## Execution of works in Workshops/PUs

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701. **Works undertaken in Workshops**

No works other than those chargeable to Demand Numbers – 05, 06 or 07 (Abstracts C, D and E) may be carried out in a workshop without an official order from competent authority for the work being undertaken in the workshops. Detailed estimates for works to be undertaken in Railway workshops should be prepared in the following cases:

a. All works whether chargeable wholly or in part to Capital/DF/DRF/works of special nature, such as special overhauls of rolling stock even though chargeable to ordinary revenue.

b. Works undertaken for outsiders, other Railways and other Government Departments or Ministries.

Note: The provision of this Para will not apply to the manufacture of rolling stock or other works undertaken in Production Units against orders placed by the Board for supply to Railways.

702. **Estimates**

All proposals for the construction of new work or purchase of new or replacement of the existing assets should be presented along with proper justification, in the form of Abstract Estimate supported by Rate proof, rate analysis and Rate of Return in the case of new assets for scrutiny and vetting by the Associate Finance. Preparation of Estimates, financial vetting of the same and sanction etc. shall all be done as far as possible on line on the computer system.

703. Detailed Estimates should be prepared and shall be sent to the Workshop Accounts Officer for scrutiny and vetting. Thereafter, the vetted estimate is processed for sanction of the competent authority.

704. **Estimates for Rolling Stock additions & Workshop M&P Items for Workshops & Sheds:**

**Estimate for Rolling Stock Addition**

In the case of rolling-stock to be built and provide inter alia for the following items being shown separately:

a. Locomotives and Wagons:
   i. Cost of engines or wagons including sea freight, etc. in rupees at the prescribed rate of exchange if obtained from abroad and if obtained in India the likely Contract Price, last accepted rate etc.
   ii. Customs duty (if obtained from abroad)
   iii. Freight and/or haulage charges when chargeable direct to work as forming part of cost of stores
   iv. Sundry stores for erection
   v. Labour for erection
   vi. Shop On cost (for erection)
   vii. General Oncost (for erection)
   viii. Percentage charges for freight on stores (such stores the cost of which is not inclusive of such charges)
The proposals shall be submitted in such full and fair measure containing all information which can be reasonably be provided for appreciation of the proposal under consideration. The proposals need to include codal life of assets and reason for procurement along with adequate justification and administrative approval of competent authority for such procurement/ manufacture.

**Estimates for Workshop Machinery**

Estimates for the provision of workshop machinery should show:

a. The cost of each machine, including sea freight in Rupees at the prescribed rate of exchange, if obtained from abroad; or the contract price, if obtained in India

b. Customs Duty (if obtained from abroad)

c. Freight Charges when chargeable direct to work as forming part of cost of stores

d. Foundation Charges

e. Wiring Charges

f. Erection Charges

g. Shop Oncost

h. General Oncost
i. Percentage charges for freight on stores (such stores the cost of which is not inclusive of such charges)

j. Pro forma Oncost, to the extent chargeable

k. Contingencies

l. Write-back of original cost: In the case of replacement, renewal and abandonment work only

m. D&G Charges

705. The provision for timber, body fittings and for sundry stores should be based on actuals for similar or other vehicles previously built duly giving suitable allowance for fluctuations in prices and other known changes. Estimates for electrical equipment should be obtained from the Chief Electrical Engineer.

706. The financial justification for the work should be briefly explained and a certificate to the effect that the funds are available should be appended. Allocation should be indicated clearly. If no provision has been made or the provision made in the budget is less than the amount of the estimate, it should be clearly stated that how the expenditure would be met. In every such case, savings expected in the provision of other items in the budget should be indicated with reasons for the same. Mere budget certification is not sufficient for funds to be provided. The officer proposing the work must certify that funds shall be made available.

707. **Estimates for Renewals and Replacements**

Estimate for renewals and replacement of the asset should be accompanied with the details of distinguishing codes and numbers, date of purchase, age of the asset, original cost charged to capital and released materials. The note should indicate the floor area or the carrying capacity of the Rolling Stock and other appropriate information of the Rolling Stock replaced.

708. It should be critically examined whether it would not be possible to avoid or postpone such replacements by adopting methods of ‘reconditioning’ at a cost that could be justified financially. The total cost of reconditioning of an asset should be charged to ordinary repairs and maintenance in the same way as the cost of other repair works. In all cases, in which it is considered necessary to replace an asset, instead of reconditioning, it should be examined whether the average annual cost of service of an asset is the sum of Annual Expenditure that would be incurred in connection with upkeep operation, maintenance and repairs of the asset:

a. The Annual sinking fund payment to the depreciation fund, and

b. The annual interest charges on the cost of the asset.

The prevailing rate of interest should be adopted for the calculation of sinking fund payment to depreciation fund.

709. If the expenditure on a work or project is likely to exceed the detailed estimate amount sanctioned, a revised estimate should be prepared in the same form and in the same degree of details as in the original estimate and submitted for the sanction of the competent authority at such time before or during the work when the engineer in charge of the work is of reasonable belief that the work may not be completed in the existing estimated cost. The excess or savings under each sub-head of estimate against the latest sanction should be elucidated. In cases where the work is in an advanced stage and likely to be completed before the preparation of revised estimate, the excess should be dealt with
in the completion report, with the prior approval of competent authority subject to the condition that engineer in charge shall certify that delay would lead to affecting quality and cost of the work of consideration. The competent authority should intimate the fact to the Accounts Officer. Revised estimates should also be submitted in the case of change in scope of work or material modifications in the sanctioned estimate (Para 1109 to 1113 of Indian Railway code for the Engineering Department).

710. The sanction of detailed estimates/revised estimates for works originally sanctioned at the time of inclusion in the budget and excess over the abstract cost not within the GM’s competence should be obtained from Railway Board.

711. Sanction of the competent authority with the concurrence of Finance at appropriate level for sanction of Estimate/Revised estimates with variations and Material Modification should be got done in accordance with the prevailing Schedule of Powers, advised from time to time.

712. **Estimates of Work for Outside Agencies**

Works for the manufacture or repair of articles or supply of material for Public/Private bodies may be undertaken in Production Unit/Workshops only if the PHOD of Production Unit/Chief Workshop Manager of Railway Workshop is satisfied that surplus capacity exists in the Production Unit/Railway Workshop after meeting the Railway's requirement. A check list as under may be prepared and the proposal should have the personal sanction of PHOD of Production Unit/Chief Workshop Manager of Railway Workshop with the concurrence of Associated Finance.

a. Is the interested buyer genuine?
b. Can the work be done without affecting current Railway works?
c. Is the price optimum?
d. Is the delivery schedule workable?

The charges for the work should be calculated as explained in Para 723 of this Code. **The work should be undertaken only after 20% of the estimated cost of the work or Rs. 50 lakhs, whichever is less has been deposited in advance by the party ordering the work.** The balance payments regarding the work shall be deposited with the Railways as per the contract terms approved by the competent authority.

713. The formal acceptance of the estimated cost should be obtained from the officers ordering the work, before taking up the works. It should be clearly stated that the actual cost of the work even if it exceeds the estimate will be realized. The estimated cost shall incorporate due supervision, direction & general charges.

714. **Charges for preparation of Estimates**

For the works ordered by other Govt. or non-Government Departments private bodies and individuals, charges for preparation of estimates should be recovered from the parties ordering the work **at a rate of 5% of the total estimated cost for works costing below Rs. 10 lakhs and 2% of the total estimated cost for works costing above Rs. 10 lakhs.** The parties should be intimated in advance about the liability to meet the charges and their acceptance should be obtained before the work of preparation of estimates is taken in hand. In respect of local bodies and private bodies or individuals, the estimate preparation charges should be obtained in advance. In exceptional cases, General Manager of the Railway/Production unit can waive these charges with the concurrence of FA&CAO.
If the work is subsequently taken up, these charges may be taken as advance payment for the deposit work.

