

# Rendezvous with ICSI

Hon'ble Union Minister for Railways, Government of India

**Sh. Suresh Prabhu**



**DR. HARPREET RAMAN BAHL, ICSI INTERVIEWING SH. SURESH PRABHU**

**H**e is a person armed with a passion for education, proved his ability in various profiles, known for his zeal and understanding, high integrity, zero corruption but also with ability to deliver milestones in his journey. Rated as one of three future leaders of India by 'Asiaweek' an international Magazine that described him as a "nation builder" way back in the year 2000 itself. On behalf of ICSI, Dr. Harpreet Raman Bahl had a conversation with Union Railways Minister, Government of India Sh. Suresh Prabhu in this series of Rendezvous with ICSI. Interaction with him proved that एक व्यक्ति बनकर जीना महत्वपूर्ण नहीं है, बल्कि एक व्यक्ति बनकर जीना ज्यादा महत्वपूर्ण है।

**Dr. Harpreet:** My belief is that it is a sin if any person is not able to 'become the best version of his own self during his lifetime'. Therefore, it is our best effort that our readers may gain strength from every rendezvous we publish in Chartered Secretary. My research about your life journey has revealed a very interesting story. You are deemed to be a person who is not only armed with best of education (I heard you are working on two doctoral degrees simultaneously), ability, understanding, high integrity, zero corruption but also with delivered milestones. You have been the Youngest Chairman of the largest urban co-operative bank in India. Rated as one of three future leaders of India by 'Asiaweek' an international Magazine that described you as a "nation builder" way back in the year 2000 itself and many other feathers to your cap. We wish that if you can throw light on this story in your own words so that every reader is able to believe in his innate abilities and become best version of himself...!!!

**Sh. Suresh Prabhu:** At the outset I would like to congratulate ICSI and its President for providing such a wonderful forum to discuss about the developments taking place in the Government today and, in Indian Railways, in particular. I would also like

to thank you very much for such a glorious introduction and I am amazed at the effort put in by you in tracking out my personal details. I strongly believe that knowledge is power and in order to bring about a transformation at my workplace, I need to continuously be on a learning path. My background as a Chartered Accountant and subsequently as the chairman of Saraswat Bank, provides me with the necessary skills and experience that I can rely on in my day to day functioning. For me work is worship and it is the vocation of my life today to take Indian Railways to a level that every Indian is proud of it. My organisation and I are committed to this goal.

**Dr. Harpreet:** You've also handled diverse portfolios like Energy, Industry, Environment, Chemicals. You were phenomenally praised for your transformational work in the power sector. So what drives you to seek such diverse areas of activity?

**Sh. Suresh Prabhu:** I am a servant of the nation and its people and in that capacity I discharge my duties to the best of my ability. I go wherever the call of duty takes me. In any sphere of activity, the opportunities for transformation are tremendous and I try to do my utmost to drive the desired change. I have

been fortunate that I have been positioned in such capacities that I have been able to demonstrate significant improvement and transmit the activities in a much better position than they were transmitted to me.

**Dr. Harpreet:** When you became the Indian Railway Minister just over 2 years ago, you inherited the 4th largest empire in the world with 1.3m staff and an equal number of pensioners; tracks that stretched for the equivalent of one and a half times the circumference of the globe; and 21,000 trains carrying 22 million passengers, which made you to mention in your white paper on Indian Railways that in an earlier era, the Indian Railways have been described as “imperium in imperio” – an empire within an empire. The size and scale is gigantic.” How are you dealing with this gargantuan task of managing the most difficult portfolio?

**Sh. Suresh Prabhu:** I agree with you that not only is the size of the organisation gargantuan but its spread is very vast. Not only that, every organisation and its employees rest but Indian Railways runs continuously all 24 hours all 365 days - the wheels of Indian Railways never cease to roll. The faith that our hon'ble Pradhan Mantriji has reposed in me and the expectations from the public at large for transforming the organisation is my inspiration and I have a workforce that is completely dedicated. My first decision was to delegate powers to the functional level so that decision making could be faster and there was accountability of decisions at a lower level. Secondly, we brought in investment from outside the Government so that we could expedite infrastructure creation and decongest the network. For the passengers a number of measures were taken. On a real time basis we are now able to solve their problems through the use of social media. We are bringing in new products in the form of trains for different classes of travellers. On the catering front also, much better food and of good quality is available. We have introduced bio-toilets in trains. On train housekeeping services have improved.

