



Supervisors Training Centre, South Central Railway



ISM-02

Railway Organization & Management (MRT-01)

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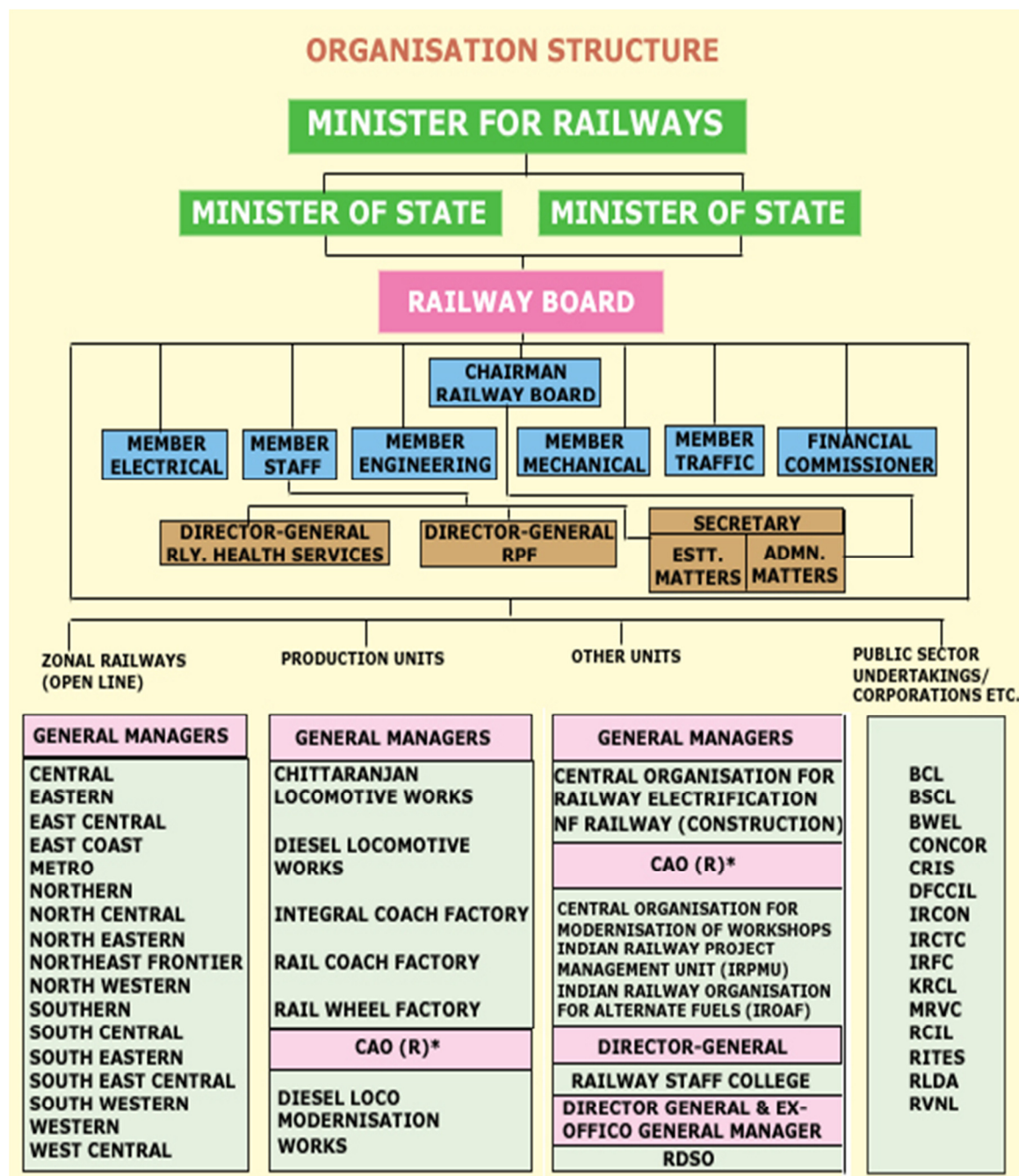
1.0 Organization of Indian Railways

1.1 Railway Zones:

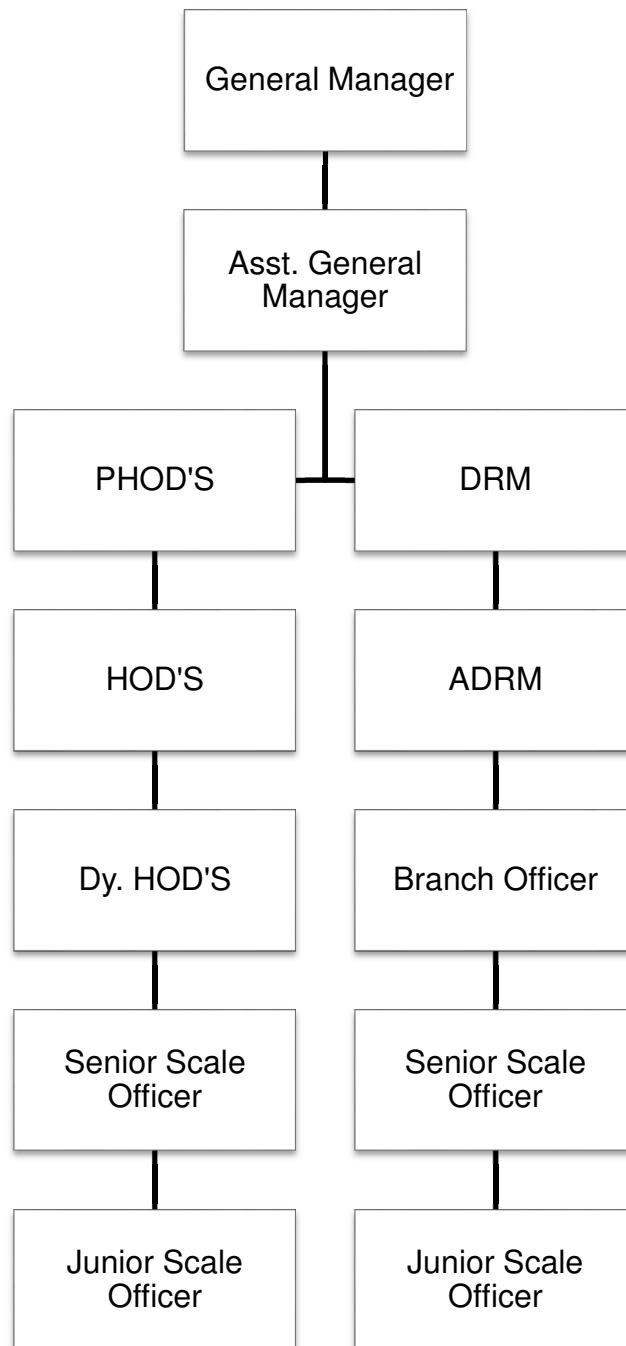
Indian Railways is divided into several zones, which are further sub-divided into divisions. The number of zones in Indian Railways increased from six to eight in 1951, nine in 1952 and sixteen in 2003. Each zonal railway is made up of a certain number of divisions, each having a divisional headquarters. There are a total of 68 divisions. Each of the seventeen zones is headed by a General Manager (GM) who reports directly to the Railway Board. The zones are further divided into divisions under the control of division railway managers (DRM). The divisional officers of engineering, mechanical, electrical, signal and telecommunication, accounts, personnel, operating, commercial, safety, medical, security branches report to the respective Divisional Manager.

SN:	Name of the zone	Abbr.	Headquarters	Date Established	Divisions
1.	Southern Railway	SR	Chennai	14/04/1951	6
2.	Central Railway	CR	Mumbai	05/11/1951	5
3.	Western Railway	WR	Mumbai	05/11/1951	6
4.	Eastern Railway	ER	Kolkata	14/04/1952	4
5.	North Eastern Railway	NER	Gorakhpur	14/04/1952	3
6.	Northern Railway	NR	Delhi	14/04/1952	5
7.	South Eastern Railway	SER	Kolkata	01/08/1955	4
8.	North Frontier Railway	NFR	Guwahati	15/01/1958	5
9.	South Central Railway	SCR	Secunderabad	02/10/1966	6
10.	East Central Railway	ECR	Hajipur	01/10/2002	5
11.	North Western Railway	NWR	Jaipur	01/10/2002	4
12.	East Coast Railway	ECoR	Bhubaneswar	01/04/2003	3
13.	North Central Railway	NCR	Allahabad	01/04/2003	3
14.	South Western Railway	SWR	Hubli	01/04/2003	3
15.	West Central Railway	WCR	Jabalpur	01/04/2003	3
16.	South East Central Railway	SECR	Bilaspur	05/04/2003	3
17.	Konkan Railway	KR	Navi Mumbai	26/01/1998	None

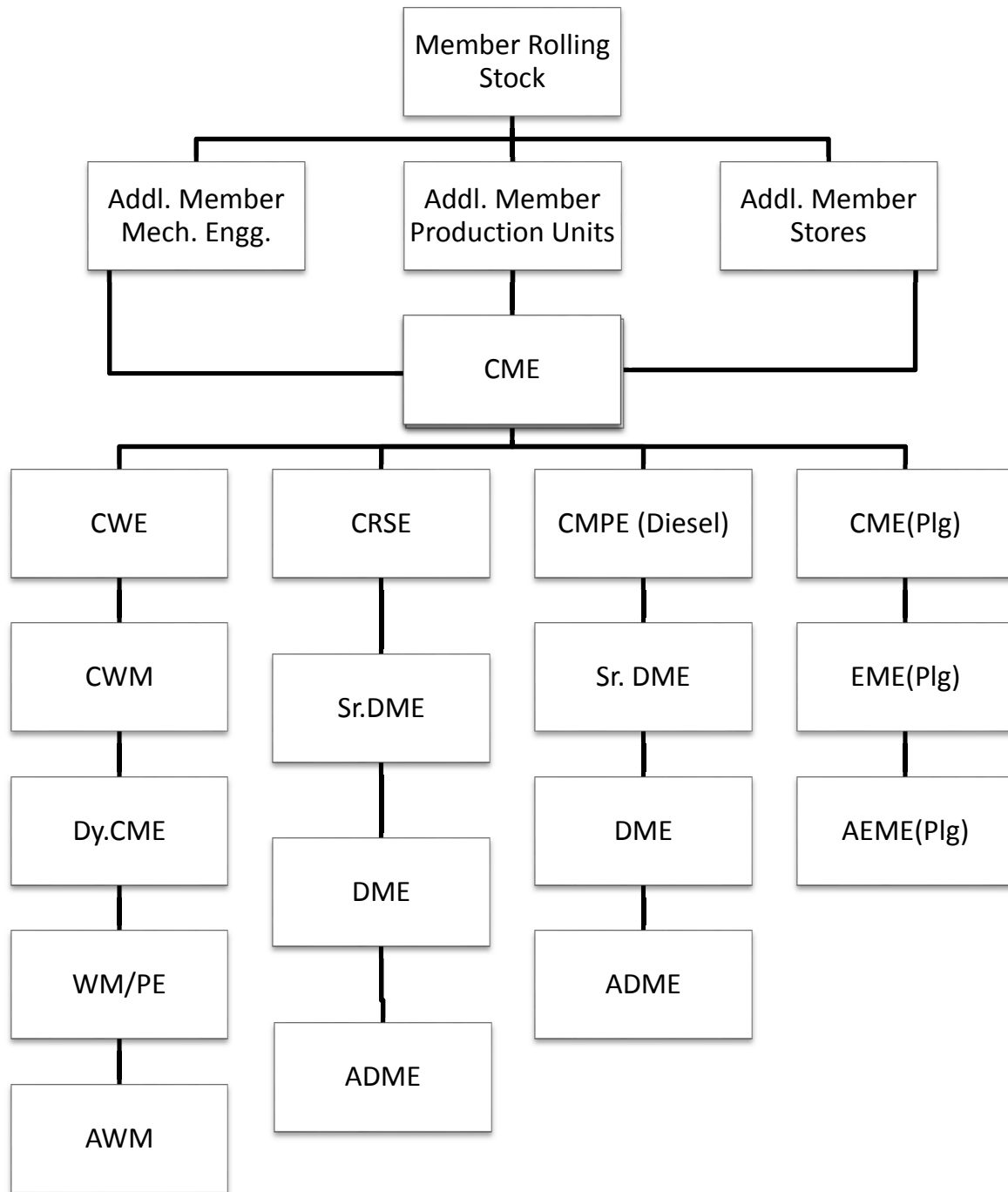
1.2 Organization Structure of Indian Railways:



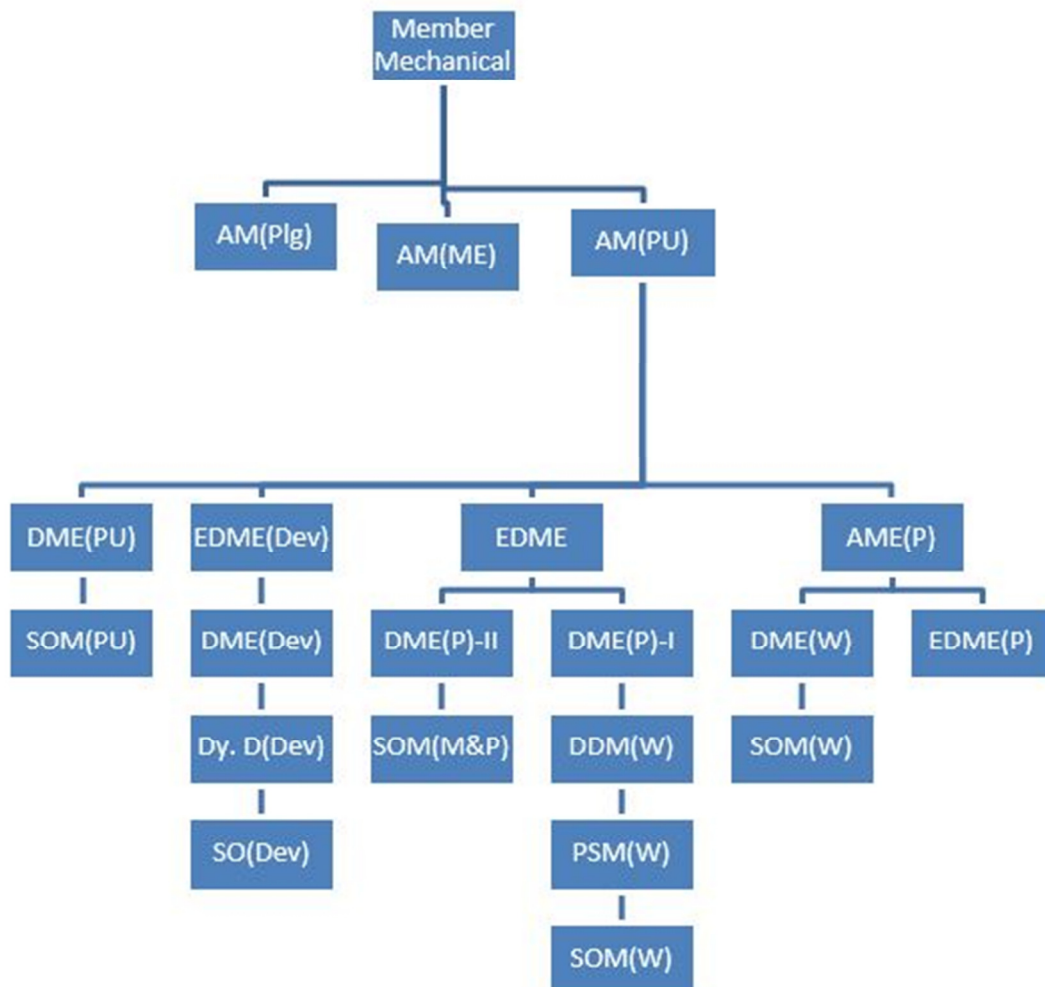
1.3 Organization Chart (GM to junior scale officer, HQ's and Divisions):



1.4 Organization of Mechanical Department:



1.5 Organization Structure at Railway Board (Mech. Dept):



Abbreviations:

ME – Mech.Engg

P – Production

W – Workshop

DME – Director Mech.Engg

EDME – Executive Director Mech.Engg

AME - Advisor Mech.Engg

SO – Section officer

M – Mechanic

Dev – Development

PV – Production unit

DD – Deputy Director

PS – Personal Stenographer

2.0 Recruitment And Training

Group of Employees and Recruitment Agency

Group A - UPSC

Group B - UPSC/Department

Group C - RRB

Group D - RRC

2.1 Types of Recruitment:

- Through Union Public Service Commission (UPSC)
- Through Railway Recruitment Board (RRB)
- Appointment on Compassionate Grounds
- Sports Quota
- Cultural Quota
- Scouts and Guides
- Physically handicapped Quota
- Recruitment of trade apprentice
- Group D recruitment through RRC

2.2 Recruitment of Group 'A' Officers:

UPSC recruits probationers for the following 10 organized Railway services:

(a) Civil Services Examination for

- Indian Railway Traffic Service (IRTS)
- Indian Railway Personnel Service (IRPS)
- Indian Railway Accounts Service (IRAS)
- Railway Protection Force (RPF)

(b) Engineering Services Examination for:

- Indian Railway Service of Engineers (IRSE)
- Indian Railway Service of Mechanical Engineers (IRSME)
- Indian Railway Service of Electrical Engineers (IRSEE)
- Indian Railway Service of Signal Engineers (IRSEE)
- Indian Railway Stores Service (IRSS)

(c) Medical Services Examination for:

- Indian Railway Medical Service (IRMS)

2.3 Recruitment of Group 'B' Officers:

Group 'B' – UPSC/Departmental

Departmental:

- (a) LDCE
- (b) Seniority (Promotion)

SN	Eligibility	Seniority(Promotion)	LDCE
1	Eligible Grade	GP 4200	GP 4200
2	Service Requirement	Minimum 3 years in GP 4200	Minimum 5 years in GP 4200
3	Who can appear the selection	Only those who called as per seniority and vacancy available	All employees in the Dept. who can fulfill the above requirement
4	Method of selection	Primarily seniority written test and viva-voce has to be passed	Purely on the basis of written test and viva-voce
5	ST/SC reservation	Applicable	Applicable

2.4 Recruitment of Group 'C' Category:

(a) RRB

Recruitment will be done for 80-100 categories of posts

(b) Departmental

- Seniority
- LDCE Staff having 3 years of service

2.5 Recruitment of Group 'D' Category:

(a) Through RRC:

Established for recruitment of Group D employees

(b) Cultural Quota:

4 persons per railway per year under Group C and Group D

(c) Scouts and Guides:

2 persons per Indian Railway having president gold medal

(d) Physically Handicapped:

Total intake-3% of yearly vacancies

1% - blind

1% - deaf and dumb

1% - orthopedically handicapped

2.6 Based on education qualification into Group C/D:

Recruitment through RRB/RRC

2.7 Recruitment of Apprentice (through Apprentice Act):

Act Apprentice: for the purpose of training only

Trade Apprentice: For the purpose of absorption

2.8 Training:

Training is defined as an organized activity aimed at increasing the knowledge and skill of the workforce to enable them to perform the job effectively. Training is therefore a process where by an individuals acquires job related skills and knowledge.

2.9 Training required when:

People change
Technology change
Organization change
Policy change
Performance problem

2.10 Training to Group 'A' category:

- (a) Indian Railway Service of Engineers (IRSE)
- (b) Indian Railway Service of Mechanical Engineers (IRSME)
- (c) Indian Railway Service of Electrical Engineers (IRSEE)
- (d) Indian Railway Stores Service (IRSS)
- (e) Indian Railway Traffic Service (IRTS)
- (f) Indian Railway Accounts Service (IRAS)
- (g) Indian Railway Personnel Service (IRPS)
- (h) Railway Protection Force
- (i) Indian Railway Service (IRSS)
- (j) Indian Railway Medical Service (IRMS)

2.11 Training to Group 'B' category:

Foundation Course – 30 days at NAIR/Vadodara
Induction Course – 10 weeks at IRIMEE/Jamalpur

2.12 Training to Group 'C' category:

- (a) Supervisor Training Center (STC)
- (b) Electrical Supervisor Training Center (ESTC)
- (c) Signal and Telecom Training Center (STTC)
- (d) Civil Engineer Supervisor Training Center (CETC)
- (e) Basic Training Center (BTC)
- (f) Diesel Traction Training Center (DTTC)
- (g) Area Training Center (ATC)
- (h) Technical Training Center (TTC)
- (i) Zonal Railway Training Institute (ZRTI)
- (j) Indian Railway Track Machine Training Center (IRTMTTC)
- (k) Permanent Way Training Center (PWTC)
- (l) Accounts Training Center
- (m) BOXN Training Center
- (n) C&W Training Center

- (o) Central Bridge Training Center
- (p) Transportation Training Center
- (q) Welding Training Center
- (r) Railway Protection Force (RPF)

2.13 Training to Group 'D' category:

Training Period for RRC-78 days

3.0 General Conditions of Service

3.1 Service Agreements:

Special Class Apprentices on Railways shall be required to execute a service agreement with the President at the time of his appointment as a Probationer in IRSME. Railway servants appointed for a limited period may also be required to execute an agreement. All agreements shall be stamped, the cost being borne by the railway servant concerned.

Note: In the case of all railway servants the offers of appointment should stipulate inter alia that in all matters not specifically provided herein, or in the recruitment rules, they will be governed by the provisions of the Indian Railway Codes and other extant orders as amended/issued from time to time.

3.2 Date of Birth:

- a) Every person, on entering railway service, shall declare his date of birth which shall not differ from any declaration expressed or implied for any public purpose before entering railway service. In the case of literate staff, the date of birth shall be entered in the record of service in the railway servants own handwriting. In the case of the illiterate staff, the declared date of birth shall be recorded by a senior railway servant and witnessed by another railway servant.
- b) A person who is not able to declare his age should not be appointed to railway service.
- c) When a person entering service is unable to give his date of birth but gives his age, he should be assumed to have completed the stated age on the date of attestation, e.g. if a person enters service on 1st January, 1980 and if on that date his age was stated to be 18, his date of birth should be taken as 1st January, 1962.
- d) When the year or year and month of birth are known but not the exact date, the 1st July or 16th of that month, respectively, shall be treated as the date of birth.
- e) The date of birth as recorded in accordance with these rules shall be held to be binding and no alteration of such date shall ordinarily be permitted subsequently. It shall however, be open to the President in the case of a Group A & B railway servant, and a General Manager in the case of a Group C & D railway servant to cause the date of birth to be altered.
 - i. Where in his opinion it had been falsely stated by the railway servant to obtain an advantage otherwise in admissible, provided that such alteration shall not result in the railway servant being retained in service longer than if the alteration had not been made, or
 - ii. where, in the case of illiterate staff, the General Manager is satisfied that a clerical error has occurred, or

- iii. where a satisfactory explanation (which should not be entertained after completion of the probation period, or three years service, whichever is earlier) of the circumstances in which the wrong date came to be entered is furnished by the railway servant concerned, together with the statement of any previous attempts made to have the record amended.

