

Office of the Comptroller and Auditor General of India

**New Delhi
Dated: 3rd April, 2025**

**CAG's Audit Report on Union Government (Railways) presented in
Parliament**

Audit Report No. 2 of 2025 – 'Union Government (Railways) – Compliance Audit Report' was laid on the table of both Houses of the Parliament here today.

The Audit Report contains results of the compliance audit of (a) Working of Mancheswar Carriage Repair Workshop in East Coast Railway and (b) Construction of 5th and 6th line between Chhatrapati Shivaji Maharaj Terminus (CSMT)-Kurla Station of Ministry of Railways, covering upto Financial Year 2022-23. Information relating to the period subsequent to 2022-23 have also been included, wherever necessary, to update the status of audit observations.

Brief of the audit observations:

1. Working of Mancheswar Carriage Repair Workshop in East Coast Railway

Carriage Repair Workshop, Mancheswar (CRW/MCS) of East Coast Railway (ECoR) was established in November 1981 for the purpose of undertaking repair of Railway coaches. CRW/MCS initially had a capacity for Periodical Overhaul (POH) of 45 coaches per month which was increased to 100 coaches per month in 2003-04.

During 2008 to 2016, augmentation of the workshop was carried out to enhance the outturn capacity of the workshop to 150 coaches per month. As against the outturn capacity of 150 coaches per month, the outturn of the workshop during the period from 2016-17 to 2022-23 ranged between 86 and 113 coaches per month.

Audit on the working of the workshop was conducted to assess whether the targets were set based on actual POH arising of the workshop and were achieved in a timely manner. Audit also focused on the issues related to augmentation of the capacity of the workshop besides management of machinery and stores.

Audit observed that the projections for coaches due for POH were not realistic and the same had undergone downward revision every year. Besides delay in sending of coaches for POH by the depots, the time taken by the workshop in carrying out POH of coaches was up to three years as against the prescribed cycle days of 15/20 days. Audit also observed that the maximum instances of

delays were in the Coach Body Repair Shop. 191 coaches were idle for a period ranging from 10 days to 171 days involving 6558 idle coach-days and in 43 instances, the coaches were idle for more than 50 days.

In August 2012, Railway Board directed all Zonal Railways to monitor coach failures within 100 days of POH and take preventive action. Further, in the minutes of meeting of Chief Works Engineers held in February 2020, PCMEs of Zonal Railways were directed to ensure that the quality of outturn must be of high degree and quality parameters like sick marking of POH coaches should be monitored by CWE/CWM and root cause analysis of all the failures reported should be undertaken, and preventive action be taken accordingly.

Audit observed that the number of coaches that failed within 100 days of POH during the period 2018-19 and 2019-20 was 103 and 139 respectively. Out of 3402 coaches overhauled during 2020-23, 131 coaches failed within 100 days of POH.

The POH capacity of the workshop was understated while reporting to Railway Board. Despite enhancement of its POH capacity to 150 coaches per month in 2016, further capacity augmentation works worth ₹ 181.78 crore was taken up during 2018-19 to 2022-23 without assessing the compatibility of existing infrastructure and a realistic requirement in future.

Audit also observed that the budgeting of the workshop was not based on the unit cost as per codal provisions and also in commensurate with the projection for POH of coaches leading to excess budgeting. The coach ownership of ECoR shows wide variation in coach holding data of depots, Zonal Headquarter and Integrated Coach Management System (ICMS) due to not feeding real time data.

Four high-value machines worth ₹ 4.15 crore had been lying idle for years due to inherent defects of the machines. Shortfall in procurement of material had resulted in shortage of stocks and the user units repeatedly complained about non-availability of materials.

The monitoring of POH activities through Workshop Information System (WISE) application was not effective. There were several instances of mismatch of data between WISE and manual records.

2. Construction of 5th and 6th line between Chhatrapati Shivaji Maharaj Terminus (CSMT)-Kurla Station

Railway Board's (RB) instructions of June 2008 for provision of housing to be kept to a bare minimum level only just to meet the functional requirements and submission of estimate with full details and justification were not followed at the time of preparing Detailed Estimate. This led to improper Detailed Estimate prepared by M/s. Rail India Technical and Economic Service (RITES) resulting in delay in its sanction by RB.

Baseline Socio-Economic (BSE) survey for Phase I work was not completed even after lapse of more than 11 years from September 2012. Further, Project Affected Persons (PAPs) were not rehabilitated (January 2024) as Mumbai

Metropolitan Region Development Authority (MMRDA) could not complete the construction work of units at Kilburn, Nahur. This led to delay in getting possession of land.

Non-adherence of codal provisions and RB's instructions of minimum acquisition of land resulted in excess assessment of land requirement at the Detailed Estimate stage. Further, instances of lack of co-ordination between M/s. RITES and State Govt. agencies were noticed. These contributed in delay in BSE survey and land acquisition. Land acquisition process for Phase II work from Parel to CSMT was still at the initial stage.

Contracts for construction were awarded without approved designs and drawings, clear sites, *etc.* which led to delay in completion of work. Audit also observed instances of idling of electrical and Signal and Telecommunications (S&T) materials due to award of contracts without ensuring availability of clear sites. There was lack of co-ordination between Zonal Railways, as the proposal for transfer of land from Western Railway (WR) to Central Railway (CR) was forwarded by CR to WR in December 2015, but transfer of land by WR has not been done till date (January 2024). The above factors contributed to the extension of the scheduled date of completion of the project from March 2021 to March 2024. Despite expenditure of ₹ 500.93 crore (56.22 *per cent*) (January 2024) made against the sanctioned estimate of ₹ 890.89 crore (September 2014), only 26 *per cent* of the work was physically completed (January 2024) indicating that the target date of completion of project would be further extended.

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