Voice of Rail Engineers

Official Journal of

INDIAN RAILWAYS TECHNICAL SUPERVISORS ASSOCIATION

Vol. 13 Issue – 1 January-February, 2020 Price: Rs.20 Annual Subscription: Rs.100

IRTSA SUBMITS MEMORANDUM TO CRB AGAINST CORPORATIZATION OF PUs

ALTERNATIVES TO CORPORATIZATION PROPOSED, TO ACHIEVE THE OBJECTIVES

IRTSA appreciated the ambitious proposal of the Railways to increase the number of Trains from 15,000 at present to 20,000 per day and to run the same at a High Speed of 160 Kmph and Medium Speed of 130 Kmph within a specified period. IRTSA has made the following submissions for favorable consideration to the CRB, in reference to the Press Statement dated 30-1-2020 and his letter to all PUs reg. 100 days Plan for Railways:.

1.1 We fully realize that, for achieving the dual objective of running about 33% more trains per day at 160 & 130 Kmph, the production of Rolling Stock of requisite quality shall have to be stepped up proportionately and Multiple tracks on high density routes shall be required to meet with the requirement of the said objectives of more Trains at higher speeds than at present;

1.2. We do understand that for meeting these objectives, Railways will require adequate Funds.

1.3. However, Corporatization of the Production Units-(through a unified management Company with PPP / Public Private Partnership) etc., is not the only option available to achieve the said objectives to raise requisite funds for increasing Production of Rolling Stock and Multi-Tracking of Railway Lines. Other options may also please be considered including the following besides others:-

2.1. **OTHER OPTIONS (IN BRIEF):** We sincerely feel that the said objectives can be better achieved through more effective utilization of manpower, infrastructure and space in and around these PUs for their expansion and upgrading & modernizing the Machinery & Plants instead of Corporatization. Funds may be raised through other alternate measures instead of through Corporatization.

2.2 **OUR COMMITMENT TO ACHIEVE THE OBJECTIVES:** As one of the oldest & largest organization of lower management cadre of Railway Engineers / Technical Supervisors, we sincerely commit ourselves to fulfill our responsibilities towards achieving the above said objectives to expedite development of the Railways and that of the Nation as a whole. However we also feel that there is an essential need to consider all other alternatives as well, to fulfill the above said objectives before taking the final decision to corporatize the Production Units since it will be an irreversible process and will have far reaching -impact on the entire system of management and future performance of the said PUs**.**

3. **LONG TERM LOSSES TO EMPLOYEES & PENSIONERS DUE TO CORPORATISATION OF PU OF RAILWAYS:**

3.1. Corporatization of PUs will adversely affect the service conditions of the employees and pensioners of Production Units – especially in respect of periodic revision (through CPCs) for keeping them at par with other Central Government employees, as was the case with the erstwhile Employees & Pensioners of DOT after bifurcation and corporatization of a part thereof into MTNL & BSNL.

3.2. **Reg. MTNL & BSNL**: After being given a higher initial Pays the erstwhile employees of DOT have been denied the parity with the subsequent revision of Pay & Pension of Direct Recruits in these Corporates. They have also been denied the parity with the revised Pay Scales & Pension with those of Central Government employee & pensioners, after 6th & 7th Pay Commissions.

3.3. **Reg. LIC & Banks & other PSUs**: Employees and Pensioners of PSUs like LIC & Banks have never been granted a revision of Pension once it was fixed on their retirement (even as the Pays of employees were revised)..

3.4. **Reg. RITES & IRCON**: The Railway employees absorbed in Public Sector Undertaking like RITES & IRCON loose in the long run in respect of revision of Pay & Pension with other Central Government employees & Pensioners after each Central Pay Commission.

3.5. Similar is bound to be the fate of the PUs of Railways after Corporatization as that of MTNL, BSNL, LIC & Banks etc., as describe in preceding Sub-Para 3.2 & 3.3.

4. **COST OF CORPORATIZATION & ITS EFFICACY TO ACHIEVE THE OBJECTIVES**:

4.1**. Railways to be a looser vis-a-vis Cost of Assets**: Railways will get only the depreciated value of the precious land, infrastructure, high value Machines and other assets of the 7 Production Units on their transfer to the proposed Corporate Company as per Discounted Cash Flow (DCF) System. Besides the Tax liabilities thereof, share of the Central Government in respect of its investment on the PUs may also have to be paid back or adjusted.

4.2. **Higher Price of Rolling Stock after Corporatization**: The proposal for Corporatization of Production Units, will add to the over-heads. PPP (Public Private Partnership) will increase the cost of the Rolling Stock due to the payment of Dividend to the investors, repayment for loan capital & interest and pressure of the private corporate participants for a higher profitability.

…..Continued on page-4

Voice of Rail Engineers – (Previously Published as *"THE RAIL SUPERVISOR")*

Editor-in-Chief: Er. Harchandan Singh, GS / IRTSA

Central Head Quarter: 32, Phase-6, Mohali, Chandigarh – 160055

Email - gsirtsa@yahoo.com **Multifarious Website-** ***www.irtsa.net***

Chairman Editorial Board, Er. M. Shanmugam, President / IRTSA

Manager: **K.V.Ramesh**, G3 – Likith Homes, 3, Lakshmanan Nagar West Street, Peravallur, Chennai – 600082.Mobile:09003149578**.** *Email: rameshirtsa@yahoo.co.in.*

"SUCCESS COMES TO THOSE WHO BELIEVE"

Editorial

GREEN SIGNAL FOR PRIVATIZATION & CORPORATIZATION MAY DERAIL IR

In the evidence submitted by Railways to the Parliament Standing Committee on Railways, it was stated that 34,000 km highly congested network carries 96 percent of traffic handled by Indian Railways, balance 30,000 km network carries only 4 percent traffic. Indian Railways is running 130 trains at some places which have been designed capacity of 100 trains. Expansion of existing lines and new Railway projects are highly capital intensive and require huge amount of investment for execution.

