III RAILWAY ADMINISTRATION III
CHAPTER II

Railway Administration - Constitution of Railway Board, Zonal Offices, Divisional Offices

Railways in India had a chequered history. The evolution had been the story of a continuous exercise in experimenting with different forms of enterprise both before and after independence. Starting as a pure private enterprise under Government patronage, it entered into a phase of mixed enterprise. Whereas both Government and Private enterprises were in the field, but the Government exercised operational control over the private enterprise also. Later as and when the contracts of the Private companies terminated, the major lines were purchased by the Government and leased for purposes of management to private companies, thus a managing system emerged. From 1923 onwards, efforts were made to introduce direct State management of major Railways. Finally after independence with the integration of Indian States, the Railways owned and managed by those states came to be owned and managed by the Government of India and the Indian Railways became the nation's largest Public Enterprises.1

Four main landmarks may be identified in the development of railways; viz. the development of railways from 1850 to 1868 under an Early Guarantee system, followed by State Construction of Railways from 1869 onwards, then the emergence of a new guarantee system along with a systematic take over of the Company lines whenever the option arose as per the terms of Contract entered into between 1850 and 1868 and finally with the Indian Union, the Government of India acquired all the Railways hitherto owned by the native States, bringing them under its direct management. Thus emerged the present form of the Indian Railways.2

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2. Ibid p. 4.
(1) **Early Guarantee System (1820–1862)**

In 1828 Lord Carnarvon, alarmed at the carelessness of the Companies in the management of Capital, objected to the working of the guarantee system. It was also felt that the guarantee system resulted in "Double Management".

(2) **State Construction and the New Guarantee System**

In 1869 as per the statement of the Duke Argyll, Secretary of State for India, the guarantee system was abandoned and the construction of railways by the State through its own agency was introduced.

The outbreak of dreadful famines in India between 1874 and 1879, the strain of Second Afghan war, financial difficulties and a feeling of hostility towards State Enterprise developing in England, compelled the Government to contract the construction of new railway lines to private companies once again but under a new guarantee system with certain changes in the old times.

For 50 years India thus displayed the unique feature of company worked railways operating with State managed lines. The Company railways were all worked by a Board of Directors in England representing share-holders with a Government Director appointed by the Secretary of State for India and an officer called "The Agent" who represented the Company in India.

From 1925 onwards efforts were made to introduce direct State management of major railways. The first two large systems to be brought under direct State Management were the East Indian Railway on 1st January 1925 and the Great Indian Peninsula Railway on 30th June, 1925, even though the Government came to own them since 1900 and 1904 respectively.

Initially there was a nominal control by the Government over the construction of Railways by Private Companies. This led to extravagance on their part. The Government soon realised that it was due to defective provisions in the contracts that the Companies were indifferent to economy in their construction expenditure. Therefore, steps were promptly taken by the Government to exercise closer control over the system of
financing followed by the private companies as well as the standards of construction. Difficulties in the exercise of such control were gradually overcome in the light of experience and made more effective.

Thus the administration of the Indian Railways, having commenced in an insignificant way, gradually gained in dimension and grew into a separate department with its own Board as the top executive authority which later evolved as a ministry of the Government of India. Today Indian Railways are the largest public undertaking in the Country with a route kilometerage of 66,733 (as on 31.3.1980); total assets of Rs. 6,723.1 crores and an annual revenue of over Rs. 9,134 crores and the big staff task force of 15.75 lakh regular employees and 2.5 lakh casual labour. It is reckoned as the India's largest and world's fourth largest railway system.

Indian Railways are owned and managed by the Central Government and are the World's second largest railway system under one management next only to U.S.A., being the first with a route kilometerage of 1,35,200. Everyday Indian Railways carry above one crore passengers and handle 6,50,000 tonnes of freight in 11,000 trains criss-cross over 7970 stations with an impressive fleet of 11000 locomotives, 37000 passenger coaches and four lakh wagons. During the year 1979-80, they carried 3505 million passengers and 215 million tonnes of freight traffic.

**Birth of Railway Board**

The administrative control of railways in India was originally in the hands of a separate branch of the F.O.C. Secretariat. In 1866, a Special Deputy Secretary for Railways in F.O.C. was appointed. In the same year, the first step towards decentralization was taken by entrusting supervision on matters of detail to the consulting engineers under each local Government. However, there were complaints about delays and interference and obstruction. The new venture of State construction involved problem of evolving a suitable and inery
for management and control. Government of India decided to centralise the control over both the State-railways and Company guaranteed railways. In 1874, a Railway Directorate was established and the Director of Railways was of the rank of Head of the Department. In course of time, three Technical Directors were created in addition to Director Stores - viz. Director/Central, Director/Western and Director/North East Zone, which were established in 1880. By 1882, the organisation consisted of Director General of Railways assisted by Director (Stores), Director (Traffic), a Consulting Engineer and Accountant General (Railways).

