling Allowance Bill with reference to the regular pay bills. A proper record should be maintained of items of the Travelling Allowance Bills selected for post-check which should be reviewed by an Accounts Officer. When a Railway servant is entitled to draw actual expenses, they should, in the absence of orders to the contrary, be set forth in detail. Distance by road should when feasible, be compared with the local route book and railway fares, always, with the railway guide. When railway servants performing official duties have to make lengthy tours and it is not possible to check the distance billed for by

tables, route books or other official documents, the distances passed by the controlling officer may be taken as correct and his check accepted as sufficient.

1215. **Sea and Air Journeys.** – Every Officer who intends to perform a sea journey by deck in Indian waters should be furnished with a form as per specimen below and he should be asked to present it to the shipping agents at the port of embarkation for their signature when booking his passage. The form daily signed should be attached to the travelling allowance claim submitted to the Accounts Officer on completion of the journeys.

Similar forms should be obtained from Air Companies, for passage by air and produced with the claim for travelling allowance, when air passage is booked by the officer himself and not by the Railway.

Certificate to be furnished with 'Travelling Allowance Claims for Deck Passages arranged individually

Form A.1215

Certified that ……. (here enter the number) deck passages from …….. to …….. has/have been provided to …….. (here enter the name, etc. of the individual) per S.S. …….. (Name of vessel) sailing on …….. the cost paid in at Tariff rates being …….(amount).

……

Signature

1216. **Allowances other than Travelling Allowances.** – In the case of allowances other than travelling allowances admissible to railway servants under the rules, the signature or certificate of the responsible departmental officer is sufficient authority for the Accounts office to admit the propriety of the claim in each case, pending internal check with the initial documents (of paragraph 1416).

C. ADVANCES

1217. **Advances.** – Advances of pay and allowances made to railway servants under proper sanction must, like pay and allowances, be checked and the payment recorded in the relevant registers by the Accounts Office as well as by the Bill preparing Office. An advance of pay made on transfer to enable an officer to join his post should be debited to the suspense head "Miscellaneous Advances" in the books of the Accounts Officer in whose accounts circle he resumes duty. If the payment of such an advance is made by an Accounts Officer other than the one in whose accounts circle duty is resumed on transfer, the necessary debit should be raised against the Accounts Officer who will disburse the pay of the officer on resuming duty. All payments of Advances should be noted in the relevant registers and their subsequent recovery watched.

1218. **Adjustment of Recoveries**. – When any railway servant applies for leave or retirement or when he is approaching the prescribed limit of his service after which retirement is compulsory (and also immediately on receipt of the intimation of any

railway servant's death) all demands against him should be promptly ascertained and adjusted.

D. GRATUITY, SPECIAL CONTRIBUTION TO PROVIDENT FUND.

1219. **Applications for Gratuity and Special Contribution to Provident Fund**. – (1) All applications for Gratuity or Special Contribution to Provident Fund will be sent by the authorities competent to sanction them to the Accounts Officer for check and payment, duly sanctioned for the "amounts due under the rules", without specifying the amounts. The particulars given in the applications should generally be verified from the service records of the employees concerned, which, in the case of non-gazetted railway servants, will accompany the applications. Where in the case of non-gazetted employees the service records are not sent along with applications, the Accounts Officer may verify the service of the employees from certified copies of the service sheets; if, however, service records or certified copies thereof are not available at all, but the rate of last substantive pay drawn by the railway servant can be ascertained from some authentic records, the Accounts Officer can accept for the purposes of verifying the service. A written statement of the applicant taken on plain paper" (see Indian Stamp Act II of 1890, Schedule I, No. 4(C)" and such collateral evidence as may be procurable, for instance, certificates such as those given by an officer to a subordinate on his leaving the office and the testimony of contemporary railway servants. If, however, no collateral evidence is available, an affidavit or sworn statement may be obtained from the applicant. The written statement should be attested by the Controlling Officer.

(2) When an application for gratuity or special contribution to Provident Fund is drawn up, the sanctioning authority is required to make a note of the fact in the service records from which the application is prepared. After verification of the application in the Accounts Office, a remark as to the verification of the application should be given in the service record and in the Provident Fund ledger account concerned. In cases where the verification is made from certified copies of service sheets, it is not obligatory on the part of the Accounts Officer to make the necessary endorsement on the original service record; he need only obtain a certificate from the officer preparing the application to the effect that the necessary remark as to the submission of the application has been endorsed on the original service record.

1220. **Registration, Verification and Payment.** – All applications for gratuity or special contribution to Provident Fund should, on their receipt be entered in a manuscript register (A. 1220). The verification of the applications and their subsequent disposal should be noted in that register and attested by the officer in charge. After application for gratuity or special Contribution to Provident Fund has been verified, a pay order for the amount due under the rules should be passed for payment and the sanctioning authority as well as the employee advised

E. FOREIGN SERVICE CONTRIBUTION

1221. **Contributions towards Leave-Salary, Pension, Gratuity, State Railway Provident Fund Bonus of Railway Servants lent to Foreign Service (and to other Government departments).** – A register of railway servants whose contributions are adjustable in the books of the railway should be kept in Form A. 1221 to enable a check to be exercised over the recovery of the contribution. This Register should be posted on receipt of the orders of the competent authority sanctioning the transfer and the entries should be examined as to their correctness and initialed by the Accounts Officer incharge. A certificate of the date of making over charge should be called for. On receipt of the certificate, the fact should be recorded in the register and the number assigned in the register to the railway servant should be posted in the first column of the Broad Sheet (A. 1222). All intimations subsequently received regarding a railway servant on foreign service, as also the orders issued by the Accounts Officer for recovery of interest or of contribution in arrears and the cause of the contribution ceasing to be realized owing either to retransfer, death, dismissal or any cause, should be recorded in the register (A. 1221).

Form A. 1221

1222. **Broad sheet of Recoveries**. – A broad sheet should be maintained in Form A. 1222 for the purpose of watching the realisation of foreign service contributions.

Form A. 1222

BROAD SHEET OF CONTRIBUTIONS TOWARDS PENSION AND LEAVE-SALARY FOR THE YEAR 19

Number in register Form A-1221	Name of Govrt. servant	Contribute due			Contribute recovered			Balance due at the end of the year
		Balance due from	Monthly rate	Total due this year	20…. April	And so on upto March	Total	
Brought Forward		Rs. P	Rs. P	Rs. P	Rs. P	Rs. P	Rs. P	Rs. P

1223. **Leave while in Foreign Service.** – (a) In the case of a Railway servant on Foreign Service, leave cannot be sanctioned until the Accounts Officer of the railway or which he was permanently employed at the time of his transfer to Foreign Service has certified the amount of leave the leave salary admissible.

(b) **Leave while in Foreign Service.** – If a railway servant in foreign service in India is granted leave otherwise than in accordance with the rules applicable to the service of which he is a member, the Accounts Officer, should on the coming to his notice require the leave so granted to be converted to the leave for which the railway servant is eligible under the rules and call upon him to refund any leave salary in excess of the amount admissible.

F. CHECK OF EXPENDITURE OF STATUTORY AUDIT OFFICES

1224. **Payment and Checks.** – (i) The payment of all claims relating to the Office of the Statutory Audit Office of the Railway (except pay and allowances of officers in Class I service) should be arranged by the Accounts officer and debited to the Railways. All such claims except as provided below should be pre-checked in the Accounts Office for the extent mentioned below :-

(a) *Salary Bills*. – It should be seen that :-

(1) the bills have been prepared in the prescribed form and are accompanied by the prescribed statements such as Memorandum of Differences (Annexure II) etc.,

(2) the bill has been signed by the authorised Officer ; (the designation of such officers and their specimen signatures should be furnished by the Chief Auditor to the F.A. & C.A.O.).

(3) recoveries on account of compulsory deduction have been made and the necessary schedules showing the particulars of recoveries made are attached with the bills;

(4) the various certificates regarding the drawl of House Rent Allowance, periodical increments or increments above the efficiency bar, etc., have been received with the bill ;

(5) in case of temporary establishment reference to sanction has been quoted on the bill ;

(6) in the case of advance on transfer, or on tour, a duly certified copy of the sanction is attached to the bill ;

(7) the bill is correctly allocated and arithmetically accurate ;

(8) in the case of first appointment, a certificate is submitted by drawing officer to the effect that the medical certificate of fitness in the prescribed form has been obtained in respect of the Government servant concerned. In the case of Government servant whose name appears for the first time in the establishment bill and it is not a case of first appointment, the bill is supported by a last pay certificate in the prescribed form;

(9) where provisional payments have been authorised, a copy of the sanction of the competent authority is enclosed to the bill;

(10) the prescribed procedure and the extant instructions relating to last payment of pay and allowances in the event of retirement, resignation, dismissal, death or otherwise or in the case of suspension have been followed ; and

(11) in the case of arrear claims required certificates have been recorded by the Bill Drawing officer.

(b) *Other Bills*. –

(1) Only limited checks relating to form of bills, arithmetical accuracy, classifications, and signature of the drawing officer need be exercised to ensure that bills are prima facie genuine and correct.

(2) All claims relating to Officers in Class I Service attached to Railway Audit Offices, certification of title to leave, verification and payment of claims of pension and gratuity are dealt with by the Accountant General, Central Revenues, New Delhi and debits relating to such expenditure are passed on periodically to the appropriate Railway Accounts Officer.

1225. **Audit of Expenditure of Statutory Audit**. – (a) All payments made by the Railway Accounts Officer to Officers in Class II Service and non-gazetted staff belonging to Statutory Audit will be audited by the Chief Auditor of another Railway to be nominated by the Comptroller and Auditor General of India. The vouchers required for audit by the nominated Audit Officer should be forwarded to him by the Accounts Officer who should also watch the return of the vouchers after audit.

(b) Bills relating to the payment of Gratuity (and Special Contribution to the State Railway Provident fund) under the Civil Service Regulations and under the State Railway Provident Fund and Gratuity Rules need not be forwarded to the nominated Audit Officer as such claims are certified by him before the payments are made. They will be audited by the Chief Auditor of the Railway where the payment occurs.

1226. **Pension to Statutory Audit Staff**. – The applications for pension of Class II officers and staff of Railway Audit Offices are pre-checked by the nominated Audit Officer, and title to pension is verified by him, before sanction is accorded. The Accounts Officer need only arrange for the issue of appropriate Pension Payment Orders through the Accountant General/Bank concerned.

1227. **Statutory Audit staff on Foreign Service**. – The Accounts Officer is responsible for watching the receipt of leave salary and pension contribution from foreign employers in respect of Class II officers and other staff borne on the cadre of chief Auditor of the Railway, who have been deputed to foreign service.

1228. **Maintenance of Provident Fund Accounts. –** The Accounts Officer should maintain the Provident Fund accounts of all the Class II Officers and other staff borne on the cadre of the Chief Auditory of that Railway. The Chief Auditors have been entrusted with the audit of Provident Fund accounts of their own Class II officers and staff.

The Fund accounts of officers of the Indian Audit and Accounts Service will be maintained by Accountant General, Central Revenues.

1229. **Advances to Statutory Audit Staff** – All advances like festival advances, flood advances, advances for the purchase of conveyance to the officers and staff belonging to Statutory Audit Staff (other than Class I Gazetted Officers) will be made by the Accounts Officer who shall also maintain the necessary records relating to the recovery of such advances.

1230. **Certificate of Actual Expenditure ..** – (a) For budgetary control and also for ensuring that all classes of bills pertaining to an Audit Office are duly sent for audit, the Accounts Officer should furnish monthly to the Chief Auditor and the nominated Audit Officer a certificate in the following form :-

"Certified that a total sum of Rs. …… has been booked in the accounts of my office for the month of …… on account of pay/Travelling Allowance/Contingencies etc. of Officers/Establishment of the Office of the Chief Auditor ……".

(b)The details of the several classes of expenditure working up to the total amount, mentioned in the Certificate should be noted at the foot of the Certificate as indicated below: -

216 – AUDIT-DETAILS OF ALLOCATION OF EXPENDITURE IN RESPECT OF GAZETTED OFFICERS AND STAFF FOR THE MONTH OF ……

Particulars	For this month	From 1st April to the end of the month
A4. Railway Audit Offices		
A4. (1) Salaries		
(a) Salaries of Class I Officers		
(b) Salaries of Class II Officers		
(c) Salaries of non-gazetted staff		
Total A4 (1)		
A4. (2) Wages		
A4. (3) Dearness Allowances –		

(a) Class I
(b) Class II
(c) Non-gazetted establishment

A4. (4) Travel Expenses –
(a) Class I Officers
(b) Class II Officers
(c) Non-gazetted staff

A.4 (5) Office Expenses
A.4 (6) Publications
A.4 (7) Grants-in-aid
A.4 (8) Other Charges

Total Officers of Railway Audit Offices
A4 (1)(a)+A4(1)(b)+A4(3)(a) +A4 (3)(b)+ A4(4)(a) & (b)

Total Non-gazetted staff of Railway Audit Offices.
A4(1)(c)+A4(2)+A4(3)(c)+A4(4)+A4 (5)+A4(6)+A4(7)+A4(8).

Grand Total

Railway Audit Offices.

G. MISCELLANEOUS

1231. **Annual Return of Staff attaining the age of 58 years.** – The Accounts Officers should submit to the head of the railway on or before 1st September in each year a list of all Officers under his payment who will attain the age of 58 years, or whose extension of service will expire during the next official year, with a view to orders being obtained so as to their retention, in, or retirement from the service.

1232. **Annual Income-tax Return.** – As soon as the accounts of each financial year have been closed the Accounts Officer should furnish the Income-tax authorities with a statement showing recoveries made by him on account of taxes on income in such form and such manner as may be prescribed by the latter.

1233. The staff from whom income-tax recoveries have been made during the year may be furnished with a statement showing the gross amount of salaries, allowances, honorarium etc. paid to them, deductions made on account of State Railway Provident Fund, recoveries on account of Postal Life Insurance Premium etc. and also the income-tax and surcharge recovered from them to enable them to file their income-tax returns by the due date.

COMPUTER PAY ROLL

1234. **Policy for Computerising Pay Roll**. – Pay bills and accompanied statements are prepared on the computer for selected establishments (Gazetted and Non-

Gazetted), as may be decided in consultation with the Financial Adviser and Chief Accounts Officer.

1235. **Coding.** – As a pre-requisite to computerisation of Pay rolls every employee of a Railway, Production Unit, etc. is allotted a unique staff number, which is a 8-digit numeral code, inclusive of a self-checking digit. This staff number is not to be changed during the service of an employee on the Railway, Production Unit etc. and it should be used, as a staff identification number, in all the personnel/service documents and records.

1236. **Master Data.** – When a new bill unit is brought under computerised pay roll, master data of all the employees of the bill units is prepared as at end of the previous month, and the data is put on a master tape.

1237. **Changes**. – Changes in the current month in respect of all bill units under Computer Pay Roll, are indicated by the bill preparing units concerned in the prescribed formats. These are sent to the Pay Roll Mechanisation Cell in Personnel Branch, which is entrusted with the responsibility of co-ordinating the work between the Computer Cell and the bill preparing Units. The Pay Roll Mechanisation Cell should ensure that the input is properly prepared and in the required formats before submitting it to the Computer Cell. The input data received in the Computer Cell is key-punched, after which the data is edited on the computer. Listings of error records and control figures are prepared for verification by the Pay-Roll Mechanisation Cell. After all the errors are removed and controls tallied by the Pay-Roll Mechanisation Cell, the input data is p rocessed on the computer to generate the pay bills and other connected statements.

1238. The Pay Rolls are prepared in 3 copies and distributed as under :-

(1) First copy is submitted to Accounts and eventually becomes paid voucher.
(2) The second copy is retained as office copy by the Bill-preparing Units.

(3) The third copy is distributed as the Pay Slip to the employees.

1239. Besides the pay Rolls, the following statements are also prepared on the computer as accompaniments to the Pay Rolls: -

(1) Debit Summary
(2) Credit Summary
(3) Memorandum of Differences
(4) Provident Fund Recovery List
(5) Absentee Statement
(6) Statement of refund of advances, advance-wise
(7) Statement of Society Deposits & Refund of loans, Society-wise
(8) Rent Variation Statement or complete Rent Recovery List
(9) Electric Charges Variation Statement

(10) Statements of other recoveries recovery-type-wise.

1240. The Pay Roll Mechanisation Cell takes over the computer printed Pay Rolls from the Computer Cell and sends the same to the respective Bill preparing units. The Bill preparing units then check up the computer printed pay Rolls to see that the change advised through the input have been correctly incorporated in the printed Pay Rolls. In case of any discrepancy necessary manual changes should be made in the printed Pay Rolls by the Bill preparing units and attested by officer incharge before forwarding the same to the Accounts Department. These alterations are also advised to the Computer Cell through the Pay Roll Mechanisation Cell for correcting the computer files.

1241. **Responsibility of the Bill preparing units**. – The Bill preparing units are responsible for the correct preparation of input data after taking into account all relevant information regarding entitlement to pay and allowances, recoveries and attendance etc. of the employees concerned. They are also responsible to see that the changes advised by them for the month have been duly incorporated in the Computer Pay Roll. Calculations including totals need not be checked by them.

1242. The Pay Roll Mechanisation Cell and the Computer Cell have combined responsibility to ensure that the input data given by the Bill preparing units has been correctly converted into computer files and is duly processed along with the master data for preparation of Pay Rolls and the connected statements.

1243. Audit of Pay Rolls. – The responsibility of the Accounts Office in the matter of exercising internal checks over the computer pay rolls is the same as for the manual pay bills. However, the checks laid down in par a1206(b) and (c) may be exercised only to a limited extent as prescribed by the Financial Adviser and Chief Accounts Officer, but the check prescribed in para 1206 (e) need not be exercised.

Annexure I

Annexure II

Annexure III

Annexure IV

Annexure V

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CHAPTER XIII

CHECK OF PAY ROLLS-OFFICERS

Introductory, 1301. Principles of Internal Check. 1302. Records maintained for Internal Check, 1304. Salary Register, 1305. Opening of new salary Registers. 1308. Pay Slips, 1311. Leave and Transfer, 1314. Record of Objections in the Salary Registers. 1315. Record of Internal Check in Salary Register, 1316. Enfacement on Pay Bills. 1317. Service Cards, 1318. Cadre Register, 1319. Recruitment to Posts and Services, 1325. No. Demand Certificates, 1326. Payment beyond the Age of Superannuation. 1327. '

CHAPTER – XIII

CHECK OF PAY ROLLS – OFFICERS

1301. **Introductory. –** The rules in this Chapter are supplementary to those in Chapters VIII and XII and should be applied in the internal check of establishment charges pertaining to Officers.

A. PAY BILLS OF OFFICERS

1302 **Principles of Internal Check. –** In the internal check of the pay bill of an officer, it is necessary, after testing the formal completeness of the voucher.

(a) to see that he is entitled to the pay, i.e., that it is claimed and is admissible in respect of a post to which he has been duly appointed, and of which he is actually in charge ;

Note. – No claim can be admitted for service in a post not duly sanctioned, or for pay not assigned or provided for the post held by the officer.

(b) to record the payment as a check on a second claim and as a guide in calculating the leave-salary admissible in case of future leave ;

(c) to record the period of duty, suspension or leave as a check on future claims to leave, Special Contribution to Provident Fund, 'Death-cum-Retirement Gratuity' and Pension ; and,

(d) to record the employment in a cadre register as a check on appointments in excess of the sanctioned scale.

1303. In the case of an officer on leave, it is necessary to see that leave has been granted, that it has not been exceeded and that the leave-salary claimed has been correctly charged in accordance with the extant rules.

1304. **Records maintained for internal check. –** For the purposes set forth in paragraph 1302, the following records should be maintained :-

For (a) and (b), the Salary Registers (A. 1305 and A-1306);
For (c), the Service Cards and the Leave Account;
For (d), Cadre Register (A. 1319).

1305. **Salary Register. –** The record of pay and allowances of officers should be kept in Form A. 1305 or A. 1306 as decided by the Financial Adviser and Chief Accounts Officer. If the register is not kept in loose-leaf form, it will be convenient to reserve two folios for each officer, so that a record for six years may be kept without changing the register. Separate registers may be kept for each department or service as may be convenient.

Form A. 1305

1306. Alternative form of Salary Register. – The following alternative form of salary register is suitable for services wherein the changes are not very frequent. The advantage in using this form is that a single folio will record six years' entries.

Form A. 1306

1307 **New entries in Salary Registers. –** The pay admitted in internal check for an officer should be that shown in the money columns of the salary register for the period concerned. No pay can be passed to an officer whose name does not appear in the salary register. The name of an officer newly appointed to a service or post should be entered in the salary register on receipt of the orders of the Railway Board. On receipt of the charge report, a money column should be opened showing the rate of pay and allowances admissible to him under the rules. In the case of an officer transferred to a railway, the necessary entries in the salary register should be made from the reports of taking over charge, the last-ay certificate issued by the Accounts Officer by whom he was last paid and the statement of service (Form G. 1206) signed by the Accounts Officer from whose accounts control he was transferred. All entries made in the salary register should be attested by an Accounts Officer.

