

Government of India
Ministry of Railways
(Railway Board)

RBA No. 26/2009

No. 2008 / ACII/ 9/ 3

New Delhi, Dated :28.4.09

FA&CAO,
All Zonal Railways/ PUs

Sub: Recovery of interest from Public Sector Banks on delayed remittances of Government Receipts into Government Account.

Reference is invited to Board's letter no. 2005/ ACII/ 9/11 dated 20.02.07 (RBA No. 7/2007) on the above subject vide which instructions regarding permissible period for remittance of Government Receipts and Delayed Period Receipts under FPB scheme were issued in consultation with CGA and RBI. CGA had appointed a Committee to review the expeditious movement of all categories of Government revenues to its exchequer and other related issues. Based on the recommendations of the committee, following decisions have been taken:

- 1) **Applicability of exclusion of put through date for the transactions (relating to revenue receipts) affected during the period 1.5.2005 to 31.12.2006 for the cases in which penal interest has already been paid.** –The Put Through Date was excluded from the prescribed remittance norms for calculating delayed period interest for Government Receipts. . These instructions were made applicable in pending delayed period penal interest cases where the banks had not paid the interest .Several Banks had made representations requesting for a revision of the delayed period interest claims already paid by them during the period from 1.5.2005to 31.12.2005 . It has now been decided to extend the benefit of revised timelines i.e., excluding the Put Through Date from the time period calculated for the remittance of Government receipts to those banks also which had paid the penal interest during the period from 1.5.2005 to 31.12.06 on the instructions existing at the time they made the payments.

The excess payment of penal interest paid by the banks will be adjusted against the subsequent claims of delayed period penal interest against them.

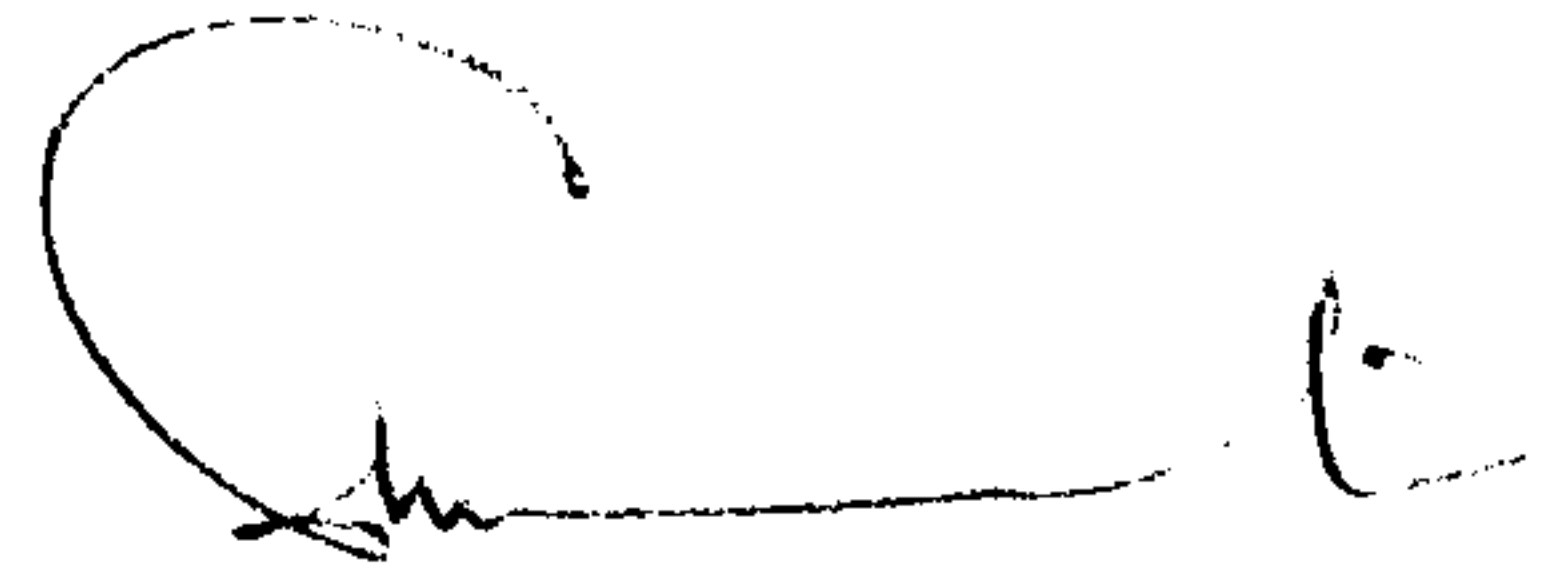
- 2) **Permissible period for remittance of Government revenues into Government account for outstation transactions under Electronic Accounting System in Excise and Service Tax (EASIEST)-** As per the prescribed procedure under EASIEST , verification of string of electronic data with physical challans and scrolls received at Focal Point Branch from their receiving branches is required . The time limit for remittance of both local and outstation transactions under EASIEST was prescribed as T+3 working days. It has now been decided that a maximum period of T +5 working days (excluding put through date) for

outstation transaction will be allowed . This dispensation will not be applicable on e-payments.

- 3) **Levy of petty amount of penal interest on delayed remittances of Government receipts.** – It has now been decided that claims of delayed period penal interest involving amount of Rs 500/- or below will be ignored and excluded from the purview of penal interest wef 1.1.08
- 4) **Waiver of penal interest due to the teething problems experienced by dealing branches during the initial period of OLTAS.** – After considering the various problems arisen during the initial period of implementation of OLTAS before the systems stabilized, it has been decided to exempt the six quarters (i.e., 1.4.05 to 30.09.06) from the purview of penal interest.
- 5) These instructions will not be applicable to remittance of funds under the deposit schemes viz., PPF/SCSS etc. of Ministry of Finance .

Kindly acknowledge receipt and bring these instructions to the notice of all concerned working under your control.

Yr Asst Secy



(S.N.Mathur)
Director Finance(CCA)
Railway Board