715. Interest Charges

Interest Charges

When expenditure chargeable to capital is incurred on works for use by another Department/Ministry, interest should be charged during the period of construction, subject to recovery of Interest and Maintenance charges under the rules in force. The interest charges should be calculated annually on the total capital outlay up to the end of the previous financial year and half the outlay of the current financial year. The prevailing rate of dividend should be charged as rate of interest. The amount recoverable for any financial year should be adjusted in the books of the Railway as a miscellaneous receipt under major head “145 – Indian Railway Commercial / Strategic Lines Miscellaneous Receipts”. Interest should also be charged for the works done by Railways at the cost of other departments and handed-over to that department on half the sum of unadjusted outlay at the beginning and end of the year.

716. Sanction for Works to be executed in Workshops

Sanction for Works to be executed in Workshops

All works of capital nature undertaken in Railway Workshops should have the prior sanction of G.M. or of an Officer to whom the powers have been delegated by G.M. Provision of funds must also be ensured before the commencement of the work.

717. Verification of Estimates

Verification of Estimates

All estimates must be verified by the associate Accounts Officer before they are sanctioned by the competent authority. The object of this preliminary check of estimates is to avoid irregular sanction to expenditure and all the principles of internal check such as propriety of expenditure, the existence of budget provision, the competence of sanction etc. must be ensured. The Accounts Officer should also clearly state that incidence and allocation have been verified. However the submission of an estimate to the sanctioning authority should not be delayed when there is any doubt as to the correct allocation of the estimated cost and the question at issue will take time to settle. In such cases, the approximate allocation between Capital, Capital Fund, Depreciation Reserve Fund, Development Fund and Ordinary Revenue may be certified by the Accounts Officer, as far as it is possible for him to do so, and the sanctioning authority may sanction the estimate, if otherwise in order, leaving over the question of final allocation for subsequent consideration.

718. Certificate of Accounts Verification

Certificate of Accounts Verification

All estimates verified by the Accounts Officer should bear a certificate of such verification. The form of the certificate may be as under:
"Incidence and allocation verified (subject to the check note attached). This requires the sanction of............."

719. A copy of the estimate as verified by the Accounts Officer, together with a verbatim copy of his check note, if any, should be submitted to the authority competent to sanction the estimate. In forwarding an estimate for sanction, it should be clearly mentioned whether it has been accepted by the Accounts Officer as unobjectionable. In cases where
the Accounts Officer has recorded any objection, the attention of the sanctioning authority should be drawn to the Accounts Officer’s check note stating the objection.

720. Sanction to Estimates

Advice of all sanctions to estimates by the competent authorities should be communicated to the Accounts Officer and to the Chief Auditor of the Railway in such form as may be prescribed by such authorities. A copy of the sanctioned estimate should also be furnished to the Accounts Officer.

721. Record of all Estimates

Details of all estimates received in the Workshop Accounts Office for verification should be available in the Computer system in the format prescribed by FA & CAO.

722. Currency of Sanction

The sanction to an estimate will ordinarily remain current for a stipulated period from the date on which it has been accorded according to the guidelines from Railway Board, unless it has been renewed for and explicitly indicated for a further term by the acceptance of a revised estimate. Acceptance by 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 stipulated limit of period. But if no work has been commenced on a sanctioned estimate within two years of the date on which the sanction was accorded, 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.

INCIDENCE OF COST OF WORKS DONE FOR OTHER DEPARTMENTS/MINISTRIES

723. Postal Vans

The minimum standards for equipment in the postal portion of coaching stock should be decided by the Railway Board in consultation with the postal department and should be advised to the Zonal Railways and workshops. The vehicles are of two types.

a. The vehicles owned by Railways.

b. The vehicles owned by the Postal Department.

For the Vehicles owned by the Railways, the Interest and Depreciation charges shall be paid by the Postal Department. The prevailing rate of dividend should generally be charged as rate of interest. For the vehicles owned by the Postal Department, Railways shall recover the POH and maintenance charges incurred by it from the Postal Department. The Capital cost of the new vehicles constructed for the exclusive use of the Postal Department on their requisition shall be borne by that department and the capital cost of vehicles which are also used by the Railways shall be borne by Railways. In the latter case, the postal department shall pay interest and depreciation charges.

724. When the existing vehicles have to be converted fully or partially on the requisition of Postal Department, they shall pay all the costs, viz., cost of alteration, the cost of transportation of such vehicles to the workshops and from workshops to the station where it is to be delivered and interest on capital cost of the complete vehicles or part of vehicles,
so long as they remain in the exclusive use of Postal Department and not surrendered by them.

725. When Postal Department formally surrenders the vehicles or part of the vehicles, the capital cost of which had not been paid by the department, they shall pay the cost of conversion of such vehicles for the use of general traffic, the cost of transportation of such vehicles to workshops and from workshops to the station at which required after conversion. In the case of payment of capital cost of such vehicles surrendered by the postal department, the Railways shall refund the sum less the cost of any special fittings and also less the cost of converting such vehicles for general traffic purposes, to the postal department.

SALOON CARRIAGES AND OTHER VEHICLES RESERVED FOR THE EXCLUSIVE USE OF DEPARTMENTS/MINISTRIES OF GOVT. OF INDIA AND STATE GOVERNMENTS

726. The department / Ministry of Government will be responsible for obtaining the prior sanction of the competent authority to the provision of any vehicles reserved for the exclusive use of that department. Design of all rolling stock should be to Railway standards as approved by RDSO and must receive the prior approval of Railway Board. The vehicle with electrical and movable equipment and furniture will be provided at the cost of Railways. The total cost of construction of the vehicles will be borne on the books of the Railways. The Department shall pay annual charges calculated on the following lines.

i) Interest @ the prevailing rate of dividend on the present day cost.
ii) Depreciation @ based on the codal life of the asset as prescribed in Finance Code.
iii) Repair & Maintenance charges based on the following
   - Estimate framed on the latest unit cost for POH and IOH costs
   - Repair/Replacement of special high value items on actual basis and
   - Running repair charges to be included as a %age in the haulage charges

Depreciation will not be charged on the vehicles in service for more than codal life. Haulage charges at the prescribed scheduled rates will also be levied.

727. When any alterations or addition to the body or to the equipments and fittings are carried out at the request of the using department, the actual cost of such additions or alterations shall be paid by the using department. The work should be undertaken only after the competent authority of the using department undertakes to defray its actual cost.

728. When it becomes necessary to replace vehicle or equipment reserved for other departments, it shall be provided at the expense of the Railways. The user department shall pay the actual cost of converting the replaced vehicle for use as ordinary stock, when the replacement is required by the using department before the expiry of its codal life. Such requirement shall be explicitly expressed by the deptt./ministry using the vehicles. When a new vehicle has been built in replacement of existing one, Interest, Depreciation and repairs and maintenance charges shall be paid annually.

729. A Proforma Capital and Revenue Account of all such vehicles should be kept. Along with a common account for all vehicles, a separate account for individual vehicle shall be maintained in the computer system. The Capital account should show the Capital cost of
the saloon. The revenue account should indicate the expenditure incurred from year to year by Railway on repairs and maintenance of the vehicles. The expenditure on empty haulage charges should also be included in the Revenue account.

**POH OF ROLLING STOCK HIRED TO/OWNED BY DEFENCE DEPARTMENT**

730. The mechanical department of the owning Railway is responsible for collecting the information of POH done on both Railway-owned and defence-owned coaches and wagons and not the workshops.

POH should be carried out on the due date with the highest priority and proper quality and it shall be noted that the location and movement of rolling stock is the prerogative of Defence department and Railway workshops by themselves should not unilaterally move defence-owned stock. The owner of the stock shall ensure that adequate information is available about the stock.

The Railway numbers for each coach/wagon is allotted and painted on the coach/wagon. The location and the maintenance requirement like POH/ROH/IOH due dates shall be available with the base depot as well as Directorate of Milrail. The MCO organization which has presence all over the IR network shall be included in the ERP for Rolling Stock so that the information about each defence-owned coaches and wagons is available promptly.

**In the case of Defence owned stock repair & maintenance charges should only be charged based on the following**

- Estimate framed on the latest unit cost for POH and ROH/IOH
- Repair/Replacement of special high value items on actual basis and
- Running repair charges to be included as a %age in the haulage charges

There is no need to charge the Interest and Depreciation charges in respect of defence owned stock.

