

## Background Note on Railways (Amendment) Bill, 2024

### Background:

- Historically when Railways was introduced to India under the Colonial rule, it was governed as a part of the Public Works Department (PWD)<sup>1</sup>. In 1890, for the first time, the Indian Railways Act came into existence. It was a significant piece of legislation enacted during British rule in India as it was the primary legal framework for the establishment, operation, and regulation of railways in colonial India.
- This was followed by the Indian Railway Board Act, 1905<sup>2</sup> to establish a central authority to manage and control the Indian railways. This Board is responsible for the overall management of the railways in India. Currently the Chairman of the Board of Railways reports to the Minister of Railways.
- The Railways Act, 1989<sup>3</sup> was introduced repealing the Indian Railways Act, 1890. This led to a consolidation of laws related to railways in India: governance, railway operations, safety, passenger services, penalties for violations, and the powers of railway authorities. This Act became the backbone for the modern functioning of Indian Railways.
- The Railways (Amendment) Bill, 2024 was introduced in Lok Sabha on August 9, 2024. Currently, the Railways (Amendment) Bill, 2024<sup>4</sup> seeks to update provisions in the Railways Act of 1989. The Bill seeks to repeal the Railway Board Act, 1905 and bring the Board of Railways under the Railways Act of 1989.

### Provisions under Indian Railway Board Act, 1905:

- The Board is composed of a Chairman and other members appointed by the Central Government. The Act provides for the delegation of powers and functions to the Board and its officers, including the power to make rules and regulations.

<sup>1</sup> The Shipping News, *Bill to grant statutory powers to Railway Board introduced in Lok Sabha*, Aug 10th 2024, <https://indiashippingnews.com/bill-to-grant-statutory-powers-to-railway-board-introduced-in-lok-sabha/>

<sup>2</sup> Commissions of Railway Safety, Government of India, *History*, Nov 1st, 1961, <http://crs.gov.in/history/>

<sup>3</sup> The Railways Act, 1989, Arrangement of Sections, Section 200, Repeal & Saving, Chapter XVI

<sup>4</sup> [THE RAILWAYS \(AMENDMENT\) BILL, 2024](#)

- The Act also outlines responsibilities and jurisdiction of the Board, which includes management of the Indian Railways, ensuring construction and maintenance of railway lines, operation of trains and regulating rates and fares.
- It is of note that repealing this Act only signifies it becoming a part of the already existent Railway Act, 1989 thereby eliminating the need to reference multiple documents and frameworks.

### **Provisions under the Railways (Amendment) Bill, 2024:**

- The Railways (Amendment) Bill, 2024 was introduced in Lok Sabha on August 9, 2024. The Bill seeks to incorporate provisions regarding the Railway Board into the Railways Act, 1989 which provided the broad legal framework<sup>5</sup> for railways in the country.
- The aim of the Railways Amendment Bill, 2024 is to bring into its fold and announce the Railway Board a statutory body within the spectrum of the Railways Act, 1989 and have only one Railways Act instead of two for legal reference.
- The scope and office of the Indian Railways Board will also be broadened by the Central Government to include: (i) number of members of the Board<sup>6</sup>, and (ii) qualification, experience, and terms and conditions of service, and manner of appointment for the Chairman and members of the Board.
- It also reflects that the Board will be provided with a Secretary, and officers and employees, as necessary<sup>7</sup>, making it more efficient and independent, ensuring a cutdown on executive decision making but focused on policy enhancement.