1308. **Opening new Salary Registers. –** In opening new registers, care should be taken to see that :-

(a) the names of all effective officers in the current registers with all relevant particulars of pay and deductions are carried over to the new registers;
(b) all orders still in force, any unexpired leave, any transfer ordered but not carried out, balances of outstanding advances and all outstanding objections are brought forward in the new register. When the new registers have been prepared, they should be laid with the old ones before the Accounts Officer in-charge of the section who should see that the necessary particulars have been correctly transferred and set his initials against them.

1309. **"Nil" Money Columns in Salary Registers. –** When an officer is transferred from the accounts circle and the Last Pay Certificate is issued a "nil" money column should be opened; this fact, and the date of the grant of the last-pay certificate should be noted in the blank space on the right-hand page. This will prevent pay being passed to him until a fresh money column is opened for him in the register. A "nil" money column should also be opened whenever the nature of the post held by an officer is known to be such that careful watch has to be kept on the salary disbursement, as for example, when an officer is appointment to officiate for another during the period of the latter's leave. If the period is extended, the date in money column should be changed. In the case of sanctions to temporary appointments of officers, as an additional precaution, the word 'stop' should be written in ink in the payment cage of the month in which the

sanction expires. A new column should be opened for reduced pay and allowances as well as for 'nil amounts.'

1310. When orders sanctioning alterations of pay, leave, transfer etc. are received the Accounts Clerk concerned should make entry in the Salary Register and obtain the attestation of the Accounts Officer. When an officer is appointed to a post for a limited time, the limitation should be stated in the Salary Register.

1311. **Pay Slips. –** After the entries have been made and new money columns, if any, opened in the salary registers, pay slips in (Form A. 1311) should be prepared in favour of those officers who were newly posted to the railway or whose emoluments are changed, and put up to the Accounts Officer for approval. Copies of the pay slips may also be furnished to the heads of the offices to which the officers are attached, to facilitate correct preparation of pay bills and to the officer concerned. A pay slip (A. 1311) is current until it is superseded by a fresh one.

Form A. 1311

1312. A fresh pay slip should be issued :-

(a) whenever any increment is stopped ;
(b) whenever an 'efficiency bar' or any other bar against the grant of a particular increment is removed ; and
(c) whenever there is a change of any kind in emoluments, otherwise than by the accrual of an increment, proceeding or returning from leave in the ordinary course, e.g. :-

(i) when an officer passes outside or beyond the time scale, or
(ii) whenever he passes from one time-scale to another, or
(iii) whenever he is appointed to a temporary post or reverts therefrom, or
(iv) whenever the stage of the time-scale at which there is a pause, is reached.

1313. In the case of time-scale of pay with an efficiency bar, Accounts will not pass pay above that stage until a declaration that the railway servant is fit to cross the efficiency bar is received from the competent authority.

1314. **Leave and Transfer. –** Leave applications of Officers will be scrutinized in the Accounts Department regarding eligibility of the officer for the leave applied for and the leave applications will be certified by the Accounts Officer as to the extent of leave admissible before leave is sanctioned by the competent authority. On receipt of sanction to leave, either through a notification, or an order a comparison should be made of the leave sanctioned with that shown in the office copy of the leave report and a suitable remark given against the order and attested by the Section Officer (Accounts) incharge or the Branch Officer. The particulars of leave and transfer as notified in the order should be posted in the salary register under the section "Particulars of Leave and Transfer", which should be completed on receipt of the report of the assumption of duties by the officer

after the expiry of leave or on joining a new post, as the case may be. Reports of making over and taking charge, or of going and returning from leave, should be entered in the salary register immediately on receipt.

1315. **Record of objections in the Salary Register. –** Particulars of irregularities or objections noticed in the course of internal check of pay and allowances, leave, joining time etc., of Officers should, besides being intimated to the head of the office concerned for regularization (see paragraph 849) be also noted in the Salary Register under the section "Particulars of objections". All items placed under objection during a month should generally be reviewed before passing the next month's pay bill and suitable action should be taken towards the clearance of all outstanding objections. Ordinarily, recoveries of any over payment in a bill will be made by short payment in a subsequent bill; and the record of such recovery should be made in the section "Particulars of Objections" of the Salary Register before the Bill is laid before the Accounts Officer.

1316. **Record of Internal Check in Salary Register. –** The number of the money column against which pay has been admitted in internal check and the Account Bill (A – B) number and date of the voucher subjected to internal check should be recorded in the salary Register under the heading "Date of payment of Bills" in the cage for the month for which the pay is due (and not of the month in which it is disbursed) thus :-

"(2) A.B. No. 82EG dated ……." If the amount of either pay or any of the deductions for a month is not the same as that shown in the relevant money column or if the payment or deduction is made with reference to more than one money column, the actual amount passed or deducted through the pay bill should in addition, be noted in the cage. Alternatively, a guiding letter or symbol should be placed in the cage and the significance thereof viz., the particulars of the payments or deductions in questions explained in the blank space provided for the purpose in the Salary Register. This procedure should also be followed when payments or deductions for broken periods or any peculiar payments or deductions are made.

1317. The enforcement on every pay bill subjected to internal check should be filled in by the Accounts Clerk. The pay bill should then be put up with the salary register to the Sub-head or Section Officer (Accounts) incharge , who, after exercising the requisite check, should attest the enforcement of the bill and the entry in the relevant cage of the salary register with his initials and submit the bill and Salary Register for check and attestation by the Accounts Officer.

1318. **Service Cards. –** Accounts Office should maintain a Service Card (G-1202) for each Officer containing all the information about the officer. The Service Cards should be made up-to-date at intervals of two years or when the Officer retires whichever is earlier. The entries in the Cards should be attested by the Section Officer (Accounts) and at the end of each five year period, the Accounts Officer should test-check a few entries in 20% of the Cards and affix his signature in the Cards so checked. Once in every five year period extracts of the entries in the Cards should be prepared in quintiplicate one for Accounts records, one for Personnel Branch, two for obtaining acceptance of the

Officer concerned who may retain one copy, and fifth for the Establishment (Gazetted) Branch of the Railway Board's Office.

The Accounts Officer is responsible for preparing and furnishing extracts in respect of Officers under his Accounts Circle. In the case of Officers on Foreign Service, the extracts will be prepared and furnished by the Accounts Office responsible for watching the recovery of Foreign Service contributions. The extracts should be legibly prepared and 20% should be checked by the Section Officer (Accounts) and another 20% by the Accounts Officer.

In every case of transfer outside the Accounts Circle, the Service Card of the transferred Officer should be written up upto the date of transfer an sent to the new Accounts Officer, alongwith the other transfer documents. In this connection the detailed instructions laid down in Chapter XII of the Code Indian Railway Administration & Finance-an Introduction should be seen.

B. CADRE CHECK

1319. Cadre Register. – Cadre means the strength of a service or part of a service sanctioned as a separate unit. The Accounts Office should conduct a cadre check which is the verification that appointments are not made in any grade or class of railway service in excess of the sanctioned number of posts and that no post is filled or held in abeyance without the orders of the competent authority. A register in Form A. 1319 should be maintained in the Account Office for the purpose of cadre check. Instructions for working the cadres are prescribed in the Indian Railway Establishment Code. The detailed checks to be applied to cadres are prescribed in para 1324 etc.

Form A 1319

1320. **Instructions for the maintenance of the Cadre Register. –** In the Cadre Register, separate folios should be set apart for each service, department or class of appointments, as may be convenient. The number of sanctioned posts in a grade, class or other unit of classification should be entered at the top of the page or pages assigned to it under the initials of the Section Officer (Accounts) in-charge of the section, and the column "Names of Incumbents" should be opened by entering in order of seniority the names of the incumbents of permanent posts in the grade or class on 1st April. Such a number of lines as experience may show to be necessary should be left blank for entry of permanent promotions during the year to which the register refers. Such promotions should be entered, and the names of officers permanently leaving the grade or class should be scored out in red ink. Below the space provided for permanent incumbents should be entered the names of officiating incumbents beginning with those actually on duty on 1st April of the year. The names of officers holding temporary posts should be entered below those holding permanent posts and those appointed in officiating arrangements in connection therewith.

1321. After the end of a month, entries should be made in the columns for that month, showing which incumbents were on duty during any portion of the month. These entries should be made form the checked pay bills for the month or from the Memorandum of Differences and the Absentee Statement accompanying the pay bills, as may be convenient. Against the names of those present throughout the month, the figure "1" should be written in the first column, while against the names of those present for a part of the month only, the dates from and to which they were on duty should be entered in the second column as shown in the Form A. 1319 and in column 3 should be entered numbers beginning with 1, connecting the periods which from parts of the same chain, the same number being repeated against each part of such chain. The highest number in column 3 will thus shown the number of posts accounted for by the broken periods. If this number added to the sum of the figures entered in column 1 does not exceed the number of sanctioned posts, it is clear that the cadre has not been exceeded as a whole. To ensure that the cadre has not been exceeded during any day of the month, it must be seen, while entering the connecting numbers in column 3 that the dates indicating the fractions of the same chain do not overlap each other. The dates 1-6, 7-20 and 21-31 indicate that the post was filled for the whole month.

1322. To facilitate the completion of the check after the end of the month, brief notes indicating the changes during the month may be made either in the "Remarks" column or at the foot of the column for the month. Information regarding periods of joining and of taking or making over charge during which it is permissible for two officers to draw pay against one and the same post, should be recorded in the "Remarks" column. In the case of cadres which include a leave reserve the total number of officers on leave and the total period of leave should, if necessary for the purpose of cadre check, be worked out and exhibited in the "Remarks" column. A departmental summary should then be prepared showing the number of "Duty Posts" and "Leave Reserve posts" included in the sanctioned permanent cadre for each branch or department as compared with the actual number of officers on duty and on leave and deputation in that branch or department under the various categories. From the departmental summary, a general summary showing only the excesses and savings in all departments of the railway by categories of appointments should be prepared and placed before the Accounts Officer. The general summary will help the Accounts Officer to see whether an excess in any class or category is or is not covered by a shortage in a higher class or category. Cases of excess over the cadre should be place under objection and reported to Personnel Branch for obtaining the sanction of the competent authority.

1323. **Checks to be applied. –** The following checks should be exercised:-

(1) Number of Permanent Officers –

(a) *Administrative posts.* – Not more than one officer may hold a lien on an administrative post.

(b) *District Officers' posts* – The number of officers holding liens on posts in each of the categories shown below should not exceed the number of posts sanctioned for the category in the department

concerned.

District Officers.
Assistant Officers.

Provided the excesses in the number of permanent Assistant Officers should be held to be covered by corresponding deficits in the Class II Service.

Provided also, that an excess in the number of permanent Assistant Officers should be considered as permissible if there is a corresponding shortage in the number of permanent Administrative and District Grade Officers. An officer whose lien on a post has been suspended should not be included in the above calculations.

(c) *Class II service.* – The officers holding liens on posts in the Class II Service should not exceed the total number of posts sanctioned for the service less the number of posts required to cover the excess in the number of Assistant Officers.

(2)Number of Officer on duty. –

(a) *Administrative Posts.* – No sanctioned working post may have more than one officer filling it on duty.

(b) *District Officers.* –The number of officers drawing duty pay should not exceed the sanctioned number of district working posts unless the excess is covered by a corresponding shortage in the number of officers drawing duty pay against the higher, i.e., administrative working posts.

Note. - This sub-clause does not apply to a department the leave reserve for which is provided in the District grade.

(c) *Assistant Officers* – The number of officers drawing duty pay should not exceed the sanctioned number of Assistant Officers' working posts unless the excess is covered by a corresponding shortage of the number of officers drawing duty pay against the administrative and district posts or against the Class II Service posts.

(d) *Class II Service.* – The number of officers drawing duty pay should not exceed the number of working posts in the Class II Service unless such excess is permitted under the rules or when a permanent post is vacant in a higher grade.

(3) Total number of Officers on duty or on leave. –

The total number of officers (other than officers of the Class II Service) on duty or on leave should not exceed the total number, including the leave reserve, of permanent Administrative, District and Assistant Officers' posts, after deducting the excess in the

number of Assistant Officers which is covered by a corresponding deficit in the number of Class II Service Officers.

Note. – For this purpose approved period of joining time and of taking over and making over are counted as on duty against one and the same post and due allowance should be made for such instances.

1324. For the purpose of the checks prescribed in the foregoing rules, temporary posts should be kept outside the sanctioned cadre and permanent officers holding such posts should be considered as on deputation from their cadres to these posts.

1325. **Recruitment to Posts and Services. –** Accounts Officers are not required to watch the observance of provisions relating to recruitment or appointment to posts or services, as these are the concern of the administrative authorities.

1326. **No demand Certificate for Military Officers in Railway employ. –** Military Officers in railway employ, when about to retire from active service are required by he Defence Department to produce, besides the last-pay certificate, a 'no-demand certificate" from the Railway Accounts Officers. This certificate should be granted only after adjusting all outstanding demands against the officers concerned. Similarly in the case of non-railway officers on deputation to Railway Service should be granted "Non-demand" certificate when they retire or revert to their parent department.

1327. **Payment beyond the age of Superannuation. –** No pa should be passed for a railway servant beyond the date of attaining the age of Superannuation or on the expiry of a term of extension of service sanctioned by the competent authority. In the case of officers about to retire particular(s) care should be taken to refer to the date of his birth given in the Salary Register Form A. 1305.

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CHAPTER XIV

CHECK OF PAY ROLLS—STAFF

Introductory. 1401. Responsibility of officers signing Pay Roll. 1402. Pay Roll of Class IV Staff, 1403. Labour Pay Sheets. 1404. Supplementary and Settlement Master Rolls and Labour Pay Sheets, 1405. Register of Deductions. 1406. Scale Check Register. 1407. Principle of Scale Check, 1409. Check of Permanent Establishment, 1410. Check of Temporary Establishment, 1411. Check against Double Payments, 1412. Precautions to be taken in passing Supplementary Bills, 1413. Scale Check Register of Engineering Gangs, 1414. Opening of New Registers, 1415. Special Allowances, 1416. Check of Rent Rolls, 1417. **B**ills for Educational Assistance, 1418. Reimbursement of Tuition Fees. 1419:

CHAPTER XIV

CHECK OF PAY ROLL-STAFF

1401. **Introductory**. – The rules prescribed in this chapter should be applied in the internal check of charges relating to non-gazetted establishment. These should be deemed as supplementing the rules in Chapters VIII and XII.

A. PAY ROLL – STAFF

1402. **Responsibility of Officers signing Pay Roll**. – The officer signing a pay roll is responsible for the correctness of facts regarding the actual employment on their legitimate duties of the establishment for whom pay is drawn. The internal check of Pay Roll should accordingly be conducted on this assumption.

1403. **Pay Roll of class IV staff**. – In regard to Pay Roll of Class IV Staff for whom no Memoranda of Differences (Annexure II-Chapter XII) are prepared, it should be seen that the rates of pay charged are not in excess of the maxima of the appropriate scales or grades. In addition rates shown in any one month's Roll selected for the purpose should be checked with the employee's service cards maintained in the executive offices at the periodical inspection of these offices by the Account Officer.

1404. **Labour Pay Sheets**. – In addition to the check prescribed in paragraph 1355 of the Indian Railway Code or the Engineering Department, the following points require attention in the check of Labour Pay Sheets. –

(i) The total of each sheet should be checked cent per cent.
(ii) A ten per cent check over the arithmetical accuracy of all other entries in the sheet (particularly in respect of broken periods) should also be carried out the individual entries thus checked being initialed by the checking staff
(iii) In cases where only Labour Pay Sheets are received in the Accounts Offices, arrangements should be made for obtaining a percentage of the Muster Rolls and checking them with the labour Pay Sheet by way of post-check.

1405. **Supplementary and Settlement Muster Rolls and Labour Pay Sheets**. – In checking these it should be seen-

(i) that the offices preparing the supplementary or settlement sheets give a certificate that the amounts claimed therein have not been charged earlier and will not be charged in future and that necessary entries have been made in the original sheets if still with them;

(ii) that where the Labour Pay Sheets or Muster Rolls of the month affect ed are available in the accounts office, complete pre-checked is exercised and necessary entries made in them in the Accounts Office; and

(iii) that in cases where the relevant Labour Pay Sheets or Muster Rolls are not available in the Accounts Office, a note is kept in a special register and the check prescribed above is exercised when the original paid vouchers become available.

1406. **Register of deductions** .-For the purpose of watching the recoveries of authorized deductions from the emoluments of staff, registers in Form A. 1406 should be maintained in each Accounts Office. This form may, at discretion of the Financial Adviser and Chief Accounts Officer, be treated as a distinct part of Form A. 1407 and bound therewith.

Form A. 1406

REGISTER OF DEDUCTIONS FROM SALARIES AND ALLOWANCES

Particulars			Recoveries effected						Remarks
On what account	Authority	Name and designation of employee	Amount to be recovered	To end of previous year	April	May and so on to March	To end of current year	Grand total	

1407. **Scale Check Register**. – For the purpose of checking that appointments are not made in any grade or class in excess of the number of posts sanctioned, registers in Form A. 1407 should be maintained in each Accounts Office. Separate folio should be set

apart in these registers for each class or grade of staff. Some entries have been shown in the form printed below by way of illustration :-

Form A.1407

1408. **Instructions for posting the Scale Check Register**. – All sanctions in respect of non-gazetted establishment should, as received, be entered in the Scale Check Register and the entries attested by the Sub-head or Section Officer (Accounts) if he is directly incharge of the section. The pay bill of each unit should contain a summary, or be accompanied by a statement showing a summary, of the sanctioned strength and the actual strength of the unit. The actual strength as shown in the summary should be checked with the actuals charged in the bill at the time of passing it. Entries of actuals should simultaneously be made from the checked summary into the Scale Check Register in the column for the month concerned. After posting has been made of all the bills passed in internal check, the total actual strength of each class in the Division for the month should be compared with the sanctioned strength; instances of excesses over the sanctioned strength, if any, should be taken up with the executive authorities concerned. Care should be taken by the supervising staff to see that there is no omission or double posting in making entries in the Scale Check Register. For this purpose each bill passed for payment should bear an indication that it has been posted in the Scale Check Register.

1409. **Principle of Scale Check**. – Ordinarily only one employee can remain on duty, and draw pay, against a sanctioned posts. If more than one employee is shown as on duty against one and the same post, or if an employee is shown as on duty against a post not sanctioned by the competent authority, the pay and allowances of the employee concerned should be held under objection. Under the rules, however, during joining time and during approved periods of 'making over' and 'taking over' of executive charges, both the relieving and relieved employees are to be counted as on duty against one and the same post. In making comparisons of actuals with the sanctioned strength, therefore, due allowance should be made for such instances, suitable remarks being recorded in the register.

Note. – There is no objection to excess officiating appointments being made in lower units or cadres against an equal or greater number of vacancies left unfilled in higher units or cadres.

1410 . **Extent of Scale Check of Permanent Establishment.** – The check against the sanctioned scale should, as a rule, be exercised cent per cent every month in respect of all non-gazetted abolishment, including workshop staff.

1411. **Scale Check of Temporary Establishment.-**Sanctions to temporary establishment received in the Accounts Office should be recorded separately in the Scale Check Register (A.1407). At the time of passing the pay bills of temporary establishment (i. e. staff employed against temporary sanctions) a cent per cent check should be exercised to see that, inter alia, the number of staff employed are not in excess of the

sanction and that staff are not engaged on temporary posts beyond the period of their currency.

1412. Check against Double Payments.-In order to safeguard against more than one payment on account of one and the same claim, a register in Form A. 1412 should be maintained by each Accounts Clerk and the entries therein should be initialed by the Accounts Officer who passes the pay bills for payment. In this register details of the amounts passed for payment against each entry (viz. pay, dearness allowance, overtime etc.) as in Form A. 1412 should be recorded to facilitate compilation of the statements of expenditure on various allowances, which the Accounts Officer is required to furnish for the purpose of control over expenditure.

Form A. 1412

1413. **Precautions to be taken in passing Supplementary Bills**.-At time of checking any supplementary bill, Memoranda of Differences and Absentee Statement (Annexure II-IV Chapter XII) of the regular bills for the months to which the supplementary claim relates should be consulted to see that it has not already been passed for payment. In cases where reference to those forms does not serve the purpose or, where those forms are not submitted with the bills, the regular pay bills of the months affected should be consulted. When passing the supplementary claims for payment, full particulars of the claim and reference to the supplementary bill should be entered prominently on the Memoranda of Differences and Absentee Statement (Annexure II-IVChapter XII) or, on the regular bills, for the months affected, against the names of the individuals concerned. A counter remark that this has been done should be given on the Memoranda of Differences and Absentee Statement Forms (Annexure II-IVChapter XII) of the supplementary bill or on the supplementary bill itself. All the entries and remarks made in connection with the passing of a supplementary claim should be checked and attested by the sub-head in-charge or Section Officer (Accounts) if he is directly incharge of the section.

