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### MARKETING POLICY OF INDIAN RAILWAYS: A CRITICAL ANALYSIS

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#### ABSTRACT

*Indian Railways is one of the largest systems in the world. It is also one of the very few railway systems in the world generating operating surpluses. With a modest beginning in India on April 16, 1853, when the first wheels rolled on rails from Bombay to Thane, the Indian Railways has emerged today as the main vehicle for socioeconomic development of the country. Rail transportation has a number of favourable characteristics as compared to road transportation. It is six times more energy-efficient than road and four times more economical. The social costs in terms of environment damage or degradation are significantly lower in rail. Rail construction costs are approximately six times lower than road for comparable levels of traffic. It is the only major transport mode capable of using any form of primary energy. This paper deals about the marketing policy of Indian Railway.*

**KEYWORDS:** Indian Railway, Marketing Policy, Stocking, Warehousing.

#### INTRODUCTION:

Since its inception, the Indian Railways has served to integrate the fragmented markets and thereby, stimulating the emergence of a modern market economy. It connects industrial production centres with markets and with sources of raw materials and facilitates industrial development and link agricultural production centres with distant markets. It provides rapid, reliable and cost-effective bulk transportation to the energy sector, to move coal from the coal fields to power plants and petroleum products from refineries to consumption centres. It links places, enabling large-scale, rapid and low-cost movement of people across the length and breadth of the country. In the process, the Indian Railways has become a symbol of national integration and a strategic instrument or enhancing our defence preparedness.

The Indian Railways contributes to Indian's economic development, accounting for about one percent of the GNP and the backbone of freight needs of the core sector. It accounts for six per cent of the total employment in the organised sector directly and an additional 2.5 per cent indirectly through its dependent organisations. It has vested significantly in health, education, housing and sanitation. With its vast network of schools and investment in training, the Indian Railways plays an important role in human resource development. The Indian Railways, with nearly 63,000 route kilometres fulfils the country's transport needs, particularly, in respect of long-distance passenger and goods traffic. Freight trains carry

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nearly 1.2 million tonnes of originating goods and 7500 passenger trains carry nearly 12 million passengers every day.

Freight and passenger traffic carried by the Indian Railways has recorded an impressive growth ever since Independence. While the input indices in terms of route kms, locomotives, passenger coaches and wagon capacity have only doubled during this period, the traffic output indices have increased by six times. These achievements were due to selective inputs of affordable technology, adoption of innovative operational strategies, phased reduction of staff and operating costs and intensive monitoring of movements and maintenance areas.

The Railways has developed indigenous capacity for rolling stock manufacture, including state-of-the-art electric and diesel locomotives and high-speed passenger coaches. It has introduced high-speed Rajdhani and Shatabdi Express trains and Mass Rapid Transit Systems in the metropolitan areas.

Commissioning of the Konkan Railway, extension of Electric Traction to cover 30 per cent of the broad gauge network, gauge conversion of about 8,000 kms. And provisions of about 15,000 kms of double/multiple lines are some of the major achievements. It has computerised passenger reservation facility covering 95 per cent of the workload. It has constructed bridges-engineering marvels across major rivers like the Ganga, Godavari and Brahmaputra.

The Railways is sharpening its marketing Capability to attract more and more freight and passenger business through constructive pricing mechanisms and tariff rationalisation and through customer focus. It has initiated steps to enhance market share in the bulk freight business as well as to secure growth in the non-bulk business, including less than rake load. Appropriate growth strategies for each passenger segment have also been evolved to secure recovery of various costs for the passenger business as a whole through internal cross-subsidisation within the various passenger segments.

The Indian Railways has strengthened the high density network to make the system capable of meeting the projected demands of the freight and passenger business. It practises austerity especially in the areas of energy consumption, material management, overtime, travelling allowance and advertisements. It tries to reduce operating costs by improving efficiency in production and maintenance units; by improving the purchasing procedures not only to secure cost reduction but also to improve reliability; by reduction in man power in a phased manner and by improving organisational excellence through human resource development. It plans to withdraw from ancillary activities to enable the management to concentrate on primary business for running freight and passenger services. For tapping non-traditional sources of funding, the Railways have taken steps to attract external funding by involving domestic financial institutions and private sector participants at concessional rates of interest. Indian Railways is exploring the possibility of attracting investment in fibber-optic telecommunication network and commercial exploitation of air space above stations. Other steps include exploiting the leasing route for procurement of rolling stock, innovative financing techniques such as Deep Discount Bonds with repayments towards the end of the term of the load and "sell and Lease Back" mechanisms to leverage the existing fixed as well as mobile assets.

The Railways plans to introduce modern technology in various spheres of its working. It aims at a stronger track structure with heavier and metallurgical superior rails, higher horse power, state-of-the-art electric and diesel locomotives, light and comfortable passenger coaches of modular construction with high speed bogies and lighter wagons with improved bogies with higher speeds and better payload. Other steps are solid state inter-locking, block proving by axle counters, centralised electronic interlocking, universal emergency communication and train radii in the areas of signalling and safety, optic fibre and digital microwave in the area of communication, dual voltage three-phase drive electric Multiple Units for suburban services and Diesel Multiple Units (DMUs) and Main Line Electric Multiple Units (MEMUs) for mass intra-urban and suburban traffic. The Indian Railways is also planning to realise the potential of information technology in all areas of railway management and operations to cut costs and improve efficiency and safety.

