

Railways Budget 2021: Faster trains, higher funding and support for green railways — here's what's on the experts' checklist

Budget 2021: The government should provide financing options, reduce GST on raw materials, reduce duties on lithium ion cell batteries, according to Brickworks Ratings

Navdeep Yadav Jan 28, 2021, 09:51 IST



The Indian Railways may not have a separate budget anymore but it is as strategically important for the economy as ever. Just as much as they played a significant role in taking migrant workers back home during the pandemic, the COVID-19 crisis also exposed many shortcomings in the system.

Experts believe that improving and strengthening Railways can be a key driver of India's economic recovery. Finance Minister Nirmala Sitharaman's budget this year is expected to push for a new set of Tejas trains, more routes for Kisan Rail (dedicated line to move agricultural produce), and better infrastructure to name some of the items from the experts' wishlist.

According to the ICICI Direct report, the allocation towards the railway budget is expected to be around ₹1.79 lakh crore and gross budgetary support for railways is expected to be around ₹75,000 crore.

Here what analysts are expecting from Budget 2021:

Support for faster trains

Private trains will be the government's top agenda, especially the high-speed ones. According to the Brickwork Rating report, the Budget is expected to bring more policy support for private trains, new train sets for faster connectivity on new routes, better rail connectivity to tourist and pilgrimage spots, expansion of railway infrastructure for better connectivity in northeastern states.

The reports also indicate that the Budget 2021 may also talk about Indian Railways' plans to introduce new bullet train networks in the coming years. The Railways released a draft 'National Rail Plan 2024' which proposed almost 8,000 kilometres of bullet train network across the country by 2051.

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In the last Budget, FM Sitharaman said that the bullet train project between Mumbai and Ahmedabad would be 'actively pursued' by the Railways. But all thanks to COVID the execution has been slower than ever — the maiden high-speed rail network is under construction. Launching private and faster trains will reduce transit time and maintenance. It will also provide enhanced safety with an obvious boost for job creation.

Higher allocation for safety fund and its 'Green Railways' initiative

Along with the budget allocation, the reports indicate that Railways has sought a 50% increase in allocation for its safety fund—the Rashtriya Rail Sanraksha Kosh. It expects that from the current ₹20,000 crore it should be hiked to ₹ 30,000 crore every year for five years, which will help in bringing state-of-the-art technology in the safety infrastructure.



BCCL

Started in 2017 by the then finance minister Arun Jaitley the safety fund initiative was to prevent accidents and boost safety, including timely replacement of over-aged assets. Jaitley then said the government would provide seed capital, but the Railways would have to arrange the balanced resources from its revenues, among other sources.

The railways have also set an ambitious target to become 'Green Railways' by 2030 — starting by the electrification of 7,000 RKM in the current fiscal year. In the Budget this year, the ministry expects a higher allocation towards its green energy initiatives.

More routes for Kisan Rail

Announced in the last Budget, the Kisan Rail helps farmers transport and sell their produce at subsidized rates across the nation. The Finance Minister is expected to expand the Kisan Rail route from the current Maharashtra-Bihar route to other parts of the country, strengthening the cold supply chain of perishable agricultural produce.

