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M A N U A L

OF

INSTRUCTIONS FOR THE GUIDANCE

OF

THE STAFF OF EXPENDITURE SECTION

2002

FA & CAO's OFFICE
Rail Nilayam
SECUNDERABAD
(FOR OFFICIAL USE ONLY)

SOUTH CENTRAL RAILWAY

PREFACE

This Manual is issued for the guidance of the staff of Expenditure Section in their daily work. It is intended to describe the procedure followed in the Section and to summarise the decisions on various points already reached. This information is supplementary to the general rules and orders contained in the authorised Codes and regulations and should not be regarded as superseding or replacing them. The Office Manual should not be quoted or referred to as an authority in any Correspondence outside this office.

All the staff of the section are expected to be conversant with the procedure and instructions herein laid down and ignorance of the same will not be accepted as an excuse for not observing them.

The correction slips issued from time to time should be currently posted in the copies of the Manual by the staff concerned so that they may be up-to-date and serve the purpose for which the Manual is intended.

This Manual has been compiled and prepared by the efforts of Shri. S.Chandra Sekhar, AAO/Efficiency & IT, Shri.B.Bhaskara Rao, SSO(A)/ Manuals, Smt.R.K.Vidhya, AA/Manuals, evaluated by Ms.Reetikaa, Sr.DAO/SC., and Shri.D.Vinayaka Rao, AO/Exp, Shri V.Ramakrishnaiah, SSO(A), Shri K.K.Subramani, SO(A) under the guidance of Shri.N.S.N.Murthy, Dy.CAO (G)/SC. The assistance extended for bringing out this Manual in digitized form with hyperlinks by Shri S.Deenabandhu, SSO(A) and Shri P.Shankar, AC of Computer Cell is also highly commendable.

Any omission or inaccuracies noticed in this Manual should be promptly brought to my notice for the issue of correction slips wherever necessary. No departure from the procedure in this Manual will be permitted except under my orders.

Secunderabad.

Date:21-10-2002..

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EXPENDITURE MANUAL

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CHAPTER – I

ORGANISATION:

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- 101.** The Expenditure Section of the Railway Accounts Office (Headquarters or Division) is primarily concerned with the internal check and accounting of works expenditure and other miscellaneous claims against the Railway and check of contingent expenditure of the various departments of the Railway. This section is also responsible for the recovery of Railway's claims against outsiders such as rent for Railway lands and/or buildings leased or rented to other Government Departments or private bodies, water, electricity and conservancy charges, interest and maintenance charges of sidings, Way leave charges, maintenance charges for other facilities provided to the private parties such as level crossings, foot path-ways etc.,
- 102.** Consequent on divisionalization and the subsequent changes introduced in the organization and functions of the Expenditure Section in Headquarters and in the Divisions, the following executive offices come under the Accounts control of each of the Accounts Offices are indicated below:

Sl.No.	Accounts Office responsible for internal check	Executive Offices which come under their internal check.
1	FA & CAO's Office (HQ)/SC	Headquarters Offices of all Departments. Railway Recruitment Board/SC, IRISSET/SC.
2	Sr.DAO/Secunderabad	All the divisional Offices, including Armed wing and Special intelligence Branch of the RPF posted in the Division.
3	Sr.DAO/Hyderabad	-do-
4	Sr.DAO/Vijayawada	-do-
5	Sr.DAO/Guntakal	-do-
6	Sr.DAO/Hubli	-do-
7	WAO/Lallaguda	Executive offices attached to Workshop.
8	WAO/Rayanapadu	-do-
9	WAO/Hubli	-do-
10	AWAO/Tirupathi	CRS/Tirupathi

In addition, all construction Accounts Units are also conducting the internal check of the executive offices attached to them .

103 RECEIPT OF BILLS:

All bills which are to be settled by cash payment received in the Accounts Office should be entered in the AU6 Register, (A1104) should be numbered in consecutive order and the date of receipt should be entered upon them (this has been computerized on HQrs). The number thus allotted to each bill will be referred to as AU6. The bills then handed over to the bill checking clerks duly obtaining their dated initials in the column provided therefor in the register. 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 AU6 Register. It is essential that the bills are dealt with expeditiously and ordinarily no bill should be pending for more than 3 days from the date of receipt of bill. In order to enable a watch being kept over the expeditious passing of the bills and ensure there is no avoidable delay in the passing of the bills, a list of bills outstanding for more than 10 days should be submitted to the Section Officer with the remarks for not passing the bills within 10 days, so that necessary action could be taken for their expeditious disposal. These 10 days outstanding lists of bills should be prepared from the register of bills 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 preparation of the statement and submitted to the Accounts Officer.

- 104 In addition, each bill checking clerk should also maintain a personal register wherein the bills as and when received should be entered furnishing the AU6 number, date of receipt, date passed and date handed over to the CO7 clerk for inclusion in the CO7. These registers should be reviewed by the Section Officer (Accounts) in charge of the section weekly and action is to be taken for any abnormal delay against the staff concerned.

105 RECEIPT AND REGISTRATION OF INWARD LETTERS:

Letters received from the Railway Board, General Manager and Principal Director of Audit will be handed over to the individual internal checking section by the Receipt and Despatch section duly registered in separate registers. These letters on receipt should be scrutinized by the Section Officer(s) in charge of the section and those requiring specific action by way of reply etc., should be marked with alphabets “R.R” (denoting “Reply Required”). After perusal of these letters by the Section Officer(s) they should be registered by the General Clerk in separate registers duly also noting in the register against such letters requiring reply the alphabets “R.R”, as has been marked on the letters and the serial number in the register entered on the letters. The letters should then be handed over to the respective clerks duly obtaining their initials in the register. Other letters received from the Receipt and Despatch section duly registered by them in the “Dak” should similarly be scrutinized by the Section Officer and those requiring a reply be marked “R.R”, and disposal of the same watched through the “Dak”.

106 Letters received from other sections should be registered in a separate register and handed over to the dealing clerk and disposal of such letters requiring further action is to be watched through the register.

107 DUTY LIST OF ACCOUNTS CLERKS /ACCOUNTS ASSISTANTS:

Each sub-section should keep a list detailing duties allotted to each clerk. The duty list approved by the Gazetted Officer-in-charge should be got signed by each clerk and maintained by the Head of the section. Care should be taken to see that important items of work are entrusted to Accounts Assistants and experienced members of the staff. The distribution of the main items of work done in each sub-section as well as subsidiary items of work to the staff of the sub-section should be carefully made to ensure proper co-ordination and expediency. Keeping these objectives in view, the duty list of the staff of the section should be prepared, so that each member on receipt of a copy thereof, would be well apprised of the specific duties expected of him/her and the extent of his/her responsibilities.

108. DUTIES OF SECTION OFFICER (CONSTRUCTION AND DIVISIONS) :

(A) The duties of Section Officer (Accounts) are to check the arithmetical accuracy of all accounts and returns received from supervisors and all bills and other claims presented by contractors and others and to compile the divisional accounts and other returns with accuracy in accordance with the several forms prescribed and generally assist the Divisional Engineer in all matters relating to the expenditure of cash and stores in the division. He is responsible for bringing to the Divisional Engineer's notice of any irregularities that come to light while examining the accounts.

The duties prescribed for Section Officer (Accounts) in paragraph 140-E ante will apply 'mutatis mutandis' to Section Officer (Accounts) attached to construction divisions. The Section Officer (Accounts) should see that the rules and orders in force are observed in respect of all transactions of the division. If he considers that any transaction or order affecting expenditure or receipt is objectionable and will be challenged in internal check by the Accounts Officer, it is his duty to bring this fact to the notice of the Executive Engineer. It will then be his duty to comply with the orders of the Executive Engineer if he has been overruled and if he is not satisfied with the decision of the Executive Engineer, he should make a brief note of the case in his Internal Check Register and lay the register before the Executive Engineer, so that the latter may record his reasons for his decision. This register will remain in the personal custody of Section Officer at the time of his inspection or whenever called for.

DUTIES OF SECTION OFFICER:

(B) The Section Officer (A/cs) besides maintaining discipline and attendance in the section has to ensure proper check of all the transactions dealt within the section and that the records, registers etc. maintained are as per extant orders, to furnish the requisite returns to DRM and FA&CAO, as called for from time to time. Amongst his other duties, the Section Officer has to:

i. He should in the course of each month examine all the registers maintained in the section and see that they are up-to-date . Special attention should be directed to

the suspense registers with a view to seeing that action is being taken towards clearance of out-standings.

ii. He should see that all Accounts and other periodical returns due from the section issue on the due date. He will generally see that returns have been properly prepared and are complete in all respects and test check them to see that they are correct.

iii. He should see that the staff of the section are efficiently carrying out the duties assigned to them.

iv. He must himself go into the note or draft on all cases of importance, especially those where any principle or interpretation of rules is involved.

v. He is personally responsible for the correctness of the information furnished to his officer and other higher authorities.

vi. He should critically examine all adjustments made between different heads of accounts including suspense whether initiated by the executive offices or in rectification of previous errors.

109. CALENDAR OF RETURNS:

(a) Separate calendar of returns should be maintained-

(i) for the outward returns showing the due dates and the actual date of despatch.

(ii) for the inward returns showing the due dates and the actual date of receipt, and

(iii) for the accounts, registers etc., submitted to the officer showing the due date and the date of submission.

(b) The calendar of returns should be submitted to the Branch Officer for scrutiny by the 10th of each month showing the position in respect of the preceding month.

110. PROGRESS REPORT

(a) One of the fundamental requirements for an efficient working of a section is that the correspondence is dealt with expeditiously and the information called for is submitted promptly. This can be ensured by referring to Register of Inward letters

and Ten Day Reports on outstanding letters. In cases of delay in replying any of these letters, the position should be brought to the notice of Branch Officer, for his orders.

(b) As regards letters from the Railway Board, Audit Office and the DO letters, the Section should maintain separate registers which should be put up every ten days to the Dy.CAO(G)/Sr.DAO/DAO/SAO. A separate register should also be maintained in the section for the official cases received either direct or through Dy.CAO(G) concerned and the same put up to Dy.CAO, every ten days, indicating the position of cases.

(c) Bi-monthly Progress Reports and half yearly reports on arrears and review of suspense balance in the prescribed proforma should be submitted by the scheduled dates reflecting the factual position with all the requisite details, so as to avoid any back reference.

111. HALF-YEARLY ARREAR REPORT:

Statement showing the arrears of work as on 30th June and 31st December should be prepared in Form A.125 for submission to the efficiency section, Headquarters Office on the dates stipulated by them.

112. INSPECTION OF REGISTERS:

Paragraph 120-A enjoins the intervals at which the registers of the sections should be inspected by the Accounts Officer in charge of the section. The intervals at which the registers which are required to be inspected by the Accounts Officer of the section as per Appendix VIII of Accounts Code (Part I).

113. DESTRUCTION OF RECORDS:

The periods up to which the Accounts Office records (so far as the Expenditure section is concerned) are required to be preserved as per Appendix IX Accounts Code Part I (para 121). The records, the period of preservation of which is over, should be reviewed at frequent intervals and destroyed with the approval of the FA & CAO duly entering details thereof in a register which should be maintained in the section.

CHAPTER - II

GENERAL PRINCIPLES, SCOPE AND METHOD OF INTERNAL CHECK

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- 201 The check exercised by the Accounts Office on the financial transactions of the Railway on behalf of the Railway Administration is called “Internal Check” . The internal check is exercised continuously and concurrently as and when the transactions are brought to account. The internal check should be conducted with reference to-
- (a) Rules and orders issued or sanctions accorded by the President, the Railway Board, General Manager of the Railway and other Subordinate Authorities to whom the power to issue rules or orders or accord sanctions has been delegated;
 - (b) the instructions contained in the Indian Railway Codes and Manuals and any further instructions issued from time to time by the Railway Board; and
 - (c) the recognized standards of financial propriety vide para 116 of Finance Code.
- 202 Unless an exception is specially permitted in any particular case, all transactions, whether relating to receipts or expenditure should be checked cent percent and no transactions should be brought into account before it has been completely checked.
- 203 The check of expenditure embraces two distinct functions viz.-
- A—Accounts Control proper and
 - B—Financial Control.
- (A) Accounts Control.—The object of Accounts Control is to ensure that each item of expenditure is correct in every particular. The main idea is to see whether the claims preferred -
- (i) are correct and payable by the Railway Administration,
 - (ii) are covered by the sanction of the competent authority,
 - (iii) can be met from the funds allotted for the purpose,
 - (iv) are correctly classified and in the case of recoverable amounts the fact is clearly indicated,
 - (v) do not violate any of the standards of financial propriety,

- (vi) are free from errors and omissions
- (vii) towards expenditure sanctioned for a limited period are not admitted beyond that period without further sanction.

(B) Financial Control—The objects of Financial Control are:

- (i) to see that the expenditure incurred on various works and services is covered by the grant allotted by the Railway Board and distributed by the General Manager; and
- (ii) to bring to the notice of the executive officers concerned all instances in which expenditure is likely to exceed or has exceeded the funds for specific works or service, so as to regulate the expenditure or to prevent incurrence of further expenditure where the allotment has already been exceeded or to obtain additional allotment, etc.

Financial Control should be exercised with respect to the following points: -

- (i) Sanction to expenditure and
- (ii) Appropriation of funds.

CHECK OF BILLS:

- 204 All bills, in so far as they represent claims against the Railway, should be scrutinized as required by 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 or if in any other language have been rendered into English, that their total is given both in words and figures, that there are no erasures and that any alterations in the totals, etc. are attested as many times as they are made,
 - (c) that they bear a certificate, wherever necessary, from the responsible officer, that the services for which the payment is claimed have been actually rendered, and income tax deductions where applicable have been correctly made.

- (d) that, if the bill is for tools and/or other articles of equipment for which an inventory is prescribed, it has been certified by the departmental officer that necessary entries have been made in the relevant stock account.
- (e) that the proof of the correctness of a claim does not accompany the bill (eg. 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.

STANDARDS OF FINANCIAL PROPRIETY:

205 It has been laid down that in the exercise of their financial powers, the sanctioning authorities must pay due regard to the following principles:--

- (i) The expenditure should not prima facie be more than the occasion demands and that every Government servant should exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- (ii) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- (iii) Public moneys should not be utilized for the benefit of a particular person or section of the community unless—
 - (a) the amount of expenditure involved is insignificant, or
 - (b) a claim for the amount could be enforced in a court of Law or
 - (c) the expenditure is in pursuance of a recognized policy or custom.
- (iv) The amount of allowances, such as travelling allowances, granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole sources of profit to the recipients.

PRE-CHECK AND POST-CHECK:

206 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 the vouchers should all be checked in the Accounts Office after payment is made (post-checked):-

- (i) Payments from Imprest
- (ii) Payments from station earnings when permitted under rules; and
- (iii) Commission deducted by auctioneers from sale proceeds under their agreement;
- (iv) 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, and
- (v) Payments made in advance to Executive Officers for purchase of stores etc., pending rendering of the accounts and vouchers.

ROUNDING OFF OF AMOUNTS IN VOUCHERS:

207 The Accounts rendered by one Government or Department to another will be rounded off to the nearest rupee.

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CHECK OF SANCTIONS:

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- (a) In conducting the check of expenditure, Accounts has not only to see that the expenditure is incurred by a sanction, either general or special, but has also to satisfy itself that the authority according a financial sanction is competent to do so by virtue of the powers vested in it by the provisions of Constitution or by the rules of delegation of financial authority made by the competent authority. The check of sanctions has to be conducted with utmost care, as once a sanction is accepted in Accounts, expenditure may have to be passed against it for a length of time. In order to conduct the check of sanctions properly, it is incumbent on all to make themselves fully conversant with the powers of sanction of several authorities.
- (b) Copies of 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 Advisor 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 order of sanction received should be scrutinized to see whether it is in order and in conformity with the rules and orders and the same carefully filed.

(c) The sanctions accorded by the General Manager and other departmental officers should be received in the Accounts Office, signed either by the sanctioning authority himself or by an officer earmarked for the signing of all sanctions issuing from that Department. It should be ensured that an advice is received from each Department nominating an officer (by designation) who is authorized to sign all sanctions issued from that department on behalf of the sanctioning authorities. The sanctions received in the Accounts Office should be examined in the light of the delegation of powers contained in the Schedule of powers and other rules and extant orders.

(d) Every rule, order or sanction issued by an authority to see

- (i) that the authority framing the rule or according the sanction is competent to do so with reference to powers delegated in the schedule of powers;
- (ii) that the sanction is definite and thus needs no reference either to the sanctioning authority itself or any higher authority;
- (iii) that the sanction does not contravene any general or special orders of any higher authority; and
- (iv) that in all orders conveying sanction to expenditure of definite amount or upto a specified limit, the amount of sanction is always expressed both in words and figures.

If it is found that any rule or order or sanction is open to objecting in the light of facts known to this office, the matter should be reported to the Railway Board through the General Manager, if the rule or order was received from the Railway Board; otherwise the matter should be

taken to the notice of the appropriate departmental authority or the General Manager as the case may require.

- (e) All sanctions to expenditure should be noted in a register under the signature of a Gazetted Officer or the Section Officer and the internal check of expenditure conducted with reference to the entries in the register. If it is known by inference or specific direction in the sanction that the expenditure or any part of it is recoverable from a third party, a note of the recovery should be made prominently in the recovery register so that recovery may be watched or enforced promptly. It should be ensured that the expenditure is not admitted beyond the period of sanction under any circumstances and the register of sanctions reviewed periodically so that the Administrative Authority may be requested to revise the sanction, if such a course is prompted by any event.
- (f) 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 a different date is specified in the rules themselves.

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CLASSIFICATION OF EXPENDITURE:

- 209 The detailed classification of Revenue and Capital expenditure under various detailed and sub-detailed head of account as per the revised classification and Accounts of Expenditure and earnings (IRFC Vol.II). The detailed classification of expenditure under the heads Development Fund, Depreciation Reserve Fund and Open Line Works Revenue is given in Chapter VII of the Financial Code, Volume I.
- 210 All staff should keep themselves conversant with details of classification and nature of charges to be debited under the respective heads in order that the correctness of the classification shown by the Departments in the vouchers submitted by them may be checked.

- 211 Though the Executive Officer is primarily responsible for the correct allocation being furnished in the vouchers while submitting them to the Accounts Office, the accounts should also check the allocation furnished by the Executive to see that the charges have been classified and the correct allocation furnished.

OBJECTIONS RELATING TO EXPENDITURE:

212. 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 offices 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 regularization in accordance with the following rules:

- (i) 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.

- (ii) Claims, though technically open to objection (e.g., want of proper allocation or of sanction to estimate, etc.) must be admitted if they are prima facie correct and 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 if the postponement of the disbursement till the removal of the objection is likely to cause undue delay and hardship to the payees. Certain claims may, in the opinion of the accounts Officer, be irregular but the Executive Officer submitting the claim may take upon himself the responsibility of ordering that the claim be accepted. In such cases where claims are open to objection and passed for payment, the expenditure should be passed provisionally and placed under objection. Such claims passed provisionally should be entered in the

provisional payment register and the same pursued with the Executive Officer to elicit further particulars required to admit the claim finally.

- (iii) Payments made before scrutiny by the Accounts Office if found to be irregular in Internal Check should also be placed under objection.
- (iv) 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 expenditure through objection statement in Form A.851 or through letters.

OBJECTION STATEMENTS:

- 213. On open lines of Railways, all objectionable items noticed in the internal check of bills or documents other than establishment bills should be communicated to the officer concerned through objection statement 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 officers responsible for the outlay through Form A.851. In the case of lines under construction, the objection statement will be in Form E.1537.
- 214 In all objection statements, and disallowance lists, the reasons for the objection or disallowance should be stated concisely and clearly, the rules or orders on which each objection or disallowance is based being mentioned. Departmental Officers are required to record their replies to objections and disallowances against each item in the objection statement or disallowance list in the column provided for the purpose. These replies, together with the Accounts Officers rejoinder or final orders, should be entered in the Office copies of Forms A.851 and A.850 kept in the Accounts Office.

On the final disposal of an objection statement or disallowance list, it will be returned to the officer responsible for the outlay, for record in his office.

- 215 As soon as the accounts for a month are closed, the objection statements disallowance lists 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 (Form A.854) under the appropriate headings thereof. All items finally disallowed should be transferred to Savings Register (Form A.855)

SAVINGS REGISTER

Item No.	Reference to vouchers or other documents	Particulars of savings or avoidance of expenditure or increase in earnings	Amount	Initials of Accounts Officer	Remarks
			Rs. Ps.		

OBJECTION BOOK

The objection book should be maintained in Form A.854.

Item	Name of work & particulars of item	Balance brought forward		April	
		Year from which out-standing	Amount	Amount placed under objection	Amount cleared

Balance	And so on for every months	Reference to the order accounts voucher or other documents justifying the removal of objection (*)	Remarks (including particulars of correspondence and action taken*)

(*) This columns should filled in only in respect of Miscellaneous objections



Classification of Objections:

For the purposes of posting the objection book (Form A.834), 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 and
- (e) Miscellaneous eg. irregular personal claims, absence of vouchers, breach of a financial rule, provisional acceptance of allocation of estimates.

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POSTING OF OBJECTION BOOK:

- 216 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, D.R.F., D.F., O.L.W.R., Accident Compensation, Safety and Passenger Amenities Fund and Ordinary Revenue to which they relate. All objections raised by the Accounts Office, as a result of internal check or by Statutory Audit Office should after their posting in the objection book should be watched until they are cleared. (857-A)

SUBSIDIARY OBJECTION BOOK:

- 217 A subsidiary objection book should be maintained for the record of petty objections like 'want of detailed vouchers' etc. This book should be examined every month and the total amount outstanding therein after the end of the second 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. 858(A)

REVIEW OF OBJECTION BOOK:

- 218 The objection book 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 review for the special notice of the Accounts Officer.

REGULARISATION OF OBJECTIONS:

- 219 It is the duty of the Accounts Officer to take all necessary action without avoidable delay to secure the regularization 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 it is considered 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 a particular case is insufficient, the General Manager should be requested 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 it is considered such action is imperative.

- 220 **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 by the 20th June and 20th December respectively. The statement should be carefully scrutinized to see,
- (a) that the statement for half-year ending 31st March includes items of objections relating to the Accounts for the half-year ending 30th September of the preceding year but not cleared upto the close of the Accounts for March and that the statement for the half-year ending 30th September includes 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.
 - (b) The items of objections included in the statement are grouped under the following headings:
 - (i) No estimates (want of estimates).
 - (ii) Excess over estimates and
 - (iii) Miscellaneous charges.
 - (c) that the total number of items and the total amount of expenditure under objection are shown under each group, the following items being detailed:
 - (i) Those requiring Railway Board's sanction.
 - (ii) Those in which the Accounts Officer considers that sufficient action is not being taken by the local administration or offices.
 - (iii) Those on which action taken locally is sufficient but in which it may appear that regularisation is delayed for want of due attention elsewhere.
 - (d) that in the case of objections under the group 'Excess over Estimates', the amount of estimate is shown under the appropriate column.
 - (e) That the action taken by Accounts Officer to secure clearance of items under objection have been stated briefly but clearly in the column provided for the purpose.

- 221 In addition to the above details, any further detailed reports as required by the Board from time to time should also be prepared and sent along with the half-yearly objectionable items statement.

WAIVING OF OBJECTIONS:

- 222 Under Para 846-A, Accounts Officers are permitted to waive objections in certain cases in respect of transactions for the final check of which they are responsible, to avoid unnecessary correspondence in trivial cases, or to avoid delay in the settlement of claims against the Railway or final adjustment of transactions in the Accounts.
- 223 The nature and extent of powers granted to the Accounts Officers in this behalf, so far as expenditure matters are concerned are summarized below:

Sl No.	Nature of powers	F.A.& C.A.O	Dy.C.A.O.	Any other Accounts Officer	Remarks
1	Waiving of objections to irregular expenditure	Not exceeding Rs.100/- in any individual case	Not exceeding Rs.100/- in any individual case.	Not exceeding Rs.25/- in any individual case.	
2	Admitting expenditure which 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.	Upto Rs.500/- in each case		Not exceeding Rs.50/- in each case.	
3	Waiving of recovery of overpayments, if the amount for any reason becomes irrecoverable.	Not exceeding Rs.200/- in each case.	Not exceeding Rs.200/- in each case.	Not exceeding Rs.20/- in each case by the Accounts Officer in	

				in- dependent charge may exercise this power.	
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Note: (1) If the irregularity is such as is likely to recur, the departmental officer should be advised that the expenditure, although admitted, was irregular.

Item (2) The powers under this item can be exercised provided that:

- (i) the expenditure in question is not of a recurring nature,
- (ii) if the expenditure is not covered by sufficient sanction, the FA & CAO etc. is satisfied that the authority empowered to sanction the expenditure would accord sanction if requested to do so, and that unnecessary inconvenience and trouble will be caused if the bill is returned unpassed for want of such sanction, and
- (iii) if sufficient proof that the expenditure has been incurred has not been produced, the FA & CAO 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.

224 The powers given to the Accounts Officer to waive recovery of overpayment may be exercised whether the transactions are pre-checked or post-checked or whether the irregularity has come to notice in the course of internal check. Objections raised by Audit may be waived only with the consent of Audit.

225 Particulars of recoveries foregone under the above provisions should be noted in the register of recoveries foregone in form A.847 this register should be open to inspection by Audit at any time.

REGISTER OF SERIOUS IRREGULARITIES:

- 226 In addition to the objection book (Form A-854), a record of the more important irregularities which have been noticed in the course of internal check and of the action taken thereon should be maintained. All cases of frauds, losses or embezzlements should also be recorded in this register. This register 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.

SAVINGS REGISTER:

- 227 A register in Form A.855 should be maintained to record all savings or avoidance of expenditure as a result of the internal check. All entries made in this register should be attested by the Accounts Officer.

ARREAR CLAIMS:

- 228 Claims of outsiders (i.e., private individuals and non-Government bodies) against the Railway:-

 (a) No claim against the Railway Department not preferred within six months of its becoming due, can be paid without the sanction of the F.A. & C.A.O. Claims other than claims for overcharges and compensation of Rs.5 and less may, however, be preferred within one year of their becoming due.

(b) A claim against the Railway Department which is barred by time under any provisions of law relating to limitation, is ordinarily to be refused and no claim on account of such time-barred item is to be paid without the sanction of the Railway Board. The onus is upon the claiming authority to establish a claim to special treatment for a time-barred item and it is the duty of the authority against whom such a claim is made to refuse the claim until a case for other treatment is made out. All petty time-barred claims are to be rejected forthwith and only important claims of this nature considered.

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- 229 It is the duty of the executive authority, in the first instance, to consider the question of time-bar, before submitting a claim to the Accounts Office for sanction and all claims found to be time-barred should not be certified until the sanction of the Railway Board has been obtained.

FRAUDS AND LOSSES:

- 230 Detailed rules laying down the procedure to be followed in
- (a) fixing and enforcing responsibility for losses.
 - (b) instituting criminal proceedings in connection with embezzlements of Government money and
 - (c) taking departmental action against the delinquents responsible for losses or frauds, as laid down in Chapter XI of Financial Code Volume .I.
- 231 The procedure to be followed in the Accounts Office if any defalcation or loss of public money detected by or reported to the Accounts Office, is as under
- (a) Immediately any defalcation or loss of public money, departmental revenue or receipts, stamps, stores or other property is detected by or reported to the Accounts Office, the same should be recorded in the register of Serious Irregularities, even if the loss is made good by the person responsible. Petty cases involving losses not exceeding Rs.500 are not required to be reported to the Accounts Office.
 - (b) When a fraud or loss comes to notice, the Accounts Officer should—
 - (i) when the investigation is made by the executive officers, call for a complete record detailing the nature and extent of loss, the error or neglect of rules by which such loss was rendered possible, and the prospects of effecting a recovery and
 - (ii) in all other cases, investigate it fully with a view to fixing individual responsibility and finding out whether the fraud or loss was rendered possible by any defect in procedure or violation of rules.

- 232 It should also be examined whether adequate disciplinary action has been taken and if it is not adequate, the same should be brought to the notice of the higher authority.

EXHIBITION OF LOSSES IN GOVERNMENT ACCOUNTS:

- 233 If a claim be relinquished, it should not be recorded in the expenditure side as a specific loss. If, however, money due to the Railway has actually reached a Railway/Government servant and is then embezzled, stolen or lost, even though it may not have reached the cash office or treasury and thus have passed into the Government Account, it should be brought into account, as a receipt and then shown on the expenditure side, under the proper head, as a loss. (Appendix III (A))
- 234 Losses or deficiencies of buildings, land, stores equipment, etc. should be recorded in the accounts in accordance with the classification of expenditure. If any transactions are recorded under a suspense head, the losses relating thereto should be written off the suspense head also.
- 235 In the case of irregular or unusual payments, the same should be recorded in the Accounts with general reference to the classification of expenditure and according to the nature of expenditure, e.g., an overpayment of pay will be debited to the head 'Pay' and an excess payment in connection with a work, to the work concerned. It is only when special heads exist that the unusual or extraordinary payment will be recorded separately in accounts.
- 236 Where losses of stores are an inevitable feature in the working of a particular department, the major head of account under which the expenditure of that department is recorded should contain separate descriptive heads against which such losses should be shown. It is in conformity with this rule that losses of cash and stores are exhibited under certain separate heads in the classification of Revenue Expenditure and in the Stock Adjustment account.

- DUPLICATE COPIES OF VOUCHERS:**
- 237 (a) 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. A certificate from the party entitled to the payment should also be arranged to be endorsed on the bill or voucher to the effect that the payment of the bill was not received so far and if it is found later on that the payment of the bill was received, the same will be refunded to the Railway Administration.
- (b) With a view to guard against any double claim being passed on the same account, a register should be maintained in each sub-section showing clearly the particulars of the original voucher lost, its number and date and that of the duplicate voucher together with the date on which payment of the duplicate bill is arranged. This register should be consulted every time a duplicate or certified copy of the bill is received in the section for arranging payment so as to ensure that no payment of the claim has previously been certified or made. Necessary entries in the register showing the particulars relating to the duplicate or certified copy of the bill should be made and the register put up along with the duplicate bill to the Accounts Officer through the Section Officer, who after satisfying himself, about the correctness of the entries made in the register will attest the particulars in token of verification.

CHAPTER III

LAND:

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- 301 The detailed rules regarding acquisition of land for Railway purposes, management and custody thereof and disposal of land found surplus to Railway requirements and laid down in Chapters VI to VIII and XIII of the Indian Railway Code for the Engineering Department. The main points that are to be looked into the acquisition, management and relinquishment of land are enumerated in the following paragraphs.

HOW LAND IS ACQUIRED :

- 302 (i) Whenever land which does not already vest in the Central Government, is required for Railway purposes, it should be taken up under the Land Acquisition Act of 1894, as acquisition under the Act confers an indefeasible title. Land which is already public property and in which no interest of private persons exist, should not form the subject of proceedings under the Land Acquisition Act. Such land should be got transferred to the Central Government.

(ii) Whenever land is required for Railway purposes, an application should be made to the Revenue Officer in charge of the district in which such land lies, for a statement of the value of the land and a draft declaration recording that there is no objection to the acquisition of the land on any general or specific grounds. The application should set forth clearly the purposes for which the land is required and should be accompanied by

- (i) a complete set of land plans prepared in accordance with the instructions given in para graph 838 Seq.
- (ii) a complete set of schedules prepared in the forms prescribed in Appendix IV to the Indian Railway Engineering Code or in such other form as may be prescribed by the state Government or Administration concerned

- 302 When the land to be acquired extends to more than one district but lies within one division, application should be made to the Commissioner of the division and when in

more than one division, to the Chief Revenue Authority of the State. When the land to be acquired is extensive, the Railway Administration should furnish detailed information to the State Government for the better identification of the land.

- 303 On receipt of the application from the Railway, the concerned responsible Revenue Official will forward, to the Railway Administration, a statement showing the nearest approximate cost of the land which can be obtained without a detailed valuation of the property and also a draft declaration under Section 6 of the Land Acquisition Act on which it should be recorded that there is no objection to the acquisition of the land on any general or specific grounds. In the case of large projects, in lieu of the statement prescribed above, the Revenue Authorities will furnish to the Railway Administration data in the following specimen form showing the estimated average value per hectare as near as may be for the different classes of land in the localities affected by the projects.

If the purchase of land is within the powers of G.M. he may accord sanction and allot necessary funds; otherwise, sanction of the Railway Board should be obtained before applying for the acquisition.

RESPONSIBILITY OF RAILWAY ADMINISTRATION:

- 304 In acquiring land for Railway purposes, the Railway Administration is responsible for seeing,
- (a) that it is necessary to acquire the land (concerned Head of Department responsible),
 - (b) that the sanction of the competent authority exists for the acquisition, i.e. G.M. or the subordinate authorities to whom powers have been delegated or Railway Board as the case may be vide Schedule of Powers for other than Establishment matters,
 - (c) that if any departure from the rules is contemplated, the specific approval of the Railway Board to such departure has been obtained,

- (d) that the purchase price is reasonable (G.M. and Engineering Department responsible),
- (e) that a proper title to the land acquired is secured and kept and that it is capable of accurate identification (officer specially deputed for that purpose responsible) and
- (f) that the land is utilized to the best advantage. (The Engineering Department or the Department which has custody of the land responsible).

305 As a general rule, land may not be acquired except in connection with a duly sanctioned work; but this rule does not debar the acquisition of land for 'bona fide' Railway purposes such as Sanitary Zones which are unconnected with any particular work. For any land to be acquired, an estimate as required under the rules should be prepared and sanction of the competent authority obtained with Accounts concurrence therefor. The authority competent to sanction the estimate for the land should be decided in reference to the cost of the work as a whole inclusive of the cost of land vide in this connection the Schedule of Powers for other than Establishment matters.

306 After obtaining the sanction of the competent authority in cases where it is decided to acquire the land, the concerned Revenue authorities will be approached for the acquisition of the land. The Revenue authorities thereafter publish the draft declaration and proceed with the actual acquisition of the land. The Revenue Officer will value the land and shall award his decision. It is only after the announcement of award that the land is handed over to the responsible official of the Railway Department by the responsible official of the Revenue authority. The result of award is intimated to all concerned and payments of compensation are made to them on their personal appearance or through money orders etc., as the case may be.

CUSTODY AND MANAGEMENT OF LAND:

307 It is the duty of every Railway Administration to preserve unimpaired the title to all land in its occupation and to keep it free from encroachment. With a view to obviate any litigation, accurate land plans of all Railway lands should be maintained and boundaries adequately demarcated and verified therewith at regular intervals.

THE TERMS OF MANAGEMENT:

308 The management of land entails,

- (a) custody thereof,
- (b) the utilization to the best advantage of such portions of the land as are available and responsibility for all arrangements in connection with their leasing or licensing and
- (c) justifying, if called upon to do so, its continued retention by the Railway, or alternatively instituting proposals for its disposal.

309 The Engineering or any other Department of the Railway decided on by the G.M. at his discretion will be responsible to him for the management of all land in the occupation of the Railway. The management of available land may also be entrusted to a State Government or Station Committee as per the terms and conditions prescribed therefor.

LEASING OR LICENSING OF LAND:

310 The leasing or licensing of Railway land as per the rules, for the purposes connected with the working of the Railway (e.g., Bulk Oil Installation, Warehouses, Wharfs or other premises for storing goods on receipt from the Railway after arrival or before being made over to the Railway for despatch, shops for station vendors, schools for the children of Railway employees, etc.,) does not require a reference to a State Government or other purposes, the State Government or other authority concerned should be consulted whenever the contingent circumstances are such as to render it relevant or advisable, particularly if the alienation is of a quasi-permanent nature.

311 When Railway land is leased or licensed for a purpose not connected with the working of the Railway, no permanent structures should be allowed to be constructed on such lands (1015-E).

312 A lease presents certain difficulties in that there is a danger of accrual of occupancy rights. A license, on the other hand, merely confers on the licensee the right subject

to certain restrictions, to use the allotted land for the purpose of operations specified and creates no tenancy therein.

- 313 In cases of lease or license of land, it should be ensured
- (i) that the interest of the Railway are adequately safeguarded,
 - (ii) that the rental obtained will provide a margin of profit and
 - (iii) that, except as provided in clause (ii) of Para 1011-E, no liability attaches to the Railway Administration for any compensation on resumption; and that except in the case of Territorial Army, Armories and Instructors' quarters, or under the general or specific orders of the Railway Board, the Railway Administration is not committed to the purchase, on resumption of the land, of buildings or structures erected thereon.

ALLOCATION OF RECEIPTS FROM LAND:

- 314 The net receipts from the management of Railway land should be credited to Abstract ' Z ' - Sundry other earnings.

DISPOSAL OF LAND NOT REQUIRED BY RAILWAYS:

- 315 In regard to all Railway land the policy of the Railway Board is to limit holdings to actual requirements. As such, the Railway Administration should, unless it is in a position to justify the retention of land occupied by it, classify it as "eligible for disposal", and arrange for its disposal as per the rules connected therewith.
- 316 Where the estimated value of the land exceeds Rs.1,00,000, Railway Board's sanction is necessary for its sale and in those cases, a prior reference should be made to the Railway Board (1041-E).
- 317 In deciding whether or not a certain area is eligible for disposal, anyone of the following factors may be taken as the guiding principles for the retention of the land for the effective discharge of the duties of the Ministry of Railways:-

- (i) Land in the active occupation of the Railway i.e., land actually occupied by the permanent works of the Railway, or required for their construction, maintenance or repair.
 - (ii) Land not so occupied but to the permanent alien control of which specific objections exist, i.e., land in the midst of or adjoining that in active occupation and to separate which from such area would be detrimental to Railway interests.
 - (iii) Land required in the interest of the health or welfare of the staff or for the safety of Railway property (e.g. sanitary or fire zones etc.).
- 318 Land declared as eligible for disposal, should, if it lies in the vicinity of other Railways or other department of the Central Government, be offered to them and if required by them it may be transferred to them on a formal record. If it is not required by other Railways or other departments of the Central Government, the land should be arranged to be disposed of either through the State Government or directly by the Railway and in any case the State Government should be consulted as to the manner of disposal, etc.
- 319 In the case of disposal of land to another Railway or department of the Central Government, the amount payable will be the market value of the land and buildings thereon. In all other cases, the value should be determined with reference to the higher offer considered reasonable.
- 320 The sale proceeds of the land (less any charges properly incurred in its disposal) should be credited to the Capital account of the Railway (i.e.), to the head "Receipts on Capital Account".

CHAPTER IV

BILLS PAYABLE

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- 401 In addition to the general principles enunciated in Chapter II of this Manual in conducting the internal check on the claims against the Railway for work done, services rendered or supplies made to the Railway, the detailed checks to be exercised and the points to be observed on the various kinds of claims against the Railway are enumerated below.

CONTINGENT BILLS-BILLS TOWARDS THE COST OF REFERENCE BOOKS OR SUBSCRIPTIONS TO PERIODICALS, NEWSPAPERS, ETC.

- 402 Books and Newspapers or other periodical publications whether published in or out of India, shall not be purchased or subscribed for at Railway cost without the prior sanction of the General Manager or lower authorities to whom powers have been delegated by General Manager on this behalf.
- 403 The bills for books (non-official publications) purchased by the departmental officers received in the Accounts Office duly accepted and allocated by the departmental officer, should be scrutinized to see in addition to general normal checks in respect of bills such as bills being in original, correctly preferred etc.

(i) that the sanction of the Head of the Department /DRM or the lower authority to whom powers have been delegated to the purchase, has been enclosed to the bill or so endorsed in the bill itself, if the sanction has been obtained in the respective departmental case file itself.

(ii) that the rates claimed in the bill are in accordance with the rates originally accepted for and furnished in the order placed for the supply of the books and that reference to the order is given in the bill.

(iii) that it has been certified in the bill that the books have correctly been received in good condition and taken into account in the inventory.

404 In respect of newspapers, periodicals etc. for which subscriptions are to be made in advance, bills for such subscriptions should be checked to see -

(i) that the sanction of the Head of Department/DRM or the lower authority to whom powers have been delegated has been obtained for subscribing to the supply of such periodical or newspaper, whether for the first time or renewal.

(ii) that in the case of renewal, the period upto which the subscription paid previously is current has been indicated in the bill by the accepting authority and the certificate of correct receipt of the periodicals or newspapers during the previous subscription period has been endorsed therein.

(iii) that if there is any increase in the rate, the rate list indicating the increase is attached to the bill.

405 Before passing the bill for payment, reference to the CO6 number and the date of the bill should be furnished in the Accounts copy of the order for supply of the book to avoid a double claim being admitted.

406 As a monetary limit, upto which only expenditure can be incurred in a year on the purchase of books etc. has been fixed under the delegation of powers to the various authorities, a separate register should be maintained for passing bills on this account wherein separate pages should be allotted for each department and the following details entered in the register before passing the bills:

- (i) Departmental bill number and date.
- (ii) CO 6 number and date.
- (iii) Brief details of the bill.

- (iv) Amount of the bill.
- (v) Cumulative total.
- (vi) Initials of Section Officer.

The above details should be recorded in the register before passing the bills in order to see that the monetary limit prescribed for the various authorities incurring the expenditure is not exceeded. The monetary limit prescribed for each of the authorities should be prominently entered in the top right hand corner of the register to facilitate easy reference and check of bills.

BSNL TELEPHONE INSTALLATIONS AND CALL CHARGES BILLS:

407 The installation of BSNL phones or extensions thereto in offices or residences would require prior personal sanction of the General Manager with finance concurrence endorsed by at least a Deputy Chief Accounts Officer as the same involves additional expenditure both recurring and non-recurring in terms of Para 1040-F. But the delegation of powers as detailed in the schedule of powers may be adopted in this regard while obtaining the sanctions. The bills for the installation or shifting charges of BSNL phones received in the Accounts Office should be checked to see that reference to General Manager's sanction has been endorsed therein and a copy of the sanction has also been received in the Accounts Office. Before passing the bill, reference to the AU6 number and date of the bill should be written by the bill checking clerk in the copy of the sanction to avoid a double claim being admitted.

408 The bills for hire charges and local calls will be preferred by the BSNL department bi-monthly. Such bills received in the Accounts Office duly accepted by the department concerned should be checked to see,

- (i) that reference to the phone number and the designation of the officer to whom the phone is attached has been furnished in the bill.
- (ii) that in respect of hire charges the bill does not include any period for which the charges have already been claimed and paid.

(iii) The original bill/duplicate bill should be verified with reference to the following aspects-

(a) That the bill has not been passed earlier.

(b) That the opening meter reading tallies with the closing meter reading of the previous bill (in case of discrepancies, BSNL should be addressed and clarification be obtained immediately. CSTE's office will assist in case of any difficulty in this regard).

(c) That the calculation of rental charges as verified from the rates quoted at the back of the bill, is in order.

(d) The ceiling on free calls to be allowed to officials in respect of residential telephones provided at Government expense will be 650 on bimonthly basis. Calls in excess of 650 (excluding STD calls made for official purpose and so certified by the officer concerned with reference to the register maintained by him) will have to be paid by the officer himself.

(e) If local calls in the bill exceeds 650 calls, excluding the free calls allowed by the BSNL, then, the officer, should certify whether the excess calls are private/official. If official account, the sanction of GM should be obtained. If certified as private, the amount charged for the excess calls in the bill has to be either recovered from the salary of the officer or remitted in cash by the officer concerned. This should be watched by the department accepting the bill and either of the 2 courses of action completed by the time of submission of next bill. The responsibility for regularization of excess calls lies on the department to which the officer belongs.

(g) If shifting/installation charges are claimed in the bill, the same is to be verified with reference to the advises issued by CSTE.

409 As per the directive of the BSNL department, all the bills have to be paid within 15 days from the date of submission of the bills as otherwise the telephone is liable for disconnection without notice. Care should therefore to be taken to see that the procedure laid down in joint procedure office order No. 1 of 1991 issued by CSTE and FA&CAO/G vide letter No. AXP/M22/1 dated 25.2.91. Any delay on the part of

the departments in accepting and forwarding the bills to the Accounts department should be taken up promptly with the defaulting branch.

410 The accepting authority is mainly responsible for the correctness of the claim. However, in the case of rental charges bills, it would be possible for the Accounts Office also to verify the correctness of the claim, i.e., that the bill does not include any period for which the rental charges were already claimed and paid. For this purpose, the register for passing such bills should be maintained separately for each department allotting separate pages for each phone and full particulars of the bills passed for payment as detailed below should be recorded therein.

- (i) The departmental bill number and date.
- (ii) Accounts bill number and date, i.e., AU6 number and date.
- (iii) Amount of the bill.
- (iv) Period to which the bill relates.
- (v) Nature of charges (i.e., Rental, local or trunk call charges).

411 In respect of BSNL phones in officers' residence, in addition to the above particulars, the name and designation of the officer also should be indicated at the top of the page.

BILLS FOR PERIODICAL SERVICING AND REPAIRS TO TYPEWRITERS AND REPAIRS AND SERVICING CHARGES TO OTHER OFFICE MACHINES:

412 Typewriters, Duplicators, Calculating, Tabulating and Accounting machines and other machines required for office use should be obtained by placing indents on D.G.S.&D., if the value is beyond the monetary limits prescribed for direct purchases from time to time.

413 The D.G.S.&D. periodically enters into contracts with the leading makers of these machines for the rates for overhauling repairs, replacements of parts, servicing, etc. of these machines. The repairs, servicing, etc. of these machines should be entrusted to only such companies as are approved by the Government for each make of the

machine. In cases where the D.G.S.&D. has not entered into any contract, the General Manager may enter into contracts after obtaining finance concurrence for rates for repairs, etc. duly taking into account the contracts if any entered into by such firms with any other Government Department.

414 The bills for servicing, repairs, overhauling, replacement of parts or for major repairs for the machines received in the Accounts Office duly accepted by the departments concerned, should be checked to see-

(i) that in the case of typewriters, the servicing has been done quarterly and a certificate endorsed on the bill by the accepting authority to that effect.

(ii) that the servicing charges have not been claimed for the specified period after overhauling or major repairs done to the machine as agreed to by the firms and incorporated in the agreements entered into by them with the D.G.S.&D.

(iii) that the servicing charges have not been claimed for the first twelve months after the date of purchase of the machine i.e., during Guarantee period.

(iv) that the services charges, cost of spare parts renewed, etc. charged by the firms are according to the rates as agreed to by them and approved by the D.G.S.&D.

(v) that a certificate has been endorsed by the accepting authority that the servicing, repairs, replacement of parts as the case may be, has been done satisfactorily and the machine is in good working condition.

(vi) that the sanction of the Head of the Department has been obtained for the renewal of spare parts.

- (vii) that in cases, where the approval of the D.G.S.&D. is awaited for the rates quoted by the firms and if the rates claimed are as per the previous contract rates or even higher, a certificate is furnished by the firm on the bill that if the new rates as claimed are not approved by the D.G.S.&D., the excess if any over the rates as approved by the D.G.S.&D. will be refunded or adjusted in the subsequent bill.
- 415 In the case of bills towards hire charges for the machines, it should be seen that the sanction of the Head of the Department or the General Manager as the case may be, as detailed earlier has been obtained before admitting the claim in internal check.
- 416 After exercising the above check, the bills should be passed for payment noting down the following details in the bill passing register:
- (i) Department bill number and date.
 - (ii) AU6 number and date.
 - (iii) Amount of the bill.
 - (iv) Nature of charges.

OTHER BILLS- SERVICING AND REPAIRS OF STAFF CARS, LORRIES, ETC.

- 417 The Bills for servicing, repairs and/or renewal of spare parts of staff cars, lorries, jeeps, etc. received in the Accounts Office should be checked to see,
- (i) that the rates claimed in the bill are as per the quotations obtained and approved by the authority empowered to incur the expenditure as laid down in the Schedule of Powers for other than Establishment matters and that the work has been entrusted only to the firms of local repute.
 - (ii) that a certificate to the effect that the repairs have been done satisfactorily and the vehicle is in good working condition is endorsed therein by a person who is conversant with Automobile Engineering and automobile maintenance and the same is attested by the Officer accepting the bill.

ADVERTISEMENT AND PUBLICITY CHARGES BILLS:

418 In checking the bills for advertisement and publicity charges, the following points should be borne in mind:-

(i) Whether the advertisements have been released in any of the news papers and periodicals approved by the Directorate of Advertising and Visual Publicity (D.A.V.P.).

(ii) That the advertisements have not been released in any of the Railway magazines and allied Railway publications.

(iii) If the advertisements have been released in any of the ad-hoc publications not approved by the D.A.V.P., the same have had the personal approval of the P.R.O. and that such releases are rare and not common.

(iv) That in the cases of tender notices and employment notices, only a single insertion is made.

(v) That the newspapers selected for advertisement of the nature of tender notices, etc. are such that the papers are widely circulated in the region concerned.

(vi) The rates charged are as approved by the D.A.V.P. except in the case of ad-hoc publications for which the rates are as accepted by the P.R.O.

419 The directives contained in Railway Board's letter from time to time should also be borne in mind while checking the bills and any deviation thereto taken to the notice of the Executive Officer concerned and the P.R.O., so that the expenditure on the release of advertisements may be restricted to the minimum possible.

WATER CHARGES BILLS:

420 In cases where water is drawn from local bodies/private parties, etc. for Railway use, an agreement will be executed with the local body regarding the quantity, period, rate and other conditions governing the drawal of water. A copy of the agreement will be forwarded to the Works and Accounts branches of the Division concerned to enable acceptance and payment of claims received for water drawn by the Railway from the local body/private body.

421  The bills received in the Accounts Office from the Works Branch duly accepted should be checked with reference to the agreement regarding the rate and passed for payment if otherwise in order. No variation in the rate as against that provided for in the agreement should be admitted unless it has had the approval of competent authority.

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422 Immediately on receipt of the agreement from the Headquarters Works Branch, the rate, period, etc. should be prominently recorded in the register maintained for passing such bills to facilitate easy verification at the time of passing of bills. Separate pages should be allotted in the register for each local body/private party and an index also should be maintained to facilitate quick passing of the bills.

CONSERVANCY CHARGES:

423 The conservancy work in respect of removal of night soil and rubbish from stations and Railway quarters is got done through contracts awarded to private contractors or through an arrangement with the local body (i.e., Panchayat/Municipality or Corporation) . Where it is done through local body, the rates etc. are settled with the local body by the Medical branch. The bills submitted by the local body will be certified by the medical representative, if available at the locality, regarding the satisfactory execution of work etc. the bills will be certified by the Station Master etc. and forwarded to Medical Branch through his department. The bills will be accepted by the Medical Branch and forwarded to the Accounts Office for arranging payment.

424 In cases where the work is to be entrusted to private contractors, the contract is awarded by the Medical department through tenders. The bills submitted by the private contractors will be received, verified and accepted by the Medical Branch and forwarded to the Accounts Office for check and payment.

425 The bills received in the Accounts Office should be checked regarding the rate with reference to the agreement or the quasi-contract as the case may be and passed for payment.

ELECTRIC ENERGY CHARGES BILLS:

426 Major portion of the electric power requirement of the Railways is drawn from the State Electricity Board. In a few cases, electricity is supplied by private companies also. In both the cases, an agreement is entered into with the Electricity Board/Private company, regarding the rates etc. The bills submitted by the parties will be accepted by the Electrical Branch and forwarded to the Accounts Office. As the bills for electrical energy will be payable within a certain specified period from the date of submission of the bill as otherwise the rebate allowed will have to be foregone, the bills received in the Accounts Office should be given top priority. To facilitate easy check of such bills without delay, separate pages should be allotted for recording the recurring charges in the bill register for each unit to which individual bills are made by the Electricity Board or the private company. The rate and the other details should be prominently entered in the register at the top right hand corner with reference to the terms of agreement and no change in the rate admitted without the sanction of the General Manager, (Electrical) Secunderabad. The bills received should be passed expeditiously and a separate C07 prepared for these bills to facilitate quick payment.