3000 km length Delhi-Mumbai and Delhi-Kolkata sections are the most congested sections of Indian Railways. Specially, Allahabad, Kanpur, Mughal Sarai and Patna sections are highly congested, as per Parliament Standing Committee Report.

Among the 34,000 km highly congested network which carries 96 percent of traffic, Railways identified 3000 km as super critical and planning to invest Rs.7000 crore for its improvement. Another 11,000 km network identified as critical will be funded to the tune of Rs.75,000 crore in the next three years. Railway Ministry expressed its confidence to the Parliamentary committee of getting Finance Ministry's approval for its capacity augmentation works in the network identified as super critical & critical. In the outset it looks Railways is going to get focused investment for its revenue making networks to improve its operation ratio.

The reality is not so. It may only benefit the private train operators. Lucknow-Delhi Tejas Express, Ahmedabad-Mumbai Tejas Express and Varanasi-Indore via Lucknow Kashi Mahakal Express given for IRCTC are run in identified super critical & critical networks. Railways has so far allowed private companies to run 150 trains, bids are expected by March 2020. The National Infrastructure Pipeline unveiled by the finance ministry in December 2019 has called for privatisation of 500 passenger trains as part of Vision 2025. All these trains will run in 34,000 km high density networks which are already handling 96% of traffic.

Private trains will be given a free hand in determining the fares of trains run by them on the lines of the practice in the aviation sector, including dynamic fare, with no intervention from the Government. The classes of travel of these premium private trains are mainly going to be A/C 3-tier and A/C Chair car, only classes on which Indian Railways earn profit.

The riders on Indian Railways will be, it may not be able to introduce new trains in the existing highly congested network paving way for 150 private trains immediately. Secondly IR may not be able to capitalize on the Rs.82,000 crore investment Government is expected to spend within three years on the highly congested network, paving way for 350 private trains as per the vision document of Finance Ministry. Thirdly profit making A/C 3-tier and A/C Chair car class passengers will be taken away from IR by private trains. Fourthly IR may require to re-adjust the operation of its premium trains for paving way for private trains. Finally IR may end up in servicing loss making sleeper class & second class passengers in the congested network and running limited services in the rest of 30,000 km which only carries 4 percent traffic at present. No level playing field for the Indian Railways, as was done in the case of India Post, Doordarshan, BSNL, MTNL, VSNL, as the list goes on.

It is not end of the list, Railways has floated a request for proposal, seeking bids to redevelop Amritsar, Nagpur, Gwalior and Sabarmati railway stations at an estimated cost of Rs 1,300 crore. The government is set to invite bids to redevelop 50 stations through the Indian Railway Station Development Corporation (IRSDC), entailing an investment of around Rs 50,000 crore within three years.

Passengers will be levied an airport-like fee for using redeveloped stations which will result in hike in fares. In Air travel, User Development Fee (UDF) is a part of the taxes that are paid by air passengers. UDF is charged at various airports and its rate varies based on various factors. At one point **Indian Railway may be required to pay parking charge for its trains in the stations developed by private firms, a strange situation of owner paying the rent for his own property.**

Proposed corporatization of Railway Production Units will increase the cost of Rolling Stocks due to the pressure for higher profitability, corporate tax, payment of dividend & interest, etc.

Availability of sufficient rolling stocks itself in time will become a problem for Indian Railways in future, corporate/private may try to create artificial crisis to escalate the cost. In the present scenario of IR owned PUs, coaches & locos available as per the target fixed by Railway Board to meet the requirements of Zonal Railways. But Railways unable to achieve targets on wagon procurement for many years from the private firms. 95% of wagon requirement of IR need to be fulfilled by private firms.

For the train users, cost of travel will go up phenomenally by the factors like profit margin, payment towards lease charges/interest, higher cost of Rolling Stock, higher fare structure including dynamic fare, user development fee, etc.

Merger of Railway Budget with General Budget relieved Ministry of Railways from payment of dividend to the general exchequer on the capital-at-charge. But, another major financial re-organisation went unnoticed after the merger of Railway Budget with General Budget is, Remittance of dividend receipts from Railway PSUs to General Revenues which until now used to be part of Railways' sundry earnings are now going to the Centre.

Important component of Sundry earnings for Railways is dividend contribution from its public sector undertakings. By directly remitting the dividend of these PSUs to central exchequer, Railways is deprived of its legitimate revenue not only from the present PSUs, but from all future PSUs in the pipeline like DFC Corporation, IRSDC, etc. This will make Indian Railways financially more vulnerable. Government has not come out with any scheme for the compensation of Social Service Obligation (SSO) borne by IR. In 2017-18 SSO is assessed at Rs.32,360 crore and law and order cost at Rs.4,600crore. All the way Railway may head for financial disaster by privatization.

