



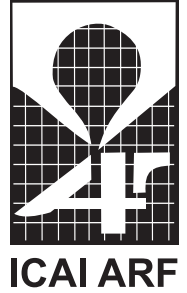
# **ACCRUAL BASED FINANCIAL STATEMENTS**

**for the year ended 31<sup>st</sup> March, 2015**



## **NORTH WESTERN RAILWAY**





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**for the year ended 31<sup>st</sup> March, 2015**

## **NORTH WESTERN RAILWAY**



**Shahzad Shah, IRAS**  
**Financial Commissioner (Railways)**



भारत सरकार  
रेल मंत्रालय, (रेलवे बोर्ड)  
रेल भवन, नई दिल्ली-110001  
GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS  
(RAILWAY BOARD)  
RAIL BHAVAN, NEW DELHI-110001



## Foreword

Financial Statements of any organization reflect the financial position and financial performance of an organization. A reading of these financial statements enables stakeholders to take key business decisions. Worldwide, there has been a conscious movement to migrate from cash based accounting to accrual based accounting, by following Generally Accepted Accounting Principles so as to reflect a "truer and fairer" view of the financial health of the organization.

Indian Railways, being a department of the Government of India, prepares its financial statements based on the form and format prescribed by the Comptroller and Auditor General of India. It largely follows the cash based system of accounting for preparing its financial statements.

In 2015, the Ministry of Railways began to fast track its ongoing initiative of Accounting Reforms with a view to improve the quality of its financial reporting. As a part of this initiative, a pilot study on introduction of accrual accounting in North Western Railway (NWR) was undertaken in association with the Accounting Research Foundation of the Institute of Chartered Accountants of India.

One of the key deliverables of the pilot study was the accrual based financial statements of NWR which included the Profit and Loss Account for the year 2014-15, Opening Balance Sheet as on 1<sup>st</sup> April 2014, Closing Balance Sheet as on 31<sup>st</sup> March 2015, Cash Flow Statement, Notes to Accounts and Significant Accounting Policies.

The methodology adopted in preparation of the accrual based financial statements involved recasting the financial statements of NWR deriving data and information from the existing accounts, with additional information on the accrual elements. Significant Accounting policies framed by an Expert Group drawn from both the Railway Board and the ICAI have been adopted as appropriate. Extensive data collection, collation and compilation exercises were undertaken at Headquarters and all the accounting field units across NWR. Relevant formats for data capture were evolved jointly and painstakingly filled in by both accounts and executive departments, even as they continued to perform existing duties.

It gives me great satisfaction to share with you the accrual based financial statements of NWR for the year ending 31<sup>st</sup> March, 2015. A reading of these Financial Statements will give the readers an insight into new aspects such as accountal of fixed assets based on a Fixed Asset Register, provision for asset based depreciation, provision for clear and



contingent liabilities, actuarial calculation of settlement liabilities etc. which were hitherto not available in the present cash based system.

Accrual based Financial Statements of NWR for the year ending 31<sup>st</sup> March 2015 owe their existence to the hard work and dedication of ICAI ARF led by CA. Atul Gupta and his team, Sh. Anil Singhal, General Manager/NWR and Sh. B.C. Meena, FA&CAO NWR and his officers and staff, who undertook the pilot study with great enthusiasm. I would take this opportunity to commend Sh. Naresh Salecha, Adviser/AR & MD who has personally steered this pilot study with undeterred enthusiasm. I also appreciate Sh. Satyendra Kaushik, Chief Project Manager/AR/NR and his team of officers for their professional contributions to these statements from the perspective of both cash based and accrual based accounting.

I am personally thankful to my colleagues Shri S. Mookerjee and Shri K. B. Nanda former Financial Commissioners for the keen interest and personal monitoring of the NWR pilot study which helped its completion within the scheduled time. I am grateful to Sh. B. N. Mohapatra, Additional Member (Finance), Shri B. B. Verma, Advisor (Accounts) and Shri Vaidiyalingam, Advisor (Finance) for their support to this project. Last but not the least I acknowledge the unfailing professional support and guidance of Sh. A. Venkateshwar, Consultant/AR Railway Board throughout the pilot study.

From the experience gained during the pilot study, I understand that rolling out Accounting Reforms on IR is going to be a challenging task. However we need to clearly identify the critical and preparatory steps which need to be taken and implement the roll out in a planned and well reviewed manner. Of course, adequate support and guidance would have to be provided by the Institute of Chartered Accountants of India and addition we will have to focus on capacity building of our human resources to make this endeavor sustainable. I am sure that together we will be able to build a robust model accounting system that will promote more efficient financial reporting and serve as a vital tool for decision making in IR.



(Shahzad Shah)



# ICAI Accounting Research Foundation

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## PREFACE

Indian Government and its various Departments maintain their accounts on cash based system of accounting. Worldwide, the accounting system is undergoing a transition with an emphasis from cash to accrual based system. To this end, and based on Twelfth Finance Commission recommendations and the guidelines issued by the Ministry of Finance, Government of India, Ministry of Railways (MoR) has taken several initiatives in the area of Accounting Reforms. In pursuance with the objective of improving financial reporting, the **Ministry of Railways** approached the Accounting Research Foundation of the Institute of Chartered Accountants of India (ICAI-ARF) *for undertaking a pilot study on introduction of accrual accounting in North Western Railway (NWR) and drawing up the accrual based financial statements of NWR for the year ended 31<sup>st</sup> March, 2015.* This step was a critical milestone towards embracing Accounting Standards and best practices followed worldwide in the sphere of financial accounting and reporting.

The Institute of Chartered Accountants of India - Accounting Research Foundation (ICAI-ARF) team studied the current accounting practices followed at North Western Railway, Jaipur and prepared the Financial Statements of NWR for the year ended 31<sup>st</sup> March, 2015 based on information provided by the Divisions, Workshops and other offices of NWR. This document comprises the Balance Sheet, Profit & Loss Account, Cash Flow Statement, Accounting policies, and notes to accounts. These Financial Statements are prepared and presented under the historical cost convention; on a going concern basis; using the accrual basis of accounting, to comply with the pronouncements of Government Accounting Standards Advisory Board (GASAB) and Accounting Standards issued by ICAI along with the rules of allocation, classification/recognition of revenues and expenditure as are relevant and applicable.

These Financial Statements have been prepared largely from the cash based "Account Current" of NWR for the year ended 31<sup>st</sup> March, 2015. Further, balances of some accounts like Depreciation Reserve Fund, Development Fund, Capital, etc., have been directly taken from the Annual Appropriation Accounts of NWR, published by Ministry of Railways, Government of India for the financial year 2014-15. The Statements are based on a mid-stream "grafting method" rather than on a primary transaction basis.

In the absence of complete information relating to various classes of fixed assets, certain assumptions have been used to compile the Fixed Assets Register and prepare the opening balance sheet. These assumptions are based on the decisions taken jointly by the ICAI-ARF team and the Indian Railways team.

Based on a comprehensive study of the existing cash based accounting in NWR, ICAI-ARF is of the opinion that periodic physical verification and valuation of fixed assets may be adopted in future phases of this initiative to lend greater credibility and authenticity to the financial statements and enable more accurate financial decision making.

The difference between the assets and liabilities was transferred to a fund with the nomenclature of 'NWR Fund' account. This account shall remain open for a period as may be decided by the Indian Railways to facilitate analysis in detail of both assets and liabilities with a view to assign a more appropriate allocation and value based on correlated and collaborated documentation and evidence in course of time.

I am confident that these accrual based Financial Statements of NWR will facilitate a more professional analysis of the current financial health of North Western Railway. ICAI-ARF looks forward to implementing the project across IR in the next phase which will enable better decision making and investment planning on one of India's largest organizations.



