

**GOVERNMENT OF INDIA  
RAILWAYS  
LOK SABHA**

UNSTARRED QUESTION NO:5092

ANSWERED ON:28.04.2005

ACCOUNTING SYSTEMS

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba

**Will the Minister of RAILWAYS be pleased to state:**

- (a) whether the present accounting system followed by the Railways is not transparent;
- (b) if so, the details thereof;
- (c) whether the Expert Group on Railways has suggested that the accounts of the Railways should be in accordance with the standard business procedures; and
- (d) if so, the steps taken by the Railways in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI R. VELU)

(a): No Sir. The present Accounting System followed by the Railways is transparent as per Government Accounting Rules.

(b): Does not arise.

(c): The Expert Group on Railways has suggested that Capital basis of Indian Railways should be restructured and its accounts recast under the Indian Generally Accepted Accounting Principles to reflect Indian Railways' operations in the nature of commercial going concern and its viability and that the manner of operation of Depreciation Fund should fit into the standard depreciation norms laid down in the Companies Act and the amounts allocated to Depreciation Reserve Fund not fixed in an adhoc manner.

(d): Ministry of Railways has decided to undertake a study for Accounting Reforms to provide an accounting structure capable of meeting the various governmental and commercial purposes while conforming to the standards of government accounting being put in place by Government Accounting Standard Advisory Board.