Railway Ministry's decision (related to date of birth):

- a) When a candidate declares his date of birth he should produce documentary evidence such as a Matriculation certificate or a Municipal birth certificate, if he is not able to produce such an evidence he should be asked to produce any other authenticated documentary evidence to the satisfaction of the appointing authority,. Such authenticated documentary evidence could be the School Leaving Certificate, a Baptismal Certificate in original or some other reliable document. Horoscope should not be accepted as an evidence in support of the declaration of age.
- b) If he could not produce any authority in accordance with (a) above he should be asked to produce an affidavit in support of the declaration of age.
- c) In the case of Group D employees care should be taken to see that the date of birth as declared on entering regular Group D service is not different from any declaration expressed or implied, given earlier at the time of employment as casual labourer or as a substitute.

Note: The source/basis on which the date of birth has been recorded in the Service Records of the employee at the time of entering service may be recorded below the date of birth recorded.

(Authority:- Railway Boards letter No.E(G)99 FR 1/1 dt. 7-12-99)

3.3 Transfers:

Ordinarily, a railway servant shall be employed throughout his service on the railway or railway establishment to which he is posted on first appointment and shall have no claim as of right for transfer to another railway or another establishment. In the exigencies of service, however, it shall be open to the President to transfer the railway servant to any other department or railway or railway establishment including a project in or out of India. In regard to Group C and Group D railway servants, the power of the President under this rule in respect of transfer, within India may be exercised by the General Manager or by a lower authority to whom the power may be re-delegated.

Railway Ministry's decision (related to transfers):

Requests from railway servants in Groups C & D for transfer from one railway to another on grounds of special cases of hardships may be considered favourably by the railway administration. Such staff transferred at their request from one railway to another shall be placed below all existing confirmed and officiating staff in the relevant

grade in the promotion group in the new establishment, irrespective of date of confirmation or length of officiating service of the transferred employees.

(Railway Ministry's letter No. E. 55SR/6/6/3 dated 19th May, 1955).

A competent authority may transfer a Railway servant from one post to another provided that, except:-

- On account of inefficiency or misbehavior, or
- On his written request,

A Railway servant shall not be transferred to, or except in a case or dual charge, appointed to officiate in a post carrying less pay than the pay of the post on which he holds a lien.

(Authority:- Railway Boards letter No. E(NG)I-98/CN5/2 dt.5-2-99)

3.3(a) Retention of lien on transfer:

.The lien of a permanent staff transferred to another railway will be retained by the transferring railway till he is finally absorbed on the other railway.

3.3(b) Transfer on request:

Transfers ordered in the interest of employees shall be within the same seniority group, or different group or a mutual exchange. If such transfers are within the same seniority group under the same railway the seniority is not affected but if the transfers are inter divisional or outside the seniority group, the railway Ministry's decision below rule 226 for inter railway transfers shall apply.

3.3(c) Transfer on mutual exchange:

In case of mutual exchange, the senior or the two employees will be given the place of seniority vacated by the other person. The junior will be allowed to retain his former seniority and shall be fitted into the seniority below the persons having the same seniority.

3.3(d) Transfer from one department to another:

Person employed in one department shall not be eligible for employment in another except with the previous consent of the head of the department in which they are employed. Without such prior consent the head of an office or department shall not employ a person either temporarily or permanently, if he knows or has reasons to believe that such person belongs to another establishment under Government. A railway servant who takes up a new employment without the consent of the head of department commits a breach of discipline and is liable to be punished. Divisional Railway Managers, may, however, transfer Group D employees (peons, gangmen, Khalasi, unskilled and semiskilled, etc.) from one department to another or from one Division to another.

3.3(e) Transfer on public grounds:

- i. When a railway servant is transferred otherwise than for the public convenience, a copy of the order of transfer shall be sent to the Accounts Officer with the endorsement stating the reasons of the transfer. In the absence of such an endorsement the Accounts Officer shall assume that the rail servant has been transferred for the public convenience.
- ii. In the case of railway servants in Groups C & D a certificate from the head of the office may be accepted in lieu of the copy of the order prescribed in clause(a).

3.4 Charge of Office:

Unless for special reasons (which must be of a public nature) the authority under whose orders the transfer takes place permits or requires it to be made in any particular case elsewhere, or otherwise, the charge of an office must be made over at its headquarters, both the relieving and relieved railway servants being present.

Note: In respect of railway servants posted abroad, railway Ministry's sanction is necessary to allow them to make over or resume charge of office elsewhere than at headquarters.

(Railway Ministry's letter No. F(E)61 FR-81 dated 21st Sept. 1961.)

3.5 Headquarters of a Railway servant:

- a) As a general rule, and subject to any special orders to the contrary in particular cases, the headquarters of a railway servant on the staff of the Railway Ministry are the headquarters, for the time being, of the Government of India.
- b) The headquarters of any other railway servant are either the station which has been declared to be his headquarters by the authority competent to prescribe his headquarters for the purpose of traveling allowance, or in the absence of such declaration, the station where the records of his office are kept.

Note: An officer under suspensions regarded as subject to all other conditions or service applicable generally to railway servants and cannot leave the station without prior permission. As such, the headquarters of a Railway servant should normally be assumed to be his last place of duty . However, where an individual under suspension requests for a change of headquarters, there is no objection to a competent authority changing the headquarters if it is satisfied that such a course will not put the Railway Administration to any extra expenditure like grant of traveling allowance or other complications.

3.6 Leaving jurisdiction:

No railway servant is entitled to pay or allowances for any time he may spend beyond the limits of his charge without proper authority.

A Financial Adviser and Chief Accounts Officer may pass pay and allowances to the General Manager of a Railway under the latter's own orders for any period during which he may be absent from his jurisdiction on duty.

3.7 Casual Leave:

Casual leave is not recognized and is not subject to any rule. Technically, therefore, a railway servant on casual leave for half a day or full day is not treated as absent from duty, and his pay is not intermitted. Casual leave, however, must not be given so as to cause evasion of the rules regarding .

- date of reckoning pay and allowances,
- Change of office,
- commencement and end of leave, and
- return to duty

or so as to extend the term of leave beyond the time admissible by rule.

Note: Full pay is admissible to a railway servant on casual leave. If in any case less than full pay is allowed, it would amount to an imposition of a penalty not provided for in the Discipline and Appeal Rules.

3.8 Other General Conditions of Service:

Whole time of railway servant at the disposal of Government. Unless in any case it be otherwise distinctly provided, the whole time of a railway servant is at the disposal of the Government which pays him, and he may be employed in any manner required by proper authority, without claim for additional remuneration, whether the services required of him are such as would ordinarily be remunerated from the Consolidated Fund of Government of India, from a local fund or from the funds of a body incorporated or not, which is wholly or substantially owned or controlled by the Government.

3.9 Lien:

In any case it is otherwise provided in these rules, a Railway servant on acquiring a lien on a post will cease to hold the lien previously acquired on any other post.

3.10 Retention of Lien:

A Railway servant who has acquired lien on a post retains the lien on that post

- while performing the duties of that post;
- while on foreign service, or holding a temporary post, or officiating in another post;

- during joining time on transfer to another post, unless he is transferred alongwith his title to a post on lower pay , in which case his lien transferred to the new post from the date on which he is relieved of his duties in the earlier post; and
- while on leave; and
- while under suspension

Provided that no lien of a railway servant shall be retained

- where a Railway servant has proceeded on immediate absorption basis to a post or service outside his service/cadre/post in the Government from the date of absorption; and
- On foreign service/deputation beyond the maximum limit admissible under the orders of the Government issued from time to time.

3.11 Termination of Lien:

- Except as provided in Rule 240 and clause (b) of this rule a Railway servants lien on a post may in no circumstances be terminated, if the result will be to leave him without a lien upon a regular post.
- A Railway servants lien on a post shall stand terminated on his acquiring a lien on another post (whether under the Central Government or State Government) outside the cadre on which he is borne.

3.12 Transfer of Lien:

Subject to the provisions of Rule 227 a competent authority may transfer to another post in the same cadre, the lien of a Railway Servant who is not performing the duties of the post to which the lien relates.

3.13 Forwarding of applications to another post in railway service or outside the Railways:

Permission to a railway servant to submit an application for a post, to appear for an examination for a post, or to transfer his services to another post in railway service or in another office or Department under the Government of India or under a State Government shall not ordinarily be refused unless the head of the office or department in which he is employed considers that the grant of permission would not be consistent with the interests of the public service.

Railway Ministry's decision(related to forwarding of application):

- The applications from serving employees for employment elsewhere submitted otherwise than in response to advertisements or circulars inviting applications, should not be forwarded.

(E(NG)65-RC-1/186 dated 29-1-1966.)

- The lien of a permanent Railway servant appointed under another Central/State Government or office may be retained on the Railway for a period of two years (three years in exceptional cases). If he is not permanently absorbed within this period in the new post, he should immediately on expiry of the said period, either resign from the Railway service or revert to his parent office. Applications should be forwarded only if an undertaking to abide by these conditions is given by the staff concerned.

(Authority:- Railway Boards letter No. E (NG)-I-96/AP/2 dated 18-12-2000.)

- Railway servants may apply in response to open or public advertisement of vacancies by the International Organizations and foreign Government s with the prior permission or the cadre controlling authority concerned. In rare cases, when the time available for submitting the application is short, Railway servant may sent his application to the concerned agency in advance with a copy to his cadre controlling authority and this may be confirmed or withdrawn subsequently depending on the decision of the authority. The cadre controlling authorities would consider each case only from the point of view whether the railway servant could be spared or not; no other general considerations should be applied in taking a decision in the case. A Railway servant may be permitted to apply in response to a public advertisement even if he has completed the permitted number of years he can spend in international/foreign assignment in his career. However, in such a case, he would have to resign or take retirement from Government service on selection. A Railway servant applying for an international assignment in response to public advertisement will not be given the status of official nominee for the assignment. Correspondence relating to the grant or denial of permission will be between the railway servant concerned and the cadre controlling authority/Government and latter will not correspond with the International Organization/Foreign Govt. on the subject.

(Authority: Boards Letter No. E(NG)I-96/AP/2 dated 16-8-99 based on Department of Personal and Training's Letter No. F.18/10/91/FA (UN) dated 20-6-91.)

4.0 Medical Attendance Rules

In case of staff residing within the radius of 8 km from the railway hospital the staff should report to the railway doctor for medical treatment purpose within 48 hours of sickness. In case the staff is not in a position to attend the dispensary should inform the doctor in writing his inability to come in person. The doctor will attend on him at his house. When the employee is fit to resume duty the doctor will issue him M9B. In this case the sick period is treated as leave due or commuted leave.

In case of private doctor treatment (when the employee is residing beyond 8 km and there is no railway hospital nearby).

- The employee should report to the nearest private doctor for medical treatment and inform to his work place in writing within 48 hrs of sickness.
- The employee attending the private doctor, should obtain the sick certificate on the date he falls sick, send it to the work place and railway doctor by registered post.
- If the period of illness is continuous beyond 15 days the above procedure should be followed fortnightly.
- When the employee is fit to resume duty, he should obtain fit certificate from the private doctor and the railway doctor (ADMO or DMO). M15B is issued with the remarks that RMA rules followed.
- All PMC's and M15B's will be forwarded to the competent authority and leave will be sanctioned, commutation is also permissible.

4.1 Medical attendance rules for apprentices:

Medical attendance and treatment facilities, free of charge, will be admissible to all Apprentices other than those governed by the Apprentice Act, 1961, but not to their family members, on the same scale as available to Railway employees, but confined only to the extant facilities as available in Railway hospitals and health units. For the purpose of medical attendance and treatment they may be classified according to the categories for which they are Apprentices. For the purpose of recovery of diet charges, the stipend drawn by them should be treated as pay. No reimbursement facilities are available in non-Railway institutions or T.B institutions where beds have been reserved for Railway employees. Note: (i) Trade Apprentices as are governed by the Apprentice Act 1961, but otherwise come within the definition of the phrase "family members" or "dependent relatives" of a Railway employee, will be eligible for medical attendance and treatment facilities according to the status of the Railway employee, under the normal rules. 146 (ii) Free medical treatment may be accorded to all Apprentices, including those governed by the Apprentice Act, 1961, when personal injuries are caused to them by accidents arising out of and in the course of the training as Apprentices.

5.0 Leave Rules

5.1 General conditions:

- a) Leave cannot be claimed by the employee as a matter of right. The right to grant or refuse leave vests in the authority competent to sanction leave.
- b) The leave usually commences on the day charge is handed over and ends on the day the charge is taken over again.
- c) Leave sanctioning authority cannot alter the kind of leave due and applied for except at the written request of the employee.
- d) Leave already availed maybe converted into another kind of leave on employee's request retrospectively but not after retirement.
- e) Leave cannot be sanctioned for more than 5 years.
- f) Combination of holidays preceding or in continuation of leave is permitted. In case of medical certificate of sickness, the holidays will be part of sickness leave.
- g) The employee is not permitted to take up any employment during the period of leave.

5.2 Kinds of Leave:

(a) Leave on Average Pay (LAP):

- i. 30 days LAP in a calendar year.
- ii. Shall be credited in advance in two installments of 15 days each on January 1st and July 1st of every calendar year.
- iii. If the credit is between 285-300 days, the new credit of 15 days may be kept separate to first adjust LAP that the employee take during ensuing half year and the balance, if any, may be credited at the close of 6 months period keeping the maximum to 300.
- iv. 1/10 of the Extraordinary Leave availed during the previous half year is debited to the leave account.
- v. New entrants will be given credit of two and a half days per month of the half year in which they join.
- vi. The maximum that may be granted at a time shall be 180 days.

(b) Leave on Half Average Pay (LHAP):

- i. 20 days LHAP in a calendar year.
- ii. No restriction on accumulation
- iii. May be granted on medical certificate or on private affairs.
- iv. It may be commuted by surrendering 2 days of LHAP for one day
- v. LHAP that can be availed of in one spell shall be limited to 24 months (whether combined with any other kind of leave or not).

- vi. The leave shall be credited to the leave account at the rate of 5/3 days for each Completed Calendar Month of service which the railway servant is likely to render in the half year of the calendar in which he is appointed.

(c) Commuted Leave:

- i. Commuted leave not exceeding half the amount of leave on half-average pay due may be granted on medical certificate to railway servant to the following conditions:--
- ii. the authority competent to grant leave is satisfied that there is reasonable prospect of the railway servant returning to duty on its expiry:
- iii. when commuted leave is granted, twice the amount of such leave shall be debited against the leave on half-average pay due;
- iv. there is no limit to the number of days of commuted leave to be availed of during the entire service;
- v. leave on half average pay upto a maximum of 180 days shall be allowed to be commuted during the entire service where such leave is utilized for an approved course of study which is certified to be in the public interest by the leave sanctioning authority;

(d) Leave Not Due (LND):

- i. Granted to a permanent employee when no other leave is due and there are reasonable prospects of his coming back to duty.
- ii. Sanctioned to the extent of LAP he is likely to earn.
- iii. Maximum can be 360 days in the career of the employee with the condition that not more than 90 at a time and 180 days maximum for other than medical grounds.
- iv. Temporary employee may be sanctioned LND on medical certificate if the post is likely to last till he returns and he has one year service.

(e) Casual Leave (CL):

SN		Upto 31.12.1997	From 01.01.1998
1	Normal	12 per year	8 per year
2	Those not enjoying Gazette holidays	15 per year	10 per year
3	NF Railway employees	5 days extra	

- i. Can be combined with Special Casual Leave(SCL) and with no other leave.
- ii. Can be granted for half day also.
- iii. Can be granted to any extend due at a time.
- iv. Sundays, Holidays, Restricted holidays, can be prefixed/suffixed to CL.
- v. Can be taken even while on tour.

(f) Special Casual leave:

It is granted in the following circumstance

- i. Scout and guide
- ii. Attending republic day parade. St. John Brigade Athletic tournaments.
- iii. Attending courts as Juniors or assessors.
- iv. Attending Union and federation meeting.
- v. Attending technical/scientific Institution meeting
- vi. Absence for Lok Sahayak Seva
- vii. Sterilization operations
- viii. For Election to Lol: Sabha and Vidhan sahha
- ix. For RPF annual meet
- x. To cooperative society office bearers.
- xi. For Hindi examinations

(g) Compensatory Casual Leave (CL):

- i. Group C & D railway employees (except supervisors) are entitled for Compensatory Casual Leave in lieu of working on Sundays/Holidays.
- ii. It must be availed within 30 days of the day on which worked.
- iii. Not admissible for those working as invigilators in RRB exams.
- iv. Those not eligible for Compensatory Casual Leave are eligible for conveyance charges.

(h) Maternity Leave (ML):

- i. It is a full pay leave not debited to any account.
- ii. It is granted as under:

For confinement	180 days
Miscarriage/Abortion	45 days during service
Female Casual workers	4 weeks

- iii. Temporary Railway employees may be granted Maternity Leave if their employment is likely to continue till they come back to service may be granted Maternity Leave on the basis of Medical Certificate.
- iv. It may be combined with any other type of leave.
- v. Any leave (including LND) upto a maximum 2 years may be granted in continuation of ML if applied for without Medical Certificate.

(i) Paternity Leave (PL):

- i. Granted to male Railway employees (including Apprentices) with less than 2 surviving children.
- ii. Granted for 15 days.
- iii. During the period of confinement of wife of a Railway employee . Can be availed in the period between 15 days prior and 6 months after the date delivery of the child.
- iv. Can availed only in one spell.
- v. If not availed it will be lapsed.
- vi. It is not to be debited against leave account.
- vii. Maybe combined with any other type of leave as in Maternity Leave.
- viii. Leave salary equal to pay drawn just before proceeding on leave.
- ix. Paternity Leave may not normally be refused.
- x. May be granted to Casual Labour who has temporary status for 15 days.
- xi. With effect from 22.07.2009 it can be sanctioned in case of valid adoption of a child below one year for 15 days. It can be availed within 6 months from the date of adoption.

(j) Hospital Leave:

- i. Sanctioned to Group C and D Railway employees due to risks incurred in the course of official duties.
- ii. Based on Medical Certificate of Railway Doctor.
- iii. Sanctioned for such periods as necessary.
- iv. For first 120 days Leave salary will be as that on LAP and for remaining period as that on LHAP.
- v. Maybe combined with any other type of leave due and admissible provided that the total period does not exceed 28 month.

(k) Special Disability Leave:

- i. Can be sanctioned upto 24 months(in one or more spells).
- ii. For injury caused intentionally by someone in performance of official duties as a Railway employee.
- iii. Injury must manifest within 3 months of its occurrence.
- iv. Competent authority may condone this limit.
- v. Medical Certificate necessary.
- vi. Can be combined with any other type of leave.
- vii. Leave salary as on LAP for first 120 days, then as on LHAP.
- viii. In case of those covered by Workmen Compensation Act Leave salary will be reduced to the extent of compensation payable.
- ix. Counts for pension.
- x. Not debited to Leave account.

(l) Special Disability Leave (Accidental):

- i. Sanctioned for a Railway employee injured accidentally in performance of official duties

(m) Extraordinary Leave (ExL):

- i. Granted to a Railway employee when (i) no other leave is due or (ii) the employee specifically applies for it.
- ii. No Leave salary.
- iii. Can be combined with other leaves.
- iv. Any kind of leave may be converted to it or it may be converted to any other leave retrospectively by the competent authority.
- v. Not debited to Leave account.
- vi. Not exceeding 5 years at a stretch for permanent and 3 months for temporary(6 months with Medical certificate) Railway employees .
- vii. Temporary Railway employees suffering from Leprosy, TB, Cancer may be granted Upto 18 months.

(n) Child Care Leave (CCL):

- i. For women employees having minor children(below 18 years)
- ii. If child is disabled (40% disability) upto 22 years age. Certificate regarding disability has to be produced along with certification by the employee that the child is dependent on her.
- iii. Maximum for a period of 2 years (730 days) during the entire service.
- iv. It may be allowed for third year as Leave not Due without production of medical certificate.
- v. For taking care upto 2 children.
- vi. Admissible for 2 eldest surviving children only.
- vii. Leave salary will be equal to the pay drawn before going on leave.
- viii. CCL is to be treated like LAP and sanctioned as such.
- ix. Not to be debited against leave account.
- x. It may be combined with leave of the kind due and admissible.

5.3 Holidays:

- a) Central government offices will observe 17 holidays, 14 will be compulsory throughout India and 3 are optional. Compulsory holidays include 26th Jan, 15th Aug, 2nd Oct.
- b) 2 restricted holidays are permitted for employees working in administrative office.

- c) Line staff will observe 9 closed holidays in a year. It will include 3 national holidays and staff representatives will determine 6 holidays.
- d) The workshop staff will be entitled 15 holidays in a year including 3 national holidays.
- e) In case of general election to Lok Sabha or state assemblies or bye election to Lok Sabha, the date of polling will be declared as a holiday for Railway offices.
- f) Holiday may be declared in the demise of President or Prime minister in harness.

5.4 Joining Time:

Joining time means the period allowed to a railway servant in which he may join new post or to travel to or from the station where he is posted. It is granted in case of

- a) Transfer in public interest from one station to another, if the transfer is for more than 180 days (otherwise only actual transit time is allowed).
- b) Surplus staff being posted to another station on absorption.
- c) Appointment to permanent posts filled by competitive examination.