STATUS POSITION OF LEGAL CASE OA 1568/2017 IRTSA Vs UOI in CAT Chennai, Pleading Higher Pay Level for JE & SSE. Next listing posted to 23rd April 20

Readers, Zones & Sub-units - Please send Annual Subscription for *"Voice of Rail Engineers"* to
K.V.Ramesh, G3 – Likith Homes, 3, Lakshmanan Nagar West Street, Peravallur, Chennai 600082. Mobile:09003149578. *Email: rameshirtsa@yahoo.co.in*

PRE-BUDGET MEETING OF IRTSA REPS WITH ELA. GANESHAN MP

IRTSA delegates met Member of Parliament Ela.Ganeshan at Chennai for submission of pre-budget proposals & general demands of central Government employees. K.V.Ramesh Sr.JGS/IRTSA submitted proposal for Ministry of Railways to improve the efficiency & earnings of Indian Railways. Introduction of private cabins in night trains, elimination of pantry cars & power cars to increase the passenger capacity of LHB train formation, operating A/C 2 tier & A/C 1st class coaches only in the routes having sufficient occupancy, attaching parcel vans in all premium trains, etc were part of the proposals projected to earn Rs.7450 crores per year for Railways.

IRTSA delegate requested for increasing the income tax limit for the salaried class for the benefits of central Government employees. Sri. Ela.Ganeshan has agreed to forward the proposal & demand both to Railway Ministry and Finance Ministry.

Units! Strengthen IRTSA, Send Central Quota & Struggle Fund - Through Bank Draft in favour of "INDIAN RAILWAYS TECHNICAL SUPERVISORS ASSOCIATION"
To: Central Treasurer IRTSA, Er O. N. Purohit, 106 A, Suraj Nagar, Jodhpur-342008 *(M:* 09828024476)

Respiration for a group of NPS employees

Employees to whom recruitment results were declared before 31.12.2003 for the vacancies occurring before 01.01.2004 are eligible for old pension scheme.

Ref: Department of Pension & PW OM No.57/04/2009-P&PW(B), dated 17.02.2020
Railway Board letter No. D-43/12/2018-F(E)III (RBE No.28/2020) dated 03.03.2020.

1) Central Government Employees who were declared successful for recruitment in the results declared on or before 31.12.2003 against vacancies occurring before 01.01.2004 and covered NPS may be given one-time option to choose CCS (pension) rules 1972.

2) Option may made latest by 31.05.2020.

3) Option is not available for the employees fall any one of the following categories.

a) Employees included in the selected panel before 01.01.2004 for recruitment against vacancies occurring on or after 01.01.2004.

b) Employees included in the selected panel of candidates before & after 01.01.2004, actually appointed after 31.12.2003, for recruitment against vacancies occurring on or after 01.01.2004.

c) Employees selected against vacancies prior to 01.01.2004, issue of advertisement/ notification & exam/interview held before 01.01.2004, but final results declared on or after 01.01.2004.

d) Employees granted extension on joining time on their own request, their seniority depressed due to extension of joining time to a batch for which results of recruitment was declared on or after 01.01.2004.

TECHNICAL SUPERVISORS!
BE ACTIVE MEMBER OF IRTSA &
VISIT www.irtsa.net
for latest updates

IRTSA'S PROTEST AGAINST INJUSTICE FOR C&W ENGINEERS OF CHENNAI DIVISION

On 14.02.2020, Indian Railway Technical Supervisor Association (IRTSA), BBQ/Sub-unit staged lunch hour dharna to register the anguish of Chennai Division Rail Engineers over unjustified DAR actions against C&W engineers of Chennai division recently. Sudden spurt of DAR actions and disproportionate penalties imposed has left this vital middle management cadre in utter shock and in a perpetual state of fear and confusion.

Time and again, this association has taken the effort to study, analyse and suggest the shortcomings in infrastructure, manpower, maintenance spares availability, staff amenities, poor POH attention etc., that affect the maintenance of trains in terms of passenger comfort and safety. But the Mechanical administration in Chennai division has turned a blind eye to these pertinent issues without any progressive effort to address it.

IRTSA appealed to the administration for reconsidering all DAR cases with considerate approach and reduce/cancel all penalties which are unreasonable/excess in nature and to initiate parallel action to improve the infrastructure, manpower, material, staff amenity, POH attention quality etc., immediately.

IRTSA MEMO AGAINST CORPORATIZATION

… Continued from page-1

Corporate tax would also be added to the price of the Rolling Stock, which will ultimately be paid by the users of the Railways.

These & other apprehensions apart, the inefficacy and possibilities of failures of Corporatization of Government departmental enterprises elsewhere (including BSNL & MTNL besides many others) in the country and in many other countries also may also please be considered before taking a final decision in the matter in respect of Corporatization of PUs.

4.3. Once the PUs are corporatized, Govt. of India/Railways will loose control over the management and will not have a say in decision making in respect to policy & management of these PUs.

5. **OTHER OPTIONS**: Keeping in view the said apprehension and possibilities of inefficacies of the Corporatization, we propose the following options to achieve the defined objectives instead of Corporatization of PUs. Most of the steps proposed below may have to be taken even after Corporatization, but if all of these steps are adopted instead of Corporatization, the objectives can be achieved more effectively even while ensuring requisite control by the Railway Board / MOR over the policies of the Production Units.

6. **PROPOSALS FOR CONSIDERATION TO MEET WITH THE DEFINED OBJECTIVES INSTEADOF CORPORATIZATION OF PRODUCTION UNITS OF RAILWAYS.**

6.1. Production of (about 33%) more Rolling Stock per year for running 20,000 trains (instead of 15,000 trains) per day at High Speed of 160 Kms./Hr & Medium Speed of 130 Kms/Hr.

