

**Government of India  
Ministry of Railways  
(Railway Board)**

**RBA 74/2005.**

No.2005/AC-II/20/30

New Delhi, Date 30/12.05.

**FA&CAOs**  
(All Zonal Railways & Production Units)

**Sub:- Minutes of FA&CAOs Conference -November 2005.**

Please find enclosed minutes of the FA&CAOs Conference-November 2005 held in Board's office on 28<sup>th</sup> & 29<sup>th</sup> November 2005 for information and necessary action. The action taken report thereon may kindly be sent in a month's time.

DA:- As above.

*Shivaji Rakshit*  
(Shivaji Rakshit) 29/12/05  
Executive Director/Accounts  
Railway Board.

**Minutes of the FA&CAOs Conference held in Board's office on  
28<sup>th</sup> & 29<sup>th</sup> November 2005.**

A Conference of FA&CAOs of Zonal Railways, Production Units was held in Board's office on 28<sup>th</sup> & 29<sup>th</sup> November 2005. The conference was graced by Hon'ble MR, MSR(V) and MSR(N), CRB, MM, ML and MT. The Conference was chaired by FC/Railways. A list of participants is at Ann-I. The minutes of the Conference are as under:-

**1.0 Special Session**

**1.1 MR**

1. Hon'ble MR welcomed the participants and expressed his happiness for achieving the targets fixed.
2. He appreciated the concerted efforts of the FA&CAOs to bring down the operating ratio and desired to gear up efforts to bring it further down to 85%.
3. He desired FA&CAOs to ensure that low cost works for passenger facilities with high returns are included in Works Programmes.
4. He emphasized the need for inclusion of capacity enhancement works in the Works Proposals.
5. He expressed his concern over decrease in other coaching earnings and desired FA&CAOs to ensure that all contracts specially leasing of SLR are finalized with in a month's time.

**1.2 MSR(N)**

1. Hon'ble MSR(N) also appreciated the efforts made for achieving the targets fixed.
2. He asked FA&CAOs to ensure that proposals are not delayed on their part and these are examined in depth from all angles.
3. He emphasized the need for review of all ongoing projects.

**1.3 MSR(V)**

1. Hon'ble MSR(V) while appreciating the performance of FA&CAOs emphasized on need for strict internal check mechanism for claims.
2. He further desired that bills payable should be attended to promptly and delay avoided.

**1.4 CRB**

CRB while appreciating the role of Finance Officers desired that:-

1. FA&CAOs may ensure compliance of directives given by MR, MSR(N) and MSR(V).
2. Railways have to achieve the target of 670 MT, but in the last 4 months, natural calamities, poor offering by FCI, etc has affected incremental load. Efforts

should be made to achieve the targets and further improve the financial performance of Railways.

3. Customers should be provided with all assistance they require.
4. As a result of concerted efforts and financial monitoring, the goods earnings has increased by 19.03%, passenger earnings by 6.19%, other coaching earnings by 13.37% and sundry earnings by 0.3% as compared to the corresponding period of the previous year (October). FA&CAOs may ensure that target fixed by MR are achieved fully.
5. FA&CAOs should conduct analysis of different types of earnings and take action where needed.
6. In case of leasing of SLRs, FA&CAOs may see that tenders are finalized quickly, and in case of inadequate response, the procedure should be reviewed. If bench marks are to be changed, it should be done immediately.
7. Timely completion of projects should be given adequate attention so that expected returns are realized.
8. All out efforts may be made to see that the earnings are up to expectations, expenditure is under control, leakage are plugged and overloading of rakes is avoided.
9. Expenditure on Traffic facilities, S&T works, manning of level crossings, construction of ROB & RUB is rather low. This need to be looked into. Funds allotted for these purposes should not be utilized for other purposes.
10. Surplus stock should be used fully.
11. He expressed concern over non compliance of MR's announcement by some of the Railways.
12. He emphasized need for reduction in cash handling through direct remittance of station earnings in banks so that RPF staff could be used for security of passengers and goods.
13. Similarly there is need for encouragement of the scheme of e-payment. To begin with major customers like FCI etc should be covered as realization in such cases is quick.

