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**Government of India
Ministry of Railways
Railway Board**

No.2016/Sig/Board Meeting

New Delhi dated 12.09.2019

**PCSTEs
All Indian Railways**

Sub: Strategy/action plan for achieving operating ratio of 95%/90% in 2019-20. ✓

Ref: Minutes of meeting of the Board held on 29.08.2019.

The issue was deliberated in Board's meeting held on 29.8.19. In the meeting Budget Directorate presented an illustrative and non exhaustive list of activities for revenue enhancement and cost optimization. List of items is enclosed herewith. In the meeting, Board Members were requested to quantify the estimated outcome in respect of each of the activities and to share the same with Budget Dte. for its consolidated compilation and monitoring. Item No.(C)(v), Item No.(D)(vi) pertains to S&T.

PCSTEs are requested to provide financial impact of the two items in terms of reduction in expenditure for the works targeted in 2019-20

Please treat it most urgent.

DA: As above


-12/9/19
(Pradeep M Sikdar)
Executive Director/Signal Development

Action Points for achieving Operating Ratio of 95% in 2019-20

S. No.	Action Points for achieving Operating Ratio of 95% in 2019-20	Board Member concerned	Approximate financial impact in terms of reduction in expenditure (Rs. in crore)
	Expenditure reduction measures		
A	Savings in fuel expenditure (traction/non-traction)	MTR/MRS	Minimum Target Rs. 3500 cr
A(i)	Grounding of diesel locos above 30 years of age	MTR	
A(ii)	Implementing HOG to save traction cost as well as to add additional coach	MTR, MRS	
A(iii)	Pre-paid metering of electricity for stalls etc.	MTR	
A(iv)	Metering / billing of domestic electricity through hand-held devices	MTR	
A(v)	Computer aided matching of occupancy and rake composition (marshalling of rake as per occupancy to save on variable costs)	MT	
A(vi)	Rationalising use of HSD for non traction purpose	MTR	
A(vii)	Covering remaining states under open access mode	MTR	
A(viii)	Rationalisation of RCDs and total fuel management (TFM)	MTR	
A(ix)	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	MTR	
A(x)	Review of trains with less than 50% occupancy for reducing frequency/combining with other trains	MT	
B	Savings in staff cost		Minimum Target Rs. 1000 cr
B(i)	Implementing HOG to save traction cost as well as to add additional coach	MTR, MRS	
B(ii)	Capping of OT & TA	MS	
B(iii)	Rationalisation of RCDs and total fuel management (TFM)	MTR	
B(iv)	Time and motion study at workshops for rationalisation of incentives	MRS	
B(v)	Review of yardsticks to be adopted for inc. productivity & benchmarking	MS	
B(vi)	Foreign visits for inspection/study to be regulated	MS	
B(vii)	Review of trains with less than 50% occupancy for reducing frequency/combining with other trains	MT	
C	Saving elsewhere in contractual payments, procurement of stores etc.		Minimum Target Rs. 500 cr
C(i)	Standardisation of spares in different types of rolling stock	MRS	
C(ii)	Review of maintenance schedules of Rolling stock: life of certain 'Must Change' items of RS to be aligned with their replacement schedule	MRS	
C(iii)	Zero-based material planning - Review of AAC/EAR	M(MM)	
C(iv)	Reducing fuel consumption in targeted manner; prioritisation of essential expenditure	MTR	
	Maximising use of optical fibre in place of copper cable	M(S&T)	
C(vi)	Repair and maintenance of staff quarters through land monetisation	ME	
C(vii)	Technical audit of need for replacement of Rail as per GMT and not as per condition based esp. with the regime of Rail grinding	ME	
C(viii)	Cleaning of trains and stations through CSR/sponsoring routes	MT, MRS	
C(ix)	Other expenditure saving measures - Permitting en-route examination of premium	MRS	

S. No.	Action Points for achieving Operating Ratio of 95% in 2019-20	Board Member concerned	Approximate financial impact in terms of addition revenue generation (Rs. in crore)
	Revenue enhancement measures		
D	Mobilisation of additional freight earnings through incremental loading / advance freight policy / transport of high yield commodities / diversification of freight basket.	MT	Targeted enhancement in freight earnings over the likely earnings in 2019-20: Rs. 10000 cr
D(i)	Quick clearance of PFT/Siding proposals (monthly position of pending cases to be pursued with the zonal railways)	ME, MT	
D(ii)	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	MT	
D(iii)	Increasing the speed of freight stock to 100 KMPH in empty condition and 75 KMPH in loaded condition.	MT, MRS	
D(iv)	Increasing loco availability by extending inspection schedules, both for coaching and freight locomotives.	MTR	
D(v)	Reduction in terminal detention by following EOL system in terminals where the handling of the rakes is being done within 5 to 6 hours.	MT	
	Blocks to be availed in an integrated manner (shadow blocks) to maximize maintenance hours and minimize downtime of operations	ME, M(S&T), MTR	
D(vii)	Up gradation of CC+6 and CC+4 routes to CC+8 routes.	ME, MRS, MTR	
D(viii)	Permission to run CC+8 loads on CC+6 and CC+4 routes with restricted speed.	ME, MRS, MTR	
D(ix)	Freight basket to be relooked considering lead, yield etc	MT	
D(x)	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	MRS	
D(xi)	Ineffective wagon holding of BOXN, BOBR and BCN stock to be brought to 3.5%	MRS	
D(xii)	Combining CC base of BOXN examination to achieve flexibility in loading as well as less running of empty rakes to improve WTR	MRS	
D(xiii)	Stepping up new wagon induction	MRS, M(MM)	
D(xiv)	Bringing parties under advance freight policy	MT	
E	Mobilisation of additional coaching earnings through various measures	MT	Targeted enhancement in coaching earnings over the likely earnings in 2019-20: Rs. 3000 cr
E(i)	Review by September 30, 2019 of Humsafar trains for deployment on popular routes	MT	
E(ii)	Maximising leasing of SLR spaces in trains (Train-wise leasing status should be monitored on a central portal at AM level)	MT	
E(iii)	Increasing loco availability by extending inspection schedules, both for coaching and freight locomotives.	MTR	