

RAILWAY CONVENTION COMMITTEE (1980)

SECOND REPORT

Action taken by Government on the recommendations contained in the Fourth Report of the Railway Convention Committee, 1977, on Delegation of Powers to General Managers, Organisation of Zonal Railways and Reorganisation of Railway Board's Office.

*Presented in Lok Sabha
Laid in Rajya Sabha*



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1981 (Vaisakha, 1903 (S))

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CORRIGENDA TO SECOND REPORT OF
RAILWAY CONVENTION COMMITTEE, 1980

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(i)

RAILWAY CONVENTION COMMITTEE

(1980)

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Shri D. L. Baitha

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SECRETARIAT

Shri H. G. Paranjpe—*Joint Secretary.*

Shri Bipin Behari—Senior Financial Committee Officer.

*w.e.f. 26-11-1980 vice Pandit Kamlapati Tripathi resigned from the membership of Committee.

INTRODUCTION

I, the Chairman, Railway Convention Committee, 1980, having been authorised by the Committee to submit the Report on their behalf, present this Second Report on action taken by Government on the recommendations contained in the Fourth Report of the Railway Convention Committee, 1977 on "Delegation of powers to General Managers, Organisation of Zonal Railways and Organisation of Railway Board's Office".

2. The Fourth Report of the Railway Convention Committee, 1977, was presented to both the Houses of Parliament on the 22nd December, 1978. The replies of the Government to all the recommendations contained in the Report were received by the 9th August, 1979. Further information on 10 points arising out of Government's replies was also called for. This was furnished by the Ministry of Railways in batches and the last batch was received on the 15th September, 1980. The Sixth Lok Sabha was dissolved before the Report could be finalised by the previous Committee.

3. The Railway Convention Committee, 1980 called for latest information in respect of Government's replies to 8 recommendations on 1st, 6th, 21st and 23rd January, and 1st April, 1981. The information was received from the Government in batches and the last batch was received on the 7th April, 1981.

4. The Committee considered the replies of the Government at their sittings held on the 5th and 21st January and 9th April, 1981 and finalised comments thereon. The Report was finally approved and adopted by the Committee on the 9th April, 1981.

5. The Report has been divided into following Chapters:—

- I. Report.
- II. Recommendations which have been accepted by Government.
- III. Recommendations which the Committee do not desire to pursue in view of Government's replies.
- IV. Recommendations in respect of which replies of Government have not been accepted by the Committee.

(vi)

6. An analysis of action taken by Government on the recommendations contained in the Fourth Report of Railway Convention Committee, 1977, is given in Appendix IV. It would be observed therefrom that out of 25 recommendations made in the Report, 9 recommendations i.e. 36 per cent have been accepted by the Government. The replies in respect of 16 recommendations i.e. 64 per cent have not been accepted by the Committee.

NEW DELHI;

April 24, 1981

Vaisakha 4, 1903(S)

D. L. BAITHA,

Chairman,

Railway Convention Committee.

CHAPTER I

REPORT

Powers of General Managers (S. Nos. 3 to 7—Paras 1.39 to 1.47)

The Railway Convention Committee (1977), in paragraphs 1.39 to 1.41 of their Fourth Report, appreciated 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 were taken at the Divisional level and the balance of the decisions at Zonal level so that most of the administrative problems and local demands could be tackled expeditiously at the lower levels, avoiding thereby references to the Railway Board involving administrative delays. As a logical corollary to this approach, the Committee recommended 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.

2. The Committee had, in paragraph 1.42, considered the claim of the Railway Board that they confined themselves to the policy formulation, planning, coordination and overall supervision of the Zonal Railways and the General Managers were allowed to function freely within their delegated powers. Noting the huge establishment of as many as 2565 officers and staff in the Railway Board, the Committee felt that the very factor of growth in staff in the Railway Board was indicative of the fact that there was a strong tendency for concentrating more and more powers in the Railway Board.

3. In paragraphs 1.43-1.44, the Committee observed that too many restrictions have been placed on the exercise of powers granted to the General Managers and felt that the time had come when there should be freshness of approach to the question of decentralisation.

4. In paragraphs 1.45 to 1.47, the Committee expressed distress at the fact that as many as 33,000 representations on various day-to-day matters of railway administration were received annually by the Railway Board from the railway users and as many as 50,000 from the Railway personnel. This, the Committee felt, was an indication of the fact that rail users and the employees were not able to receive prompt attention to their representations at the field level, and, therefore, they approached the central authority either themselves or through their elected representatives. The Committee felt that if the Zonal Railways had adequate powers, and were

also manned by officers of proven calibre and leadership, there was no reason why it should not have been possible to attend promptly to those representations and render satisfaction. The Committee, therefore, observed that the reasons for no improvement despite successive attempts at greater delegation of powers to Zonal Railways, needed a more detailed probe by an independent body of experts in the managerial field and recommended that the entire matter of delegation of powers to the General Managers, the exercise of such delegated powers etc. might be remitted to a small team of experts in management and finance, not connected with the Railways for an in-depth study and that the team might be asked to submit its report within six months.

5. In their reply, the Ministry of Railways have stated that the General Managers and lower formations are equipped with sufficient and adequate powers to enable them to take on-the spot decision on as large number of items as possible. The delegation made to the General Managers is by and large negative delegation indicating the limits on a small number of specific items beyond which they have to obtain approval of higher authority. The negative delegation is comprising only of 58 items. In respect of other items of day-to-day working the General Managers have full powers. According to the Ministry, the powers at present delegated to the General Managers are quite wide and compare favourably with those enjoyed by other Ministries/Departments of Central Government.

6. The Ministry has also intimated that the entire matter of delegation of powers to General Managers had been remitted to the Indian Institute of Public Administration and further delegation will be considered on receipt of their Report.

7. In a further communication to the Committee dated the 8th September, 1980, the Committee informed that the matter was referred to the Institute of Public Administration on 4.4.1979 and the Institute submitted an Interim Report on 16.5.1980. Their final Report is expected by the end of December, 1980. According to the Ministry:

The recommendations made by the Institute (in its Interim Report) are under examination and that only after the final report is received, a comprehensive picture will be available.

8. The Committee note that after the presentation of the Fourth Report in December, 1978, it took the Ministry of Railways about four months to take the concrete step of referring the matter to the Indian Institute of Public Administration for study and report. The Institute took more than a year to present an 'interim' report. The Committee learn that although the final report was expected to be available by December, 1980, it had not been submitted by the Institute by the scheduled date.

9. The Committee deprecate the laisurely manner in which the Railway have moved in the matter. They require that the Ministry of Railways should immediately lay down reasonable time schedules for the Institute to present its final report and also for itself to examine and take decisions on the suggestions made therein.

10. The Committee would also like to be informed of the recommendations made by the Institute of Public Administration and also of the action taken thereon by the Ministry of Railways.

Grievances Machinery (S. No. 8 Para 1—48)

11. The Railway Board had informed the Committee that although they did not generally intervene and gave directions on items which were well within the powers of General Managers but in all those cases brought to the notice of the Minister of Railways or the Railway Board by M.Ps. and MLAs etc., and when after examination it was found necessary to issue certain direction, the same was done even though the General Managers were fully empowered to take decisions on the concerned issues. The Committee had also observed that the Members of Parliament in the midst of their multifarious activities would indeed like to confine themselves to major questions of Government policy. However, if individual grievances which were not redressed promptly were brought to the notice, it would only be natural for them to seek redressal of such grievances through the Minister or the Railway Board. The large number of individual grievances existing on the Railways was evidence of the fact that during 1977 alone as many as 79613 petitions/representations from the non-gazetted personnel were received by the Railway Board, 31348 by the Zonal Headquarters and 77525 by the Divisional Headquarters. The Committee, therefore, recommended that the real solution to the problem would lie in setting up an adequate and impartial grievances machinery which could inspire confidence among the staff and attend to their grievances speedily and impartially.

12. In their reply to this recommendation, the Minister of Railways have stated that most of the representations of the staff relate to transfers, regularisation of appointments of casual labour, direct appointment or appointments on compassionate grounds, non-payment of the dues, seniority, promotions etc. To deal with these representations, adequate machinery exists in the Railway Board's Office as also in the Zonal Railways. The staff having individual grievances are also allowed to see Personnel Officers, Chief Personnel Officers and General Managers at nominated hours of nominated days. During these meetings, staff can represent their individual grievances and remedial measures possible under the rules are taken to sort out the same.

13. The Committee are not satisfied with the general statement of the Ministry of Railways that adequate machinery exists both in the Railway Board's Office as also in the Zonal Railways to attend to the grievances of the staff. The very fact that a large number of representations are received everyday by the Members of Parliament, the Minister of Railways, Railway Board and also by the Zonal Headquarters of the Railways is indicative of the fact that the existing arrangements for the redressal of the grievances of the staff is far from adequate and it does not at all inspire confidence of the employees. The Committee therefore reiterate their recommendation that the existing arrangement for redressal of grievances should be reviewed and further improved upon so that the "grievances machinery" at all levels attends to the grievances of the staff more speedily and impartially. With a view to inspiring confidence, the representatives of the staff should also be actively associated with the grievances machinery at all levels.

Standing Committee of Divisional Officers of Zonal Railways for redressal of public grievances (Recommendation No. 9, Paras 1.49 and 1.50)

14. In para 1.49 of the Fourth Report, the Railway Convention Committee, 1977, observed that the Railway Board received on an average 30,000 representations in a year from rail users on various matters such as short supply of wagons, delay of wagons in transit, claims for compensation, refund of fares, non-receipt of consignments etc. which showed that there had not been prompt and satisfactory disposal of their grievances at field level. This called for setting up of an effective machinery to deal with such grievances.

15. In para 1.50, the Committee felt that there should be a Standing Committee of Divisional Officers to deal with the complaints of the users. The Standing Committee might visit leading industrial centres and stations which provided the bulk of rail traffic so that they could listen to their difficulties and resolve the issues and render full satisfaction. The days of their visits, time, venue etc. should be notified well in advance so that all concerned could place their difficulties before them and seek redress.

16. In reply furnished on the 9th August, 1979, the Ministry of Railways stated *inter alia* as follows:—

"It is true that sizeable number of representations are received from rail users every year on various matters in the Board's Office. These representations mostly relate to claims for compensation, refund of fares and freights, refund and waiver of wharfage and demurrage, non-receipt of consignments and complaints regarding catering, reservation and other allied matters.

The administrative machinery at the Divisions and the Zonal Headquarters level have been given adequate powers to deal with

these problems of the rail users. XXXX Thus, the problem is not of inadequate delegation of powers to the Railways since adequate powers have been delegated to the Railways at various levels. With greater efficiency and consideration, the number of representations can be reduced and the Railways are making all efforts in this direction. XXXX

At important stations, a Station Consultative Committee has already been set up to look into the problems of rail users of that Station. In addition, Divisional Railway Users Consultative Committee functions at each Division. The Zonal Railway Users Consultative Committee also functions at the zonal headquarters level. All these Committees meet periodically. In addition, the Divisional Officers regularly go on inspection and the rail-users generally meet them and represent to them their problems. The rail users also do so during the time of the inspection of the Divisional Superintendent and the General Managers when they go out on inspection on line.

In view of the above, it is considered that it may not really be necessary to constitute a Standing Committee of Divisional Officers for this purpose. However, since the Committee have made this suggestion, the Ministry are issuing instructions to the Zonal Railways for appointing such Standing Committees of Divisional Officers on certain nominated divisions on an experimental basis who may visit leading industrial centres and stations for listening to the difficulties of the rail users and resolve the issues on the spot.

The question of retaining these Committees on a regular basis as also the extension of this scheme to other Divisions will be considered on the basis of the experience gained over a period of six months."

17. In the subsequent communication received on 17th March, 1980, the Ministry of Railways stated that the Standing Committees comprising of Divisional Officers were set up on an experimental basis on a few divisions and experience of these Committees indicated that no new grounds had been broken in dealing with complaints of rail users. No useful purpose would, therefore, be served by setting up Standing Committees of Divisional Officers on a regular basis.