427 On no account, the bills for electric energy charges should be delayed as otherwise the rebate will have to be foregone. The Section Officer in charge of the section should ensure that the bills are passed within the time limit allowed.

LOCAL BODIES' TAXATION BILLS:

- 428 Before the Government of India Act, 1935 came into force with effect from the first April, 1937 Railway property could be subjected to tax by any local body upon issue of a notification by the Central Government under section 135 of the Indian Railways Act, 1890, declaring the liability of the Railway Administration to pay such a tax. Under Section 154 of the Government of India Act, 1935, however, the property of Central Government was exempted from all taxes imposed by a local body or by an authority within a State. But under the proviso to this section, the property liable to tax immediately before 1st April, 1937 was to continue to be so liable. In order to restore the position as it existed prior to 1st April, 1937, the Railways (Local Authorities' Taxation) Act, 1941 was enacted to provide that a Railway Administration would be liable to pay any tax in aid of the funds of a local authority, if the Central Government by notification in the official Gazette declared it to be so liable. The position once again underwent a change with effect from 26th January, 1950 due to Article 285(1) of the Constitution exempting the Central Government properties from all taxes imposed by a State or by any authority within a State. However, under Article 285(2), the Government were made liable for such taxes as were being paid prior to the commencement of the Constitution.
- 429 In view of the above position, taxes on Railway properties are payable to the extent stated below-
- (a) In respect of properties owned by the Railways on 31st March, 1937, and liable on that date to specified taxes by virtue of a notification under Section 135 of the Indian Railways Act, 1890, taxes are payable at rates not exceeding the rates in force on 31st March, 1937;
 - (b) In respect of properties held by the Railways on 25th January, 1950 and liable on that date to local taxes by virtue of a notification under the Railways (Local Authorities Taxation) Act, 1941, taxes are payable at a rate not exceeding that levied prior to 25th January, 1950.

430 It was represented to the Government of India that notwithstanding the provisions of Article 285(1) of the Constitution , the Government should agree to pay charges for services rendered by the local bodies. After careful consideration, and in the light of the recommendations made by the Local Finance Enquiry Committee, Government of India decided that with effect from 1st April, 1954, payment of “service charges” should be made to local bodies in respect of Government properties which are exempt from all taxes. Service charges are payable for “specific services” rendered by the local authorities, not as payment of taxes but of compensation payable in quasi-contract. Specific services include direct services, such as water and electric supply, scavenging etc., and also general services such as street lighting, town drainage approach roads connecting the Central Government properties, etc. Items such as Educational, Medical or Public health facilities are excluded. The quantum of service charges is worked out in accordance with the instructions issued by the Government of India in the Ministry of Finance from time-to-time.

MEDICAL FEE REIMBURSEMENT

431 Railway employees who have incurred expenditure in connection with attendance for themselves or members of their family by a non-Railway doctor or in a non-Railway Govt. hospital or a recognised hospital are eligible for Reimbursement of Medical fees provided that the patient is sent at the instance of authorised Medical Attendant.

432  Claims for reimbursement of Medical expenses incurred by a Railway employee should be preferred within 6 months from the date of completion of treatment.

[\(Back to FAQs\)](#)

433 The claim of reimbursement of Medical charges not countersigned or preferred within a period of six months from the date of completion of treatment should be subjected to investigation by the Accounts Officer.

ATTENDANCE AT RESIDENCE:

434 (1) Attendance at residence is restricted to :-

- a) a Gazetted Railway employee when he falls sick. No charges are to be levied in such cases.
- b) a non-Gazetted Railway employee, when he falls sick and is as a result, compelled to be confined to his residence. No charges are to be levied in such cases.
- c) a member of a Gazetted/non-Gazetted Railway employee's family or dependent relative, when visited by the Authorised Medical Officer. In all such cases, however, the employee concerned should pay the visiting fee, as per schedule.

Note: Railway employees, it is expected, will not call doctors to their residence for trivial ailments and thus waste the doctor's time.

- 2) For visits at residence of Railway employees drawing Rs.3725/- and above per month for attendance on their family members and dependent relatives, emergent or otherwise, the Railway doctors are entitled to receive fees. The payment of fees in such cases may be regulated by the visit. The prescribed rates are indicated below:

Designation of the Medical Officer	Gazetted Railway employee and non Gazetted Railway employee drawing a pay of Rs.4875/- or more per month.	Non Gazetted employee drawing a pay of less than Rs.4875/- but not less than Rs.3725/- per month.
Sr.DMO	Rs. 20/-	Rs. 12/-
DMO	Rs. 16/-	Rs. 10/-
ADMO.	Rs. 12/-	Rs. 06/-

- Note:**
- i). No fee should be charged from any employee drawing less than Rs.3725/- per month. (Pre-revised scales of pay) (Bd's No. 82/H/6-1/22 dt. 23/05/87)
 - ii). When there is more than one member of a Railway employee's family or dependent relative to be examined at the residence, visiting fees may be charged for each member separately.

- iii). When a Railway Medical Officer is called upon to render medical assistance to a Railway - "beneficiary" at an out station, he may be granted travelling allowance as on tour while the medical service rendered is free. When, however, the doctor is entitled to charge fees as provided above, he may claim travelling allowance only if he deposits the fees received in to the Railway revenue. While preferring claims for the travelling allowance in such cases, the doctor should indicate the amount of fees received by him and give a certificate on the bills that the fees received by him has already been credited to the Railway revenue.
- iv). No extra fee for conveyance is to be charged.
(Rule 605 R.I.1995 reprint MOR's letters No.62/H/1/20 Dt.06/05/1964 and No.65/H/&/44 Dt. 17/10/1966 of Indian Railway Medical Manual 2000 Vol.I, Third Edition).

SPECIAL PROVISION REGARDING FEMALE AND CHILD BENEFICIARIES:

435 At places where there are no Railway hospitals or Government hospitals, female beneficiaries and children of Railway employees upto 12 years of age, may directly obtain medical attention and treatment, without the intermediary of the authorised Medical Officer.

(Rule 606-R.I and MOR's decision No.1 thereunder, and MOR's letter No. 64/H/154 dt.11/12/1964, No.66/H/11/9 dt. 20/03/1967, No.76/H/11 dt. 17/04/1970 and No.80/H/6-4/15 dt 21/08/1980).

SUPPLY OF ARTIFICIAL LIMBS AND APPLIANCES:-

436 A Railway 'beneficiary' (injured on duty or not), requiring artificial limbs and appliances, would be entitled to reimbursement of both hospitalisation charges and the full cost of artificial limbs and appliances, as recommended by the Orthopedician,

as also the cost of repairs, renewals and adjustments thereof from time to time, subject to the following conditions:

- i). Production of certificate from a specialist in the concerned speciality in the Railway hospital that the purchase, repairs and renewals or adjustments are essential.
- ii). Purchase, repairs, renewals or adjustments being done at the rehabilitation department of a Medical College, Artificial Limb Centre, Pune or such other organisations and centres recognised for the purpose by the Central/State Governments concerned.
- iii). The cost of the repairs or adjustments of the limb/appliance should not exceed the cost of the replacement of the limb/appliance.

Note: The above para does not apply to the supply or replacement of heart pacemakers and heart valves for which para 15.25 may be referred to.

NURSING IN RAILWAY HOSPITALS:

- 437 1). In Railway hospitals, all in-patients should be provided with ordinary and routine nursing to extent possible.
- 2). Engagement of special nurses should be considered on merits. The attending Medical Officer should recommend the employment of Special Nurses only where their services are absolutely essential and that too for the minimum period necessary.
- (Rules 603(5) and 632-R.I. and MOR's letter No. MH60ME1/4/Medical dated 10th March 1961) (Indian Railway Medical Manual 2000 Vol.I Third Edition)

NURSING IN NON-RAILWAY HOSPITALS:

- 438 1) For ordinary nursing provided in a Government recognised hospital, the charges are normally included in the hospital bills and are not separately recovered from the patient. If, however, these charges are recovered separately, they are reimbursable.

- 2) Where special nursing is required, the certificate of the Medical Officer in charge of the hospital should be obtained before hand. The necessary recommendation should be made in the form of certificate as given in Annexure-I given at the end of this Chapter. As for the reimbursement of charges in such cases, the Railway employees should bear the cost up to 25% of his/her pay for the period for which special nursing was engaged, the rest being borne by the Railway administration. This does not, however, apply in the case of a Railway employee who is injured on duty.

RAILWAY EMPLOYEES INJURED ON DUTY:

- 439 1) A Railway employee injured on duty would, in addition to the treatment ordinarily admissible to others, be entitled free of cost, to such special nursing as the Authorised Medical Officer may certify in writing to be essential for the recovery of or for the prevention of serious deterioration in the condition of the Railway employee.

Note: The above concession will also be admissible to a Railway employee on duty who receives injuries in connection with civil disturbances.

- 2). For this purpose, a Railway employee in a disturbed area shall be considered as being continuously on duty and any injuries received by him as a result of those disturbances shall be held to have been received in the course of such duty unless the facts of the case give a clear indication to the contrary. This also applies to a Railway employee on leave in a disturbed area, in whose case it should be assumed, unless the facts of the case give a clear indication to the contrary, that he was attacked and injured because of his being a Railway employee.

REIMBURSEMENT ALLOWED IF MEDICAL ATTENDANCE WAS AVAILED AT THE INSTANCE OF THE AUTHORISED MEDICAL OFFICER:

- 440 1) A Railway employee obtaining medical attendance and/or treatment for himself or a member of his family or dependent relatives should, consult his

Authorised Medical Officer first and proceed in accordance with his advice. In case of his failure to do so, his claim for reimbursement will not be entertained except as provided hereinafter. All claims for reimbursement should be scrutinised with a view to see that the Authorised Medical Officer, or another Medical Officer who is either of equivalent rank or immediately junior in rank to his Authorised Medical Officer and attached to the same hospital/health unit as the Authorised Medical Officer, was consulted in the first instance.

- 2) Consent of Authorised Medical Officer is not necessary in the case of family members and dependent relatives when they go to one of the recognised hospitals. In such cases, the counter-signature on the bills or of the receipts, (Where the bill system is not in vogue and receipts are issued for payments) by the Superintendent or other head of the hospital will be regarded as sufficient.

TREATMENT IN AN EMERGENCY:

- 441 ● 1) Where, in an emergency, a Railway employee or his dependant has to go for treatment (including confinement) to a Government hospital or a recognised hospital or a dispensary run by a philanthropic organisation, without prior consultation with the Authorised Medical Officer, reimbursement of the expenses incurred, to the extent otherwise admissible, will be permitted. In such a case, before reimbursement is admitted, it will be necessary to obtain, in addition to other documents prescribed, a certificate in the prescribed form as given in Annexure-I given at the end of this Chapter from the Medical Superintendent of the hospital to the effect that the facilities provided were the minimum which were essential for the patient's treatment. In such cases, the General Managers are delegated with power to allow:

- a). full reimbursement of medical expenses in case of Govt. hospitals and
- b). upto a limit of Rs.50,000/- in case of recognised hospitals and dispensaries run by philanthropic organisations. All cases above Rs.50,000/- should be referred to the Railway Board along with the

proforma given in Annexure at the end of this chapter, duly filling all the columns.

(2) In case, where the treatment had to be taken in private/non-recognised hospitals in emergent circumstances, without being referred by the Authorised Medical Officer, the General Managers are empowered to settle reimbursement claims up to Rs.30,000/- per case. It should be ensured that treatment taken in private hospitals by Railway men is reimbursed only in emergent cases and for the shortest and unavoidable spell of time. All claims above Rs.30,000/- should be referred to the Railway Board. along with the duly filled in proforma given in Annexure III given at the end of this chapter. [\(Back to FAQs\)](#)

Note: These powers, as mentioned in sub paras 1 and 2 above, will not be delegated further to any lower authorities and will be exercised by the GM/AGM personally, duly scrutinised by CMD (CMS in case of Production Units) and concurred by FA & CAO.

FAMILIES ACCOMPANYING RAILWAY EMPLOYEES PROCEEDING ON TOUR:

442 The medical expenses incurred on the treatment of a member of a Railway employee's family accompanying him on tour can be reimbursed, on the same scale and conditions on which they can be reimbursed to the Railway employee himself, if illness occurs during that period and treatment is taken in a Railway or Government hospital.

2) The above concession is not admissible in a case where a Railway employee, while proceeding on tour, takes a member of his family along with him with the intention of obtaining treatment in a place other than at his headquarters.
(MOR's decision below Rule 618-R.I 1995 reprint)
(Indian Railway Medical Manual 2000 Vol.I, Third Edition)

TREATMENT AT THE RESIDENCE:

443 1). Where, owing to the absence or remoteness of a suitable hospital (Railway or otherwise) or owing to the severity of the illness or other causes considered adequate by the Authorised Medical Officer, a Railway employee receives treatment at his residence, the expenses incurred by Railway employee for such items and services as would have been admissible to the patient otherwise would be reimbursable.

2). The above claims should be accompanied by a certificate in writing by the Authorised Medical Officer stating reasons for his opinion as referred to above and indicating the cost of treatment admissible to the patient otherwise. Such cost should take into account the charges for medicines and dressings, as also amount of fees, if any, paid to the Authorised Medical Officer.

PAYMENT OF CHARGES:

444 Payment to Government/recognised hospitals on account of hospital charges should, in the first instance, be made by the Railway employee concerned to the hospital authorities and the refund thereof claimed from Railway administration later.

Note: The State Government, where agreeable, should debit the Railway administration concerned by preferring bills for those items for which reimbursement is permissible. To facilitate payment to such of the Government/recognised hospitals which press for advance deposit of money for the treatment of cases referred to them, the CMS/MS in-charge of the division concerned may be allowed an imprest. The holder of the imprest should submit a report for the amount spent. Further, the General Managers may sanction advance payment upto the reimbursable portion of the anticipated cost of the treatment or upto Rs. 1 Lakh, whichever is less on recommendations of the CMD and the concurrence of the FA & CAO towards the treatment of Railway 'beneficiary in Govt. Hospital/recognised hospitals where they are officially referred by the Authorised Medical Officer. However efforts should be made for payments through bill system or in

instalments agreeable to the concerned hospital authorities through negotiation. In order to meet some urgent requirements to save the life of the patients, DRMs of the divisions can also sanction such advance payment subject to limitations stipulated above with the concurrence of the Divisional finance and on recommendations of the CMS/MS of the divisional hospital. However, post facto approval of the G.M. in such exceptional cases must be obtained to regularise the same.

RATE AND SCHEDULE OF CHARGES:

- 445 1). The rates and schedule of charges of the Government/ recognised hospital concerned may be obtained from the respective State Government/Recognised hospitals.
- 2). In the case of Government/recognised hospitals, the tariff of which does not indicate the accommodation and diet charges separately, 20 per cent of the flat rate should be reckoned as diet charges.
- 3). Railway employees are not entitled for special wards in Non-Railway Hospitals.
- 446 In case of non availability of suitable accommodation, higher class of accommodation is admissible provided it is certified that appropriate accommodation is not available at the time of admission of the patient and admission could not be delayed due to risk to health until appropriate accommodation is available.

EXPENSES INCURRED AS OUTDOOR PATIENT:

- 447 Reimbursement of medical expenses incurred as an 'outdoor' patient in a Railway hospital/health unit or at a Government and other recognised institution is permitted.
(Indian Railway Medical Manual 2000 Vol.I Third Edition)

**ITEMS AND SERVICES NOT COVERED BY THE
DEFINITION OF THE TERM "TREATMENT":**

- 448 Expenditure incurred by a Railway 'beneficiary' on items and services not covered by the definition "treatment" will not be reimbursable.

**REIMBURSEMENT OF COST OF MEDICINES WHICH ARE
NEITHER ORDINARILY STOCKED NOR AVAILABLE IN
RAILWAY MEDICAL INSTITUTIONS, BUT ARE PURCHASED
FROM THE MARKET:**

- 449  The charges for the cost of medicines which are refundable will be allowed only if the claim for refund thereof is accompanied by the cash memo and an essentiality certificate duly countersigned by the Authorised Medical Officer in the prescribed proforma as given in Annexure II given at the end of this Chapter. Every cash memo must be countersigned by the doctor prescribing the medicines and the essentiality certificate must contain the names of all the medicines prescribed and the amount incurred on the purchase of each medicine, whether or not the original prescriptions have been submitted. [\(Back to FAQs\)](#)

Note: The underlying idea in asking for the essentiality certificate and the cash mema etc., is to make sure that the medicines were actually considered essential by the Authorised Medical Officer and that they were purchased and consumed by the patient as directed.

**ITEMS AND SERVICES RENDERED IN CONNECTION WITH
MEDICAL ATTENDANCE AND TREATMENT:**

- 450 Charges for items and services rendered in connection with (but not included in) medical attendance and treatment of a patient entitled to Railway medical attendance and treatment facilities shall be determined by the Authorised Medical Officer and paid by the patient.

REIMBURSEMENT OF MEDICAL EXPENSE INCURRED ABROAD:

451 The following guidelines should be adopted in dealing with cases relating to request for medical treatment abroad and matters relating thereto.

- i). As a rule, reimbursement of cost of medical treatment incurred abroad should not be allowed.
- ii). In exceptional cases, necessitating treatment of a kind yet to be widely established in the country, where railway employees, on medical advice, choose to go on their own, reimbursement could be authorised by the Ministry of Railways but should be limited to the expenditure that would have been incurred had such treatment been received in India in a Govt. Hospital or a recognised hospital. However, the question of reimbursement of air passage in such cases shall not arise at all.
- iii). Foreign exchange may be released to Railway employee for the purpose of treatment abroad to the same extent as is permissible to private citizen.
- iv). The facilities for specialist treatment, as available in Railway hospitals or other Govt/recognised hospitals, should be availed of by the Railway employees.
- v). To consider cases, treatment of which is not available in India a Medical Board should be constituted at the Zonal Railway by the C.M.D. The Board should make specific recommendations and also give reasons for recommending treatment abroad. It should also certify that the treatment is not available in India. The certificate should be endorsed by the C.M.D. & General Manager and sent to the Ministry of Railways for approval.

(Indian Railway Medical Manual Vol. I Third Edition-2000)

REIMBURSEMENT FOR IN-VITRO FERTILISATION FOR TREATMENT OF STERILITY:

452 The method of conception by In-vitro fertilisation techniques shall be subsidised by allowing reimbursement to a ceiling limit of 25% of the expenses incurred per cycle and limited up to a maximum number of three cycles. This subsidy will be available only to those employees whose cases have been referred to any hospital (including

private hospitals and nursing homes) where such facilities are available, on the specific recommendations of the Medical Board, with expert doctors as members, nominated by the CMD of Zonal Railways. The acceptance of the recommendations of such Medical Board by the Chief Medical Director will be mandatory before such reference to Railway Board.

(Indian Railway Medical Manual Vol.I Third Edition-2000)

REIMBURSEMENT OF EXPENSES ON CT SCAN:

- 453 i). Powers have been delegated to GM/CMD to settle claim of the railway employees up to Rs.3500/- for CT Scan carried out without prior permission of CMD in a Govt. Hospital and even in a private institution without the prior permission of the Authorised Medical Officer in case the same had to be got done by the patient in emergency by according their post facto sanction.
- ii). MD/CMS/MS of Central Hospitals/Divisional Hospitals/Work Shop Hospitals/Production units are empowered to sanction/reimburse up to a maximum of Rs.3500/- for CT scan done in Govt./recognised hospital or in any Hospital in case the requisite facilities are not available in nearby Govt./Recognised hospitals. This power will be exercised by the MD/CMS/MS in consultation with two senior doctors (one from surgical and one from medical speciality) and the proceedings of the opinion, justification and sanction recorded in the bed head ticket of the patient before the test is recommended.

(Indian Railway Medical Manual Vol .I Third Edition-2000)

REIMBURSEMENT OF EXPENSES ON MAGNETIC RESONANCE IMAGING (M.R.I):

- 454 Sanction up to Rs.4500/- to Railway employees for M.R.I. investigation from Govt./recognised institution and from non-recognised institutions, in absence of such facilities in Govt./recognised institutions, will be given by the MD/CMS/MS of the Central Hospitals/Divl. Hospitals/Work shop hospitals/Production units. This power will be exercised by the MD/CMS/MS in consultation with two more senior doctors,

one from surgical and one from medical speciality and the proceedings of the opinion, justification and sanction recorded in the bed head ticket of the patient before the test is recommended.

Note: GM/CMDs are competent to settle all claims of Railway employees for CT Scan/M.R.I. up to the ceiling limit as laid down above by according their post facto approval. (Indian Railway Medical Manual Vol.I third Edition-2000)

REIMBURSEMENT OF THE COST OF HEART VALVES, HEART PACE MAKERS AND PULSE GENERATORS ETC.:

455 Supply of Heart valves, Heart Pace Makers and Pulse Generators as well as the replacement of Pulse Generators in the case of a Railway "beneficiary" will be made only on the recommendation of the CMD and the administrative authority will directly making the payment to the supplying agencies and not to the Railway employees concerned.

Note: Due to extreme emergency where the patients or their relatives have no other option except to procure the same, rather than approaching the railway administration for their supply, the cases may be referred to the Board with proper justification duly vetted by Associated Accounts of Zonal railways and in all such cases, the reasonability of the cost of Pace Maker should be certified by the CMD. (Indian Railway Medical Manual Vol.I Third Edition-2000)

HEARING AIDS:

456 Rs.2500/- or the cost of Hearing Aid, which ever is lower, can be reimbursed by the CMD. The administrative authority would make the payment, involved, direct to the supplying agency and not to the Railway employee concerned. Cases of Hearing Aids costing above Rs.2500/- should be referred to Board, duly concurred by FA & CAO, for consideration and approval.

INTRA-OCULAR LENS (IOL):

- 457 The cost of intra-ocular lens implant surgery done in Government hospitals, when the facility is not available in Railway hospitals, will be reimbursed in full. When the I.O.L. surgery is done in non-Railway recognised hospitals, the actual cost or Rs.6500/-, whichever is less, will be reimbursed. As far as possible, the patients should be referred to Railway hospitals for I.O.L. surgery, even if it involves inter-Railway reference.

TREATMENT WHILE ON LEAVE OF ANY KIND:

- 458 Railway employees on leave of any kind are eligible for the same medical assistance as would be admissible to him while on duty.

CHECK ON REIMBURSEMENT OF MEDICAL CLAIMS IN THE ACCOUNTS OFFICE:

- 459 The following important aspects have to be looked into while admitting claims for reimbursement of Medical expenses.
- i). The Medical claim is not time barred. The claim is within six months from the date of completion of treatment.
 - ii). All medical claims for reimbursement has had prior consultation by the authorised.
 - iii). Reimbursement for Medical treatment claimed only for the Treatment from Government or other authorised Hospitals by the Railway Board.
 - iv). The Medical claim is supported by a certificate issued by MD/MS that the treatment from Non-Railway Hospital is authorised.
 - v). A certificate from the Hospital where treatment is taken that the facilities provided are minimum and which were essential for the treatment.
 - vi). Copy of Memorandum of sanction in original along with the pay order.
 - vii). Reimbursement of claim is as per the ceiling fixed for Government Hospital or a recognised Hospital as authorised by Govt. for which reimbursement is eligible.

- viii). Claims for reimbursement beyond Rs.50,000/- had the sanction of Railway Board.
- ix). In respect of emergent cases, and without being referred by authorised Railway Doctors, the claim is admitted only up to Rs.30,000/- with the approval of General Manager and a certificate in the prescribed form is enclosed in the claim.
- x). No advance is paid for treatment of charges. The charges should be paid first by the employee's for treatment and reimbursement should be claimed on agreeable terms preferring bills to Railways after the treatment. However, in special cases GM can sanction advance payment.
- xi). If the Medical claim is for the cost of Medicines, the claim is supported by a cash memo and an essentiality certificate countersigned by authorised medical officer in the prescribed form.
- xii). The original prescription should also be enclosed along with the claim.
- xiii). While admitting the claims it should be ensured that reimbursement is admissible as per extant rules in all respects - i.e. as per the provisions of SOP Part 'B', Medical Manual, Railway Board's instruction if any on the subject etc.
- xiv). Necessary entries are made in the Bills register duly quoting the Pay Order reference, amount admitted etc.
- xv). Apart from the above aspects, arithmetical accuracy of the claim, correct allocation for the amount proposed to be passed, etc. are to be checked.

ANNEXURE – I

**CERTIFICATE TO BE OBTAINED FROM AN ATTENDING NON-RAILWAY
INSTITUTION FOR CLAIMING REIMBURSEMENT OF MEDICAL
EXPENSES**

CERTIFICATE ‘A’

(To be completed in the case of patients who are not admitted to hospital for treatment)

1. Name and designation of the Railway employee (In BLOCK letter)

.....Office in which employed

2. Pay of the Railway employee

3. Place of duty

4. Actual residential address

5. Name of the patient and his/her relationship to the Railway employee

.....

Note: In the case of children, state age also.

6. Place at which the patient fell ill

7. Nature of illness and its duration

(a) that the injections administered were not for immunising or prophylactic, purposes.

(b) that the patient has been under treatment at Hospital/dispensary and

that the under mentioned medicines prescribed by me in this connection were essential for the recovery/prevention of serious deterioration in the condition of the patient. The medicines are not stocked in the (name of hospital/dispensary) for supply to private patients and do not include proprietary preparation for which cheaper substances of equal therapeutic value are available nor preparations which are primary foods, toiletry or disinfectants.

Name of medicines

Prices

1.

2.

3.

(a) that the patient is/was suffering from and is/was under my treatment from To

(b) that the patient was given pre-natal or post-natal treatment.

- (c) That the X-ray, laboratory tests, etc. for which an expenditure of Rs. was incurred were necessary and were undertaken on my advice at (Name of hospital or laboratory).
- (d) that I referred the patient to Dr..... for specialist consultation and that the necessary approval of the (name of the principal Medical Officer) as required under the rules was obtained.
- (e) that the patient did not require hospitalisation.

Signature and designation of the Medical Officer.

Date:

Place.....

Name of the hospital/dispensary to which attached.

Note: Certificates not applicable should be struck off. Essentiality certificate as given in (b) as above is compulsory and must be filled in by the Medical Officer in all cases.

..... RAILWAY
MEDICAL DEPARTMENT
ESSENTIALITY CERTIFICATE

I certify that Shri/Shrimati/Kumari ; wife/son/daughter of
 Employed in the
 has been under my treatment for Disease
 from to at the hospital/my
 consulting room and that the under mentioned medicines prescribed by me in this connection
 were essential for the recovery/prevention of serious deterioration in the condition of the
 patient. The medicines are not stocked in the hospital
 and do not include proprietary preparations for which
 hospital for supply to private patients cheaper substances of
 equal therapeutic value are available, nor preparations, which are primary foods, toilitary or
 disinfectants.

Name of Medicines	Price (Rs.)
1.	
2.	
3.	
4.	

Signature of the Medical Officer

In charge of the case at the hospital.

Date:

Place:

Signature and designation of the

Authorised Medical Officer.

ANNEXURE -III

Proforma for submission of claim for reimbursement of medical expenses incurred by Railway Employees for treatment in Private Hospital/Non-Recognised Institutions.

1. Name of the Patient :
2. Age :
3. (a) Relationship with Railway Employee :
- (b) Name of the employee :
4. Designation :
5. Pay :
6. Name of the Institution where taken for treatment:
7. Date of admission :
8. Date of discharge :
9. Date of admission of claim :
10. Reasons for delay, if delayed for more than 3 months :
11. Total period of stay as Indoor patient :
12. Reasons for long stay (if stayed for more than 48 Hrs) :
13. Type of medical emergency :
14. Was there no Railway/Govt. facility available to deal with it :
15. Distance of the nearest Govt., Hospital and whether facilities available there:
16. Distance of the nearest Railway hospital and whether facilities available there. If not how far is the Railway hospital with the facilities available :
17. Distance of the private hospital, where facilities availed, from residence/place of illness. :
18. When the Railway Medical Officer was informed about such admission. :
19. Did the patient take any treatment before or after the present sickness (if this existed and if YES when) :
20. Total amount claimed (with break-up charges) :
21. Item wise breakup expenditure had the treatment

been taken in a Govt. Hospital.	:
22. Verbatim view of C.M.D.	:
23. Verbatim view of F.A. & C.A.O.	:

460 The Magistrate Bills are those pertaining to the staff attached to the Railway/Special Judicial Magistrate Courts functioning at various divisions on South Central Railway. The staff under these Courts comprises of First Class Magistrates, Second Class Magistrates, LDCs, Steno typists, attendants who are deputed from High Court of Andhra Pradesh. The objectives of the court is to sort out various cases on ticket checking etc., that are booked by Commercial Department of the Railway.

461 The Registrar Administration of the High Court of Andhra Pradesh submits statement indicating the abstract and summary of Pay and Allowances etc., pertaining to the Railway Judicial Magistrate Courts to CCM's Office of the Zonal Railway duly endorsing a copy to the Headquarters Expenditure Section. The claims are preferred once in a quarter. The Commercial Branch after scrutiny prepares a summary of Pay and Allowances of various courts situated on the S.C.Rly. and forwards the claim to the Expenditure Section.

462 Following are the points that must be checked when the bills are passed for payment:

- (1) The Bill is in original.
- (2) The bill is signed by the Magistrate, High Court of Andhra Pradesh .
- (3) Staff strength advised by the Registrar on various Courts are in accordance with the claims.
- (4) The Pay drawn for the staff are in accordance with the Pay Scales fixed by the State Government.
- (5) The elements like DA., CCA., TA., are claimed as per the guidelines issued by the State Government.
- (6) Traveling allowance has been shown according to the actual expenditure with the Pay Scales fixed by the State Government.

- (7) The bill does not include any period for which the payment have already been made.
- (8) Fund availability for the period.
- (9) Arithmetical Accuracy of the bill.
- (10) The claim is accepted by the CCM's Office.

463 After the necessary checks are exercised in the statement the bill should be passed for payment noting down the following details in the Bill Passing Register:

- (1) Department Bill No. and Date.
- (2) AU6 No. and Date.
- (3) Period of the claim and amount claimed.
- (4) Amount Passed.
- (5) Any disallowance/saving noticed in the internal check.
- (6) CO.7 No. and Date.

CHAPTER V

BILLS RECOVERABLE:

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- 501 One of the main duties of the Accounts Officer as an internal checking authority of the transactions of the Railway, is the correct recovery of the amounts due to the Railway for work done, services rendered or for lease/licensing of buildings, quarters, lands etc., to private parties and other Government Departments. The recovery of the amounts should be effected by the issue of bills in form A 1138 .

BILL FORM

To

... .. (Name of the party)

Dear sir,

Subject:

Reference: Agreement dated... ..

The following amount has become due to be paid to the Railways:-

Particulars of the claims	Amount	Previous dues if any	Total

Please remit the amount 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 and Omissions Excepted

Accounts Officer... ..

Designation... ..

Copy forwarded to... .. (Executive Officer) for information and necessary action.

To ensure the correct recovery of all amounts due to the Railway, a Bills Recoverable Register should be maintained in form A1139/E 1464. All bills issued should be entered in that Register and numbered in consecutive order. As and when the dues are realized, suitable remarks under the appropriate columns of the Register should be recorded.

- 502 Separate Bills Recoverable Registers should be maintained for recurring items of recovery, such as interest and maintenance charges on “Assisted Sidings”, maintenance charges and land rent in respect of private sidings, rent for accommodation given on loan/lease to other Government Departments, Private parties etc.

REVIEW:

- 503 The Bills Recoverable Register should be reviewed monthly by the in-charge of the section, with a view to see that bills have been issued correctly and payments have been received. At the close of the month, a summary of the outstanding bills should be prepared and put up to the Accounts Officer for Review.

RENT BILLS FOR RAILWAY BUILDINGS INCLUDING RESIDENTIAL QUARTERS, PERMANENTLY ALLOTTED FOR THE EXCLUSIVE USE OF OTHER GOVERNMENT DEPT.,

- 504 **(A) Buildings permanently allotted for the exclusive use of Other Government Departments:**

In respect of buildings including residential quarters, permanently allotted for the exclusive use of other departments of the Central/State Government, other than Post & Telegraphs Department, and of the State Government rent shall be recovered in accordance with the provisions contained in Para 1942 E which are as follows:

(i) Rent charged by Railway Administration to all Government Departments will be uniform except in the case of Post & Telegraph department for which separate rules have been evolved, (vide para 1943 E) and will cover interest,

maintenance and depreciation in respect of both the buildings and the electric installations therein.

The rate of interest will be the rate prescribed from time to time by the Railway Board. (The rate of interest is to be 6 per cent from 1st April 1965) . The rate of interest to be adopted in the case of a building and of the electric installation is the rate in force on the date on which each building was completed.

 The following uniform rates will be adopted to cover maintenance and depreciation:-

- (i) For permanent buildings 3%
- (ii) For temporary buildings 7 ½%
- (iii) For electric installations in either case 8%

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The interest, maintenance and depreciation charges shall be calculated on the total cost i.e., the cost of land being included in the case of buildings. The total cost will, in either case, include the usual departmental charges for supervision and storage besides freight and incidental charges laid down in para 2328-S, of Indian Railway Code for the Stores Department Vol. II(1990 Edition.) whether the buildings and installations are newly provided or provided in replacement of old ones.

The rates prescribed, as above, do not include municipal and other taxes payable under local laws. The amount of tax will have to be recovered separately.

The buildings and/or installations will be replaced or renewed out of Railway funds, when the occasion arises; but the charges for interest and maintenance

after such replacements or renewals will be recalculated on the book values of the new buildings and/or installations.

The rent as calculated above should be billed for and arranged to be recovered in advance each year.

(B) Rent Bills For Railway buildings including residential quarters temporarily allotted to other Government Departments:

Railway buildings including quarters may be let out temporarily to other departments of Central/State Governments. The rent for such buildings shall be recovered in accordance with para 1942 E. In this case the quarter is placed at the disposal of the department of Central Government or the State Government who makes the allotment at its own discretion.

When available Railway quarters may be let out temporarily for occupation by officials of the non-railway departments of the Central/State Government by official arrangements. Residential accommodation will be deemed to have been procured by official arrangement only if it is done under orders of an authority competent to assume on behalf of Government responsibility to provide residential accommodation. In this case the names of the employees are sponsored by the department or State Governments and the allotment is made by the Railway direct to the employee in question. Rent shall be recovered as per the provisions contained in para 1952-E. viz.

(v) In the case of Officials of the departments the Central Government subject to the provisions of para 1952-E, rent as due under the Civil rules, i.e., Fundamental Rule 45 (A)-shall be recovered.

(v) In the case of Officials of Andhra Pradesh, Tamil Nadu, Uttar Pradesh, Assam, Rajasthan, Bihar, Gujarat, Kerala, Nagaland, Maharashtra, Karnataka, Orissa ,and Punjab Governments 10% of the officials

emoluments or standard rent adopted by the Railway for its own employees whichever is less.

When accommodation is provided,

- (a) at Officers own request,
 - (b) not by official arrangement, or
 - (c) in excess of what is appropriate to his status at his own request,
- rent in accordance with para 1942-E shall be charged

Whatever may be rules of each Government, for providing rent free or concession rent quarters to their respective employees, when accommodation is provided by one Government to the employees of the other Government Department, the former government would recover the assessed rent or 10 per cent of the occupants' emoluments whichever is less.

- (v) In the case of Officials of Jammu & Kashmir, Madhya Pradesh & West Bengal Government, rent shall be recovered in accordance with para 1942-E.

(C) Other Government Department quarters allotted temporarily to Railway employees:

When quarters belonging to other departments of Central Government or to State Governments are let out temporarily to railway employees, the following rules will apply-

- (i) Central Government quarters - Subject to the provisions of para 1952E, rent as due under F.R. 45-A shall be recovered.
- (ii) Quarters belonging to Andhra Pradesh, Assam, Bihar, Gujarat, Kerala, Nagaland, Tamil Nadu, Maharashtra, Orissa, Karnataka, Punjab, Rajasthan, and Uttar Pradesh Governments.

When accommodation is let out by official arrangements rent for such accommodation shall be charged at the rate of 10 per cent of the occupant's emoluments or the standard rent adopted by the State Government for their own employees whichever is less.

When accommodation is provided

- (a) at the officer's own request or
- (b) not by official arrangement or
- (c) in excess of what is appropriate their status at own request or
- (d) the accommodation provided is leased or requisitioned full rent will be charged.

Whatever may be rules of each government for providing free or concession rent quarters to their respective employees, when accommodation is provided by one government to the employees of the other Government, the former government would recover the standard rent or 10 per cent of the occupant's emoluments, whichever is less.

(iii) For quarters, belonging to Jammu and Kashmir, Madhya Pradesh and West Bengal Governments full rent according to the rules of the State Government shall be payable.

(D) Railway Buildings let out to Co-operative Credit Society/Bank:

(i) Rent for such accommodation including their branches should only cover maintenance charges at 2 ½% per annum on Capital Cost w.e.f. 1st October 1971. Municipal and other taxes payable under local laws are to be recovered in addition .

(ii) Accommodation for office and for running canteen etc., for workers if available may be allotted to such of the cooperative labour contract, societies as are awarded handling contracts for goods, parcel, coal, cleaning etc., on the railways on a nominal rent of Rs.500 per annum .

(E) Rents for buildings let out to Staff welfare organizations:

Spare Railway building may be allotted after obtaining Board's prior approval, to Staff Welfare Organizations like Handicraft Centres, Homeopathic dispensaries, vocational training centres, Social Welfare Centre, Staff canteens, privately managed schools in Railway colonies, Temple committees etc. A nominal fee is recovered in such cases at a uniform rate of Rs.500 per annum.

(F) Railwaymen's Consumer Co-operative Societies:

The rent should be recovered as under : Railwaymen's Consumer Co-operative Societies and any agency authorized by the State Governments to run fair price shops will be charged a nominal rent of Re.1 per annum (plus actual municipal taxes) which also includes the rent of electrical installations provided in the building so licensed.

In the case of Railwaymen's Consumer Cooperative Societies which do not run fair price shops the rent to be charged should only cover maintenance charges at 2 ½ per cent per annum on the capital cost with effect from 23-5-66. Municipal and other taxes payable under local laws are to be recovered in addition. In case of Railway buildings constructed after 26-1-1950 the service charges paid to the local bodies in lieu of Municipal taxes should be recovered from the Societies allotted with such accommodation. The rent will be recovered from the existing as well as from the new societies whether they are housed in Railway buildings which are already available or in buildings which are specifically built for the purpose as under : -

During the first year from 1 st October, 1958 or the date of inauguration of the society whichever is later.	Nil
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During the 2 nd year from 1 st October, 1958 or the date of inauguration of the society whichever is later.	¼ rent
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During the 3rd year from 1st October, 1958 or the date of inauguration of the society whichever is later. $\frac{1}{2}$ rent

During the 4th year from 1st October, 1958 or the date of inauguration of the society whichever is later. $\frac{3}{4}$ rent

During the 5th year and onwards from 1st October, 1958 or the date inauguration of the society whichever is later. Full rent

(G) Accommodation for Refreshment Rooms:

For the buildings, furniture and other allied equipment provided by the railway for any contract catering establishment a rent will be charged, which will be equitable and not more than eleven per cent per annum of the capital cost of the building and equipment provided. The rent fixed should have an approximation to that for similar type of premises in the local area.

(H) Rent for premises let out to recognised Unions and Federations:

The rent for service buildings let out to recognized Unions and Federations should be charged on the following basis:

(i) Where the services and facilities are provided which are comparable with staff quarters, the comparable unit has to be taken into account. The rent to be charged may be on the basis of pooled rent of the nearest type of quarter provided for comparable built space, amenities and facilities.

(ii) Where the service buildings, do not have the comparable facilities with the staff quarters, the rent may be assessed only on the plinth area on the basis of the pooled rent. It would, still however, be necessary for them to equate the service buildings to a particular type of quarter on the basis of the material and type of construction as they may have to adopt the pooled unit rate per sq. metre of that particular unit of quarter.

A proper lease agreement should be executed between the Union and the Administration, the stamp fee being borne by the Union. The rent should be recovered a month in advance.

(iii) Rent for buildings let out to outsiders:

Railway quarters and other buildings not required for housing railways staff or other railway purposes may at the discretion of the General Manager be let, in consultation with the Financial Adviser, to outsiders, on the highest rent that can be secured. This power may, subject to such restrictions as the General Manager may impose, be delegated to officers not below the rank of Divisional Railway Managers. The rule in this paragraph applies also to vacant land, temporary structures and wagon bodies leased to outsiders.

(I) Allotment of buildings for Institutes and Officers' Clubs

(i) No rent is recoverable for buildings allotted to Railway Institutes - vide para 1936-E. Railway Administration will bear the first cost of the building including the cost of electric installations (which includes electric fans), with necessary furniture, road fences, tennis courts and other playing grounds. The term "Furniture" is not intended to include billiard tables, pianos and pictures. It includes lamps, other than billiard table, lamps and keys of almirahs and book boxes.

The cost of maintenance and alterations except as mentioned in paragraph 1938 E, the institute funds will bear:

- (a) The cost of rolling, watering grass-cutting and other maintenance charges of playing grounds, other than engineering repairs.
- (b) the cost of maintenance of its gardens and ornamental grounds.
- (c) the cost of maintenance and renewal, whether partial or complete, of electric installations (which indicates electric fans) payable at a flat rate of 5 per cent per annum on the capital cost of installation.
- (d) the cost of electric current consumed and hire of meter.

(e) occupier's share of municipal taxes for specific direct services rendered to an institute by a Municipality, such as conservancy, water and the like taxes, as distinct from taxes of a general nature.

(f) water charges calculated at so much per tax, each railway administration fixing its own scale of charges.

In cases where large quantities of water are supplied by Railway Administrations as in the case of swimming baths, the actual cost of water supplied should be recovered.

(ii) Buildings, if they can be spared, can be allotted to be used as a club house for Railway Officers free of rent vide para 1936-E. But rent on Electric Installations at a flat rate of 5 percent on the cost of the installations and the occupier's share of municipal tax should be recovered vide para 1938-E.

(iii) To ensure correct recovery of rent for buildings including residential quarters let out to other Government Departments, welfare organizations, outsiders etc., a Register of Buildings let out to outsiders in form 1977-E, should be maintained in the Divisional Accounts Office. With the aid of this register, the rent bills should be prepared by the Divisional Accounts Office and sent to the parties for payment.

(iv) In order that the register is maintained up-to-date, the Divisional Engineers/Officers should keep the D.A.Os. informed of all the changes affecting the rent or tenancy of buildings rented to non-Railway Departments and outsiders.

(v) In addition, the Divisional Engineers should send an annual statement of buildings leased to outsiders, etc., to the Divisional Accounts Officer, to ensure that there are no omissions and that the register is corrected up-to-date.

(vi) When the recovery of the rent falls into arrears by more than a month for any reasons whatsoever, the Sr.D.A.O./D.A.O. should bring to the notice of

Sr.D.E.N/D.E.N. to take such action as necessary to realise the rent and to deal further in terms of the agreement .

ELECTRIC ENERGY CHARGES:

- 505 The cost of electric energy supplied and hire of meter to buildings let out to outsiders, Welfare Organizations, Other Government Departments, Platforms Stalls, Catering Contractors, Show cases in platforms, fruit stall contractors, Cycle-stand Contractors etc., is to be recovered by the issue of bills and the recovery thereof is to be watched by the Accounts Department.
- 506 Electric Energy Charges are recoverable at the rate applicable to Railway staff in the case of Railway Institutes, buildings provided as Officers' Club Houses, Railwaymen's consumer Co-operative Societies and Recognized Unions.
- 507 The bills for electric energy charges recoverable from the various parties will be prepared by the Divisional Electrical Engineers in triplicate against each party and the original and duplicate copies sent to the Divisional Accounts Office. In the case of catering contracts, stall contracts etc. let out by the Commercial Branch, the bills will be prepared by the Divisional Electric Engineer in quadruplicate and the original and duplicate sent to the Divisional Accounts Office and the triplicate to the Commercial Branch. On receipt of the bills, the details shown in the bill should be entered in a manuscript register maintained in the Accounts Office.
- 508 The remittance particulars should also be entered in the manuscript register. The register should be reviewed periodically and in respect of cases where the amounts have not been remitted for a considerably long time, the Accounts Office should report such cases to the Commercial, Works or the Personnel Branch as the case may be, with copy in each case to the Electrical Branch, to arrange for recovery of the amount or for taking necessary action as per the provisions of the agreement or for disconnection.

509 In the case of catering and vending contractors, as necessary provision exists in the agreements for furnishing 50 per cent of the annual anticipated consumption charges as a Security Deposit for the prompt payment of the bills, in cases of considerable delay in the payment of the bills, the amount of the bill may be adjusted from out of the Security Deposit. The party should then be addressed to make good the amount appropriated from out of the Security Deposit with copy to the Commercial Branch to enable that Branch to arrange with the party to make good the Security Deposit so appropriated.

WATER CHARGES:

510 For water supplied to outsiders, charges are recoverable at the rates prescribed by G.M./Works from time to time. These charges will be fixed by G.M./Works in consultation with the Finance Branch.

For water supplied to canteens, no charges are recoverable.

For water supplied to Unions, Sanghs, the charges should be at the rate applicable to Railway Staff.

The bills in this connection will be prepared by the Divisional Works Branch in triplicate and the original and duplicate sent to the Sr. D.A.O. In the case of catering stall contracts etc. (let out by the Commercial Branch), the bills for water charges will be preferred by the Works Branch in quadruplicate and the original and duplicate sent to the Sr. D.A.O. and the triplicate to the Commercial Branch. On receipt of the bill in the Accounts Office, the details should be posted in manuscript register which should be maintained in the following manner. A separate page should be allotted to each party in the register.

- (1) Reference to bill number and date
- (2) The period to which the bill relates.
- (3) Amount
- (4) Date sent to the party for payment
- (5) Remarks.

The register should be reviewed every month by the Section Officer of the Section and put up to the Sr. D.A.O. with the results of review.

Cases of non-payment within a reasonable time should be reported to DRM/Works for arranging to recover or to take action as per the terms of agreement.

In respect of catering and vending contracts, necessary provision exists in the agreements for furnishing a Security Deposit equal to 50 per cent of the annual anticipated consumption towards water and electricity charges. If the bills are not paid by these contractors within a reasonable time, the amounts of the bills should be adjusted from out of the Security Deposits. Then, the contractors should be addressed to make good the amounts appropriated from the Security Deposit with copy to Commercial Branch for necessary action.

CONSERVANCY CHARGES:

511 The bills for charges for the conservancy services rendered by the Railway Administration to outside bodies will be prepared by the D.M.O. of the division in triplicate and the original and duplicate will be sent to the Accounts Office for effecting recovery. The charges will be worked out on the following basis:-

- (1) Mean pay of one sweeper.
- (2) Dearness allowance
- (3) Incidental charges at 10 per cent of pay
- (4) Leave salary contributed at 11 per cent of pay
- (5) P.F. contribution at 1/8 of the pay plus DA merged with pay and leave salary.
- (6) H.R.A. and C.C.A., if any.

On receipt of the bills, the same should be entered in a manuscript register showing the following details and the original sent to the party for arranging payment. Separate pages should be allotted in the register for each party.

- (i) Reference to bill number and date.
- (ii) Period to which the bill relates.

- (iii) Amount
- (iv) Date sent to the party.
- (v) Date of payment.
- (vi) Remarks.

If the payment is not made within a reasonable time, the matter should be reported to D.M.O. concerned for arranging for the recovery or to take action as per the conditions of contract.

For Unions/Sanghs, the charges should be at the rate applicable to Railway staff. For canteens, no charges are recoverable.

LOCAL TAXES:

- 512 In addition to rent, the proportionate share of municipal and other local taxes will also be recovered from the occupying departments or outsiders. The Works Branch will, while accepting the local taxes bills received from the local bodies, indicate in the bills themselves the proportionate amount of tax recoverable from such departments or private bodies. These amounts should be allocated to Misc. Adv. Revenue at the time of passing the bills of the local bodies and the amounts billed against the parties concerned. On receipt of payment/acceptance credit should be afforded to Misc. Adv. Revenue. If in any case, the particulars were not furnished by the Works Branch in the local bodies bills, the proportionate amount recoverable from the private parties/other Government Departments in occupation of Railway building should be ascertained from the Works Branch and billed for against the parties concerned and the remittance/acceptance of the same watched.
- 513 In the case of Railway Institute and Officers' club-Houses, the occupier's share of municipal tax for specific direct service rendered such as conservancy, water and the like taxes, as distinct from taxes of a general nature, only is recoverable.

514 In respect of accommodation given to canteens, the taxes will be borne by the Administration.

515 In order to watch the recovery of the taxes, additional columns may be opened in the register of buildings allotted to private persons, etc., maintained in Form E 1971 and the recovery ensured.

INTEREST AND MAINTENANCE CHARGES OF ASSISTED SIDINGS:

516 Subject to the provisions of para (1827-E), interest and maintenance charges are recoverable from the party for whom the Assisted Siding was constructed from the date of its opening. The date of opening will be advised by the Works Branch to the Accounts Office within 10 days of that date. On receipt of such advice, the Accounts Officer should issue a provisional bill for interest and maintenance charges on the basis of the booked outlay, subject to final adjustment after the verification and sanction of the Completion report of the Siding. In order to ensure that there is no omission in the recovery of interest and maintenance charges in respect of all sidings in the division, a Siding Register in form 1840-E should be maintained in the Accounts Office showing the following details:

- (i) Name of the siding.
- (ii) Party to whom the siding was constructed.
- (iii) Authority for the construction of the siding, Reference to—
 - (a) The estimate sanctioned by the Railway Administration; and
 - (b) The acceptance of the party concerned.
- (iv) Total cost of construction—Estimated Cost/Actuals.
- (v) Cost borne by the Railway Administration
- (vi) Cost borne by the party for whom the siding was constructed.
- (vii) Main provisions of the siding agreement.
- (viii) Date of opening of the siding.
- (ix) Interest and maintenance charges etc., recoverable.
- (x) Reference to bill number and date sent to the party.

- (xi) Date of realization.
- (xii) Reference to bill number and date for penal interest if any, to be levied.
- (xiii) Date of realization.
- (xiv) Remarks.

517 **INTEREST DURING CONSTRUCTION:**

The amount of interest recoverable should be calculated for the exact period of construction and not in terms of whole years. Thus for works for which construction period covers one or more full financial years, the interest charges for these years should be calculated on the mean unadjusted outlay for these years. The interest for broken periods both during the year of commencement and year of completion should be charged for the exact periods-the basis of reckoning being monthly mean unadjusted outlay. The rate of interest for this purpose will be ruling dividend rate. The amount recovered should be adjusted in the accounts of receiving department as a miscellaneous receipt under the major heads '145-Indian Railway Commercial/strategic-Lines Miscellaneous Receipt', and in that of the Paying department in the same manner as payment of rent or as part of the cost of the work, according as the work falls under the first or the second category mentioned above.

518 The applicant should pay annually to the Railway administration interest and maintenance charges as follows :

(a) Interest to be charged on the book value of the portion of the cost of siding borne by the Railway at the prevalent rate of dividend payable by the Railways to the General Revenue as may be fixed from time to time.

