

Office of the Comptroller and Auditor General of India

New Delhi

12th August, 2026

**Audit Report No. 03 of 2026 Ministry of Railways– (Railway Finances)
Presented**

Audit Report No. 03 of 2026 – ‘Union Government, Ministry of Railways– (Railway 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, 2024.

The Report is structured in three 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 2024. 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, 2024.

Major points in the Audit Report No. 3 of 2026 - Union Government Ministry of Railways (Railway Finances) are given below:

Chapter I: State of Finances

- During 2023-24, the total expenditure of Ministry of Railways (MoR) was ₹ 5,15,050.66 crore (16.62 *per cent* more than previous year) which comprised of ₹ 2,62,216.93 crore (28.55 *per cent* more than previous year) of Capital expenditure and ₹ 2,52,833.73 crore (6.38 *per cent* more than previous year) of Revenue expenditure. MoR incurred around 72.89 *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 2023-24 was ₹ 2,55,272.64 reflecting an increase of 6.37 *per cent* over the previous year (2022-23). The increase in total receipts was mainly on account of increase in passenger earnings, other coaching earnings and

freight earnings. Transportation of coal constituted 51.32 *per cent* of freight earnings.

(Para 1.1 & 1.2.3(a))

- There was a net surplus of ₹ 3,259.68 crore in 2023-24 as compared to net surplus of ₹ 2,517.38 crore during the previous year. The Operating Ratio (OR) was 98.43 *per cent* in 2023-24 against 98.10 *per cent* in 2022-23.

(Para 1.1)

- Under-provisioning for depreciation resulted in piling up of ‘throw forward’ (renewal and replacement of over-aged assets) works estimated at ₹ 30,921 crore up to 2023-24.

(Para 1.7.1)

Chapter II: Appropriation Accounts

- MoR incurred additional expenditure of ₹ 9,797.26 crore in excess of the sanctioned budget of ₹ 1,28,852.28 crore under Revenue Grant (3002-03).

(Para 2.2.1)

- There were savings of ₹ 50,694.82 crore in 5 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 2023-24.

(Para 2.2.2)

- In spite of supplementary provisions of ₹ 17.48 crore under MH 3002-03 - (07) (Charged), ₹ 64.62 crore under MH 3002-03 - (10) (Charged) and ₹ 0.01 crore obtained under MH 3075 (60)-102 (Voted), there was excess expenditure of ₹ 28.86 crore, savings of ₹ 25.57 crore and excess of ₹ 1,945.15 crore respectively under the said Revenue Major Heads.

(Para 2.5)

- In spite of supplementary provisions of ₹ 69.84 crore and ₹ 619.54 crore obtained under Voted and Charged sections respectively of Capital Grant (5002-03), there was savings of ₹ 10,326.13 crore and excess of ₹ 95.84 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 ₹ 9,122.24 crore involving 1,999 cases was incurred by MoR, which was 1.24 *per cent* of total expenditure during the year 2023-24.

(Para 2.8)

Chapter III: Financial Performance of Public Sector Enterprises of IR

- The investment of equity and loans in Railway Public Sector Enterprises as on March 2024 was ₹5,28,276.78 crore which comprised of paid-up capital of ₹ 63,225.15 crore and long-term loans of ₹ 4,65,051.63 crore. The Government of India contributed ₹48 959.14 crore (77.45 *per cent*) in the paid-up share capital of Railway Public Sector Enterprises. The remaining paid-up share capital of ₹14,266.01 crore was contributed by Financial Institutions (5.60 *per cent*), Central Government Companies (5.54 *per cent*) and State Government/State Government companies (11.41 *per cent*).

(Para 3.2.1)

- The net profit of the Railway Public Sector Enterprises had shown an increasing trend and had increased from ₹6,482.28 crore in 2019-20 to ₹ 12,737.15 crore in 2023-24.

(Para 3.2.1)

- Out of total 45 Railway Public Sector Enterprises, 35 Railway Public Sector Enterprises (10 Railway Companies, 14 Subsidiaries, five JVs and six SPVs) earned profit (₹ 12,837.56 crore) during 2023-24. Only 12 Railway Public Sector Enterprises (seven Railway Companies, two subsidiaries, one JVs and two SPVs) had declared dividend as stipulated in DIPAM instructions of May 2016 which provided that every CPSE would pay a minimum dividend of 30 *per cent* of Profit after Tax or five *per cent* of net worth whichever is higher.

(Para 3.3.1, 3.3.2, 3.3.3)

- Total market capitalisation of seven listed Railway Public Sector Enterprises as on 31 March 2024 was ₹ 4,16,122.88 crore.

(Para 3.3.3.3)