6.2. Multi-Tracking of Railway Lines suitable for High Speed Trains at160 Kms/Hr. and Medium Speed of 130 Kms / Hr. for 20,000 Trains per day.

6.3. Provision of Funds required to meet the above said objectives.

7. Alternative proposals to achieve the objectives:

It is requested that the following proposals may please be considered to achieve the defined objectives more effectively, to ensure better quality of Rolling Stock at a lower cost and raising of requisite Funds without Corporatization of PUs.

7.1. Review of proposed target of increasing the number of Trains per day from 15,000 to 20,000 in 5 years, keeping in view the present state of National and Global economy as well as the projected Occupancy Ratio and Operating Ratio and financial viability thereof.

7.2. Improvements through in-House Research & Development needs to be encouraged. High Speed & Medium Speed Rolling Stocks are already being produced in the existing Production Units including LHB Coaches at ICF, RCF & MCF suitable for 160 Kms/Hr.; Electric Locomotives are being produced at CLW & DLW, capable of running at 160 Kms/Hr. with high payloads. Higher speed WAP5 (upto 200 Km/hr) and WAP7 to run at 180 Kmph have also been developed there but speed is restricted to 160 Km/hr due to track constraint.

Further upgrading & modernization can be done if required, through ToT (Transfer of Technology) for producing High Speed & Super-High Speed Rolling Stock This way, Railways will be able to acquire and own modern technology without Corporatization.

7.3. In-House Design & Development of High Speed Rolling Stock: High Speed Rolling Stock has also been Designed and Produced through in-house improvisation, as has been done by ICF Chennai in respect of Train18 (Vande Bharat Express). Further on and continuous motivation should be provided for such efforts.

7.4. Higher production Levels is Achievable by PUs if requisite Staff & Infrastructure are provided: All Production Units are giving much higher level of out-turn than the strength of Staff sanctioned or on Roll. They can increase the Production further if requisite number of Artisans, Technical Supervisors, Store & Lab Staff are provided & the Vacancies are filled up on war footing as well on a regular basis through either of the following methods:

7.5. Expeditious & timely Recruitment through RRB by timely placing of indents at least one year in advance to cover the lead time as well as the unforeseen delays;

7.6. Streamlining the procedural delays by further strengthening the newly started system of centralized Selections & Recruitment for all RRBs.

7.7. Filling of all Vacancies in the intervening period (pending Recruitment through RRBs) by giving extension to Retiring Staff & Technical Supervisors under the Administrative (word added) Powers already delegated to the General Managers.

7.8. Expansion of existing PUs for Better utilization of surplus land & Infrastructure of PUs: Most Production Units can be expanded at minimal cost, by utilizing surplus space available within their premises or in the adjoining Railway land as well as through more effective utilization of infrastructure and Machines.

7.9. Introduction of Multiple Shifts: Introduction of Multiple Shifts can substantially increase the utilization and productivity of infrastructure, Machinery & Man-Power – especially the CNC and other specialized costly machines. Multiple shifts are already running in CLW for some years. This can be started in other PUs also.

7.10. Conversion of One or more Railway Workshops as Production Units : One or more Railway Workshops (like Jamalpur, Golden Rocks, Parel & Kachrapara or any other Railway Workshop) may be converted into a Production Unit to step up the production of Rolling Stock at minimal additional cost and for better utilization & productivity of Man-power, machinery and infrastructure thereof.

7.11. Existing workload of these Workshops (to be converted as PUs) may be transferred to some other Workshops to utilize their capacity more effectively keeping in view the revised pattern of their workload over the years and installation of new machines.

7.12. A part of workload of the existing PUs may be transferred to other Railway Workshops to optimize utilization of their capacity.

7.13. Removal of ceiling Limit of Incentive Bonus in all PUs & Workshops: Removal of Ceiling Limit of Incentive Bonus in all Production Units & Workshops will substantially increase the Production and productivity of Man-power& Machinery.

7.14. Extension of Incentive Scheme / PCO Allowance to Design, Store, Lab& IT Staff: Extension of Incentive Scheme / PCO Allowance to Design, Store, C&M Lab, IT & other production related Staff, will ensure better Designing, effective Quality Control and requisite Material Management.

….. continued on page-8

EXCELLENT PHYSICAL & FINANCIAL PERFORMANCE OF IR PUS.

POOR PERFORMANCE ON PROCUREMENT OF WAGONS FROM PRIVATE PLAYERS

Government's decision on delinking Railway PUs by corporatization may end up not only in steep cost raise; it will risk even availability of sufficient new rolling stocks for IR.

K.V.RAMESH, Sr.JGS/IRTSA

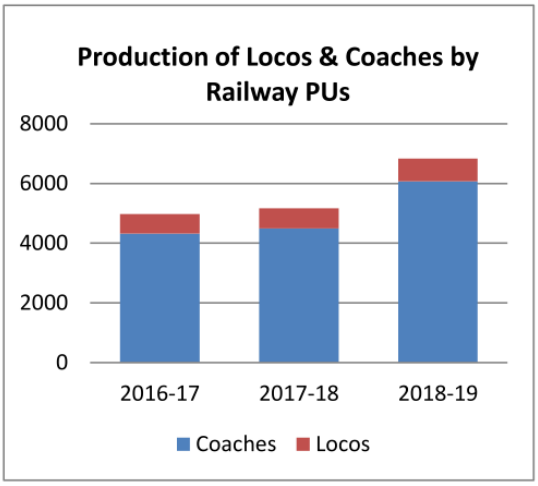
Production units of Indian Railways manufacturing locomotives & passenger coaches always achieved the target set for them. Cost of locos & coaches manufactured by IR's PUs are the cheapest.