**In the case of Rolling stock owned by the IR and hired to Defence Department the Defence Department shall pay annual charges calculated on the following lines**

i) Interest @ the prevailing rate of dividend on the present day cost.

ii) Depreciation @ based on the codal life of the asset as prescribed in Finance Code.

iii) Repair & maintenance charges based on the following

- Estimate framed on the latest unit cost for POH and IOH
- Repair/Replacement of special high value items on actual basis and
- Running repair charges to be included as a %age in the haulage charges

The above rule shall also be applicable on any previous bills/outstanding which are pending on account of objections/disputes raised by Defence department on the above grounds.

A Proforma Capital and Revenue Account shall be maintained by Executive Department for all such vehicles to see that the recoveries made from the Defence department do not fall short of the actual expenditure incurred by the Railways.
The present day replacement cost of the rolling stock shall form the basis for calculation of hiring/loaning charges for rolling stock loaned/hired to private parties/Government departments. The cost of the rolling stock as given in Pink Book for any given financial year shall be taken as the present day cost. In the event of non-availability of the present day cost of the rolling stock, the same may be arrived at by taking the last known cost and multiplying the same with increase in the prices since then. The present day cost can be worked out on the basis of printed figures as published by Ministry of Industry for price in case of transport equipments or in absence thereof by adding 18 points for each year to the index. The present day depreciated cost for the stock shall be worked out using the formula as per Para 777 of Financial Code Vol-I.

a. Interest and dividend charges shall be worked out on the basis of prevalent dividend rate as advised by IRCA over the present day cost of the stock.
b. Depreciation @ based on the codal life of the asset as prescribed in Finance Code.
c. Loss of earnings to Railways arisen out of the loaning or hiring of the stock to the outside parties/Government Departments shall be worked out at 4% of the depreciated cost of the stock.
d. The POH cost shall be worked out at 4% of the present day cost of the stock uniformly.
e. In addition, 5% may be added to cover special repairs and contingencies.

The hire charges of the stock per annum shall be worked out by summing up the above charges and hire charges per day shall be worked out accordingly. The hire charges per day should be arrived at by HOD/HQ of the Executive Department and vetted by FA & CAO/S&W. The operating and maintenance charges such as the cost of fuel, lubricating oil, crew charges and haulage charges shall be assessed by Divisional Officer In charge and got vetted by the Divisional Finance. The estimate of charges recoverable towards leasing of loco shall be furnished to the Zonal Railways HQ finance along with Draft agreement for vetting. The following documents shall accompany the draft agreement.

a. Copy of vetted computation sheet of hire charges.
b. Copy of vetted statement of Operating and Maintenance charges, crew charges and haulage charges.

Specific clause for siding charges, Departmental charges and haulage charges shall have to be provided in the draft agreement.

a. The cost of plant for the purpose of calculating the hire charges shall be its present day market value plus freight and all other incidental charges, to which supervision charges at 12 and 1/2% on total cost will be added.
b. The hire charges per annum will be calculated at the following rates on the cost of the plant as per (a) above.
   i. Interest on Capital cost at the ruling rate of dividend payable by the Railways to the General Revenue.
ii. Ordinary repairs and maintenance charges at 5%
iii. Special repairs and maintenance charges at 10%
iv. Depreciation charges at the rates mentioned in Para 3505 of the Way and Works manual.
v. An additional 10% on the total of I & IV above to meet contingencies.

The hire charges per day shall be arrived at by dividing the annual hire charges vide (b) above by 270, which shall be assumed as number of working days in a year for this purpose. These hire charges shall be payable from the day the plant is handed over to the hirer to the day it is returned by the contractor to the Railway administration. However, during this period, if the plant remains out of order or reasons beyond the control of the hirer or is sent for periodical overhaul, such periods shall not be counted for levy of hire charges provided a certificate to that effect is given by the Divisional Officer in charge.

734. Sale of Heritage Rolling Stock

Heritage rolling stock has been defined as follows:
   a. All types of steam locos
   b. All NG coaches and wooden body/saloons/special coaches of all gauges.
   c. Oldest of a particular kind/class/special purpose rolling stock.
   d. Rolling stock over 100 years old.
   e. Rolling stock identified/selected to be of special significance.

The sale of heritage rolling stock shall be initiated only by the Heritage Directorate. The sale shall be processed further as per extant instructions.

Heritage rolling stock shall be offered for sale to other Government/Quasi-government, private institutions/Individuals in the country and abroad, if it is not required by the Railways. For executing the sale of these rolling stocks, following procedure shall be followed, which is subjected to modification from time to time by Railway Board Circulars:

- Sale to educational institutions/Museums/Government bodies/Trusts as per extant instructions, at 50% of the scrap value without adding overhead charges, profit and antique value. This shall be applicable for sale within the country. Further waival in sale price can be considered in specific cases by the competent authority in consultation with associate finance.
- Sale to private rail-road companies /Institutions/Trusts/Individuals shall be made at full scrap value without adding overhead charges, profit and antique value. Special relaxation or discount shall be offered in deserving cases by the competent authority in consultation with Associate Finance.
- In all cases, the cost of transportation/restoration shall be borne by the purchaser in full.
- All cases of sale to parties abroad shall be referred to Railway Board for a decision.

735. Sale of In-service MG rolling Stock

The following are the guidelines for sale of surplus MG rolling stock for the clients abroad.

Sale of surplus Rolling stock to be done at 125% of scrap value subject to the following conditions, which are subjected to modification from time to time by Railway Board Circulars:
a. Stock is surplus and condemned.
b. Replacement of stock is not required.
c. Components of rolling stock not being removed but can be used by IR.
d. The stock is not required to be kept from heritage point of view.

Taxes and duties will be charged extra as prevailing. The cost of POH and modifications of the rolling stock in Railway Workshops will be charged extra if required by the purchaser.

736. Methodology for Sale

The in-service rolling stock identified for sale is to be processed for condemnation of competent authority. The under-mentioned action shall follow condemnation.

a. Necessary write-back adjustments to Capital shall be made on sale of the rolling stock.
b. Necessary deletion advice shall be issued by the rolling stock section.
c. The sale shall be processed through Stores Department and the sale value shall be credited to the owning Railway.

The cost of reconditioning /refurbishing shall be assessed and the estimate shall be vetted by the associate finance. The work shall be undertaken on Deposit terms and hence the estimate prepared keeping in view the instructions relating to the preparation of Deposit Work estimates.

In the event of considering grant of any concessions in the charges for the work executed on Deposit Work terms, concurrence of FA & CAO and sanction of GM shall be obtained. Necessary deposit shall have to be made by the purchaser before commencing the work. Estimate preparation charges at prescribed percentage as stated in Para 815 shall have to be levied and collected in advance, which may be taken as advance payment if the deposit work is taken up.

The second-hand value of the Rolling Stock shall have to be assessed as per the codal provisions and the estimate thereof have to be processed through Stores Department for the concurrence of Stores Accounts and sanction of GM.

Two separate proposals, one for reconditioning and POH/Schedule attention and the other for the sale value of the Rolling Stock have to be processed simultaneously and the total cost shall be arrived at duly keeping in view the appropriate profit.

737. Execution of Works

All works in workshops should be carried out as rapidly as possible. Due importance should be given to the allocation of funds. The general rule In regard to the building of rolling stock is that all stock should be built as per the designs approved by the Railway Board. Prior approval of Railway Board is necessary for building of stock to new designs and no expenditure should be incurred without the approval of Board. In the case of coaching stock, all designs whether already approved by Board or new ones, should be submitted for the prior approval of Railway Board. No expenditure should be incurred on materials and on any work being taken in hand until the Board’s approval is obtained.
The expenditure in a workshop needs to be analyzed for cost of labour, materials and on-cost. The initial records of wages and materials are to be maintained separately in the manner laid down in Chapter-7.

The shop or section of each shop is the lowest unit of workshop organization for the purpose of maintaining the records of initial accounts. The expenditure should be analyzed shop by shop, even if the work on the same job is being carried out in more than one shop, since the initial accounts of each shop are maintained separately. It is convenient to bring the shops in to the system of work orders. The work order numbers should be allotted by distinguishing numbers coupling with the numbers for the standing work orders.

