

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:3013
ANSWERED ON:31.07.2014
ACCOUNTING SYSTEM IN RAILWAYS
Shrirang Shri Chandu Barne

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Railways have upgraded their accounting system;
- (b) if so, the details thereof and if not, the reasons therefor and the time by which the same is likely to be upgraded;
- (c) whether the Ministry of Finance has sought inventory of railway services in both freight and goods categories and if so, the details thereof along with the reasons therefor;
- (d) whether the Railways have requested not to charge service tax on passenger fare and freight; and
- (e) if so, the reaction of the Ministry of Finance thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI MANOJ SINHA)

(a)to(e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF UNSTARRED QUESTION No. 3013 BY SHRI SHRIRANG APPA BARNE TO BE ANSWERED IN LOK SABHA ON 31.07.2014 REGARDING ACCOUNTING SYSTEM IN RAILWAYS

(a)&(b): Railways follow the accounting system as per Government Accounting Rules. Upgradation of the system is a continuous process based on new requirements and technologies. Existing computerized accounting system on the Railways has been upgraded to a unified web based centralized system to bring more efficiency. The upgraded system has already been implemented on three zonal railways and this Ministry has decided its full implementation on all the Zonal Railways in three years, subject to availability of funds.

(c): Yes, Madam. In order to examine continuance of exemption from levy of service tax on services rendered by Indian Railways beyond 30.09.2012, Ministry of Finance had sought financial details of freight and passenger services for the years 2010-11 and 2011-12, which were provided to them.

(d)to(e): In the past, Ministry of Railways had requested Ministry of Finance several times for total exemption from levy of service tax on all services rendered by Indian Railways that included passenger fare and freight. However, Ministry of Finance decided to implement levy of service tax on freight and passenger services in AC and First Class with effect from 01.10.2012.