

Government of India  
Ministry of Railways  
(Railway Board)

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FA&CAO CA | ER | NR | NER | NFR | SR | SCR | SER | WR  
ECR | EWR | NCR | NWR | SECR | SWR | WCR  
CLW | DLW | RCF | DMW | RWF | CDFW | MeTn

Sub:- **Minutes of the FA&CAO's Conference held in Board's office on 6<sup>th</sup> & 7<sup>th</sup> August 2009**

Minutes of the FA&CAO's Conference held in Board's office on 6<sup>th</sup> & 7<sup>th</sup> August 2009 are enclosed for information and necessary action. Action Taken Report may be sent within a month's time.

DA:- As above.

  
(B N Mohapatra) 26/8  
Executive Director/Accounts  
Railway Board

## **Minutes of the FA&CAO/Zonal Railway & Production Unit's Conference held in Board's office on 6<sup>th</sup> & 7<sup>th</sup> August 2009.**

A Conference of FA&CAOs/Zonal Railways & Production Units was held in Board's office on 6<sup>th</sup> & 7<sup>th</sup> August 2009. The minutes of the Conference are as under and the list of participants is at Annexure A.

### **Welcome Address:-**

- EDA welcomed the participants and mentioned that the Conference was timed with Budget with the objective of not only reviewing the past performance but also to plan the strategies for achieving the budgetary targets for the current year and identifying priority areas.

### **CRB**

- While welcoming the participants, mentioned that economic slow-down and impact of recommendations of 6<sup>th</sup> CPC has affected surplus position of Railways and requested FA&CAOs to concentrate more to sustain earnings and curtail expenditure because money saved is money earned.
- Austerity measures are required at all levels so that only essential expenditure is incurred and wasteful expenditure is avoided.
- In the recently concluded GMs conference review of current position revealed that the loading targets have been achieved but the financial targets are lagging behind for which action plan is required to be drawn up to achieve the targets.
- The staff strength should be reviewed so that the assets which are created should be utilized to its maximum level. Simultaneously the surplus staff should also be identified so that adequate policy is drawn up for their deployment.
- Land available at prime locations should be utilized to generate money.
- Many new projects are announced in the budget which should be completed in a time bound manner.
- Idle assets should be identified and utilized properly.
- The position of inventory should be reviewed and as in the case of corporate sector we should also go for JIT (Just In Time) approach.
- In respect of works involving safety aspects, the estimate vetting should not be delayed as it involves time and cost over runs for which check-list should be developed.
- All the proposals especially safety proposals, ROB, RUB, interlocking should be cleared in a time bound manner and objections if any should be advised at one time. Further, rather than file movement, finance officers should discuss the same with their counterparts and also offer solution like a team member.
- FA&CAOs being custodians of finances should generate new ideas and offer progressive solutions also.
- FA&CAOs should also go for site inspection of works and see its progress.
- Wished the Conference to be a success.

### **MT**

- While welcoming the participants, mentioned that Railway budget has been passed in the parliament hence action plan needs be drawn for achieving the targets.
- The tonnage has increased substantially but the earnings has not increased as per the target for which analysis needs to be made and causes identified for taking appropriate corrective action.