**Dr. Harpreet:** I have heard you saying that India can be the next engine of growth for the global economy and that in New India, expansion of rail services would play a key role in country's growth. What are your plans for the same?

**Sh. Suresh Prabhu:** Indian Railways is a cheaper and more environment friendly mode of travel. The investment multiplier for investment in Railways is about 5 times. I am of the view that if the economy has to grow consistently at about 7-8%, Indian Railways needs to grow by at least 10%. So we have the potential to become the growth engine of the economy. We have suffered due to lack of resources in the past but now we have arranged for resources for an ambitious capital investment programme of Rs. 8.56 lakh crore. Last financial year, we spent Rs. 1,11,000 crore and prior to that we spent about Rs. 93,000 crore as against Rs. 58,000 crore in 2014-15. We are constructing the Dedicated Freight Corridor and also a High Speed Corridor. Each of these investments is about Rs. 1 lakh crore. You can imagine the kind of impact this investment will have on the employment and growth scenario of the country.

**Dr. Harpreet:** Indian Railways is the best model combining social and commercial cause. Hon'ble Prime Minister has said that his government was working in 'mission mode' to develop Railways thoroughly on issues like safety,

sanitation, environment and cargo. May be it hints towards restructuring which involves mammoth task of balancing the 'Social' and 'Commercial' aspects. Are you planning to make it a self sustainable model to set an example of new India before whole world? What are your first thoughts on the financial health and operational revamp of Indian Railways?

**Sh. Suresh Prabhu:** There is a general opinion that Indian Railways is loss making but it is not. Indian Railways has always generated operational surpluses and also met its financing costs. This is inspite of the fact that we bear a huge liability of pension payments. This was about Rs. 35,000 crore last year. We have not increased passenger fares in the last two years and in the last one year, we have not increased freight tariffs. We absorbed the impact of the 7th Pay Commission and tried to rationalise our expenses. It is true that we do not have enough funds for capital investment and we were totally dependent on the budgetary support but now that we have started borrowing from the market, the resource crunch has eased. We hope to complete many of our decongestion projects - doubling projects, in the next three years and that should start generating revenues for us. The dedicated freight corridors should be a game changer for us in terms of service delivery. We are cutting down our fuel cost by signing long term power purchase agreements. We are also aggressively working towards 1000 MW of solar energy.

**Dr. Harpreet:** China is leading on its spending on railway infra presently. How India can take a lead in developing world's best railways infrastructure with current financial allocation not sufficient to fund such infra when you had opined that India needs to create infra to the extent of \$10 trillion in next three decades? Will it be relying excessively on debt or are you looking forward towards a comprehensive PPP policy and a clear roadmap for implementation of projects under PPP mode?

**Sh. Suresh Prabhu:** In such an ambitious programme, we cannot rely on one source of financing. Different components of development will have to be financed through different sources of funding. So, in the investment plan of Rs. 8.56 lakh crore, about Rs. 2.5 lakh crore is through debt, Rs. 1.3 lakh crore through private participation, about Rs. 1.2 lakh crore through joint ventures. The balance will come from budgetary support and internal generation. We have a comprehensive policy on participative models and our station redevelopment programme is one of the biggest of its kind through private participation. Through the development of 400 stations we hope to mobilise an investment of about Rs. 1 lakh crore. Invitation for proposals has already been issued for 23 stations.

**Dr. Harpreet:** The Mantra of the Government is 'Minimal Government and Maximum Governance'. How World's 4th largest railway network is going to fit in this Mantra of Government? What are your views on Good Governance?

**Sh. Suresh Prabhu:** I strongly believe that everyone should be empowered and made responsible and accountable. My first task as the Minister for Railways was to delegate powers at the functional level. This has significantly cut down red tape and also made people accountable. We have evolved Key Result Areas for senior management and their performance is judged on the basis of the same. For our customers we are trying to ensure

ease of doing business and trying to set in place practices that will take forward the mantra of 'Minimal Government and Maximum Governance'.

