

**ESTIMATES COMMITTEE
(1972-73)**

(FIFTH LOK SABHA)

FORTY-FOURTH REPORT

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

**Statistics regarding the financial implications of
Passes and PTOs issued to their employees by
the Railways and their publication in the
Annual Reports of the Ministry of Railways
(Railway Board)**



**LOK SABHA SECRETARIAT
NEW DELHI**

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(1972-73)

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(1972-73)

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7. Shri Krishna Chandra Halder

INTRODUCTION

I, the Chairman of the Estimates Committee having been authorised by the Committee to submit the Report on their behalf, present this Forty Fourth Report on their Sixty Seventh Report (Fourth Lok Sabha) showing action taken by Government on the recommendations contained in the Twenty Ninth Report of the Estimates Committee (Fourth Lok Sabha) on the Ministry of Railways—Commercial and other Cognate matters—Travel Concessions allowed to Railway Employees.

2. In October, 1972, the Ministry of Railways (Railway Board) informed the Estimates Committee (1972-73) about their difficulties in respect of compilation of the statistics regarding the financial implications of Passes and PTOs issued to their employees by the Railways and their publication in the Annual Reports of the Railways. This matter was referred for examination to the Action Taken Sub-Committee of the Estimates Committee which desired the Ministry of Railways (Railway Board) to furnish further information. On receipt of the requisite information it was decided to take evidence of officials of the Ministry of Railways (Railway Board) for further elucidation of the matter. Accordingly, the Estimates Committee took evidence of the representative of the Ministry of Railways (Railway Board) on the 10th April, 1973.

3. The Committee wish to express their thanks to the Officers of the Ministry of Railways (Railway Board) for placing before them the material and information which they desired in connection with the examination of the subject and for giving evidence before the Committee.

4. The Report was considered and adopted by the Committee on the 24th April, 1973.

NEW DELHI;
April 25, 1973.

Vaisakha 5, 1895 (S).

KAMAL NATH TEWARI,
Chairman,
Estimates Committee.

REPORT

The Estimates Committee (1967-68) in Para 10 of their Twenty-Ninth Report (Fourth Lok Sabha) on the Ministry of Railways—Commercial and other Cognate Matters—Travel Concessions allowed to Railway Employees, had observed—

“10. With reference to the incidence of the travel concessions on Railway Revenues, the Ministry of Railways have informed the Committee in a written note that the Railway employees do not often utilise all the sets of Passes or P.T.O.s., admissible to them each year. Asked whether any statistics are maintained by the Railways regarding extent of utilisation of the free passes and P.T.O.s., the representative of the Ministry has stated in evidence that these figures are not compiled by them. When at the end of the Journey the pass is handed over by the person concerned at the destination station, no indication is given on the pass as to how many of the persons covered by the pass had actually travelled. It has been urged that as such, it is not possible, under the existing procedure, to collect reliable statistics about the Railway employees. The representative of the Ministry has added that collection of such statistics would involve a great deal of clerical labour which the Railways would not be able to spare in the present situation.”

In this connection, the Committee had observed—

“The Committee are, to say the least, surprised at the reply and feel that if there is a will to do so, there are devices and methods to collect accurate statistics, without any additional financial burden.”

2. In regard to the financial implications of travel concession allowed to the Railway employees, the representative of the Ministry had stated, in evidence, vide para 11 of the Report of Estimates Committee referred to above that there is “no direct financial burden on the Railways” and that even the full value of the passes utilised by the Railway employees could not be treated as an indirect financial burden because it could not be assured that the entire accommodation on the particular train would have gone fully booked but for the railway employees taking away certain accommodation

for their free travel. The representative of the Ministry had clarified, however, that it was not as if there was no impact but that it was extremely difficult for the Railways to make any accurate assessment of the actual impact or the factual financial burden which the Railways were called upon to bear. However, in a written note, then furnished to the Committee, it had been stated that in 1962, a sample survey was made on the Northern Railway to determine the money value of passes and P.T.Os., issued to Railway staff and, on that basis, a notional analysis of the financial effect was calculated by the Railways. On the basis of this analysis, the total annual effect for Indian Government Railways as a whole was reckoned to be about Rs. 8 crores for passes and about Rs. 70 lakhs for P.T.Os., the amount pertaining to gazetted officers being only about Rs. 42 lakhs.