- NTKM targets given to Railways should be monitored closely and it should be seen that earnings also increase correspondingly.
- Stressed the need to prefer long distance movement rather than short movement and our emphasis should be to earn more NTKM and more earnings.
- There is need to increase passenger earnings by introducing new trains and additional coaches to clear the rush and capture more traffic. Special trains should be introduced to meet festive specific demands.
- Railways should concentrate on running premium trains at premium fare to earn more and reduce transit time.
- Railways should also concentrate on increase in parcel traffic. The performance up to June 09 is short of expectation. Thus more needs to be done for maximum utilization of available parcel vans.
- Commercial exploitation of surplus land should be undertaken by way of advertisement, leasing etc.
- Finance officers have to play pivotal role in fructifying these targets by quick clearance of such proposals/tenders. In case of difference of opinion, rather than sending the file, the matter should be discussed at personal level.
- The earning contract once entered into should be revisited to see if there is any scope of more earning.
- Station outstanding especially admitted/objected debits and other recoverable dues should be monitored closely and if possible periodic meetings should be called for their clearance.
- Railways should do more under e-payment of freight and its coverage should be increased.
- TMS has already covered more than 80% RRs and it is expected to generate 100% computerized RRs by end of Dec 09.
- Stressed the need for apportionment of earnings including UTS through FOIS system as it would ensure apportionment of traffic on actual carried route basis instead of shortest distance based apportionment masters at present CRIS is already on job. FA&CAOs should make available the desired data as and when requested by CRIS for testing/implementation.
- Congratulated FA&CAOs for good financial, performance of Railways despite global slow down and asked to improve the same in coming financial years also.

## ME

- While welcoming the participants mentioned that the overall financial performance is satisfactory but still more needs to be done. FA&CAO should play key role as finance and accounts officer as they are watch person of the Railway.
- Stressed that costing should be improved for correct assessment of cost of service.
- In respect of works program, the financial justification of each work should be seen carefully for its evaluation and FA&CAOs should be well aware of each proposal.
- FA&CAO should keep the position of daily earning/daily loading and discuss with their counterpart.
- FA&CAOs should generate a system of sending the position of weekly expenditure to other departments so that they can focus to curtail the expenditure as per the budget allotment. Further they should also be able to give any financial information when called for by the executives within minimum time.
- Stressed the need for timely completion of proposal to commission assets as every department is an earning department. Monthly meetings should be arranged with the counterpart to curb slippages.
- We should go for big contracts instead of small ones as the chances of failures are less.
- In the recently concluded GM Conference some of the GMs have pointed out that their FA&CAOs are not permitting trial runs of new projects hence desired that relevant papers be

called for a decision in the matter. FA&CAOs should also conduct site inspection to assess ground position.

- Efforts should be made for computerization to reduce man-power.

## **MM**

- While welcoming the participants mentioned that close working of finance & executive officers is required for efficient working of PUs and workshops.
- We should develop business plan to increase efficiency and close liaison should be maintained amongst all departments.
- Overheads, inventory, idle time, stores, incentive are important cost constituents hence close monitoring is required to keep the expenditure in budgetary limits.
- FA&CAOs being finance manager should curb wastage and give his/her independent view on all issues involving financial implications.
- Stressed the need for quick disposal of scrap.
- The incentive scheme which is decade old should be reviewed.
- Computerization is required especially in Personnel and Stores and fuel accountal.
- We should also ensure better utilization of rolling stock and ensure that quality of work do not suffer on any account.
- It should be reviewed and ensured that expenditure incurred on modernization of workshop is productive.
- Wherever new workshops are announced with new concepts the objectives should be fulfilled.
- Complimented FA&CAOs of PUs for their work in achieving the targets.

## **MS**

- While welcoming the participants mentioned that we should share ideas and adopt best practice as frequent interaction with others help in generating new ideas.
- There is a need for bench marking of activities. FA&CAO should find out the reason why a particular activity is good on one Railway as compared to others. If required they may involve GMs and CPOs also.
- Ensure full utilization of assets and staff and also contain man-power at all levels within the sanctioned strength.
- There is a need to analyze things and develop management statistics for a convincing solution.
- There should be frequent interaction with Personnel department on all issues.
- The system of internal check should be strengthened to curb financial irregularities in the system.
- Cautioned FA&CAOs to be vigilant and strengthen the internal checking mechanism as a number of cases have been detected in the recent past like irregular fixation of pension, disbursement of pension by banks, wrong fixation of pay of staff, payment of pension to the pensioner even after their death and false payment by banks.
- Accounts Offices should be geared up to detect frauds at early stage.
- We should concentrate on cost reduction to earn more and one should be cost conscious.
- Thanked FA&CAOs for their contribution in achieving good financial results despite constraints.