**Analysis of expenditure**

Apart from analyzing the costs as prime costs and overheads as laid down in Chapter-7, the expenditure should also be analyzed account-head-wise, viz., Capital, Capital Fund, DRF, Revenue etc. Both identification and classification of expenditure in a workshop are required for billing and recovery of expenditure incurred from another department or division of the Railways or from outsiders.

**Work-order system**

Work order system in the workshops should clearly identify the activity and allocation to ensure correct work order booking and should reflect in the Workshop General Register against the relevant activities performed.

**Revenue Standing Work Orders**

The work orders which have to conform to the revenue accounts classification should be numbered in eight digit code. The work order system in practice in certain workshops/PUs have undergone changes in order to further stream line the same and identify the work order with correct Accounts allocation. Hence the work order numbering system stated in paras 843 to 848 may require further revision. Hence, Planning organization of workshops may issue various work orders as per the concordance/ work order master, to be prepared every five years with the concurrence of associate finance. Same shall indicate the basis for allocating different type of work order numbers.

General guidelines for the prevailing work order system subject to changes to be introduced from time to time, are as under.

a. First digit represents the Division code. Division code should be allotted to each division of each Zonal Railways accordingly as per the local requirements.

b. Second digit represents the Department code. Identical department code suitable to all Zonal Railways should be allotted as below.

- 0 for Construction Organization
- 1 for Traffic and Commercial
- 2 for Electrical
- 3 for Mechanical
4 for Medical
5 for General, Personnel, Accounts and Head Quarters
6 for Security
7 for S & T
8 for Stores
9 for Works

c. Third digit represents the last digit of the Year.
d. Fourth digit represents the Workshop Code.
e. Fifth & sixth digit represents the shop code.
f. The last two digits represents the serial numbers of the work order. Each work order should be identified with the name of the work. The correlation between work order and revenue allocation should be based on the name of the work primarily instead of work order number. That is, if we type the name of the work, the software system should automatically identify the Revenue allocation to which the expenditure is charged. Serial numbers shall begin as ‘001’ on 1st of April every year.

744. Other Standing work orders

The following are certain classes of standing work orders other than the Revenue standing work orders.
   a. On cost work orders
   b. Raw material work orders
   c. Manufacturing Work orders
   d. Part, group and Repair Work orders
   e. Inter-departmental work orders

745. On-cost Work Orders

Expenditure incurred on labour and materials which cannot be directly booked to any particular work order can be directly charged to on cost work order. Careful analysis should be carried out about the on cost expenditure to have an effective control over such expenditure and to have correct distribution. The distribution of on cost expenditure should be done on the basis of percentage estimated after the preparation of annual on cost budget. The actual on cost expenditure should be compared with the percentage estimated in the budget.

The on cost work order will be of eight digit codes.
   a. First and second digits ‘50’ would represent on cost work order.
   b. Third digit represents the last digit of the year.
   c. Fourth digit represents the Workshop code. The workshop codes now in existence in each zonal Railways shall be adopted for this purpose.
   d. The fifth & sixth digit represents the shop code.
   e. The last two digits represents the serial number of on cost work orders. The workshop in charge shall list out the items of works under which the labour and material expenditure chargeable to on cost as per the local requirements.

746. Raw material stock work orders

The cost of raw materials drawn from Stores stock and purchased from open market should be booked to the set of work orders opened to accommodate the cost of raw materials, instead of booking directly to the repair or manufacturing work orders. A
separate work order should be opened for booking raw material drawn by work shop every day. The same work order has to be cleared by debiting the consumption to the relevant Revenue/ Capital / manufacturing work order with corresponding credit to the Raw material work order. The standing work order for raw material should consist of eight digit code. The balance under this work order represents the shop floor stock lying in the sub stores and will be part of WMS balance.

- The first and second digits ‘39’ would represent the stock work order.
- Third digit represents the last digit of the year.
- Fourth digit represents the workshop code.
- The last four digits represent the serial number of stock work order and will be designed by respective CWMs while issuing booklet for work orders. The issue of raw materials to the work orders shall be evaluated and fed in the computer for generation of Stores sub-ledger and WGR.

### 747. Manufacturing work orders or Division work orders

These work orders will have eight digit codes as under:

- First digit represented by ‘6’.
- Second digit represents the Departmental code as given in Para 843.
- Third digit represents the workshop code.
- Fourth digit represents the shop code.
- Fifth digit represents the Division code. The codes of divisions allotted in each Zonal Railways may be adopted for this purpose. Other Zonal Railways shall be represented by ‘9’.
- The last three digits represent the serial number of the work order. The expenditure incurred on manufacturing work orders undertaken for divisions and departments of Home Railway and other Government Railways.

### 748. Part, Group and Repair Work Orders

The manufacture of similar items required by various consignees of Home Railway, other Government Railways and Stores Department shall be grouped together and shall be undertaken. The expenditure incurred on such works should be booked to these work orders and bills may be raised on the consignees as per the estimated rate arrived at for each financial year. The eight digit code will be as under:

- First digit denotes: 1-first half of the year (i.e April to September) (or) 2-second half of the year (i.e October to March)
- Second digit denotes Last digit of the year code
- Third digit represents: 0- fresh order (or) 1- repeat order
- Fourth digit represents – Workshop Code
- The last four digits represent the serial number of the work order

### 749. Work Order Register

All works carried out on requisitions placed on the workshops should be carefully registered and serially numbered in Work order Register. Separate registers shall be maintained for different departments and divisions with utmost care. The work order register shall provide all relevant information such as Date of commencement, Date of completion, description, Quantity, head of allocation to be so charged, by whom ordered etc. This register should be maintained on the computer and shall be accessible as a ‘read only’ file to all concerned.
750. Copies of all work orders should be made available for verification to Workshop Accounts Office. The Accounts office should check them to see that the numbering has been correctly done, that the work has been sanctioned by competent authority, that funds are available and that all other relevant rules and orders have been observed.

751. Before issuing a Work Order, the following aspects must be ensured:

   a. It should be seen that the acceptance of estimated cost has been obtained for the works undertaken for Government departments, where charges are to be adjusted through transfer transactions.
   b. It should be ensured that the sanction of PHOD of the executive department has been obtained and the estimated cost has been deposited for the works undertaken for Railway employees.
   c. For works undertaken for outsiders, whether the work has the sanction of competent authority, the estimated cost has been deposited in advance, and in the event of excess over the estimated cost, the acceptance of the party to pay the excess before the delivery of the item has been obtained.

   No formal work orders need be issued in the case of repairs and maintenance works and the indenting department is responsible for sanction and availability of funds.

752. Advice of Completion

   It should be ensured that there is no delay in booking of charges under work orders and issuing of completion advice. It is one of the important duties of the Accounts Office to see that the procedure for chasing delays and irregularities is effective.

753. Monthly Statement of completed work orders

   When a work order is completed, it should be returned by the shop to the office of issue with the date of completion marked thereon. A statement of completed work orders will be generated by Accounts office as part of MIS, Workshop Accounts Officer shall nominate the supervisor who would be responsible for ensuring that all expenditure relating to such completed work orders has been correctly booked and accounted.

COMPIlATION OF THE WORKSHOP MANUFACTURE SUSPENSE ACCOUNT

754. Work shop Manufacture Suspense Account

   All expenditure incurred by workshops in respect of Production and maintenance of Rolling stock are routed through this account. Since the funds for the above activities are met out of Railway’s own resources this may be treated as Capital Fund and payment of dividend to General Revenues may be dispensed. If in any financial year, when the Capital Fund is not operated, the expenditure may be charged to the Capital.

755. Workshop General Register

   The Labour and Stores Sub-ledgers having been totalled, the totals of (a) Labour charges and (b) Stores and Miscellaneous charges, for the month relating to each work-order should be transferred to Workshop General Register (M.755) and posted under the relevant work-orders, shop by shop, care being taken to see that no item is left out in posting.
Under mechanized system, Labour charges and the Stores and Miscellaneous charges for the month relating to each work-order as produced, by the machine tabulations as also direct Man-hours should be transferred to Workshop General Register and posted under relevant work-orders, shop by shop, care being taken that no item is left out in posting. On completion of posting in respect of work-orders, the totals for the month as also to the end of the month are struck for each work-order under element of cost and direct man-hours. There should be a linkage between AFRES, PRIME, Workshop Information System for labour element and MMIS for stores element as far as possible.

