

**RAILWAY CONVENTION COMMITTEE
(1977)**

FOURTH REPORT

ON

**DELEGATION OF POWERS TO GENERAL
MANAGERS, ORGANISATION OF ZONAL
RAILWAYS AND ORGANISATION OF
RAILWAY BOARD'S OFFICE**



*[Presented in Lok Sabha on 22-12-1978]
[Laid in Rajya Sabha on 22-12-1978]*

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46	3.21	3	Add "reviews" after the "such"	
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56	3.49	21	Coordinating	Coordinat
57	3.53	2	following	following
57	3.53	2	Insert / after the word observations	
58	3.54	2	handly	hardly
58	3.55	7	Insert / after the word Ministries	
103	1.37	14	Division	Divisional
108	1.49-	6	refused	refund
	1.52			
116	3.48	6	'fet'	'felt'

CONTENTS

	PAGE
COMPOSITION OF THE RAILWAY CONVENTION COMMITTEE (1977)	(iii)
INTRODUCTION	(v)
REPORT	—
CHAPTER I—Delegation of Powers to General Managers of Zonal Railways	1
CHAPTER II—Organisation of Zonal Railways	25
CHAPTER III—Organisation of Railway Board Office	37
APPENDICES	
I. Statement showing the previous position and the position as existing in June, 1974 regarding delegation of powers to General Managers in important matters	59
II. Orders issued by the Ministry of Railways (Railway Board) regarding delegation of powers to the General Managers	62
III. Comparative statement showing the important powers previously delegated to the General Managers and powers under revised delegation made on 7-12-77 and the enhancements made	79
IV. Statement showing the powers previously delegated to the Divisional Superintendents and the present revised powers in respect of some of the important items	84
V. Statement showing the location of the Headquarters of Zonal Railways, and their Divisional Headquarters alongwith the States served by each Zone/Division	97
VI. Statement showing strength of officers and staff Directorate-wise & Post-wise as on 31-3-1977 and 31-3-1978	100
VII. Summary of Recommendations/conclusions	103

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RAILWAY CONVENTION COMMITTEE
(1977)

Shri Krishan Kant—*Chairman*

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Shri K. C. Rastogi—*Senior Financial Committee Officer.*

*With effect from 17-5-78 in the vacancies caused by the retirement from Rajya Sabha of Sarvaashri Gulab Rao Patil, Harsh Deo Malaviya, V. V. Swaminathan and Veerendra Patil.

INTRODUCTION

1. The Chairman of Railway Convention Committee, having been authorised to present the report on their behalf, present this Fourth Report on 'Delegation of Powers to General Managers, Organisation of Zonal Railways and Organisation of Railway Board's Office'.

2. One of the subjects selected by the previous Railway Convention Committee (1973) for examination was 'Organisational set-up and Functions of the Railway Board', under which that Committee examined the question of restructuring of the Railway Board, delegation of powers to General Managers, organisation of Zonal Railways, the feasibility of converting Railway production units into autonomous corporations and organisation of Railway Board's Office. Necessary information was obtained and evidence of non-officials and representatives of the Ministry of Railways (Railway Board) was taken by them. The Committee could not, however, finalise their report due to dissolution of the Lok Sabha on 18 January, 1977.

3. The Railway Convention Committee (1977) took up the subject for further examination. On the basis of the evidence tendered before the previous Committee (1973) and the information furnished to them and also the additional information obtained by the Committee, the Committee decided to present a Report separately covering the aspects of delegation of powers to General Managers, organisation of Zonal Railways and organisation of the Railway Board's Office, leaving the question of restructuring of the Railway Board and feasibility of converting railway production units into autonomous corporations for an indepth examination by a Sub-Committee appointed for that purpose.

4. The draft Report was considered and adopted by a Sub-Committee on 8th December, 1978 and by the Committee on 15th December, 1978.

5. The Committee place on record their appreciation of the commendable work done by the Chairman and Members of the previous Railway Convention Committee in taking evidence and obtaining information.

6. The Committee wish to express their thanks to the officers of the Ministry of Railways 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 previous Railway Convention Committee.

7. The Committee also wish to express their thanks to Shri B. S. D. Baliga, Retd. Chairman, Railway Board, Shri Ram Avtar Shastri, former Member of Parliament and Shri T. A. Pai, M.P. for furnishing Memoranda and for giving evidence before the Committee, and to other individuals who furnished Memoranda on the subject.

8. A summary of recommendations/conclusions contained in the Report is appended to the Report (Appendix VII).

NEW DELHI;
December 20, 1978.

Agrahayana 29, 1900 (S).

KRISHAN KANT,
Chairman,
Railway Convention
Committee.

CHAPTER I

DELEGATION OF POWERS TO GENERAL MANAGERS OF ZONAL RAILWAYS

Introductory

Being one of the largest Railway systems in the world, day-to-day operations of the Indian Railways and future development of the system involve centralised control and coordination on various aspects of planning and management. The Ministry of Railways (Railway Board) functions not only as a top policy making body like other Ministries of Central Government but also as a professional and managerial apex of the hierarchical structure of Railways.

1.2. As a Ministry of the Central Government the planning process for the Railways is necessarily controlled by the Planning Commission who are in the best position not only to assess the availability of resources but also to determine the *inter-se* priorities of the various sectors of the economy of which transport of all modes is an integral part. Thus, according to the Ministry of Railways, planning for railway development and management of the operations on Railways necessarily involve a certain measure of co-ordination and control from the Railway Board.

Broad objectives of Delegation

1.3. The Ministry of Railways have stated that the broad objective of delegation of more powers to General Managers has been to maintain a balance between the need to control and co-ordinate from the top and the need to ensure that all problems of bottlenecks are removed at a point as close as possible to their origin.

In this backdrop, at the macro level, determination of the parameters and the process of planning are centralised in the Railway Board and the Planning Commission. But at the same time the ground work for planning is done at the level of the Zonal Railways for which General Managers have to be given adequate powers.

In regard to day-to-day management of Railways, the General Managers have full powers subject to the policy frame-work laid down by the Railway Board.

The Frame-work of Delegation

1.4. The Ministry of Railways have stated that the Powers delegated to the General Managers are embodied mainly in Appendix VII to the Indian Railways General Code, Vol. II. As it is impossible to enumerate all the powers which can be exercised by General Managers considering the wide sphere of activity under his control. Appendix VII of the General Code—Vol. II details matters which are required to be referred to the higher authority in respect of items covered therein. By and large, the General Managers are fully empowered to take decisions on items not covered by Appendix VII of the General Code—Volume II. There are, however, certain powers which are regulated by administrative orders, provisions in the Indian Railway Establishment Code etc.

Functions and responsibilities of General Managers

1.5. In a written note furnished to the Railway Convention Committee (1973) in April, 1976, the Ministry of Railways have described the functions of the General Managers of the Zonal Railways as follows:

- (1) One of the most important functions of the General Managers is to organise and control business of the Railway within their own territorial jurisdiction. The Zonal Railway could operate so as to be adequately responsive to many quick changes germane to an organisation, whose main business is transportation involving complex operations, that have to be carried out with efficiency consistent with safety.
- (2) The General Manager must ensure the most effective use of Railway assets and equipment at his disposal.
- (3) The Zonal Railways must be geared organisationally to meet the wide and varying fluctuations in the demand for Railway transport. This is most difficult job the General Manager is confronted with, since the variability in demand particularly in freight operations, calls for much more effective short-term planning and careful husbanding of resources, i.e., rolling stock, motive power and labour force.
- (4) The General Manager is responsible for operation, maintenance and financial state of his Railway. Since his main job is to sell transportation, he maintains a close

liaison with the public, various chambers of commerce, State Governments and the trade and industry.

- (5) For smooth operations in the inter-change yards, the General Manager maintains adequate contact with contiguous Zonal Railways. He is expected to maintain the fixed and moving assets in good fettle, keep a watch on earnings, inputs and pace of expenditure and most importantly, be in touch with the staff on as many points as possible and look after their welfare.
- (6) In short, the field management is to concentrate on the tasks of customer service, man management and controlling operations on the ground. For discharging these functions, each of the Zonal Railways headed by the General Manager is vested with complete powers to manage these areas, except for the policy constraints, if any. The General Managers control all the resources to carry on with their day-to-day functions and are solely and squarely responsible for almost all Railway activities within their territories e.g. works, purchase of stores, establishment and allotment of wagons and public claims for compensation and refunds. The Railway Board ensures the correct distribution of authority through different levels of organisation which is absolutely necessary for a large undertaking like Railways. The devolution of powers to the General Managers is a continuous process and establishment of an adequate apparatus in the field to respond to the changing demands and developments is the prime objective of Railway working.
- (7) The General Managers in their turn have also been authorised to delegate such powers to the authorities subordinate to them as they deem fit with the power to re-delegate these to lower authorities. The Divisional Superintendents, who head the divisions, which in fact are the working units of a Railway zone, have recently been delegated powers on a uniform basis all over the Indian Railways.
- (8) The General Managers have, therefore, been vested with sufficient powers to tackle all the problems within their jurisdictions, and have the necessary infrastructure and problem-solving and decision-making mechanism at their disposal within their own jurisdictions. The Zonal Railways, in short, are fully equipped to be the executant of

policies and programmes prescribed by Railway Board within their own territorial limits.

Demarcation of Executive functions between the Railway Board and the zonal Railways.

1.6. On the question of demarcation of executive functions between the Railway Board and the Zonal Railways, the Ministry of Railways have stated in a written note furnished to the Committee that the Railways constitute the field organisations and operation managements while the Railway Board at the centre constitutes the top management group. In any corporate business, it is obvious that there should be a central authority which should provide necessary institutional support to the field management to enable the latter to discharge its functions effectively. It is also necessary that there should be a central body at the apex, like the Railway Board, to discharge the fundamental management functions of planning, co-ordination, organisation, direction and control on overall basis for the purposeful functioning of the Railway System in the country. If there were no central body, like the Railway Board, it would be a moot point whether the vast spectrum of Railway operations could be controlled properly and co-ordinated efficiently and whether balanced and planned development of the Railway System as a whole, could be ensured purposefully. If the Railways are to run as one intergrated system rather than nine-semi-independent Railways, the business and functional planning has of necessity to be done centrally.

1.7. The Committee enquired from the Ministry of Railways how overlapping of functions and responsibilities was avoided and it was ensured that the Railway Board's functions were the absolute minimum both in the sphere of policy and execution. The Ministry of Railways, in a written note furnished to the Committee, have stated that overlapping of functions and responsibilities between the Railway Board and the Zonal Railways, is, as a rule, avoided because there is a clear-cut demarcation of functions and responsibilities between Railway Board and the Zonal Railways. However, the Railway Board sometimes has to, much against its will, give directions in certain matters which are normally the concern of the Zonal Railways. This is due to the environs in which the Railways have to operate. The Railway Board can hardly avoid sometimes looking into the details of day-to-day working of individual Railways when the Railways impinge on the life and existence of teeming millions at very close quarters. Again, the Railways have on their rolls nearly 14 million employees excluding labour, and the complex

management problems that such vast body of men would throw up, can only be tackled by a central authority taking an integrated view of their problems.

The Ministry have stated further that people's representatives have a feeling that complaints at the centre would lead to quicker remedial action. The Minister receives on an average about 3,000 to 4,000 letters every month. All these have to be dealt with at the Railway Board's level although most of the points raised fall within the purview of the zonal Railways. To that extent, over-lapping of functions and responsibilities between the Railway Board and the Zonal Railways cannot altogether be avoided. Other-wise, the Railway Board remains primarily a policy-making body, while the Zonal Railways, headed by the General Managers, are vested with sufficient and adequate powers to deal with all the problems that are likely to arise on the Railways in their day-to-day administration. The Railway Board's functions are thus restricted to policy formulation, planning and development of Railway system, and coordination of the activities of the Railways, including its production units, while the main task of the field organisation or the operating management is the day-to-day working of the Railways.

1.8. A suggestion was made to the Committee by a retired senior officer of the Railways that there was scope for treating the zonal Railways like independent commercial undertakings but following a common policy on technical and commercial matters as laid down by the Ministry of Railways. When asked to state his reactions, the then Chairman, Railway Board, stated during evidence before the Railway Convention Committee (1973) in December, 1975 that each Railway was a unit by itself. In all matters of finance, commerce and accounting, common technical and commercial policies were being followed. In fact, each Railway was expected to develop its own commercial activities in regard to traffic apart from whatever traffic was obtained on a committed basis or the cross traffic they had to carry from one Railway to the other.

1.9. In view of the fact that policy decisions were being taken by or had the approval of Parliament and were implemented by the Railway Ministry and the Zonal Railways, the Railway Convention Committee (1973) desired to be satisfied about the need for the Railway Board. The then Financial Commissioner stated in evidence (December, 1975) that the Railway Board was an instrument of Government and also the medium for Parliamentary control of all the undertakings in matters where uniform commercial or technical policies came into play. Then Member, Staff further stated that the

General Managers had got sufficient powers to work independently in commercial and financial matters within the overall policy which the Railway Ministry laid down. It was only for standardisation of certain overall policy that General Managers had to make reference to Railway Board. Otherwise, in the matter of commercial traffic or finance, the General Managers had got absolute powers. That Committee had made it clear that the General Managers had absolute powers in all those matters and if at all a reference had to be made to the Railway Board, it was only when some Government policy which might affect some other Railways came into play.

1.10. The Railway Convention Committee, (1973) enquired, whether it would be impossible for the Zonal Railways to manage the Railways by themselves without a central authority. In reply, the then Chairman, Railway Board stated during evidence before the Railway Convention Committee (1973):—

“The overall development of resources would not be possible, unless there was, firstly, a judgement exercised at the Centre; and secondly, the authority to do things was there. If I may say so, every Railway would quite naturally as a management objective of its own, try to maximize its own benefits. If there is a diversion of traffic from Bombay to the Kandla port, the Central Railway which may have to supply the wagons will not be interested in it, because it will not benefit that Railway. Their objective would be that they would rather use everything on their system; why hand it over to some body else? Somebody has to make a judgement about the best Railway from which to draw the wagons; and secondly, to see that it is done. Zonal people will not be able to get things done. Some of the problems that get referred to the Minister arise partly from the fact that inter-Railway coordination is required in many matters”.

1.11. The Administrative Reforms Commission in their Report on Railways observed that the Zonal Railways should be given wide latitude with adequate powers, both administrative and financial, to function as sound commercial transport undertaking within the framework of policies laid down in this behalf by the Railway Board. Agreeing with the suggestions of Study Team, the Administrative Reforms Commission further observed that the powers of the General Managers should be enhanced, so that they were enabled to dispose of a substantial amount of work at the Zonal level itself. They

recommended that the delegation of administrative and financial powers by the Board to the General Managers should be the maximum possible, and that these powers, in turn, should be redelegated to the lower authorities and organisations.

Review of delegated powers

1.12. The Railway Convention Committee (1973) desired to have a detailed note from the Ministry of Railways regarding delegation of more powers to the General Manager of Zonal Railways.

1.13. In a note furnished to that Committee, the Ministry of Railways had stated that the need for decentralisation of powers in view of the increasing work load and the changing pattern of the economy with the rising costs as a result of the Five Year Plans had been constantly under review by the Railway Board. In the year 1954, the Railway Board *vide* their letter No. F(X) II-53-PE-4/3 dated 25-3-1954 introduced a new Appendix VII to the Indian Railway General Code, Volume-II, which liberalised the powers earlier exercised. Thereafter, from time to time, the General Managers had been suggesting a review in regard to certain specific matters and the Railway Board had been taking decisions thereon keeping in view the policy and the broad outlook in regard to planning etc. and need for decentralisation of powers. A detailed review of the then existing powers was carried out in 1964 and increased powers were delegated to the General Managers.

1.14. General Managers had also been authorised to re-delegate these powers to the lower formations in consultation with the Financial Advisers and Chief Accounts Officers of the Railways.

1.15. In November, 1972, a Committee of General Managers was asked to go into the powers of the General Managers to see what further revision was desired or considered necessary by them to cope with the present day conditions. The Committee submitted their report in January, 1973. The Report was examined by a Committee of Directors and their recommendations were considered by the Railway Board.

1.16. The General Managers' Committee had come to the conclusion that by and large the powers delegated and published in Appendix VII of Indian Railway General Code, Volume II, were adequate for effective administration. The liberalisation and further revision

recommended by them were mostly in the background of the rising price level. They recommended enlarged financial limits for sanction of works and other items of expenditure.

1.17. After considering those reports, the Railway Board had delegated additional powers to the General Managers covering almost all aspects of railway working|administration vide their letter No. F.(X) II-72|CMT|3 dated 29-6-1974.

1.18. The Ministry of Railways stated that the increased delegation of powers would enable the General Managers to sanction works of higher value and enter into contracts upto Rs. 1 crore. In regard to establishment matters, more powers had been given to create Junior administrative posts chargeable to estimates. The General Managers would also have powers to augment the number of sleeper coaches in the composition of passenger carrying trains or introduce sleeper coaches on additional trains provided the demand for such accommodation appeared justified. They had also been given powers to refund fares and freights upto Rs. 20,000|- in each case. They would also extend departmental catering, if profitable.

1.19. A comparative picture of the revised and previous position in respect of important matters where further powers were delegated in June, 1974 is given in Appendix I.

1.20. The Minister of Railways announced in Parliament on 6-12-1977 that he had decided to delegate additional administrative and financial powers to the General Managers so that decision-making responsibilities became vested with those who were close to the scene of activities. He added that the General Managers were also being asked to delegate more powers to their Divisional Superintendents, the ultimate objective of this exercise being that in day-to-day working it should be possible to take most of the decisions at Zonal level. "With this arrangement most of the administrative problems and local demands would be tackled expeditiously at the Divisional and Zonal levels avoiding thereby reference of the problems to the Railway Board and the consequent administrative delays".

1.21. The Ministry of Railways have furnished a note on the revised delegation of powers by the Minister to the Railway Board and by the Railway Board to the General Managers. The Ministry

have stated that the powers delegated by the Minister of Railways to the Railway Board are as below:—

Class of case	Modifications
1. Matters involving substantial financial implications such as New Works.	Only cases involving financial implications of Rs. 50 lakhs and over, instead of Rs. 20 lakhs and over, which is the present limit, need be submitted to the Minister of Railways.
2. Variation of sanctioned estimates of works by over 20 per cent.	Only cases, where the revised cost become ^s Rs. 50 lakhs or more, instead of Rs. 20 lakhs, which is the present limit, need be submitted to the Minister of Railways.
3. Purchase of staff cars	Proposals for purchase of staff cars as replacement after the car/cars has/have lived its/their normal span of life, need not be submitted to the Minister of Railways.
4. Cases regarding writing off of losses.	Only where the cases involve writing off of losses over Rs. 10 lakhs instead of the present limit of Rs. 5 lakhs, need be submitted to the Minister of Railways.

1.22. It has been further stated that in accordance with the Government's policy regarding devolution of authority of Field Managers| Formations, the Ministry of Railways have delegated more powers to the General Managers covering almost all aspects of railway working by completely revising the existing Appendix VII to General Code Volume II. Necessary orders were issued on 7-12-1977 (*Appendix II*).

1.23. The General Managers have also been asked, in keeping with enhanced delegation of powers, to revise the existing schedule of powers re-delegated to the Divisional Superintendents etc. to ensure speedy disposal of public business by the officers in the field.

1.24. The Ministry of Railways have also furnished a comparative statement showing the important items where further powers were delegated to the General Managers on 7-12-1977 (*Appendix III*).

1.25. In a note furnished to the Committee, the Ministry of Railways have stated that the more important powers delegated to the General Managers are as under:—

1. *Powers to sanction and execute works:*

The normal procedure for undertaking any new work such as new lines doubling, conversions, electrification, new yards, alterations in stations, yards, changes in signalling systems provision of passenger amenities, etc., is to first include them in the Preliminary Works Programmes of each Railway. Before inclusion of any work in the Preliminary Works Programme, the General Managers take prior clearance from the Railway Board only if the work is expected to cost more than Rs. 20 lakhs (previously this limit was Rs. 10 lakhs only). Details of works which cost Rs. 20 lakhs and below as also works costing more than Rs. 20 lakhs which have been cleared by the Board are included in a Preliminary Works Programme submitted to the Board by each Railway. As an exception to this, however, track renewal works upto Rs. 2 lakhs each, machinery and plant items upto Rs. 50,000 each and other works costing upto Rs. 1 lakh each can be undertaken by the General Managers without such works being itemised in the Works Programme. For this purpose, a lumpsum provision is made in the budget giving full discretion to the General Managers to take up such minor items of work provided the lumpsum provision is not exceeded. The Preliminary Annual Works Programmes are discussed by the Railway Board with the General Managers and based on the availability of funds, the works which will be taken up are settled for inclusion in the Works Programme. Thereafter, for works costing Rs. 50 lakhs and over, approval of the Minister for Railways is taken before they are included in the final Works Programmes submitted to the Parliament for approval along with the Railway Budget.

Once the Works Programme is approved by Parliament as part of the Budget the General Manager is required to come up to the Board for sanctioning the estimates for any work only if it costs beyond Rs. one crore (previously this limit was Rs. 50 lakhs). Once the detailed estimates are sanctioned, the actual execution of the work is well within the powers of the General Managers provided in cases involving award of contracts prior approval of the Board is obtained if the total value of the contract exceeds Rs. 1 crore. In the case of works which involve import of certain items prior clearance of the Railway Board is taken from the point of view of availability of foreign exchange, indigenous clearance etc. Subject to certain conditions, General Managers have also been given powers to approve of excess over estimates. These powers in respect of works costing not more than Rs. 1 crore are upto 25 per cent of the original estimated cost, upto 15 per cent of the first revised cost and upto 10 per cent of

the second and further revised cost and for works costing over Rs. 1 crore each are upto 15 per cent over the original estimated cost, upto 10 per cent of the first revised cost and upto Rs. 5 lakhs over a further revised or completion estimate.

Surveys for new lines, etc.

General Managers can sanction survey estimates upto Rs. 1 lakh each, provided the surveys are included in the sanctioned budget.

2. *Purchases:*

General Managers have full powers—

- (1) to invite tenders for supply of stores irrespective of value whether from sources of supply in India or outside. The powers of actual purchases are given as under:
 - (a) For purchase of stores costing upto Rs. 1 crore for each contract against open tenders.
 - (b) For purchase of stores against single tender upto Rs. 10,000 in respect of proprietary articles and upto Rs. 2,000 for non-proprietary articles.
 - (c) For purchase of stores upto Rs. 50,000 against limited tenders.
 - (d) For purchase of stores upto Rs. 50,000 without calling for any tenders where sufficient justification exists for doing so in public interest.
 - (e) In respect of stores normally purchased through Director General, Supplies and Disposal, to make emergency purchases upto Rs. 1 crore.
- (2) to sanction advance to any single contractor upto Rs. 2 lakhs, upto Rs. 10 lakhs in the case of public sector undertakings and upto Rs. 50 lakhs in the case of Minerals and Metals Trading Corporation.
- (3) to take all necessary action in terms of contracts including alterations of standard conditions of contract in consultation with the Financial Adviser & Chief Accounts Officer.
- (4) in settling of claims upto Rs. 50,000 awarded in arbitration.

3. Personnel Matters:

(a) *Creation of posts*—General Managers have been given full powers to create non-gazetted posts subject to the economy instructions issued by the Ministry of Finance. In the case of gazetted posts, chargeable to revenue, the General Managers have limited powers only. They can create posts in senior scale (Rs. 1100—1600) for a period of 6 months and in the case of Class II posts, (Rs. 650-1200) upto a period of one year provided it is expected that the posts will not be required beyond that period. Because of the ban on creation of posts, imposed by the Government, these powers remain suspended for the present. In the case of posts created against specific provisions in the estimates for works, the General Managers have full powers to create posts upto and including Junior Administrative grade (Rs. 1500—2000) posts.

(b) In regard to matters concerning the scale of pay, allowances and other conditions of service, these being regulated by statutory rules and orders applicable to all employees, the question of powers being delegated to General Managers does not strictly arise as employees are eligible to get automatically all their entitlements and all cases are settled in accordance with the rules at the Divisional/ Zonal levels. It is only when rules/orders have to be relaxed that the matter comes to the Railway Board.

(c) In the case of entitlements which require to be sanctioned, specifically such as advances/withdrawal from Provident Fund, other advances etc. General Managers or lower authorities to whom the powers are re-delegated by them are empowered to sanction the same in accordance with the rules.