During 1882-1892 a two-fold tendency was noticed (1) towards greater centralisation (2) towards greater bureaucratic and departmental administration.

In order to rectify the defects in the system of control, His Majesty's Secretary of State for India in Council appointed in 1901, Thomas Robertson to investigate, inquire and report on the administration and working of Indian Railways.

In 1905 the Robertson Committee criticised the adoption of the departmental type of organisation for the Railways since it "impaired the sense of responsibility, crushed initiative, checked progress and delayed business to an extent which would be fatal to any other commercial enterprise and he made a historic resolution that the control of Railways should be entrusted to a small board composed of specially qualified railwaymen. The opinion of Robertson could be said to have been responsible for the Railway Board being constituted as a Functional Board.

After a thorough consideration of the report, His Majesty's Secretary of State for India sanctioned the formation of a Board consisting of a Chairman and two members with the necessary establishment to whom was entrusted the general control and administration of the Railways, in India hitherto exercised by the Government of
India in the Railway Branch of P.W.D. Sir Frederick Upcott was the first Chairman of the Railway Board and remained in the office till 1906. The other two members were, Sir Trevredyn Bashleigh Wynne (1906-7) and Mr. s.i.a. Wood (1905-1913).

The Board assumed office in March 1905 after the necessary resolution was prepared on 19th August 1904 abolishing Railway branch of the P.W.D. of the Government of India and entrusting the whole Railway administration to the Railway Board to manage the railways of India on commercial principles. By an Act of the same year, known as the Indian Railways Board Act of 1905, all the powers and functions of the Central Government under Wh the Indian Railways Act of 1890 was invested in the Railway Board. It was to be used with and taken as part of the Indian Railways Act of 1890.

The Board was initially placed in the Ministry of Commerce and Industry and later transferred to the Ministry of Transport and Communications. Within a short period after the Constitution of the Railway Board, it was found that work was being hampered on account of the Chairman not having sufficient powers and the Commerce and Industry Department intervening between the Railway Board and the Governor General-in-Council. Therefore in May 1907, a Committee was appointed by the Secretary of State presided over by Sir Jase as an agency to examine the system of working of the Railway Board.

The committee recommended that the government of India should interfere as little as possible with the action of the Board in technical matters. The designation of the Chairman was changed to President Railway Board, his powers enhanced and was given direct access to the Viceroy as if he were the Secretary to the Government of India.

The first President was Sir Trevredyn Bashleigh Wynne (1905-14) and the other members were Mr. G. Hood (1905-19), Sir Stephen Finney (1906-19) and Sir Henry Hart (1912-19), the President having the responsibilities and the rights equal to those of a Secretary to Government. In certain schemes, the
President was supreme and the decision of the Board was, in fact, his decision, while in ordinary matters, the Board acted jointly and took majority decisions. The Government Railways at the time were bringing in one-third of the total Government receipts while their working expenses amounted to about a quarter of the total Government expenditure. The work load on the Board was so heavy that during one year alone, 71,000 new unifications were received from or were received by the Board's office.

AMENDMENT.

The Committee desired that the new Central Railway Authority should be fairly autonomous that it should prepare its own programme of work and expenditure and within the limits of its budget, as approved by the Government of India and the Secretary of State and accepted by the Legislative Assembly, should carry it into effect.

In respect of its relations with the management of various railways, whether they were State managed or Company managed, it was recom- mended that the control in matters of details be released as much as possible, and the heads of the railways be afforded greater amount of freedom in incurring routine expenditure or in dealing with the staff. It was not only in the sphere of administration that the Committee recommended greater amount of autonomy, but in the realm of finance also. The Committee was of the view that most of the defects and short-comings attributed to the Indian Railway system were due primarily to the failure of Government to provide railways with adequate funds for capital expenditure on development and extensions and even for essential operations, renewals and repairs. The then Agent of the East India Railway, Sir Clement Hardinge, remarked that the railways had emerged through and Indian opinion was unanimous in demanding complete separation of the Railway budget, in respect both of capital and revenue from the general budget of the Country. Under the existing system of budgeting, earnings from railways became part of the Central revenues. So in the years of bad harvest
and had trade the Finance Ministers, in trying to
place the general budget and finding themselves unable
to meet the imperative current demands of
administration, had drastically cut appropriations
to railways for renewals and departmental works
and for necessary extensions and developments even
though they may be in the process of execution.