**(CA. M. Devaraja Reddy)**

Chairman

ICAI Accounting Research Foundation

16-December-2016



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**NORTH WESTERN RAILWAY**  
**Statement of Financial Position**  
**As on 31st March 2015**

(Figure in Rs.)

Liabilities	Schedule	As on 31st March 2015	As on 1st April 2014
<b>Equity</b>			
Capital at Charge (Loan in perpetuity)	1	6357,98,83,796	5345,46,87,813
Safety Funds	2	1578,33,16,426	1354,01,74,244
Designated Funds (Internally Generated Funds)	3	673,94,59,691	720,23,34,710
Investment Financed from Designated Fund (Internally Generated Funds)	4	5322,23,09,926	4911,51,97,310
Reserves and Surplus	5	56,39,18,202	-
<b>Non-current liabilities</b>			
Finance Lease Obligations		2056,69,08,000	2252,44,87,000
Deposits	6	742,67,84,541	754,72,32,702
Provident Fund and Other Funds	7	1113,38,60,699	1079,04,64,530
<b>Current Liabilities</b>			
Finance Lease Obligations		214,33,31,000	180,43,52,000
Employee Benefits Payable	8	178,32,14,168	163,54,03,874
Other Liabilities	9	145,10,37,137	120,47,51,214
<b>Total Liabilities</b>		<b>18439,40,23,586</b>	<b>16881,90,85,397</b>

<b>Assets</b>			
<b>Non Current assets</b>			
Fixed Assets			
Tangible Assets	10		
Gross Block		12687,09,10,356	12282,43,78,576
Less: Accumulated Depreciation		3845,17,29,358	3345,98,96,316
Net Block		8841,91,80,998	8936,44,82,260
Intangible Assets	11		
Gross Block		24,36,686	20,36,686
Less: Accumulated Amortisation		6,95,066	2,32,096
Net Block		17,41,620	18,04,590
Capital work in progress (CWIP)	12	2101,96,79,347	1330,60,90,963
Loans and advances	13	39,41,99,628	37,73,85,476
<b>Current Assets</b>			
Cash and cash equivalents	14	1914,65,09,624	1925,78,69,931
Receivables	15	183,02,27,229	152,52,29,368
Inventories	16	543,63,08,185	218,95,80,247
Other assets	17	742,80,58,930	754,80,33,730
Adjustment Accounts (Annexure C)		738,71,99,014	191,76,89,820
<b>North Western Railways Fund</b>		3333,09,19,012	3333,09,19,012
<b>Total Assets</b>		<b>18439,40,23,586</b>	<b>16881,90,85,397</b>

**NORTH WESTERN RAILWAY**  
**Statement of Financial Performance**  
**For the year ended 31st March 2015**

(Figure in Rs.)

Particulars	Schedule	As on 31st March 2015
<b>Revenue</b>		
Revenue from operations		
Coaching Earnings-Passenger	18	1651,26,45,126
Coaching Earnings- Other than passenger	19	271,08,81,490
Goods earnings	20	4914,12,11,561
Sundry Other Earnings	21	348,36,26,341
<b>Total Revenue (A)</b>		<b>7184,83,64,517</b>
<b>Expenses</b>		
Establishment Expenses	22	2083,49,74,121
Power and Fuel	23	1817,17,08,628
Repair & Maintenance - other than Stores	24	399,83,27,575
Repair & Maintenance - Stores	24	99,55,56,609
Finance Lease Charges		209,40,25,580
Operational Expenses	25	143,49,76,961
Other expenses	26	53,63,08,920
Increase/ (Decrease) in Inventories	27	(15,03,97,322)
Statutory Audit		7,95,91,000
Expnediture on Survey		74,21,105
		<b>48002493,177</b>
Profit before Depreciation and Appropriation to Funds and payment of Dividend		2384,58,71,340
Depreciation and Amortization	10, 11	499,22,96,014
Profit after Depreciation and before Appropriation to Funds		1885,35,75,326
Appropriation to Pension Fund		1246,00,00,000
Appropriation to Depreciation Reserve Fund		291,00,00,000
Dividend Paid		291,96,57,124
<b>Surplus/(Deficit) After contribution to Reserve Fund</b>		<b>56,39,18,202</b>

**NORTH WESTERN RAILWAY****Cash Flow Statement  
For the year ended 31st March 2015****(Figure in Rs.)**

<b>Particulars</b>		<b>Amount</b>
<b><u>A. Cash Flow from Operating Activities</u></b>		
Net Profit as per Profit & Loss Account		56,39,18,202
Adjustment for:		
Depreciation and Amortization	499,22,96,014	
Appropriation to Pension Fund	1246,00,00,000	
Appropriation to Depreciation Reserve Fund	291,00,00,000	
Dividend Paid	291,96,57,124	
Payment of Finance Lease Charges	209,40,25,580	2537,59,78,718
<b>Operating Profit before working capital changes</b>		2593,98,96,920
<b>Adjustment for change in working capital:</b>		
Increase/(Decrease) in Employees Benefit Payable	14,78,10,294	
Increase/(Decrease) in other current liabilities	24,62,85,923	
(Increase)/Decrease in Receivable	(30,49,97,861)	
(Increase)/Decrease in Inventories	(324,67,27,938)	
Increase/(Decrease) in Current Finance Lease Obligation	33,89,79,000	
(Increase)/Decrease in other current assets	11,99,74,800	
(Increase)/Decrease in Adjustment Accounts	(546,95,09,194)	(816,81,84,976)
<b>Net Cash Flow from Operating Activities</b>		1777,17,11,944
<b><u>B. Cash Flow from Investing Activities</u></b>		
Addition in Fixed Assets	(404,69,31,780)	
Addition in Capital Work in Progress	(771,35,88,384)	
Addition in Loans and Advances	(1,68,14,152)	
Increase in Provident Fund and other Funds	34,33,96,169	
Decrease in Deposits	(12,04,48,161)	
<b>Net Cash Flow from Investing Activities</b>		(1155,43,86,308)
<b><u>C. Cash Flow from Financing Activities</u></b>		
Increase in Capital In Charge	1012,51,95,983	
Increase in Safety Fund	224,31,42,182	
Decrease in Designated Funds (Internally Generated)	(46,28,75,019)	
Decrease in Finance Lease Obligation	(195,75,79,000)	
Dividend Paid	(291,96,57,124)	
Payment of Finance Lease Charges	(209,40,25,580)	
Appropriation to Pension Fund	(1246,00,00,000)	
Appropriation to Depreciation Reserve Fund	(291,00,00,000)	
Increase in Investment Financed from Designated Fund	410,71,12,616	
<b>Net Cash Flow from Financing Activities</b>		(632,86,85,942)
<b>Cash and Cash Equivalents (Opening Balance)</b>		1925,78,69,931
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>		(11,13,60,307)
<b>Cash and Cash Equivalents (Closing Balance)</b>		1914,65,09,624



**NORTH WESTERN RAILWAY****Schedules forming part of Financial Statements****Schedule 1 Capital at Charge (Loan in Perpetuity)**

(Figure in Rs.)

Particulars	Opening Balance as on 1st April 2014	Addition During the Year	Adjustment during the Year on account of Transfer without Financial Adjustment (TWFA)	Closing Balance as on 31st March 2015
Loan Capital	5345,46,87,813	1013,53,06,983	(1,01,11,000)	6357,98,83,796
<b>Total</b>	<b>5345,46,87,813</b>	<b>1013,53,06,983</b>	<b>(1,01,11,000)</b>	<b>6357,98,83,796</b>

**Schedule 2 Safety Funds**

(Figure in Rs.)

Particulars	Opening Balance as on 1st April 2014	Addition during the year	Closing Balance as on 31st March 2015
Special Railway Safety Fund	770,30,53,516	0	770,30,53,516
Railway Safety Fund	583,71,20,728	224,31,42,182	808,02,62,910
			-
<b>Total</b>	<b>1354,01,74,244</b>	<b>224,31,42,182</b>	<b>1578,33,16,426</b>

**Schedule 3 Designated Funds (Internally Generated Funds)**

(Figure in Rs.)