### **Areas of Deliberation:**

- The newly introduced Bill delves in repealing the Act and bringing the Board under the jurisdiction of the Central Government with a vision of making the Railways Board a more independent, efficient and assign it a statutory status;

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<sup>5</sup> The Railways (Amendment) Bill, 2024 Bill No. 113 of 2024, the Railways Act, 1989

<sup>6</sup> Railway Amendment Bill, Ch 1A, Cl 3

<sup>7</sup> Railway Amendment Bill, Ch 1A, Cl 5, Cl 6, Cl 7

Pros	Cons
<ul style="list-style-type: none"> <li>Seeking to enhance the role of the Railway Board<sup>89</sup>;</li> </ul>	<ul style="list-style-type: none"> <li>The role of the Railway Board post repayment is not defined in the Bill. To add to it, there is no clear deliberation on the appointment of the employees, the structure and extent of discretion the Central Government will exercise has not been specified;</li> </ul>
<ul style="list-style-type: none"> <li>Doing away with two laws with respect to the railways to ensure efficient and effective law making;</li> </ul>	<ul style="list-style-type: none"> <li>The Railway Board Act can be done away with but there has been no solid deliberation on how bringing it under the Railways Act, 1989 will achieve the aforementioned, desired outcomes;</li> </ul>
<ul style="list-style-type: none"> <li>Bring the Board of Railways under the direct purview of the Central Government, beyond Executive strongholds;</li> </ul>	<ul style="list-style-type: none"> <li>The Board already operated under the purview of the Ministry of Railways and is a representative of the same, the bill does not dwell on how the mechanism will change thereof, or not change therefor;</li> </ul>
<ul style="list-style-type: none"> <li>The expenditure of Railway Board will be met from the already existing yearly budgetary provision under revenue Budget of Indian Railways as being done presently. Provide opportunities &amp; employment in the larger scheme of things for the people.</li> </ul>	<ul style="list-style-type: none"> <li>There is a remark and desire of the Bill to institutionalize it beyond the four-member plan and create a wing of its own without delving in the nitty gritties of what, who and how will this constitution look like.</li> </ul>

- By and large the assessment of the Bill from the Government's side is an attempt to centralize and standardize the Ministry of Railways;
- From the Opposition's perspective, it is control, discretion and lack of clarity that plays a concerning role in the Amendment.

<sup>8</sup> The Hindu, *Bill to grant statutory powers to Railway Board introduced in Lok Sabha*, Aug 9th 2024, 7:31pm IST, <https://www.thehindu.com/news/national/bill-to-grant-statutory-powers-to-railway-board-introduced-in-lok-sabha/article68505415.ece>

<sup>9</sup> ET Legal World, *Vaishnaw introduces Railways Amendment Bill in Lok Sabha*, Aug 10th, 2024, 12:26am IST, <https://legal.economictimes.indiatimes.com/news/law-policy/vaishnaw-introduces-railways-amendment-bill-in-lok-sabha/112411592>

## Conclusion

- The Railways (Amendment) Bill, 2024 represents a significant step toward simplifying and modernizing the legal framework governing Indian Railways. By repealing the Indian Railway Board Act, 1905, and integrating its provisions into the Railways Act, 1989, the Bill aims to streamline railway governance and ensure a unified legal structure. This consolidation is expected to enhance efficiency, reduce bureaucratic hurdles, and potentially enable better policy formulation and implementation.<sup>10</sup>
- However, the Bill leaves several critical areas unexplored, particularly concerning the detailed structure, operational framework, and scope of autonomy for the Railway Board post-repeal. The lack of clarity on the mechanisms of governance, employee appointments, and the precise extent of central government control raises concerns about the Bill's effectiveness in achieving its stated goals.<sup>11</sup> Addressing these issues will be essential for the Indian Railways to meet its modernization goals effectively.

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<sup>10</sup> The Hindu, *Bill to grant statutory powers to Railway Board introduced in Lok Sabha*, Aug 9th 2024, 7:31pm IST, <https://www.thehindu.com/news/national/bill-to-grant-statutory-powers-to-railway-board-introduced-in-lok-sabha/article68505415.ece>

<sup>11</sup> Gautam Acharya *The Railways (Amendment) Bill 2024*, IMPRI (Impact And Policy Research Institute), Oct 12th 2024, [https://www.impriindia.com/insights/railways-amendment-bill-2024/#google\\_vignette](https://www.impriindia.com/insights/railways-amendment-bill-2024/#google_vignette)