## **FC**

- FC welcomed the participants and emphasized the need for close monitoring and achievement of earnings and expenditure targets as there is no scope for any slippage.



- Sustained and collective efforts like a team are required to earn more and spend less.
- FA&CAOs should utilize this conference for meaningful and focused discussion and throwing up innovative ideas and solutions.
- Integrated approach is required to solve a problem for which leadership qualities are required to be developed.
- FA&CAOs while dealing with a proposal should be able to give a solution to it so that best alternative could be selected for implementation and they should be able to take the system forward.
- We should be consistent in dealing with the cases and should not manifest an attitude of being discriminatory and selective in approach.
- Transparency of action should be ensured. Our views on a proposal should be recorded clearly and unambiguously.
- FA&CAOs should conduct periodic reviews to assess the progress and also conduct field inspection and visit on site for ground realities so as to develop professional approach.
- Executive is not an adversary. He has his compulsions and also a point of view. In case we have a stronger point, the same should be put across to the executives in a manner so that it gains acceptability which would not only enrich the proposal, but would also benefit the organization as well.
- FA&CAOs should perceive their roles as contributor to the organization and not merely seen as reacting to the proposals received.
- There is a need to hone skills of officers. This can be done through suitable job rotations.
- FA&CAOs must ensure proper monitoring mechanism to regulate disposal time, adherence to rules/procedures and cleaning up arrears. They should assess state of the cadre and that of the department on a continuous basis and take corrective measures wherever due as we all owe to posterity a more vibrant cadre than we have inherited.
- The proposals should be dealt in a comprehensive manner in one go. Multiple handling of the same file will not give advantage either to us or to the organization.

#### **AM/B**

- AM/B while welcoming the participants thanked for their support at all times and mentioned that with global slow down and its impact on Railways, efforts should be made to sustain the earnings and reduce the working expenses.
- Concerted efforts are required to prevent ticket-less travel, overloading and undercharges, non-utilization/partial utilization of SLR space, increase in advertisement earnings and prompt billing of recoverable dues.
- Austerity measures as directed by Hon'ble MR should be implemented strictly and action plan drawn for increasing earnings and reducing expenditure.
- Efforts are required to prioritize the expenditure under various projects. Instead of spending scarce resources over many projects, funds should be provided for important projects and projects likely to generate revenue stream for the Railways.
- In respect of traffic suspense, the position be reviewed concurrently and steps taken to achieve the targets.
- Railways should pay more attention to NPS as the position is being monitored by Ministry of Finance. FA&CAOs may ensure that concurrent data uploading of subscription is started by all Accounts officers under their control and the same is reconciled with the remittances made to the trustee bank. Transfer of second trench of legacy data to NSDL should also be completed at the earliest.
- FA&CAOs should conduct more field inspections to have the position of ground realities.
- The position of outstanding inspection repots, audit para, draft para should be reviewed and old items cleared by arranging regular meeting with counter parts.



- Several frauds have been noticed in the recent past. Our internal check machinery should be strengthened for their early detection/preventing the same. There should be no arrears in reconciliation of suspense especially remittance into banks, cheques & bills.
- Some of the Railways have dispensed with submission of some of the returns relating to passenger/goods traffic to Board's office. This should not be allowed to happen in future.
- Expressed gratitude to all FA&CAOs for their support and goodwill during his career of 35 years in various capacities and wished them all the very best in their personal and official life.

### **AM/F**

- AM/F while welcoming the FA&CAOs thanked them for their support during various posts held by him.
- Mentioned that all efforts be done to save money and quoted the orders of Hon'ble MR that money saved is money generated.
- The material appearing in C&AG reports is a source of information and FA&CAOs should use this for developing new ideas.
- All efforts are required to improve turnover ratio and WMS targets.
- The tendency of Railways to postpone the adjustment to next year/next month is not healthy. The review and adjustment should be concurrent and timely.
- Emphasized need to reduce inventory balances for optimum utilization of funds that are blocked in capital. FA&CAOs should concentrate in this area and do monthly analysis.
- Stressed the need for judicious scrutiny of demand to save money at all levels.
- The available applications i.e. AFRES PRIME, MMIS, PMIS should be fully exploited without too much customization.