The committee felt that the Railways had
continued to earn during the previous twenty years
enough money to meet their ordinary requirements and
had the railway budget been separate from the general
budget, there could have been no difficulty in providing
all the money the Railways needed to keep up to their
progress of growth and development. The Committee,
therefore, recommended that the railways, in future,
should have a separate budget of their own and assume
the responsibility for earning and expending their
own income. This was the landmark in the history of
the Indian Railways which granted complete autonomy
to the Railway Board. Even as early as 1895, during
the Viceroyalty of Lord Curzon, several proposals
were made for separation of railway revenues from
general revenues, but were not implemented. The
Committee's recommendation, though not a new one,
had taken twenty years before it could be implemented.

3) When Bismarck nationalized the Railways in Prussia
around 1878, the scheme as originally put forward,
provided for a separate railway budget. The Silesian
people voted in 1906 to nationalise their railways
with the demand that the railway revenues shall be
kept separate and the railway earnings shall be devoted
only to railway employees. In Japan, the Railway
budget was separated from the general budget in 1919.
In Italy, the railways had always been a separate
entity.

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3. Ministry of Railways, "The Inspired Years", p. 32
4. Ibid, p. 33
After the recommendations of Aesworth Committee were accepted by the Government, two other committees were appointed to suggest detailed measures for implementing these recommendations. These were Railway Finance Committee, presided over by Lord Malcolm Hailey and the Indian Retrenchment Committee of which Lord Inchcape was appointed Chairman. The Inchcape Committee further recommended the institution of a Depreciation Fund, greater decentralisation of control, a thorough investigation into the railway accounting system and supported some of the recommendations of the Aesworth Committee regarding administrative reorganisation. Although it took some time before the broad recommendations of these three committees could be implemented, these committees had not only made a very useful survey and analysis of the various facts and phases of railway administration and development but also had made recommendations which laid the foundations for the development of railways under State management as a fairly autonomous wing of the administration, enjoying adequate financial autonomy.

The Board functioned as a Corporate Body and each Member had the right to vote.

In 1902, the post of Director of Railway Construction was abolished and instead, the post of Chief Engineer was created for technical matters connected with Civil Engineering. In 1914, the post of Financial Advisor to the Railway Board was created. In November 1922, Chief Mechanical Engineer's post was created for matters connected with mechanical Engineering. The Railways continued to be under the charge of the Member for Commerce & Industry who had a number of subjects belonging to his department to look into.

As the Government wanted to review the position of Railways, the Secretary of State announced on 1st November 1920, in the Parliament, the appointment
of the Indian Railway Committee to be presided over
by Asworth. The Committee felt that the proper function
of the Railway Board was not to carry out routine
duties, but to shape policy, to watch, to think and to
plan. Therefore it recommended the appointment, under the
Chairman of Council for Communications, of an enlarged
Board consisting of Chief Commissioner as head of the
Board, assisted by four Commissioners, a Financial
Commissioner and three Railway Commissioners in charge
of Western, Eastern and South ern Divisions. Under the
Board were to be six Directors being in charge of Accounts,
Civil Engineering, Technical Engineering, Traffic
Operating Traffic Cases railway and Inland Navigation and
Road Transport. The Board was also to have a General
Secretary and a separate statistical Department.

The Government of India did not agree to the
creation of a new Department of Communications but
accepted the recommendation to reorganise the Railway
Board. The first step in this direction was taken in
November 1922 when Sir Clement Hindley was appointed
the first Chief Commissioner of Railways entrusted with
the task of recomining the form of the new administrative
organisation for the railways. The re-constituted Railway
Board consisted of the Chief Commissioner and two re-fern.
The members were Mr. E. Richards (1923) and Mr. P. C. Saaridan
(1925-29).

The Chief Commissioner was also a Secretary to
the Government of India. Based on the recommendations
of the Asworth Committee, the Central Government
transferred the financial powers also to the Railway
Board on 2nd April 1923 by creating the post of a
Financial Commissioner to represent the Finance
Department in the Board and to deal with all financial
questions. The first Financial Commissioner was Mr. J. I.
Sin (1923-26). The Chief Engineer and the Chief Technical
Engineer in the Railway Board were designated as
Directors. The separation of the railway budget from
general finances in 1924 and the acceptance of the state in 1925, in principle at least of the responsibility for the direct operation of its own railways, marked a revolutionary change in policy and afforded railways considerable financial and administrative autonomy to conduct their own affairs and to initiate and carry out future policies on sound business principles.