1414. The Scale Check Register for engineering gangs and skilled staff be kept in Form A.1414.

Form A. 1414.

1415. **Opening of New Registers**.-As forms A. 1406, A. 1407 and 1414 provide columns for recording particulars for only 12 months, fresh registers have to be opened for each year. In carrying forward entries to a new register, care should be taken to see that no outstanding sanctions, orders or details necessary for the proper check of future claims are omitted. The entries made in the new registers should be checked and attested by the Sub-head in-charge or Section Officer (Accounts) if he is directly in-charge of the section.

1416. **Special Allowances.**-The special allowances, (such as overtime, special overtime, running, special running and under rest allowances) granted to railway servants

are generally drawn through pay bills. If at the time of pre-check of pay bills, the propriety of the claim on account of these special allowances is initially admitted in internal check on the authority of the departmental officer signing the pay bills, a test check should be conducted afterwards, locally, or at inspections once a year as may be practicable, with the initial documents on which they are based. This check may, at the discretion of the Financial Adviser and Chief Accounts Officer, be limited to a percentage to be fixed by him. Errors and irregularities noticed during this check should be taken up with the Departmental Officers and the adjustments of over payments, if any, watched through the subsequent month's bills.

1417. **Check Rent Rolls**.-The Rent Rolls (A.1621) received with the pay bills should be checked to see that;

(a) the amount shown as rent recoverable is correct,

(b) the recovery has actually been made through the pay bill, and

(c) the benefit of free quarters has not been allowed to staff not entitled to the privilege (See Chapter XVI.)

B. MISCELLANEOUS

1418. **Bills for Educational Assistance**.-Non-gazetted railway servants are eligible for assistance from railway revenues for the education of their children in accordance with the rules prescribed for the purpose. For the internal check of claims for educational assistance preferred under these rules, a manuscript register (A. 1418) should be maintained to record particulars relating to (a) names of railway servants to whom assistance is granted, (b) names of the children, (c) names of schools, (d) reference to bills and (e) amounts passed for payment to railway servants month by month. In cases where the entire bill submitted by a school is paid by the railway and the amount of the parents' share is recovered through pay bills, the register (A. 1418) should also show particulars of the total bill passed and the amount of the parents' share. The entries in this register should be attested by the Section Officer (Accounts) or Subhead in-charge.

1419. **Reimbursement of Tuition Fee**.-Railway Servants are eligible for reimbursement of tuition fees in respect of their children in accordance with the rules-prescribed for this purpose. The claims for reimbursement may be included in the regular monthly pay bills of the staff wherever feasible. The propriety of the claims on this account is initially admitted in internal check on the authority of the certification given by the drawing officer. The claims however should be scrutinized to see that rates of fees etc. charged are not in excess of those prescribed by the appropriate authority for the class and the State in which the children are studying. A record should be kept in proper manner of the claims passed in internal check so as to ensure that no second claim on the same account can be admitted in internal check. A test check of these claims should also be conducted locally or during accounts inspections of the bill preparing offices once a year according to the scale prescribed by Financial Adviser and Chief Accounts Officer

with the certificates and information furnished by employees in support of the claims preferred by them.

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CHAPTER XV

FINANCE FUNCTIONS

Introductory. 1501. Organisation, 1502. Proposals requiring Financial Advice to be completed. 1503. Cases requiring Sanction of the Railway Ministry, 1504. Items requiring Consultation with Finance, 1505. Establishment, 1507. Works. 1508. Estimates, 1509. Tenders, 1510. Contracts. 1511. Stores Indents, 1512. Delegation of Powers. 1513. Check of Purchase Order 1515 . Foreign Exchange Commitments, 1516. Miscellaneous Matters. 1517. Annual Programmer 1518. Productivity Test/Review. 1519. Issue of Sanctions. 1520.

CHAPTER XV
FINANCE FUNCTION

1501. **Introductory.-**The office of the Financial Adviser and Chief Accounts Officer functions in two distinct branches, viz. 'Accounts' and 'Finance'. While the former is responsible for internal check, recording of expenditure, compilation and keeping of accounts, inspection of offices etc. the latter deals with the financial scrutiny of cases involving financial considerations. The term "Finance" used in this Chapter will mean the Accounts Officer/Finance Officer competent to render the financial advice.

1502. **Organisation.-**The Finance Wing of the Finance and Accounts Department commonly known as the Finance Branch is placed under the charge of an officer in the Level II HOD/JA grade designated as Additional Financial Adviser/Deputy Financial Adviser, who works under the Financial Adviser and Chief Accounts Officer to enable the later to discharge his functions in his capacity as Financial Adviser. The Additional/Deputy Financial Adviser, is assisted by Senior Accounts Officer/Senior Assistant Financial Adviser, Accounts Officers/Assistant Financial Adviser and Section Officers (Accounts) and staff who are entrusted with the responsibility of initial financial scrutiny of the cases referred to the Finance Branch for advice by the various departments of the Railway Administration. Similarly at the lower levels like divisional/work-shop/stores depots, the Accounts Officer in-charge is entrusted with the responsibility of both accounts and financial advice work. His relation with the departmental officers concerned in matters of rendering financial advice are analogue to that of the Financial Adviser and Chief Accounts Officer to the General Manager.

The Financial Adviser and Chief Accounts Officer will lay down the duty list of the Financial Advisers at various levels and wherever necessary, prescribe the financial limits upto which the proposals received from the departmental officers can be finally disposed of by them.

1503. All cases involving financial consideration except those which have been specifically exempted for this purpose, whether within the powers of the General Manager or requiring higher sanction should be carefully scrutinized by the Finance Branch. For this purpose it is necessary for the departmental officers to send the proposal complete in all respects indicating the issues on which the financial advice is required. The Finance Officer should avoid being meticulous and help the departmental officers by rendering financial advice in the matter not only in the light of the facts adduced in the proposal but also by virtue of his personal knowledge and experience in the field of the activity. Where the Finance Officer is unable to agree to the proposal, he should indicate full reasons for not agreeing to it. If necessary he may also suggest alternative ways and methods which in his opinion may be more suitable and economical to achieve the objectives contained in the proposal. The Executive Officers on their part should give due consideration to the financial advice tendered by the Finance Officer. The Executive Officer and the Finance Officer should appreciate their proper roles in the due discharge of their responsibilities in the common endeavour. If for any reasons, the Executive

Officer is not able to act on the Finance Officer's opinion, he should record the reasons for the same before taking a decision. Where the financial advice is not accepted fully or partially the sanctions accorded by the competent authority may be held under objection and may not finally be admitted in internal check till a decision is given by the General Manager or the Railway Board as the case may be following the procedure laid down in para 108.

1504. For cases requiring sanction of the Railway Ministry, it is absolutely necessary to obtain the views of the Financial Adviser and Chief Accounts Officer. To facilitate a proper appreciation of the position in the Railway Ministry it is necessary to have, in all proposals sent to them besides the technical and administrative aspects of the case, a review of the case from the financial angle also. Such a review should be based on all the information which may be locally available. The Financial Adviser and Chief Accounts Officer's appreciation of the proposal which should accompany the proposal in verbatim should be sufficiently comprehensive and not only contain his comments, if any, on the facts adduced in the justification of the proposal but also mention the financial and budgetary implications and his views as to its financial prudence. The drafts of such letters proposed to be sent to the Railway Ministry should also be shown to him. Similar procedure should be adopted by the Financial advisers at the divisional/workshop/stores depot's level where the cases require sanction at higher level so that when the case is examined at the Headquarter level, the Financial Adviser and Chief Accounts Officer is in possession of full facts and views of the local Financial Adviser before he records his own opinion in the matter.

1505. **Items requiring consultation with Finance.** – As a general rule all proposals involving financial implication except those which have been specifically exempted for this purpose, should be referred to Finance Branch for advice before they are sanctioned by the competent authority. But the proposals for fresh expenditure which are governed by rules and regulations e.g. grant of increment, sanction to officiating promotion, grant of leave etc. do not require consultation with Finance Branch unless the proposal involves any variation of the rule or departure from the sanctioned procedure. The main items in which prior consultation with Finance Branch is necessary may be broadly classified as under :-

(i) Establishment
(ii) Works
(iii) Estimates
(iv) Tenders
(v) Contracts
(vi) Stores Indents and Purchase Order
(vii) Delegation of powers
(viii) Commercial matters
(ix) Foreign Exchange
(x) Miscellaneous matters

1506. While detailed instruction in connection with the financial scrutiny of these items will be laid down in the Finance Manuals issued by the Financial Adviser and Chief Accounts Officers a brief outline is given in the following paragraphs.

1507. **Establishment**. – Expenditure on staff constitutes the major portion of the working expenses of a Railway. As such proposals for creation of additional posts should be carefully examined and before such proposal are agreed to all avenues of effecting economy by adopting alternative means for meeting the situation such as, re-arrangement of work and duties, elimination of un-necessary work, simplification of procedures and rationalization of works etc. should be fully explored. Generally the following types of cases in Establishment matters require prior consultation with Finance: -

(a) Creation of additional posts;
(b) Extension of term of temporary posts;
(c) Grant of advance increment and fixation of initial pay by higher than that admissible under rules;
(d) Revision of time scales of pay;
(e) Grant of additions to pay;
(f) Grant of honorarium;
(g) Annual review of cadres in which higher grade posts are regulated by percentage;
(h) Conversion of temporary posts into permanent ones;
(i) Grant of conveyance allowance, motor-car allowance etc.;
(j) Reimbursement of legal expenses to staff;
(k) Fixation of Consolidated Travelling, Allowance.

Note. – The list is illustrative only.

For proper appreciation of the proposal for creation of additional posts, it is necessary that it should be accompanied by a proposition statement showing the particulars of the existing staff, the proposed staff and the increase or decrease in each category of post, so that total picture can be taken into account in its proper perspective. The creation of additional posts etc. would of course be subject to the availability of funds and on a scrutiny whether the additional expenditure can be found from the existing sanctioned budget allotment.

In the present day context of greater delegation of authority and to avoid the financial scruting of petty establishment proposals it may become necessary to dispense with prior consultation with Finance where funds are allotted for specific projects/objectives and give a break up of establishment charges and other Charges. Within such financial limits the Departmental Officer can exercise their discretion to sanction the expenditure without consulting Finance (See para 1521).

1508. **Works**. – All proposals for expenditure on works are required to be scrutinized with regard to its necessity, utility and financial prospects. The detailed rules for the financial scrutiny of the proposals for expenditure on works are laid down in Chapter II of the Financial Code.

1509. **Estimates**. – Apart from the financial scrutiny of the proposals for expenditure on works, the duty of verification of estimates for works devolves upon the Finance Branch. It has to be seen that the details of the scheme as worked out are satisfactory and the cost has been estimated from reliable data and is likely to be reasonably accurate. Finance Branch has also to examine the incidence and allocation of each item in the estimate and verify the budget provision. The detailed rules for the check and verification of estimates are laid down in para 742 to 747-E and 1233 to 1244-W.

1510. **Tenders**. – Finance Officer at the headquarters/divisional level has to function as a member of the Tender Committees constituted for this purpose with the approval of the competent authority. It is the duty of the Financial Adviser to check the statement of tenders compiled by Executive Officer and also the Briefing Note. He should render his financial advice to the Tender Committee and suggest the tender which is most beneficial to the Railway administration. Detailed rules in this connection have been laid-down in Chapter VI of the Financial Code and Chapter XIII of the Engineering Code.

1511. **Contracts**. – The concurrence of the Finance Branch is necessary :

(a) to the commencement of a work or of supplies prior to the execution of contracts ;
(b) to the variation of the standard conditions of contracts and to the inclusion of any provision in the contract involving an uncertain or indefinite liability or of any condition of unusual character ;
(c) to the incorporation in the contract of a 'Price variation clause'.
(d) to the material alteration of any terms of a contract after it has been entered into ;
(e) to the variation of the condition of the contract after it has been entered into;
(f) to the variation of the rates, to the extension of the date of execution of the contract viz., to extend the delivery period of the supplies or completion of the work, where necessary, as per extant rules.
(g) any other item where such concurrence is necessary.

1512. **Stores Indents**. – All stores indents for the procurement of stores should be scrutinized by the Finance Branch in respect of reasonableness of the quantity to be procured Financial Advisers have to play an important role in the area of Inventory Control on the Zonal Railways as well as Production Units with a view to keep the inventories at the optimum level. Apart from checking the reasonableness of the quantity of stores, it is also the duty of the Financial Adviser to certify the availability of funds in the sanctioned budget allotment of the year in which the bills for the supply of stores are likely to be received for payment or adjustment. In this connection the detailed procedure should be seen in the Indian Railway Code for the Stores Department.

1513. **Delegation of powers** - The concurrence of the Finance Branch is necessary to all proposal for re-delegation of powers to sub-ordinate authorities. In such

cases, apart from seeing that the re-delegation of powers is permissible under the extant rules, it has to be ensured that the re-delegation of powers is necessary for efficient performance of duties.

1514. **Commercial proposals**. – The commercial proposals requiring financial concurrence will be mainly the following :-

(a) Changes in rates for Coaching and Goods Traffic.
(b) Changes in rates for handling any Goods and Coaching Traffic at stations and transhipment points.
(c) Agreement for handling contracts, lease of land, terminal tax etc.
(d) Opening of new stations, booking offices and out agencies, halts etc.
(e) Writing off/refund of wharfage and demurrage charges beyond certain limits.
(f) Payment of Compensation Claims on goods lost or damaged or injury to person.
(g) Any other proposal or claim which may effect earnings or expenditure of the Railway.

Note- 1. The list of items is illustrative only.
2. Detailed rules for the check and payment of Compensation Claims on goods lost or damaged are laid down in Chapter XXIV A-II.

1515. **Check of Purchase Order.-** All Purchase Orders valuing more than Rs. 10,000 each are vetted by the Finance Branch. The scrutiny is exercised in all respects, particularly in respect of quantities, rates and agreements in accordance with the instructions laid down in the Indian Railway Code for the Stores Department. After vetting, the Accounts copy of the Purchase Order should be signed by the Finance Officer whose specimen signature should be supplied to the Accounts Officer entrusted with the duties of check and payment of the bills for the stores supplied. In respect of Purchase Orders valuing not more than Rs. 10,000/- a 10% test check should be exercised in the Accounts Office.

1516. **Foreign Exchange Commitments** - All proposals involving foreign exchange commitments should be scrutinized in Finance Branch with a view to ensure that the purchase from abroad are absolutely unavoidable. It should be furtherexamined as to why the requirement cannot be met from indigenous sources. The ceiling limit upto which foreign exchange commitments can be sanctioned by the Railway Administration during a period is fixed by the Railway Board from time to time. The Financial Adviser and Chief Accounts Officer may approve of commitment being made from the foreign exchange angle, provided the amount of foreign exchange including c.i.f. value does not exceed the monetary limits fixed by the Railway Board.

1517. **Miscellaneous matters** . - The following types of proposals involving financial implications require financial scrutiny:-

(a) Write off of losses of cash, tools & plants, stores, irrecoverable dues etc.
(b) Telephone connections.
(c) Purchase of typewriters.
(d) Purchase of electrical energy from out-siders.
(e) Cash imprest.
(f) Printing Work given to outside presses.
(g) Reimbursement of legal expenses to staff.

Note.- The above list is illustrative only.

1518. Finance Branch have also to examine the Annual Works Programme, the Rolling Stock Programme and the M & P Programme. The detailed rules for the compilation and check of these programmes are laid down in the Indian Railway Codes for the Engineering and Mechanical Departments.

1519. **Productivity Test/Review**.- In the case of works which have been sanctioned on the considerations of financial return, the periodical productivity test/review will be conducted by the Financial Branch. The object is to compare the earnings or savings in working expenses eventually realized after the new expenditure has fructified with that anticipated when the proposal was embarked upon. After a work has been selected for productivity test/review, it should be noted by the Finance and Accounts Officers for maintaining separate records of expenditure and earning relating to that work so that the productivity test/review can be conducted as soon as it falls due. Detailed instructions for this purpose are laid down in Chapter II of the Indian Railway Financial Code.

1520. **Issue of Sanctions.** - The sanction issued after consultation with the Finance Branch should mention that it issues in consultation with the Finance, alternatively the sanction itself should be endorsed by the Finance Officer so that the Accounts Officers entrusted with the internal check should ensure that all matters where financial concurrence is necessary have been seen in the Finance Branch.

1521. The General Manager in consultation with the Financial Advise & Chief Accounts Officer may lay down certain items of expenditure not requiring prior concurrence by Finance Branch for expeditious disposal of work.

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CHAPTER XVI

MISCELLANEOUS EXPENDITURE

Cash Imprest Account, 1601. Check of Imprest Account, 1603. Departmental Receipts, 1604. Transmission of Departmental Receipts to Stations. 1605. Acceptance of Local Cheques in Payment of Government Dues, 1606. Erasures, Over-writings etc. in Accounts Records, 1609. Responsibility for Overcharges, 1610. Duplicates or copies of Receipts, 1611. Grants-in Aid, Contributions etc., 1612. Check of Grants-in-Aid, 1619. Buildings and Rents, 1620. Rent Rolls, 1621. Rent Variation Memo, 1623. Classification of Recoveries. 1627. Check of List of Buildings, 1629. Compilation of the Annual Rent Return Account of Residential Buildings, 1630. Rent Recoverable from Outsiders, 1631. Witnessing of Payments to Labour by Accounts Staff, 1632.

CHAPTER XVI
MISCELLANEOUS EXPENDITURE

1601. **Check of Cash Imprest Account** - *Cash Imprest Account*. - An imprest is a standing advance of a fixed sum of money placed at the disposal of an official to meet petty office expenses and emergent charges of small amounts which cannot be foreseen. An emergent petty advance may also be made on the responsibility of the Imprest holder, out of the imprest money placed at his disposal. The amount of imprest must not be larger that is absolutely necessary. It should be reckoned at the lowest possible figure calculated to suffice for meeting charges of the nature referred to above. In all cases including those for works and surveys, an imprest required must by specifically sanctioned as such by the General Manager or by the Heads of Departments or by any other authority to whom the powers in this regard may be delegated by the competent authority. Imprest holders are not authorised to increase or decrease the amount of their imprest without the sanction of the competent authority and this should be seen when checking the imprest account submitted to the Accounts Office.

1602. The Imprest Account should be kept in duplicate and the original supported by necessary vouchers should be forwarded to the Accounts Officer before the end of each month or oftener if necessary, for check and recoupment. The accounts should ordinarily be closed by the end of the month and recouped before the end of the month so as to ensure, as many as possible of the month's transactions being included in the accounts. If there is surplus money at the end of each month, as noticed from time to time or if there is delay of several months in sending the account for recoupment it is evident that the amount of imprest held is in excess of the monthly requirements and the matter should be brought to the notice of the authority who sanctioned the imprest with a view to reducing the amount of the imprest.

1603. Before recoupment is made, the Imprest Account should be scrutinised to see:

(i) hat it is arithmetically correct:
(ii) hat the balance brought forward is correct, i.e. the opening balance should be checked with the closing balance of the previous account;
(iii) hat all recoupments have been properly taken into account;
(iv) hat payment made are of a nature which could be passed through imprest i.e. they are not irregular or unauthorised ;
(v) hat the charges which normally require pre-check by Accounts are not included in the Imprest Account;
(vi) hat all receipts are in proper form and signed by the persons in whose favour the bill is drawn or by his agents and if the amount of the bill is over Rs. 20/- revenue stamp is affixed.
(vii) that the sum acknowledged is written in words as well as in figures;
(viii) that the rates are not extravagant ;
(ix) that in case of special charges which require sanction of higher

authority or are regulated by a scale the requisite sanction has been obtained and the scale fixed is not exceeded.

(x) he amounts shown as remitted have been received by the Chief Cashier and accounted for in the books, Verification of the remittances should be obtained from Traffic Accounts Branch ;

(xi) he certificate of actual amount of balance in hand is recorded under the signature of Executive Officers in-charge ;

(xii) iscellaneous receipts are remitted to the stations or the cashier and not used by imprest holders for payment of bills;

(xiii) Proper acknowledgments in respect of moneys advanced are being obtained;

(xiv) In case of purchase of stock items a certificate is furnished that the stock items purchased were not made available by the Stores Department. The closing balance and the amount recouped during the month should be noted in a manuscript register wherein the amount of imprest held by each officer should also be recorded as soon as it is sanctioned.

