



INDIAN RAILWAYS POSITIONED FOR SUSTAINED GROWTH Amid Government Infrastructure Expansion



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INDIAN RAILWAYS POSITIONED FOR SUSTAINED GROWTH AMID GOVERNMENT INFRASTRUCTURE EXPANSION

Indian Railways (IR) is a critical part of India's infrastructure, connecting the country and supporting economic growth through extensive passenger and freight services. India has over 68,000 kilometers (km) of rail routes, making it the fourth largest in the world after the US, China, and Russia. The sector is currently undergoing a major modernization drive, including extensive electrification, station redevelopment, and the introduction of high-speed and semi-high-speed trains like the Vande Bharat. The 'Make in India' initiative is also boosting the domestic manufacturing of railway components, leading to exports and job creation. Indian Railways provides a cost-effective and reliable mode of transporting goods, especially bulk commodities like coal, steel, and agricultural produce. This strengthens supply chains, boosts market connectivity, and reduces logistical bottlenecks for industries. Over the years, the government has strategically increased the funds for the railway sector to improve the infrastructure and streamline the overall rail operations.



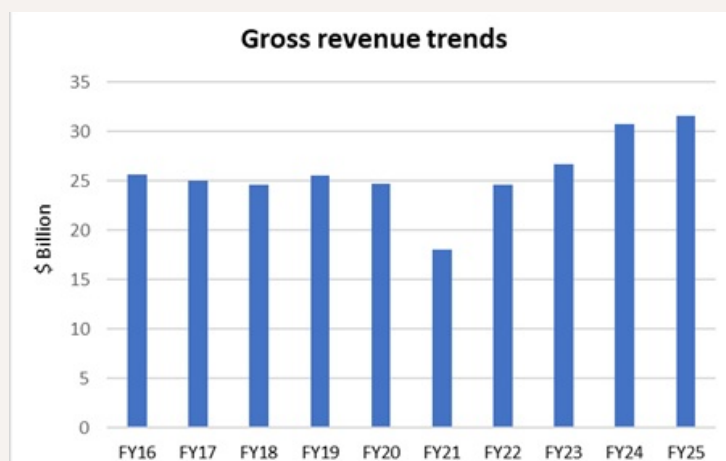
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STRONG REVENUE GROWTH DRIVEN BY FREIGHT AND PASSENGER SEGMENTS

By the end of FY25, Indian Railways recorded total revenue of \$31.57 billion (approximately Rs 2.70 lakh crore). This was a record-breaking financial performance for Indian Railways, driven by increased earnings from both freight and passenger services. During FY25, the total passenger revenue stood at \$11.10 billion (Rs 94,927 crore) as compared to \$8.77 billion (Rs 70,693 crore) achieved during the same period last year. Also, the total freight revenue stood at \$20.50 billion (Rs 1.75 lakh crore) in FY25, as compared to \$19.37 billion (Rs 1.68 lakh crore) achieved during the same period last year.

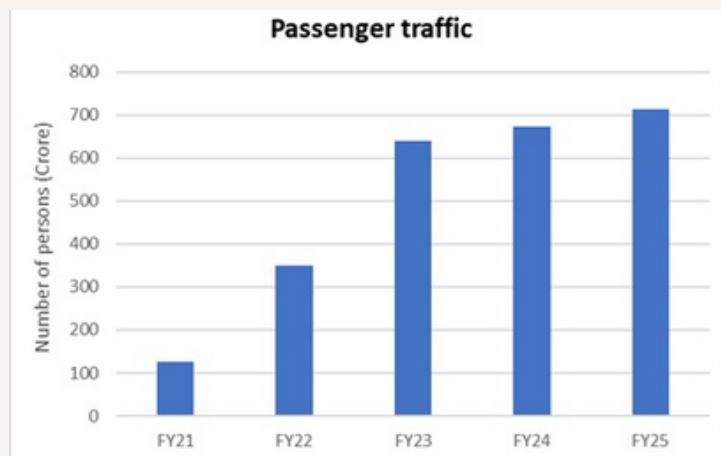
Cost-cutting measures in railways include manpower management and electrification of tracks, which has led to huge savings as running trains with diesel locomotives is more expensive. The operational efficiency of IR has been improved with the speed potential of 110 kilometers per hour (kmph) for trains extended across 80,000 kilometer (km) at present, which was only about 31,000 km in 2014. In addition, upgradation and improvement of about 23,000 km track has been done from 2014-15 to 2024-25 for a speed potential of 130 kmph. With more people travelling by reserved class and a growth in freight traffic, Indian Railways recorded increased earnings during FY25.