It is not admissible if change of station is not involved. It is based on distance. If an employee does not avail full joining time, the balance will be credited to his LAP account. Joining time may be combined with other leave except casual leave. During joining time one will draw salary that he drew before relinquishing if going on promotion or on the post carrying the same scale of pay. Overstay of joining time will be non-duty and will not qualify for increment. It may be treated as misconduct also. Holidays following the joining time will extend it to the extent.

Actual distance between old and new HQ	Admissible joining time
1000 Km or less	10 days
More than 1000 Km.	12 days
More than 2000 Km.	15 days
Except in cases of travel by air for which maximum will be 12 days	

6.0 Pass Rules

6.1 Kinds of Passes:

(a) Duty Pass:

This pass is issued to the railway employees in order to facilitate the performance of duty and is generally issued when an employee has to travel from one station to another either to carry out his transfer or in connection with some other official works

(b) Widow Pass:

This pass is issued to the widow of the railway employees, who were in railway service on or after 12-03-1987 and expired on or after that date whether after their retirement or during service and had opted for the scheme or were automatically governed under the schemes.

(c) Residential Card:

This pass is issued to a railway servant for performing Rail journey from the place of residence to the place of his work.

(d) Special Pass:

This pass is issued to Railway servants, family members or dependent relatives as the case may be on

- i. Medical grounds.
- ii. Sports accounts.
- iii. For attending children camp or scouts camp
- iv. Cultural functions
- v. On any other occasion which the ministry of railway or a railway administration deems fit.

(e) Post Retirement Complementary Pass:

This pass is issued to a railway servant after retirement or after he ceases to be a railway servant.

- | | |
|--|------------------|
| • Gazette officer 20 to 25 yr service | 2 sets per year. |
| • Gazette officer over 25 yr of service | 3 sets per year. |
| • Group C staff 20 to 25 years service. | 1 set per year. |
| • Group C over 25 year service | 2 sets per year |
| • Group D over 20 year service (self& wife only) | 1 set per year. |

(f) School Pass:

Passes for journey of student son/daughter are admissible in addition to privilege pass, when the child studies in a school away from employees headquarters. Six single journey passes per child per year may be issued. Guardian may be included in school pass for a girl of any age and a boy under 18 years.

(g) Privilege Pass:

This pass is issued to the railway employees as a privilege to travel on the railway with or without their families. Classes of pass as per pay limit are as under.

- (i) Group A and Group B (Gazetted); 1 class A
- (ii) Non gazetted group B and Group C employees:-

6.2 General

- (a) (i) Grade Pay 4200 and above - AC 2-Tier
- (ii) Grade Pay 2800 - AC 3-Tier
- (iii) Grade Pay 1900 - 1 set AC 3-Tier and 2 sets Sleeper Class

While performing journey on duty all employees below grade pay of 4200 are eligible to travel in AC 3-Tier.

(b) Number at Privilege passes and PTO due per year:

SN	CLASS	PASS	PTO
1.	Gazetted and Honorary gazetted officers	6 sets	4 sets
2.	Non-gazetted staff a) first to fifth year of service b) 6th year & onwards	1 set 3 set	4 sets 4 sets
3	Special class Apprentices	2 sets	4 sets

Note: Two sets of PTO are reduced for availing the benefit of widow passes.

(c) period of availability of Privilege passes:

- (i) Single journey pass 4 months from date of issue.
- (ii) Return journey pass 4 months from date of issue.
- (iii) Single journey PTO 4 months from date of issue.
- (iv) Return journey PTO 4 months from date of issue.
- (v) Settlement pass 1 year from-date of issue.
- (vi) Kit wagon pass 1 month from date of issue.

(d) Break Journey:

Pass holder can include any number of stations for break journey in the pass. As unscheduled break journey can be made and endorsed by SM/TC on the pass.

(e) Luggage allowance on Privilege passes:

- (i) I A and ACC 140 kg per adult (1/2 per child)
- (ii) I 70 kg per Adult (1/2 per child)
- (iii) II 40 Kg per adult (Vz per child)

NOTE: - Bicycles. Scooters, etc may be allowed as free allowance on pass.

(f) Family for passes:

Spouse of a railway servant whether earning or not

- i. Son or sons who have not attained the age of 21 years and are wholly dependent on the railway servant.
- ii. Son or sons of the age of 21 and above who are
 - Bonafide students of any recognized educational institution.
 - Engaged in any research work and do not get any scholarship/stipend
 - Working as an articled clerk under the Chartered Accountant
 - Invalid, on appropriate certificate from Railway Doctor.
- iii. Unmarried daughters of any age whether earning or not.
- iv. Widowed daughters provided they are dependent on the railway servant.
- v. Legally divorced daughter who is dependent on the railway servant.

(g) Dependent:

Maximum number of two dependents can be included in the family pass. If, so the maximum number of persons is restricted to five excluding servants. Dependent means widow mother, unmarried or widow sister and brother less than 21 years provided father is not alive, married daughter who is wholly depended on the employee.

(h) Passes by Shortest Route:

Normally passes are issued by shortest route but,

- If two alternate route are available, passes may be issued wither route irrespective of the distance.
- If longer route is quicker, passes may be issued by the quicker route
- Passes may be issued for longer route, if the distance does not exceed the distance via the shortest route by more than 15%.

7.0 Conduct Rules (1966)

7.1 Main features of the rules are:

- a) Every Railway servant shall all times maintain absolute integrity, devotion to duty & do nothing, which is unbecoming of a Railway servant.
- b) No Railway servant will use his position or influence to secure employment for any member of his family
- c) No railway servant shall be a member / office bearer of a political party. He will not take part in any manner in any political activity or movement.
- d) No railway servant shall associate himself with any organization, the objects or activities of which are prejudicial to the sovereignty and integrity of India
- e) No Railway servant shall criticize the policy or any action of government.
- f) No railway servant shall communicate any official document or information to any un-authorized person.
- g) No railway servant shall acquire moveable/immoveable property beyond one's known means.
- h) No Railway servant shall give or take or demand dowry.
- i) No. Railway servant shall engage in any trade or business or undertake any other employment.
- j) No Railway servant shall speculate in any stock, share or other investments.
- k) Railway servant shall so manage his private affairs so as to avoid habitual indebtedness or insolvency.
- l) No Railway servant shall accept gift or lavish or frequent hospitality from any individuals, firms etc., having official dealings.
- b) 13 No Railway servant shall appear in a public place in a state of intoxication not consume any intoxicating drink or drug while on duty. He shall strictly abide by the law relating to intoxicating drinks or drug in force in any area.
- a) No railway servant shall practice un-touchability in any form or manner.
- b) No Railway servant shall contract bigamous marriage.
- c) No railway servant shall bring any political influence or other influence in respect of his service matters.

No railway servant shall stay as guest with foreign diplomats or foreign nationals nor shall invite them to stay with him as his guests in India.

8.0 DAR (Railway Servant Discipline And Appeal Rules-1968)

8.1 Authority under Disciplinary Rules

(a) Appointing Authority:

Appointing authority means the authority to make appointments to the service of which the railway servants is, for the time being, a member or the grade or the service in which the Railway servant is for time being included.

(b) Disciplinary Authority:

Disciplinary authority in relation to the imposition of a penalty on a Railway servant, the authority competent, to impose on him penalty is as per schedule in normal course and in case of imposing major penalties such authority would be Appointing Authority

(c) Enquiry Authority:

The official who is nominated by the Disciplinary Authority to conduct the disciplinary enquiry is the Inquiry Authority

8.2 Defense Council:

The charged employee may present his case with the help of another person who is known as Defense Counsel or Defense Helper. Defense council should not be a legal practitioner and should not be associated with the case in his official capacity.

8.3 Principles of Natural Justice:

Principles of natural justice are the principle, which lay down and elaborate the reasonable opportunity which should be given to the charged employee. Principles of natural justice are:

8.4 Minor Penalties:

- a) Censure
- b) Withholding of promotion for a specific period.
- c) Recovery from pay whole or part of any pecuniary loss caused to the Railway administration by his negligence etc.
- d) Withholding of Passes/PTOs or both
- e) Reduction to lower stage in time scale of pay by one stage for not more than 3 years without cumulative effect and not adversely affecting his pension.
- f) Withholding of increments (with or without cumulative effect).

8.5 Major Penalties:

- a) Reduction to a lower stage.
- b) Reduction to a lower time scale, grade, post or service.
- c) Compulsory Retirement.
- d) Removal
- e) Dismissal

8.6 Following are not penalties:

- a) Withholding of increment for failure to pass the required departmental examination.
- b) Stoppage at efficiency bar for failure to cross it.
- c) Non-promotion when eligible and considered but not found suitable.
- d) Reversion to lower post, grade or service when considered unsuitable after promotion.
- e) Reversion at the end of probation as per rules of probation.
- f) Replacement when services are borrowed from another department.
- g) Compulsory retirement as per rules.
- h) Termination after probation or other conditions made as per the service agreement.
- i) Discharge for inefficiency, for failure to pass the standard of physical fitness or reduction of employment.

8.7 Procedure for imposing Major penalties:

- a) Issue of memorandum of charges in SF5 and provide copies of documents for their inspection.
- b) Obtain and consider statement of defence.
- c) Appoint enquiry officer if charges are not admitted. Send records of the case to the Inquiry Officer.
- d) Inquiry Officer will allow a defence counsel where asked for. Additional documents when relevant should be allowed. Perusal and extracting from the list of documents relied upon should be permitted.
- e) Inquiry Officer will decide modalities of enquiry, decide defence witnesses to be called for, fix calendar for inquiry and sort out other preliminary matters.

8.8 Procedure for conducting enquiry:

- a) The charges will be explained to the charged employee. Documents may be produced as required.
- b) The charged employee will be asked to state if he accepts or denies the charge. Also if he will take a defence counsel or will defend himself.
- c) The prosecution witnesses cited in the chargesheet will be examined each one separately. Then cross-examination of each witness by the charged employee or

his counsel. Re-examination on any point of cross-examination may be done if necessary.

- d) Defence witnesses if any may then be examined, cross-examined or re-examined.
- e) The charged employee will be permitted to state his defence.
- f) Inquiry authority may question the charged employee on the circumstances appearing against him in the evidence.
- g) The charged employee will be permitted to file written briefs.
- h) Based on evidence on record, Inquiry Officer shall draw his findings and Inquiry report and send it along with records of case and records of inquiry to Disciplinary authority.
- i) A copy of the inquiry report shall invariably be given to the charged employee and his defence if submitted should be considered before any further action is taken.
- j) Disciplinary authority shall consider the report and may accept it or draw his own finding or remit it or order fresh inquiry.
- k) If it is decided to impose a penalty which is within his competence the Disciplinary authority shall issue notice of imposition of penalty otherwise forward the case to competent authority. In all cases where consultation of UPSC is necessary it should be consulted.

8.9 Procedure for imposition of Minor Penalty:

- a) A memorandum in Standard Form 11 shall be issued.
- b) On receipt of defence of the employee a minor penalty may be imposed by the disciplinary authority.
- c) However in following cases an inquiry as for a major penalty shall be conducted.
 - i. Withholding increments for a period exceeding 3 years.
 - ii. Withholding increment with cumulative effect for any period.
 - iii. Withholding promotion.
 - iv. When the penalty will affect the retirement dues of the employee.
 - v. Where the disciplinary authority feels that a detailed enquiry has to be conducted.

8.10 Ex parte Inquiry:

- a) All the procedures as laid down will be followed except that the employee does not present himself and does not respond to communications.
- b) It may be done when the charged employee refuses to participate despite repeated sittings, but not when he is submitting Medical Certificate of sickness.

8.11 Special procedure to be followed in case of

- a) Penalty imposed for conduct which has led to conviction on a criminal charge.
- b) Disciplinary authority is satisfied for reasons to give in writing it is not practical to hold an enquiry according to rules.

- c) When the President is satisfied that in the interests of the security of state it is not expedient to hold an enquiry as per rules.

8.12 Appeal:

- a) Appellate authority is normally the next higher authority to which the disciplinary authority is subordinate.
- b) Appeal should be given within a period of 45 days from date of order of punishment. Delay on sufficient causes may be condoned.
- c) A single person should appeal in his own name and it should be addressed to the Appellate authority. It should not be in a disrespectful/improper language. In case of major penalty to subordinate staff personal hearing may be granted by the Appellate authority.
- d) Decision may be (i) setting aside (ii) Reducing (iii) Confirming (ii) enhancing penalty. In case of enhancement a reasonable opportunity may be given to make a representation.
- e) Normally there is no second appeal. It is permitted only in case of Group D staff who has been dismissed/removed/compulsorily retired.

8.13 Revision:

- a) Group C and D staff who has been dismissed/removed/compulsorily retired within 45 days of disposal of appeal may apply for revision to GM/DRM/Senior most Administrative Grade Officer. Choice of revision should be mentioned in the appellate order.
- b) Revising authority should not be less than the rank of JAG. Appellate authority may become revising authority if no appeal was made.
- c) No revision can be made after 6 months of date of order if it was proposed to enhance/modify to the detriment of employee. It will not be made after 1 year if the penalty was to be revised/cancelled. These limits do not apply if revision was to be made by President or Chief Executive.
- d) Decisions may be similar to those in appeal cases. Reasonable opportunity may be given in case of enhancement of punishment.

8.14 Review:

Where a new fact comes to notice which is likely to affect substantially the decision in the case, the President of India may review the case. President may make this review at any time on his own motion or on a reference made to him. He may pass any orders in the case as deemed fit. If it proposed to enhance the penalty, a reasonable opportunity will be given to the employee to submit his representation.

9.0 Payment of Wages Act (1936)

This Act aims at securing prompt and regular payment of wages without any arbitrary deductions, to certain class of persons employed in industrial employment including Railway either directly or through a sub-contractor, by a person fulfilling agreement with Railway & employing or having employed twenty or more persons on any day of the preceding 12 months. It applies to employees whose wages are less than Rs.6500 per month.

9.1 Important Provisions:

- a) Wages shall be paid on working day.
- b) Wages shall be paid in current coins or currency notes and not in kind.
- c) Wages shall be paid within 7 and 10 days of the expiry of wages period where less than 1000 and more than 1000 or 1000 persons are working respectively.
- d) When the employment is terminated, wages shall be paid before the expiry of the 2nd day after termination.
- e) Wages do not include traveling allowance or concession value of house accommodation or any contribution paid to any pension and PF or gratuity payable on the termination of employment.

9.2 Deductions:

No Unauthorized deductions shall be made. The following are the authorized deductions:

- a) Fines for acts and omissions as notified, after a show cause.
- b) Deduction on account of absence from duty.
- c) For damage to or loss of goods expressly entrusted to the employed person for custody or for loss of cash through or default.
- d) Deduction for amenities or services supplied by employer.
- e) Deduction for housing accommodation provided,
- f) Deduction for recovery of advances and adjustment of over payment of wages.
- g) Deductions of income tax.
- h) Deduction required by the order of court.
- i) Subscription for PF & repayment of PF advance.
- j) Payment of co-operative stores and credit societies.
- k) Recovery in respect of theft or loss of cash for which the employee is responsible.
- l) Contribution to LIC and Insurance scheme framed by Government.
- m) Contributions to National Defense Fund, Prime Minister's Relief Fund, etc.
- n) Incorrect rebates or refunds.
- o) Use of Railway clubs, institutes-supply of water, electricity, conservancy, Hospital diet charges etc.

- p) Land licensing fee For grow more food.
- q) Any welfare fund set up by the employer.
- r) Any other deduction with the written authority of the employee.

9.4 Extent of Deduction:

The deductions shall not exceed 75% of wages where payment towards co-operative societies is to be made and shall not exceed 50% of wages in other cases.

10.0 Minimum Wages Act (1948)

This Act aims at securing minimum rates of wages in those categories where wages are low in order to prevent exploitation of unorganized labor. It lays down the procedure for regulating the hours of works and the payment of wages, including the overtime, so as to ensure prompt payment and specifies the deduction that can be made from the wages of the workers. As far as Railway Administration is concerned, the minimum wages act applies to casual workmen in employment:

- On the construction or maintenance of roads or in building operations; and
- In stone breaking or stone crushing.
- In other goods godowns, stone houses for loading and unloading operations.

10.1 Important Provisions:

The important provisions of this act are as follows:

- a) Wage period should be fixed for the payment of wages at intervals not exceeding one month
- b) Wages should be paid on a working day with in 7 and 10 days of the end of the wage period if less than 1000 and 1000 or more persons are employed respectively.
- c) Wages of persons discharged should be paid not later than 2nd working day after the discharge but the retrenchment compensation due if any, shall be paid at the time of the retrenchment of the work man in accordance with the provisions of the industrial Dispute Act, 1947.
- d) The wages of an employed person should be made to him without deduction of any kind except those authorized under the Act.
- e) If an employee work more than maximum number of hours fixed, he would be entitled to overtime at double the ordinary rate of wages.
- f) The rate of wages admissible to workers in the various localities are fixed by Central Government, Minister of labor (by issue of notification for the five zones A, B-1, B-2, C and D and are to be reviewed by that authority at suitable intervals not exceeding five years)

DRM and GM are empowered to sanctioned daily rates by 20%, 33 1/3% respectively over the rates notified by the Minister of Labor.

11.0 Workmen's Compensation Act (1923)

It provides for payment of compensation to workers in case of accidents involving injuries to them or to their dependents in case of death. The act also provides for a machinery to deal with claims of the workers.

11.1 Compensation when payable:

Compensation is payable when the accident causing death/injury arose "out of and in course of employment". In case of injury it must cause a disablement for a period of at least 3 days. In case of temporary disablement the employee is entitled to half monthly payment, and in case of permanent disablement or death to a lump-sum amount on the basis of workmen's monthly wages calculated as per Schedule IV given in the act. The compensation is also payable for such disabilities/death caused due to occupational diseases as given in schedule III of the act.

11.2 Employer's pleas not to be applicable:

In a claim of compensation for injury an employer may take pleas like:

- a) The workman was under the influence of drug or drinks.
- b) Willful disobedience of orders or disregard of rules made for safety of workers.
- c) Willful removal or disregard of any safety guard or device.

These pleas however are not applicable in case of the death of the workman.

11.3 Important Features:

By a recent change in the Act following important features have been added:

- a) The term 'Workmen' is replaced by 'Employee'.
- b) The amount of compensation will now be related to a "relevant factor". What is a relevant factor has been given in Schedule IV.
- c) Amount spent on medical treatment shall not be deemed as a payment or allowance received by worker.
- d) All the employees are covered under this act except Group B and Group A officers.

A new and more comprehensive Schedule III of "occupational diseases" has been given.

11.4 Liabilities for compensation: arises in case of:

- a) Death
- b) Permanent total disablement.
- c) Permanent partial disablement
- d) Temporary partial or total disablement.

11.5 Calculation of Compensation:

Compensation will be calculated as under:

- a) For death 50% of emoluments X Relevant Factor —(Minimum of Rs.1,20,000) and Rs.,5000 for funeral expenses;
- b) For permanent total disablement-60% of emolument X relevant factor (Minimum Rs. 1,40,000)
- c) For permanent partial disablement—Proportionate percentage of item (ii) above will be paid.

11.6 Wage Limit:

Where the monthly wages of workman exceed Rs.8, 000, then his monthly wages for the purpose of calculation of compensation shall be deemed to be Rs.8,000 only.

12.0 Hours of Employment Regulations

12.1 Full night:

Period between 10 pm and 6 am

12.2 Long-on:

A period of duty over 8/10/12 hours in case of Intensive/Continuous/Essentially Intermittent workers respectively.

12.3 Roster:

Document which shows the hours a Railway employee is expected to be on duty every day, the daily as well as weekly rest and break between spells of duty in a day.

Short-off: A period of rest which is

- a) In case of Intensive workers less than 12 hours in a roster of six hours duty and less than 14 hours in a mixed roster of 6 and 8 hours duty.
- b) In case of Continuous workers less than 10 hours.
- c) In case of Essentially Intermittent workers less than 8 hours.

12.4 Authority to Classify:

- a) Power to declare the employment of a Railway employee Intensive or Essentially Intermittent vests with Head of the Railway Administration which can be delegated to Chief Personnel Officer.
- b) During emergency situations it can be exercised by an Officer not below the rank of Senior Scale.
- c) A copy of every declaration of classification shall be sent to Regional Labour Commissioner and if it is made by an Officer (Sr Scale) a copy to be sent to Head of the Railway Administration and Chief Personnel Officer.

12.5 Appeals against Classification:

- a) Any Railway employee aggrieved by a declaration of classification may prefer an appeal to Regional Labour Commissioner within 90 days of the date of declaration. RLC may after scrutiny of documents or fresh job analysis may order for a change in classification.
- b) Any Railway employee of Railway Administration aggrieved by a decision of Regional Labour Commissioner may prefer an appeal to the Secretary to the Government of India, Ministry of Labour before the expiry of 90 days from the date on which the decision of Regional Labour Commissioner is communicated.

12.6 CLASSIFICATION:

(a) Continuous:

The employment of a Railway employee is said to be continuous except when it is excluded or has been declared to be Essentially Intermittent or Intensive.

(b) Essentially Intermittent:

The employment of a Railway employee is said to be Essentially Intermittent when it has been declared to be so by the prescribed authority on the grounds that daily hours of duty of the Railway employee normally include periods of inaction aggregating to 50% or more (including at least 1 such period of not less than 1 hour or 2 such periods of not less than half an hour each) in a tour of 12 hour duty (on the average over 72 consecutive hours) during which the Railway employee may be on duty, but is not called upon to display either physical activity or sustained attention.

(c) Excluded :

The employment of a Railway employee is said to be Excluded if he belongs to any one of the following categories,

- i. Railway employee employed in managerial or confidential capacity.
- ii. Armed guards or other personnel subject to discipline similar to that of any armed police forces.
- iii. Staff of the railway schools imparting technical training or academic education.
- iv. Such staff as may be specified as supervisory.
- v. Matrons
- vi. Sisters-in-charge
- vii. Matrons not on regular shift duty in Railway Hospitals
- viii. Health Educators and District Extension Educators
- ix. Family Planning Field workers
- x. Lady Health Visitors
- xi. Auxiliary nurses-cum-midwives
- xii. Projectionists.
- xiii. Other categories prescribed.

(d) Intensive :

The employment of a Railway employee is said to be Intensive when it has been declared to be so by the prescribed authority on the ground that it is of a strenuous nature involving continued concentration or hard manual labour with little or no period of relaxation.

