Budget Announcements made in 15-16 & 16-17 - big boost to us

Fast Tracking Accounting Reforms in three areas –
- (i) Switching over from Cash to Accrual Accounting
- (ii) Tracking Budgets to desired Outcomes
- (iii) Online Performance Costing

“Right Accounting would determine Right Costing and hence Right Pricing & Right Outcomes”
Accounting Reforms - Road Travelled so far

- **Accrual Accounting** –
  - Pilot study on Ajmer division and workshop nearing completion
  - Pilot Study on NWR underway – targeted by Sept 2016
  - Replication on other Zones thereafter.

- **Fixed Asset Register** –
  - Completed on 7 Zones & in advanced stage on other zones
  - Web based Application – *e-Asset Register* by CRIS

- **Performance Costing and Outcome Budgeting** –
  - Working Group & Advisory Body set up by MR
  - Draft Concept Paper
  - Design framework to be developed by professional body
Inauguration of a Pilot Study
by
Shri Suresh Prabhakar Prabhu
Hon’ble Minister For Railways

Date : 15th March 2016

Place: Railway Board, New Delhi & Accounting Reform Incubator, RCF, Kapurthala
Introduction of Accrual Accounting and Upgraded Costing System

An important Accounting Reform announced by the Hon’ble Minister for Railways in Budget Speech 2015-16
Objectives of Accrual Accounting

- Improve quality of financial reporting
- Prepare financials as per GAAP/ GASAB
- Adopt accrual accounting principles for uniformity
- Facilitate comparison of financials of peers
Financial Statements in New Formats

- Annual Profit and Loss Account
- Annual Balance Sheet
- Annual Statement of Cash Flows
- Significant Accounting Policies and
- Notes to Accounts
Objectives of Upgraded Costing System

- Analysis of cost data of various types of products
- Online availability of cost data in key performance areas
- Performance costing for cost control
- Responsibility Accounting for each cost centre
- Facilitate analytical innovation in Production Processes
Costing Reports in New Formats

- Product wise cost reports
- Variance Analysis for managerial cost control
- Optimization of inventories and labour costs
- Optimization of plant and machinery usage.
- MIS reports for performance costing
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<th>Project Management By</th>
<th>Accounting Reforms Directorate, RB General Manager / RCF Kapurthala</th>
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<tr>
<td>Consultant</td>
<td>Accounting Research Foundation of ICAI</td>
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<tr>
<td>Research and Design Centre</td>
<td>AR Incubator, RCF Kapurthala</td>
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माननीय श्री सुरेश प्रभाकर प्रभु, रेल मंत्री, भारत सरकार द्वारा दिनांक १५.०३.२०१६ को नई दिल्ली से एकाउंटेंग इन्क्यूबेटर का ऑनलाइन उद्घाटन किया गया।