3. In the absence of any statistics maintained by the Railways which could enable a calculation of the exact value of the free passes and P.T.Os., availed of by Railway employees, the Committee had, on information then available in published documents of a statistical character, made a rough calculation. The annual value of the passes and P.T.Os., issued to Railway employees would work out to about Rs. 17.39 crores (optimum figure) as per calculations given below:—

The number of Railway employees.	13.5 lakhs.
Average size of family of each employee (Census Figures)	5 Members.
3 sets of free passes (outward and return) per family member per year	equal 6 single journey free passes per family member per year.
Total number of free journeys	13.5 lakhs X 5 X 6 or 4 crores.
Average lead per passenger	73.7 K. Ms.
Approximate III Class fare for 73.7 KMs.	Rs. 1.85
Total cost of free passes	4 crores journeys X Rs. 1.85 or Rs. 7.40 crores.
On the above basis the total cost of 6 sets of P.T.O.s., (equivalent to 6x2/3 or 4 sets of free passes) will work out to be	Rs. 9.99 crores.
Total cost of travel concessions	Rs. 17.39 crores

4. The Estimates Committee in Paragraphs 10 and 17 of their Twenty-Ninth Report (Fourth Lok Sabha) had *interalia*, made the following recommendations in this regard:—

“The Committee feel that it should have been possible for the Ministry to ascertain the financial implication of the grant of travel concessions to their employees if only the Railways had maintained adequate statistics relating to the actual utilisation of passes and P.T.Os.,

The Committee are, to say the least, surprised at the reply of the Ministry that it is not possible, under the existing procedure, to collect reliable statistics about the extent of actual utilisation of Passes and P.T.Os., by the Railway employees, and are unable to understand why no statistics worth their name are being maintained by the Railway Administration in this regard. The Committee feel that if there is a will to do so, there are devices and methods to collect accurate statistics without any additional financial burden as it is only a matter of appropriate administrative procedures and arrangements. The Committee desire that such statistics should be maintained with immediate effect and Parliament should be informed every year about the financial implication of the travel concessions allowed to Railway employees, and it should also be indicated in the Annual Reports of the Railways.”

5. In their reply dated the 10th July, 1968 to the aforementioned recommendation of the Committee, the Ministry of Railways had stated as follows:—

“The main difficulty in assessing the financial effect of the travel concessions is that privilege passes taken by employees might have been for some members of the family not all of whom might have travelled and also the pass could have been taken for a distant destination even though it might actually have been utilised for shorter journeys. In other words, merely evaluating the cost of journeys for the number of persons and for the destination indicated in the pass could result in an overassessment of the financial effect. In an endeavour to collect the necessary information, out of deference to the wishes of the Estimates Committee, instructions have recently been issued to railways to furnish quarterly statements to the Railway Board regarding the number of passes issued,

cost thereof etc., obtaining the requisite information from the various pass issuing units who, in turn, have to obtain the details from each employee after completion of the Journey.

The information collected for the year 1968-69 which will be available only in the later half of the calendar year 1969 would be made available to Parliament and the same procedure repeated in subsequent years. The question of giving this information in the Annual Reports of the Railways would also be considered thereafter."

6. As the Ministry of Railways had accepted the recommendation of the Committee, their reply was included in Chapter II of the Sixty Seventh Report of the Estimates Committee (Fourth Lok Sabha) which was presented to the Lok Sabha on the 20th February, 1969.

7. In October, 1972, the Ministry of Railways (Railway Board) informed the Estimates Committee (1972-73) *vide* their O.M. No. E(W)68PS5—1|2 dated the 25th October, 1972 as follows:—

"The Estimates Committee in their Recommendations (Serial No. 1) paras 10 and 17 of 67th Report desired that Railway Ministry should apprise Parliament every year about the financial implications of the travel concessions allowed to railway employees and the Ministry of Railways in their reply advised that the information collected for the year 1968-69 from the various Pass issuing units which will be available only in the later half of the Calendar year would be made available to Parliament.