18. The matter was considered by the Railway Convention Committee, 1980, at their sitting held on the 5th January, 1981 and the Committee desired that the Railway Ministry should be asked to furnish copies of the final Reports of the Zonal Railways regarding the Standing Committee of Divisional Officers set up for redressal of public grievances together with a Memorandum indicating decisions of the Ministry on the recommendations,

contained therein. Accordingly, the Ministry of Railways were asked on 6th January 1981, to furnish the required information immediately for the use of the Committee.

19. In the reply received on the 20th January, 1981, the Ministry of Railways stated *inter alia* as follows:—

“The Railways were asked to furnish a final report by 31st December 1979 to enable the Ministry to examine the question of retaining these Committees on a regular basis as also the extension of this scheme to other Divisions.

Initially, the Ministry itself had its own reservations about the scheme, yet to give the recommendation of the Railway Convention Committee a fair trial, the Zonal Railways were asked to set up such Committees on trial basis.

It would be seen that in many a case the work of Standing Committees set up on experimental basis overlap the work of the existing Committees. Having regard to all these considerations; a decision was taken with the approval of the Minister for Railways to give up the experiment.”

20. The above reply of the Ministry of Railways was considered by the Railway Convention Committee at their sitting held on the 21st January, 1981. The Committee did not agree with the reply and insisted that the information asked for by them must be supplied without any further delay. Accordingly, on the 21st January, 1981, the Ministry of Railways were asked to furnish, latest by the 30th January, 1981, copies of the final Reports of the Zonal Railways' Standing Committees of Divisional Officers together with details of Divisions where experiments were performed, dates of meeting, Minutes of meeting etc. The Ministry was also reminded in this regard on the 18th February and again on the 10th March, 1981.

21. On the 1st April, 1981, a communication was received from the Ministry of Railways forwarding therewith copies of the Minutes of the meetings of the Standing Committee of Divisional Officers of Zonal Railways held at Jhansi Division (Central Railway); Bilaspur Division (South Eastern Railway); Hubli Division (Southern Central Railway) and Palghat Division (Southern Railway) where the experiments are stated to have been carried out on trial basis. The perusal of these Minutes, however, does not reveal as to why the experiment was finally given up. Further, the final Reports of the Zonal Railways regarding the working of these Standing Committees on the basis of which a decision was taken by the Ministry of Railways to discontinue the experiment, have not been furnished to the Committee.

.. 22. Despite repeated reminders, the Ministry of Railways have not furnished copies of the final Reports of the Railways regarding the standing Committees of Divisional Officers set up for the redressal of public grievances etc. on the basis of which decision was stated to have been taken by the Ministry of Railways to give up the experiment. While deprecating the casual manner in which the directive of the Committee calling for the documents has been treated, the Committee require the Ministry of Railways to take a special care in future to furnish promptly such papers, documents, records or information as may be called for by them from time to time

23. In view of the fact that the documents called for by the Committee have not been furnished by the Ministry of Railways, the Committee are not convinced of the plea taken by the Ministry of Railways that "no new grounds have been broken in dealing with complaint of rail users" by constituting these Standing Committees and that "no useful purpose will be served by setting up Standing Committees of Division Officers for this purpose on a regular basis". The Committee, therefore, reiterate their earlier recommendation for the setting up of the Standing Committees of Divisional Officers without loss of time, on a regular basis, to listen to the grievances of rail-users, to resolve the issues on the spot and to render full satisfaction to them. The Committee would like to be apprised of the action taken in this regard.

Over-staffing in Railway Board (S. Nos. 15-17, 20, 22, 24 and 25, para Nos. 3.41—3.45, 3.48, 3.50, 3.52—3.53—3.58)

24. The Railway Convention Committee, 1977, observed in their Fourth Report presented in December, 1978, that despite the persistent criticism in Parliament and elsewhere with regard to disproportionately large number of officers and staff in the Railway Board, hardly any worthwhile reduction had been effected in their numbers. The Committee recommended that a critical examination and review of the staff and officers' strength of the Board might be entrusted to an independent organisation which might also include non-officials who are management experts and who have not been connected with Railways. The Committee also stressed 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.

25. In the reply furnished on 9-8-1979, the Ministry of Railways have stated *inter alia* as follows:—

“It is proposed to set up a Departmental Committee consisting of Economic Adviser as Convenor, Director, Efficiency Bureau and Director, Statistics and Economics, Railway Board to study the problem in detail, taking the year 1951-52 as the base year. The Committee would examine the new activities started in the Railway Board after 1951-52 as well as increase in workload since then and assess the requirements of staff and officers at various levels correlating these with the recognised norms and yardsticks.

This Committee is expected to submit its report within a period of 3 months. On receipt of their report, the need for undertaking a further review of the strength of officers and staff of the Railway Board by an outside organisation independent of the Railway Board, including non-officials who are management experts, would be examined by this Ministry.”

26. In the subsequent communication dated 15-9-1979 the Ministry of Railways stated that the Departmental Committee had already started functioning and was likely to submit its report within a period of three months.

27. On 29-4-1980, the Committee were again informed that the Department Committee had completed a major portion of their work and the report was expected to be submitted shortly.

28. Again, on a specific query, the Ministry of Railway informed the Committee on 8-8-1980 that the Department Committee was set up on 23-6-1979, it submitted its report in May, 1980 that the recommendations/observations made by the Committee were being examined.

29. On the 7th April, 1981, the Ministry of Railways further informed the Committee that the “Departmental Committee had made in all 76 observations/recommendations. So far as 33 observations are concerned, no action is called for. As regards 43 recommendations action has already been initiated in respect of all of them. Whereas, decision has since been taken in respect of 22 recommendations, the balance 21 are at various stages of consideration”.

30. The Ministry have also stated that out of these 22 recommendations on which decisions have been taken, 6 recommendations have been accepted in principle and action would be initiated for their implementation. Another 6 recommendations have not been accepted. The remaining 10 recommendations pertain to the Directorates of Railway Planning, Statistics

and Economics, Efficiency Bureau, Economic Adviser's Unit and Operational Research Cell. A decision had been taken to entrust the study in respect of these Directorates to an outside agency and the Ministry of Railways have addressed the Indian Institute of Public Administration in the matter.

31. In their Report presented in December, 1978, the Committee had desired that an 'independent organisation' may be entrusted with the task of reviewing the strength of Officers and staff in Railway Board and their report should be made available within six months of the setting up of the said body. The Committee had also emphasised that the Government should take decisions on the recommendations of the Committee within three months of the receipt of the report. It took the Ministry of Railways as long as seven months to set up a Departmental Committee and this Committee has taken about a year in presenting their report. Further, although the report of the Committee was received by the Ministry of Railways in May, 1980, the report was till the last information came in April, 1981 still under the consideration of Government.

32. The Committee take adverse note of the casual manner in which the recommendation of the Parliamentary Committee has been treated by the Ministry of Railways. The Committee would like the Ministry to take special care in future to initiate action in pursuance of their recommendations promptly after presentation of the report of the Committee.

33. The Committee are not satisfied with the reference of the question of over staffing in the Railway Board to a Departmental Committee consisting merely of Railway Officers. In fact they were averse to this course of action even when they had made the recommendation in their original report.

The Committee can do no better than to quote their earlier observation on this matter, namely:—

"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."

34. A perusal of the report of the Departmental Committee, copies of which were reluctantly made available to the Committee, amply proves that

the reservations expressed by the Committee initially were well founded. While a sizeable part of the report is devoted to adducing justification for the growth of staff in the Railway Board, the assessment and conclusions in respect of individual Directorates of the Board hardly go beyond making weak and often vague. Suggestions for rationalisation of their functions with a view to avoid duplication and over-lapping of work and to secure better man-power utilisation. This was never the intention of the Committee.

35. The Committee are informed that out of total 43 recommendations contained in the report, decisions have been taken on 22 recommendations. 6 of the recommendations have been accepted, 6 recommendations have not been accepted while 10 recommendations are proposed to be referred for study to the Indian Institute of Public Administration.

36. The Committee are firmly of the opinion that unless the entire matter of the staffing in the Railway Board is referred to an independent Committee as originally recommended, no objective and worth while study of the problem would be possible. The Committee, therefore, reiterate the following recommendation made in paragraph 3.54 of their original report, namely:

“.....That such a critical examination and review of the 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”.

Modern Management Techniques (S. No. 19, Para 3.47)

37. The Railway Convention Committee had found that the modern management techniques introduced recently in the Railways were primarily confined to certain limited areas of management and control such as maintenance of statistics, inventory control etc. The Committee felt that only through adoption of new and modern tools of management backed by a proper management information system, the Railways could acquire a new look leading to increased earning, reduction of cost of operation and maintenance, elimination of waste and enhancement of efficiency all around. The Committee recommended that the Railways should draw up a comprehensive plan for the introduction of modern management techniques.

38. In their reply, the Ministry of Railways have stated as follows:—

“...Substantial headway has been made when compared to the position obtaining even a decade or two back. Some of the important modern techniques which are being used by the

Railways include work study, operational research, management feed-back devices such as statistics, teleprinters, calculators, computers, incentive schemes in workshops and sheds, ABC concept of inventory control, application of "Economic Order Quantity" in purchases, cost reduction through value analysis, control through variety reduction, etc., etc. Railways are also continuously carrying out large scale training, in related sciences of officers and staff in reputed management institutions including the Railway staff College. It is only by employment of these techniques that it has been possible to handle the phenomenal increase in traffic which has taken place since the commencement of the era of planned development. For introduction of computers in key management areas, like wagon control, passenger seat reservation and financial systems, a Railway Study Team is currently in U.S.A. to study computer system to replace the existing second generation computers with third/fourth generation computers. The work of this Study Team will, undoubtedly, further accelerate the pace of introduction of modern techniques, within the constraints of available sources".

39. The reply of the Ministry of Railways in surprisingly silent on the recommendation of Committee for drawing a comprehensive plan for the introduction of modern techniques of management. The Committee reiterate the recommendation.

40. The Committee trust that the Railway Study Team sent to U.S.A. to study computer system has since returned. The Committee would like to know the concrete results of their study and its impact on systems and techniques in the Railways.

Re-organisation of the Railway Board (Sl. No. 21 para No. 3.49)

41. Recommending that the Railway Board should be organised on the basis of a Board of Directors of a Corporate Body, the Committee in para 3.49 of their report observed as follows:—

"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 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 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."

42. In their reply, the Ministry of Railways have stated as follows:

"The Railway Board has been constituted under a Resolution of Government of India dated 18-02-1905 and given statutory powers under the Railway Board Act, 1905, read in conjunction with the Indian Railways Act 1890. The present set up has been evolved through the years into a management-cum-technical organisation. The Railway Board has to perform certain statutory functions under the Indian Railways Act 1890 and ensure that the statutory provisions are carried out by the Railways.

43. The Ministry of Railways (Railway Board) perform dual function— one as a Ministry and, another, as an apex professional body controlling, coordinating and running of the Railways from the technical and administrative aspects. As a Ministry, the Railway Board assists the Railway Minister in the discharge of his responsibilities, ensures inter-ministerial coordination, undertakes liaison with the Planning Commission, Union Public Service Commission, the Central Vigilance Commission etc. The Railway Board formulates policies and programmes for planned development of Railways within the overall framework of the various Five Year Plans. As a Ministry, it also appears and gives evidence before various Parliamentary Committees, e.g. Public Accounts Committee, Estimates Committee, Railway Convention Committee. All business in the Railway Ministry, and as such in the Railway Board is disposed of by or under the direction of the Minister for Railways who is assisted by a Minister of State.