#### 1.5 MM

1. FA&CAOs may exercise same vigil as done in the past.
2. It may be ensured that money is used properly and returns are proper.
3. Optimum utilization of assets should be ensured.
4. FA&CAOs may discuss with commercial counterparts so that capacity of goods stock is used fully.

#### 1.6 ML

1. Railways may ensure compliance of directives of CRB.
2. Complimented FA&CAOs for improved financial position of Railways and desired that the trend of increase in earnings and control over expenditure should continue.
3. There is a need for control over Demand no. 10.
4. FA&CAOs may review works for augmenting traffic facilities.
5. There is need for tapping IT resources, OFC network should be used fully.

## 1.7 MT

1. Appreciated FA&CAOs for excellent financial performance of Railways and endorsed the views expressed by Hon'ble MR, MSR (N), MSR (V) and CRB.
2. FA&CAOs may ensure that passenger accountal is complete and there is no leakage of railway revenue.
3. TMS which has capability of giving varied data for managerial analysis will be implemented under FOIS and then we should be in a position to find earnings and expenditure as well as OR of Railway and each division/Railway.
4. UTS facility is being extended to more and more stations. FA&CAOs may ensure that UTS earnings are accounted for quickly and there are no leakages on this account.
5. Railways may monitor originating loading closely.
6. Need of the hour is product mix loading to increase earnings.
7. Cost of service has to be calculated properly to compare it with that paid by the customers.
8. Delay in decision making should be avoided as earning lost for once is lost for ever.
9. While examining proposals involving finance, opportunity cost should always be calculated.

## 1.8 FC

1. FC welcomed Hon'ble MR, MSR (N) and MSR (V) and assured that the targets fixed for realization of revenue will be achieved. She mentioned that adequate steps are being taken to curb leakage of revenue and Accounts Offices is playing dynamic role.
2. FC while welcoming the participants complimented them for excellent financial performance of Railways and desired FA&CAOs to analyze the trend of earnings in various streams and advise results through MCDO.
3. Assets should not be kept idle and used in such a manner that it always pays optimum return.
4. FA&CAOs may analyze impact of new schemes/concessions allowed for augmentation of earnings and advise results to Board's office to examine need for review/correctness if required.
5. FC complimented FA&CAOs for increase in passenger earnings both in lead and in volume and suggested that Passenger profile management system may be used to augment the increase in passenger earnings.
6. FA&CAOs may review sector-wise growth of earnings for both passenger/goods and analyze the reasons for shortfall if any.
7. Shortfall in other coaching earnings is a cause of concern. Since Hon'ble MR has desired 50% increase as compared to last year, FA&CAOs were requested to give adequate attention to this area. FA&CAOs may ensure that tenders in this regard are finalized. All pending tenders should be finalized latest by 31-12-05.
8. Regarding Bills Recoverable, she mentioned that both timely billings as well as prompt realization from parties/customers concerned are equally important.
9. Bills for postal haulage charges should be raised timely and realized quickly from Postal department. Northern Railway may review billing and realization of its dues against Military Traffic.

10. The position of catering expenditure should be discussed with IRCTC and should be compared with the corresponding figure of previous year specially when the catering units are being progressively taken over by IRCTC.
11. The position of Traffic Suspense should be monitored closely so as to achieve the targets fixed.
12. E-payment scheme should be extended to more and more customers as under this scheme realization is prompt and quick.
13. Outstanding GRP Claims are cause of concern for Board's office. A periodical reconciliation mechanism with State authorities may be put in place to ensure early settlement of these claims so that the avoidable references from MPs and Chief Ministers/Chief Secretaries are avoided.
14. There is a need for more close monitoring in revenue demands viz. Demand No.9.
15. Revised estimates should be given a fresh look.
16. Slow pace of expenditure on SRSF works is cause of concern. FA&CAOs may see that these are completed in a time bound manner.
17. All proposals involving finance should be examined in depth as resources are to be used fully.
18. Centralized Apportionment System for goods is complete. All Railways may strictly adhere to the targets fixed for its implementation.
19. AFRES/PRIME and MMIS should be implemented in a time bound manner as these are robust computerized applications capable to meet with varied requirements of Railways.
20. Finance Officers while participating as Tender Committee members must ensure that rates are reasonable so as to avoid queries in future.
21. The present system of costing should be studied to ensure that costing is done correctly.
22. FC, while concluding her address, thanked all officers & staff on Railways and in Board's office for their support during her tenure as FC. She mentioned that future is full of challenges and expressed her confidence that Finance department will be able to meet with all the challenges.