The Indian Railways has a glorious past and has achieved a phenomenal growth in both freight and passenger traffic by improving assets utilisation and efficiency of operations. The time has come when

massive investments are required for expanding the rail infrastructure and give the railways its due share in the country's infrastructure development.

The Indian Railways Stores Service (IRSS) is a cadre of the Government of India. The officers of this service are the procurement and logistics specialists, contract managers on the IR, providers of logistics for the transportation of material from and within various railways as well as the planners and maintainers of the intelligent warehousing with automated storage and retrieval systems on the Indian Railways. The officers of IRSS man the senior posts of stores department and also general administrative posts of Indian Railways. The members of this group A service are recruited through Engineering service Examination conducted annually by the Union Public Service Commission. The basic qualification for appearing in this examination is a degree in Engineering and all the members belonging to this service are Engineers. Department of Personnel and Training DOPT define it as a Technical Service. The total sanctioned strength of cadre is 656. IRSS cadre not only caters to stores departments but contribute significantly to general administration of Indian Railways in Particular and Government of Indian in General. The Various Ex-Cadre posts held by officers of service are, General Manager, Divisional Railway Manager, Additional Divisional Railway Manager, Chairman Railway Recruitment Board, Many officers are also working on Deputation to Government of India.

Indian Railway stores service (IRSS) is one of the nine organized service of Indian Railways. The IRSS cadre is responsible for Forecasting, Planning, Procurement of material, Logistics management, Warehousing of very expensive and sophisticated assets meant for the national lifeline i.e. Indian Railways. It is responsible for giving material support to production of Railway coach, Locomotive and Railway wagon. Realization of Revenue by selling of Scrap is another major function of Store Department. This is done by means of Auction, Tender Sale or Staff sale.

The Stores discipline performs a significant and major role in all the activities of Indian Railways. These activities are directly connected with train operations and thus contribute for productivity and earnings. These activities also have interface with customers which reflect the image of Indian Railways.

#### **The Major Functions of Stores Department are Procurement:**

1. Procurement & distribution of Spare parts, Lube oil, Grease (Lubricant) & other related general items to consignees spread over 7300 stations over all Indian Railways for day to day operation, maintenance of train, rolling stock etc.
2. Procurement & Supply of Components to major Mechanical, Electrical & Signalling Workshops for maintenance of Coaches, Wagons and for in-house manufacture of items.
3. Procurement and supply of sub assemblies and components to the production units for manufacture of new Diesel locomotive, Electric locomotive, Coaches and Wagons.
4. Supply of spare parts to major Diesel Loco & Electric Loco Sheds for maintenance of Diesel locomotive, electric locomotive & electric unit.
5. Procurement and supply of Fittings and components for maintenance of AC coaches, General Coaches and Wagons over Indian Railways.
6. Procurement of Modern Machines for upgrading the old workshops of Indian Railway, through COFMOW.
7. Procurement of complete units of rolling stocks.

#### **Stocking & Warehousing**

1. Stocking approximately one lakh different type of item in approximately 200 stores depots spread throughout the country.
2. Arranging inspection of these stocked items.
3. Distribution of these stocked items by multi-modal logistics to various consumption centres.
4. Inventory control of the stocked items.
5. Scientific recouperment of the stocked items

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6. Arrange the Non-Stock Item when required urgently to avoid critical position for smooth functions

### Planning

1. Procurement planning of spares and sub assemblies
2. Inventory planning and budgetary forecasts
3. Planning and Formulation of Logistic for supply for item to users over all the Stations
4. Development of vendors
5. Market survey & source selection for introducing latest available items.

### Disposal

1. Identification and inspection of scrap lying at various points of Indian Railway system
2. Collection Scrap wherever feasible, segregation and making of lots from the point of view of selling.
3. Arranging public auctions and selling.
4. Selling through tenders for certain items
5. E-auctioning
6. Delivery of scrap including specialized weighments.

### Supply of Uniforms

1. Procurement of cloth
2. Cloth cutting in Railways own cloth cutting factories
3. Stitching of uniforms by different means, which includes handicraft, centres.

### Others

1. Manufacture of Printed Card tickets & their distribution at various stations all over the Indian Railways.  
Purchase of computer Pre-printed tickets for all the computer Reservation centres of Indian Railways.
2. Printing and supply of Time Tables & money valued books & other stationery items.

### Evolution of Purchase Function in Indian Railways

At the time of independence, Indian Railways was running primarily on steam Locomotives. Most of the components required for steam locomotives were made in workshops and the components, which were to be purchased, were very few. The stores requirements for track, signalling, C&W and other general items were also less. As, at the time, the industrialization of country had just started, a substantial number of stores were to be imported mainly through India Supply mission. The function of stores department, at the time, was limited and mainly centred on store keeping.