(d) Promotions upto Class II (Rs. 650—1200) and recruitments to Class III categories wherever permissible are under General Managers' powers. They have also been delegated with powers recently to make officiating promotions of Class II officers to Senior Scale (Rs. 1100—1600). While recruitment to Class II and Class I services are not within the powers of General Managers—these being processed through the Union Public Service Commission—promotions within Class I upto Junior Administrative Grade (Rs. 1500—2000) are within the General Managers' powers.

(e) General Managers are empowered to grant rewards upto Rs. 2,000/- in each case upto the level of Senior Scale (Rs. 1100—1600).

(f) Training of personnel within the Railways is entirely within the General Managers' powers. In fact each Railway has a number

of training institutions. There are also four central training institutions under the Railway Board but nominating officers to these courses is again within the General Managers' powers, Railway Board exercising mainly the co-ordinating function. In regard to training outside Railways in India also General Managers have powers upto the extent of Rs. 20,000 per annum. Training outside India is necessarily controlled by the Railway Board.

(g) General Managers have the powers to sanction and pay all retirement dues of employees under their administrative control.

The Ministry of Railways have further stated that in all Personnel Matters the General Managers are fully empowered to settle all cases except those involving policy issues or matters which are taken up at the level of the Railway Board by the Federations, Members of Parliament, employees themselves etc.

4. Commercial Matters:

(a) *Rate reducing powers*—General Managers have powers to quote reduced station to station rates for commodities provided in the case of parcel traffic, it does not go below scale 8 rates and in goods, it does not go below 37.5 class rates.

(b) *Refunds of fares and freight*—In regard to refund of fares and freight in terms of the relevant tariff rules, the Zonal Administrations have full powers. The General Managers have powers to make such refunds upto Rs. 20,000 even if such refunds are not in accordance with the relevant tariff rules.

(c) *Wharfage, Demurrage etc. charges*—The General Managers have full powers to waive or refund or write off wharfage, demurrage, storage and lost property charges.

(d) *Opening of stations*—Opening of stations are taken up as part of works and are regulated by the powers mentioned under section 1 above. Subject to certain conditions, opening of train halts, and flag stations which are financially justified or those which do not involve a loss of more than Rs. 3,000 per annum are, however, within the powers of General Managers. But decisions in this regard are taken in consultation with concerned consultative committees.

(e) *Compensation claims*—The General Managers are authorised to makes an *ex gratia* payment of Rs. 1,000/- in case of death, Rs. 750/- in case of serious injury and upto Rs. 250/- in case of simple injury to the victims of train accident or their dependents. The General

Managers also have full powers for settling claims for compensation in respect of goods lost or damaged in transit.

(f) *Passengers and users amenities*—The provision of passengers and users amenities is within the powers of the General Managers provided the cost of such work does not exceed Rs. 1 lakh in each case. For those costing over Rs. 1 lakh each the procedure given under Section 1 has to be followed.

(g) *Provision of sidings*—Subject to observance of the provisions contained in the Railway Codes and other general or special orders, the General Managers have full powers to sanction and undertake construction of sidings.

5. *Transportation matters*

All matters regarding transportation are within the General Managers' powers, subject to the overall policy and co-ordination laid down by the Railway Board. Brief details of such powers are given below:—

(a) *Freight Traffic*: Keeping in view the overall priorities laid down at the national level for transport of essential commodities, the Railway Board lays down certain policies with regard to inter-Railway commitments for movement of empty wagons and obligations required to be fulfilled. Instructions regarding the number of rolling stock such as locos and wagons which can be held by each Zonal Railways are also issued to achieve this objective. This 'control' at the Railway Board level is essential to meet the overall needs of economy of the country. Within this framework, the General Managers are fully competent in matters of—

- (i) acceptance of registration for wagons, allotment and their supply.
- (ii) preferential allotment to suit exigencies.
- (iii) utilisation of rolling stock to the best interests of the Railway.
- (iv) working of marshalling yards, subject to their fulfilling the inter-Railway marshalling commitments.
- (v) exercising control in loading in case of congestions etc. in specific areas.
- (vi) priority loading of raw materials etc. on *ad-hoc* basis to industries within his area facing closure for want of such raw materials.

(b) *Introduction of new passenger trains*—The General Managers will have to obtain Board's prior permission to introduce new passenger trains, as the availability of rolling stock, development of terminal and other facilities and future projections of traffic both goods and passenger, are centrally planned and co-ordinated in the Railway Board's office.

Delegation of powers to Divisional Superintendents

1.27. In a written note furnished to the Committee (April, 1976) regarding delegation of powers to Divisional Superintendents by the General Managers, the Ministry of Railways stated that in terms of Appendix-VII of the Indian Railway General Code Volume-II read with para 804 of the Indian Railway General Code Volume-I, powers have been delegated by the Railway Board to the General Managers of the Indian Railways with a provision for redelegation to the lower authorities. The powers delegated by the General Managers in turn to lower authorities are published by each of the Zonal Railways. The delegation of powers to Divisional Superintendents thus vests with the General Managers.

1.28. With a view to bring about greater decentralisation of powers to lower formations, increased powers were delegated by the Railway Board to General Managers in June, 1974. Opportunity was also taken to review the delegation of powers by the General Managers to the Divisional Superintendents. The information obtained from some of the Zonal Railways indicated wide Inter-Railway disparities in the quantum of delegation. These variations might be due to a variety of reasons—historical, organisational or local. In view of the wide disparities noticed in the delegation of powers to Divisional Superintendents by various Railways, the Board considered it necessary that the General Managers should review these delegations in consultation with their F.A. & C.A.Os.

1.29. A model set of powers was evolved by the Railway Board and circulated to the General Managers vide Boards letter No. 74-EB/3000 dated 14-1-1975 asking them to review the existing powers of the Divisional Superintendents in the light of this model.

1.30. In the reply furnished to the Committee in October, 1978, the Ministry of Railways have stated that the extent of powers to be delegated to the Divisional Superintendents is a matter which falls within the jurisdiction of the General Managers. As Divisional Superintendents have been delegated powers by the various

General Managers on a very large number of items and as the position differs from Railway to Railway because of local conditions, it will involve considerable effort and yet the data so compiled will not enable a proper appreciation of the extent of delegation.

1.31. As regards enhancement in the powers delegated to the Divisional Superintendents recently, the Ministry have furnished a statement (Appendix IV) indicating further powers delegated to the Divisional Superintendents by the various General Managers in respect of some of the important items.

1.32. The Ministry of Railways have further stated that no study of the adequacy of the powers delegated to the Divisional Superintendents has made recently.

Representations from Rail Users; Employees

1.33. In order to ascertain the extent to which the General Managers and other field officers, in the exercise of delegated powers, have been able to render satisfaction to the rail users and railway employees, the Committee enquired about the nature of representations received by the Railway Board from the rail users and the Railway employees and the number thereof during the last three years. In a note, the Ministry have stated that on an average 33,158 references were received annually by the Railway Board from rail users during the last three years. The representations were mainly in respect of alleged short supply of wagons; alleged delay of wagons in transit; upgradation of priority for allotment of wagons; claims for compensation arising out of rail accidents; complaints against unauthorised pulling of alarm chains; non-provision of reservation, claim for compensation on account of loss and damage of goods and parcels, delay in transit of goods, refund of fares, wharfage, demurrage, non-receipt of consignments, improper settlement of claims, etc. request for more passenger amenities relating to waiting halls, drinking water facilities at stations, opening of more booking windows, quotas for reservation of rail accommodation for various stations, reviewing the policy and rules regarding claim for compensation of booked consignments; granting of rail travel concession to students, teachers of schools and colleges, handicapped people; revision of passenger fares; bill concession return tickets; waiver of detention charges, grant of recognition to travel agents; free transport of relief material intended for free distribution to

victims of flood and natural calamities; concession for foreign tourists, etc; intensification of drives against ticktless travel; overcharging and misbehaviour against travelling public by ticket-checking staff; request for appointment of certain Freight Forwarders in preference to other parties; transit time in respect of freight forwarder service not being adhered to and matters relating to fixation of lumpsum rates; request for opening of new stations; conversion of halt stations into flag stations; re-naming of stations; lease of railway land for stacking of goods for inward and outward traffic; complaints against delay in transit of small and perishable traffic and catering and vending arrangements, etc.

1.34. The annual average number of representations from railway personnel during the last three years was 50,403. The representations from the railway staff pertained to disciplinary cases, promotion and seniority, confirmation, dismissal, suspension and termination of service, reversion to lower posts, fixation of pay and allowances, transfer and postings, pensions and retirements as also for appointment of wards on compassionate grounds, etc.

1.35. The Railway Convention Committee (1973) enquired from the Ministry of Railways whether the Railway Board had laid down proper guidelines to the Zonal Railways as to the matters that should be referred to the Railway Board and ensured that no needless references were made to the Board and Zonal Railways were encouraged to act freely within their delegated powers. The Ministry of Railways, in a written reply furnished to the Committee in April, 1976 stated that Zonal Railways had already adequate executive and financial powers delegated to them which were specified in the various Railway Codes and other orders issued from time to time. They were not expected to make nor did they normally make any unnecessary references to the Railway Board in respect of matters within their own powers of disposal except where clarifications were required in the interpretation of the Code provisions or other orders. However, in order to ensure that no such unnecessary reference was made to the Railway Board, the following instructions existed:—

- (1) All letters addressed to the Railway Board except reminders and letters of routine character should be signed by officer not below the rank of an administrative grade.
- (2) Delegated powers should be fully utilised and no one should refer to a higher authority for disposal.

1.36. The Committee also enquired from the Ministry of Railways:—

- (a) Whether any watch was kept by the Railway Board to ensure that the delegated powers are fully exercised by the General Managers themselves and if so, how?
- (b) Whether there were cases where references have been received from the General Managers on matters on which they had full powers of disposal and if so, the number and nature of references so received during the last one year and from whom and how these were disposed of; and
- (c) Whether there have been occasions during the last one year when the Railway Board had to intervene or give directions on matters or issues which were well within the delegated powers of the General Managers and if so, the details thereof.

In their reply, the Ministry of Railways (September, 1978) have stated:

- “(a) The Zonal Managers who are heads of the Zonal Railways/Production Units occupy a very high position in the Railway hierarchy and therefore are expected to exercise fully the powers delegated to them. As such, it is not considered necessary to keep any watch to ensure that the powers delegated to them are fully exercised by them.
- (b) No record is kept of cases where references have been received from the General Managers on matters on which they have full powers of disposal since such cases in the very nature of things are not common. However, whenever such references come to the notice of the Railway Board, the attention of the General Managers is drawn to the particular delegation with instructions to take action at their own level within the powers delegated to them.
- (c) No record is kept of the occasions when the Railway Board intervened and gave directions on issues which were within the powers of the General Managers. However, in cases which are brought to Railway Board by MPs, MLAs etc. and where after examination, it is found necessary and expedient to issue certain directions to the Railways the same is done even though the General

Managers are fully empowered to take decisions on the concerned issues”.

1.37. Admittedly, the Railways' operations are so organised that while the authority for policy making is vested in Railway Board (the Ministry of Railways), the execution is left to be done by the Zonal Railways who are responsible for service in the field. To facilitate the work, there is a schedule of delegated powers in the Railways which was reviewed in 1954, 1964 and later by a Committee of General Managers in 1972—74 as a result of which enhanced powers to reflect the escalation in costs were incorporated. A further step was taken in January, 1975 to standardise delegation of powers from the Zonal General Managers to the Divisional Superintendents.

Subsequently, in December, 1977 the schedule of delegated powers was further reviewed and according to the Ministry of Railways “in accordance with the Government's policy regarding devolution of authority to field managers⁵ lower formations, the Ministry of Railways have delegated more powers to the General Managers covering almost all aspects of railway working by completely revising the existing Appendix VII to General Code. Volume II”.

1.38. The Railway Convention Committee (1973) were informed in December, 1975 that the powers delegated to General Managers were adequate and in fact, the then Member Staff of the Railway Board, who had earlier, as a General Manager, headed the Committee of General Managers (1972—74) which reviewed the powers delegated to General Managers, claimed then before the Railway Convention Committee, (1973) that the General Managers had got sufficient powers to work independently in commercial and financial matters within the overall policy laid down by the Railway Ministry. It was only for standardisation of certain overall policy that the General Managers had to make references to the Railway Board and that otherwise, in commercial, traffic or finance matters, they had got “absolute” powers. The Committee find that in spite of this, scope was still found to delegate some more powers to General Managers as late as in December, 1977.

1.39. The Committee would like to point out that the touch-stone for judging the adequacy and the prudent exercise of delegated authority would be the extent to which the railways are able to meet the public requirements of wagons in full and in time, maintain punctuality of train services, minimise incident of accidents

and resolve all commercial and other difficulties with promptitude and, in general, inspire confidence in the public by the quality of service and in the Railway staff by promptly resolving their difficulties.

1.40. So far as quantum of delegated powers is concerned, the Committee appreciate the approach expressed by the Minister of Railways that decision making responsibilities should be vested with those who were close to the scene of activities and it should be made possible that in day-to-day working most of the decisions are taken at Divisional level and the balance of decisions at Zonal level. The Minister had also stated that with this arrangement most of the administrative problems and local demands would be tackled expeditiously at the Divisional and Zonal levels avoiding thereby reference of the problems to the Railway Board and the consequent administrative delays.

1.41. In the Committee's view, a logical corollary of the above approach would be that the General Managers should have full powers in all matters excepting policy matters which have all India ramifications or which involve postings, transfers, promotions etc., of senior management personnel.

1.42. The Committee note the Railway Board's claim that they confine themselves to policy formulation, planning, coordination and overall supervision of the Zonal Railways and that the General Managers or why certain restrictions have been imposed on the exercise of has also been claimed, as stated earlier, that these powers were adequate. If that be so, it is indeed strange that there should be such a huge establishment with a strength of as many as 2565 officers and staff in the Railway Board to discharge these functions. As the Committee have dealt with the question of proliferation of staff in the Railway Board in a subsequent Chapter, it would suffice here to point out that the very factor of growth in staff in the Railway Board is indicative of the fact that there is a strong tendency or concentrating more and more powers in the Railway Board.

1.43. A perusal of Appendix VII to the Indian General Code, Vol. II, as revised in December, 1977 shows that there are as many as 58 matters covering personnel, payments to persons other than Railway employees, expenditure on works not wholly chargeable to ordinary working expenses, stores matters and other miscellaneous items on which prior sanction of the Railway Board has to be obtained by the General Managers. While the Committee appreciate that for laying uniform standards in some of these matters, certain

amount of policy directives from the Railway Board would be necessary, they cannot help feeling that too many restrictions have been placed on the exercise of the powers granted to General Managers with a visible tendency to centralise them in the Railway Board and that they do not appear to be fully in accord with the needs, status, duties and responsibilities of a General Manager who has to manage a vast transport system under him.

1.44. The Committee are of the view that exercises hitherto undertaken at the behest of the Railway Board can at best be described as half-hearted attempts. Whatever be the historical or other reasons why certain powers have not been given to General Managers or why certain restrictions have been imposed on the exercise of such powers, the Committee feel that the time has now come when there should be freshness in approach to the question of decentralisation.

1.45. The Committee need hardly stress that while on the one hand they are for delegation of powers to Zonal Railways and in turn to the Divisional Superintendents and other officers in the field, on the other, a corresponding duty and responsibility devolves on all the echelons of service and functionaries to see that these powers are utilised in public interest to speed up operations and render satisfaction to the public and the employees.

1.46. The Committee are distressed to note in this connection that as many as 33,000 representations on various day-to-day matters of railway administration are received annually by the Railway Board from the Railway users and as many as 50,000 from the Railway personnel. This is an indication of the fact that rail users and the employees are not able to receive prompt attention to their representations at the field level and, therefore, they approach the Central authority either themselves or through the elected representatives. The Committee feel that if the Zonal Railways have adequate powers as is repeatedly claimed, and are also manned by officers of proven calibre and leadership, there is no reason why it should not have been possible to attend promptly to these representations and render satisfaction. The Committee consider that it is in the interest of the apex body for Railways itself to ensure that the Zonal Railways and their lower field units, particularly the divisional Superintendents exercise their delegated powers fully in the interest of meeting the situation on-the-spot and resolving any difficulties of the public and employees which may arise.

1.47. Considering the abnormally large number of representations that continue to be received by the Railway Board resulting in dilution of authority at lower levels, the Committee consider that the reasons why despite successive attempts at greater delegation of powers to the Zonal Railways, there has been no improvement in the situation needs a more detailed probe by an independent body of experts in the managerial field. The Committee, therefore, recommend that the entire matter of delegation of powers to General Managers, the exercise of such delegated powers etc., may be remitted to a small team of experts in management and finance, not connected with the Railways, for an in-depth study. The team may be asked to submit its Report within six months. The Committee would like to be apprised of the findings of the team and action taken thereon at the earliest.

1.48. It has been stated by the Ministry of Railways that though the Railway Board do not generally intervene and give directions on items which are well within the power of General Managers, in cases which are brought to the notice of the Minister of Railways or the Railway Board by MPs and MLAs etc., and when after examination, it is found necessary and expedient to issue certain directions to the Railways, the same is done even though the General Managers are fully empowered to take decisions on the concerned issues. The Committee have no doubt in their mind that Members of Parliament, in the midst of their multifarious activities, would indeed like to confine themselves to major questions of governmental policy. However, when individual grievances which are not redressed promptly, are brought to their notice, it would only be natural for them to seek redressal of such grievances through the Minister or the Railway Board. That large number of individual grievances do exist on the Railways is evidenced by the fact that during 1977 alone, as many as 79,613 petitions/representations from non-gazetted Railway personnel were received by the Railway Board, 31,438 by the Zonal Headquarters and 77,525 by the Divisional Headquarters. The Committee, therefore, consider that the real solution to this problem lies in setting up an adequate and impartial "grievances machinery that would inspire confidence among the staff and attend to their grievances speedily and impartially. The Committee propose to deal with this question in detail in their Report on personnel Policy and Administration.

1.49. As already observed, the Railway Board received on an average 30,000 representations in a year from rail users on various matters relating to such as short supply of wagons, delay of wagons

in transit, claims or compensation, delay in transit of goods, refund of fares, wharfage, demurrage, non-receipt of consignments and so on which again is a pointer to the fact that there has not been prompt and satisfactory disposal of their grievances at the field level. This again calls for setting up of an effective machinery to deal with such grievances.

1.50. The Committee feel that there should be a Standing Committee consisting of the divisional officers dealing with traffic, commercial matters, accounts etc., to deal with the complaints of the users. This Standing Committee may visit leading industrial centres and stations which provide the bulk of rail traffic so that they could listen to their difficulties as a team, resolve the issues and render full satisfaction. The days for the visit, time, venue etc., may be notified in advance. They should meet at specified intervals (atleast once a month) so that all concerned know in advance the date, time and place where they could place their difficulties before them and receive redress.

1.51. The Committee would also stress that the performance of the officers charged with the responsibility of resolving the grievances of railway users should be strictly watched at the level of the Divisional Superintendent etc., so as to take timely corrective measures where necessary to see that the objectives underlying the establishment of this machinery are fulfilled in letter and spirit.

1.52. The Committee also suggest that the performance of the officers in attending to the complaints of railways users should be specifically mentioned in their confidential reports so as to make them fully conscious of their responsibility to render satisfaction in this behalf.

1.53. The Committee consider that it is the duty of the General Manager as the Head of the Zonal Railway to develop management techniques and procedures so as to enhance efficiency of operations by rationalisation and effect savings by cutting out waste and in general, make the entire organisation cost-conscious and time-conscious and suffused with dedication to public service.

1.54. A logical corollary of the application of management concept at the Zonal level would be to extend it to the Divisional level, as a Division is a viable and sizeable administrative unit. The Committee would like the Railways to consider the feasibility of directing each Zonal Railway to designate one Division as a model employer

and of efficiency in service and management so that its example could be emulated by others and results evaluated at regular intervals. What is required is a dynamic spirit of innovation and dedication which would win back for the Railways the traffic for which they have ample capacity and which would help them to make this premier undertaking once more financially sound and a by-word of reliability and efficiency.

CHAPTER II

ORGANISATION OF ZONAL RAILWAYS

The Indian Railways comprise the following Zonal Railways:

Name of Railway	Head quarters
1. Central Railway	Bombay
2. Eastern Railway	Calcutta
3. Northern Railway	New Delhi:
4. North Eastern Railway	Gorakhpur
5. Northeast Frontier Railway	Pandu
6. Southern Railway	Madras
7. South Central Railway	Secunderabad
8. South Eastern Railway	Calcutta
9. Western Railway	Bombay.

2.1. Each Zonal Railway is headed by a General Manager in the scale of pay Rs. 3000—3500/-. The General Managers are responsible for the implementation of the policies laid down by the Railway Board and for efficient and economical running of the railways. They are also responsible for all acts of omission and commission in the exercise of powers delegated to them in respect of financial and other matters. They are to maintain good public relations and close contacts with the State Governments, whose assistance is so vital in the maintenance of law and order on the Railways and for various other matters of mutual concern.

2.2. The General Manager is assisted at the Headquarters office by a Senior Deputy General Manager (who is also the Chief Vigilance Officer on the Railway) (Rs. 2500—2700)—and Heads of Departments in the following Departments in scale Rs. 2250—2500/2500—2750/-:

1. Personnel
2. Civil Engineering
3. Operating

4. Commercial
5. Mechanical
6. Electrical
7. Signal and Telecommunication
8. Stores
9. Medical
10. Accounts.

There is also a **Security Department** headed by a **Chief Security Officer** who is usually an **Indian Police Service Officer on Deputation**.

2.3. The Zonal Railways have been divided into Divisions with varying numbers, according to geographic and traffic conditions obtaining in the respective areas. At present, there are 53 Divisions distributed as under:

1. Central Railway	6 Divisions
2. Eastern Railway	6 Divisions.
3. Northern Railway	7 Divisions.
4. North Eastern Railway	5 Divisions.
5. Northeast Frontier Railway	4 Divisions (including a purely transportation Division at Tinsukia.).
6. Southern Railway	5 Divisions.
7. South Central Railway	5 Divisions.
8. South Eastern Railway	7 Divisions.
9. Western Railway	8 Divisions.

Each Division is headed by a **Divisional Superintendent (Rs. 1800—2250)** who is responsible for the working of his Division. In certain important Divisions, the Divisional Superintendent is assisted by a **Junior Administrative grade officer** in certain Departments. In others, there are **Senior Scale officers** provided in the different Departments in the Divisions.

2.4. Referring to the position in Britain, France and U.S.S.R. etc. when the National Railways are organised as regional economic units with an apex body at the centres for financial control and co-ordination, the **Railway Convention Committee (1973)** enquired

whether the present organisation of Indian Railways into nine Zonal Units controlled by a central authority, *viz.*, the Railway Board was patterned on sound lines and whether the Zonal Railways were homogenous and compact units from the point of view of operational and administrative requirements. They also desired to know whether it was possible to make each of the Zonal Railways an economically viable unit.

2.5. In a written note submitted to that Committee, the Ministry of Railways stated that in their view the present organisation of Indian Railways into zonal units controlled by a central authority, namely, the Railway Board, is patterned on sound lines. The Railway Board constitutes an apex body of practical administrators with wide and varied experience in the realm of Railway operations entrusted with full authority to manage the Railway system in the country. The Railway Board performs the coordination functions and ensures planned development of the Railways system as a whole in accordance with the actual needs of the various regions and States. The Zonal Railways are vested with the widest possible powers in the day-to-day administration within their own spheres. The General Managers have well-defined spheres of responsibilities, as also a set of delegated powers. While the Railway Board assumes full responsibility for the executive functioning of all the Zonal Railways and Production Units, there are General Managers who directly administer the Zonal Railways and Production Units.

2.6. The Ministry of Railways have further stated that zones are formed on the basis of operational and administrative requirements. The existing Zonal Railways are homogenous and compact units from that point of view. However, in a forward looking organisation like the Railways, the question of restructuring the Railway Zones remains under constant review of the Railway Board and whenever administrative requirements so warrant and the workload justifies, necessary changes are made in the existing jurisdictions of the Zonal Railways. It was in this context that (1) the erstwhile Eastern and North Eastern Railways were bifurcated in 1955 and 1958 respectively into the present Eastern and South Eastern Railways and North Eastern and Northeast Frontier Railways and (2) the erstwhile Central and Southern Railways were reorganised in 1966 to form the present Central, Southern and South Central Railways.