(b) Repair and maintenance charges at the rate of 4 1/2 percent on the cost of the portion of siding borne by the railway or its present day cost, whichever is higher. For calculating these charges, the cost of the portion of siding borne by the Railway will be revalued every five years in accordance with such general or special orders as

may be issued by the Railway Board from time to time. This payment will ordinarily cover the maintenance by the railway of the works paid for by the applicant outside his premises. The maintenance of the works inside the applicant's premises is the applicant's own concern. Railway should however ensure that the maintenance of works by the applicant beyond the railway limits conforms to the requisite standard prescribed by the railway. For this purpose railway should undertake periodical inspections and the cost of such periodical inspection should be a charge against the applicant. If, in any case, it is considered desirable that the railway should also maintain works beyond the railway limits, the railway may undertake maintenance of these works, provided the applicant agrees to pay the required charges to be fixed by the railway.

In case provision of office and residential accommodation for Railway staff posted at the siding becomes necessary directly as a result of providing the facility to the party, the Railway Administration should recover repair and maintenance charges for these structures as an additional charge over and above the percentage charges levied on the Railway's share of the cost

MAINTENANCE CHARGES FOR DEPOSIT WORKS

519 All Deposit Works in Railway premises should, as a rule, be maintained by the Railway at the Cost of the parties who applied for them. Charges for maintaining (keeping in good repair). Deposit Works should be recovered from the parties concerned on the basis of –

- (i) either a fixed percentage of the works, the rate fixed by the General Manager.
- (ii) or actual expenditure inclusive of departmental charges.

In cases where extra establishment is engaged in connection with the maintenance and operation of any Deposit Work (eg., gateman engaged for operating the gate of a level crossing constructed at the cost of another Government Department) the actual pay and allowances of such establishment together with such additional charges as prescribed in paragraph 575 of the Indian Railway Establishment Code should be recovered.

In respect of private sidings, the maintenance of the sidings should ordinarily be the concern of the siding owner. As the Railway has to ensure that the maintenance of works by the party beyond the Railway limits conforms to the requisite standard prescribed by the Railway, periodical inspections should be undertaken and the cost of such periodical inspections should be recovered from the siding owners. If however, it is considered desirable that the Railway should maintain works beyond the Railway limits, the Railway may undertake maintenance on payment of requisite charges as fixed by the Railway.

520 **Register of Deposit Works:**

A Register of a deposit works in form E 1852 should be maintained both by the executive and the Accounts Office. The register should contain the following particulars in respect of each deposit work:

- (a) Name of the work.
- (b) Party at whose cost the work was constructed.
- (c) Authority for construction of the work.
- (d) Reference to the estimate sanctioned by the Railway Administration.
- (e) Reference to the Acceptance of the party (i.e.) letter number and date.
- (f) Date of completion and handing over .
- (g) Total cost (inclusive of departmental charges) of the work.

In the case of private parties-

- (a) Remittance particulars of the amount deposited.
- (g) Maintenance charges to be recovered.
- (c) Cost of extra establishment, if any (like Gateman, Goods clerk etc.) to be recovered.

In the register maintained in Accounts Office, the following additional particulars should be recovered.

- (a) The number and date of the bill for maintenance charges submitted.
- (b) The date of payment of the bill and particulars of remittance thereof.

(c) The number of the bill for penal interest if any, prepared for non payment of the maintenance charges within a month from the date on which the bill for maintenance charges was submitted.

(d) The particulars of remittance of bill for penal interest was paid.

A complete list of all Deposit Works in a Division should be furnished annually (in April) by the executive to the Accounts Office, so as to enable the latter to keep the register upto date.

The Accounts Officer is responsible for the correct recovery of the maintenance charges and the cost of extra establishment, if any pertaining to all Deposit Works on the Railway. On receipt of intimation of completion of a Deposit Work the Accounts Officer should issue a provisional bill on account of maintenance charges, subject to final adjustment after the verification and sanction of the completion report. If in any case, the amounts due to the Railway have not been realized within a month from the date on which the demand was made by the Accounts Officer, should promptly report the fact to the higher authorities for taking suitable action for recovering the amounts due.

(a) If the construction of a new level crossing or an improvement or alterations in an existing one, whether necessitated by local conditions or any other cause, is asked by a State Government or local authority, the capital cost of the works asked for will be borne by such Government or authority, except in cases where the liability is that of a Railway under the Railway Act. In regard to the incidence of maintenance costs in such cases no hard and fast rules can be laid down but ordinary maintenance costs should be borne by the party requiring the facility, and agreement to this effect should be reached before the work is commenced.

(b) If a level crossing provided initially and maintained at the cost of the Railway in compliance with the statutory obligation under the Indian Railways Act, is required to be manned (if it is unmanned) or upgraded/provided with additional gatekeepers due to subsequent increase in both road and rail traffic, the initial cost of such manning, additional manning or upgradation is to be borne by the State Government/Road Authority concerned, and the recurring and maintenance cost by the Railway. If such

a level crossing is required, to be shifted, the capital cost involved in the shifting of the level crossing is to be shared equally between the State Government/Road Authority and the Railway.

If , however, such a need arises due to subsequent improvement in the standard of the road or change in the nature and volume of the road traffic only, the cost(both initial as well as recurring and maintenance), has to be borne fully by the State Government/Road Authority concerned. For level crossings provided originally at the cost of State Government/Road Authority the recurring cost on account of its subsequent manning/additional manning or up-gradation has also to be borne by the State Government/Road Authority.

521 **Deployment of RPF/RPSF Personnel for Election Duties**

RPF/RPSF form the service Department under the control of Chief Security Commissioner of the Railway. The RPF/RPSF personnel are deployed from the Railways from various units for Election Bundobust Duties that are undertaken at different States. The Bills pertaining to RPF/RPSF Personnel comprises of Pay and Allowances including leave salary and pension service contribution are worked out by each divisional unit of the Railway to whom the staff belong. The CSC Office which is the Headquarters Office for all the DSC Office receive the Statements of bills and compile then and send to the Expenditure section in duplicate for vetting the Statement. The Accounts Section returns one vetted copy to the CSC Office.

522 **Preference and Accountal of Claim**

The CSC office submits the claim the Ministry of Home affairs who will reimburse the cost of staff deployed for Election duties through demand draft address to FA & CAO's Office. The demand draft realized is kept under Deposit Miscellaneous.

From the vetted copy available with the accounts, the amount pertaining to various accounting units are credited by minus credit to Deposit Miscellaneous through JV under advice to CSC. In the Books Section JV's along with Certificate of Payment received from Expenditure Section are credited to Concerned Accounting Units by preparation of ATC (Advice of Transfer Credit).

CHAPTER VI

ESTIMATES

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601 In the scrutiny of expenditure, it should be seen that all prescribed preliminaries to expenditure are observed; such as, proper estimates framed and approved by competent authority etc., The ordinary rule is that no work may be commenced and no liability or expenditure incurred on a work until a detailed estimate for it, has been sanctioned and an allotment of the requisite funds made by the competent authority . This rule pertaining to preparations of estimates does not apply in the following cases:

(i) For the construction or purchase of new work or asset under the category of new minor works if estimated to cost up to Rs.5,000;

(ii) For renewals and replacement of existing works and assets chargeable to Open Line Works Revenue as a new minor work if estimated to cost up to Rs.10,000;

(iii) For renewals and replacements of assets charged to Development Fund and Depreciation Reserve Fund if estimated to cost up to RS.10,000;

(iv) For renewals and replacements of assets charged to Revenue if estimated to cost up to Rs.50,000 and

(v) For repairs and reconditioning of existing assets if estimated to cost up to Rs.50,000.

KINDS OF ESTIMATES :

602 The estimates pertaining to open line fall under the following categories:-

(a) Abstract estimates.

(b) Detailed estimates.

(c) Supplementary estimates.

(d) Revised estimates .

(e) Completion estimates.

ABSTRACT ESTIMATE:

603 An abstract estimate is prepared in order to enable the authority competent to give Administrative approval to the expenditure of the nature and the magnitude contemplated, to form a reasonably accurate idea of the probable expenditure and such other data sufficient to enable that authority to gauge adequately the financial prospects of the proposal. Abstract estimates avoid the expense and delay of preparing estimates for works in detail at a stage when the necessity or the general desirability of the works proposed has not been decided upon by competent authority. An abstract estimate should contain a brief report and justification for the work, specifications and should mention whether funds are required in the current year and to what extent. It should also show the cost sub-divided under main heads and sub-heads or specific items, the purpose being to present a correct idea of the work and to indicate the nature of the expenditure involved. The allocation of each item as between Capital, Development Fund, D.R.F., O.L.W.R. and Revenue should be indicated.

Note: (1) Administrative approval to a work or scheme should be accorded by the authority competent to do so after a thorough examination as to its necessity, utility and financial prospects. See also rule in Chapter II Indian Railway Financial Code.

(2) In regard to works which are specified in the sanctioned budget of a year (i.e., in the “Works Machinery and Rolling-stock Programmes” accompanying the Budget Orders paragraph 629), the total estimated cost shown against each work should be regarded as the Abstract Estimate. The inclusion of a work in the sanctioned budget should be deemed to carry with it the administrative approval of the Railway Board except that in the case of structural works other than track renewal works, costing more than Rupees one crore each, the administrative approval of the Railway Board

should be obtained by the submission of separate Abstract Estimates notwithstanding their specific inclusion in the sanctioned budget; however, estimates costing over Rs.50 lakhs and up to Rs.1 crore will be certified and sanctioned personally by the FA&CAO and GM respectively.

DETAILED ESTIMATES:

604 On receipt of Administrative approval to a Project or Scheme other than that for which construction of a new Line, conveyed through the sanction to the Abstract estimate relating thereto, detailed estimates for various works included in the Abstract estimate should be prepared and submitted for technical sanction of the competent authority. It should be prepared in sufficient detail to enable the competent authority to make sure that the abstract estimate sanctioned by a higher authority is not likely to be exceeded . No work included in an Abstract estimate should be commenced until a detailed estimate for the same is prepared and sanctioned and adequate funds are allotted by the competent authority. The detailed estimate of an open line work will comprise (i) statement showing details of estimated cost and (ii) an outer sheet giving the abstract of cost of work, the report, the financial justification and the allocation. The sanction of the competent authority to the detailed estimate of a work is called the “ technical sanction” .

605 When the works constituting a connected scheme are situated in more than one executive division, separate detailed estimates should be prepared of the cost of Work in each division in order that Executive Engineer entrusted with the actual construction may be in a position to watch expenditure against a sanctioned estimate of the cost of the work in his charge.

SUPPLEMENTARY ESTIMATES:

606 A supplementary estimate should be prepared for any item of work which ought to have been included in the first instance in an estimate already sanctioned but has not been so included or which it is found later, should be considered as being part or a phase of an already prepared and sanctioned, if it cannot be met out of contingencies.

Such a supplementary estimate should be prepared in the same form and in the same degree of detail as the main estimate and for all purposes be treated as the part of the main estimate.

- 607 The title of the supplementary estimate should be the same as that of the main estimate with an indication that it is supplementary to the main estimate, the total amount of the original estimate and the amount of the supplementary estimate being also furnished on the Abstract sheet of the estimate

REVISED ESTIMATES:

- 608 As soon as it becomes apparent that the expenditure on a work or project is likely to exceed the amount provided therefor in the detailed estimate a revised estimate should, subject to the provisions of para 1136E , be prepared and submitted for the sanction of the competent authority. It should, unless otherwise ordered by the sanctioning authority, be prepared in the same form and the same degree of detail as the original estimate, and should be accompanied by a comparative statement showing the excess or saving under each sub-head of account against the latest sanction. In cases where a supplementary estimate or a previous revised estimate has been sanctioned by the Railway Board, it should be made clear how the original sanction has been modified by such further sanctions.

COMPLETION ESTIMATES:

- 609  In the case of open line works or schemes estimated to cost Rs. 20 lakhs and over individually, a completion estimate should be prepared at the end of one of the first three financial half-years after the date on which the work or scheme fulfils the purpose for which it, when sanctioned was intended . The financial half-year in which the work or scheme fulfils the purpose should be excluded for determining the date of preparation of the completion estimate. The completion estimate is prepared in supersession of a construction estimate as provided in paragraph 1701(E). It should be in a tabular form(E 713) showing the following particulars in respect of all the works included in the Project or Scheme(viz.): -

- (i) amount of sanctioned estimate;
- (ii) actual expenditure on all works upto the date of closing of the estimate
- (iii) commitments on that date;
- (iv) anticipated further outlay;
- (v) total estimated cost; and
- (vi) difference between the sanctioned estimate and the estimated cost.

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- 610 An Abstract of the Completion estimate showing the above particulars against the various heads of classification should be submitted for information or sanction to the Railway Board together with brief explanation for excesses of not less than Rs. 10,000 or 10 percent over the provision under sub-heads of account and for savings of 20 percent or one lakh whichever is less occurring under any main head of account . Provision for further outlay should be made in a completion estimate only for those works which are in progress or completed on the date of closing of the estimate. All works not started on that date should be dealt with as separate open line works both as regards estimate and expenditure.

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- 611 Completion estimates, which involve any material modification in a project as sanctioned by the Railway Board or an excess over the estimate beyond the powers of sanction of the General Manager(vide para 748 E) should , after verification by the Accounts Officer , be submitted for the sanction of the Railway Board. Completion estimates which involve no such modification or excess may be sanctioned by the General Manager , the Railway Board being informed when sanction has been accorded, an abstract of the completion estimate being at the same time forwarded for the information of the Railway Board. The completion estimate should reach the authority competent to sanction it , within four months after the close of the financial half-year upto which it shows actual expenditure.

PREPARATION OF ESTIMATES:

612. The estimate should be prepared in the prescribed forms with care and attention as correct estimation means correct planning of the work besides enabling proper control over expenditure. The adoption of forms different from the ones prescribed in the code, although objectionable would itself have been of not much consequences if all the information required to be given as per Code Rules were incorporated in the estimates. The estimates should provide for all foreseeable expenditure to avoid frequent upward revisions.
- 613 It should also be ensured that the quantities, rates etc., incorporated in the estimates are realistic and reasonable. It is at the estimate stage that the first important opportunity is provided to exercise control over expenditure. It is equally necessary, therefore, that the estimate should not be made unduly liberal particularly in regard to items such as contingencies, etc. It would be difficult at the later stage to exercise adequate control on actual spending as the tendency generally would be to spend whatever is available within the limits of the estimate.

REGISTER OF ESTIMATES:

- 614 A register of estimates should be maintained showing the following details
- (i) Serial No.
 - (ii) Estimate No. and date.
 - (iii) Name of work
 - (iv) Estimated cost.
 - (v) Allocation
 - (vi) Date of receipt in Accounts Office.
 - (vii) Date returned duly verified.
 - (viii) Date of receipt of sanctioned estimate in Accounts Office.
- 615 This register should be put up for review by the Accounts Officer every month to see that there is no abnormal delay in the verification of the estimates.

ESTIMATES FILES:

- 616 Estimates are filed in the order of receipt for the purpose of easy and convenient reference. The files are to be carefully preserved until the work is completed and when the completion report is received and passed, the estimate must be preserved in the records for future reference.

CHECK OF ESTIMATES:

- 617 One phase of control of expenditure on Railways is a regular check by the Accounts Office of all estimates before they are sanctioned by the competent authority. The object of this preliminary check of estimates is to avoid irregular sanction to expenditure and the main points which require consideration are;

- (i) the propriety of expenditure
- (ii) the incidence and classification of charges
- (iii) the existence of budget provision to meet the proposed expenditure during the financial year
- (iv) freedom from errors and omissions and competency of sanction.

PROPRIETY OF EXPENDITURE:

- 618 It is the duty of the Accounts Officer in his capacity as Financial Adviser to examine zealously all proposals for expenditure with a view to see-

- (a) that the expenditure proposed to be charged to Railway funds in the estimates, is properly and legitimately so chargeable;
- (b) that proper financial justification is forthcoming in the case of all works requiring such financial justification; and
- (c) that in the case of estimates for staff quarters and other rent returning buildings, the anticipated yield of rent as shown in the rent statement will not have the effect of reducing the return on the cost of each class of quarters to less than 6 per cent per annum.

INCIDENCE AND CLASSIFICATION OF CHARGES:

- 619 These should be verified in accordance with the rules of incidence and the classification of expenditure prescribed in the Indian Railway Financial Code . In the verification certificate, the Accounts Officer should clearly state that the incidence and allocation have been verified.

EXISTENCE OF BUDGET PROVISION:

- 620 The existence of the budget provision for the proposed work should be verified from the sanctioned budget allotment for the year.

(i) Errors and Omissions:

Errors and omissions noted in the course of the accounts verification of the estimates should be got corrected by the executive authority responsible for the preparation of the estimate . If the errors or omissions so pointed out are not accepted and corrected by the executive , the Accounts Officer may append a check note to the estimate specifying such items of errors or omissions pointed out by him while certifying the estimate.

(ii) Competency of sanction:

The competency of sanction, to the estimate should be verified with reference to the delegation of powers to General Manager, where the sanction of an authority higher than the General Manager is necessary and in other cases with reference to local schedule of powers.

SUBSIDIARY POINTS TO BE CHECKED:

- 621 In the check of estimates, the following subsidiary points also require attention:

- (i) that the particulars of work to be done are furnished in sufficient detail and that a proper distribution is made of the estimated outlay between cash and stores ;
- (ii) that the allocation of each item is given and that an abstract allocation is made and that plan head is shown in the estimate ;

- (iii) that all incidental expenditure that can be foreseen has been provided for in the estimate ;
- (iv) that in the case of a renewal, replacement or dismantlement, credit for released materials has been provided for ;
- (v) that in the case of work to be done for other Government departments, other Railways and private bodies, provision has been made for the necessary departmental charges ;
- (vi) that in the case of estimates for manufacturing operations, the outlay and outturn are distinctly shown ; and
- (vii) that in the case of estimates for staff quarters and other rent returning buildings, a rent statement accompanies the estimate.

CERTIFICATE OF ACCOUNTS VERIFICATION AND SANCTION TO THE ESTIMATE:

- 622 All estimates after verification in the Accounts Office should be returned to the executive authority with the following certificate endorsed therein:-
- “ Incidence and allocation verified (subject to the check note attached). This requires the sanction of (... ..)” .
- 623 A copy of the sanctioned estimate received in the Accounts Office should be verified to see that it has had the sanction of the competent authority.

CURRENCY OF SANCTION:

- 624  The sanction to an estimate will ordinarily remain current for five years from the date on which it has been accorded unless it has been renewed for further term by the acceptance of a revised estimate. Acceptance by a competent authority, however, of a budget estimate which includes specific provision for expenditure on a work which is in progress may be regarded as reviving for the year in which provision is made, the sanction to the estimate regardless of the five years' limit. But if no work has been commenced on a sanctioned scheme within two years of the date on which the sanction was accorded to the estimate, such sanction, should be held to have lapsed and fresh sanction should be obtained from the competent authority by the submission of an up-to-date estimate, if necessary.

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CHAPTER VII

EXECUTION OF WORKS:

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(a) COMMENCEMENT OF WORK:

701 An order to prepare an estimate for a work is no authority for the execution of that work. The commencement of a work or the incurrence of any liability thereon should as a rule be authorized by the competent authority by a written order sanctioning the detailed estimate therefor and allotting the requisite funds.

702 Ordinarily , no work may be commenced and no liability or expenditure incurred on a work until a detailed estimate for it has been sanctioned and an allotment of the requisite funds made by the competent authority. This rule pertaining to preparation of estimates does not apply in the following cases:

(i) For the construction or purchase of new work or asset under the category of new minor works if estimated to cost up to Rs.5,000.

(ii) For renewals and replacement of existing works and assets chargeable to Open Line Works Revenue as a new minor work if estimated to cost up to Rs. 10,000;

(iii) For renewals and replacements of assets charged to Development Fund and Depreciation Reserve Fund if estimated to cost upto Rs. 10,000

(iv) For renewals and replacements of assets charged to Revenue if estimated to cost up to Rs.50,000 and

(v) For repairs and reconditioning of existing assets if estimated to cost up to Rs.50,000/-

703 In addition to the exception mentioned in the preceding paragraph, the following are the only classes of works on which expenditure or liability may be incurred prior to the receipt of sanction of the authority competent to sanction the estimates under the ordinary rules :-

704  Works, which are considered to be urgently necessary to safeguard life or property or to repair damage to the line caused by flood, accident or other unforeseen contingency, so as to restore or maintain through communication.

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705 The Divisional Engineer may authorize the commencement of the work, but should at once submit, through the usual channel, a report to the authority competent to give administrative approval to the work and to allot the required funds. This report, called an 'Urgency Certificate' or an 'Urgency Report', in Form E 1104 should contain -

- (i) a description of the work ;
- (ii) the date of its commencement ;
- (iii) the circumstances which bring this within this category ;
- (iv) the maximum probable cost of the work with an enclosure containing an abstract of calculations
- (v) the date by which a detailed estimate of cost will be submitted and
- (vi) provision of funds.

706 The Divisional Engineer should send a copy of the report to the Accounts Officer. While according the administrative approval, the competent authority (viz., the General Manager or the Railway Board as the case may be, should fix a date by which the detailed estimate for the work should be prepared and got sanctioned. He will at the same time furnish a copy of his sanction and instruction to the Accounts Officer. If the detailed estimate is not received in the Accounts Office by the time fixed by the competent authority, and not received within one month of date the Accounts Officer will, in the absence of satisfactory explanation of the cause for the delay make a full report to the General Manager .

(B) EXECUTION OF CONTRACT PRIOR TO COMMENCEMENT OF WORKS OR SUPPLIES:

707 (i) No contractor should be permitted to commence work or supply materials until the relevant contract or work order has been signed by the parties competent to do so;

(ii) Exceptions to this rule are permissible only in the cases of extreme urgency such as work or supplies necessary to safeguard life or property or to repair damage to a track caused by flood, accident or other unforeseen contingency; so as to restore and maintain through communication. Even in such cases, if circumstances permit, some form of written contract or at least an agreed statement of rates to be paid should be prepared before commencement of works or supplies, the intention being that the conditions, specifications, etc. with sufficient items and rates to carry on with, should be agreed upon before hand.

(iii) In other exceptional but less emergent cases in which the commencement of work or supply cannot be postponed till the preparation and sanction of the contract documents, prior consultation with the Financial Adviser and Chief Accounts Officer shall be necessary.

(iv) In all cases of departure from sub-para (i) above, the completion and execution of the main contract should be proceeded with expeditiously.

AGENCIES FOR EXECUTION OF WORKS:

708 Works of construction, repair or maintenance may be carried out through the agency of either-

(a) Departmental labour, or

(b) Contracts, or

(c) Other Government departments and public bodies such as Municipalities, Port trust , etc. or

(d) Other Railway administrations.

According as the authority sanctioning the works may decide having regard to economy and expediency. The employment of both contractors and departmental labour at the same time and for the same work should as far as practicable be avoided.

- 709 The Executive Engineer in charge of the work is responsible for its proper execution of a work, by whatever agency, it may be carried out.

EXECUTION OF WORK DEPARTMENTALLY:

- 710 If it is decided by the authority sanctioning the estimate for a work that the work is to be carried out departmentally, the authority in charge of the execution of the work may entertain, under the sanction of competent authority, the necessary temporary and works establishment within the amount provided in the sanctioned estimate. The engagement of temporary establishment as well as the works establishment required for the satisfactory execution of the work should be limited to the provision in the estimate.
- 711 Temporary establishment includes all such non-permanent establishment required for the purpose of general supervision (as distinct from the actual execution of work/works) such as clerks, draftsmen, etc.
- 712 Works establishment includes such establishment as is employed upon the actual execution of a specific work as distinct from the general supervision or upon the subordinate supervision of departmental labour, stores and machinery in connection with such a work.
- 713 The entertainment of works charged establishment is subject to the following conditions-
- (i) The pay allowed to holders of work charged posts should not, except with the sanction of the competent authority, exceed the rates prescribed for such posts.
 - (ii) They should be paid by the day or month, their employment ceasing with the cessation of the work and

- (iii) The cost of works establishment excluding labour should be shown as separate sub-head of the estimates.

EXECUTION OF WORKS THROUGH THE AGENCY OF CONTRACTORS:

714 The agency of contractors may, if economical or expedient, be utilized for the proper execution of works of construction , repairs or maintenance on lines under construction and on open lines. The materials required for such works should ordinarily be supplied to the contractors by the Railway, the agency of the stores or other department of the Railway being utilized for the purpose vide paras 701S and 702S . In exceptional or urgent circumstances , however, e.g., with a view to the expeditious execution of an urgent work, the Chief Engineer, in the exercise of his personal discretion after consultation with his Financial Adviser and for reasons to be recorded, may arrange for the supply or manufacture of materials required for the work, through a contractor.

715 No contractor should be permitted (except under cases of extreme such as work or supplies necessary to safeguard life or property or to a repair damage to the track caused by flood, accident or other unforeseen contingency so as to restore through communication vide para 1103E(I)) to commence work or supply materials until the relevant contract has been signed by the parties competent to do so.

EXECUTION OF “DEPOSIT WORKS”

716 (i) No work asked for by another Government department should be commenced till a detailed estimate for the same has been accepted by the department concerned and sanctioned by the competent Railway authority.

(ii) No work asked for by local bodies, private individuals etc., should be commenced till a detailed estimate for the same has been sanctioned by the competent Railway authority and the estimate cost thereof deposited with the Railway . The amounts so deposited should be credited to the head “Deposits Miscellaneous”.

(iii) No deviation from the accepted plans and designs of works undertaken for Other Government Departments and Outsiders should be permitted except with the concurrence of the authorities who ordered the works.

EXECUTION OF WORK THROUGH OTHER RAILWAY ADMINISTRATIONS

717 If the works are executed by a Railway owned or worked by a private company, departmental charges on a reciprocal basis, vide para 1137E will in addition be debited to the Railway ordering the works.

PROGRESS REPORT-CUM-FINANCIAL REVIEW :

718 (i) With a view to enable the Railway Board to watch the progress of works as also the expenditure (i.e., physical as well as financial progress) on (a) New constructions, conversions doublings, (b) open line works costing Rs. 50 lakhs (Gross) and over (c) track renewal works costing Rs. 50 lakhs(Gross) and over, Half Yearly Progress Report-cum-Financial Reviews in the Form 1519E should be submitted by the Railway administration every half-year.

(ii) These Progress Report-cum-Financial Reviews should show both the progress of works based on the physical progress as well as the progress of expenditure, actual and anticipated for each of the works. They should also give the overall financial and the physical progress as also the dates of commencement of the work, and the probable date of completion. If very little progress has been made on a work during the half-year for which the report has been submitted , the reason for the slow progress as also the steps proposed to be adopted to expedite the same should be indicated in the remarks column.

(iii) No report need to be submitted to the Railway Board for the half-year during which a completion estimate (in Form E 713) is submitted for sanction. But after the submission of the completion estimate, the reports should continue to be submitted until the completion reports in Form E. 1706 are submitted.

These Progress Report-cum-Financial Reviews received in the Divisional/Unit Accounts Office from the executive should be checked carefully to see -

- (1) that all the columns have been filled in ;
- (2) that the estimated cost, percentage of financial progress, percentage of overall financial progress, sanction reference etc. given are correct ;
- (3) that the date of commencement and the probable date of completion have been furnished. If the date of completion is postponed, the reasons therefor have been clearly explained ;
- (4) that the expenditure on each sub-work to end of the period under review as booked in the works registers tallies with the amounts shown in the Financial Review;
- (5) that the expenditure to end of the period, in the case of review for the period ending 31st March does not fall short of the actual expenditure to end of the previous year plus the Final grant for the current year. If there are variations, it should be seen that the executive has explained for the variations as there can normally be no variation so soon after fixing final grant ;
- (6) that reasons for excesses of not less than Rs.20,000 or 10 per cent over provision under sub-heads of account as also savings of 20 per cent or one lakh whichever is less occurring under any main head of account have been explained.
- (7) that in the case of material modification requiring Railway Board's sanction, an explanation is given of the measures taken or proposed to be taken to regularize the position and
- (8) that the reasons for the non-drawal of the Completion Reports wherever due in the cases of completed works are furnished in the form of a brief report.

While the responsibility of the correct preparation and submission on the due date of the Progress Report-cum-Financial Review rests with the Executive, it is equally the duty of the Accounts Office to see that the figures furnished therein are not prima facie incorrect, no expenditure which is not within the competency of the administration is incurred or proposed to be incurred and the Executive advised to take prompt action in this regard wherever necessary.

The review should then be signed by the Sr. D.A.O. and forwarded to the Expenditure section of the F.A. & C.A.O.'s Office in triplicate.

These reviews on receipt in the Expenditure Section of the Headquarters Office should be scrutinized to see that they are in order and there are no omissions and put up to Dy.F.A./HQrs. for counter signature. On being countersigned by the Dy.F.A./HQrs. they should be forwarded to G.M./W for countersignature and transmission to the Railway Board.

EXCESS OVER ESTIMATES

719 The sanction to an estimate constitutes authority for spending a specific amount on a particular work. Executives Officers should not therefore, incur expenditure or liability on a work in excess of the sanctioned estimate without the prior sanction of the authority. If in the course of execution of a work, it becomes apparent that there is likely to be an excess over the sanctioned estimate of the work as a whole, the executive in charge of the work should take steps –

(i) to restrict further expenditure on the work to the utmost extent possible until sanction to the excess is obtained and

(ii) to prepare a revised estimate and submit it to the authority competent to sanction it. In cases where the excess over the sanctioned estimate is within the powers of the local authorities, i.e., within the powers of Railway administration, it is within the competence of the authority to decide in what detail the revised estimate should be prepared. In cases which require to be submitted to the Railway Board, where the excess is due to any material modification in the sanctioned work, brief abstract estimate should be prepared showing the heads materially affected, the total increase under each head and the principal direction in which the cost has been exceeded owing to rise in prices or other causes.

720 Expenditure in excess of a sanctioned estimate should not ordinarily be left over for regularization by post facto sanctions. But orders of the competent authority for the

excess should be obtained on the earliest possible point of time. In most cases where the excesses are due to an increase in prices over those entered with original estimate etc., comes to the notice at the time of receipt of tenders for the work, a revised abstract estimate should immediately be prepared and sent to the sanctioning authority to decide about taking up the work in view of the additional expenditure involved.

In cases, however, where the work is in advanced stage and is likely to be completed before a revised estimate can be got out, the excess may with the prior approval of the authority empowered to sanction the excess, be dealt with in the completion report of the work. The fact that the competent authority has permitted the regularization of excess over an estimate through the completion report should invariably be reported to the Accounts Officer.

(3) Notwithstanding the fact that the expenditure on a work has exceeded or is likely to exceed the sanctioned estimate therefor, the following payments may not be withheld.

- 721 Payments required to liquidate liabilities which have already been incurred at the date of reporting the excess (whether actual or anticipated) to the competent authority for sanction.
- 722 Payments in respect of salaries, muster sheets, labour pay sheets or other pressing claims, provided that a definite statement in writing is made by the G.M./C.E./DRM as the case may be to the effect that sanction of the competent authority to the excess has been applied for or will be applied for at the earliest possibility.

Note:- For the purpose of this paragraph, excess over estimates should be determined with reference to the aggregate provision (excluding credits for released materials) for the work or scheme as a whole and not with reference to the separate sub-estimates for sub-works constituting the work or scheme.

CHAPTER VIII

CONTRACTS FOR WORKS:

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GENERAL:

- 801 The agency of contractors may, if economical or expedient, be utilized for the proper execution of works of constructions, repairs or maintenance on lines under construction and on open lines. The materials which are in short supply or materials requiring test certificates for quality control like cement, steel etc., may be supplied to the contractors by the Railway, the agency of the stores or other departments of the Railway being utilized for the purpose. In exceptional or urgent circumstances, however, e.g., with a view to the expeditious execution of an urgent work, the Chief Engineer, in the exercise of his personal discretion, after consultation with his Financial Adviser and for reasons to be recorded, may arrange for the supply or manufacture of materials required for the work, through a contractor.

CLASSIFICATION OF WORKS AND SUPPLIES

- 802 All works and supplies relating to the Engineering Department executed through the agency of contractors may be broadly classified as follows :-

(1) Zone works- such as works of ordinary repairs and maintenance and others of a petty nature in a particular zone or area. They will include-

(a) (i) new works, additions and alterations to existing structures, special repair works and supply of building materials subject to the contract value of each such work not exceeding Rs. 50,000.

(ii) all ordinary repair and maintenance works and

(iii) conveyance of materials eg., bricks, lime, sand etc., which are likely to be required in a zone during the year.

(b) (1) Works other than those such as carried out under zone contracts mentioned in sub-para (a) above, provided the contract value of such work does not exceed Rs. 50,000

(2) Special works such as the construction of a bridge, the formation of an embankment, etc., other than zone works.

(3) Supplies of building materials such as bricks, tiles, soorkhie, lime, thatching materials (such as bamboos, ballies, straw, matting, etc.,) doors, windows, ballast, boulders, moorum, stone, chips, stone sets, fire-bricks, shingle (strip of wood used as roof tile) pitching stone, etc. which are not usually stocked or purchased by the Stores Department.

Contracts relating to these three classes will be termed as 'Works contracts' as distinguished from 'Stores contracts' which pertain to the supply of stores arranged for by the Stores Department.

FORMS OF CONTRACTS

803 The 'lump sum', 'Schedule' and 'Piece-work' forms of contract are primarily intended for application to 'Works contracts' and they are -

(i) 'Lump sum' contracts – The lump sum contract is a contract under which the contractor engages to carry out a work or effect supply as specified and within a given period, for a fixed total sum ; his receipt of this sum being dependent on his completing the work or supply to specification and time, irrespective of the actual quantities and kinds of work done or materials supplied in achieving his result.

804 In the case of such contracts, a scale of rates or prices may be agreed upon, by which enhancement of or reduction from the lump sum may be regulated in the event of any departures from the work or supply as specified being made subsequently under the orders of competent authority; or by which reductions may be made at the discretion of the competent authority for failure on the contractor's part to conform to specifications.

(ii) Schedule contracts: The schedule contract is a contract under which the contractor engages to carry out a work or effect supply as specified and within a given period , at fixed unit rates or prices for each of the various items comprising

such work or supply, the sum he is to receive depending on the actual quantities and kinds of work done or materials supplied in completing the work or supply to specification and time. It is not repugnant to the above definition to show in such contracts the approximate amount of the contract based on approximate quantities and the fixed unit rates.

(iii) Piece-work contract – This means a contract under which only unit rates or prices for various kinds of work or materials are agreed upon without reference either to the total quantity of work to be done or materials supplied ; or to the quantity of work to be done or materials supplied within a given period. The zonal contracts adopted on the Railways fall under this category.

Note- Agreeable to the above definition of a piece-work contract-

(a) The Railway may indicate its intention as to the maximum value of the orders it is likely to place ; but the contractor cannot claim to be given as order for more than one unit of work or supply .

(b) After the contract is executed, specific orders for work or supply may be placed against it.

(c) The rate of progress may not be specified but if it is not satisfactory, the contract can be terminated.

LIST OF APPROVED CONTRACTORS

805 No work or supply should ordinarily be entrusted for execution to a contractor whose capability and financial status have not been investigated beforehand and found satisfactory. For this purpose and for inviting single tender in case of urgent necessity, a list of approved contractors may be prepared and maintained in the Headquarters and Divisional Offices of Railway. A list of contractors who have done satisfactory work on the Railway may be included in consultation with the FA&CAO or Sr. DAO with suitable remarks .

(1) His position as an independent contractor ;

(2) His financial capacity ;

(3) The particular field in which he specializes ;

806 If he is a new contractor remarks on the following points shall be entered

(i) His capacity to undertake and carry out works satisfactorily as vouched for by a responsible official or firm.

(ii) His previous experience on works similar to that to be contracted for, in proof of which original certificates or testimonials may be called for and their genuineness verified, if need be, by reference to the signatories therefor.

Note- Undue emphasis should not, however, be placed on previous experience as it would cut across the very principle of inviting open tenders and tend to create monopolistic tendencies.

(iii) His knowledge from actual personal investigation of the resources of the District or Division in which he offers to work.

(iv) His ability to supervise the work personally, or by competent and duly authorized agents. In addition to the above, he must furnish a valid Income-tax clearance certificate and proof of credentials before he is brought on the approved list. Even after that, he should continue to furnish valid Income-tax clearance certificate every year failing which his name may be removed from the list. Separate lists of approved contractors for the following slabs of the estimated value of the contract according to their capacity to undertake contracts should be maintained. In this connection the recommendations of the Committee Shri B.S.Sudhir Chandra (GM/Central Railway) and a Committee of Officers in connection with the approved list of Contractors circulated vide Board's letter No. 94/CE-1/CT/4 dated 22.10.2001 (appended as Annexure I).

APPROVED LIST OF CONTRACTORS

807 According to the above recommendations the Approved List will be in four monetary slabs only as below:-



(i) Class "D" - Upto Rs.10 lakhs

(ii) Class "C" - More than Rs.10 lakhs and upto Rs.25 lakhs

(iii) Class "B" - More than 25 lakhs and upto Rs.50 lakhs

(iv) Class “A” -More than Rs.50 lakhs and upto Rs.1 crore.

The Approved List as a whole will be valid for a period of 3 years.

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Selection of contractors for enlistment in the Approved List should be done by a Committee to be nominated by the authority not below the Accepting Authority as given below. The composition of the Committee will be as follows:

Class of Contractors	Selection Committee Composition	Accepting Authority
Class “A”	One SAG Officer each of Executive Department and Finance Deptt.	Executive Department PHOD
Class ”B” & Class “C”	One JAG Officer each of Executive Department and Finance Deptt.	DRM in the Division /SAG Officer of the Executive Deptt.
Class ”D”	One Senior Scale Officer each of Executive Department and Finance Department	Sr.DEN(Coordination in Divn and Dy.CE(Con) in construction

Note- Normally in Construction, no contract below Rs.10 lakhs value should be called.

For registration in Approved List, the contractor will have to furnish a non-refundable fee of Rs.5,000/- for Class “D”, Rs.7,500/- for Class “C”, Rs.10,000/- for Class “B”, and Rs.15,000/- for Class “A”. This fee will cover the entire period of 3 years or part thereof. Contractors desirous of registration should submit the application in the proforma prescribed by the Railway with the prescribed fee for each ‘category of work’ in each slab.

808 The authority approving the panel of approved contractors should satisfy itself that the panel is large enough to create keen competition amongst the contractors for various types of work.

809 Each divisions will arrange to form lists of approved Contractors separately for the following categories of works.

(i) Earth work (ordinary or mechanised with specialisation if any)

- (ii) Construction of Bridges
 - (iii) Construction of Building/Structures, water supply and drainage works.
 - (iv) Track works.
 - (v) Supply of ballast/boulders and other building materials
- 810 While forming the list of approved Contractors, provisions contained in paras 1215 and 1216 of the Engineering Code are to be compiled with.
- 811 For calling and Acceptance of tenders the powers delegated to the authorities shall be followed as per the Schedule of Powers in vogue.

BASIS FOR CALLING FOR TENDERS

- 812 The basis for calling tenders and entering into contracts are -
- (a) The regulation for tenders and contracts.
 - (b) The general and special conditions of contracts.
 - (c) The specifications for materials and works.
 - (d) The schedule of rates (when tenders are considered on percentage above or below the Schedule of Rates)
 - (e) Agreement form.
- 813 Items (a), (b) and (c) above shall be comprehensive and explicit so that there is the least possibility of conflicting even differing, interpretations being placed on the intentions of the contract.
- 814 Amendments when considered necessary to any para, clause or item of the regulations for tenders and contract documents, the general conditions of contract, the specifications for materials and works and the Schedule of Rates shall be authorized solely by the Chief Engineer and intimated to the Divisional Engineers and Inspectors who shall acknowledge receipt of the same..

815 When it has been decided that tenders are not to be invited in the most open and public manner possible, tender forms should, as a rule, be widely circulated among approved contractors only. When, however, tenders for the execution of works or supplies are invited by public advertisements (para 1213E), the issue of tender forms need not be restricted to contractors whose names are in the approved list. Contractors not on the approved list may, on the payment of the prescribed fees, be furnished with tender forms and allowed to tender for the advertised requirements. When a tender, which is considered satisfactory, has been received from a contractor, not on the approved list, steps should be taken before it is accepted to ascertain to whether the contractor is capable of executing the work in a proper manner. If the enquiries prove satisfactory, the tender may be accepted. If in due course, the contract is executed satisfactorily, the name of the contractor may be added to the list of approved contractors. If, on the other hand, the enquiries prove unsatisfactory, in consequence of which the order is not placed with the contractor, the result of enquiries must invariably be recorded.

CONTRACTS FOR ZONE WORKS AND ENGINEERING MATERIALS

816 It is often advantageous to allot all works of repairs and maintenance in a particular zone for a definite period to one contractor. It may be likewise advantageous to make a limited number of contractors responsible for the conveyance or supply of engineering materials as and when required in a particular zone during a specified period. Executive Officers of the Engineering Department should therefore take steps to select suitable contractors for-

(i) New works, additions and alterations to existing structures special repair works and supply of building materials subject to the contract value of each such work not exceeding Rs.50,000.

(ii) The execution of repair and maintenance works in specified zones for each year and

(iii) The conveyance or supply of materials e.g., bricks, ballast, lime, sand, etc. which are likely to be required in a zone during the year.

817 The contracts for these works or supplies should as rule be on a yearly basis. If, however, any special advantage, such as more favourable rate is likely to be secured by giving out contracts for longer periods (as in the case of manufacture or supply of bricks) contracts for more than a year, may with the concurrence of the Accounts Officer, be entered into.

TENDERS: **GENERAL**

818 Except where for reasons, which should be in the public interest, the General Manager decides that it is not practicable or advantageous to call for tenders, all contracts for over Rs.25,000/- in value should be placed after tenders have been called for in the most open and public manner possible and with adequate notice. For works contracts, based on schedule of rates in force on the Railway, calling of tenders up to Rs.50,000/- can be dispensed with by the General Manager without recording reasons for doing so. In all other cases where it is decided not to call for tenders, the reasons should be recorded and financial concurrence obtained.

CALLING FOR TENDERS

819 Tenders may be invited for –

(a) works required to be carried out under zonal contracts and

(i) All ordinary repairs and maintenance works; and

(ii) Conveyance of materials e.g. bricks, lime sand etc. which are likely to be required in a zone during the year.

(iii) New works, additions and alterations to existing structures, special repair works and supply of building materials, subject to the contract value of each such work not exceeding Rs.50,000/- may be included under zonal contracts.

(b) For all other works, open tenders or limited tenders as the case may be should be called for.

CLASSES OF TENDERS:

820 The following are the different methods of obtaining tenders that may be adopted :

 (i) By advertisement (“Open” tenders);

- (ii) By direct invitation to a limited number of firms/contractors (Limited tenders); and
- (iii) By invitation to one firm/ contractor only (“single” tenders).

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Open Tenders

When open tenders are invited tender notices should be arranged to be published in the local and prominent newspapers in the most open and public manner possible.

Limited Tender System

(i) Where for reasons which should be in the public interest, it is considered not practicable or advantageous to call for open tenders, limited tenders may be invited with the concurrence of the Financial Adviser and Chief Accounts Officer and approval of the competent authority. The reasons for inviting limited tenders from firms/contractors should be kept on record while approaching finance for concurrence. Tender notices should be issued to contractors on the list of approved contractors and also displayed on the notice boards of the Executive Offices of the Engineering Department.

- (i) In open line railways, the systems of inviting tenders for works costing up to Rs.20 lakhs each from amongst the contractors borne on the approved list may also be adopted when it is considered advantageous to do so, provided the number of contractors borne on the approved list for the particular type of work is not less than 10.
- (ii) Some percentage of the tenders which would normally be finalised by calling limited tenders, be finalised by calling open tenders so as to test the market rates periodically.
- (iii) Notice for ‘Limited Tenders’ be sent to all eligible contractors borne on the approved list.

Single Tender

By invitation to one firm/contractor only. Railway Boards instructions vide circular No.93/W2/PQR/SC/4/pt dated 27.9.96 stressed the need for restraint on calling of single tenders for routine works, such as transportation of ballast, permanent way,

cement, renovation of Canteen Complex and renovation of Officers Chambers should not be undertaken on a single tender basis under the grab of emergency.

To call for single tenders in Emergent situation vide Boards letter No.97/CE-1/CT/32 dated 27.8.97 would cover;

(A) **EMERGENT SITUATIONS:-**

(a) Accidents, breaches involving to traffic.

(b) Works of specialized nature to be personally approved by the GM/CAO(C) with prior concurrence of the FA&CAO. This power is not to be delegated to any other authority.

(c) Any other situation where General Manager personally considers it inescapable to call for single tenders subject to this powers can be exercised by G.M. only with prior concurrence of Finance subject to the following:-

(i) this cannot be delegated further even if the CAO(C) enjoys all powers of GMs as in the case of the certain Railways;

(ii) prior concurrence of FA&CAO is obtained ;

(iii) no post facto sanction/ratification will be allowed.

(iv) single tender should be resorted to only after exhausting the open tender/special limited tender routes.

(v) tight targets and emergency cannot be accepted as a reason for calling single tenders. In these cases, limited tenders/special limited tenders should invariably be called for from the approved list and not from non-registered contractors.

B) Annual Maintenance Contract for equipment can be placed on single tender basis on authorised dealers with approval of Additional General Managers of Railways.

NOTE: These powers may be delegated by the General Managers in consultation with FA&CAO to PHODs/DRMs upto a maximum of Rs.5 lakhs per annum. On re-delegation, these powers would be exercised by PHODs/DRMs in consultation with associate finance. **(Authority Railway Board's letter No. 97/CE.1/CT/32 dated 27.8.97 and 24.2.99 and F(X)II-99/PW/3 dated 20.10.99) (Board's letter No.97/CE.1/CT/32)**

TENDER FORMS:

821 Tender forms supplied to intending tenderers should completely embody, either directly or by reference, the contents of the contract documents. In the event of there being any discrepancy between the two, it should specifically be stated in the former as to which will prevail. Tender forms should inter alia state

- (a) the amount of earnest money to accompany the tender and the nature of security deposit, if any, required in the case of accepted tender ;
- (b) with whom or what authority the acceptance of the tender will rest ; and
- (c) whether or not tenders containing erasures and alterations of the tender document will be considered.
- (d) Tender forms should specifically state that G.C.C. is equally applicable
- (e) Any special conditions proposed should have prior finance concurrence for inclusion in the tender forms.

Note: Such alterations constitute fresh proposals and cannot be disregarded but must definitely be accepted or rejected. All tenders should, therefore, in equity be placed on the same footing in this respect.

TENDER NOTICE

822 Sufficient notice should be given for the submission of tenders, which in the case of large works should not be less than a month. The prescribed period may be departed from in the most exceptional circumstances only and that too in consultation with the Financial Adviser and Chief Accounts Officer.

The tender notice should in all cases state :-

- (i) the place and time where contract documents can be seen.
- (ii) the place and time where blank tenders forms can be obtained.
- (iii) the amount, if any, to be paid for such documents.
- (iv) the place where, the date on which and the time when tenders are to be submitted and are to be opened.

SALE OF TENDERS FORMS

- 823 When open tender system is adopted the issue of tender forms need not be restricted to contractors, whose names are in the approved list. Contractors not on the approved list may on payment of the prescribed fees be furnished with tender forms and allowed to tender for the advertised requirements

EARNEST MONEY

- 824 The amount of earnest money deposited should be sufficiently large to be a security against loss, in event of the contractor failing to undertake the contract or to furnish the required security within the appointed time after the acceptance of his tender or until such time as the sums due to him form a sufficient guarantee, as the case may be. The earnest money should be in cash or in the form of deposit receipts, pay orders, demand drafts or guarantee bonds executed by State Bank of India or any of the Nationalised Bank or by a scheduled bank. Government securities (Stock certificates, Bearer bonds, Promissory notes, Cash certificates, etc.) should not be accepted towards earnest money (Cheques also should not be accepted as earnest money).

- 825  The quantum of earnest money to be deposited for works contracts and supply contracts (other than stores) is as under : [\(Back to FAQs\)](#)

- | | | |
|------|---|---|
| i) | for works costing up to Rs. 5 lakhs – | 2 ½ % <i>ad valorem</i> subject to a maximum of Rs.10,000/- |
| ii) | for works costing more than Rs.5 lakhs– | 2 % <i>ad valorem</i> subject to a maximum of Rs.20,000/- |
| iii) | for works above Rs.20 lakhs but upto 50 lakhs | 1% <i>ad valorem</i> subject to maximum of Rs.35,000/- |
| (i) | for works above Rs.50 lakhs- | 3/4% <i>ad valorem</i> subject to a maximum of Rs.50,000/- |

- 826 The Railway Administration may, however, at their discretion fix a lower or higher percentage and or the maximum amount of earnest money for any individual work in consultation with their Financial Adviser and Chief Accounts Officer, keeping in

view the value and nature of the work .and also ensuring the provision of para 1241 are followed.

827 1/5th of the amount indicated in para 824 above should be notified and collected as a security deposit for the due performance of the stipulation to keep the offer open till such date as may be specified in the tender. The tenderer after submitting his tender will not resile from his offer or modify the terms and conditions. If the tenderer fails to observe or comply with the stipulation, the amount indicated aforesaid shall be forfeited by the Railway.

828 The balance 4/5th amount should be notified and recovered as a part of earnest money along with the amount indicated in sub-para above, which together constitutes the earnest money. If the tender is accepted this earnest money will be retained by the Railway as a part of security for due and faithful fulfillment of the contract.

STANDING EARNEST MONEY :

829 A standing earnest money of the values indicated below can be accepted from a contractor borne on the Railway list of approved contractors to cover tendering against any number of works costing up to the limit indicated against each amount on the Zonal Railway Civil Engineering Department:

For works costing upto Rs.5 lakhs –	Rs.10,000
For works costing over Rs.5 lakhs and up to Rs. 20 lakhs-	Rs.20,000
For works costing over 20 lakhs and up to Rs.50 lakhs-	Rs.50,000
For works costing above Rs.50 lakhs-	Rs.1,00,000.

This amount would not be adjustable towards the security deposit of individual contract obtained by a contractor.

SECURITY DEPOSIT:

830 Security deposits are to be paid by contractor in token for the due fulfillment of a contract. The amount of security deposit required will be as under :

(i) for contracts up to Rs.1 lakh in value – 10% of the value of the contract.

(ii) for contracts costing more than Rs.1 lakh and upto 2 lakhs in value	10% of of the 1 lakh and 7 ½% of the balance.
(iii) for contracts amounting to more than Rs.2 lakhs and upto 2 crores	10% of the first 1 lakh and 7 ½% of the next Rs.1 lakh and 5% of the balance subject to the maximum of Rs.3 lakhs.
(iv) For contracts above Rs.2 crores-	5% of the contract value. The amount over and above Rs.3 lakhs to be recovered from the progressive bills of the contractors at @ 10% till it reaches 5% of the contract value.

831 In special cases where a reduction in security deposit may enable the Railway to obtain a more favourable rate, the percentage of security may be reduced or a suitable lumpsum, as considered necessary be fixed by the General Manager in consultation with his Financial Adviser and Chief Accounts Officer.

832 The security deposit may be collected by deduction from running bills of the contractor at the rates mentioned in sub-para above. The total security recovered from a contractor, including the amount of the earnest money should not exceed the security amount recoverable at the rates mentioned in sub-para above. This does not, however, preclude the contractor from depositing the security money either in cash or in other accepted forms of payment.

FORMS IN WHICH EARNEST MONEY AND SECURITY DEPOSIT IS ACCEPTABLE.