The technical, industrial and commercial scenario of the country has also changed significantly. There are now more number of standards, specifications, accrediting bodies and also more central, state and local laws. Even organizations much smaller in size and scope than Railways appoint persons expert in techno-commercial areas like taxation, Port clearance, law and accountancy. The officers manning the cadre will be encouraged to take special interest and become specialist in one of the areas of scientific materials management, some of which are given below-

- **Strategic Procurement Management**
- **International Purchasing**
- **Inventory management – Designing & Implementing an Inventory System**
- **Logistics management**
- **Financial Aspects of Materials Management**
- **Sales and Auction management**
- **Value engineering**

The family welfare programme on Indian Railways was started in 1965. As a National Programme totally guided and financially assisted by the Ministry of Health for the welfare of Railway population. From April 1994, Railway is implementing this programme without budgetary support from Ministry of Health & FW.

**The Components of the Programme are:-**

- (a) Prevention of unwanted birth and adoption of small family norm by all railway employees.
- (b) Maternal and Child Health care.
- (c) Immunisation of eligible children against six preventable diseases i.e. Diphtheria, Tetanus, Whooping cough, Polio, Measles and Tuberculosis under the universal immunisation programme.
- (d) Immunisation of pregnant women against tetanus.
- (e) Health Education.
- (f) Prevention against diseases like diarrhoea etc.

The objective of the Family Planning component is population stabilisation by bringing down the birth rate. As a prerequisite to proper planning randomised sample surveys to know the birth rates, proportion of eligible couples, contraceptive preferences should be done annually. Based on this data, contraceptive strategies have to be formulated locally. Since Railways are not supported by Ministry of Health for staff salaries, the "Family Welfare" staff should be integrated with the "Health" Staff at all levels and they should provide an integrated and comprehensive welfare package including all preventive and promotive health services. Staff involved in family welfare work should be subjected to regular training and orientation. Health Unit doctors need constant orientation and motivation to focus attention on "positive health" and act as effective team leaders in providing health care.

**The Salient Features of the Guidelines on Current Strategy are as follows:**

**(1) Easy Accessibility and Availability:-**

- (i) Cafeteria approach – The acceptor is given an informed choice of contraceptives.
- (ii) All methods should be easily and regularly available with prominent display of notice as to where they are available.
- (iii) Walk – in sterilisation counters in each hospital.
- (iv) Health counselling clinics in scheduled days.

**(2) Quality of Services :-**

- (i) The norms laid down for rejection of sterilisation cases and for acceptors of other contraceptives must be strictly followed.
- (ii) Complication free service
- (iii) Immediate attention to the acceptor's medical problems
- (iv) Once a year "Health check up camp" for acceptors of family welfare methods.

**(3) Education :-**

Intensive use of all Information – Education – Communication (IEC) strategies so that the Railway population accepts the small family norm

**(4) Community participation:-**

Formation of Field Action Group (FAG) in each Railway colony. The FAG consist of volunteers from the community who will act as an interface between the administration and the community to provide the promotive Health services in the colonies. Opinion leaders, supervisors, trade union leaders, representatives of women's organisations, able bodied retired Railway employees, and other volunteers interested in social

work, volunteers of St. John Ambulance Brigade, Scouts etc. should be encouraged to become members of FAG. The success of FAG would depend on – Proper selection.

- Training, orientation and motivation of groups.
- Provision of education material.
- Logistic and professional medical support
- Proper and close monitoring of their work.

#### (5) Miscellaneous :-

- (i) Enlisting support of charismatic specialists for camps;
- (ii) Strengthening of the administrative machinery;

A female Railway employee (including an apprentice, temporary employee, casual labour with temporary status, irrespective of their length of service) with less than two surviving children may be granted maternity leave by an authority competent to grant leave for a period of 135 days from the date of its commencement. This leave shall not be debited against leave account.

Maternity leave may be combined with leave of any other kind. Any leave (including commuted leave up to 60 days and leave not due) up to a maximum of one year, may be granted, if applied for, in continuation of Maternity Leave, without production of a Medical Certificate.

The total period of maternity leave on account of miscarriage/abortion/ MTP should be restricted to 45 days in the entire career of a female railway servant. Maternity leave granted and availed prior to 12.9.94 by a female employee should not be taken into account for calculating the 45 days limit. In cases requiring longer duration of rest, leave of the kind due and admissible can be availed to cover the period of absence.

A male railway servant (including an apprentice) with less than two surviving children may be granted Paternity Leave for a period of 15 days during the confinement of his wife. During the period of such leave, he shall be paid leave salary equal to the pay drawn immediately before proceeding on leave. Paternity Leave shall not be debited against the leave account and may be combined with any other kind of leave (as in the case of Maternity Leave).

#### CONCLUSION:

The debate on the transport sector in Indian has not focused adequately on the rail sector despite its many economic and environmental advantages. It is high time that Railways role as a major infrastructure service provider is reinforced. Constructive support from the Government and the pro-active and market-oriented response to the challenges of an open economy will set the tone for the renaissance of the Indian Railways as we march towards the new millennium.

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