#### 1.9 AM/F

1. Continued variation in actual/approximate figures is cause of concern which must be given adequate attention.
2. Obsolete material including scrap should be disposed off quickly. Available capacity should be used fully and overheads reduced. Financial inputs should match with the physical outputs.
3. Centralized Apportionment System (Goods) is complete and Rlys may strictly follow the schedules fixed for furnishing information/data to RITES. Problems/deficiency of the system may be brought the notice of Board.
4. Shortfall in other coaching earnings is cause of concern. FA&CAOs may review the position critically so as to achieve the targets as the position is being monitored by MR Cell.
5. FA&CAOs may closely monitor the earnings sector-wise to ensure that the targets fixed are met fully.
6. Heavy savings/excesses in expenditure needs also to be reviewed seriously.
7. Submission of data for actuarial study may be expedited as Board has already appointed consultant for the study.

8. Disposal of financial proposals should be monitored so that these are not delayed.
9. FA&CAOs may ensure that Codal provisions/ policy instructions are followed properly and no shortcuts are adopted.
10. Submission of statistical returns should be given importance as it is an important MIS document.

#### 1.10 AM/B

1. There is a need for planning for better financial control.
2. It is important to make correct assessment of funds as of late it is seen that Railways demand more funds during the year and surrender the same at the close of year on the plea that actual spending is low. Such practice should not be allowed to happen as it becomes difficult to re-appropriate funds at that moment. This practice is particularly noticed in NE Rly and EC Rly.
3. Funds for Traffic facilities should not be diverted for other purpose.
4. While undertaking financial scrutiny of a project, the internal rate of return, correct head of allocation and financial analysis should be done with utmost care independently by the FA&CAOs.
5. Railways have a tendency of making a remark in proposals that Board may take a view even in those cases where Railways are fully empowered to take a decision. Such practice should not be allowed and decision may be taken in accordance with Board's directives.
6. It is also noticed that often proposals are sent to Board with qualified concurrence viz. agreed subject to availability of funds, reasonability of rates may be certified, correctness of ROR should be rechecked and confirmed, value within norms is agreed upon, etc. Such proposals should not be sent for Board's consideration in future.
7. Funds for works/facilities which are essentially required should only be asked for.

#### 1.11 Adv/AR

1. Railways are not following the results of Centralized Apportionment System. This may be ensured. Railways may also ensure that even minor difference in the figures/records should be located so as to implement fully.
2. All disputes/deficiencies after implementation of Centralized Apportionment System should be sorted out quickly.

#### 1.12 EDF/X-I

1. Often Rlys ask for premature renewal of track on account of corrosion etc without giving complete details of previous replacement/repairs. This may be looked into. While examining the proposal for track renewal, the question of speed restriction should be taken into account.
2. There is a need for inspection of track by survey team before condemning or asking for premature replacement thereof.

### 1.13 ED/S&E

1. There is huge variation in final results in goods earnings (Rs. 279 crore) which should be checked by Railways.
2. Other coaching earnings is also not matching. Rlys are not sending the returns timely and properly.
3. Detailed returns of Coaching earnings should be sent timely rather than advising through MCDOs
4. Annual costing returns are not coming from new zones.

## 2.0 Business Session

### 2.1 Review of Earnings and Traffic Suspense

- (i) The position of earnings and traffic suspense was reviewed. FA&CAOs shall critically analyze the position of earnings and traffic suspense for taking corrective action to achieve the targets.
- (ii) The tenders for SLR leasing/land development activities etc may be finalized in a time bound manner.

### 2.2 Review of Expenditure

- (i) Railways have to closely monitor the expenditure in revenue demands to ensure that it does not exceed the targets.
- (ii) Slow pace of expenditure under SRSF is a cause of concern. Timely completion of these works may be given top priority.