An attempt was made to collect information regarding actual utilisation of passes|P.T.Os, by Railway Employees for the year 1968-69 on the basis of the declaration forms submitted by Railway employees giving the number of persons who actually travelled on the passes issued to them and the stations between which passes were utilised. Certain Railway Administrations have informed that in the case of the railway employees, who have not submitted the declaration forms, the journeys indicated on passes issued and not those actually performed have been taken into account. On the basis of the information received from the Railways, the cost of utilisation of passes and P.T.Os., during the year is approximately Rs. 25 crores."

8. After scrutiny of the above communication the Ministry of Railways were asked to furnish the following information:—

- (i) the reasons for the information regarding financial implications of travel concessions to Railway Employees for 1968-69 being submitted by the Ministry of Railways to the Estimates Committee as late as 25th October, 1972;
- (ii) the reasons for subsequent annual statements for 1969-70, 1970-71 and 1971-72 not being presented to Parliament as promised and the probable date when the same will be presented; and
- (iii) the reasons for this information not being included in the Annual Reports of the Ministry of Railways, as was agreed to by the Ministry.

9. That Ministry informed the Committee *vide* O.M. No. E(W)-68PS5—1|2, dated the 4th January, 1973 as follows:—

“The collection of declaration forms from individual railway employees indicating actual journeys performed on the passes issued to each one of them had been very difficult. In the circumstance, the only practical course was to evaluate the cost of journeys as indicated in the counterfoils of the passes issued for the staff, say, once in 5 years and make a downward adjustment of 10 per cent thereof in respect of, either journeys not undertaken or journeys undertaken for lesser number of persons or for a shorter distance. Further for arriving at the cash value of these concessions from year to year, these figures computed once in five years can be increased annually in proportion to the increase in fares so as to arrive at the approximate cost of these concessions . . . The Lok Sabha Secretariat are requested to confirm the above so that further action may be taken accordingly.”

10. During their evidence before the Committee, the representatives of the Ministry of Railways were asked as to what follow-up action was taken by the Railway Board to ensure the receipt of quarterly statements from the various Railways to collect the required information. The Chairman, Railway Board stated, that “Instructions were issued to Railways in February, 1968 to obtain information from the railway employees in regard to the actual utilisation of passes and P.T.Os., issued to them. The monetary

value thereof also was to be evaluated and furnished to the Railway Board quarterly. Letters and reminders were issued by the Railway Board to various Railways for early submission of the required information. The matter was taken up at the highest level when the replies were not forthcoming. We have got a list of the reminders, wireless reminders and D.O. reminders issued at various levels from the Railway Board. The total number of communications would be 21. There were some genuine difficulties in collecting the information in the form in which it was required. There was also shortage of staff in the Personnel Department for the past 11 years. There had been a ban on the Recruitment of clerks on the Railways and we were permitting recruitment of clerks only where additional traffic was likely to be obtained and not for dealing with the normal work or the arrears and a continuous struggle was kept up to see that our working expenses were controlled and we do not get into a deficit since we were seeing a very negative trend in our net revenue in the last ten years. This was one reason why the Railways also had some difficulty." He further stated "I entirely agree that we should have brought these difficulties to the notice of the Estimates Committee from time to time. I can only say that this was a lapse and I sincerely apologise for this lapse."

11. The Chairman, Railway Board added "These difficulties were considered at the time of accepting the recommendations of the Estimates Committee; but since the Committee felt that an attempt must be made to collect this information despite some reservations, an attempt was made to collect the information. Our information system is very old. We have been trying to improve this year after year. For our operating statistics we find difficulty in getting the correct information due to various reasons because we are dealing with a very large number of areas and very large number of staff who have to do the documentation and collect other kinds of information. When we accepted this, we had our reservations. But, we felt that since views had been expressed strongly, we must make an attempt to collect this information. Precisely, we accepted this responsibility in good faith and did our best." He stated "We can collect the information in regard to the evaluation of the passes, as issued, once in five years precisely and for the intermediate four years we could have a notional adjustment made on the basis of the increase of staff and increase in rates and fares. I feel that to collect this information even once in five years will be a very big effort. In regard to the passes issued, to collect that information and to find out the financial value, very roughly I have calculated that 200 extra clerks will be required for one year and this will perhaps come to Rs. 10 lakhs per year. It is for this reason that I have said

that we can collect this information once in five years. The Railways have been asking for permission to recruit additional staff from year to year for attending to the current work and for clearing the arrears. But we as a matter of principle felt that we should try to keep a check on the recruitment of class III staff to the maximum extent possible and only when things became impossible, did we give permission for a small number to be recruited. But since we cannot keep on making adjustments as something may go wrong somewhere, we felt that we must do it periodically and we feel that an interval of five years might be reasonable for this purpose."