44. As the Chief Executive Authority, the Railway Board keeps a watch on the implementation of its policies and programmes by the Zonal Railways and its Production Units etc. It prepares the Budget for receipts and expenditure for the Railways as a whole, makes purchases of certain important items of stores and equipment centrally, maintains a watch on the operational performance of the individual Zonal Railways, formulates a rationalised pattern of production in the various Production Units, prescribes uniform conditions of service for the staff in consultation with the Ministries of Home Affairs and Finance and lays down policies towards establishing harmonious industrial relations, exercises budgetary and financial control over the Zonal Railways and Production Units and allocates resources according to the priorities by the Board. Further, expenditure by each unit has also to be controlled within the individual budget allotment and the matter has to be centrally coordinated and the Parliament approached for additional funds from time to time. These require a high level set up which is not necessary in a private firm organised on the pattern of a Board of Directors. It would not therefore be possible to reorganise the existing organisational set up as suggested by the Committee."

45. The Committee are not at all convinced with the reply given by the Ministry as no fresh grounds have been advanced for not accepting the recommendation. All the points contained in the present reply were carefully considered by the previous Committee while recommending the reorganisation of the existing set up of the Railway Board on the lines of Board of Directors of a Corporate Body. The Committee would therefore like to reiterate the recommendation as contained in para 3.49 of the Fourth report of the Railway Convention Committee (1977).

CHAPTER II

RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (S. No. 1, Para No. 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 Division 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 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”.

Reply of the Government

No comments.

[Ministry of Railways (Railway Board) O.M. No. 79-B (Rcc)-4231, dated 9-8-1979]

Recommendation (Sl. No. 2, Para No. 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."

Reply of the Government

With day to day developments, the powers exercised by the General Managers or the lower formations cannot remain static. It is necessary that the powers delegated are reviewed at periodic intervals, to see that they suit the changed circumstances and situations. For instance, financial powers delegated in regard to acceptance of tenders, sanctions of estimates, write off of losses etc; cease to be realistic after some time on account of increase in prices and wages. Likewise, when the volume of work increases, corresponding enhancement in the powers to be delegated has to be considered. More and more powers have thus to be delegated on account of changes in the price levels and increasing workload and it was in this context that more powers were delegated in December, 1977. If such a periodical review is not carried out and enhanced powers not delegated from time to time, there will be proliferation of staff both at the top and lower down the line.

[Ministry of Railways (Railway Board) O.M. No. 79-B (Rcc)-4231, dated 9-8-1979]

Recommendation (Sl. Nos. 10 and 11, Para Nos. 1.53 and 1.54)

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 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.

Reply of the Government

The Committee's observations are noted.

2. The purposeful use of modern scientific management techniques and procedures is a principle which has been receiving due recognition and has been progressively introduced on Indian Railways. The General Managers and other senior officers are extremely conscious of these developments and are adopting many of the latest techniques in the field of engineering, operations, and administration but with due regard to limitations like adaptability to Indian conditions and economics of such adoption. Some of the important modern techniques which are being used by the Railways include work study, operational research, management feed-back devices such as statistics, teleprinters, calculators, computers, incentive schemes in workshops and sheds, ABC concept of inventory control, application of "Economic Order Quantity (EOQ)" in purchases, cost reduction through value analysis, control through variety reduction, etc. etc.

3. In order to develop an atmosphere of cost and time—consciousness amongst the staff, Railways are already carrying out large scale training in related sciences, for officers and staff, in reputed Management Institutions including Railway Staff Colleges. Proposals for restructuring of Demands for Grants have also been evolved and are being introduced from 1979-80 for a more sophisticated system of performance budgeting and management reporting system. Identifying the "cash" content of expenditure and controlling the same through "Exchequer Control" is now in force. Unit cost determination is helping in cost control of various operational systems.

4. Another step towards decentralisation of powers has been taken recently by posting very senior Divisions in Senior Administrative—Level—I and Level II grades.

5. For devising the introduction of modern management techniques, availability and deployment of significant resources in the shape of sophisticated equipment, machinery, trained man-power, facilities for training, research, development and maintenance etc. are essential pre-requisites. Greater benefit can, therefore, be derived by the organisation as a whole if such activities are handled by Central units like RDSO, Efficiency Bureau, Operational Research Cell, Computer Cell etc. at Railway Boards/Zonal level. Due care will be taken to see that the benefits percolate down the line to every unit in the field, including the Divisions. It may not, therefore, be desirable to make the Divisions the basic units for developing such techniques. However, the Committee's observations will be brought to the notice of

each Zonal Railway and they will be instructed to designate one Division as a model employer of efficiency in service and management so that others can emulate its performance.

[Ministry of Railways (Railway Board) O.M. No. 79-B (RCC)-4231, dated 9-8-1979]

Further information called for by the Committee

Please state the progress made in designating one Division in each Zonal Railway as a model of efficiency in service and management.

[Lok Sabha Sectt. O.M. No. 21/2/1/77, dt. 2-8-1979]

Reply of the Government

In pursuance of the recommendation made by the Railway Convention Committee, 1977, instructions have already been issued on 15th May, 1977 to the Zonal Railways asking them to designate one Division on each railway as a model employer of efficiency in service and management so that others can emulate its performance. Reports on implementation of these instructions by the Zonal Railways are awaited and the matter is being pursued with them.

[Ministry of Railways (Railway Board) O.M. No. 79-B (RCC)—4231 dt. 15-9-1979]

Reply of the Government

In pursuance of the recommendation made by the Railway Convention Committee, 1977, instructions were issued to the Zonal Railways to designate one division as a model of efficiency in service and management so that the others could emulate its performance. As a result of these instructions the following divisions have been designated as a model of efficiency in service and management:—

S. No.	Railway	Name of the division designated as a model of efficiency in service and management.
1.	Central	Bombay Division
2.	Northern	Ferozpur
3.	North Eastern	Lucknow
4.	Northeast Frontier	Katihar
5.	South Eastern	Bilaspur
6.	South Central	Guntakal
7.	Southern	Tiruchirapalli
8.	Western	Baroda

Eastern Railway has not yet nominated any of its divisions as a model of efficiency in service and management. A reminder has been issued to E. Railway to expedite.

[Ministry of Railway (Rly. Board) O.M. No. 79-B (RCC)—4231,
dt. 26-12-1979]

Further information called for by the Committee

Please indicate the action taken by the Eastern Railway in the matter of nominating at least one Division as a model of efficiency in service and management.

[Lok Sabha Sectt. O.M. No. 22/2/1/77-RCC, dt. 23-1-1980].

Reply of the Government

In pursuance of the recommendations made by the Railway Convention Committee, 1977 regarding nominating one Division as a model of efficiency in service and management, each of the 8 Zonal Railways (except Eastern Railway) had designated one division as such. Eastern Railway has also nominated Asansol division as a model division.

[Ministry of Railways (Railway Board) O.M. No. 79-B (RCC)-
4321, dt. 29-7-1980]

Recommendation (Sl. No. 12, Para Nos. 2.19 and 2.20)

The Committee note that the territorial jurisdiction of a Railway Zone depends upon the workload, 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.

The Committee find that the headquarters 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 convenience 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 Committee would not like to preceptitate 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 kilometrage of railway line falling in the jurisdiction of that particular zone.

Reply of the Government

The suggestions made by the Committee have been noted and will be applied to the extent possible.

2. It may, however, be mentioned by way of elucidation that the criteria for location of headquarters of railway zones and divisions have been indicated in our earlier reply. The Indian Railways are national in character and as transporters have to serve the needs of the rail-users and trading public in the most efficient manner. It is not usually possible to make territorial boundaries of even a Railway division, several of which go to make a railway zone, co-terminus with certain jurisdictional limits of a State. State or regional boundaries do not have any important bearing on the functioning of the railways as such and the primary considerations kept in view by the Railway are the speed and efficiency of transport. For this purpose, administrative and operational requirements consistent with efficiency and economy have been and should we feel remain the basic criteria for location of headquarters of railway zones and divisions.

3. The existing locations of certain zonal railway headquarters at the metropolitan cities of Bombay, Calcutta and Madras is in the interest of the railways as these are large metropolitan towns and are the hub of all industrial and commercial activities. They are also port towns from which very considerable to and fro movement of freight and other traffic occurs.

4. Indian Railways act as a compact unit and irrespective of the location of zonal headquarters, the interests of the trade, industry and travelling public in different areas are catered for to the maximum extent possible. The headquarters of the Railway being the apex body mainly acts as a policy-making organisation while day-to-day execution of works, which affect the quality of service to users are discharged by Divisions and Area Officers located at suitable places.

5. However, as mentioned above, the Committee's suggestions would be applied as far as possible.

[Ministry of Railways (Railway Board) O.M. No. 79-B (RCC)—
4231, dt. 9-8-1979].

Recommendation (Sl. Nos. 13 and 14, para Nos. 2.21—2.23)

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 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.

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 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.

Reply of the Government

The suggestions made by the Committee are noted. It may, however, be mentioned that apart from Divisional offices, Area Officers are also stationed in other towns, as necessary, to look after the requirements of the rail-users and trading public. The examples given by the Committee regarding the present situation of the Divisional headquarters at Mysore and Khurda Road will be kept in view, along with other such cases, when need arises for either shifting the headquarters of an existing Division or when locating a new Division. The principal criteria, however, for determining the location and area of the railway Divisions/Zones will still remain as hitherto, namely railway operational and administrative convenience, consistent with economy and efficiency in working.

As regards limiting only one Divisional headquarters to one place, the observations of the Committee are noted. Here again the above-mentioned criteria will be applied.

[Ministry of Railways (Rly. Board) O.M. No. 79-M (RCC)-4231, dt. 21-3-1979]

Recommendation (Sl. No. 18, Para No. 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 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.

Reply of the Government

The observations of the Committee are noted. However, it would be relevant to also recall the following observations made by the ARC's Study Team on Railways, as quoted in Para 7(ii) Chapter II of the Report of the Administrative Reforms Commission on Railway:

“We are also told that the Ministers in the Railway Ministry receive daily a large number of letters from the Members of Parliament. The Bulk of these representations are in respect of individual cases involving transfers, promotions, seniority, etc. or punishments given to them; 15 per cent of these representations deal with the provision of passenger amenities like platforms, foot over-bridges, level crossings and in a few cases construction of new lines. Only an insignificant number relate to some policy issues”.

The ARC did not express the view that these representations in any way amounted to a reflection on the level of efficiency and responsiveness of the machinery at the zonal and field levels. For example, the representations on behalf of railway stall in matters of punishments, transfers, promotions, etc., do not necessarily arise out of lack of responsiveness of machinery at Zonal/Divisional level but perhaps out of a fond hope, to influence the decisions taken at the above levels, or to have them reconsidered at the highest level. Similarly, representations on other staff matters are intended to secure direct consideration at the highest level, of demands like location of divisional headquarters, adjustment of boundaries

of zones/divisions, construction of new lines and other matters—some of which are beyond the competence of the local administrations to decide, apart from relatively minor issues like halts for trains, opening of stations, award of vending contracts, etc. which the local administrations can decide.

It may be added that adequate machinery exists and is being continuously strengthened at the Zonal/field level to give the required attention to the problems connected with the railway staff and users. In the Railway Ministry also, communications from MPs and MLAs receive urgent attention, for which special machinery has been organised.

[Ministry of Railways (Rly. Board) O.M. No. 79-B(Rcc)—4231,
dt. 9-8-1979]

Recommendation (Sl. No. 23, Para No. 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.

Reply of Government

The Desk Officers' System was introduced in 18 Sections in the Railway Board's office in the year 1976-77. Its further extension was stopped about a year back to avoid reversions of staff in view of a Study Team having been set-up to go into the actual working of the Desk Officers' System on the Civil side by the Department of Personnel and Administrative Reforms. The Report of the Study Team has already been received and it has now been decided to extend the Desk Officer Scheme on the basis of fresh norms approved by the Cabinet Secretariat. As a result, the scheme would be further extended to as many as 60 new Sections. Thus 78 out of 140 Sections in Railway Board's office would be covered in the near future under the Desk Officers' Scheme.

[Ministry of Railways (Railway Board) O.M. No. 79-B (RCC)—4231
Dated 9-8-1979]

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES

(Nil)

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH GOVERNMENT'S REPLIES HAVE NOT BEEN ACCEPTED BY THE COMMITTEE.

Recommendation (S. No. 3, Para Nos. 1.39—1.41)

“The Committee would like to point out that the touchstone 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 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.