(e) Supervisory Staff:

- i. Ministry of Labour by written order specify Railway employees or classes of Railway employees as supervisory on the ground of holding a position of responsibility employed on duties mainly of supervisory character and because of his nature of work comparatively free to adjust his hours of duty or work.
- ii. Copy of every such order shall be send to Chief Labour Commissioner, New Delhi.

12.7 Criteria for Classification:

(a) Continuous:

All Railway employees except those excluded from Hours of Employment Regulations are assumed to be 'Continuous'. Thereafter on the basis of factual job analysis, it may be classified as Essentially Intermittent or Intensive.

(b) Intensive:

Two important factors in declaring and employment as Intensive are : (i) strenuous nature of the work tending to cause mental or physical strain (ii) continuous application to such work with little or no period of relaxation. This is considered to have been satisfied where period of inaction or relaxation do not aggregate 6 hours or more in a cycle of 24 hours or one hour or more in a shift of 8 hours.

(c) Essentially Intermittent:

If daily duty hours which should be assumed to be 12 hour/day include

- i. one period of inaction of not less than one hour or two such periods of not less than half an hour each AND
- ii. Various periods of inaction (including that above) aggregating 50% or more during which he is not called upon to show either physical activities or sustained attention.
- iii. NOTE: In calculating above, periods of inaction of less than 5" shall be ignored.

SN	Standard Hours	Statutory Limit(Sec 132 of Railways Act 1989)	Preparatory & Complementary work
Intensive	42 h /week	45 h /week	3 h /week
Continuous	48 h /week	54 h /week	6 h /week
Essentially Intermittent	48 h /week + 12/24 h additional hours*	75 h /week	3 or 4 1/2 h /week *

- Gateman 'C' , Caretakers, Chowkidars & Saloon Attendant and Railway employees in roadside stations provided with quarters within 0.5 km of place of duty - *24 h additional duty and 3h/week Preparatory & Complementary work*
- Other Railway employees in EI roster - - *12 h additional duty and 4 1/2 h/week Preparatory & Complementary work*

12.8 Preparatory & Complementary work is treated as:

- a) When it is less than 15 min - not treated as duty, not exhibited in roster
- b) 15 min to less than 45 min (Continuous) - half an hour
- c) 45 min to 1 hour (Continuous) - one hour
- d) For Intensive & EI 15 min to 30 min is treated as half an hour

Total hours for Preparatory & Complementary work shall be fixed so as not to exceed maximum hours.

12.9 Running Staff:

- a) Running staff will have a link roster with standard hours 104 hours and statutory limit of 108 hours.
- b) Link should be such that it won't exceed 10 hours from "*signing on*" to "*Signing off*".
- c) They are given 4 periods of rest 30 consecutive hours or 5 periods of 22 consecutive hours each including a full night.

12.10 Split duty:

- a) Spells of duty shall not exceed 3 and no of breaks not to exceed two.
- b) In case of employment of Continuous nature Railway employee whose place of residence is beyond 1.6 km from the place of duty seven hours of split duty shall be treated as equivalent to 8 hours of normal duty.

While preparing rosters long on and short off shall be avoided.

13.0 Factories Act (1948)

This Act lays down the obligation of the occupier of a factory in the matters of cleanliness of disposal of wastes and effluents, maintenance of proper ventilation and temperature prevention of overcrowding, provision of cool drinking water, latrines and Urinals, fencing of machinery, maintenance of machines in safe condition, precautionary measures against fire hazard, provisions of washing facilities, fixing of weekly holidays and payment of overtime allowance, prevention of accidents etc.

- Factory is a place where manufacturing operations are carried out with or Without power, Where on 10 or more worker are working on any day the preceding 12 months and in any part of which a manufacturing process is being carried out with the aid of power or any premises where on 20 or more are working on any day of preceding 12 months and in any part of which a manufacturing, process is being carried out without the aid of power and it should be registered with state government and license obtained.
- Occupier means the persons who has ultimate control over the affair of factory and in case such affairs are entrusted to a manager such manager shall be deemed to be the occupier.
- Worker is a person employed in a factory either for wages or otherwise, who is engaged for manufacturing operation, or any kind Of work incidental to or connected with manufacturing process. Children below the age of 15 years should not be employed in a factory or workshop.
- Hours of work: 48 hours in a week, 9 hours in a day, Period of work shall not exceed 5 hours at a time, an interval of 1/2 half hours shall be given. The spread over including the rest period shall not be more than 10-1/2 hours in a day. Over time shall be paid at the rate of twice his ordinary rate of wages and not more than 60 hours in a quarter. No women should work between 7 p.m to 6 a.m.
- Rest Day: if a worker works continuously for 6 days he shall be entitled for one day rest and is the rest cannot be given then 11th day must be granted rest. Rest can be granted either 3 days advance or three days later. Normally rest should fall on Sunday.
- Other provisions: First Aid Box for every 150 workers. One Ambulance for more than 500 workers, a welfare Officer for more than 500 workers and provisions of canteen for more than 250 workers.

Purpose & Object	Factories Act, 1948 has been enacted to regulate the working conditions in factories and to ensure provision of the basic minimum requirements for safety, health and welfare of the workers as well as to regulate the working hours, leave, holidays, employment of children, women, etc.
Applicability	Factories Act, 1948 extends to whole of India. It applies to factories as defined under the Act.
Coverage	Any premises including the precincts thereof where 10 or more workers are or were working on any day of the preceding 12 months and in any part of which a manufacturing process is being carried on with the aid of power or is ordinarily so carried on; or Any premises including the precincts thereof where 20 or more workers are or were working on any day of the preceding 12 months and in any part of which a manufacturing process is being carried on without the aid of power or is ordinarily so carried on

WORKING CONDITIONS IN FACTORIES

Categories of Workers		Adult Workers		Adolescent		Children
Working Conditions	↓	Men	Women	Male	Female	
		Hours of Work	Not more than 9 hours in a day and 48 hours in any week	Not more than 9 hours in a day and 48 hours in any week	Not more than 9 hours in a day and 48 hours in any week	Not more than 9 hours in a day and 48 hours in any week
Working Hours		Any time	Between 6 A.M. and 7 P.M. State Governments may modify the limit by notification; but in no case, any women may	Having Certificate of Fitness to work in a factory and having attained the age of 17 years: Any time Having	Between 6 A.M. and 7 P.M. State Governments may modify the limit by notification; but in no case, any female adolescent may be employed between 10	For male child: Between 6 A.M. and 10 P.M. For female child: Between 8 A.M. and 7 P.M. No child is

		be employed between 10 P.M. and 5 A.M.	Certificate of Fitness to work in a factory but not having attained the age of 17 years: between 6 A.M. and 7 P.M.	P.M. and 5 A.M.	permitted to work during night
Overtime	In case of more than 9 hours of work in any day or 48 hours in any week, the worker shall be entitled to overtime wages at the rate of twice his ordinary rate of wages	In case of more than 9 hours of work in any day or 48 hours in any week, the worker shall be entitled to overtime wages at the rate of twice his ordinary rate of wages	In case of more than 9 hours of work in any day or 48 hours in any week, the worker shall be entitled to overtime wages at the rate of twice his ordinary rate of wages	In case of more than 9 hours of work in any day or 48 hours in any week, the worker shall be entitled to overtime wages at the rate of twice his ordinary rate of wages	N.A.
Interval	At least ½ hour break after every 5 hours of continuous work	At least ½ hour break after every 5 hours of continuous work	At least ½ hour break after every 5 hours of continuous work	At least ½ hour break after every 5 hours of continuous work	N.A.

14.0 Industrial Disputes Act (1947)

14.1 Objectives of the Act:

- a) Investigation and settlement of Industrial Disputes.
- b) Smooth working of the Industries.
- c) Wellbeing of workers.
- d) Promotion of the growth of industries.
- e) Promotion of cordial relationship between.

14.1 Awards:

Award means an interim or final determination of an industrial Dispute by Labour court or Industrial Tribunal or National Tribunal. In other words it means decision of the third party whom dispute is referred.

14.2 Industry:

Industry means a systematic activity carried on by the cooperation between the employer and the workmen for the production, supply or distribution of goods or services with a view to satisfy human needs whether with profit motive or not or whether capital is invested or not. But it does not include agricultural operations, hospitals, educational institutions, social or philanthropic institutions, sovereign functions, club, cooperative societies etc.

14.3 Industrial disputes:

Industrial disputes means a dispute or a difference between Employer – Employee, Employee – Employee and Employer – Employer Connected with Employment or non-employment or Terms of employment or The condition of labour.

14.4 Lockout:

Lockout means temporary closing of a place of work or suspension of work or refusal by an employer to continue to employ any number of persons employed by him.

14.5 Retrenchment:

Retrenchment means termination of the services of the workmen by the employer for any reason what so ever otherwise than as a punishment excluding voluntary retirement, superannuation, total unfitness etc.

14.6 Lay off:

Lay off means failure or inability or refusal of an employer on account of shortage of fuel or power or raw materials or accumulation of stock or breakdown or natural calamity or

for any other connected reason to give employment to a workman whose name is borne on the muster roll of this establishment.

14.7 Strike:

Strike means cessation of work by a body of persons employed in an industry acting in combination or concerted refusal or refusal under common understanding of any number of persons who are or have been so employed, to continue to work or accept employments.

14.8 Wages:

Wages means all remunerations capable of being expressed in terms of money which would be paid as per the conditions of employment whether expressed or implied, including DA, HRA, TA incentives, supply of light and water, medical attendance, concessional supplies etc. It excludes bonus, pension, contribution to PF, gratuity etc.

14.9 Workmen:

Workmen means any person including an apprentice employed in an industry to do any skilled, unskilled, supervisory, clerical, technical, manual work for hire or reward excluding persons employed in army, Navy, Air force, Police and those in managerial and administrative capacity.

14.10 Public Utility Services:

Public Utility Services means Railways, Roadways, Airways used for carriage of passenger, port and dock, safety organization in an industry, Post, Telegraph and Telephone services, industry which supply power, water and light, public conservancy and sanitary system etc.

14.11 Appropriate Government:

Appropriate Government means the Central Government for an industry owned by the Central Government and in all other cases it is the State Government.

14.12 Authorities Constituted to Resolve Dispute:

(a) Grievance Settling Authority:

Every employer is at the obligation under the Act to set up a grievance settling authority. These authorities will receive grievances from workers, Trade Unions and Associations for follow up and redressal of grievances.

(b) Works Committee:

Equal number of representatives of employer and employee will constitute the committee. They deal on matters of common interest and resolve the difference of opinion especially regarding amenities and promote good relations.

(c) Conciliation Officer:

He is nominated by a notification in the official gazette by the Government for mediation and settlement of industrial disputes. The notification will specify the jurisdiction and period of operation.

(d) Board of Conciliation:

The appropriate Government by notification constitute board of conciliation for settlement of Industrial dispute. The board consists of a neutral Chairman and 2 or 4 members from both worker and management side.

(e) Court of Enquiry:

The appropriate Government by notification constitute Court of Enquiry with a Chairman and one or more independent numbers to investigate and resolve industrial disputes.

(f) Labour Court:

The appropriate Government by notification constitute Labour Court for adjudication of industrial disputes relating to :

- (i) Legality of an order passed by an employer
- (ii) Interpretation of the order
- (iii) Correctness of removal/ dismissal/ discharge
- (iv) Withdrawal of concession
- (v) Legality of strike/ lockout

The Labour Court consists of a presiding officer who should be a judge of High court or District judge or Additional District judge for at least 3 years or held judicial office in India for at least 7 years or a presiding officer of a Labour court in India for at least 5 years.

(g) Tribunal:

appropriate Government by notification may appoint Tribunal to settle Industrial disputes. No person shall be appointed to the Tribunal unless he is or has been judge of High court or District judge or Additional District judge for at least 3 years. Tribunals normally consider disputes connected to wages, allowances, leave, working hours etc.

(h) National Tribunal:

The Central Government by notification may appoint National Tribunals for adjudication on matters of national importance or on matters concerned to more than one state.

14.13 Prohibition of Strikes and Lockout:

- (i) No strike or lockout should be done in breach of contract
- (ii) No strike or lockout should be done during the pendency of conciliation and seven days after the conciliation
- (iii) When a dispute is being dealt by Labour court, Tribunal, National Tribunal and 2 months after settlement.
- (iv) During the period in which settlement or award is in operation.
- (v) No employee in public utility service shall go on strike without 6 weeks advance notice, or during pendency of conciliation.

14.14 Procedure of Retrenchment:

Retrenchment should be based on the guidelines given in section 25F of the Act. If an employee has served one year, one month notice or payment in lieu of notice should be given and no such notice is necessary in the terms of employment provides so. In addition, 15 days wages should be given for every completed year of service or any part thereof in excess of three months.

14.15 Penalty for Illegal Strikes and Lockouts:

- (i) Commenced by workmen – One month imprisonment or a fine of Rs 500 or both
- (ii) Commenced by employer – One month imprisonment or a fine of Rs 1000 or both
- (iii) Instigation by an individual – six months imprisonment or a fine of Rs 1000 or both
- (iv) Willful extension – One month imprisonment or a fine of Rs. 1000 or both

14.16 Break in service in case of strike:

Those strikes which have been called after complying with the provisions of Industrial Disputes Act do not constitute a break in service and Railway administrations have to treat the period of absence as leave with or without allowances. (IREM Rule 504)

15.0 PF, Pension & Other Retirement Benefits

15.1 Retirement Benefits:

Retirement Benefits: Benefits to all staff on death/retirement As follow:

- a) Pension/family pension
- b) Gratuity
- c) Provident Fund at the credit of employee.
- d) Voluntary provident fund deposit money.
- e) Amount Under group insurance scheme.
- f) Encashment of leave.
- g) Transfer TA for self and members of the family as on transfer.
- h) Transfer grant.
- i) Incidental charges for loading of kit.
- j) Settlement/kit passes.
- k) Amount under deposit linked insurance scheme.
- l) Appointment of dependent on compassionate ground in case of death/disablement
- m) In case of death, allotment of quarters out of turn to dependent.
- n) Post retirement complementary passes.
- o) Facility for medical assistance.
- p) Booking of holiday homes.

15.2 Retirement Gratuity:

In case of retirement, when the employee has rendered minimum of qualifying service of five years it is paid @ 'A months pay per each completed half year of the service subject to a maximum of 16-1/2 months' pay or Rs. 10lacs, whichever is less.

Death Gratuity: in case of death of railway employees while in service the death gratuity shall be as given below; Less than one year service.	Two times of emoluments.
One years or more but less than five years.	Six times of emoluments.
Five years or more but less than 20 years.	Twelve times of emoluments.
20 years or more.	Half of the emoluments for every completed six monthly period of qualifying service subject to maximum 33 month pay or Rs. 10Lacs whichever is less.

15.3 Service Gratuity:

For service less than 10 years no pension is paid. Only service gratuity at the rate of one month's emoluments for each completed year of service shall be paid and no reduction will be made whether retirement is on personal grounds or medical grounds.

15.4 Pension:

- o A Railway servant retiring in accordance with the provisions of the pension rules before completing qualifying service of ten years shall not be entitled to pension but he shall continue to be entitled to service gratuity [in terms of rule 69(1)] if the pension rules.
- b) Linkage of full pension with 33 years of qualifying service shall be dispensed with. Once a railway servant has rendered the minimum qualifying service of twenty years, pension shall be paid at 50% of the emoluments or average emoluments whichever is more beneficial to the railway servant.
- c) In cases where railway servant becomes entitled to pension on completion of 10 years of qualifying service in accordance with rule 69(2) of the pension rules, pension in those cases shall also be paid at 50% of the emoluments or average emoluments whichever is more beneficial to the railway servant.
- d) The revised provisions for calculation of pension in Para 2 and Para 3 above shall come into force with effect from 2nd September, 2008 and shall be applicable to railway servants retiring on or after that date. The railway servants who have retired on or after 1.1.2006 but before 2nd September, 2008 will continue to be governed by the rules/orders which were in force immediately before coming into effect of these orders.
- e) The amount of pension shall be subject to a minimum of Rs.3500/- and maximum up to 50% of highest pay in the government [The highest pay in the Govt. is Rs.90,000 since 1.1.2006].
- f) The provisions of clauses [a] to [c] of sub rule(2) of rule 69 of the pension rules shall stand modified to the extent mentioned in Para 1 to part 5 above. The other provisions contained in rule 69 shall continue to apply.
- g) The quantum of pension available to the old pensioners shall be increased as follows.

Age of the Pensioner	Additional quantum of pension
From 80 years to less than 85 years	20% of basic pension
From 85 years to less than 90 years	30% of basic pension
From 90 years to less than 95 years	40% of basic pension
From 45 years to less than 100 years	50% of basic pension
100 years or more	100% of basic pension

The pension sanctioning authorities should ensure that the date of birth and age of a pensioner is invariably indicated in the pension payment order to facilitate payment of additional pension by the pension disbursing authority as soon as it becomes due. The amount of additional pension will be shown distinctly in the pension payment order. For example, in case where a pensioner is more than 80 years of age and his pension is Rs.10,000 p.m. the pension will be shown as (i) Basic pension = 10,000 and additional pension = Rs.2,000 p.m. The pension on his attaining the age of 85 years will be shown as (i) Basic pension = 10,000 and (ii) additional pension = 3,000 p.m.

15.5 Addition to Qualifying Service:

In view of the revised provisions for computation of pension in para 5 above, the extant benefit of adding years of qualifying service for the purpose of computation of pension shall stand withdrawn with effect from 2nd September, 2008. Rule 45 and 66 of the pension rules shall stand modified to this extent. Linkage of full pension with 33 years of qualifying service is dispensed w.e.f. 02.09.2008

15.6 Family Pension 1964:

- a) Family pension shall be calculated at a uniform rate of 30% of basic pay in all cases and shall be subject to a minimum of Rs. 3500/- per month and maximum of 30% of the highest pay in the Government (Rs.90, 000). Rule 75[2] relating to family pension, 1964 under pension rules shall stand modified to his extent.
- b) The enhanced family pension under rule 75[4][i][a] shall be payable to the family of a railway servant who dies in service from the date of death of the railway servant for a period of ten years, without any upper age limit. Rule 75[4][i][a] shall stand modified to this extent. There will be no change in the period for payment of enhanced family pension to the family in the case of death of a pensioner.
- c) The quantum of family pension available to the old family pensioners shall be increased as follows:

Age of the Pensioner	Additional quantum of pension
From 80 years to less than 85 years	20% of basic pension
From 85 years to less than 90 years	30% of basic pension
From 90 years to less than 95 years	40% of basic pension
From 45 years to less than 100 years	50% of basic pension
100 years or more	100% of basic pension

15.7 Commutation of Pension:

- a) A Government servant shall continue to be entitled to commute for a lump sum payment up to 40% of his pension.
- b) The revised table of commutation value for pension will be used for all commutation of pension which becomes absolute after 02.09.2008. In case of those pensioners, in whose case commutation of pension became absolute on or after 01.01.2006 but before 02.09.2008, the pre-revised table of commutation value for pension will be used for payment of commutation of pension based on pre-revised pay / pension.

Value of Commutation = Commutation Value (X) 12 (X) amount of pension.

After 15 years of retirement or from the date of commuting pension, whichever is earlier, the employee will start getting full pension again.

15.8 Constant Attendant Allowance:

In case of pensioners who retired on disability pension under the Railway Services (Extraordinary Pension) rules, 1993 for 100% disability (where the individual is completely dependent on somebody else for day to day functions) a constant attendant allowance of Rs.3000/- p.m. shall be allowed in addition to the disability pension, on the terms existing in Defense Forces.

15.9 Provident Fund:

It is a fund in which monthly subscription of an employee @ 8.33% of his pay is received and held on his account with interest accruing on such subscription to the fund is compulsory. The amount standing at the credit of the subscriber is payable on the termination of his service or on his death while in service. An employee is permitted to have advances/withdrawal from his P.F. Account on certain grounds like marriage, sickness, higher education, construction of a house, purchase of conveyance etc.

15.10 Encashment of leave:

The ceiling on accumulation of LAP is 300 days. The encashment of unutilized LAP on superannuating is 300 days. On resignation or quitting the service, half of LAP at his credit subject to a maximum of 150 days. Encashment of LAP of 10 days at the time of availing railway passes/PTOs while in service, once in two years subject to a maximum of 60 days during the entire career, introduced. This is subject to [I] availing at least an equivalent duration of LAP balance of at least 30 days of LAP remaining at credit after period of encashment as well as leave availed of [31 Only pay in the pay band, grade pay and DA admissible on that date without any HRA / Transport Allowance will be paid as leave encashment. Railway servants directly engaged in running of trains viz. all the running staff including drivers, assistant drivers, motormen, shunters, guards etc. and station masters / assistant station masters are exempt from

the requirement of availing of passes and equal duration of LAP for availing the benefit of encashment of 10 days of LAP.

15.11 Group Insurance scheme:

This scheme is compulsory to all railway employees, the benefit of an insurance cover to help their families in the event of death while in service. A portion of the subscription is credited to the insurance fund and the other portion to the saving funds in the ratio of 30:70. The amount of saving fund with interest is payable to the employee on termination of service or to his family in case of his death in addition to the amount of insurance cover.

SN	Group to which employee belong	Monthly subscription Rs.	Insurance cover Rs.
1	A	120	1,20 000
2	B	60	60,000
3	C	30	30,000
4	D	15	15000

15.12 Voluntary retirement:

Voluntary retirement is permissible if only one has put in a minimum of 20 years of qualifying service, by giving three months' notice. The employee will be eligible for full pension. Linkage of full pension with 33 years of qualifying service is dispensed w.e.f. 02.09.2008

16.0 Welfare Measures

16.1 Welfare Measures and Facilities:

- a) Grant in aid to Non-Railway hospital
- b) Social Welfare centers.
- c) Various Welfare funds.
- d) Children educational assistance.
- e) Productivity Linked Bonus.
- f) Convalescent homes.
- g) Schools and educational institutions for employee's children.
- h) School uniforms.
- i) Railway subsidized hostels.
- j) Hostels for women employees/trainees.
- k) Hostel subsidy.
- l) Provident Fund.
- m) Insurances - Deposit Linked Insurance, Railway Employees Insurance scheme, Group Insurance Scheme.
- n) Canteens
- o) Consumer co-operative societies.
- p) Co-operative Credit society.
- q) Co-operative housing societies.
- r) Co-operative Labor Contract societies.
- s) Co-operative canteens.
- t) Staff benefit fund.
- u) National Adult Education Programme.
- v) Advances to meet with urgencies and natural calamities.
- w) Railway minister's Relief fund
- x) Railway Institutes, Clubs, Community centres etc.
- y) Picnic and camping sites.
- z) Children's tour and Camps.
- aa) Employee tour/camp.
- bb) Handicraft centres.
- cc) Employment training schemes for employee's children.
- dd) Mahila samitis in major colonies with various activities.
- ee) Typewriting and other vocational training courses.
- ff) Book banks, Library and reading rooms, Book subsidy.
- gg) Scouts and guides.
- hh) Various measures for blind/physically handicapped persons.
- ii) Sports and cultural activities.