**Dr. Harpreet:** I am witnessing moving of Indian Railways towards a complete digitization. It is a move which has not relieved common man of corruption but saved plenty of money for railways also. What is your vision for the future of 'SMART RAILWAYS'?

**Sh. Suresh Prabhu:** We have taken major steps towards digitisation. In order to promote cashless payments, Indian Railways is providing POS machines for facilitating payment by cards and promoting ticketing – both reserved and unreserved. POS machines have been provided at around 1200 locations and it is proposed to progressively provide POS machines at all Reservation Centres. At present about 52% of the total passenger earnings collected are cashless. About 99% of the freight payment receipts (of total freight revenue of Rs.10,000 crore per month) is cashless. 99.9% of the payments made by Railways is by cashless mode. This includes payment of salary and wages to employees and payment to vendors and contractors. A very small amount mainly as ex gratia payments are made in cash. On the ICT front, we are going to have an ERP system which will integrate all existing computerised modules for various activities. We have also developed apps for reservation and other customer focussed apps are under preparation. Our recruitment is completely online. So, in the future I believe that all of Railways working and operations can be completely digitised which will bring a lot of convenience to all stakeholders and also result in savings for us.

**Dr. Harpreet:** In your opinion, "Connectivity and integration of trade bring about huge economy growth. Integration of market can happen through trade policy and other means like investment. But unless you bring in physical connectivity trade potential cannot be realised." It will be of immense utility to trade and economy if railway can bring physical connectivity to neighbouring nations, what are Ministry's plans for the same?

**Sh. Suresh Prabhu:** At present, Broad Gauge rail connectivity exists between India and Nepal and two new lines from Jogbani to Viratnagar and Jayanagar to Bardibas are under execution for cross border connectivity between India and Nepal. For connectivity with Bangladesh, a 15 km railway link between Agartala in India and Akhaura in Bangladesh has been sanctioned. This will improve rail connectivity and boost trade between the two countries. Regarding connectivity with Myanmar, 5 feasibility studies have been completed and submitted for further action.

**Dr. Harpreet:** Present Government is leveraging much on social media, almost all Ministers have become tech-savvy and more approachable to the public. I just came across the news 'Union Railways Minister Suresh Prabhu takes just three minutes to accept a proposal for new railway line in Odisha between Puri and Konark from Chief Minister Naveen Patnaik through micro blogging site Twitter'. Is this pointing out towards a new Mantra in Governance called 'Social Media Governance', if so, what constructive role social media can play in maximizing fast track Governance

in a nation now a days?

**Sh. Suresh Prabhu:** The public is now aware on a real time basis regarding the activities being undertaken by the Government. Yes, I think it is very much possible to take advantages of the technological advancements on the social media front to fast track governance. So far as Railways is concerned, it has been a boon. We have been able to fast track resolution of complaints in an appreciable manner through social media. I am totally accessible to the customers and can ensure assistance as and when required. Now we have set up an institutional mechanism to ensure that help is provided immediately to all stressed passengers. I think it has also brought in a connect between the public and Railways and people have started understanding the efforts that Indian Railways puts in to ensure smooth functioning of the system.



■ USING SOCIAL MEDIA MICROBLOGGING SITE, SURESH PRABHU TWEETED ABOUT ICSI

**Dr. Harpreet:** This interview will be read by whole ICSI fraternity? What message will you like to give to all governance professionals? What particular role in Nation building you expect from us?

**Sh. Suresh Prabhu:** Swami Vivekananda said – Awake, arise and stop not till the goal is reached! Focus on your targets and work with fervour, be responsive, be compassionate in all that you do and I am sure success will be yours. Wish you all the best in whatever you do!

**Dr. Harpreet:** What are the key priorities for the economy that the government needs to address overall for shaping New India?

**Sh. Suresh Prabhu:** The key development areas have already been identified and all of us are working towards achieving the objectives. Sustaining the growth momentum will certainly be very important. The challenging areas will be implementation of GST and financial inclusion. Digitisation is also a herculean task. Nevertheless, we are all working towards a common objective.

नवल चाह, नवल राह, जीवन का नव प्रवाह-  
यही करेगी एक नव भारत की रचना,  
एक भारत श्रेष्ठ भारत।