### 2.3 Surprise checks relating to leakage of revenue

- (i) It is important to check leakage of revenue on account of overloading and FA&CAOs should conduct necessary checks. Railways may ensure to realize the punitive charges as well as take strong deterrent action against officials responsible for overloading.
- (ii) FA&CAO/SECR requested that report on Weigh Bridge sent to Board in the past may be examined and comprehensive instructions issued. AM/F desired that specific point on which clarification is required may be referred to Board.

### 2.4 Progress of throughput enhancement works

- (i) In the Works Programme 2005-06, the works have been considered for sanction based on route-wise planning.. Seven routes have been identified for easing out capacity constraints. It is extremely important to monitor the progress of throughput enhancement of works so as to achieve Mission 700 millions tones.
- (ii) FA&CAOs may ensure that progress of these works is monitored closely.

## 2.5 Implementation of AFRES/PRIME

- (i) The progress of implementation is not satisfactory on most of the Railways despite repeated directives from Board's office. These applications should be implemented completely by end of the current financial year by all Railways. FA&CAOs may chalk out implementation plan accordingly and advise progress fortnightly in prescribed format by stipulated dates.
- (ii) FA&CAOs/PUs may also plan implementation of these applications and take necessary action in the matter at the earliest.
- (iii) Basic structure of these applications must not be changed.
- (iv) FA&CAOs may ensure that due procedure is followed for engagement of agencies for implementing these applications.

## 2.6 Implementation of Centralized Apportionment system

- (i) FA&CAO/T CR gave a presentation of Centralized Apportionment System-Passengers.
- (ii) FC inaugurated the results of Centralized Apportionment System-Passengers.
- (iii) Railways shall ensure that the schedule of submission of data required by RITES for Centralized Apportionment system is followed strictly.

## 2.7 Implementation of ECS/Bank Payments

- (i) Implementation of instructions issued to adopt bank/ECS scheme for payment to all employees except those specifically exempted need to be taken up as mission area. The Railways trailing behind are NR(7.2%), ER (14.04%), NCR (14.34%), NFR (17.32%), NER (22.78%), NWR (24.36 %). On the other hand SWR (90.32%), SCR (83.29%), SR (82.38%), ECOR (71.92%) have achieved remarkable progress. Other Railways must emulate these Railways and share their implementation plan/strategies. Further, the progress may be advised monthly.
- (ii) Board vide letter no. 2004/VI/CVC/1/12 dated 11-05-04 has communicated CVC's directives to make payment to contractors/vendors through EFT scheme. Detailed guidelines issued vide Board's letter No. 2004/AC-II/21/13 dated 31-08-05 may be monitored and progress advised to Board's office on monthly basis.

## 2.8 Actuarial Study

The Railways which have not submitted the information may send the same immediately.

## 2.9 Matter related to new zones

- (i) AM/F directed FA&CAOs/ECOR, SER and SECR to sort out the work problems.
- (ii) SER should give control of separate cells working on SER for other new zones to FA&CAO concerned.
- (iii) FA&CAO/NWR requested for one SAG post. AM/F stated that this will be examined at the time of cadre restructuring proposal.



## 2.10 Compilation of Assets Register

- (i) Computerized assets registers developed by CRIS and compiled by Zonal Railways have to be updated up to 31<sup>st</sup> March 2004 taking into account the bifurcation of assets to the new zones. However the same have been received from ICF, RWF & DLW.
- (ii) These should be updated at the earliest.
- (iii) AM/F directed that CDs of asset register can be taken from DF/A for starting the work.
- (iv) FA&CAO/SER pointed out that and CEs are not cooperating on the matter and requested that instructions from CRB should be issued as the work has been done up to the year 2000 and only work for 5 years is required. DFA may take necessary action in this regard.