REPLY OF THE GOVERNMENT

In a big and a complex organisation like the Railways, there are a very large number of items on which decisions have to be taken and implemented. The endeavour of the Ministry of Railways is to see that the General Managers and lower formations are equipped with sufficient and adequate powers to enable them to take on-the-spot decisions on as large number of items as possible. The delegation of powers made to the General Managers

is by and large a negative delegation indicating the limits on a small number of specific items beyond which they have to obtain approval of a higher authority. Out of the hundreds of items involving establishment matters, incurrence of expenditure, sanction of estimates, purchase of stores, etc., the negative delegation is comprising only of 58 items. In respect of other items of day-to-day working, General Managers have by and large full powers.

The powers at present delegated to the General Managers are quite wide and compare favourably with those enjoyed by other Ministries/Departments of Central Government. For instance, whereas on the Railways, the General Managers can accept tenders upto Rs. 1 crore whether it is in response to open tenders or limited tenders or single tender, in the case of other Ministries the powers are restricted to Rs. 50 lakhs for open tenders and to Rs. 20 lakhs where contract is awarded on a single tender basis. Beyond these limits the concerned ministries have to obtain approval of the Ministry of Finance. Likewise, the Director General (Works) in CPWD can accept open tenders upto Rs. 40 lakhs only without prior approval of the Central Works Advisory Board. For single tenders, his powers are upto Rs. 25 lakhs only. The powers of purchase of stores by DGSD are also less; while he has powers of purchase by open tenders upto Rs. 1 crores, his powers of purchase of proprietary articles by single tender or by negotiated purchases or purchases where free competition is lacking are restricted to Rs. 50 lakhs. Comparative position in respect of a few important items given in Appendix I will show that the powers of the General Managers are quite vast and are adequate to deal with the tasks assigned to them.

[Ministry of Rly. (Rly. Board) O.M. No. 79-M (Rcc)—4231,
dt. 9-8-1979]

Recommendation (S. No. 4, Para No. 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.

Reply of the Government

The reasons for increase in the strength of staff in the Railway Board is not on account of the tendency for concentrating more and more powers in Railway Board. On the other hand more and more powers have been delegated from time to time to the General Managers and lower formations, the approach being that powers to be delegated should be the maximum possible rather than the minimum necessary. As mentioned in reply to recommendation No. 3, the powers of the General Managers favourably compare with those enjoyed by the other Ministries, CPWD, etc.

[Ministry of Railways (Railway Board) O.M. No. 79-B (RCC)—4231
dt. 9-8-1979]

Recommendation (S. No. 5, Para No. 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.”

Reply of Government

As mentioned in reply to recommendation No. 3, out of hundreds of items on which General Managers have to take decisions, there are only 58 items covering personnel, award of contracts, sanction of estimates, etc. on which they have to obtain sanction of a higher authority in case the financial limits prescribed for these specific items are exceeded. For other items pertaining to day to day operational and transport problems, General Managers have by and large full powers. The restrictions placed on the exercise of powers by the General Managers are because of these following:

- (1) in establishment matters the Railways have to conform to certain norms in the context of the Railways being part and parcel of the Government and for the sake of maintaining uniformity within the Railway system.

- (2) in respect of items such as acceptance of big tenders, sanction of major schemes, etc., it is necessary from efficiency and economy point of view to make use of the top expertise available in the Board. Even in such matters the highest executive authorities in the field in other departments of the Government and the Secretaries to other Ministries generally enjoy the same or lesser powers than the General Managers. For acceptance of tenders, the limit for the General Manager has been prescribed upto level beyond which the approval of the Cabinet Minister is to be obtained.

[Ministry of Railways (Railway Board) O.M. No. 79-B (RCC)—
4231, dt. 9-8-1978]

Further information called for by the Committee

The Ministry of Railways may kindly confirm whether 58 items referred to in reply covering personnel, award of contracts, sanction of estimates etc., relate only to—

- (i) establishment matters on which the railways have to conform to certain norms in the context of the Railways being part and parcel of the Government and for the sake of maintaining uniformity within the Railway system; and
- (ii) items such as acceptance of big tenders, sanction of major schemes etc. In case there are any items which do not fall in these two categories they may be identified and reasons for not delegating powers to General Managers in regard to those items may be stated.

[Lok Sabha Sectt. O.M. No. 21/2/1/77-RCC,
dt. 2-8-1979]

Reply of the Government

The 58 items referred to in the earlier reply are listed in Appendix VII of Indian Railway General Code Volume-II. These have been reproduced at pages 64 to 78 of the Railway Convention Committee (1977)'s 4th Report on Delegation of Powers to General Managers, etc. These 58 items have been grouped into 7 categories, namely:—

A. Gazetted Staff;

B. Non-Gazetted Staff;

- C. General—Gazetted and Non-Gazetted staff;
- D. Payments to persons other than Railway employees;
- E. Expenditure on Works;
- F. Miscellaneous; and
- G. Stores matters.

It will thus be observed that these 58 items include items other than those pertaining to Establishment matters, acceptance of tenders and sanction of major schemes and powers have been delegated to the General Managers for some of these items as well. A statement enumerating some such items together with the delegations made is attached. It is only in respect of items such as sale of a portion of Railway line or of an item of authorised rolling stock etc. that no powers have been given to the General Managers as these are considered very important items involving policy matters. As mentioned in reply to another point, the entire matter of delegation of powers to General Managers has been remitted to the Indian Institute of Public Administration. Further delegation will be considered on receipt of their report.

STATEMENT

Statement enumerating some items together with the delegations made.

Sl. No.	Item No. of App. VII of G-II	Nature of power
1	2	3
1	29	General Managers have powers to refund fares or freights, otherwise than in accordance with the relevant Tariff rules, upto Rs. 20,000 in each case.
2	30	General Managers have powers to the write off of amounts due to the railway otherwise than when they are irrecoverable upto 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.

1	2	3
3	33	(a) General Managers have no powers for filing or defending an appeal in the supreme Court. (b) General Managers have powers to the engagement of counsel upto Rs. 750 per day in Supreme Court or in Bombay and Calcutta, or upto Rs. 400 per day elsewhere. (c) General Managers have powers to pay fees upto the scales fixed by the High Courts concerned.
4	41(c)	General Managers have powers to sell a railway asset other than a portion of a railway line or an item of authorised rolling stock costing upto Rs. 3 lakhs.
5	44	General Managers have powers to the write off of irrecoverable losses of cash, stores, tools and plant— (i) upto Rs. 50,000 in value when a railway employee is in any way responsible for the loss. (ii) upto Rs. 1,00,000 in value when a railway employee is not in any way responsible for the loss.

[Ministry of Railways (Rly. Board) O.M. No. 79-B (RCC)—4231,
dt. 15-9-1979]

Further Information called for by the Committee

Please state if the report of the Indian Institute of Public Administration has since been received. If so, three copies of the report together with a Note showing action taken on the recommendations contained therein may kindly be furnished.

[Lok Sabha O.M. No. 21/2/1/77-RCC, dt.23-1-1980]

Reply of the Government

The Report of the Indian Institute of Public Administration has not been received so far. The preliminary Report is expected to be received from the Institute in the month of March, 1980.

[Ministry of Railways (Rly. Board) O.M. No. 79-B (RCC)—4231,
dt. 22-2-1980]

Further Information called for by the Government

Please state:

- (a) When was the matter referred to the Indian Institute of Public Administration and what were the terms of reference;
- (b) Has the preliminary report since been received from the Institute and if so when was it received and what action has been taken on the recommendations contained therein; and
- (c) When is the final report of the Institute expected in the matter.

[Lok Sabha Sectt. O.M. No. 21-/2/1/77-RCC., dated 21-7-1980]

Reply of the Government

(a) The matter was referred to the Institute on 4.4.1979. The Institute was asked to make an in-depth study of the entire matter of delegation of powers to the General Managers, the exercise of such delegated powers by them and other lower formations.

(b) The Institute has since submitted an interim report on 16-5-1980. This report is based on a preliminary study conducted by the experts of some of the Divisions of the Northern Railway. The recommendations made by the Institute are under examination.

(c) The Institute has been asked to continue the study and submit its final report by the end of December, 1980. Only after the final report is received, a comprehensive picture will be available.

[Ministry of Railways (Rly. Board) O.M. No. 79-B (RCC)-4231,
dt. 8-9-1980]

Recommendation (S. No. 6, Para No. 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.

Reply of the Government

The delegations that have been made from time to time are on the basis of recommendations of the special committees constituted for the purpose. These Committees consisted of senior and experienced officers. For instance, the bulk delegations made in 1974 were based on the recommendations of a Committee of five General Managers. The report submitted by this Committee was examined by a Committee of Directors in the Board's office and their recommendations were considered by the Board and the Minister for Railways. It is only after this comprehensive exercise that the delegations were made in 1974. This delegation was reviewed in 1977 by a Committee headed by the then Additional Member Finance and on the basis of recommendations of this Committee more powers were delegated to the General Managers in December, 1977. The delegations made from time to time thus have been on the basis of detailed reviews, the effort being to remove restrictions to the extent possible. Some restrictions have necessarily to be kept so that the General Managers work within the norms

laid by the Central Government of which Railways are a part. Also where a major scheme or award of a major contract, etc. are involved, it is necessary in the interest of administrative efficiency and economy to make use of the top expertise available in the Board's office.

[Ministry of Railways (Rly. Board) O.M. No. 79-B (RCC)-4231,
dt. 9-8-1979]

Recommendation (S. No. 7, Para No. 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 offices 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, 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.

Reply of the Government

The point raised by the Committee in regard to large number of representations received from Railway users and Railway employees has been dealt with in reply to recommendations No. 8 and 9. Necessary instructions have, however, been reiterated to the Zonal Railways to ensure that the General Managers, Heads of Departments and lower formations exercise their delegated powers fully so that the difficulties of the public and the employees are resolved on-the-spot and expeditiously. The Railways have also told to devise suitable procedure to monitor and ensure that the powers delegated to various functionaries are effectively exercised to speed up disposal of public business thus rendering satisfaction to the public and the employees.

The recommendation of the Committee to remit the entire matter of the delegation to a small team of experts in management and finance, not connected with the Railways, for an in-depth study, is under consideration of the Ministry of Railways.

[Ministry of Railways (Rly. Board) O.M. No. 79-B (RCC)-4231,
dt. 9-8-1979]

Further information called for by the Committee

Please state (i) the steps taken by each Railway to devise suitable procedure to monitor and ensure that the powers delegated to various functionaries are effectively exercised to speed up disposal of the public business, and (ii) the progress made in constituting a small team of experts in management and finance not connected with the Railways for an in-depth study of the entire matter of delegation of powers to General Manager. Please also state the composition and terms of reference of the team so constituted.

[Lok Sabha Sectt. O.M. No. 21|2|1|77-RCC,
dt. 2-8-1979]

Reply of the Government

General Managers are presently empowered to redelegate their powers, except in few cases, to lower formations in consultation with their Financial advisers. They are also competent to devise suitable procedures and issue guidelines to ensure that the powers delegated to various functionaries are effectively exercised by them. The extent to which the powers are redelegated as also the steps taken to ensure that the delegates do not shirk responsibility and fully exercise their powers will be different on different Railways depending upon the local working conditions and other

relevant factors. Further the entire matter of delegation of powers to General Managers, including the exercise of such delegated powers etc. has now been remitted to the Indian Institute of Public Administration for an in-depth study. Two experts of the Institute have initiated studies in the matter.

[Ministry of Railways (Rly. Board) O.M. No. 79-B(RCC)-4231,
dt 20-8-1979]

Recommendation (S. No. 8, Para No. 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.

Reply of the Government

Well established rules exist on all matters, in terms of which the cases of the employees have to be dealt with. Suitable delegation of powers also exist at all levels to deal with the cases. The concerned officers on the Railways have thus to deal with the cases of the railway employees within the framework of the rules. As however, the requests in all cases cannot be met fully, staff still retain a sense of grievance and make representations to all levels. Most of the representations relate to transfers, regularisation of appointments of casual labour, direct appointment or

appointments on compassionate grounds, non-payment of the dues, seniority, promotions etc. To deal with these representations adequate machinery exists in the Railway Board Office as also on the Zonal Railways.