12. In regard to the actual utilisation of passes, the witness stated "It will not be difficult to show that all the passes issued are not used or are not used to the full extent to which they are issued. In some cases the people are not able to get the leave. The passes are cancelled, but that cancellation does not go into the statistics. Similarly, in some cases, a person may think that so many members of his family will accompany him but at the last moment some persons who are included in the passes may have to be dropped for some reason and actually only a lesser number than indicated on the pass will travel. In the like manner people may not be able to travel the full distance for which passes are issued. I am only mentioning the type of things that happen from practical experience, and the 10 per cent figure that was suggested was not stated as a right figure. It was only given as an approximate figure; something between 5 per cent and 10 per cent would be reasonable." The witness suggested "For the purpose of giving this information in the Annual Reports, we shall certainly give the value of the passes as issued, but a remark may be made that it may not be used to fullest extent and some allowance must be made for the fact that there are cancellations, shorter journeys and full number of persons are not travelling."

13. The witness pleaded "I would submit that the collection of information of the value of the passes as issued for a current year is easy. To hunt the previous records for finding out the information should be little difficult. I would humbly submit that we may be permitted to give the relevant information from the year 1972-73. It will be submitted just before the budget next year. . . . We will send it to the Committee ahead of that by the end of December definitely. We shall make the information available."

14. The Committee are constrained to observe that although the Ministry of Railways (Railway Board) had assured the Committee as far back as July, 1968 that information regarding the number of

passes issued, cost thereof etc., for the year 1968-69 which would be available to the Railways in the later half of the calendar year 1969, would be made available to Parliament and the same procedure repeated in subsequent years, this has not been implemented so far. The Committee consider that non-fulfilment of assurance is a serious matter. However, in view of the sincere apology tendered by the Chairman, Railway Board, the Committee do not desire to pursue this matter further.

15. The Committee note that according to a sample survey made on the Northern Railway in 1962 to determine the money value of Passes and PTOs. issued to Railway staff, the total annual financial effect for all the Railways was reckoned by the Ministry to be about Rs. 8 crores for passes and about Rs. 70 lakhs for PTOs. The Estimates Committee (1967-68) had on the basis of information available in published documents, roughly worked out the figure of the cost of Passes and PTOs as Rs. 17.39 crores. In their latest communication, the Railways have now informed the Committee that the cost of utilisation of Passes and PTOs. to Railway staff during 1968-69 was approximately Rs. 25 crores. The wide disparity in the figures of the cost of PTOs and Passes as indicated above, underlines the need for the maintenance and collection of accurate statistics regarding the cost etc. of Passes and PTOs which was recommended by the Committee in 1968. The Committee are not convinced by the reasons advanced by the Ministry of Railways that the collection of these statistics would require 200 extra clerks costing approximately Rs. 10 lakhs per year. They fully agree with the observation made in this regard by their predecessor Committee (1967-68) that "if there is a will to do so, there are devices and methods to collect accurate statistics, without any additional financial burden" The Committee have no doubt that statistics of the number of Passes|PTOs and cost thereof etc. Can be maintained and collected conveniently by devising an appropriate form in consultation with the Efficiency Bureau of Ministry of Railways and the Railway Finance, which should be filled in before a Pass|PTO is issued to an employee. The Committee are convinced that if a suitable form is devised to collect this information at the time of the issue of Passes|PTOs the relevant statistics could easily be collected without much additional cost.

16. The Committee have considered the difficulties expressed by the Chairman, Railway Board in collecting this information for the previous years and the assurance given by him that the information for the year 1972-73 would be collected and included in the Annual Report which would be submitted to Parliament just before the Bud-

get next year. While the Committee do not want to insist on the collection of the informaion for the previous years, they would like to stress that the relevant information for the year 1972-73 and onwards should be accurately maintained by the Railways and published in its Annual Reports in future.

NEW DELHI;
 April, 25, 1973
 Vaisakha 5, 1895 (Saka).

KAMAL NATH TEWARI,
 Chairman,
 Estimates Committee.