PASSENGER TRAFFIC RECOVERY WITH MODERATED GROWTH OUTLOOK

Indian Railways' passenger traffic jumped to 715 crore in FY25 from 673 crore in FY24, marking a significant increase of over 6% year-on-year, driven by significant growth in both reserved (AC/Sleeper) and unreserved segments. This included 81 crore passengers in AC and sleeper classes and 634 crore who travelled in unreserved classes. However, total number of passengers in FY25 is still less than the pre-Covid period of 2019-20, when the total passenger count stood at 808.57 crore. The Railways had set an ambitious target of ferrying around 830 crore passengers in FY25 but did not meet it, and subsequently reduced the target for FY26 to 790 crore passengers, which is still below the level seen in FY20. Indian Railways records since 2011 show that it carried over 800 crore passengers annually for a decade before the lockdown, with a peak volume of 849 crore in 2012-13.





STEADY GROWTH IN FREIGHT VOLUMES ACROSS KEY COMMODITIES

Indian Railways has achieved a total freight loading of about 1,617.38 million tonnes (MT) in FY25, reflecting a 1.68% (26.7 MT) increase over the 1,590.68 MT recorded in FY24. Commodity-wise, IR registered an increase of 19.72% in domestic container loading, 7.4% in coal, 1.25% in fertilisers, and 0.61% in petroleum, oil and lubricants (POL) loading. Additionally, stock at power houses in India reached 57 MT due to the enhanced loading of coal by IR. The five major commodities for domestic container loading include gunny sacks, hot rolled coils, ceramic tiles, wall care putty, and rice.

Furthermore, zone-wise, in terms of loading, IR registered an increase of 16.11% from Eastern Railway (ER), 7.28% from South East Central Railway (SECR), 4.21% from Northeast Frontier Railway (NFR), 3.89% from Northern Railway (NR), 2.82% from East Central Railway (ECR), 2.14% from South Central Railway (SCR), 1.19% from East Coast Railway (ECoR), 0.80% from Southern Railway (SR), and 0.36% from South Eastern Railway (SER).

Indian Railways has achieved cumulative freight loading of 1,070.8 MT during the financial year (FY) 2025-26 (till November 2025), representing a 3.3% increase over corresponding period of the last year. Moreover, IR registered cumulative freight revenue of Rs 1,152.32 billion and passenger traffic of 4.93 billion during this period. The Railway Board has set a target to carry 1,702.5 MT of freight in the financial year 2025-26 to boost revenue. The target for this financial year is about 5.2% higher than the actual freight loading achieved in 2024-25, during which the railways transported approximately 1,617.38 MT of freight.





CAPACITY EXPANSION IN WAGON PRODUCTION TO REDUCE FREIGHT BOTTLENECKS

Indian Railways has achieved a historic milestone in wagon production, reaching an all-time high of 41,929 wagons in FY25, surpassing the 37,650 wagons produced in FY24. This marks a remarkable leap from the annual average of 13,262 wagons produced between 2004-2014, showcasing a significant boost in manufacturing capacity and efficiency. This growth is expected to reduce freight bottlenecks and enhance Rail cargo movement. The numbers suggest a significant increase in the annual wagon production, highlighting the government's vision of not only increasing domestic manufacturing but also improving its freight movement that will enhance convenience and also provide a major boost to the Indian economy, empowering India towards its goal of becoming an economic prowess. This surge in wagon production is expected to have a profound economic and environmental impact. With more wagons available, transport bottlenecks will be significantly reduced, ensuring faster cargo movement and improved efficiency for industries reliant on bulk transportation, such as coal, cement and steel.

By reducing dependence on road freight, this shift will also lower fuel consumption and emissions, contributing to sustainability goals. Additionally, the improved efficiency in freight movement will help curb transportation costs, ultimately benefiting businesses and consumers by mitigating inflationary pressures. As Indian Railways continues to expand its freight capacity, it is playing a crucial role in strengthening India's industrial infrastructure and economic resilience. This growth aligns with India's broader vision of boosting domestic manufacturing and trade competitiveness, reinforcing the country's path toward becoming a global economic powerhouse.

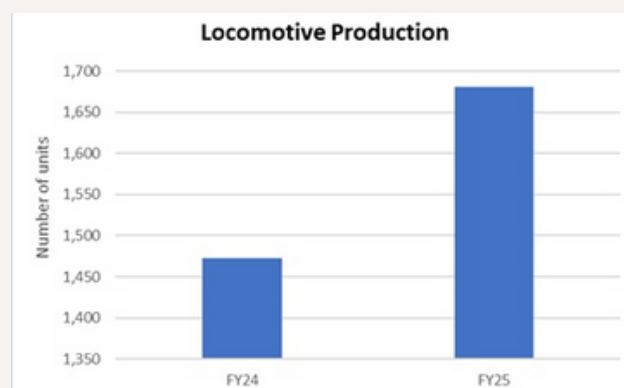




MAKE IN INDIA INITIATIVE DRIVES SURGE IN LOCOMOTIVE MANUFACTURING

India has emerged as a global leader in railway locomotive manufacturing, achieving a record production of 1,681 locomotives in FY25. This marks an increase of 209 locomotives, or 19%, compared to the 1,472 locomotives produced in the previous financial year. This includes 1,047 units of WAG-9/9H locomotives, 272 units of WAP-7 locomotives, 148 units of WAG-9 Twin locomotives, 100 units of WAG-12B locomotives, 100 units of WDG 4G/6G locomotives, seven units of WAG-9HH locomotives, five units of NRC locomotives, and two units of WAP-5 locomotives. Out of these, 700 locomotives were manufactured by Chittaranjan Locomotive Works (CLW), 477 by Banaras Locomotive Works (BLW), 304 by Patiala Locomotive Works (PLW), and 100 locomotives each were manufactured at the Madhepura and Marhowrah units. India has now surpassed countries including the United States, Europe, South America, Africa, and Australia in total locomotive production in a year. This record-breaking production is the highest ever for locomotive manufacturing in the country, reflecting the significant achievements of all units in enhancing railway infrastructure and capacity.