- jj) Crèches for children of working women.
- kk) Children park
- ll) Quarters facilities.
- mm) Own your home in certain railways.
- nn) Rest rooms for Group D employees.

Retirement benefits like Pension, Death cum Retirement Gratuity, Provident Fund, Post retirement complimentary passes, compensation in case of death/disablement in service, Leave encashment, Medical facilities.

- oo) Retired employee re-employment help scheme.
- pp) Pension adalats.
- qq) Railway employees who retire are presented with Gold plated Silver medal weighing around 20 g with Indian Railways logo on it.

17.0 Organization And Objectives of Stores Branch

Member mechanical (Board level)



Additional member Railway Stores



Controller of stores (zonal level)



CMM/G	CMM/M	CMM/E
DY. CMM	DY. CMM	DY. CMM
SMM	SMM	SMM
AMM	AMM	AMM

At Divisional Level

SR. DMM

At Depot Level

STORES DEPOT

SCRAP DEPOT

Major CY.CMM& AMM

DY.CMM

Medium SMM

Minor AMM

17.1 Materials Management Objectives:

(a) Primary Objectives:

- i. To purchase required materials at the minimum possible prices.

- ii. To achieve high Turnover.
- iii. To incur minimum expenditure on Administrative & other allied activities related to purchase of Materials.
- iv. Continuity of supply of materials
- v. Supply of material of consistent quality.
- vi. To keep wage bill of department low by even distribution of work.
- vii. To maintain good relationship with the firm.
- viii. To ensure training & development of personnel.
- ix. Maintain proper & up to date records of Stores transaction & purchase.

(b) Secondary Objectives:

- i. Assist technical department in developing new materials.
- ii. To make economic make or buy decisions.
- iii. Ensure standardization of materials.
- iv. To contribute in product improvement.
- v. To follow scientific method of forecasting prices & consumption of materials.

18.0 Classification & Codification of Stores

Stores are broadly classified as

18.1 Stock Items:

- a) These items are of regular use and hence have a regular turnover.
- b) These items are planned and purchased in advance.
- c) These permanent Price List No. allotted.

18.2 Non Stock Items:

- a) These items are not regularly used.
- b) Demand is generated and purchased as and when required.
- c) A temporary Price List number is allotted.

18.3 Stock items are further classified as:

- a) Ordinary Stores
- b) Emergency Stores
- c) Surplus Stores
- d) Stores for special works
- e) Custody Stores
- f) Imprest Stores
- g) Standard / Non Standard

18.4 Ordinary Stores:

These are items that have regular turnover by constant demand.

These are sub divided further as:

- New
- 2nd hand serviceable
- 2nd hand repairable

18.5 Emergency Stores:

These items do not have regular turnover but however required to be kept in stock for use in emergency. These items are not easily available in market and cannot be purchased in emergency.

18.6 Surplus Stores:

These stores are categorised as:

- **Dead Surplus:** These are stores that are not moving for the past 12 months and are not likely to be used further.
- **Moveable Surplus:** These are stores that are not moving for the past 12 months and are likely to be used further.

18.7 Stores for special works:

These are items that have been purchased for some special works and are utilised only for that work.

18.8 Custody Stores:

These stores are kept in custody of Stores depot by the user department due to lack of space at their end. These stores are not accounted at the stores depot but are kept for safety.

18.9 Imprest Stores:

There are some petty items which are required for day to maintenance and operations such as cotton waste, grease etc., used in Loco sheds.

18.10 Codification of Stores:

In order to identify the items easily, an 8 digit number called "Price List number" or PL No. is allotted

- The first Two digits denote – Main group
- The next two digits denote – Sub group
- The next three digits denote – Serial number
- The last digit is the -check digit

The Price list number is presently semi significant.

19.0 Tenders & Contracts

19.1 Various Types of Tenders (while procuring materials)

(a) Single tender:

It is issued to single vendor, for items of captive or proprietary nature and in emergency.

(b) Limited tender:

Issued to limited number of firms, when the number of firms dealing with an item is few and all are known, or when an item is urgently required.

(c) Advertised/open tender:

It is an open tender and the need is advertised in newspapers, trade journals and the periodicals. The choice of media is such as to result in maximum publicity. This type of tender is issued for high valued items, above Rs.5 lakhs, and when sources are not known.

(d) Bulletin tenders:

A periodical, usually weekly, bulletin is issued listing all requirements and sent to all registered/enlisted vendors who are subscribers to it. All items valued upto Rs.5 lakhs are included in the bulletin.

(e) Perbearer tender:

Issued to limited vendors, sent and collected per bearer to reduce time lag.

(f) Telephone tender:

Details are informed on telephone and vendors are advised to quote, when tenders are issued to single or limited vendors.

(g) Global tender:

This system is adopted when it is proposed to procure imported items. GM is empowered to grant permission for calling Global tenders for procurement to be financed out of free resources of foreign exchange expenditure. The proposed import procurement should be approved from the essentiality aspect by the Head of user department and concurred in by the associate finance.

19.2 Contracts:

As per "Indian Contract Act"- Contract is defined as, "All agreements are contracts if they are made by the free consent of parties, competent to contract for a lawful consideration and with a lawful object and are not expressly declared to be void".

19.3 Types of Contract:

(a) Rate Contract or RC:

In this type of contract the

- i. Rate is fixed
- ii. Delivery Period is fixed
- iii. Quantity is not fixed

(b) Running Contract or RC:

In this type of contract the

- Quantity is fixed
- Delivery Period is fixed
- Rate is fixed for a period of time.

(c) Fixed Contract:

In this type of contract

- The rate, quantity, delivery, etc.
- Including all the terms & conditions are fixed.
- The delivery period varies from days to months
- But not for longer periods

Rly Board has issued instructions to unify all PL numbers in order to have a unique/significant number for an item that is common to all Rlys. The process is called “Unification of Price List numbers” and is in progress

20.0 Purchase Agencies

All the items on railways are not purchased by Zonal Railways. Hence there are some agencies for purchase of stores. The following are agencies purchasing stores for Railways.

20.1 Directorate General of Supplies and Disposals:

This is a central government body which makes arrangements to purchase items in bulk quantity to get the best advantage in price. For many general items DGS&D is in a position to club the requirements of all the government organizations purchase at the lowest rates. Items such as refrigerators, computers, printers, air conditioners, etc., DGS&D enters into rate contract. A list of officers called Direct Demand Officer is provided in the contract. For railways all Controller of Stores are DDOs for most of the items.

DGS&D also enters into running contracts for many items. All fixed quantity contracts entered into by DGS&D are known as Acceptance of Tender.

The requirements of the Zonal Railways are consolidated in COS office and the indents are placed on DGS&D with due funds certification as per the laid down time table given in Program book.

20.2 Railway Board:

Many items of imports involving large sums of foreign exchequer and some critical items are arranged through Railway Board. Items arranged through Railway Board are generally critical items for which adequate manufacturing capacities do not exist in the country.

20.3 Production Units:

Some of the items are centrally procured by some Railways or production units to meet the requirement of all Indian Railways. Ex: DLW, DMW, ICF, etc.

Other Agencies:

The other agencies of purchases include Sleeper pool committee for purchasing sleepers, Government Medical store, Central organization for Modernization of Workshops for M&P items etc.

21.0 Procurement Of Stores: Non-Stock

21.1 Submission of NS Demand:

- Submit the requisition to the concerned stores depot for procurement.
- Obtain acknowledgement.
- Chase up for status.

21.2 Process of Demand for procure men:

- Store official scrutinizes the demand & Registers duly allotting temporary PL Number.
- Opens a Case file.
- Floats tender as per the requisition/demand with all terms & conditions.
- Opens tenders on the designated date.
- Evaluates the offers.
- Obtains technical comments/rate reasonability from the Indenting official/User.
- Purchase Officer concerned finalizes individually in case of Direct Acceptance tender value currently below 15 lakhs and for value above Rs.15 lakhs finalises with Tender Committee with due justification.
- Recommendations of the above are put up to the Accepting Authority, who is also a Stores Officer, a grade higher than the recommending officer.
- The Accepting Authority can either accepts/rejects the recommendations of the TC.
- In case of rejection, the recommendations are once again reviewed by the TC/Direct Accepting authority and put up to the Accepting Authority.
- On Acceptance/Approval by the Accepting Authority the Draft PO is prepared and sent to finance for vetting..
- Purchase order is released and copies sent to Consignee, Firm and Finance for compliance.
- The consignee to chase up with the firm on receipt of PO copy.
- Material received from the firm is to be checked/Inspected/tested wherever necessary and then accepted and taken into account.
- Receipt order is issued and the Bill for payment is passed by Bill passing authority.
- Firm receives payment on submission of the above to Accounts along with the PO.

22.0 Recoument Of Stores – Stock Items

22.1 Emergency stores:

By nature there are slow moving items and therefore are issued occasionally. Their future demand pattern is totally uncertain. However, at time of sanctioning an item for stocking as emergency store, a stocking limit known as base stock is also sanctioned. This base stock is based on some data of past consumption and a guess for future consumption. As per this system, as and when an item issued, an equivalent quantity is immediately recouped. Therefore, theoretically, no of recouments may be equal to number of issues.

As per base stock method, total physical stock and dues added together should be equal to base stock at all times.

22.2 Recoument of Ordinary Stores:

Ordinary stores are the items which have regular turn over caused by constant demand. Therefore, we should recoup them in such a manner that fresh supplies are received before existing stocks are fully consumed.

- For these items, we have two basic systems of recoument described below.
- Third system described is combination of these two systems.

22.3 Continuous Review System (or Recorded Level System or Q System or Maxima-Minima System):

In this system, we pre-decided recorder level (or recoument point) and when, as a result of issue of the item, Stock dues come down to this level, immediately a recoument sheet for a quantity equal to pre-decided order quantity is placed on the purchase office for placing the order on the suppliers. In Railways, this system is known as Maximum-Minimum System. The meaning of maximum-minimum is explained below:

Maximum: This is the quantity which is most economical to order at a time. If we order large quantities at a time, large amount of money will be blocked and inventory carrying cost will be higher.

Minimum: As against this, if we order too small a quantity at a time, we will have to order more frequently and ordering costs will go up. 'Maximum', therefore, aims at a quantity which tends to minimize the total costs. For high value item, this quantity has been fixed as 3/6 months' requirements while for low value item, it has been fixed as 12 months' requirements. This optimum quantity can also be theoretically worked out if we know our cost.

23.0 Drawal Of Stores

23.1 Issue Procedure:

System of issues being followed in most of stores Depots on Indian Railways is described as under:

Different types of forms have been designed to deal with different types of request for issue of materials. These forms are-

- Requisition for stores(S-1313) or S.1302
- Combined requisition & Issue note (S 1313/ S-1319)
- Imprest recoupment schedule (S 18 30)
- Issue tickets (for workshop items)
- Depot transfer orders, Depot transfer requests.

All these requisitions are received in a centralized section in the Depot. This section may be either a part of General section or this job may be entrusted to the Ledger section. All the requisitions on receipt, are entered in a Requisition Register, in a chronological order.

- Requisition registers may be maintained Division-wise.
- In some of the Depots, Division-wise requisition registers are maintained date of requisition wise and all the requisition of a particular date are entered on the page allotted for that date. This system is convenient to locate the requisition details when needed but it is difficult to get details of daily receipt of requisitions.
- After introduction of computers in the Depots this work of maintaining Requisition Register is being taken on the computer. For the different types of formats have been provided for the different types of requisition and data is directly entered through a menu driven program.

As per store code, Requisition Register should have following details.

23.2 Scrutiny of Requisition:

After entering details in the Requisition Register, requisitions are scrutinized to see that the requisitions have been properly prepared and allocation i.e. Head of account to which expenditure is to be charged is correctly given. There should also be no ambiguity in PL No. and description of the material demanded.

- Scrutiny of requisition is done by Ledger section, if there is a centralized ledger section, otherwise this work is done by the ward.
- In some of the Depots quantity to be issued is also authorized by the Ledger section and this role of Ledger section becomes important when the item is running in short supply. If the material is out of stock, then the requisition is kept pending. As per para 1336 of Stores Code, Pending demand sheets should be maintained by the Ledger section separately for each PL No.

- In case of raw material, it is to be checked whether the stocks have not already been reserved against work orders placed on shops.

For imprest items or consumable stores for which indentors are sanctioned specific quantities (for a specific period) by their controlling officers, separate registers are required to be maintained to ensure that materials in excess to sanctioned quantity are not issued, otherwise it may result in short supply of the material to other indentors.

As per para 1307-S all requisitions should be forwarded to stocking wards within 24 hours of their receipt in the Depot office

23.3 Issue of material and Granting os Issue note nos:

All the requisitions, imprest recoupment schedules, Depot transfer etc. are finally received in the stocking ward for the purpose of issue of the material. The DSK Stocking Ward will take the quantity out from the stocking bin and will either deliver to dispatch section or keep it separate in a corner, If the materials are not immediately handed over to dispatch section, they should be kept separately but safely. As far as possible original packing should not be removed. At the same time ward will prepare the Issue Notes and when the materials has either been handed over to dispatch section or are kept separate for handling over to dispatch section will be entered in the Issue Register.

After this, Issue Note will be numbered. Issue Note No. is of eight digits.

- First two digits of Issue Note' number represent Depot Code,
- Next two digits ward code
- Last four digits represent serial number of issue note register.
- This serial number should be maintained in a continuous manner because continuity of this is watched by Stores Accounts Branch.

23.4 Distribution Of Different Copies of Issue Note:

Combined Requisition & Issue Note(S-1313/S-1319):

- This is prepared by the indentor in 6 copies out of which he will submit five copies to Stores Depot which are ultimately sent to stocking ward. DSK (Stocking Ward) fills in issue particulars in all the 5 copies. After entering Issue Note number,
- DSK keeps one copy with him as his record copy.
- He forwards two copies to Ledger Section and remaining two copies are given to dispatch section along with the material.
- Ledger section after noting the details on their card forwards both the copies to Depot Stores Accounts Branch who send one copy to EDP Center as per program fixed by the EDP Center for posting of vouchers.

- After posting the details in EDP center, this copy is received by Depot Stores Account where it is filed. The debit for the stores is to be sent by Depot Store Accounts to the consuming department.
- For this Depot Stores Account officer gets list of debit summaries from the computer center and on the basis of this Advice of Transfer Debit are prepared.
- This Advice of Transfer Debit is sent to controlling officer of the indenter in Division Office along with one copy of the Issue Note (Note that Depots Store Account officer receives two copies of Issue Note out of which one is kept for record and the other copy forwarded to the controlling officer of the indenter).
- Dispatch Section sends two copies of Issue Note. Given to it, to the indenter along-with the material. When the material is handed over to the indenter, his acknowledgment is taken on one copy and the other copy is given to the indenter.
- The acknowledgment copy taken back by the Dispatch staff and is handed over to DSK of issuing ward who will paste this along with first copy (depot record copy).
- This process of pasting acknowledgment copy with record copy is known as pairing of Issue Notes. This ensures that the material has been correctly received by the indenter.
- The one copy given to the indenter is utilized for the purpose of verification of debit summary. As per codal provisions indenter, will note down the issue details in his copy (one copy already retained by him) at the time of sending 5 copies to Stores Depot and forward this copy to his Divisional controlling Officer, who will pair it with the copy received by him along-with debit summary. But practically in most of the divisions, indentors are deputing their representative in the divisions for verifying the debit summaries and this copy is brought back by indenter's representative and is filed by the indenter.
- The distribution of various copies of issue note can be represented as under:

Copy No.	Distribution.
1.	Retained by the indenter
2.	Retained by the ward as record copy
3.	Ward => Ledger Section => Depot Stores A/C=>EDP
4.	Divisions Controlling Depot Officer with debit Summary
5.	Ward=> Dispatch Section => Indenter => Acknowledgment & returned for pairing with copy no. 2
6.	Ward => Dispatch Section => Indenter

23.5 Imprest Recoupment Schedule (Form S-1830):

This is the form used for recoupment of items sanctioned as imprest stores to various subordinates for their day to day maintenance requirements. As per para 1830-S the recoupment schedule may be submitted by the imprest holder directly without

getting counter signature of their controlling officer. About 8 to 10 items can be recouped in one form.

- This form is prepared in 5 copies of which all are to be submitted to Stores Depot(S.1830)
- One copy will be retained as office copy
- On issue of the material 2 copies will be sent to the indenter along with the material. The indenter will record acknowledgment on both the copies and will return one copy to Depot and one copy to his divisional controlling officer.
- Two copies are sent to Depot Stores Accounts office who get the priced ledger posted in computer on the basis of one copy and one copy is for raising the debits.

24.0 Scrap Disposal

Generally most of scrap, which are not required for internal use of Railways, are sold by auction or tender and are governed by conditions of sale. Auctions are held periodically at various locations, which could attract large number of prospective buyers. A unified schedule of scrap items has been adopted under group 98 and price list numbers have been allotted for each item of scrap, based on ultimate use of materials in the market. The rates for scrap materials are included in the schedule of scrap. These rates are revised once in a year or less frequently by Controller of Stores in consultation with Chief Accounts Officer, based on average auction sale rates. The schedule rate will ordinarily be the Book Rates for all receipts and issues of scrap from and to departments. When the revised schedule rate is lower than the previous rate, the balances on hand should be revalued at the revised rates, on stock adjustment account. If revised rate is higher than the previous rate, the existing stock is not revalued, but fresh receipts are credited at the revised rate.

24.1 Methods of sale:

- a). Sale through public auction
- b). Sale through tenders
- c). Direct sale
- d). Quoting for sale

Scrap rails and other PWI items & accident damaged RS are sold on as is basis on line. However places are to be properly approachable by road. Condemned rolling stock, boilers are auctioned from the nominated cutting yards.

a). Auction sale:

Railways conduct Sale auction at Depots and Divisions only. Auctions in the Stores Depots should be conducted by Officer not below the rank of JA Grade. Auction Programmes are made and advertised/displayed through print media. Auction catalogues containing information of lots, viz size, location etc. are also distributed/sent to all prospective purchasers, associations of scrap dealers, NSIC, SSI etc. Entry fees of Rs.10000/- (refundable) per person, to be furnished in the form of DD and letter of authority from the Firm on its proper letter head which has authorized him to attend the auction by all purchasers attending/participating in the auction.

On payment of entry fee at the entrance gate & signing in the register an entry permit will be issued. A person representing more than one firm should pay entry fee for each firm he is representing. After the end of action, entry permit should be returned for

refund of entrance fee. Auction is conducted in the presence of representatives of Accounts Dept, security, chief cashier and custodian of the lot.

Highest bidder has to deposit EMD on the spot as following:

- 1.Upto and including Rs.10000/- full sale value.
- 2.Between Rs.10001 to Rs.100000/- Rs.10000/- or 25% of sale value
- 3.Above Rs.100000/- - Minimum Rs.25000/- or 10% of sale value.

When the purchaser in full has paid BSV and he has fulfilled all other conditions of sale and on verification/confirmation of payment the Depot/divisional Officer issues a delivery order. Delivery orders are also issued in installments for the quantities for which payment has been received, in case facility of installment payment has been allowed to the purchaser. However EMD is adjusted only against the last installment. Materials sold shall be removed within the free time allowed ie, before 39 days for lots valuing less than Rs.1 lakh and for all lots valuing more than Rs.1 lakh is 49 days. If materials are not removed within the free time a ground rent of 1/2% per day on the value of material not removed is charged.

Depot lots: Full ground rent.

Line lots: upto 30 days with 10% of chargeable ground rent and thereafter-full ground rent. On administrative grounds, ground rent can be waived by CMM. Deliveries will be affected on auction day also. Purchaser seeking delivery should be available with lorries by 08.30 hours. No lorry will be permitted inside after 14.30 hours. Materials are delivered from one side, and no picking and choosing is allowed, of the lot actually sold to the purchaser, which is witnessed by nominated DMS, ISV/ASV and representative of security. Purchaser will not be permitted to bring in labor or load the goods otherwise specifically so permitted and fixed loading charges are recovered from the purchaser and such charges are payable in cash prior to the delivery. All quantities whether weight, measurement or number mentioned in the auction catalogue are approximate, but the total quantity of which lot is comprised should be taken delivery on payment as per actual count or weight. If the actual quantity in lot exceeds the advertised or announced quantity the purchaser will have the option subject to acceptance by the Railway Administration to take delivery of the excess material on payment, upto 25% over the Advt quantity. If in a lot on actual count or weight, work less than the advertised quantity the same will not under any circumstances is made good but the purchaser will be entitled to get a refund to cover the cost of the shortage.

25.0 Disposal Of Surplus Stores

25.1 Reasons for overstock/inactive / surplus

- Un-anticipated fall in consumption by the consuming department
- Inflation of demand by the indentors
 - AAC not reduced in time
 - Not advising Head Qtrs for dropping of procurement in time
 - Due to sudden receipt of huge quantities
 - Stores returned by Indentors due to fall in consumption
 - Sudden closure of a particular activity.
 - Change in design of plant and equipment
 - Change in rolling stock design and its components
 - Modification of the existing standards/specifications
 - Sudden cancellation of project works/works
- Preparation of the list of items for disposal
- Put up to Survey Committee for its recommendations for disposal of the store
- Items costing up to Rs. 5,000 /- (each case) may be disposed off by the depot in-charge as deemed fit.
- For stores costing above Rs. 5,000/- it should be sent to Scrap Depot/Store depot on S-1539.
- In case of inactive stores, they should be offered to other depots on DTF or to other Zonal railways.