833 The earnest money should be in cash or in the form of deposit receipts, pay orders, demand drafts or guarantee bonds executed by State Bank of India or any of the nationalised bank or by a scheduled bank, Government Securities (Stock Certificates, Bearer Bonds, Promissory Notes, Cash Certificates etc.) should not be accepted as earnest money. The proviso regarding earnest money does not apply to other railways or departments of Government.

834 The security deposit may be in the following forms :-

- (i) a deposit of cash;
 - (ii) Government securities including State Loan Bonds at 5 per cent below market value;
 - (iii) deposit receipts, pay orders, demand drafts and guarantee bonds.
- These forms of security deposit could be either of State Bank of India or any of the nationalized banks;
- (iv) guarantee bonds executed or deposit receipts tendered by all scheduled banks;
 - (v) a deposit in the Post Office Savings Bank;
 - (vi) a deposit in the National Savings Certificates ;
 - (vii) a deposit receipt or a guarantee bond of the Railway co-operative credit society
 - (viii) twelve years National Defence Certificates;
 - (ix) ten years Defence Deposits;
 - (x) National Defence Bonds; and
 - (xi) Unit Trust Certificates at 5 per cent below market value or at the face value whichever is less.
 - (xii) Indian Railway Finance Corporation Ltd (IRFC) Bonds whether tax-free or taxable.

Note:- The certificate/bonds for items (vi)(viii)(ix)(x) and (xii) may be accepted at their surrender value.

TENDERS RECEIVED BY POST:

- 835 ● Tenders received by post should be entered in the Tender Register and the time of receipt should be recorded on the cover of the tender and deposited before the closing time in the tender box. [\(Back to FAQs\)](#)

OPENING OF TENDERS:

- 836 Tenders should be opened at the specified time date and place by the Officer nominated for this purpose. All advertised (open) stores tenders must be opened in the presence of Accounts representative at the time of opening of tenders. As regards tenders of other departments, presence of the Accounts representative may be restricted to opening of tenders of the approximate value of Rs.10,000 and above.

PRECAUTIONS TO BE OBSERVED WHILE OPENING THE TENDERS:

- 837 ● The Officer who opens the tenders and the Accounts representative witnessing the tender opening, should:
- (i) Initial (with date) the cover containing the tender, front cover page of the tender and every page of the tender on which the rates or special tender conditions are quoted;
 - (ii) Initial (with date) all corrections in the schedule of quantities, schedule of materials to be issued and specification and other essential parts of the contract documents;
 - (iii) Mark and initial all over writings in red ink. The corrections, over writings and omissions should be serially numbered and the total number of such corrections etc. should be clearly mentioned at the end of each page of the schedule attached to the tender proper and attested with date;
 - (iv) Clearly indicate on each page of the schedule attached to the tender, any ambiguities in rates quoted by the tenderer in words or figures. The corrections, over-writings and omissions should be serially numbered and the total number of such corrections etc., should be clearly mentioned at the end of each page of the schedule attached to the tender proper and attested with date.

(v) Should specifically record whether samples have been supplied or not along with the tender.

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DELAYED TENDERS:

838  **“Delayed” tenders** : “Tenders” received before the time of opening but after the due date and the time of receipt of tenders should also be opened and dealt with in the same manner as in the case of tenders received in time.

839 **“Late” tenders** i.e. tenders received after the specified time of opening should be opened by the concerned Branch Officer and marked as ‘Late Tender’ preferably in red ink, prominently on the envelope as well as on the tender papers.

840 A suitable remark in regard to both delayed and late tenders should be made both in the Tender Register as well as in the comparative Statements. For dealing with “Delayed” and “Late” tenders separate instructions as issued by the Railway Board from time to time should be followed .

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BRIEFING NOTES FOR THE TENDER COMMITTEE:

841 Along with the tabulation statement a briefing note duly authenticated at an appropriate level should be submitted clearly indicating the following details:

(i) Complete and latest information with regard to lowest contract rates for the same or similar materials or work for the particular or contiguous area

ii) The conditions of supply or undertaking to work with reference to information under item (i) above.

(iii) The latest data in regard to the availability of materials and prices thereof and the working conditions etc. to co-relate the present quotation with those obtained earlier;

(iv) Any special conditions attached to the rates and works or supplies referred to in (i) above as well as technical data required for dealing with the tenders under consideration; and

(iv) Any other relevant information worthy of consideration in the contract.

ACCEPTANCE OF TENDERS :

842 Ordinarily, the lowest tender should be accepted unless such acceptance would not be to the public interest ; but the acceptance or rejection of tenders is left entirely to the discretion of the authority entrusted with this duty and no explanation can be demanded of the cause of rejection of his offer by any person making a tender. Such an explanation may, however, be called for by a superior authority and should be recorded.

Para 1. An unqualified acceptance of a tender constitutes a binding contract until a formal agreement is constituted and in order to ensure this fact the acceptance letter should be suitably worded. However, if the acceptance of the tender by the Railway is a conditional acceptance, it requires the consent of the tenderer before the binding contract takes place.

EXECUTION OF AGREEMENT AND COMMENCEMENT OF WORK

843 As soon as possible after the acceptance of a tender, the successful tenderer should be called upon to furnish the required security deposit and also to sign the agreement or work order. The rate and the unit of calculation should be entered in words as well as in figures against each item in the agreement as also in the work order issued against a Zonal agreement.

(i) No contractor should be permitted to commence a work or supply materials until the relevant contract has been signed by the parties competent to do so.

(ii) Exceptions to this rule are permissible only in cases of extreme urgency, i.e., in the case of such works or supplies necessary to safeguard life or property or to repair

damage to the track caused by flood, accident or other unforeseen contingency so as to restore and maintain through communication, (e.g., in case of works started on Urgency certificates). Even in such cases, if circumstances permit, some form of written contract, or at least an agreed statement of rates to be paid, should be prepared before commencement of works or supplies, the intention being that the conditions, specifications, etc. with sufficient items and rates to carry on with, should be agreed upon beforehand.

(iii) In other exceptional but less emergent cases in which the commencement of work or supply cannot be postponed till the preparation and sanction of the contract documents, prior consultation with the Financial Adviser and Chief Accounts Officer shall be necessary.

(iv) In all cases of departure from sub-para (i) above, the completion and execution of the main contract should be proceeded with expeditiously

REGISTER OF AGREEMENTS

844 In the Accounts Office, a register of agreement should be maintained , wherein the agreements as and when received from the Executive duly executed, should be entered giving reference to –.

(i) The Agreement number and date.

(ii) Name of the work.

(iii) Name of the contractor.

(iv) Estimate number and date.

(v) The period of the contract.

The entries should be checked and attested by the Section Officer of the Section and the original agreement kept in safe custody with the officer. The bills should be checked only with the help of the copy of the agreement.

VARIATION OF CONTRACT CONDITIONS:

(A)The power to vary the terms of a contract lies only with actual parties thereto. The contractor and his sureties, if any, must, therefore, be consenting parties to all variations which should be the subject of a subsidiary agreement stating what is to be varied and what will remain unchanged in the original contract. The drafting of this agreement should be subject of careful scrutiny to ensure that the conditions, specifications etc. of the main contract are adequate for and applicable to the variation or that the latter is made self-sufficient in these respects. Such subsidiary agreement should be regarded as fresh contracts and entered into before effect is given to the variation. The contract conditions may be varied by various authorities competent to do so to the extent shown below:

(a)Variation of the conditions of contract(Other than the IRS conditions)- These may be varied with the sanction of the authority that approved the original contract acting in consultation with his Financial Adviser and after taking legal advice, if necessary.

(b)Variation of the Rates or Items - Contracts in which a price variation clause is included, the rates may be varied by the authority which approved the original contract with concurrence of his Financial Adviser. If the total value of the contract after allowing for the variation is beyond the powers of the authority which approved the original contract, the sanction of the higher authority within whose competence as to amount it lies should be obtained.

(c)Variation of the Quantities of any items – These may be varied by the authority which approved the original contract to the extent deemed necessary, provided that Indian Railway Code Rules relating to control over expenditure are not contravened thereby and provided also that the total value of the amended contract does not exceed the powers of the authority that approved the original contract.

Where materials are required during a contract period in excess of the quantities contracted for and such excess is not sufficiently large to justify the invitation of fresh

tenders, there is no objection to quantities under the existing contract being increased suitably. Efforts should, however, be made to secure more favourable terms for the increased quantities.

(d) Variation of the Items – These may be varied at discretion of the authority which approved the original contract to the following extent, viz., existing items may be deleted or additional items inserted at rates, which agreeable to any general or specific orders at the time being in force, may be decided by the authority making the variation; subject only to the two provisions of Rules in sub-para(c) above.

Note- Variation to be approved should be limited so as to not to completely change the scope, character and purpose of the original contract.

VARIATION IN QUANTITY OF WORK DURING THE EXECUTION OF WORK

846 (B) If during the execution of a work the initial quantities of work are expected to vary substantially a check should be made immediately by comparing the value of the revised work as per the rates quoted by the original tenderers to determine whether the decision to award the contract to a particular tenderer is vitiated by the variation in quantities. A variation between 15 to 25% depending on the nature of the particular category of work to be done would not be considered as unreasonable. If such a variation of the award of the contract as between tenderers is noticed, the railway administration should immediately examine whether it is practicable to bring in a new agency to carry out the extra quantity of work keeping in view the progress of the work on the original contract and the nature and lay-out of the work. If such a course is not practicable, the reasons for the same may be recorded and approved by the competent authority and negotiation should be carried out with the existing contractor for arriving at a reasonable rate for the additional quantities of work. If, however, it is found that there will be no serious practical difficulty in meeting the additional quantity of work done by another agency, one of the following two alternatives, as found feasible may be adopted.

- (i) inviting fresh tenders for the quantity;

(ii) negotiating the rate for the extra quantities not only with the existing contractor, but also with all the tenderers who had initially quoted for the work.

EXTENSION OF COMPLETION PERIOD

847 The extension of completion periods may be sanctioned at the discretion of the authority which signed the original contract provided :-

(i) that the rate in contract was not accepted against other lower tenders in consideration of the date of completion ;

(ii) that he is satisfied that the delay will not cause loss or damage ; and

(iii) that in case it does not satisfy any or both of the above conditions such sanction shall be given only in consultation with his Financial Adviser after taking legal advice, if necessary.

SUPPLY OF MATERIALS TO CONTRACTORS

848 No tools and plant should ordinarily be loaned or hired to contractors except as specifically provided for in the contract documents or in a separate agreement for hire of such plant and tools. The tools and plant such as concrete mixtures, air compressors, portable engines, etc. may ordinarily be hired to contractors. When such tools and plant are issued to the contractors under the terms of the contract document or special agreement, clear receipt for such issues should be obtained from the contractors; the charges recoverable for such hiring, the conditions for return of such tools and plant in good condition, fair wear and tear excepted, should also be settled in unambiguous terms leaving no room for any dispute at a later date.

849 The issue of materials to contractors should be solely for the bona fide requirements of the works and as specified in the contract documents. The total issues for any particular work should be limited to the reasonable needs of that work. This precaution is particularly necessary when the issue rates are lower than the prevailing market rates or the latter are expected to rise appreciably. In cases where large issues are involved, strict watch should be maintained that the aggregate of the quantities of any or all materials issued to a contractor from time to time for use on a work remains

within the estimated requirements of this contract. For the issue of materials within the contract, i.e., free of cost, such issues should be entered in a register with machine numbered, pages, a page being set apart for each agreement and the contractor's signature for receipt of materials obtained in the register.

850 If materials outside the contract are to be supplied for use on a work on the application of a contractor, the Divisional Officer should specify in each case, the rate to be charged which should be market rate prevailing at the time of supply or the issue rate plus percentage charges on account of freight and supervision, whichever may be greater and no carriage or incidental charges should be borne by the Railway.

851 The materials issued to contractor either within or outside the terms of the contract, the cost of which is recoverable from the contractor, should be issued on 'Pink' coloured machine numbered issue notes only, obtaining the contractor's signature. One copy of the issue note should be sent by the executive to the Accounts Office from day to day so that the value of the materials issued to the contractor may be posted in the contractor's ledger and the eventual recovery of the same watched.

852 The issue notes should bear complete particulars of the contract, sanction number, name of work, etc. for which materials are issued so as to enable the Accounts Officer to post the transaction in the contractor's ledger without further reference to the executive.

853 In order that the recovery may be properly watched, the value of the stores issued to the head 'Misc. Advances'.

865

The 'on account' bills should be arranged to be passed within 3 days from the date of receipt in the Accounts Office and the final bills within 7 days from the date of receipt in the Accounts Office unless the passing of the same presents any difficulty and requires back reference to the executive. **CONTRACTORS' BILLS:**

MEASUREMENTS:

854 Payments for all work done otherwise than by departmental labour and for all supplies made by contractors are to be made on the basis of measurements recorded in measurement books(Form E1313) . The measurement books should be considered as very important record. All the books belonging to a division should be numbered serially and a register should be maintained in the divisional office(Works branch) showing-

- (i) the serial number of each book ;
- (ii) the name and the designation of the person to whom issued ;
- (iii) the date of issue ; and
- (iv) the date of its return so that its eventual return to the divisional office may be watched. They must be preserved for a period of 10 years.

855 **RECORDING OF MEASUREMENTS**

Detailed measurements should be recorded only by the Executive Engineers or Sub-Divisional Officers or Executive subordinates incharge of Works to whom, measurement books have been supplied for the purpose. All measurements should be neatly taken down on the measurement book issued for the purpose and nowhere else . For large works, a separate measurement book may be set apart or if found convenient two or more books may be set apart for different classes of works.

856 Each set of measurement should commence with entries stating–

- (i) In the case of work done –
 - (a) full name of work as given in the estimate;
 - (b) situation of work ;
 - (c) name of contractor ;
 - (d) number and date of agreement entered into with contractor or of work order issued in his favour ;
 - (e) date of commencement and completion of work; and

(f) date of measurement.

(ii) In case of materials supplied-

(a) name of supplier ;

(b) number and date of agreement with supplier or of the order for supply ;

(c) purpose of supply ;

(d) date of commencement and completion of supply ; and

(e) date of measurement ;

and should end with the dated initials of the person making the measurements. A suitable abstract should then be prepared which should collect, in the case of measurements for work done, the total quantities of each distinct item of work relating to each sub-head of estimate.

857 As all payments for work or supplies are based on the quantities recorded in the measurement books, it is incumbent on the person taking the measurements to record the quantities clearly and accurately. If the measurements are taken in connection with a running contract account, on which, work has been previously measured , the reference to the last set of measurements should be recorded, and if the entire job or contract has been completed, the fact should be recorded prominently and initialed by the person taking the measurements. If the measurements taken are the first set of measurements on a running account, or the first and final measurements, this fact should be suitably noted against the entries in the measurement book.

858 The pages of the book should be machine numbered and no page should on any account be torn out, nor should any entry be erased or effaced so as to be illegible. If a mistake be made, it should be corrected by crossing out the incorrect words or figures and rewriting the correct words and figures and the corrections thus made should be initialed. The entries must be made directly in the measurement books at the site of the work. The copying of entries from another rough note book or similar

record is strictly forbidden. A reliable record is the object to be aimed at as it may have to be produced as evidence in a court of law.

859 The entries should be made in ink.

860 From the measurement book, all quantities should be clearly traceable into the documents on which payments are made and a reference to the vouchers in which the quantities are entered for payment, as well as the date of entry, should be given by an endorsement upon the original entries in the measurement book. No bill should be signed without thus crossing off the connected entry in the measurement book and the document on which payment is made should invariably bear a reference to the number and page of the book in which the detailed measurements are recorded.

CHECK OF CONTRACTORS' BILLS:

861 The bills of contractors for work done or supplies made should be prepared in any one of the following forms according to that circumstances mentioned below against each :-

(a) Petty contract bill in Form E. 1336.

(b) 'Running' or 'on account' bill in Form E. 1337

(c) Final bill in Form E. 1338 and

(d) Hand Receipt Form E.1339.

(a) Petty contract bill(Form E.1336) – This form is used for making payments to contractors in connection with works or supplies when a single payment is made for a job or contract on its completion. It may also be used in paying several contractors employed on parts of one large work or several works on one section of the line.

(b) 'Running' or 'on account' bill (Form E. 1337) The 'Running' or 'on account' bill is intended for use in contract works only and not supplies. 'On account' payments are made only in cases where a single payment on completion of the work will cause

hardship to the contractor, the work being a big one spreading over a considerably long period.

(c) Final bill(Form E.1338)- This form is used for making final payments, i.e., on closing the running accounts for works. Normally, only one final bill should be prepared against an agreement or work order.

The contractors' bills are subjected to the following checks in the Accounts Office:-

 (i) That they are in 'Original' and have been prepared in the prescribed form and they are arithmetically correct.

(ii) That the expenditure recorded has received the sanction either special or general of the authority competent to sanction it.

(iii) That the expenditure recorded has been incurred by an officer competent to incur it.

(iv) That the expenditure does not involve a breach of any of the canons of financial propriety ;

(v) That the expenditure recorded is covered by provision in the sanctioned budget allotment ; and

(vi) That the charge is correctly classified , and that, if a charge is debitable to the personal account of a contractor, employee, or other individual or is recoverable from his under any rule or order, it is so recorded on the initial record and in a prescribed account (where such account is kept by the Executive Engineer). [\(Back to FAQs\)](#)

862 The following subsidiary points require attention in the check of (i)muster sheets and labour pay sheets and (ii)Contractors bills:-

(i) **Muster Sheets and Labour Pay Sheets** – It should be seen –

(a) that no classes of establishment not properly chargeable to works vide paragraph 1121 E have been included therein;

(b) that the wages of employees are charged at the rates sanctioned by the competent authority;

(c) that the wages charged for each gang or a group of labour under each subordinate in the case of maintenance works do not without sufficient reasons (which should be investigated and recorded) vary materially from month to month; and

(d) that the number, rates, period of employment and total amount are within the sanction.

The check as regards (c) above will be exercised in the Accounts Office through a manuscript register called the gang register (Form E 1354) wherein will be posted the amounts of wages passed for payment every month for each gang or group of labour.

(ii) ***Contractor's Bills***- It should be seen-

(a) that there are no delays in making measurements or in preparing bills after the measurements have been taken;

(b) that rates higher than those provided in the agreement or work order are not allowed without the specific sanction of the competent authority;

(c) that the running account and final bills are checked with the postings in the contractor's ledger, form E.1483.

(d) that recoveries have been correctly made according to rules on account of materials issued against items of works for which labour and material rates are paid;

(e) that for items for which labour, rates only are paid the quantities of materials issued and charged finally to works are not excessive (the cost of materials wasted in defective works subsequently rectified should be recovered);

(f) that the quantities executed are according to the sanctioned plans and estimates; and

(g) that the methods of measurement are correct.

- (h) that the units of calculation and rates are entered in words as in figures.
- (i) that the bill has been signed by the Divisional Engineer in token of his acceptance and accuracy.
- (j) that the bill has been signed by the Contractor in token of acceptance of his the correctness of the bill.
- (k) that all corrections have been attested by the Divisional Engineer and the Contractor.
- (l) that the value of each transaction/item in the contractors' bill is expressed in 'Rupees and Paise' without rounding off in the first instance and thereafter the total of the bill is rounded off i.e., less than 50 paise being dropped and 50 paise and more being taken as rupee.
- 863 Technical checks detailed as items(e) to (g) above should, as a rule be exercised in the Drawing Office under the supervision of the Executive Engineer.
- 864 In addition to the checks enumerated above, the following points would also require attention before the bills are passed for payment: -
- (a) The formal agreement has been executed except in cases of works covered by Urgency certificate.
- (b) Where alternate items are provided for in contract agreements, their value is properly assessed and arrived at to see that the competent authority has ratified the contract.
- (c) If there is (i) any variation in the rates or items as per the schedule attached to the contract,
- (ii) extension to the date of completion of the contract for works,
- (iii) introduction of new standard rates,
- (iv) introduction of new non-standard rates,

(v) variation in quantities specified in tenders and contracts, either a rider agreement has been entered into or the counter-signature of the competent authority (as indicated in the Schedule of powers for other than Establishment matters) against the respective items been obtained provided that the cost of the work done, due to the above variations does not exceed the sanctioned estimate and if it exceeds the sanctioned estimate, a revised estimate has been prepared and the sanction of the competent authority (as indicated in the schedule of powers) has been obtained. If the work is in an advanced stage and is likely to be completed before a revised estimate is got out, the bill can be admitted in internal check only either with the prior approval of the competent authority empowered to sanction the excess or when a definite statement in writing is made out by the G.M, C.E. or DRM as the case may be to the effect that sanction of the competent authority to the excess has been applied for or will be applied for within a week.

(d)The final bills should be checked with reference to the measurement book also, in respect of the following points:-

(i) The arithmetical accuracy of quantities and rates.

(ii) Whether the contractor's signature has been obtained in the measurement book in token of his acceptance of the correctness of the measurements recorded and the amount billed for.

(iii) Whether the certificate regarding the Technical check as per para (1355E)

has been recorded in the measurement book also.

(iv) Reference to the bill number and date has been given in the measurement book and the abstract neatly crossed by red ink and signed by the Divisional Engineer to prevent a further claim being preferred.

(e) In respect of final bills, a certificate has been given that all the tools and plant if any, hired to the contractor have been returned back in good condition and no amount

is recoverable on that account or if any amount is recoverable, the same has been noted in the bill for recovery.

After all the above checks have been conducted, the ledger account of the contractor should be posted crediting his account with the value of the work executed and debiting his account with the amount, of the bill passed for payment. While posting the contractors' ledger, it should also be verified whether the value of the materials issued to him, the cost of which is recoverable from him and debited to his account already, has been recovered from the bill.

- 866 Then the bill should be passed for payment and put up to the officer along with the contractors' ledger for his signature.

CONTRACTORS' LEDGER

- 867 The accounts relating to the contractors should be kept as personal accounts in contractors' ledger Form E.1483 and a separate folio should be opened in the contractors' ledger for each contractor. The accounts of each contractor should exhibit all transactions with him, whether relating to one or several works or to materials purchased from him or supplied to him. The contractors ledger should show the number and amount of each passed bill and certificate, briefly naming the work and the number and amount of the cheque. The amount of advance granted to a contractor as well as the value of materials issued to a contractor against item for which he is paid labour and materials should be debited to the contractor's account on receipt of the issue notes from the executive debiting the cost to 'Miscellaneous Advances Revenue' to ensure recovery of the same from the contractor. The amount so recovered from the contractor's bills should be credited to 'Miscellaneous Advance Revenue' at the time of passing the bills for payment.

- 868 The contractors' ledger should be posted as bills are paid and it should be closed and balanced monthly. The balance under the column 'Due from contractor' as posted in the works register for each work should be extracted and reconciled with the balance outstanding in the contractors' ledger. The fact that the reconciliation has been done

- should be endorsed in the contractors' ledger under the initials of the Accountant of the section. A copy of the account may be furnished to any contractor who wants it.
- 869 The contractors' accounts should be closed without delay on the completion of the contract. If a contractor delays to receive final payment for more than a month after the final bill has been passed, the accounts of the contractor should be closed and the balance due credited to 'Deposits'. Then the executive should be addressed to take further action as per para(1485E)
- 870 An entry should also be made in the contractors' ledger at the time of refunding the security deposit giving reference to the Accounts bill number and date.

REFUND OF SECURITY DEPOSIT

- 871  For the refund of security deposit the executive officer concerned should furnish a certificate as prescribed in para 1809 A. On satisfactory completion of the work and the expiry of the maintenance period, if any, the security deposit furnished by the contractor should be refunded. 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.
- 872 The executive should also certify that there are 'no dues' from the contractor, that the 'no claims' certificate from the contractor has been obtained and the work has been satisfactorily completed and also maintained, if any maintenance period has been prescribed. [\(Back to FAQs\)](#)
- 873 The pay order received in the Accounts Office should be checked to see that-

- (i) the refund of the security deposit has been sanctioned by the competent authority (vide Schedule of powers for other than Establishment matters),
- (ii) the executive has certified that there are 'no dues' from the contractor and that the 'no claims' certificate from the contractor has been obtained,

(iii) the amount proposed to be refunded is outstanding in the Deposits Miscellaneous Register,

(iv) in cases where the original cash receipt is not sent with the pay order, an indemnity bond has been executed by the contractor in the proper form.

874 Then the pay order should be passed for payment and put up along with the Deposits Miscellaneous Register for the signature of the officer.

ANNEXURE

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No.94/CE-1/CT/4

New Delhi,

D/22.10.2001.

To

As per list 'A' attached.

Sub : Appointment of Works Contractors- Finalisation of Tenders

A Committee of experienced field officers of Engineering and Finance Departments, namely, Shri B.S. Sudhir Chandra, the then CAO (C), S.E. Railway, GRC,(now GM/Central Railway), Shri S.R.Ujlayan, CAO(C) /Northern Railway, Shri N.Krishnamurthi, FA & CAO, SC Railway, and Shri K.K.Verma, FA&CAO(T), Central Railway, was constituted by the Railway Board in June 1999 to formulate and finalise the procedures to overcome some of the problems being faced at present in the field for fixing works contracts. The Committee submitted its report to Board in July, 2000 which has been examined in Board and while some of the recommendations, as given in Annexure-I(enclosed in 4 pages), have been approved by the Board (ME and FC), remaining recommendations are still under examination.

These recommendations (Annexure-I) would be applicable prospectively only and will preclude contracts which have already been entered into or have been called and are under process of finalisation.

Further action is also being taken by Board to issue necessary Correction Slips to the relevant paras of Engineering/Finance Codes so as to modify codal provisions in line with these recommendations. Pending issue to Correction Slips, these recommendations, as approved, would override the codal provisions to that extent.

This issues with the concurrence of the Finance Directorate of Railway Board.

Encl: As above(4 pages)

(Parmod Kumar)

Executive Director Civil Engineering(G)

Railway Board

**RECOMMENDATIONS OF THE COMMITTEE OF SHRI.B.S.SUDHIR
CHANDRA AND et al AS APPROVED BY THE RAILWAY BOARD**

OPEN TENDERS

Para No. of the Report

2.3.4.2. The following documents should be specified for submission along with the tender:

a)List of Personnel, Organisation available on hand and proposed to be engaged for the subject work.

b)List of Plant & Machinery available on hand (own)and proposed to be induced (own and hired to be given separately)for the subject work.

LIMITED TENDERS

2.4.4.1 Limited Tender should be invited from the contractors borne on the “Approved List” only.

2.4.4.2. Notice for inviting Limited Tenders shall be published in local newspapers and displayed on the Notice Board’s kept in the concerned Railway Office and also put on the Internet wherever possible. It will be the duty of the prospective tenderers to keep track of the tender notices issued through any one of these media.

2.4.4.5. Individual Railways may decide the “category of works” for which list of approved contractors should be maintained for each monetary slab.

APPROVED LIST OF CONTRACTORS

The Approved List will be in four monetary slabs only as below:

- (i) Class “D”- Upto Rs.10 lakhs
- (ii) Class “C”- More than Rs.10 lakhs and upto Rs.25 lakhs
- (iii) Class “B” –More than Rs. 25 lakhs and upto Rs.50 lakhs
- (iv) Class “A” –More than Rs.50 lakhs and upto Rs.1 crore.

2.5.4.2. The Approved List as a whole will be valid for a period of 3 years.

2.5.4.4. The list will be reviewed every year for deletion which will be effective from 1st July and additions if any, will be done once in 6 months and which will be effective from 1st January and 1st July.

2.5.4.5. Once the contractor is borne on the Approved List it will be valid for 3 years, unless already deleted during the Annual Review, or the expiry of the validity of the “Approved List” as a whole, whichever is earlier.

2.5.4.6. There will be separate Approved Lists for Open Line and Construction Organisations for each identified category of work.

2.5.4.7. In Open Line, Approved List for classes “B” “C” and “D” will be maintained Division wise and for Class “A”, there will be one common list for the Railway as a whole. In Construction Organisation, Approved List for classes “B” “C” “D”, will be for a particular pre-determined geographical area or Dy.C.E.(Con)-wise and for Class “A”, it will be CAO@/GM(C) wise.

2.5.4.8. Selection of contractors for enlistment in the Approved List should be done by a Committee to be nominated by the authority not below the Accepting Authority as given below. The composition of the Committee will be as follows:

Class of	Selection Committee	Accepting
Contractors	Composition	Authority
Class "A"	One SAG Officer each of Executive Department and Finance Deptt.	Executive Department PHOD
Class "B"	One JAG Officer each of Executive Department and Finance Deptt.	DRM in the Division /SAG Officer of the Executive Deptt.
Class "C"	One Senior Scale Officer each of Executive Department and Finance Department	Sr.DEN(Coordination in Divn.and Dy.CEE (Constn) in construction

Note- Normally in Construction, no contract below Rs.10 lakhs value should be called.

2.5.4.9. For registration in Approved List, the contractor will have to furnish a non-refundable fee of Rs.5,000/- for Class "D", Rs.7,500/- for Class "C", Rs.10,000/- For Class "B", and Rs.15,000/- for Class "A". This fee will cover the entire period of 3 years or part thereof.

2.4.5.10. Contractors desirous of registration should submit the application in the proforma prescribed, by the Railway with the prescribed fee for each 'category of work' in each Railway.

2.5.4.11. Contractors having Standing Earnest Money(SEM) may avail this facility in that organization only.

SPECIAL LIMITED TENDERS

2.6.4.2. Special Limited Tenders may be invited from Specialized and reputed contractors/organizations/agencies.

2.6.4.4. Tenderers from whom Special Limited Tenders are to be invited should preferably be more than six but not less than four.

TWO PACKET SYSTEM OF TENDERING

2.8.5.1. "Two Packet System" of tendering may be adopted in specifically identified situations for obtaining consultancy services for highly technical works where parameters cannot be precisely pre-defined or for execution of works which are either technically complicated or specialized in nature and/or which are executed very rarely.

2.8.5.2. The “qualifying criteria” in the tender documents for selecting the tenderer should be precisely defined duly concurred by FA&CAO/FA&CAO(C) and approved by GM/CAO.

NEGOTIATIONS

3.4.1. L-1 should be defined as the lowest, valid, eligible and technically acceptable tenderer who would have been otherwise considered for award of contract directly, if the rates were not unreasonably high.

3.4.2. Negotiations should be held with L-1 only as specified above.

3.4.3. In tenders, providing for “Purchase Preference” in favour of PSUs if the quoted rates of L-1 are considered high and negotiations are resorted to, such negotiations may be held with the original L-1 as also the lowest PSU whose original offer is not higher by more than 10% of the original L-1. Further, if after such negotiations the revised offer of the PSU is higher by more than 10% of the negotiated offer of the original L-1, offer of PSU may not be considered for award of contract. If it is less than 10%, the existing procedure for awarding the contract to the PSU may be followed.

VARIATION IN CONTRACT QUANTITIES

5.3.1. Tender schedules are to be prepared with utmost care following all the existing provisions in the Code as also Administrative instructions without fail, after detailed site inspection and soil investigation wherever necessary, eliminating. As far as possible, the need for bringing any new items during execution of works.

5.3.2. These tender schedules may be approved by JAG/SAG Officers Vetting of tender schedules should be necessary only in the rare urgent cases where tenders are called without sanction of detailed estimates. Pre-vetting will also not be necessary in case of zonal works and revenue works in Open-Line for which detailed estimates are not required to be framed.

5.3.3. A system of indicating rates for individual items in the schedule(s) and asking the tenderers to quote a common percentage for all items in a schedule/all schedules may be preferred wherever possible.

5.3.6. For controlling payment in case the agreemental value goes beyond +25% , a regulatory mechanism as part of the contract itself should be built in, or the first 15% increase in the value beyond 25% of the agreemental value, the rates will have reduction of 2% in the incremental value of the agreement and for the next 10% increase in the value, rates will have an additional reduction of 2% in the further incremental value of the agreement.

5.3.7. Execution of quantities beyond +50% of the overall agreemental value should not be permitted and, if found necessary, should be through fresh tenders or by negotiating fresh rates with existing contractor as per procedure laid down by Railway Board in their letter No.94/CE-I/CT/37 dated 5.5.1995 for variation beyond 25%.

5.3.8. To decide whether the agreemental value go beyond 50% as and when 75% of the agreemental value of contract has been executed, the contract should be subjected to a detailed review and administrative decision by an appropriate authority (agreement signing authority) should be recorded in writing and quantities monitored carefully and from this stage onwards execution of further quantities will have to be monitored at least at the level of JAG Officers.

5.3.10. For variation in value beyond 25% of the agreemental value, the present instructions for holding discussion with the contractor may be dispensed with.

CHAPTER IX

REVENUE ALLOCATION REGISTERS AND WORKS REGISTERS:

[\(Back to INDEX\)](#)

Maintenance of Revenue Allocation Registers and Works Registers:

- 901 The revenue allocation registers should be maintained in Form A-312 /E.1469 for recording all revenue expenditure by the various main, sub, detailed and sub-detailed heads of accounts prescribed in the classification given in Appendix II of the Indian Railway Financial Code, Volume II. These registers should be maintained by ‘ months’ and should record expenditure by sub-divisions and by such sections of the line as may be prescribed. These registers should also record separately the actual outlay incurred on the maintenance of each branch line worked as part of the main line system. Separate registers should also be maintained for cash and adjustment and also for each gauge, i.e., B.G., M.G. and common,(i.e., expenditure that cannot be straightway classified as pertaining to any one gauge only, such as expenditure of Headquarters Offices, etc.)
- 902 The object of these registers is to keep the heads of divisions and departments informed of the progress of expenditure against the allotments sanctioned by the General Manager which should be entered in red ink in the appropriate columns provided for in these registers so as to form a ready means of comparison and check with the outlay.
- 903 With a view to exercise effective control over Railway Expenditure and also to record, collect and abstract under the prescribed heads of the Administrative Accounts, total outlay of the Railway, the following registers are required to be maintained by the Accounts Offices.
- 1.Revenue Allocation Registers for each abstract of classification of Revenue Expenditure (Form E. 1469).
 - 2.Detailed register of works (Form E.1473).

3.Register of Capital Depreciation Reserve Fund and Open Line works –Revenue Expenditure, Accident Compensation, Safety and Passenger Amenities fund(Form E. 1480).

**POSTING AND RECONCILIATION OF REVENUE
ALLOCATION REGISTERS:**

POSTING:

904. The revenue allocation registers are posted sub-detailed head-wise, gauge-wise and department-wise from the CO7s. and journal vouchers. The expenditure should be booked and maintained separately for each spending unit in the various departments. The posting in the allocation sheets will be made voucher wise and not in lump though the postings are made from CO7s.

905 In the allocation registers, the transactions relating to past months which pass through the suspense head ‘Demands payable’ and the transactions of the current month should be separately recorded. The entries should be sub-divided as under-

(i) Cash

(ii) Transfers

(iii) Stores

and sufficient space should be left after each head for the entries which normally come under it. Alternately, separate registers may be maintained to record the expenditure in these three divisions, in which case a separate summary will have to be prepared to arrive at the total expenditure under the various heads of revenue classification. The Budget allotment should be entered in red ink at the head of the several departmental abstracts so as to form a ready means of comparison and check with the outlay. At the end of the month, when the registers have been totaled, the totals will be agreed with the debits to ‘Demands payable’ in the monthly classified abstract of cash transactions and journal slip will be prepared crediting ‘Demands payable’ and debiting the various abstracts of the revenue accounts.

906 A progressive summary should also be maintained showing the expenditure under each sub-detailed head of account and gauge wise for the month, to end of the month

and to end of the year. The total expenditure in the registers for each month should be verified with the debit to each abstract in the General Books as explained below and a certificate of examination and verification enfaced on the registers under the initials of the Accounts Officer.

RECONCILIATION OF WORKS REGISTER:

- 907 The total expenditure in the Registers should be verified each month with the debit to each Abstract in the General Books and a certificate of examination and verification enfaced on the register. The month totals of each register should then be posted into the yearly Registers month to month to provide the figures required for the preparation of the Working Expenses portion of the yearly Administrative Capital and Revenue Accounts. Alternatively, the up-to-date totals may be brought forward in the allocation Registers themselves.

POSTING OF WORKS REGISTER:

- 908 The instructions as contained in paras 1472 and 1473 of Engineering code regarding posting of Works Registers should be borne in mind. Separate registers should be maintained for each grant.
- 909 The detailed Register of Works in Form E. 1473 should be kept showing the amount of estimate sanctioned, the budget allotment and details of expenditure on each work by heads of accounts break up between cash, stores and freight and in addition by sub-heads of estimates, in the case of track renewal works estimated to cost over Rs.3 lakhs and Rs.1 lakh and above in the case of other works. In this register sub heads of estimate estimated to cost less than Rs.10,000 need not be separately detailed, but may be grouped together as may be found convenient. The particulars of each sanctioned estimate should be entered in this Register on receipt of sanction. The Register may be arranged by detailed heads of the Capital Classification (for works under the demand relating to creation and replacement of assets) separate folios being set apart for each work. At the close of every month the Registers should be totaled up and the monthly, yearly and up to date totals for each work struck. The register of works should be preserved for 10 years.

910 In cases where expenditure is incurred, on provisional sanction or urgency certificate, reference to the same should be posted on the top and expenditure as far as possible by sub-works if known. On receipt of the sanctioned estimate, these postings should be recast, based on the details given in the sanctioned estimate.

911 In posting the Register of Works in the case of works, the accounts of which are kept by sub-heads the last column relating to each work will always show the 'total charges', the last column but one will show 'value of materials received in advance of payment to contractors', the last column but two will show the value of 'materials at site' and the last column but three will show 'advance payment for supply of materials'. In the case of works, the accounts of which are not kept by sub-heads (form E.1479), the value of 'materials-at-site' need not be separately shown but the value of materials received in advance of payment to contractor and advance payment for supply of materials, if any, should be shown in all cases.

When the materials are received before payments have been made, such transactions should be credited to a separate suspense head "Value of materials received in advance of payment to contractors" in the Register of Works under the head of account that will record a major part of the cost of work, the credit under the suspense head should be cleared as and when payment is made.

912 A subsidiary Register for all purchase orders for such items should be maintained workwise by the Accounts Office and entries on credit side should be made under the initials of Section Officer(Accounts)from the Receipt Note Part III received duly evaluated from Executive Officers concerned in terms of para 739-S. Receipt Notes should simultaneously be posted in Works Registers by debit to 'materials-at-site/final head' and contra credit to 'value of materials received in advance of payment to contractors' referred to above. All payments chargeable to this head should be made after being posted on the debit side in the subsidiary register under

- the initials of the Controlling Officer. The balances in the subsidiary register should be reconciled monthly with those in the Works Registers.
- 913 Thus, for stores purchased for specific works the transactions will not find place in the Stores Budget under this procedure. Arrangements should, however, be made to ensure that the total figures of purchases during a year for specific works which do not pass through Stores Account are available with the Railways for statistical purposes etc.
- 914 While posting the expenditure under primary units in Works Register, Cash and Stores should be separately posted. Stores received for the work but not used immediately on the work and the value of which is charged to the 'Materials-at-site' of the work concerned should also be separately posted under the column of 'Material-at-site'. As and when the materials are used on the work and the value charged to the final head, such amounts should be posted as credit to 'Materials at site' account in red ink.
- 915 The total for each month and to the end of the month from the commencement of the financial year should be struck and the total cumulative expenditure incurred during a financial year should be verified with the amounts sanctioned for each work under Capital, DRF etc. Noted on the top of the relevant folio so that a concurrent check on the progress of expenditure vis-à-vis allotment can be made in the Accounts Office. Up to date total from the commencement of the work should also be struck, month to month and compared with the latest sanctioned estimated cost.
- 916 Whenever tendency of excess over the sanctioned allotment is noticed from the trend of expenditure, such items should be promptly brought to the notice of the Departmental Officer for such action as he may consider necessary. The excess expenditure when incurred should be entered in the objectionable item register under the relevant category. If inspite of excess expenditure over allotment having been intimated to the Departmental Officer concerned, no action is taken by the latter to

regularise excess within the financial year, such items should be brought to the notice of the immediate higher authority of the Departmental Officer so that at the end of the year, expeditious action is taken to clear all such outstanding items.

MATERIAL AT SITE ACCOUNT:

917  Materials obtained for specific works should be kept entirely outside the accounts of any other Category of Stores. Such stores should be separately requisitioned for by the Executive Offices and arranged to be dispatched to the sites of works. The actual consumption thereof is watched through a suspense head “Material at Site Account” of the work in the relevant works register

I) This account is required to be maintained for General works costing over Rs. One lakh and more than Rs. 3 lakhs for track renewal works

II) The materials obtained for the work should be entered as “Receipts” together with relevant issue Note, quantity and other particulars, while the Materials issued for consumption on the work, the date, quantity and Sub-head of estimate to which they are chargeable should be recorded under “Issues”. If any material issued but found subsequently excess to requirements should be brought back to record as “Minus Issues”.

III) The Materials released from the works if not re-used thereon, though form part of Materials at Site Account, will be treated as surplus stores.

IV) Materials released from the works should on displacement be recorded separately as such and be entered with the date and quantity as “Receipt” and when utilized on the work again they should be shown as “Issues”.

V) Material-at-site returned to stores, transferred or otherwise disposed off should be shown in the respective records with date, quantity and disposal reference as ‘minus receipts’

VI) The Executive Engineer in charge of the work furnishes to the divisional office every month a material at site return in form E. 1446 which requires to be checked in regard to the opening balance, receipts, reasonableness of the issues with reference to sanctioned estimate and progress of work, “transfers of materials with reference to

relevant advice note of returned stores or adjustment Memo and the arithmetical accuracy throughout.

VII) The responsibility for having a daily record maintained, a quarterly (i.e., QE March, June, September & December) return prepared, checked and valued and the Register of Works adjusted, as per prescribed rules, entirely devolves on the Executive Engineer in charge of works.

VIII) It is also necessary that materials at site should be periodically verified, pertaining to (i) P. way materials and (ii) other materials which can be readily separated and distinguished from those of the same description, but of a different category, so as to cover all the items at least once in a year.

IX) At the end of each financial year a schedule of the Materials at Site Balances of the various works is required to be prepared by the Accounts Officer for review jointly with the Executive Officer.

X) Similarly for Works Costing Rs. One lakh and less, a separate Materials at Site Account for the work is kept in the Works Register. At the end of every month “Excess Materials Return” in form E 1453 should be prepared in respect of all completed works in this category. These returns should show separately for materials obtained and materials released and the numerical balance and the date of completion of the works to which they relate. This return is subjected to check as regards the correctness and reasonableness of the balances shown against various receipt vouchers and the sanctioned estimates and put up to the Executive Engineer for their disposal.

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ADJUSTMENT OF STORES/MATERIALS TRANSFER ORDERS:

918 In respect of Materials Transferred from one work to another, or from one unit to another in charge of another Executive Engineer, or Stores charged to Revenue initially, but subsequently transferred to works, or vice-versa are required to be properly accounted under the respective heads of account. A material transfer order prepared in quadruplicate, by the subordinate sending the material giving the quantity and description of material item wise is forwarded in triplicate to the consignee subordinate who while acknowledging the receipt of Material on the MTO will quote

the reference to his tally book No. & page where it has been accounted for, and return two copies to the subordinate who sent the material. On receipt of the accepted MTO, in duplicate the subordinate forwards one copy to the Divisional Office(Stores) for preparing adjustment memo, one accepted copy will be paired with office copy by the subordinate who sent the materials. The adjustment memo duly supported by MTOs are forwarded to Accounts Office for accountal in General Books and transfer of debit to concerned Executive Engineer through his Accounts Officer.

- 919 In the Accounts Office, the adjustment memo so received before finally journalized are scrutinized to see whether they have signed by the responding unit for acceptance of the charges and accepted MTO enclosed wherever necessary, arithmetical accuracy debit & credit heads of accounts have been correctly shown and requisite funds remarks noted in case of accountal in March accounts, as also the reasons for effecting such transfers/adjustments stated in the Adjustment-Memo, are justifiable and correct.

RECONCILIATION OF REGISTERS OF WORKS WITH GENERAL BOOKS-

- 920 Register of Capital Depreciation Reserve Fund, Development Fund and Open Line Works-Revenue. In order to ensure an agreement between the figures of expenditure charged to Capital Depreciation Reserve Fund, Development Fund and Open Line Works-Revenue as recorded in the detailed Register of Works and the figures of the Ledger, the Accounts Office should maintain a Register of Sources of Funds for works expenditure in Form E.1480. This register will be posted from the detailed Register of Works (Form E.1473) in accordance with the minor, main and sub-heads of accounts classification and the totals under minor and main heads(i.e., each Plan head) for each month will be compared with the Cash Abstract Books, the Journal and the Ledger. Separate folios may, if necessary, be set apart for each Plan head of classification(corresponding to the minor/main head of accounts) the monthly total being carried into a Summary at the end of the register, where the reconciliation with the general books should be recorded.

COMPLETION ESTIMATES

- 921 The Construction or Project Estimate should be closed for works estimated to cost Rs. One crore and over, at the end of one of the first three financial half years after the date of “opening”. The date of opening in the case of new line/project should be held to be the date of opening for Passenger traffic for the whole line included in a Construction Estimate. If the different sections of a project are likely to be opened at intervals exceeding one year separate completion estimate should be submitted for each section. In the case of Open Line project the date of opening should be held to be the date on which, the project fulfils the purpose for which, it was intended. The financial half year in which the project is opened should be excluded for determining the date of closing of project estimate and preparation of completion estimates.
- 922 Completion estimates which involve any material modification in a project as sanctioned by the Railway Board or an excess over the estimate beyond the powers of sanction of the General Manager should be submitted for the sanction of the Railway Board after verification by the Accounts Officer. Completion estimates involving no material modification or excess may be sanctioned by the General Manager and the Railway Board informed. The Completion estimate should be submitted to competent authority within 4 months after the close of financial half year upto which it shows actual expenditure.

COMPLETION REPORTS

- 923 The accounts of open line works/projects estimated to Rs.20 lakhs and over should be closed as soon as possible after the actual work of construction is completed. It should be ensured that all outstanding liabilities are liquidated , the Suspense Balances cleared, all outstanding claims of contractors are settled, all surplus stores, Tools and Plant are disposed by affording the credit as due to the work, before closing the Accounts of the project. After all charges and credits relating to the work have been booked in the Accounts, a completion report should be prepared by the Executive Engineer and submitted to the Accounts Officer for verification. The

- Completion Report should state the expenditure in the same detail as the abstract estimate sanctioned by the Railway Board and should indicate any material modification.
- 924 The Completion Report duly verified by the Accounts Officer should be submitted to the Railway Board within 18 months after the end of the financial half in which the Completion Estimate for the work is submitted in accordance with paragraph 1705 E.
- 925  The object of a completion report is to compare the actual cost of works with those provided for in the last sanctioned estimate and to know how the actual cost has varied with that anticipated at the time of preparation of estimate.
- [\(Back to FAQs\)](#)
- 926 The Completion report should be prepared in form E.1706 and brief explanation for,
(i) Excesses of not less than 10 per cent and Rs.25,000/- whichever is less over the estimated provision under each sub-work.
(ii) Savings of not less than 20 per cent or Rs.1 lakh whichever is less occurring under any sub-work.
- 927 In common with the works costing Rs.one crore and over, each work or scheme costing less than this amount should be considered as “completed” when it fulfils for which it, when sanctioned, was intended and when there has been no expenditure thereon for 3 months thereafter. All outstanding credits and debits pertaining to completed work should as a rule be adjusted in the accounts of the work within 3 months of its completion. The account of completed work should be closed 3 months after the date of completion and completion report of the work drawn.
- 928 A completion report for works costing Rupees one crore and less should subject to the detailed instructions issued by the Railway Administration, be prepared in the same form as that for works costing over Rupees one crore. It should compare the actual expenditure incurred with the sanctioned amount and should give under each sub-work brief explanations of all excesses and savings of over 5 per cent or Rs.10,000

whichever is less. The authority sanctioning the estimate may prescribe any additional information to be submitted alongwith the completion report.(1709 E)

929 In respect of open line works also, the Completion Report should be prepared in the same Form E.1706. It should compare the actual expenditure incurred and the quantity of work executed with the sanction and should give under each sub-work explanations of all excesses/savings of over 5 per cent or Rs.1000/-whichever is less. A certificate to the effect that the necessary addenda or corrigenda to the list of the buildings have been issued, should be accorded on all completion reports for staff quarters and other buildings. On all completion reports relating to sidings and deposit works, a certificate to the effect that the necessary entries have been made in the siding register of deposit works should be recorded.

930 The completion report duly verified by the Accounts Officer should be submitted to the authority who accord the administrative approval to the work, for determination or regularization of excess in terms of para 1711-E within six months of the completion of the work. In case of works on which no expenditure is recorded for three consecutive months the accounts officer should call for the completion reports. If the works are incomplete the Executive Officer in charge should advise the Accounts Officer of the probable dates of completion and of submission of the completion reports. Abnormal delay in submission of completion reports by the Executive Officers should be brought to the notice of head of the Railway Administration by the Accounts Officer.

ACCOUNTS VERIFICATION OF COMPLETION REPORT:

931  In the Accounts Office, the Completion Reports should be scrutinized after test checking the correctness of postings. It should be seen that:-

- i) they have been prepared in the prescribed form and the entries therein correspond with the particulars of the sanction and booked outlay.
- ii) there is no delay in the preparation of the Completion Report, after completion of the work.

iii) brief explanation have been forthcoming wherever necessary for excesses or savings vide para 1706E.

iv) all final bills relating to a work have been correctly posted in the accounts of the work.

v) the satisfactory explanations have been furnished for excesses and savings, both in quantity and amount.

vi) the materials charged to the work, but not utilized have been returned to the Stores/transferred else where and the value credited to the work.

vii) the credit for the released materials provided for in the estimate has been adjusted against the work concerned.

viii)the requisite certificate has been recorded to the effect that necessary addenda and corrigenda to the list of buildings have been issued, if the completion report relates to construction of quarters/service buildings.

ix) a certificate to the effect that necessary entries have been made in the siding register/register of deposit works is recorded in all Completion Reports relating to assisted sidings/deposit works. [\(Click for Para 934\)](#)

932 In the case of any project or big open line work where there is any likelihood of delay in the final adjustment of charges relating to land and the Completion Report has been drawn excluding the cost of land, it should be certified that a completion report for land will be submitted separately. While certifying Completion Reports in such cases, the land cost should also be taken into account for determining the authority competent to sanction the Completion Report.

933 While endorsing the certificate of verification in the completion report, the authority competent to sanction the outlay should be specifically indicated. An entry in red ink should be made in the Works Register showing the:-

(a) Work completed on _____

(b) Completion Report submitted on _____

(c) Completion Report certified on _____

The completion report together with the Work Register should be put up to the Accounts Officer for signature.

- 934  While certifying the Completion Reports for buildings let out to outsiders or other Government Departments etc., the additional outlay as per the Completion Report should also be entered in the Register of recovery of rent from outsiders maintained in the internal checking section of the Accounts Office. [\(Back to FAQs\)](#)

ADJUSTMENT OF CHARGES/CREDITS RELATING TO COMPLETED WORKS:

- 935 1. If charges or credits are received for a work, the accounts of which have been closed, but the Completion Report of which has not yet been sanctioned, the account of the work should be re-opened and necessary postings should be made in the Works Register against the work concerned. A revised Completion Report should then be prepared and submitted to the Competent authority for sanction
2. If charges or credits are received for a work, the Completion Report for which has been sanctioned-
- (i) Except in the case of land, charges not exceeding Rs.10,000/- may be adjusted against the appropriate head of account under Ordinary Revenue Maintenance and credits not exceeding Rs.10,000/- under Abstract Z.650.
- (ii) When the charges or credits exceed Rs.10,000/- or relate to land, the account of the work should be re-opened and the necessary adjustment made thereunder, the completion report should also be revised accordingly.
- 936 In cases where the accounts of works are closed after affording estimated credits for released materials as provided in para 1715-E, the difference between the credits so afforded and the amounts actually realized, subsequently on the final disposal of such materials should not be forced into the accounts of the work by reopening them but dealt with the same way as fluctuations in the price of stock items.