For a better understanding, a flow diagram indicating the flow of accounting data through various documents is given in Annexure 8.1.

### WORKSHOP GENERAL REGISTER

**Form M.755**

<table>
<thead>
<tr>
<th>W.O. No.</th>
<th>Particulars</th>
<th>Estimate Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>For whom executed.</th>
<th>Authority</th>
<th>Estimate cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date of commencement</th>
<th>Date of completion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Debits

<table>
<thead>
<tr>
<th>Months</th>
<th>Shop No.</th>
<th>Direct Man-Hours</th>
<th>Direct Labour</th>
<th>Incentive Bonus</th>
<th>Stores</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

#### Overheads

<table>
<thead>
<tr>
<th>FOH</th>
<th>AOH</th>
<th>TOH</th>
<th>SOH</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td>12</td>
</tr>
</tbody>
</table>

#### Work on cost

<table>
<thead>
<tr>
<th>Labour</th>
<th>Stores</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>14</td>
<td>15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Admin on cost/P roforma oncost</th>
<th>Total On cost</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>17</td>
<td>18</td>
</tr>
</tbody>
</table>

#### Credits

<table>
<thead>
<tr>
<th>References</th>
<th>Amount Adjusted</th>
<th>Balance out standing</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>20</td>
<td>21</td>
</tr>
</tbody>
</table>

**Note:** Columns 1 to 7 and 18 to 21 are common to Production Units and Zonal Railway Workshops. Columns 8 to 12 related exclusively to Production Units and columns 13 to 17 relate to Zonal Railway Workshops.

**756. Check sheet**

Simultaneously with the posting of Workshop General Register, a summary of sub-ledgers (labour and stores) called Check Sheet should be prepared in form M.856 given below. This is done with a view to Checking correctness of the posting of labour and stores, including miscellaneous charges, in Workshop General Register and to ensure that the amounts are correctly transferred to the outturn statements M.760 Parts I and II.
against each work order operated upon in the workshop during the month. The check-sheet should be totaled down and cross-wise. The grand total of the check-sheet for the month under 'labour' should be equal to the total of the debits appearing in the Labour Schedule and that under 'Stores' should be equal to the total debits appearing in the Stores Summary Sub-ledger (M.516).

In the case of computerized tabulations, simultaneously with the posting to Workshop General Register, the stores and labour charges together with on cost/overheads thereon (but excluding direct man-hours) as available in various tabulations are posted independently in the check-sheet for each work order in the same detail as in the Workshop General Register.

On completion of posting, the totals for the month are struck for each work order under different element of cost and reconciled with those appearing in the Workshop General Register to ensure correctness of the postings.

**CHECK SHEET**

**Form M.756**

<table>
<thead>
<tr>
<th>Work Order No.</th>
<th>Direct</th>
<th>Overheads</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour</td>
<td>Incentive bonus</td>
<td>Stores</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Work on cost</th>
<th>Admin on cost/Proforma oncost</th>
<th>Total On cost 15</th>
<th>Grand Total 16</th>
<th>Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour</td>
<td>Stores</td>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
<td></td>
</tr>
</tbody>
</table>

Note: Columns 1 to 5, 16 and 17 are common to Production Units and Zonal Railway Workshops. Columns 6 to 10 relate exclusively to Production Units and Columns 11 to 15 relate to Zonal Railway workshops exclusively.

**757. Calculation of On-cost Charges**

**(a) Works On Cost**

In cases where mechanized tabulations for labour and stores etc. charges are not used, the following procedure should be adopted for calculation of works oncost. In case of mechanized tabulations available for posting of workshop general register the overhead charges will be available for posting in the Workshop General Register and the check sheet from machine prepared tabulation.

After all the sub-ledgers have been posted in the Workshop General Register, the works oncost charges (both labour and material) in respect of each of the work orders, except the work orders for oncost should be calculated on the direct labour charges including incentive and OTA payments booked against each work order, at the percentage rates (for labour and material) in force for the time being for each shop (Paragraph 725) and posted in the appropriate column of the Register (M.755). The total of works oncost charged to the
various work orders on a percentage basis should be booked as credits under the oncost work orders, the actual charges under the latter being first summarized at one place. The difference between the debits and credits under the oncost work orders should be adjusted against the final heads of account for 'Overcharges and Undercharges—Oncost' in abstracts C and D (See paragraph 726).

(b) Proforma oncost

The word ‘proforma oncost’ commonly known as indirect charges intended to include all oncost which is not included in the cost of work done in railway workshops but which should be so included in commercial costing. This consists either of expanses charged directly to final heads of working expanses (e.g. General superintendence, depreciation) or of charges not included in the working expenses of the railway.

Annual Budget of Pro Forma Oncost—An annual budget of Pro Forma Oncost should be prepared for each railway workshop and submitted to the General Manager through the Financial Adviser and Chief Accounts Officer on or before the 1st December each year. This should be based on figures from January to December of the current calendar year, i.e. on 'actual' as far as available and on 'estimates for the remaining period, and should be modified by known changes in conditions and other relevant factors. This will show the - annual estimated charges attributable to:—

(1) Supervision.

(2) Contribution to Provident Fund and Gratuity special contribution to provident Fund and pensioner liabilities in respect of works staff.

(3) Repairs and Maintenance.

(4) Interest

(5) Depreciation.

(1) Supervision:—The pay leave salary, allowance, contribution to Provident Fund, gratuity, Special contribution to Provident Fund, Annual contribution to Staff Benefit Fund & c. of all personnel of the Mechanical Department directly concerned with each workshop (i.e. including only a share of the Chief Workshop Engineer and his Headquarters staff but including whole or the Deputy Chief Mechanical Engineer, Workshops, and all establishment under him; and of the Accounts, Electrical Engineering, Stores Cash and Pay, Railway Protection Force, Medical & c. Departments, whose duties are concerned directly with the workshop, should be included under this head. The amount of rents, rates and taxes in respect of workshop buildings, offices & c. should also be included under this head.

(2) Contribution to Provident Fund, Gratuity-Special Contribution to Provident Fund, Pensionary Liabilities in respect of works staff:- Annual Contribution to Staff Benefit Fund in respect of Works Staff and the expenditure to Provident Fund and Gratuity/Special Contribution to Provident Fund pensionary liabilities in respect of all Workshops Stall both supervisory and labour, the annual Contribution to Staff Benefit fund in respect of such staff and the annual net expenditure in running the canteens attached to workshops should be estimated as closely as possible.
The amount of provident fund contribution payable should be taken as equivalent to the total amount of the deduction in the shape of provident fund (under new pension scheme) subscriptions and the amount of gratuity may be worked out based on the current year’s actual disbursement and the number to retire in the next budget year.

The amount of pensionary liabilities in respect of pensionable staff should be the amount shown against pension fund under Demand No. 14-Abstract M. The Per capita pension is to be calculated by dividing the amount under appropriation to Pension Fund by the actual number of employees of a Zone/PU at the end of previous financial year.

(3) Repairs:—The amount of expenditure on repairs and maintenance of workshop buildings, plant and machinery should be carefully estimated.

(4) Interest:—The interest on total outlay on land, buildings plant and machinery should be calculated at prevalent rate of dividend payable by the railways to the general revenues as may be fixed from time to time. The total outlay being worked out or estimated as accurately as possible.

(5) Depreciation:—The depreciation on buildings (including floors) should be calculated at two per cent on the total outlay. The depreciation of plant and machinery should be calculated at five per cent on the total outlay.

**Distribution of Pro Forma Oncost.**—The percentages of the total Pro Forma Oncost under the five heads, indicated above, to the total labour of the whole workshop, should then be worked out. These percentages will vary from workshop to workshop and from year to year, owing principally to alterations in the total outlay, the variations in the quantum of the total labour in the shops and any changes in the rates of interest charges to be applied.

**Inclusion of Pro Forma Oncost in the Cost of Work.**—The percentages of Pro Forma Oncost, as worked out above for each workshop, will be brought into use whenever it is found necessary to include one or all of these items of Oncost in the cost of the work, e.g. when work is undertaken for private parties, other Departments or Ministries of Government or on capital account.