1604. **Departmental Receipts**. - All transactions to which a railway servant in his official capacity is party, must without any reservation, be brought to account, and all moneys received should be paid in full, without undue delay, into the Treasury or the Bank, or in the case of railway servants employed on open lines of Railways, in to the Railway Cash Office or to the nearest railway station, to be credited to the appropriate head of account.

1605. **Transmission of Departmental Receipts to stations** .- The amounts forwarded by Departmental Officers to Station Masters for remittance must be accompanied by a Miscellaneous Receipts Transmit Note in Form No. A. 1605 which consists of a note giving full particulars or the remittance and a receipt in duplicate.

Form No. A.1605

1606. **Acceptance of local cheques in payment of Government dues**. - Stations should not ordinarily accept cheques in payment of passenger fares. In the case of goods and parcels traffic cheques on banks which have clearing accounts with the Reserve Bank or a Scheduled bank may be accepted in payment of railway freight at the discretion of the General Manager, from well known firms subject to the condition that the firm concerneddeposits with Government, as security, a sum equivalent to an amount not less than a month's freight transactions with the railway. The security deposit may be made in cash, Government Promissory Notes or a Guarantee bond executed by a Scheduled Bank of India. The deposit should be made for each booking or receiving point where a firm desires to pay by cheques. Cheques may also be accepted in payment of other dues to the railway or in settlement of other transactions.

1607. Such cheques should, in all cases, be crossed. Until, however, a cheque has been cleared, the Railway Administration cannot admit that payment has been received and consequential final receipts will not be granted when a cheque is tendered. A receipt for the cheque (only) will be given in the first instance, but if the person making payment so desires, a formal payment receipt should be sent by post to his address after the cheque has been cleared.

1608. In the event of such a cheque being dishonoured by the bank concerned on presentation, the fact will be intimated at once to the tenderer, but Railway cannot accept any liability for loss or damage which may possibly occur as a result of delay in intimating that the cheque has been dishonoured.

1609. **Erasures, Over-writing etc. in Accounts Records .-** Erasures and over writings in any account records, bill, Abstract of bills, voucher, cheque, cash book etc. are absolutely forbidden. If any correction becomes necessary, the incorrect entry should be cancelled neatly in red ink and the correct entry recorded there under. Each such correction or interpolation deemed necessary should be authenticated by the Officer-in-charge setting his dated initials against each.

1610. **Responsibility for overcharges**. - Officers drawing bills, pay orders etc., are responsible for the correctness of the amounts charged therein. In the case of bills and pay orders which are not checked by the Accounts Officer before payment, the responsibility for any overpayment which may result from an erroneous charge, also devolves upon the drawing officers.

1611. **Duplicates or Copies**. - Accounts Officer may not issue duplicates or copies of receipts granted for money received, or duplicates or copies of bills or other documents for the payment of money which has already been paid, on the ground that the originals have been lost. If any necessity arises for such a document, a certificate may be given that on a specified day, a certain sum on a certain account, was received from or paid to a certain person. This prohibition extends only to the issue of duplicates on the ground that the originals have been lost, and does not apply to cases in which by existing rules, duplicates are prepared and tendered with the originals. In the case of a bill or other payment voucher lost before payment, a duplicate may be issued by the officer who drew the original bill or voucher, on a certificate by the Accounts Officer that payment has not been made on the original and will not be made if found later on. The duplicate bill or voucher should bear distinctly on its face the word "duplicate" written in red ink. The Accounts Officer should keep a proper record of all duplicate bills and vouchers passed for payment, to guard against a double claim being passed on the same account.

1612. **Grants-in-aid, Contributions etc.** - The grants-in-aid or contributions are generally sanctioned to the following Institutions viz.-

(i) The Educational and Medical institutions:
(ii) the Railway Institutes and Sports Clubs :
(iii) the Railway Co-operative Societies & Stores : and

(iv) other local bodies e.g., Chambers of Commerce, etc.

The power to sanctioning grants-in-aid or contributions is exercised by the authorities to whom such powers may have been delegated by the President from time to time. The following instructions may be followed by the sanctioning authorities in the matter of according sanctions for grants-in-aid.

1613. (a) Every order sanctioning the grant should specify clearly the object for which it is given, the recurring or the non-recurring nature of the grants and the conditions attached.

(b) Before a grant is paid to the Railway Institute or Sports Club or the Railway Cooperative Stores or Societies, the sanctioning authority should see that an audited statement of accounts of the Institution concerned has been received and that the grant-in-aid is justified by the financial position of the Institution concerned, and that any previous grant was spent for the purpose for which it was intended.

(c) (1) In the case of non-railway Schools, the proposals for the grants-in-aid to be made for the first time should take into account the following factors viz. :-

(i) the total number of students in the School ;
(ii) the number of wards of railway employees studying in the School
(iii) whether the School is running at a loss;
(iv) the actual deficit and the reasons for it ;
(v) whether the School is fully recognised for all purposes by the State Government in accordance with their Education Code ;
(vi) whether full grant-in-aid from the State Government as admissible under the Education Code. Etc. is being received by the Schools ;
(vii) whether efforts have been made by the School to obtain additional assistance from the State Government and if so, with what results ;
(viii) the financial position of the School;
(ix) amount hitherto granted from the Railway Revenues and the basis for it ; and
(x) amount now proposed to be granted from the Railway Revenues and the basis for it.

(2) In the case of grants to Medical Institutions, the sanctioning authority should take into account the average number of railway patients getting benefits from that Institution in a year, the per capita cost of medicines based on the actual expenditure of the Institutions over all the patients concerned and the amount proposed to be recovered from the Railway Administration.

(3) In the case of Railway Institutes and Clubs, the grant should be based on the financial position of the Institute, as certified by the Accounts authorities.

(4) In the case of Railway Co-operative societies and Stores, the grant shall not be

more than half the Administrative and the Establishment charges for the first three years subject to the condition that the subsidy will be paid only if the Cooperative department concerned certifies that the Stores is working properly.

1614. Grants may be sanctioned to meet the requirements of a year even extending beyond the financial year ; but only so much of the grant should be paid during the financial year as is likely to be expended during that year. The amount remaining unspent at the end of the year in such cases need not be refunded at the close of the financial year. In such cases sanctions should be so drafted that they may not lapse at the close of the financial year. Immediately on the expiry of one year from the date of the sanction, any unspent balance thereof should be duly surrendered to the sanctioning authority as required in para 1617 (ii). However, in respect of sanctions which require the grant to be utilized during a financial year, the unspent balance thereof should nevertheless be surrendered to the sanctioning authority at the end of the financial year or may be adjusted by the sanctioning authority against the next year's grant, if any, It should be clearly stated in each sanction letter that the unspent balance of the previous grant has either been surrendered to Government or that it has been taken into account in sanctioning the subsequent grant.

1615. Grants-in-aid to small institutions which are entirely mainly fed by recurring grants and which are likely to utilize the entire grant by the close of the financial year and would not thus have sufficient funds to cover their expenses at the beginning of the next financial year, pending receipt of fresh grants, should be paid, during the financial year, if necessary, in three instalments viz., first one in April itself, the second one sometimes during May to September and the final one during October or later so as to ensure even flow of funds at their disposal during the year. In the case of these institutions, submission of audited statements of accounts required in terms of para 1613(b) need not be insisted upon for sanctioning payment of the first two instalments of the grant if such statements are not ready. However, such statements of accounts in respect of the previous financial year should, as required in para 1613(b) be called for while sanctioning the final instalment unless the institution concerned has been specifically exempted from furnishing them.

1616. The sanctioning authority should certify that the conditions precedent to the grant have been fulfilled. For this purpose, target dates should be prescribed for submission of audited statements of accounts by the grantee institutions etc. to the sanctioning authority. In every case of grant made for specific purposes, a certificate of its actual utilization should be furnished by the sanctioning authority to the Financial Adviser and Chief Accounts Officer within a date stipulated for the purpose.

1617. Unless it is otherwise ordered by the Railway Board, every grant made for a specific object is subject to the implied conditions:

(i) that the grant will be spent upon the object within a reasonable time if no time limit has been fixed by the sanctioning authority ;
(ii) that any portion of the grant which is not ultimately required for

expenditure upon that object should be duly surrendered to Government, and

(iii) that the authority sanctioning the grant reserves the right to arrange for the Inspection of the records of the recipient Institution.

Note: The expression "reasonable time" occurring in item (I) above should in actual practice ordinarily beinterpreted to mean "one year from the date of issue of the letter sanctioning the grant".

1618. Recurring grants exceeding Rs. 1 lakh per annum and non-recurring grants exceeding Rs. 5 lakhs should be sanctioned subject to the specific condition that the accounts of the Institution receiving the grants will be subject to test check by the Railway Accounts Department and the Comptroller and Auditor General will also have the right to test audit, at his discretion, the accounts of the Institutions to ensure that the grants are utilized for the purpose for which they are sanctioned.

1619. **Internal check of Grants-in-Aid. -** The internal check of sanctions to grants-in-aid should be conducted with reference to the provisions in the rules laid down in the preceding paras. In addition the following points should be seen.

(1) *Utilization of the Grants for the purpose for which sanctioned.* - The Accounts Officer should satisfy himself either at the time of scrutinizing the proposal for the sanction to the grants-in-aid or at the time of internal check of the sanctions as the case may be, that the sanctioning authority has satisfied itself that the funds will be utilized for the purpose for which these were sanctioned and that the sanctioning authority has also laid down specifically the conditions attached to the grants. A certificate of actual utilization of the grant should be obtained from the sanctioning authority by the Financial Adviser and Chief Accounts Officer in every case of grant made for specific purposes, within the prescribed target date.

(2) *Refund of Unspent Balances.* - At the time of inspection of the offices of the sanctioning authority it may also be examined that certificates regarding unspent balances for grants are obtained from the institution together with reasons for not spending the amount so sanctioned and that the unspent balances remitted by the latter are promptly remitted to stations or case office.

(3) *Extent of check at Local Inspections.* - The quantum and extent of check during local inspection may be decided by the Financial Adviser and Chief Accounts officer. The Accounts of the institutions receiving grants Rs. 1 lakh (recurring) per annum and Rs. 5 lakhs (non-recurring) should be subjected to test check by the Accounts Department.

(4) *Audit of Accounts of Private Institutions, Receiving Grants-in-Aid.* - Whereas it is not necessary for the Financial Adviser and Chief Accounts Officer to conduct the audit of the transactions of the private bodies receiving grants he should ensure that the sanctions for the grants are made by the competent authority after referring to statements

of account of the institutions duly audited by registered auditors wherever the amount of the grant is more than Rs. 1,000 at a time.

1620. **Buildings and Rent** - Preparation of Rent Return Account of residential buildings. - With a view to enable the Railway administration as well as Railway Board to sec that the return of rents obtained on residential buildings does not fall below 6 per cent of the total outlay incurred thereon, a proforma Rent Return Account should be compiled in the Accounts Office. A separate Rent Return Account should be compiled for each class of buildings, the rent of which is pooled for the purpose of obtaining the 6 per cent return.

The Capital outlay on the residential buildings will be obtained from the list of buildings grouped separately for each pool of staff quarters and the total amount of recovery made form the Staff will be ascertained from the booked actuals under the sub classifications of Abstracts Z-210 prescribed for each pool of residential buildings.

1621. **Rent Rolls.** - Departmental officers are primarily responsible for the recovery of the rent of rent-returning buildings under their charge. Rent Rolls in Form A. 1621 showing the following particulars should be prepared by each departmental officer in respect of all buildings under his charge.

Form A. 1621

(i) Locality.
(ii) No. of building.
(iii) No. of units in the building.
(iv) Whether the building is electrified.
(v) Name of occupant.
(vi) Designation of occupant.
(vii) Rate of emoluments of occupant and date of appointment.
(viii) No. of days occupied.
(ix) Assessed rent.
(x) Rent recoverable.
(xi) Remarks.

A copy of the Rent Rolls (A. 1621) should be submitted to the Accounts Officer together with the pay bills of the staff concerned only for one month in the year (say April paid in May). In the Rent Rolls the amount of rent actually recovered through the pay bills should be indicated.

1622. **Check of Rent rolls**. - The Rent Rolls (A. 1621) received in the Accounts Office should be checked so as to ensure that :

(i)	rent has been correctly recovered ; and
(ii)	there are no omissions of rent-returning buildings in the Rent Rolls received

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1623. For the subsequent eleven months only a Statement of Variation in the recovery of rent (in Form A.1623) will be submitted with the pay bills. In this Form only those cases in which recovery of rent for a particular building varies from that in the previous months will be itemised. The total of this Statement of Variations should tally with the difference between the house rent column of the pay bill for that bill unit in the previous and the current month.

Form No. A 1623

1624. New buildings added during the course of the year (whether occupied by staff free of rent or paying rent) would also be shown in the Variation Statement for the month of first occupation, even though no change in the recovery if rent is involved in the case of buildings occupied rent free.

1625. In order to check whether the recoveries from the individuals are correctly made the complete Rent Roll, for the initial month will be checked with the pay bills. In the subsequent months, the items in the statement of Variations will be checked with the Memorandum of Difference-G3, received with the pay bill or with the increment Statements and other notifications where these statements are not sent with the pay bills. Where increases in emoluments appearing in the Memorandum of Difference etc. are not reflected in increases in rent recoveries in the Statement of Variations, a check will be made with the list of buildings to see whether the rent recovered in the pay bill is equal to the full assessed rent. Variations in the recoveries due to causes other than changes in emoluments will be checked with the list of buildings or advises of allotment or vacation of existing or new buildings, or changes in tenancy, general revision of assessed rent, last pay certificate etc.

1626. The initial Rent Roll of the year will be checked with the list of buildings to make sure that all residential buildings are included in the Rent Rolls. Items of new buildings added and occupied during the course of the year appearing in the Statements of Variation will also be checked into the list of buildings the same month.

1627. **Classification of Recoveries**. - In order to arrive at the figures of rent recovered for each pool of residential buildings, sub-classification under the Accounts Head Abstract Z-210 has been introduced to segregate and identify recoveries of rent relating to each pool. For example, if there is one pool for Gazetted Officers, recoveries of rent from Gazetted Officers have been classified on the pay bill itself every month as "credit Z-211". If Gazetted Officers' quarters, are divided into three pools, one for Administrative Officers, one for Senior Scale Officers and one for Junior Scale and Assistant Officers, the recoveries will be allocated in the bill itself as credits to Z-211, Z-212, Z-213 respectively. Similarly, subclassifications of Abstracts Z-210 have been prescribed to identify separately rent recoveries pertaining to each pool of residential buildings for Class III and IV staff. A separate sub-classification has been laid down for

rent recovery of quarters let out to outsiders. In this way the accounts automatically throw up the actual recovery of rent for each pool of residential buildings.

Note. - Since the number of pools varies from Railway to Railway. It is not proposed to lay down the subclassification of Z-210 uniformly, but to leave it to the discretion of the individual Railway Administration to do so in such a way that recoveries for each pool are separately sub-classified.

1628. Proforma recoveries of rent from those entitled to occupy quarters rent free as a personal privilage are worked out once every year from the complete Rent Roll prepared for one month in a year and multiplied by 12 to estimate the annual figure of proforma recoveries.

1629. **Check of List of Buildings**. - In order to ensure that the list of buildings is current and up-to-date and the capital outlay for each pool is also correct, there should be a tally at the end of each year to ascertain that the total capital cost at the commencement of the year plus expenditure on residential buildings booked during the year under the relevant heads of capital and other works classification is equal to the capital cost of all the pools taken together at the end of the year. Expenditure incurred on Rest Houses, out buildings, wells, fences and other works required in connection therewith should be excluded. This will ensure that new buildings constructed during the year and their capital cost have been added on the list of buildings, that additional expenditure incurred in existing buildings has similarly been added on, and buildings condemned and abandoned have been taken off the list of buildings.

It is responsibiity of the Engineering Department to maintain the list of buildings, grouped separately for each pool of residential buildings and tallied with the capital outlay in the manner stated above.

1630. **Compilation of the Accounts**. - The Annual Rent Return Account of residential buildings as also the periodical review of assessed rents and rent recoveries against the prescribed return on capital outlay will thus be compiled straightaway by the Accounts Office from the list of buildings and the financial Accounts.

While compiling the Rent Return Account it should be seen that the quarters let out to out-siders i.e. other than Railway employees should not be included therein. Such quarters should be kept in a separate category in the list of buildings and the recoveries in respect of the same allocated to a separate subclassification under Abstract Z-210 as in the case of other Railway quarters.

An abstract of the Rent Return Account showing the capital outlay, proforma rent recovered and the percentage rent return should be submitted as soon after the close of the financial accounts of a year as possible, to the Railway Board.

1631. **Rent Recoverable from outsiders** . - The recovery of rent from other than railway employees will be watched by the Accounts Office. For this purpose, a register, preferably loose leaf, of buildings rented to non-railway departments and outsiders should

be maintained by the Accounts Office in the following form. In order that this register may be kept up to date the executive officers concerned should keep the Accounts Office advised of all changes, affecting the rent of tenancy of such buildings. From this register necessary bills for the recovery of rent should be prepared and sent to the parties concerned.

Form A.1631

1632. **Witnessing Payments to Labour by Accounts Staff**. - The Accounts Officer should arrange to have the payments to labour witnessed occasionally by Accounts office staff. This should be done without warning to either the subordinate or pay clerk. The check should be directed more towards witnessing of payments to temporary staff and payments from station earnings. The extent and detailed procedure for such checks may be prescribed by the Financial Adviser and Chief Accounts Officer.

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CHAPTER XVII

INSPECTION OF EXECUTIVE OFFICES

Object of Inspection. 1701. Selection of Inspecting Staff. 1702. Scope of Inspection, 1703. Inspection of Stores. 1704. Inspection of Station Accounts, 1705. Inspection of Divisions and Sub-Divisions, 1706. Inspection by Senior Officers. 1707. Functions of Inspecting Officer, 1708. Inspection of Subordinate Offices, 1709. Inspection of olhcr Offices, 1710. Branch Line Companies, 1711. Programme of Inspections. 1712. Notice of Inspection, 1713. General Instructions, 1714. Discussion with Executive Officers. 1716. Inspection Report. 1717. Part I of the Inspection Report. 1719. Part II of the Inspection Report. 1720, Frauds and Losses, 1721.

CHAPTER XVII
INSPECTION OF EXECUTIVE OFFICES

1701. **Object of Inspection. -** One of the functions of the Accounts Office is to inspect on the spot the source documents maintained in the Executive Offices which are not sent to the Accounts Office for check. The internal check is exercised in an Accounts Office on the bills and returns etc. prepared in the prescribed forms by the Executive offices. Many of the original records on which these bills and returns etc. are based are retained in the office where these originate. To enable the Accounts Officer to examine the accuracy of the data on which bills and return etc. have been prepared by the executive, he is required to inspect the records retained in the executive offices. The Accounts Officer, or the staff deputed to inspect an office, should see that the bills, returns, vouchers etc, submitted to the Accounts office have been correctly prepared and accord with facts and that all such initial records n which bills, returns, vouchers etc. are based have been maintained efficiently.

In addition, the object of local inspection is to see that the financial rules and orders are being carried out, and that the executive authorities responsible for keeping the accounts exercise due care over the accuracy of the accounts.

1702. **Selection of Inspecting Staff. -** As inspection work is one of the important duties of the Accounts Office, the officers and staff deputed for inspection should be specially selected from among experienced hands.

1703. **Scope of Inspection. -** During the inspection only a percentage of the initial records of the office inspected need be scrutinised but the accounts of cash should be checked in full. The accounts of stores should be checked in full for one selected month and to the extent of one day transactions for each other month for the period intervening since last inspection.

1704. Inspection of Stores. - Items of stores whether in depots, or issued for consumption and lying with the consuming departments as materials-at-site, or tools and plant in the various offices, should be verified by Stock Verifiers or Inspectors of Stores Accounts, subject to the general supervision of, and occasional test check by an Accounts Officer, The inspection should be so arranged that all materials-at-site of works are ordinarily verified once a year, stores with imprest holders are verified once in two years, all tools and plant are verified once in three years and all materials in a Depot as under:

A items	all items having an annual usage value of Rs. 50,000 or more	Once in 6 months
B items	all items having an annual usage value of Rs. 10,000 and Above but below Rs. 50,000	Once in a year
C items	all items having an annual usage value below Rs. 10,000	Once in 2 year
D items	all items that have had no issues for twelve	Once in a year

months and over

Detailed rules for the verification of stores have been prescribed in the Indian Railway Code for the Stores Department.

Note. - The financial Adviser and Chief Accounts Officer, or a Deputy Chief Accounts Officer where he is the head of the Accounts Organisation, may extend the periods of verification or curtail the items to be verified in cases where he and the General Manager agree that:-

(i) the reduction in check will not impair efficiency,
(ii) the reduced check will provide sufficient safeguards against loss, and
(iii) a too rigid application of the above rule is not conducive to economy or is
wasteful.

