

CHAPTER XXXI

ACCOUNTS OF WORKED LINES INCLUDING PRIVATE AND NON-GOVERNMENT RAILWAY

3101. **Introductory.**- Such lines as have been constructed at the cost of Branch Line Companies, Private Companies, Joint Venture companies, Local Bodies, State Governments, etc. and are worked by the main line system, are called "Worked Lines".

The terms for the working of such lines and the apportionment of their earnings as well expenditure related to their Operation and maintenance are embodied in their respective agreements which should be carefully studied by the officers and staff concerned. All payments of earnings and deductions on account of expenditure on worked lines should be made within the ambit of the respective agreement. A copy of these agreements should be available with the Traffic Accounts Office.

As the terms of all the agreements are not uniform, an abstract showing the main features of each agreement, e.g., the items which comprise the gross earnings of each worked line, the percentage to be recovered from each line as working expenses, the rebate to be allowed under certain conditions, principles of apportionment, etc., should be maintained in the Accounts Office and kept up-to-date for convenience of reference.

3102. **Calculation of Worked Line share.**- The actual adjustment of the working expenses to be recovered from the worked lines or the share of earnings to be paid to them should be made in accordance with the terms of their respective agreements. The general principles which should be followed in compiling the accounts for the purpose of such adjustments are, however, stated in the following paragraphs.

3103. Coaching Traffic.- Before calculating the share of earnings of a worked line, a reference should be made to its agreement to ascertain what the coaching earnings of the worked line comprise of and this should be kept in view in compiling the accounts for the purpose of apportionment.

3104. The Coaching earnings of the system include-

- 1) fares and freight charges proper for carrying the various kinds of coaching traffic; and
- 2) other special charges such as pilgrim or poll tax and cartage charges, etc.

The pilgrim or poll tax, when leviable, is included in the fares and, as this is creditable to the Municipalities concerned, it should be seen that its amount is always excluded from the fares before apportioning them between the Main and the Worked Lines. Cartage charges are not payable to Worked Lines. While apportioning shares to the Worked Lines, these charges should be deducted from the freight before dividing the same between the Main and the Worked Lines. In the case of undercharges, the apportionment of the correct amount is made to the Worked Lines regardless of the amount collected. As regards overcharges, no credit is to be afforded to the Worked Lines and the amount of overcharge should, therefore, be excluded from the fare and freight charges before apportionment. Penalty and clerkage charges are credited to the Main or the Worked Line according as the recovery has been made at the Main

or Worked Line station. These charges, when accruing at junctions with the Worked Lines, are credited to such lines in respect of their Local traffic only.

3105. Entries pertaining to each of the Worked Lines should be picked up from the relevant Returns received from the checking sections, separate sheets being used for posting, by each route and for each class of traffic. Traffic between each pair of stations should be posted in one place and grouped together.

Note. The apportionment of Parcel traffic should be made according to the route prescribed by the Main Line administration, necessary adjustments being made in respect of deviated traffic.

3106. **Goods Traffic.**- The apportionment of Local goods earnings with the Worked Lines is made on the inward basis. Accordingly, the entries relating to Worked Lines should be picked up from Local machine prepared Abstracts received in the Accounts Office from stations. In the case of Through goods traffic, the entries relating to inwards traffic of Worked Lines stations should be picked up from Through machine prepared Abstracts received from destination stations and those relating to outwards traffic from the Accounts Office copy of the machine prepared Abstracts of Worked lines stations received from Machine Section. The picking up should be done after the machine prepared Abstracts have been linked with the Statements of Incorrect Invoices. The apportionment should be made according to the route prescribed by the main line administration, necessary adjustments being made in respect of diverted traffic. Before making the calculations, it should be ascertained, by a reference to the agreement of the Worked Line concerned, what items constitute its goods earnings. Special charges such as Transshipment charges should be excluded from the freight charges proper for the purpose of making the apportionment, overcharges and undercharges being dealt with as stated in Paragraph 3104 above.

3107. Other Traffic. (a) The following items, which are creditable to the Worked Lines, should be picked up from the Station Balance Sheets of Worked Line stations only.

Coaching Traffic

- 1 Left Luggage, Wharfage and Demurrage.
- 2 Platform Tickets.
- 3 Excess in booking.
- 4 Telegraph earnings.
- 5 Items taken to special debit by stations in the Coaching Balance Sheets and not accounted for through any of the returns submitted to the Accounts Office.

Goods Traffic

- 6 Demurrage and Wharfage.
- 7 Items taken to special debit by stations in the Goods Balance Sheets and not accounted for through any of the returns submitted to the Accounts Office.

(b) Items debit to the Worked Lines, that is, items of credit taken by stations in their Coaching or Goods Balance Sheets in respect of

- 1 Overcharge sheets pertaining to station outstanding,
- 2 Previous debits withdrawn,
- 3 Credits reversed, and
- 4 Re-booking, etc.

should be picked up from the Balance Sheets of stations of the entire system.

3108. Gross Earnings of Worked Lines.- The total amount of items picked up in the manner prescribed in the preceding paragraphs would represent the amount divisible between the Main and the Worked Lines. For convenience of calculations, the totals should under mutual arrangement with the Worked Lines, be calculated to the nearest rupee; fifty paise and above being reckoned as one rupee and less than fifty paise being dropped.

3109. Apportionment of Earnings.- Apportionment between the Main line and worked line shall be governed by the terms of the agreement between the two.

3110. Adjustment on account of Refunds.- The amounts debit to the worked lines in cases where refunds have been allowed at the time of delivery of goods etc., or claims for refund of overcharges have been passed should be worked out from the relevant records in the Accounts Office and deducted from the amounts payable to the Worked Lines.

3111. Payments to Worked Lines.- In order to arrive at the amount payable to each Worked Line under its agreement on account of net earnings or rebate, a statement should be prepared monthly, showing the gross earnings of each Worked Line, the share of working expenses payable to the main line under the agreement and the net earnings of the Worked Line, and passed on to the Booking Section for arranging the necessary payment.

3112. In certain cases, the agreements provide for a certain per cent of advance payment of earnings to the Worked Lines, quarterly or half-yearly. In such cases, statements of earnings of each Worked Line should be prepared, in the manner described above, to show the actual figures available at the time and approximates for the months for which the actuals are not available. The share of working expenses at the rate specified in the respective contracts should be deducted from the totals thus arrived at, the balance representing approximate net earnings payable to each Worked Line of which the prescribed per cent will be paid in advance. Necessary adjustment between the actual and approximate figures should be made at the time of the yearly final payments, when the actual earnings for the whole year are known.

3113. Test Check of Worked Line Account.- The work of apportionment of fare and freight charges between the Worked Lines and the Main Line is by its nature such that it is difficult to provide for an automatic reconciliation to prove the accuracy of Worked Line accounts. The important thing in compiling Worked Line accounts is to discriminate out of several lakhs of items each month, the particular items in respect of which freight is creditable to Worked Lines. In this process of discrimination, some items are liable to be omitted from the accounts whereas others for which no freight is due to the Worked Lines

may be included therein. Mistakes in filling in the distance or in working out the Worked Lines shares may occur even if an item has been correctly included in the accounts. It is, therefore, necessary that the accounts compiled by the staff should be subjected to a rigorous test-check by the supervising staff as well as by the staff compiling the accounts, so that all errors involving under and over credits to the Worked lines may be rectified.

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