

# MINUTES

[www.airfindia.com](http://www.airfindia.com)

*of*

**The Forty Fifth(45<sup>th</sup>) Meeting of  
the Participation of Railway  
Employees in Management(PREM)  
Group at Apex Level  
held on 11.11.2011**

Adviser(IR) welcomed CRB, Members of the Board, representatives of the Federations and other officers of the Board to the third PREM meeting of the current year. He requested Chairman, Railway Board to address the gathering.

## 2. CRB

CRB while welcoming all those present in the 45<sup>th</sup> PREM Group meeting mentioned that he is having his first meeting of PREM Group at the Board level and it would be his endeavour to ensure that PREM Group meetings are held as per schedule.

2.2. Coming to the Railway's financial health, it was mentioned that Railways is having a financial crunch and though our income compared to previous year is 10.5% more, we are falling short of our budgetary targets by 2.5%. Deep concern was expressed at steep increase in working expenses and stated that a check needs to be put on the existing system of expenditure.

2.3. Participants were apprised that Railway suffered a setback on freight loading during first half of 2011-12 and is lagging behind the target of 993 million tonnes for the year. He informed that during last 2-3 months, there was virtually no coal, fertilizer, cement and iron ore traffic. Coming to passenger traffic, he stated that the same had increased by 6% during first half of the year compared to the last year. He summed up by stating that we must tighten our belts to see how to get across the current financial year and plan for the next financial year.

2.4. Coming to Safety scenario, concern was expressed at accidents at the level crossings. He stated that there was a heavy pressure on level crossings because of increased road traffic and there were a few unfortunate incidents where gatemen were subjected to manhandling and were forced to open the gates. He requested the Federations to highlight the issue in the field to bring awareness and develop sensitivity amongst road users. The gathering was informed that to check the problem of gate-crashing, it had been decided to adopt SC Railway's system of extra-sliding boom at all the sensitive crossings.

2.5. The gathering was apprised about the constitution of a High Level Safety Review Committee under Chairmanship of Dr. Anil Kakodkar. The Committee is working seriously and in a focused way to come out with some real ground level solutions to improve safety on Railways.

2.6. It was mentioned that RDSO in association with IIT, Kanpur and DMW had developed world's first diesel locomotive equipped with electronic fuel injection and at first hand, 100 engines were to be equipped with the same. He informed the gathering that this technology would be very effective in reducing diesel consumption on the Railways. He also stated that efforts are being made to use more bio-diesel. Regarding electric locomotives, he stated that Indian Railways have already moved towards three-phase technology. He informed that this new technology would have a big impact on sub-urban services and by April/May 2012, sub-urban trains on Central and Western Railways would be running equipped with this AC technology thereby resulting in a considerable saving on account of electricity tariffs.

2.7. Regarding high speed train operations, CRB stated that a Cabinet Note would be moved soon for setting up of a National High Speed Rail Authority (NHSRA) which would shape up the basic road map for high speed train operations in the country.

2.8. CRB made a mention of the opening of railway operations in the Valley of Kashmir and stated that it is one of the most socially desirable projects and had virtually been worshiped by the people in the valley. He stated that Railway had set up a perfect example of national integration in the area. He also informed that Railway is also going to set up new lines in the states of North East and other states like Uttarakhand where rail connectivity is poor.

2.9. The house was apprised about setting up of a Committee under Chairmanship of Shri Sam Pitroda to draw a modernisation plan for Railways. The Committee is having discussions at various levels and hopefully would come up with realistic suggestions.

2.10. The gathering was informed about some hard decisions taken to curtail the misuse of Tatkal Ticketing system and he was hopeful that new measures would be able to check touting activities.

2.11. Mention was made of a decision to initiate the project 'SIMRAN' through CRIS. Once the system is in place, a person would be able to locate any train's real/actual position at a given point of time.

2.12. The encouraging news of award of the prestigious Golden Peacock Environmental Management Award to RCF was shared and mention was made also of Shri Nitin Kannamwar of Western Railway, who selected as an umpire during Wimbledon Lawn Tennis Championship.

2.13. CRB concluded by stating that he is looking forward to a purposeful discussion on Agenda issues for the meeting and would like to have concrete suggestions for the upliftment of Railways.