937 However care need be taken to ensure that-

(i)in the case of residential building the total cost of the building is correctly noted in the list of buildings and

(ii)in the case of deposit works, the actual amount spent on the works is recovered from the party for whom the work is executed even though adjustment is not made in the Works Register or in the Completion Report.

CHAPTER X

DEPOSIT WORKS

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- 1001 A Railway Administration is occasionally required to execute works of construction or repair, the cost of which is met not out of Railway funds but out of funds from non-Railway sources. Works executed by a Railway for other Government departments, municipalities and other local bodies, private firms and individuals belong to this category.

Generally all works within the Railway premises should be executed only by or under the supervision of the Railway authorities. As such, when any other Government Department a culvert required by the Irrigation Department or a private individual electric or telephones wires to be laid by the Electricity Supply or Telephone Company over or under the Railway line etc. the application has to be processed in the Works Branch for proper advice regarding rules and regulations, for the provision of deposit work. The applicants in case of Government departments should be called upon to accept and in all other cases to deposit the necessary charges as outlined in para 732E, for the Survey, preparation of plans and estimates etc. On receipt of the acceptance/deposit of the charges, an estimate should be prepared for certification by Accounts. After obtaining the approval of the competent authority, the party should be asked to convey acceptance to the estimated cost and to bear actual cost when completed. In case of private parties, the work should not be taken up, unless the estimated cost is deposited. The acceptance of the party to bear the cost of maintenance or extra establishment, if any, should also be obtained before taking up the work.

The deposit received from private parties should be allocated to "Deposits Misc." and all expenditure incurred therein allocated accordingly. During the course of execution of the work, if it is found that the expenditure is likely to exceed the estimated amount, the likely expenditure for completion of the work should be

assessed and the acceptance of the party obtained or the excess amount got arranged to be deposited before incurring further expenditure on the work.

- 1002 In the case of Government Department the charges as and when incurred should be transferred by raising debits against the Department by operating 'M-Remittance Accounts with States'. As and when it is found that the expenditure on the work is likely to exceed the estimated cost, the further expenditure likely for completing the work should be assessed and the acceptance of the Government Department concerned should be obtained before incurrence of further expenditure.

LEVY OF DEPARTMENTAL CHARGES

- 1003 It should be ensured that in all the estimates for deposit works departmental charges as prescribed in para 1137 E have been levied at the rate laid down therein viz., 12¹/₂% on the total cost of land to cover the cost of tools and plants and establishment supervision and are therefore in addition to the cost of the work-charged staff, required for the execution of the work.

- 1004 In case of other Government Department the rate at which  departmental charges leviable will be at 12½% on the total cost of the work including the cost of land, except where a rate higher than 12½% is charged on a reciprocal basis. The General Manager, at his discretion, may waive wholly or partially, the recovery of departmental charges leviable provided that : [\(Back to FAQs\)](#)

- (a) the Railway gains some advantage, not necessarily financial, by such remission.
- (b) the reasons for such remissions are recorded in each case and the remission is allowed with the concurrence of the FA & CAO.
- (c) the non-incurrence of extra charges on account of tools and plants and establishment supervision does not in itself constitute sufficient justification for remission.

REGISTER OF WORKS FOR DEPOSIT WORKS:

- 1005 A separate Register of works should be maintained for all deposit works, work-wise. The postings in this Register should be totalled up and reconciled with the General Books monthly. In the case of works undertaken for other Government Departments the amounts adjusted monthly through adjusting accounts should be clearly shown separately, after totaling for the month, to see that any amount remaining unadjusted may be pursued. The expenditure incurred on each work should be reconciled with the General Books and also with the "Deposit Misc." Register. Periodically a review should be made of the expenditure incurred and booked with estimated amount, and if the expenditure is likely to exceed the amount, the executive concerned should be addressed to arrange for the additional amount to be deposited. No expenditure should ordinarily be admitted in Accounts until the acceptance for the additional anticipated expenditure is obtained in the case of work done for other Government Departments and of a further deposit in the case of the works executed for private bodies.

COMPLETION OF DEPOSIT WORKS:

- 1006 The executive officer should send an intimation of the date of completion of the work to the Accounts Office to enable the latter to send a bill for maintenance charges. The accounts of the work should carefully be reviewed to see that no expenditure which is properly chargeable to the work has been omitted. The Completion Report should be prepared by the Executive showing the variations between the estimated cost and the actuals together with reasons thereof and sent to the Accounts office for verification.

In the Accounts office, the Completion Report should be verified with the total amount booked in Accounts in respect of the work. In the case of works done for Government Department it should be verified, whether all the expenditure has been accepted by them. In respect of works done for private parties, the actual expenditure as shown in the Completion Report should be verified with reference to the Works Register and the 'Deposits Misc.' Register. It should be ensured that all the

expenditure in respect of the work has been properly charged to the work and no expenditure chargeable to the work is omitted and a certificate to this effect is recorded by the Executive Officer. While certifying the Completion Report for the work and putting up for signature of the Accounts Officer, the dates on which the work was completed, the receipt of Completion Report and its final certification are required to be recorded in the Register of Estimates, Works Register and the 'Deposits Misc.' Register.

- 1007 On acceptance of the Completion Report by the party concerned, the balance amount if any, lying under 'Deposit Misc.' Register is required to be refunded to the party on the pay order issued by the concerned Executive Officer.

INTEREST DURING CONSTRUCTION :

- 1008 When capital expenditure is incurred on works constructed for another Government Department, local body, private firm or individual, subject to interest and maintenance charges being recovered at certain fixed rates, interest during the period of construction should be charged. The amount of interest so recoverable should be calculated annually at such rates as may be prescribed in terms of para 1854 E. Interest during construction should be recovered only for the exact period of construction and not in terms of the whole years i.e., where construction period covers more than one complete financial year, the interest charges for those years should be calculated on the mean capital for those years. The interest for broken periods both during the period of commencement and the year of completion should be charged for the exact period, the basis of reckoning being monthly mean capital.

MAINTENANCE OF DEPOSIT WORKS:

- 1009 All Deposit Works in Railway premises should, as a rule, be maintained by the Railway at the cost of the parties who applied for them. Charges for maintaining (keeping in good repair) Deposit Works should be recovered from the parties concerned the basis of :-

- (i) either a fixed percentage of the cost of the works, the rate being fixed by the General Manager, or
- (ii) actual expenditure (including departmental charges).

1010 In cases where extra establishment is engaged in connection with the maintenance and operation of any deposit work(e.g. gateman engaged for operating the gate of a level crossing constructed at the cost of another Government Department)the actual pay and allowances of such establishment together with such additional charges as prescribed in paras 2007(FR116) and 2021(FR127) should be recovered.

1011 In respect of private sidings, the maintenance of the sidings should ordinarily be the concern of the siding owner. As the Railway has to ensure that the maintenance of works by the party beyond the Railway limits conforms to the requisite standard prescribed by the Railway, periodical inspections should be undertaken and the cost of such periodical inspections should be recovered from the siding owners. If however it is considered desirable that the Railway should maintain works beyond the Railway limits, the Railway may undertake maintenance on payment of requisite charges as fixed by the Railway.

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SIDING REGISTER:

1012 A Register of all the sidings in the division should be maintained with following particulars for each siding both by the Executive and Accounts branches in Form 2023 E , to ensure timely and proper recovery of all charges due to the Railway:-

- (a) Name of the siding.
- (b) Party for whom the siding was constructed.
- (c) Authority for the Construction of the Siding.
 - (i) The estimate number and date sanctioned.
 - (ii) Reference to the acceptance letter by the concerned party.
- (d) The total cost of the construction.
- (e) Cost borne by the Railway.
- (f) Cost borne by the party to whom the siding was constructed.

(g) Date of opening.

(h) Interest and Maintenance charges recoverable.

1013 The Registers in the Accounts Office should contain the following additional particulars:-

(i) The particulars of bill No. & date for interest and maintenance charges, sent to the party.

(ii) Bill No. & date and amount of penal interest, if any, levied for non-payment of bill towards interest and maintenance charges within one month from the date on which the bill was sent.

Maintenance of the Siding: The maintenance of the siding lying outside the Railway limits should be concern of the siding owners. However, charges for periodical inspection done by the Railway to ensure maintenance of the siding to the prescribed standards are to be recovered from the siding owners. If it is desired that the maintenance of the siding within the applicant's premises is to be carried out by the Railway, on payment of charges as fixed from time to time, the Railway may undertake to carry out the same.

Interest has to be charged on the book value of the portion of the cost of the siding borne by the Railway at the prevalent rate of dividend payable by the Railways to the General Revenues. Repairs and maintenance charges are to be charged at the rate of 4 1/2% on the cost of the portion of the siding borne by the Railway, or its present day cost whichever is higher. For calculating these charges, the cost of the portion of the siding borne by the Railway will be revalued every five years in accordance with general or special orders issued by the Railway Board. The payment will ordinarily cover the maintenance by the Railway of the works paid for by the applicant outside his premises.

1014 **INSPECTION CHARGES AND MAINTENANCE CHARGES-
WHERE LEVIABLE**

As per the terms and conditions of the agreement for private sidings,  maintenance is primarily the responsibility of the siding owners. The railways, however inspect

such sidings periodically to ensure that the sidings are maintained in a safe condition as per the railway standards. For this purpose, railways recover, in consultation with the Financial Adviser and Chief Accounts Officer of the railway concerned, suitable inspection charges from the siding owners. In case where the owners are unable to maintain the sidings and request the railways to undertake the maintenance on their behalf, charges for such maintenance will be recovered by the railway in addition to the inspection charges. Of late, a number of siding owners have started maintaining their own sidings.

BASIS OF WORKING OUT MAINTENANCE CHARGES:

1015 Prior to April 1982, the maintenance charges for private siding were collected at 4 ½% of the up dated cost of the siding. The Ministry of Railways have revised the method of working out the maintenance charges for private sidings are maintained by railways, and the revised basis has been advised by the Railway Board in their letter No.58/WI/SA/13 dated 21/23.4.82 & F(E)11-83/Misc./1 dt.27.6.1984. The relevant extracts from the Board's letters are given below:

The Board have decided that maintenance and repair charges for private sidings wherever these are maintained by the railways, should be levied on kilometre basis as per the following guidelines:

a) Staff Cost:

(i) Average pay of staff

(ii) Dearness allowance payable to staff

(iii) Leave salary at 15% of pay +DA of staff

(iv) P.F. & Gratuity @ 1/8 of pay +1/11 of pay of staff

(v) Incidental charges @ 10% of pay+1/11 of pay staff

(vi) City Compensatory Allowance and House rent Allowance to be added wherever applicable.

(vii) Pensionary benefit 50% of pay plus DA interim relief if any.

b) Tools and plants cost @ Rs 200/- per year vide Bds. Letter dated 21./23.4.82. There is any increase of 10% per year from 1982 onwards on Rs. 200.

- c) Cost of replacement of small fittings like keys, cotters, spikes, fish bolts at 3% per year of the Fish plates etc. cost of new fittings
- d) Departmental charges on (a)+(b)+(c) at 12 ½% of the above cost.

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CHAPTER XI

SUSPENSE TRANSACTIONS

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NECESSITY:

1101. The Government owned Railways in India are as much a commercial enterprise as a Government concern. Their accounts should, therefore, not only follow the essential formalities of commercial accounting but also conform to the requirements 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 through Suspense heads.

SCOPE:

1102. Under suspense heads are recorded all such transactions as are ultimately removed either by payment or recovery in cash or by book adjustments. Unless otherwise provided for by Code Rules or specific orders of competent authorities, the use of suspense head for provisional adjustment of transactions ultimately adjustable under final and service heads should be avoided as far as possible.

SUSPENSE HEADS OPERATED IN THE EXPENDITURE SECTION:

1103. The important suspense heads that are operated in the Expenditure Section in conducting the internal check and how they are posted and maintained are explained below-

-  (1) Miscellaneous Advances Revenue
- (2) Demands payable
- (3) Deposits Miscellaneous Revenue

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-  (1) **Miscellaneous Advances Revenue:**

This is a suspense head under Demand No. 12 Ordinary working expenses.

- (a) the entries in the accounts are confined to the following classes of items:-

- (i) charges where the allocations are not known.

- (ii) advances recoverable in cash or through adjustment
 - (iii) inter-departmental transactions awaiting acceptance by other departments.
 - (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 debit adjusted pending receipt of materials and Advance payments made to the Contractors for works to be done.
 - (vi) payments made in advance for local purchase of Stores or expenditure of miscellaneous nature pending submission of accounts.
- b) there are no credit items.
- a) there are no items which can be carried to a final head of account or which can straight away be adjusted through transfers or settled through the RBI;
 - b) all items are current and are recoverable in cash or otherwise adjustable;
 - c) sufficient documentary evidence exists to support recovery or adjustment;
 - d) all advances have been made under competent authority. [\(Back to FAQs\)](#)

Posting and maintenance:

In posting the Miscellaneous Advances Revenue Register, a systematic classification is the first essential thing to enable the Accounts Officer to review. The following instructions for the purpose of a systematic record should be kept in view:-

- (a) Each dealing Clerk responsible for initiating and clearing the items in the Suspense Registers should be allotted Code number (A,B,C etc) and this Code number should be quoted against each item at the time the postings are made in the registers.
- (b) The items should be posted in their chronological order, i.e., items relating to say 1995-1996 will come first, then 1996-97 and so on. Below the postings relating to each financial year, a line in red ink should be drawn so that the number and amounts relating to each financial year may readily be known. It should be ensured that there are no irregular items and always shows a debit balance.
- (c) Within each year also, the chronological order by months should be adhered to.

(d) While opening new registers, details are generally omitted leading to difficulties later. Complete details as recorded in the previous registers should therefore be brought forward in the new registers.

(e) The posting should be made as a rule directly from the vouchers.

(f) The cash vouchers or the journal slip should bear cross reference to the page, etc. on which the particular suspense item has been posted.

(g) Every time an item is due to be posted, the transactions should be carefully seen and linked up with the contra debit or credit as the case may be.

(h) At the time of posting, the department/office concerned (e.g., Mechanical Engineering) should be recorded against items/item in brackets to know outstanding items by departments.

(2) Demands payable

Unlike Government accounts which record expenditure only when actually disbursed or receipts only when actually realized, the Railway accounts maintained on a Commercial basis will record the expenditure incurred or earnings accrued in each month irrespective of whether they have actually been liquidated or realized.

On the expenditure side, the revenue liabilities of the Railway for a month are adjusted to the working expenses by taking Contra credit to a suspense head called “Demands payable” and when the Railway’s liabilities are actually discharged, 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 the liability of the Railway incurred during that month but not actually discharged during that month . The greater part of the liabilities of the month, if not all, are generally liquidated only in the early part of the next month. In order to collect all such liabilities which are paid after the close of the month, all vouchers for Revenue liabilities pertaining to a month, but received upto the 20th of the next month, are also allocated to the head “Demands payable” for the previous month.

For example a Contractor's bill for repairs for work done in April, but received on the 15th of May, will be allocated to the head "Demands payable" for April and the expenditure will be posted in the Revenue allocation register in April Accounts, though the Payment is made in May.

By the third week of each month, the amounts of bills debited to the revenue heads of Account for the preceding month including those debited upto the 20th of the month, are collected and an adjustment is effected crediting "Demands payable" for the month concerned and debiting the several abstracts of working expenses. By this process, all the Revenue liabilities pertaining to a month, whether discharged within the month or the month following are brought to account within the accounts of the concerned. The balance under the head "Demands payable" will represent un-discharged liabilities at the close of the month for which payments are made in the following month. There will thus always be a credit balance under the suspense head.

- (a) The balance in this account should be proved item wise.
- (b) There should be no debit items.
- (c) Outstandings under this head should consist only of items of un-discharged revenue liabilities.

The following items of expenditure will not pass through 'Demands payable' :-

- (i) Legal expenses.
- (ii) Gratuity.
- (iii) Advertisement expenses.
- (iv) Settlement wages.
- (v) Postal expenses.
- (vi) Petty purchases.

(3) **Deposits-Miscellaneous revenue:**

This is a suspense head (Deposits not bearing interest) head will be booked with the following classes of items-

- (i) Earnest money and Security Deposits of Contractors .

(ii) Miscellaneous, i.e., Deposits by other administrations on account of estimated cost of works to be executed by the home line, unpaid bills for contractors, etc., Earnest money deposited is cleared either by refund to the unsuccessful tenderer or by adjustment towards the Security deposit . In cases, where it is refunded, this head will be debited . In cases where it is adjusted towards Security deposit, the contra entry is made giving suitable remarks.

Other miscellaneous deposits received such as deposits by other administrations on account of estimated cost of works to be executed by the home line, unpaid bills of contractors, etc., are debited to this head and finally cleared on fulfillment of the purpose for which the deposit is made either by refund or by adjustment to service heads.

Posting:

The following instructions should be adhered to in the matter of posting the Deposits Miscellaneous Revenue Register:-

- (i) The credit entries in the register 'Deposits Miscellaneous Revenue' should be made individually and attested by a Section Officer.
- (ii) All payments against the amounts lying in the 'Deposits Miscellaneous Revenue' should be verified with the originally recorded entries in the register and the payment thereof recorded in the debit column under the initials of the Gazetted officer-in-charge before arranging payment of the amount
- (iii) In the case of refund of earnest money and Security deposit through pay order received from the Executive Officers, it should be seen that the pay order is accompanied by the original receipt granted before the pay order is entertained in the Accounts Office. The original receipt should be properly defaced quoting reference CO6 number and date, CO7 number and date at the time of passing the pay order. This precaution is necessary with a view to obviate a second claim on the same account by the same person.

RECONCILIATION OF SUSPENSE BALANCES WITH THE GENERAL BOOKS:-

1104. The receipts, charges and balances under the suspense heads of accounts should be reconciled with the General books every month within a week of the submission of

the accounts. The certificate of reconciliation should be recorded each month in the suspense register over the signature of a Gazetted Officer. The reconciliation certificate should be got verified by the Gazetted Officer/Section Officer of the Books section.

The position regarding reconciliation of suspense balances with the General books should be reflected in the half yearly Arrear report submitted to the Head Quarters Office.

REVIEW OF SUSPENSE BALANCES:

1105. A periodical review of suspense balances should be made to see that the total is supported by details and that the items are current and efficient.

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 acknowledgment of debit to the Railway should be verified on the 31st March if not already done earlier.

- (e) all advances have been made under competent authority; and in accordance with code rules.

- (f) the entries in the accounts are confined to the following classes of items:-

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

Note-Transactions pertaining to other Government Departments should, as a 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.

HALF-YEARLY REVIEW OF SUSPENSE BALANCES-

- 1106 A half-yearly review suspense balances outstanding in the accounts for the month of March and September should be prepared in Form A-620 by F.A.&C.A.O. and submitted so as to reach the Railway Board by 1st September and 1st January respectively. To adhere to the target date, the Divisions/Units should send their reviews well in time to the Head quarters Office. In these reviews, items over a year old should be analysed cause wise and year wise and a brief explanation given on steps taken for each item. While preparing this review, the instructions received from the Head quarters Office should be carefully studied and the various Annexures and explanations, etc. required should be sent without fail and by the target date.

DEBT HEAD REPORT-

- 1107 A report on the balances under the 'Debt Heads' (As per Appendix IV of Accounts Code) should be compiled in form A-749 immediately after the March accounts are over and submitted by each accounting unit to the FA & CAO /Books/SC for consolidation and submissions to the Railway Board on the due date. A copy of the report should be sent to the Audit also for verification and as a result of Audit verification, any modification required should also be advised to FA & CAO/Books/SC so that the Audited copy for the Railway as a whole may be sent to the Railway Board so as to reach on the target date.

CHAPTER XII

ADJUSTMENTS

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General:

1201. While the transactions of the Railway with the non-government bodies and institutions or individuals should be settled by actual payment in cash/cheque as the case may be. The transactions between the various departments of the same Railway and between two Railways are settled through book adjustment, these are termed as 'Transfer transactions'.

With the departmentalization of Government Accounts, the accounts of all the ministries of the Central Government are maintained under over all supervisions 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 Ministry of the Railway and the other Government departments (Central and State) are settled by the issue of cheques or Government drafts are termed as pay and Accounts transactions.

There are certain exceptions to this rule and settled through Reserve Bank of India, Nagpur in the manner laid down in para 436 A which are as follows:-

- (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 Department of Supply in the Ministry of Supply and Rehabilitation.

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

(1)TRANSFER TRANSACTIONS

(i) Transfer Transactions- Intra Railway Transactions-Transfers Within the Railway

1202. The following are the main nature of transactions within the Railway requiring adjustments:-

(a) Adjustments of capital transactions brought to account through Revenue books to Capital account and vice versa.

(b) Adjustment of transactions between one department and another i.e., for stores issued or for work done.

(c) Adjustment of transactions between divisions.

1203. As separate accounts records are kept for 'Capital' and 'Revenue' transactions of a Railway, it is necessary to transfer Capital items brought to account through Revenue books to Capital account and vice versa. For this purpose, the following two heads should be operated:-

(a) Transfers, Railways Revenue- For transfers with Revenue Account in the Capital Account books.

(b) Transfers, Railway Revenue Capital-For transfers with 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 should be effected through a journal entry as indicated below-

(i) Revenue Books:

Appropriate Revenue head Dr./Cr., To/By Transfers Railways Capital.

(ii) Capital Books:

Transfers Railways Revenue Dr./Cr., To/By Appropriate Capital head.

1204. As the Revenue working expenses of each department of the Railway are collected under a separate Abstract, the expenditure incurred by one department for another should correctly be booked against the correct Abstract. For this purpose, if any work is done or any stores are issued by one department to another, an adjustment memo will be prepared by the department which initially incurred the expenditure or transferred the stores and sent to the department for which the expenditure was incurred or stores transferred for acceptance and allocation, duly also indicating the credit head in the appropriate column. On receipt of the adjustment memo duly accepted by the other department, the same will be forwarded to Accounts Office for adjustment and inclusion in accounts. On receipt of the adjustment memo, a journal entry should be prepared debiting the abstract head of account of the department for which the work was done or stores issued and crediting the Abstract head of account of the department by which the work was done or stores issued and after being signed by the Officer, sent to Books section for inclusion in accounts.

Similarly, for expenditure incurred by one division for another division or stores transferred by one division to another division, the division which initially incurred the expenditure or transferred the stores will make out an adjustment memo and get the same accepted by the division to which the work was done or stores issued and send the accepted voucher to Accounts Office. On receipt of the accepted adjustment memo, Books section should be addressed to pass on debit/credit through 'Transfers Divisional' to the division concerned and on acceptance, to afford credit/debit to the respective head of account concerned as indicated in the adjustment memo. The transfer certificates received from the Books section should be checked regarding the acceptance of the Executive Officer of the division concerned and acceptance communicated to Books section indicating the head of account to be debited/credited for inclusion in accounts.

The transfer certificates should, as far as possible, be accepted in the same month's account in which the transfer certificate is received.

CARRIAGE BILLS:

1205. Consequent on the introduction of the Inter-Railway and Inter-departmental adjustments and apportionment of freight charges etc., the freight charges for carriage of Railway materials, for Capital (Open Line or Construction) and other works, will be reflected in the accounts of the spending departments, but instead of being credited to earnings will be taken in reduction of operating expenses and booked under Abstract K freight on stores, coal and diesel.

For purposes of budgeting, the figures of freight charges both on revenue account as well as those chargeable to works estimates by the spending departments should be shown separately under the various demands against the detailed heads.

1206. The above instructions will apply only for materials booked under goods traffic under Railway Material Consignment notes, and not to the booking of materials and stores under Parcel way-bills for which the freight charges will be paid in by the departments by means of credit notes and such freight charges will be credited to earnings in the usual manner and not to Abstract K.

1207. The carriage bills for the Railway materials booked through Goods traffic under R.M.C. Notes will be prepared by the Traffic Accounts Branch, in the usual form showing particulars of invoices, station from and to, weight and amount of Railway freight etc., separately for Capital and Revenue works and by each department and Division of the Railway for which the materials have been carried. The bills will then be handed over to Central Books section with an advice for passing on debit for the amount to the division/extra divisional unit concerned under 'transfers'.

1208. In respect of materials booked under parcel way-bill i.e., through coaching traffic by issue of credit notes, the carriage bills will be prepared by the Traffic Accounts Branch, and debit passed on against the divisions/extra divisional units concerned. The carriage bills received with such debit certificates should be got accepted by the

departments and necessary journal entry prepared debiting the service heads and crediting 'Traffic Account-Coaching'.

BALLAST/ENGINE HIRE CHARGES BILLS:

- 1209 The charges for ballast trains used by the Engineering Department for the carriage of ballast, stone, materials, etc., should be adjusted by debit to the respective works or revenue working expenses concerned by credit to Abstract K.

SUMMARY OF ISSUE NOTES:

- 1210 Stores required for the day to day working of the Railway Administration as also for works (excepting those which are supplied direct to the workspot for specific works) are stocked by the Controller of Stores in the Stores Depots. For such issues, the bill copy will be priced and a daily summary prepared by the Stores Accounts Office for each department and division and forwarded to the Accounts Officer in charge of the department. At the end of the month, a final summary for the month will be prepared and the amount debited to the Division concerned through 'Transfers'. Based on the allocation furnished in the issue note, the transfer certificate should be accepted by debiting the respective heads. While accepting the debit, a record should be kept in a manuscript register showing the following details:-

- (i) Summary of Issue note number and date.
- (ii) Amount.
- (iii) Department to which the summary relates.
- (iv) Head of account.
- (v) T.C.No. and date.
- (vi) Date of acceptance.
- (vii) Reference to the acceptance of the department.
- (viii) Further adjustment made consequent on departmental acceptance.

- 1211 The daily and final summaries, of the debit, should be forwarded to the departmental officer concerned for acceptance, allocation and return. Any adjustment required due

to change in allocation otherwise than that shown in the issue note or for wrong debits or for short or non-receipt of stores should be made in the next month's account.

WORKSHOP DEBITS:

- 1212 For work done in the Railway workshops for the various departments of the Railway, debit will be passed on by the Workshop Accounts Officers duly supported by workshop bills accepted by the departmental officers concerned through 'Transfers'. These debits, when received should be verified with reference to the accepted bills and accepted and accounted by debit to the respective heads of account.

PRINTING BILLS:

- 1213  For printing work done in the Press, necessary bills will be prepared by WAO/LGD and submitted to the departments for acceptance and transmission of one copy of the bill to the Associated Accounts Officer. Monthly debit for the total amount pertaining to each department and division will be passed on by WAO/LGD 'Transfers'. The debit when received should be verified with reference to the accepted bills received from the departments, and accepted and accounted by debit to the respective heads of account.

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MATERIALS-AT-SITE ACCOUNT-ADJUSTMENT OF:

- 1214 Materials obtained for specific works should be kept entirely outside the accounts of any other category of stores. Such stores should be separately requisitioned for by the Executive Officers in charge of works and despatched to the sites of works. The actual consumption of such stores should be watched through a suspense head, the 'Materials-at-site Account' of the concerned work in the works register.
- The records to be maintained by Engineers in charge of special works, the returns to be submitted by them to their Divisional Office, the periodicity of such returns, the checks to be exercised on such returns by the Divisional executive office should be verified in the following respects:
- (i) The opening balance should be checked with the closing balance of the previous returns.

(ii) The 'receipts' during the quarter should be checked with the relevant issue notes, stores summaries, adjustments memo and other receipt vouchers.

(iii) As regards materials returned to the Stores Department or transferred elsewhere the correctness of credits should be checked with the relevant advice notes of returned stores or adjustment memo.

(iv) The arithmetical accuracy of the returns should be checked throughout.

(v) Regarding values the receipts should be priced at the receipt rates.

The signed copies of adjustment memos should then be passed on to Sr.DAOs.

The adjustment memo received from the executive should be checked regarding arithmetical accuracy and journalized in the Accounts Office by debit to the final heads as shown in the adjustment memo and credit to Materials-at-site Account for inclusion in Accounts.

TRANSFER TRANSACTIONS

(II)Inter- Railway Transactions-Adjustments between Railways

1215 Transactions requiring adjustment between two Indian Railways will be effected by exchange 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. The same procedure will apply in the case of transfers between a Railway and the Railway Board or units such as the Chittaranjan Loco Works, Integral Coach Factory, Metropolitan Transport projects etc.

1216 As regards workshop debits transferred by other Railways besides getting the acceptance of the department concerned, it should also be verified whether the extra charges on freight, supervisors and proforma on cost charges included in the bill are in accordance with codal provisions. Then, the debit should be accepted and accounted for in books. As regards debit/credit to be afforded to other Railways, on receipt of necessary advice from the departments duly supported by accepted vouchers or letters of the departmental officers of other Railways, through

Headquarters Books section should be addressed to pass on the debit to the Railway concerned.

1217 **ADJUSTMENTS OF (A) I.R.F.A. PERTAINING TO HIRE CHARGES OF LOCOS AND COACHES (B) HIRE CHARGES OF WAGONS (C) LEASE CHARGES OF ROLLING STOCK**

(A) HIRE CHARGES OF LOCOS : These are the charges levied by owning Railway of loco on User Railway for the time the loco has worked on User Railway's jurisdiction at the rates given by Board from time to time.

As per the para 39 of the Statistical Instructions Manual, Engine hours are to include all time of engines in diesel and electric engines under their own power calculated from the time the engine starts from the shed at the commencement of its daily work till its returns to the same or another shed on completion of day's work. Board vide letter No. D (C) /98/27/1 DATED 02.04.2000 instructed as follows. 'Hire charges on locos may be worked out on the basis of para 39 of the Statistical Instructions Manual Volume-I, that is, from the time it leaves the shed till it returns to the shed" in other words on "OUTAGE BASIS".

There are different rates for different Engines such as diesel and electric locos. Debits are raised on Foreign Railways for SCR locos that have worked on Foreign Railways on monthly basis. Similarly Debits are received from Foreign Railways. These charges are allocated to sub head 750 of Demand No. 9-G.

HIRE CHARGES OF COACHES: These are the charges levied on foreign Railway for SCR coaches running Foreign Railways and vice-versa. Time taken for running of coaches/bogies is taken from Time Tables and load, frequency is taken from rake link book printed every year by COM's Office. The formula for working out Bogie Vehicle days (B.V.days) is as follows:

No. of B.V.days = No. of coaches X running time in minutes
(computing of actual running time plus 50% of lie-over time of the rake link at the destination terminal from the time of arrival to the time of departure and thereafter

adding 10% towards detention) X No. of trips (frequency of train in a year/quarter) X 2 (to and fro trips/24 x 60).

(Authority: Board's letter No. F(x) I-92/27/2 dated 09.03.95 enclosed as Annexure A & B)

Running time of one bogie for 24 hours is treated as Bogie Vehicle day (B.V.Day). For example one SCR Coach worked on F.Rly for 60 hours. Then B.V.Days are $60/24 = 2.5$. After arriving at B.V. days as mentioned above, debit would be raised for SCR trains (coaches/bogies running on F.Rlys as per rates advised by Board from time to time. Similarly debits would be raised by F.R.llys. These charges would be subhead 750 of Demand 9-G.

(B) WAGON HIRE CHARGES: These hire charges on wagons are worked out based on the daily balance of the wagons for a month and debited/credited by I.R.C.A. (Indian Railway Conference Association), New Delhi, which is responsible for accountal of wagon holding, ownership and balance of Indian Railways (All Zonal Railways). Balance of Wagons is worked out as follows.

Wagon Ownership- Wagon holding = Balance (Units)

If balance is positive, credits would be received and if balance is negative debits would be received. Positive balance indicates ownership is more where as negative balance indicates holding is more . These charges are allocated to Sub Head 740 of Demand No. 9-G.

(C) LEASE CHARGES OF ROLLING STOCK (DEBITED BY IRFC) : These are the charges debited by IRFC (Indian Railway Finance Corporation) to Zonal Railways towards lease charges of Rolling Stock procured on lease (finance by IRFC). These are allocated to subhead 780 of Demand No. 9-G . Normally these lease charges are debited by IRFC once in six months. First debit would be received in the month of April or May, second debit would be received in the month of September or October and finally any minor adjustment (debit) is required, it would be passed on in the Accounts for March.

Government of India
Ministry of Railways
(Railway Board)

No.F(X)I-92/27/2

New Delhi, dated 09-03-1995.

General Managers (Accounts)

All Indian Railways & Production Units.

Sub: Inter-Railway Financial Adjustment debits for coaching stock-calculation
of bogie vehicle days.

Ref: This office letter of even number dated 26.10.94.

In view of the suggestions received from some Railways to standardize the elements of idling, sickness etc., in computing bogie vehicle days as per formula given in the letter cited above, Ministry of Railways have decided to modify the formula for calculation of bogie vehicle days as follows:

Number of coaches x running time (comprising of actual running time plus 50% of lie-over time of the rake link at the destination terminal from the time of arrival to the time of departure and thereafter adding 10% towards detention) x Number of trips (frequency of train in a year) x 2 (to and fro trips) /24 (total hrs./day).

This will take care of elements of idling, sickness, shunting secondary maintenance etc. For through Railways, however, only 10% towards detention will be added to actual running time for determining the element of running time. Only scheduled timings of arrival and departure of train as per time table are to be adopted for reckoning the actual running time.

This revised procedure will take effect from 1.1.94.

Please acknowledge receipt of this letter.

Sd/-

(Harkirat Singh)

Dy. Director, Finance (Exp.)

Railway Board.

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

F (C)/98/27/1

Dated 02.04.2000.

GENERAL MANAGERS

ALL INDIAN RAILWAYS including PRODUCTION UNITS.

Sub: Inter Railway Financial Adjustment.

One of the Railway has pointed out difficulty in Inter Railway Financial Adjustment for loco hire charges during reconciliation meeting as Railways are adopting different practices for working out engine hours for loco utilized on Foreign Railways. The matter has been examined in the Board and it has been decided that hire charges on locos may be worked out on the basis of para 39 of the Statistical Instruction Manual Volume-I i.e., from the time it leaves from the shed & till it returns to the shed, in other words on '**OUTAGE BASIS**'.

This also disposes F.A.& C.A.O. , N.E.Railway's letter No. x/108/1/12/Part -1 dated 27.9.99.

Please acknowledge the receipt of the letter.

(BELA BANERJEE)

Executive Director Finance (Commercial)

Copy for information to:

F.A. & C.A.O. All Zonal Railways & Production Units.

ED (A) & EDSE in Board's Office.

ADVICE OF CLEARANCE:

1218 The total amount due to each Railway from Defence and Postal Ministry 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.

Note- If it is not practicable, without causing much extra work, to prepare and send advices to the Reserve Bank three times in a 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 be no undue delay or heavy rush on the Bank in the settlement of transactions and that there should be no large outstanding under "Suspense".

SETTLEMENT TRANSACTIONS

1219 **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 the Pay and Accounts Officers attached to the Department or Ministry concerned. The Pay and Accounts Officers will not issue any authorization on Railway Accounts Officers to make payments on their behalf or vice versa, such transactions being settled on cash basis. 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-A.

TRANSACTIONS RELATING TO RAILWAY ARISING IN THE ACCOUNTS OF PAY AND ACCOUNTS OFFICERS AND VICE VERSA-

1220 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.

CHAPTER XIII

BLOCK ACCOUNT

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- 1301 A Block Account as distinct from the Loan Account came to be introduced from 1st April 1950 in pursuance of the recommendations of the Railway Convention Committee, 1949. The Block Account shall represent all the physical assets of the Railway undertaking whether financed from loan Capital or the Railway's own generation of funds (i.e., assets created out of D.F., D.R.F., O.L.W.R. and Capital Fund), while the Loan Account shall represent only the loan (share) capital or capital-at-charge of the Railway undertaking and the physical assets created therefrom.
- 1302 The Block Account is useful to know the financial stability of Railways in India. This also gives the value of all assets of the Railways which otherwise is not recorded in consolidated form in any other record.
- 1303 The Block Account is maintained in Form F.429 Separately for commercial and strategic lines and includes:
- (i) expenditure on Capital Account ;
 - (ii) expenditure from the Development Fund ;
 - (iii) expenditure from the Depreciation Reserve Fund, the Development Fund and Open Line Works–Revenue, including new minor works relating only to creation of new assets or improvement in the assets replaced.
 - (iv) Capital Fund
 - (v) expenditure on any assets which may have come to Railways without financial adjustment or from a source not covered by the above mentioned items(i) to (iv) above.

Note:- (i) The Block Account shall not include –(a) works such as temporary(kutchha) quarters which were created during the war and allowed to be retained at the debit of revenue after the war was over.

(b) Assets of temporary nature which are to last for a period of six months or less
(But the works which were temporarily created as incidental to main works should be included in the Block account)

(ii) The intention of retaining the head of 'New minor works' is that the expenditure under this item although chargeable to Open line works-Revenue should be kept distinct from the other expenditure chargeable to Open line works-Revenue.

The total expenditure to end of previous year, expenditure incurred during the year and the total to end of the year are exhibited in Block Account against the various classes of assets as under-

I Preliminary expenses

II Land

III Structural engineering works

IV Equipment

V Rolling Stock

VI General charges

VIII Suspense

IX Purchase of new lines

X Investments on Government commercial undertakings-Road services

XI Investments in Government commercial undertakings- Public undertakings

Deduct-Receipts on Capital Account.

Note- The credits on account of 'Receipts on Capital Account' should be shown separately as above instead of being merged in the figures against the other heads.

1304 The particulars in regard to the expenditure incurred during the year against the various classes of assets mentioned above are furnished under the following heads:-

(i) Expenditure charged to Capital financed from the Loan Account.

(ii) Expenditure financed from other sources, viz.

(iii) Development Fund

(iv) Depreciation Reserve Fund on improvement of assets replaced.

(v) Revenue-Open line works and new minor works.

(vi) Miscellaneous

The figures under the items (iii) to (v) above include the original cost of assets and/or improvement of assets replaced.

(a) The expenditure to end of the previous year

(b) The expenditure charged to Capital financed from the Loan Account will correspond to the amount exhibited on the assets side of Part I Capital Statement (Loan Account) as representing the difference between the figures as at the end of the year under review and similar figures at end of the previous year and can be reconciled with the figures shown in the schedule accompanying the Capital Account current for March (Final).

(c) The expenditure financed from the sources shall include the cost of assets and/or improvement of assets replaced. The cost of improvement will be excess over the cost of replacement, at current prices of an asset by a like asset or its original cost, estimated if not known, whichever is greater. The element of improvement should be shown in the estimates so that the percentage of expenditure on the improvement portion could be readily applied to the actual expenditure. The percentage of improvement entered on the top for each work in the works register will facilitate the working out of the improvement element at the end of the year for the purpose of Block Account. The improvement element in respect of unsanctioned works should be included in the Block Account on an approximate basis in the first instance and necessary readjustments if any made in the Block Account for the year in which detailed estimates are sanctioned. In all cases, the estimated cost of replacement at current prices of an asset by a like asset should in no circumstances be less than the cost of replacement calculated in the manner laid down in paras 430 F

(d) The value of assets acquired by the Railway without financial adjustment should be shown under the column 'Miscellaneous'.

(e) In cases where misclassification between the various Revenue heads of Account and Open Line Works Revenue are detected, after submission of the Capital and

Revenue and Finance Accounts, the correct figures should be suitably inserted in the body of the Block Account. For the purpose of rectification of the misclassification in such cases for purposes of Block Account, financial adjustment is not necessary.

1305 The particulars regarding (i) Misclassifications, (ii) U.S. surplus machines, and (iii) Transaction of transfer of amount or gift of Government property should be exhibited as footnote to the Block Account. If there is no misclassification, it should be indicated that so far as known, there is no misclassification.

1306 A statement of Block Account of Indian Railways (including Loan Account) is sent in form F 429 Annexures to Appropriation Accounts. In this statement, figures at end of March of the year under review are shown in juxtaposition to the corresponding figures at the end of March of the previous year. The figures are exhibited under the following heads:-

Assets side:-

(1) Fixed and floating assets as in Part I- Capital statement (comprising Loan Account).

(2) Assets financed from Depreciation Reserve Fund, Development Fund and Revenue. The figures required for this purpose are extracted from those shown in the Block Account maintained in Form F429 against the various classes of assets. The final total as per this statement will appear in the Balance Sheet as the first item both on the 'Liabilities' and 'Assets' sides.

Liabilities side:- The figures to be shown on the liabilities side will be per contra to those appearing against similar headings on the Assets side.

1307 Although the total value of all Railway assets is featuring in the Block Account, as the distribution thereof amongst the various classes of assets was not available, a statement on the 'Total value of Railway assets under various categories to end of the year... ..' is now required to be sent in the prescribed Pro forma along with the Block Account in Form F429. The figures in the statement should be in units of Rupees

and not in thousand of Rupees. This statement will enable to show the total value to end of the penultimate year of all Railway assets in the Budget documents.

1308 The Block Account in form F429, the statement of 'total value of Railway assets under various categories' and the statement of Block Account (including Loan Account) should be sent so as to reach the Budget section by 18th of July after the closing of the accounts for March. Simultaneously copies of the same should also be sent to the statutory audit for verification.

1309 The Block Accounts received from the Divisions/Units are consolidated in the Budget section and the Block Account for the Railway as a whole is prepared and submitted to the Railway Board on the due date.

CHAPTER XIV

STAFF BENEFIT FUND:

[\(Back to INDEX\)](#)

1401 The Staff Benefit Fund is managed by a Committee comprising of officials representatives and staff side represented by the two recognized Unions. The Central Staff Benefit Fund Committee at the Headquarters will be presided over by the Chief Personnel Officer of the Railway who will be the Chairman. Other Members of the Committee will be:

- (i) The Chief Medical Officer
- (ii) Chief Engineer
- (iii) Welfare Officer to be nominated by the G.M. who will be the Secretary of the committee.
- (iv) Six members equally to be selected from the two Unions.

Members to be SBF Committees should be elected in a manner considered suitable by the General Manager.

OBJECTS:

1402  The Fund shall be used for the benefit of the non-gazetted Railway servants only on the following items in such proportion as the Railway Board may prescribe:-

- (a) Education of the staff and of their children when no assistance is admissible under the Railway Rules of Educational Assistance.
- (b) Recreation and amusement for the staff and their children.
- (c) Relief of distress amongst the members or ex-members of the staff or their families not provided for under any other rules.
- (d) Expenditure on the maintenance of Maternity centres on the Railways are to be borne, from 1.4.1955, from Railway revenues instead of contribution from SBF.
(Railway Board's letter No.EW/90/FUI/8 dated 12.11.1990)
- (e) Miscellaneous i.e., any other expenditure beneficial to the staff in the opinion of the Committee, for which approval of the General Manager will be obtained.

Note: (1) A scholarship for study granted to the child/ward of a non-gazetted Railway servant will not be withdrawn because the Railway servant is subsequently promoted to officiate in a Gazetted post, provided the student remains otherwise eligible for the same. When, however, the Railway servant is confirmed in the Gazetted post, a scholarship should merely be discontinued and no recovery should be made in respect of the period from the date of confirmation to the issue of the notification of confirmation.

SOURCES:

1403 The Fund shall be credited with

- (i) all receipts from fines,
- (ii) all receipts from forfeited P.F. bonuses except forfeited bonuses of Gazetted Officers,
- (iii) all other classes of receipts which were previously credited to the Fine Fund,
- (iv) interest at 2 percent per annum on the balances of the Fund and
- (v) net income derived by way of rent etc. by letting out the Institute Premises for Cinema shows or other cultural purposes.

1404 In addition to the above credits, these shall be credited to the fund on the 1st April of each financial year, an annual grant from the revenues of the Railway at a per capita rate of Rs.26.00 based on the sanctioned strength of non-gazetted Railway employees, permanent and temporary, as on the 31st March, posts charged to capital being excluded. The Fund shall be credited provisionally on the 1st April each year with an amount equal to the contribution for the previous year, the necessary adjustment being made as soon as the correct amount of the contribution has been determined. The distribution of Rs.26/- amongst different activities will be as under:

[\(Back to FAQs\)](#)

(i) General activities viz. Education, recreation, amusement, cultural, relief of distress, sickness and miscellaneous items:

(a) Education	Rs. 4.00
(b) Recreation other than sports	Rs.1.95

(c) Inter-Railway Cultural Competition	Rs.0.05
(d) Relief of distress, sickness etc.	Rs.7.00
(e) Miscellaneous	Rs.0.50
(ii) Sports activities	Rs.5.00
(iii) Scouts activities	Rs.2.50
(iv) Recreational facilities to Officers and Supervisory staff	Rs.2.50
(v) Indigenous system of medicine including Homeopathy	Rs.2.50

	Rs.26.00

(Authority : Board's letter no. E(W)96/FU-1/5 dated 17.7.1996 and 15.1.1997, and E(W)97/FU-1/4 dated 13.10.1999.)

EXPENDITURE FROM THE FUND :

- 1405 All expenditure from the Staff Benefit Fund shall be authorized by the Committee or Sub-Committee duly appointed. If the Chairman disagrees with a majority of the Committee as regards financial propriety, recognized policy of the Government etc., he shall refer the matter to the General Manager, whose decision shall be final.
- 1406 The grants from the Staff Benefit Fund should be made only for the objects set out above. For example, as all expenditure on the maintenance of Railway Schools including up keep of library are being provided at the cost of Railway Revenues (except to the extent recoverable from the State Governments as grants under the Rules), appropriation of money from Staff Benefit Fund for this purpose would not appear to be in order.

INTERNAL CHECK:

- 1407 The accounts of the Staff Benefit Fund should be maintained and internally checked by the FA&CAO. The term 'Internal Check' will cover check of sanctions, check of expenditure against allotment of the Funds as well as propriety of expenditure. The

internal check exercised by the Expenditure Section at the Headquarters Office and by the Divisional Accounts Offices consists of-

- (i) Watching of booking of the expenditure with reference to the Budget Allotment,
- (ii) Scrutiny of Pay Orders received with reference to the sanctions as per the Minutes of the Resolutions passed, and
- (iii) Ensuring the nature of expenditure for which the amount is sanctioned is covered by Rules in force.

1408 A question was raised as to whether the internal check of the expenditure incurred from the Staff Benefit Fund would also cover the check of the accounts of the beneficiaries. The Railway Board have examined the matter and have decided that a prima facie check to ensure that the funds sanctioned from the Staff Benefit Fund are spent for the specific purpose(s) for which they are sanctioned, would be sufficient.

To comply with the above instructions, in all cases of advances from the Staff Benefit Fund, a statement of account should be obtained from the beneficiaries and checked in the Accounts Office.

In the case of grants towards scholarship, text books, sickness benefits, etc., the accounts will be rendered by the beneficiaries to the Staff Benefit Fund Committees before grants are made. But in the case of grants for the conduct of sports, children's treats, Holiday Camps etc., grants are made by the Committees only estimated basis and not on actuals. In such cases, it is necessary that detailed accounts are submitted to the respective Accounts Office along with the supporting vouchers.

In all cases of grant of advance from the Staff Benefit Fund for correspondence courses complete accounts should be maintained and it should be ensured that recoveries are regular and prompt. Cases of default should be taken up with the staff concerned.

GRANTS FOR TECHNICAL EDUCATION:

1409 The expression "technical education" will be interpreted to refer to education in pure sciences i.e., leading upto a degree in Science or in applied sciences i.e., leading upto a degree or diploma in Medicine and the various branches of Engineering. It will

exclude subjects commonly included in Arts Courses in Colleges or other educational institutions. The Diploma Courses referred to are not necessarily those that are equivalent to a Degree; Diplomas of all kinds given in various branches of technical education will be eligible for scholarships.

- 1410 The cost of the scholarships will be borne by the Staff Benefit Fund. The value of the scholarship payable will be related to the approximate estimated cost of education in the educational institutions offering technical education in areas served by this Railway. For the purpose of the scholarship, the cost of education is to be taken to mean the fees including fees for laboratory, field training and crafts, books and equipment necessary for the prosecution of the studies and any compulsory expenditure on account of participation in games, sports etc. It will exclude the cost of personal clothing except uniforms where such are compulsory. The purpose is to ensure that appreciable financial assistance is given to the Railway servant concerned albeit not relieving him entirely of the burden of education.

The scholarships for the technical education are payable from the date of their award until the completion of the degree or diploma course and in the event of a failure at any of the intermediate examination, the scholarship is to be discontinued. When a candidate in receipt of a scholarship fails at an intermediate examination, the scholarship is, therefore, to be stopped.

However the Railway Board have clarified the circumstances under which the scholarship in such cases may be revived vide note (1) below.

Note (1) A point was raised whether the candidate on passing the examination subsequently should be considered eligible for the grant of scholarship for the remaining period of the course. The Railway Board have decided that in the case of candidates granted scholarship for Medical degree/diploma course and Engineering degree/diploma course only, a candidate failing once at one intermediate examination may as a special concession, be considered eligible for the benefit of the scholarship from the date he qualifies in the examination at the second attempt. A second failure at the same intermediate examination or at a subsequent intermediate stage of the course should entail withdrawal of the scholarship altogether.

In respect of other courses-other than Medical and Engineering degrees/diploma, even one failure should render the candidate ineligible for the scholarship thereafter.

Note (2) A scholarship granted in favour of the child of a serving Railway employee should continue until the child completes the course of study for which the scholarship is granted and it should not be affected by the death, invalidation or retirement on superannuation of the employee. When however, an employee resigns from service, he would lose the scholarship sanctioned to his child.

ACCOUNTS OF THE FUND:

1411 A statement of accounts of the Fund should be submitted by each of the Divisional Accounts Officers every month in the prescribed pro forma to the Headquarters Expenditure Section, immediately after the closure of accounts duly reconciling with the Account current figures of the Division. These statements will help to exercise control over expenditure with reference to the budget grants and to frame budget estimates.

1412 The Expenditure Section, Headquarters Office should compile a consolidated half-yearly statement of accounts for the entire Railway and submit it to the General Manager for the period from April to September and for the period from October to March, after the close of the accounts for September and March respectively.

ANNUAL REPORT;

1413 The General Manager shall submit annually a report to the Railway Board on the working of the Fund during the previous financial year, duly enclosing the copy of the annual account of the Fund.

MISCELLANEOUS:

1414 (i)The following instructions shall be adhered to in regard to the allocation of expenditure:-

(a) The cost of stationery, printing charges of forms, postage charges and other contingent expenses relating to the Staff Benefit Fund should be met from the Railway Revenues.

(b) Unpaid amounts of the Staff Benefit Fund should be minus debited to the Fund and subsequent claims of such unpaid amounts should be met at the debit of the Fund.

(c) The credits to the Staff Benefit Fund on account of fines imposed and forfeited P.F. Bonuses in the Divisional and Extra-Divisional Offices should be afforded to 'Transfers Divisional-Headquarters Central Books'.

(ii) The following estimates are to be submitted in connection with the Fund Account:-

(a) Labour Welfare –Contribution from Railway Revenues to the Fund.

(b) Receipts into and payments from the Fund.

(c) Civil Grant-Debt and other obligations –Interest on balances in the Fund.

(d) Unpaid wages amount from Staff salaries will be transferred to the SBF after retaining for a period of three years and it should also remain for a further period of 4 years in the SBF account.