In the Board's office, the complaints organisation is under the charge of a Director with the rank of Joint Secretary to the Government of India. He is assisted by an Addl. Director of the rank of level II Head of Department and 2 Joint Directors of the level of Dy. Secretaries for dealing with the representations from the employees of Scheduled Castes and Scheduled Tribes and other minority communities, and by a Joint Director of the Dy. Secretary's rank and 2 Dy. Directors of Under Secretary's rank in regard to the representations from the other staff. A suitable complement of staff to deal with the representations has also been provided to assist the officers.

The representations addressed to MR/MSR and the Board Members and received through the M.Ps and other dignitaries or those on which immediate action is required are handled most expeditiously by everyone and a periodical review about disposal of such receipts is made. All such cases are immediately referred to the Railways for remarks by a target date. On receipt of Railway's remarks, the cases are examined in the Board's office taking all factors into account and put up to Board/MSR/MR as quickly as possible and suitable replies sent to the M.Ps or other dignitaries sponsoring the cases. Other representations are forwarded to the Railways for direct disposal.

The organisation at the Headquarters level is under the direct supervision of Chief Personnel Officer, who is assisted by Additional Chief Personnel Officer, Senior Personnel Officers and Assistant Personnel Officers. A number of posts of Welfare Inspectors are also sanctioned for this work. In addition, the cadre of Personnel Inspectors has also been created on some of the Railways. These Inspectors attend to the work of disposing of the representations received from the staff and chase cases so as to eliminate chances of delay in disposal of representations. The Personnel Officers also check the work regarding staff welfare done by lower formations and ensure that the staff are carrying out establishment work properly. On all the Zonal Railways and in Divisional Headquarters, there is a well-knit grievances machinery.

Staff representations received by this machinery are registered and examined according to the Rules. Cases requiring decision are submitted to Headquarters by the Divisions and to Railway Board by the Zonal Railway Headquarters, wherever such an action is warranted.

In addition, staff having individual grievances are allowed to see Personnel Officers, Chief Personnel Officers and General Managers as

nominated hours of nominated days. During these meetings, staff are free to represent their individual grievances and expeditious remedial measures to the extent possible under the rules are taken to sort out the same.

As however, the requests in all cases cannot be met fully, staff still retain a sense of grievance and make representations to all levels including Railway Board and Railway Minister.

As the Committee propose to deal with this question in detail in their report on personnel Policy and Administration, and since the above observations of the Committee are of interim nature, it would be desirable to initiate further action as warranted on availability of the promised report of the Committee on personnel Policy and Administration.

[Ministry of Railway (Rly. Board) O.M. 79-B (RCC)-4231,
dt. 9-8-1979]

Comments of the Committee

Please see para 13 of Chapter I for comments.

Recommendation (Sl. No. 9, Para Nos. 1.49 and 1.50)

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 for 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 (at least 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.

Reply of the Government

It is true that a sizeable number of representations are received from rail users every year on various matters, in the Board's office. These representations mostly relate to claims for compensation, refund of fares and freights, refund and waiver of wharfage and demurrage, non-receipt of consignments and complaints regarding catering, reservation and other

allied matters. Representations are also received regarding short supply of wagons, delivery of wagons in transit and delay in transit to consignments.

2. The administrative machinery at the Divisions and the Zonal Headquarters level have been given adequate powers to deal with these problems of the rail users.

3. Most of these representations relate to claims for compensation. Some of these representations are either against the delays taking place in settlement of claims while others are because the claimants are not satisfied with the quantum of compensation or with the repudiation of the claim as the case may be. The General Managers of the Railways have unlimited powers to settle all the claims for compensation. Even after the claims have been settled by the Zonal railways the claimants continue to write to Board and the Minister for Railways with the hope that they may get something more than what they have got from the zonal railways. With regard to the issue of delays, it is pointed out that the average number of days taken in settling claims have come down from 46 days in 1977-78 to 37 days in the first nine months of 1978-79.

4. As regards the cases of waiver of wharfage and demurrage charges the zonal railways have unlimited financial powers and they are fully competent to decide any case of wharfage and demurrage. However, since the parties are either not satisfied with the decisions of the Zonal Railways or they do not want to pay wharfage/demurrage charges even after their request has been correctly considered by the Zonal railways, they keep on making references to the Railway Board and the Railway Minister in the hope that they might get some more relief.

5. As regards refund cases, again, the Zonal Railways have full powers and they can settle any case of refund. However, the rail-users represent to the Railway Board either about the delay taking place in finalising the refund cases or if the refund has not been granted.

6. Thus, the problem is not of inadequate delegation of powers to the Railways since adequate powers have been delegated to the Railways at various levels. However, there is room for improvement in dealing with problems of rail-users with a view to eliminate delays. With greater efficiency and consideration the number of representations can be reduced and the railways are making all efforts in this direction.

7. The rail-users also represent about inadequate amenities/facilities at various stations which require additional funds. Even though efforts are made to provide amenities/facilities at various stations within the limited funds available, the railways do not have adequate funds/resources to meet with all the requests of rail-users at various stations. This is again

one of the causes why the rail users are not satisfied and they keep on writing to the Railway Board and the Minister for Railways.

8. It is pointed out that at important stations, a Station Consultative Committee has already been set up to look into the problem of rail-users of that station. In addition, Divisional Railway Users Consultative Committee function at each Division. The Zonal Railways Users Consultative Committee also function at the Zonal headquarters level. All these committees meet periodically. In addition the Divisional Officers regularly go on inspection and the rail-users generally meet them and represent to them their problems regarding inadequate facilities, restrictions, movement of traffic, complaints against staff, lack of amenities and various other issues. The rail users also do so during the time of the inspection of the Divisional Superintendent and the General Managers when they go out on inspection on line.

9. In view of the above, it is considered that it may not really be necessary to constitute a Standing Committee of Divisional Officers for this propose. However, since the committee have made this suggestion, this Ministry are issuing instructions to the zonal railways for appointing such standing committees of Divisional Officers on certain nominated divisions on an experimental basis, who may visit leading industrial centres and stations for listening to the difficulties of the rail-users and resolve the issues on the spot. No doubt the days for the visit, time and venue etc. will be notified in advance and they will be asked to visit such industrial centres periodically.

The question of retaining these Committees on a regular basis as also the extension of this scheme to other Divisions will be considered on the basis of the experience gained over a period of 6 months.

[Ministry of Railway (Rly. Board) O.M. No. 79-B (Rcc)-4231, dt. 9-8-1979.]

Further information called for by the Committee

Please state the latest position in regard to constitution of standing committees of Divisional Officers on certain nominated divisions on an experimental basis for disposal of the complaints from the rail users. [Lok Sabha Sectt. O.M. No. 21/2/1/77-RCC, dated 2-8-1979].

Reply of the Government

The General Managers of the Zonal Railways have been instructed to constitute a Standing Committee of the concerned Divisional Officers like those of the Operating and Commercial etc. Departments on an experimental basis on a selected division of each railway which should visit leading industrial centres and stations periodically atleast once a month for listening to the difficulties and complaints of rail users. An interim report indicating the instructions issued in this regard and the results achieved is required to be submitted by the Railways to this Ministry by 30-11-1979. The Railways have also been asked to furnish a final report by 31-12-1979 to enable the Board to examine the question of retaining these Committees on a regular basis as also the extension of the scheme to other Divisions. As soon as the reports are received from the Zonal Railways, the Committee will be advised further in the matter.

[Ministry of Railways (Rly. Board) O.M. No. 79-B(RCC)—4231,
dated 15-9-1979].

Further Information called for by the Committee

The latest position in the matter may kindly be indicated.

[Lok Sabha Sectt. O.M. No. 21/2/1/77-RCC, dated 23-1-1980]

Reply of the Government

Standing Committees comprising of Divisional Officers were set up on an experimental basis on a few Divisions. Experience of these Committees indicates that no new grounds has been broken in dealing with complaints of rail users. The Government therefore, consider that no useful purpose will be served by setting up standing Committees of Divisional Officers for this purpose on a regular basis. Frequent meetings of bodies like Passenger Associations, Industrial Associations, Chambers of Commerce with Railway Officers and committees such as Station/Zonal consultative Committees have also been found to be adequate.

[Ministry of Railways (Rly. Board) O.M. No. 79-B (RCC)—4231,
dt. 17-3-1980.]

Further Information called for by the Committee

The Final Reports of the Railways regarding Standing Committees of the Divisional officers for redressal of public grievances, together with a memorandum indicating the decisions of the Ministry of Railways on the recommendation contained in the report may be furnished.

[Lok Sabha Sectt., O.M. No 21/2/1|Rcc|77, dt. 6-1-1981.]

Reply of the Government

The General Managers of Zonal Railways had been instructed to constitute a standing Committee of the Divisional Officers on an experimental basis on selected divisions of each Railway for listening to the difficulties and complaints of rail users. The Railways were also asked to furnish a final report by 31-12-1979 to enable the Ministry to examine the question of retaining these committees on a regular basis as also the extension of this scheme to other Divisions.

2. Initially, the Ministry itself had its own reservations about the scheme, yet to give the recommendation of the Railway Convention Committee a fair trial, the Zonal Railways were asked to set up such committees on trial basis.

3. Standing Committees comprising Divisional Officers were consequently set up on experimental basis on a few Divisions. Reports received from Southern, North Eastern and Eastern Railways indicate that no new grounds have been broken in dealing with complaints of rail users.

4. In this context, it may be pointed out that there are duly constituted Consultative Committees on each Division to deal with the problems of rail users within the framework of rules and general policy. Besides, the Station Consultative Committees which are in existence at important stations, look after the problems of specific stations. There are also Zonal Committees at the Headquarters of each Railway where such matters are discussed by the representatives of various interests with the General Managers. Further, the Divisional Officers have formal/informal meetings with Chambers of Commerce, Passenger Associations and Industrial Associations at regular intervals. During the course of their inspections, the Divisional Officers also listen to the complaints of rail users and take remedial action, where necessary. These arrangements are considered to be adequate.

5. From the above, it would be seen that in many a case the work of the Standing Committees set up on experimental basis overlap the work of the existing Committees. Having regard to and these considerations a decision was taken with the approval of the Minister for Railways to give up the experiment.

[Ministry of Railways (Rly. Board) O.M. No. 79-B(Rcc.)-4231, dt. 20.10.1981]

Further information called for by the Committee

Please furnish for the information and use of the Members of the Railway Convention Committee copies of final Reports of the Zonal Railways regarding the standing Committees of Divisional Officers set up for

the redressal of public grievances together with the details in regard to the Divisions where the experiments were performed, the dates of the meetings, the places at which the meetings were held etc. and also the minutes of the meetings of the Standing Committees, if drawn up.

[LSS O.M. No. 21/2/1/RCC-77, dated the 21st January, 1981]

Reply of the Government

As already stated in this Ministry's previous replies to paras 1.49 and 1.50 (Recommendation No. 9) of the Fourth Report of the Railway Convention Committee, 1977, Standing Committees comprising of Divisional Officers were set up on an experimental basis on a few Divisions. Accordingly, 25 copies each of the Minutes* of the meetings held in Jhansi Division (Central Railway), Bilaspur Division (S.E. Railway); Bhubli Division (South Central Railway); and Palghat Division (Southern Railway) are enclosed for information of the Railway Convention Committee. The dates of the meetings as also the places at which these meetings were held are also indicated.

[Ministry of Railways (Rly. Board) O.M. No. 79-B(RCC)-4231,
dated 1-4-1981]

Comments of the Committee

[Please see paras 22 and 23 of Chapter I for Comments]

Recommendation (Sl. No. 9, paras Nos. 1.51 and 1.52)

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.

