

**GOVERNMENT OF INDIA  
RAILWAYS  
LOK SABHA**

STARRED QUESTION NO:461  
ANSWERED ON:19.04.2001  
FINANCIAL MANAGEMENT SYSTEM  
RADHA MOHAN SINGH;SHEESH RAM SINGH RAVI

**Will the Minister of RAILWAYS be pleased to state:**

- (a) whether it is a fact that the Railways are not strictly observing Financial Rules in respect of appropriation of the budgetary allocation over a period of time;
- (b) whether this matter has been pointed out by the Public Accounts Committee of Parliament on a number of occasions;
- (c) whether the non-observance of Financial Rules also involves non-utilization of sanctioned money and non-diversion of unutilised money to projects which remain incomplete for lack of funds; and
- (d) if so, the remedial action taken in this regard?

**Answer**

MINISTER OF RAILWAYS (SHRI NITISH KUMAR)

(a) to (d) : A statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 461 BY S, SHEESH RAM SINGH RAVI AND RADHA MOHAN SINGH TO BE ANSWERED IN LOK SABHA ON 19.04.2001 REGA FINANCIAL MANAGEMENT SYSTEM

(a) No, Sir. The Financial Rules in respect of appropriations are being observed by the Railways.

(b) Certain instances of funds remaining unspent, cases of excesses, misclassifications and of reappropriations have figured in the reports of the Public Accounts Committee (PAC). Whenever such a report is received, follow up action including corrective measures is taken after proper scrutiny.

(c) & (d) : Non utilisation of sanctioned money is not on account of non-observance of financial rules. Sometimes mismatch of funds availability and their utilisation occurs for reasons such as progress of work getting delayed due to difficulties in land acquisition, contractual problems, litigations/court cases etc. Also, in case the actual internal generation of resources is less than that budgeted, the available funds under certain plan heads gets reduced, leading to an apparent under spending. However, all possible efforts are taken to ensure that available funds are utilised optimally.

Reappropriations as permissible under the rules are resorted to taking note of developments during the year, with a view to ensuring better utilisation of funds.

Railways have a good and tested system for budgetary, financial and accounting control. There is also an endeavour to effect improvements.