(iii) The interest due on the balances in the Staff Benefit Fund for the year should be worked out and debit for this amount arranged to be raised well in time under 'Transfers-Railways-Railway Board' in the accounts for March to enable the Railway Board to adjust with the A.G.C.R./NDLS before the books of Reserve Bank for the month of March are closed on 25th April.

(iv) The Column I and Column IV, explanations for Appropriation Accounts for "Civil Grant-Interest on debt and other obligations S.B.F." and Revenue Grant – Contribution to S.B.F. should also be submitted to the Budget Section on the due dates duly verified by the Audit.

Annexure I

Railway Staff Benefit Fund

(Advance Correction Sl.No. 54 (Rule 805)

INDIAN RAILWAY ESTABLISHMENT CODE VOLUME-I

(Fifth Edition 1985)(Reprint Edition 1995)

Rule 805(1) may be substituted by the following:

(i) General activities viz. Education, recreation, amusement, In addition to the credits to the Fund detailed in Rule 804, there shall be credited to the fund on the 1st April of each financial year an annual grant from the revenues of the Railway at a per capita rate of Rs.26.00 based on the sanctioned strength of non-gazetted Railway employees, permanent or temporary, as on 31st March, posts charged to capital being excluded. The Fund shall be credited provisionally on the 1st April each year with an amount equal to the contribution for the previous year, the necessary adjustment being made as soon as the correct amount of the contribution has been determined. The distribution of Rs.26/- amongst different activities will be as under:-

cultural, relief of distress, sickness and miscellaneous items:

(a) Education	Rs.4.00
(b) Recreation other than sports	Rs.1.95
(c) Inter-Railway cultural competition	Rs.0.05
(d) Relief of distress, sickness etc.	Rs.7.00
(e) Miscellaneous	Rs.0.50
(ii) Sports activities	Rs.5.00
(iii) Scouts activities	Rs.2.50
(iv) Recreational facilities to Officers and supervisory staff	Rs.2.50
(v) Indigenous system of medicine including Homeopathy	Rs.2.50

(Authority :Board's letter No.E(W)96/FU-1/5 dated 17.7.96 and 15.1.97, and E(W)97/FU-1/4 dated 13.10.99)

Note 2 below Rule 805(2) may be substituted by the following:

In the case of Chittaranjan Locomotive Works, Diesel Locomotive Works Integral Coach Factory, a similar contribution to this Fund shall be made chargeable to “Capital Suspense-Workshop Suspense Accounts under proforma on Cost”. In the case of Wheel & Axle Plant, COFMOW and Central Organization for Railway Electrification the contribution shall be chargeable to Demand No.16-Assets-Acquisition, Construction and Replacement. In the case of Diesel Component Works, Rail Coach Factory, the contribution to the Fund shall be made chargeable to Demand No.16(WMS), whereas in the case of RDSO and Railway Claims Tribunal, it shall be chargeable to Demand No.2-Miscellaneous Expenditure General.

(Authority : Board’s letter No. E(W)87FUI-8,dated 16.11.89

E(W)90FUI-2,dated 5.10.90

E(W)94FUI-4,dated 2.6.95

E(W)97/FUI-4, dated 13.10.99)

Note 3 below Rule 805(2) may be substituted by the following:-

Based on the overall per capita contribution of Rs.5.00 for sports activities, sports allotments shall continue to be made by the Ministry of Railways in consultation with the Railway Sports Promotion Board, to the Railways/Production Units.

Similarly, allotment of Rs.2.50 for scouting activities and Rs.0.05 for Inter-Railway Cultural Competitions will also be made by the Ministry of Railways. Therefore, allotment for Rs.7.55 will be made centrally by Ministry of Railways. Thus, augmentation to the SBF by the Railways will be at the rate of Rs.18.45 per capita(Rs.26.00 minus Rs.7.55).

(Authority : Board’s letters no. E(W)93FUI-3, dated 2.8.93

E(W)96/FUI-1/5 dated 15.1.97

E(W)97FUI-4, dated 13.10.99)

Below Note of Rule-805(2) the following shall be inserted as note-4

Note-4 Except in the case of funds for scouting, sports, education and Inter Railway Cultural Competitions, Staff Benefit Fund Committees of the Railways/Production

Units, etc. may re-appropriate funds under other heads, subject to the condition that not more than 10% of the amount is re-appropriated from any head.

(Board's letter No. E(W)97/FU-1/2 dated 8.8.1997.

E(W)97FU-1/4, dated 13.10.1999)

Inter-Railway Competition allotment of Funds set apart at the rate of Paisa five only on per capita basis will also be made by the Ministry of Railways.

(Nos.E(W)86FUI-1 dated 14/5/87 and E(W)90FU1-1 dated 27/28.3.90).

Annexure II

GOVERNMENT OF INDIA(BHARAT SARKAR)

MINISTRY OF RAILWAYS (Rail Mantralaya)

(Railway Board)

No.E(W)90/FU1/8

Dated 12.11.1990

The General Manager

All Indian Railways,

Production Units and Others.

Sub: Staff Benefit Fund – Master Circular.

At present, the orders relating to Staff Benefit Fund are contained in a number of office circular/orders issued from time to time. The question of consolidation of these existing orders/circulars into one Master circular has been under consideration of the Ministry of Railways. They have now decided to issue a consolidated order on the subject as below for the information and guidance of all concerned.

Staff Benefit Fund was established on the Indian Railways in 1931. Over the years, the Fund has grown in stature and on date, the following activities are financed out of the Fund for the welfare of the Railway employees and their children:

- (i) General activities viz. Education, recreation, amusement, relief of distress, sickness and miscellaneous items;
- (ii) Sports activities;

- (iii) Scouts activities;
- (iv) Recreational facilities to officers and supervisory staff;
- (v) Indigenous systems of medicines, including Homeopathy.

(No.E(W)88WE1-16 dated 21.3.89 and para 802-RI)

3. The Staff Benefit Fund is credited with

- (a) Annual grant on the 1st of April of each financial year from the Railway Revenues on per capita basis based on the sanctioned strength – both permanent and temporary posts – as on 31st March., excluding the posts charged to capital on each Railway/PU.
- (b) All receipts from fines;
- (c) All receipts from forfeited Provident Fund bonuses of non-gazetted employees;
- (d) 50% of the expenditure incurred by the respective Railways on the grant of scholarships for technical education of children of Railways employees during the preceding year; and
- (e) Unpaid wages beyond three years.

(Nos.E(W)62FU1-26 dt.1.1.63 and 17.8.63, E(W)70-FU1-5, dt.16.2.73, E(W)70FU1-5, dt.2.9.72, E(W)66FU1-1 dt.14.5.87, E(LL)84-AT/PW/1-4 dt.14.3.89 and paras 804-805 of IRE Code Vol.I).

4. The per capita contribution to the Staff Benefit Fund in regard to the various activities referred to in para 2 above is Rs.14.50 and its distribution has been fixed as follows:-

(1) General activities

(a) Education	Rs.2.50
(b) Recreation other than sports	Rs.1.95
(c) Relief of distress, sickness etc	Rs.3.25
(d) Misc.	Rs.0.50
(e) Inter-Railway Cultural Competition	Rs.0.05

Rs.8.25

(2) Sports activities	Rs.2.50
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(3) Scouts activities	Rs.1.00
(4) Recreational facilities to officers and supervisory staff	Rs.2.00
(5) Indigenous system of medicines including Homeopathy	Rs.0.75

	Rs.14.50

(Nos. E.55 FU1-5 dt.13.8.55, E(W)57FU1-2 dt.7.5.58, E(W)59FU1-5 dt.27.12.60, E(W)56FU1-12,dt.5.11.66,E(W)70FU1-5,Dt.16.2.73,E(W)74FU1-5 dt.13.3.75,E(W)76FU1-4 dt.27.3.76, E(W)74FU1-5 dt.26.6.76,E(W)82FU1-9 dt.17.8.82,E(W) 82 FU1-9 dt.12.1.83, E(W)84FU1-7 dt.17.1.85,E(W)86FU1-1, dt.14.5.87, E(W)87FU1-8 dt.16.11.89 E(W)88WE1-16 dt.21.3.89 and E(W)80FU1-1 dt.27/28.3.90)

Note: 1.Based on the overall per capita contribution of Rs.2.50 for promotion of sports activities and Re.1.00 for promotion of Scouts and Guides activities allotment for promotion of these activities shall be made by the Ministry of Railways in consultation with the Railway Sports Control Board and Railway Scouts and Guides Board respectively. For financing Inter-Railway Competitions allotment of funds set apart at the rate of Paisa five only on per capita basis will also be made by the Ministry of Railways.

(Nos.E(W)86FU1-1 dated 14.5.87 and E(W)90FU1-1 dated 27/28.3.90)s

2. For calculating the per capita contribution, the Railway Administrations should not take into account the permanent/temporary staff of Open line on transfer /deputation to Railway Electrification Project and COFMOW .

(Nos.E(W)84FU1-7 dated 17/1/85 and E(W)90FU1-2 dated 5/10/90)

3. The amount at 4 (5) above should be used exclusively on promotion of indigenous system of medicines. No carry forward will be allowed against this item of expenditure from the Staff Benefit Fund.

4. In regard to item(4) viz. Recreational facilities to officers and supervisory staff, the utilization of the amount referred to will be decided by the General Manager of the Railway in consultation with his F.A.&C.A.O. Separate account should be maintained for this item .

(Nos. E(W)77FU1-6 dated 25/10/78, E(W)74FU1-5 dated 21/5/75, E(W)74FU1-5 dated 13/3/75 & E(W)74FU1-5 dated 26/6/76.)

5. The Staff Benefit Fund will be managed by a Committee comprising of officials representatives and staff side represented by the two recognized Unions.

The Central Staff Benefit Fund-Committee at the Headquarters will be presided over by the Chief Personnel Officer of the Railway who will be the Chairman. Other Members of the Committee will be:

(i) The Chief Medical Officer

(ii) Chief Engineer

(iii) Welfare Officer to be nominated by the G.M. who will be the Secretary of the committee.

(iv) Six members equally to be selected from the two Unions.

The Divisional SBF Committee will be presided over by the Sr. Divisional Personnel Officer/Divisional Officer. Besides the Chairman the Committee shall consist of the following:-

(i) One Officer to be nominated by the DRM;

(ii) Two representatives from each recognized Unions; and

(iii) A welfare Inspector nominated by the DRM who shall act as the Secretary.

The Divisional SBF Committee shall have power to allot funds for the various activities specified subject to the Rules and limitations prescribed by the Central SBF Committee at Headquarters of the Railway.

Similarly Committee may also be formed by the Production Units/Metro Railway /Railway Electrification/ COFMOW .

(Nos.E(W)67FU1-23 dated 28/5/68, Paras 807-808 of IRE Code Vol.)

6. Members to the SBF Committees should be elected in a manner considered suitable by the General Manager. A member of the Central SBF Committee or the Divisional SBF Committee will hold office for a period of one year unless he is removed by the General Manager or resigns himself. He is, however eligible for re-nomination or election.

(Nos. E(W)67FU1-23 dated 25/1/68, E(W)65FU1-11 dated 11/8/66, E(W)FU1-3, dated 4/9.8.67 and para IREC. Vol).

7. Other salient points to be kept in view are as follows:-

(a) where assistance is given under Educational Assistance Rules, no further assistance from the SBF to be given. (No.E(W)63FU1-16 dated 10/6/64)

(b) In deserving cases of distress of ex-members or their families, relief may be sanctioned for the purpose of educational assistance but this cannot be as a regular measure as the serving employees have a prior claim. (No.E(W)65FU1-30 dated 17.1.66)

(c) Retired Railway employees or persons dismissed/removed or outsiders cannot be nominated to the SBF Committees. (Nos.E(W)68FU1-5 dated 30.4.68 and E(W)75FU1-5 dated 12.2.75).

(d) Railway employees under suspension should not be allowed to attend the meetings of SBF. However, there is no objection for a substitute taking his place.

(No.E(W)60NM 1-31 dated 1.11.60 and Para 808 of IREC Vol.)

(e) Expenditure on the maintenance of Maternity centers on the Railways are to be borne from 1/4/55 from Railway revenue instead of contribution from SBF.

(E.55FU1-5 dated 13.8.55 and E.55FU1-5 dated 19.10.55.)

(f) Railway employees serving on various Railway Recruitment Boards (previously called Railway Service Commissions) will continue to derive the individual benefit from the SBF of their parent Railway. For collective Benefit such as recreation, sports, etc., they will be attached to the Railway who has the Administrative control of the Railway Recruitment Boards.

(Nos.E(W)57FU1-2 dated 7.5.58 and E(W)59FU1-1 dated 15.1.59)

(g) The number of permanent staff of Open line in the Railways on their transfer to construction project except RE and COFMOW should be taken into account for the purpose of working out per capita contribution to SBF.

(E(W)069FU1-5 dated 17.2.70 E(W)84FU1-7 dated 17.1.85 and E(W)9-FU1-2 dated 5.10.90).

(h) The cost of stationery, printing charges of forms, postage charges and other contingent expenses relating to the Fund is met from the Railway Revenues. Expenditure on entertainment during SBF meeting should be met from the Fund itself.

(Nos.E(W)59FU1-12 dated 10.5.60, E(W)60FU1-3 dated 12.2.60 and para 806 of IREC Vol.I).

(i) Elected representatives of the SBF Committee will be issued passes of the classes to which they are eligible on privilege account as Railway servants.

(Para 1552 of I.R.E.M. of 1968).

8. The accounts of the SBF will be monitored and internally checked by the office of the FA&CAO and the Audit will make the checks.(No.E(W)63FU1-3 dated 11.4.1963.)

9. Annual Reports on the working of the SBF should be submitted by each Railway Administration to the Railway Board. (Para 812 of I.R.E.C. Vol.I)

10. General: (i) While referring to this Circular the original letters referred to herein should be read for a proper appreciation. This circular is only a consolidation of the instructions issued so far and should not be treated as a substitution to the originals. In case of doubt, the original circular should be relied upon as authority.

(ii) The instructions contained in the original circulars referred to have only prospective effect from the date of issue unless specifically indicated otherwise in the concerned circular for dealing with old cases, the instructions in force at the relevant time should be referred to; and

(iii) If any circular on the subject, which has not been superseded, has not been taken into consideration in preparing this consolidated letter, the said circular, which has been missed

through oversight should be treated as valid and operative. Such a missing circular if any, may be brought to the notice of the Railway Board.

Please acknowledge the receipt.

Sd/-
(B.S.DAHIYA)
Desk. Officer, Estt.(Welfare)
Railway Board

TO BE PUBLISHED IN THE EXTRA ORDINARY GAZETTE OF INDIA,

PART II, SECTION (3) (i)

GOVERNMENT OF INDIA/BHARAT SARKAR
MINISTRY OF LABOUR/SHRAM MANTRALAYA

New Delhi,

Dated the 5.12.1998

NOTIFICATION

G.S.R. No._____ WHEREAS THE DRAFT OF CERTAIN RULES FURTHER TO AMEND THE PAYMENT OF WAGES (Railways) Rules, 1938 were published as required by sub-section (5) of section 26 of the Payment of Wages Act, 1936(4 of 1936) in the Gazette of India, Part II section 3 sub-section(i) dated the 16th April 1984, under G.S.R. No.288(E) of the Government of India, Ministry of Labour inviting objections and suggestions from all persons likely to be affected thereby till the expiry of three months from the date of publication of the said notification in the Official Gazette.

AND WHEREAS the objections and suggestions received in respect of the said draft were considered by the Central Government.

AND WHEREAS again the draft rules were published in this Gazette of India, part II Section 3, sub-section (I) dated the 5th October 1987 as G.S.R. 838(E) dated the 5th October 1988 of the Government of India in the Ministry of Labour, inviting objections and suggestions from

all persons likely to be affected thereby till the expiry of three months from the date of publication of the said notification in the official Gazette;

AND WHEREAS the Gazette of India was made available to the public on 16th November 1987; AND WHEREAS the suggestions received from the public were considered by the Ministry of Labour; NOW, THEREFORE, in exercise of the powers conferred by section 26(2) and (3) read with section 24 of the said Act, the Central Government hereby makes the following rules further to amend the Payment of Wages(Railways) Rules, 1938, namely:-

(1)These Rules may be called the Payment of Wages (Railways) Amendment Rules, 1988.

(2)They shall come into force on the date of their publication in the official Gazette.

2.In rule 2 of the payment of Wages(Railway)Rules, 1938 (hereinafter referred to as the said rules), after clause(f) the following clause shall be inserted, namely:-

“(ff) (i) “family” means:

(a)Spouse, and

(b)children, whether married or unmarried of railway servant in that order of precedence.

(ii)”Dependent relative” means:

(a)dependent parents,

(b)his/her deceased sons’ widows and children;

(c)unmarried or widowed sister, brother/step brother provided residing with and wholly dependent on the railway servant.”

3.After rule 2 of the said rule, the following rules shall be inserted, namely:

“2A. Nominations(1)The nomination form given by a railway servant in respect of payment of provident fund deposits shall be treated as the nomination form for the purpose of disbursement of unpaid wages.”

4.The existing rule 9 of the said rules, shall be numbered as sub-rule (1) thereof and after sub-rule(1)as so numbered, the following sub-rule shall be inserted namely:

“(2) The Chairman of the Staff Benefit Fund Committee functioning in each Zonal railway, production units of the railways and other railway organisations, independent

of a zonal railway, shall be the prescribed authority with whom the amount required to be deposited under clause(b)of sub-section (1)of section 25A of the Act shall be deposited and who shall deal with the amount so deposited in the manner prescribed in the rule 108”.

5.After rule 18 of the rules, the following rules shall be inserted, namely:-

“18A Deposit of amount of undisbursed wages-

(1) In respect of the staff on Railways including Production units and their staff to Establishments, all amount of undisbursed wages remaining with the paymaster on account of death of an employee an account of his whereabouts not being known, shall be transferred to the Staff Benefit Fund by the Accounts Officer after the expiry of three years.

(2) The amount referred to in sub- rule (1)shall be deposited by the paymaster together with relevant details in Form VI to the Chairman, Staff Benefit Fund.

“18B Manner of dealing with amounts (1)The amounts deposited with the Chairman, Staff Benefit Fund under Rule 18A shall remain with the Chairman of the Fund for four years.

(2) 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.

(3) The prescribed authority shall release the money to the nominee or to that person who has claim to this money and which has been decided by the competent authority/court.”

“18C The amount deposited under rule 18A shall be applied by the Chairman of the Staff Benefit Fund to meet the expenditure for the purpose prescribed for Staff Benefit Fund”.

“18D The family member/dependents 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 in the order of precedence given in clause(ii) of rule 2 can make claims of the amount at any time, within seven years during which time the wages remain with the paymaster for a period of first three years, as specified in rule 18A(1) 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”.

6.In Form III of the said rules:

(a) in items 3(c) and 5, for the figure “100”, the figures “1600” shall be substituted;

(b) after item 7, the following item shall be inserted, namely:-

“8. Number of cases and amount of undisbursed wages on account of the death of the employed person or his whereabouts not being known deposited with the Chairman, Staff Benefit Fund.

Number of cases

Amount

(a) cases in which wages remained undisbursed for want of nomination

(b) cases in which wages could not be paid to person nominated by person for any reason.

7.In Form IV of the said rules:-

(a) In item 1, for the figure “400”, the figure “1600” shall be substituted;

(b) in clause(a) of sub-item (2) of item 9, for the words, “half anna in the rupee” the words, “three percent of the wages payable to him in respect of that wage period in which fine is imposed’ shall be substituted.

(c) after item 19, the following items shall be inserted namely:

“19A. Payment of undisbursed wages(1)If all amounts payable to an employed person as wages could not or cannot be paid on account of his death before payment or on

account of his whereabouts not being known, shall be paid to the person nominated by him in this behalf.

(2) Where wages remain undisbursed because no nomination has been made by the employed person or for any reason such amounts could not be paid to the nominees of the employed person until the expiry of three years from the date the same had become payable, all amounts of such undisbursed wages shall be transferred by the Accounts Officer to the Staff Benefit Fund before the expiry of the fifteenth day after the last day of the said period of three years.

“19B. Manner of dealing with the deposited amounts: The amounts of undisbursed wages deposited with the Chairman, Staff Benefit Fund shall be applied by him to meet the expenditure for the purpose prescribed for the Staff Benefit Fund.

8. After Form V of the said rules, the following form shall be inserted, namely-

FORM VI

(See Sub-rule (2) of rule 18A)

From

(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-rule(1) read with sub-rule (2) of rule 18A of the Payment of Wages(Railways) Rules, 1938, I transfer the amount of Rs._____(Amount in figures)Rs._____(Amount in words) from Suspense New Deposit unpaid wages to Staff Benefit Fund. The above mentioned amount represent all amounts payable as wages to person(s) enlisted in the Annexure I& I I employed in _____(mention the

name and the address of the establishment) which remained undisbursed because either no nomination has 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.Particulars of the relevant wages-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 of cases in which all amounts payable to an employed person as wages

could not be paid to person(s) nominated by the employed persons

(Mention the number of such cases)

Signature of the Paymaster/ Officer Authorised

Designation

Name and address of the Establishment

or Rubber Stamp thereof

Place_____

Date _____

ANNEXURE I

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

ANNEXURE II

S.No.	Name and address of the employee	Wage of nominee	Amount payable	Period
1	2	3	4	5

Total -----

Sd/

(PADMA VENKATACHALAM)

DY.SECY.

NO.S-31012/8/82-WC(PW)

Foot Note: The Principal rules were published vide notification No.L-3071(1) dated 5th May 1938 in the Gazette of India, 1938 and subsequently amended by

(i)Noti.No.S.R.O.429, dated 4th March 1952

(ii)Noti. No.711,dated 24th March 195

(iii)Noti. No.S.O.359,dated 6th February 1961

(iv)Noti.No.2497/PW/Rlys/Rules/Am. Dated 31.7.1962

(v)Noti.No.S.O.890-PW A/Rlys/Rules/Am DATED 11.3.65

(vi)Noti No.S.O.3513-pwa(Rlys)Rules/Am dated 4.11.1965

(vii)Noti No. G.S.R.443 dated 25.5.1983.

CHAPTER XV

RAILWAY SCHOOLS

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GENERAL:

- 1501 Railway schools are opened and run by the Railway administration for the benefit of the children of the Railway employees. They are maintained and entirely controlled by the administration with or without the assistance from the State revenues or income from other non-Railway sources. No new Railway schools should be opened without the prior sanction of the Railway Board.
- 1502 Children of other than Railway employees may also be admitted in Railway schools and no distinction need be made in regard to the collection of fees from the children of Railway employees and outsiders. But, fee concessions such as (i) full remission of fees in primary classes, and (ii) partial remission of fees in respect of a second or third child of the Railway employee admitted in the same school is not to be extended to outsiders.
- 1503 The Manager and correspondent of the school is responsible for the normal functioning and correct maintenance of the accounts of the school. The following will be the normal items of expenditure for the day - to-day working of the school:-
- (i) Purchase of textbooks, maps, charts, teaching aids, etc. for the use of teachers.
 - (ii) Purchase of chemicals not stocked in the Stores Department.
 - (iii) Printing of non-standard forms required to comply with the educational rules.
 - (iv) Stationery for teachers' use.
 - (v) Science appliances and apparatus,
 - (vi) Repairs to furniture, etc.
 - (vii) Purchase of prize articles, etc.

Requirements as per items (i), (ii) and (vii) are obtained by the correspondent by local purchases and the bills for such purchases should be checked with reference to -

- (i) the budget provision for the expenditure;
- (ii) the correctness of the rate as per the order ; and

(iii) the certificate regarding correct receipt, accountal, etc.

The other items viz., items (iii) to (v) are obtained through Controller of Stores and item (vi) is arranged to be done departmentally locally.

1504 A separate Bills Passing Register should be maintained in expenditure section for the passing of the bills pertaining to the school expenditure. Separate pages should be allotted for each item such as books, maps, etc. and for each school showing the following details:-

(i) The budget provision.

(ii) The order number and date.

(iii) The CO6 number and date.

(iv) Amount of the bill.

(v) Date passed.

1505 It should be ensured that the total expenditure on the day-to-day working of the school does not exceed the budget provision.

GRANTS:

1506 The Manager and correspondent is also responsible for obtaining the educational grant from the State Government concerned according to the State educational policy.

The normal grants that are allowed are-

(i) Teaching Grant

(ii) Building Grant

(iii) Furniture and Equipment Grant.

1507 Besides the normal grant, special grants are also admissible for fee concessions, i.e., for non-levy of fees to Harijan pupils, non-levy of fees upto certain classes as enacted by the State Government concerned non-levy of fees and supply of books to dependents of deceased Railway employees sent for Military service.

1508 The Accounts Officer should ensure that the grants have been obtained at the time of compiling and certifying the income and expenditure account of the schools.

- 1509 The schools are to be inspected and the accounts checked by the State Government officials concerned before the grant is sanctioned. A fee for such inspection is levied, but the same is taken into account for purposes of the grant.

INCOME AND EXPENDITURE ACCOUNT :

- 1510 A monthly and annual income and expenditure account of each school in the division will have to be prepared by the Sr. D.A.O. and certified and sent to the Correspondent and Manager of the school. For the preparation of this account, the details should be obtained by the Sr.D.A.O. from the Correspondent and Manager of the school. The income and expenditure account is to be prepared in the prescribed form .

CHAPTER XVI

CATERING ACCOUNTS

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1601. The departmental catering services on Railways are undertaken mainly with a view to serve food and edibles to the travelling public to taste and under standards of hygienic conditions. Besides cooked food, manufactured articles such as biscuits, bakery products, aerated water, cigarettes etc. are also sold through departmental catering units under comprehensive catering scheme.

On this Railway, departmental catering service is under taken in the following stations:-

1.Vijayawada 2.Kazipet 3. Secunderabad 4. Hyderabad 5. Hubli 6.Cuddapah
7.Tirupathy 8.Samalkot 9.Miraj 10. Gudur 11.Guntakal 12.Raichur 13.Renigunta

1602. With effect from 1st April 1963, the catering accounts, work has been decentralized. Consequent on decentralization, excepting the passing of bills for bulk purchases of provisions, sugar, coffee seeds and controlled commodities, the check of the catering accounts pertaining to the division is done in the Divisional Accounts Office. (Joint P.O.O. No. C/65/F/P/1976 of 20.8.1976 issued by CCM/SC & FA&CAO/SC IS enclosed as annexure 'A' at the end of this Chapter).

PURCHASE POLICY:

1603. The following is the general policy adopted for the purchases of provisions etc. required for the running of the catering units :-

- (i) On contract basis
- (ii) By advances
- (iii) From room collections.

(i) Contract basis:- The following items are purchased on contract basis:-

- (a) Provisions
- (b) Charcoal
- (c) Milk and butter-melted ghee

(d) Mutton, eggs and chicken

(e) Cleaning of vessels and washing of clothing

(ii) By advances: Controlled commodities, sugar and coffee seeds are purchased by taking advances duly obtaining the General Manager's sanction therefor.

(iii) From room collections: Perishables such as vegetables fruits etc. are purchased from room collections.

PURCHASES ON CONTRACT BASIS:

1604. The assessment is made for the provisions required for all the Catering units on the Railway including dining cars by the *Chief Commercial Manager* and tenders are called for, for the supply of the various provisions. On acceptance of the tender, an agreement is executed with the successful tenderer for the supply of the provisions. The contracts are generally awarded for a six month period only. The bills for such supplies are accepted by C.C.M./Catering, Secunderabad and are passed in the Headquarters Expenditure Section.

For other items viz, charcoal, milk, butter-melted ghee, mutton, eggs and chicken, cleaning of vessels and washing of clothing, tenders are invited and contracts entered into by the Divisional Commercial Officers for the units in their divisions and by C.C.M./SC for the centrally controlled units. Except in respect of milk and butter-melted ghee, the bills received from the Commercial Branch duly accepted should be checked in the accounts with reference to the rate etc., in the agreement and passed for payment.

As regards milk and butter-melted ghee, though a contract is entered into for the rate at which the same is to be supplied, yet as the contractors demand immediate payment, the payment is arranged by Room Managers from room collections through spot payments vouchers. These vouchers are supplied to the Room Managers in Book forms serially machine numbered containing the following details:-

(i) Date of purchase.

(ii) Quantity

(iii) Rate as per agreement

(iv) Acknowledgement of the contractor for amount received.

1605. These spot payment vouchers will be sent along with the month ending transaction ledger by the Room Managers and the check to be exercised on the same is dealt with in the Check of Returns(2) of this Chapter.

PURCHASES FROM ROOM COLLECTIONS :

1606.  Perishable items such as vegetables, fish. Eggs, milk, butter-melted ghee etc. and any other items of petty expenditure which the Chief Commercial Superintendent may authorize from time to time are purchased from room collections.

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1607. Besides the items mentioned above, the following petty items of expenditure may authorize by the CCM from time to time are purchased from room collections.
- (i) Washing of napkins
 - (ii) Stitching of Idly cloth and jangari cloth
 - (iii) Screening charges
 - (iv) Grinding of provisions in mills
 - (v) Splitting of sleepers taken from the Engineering Department for use as fuel
 - (vi) Cost of tinning and repairing of vessels
 - (vii) Purchase of provisions in small quantities due to non-supply from the Godown, SC in time.

PROPRIETARY ARTICLES:

1608. Manufactured articles such as biscuits, bakery products etc., are purchased on a proprietary basis. For the purchase of these items, a lump sum sanction of G.M. is obtained for each month based on a reasonable assessment by C.C.M. after getting finance concurrence therefor. The articles are purchased from reputed firms dealing with such articles upto the sanctioned limit. The passing of the bills for proprietary articles was centrally done upto 1968, this phase of work also has been decentralized. After obtaining G.M.'s sanction, the amount upto which the purchase can be made by the Divisions, will be advised by C.C.M./SC to D.C.M./Sr.D.A.OS of the Divisions. Before admitting such bills in internal check and arranging payment, it

should be ensured that it has been certified in the bill that the articles are of proprietary nature. The rate claimed in the bill should be checked with the rate list supplied by the firms and accepted by C.C.M. It should also be ensured that the total purchases for the month do not exceed the limit of the sanctioned amount advised for each month. The bill should then be passed for payment. In order to ensure that the total amount sanctioned for the month is not exceeded, separate pages should be allotted in the bills passing register for each month, duly noting at the top of the page, the amount sanctioned for the month. As and when the bills are passed, the cumulative total should be struck out so that it may be possible to admit the bills in the internal check only upto the limit sanctioned.

CHECK OF RETURNS (1):

1609. The internal check of Catering Accounts consists not only of the check of bills for purchase etc., but also of the check and adjustment of the daily cash purchases from out of room collections, The check and adjustment of spot payments made for milk and butter-melted ghee, verification of the correct remittances of the sales effected in the rooms after meeting the local purchases, verification and payment of the sales tax on sales in the Catering units and check of P & L account of the Catering department. To exercise the above mentioned checks, certain returns are required to be submitted by the Catering units to Accounts Office through the Commercial Branch.

RETURNS TO BE SUBMITTED TO ACCOUNTS OFFICE:

1610. The following returns are to be sent, to the Accounts Office by the Commercial Branch for check and further action, by the 10th of the succeeding month to which the return relates:-

- (1) Month ending transaction ledger/Trip ending transaction ledger for Dining Cars.
- (2) Daily cash purchase vouchers for each month verified and countersigned by Sr.D.C.M.
- (3) Spot payment vouchers for each month countersigned by Sr.D.C.M.
- (4) Statement of daily collections and remittances(Schedule F)

(5) Vending commission vouchers.

(6) Loss statements.

(7) Daily sale statement and monthly sale statement of proprietary articles.

1611. To watch the correct receipt of the above returns, a Returns Inward Register should be maintained in the Accounts Office and any delay in the receipt of the returns taken up with the Commercial Branch. The register should be reviewed by the SO/SSO(A) and put up to the Accounts Officer for review every month. This should also be included in the Calendar of Returns (inwards).

Besides Returns Inward Registers, other registers like Contractors' Bills Register, Recovery Registers, Adjustment Registers and Register of advice of Remittances and Daily cash purchases should also be maintained in the Accounts Office.

CHECK OF RETURNS (2):

1612. (a) Month ending Transaction Ledger in the case of rooms

(b) Trip ending Transaction Ledger in the case of Dining Cars.

(2) Daily Cash Purchase vouchers.

(3) Spot payment vouchers.

The month ending transaction ledger contains 8 columns. The checks to be exercised on the particulars furnished in the 8 columns are as detailed below-

Column 1.- Column 1 shows the number prepared under each item of edibles, the number sold, the value thereof and the balance left over unsold at the end of the month. The correctness of the value shown with reference to the quantity sold under each item should be checked with reference to the sale rate list published by G.M./C/R.R and discrepancy, if any should be taken up with the Commercial Branch. Then, the total should be checked.

Column 2.- Column 2 shows details of the daily cash purchases made out of the room collections and grouped under 3 categories viz., A,B and C

(A)-Local purchases of vegetables etc.(other than contracted and Stored items)

(B)-Spot payments (for the purchase of milk and butter-melted ghee.)

(C)-Miscellaneous charges (Cooly, grinding charges, firewood splitting charges etc.)

1613. The total cash purchases should be supported by vouchers. The cash purchase vouchers should be checked to see-

(a) That the vouchers are in original and are in proper form and are in English/Hindi; if they are in other languages, they are rendered into English/Hindi.

(b) Whether the cash purchase is permissible under the rules.

(c) Whether the acquittance of the party has been obtained. A stamped acquittance is obtained if the amount is more than Rs.20.

(d) In the case of vegetables etc. purchased for which vouchers could not reasonably be obtained, it has been certified by the Manager of the room that the purchases have been actually made by him.

(e) In respect of miscellaneous charges incurred, screening and cleaning charges have not been incurred on provisions supplied from the Head Office godown as such items are to be supplied by the contractors duly screened and cleaned as per contract provisions.

(f) For spot payments made for the purchase of milk and butter-melted ghee –

(i) the prescribed form of voucher has been used for obtaining the acquittance of the party;

(ii) that the original voucher has been received as these spot payment vouchers are supplied to the Room Managers in Book forms machine numbered in duplicate;

(iii) the rate shown is as per the contract rate;

(iv) the amount paid is correct for the quantity purchased ;

(v) stamped acquittance has been obtained if the amount exceeds Rs.20;

(vi) the required certificates have been given.

(g) All the vouchers have been countersigned by a Gazetted Officer of the Commercial Department.

1614. After exercising the above checks, the total amount of the vouchers grouped category wise under A, B, C should be extracted separately and verified with the summary shown on the reverse of the ledger under the 3 groups. Then the vouchers should be enfaced 'Post audited and adjusted in Accounts' and filed.

Column 3- This column is not required to be filled in, in the case of Month ending transaction ledger.

Column 4 - This column shows the total number of meals served during the month and the value thereof. The number of meals issued during the month as shown therein should be checked with reference to the closing number of ticket during the previous month, the commencing number of the current month and the closing number of the current month. The arithmetical accuracy of the amount should also be checked for the total number of meals issued with reference to the rate list published by G.M./C/R.R./SC. In respect of free meals served to the staff who are entitled for such free meals, coffee etc., the number of meals etc., served should be checked with reference to the details furnished in the ledger so that the correctness of the amount collected by sale can be verified. A list of staff entitled for free meals etc., in each room should be obtained from the Commercial Branch and kept under record to verify the details shown in the ledger.

Column 5.- This column shows the milk account, i.e., the total quantity of milk purchased and how the same has been utilized. The total quantity shown should be checked with reference to the total quantity shown under group 'B' in column 2. The details of utilization should also be checked (i.e.,) the quantities shown as issued for coffee, tea, etc., tally with that shown in column 1. If any quantity is shown as having been issued to the Dining Car (in the case of Headquarters rooms), it should be counterchecked with the trip ending transaction ledger of the Dining Car concerned regarding the correctness thereof. The quantity of curd shown in column 6 will be $1\frac{1}{2}$ times the quantity of milk shown in column 5. The correctness of the opening and closing balances should also be checked.

Column 6.- This column shows the curd account. Generally, curd will be converted from milk. The quantity so converted should be verified with reference to the quantity of milk shown to have been issued for such conversion under column 5. If

any curd has been purchased, the same should be checked with reference to the voucher received along with the daily cash purchase vouchers. The utilization should also be checked with reference to the details shown therein.

Column 7- This column shows the ghee account. The total quantity shown therein should be checked with reference to the quantity shown under column 2-B. if any quantity of ghee is shown as having been purchased locally, the same should be checked with reference to the daily cash purchase voucher.

Column 8- This column shows the coffee decoction account. This should be checked with reference to the number of cups of coffee shown to have been prepared as per schedule as shown in column 1 of the ledger.

Then the total of column 1 should be verified and discrepancy if any regarding short accountal etc., taken up with the Commercial Department.

On completion of the above checks, a summary of the purchases should be prepared for adjustment of the amount spent by debit to the head Demand No.412 (for provisions)and Demand No.12(for other charges). Then, a journal entry should be made out debiting K 412 and crediting Z 310 Catering earnings. An endorsement should be made in the Ledger 'Checked and adjusted in Accounts in the month of' and the same should be attested by the Section Officer of the Section.

(1) (b) Trip ending transaction ledger in the case of Dining Cars- In the case of Dining Cars, the trip ending transaction ledger will be submitted in Form T.720-B for each trip. The ledger contains 5 columns. The details furnished in the 5 columns and the checks to be exercised on the same are as under-

The first column shows the total preparations sold during the trip, the number and the value thereof. The correctness of the value should be checked with reference to the selling rate list published by G.M./SCR/SC.

Column 2 contains the particulars of cash purchases. The same should be checked with reference to the cash vouchers attached to the ledger. The cash vouchers should

be checked to see that the acquittance of the party- stamped acquittance if the amount exceeds Rs.20, has been obtained and that the vouchers have been countersigned by a Gazetted Officer of the Commercial Department; then the total should be checked.

Column 3 contains the commodities obtained by the Dining Car Managers from the Catering units en route. When debit is received from other Railways for such supplies, the voucher enclosed to such debits should be checked with reference to the details shown in this column before accepting such debits. A cross reference should also be given i.e., the Foreign Railway D.A.T.D. No. and date against each item to avoid any double debit being received for the same item.

Column 4 contains the actual consumption of important stores used up during the trip. This is not susceptible of check in the internal checking section.

Column 5 shows the empties account and this column is also not susceptible of internal check.

After checking each trip ending ledger for the month, a summary should be prepared for the total cash purchases made during the month and for any miscellaneous expenditure if any incurred and an adjustment entry made debiting 12-412 and crediting Z-310 catering earnings.

(4) Statement of Daily collections/Trip ending collections in the case of Dining Cars-Schedule 'F'- The 'F' Schedule should be prepared in Form No. T.342/Catering. The Schedule is submitted monthly in duplicate which contains the following information:-

- (i) Date or trip(in the case of Dining Cars)
- (ii) Total sales.
- (iii) Sales by vendors
- (iv) Amount of daily cash purchases
- (v) Commission paid
- (vi) Amount paid to the Base depot Manager/Delhi in the case of Dining Cars.
- (vii) Other items
- (viii) Amount remitted into station collections and
- (ix) Remittance particulars i.e., C.R.Note No. and date.

The particulars shown in the 'F' Schedule should be checked with the particulars shown in the month ending/trip ending transaction ledger and discrepancies, if any, taken up with the Commercial Branch. For amounts shown under the head 'Special Catering', it should be ensured that necessary adjustment memos are received and the same adjusted to Earnings.

One copy of the Schedule should then be sent to S.A.O./T/SC for verification of the correctness of the remittances and advice. If any discrepancy is pointed out by S.A.O./T/SC, the same should be taken up with the Commercial Branch and short remittances, if any, arranged to be made good.

In regard to remittances made on Foreign Railways by the Dining Car Managers at the end of the trips, it should be ensured that necessary credit is afforded to this Railway by the Foreign Railway concerned and if the credit is not received, the Foreign Railway concerned should be addressed and it should be ensured that the credit for the amount is passed on to this Railway and adjusted to Earnings Z.320.

(5) Vending Commission Vouchers: In order to push up the sales, vendors/waiters have been appointed on Commission basis, the commission being paid at a percentage of the sales effected by them. The vendors have to furnish a security deposit of Rs.250 on appointment. The Commission is to be paid from the room collections within 10 days of the close of the period to which it relates, without any pre-check. The Commission bills should be subsequently post-checked in the Accounts Office-the nature of post-check being decided locally.

On this Railway, a cent per cent check of the commission vouchers is to be done.

The following checks should be exercised on the vending commission vouchers received in the Accounts Office:-

(i) The correctness of the amount of commission paid with reference to the Sales effected by the vendor and the rate of commission admissible.

(ii) Whether the acquittance of the vendor has been obtained for the payment (stamped acquittance, if the amount exceeds Rs.20)

(iii) The total amount of commission paid as per the vouchers tallies with that shown in the Month ending transaction ledger and 'F' Schedule.

After conducting the above checks, the amount of commission paid during the month should be adjusted by debit to K 412 and credit to Z310-Catering earnings- through a journal entry, making necessary endorsement in the commission vouchers 'Checked and adjusted in the month of... ..'.

(6) Loss statement: The loss statement is prepared by the Commercial Branch based on the shortages and wastages statements worked out by the Unit Inspectors and reported to the Commercial Branch as also those reported as a result of Accounts Inspection. Wherever the staff are found responsible, the amount recoverable from the staff as also the total loss will be indicated in the loss statement separately. Besides the wastages, losses due to breakages or otherwise for which also the staff are found responsible, the amount recoverable from the staff as also the total amount of loss will be indicated in the loss statement separately. For the amount for which the staff are found responsible, the amount should be arranged to be remitted by the staff in cash or arranged to be recovered through the pay bills.

In order to watch the recovery of the amounts, a recovery register should be maintained showing the following details:-

- (i) Reference to the Loss statement No. and date
- (ii) Name and designation of the staff responsible.
- (iii) Amount recoverable
- (iv) Recovery particulars with reference to Pay Bill particulars etc.

In respect of the amount of loss for which no staff responsibility could be fixed, it should be seen that necessary sanction for write off is obtained and forwarded by the Commercial Branch as the same has to be exhibited in the P.& L. account of the Catering units.

(7) Sale statement of Proprietary articles: The proprietary articles are sold in Kiosks set up by the Administration in platforms and also through licensed vendors. In respect of sale by vendors the value of the articles handed over to them is obtained in advance, less the commission due to them and the amount remitted daily. In respect

of sales through Kiosks, where the sale is effected by departmental men, the articles are handed over daily by the Room Manager under clear acquittance from the salesman and the amount of sales collected from him and remitted into station collections daily.

A daily statement containing the articles handed over to each of the vendors, the value thereof, the commission Paid and the Credit Note under which the amount has been remitted is prepared and sent at the end of the month along with the 'F' Schedule. Similarly for sales effected through the Kiosks also, the total sales in the Kiosks are shown in the summary of the daily sales statement of the vendors.

The following checks should be exercised on the daily sales statement:-

- (i) The correctness of the value of the articles supplied to the vendors with reference to the sale price list published by the Commercial Branch.
- (ii) The correctness of the amount of commission paid.
- (iii) The total sales by the vendors and the commission paid as summarized.

The following checks should be exercised on the monthly statement:-

- (i) That the opening balance under each item of articles is correct as per the closing balance of the last month's statement.
- (ii) The number of articles shown as issued to the vendors tallies with that shown in the daily statement.
- (iii) That the value of the total articles sold through Kiosks as shown in the statement tallies with the total of the sales through Kiosks shown in the daily statement.

It should then be verified that the total amount of sales less the commission paid has been remitted and remittance particulars given both in the summary of the daily sales statement and in the 'F' Schedule. The 'F' Schedule should then be sent to S.A.O./T/SC to verify the correctness of the remittance and advise.

Then a journal entry should be prepared for the total commission paid and other miscellaneous charges during the month by debit to K 412 and credit Z. 310 earnings

and the following endorsement made in the month ending statement and attested by the Section Officer.

‘Checked and adjusted in the month of’

In order to ensure that the checks of the above returns are exercised and adjustments are effected without delay, a register of adjustments should be maintained in the Accounts Office wherein details of adjustments effected should be recorded. The Adjustments register should contain the following details:-

- (i) Name of the Unit.
- (ii) Total sales as shown in the ‘F’ Schedule.
- (iii) Daily cash purchases.
- (iv) Commission paid.
- (v) Other charges.
- (vi) Amount remitted.
- (vii) Date on which ‘F’ Schedule was sent to S.A.O./T/SC for verification of the remittance.
- (viii) Date of receipt of advice from S.A.O./T/SC for verification.
- (ix) Month in which adjusted.
- (x) Reference to J.V.No. and date.
- (xi) Initials of the Clerk and of the supervisory staff.

Separate page should be allotted for each month. The returns register referred to in the above para as also the adjustments register should be reviewed by the first week of every month by the Section Officer and submitted to the Accounts Officer for scrutiny to ensure that the adjustments have been made currently and there is no delay in the receipt of the returns or in adjustments.

PROFIT AND LOSS ACCOUNT-QUARTERLY AND ANNUAL:

1615. The Headquarters Commercial Branch(Catering) should compile a Quarterly Profit and Loss statement and submit the same to the Railway Board together with a narrative ‘Review’ assessing the performance of the Catering department, duly vetted

by the F.A.& C.AO. These quarterly statements are to be submitted to the Board on the dates indicated below:-

Quarter No	Period (for the Quarter)	Date of Submission to the Board's Office
1	April-June	15 th August
2	July-September	15 th August
3	October-December	15 th February
4	January-March	10 th June

1616. The Profit and Loss statement from 2nd quarter onwards should indicate separately for the quarter and also the cumulative position, the last quarter indicating the working results of the whole year. These quarterly statements should be submitted in Pro forma 'B' sent with Board's letter No.59-TG III/677/28 dated 20th October 1959, which has subsequently been revised (vide note below)

1617. The Pro forma 'A' sent with the Board's letter referred to above which has subsequently been revised (vide note below) is to be adopted for the preparation of the Annual Profit and Loss Account for inclusion in Appropriation Accounts.

(Authority : Railway Board's letter No.59-TG.III/677/dated 20th October 1959)

Note: These Pro forma 'A' and 'B' in which the Quarterly/Annual P.& L. statements are to be submitted have since been revised in Board's letter No.66 TG III/636 dated 3rd May 1966.

1618 In order to ensure that the Quarterly P.&.L. statements are sent to the Board by the target date, the following target dates should be adhered to by the Commercial Branch/Accounts Office in the submission /verification of the P.&.L. statement.

Quarter ending	To be submitted by the Commercial Branch	To be sent by Accounts Office after verification
June	1 st August	5 th August
September	1 st November	5 th November
December	1 st February	5thFebruary
March	25 th May	1 st June

- 1619 The Divisional Commercial Officers should send the P. & L. statement in triplicate to the D.A.O. For verification and transmission of one copy to G.M./C/SC and one copy to F.A.& C.A.O./SC. On receipt of the verified P.& L. statements from the divisions and Headquarters Office(for the Headquarters controlled units), G.M./C/SC should send the consolidated Quarterly P. & L. account for the Railway as a whole to F.A.&C.A.O. (Expenditure Section) by the following dates for verification and return to enable him to send the consolidated account to the Board by the target date: -

Quarter ending	Date by which G.M./C/S.C. Should submit	Date by which copy is to be returned by F.A. & C.A.O after verification
June	10 th August	12 th August
September	10 th November	12 th November
December	10 th February	12 th February
March	5 th June	7 th June

- 1620 The annual P.& L. account in Pro forma 'A' to be submitted for the purpose of Appropriation Accounts, should be prepared and submitted by Sr. D.C.S./G.M./C SC, immediately after the close of March Accounts, so that the advance copy may be sent to the Board duly verified by Accounts by the target date as would be fixed by the Board every year.

A copy of the verified account should be sent by the Divisional Accounts Office to the Divisional Audit Office for verification and if as a result of Audit verification, any modification becomes necessary, the revised copy of the P.&L. account as verified by Audit should be sent by the division to G.M./C/SC and F.A.&C.A.O. As regards Headquarters units, the result of Audit verification should be communicated to G.M./C/SC On receipt of the verified copies from all the units, a consolidated copy should be prepared by G.M./C/SC and sent to F.A.&C.A.O. for final verification of Audit at Headquarters. On final verification by Audit, the P.&L. account should be submitted to the General Manager for his scrutiny and signature for transmission to the Board. After the copy has been signed by G.M. personally, three copies of the account should be sent to the Railway Board, two copies to the Chief Auditor, SC,

one copy to Budget Section/ F.A.&C.A.O.'s office and one copy to Commercial Branch and the Office copy retained in the Expenditure Section/Headquarters Office.

VERIFICATION OF THE P.&L. ACCOUNT:

- 1621 In checking the P.&L. account, besides verifying the correctness of the amounts shown under the various columns on both the debit and credit side of the account with the records in the Accounts and Commercial Branches, the instructions contained in the Annexure to the Board's letters nos. 59-TG. III/677/28 dated 20th October 1959 and 59-TG/III/677/28 dated 4th August 1960 as also the instructions contained in the form of the P.& L. account sent with Board's letter No. 66-TG.III/636 dated 3rd May 1966 should be borne in mind. As the P.&L. accounts are prepared on accrued basis, it should be ensured for the quarter/year have been taken into account. In order to enable a reconciliation of the figures actually booked in Accounts and that exhibited in the P.&L. account a reconciliation statement should be attached to the P.&L. account showing the undischarged liabilities/unrealized earnings, as also amounts pertaining to previous period or subsequent period booked in accounts during the quarter/year.

SALES TAX:

- 1622 The question of collection and payment of sales tax on departmental catering sales to the State Governments had been engaging the attention of the Railway administration and the Railway Board and as finally directed by the Board, the sales tax is being collected and paid in respect of the departmental units in Chennai, Mysore, and Andhra Pradesh states. So far as Kerala State is concerned, the State Government of Kerala have exempted the collection and payment of sales tax in respect of the catering units in that state.

As it is not possible to collect sales tax individually on each sale in the catering establishments the element of sales tax has been included in the tariff itself and on the sales effected, the sales tax is calculated and paid to the governments. As this is being done centrally, the details of sales effected that will attract sales tax as per the

provisions of the Sales Tax Act of the respective State Governments are got verified by the Sr.D.A.O.'s. before the sales tax is paid to the State Governments.

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ANNEXURE 'A'

JOINT COMMERCIAL & ACCOUNTS PROCEDURE ORDER NO. C.65/F/P/1976 OF 20.8.76

1)The following unified accountal procedure will be followed by all departmental catering units on the South Central Railway with effect from 1.9.1976. This joint procedure order supersedes all previous instructions in force issued by the Central and Southern Railways.

2.01: Organization:

Departmental Catering Units function under over-all control of Chief Commercial Superintendent. The Catering Units on Secunderabad Division are under the executive control of the Headquarters of Commercial Department and those of Vijayawada and Hubli divisions are under the executive control of Divisional Superintendents respective Divisions.

2.02:Administrative and Executive Control:

The Senior Divisional Commercial Superintendent/Divisional Commercial Superintendent will exercise administrative and executive control, on behalf of the Divisional Superintendent, over Departmental Catering Units managed by the Divisions. These functions will be exercised by the Senior Commercial Officer (Catering) , on behalf of the Chief Commercial Superintendent, in respect of departmental catering units managed by the Headquarters. The Senior Commercial Officer(Catering) at Headquarters will also be responsible for prescribing schedules of Ingredients, notifying tariff rates and procuring and distributing manufactured articles and dead stock items such as crockery and cutlery.