### **3. Presentation on Financial Scenario of Indian Railways**

EDFB made a detailed presentation on "Financial Scenario of Indian Railways" detailing various components of budget, budgetary factors like gross traffic receipts and ordinary working expenses during the last five financial Years, trend and reasons for changes in receipts and expenses. He further focussed on financial statistics for the current financial year and apprised the gathering of forthcoming financial challenges.

3.2. CRB summed up the presentation by stating that for an organisation like Indian Railways, it is pertinent that its staff cost must not be more than 40% of its total expenditure. However, Railways' present staff cost is translating into 60-65% of expenditure and it is a real problem which needs to be taken seriously.

3.3. Shri R P Bhatnagar, NFIR raised the issue of investing Railways' money in projects which are financially unviable and stated that as no considerable return is expected from these projects, Government must take note of Railways' social liability.

3.4. CRB stated that Railway besides its commercial requirements had social obligations and though many of its projects are not viable from economic view but at the same time, they are socially desirable. He stated that Railway is flagging this issue before the Central Government to obtain some kind of budgetary support.

3.5. Shri S G Mishra stated that staff cost is bound to increase with time. He added that while because of hike in fuel cost, cost of operation had gone up but we are not reviewing passenger fare from the last 9 years. He mentioned that Railway is giving a subsidy of about ₹ 20,000 crore per year and also investing an amount of about ₹ 25,000 crore per year in projects from where no return is likely to come. He stated that enhanced staff cost is not responsible for the current financial crisis and Railway must get rid of its uneconomical burdens.

3.6. Shri Bhatnagar while agreeing with the views of Shri Mishra stated that enhanced operating cost cannot be blamed as reason for present fiscal problems and we must review our passenger fares.

3.7. CRB while summing up the discussion on staff/operation cost vis-à-vis present fiscal condition stated that he is aware of Federations' sentiments towards railway staff and he fully shares their views and concerns. He stated that idea of this discussion was not to blame any one factor but to analyse the available data and to find ways and means to get across the situation. He further stated that when the world economy was buoyant and Indian Economy was on the upswing, Railways got their share by having good traffic. However, nowadays, while entire world is going through economic meltdown and Indian economy is also going through some strain, we would have to bear the consequences. Because of this recession, he informed that loading on Railways had gone down rendering 200-300 rakes idle. As far as increase in freight rates is concerned, the same had already been enhanced in-house by 6% and further feasibility would be explored. However, with respect to passenger fare, there are several constraints, though efforts are on to improve the condition.

3.8. Shri Raghavaiah while reacting to the presentation stated that at present about 1.7 lakh vacancies existed on the Railways and as per MR's announcement these are to be filled up by next year which means that additional staff cost would be required. He requested to get the figures checked up and to see if figures are appropriately drawn on the head Staff Costs.

3.9. Shri Raghavaiah further stated that Railways have a lot of social obligations which cost the Railways ₹30,000 crore during last three years and they have not even got a return on even 50% of this investment. He further cited loss on account of passenger and other coaching services which were to the tune of ₹42,000 crore during the last three years. He pointed out the dedication of Railwaymen towards their services and stated that around 9,000 railwaymen lost their lives while on duty. He stressed that it is our collective duty to represent these figures before the Prime

Minister and to explain to him the circumstances under which Railways had to perform.

4. **Shri Shiva Gopal Mishra, General Secretary/AIRF**

Shri Mishra raised the issue of 1.75 lakh existing vacancies on Railways and stated that in field there were apprehensions that Board had passed on instructions to the General Managers to freeze these vacancies and to adopt outsourcing to run the system. He stated that wherever outsourcing was adopted, it led to poor output resulting in reduced customer satisfaction and affecting safety. He stated that such instructions were causing demoralisation amongst the staff. He further raised the following issue:

- 4.2. Joint Committee report on career growth for Trackmen should be approved at the earliest.
- 4.3. Running staff issues like running allowance, km allowance etc. should be resolved on priority.
- 4.4. Cadre restructuring of Railway Servants should be carried out urgently.
- 4.5. Scheme of LARSGESS should be made practical and implementable.
- 4.6. Absorption of quasi-administrative office staff on railways should be allowed.
- 4.7. Involvement of PREM members in budget making and implementing procedure should be ensured.
- 4.8. Shri Mishra raised the issue of PREM and stated that the status of PREM members is being diluted. He quoted Board's letter 09.11.2011 and stated that he failed to understand why ceilings had been laid while permitting travelling facility to the spouse of PREM members. He requested that existing instructions should be withdrawn and the issue be looked into afresh. He further mentioned that their request for laptop had been rejected in the name of financial crisis.