Particulars	Opening Balance as on 1st April 2014	Additions during the year	Interest earned during the year	Deduction during the year	Closing Balance as on 31st March 2015
Depreciation Reserve Fund	(117,33,07,142)	291,00,00,000	(2,44,06,584)	154,20,31,237	17,02,55,037
Pension Fund	837,56,41,852	1246,00,00,000	36,45,08,452	1463,09,45,650	656,92,04,654
<b>Total</b>	<b>720,23,34,710</b>	<b>1537,00,00,000</b>	<b>34,01,01,868</b>	<b>1617,29,76,887</b>	<b>673,94,59,691</b>

**Schedule 4 Investment Financed from Designated Fund (Internally Generated Funds)**

(Figure in Rs.)

Particulars	Opening Balance as on 1st April 2014	Additions during the year	Adjustment during the year on account of Transfer without Financial Adjustment (TWFA)	Closing Balance as on 31st March 2015
Railway Capital Fund	1823,66,81,853	161,86,00,000	-	1985,52,81,853
Depreciation Reserve Fund	2095,45,10,149	154,20,31,237	(11,91,087)	2249,53,50,299
Development Fund	938,85,33,245	94,76,72,466	-	1033,62,05,711
Open Line Works Revenue	53,54,72,063	-	-	53,54,72,063
				-
<b>Total</b>	<b>4911,51,97,310</b>	<b>410,83,03,703</b>	<b>(11,91,087)</b>	<b>5322,23,09,926</b>

**Schedule 5 Reserves and Surplus**

(Figure in Rs.)

Particulars	Opening Balance as on 1st April 2014	Additions during the year	Interest earned during the year	Deduction during the year	Closing Balance as on 31st March 2015
Surplus carried forward from P & L account	-	56,39,18,202	-	-	56,39,18,202
<b>Total</b>	<b>-</b>	<b>563918,202</b>	<b>-</b>	<b>-</b>	<b>56,39,18,202</b>

**NORTH WESTERN RAILWAY****Schedules forming part of Financial Statements****Schedule 6 Deposits**

(Figure in Rs.)

<b>Particulars</b>	<b>As on 31st March 2015</b>	<b>As on 1st April 2014</b>
Security Deposits of Subordinates	12,68,052	12,68,052
Security Deposits of Contractors & others	113,80,14,673	89,43,07,785
Contribution for work done for Private persons	519,96,46,026	645,97,48,638
Sums due to to Contractors on closed accounts	307,20,75,014	310,76,69,304
Private Companies	5,01,31,202	5,01,31,202
Miscellaneous Deposits	(203,43,50,426)	(296,58,92,279)
<b>Total</b>	<b>742,67,84,541</b>	<b>754,72,32,702</b>

**Schedule 7 Provident Fund and other Funds**

(Figure in Rs.)

<b>Particulars</b>	<b>As on 31st March 2015</b>	<b>As on 1st April 2014</b>
General Provident Fund	5,48,96,171	5,07,58,041
State Railway Provident Fund (Non-Contributory)	1100,81,07,423	1067,78,18,213
Staff Benefit Fund	7,08,57,105	6,18,88,276
<b>Total</b>	<b>1113,38,60,699</b>	<b>1079,04,64,530</b>

**Schedule 8 Employees Benefits Payable**

(Figure in Rs.)

<b>Particulars</b>	<b>Non-current</b>		<b>Current</b>	
	<b>As on 31st March 2015</b>	<b>As on 1st April 2014</b>	<b>As on 31st March 2015</b>	<b>As on 1st April 2014</b>
Salary Payable			178,32,14,168	163,54,03,874
<b>Total</b>	<b>-</b>	<b>-</b>	<b>178,32,14,168</b>	<b>163,54,03,874</b>

**Schedule 9 Other Liabilities**

(Figure in Rs.)

<b>Particulars</b>	<b>Non-current</b>		<b>Current</b>	
	<b>As on 31st March 2015</b>	<b>As on 1st April 2014</b>	<b>As on 31st March 2015</b>	<b>As on 1st April 2014</b>
Expenses Payable (Annexure A)			1,88,10,013	1,48,53,691
Advance Earnings (Annexure B)			105,26,63,356	77,58,68,179
Commercial claims pending payments			-	12,55,289
Deposit of Govt. Companies			9,90,333	9,90,333
New Pension Scheme			6,77,15,990	6,77,15,990
Unpaid Wages			1,31,39,927	1,77,21,794
Payable to contractor and Suppliers			29,77,17,518	32,63,45,938
<b>Total</b>	<b>-</b>	<b>-</b>	<b>145,10,37,137</b>	<b>120,47,51,214</b>

**NORTH WESTERN RAILWAY****Schedules forming part of Financial Statements****Schedule 10 Tangible Assets**

Particulars	Gross Block			Depreciation/Amortisation			Net Block	
	Opening Balance as on 1st April 2014	Additions/Adjustment during the year	Deduction/adjustment during the year	Gross block as on 31st March 2015	Accumulated Depreciation as on 1st April 2014	Depreciation for the year	Deduction/Adjustment	As on 31st March 2015
<b>Owned Assets</b>								
Land	80,89,54,748	32,39,68,095		113,29,22,843	-	-		113,29,22,843
Buildings	415,35,62,420	8,71,24,003		424,06,86,423	94,95,92,949	37,81,84,021		291,29,09,453
Bridge/Flyover/Tunnel/Subways	399,98,43,810	56,81,12,818		456,79,56,628	75,87,47,918	7,67,13,515		373,24,95,195
Road/Street	26,51,21,023	-		26,51,21,023	12,05,27,547	1,49,82,861		12,96,10,615
Railway Tracks	4198,06,40,269	134,92,15,388		4332,98,55,657	1458,94,06,027	221,03,17,442		2653,01,32,188
Furniture and Fixtures	13,79,44,262	85,34,214		14,64,78,476	9,31,85,196	1,07,10,830		10,38,96,026
Office Equipments	2,22,68,741	22,65,109		2,45,33,850	1,31,01,367	234,1,650		90,90,833
Vehicles	6,88,84,421	18,58,000		7,07,42,421	4,78,76,600	1,35,10,682		93,55,139
Computers and Peripherals	16,52,23,760	1,73,46,974		18,25,70,734	12,17,41,069	1,90,71,666		14,08,12,735
Locomotives	1443,84,00,000	138,88,00,000		1582,72,00,000	133,37,66,167	39,88,65,000		1409,45,68,833
Coaches	555,60,18,638	-	1,13,02,087	554,47,16,551	253,18,68,103	10,53,33,000		290,75,15,448
Plant, Machinery and Equipments - Signal	1550,38,31,838	773,87,546		1558,12,19,384	639,47,24,521	53,48,20,153		865,16,74,710
Plant, Machinery and Equipments - Telecom	121,72,68,644	6,36,37,758		128,09,06,402	39,96,72,041	7,95,63,808		80,16,70,553
Plant, Machinery and Equipments - Electrical	42,02,57,441	4,06,11,142		46,08,68,583	16,29,63,459	2,11,31,327		27,67,73,797
Plant, Machinery and Equipment - Medical	5,77,71,957	16,616		5,77,88,573	4,06,32,933	43,18,987		1,28,36,653
Plant, Machinery and Equipments - Mechanical, Civil and Others	166,67,42,963	12,89,56,205		179,56,99,168	74,71,11,447	8,56,04,102		96,29,83,619
<b>Total (A)</b>	<b>9046,27,34,936</b>	<b>405,78,33,868</b>	<b>1,13,02,087</b>	<b>9450,92,66,716</b>	<b>2830,49,17,346</b>	<b>395,54,69,044</b>	<b>-</b>	<b>6224,88,80,328</b>
<b>Leased Assets</b>								
Locomotives (Leased)	661,86,00,000	-		661,86,00,000	73,70,00,000	17,48,00,000		570,68,00,000
Coaches (Leased)	740,98,64,000	-		740,98,64,000	120,38,12,000	28,15,94,000		592,44,58,000
Wagons (Leased)	1833,31,79,640	-		1833,31,79,640	321,41,66,970	57,99,70,000		1453,90,42,670
<b>Total (B)</b>	<b>3236,16,43,640</b>	<b>-</b>	<b>-</b>	<b>3236,16,43,640</b>	<b>515,49,78,970</b>	<b>103,63,64,000</b>	<b>-</b>	<b>2617,03,00,670</b>
<b>Grand Total (A+B)</b>	<b>12282,43,78,576</b>	<b>405,78,33,868</b>	<b>1,13,02,087</b>	<b>12687,09,10,356</b>	<b>3345,98,96,316</b>	<b>499,18,33,044</b>	<b>-</b>	<b>8841,91,80,998</b>
								<b>6215,78,17,590</b>
								588,16,00,000
								620,60,52,000
								151,90,12,670
								2720,66,64,670
								8936,44,82,260