1705. **Inspection of Station Accounts -** The initial accounts of all stations should be inspected by the Inspectors of Station Accounts, whose work will be regularly test checked by an Accounts Officer. Detailed instructions in this connection are laid down in Chapter XXXIII.

1706. **Inspection of Divisions and Sub-Divisions. -** The initial accounts of expenditure in the various divisional offices should be inspected by an Accounts Officer once every two years, but the initial accounts of engineering expenditure, bothconstruction and open line should be inspected once a year. The first inspection of a construction Office should. As far as possible, be made within three months of its formation. Inspections of divisional offices should, in addition to the divisional records, embrace a complete examination of the initial records of at least one subdivisional office in the case of engineering expenditure and of at least two subordinate offices, not directly in the charge of an Officer. As far as possible, all the sub-divisional offices in a division should be inspected once within two years.

Note. - A detailed Check-list showing the items to be checked and the extent of check should be draw out by each Railway Administration and incorporated in the Inspection Manual for the guidance of the Office and Staff.

1707. **Inspection by Senior Officers. -** Inspections should also be conducted by Officers of the Accounts Department at different levels, on a regular and programmed basis so as to keep themselves in touch with the position of work in Workshops, Offices, Stores Depots etc. placed under their charge. These inspections should, inter alia bring out matters which ar e likely to give rise to unsatisfactory situations and to suggest appropriate remedies. It is possible that some problems, particularly the recurring problems, would call for further detailed examination before appropriate solutions are found. In such cases the inspecting Officers should initiate the examinations of such

problems on their own with the help of the concerned branches of the Head quarters/Divisional Office.

1708 **Functions of the Inspecting Officer. -** An Inspecting Officer should not confine himself merely to the routine items of check but should take the opportunity of advising and assisting departmental officers in matters affecting accounts, budget, etc. From the information available to him locally he may offer suggestions bearing on economy in expenditure, untapped sources of revenue, recovery of railway dues etc. There are various directions in which the Inspecting Official can assist the executive officers in the course of his inspection, e.g. in reducing clerical work, delays in measurement of work done by the Contractors or preparation of bills, reduction of over-time etc. He should discuss his suggestions with the Executive Officer concerned, and important suggestions which may have significant effect should be reported to the Financial Adviser and Chief Accounts Officer.

1709 **Inspection of Subordinate Offices. -** In a division, the initial accounts of which have been taken over by the Divisional Accounts Officer, the subordinate offices may be inspected at such intervals, as may be considered necessary by the Financial Adviser and Chief Accounts Officers.

1710 **Inspection of other offices. -** The office in which the only records to be inspected are the eave accounts of subordinates, contingent expenditure, records of free passes etc., should be inspected at intervals of not less than five years.

1711 The offices of the branch line companies worked by a Railway should be inspected once a year.

PROCEDURE

1712 **Programme of Inspections. -** A programme of inspection to be conducted during the course of a year should be drawn before the commencement of the year keeping in view, inter alia the programme of inspections to be carried out by the staff of Statutory Audit. The programme of inspection should invariably include new offices set up during the previous year; a list of such offices should be furnished to Audit.

Note. The Financial Adviser and Chief Accounts Officer (or a Deputy Chief Accounts Officer where he is the head of the Accounts Organisation) may at his discretion arrange the inspection programme in such a way that an office which is inspected by the Statutory Audit staff in one year is not inspected by the Accounts Department in the same year.

1713 **Notice of Inspection -** The head of the office which is proposed to be inspected should be given sufficient notice of the probable dates of inspection : so that, he may collect the necessary documents and arrange to be present at his headquarters to discuss with the Inspecting Officer the results of the inspection. The notice should not be longer than necessary for this purpose and the programme of inspection should be treated as confidential until the notice of the inspection is actually addressed.

1714 **General inspections. -** During the inspection of an executive office:-

(i) a detailed examination should be made to see that in respect of a selected month,. All the returns, bills, statements and accounts submitted to the Accounts Office agree with the books and original records kept locally ;

(ii) a test check should be made of the original records not submitted to the Accounts Office and of the accounts, returns, vouchers, etc., which are not checked in the Accounts Office or which cannot be checked adequately except locally, since the last inspection either by Accounts or Audit ;

(iii) a special review of the arrangements for prompt recovery of railway dues from the parties for the service rendered, proper evaluation of the service rendered, agreements, system of issuing bills, chasing of recoveries and timely intimation to Accounts Office. Items where heavy accumulations are noticed may be particularly looked into and discussed with the Executive Officer for early recovery.

(iv) a general review for the procedure relating to the maintenance of initial accounts of receipts and expenditure of cash and stores should be made with a view to the elimination of useless returns, redundancy of any kind and wasteful methods and to assisting the departmental officers in matters affecting accounts, budget, or the financial propriety of transactions.

1715 Before proceeding to inspect an office, the Inspection Party should obtain from each of the sections of the Accounts Office a memorandum, signed by the Sectional Officer, of points requiring special attention or examination on the spot and also of cases of long delays in the clearance of any arrears of work or of any outstanding items in suspense accounts. In the course of inspection, the Party should obtain information or remarks of the executive for the disposal of those points.

In particular, outstanding Accounts and Audit Inspection Reports and Audit-Notes etc. should be examined by the Inspection Party for obtaining information and settlement, to the extent possible of the outstanding points during the course of inspection.

1716 **Discussion with Executive Officers. -** All irregularities and objections noticed during the course of inspection should be noted down methodically. The Inspecting officer should discuss all important points noted down with the head of the Office inspected, as far as practicable, on the spot. If, as a result of the discussion, the Inspecting Officer is satisfied that there has been no irregularity or objectionable feature in regard to any point, it should be dropped and should not find a place in the inspection report. If, however, the objection is not clarified and settled during discussion the

executive officer's views should, as far as possible be recorded to facilitate a final decision by the higher authority.

1717 At the conclusion of the inspection, the inspection report should be compiled embodying all irregularities and objections for which no satisfactory explanations were forthcoming. As far as possible the draft of the Inspection Report should be completed before the Inspecting Officer leaves the office inspected, and it should not be finalised until the officer in-charge of the office inspected (or any other officer acting on his behalf) has been given on opportunity of reading and discussing it. The Report should be as brief as possible and the points covered in the report should be arranged in a proper manner and serially numbered. The report should be prepared in two parts. The first part should contain points of major importance only, all other items being relegated to Part II. In the event of a particular type of irregularity being noticed in a number of offices, a special report should be made to the Divisional Officer concerned or head of the Division, according to its importance, for instituting urgent remedial measures.

1718 As a rule the Report should be couched in simple and polite terms.

1719 **Part I of the Report should be made out in triplicate. -** One copy will be retained in the Accounts Office and the other two copies should be sent to the immediate superior of the officer whose office was inspected with the request that one copy may be forwarded to the latter for early remarks through the superior officer. Before forwarding the replies. the immediate superior should satisfy himself that the remarks are correct and complete, and where necessary, should have them amended or amplified to avoid further correspondence. The remarks of the superior Executive Officer should be scrutinised and further action that may be necessary taken under the orders of the Accounts Officer. If any cases of serious irregularities come to light in the disposal of the inspection report (Part I), the details thereof should be entered in the Register of Serious Irregularities (A. 861) and the progress of their disposal carefully watched.

In the Accounts Office, Part I of the Inspection Report should ordinarily be seen by the Deputy Chief Accounts Officer. Part I of the Reports on the major construction and other offices inspected by the Deputy Chief Accounts Officer or those containing very important points should also be seen by the Financial Adviser and Chief Accounts Officer, as far as possible.

1720 **Part II of the Report. -** This should be made out in duplicate. One copy should be retained in the Accounts Office as office copy and the other sent direct to the Officer in charge of the office inspected with the request that irregularities pointed out therein may be rectified and the recurrence of such irregularities guarded against. The officer in charge of the office inspected should acknowledge receipt of the report, and give suitable remarks as to the action taken by him against each item in the report before filing it in his office, The Accounts Officer should satisfy himself during his next inspection that suitable action has actually been taken on the points raised therein.

1721 **Frauds and Losses. -** When a fraud or loss comes to notice during an inspection, the nature and extent thereof should be investigated and a report made to the Executive Officers concerned. Further action should be taken in accordance with the rules laid down in Chapter XI of the Financial Code.

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CHAPTER XVIII

SECURITY DEPOSITS

Introductory. 1801. Government Securities, 1802. Deposit Receipts. 1803. Post Office Savings Bank, 1804. Conversion of Cash Deposits. 1805. Bond or Agreement, 1806. Head of Account, 180S. Conversion of Cash Security into Paper Security. 1810. Government Securities, 1811. Fixed Deposit Receipts. 1813. Banker's Guarantee Bond, 1815. Custody of the Guarantee Bonds. 1816. Check of Register of Paper Securities. 1817. Review of Register of Paper Securities, 1818. Check of Paper Securities in the Safe Custody of Reserve Bank and the Cashier, 1819. Interest on Government Securities. 1821. Return or Appropriation of Paper Securities, 1822.

CHAPTER XVIII
SECURITY DEPOSITS

1801. **Introductory.** - The various classes of security deposits which may be accepted from employees and contractors are detailed below:-

(1) The security from Railway servants may be :-

(i) a deposit of case ;
(ii) Government Securities including State Loan Bonds at 5 per cent below the market value ;
(iii) deposit receipts, pay orders, demand drafts and Guarantee Bonds. These forms of security deposit could be either of the State Bank of India or of any of the nationalised banks ;
(iv) Guarantee Bonds executed or Deposit Receipts tendered by all scheduled banks ;
(v) a deposit in the Post Office Savings Bank;
(vi) deposit in National Savings Certificates ; or
(vii) a deposit-receipt or a guarantee bond of the Railway Co-operative Credit Society ;
(viii) twelve year National Defence Certificates;
(ix) ten year Defence Deposits ;
(x) National Defence bonds ; and
(xi) Unit Trust Certificates at 5 per cent below the market value or at the face value whichever is less.
(xii) Indian Railway Finance Corporation Limited (IRFC) Bonds, whether tax-free or taxable.

Note. The certificates/bonds items (vi), (viii), (ix) and (x) may be accepted at their surrender value

(2) The security from contractor may be:-

(i) as provided in clause (i) to (vi) and (viii) to (xii) of the preceding sub-rule paragraph ;
(ii) a percentage deduction, ordinarily 10 per cent from the periodic payments made on account of work done or supply made ; or
(iii) personal security of two persons of known probity and financial standing.

1802. In the case of Government securities, power should be reserved to call on the depositor to make good the deficiency in market value whenever occurring beyond 5 per cent.

1803. Where a security is offered in the form of a deposit receipt of a Bank or Railway Cooperative Credit Society, the depositor should be required to get the receipt

made out in the name of the Accounts Officer and the receipt should remain in the custody of the latter. The depositor should be authorised by the Accounts Officer to receive the interest, when due, direct from the bank or the Co-operative Credit Society. The deposit made with the Railway Co-operative Credit Society will be at the risk of the depositor.

1804. Security deposits lodged in the Post Office Savings Bank should be hypothecated by the depositor to the Accounts Office and the Bank's Pass Book should remain in the custody of the latter. The Pass Book should be sent to the Post Office as soon as possible after the close of the financial year in order that the necessary entries on account of interest may be made therein.

1805. Cash deposits may be converted, at the cost of the depositor, into one or more of the forms of interest-bearing securities provided :-

(i) that the depositor has expressly desired this in writing, and
(ii) that the acceptance of the new form of security is permissible under rule 1801 as well as under the terms or the agreement of bond.

1806. The security deposit whether made in cash or in one of the forms of security referred to above should be covered by a bond or agreement setting forth the conditions under which the security is held and may be ultimately refunded or appropriated.

1807. It should be stipulated in the bond *inter alia* that the amount of the deposit shall be liable to forfeiture, under the orders of the competent authority, specified in the bond in the event of any loss to Government due to fraud, negligence or any other action (direct or contributory) on the part of the depositor or for the non-fulfilment or any of the conditions of the bond. It should also be stipulated that no interest will accrue on the amount of the security deposited in cash.

1808. All security deposits received in cash should be accounted for in the books of the railway under the head "Deposits" and should be held at credit of that head until they are refunded, or appropriated under the orders of the competent authority. No interest will be allowed on security deposits received in cash.

1809. For cash securities a detailed record of the deposits and refunds should be kept in a separate section of the "Deposits Miscellaneous" Register (A. 320). When a deposit becomes refundable, the Executive Officer concerned will issue a pay order in favour of the employee or the contractor to whom it is refundable. He will, at the same time, certify that the purpose for which the security was deposited has been satisfactorily fulfilled, and if not so fulfilled indicate the amount ordered by him to be appropriated from the deposit or from other dues. The Accounts Officer will then check the correctness of the amount of the Security Deposit proposed to be refunded with the relevant entry in the Deposit Miscellaneous Register (A. 320) and pass the pay order for payment. The amount refunded in each case should be noted in the Deposit Miscellaneous Register against the relevant credit entry when the pay order is passed for

payment and the balance, if any, should be appropriated to the relevant final head of account, if it is not otherwise refundable to the party concerned.

1810. **Conversion of Cash Security into Paper Securities**. - If a person wishes to convert the security furnished in cash by him into any other form of security permissible under the rules, he should apply in writing to the Accounts Officer. On receipt of such an application, the Accounts Officer should take suitable action by purchasing (through the Reserve Bank) the Government papers or other scrips of the required denomination, or by lodging the cash security in the Scheduled Banks or in the Postal Savings Bank Account, as desired by the applicant.

1811. **Government Securities.** - The Government Securities Manual issued, by the Ministry of Finance Government of India, lays down the procedure to be followed in all Government Offices in dealing with securities of the rupee loans issued by the Central and State Governments. The rules contained in that Manual are of general applicability to all Indian Railways, The instructions prescribed in this Chapter should be considered as subsidiary to the rules prescribed in the Government Securities Manual.

1812. The following procedure should be invariably followed :-

(a) All Government Promissory Notes lodged as security deposits should be got endorsed for payment to the Financial Adviser & Chief Accounts Officer in a form as near as possible to "Pay to . . . . . .(designation of officer) or Order ".

. . . . . .
Signature of endorser

(b) Government Promissory Notes to be accepted as deposits should be complete in respect of the following requirements :

(i) All interest accrued up-to-date should previously have been collected by the depositor.

(ii) The tendered scrip should have at least two blank cages after the depositor's endorsement to the railway. These are necessary for further endorsement to and by the Reserve Bank.

(iii) If endorsements on the scrip are signed "perpro" or "for" the previous holders, a certificate from the Local Public Debt Office is required in recognition of the validity of such endorsements.

(c) Government Promissory Notes should be accepted at 95 per cent of their market value on the day of deposit. In case of any material depreciation in the value of Government Promissory Notes etc., the depositor should be called upon to make good the difference.

1813. **Fixed Deposit Receipts**. - Fixed Deposit Receipts when accepted, should be made out in favour of the Accounts Officer. The dates of maturity of the fixed deposit receipts will be watched by the Accounts Officer. The Executive Officer concerned should be asked in good time before the expiry of the Fixed Deposit Receipt to intimate how long the contract is likely to remain current. The Accounts Officer will arrange to renew the fixed Deposit Receipt from the bank concerned in order to avoid claims by the Contractor against the Railway Administration for loss of interest after maturity of the Fixed Deposit Receipt.

1814. It should be made clear to the contractors tendering Fixed Deposit Receipts as security that they should take action in good time regarding renewals of the Fixed Deposit Receipts and that the Railway Administration will not be held responsible for any loss of interest, if timely action for renewal of these Receipts is not taken by them.

1815. **Banker's Guarantee Bond**. - The Guarantee Bond issued by banks as security deposit will be checked by Accounts Officer to see :-

(a) that it conforms to the conditions stipulated in sub-para (iii) & (iv) of para 1801.
(b) that it is in the prescribed form laid down in Appendix X.
(c) that the amount and period shown therein is in accordance with the terms and conditions of the contract.
(d) that it has been properly stamped as required by law. After scrutiny the Guarantee Bond should be noted in the register of paper securities form A. 1817. The receipt and acceptance of the Guarantee Bond should be promptly intimated to the departmental officer concerned to enable him to execute the contract. The date of expiry of the Guarantee Bond should be watched and timely action taken for its renewal.

1816. The Accounts Officer is responsible for the custody of the Guarantee Bonds and for giving timely intimation to the Executive Officer concerned (say about 3 months in advance) of the date of expiry of the Guaranteed Bond, and the Executive Officer is responsible not only for concurrently keeping track of the currency of the Guarantee Bond but also specifically to ensure that it is extended from time to time for such periods as may be necessary with reference to the completion of the relevant work and any subsequent maintenance period that may be provided for in the particular contract. Cashing of the Guarantee Bonds, before its expiry will, however, remain the responsibility of the Accounts Officer.

1817. **Check of Register of Paper Securities.** - (1) A register in Form A. 1817 should be maintained for recording the receipt and return of all security deposits received in the form of Government Promissory Notes, Fixed Deposit Receipts, Guarantee Bonds issued by Banks, Post office Cash Certificates or Savings Bank Pass Books etc. On receipt, the documents should be first scrutinized to see that they are genuine, that the depositor's title thereto is clear and that the endorsements have been made in proper form.

The particulars of the Security deposited, date of expiry, description of the contract and contractor's name should then be entered in the Register of Paper securities. Separate pages should be allotted for different kinds of securities deposited Government Promissory Notes, whether deposited for twelve months or less or for more than twelve months and less than five years, or for five years or more, should be dealt with strictly in accordance with the procedure laid down in the Chapter X of the Government Securities Manual. All other Paper Securities may be kept for safe custody in the Accounts Office itself or sent to the Cash Office, as may be decided by the Financial Adviser and Chief Accounts Officer. Each entry in the Register of Paper Securities or return of any security should be attested by an Accounts Officer.

(2) No adjustment in the accounts of the railway should be made on account of paper securities deposited with the railway.

Form A.1817

1818. To enable a watch being kept over the market fluctuations of Government Securities, a list should be made out on the fly-leaf of the Securities Register (A. 1817) in which the market values should be entered against all kinds of Government Securities. The market values of the paper securities may be taken from a standard financial journal. The Securities Register should be interleaved with blank pages to enable calculations to be made each quarter. The Register should be put up to the Accounts Officer monthly after completion of the fly-leaf as regards market value for his information. It should be put up to the Accounts Officer once in every quarter with complete calculations of the market values of the Government Securities alongwith the action proposed to be taken to advise the department to obtain further security where necessary.

1819. **Check of Paper Security in the safe custody of the Reserve Bank and the Cashier. -** The offices of the Reserve Bank of India, which accept securities for safe custody on behalf of Accounts Officer, issues to the latter soon after the end of a calendar year, a certificate showing the amount of securities distributed by loans, held in safe custody on his behalf as on 31st Dec. each year. The Accounts Officer should watch for such certificate and check it on receipt with the entries in the Register A- 1817 and bring to the notice of the concerned office of Reserve Bank of India any discrepancies noticed therein within 21 days from the date of such certificate.

1820. Once in six months, on the 30th of September and the 31st of March each year, the Paper Securities with the Cashier should be checked by an Accounts Officer with the entries appearing in the register maintained in the Accounts Office.

1821. **Interest on Government Securities**. - The interest falling due on securities in the safe custody of the Reserve Bank of India will be remitted by the Bank, after deducting income-tax, to the officers with whom the securities were originally pledged for distribution to the pledgers, by means of Bank Drafts, if the officers are stationed at a place where there is an office of the Reserve Bank or a branch of the State Bank of India, and by Security Deposits Interest Payment Drafts on treasuries in other cases. Such drafts

should, on receipt in the Accounts Office, be sent to the Cashier for encashment and credit to the head "Deposits" in the accounts of the Railway, the payments to the respective depositors being separately arranged by issuing pay orders against the credit in the suspense head "Deposits".

Note. - When notes for securities are received by the Reserve Bank of India from Accounts Officers, interest falling due thereon will be remitted as above without deduction of income-tax to the Accounts Officer concerned by whom it will be distributed (after deducting the proper income-tax and surcharge) by payment orders among the depositors. The Accounts Officer should deduct the appropriate income-tax, and pay the net amount of interest to the depositor with a certificate in the form below. Any exemption or abatement certificate granted by Income-tax officers in respect of securities deposited with Accounts Officers should be retained and dealt with by them.

CERTIFICATE OF DEDUCTION OF INCOME TAX FROM THE INTEREST ON PROMISSORY NOTES.

Number of receipt for interest (This No. should also appear in the interest (vide paragraph 42 of the Manual). cages on the back of the Certificates). Certified that Rupees ……..…….being income-tax at the rate of…… has been deducted in the interest receipt of this date, from Rupees…… Being the amount of interest on Government Promissory Notes for Rupees …… of the ……. per cent loan …….. of …….. standing in the name of ……..

