

PRESS RELEASE

Office of the Comptroller & Auditor General of India

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Opening Remarks by Shri Pravir Pandey, Addl. Dy CAG (Railways) on Audit of “Multi-Modal Transport and Logistics Initiatives by Indian Railways”

The Indian Railways is undergoing a transformative phase, with significant investments and modernization efforts to enhance its infrastructure, safety, mobility, customer satisfaction and commerce. It has emerged as an important strategic player in India's logistics and infrastructure development. The National Rail Plan (NRP) 2030 aims to create a 'future ready' Railway system by 2030. The NRP aims to increase the modal share of the Railways in freight to 45% and substantially reduce transit time by increasing the average speed of freight trains to 50 kmph. The objective of the Plan is to create capacity ahead of demand catering to future growth in demand till 2050. While an NCAER study (September 2025), places logistics costs at 7.97% of GDP for FY 2023-24, but for MSME sector it stands at a substantial 16.9 % of GDP.

The PM Gati Shakti policy, launched in October 2021 integrates various ministries and departments, including Railways, Roads, Ports, and others, onto a single digital platform. The initiative focuses on improving last-mile connectivity, reducing logistics costs, and boosting economic growth by connecting infrastructure projects with economic zones and businesses. Indian Railways subsequently launched the Gati Shakti Cargo Terminal (GCT) policy in December 2021 to encourage private investment in developing multi-modal cargo terminals. As of August 2025, 115 of the 132 approved GCTs have been commissioned.

The development of multimodal logistics infrastructure requires the convergence of efforts of various Ministries and Departments of the Government of India viz. Ministry of Railways, Ministry of Road Transport and Highways (MoRTH), Ministry of Ports, Shipping and Waterways, Department for Promotion of Industry and Internal Trade (DPIIT) etc. as it involves the integration of different modes of transport along with supporting infrastructure such as warehousing, logistics parks, and cargo terminals.

Recently, the Government of India has decided to establish a federal agency, Gati Shakti Transport Planning and Research Organisation (GTPRO) for the integrated planning and monitoring of all modes of surface transport, railways, shipping, civil aviation, mass transit systems, and the logistics sector at the national level.

The C&AG, being the auditor of all Ministries and Departments of the Government of India, is uniquely positioned to undertake a comprehensive, cross-sectoral audit covering multiple entities involved in the logistics ecosystem. Accordingly, an Integrated Audit Group (IAG) has been constituted to carry out coordinated audit work across various audit verticals, including Railways, Infrastructure, Ports, Shipping, and Waterways.

The Railway Audit Wing is conducting an audit of **‘Multi-Modal Transport and Logistics Initiatives’** with particular emphasis on ‘First Mile Last Mile’ connectivity with Logistics hubs and (Origin -Destination) O-D pairs in financial year 2025-26.

To ensure that the audit provides comprehensive and practical insights, the Railway Audit Wing of the C&AG’s office has conducted a series of consultations, meetings, and conferences with key stakeholders, like Chairman and Members of the Railway Board, CMDs/MDs of Logistics related PSUs and Heads of Port Authorities, Public and Private Train Operators, Freight Operators, and Terminal Operators, among others, to obtain diverse perspectives from entities involved in India’s logistics and freight ecosystem.

To strengthen the analytical and strategic framework of the audit, IIM Mumbai has been engaged as the Knowledge Partner.

The audit on ‘Multi-Modal Transport and Logistics Initiatives’ will focus on the National Rail Plan 2021–2030, the Regulatory and Legal Framework, Logistics Operations, Digitization, and the Ease of Doing Business in Logistics keeping in mind the International Best Practices in Multimodal Logistics. The audit carried out by the Railway Audit Wing of the C&AG office will cover nine Railway Zones across the north–south and east–west corridors of India, along with three Ministries, Logistics related Railway PSUs and selected Origin–Destination (O–D) pairs critical to freight movement. The Audit Report is planned to be placed before the Parliament in the Monsoon Session of 2026.