Physical target &Actual – Very Good performance in Loco & passenger coaches sector

Rolling Stock (Coaches & Locos) – Physical Target& Actual

	2016-17		2017-18		2018-19		2019-20	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual Upto Sep'19
Coaches	4302	4321	4659	4494	6058	6076	8026	3506
Locos	660	658	642	673	695	754	725	397

Parliamentary Standing Committee noted that though the achievement of Railways in procurement of Coaches and Locomotives is upto the mark, in the case of Wagons, there have been shortfalls in achieving the targets.



There is only one Railway owned PSU (M/s Braithwaite) through which only a minor part of the requirement of wagons is fulfilled whereas wagons are mostly procured from Private Wagon Builders through the process of open tender.

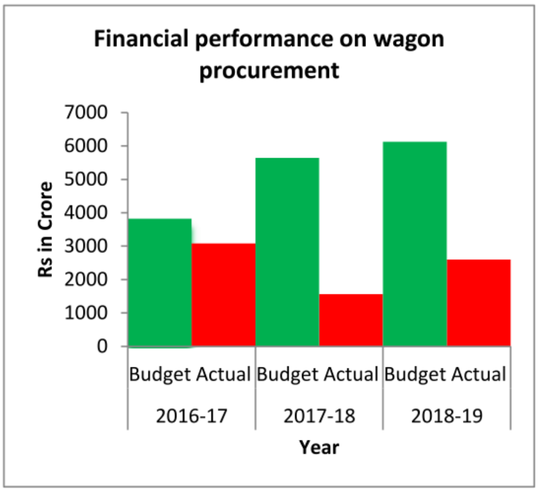
Braithwaite & Co. limited, Ministry of Railways PU producing wagons recorded financial turnover of Rs. 317.03 Cr. in 2018-19 as against Rs. 130.89 Cr. in 2017-18, based on higher production achieved both in newly built and repair wagon sectors. During the year 2018-19 production of Newly Built Wagons was increased to 869 as against 530 numbers in previous year 2017-18. BCL also manufactured 1371 bogies during 2018-19 as against 970 numbers in previous year 2017-18. Repair of wagons also increased to 4590 from 919 in the same period.

The wagon requirements and utilisation depend upon various factors like commodity flows, speed of freight train, availability locomotives, maintenance requirement etc. Since the work of Dedicated Freight Corridor (DFC) is in full swing and once it becomes operational, there would be high demand of wagons for carrying additional freight traffic. It is not clear about the plan of Railways on overall requirement & advance for requisite procurement of wagons and their optimal utilization of wagons including for DFC.

Financial Target & Actual – Poor performance in wagon sector

	2016-17		2017-18		2018-19		2019-20
	R. Estimate	Actual	R. Estimate	Actual	R. Estimate	Actual	B. Estimate
	Rs. in crore						
Locos	9682.30	10249.90	9742.45	8703.41	10379.04	10221.32	10546.67
Coaches	8369.72	6305.40	10442.04	9501.83	11247.64	15295.82	15198.86
Wagons	3820.67	3081.18	5639.65	1563.02	6122.08	2596.52	7860.73
Total	21872.69	19636.48	25824.14	19768.44	27748.76	28113.66	33606.26

Financial target on procurement of locomotives and passenger coaches are very well achieved by Railway Production units by surpassing their physical target. BCL lone PSU of Railways for wagon production increased its physical performance by 50% from the year 2017-18 to 2018-19. In the same period the financial performance is increased by 142%. But, in wagon sector the performance on procurement from private is alarmingly very poor.



In the year 2018-19 out of total allocation of Rs.6122 crore for wagon procurement, BCL was allotted Rs.317 crore, which is only 5%. Private suppliers of wagon who are required to meet the 95% of procurement target could only achieve for Rs.2279 crore, ie 37.3% of the target set for them.

In the same period Railway PUs for Coaches & Locos has achieved a financial target of Rs. 25517 crores, 18% more than sanctioned fund of Rs.21626 crore.

It is clearly evident that Indian Railways PUs for rolling stock manufacturing are achieving both physical & financial targets set for them. Like ICF Chennai, RCF Kapurthala & MCF Raeberali are expected improve their performance substantially, these PUs are ready to cater the additional requirement of rolling stocks for IR for the additional trains that will be introduced after commissioning of DFC.

Railway PUs, by their impressive performance in both financial & physical target, are shouldering their share of responsibility for industrial growth, employment opportunity and flow of money into the market. Any policy change about Railway PUs at this time of economic slowdown will only make Railways and Nation to suffer.

RAILWAY BOARD'S ORDERS

No.PC/V/2006/MACPS/1, (RBE No 16/2020) dated 04.02.2020. & DoPT OM No.35034/3/2015-Estt.(D), dated 22.10.2019

Highlights of Consolidated Guidelines regarding MACPS for Railway Employees.

DoPT OM No.35034/3/2015-Estt.(D), dated 22.10.2019, has issued consolidated guidelines regarding MACPS for the Central Government Civilian Employees. The same instructions shall apply mutatis-mutandis on the Railways also.

1) The MACP Scheme continues to be effective from 01.09.2008.