25.2 Steps to Prevent accumulation of Overstock/Surplus Stores

- Before processing for procurement scrutinize SOH and assess the quantity required
- This quantity should be delivered in phase manner to avoid accumulation at the depot.

26.0 INVENTORY CONTROL

The Dictionary meaning of Inventory is “List of Goods”.

In broader sense - idle resource having an economic value.

In other words - various items of stores kept in stock to meet future demands

26.1 Types of Inventory:

- Raw Materials & Parts: all raw materials & components used in Manufacture of product.
- Consumables & Spares: Materials used for every day maintenance & operation.
- Work in progress: Items in various stages of production.
- Finished Product: Goods ready for sale or use.

26.2 Need for Inventory:

- For every day maintenance & operation.
- To avoid un- economical purchase on daily basis
- To overcome Unforeseen fluctuations in demand & time

26.3 Problems in Inventory Management:

- When to initiate purchase?
- How much quantity to purchase at a time?
- What should be the stock level of different item ?

26.4 Costs related to Inventory:

- Cost of Ordering.
- Inventory carrying cost.
 - Interest on capital
 - Obsolence & Depreciation
 - Storage, handling & verification
 - Insurance
- Shortage or Stock out cost.

26.5 Model to overcome Inventory Problem

- E O Q: Called the Economic Order Quantity. This is a popular model developed taking in account all the costs involved.

- $$\sqrt{\frac{2AXCO}{CuXCi}}$$

A = Annual Consumption Quantity
 Co = Cost of placing one order
 Ci = Annual Inventory carrying cost
 Cu = Cost per unit

represented as a fraction

26.6 Measuring efficiency of Inventory Management:

(a) Service Level:

- % compliance of demands of the user
- To comply demands of Vital/Safety items upto 97 to 98%
- Attempt to attain service level between 90 to 98%

(b) Inventory Turnover Ratio(TOR):

- This is measured in percentage i.e.,
- $TOR = \frac{\text{Average value of stores held in stock}}{\text{Total value of issues during the year}} \times 100$

(c) Inventory control Techniques:

(i) Selective Management – by using ABC/VED analysis

(ii) Management by exception: Inactive/surplus

(iii) Design of recoument policies to keep optimum level of stocks

(iv) Rationalisation: by Standardisation & Variety reduction

(v) Value Analysis: by Going for alternative design/raw materials

(vi) Computerisation: for scientific forecast of demands to provide optimum safety stocks & to control funds

(i) ABC Analysis:

Pareto's principle – In many situations most of the activity is governed by very few attributes.



Categorization of items:

- CAT "A" - >40 Lakhs
- CAT "B" - >5 Lakhs upto 40 lakhs
- CAT "C1"- >25000 upto 5 lakhs
- CAT "C2" - <25000

27.0 Organization And Objectives Of Accounts Branch

The Financial Organization on the Railways has thus evolved through the following five stages, viz.—

27.1 Stage I:

The stage prior to the appointment of the Financial Commissioner for Railways, when the Railway finance administration was a part of the Finance Department of the Government of India. The accounting work was done by the Accountant General, Railways, under the administrative controller of the Auditor General.

27.2 Stage II:

Appointment of the Financial Commissioner of Railways in April, 1923 as stated in the preceding paragraph.

27.3 Stage III:

Completion of the process of separation of the Accounting & Auditing functions on the Railways in 1929 as a sequel to the recommendations of the Acworth Committee supported in the report of Sir Arthur Lowes Dickinson (August, 1927). Under this arrangement, the post of Accountant General, Railways (then Under the administrative control of the Auditor General) was replaced by—

- (i) The Controller of Railway Accounts responsible to the Financial Commissioner Railways and
- (ii) The Director of Railway Audit under the Auditor General.

At the Railway level also the two functions were separated by appointing a Chief Accounts Officer answerable to the Controller of Railway Accounts, and a Chief Auditor responsible to the Director of Railway Audit. This, incidentally, marked the beginning of the Indian Railway Accounts Service as a Cadre distinct from that of the Indian Audit and Accounts Service.

27.4 Stage IV:

Placing of the Railway Accounts Department under the General Manager where upon the Chief Accounts Officer was placed under the administrative control of the General Manager instead of the Financial Commissioner, Railways. This organizational change was recommended by the Indian Railway Enquiry Committee, 1937.

(more commonly known as the Wedgwood Committee) on the pattern of the British Railway practice to ensure full contact and adequate co-ordination between the General Manager and his Chief Accounts Officer. While making this change on the Indian Railways, the Chief Accounts Officer was redesigned as the Financial Adviser

& Chief Accounts Officer. It was, however, a condition precedent to this arrangement that the Financial Adviser and Chief Accounts Officer would have access to the Financial Commissioner in all important matters on which he might be in disagreement with the

General Manager not only as regards accounting regularity but also on questions of financial prudence. This arrangement was initially tried as an experimental measure on two State Railways (the NorthWestern Railway and the Great Indian Peninsular Railway) with effect from November, 1938 and was made permanent in 1941 when it was extended to all Government Railways.

27.5 Stage V:

Setting up of a distinct Finance Branch under the Financial Adviser & Chief Accounts Officer for placing at the 'disposal of the General Manager an Improved machinery for financial advice and control. Again, this scheme was initiated as an experimental measure in November, 1947 on one of the Railways, the then B. B. & C. I. Railway, and was later adopted permanently on all Indian Government Railways.

Objectives of the Accounts Department:

The Accounts Department of a Railway Administration is mainly responsible for :-

- (a) Keeping the accounts of the railway in accordance with the prescribed rules
- (b) The check with reference to rules or orders (Known as "Internal Check") of transactions affecting the receipts and expenditure of railway
- (c) Prompt settlement of proper claims against the railway
- (d) Tendering, as part of its important functions, advice to the administration whenever required or necessary in all matters involving railway finance
- (e) Compilation of budgets in consultation with other departments and monitoring the budgetary control procedures as may be laid down in the relevant orders and Code rules from time to time
- (f) Generally discharging other management accounting functions such as providing financial data for management reporting, assisting inventory management, participation in purchase/contracting decisions and surveys for major schemes in accordance with the relevant rules and orders
- (g) Seeing that there are no financial irregularities in the transactions of the railway.

28.0 Budgeting

Budgeting is the most widely used accounting tool For planning and controlling organizations. Budgeting is most useful when done as an integral part of an organization's strategy analysis.

A budget is the quantitative expression of a proposed plan of action by management for the future time period and an aid to the coordination and implementation of the plan. The budget, an annual financial statement, is a management tool, which helps us to make best use of our resources and avoid duplication of efforts. It comprises of

- Estimated receipts and the expenditure of the government for the budget year.
- Receipts, expenditure and review of the preceding year.
- Proposals for meeting the requirement of the coming year

28.1 Objectives:

- To define objectives in financial terms for execution at all levels.
- To allocate scarce resources to important activities.
- To co-ordinate complex plans for action.
- To compel planning, including the implementation of plans.
- To provide performance criteria.
- To promote coordination and communication within the organization.
- Facilitates controls by
 - Establishing departmental budgets
 - Fixing responsibility
 - Comparison and reviews
 - Corrective measures
- Budgeted performance measures can overcome two key limitations of using past performance:
 - Past results incorporate past mistakes and sub-standard performance.
 - The future may be expected to be very different from the past.

28.2 Types of Budget:

- Capital Budget
- Revenue budget
- Performance Budget
- Zero based budget
- Responsibility budget
- Kaizen Budget

a) Capital Budget :

It presents the funds requirement for asset / infrastructure development.

b) Revenue Budget:

It reflects the routine business of an organization and contains expenditure and income statements.

c) Appropriation Budget:

Parliament appropriates certain money. This is the ceiling limit. It emphasizes on monetary spending rather than performance.

d) Performance Budget:

Spending is justified by performance. Emphasis on performance -asking, spending and accounting. Good data on norms and standard costs is needed.

e) Responsibility Budget:

It is a system for evaluating the performance of managers based on activities under their supervision. Responsibility centers are as under:-

Cost center Reports costs only while a revenue center reports only revenues. Profit center - Reports revenues, expenses and net income or net loss. Investment center - Reports revenues, expenses, income or loss and the investment used by the center.

f) Zero Based Budget:

Unlike appropriation budget and performance budget, which are based on passed trends, Fresh justification is required every time. There is a move to introduce progressively the concept of zero base budgeting in railways. Budgeting is done for each year while the panning is done for certain longer periods. As the very name_ implies, budgeting under this system for each year is done taking the base as zero. in other words the budgeting for each year is to be done from scratch every year. Under this system each executive has to explain in greater details the need for the money he has sought for. The main criterion for budgeting under this system is decision packages. Such decision packages are analyzed in the order of priority. The provision required during the year is to be sought for on the basis of these priorities.

g) Kaizen Budget:

This technique is a budgetary approach that explicitly Incorporates continuous improvement during the budget perion in to the budget numbers. Suppose it was previously estimated that an activity would take 3 labor hours, A Kaizen budgeting approach would incorporate future improvements in this activity i.e. this activity may take 2.95 labor hours after 3 months and 2.90 hours after 8 months.

h) Time Coverage of Budgets:

- Budgets typically have a set time period (month, quarter, year).
- This time period can itself be broken in to sub periods.
- The most frequently used budget period is one year.

28.3 Preparation of Budget:

The process starts at the grass root level namely the lowest subordinate who is executing the physical work. Data so collected from the various subordinates is consolidated at divisional level to compare or to review with the statistical data to see how for the monetary terms reflected by the subordinate, justifies the physical targets envisaged. It is the first stage where the middle management decisions are taken either to continue or to modify the existing way of working.

At the divisional level, the DRM is the Officer In charge of the budgeting assisted by ADR11f in framing and reviewing the Budget with the association of account office. It is then sent to FA & CAO of the zonal railway for onward submission to railway board.

Under article 112 of the constitution of India, the budget has to be presented before both the houses of Parliament. It can be presented in two or more parts. This enables a separate presentation of Railway Budget and passing of two Appropriation Acts. However Railway Budget is part of General Budget.

In 1924 (Separation Convention), Railway Finances were made separate from General Finances. This brought (i) stability in General Finance (assured contribution from Railways) and (ii) created flexibility in Railway's Financial Management.

Group	Demand No	Demand
Policy formulation & Services common to all Railways	1.	Railway Board Expenditure
	2.	Miscellaneous Expenditure (General)
General superintendence	3.	General Superintendence and in Railway
Repair and maintenance	4.	Repair and maintenance of permanent way and works
	5.	Repair and maintenance of Motive Power
	6.	Repair and maintenance of Carriages and Wagons.
	7.	Repair and maintenance of Plant and Equipment
Operation	8.	Operating Expenses - Rolling Stock and Equipment
	9.	Operating Expenses - Traffic
	10.	Operating Expenses - Fuel
Staff welfare, Retirement benefits	11.	Staff welfare and amenities

& Misc.	12.	Misc. Working Expenses
	13.	Provident Fund, Pension and other Retirement Benefits
Railway Funds and payment to General Revenues.	14.	Appropriation to Funds
	15.	Dividend to General Revenues, Repayment of loans taken from General Revenues and Amortization of over Capitalization
Capital Expenditure	16.	Assets: Acquisition, Construction and Replacement

The estimates of expenditure are either voted or charged. The charged expenditure is outside the scope of Parliamentary approval. The voted expenditure has to be approved by Parliament. Such estimates are submitted in the form of 'Demands for Grants'. These are 16 in number as given below.

28.4 August Review:

Railway administration have to review their expenditure in August in order to see whether any modification are necessary in the allotments placed at their disposal. The review, which is prepared in respect of each grant is called 'August Review' and is required to be submitted to the Railway Board so as to reach them not later than 1st September each year. The administration is required to review the position in as much detail as possible in August and if there is any new expenditure which was definitely not anticipated in the budget and which cannot be postponed without serious detriment to safety or efficiency.. it is also examined whether such expenditure can be met by savings in expenditure provided for in the budget, or if such saving can be foreseen or achieved without serious damage. The review has also to show whether such examination discloses the necessity of additional grants or the possibilities of net savings, in order to enable the Board to set off savings on one railway against excesses on another and to arrive at the estimate of the net additional grant required, if any.

28.5 Revised Estimates and Budget Estimates:

This review is conducted in the month of November each year. The Revised Estimates of the current year and the Budget estimate for the next year are fixed considering the expenses of first seven months and the same period last year, taking in to consideration any special features. A full explanation of special features should be given in the explanatory notes. This review goes to the Parliament for obtaining the vote of Parliament.

a). First Modification:

This review is conducted in the month of January every year and any change required in the revised estimates are furnished to Railway Board. It should be conducted as far as possible in the same way as Revised Estimate.

b). Final Modification:

This review is conducted in the month of February every year after the submission of 1st modification. The Railway Board are furnished for each grant separately, any further modification to Revised Estimates, so as to reach them not later than 1st of March each year, with the statements showing the additional allotments required for both voted and charged expenditure or surrenders to be made during the financial year under each head of appropriation, as stated in the Budget Order and requiring the sanction of President. The modifications made by Railway board thereafter are called Final Modifications and allotment thus sanctioned are known as Final Grants of the financial year.

The Budget document comprise of the following:

- Book of Demands
- Explanatory Memorandum
- Works, Machinery and Plant and Rolling stock programme.

28.6 Demand No.16:

Assets acquisition, construction and replacement. This grant is otherwise known as 'Works Grant'. This grant caters to the expenditure on acquisition of new assets, construction of new lines, replacements and renewals of the existing assets. The finances for these assets are met either through "Capital" otherwise known as loans obtained from the General Exchequer or internal resources of Railway system namely the Depreciation, Reserve fund, Development fund and capital fund. The complete head of allocation thus consists of dd-hhhh_pu for revenue expenditure. (dd- Demand No. hhhh- minor, sub and detailed head and pu- Primary Unit. For Capital Expenditure — ABC I6-hhhh-pu (ABC — three character abbreviation for allocation, 16 — Demand Number (This is often omitted, as the three character code amply clarifies that the Demand of expenditure is 16), hhhh — detailed head of allocation, pu — Primary Unit. If the last digit in detailed head is 0, it indicates expenditure of all detailed heads taken together. Similarly, if detailed head and sub head digits are both 0, it indicates all sub heads and all detailed heads within that minor heads taken together. This is useful in preparing summarized expenditure statements. Associate accounts office sends a monthly statement of expenditure giving the expenditure in that financial year up to that month.

Important Plan Heads:

Plan Head	Purpose	Plan Head	Purpose
11	New Lines (Construction	12	Purchase of new lines
13	Restoration of dismantled lines	14	Gauge conversion
15	Doubling	16	Traffic facilities-Yard remodeling others
17	Computerization	21	Rolling Stock
29	Road safety works-level crossing	31	Track renewal
32	Bridge works	33	Signaling and telecommunication
34	Taking over of line wires from P&T Dept.	81	Metropolitan transport projects
35	Electrification Projects	36	Other electrical works
41	Machinery and Plant Programme	42	Workshops including Production Units
51	Staff Quarters	52	Amenities for staff
53	i) Passenger Amenities ii) Other railway users amenities	61	Investment in Government Commercial Undertakings Road Services
62	Investment in Government Commercial undertakings — Public undertakings	64	Other Specified Works
71	Stores Suspense	72	Manufacturing Suspense

73	Miscellaneous Advances		
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28.7 Capital:

Abbreviated as CAP; used for works of enhancement of capacity for Railways, for which money is usually borrowed on a predetermined rate of interest from the Central Government or other sources.

Capital Fund:

Abbreviated as CF; Railways own capital fund to which Railway appropriates some amount of its earning every year.

Depreciation Reserve Fund:

Abbreviated as DRF; this fund is used for replacement of old assets after their prescribed life is over.

28.8 Development Fund:

Abbreviated as DF; this fund is used for developmental works. It is further sub divided in to:-

DF1 — Development fund for Passenger and other railway user's amenities work.

DF2 — Development fund for Labor Welfare Works.

DF3 — Development fund for non-remunerative works, improvement of operational efficiency. DF4- Development fund for safety works.

Safety Fund:

Abbreviated as SF; used for safety related works.

Open Line Works Revenue:

Abbreviated as OLWR; used for such works which are to be carried out on lines already open for traffic and for which provision of funds has to be made in revenue budget (of the same year) itself.

Revenue:

Abbreviated as Rev; used for other works from revenue budget. DEPOSIT AND OTHER WORKS — Abbreviated as DPO; used for works performed by Railways for other organizations against deposits of amounts by them for such works. For example, repair and maintenance of rolling stock (locomotives, **wagons**) of Port Trusts, Thermal Power Plants or repair and maintenance of track of Port Trusts, Thermal Power Plants etc.

29.0 Parliamentary Control Of Railways

Indian Railways is a government organization as well as a commercial enterprise. The control of Parliament over railway finance and policy is exercised in the following manner:

- through periodical examination (every five years), of the working of the Railways by the Railway Convention Committee to review and also fix the rate of dividend payable by the Railway undertaking to the general revenues.
- through the Estimates Committee which examines the estimates
- (i) by means of ideologies, resolutions, and discussions when the Annual Budget is presented, and the railway demands are voted upon
- (ii) through the Members of Parliament serving on the National Railway Users Consultative Council
- through the Public Accounts Committee which examines the accounts showing appropriation of sums granted by the Parliament for the expenditure
- (i) through the Committee on Subordinate Legislation which scrutinises and reports to Parliament whether the powers to make regulations etc., are being properly exercised within such delegation;
- (ii) through the Committee on Government Assurances which scrutinises whether the assurances, promises etc., given by Ministers on the floor of the Parliament, have been implemented.

In addition, any Member of Parliament may write letters to the Ministry of Railways (Railway Board) or a Railway Administration on any matter concerning railway working. Member may also ask questions in both the Houses of Parliament on issues connected with the Railways.

National Railway Users' Consultative Council.- To secure better representation of Railway Users and afford more frequent opportunities for consultation between Railways and Railway Users on matters relating to the service provided by Railways, a National Railway Users' Consultative Council was formed in 1953. The members of the National Railway Users Consultative Council held office for a period not exceeding two years.

The Council consists of persons appointed to it by the Minister of Railways namely

- Secretaries of each of the Ministries of (a) Industry (b) Commerce (c) Tourism
- Ministry of Railways-Chairman and Members of Railway Board.
- Fifteen Members of Parliament, ten from the Lok Sabha and five from the Rajya Sabha.

- A representative each of the Zonal Railway Users Consultative Committee
- One member each from the all India Associations like Federation of Chambers of Commerce, Indian Jute Mills Association etc.

29.1 The Public Accounts Committee:

This is a Parliamentary Committee on Public Accounts for the examination of accounts showing the appropriation of sums granted by the Parliament for the expenditure

In scrutinizing the Appropriation Accounts and the report of the Comptroller and Auditor-General thereon, the Committee is required to satisfy itself

- That the moneys shown in the accounts as having been disbursed were legally available for and applicable to the service or purpose to which they have been applied or charged,
- That the expenditure conforms to the authority which governs it and
- That every re-appropriation had been made in accordance with the provisions made in this behalf under rules framed by competent authority.

If any money has been spent on any service during a financial year in excess of the amount granted by the Parliament for that purpose, the Committee will examine with reference to the facts of each case the circumstances leading to such an excess and make such recommendations as it may deem fit.

The Committee consists of not more than 22 members to be elected by both the Houses of Parliament every year from amongst their members. The term of office of members of the Committee shall not exceed one year. The Chairman of the Committee shall be appointed by the Speaker from amongst the members of the Committee

The Committee takes up examination of the Audit Report and Appropriation Accounts after they have been duly placed before Parliament with the approval of the president. Apart from taking oral evidence from Government representatives, the Committee calls for additional information.

The Committee's findings are recorded in a report presented to Parliament. Even though the Committee is not an executive body and its opinions and findings are only recommendatory, Government examines each of its recommendations with a view to implementing them and report back to the Committee the action taken when the following year's accounts come up for examination.

29.2 The Estimates Committee:

The functions of the Committee are to suggest alternative policies, in order to bring about efficiency and economy in administration. To suggest the form in which the estimates shall be presented to Parliament; to suggest improvements etc.

The Committee consists of not more than thirty members to be elected by the Lok Sabha every year from amongst its members. The terms of office of members of the Committee shall not exceed one year.

The Committee may continue the examination of the estimates from time-to-time throughout the financial year. The demands for grants may be finally voted notwithstanding the fact that the Committee has made no report.

29.3 Parliamentary Financial Control:

i). Annual Budget:

Under Article 112 of the Constitution, a statement of the estimated annual receipts and expenditure whether on Capital account or on Revenue account of the Railways, commonly known as the ' Budget', is laid before both the Houses of Parliament by the Minister for Railways. The proposed expenditure included in the Budget may be (i) Voted, or (ii) Charged.

The voted exp. includes the items for which the provision of funds is subject to the vote of the Lok Sabha, while funds for the charged exp. are sanctioned by the President and are not to be submitted to the vote of Parliament. The Railway Budget is submitted in the form of " Demands for Grants ", the vote of Parliament, being necessary only for the " Votable " expenditure. The Parliament, of course, has the power to assent, or to refuse to assent, to any demand or to assent to any demand subject to a reduction of the amount specified therein.

Cut Motions are the proposals for cuts in the individual demands or for omission of individual demands. A motion may be moved in the Lok Sabha to reduce the amount of a Demand in any of the following Ways:

"That the amount of the Demand be reduced to Re. 1 ", as representing disapproval of the policy underlying the Demand- " Disapproval of Policy Cut ".

"That the amount of the Demand be reduced by a specified amount" representing the economy that can be effected-" Economy Cut ".

"That the amount of the Demand be reduced by Rs. 100 " in order to ventilate a specific grievance-a "Token Cut"

ii). Questions in the Lok Sabha and the Rajya Sabha:

Any Member of Parliament may ask a question for the purpose of obtaining information on a matter of public importance. Questions are of various kinds, viz.