2.7. The Ministry have further stated that although it is the Railway Board's endeavour to ensure that the Zonal Railways should be economically viable units to the extent possible, it is not always

feasible to work up to this ideal. Some of the Zonal Railways have, in fact, been created to meet purely administrative requirements. The most obvious example is that of Northeast Frontier Railway. This Railway is strategically important and, perhaps, cannot become economically viable in the foreseeable future. This fact has also been recognised by the Railway Convention Committee, who have exempted the capital input on this Railway from annual dividend payments to general revenues. Again, there are Zonal Railways which serve industrially backward areas, for example, North Eastern Railway, which is predominantly a passenger carrying Railway, and since passenger traffic is not, on the whole, a profitable one, this Railway also cannot become an economically viable unit for some years to come, unless the region covered by it becomes industrially advanced or the passenger fares are revised so as to ensure sizable profits.

2.8. Referring to a suggestion that the Zonal Railways should be small and compact in size and as far as possible there should be one or more separate zones for each State, the Committee enquired whether the Ministry of Railways agreed with the above view and whether they had experienced any difficulties in efficiently running the services in view of the vast areas covered by each zone or in bringing about coordination among the various States within the jurisdiction of each Zone.

2.9. In a written note furnished to the Committee, the Ministry of Railways have stated that they do not wholly agree with the view that the Zonal Railways should be small and compact in size and as far as possible there should be a separate zone for each State. The territorial jurisdictions of a Railway Zone depend upon workload, pattern of traffic and operational and administrative requirements. The Zones, therefore, invariably vary in size. However, the objective is to have compact and cohesive zones to the extent possible. The Railway Zones are not created on the basis of regional and linguistic considerations and, therefore, their evolution has nothing to do with the boundaries of a particular State. Not to speak of Railway Zones, it is not possible to make the territorial boundaries of even a Railway Division—several of which go to make a Railway Zone—coterminous with the jurisdictional limits of a State. The restructuring of the Railway Zones, however, remains under constant review with the Railway Board and more zones, if necessary, can be created as and when the concentration and distribution of traffic patterns change with traffic growth and the corresponding workload of the Railway network.

2.10. The Ministry of Railways have further stated that no difficulty is being experienced in running the Railway services efficiently on the basis of the nine zones. Wherever necessary, close liaison is maintained with the various State authorities in order to bring about proper coordination with them and to cater to their special needs, if any. To illustrate, area officers are headquartered in the important towns of the following States in order to maintain very close liaison with them:—

1. Andhra Pradesh
2. Assam
3. Bihar
4. Gujarat
5. Karnataka
6. Madhya Pradesh
7. Tamil Nadu
8. Uttar Pradesh
9. West Bengal
10. Orissa.

The Ministry have also stated that whenever any suggestion is received from any of the State Governments for bringing about closer liaison, the suggestions are given due consideration by the Railway Board.

2.11. It was stated during evidence (November 1975) that by 1963 or so, the divisionalisation of the Railways was completed. There is a multi-functional Manager in the field who looks to the problems of the Railways in the field itself. The regional system was earlier tried but was not a success and they had ultimately to fall back on the divisional pattern with a multifunctional Manager who controlled the departments.

2.12. The Chairman, Railway Board was of the view that in future the scope for creating more and more zonal railways could be far less either territorially or organisationally. "We can only visualise more divisions having more and more powers and more and more of functions so that our territorial divisions may be able to deal with matters better at their level rather than at the zonal headquarters level".

2.13. In reply to a question whether there was any pressure on the Railway Board or on the Ministry for further territorial divisions, the Chairman, Railway Board stated (November, 1975):—

“If you mean by that pressure is confined to the States, I would say that sort of pressure comes up from time to time. There are divisions which cover two or three States. Some Railways cover four or five States. The thing is that traffic-wise and operation-wise, a division has to be compact. You cannot create a division simply because you want to have it. The point is operationally it becomes very difficult for interchangeability between the divisions unless the facilities are provided for the same. If you provide the facilities for interchangeability between the divisions, by creating Divisions limited to State boundaries only then you are putting in a high investment. There will be delay in traffic at each interchange point in which case operation itself may become almost impracticable. In fact today with the progress in dieselisation and electrification, the tendency is to have a much longer territorial jurisdiction than we had ever before. The point of view actually is that some of the functions which are concerned with traffic would, in course of time, be undertaken in bigger and bigger manner in the Divisions. We may pass them on to the Divisions. There are many Divisions which it would be operationally impossible to sub-divide.”

2.14. The Chairman, Railway Board further stated that it would require investment of anything between Rs. 3 to 4 crores plus a recurring cost of Rs. 5 lakhs for creating a Division.

Location of Headquarters of Zonal Railways and Divisions.

2.15. A statement showing the names of the Zonal Railways with their Divisional Headquarters and the States served by each Zone/Division is given in Appendix V.

2.16. It will be seen that Bombay is the Headquarters of two Railways, namely, Central and Western Railways.

The position regarding location of more than one Divisional Headquarters in one city is as follows:—

1. Bombay (Maharashtra)

1. Bombay Division/C. Railway

2. Bombay Division/W. Railway

- | | |
|----------------------------|-----------------------------------|
| 2. Calcutta (West Bengal): | 1. Howrah Division/E. Railway. |
| | 2. Sealdah Division/E. Railway. |
| 3. Lucknow (U.P.) | 1. Lucknow Division/N. Railway. |
| | 2. Lucknow Division/N.E. Railway. |
| 4. Nagpur (Maharashtra) | 1. Nagpur Division/C. Railway. |
| | 2. Nagpur Division/S. E. Railway. |
| 5. Secunderabad (A.P.) | 1. Secunderabad (BG)/S.C. Rly. |
| | 2. Hyderabad (MG)/S.C. Railway. |

2.17. The Ministry of Railways, explaining the background for such location, have stated (October 1978) that the location of the headquarters of the zones and their divisions is done primarily on considerations of administrative and operational requirements as well of running the Railways efficiently and economically, keeping in view the quality of service rendered by them to the railway users, trading community, industry, etc. The workload obtainable on each zonal railway as well as its divisions keeps on increasing from year to year with the requirement of rail movement *pari passu* with the development of the national economy from plan to plan. A constant watch is kept at all levels on the workload and efficiency of the zonal railways as well as divisions. Whenever the strain of the workload is felt resulting into deteriorating efficiency, efforts are made to reduce the workload on these organisations by suitable adjustments in their jurisdictions and if necessary, by creating additional divisions and zones. For example, it was, as a result of this exercise that North-Eastern Railway, which came into existence in 1952 was bifurcated into North Eastern and Northeast Frontier Railways with effect from 15-1-1958. Similarly, the organisational set-up of these Railways simultaneously underwent change from the Regional system to the District System and then to the present set-up of Divisional System from 1-5-1969.

The factors mentioned above are the basic criteria for location of the headquarters of a zone or a division at a particular place. Because of the paramount need of operational and administrative efficiency and the geographical location of track, the boundaries of the zones/divisions have to traverse different States at various points. As such, it is not possible to keep the jurisdiction of the zone or its divisions within the boundaries of one State only. Similarly, the operational requirements of running the Railways are such that the State boundaries cannot be co-terminus with the divisional/zonal limits without detriment to the quality of service ultimately rendered to the Railway users.

The reasons for locating the headquarters of more than one zone/division at one city are mainly the operational and administrative conveniences combined with the historical background in which the various zonal railways came into existence after Independence. Prior to the major regrouping of the zonal railways in 1951-52, there were a number of company owned railways like G.I.P. Rly., E.I.R., B.N.R., M. & S. M. and B. B. & C. I. Railway. The G.I.P. Rly, as well as the B.B. & C.I. Rly both had their headquarters at Bombay. Similarly, E. I. Railway and B.N. Railway both had their headquarters at Calcutta. After regrouping of the Railways in 1951-52, the G.I.P. and B.B. & C.I. Railways which were the principal constituents of the Central and Western Railways respectively retained their headquarters at Bombay. Similarly, Calcutta became the headquarters of Eastern Railway whose principal constituent was East Indian Railway. So also South Eastern Railway, comprising principally the old Bengal Nagpur Railway which came into existence from 1-8-1955 retained its headquarters at Calcutta.

In respect of the Divisions, it is stated that there are only 5 cities where Headquarters of more than one division are located. Out of these, Secunderabad is the only exception where a second division has been formed recently. All other cities had the Headquarters of their respective division, even prior to the regrouping/reorganisation. The location of the recently formed Hyderabad (MG) had to be kept at Secunderabad purely on the operational and administrative grounds since, even prior to the formation of this division, the MG & BG portion were being administered as separate units controlled from a common Headquarter. The added advantage was the availability of the entire requirement of office building obviating thereby the additional expenditure therefor coupled with the least disturbance to the staff.

2.18. Explaining the rationale for changes in the jurisdiction of certain Divisions and setting up of new Divisions during the last three years, the Ministry of Railways have stated (October, 1978):—

I.—Formation of Mughalsarai Division

The necessity for additional divisions on Eastern Railway was felt because of the very heavy workload on Danapur and Howrah Divisions of Eastern Railway along with the deteriorating efficiency in these divisions. Mughalsarai being the biggest marshalling yard and having modern communication facilities was chosen to form the headquarters of this division. To make the division viable Mughalsarai—Manpur—Son Nagar—Garharwa Road sections which formed part of Danapur Division, Barwadih—

Chopan, Billi—Singrauli and Meralgram—Bhavnathpur sections of Dhanbad Division and Chopan—Chunar section of Allahabad Division of Northern Railway were attached to Mughalsarai Division. This also necessitated slight changes in the Howrah and Adra Divisions of Eastern and South Eastern Railways a portion each of which was transferred to the Danapur and Dhanbad Divisions respectively of Eastern Railway.

II—Transfer of Sholapur Division from South Central Railway to Central Railway

Since the formation of South Central Railway, there was widespread resentment among the staff as well as among the railway users over the transfer of Sholapur Division from Central Railway to the South Central Railway. This resulted in occasional disruption of train services in the area affecting badly the efficiency of the Railway. On many occasions, the demand for transfer of the Sholapur Division back to Central Railway was voiced in Parliament followed by a continuous flow of representations demanding, *inter alia*, retransfer of Sholapur Division to Central Railway. The necessity had been felt a number of times but in view of the political considerations, the decision had to be deferred. However, with the formation of the new Government, the proposal to transfer back the Sholapur Division to Central Railway was reviewed afresh and it was felt that in the overall interest of efficient working of the Railway and to satisfy the long outstanding demand of the staff as well as railway users, it will definitely be beneficial for the railways if the Sholapur Division is transferred back to the Central Railway. Therefore, the decision to transfer back the Sholapur Division to Central Railway was taken. This decision required some other changes for balancing the workload of the Railways, and as such Guntakal Division was transferred from Southern Railway to South Central Railway. Similarly, Daund-Manmad section of the Bhusawal Division was also transferred to the Sholapur Division. As a part of the same exercise, Arakkonam—Renigunta section was transferred from Guntakal Division to the Madras Division of Southern Railway.

III—Formation of Hyderabad (MG) Division

The Hyderabad Division originally formed a part of the erstwhile undivided Secunderabad Division of the South Cen-

tral Railway. The workload of the division was unmanageably heavy and operating efficiency was not being maintained on account of very heavy kilometrage and spread of the track of both gauges over large areas. As such, relief as given to the Division by separating out the portions of the two gauges and making them into separate divisions.

IV—Formation of Sonpur Division.

The North Eastern Railway has a very large number of branch lines of the metre gauge. Ever since the formation of Samastipur Division, the workload was increasing without comparable improvement in its efficiency. In addition, the staff as well as the public of the area had been feeling discontented and attributed the short-coming of the Railway to the location of the divisional headquarters at a far flung place. Moreover, the workload of the division is likely to increase in the near future with the development of the area and it was considering that without the bifurcation of the Samastipur Division into two Divisions, viz., Samastipur and Sonpur, it would be difficult to cater to the development needs of the area. As such, it was decided to carve out a separate B.G. Division (Sonpur) out of the Samastipur Division. (With some B.G. conversions already in progress which will form part of Sonpur Division is ultimately intended to be a purely B.G. Division).

V (a) —Formation of Trivandrum Division

The formation of a new division of Southern Railway with headquarters at Trivandrum is under consideration of the Railway Ministry in view of existing heavy workload on the Olavakkot and Madurai Divisions as well as in view of the fast pace of development of the area resulting into increasing demands on the Railway transport system. Without the additional division, it will not be possible to control efficiently the far-flung area of the Railway and to give a satisfactory quality of service to the Railway users.

V (b)—Reorganisation of Divisions around Delhi.

Delhi Division of Northern Railway is the most heavily worked division of the Indian Railways. The two contiguous divisions, i.e. the Allahabad of Northern Railway and

Jhansi of Central Railway follow it closely in respect of the workload. Against the base workload index of Lucknow Division of Northern Railway as 100 in 1955-56, the workload of Delhi, Allahabad and Jhansi Divisions in 1976-77 was 246.5, 226.9 and 212.8 respectively. As a result, the management and control of all the divisions is becoming difficult day by day resulting into dissatisfaction among the Railway users in regard to quality of service and the punctuality of trains both long distant as well as the suburban (local) trains. In view of the near unmanageable situation, a review of the reorganisation of these three divisions is being undertaken.

2.19. The Committee note that the territorial jurisdiction of a Railway Zone depends upon the work-load, pattern of traffic, operational and administrative requirements and that these Zones were not created on the basis of regional and linguistic considerations. The existing nine Zones are stated to be homogenous and compact units from that point of view. The Ministry of Railways have, however, added that in a forward looking organisation like the Railways, the question of re-structuring the Railway Zones remains under constant review and necessary changes are made in their jurisdiction as warranted on considerations of workload and administrative convenience.

2.20. The Committee find that the heads-quarters of more than one Zonal Railway are located in one metropolitan city. The Zonal Headquarters of Central and Western Railways have been located at Bombay, while Calcutta is the Headquarters of Eastern and South-Eastern Railways. Operational and administrative conveniences as well as the historical background in which the various Railway Zones came into existence after Independence are stated to be the factors responsible for this situation.

While the Committee would not like to precipitate any changes in the location of the headquarters of these Railways just now or in the immediate future as this would entail huge expenditure and also cause dislocation to the staff, they do feel that the satisfaction of regional aspirations is an important consideration and it is, therefore, necessary that as and when re-organisation of the Zonal Railways is necessitated in future, this aspect should receive due attention so that the Headquarters of a Railway which traverses many States, are located as far as possible in the States which has the largest kilometrage of Railway line falling in the jurisdiction of that particular zone.

2.21. The Committee note that nine Zonal Railways have been sub-divided into 53 Divisions with varying areas according to operational and administrative requirement, the Committee find that the headquarters of certain Divisions are located at places (may be because of historical hang over) which are far removed from the centres of main commercial and industrial activities of the area with the result that public are put to a great deal of hardship in the matter of contacting the Railway authorities concerned at the Divisional level. For example, the Headquarters of Mysore Division is at Mysore whereas Bangalore is the centre of industrial activity. Similarly, the Headquarters of the Khurda Road Division of South Eastern Railway is at Khurda Road which is not the place of major industrial and commercial activities.

2.22. The Committee suggest that the desirability and feasibility of locating the Divisional headquarters at more central places keeping in view the growth of commercial and industrial activities may be kept in mind while reviewing the set up in each Zonal Railway in the interest of better service to the users.

2.23. The Committee observe that there are five cities viz., Bombay, Calcutta, Lucknow, Nagpur and Secunderabad in each of which Headquarters of two Divisions are located. Of these, three cities viz., Bombay, Calcutta and Secunderabad happen to be the Headquarters of as many as five Zonal Railways also. Needless to say, concentration of offices in the metropolitan cities which are practically bursting at their seams, must be avoided. The Committee, therefore, desire that the Divisional Headquarters located in these cities should be shifted as soon as conditions permit to some other central location. While deciding upon the location of Headquarters of Divisions in future, it should be ensured that the Headquarters of not more than one Division are located at one place.

CHAPTER III

ORGANISATION OF THE RAILWAY BOARD'S OFFICE

The Ministry of Railways have stated that the Railway Board's establishment is organised on the basis of functional directorates, each under a Director who is responsible for the direct disposal of day-to-day technical or professional work within the policy laid down by the Railway Board.

Growth in Staff strength

3.2. The Ministry of Railways have furnished the following information showing the strength of staff and officers in the Railway Board:—

As on	Gazetted (Class I and II)	Class III	Class IV	Total
31-3-1951	56	348	163	567
31-3-1956	167	794	271	1,232
31-3-1961	273	1,112	421	1,806
31-3-1966	347	1,404	524	2,275
31-3-1969	329	1,421	495	2,245
31-3-1974	414	1,547	552	2,513
31-3-1975	425	1,699	571	2,695
31-3-1976	423	1,676	565	2,664
31-3-1977	443	1,586	563	2,592
31-3-1978	463	1,538	564	2,565

3.3. The table given below shows the growth in the strength of Directors, Addl. Directors, Jt. Directors and Deputy Directors over the period from 1969 to 1978:—

Year	1969	1974	1975	1976	1977	1978
Directors	20	26	24	24	24	24
Addl. Directors	1	15	18	20	21	21
Jt. Directors	45	83	78	77	81	85
Dy. Directors and equivalent	NA	NA	103	99	110	105

3.4. The table given below shows the number of permanent and temporary officers and staff as on 31st March, 1978:

	Permanent	Temporary	Total
Class I .	111	136	247
Class II .	105	111	216
Class III .	1037	501	1538
Class IV .	402	162	564
TOTAL	1655	910	2565

3.5. The table below gives the strength of purely Secretariat staff such as Section Officers, Assistants, UDCs, Stenographers and LDCs as on 31st March, 1978:—

Section Officers	1644
Stenographers (Gazetted)	53
Assistants	471
UDCs	131
Stenographers	318
LDCs	250
TOTAL	1303

Brief Reasons for increase in strength of officers and staff.

3.6. The Ministry of Railways have stated that the strength of Railway Board set-up has been augmented from time to time consistent with the following responsibilities and functions of the Railway Board:—

- (i) The Railway Board functions both as a Ministry of the Government of India as well as the top controlling and coordinating administrative and executive organisation of the Indian Railways;
- (ii) The Railways are the largest government undertaking carrying an investment of the order of Rs. 5,572 crores.
- (iii) The Railways employ about 14 lakhs of regular staff an 3 lakhs of casual workers and carry about 90 lakhs of passengers and 6.5 lakh tonnes of goods every day; accordingly, it is necessary to have a central administrative organisation equipped with the necessary managerial and technical skill.

technical skill to coordinate, guide and control the working of the Railways;

- (iv) As a Ministry, Railway Board carries out the policies of Government, coordinating with other Ministries, maintaining liaison with Planning Commission, UPSC, Central Vigilance Commission etc. It submits expert advice to the Minister of Railways in the formulation of policies and plans for development; the Railway Board Members in their capacity as Secretaries to Government appear before important Committees of Parliament;
- (v) The Railway Board is also responsible for the implementation of Railway plans as also preparation of budget and other estimates of receipt and expenditure;
- (vi) It makes central purchases of stores wherever necessary and
- (vii) Lays down standards, uniform conditions of service and deals with labour federations at the level of the Ministry.

3.7. The Ministry of Railways have stated that the increase in the strength of officers and staff from time to time has mainly been due to the increase in the developmental activities and pivotal role of the Railways in the successive Five Year Plans. Besides, this, in the recent past some increase was necessitated in order to implement more effectively certain important policies of Government or with a view to introduce modern management techniques on the Railways or to cope with certain additional items of work essentially to be performed by the organisation. The following are some of the factors which have led to increase in strength of officers and staff during the last five or six years:—

- (i) Creation of cell for more effective implementation of the orders of the Government with regard to reservation for Scheduled Castes & Scheduled Tribes.
- (ii) Strengthening of the Hindi Directorate for progressive implementation of Government's official languages policy.
- (iii) Setting up of a cell for revising the General Accounts and Engineering Codes as recommended by the Railway Convention Committee, 1971
- (iv) Setting up of a Staff Inspection Unit as recommended by the Public Accounts Committee.
- (v) Setting up of a Legal Cell in order to have speedier advice on various legal matters dealt within the Railway Board.

- (vi) Setting up of a Pay Commission Cell for implementation of the Third Pay Commission's recommendations.
- (vii) Setting up of a Corporate Planning Cell and Operational Research Cell with a view to introduce modern management techniques.
- (viii) Strengthening of the Establishment Directorate for dealing with the recommendations of the Railway Labour Tribunal, 1969 as part of the activities for better staff relations.

3.8. The Member (Staff) of Railway Board stated during evidence in December, 1975 that the work-load on the Railways had increased considerably and the increase in work in the field was reflected in the coordination work also in the Railway Board. Moreover, as Railways were intimately connected with the public the references that came to the Railway Board were also increasing.

3.9. The annual average number of references received in the Railway Board was in the order of 33158 from rail users and 50403 from Railway personnel during 1975-76, 1976-77 and 1977-78 respectively.

3.10. The Railway Convention Committee (1973) pointed out during evidence in November, 1975 that it was understandable if with the expansion of the activities of Railways, there was a corresponding increase in the staff etc. at Zonal|Divisional levels but not in the Railway Board. The then Chairman, Railway Board stated that with the increased level of activity there was also increase in coordination and supervisory functions. It was pointed out by the Committee that while there was increase in the Railway activities during the Second and Third Plan periods, the targets were not achieved during the Fourth Plan period and the increase in the staff strength was out of proportion. The Chairman, Railway Board stated:—

“If you take total traffic increase, in the passenger and freight, it is not out of proportion. In terms of maintenance, coordination, supervisory functions, redeployment of resources between the Railways and so on, there is so much.”

“If you want us to re-examine, we shall certainly do so. But I may submit that before any posts are created or extension is given to any post, a thorough examination is made whether there is justification for that. It is examined in relation to whatever assessed work-load is there.”

Introduction of Modern Management Techniques.

3.11. In a written note furnished to the Committee, the Ministry of Railways have stated that in order to provide concurrent and purposeful data on Railway operations at all strategic levels, a separate Statistical Directorate functions in the Railway Board's office headed by a Directorate who is assisted by a team of officers. At the Zonal Railway level, there is a separate Statistical Officer assisted by necessary complement of officers and staff. All relevant statistics are collected daily or at stated periodicities and as may be required from time to time and all railway operations are reviewed on a day-to-day basis. A detailed manual on statistical instructions is also in vogue on the Railways. The manual is also revised as and when necessary in the light of experience of changes in operating conditions, and changing requirements from time to time.

3.12. In the compilation of statistics, computerisation to the extent possible has also been introduced. Apart from Railway Board, a computer has been installed in each of the nine Zonal Railways and three Production Units in the latter of which, production control, costing and other aspects of management of production have also been introduced through computerisation.

Presently there are 13 IBM computers on the Indian Railways—nine on zonal railways, three in Production Units and one in Railway Board. The computers are not being used as a labour saving device, but only where the mass of the data involved could not be processed manually in time and correctly. In view of the limitations of the hardware, the existing second generation computers could be used only for batch processing in certain conventional application areas. The Railways have not yet gone in for fully integrated information systems or decision making functions. Areas of accounting and statistics where heavy manual work was involved were isolated and computerised. However, the computers are extensively used (300 to 450 meter hours per month) and a number of reports for the information of the top management are generated particularly under the Goods and Passenger Accounting systems. In the case of Inventory Control, however, a total integrated system has been drawn up and is being implemented in five phases. This system, though yet to be implemented in totality, provides for a number of exception reports, ABC Analysis reports etc., based on which action is taken at the stocking depot level or purchase Office level to maintain the inventories at a satisfactory level.

The Ministry have also stated that scope and extent of computerisation in the various management areas on the Indian Railways is under consideration of the Government.

