

The recent pandemic has severely impacted the Indian railways resulting in a loss of 29% of its revenue.

### Issues faced by Indian Railways:

Low passenger revenue: The revenue from freight has lowered to just 3%. And the revenue lost from the passenger fares amount to 81%.

H. Salaries: The salaries and pensions accounts for  $\frac{2}{3}$ <sup>rd</sup> of the total revenue generated.

Capital outlay: About 50% of the outlay are met through budget (usually 25-30%) which in the next fiscal year will be difficult due to budget constraints.

Freight revenue: The National action plan estimated that the total share of freight in railway may increase from 25% to 45%.

The road transport accounts for 60% of the total freight carried.

Way forward :

- The subsidy for passengers must be done away.
- The operation cost should be reduced.
- An sep additional resource must be set up for paying salaries and pensions.
- A PPP model must be set up for increasing capex but it must be done away with the checks and revenues.
- Adequate resources must be provided to increase the freight carrying capacity.

Conclusion :

The National Infrastructure Pipeline has estimated that ₹ 136 lakh crore will be required for the next 5 years.

Hence it is necessary for the Indian Railways to come up with a more realistic approach.