सत्यमेव जयते

Saroj Rajware
Additional Member(Budget)

भारत सरकार
रेल मंत्रालय, (रेलवे बोर्ड)
नई दिल्ली-११० ००१
GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)
NEW DELHI-110001

D.O. No. 2014-B-106/Pt **Dated 31st July, 2014**

Dear Shri Saxena ,

Sub : Plan expenditure (Demand No. 16) 2014-15

Railway Budget 2014-15 has been prepared with the thrust and philosophy of providing full/maximum outlays to works identified for completion by 31.03.2015. This has been reflected in the Budget Speech of the Minister of Railways. Grimness of resource position of Railways can however be gauged from the fact that surplus, after paying dividend and lease charges, is estimated to be merely Rs. 602 crore. We therefore need to treat expenditure funded from internal resources with extreme caution and regulation and restrict the plan expenditure under DRF and DF to 85% as a precautionary measure till further review.

2. Accordingly, progress of works has to be monitored tightly so that funds provided are fully utilized, resulting in works getting completed as targeted. It may also be ensured that financial progress is not disproportionately spread out. A situation should not arise that funds are exhausted early in this financial year, forcing unwarranted avoidable situations like pendency of bills or compromise with work progress. Credits fixed in BE 2014-15 should positively be realized.

3. If funds are found insufficient to complete all such targeted works, the list of works targeted for completion should be re-prioritized so that higher allocations to the revised and pruned down list, targeted for completion by 31.03.2015, are considered at the R.E. stage in December 2014 through suitable adjustments within existing grants. No request would be considered at FM stage in March 2015

4. Due to upgradation of the existing Rail Budget Compilation System (RBCS), it is expected that the distribution of RG and FG allotment issued by Board will be available work-wise. Railways/Units will also have to work-out and submit their RE and FME accordingly viz. work-wise and not overall/lump-sum-wise. Further instructions on the subject would be issued along-with the letter calling for submission of RE in November/December.

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5. In Plan-head 53 "Passenger Amenities', under Northern Railway, a lumpsum provision of Rs 25 crore for 'new works' has been made specifically for provision of toilets at Stations. The provision though under Northern Railway has been made to cater to requirement of all Zonal Railways. Each Zone has to identify works and get sanction of competent authority for inclusion in L.A.W. book with a token allotment under Zonal Railway's provision. Suitable amount would then be re-appropriated by the Railway Board. All instances of re-appropriation related to this exercise would be processed by L&A Directorate.

6. Inventory is a specially marked out item in the current year. Last year, net inventories had shot up drastically, giving an impression of not only bad budgeting but also lack of monitoring at the field level. Needless to add, net inventory balance attracts dividend liability and blocks Capital, which could otherwise have been gainfully deployed for infrastructure based plan-heads or at the least to reduce market borrowings. The suspense balance under inventory; Plan-heads 71, 72 and 73; should be related to provisions in the final heads that provide credit to inventory suspense heads. Activities should be controlled to remain within the allotments.

Best Wishes,

Yours Sincerely,

S. Rajware

(Saroj Rajware)

Shri P.K.Saxena,
General Manager,
South Western Railway,
Hubli.

Copy to : The FA & CAO, South Western Railway, Hubli.