Treasury ……..

……..
Treasury Officer

The …….20

……
To be signed by the Claimant

I hereby declare that the Government promissory notes on which interest, as above specified, has been received are my own property and are in the possession of ……..…

Signature……..
Date……..

Note. - The securities to be produced, when required in support on any claim.

Note. - This certificate should not be returned to the Public Debt Office. In case you desire to claim a refund of the whole or any part of the tax deducted as shown above, on the ground that your total annual income is less than that to which the maximum rate of income-tax applies, you should send

this certificate to the income tax Office direct with which an application in the prescribed form to be obtained from the Office.

1822. **Return or appropriation of Paper Securities**. - (1) Before releasing any security deposit, the departmental officer should furnish a certificate as prescribed in paragraph 1809 ante. On receipt of an intimation from the departmental officer that the securities deposited in a particular case are to be returned, they should, if not kept in the Accounts Office, be called for from the Cashier or the Reserve Bank as the case may be, and sent to the party concerned, the date of return being entered at the same time in the Register of Securities (A.1817). Before returning the securities, they should be endorsed back to the parties concerned.

(2) If the advice to return the securities is not received within a month of the completion of the relevant contract, the departmental officer concerned should be addressed in the matter. Before returning the security deposits, the Accounts Officer should in all cases satisfy himself, from the facts available to him, that the purpose for which the securities were deposited has been satisfactorily served and that there are no claims of the railway against the party whose security deposits are being returned.

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CHAPTER XIX

CASH AND PAY DEPARTMENT

Introductory. 1901. Administration. 1902. Detailed Rules of Procedure, 1903. Treasury Rules. 1904. Withdrawals from Station Earnings, 1905.

Cash Department.—Acceptance of Local Cheques in Payment of Government Dues, 1908. Handling of Cash. 1910. Cash Book. 1911. Receipts, 1912. Transport of Cash, 1913. Custody of •Cash, 1914. Custody of Duplicate Keys, 1916. Cashier's Cash Book (Receipts). 1917. Balancing of Cashier's Cash Book. 1918. Accounts Check of Cash Book. 1919. Verification of Cash Balance by Actual Account, 1920. Remittances of Station Receipts to the Cash Office/Banks, 1921. Travelling Safes, 1922. Cash Witnesses, 1924. Cash Bags. 1927. Discrepancies. 1931. Telegraph Message Drafts. 1932. Shroffing. 1933. Uncurrent Coins. 1935. Counterfeit Coins. 1936. Light Coins, 1940. Counterfeit Currency Notes, 1941. Acknowledgement of Station Remittances, 1942. Cash Check Sheets, 1943. Remittance to Banks/Treasuries. 1944

Pay Department.—Pay Districts, 1945. Chief Cashier's Cash Book (Payments), 1946. Cashier's Ledger Account. 1948. Providing Funds to Cashiers. 1949. Register of Cheques to be drawn by the Accounts Department, 1950. Bills Distribution Register, 1951. Advice Notes of Bills and Cheques Despatched. 1952. Return of Abstract of Bills. 1953. Cashier's Cash Book (Payments). 1954. Balancing the Chief Cashier's and Cashier's Cash Books, 1955. Return of Bills to Chief Cashier, 1957. Unpaid Wages Lists, 1959. Disposal of Unpaid Wages, 1960. Return of Bills to Accounts Office. 1961. Check of Chief Cashier's Cash Books (Payments), 1962. Accounts Officers Acquittance. 1963. Notice of Payment, 1964. Witnessing of Payment, 1965. Dates of Payment, 1971. Method of Payment, 1972. Payments on Authorities, 1973. Inter-District Payments, 1974. Inter-Divisional and Inter-Railway Payments. 1976 Postal Payments, 1977. Postal Payments of Provident Fund and Gratuity etc.. 1978. Receipts for Payments and Vouchers exempt from Stamp Duty, 1979. Payment through Banks, 1980, Stamping of Paid Voucher, 1981. Remittance Notes, 1982. Attachment Orders, 1983. Payment of Departmental Labour Pay Sheets, 1984. Payment to Contractors. 1986. Limit for Retention of Bills, 1988. Surprise Checks, 1989. Imprests of District Cashiers. 1990. Custody of Cash, 1993. Responsibility of Cashiers, 1994. Transfers of Charge of Cashiers. 1995.

CHAPTER XIX

CASH AND PAY DEPARTMENT

A. GENERAL

1901. Introductory. – Introductory. – The Cash and Pay Department is headed by a Dy CAO/C&P. The banking of all cash received by the railway and the disbursements of all payments on behalf of the railway (except for payments arranged through cheque by the Cheque Disbursement cell) are mainly the responsibilities of the Dy CAO/C&P. On the divisions there are Divisional Cashiers who function in the same way as, and subordinate to the Chief Cashier. Unless the contrary is clear from the context, the term "Cashier" includes the Dy CAO/C&P , ACC, Divisional Cashier, Senior Cashier and Cashier.
(Authority: Board's Letter No. 2015/ACII/21/13 dated18.10.2016)

1902. The Chief Cashier and his staff will work under the administrative control of the Financial Adviser and Chief Accounts Officer, who is to prescribe detailed rules of procedure for the internal check and inspection of the cash and pay work subject to the general rules regarding cash, cheques, vouchers, disposal of pay and allowances and the witnessing of payments laid down in this Chapter or elsewhere in the Indian Railway Codes.

1903. (1) The rules prescribed in this Chapter are generally designed to ensure correctness & promptness in dealing with cash receipts and payments and avoidance of risks of misappropriation or loss. If in the actual application of these rules there are practical difficulties, there is no objection to any minor deviation from the rules or to the forms being modified to suit local conditions, provided the essential requirements of the rules or the forms prescribed in the Code are not overlooked. All such modifications should be approved by the Financial Adviser and Chief Accounts Officer and embodied in an office manual which should specifically give the particulars of deviation from the rules in the Codes.

(2) The detailed rules of procedure prescribed by the Financial Adviser and Chief Accounts Officer for the conduct of business of the Cash and Pay Department should inter alia provide for:-

(a) the systematic internal check over the accounts of the moneys passing through the hands of the Cashier and other officials concerned;
(b) a continuous review of the arrangements for the expeditious disbursement of the moneys, for the custody thereof, and for the prompt and correct disposal of un-disbursed balances and of sums otherwise payable into the Bank/Treasury;
(c) the adequate, reconciliation preferably without previous notice of cash balances with the accounts outstanding against the custodians of the balances; and
(d) the periodical inspection by the Executive Engineer/Security Officer

of the strong room and other parts of the cash office for ensuring the safety of the building.

It is a responsibility of the Financial Adviser and Chief Accounts Officer to satisfy himself, at irregular intervals by inspections and surprise checks, that the system of supervision, as prescribed by him or in the Codes or special orders is carried out efficiently, and to see that, if there is any defect in supervision, it is corrected and any necessary amendment of the rules receives the sanction of the competent authority. The arrangements for the safety of the cash while in the cash office should receive the personal attention of the Financial Adviser and Chief Accounts Officer during his inspection of the Cash Office.

1904. Treasury Rules.– The General rule is that all money received by the railway should be paid promptly into Bank/Treasuries and that funds required for payments should be obtained from Bank/Treasuries by cheques drawn by the Accounts Officer or by Officers authorised by him. The appropriation of departmental receipts to departmental expenditure or any other purpose is strictly prohibited, except in the circumstances specified below

(i) The Financial Adviser and Chief Accounts Officer is permitted to cash cheques issued by him in favour of the Cashier against the drawing account of the railway from traffic receipts, the former being paid into the Treasury or the Bank in lieu.

(ii) The Financial Adviser and Chief Accounts Officer, with the prior approval of the Ministry of Railways (Railways Board), is empowered to employ a system under which cash receipts at stations are utilized to a limited extent for the payment of expenditure of the railway (e.g., payment of claims for compensation of goods lost or damaged, disbursement of pay and traveling allowances with a view to accelerate payment of such charges, payment of wages in certain specified cases under the Payment of Wages Act).

(iii) In any other case, with the prior approval, general or special, of the President only.

Note. - The General Manager of a Railway Administration, if he considers it absolutely necessary, may, in consultation with his financial Adviser and Chief Account Officer order the appropriation of departmental receipts for urgent departmental expenditure necessitated by floods, earth-quakes and accident.

1905. Withdrawals from Station Earnings.- Pay Orders (and not cheques) issued by the Employees Co-operative Credit Society/Bank in the name of railway servants in whose favour loans, etc. have been granted by it may be encashed from station earnings provided such Society/ Bank deposits in cash with the F.A. & C.A.O./ Accounts Officer concerned in advance, the amount which would be required to cover about a fortnight's

transaction and provided that the pay orders are sealed by the F.A. & C.A. O./Accounts Officer with special seal mentioned in paragraph 1134.

1906. The treasury business of the Central Government is conducted by the Reserve Bank of India at its head office and branches receiving revenues and making payments under the orders of the competent Government officers. The Government treasury business is also conducted by the State Bank of India, if one exists at that station, or any other bank duly authorized by the Government of India (e.g. Nationalized banks) serving as agents of the Reserve Bank. In this Code, therefore, wherever the terms "Treasury" and "Treasury Officer" occur they include the treasury branch of the Reserve Bank of the State Bank and the local agents of the Nationalized banks. The Treasury Rules of the Central Government specially applicable to the Railway Department are printed as Appendix VII to this Code.

B. CASH DEPARTMENT

1907. Cash is usually received in the Cash Office either from the railway stations which realise the traffic and miscellaneous receipts or at the counter in the Cash Office from outsiders making payments of dues to the railways. Railway dues or other money receivable on railway account may ordinarily be realised only in legal tender coins or notes. The conditions of legal tender and the currency of the various denominations of coins and notes are governed by the instructions embodied in Part XIV of the Central Government Treasury Rules.

1908. **Acceptance of local cheques in payment of Government dues** - Stations must not accept cheques in payment of passenger fares. In the case of goods and parcels traffic, cheques on banks which have clearing accounts with the Reserve Bank or the State Bank may be accepted in payment of railway freight at the discretion of the General Manager, from well-known firms subject to the condition that the firm concerned deposits with Government, as security, a sum equivalent to an amount not less then a month's freight transactions with the railway. The security deposit may be made in cash, Government Promissory Notes or a Guarantee Bond in accordance with the instructions contained in Chapter XVIII. The deposit should be made for each booking or receiving point where a firm desires to pay by cheques. Cheques on clearing banks may also be accepted in payment of other dues to the railway or in settlement of other transactions, at places where Government treasury business is conducted by the Bank. Such cheques should, in all cases, be crossed. Until however, a cheque has been cleared, the Railway Administration cannot admit that payment has been received and consequently final receipt will not be granted when a cheque is tendered. A receipt for the cheques (only) will be given in the first instance, but if the person making payment so desires, a formal payment receipt should be sent by post to his address after the cheque has been cleared.

1909. In the event of such a cheque being dishonoured by the bank concerned on presentation, the fact will be intimated at once to the tenderer, but Government cannot accept any liability for loss or damage which may possibly occur as a result of delay in intimating that the cheque has been dishonoured.

HANDLING OF CASH

1910. The following rules should be observed by all railway servants who are required to receive and handle cash.

1911. **Cash Book**. - Each railway servant receiving money on behalf of Government should maintain a CashBook. All cash transactions should be entered in the CashBook as soon as they occur, and attested in token of check. The CashBook should be closed regularly and completely checked. At the end of each month, the officer-in-charge of the CashBook should personally verify the cash balance in the CashBook and record a certificate to that effect under his dated signatures.

1912**. Receipts** - When money is received by Railway servant, a receipt should be granted to the payee in the form prescribed for the purpose, except that in the case of Railway freight the receipts may be granted only when asked for. The receipt should be signed only be a responsible officer who should satisfy himself at the time of signing the receipts that the amount has been entered in the CashBook.

1913. **Transport of Cash.** - Normally, peons should not be employed for the transport of cash i.e. to fetch or carry money. When it is absolutely necessary to employ a Class IV staff for this purpose, men of some length of service and proved trustworthiness should only be selected and, in all cases, when the amount to be handled is large, more than one messenger should be employed.

1914. **Custody of Cash**. - A railway servant who handles Government money should not, except with the special sanction of the head of the office, be allowed to handle also in his official capacity money which does not belong to Government. Where under any special sanction, a railway servant deals with both Government and non-Government money in his official capacity, the Government money should be kept in a cash box separate from the non-Government money and the transactions relating to the latter should be accounted for in a separate set of books and kept entirely out of Government account.

1915. In the case of payments into Banks/Treasuries, the disbursing officer should compare the Bank/Treasury Officer's receipts on the challan with the entry in the Cash Book before attesting it, and when such payments are appreciable he should obtain from the Bank/Treasury a monthly list of payments which should be compared with the postings in the Cash Book.

1916. (a) Public money not in the custody of a Bank/Treasury should be kept in strong treasure chests and secured by two locks of different patterns. All keys of the same lock should be kept in the same person's custody and as a general rule, the keys of one lock should be kept apart from the keys of the other lock and in a different person's

custody when practicable. When there is a police/ security guard the officer-in-charge of such guard should be entrusted with the custody of the keys of one lock. The chest should never be opened without both the custodians of the keys being present. The officer-in-charge of the police/security guard (where such guard is provided) should always be present when the treasure chest is opened and until it is again locked.

(b) Custody of duplicate keys of safes and/or strong rooms. – The following procedure should be observed for the custody of duplicate keys of safes and/or Strong Rooms :

(i) All safes and/or strong rooms should have duplicate keys, one of the keys being in the possession of the person responsible for the safe and or strong rooms as the case may be and the other (duplicate) key being in the possession of the departmental superior, not below the rank of a Gazetted Officer, of such person in whose custody the safe and/or strong rooms is.

(ii) Each duplicate key of the safe and/or strong room should be placed in a packet and sealed with the seal of the person in charge of the safe or strong room to which the key relates, the packet showing the full particulars of the key which it contained should be handed over under signature to the departmental officer entrusted with the responsibility for the custody of the duplicate key packets.

(iii) A register should be maintained in the office in which the safe and/or strong room is situated, indicating full particulars of the duplicate keys in existence and in whose custody they have been place. A register should also be maintained by the officer nominated for the custody of the duplicate keys packets, indicating full particulars of the safe or strong room to which the key in each packet relates.

(iv) Every year during the month of April each office which has deposited the duplicate keys with the nominated officer, should call for the sealed packets containing the duplicate, key of the safe and/or strong room in his charge, check it and return it again duly packed, sealed and properly labelled and marked to the nominated officer, Before returning the duplicate keys he should make an entry in the register maintained in his office of the fact of verification and return of the duplicate keys under his dated signature. The nominated officer in whose custody the duplicate key packets are, should also make suitable entries in the registers maintained in his office regarding the fact of annual verification under his dated signature. He should also ensure that all key packets in his custody are verified by the parties concerned every year.

(v) The office in which the duplicate key packets are maintained is responsible only for the packets with the seal intact condition and not for the contents and consequently the office or party to which the duplicate keys in question relate will be responsible for the contents. They should, therefore, ensure that the packets are properly sealed and that the seals are in tact when they are being sent for safe custody and also when it is received back either for annual verification or otherwise.

1917. **Cashier's CashBook (Receipts).** - The Cashier should maintain a Cash Book in Form A.1917 in which should be recorded the receipt and disposal of cash (see paragraph 1943 and 1944)

Form A. 1917

1918. Balancing the Cashier's Cash Book. - At the close of business each day, the Cashier should balance his cash book (A. 1917) and enter in red ink at the foot of the page a statement showing the details of all the cheques and cash he has in hand and the purpose for which they are held. The total of this statement should agree with his cash balance each day. (For the purpose of detailing the balances on hand, a separate manuscript "Asset Register" may, if found more convenient, be maintained).

1919. Accounts Check of Cash Book. - The cash book, with all vouchers and supporting documents, should be submitted daily for examination and check by an Accounts Officer (nominated by the Financial Adviser and Chief Accounts Officer), who should sign the cash book in token of his having checked it. The Accounts Officer is also responsible for seeing that the whole day's cash collections are duly remitted to the Treasury/ Bank.

1920. Verification of Cash Balance by Actual Count. - The Accounts Officer nominated by the Financial Adviser and Chief Accounts Officer should verify the cash balance by actual count once every calendar month, preferably without prior notice. The verification for the month of March should be made on the 31st of that month.

1921. Remittances of Station Receipts to the Cash Office /Banks. – Under arrangements with the local Banks/Treasuries, the collections of certain stations may be arranged to be paid by Station Masters direct into the local Banks/Treasuries. The collections of stations which cannot be deposited in to the Banks/Treasuries direct should be required to be remitted daily to the Cash Office. In the former cash, the Chief Commercial Superintendent in consultation with the Financial Adviser and Chief Accounts Officer will, subject to the rules in paragraphs 2441 to 2444 of the India Railway Commercial Mannual, issue detailed instructions to the stations regarding the procedure to, be followed in the matter (including precautions to safeguard loss of the remittances) and in accounting. In the latter case, the procedure outlined in the following paragraphs should be followed.

1922. Travelling Safes. - Station remittances to the Cash Office should be made in travelling Safes every day by train under arrangements with the Traffic (Commercial) Department which remains responsible for the money until it is taken over by the Cashier or his representative.

1923. The safes should on arrival at the station, be placed under the charge of the station police guard or otherwise properly secured, is may be locally arranged, until the contents are made over to the Cashier, or his authorized representative, who should attend at the station daily to take delivery of the cash bags at such times as may be arranged by the Financial Adviser and Chief Accounts Officer and the Chief Commercial Superintendent.

1924. Cash Witnesses. - In order that the interests of the station staff may be sufficiently protected, the Traffic (Commercial) Department should furnish sufficient number of Cash Witnesses daily, as may be necessary to witness all operations connected with the remittances, from the time the bags are made over to the Chief Cashier or his representative at the station till the cash has been counted out of them.

Note. The staff selected to work as cash witness in the Cash Office should be of proven integrity having good record of service.

1925. Cash Witnesses should not, in any way, assist in the work of counting the cash but they may count the cash in the circumstances stated in para 1931. They should sign the counterfoils of the Cash Remittance Notes (Form Com./C-9 Rev.) received with the station earnings, and see that the entries of the amounts of Cash Remittance Notes (Form Com./C-9 Rev.) in the Cash Check Sheet (A. 1943) are correctly made, and sign the document (A. 1943). The same men should not be regularly told off as "Cash Witness".

RECEIPT OF STATION REMITTANCE BY CASHIER

1926. Subject to any modifications, which may be authorized by the Financial Adviser and Chief Accounts Officer, the procedure detailed in the following paragraphs should be followed in dealing with station remittances.

1927. Cash Bags. - The safes should be opened in the presence of the Chief Cashier (or his representative), the Traffic Cash Witness or the Station Master on duty and the Head Constable of the police guard (or the Sainik of the Railway Protection Force or other armed guard) provided at the station, and the particulars of the contents should be posted into a register of cash bags (Form No. A. 1927) to be kept jointly by the Cashier and the Cash Witness or Station Master. In his register (A. 1927) the total number of cash bags received from each station should be entered against that station in the column "Total No. of bags" and the serial number of each bag, as given on the outside, should be entered in the column "No. of bags". Should any of the cash bags be found to be torn, or the locks or seals damaged, a note of the fact should be made in the column "Remarks". The number of each safe, the station from which it started, and the total number of bags found in it should also be entered in the register. It should then be signed by the Chief Cashier or his representative, the traffic Cash Witness and the Head Rakshak in token of the correctness of the entries made therein.

Form A. 1927

REGISTER OF CASH BAGS RECEIVED AT . . . . . ON . . . . . .20 . BY TRAIN….

Station From	No. of safe	Total No. of bags	No. on bags	Names of the counters	Signature of counters	Remarks

. . . . .	. . . . .	. . . . .	. . . . .
Chief Cashier's representative	Traffic Cash Witness	Police Head Constable/Head Rakshak	Chief Cashier

1928. The cash bags should then, under the personal supervision of the Chief Cashier, or his representative and a Cash Witness be taken into the counting room in the cash office under a police/ R.P.F. (or other suitable) escort. From the time the cash bags are taken over by the Chief Cashier or his representative till the time of the final counting out of the contents, the cash should not be touched except in the presence of the Cash Witnesses.

1929. Opening the Cash Bags and Counting the Cash. - On arrival at the counting room, the Chief Cash Witness will make over the cash bags, station by station to the Shroffs whose duty it is to count the cash in the bags on behalf of the Chief Cashier. The acknowledgement of the Shroffs will be obtained either on Form A. 1927 in the column "Signature of Counters" or in a separate register showing the names of Counters. (ii) number of bags and (iii) signature of the counters. The bags should then station by opened by the Shroff (the Cash Witness and the Chief Cashier or his representative looking on), and the contents emptied on a carpet or table quite clear of everything which might hide coins if they rolled under it.