**Schedule 11 Intangible Assets**

Particulars	Gross Block			Depreciation/Amortisation			Net Block	
	Opening Balance as on 1st April 2014	Additions/Adjustment during the year	Deduction/Adjustment during the year	Gross block as on 31st March 2015	Accumulated amortization as on 1st April 2014	Amortization for the year	Deduction/Adjustment	As on 31st March 2015
<b>Software</b>								
Software	20,36,686	4,00,000	-	24,36,686	2,32,096	4,62,970	-	17,41,620
<b>Total</b>	<b>20,36,686</b>	<b>4,00,000</b>	<b>-</b>	<b>24,36,686</b>	<b>2,32,096</b>	<b>4,62,970</b>	<b>-</b>	<b>17,41,620</b>
								<b>18,04,590</b>
								<b>6,95,066</b>
								<b>17,41,620</b>
								<b>18,04,590</b>

**NORTH WESTERN RAILWAY****Schedules forming part of Financial Statements****Schedule 12 Capital work in progress (CWIP)**

(Figure in Rs.)

Particular	Opening Balance as on 1st April 2014	Addition/ Adjustment during the year	Transfer to fixed assets during the year	Closing Balance as on 31st March 2015
Capital work in Progress	1330,60,90,963	771,35,88,384	0	2101,96,79,347
<b>Total</b>	<b>1330,60,90,963</b>	<b>771,35,88,384</b>	<b>-</b>	<b>2101,96,79,347</b>

**Schedule 13 Loans and Advances**

(Figure in Rs.)

Particulars	As on 31st March 2015	As on 1st April 2014
Misc. Advance Revenue	37,26,33,872	35,20,99,572
Departmental Advances	-529,329	-186,769
Advance against State Railway Provident Fund	2,20,95,085	2,54,72,673
<b>Total</b>	<b>39,41,99,628</b>	<b>37,73,85,476</b>

**NORTH WESTERN RAILWAY****Schedules forming part of Financial Statements****Schedule 14 Cash and Cash Equivalents**

(Figure in Rs.)

Particulars	As on 31st March 2015	As on 1st April 2014
Cash Imprest	66,81,455	63,57,968
Departmental Cash Balances	9,55,37,435	10,91,41,727
Cheques and Bills	82,99,70,588	92,42,45,553
Remittance into Bank	29,30,75,573	18,19,77,843
Saving Account with Government	1785,24,16,392	1796,73,26,567
Account with RBI	44,892	36,984
Public Sector Bank Suspense	6,87,83,289	6,87,83,289
<b>Total</b>	<b>1914,65,09,624</b>	<b>1925,78,69,931</b>

**Schedule 15 Receivables**

(Figure in Rs.)

Particulars	As on 31st March 2015	As on 1st April 2014
Pay and Accounts Office	17,70,45,473	29,43,15,127
Accountant General	46,92,86,334	46,36,39,855
Controller of Defence Accounts (Defence CDA)	89,87,849	1,67,98,857
Postal and Telecom Department	8,38,809	72,36,825
Rajasthan Tourism Development Corporation Limited (RTDC)	46,77,00,000	14,22,00,000
FSC Recoverable	2,79,48,818	2,88,36,436
CUG Recoverable	4,75,822	3,58,104
Adjustment account with Pakistan Railways	6,60,164	6,60,164
Traffic Suspense	67,72,83,960	57,11,84,000
<b>Total</b>	<b>183,02,27,229</b>	<b>152,52,29,368</b>

**Schedule 16 Inventories**

(Figure in Rs.)

Particulars	As on 31st March 2015	As on 1st April 2014
Store Suspense	272,70,66,263	(43,84,28,404)
Workshop Manufacturing Suspense	(11,15,48,202)	(4,23,84,151)
Diesel	27,53,36,410	25,77,97,056
Stores and Spares	254,54,53,714	241,25,95,746
<b>Total</b>	<b>543,63,08,185</b>	<b>218,95,80,247</b>

**Schedule 17 Other Assets**

(Figure in Rs.)

Particulars	Non-Current		Current	
	As on 31st March 2015	As on 1st April 2014	As on 31st March 2015	As on 1st April 2014
Security and Earnest Money Deposit			12,74,389	8,01,028
Deposit with Central Government (Contra to Schedule 6)			742,67,84,541	754,72,32,702
<b>Total</b>	-	-	<b>742,80,58,930</b>	<b>754,80,33,730</b>



**NORTH WESTERN RAILWAY****Schedules forming part of Financial Statements****Schedule 18 Coaching Earnings- Passenger**

(Figure in Rs.)

<b>Particulars</b>	<b>As on 31st March 2015</b>
Earning from passenger traffic	1656,72,69,049
Add: Advance apportioned earning for ticket booked in 2013-14 and travel took place in 2014-15	35,37,11,405
Less: Advance apportioned earning for ticket booked in 2014-15 and travel took place in 2015-16	(40,83,35,328)
<b>Total</b>	<b>1651,26,45,126</b>

**Schedule 19 Coaching Earnings- Other than passenger**

(Figure in Rs.)

<b>Particulars</b>	<b>As on 31st March 2015</b>
Parcel	63,77,35,218
Luggage	7,57,79,110
Special Train reserve carriage - Other than Military	6,85,25,011
Special Train reserve carriage - Military	78,04,25,809
Carriage of live stock by passenger	12,61,627
Haulage of Postal Vans & Compartments	14,24,98,512
Penalty Levied for irregular travelling	13,90,14,173
Wharfage	63,98,185
Receipt of left luggage	35,12,531
Platform Ticket	2,89,53,445
Misc. Coaching receipt	82,67,77,869
<b>Total</b>	<b>271,08,81,490</b>

**Schedule 20 Goods Earnings**

(Figure in Rs.)

<b>Particulars</b>	<b>As on 31st March 2015</b>
Coal, Coke etc.	1368,97,50,000
Steel	72,96,98,000
Iron	534,28,15,000
Fertilizers	509,05,91,000
Wharfage and Demurrage	27,43,98,243
Other Goods Traffic	2401,84,22,000
Add: Advance apportioned earning (FY 2013-14)	4,38,51,616
Less: Advance apportioned earning (FY 2014-15)	(4,83,14,299)
<b>Total</b>	<b>4914,12,11,561</b>

**NORTH WESTERN RAILWAY****Schedules forming part of Financial Statements****Schedule 21 - Sundry Other Earnings**

(Figure in Rs.)