## 2.11 Other issues

- (i) Director C-TARA gave a presentation on C-TARA highlighting the salient features of the Institute.
- (ii) FC desired that the work of updation of training modules of Accounts department will be done by C-TARA. FC while appreciating the effort mentioned that emphasis should be on earning accountal & checking, training of TIAs to detect leakage of revenue from vigilance angle on case study basis as well as well as pre-selection training for LDCE.
- (iii) FA&CAO/NFR requested that C-TARA may organize special course for training of TIAs of NF Rly.
- (iv) FA&CAO/DLW requested that training may be done for stores & workshop accounts also.
- (v) FA&CAO/WCR requested for training of supervisors/Group B officers also.

## 3.0 Conclusion

FC desired that targets set may be complied with scrupulously. She stated that both Hon'ble Prime Minister and Hon'ble MR are happy with the financial performance of Railways and desired that the Accounts and Finance Officers should continue their job with sincerity and commitment.

## 4.0 Vote of thanks

- (i) The meeting ended with a vote of thanks by EDA.
- (ii) FA&CAOs will ensure necessary action as per decision taken in the conference and send a compliance report within a month's time.

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**List of Participants****Railway Board**

- 1 Smt. V Viswanathan, FC/Rlys
- 2 Smt Geetha Thoopal, AM/F
- 3 Sh S. Balachandran, AM/B
- 4 Sh R. Ashok Adv (F)
- 5 Smt Sabita Gopal, Adv/AR
- 6 Sh A.K. Bhatnagar, EDF/C&RM
- 7 Sh Shivaji Rakshit. EDA
- 8 Sh D.M. Gautam, EDF/S
- 9 Sh P V Vaidyailiangam, EDF/X-I
- 10 Sh B N Mohapatra, EDPC
- 11 Smt. Vandana Nanda, EDV/A
- 12 Sh. A K Prasad, EDF/E
- 13 Sh. Harsh Kumar, EDF/X-II
- 14 Shri R.K. Tandon, ED/S&E.
- 15 Sh. Bharat Salhotra, Dir/LRDSS
- 16 J. Srinivas, DF/CCA
- 17 Sh. A K Vajpayee, Dir (Stats & CA)
- 18 Sh. P. Bansia DF/AR
- 19 Sh. Dhruv Singh, DF/C
- 20 Sh Sanjay Lawania. DF/X-I
- 21 Sh P. Mishra, DF/S-I
- 22 Sh Ajay Mathur. DF/A
- 23 Smt Aradhna Chak, DF/S-II
- 24 Anand Prakash, DF/B
- 25 Smt Shalini Darbari DF/X-II
- 26 Sh Sanjeev Jain, JD/MIS

**Zonal Railways**

- 1 Smt. Sushma Pande, FA&CAO/Central Railway
- 2 Smt Soumya Raghavam, FA&CAO/Eastern Railway
- 3 Sh Gurdeep Singh, FA&CAO/Northern Railway
- 4 Sh Gyaneshwar Tripathi, FA&CAO/N E Railway.
- 5 Sh R.K. Sinha, FA&CAO/N F Railway
- 6 Sh B N Rao, FA&CAO/G Southern Railway
- 7 Sh N.R. Rajasekharan, FA&CAO/S C Railway
- 8 Sh L.C. Majumdar, FA&CAO/SE Railway
- 9 Sh L.R. Ganesh, FA&CAO/Western Railway
- 10 Sh MR. Choudhary, FA&CAO/N W Railway
- 11 Sh N M Mishra, FA&CAO-I/N C Railway
- 12 Sh M S Khan, FA&CAO/ E C Railway
- 13 Smt. A R Venkateshwar, FA&CAO/T, ECO Railway.
- 14 Sh C S Rao, FA&CAO/SEC Railway
- 15 Smt. Kalyani Gopal, FA&CAO/SW Railway
- 16 Smt Rashmi Kapoor, FA&CAO/W C Railway
- 17 Sh Ranjan Tewari, FA&CAO/CLW

- 18 Sh M S Bhatia, FA&CAO/DLW
- 19 Sh. Robin Deka, FA&CAO/DMW
- 20 Sh. Ram Mohan, FA&CAO/ICF
- 21 Sh. Gurdev Singh, FA&CAO/RCF
- 22 Smt.Radha Udai, FA&CAO/RWF
- 23 Sh. G. Suman, FA&CAO/COFMOW