3.13. One of the important aspects of railway management relates to inventory control.

The details of important steps taken to modernise the materials management procedures|methods followed on the Indian Railways to face the urgent tasks are as given below:—

- (i) Introduction of ABC analysis concept for control over the stock items both for those manufactured in the shops as well as for those purchased from trade, on the basis of their annual usage.
- (ii) Codification of all items being held in stock on an all India basis using an eight digit numerical code adopting a semi-significant system keeping in view the needs for complete computerisation of all the operations in Materials Management.
- (iii) Application of the concept of economic order quantity in purchasing.
- (iv) Variety reduction of the items held in stock.
- (v) Streamlining of the procedures followed for purchases|disposal etc. with a view to eliminate infructuous checks and ensure greater decentralisation and quick decision making.
- (vi) Expeditious disposal of surplus, obsolete and scrap materials and simplification of procedures thereof.
- (vii) Wider dissemination of information on modern concept of inventory management including value analysis amongst all the Officers and staff concerned through lectures, conferences training courses etc.
- (viii) Enforcing re-order level system of recoupmnt and provisioning except for items procured through centralised agencies where annual system of procurement was continued.
- (ix) Adoption of product valuation techniques for examining reasonableness of the offer.
- (x) Mechanisation|computerisation of stores accounting and inventory control functions on a predetermined phased basis starting with inventory accounting and gradually extending the same to other fields.

Out of the items of stores which were hitherto procured through the agency of DGS&D the items exclusively used by Railways have been taken over for procurement w.e.f. 1-4-1975. The bulk of these purchases are decentralised and purchased by Railways|Units themselves. However, a few of the items, where the sources of supply are limited and where it is felt that bulking and centralised procurement resulted in economy, the purchases are centralised in Board's Office and on selected Railways as in the case of spherical roller bearings|electric & diesel loco spares etc.

All the above steps have enabled the Railways to expedite purchases reducing the lead time and making available the stores in time.

In addition to the above steps Inventory Control Cells were established on each of the Zonal Railways in 1973 and they were entrusted with the task of examining procedures and practices followed for ensuring effective Inventory Management and introduce such changes as may be considered necessary for increasing the availability of stores required in time and keeping inventories at optimum levels.

Performance Budgeting

3.14. The Railway Convention Committee (1971), in their Report on Accounting matters, had recommended, among other things that a Task Force may be set up with a view to going into the question of preparation of a scheme of performance budgeting by the Railways as an integrated part of the Demands for Grants. A Task Force was accordingly constituted by the Government in July, 1973 whose terms of reference, *inter alia* included the following:—

- (i) The manner in which the Railway Budget should be prepared so as to present in a simple and lucid way meaningful data for co-relating costs to results.
- (ii) For the purpose mentioned in (i), the manner in which the performance budget can be introduced as an integrated part of the Demands for Grants and the feasibility of its introduction according to time bound programme.
- (iii) The need to evolve a fully developed system of responsibility accounting, as emphasised by the World Bank Team in January, 1970 and with this end in view, to reorient accounting classification so as to bring in eventual breakdown of costs after eliminating all superfluous classifications, which are now out of date or irrelevant.

- (iv) How best to set up an effective system of management accounting with a view to defining clearly management objectives and strategies and plans to achieve these objectives, and to evolving norms to monitor performance against objectives so set; as a tool of management control, the system should be so devised as to provide concurrent and purposeful data at all strategic levels to help reach appropriate decisions.
- (v) The present system of internal audit obtaining on each Railway under the Financial Advisor and Chief Accounts Officer and to suggest avenues of improvements therein.

Based on the report submitted by the Task Force, the Ministry of Railways have, in consultation with the Comptroller and Auditor General of India, evolved proposals for re-structuring of Demands-for-Grants for Railways. The proposals formulated by the Railway Board on the basis of the Report of the Task Force were placed before the Estimates Committee who have approved of the same and have presented a Report to the Parliament. The proposals formulated on the basis of the Task Force envisaged a more sophisticated system of performance budgeting and a management reporting system. This, however, involves a very detailed coordination at all levels and introduction of the same right from the grass root levels has necessarily to be undertaken in a phased manner after the revised classification has been introduced and the position stabilises.

Cost Control

Another important area of application of modern management techniques is to evolve a system of cost control of goods and coaching operations on the Railways. The Railways have developed a reliable system of determining the goods unit costs and the methodology for determining coaching unit costs has also been finalised. The cost analysis of coaching service which was initially attempted, based on the actual expenses for the year 1971-72, has revealed certain obvious inconsistencies and therefore cost study, based on another set of field surveys, was undertaken. However, as the year 1974-75 was not a typical year to establish the revised cost methodology and as the year 1975-76 saw significance changes in the pattern of passenger services, consequent on the introduction of 150 high speed trains with higher seating capacity, it has become necessary to undertake a new series of field survey so as to determine coaching unit costs for the year 1975-76 and 1976-77 on realistic basis for managerial use.

Apart from this, the Railways have an O & M Organisation functioning in the Railway Board. Modern management techniques like work study, operational research, critical path method, project evaluation and re-scheduling techniques, staff inspection unit techniques etc. are also extensively used on the Railways. At the Railway Board's level, there exists, headed by a Director, a separate Directorate called the Efficiency Bureau which also includes a Staff Inspection Unit. There is also an Operational Research Cell. Each Railway has got a Work Study Organisation. Staff Inspection units have also been set up on two (*viz.*, Northern and Southern) Railways. On some Divisions, Work Study teams have also been constituted.

3.16. Introduction of modern management techniques on the Railways is a continuous process. Officers at all levels are also deputed to training courses, seminars etc. organised by leading institutions outside the Railways so as to expose the officers to new concepts in modern management. Railway Training Institutions like Staff College, Vadodara, Indian Railway Institute of Advanced Track Technology, Pune, etc., also run special courses on the application of modern management techniques to Railway's problems.

Review of staff strength and the Machinery therefor.

3.17. The Ministry of Railways have stated that more than 1/3rd of the strength of officers and staff of the Railway Board's Office is sanctioned on temporary basis. In practice, posts are created initially on a temporary basis based on the justification obtaining at the relevant time on account of new functions which have to be attended to or additional work-load devolving on the existing officers and staff. The concurrence of the internal financial unit under the Financial Commissioner of the Railways is obtained before any new post is created. Generally, the initial creation of posts is for a period of one year. Subsequently, before the expiry of the sanction, the need for the posts is again examined in detail in association with the finance unit. Subsequently, also year after year, such examination is conducted, so that, if at any point of time, the need for the temporary posts no longer exists they could be abolished. At the time of each review, the performance of the units is evaluated in detail with reference to the objectives for which they were initially sanctioned. Therefore, in respect of 1/3rd of the strength of the Railway Board's office, an annual review is conducted. If the posts continue to exist for a sufficiently long time and it is found that the work for which they were needed is of a permanent character, then they are made permanent with the approval of the competent authority.

3.18. Apart from the annual review mentioned above, in respect of all the posts, special reviews are also conducted from time to time. Since 1961, the staff strength of the various Directorates has been reviewed twice, first in 1967 and again in 1971. These reviews covered both the temporary and permanent posts. As a result of the review made in 1967, 13 posts of Section Officers, 3 posts of Assistants, one post each of LDC and Steno typist and 4 posts in other categories were given up. The review of strength of various Directorates in 1971 was conducted by a Job Evaluation Team under the Chairmanship of the Deputy Minister of Railways assisted by three Joint Directors. As a result of the recommendations of this Team, 14 gazetted and 63 non-gazetted posts were given up.

3.19. The Railway Convention Committee (1973) enquired during evidence in December, 1975 whether the performance of each and every Directorate was considered and examined to ascertain whether it was commensurate with the expenditure involved. The Chairman, Railway Board stated in reply that the Railway Net work had expanded considerably over the years. Compared to 1950, the freight traffic had doubled and the passenger traffic had gone up by about 90 per cent. The then Chairman, Railway Board further stated "it is in this context that the increased work-load has to be considered. The size of the Directorates has been determined on that basis. Before any increase is made, the work-load is examined".

3.20. The Railway Convention Committee (1973), referred to an observation of the Study Team of the Administrative Reforms Commission that there was a strong case for abolishing some of the Directorates and transferring the work left over to other Directorates and that there was scope for reducing the strength of the staff in many of the remaining ones. The Committee also pointed out that the strength of almost all the Directorates had gone up since 31st March, 1969 and enquired about the precise follow-up action initiated by the Railway Board to implement the ARC Study Team's recommendations. The then Member, Staff stated during evidence that after the report came, they had done a job analysis and some reduction—(14-Officers and 63 staff) was done. He stated further that subsequent to that, some additional work-load was given like implementation of the recommendations of the Pay Commission etc. and therefore, the position was that they were unable to effect any reduction in accordance with the recommendations of the Study Team of the ARC.

3.21. The Committee then enquired about the machinery available in the Railway Board to periodically reviews review the staff strength and the results of such. In reply, the then Member

(Staff), Railway Board stated during evidence (December, 1975) that they had an Organisation and Methods Section and a Staff Inspection Unit for checking the work in the various sections and to see what improvements could be done and in what way work-load could be reduced or reduction in staff could be effected. He also stated that they would again review the position and whatever reduction was possible would be done.

3.22. In their latest note submitted to the Committee, (April, 1978) the Ministry of Railways have stated that the review of strength of Officers and staff of the Railway Board's office is a continuous process. This is carried out by the Staff Inspection Unit (set up in 1973 in pursuance of the recommendation of Public Accounts Committee) and the O & M Wing.

3.23. The O & M Wing have conducted work measurement studies in respect of certain technical cells of the Board's Office and these studies are in the process of scrutiny. Besides, the O & M Wing is also responsible for the introduction of the Desk Officer system.

3.24. So far as the Staff Inspection Unit is concerned, they have completed work measurement studies to review the staffing position of certain Directorates of the Board's office. So far, 755 posts (51 class I, 63 Class II, 576 Class III and 65 Class IV) have been covered by such studies, which have, *inter alia*, recommended an overall surrender of 30 posts (Class I-1, Class II-3, Class III-23 and Class IV-3). Out of these 30 posts recommended to be surrendered, 19 have so far been surrendered and the remaining are likely to be surrendered shortly. The total recurring financial savings in the surrender of these 30 posts will amount to Rs. 2.54 lakhs per annum.

3.25. Besides these studies, creation of new posts in the Board's Office is subject to the economy instructions issued by the Ministry of Finance, in terms of which posts are created only when inescapable, and Class I posts require the approval of the Minister for Finance.

Streamlining of procedure of work

3.26. The Committee enquired from the Ministry of Railways how far there was scope for reducing routine work and effect consequential reduction in the strength of officers and staff. The Ministry of Railways, in a written note furnished to the Committee, (April, 1976) stated that the strength of officers and staff working in the Railway Board is only consistent with the needs of the organisation for performing the functions mentioned earlier. The expenditure on the Railway Board's establishment amounts to about

Rs. 2½ to 4 crores per annum which works out to a percentage of 0.3 of the total working expenses of the Railways amounting to nearly Rs. 1300 crores. This cannot by any means be considered to be on the high side for an organisation which controls an undertaking which is spread throughout the length and breadth of the country and which performs a vital function in the national economy.

3 27. It had been further stated (April 1976) that there was very little of routine work in the Railway Board which may need reduction. Whatever was the work, it was related to its role as a Ministry of Government directly responsible to Parliament through the Minister of Railways and its executive role for coordinating the functions of the Zonal Railways and Production Units. It may, however, be mentioned that the Ministry of Railways receive a number of references on administrative including personnel matters from Members of Parliament and others, most of which are within the purview of Zonal Railways to deal with. Such references which were about 360 per month on an average in 1957 are now of the order of 3600 per month. "It will be appreciated that in our democratic system of Government, these communications have to be given adequate priority and consideration by the Ministry of Railways, though the powers of taking decisions in most of the cases may be within the competence of the Zonal Railways."

3 28. The Ministry of Railways have further stated (April 1976) that the need for streamlining the functioning of the Railway Board is fully kept in view. A number of measures have been taken up for implementation. They are briefly recapitulated below:—

- (i) Assistants in the Railway Board Secretariat who have 8 years of service in the grade have been authorised to submit papers directly to the Branch Officers instead of through the Section Officers.
- (ii) Instructions have also been issued to reduce the number levels of consideration at the level of Under Secretary| Deputy Secretary|Additional Director so that decision-making is speeded up.
- (iii) Review of the reports and returns received from the Zonal Railways has been undertaken and as a result of the review of 300 reports and returns so far completed, 56 have been discontinued and periodicity in respect of 15 others reduced.
- (iv) Single File System has been introduced for transaction between the Ministry of Railways and one of its attached offices located at Delhi, namely, Railway Liaison Office.

- (v) In pursuance of the Government's decision to introduce Desk Officer System, the new system has been adopted in 17 sections. In all, 78 sections have been tentatively selected for conversion to the desk officer pattern of working. The new pattern of working is proposed to be introduced in a phased manner.

Reasons for increase in the strength of Officers

3.29. It will be observed from the Table at paragraph 3.4 that the total strength of Directors, Additional Directors and Joint Directors rose from 66 as on 31st March, 1969 to 124 in March, 1974. The Ministry of Railways have stated that the increase in the strength of the above categories of officers from time to time has been partly due to the need to handle specific additional workload and partly due to re-structuring of the cadre.

3.30. The Ministry of Railways have further stated that the Federation of Railway Officers' Associations has been representing to Government about the wide disparities in inter-service prospects as between the Railway Services and other Central Services. In fact, a number of Committees such as Railway accidents Enquiry Committee, 1968, the Study Team on Railways appointed by the Administrative Reforms Commission and the Railway Convention Committee (1971) who had occasion to review the position regarding promotional prospects in Railway Services, had come to the conclusion that the promotional prospects in Class I Services on the Railways were relatively poor. The Third Pay Commission had also, in their report, referred to the relatively poor promotional prospects of Class I railway Services *vis-a-vis* other Central Services and Engineering Services. Accordingly, the matter was gone into in great detail and the Cadre Reviewing Committee accepted that the promotional prospects in Railway Services were inferior to those available in most of the established services of the Government of India. With a view, therefore, to improving the promotional prospects of Class I Railway Officers, it was decided, with the approval of the Cabinet, to upgrade certain posts, taking into account the duties and responsibilities attached to various posts. As a result of this general ungradation, 968 posts were upgraded in various Class I grades on the Railways. The corresponding effect of the upgradation in regard to the posts in the Railway Ministry out of the 968 posts was confined to 25 posts during the year 1973-74, namely five of Additional Directors and 20 of Joint Directors.

3.31. Indicating the circumstances leading to the creation of the posts of Additional Directors, the Ministry of Railways in a written reply furnished to the Railway Convention Committee (1973) have stated that the Secretariat Establishment of the Railway Board is organised on the same basis and pattern as the Civil Secretariat. This is because of the fact that the Railway Board Secretariat is also functioning as a Ministry of Government of India in addition to its executive role as the supervising and coordinating authority over the Zonal Railways. The posts of Additional Directors in the Railway Board correspond to posts of Directors in the other Ministries of the Government. In the hierarchical structure, they constitute an intermediary tier between Joint Directors (Deputy Secretaries in other Ministries) and Directors (Joint Secretaries in other Ministries). The posts of Additional Directors have been sanctioned wherever relief is needed to Directors and wherever the responsibilities justify that particular level of functionary.

3.32. Additional Directors also normally function with the same responsibilities as Directors. They are in charge of separate wings within the Directorates and deal with the work allotted to the wings under their charge on their own or obtain the orders of the Board wherever required directly.

3.33. The Joint Directors assist the Directors and the Members of the Railway Board in the disposal of such business as is allotted to them, other than that which the Directors and Additional Directors have to handle themselves.

3.34. On the question of concurrence of the Financial Commissioner for the creation of the posts, the Ministry of Railways have stated that concurrence of the Financial Commissioner, Railways, is invariably obtained before the posts, referred to above, are created.

3.35. It will also be observed from the Table given in at paragraph 3.3 that the strength of Additional Directors, Joint Directors and Deputy Directors has gone up during the last four years by 3, 7 and 2, respectively. The Ministry of Railways have given the following reasons for the increase:—

- (i) The increase in the number of Additional Directors as on 31st March, 1970 over the figures of 31st March, 1975 is due to the re-designation of the two posts of DIGs from Joint Director to Additional Director. The increase in the number of Additional Directors as on 31st March, 1977 over the figures of 1976 is due to the revival of the post of Additional Director (Timber).

- (ii) The increase in the number of Joint Directors in 1977 and in 1978 over the corresponding figure of the previous year is mainly due to upgradation of posts on their worth of charge.
- (iii) The increase in the number of Deputy Directors in 1977 is mainly due to the introduction of Desk Officer system in accordance with the instructions received from Department of Personnel and Administrative Reforms.

Officer-oriented Pattern of Working

3.36. The Committee desired to know at what levels the proposals that emanated from the Zonal Railways and the Production Units were examined initially in the Railway Board. The Ministry of Railways, in a written reply furnished to the Committee, have stated that the Railway Board is a Ministry of the Government of India and functions on the same pattern as any other Ministry of the Government of India. It is essentially a policy making body. As such, as in the case of any other Ministry of the Government of India, all papers relating to past policy are available in the various sections dealing with the different subjects. In view of this, references received from the Zonal Railways are in the first instance, dealt with by the Sections who examine the proposals with reference to the past precedents available and also the rules and regulations on the subject raised for consideration. Once the past papers are connected and reference to the rules is made by the Sections, further consideration is given and decisions are taken at the level of Officers normally of the rank of Joint Directors and above. In this connection, it may be mentioned that in order to ensure that proposals made by the General Manager himself receive attention at the appropriate level, it has been provided in the Railway Ministry's Manual of Office Procedure that when a recommendation made by a General Manager himself is proposed to be turned down the case should be submitted to the Member concerned for orders.

3.37. So far as the introduction of Desk Officer System is concerned, after examination of the recommendation of the Administrative Reforms Commission in this connection, the Government have decided to accept in principle the introduction of this System in all the Ministries.

3.38. The Desk Officer System aims at helping to restructure the administration so as to make it more action-oriented and at speedy processing of papers to facilitate quicker decision making and moving towards fewer levels of consideration than now. The desk-officer

system envisages the re-grouping of conventional Sections and replacement by 2-men desks whose composition could be as under:

- 1 US and 1 So or
- 1 SO and 1 Asstt.

Under the Desk Officer System each Desk Officer is assigned a well defined area of work. In simple cases, a Desk Officer either an Under Secretary or Section Officer or Assistant straightway submits draft reply to communications, to his divisional head, viz., the Joint Director or Additional Director for signature, without any note or where necessary, after discussion. In other cases, the paper writing technique is adopted. As the desk, functionaries are provided with stenographic assistance, the initial delay now taking place at the level of Assistants/UDCs in processing the cases is eliminated, apart from cutting 2 levels of consideration, viz., the Section Officer and the Branch Officer.

3.39. The Ministry of Railways have stated (April, 1978) that in compliance with Government's directive to introduce the 'Desk Officer System' in various Ministries/ Departments of the Government of India in a phased manner, the Ministry of Railways tentatively selected 78 out of 140 Sections for conversion to the new system during the period 1975-79. So far, 17 Sections have been converted to the new pattern to working which resulted in the creation/surrender of the following posts:

Posts	Posts Created	Posts Surrendered
Deputy Director/Under Secretary	7	
Section Officers	14	
Assistants		43
U.D.Cs.	..	15
Stenographer Gr. 'D'	20	..
L.D.Cs.	..	6
TOTAL	41	64

3.40. The pace of the introduction has deliberately been adjusted to ensure that reversions in the categories of Assistants, U.D.Cs. and L.D.Cs., etc. are avoided. This has been possible by taking advantage of vacancies due to retirements and adjustments against

fresh posts created for work in connection with Committees appointed for investigation of special problems etc. Further extension of the scheme in remaining sections of this Ministry will be taken up in the light of the decision of the Government on the report of a review team which is said to have submitted it recently.

3.41. The Committee note that while the total number of staff employed on the Indian Railways has increased from 9.11 lakhs in 1950-51 to 14.69 lakhs in 1976-77 i.e. an increase of 61.2 per cent, the strength of officers and staff of the Railway Board has gone up from 567 to 2592 during this period i.e. an increase of about 357 per cent. The Committee find that the increase in the staff strength of the Railway Board as at the end of 1st, 2nd, 3rd and 4th Five Year Plan periods was of the order of 117 per cent., 218 per cent, 300 per cent and 343 per cent respectively over 1950-51 and at the end of the year 1977-78, the percentage of increase stood at 352.

3.42. The Committee also find (Vide Appendix VI) that the number of Directorates in the Railway Board has increased from 7 in 1950-51 to 26 in 1977-78 leading to an all-round increase in the various categories of officers and staff. To illustrate, the number of Directors has gone up from 13 to 24 (an increase of 85 per cent) and Joint Directors from 19 to 85 (an increase of 347 per cent). In addition, there are 21 Additional Directors. The number of Class I and II Gazetted officers rose from 56 as on 31-3-1951 to 463 as on 31-3-1978 (an increase of 727 per cent). The number of Class III employees has gone up from 348 to 1538 showing an increase of 342 per cent during this period, while the number of Class IV employees has gone up from 163 to 564 i.e. an increase of 246 per cent.

3.43. According to the Ministry of Railways, the major reasons for this increase of over 350 per cent in staff strength as compared to 1950-51 i.e. since the commencement of the First Five Year Plan, are as follows:—

- (1) increase in the developmental activities of the Railways;
- (2) increase in the number of references from Members of Parliament and others by the Railway Board;
- (3) introduction of modern management techniques and creation of a few cells to deal with additional work.

3.44. The Committee note that the First Five Year Plan for the Railways was largely in the nature of a rehabilitation plan. It was the Second Five Year Plan which envisaged large scale development of the Railways. The Committee consider such a development

plan being first of its kind could have created new conditions in the Railway working necessitating some increase in the strength of staff and officers both in the field and at the Railway Board level. The Committee feel that once one large development plan had been executed over a period of five years, the Railway working should have got attuned to conditions required for further development plans and, therefore, if at all, there could be some increase in the strength of staff and officers at the apex body, namely, Railway Board it could only be moderate if not nominal.

3.45. But what the Committee find is that the strength of the staff and officers at the apex body has continuously increased from the First to Fourth Plan period. At the end of the first year of the Second Plan (i.e. 1956-57), the strength of staff and officers in the Railway Board was 1232 and at the end of that Plan period (i.e. 1961-62) it rose to 1806. As the major heads of expenditure in the subsequent plan periods remained the same, the Committee would have expected that there would have been no need for large scale augmentation of staff and officers at the Railway Board level. But the picture that the Committee find is much different. At the end of the Third Plan period (1965-66) the strength of the Railway Board jumped to 2275 and at the end of the Fourth Plan period it was as much as 2513. The position during the Fifth Plan period is some what different. At the end of the first year of that Plan period, the strength was 2695, at the end of second year it was 2664; at the end of third year it was 2592 and at the end of the fourth year (when the Fifth Plan was terminated) the strength came down to 2565 which was very nearly the strength at the end of the Fourth Plan period. This was due to a reduction in the strength of Class III staff. This, the Committee feel, only reinforces their view that every development plan need not necessarily mean higher strength at the apex body whose functions are limited basically to policy formulation, planning, coordination and supervision with certain usual duties of a Ministry of the Government of India. Thus, the Committee feel that there has been more than justified increase in the strength of staff and officers in the name of developmental activities.

3.46. The second argument is that the increase in the number of references from Members of Parliament and others has necessitated increase in the strength of the Board in recent years. The Committee have already dealt with this aspect in detail in an earlier Chapter. It may suffice here to say that the growing number, in fact, is a reflection on the level of efficiency and responsiveness of the machinery at the Zonal and field levels in dealing with representations

and communications from Members of Parliament and other users. The Committee need hardly point out that if the Railways are managed in the field in a business-like and efficient manner, the chances for complaints would be greatly reduced, if not obviated.

3.47. As regard the third argument namely, introduction of modern management techniques and creation of a few cells to deal with additional work, the Committee see no reason why it was not found possible to find officers and personnel for the new cells from within the existing strength of the Railway Board by necessary rationalisation/reorganisation etc. of the Directorates. Besides, the modern management techniques should have resulted in substantial simplification of procedures, rationalisation of work in the interest of speedier disposal and better utilisation of man-power and above all, saving in expenditure on administrative costs and overhead etc. These benefits are yet to be realised. In fact, considering the scale of commercial and operational activities of a department like Railways, the Committee had expected that this aspect of management would have received adequate attention. However, the Committee find that only a beginning has been made in introducing some modern management techniques, primarily confined to certain limited areas of management and control such as maintenance of statistics, inventory control etc. It is obvious that only through adoption of new and modern tools of management backed by a proper management information system, the Railway administration can acquire a new look leading to increased earnings, reduction in cost of operations and maintenance, elimination of waste and enhancement of efficiency all round. It is, therefore, surprising that the Railways do not have a concrete perspective plan for introduction of modern techniques of management on Railways. The Committee trust that the Railways would move with times and at least now would draw up such a comprehensive plan.