## 6. Shri Rakhal Das Gupta, AIRF

Shri Gupta while pointing out existing operating ratio, stated that though presently it is at threatening level, however, the same is a trend after CPC implementation and would come to lower levels in the next few years. He made following submissions:

6.2. Railway passenger fares should be enhanced as compared other mode of transportation, Railway fares are negligible.

6.3. Road users should be made more sensitive while using railway level crossing.

6.4. While PSUs like Air India and oil companies are adequately compensated for their social obligation, Railway should also highlight the issue.

6.5. Spare parts are not available with workshops affecting the production.

6.6. Outsourcing has tarnished the condition of Railway Colonies.

6.7. Kidnapping on NF Railway has become frequent and something concrete should be done to ensure security of Railway persons.

6.8. Shri Gupta concluded by assuring his togetherness with Board in overcoming present crisis.

8. CRB intervened and stated that there are very clear cut orders from Board that no safety related work is to be held up for want of money. While taking up issues raised by various PREM members he made following clarifications:

8.2. No instructions have been given from Board to stop payments of overtime allowances.

8.3. Regarding freezing of vacancies, CRB shared that Railways are at an advanced stage to fill up vacancies. He stated that about 40,000 persons are likely to be available for posting by February end and Railways have also been advised to go through RRCs recruitments for filling up about 87,000 vacancies and a large number of applications in this regard have already been received by the Railways.

- 8.4. Regarding NHSRA, CRB stated that it is a financially neutral authority only to prepare a road map to move ahead.

8.5. Regarding staff cost formula, CRB stated that a joint committee of representatives from Finance Directorate and the Federations may be constituted to sort out the differences and if so required, a correct formula may be drawn. He requested Adv(IR) and EDF(B) to be in the committee.

8.6. Regarding LARSGESS, CRB stated that file with three proposals – to do away with physical tests, to include the category of Trolleyman and proposal of lower educational qualifications had already been submitted to MR for his approval.

8.7. Regarding Secunderabad Controller office, CRB stated that he had already written in this regard to GM/South Central Railway to look into the matter.

8.8. Regarding substitute recruitment policy, CRB pointed that it is a very intricate issue and because of number of vigilance cases involved, no GM is optimistic about this policy. He further pointed out that as number of annual recruitment against this policy is hardly 1000, it would be better if we concentrate on LARESGSS.

8.9. Regarding kidnapping episodes on NF Railway, CRB stated that he is seized of the matter and had personally written to Cabinet Secretary and Home Secretary and also had a meeting on the subject. He stated that all feasible efforts are being made at the highest level to resolve the matter and he was hopeful that abducted persons would be back to their homes safely.

8.10. Regarding social obligations, CRB apprised the gathering that Railway Minister had already written in this regard to the Prime Minister and he too is flagging the issue at all the levels. He went into depth detailing the steps taken in flagging issues of Railway social obligations and stated that no stone would be left unturned to let the Government understand the Railways' position.

8.11. He concluded by stating that he would convey the sentiments of PREM members to the Railway Minister.

13. Shri Mishra conveyed regrets to the Board on behalf of Shri Umraomal Purohit, President AIRF and stated he could not attend the meeting being unwell. He further stated that he had proposed the issue of Committees constituted by the Board to have a discussion on the outcome of these committees. He suggested that PREM members should have participation in the Committees which are constituted on the staff matters or the Committee should discuss the issue with them before finalising their recommendation.



- **16. CRB** summed up the discussion and stated that the issues raised by the PREM Members and suggestions made by them had been noted and would be examined positively.

Meeting concluded with a vote of thanks to the Chair.

\*\*\*\*\*