When work done is of capital nature, the cost of the work should include all items of Proforma Oncost other than supervision, interest, annual contribution to Staff Benefit Fund in respect of works staff and the net expenditure in running the canteens attached to Railway workshops irrespective of the fact whether the cost is charged to Capital, Depreciation Reserve Fund, Development Fund. Accident Compensation, Safety and Passenger Amenities Fund. No Proforma Oncost should be levied on works chargeable to Ordinary Revenue, Accident Compensation, Safety and Passenger Amenities Fund and Development Fund. When work is done for other Departments or Ministries of Government, other railways or for the public, all items of Pro Forma Oncost are chargeable but the General Manager may in exceptional circumstances, waive in full or in part the levy of such Oncost, in consultation with the Financial Adviser and Chief Accounts Officer, for reasons that should be recorded.

758. **Out-turn Statement**

The total (debits) for the month, in respect of each work order under labor Stores and On-cost charges and the grand total should be struck in the Workshop General
Register and an Outturn Statement (M.858) should then be prepared showing all the work orders, whether in hand, or completed in the workshops, the outlay on which is awaiting adjustment; and the expenditure that has been incurred on each of them. This statement is necessary for the purpose of charging the total expenditure incurred in the workshops to the account heads concerned.

**WORKSHOP OUTTURN STATEMENT**  
Form M.758

For the Month of .................. 20.....

<table>
<thead>
<tr>
<th>Previous Expenditure</th>
<th>Charges during the month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Order No.</td>
<td>Allocation</td>
</tr>
<tr>
<td>----------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Previous Expenditure</th>
<th>Charges during the month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance</td>
<td>Adjusted during the month</td>
</tr>
<tr>
<td>----------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>7</td>
<td>8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Charges during the month</th>
<th>Works Oncost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overhead Charges</td>
<td>Labour Oncost</td>
</tr>
<tr>
<td>----------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Factory Overhead</td>
<td>Administrative Overhead</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Admin on cost/Proforma Oncost</th>
<th>Grand total</th>
<th>Credits during the month</th>
<th>Closing Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>20</td>
<td>21</td>
<td>22</td>
</tr>
</tbody>
</table>

Columns 1 to 12 and 20 to 22 are common to Production units and zonal railway workshops. Columns 13 to 16 are only for Production units and Columns 17 to 19 are only for zonal railway workshops.

Compiled by ................. Checked by
The postings in the Outturn Statement of the charges for the month against each work order should be compared with those in the Check-Sheet. This comparison will bring out errors, if any, in the posting of the Workshop General Registers from the various sub-ledgers, as also of the Outturn Statement from the Workshop General Registers, which should be investigated and rectified.

The Outturn Statement (M.758) should be prepared in two parts- Part I and Part II. Part I will show all outlay (separately against each work order) adjustable during the month and Part II will show outlay on works in progress and completed works which are awaiting acceptance by the parties ordering them.

Part I of the Outturn Statement should be arranged and posted under the following heads:

**Part 1 (Adjusted items)**

**I. Home Line Capital Works**
   - a. Locomotives (Capital 2110)
   - b. Carriages (Capital 2130)
   - c. Wagons (Capital 2140)
   - d. Machinery & Plant (Capital 4100)

**II. Depreciation Reserve Fund Works**

**III. Development Fund Works**

**IV. Works chargeable to Open Line Works—Revenue**

**V. Capital Stores Suspense**
   - (i) Manufactured Stores
   - (ii) Returned Stores

**VI. Home Line Revenue Account**
   - a. Locomotives (C220-260: 320-360; 520-560) Showing No. of Units and their Units cost.
   - b. Carriages (D 220-260: 420-460) showing No. of Units and their units cost.
   - c. Wagons (D320-360) Showing No. of Units and their units cost.
   - d. Plant & Equipment (E.320; E350)
   - e. Service Motor Cars (E. 362).
   - f. Furniture and Office Equipment (E. 361)

**VII. Work done for**
   - a. Divisions.
   - b. Home Line Departments.
   - c. Foreign Railways.
   - d. Other Government Departments & Public bodies.
   - e. Home Line Railway Employees.

The following classes of expenditure are adjustable during the month in which the expenditure is incurred:

   a. Expenditure on Works of Mechanical Department charged to Capital, Capital Fund, Development Fund and Depreciation Reserve Fund.
   b. Expenditure on Revenue Works of Mechanical Department.
   c. Expenditure on Deposit Works.
   d. Expenditure debitable to other Railways in respect of repair to their Rolling Stock.
Note (i): In regard to item (c) in case where the outlay for the month is in excess of the amount at credit of deposits, the expenditure should be adjusted through the outturn statement Part I to the extent of the amount of deposit available and the expenditure in excess of the deposit should be allowed to remain outstanding in suspense and shown in Part II of the Outturn Statement. The Officer-in-charge of the Mechanical Workshops should be advised to obtain additional deposits, to cover the outstanding expenditure and further charges likely to be incurred on the work from the party concerned.

Note (ii): In regard to item (d) the expenditure may be debited directly to the head "Transfer Railways" and Transfer certificates issued without the accepted vouchers but giving full description to the Rolling Stock repaired. The responding Railways should accept the Transfer certificates in the same months accounts bydebiting the amount - provisionally to final heads with reference to the particulars of rolling stock repaired, the acceptance of the charges by the departments concerned being watched through an 'acceptance register' to be maintained for the purpose.

763. The following are the classes of expenditure which bills have to be got accepted before adjustment: —
   a. Outlay on works executed for other departments of the Home Line.
   b. Outlay on works executed for other Railways other than those in respect of repairs to their Rolling Stock, vide para 869.
   c. Outlay on works executed for other Government Departments.
   d. In all these cases the outlay incurred will remain outstanding in Part II till such time as the bills issued against the parties concerned are received back duly accepted. Such of the items as have been accepted should be shown in Part I of the Outturn Statement in the month in which the acceptance has been received and the necessary debits raised against the parties concerned in the same month's account. (In the case of works executed for the other departments of the Home Line, the debits may, if found convenient, be adjusted in anticipation of the acceptance of the bills issued).

764. Part II of the Outturn Statement should be classified under the following heads:—

PART II (Awaiting Acceptance)
   a. Manufacturing works
   b. Stores Department works
   c. Works done for the Home Line Departments and Divisions.
   d. Works done for Foreign Railways, other Government Departments, Railway Employees and private bodies.
   e. Works executed on 'grouping' work orders.

765. In posting Part I and II of the Outturn Statement the following procedure will be used:

Part 1
   a. Such of the items relating to previous month as are to be adjusted during the month should be copied from the Outturn Statement Part II of the previous month and posted in column 10 of Part I and columns 8 and 9 of Part II of the month concerned.
   b. Outlay relating to a month and cleared in the same month (paragraph 869) should be posted against the respective work orders in columns 14 to 20 of Part I from the Workshop General Registers.
Part II

c. "Previous Expenditure" in respect of items other than those falling under (a) above should be posted from Outturn Statement Part II of the previous month.
d. "Expenditure during the month" should be posted from the Workshop General Registers.

766. The two parts of the Outturn Statement (Part I & II) should be totaled down and crosswise. A summary by accounts classification, showing the total expenditure chargeable to various sub-heads of account, should be prepared in the case of Part I. A similar summary by the various heads described in paragraph 770 should be prepared in the case of Part II. These summaries should form part of the respective parts of the Outturn Statement.

767. The total of the summary of Part II should be carried over to that of Part I and the grand total of the two parts exhibited in the latter.

768. **Workshop Deposit Schedule**

With a view to ensure that no private work is undertaken in the shops without the necessary deposit being received in advance as required under the rules (paragraph no.813) and to watch the progress of expenditure against deposit in each case, a "Deposit Schedule" in form M.768 should be prepared every month. The column "Balance of Deposit" of the form should be posted from the closing balance shown in the previous month's schedule, the column 'Deposit received during the month' should be filled from the intimations of deposits received during the month, care being taken to see that the total of this column agrees with the corresponding credits and 'Debits during the month' should be posted from the works to be executed in the workshop, and the column "Balance at credit of deposits at the end of the month" should be exhibited in the latter.