2) Cases maturing during the first-half of a particular financial year (April-September) shall be taken up for consideration by the Screening Committee meeting in the first week of January Similarly, the Screening Committee meeting in the first week of July shall process the cases that would be maturing during the second-half of the financial year (October-March).

3) Benefit of pay fixation available at the time of regular promotion shall also be allowed at the time of financial upgradation under the Scheme

4) No further fixation of pay at the time of regular promotion if it is in the same pay level as granted under MACPS.

5) If promotion happens to be in a post carrying higher pay level than what is available under MACPS, then employee shall be placed in the level to which employee is promoted at a cell in the promoted level equal to the figure being drawn by him on account of MACP.

6) The employee may have an option to get this fixation done either on the date of promotion or w.e.f. the date of next increment.

7) Promotions earned/upgradation granted under the MACPS in the past to those grades which are in the same Level in the Pay Matrix due to merger of pay scales/upgradations of posts recommended by the 7th CPC shall be ignored for the purpose of granting upgradations under MACPS.

8) As a result of the implementation of 7th CPC's recommendations, post held by employee in the hierarchy of the cadre has been upgraded by granting a higher Pay Level, in such cases the MACP already granted to him prior to 7th CPC shall be refixed in the revised pay structure at the next higher level of Pay Matrix.

9) Promotions earned in the post carrying same Pay Level in the promotional hierarchy as per Recruitment Rules shall be counted for the purpose of MACPS.

10) Regular service for the purposes of the MACPS shall commence from the date of joining of a post in direct entry grade on a regular basis either on direct recruitment basis or on absorption/re-employment basis.

11) Past continuous regular service in same/another Central Government Department in a post carrying same pay level in the Pay Matrix prior to regular appointment in a new Department, without a break, shall also be counted towards qualifying regular service for the purposes of MACPS only.

12) Past service rendered by a Central Government employee in a State Government/Statutory Body/ Autonomous body/Public Sector organization, before appointment in the Central Government shall not be counted towards Regular Service.

13) If a financial upgradation under the MACPS is deferred and not allowed after 10 years in a level, due to the reason of the employees being unfit or due to departmental - proceedings, etc., this would have consequential effect on the subsequent financial upgradation which would also get deferred to the extent of delay in grant of first financial upgradation.

14) Financial and certain other benefits which are linked to the pay drawn by an employee such as HBA, allotment of Government accommodation shall be permitted.

15) For grant of financial upgradation under the MACPS, the prescribed Benchmark shall be 'Very Good', effective for upgradations under MACPS falling due on or after 25.07.2016, benchmark shall be applicable for the APARs for the year 20 16-17 and subsequent years.

16) Financial upgradation under the MACPS shall be purely personal to the employee and shall have no relevance to his seniority position.

17) However, in cases where a senior Government servant granted MACP to a higher Grade Pay before the 1st day of January, 2016 draws less pay in the revised pay structure than his junior who is granted MACP to the higher Level on or after the 1st day of January, 2016, the pay of senior Government servant in the revised pay structure shall be stepped up to an amount equal to the pay as fixed for his junior in that higher post and such stepping up shall be done with effect from the date of MACP of the junior Government servant, provided both the junior and the senior Government servants belong to the same cadre and they are in the same pay Level on grant of MACP.

18) Pay drawn in the level of Pay Matrix under the MACPS shall be taken as the basis for determining the terminal benefits in respect of the retiring employee.

19) In case of transfer 'including unilateral transfer on request', regular service rendered in previous organization shall be counted along with the regular service in the new organization for the purpose of getting financial upgradations under the MACPS.

20) Wherever an employee, transferred on own request to a lower post, is reverted to the lower Pos/Grade from the promoted Post/Pay Level before being relieved for the new organisation, such past promotion in the previous organisation will be ignored for the purpose of MACPS in the new organisation.

21) Employees on deputation need not revert to the parent Department for availing the benefit of financial upgradation under the MACPS.

File No. PC-VIM/2016/1/6/7 (RBE No. 23/2020) dated 18.02.2020.

Sub: **Railway Services (Revised Pay) Rules, 2016 – Clarification regarding fixation of pay under Rule 13 on promotion in various situations where feeder and promotional categories lie in same level in the Pay Matrix.**

Consequent to implementation of 7th CPC recommendations, doubts have been arisen on applicability of provisions under Rule 1313 (FR-22)(I) (a)(1) of R-II vis-a-vis Rule 13 of Railway Services (Revised Pay) Rules, 2016 in cases where certain feeder and promotional posts of Railways lie in the same/identical Level(s) in the Pay Matrix.

During 6th CPC pay regime, similar situations were arisen and the matter was examined in consultation with Ministry of Finance and Federations and detailed instructions were issued vide Board's letter No. PC-VI/2011/IC/1 dated 12.09.2013 (RBE No. 95/2013).

In the Pay Matrix recommended by 7th CPC only replacement scales have been recommended for the categories covered under …. **Continued on page-7**

RAILWAY BOARD'S ORDERS ***(Continued from page-6)***

Board's letter dated 12.09.2013 and no changes in circumstances have been observed, therefore, the guidelines contained therein will continue to be applicable in respect of following categories :-

Feeder Category	Promotional Category	6th CPC	7th CPC
Chief Matron	Assistant Nursing Officer	PB-3, Rs. 5400	L-10
Sr. Technician	Jr Engineer	PB-2,Rs.4200	L-6
Loco Pilot (Goods)	Loco Pilot (Passenger)	PB-2, Rs. 4200	L-6
Loco Pilot (Passenger)	Loco Pilot (Mail/ Express)	PB-2, Rs. 4200	L-6
Passenger Guard	Mail/ Express Guard	PB-2, Rs. 4200	L-6

This issues with the concurrence of the Finance Directorate of Ministry of Railways. However, above have been done only on provisional basis and is subject to the concurrence of Ministry of Finance. Further, it may be ensured that before the benefit is extended, a declaration from the concerned employee may be obtained to refund the amount in case, Ministry of Finance does not agree to this proposal.