3.48. The Committee would, in this connection, like to draw attention to the fact that there has been persistent criticism in both Houses of Parliament about the heavy over-staffing of the Railway Board. Not much has really been done in response to this criticism. In fact, they are concerned to find that in pursuance of a recommendation of the Administrative Reforms Commission, the Railway Board could find scope for reduction of only 14 officers and 63 personnel. Even this reduction was not given effect to on the plea that certain additional work had meantime, got generated. Subsequent reviews made by the Staff Inspection Unit since 1973 have resulted in marginal reduction of subordinate staff of the level of Section Officers and below.

3.49. The main argument advanced in defence of the present staffing pattern of the Railway Board is that it is a technical and service-oriented department and, therefore, it is advantageous to have officers who have field experience to man high level posts in the best interest of the organisation. Logically, this argument of technical nature of work should mean that there should not be proliferation of Additional Members, Directors, their Deputies, Assistants to the Deputies and so on. But the Committee regret to observe that the office of the Board is organised practically on the same lines as other Ministries of the Union Government with the usual complement of subordinate ministerial staff or perhaps worse in that whereas in an average Ministry there is only one Secretary and the number of Additional Secretaries/Joint Secretaries attached to him are 2 or 3 in each Ministry, in the Railway Board because the Board comprises of 5 Members (who are of the rank of Secretaries) the number of Advisors (previously Additional Members) and Directors (equivalent to Joint Secretaries) is as many as 27 or so. The Committee feel that the Railway Board should be organised as a small compact body which should depend on the Zonal Managers for the feed back of information but at the same time capable of taking of most of the policy and coordinating decisions themselves. The Committee consider that this arrangement would also be in the interest of Railways because then there will be quick decisions and the problems will receive direct attention of the Members instead of passing through several levels.

3.50. The Committee consider that a technical department like the Railways has got to be officer and action oriented. The Committee are also aware that there have been demands for strengthening gazetted supervision at the Divisional and field levels. The Committee, however, find that there is no paucity of officers in the Railway Board; in fact there has been perceptible increase in the number of Class II, Class I and other senior officers from 56 in 1950-51 to 463 in 1977-78. It should be possible for these officers to dispose of expeditiously all references received from the zonal railways at their own level with the minimum of stenographic and ministerial assistance instead of getting the papers processed in a routine manner in the sections.

3.51. The Committee note that a suggestion to introduce desk-officer system in 78 sections out of a total of 140 sections has been mooted. The Committee would like this to be implemented in letter and spirit so as to ensure speedy and conclusive disposal of references received from the field level etc. as also effect substantial saving in

staff. In fact as a result of introduction of this system in 17 sections, there has been a reduction in strength to the extent of 23.

3.52. The Committee would also like to draw attention to the fact that as on 31st March, 1978 the Railway Board had 1655 permanent and 910 temporary staff on their rolls, and out of these the component of Class III and Class IV posts was 1439 permanent and 663 temporary. There has been an increase in the number of Class III posts from 348 in 1950-51 to 1538 in 1977-78 representing an increase of 342 per cent. In Class IV, there has been an increase from 163 in 1950-51 to 564 in 1977-78, representing an increase of 346 per cent. In view of the fact that the Railway Board is a technical organisation with a large complement of officers, the Committee can see hardly any justification for keeping a large complement of non-technical staff such as Section Officers, Assistants, UDCs etc.

3.53. The Committee would like to recall in this connection the following observations and recommendations of the Study Team of Administrative Reforms Commission on Railways (1969) which had gone into the question of strength of personnel in the Railway Board:—

“An examination of the working of the Directorates has revealed that whereas the work in a few Directorates has remained steady or even increased, there is a strong case for abolishing some of the Directorates and transferring the work left over to other Directorates and scope for reducing the strength of the staff in many of the remaining ones.”

“In modern practice, a high level organisation, like the Railway Board should be manned largely by senior experienced officers capable of making quick appreciation of the problems of the Zonal Railways by themselves and who should need the assistance of only a small proportion of Class III staff....We suggest that the Railway Board should constitute an expert study team composed of persons with experience of work in modern commercial organisation to go into this question.”

3.54. The Committee would have ordinarily recommended that the question of reviewing critically the strength of the officers and staff of the Railway Board should be taken up by a high-level Committee consisting of senior officers of the rank of Secretary to the Government in the Ministry of Railways, the Department of Personnel etc, but they find that despite the persistent criticism in

Parliament and elsewhere about the disproportionately large number of officers and staff in the Railway Board hardly any worthwhile reduction has been effected in their numbers. The Committee, therefore, recommend that such a critical examination and review of the strength of officers and staff of the Railway Board may be entrusted to an organisation independent of the Railway Board. This organisation may also include non-officials who are management experts and who have not been connected with the Railways.

3.55. It is pertinent to recall that the Railway Board have at present as many as 910 temporary posts and any rationalisation in the structure and strength of officers and staff in the Railway Board in pursuance of the recommendations of the expert body mentioned above should not present any insurmountable difficulty for the persons found surplus to requirements in the Railway Board could be gainfully employed in the Zonal Railways and other Ministries Departments of the Government. Meanwhile, a ban should be put on further expansion in any category of staff in the Railway Board.

3.56. The Committee would like to be apprised of the terms of reference and the composition of the expert body entrusted with and staff of the Railway Board.

3.57. The Committee stress that the Report of this body should become available within six months of its constitution and Government should also take decisions on its recommendations within a reasonable period, say within three months of the receipt of its report.

3.58. The Committee would like to be informed of the precise action taken in pursuance of the above recommendations as they are keen that the structure of the Railway Board and its staffing pattern should be rationalised without any further loss of time

New Delhi,
December, 20, 1978
Agrahayana 29, 1900 (S)

Krishan Kant
Chairman,
Railway Convention Committee.

APPENDIX I

(vide para 1 19)

Statement showing the previous position and the position as existing in June, 1974 regarding delegation of powers to General Managers in important matters.

S. No.	Nature of powers	Previous powers	Powers delegated under Board's letter No F(X)II/72/CMT/3 dated 29-6-1974.
1	a	3	4
1	Grant of rewards to gazetted officers . . . Nil		Same powers as for non-gazetted staff upto the level of Sr. Scale, i.e. Rs. 2,000 in each individual case.
2	Sanction of dual charge to Admn. Officers . . . Restricted to Sr. scale upto Rs. 100 p.m.		Permitted upto Rs. 1500-2000 (RS) Admn. Gr. officers for 3 months and sanction special pay limited to Rs. 150/- p.m.
3	Investigation of arrear claims of officers . . . No powers		Full powers.
4	Creation and extension of temporary posts: <ul style="list-style-type: none"> (a) chargeable to revenue: . . . upto 1 year in Cl. II—withdrawn due to Govt's ban on creation of posts. (b) chargeable to estimates: . . . Upto Sr. Scale for a maximum of 3 yrs. with FA & GAO concurrence. 		Upto 6 months in Sr. Scale and 1 year in Cl. II. Without limit upto Admn. Gr. (Rs. 1500-2000) without FA & CAO's concurrence subject to specific provision of the post in the sanctioned estimate.
5	Purchase/hiring of motor cars . . . Full powers to purchase vehicles provided for in the estimates other than staff cars.		Same powers as regards purchase. Hiring for specific occasions permitted to GMs. personally.

6	Refund of fares/freight	Rs. 10,000 in each case.	Rs. 20,000 in each case.
7	Refund of wagon registration fees	Rs. 10,000.	Full powers.
8	Incurrence of law charges:	Rs. 10,000 in any particular case.	Rs. 25,000 in each case.
9	Claims settled out of court	Upto Rs. 500 in each case.	Upto Rs. 3,000 in each case.
10	Sanction of out-of-turn works not provided in the budget.	Upto Rs. 5 lakhs subject to a limit of Rs. 75 lakhs in a financial year.	Rs. 10 lakhs each up to a limit of Re. 1 crore in a financial year.
11	Sanction to excess over estimates	Within the laid down percentages for works costing upto Rs. 20 lakhs.	Limit of Rs. 20 lakhs has been raised to Rs. 5 lakhs.
12	Sanction to original survey estimates	No powers.	Upto Rs. 1 lakh each provided the survey is included in the Budget.
13	Write off of losses or cash, stores, tools & plant.	Rs. 25,000.	Rs. 50,000.
14	To enter into contracts for sanctioned works	Rs. 50 lakhs for each contract.	Rs. 1 crore for each contract.
15	Advances to any single contractor	Rs. 1 lakh.	Rs. 2 lakhs.
16	Modification of a project sanctioned by Rlv. Board.	Rs. 3 lakhs.	Rs. 5 lakhs.
17	Sanction to original estimates	Rs. 20 lakhs.	Rs. 50 lakhs.
18	Procurement of medical equipment charge-able to revenue.	Rs. 5,000 per item.	Rs. 10,000 per item.

- 19 Deputation of officers and staff for training in non-Railway institutions. Nil. Full powers upto Rs. 10,000 p.a. provided no officiating arrangements are made.
- 20 Recruitment of non-gazetted staff as actually required. No powers to place indents on Service Com-missions without prior approval of the Board. Full powers subject to FA & CAO's vetting.
- 21 Provisional payment to gazetted staff in absence of sanctions. Nil. Provisional payment upto a limit of 3 months.
- 22 Grant of option for pension to widows in case of Rly. servants who die of heart failure. No powers. Full powers in consultation with CMO and FA & CAO.
- 23 Direct recruitment in certain categories from open market to meet urgent require-ments of staff of the construction orga-nisation. No powers on monthly wages. Full powers in certain categories upto a limit of Rs. 500 p.m. subject to regularisation by the Board within one year.
- 24 Extension of Departmental catering units and opening of fresh units. No powers. Full powers within the overall policy laid down by the Board provided profitability of exten-sions or additions is ensured.
- 25 Augmenting the number of sleeper coaches on individual trains. No formal delegation. Full powers where the demand is justified.

APPENDIX II

[Vide para No. 1.22]

Orders issued by the Ministry of Railways (Railway Board) reg. delegation of powers to the General Managers.

GOVERNMENT OF INDIA (BHARAT SARKAR)

MINISTRY OF RAILWAYS (RAIL MANTRALAYA)
(RAILWAY BOARD)

No. F(X)II|77|PW|5

New Delhi dated 7-12-77.

The General Managers,
All Indian Railways,
including CLW, DLW and ICF.
The General Manager, M.T.P., Calcutta.
The General Manager (Const.) Southern Railway, Bangalore.
The CAO/Rs., M.T.P., Bombay, Madras and Delhi.
The CAO, Wheel and Axle Plant, Bangalore.
The Principal, Indian Railways Institute of Mech. & Elec.
Engg., Jamalpur.
The Principal, Railway Staff College, Baroda.
The Principal, Institute of Advanced Track Technology, Pune.
The Principal, Indian Railway School for Signal Engg. and
Telecom., Secunderabad.
The Director General, R.D.S.O., Lucknow.
The General Secretary, I.R.C.A., New Delhi.
The Chairman, Railway Service Commissions, Bombay,
Calcutta, Madras, Muzaffarpur and Allahabad.
The Secretary, Railway Rates Tribunal, Madras-28.
The Secretary, Railway Labour Tribunal, Old Station Build-
ing, Ahmedabad.

SUBJECT.—*Delegation of Powers to the General Managers—Revision
of Appendix VII-GII.*

In accordance with the Government's policy regarding devolution of authority to Field Managers/formations, the Ministry of Railways have decided to revise the existing delegation of powers to the General Managers. Accordingly Appendix-VII to the Indian Railway General Code, Volume-II, setting out the delegation of powers to the General Managers, has been revised and a new Appendix VII as in the Annexure is enclosed. The existing Appendix V stands deleted.

2. General Managers should, in keeping with the enhanced delegation of powers, revise the existing Schedule of powers redelegated to the Divisional Superintendents etc. to ensure speedy disposal of public business by the officers in the field. A copy of the revised delegation to the Divisional Superintendents etc. may be sent for Board's information in due course.

3. This has the sanction of the President.

(S. N. BHAT)

Encl. As above.

Director, Finance (Budget),
Railway Board.

No. F(X)II-77/PW/5

New Delhi, dated 7-12-1977

Copy to the ADAI (Railways), New Delhi with 45 spare copies.

(S. N. BHAT)

Encl. As above.

for Financial Commissioner, Rlys.

Copy to:—

Private Secretaries to all Board Members and all branches of Railway Board.

ENCLOSURE TO APPENDIX II

Appendix VII to the Indian Railway General code, vol. II

(See paragraph 804)

Effective from 15th December, 1977

POWERS OF GENERAL MANAGERS OF INDIAN RAILWAYS

In supersession of existing orders on the subject, the President is pleased to make the following rules prescribing the cases in which the General Managers may not sanction expenditure or deal with other matters without the previous sanction of higher authority.

Subject to the observance of these rules and the provisions of the existing codes, rules and regulations, the General Managers have full powers to sanction expenditure and, except as may hereafter be specifically provided for, to delegate their powers, or any portion of them to authorities subordinate to them, with power to re-delegate to lower authorities.

NOTE—(1) Any re-delegation of powers by the General Managers of Indian Railways to authorities subordinate to them should be made only in consultation with the Financial Adviser and Chief Accounts Officer of the railway concerned. In the event of a difference of opinion between the General Manager and the Financial Adviser and Chief Accounts Officer, the matter should be referred for the Railway Board's orders.

(2) The Director General, Research Design & Standards Organisation, Lucknow will exercise the powers of a General Manager of an Open Line Railway in all matters laid down in this Appendix after consultation with the associated Financial Adviser.

RULES

The previous sanction of higher authority is necessary.

A—Gazetted Staff

1. To the creation and the abolition of a permanent post and to the alteration of the scale of pay of a service or of a post.
2. To the keeping of a post sanctioned by the Railway Board unfiled for more than six months in the case of posts higher than

Senior Scale and for more than a year in the case of posts upto Senior Scale provided that if the post upto Senior Scale has remained unfilled for more than six months, its justification is established afresh in consultation with the Financial Adviser and Chief Accounts Officer before filling the post.

3. To the creation of a temporary post except that posts may be created without higher sanction is Senior Scale/Class-II services for a period not exceeding six months/one year respectively if it is expected that the post will not be required beyond six months/one year.

NOTE.—Temporary post/posts in the grade Rs. 1500—2000 (RS), Senior Scale, J. S. and/or Class-II specifically provided for in a Construction|Survey Estimate or in an urgency certificate sanctioned by the General Managers or by the Railway Board may also be created|extended by the General Managers without the F.A.&C.A.O's concurrence provided provision in the General charges for "Establishment" in the sanctioned/estimates/urgency certificate is not exceeded.

4(a) To the grant to an officer of a Railway of higher emoluments (whether as pay, honorarium or allowances of any sort) than are admissible under the Railway rules or any orders of the Government of India.

(b) To permit an officer of a Railway to undertake work and/or receive a fee (non-recurring or recurring) exceeding Rs. 1000 in each individual case from private sources.

(c) To grant to an officer of a Railway (upto senior scale) a reward in excess of Rs. 2000 in each individual case.

NOTE.—(1) Medical Officers, excepting Chief Medical Officers, may be permitted by General Managers to receive fees for professional attendance provided they do not hold posts in which private practice is debarred under orders of a higher authority.

(2) General Managers have powers to grant motor-car and motorcycle allowances to officers subject to the following conditions:—

- (i) No allowance should be sanctioned unless the General Manager is satisfied that it is necessary in the interests of the Railway Administration for the officer holding a particular post to travel by motor-car or motor-cycle frequently on duty at or within a radius of eight Kms. from his headquarters, apart from his journeys from residence to office and vice versa.

- (ii) The actual Kms. covered, or likely to be covered, is checked by the Financial Adviser and Chief Accounts Officer.
- (iii) The scales of allowances are in accordance with those already fixed by the Railway Board.

(3) The Local Compensatory and House Rent allowance may be sanctioned by General Managers to Temporary Engineers working in permanent posts on transfer to those stations where the allowances are granted under the relevant order/orders, subject to the condition that if the pay of a Temporary Engineer already includes an element of Compensatory Allowance, the fact should be taken into account in regulating the Compensatory and House Rent allowances.

(4) General Managers may grant an officer upto and including Junior Administrative grade, in addition to his pay, special pay limited to 10 per cent of his presumptive pay of the additional post, when he holds charge of another post in addition to his own, provided the additional charge is hold for a period exceeding 30 days but not exceeding three months.

(5) General Manager may sanction the acceptance of honorarium by Gazetted Railway Servants upto Rs. 500/- in each case for undertaking work as Arbitrator in a dispute in which the Railway Administration is a party and upto Rs. 500 in each case, in a year, in all other types of cases.

5 To the write-off of—

- (a) advances.
- (b) amounts overdrawn by officers, or otherwise due from them, which were discovered in audit within a year.

6. To the construction or purchase of a building for use as residence by an officer at stations specified by the Railway Board.

NOTE.—General Managers may hire a building for use as residence by an officer subject to the ceiling limits on rents prescribed by the Railway Board from time to time, in cities/towns specified by the Railway Board.

7. To the acceptance of resignation of a Class-I officer.

NOTE.—General Manager may accept the resignation of and waive the prescribed notice period in respect of a probationary officer selected for IAS/IFS/IPS.

B—Non-gazetted Staff

8. To the grant of special or other addition to pay, or the grant of personal pay otherwise than in accordance with Rule 2003 (23) (d)-R and Allowances other than those admissible under Railway Fundamental or supplementary Rules or any other orders of the Government of India.

NOTE.—When a non-gazetted railway servant is appointed to hold substantively as a temporary measure or to officiate in two or more separate posts at one time his pay shall be regulated as follows:—

- (a) The highest pay to which he would be entitled, if his appointment to one of the posts stood alone, may be drawn on account of his tenure of that post;
- (b) For each other post he may be allowed to draw such reasonable pay, not exceeding ten per cent of the presumptive pay of the post, as the General Manager may fix.

This is subject to the condition that the total period for which the addition to pay is sanctioned does not exceed three months.

9. (a) To the grant of an honorarium, in excess of Rs. 2,000 in each individual case.

(b) To the grant of a reward, in excess of Rs. 2,000 in each individual case.

NOTE.—Where the honorarium is recurring, the limit of Rs. 2,000 applies to the total amount paid in financial year.

10. Notwithstanding any limitations or restrictions in the preceding rules, General Managers have power to sanction payments to subordinates, provided—

- (i) The Financial Adviser and Chief Accounts Officer concerns in considering the case to be within the spirit of the rules, although not strictly provided for by the latter.
- (ii) That only a single payment is involved and the amount does not exceed Rs. 500.

C—General—Gazetted and Non-Gazetted Staff

11. To the grant of advances otherwise than as authorised under general rules and orders.

NOTE.—The General rules and orders will be those applicable to Indian Railway employees from time-to-time.

12. To the grant of passages in excess of those admissible under the rules.

13. To the grant of leave otherwise than admissible under the rules.

14. To the deputation of a railway servant out of India.

15. To ex-gratia payment of bonuses or rewards for inventions for which inventor is not allowed to take a patent or is instructed to assign his patent rights to Government.

16. To the grant of rewards for the detection or apprehension of offenders on a criminal case in excess of Rs. 5,000 in each case.

17. To the reimbursement of the legal expenses of a railway servant—

(b) who incurs the expenses in defending legal proceedings instituted against him in respect of acts done or purporting to be done in the execution of his duty either by an outsider or at the instance of the Railway Administration or with the specific sanction; or under the specific order, of the State Government or the Central Government.

18. To the purchase or hire of a motor-car, motor cycle or motor boat for the exclusive use of a railway servant or servants, except motor vehicles for which provisions has been made in an estimate sanctioned by the higher authority.

NOTE.—(1) Before purchase or hire of a motor-vehicle is sanctioned, it should be certified that the demand cannot be met by transfer from one of the works, if any, on hand or completed.

(2) General Manager may hire vehicles for specific occasions.

19. To the payment of compensation in case of railway accidents other than those awarded by Claims Commissioner to the dependents of railway employees killed or to railway employees injured in accidents caused by the working of trains or railway engines, provided that the death or injury was met with in the discharge of their duties otherwise than through their own negligence or wilful action, in excess of a maximum of 24 months' emoluments of the railway employees.

NOTE.—(i) In the case of persons to whom the Workmen's Compensation Act applies, compensation shall be paid under this rule only if the authority competent to sanction compensation considers that more liberal treatment than that given by the Act is necessary. The compensation so paid shall not, inclusive of the compensation

payable under the Act, exceed the amount admissible under this rule.

(ii) the term "emoluments" means monthly average of emoluments as defined in paragraph 2544-R (CSR 486) and of running allowance (without any percentage limit of pay) in the case of Running staff drawn during the last 12 months or during the whole service if it is less than 12 months.

20. To the grant of compensation to a railway employee for loss of private property except compensation not exceeding Rs. 2,000 in any individual case for loss suffered by an employee in the course of a strike or railway accident in the execution of a railway duty and from circumstances arising directly out of that duty.

21. To the grant of a compensation gratuity in excess of Rs. 2,000 to a railway servant who has been severely injured in the execution of his duty or to the family of a railway servant who has died from the effects of such injury.

NOTE.—(1) In the case of persons to whom the Workmen's Compensation Act applies, compensation shall be paid under this rule only if the authority competent to sanction compensation considers that more liberal treatment than that given by the Act is necessary. The compensation so paid shall not, inclusive of the compensation payable under the Act, exceed the amount admissible under this rule.

(2) This item applies only to railway servants who entered railway service before the 1st April, 1937 and held a lien or a suspended lien on a permanent post on the 31st March, 1937.

22. To the sanction of ex-gratia payment in excess of Rs. 500/- to the dependent of a railway employee in the event of his/her death arising out of injuries sustained in the execution of his/her duty.

23. To any concessions in connection with treatment at a Pasteur Institute in excess of those prescribed in the Indian Railway Establishment Code.

24. To the payment of medical charges otherwise than as authorized under general rules or orders.

25. To permit a railway servant below the rank of Additional Head of Department to travel on duty by air.

26. To the remission of recovery of rent from the incumbent of a post for which a quarter has been allotted.

NOTE.—The General Manager may exempt the incumbent of a post from occupying the quarter allotted to the post and from paying rent therefor upto a maximum period of four months, in the following circumstances:—

- (i) When an employee is temporarily transferred to a post;
- (ii) When the quarter is subjected to extensive repairs, such as renewals of roofing replacement of flooring, or such other special works necessitating the vacation of the whole quarter;
- (iii) When an employee is required to vacate the quarter under medical advice on account of an infectious disease or epidemic.

27. To the waiver of the cost of training of a railway employee who has received training at railway's cost and who is required to serve the railway for a minimum prescribed period, in excess of the cost proportionate to the service rendered.

28. To sanction expenditure on deputation of railway employees for training courses seminars, symposia, etc., in non-railway institutions in excess of Rs. 25000 in a year on Zonal railways and Rs. 10000 in a Production Unit, subject to the fees for training in each case being limited to Rs. 500.

D—Payments to persons other than Railway employees

29. To refunds of fares of freights, otherwise than in accordance with the relevant Tariff rules, in excess of Rs. 20,000 in each case.

30. To the write off of amounts due to the railway, otherwise than when they are irrecoverable, in excess of Rs. 10,000 in each case.

NOTE.—Items (29) and (30) do not apply to wharfage, demurrage, storage and lost property charges which may be written off or refunded by Railway Administrations without the sanction of higher authority.

31. To the grant of rewards in excess of Rs. 5,000 in each case.

32. To expenditure on each ceremonial occasion in excess of Rs. 1000.

33. (a) To filing or defending an appeal in the Supreme Court.

(b) To the engagement of counsel at more than Rs. 750 per day in Supreme Court or in Bombay and Calcutta, or at more than Rs. 400 per day elsewhere.

(c) To payment of fees in excess of scales of fees fixed by the High Courts concerned.

34. To allowances or fees to private persons for donations to private bodies including Railway Institutes, Railway bands, hospitals and schools in excess of the scales or maximum limits laid down by the Railway Board.

