PRESS RELEASE

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CAG Audit Report on Railway Finances Presented

Audit Report No. 30 of 2026 – 'Union Government, Ministry of Railways– (Railways Finances)' was laid on the table of both Houses of Parliament here today. This Report provides an analytical review of the Finances and Accounts of the Indian Railways (IR) and is based on the audited accounts for the year ended March, 2025.

The Report is structured in four chapters. Chapter I (State of Finances) of the Report focuses on the financial health of Indian Railways with reference to the previous year, as well as the overall trends based on various parameters such as earnings, expenditure, reserves, operational efficiency etc. Chapter II (Appropriation Accounts) of the Report contains the summary and comments on the Appropriation Accounts of IR for the year ended March 2025. Chapter III (Financial Performance of Public Sector Enterprises of IR) of the Report contains financial overview of Railway Public Sector Enterprises for the year ended March, 2025. Chapter IV (Financial Management of Rashtriya Rail Sanraksha Kosh (RRSK) in Indian Railways) of the Report contains audit findings on compliance audit of RRSK the year ended March, 2025.

Major points in the Audit Report No. 30 of 2026 - Union Government Ministry of Railways (Railway Finances) are given below:

Chapter I: State of Finances

- During 2024-25, the total expenditure of Ministry of Railways (MoR) was ₹ 5,32,378.43 crore (3.36 *per cent* more than previous year) which comprised of ₹ 2,69,360.63 crore (2.69 *per cent* more than previous year) of Capital expenditure and ₹ 2,63,017.80 crore (4.03 *per cent* more than previous year) of Revenue expenditure. MoR incurred around 76.83 *per cent* of the total working expenses on staff cost, pension payments and lease hire charges on rolling stock.
  (Para 1.1 & 1.4.1)

- Gross traffic receipts during 2024-25 was ₹ 2,65,113.61 reflecting an increase of 3.86 per cent over the previous year (2023-24). The increase in total receipts was mainly on account of increase in passenger earnings, other coaching earnings and freight earnings. Transportation of coal constituted 51.68 per cent of freight earnings.

(Para 1.1 & 1.2.3(a))

- There was a net surplus of ₹ 2,660.28 crore in 2024-25 as compared to net surplus of ₹ 3,259.68 crore during the previous year. The Operating Ratio (OR) was 98.22 *per cent* in 2024-25 against 98.43 *per cent* in 2023-24.

(Para 1.1)

- Under-provisioning for depreciation resulted in piling up of 'throw forward' (renewal and replacement of over-aged assets) works estimated at ₹ 6,448 crore up to 2024-25.

(Para 1.7.1)

<u>Chapter II: Appropriation Accounts</u>

- MoR incurred additional expenditure of ₹ 2,702.41 crore in excess of the sanctioned budget of ₹ 74,541.34 crore under Revenue Grant (3002-03) (Voted).

(Para 2.2.1)

- There were savings of ₹ 28,923.33 crore in 7 cases (under Revenue Grant 3002-03 and Capital Grants-5002-03) where the savings was more than ₹100 crore in each case during the year 2024-25.

(Para 2.2.2)

- Inspite of supplementary provisions of ₹ 126.33 crore under MH 3001, 3002-03 (Charged), there were savings of ₹ 41.56 crore under the said Revenue Major Heads.

(Para 2.5)

- Inspite of supplementary provisions of ₹ 377.31 crore and ₹ 642.92 crore obtained under Voted and Charged sections respectively of Capital Grant (5002-03), there was savings of ₹ 11,515.50 crore and ₹ 238.86 crore respectively under the said Capital Major Heads.

(Para 2.5)

- There were cases of misclassification of expenditure between Revenue to Capital Grant and vice-versa, Voted to Charged and vice-versa and other mistakes like Revenue to Revenue Grants (among Sub Major Heads), Capital to Capital Grants (among Railway Funds) and Revenue Grants to Earnings.

(Para 2.7)

- Unsanctioned expenditure of ₹ 19,458.25 crore involving 1,321 cases was incurred by MoR, which was 2.55 *per cent* of total expenditure during the year 2024-25.

(Para 2.8)

<u>Chapter III: Financial Performance of Public Sector Enterprises of IR</u>

- The investment of equity and loans in Railway Public Sector Enterprises as on March 2025 was ₹5,43,860.07 crore which comprised of paid-up capital of ₹62,937.63 crore and long-term loans of ₹4,80,922.44 crore. The Government of India contributed ₹49,004.33 crore (77.86 *per cent*) in the paid-up share capital of Railway Public Sector Enterprises. The remaining paid-up share capital of ₹13,933.30 crore was contributed by Financial Institutions (5.40 *per cent*), Central Government Companies (5.77 *per cent*) and State Government/State Government companies (10.97 *per cent*).

(Para 3.2.1)

- The net profit of the Railway Public Sector Enterprises had increased from ₹7,071.14 crore in 2020-21 to ₹12,661.03 crore in 2024-25.

(Para 3.3.1)

- Out of total 45 Railway Public Sector Enterprises, 38 Railway Public Sector Enterprises (11 Railway Companies, 17 Subsidiaries, four JVs and six SPVs) earned profit (₹12,716.72 crore) during 2024-25. Only 14 Railway Public Sector Enterprises (seven Railway Companies, three subsidiaries, one JVs and three SPVs) had declared dividend as stipulated in DIPAM instructions of February 2018 which provided that every CPSE would pay a minimum dividend of 30 *per cent* of Profit after Tax or four *per cent* of net worth whichever is higher.

(Para 3.3.1, 3.3.3)

- Total market capitalisation of seven listed Railway Public Sector Enterprises as on 31 March 2025 was ₹3,71,249.38 crore.

(Para 3.4)

<u>Chapter IV: Financial Management of Rashtriya Rail Sanraksha Kosh (RRSK) in Indian Railways</u>

- Railways contributed only a small fraction of the envisaged internal resources, preventing achievement of the targeted RRSK corpus. During the first five years of RRSK, Indian Railways contributed only ₹ 5,324.62 crore from Internal

Resources against the envisaged ₹ 25,000 crore, achieving just 21.30% of the targeted contribution.

(Para 4.9.1.1)

- Over 20,304 safety-related works remain unfinished, indicating delays in achieving intended safety outcomes.

(Para 4.9.1.2)

- An amount of ₹ 823.14 crore under RRSK was allocated to non-priority works, contrary to the prescribed prioritization framework, thereby reducing the funds available for critical safety-related projects.

(Para 4.9.2.1)

- Instances of expenditure without budget grant, underutilisation, unrealistic budgeting, excess expenditure over budget grant were observed.

(Para 4.9.2.2)

- During 2022-23 to 2024-25, ₹ 3,397.60 crore of RRSK funds was utilised for non-priority works, reducing the resources available for critical safety projects and diluting the fund's core safety objectives.

(Para 4.9.3.1)

- Following the introduction of RRSK, there was a sharp decline in contributions to and withdrawals from DRF and DF. Contributions to DRF and DF fell by 87.05% and 60.82% respectively, while withdrawals declined by 88.96% and 66.17%, indicating a significant shift in funding of renewal, replacement and safety works from DRF/DF to RRSK.

(Para 4.9.3.4.1)

- A substantial throw-forward liability of ₹ 2,29,354 crore exists for ongoing RRSK-funded works, comprising ₹ 93,372 crore for fully funded projects and ₹ 1,35,982 crore for partially funded projects, indicating a significant backlog of safety-related works.

(Para 4.9.4)