

BUDGET EXPLAINER- Expectations on Railways

India's railways stand as one of the few sectors that has benefitted immensely from the Union Budget 2023. It received a whopping allocation of approximately Rs 2.5 lakh crores, a significant improvement since 2013 when it received Rs. 26,000 crores. A wide range of works which includes renovating various stations, assembling newer tracks, and launching Vande Bharat trains have resulted in a tremendous jump in the prices of rail stocks. With the 2024 Budget mostly being an interim one, it is still expected that the railways could still receive allocations close to Rs. 3 lakh crores in total.

In 2023, government allocations were made across initiatives such as: - (a) developing newer train tracks, (b) contributions towards the Railway Safety Fund and the Rashtriya Rail Sanraksha Kosh, and (c) allocations made under the Capital Fund. More orders would be placed on Vande Bharat trains, which proved successful in 2023. With increased safety measures and a great reputation built over a short period of time, this has boosted the share prices of rail stocks. India has expressed its grand ambition of developing an economic corridor that effectively combines the Middle East and European regions while working out the prospects of placing a railway system in line.

The Amrit Bharat Station Scheme is now aimed at identifying the most critical railway stations that require an upgrade of basic services and facilities are expected to witness a rise in budget allocations. The Union Budget for 2024-25 is expected to consider closing 1,311 stations across India that require modern amenities while keeping the sustainable development goals in check. The tourism industry anticipates a major revival if plans for introducing 37 hydrogen fuel-cell-based trains in hilly areas with costs estimated at approximately 3,000 crores get approved during the upcoming Budget.