No.E(NG)I/2020/PM 1/2 9RBE 27/2020), dated 26.02.2020

Sub: Discontinuance of Direct Recruitment to the posts of Senior Section Engineers (SSEs)- clarification reg.

As per extant provisions, SSE posts are filled up partly by DR (20%) and partly by promotion (80%)

2. Instructions issued vide Board's letter No.E(NG)II/2018/RR/1-31 dated 25.10.2018 provisionally discontinued direct recruitment in the posts of SSEs, initially for a period of one year, and also provided that all direct recruitment in all technical supervisory categories should be done only in the post of JEs by adding the DR vacancies of SSEs to those of JEs for the purpose of Direct Recruitment till the period of discontinuance of DR in SSE. The provisional discontinuation of DR of SSE has further been extended for a period of one year beyond 24.10.2019 vide Board's letter No.E(NG)II/2018/RR/1-31 dated 02.09.2019.

3. The transfer of the DR intake for SSEs into the lower grade of JE has resulted in increase in strength of the JE cadre with a corresponding decrease in SSEs. To offset this as well as to protect the promotional interest of JEs, the matter has been examined in consultation with both the staff Federations i.e. AIRF and NFIR. It has been decided that henceforth the 20% DR quota of SSE may be transferred to the Promotional Quota (from JE to SSE) until the prohibition of DR intake into SSE continues.

In other words, SSE posts may now be fllled up 100% through promotion from JE as long as the DR intake into SSE is kept on hold. Adequate cushion may however be factored in for accommodating any pending inter Railway transfer requests or any compassionate appointment cases in SSE that may have been approved.

No.F(E)II/2003/FOP/1(Misc.) (RBE NO. 12/2020) dated 28/01/2020

Subject:- Fixation of Pay in case of employees transferred to a lower post on their own request under rule 227 (a) (2) of IREC VoL.I (FR-15(a)) aud subsequently promoted to higher post in the new unit-clarification regarding.

Doubts have been raised by various Railways as to the method of fixation of pay of such employees when they subsequently become eligible for promotion to the next higher grade or same higher grade from which they have been transferred to the lower post, in the transferred department i.e.in the new unit.

DoPT have now given clarification in the two different situations as follows:

Situation 1;- An employee, who joined railway service in a particular grade/scale of pay, after being regularized but before getting any promotion to higher grade/scale, was transferred to a lower post on his own request with pay protection. Subsequently, he has become eligible for regular promotion to a higher grade/scale which may be the same or lower to his old grade/scale of pay from which he was transferred. How his pay on subsequent regular promotion is to be fixed?

Clarification received from DoP&T on the matter:

It is seen that the railway servant has been transferred to lower post and his/her pay is protected. However, if subsequent regular promotion in the adopted cadre in higher post/grade/level happens to be in same or lower grade/Level/post than the grade/post/Level of the higher post held on regular basis from which he/she is transferred to a lower post/Level, such Railway servant may not be allowed any promotional increment till he/she reaches to the Level equal to the Level from which he/she is transferred to a lower post on regular basis in the same or another cadre

Situation2:- An employee, who joined railway service in a particular grade/scale of pay and after getting promotion to higher grade/scale, was transferred to a lower post on his own request with pay protection. Subsequently, he has become eligible for regular promotion to that higher grade/scale from which he has been transferred to lower grade/scale. How his pay on subsequent regular promotion is to be fixed?

Clarification received from DoP&T on the matter:

Same mechanism of pay fixation mentioned for situation-1 may be adopted in cases where the Railway servant is promoted to a higher grade/scale of pay/Level and after getting promotion to a higher grade/scale/Level was transferred to a lower post/Level/grade on his/her own request and subsequent promotion in higher grade in the adopted cadre happens to be in same or lower post/Level than the promotional grade/post/Level from which he/she is transferred to a lower post. Thus such Railway servant would not draw any promotional increment in the adopted cadre till he/she surpasses the Level from which he/she was transferred to a lower post/Level in that cadre.

No.2018/ Safety (DM)/18/2, dated, 3.01.2020

Sub: Accident Free service award to the employee retired after 01.01.2016.

Ref: Board's letter of even no. dated 28.11.2018

Vide Board's letter referred above, it was clarified that the Accident Free Service Award to the staff retired after 01.01.2016 shall be paid as per the salary structure of 7th CPC and no arrears shall be admissible to whom the award is already disbursed.

Various Railways have brought out that some of the staff retired between 01.01.2016 & 28.11.2018 have been paid Accident Free Service Award as per 6th CPC pay structure while some of them have still not been paid the award due to various reasons and would therefore, be eligible for award as per 7th CPC pay structure. This would lead to different treatment meted out to two sets of staff retired during the same period. In this respect, Board has examined the matter and it has been decided that the Accident Free Service Award will…. **Continued on page-8**

RAILWAY BOARD'S ORDERS ***(Continued from page-7)***

be paid as per 7th CPC pay structure w.e.f. 01.07.2017, the date on which revised rate of allowances as per the 7th CPC came into effect. Therefore, the staff who have retired between 01.07.2017 & 28.11.2018 and have been paid as per 6th CPC pay structure will be eligible for payment of arrears of the Accident Free Service Award as per 7th CPC pay structure.

