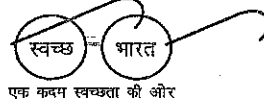


VIJAY KUMAR
FINANCIAL COMMISSIONER (RAIL)



सत्यमेव जयते



D.O. No. 2018.B-260/1

भारत सरकार
रेल मंत्रालय, (रेलवे बोर्ड)
रेल भवन, नई दिल्ली-110001
GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)
RAIL BHAVAN, NEW DELHI-110001
New Delhi, dated 06.09.2019

My dear General Managers,

Sub: Strategy/Action Plan for achieving Operating Ratio (OR) of 95% / 90% in 2019-20.

As you are aware, Operating Ratio (OR) of IR has been targeted at 95% in the Budget Estimates 2019-20. Hon'ble Minister of Railways, in recent interaction with the Board, has exhorted that Railways should take all possible measures for achieving an OR of 90% in the current year.

The trend of traffic earnings and OWE to end of July'19 however indicate that extra efforts and additional measures will be needed towards this end. The matter has accordingly been reviewed by Board. It has been decided that the additional impact of around Rs. 5,000 cr on OWE arising out of certain post budgetary developments would be absorbed within the sanctioned grant of Rs. 1,55,000 cr under Ordinary Working Expenses by effecting savings in fuel expenditure (traction / non-traction- Rs. 3,500 cr), staff cost (Rs. 1,000 cr) and the balance elsewhere in contractual payments, procurement of stores etc. Additional earnings to the tune of at least Rs. 17,000 cr also need to be mobilised in the remaining period of the year.

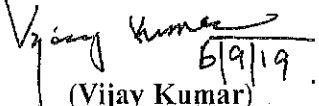
With a view to reducing expenditure and enhancing earnings, the Board considered several immediate and short-term measures, as per list enclosed, which need to be acted upon.

I would request you to immediately take further necessary action on these measures in your Railway by quantifying item-wise savings in expenditure/additional revenue generation that may result from these measures and monitor the outcome at your level fortnightly through nodal officers for each item. Consultation with the concerned executive directorate in Railway Board may be done (wherever required). Further, I would also urge upon you to implement any other innovative / out of the box measure aimed at reducing expenditure & enhancing earnings and share the same with Board and other Railways.

I hope that the Zonal Railways will rise to the occasion and take measures to achieve Operating Ratio target.

With regards,

Yours sincerely,


(Vijay Kumar)
6/9/19

General Managers,
All Indian Railways.

Copy to PFAs, All Indian Railways for information.

Measures for expenditure reduction and earnings enhancement

Expenditure related

Immediate measures:

- Grounding of diesel locos above 30 years of age
- Implementing HOG to save traction cost as well as to add additional coach
- Pre-paid metering of electricity for stalls etc.
- Metering / billing of domestic electricity through hand-held devices
- Standardisation of spares in different types of rolling stock
- Capping of OT & TA
- Review of maintenance schedules of Rolling stock: life of certain 'Must Change' items of RS to be aligned with their replacement schedule
- Permitting en-route examination of premium rakes
- Zero-based material planning - Review of AAC/EAR
- Computer aided matching of occupancy and rake composition (marshalling of rake as per occupancy to save on variable costs)

Short term measures

- Reducing consumption of fuel in targeted manner; prioritisation of essential expenditure
- Maximising use of optical fibre in place of copper cable
- Repair and maintenance of staff quarters through land monetisation
- Technical audit of need for replacement of Rail as per GMT and not as per condition based esp. with the regime of Rail grinding
- Rationalising use of HSD for non traction purpose
- Covering remaining states under open access mode
- Rationalisation of RCDs and total fuel management (TFM)
- Electrification of entire routes (Major OD pairs) with full infrastructure like TSS etc to prevent running of Diesel under wire for both freight and coaching services
- Time and motion study at workshops for rationalisation of incentives
- Review of yardsticks to be adopted for inc. productivity & benchmarking
- Foreign visits for inspection/study to be regulated
- Review of trains with less than 50% occupancy for reducing frequency/combining with other trains
- Cleaning of trains and stations through CSR/sponsoring route

Earnings related

Immediate measures:

- Review by September 30, 2019 of *Humsafar* trains for deployment on popular routes
- Maximising leasing of SLR spaces in trains (Train-wise leasing status should be monitored on a central portal at GM level)
- Quick clearance of PFT/Siding proposals (monthly position of pending cases to be reviewed at GM level)

- Land Licence fee revision & clearance of Right of Way cases on mission mode (to be monitored at GM level).
- Mining & Environmental issues- GMs to coordinate with the Concerned authorities for speedy resolutions
- Pending STS proposals to be expedited
- Running of freight Convoys twice a week by cancellation/ regulation of limited number of coaching services to increase the speed of freight trains and improve WTR
- Increasing the speed of freight stock to 100 KMPH in empty condition and 75 KMPH in loaded condition.
- Increasing loco availability by extending inspection schedules, both for coaching and freight locomotives.
- Reduction in terminal detention by following EOL system in terminals where the handling of the rakes is being done within 5 to 6 hours.
- Blocks to be availed in an integrated manner(shadow blocks) to maximize maintenance hours and minimize down time of operations

Short term measures

- Up gradation of CC+6 and CC+4 routes to CC+8 routes.
- Permission to run CC+8 loads on CC+6 and CC+4 routes with restricted speed.
- Rationalizing crew availability
- Mandated duty hours of crew should be made 10 hours.
- Freight basket to be relooked considering lead, yield etc
- Increase of validity of premium rakes to 15+3 days from the existing level of 12 + 3 days; in case of CC rakes, validity to be increased from 30 + 5 days to 35 + 5 days
- Advertisement & Publicity revenues – monitoring by AM/C; division – wise position to be reviewed for half-year ending September 30, 2019 & put up to Board
- Ineffective wagon holding of BOXN, BOBR and BCN stock to be brought to 3.5%
- Out-turn of workshops to be stepped up by introduction of 3rd shift working
- Combining CC base of BOXN examination to achieve flexibility in loading as well as less running of empty rakes to improve WTR
- Stepping up new wagon induction
- Bringing parties under advance freight policy