The continuous rise in locomotive production is a direct result of strategic decisions taken to strengthen the 'Make in India' initiative. Between 2004 and 2014, India produced a total of 4,695 locomotives, with a national annual average of 470. In contrast, from 2014 to 2024, locomotive manufacturing witnessed a significant surge, with 9,168 locomotives produced, raising the annual average to approximately 917.





GOVERNMENT INITIATIVES

Govt approves two rail projects worth Rs 2,781 crore in Gujarat, Maharashtra: The government has approved doubling of the Dwarka-Kanalus rail line in Gujarat and building third and fourth lines between Badlapur and Karjat in Mumbai metropolitan region, with a total cost of Rs 2,781 crore. The Devbhumi Dwarka (Okha)-Kanus rail line will improve connectivity to the Dwarkadhish temple, a key pilgrimage site, and transportation of commodities such as coal, salt, container, and cement. The Badlapur-Karjat section forms part of Mumbai suburban corridor and the third and fourth line project will improve the connectivity in the region and meet the future demands of passengers, along with providing connectivity to southern India. The increased line capacity will significantly enhance mobility, resulting in improved operational efficiency and service reliability for Indian Railways. These multi-tracking proposals are poised to streamline operations and alleviate congestion. The projects are in line with the government's vision of a new India which will make people of the region Atmanirbhar by way of comprehensive development in the area. The two projects covering four districts across the states of Maharashtra and Gujarat, will increase the existing network of Indian Railways by about 224 kms.

Govt approves four railway projects with Rs 24,634-crore outlay: The government has approved four multi-tracking railway projects with a total cost of approximately Rs 24,634 crore. The four projects covering 18 districts in Maharashtra, Madhya Pradesh, Gujarat and Chhattisgarh will increase the existing network of Indian Railways by about 894 km. These projects are 3rd and 4th line between Wardha and Bhusawal covering 314 km in Maharashtra; an 84 km 4th line between Gondia and Dongargarh in Maharashtra and Chhattisgarh; 259 km 3rd and 4th line between Vadodara - Ratlam in Gujarat and Madhya Pradesh; and 4th line covering 84 km distance of Itarsi-Bhopal- Bina in Madhya Pradesh. The approved multi-tracking project will enhance connectivity to approximately 3,633 villages, which are having a population of about 85.84 lakh and two Aspirational Districts (Vidisha and Rajnandgaon). The increased line capacity will significantly enhance mobility, resulting in improved operational efficiency and service reliability for Indian Railways.



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Indian Railways and DFCCIL sign MoU: In a significant step toward adopting cutting-edge technologies to improve service efficiency and automate the maintenance of rolling stock, Indian Railways has signed a Memorandum of Understanding (MoU) with the Dedicated Freight Corridor Corporation of India (DFCCIL) for the installation of Machine Vision Based Inspection System (MVIS) for monitoring the health of rolling stock. MVIS is a modern, AI/ML-based technology solution deployed on wayside that captures high-resolution images of the under-gear of moving trains and automatically detects any hanging, loose, or missing components. On detecting anomalies, the system generates real-time alerts to facilitate prompt response and preventive action. Under the terms of the MoU, DFCCIL will be responsible for the procurement, supply, installation, testing and commissioning of four MVIS units. This revolutionary system marks a first for Indian Railways. The technology is expected to significantly enhance the safety of train operations, reduce manual inspection efforts and help avoid potential accidents/service disruptions.

Govt launches RailOne App: The government has launched a new app, RailOne, at India Habitat Centre in New Delhi on 40th Foundation Day of Centre for Railway Information Systems (CRIS). RailOne is focused on improving passenger interface with railways. It is a comprehensive, all-in-one application with a user-friendly interface. The app is available for download on Android Play Store and iOS App Store. It integrates all the passenger services such as Unreserved UTS Tickets via R-Wallet to Get 3% Discount, Live train tracking, Grievance redressal and E-catering, porter booking & last-mile taxi. Reserved tickets will continue to be offered on IRCTC. RailOne app has also been authorised by IRCTC just like many other commercial apps who have partnered with IRCTC. RailOne features a single-sign-on with login via mPIN or biometric. It also supports existing RailConnect & UTS credentials. The app is space-saving, as there is no need to install multiple apps.





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