### **Advisor (Finance)**

- Adv/Fin while welcoming the participants mentioned that more work is required to be done in the area of e-payment, by Railways in bringing more and more customers under the scheme. She stressed that Railways lagging behind the target should focus on this area.
- Better monitoring is required in respect of audit paras, Board Inspection Reports. Efforts are required to clear old and hard core items.
- POH costs & unit costs should be evaluated accurately and revised as per the recommendations of 6<sup>th</sup> CPC. While comparing the unit costs of September 2008 with March 2009, a reduction to the extent of 68% in some cases seems illogical. FA&CAO/WSTs/Zonal Railways should personally monitor this position.
- The targets reflected in returns submitted to Board do not tally with the targets set by Board, these should be reviewed. Some of the Workshops show "NIL" outturn which is not correct as targets are given to each of them.
- Thanked AM/B and AM/F for their guidance and lauded their efforts in the working of Railways and human approach in helping officers/staff.

### **Business session**

- FA&CAOs (i) FA&CAOs/Zonal Railways and PUs gave presentation on their financial performance and its analysis, reasons for shortfall, action plan to achieve the targets, position of demand no. 16, NPS, e-payment, impact of 6<sup>th</sup> CPC, computerization, position of recoverable dues, inventory position, traffic suspense, projections for 09-10, suggestions for improvement/increase in earnings/reduction in expenditure.
- FA&CAOs (ii) EDF/B mentioned that Growth of 1<sup>st</sup> quarter is less by Rs. 2000 crore. The



Railway need to draw action plan, earn more, spend less without compromising quality and maintain balance in investment expenditure. It is necessary that expenditure remains within the spending limits. There is no scope for further allotments unless Railways earn more or achieve savings in other areas. FA&CAOs may advise expenditure cushion if available with any Railway in time to Board's office so that the same could be allocated to other Railway/area. Earnings from parcel traffic/sundry earnings needs to be increased and special rates be framed to attract new traffic. Efforts be made to increase advertisement income. In respect of staff deployed at sidings etc whose pay has been revised due to 6<sup>th</sup> CPC recommendations, bills should be raised immediately against the concerned party and there should be no delay in the matter. There is a need for 100% census of recoverable dues. These bills should be raised and realized immediately. Critical analysis should be made in respect of works under Capital Fund & Development Fund without compromising safety, passenger amenities. Railways should prioritize the expenditure so that only essential expenditure is incurred. She also requested FA&CAOs to evolve mechanism to watch all these areas concurrently.

- EDF/S (iii) FA&CAO/SECR requested Board's clarification as to whether in case of e-procurement manual verification and vetting of tender processes are necessary.
- FA&CAOs (iv) FA&CAO/ CLW proposed that Private Banks should be allowed to handle government business to ensure e-payment as no PSB is showing interest. It was clarified that as per Ministry of Finance's directives the government business can be handled only by Public Sector Banks.
- EDF/S (v) FA&CAO/COFMOW mentioned that high value machines of latest technologies are being procured without any regard to actual capacity requirement/utilization. It would be desirable to conduct a comprehensive review of utilization of high value machines by Railways.
- EDFC (vi) FA&CAO/SER suggested for imposition of a surcharge of 10% on iron-ore traffic carried over more than 700 Kms.  
He also mentioned that as per Amendment No. 2 of General Order No. 01/2003, the rationalization scheme was applicable to goods traffic loaded on ECOR, SCR or SR to the destinations for which shorter route was Jalehapura-Nayagarh-Jaruli-Banspan. However para 2.2 of General Order no. 01/2008, Rationalization scheme effective from 15-06-2008 had inadvertently replaced SCR with SECR. Geographically shortest route from SECR cannot be via Jalehapura-Nayagarh-Jaruli-Banspani. The above has affected the inward share of SER as the traffic originating from SCR is no longer rationalized via Bhadrak for destination for which the shorter route is Jalehapura-Nayagarh-Jaruli-Banspan. Thus the above order needs revision.
- DF/CCA (vii) FA&CAO/NFR mentioned that there is shortage of S.O.(A/cs) on NF Railway. A proposal was sent by the Railway to Board's office for direct recruitment of S.O.( A/cs) as was permitted in case of TIAs some years ago. However this was not agreed to by Board due to staff side reservations. She requested re-examination of the matter.
- EDFX-I (viii) She also mentioned that railway is raising bills for security patrolling of tracks by Railway Personnel against State Government. However, State Govts. are not paying bills due to non-clarity about the authority for raising such bills and thus these bills are adjusted against state GRP dues as and when the bills are raised by State Government.
- FA&CAO/  
ECR (ix) FA&CAO/ F&B/ECR mentioned that directives have been issued by Ministry of Coal to collieries not to pay staff cost bills raised by Railways in respect of staff