(a) Questions with the usual minimum notice of 10 days. These may be (i)"starred" , i.e., questions for oral answers, or (ii) " unstarred " . i.e., replies to which are laid on the Table of the House

(b) Short notice questions: A short notice question, relating to a matter of public importance, may be asked with shorter notice than the usual minimum notice of 10 clear days

Discussion on urgent matters:

Discussion on a definite matter of urgent public importance may be sought by a Member through an Adjournment Motion or a Calling Attention Notice

- Adjournment motion: A motion for adjournment of the business of the Lok Sabha for the purpose of discussing a definite matter of public importance may be made with the consent of the Speaker.
- Calling Attention Notice: A Member may give notice calling the attention of the Minister to any matter of urgent public importance, with the permission of the Speaker/Chairman

References from Members of Parliament:

Letters are often addressed by Members of Parliament to the Ministers, Members of the Railway Board, General Managers and Heads of Departments in connection with public or staff complaints, etc. The reply should be issued in each case over the signature of the addressee personally.

iii). Appropriation Accounts:

- Parliamentary financial control is secured not only by the fact that all expenditure must receive approval of Parliament, but also by the *system of reporting back* to it, through PAC.
- Appropriation Accounts are the statements prepared for presenting to PAC, after scrutiny by Audit comparing the actual expenditure with the amounts of grants voted by Parliament (Voted) / appropriations sanctioned by President (Charged)
- Appropriation Accounts are to be prepared in form # F.403 for each Demand, Sub-head wise. Figures should be in 000'Rs.
- Explanation to the Variations
- Should be furnished to the variation between OG and AE; Variation between FG and AE should be indicated.
- Amounts, relating to several causes be mentioned separately
- Causes may be derived from the PU-wise analysis statements prepared for the purpose
- If the variation under Revenue is not more than 5% of the grant or Rs.50 lakhs; and under D#16, 10% or Rs.100 lakhs, no explanation need be furnished.
- Explanation shall be furnished to all important variations of compensating nature with in each sub-head of a grant, even though net variation under the sub-head as a whole is small
- Subsidiary Statements and Accounts: The appropriation accounts should be supported by a Block account, Capital statement, a Balance sheet and a Profit & Loss account of the railway

DRF account, DF account, Pension Fund account, Stores account (annual statement of stores transactions, results of stock verification and revaluation) are also to be furnished

Percentage of Working expenses to Earnings- Operating ratio also be submitted comparing with that of previous year

Statement of Credit to Capital for retired assets, review of works program, certificate of sanctioned expenditure (Excepting those included in the unsanctioned expenditure) be furnished.

- Appropriation Accounts –Annexures

Annexure A	Expenditure held under objection
Annexure B	Under charges detected
Annexure C	Remissions/ abandonment of claims
Annexure D	Expenditure on OL works& new const.
Annexure E	Rev. & Cap. Exp. of strategic lines
Annexure F	Estimated & actual Cr./ Recoveries
Annexure G	Block A/C, B/Sheet, P&L Acct.
Annexure H	Losses
Annexure I	Irregular Re-appropriations
Annexure J	Misclassifications & mistakes detected
Annexure K	Defects in Budget estimation & COE

- Annexure K-Defects in Budgeting:Excess projection of funds in Budget Reviews without taking into consideration various factors influencing the requirement of funds; Rectification of mistakes, clearance of suspense balances not considered; Non-surrender of funds.
- Annexure J-Mistakes and Misclassification in Accounts:Between Miscellaneous Expenditure and other Revenue Grants and Grant No.16; With in Revenue Grants (Working Expenses); Due to booking under Revenue Grants instead of Works

Grant; Due to booking under Works Grant instead of Revenue Grants; Between Voted and Charged Expenditure; Within different sources of Works Grant

Mistakes in Revenue Grants. Mistakes in Works Grant. Mistakes between Revenue Grants/Works Grant No.16 and Earnings. Mistakes between Revenue Grants/Works Grant No.16 and Deposits&Miscellaneous Mistakes.

30.0 Allocation Rules

30.1 General Principles of Allocation:

'Allocation' of expenditure implies identifying its source of Finance and should be distinguished from 'classification' which deals with the detailed heads of account under which expenditure is recorded in the accounting books of the Railway. Railway expenditure is financed from (loan) Capital provided by the General Revenues, Railway Funds and Current Revenues. Accordingly, the expenditure is allocated to

- (i) Capital
- (ii) the Depreciation Reserve Fund
- (iii) the Development Fund,
- (iv) the Accident Compensation, Safety and Passenger Amenities Fund
- (v) Open Line Works (Revenue)
- (vi) Ordinary Revenue.

The detailed classification of

- (a) the expenditure chargeable to Ordinary Revenue is given in Appendix I
- (b) Capital and other Works Expenditure chargeable to Depreciation Reserve Fund,

The general principles on which railway expenditure should be allocated between the six sources of finance mentioned in the preceding paragraph are described in paras 703 to 715 below. These principles are based on the recommendations of the Railway Convention Committee, 1949, as amended from time to time by successive Convention Committees.

i) Capital bears ---

- the cost of land as defined in paragraph 717 except in cases provided in paragraphs 718 and 719 ;
- the first cost of constructions and equipment of
 - new lines including strategic lines, whether remunerative or unremunerative
 - new production units;
- the cost of maintaining a section of the line not opened for working;
- the cost of any additions to the line or equipment of the line estimated to cost more than the new minor works limit, as defined in paragraph 734, when it is not chargeable to Development Fund or Accident Compensation, Safety and Passenger Amenities Fund or Open Line Works-Revenue;
- the full cost of replacement of an asset where the original cost was charged to Revenue, being within the new minor works limit, but is now more than **Rs.1 lakh** provided it is not chargeable to Development Fund, Open Line Works-Revenue;3
- the cost estimated to exceed the New Minor Works limit, of any additional plant and machinery not connected with any specific work; and
- the cost of any tools and plant specifically purchased, and of any posts specially created for the supervision or construction of a work, in accordance with the provisions of paragraph 776.

ii) Capital is credited with:

- the cost at debit of Capital of an asset (other than land) which is abandoned or disposed of without being replaced.
- the sale proceeds of any land acquired at the cost of Capital when it is sold or surrendered;
- the difference between the cost at debit of Capital of a replaced asset (other than an asset mentioned in item (5) below) and the cost of replacement, when the cost of replacement is chargeable to the Depreciation Reserve Fund ,(vide paragraph 755) and is less than the cost at debit of Capital;
- the cost of labour originally incurred in laying the assets or parts thereof, when such items are subsequently transferred for use on a new work;
- the original cost at debit of Capital (estimated if not known) of an asset (falling within the categories mentioned in Note 2 to paragraph 711) replaced at the cost of the Depreciation Reserve Fund;. and
- the original cost at debit of Capital (estimated if not known) of an asset replaced at the cost of Open line Works-Revenue;

iv) Ordinary Revenue bears:

- all charges for maintenance and repairs after opening of the line for traffic, other than charges of the nature detailed its paragraph 727, including the current expenses of conducting the business of a railway, e. g., pay, allowances, etc., of establishment employed on the open line
- the contribution made to the Depreciation Reserve Fund under paragraph 710 to meet the cost of replacement and renewals of assets chargeable to Capital or Development Fund or Accident Compensation, Safety and Passenger Amenities Fund;
- the cost of such replacements and renewals as are not chargeable to the Depreciation Reserve Fund or the Development Fund or Open Line Woks-Revenue under paragraphs 758, 711 and 707, respectively;
- the cost of labour originally incurred in laying the assets or parts thereof at the cost of Capital, when such items are subsequently transferred for use on a new work;
- the cost of additional pitching stone laid in training works and protective works after the completion of such works; and
- The cost of procurement on additional account of small items of equipment, including medical equipments apparatus, appliances including instruments and accessories for Railway Hospitals and Dispensaries as also the cost of replacement of these items provided the cost does not exceed Rs.3 lakh per item. These powers should be exercised with great circumspection and justification for the purchase thoroughly examined so as not to place an undue burden on ordinary Revenue. In cases where (i) cost of an item of medical equipment exceeds Rs.20,000/- and (ii) cost of an item other than medical equipment exceeds Rs.10,000/- the powers should not be re-delegated below the level of Heads of Departments, who should exercise them in consultation with their Financial Advisers.

Ordinary Revenue is credited with the value of material released from works charged to Revenue (ordinary repairs and maintenance) and the amount realized from the disposal of an asset the original cost of which is Rs. 5,000 or less, after deducting the incidental charges, e.g., the cost of dismantling, handling and shifting, including freight to stores depot.

v) Open Line Works-Revenue bears:

- the cost of works, other than those relating to amenities for passengers and other railway users, and works allocable to Accident Compensation , Safety and Passenger Amenities Fund, whether new, additions, improvements or replacements and renewals falling within the new minor works limit as defined in paragraph 734;
- the cost of unremunerative works for improvement of operational efficiency costing not more than **Rs.10 lakh** each
- The cost of such replacement and renewals as are not chargeable to capital or the Depreciation Reserve Fund or the Development Fund or ordinary revenue provided the cost of such replacements does not exceed Rs.10 lakh.
- the cost of dismantling, handling and shifting, including freight to stores depot in respect of works mentioned above
- the expenditure on investments in the share capital of Railway men's Consumer Co-operative Societies up to Rs. 2,500 per Society.

30.2 Open Line Works:

Revenue is credited with the amount realized from the disposal of an asset without being replaced the original cost of which has been charged to Open Line Works-Revenue and the amount realized from disposal of Materials released from a work replaced at the cost of Open Line Works-Revenue.

a). Depreciation Reserve Fund bears:

- the cost of replacements and renewals including the cost of dismantling, handling and shifting including freight to stores depot
- the cost of replacement of ballast involving improved type of ballast
- the original cost (cost at debit of capital) of an asset other than land, estimated if not known, replaced at the cost of Open Line Works-Revenue;
- the cost at debit of capital or Development Fund of an asset (other than land) which is abandoned or disposed of without being replaced.
- all expenditure incurred on modernization of Rolling Stock
- the cost of tools and plant specially purchased, and of any posts specially created, for the supervision or construction of a work.

: b). Depreciation Reserve Fund is credited with

- the amount contributed annually from the Railway Revenues;
- the amount realized from the disposal of an asset the original cost of which is more than Rs. 5,000 and the amount realized from the disposal of materials released from a work replaced at the cost of the Depreciation Reserve Fund; and
- the amount of interest earned on the balance of the Fund.

Development Fund bears:

- the cost of new works relating to amenities for passengers and other railway users irrespective of any monetary limit.
- the full cost of replacement of a work where the original cost was charged to revenue, being within the new minor works limit;
- the cost of all new labour welfare works estimated to cost individually above Rs.1 lakh.
- the entire cost of works costing more than Rs.10 lakh each which are necessary, but unremunerative, for improvement of operational efficiency including addition to existing or new works
- the cost of any tools and plant specifically purchased and of any posts specially created for the supervision or construction of a work
- the original cost at debit of Capital, estimated if not known, of an asset replaced at the cost of the Depreciation Reserve Fund.

The Development Fund is credited with:

- the amount transferred to it from the Revenue Reserve Fund;
- the amounts appropriated to it each year from the surplus or otherwise .
- the cost at debit of the Development Fund of an asset which is abandoned or disposed of without being replaced;
- the difference between the cost at debit of the Development Fund of a replaced asset and the cost of its replacement, when the cost of replacement is chargeable to the Depreciation Reserve Fund and is less than the cost at debit of the Development Fund; and
- the amount of interest earned on the balance of the Fund.

If a work or scheme consists of several categories, some relating to amenities for passengers and other railway users or labour welfare and other to operative improvements, remunerative or unremunerative, the allocation should be considered with reference to the work or the scheme as a whole, except that the cost of such item or items of the work or scheme as can be identified to be of the category of amenities for passengers and other railway users should be charged to the Development Fund.

The Accident Compensation, Safety and Passenger Amenities Fund bears-

- liability on account of compensation payment in respect of passengers involved in railway accidents ;
- expenditure on the following specified items of safety works:
 - track circuiting or axle counters (including the cost of new wooden sleepers).
 - automatic warning system,
 - vigilance control device,
 - provision of lifting barriers at level crossings,
 - Interlocking of level crossing gates with signals,
 - provision of scotch light of reflective materials on sighting/warning boards,
 - road over/under bridge in lieu of land crossings,

- foot over bridge/foot under bridge across yards,
- manning/upgrading unmanned level crossings which as specifically approved by the Board are potential hazards to passenger traffic,
- Deleted (Authority Railway Board's letter No. F (X)II-B-88/ALC/2 dated 23.10.1990).
- provision of additional foot over-bridges, improvement and covering of existing foot over-bridges or subways within station premises to connect platforms or Users,
- provision of telephones and warning bells at level crossings.
- provision of second approach signals on trunk/high speed routes, and
- such other items as may be added from time to time ; and
- expenditure on the following specified items of passenger amenity and allied works
 - provision of goods platforms and covers over goods platforms,
 - train indicator boards at important stations of suburban and non-suburban sections
 - rest shelters for licensed porters,
 - provision of closed circuit television for giving visual display, and
 - raising, extending, widening, surfacing, covering or other improvements in platforms at stations and
 - such other items as may be added from time to time

The Accident Compensation, Safety and Passenger Amenities Fund is credited with:

- receipts from the surcharge on passenger traffic (levied with effect from 1st January, 1974) to cover the expenditure chargeable to the Fund;
- cost at the debit of this Fund of an asset which is abandoned or disposed of' without being replaced;
- the difference between the cost at debit of this Fund of a replaced asset where the chargeable to the Depreciation Reserve Fund (vide paragraph 754) is less than the cost of the replaced asset; and
- the amount of interest earned on the balance of the Fund.

The following detailed rules regulate the allocation of expenditure in particular cases and are intended to be illustrative of the application of the basic principles in practice.

Land:

Land taken up permanently, whether for Capital, Development Fund or Revenue purposes of the railway is charged irrespective of cost to Capital All charges incidental to the acquisition of land are included in the cost of land.

The cost of land provided free to subsidized railways is debited to the minor head "Subsidized Companies" under major head 345-Indian Railways Policy Formulation, Direction, Research and other Miscellaneous Organisations. No readjustment to capital is allowed after such a railway is purchased by Government.

The cost of land required for the acquisition of materials by quarrying, mining, boring, or other operation; and payments for royalty, mining rights, etc., connected with the same, is dealt with as part of the cost of the manufacturing operations or charged off finally to the work concerned.

Rent or other miscellaneous charges in connection with the hire of land,(e.g., the compensation payable for land acquired temporarily under Section 35 of the Land Acquisition Act of 1894) are charged to the work concerned

The cost of filling up borrow pits as a conservancy measure is chargeable to Revenue. When the filling up of borrow pits is necessitated by the construction of a new work, the cost of filling up should be allocated to the work concerned.

When land, originally acquired at the cost of capital, is sold or surrendered, the sale proceeds are in all cases credited to Capital.

When land is lost through erosion, its cost is written back from Capital to Revenue. If the land so washed away subsequently reforms and is used by the Railway, the adjustment originally made between Capital and Revenue is reversed.

Surveys:

The expenditure incurred on a survey project is in the first instance charged to the head "345-A or B-Indian Railways Policy Formulation, Direction Research and other Miscellaneous Organizations" and when the construction of the project is completed it is transferred to the project concerned, irrespective of the year in which the expenditure was originally incurred.

New lines:

The allocation of expenditure on new lines after the date of opening, but before the closing of the completion estimate

The cost of completing works which were incomplete on the date of opening and of works which, though commenced after that date may properly be considered as forming essential parts of first equipment, is charged to Capital.

During the period for which such works remain incomplete, the cost of their maintenance, replacement or renewal is also charged to Capital, provided the maintenance, replacement or renewal becomes necessary directly out of their incomplete state.

The cost of maintenance of works which were complete on the date of opening is charged to Revenue. The cost of their replacement or renewal is allocated to Depreciation Reserve Fund or Open Line Works -Revenue according to the provisions of paragraph 754 et seq. For the purpose of this rule a work is considered to be "complete" only when, for the first time, it conforms in all respects to its accepted specification.

A few instances are given below to elucidate further the principles enunciated in paragraphs 726 to 728.

Cess repairs and earthwork for banks undertaken immediately after the opening of a line, while the construction estimate is still open may be regarded as works necessary to complete the bank, chargeable to Construction Estimate and debitable to Capital.

Ballast and permanent way are regarded as "complete" when they are laid to the accepted specification and any subsequent packing or other work that becomes necessary after opening of the line should be charged to Revenue.

Repairs to bridge bed blocks, training works, protective works, mile-stones, engine sheds, water columns and quarters which have been completed to specification, and are capable of being put to the use for which they were intended, are chargeable to Revenue irrespective of whether they were actually so used or not. If works were not complete as defined above, the cost of repair is chargeable to Capital.

Lines partially opened for traffic:

Subject to the provisions of Rule 727 in regard to the maintenance of incomplete works, the maintenance charges of a line, or a portion of a line which has been opened for traffic but the maintenance of which continues to be supervised by construction staff should be allocated as follows. Such of the charges as can be identified as directly allocable to the line or portion of the line opened for traffic should be debited to Revenue. The cost of supervising and miscellaneous staff and other miscellaneous expenditure, which is not so identifiable, should be distributed between Capital and Revenue in the ratio which the total Capital expenditure, both on opened and unopened portion of the line, bears to Revenue expenditure on the portion opened to traffic plus Revenue earnings of that portion. So far as the maintenance of permanent way is concerned, the debit to Revenue in respect of expenditure not so identifiable, may be arrived at on an estimated basis having regard to the expenditure on the maintenance of a line similarly located.

31.0 Stock Verification

Stores in stock represent cash. As large number of stores are received, stocked and issued, possibilities of irregularities is not ruled out. To arrive at the true position of stocks both in regard to quality and quantity, stock taking (verification) or back check on the correct receipt and issue of stores by the wards is necessary. Stocktaking is the process of physical checking through counting, weighing and measuring the entire range of items in stocks, recording and analyzing the results in a systematic manner and correcting the records.

31.1 Main objects of verification is to ensure:

- the materials in stock accord with the description and specification in numerical ledger
- actual balance of such stocks agree with the balance appearing in books
- excesses or deficiencies, if any noticed during such verifications are investigated and accounted for
- to disclose fraud, theft or loss or even to foresee the possibility thereof
- to minimize pilferage and deterioration
- to serve as a moral check on staff connected with storehouse operation

The size and number of discrepancies revealed by stock taking is a good index of efficiency of storehouse operation, store keeping methods, control procedures and so on. Larger the volume of discrepancies, more serious is the lack of procedures or laxity in observing them.

31.2 There are two types of stock taking:

a) Periodic stocktaking:

Here the whole stock is verified at the close of a period-usually the accounting year. As storehouse operation has to be suspended during the stock taking, it hinders with the operation/productivity activity and since discrepancies are detected only towards the end of the accounting year, no through investigation is possible and defeats the purpose.

b) Continuous or perpetual stocktaking:

Here stocktaking is carried throughout the year in accordance with a predetermined and approved programme so that each item is verified as often as is laid down. In continuous or perpetual stock taking the high value (usage) items are verified more number of times in a year than items with a low annual usage value. In Railways, the specified *frequency of stocking in stores depots is as following:*

- | | |
|--|--------------------|
| 1.A cat items | - once in 6 months |
| 2.B cat items | - once in a year |
| 3.C cat items | - once in 2 years |
| 4.D items | - once in a year |
| all items, which have had
no issues for 12 months
and over | |
| 5.Imprest stores with
Imprest holders | - once in 2 years |
| 6.Material at site account
all charged off stores | - once in a year |
| 7.T&P with depot | - once in 3 years |
| 8.Printing press and
printed forms | - once in 3 years |

31.3 Agency for stock taking:

Stock taking staff-verifiers, inspectors and so on are usually attached to accounts department, and they must be independent. Other than accounts stock verifiers, stores department also nominates verifiers to check stocks internally as a back check. Vigilance and other competent authorities also do surprise checks. Stock verifiers attached to respective units work under the supervision of Inspector of Stores Accounts, who is responsible to the Stores Accounts Officer for the proper conduct of the business relating to stock verification.

31.4 Verification or stock taking:

On being posted to the depot, stock verifier consults and announces the programme to the ward keeper of the group/item that is to be taken up for verification. After the necessary particulars are entered on the field book, and he is satisfied that the nomenclature, classification of the group and units for stock are in accordance with the published price list (he may sought assistance of the consuming department in case of doubt) he will begin to verify each particular item of stock in detail. Any wrong classification of the group of stores, or unauthorized stocks of the stores held by any officer or subordinate or any item of stores which is surplus or for which there has been no demand for over a year are noted and included in the narrative report of the verification. The stock found by count or measurement or weighment are noted in the field book and initials of the ward keeper, and also a certificate from the ward keeper that all stores pertaining to that group have been correctly presented for verification is obtained. Any large discrepancies found between the ledgers or the records and the actual count balance is investigated immediately and a detailed report submitted thereon. At the conclusion of the verification of a group of stores, the stock

verifier submits a completion report (S.3251) in manuscript. After the actual figures of an item of stores have been ascertained and accepted by the ward keeper, the physical stock verified by the stock verifier is shown on the field book and a stock sheet is prepared (S.1260) in triplicate on carbon process. If there is no difference the remark Stock Verified Correct and for differences Excess or Shortage In Stock is printed on the stock sheet prepared. Stock verifier adjusts the bin card so as to tally with ground stock as per verification and one copy is sent to EDPM for adjusting the price ledger as well as printing out the stock sheets. This adjustment is debited/credited to stock adjustment. Stock verifier also particularly examines and reports if proper arrangements exist for the safe custody and proper storage of material against unnecessary deterioration from the weather or loss from any other cause. In order to ensure that any stocks on the books are not overlooked, a survey of large depots and yards is made to see that all materials lying about stacked or unstacked is properly accounted for in the books. If there is any material in stock for which no ledger card exists, it is examined and steps taken to promptly account for. The procedure in force in the Stores departments regarding the receipt, issue and account of stores is also examined with a view to ascertain if orders in force from time to time with regard to these matters are strictly observed. Furniture, articles of tools and plant with certain subordinates are not verified by count and only yearly balance returns are examined. In some cases stock verifier come across a stock of items on a date subsequent to their verification of that particular item. Quantities thus found are entered on a separate page of the field book, and a reference in the two pages of the field book dealing with the item is recorded and the item is verified afresh.