Income Tax Slab Rate for AY 2021-22 & AY 2020-21 for Individuals

Net income range	Income-Tax rate AY 2021-22 (With no deductions allowed)	Income-Tax rate AY 2020-21 (With all existing deductions allowed)
Up to Rs. 2,50,000	Nil	Nil
Rs. 2,50,000 - Rs. 5,00,000	5%	5%
Rs. 5,00,000 - Rs. 7,50,000	10%	20%
Rs. 7,50,000 - Rs. 10,00,000	15%	20%
Rs.10,00,000 - Rs.12,50,000	20%	30%
Rs.12,50,000 - Rs.15,00,000	25%	30%
Above Rs.15,00,000	30%	30%

Plus: - Surcharge: - 10% of income tax where total income exceeds Rs. 50,00,000. 15% of income tax where total income exceeds Rs.1, 00,00,000.

Health and Education cess: - 4% of income tax and surcharge.

Note: - A resident individual is entitled for rebate under section 87A if his total income does not exceed Rs. 5,00,000.

* If you go by new slab rates as announced in the Budget 2020 then, you will not be eligible to claim the following tax benefits.

1. Leave travel concession as contained in clause (5) of section 10;
2. House rent allowance as contained in clause (13A) of section 10;
3. Some of the allowance as contained in clause (14) of section 10;
4. Standard deduction of Rs. 50,000 u/s 16;
5. Employment/professional tax deduction as contained in section 16;
6. Interest under section 24 in respect of self-occupied or vacant property referred to in sub-section (2) of section 23. (Loss under the head income from house property for rented house shall not be allowed to be set off under any other head and would be allowed to be carried forward as per extant law);
7. Any deduction under chapter VI-A ; [except 80CCD(2) - NPS Contribution by the employer]
8. Others as prescribed. The option shall be exercised for every previous year where the individual or the HUF has no business income. In other cases the option once exercised for a previous year shall be valid for that year & all subsequent years.

Corrigendum in CEC office bearers list
Er.K.V.Surendranathan is elected as Patron IRTSA in 54th CGB held at Lucknow

IRTSA MEMO AGAINST CORPORATIZATION

… Continued from page-4

7.15. Delegation of more Powers to Shop In-charges and Lab, Store Depot and IT Section In-charges (SSE, CMS, CDMS & SE IT) with suitable Restructuring, Re-Designating them as Principal SSE and Re-classifying them in Group B (Gazetted) for better & more effective management, productivity and flawless quality control.

7.16. Delegation of more Powers & up-grading of General Managers & the Officers under them especially in the PUs besides those of the Railway Board, will further consolidate the position to achieve the defined objectives without Corporatization of PUs

7.17. a) Considering the above proposals for raising the Production of Rolling Stock without Corporatization; AND

B) Considering the serious impact of proposed Corporatization on the Service Conditions of the Employees and on the (old & future) Pensioners of the PUs in respect of their Pay Levels, Allowances and Pensionary Benefits etc. and revision thereof at par with the other Central Government employees;

C) It is requested that the proposal for Corporatization of Production Units may please be reconsidered.

8. Multi-Tracking of Railway Lines suitable for High Speed Trains with increased frequency.

8.1. Up-gradation & Multi-Tracking of Railway Lines, with up-graded Automatic Signaling system including those at all level Crossings etc., are all essentially required for High Speed Trains at 160 Kms/Hr. for 20,000 Trains per day.

8.2. Futuristic consideration for increasing the speed in viable future.

8.3. Provision of Funds required for requisite Infrastructure for producing 33% more Rolling Stock per year and for Multi-tracking of railway lines.

Funds required for meeting the defined objectives of raising production of High speed Trains and Multi-Tracking of Railway lines may please be raised through following methods (instead of Corporatizing PUs under PPP etc):

8.4. REALISTIC FREIGHTS & FARES: Linking Freights & Fares with Price Index ; Subsidy or Grant-In-Aid from General Budget for Concessions in Train Fares;

8.5. LEASING OF SURPLUS LAND: Leasing out (instead of selling) of Surplus Railway Land in all Cities, Towns with a realistic provision for future expansion of Railways as well as protecting the rights of the Railways for requiring.

8.6. PROMOTING TOURISM: Leasing surplus land to IRCTC & similar other agencies for Hotels & Resorts

8.7. REVIEW OF MANDATE OF RLDA: Review of Mandate to "Railway Land Development Authority" may please be considered, keeping in view the above suggestions and other related aspects- especially to ensure adequate & realistic returns to the Railways on market rates and the Railways continuing to be the Primary Owners of the Land even during & after the long term Leasing thereof.

9.1. Discussion with Stake Holders: a) Discussions with Stake holders, Staff Side &others may please be held with an open mind about these and other related issues.

9.2. It is requested that representatives of IRTSA may also please be given an opportunity of having an Informal Meeting on this issue, at any date and time convenient to you Sir.

Published by Sri.M.Shanmugam, Central President, IRTSA, on behalf of
Indian Railways Technical Supervisors Association From 4, 6th Street, TVS Nagar, Padi, Chennai – 600050.
Printed by him at Four Yes Offset Press, 11/A – 40, KarthikayanSalai, Periyar Nagar, Chennai – 600082. Editor: M. Selvaraj