The first Railway Budget was presented to the Legislative Assembly in 1925. There was a considerable deficit in the working of railways in 1921-22 due to bumbling of the railway finance and the imbalance in the 1922 of the Indian Retrenchment Committee, presided over by Lord Inchcape. They recon-ruled first an immediate and drastic cut in working expenses. Secondly, the institution of a Depreciation Fund and thirdly the adoption of the principle of se asking the railways as to produce a fixed profit to the State, while the first two reclass calculations had been the short-ancher of railway aye valid as such today as they were fifty-five years ago, the third relating to the production of a fixed profit to the State, broke fresh ground in the financial administration of the Railways.

Due to the growth of traffic and the complex problems arising out of relations with public and the employees, the burden on headquarters staff had become so heavy that efficient control became increasingly difficult. Remedies had to be found in two different directions, firstly placing the entire administrative responsibility for organising the movement and handling of traffic on one single Authority of the Railway Headquarters, namely, the Chief Operating Superintendent and secondly laying the responsibility for executive and control functions of the railway in a single Authority in a large area, to be designated Divisional Superintendent, who could act on his own without frequent reference to the Headquarters.
On 27th October 1936, the Indian Railway Enquiry Committee under the chairmanship of Sir Ralph Wedgwood, the Chief General Manager of the London and North Eastern Railway was appointed to examine the position of Indian State-owned railways and to suggest measures to secure improvement in net earnings and at a reasonable and early date place railway finances on a sound and remunerative basis. The Committee made several recommendations to effect greater economy on expenditure and to increase efficiency in operation. As a means of increasing revenue, the Committee suggested the development of the Commercial department of the railways and the appointment of suitable machinery for Publicity and Public Relations.

In order to improve the quality of the Commercial Department, which was hitherto subordinate to the Operating Department, it was taken away from the charge of C.G.M. and placed under a newly created Chief Commercial Manager. Some railways like the North Eastern, one in Pakistan, went so far as to appoint a Sales Manager under the Chief Commercial Manager to canvass traffic and devise measures to fight road competition.

In 1937, there was a distinct improvement in the finances of the Railways but World War II, which started in 1939, applied a brake to it. Like the previous war, railways had to suffer again. A former Chief Commissioner of Railways was appointed Director General, Munitions Production so that he could readily locate spare capacity and technical know-how in Railway Workshops.

Indian Railways are divided into Nine Zones each under a General Manager, who is responsible for its operation and management under the overall supervision and control of the Railway Board, which is an apex policy making and administrative body. The Board has a dual
function as the highest executive for the technical supervision and direction of the railways and as a department of the Central Government, as a department the Railway Board exercises full powers of the Government of India including control of the Railway Budget and finances, subject to overall superintendence by the Minister for Railways.

When the Railway Ministry was first created in 1947, it had a Cabinet Minister and a Minister of State. As the Minister of State was dropped by the Prime Minister, following the split in the Congress Party in 1969, a Cabinet Minister and a Deputy Minister piloted the budget in February - May 1970.

The Railway Board consists of a Chairman, a Financial Commissioner and three other members, who hold three out of the four portfolios depending upon the department from which the Chairman is drawn. There has been a long tradition on the Indian Railways of a Civil Engineer occupying the august chair of the Chairman Railway Board.

The financial powers of the board are exercised by the Financial Commissioner subject to the general control of the Railway Minister and Finance Minister. The Financial Commissioner for Railways is not only a direct representative of the Ministry of Finance on the Railway Board but is also a member of the Railway Board. This arrangement enables the exercise of financial control over the railways not only from without but also from within and by an officer responsible for the promotion of efficiency and economical working of the system. The Financial Commissioner has direct access to the Finance Minister who he keeps posted with developments in the Ministry of Railways in the Ministry of Railways.
Members of the Railway Board were assisted by a number of Additional Members and Directors. The posts of Additional Members were created to relieve the Chairman and the Members of their growing burden, in the decade following Independence. The Director-General was drawn from the Civil Service, was placed in position in pursuance of the recommendations of the Kathwalia Committee appointed by the Government of India in 1964 that a senior official should be appointed in each Ministry to head the machinery fighting corruption. The Director-General is at the same level as an Additional Member and there is a post of Secretary of the Board at Director's level. There were twenty functional Directors assisted by a large number of Joint Directors and Deputy Directors. The Economic Advisor was posted soon after Independence in 1947 to guide in investigation of fiscal and other trends which have a bearing on the demands for rail transportation. With the growing volume of legal work, dependence on the Ministry of Law was not considered convenient and one of its officers has been drafted to the Railway Board as its legal advisor.