31.5 Stock sheets (S.1260):

The stock verifier prepares stock sheets in triplicate by carbon process and are serially numbered for each unified group of stores and in case of other verification for each account Stock sheets for different categories and qualities are clearly marked, entries are made from one side only, entries for every article found in stock are made and all columns are filled in. The stock verifier and the custodian sign each stock sheet. As a check on the disposal of stock sheets, the authorized inspector maintain a manuscript register in form S.3261 called Register of Stock Sheets, and a copy is sent to Depot Officer for explaining the discrepancy. On return, after explanation by the Depot officer, are scrutinized to see that every discrepancy has been explained. *Accounts notes (S.3266) will be issued for further explanation to remarks that are unsatisfactory.*

Disposal of Stock Sheets: On receipt, it is handed over to the custodian, if discrepancies are above normal, for investigation into the facts, leading to the discrepancy. Stock sheets are supposed to be cleared within 3 months, as the delay in disposal affects the clearance of the Stock Adjustment Account balance every 6 months, the disposal is watched at HOD level. While explaining the discrepancies it

should be ensured that

1. remarks represent facts
2. explanations are clear, intelligible and definite
3. remarks against each discrepancy are self-contained. The explanation submitted by the custodian is scrutinized and discrepancies revealed in the stock sheets are to be accepted/recommended for acceptance by the competent authority on its merits by the depot officer, as per SOP.
4. finally it is to be accepted by Accounts Department

Cost of articles found missing due to neglect is invariably recovered from the staff responsible. Discrepancies up to Rs.5000/- (enhanced up to Rs.10000/- in respect of adjustments due to fluctuations in market rates) for each individual case are accepted by HOD and up to Rs.3000/- by JAG Officer, provided that the discrepancies are not due to gross negligence, carelessness or dishonesty of any Railway servant and are due to different methods of measurement adopted by stock verifier and stores department. In case of losses due to dishonesty, negligence or carelessness on any Railway employee and where it is not possible to effect the recovery of the stores/sums from the employees concerned, Sr/Jr scale Officer up to Rs.100/-, JAG up to Rs.500/- and SAG up to Rs.2000/- can write off such losses.

32.0 Delegation of Powers (Provisions Requiring GM's Personal Sanction/Approval)

32.1 Establishment Matters- Gazetted

- a) Posting and transfers of SAG Officers, Selection Grade and JA Grade Officers.
- b) To appoint a Senior Scale Officer to officiate in JA grade post on adhoc basis, a class III employee on adhoc basis in Class II, a Class II Officer to officiate in Sr.Scale on adhoc basis, a junior Scale Class I Officer to officiate in Senior Scale on adhoc or regular basis and to make regular promotion to Class II on the basis of a Panel.
- c) Sanctioning of all types of leave to Principal HODs and sanctioning of all types of leave for more than 15 days to SA Grade Officers.
- d) Forwarding representations of SA Grade Officers addressed to Railway Board.
- e) Nomination of SA Grade Officers for deputation.
- f) Gratuity-Grant of Compassionate Gratuity in accordance with the rules to Officers in Administrative Grades. (Rule 1510/RI)
- g) Withholding of Government contributory or special contribution to PF or Gratuity subject to the conditions laid down in the rules for Officers in Administrative Grades. [Rule No.1314 (4) – RI-1341 RI]
- h) Permission to prefer appeal against acquittal of any person by a Court of Law for Officers in Administrative Grades.
- i) DAR cases of gazetted officers as laid down under extant orders. (Authority: Board's letter No.E(D&A)92/RG6-151 dt.6.11.97)
- j) Approval of selection proceedings of Group 'C' to Group 'B' upto senior scale. (Authority: Indian Railway Establishment Code, Vol.I(1985 Edn.)- Para 210)
- k) To accept resignation of officers upto senior scale and voluntary retirement of Group 'B' Officers.(Authority: Item No. 8 of GM's delegation. Board's letter No.E(P&A)1-77/RT/48 dt.9.11.77. Rule 302 IREC Vol.I(1985).
- l) For making dual charge arrangements in Gazetted cadre upto JAG level for maximum 6 months and SAG level for maximum 3 months. [Authority: Para 645(a) of Indian Railway Establishment Manual, Vol.I(1989 Edn.) as amended by ACS No.33]
- m) Any other cases where GM's personal sanction is required as per Board's extant orders.

32.2 Non-Gazetted

- a) Payment of interest on delayed payment of DCRG. (Authority: Para 87(2) of Railway Services (Pension)Rules, 1993.)
- b) Appointment of medically unfitted candidates belonging to SC/ST communities against categories for which they are found medically fit against shortfall. (Authority: Board's letter No. 84- E(SCT)25/4 dt.7.11.85)
- c) Engagement of wards of casual labourers with temporary status who die in harness. (Authority: Board's letter No.E(NG)II/84/CL/28 dt.31.12.86.)

- d) Appointment on compassionate grounds to married daughters. (Authority: Board's letter No.E(NG)II/85/RC-1/10 dt.13.8.87)
- e) To relax two years service in the immediate lower grade for promotion of staff except in running categories. (Authority: Board's letter No.E(NG)I- 94/PM 1/17 (RBE No.96/94) dt.11.11.94).
- f) For creation of non-gazetted posts for maintenance and operation of new assets. (Authority: Board's letter No.E(G)/98EC2/3 dt.3.8.98.)
- g) Condonation of irregularities regarding issue of Privilege Passes/PTOs as enumerated under Annexure 'C' of Railway Servants (Pass)Rules, 1986.
- h) Any other cases where GM's personal sanction is required as per Board's extant orders.

32.3 Other Than Establishment Matters

- a) Price preference in indigenous stores over import stores in excess of 25%. (Authority: Board's letter No.86/F(Fex)8/W/19 dt.28/29.8.86 & 9/15.1.87 Annexures-248 & 249)
- b) Waiver of wholly or partially of the recovery of the departmental charges. (Authority: Para 1137&1138 of Engg. Code.)
- c) Expenditure in foreign exchange upto Rs.2 crores against contracts concluded by Zonal Railways. (Authority: Board's letter No.73/F(EX)24/DP/13/Part.II of 4.12.1973 & Annexure 104 & 82/F(F.EX)/1/1 dt.12.1.1986-Annexure 252.)
- d) Ex-gratia payments to persons killed in Railway Accidents covered by Sec.124-A of Indian Railways Act 1980. (Authority: Board's letter No.93/TC.III/122/1/Ex-gratia dt.14.7.97.)
- e) Out of turn sanction of works (Authority: Item No. 39[b] of GM's delegation.)
- f) Air lifting of consignments in import contracts. (Authority: Board's letter No.74/F(EX)/1 dt.21.12.1976 & 76/F(EX)2/3/Vol.II dt.27.11.1976 Annexures 113 & 114.)
- g) Nomination of arbitrators. (Authority: Item No.36 of GM's delegation.)
- h) Final location survey chargeable to preliminary expenditure of the work. (Authority: Item No.40(3) of GM's delegation.)
- i) Material modification to sanctioned estimates costing more than Rs.50 lakhs but less than Rs.1.5 Cr. (Authority: Item No.49 of GM's delegation.)
- j) To permit a railway servant to travel by air. (Authority: Item No.22 of GM's delegation.)
- k) Single Tender other than for restoration in terms of 6A(iv) (c) of Part 'A' of Works Matters. Authority: Board's letter Nos.93/W2/PQR/SE/4/Pt. Dt.26.9.96 & 97/CE-I/CT/32 dt.27.8.97)
- l) Payment through Letter of Credit (L/C). (Authority: Board's letter No.77/RSF/794 dt.5.8.1982 Annexure 106)
- m) Incurring of expenditure in engaging/obtaining consultancy services from outside bodies. Item No.30 (b) of GM's Delegation. (Authority: Board's letter No.F(X)II-2006/PW/3 dt.27.02.2006 & F(X)II- 2006/PW/17 dt.18.10.2006)

- n) To accord technical sanction to the detailed estimates of the works included in the budget costing between Rs.50 Crores and Rs.100 Crores. (Authority: Item No. 40(i)(a) Note (ii) of GM's delegation & Board's letter No. F(X)II-2006/PW/17 dated 04.12.2006)
- o) Licensing of Railway land. (Authority: 83/W2/LM/18/87 dt.3.3.87 & 29.8.95)
- p) Any other cases where GM's personal sanction is required as per Board's extant orders.

To sanction Electronic in- motion weigh bridges upto a value of Rs.15 lakhs with personal concurrence of FA&CAO. Authority: Railway Board's letter No. 2002/M (M&P)/814/1 dt. 14.10.2004)

33.0 M & P, Rolling Stock And Works Programme

33.1 Rolling stock programme:

Rolling Stock Programme is prepared for

- a) Procurement of all types of Rolling Stock
- b) Procurement of Capital Spares for Rolling Stock.
- c) Major modifications to be undertaken Rolling Stock

RSP plays vital role in the replacement of over aged/condemned rolling stock and procurement of additional rolling stock.

Annual rolling stock programme is a follow up of the Five Year Plans. Formulated for the Indian Railways in respect of acquisition of rolling stock. Provision for new rolling stock in the annual rolling stock programme is made at least three years in advance in the case of locomotives and two years advance in the case of wagons and carriages to match the requirement in each year of the plan period and to provide lead time in arranging supply of imported and indigenous items of components for manufacturing of rolling stock. The provisions required to be made in the rolling stock programme on replacement account is arrived at by projecting the likely condemnation the period for which the plan is made.

Similar to Works Programme, Rolling Stock Programme is prepared and submitted at two stages i.e. Preliminary Rolling Stock Programme & Final Rolling Stock Programme, Final Rolling Stock Programme is submitted to Railway Board by the 15th January each year, giving reasons and justification for each item included in the programme. After discussion with the General Managers of Zonal Railways & Pus, Railway Board decides the items to be dropped and included in the Final RSP. Based on the results of discussion, the individual Railways have to submit the Final RSP, CWE is the coordinating officer for the compilation and submission of Rolling Stock Programme, based on the proposals received from various units/departments, to Railway Board. RSP generally covers the new, acquisitions & programmed deliveries related to Rolling Stock. Rehabilitation, modifications, retro, fitment etc., Required on the carriages, wagons, locomotives. are covered through RSP.

33.2 M & P Programme:

Machinery & Plant required on additional as well as replacement can be demanded through M&P Programme, which is to be submitted by the various field units

to HQ office for further submission to Railway Board. M&P Programme is prepared every year with one year advance requirement. Additional requirements are procured under Capital, DF, OLWR & ACSPF.

CME/Planning is the nodal officer for compilation & submission of M&P Programme received from various units/departments, to Railway Board. M&P proposals received from various units are categorized into two groups i.e. above Rs.101 lakhs & below Rs. 10 lakh, M&P Proposals costing above Rs. 101 lakhs and proposals of the road vehicles are sent to Railway Board in the month of October each year after finance concurrence. Railway Board decides the sanction of proposals after discussion with zonal railways. M&P items costing Rs, 2.5 crores and above are appeared in Railway Board pink book and below 2.5 crores items are appeared in LAW Book, A separate list of M&P items sanctioned by Railway Board is circulated to all zonal railways, PUs and other offices in the month of April/May.

CME/Planning is empowered to sanction the M&P proposals costing below Rs.5 lakhs and items costing between Rs. 5 lakhs and 10 lakhs are sanctioned by CME. As per Board's latest instruction, GM has been authorized to sanction electronic in-motion weigh bridges costing up to Rs. 15 lakhs.

33.3 Works programme:

Railway board lays down the financial limits under various plan heads, within which the Railway Administration are required to make out their works, machinery and plant programme and Rolling stock programme for the following year. Divisions send proposals vetted by accounts to Head Quarter office for the works intended to improve operation and remove bottle necks etc. within the division. Major investment which benefit a zonal system are coordinated at the level of Zonal Head Quarter. Major schemes (costing above Rs. 5 crore) are submitted to Railway Board in advance for scrutiny and clearance.

Works programme is submitted to Railway Board 18 months in advance in respect of works chargeable to CAP, CF, DRF, DF, OLWR under demand no. 16. This is submitted in two stages i.e. Preliminary Works Programme(PWP) and Final Works Programme(FWP). PWP is initiated at divisional level or unit level in the month of June/July each year and submitted for following year, by the first week of September. After examining this and holding discussion with the General Managers, Railway Board decides which proposals should be undertaken in the following year. This paves the way for formulation of the Final Works Programme which is submitted at prescribed dates. This approval by the parliament reflects Railways allotment for

expenditure to be undertaken as assets, acquisition, construction & replacements The allotment is received under various plan heads e.g. New lines construction, traffic facilities, staff amenities etc. These are financed from various sources i.e. CAP, CF, DRF, DF, OLWR. The processing of proposal under Works Programme can be summarized as under Plan Heads e.g. New summarized as under

- Identification of requirement by the concerned branch officers, clearly indicating the details of scope, worksite sketch, feasibility, need, manpower reduction, introduction of new technology etc.
- Acceptance of the proposal by abstract branch officers and preparation of abstract estimate inclusive of sub-estimate; compilation of abstract estimate; obtain conceptual approval from DRM and send vetted proposals to concerned HODs or CME/Planning after finance concurrence.
- Receipt of abstract estimate with lay out plan in HQ office from various field units i.e. Workshop/Divisions/Diesel Sheds.
- Listing of all the proposals on the basis of total estimated cost in to three groups i.e. above 5crore, Rs. 1 crore to 5crore & below Rs. 1 crore.
- Putting up all proposals classified in to above mentioned three groups to HODs and PHOD.
- Administrative approval by CME after consultation with HODs.
- Separate lists For three groups of proposals as approved by CME, are sent to CE/P&D.
- Works Programme meeting is chaired by GM and attended by all PHODs for prioritizing and finalizing the proposals for PWP depending on the ceiling as prescribed by Railway Board. Normally separate meetings are held for works above Rs. 5crore and works between 1 crore to 5crore.
- Proposals approved by GM are sent to finance for concurrence.
- After finance concurrence, all proposals above Rs 1 crore are handed over to CE/P&D for inclusion in the PWP booklet for onward submission to Railway Board.
- Works Programme meeting is held in Railway Board, attended by GMs of all Zonal Railways & Production Units for finalizing the works of individual Railway.
- On the basis of works programme meeting of Railway Board and depending on the plan size (money available) under various plan heads, works are sanctioned by Railway Board and communicated through Railway Board's Pink Book. Works above Rs. 1crore are itemized and works below 1crore are shown as lump sum.
- CE/P&D nominates executing authority for carrying out individual work. As per the normal convention works costing above 1 crore and having major portion of Civil Engineering is allocated to CAO/Const. For the works costing above Rs. 1 crore, but having major portion of Mech., CME is nominated as executing authority. For works costing below Rs. 1 crore, respective DRMs are nominated as executing authorities.

- For the works below Rs.1crore, list of proposals approved by CME/CME/Planning is furnished to CE/P& D.
- Consolidated list of all plan heads is put up by CE/P&D to GM; for administrative approval.
- After GM's approval and depending on the provision made in Railway Board's pink book for all the new works below Rs. 1 crore, proposals are finally approved by the GM and published in LSWP book.

Preparation of action plan for execution by connected department; Execution of work(Co-ordination by nominated officer under whose jurisdiction work is sanctioned);
Ensuring booking of expenditure.

34.0 Audit Paras

Audit is a function derived from Constitution of India which presents a free and fair view of events. It is covered under Articles 148-151 in Constitution of India.

Railway Audit is separated from Accounts in 1929. The authority empowered to spend public money is answerable to the Parliament. A check is needed to ensure proper utilization of the fund to ensure that it serves the purpose. This check is known as Audit. Scope and extent of Audit is determined by C&AG.

- Dy. C&AG of India (Rlys.) controls Audit functions at apex level i.e., Railway Board.
- Principal Director of Audit (PDA) and his team conducts Audit of Zonal Railways

34.1 Significance of Audit:

- a) Identifies infructuous and redundant areas of expenditure
- b) Identifies pockets of loss of revenue
- c) Independent certification of accounts
- d) Enables PAC to examine the accounts of Railways

34.2 Functions of Audit:

- a) Audit of all expenditure from Consolidated Fund of India
- b) Audit of all Receipts into Consolidated Fund of India
- c) Audit of all transactions relating to Contingency Fund & Public Account
- d) Audit of all Trading, Manufacturing, P&L Account, Balance Sheets and other subsidiary accounts
- e) Audit of all accounts of Stores & stocks held
- f) Report on the transactions so audited

34.3 Methodology of Audit:

- a) Test check of vouchers
- b) Inspection of offices
- c) Check of financial sanctions
- d) Check of all orders/sanctions issued by GM & other officers
- e) Check of all receipts and payments & accounts
- f) Check of tenders & Contracts
- g) Check of procedures and systems

34.4 Object of Statutory Audit:

a) Accountancy Audit: Check the accuracy, all payments are supported by relevant vouchers.

- b) Appropriate audit: Check that expenditure and receipts are properly classified
- c) Administrative audit: To check that expenditure is according to prescribed rules

34.5 Types of Audit objections:

- a) Draft Observation Slips
- b) Part-I & II Inspection Reports
- c) Audit Notes
- d) Special Letters
- e) Draft Para and Provisional Para
- f) Audit Para
- g) Action taken notes

34.6 Disposal of Audit objections:

- a) Coordinated approach between Executive & Accounts
- b) Prompt replies at initial stage of objection
- c) Holding (bipartite or tripartite) meetings with Executive, Accounts & Audit to explain the point of view
- d) Close monitoring at higher level
- e) Monitoring through MPRs

34.7 Draft Para:

- a) Objections taken by Statutory Audit and reported to Railway administration through Special letters, factual statements etc and replies of the Railway. Thereto forms the basis for material to be included in the Annual report of the CAG through different paragraphs.
- b) Prior to inclusion of Para in the Audit Report, PDA sends draft paragraphs to the G.M, endorsing advance copies with connected correspondence simultaneously for the FA&CAO and the respective PHOD
- c) Time limit for reply to Draft para - Six weeks
- d) Care has to be taken that the information given to Audit is an authoritative statement of facts on behalf of the Railway administration so that there is no possibility of any dispute at a later stage.
- e) For this purpose, the FA&CAO should maintain close relationship with the PHOD's concerned.
- f) Reply to Draft Para must be vetted by FA &CAO.
- g) The Draft Para converts into Provisional Para/Audit Para and becomes para of the Annual Report of CAG

34.8 What happens if Audit objections are not attended?

- a) Objections at lower layers may be escalated
- b) Part I may become Special Letter ;

- c) Special Letter > Draft Para > Provisional para > Audit Para
- d) PAC obtains personal evidence of Sr. Officers like GM, Board members in important cases
- e) At ATN stage responsibility is fixed at Officers' level
Loopholes in the system will persist, if corrective steps are not taken at appropriate level

35.0 Health Benefits of Yoga and Meditation

35.1 Mental Health Benefits:

Being free of all the conditioned behavior that is driven by our egos and past experiences would be great wouldn't it? Yoga and meditation give us this 'space' between thoughts and reactions to enables us to 'respond' rather than 'react' and choose the most appropriate response; preferably one that serves us rather than having our emotions dictated to us by having other people and situations 'pushing our buttons'. The difference between those who meditate and those who don't can be described in the way a thought is 'observed' rather than 'experienced'. i.e. a meditative mind may have a thought and let it go without feeling the emotion attached to it that a non meditating mind might have. This means that those who meditate may not be at as the mercy of reactions and feelings as others and may be more able to 'let things go'. It's not all about the mind though, there are physical health benefits too.

- PHYSICAL HEALTH BENEFITS
- INCREASED IMMUNE SYSTEM

A study at the Ohio State University found that progressive muscular relaxation, when practised daily, reduced the risk of breast cancer recurrence. In another study at Ohio State, a month of relaxation exercises boosted natural killer cells in the elderly, giving them a greater resistance to tumours and to viruses.

35.2 Increased Fertility:

A study at Trakya University (Turkey) found that stress reduces sperm count and mobility, suggesting relaxation may boost male fertility. A study at the University of Western Australia found that women are more likely to conceive during periods when they are relaxed rather than stressed.

35.3 Relief From Irritable Bowel Syndrome:

The State University of New York recommends meditation as an effective treatment for IBS.

35.4 Lowered Blood Pressure:

A study at Harvard Medical School found that meditation lowered blood pressure by making the body less responsive to stress hormones. The effect was similar to that produced by medication to reduce blood pressure.

A British Medical Journal report has found that patients practicing relaxation techniques experienced significantly lower blood pressure than those not practicing.

35.5 Anti-Inflammatory Benefits:

A study at McGill University in Canada found that meditation clinically improved the symptoms of psoriasis.

Researchers at Emory University in the US found that stress leads to inflammation, which is linked to heart disease, arthritis, asthma and skin conditions such as psoriasis. They also found that practicing relaxation can help prevent and treat these symptoms by 'switching off' the stress response and triggering the 'relaxation response'.

35.6 How to trigger the 'Relaxation Response'

Harvard researchers found that yoga and meditation both induced the relaxation effect with the more regular the practice the better the benefits

Try one or more of these techniques for 15 minutes once or twice a day.

(a) Body Scan: Starting with your head and working down your arms and then down the rest of your body towards your feet, notice how you feel in your body.

Notice if you feel tense, relaxed, calm or anxious.

Consciously release tension, spreading sensations of softness and relaxation to areas of your body that feel tense. Once you reach your feet, work back up your body.

(b) Breath Focus: Sit comfortably. Tune into your breath, follow the sensation of inhaling from your nose to abdomen and out again. Be conscious of the sensation of breath in your nose. With each breath release any tension. If you notice your mind wandering, that's okay, just return your attention to your breath.

(c) Mantra Repetition:

Sit quietly with eyes closed for 15 minutes twice a day, and repeating a word or sound such as "Om" in your mind. It's sometimes helpful to coordinate this with your 'out' breath.

(d) Guided Imagery:

Imagine walking through a beautiful garden, down some steps, across a stream, through a wood and into a clearing where you sit and listen to the wind in the trees, feeling the warmth of the sun on your skin. Make your image vivid, imagining texture, colour and the beautiful smell of the flowers as all your tensions melt away.