<b>Particulars</b>	<b>As on 31st March 2015</b>
Receipts from Railway Recruitment Board	43,04,128
Advertisement receipts	6,14,11,000
Rental Income	55,13,96,000
Catering Income	22,80,56,000
Sale of Scrap	7,06,58,000
Reimbursement of Operating Loss on Strategic Lines	25,81,60,000
Subsidy from General Revenue towards Dividend Relief and Other concessions	180,33,60,135
Other Miscellaneous Income	72,39,89,649
Add: Income received in Advance (2013-14) and considered as income in 2014-15	37,83,05,158
Less: Income received in Advance (2014-15) and pertains to income for 2015-16	(59,60,13,729)
<b>Total</b>	<b>348,36,26,341</b>

**Schedule 22 Establishment Expenses**

(Figure in Rs.)

<b>Particulars</b>	<b>As on 31st March 2015</b>
Salary, Wages and other benefits (Annexure D)	1909,11,85,153
Pension and other Retirement benefits	37,00,31,114
Staff Welfare expenses	102,58,55,578
Administrative Expenses	30,07,71,261
Miscellaneous Establishment	1,71,49,252
Cost of Railway Board	2,99,81,763
<b>Total</b>	<b>2083,49,74,121</b>

**Schedule 23 Power and Fuel**

(Figure in Rs.)

<b>Particulars</b>	<b>As on 31st March 2015</b>
Diesel Traction (Demand 10)	1817,17,08,628
<b>Total</b>	<b>1817,17,08,628</b>

**NORTH WESTERN RAILWAY****Schedules forming part of Financial Statements****Schedule 24 Repair and Maintenance**

(Figure in Rs.)

<b>Particulars</b>	<b>As on 31st March 2015</b>
<b>A) Stores</b>	
Locos (Demand 5)	546989,944
Wagons (Demand 6)	12756,909
Coaches (Demand 6)	87588,665
EMU/DMU (Demand 6)	8010,546
Plant, Machinery and Equipment (Signal and Telecom) (Demand 7)	73452,558
Plant, Machinery and Equipment (Mechanical) (Demand 7)	13925,723
Plant, Machinery and Equipment (Electrical) (Demand 7)	52019,539
Tracks (Demand 4)	111912,756
Bridge/Tunnel (Demand 4)	347,744
Building (Demand 4)	15482,624
Repair and Maintenance - Others (Demand 4 to Demand 6)	73069,601
	<b>995556,609</b>
<b>B) Other than Stores</b>	
Locos (Demand 5)	611373,617
Wagons (Demand 6)	358650,766
Coaches (Demand 6)	1439312,141
EMU/DMU (Demand 6)	14725,532
Plant, Machinery and Equipment (Signal and Telecom) (Demand 7)	199725,775
Plant, Machinery and Equipment (Mechanical) (Demand 7)	296105,168
Plant, Machinery and Equipment (Electrical) (Demand 7)	39167,389
Tracks (Demand 4)	385322,347
Bridge/Tunnel (Demand 4)	6508,153
Building (Demand 4)	195845,521
Repair and Maintenance - Others (Demand 4 to Demand 6)	451591,166
	<b>399,83,27,575</b>
<b>Total</b>	<b>499,38,84,184</b>

**Schedule 25 Operational Expenses**

(Figure in Rs.)

<b>Particulars</b>	<b>As on 31st March 2015</b>
Locomotives (Demand 8)	32,11,71,055
Carriage and Wagons (Demand 8)	29,40,72,906
Train Operations (Demand 9)	9,24,19,770
Yard Operations (Demand 9)	2,26,474
Station Operations (Demand 9)	36,52,05,347
Other Operational Expenses (Demand 8 and Demand 9)	36,18,81,409
<b>Total</b>	<b>143,49,76,961</b>

**Schedule 26 Other Expenses**

(Figure in Rs.)

<b>Particulars</b>	<b>As on 31st March 2015</b>
Security Expenses	35,06,00,903
Compensation and Claim paid	2,83,42,007
Workmen compensation	3,07,75,385
Catering Expenses	3,38,56,590
Misc. Expenses	11,83,64,883
Less: Outstanding expenses of 2013-14 and paid in 2014-15	(34,11,99,629)
Add: Outstanding expenses of FY 2014-15 and paid in FY 2015-16	31,65,27,531
Adjustment for increase in security deposit	(4,73,361)
Adjustment for Decrease in FSC Charges	887,618
Increase in CUG recoverable	(1,17,718)
Decrease in Pending commercial Claim	(12,55,289)
<b>Total</b>	<b>53,63,08,920</b>

**Schedule 27 Increase/ (Decrease) in Inventories**

(Figure in Rs.)

<b>Particulars</b>	<b>As on 31st March 2015</b>
Opening Inventories	241,25,95,746
Less: Closing Inventories	(254,54,53,714)
Opening Inventories Diesel	25,77,97,056
Less: Closing Inventories Diesel	(27,53,36,410)
<b>Net Consumption</b>	<b>(15,03,97,322)</b>

**Annexure A : Expenses Payables**

(Figure in Rs.)

Particulars	As on 31st March 2015	As on 1st April 2014
Hiring of vehicles	57,528	60,908
Telephone Bills	18,34,057	16,16,268
Advocate Dues	1,26,235	1,68,665
Electricity Bills	1,25,66,738	8907,967
Water Charges	1,14,047	61,478
Other Expenses	41,11,408	40,38,405
<b>Total</b>	<b>1,88,10,013</b>	<b>1,48,53,691</b>

**Annexure B : Advance Earnings**

(Figure in Rs.)

Particulars	Non-Current		Current	
	As on 31st March 2015	As on 1st April 2014	As on 31st March 2015	As on 1st April 2014
Advance income from Catering/Advertisement/ATM contractors at Station			7,94,53,449	7,48,19,962
Way Leave Charges			51,65,60,280	30,34,85,196
Advance apportioned earning - Freight			4,83,14,299	4,38,51,616
Advance apportioned Earning - Passenger			40,83,35,328	35,37,11,405
<b>Total</b>	<b>-</b>	<b>-</b>	<b>105,26,63,356</b>	<b>77,58,68,179</b>



**Annexure C - Adjustment Accounts**

(Figure in Rs.)

Particulars	Amount
<b>Opening Balance on account of Adjustments</b>	<b>191,76,89,820</b>
<b>a) Within Indian Railways</b>	
Inter Zonal Railway Transactions (Dr.)	8723,25,47,267
Inter Zonal Railway Transactions (Cr.)	(6643,53,97,587)
Railway Capital Fund	161,86,00,000
Development Fund	94,76,72,466
<b>Total Adjustment within Indian Railways</b>	<b>2336,34,22,146</b>
<b>b) With Reserve Bank of India</b>	
Deposit with RBI	(2784,11,51,719)
<b>Total Adjustment with RBI</b>	<b>(2784,11,51,719)</b>
<b>c) With Government of India</b>	
Loan Capital	1013,53,06,983
Railway Safety Fund	224,31,42,182
Advance to Employee	-7883,421
Tax Deducted at Source (TDS)	(76,46,35,760)
Service Tax	(85,27,01,825)
Central Government Health Scheme	-124,463
Employee Insurance Scheme	-940
Employee Group Insurance Scheme	8,98,55,728
Interest on Civil Advances	-14791,444
Dividend Payable to General Revenue	(291,96,57,124)
Subsidy Receivable	180,33,60,135
Family Welfare	10,380
<b>Total Adjustment with Government of Indian</b>	<b>971,18,80,431</b>
<b>d) Misc. Adjustments</b>	
Adjustment on account of difference between Opening and Closing balance in Saving A/c with Govt.	11,49,10,175
Adjustment on account of difference between Opening and Closing balance in Deposit with Government.	12,04,48,161
<b>Total Misc. Adjustment</b>	<b>23,53,58,336</b>
<b>Total Adjustment Accounts</b>	<b>738,71,99,014</b>

**Annexure D - Salary, Wages and other benefits**

(Figure in Rs.)