NOTE.—In respect of any item for which no scale has been laid down in any extant orders the Railway Administration have no power. The existing scales and maximum limits prescribed in some cases are stated below—

Nature of Payment	Maximum limit
(a) Arbitration fees to private persons.	Rs. 1,000 in each case.
(b) (i) Fees to non-subsidized Civil Surgeons, other Government Medical Officers and to private practitioners for professional services to railway servants and to passengers and other persons injured in railway accidents or while travelling by a train.	Rs. 150 in each case.
(ii) Fees to Government Medical Officers and to private practitioners for professional services to cattle injured in railway accident.	Rs. 100 on each occasion.
(c) Allowances to Civil Surgeons for Medical charge of Railway Staff—	
	For Indian Railways Rupees per mensem.
Upto 24 employees . . . . .	..
25 and upto 99 employees	35
100 and upto 399 employees	65
400 and upto 799 employees	100
800 and upto 1,599 employees	135
1,600 and upto 2,999 employees	165
3,000 and upto 5,999 employees	200
6,000 and upto 8,999 employees	235
9,000 employees and above	265

NOTE.—(1) An addition of Rs. 75 per mensem is admissible in cases where administrative duties also are performed.

(2) When Civil Surgeon is in Medical charge of the staff of two or more Railways at any station, the allowance to be assigned to him should be consolidated allowance calculated with reference to the whole number of employees of all the lines and not to be made of two or more allowances calculated with reference to the number on each Railway separately. The allowance in such a case should be divided between each line *pro rata*.

(3) The above rules apply both to open line and lines under construction.—

<i>Nature of Payment</i>	<i>Maximum limit</i>
(a) Contribution or subscription to a Medical institution if Medical aid is rendered by such institution to railway employees.	Rs. 500 per annum.
(b) Contribution or subscription to a Chamber of Commerce or similar institution.	Rs. 500 per annum.
(c) Fees to surveyors engaged for the assessment of the value of damaged consignments.	Full powers.

35. To the payment otherwise than as specified below of compensation in cases of railway accidents:—

- A.—Ordinary Passengers (including Government and Companies servants, other than those specified in Class (B) and their departments. Upto Rs. 50,000 in any single case.
- B.—Military men, being or travelling on military duty. No powers. All cases to be submitted to higher authority.
- C.—Compensation to public (other than railway passengers) for injury to person or damage to property caused by accidents as a result of negligence or carelessness on the part of the railway. Upto Rs. 5,000 in any single case.
- D.—Claims decreed by a Court of Law . . . Full powers to pay any sum so decreed.
- E.—Claims settled out of Court with the advice of Law Officer of Government. Upto Rs. 10,000 in any single case.

36. To the payment otherwise than as specified below of claims for compensation other than those relating to goods lost or damaged and those arising out of railway accidents:—

- (i) Claims settled out of Court . . . Upto Rs. 3,000 in each case.
- (ii) Claims decreed by a Court of Law . . . Full powers subject to the condition that particulars of cases involving expenditure of more than Rs. 10,000 in each case should be reported to the Railway Board for information.
- 36-A. Claims settled by arbitration award against any dispute arising out of a contract. Full powers, subject to the condition that the Railway Board should be informed of the details.

(i) where payment to a contractor as a result of the arbitrator's award exceeded by more than Rs. 50,000 the amount considered due by the Railway Administration before the arbitration proceedings began, and

(ii) where deficiencies in the General Conditions of Contract or of procedures laid down by the Railway Board, came to light.

NOTE.—The powers under 36(i) and 36-A above should not be redelegated to subordinate authorities.

E—Expenditure on works not wholly chargeable to ordinary working expenses.

NOTE.—The rules in this section apply to the main lines and also to branch lines worked by them.

37. To the inclusion of new works in the Preliminary works Programme in excess of Rs. 20 lakhs in each case.

38. To expenditure on new lines or rolling-stock or surveys not provided in the sanctioned budget for the year or carried forward from the sanctioned budget of the previous year.

39. To expenditure on other works not provided in the sanctioned budget or carried forward from the sanctioned budget of any previous year, except:—

(a) (i) Track renewal works—costing not more than Rs. 2 lakhs.

(ii) Other works—costing not more than Rs. 1 lakh,

(iii) machinery and Plant—costing not more than Rs. 50,000, provided that the total lump sum provision made in the budget for such works is not exceeded;

(b) (i) on line capacity works costing above Rs. 1 lakh but not more than Rs. 10 lakhs each.

(ii) on track renewal works costing above Rs. 2 lakhs but not more than Rs. 5 lakhs each.

(iii) on other than line capacity and track renewal works, costing above Rs. 1 lakh but not more than Rs. 5 lakhs each.

Subject to a ceiling of Rs. 1 crore in all in a financial year provided that the sanctioned budget (other than lump sum) for works in these categories is not exceeded.

NOTE.—(1) The works thrown forward from previous years may be taken up only if the funds required for them can be found by reappropriation within the sanctioned allotment.

(2) The savings in the lump sum provision made in the sanctioned budget shall not be utilized for the category of works in (b) above, without the prior approval of the Railway board.

(3) The General Manager may sanction expenditure on new works out of turn in respect of users' amenities including goods sheds and booking offices not exceeding Rs. 1 lakh in each case, provided the funds required for such works as provided in the sanctioned budget for works in these categories is not exceeded; and expenditure upto Rs. 50,000 in each case, in respect of existing railway schools, institutes, hospitals and dispensaries provided the lump sum provision in the sanctioned budget is not exceeded.

40. To expenditure on works provided in the sanctioned budget for the year or carried forward from the sanctioned budget of any previous year as follows:

- (a) Works sanctioned under the lump sum provisions—to an excess over the total lump sum provision in the sanctioned budget for such works.
- (b) Works outside the lump sum provision—Rolling Stock, Track renewals and other works—to an excess over the estimated cost as entered in the sanctioned budget or sanctioned separately as follows:—
 - (i) of more than 25 per cent over the original estimated cost,
 - (ii) of more than 15 per cent over the first revised cost,
 - (iii) of more than 10 per cent over the second and further revised estimated cost.

Provided further that all codal provisions regarding sanctions for material modification are strictly followed.

- (c) Surveys—to an excess over 10 per cent on original estimate sanctioned by higher authority (General Manager can sanction survey estimates costing upto Rs. 1 lakh each provided the surveys are included in the sanctioned budget).

NOTE.—(1) The works thrown forward from previous years may be taken up only if the funds required for them can be found by re-appropriation within the sanctioned allotment.

(2) The amount first given in the Budget or sanctioned separately by higher authority shall be the original estimated cost and

the revised amount given in subsequent Budgets or sanctioned separately by higher authority, the second, third, etc., revised estimated cost.

(3) The powers of sanctions to excess over estimated costs allowed in item (b) above shall not make the cost of such works exceed Rs. one crore in any case.

(4) The powers for sanctioning the excess over the estimated cost of works outside the lump sum provision as in item (b) above, shall not be redelegated to lower authorities in respect of works, the original estimated cost of which is over Rs. 50 lakhs.

F—Miscellaneous

41. To the sale of—

(a) a portion of a railway line,

(b) any item of the authorised rolling-stock, or

(c) any other railway asset costing over Rs. 3 lakhs.

42. To the dismantling or otherwise permanently closing to public traffic of any existing open lines section.

43. To alteration of or departure from, the terms of contracts with branch or worked lines.

44. To the write off of irrecoverable losses of cash, stores, tools and plant—

(i) exceeding Rs. 50,000 in value when a railway employee is in any way responsible for the loss,

(ii) exceeding Rs. 1,00,000 in value when a railway employee is not in any way responsible for the loss.

NOTE.—(1) Every important case of loss should be brought to the notice of the Railway Board as soon as possible after its discovery. When the loss involved does not exceed Rs. 25,000 the case need not be reported unless it presents unusual features or reveals serious defects in procedure.

(2) Inefficient balances in suspense heads not exceeding Rs. 50,000 can also be written off by the General Managers.

45. To expenditure in connection with the entertainment of Government dignitaries during their visits to railway centres.

46. Except in accordance with the rules contained in the Indian Railway Codes or any general or special orders issued by the Railway Board—

(i) to the construction of an assisted siding,

(ii) to the purchase of stationery, stores, plant, timber, sleepers and coal, and

(iii) to the acquisition, lease or disposal of land.

47. To enter into contracts in respect of sanctioned works and purchase of stores in excess of Rs. one crore for each contract. (the same financial limit will apply in the cases of Stores contracts also).

NOTE:—The General Manager, may sanction excess over the original cost of works contracts/stores purchase contracts upto 25 per cent of the original cost of such contracts, provided the over all value of the contract in each case does not exceed Rs. one crore.

48. To advances to any single contractor exceeding Rs. 2 lakhs in all.

49. To any substantial modification estimated to cost over Rs. 5 lakhs in a project sanctioned by General Manager or higher authority.

50. To the grant of diet charges in any other case except—

(a) To employees undergoing treatment in a railway or non-railway hospital.

(i) For any disease other than T.B.—When employee's basic pay is not more than Rs. 400 per month.

(ii) For T.B.—When the employee's basic pay is not more than Rs. 700 per month.

NOTE:—In the case of temporary staff the pay last drawn while on active duty may be treated as substantive pay for the purpose of this sub-rule.

(b) To persons, whether railway employees or not, requiring such assistance from the railway in emergent cases which involve living under difficulties as regards necessaries of life.

NOTE:—(1) Indigent passengers injured or taken ill and removed to railway hospitals and trespassers, who require immediate medical assistance may be dieted at the expense of the railway, the expenditure being treated as part of the ordinary expenses of working the railway hospital.

(2) General Managers have power to sanction free diet or reimburse the cost of such diet according as the indoor treatment is given in a railway hospital or in a non-railway hospital to railway servants injured in the course of duty for such period as they

remain indoor patients, not extending beyond one year after they are declared permanently unfit and discharged from service.

51. To the institution of legal proceedings against a newspaper for publishing false and damaging articles against the Railway Administration.

52. To the supply of electricity to outsiders except under the following conditions:—

- (i) The provisions of the Electricity Act are not infringed.
- (ii) Such supply does not cause any extra outlay, either immediate or contingent.
- (iii) The supply can be made without any inconvenience to the railway and after its full needs have been met.
- (iv) The rates charged allow for profit after taking into account all costs of production, direct and indirect and are above the rates supplied to railway employees.
- (v) The railway should have power to discontinue the supply without notice and without compensation.

53. To any alteration in the existing cash and pay arrangements.

54. To the introduction of new designs for goods stock and to all coaching-stock designs sanctioned for construction during each financial year irrespective of whether the stock is to be built to existing sanctioned or new designs.

55. To changes, alterations or modifications in the design, layout or equipment of existing rolling-stock and marine vessels involving—

- (a) Infringements of the schedule of maximum and minimum running dimensions unless previously sanctioned.
- (b) Decrease in the revenue earning capacities of coaching and goods vehicles and marine vessels, such as alterations in the class or seating capacity of coaching vehicles and marine vessels and a permanent decrease in the relationship between gross load and tare in the case of goods vehicles.
- (c) Conversion of public service vehicles into railway service vehicles and *vice versa* and material modifications (such as alterations in the wheel arrangements, etc. in existing railway service vehicles).

- (d) The introduction of new facilities, fittings and equipment for the travelling public where such have not previously had the approval of the Board, e.g., cooling arrangements in carriages, electric fans in second class compartments, variations in types of lavatories and other equipment which give rise to matter of policy.

56. The alteration in the authorized stock of all description.

57. To any expenditure on an object which has not previously been recognized as a fit object for railway expenditure.

G.—Stores Matters

The previous sanction of a higher authority is necessary—

58. To the redelegation of purchase powers to Administrative officers of the Stores Department in excess of the limit given below:

Controller of Stores	Rs. 5 lakhs
Additional Controller of Stores	Rs. 3 lakhs
Deputy Controller of Stores	Rs. 1 lakh

APPENDIX III

(Vide para 1.24)

Comparative statement showing the important powers previously delegated to the General Managers and powers under revised delegation made on 7-12-1977 and enhancements made.

Enhancement

Powers now delegated

Previous powers

In respect of posts upto senior scale, G.M. have now been given powers to keep them unfilled upto one year instead of 6 months provided the justification of post is established afresh in consultation with the FA & CAO before filling the post.

The General Managers have now been given powers to keep a post sanctioned by the Railway Board unfilled upto six months in the case of posts higher than Senior Scale and upto one year in the case of posts upto Senior Scale provided that if the post upto Senior Scale has remained unfilled for more than six months, its justification is established afresh in consultation with the Financial Advisor and Chief Accounts Officer before filling the post.

1. The General Managers had powers to keep a post sanctioned by the Railway Board unfilled up to six months.

G.Ms have been given powers for the first time to hire building for use as residence by officers.

General Managers have now been given powers to hire a building for use as residence by an officer subject to the ceiling limits or rents prescribed by the Railway Board from time to time in cities/towns specified by the Railway Board.

1. The General Managers had no powers to hire a building for use as residence by an Officer.

The restriction for the General Managers to create a non-gazetted post on a rate of pay upto Rs. 650 p. m. has been removed and now they have full powers.

The General Managers have now been given full powers to create a non-gazetted post.

2. The General Managers had powers to create a non-gazetted post on a rate of pay upto Rs. 650 per month.

S.No.	Previous powers	Powers now delegated	Enhancements
4.	<p>Notwithstanding any limitations or restrictions in the preceding rules, General Managers had power to sanction payments to subordinates, provided :—</p> <p>(i) The FA & CAO concurred in considering the case to be within the spirit of the rules, although not strictly provided for by the letter,</p> <p>(ii) That only a single payment was involved and the amount did not exceed Rs. 100/-.</p>	<p>Notwithstanding any limitations or restrictions in the preceding rules, General Managers now have power to sanction payments to subordinates, provided :—</p> <p>(i) The FA & CAO concurred in considering the case to be within the spirit of the rules, although not strictly provided for by the letter.</p> <p>(ii) That only a single payment is involved and the amount does not exceed Rs. 500/-.</p>	<p>The powers of the General Managers have been enhanced to sanction payment to non-gazetted staff upto Rs. 500/- instead of Rs. 100/:</p>
5.	<p>The General Managers had powers to exempt the incumbent of a post from occupying the quarter allotted to the post and from paying rent therefor upto a maximum period of <i>three</i> months in the following circumstances :—</p>	<p>The General Managers have now been given powers to exempt the incumbent of a post from occupying the quarter allotted to the post from paying rent therefor upto a maximum period of <i>four</i> months in the following circumstances :—</p>	<p>The powers of the General Managers to exempt incumbent of the post from occupying the quarter allotted to the post and from paying rent therefor in certain circumstances have been enhanced from 3 months to 4 months.</p>
	<p>(i) When an employee is temporarily transferred to a post ;</p> <p>(ii) When the quarter is subjected to extensive repairs, such as renewals of roofing, re-placement of flooring, or such other special works necessitating the vacation of the whole quarter;</p>	<p>(i) When an employee is temporarily transferred to a post ;</p> <p>(ii) When the quarter is subjected to extensive repairs, such as renewals of roofing, replacement of flooring, or such other special works necessitating the vacation of the whole quarter;</p>	
	<p>(iii) When an Employee is required to vacate the quarter under medical advice on account of an infectious disease or epidemic.</p>	<p>(iii) When an employees is required to vacate the quarter under medical advice on account of an infectious disease or epidemic.</p>	

- 6 The General Managers had no power to waive the cost of training of a railway employee who had received training at railways' cost and who was required to serve the railway for a minimum prescribed period.
- The General Managers have now been given powers to waive the cost of training of a railway employee who has received training at railway's cost and who is required to serve the railway for a minimum prescribed period upto the cost proportionate to the service rendered.
- 7 The General Managers had powers to sanction expenditure upto Rs. 10,000/- p.a. on deputation of officers and staff for training provided no officiating arrangements were made. The monetary limit for Production units was, however, Rs. 5,000/- p.a.
- The General Managers have now been given powers to sanction expenditure on deputation of railway employees for training courses, seminars, symposia etc. in non-railway institutions upto Rs. 25,000 in a year on Zonal Railways and 10,000 in a Production Unit, subject to the fees for training in each case being limited to Rs. 500.
- 8 In regard to compensation cases of railway accidents, General Managers had power to settle claims out of court with the advice of Law Officers of Government upto Rs. 5,000 in any single case.
- In regard to compensation cases of Railway accidents, General Managers have now been given powers to settle claims out of Court with the advice of Law Officers of Government upto Rs. 10,000 in any single case.
- 9 The General Managers had powers to include new works in Preliminary Works Programme upto Rs. 10 lakhs in each case.
- The General Managers have now been given power to include new works in the preliminary Works Programme upto Rs. 20 lakhs in each case.
- 10 GMS had no powers to sanction expenditure on buildings not essential to Railway working, such as existing institutes, hospitals, dispensaries etc. which was in excess of the amount provided in the sanctioned budget for each financial year. GMS were, however, empowered to sanction expenditure on the existing Railway Schools upto a limit of Rs. 25,000 in each case subject to availability of funds in the Budget.
- The powers indicated in Col. 3 represent the enhancement because no such powers were delegated earlier to the General Managers.
- The powers of GMS of Zonal Railways have now been increased from Rs. 10,000 to Rs. 25,000 and of GMS of Production Units from Rs. 5,000 to Rs. 10,000.
- The powers of the GMS to settle claims out of court have been enhanced from Rs. 5,000 to Rs. 10,000 in any single case.
- The powers of the General Managers to include new works in the Preliminary Works Programme have been increased from Rs. 10 lakhs to Rs. 20 lakhs.
- Powers have been given to the GMS for the first time to incur expenditure so far as institutes, hospitals and dispensaries upto Rs. 50,000 in each case and so far as the expenditure on schools is concerned the limit of Rs. 25,000 has been raised to Rs. 50,000.

S. No.	Previous powers	Powers now delegated	Enhancement	
11.	<p>G Ms powers to incur expenditure on works provided in the sanctioned budget for the year or carried forward from the sanctioned budget of any previous year were as follows :—</p> <p>(i) Rolling Stock :</p> <p>(a) to an excess upto 20% over the original estimated cost;</p> <p>(b) to an excess upto 10% over the first revised estimated cost;</p> <p>(c) to an excess upto 5% over the second and further revised estimated cost.</p> <p>(ii) (a) Other works including Track-Renewals to an excess upto the total lump sum provision for such works in the budget.</p> <p>(b) Other works including track renewal works costing between Rs. 1 lakh and Rs. 5 lakhs full powers provided the cost together with the excess did not exceed Rs. 5 lakhs.</p> <p>(iii) Other works, including track renewal works costing between Rs. 5 lakhs and Rs. 50 lakhs :</p> <p>(a) to an excess upto 20% over the original estimated cost;</p>	<p>As further amended, G Ms have now powers to incur expenditure on works provided in the sanctioned budget for the year or carried forward from the sanctioned budget of any previous year or sanctioned by higher authorities as follows :</p> <p>(a) Works sanctioned under the lumpsum provision to an excess upto the total lump sum provision in the sanctioned budget for such works.</p> <p>(b) Other works costing above the lump sum limit but not more than Rs. 10 lakhs each in the case of line capacity works and not more than Rs. 5 lakhs each in the case of other works.—Full powers provided the cost together with the excess does not exceed Rs. 10 lakhs in case of line capacity works and Rs. 5 lakhs for other works.</p>	<p>In respect of the estimated sanctioned by G Ms, they are now empowered to sanction excesses over the estimated cost upto 25% over the original estimated cost upto 15% over the first revised cost and upto 10% over the second and further revised cost (provided the total cost does not exceed Rs. 1 crore), as against the earlier lower limits of 20%, 10% and 5% respectively.</p>	
			<p>(c) Rolling Stock, Track Renewals and other work not falling under (a) and (b) above to an excess over the cost as entered in the Budget or sanctioned separately as follows, provided the cost together with the excess does not exceed Rs. One crore :</p> <p>(i) upto 25% over the original estimated cost;</p>	

(b) upto 10% over the first revised estimated cost%

(c) upto 5% over the second and further revised cost.

General Managers were also given the powers to sanction Abstract Estimates upto Rs. one crore.

Note : The lump sum limit was enhanced from Rs. 50,000 to Rs. 1 lakh in June 1977. GMs have now powers to sanction expenditure on new works out of turn in respect of users amenities including goods sheds and hoisting offices upto Rs. 1 lakh in each case. subject to availability of funds. The earlier limit has Rs. 50,000.

12. The General Managers had powers for sale of any Railway asset costing upto Rs. 1 lakh, other than a portion of a railway line or any item of the authorised rolling stock.

The General Managers have now been given powers for sale of any Railway asset costing upto 3 Lakhs, other than a portion of a Railway line or any item of the authorised of rolling stock.

General Managers power for sale of Railway asset other than a portion of Railway line or any item of the authorized rolling stock have now been increased from Rs. 1 lakh to Rs. 3 lakhs.

13. The General Managers had powers to write off losses of cash, stores, tools and plant upto Rs. 50,000 in value when a railway employee is not in any way responsible for the loss. Also every important case of loss exceeding Rs. 10,000 was to be reported to the Railway Board.

The General Managers have now being given power to write off losses of cash, stores, tools and plant upto Rs. 1 lakh in value when a railway employees is not in any way responsible for the loss. Also every important case of the loss exceeding Rs. 25,000 is to be reported to the Railway Board.

General Manager's power to write off losses have been increased from Rs. 50,000 to Rs. 1 lakh when a railway employee is not responsible for the loss. Also only cases of losses exceeding Rs. Rs. 25,000 instead of the earlier limit of Rs. 10,000, have now to be reported to the Board.

14. GMs had no powers to sanction ex-gratia payment to the dependent of Railway employee in the event of his/her death arising out of injuries sustained in the execution of his/her duty.

GMs have now been given powers to sanction ex-gratia payment upto Rs. 500/- to the dependent of a Railway employee in the events of his/her death arising out of injuries sustained in the execution of his/her duty.

The powers indicated in Col. 3 represent the enhancement because no such powers were delegated earlier to the GMs.

APPENDIX IV

(Vide para—1.31)

Statement showing the Powers previously delegated to the Divisional Superintendents and the present Revised Powers in respect of some of the important Items.

S.No.	Item No.	Nature of powers of General Managers	Previous powers of Divl. Supdts.	Revised powers of Divl. Supdts.	Enhancement
		Zonal Railways Central Railway			
			(3)	(4)	(5)
1	8	The General Managers have now full powers to create a non-gazetted post instead of only a post upto Rs. 650 earlier.	(3)	(4)	(5)
2	22	The General Managers have now been given powers to sanction ex-gratia payment upto Rs. 500 to the dependent of a railway employe in the event of his/her death arising out of injuries sustained in the execution of his/her duty.	(3)	(4)	(5)
3	Note 1) Item 39.	Powers have been given to the General Managers for the first time to incur expenditure on Institutes, Hospitals, and Dispensaries upto Rs. 50,000 in each case and so far as the expenditure on Schools is concerned the limit of Rs. 25,000 has been raised to Rs. 50,000.	(3)	(4)	(5)
4	40	In respect of estimates, the General Managers are now empowered to sanction	(3)	(4)	(5)

Divl. Supdts. have now been given powers to create non-gazetted posts, the maximum of which does not exceed Rs. 750/-.

D. Sa. now empowered to create non-gazetted posts, the maximum of which does not exceed Rs. 750 instead of Rs. 650 earlier.

Full powers have now been given to the Divisional Superintendents.

Full powers to sanction ex-gratia payment have been delegated to the Divl. Supdts.

D. Sa. have been given powers to sanction expenditure upto Rs. 15000.

Divl. Supdts. now empowered to sanction expenditure upto Rs. 15,000.

Divl. Supdts. have been empowered to sanction excess over estimated

cost upto 15% over original estimated cost; upto 10% over first revised cost and upto 5% over second and further revised cost.

over the estimated cost upto 15% over the original estimated cost; upto 10% over the first revised cost and upto 5% over the second and further revised cost.

excess over the estimated cost upto 25% over the original estimated cost; upto 15% over the first revised cost; and upto 10% over the second and further revised cost (provided the total cost does not exceed Rs. 1 crore) as against earlier lesser limit of 20%, 10% and 5% respectively

DSs' powers to write off loss have been enhanced by Rs. 1,000.

DSs, had been given powers to write off losses upto Rs. 2,000 in each case.

The General Managers' powers to write off losses have been enhanced from Rs. 50,000 to Rs. 1 lakh when a railway employee is not responsible for the loss.

5 44

EASTERN RAILWAY

Full powers to sanction payments to the subordinates have been given to the DSs for the first time.

Full powers have been given to Divl. Supdts.

Nil

The powers of the General Managers have been enhanced to sanction payment to non-gazetted staff upto Rs. 500 instead of Rs. 100 earlier.

1 16

Full powers to sanction ex-gratia payment have been given to Divl. Supdts.