2.03: *Each Departmental Catering Unit will be under the charge of a Catering Inspector/Manager who will manage the day to day running of the Unit and maintain records for the receipt and utilization of raw materials and the accountal of cash.*

3.01: Receipt of Raw Materials: *The accountal of raw materials and other supplies should be done as detailed in the following paragraphs.*

3.02: Local Purchases : *The following items can be purchased by the Catering Inspector/Manager from Catering earnings:-*

- (a) Vegetables*
- (b) Fish*
- (c) Mutton*
- (d) Eggs*
- (e) Poultry*
- (f) Other perishable items.*

However, these items should not be purchased from catering earnings if they are obtained on tender/rate contract. Utilization of catering earnings for the purchase of items not listed above requires the sanction of the Chief Commercial Manager vide Railway Board's letter No. 73-TG.III/636/4 dated 21.10.1974 and should not be resorted to without the prior written sanction of the competent authority. Individual cash receipts (on revenue stamp if the value exceeds Rs.20/-) should be obtained for each purchase. The materials purchased for should be accounted for in the Stock Book DC-4 and the relevant folio number of the Stock Book should be noted on the cash receipt. On receipt of the vouchers with the Daily Transaction Statement DC-17 in the office of DCS/SCO(Catering) they are accepted allocated, certified for availability of funds and forwarded to the DAO/FA&CAO along with the monthly summary of Daily Transaction Statements at the end of the month for internal check and record.

Payment can be made from the daily earnings of the Unit in respect of the following and any other items of petty expenditure which the Chief Commercial Manager may authorize from time to time.

- (a) Tinning, Grinding and Cleaning charges .*
- (b) Cooly Hire charges.*
- (c) Conveyance charges*
- (d) Repairs to utensils if the same are petty depending upon daily and immediate use.*
- (e) Octroi.*
- (f) Dhobi charges.*

3.03: Purchase from supplier/firms: *The Chief Commercial Manager/Divisional Manager will enter into contracts for the supply of materials, or place orders after calling for tenders, or arrange for supplies through Co-operative Societies/Super Bazaars, or authorise direct purchase by an Officer's Purchase Committee, either on credit or on cash payment. A copy of the firm order or other arrangements made should be supplied to the following:*

- a) FA & CAO*
- b) CCS/SCO(Catering/DCS)*
- c) Catering Inspector/Manager*

When a contract is executed for the supply of material during a specified period the Manager should place an indent well in advance, according to his requirements, on the contractor for the supplies needed. The indent should be placed on form DC-3 "Requisition for Supplies". When supplies are received they should be verified and checked by the Manager and acknowledged through Receipt Note DC.3 supplies received must, be immediately entered in the Stock Book DC.4 quoting reference to the Receipt Note Number and date. The Receipt note should be prepared in three foils, from the remaining folios of the Requisition-cum-Receipt Form DC-3, one copy for the contractor in acknowledgment of the materials received, the duplicate copy for the DCS/SCO(Catering), and the triplicate copy for record. The Manager must ensure that all columns of the DC-3 are properly filled before they are sent to the parties concerned. The duplicate and triplicate copies of DC-3 should be checked and countersigned by the Catering Inspector/Manager before submission to the DCS/SCO(Catering). The contractor's bills for supplies made from time to time will be submitted by them in a consolidated form for the month for each commodity showing the date of supply, quantity, contract rate and the total value of the commodity supplied. The bill will also quote reference to the contract number and DC-3 number issued to the contractor. The bill will be submitted by the contractor in duplicate supported by his copies of DC-3 to the Inspector/Manager who will certify that he has not paid for the material from catering earnings. He will also certify receipt of the material quoting reference to the folio and item number of the Stock Book DC-4 in which receipt of the Stores has been entered. He will forward both copies of the bills, duly certified, to the DCS/SCO(Catering) who will check the rates with the Schedule of rates and pair the quantities with the duplicate copy of DC-3 already received by him and forward the original

bill, duly allocated and accepted , along with the contractor's copies of DC-3 for internal check and payment, retaining the duplicate copy, duly defaced, for record. The DCS/SCO(Catering)will record all bills forwarded to Accounts for payment in a separate expenditure Register DC-25.

Similar procedure is followed in respect of contracts for single/limited supplies or in cases where supplies are made on credit basis even without entering into contracts for supply of proprietary articles by firms such as Britannia Biscuits Co. Ltd., Ashoka Works etc., Bills are preferred by the firms for each supply and passed for payment as and when submitted by the concerned Catering Inspector/Manager.

3.04. Purchase by Officer's Purchase Committee: *When purchases are made on credit the receipt and accountal of material will be done as in the case of purchases from suppliers/firms on tenders and firm orders vide para 3.03 when purchases are made on cash payment by drawing an advance for this purpose the procedure prescribed in para 3.02 will apply. However, the cash receipt after certification by DCS/SCO(Catering), should be submitted separately to the Accounts Officer from whom the advance was drawn along with an account for the amount drawn, amount spent and balance remitted indicating the Remittance Note number and date for internal check and adjustment of accounts.(A draft Annexure 'A' has been issued as Joint Commercial and Accounts POO in amplification to this para)*

3.05. Inter-Unit Transfers: *Inter-unit transfers are effected on the basis of a written requisition indicating the particulars of items and quantity required duly signed by the Catering Inspector/Manager. As far as possible inter-unit transfers will be restricted to the barest minimum and will only be done with the express orders of the DCS/SCO(Catering). All transfers of material from one catering unit to another will be in form DC-5 "Commodity Transfer Note" which will be prepared in quadruplicate. The first three copies should be sent by the consignor(sending unit) to the consignee(receiving unit) along with the material transferred and the fourth copy retained as record. The receiving unit will verify and check the material and account for the same in this stock register DC-4 as rendered. Any discrepancy in the quantity or description should be advised immediately to the sending unit.*

The DCS/SCO(Catering) should also be advised of the discrepancy which should be accounted for by the receiving unit as a minus receipt. The DCM/SCO(Catering) will fix responsibility for the discrepancy and debit the loss against the staff concerned for recovery. Shortages and loss in transit of stores despatched by rail should be recorded in the Stock Register and claim preferred against the Chief Commercial Manager (Claims) along with the Shortage/Damage certificate issued by the destination station. The Catering Inspector/Manager will maintain a claims register for pursuing the settlement of such claims. After accounting for the receipt of material in the stock register DC-4 the Catering Inspector/Manager of the receiving unit will acknowledge with his full signature, designation and unit stamp in all the three copies of DC-5 for the material actually received and retain the original copy for record. The duplicate and triplicate copies of DC-5 will be returned to consignor for disposal. On receipt of the duplicate and triplicate copies of DC-5 from the receiving unit the Catering Inspector/Manager of the sending unit will paste the triplicate copy with the block foil after pairing. The duplicate copies of DC-5 for one complete month's transfers will be summarised in a statement prepared in three copies indicating the value of each item. Two copies of this statement will be sent to the DCM/SCO(Catering) along with duplicate copies of the DCM for preparing Transfer Vouchers and raising debits against the receiving units indicating the allocation. One copy of this statement will be submitted by the DCM/SCO(Catering) to the Accounts Officer concerned for watching the continuity of DC-5 issues. On receiving the Transfer voucher with supporting summary the catering Inspector/Manager of the receiving unit will compare it with the entries made in the Stock Register DC-4 and certify the correctness of the debit raised. After the Transfer Voucher is accepted by the controlling Office of the receiving unit the DCM/SCO(Catering) will forward it to the Accounts Officer of the supplying unit for raising debit against the accounts officer of the receiving unit and for adjustments in the accounts on hand. The controlling officer of the unit accepting the debit should ensure that correct allocation particulars are given in the Transfer vouchers to enable the Accounts Officer to carry out the adjustment to correct head of account. The continuity of the DC-5 machine number should be maintained and if there is any missing number clear remarks should be furnished in the statement submitted to DCM/SCO(Catering) at the end of the month.

3.06 Supplies from Railway Departments: *Supplies from other departments of the railway will consist of those authorized by the Chief Commercial Manager such as condemned sleepers, steam coal and cylinders. A standing order for such supplies will be issued every quarter by the DCM/SCO(Catering). The Catering Inspector/Manager will obtain the material as required on issue voucher from time to time during the quarter from the IOW/PWI, LF etc., by submitting a requisition . On receipt of the material the Catering Inspector/Manager will advise the DCM/SCO(Catering) indicating the quantity and rate and quoting reference to the standing orders. This will enable the controlling officer or the unit to accept the debit when raised. Issue vouchers referred to above should be kept in a separate file and a manuscript register should be maintained to keep a record of receipts, when articles are supplied by the Controller of Stores two foils of Issue Note will be received by the indentor along with the material. The indentor should retain the consignee's copy and return the Issue Note duly acknowledging the material.*

3.07 Supplies from other Railways: *The procedure outlined in para 3.05 for inter-unit transfers will apply to supplies received from other railways. On receipt of Transfers Vouchers from the sending railway the F.A.& C.A.O.(Books) will arrange for the transfer of the debits to the Divisions concerned for adjustment.*

4.01. Maintenance of Dead-stock(Furniture, Crockery, Cutlery etc.) :*The Dead Stock Register of all articles such as furniture, crockery, cutlery, utensils and other equipment supplied to each unit should be maintained by the Inspector/Manager in the Dead Stock Register (Form DC-15) . The description of each article should be clearly and fully entered in the Register to enable each article being specifically identified during stock verification. Two separate Registers should be maintained one for furniture and fixtures and the other for equipment, crockery, cutlery and utensils.*

4.02. Stationery & Books: *Other stores such as stationery, Books and Forms should be accounted for separately in a manuscript register showing the date of receipt, voucher number and quantity received. In respect of type numbered books, the commencing number*

and closing number of the books brought into use should be indicated under the initials of the Inspector/Manager. Particulars of the source of Receipt Vouchers or Stores Issue Notes in respect of books/forms supplied by the Stores Department should be quoted in a separate column and those vouchers should be carefully filed in chronological order. The issue of these books/forms should likewise be supported by complete particulars of vouchers which should be filed separately to facilitate periodical checks.

4.03 Accountal of Empty containers: A detailed account should be maintained by each unit of empty containers, gunny bags, packing cases etc. in a manuscript register in the following form:

Sl.No.	Particulars	Source of Receipt	Quantity	Date of Auction
1	2	3	4	5

Amount realized	Remittance particulars	Remarks
6	7	8

Empties should be sold by auction by the Inspector/Manager under the instructions of SCO/DCM in the presence of an Accounts representative and the proceeds credited similar to remittance of catering sales. The instructions laid down in State Railway Code for Stores Department in respect of auction sales should be scrupulously followed.

5.01. Losses: Whenever a loss or shortage is discovered, it should be immediately brought to the notice of SCO/DCM as the case may be, and the Inspector-in-charge of the unit should institute immediate investigation and submit a detailed report to the officers concerned fixing individual responsibility and obtaining acceptance of responsibility from the individual concerned in form DC-8-A, for all the losses and shortages noticed in respect of (i) raw materials such as rice, flout, oil, ghee, grains etc. and consumable articles such as jam-tins, cigarette and packets of biscuits etc., or (ii) crockery, cutlery and kitchenware, equipment etc., loss voucher in form DC-8 should be prepared and this loss voucher should

clearly indicate the causes that led to the loss or shortage. A monthly statement of losses should be prepared separately for the following types of losses and sent to SCO/DCM in form DC-9.

- a) Losses owing to breakages by passengers.
- b) Losses of articles such as cigarettes, jams etc.
- c) Losses disclosed during departmental stock verification and Accounts verification.
- d) Excess consumption of raw materials than prescribed in the schedule
- e) Issue of raw materials by stores clerk in excess of the indent placed by the Managers.

5.02. Breakages & Loss: Breakages by passengers: Losses on account of breakages by passengers and customers should be recovered from them. In case of breakage of parts indispensable for an item of crockery such as the lid of a tea pot, the full cost of the item should be recovered. Such recoveries should be indicated in the Loss Voucher(DC-8) quoting reference to the MRT Note number and date on which the amount was remitted to the Station Master crediting Z-330.

b) Losses due to deterioration: In the cases of losses of articles such as packets of biscuits, cigarettes etc., it should be examined why they were not stored properly to avoid damage or deterioration and responsibility fixed for the losses which should be recovered and credited to Z-330 or written off as the case may be.

c) Losses during stock verification: A detailed report of losses disclosed during stock verification should be sent along with the loss statement with explanatory remarks for examination. All shortages should be recovered from the staff concerned as indicated under para 5.05.

d) Responsibility for losses: The Inspector/Manager-in-charge of the godown/unit will be responsible for fixing staff liability for all losses and wastages and for ensuring that the amount debited is recovered from the staff and remitted by Credit to Z-330. Remittance particulars should be furnished in all the cases.

5.03 Losses by Vendor, Bearers and Stall Keepers: Losses and breakage of dead stock items should be recovered from them immediately. The Unit Inspector/Manager should ensure that there is no delay in recovering and remitting the amount collected from them. The remittance particulars of all losses should invariably furnished on the relevant records

along with DC-8 . The losses on account of shortages in Block Stock items and cooked food with Stall Keepers and monthly paid vouchers/Bearers will be recovered from Pay sheets monthly.

5.04. Losses of Cooked Food: So far as cooked food is concerned, if the Unit Manager intimates his requirements for the day on a realistic basis there should be no wastage except in very exceptional circumstances beyond the control of the Manager. The losses/wastages which have occurred should be clearly explained and the loss voucher countersigned by the Inspector/Manager of the Unit and has to be submitted to DCM/CCS Office duly taking into account in Stock Ledger DC-4 or Block Stock Register DC-15 as the case may be. Similar procedure has to followed in respect of condemned articles. The value in respect of articles sent to scrap depot are to be posted on receipt of advice from C.OM. On receipt of the loss vouchers, SCO/DCM will take appropriate action either to recover the cost of the shortage or to write off the amount. Where the responsibility for the loss/damage has been fixed and acknowledgment from the staff concerned has been obtained in form No.DC-8 A action for recovery(crediting Z-330) in suitable installments from monthly pay-sheets keeping in view, the provisions in payment of Wages Act has to be taken. Similar procedure will be followed in respect of debits to be recovered from monthly paid Vendors/Bearers.

5.05 Reporting of Losses: The sales turn-over and control over wastages will be the principal determining factors for assessing the efficiency of the unit Inspector/Manager, whenever any loss of cash or stores or shortage of material is noticed it should be brought to the notice of SCO(Catering)/DCM . Any defalcation or loss of cash or stores or other property should be reported immediately after its discovery to the SCO/Catering/DCM who will make a report to the CCM, DAO and FA&CAO in cases of serious nature as per rules in force. In this connection instructions contained in Joint Accounts and Commercial Circular A/XP/5/11 of December, 1968 as amended should be scrupulously followed excepting in regard to item(a)under para 5.01 above.

6.01. Issues of Raw Materials from the Unit Godown: The Catering Manager will assess the daily requirements of meals, tea, coffee, etc. in terms of units based on the demand from

time to time in the Manager's Order Book DC-14. Based on this, the Stores Clerk/ACM will issue the raw material and obtain the acknowledgment of the Head Cook in token of having received the articles correctly in the "Cooks Issue Register". The Stores Clerk/ACM should post stock ledger DC-4 separately for different sub-units such as VRR and NVRR. Postings should be done issue order wise. The total issues for the day should be arrived at and the balance struck at the end of the day. At Units where VRR and NVRR are combined separate posting of issues, in the Stock Ledger DC-4 may dispensed with.

6.02 Preparation and Distribution of Cooked Food & Edibles: On receipt of the raw materials the cook should prepare the items ordered and make available the same to the departmental Stall Keeper through Stores Clerk by Count/Weight. The quantity handed over should be entered on reverse of DTS(DC-17) or any manuscript register maintained for the purpose duly obtaining the signature of both cook and stall keeper. The quantity of edibles, food packets, beverages etc., issued to Vendors/Bearers must be entered in the DC-12 (Vendors Issue Register). Stall Keepers are authorized to issue cooked food and edibles to vendors only on production of the original vendor issue note DC-7 issued by Stores Clerk/Manager on payment in cash of the value of the items there on by them as detailed in para 12.07 below. The articles issued to the Stall Keeper must be accounted for by him and the sale proceeds handed over to the Stores Clerk/RM from time to time under signature in column (C) of DTS DC.17.

7.01 Sales: a) Sales of Refreshment Rooms: All sales will be strictly on cash basis unless specifically authorized otherwise by COM . For each sale transactions made in the Refreshment Room a cash Memo D.C.I/Meal ticket should be issued to the customer. Cash Memo will be prepared in duplicate. The original, will retained as block copy and the duplicate will be handled over to the customer.

b) Sales by Vendors and Stall-Keepers: Sales by vendors and stall keepers will also be on cash basis and according to the tariff fixed. The tariff should be available for scrutiny by any customer at any time.

7.02. Remittance by Stall-Keepers: Stall Keepers will remit the earnings pertaining to the sales effected by him to Stores Clerk/ACM/Manager who acknowledge the amount received duly verifying the Sales turnover by Stall-Keeper as shown in DTS-DC.17.

7.03. Remittance of cash by Room Manager: The cash collection by sales in refreshment rooms, stall and by vendors should be remitted by RM to the SM twice a day through Miscellaneous receipt Transmit Note No.GR.2/G.1403 as detailed in para-9 below:

7.04. Accountal of Daily Sales: The daily sales of edibles, beverages etc., will be accounted for under column A of the Daily Transaction Statement. Meals served in VRR and NVRR on cash memo, coupons, couriers meals tickets etc., are to be accounted in column(D) of the DTS. The total of columns A and D of the DTS will represent the total sales of a Unit for the day. Column B represents Daily Cash purchases and commission paid and other miscellaneous expenditure. The Manager will verify the correctness of the transactions in the DTS with the relevant vouchers and registers. The Manager will be responsible for the remittance made during the day.

8.01 Maintenance of Cash Value Book/Register: Blank Cash Memo books DC.I meals tickets and other Money Value coupons including food packet wrappers should be under the custody of SCO/Catering/Headquarters Godown. He will maintain a stock Register duly indicating the stock received from PS/SC in the following pro forma.

<i>Date of Receipt</i>	<i>Challan No.</i>	<i>Total No. of Supply</i>	<i>Book No. and Date</i>	<i>Commencing of Books</i>
1	2	3	4	5

<i>Closing No.</i>	<i>Issued to Units</i>	<i>DC 5 No. and Date</i>	<i>Remarks</i>
6	7	8	9

As and when the supplies are effected by the Press Superintendent/SC on indents placed by SCO/SC a copy of the challan issued by PS/SC to Central Godown should invariably be sent to FA&CAO.

8.02. Issue of Money Value Books: All issues of money value books are done by the Central Godown to the various units on the division through DC-6. Vouchers, a copy of each being sent to the concerned DAOs for watching their accountal.

8.03. Receipt of money value books: On receipt of money value books the Catering Inspector/Manager will record the same in a separate register (Cash Value Book) DC -20 in the following pro forma:

Particulars of cash Value books	Challan No. and date	Total No. of books	Book No.	Commencing No.	Closing No.
1	2	3	4	5	6

Date of Commencing	Date of Closing	Initials of Insp./Manager	Disposal	Initials of Inspector	Remarks
7	8	9	10	11	12

The cash Memo Books Coupons etc., should on receipt be checked to see that all pages are intact. Books should be used strictly in serial order and a new book should not be taken till the old one has been completed. Mutilated books if any notice during check should be returned to the Central Catering Godown, Secunderabad with suitable remarks endorsing a copy of the concerning DAO/FA&CAO. The Catering Inspectors/Manager should keep a strict watch over the receipts, issue and accountal of Money value books.

9.00. Remittance Of Cash:

All cash collected from sales by Refreshment Rooms, Vendors and stall-keepers should be remitted by the Manager to the Station Master through a Miscellaneous Receipt Transmit Note (GR.2.G.1403) . No cash out of the sale proceeds should, under any circumstances, be kept by the Manager or spent on any account except as permitted under para 3.02 or unless

specifically authorised by COM. Earnings for the day collected upto 16.00 hours should be remitted, on the same day to the Station Master before 18.00 hours. At units where sales are made mainly in the evenings, a second remittance of the previous day's sale should be made by 9.00 hours the next day. As regards Dining Car's the Manager will make remittance at the destination station on the outward and return trips. The Miscellaneous Receipt Transmit Notes are bound in books of 4 foils. The Manager must fill up this form in all the foils, retain the first foil with him the block foil and send the other three foils to the Station Master along with cash. The Station Master will handover the second and fourth foil duly signed by him to the Catering Inspector/Manager and submit the third foil along with his cash, duly noted in his Cash Remittance note for the day to the Chief Cashier. The Catering Inspector/Manager will paste the second foil on the reverse of the block foil and submit the fourth foil of the Miscellaneous Receipt Transmit Note to Accounts Office (DAO/FA&CAO) through the Catering Office (SCO/DCM) daily. A monthly statement of cash collected and remitted together with full particulars of remittances should be prepared in quadruplicate by the Catering Inspector/Manager, one copy retained as office copy and the remaining three copies sent to the following officers so as to reach them by 5th of the following month without fail.

- i) One copy to FA&CAO (Traffic Book-Sundry)/Secunderabad
- ii) One copy to SCO (Catering)/DCM as the case may be
- iii) One copy to Accounts Office (DAOs)

For cash recovered for losses/breakages etc., separate Cash Remittance Note shall be prepared and such cash should on no account be merged with the normal sales made at Refreshment Room, Stalls and through vendors. The remittance of such cash and the preparation of the monthly statement shall be in the same manner as outlined for regular sales of the unit.

10.01 Stock Verification of Consumable Stores: The Stock Verification of ground balances of consumable stores/raw materials should be done on monthly basis i.e., on the last date of the calendar month. The stock verification will be done by the Room Manager /Incharge or Inspector in charge of the Unit on the last day of the month. This verification will be in

addition to that required to be done periodically by Departmental Officers or by Accounts Stock Verifiers under extant orders relating to stock verification of stores. Verification will be done once in 4 months by Accounts Stocks Verifiers. The Stock verification results should be posted in the Stock Book DC-4 and DC-15 for Raw materials and Block Stock items respectively under the initials of the Sock Verifiers who carries out the verification. The Accounts Officer(FA&CAO's Office)will deal with the stock verification reports of the stock verifier in the same manner as the stock verification for stores depots.

10.02 Stock Verification of Block Account : Stock verification of block stock items such as crockery, cutlery, kitchen ware, furniture and other equipment should be conducted quarterly as prescribed in para 10.01 above on the last day of each quarter ending 30th June, 30th September, 31st December and 31st March by the Room Manager. The results should be posted in Stock Book DC-15.

10.03 Stock Verification Reports: The Stock verification statement of the Room Manager/Inspector will show the book balance and the actual verified balance with excess and shortages brought out separately. The Catering Inspector-in-charge of the Unit should investigate and report to the SCO/DCM all shortages or excesses after fixing individual responsibility in cases of shortages. One copy of this stock verification sheet should reach the SCO/DCM and DAO/FA&CAO by the first week of the following month in respect of consumable items (raw materials and manufactured items) and by the 1st week of April, July, October and January for block stock items.

11.00 Preparation of Daily/Monthly Returns: The following are the descriptions of records required to be maintained at each of the Units and returns to be prepared and submitted to the DCM/SCO(Catering)and DAO/FA&CAO.

S.No	Description of Record	Form No.
1	Cash Memo	DC/1
2	Credit Voucher	DC/2
3	Indent-cum-receipt of Stores (from suppliers)	DC/3
4	Stock Ledger (raw material and manufactured articles)	DC/4

S.No	Description of Record	Form No.
5	Commodity Transfer Note	DC/5
6	Cook's Issue Register	DC/6
7	Vendor's issue note	DC/7
8	Loss voucher	DC/8
9	Acknowledgment for recovering losses and damages	DC/8 A
10	Monthly summary losses	DC/9
11	Receipts, Issues and Balances statement (for raw Materials and manufactured articles P/D & Block stock items)	DC/10
12	Vegetable consumption statement	DC/10 A
13	Consumption of Commodities statement	DC/11
14	Vendors Issue Register	DC/12
15	Vendors/Bearers Commission account	DC/13
16	Manager's Order Book	DC/14
17	Block Stock Register	DC/15
18	Debit Register (Staff)	DC/16
19	Daily Transaction Statement (for Static Units) daily/ Monthly VRR/NVRR)	DC/17
20	Daily Transaction statement(for Mobile Unit)	DC/18
21	Daily Transaction statement for manufactured article/PAD	DC/19
22	Register of Cash Value Books, coupons, wrappers etc.	DC/20
23	Write-off Register	DC/21
24	Register showing the short remittance	DC/22
25	Empties Register	DC/23
26	Milk Receipt & Distribution Register	DC/24
27	Expenditure Register (Office)	DC/25
28	Register of Laundry accounts	DC/26
29	Register of Security Deposit(from Departmental Catering staff including vendors & commissions bearers	DC/27
30	Medical examination Register	DC/28
31	Inspection Register	DC/29
32	Uniform Register	DC/30
33	Manager's Cash Book	DC/31
34	Complaint Register	DC/32
35	Register of Advance taken	DC/33
36	Misc. Cash remittance(monthly) return	DC/34
37	Earnings Register	DC/34- A
38	Profit & Loss Accounts	DC/35
39	Attendance Register of Vendors/Bearers	DC/36

12.Preparation and disposal of various returns:

12.01 Cash memo DC-1.:*The existing cash memo book will be continued. This will be used by the Manager for the services rendered and presented to the customers. Cash memo will be prepared in duplicate. The original will be retained as block copy and duplicate given to the customers.*

It should be ensured by the Manager that the continuity of printed number of this money value book is checked and certified correct before use.

12.02. Credit Voucher DC/2:*This will be used for credit sales as and when authorized by SCO/DCS. These will be prepared in duplicate and the signature of the party obtained on all the copies. The Manager will forward the original credit voucher to SCO/DCM retaining the duplicate with immediately after the services are over, SCO/DCM will arrange for necessary debit being raised against the concerned department with credit to Z-310 enclosing the receipted copies to the T.V.*

12.03:Indent-cum-receipt of stores(from suppliers) DC/3:*This form will be prepared in quadruplicate. It will be used only at the depot/godown for indenting materials from the firms suppliers and acknowledging supplies. The detailed instructions contained in para 3.03 above should be followed.*

12.04. Stock Ledger(Raw materials and manufactured articles DC/4 :*This register should be maintained by the Manager-in-charge of the Godown/Unit and the postings should be made daily voucher-wise and issue order-wise and the balance struck. The book balance (quantity) for each category should be available at any time for verification by the stock verifier and other Inspection parties.*

12.05. Commodity transfer note DC/5:*This form is self-explanatory and should be used for effecting transfers of all stores etc. to other units. Such transfers should be restricted to the barest minimum. It should be ensured that the acknowledged copies of DC/5 are promptly received by the forwarding unit. The detailed instructions outlined in para 3.05 above*

should be scrupulously observed. The continuity of the machine-numbered books should be strictly followed.

12.06. Cooks issue registers DC/6: This is a primary record for drawal of stores from the unit godown based on orders placed by the Room Manager from time to time on DC-14. This register is required to be posted on each occasion the order is placed by the Room Manager and totalled up at the _end of the day. Detailed instructions in regard to its maintenance in para 6.01 above should be strictly followed.

12.07. Vendors issue note: DC/7: This should be prepared in triplicate by the Manager/Stores clerk for various edibles, beverages etc. The vendor will pay full value of the edibles and beverages required by him to the Manager/Stores clerk and obtain receipt in form DC/7 in original and duplicate. The triplicate is retained by the Manager/stores clerk for his record. The original copies will be handed over to the Bearer/Server incharge of the stalls and obtain edibles and beverages mentioned therein. At the end of the day's sales the vendor will surrender all duplicate copies of vendor issue notes DC/7 issued to him during the course of the day based on which commission is worked out and paid to him in cash duly taking his acknowledgment in DC/13. The payment to commission bearers in Dining cars No.21/22 HYB-NDLS Express trains and KJZ unit will however be arranged through pay sheet every month.

Stall keepers should not issue articles to vendors unless they present the vendors issue note DC/7 signed by the Managers/Stores clerk as prescribed in para 6.02 above.

12.08. Loss voucher DC/8: The Inspector/Manager will prepare this voucher in triplicate. The losses sustained during the month in respect of breakages/losses of crockery, cutlery, kitchen ware and other equipment and shortages of raw materials and manufacture articles noticed from time to time should be reflected in this voucher. Necessary acknowledgment for loss from staff responsible is obtained in DC/8A. For detailed instructions para 5 above and Joint Accounts and Commercial Circular A/XP/5/11 of 12/1968 as amended from time to time needs to be connected.

12.09. Registers of Monthly summary of losses DC/9: *This is a register of loss vouchers. This register is to be maintained by the Inspector and the loss vouchers issued should be posted every day. Based on this register a monthly statement (review of losses) in the same form DC/9 for the losses/breakages is prepared and forwarded in duplicate to SCO/DCM together with loss vouchers in DC/8 with the recommendations of the catering Inspector in regard to recovery or write-off. This statement in turn is forwarded to FA & CAO /DAO together with the lost voucher. In respect of items of loss which exceed the powers of SCO/DCM for write-off as indicated in the scheduled of powers on catering matters, the specific recommendations of SCO/DCM should be furnished . On receipt of concurrence by FA & CAO/DAO wherever necessary action is to be taken to obtain the sanction of the competent authority for write-off the loss. The result of review of debits have to be communicated to the employees through the Manager/Inspector every month and their acknowledgment obtained. The procedure explained in para 12.08, 12.09 would apply to all godowns including Central Catering Godown at Secunderabad. On the basis of the reviews finalised, CPO/DPO will be addressed to recover debits from staff through pay sheets by credit to Z-310 under advice to FA&CAO/DAO for watching recovery.*

12.10. Receipts Issues and Balances statement DC/10: *(Raw materials, manufactured articles/PAD and Block items)- This is a monthly return and is prepared in triplicate –one copy for unit, one to Sr.DCM/SCO and third to Sr.DAO. The statement will be compiled by the Inspector/Manager based on the particulars of receipt issues and balances arrived in the Stock Ledger DC/4. This statement should indicate the quantity and values in respect of opening balance. Receipts issues, transfers, book balances and verified balances. The relevant vouchers for Credit/Contract purchases, transfer inwards, local cash purchase and transfers outward should be sent as enclosures.*

RIB for Block stock items has to be compiled from postings in Block Stock Register DC/15 quarterly/yearly in the same form and submitted. Separate RIB statements should be prepared for Linen/Uniforms., crockery, cutlery, kitchenware, furniture etc., Separate RIB statement for Block Stock items for VRR/NVRR and PAD are to be prepared, if they function separately and not as comprehensive units. The statements of verified balances duly signed

by Room Manager/Inspector has to be sent as enclosure to this statement as laid down in para 10 above. Shortages have to be dealt with according to the instructions issued.

Values in respect of issues and balances will be based on book average rate.

Separate RIB statement should be prepared for raw materials in respect of VRR and NVRR and manufactured articles/PAD together with the vegetables consumption statement in DC/10 for each unit. Where the VRR and NVRR are combined and function as a comprehensive unit a combined RIB statement may be prepared. The statement of verified balances should invariably accompany the RIB statement DC/10 duly signed by the Room Manager/Inspector. This procedure would equally apply to godowns including the Central Catering Godown/Secunderabad.

12.11 Consumption of Commodities Statement DC/11: *This is a monthly statement prepared by the Inspector based on the out-turn of edibles as arrived at in the monthly summary of Daily Transaction statement DC/17 &18 . The total quantities of edibles, beverages etc., prepared for the month are recorded against the number/unit prepared and the consumption of raw materials as per schedule is worked out and compared with actual issues recorded based on DC/10 and the differences struck. Responsibility for shortages in output if any, should be filed and debit raised against the person concerned at cost prices. If no responsibility can be fixed on the person preparing the edibles, the Manager will be debited with amount involved. This statement is prepared in triplicate one copy to be retained in Unit, one for Sr.DCM/SCO(Catering) and third copy to Sr.DAO.*

12.12. Vendors issue Register DC/12: *This register is to be maintained for issue of edibles etc. to the vendors from time to time duly obtaining the signature of the vendor I token of having received the edibles etc. At the end of the day this register should be totalled up vendor wise. Issue of edibles etc. to vendors should be done only through vendors-issue Note DC.7.*

12.13. Vendors/Bearers Commission Account DC/13: This form is intended to arrive at the total amount of commission payable to each vendor at different percentages prescribed by CCM. The total sales effected by each vendor percentage-wise is posted from the vendor issue register DC/12 and after deducting the element of sales tax involved, the commission is worked out. The payment of commission to vendor is made daily in cash except in Dining Cars run by 21/22 HYB-NDLS Express Trains and Kazipet Unit where payment to commission bearers is arranged through a paysheet monthly duly deducting the debits outstanding if any,. Vendors/Bearers commission account in form No.DC/13 should be submitted daily to Sr.DCM/SCO/Catering and pay sheet for the payment of the commission to vendors is prepared by the SCO/Catering in the regular pay sheet form suitably changing the columns. The pay sheet should indicate vendor wise the commission payable for the month under different groups according to the rate of Commission as arrived at in the DC.13 for the period and the total amount payable. Recoveries if any, to be effected from vendors towards loss of crockery, cutlery, utensils, etc. or any other loss should be deducted from the commission bills by Credit to earnings Z-310. These bills are submitted to the DAO monthly for arranging payment.

Note-For payments exceeding Rs.20/- the acquittance should be obtained on a revenue stamp.

12.14. Managers Order Book DC/14: This is a record of the Manager wherein he orders for the preparation of various edibles, meals, beverages etc. to be made from time to time in terms of units. Issues of raw materials are made through the Cook's Issue Register DC/6 from the unit godown strictly as per the Manager's Order book and according to the Schedule of Ingredients. Under no circumstances issues should be made without any entry in the Manager Order Book. The signature of the Catering Manager and that of the cook should be affixed in columns provided for the purpose.

12.15. Block Stock Register DC/15: This register will record all items of receipt of crockery, cutlery, kitchen ware, furniture etc. quoting reference to receipt No. and date of DC.5 voucher together with values. As and when materials are transferred to other units or condemned or articles are returned to the Stores Depot through Central/Divisional Godown

necessary DC/5 vouchers should be prepared and quoted in this book and the balance struck, then and there. In respect of articles broken or less, loss voucher DC.8 number and date must be quoted in the issue column and balances struck then and there. For further instructions paras 4 and 5 above may be connected.

12.16. Debit Register (Staff) DC.16.: This register will be maintained by the Inspector/Manager as also DCM/CCM office for staff under his control. Separate folios should be sent apart for each employee. All debits for losses, breakages, etc. are to be recorded monthly from Monthly Review Statement in the columns provided for. Debits for the previous financial years and for the current year should be shown year-wise in column 2 of this register. The credits should be through pay sheets received from CPO/DPO every month. Debits recovered in cash should be posted quoting GR.2 number and date under which the amount has to be remitted. Monthly balances should then be struck. The debits recovered through pay sheets should be intimated to Inspector/Manager every month to enable him to keep his register (DC/16) up to date. The Inspector/Manager should see that the phase of recovery continues satisfactorily and give a certificate to that effect at the end of every quarter. He will also give the position of debits and recoveries at the end of each quarter. The short collection and short remittances noticed by the Inspector/Manager or by any of the Inspecting Officials should be made good in cash and under no circumstances should such amounts be entered in this register. It will be the personal responsibility of the Catering Inspector of the Unit to ensure that this is complied with.

12.17. Daily Transactions Statement DC/17 (For VRR/NVRR Static Units only) :
Column A- This will be prepared daily and one copy sent to Sr.DCM/SCO(Catering) with all vouchers in respect of purchases, petty expenditure such as conveyance, cleaning tinning etc., and GR-2 under which cash is remitted. This will record all items of preparation as per Manager's Order Book and sold during the day. This indicates the details of sales in stall by vendors Transfers and Credit Sales, if any. As regards the credit sales the details of edibles etc. transferred to other departments such as supply to Medical, Loco and Traffic and supply to Dining Cars Golconda/Krishna Express (Mobile Units) should be recorded. The details of coffee and tea, in pots and food packets sold should be shown separately, against each item duly furnishing the commencing and closing number of coupons etc., and total number and

amount thereof should be furnished. The actual sales tax collected on meals, pot tea and coffee should be separately. The remaining columns should be filled in as per the details required therein and net remittance arrived at. The net remittance duly indicating the amount of gross sales, less amount spent for local purchases etc., and credit if any, should be indicated in the Miscellaneous Receipt Transmit Note No. GR 1408 and signed by the Manager/Inspector.

Column B- The local purchases effected from earnings daily are recorded herein sub-detailed head-wise. The commission paid to vendors/bearers is also recorded in the columns provided thereunder, other miscellaneous expenditure such as clearing conveyance, tinning charges etc., is also recorded in this column.

Column C- The amounts received from the stall keepers from time to time should be posted duly affixing the signatures of the stall keeper and Manager/Stores clerk.

Column D- The details of meals sold in the rooms and in trains should be recorded here duly furnishing the commencing and closing number of meals coupons and cash memo etc. The total number of meals and the amount thereof should be shown. The memo issued to staff eligible therefor under extent orders and also credit sales, if any, should be recorded in the columns provided. The details of extras such as appalam, curd ghee, rice etc., over and above the stipulated quantities should be shown separately against the items shown therein. At the end, the total of sales on meals account should be arrived at and the same exhibited under column(A) against meals account. The particulars of cash sales and amount as recorded on reverse should agree with the figures in this DTS. The particulars of preparations handed over by the cook from time to time are reflected on the reverse of this form.

At the end of each month a summary of the transactions as per the Daily Transactions Statement should be compiled in the same DC.17 in three copies, one copy for the Unit, two copies are to be submitted to Sr.DCM/SCO(Catering) who will forward one copy to Sr.DAO along with all vouchers for internal check.

12.18 Daily Transactions Statement DC./18(For Mobile Units)- This will be prepared trip wise (outward and return separately) This will record all items of preparation and finished products obtained on transfer account, if any and sold trip wise. This indicates the details of various edibles, a-la-carte items and meals (both vegetarian and non-vegetarian) other than proprietary articles such as confectionery, biscuits, cigarettes etc.

The local purchases (direct cash purchases) from earnings made trip wise should also be clearly indicated.

Raw materials, manufactured articles, finished products etc., if any, received on transfer account should also be recorded under the columns provided therein quoting reference to DC.5 number and date and source of supply. The other particulars mentioned therein should also be furnished completely including sales tax and net remittances arrived at after deducting cash purchases from earnings and the remittance particulars recorded. In respect of sale of manufactured articles/PAD, DC.19 should be used.

The allied returns that are required for the mobile units will be the same that are required for Static Units. At the end of each month, a summary of the transactions as per the daily transactions statement should be compiled in the Form DC.18 & 19. Daily and monthly DTS should be submitted as per procedure laid down under para 12-17.

12.19. Daily Transactions for PAD/Manufactured articles DC/19- This will record the issues of PAD/Manufactured articles each vendor item-wise. The total sales as per the distribution for DC 12 maintained in the PAD Unit are reflected for the day's sale together with the values thereof. Issues to commission vendors will be strictly on the basis of issue notes. As regards the issues to Departmental Stalls the sale proceeds thereof are also reflected in this statement stall wise. After the day's sales are arrived at the expenditure incurred on direct cash purchases from earnings such as betal leaves, pan masala, nit powder, commission paid to vendors are deducted from the total sales and not amount remitted under GR2/G1403. The details for direct cash purchases with necessary vouchers and vendors commission account (DC/13) should invariably accompany this statement along with Venders Issue Statement (DC/ 12 copy).

It should be ensured that the commission to vendors is worked out after the deducting the element of sales tax only on taxable items. Daily and Monthly DTS should be submitted as per procedure laid down under para 12.17 above.

12.20. Register of cash value book-DC/20- *The procedure already outlined in para 9 above dealing with the receipts and disposal of cash value book/coupons/wrappers etc. should be scrupulously followed.*

The unit Catering Inspector/Manager, on receipt of the above should check up the correctness of the folios and record a certificate as under on the top covering sheet "Certified that the continuity of the serial numbers has been checked and found correct".

After this is done the Inspector/Manager should record all the cash value books/coupons/wrappers etc. in a register with the following pro forma:-

S.No. Particulars of cash value books etc., Challan No. and date, total number of books received, Book Number , commencing number, closing number, date of commencing, date of closing, initials of Inspector/Manager , Disposal with authority, Inspector's signature and Remarks.

As regards the usage of these money value books, the Inspector/Manager should ensure that the continuity of serial numbers is strictly maintained and any deviation will be viewed seriously.

This register should be posted up to date and made available for scrutiny by Inspecting Officials.

12.21. Write Off Register DC/21- *At the close of the month the review of losses is conducted thoroughly by the Catering Inspector/Manager the total amount of loss and the debit raised and amount recommended for write off the recorded separately in this register. This will be put up monthly by office to SCO/DCMs duly furnishing the full particulars and the reasons*

for the write off sought for, SCO/DCM after scrutiny will advise the result of the write off sanction to the respective units. The unit Inspector/Manager on receipt of the sanction will enter the same in this register maintained by him and in respect of the amounts debited to staff, necessary entry against the name of the staff concerned will be entered in the debit register DC.16

12.22. Register of Short Remittances-DC/22- All cash collected should be remitted to the Chief Cashier as per instructions laid down vide para 9.00 keeping the amount authorised under 3.02 for local purchases in respect of perishables and for meeting petty expenditure for tinning, grinding etc. Short remittances noticed by the unit subsequent to remittance of earnings or advised by Accounts Branch as a result of inspectional check or noticed by the Inspectorial staff, during Inspections carried out from time to time should be immediately made good. All such remittances should be recorded in this register duly furnishing the nature of shortage date and amount made good, CR 2 number and date.

12.23.Empties Register DC/23- This register will show all the receipts and their disposal duly indicating the value. Detailed instructions contained in para 5 above need to followed.

12.24. Milk receipt and distribution Register /DC24- This will record the milk obtained from the suppliers and the distribution thereof the VRR, NVRR, transfers, if any, and conversion into curd and balance . Milk is normally obtained from Government Dairies. When Government Diaries are not available, the supplies are obtained from private suppliers. The lactometer reading of the milk supplied from time to time should be recorded in the column provided for the respect of supplies obtained from contractors on tenders. In case where the density of milk is found less than the stipulation made, a proportionate quantity should be disallowed and payment effected for the balance quantity only.

12.25. Expenditure Register(Office DC/25- This is a register to be maintained in SCO/DCMs Office showing the various sub-detailed heads of account under Abstract K in respect of Departmental Catering Accounts. This will record all the Bills sent to Accounts Office for passing and will also record the expenditure already incurred at the units such as

local purchase from earnings, water and electricity charges etc., for each month. These figures should be reconciled with the Accounts Office. Similar register will be maintained by the Accounts Office also. This will facilitate correct accountal of expenditure as reflected in the Profit and Loss Accounts.

12.26. Register of Laundry Accounts DC/26- This register will be maintained by the Room Manager to record the issue of linen and uniforms for washing purposes. Their receipt back from the laundry will also be recorded in this register. A summary should be prepared monthly and amounts calculated and paid and receipt obtained for the charges paid in cash from earnings.

At units where the contract system is in vogue the bill submitted by the contractor(dhobi) will be checked with reference to entries made in this register and the bill submitted to SCO/DCM duly certified for arranging payment.

12.27. Register of Security Deposit DC/27- Security Deposit received from the staff, commission vendors bearers as required under the extent orders is to be recorded in this register quoting reference to money receipt No. and date under which the amount was remitted Railways credit. In the case of transfer of departmental staff from one unit to the other, the unit from where staff are transferred should furnish full information to the unit to which the staff are transferred endorsing a copy to SCO/DCM to enable him to take action to transfer credit to the respective division. Similar register should be maintained in SCO/DCM 's Office.

12.28. Medical Examination Register DC/28- This register will be maintained by the Manager showing the names of Departmental staff, commission venders/bearers etc. working in the unit and the periodical medical examination conducted by the Medical Officer from time to time together with the results thereof.

12.29. Inspection Register DC.29- This register will be maintained by the Unit/Manager/Inspector. An extract of Inspection notes should be submitted to SCO/DCM periodically.

This register will also record the inspection reports of all the inspecting officials.

12.30. Uniform Register DC/30- *This register will record the receipts of uniforms received from stores department quoting reference to voucher number and date and distribution to the staff entitled as per extant orders in force duly obtaining individual acknowledgment in a separate acquittance and filed along with this register. In case of transfers of staff from one unit to the other the Manager should advise the respective unit the details of the uniforms issued etc.*

12.31. Manager's Cash Book DC/31.- *This will record the sale proceeds of VRR, NVRR and PAD and short collections made good, less expenses incurred on direct cash purchases, short collections, if any, for the day and net remittances made daily.*

12.32. Complaint Register- DC/32: *This register should be exhibited conspicuously in each catering unit to enable the travelling public to record their observations.*

An extract of all Complaints/Appreciations should be sent to SCO/DCM immediately and it is recorded together with the remarks of the Manager/Inspector.

This will be prepared in triplicate, original retained as office copy, duplicate to be forwarded to SCO/DCS and triplicate copy to the party.

12.33. Register of Advances taken – DC/33: *This register is to be maintained by the respective Divisional Godown Inspectors to record the advances drawn for purposes of procuring controlled commodities on permits etc., as per the orders of the SCO/DCM . After effecting purchases necessary voucher should be submitted to SCO/DCM for further disposal. Any unspent amount should be remitted back to Railway's credit. All these are to be recorded in this register duly indicating the remittance particulars.*

12.34. Cash Remittance Return (Monthly) DC/34: *This is a monthly summary of all remittances made by the Inspector/Manager daily during the course of the month and is prepared in quadruplicate and submitted monthly. One copy is retained in the unit and three copies are sent to DCM/SCO(Catering) who in turn will forward one copy to Sr.DAO along*

with all Misc. Receipt Transmit Notes (GR2) under which daily cash is remitted for internal check and another copy to FA&CAO (Books) keeping one copy with him. This will record the remittance made separately for sale of edibles etc., amount of unspent balances of advances, recoveries towards losses on account of shortage, breakage, or loss, sale proceeds of auction sales and Misc. Receipt Transmit Note No. and date and place of remittance.

12.34. Earnings Register (Office) DC/34A: This register has to be maintained by CCM/Sr.DCM's Office in respect of units under his control. The columns provided in the register are same as available in Monthly Cash Remittance Return –DC34 and are required to be posted from the Misc. Receipts Transmit notes received daily in CCM/Sr.DCM Office. At the end of each month, the entries on the different columns are totalled. The totals in this register and those under Monthly Cash Remittance returns – DC34 sent by the unit should agree if not, the difference has to be located and reconciled. In addition to the monthly totals, cumulative totals from the beginning of the year should also be struck. After the close of every month, the entries in this register will have to be reconciled with the books maintained in Accounts Office after which the total amount of Sales and Sundry other earnings are taken in the profit and loss accounts.

12.35. Preparation of Profit & Loss Accounts – DC/35.: This is monthly/quarterly/annual return in the existing pro forma prescribed by the Railway Board and submitted to the Sr.DAO/FA&CAO by the DCM/SCO (Catering) on the dates prescribed. Separate Profit and Loss Accounts are prepared for VRR, NVRR, PAD and Mobile Units (car wise). In respect of units, where VRR and NVRR function as comprehensive unit, the monthly, quarterly and annual profit and loss accounts may be compiled as a combined one.

Monthly and quarterly profit and loss accounts are prepared on pro forma 'B' only where as the annual profit and loss accounts should be prepared in both the pro forms 'A' & 'B'.

The opening balance should agree with the closing balance of the previous month/quarter/year and the closing balance would reflect the value of the actual ground balance at the close of the month/quarter/year concerned as per the verification of ground

balance done by the R.M./Inspectors. All items of debits and credits are incorporated based on the expenditure Register DC/25 and Earnings Register maintained by the DCM/SCO(Catering) and other returns received from the Units.

In regard to foot note particulars in the quarterly and annual profit and loss accounts the opening balance should agree with the closing balance of the previous profit and loss accounts. The values of receipts and closing balance are taken as per the R.I.B. returns for dead stock items relating to the corresponding period received from the units. The difference is arrived at by adding the receipts with the opening balance less closing balance and this contributes to the loss incurred during the period and is incorporated accordingly against item III(d) the debit side of the Profit & Loss Account(Pro forma 'B').

13.01. Preparation and submission of Daily/Monthly/Yearly Returns that are to be submitted to Commercial and Accounts Officers

A. Daily Returns: The following returns are to be submitted to the SCO/DCM/daily.

Sl.No	Name of the Return	Form No.	Date of Submission to CCM/DCM Office
1	Credit voucher in case of Book adjustments With other departments	DC/2	Following Day
2	Indent cum Receipt of Stores (from Suppliers)	DC/3	Following Day
3	Daily Transaction statement(VR/NVRR)	DC/17	Following Day
4	Daily Transaction Dining Cars & Golconda Exp.	DC/18	Following Day
5	Daily Transaction PAD	DC/19	Following Day
6	Vendors/Bearers' Commission Account	DC/13	Following Day
7	Acknowledgment copy of Misc. Receipt	Transmit Note GR 2	Following Day

Accounts check of transactions relating to Catering Establishment will be carried out periodically i.e., once in three months by the Associate Accounts Officer which will cover one month's transactions with initial records. It is therefore, imperative that the initial

records are properly posted and kept at the units to facilitate inspecting staff to carry out the inspection effectively.

Sl.No.	Name of the Return	Form No.	Comm l Office	Accts Office
1	Monthly Transaction Statement (VRR / NVRR)	DC/17	5 th of the following month	10 th of the following month
2	Monthly Transaction Statement (Dining Car)	DC/18	-do-	-do-
3	K.Exp., Golconda EXP.,(PAD)	DC/19	-do-	-do-
4	Summary of Loss vouchers	DC/9	-do-	-do-
5	Receipts, issues and balances for raw materials and Manufactured articles/PAD) and Block Stock Items with all its Enclosures)	DC/10	-do-	-do-
6	Vegetables consumption statement	DC/10A	-do-	-do-
7	Consumption of commodities statement.	DC/11	-do-	-do-
8	Misc. Cash Remittance (Monthly) return	DC/34	-do-	-do-
9	Monthly P&L Acct. of VRR, NVRR and PAD separately and in respect of Mobile Units Car wise	Proforma "B "	-do-	-do-
10	Loss Vouchers	DC/8	-do-	-do-
11	Commodity Transfer Note with Summary	DC/5	-do-	-do-

The above statements should be sent in duplicate. One copy will be retained by SCO/DCM and the second copy will be forwarded to Accounts Offices for internal check.

C) Quarterly Returns: (i) Quarterly Profit and Loss Accounts are to be submitted on the dates already indicated in the Joint Accounts and Commercial circular No. C.65 P&L/Vol.IV of 9th September. 1970.- 5th of the month following the quarter to which it relates.

(ii) Quarterly statements of Receipts issues and balances for block stock Accounts together with all its enclosures such as details for receipts Inward, Transfers and verified balances

duly certified by Catering Inspector DC/10- 10th of the month following the quarter to which it relates.

D)Annual Returns: Annual P & L Accounts – Proforma ‘A’ & ‘B’ – As laid down in the Joint Circular No.C.65/F/P&L/Vol. IV of 9th September 1970.

This has the approval of the competent authority.

Sd/
C.C.M./SC.RLY

Sd/
F.A. & C.AO.

