

## **Cabinet approves continuation of Passes to Railway Employees & Pensioners**

**It is heartening that the Union Cabinet has approved the continuation of Passes to Railway Employees & Pensioners on July 15, 2010 at the instance of the Railway Minister Mamata Banerjee – finally over ruling the recommendations of the Expenditure Reforms Commission - made in 2004 for discontinuation of the Passes to Railway Employees & Pensioners.**

**According to reports appearing in a section of Press (including ‘The Tribune’, Chandigarh), an in-house Committee set up by the Railway Ministry had assessed the annual expenditure - as Rs.528 crores - on Passes to 14 lakh Railway Employees & 12 lakh Pensioners (as in 2004) – with an estimated cost of Rs.3311 per pass for serving employees and Rs.498 per pass of Pensioners.**

**However, according to an estimate of IRTSA team, the actual impact on the Railways is much less due to only partial utilization of the Passes by the Railway Employees & Pensioners - considering that only a fraction of the journey is actually performed by them than for which the Passes are actually issued. Many of the Railway Employees & Pensioners don’t even take a single set of pass or not at least full complement thereof as per their entitlement in a year – due to localized settlement and lack of resources to meet with the over head expenses of a journey.**

**But the Financial people while calculating financial impact of such privileges don’t look at all these factors. Apparently the estimated figure of expenditure of Rs.471 crores p.a. on Passes for Railway employees and Rs.57 crores p.a. on Passes to the Pensioners - as worked out by the said Committee - was much on the higher side considering the above said factors.**

**- GS, IRTSA**