

OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

New Delhi

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Audit report on Railways presented in Parliament.

Audit Report No.22 of 2021 of Comptroller and Auditor General of India on Union Government (Railways) was tabled in Lok Sabha on 5.4.22 and in Rajya Sabha here today.

This compliance Audit Report consists of audit findings relating to theme based audits and 31 compliance issues of the Ministry of Railways noticed during 2019-20.

Highlights of the Report include the following:

Punctuality and travel time in train operations in Indian Railways

Indian Railways despite investing ₹ 2.5 lakh crore on track infrastructure during 2008-19 have failed to improve on the mobility outcomes. "Mission Raftaar" introduced in 2016-17 targeted an average speed of 50 kmph for mail/express and 75 kmph for freight trains by 2021-22. The average observed speed of Mail/Express and freight trains until 2019-20 was, however, still around 50.6 Kmph and 23.6 Kmph, respectively. Out of 478 superfast (SF) trains, the scheduled speed of 123 SF trains (26 *per cent*) was less than the specified speed of 55 Kmph.

Six main internal critical factors contributing 66 *per cent* of total detention of trains were identified as controllable. Indian Railways has no guaranteed delivery time for goods consignment. This was due to non-scheduling of Goods trains operation

Ministry of Railways accepted all audit recommendations.

(Paragraph 2.1)

Implementation of Dedicated Freight Corridor (DFC) Project

DFCCIL could not fully utilize the World Bank fund resulting in payment of avoidable commitment charges of ₹ 16 crore. No maintenance facility was created by the DFCCIL. Out of total 4,844 Route Km, only 2,346 Route Km (48 *per cent*) of feeder routes were upgraded till November 2020.

DFCCIL incurred avoidable expenditure of ₹ 285.21 crore during the land acquisition process. The progress of the project got adversely affected due to delay in awarding of contracts. There was also a delay in appointment of consultants upto 32 months. DFCCIL incurred avoidable extra expenditure of ₹ 2,233.81 crore till March 2021 towards price escalation. This was due to delay in completion of project.

(Paragraph 3.1)

Other important compliance issues included:

Not realising of service tax from contractors

Indian Railways suffered a loss of ₹ 27.43 crore due to payment of Service Tax demand from its own earnings.

Ministry of Railways accepted the audit observation.

(Paragraph 2.2)

Non-compliance of Railway Board's directives in construction of Grade Separator

Northern Railway awarded the contracts for work of construction of Grade Separator without ensuring clear sites of work. Due to encroachments, the work could not be completed even after 10 years from its sanctioning. As a result, Capital expenditure of ₹ 71.50 crore incurred on the work till 31 March 2021 remained unfruitful.

(Paragraph 3.3)

Improper planning for Mid-Life Rehabilitation Workshop of coaches at Anara

Ministry of Railways (MoR) approved (February 2010) setting up a Mid-Life Rehabilitation workshop at Anara in South Eastern Railway. The project was however dropped (September 2017) by MoR due to absence of committed funds. As a result, preliminary expenditure of ₹ 8.42 crore incurred on the project became unproductive.

(Paragraph 3.9)

Infructuous payment of spectrum charges

RailTel without utilisation surrendered the allocated spectrum. As a result, ₹ 13.82 crore spent on royalty charges of spectrum was rendered infructuous.

(Paragraph 3.21)

Avoidable procurement of power

Indian Railways had incurred avoidable expenditure of ₹ 968.73 crore towards procurement of power from Bhartiya Rail Bijlee Company Limited (BRBCL). This avoidable expenditure includes ₹ 463.30 crore towards fixed capacity charges and ₹ 505.43 crore due to injudicious decision to discontinue power purchase agreement with TATA Power- Distribution and procurement of power from BRBCL at higher tariff.

(Paragraph 4.1)