



Dramatically improve non-fare revenues for Indian Railways

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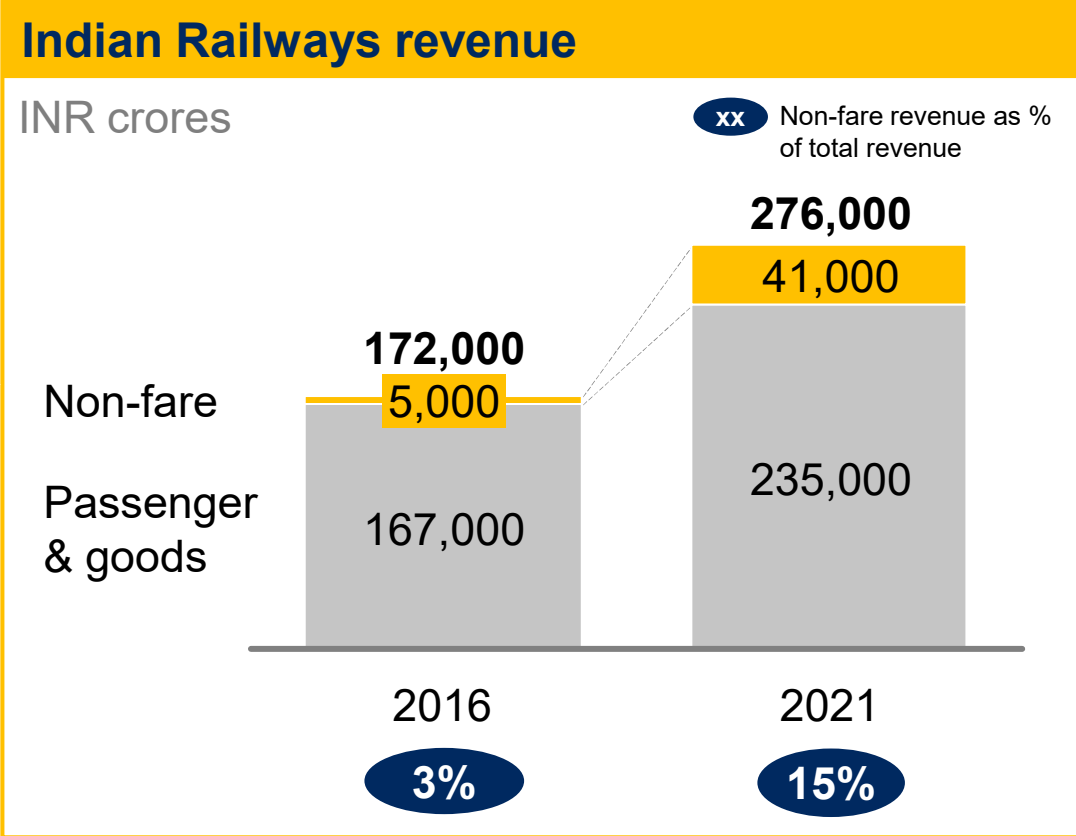
भारतीय रेलवे कोष, नई दिल्ली

Context – Aspiration for non-fare revenues

- Aspire to go from 3% to 15% share of total revenue by 2021

- Target non-fare revenue for 2021 is 41,000 Cr

- Increase focus on non-fare revenues by making it a core activity



We have identified 4 main opportunity areas

Monetising land &
stations

Maximising
revenue from
parcel business

Advertising:
Digital content &
physical assets

Passenger-driven:
What to sell to
passengers
beyond tickets

The big question is HOW?

What roadblocks have prevented us from achieving this in the past?

- Low priority and lack of institutional framework

- Relevant capabilities not developed

- Inflexible policy frameworks

- Rigid reserve pricing of assets

Requisite capabilities & mindsets for non-fare activities needs to be developed

Training in IR provided on:	
▪ Operations/ railway commercial working	✓
▪ Mechanical engineering	✓
▪ Civil engineering	✓
▪ Signaling training	✓
▪ Electrical engineering	✓
▪ Market analysis	✗
▪ Financial modelling & data analytics	✗
▪ Legal framework	✗

Inflexible policy framework leads to loss of opportunities

Sarai Rohilla

Ashok Vihar

Bandra

3 parcels of land worth
~5,000 Cr were delayed
due to lease tenure issue



Coca-Cola wanted to
advertise on all trains in
the northern region for 3
months - no policy at IR to
respond to unsolicited bids



Twitter Inc. asked for
Chhatrapati Shivaji
Terminus to be lit up - no
policy at IR to respond to
unsolicited bids

What are the big moves required to achieve our aspiration?

- 1 **Land:** Prioritize 30 most profitable land parcels & monetize them in the next 2 years

- 2 **Parcel:** Hive off a separate business unit to handle parcel business

- 3 **Rail Display Network:** Set up 2 lakh screens across 2,175 stations, with 50-50 information & advertisements

- 4 **Policy framework & organisation:** Develop policies for unsolicited bids, reserve pricing, partnering with media players, accountability of officers for loss of potential revenue; build ownership & capabilities in the organisation

Prioritize 30 most profitable land parcels & monetize them in the next 2 years

1 Railway colonies

- 14 colonies identified
- 1,000 Cr average revenue
- Eg. Bandra, Bhopal



2 Good sheds in cities

- Free up prime city land for commercial use
- 14 ha with ~560 Cr potential identified
- Eg. Proposed plan for Kanpur, Kankaria



3 Unused Land

- Top 5 parcels identified in Mumbai, Jabalpur and other cities



Hive off a separate business unit to handle parcel business

From



Professional
handling



To



Smooth booking
experience



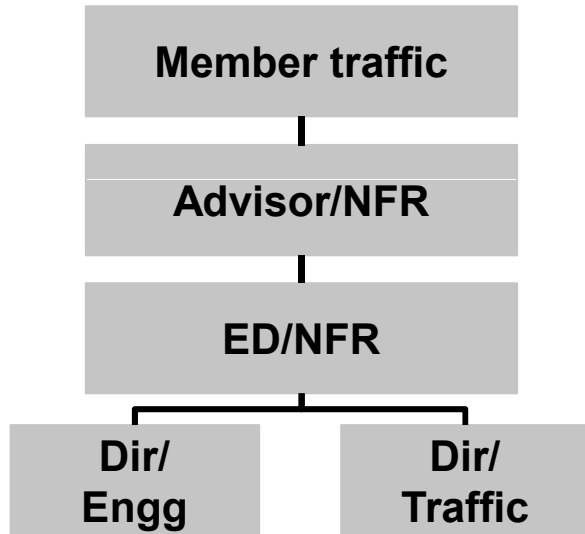
End-to-end
solution



Create ownership & build capabilities in the organisation

1

Central cross-functional non fare directorate



2

Accountability at Zonal & Divisional level

Zonal level

- GM accountable for loss of potential revenue
- NFR evaluation committee for Zone level bids

Divisional level

- DRM accountable for loss of potential revenue
- NFR evaluation committee for division level bids

3

Capability building

- Non-fare focus in training from early stages to build skillsets and shape mindsets for success in non-fare

Implementation timeline

<u>Milestones</u>	<u>Planned date of implementation</u>
Prioritize 30 most profitable land parcels & monetize them	Dec, 2018
Hive off a separate business unit to handle parcel business	Dec, 2017
Develop policy framework & organizational interventions	Dec, 2017
RDN rollout in 400 stations	Dec, 2018

Thank You