

APPENDIX 111

[\(See Paragraph 867\)](#)

RULES REGARDING EXHIBITION OF LOSSES IN GOVERNMENT ACCOUNTS

1. Receipts.—If a claim be relinquished it should not be recorded in the expenditure side as a specific loss. If however, money due to the Railway has actually reached a Railway/Government servant, and is then embezzled, stolen or lost even though it may not have reached the Cash Office or treasury and thus have passed into the Government account it should be brought into account, as a receipt and then shown on the expenditure side, under the proper head as a loan. Where losses of public money are wholly or partly met by non-issue of pay or pension and the Accounts Department authorizedly applies the unissued amount to meet the public claim, the resultant balance of the claim should alone be treated as a loss, the emoluments due being charged to the pertinent head of account as if they had been drawn and used by the Railway/Government servant concerned in paying the public claim.

Note.—The term "Railway/Government servant" includes persons who though not technically borne on a regular Railway/ Government establishment are duly authorised to receive money on behalf of the Railway Government.

2. Buildings, Land, Stores and Equipment.—Losses or deficiencies should be recorded in the accounts in accordance with the classification of expenditure. If any transactions under these categories are recorded under a suspense head, the losses relating thereto should be written off the suspense head also.

3. Cash in hand, whether in the Cash Office or as Imprest with Government Servants.—All losses or deficiencies should be recorded in the accounts as required by the Classification of Revenue Expenditure. The acceptance of counterfeit coins or notes is regarded as a loss of cash. Any recovery made in the course of the year in which the losses are brought to account should be shown by deduction from the head under which the loss is recorded. Any recovery made after the accounts of the year are closed should be recorded as an item of receipt.

4. Irregular or Unusual Payments.—These should be recorded in the accounts with general reference to the Classification of Expenditure and according to the nature of expenditure, e.g. an overpayment of pay will be debited to the head "pay" and an excess payment for bricks manufactured will be debited to the work on which the bricks are used. It is only when special heads exist that the unusual or extraordinary payments will be recorded separately in accounts.

5. Loss of Stores.—Where losses are an inevitable feature of the working of a particular department the major head of account under which the expenditure of that department is recorded should contain separate descriptive heads against which such losses should be shown. It is in conformity with this rule that losses of cash and stores

are exhibited under certain separate heads in the Classification of Revenue Expenditure (Appendix I-Financial Code) and in the Stock Adjustment Account (2740-S).

6. Exhibition of Losses in the Appropriation Accounts.—All losses or deficiencies of an important or unusual character should be mentioned in the explanation on appropriation accounts, the amount involved being exhibited separately in footnotes under the relevant grants, irrespective of whether the items have been charged off in the accounts or not. Losses on account of revaluation of stores should appear under the Stores Account prescribed in Chapter IV of the Financial Code. Losses of Rs. 2500Q/- and above each should be itemized while those below this limit may be lumped together. In cases of loss of stores, the net value of the stores, after crediting any sums recovered, should be taken as loss. Small losses by fire, or in transit, or in circumstances beyond the control of any responsible person need not be mentioned in the accounts; but a heavy loss should be mentioned separately. All items of remission and abandonments of claims to Revenue during a year should be included in a separate statement and appended to the Appropriation Accounts as laid down in paragraph 433-F.