**Workshop deposit schedule**

<table>
<thead>
<tr>
<th>Work No.</th>
<th>Order Date</th>
<th>Particulars</th>
<th>By whom Ordered</th>
<th>Estimated cost</th>
<th>Balance of Deposit from the previous month</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Rs. P.</td>
</tr>
</tbody>
</table>

Total

<table>
<thead>
<tr>
<th>Deposit during the month</th>
<th>Total</th>
<th>Debits to deposit during the month</th>
<th>Balance at credit of deposits at the end of the month</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Rs. P.</td>
<td>Rs. P.</td>
<td>Rs. P.</td>
<td>Rs. P.</td>
<td></td>
</tr>
</tbody>
</table>

Total
769. **Workshop Account Current**

An Account Current of the transactions pertaining to 'Workshop Manufacture Suspense Account' for each workshop should be prepared monthly in Form M.769 given below. This account should show the total debits and credits to the Workshop Manufacture Suspense Account under the heads provided in the form and the opening and closing balances.

*Note: Since the manufacture in the Production Units varies from unit to unit, no standard form for use by them in respect of Account Current is prescribed. The Production Units are left free to devise their own form for the purpose to suit their local conditions. However the same format must be used for the whole financial year*

**Workshop Account Current**

<table>
<thead>
<tr>
<th>Particular</th>
<th>Details</th>
<th>Amount</th>
<th>Total</th>
<th>Particulars</th>
<th>Details</th>
<th>Amount</th>
<th>Proforma cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>i) To Opening balance</td>
<td>(i) By Capital works</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) To labour</td>
<td>(ii) By Works chargeable Depreciation Reserve Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(iii) To Cash</td>
<td>(iii) By Works chargeable development Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(iv) To Stores</td>
<td>(iv) By Works chargeable open line Works-Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(v) To other Charges (Fuel and other misc. charges)</td>
<td>(v) By Revenue- Works operation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(vi) To Workshop Transfers</td>
<td>(vi) By work done for the Stores Deptt. (i) Manufacture Material (ii) Returned Stores</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(vii) To freight charges</td>
<td>(viii) By work done on Deposit A/C (Deposit misc.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(ix) By work done for Home line Division and departments (Transfer Divisional)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(x) By work done for Foreign Riys. Govt. Deptts. etc. (Transfer Rlys.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(x) By work done for other workshops (Intershop transfers)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(xi) Total credits during the month</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Workshop Accounts Officer

770. For preparing the following instructions should be observed:

A. **Posting the Debit Side**—

   a. "Labour"—The figures appearing in the Labour Schedule should be posted against this head.
   b. "Cash"—Debits to Workshop Manufacture, Suspense Account which comprise of the contractors' bills for direct purchases etc., motor license fee, municipal taxes etc., should be posted from the Monthly Classified Abstract of Cash Transactions (A. 1106).
   c. "Stores" should be posted from the Daily Summaries of Issue Notes (S. 2702) for the last day of the month received from the Stores Accounts Office.
      
      *Note:* Before posting the stores account debits, they should be agreed with the corresponding figures in the Stores Summary Sub-Ledger.
   d. "Other Charges" including Intershop transfers should also be posted from the Stores Summary Sub-ledger.

B. **Posting the Credit Side**—

The credit side should be posted from the Summary of Outturn Statement Part I and should be supported by detailed schedules. The closing balance should be worked out by deducting total credits during the month from the total debits including the opening balance and it should agree with the balance shown in the Outturn Statement Part II.

*Note:* A register of cumulative Workshop Account should be maintained in the Production Units showing the monthly expenditure as appearing in the Month Account Current as also the cumulative expenditure for month to month, both for debits as well as credits for a financial year. After the Accounts of a financial year is closed the Production Units should prepare Manufacturing Account and the out-turn statements for the year in their prescribed proforma and submit the same as Annexures to the Appropriation Accounts

771. **Workshop Manufacture Suspense Account Journal Entries**

Journal entries (Capital and Revenue) of all transactions affecting workshop Manufacture Suspense Account should be prepared monthly for the Account-Current (M.769) for incorporation in the General Books of the Railway. The following instructions should be observed in preparing the journal entries:

A. **Debit side of the Account-Current.**—(i) such of the debits as have already been incorporated in the General Books of the Railway through the journal slip of accounts receiving credits e.g. Stores debits. Fuel and other Miscellaneous Charges including Intershop transfers. Cash debits, should not be included in the journal slips of the Workshop Manufacture Suspense Account.
   (ii) The amount on account of Labour should be debited to 'Workshop Manufacture Suspense Account' by credit to 'Labour Suspense' through a Capital Journal entry (The Muster Rolls/ Labour Pay-sheets having been passed for payment and debited already to 'Labour Suspense').
(iii) The amount of freight charges should be debited to 'Workshop Manufacture Suspense Account' by minus debit to 'Abstract K' Two journal entries are necessary in this case (Capital and Revenue).

B. **Credit side of the Account-Current**—The credit transactions relating to 'Workshop Manufacture Suspense Account' should be journalized by per contra debits to the different heads of account appearing on the credit side of the Account-Current. Care should be taken to see that the credits already accounted for in the General Books e.g. credits for issues of manufactured material and return of surplus stores to the Stores Department which have already been included in the General Books at the time the credit transfer certificates received from the Stores Accounts Office are accepted and omitted from the monthly journal Slip of 'Workshop Manufacture Suspense Account.'

772. **Up-to-date totaling of Workshop General Registers**

After the journal entries of the 'Workshop Manufacture Suspense Account' have been prepared, up-to-date totals should be struck in the Workshop General Registers (M.755). The credit side thereof should be posted, where necessary e.g., in the case of work orders for other Government Departments and private bodies and the outstanding balances worked out. These balances should be tallied with the corresponding balances in the Outturn Statement Part II. Discrepancies, if any, should be promptly investigated and adjusted. Special efforts should be made to clear up irregular balances, if any (paragraph 774).

773. **Review of Workshop General Registers**

The Workshop General Registers (M. 755) should be reviewed monthly to see that all works shown therein are current. The work orders on which no expenditure has been booked for three consecutive months should be reported to the Workshop-in-Charge and advice of completion called for (see also paragraph 852). Necessary customized forms have to be developed to enable review of WGR by respective Workshop and Accounts Wings.

774. **Irregular booking of charges**

On receipt of an advice of completion of a work order from the Works-in-charge, the date of completion should be noted against that work order in the Workshop General Register (M. 755). If charges are booked by the shops against a work order which has previously been reported as completed, the matter should be reported to the Works-in-charge and steps taken to rectify the irregular booking.

775. **Workshop Subsidiary Balance Register**

The balance under each of the suspense heads operated upon in the Workshop Accounts Officer (e.g. Workshop Manufacture Suspense Account, Labour Suspense Account and Development Suspense Account) should be reconciled and proved with the General Books every month. For this purpose a subsidiary register should be maintained in the following form, in which should be shown opening balances, debits and credits during the month and the closing balances. The debits and credits should be posted from the Journal. Separate pages should be opened in this register, or separate registers maintained if more convenient, for each suspense head of account. The correctness of the balances in this register should be certified by the Books Section. Any discrepancy found as a result of this reconciliation should be promptly investigated and the Subsidiary Balance Register (M. 775) together with the result of reconciliation, put up to the Workshop Accounts Officer within 10 days of the close of the Accounts for the month.
Note. Development Suspense Accounts pertain to Production Units only.

**Workshop subsidiary balance register**  Form M. 775

Head of Account..........................

<table>
<thead>
<tr>
<th>Month</th>
<th>Opening balance</th>
<th>Debits</th>
<th>Credits</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

776. **Labour Book**

For the purpose of recording details of the outstanding balance under the suspense head 'Labour' and for effecting a reconciliation with the General Books, a register (Labour Book) showing the opening balance, credits during the month, debits during the month, and the closing balance under 'Labour Suspense' should be maintained in the following form. The credits should be posted from the Labour Schedule and the debits should be posted from the various abstracts of bills passed for the month. This register should be posted by individual bills.