In 1925, the year the Railway Board was created in the present form, it consisted of a Chief Commissioner, a Financial Commissioner and two members. In addition, there were four Directors for Staff, Transportation, Civil Engineering and Technical Engineering. Some Directors look after subjects which represent new responsibilities that the railways have accepted viz. Health, Metropolitan Transport, Electrification and Security. In the second category fall such posts as Director-in-Charge of Finance, Stores, Planning, Efficieny Bureau and Statistics which should be considered a necessary as modern tools of management. The post of Director (Safety) was created in 1964 in pursuance of a recommendation of the Railway Accidents Enquiry Committee 1962 so that the psycho-technical sphere could receive greater attention. Later on, the work of passenger
operation was tagged on to the post and it was
recommended as Director (Safety and Coaching). This was
a mistake and it defeated the purpose with which the
post was created, that is, to place at the Board's level,
a senior and matured officer, who could give undivided
attention to Safety and Research without being involved
in day-to-day operation.

The remaining posts of Directors, allocated to
Accounts, Electrical Engineering, Establishment, Technical
Engineering (Production and Development), Signalling and
Tele-communication, Traffic (Commercial) are the outcome
of the increase in the volume of work necessitating the
bifurcation of some departments or of the need for having
specialists to deal with technical subjects.

Some of the Directors, who hold charge of
Traffic (Transportation) Planning, Finance, Civil
Engineering, Technical Engineering and Establishment,
enjoy a status higher than the others. The rank equal
to a Joint Secretary in other Ministries. The Secretary
to the Railway Board has the same status. When there
were not so many Directors, the Secretary was the King
pin of the Railway Board as nothing important could go
up to the Board or the Cabinet Minister without his
knowledge. But with the rapid expansion of work in the
Railway Board, this is no longer practicable. Such duties
as planning, efficiency and statistics fall within the
orbit of the responsibilities of the Secretary before
whole time Directors in charge of these subjects were
appointed. As a result, the Secretary's post has undergone
some designation and he now functions mainly as an
Establishment Officer, who records proceed age of Board's
meetings, assists here in processing senior appointments,
co-ordinates the office work among various Directorates
and is occasionally used of the Chairman to address
a mild reprimand to a General Manager, when the Board
may feel that it is called for.
The Board's decisions on important matters are taken by the Committee method. A small body, consisting of five members can meet frequently and almost daily, if need be. Additional members do not normally attend Board's meet rig and are called in when necessary. The Board's decisions are collective but the Chairman has the right to over-rule his colleagues except the Financial Commissioner who represents the Finance Ministry, and may, in case of disagreement with his colleagues, place a matter before the Finance Minister and the Railway Minister.

The relations between the Railway Minister and the Board depend upon factors like the Minister's status in his political party, his personality and that of the Chairman, and the understanding or the lack thereof, among members of the Board. The Minister may resolve matters at full Board meetings or by discussion with the Chairman or one or more Junior Ministers may be present, or by discussion with the Chairman or one or more Board members.

The Minister's contacts are not confined to the Chairman and is been but extend to Additional Members, Directors and Joint Directors. Papers can be submitted to the Minister directly by any of these officers though important matters will be routed through a Director. There could be, however, exceptions during a session of Parliament when notes have to be furnished to short notice questions and cut motions. Joint Directors who deal with certain matters— independently have direct access to the Minister.

The direction of work among the Ministers does not follow any set pattern. Attempts made in the past to allot specific subjects to Deputy Ministers have never succeeded. Politicians with whom they have to deal generally consider being asked to see the men next door as like being shown the door. Thus, officials, used to
organisation and procedure, do not always know who is
hardly what, but they adjust themselves to any
circumstances.

The Railway Board is responsible not only for
the control and coordination of maintenance and
operation of the Railways but also for planning the
development of the system and future construction.
It has a full fledged Directorate of Planning, which
guides studies in planning on the Ionel Railways
in co-ordination with other Ministries of the Union
Government. The Chairman, Railway Board and the
Financial Commissioner frequently attend meetings
of the Planning Commission and other Ministries to
consider financial allocations for new projects,
expansion and development.

