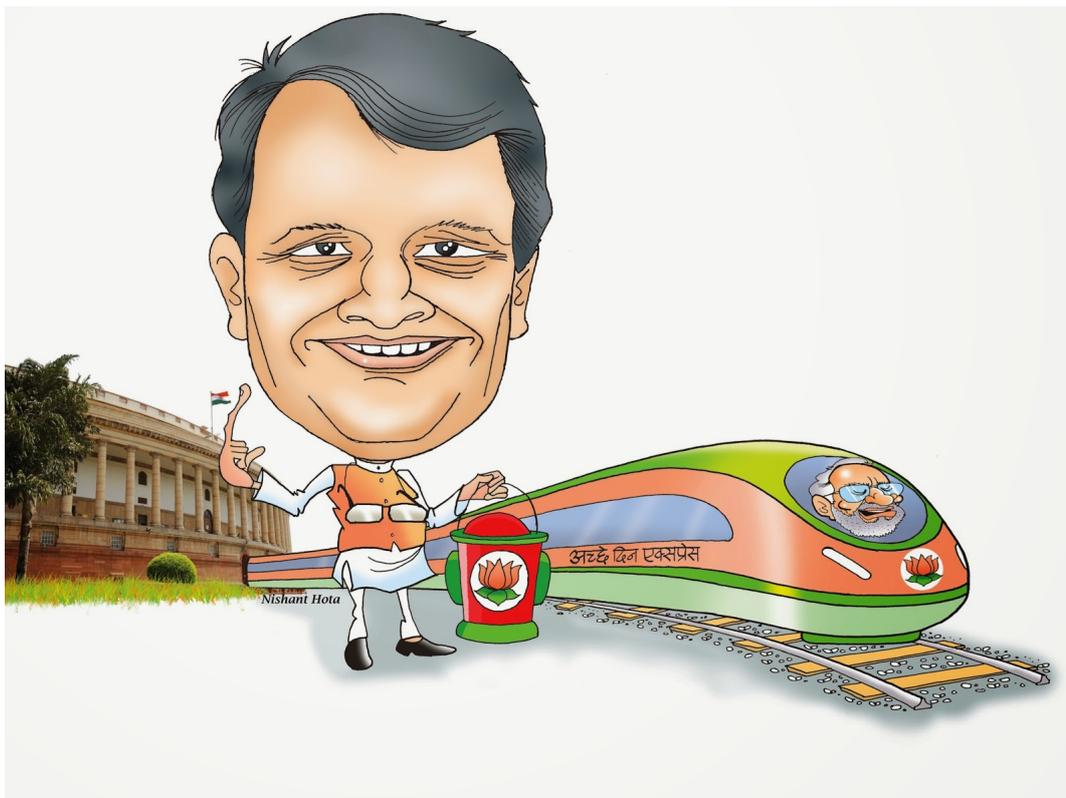


By Sidharth Mishra



The Railway Minister in Narendra Modi government has a tough assignment at hand. While he has his task cut-out to make his mammoth department work as the nation's growth engine, he is not allowed the luxury of withdrawing subsidies on passenger fares and increase freight charges. No wonder the Railway Budget for the year 2016-17 presented by Suresh Prabhu on Thursday, which on the one side energized the social segments, on the other it failed to cheer stock markets.

Economic slowdown bogging the nation must have weighed heavily on the Railway Minister's mind while drafting the financial statement for the gargantuan department.

But the financial statement in the end succeeded in working up a feel good factor among passengers, which in itself is a large body and their satisfaction goes a long way in deciding political fortunes of governments.

A cold stock market notwithstanding, Prabhu must have felt satisfied with Prime Minister Narendra Modi's comment that the "Rail Budget showcased a vision to reorganize, restructure and rejuvenate railways with new processes, structures, norms and sources of revenue."

Delineating his vision during an-hour long speech, punctuated by thumping on the desk by the treasury benches and catcalls from the Opposition, Prabhu said, "Our core objective is to improve the quality of customer experience at the individual level, become an engine of employment generation and economic growth at the national level and convert India's largest institution into a template for transformation."

Working up engine for economic revival

Written by Administrator

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While making a flurry of passenger and freight related announcements, Prabhu through the Budget has made an effort to arrest the loss of passengers to the aviation sector and freight to the roads.

The upcoming assembly polls in several states in natural course influenced the decision to spare the passengers of fare hike.

Pushing forward the government agenda of giving a fillip to employment to win back the confidence of the youth, Prabhu, delivering his second Railway Budget claimed that his department would generate nine crore man-days employment by 2017-18 and 14 crore man-days by 2018-19. Proposing a plan size of Rs 1.21 lakh crore in 2016-17, the Minister hoped to generate revenues to the tune of over Rs 1.84 lakh crore, which is ten percent higher than revised target of the current year.

To those worried about how the Minister would get the funds to generate such humongous volume of employment as the shortfall in targeted revenue from passenger and freight would be around 8.9 percent this fiscal, Prabhu said the Railway would need to cut costs, augment its freight business

which provides two-thirds of its revenue and target new sources of non-tariff revenue through measures such as redeveloping train stations.

“We need to look beyond the current approach to expand the basket (of freight commodities). We will make sure we recapture the traffic,” he said announcing plans for three new dedicated freight corridors across the country.

Prabhu’s second Budget too is big on ideas, full of visionary elements and may have a positive impact in long-term. But how long is the question.

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