

# Indian Railway's: Finance and Revenue Management Approach

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**Abstract:** *Indian Railways has the fourth largest rail network in the world after the United States, China and Russia. In the last few decades, traffic has been moving to other transport modes such as roads and air, which has led to declining rail traffic, and consequently declining revenue generation for the Railways. Deteriorating finances of the Railways have translated into lower investment in infrastructure, poor infrastructure maintenance, and poor services. Poor infrastructure has also had serious implications in the form of train accidents. The Comptroller and Auditor General of India conducted a compliance audit for the year 2016-17, which has been tabled in Parliament. In this context, the note looks at the Railways finances and challenges to financing, the Railways infrastructure, and the current organizational structure of the Railways and the reforms suggested to restructure it. In 2021-22, the total revenue expenditure by Railways was estimated at Rs. 2, 10,899 crore which was an annual increase of 10% over 2019-20. While the total proposed capital expenditure for 2021-22 was Rs 2, 15,058 crore. This was an annual increase of 21% over 2019-20.*

**Keywords:** Indian Railways, Revenue, Finance, Revenue management, Finance management, Public entity

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