

# Journey of Rupee from Booking office to RBI

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## Total Stages - Three

1. From Booking Office to Cash Office
2. Cash Office to PSBs ( Public Sector Banks)
3. PSBs to RBI

## Financial Transactions - 3 Stages

1. Accountal of Earnings (through CRN -Cash Remittance Notes / TRN -Treasury Remittance Notes)

Date	Particulars	Debit	Credit
	<b>Remittance Into Bank (RIB) A/c Dr</b>	Re 1	
	<b>To Coaching Earnings (Abstract X)</b>		Re 1
	(Being accountal of Coaching Earnings & Kept at Suspense Head to watch the Accountal at RBI)		

2. Accountal of Cash at PSB – Public Sector Bank

Date	Particulars	Debit	Credit
	<b>PSB Suspense A/c Dr</b>	Re 1	
	<b>To Remittance Into Bank (RIB) A/c</b>		Re 1
	(Being accountal of Coaching Earnings & Kept at Suspense Head to watch the Accountal at RBI)		

3. On Receipt of Clearance Memo from RBI

Date	Particulars	Debit	Credit
	<b>Deposit with RBI</b>	Re 1	
	<b>To PSB Suspense A/c</b>		Re 1
	(Being accountal of Coaching Earnings & Kept at Suspense Head to watch the Accountal at RBI)		

## Left over Entries after clearance of RIB A/c & PSB Suspense A/c i.e., Net of above 3 Transactions:

Date	Particulars	Debit	Credit
	<b>Deposit with RBI Dr</b>	Re 1	
	<b>To Coaching Earnings (Abstract X)</b>		Re 1
	(Being account of Coaching Earnings & accounted at RBI)		

## Commercial Accounts – In Business

Date	Particulars	Debit	Credit
	<b>Cash A/c Dr</b>	Re 1	
	<b>To Sales (Goods)</b>		Re 1
	(Being Sales of Goods)		

- Cash is Real Account. Real Account Rule is “Debit what Comes in and Credit What Goes out” . Cash is coming into Business. Hence Cash Account is Debited.
- Goods are Real Account. Real Account Rule is “Debit what comes in and Credit what Goes out” - Goods going out from business, Hence Goods Account is credited.

## Closing Entries (Chapter Two of Accounts Code):

- At the end of Financial Year, the following transactions in the Indian Railways have been closed to the respective heads.

SN	Transaction	Closed to
1	<b>Revenue transactions (except suspense heads i.e., MAR &amp; DP)</b>	<b>Net Revenue</b>
2	Capital transactions (except suspense heads i.e., WMS & Stores Suspense)	Capital outlay
3	Debt (Example: Provident Fund)	Balance
4	Remittances (Examples: Remittances into Bank and Cheques & Bills)	
5	Balance in Transfer Railways (if any) in the Books of Railway Board	
6	Revenue suspense head MAR, Capital suspense heads WMS, Stores & MAC and Link Heads a) Demands Payable b) Traffic c) Demands Recoverable d) Labour	
7	Balance in Transfer Railways in the books of Zonal Railways	<b>Miscellaneous</b>
8	<b>All heads (other than Debt &amp; Remittances) Example: Deposit with Reserve Bank of India</b>	<b>Government Account</b>

## **Remittance Into Bank – RIB**

- It is a Suspense Head
- Major Head - 8677
- Operated to watch on the account of Treasury Remittance Notes.
- It is operated for Cash Received into the Railways (Like Cheques & Bills operated for Cash outgoing from the Railways)
- PSB branches forward (through their FPB - Focal Point branch) DMS – Date-wise Monthly Scrolls to PFA office. On verification of the same, RIB Account is cleared by Debited to PSB Suspense Head.
- In first stage, this Account is Debited and in Second stage, the same is cleared by Credited. In practical, instead of Credit the Head, Minus Debit to this Head.
- That is First Debited and then Minus Debited. Hence the RIB is closed for that particular transaction.
- It is always showing Debit Balance.

## **Public Sector Bank Suspense**

- Introduced - 1993 October
- It is a Sub Head under Major Head 8658 – Suspense Accounts
- Object: To watch the adjustments of Railway Transactions in the Public Sector Banks (Both Debit and Credit)
- Operated for clearance of Remittance Into Bank and Cheques & Bills
- Not operated for Pension Payments.

## Deposit with Reserve Bank:

- Major Head 8675
- It is Final Head (not suspense Head) for account of Cash Receipts & Cash payments and Adjustments on Behalf of Government of India.
- It is maintained at CAS – Central Accounts Section, RBI, Nagpur.
- It is operated for all types of Cash payments, Cash Receipts, Adjustments.

## Railway Fund

- Maintained in the books of CAS – Central Accounts Section, RBI/Nagpur
- Though the Railway transactions form the part of Consolidated Fund, Contingency Fund & Public Account, they are accounted in the **prof forma Railway Fund**.

## Door Step Banking

- First Zonal Railway – introducing the Door Step Banking – SWR in 2016
- So far 7 Zonal Railways have initiated Door Step Banking.
- SCR has entered MOU (Memorandum Of Understanding) with SBI in 2020 January
- Direct pickup of Earnings/Revenue from 585 Railway Stations over SCR by SBI.
- Approximate Railway Stations in IR - 8000
- Saves the tedious and complex activity of Cash Movement through Cash safes in Trains.
- Avoids delay in account of Earnings into Bank.

- All Railway Stations will have uniform Cash Remittance Mechanism.
- Real time information about cash being deposited by different stations.
- Avoidance of unwanted accumulation of Cash at Railway Stations.
- Elimination of Cash In Transit
- Detailed MIS Reports – Datewise transactions furnished by Bank to Railways on day to day basis under focal point concept scheme
- So that, monitoring of timely deposit of Earnings / revenue by the Bank into Railways Account,

### **Rail Shakti Account – SBI**

- Railway Board circular No.RBA 24/2012 dated 11.07.2012
- Single Deposit Pooling Account - Operated by SBI at Focal Point Branch (FPB)
- To facilitate remittance of Railway Earnings by Stations to nearby SBI branches without opening a Railway Deposit Account.
- The said SBI branches will credit the amount instantly to FPB on a daily basis.
- FPB will provide a Daily scroll incorporating all such details to PFA Office.

## Key Takeaways

1. Accounts operated in this Journey are:
  - a) Earnings
  - b) RIB
  - c) PSB Suspense
  - d) Deposit with RBI
2. CRN – Cash Remittance Note
3. TRN – Treasury Remittance Note
4. SBI Pooling Account – DSB – Rail Shakti Account
5. DSB – Door Step Banking
6. DMS – Date-wise Monthly Scroll
7. FPB – Focal Point Bank
8. RIB Head always shows Debit Balance
9. Clearance Memo issued by RBI – Authority for operating Deposit with RBI Account in PFA Office.
10. PSB Suspense introduced – 1993 October
11. Revenue transactions (Earnings / Expenses) - closed to Revenue outlay - at the end of Financial Year.
12. Deposit with RBI – closed to Miscellaneous Government Account – at the end of Financial Year.
13. RIB Major Head – 8677
14. PSB Suspense – Sub Head under Major Head 8658- Suspense Accounts
15. Railway Fund – operated in CAS – Central Accounts Section, RBI, Nagpur
16. First Zonal Railway – Implementing DSB – SWR

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