The Board works in close co-ordination with
other Economic Ministries for the formation of
programs for the planned and co-ordinated coexistent
of the products of agriculture, forests, animals,
taxes, mineral oils and manufactures. It holds frequent
meetings with the Ministries of Food & Agriculture,
Petroleum and Mines, Steel and Industrial development
to discuss their requirements of rail transportation
to take optimal use of available rail capacity. The
projections made by those bodies and the surveys
conducted by the Ionel Railways and the Board’s
Economic Advisor guide the Board on formulating plans
for expansion of Railway lines.

The Board also works in close liaison with the
Ministry of Defence to provide support to the logistics
of the defence services who are largely dependent upon the
Railways for movement of personnel and stores. During
Military operations such functions of the Board receive
top priority and call for close day-to-day coordination
between the two Ministries.
Consequent upon the reorganization of ministries after independence, a separate ministry for railways has been constituted and the Railway Board began to function as a Secretariat of this Ministry, the Minister for Railways and Transport, representing the Railways interest in Parliament. The Minister abolished the post of Chief Commissioner ad made one of the functional members act as a Chairman in April 1951, who was also to act an ex-officio Principal Secretary to Government in the Railway Ministry. The Railway Board thus comprised all functional members including the Chairman. There was a regular weekly meeting of the Board as a whole with the minister, when several questions were discussed and settled.

In 1954, with the addition of new members, the power to over-rule his colleagues was again restored to the Chairman, except the Financial Commissioner, who has the right to take the matter to the Finance Minister in case of any disagreement. On 16th January 1956, the post of the Secretary, which was held in abeyance since 1951 was revived. In 1952 the Railways Board was further reinforced with the inclusion of the five additional members to cope up with the increased activities of the Railway called for by the developments envisaged by the Planning Commission in the second five-Year Plan, which continued with minor variations for ten decades. All the posts of additional members were however abolished on the basis of the recommendations of Administrative Reforms Commissions (ARC) and the Railway Convention Committee and three new posts of Advisers were created one each for Industrial Relations, Finance and Electrical. Each Adviser's function was to assist the concerned member of the Board. This was done while re-organizing the Railway Board by the then Railway Minister, Prof. Amdad Banduputty - "As compared to the original five regular members and eight additional members, the Board has now only four members, assisted by three Advisers, who do not form a part of the Board."

5. Indian Railways' = untily anything, in the Ministry of Railways, Railway Board, New Delhi - April 17th p. 61.
The Additional Member (Health) is redesignated as Director General Railway Health Services. The Vigilance Organisation is placed under a separate Director (Vigilance). The reorganisation of the Railway Board will bring about a close-knit and corporate management at the apex level to function effectively and efficiently.

The Railway Board enjoys a corporate status. The members are all equal in status, except that the Chairman, Railway Board, is the senior-most amongst them. Besides being functional members, they are all designated as Ex-Officio Secretaries to the Government of India in the Ministry of Railways and the Chairman, Railway Board in the Principal Secretary. Thus the members of the Board have a three-dimensional status viz. as members of the Board, as top Executive Heads of Departments and Ex-officio Secretaries to the Government of India.

**Chairman & Member Engineering**

**Chairman & Member Civil Engineering, Electrical Engineering, Public Relations, Research, Designs and Standards Organisation, Vigilance, General Administration and Security.**

**Financial Commissioner**

Finance, Budget, Efficiency Bureau, Statistics and Economics Cell.

**Member Mechanical**

Mechanical Engineering, Stores and Production Units.

**Member Transportation**

Commercial and operating.

**Member Finance**

Staff matters, Medical, Civil and Telecommunication Engineering

At the Railway Board level, the Member Staff is in charge of establishment and Personnel matters. He is assisted by the Advisor, Industrial Relations, Director (Establishment), Additional Directors, Deputy Directors and Section Officers.
The Chairman, Railway Board, Financial Commissioners and Members get a fixed pay of Rs. 3,500/- p.m. and the Advisers get Rs. 3,000/- p.m. and in rank they are below the General Managers of Zonal Railways. The Members are assisted by Directors, Additional Directors, Joint Directors and Deputy Directors. There are at present 27 Directors in the Railway Board.