Reply of the Government

In this connection the Ministry of Railways would submit that even under the existing procedure, the effectiveness with which officers deal with

*Copies of the Minutes furnished by the Ministry of Railways have not been printed with this Report.

grievances of rail users is reflected in the confidential reports. In the case of Divisional Officers, the report is initiated by their Divisional Superintendent. With the setting up of standing committees as envisaged in paragraphs 1.49 and 1.50 of their fourth report, by Railway Convention Committee 1977, attention on this aspect in assessing the performance of officers would be focussed.

[Ministry of Railways (Rly. Board) O.M. No. 79-B(RCC)-4231,
date 9-8-1979]

Recommendation (S. Nos. 15, 16, 17, 20, 22, 24 and 25 Para Nos. 3.41, 3.42, 3.43, 3.44, 3.45, 3.48, 3.50, 3.52, 3.53 and 3.58.)

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 657 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 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.

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.

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.

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 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 5 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 Plan 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 a more than justified increase in the strength of staff and officers in the name of developmental activities.

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:

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 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.

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.

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 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 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 recommendation as they are keen that the structure of the Railway Board and its staffing pattern should be rationalised without any further loss of time.

Reply of the Government

The recommendations have been carefully considered by the Railway Ministry and it is proposed to set up a Committee consisting of Economic Adviser as Convenor, Director, Efficiency Bureau and Director, Statistics and Economics, Railway Board to study the problem in detail taking the year 1951-52 as the base year. The Committee would examine the new activities started in the Railway Board after 1951-52 as well as increase in workload since then and assess the requirements of staff and officers at various levels correlating these with the recognised norms and yardsticks.

It may be mentioned that the Economic Adviser who is heading the Economic Unit of the Railway Board works directly under the charge of the Financial Commissioner, is a non-railwayman and is an economist of long experience. As such, he can be in a position to take an objective view in this matter.

This Committee is expected to submit its report within a period of 3 months. On receipt of their report, the need for undertaking a further review of the strength of officers and staff of the Railway Board by an outside organisation, independent of the Railway Board, including non-officials who are management experts, would be examined by this Ministry.

[Ministry of Railway (Rly. Board) O.M. No. 79-B (RCC)—4231,
dt. 9-8-1979]

Further information called for by the Committee

Please state the progress made in constituting the proposed departmental committee; if constituted, its composition and terms of reference. Please also indicate when its report is likely to be available.

[Lok Sabha Sectt. O.M. No. 21/2/77/(RCC), dt. 2-8-79]

Reply of the Government

A departmental Committee consisting of the Economic Adviser, Railway Board, as the Convener and the Director, Efficiency Bureau and the Director, Statistics and Economics, Railway Board, as its members, has been constituted to study in detail and review the strength of officers and staff of Railway Board taking the year 1951-52 as the base year. The Committee would examine the new activities started in the Railway Board after 1951-52 as well as increase in workload since then and assess the requirements of staff and officer at various levels correlating these with the recognised norms and yardsticks.

The Committee has already started functioning and is likely to submit its report within a period of 3 months. As soon as the report becomes available the Lok Sabha Secretariat will be apprised of the same.

[Ministry of Railway (Rly. Board) O.M. No. 79-B (RCC)—4231,
dt. 29-4-1980]

Further information called for by the Committee

Please state if the Departmental Committee has since submitted its report. If so, 3 copies of the Report together within a statement showing the action taken in pursuance thereof may kindly be furnished.

Lok Sabha Sectt. O.M. No. 21/2/1/77-RCC, dt. 23-1-1980]

Reply of the Government

The Departmental Committee has completed a major portion of their work and the Report is expected to be submitted shortly.

[Ministry of Railways (Rly. Board) O.M.
No. 79-B(RCC)-4231, dt. 29-4-1980]

Further information called for by the Committee

Please state:

- (i) When was the Departmental Committee constituted and what were their terms of reference;
- (ii) By what date the Committee was expected to submit their report;
- (iii) Has the report of the Committee since been received and if so, when was it received and what action has been taken on the recommendations contained therein.

[Lok Sabha Sectt. O.M. No. 21/2/1/77-RCC,
dated 21-7-1980]

Reply of the Government

- (i) A Departmental Committee was constituted on 23-6-1979 to study in detail and review the strength of officers and staff of Railway Board taking the year 1951-52 as the base year.
- (ii) The Committee was expected to submit its report within a period of 3 months.
- (iii) The Committee has submitted its report in May, 1980. The recommendations/observations made by the Committee are being examined.

[Ministry of Railways (Rly. Board) O.M.
No. 79-B (RCC—4231, dated 8-8-1980)]

Further information called for by the Committee

Please furnish a copy of the Report of the Departmental Committee on staffing in the Railway Board submitted in May, 1980 together with a memorandum indicating the decisions of the Ministry of Railways on the recommendations contained therein and in case no decision has been taken so far, the memorandum may indicate the latest position in this regard.

[L.S.S. O.M. No. 21/2/1/RCC-77, dated 6-1-1981]

Reply of the Government

A Departmental Committee was constituted on 23-6-1979 to study in detail and review the strength of officers and staff of Railway Board taking

the year 1951-52 as the base year. The Committee submitted its report in May, 1980 and its recommendations and observations are being examined.

[Ministry of Railways (Rly. Board) O.M. No. 79-B/RCC-4231,
dated 14-1-1981]

Further Reply of the Government

3 copies of the Report of the Committee on the strength of Officers and staff of the Railway Board are furnished for the use of the Chairman, Railway Convention Committee. This Report is a confidential document.*

[Ministry of Railways (Rly. Board) O.M. No. 79-B/RCC-4231,
dated 20-1-1981]

Further information called for by the Committee

Please furnish copies of the Memorandum showing the decisions taken by the Government on the recommendations contained in the Report of the Departmental Committee on the strength of Officers and staff in the Railway Board.

L.S.S. O.M. No. 21/2/1/RCC-77, dated 1-4-1981]

Reply of the Government

25 copies of the Memorandum indicating the decisions taken by the Government on the recommendations contained in the Report of the Departmental Committee on the strength of Officers and Staff of the Railway Board are sent herewith. (A copy of the Memorandum is given at Appendix II).

[Ministry of Railways (Rly. Board) O.M. No. 79-B (RCC)-4231,
dated the 7-4-1981)]

Comments of the Committee

(Please see paras 31—36 of Chapter I for comments).

Recommendation (S. No. 19 Para No. 3.47.)

As regards the third argument namely, introduction of the 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

*The Report of the Departmental Committee on the strength of officers and Staff of the Railway Board, as supplied by the Ministry of Railway, was gone through by the Chairman, Railway Convention Committee and he found nothing confidential in the Report which could be withheld from the Members of the Railway Convention Committee. He therefore directed that the Railway Board should be asked to supply sufficient number of copies of the said Report for circulation to the Members of the Convention Committee. The Ministry supplied copies of the Report on the 27th January, 1981 which were circulated to Members of the Committee on 28-1-1981.

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. 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.

Reply of the Government

The directions in which the introduction of modern management techniques have progressed on the Railways have already been explained to the Committee. Substantial headway has been made when compared to the position obtaining even a decade or two back. Some of the important modern techniques which are being used by the Railways include work study, operational research, management feed-back devices such as statistics, teleprinters, calculators computers, incentive schemes in workshops and sheds, ABC concept of inventory control, application of "Economic Order Quantity" in purchases, cost reduction through value analysis, control through variety reduction, etc., etc. Railways are also continuously carrying out large scale training in related sciences, of officers and staff in reputed management institutions, including the Railway Staff College. It is only by employment of these techniques that it has been possible to handle the phenomenal increase in traffic which has taken place since the commencement of the era of planned development.

For introduction of computers in key management areas, like wagon control passenger seat reservation and financial systems, a Railway Study Team is currently in U.S.A. to study computer systems to replace the existing second generation computers with third/fourth generation computers. The work of this Study team will undoubtedly, further accelerate the pace of introduction of modern techniques, within the constraints of available sources.

[Ministry of Railways (Rly. Board) O.M. No. 79-B(RCC)-4231,
dated 9-8-1979]

Further information called for by the Committee

Please state the date of presentation of the Report of the Railway Study Team sent to the U.S.A. to study computer system and also furnish a memorandum indicating the decisions of the Ministry of Railways on the recommendations contained in the report. In case no decision has been taken so far, the memorandum may indicate the latest position in this regard.

[L.S.S. O.M. No. 21/2/1/RCC/77, dt. 6-1-1981]

Reply

The Report of the Study Team which visited U.K., U.S.A. and Canada was presented to the Railway Board on 7-8-1979. A Memorandum showing the present position in the matter is also enclosed. (Appendix III).

[Ministry of Railway (Rly. Board) O.M. No. 79-B(RCC)-4231, dt. 20-1-1981]

Comments of the Committee

Please see paras 39-40 of Chapter I.

Recommendation (S. No. 21, Para No. 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 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.

Reply of the Government

The Railway Board has been constituted under a Resolution of Government of India dated 18-02-1905 and given statutory powers under the

Railway Board Act, 1905, read in conjunction with the Indian Railways Act, 1890. The present set-up has been evolved through the years into a management-cum-technical organisation. The Railway Board has to perform certain statutory functions under the Indian Railway Act, 1890 and ensure that the statutory provisions are carried out by the Railways.

2. The Ministry of Railways (Railway Board) perform dual functions—one as a Ministry and, another, as an apex professional body controlling, coordinating and running of the Railways from the technical and administrative aspects. As a Ministry, the Railway Board assists the Railway Minister in the discharge of his responsibilities, ensures inter-ministerial coordination, undertakes liaison with the Planning Commission, Union Public Service Commission, the Central Vigilance Commission etc. The Railway Board formulates policies and programmes for planned Development of Railways within the overall framework of the various Five Year Plans. As a Ministry, it also appears and gives evidence before various Parliamentary Committees, e.g. Public Accounts Committee, Estimates Committee, Railway Convention Committee. All business in the Railway Ministry, and as such in the Railway Board is disposed of by or under the direction of the Minister for Railways who is assisted by a Minister of State.

3. As the Chief Executive Authority, the Railway Board keeps a watch on the implementation of its policies and programmes by the zonal Railways and its Production Units etc. It prepares the Budget for receipts and expenditure for the Railways as a whole, makes purchases of certain important items of stores and equipment centrally, maintains a watch on the operational performance of the individual zonal Railways, formulates a rationalised pattern of production in the various Production Units, prescribes uniform conditions of service for the staff in consultation with the Ministries of Home Affairs and Finance and lays down policies towards establishing harmonious industrial relations, exercises budgetary and financial control over the zonal Railways and Production Units and allocates resources according to the priorities by the Board. Further, expenditure by each unit has also to be controlled within the individual budget allotment and the matter has to be centrally coordinated and the Parliament approached for additional funds from time to time. These require a high level set up which is not necessary in a private firm organised on the pattern of a Board of Directors. It would not therefore be possible to reorganise the existing organisational set up as suggested by the Committee.

[Ministry of Railway (Rly. Board) O.M. No. 79-B (RCC)—4231,
dt. 9-8-1979]

Comments of the Committee

Please see para 45 of Chapter I for Comments.

NEW DELHI;

April 24, 1981

Vaisakha 4, 1903 (Saka)

D. L. BAITHA,

Chairman,

Railway Convention Committee

APPENDICES

APPENDIX I

(Vide Recommendation at Sl. No. 3, Chapter IV)

Comparative statement showing powers in respect of few important items as delegated on the Railways *vis-à-vis* other departments.

(Ref : Rec. No. 3)

Item	Powers of Government Departments	Powers in C.P.W.D. Powers of D.G.S.&D.	Powers of G.Ms. Zonal Railways
1	2	3	4
5			

1. Expenditure on Schemes of Projects.

A Department of Central Government may sanctioned expenditure on any scheme or project, the total outlay on which does not exceed Rs. 50 lakhs if the scheme has been approved by the Finance Ministry. (This limit is upto Rs. 1 crore where the system of integrated finance exists). Provided that where a project as a whole has been sanctioned after scrutiny and acceptance by the Finance Ministry, further concurrence of the Finance Ministry shall not be required for sanctioning expenditure on the various constituent schemes included in the project even if the magnitude of the expenditure involved in any such constituent scheme exceeds Rs. 50 lakhs.