DRAFT ANNEXURE ‘A’

JOINT COMMERCIAL AND ACCOUNTS POO IN AMPLIFICATION OF PARA 3.04 OF THE JOINT COMMERCIAL AND ACCOUNTS PROCEEDURE ORDER No. C.65/F/P/1976 DATED 20.8.1976

1.Purchase of Raw materials and other commodities required for consumption in the departmental catering units shall be made by the officers Purchase Committee herein after called OPC. Requirement of the various items such as Rice, Wheat, Pulses, Milk powder, Oils, Tea , Coffee, Nescafe etc., should be properly assessed by each catering unit and a statement taking into consideration the stock on hand, the requirement for about 30 days and quantities to be purchased has to be prepared by each catering unit and sent to DCM of the Divisions, in which catering unit is situated. The DCM should after proper verification of the data given by the individual Catering Units, summarise the quantities to be purchased by the OPC and hand over the consolidated statement to the OPC in advance. Purchase should normally be based on the requirement of 30 days consumption keeping a buffer stock of 15 days.

e) The requirement of raw materials/perishable items for consumption in departmental catering units to be purchased by the OPC should be from the sources indicated here under-

(i)Rice, Sugar, Wheat and Dhalls – Civil Supplies Authorities FCI/Rice Millers approved by FCI or Civil Supplies Authorities. “If Rice, sugar, wheat and dhalls

available with Civil Supplies authorities/FCI are not of good quality, this must be recorded by the OPC in writing before purchasing the material from the whole sellers”.

(ii) Spices, Masala items, Appalams etc.-Wholesale dealers.

(iii) Vegetable oils- Manufacturers/oil millers/ wholesale dealers where no oil mills are available at the place the Catering unit is situated.

(iv) Coffee Seeds- Coffee Board.

(v) Tea Leaf/Tea dust-Manufacturers or their authorised distributors.

(vi) Milk and Milk Products- Government Dairies, APDDC, Cooperative Milk Societies.

(vii) Bread –Modern Bread

(viii) Eggs, Chicken- Government Poultry Farms

(ix) Mutton-Open market

(x) Fish- Government Fisheries/Open market.

(xi) Tinned/Bottled provisions-Manufactures/Distributors/Agents of reputed firms.

(xv) Nescafe- Manufacturers/ Distributors/Authorized Agents.

NOTE- In respect of tinned/bottled provisions and other branded items, the Committee will go round the market and fix sources and the concessional rates as existing for Nescafe. Thereafter OPC need not visit firms and tabulate the rates etc., each month, unless there are special reasons for the same.

f) OPC will draw a list of rice millers who are capable of supplying quality rice so that rice can be purchased from them economically as a long term measure. These items that can be purchased in bulk taking advantage of the seasonal rates, may also be bought in bulk quantities depending upon the availability of godown space.

2. The OPC consisting of Sr.DCM/DCM, DAO/ADAO/AAO and DMO/ADMO of divisions should personally go to the market and collect samples and quotations. The Committee shall obtain not less than three quotations from reputed wholesalers/millers on spot. The enquiry form on which quotation is obtained should

also incorporate the quantities proposed to be purchased. The Committee is also required to collect minimum, of 3 samples from intending suppliers which should be properly kept in a plastic/polythene container, the contents of which should be visible from outside and should be sealed by the supplier with proper identification if the firms' name etc., by labelling and sealing the container in a proper manner. The sealed label should be signed by the supplier and also by the members of the OPC for the purpose of authenticity. Out of the three sealed samples obtained, one sample should be sent for laboratory analysis, second one be retained by the Convenor of the OPC and the third one handed over to the Catering Inspector/Godown incharge who will receive the supplies. Convenor of OPC will arrange to keep in safe custody these samples neatly arranged for a period of two months. These samples should be identifiable at any point of time. The sample given to the Catering Inspector/Godown Incharge has to be kept by him carefully to ensure that the supplies received are strictly in accordance with the samples collected and approved by the OPC. On receipt of the laboratory report certifying the quality/fitness of the sample, purchase can be made from the firm whose quotation has been accepted. If the sample is found to be defective, fresh quotations should be obtained for such items along with fresh samples and purchases decided depending upon the acceptability of the fresh sample.

NOTE- Samples are to be sent for Laboratory analysis only in respect of Raw Materials/Commodities which are susceptible of adulteration.

3. Warranty certificate is also required to be obtained from each of the suppliers regarding the quality of the proposed supplies who should also indemnify that the supply to be made would conform to the samples accepted and that he would be liable for action if the supplies made by him are found to be different from the accepted samples. Such warranty has to be invoked in situations where the samples drawn from the bulk supplies by Health and other authorities prove to be defective/adulterated.

4. The responsibility of the OPC will cease with the verification of quotation and determination of the acceptability or otherwise of the samples and the rates.

5. OPC should examine the samples and compare the rates quoted by the suppliers and decide from whom and at what rate the commodity has to be purchased and the decision about the purchase and the rates should be clearly indicated by the joint signatures of the OPC members. Whenever OPC desire to purchase raw materials/commodities from two or more markets for instance, at HYB and Warangal, the OPC should workout the relative economics of purchases taking into account the transport costs involved and then decide to purchase the requirements either at one place or from both the places as the case may be depending upon the patent advantages to the Railway.

6.It will be necessary for the intending suppliers to keep their offer regarding the rates etc. open till the receipt of the laboratory report before firm orders can be placed.

7.After the placement of firm orders, the convenor of OPC i.e., DCM, will draw cash and advance from the Associate Accounts Officer by the issue of a pay order and keep the cash in his safe custody and disburse it to the suppliers after collecting the stocks and arrange to store the procured materials in the godown with the assistance of the Catering Inspector in all allied matters. The purchases should be on cash payment from those suppliers and at those rates approved by the OPC.

8.The materials on receipt from the suppliers should be weighed and accepted by the Catering Inspector or godown in charge as to the quantity and quality strictly as per the sample.

9.The bills which are submitted to the Accounts Office for adjustment will have to be certified by the received of the supplies to the effect that the supplies have been made according to the sample and of the quantities have been correctly received and accounted for. The bills should also be countersigned by DCM concerned and submitted to the Associate Accounts Officer along with the statement of purchases made by the OPC.

10. Samples, if any, received back from laboratory after analysis with adverse reports and/or certified as adulterated should be kept carefully under the custody of the Convener and the supplier concerned should not be patronized again.

A register should be maintained by DCM showing the names and addressed of such suppliers with particulars of commodities purchased from them together with the remarks and reference of the Medical Department. This register should be treated as a confidential record and kept under the personal custody of Sr.DCM/DCM. This should be shown to the OPC prior to their visit to the Market.

11. Balance amount, if any, out of the total amount of advance drawn from Associate Accounts Officer and left unspent after making the purchase by the OPC each time should be remitted to the Divisional Cashier Pay/ Chief Cashier as the case may be immediately. This should be watched by the concerned Accounts Officer also.

12. The Divisional OPC will be responsible for procurement of raw materials in respect of Catering units falling under the jurisdiction of respective Divisions.

13. Based on the estimated value of purchases to be made during a calendar month, the composition of Officers' Purchase Committee shall be as follows:-

Estimated value of purchases through OPC during a calendar month.	Composition of OPC	
Below Rs.5 lakhs	DCM	Convener
	AAO/ADAO	Member
	ADMO	Member
	(To be nominated by the ADMO)	
Over Rs.5 lakhs	Sr.DCM	Convener
	DAO/ Sr.DAO	Member
	DMO	Member
	(To be nominated by the DMO)	

-sd--

C.C.M.

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F.A. & C.A.O.

1623 **Catering policy 2000 circulated vide Commercial Circular No.58 of 2000 is reproduced below:**

COMMERCIAL CIRCULAR NO.58 OF 2000

Sub:- Catering Policy-2000

Minister for Railways during the budget speech 1999-2000 had announced that with a view to bring transparency and competitiveness in catering contracts for major units, a two packet tender system would be introduced. Ministry of Railways has therefore reviewed the existing Catering Policy-1992 and new policy guidelines have been framed. The new policy also contains general guidelines regarding improvement in the standards of catering/vending services, decongestion of platforms and scale of services both at stations and in trains.

The policy guidelines containing 17(seventeen) pages to be followed by the Zonal Railways in this regard are enclosed. The policy guidelines will be implemented with immediate effect. Ministry of Railways desire that necessary action may be taken to implement the revised policy.

The Catering Policy-2000 supercedes the existing policy guidelines issued from time to time on the subject covered in the policy document except those specifically referred. The policy should be widely circulated to all concerned.

This issues with the concurrence of Finance and Legal Directorates of Railway Board.

Kindly acknowledge receipt of this letter.

(Yogendra Sharma)

Director(Catering)

Railway Board

No.97/TG.III/600/12

New Delhi

Dated 20.10.2000

CATERING POLICY-2000

PART A

GENERAL

1.NEED FOR A NEW POLICY

The policy on catering matters was last enunciated in 1992 vide Railway Board's letter No.91/TG.III/600/15 dated 6.1.1992. With the accent on augmenting earnings for Indian Railway, it has become imperative that catering should generate adequate resources to make this sector self-reliant. Expectations of the rail passenger are also increasing, and today the customer wants higher standards of catering services including quality, variety in products, hygiene, better presentation of services, etc. There is also an urgent need to decongest the platforms at railway stations in the larger interest of the travelling public in order to provide free movement of passengers. Railways will have to continually address the customer needs and provide better facilities to satisfy their demand.

With a view to bring about tangible improvement in catering services, which constitute a major segment of our customer interface, a new policy on catering has thus been framed, which along with other circulars/guidelines mentioned in this document supercedes all the existing policy guidelines issued from time to time.

In future as and when there is any change, modification or alteration in this policy, Ministry of Railways will be free to undertake those changes in case of the existing licence holders without any further notice.

2.CATERING/VENDING SERVICES

Railways provide the following catering/vending services:-

- i)Refreshment rooms, restaurants, fast food centres/snack bars, tea stalls, fruit/fruit juice stalls, cold and hot beverage dispensers, miscellaneous curio goods stalls, chemist stalls, ice-cream parlours etc. at railway stations.
- ii)Tea stalls at roadside stations.

- iii) Integrated on-board catering services on Rajadhani and Shatabdi Express trains.
- iv) Services through pantry car on selected long and medium distance superfast/mail and express trains.
- v) Base kitchens to provide ready made meals for on-board catering.
- vi) On board catering/vending services through static units (train side vending) in trains having no pantry cars.

3. SCALE OF CATERING FACILITIES ON INDIAN RAILWAYS

Zonal Railways should undertake a review of the existing catering establishments at stations with a view to reduce overall congestion on platforms by consolidating the services. Scale of catering services required at stations may be decided keeping in view the needs of the travelling public, and the extent of passenger traffic dealt at a particular station with aggravating the congestion on the platforms. Scale of facilities should be drawn up according to the class of stations and volume of passenger traffic. Following guidelines may be observed while providing catering and vending facilities at different classes of stations.

3.1 Class “A” Stations (Non-suburban stations with an annual passenger earning of more than Rs.6 crore as per the list circulated by Board from time to time.)

Following catering/vending facilities should be provided at all class “A” stations:-

- i) Existing refreshment rooms should be developed into self-service model refreshment rooms/restaurants, and should be equipped with modern equipment/gadgets for cooking, storage, heating etc., and must have computerized billing arrangement. Vegetarian and non-vegetarian refreshment rooms, wherever provided separately may be progressively clubbed and one station should have one integrated refreshment room.
- ii) Provision of any additional stall is banned at some “A” stations notified by Board from time to time except on new platforms/concourse. Any additional facility at such stations will require Board’s sanction on adequate justification and recommendation

of the General Manager of the Railway. However zonal railway will review the need for additional facilities in the light of provisions contained in para 4.1.

iii) Main Station Platform:- No catering/vending stalls should project out of the station building and all stalls should be progressively flushed with the wall of the station building. All stalls should be provided as per the guidelines circulated through commercial circular No.1 dated 15.03.99 and correction slip dated 25.02.2000 on modular stalls.

iv) Island Platform:- Island platforms should have minimum number of stalls as per requirement in order to provide free movement to the passengers. All stalls on island platforms should be provided along the centre line of the platform and conform to the specifications of modular stalls, as per policy guidelines on this subject. A combined and integrated catering stall dispensing snacks, tea/coffee cold drinks etc. should be provided on either end of the island platform. It should be done progressively by relocating and consolidating the existing stalls to ease congestion in the middle of the platform.

v) Cooking free Platform:- To discourage cooking/deep frying on the platforms, Railways should gradually shift to the concept of serving pre-cooked food items packed in bio-degradable and eco-friendly containers, in which food could be warmed before serving. Cooking should be confined to centralized kitchens and food should be dispensed through heating equipment such as bain-maries, infrared/microwave ovens etc. In order to ensure cleanliness, railways should replace coal-fired stoves, kerosene stove etc., with cooking gas stoves, wherever cooking is unavoidable. Proper washing and cleaning arrangements should be made to maintain cleanliness. Adequate number of dustbins should be available near all stalls. Use of disposable cups, plates or other containers should be encouraged.

vi) Trolleys:- Eventually there should be no mobile food trolleys on platforms at a class "A" station. With the gradual decrease in the number of commission

bearers/vendors on account of their absorption against regular posts, number of trolleys should be progressively reduced. Railway may, however, ensure that a minimum level of catering services are maintained through other outlets.

3.2 Class "B" Stations (stations with passenger earnings between Rs.3 crore and up to Rs.6 crore as per the list circulated by Board from time to time)

Zonal Railways should observe following guidelines to provide catering/vending facilities at class "B" stations:-

- i) Railway should provide catering/vending facilities at stations in order to meet the requirement of customers.
- ii) On main station platforms all stalls should be flushed with the wall of the station building, and no stalls should project out as mentioned in para 3.1.
- iii) On island platforms modular stalls should be provided along the centerline. This should be done together with relocating existing stalls as mentioned in para 3.1.(iv)above.
- iv) Provision of any additional stall is banned at some class "B" stations notified by Board from time to time except on new platforms/concourse. Any additional facility at such stations will require Board's sanction on adequate justification and recommendation of the General Manager of the railway. However zonal railway will review the need for additional facilities in the light of provisions contained in para 4.1.

3.3 Class "C"(all suburban stations except class "A"/"B")

Suburban stations are generally handling very high volumes of passenger traffic. It is therefore necessary that adequate space is available for the free movement of passengers. Following catering/vending facilities may be provided at these stations:-

- i) On end platforms stalls should be flushed with the wall of the station building to the extent possible in line with the modular stall policy as mentioned in para 3.1.(iii)
- ii) On island platforms modular stalls should be provided along the centre line as mentioned in para 3.1.(iv).

iii) Tea/snack stall provide choice of ready made and pre-packed food items, which can be easily dispensed and consumed conveniently by a fast moving passenger. Stalls should provide multi product dispensers as stipulated in the policy on Automatic Vending Machines vide Commercial Circular No.3 dated 17.3.99.

iv) Provision of any additional stall is banned at these stations except new platforms/concourse. Any additional facility on these stations will require Board's sanction on adequate justification and recommendation of the General Manager of the railway. However zonal railway will review the need for additional facilities in the light of provisions contained in para 4.1.

3.4.**Class "D"**(stations with passenger earnings between Rs.1 crore to 3 crore)

Zonal railway will approve the requirements of catering facilities at class "D" stations with the recommendations of DRM keeping in view the minimum requirement of travelling passengers at different stations.

3.5.**Class "E" stations**(all stations other than A,B,C, and D)

Divisional Railway Managers may decide to provide need based catering facilities at class "E" stations.

4.**REDUCTION OF CONGESTION ON STATIONS/PLATFORMS**

There is a need to reduce/relocate the existing stalls in order to ease congestion on platforms. A standing committee of three divisional officers should conduct a detailed review of catering/vending facilities at all stations and take systematic steps to decongest the platforms as per a master plan for each station. Following guidelines should be observed in this regard:-

4.1.**Shifting of stalls**

Railway should observe following guidelines for shifting of stalls:-

4.1.1. Stalls should not be shifted to a station appearing in the list of banned stations except in case of new platforms/concourse.

4.1.2. In case of new platforms/concourse Divisional Railway Manager, with the recommendation of a committee of three branch officers will shift stalls from other platforms by inviting applications from existing licensees/units at the station.

4.1.3. In case, nobody is willing to shift their stalls at the same station, Chief Commercial Manager with the recommendation of a committee of three junior administrative grade officers (HQ. Level) will decide by inviting applications from other congested stations on that Railway.

4.1.4. For shifting stalls from one railway to another railway, prior approval of Board must be obtained with detailed justification prepared jointly by the railways concerned.

4.1.5. However railway should keep in mind that while shifting catering/vending facilities from congested stations/platforms, vacancies so created should not be filled.

4.2 Reduction in the number of stalls on platforms

To decongest the platforms, it is necessary that the number of stalls is reduced by observing following guidelines:-

4.2.1 Vacancy created due to absorption of commission vendors/bearers should not be filled and resultant vacant stalls should be closed in case of congested stations. However, if railway feels that such a facility is required for the passengers without causing congestion, the same should be licensed out by inviting applications.

4.2.2. Whenever the performance of any licensee is found to be continuously unsatisfactory, his licence may be terminated and the vacancy allowed to lapse in case of congested stations or fresh licence awarded after inviting applications if required in case its continuance does not create congestion.

4.2.3. To provide free movement to passengers, the number of trolleys should be reduced at class “A” station as per the master plan prepared for the station.

4.2.4. While all new stalls are to be provided as per the policy guidelines on modular stalls, existing stalls should be modified as per the standard dimensions of modular stall to reduce congestion progressively.

5. MANAGEMENT OF DEPARTMENTAL UNITS

- 5.1 In future no catering/vending units should be taken up for departmental management and licensees should manage the services. Facilities vacated due to absorption of commissioned vendors and commissioned bearers should be consolidated with a view to standardize the catering/vending facilities.
- 5.2 Railway should review from time to time, the performance of departmental units. All loss making units should be taken for licensing with the approval of the General Manager. Staff should be relocated to other units within the railway.
- 5.3 Railways will not make any fresh recruitment in catering department except in the categories specified by Board.

6. MOBILE CATERING UNITS

6.1. Ownership of rake:-

In order to maintain effective control over on-board services, the Division responsible for the primary maintenance of the train would own the rake of the train and also undertake the maintenance of the pantry car. For any complaint in this regard the division concerned would be accountable. The zonal railway having primary maintenance of rake will also control the management of catering services in case of licensee operated pantry cars. Any exception in this regard would require full justification and Board's approval.

6.2 Provision of pantry cars:

Provision of pantry cars on different trains will continue to be determined centrally by the Railway Board. Railways will observe will following guidelines with regard to mobile catering services:-

- i) Pantry cars of Rajadhani Express trains should be designed to ensure that pre-cooked and hygienically packed food is supplied from base kitchens with minimum handling in transferring the same to the passengers. Mini pantries with modern gadgets/equipment as specified for Rajadhani Express train coaches should be provided. Railways should use covered mobile vans, containers and trolleys of standard design for transferring meals from base kitchens to the trains. However, in

first AC class, railways will provide personalized service and the food should be cooked in the pantry car. Services should be provided through trolleys in all coaches.

ii) All Shatabdi Express trains should have mini pantries equipped with modern gadgets such as hot cases, water boiler, bottle cooler etc., in all coaches. There should be no cooking and washing on board. Food should be served in pre-set trays, and service in all the coaches should be through trolleys. Railways should use covered mobile vans, containers and trolleys of standard design for transferring meals from base kitchens to the trains.

iii) Railways will provide pantry cars on long distance trains to be identified centrally at Railway Board level from time to time. Broad criteria for providing pantry car on mail/express trains are given in para 6.3 below.

iv) Train side vending-As it is not feasible to provide pantry cars on all trains, Railways will arrange on board catering/vending services(train-side vending) in terms of Board' letter No.2000/TG III/11 dated 29.5.2000.

v) Pantry car of a particular train is considered as one unit, irrespective of the frequency viz., whether it is a weekly/bi-weekly, etc., or a daily train service. Pantry car licence of a particular train should, therefore, be awarded to one licensee only and should not be split among different licensees for different days.

vi) There may be cases where train services are run with integrated rakes and only one or more trains may be having the pantry cars. In such cases, railways will provide pantry cars on all trains running with integrated rakes to avoid shunting and make optimum use of the rolling stock. Railways will however follow the extant instructions for awarding fresh pantry car licence on new train/trains as this will be an additional service.

vii) Conversion of gauge-In case of gauge conversions, the licensee managing the pantry car services on MG/NG trains, will continue to manage the services on corresponding trains for the unexpired period of their licence on its conversion into broad gauge. In case it is not possible to provide a separate pantry car in the corresponding BG train, the licensee may be permitted to provide on board vending on that train for the unexpired period of the licence only. He may also be given a suitable space for running kitchen at the terminal station for this specific purpose.

6.3.Criteria for providing pantry car on long distance mail/express trains:-

Railways should strengthen the static catering units at major stations on popular routes so as to provide adequate facilities to the passengers. Wherever it is not possible to provide satisfactory services through static units in future following criteria will be observed for providing pantry cars in mail/express trains, other than Rajadhani express trains where it is a part of train composition, subject to the availability of rolling stock:-

- a) Journey time more than 24 hours each way;
- b) At least 10 sleeper class coaches(upper and lower class) are in the train formation;
- c) At least 200 meals comprising of lunch or dinner for super fast trains and 150 meals for mail/express trains are expected to be served each time.
- d) There are less number of stoppages, where it is not possible to provide catering services through static unit enroute;
- e) Air brake rake with vestibule coaches will have preference
- f) Other consideration such as tourist attraction, non availability of satisfactory services enroute, other operational requirements etc.

7.TARIFE

Railway Board will continue to decide the tariff for tea/coffee, standard breakfast, meals and for mineral water, which is uniformly applicable on all zonal railways. Railway Board will also continue to decide catering charges for various services in case of Rajadhani/Shatabdi Express trains, as this is a part of passenger fare. However, zonal railways will decide the rates of a la carte catering items with consultation of associate finance under advice to Railway Board.

8.CEILING LIMIT ON HOLDINGS

There will be no ceiling limit on the total number of holdings of the units by a licensee.

9. TRANSFER OF LICENCE

Transfer of licence to the son/legal heir would be allowed only in the event of death. The licence can be transferred in the name of son/legal heir for the unexpired period of the agreement only on personal approval of the Divisional Railway Manager in case of small units and Chief Commercial Manager in case of major units.

10. EXCLUSION OF GOVERNMENT EMPLOYEES AND THEIR DEPENDENTS:

As contained in Railway Board letter No. 85/TG. III/600/1 dated 05.02.1985, no catering/vending licence should be awarded to any Government employee or railway servant or any other member of his/her family(as defined in rule no.103 para 17 of the Indian Railway Establishment Code-Volume I). The existing catering/vending licences who are coming under the above category, should also not be allowed to continue their licence on conformation of the above position.

11. INCLUSION OF SON/WIFE/DAUGHTER'S NAME IN THE LICENCE

In case of old age, disablement, infirmity, etc., as circulated vide letter no. 92/TG III/601/14/C dated 16.6.93, Divisional Railway Manager in exceptional cases only, may personally consider request of individual licensees for inclusion of the names of their son/daughter/wife in their licence subject of his/her performance being satisfactory and also that no railway dues are pending against the licensee. Zonal Railways should also ensure that son/daughter/wife, whose name is proposed to be included in the licence should not hold any other catering/vending lincence over Indian Railways.

12. GENERAL

12.1 Use of food grade material:

Railways should ensure use of food grade material of standard quality for storage/packaging of food items in order to avoid chances of contamination. The use of eco-friendly material should also be encouraged for serving snacks/beverages in

order to control pollution. In view of increasing use of packaging material, railways will devise suitable systems to collect, transfer and disposal of catering waste.

12.2. Training and HRD As in-house training facilities are not available on Indian Railways in catering and hospitality, railway should plan training of cooks, bearers/waiters, frontline managers and middle level managers in other Government or recognized private training institutes under delegated powers of General Managers. Licensees will also ensure regular training of their staff on similar lines for human resource development.

12.3 Arbitration:

In the event of any question, dispute or difference arising under these conditions of contract or in connection with this contract(except as to any matters, the decision of this is specially provided for by these or the special conditions) the same shall be referred to the Arbitration Tribunal or the person appointed to be the sole arbitrator, by the GM of the concerned zonal railways. The person to be appointed as arbitrator , however, will not be one of those who held an opportunity to deal with the matters to which the contract relates or who in the course of his duties has expressed views on all or any of the matter under disputes or difference. The award of the Arbitrator shall be final and binding on the parties to the contract.

In the event of the arbitrator dying, neglecting or refusing to act or resigning or being unable to act for any reasons, or his award being set aside by the court for any reasons, it shall be lawful for the authority appointing the arbitrator to appoint any other arbitrator in place of the outgoing arbitrator in the manner aforesaid.

The arbitration referred to above shall be governed by Arbitration and Conciliation Act 1996.

12.4 Model Agreement:

Agreement entered with licences should also have a clause that licensee shall at times indemnify the railway administration against all claims regarding workmen/labour/servant and there will be no liability of the railway on this account. A model agreement is under process and zonal railways will be advised in due course.

PART B

LICENSING POLICY

13. ALLOTMENT OF CATERING LICENCES:

It has been decided that allotment of catering/vending licences will be done under separate rules for major and small catering/vending units as explained in paragraph 14 and 15 below:-

14. SYSTEM FOR AWARDING LICENCE IN CASE OF MAJOR UNITS:

14.1. Definition of major units:

For the purpose of award of catering licence, major catering units are defined as under:-

- i) All mobile catering units including Rajadhani/Shatabdi Express and other mail and express trains,
- ii) Restaurants/refreshment rooms, at all class “A” stations excluding attached facilities like stalls/trolleys, if any existing at present.
- iii) Multi outlet food plazas or food courts, or
- iv) Single outlet fast food centres.

14.2. Tendering System:

It has been decided that catering licences of major catering units will be awarded through open tender under a two-packet system. Tenders will be invited by giving suitable notification in national and local newspapers. Packet-A will contain technical offer and Packet B will contain the financial bid.

Award of licence in case of major units will be done at the level of zonal railway Headquarters.

14.3. **Technical Offer:**

Packet “A” which is the technical offer, will be opened first.

Packet “A” should contain the following basic documents along with other documentary evidence to satisfy the eligibility criteria, which are detailed in the following paragraph:

- i) Memorandum and Articles of Association in case of a company along with certificates of incorporation, and date of commencement of business etc.
- ii) Details of partners along with certificate of registration and details of their business etc. in case of a partnership firm registered under the Partnership Act, 1932.
- iii) Addresses, telephone numbers, contact persons of the various establishments/base kitchens etc., of the company.
- iv) Curricula vita of the managerial/supervisory personnel in regular employment of the company with certificates for their educational/professional qualifications.
- v) Balance sheet of the company or profit & loss account of the firm for the last two years duly audited by a Chartered Accountant.
- vi) Latest income tax clearance certificate.
- vii) Earnest money through demand draft/banker’s cheque.
- viii) Documentary evidence to establish reputation/business standing of the company.
- ix) Any other document considered relevant by the zonal railway to be notified in the tender.

14.4. **Eligibility Criteria**

The three member Tender Committee of appropriate level of Commercial, Finance and one from a sister department will scrutinize the technical offers received in Packet “A” to shortlist the eligible candidates. The General Manager of the Railway

will decide the level of the tender committee. The eligibility criteria for short listing the eligible applicants would be as under:-

i) The applicant should be a reputed company/firm and not an individual duly incorporated/registered for catering/hospitality business for handling food and beverages.

ii) The applicant must have a minimum of five years of experience in the field of catering/hospitality business.

iii) The applicant should already be having a minimum annual turnover in catering/hospitality and F&B services related business and the eligibility criterion for different type of units is given below:

Rs.5 crore per annum	Mobile catering on Rajadhani/Shatabdi Express trains
Rs.5 crore per annum	Multi outlet food plazas or food courts
Rs.3 crore per annum	Mobile catering on other mail/express trains
Rs.1 crore per annum	Restaurants/refreshment rooms at class “A” stations
Rs.1 crore per annum	Single outlet fast food centres

iv) Reputation/business standing of the applicant

v) Sound financial standing of the applicant

vi) The applicant should have sufficient number of qualified personnel with at least three years’ diploma from a recognized catering institution in food and hospitality (hotel management) in its regular employment.

vii) The applicant should also have catering establishments/base kitchens with modern equipment and gadgets and should have in-house hygiene and food safety

arrangements and must follow good management practices. Its establishment/base kitchens etc., should be available for inspection of the Tender Committee or any other agency as notified by railways.

viii) The applicant should be an income-tax payee.

Any other criteria considered relevant by the zonal railway to be notified in Packet “A”.

14.5 Financial Bid:-

i) Packet-B which is the financial offer, will be opened only after shortlisting of eligible applicants on the basis of Packet “A” and will contain the financial bid only and no other document.

ii) The financial bid will be in terms of a percentage commission on sales turnover, which will be payable by the licensee to the railways. The offer should be conspicuously in terms of both in figure and in words. Any overwriting, correction or insertion will not be accepted.

The financial bid would be in terms of percentage commission on sales turnover, subject to a minimum of lump sum amount to be indicated in the tender document by the railway, which shall be calculated as per following guidelines: -

Rajadhani/Shatabdi	15% * of estimated annual sales turnover based on
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Express trains	average occupancy figures
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Other Mail/Express	12% * of estimated annual sales turnover
---------------------------	--

Trains

All other static units	12% * of estimated annual sales turnover
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Or any other percentage commission on sales as notified from time to time.

iii) Assessment of Sales Turn Over:-

- (a) In the case of Rajadhani/Shatabdi Express trains sales turnover for the realisation of licence fee will be based on the actual occupancy in each trip as certified by Train Superintendent.
- (b) In case of mobile units, other than Rajadhani/Shatabdi services, a minimum number of 200 meals for superfast trains and 150 meals for other mail/express trains on each occasion of servicing lunch/dinner or both, as per train timing, any be taken into account while assessing sales turnover.
- (c) In case of static units, the sales turnover may be assessed based on location of the unit, number of passengers dealt, the type and price of items sold, number of vendors on the unit, previous record of sale of a similar unit(in case of new units)and any other such related criteria. Assessment of sales must also be done through a surprise physical check by a committee comprising of inspectors from Commercial and Finance Departments for a period of three days with scrutiny of sales records. Such assessment will be approved by a gazetted officer of the Commercial Department with concurrence of associate finance.
- (d) Railway should keep a constant watch on the sale of various units to ensure that there is no loss of revenue. Railway should also introduce progressive systems utilizing advanced technology, computerized billing etc., to bring transparency in assessment of sales. Audited statement of accounts in case of major units should also be insisted upon. In case of Rajadhani/Shatabdi Express trains sales turnover is on actual occupancy basis as certified by Train Superintendent.

iv) Applicants will be asked to bid over and above the minimum percentage commission notified from time to time by Railway Board. Licence will normally be awarded to the highest bidder. However Tender Committee will ensure that licence fee offered by the highest bidder is realistic and workable in order to maintain the standard of catering services expected to be maintained by the service provider. Under no circumstances the quality of services be compromised.

v) Licence fee payable by the licensee is in the form of percentage of annual sales turnover. No other operational charges like haulage/maintenance/detention etc., in case of mobile services will be recoverable from the licensees. In the case of static units also there will be no separate charges payable towards rent for building/land, vendors' fee and conservancy charges etc., except electricity and water charges, which will be based on actual consumption.

14.6.Tenure

14.6.1. The tenure of licence for major units will be five (5) years. There should not be an automatic renewal. However, railways reserve the right for renewal of licence only once for a second term of five (5) years, in the case of satisfactory performance.

14.6.2. The monitoring of performance of the licensees should be strengthened. Finance and outside consultants should be involved. Opinion of passengers should be taken distributing standard forms and results should be computerized. Complaints should be analysed for their genuineness and corrective action should also be taken. Grievance cells should be strengthened on Zonal Railways. Licensees should have accountability and loyalty to railways. The monitoring of performance will also include performance as reported through an Annual Confidential Reports (enclosed as Annexure I & II) during the term of licence as circulated vide Commercial Circular No.55 of 2000, prompt payment of all railway dues, complaints of serious nature against licensee regarding quality of food and services, reasonable increase in sales turnover during the period of licence, public opinion conducted from time to time and inspection reports of senior railway officers. Railway should maintain a performance report of major licensees. The licence should be renewed by the committee equivalent to the committee, which originally awarded the licence with the acceptance of the accepting authority.

14.6.3. The railways will give no extension after expiry of the licence (second term in case of renewal) and fresh tenders be called well in time.

14.6.4. The enhancement of licence fee at the time of renewal should be based on actual sales turnover subject to a minimum of 10% increase of the prevailing licence fee at the time of renewal.

14.7 Reservation:-

It has been decided that the award of licence in case of a major catering/vending units will be made only on the basis of profession criteria through open competitive bidding as laid down for this purpose and there will be no reservation for any category.

14.8. Earnest Money

To encourage genuine parties for bidding for licences, earnest money to be enclosed along with the tender document would be as follows:-

Rs.3 lakh	All mobile catering licences and multi outlet food plazas/courts
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Rs.1 lakh	Refreshment rooms/restaurants/single outlet fast food centres
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Earnest money of unsuccessful bidders will be refunded after the award of contract without any interest.

14.9 Security Deposit

Security deposit by the successful applicant will be equivalent to 5% of the assessed annual sales turnover of the unit to be fixed by the zonal railways and incorporated in the tender document. Sales turnover should be assessed as per the guidelines given in para 14.5(iii). Earnest money of successful bidders will be adjusted against the security deposit. In case the applicant fails to provide satisfactory service, the security deposit will be forfeited.

14.10. Application of New Policy to existing licences.

New Catering Policy will take effect from the date of issue of this policy in case of all new catering/vending licences. This will also apply in case of award of fresh licence in the event of termination, non-renewal, vacation etc., of the existing licences. However, in the case of existing licences, which continue to provide satisfactory

services, the licensees will be allowed to complete their present term subject to application of all other policy directive issued from to time. Thereafter, licences of such existing licensees shall be renewable for such periods so that the total period of operation from the date of issue of New Catering Policy is five years on uniform basis. For instance in case of an existing licence which is expiring, say in October, 2001 the licence shall be renewable for a further period of 4 years beyond October 2001 i.e., upto October, 2005. If a licence is expiring, say in October, 2003, the same shall be renewable for further period of 2 years i.e., October 2005. However, such renewable should not be automatic and railways will ensure continuous monitoring of performance as per provisions contained in para 14.6.2. and para 14.6.4. All existing licensees may be advised in this regard.

15. System Of Awarding Licence In Case Of Small Units

Award of licence in case of catering units other than major units as mentioned in para 14 above will continue to be made by calling applications through press notifications from reputed parties. Out of the total requirement assessed for the Division, licences for 75% of the assessed requirement of small units would be awarded in general category by Divisional Railway Manager. Remaining 25% licences of small units will awarded to candidates from reserved categories by the General Manager of zonal railways.

15.1 System for award of licence for 75% of small units on a Division:

- i) Division will call for applications through press notifications. Tenders system shall not be followed for award of licence in case of small units. Applications should be invited only from professional/reputed caterers on the following criteria:-
- a) Reputation/business standing of the applicant,
 - b) Turnover of applicant's business in catering,
 - c) Financial standing of the applicant,
 - d) Previous track record of the applicant,
 - e) Size of the establishment and staff required for running the unit,
 - f) Location of the unit;
 - g) Proximity of the caterers to the location of the proposed unit, and

h) any other factor considered relevant by railways.

ii) Selection Committee of three junior administrative grade officers (divisional level) including one each from Commercial, Accounts and one from another department will make selection by scrutinizing the papers and interviewing all the shortlisted applicants before putting up its recommendations for the approval of Divisional Railway Manager.

iii) Before calling the applications through newspapers, railways will assess the potential sales turnover of such units, which among other things, will depend upon the type and location of unit, class of station, number of passengers dealt with, types and price of catering items sold and other related criteria. 12% or any other percentage commission on sales notified from time to time of annual assessed sales turnover will be the licence fee which should be clearly indicated in the press notification for calling applications.

15.2. System for award of licence for remaining 25% of small units on a Division:

In the case of award of licence for remaining 25% of small units, the General Manager of the railway will exercise discretionary power, subject to the condition that the applicant fulfils the eligibility basic criteria and his/her credential are checked before any allotment is made. Following is the break up of the various categories for the allotment of small units within 25% of the total licences awarded by the division.

i) Schedule Castes	6%
ii) Schedule Tribes	4%
iii) People below poverty line	4%
iv) Women including war widows and widows of railway employees	3%
v) Other Backward classes	3%
vi) Minorities*	3%
vii) Physically handicapped persons	2%
TOTAL	25%

***As applicable from state to state for various minorities.**

The Commercial Department of the Zonal Railways will maintain the record of applications received from various categories separately. Applications of such applicants will be forwarded to the concerned DRM's who will verify the credentials of the applicants with regard to the eligibility criteria contained in para 15.1 and also advise the vacancy position with justification for the services. CCM will then put up the cases to the General Manager, who will exercise his discretionary power in this regard.

In case no applicant turns up against a particular category specified above, the vacancy will be carried forward to the next category in order of the break up of the various categories mentioned above. **However, under no circumstances the total allotment to a particular category should exceed the specified percentage reserved for that particular category. The total number of allotments of small units to the various reserved categories should also not exceed 25% of the total allotments of small units made one a particular Division. The above provision of allotments based on reservation will apply in the case of fresh allotments and Divisions will maintain records accordingly.**

15.3 **Tenure**

Tenure of licensees of all small units will also be 5 years. Railway may renew the licences after every five (5) years subject to satisfactory performance. The monitoring of performance will include prompt payment of all railway dues, complaints of serious nature against licensee regarding quality of food and services, reasonable increase in sales turnover during the period of licence, and inspection reports of senior railway officers during the term of licence.

The enhancement of licence fee at the time of renewal should be based on actual sales turnover. The increase in licence fee should not be less than 10% of the prevailing licence fee at the time of renewal. This should be suitably incorporated in the agreement.

Renewal may be considered by Divisional Railway Manager on the recommendation of a Committee of three junior administrative grade officers class “A” and “B” stations. Renewal of licences at all other stations may be done by Sr.DCMs on the recommendations of three Senior/Junior scale officers.

15.4 Licence Fee

Licence fee will be 12% (or any other percentage commission on sales notified from time to time) of estimated annual sales turn over for both general and reserved categories. In the case of static units, there will be no separate charges towards rent for building/land, vendors’ fee and conservancy charges etc., except electricity and water charges based on actual consumption.

15.5. Additional Items

As the licence is granted for a specific purpose and for a specific period, the sale of any additional items will change the scope of the licence. Railway should not grant permission of any additional items within the currency of the licence. However, to cover any addition/deletion/change, due to administrative decisions or in the larger public interest due to legal provisions or change thereof, zonal railways reserve the right to give permission for sale of additional/alternative items by providing equal opportunities to all existing licensees/units.

This issues with the concurrence of Finance and Legal Directorates of Railway Board. The revised policy will take immediate effect. The revised policy may be widely circulated to all concerned .

(Yogendra Sharma)

Director(Catering)

Railway Board

(Rly. Bds. Lr.No.97/TG.III/600/12 dated 20th October 2000.)

CHAPTER XVII

TEST CHECK BY GAZETTED OFFICERS AND SUBORDINATE SUPERVISORY STAFF OF THE WORK OF STAFF UNDER THEM (GENERAL ACCOUNTS BRANCH).

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1701. **INTRODUCTION :**

In terms of Rule 803-AI, the work of a clerk is required to be Test checked by the subordinate supervisory staff and the Gazetted Officer in charge of the section and the result of the test check should be systematically recorded and submitted for review at prescribed intervals. Test check should be carried out according to the scale laid down in the Annexure - I and the results of the test check recorded in a separate register to be maintained for special purpose in accordance with the instructions given in the succeeding paragraphs.

1702. **NECESSITY FOR TEST CHECK:**

Test check is correct index of judging efficiency of the work of the clerks. This also serves the purpose constituting the effective medium of correcting defective work and educating the clerks about Rules and Regulations to be followed in internal check. It is, therefore essential that the orders governing the Test check of the clerk should be scrupulously implemented and the Test check carried out every month and without fail by the supervisory staff and Gazetted Officers.

1703. **TEST CHECK SUPPLEMENTAL TO DETAILED CHECK:**

It should be remembered that the test checks do in no way supersede the detailed checks which have been separately prescribed in the Codes, Manuals and /or other administrative instructions and should be taken as supplemental thereto.

1704. **POLICY TO BE ADOPTED FOR TEST CHECK:**

The general policy to be followed in regard to test check is as follows:-

- (i) That test check by Gazetted Officers to be really effective should take note of the nature of work and the circumstances under which it is done;
- (ii) More routine check of certain number of items without selective examination should be avoided;

(iii) The sectional official should have a firm grip over the important aspects of work in his branch office by undertaking a test check of these items from day to day rather than confining himself to a routine check of a few items; and

(iv) The test check should cover the work of as many clerks as possible.

Keeping in view the above policy, test check should be conducted according to the scale laid down in Annexure - I.

1705. EXTENT OF TEST CHECK TO BE CONDUCTED:

The scale laid down in Annexure - I indicates the extent of test check to be carried out in Headquarters Office.

The extent of test check for Section Officers in Divisional/Construction Accounts Office as well as the Stores and Workshop Accounts Offices at Lallaguda, Rayanpadu and Hubli, will be the same as indicated in Annexure - I.

Gazetted Officers in field units will be required to exercise Test Check to the extent of 50% of that prescribed for Headquarters Office(except stated otherwise in the schedule) subject to the condition that at least one voucher/one entry in respect of each item of work for each period will have to be test checked.

1706. In divisions, where there are two Accounts Officers, items for test check should be got divided between the DAO and ADAO(s) according to the distribution of charges between them.

1707. Where there is no Section Officer and Senior Section Officer in direct charge of certain items of work, the extent of test check to be done for such items of work by the Section Officer/Senior Section Officer will be those prescribed for Section Officers.

1708. The extent of test check to be done by the Gazetted Officers should include all aspects of the work which do not in the ordinary course pass through their hands in day to day working.

1709. It is incumbent on the Section Officers in charge of the various Sections to test check without omission all the various phases of work listed in Annexure - I relating to their charge every month or at the specified intervals. In covering these items of work from month to month, care should be taken to select the work done by different clerks doing the same phase of work, so that the work of the various clerks placed under their supervisory control is brought under the purview of their test check in rotation.
1710. **SELECTION OF CLERK(S) FOR TEST CHECKING THE WORK:**
Test check being intended to ensure professional efficiency and improving the effectiveness of the internal check, should be adequate and is to be carried out in a systematic and intelligent manner. Clerks whose work has to be test checked should be selected on the basis of random sampling and this selection should not be reduced to a pre-determined routine matter.
1711. Selection of particular clerks, whose work is to be brought under test check by the Section Officers, Senior Section Officers during a month should be made confidentially by the Branch Officers (where two officers exist by the Senior Officer). All phases of work done by the clerk(s) so selected should be subjected to test check to the extent shown in Annexure - I. The selection of individual clerk for this purpose should be so made that all the different phases of work in the Section would come under test check in their turn during the course of each half year.
1712. The selection of individual clerks from month to month should be so made that work of all the clerks in the office should come under test check of either Branch Officer, or Senior Section Officer or Section Officer in their turn during the course of a year.
1713. The selection of items to be test checked should be made by the DAO in the case of test checks to be conducted by ADAO and by the DAO/WAO/ADA0 in the case of Test Check to be conducted by the Senior Section Officer and Section Officer.
1714. At the headquarters office the selection of items for the test check to be conducted by the subordinate staff should be made by the concerned Accounts Officer.

1715. **PROCEDURE FOR TEST-CHECK:**

The Test check should, apart from verification and thorough examination of facts and figures embodied in various documents brought under test check, be directed to an intelligent scrutiny to find out whether the clerk(s) understand their duties and rules governing them and do the work allotted to them diligently and whether there is any tendency to do the work casually.

1716. **RECORDING OF RESULTS OF TEST CHECK:**

The result of test check should be recorded systematically in a manuscript register in the form given below.

Sl.No.	Item of work test checked	Extent of Test check prescribed	Particulars of vouchers selected for test check	Name of the SO /SSO(A) who had test checked the item	sult of Test check	Whether the discrepancy in col.6 has been pointed out by the supervisory staff
1	2	3	4	5	6	7

1717. The test check register should be opened separately by each official, the test check is required to be made in accordance with these orders. The entries made in the register should contain adequate particulars so as to facilitate the identification of the entry/voucher subjected to test check and entry/voucher should be endorsed “**Test checked**” under the dated initial of the official conducting the test check.

1718. The exact nature of the discrepancy noticed should be briefly indicated in the appropriate column of the test check register. If the discrepancy calls for a lengthy note, the same should be given as a separate note for further disposal being done on the connected file(s) and a cross reference to this note should be recorded in the relevant column of the Test Check Register.

1719. The observations as a result of the test check should be clearly indicative of the appraisal by the checking authority of the quality of performance of the clerks whose work came up for test check.

1720. **TEST CHECK OF REGISTERS:**

Another important item of test check is the inspection of different registers by the Gazetted Officers. The intervals at which different registers maintained in Accounts Offices should be put up for inspection by Officers has been prescribed in Appendix VIII of the State Railway Code for the Accounts Departments-Part-I . In addition to these Registers, the Registers as detailed in Annexure II to this chapter, should also be put up at the prescribed intervals for perusal of the Officers concerned. It is necessary that these registers as mentioned in Annexure II should be subjected to a close review by the Officers concerned so as to maintain the requisite standard on internal check. Details of these registers may be noted in the REGISTER OF REGISTERS.

1721. **PERIODICITY OF SUBMISSION OF TEST CHECK REGISTER TO OFFICERS:**

Every test check register should be provided with an inspection sheet below the front page indicating the month of test check, date on which put up and the date reviewed by the Officer concerned.

1722. The test check registers of Section Officers and Senior Section Officers should be put up to the Branch Officer on the 10th of each month indicating the test check done on the work of clerk in the preceding month for review and orders, where necessary, by the Branch Officers.

1723. The test check registers of subordinate supervisory staff of the field accounts offices should be completed each month and put up to the Branch Officers. These registers will be subjected to check by the DY.CAO/DY.FA/FA&CAO at the time of their inspection of the field Accounts Offices concerned.

1724. The test check registers of the Gazetted Officers attached to Headquarters and field Accounts Officers and of Subordinate Supervisory Staff attached to the Headquarters

Offices will be required to be put up to the DY.CAO/ DY.FA/ **FA & CAO** according to the following schedule:-

		Date of submission to	
Office/Section	DY.CAO	Dy.FA (Con.)	FA & CAO
Gazetted Officers of the Divisional Accounts Officers.	15 th January 15 th April 15 th July 15 th October		20 th January 20 th July
Gazetted Officers of Construction Field and HQrs. Offices		15 th February 15 th May 15 th August 15 th November	20 th February 20 th August
Gazetted Officers of Stores & WorkShop A/cs Office at Hubli/LGD and also at HQrs.	15 th February 15 th May 15 th August 15 th November		20 th May 20 th November
Gazetted Officers in HQrs. General Accounts Branch.	15 th March 15 th June 15 th September 15 th December		20 th March 20 th September
Supervisory staff of HQrs.Constrn.Cell		15 th February 15 th August	19 th February
Supervisory staff at HQrs.Stores/Work shop Sections	15 th May 15 th November		19 th May
Supervisory staff of the HQrs.Estt.&P.F. Sections	15 th March 15 th September		19 th September
Supervisory staff of the HQrs.Books and EXP. Sections.	15 th June 15 th December		19 th December

1725. The test check registers should be sent by the Officers three days before the due date of submission to Dy.CAO/ Dy.FA/ **FA & CAO** as indicated above to the Accounts Officer (Efficiency) Headquarters. While seeing their test check registers, the Branch Officers should also certify that the test check registers of Supervisory Staff under them have been reviewed, also to certify that 10% check of those items test checked by SO(A) has been exercised by them and the test checks conducted and registers maintained by them as per extent orders.

1726. The Gazetted Officers, while submitting the Test Check Registers for review by the Dy.CAO(G)/Dy.FA/FA&CAO should bring out clearly at the end of the quarter, any major aspect or lacunae which come to their notice during test check and also bring out in the same note whether any important aspect has been pointed out by the supervisory staff during the course of their test check.

Annexure-I

EXPENDITURE SECTION

Sl. No	Description of the Work	Extent of check by Gazetted Officer.	Extent of check by SO(A)/SSO (A)
1	Contractor's Bills	1 running bill and one final bill every month	2 running bills and final bills every month
2	Misc.Bills	1 bill every month	3 bills every month
3	Imprest Account	1 bill every alternate month	2 bills every month
4	Agreement and work orders	1 item every month	2 items every month
5	Posting of Suspense Register	General Review every month	3 entries in every register and general review
6	Review of Work Register	1 register every month	2 registers every month
7	Review of Allocation Register	General review every month	Posting of 8 items and general review every month
8	Journal Vouchers	1 JV every month	2 JVs every month
9	Register of bills recoverable from outside parties and Govt. Deptts.	1 item every month	2 items every month
10	Completion Report	1 completion report every alternate month	One completion report every month
11	Contractors Ledgers	To be checked in respect	To be checked in respect

		of bills test checked vide item 1 above	of bills test checked vide item 1 above
12	Objectionable Items Register	General review every alternate month	General review and check of 2 entries every month

Annexure-I

CATERING ACCOUNTS

Sl. No	Description of the Work	Extent of check by Gazetted Officer.	Extent of check by SO (A)/SSO (A)
1	Contractor's Bills	2 bills per month	10 bills per month
2	Imprest Account	One account every month	Two accounts every month
3	Adjustment Memo	--	8 items to be checked each month
4	Reconciliation of CR Notes with Cash Book	General scrutiny every month	Complete check of one unit in a month
5	Sales Summary	Transaction any one unit in a quarter	Transaction of any one unit in a month
6	Loss Voucher	2 vouchers involving loss of more than Rs.50/- per month	12 vouchers involving loss of more than Rs.10/- per month

Annexure - II

**IMPORTANT REGISTERS OF THE ACCOUNTS OFFICE TO BE
SCRUTINISED BY THE ACCOUNTS OFFICERS PERIODICALLY.**

Sl.No	Name of Register	Period of submission
1	Register of Bills received	Monthly
2	Statements of Un-checked bills	Every 10 days i.e., on 11 th , 21 st , and on the last day of the month.
3	Registers of Sanctions	Monthly
4	Registers of deductions(Para 605-A)	-do-
5	Register of un posted Ledger Accounts	-do-
6	Register of un posted P.F. items	-do-
7	Register of advises issued to Bank	-do-
8	Register of advises received from the other Accounts Officers	-do-
9	Inward claim register	-do-
10	Outward claim register	-do-
11	Register of paper securities	-do-
12	Register of works for Deposits Works	-do-
13	Register of Railway Buildings rented to non-Railway Depts. and outsiders	-do-
14	Accounts Register of Advice Notes (1622-S)	-do-
15	Accounts Register of Capital Imprest (1860-S)	-do-
16	Purchase(Indigenous) Register(2924-S)	-do-
17	Purchases(imported) Register(2924-S)	-do-
18	Sales Register	-do-
19	Stock Adjustment Account	-do-
20	Completion Report Register	-do-
21	Work Order Register	-do-
22	Check Sheet (Para 1602-W)	-do-
23	Workshop General Register	-do-
24	Balance Register (1622-W)	-do-

Note: Any other important register maintained in the Accounts Office and not included in the above list should be scrutinised by the Accounts Officers periodically as hitherto.

FAQs on Expenditure

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MANUAL FOR EXPENDITURE SECTION

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