Secretary heads the Railway Board Secretariat and has an important function of putting up papers duly processed for Railway Board’s meeting. All important matters in respect of inter-railway transfer, promotions of officers are issued by his Secretariat. The rank of Secretary is that of a ICD in Zonal Railways.

POWERS AND DUTIES OF THE RAILWAY BOARD

The Central Cabinet receives the monthly reports of the activities of all the Railways through the Chairman. He represents the Government of India in the International Railway Associations.

The Railway Board functions at two levels viz - one as a Board in its corporate capacity and the other, when the members function in their individual functional capacity. It is in the corporate function of the Board that the Chairman occupies a Key Position for he is the force to steer the Railway management, to reach the correct conclusions. As the Chief Executive of the biggest Public Sector Organisation, the Chairman has to always secure collective thinking and action among other members of the Board, who are all specialists and more or less equal to him in status. It would be the responsibility of the Chairman to keep high the image of the Railway Board in the public eye by designing and pursuing policies which are essentially viable, operationally feasible and financially beneficial to the Nation. Even though he is given the power to over-rule the other Members of the Board except the
financial Commissioner, in which case the matter has to be put up to the Railway Minister, he should use it in a very judicious manner and only to protect organisational interests.

Though seniority is the main consideration for selections Chairman and Members, the appointments Committee of the Cabinet is the final selecting authority where the Railway Minister has a major role to play. Since the final appointment depends on the Railway Minister's recommendation to the Appointment Committee of the Cabinet, political overtones in the selection cannot be ruled out.

The Railway Board may be identified as something unparalleled because of the nature of functions entrusted to it. It has a set of functions upwards while advising the Minister and a different set going downwards while instructing and supervising the railway administrations, when it plays its role as a Secretariat Department, with the President of the Board designated as ex-officio Secretaries and the Chairman as the Principal Secretary. It is a Board of Advisors, who either individually or collectively render advice to the Minister both on general railway policy as well as on technical aspects.

As a Central Executive Authority, it has to instruct the Railway Administrations on all matters of railway policy and see that they are carried out as per the objectives laid. In this respect, the Board acts as a Directing Board.

After independence, when the Board became the railway ministry, it assumed the responsibility for the rest of the powers and functions of the Central Government. Thus the Board derives its powers from three sources - viz. Constitutional powers as a ministry, Powers under the Railway Board Act of 1905, and the delegated or transferred powers in matters of finance.
The functions of the Board as at present may be viewed with a macro-perspective and classified into three major categories. They are - firstly - the functions it performs as the top executive authority in administrating and controlling the various railways and lastly - as a Co-ordinating authority over all the Railways.

The Board is the Rule-making Authority for all services in the railways. Thus most of the responsibility relating to railway services is discharged by the Board itself either in its capacity as a Ministry or as an Executive Agency.

The Board as is evident from its evolution was primarily constituted for controlling the administration of railways in India and subsequently was made to function as a Ministry of the Government and exercise all the powers of the Central Government in respect of regulation, construction, maintenance and operation of railways. It also exercises the full powers of the Government of India in regard to railway expenditure through the Financial Commissioner, who is one of its five members.

In a departmental form with the Minister at the helm of affairs, strictly speaking, it is not wise to make a distinction between general and technical policies because for all policy decisions, it is the Minister who takes the political responsibility and participates in their public defence.

The Board acts as a supervising Authority in its dual capacity as Ministry and as a Central Executive Authority. The purpose of supervision is to ensure that the policies and instructions of the Board have been implemented in the correct perspective and also to know the peculiarities, needs and difficulties in the different

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areas supervised, while as an executive authority it supervises the railway system. The HO's are expected to send monthly reports concerning their respective programmes of operation, maintenance works etc. to the Board. The Chief Personnel Officer includes in his monthly report information on the recruitment, posting of different categories of staff, retirement, working of various welfare schemes, important issues raised in Permanent Negotiating Machinery (P.N.M.) meetings, labour unrest including strikes, statistics relating to employment of minorities in the railways, position of casual labour and cases under Discipline and Appeal Rules.

Local Administration

As stated earlier, each of the Nine Zones is headed by a General Manager (G.M.), who is responsible to Railway Board for the operation, maintenance and financial viability of his Zone. He is has been delegated wide powers in matters relating to engineering works, purchase of Stores, establishment, public claims for compensation and refunds. There is no limit on the power of the General Manager to spend money in repair or communications interrupted by floods and accidents, to satisfy claims for compensation for goods lost or damaged, to sanction new works within the budget allocations made by the Board and to purchase stores including proprietary articles.