Particulars	Total
Demand 3 - General Suprintendence and Services	263,90,13,291
Demand 4 - Repair and Maintenance of Permanent Way and Work	344,19,04,394
Demand 5 - Repair and Maintenance of Motive Power	39,87,02,560
Demand 6 - Repair and Maintenace of Carriage and Wagons	174,52,39,287
Demand 7 - Repair and Maintenance of Plant and Equipment	122,97,48,451
Demand 8 - Operating Expenses of Rolling Stock and Equipment	281,64,27,791
Demand 9 - Operating Expenses - Traffic	494,89,82,482
Demand 10 - Operating Expenses - Fuel	6,19,60,654
Demand 11 - Staff Welfare and Amenities	90,53,72,746
Demand 12 - Misc. Working Expenses	90,38,33,497
<b>Total</b>	<b>1909,11,85,153</b>

## **SIGNIFICANT ACCOUNTING POLICIES**

### **1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

Financial Statements are prepared and presented under the historical cost convention on a going concern basis using the accrual basis of accounting, to comply with the Pronouncements of Government Accounting Standards Advisory Board (GASAB) and Accounting Standards Issued by ICAI along with the rules of allocation, classification/recognition of revenues and expenditure as are relevant and applicable except retirement benefits to employees which shall continue to be accounted on cash basis.

Financial Statements of NWR for the Financial Year 2014-15 are prepared from the account current of NWR March 2015. However, balances of some accounts like Depreciation Reserve Fund, Development Fund, Capital, etc., are directly taken from the Appropriation Accounts of NWR, which is published by Ministry of Railways, Government of India for the Financial Year 2014-15.

### **2. USE OF ESTIMATES**

The estimates are based on historical experience, the current economic environment, and on various other assumptions that are believed to be reasonable under the circumstances. However, uncertainties associated with these estimates exist and actual results may differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. Some of the significant estimates include: obsolescence of material and supplies, estimated useful lives of property and equipment, non-realization of Railways dues and liabilities.

### **3. FIXED ASSET ACCOUNTING**

- a) Fixed assets are shown at their acquisition cost/historical cost less accumulated depreciation. Cost of fixed assets includes incidental expenses like installation charges, transportation cost, etc., and expenses up to the date of commissioning of assets.
- b) In absence of any determinable cost, i.e., acquisition cost/historical cost because of inadequate and non-existent record, asset are to be carried at Re. 1/-, except for land that shall be valued as per the Appropriation

Account for the year ended March 31, 2015. (This is applicable only in case of preparation of Opening Balance sheet, i.e., first balance sheet under accrual accounting system.

- c) Machinery spares which can be used only in connection with an item of fixed asset and are in nature of insurance spares are capitalized.
- d) Any improvement cost which increases the future economic benefits, safety features, operational efficiency including fuel/energy efficiency from asset and enhances the life and utility of asset is capitalized.
- e) When ownership of the any land is transferred free of cost from Government/individuals or has been donated, then such lands are recorded at a nominal value of Re. 1/-. Any development work done on that land is capitalized.
- f) Assets created under PPP model/Deposit Work Model using non-railway funds and reflected in the books of the Indian Railways are capitalized at cost incurred by Indian Railways plus Re. 1 when such section is opened for traffic.

#### **4. CAPITAL WORK-IN PROGRESS (CWIP)**

- a) The total expenditure on Capital Assets during the process of construction or nearing completion is accounted under the head CWIP. CWIP includes value of work done and billed whether paid or not.
- b) CWIP is not depreciated until they have been completed and the asset is ready for economic use.

#### **5. DEPRECIATION AND AMORTIZATION**

Depreciation on the following Fixed Assets is charged over their useful lives as prescribed in Para 219 of Finance Code-1 under Straight Line Method (SLM):

<b>Name of Asset</b>	<b>Useful life</b>
Bridge/Flyover/Tunnel/Subways	40 - 60 years
Office Equipments	4 - 15 years
Vehicles	7 - 10 years

Plant, Machinery and Equipment	3 - 25 years
Computer and Peripherals	3 - 8 years
Medical Equipment	3 - 10 years
Plant, Machinery and Equipment (Signal)	3 - 28 years
Plant, Machinery and Equipment (Telecom)	3 - 25 years
Plant, Machinery and Equipment (Electrical)	4 years
Locomotive	36 Years
Wagon	30 years
Coach	25 years

The useful life of Rail, Sleeper & Other Track Fittings is taken as 20 years based on a technical estimation. Further, the useful life of the following assets which are not prescribed in the Finance Code-1, are taken on the basis of technical estimation:

<b>Name of Asset</b>	<b>Useful life</b>
Buildings	70 Years
Furniture & Fixtures	10 Years
Roads & Streets	5-15 Years
Ballast	10 years

Intangible Assets are amortized over 5 years.

## **6. LEASES**

Leased Assets where substantially all the risks and rewards vest in the Indian Railways are classified as Financial Leases. Such leases are capitalized at the historical cost/cost of acquisition and liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the

interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

## **7. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

- a) A provision is recognized when NWR has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.
- b) Contingent Liabilities are not recognised in the financial statements and are disclosed in the notes to the financial statements.
- c) Contingent Assets are neither recognised nor disclosed in the Financial Statements.

## **8. VALUATION OF INVENTORIES**

- a) Inventories are measured at the lower of cost and net realizable value.
- b) The cost of inventories comprises costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

## **9. INVESTMENTS**

Current Investments are carried at lower of cost and quoted/fair value. Long term investments are stated at cost. Provision for diminution in the value of Non-Current Investments is made only if such a decline is other than temporary.

## **10. REVENUE RECOGNITION**

- a) Revenue from Passengers (Traffic Earning) is accounted on accrual basis:
  - The revenue in case of passenger trains is considered when the journey begins, i.e., in the year in which the train commences its journey.



- b) Revenue from Goods earnings (Traffic Earning) is accounted on accrual basis as per the following:
- 2/3<sup>rd</sup> of the Freight Income of the last four days of the Financial Year is considered as the Income of the Financial Year in which the freight train begins its journey, while 1/3<sup>rd</sup> Income is considered the Income in the year in which the freight train completes its journey.
- c) For sundries:
- Rental Income in respect of land/property is recognised on accrual basis in accordance with the terms and conditions of the contract with licensee/lessee, etc.
  - Income from sale of unserviceable revenue scrap, not creditable to Development Fund (DF), Depreciation Reserve Fund (DRF), etc., is accounted on realization basis.

## **11. EMPLOYEE BENEFITS**

### ***i) Defined Contribution Plan***

Employees who have joined on or after 01-01-2004 are governed by 'New Pension Scheme' announced by the Government of India. The said scheme is a 'defined contribution plan' and contribution is charged to Statement of Profit & Loss on accrual basis.

### ***ii) Defined Benefit Plan:***

The following are defined benefit plans:

- Gratuity
- Leave Encashment
- Medical benefit
- Pension for those employees who have joined service prior to 01-01-2004 is a defined benefit
- Composite Transfer Grant

Liability of obligations towards Post Retirement Benefits (Gratuity and Pension) and other benefits payable to employees (Leave Encashment, Medical benefit and Composite Transfer Grant) on pre and post retirement are determined based on Actuarial Valuation as per Accounting Standard -15 (AS 15) – "Employee Benefits" issued by the Institute of Chartered Accountants of India but are not provided in the Financial Statements.

## **NOTES TO FINANCIAL STATEMENTS**

### **1. Preparation of Financial Statements**

- i. The Financial Statements are compiled on the basis of information available with the respective Division/Workshops under NWR. The authenticity of data vests with the concerned Division/Workshop/NWR.
- ii. No physical verification of Fixed Assets has been carried out. The value of these assets would undergo a change in case any discrepancy is noticed subsequently during physical verification.
- iii. The balancing figure between the value of assets and liabilities is considered as 'NWR Fund' account. The said account shall remain open for a period as may be decided by the Management to facilitate inclusion of other items of assets and liabilities that may come to their knowledge subsequent to the compilation of opening balance sheet.

