

EDITORIAL

Greetings!!!

The Indian Railways' contribution to national integration has been unparalleled. It has always played a unique role in meeting the transportation needs of the common man, while simultaneously serving as a critical infrastructure facilitator for the carriage of goods. Railways are more energy efficient and less polluting than other modes of transport. IR aspires to add 1.5% to India's GDP by building infrastructure to support 40% modal freight share of India's economy. Pursuing sustainable growth through preserving the environment is one of the hallmarks of Indian Railways. Indian Railways aims to be the initiator for India's economic growth and development by being safe, financially viable, environment friendly and caring for its customers and employees.

The Railways has registered a healthy growth in revenues despite huge competition in other sectors. In 2017-2018, the national transporter earned Rs 50,000 crore from passenger fare, an increase of Rs 2,551 crore over 2016-2017 and the number of passengers travelling in trains has increased from 8219.38 million in 2016-2017 to 8267.32 million in 2017-2018.

Indian railways are adopting and changing its mindset and policy towards cost optimization and to recover from losses despite of higher revenues. It has highlighted on adoption of Activity based costing and this will provide the same with better information to make it more value-based and therefore implementing more effective decisions. Performance Budgeting will enable the Indian Railways to take correct business decisions and to improve resource utilisation, cost competitiveness, profitability, and sustainability of the organisation. All this will make the Railways an efficient organisation and a viable entity.

Under a single management, Indian railway network has been recognised as one of the largest systems in the world. The Indian Government is now focused towards making the network an investment-friendly sector through policy reforms. Recently, it has enabled foreign direct investment (FDI) in the sector for improving infrastructure for high-speed trains and freight trains.

Vision and plans 2017-2019 of Indian Railways aim to provide safe mode of transport and is committed to be key driver for the growth and development of our country with financial viability and sustainability. IR is committed to leverage latest technology, focuses on preferred freight carrier, non fare revenue enhancement, 'Zero' fatality,

employee trainings and infrastructure upgrades on stations and trains to increase customer satisfaction. CMAs can be the best resource person to make research and suggest measures for cost control and other strategic management methods for enhancing operational efficiency, thereby acting as a game changer for the pride of India.

The major challenges before Indian Railways is to achieve economies of scale, reduction in cost to improve operating ratio, remove bottlenecks, automation of work, and proper deployment of resources. The application of lean manufacturing, total quality management, six sigma, digitalisation, captive power generation and none the less other tools will help to leapfrog the operating expenses thereby improving operating ratio. The innovations in the different facets will enable Indian Railways to be cost competitive and the benefits will be surpassed to the customers. CMAs could actively take part in formulation and implementation of innovative strategies. They can analyse the operating expenses and revenues and can suggest measures to improve the operating ratio and operational efficiency. The mission of Indian Railways is to develop self-sustainable railway stations in the country with high standards of safety, comfort, user friendly passenger amenities, value added services and efficiency by adopting the best technological practices, sound financial strategy and optimum utilization of resources.

This issue presents a good number of articles on the cover story theme 'Indian Railways-CMAs as Game Changers' by distinguished experts and authors. We look forward to constructive feedback from our readers on the articles and overall development of the journal. Please send your mails at editor@icmai.in. We thank all the contributors to this important issue and hope our readers enjoy the articles.