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The Additional G.O.'s are provided to report to the C.M. on the working of the respective Departments instead of the erstwhile practice of the General Manager's directly supervising the work of various departments.

A G.O. is assisted by the functional H.O.D.'s at the Head quarters and by D.R.'s on the line. He is assisted by a Dy. G.O. who exercises powers on behalf of the G.O. at a level higher than admissible to the H.O.D.'s. He relieves the G.O. of a great deal of routine work but keeps him informed periodically of the sanctions given on his behalf.

The G.O. is assisted by a Secretary, an Officer of the Junior Administrative grade. This is an important assignment as General Manager with his multifarious responsibilities in regard to management of the railway contacts with the public and labour unions, liaison with State Governments and Commercial bodies has to lean heavily on his Secretary. He has also to assist General Manager in his protocol duties, which on account of the frequent visits of the Ministers, Chairman and members of the Board and foreign delegations expanded rapidly. General Managers are in the pay scale of Rs. 3,000 - 3,500.

A railway zone is divided into a number of divisions each headed by a Divisional Superintendent (now Divisional Railway Manager). The divisional system has been evolved over
a half century. Two or more districts are combined to form a division which varies from about 100 route Kms. with a high concentration of traffic, such as Bombay Division of the Central Railway to 1900 route Kms. with a load thinly spread out. A small railway may have as far as four divisions, like N.P. Railway or due to heavy work load and the vastness of its territory like Western may have as many as eight. The Division thus became the working unit of a Railway.

The idea of the Divisional Organisation was not new and had in twenties been adopted in the U.S.A. and many parts of the world. In India, it had been introduced partially in N.W. Railway, where it had proved an unqualified success. The Railway Board decided to extend the system to other railways, namely, the North Western, the Oudh and Rohilkhand and the East Indian.

Divisional Superintendent/Divisional Railway Manager has with him all functional heads available for frequent consultation which enable him to discuss in the departmental matters with them, settle disputes, promote understanding and foster team spirit which is gilt edge pan of a line service organisation. He is also to settle most problems of a local character without reference to the Zonal Head Quarters. He is also vested with certain powers to increase establishment sanction works, issue contracts and purchase stores. He controls and coordinates business not only in his own jurisdiction but also maintains liaison with other divisions. He steps in where a Divisional Officer is not able to carry his counterpart with him. A Divisional Railway Manager functions on the same line as General Manager and both have same objectives.

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9. Reports of the N.W. on Indian Railways, 1960-61 to 1968-69

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South Eastern Railway, facing transportation from a single line track steam fed lines to a diesel operated double track system in 1958, found the districts equal to the task of servicing industrial expansion when the steel industry came up. The difference between the divisional and regional system was that while under the former, all divisional officers were posted at one station, that is, the Head-quarters of the Divisional Superintendent, under the latter system, District Officers, equal in status to Divisional Officers, continue to stay at the district headquarters. With the introduction of the divisional system, there was a conceptual change in the machinery of management. A division became a geographical and administrative entity into which merged the departmental organisations at the district level. At the railway headquarters, the offices of the departmental Chiefs merged into one entity, the General Manager's office.

Divisionalisation on the South Eastern Railway is comparatively a recent development in relation to certain other local systems. The Divisions on this railway started coming into formation around 1962 and Bilaspur was one of the first such divisions. The division is a major division on the Indian Railways and has achieved the distinction of top in all the divisions in originating earnings with a task force of 117 Class I to II Officers, 12,551 Class III and 19,447 Class IV employees.

Bilaspur became the Regional Headquarters in April 1957 with Shri C.B. Khandelwal as the first Regional Traffic Superintendent, which was redesignated R as Regional Superintendent on 2.11.1957 and Shri Jagjeet Singh was appointed the first Regional Superintendent. Consequently upon the divisionalisation on, Bilaspur division was formed and Shri S.P. Chatterjee had taken over as the first Divisional Superintendent on 25.6.1962. This post being upgraded and designated as Divisional Railway Manager vested with more powers, Shri Satya Nita Brahma had taken over as the first Divisional Railway Manager on 21.3.1963.
Personnel Branch on Silchar division was formed on 11.2.1958 with Sri A.C. Jena as the first Personnel Officer and this post was upgraded to Junior Administrative grade from 31.10.1974, when Sri S. Subramaniam was appointed as Junior Divisional Personnel Officer.
ORGANISATIONAL STRUCTURE

Additional & Medical & Communication

Railway Protection

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