Full powers have been given to the Divl. Supdts.

DSs.

The General Managers have now been given powers to sanction ex-gratia payment upto Rs. 500 to the dependent of a railway employee in the event of his/her death arising out of the injuries sustained in the execution of his/her duty.

2 22

Full powers to exempt the incumbent from paying rent under stipulated conditions have been given to the Divl. Supdts. for the first time.

Full powers have been given to Divl. Supdts.

Nil

The General Managers have now powers to exempt the incumbent of a post from occupying the quarter allotted to the post from paying rent therefor upto a maximum of 4 months instead of 3 months earlier in the following conditions:

3 26

(i) When a railway employee is temporarily transferred to a post :

(ii) When the quarter is subject to extensive repairs necessitating vacation of whole quarter ; and

(iii) When an employee is required to vacate the quarter under medical advice on account of an infectious disease or epidemic.

4.	37	The powers of the General Managers to include new works in the preliminary works programme has been increased from Rs. 10 lakhs to Rs. 20 lakhs.	DSs. were given full powers.	Full powers upto Rs. 20 lakhs have been given to Divl. Supds.	DSs. powers include new works in the Preliminary Works Programme have also been enhanced by Rs. 10 lakhs.
5. Note to Item 99		Powers have been given to the General Managers for the first time to incur expenditure on Institutes Hospitals and Dispensaries upto Rs. 50,000 in each case and so far as the expenditure on Schools is concerned the limit of Rs. 25,000 has been raised to Rs. 50,000.	Nil	DSs. have been given powers to incur expenditure upto Rs. 25,000.	DSs. empowered to incur expenditure upto Rs. 25,000.
6.	40	In respect of the estimates, the General Managers are now empowered to sanction excess over the estimated cost upto 25% over the original estimated cost; upto 15% over the first revised cost ;	DSs. were given powers to sanction 10% over the original estimated cost and 5% over the first revised cost.	DSs. have been empowered to sanction excess over the estimated cost upto 25% over the original estimated cost upto 10% over the	DSs. powers have been enhanced to sanction excess over estimated cost by 15% over original estimated cost; 5% over the first revised cost.

39 Powers have been given to the General Managers for the first time to incur expenditure on Institutes, Hospitals and Dispensaries upto Rs. 50,000 in each case and so far as the expenditure on schools is concerned the limit of Rs. 25,000 has been raised to Rs. 50,000.

40 In respect of the estimates the General Managers are now empowered to sanction excess over the estimated cost upto 25% over the original estimated cost; upto 15% over the first revised cost and upto 10% over the second and further revised cost (provided the total cost does not exceed Rs. 1 crore) as against earlier lesser limit of 20%, 10% and 5% respectively.

41 Powers to incur expenditure upto Rs. 10,000 in each case in respect of existing Railway Schools, Institutes, Hospitals and Dispensaries provided the lumpsum provision in the sanctioned budget is not exceeded.

42 Full powers of G.Ms. were given to the Divl. Supdts.

43 Full revised powers of G.Ms. have been given to the DSs.

44 The General Managers' powers to write off losses have been enhanced from Rs. 50,000 to Rs. 1 lakh when a railway employee is not responsible for the loss.

45 Divl. Supdts. have been empowered to write off losses upto Rs. 10,000 in each case for the first time.

46 DSs. have been empowered to incur expenditure upto Rs. 10,000 in each case in respect of existing Rly. Schools, Hospitals and Dispensaries for the first time.

47 DSs. powers have been enhanced to sanction excess over the estimated cost by 5%.

48 DSs. have been delegated full powers for the first time to hire buildings for use as residence by officers subject to ceiling limit on rent prescribed by Board in cities and towns.

49 DSs. have been given full powers subject to ceiling limit on rent prescribed by the Board in cities and towns.

50 DSs. as DSs. have been given full powers subject to ceiling limit on rent prescribed by the Board in cities and towns.

51 No powers with DSs. as DSs. had no powers previously.

52 No powers with DSs. as DSs. had no powers previously.

53 No powers with DSs. as DSs. had no powers previously.

NORTHERN EASTERN RAILWAY

54 No powers with DSs. as DSs. had no powers previously.

55 No powers with DSs. as DSs. had no powers previously.

56 No powers with DSs. as DSs. had no powers previously.

57 No powers with DSs. as DSs. had no powers previously.

58 No powers with DSs. as DSs. had no powers previously.

2. 26 The General Managers have now powers to exempt the incumbent of a post from occupying the quarter allotted to the post from paying rent therefor upto a maximum of 4 months instead of 3 months earlier in the following conditions :
- (i) When a railway employee is temporarily transferred to a post ;
 - (ii) When the quarter is subject to extensive repairs necessitating vacation of whole quarter; and
 - (iii) When an employee is required to vacate the quarter under medical advice on account of an infectious disease or epidemic.
3. 27 The G.Ms. have now been given powers to waive the cost of training of a Railway employee who has received training at Railways expense and who is required to serve the Rly. for a minimum prescribed period upto the cost proportionate to the service rendered.
4. 40 In respect of the estimates the General Managers are now empowered to sanction excess over the estimated cost upto 25% over the original estimated cost upto 15% over the first revised cost and upto 10% over the second and further revised cost (provided the total cost does not exceed Rs. 1 crore) as against earlier lesser limit of 20%, 10% and 5% respectively.
5. 44 The General Managers' Power to write off
- The General Managers' Power to write off losses
- Divl. Supdts. have now been given powers to exempt incumbent from paying rent upto a maximum period of two months in the stipulated conditions.
- Divl. Supdts. have now been delegated powers to exempt incumbent from paying rent upto a maximum period of two months in the stipulated conditions.
- No powers with Divl. Supdts. as G.Ms. had no powers.
- No powers with Divl. Supdts. have now been given powers to waive the cost of training in respect of Class IV staff.
- DSs. have now been given powers to waive the cost of training in respect of Class IV staff.
- DSs. have been delegated powers for the first time to waive the cost of training in respect of Class IV staff.
- DSs. can now write off losses
- DSs. can now write off losses
- DSs. can now write off losses
- DSs. have been empowered to sanction excess over estimated cost upto 22½% over the original estimated cost; upto 12½% over the first revised cost and upto 7½% over the second and further revised cost.
- Powers of the DSs. have been enhanced by 2½% to sanction excess over estimates.
- DSs. can now write off losses

1	2	3	4	5	6
		losses have been enhanced from Rs. 50,000 to Rs. 1 lakh when a Railway employee is not responsible for the loss.	upto Rs. 1,000 in each case.	upto Rs. 2,000 in each case.	enhanced by Rs. 1,000 to write off losses in each case.

Annexure D

Statement showing the powers previously delegated to the Divisional Superintendents and the present revised powers in respect of some of the important items.

NORTH EAST FRONTIER RAILWAYS

S. No.	Item No.	Nature of powers of General Managers	Previous powers of Divl. Supdts.	Revised powers of Divl. Supdts.	Enhancement
1	2	3	4	5	6

1	8	The General Managers have now full powers to create non-gazetted post instead of only a post upto Rs. 650 earlier.	DSs. had powers to create permanent posts upto grade Rs. 200-400 and temporary posts in scale not rising beyond Rs. 650.	DSs. have now been given powers to create non-gazetted posts upto the scale of Rs. 455-700 (RS) chargeable to revenue grants if they are required for operation and maintenance of new plant assets or covered by matching surrender.	DSs. have been given powers to create non-gazetted post maximum scale of which does not exceed Rs. 700 instead of Rs. 650 earlier.
2	10	The powers of the General Managers have been enhanced to sanction payment to non-gazetted staff upto Rs. 500 instead of Rs. 100 earlier.	Nil	DSs. have now been empowered to sanction payments to subordinates upto Rs. 100 in each case.	DSs. have been delegated powers to sanction payment to subordinates upto Rs. 100 in each case for the first time

- 3 Nil.
- 26 The General Managers have now powers to exempt the incumbent of a post from occupying the quarter to the post from paying rent there for upto a maximum of 4 months instead of 3 months earlier in the following conditions :—
- (i) When a railway employee is temporarily transferred to a post;
 - (ii) When a quarter is subject to extensive repairs necessitating vacation of the whole quarter; and
 - (iii) When an employee is required to vacate the quarter under medical advice on account of an infectious disease or epidemic.
- 4 The G. Ms. have now been given powers to sanction *ex-gratia* payment upto Rs. 500/- to the dependent of a railway employee in the event of his/her death arising out of injuries sustained in the execution of his/her duty.
- 5 The G.Ms. have now been given powers to waive the cost of training of a railway employee who has received training at Railways' expense and who is required to serve the Railway for a minimum prescribed period upto the cost proportionate to the service rendered.
- 6 The General Managers' powers to write off losses have been enhanced from Rs. 50,000/- to Rs. 1 lakh when a railway employee is not responsible for the loss.
- DSs. may now exempt the incumbent of a post from occupying the quarter allotted to the post and from paying rent there for upto a maximum period of 2 months in the stipulated circumstances.
- DSs. can exempt incumbent of a post from occupying the quarter allotted to the post and from paying rent there for upto a maximum period of 2 months in the stipulated circumstances.
- DSs. have now been given full powers to sanction *ex-gratia* payment upto Rs. 500/- in each case.
- Full powers to sanction *ex-gratia* payment upto Rs. 500 have been delegated to the Divl. Supdts.
- DSs. have now been empowered to waive the cost proportionate to the service rendered in respect of non-gazetted staff.
- Divl. Supdts. have been empowered for the first time to waive the cost of training proportionate to the service rendered in respect of non-gazetted staff.
- DSs. were delegated powers to write off losses upto Rs. 1,00,000/- in each case.
- DSs. have now been empowered to write off losses upto Rs. 10,000/- in each case.
- DSs. were delegated powers to write off losses upto Rs. 1,00,000/- in each case.
- DSs. have now been empowered to write off losses upto Rs. 10,000/- in each case.
- Powers of Divl. Supdts. have been enhanced to write off losses by Rs. 9,000/- in each case.

SOUTHERN RAILWAY

Statement showing the Powers Previously Delegated to the Divisional Superintendents and the Present Revised Powers in Respect of some of the Important Items.

S. No.	Item No.	Nature of powers of General Managers.	Previous powers of Divl. Supdts.	Revised powers of Divl. Supdts.	Enhancement
(1)	(2)	(3)	(4)	(5)	(6)
1	Item 6 (Note)	The G.Ms. have been given powers for the first time to hire buildings for use as residence by officers.	No powers with Divl. Supdts. as G.Ms. had also no powers.	DSs. have now powers to hire residential accommodation for their officers within the prescribed quota subject to ceiling limit in each grade being observed.	The DSs. have been empowered for the first time to hire residential accommodation for their officers.
2	8	The G.Ms. have now full powers to create a non-gazetted post instead of only posts upto Rs. 650/- earlier.	DSs. were given full powers to create non-gazetted posts.	DSs. have been given powers to create non-gazetted posts upto grade Rs. 550-750/- except for their own office.	The DSs. have been given powers to create non-gazetted posts, the maximum of which is upto Rs. 750/- instead of Rs. 650/- earlier.
3	44	The G.Ms' powers to write off losses have been enhanced from Rs. 50,000/- to Rs. 1 lakh when a railway employee is not responsible for the loss.	DSs. were given powers upto Rs. 1,000/- in each case.	DSs. have now been given powers to write off losses upto Rs. 5,000/- in each case.	Powers of DSs. to write off losses have been enhanced by Rs. 4,000/- in each case.

ANNEXURE II

SOUTH CENTRAL RAILWAY

S. No.	Item No.	Nature of powers of General Managers	Previous powers of Divl. Supdts	Revised powers of Divl. Supdts.	Enhancement.
(1)	(2)	(3)	(4)	(5)	(6)
1	8	The General Managers have now full powers to create a non-gazetted post instead of only upto Rs. 650/- earlier.	Full powers except those required for his own office.	Full powers in all non-gazetted grades except those required for his own office.	The Divl. Supdts. have full powers to create non-gazetted posts instead of pay limit of Rs. 650/- earlier.
2	10	The powers of the General Managers have been enhanced to sanction payment to non-gazetted staff upto Rs. 500/- instead of Rs. 100/- earlier.	Nil.	Full powers.	Full powers to sanction payment to non-gazetted staff have been given to the Divl. Supdts. for the first time.
3	37	The powers of the General Managers include new works in the preliminary works programme has been increased from Rs. 10 lakhs to Rs. 20 lakhs.	DSs. were empowered to include works upto Rs. 50,000	DSs. have now been empowered to include works upto Rs. 2 lakhs	The Divl. Supdts' powers to include new works in the preliminary works programme have been enhanced by Rs. 1,50,000/-
4	Note to Item No. 39	Powers have been given to the General Managers for the first time to incur expenditure on Institutes, Hospitals, and Dispensaries upto Rs. 50,000/- in each case and so far as the expenditure on Schools is concerned the limit of Rs. 25,000/- has been raised to Rs. 50,000/-.	Nil;	Upto Rs. 20,000/- subject to availability of funds.	DSs. have been given powers to sanction expenditure upto Rs. 20,000/- for the first time in respect of Institutes, Hospitals, Dispensaries and Schools.

(1)	(2)	(3)	(4)	(5)	(6)
5	40	In respect of the estimates, the General Managers are now empowered to sanction excess over the estimated cost upto 25% over the original estimated cost; upto 15% over the first revised cost; and upto 10% over the second and further revised cost (provided the total cost does not exceed Rs. 1 crore) as against earlier lesser limit of 20%, 10% and 5% respectively.	DSs. were given powers to sanction excess upto 10% over the original estimated cost and upto 5% over the first revised estimated cost.	DSs. have now been given powers to sanction excess upto 15% over the original estimated cost; 10% over the first revised estimate and 5% over the second revised estimate.	The DS powers to sanction excess over the estimate have been increased to the extent of 5%.
6	44	The General Managers' powers to write off losses have been enhanced from Rs. 50,000/- to Rs. 1 lakh when a railway employee is not responsible for the loss.	DSs. were given powers upto Rs. 500 in each case.	DSs. have now been given powers to write off losses upto Rs. 5,000/- in each case.	The powers of the Divl. Supdts to write off losses has been enhanced by Rs. 4,500/- in each case.

ANNEXURE II

SOUTH EASTERN RAILWAY

Statement showing the Powers previously delegated to the Divisional Superintendents and the present revised powers in respect of some of the Important Items.

S. No.	Item No.	Nature of powers of General Managers.	Previous powers of Divl. Supdts.	Revised powers of Divl. Supdts.	Enhancement
(1)	(2)	(3)	(4)	(5)	(6)
1	10	The powers of the General Managers have been enhanced to sanction payment to non-gazetted staff upto Rs. 500/- instead of Rs. 100/- earlier.	No powers.	D.Sa. have been empowered to sanction payments upto Rs. 200/- in each case.	The Divl. Supdts. have been given powers to sanction payments to non-gazetted staff for the first time.

3 22 The General Managers have been given powers to sanction *ex-gratia* payment upto Rs. 500/- to the dependent of a railway employee in the event of his/her death arising out of injuries sustained in the execution of his/her duty.

No powers were given to Divisional Superintendents.

Upto Rs. 200/- in each case.

Divl. Supdts. have been empowered for the first time to sanction *ex-gratia* payment upto Rs. 200/- in each case to the dependent of a railway employee in case of death arising out of injuries sustained in the execution of his/her duty.

3 Note to Item 39. Powers have been given to the General Managers for the first time to incur expenditure on Institutes, Hospitals and Dispensaries upto Rs. 50,000/- in each case and so far as the expenditure on Schools is concerned the limit of Rs. 25,000/- has been raised to Rs. 50,000/-.

In respect of Schools, DSs. were empowered to sanction expenditure upto Rs. 2,000/- for each work.

The DSs. have been delegated full powers to incur expenditure in respect of Hospitals and upto Rs. 10,000/- in respect of Institutes for the first time. In respect of Schools the powers have been enhanced by Rs. 8,000/-.

4 44 The General Managers' powers to write off losses have been enhanced from Rs. 50,000/- to Rs. 1 lakh when a railway employee is not responsible for the loss.

DSs. were given powers to write off losses upto Rs. 1,000/- in each case.

DSs. have been empowered to write off losses upto Rs. 10,000/- in each case.

The powers of Divl. Supdts. to write off losses have been enhanced by Rs. 9,000/-.

WESTERN RAILWAY

1 8 The General Managers have now full powers to create a non-gazetted post instead of only a post upto Rs. 650/- earlier.

DSs. were delegated powers to create non-gazetted posts in the grades upto Rs. 550-750.

DSs. have been given powers to create posts maximum of which is upto Rs. 750/- instead of Rs. earlier.

2 10 The powers of the General Managers have been enhanced to sanction payment to non-gazetted staff upto Rs. 500/- instead of Rs. 100/- earlier.

Nil.

Powers to sanction payment to non-gazetted staff have been given to Divl. Supdts for the first time.

3 22 The G. Ms. have now been given powers to sanction *ex-gratia* payment upto

Full powers.

Nil.

The Divl. Supdts. have been given full powers to sanction

(1) (2)

(3)

(4)

(5)

Rs. 500/- to the dependent of a railway employee in the event of his/her death arising out of injuries sustained in the execution of his/her duty.

ex-gratia payment for the first time.

4 26

The General Managers have now powers to exempt the incumbent of a post from occupying the quarter allotted to the post from paying rent therefor upto a maximum of 4 months instead of 3 months earlier in the following conditions:—

Full powers.

The Divisional Supdts. have also been given full powers to exempt the incumbent from paying rent for the first time.

Nil.

(i) When a railway employee is temporarily transferred to a post;

(ii) When the quarter is subject to extensive repairs necessitating vacation of the whole quarter; and

(iii) When an employee is required to vacate the quarter under medical advice on account of an infectious disease or epidemic.

5 41

The General Managers powers for sale of assets other than a portion of Railway line other item of authorised rolling stock have now been increased from Rs. 1 lakh to Rs. 3 lakhs.

DSS. have now been delegated powers in respect of land upto Rs. 1 lakhs.

Div. Supdts. have been given powers for sale of land upto Rs. 1 lakh for the first time.

Nil.

6 44

The General managers' powers to write off losses have been enhanced from Rs. 50,000/- to Rs. 1 lakh when a railway employee is not responsible for the loss.

DSS. were delegated powers upto Rs. 1,000/- in respect of cash and upto Rs. 2,000/- for tools and plants.

DSS. are now delegated powers upto Rs. 10,000/- in each case.

The Divl. Supdts.' powers to write off losses have been enhanced by Rs. 9,000/- in respect of cash and by Rs. 8,000/- in respect of tools and plants.

APPENDIX V

(vide Para 2-15)

Statement showing the location of the Hqr. of Zonal Railways, and the Divisional Headquarters alongwith the States served by each Zone/Division

Railways	Location of headquarters	Name of the Division and its location	States/Union territory served by the Division
1	2	3	4
1. Central	Bombay (Maharashtra)	<ol style="list-style-type: none"> 1. Bombay (Maharashtra) 2. Bhusaval (Maharashtra) 3. Nagpur (Maharashtra) 4. Jabalpur (M.P.) 5. Jhansi (U.P.) 6. Sholapur (Maharashtra) 	<p>Maharashtra Maharashtra & Madhya Pradesh Maharashtra & Madhya Pradesh. Madhya Pradesh & Uttar Pradesh. M.P., U.P. Haryana & Rajasthan. Maharashtra & Karnataka.</p>
2. Eastern	Calcutta (West Bengal)	<ol style="list-style-type: none"> 1. Howrah (West Bengal) 2. Asansol (West Bengal) 3. Sealdah (West Bengal) 4. Dhanbad (Bihar) 5. Danapur (Bihar) 6. Mughalsarai (U.P.) 	<p>West Bengal & Bihar. West Bengal & Bihar. West Bengal. Bihar & U.P. Bihar & U.P. U.P. & Bihar.</p>
3. Northern	New Delhi (Union territory)	<ol style="list-style-type: none"> 1. Allahabad (U.P.) 2. Bikaner (Rajasthan) 3. Delhi (Union Territory) 	<p>U.P. Haryana, Punjab & Rajasthan. Haryana, Punjab, U.P., H.P. & Delhi.</p>

1	2	3	4
4. North Eastern	Gorakhpur (U.P.)	4. Ferozepur (Punjab) 5. Jodhpur (Rajasthan) 6. Lucknow (U.P.) 7. Moradabad (U.P.)	Haryana, Punjab, J&K. & H.P. Rajasthan. U.P. U.P.
5. Northeast Frontier	Maligaon, Gauhati (Assam)	1. Izatnagar (U.P.) 2. Lucknow (U.P.) 3. Varanasi (U.P.) 4. Samastipur (Bihar) 5. Sonpur (Bihar)	U.P. U.P. U.P. & Bihar. Bihar. Bihar.
6. Southern	_____	1. Kosi (Bihar) 2. Alipurdwar Jn. (West Bengal) 3. Lumding (Assam) 4. Tinsukia (Assam)	West Bengal & Bihar, West Bengal, Assam & Bihar. Assam & Tripura. Assam & Naaland.
7. South Central	Secunderabad (Andhra Pradesh)	1. Madras (Tamilnadu) 2. Olavakkot (Kerala) 3. Mysore (Karnataka) 4. Tiruchirappalli (T.N.) 5. Madurai (Tamilnadu)	Tamilnadu, A.P. & Karnataka. Tamilnadu & Kerala. Karnataka, Tamilnadu & A.P. Tamil Nadu. Tamil Nadu & Kerala.
7. South Central	Secunderabad (Andhra Pradesh)	1. Secunderabad (B.G.) (A.P.) 2. Hyderabad (M.G.) (A.P.) 3. Vijawada (A.P.) 4. Hubli (Karnataka) 5. Guntal (A.P.)	Andhra Pradesh & Maharashtra. Andhra Pradesh & Maharashtra, Andhra Pradesh. Karnataka, Goa, Maharashtra, A.P. A.P., Karnataka & Tamilnadu.

South Eastern . . . Calcutta (West Bengal)

1. Adra (West Bengal)
2. Chakradharpur (Bihar)
3. Bilaspur (M.P.)
4. Nagpur (Maharashtra)
5. Khurda Road (Orissa)
6. Waltair (A.P)
7. Kharagpur (West Bengal)

West Bengal & Bihar.
Bihar & Orissa.
M.P. & Orissa.
M.P. & Maharashtra.
Orissa.
A.P., Orissa & M.P.
West Bengal & Orissa.

9. Western . . . Bombay (Maharashtra)

1. Bombay (Maharashtra)
2. Baroda (Gujarat)
3. Ratlam (M.P.)
4. Kota (Rajasthan)
5. Jaipur (Rajasthan)
6. Ajmer (Rajasthan)
7. Rajkot (Gujarat)
8. Bhavnagar (Gujarat)

Maharashtra & Gujarat.
Gujarat.
Rajasthan & M.P.
M.P., Rajasthan & U.P.
Rajasthan.
Rajasthan & Gujarat.
Gujarat.
Gujarat.

APPENDIX VI

(Vide para 3.42)

Statement showing strength of officers and staff Directorate-wise & Post-wise as on 31-3-1977 & 31-3-1978

Directorate	Period	Dir.	Addl. Dir.	Jt. Dir.	Dy. Dir.	SO	Steno-Gaz.	Asstt.	UDC	Steno-NG	LDC	Misc.
	2	3	4	5	6	7	8	9	10	11	12	13
1. Secretary	31-3-77 31-3-78	1 1	2 2	2 2	10 10	15 17	3 8	60 61	44 44	23 23	64 69	30 33
2. Pay Commission	31-3-77 31-3-78	Nil Nil	1 1	1 1	1 1	1 1	Nil Nil	4 2	1 1	1 1	1 1	3 3
3. Traffic Commercial	31-3-77 31-3-78	1 1	8 8	3 3	10 10	1 2	1 2	30 30	10 10	19 19	12 14	25 18
4. Traffic Transportation	31-3-77 31-3-78	2 2	1 1	9 9	4 4	6 6	3 2	16 16	2 2	19 20	8 8	67 66
5. Safety & Coaching	31-3-77 31-3-78	1 1	.. ..	3 3	2 2	5 5	1 1	12 12	1 1	6 6	3 3	11 14
6. Planning	31-3-77 31-3-78	1 1	.. ..	7 7	3 3	2 2	1 1	4 4	2 2	5 5	2 2	8 7
7. Establishment	31-3-77 31-3-78	1 1	4 4	9 10	17 16	25 24	3 5	78 79	7 2	42 45	42 34	10 10
8. Efficiency Bureau	31-3-77 31-3-78	1 1	1 1	10 10	3 3	1 1	1 1	5 5	5 5	9 9	2 2	9 12
9. Economic Cell	31-3-77 31-3-78	1 1	1 1	5 5	3 3	.. ..	.. ..	.. ..	.. ..	.. ..	2 3	1 ..