1930. Not more than one Shroff should be employed in dealing with the bags from one station, and until these are finally disposed of the bags of another station should not be touched by that Shroff. On opening a cash bag the Shroff should first take out the Cash Remittance Note (Form Com. /C-9 Rev.) and hand it over without unfolding to the Cash Witness and then proceed to count the cash. The Shroff should call out the total amount of cash of each description and the Cash Witness should verify with the entries in the Remittance Note (Form Com. /C-9 Rev.).

1931. Discrepancies. - If the cash agrees exactly with the Remittance Note (Form Com/C-9 Rev.) the Cash Witness and the Chief Cashier or his representative should initial the counterfoil of that document. If a discrepancy be discovered between the cash

and the Remittance Note, a recount should first be made by the Cash Witness, and if that fails to settle the matter, the Chief Cashier should be apprised forthwith. Further action to establish the bonafides or otherwise of the discrepancy should be taken by the Chief Cashier in accordance with the detailed instructions prescribed by the Financial Adviser and Chief Accounts Officer on this behalf. In all such cases, however, the matter should be immediately reported to the Officer-in-charge of the cash office who should cause such investigations to be made as he considers necessary and should fix responsibility.

1932. Telegraph Message Drafts. - Covers containing telegraph massage drafts with stamps affixed vide paragraph 2439 of the Indian Railway Commercial Manual, should not be opened in the cash office, but should be made over with the station cash check sheet (A. 1943) to a responsible official of the Traffic Accounts Branch, who should open them check the value of the stamps with the entries in the Cash Remittance Note (Form Com. /C-9 Rev.) and personally make over the message drafts to the Clerk who checks telegraph earnings, by whom they should be retained under lock and key until dealt with in internal check (see paragraph 2246 to 2248)

1933. Shroffing. – The Chief Cashier is responsible for seeing that the cash in each bag is closely examined by the Shroff during the verification so that uncurrent coins, oiled and spurious notes, etc. may be detected. If, when the cash remittances of the railway are subsequently tendered at the Bank/Treasury, uncurrent-coins, oiled and spurious notes etc. are detected therein in addition to those already discovered by the cash office at the time of verification of station cash, the loss should be made good by the Cash Office Shroffs.

1934. In eliminating uncurrent from current coins, it is necessary that the uncurrent coins of each station should be placed in separate covers for each station and the covers indexed so that in the event of the liability for the loss being placed on stations, the particular coins received from each station may be returned thereto; in practice this can be conveniently done by making up small paper bags in the cash office of about 65 mm.

1935. Uncurrent Coins. – Uncurrent coins may be either counterfeit or light or defaced coins; and the liability for the loss arising therefrom and also the loss on soldered coins, whether it should be borne by the railway or the remitting station, should be fixed by the rules in the following paragraphs.

1936. Counterfeit coins which the Chief Cashier may consider to be exceptionally well executed should so far as remitting stations are concerned, be treated as current. They should not be cut but sent to the Mint to be assayed. Counterfeit coins which in the Chief Cashier's opinion do not fulfil this condition should be cut or broken after which they should be returned to the remitting station to be replaced by current coins of equal face value by the person responsible for their acceptance on behalf of the railway. The discretion referred to in this exercised by the Financial Adviser and Chief Accounts Office or by paragraph must be one of the Senior Officers of the Accounts Office or the

Chief Cashier on a personal inspection of each coin. The duty should not under any circumstances, be delegated to any one else.

Note – The following persons have been authorised to cut or break counterfeit silver or nickel coins under Section 20 of the Indian Coinage Act. 1966 :--

The Financial Adviser and Chief Accounts Officer, the Deputy Chief Accounts Officers, and the Chief Cashier of the Railway.

1937. Sending Uncurrent Coins to the Mint. – The Accounts Officer should bring to the notice of the General Manager, for the information of the Railway Board, any case of the appearance of such coin at particular place in such quantity as to give rise to the suspicion that some new fraudulent agency is at work. Counterfeit coins which are exceptionally well executed should be sent to the Mint either through the State Government or the Inspector General of Police, as the State Government may direct and in the event of there being more than one coin of the same die or of similar moulds, the State Government or the Inspector General of Police may keep one, in-forming the Mint Master of the fact.

1938. A quarterly return should be sent in duplicate not later then the 10th of the month following the quarter to which it relates to the Mint showing the total number of coins remitted by stations during the quarter, including both the coins cut in the cash Office and those sent to the Mint.

1939. Should the Mint Master consider that any of the counterfeit coins sent to him by the railway are not sufficiently good imitations, he will return them, and on receipt in the cash office, they will be cut and will then be disposed of to the best advantage in such manner as the Accounts Officer may direct. Counterfeit coins accepted by the Mint as being exceptionally well executed will be assayed, and credit afforded to the railway through the out-turn statement for the value of silver obtained.

1940. Light Coins. – Light coins consist of those which have become light through ordinary wear and tear and those which have been fraudulently reduced. They and defaced coins, which have not been fraudulently defaced, will be dealt with by the Treasury under the rules in Chapter III of Part XIV of the Treasury Rules and Executive Instructions.

1941. Counterfeit Currency Notes. – Spurious currency notes will be handed over to the Police authorities for investigations, a special report of the case being made to the Chief Commercial Superintendent. Their value will be placed to the debit of Stations concerned and where the notes are palpable forgeries, the amount will have to be made good at once by the Station Staff responsible. When, however, they are classed by the Chief Cashier as good imitations which could not be recognized by the Station Staff as forgeries with the exercise of reasonable care during the ordinary course of business; the value may be permitted to remain at debit of stations till the completion of the

investigations, when the General Manager or the authority to when the Power is delegated will decide on a consideration of the facts of the case whether the loss should be made good by the station or borne by the Railway. Half mutilated, mismatched, or altered notes will be returned to stations by the Cash Office. The amount should be made good at once by the party responsible for its acceptance.

1942. Acknowledgement of Station Remittances. – The cash received from stations having been compared with the amounts shown in the Cash Remittance Notes (Form Com. /C-9 Rev) and examined, the correct amount with which each station is to be credited should be entered in the second and third foils of the Cash Remittance Note (Form Com. /C-9 Rev.). Both the foils should be signed by the Chief Cashier or his representative and the Cash Witness. On foil should be passed on to the Accounts Office with the Cash Check Sheet. (A. 1943) and the other returned to the station concerned as an acknowledgement. Any corrections necessitated by short remittances or remittances of uncurrent coins and oiled and spurious notes, for which the station has been declared liable should be made in red ink with suitable explanatory remarks by the Cash Witness and initialed by him. On railway where explanatory remarks are not given on the Cash Remittance Notes for the corrections made by the Cash Witness, the liability of the station should be intimated through a separate debit memo in Form A. 1942.

Form A. 1942.

1943. Cash Check Sheet. – The particulars of the cash remittances of each day should be tabulated in Form A. 1943, Traffic Cash Check Sheet, which should show the total amount of cash acknowledged to have been received from each station and the grand total of cash received from all stations and remitted by the Chief Cashier into the Treasury/Bank. It will be found convenient to prepare the Cash Check Sheet by sections of the line, the names of stations being arranged according to their geographical position. The total of the Cash Check Sheet (A. 1943), representing the cash receipt of the day, should be entered in the Chief Cashier's Cash Book (Receipts) (A. 1917). The Cash Check Sheet should be sent daily, along with the Cash Remittance Notes (Form Com./C-9 Rev) received from the stations by the cash office, to the Traffic Accounts Branch for check.

Form A.1943

1944. Remittance to Banks/Treasuries. – Payment into the Bank/Treasury of station remittances and other miscellaneous receipts should be made in Treasury Remittance Notes (Form A. 1944) and as a general rule, daily. Form a. 1944 should be printed on the blue paper and should have the name of the railway stamped or printed on the top in bold letters so as to enable the Bank/Treasury to classify the receipts against the railway correctly. Form A. 1944 should be in three foils. The first foil is intended to be retained by the Bank/Treasury, the second, which will bear the receipt of the Bank/Treasury, will be the voucher in support of the credit entry in the Chief Cashier's

Cash Book (Receipts); and the third foil will form the office record. The greatest care should be taken that these daily receipts are stamped or obliterated to such an extent as to render a second use of them impossible; and like other vouchers of the Cash Book, they should be
carefully filed.

Form A.1944

C. PAY DEPARTMENT

1945. Pay Districts. – For the expeditious payment of claims, the railway should be divided into "Pay Districts," the location of which should be fixed by the Financial Adviser and Chief Accounts Officer with reference to the location of the territorial jurisdiction of the Engineering, Mechanical and Traffic Departments.

1946. Chief Cashier's Cash Book (Payments). – No payment can be made by the Pay Department normally without a pay authority from the Accounts Office. The Account Office will forward to the pay office daily all bills requiring to be paid, accompanied by abstract of bills (A. 1107), cheque requisitions (A. 1111) and cheques corresponding to the total amount of abstracts, for all of which the Cashier should grant suitable acknowledgement. The accounts of the Pay Department should be based on bills and cheques received from the Account Office. All bills received in the Pay Office for Payment should be numbered serially. The number thus given in the pay office is referred to hereafter as the Pay Office Number. The Cashier should then enter the particulars and amounts of the bills on the receipt side of the Chief Cashier's Cash Book (payments)(A. 1946), taking care to see that the postings made agree with the Abstract of bills. As disbursements are made by actual payments to payees at headquarters or by the issue of cheques or money to Cashiers for payment, they should be entered on the expenditure side of the chief Cashier's Cash Book (Payments).

Form A. 1946

1947. In urgent cases where the Accounts Department adopt the Post-check system, (see paras, 813 and 814) bills may be received by the Chief Cashier or Cashier directly from the Executive Officers, but no payment should be made by the Chief Cashier/Cashier on such bills until after the receipt of the corresponding Abstracts passed by the Accounts Officer. On receipt of a passed Abstract, the Cashier should link up the corresponding bill, if received separately, by him, and make payments on the dates specified on the Abstract. The paid bills together with the connected Abstracts should be returned so as to reach the Accounts Office within ten days of their receipt by the Cashier.

If any items included in such bills remain unpaid, the unpaid amounts should be dealt with in the usual way, a copy of the Unpaid Wages List (A. 1959) being furnished to the Accounts Officer and to the authority who prepared the bill.

1948. Cashier's Ledger Account. – The Chief Cashier should maintain a Cashier's Ledger Account in which the Cashier is debtor for the amount of bills sent to him for arranging disbursement, and is creditor for the paid bills returned by him and for the cash returned by him with the unpaid vouchers. From such Ledger the Chief Cashier should be able to determine the liability of the Cashier on any day.

Form A.1948

1949. Providing Funds to Cashiers . – All cheques received with the passed bills in the pay office should be made over to the Cashiers concerned. Where a cheque has been received for bills relating to more than one Cashier, it should be cashed and the requisite amounts distributed to the Cashiers concerned. Alternatively separate cheques in favour of each of the Cashiers concerned should be requisitioned for, vide paragraph 1950. The signature of the Cashiers, for the cheques and amounts received should be obtained in a separate register (Form A.1949) or in the Chief Cashier's Cash Book (Payments) under a suitable column, in token of their acknowledgement. When cheques are sent to Cashiers at outstations, the acknowledgements of the Cashiers should be obtained on the Advice Notes should be quoted in the Register (A. 1949) or in the Chief Cashier's Cash Book. The total of the cheques made over to Cashiers should agree with the total of cheque requisitions (A. 1111) received every day.

Form A. 1949

1950. Such of the Cheques as have been omitted to be drawn or are required for placing Cashiers at outstations in funds, should be entered up in a register Form A. 1950 and the register sent to the Accounts Office of the necessary cheques. The amount of these cheques should be deducted from the Chief Cashier's cheques for the day.

Form A.1950

REGISTER OF CHEQUES TO BE DRAWN BY THE ACCOUNTS DEPARTMENT

Date …….20

Reference to A.B.No. and Abstract	Treasury/Bank on which required	Name of person in whose favour Cheque is required	Amount	Remarks
			Rs. P.	

1951. Bills Distribution Register. – After the posting of the Cashier's Cash Book (Payments) (A. 1946) is completed, the bills should be sorted for distribution to the Cashiers by whom the payments are to be made. They should then be entered in the Bill Distribution Register (A. 1951). Bills intended for Cashiers stationed at the headquarters of the Chief Cashier should be delivered to them and their acknowledgement obtained on

this register. The acknowledgement of Cashiers at outstations should be obtained on an Advice Note (A. 1952), reference to which should be quoted under the column "Signature of Cashier" in the Bills Distribution Register (A. 1951).

Form A. 1951.

REGISTER SHOWING OF BILLS MADE OVER TO CASHIERS

A.B. No.	Pay Office No.	Amount	Signature of Cashier for having received the bills and amount	A.B. No.	Pay Office No.	Amount	Signature of Cashier for having received the bills and amount	And so on

1952. Advice Notes of Bills and Cheques dispatched. – Bills intended for Cashiers located at outstations should be entered in an Advice Note, Form A. 1952, to be prepared in triplicate. The original and duplicates of the advice Note (A. 1952), together with the bills and cheques should be dispatched the same day, if possible, as they are received in the Pay Office. The dispatch of the bills and cheques should be intimated to the Cashiers concerned by telegram. Immediately on receipt, the Cashier should verify that the bills and cheques stated to be enclosed with the Advice Note (A. 1952) have been correctly received and return the duplicate copy of the Advice Note duly acknowledged to the Pay Office. Any difference between the amount advised and that actually received should be brought to the notice of the Chief Cashier by telegram. The copy of the Advice Note which bears the acknowledgement of the Cashier should be filed in the Pay Office by attaching it to the office copy of the Advice Note. If any Advice Note remains unacknowledged, the Chief Cashier should promptly call for its acknowledgement.

1953. Return of Abstract of bills A. 1107 and Cheques requisition A-1111 to Accounts Office. – The Abstract of bills (A. 1107) and Cheque requisition (A. 1111) should, after completion of the Pay Office record in the manner indicated in the preceding paragraphs, be returned to the Accounts Office. These should not ordinarily by retained in the Pay Office for more than one day.

1954. Cashier's Cash Books (Payments). – Each Cashier should maintain a cash Book in Form A. 1954. The "Receipt" side of the Cash Book should be posted from the bills received from the Chief Cashier or transferred by other Cashiers for payment. The total amount to be disbursed by a Cashier in connection with the bills received by him,

according to his cash book postings, should agree with the total amount of cash and cheques received by him. The "Payment" side of the cash book should be posted from paid vouchers and from acknowledgements of the Chief Cashier and other Cashiers on account of amounts transferred for payment.

Form A. 1954

1955. Balancing the Chief Cashier's and Cashier's Cash Books. – The cash books of the Chief Cashier and the Cashiers (A. 1946 and A. 1954) should be closed and balanced daily and the details of the balance after actual count noted at foot. Any deficiency must at once be made good and brought on to the cash book of the following day, while an excess found in chest should be paid to the Cashier as a credit to "Deposits-Unpaid Wages." If at any subsequent time the mistake as to the excess or deficiency already entered in the Cash Book is discovered and the amount is found to be refundable, this should be done on a pay order issued by the Cash Office and passed by the Account Office. Erasures of any kind in cash Book, receipts and bills are strictly prohibited; corrections in the Cash Book should always be made in ink and attested by the officer-in-charge. The Cash Book should be checked and signed by the Officer-in-Charge.

1956. The rule requiring the cash books of Cashiers to be closed and balanced daily may be waived by the Accounts Officer in cases in which compliance therewith is difficult, or impracticable. Cashier should, however, be required to close and balance their cash books daily whenever they are at headquarters and in any case not less frequently than once a week.

1957. Return of bills to Chief Cashier. – All paid bills and bills on which no more payments can be made should be returned as early as possible but within one month at the most (see para 1988) by the Cashiers to the Chief Cashier under cover of an advice list (Form A. 1957) together with a copy of the Unpaid Wages List (see para 1959) showing the name and designations of the payees and the amounts unpaid with reasons for non-payment. This advice slip, after being checked by the Chief Cashier with the unpaid money and the bills returned therewith, should be returned, duly acknowledged, to the Cashiers concerned.

Form A. 1957

1958. Cashiers should not the following information on all returned bills :-

(1) Date of receipt
(2) Dates on which payments were commenced and finished
(3) Date of return to Chief Cashier
(4) Amount unpaid
(5) Reference to Unpaid Wages List
(6) Particulars of Remittance of the Unpaid amount

Cashiers should always quote the number of the bill and of the relevant abstract (A. 1107)on separate receipts, or on extracts and authorities attached to abill to which they refer, as without this information it is difficult to trace the bill towhich they pertain. When extracts (Form A. 1975) or receipts are attached to a bill a remark to the effect "extract attached" or "receipt attached" should always be made in the bill opposite the names of the persons concerned.

1959. Unpaid Wages Lists. – A complete list of items unpaid should accompany each bill returned by the Cashier to the Chief Cashier. The list should be prepared in Form a 1959 in triplicate. One copy should be retained as the Cashier's record and of the other two copies, one should be submitted to the Chief Cashier for transmission to the Accounts Office and the other sent to the departmental Officer concerned for such action as he may consider necessary.

Form A. 1959

1960. Disposal of Unpaid Wages. – Immediately after receipt of unpaid money, the Chief Cashier should enter the amount in his cash book on the receipt side. If it is evident that no more payments can be made, the money should either be returned to the Cashier with a deposit slip or paid into the Bank Treasury to the credit of the railway, as may be prescribed by the Accounts Officer and the expenditure side of the Chief Cashier's cash book posted. In the former case, the Cashier should acknowledge the receipt of the amount on the deposit slip, indicating thereon the date of remittance to the Bank/Treasury and return it to the pay office for submission with the Unpaid Wages Lists to the Accounts Office. In the latter case the Bank/Treasury receipt should be submitted with the 'Unpaid Wages Lists to the Accounts Office. All amounts received as "unpaid" by the Cashier should be paid into the Bank/Treasury to the credit of the railway and the Bank/Treasury receipt should be submitted to the Accounts Office as supporting voucher to his Cash Book (A. 1917).

1961. Return of Bills to Accounts Office. – All paid and unpaid bills should be carefully examined by the Chief Cashier, and completed in every respect before they are returned to the Accounts Office. They should then be posted under the column "particulars of return" in the Chief Cashier's Cash Book (A. 1946), and forwarded to the Accounts Office with the cash book The acknowledgement of the Accounts Clerk may be obtained on the advice slip of bills returned (A. 1957). (In the Accounts Office, the bills returned by the Pay Department should, after the checks prescribed in the next paragraph, be dealt with in accordance with paragraphs 817 and 818).

1962. Check of Chief Cashier's Cash Book (Payments). – The Chief Cashier's Cash Book should be submitted to the Accounts Office for check at least once in a month. The Chief Cashier's Cash Book and the bills (paid and unpaid) should, on receipt in the Accounts Office, be examined to see that:

(i) all the cheques issued in favour of the Chief Cashier for the disbursement of bills and in favour of other parties included in the

Abstracts of bills (A. 1107)) passed during the month have been correctly taken to account in the Chief Cashier's Cash Book;

(ii) the receipts of the payees are forthcoming in all cases where payments have been made;

(iii) the necessary Unpaid Wages Lists and Treasury/Bank receipts have been received for the amounts returned as unpaid; and

(iv) there are no bills outstanding with the Chief Cashier beyond the period permitted under paragraph 1988.

In cases where payee's receipts are not attached with the bills, the Chief Cashier should be called upon to submit the required receipts within a fortnight. Such receipts, when subsequently submitted by the Chief Cashier should also be attached with the bills. Delays in the submission of payee's receipts or in the return of bills (paid or unpaid) to the Accounts Office should be reported to the Financial Adviser and Chief Accounts Officer for such action as he may deem necessary.

1963. Accounts Officer's Acquittance. – After check in the manner indicated above, an acquittance certificate should be recorded on the Chief Cashier's cash book inthe following form (suitable modification being made, when necessary) and the cash book returned to the Chief Cashier for record.

Form A. 1963

ACCOUNT OFFICER ACQUITTANCE CERTIFICATE ON CHIEF CASHIER'S CASH BOOK

(1) This is to certify that all bills for Rs ……relating to the month of ……have been received back from the Chief Cashier and there is no outstanding regarding objectionable vouchers, Payee's receipt, acknowledgements, etc. Hence the Chief Cashier's Cash Book is passed finally

.

(2) The amount of Rs. ……returned as unpaid has been deposited into the Bank/Treasury as detailed below :-

Bank/Treasury receipt		Amount
No.	Date	
		Rs. P.