Director Works has full power for according sanction to detailed estimates.

.....

General Managers can sanction abstract estimates upto Rs. 1 crore after the scheme is included in the Budget.

2. Excess expenditure over original estimates.

Approval of Finance Ministry is not required to sanction excess expenditure over the original estimates of sanctioned schemes upto 15% or Rs. 1 crore whichever is less unless the scheme or project has been substantially altered.

Provided also that in relation to public works, the power conferred by this rule shall be subject to the provisions of Central Public Works Department Code, the Central Public Works Account Code, the relevant Department Code issued after consultation with the Finance Ministry or any general or special order of the President in this behalf.

All Engineers of CPWD are empowered to sanction excess upto 10% on all works subject to the condition that the amount of excess should not be in excess of the amount upto which an officer is empowered to accord sanction to the original estimate.

For works less than Rs. 1 crore, GMs can sanction excess upto 25% over the original estimated cost and for works over Rs. 1 crore, he can sanction upto 15% over the original estimated cost. Some powers to sanction excess over the First and subsequent revised estimates have also been given.

3. Indents contracts and purchases.

A Department of Central Government has full powers to sanction expenditure for purchases and for execution of contracts provided that previous consent of the Finance Ministry is obtained in the following cases:

- (a) any purchase or contract the value of which exceeds rupees fifty lakhs; if a contract extends over a period of time, the total value over the entire period of its currency shall be taken over as the value for the purpose of applying the limit;

Director General Works has powers to accept lowest tenders upto Rs. 40 lakhs without prior approval of CWA Board.

He has full powers with prior approval of C.W.A. Board. For single tender, the power of Director General is limited to Rs. 25 lakhs without the prior approval of CWA Board, but with the approval of CWA

He has powers of purchases upto Rs. 1 crore but in cases of (a) Purchase of proprietary articles by single tender.

General Managers can accept tenders pertaining to works or purchase of stores (open, limited or single) upto Rs. 1 crore.

(b) any negotiated or single tender contract exceeding Rs. 20 lakhs in value; a limited or open tender which results in only one effective offer shall be treated as a single tender contracts for this purpose ;

(c) Any indent for stores of a proprietary nature, the value of which exceeds Rs. 10 lakhs ;

(d) Any agreement or contract for technical collaboration or consultancy services with firms or foreign Governments ; and

(e) Any purchase which has normally to be affected through the Central Purchasing Organisation, but which is proposed to be made direct on grounds of emergency, if the value exceeds Rs. 10 lakhs. Provided further that in the case of the Department of Supply the monetary limits under clause (a) shall be Rs. 2 crores and the monetary limits under clauses (b) and (c) shall be Rs. 1 crore for purchases by the Central Purchasing Organisation in India or abroad.

4. Sale of Public buildings.

The Departments of Central Government have powers to sanction sale or dismantlement of public buildings, the book value of which does not exceed Rs. 1 lakh. If the book value exceeds Rs. 1 lakh prior sanction of the Finance Ministry will be necessary.

D.G. Works has powers upto Rs. 1 lakh.

General Manager's powers are upto Rs. 3 lakhs.

NOTE : "Department of the Central Government" means a Ministry or a Department of the Central Government as notified from time to time and includes. The Planning Commission, the Department of Parliamentary Affairs, the President's Secretariat, the Vice-President's Secretariat, the Cabinet Secretariat and The Prime Minister's Office.

APPENDIX II

(Vide Recommendation at Sl. No. 25, Chapter IV)

Memorandum on action taken on the recommendations of the Departmental Committee on the strength of officers and staff of the Railway Board.

The Railway Convention Committee, 1977, in paras 3.53 to 3.58 on pages 119-120 of their Report on "Delegation of Powers to General Managers, Organisation of Zonal Railways and Organisation of Board's Office" had recommended *inter-alia* as under:

"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 in 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."

2. This recommendation of the RCC was carefully considered by the Ministry of Railways and in the first phase it was decided to constitute a Committee with the Economic Adviser of the Railway Board as Convenor and Director Efficiency Bureau and Director, Statistics and Economics as Members to study the problem in detail and review the strength of Officers and staff of the Railway Board taking 1951-52 as the base year.

3. That Committee which submitted its report in May 1980 had made in all, 76 observations/recommendations of which, 33 were observations and 43 recommendations. So far as the 33 observations

are concerned, no action was called for. As regards 43 recommendations action has already been initiated in respect of all of them. Whereas, decision has since been taken in respect of 22 recommendations, the balance 21 are at various stages of consideration.

4. The details of 22 recommendations decisions on which have already been taken, are furnished in the Statement attached. This Ministry's comments in respect of each of them have also been indicated briefly against each. From the position indicated in the statement, it will be observed that of the 22 recommendations decisions on which has already been taken, 6 recommendations *vide* S. Nos. 2, 3, 15, 16, 17 and 19 of the Statement have already been accepted in principle, and action, as considered necessary, will be initiated for their implementation.

5. Of the remaining 16 recommendations, 6 recommendations *vide* S. Nos. 1, 4, 18, 20, 21 & 22 have not been accepted for the reasons indicated against each.

6. So far as the remaining 10 recommendations *vide* S. Nos. 5 to 14 of the Statement are concerned, these pertain to the Directorates of Railway, Planning, Statistics and Economics, Efficiency Bureau, Economic Advisers' Unit and Operational Research Cell. The observations of the Committee in their Report imply that there is some element of duplication or overlapping in the functions of these Directorates. When these Directorates were created, they were assigned well-defined functions, but over a period of years, more and more functions were added to their duty-lists. Therefore, with the expansion of the activities of these Directorates, some element of overlapping in the functions of each of these Directorates appear to have developed. In view of the mutual interaction inevitably involved in the functioning of the various Directorates, some apparent overlapping is unavoidable. However, it is a moot point whether there is an avoidable overlapping or duplication in work. Obviously, this needed a Study in depth so that the work of these Directorates could be rationalised to a greater extent. In view, however, of the limited time available to it, as also in view of the scope of its terms of reference, the Committee, which was set up in the first phase as mentioned in para 2 above; could not undertake this Study in depth. Having due regard to the recommendations of the Committee as well as the nature of the functions assigned to these Directorates, this Ministry has decided, after a detailed examination, that such a study be best entrusted to an outside agency to make objective recommendations in this regard. Accordingly, it has been decided as a second phase in the implementation of the B.C.C.'s
317LS-7.

recommendation to entrust the study to the Indian Institute of Public Administration who have already been addressed in the matter.

7. As regards the remaining 21 recommendations decision on which is pending, necessary follow up action is being taken to finalise them as early as possible.

STATEMENT SHOWING THE DETAILS OF THE RECOMMENDATIONS CONTAINED IN THE REPORT OF THE DIRECTORS' COMMITTEE WHICH REVIEWED THE STRENGTH OF OFFICERS AND STAFF IN BOARD'S OFFICE AND THE DECISION TAKEN THEREON.

(PART—1)

S. No.	Details of the recommendations	Decision taken
1	<p>It is seen that there is an element of overlapping in the functions of the different officers in the Civil Engineering Directorate and that a lot of time is spent on procurement of track materials particularly sleepers. The Committee recommend that all the procurement work should be entrusted to the Stores Directorate. The Committee have also suggested reorganisation of the Directorate (ref. Chapter II, para 13, p. 26) which would result in economy of two posts of Additional Directors and one post of Joint Director.</p>	<p>The various Officers in the Civil Engg. Dte. have been assigned well defined responsibilities and this Ministry do not feel that there is any overlapping in their functions.</p> <p>The subjects dealt with by the addl. Directors and Jt. Directors in the Civil Engg. Dte. are technical in nature, and as such, they cannot be transferred to the Stores Directorate. For the timely procurement of permanent way items, it is neither possible nor desirable to transfer the work of procurement of these items to the Stores Directorate.</p>
2	<p>The Committee observe that the Works Directorate has actually registered a fall in the strength of Officers and staff. The present strength seems adequate for handling the work assigned to this Directorate. It was also observed that the Staff Inspection Unit had carried out studies of some sections of the Civil Engineering Dte. and suggested some cuts; but these recommendations do not appear to have been implemented fully. The Committee would like to stress the need to carry out the adjustments in staff strength suggested by the SIU.</p>	<p>Accepted and already implemented.</p>
3	<p>While the primary function of the Traffic Transportation Directorate is to lay down targets and monitor their achievement for freight movement, monitoring and control of movement of certain important commodities on a day-to-day basis was taken up when shortages developed in these commodities. The latter function has now become a major activity of the Directorate. The Committee are of the view</p>	<p>Accepted in Principle.</p> <p>The scope for day-to-day monitoring of these commodities is already being reviewed periodically and only the essentials are being monitored.</p>

that the day-to-day monitoring of these commodities should be discontinued as soon as the shortages ease. Further, the transmission of data which forms an important component of the monitoring activity should be based more and more on EDP system, reducing dependence on manual communication to the minimum.

4 Barring the period of shortages which are not likely to end in the near future, the freight movement work at the Board's level should be confined to breaking up the total Railway freight targets into zonal level targets, and where necessary lay down quarterly, targets for different commodities. Having done this, that Traffic Transportation Directorate should keep itself confined to watching the achievement of these targets through the Periodical Confidential Demerit Official letters from the Zonal Railways.

5 It has been observed that there is duplication of work not only among officers of the Planning Branch but also in the Planning Branch and other Cells of the Planning Directorate. For instance, work connected with refineries and POL movement is being dealt with by Joint Director, Railway Planning (I), Joint Director, Railway Planning (II) and also the Traffic Transportation Directorate. The Committee feel that planning of movement of POL and coal should not be handled in the Planning Directorate, as movement of all commodities including specific arrangements for important commodities are dealt with in the Traffic Transportation Directorate.

6 The Transportation Planning Cell which was initially set up to make in-depth studies for rail movement of special commodities is now taking over more and more of the work which form part of the normal assignment of the officers of the Planning Branch. Transport Planning for major commodities consist of (a) forecasting total transport demand, (b) working out the rail share and (c) to provide adequate rail infrastructure for the same. The former two items form

As regards more and more use of EDP system, this will be possible only when the existing facilities in computerisation progresses in this Ministry.

4 Since the Ministry of Railways functions both as an apex executive body as also a part of the Government, watching of day-to-day operations as also inter-Ministerial liaison has to be maintained by this Directorate.

Further, if ministries have to consider genuine demands from the mercantile community or travelling public which process is inherent in the Democratic System, the T.T. Directorate cannot keep itself in a shell and not respond to the dictates of the situation.

5. As recommended in the Report of the Committee, there seems to be *prima facie* some duplication/overlapping of functions between the Directorates of Planning, Statistics & Economics, Efficiency Bureau, Economic Advisers Unit and Operational Research Cell. It has, therefore, been decided that an outside agency should review the working of these Directorates and suggest measures for streamlining their functions. This assignment is proposed to be entrusted to the Indian Institute of Public Administration who have been addressed in this regard.

Do.

part of the work of the Economic Unit and the last one is the legitimate field of the Planning Branch. The Committee, therefore, do not see any justification for a separate Transportation Planning Cell.

Do.

7 After having prepared and submitted the 15-year Corporate Plan, there does not seem to be any need for continuing an elaborate set up such as exists in the Corporate Planning Cell, particularly when there are adequate organisation in the different Railways for current and corporate plan. The Planning Branch should as a part of their normal work scrutinise and monitor the annual and Five Year Plans within the general framework of the Corporate Plan. It is also felt that officers who are dealing with Annual and Five Year Plans may be better equipped to formulate and revise corporate plans for longer periods.

Do.

8 As far as planning in the Railways is concerned, it is felt that the Board should have a well-coordinated and an integrated set up so that the assignments in regard to the current planning, corporate planning etc. are performed in an efficient manner and duplication and unnecessary work is avoided. In view of this, the Planning Directorate may be reorganised and, while doing so, it may be seen that all the important disciplines of rail transport are represented as this will be necessary to fulfil the objectives which are set for this Directorate. The Committee found that at present there are a large number of officers at the senior level from the traffic discipline only. This situation needs to be remedied.