posted at collieries. It was desired that the concerned Railway shall make a self contained reference to Board's office to take up the matter with Ministry of Coal.

- FA&CAOs (x) FA&CAO/South Central Railway stated that they have been able to cover 100% staff and officers under Bank payment by taking the unions and GM into confidence. It was desired that all other FA&CAOs explore feasibility of the same on their Railway in consultation with CPO and staff side.
- EDFC (xi) FA&CAO/WCR mentioned that at present security deposit equivalent to 5 days peak transaction is required for availing e-freight payment facility, which is acting as deterrent due to costs involved. He suggested that instead of 5 days the Security Deposit of 2 days only may be taken for availing e-payment of freight to patronise the scheme.
- FA&CAOs (xii) FA&CAO/WR mentioned that review of position of NPS revealed non-matching of the amount sent to NSDL with actual recoveries made from employees & government contribution. It was decided that all FA&CAOs will review the position on their Railways and confirm correctness of the records within a month's time.

FA&CAOs shall also ensure that instructions issued to Railways vide letter dated 12/01/2009 for direct uploading of subscriber contribution files (SCF) and transfer of funds to trustee banks are implemented by all Accounts officers under their control. Transfer of second tranche to the month preceding direct upload to NSDL should also be ensured by 31/08/2009 and confirmation in the matter sent to Board's office by 04/09/2008. Further, all new entrants who join service on or after 01/04/2009 should fill the application for allotment of Permanent Account Retirement Account Number (PRAN) and submit the same through drawing officer to NSDL for generation and allotment of PRAN & dispatch of PRAN kit to subscriber. Forms for earlier subscriber are also required to be completed and sent to NSDL immediately. FA&CAOs may gear up NPS Cells for this work.

It was clarified that delay in transmission of subscription details and funds have serious legal implications as staff would not get interest on the delayed un-marched contributions.

- EDF/X-I  
EDF/E (xiii) FA&CAO/WR also pointed out that with the implementation of recommendations of 6<sup>th</sup> CPC, D&G charges for creation and operation of work-charged posts are insufficient and as such these charges need to be revised suitably. Similar views were expressed by some other FA&CAOs also. It was decided that the issue will be examined in Board's office.
- DF/CCA (xiv) FA&CAO/NCR brought out that Security Dte has recently issued instruction on revised scale of security provision for cash escorts for deposition of station cash to local banks. As per these directives no cash security is provided for cash upto Rs 2,50,000/-. This has resulted in looting of cash in Bhind station of NCR. The same threat is there for other similarly placed stations as well. Railway has decided not to send the station cash of such stations through cash bags / cash chests which would delay the remittance process. This requires immediate review. It was explained that the matter has already been taken up with Security Dte.
- EDFS  
EDF/X-I (xv) RDSO is frequently changing design/specifications of spares etc having substantial financial implications. It was requested that Board may issue guidelines to RDSO to avoid frequent change in design/specifications. If these changes are required, RDSO should approach Board with full details who may examine the need and financial implications before issuing directives to Railways. It was decided that this issue will be examined in Board's office.