	1	2	3	4	5	6	7	8	9	10	11	12	13
23. Stores					8	8	9	1	40	9	22	9	6
		31-3-77	1		8	8	12	2	35	9	26	9	4
		31-3-78	1										
24. Finance				1	7	5	14	5	53	7	37	50	4
		31-3-77	1	1	7	5	14	4	52	6	33	18	3
		31-3-78	1										
25. Accounts			2		3	4	4	1	18	8	10	13	25
		31-3-77	2		3	4	4	1	18	8	10	10	22
		31-3-78	2										
26. Statistical			1	..	1	5	7	1	18	9	12	19	29
		31-3-77	1	..	1	5	7	1	18	9	11	19	27
		31-3-78	1										

Abbreviations used : Dir.—Directors. Addl. Dir.—Additional Directors, Jt. Dir.—Joint Directors, Dy Dir.—Deputy Directors,
 SO —Section Officers, Steno Gaz.—Steno Gazetted Steno, NG—Steno Non-Gazetted.

APPENDIX VII

(Vide para 7 of Introduction)

Summary of recommendations of Railway Convention Committee (1977)

Sl. No.	Reference to para No. of Report	Recommendation
(1)	(2)	(3)
1	1.37	<p>Admittedly, the Railways' operations are so organised that while the authority for policy making is vested in Railway Board (the Ministry of Railways), the execution is left to be done by the Zonal Railways who are responsible for service in the field. To facilitate the work, there is a schedule of delegated powers in the Railways which was reviewed in 1954, 1964 and later by a Committee of General Managers in 1972-74 as a result of which enhanced powers to reflect the escalation in costs were incorporated. A further step was taken in January, 1975 to standardise delegation of powers from the Zonal General Managers to the Division Superintendents.</p> <p>Subsequently, in December, 1977 the schedule of delegated powers was further reviewed and according to the Ministry of Railways "in accordance with the Government's policy regarding devolution of authority to field managers/lower formations, the Ministry of Railways have delegated more powers to the General Managers covering almost all aspects of railway working by completely revising the existing Appendix VII to General Code, Volume II".</p>
2	1.38	<p>The Railway Convention Committee (1973) were informed in December, 1975 that the powers</p>

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delegated to General Managers were adequate and in fact, the then Member Staff of the Railway Board, who had earlier, as a General Manager, headed the Committee of General Managers (1972-74) which reviewed the powers delegated to General Managers, claimed then before the Railway Convention Committee, (1973) that the General Managers had got sufficient powers to work independently in commercial and financial matters within the overall policy laid down by the Railway Ministry. It was only for standardisation of certain overall policy that the General Managers had to make references to the Railway Board and that otherwise, in commercial, traffic or finance matters, they had got "absolute" powers. The Committee find that in spite of this, scope was still found to delegate some more powers to General Managers as late as in December, 1977.

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1.39-

1.41

The Committee would like to point out that the touch-stone for judging the adequacy and the prudent exercise of delegated authority would be the extent to which the railways are able to meet the public requirements of wagons in full and in time, maintain punctuality of train services, minimise incidence of accidents and resolve all commercial and other difficulties with promptitude and, in general, inspire confidence in the public by the quality of service and in the Railway staff by promptly resolving their difficulties.

So far as quantum of delegated powers is concerned, the Committee appreciate the approach expressed by the Minister of Railways that decision making responsibilities should be vested with those who were close to the scene of activities and it should be made possible that in day-to-day working most of the decisions are taken at Divisional level and the balance of the decisions at Zonal level. The Minister had also stated that with this arrangement most of the administrative problems and local demands would be tackled

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expeditiously at the Divisional and Zonal levels avoiding thereby reference of the problems to the Railway Board and the consequent administrative delays.

In the Committee's view, a logical corollary of the above approach would be that the General Managers should have full powers in all matters excepting policy matters which have all India ramifications, or which involve postings, transfers, promotions, etc., of senior management personnel.

4

1.42

The Committee note the Railway Board's claim that they confine themselves to policy formulation, planning coordination and overall supervision of the Zonal Railways and that the General Managers are allowed to function freely within their delegated powers. It has also been claimed, as stated earlier, that these powers were adequate. If that be so, it is indeed strange that there should be such a huge establishment with a strength of as many as 2565 officers and staff in the Railway Board to discharge these functions. As the Committee have dealt with the question of proliferation of staff in the Railway Board in a subsequent Chapter, it would suffice here to point out that the very factor of growth in staff in the Railway Board is indicative of the fact that there is a strong tendency for concentrating more and more powers in the Railway Board.

5

1.43

A perusal of Appendix VII to the Indian General Code, Vol. II, as revised in December, 1977 shows that there are as many as 58 matters covering personnel, payments to persons other than Railway employees, expenditure on works not wholly chargeable to ordinary working expenses, stores matters and other miscellaneous items on which prior sanction of the Railway Board has to be obtained by the General Managers. While the Committee appreciate that for

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laying uniform standards in some of these matters, certain amount of policy directives from the Railway Board would be necessary, they cannot help feeling that too many restrictions have been placed on the exercise of the powers granted to General Managers with a visible tendency to centralise them in the Railway Board and that they do not appear to be fully in accord with the needs, status, duties and responsibilities of a General Manager who has to manage a vast transport system under him.

6

1.44

The Committee are of the view that exercises hitherto undertaken at the behest of the Railway Board can at best be described as half-hearted attempts. Whatever be the historical or other reasons why certain powers have not been given to General Managers or why certain restrictions have been imposed on the exercise of such powers, the Committee feel that the time has now come when there should be freshness in approach to the question of decentralisation.

7

1.45—
1.47

The Committee need hardly stress that while on the one hand they are for delegation of powers to Zonal Railways and in turn to the Divisional Superintendents and other officers in the field, on the other, a corresponding duty and responsibility devolves on all the echelons of service and functionaries to see that these powers are utilised in public interest to speed up operations and render satisfaction to the public.

The Committee are distressed to note in this connection that as many as 33,000 representations on various day-to-day matters of railway administration are received annually by the Railway Board from the Railway users and as many as 50,000 from the Railway personnel. This is an indication of the fact that rail users and the employees are not able to receive prompt attention to their representations at the field level and,

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therefore, they approach the Central authority either themselves or through the elected representatives. The Committee feel that if the Zonal Railways have adequate powers as is repeatedly claimed, and are also manned by officers of proven calibre and leadership, there is no reason why it should not have been possible to attend promptly to these representations and render satisfaction. The Committee consider that it is in the interest of the apex body for Railways itself to ensure that the Zonal Railways and their lower field units, particularly the Divisional Superintendents exercise their delegated powers fully in the interest of meeting the situation on-the-spot and resolving any difficulties of the public which may arise.

Considering the abnormally large number of representations that continue to be received from the Railway Board resulting in dilution of authority at all levels, the Committee consider that the reasons why despite successive attempts at greater delegation of powers to the Zonal Railways, there has been no improvement in the situation needs a more detailed probe by an independent body of experts in the managerial field. The Committee, therefore, recommend that the entire matter of delegation of powers to General Managers, the exercise of such delegated powers etc., may be remitted to a small team of experts in management and finance, not connected with the Railways, for an in-depth study. The team may be asked to submit its Report within six months. The Committee would like to be apprised of the findings of the team and action taken thereon at the earliest.

8

1.48

It has been stated by the Ministry of Railways that though the Railway Board do not generally intervene and give directions on items which are well within the power of General Managers,

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in cases which are brought to the notice of the Minister of Railways or the Railway Board by MPs and MLAs etc. and when after examination, it is found necessary and expedient to issue certain directions to the Railways, the same is done even though the General Managers are fully empowered to take decisions on the concerned issues. The Committee have no doubt in their mind that Members of Parliament, in the midst of their multifarious activities, would indeed like to confine themselves to major questions of governmental policy. However, when individual grievances which are not redressed promptly, are brought to their notice, it would only be natural for them to seek redressal of such grievances through the Minister or the Railway Board. That large number of individual grievances do exist on the Railways is evidenced by the fact that during 1977 alone, as many as 79,613 petitions/representations from non-gazetted Railway personnel were received by the Railway Board, 31,438 by the Zonal Headquarters and 77,525 by the Divisional Headquarters. The Committee, therefore, consider that the real solution to this problem lies in setting up an adequate and impartial "grievances machinery" that would inspire confidence among the staff and attend to their grievances speedily and impartially. The Committee propose to deal with this question in detail in their Report on Personnel Policy and Administration.

9

149-
152

As already observed, the Railway Board received on an average 30,000 representations in a year from rail users on various matters relating to such as short supply of wagons, delay of wagons in transit, claims for compensation, delay in transit of goods, refused of fares, wharfage, demurrage, non-receipt of consignments and so on, which again is a pointer to the fact that

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there has not been prompt and satisfactory disposal of their grievances at the field level. This again calls for setting up of an effective machinery to deal with such grievances.

The Committee feel that there should be a Standing Committee consisting of the divisional officers dealing with traffic, commercial matters, accounts etc. to deal with the complaints of the users. This Standing Committee may visit leading industrial centres and stations which provide the bulk of rail traffic so that they could listen to their difficulties as a team, resolve the issues and render full satisfaction. The days for the visit, time, venue etc. may be notified in advance. They should meet at specified intervals (not less than twice a month) so that all concerned know in advance the date, time and place where they could place their difficulties before them and receive redress

The Committee would also stress that the performance of the officers charged with the responsibility of resolving the grievances of railway users should be strictly watched at the level of the Divisional Superintendent etc. so as to take timely corrective measures where necessary to see that the objectives underlying the establishment of this machinery are fulfilled in letter and spirit.

The Committee also suggest that the performance of the officers in attending to the complaints of railways users should be specifically mentioned in their confidential reports so as to make them fully conscious of their responsibility to render satisfaction in this behalf.

10

1.53

The Committee consider that it is the duty of the General Manager as the Head of the Zonal Railway to develop management techniques and procedures so as to enhance efficiency

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of operations by rationalisation and effect savings by cutting out waste and in general, make the entire organisation cost-conscious and time-conscious and suffused with dedication to public service.

11

1.54.

A logical corollary of the application of management concept at the Zonal level would be to extend it to the Divisional level, as a Division is a viable and sizeable administrative unit. The Committee would like the Railways to consider the feasibility of directing each Zonal Railway to designate one Division as a model of efficiency in service and management so that its example could be emulated by others. What is required is a dynamic spirit of innovation and dedication which would win back for the Railways the traffic for which they have ample capacity and which would help them to make this premier undertaking once more financially sound and a by-word of reliability and efficiency.

12 2.19—2.20

The Committee note that the territorial jurisdiction of a Railway Zone depends upon the work-load, pattern of traffic, operational and administrative requirements and that these Zones were not created on the basis of regional and linguistic considerations. The existing nine Zones are stated to be homogenous and compact units from that point of view. The Ministry of Railways have, however, added that in a forward looking organisation like the Railways, the question of re-structuring the Railway Zones remains under constant review and necessary changes are made in their jurisdiction as warranted on considerations of work-load and administrative convenience.

The Committee find that the headquarters of more than one Zonal Railway are located in one metropolitan city. The Zonal Headquarters

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of Central and Western Railways have been located at Bombay, while Calcutta is the Headquarters of Eastern and South-Eastern Railways. Operational and administrative conveniences as well as the historical background in which the various Railway Zones came into existence after Independence are stated to be the factors responsible for this situation.

While the Committee would not like to precipitate any changes in the location of the headquarters of these Railways just now or in the immediate future as this would entail huge expenditure and also cause dislocation to the staff, they do feel that the satisfaction of regional aspirations is an important consideration and it is, therefore, necessary that as and when re-organisation of the Zonal Railways is necessitated in future, this aspect should receive the attention so that the Headquarters of a Railway which traverses many States, are located as far as possible in the States, which has the largest kilometreage of Railway line falling in the jurisdiction of that particular zone.

13 2.21—2.22

The Committee note that nine Zonal Railways have been sub-divided into 53 Divisions with varying areas according to operational and administrative requirements. The Committee find that the Headquarters of certain Divisions are located at places (may be because of historical considerations) which are far removed from the centres of main commercial and industrial activities of the area with the result that the public are put to a great deal of hardship in the matter of contacting the Railway authorities concerned at the Divisional level. For example, the Headquarters of Mysore Division is at Mysore whereas Bangalore is the centre of industrial activity. Similarly, the Headquarters of the Khurda Road Division of Railway is at Khurda Road which is not the

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place of major industrial and commercial activities.

The Committee suggest that the desirability and feasibility of locating the Divisional Headquarters at more central places keeping in view the growth of commercial and industrial activities may be kept in mind while reviewing the set up in each Zonal Railway in the interest of better service to the users.

14 2.23 The Committee observe that there are five cities *viz.*, Bombay, Calcutta, Lucknow, Nagpur and Secunderabad in each of which Headquarters of two Divisions are located. Of these three cities *viz.*, Bombay, Calcutta and Secunderabad happen to be the Headquarters of as many as five Zonal Railways also. Needless to say, concentration of offices in the metropolitan cities which are practically bursting at their seams, must be avoided. The Committee, therefore, desire that the Divisional Headquarters located in these cities should be shifted as soon as conditions permit to some other central location. While deciding upon the location of Headquarters of Divisions in future, it should be ensured that the Headquarters of not more than one Division are located at one place.

15 3.41-
 3.42 The Committee note that while the total number of staff employed on the Indian Railways has increased from 9.11 lakhs in 1950-51 to 14.69 lakhs in 1976-77, *i.e.*, an increase of 61.2 per cent, the strength of officers and staff of the Railway Board has gone up from 567 to 2592 during this period, *i.e.*, an increase of about 357 per cent. The Committee find that the increase in the staff strength of the Railway Board as at the end of 1st, 2nd, 3rd and 4th Five Year Plan periods was of the order of 117 per cent, 218 per cent, 300 per cent and 343 per cent respectively over 1950-51 and at the end of the year 1977-78, the percentage of increase stood at 352.

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The Committee also find (*Vide* Appendix VI) that the number of Directorates in the Railway Board has increased from 7 in 1950-51 to 26 in 1977-78 leading to an all-round increase in the various categories of officers and staff. To illustrate, the number of Directors has gone up from 13 to 24 (an increase of 85 per cent) and Joint Directors from 19 to 85 (an increase of 347 per cent). In addition, there are 21 Additional Directors. The number of Class I and II Gazetted officers rose from 56 as on 31-3-1951 to 463 as on 31-3-1978 (an increase of 727 per cent). The number of Class III employees has gone up from 348 to 1538 showing an increase of 342 per cent during this period, while the number of Class IV employees has gone up from 163 to 564, i.e., an increase of 246 per cent.

16	3.43	
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According to the Ministry of Railways, the major reasons for this increase of over 350 per cent in staff strength as compared to 1950-51 i.e. since the commencement of the First Five Year Plan, are as follows:—

- (1) increase in the developmental activities of the Railways;
- (2) increase in the number of references from Members of Parliament and others by the Railway Board;
- (3) introduction of modern management techniques and creation of a few cells to deal with additional work.

17	3.44- 3.45	
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The Committee note that the First Five Year Plan for the Railways was largely in the nature of a rehabilitation plan. It was the Second Five Year Plan which envisaged large scale development of the Railways. The Committee consider such a development plea being first of its kind could have created new conditions in the Railway

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working necessitating some increase in the strength of staff and officers both in the field and at the Railway Board level. The Committee feel that once one large development plan had been executed over a period of five years, the Railway working should have got attuned to conditions required for further development plans and, therefore, if at all, there could be some increase in the strength of staff and officers at the apex body, namely, Railway Board it could only be moderate if not nominal.

But what the Committee find is that the strength of the staff and officers at the apex body has continuously increased with every Plan period. At the end of the first year of the Second Plan (i.e., 1956-57), the strength of staff and officers in the Railway Board was 1232 and at the end of that Plan period (i.e., 1961-62), it rose to 1806. As the major heads of expenditure in the subsequent plan periods remained the same, the Committee would have expected that there would have been no need for large scale augmentation of staff and officers at the Railway Board level. But the picture that the Committee find is much different. At the end of the Third Plan period (1965-66) the strength of the Railway Board jumped to 2275 and at the end of the Fourth Plan it was as much as 2513. The position during the Fifth Plan period is somewhat different. At the end of the first year of that Plan period, the strength was 2695, at the end of second year it was 2664; at the end of third year it was 2592 and at the end of the fourth year (when the Fifth Plan was terminated) the strength came down to 2565 which was very nearly the strength at the end of the Fourth Plan period. This was due to a reduction in the strength of Class III staff. This, the Committee feel, only reinforces their view that every deve-

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| | | <p>lopment plan need not necessarily mean higher strength at the apex body whose functions are limited basically to policy formulation planning, coordination and supervision with certain usual duties of a Ministry of the Government of India. Thus, the Committee feel that there has been a more than justified increase in the strength of staff and officers in the name of developmental activities.</p> |
| 18 | 3.46 | <p>The second argument is that the increase in the number of references from Members of Parliament and others has necessitated increase in the strength of the Board in recent years. The Committee have already dealt with this aspect in detail in the earlier Chapter. It may suffice here to say that the growing number, in fact, is a reflection on the level of efficiency and responsiveness of the machinery at the Zonal and field levels in dealing with representations and communications from Members of Parliament and other users. The Committee need hardly point out that if the Railways are managed in the field in a business-like and efficient manner, the chances for complaints would be greatly reduced, if not obviated.</p> |
| 19 | 3.47 | <p>As regards the third argument namely, introduction of modern management techniques and creation of a few cells to deal with additional work, the Committee see no reason why it was not found possible to find officers and personnel for the new cells from within the existing strength of the Railway Board by necessary rationalisation/reorganisation etc., of the Directorates. Besides, the modern management techniques should have resulted in substantial simplification of procedures, rationalisation of work in the interest of speedier disposal, reduction and better utilisation of man-power and above all, saving in expenditure on administrative costs and overhead etc. These benefits are yet to be realised.</p> |

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In fact, considering the scale of commercial and operational activities of a department like Railways, the Committee had expected that this aspect of management would have received adequate attention. However, the Committee find that only a beginning has been made in introducing some modern management techniques, primarily confined to certain limited areas of management and control such as maintenance of statistics, inventory control etc. It is obvious that only through adoption of new and modern tools of management backed by a proper management information system, the Railway administration can acquire a new look leading to increased earnings, reduction in cost of operations and maintenance, elimination of waste and enhancement of efficiency all round. It is, therefore, surprising that the Railways do not have a concrete perspective plan for introduction of modern techniques of management on Railways. The Committee trust that the Railways would move with times and at least now would draw up such a comprehensive plan.

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3.48

The Committee would, in this connection, like to draw attention to the fact that there has been persistent criticism in both Houses of Parliament about the heavy over-staffing of the Railway Board. Not much has really been done in response to this criticism. In fact, they are concerned to find that in pursuance of a recommendation of the Administrative Reforms Commission, the Railway Board could find scope for reduction of only 14 officers and 63 personnel. Even this reduction was not given effect to on the plea that certain additional work had, meantime, got generated. Subsequent reviews made by the Staff Inspection Unit since 1973 have resulted in marginal reduction of subordinate staff of the level of Section Officers and below.

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| 21 | 3.49 | <p>The main argument advanced in defence of the present staffing pattern of the Railway Board is that it is a technical and service-oriented department and, therefore, it is advantageous to have officers who have field experience to man high level posts in the best interest of the organisation. Logically, this argument of technical nature of work should mean that there should not be proliferation of Additional Members, Directors, their Deputies, Assistants to the Deputies and so on. But the Committee regret to observe that the office of the Board is organised practically on the same lines as other Ministries of the Union Government with the usual complement of subordinate ministerial staff or perhaps worse in that whereas in an average Ministry there is only one Secretary and the number of Additional Secretaries Joint Secretaries attached to him are 2 or 3 in each Ministry, in the Railway Board because the Board comprises of 5 Members (who are of the rank of Secretaries) the number of Additional Members (now Advisers) and Directors (equivalent to Joint Secretaries) is as many as 27 or so. The Committee expect the Railway Board to be organised on the basis of a Board of Directors of corporate body where although the Directors of the Board are high placed and highly paid executives, the functional Directors Executives are not so highly paid. The Committee feel that this would also be in the interest of Railways because then there will be quick decisions and the problems will receive direct attention of the Members instead of passing through several levels.</p> |
| 22 | 3.50 | <p>The Committee concede that a technical department like the Railways has got to be officer and action oriented. The Committee, however, find that there is no paucity of officers in the Railway Board; in fact there has been perceptible increase in the number of Class II, Class I and other</p> |

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		senior officers from 56 in 1950-51 to 463 in 1977-78. It should be possible for these officers to dispose of expeditiously all references received from the zonal railways at their own level with the minimum of stenographic and ministerial assistance instead of getting the papers processed in a routine manner in the sections.
23	3.51	The Committee note that a suggestion to introduce desk-officer system in 78 sections out of a total of 140 sections has been mooted. The Committee would like this to be implemented in letter and spirit so as to ensure speedy and conclusive disposal of references received from the field level etc. as also effect substantial saving in staff. In fact as a result of introduction of this system in 17 sections, there has been a reduction in strength to the extent of 23.
24	3.52	The Committee would also like to draw attention to the fact that as on 31st March, 1978 the Railway Board had 1655 permanent and 910 temporary staff on their rolls, and out of these the component of Class III and Class IV posts was 1439 permanent and 663 temporary. There has been an increase in the number of Class III posts from 348 in 1950-51 to 1538 in 1977-78 representing an increase of 342 per cent. In Class IV, there has been an increase from 103 in 1950-51 to 564 in 1977-78, representing an increase of 246 per cent. In view of the fact that the Railway Board is a technical organisation with a large complement of officers, the Committee can see hardly any justification for keeping a large complement of non-technical staff, such as Section Officers, Assistants, UDCs. etc.
25	3.53- 3.58	The Committee would like to recall in this connection the following observations recommendations of the Study Team of Administrative Reforms Commission on Railways (1969) which had

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gone into the question of strength of personnel in the Railway Board:—

“An examination of the working of the Directorates has revealed that where as the work in a few Directorates has remained steady or even increased, there is a strong case for abolishing some of the Directorates and transferring the work left over to other Directorates and scope for reducing the strength of the staff in many of the remaining ones.”

“In modern practice, a high level organisation, like the Railway Board should be manned largely by senior experienced officers capable of making quick appreciation of the problems of the Zonal Railways by themselves and who should need the assistance of only a small proportion of Class III staff. We suggest that the Railway Board should constitute an expert study team composed of persons with experience of work in modern commercial organisation to go into this question.”

The Committee would have ordinarily recommended that the question of reviewing critically the strength of the officers and staff of the Railway Board should be taken up by a high-level Committee consisting of senior officers of the rank of Secretary to the Government in the Ministry of Railways, the Department of Personnel etc., but they find that despite the persistent criticism in Parliament and elsewhere about the disproportionately large number of officers and staff in the Railway Board hardly any worthwhile reduction has been effected in their numbers. The Committee, therefore, recommend that such a

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critical examination and review of the strength of officers and staff of the Railway Board may be entrusted to an organisation independent of the Railway Board. This organisation may also include non-officials who are management experts and who have not been connected with the Railways.

It is pertinent to recall that the Railway Board have at present as many as 910 temporary posts and any rationalisation in the structure and strength of officers and staff in the Railway Board in pursuance of the recommendations of the expert body mentioned above should not present any insurmountable difficulty for the persons found surplus to requirements in the Railway Board could be gainfully employed in the Zonal Railways and other Ministries/Departments of the Government. Meanwhile, a ban should be put on further expansion in any category of staff in the Railway Board.

The Committee would like to be apprised of the terms of reference and the composition of the expert body entrusted with the responsibility of critically reviewing the strength of officers and staff of the Railway Board.

The Committee stress that the Report of this body should become available within six months of its constitution and Government should also take decisions on its recommendations within a reasonable period, say within three months of the receipt of its report.

The Committee would like to be informed of the precise action taken in pursuance of the above recommendations as they are keen that the structure of the Railway Board and its staffing pattern should be rationalised without any further loss of time.