Do.

9 As a result of this reorganisation it will be possible to economise to some extent on the strength of officers and staff in the Planning Directorate. The reorganisation of the Directorate and the requirement of personnel may be looked into by the Efficiency Bureau.

10 The total staff strength in the Directorate of Statistics and Economic increased from 42 in 1952 to 104 in 1979, though it went up to

124 in 1976. The increase has been sought to be justified on account of the increased number of items for which Statistical data are being presented and the additional activity of Traffic Costing. The Committee recommend that work study of this Directorate should be conducted by the SIU to determine whether the strength of officers and staff is commensurate with the workload.

11 The Committee feel that it is necessary to make much better use of the Computer Cell, especially in monitoring essential goods movements and computerising pay roll preparation in the Board's Office.

12 The Efficiency Bureau started with a strength of 11 and was initially thought of as a temporary unit. Now it has a strength of 48 and with the widening of the scope of its activities it has assumed an almost permanent character. It has also taken over the work of financial Review and of the Staff Inspection Unit. The Committee feel that a work study will have to be carried out to determine whether the workload is enough to justify representation of each of the departments in the Bureau and the Operations Research Cell have a complementary role and should therefore merge. The Committee also felt that the Bureau and the Operations Research Cell have a complementary role and should therefore merge. The Committee would also like the Bureau to be selective in the choice of problems it undertakes for study, taking up only such problems which have a direct bearing on the efficiency of performance of the Railway system without frittering away valuable resources on studying problems which are being tackled by various research organisations.

13 The OR Cell headed by a Joint Director has a total strength of 10 but only one senior scale officer is professionally qualified in the OR techniques. The Committee is of the view that there is not enough justification for retaining this as a separate Cell. It should be merged with the Efficiency Bureau and the group should consist, as far as possible, of professionally trained personnel. Eventually, further economies can be achieved by ensuring that the different technical personnel appointed in the Bureau have also undergone training courses in OR techniques.

Do.

Do.

Do.

Do.

14 The Economic Unit when initially set up in 1966 had a strength of 9, which later went to 19. The IDA had envisaged a role of increasing importance for the Economic Unit, to make it a supervising unit in line with other Directorates and to associate it closely with the corporate planning work. The Committee find that the Unit has not yet taken over this role and feel that it would be in the overall economic interests to develop the Unit along the lines suggested by the IDA mission. It is also seen that the traffic forecasting work to be done by the Unit is being duplicated in the Transportation Planning Branch and the project appraisal work in the Finance Expenditure Branch. Further, the project appraisal reports once they are examined by the Economic Unit need not be reviewed again in the Finance Directorate. The necessary reallocation of personnel and work between Finance, Planning and Economic Directorates would result in streamlining the work of investment planning in the Railways.

15 It is observed that 70 persons distributed between Secretary's Cash Branches and the Pay & Accounts Branch under Director Accounts are working for preparation of bill and payment of salaries to officers and staff in the Railway Board. The Committee feel that computerisation of these operations should be attempted as is being done in the Zonal Railways.

16 In the matter of purchase of stores, the Committee feel that more and more powers should vest with the General Managers. The Committee would also like to suggest that the delegation may be done not in terms of absolute value but in terms of items of work/stores in view of the high rate of inflation. Or alternatively an escalation clause may be built into the financial limit. The Committee would, however, like to stress that it would be desirable to identify smaller items for which limits in physical terms rather than in value terms may be laid down.

15. Accepted in principle. This will, however, be implemented at the appropriate time when a new computer is installed in Railway Ministry.

16. Accepted in principle. Delegation of powers to General Managers and other field organisations is a continuous process. However, the question of delegation of more powers to the General Managers on the Indian Railways, has already been entrusted to a Study Team of the Indian Institute of Public Administration. The Study Team has since submitted an Interim Report but the final Report is expected in the near future on receipt of which further necessary action will be taken.

- 17 The Committee feel that, as a general rule, work study should be conducted for each of these Directorates to determine whether the strength is commensurate with the volume of work. The specific comments about a few Directorates are as follows :—
17. Accepted in principle. The Staff Inspection Unit of this Ministry is already doing Work Measurement Study of various Directorates in this Ministry on a programmed basis.
- 18 The present means of translation as a method of propagating Hindi has not been found effective enough. It is recommended that an addition to translation, Secretariat help of Hindi knowing Assistants/Stenots, should be made available for Officers wanting to do their work directly in Hindi.
18. Earmarking of translators to different Sections or Offices does not appear to be a workable proposition. Further, the Central Organisation in the Railway Board has proved effective in this work and it is catering to the needs of all the Directorates efficiently.
- 19 As soon as the work of translation of Manual Codes etc., which is not of a recurring nature, is completed, there should be corresponding reduction in the staff strength.
19. Accepted in principle. Additional staff will be reduced on completion of translation work of manuals, codes etc.
- 20 There are a number of activities in the Security Directorate e.g. inspection of arms, enquiring into fraudulent diversion of wagons, etc. which fall within the purview of the Zonal Railway, and need not, therefore, be carried on in the Board's Office.
20. It has been decided to undertake a detailed Study about the functions of the Security Directorate by the Staff Inspection Unit of this Ministry to see how far the recommendation of the Committee could be implemented.
- 21 The Special Squad of about 20 in the Vigilance Directorate deals with the problem of reservation and booking on the Railways. The Committee feel that this work need not be done in the Board's Office and can be better tackled at the Zonal level.
21. This is an area of great sensitivity. With Railway Commercial work in Passenger and Goods booking all the time on an increase the need for the Railway's independent, special squad checks will increase and not be lessened.
- As the Special Squad has been doing useful work, its retention is considered essential. However, its efforts will be directed towards intensification of surprise checks all over the Railway net-work.

22 There are a large number of officers in the Vigilance Directorate dealing with complaints against Railways Officers of the different Departments. The Committee feel that the problem of crime can not be tackled merely by increasing the strength in the Boards office. A more thorough investigation into the root causes which lead to this situation has to be carried out before the problem can be solved.

22

This Ministry do not entirely agree with the view that the complaints on the Railways may be due to there being less number of staff or Officers in various Departments to deal with the problem and that the solution may lie in increasing the strength of Officers in the concerned Departments. The complaints on the Railways having Vigilance angle arise not only because there are less people to deal with the problem, but also due to the traits of character of the people dealing with the problem and also in some cases, due to superficial and inadequate inspection by departmental officers. The Vigilance Directorate mainly deal with the investigations against the officers and has been doing very useful work.

APPENDIX III

Vide recommendation at Sl. No. 19, Chapter IV

MEMORANDUM

Sub. Introduction of computerised Freight Operating System and Passenger Reservation System on the Indian Railways.

The present position in regard to introduction of computerised Freight Operating System and Passenger Reservation Systems on the Indian Railways is briefly narrated below:—

Report of the Study Team

The Report of the Study Team which visited U.K., U.S.A. and Canada was presented to the Railway Board on 7-8-1979. The Report was considered by the Railway Board in the 23rd Board meeting held on 22-9-1979. While it was agreed in principle that the Indian Railways should computerise Freight Operation Control and Passenger Reservation Systems to handle the growing traffic, it was decided that the objectives to be achieved by computerisation, which should meet operational needs rather than customer service only, should be examined by a Steering Committee and submit its recommendations.

Steering Committee

Accordingly, a Steering Committee was constituted, which after having a detailed examination of the proposals, submitted its Report in May, 1980. A summary of the recommendations of the Steering Committee is enclosed. The recommendations made by the Steering Committee were accepted by the Railway Board in the 11th Board meeting held on 13-6-1980.

Clearance of Department of Electronics

The Report of the Study Team and the recommendations of the Steering Committee were sent to the Department of Electronics for their consideration and to decide further course of action to be adopted for introducing computerised Freight Operation Control and Passenger Reservation Systems on the Indian Railways. In the meanwhile, the Secretary, Department of Atomic Energy, made a suggestion to examine the feasibility of developing such real-time control systems by mobilising the indigenous resources and expertise available within the country. In this connection, a meeting was

held on 20-11-1980 between the Chairman, Railway Board, the Secretary, Department of Electronics and the Secretary, Department of Atomic Energy, wherein it was broadly agreed to adopt the following course of action:—

- (a) A Working Group of Railway Officers would be set up to study the systems engineering aspects such as installation of computers, inter-connection with appropriate communication links, developing necessary hardware and software for integrated computer networks, as also the implementation aspects, such as the duration of the programme of computerisation, the resources requirements and the phasing and priorities. These studies will enable a clear-cut micro level plan being drawn up and to identify the various areas where assistance may be required from different local and foreign agencies.
- (b) Outside experts, some of whom could be from the Department of Electronics, Electronic Corporation of India (ECIL) and the Computer Maintenance Corpn. (CMC), would be associated with the Working Group of the Railway Officers in carrying out the study.
- (c) Some aspects of computerising the operations functions could be taken up for a detailed study with the help of certain computer facilities which the ECIL may make available at Hyderabad.
- (d) For the present, efforts may be directed towards the study of computerising the assets maintenance in sheds, Carriage & Wagon Depots, etc. and
- (e) Computerisation of passenger reservation needs to be studied in more detail.

Working Group

Appointment of a suitable Working Group on the above lines is presently under process.

Report of the Steering Committee on computerisation of Freight Operations Control and Passenger Reservations.

Summary of Recommendations

S. No.	Recommendation
1.	The Committee consider it imperative that computerised system of Operations Control and Passenger Reservation are established in the Indian Railways at the earliest.

S. No.	Recommendation
2.	A project-oriented approach is necessary to embark upon the schemes for computerisation of Operations Control and Passenger Reservations.
3.	Two Schemes—Computerisation & Communication—should be processed in a closely coordinated manner so as to optimise investment and provide adequate built-in reserve and flexibility for consequent changes and expansions.
4.	It is desirable to have integrated information systems, using common data bases.
5.	While the computer system is being satisfactorily established, the need for continuing investments on rolling stock traffic facilities etc. will be inescapable and the planned investment should not, therefore, be reduced.
6.	Full benefits of computerisation in the area of Freight Operations Control cannot be realised unless (a) the entire Indian Railways network is fully covered and (b) sufficient time has elapsed for the system to settle down and become fully operational.
7.	It is necessary that a master plan for a global integrated system, embracing the different functions to be computerised, should be drawn up with a suggested phased implementation.
8.	It is necessary to have an Integrated Passenger Reservation System covering the entire Indian Railways network.
9.	In regard to the development of the computerised scheme for Freight Operations Control, the only feasible course would be to make use of one of the developed systems modified to suit local requirements.
10.	A small team of officers should be appointed immediately to make an in-depth study of the different computerised systems in use for Freight Operations Control on different Railways.
11.	The Department of Electronics may be associated with this study from the beginning.

S. No.	Recommendation
12.	After a decision is taken on the type of the system to be introduced on the Indian Railways, a Project Formulation Group should be set up to draw up the detailed project report for both Freight Operations Control and Passenger Reservation Systems.
13.	The need for the Indian Railways to own and maintain an independent telecommunication network becomes imperative with the introduction of computerisation.
14.	Procurement of new computers in replacement of 1401s should be undertaken independently of the requirements of computers for Freight Operations Control and Passenger Reservations.
15.	Urgent steps should be taken to set up Systems Development Groups in the various functional areas identified in the Task Force Report.

APPENDIX IV

[*Vide* Para 6 of Introduction]

Analysis of the action taken by Government on the recommendations contained in the Fourth Report of the Railway Convention Committee, 1977.

I	Total number of recommendations	25
II	Recommendations which have been accepted by Government (<i>vide</i> recommendations at Sl. Nos. 1, 2, 10—14, 18 and 23)	
	Number	9
	Percentage to total	36%
III	Recommendations in respect of which replies of Government have not been accepted by the Committee (<i>vide</i> recommendations at S. Nos. 3—9, 15—17, 19—22, 24 and 25)	
	Number	16
	Percentage to total	64%