FA&CAOs (xvi) ED/AIMS requested that progress for implementation of AFRES/PRIME applications and position of hardware available in EDP Centre be sent to him regularly so that their implementation in a centralized manner could be planned under AIMS project.

FA&CAOs/ concerned directorates shall take action accordingly and send the requisite information and compliance report within a month's time.

The meeting concluded with a vote of thanks by EDA.

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**List of Participants**

**Railway Board**

- 1 Smt. S. Raghavan, FC/Rlys.
- 2 Dr. S. Ram Mohan, AM/Finance.
- 3 Shri M S Khan, AM/Budget.
- 4 Smt. Pompa Babbar, Adviser (Finance).
- 5 Shri P V Vaidialingam, EDF(X)-I.
- 6 Shri B N Mohapatra, EDA.
- 7 Shri Sharad Mallik, EDF.
- 8 Smt S.D. Das, EDF/PPP.
- 9 Shri Harsh Kumar, EDF/X-II.
- 10 Shri Naresh Salecha, EDF(C).
- 11 Ms. Sharmila Chavaly, ED/AR.
- 12 Ms. Anjali Goyal, EDF/Budget.
- 13 Shri J. Srinivas, EDV/A.
- 14 Shri Jagmohan Gupta, EDF/E.
- 15 Shri R. Sahai, EDF/S.
- 16 Shri Prashant Mishra, ED/AiMS.
- 17 Shri Naveen Shukla, EDS&E.
- 18 Shri Sanjay Upreti, DF/Commercial.
- 19 Smt. Anju Ranjan, DF/X-II.
- 20 Shri Narendra, DF/S/II.
- 21 Shri M K Singh, DF/A.
- 22 Shri S N Mathur, DF/CCA.
- 23 Shri Sanjeeb Kumar, DF/Stores-I.
- 24 Shri Sanjiv Jain, DF/Budget.
- 25 Shri P K Malik, JD/Stats & CA.
- 26 Shri V Rama Manohara Rao, JDF(X)I.
- 27 Shri Sanjeev Sharma, JD/A.
- 28 Shri H.O. Chopra, SAO/AC-I.

**Railways/PUs**

- 1 Mrs. Nalini Kak, FA&CAO/F&B/CR.
- 2 Shri Arjun Rakshit, FA&CAO/ER.
- 3 Shri Gurdeep Singh, FA&CAO/NR.
- 4 Mrs S. Rajware/FA&CAO/NER.
- 5 Mrs. Bela Banerjee/FA&CAO/NFR.
- 6 Mrs. Vijaya Kanth/FA&CAO/SR.



- 7 Shri S. Chandrasekharan/FA&CAO/SCR.
- 8 Shri Shivaji Rakshit/FA&CAO/SER.
- 9 Shri S. Ananthanarayanan/FA&CAO/WR.
- 10 Dr. R C Rai/FA&CAO/WCR.
- 11 Shri S. Bhattacharya, FA&CAO/F&B/ECR.
- 12 Shri S.S. Natarajan/FA&CAO/ECOR.
- 13 Shri Gurudev Singh/FA&CAO/NWR.
- 14 Smt. Vandana Singhal/FA&CAO/NCR.
- 15 Shri Ranjan Tewari/FA&CAO/SECR.
- 16 Shri S. Ramachandran/FA&CAO/SWR.
- 17 Shri J N Pandey/FA&CAO/P/CLW.
- 18 Shri N P Pandey/FA&CAO/DLW.
- 19 Shri M R Choudhari/FA&CAO/RCF.
- 20 Shri Robin Deka/FA&CAO/DMW.
- 21 Shri B N Rao/FA&CAO/RWF.
- 22 Shri A. Khanna/FA&CAO/COFMOW.
- 23 Shri S. Gregory/FA&CAO/Metro.

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