### **2. Fixed Assets and Depreciation**

- i. Fixed assets except land are depreciated after considering 5% of cost as residual value. In absence of any determinable cost, i.e., acquisition cost/historical cost because of inadequate and non-existent record, asset are to be carried at Re. 1/- except for land that is valued at Rs. 113 Crores as per the Appropriation Account for the year ended March 31, 2015.
- ii. Fixed Asset items upto the cost of Rs. 5,000/- have not been included in the Gross Block in the absence of complete details. It is further to note that as decided the asset of an amount less than Rs. 5000 need to depreciate in the same year of purchase.
- iii. Based on the records of NWR, Land and Building have been considered as a part of the Fixed Assets, though the Title Deeds in certain cases are not available at the time of compilation of these Financial Statements.
- iv. In absence of complete information relating to various classes of fixed assets, certain assumptions have been used in order to compile fixed assets register. The gist of major assumptions is listed below:

S. No.	Situation	Assumption	Financial Impact
1.	Actual date of acquisition/construction is not available in respect of a Fixed Asset but year of acquisition/construction is available.	In these cases 1 <sup>st</sup> April of that financial year is considered as the date of acquisition/construction in the FAR.	In case the useful/codal life of fixed assets has expired as at the date of Opening Balance Sheet, full depreciation is charged on those fixed assets after assuming 5% Residual value; Wherever the useful/codal life of fixed assets has not expired as at the date of Opening Balance Sheet, the depreciation is charged only for the period the asset was in use and subsequently, depreciation is charged as per the accounting policy.
2.	Where the date of acquisition/construction is not available but tentative number of years the asset is in use is available.	In this situation, the date of acquisition/construction is calculated by comparing the used life of fixed assets from the useful/codal life. Following two situations emerge in this regard: <ul style="list-style-type: none"> <li>- If the used life of asset is more than or equal to useful life/Codal life of the asset, then no date of acquisition is assumed in respect of these fixed assets.</li> <li>- If the used life of the asset is lesser than the useful life/Codal life of the asset, then 1<sup>st</sup> April of the financial year in which asset was put in use initially (Financial Year is calculated by doing reverse calculation from</li> </ul>	<p><b><u>If the asset has been used more than or equal to useful life/codal life of the asset</u></b> As at the date of Opening Balance Sheet, the depreciation charged on the fixed asset with full value after assuming 5% residual value;</p> <p><b><u>If the useful life of asset is not expired</u></b> As at the date of Opening Balance Sheet, the depreciation is charged only for the period asset was in use after considering 5% residual value. Subsequently, yearly depreciation is charged as per</p>

S. No.	Situation	Assumption	Financial Impact
		number of years asset is in use) is considered as the date of acquisition/construction of that fixed asset.	the accounting policy.
3.	Where both the date of acquisition/construction and number of years the asset is in use is not available but cost of acquisition/construction is available.	In this case asset is valued at 5% as Residual value.	It is presumed that useful/codal life of fixed assets has expired as at the date of Opening Balance Sheet, the depreciation is charged on the fixed asset with full value after assuming 5% residual value.
4.	Where neither the date of acquisition/construction nor the cost of acquisition/construction is available.	All such assets are valued at Re.1/- for the purpose of compiling Fixed Assets Register (FAR).	No depreciation is charged in respect of such fixed assets.
5.	Where the date of acquisition/construction is provided as Average 2012, before 2010, earlier than 2002, etc.	<p>In this case, 1<sup>st</sup> April of that financial year is considered as date of acquisition/construction in the FAR.</p> <p>In case of Average 2012 – 01.04.2012 is considered as date of acquisition/construction in the FAR; in case of Before 2010 - 01.04.2010 is considered as date of acquisition/construction in the FAR; in case of earlier 2010 - 01.04.2010 is considered as date of acquisition/construction in the FAR.</p> <p>Thereafter, useful/codal life of the asset is determined and depreciation is charged accordingly.</p>	<p><b><u>If the asset has been used more than or equal to useful life/codal life of the asset</u></b></p> <p>As at the date of Opening Balance Sheet, the depreciation charged on the fixed asset with full value after assuming 5% residual value;</p> <p><b><u>If the useful life of asset is not expired</u></b></p> <p>As at the date of Opening Balance Sheet, the depreciation is charged only for the period asset was in use after considering 5% residual value. Subsequently, yearly depreciation is charged as per the accounting policy.</p>

S. No.	Situation	Assumption	Financial Impact
6.	Where details in respect of total number of units for each asset is not available.	One unit of fixed asset is assumed.	
7.	Where the date of acquisition/construction is available but cost of acquisition/construction is not available and useful life has not expired.	All such assets are taken at a nominal value of Re.1/-.	No depreciation is charged in respect of these fixed assets.
8.	Where the column for Useful life/ Codal life of the asset is provided on self-assessment basis by the concerned department though the same is not in accordance with the Codal Manual.	Useful life provided on self-assessment basis is ignored and Useful life/Codal life is taken from the Codal Manual only.	Depreciation is provided on the basis of Codal life of that fixed asset.

v. **Tracks:** Data of Track components are extracted from Track Management System (TMS) for the purpose of compiling Fixed Assets Register of Railway Tracks. FAR of track is compiled on the basis of this data and cost data as available and based on the following assumptions:

#### A. Rails

- (i) Useful lives of all new Rails are considered as 20 years. In some cases, second hand Rails are also used. If the difference between rolling period (period of manufacture) and laying period is less than two years, it is assumed that new rails are used, otherwise it is assumed second hand rails are used. No depreciation is computed on second hand rails assuming they have completed their useful life;
- (ii) To compute the cost of new Rails, the prevailing rate of the rolling period is considered; rather than the laying period;
- (iii) Where rolling period is not available, period of laying is treated as period of rolling or vice versa;
- (iv) Where both rolling period and laying period are not available, it is presumed that useful life of the Rails has expired;
- (v) Where the type of Rail is not available, it is considered as 52 KG;
- (vi) All new Rails are considered as 13 Meter long and the rate of Bhilai Steel Plant (BSP) of Steel Authority of India Ltd. is considered;
- (vii) As the rate of rails are available only from 2001-02 onwards, to calculate the rates of rail for the earlier years prior to 2001-02 a deflation rate of 5% is used;
- (viii) Cost of rail prior to the F.Y. 1994-95 is considered at nominal value, i.e., at Re. One.

#### B. Sleepers

- (i) Useful Life of all Sleepers is considered as 20 years.
- (ii) As the rate of sleepers are available only from 2001-02 onwards, to calculate the rates of sleeper for the earlier years prior to 2001-02 a deflation rate of 5% is used;
- (iii) Where the density of sleepers (number of sleepers laid per Kilometer of Track) is not available, it is assumed at standard density, i.e., 1540 per Kilometer of Track;
- (iv) As separate rates are not available for each type of sleeper, i.e., Turnout sleeper, CST sleeper, etc., all sleepers are valued at the rate of Pre-stressed Concrete (PSC) sleepers;
- (v) Cost of sleeper prior to the F.Y. 1994-95 is considered at nominal value, i.e., at Re. One;
- (vi) Where the date of lying sleeper is not available, it is assumed that the useful life of sleeper has expired.

**C. Ballast**

- (i) Useful life of Ballast is taken as 10 years.
- (ii) The cost of Ballast (F.Y. 2008-09 to 2016-17) is taken as provided by NWR.

**D. Other Track Fittings**

- (i) All other track components except Rails, Sleepers and Ballast are grouped into other track fittings;
- (ii) Useful Life of all other track fitting is considered as 20 years;
- (iii) Cost of other track fittings is assumed as a percentage of total cost of Rails, which is 20% of the cost of Rails.