Form M. 776

(Form W.1322)

**LABOUR BOOK FOR THE MONTH OF**----------

(1) Opening balance
(2) Credits during the month

______________

(3) Total
(4) Debits during the month
(5) Closing balance.

777. **Reconciliation with the General Books**

The balance under 'Workshop Manufacture Suspense Account' and 'Labour Suspense', appearing in the Account—Current (M. 769) and the Labour Book (M. 776) respectively, should be compared with the corresponding balances shown in the Workshop Balance Register (M. 775) after the balances in the latter have been reconciled with the General Books. The differences between the two sets of figures should be analyzed and a Discrepancy Statement prepared in Form (M.777) given below. The discrepancies should be investigated and necessary adjustments carried out to clear them. Special attention should be paid to old discrepancies. The Discrepancy Statement together with the Account Current and the Labour Book should be put up to the Workshop Accounts Officer every month. The action taken to clear the discrepancies should be stated in the 'Remarks' column of the Discrepancy Statement.

Form M. 777

**DISCREPANCY STATEMENT OF**
**WORKSHOP MANUFACTURE SUSPENSE ACCOUNT/LABOUR SUSPENSE**

........................ Shops........................ for the month of............................

<table>
<thead>
<tr>
<th>Item</th>
<th>Particulars</th>
<th>Month in which the</th>
<th>More</th>
<th>Less</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>discrepancy originates</td>
<td>account</td>
<td>account</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------</td>
<td>---------</td>
<td>---------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rs. P.</td>
<td>Rs. P.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total........................ ..........
Deduct column less in account............... 
Net difference.................................

**778. Review of Balance under “Workshop Manufacture Suspense Account”**

The balance under the ‘Workshop Manufacture Suspense Account’ should be reviewed monthly to see that —

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

b. details consist of nothing else except labour, material and work on cost charges expended on unfinished jobs or completed jobs awaiting adjustment:

c. there are no credit items in the detail of balance and if there are any such items, they are noted for immediate adjustment.

d. in the case of jobs undertaken for outsiders, a sufficient deposit has been made, where such a deposit is required by rules, and on the first appearance of a work it is seen that an estimate is on record, containing the extra percentage charges required under the rules, and accepted by the party ordering the work and

e. there are no inefficient balances and the periodical adjustments in respect of 'overcharges and undercharges' under the oncost, manufacture and repair work orders are carried out regularly and the outstanding are not allowed to accumulate.

**779.** The works on which no expenditure is incurred for three consecutive months should be specially brought to the notice of CWM.

**780.** The results of the WMS review should be put up to the Financial Adviser and Chief Accounts Officer at least once a year.

**781. Completion Reports**

As soon as the advice of completion is received (Paragraph 752) the clerk who maintains the Works Register should prepare a Completion Report in Form No. M. 781 The figures of actual expenditure as well as those of estimated amount should be shown in the same details in which the estimate has been prepared and sanctioned, but before preparing the Completion Report it should be seen that (1) all charges under different sub-heads of estimate have been booked, (2) the Difference in value if any has to be accounted within the same financial year (duly obtaining the certificate to that effect from the respective supplier) and (3) credit for released material has been adjusted.

**Form M. 781**

<table>
<thead>
<tr>
<th>Workshops</th>
<th>Date.</th>
</tr>
</thead>
</table>

**Completion Report**

No. 

Completion Report of.................................................................

.................................................................................................

Authority.................................................... Estimate No..................................... of........

Name of Office in charge of the work...........................................................

When commenced............................................................................

When completed .............................................................................
<table>
<thead>
<tr>
<th>Sub-heads of estimate</th>
<th>Previous Batch/As estimated</th>
<th>As executed</th>
<th>Difference</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quantity Number</td>
<td>Amount</td>
<td>Quantity Number</td>
<td>Amount</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Explanations for variations shown in columns in 6 and 7 above.

Dy. Chief Mechanical Engineer

782. The Completion Report should be submitted to the authority competent to sanction the excess, after scrutinizing the explanation regarding excesses over estimates obtained from the Works Manager or the Deputy Chief Mechanical Engineer, as the case may be. Completion Reports which do not show any excess over the estimate should be filed after obtaining the explanation for the saving, if any, from the Works Manager or the Deputy Chief Mechanical Engineer and after endorsement of a certificate of verification thereon saving of over 15 per cent should be reported to the Chief Mechanical Engineer.

783. Completion Report Register

The Accounts Office should watch through a register (M.781) that the completion reports involving excesses over sanctioned estimates are received back duly sanctioned from the authority competent to sanction the excess,

784. A note should also be recorded in the Works Register under the work concerned in the following form

"Work completed and completion report prepared and submitted to ................. on ............ for sanction."

785. All completion reports should be entered in the Completion Report Register. This register shows the following details:—

a. Serial Number.
b. Date of submission.
c. Particulars of work.
d. Estimated cost.
e. Booked expenditure.
f. Reference to works register.
g. Department.
h. Work order number.
i. Reference to sanction to the excess, where necessary.
j. Remarks.

786. Adjustment of charges and Credits reported on completed works

The following procedure should be followed in cases of charges and credits reported on completed Works necessitating the revision of Completion Reports—

a. If charges or credits are received for a work after the submission of a Completion Report not yet sanctioned, a revised Completion Report should be prepared and necessary postings should be made in the Works Register against the work concerned.
b. If charges or credits are received after sanction to the completion report for the work, the extent of amount chargeable to ordinary Revenue maintenance and credits against abstract Z-650 without opening the account of the work shall be decided by CWM in consultation with FA & CAO at the beginning of each financial year. When charges or credits exceeds that amount, account of the work should be re-opened and necessary adjustment made thereunder. In the case of works done for private parties or other Government Departments or Ministries, the actual amount spent on the work should be recovered even though the completion report may not be revised.

787. Productivity Review

All M&P items procured on the basis of financial justification should be subjected to productivity review every year. Apart from the M&P items, all the workshops should be subjected to productivity review periodically. This review shall be undertaken on workshops selected by GM. A list of such workshops together with programme shall be put up by CME to GM through FA & CAO with necessary recommendation as to the workshops earmarked for application of test. The report shall be sent by CWM, CME and FA & CAO. CME shall submit the report to the General Manager, who shall forward the report along with his own comments to Railway Board.
**FLOW OF DATA FOR WGR & WMS ACCOUNT CURRENT**

**A**
- Labour hours
  - From tally sheet
  - Labour charges
  - Labour hours
- Average hourly rate

Input for JE salary, supplementary bills, DA arrears, PLB different between labour payments and amount distributed as per tally sheet. Linking of labour incorrect work order.

**B**
- Job card
  - Time saved
    - Incentive bonus
    - Work order wise distribution
    - Incentive bonus
- Incentive rates

**C**
- Labour on cost,
  - Material on cost,
  - Administrative over head
  - @ predetermined %
    - On labour charges
  - LOC
  - MOC
  - AOH

**D**
- Drawal of stores
  - Non stock
    - Transfer debit, linking of incorrect stores work order.
  - ARD input

**E**
- Stores credit for shop manufacture items
  - Qty supply x predetermined rate
    - Statement 23
    - Stores credit

**F**
- Returned stores
  - Qty x BAR Statement 23
  - Returned stores

**WGR**

**LEVY STATEMENT**
- (freight,
  - storage & supervision,
  - Proforma oncost, profit vide para 723-W)

**QUOTATION STATEMENT**
- PART-I (863-W)
  - CAPITAL
  - DRF
  - DF
  - OLWR
  - Manu. Stores
  - Returned Stores
  - Revenue
  - Tfr. Division
  - Tfr. Fgn. Rly
  - Deposit

- PART-II (866-W)
  - Manu. works
  - Stores dept. works
  - Home line dept. & Divisions
  - Foreign Rly
  - Depot works
  - Grouping works

**WMS ACCOUNT CURRENT**

- (871-W)
  - DR
    - OB
    - Labour
    - Cash
    - Stores
    - Freight
    - PF oncost
    - Others
  - CR
    - CAPITAL
    - DRF
    - DF
    - OLWR
    - Manu. Stores
    - Revenue
    - Tfr. Division
    - Tfr. Fgn. Rly
    - Deposit
    - CB

(873-W)
- Incorporated into General Books by means of journal entries / debits