. ……..…….
Accounts Officer

PAYMENT PROCEDURE

1964. Notice of Payment. – Consistent with the provisions of the Payment of Wages Act and the Rules made thereunder, the Accounts Officer should notify, at least two months in advance, the dates on which payment of various classes of bills will be made, and see that the dates are adhered to. As a matter of convenience to departmental officers in mustering payees and furnishing witness to payments, Cashiers should give previous notice of the date, and hour of intended payments.

WITNESSING OF PAYMENTS

1965. All payments by Cashiers should be made in the presence of witnesses appointed by the officers drawing the bill. The general rules relating to witnessing of payments are given in paragraphs 1966-69 below.

1966. Officers submitting bills for internal check should mention therein the place of payment and name of the officer or subordinate before whom payment should be made. It should, however, be ensured that the staff that prepare a particular bill are not nominated to witness payments for the same bill and that, as far as possible, the staff nominated for the purpose are other than the staff of the Bill preparing Sections.

1967. If the witnessing officer or subordinate is unable to write English or Hindi, he should give the required certificate in his own language, which will be translated into English or Hindi (below the certificate) by the disbursing cashier. An illiterate person should not be authorized to witness payments.

1968. When a railway servant named in a bill to witness payment thereof is from some cause or other unable to witness the payment, the officer-in-charge should authorise the disbursing cashier in writing to pay the bill in the presence of another railway servant whom he wishes to depute for the purpose. This authority will be attached by the cashier to the bill concerned.

1969. If an officer is unable to depute a man for witnessing the payment the disbursing cashier will not pay the bill except on the written authority of the officer signing the bill or one of his assistant, who must be a Gazetted Officer to whom intimation of the fact should be given by the Cashier.

1970. Though witnessing officials are responsible for the identity of their men, and for the correct payment of the amount entered in their favour in the bills, Cashiers should take care to see that persons who present themselves for payment are, as far as they know, really, those mentioned in the bills. If they entertain any doubt they should refuse payment until the doubt is removed. A case of one man answering to another man's name should, in no circumstances, be passed over, but should be reported to the Accounts Officer through the Chief Cashier.

1971. Dates of Payment. – Dates of Payment should when possible, be noted by the payees in their acknowledgements in sub-vouchers, acquittance rolls, etc. If, for any reason, such as illiteracy, on the presentation of receipts in anticipation of payment, it is

not possible for the dates of payment to be noted by the payees the dates of actual payment should be noted by disbursing officer on the document under their initials, either separately for each payment or by groups as may be found convenient.

1972. Method of payment. – (a) Except as provided below the pay, leave-salary and other allowances drawn in a pay bill can be paid only on the personal claim of the railway servant concerned and to his personal receipt and not otherwise.

(b) Pay and allowances of a railway servant, when he is unable to present himself in person to receive payment can be paid to any person duly authorized by him to receive the money and give legal quittance, provided that the later holds a legally valid power of attorney to act in his behalf.

(c) The pay and allowances of a railway servant can also be paid on his behalf to another railway servant on his furnishing the later with a legal quittance for the money claimed, signed by himself (and stamped where necessary) which will have to be surrendered to the Cashier, with a letter of authority for the payment to be made. The railway servant receiving the pay and allowances of the absentee employee on his behalf should also furnish a formal receipt (which need not be stamped) on the pay sheet as per example below. –

"A.B. Signaller ……
for B.C. Station Master……
vide authority attached."
to show that the money has actually been received by him.

The personal receipt and the authority for payment given by the absentee employee should be in the form given below.

(d) When the Railway servant is on leave, it will also be necessary for his agent to produce a life certificate duly countersigned either by the Controlling Supervisory officials or by a Gazetted Officer before the payment can be made to him.
(Authority: Railway Board's letter No. 96/ACII/9/3 Dated 1.5, 98)

Form A.1972

1973 The following rules should be observed in making payments on "authorities" :

(a) Unless specially ordered, no countersignature of any one will be required on the authority given by an employee who can read and write English or Hindi. But in such cases, the Cashiers are responsible as to the genuineness of the authority and payment to the correct party. In cases, therefore, where they have any reasonable doubt as to the identity of the payee, the countersignature of the immediate superior of the employee or of

some other responsible witness in the service of the railway should be demanded.

(b) Railway servants unable to write in English/Hindi, including labourers, workmen and other Class IV staff should produce an authority countersigned by the officer named in the bill, to witness the payment or by their immediate superior.

1974. Inter-District Payment. – With a view to accelerate payments in the case of staff transferred from one station to another during the pay period, the departmental officer or a subordinate superior should send intimation to the District Cashier of such transfer so that payment can be arranged to the staff at their new headquarters.

1975. As soon as it comes to the notice of a Cashier that a person whose money is in his hand for payment, has been transferred from his district to that of another Cashier, he should immediately send to the other Cashier an extract from the bill in Form A. 1975 and authorise him to make the payment to the payee concerned. A cashier authorizing payment in this manner should send an advice to the Chief Cashier making the payment (of paragraph 1950). The extracts with the payee's receipt thereon should, after payment, be sent direct to the pay office by the disbursing Cashier. In urgent cases, advises may be sent by telegrams followed by a written authority in confirmation of the telegram.

Form A.1975

EXTRACT OF BILL ON WHICH PAYMENT IS MADE
Pay District
……
……

A.B.No ……..Dated ……Pay Office No……. Dated……for Rs ……Rs. ……Received from the Accounts Officer ……Railway Rs ……being…….

Station …… …… ……
Signature of Payee

Dated ……

The above payment has been to and received by the payee and signed by him in my presence.

……
Signature of Witness

Note. – Payees who cannot write must have their thumb impressions attested by one witness.

1976. Inter-Divisional and Inter-Railway Payment. – In the case of payments due to an employee transferred to another division or another railway, the Cashier should be instructed to return the net amount payable as "unpaid" and the Accounts Officer of the division or the railway to which the employee has been transferred should be authorized to arrange payment of that amount t the employee and to raise the necessary debit against the division or railway issuing the authority (See paragraphs 1132 to 1136).

Note. – The Financial Adviser and Chief Accounts Officer may authorise a procedure similar to that outlined in paragraph 1975, by which inter-divisional payments will be arranged by Divisional Cashiers without the interference of the Accounts Officer, if such a procedure would suit the organisation of the pay department.

1977. Postal Payments. – Where payments have been made to person outside the limits of railway and where it is not possible to resort to the procedure outlined in paragraphs 1132 to 1136.or to issue cheques in favour of the payees, drafts(s) should be used when obtainable from the bank/treasury under the rules in paragraph 1127 to 1131 of the Indian Railway General Code. When draft(s) cannot be obtained, payments should be made by money order, the cost of the money order being borne by the payee except in cases where the railway is clearly liable to arrange for the payment outside the railway limits, e.g., payments of bills for stores purchased, electric charges, municipal and other taxes, salaries of staff working outside the railway limits, advertisement charges, etc. Payments to persons who are at a place where there is neither a Treasury/ Bank nor a money order office may be made by currency notes and postage stamps of small value. This method of payment should be resorted to only in exceptional cases under the orders of the Accounts Officer. Government draft (a) and all remittances whether by cheques, currency notes, stamps, etc. should always be forwarded under registered cover, insured where necessary. The receipts of the Post Office should be carefully filed as vouchers.

1978. (1)Postal Payments of Provident Fund and Gratuity. – Where, for any reason, payment of Settlement dues cannot be made personally to the payees, after proper identification, by the Pay Department, i.e., if the payees cannot be called upon to receive payment personally without serious inconvenience to them, remittance should be made by Government draft(s) if possible otherwise by postal money order or cheque, special care being taken in such a case in consultation with the head of the office concerned – to ensure that the money is sent to the proper persons (and address) and that there is no risk of receipt by unauthorized persons. Remittance of money on account of Provident Fund or Gratuity etc, or both by postal money order or cheque or Government draft(s) is subject to the condition that a letter of authority in the following form has been obtained from the payees through the head of the office or department concerned.

(2) Payment of Provident Fund dues to another person holding power of attorney. – Where, for any reason, payee is unable to receive himself the payment of his Provident Fund dues, including Special Contribution to Provident Fund etc., and desires payment may be made to such holder of a power of attorney, if the disbursing officer is satisfied as to the validity of its execution and the identity of the person presenting it. As the power

of attorney is valid only so long as the subscriber is alive, an indemnity bond should be obtained from the holder of power of attorney to indemnify the railway, in case it is found later that the holder had received the payment subsequent to the death of the subscriber. The disbursing officer should also take care to ascertain, as far as possible, before the payment is made to a holder of a power of attorney, that the subscriber is alive on the date when payment is made.

Form A. 1978

PAYEE'S LETTER OF AUTHORITY

To,

The Financial Adviser and Chief Accounts Officer ……..… Railway.

Dear Sir,

I request that my Provident Fund, Special Contribution to Provident Fund or/and gratuity moneys etc. may be remitted to me by postal money order or by cheque/bank draft on …….. Bank sent by registered post at the following address.

I agree that the remittance made in the aforesaid manner shall be at my sole risk and shall be a complete discharge of government from all liability on the money being remitted by money order or in the cheque or bank draft being forwarded by registered post as the case may be. I herewith enclose a receipt for the amount.

Your faithfully,

…….

(Signature or thumb impression)

Full name of the payee ……

Father's name ……..

Designation, if any ……

Full address ……...

Note. – In forwarding the above form of the letter of authority to the payee, his father's name should invariably be shown on the covering letter and in address on the envelope

.

RECEIPT

Received from ……the sum of rupees …… ……in full and final satisfaction of my claim to Provident Fund account/Special Contribution to Provident Fund/ Gratuity.

Station ……

Date…….

……

Signature of Payee

1979. Receipts for Payments. – The value of the revenue stamp should be deducted for all payments exceeding rupees twenty except in the following cases which are exempt from stamp duty and a receipt stamp affixed on the receipt obtained fromthe payee. In cases of remittances by Government drafts, cheques, currency notes, etc., the payees should be called upon to furnish, stamped receipts on the receipt portion of the Remittance Note A. 1982 (which should be sent to the payees for signature and return). Should the payee neglect to furnish the stamped receipt, further action need not be taken (as in that event the receipt of the Post Office will be treated as the voucher for the remittance, vide paragraph 1977). When an amount is remitted by money order the purpose of remittance, should be briefly stated by the sender on the acknowledgement portion of the money order form in continuation of the printed entry "Received the sum specified above ……", sufficient space being left below the manuscript entry thus made for the signature or thumb impression of the payee. The payee's receipt furnished by the Post Office should be accepted as a voucher and duly preserved for production, if necessary, as evidence of payment,

Voucher exempt from Stamp Duty :-

(a) Receipts given by Government in respect of the transactions relating to an Indian Railway.
(b) Receipts on cheques.
(c) Receipts for interest on Government securities.
(d) Receipts for withdrawals from Government Savings Banks.
(e) Receipts on Postal Money Orders.
(f) Receipts given by a Railway or an Inland Steamer Company for payments made to it on account of freight and fares and for incidental charges such as loading, unloading, delivery, carnage, haulage, wharfage, demurrage, etc.
(g) Receipts given by or on behalf of any society registered under the Cooperative Societies Act, or by any officer or member of any such society and relating to the business of the society.

Note. – Receipts for Payments made outside India should be obtained from the payees and stamped in accordance with the local laws, if any, governing the stamping of such receipts.

All cheques and Government drafts are exempted from stamp duty. For other documents which are free from stamp duty, the list of exemptions in Schedule I of the Stamp Act, should be consulted.

Vouchers requiring stamp duty. – Receipts for advances taken by railway servants do not come under any of the exemptions mentioned above, and are, therefore, chargeable with stamp duty under the general rules.

1980. When an Officer's dues are paid to him by cheque or paid into a bank, the pay office should, on receipt of such a cheque send it with a Remittance Note Form A. 1982, direct to the Agent of the Bank. The Bank's receipt (which must be stamped if the payment exceeds Rs. 20) should be attached to the bill concerned. No countersignature of the officer for whom the payment is made should be required on the receipt; the Bank's receipts should be considered sufficient for the purposes of internal check of the pay office account. In cases where the cheques are to be sent to the officers (and not paid into banks), the receipts of the officers may, if it is not possible to obtain it on the pay bills, be obtained on the Remittance Note (A. 1982) as laid down in (paragraph 1979).

Note. – Where the salary and allowances of several officers are disbursed by issuing one consolidated cheque to a Bank, a single stamped receipt from the Bank in respect of the total amount of the cheque may be accepted as a proper acquittance for all officers. This receipt should clear show, the number, date and the total amounts of the consolidated cheque, together with the name of the Officers and the amounts credited to the account of each officer concerned.

1981. All paid vouchers must be stamped "paid" and so cancelled that they cannot be used a second time. Stamps affixed to vouchers must also be cancelled so that they may not be used again. Vouchers should then be sent to the Accounts Office through the Chief Cashier.

1982. Remittance Notes. – The Remittance Notes which should accompany all remittances of Government drafts, cheques, currency notes etc., should be in Form A. 1982

Form A. 1982

1983. General Instructions to Cashiers . – If any Cashier receives an attachment order from a court against the dues of a railway employee or others, he should not make any deductions at all, but send the same to the Chief Cashier, who will forward the same to the Accounts Office for necessary action.

The Cashiers are prohibited from making any deduction from the dues of an employee for payments to private individuals.

1984. Payment of Departmental Labour Pay Sheets. – The following procedure should be followed in the payment of all departmental labour pay sheets :

(a) The thumb impression of the payees should be obtained on the pay sheets.

(b) The initials of the witnessing officer should be entered against the names of all men paid and his certificate of payments to all the parties included in a bill should be given at the foot of the pay sheet in the manner described below:

"All" Paid in my presence ……..

…..……
Signature and Designation (in Full)
Date of payment……

(c) If any employees had not been paid, the certificate should be as below :-
"All paid in my presence, except ……
men, wages amounting to Rs. …….

(d) The witnessing officer should, at the same time, give appropriate remarks against the unpaid items to indicate the reason for non-payment (e.g., "absent", "dead" discharged", & c.).

(e) Subsequent payments (to unpaid men) should be certified by the witnessing officer in the following manner: -
"Since paid……Men, Rs ……..
…….
Signature and Designation (in full)

The date of the payment and the word 'paid" should be written and initialed against the name of the payee.

1985. The detailed system of payment to employees of the Workshops on the Railways has been laid down in the Indian Railway Code for the Mechanical Department (Workshops). The detailed procedure for the payment of the staff of the other departments on the line should be laid down by the Accounts Officer in consultation with the heads of such departments.

1986. Payment to Contractors.--- All payments to contractors, should, as far as possible, be made by cheques, but no cheque should be issued for a sum less than Rs. 10. The payment should be made in the presence of the officer or subordinate mentioned in the bills submitted for internal check by the drawing officer, who should clearly write thereon. –

"Pay in the presence of ……..…… at ……"

The Certificate for payment should be given by the witnessing officer in the following manner :-

"Paid in my presence"

……
Signature and designation
(in full)
Date of payment ……...

1987. (1) Payment due to a contractor may be made to his authorised agent or to a Bank, instead of direct to them, provided that the railway concerned obtains;

(i) an authorisation from the contractor/suppliers in the form of a legally valid document such as a power of attorney or transfer deed, conferring authority on the bank to receive payment and

(ii) the contractor's/supplier's own acceptance of the correctness of the amount made out as being due to him by the Railway on his signatures on the bill or other claim preferred against the Railway before settlement of the account or claim by payment to the said bank. While the acknowledgement by a bank of cheque or draft received towards payment shall constitute a full and sufficient discharge for the payment contractors/suppliers should wherever possible, be induced to present their bills duly receipted and discharged through their hankers. Nothing herein contained shall operate to create in favour of the bank any right or equity vis-à-vis the Government.

(2) In the case of payment to party not in Government/Railway employment the cashier shall make precautions for satisfying himself about the identity of the applicant for payment.

(3) Unless specially mentioned in a bill, no witness need be required for payments made by cheque to contractor/supplier able to sign in English /Hindi.

1988. Time limit for retention for Bills. – Cashiers should not retain in their hands, any bills for more than one month from the date of their receipt, but should return them to the Chief Cashier with any amounts remaining unpaid. Where lower limits have been prescribed locally, the same should continue. Any tendency to retain the bills for longer periods than is allowed should be viewed seriously by the Accounts Officer and enquiries should be instituted in all cases of delay in the returning of vouchers after payment.

1989. Surprise Checks. – The Officers in charge and the Inspectors attached to the Cash and Pay department should exercise a surprise check on the accounts of the Cashier both at headquarters and on the line and such check should embrace a census of the bills in the possession of the Cashiers and the counting of the cash in their hand. A similar surprise check should be carried out by an Accounts Officer nominated by the Financial Adviser and Chief Accounts Officer.

1990. Imprests of District Cashiers . – (1) A District Cashier may be provided, when necessary (i.e., when the floating cash with him is not sufficient to meet urgent payments), with an imprest to meet urgent payments to employees whose accounts are to be settled up, or to whom payments are considered urgent by the officers authorised by the General Manager to issue pay orders against the imprest. This imprest will also be available for the purpose of making payments on account of unpaid wages subsequent to the return of the money to the Accounts Officer, up to a period (to b e prescribed by the Financial Adviser and Chief Accounts Officer) not exceeding three months from the first of the month in which the bill in question was passed for payments. Items of older date than the specified above should only be paid upon authority from the Accounts Office.

(2) In arranging payments from Cashier's imprests, the following rules should be observed :--

(a) The word "emergent" should be written on the top of each pay order and the"Head of account chargeable to" fill in by the officer drawing a pay order who should also fill in the name of the witnessing officer and the place of payment, etc., in the same manner as is required for ordinary bills. Cashiers should, not cash any pay order not having this information.

(b) "Emergent" pay orders against the imprest of Cashiers signed as "for the officers duly authorised to issue pay orders" should not be honoured unless signed by a Gazetted Officer.

(c) The amount of each "Emergent" pay order should not, except in cases of breach of the line and the like exceed Rs. 100. Drawing officers should be responsible for money drawn on pay orders.

(d) The District Cashiers at the headquarters of the Accounts Offices, need not be allowed an imprest, as all pay orders, both "Emergent" and for "Unpaid Wages" to be paid there will be forwarded by the drawing officers to the Accounts Officer in order that arrangement may be made for their payment.

(e) In case of a serious emergency, such as a breach in the open line from floods etc., it may be found necessary to place funds at the disposal of a departmental officer for immediate and frequent payment to workmen. In such a case, a Cashier should be sent to the spot with a sufficient imprest and the departmental officer should be authorised to draw upon the Cashier for the necessary funds. But a voucher giving the correct allocation must in every instance be furnished to the Cashier who alone should hold the cash and make all disbursements and who should submit his imprest account, supported by voucher received by him, to the pay office in order to have the expenditure checked and his imprest recouped. As soon as the emergency has passed, the special Cashier with his imprest must be withdrawn and the ordinary procedure of pre-check and payment of bills resumed.

1991. Cashiers should cash pay orders against their imprests as soon after their receipt as possible. When they have not got sufficient balance in their hands to meet the demands, they should ask the Chief Cashier by wire for early recoupment of the imprests; the latter should send the original telegram to the Accounts Office if the imprest account be there, so that the Cashier may be placed in funds as early as possible.

1992. Cashiers should send their imprest account s for recoupment at convenient intervals or when about half of the imprest amounts have been spent, to the payoffice, whence, immediately after their receipt, they should be transmitted with vouchers to the

Accounts Office. All vouchers is support of payments shown in imprest accounts should be numbered consecutively and submitted with the account concerned.

1993. Custody of Cash – Detailed rules for the custody and protection of cash with the Cashiers, while at their headquarters, when traveling, or while stopping at stations, should be laid down by the Financial Adviser and Chief Accounts Officer. Where treasure guards are employed, the rules should define clearly their duties and responsibilities.

1994. Cashiers should be held personally responsible for all moneys made over to them and for any loss accruing to the railway from want of precautions for the protection of the railway money. Under no circumstances should Cashiers keep railway money at their private residence, nor should private money be mixed with railway funds on any pretext whatever.

1995. Transfers of Charge of Cashiers . – The relieving Cashier should receive the cash and bills as per relieved Cashier's cash and imprest books as on the day on which the charge is made over, entering the details of these in Form A. 1998. This form as well as the cash and imprest books should be signed both by the relieved and the relieving Cashiers. The form should be prepared in duplicate, one copy being sent by the relieved Cashier to the pay office and the other retained by him.

Form A. 1995

1996. Both the relieved and the relieving Cashiers should, immediately after making and taking over charge, respectively, send a telegram to the pay office on the following lines :-

"Made over Rs. 200.25 P. as per cash book and Rs. 50 as per imprest to Mr. X."
"Received Rs. 250.25 P. from Mr. Z."

1997. The relieving Cashier should send to the pay office a list for the tools and plant, furniture, books and other railway property received by him from the relieved Cashier, and give the latter a receipt for the same.

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