E. Cost of Formation is not included in the gross block of Track Cost.

vi. **Rolling Stock**

- i. The lease liability is recognized in these Financial Statements in accordance with Accounting Standard 19 "Leases", based on the lease rolling stock holdings with NWR, which is calculated on the basis of leased rolling stock data, Internal Rate of Return, etc., as provided by Indian Railway Finance Corporation Limited (IRFC). Further, Rolling stock data as provided by NWR and IRFC is also not reconciled.
- ii. As per the terms and conditions of Lease agreement between Indian Railways (IR) and IRFC, all lease charges including interest is payable within primary lease period, i.e., 15 years. Consequently, lease liability for all leased assets taken prior to 01.04.2000 is assumed to have extinguished.

3. **Current Assets, Loans and Advances**

- i. Advances to employees including interest thereon is not included in these financial statements as it is only a pass through entry and does not affect the NWR's financial statements;
- ii. No physical verification of Inventory is carried out at the year end. Any discrepancy noticed subsequently in the course of physical verification, the value of these assets would undergo a change accordingly;
- iii. Interest receivable of Rs. 24 Crores from Rajasthan Tourism Development Corporation Limited (RTDC) is not accounted for in views of the uncertainty of its ultimate collection;
- iv. Inter unit transactions shows inter Railway transactions figure for the same are taken from the account current of NWR for the period ending March 2015.

#### 4. General

The balances of Receivables, Loans and advances, Payable, etc., are subject to confirmation, reconciliation and consequential adjustment, if any.

#### 5. Contingent Liabilities

The details of number of claims pending against NWR as on 31.03.15:

Particulars	As on 31.3.14	New cases during the year	Cases Disposed off during the year	As on 31.3.15	No. of cases of outflow of funds	Amount paid (Rs. in lakhs)	Amount claimed (Rs. in crore)
Passenger	636	174	87	723	68	230	28.92*
Goods Refund	68	155	134	89	50	31.84	1.64
Compensation	26	318	317	27	23	0.39	5.10
Total	730	647	538	839	141	262	35.66

\*Based on a claim of Rs. 4 lakh per case (maximum amount payable as per Railway Rules) irrespective of amount claimed.

#### 6. Retirement Benefit to Employees

Liability on account of the following benefits payable to employees based on Actuarial Valuation amounting to Rs 28,253 crore is not provided in these Financial Statements:

- Gratuity
- Leave Encashment
- Medical benefit
- Pension
- Composite Transfer Grant

Privilege passes and Central Government Employees Group Insurance Scheme (CGEGIS) is not valued on actuarial basis as there is no outflow of funds. The details of Actuarial liability as on 31.3.2015:

(Rs. in Crore)

Employee Benefits	31.3.2015	31.3.2014
Gratuity	1707.55	1590.68
Earned Leave	1250	1080.32
Medical	1277.05	1028.01
Pension	23907.56	19289.37
Composite Transfer Grant	111.22	94.17
Total	28253.38	23082.55



**Actuarial Assumptions** for Composite Transfer Grant, Pension, Gratuity and Leave Encashment

<b>Actuarial Assumptions</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
Method of Valuation	Project Unit Credit Valuation Method*	Project Unit Credit Valuation Method*
Discount Rate	7.80%	9.12%
Salary Escalation Rate	11.68%	11.68%
Retirement Age	60	60
Withdrawal Rate:		
<i>Upto 30 years</i>	3%	3%
<i>From 31 to 44 years</i>	2%	2%
<i>Above 44 years</i>	1%	1%
Mortality Rate	Table IALM(2006-08) for all & Annuity (1994-96) for pension	Table IALM(2006-08) for all & Annuity (1994-96) for pension

**Actuarial Assumptions** for Post-Retirement Medical Benefit

<b>Actuarial Assumptions - PRMB Liability</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
Method of Valuation	Project Unit Credit Valuation Method*	Project Unit Credit Valuation Method*
Discount Rate	7.80%	9.12%
Future Cost Increase	7.00%	7.00%
Retirement Age	60	60
Withdrawal Rate:		
<i>Upto 30 years</i>	3%	3%
<i>From 31 to 44 years</i>	2%	2%
<i>Above 44 years</i>	1%	1%
Mortality Rate	Table IALM(2006-08) & Annuity (1994-96)	Table IALM(2006-08) & Annuity (1994-96)

\*Note: Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active member of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as of the beginning or end of period, but using member's final compensation, projected to the age at which the employee is assumed to leave active

service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.

7. **Capital Work in Progress**

Capital work in progress includes Rs. 74.75 Crores, which represents the difference between additions to Fixed Assets as per Block Account and additions to Fixed Assets as per information available with the NWR.

8. **Capital Commitments (Net of Advances)** Rs. 11,214.70 Crores as per Pink Book of NWR, Jaipur.
9. **Capital at Charge**: Represents the general budgetary support provided by the Government of India from the Consolidated Fund of India on which dividend is payable by Indian Railways at a rate set by the Railway Convention Committee.
10. **Deposit with RBI**: Represents the transactions made with the Reserve Bank of India during the year. This account does not carry any opening balance as the same is adjusted in these Accounts against 'Balance with Government'.

## **GLOSSARY**

**1. Foreign Service Contribution (FSC)**

Any amount receivable on account of Salary, etc., of those Employees which are working on deputation in other Government Departments/Sidings is considered as FSC receivable.

**2. Railway Diesel Installation (RDI)**

RDIs are fuelling points for the Locomotives. There are several RDIs in a Zonal Railway, which maintains the inventory of fuel.

**3. Safety Fund**

Safety Fund denotes the amount received from Government to be spent on safety works related to Railway. For instance, construction of Road over Bridge (ROB)/Road under Bridge (RUB), etc. Safety Fund includes Special Railway Safety Fund (SRSF) and Railway Safety Fund (RSF).

**4. Pension Fund**

Pension Fund is created for payment of pension to employees. Each Zonal Railway appropriates to this fund as advised by Railway Board each year. The balance of this fund represents unspent amount; this amount is lying with the Government of India.

**5. Depreciation Reserve Fund (DRF)**

This fund is created from the amount appropriated from ordinary revenue, i.e., Railway Revenue. Further, appropriation to DRF is a charge on Railway working expenses. Unspent amount of this amount is lying with Government. The amount of this fund is used for renewals and replacements of railway assets.

**6. Investment Financed from Designated Fund**

This schedule represents the amount expended from the various fund for creation of assets. The addition to any fund represents the amount of new assets created during the year from that respective fund.

**7. Railway Capital Fund**

This was created in 1992-93 on the recommendation of the Railway Convention Committee (RCC) to finance part of the requirement of work of a capital nature viz. construction and acquisition of new assets. The fund is financed from the balance of the Ordinary Revenue (i.e., Railway Revenue) after providing for appropriation to Development Fund and Railway Safety Fund.

8. **Development Fund**

Based on the recommendations of the Railway Convention Committee (RCC), it was created on 1st April, 1950 to meet the cost of new works relating to amenities for passengers and other railway users. This fund is financed out of the 'Excess of net revenue surplus' left after meeting the dividend liability. Whenever the 'Excess' is not sufficient, the railways may temporarily borrow money from general revenues.

9. **Open Line Works Revenue Fund**

This is financed from the revenue of Indian Railway. This was created for meeting requirement of improvement and replacement whether new or additional.

10. **Remittance into Bank (RIB)**

It refers to those Cheques which have been deposited into bank but not credited into accounts.

11. **Public Sector Bank Suspense**

It refers to cash deposited into public sector bank but the credit is not given by Reserve Bank of India.

12. **Store Suspense**

Store suspense denotes the inventory of stock items which are procured at Zonal level.

13. **Workshop Manufacturing Suspense (WMS)**

Every workshop/production unit maintains WMS account which is debited with the cost of materials, labour, overheads, etc., and credited with sale of scrap, debit raised to Zonal Railway for Periodic over Hauling (PoH), etc. WMS balance represents work-in-progress.