

**GOVERNMENT OF INDIA  
RAILWAYS  
LOK SABHA**

UNSTARRED QUESTION NO:3346  
ANSWERED ON:13.12.2012  
AUDIT REPORT  
Sardinha Shri Francisco

**Will the Minister of RAILWAYS be pleased to state:**

- (a) the major points of irregularities raised by the Comptroller and Auditor General (CAG) in their latest report pertaining to the Railways;
- (b) the details of steps being taken / proposed to be taken by the Railways in compliance thereof including the streamlining of financial / budget mechanism accordingly; and
- (c) the time by which the action on the major observations is likely to be taken by the Railways?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI ADHIR RANJAN CHOWDHURY)

(a) : The Comptroller and Auditor General (CAG) in its Report No.3 of 2012-13 for the year 2010-11 on Railway Finance has highlighted following areas for strengthening budgetary and monitoring mechanism for better transparency and internal control:

- # rationalisation of both freight and passenger tariffs;
- # increasing market share of Railways in bulk commodities;
- # timely revision/raising of bills and realisation of dues including arrears;
- # exploration of alternate sources to finance capital expenditure;
- # focus more on viable projects;
- # presentation of policy statements and review under FRBM Act etc.

(b) : Several steps taken, inter alia, include :-

- i. All units advised to prepare budget/revised estimates more carefully and strengthen the internal control mechanism so as to match available resources with expenditure;
- ii. A system for prioritisation of projects along with ring-fencing of funds has been initiated;
- iii. Higher funding support and focus on early completion of capacity enhancement projects and last mile projects;
- iv. Higher resource mobilisation through rationalisation of fare and freight rates structures, advertisements, commercial utilisation of land and station buildings and enhanced thrust on public private partnerships targeted;
- v. Running of special trains and attachment of additional coaches;
- vi. Aggressive marketing strategies for capturing additional freight traffic etc.
- vii. Containing non-plan expenditure through austerity and economy measures, better manpower and inventory management, better asset utilisation and improved fuel efficiency.

(c) : As per laid down procedure, Action Taken Notes on the observations/recommendations contained in the report have already been submitted to Audit.