

**CAG COMPLIANCE AUDIT REPORT ON UNION GOVERNMENT
(CIVIL & COMMERCIAL) TABLED IN PARLIAMENT**

Report No. 36 of 2025 of the Comptroller and Auditor General of India for the year ended March 2024, Union Government (Compliance Audit – Civil & Commercial) was tabled in Parliament here today. The Audit Report covers significant audit findings arising out from the Compliance Audit of financial transactions relating to 29 Ministries (excluding Union Territories without Legislatures) and five Constitutional bodies/secretariat of the Union Government. The Report contains 16 illustrative cases (including a case of recovery at the instance of Audit) of Compliance Audit pertaining to seven Ministries/Departments and one Central Public Sector Enterprise. Important observations presented in the report are as follows:

Ministry of Culture

- ❖ The Archaeological Survey of India (ASI) is a Central Government agency that is responsible for protecting and maintaining monuments and archaeological sites that have been declared as of national importance. Subject Specific Compliance Audit (SSCA) on conservation and preservation of monuments and antiquities by ASI in Uttar Pradesh revealed that the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (AMASR Act) established “national importance” as the basis for notification but did not define its scope or provide standards for implementation. Notifications were incomplete and lacked vital information. About 86 *per cent* of the notifications lacked the detail of area/boundary covered by the Centrally Protected Monuments (CPMs). Audit further noticed that out of 487 CPMs across three major ASI circles in Uttar Pradesh, only 31 monuments (6.4 *per cent*) had proper ownership documentation through land record mutation. ASI was operating 456 CPMs (94 *per cent*) without legal title. As per the records of the ASI circles in UP, 31 CPMs remain untraceable. In 96 monuments, cases of encroachment were reported in respective circles of ASI in Uttar Pradesh. Instances of inappropriate conservation work, monuments in need of chemical conservation, structural alterations, and neglected monuments of national importance were noticed. Antiquities were stored in deteriorating conditions and only 20 *per cent* had been digitised so far.

Ministry of External Affairs

- ❖ Ministry of External Affairs retained the unutilised space at Akbar Bhawan, New Delhi for 15 months without formalising *pro-rata* license fees with New Delhi Municipal Corporation for the space actually utilized by it, which resulted in excess expenditure of ₹ 27.43 crore towards licence fee for unutilised space.
- ❖ Though the Embassy of India, Beijing, China had incurred significant expenditure on repairs and maintenance of 16 residential units constructed in 2011 in the New Chancery Premises, six residential units had become uninhabitable within a span of 10 to 13 years. Delay in carrying out necessary comprehensive repairs/renovation of these six vacant units resulted in avoidable rental outgo of ₹ 3.22 crore (up to February 2025). Moreover, the Mission had made continued payment of heating charges for the Old Chancery Premises, which was not in use since 2014, leading to wasteful expenditure of ₹ 74 lakh during the period 2015-16 to 2024-25.
- ❖ The Embassy of India, Copenhagen, Denmark had not adhered to the rental ceiling fixed by the Ministry of External Affairs for hiring of leased accommodation for its officials which resulted in excess expenditure of ₹ 99.12 lakh.
- ❖ Delay by both the Embassy of India, Tel Aviv, Israel and the Ministry of External Affairs in undertaking pre-acquisition activities and according administrative approval and financial sanction for acquisition of a property within the extended timeline set by the seller led to termination of the deal and thereby, rendered expenditure of ₹ 92.01 lakh towards professional/legal services associated to pre-acquisition activities unfruitful.
- ❖ The Regional Passport Offices of Goa, Mumbai and Pune did not claim exemption from Electricity Duty and Tax under Article 287 of the Constitution, Section 3(2) of the Maharashtra Electricity Act, 2016 and Section 3(2) (1) of the Goa, Daman and Diu Electricity Duty Act, 1986 which resulted in an irregular payment of ₹ 1.47 crore.
- ❖ Despite vacating the leased premises for Regional Passport Office, Thane in 2017, Regional Passport Office, Mumbai and the Ministry of External Affairs did not finalise the surrender or alternate use of the property leased from the Maharashtra Industrial Development Corporation for over seven years, leading to avoidable expenditure of ₹ 76 lakh along with pending liabilities of ₹ 1.38 crore.

Ministry of Fisheries, Animal Husbandry and Dairying

- ❖ Subject Specific Compliance Audit on Functioning of Fishery Survey of India (FSI) revealed that it carried out 372 voyages against planned 586 voyages during the period 2018-19 to 2022-23 registering a 37 *per cent* shortfall. This resulted in shortfall in operational targets *viz.* 46 *per cent* in the number of days at sea, 53 *per cent* in number of fishing days leading to consequent shortfall of 61 *per cent* and 72 *per cent* in the sampling efforts measured in terms of number of hours and number of hooks

respectively. Due to non-conducting of 214 planned surveys, the FSI had to forego 4,339 days of fishing and the subsequent sampling effort of 15,149 hours and 12.73 lakh hooks. Even in 372 voyages conducted by the FSI, shortfall in the sampling effort was 37 per cent and 31 per cent in hours and numbers of hooks respectively. FSI had no prescribed norms for minimum number of fishing days per survey in order to ensure collection of adequate data for stock assessment studies due to which 21 voyages with fishing days less than five days were noticed in Mumbai and Mormugao bases. Audit noticed avoidable expenditure on berthing/fuel charges due to delayed decision, idle expenditure on casual staff/other charges during the layoff period of vessels. FSI did not adhere to instructions of Department of Personnel Training (DoPT) regarding the recruitment and remuneration of casual workers and incurred expenditure without the necessary administrative and financial approvals.

Ministry of Health and Family Welfare

- ❖ Government Medical Store Depot (GMSD), Mumbai did not take timely action to vacate and surrender the unused godown which led to avoidable and wasteful expenditure of ₹ 1.64 crore on rent and security for the unutilized premises.

Ministry of Home Affairs

- ❖ Central Industrial Security Force (CISF) did not adhere to the guidelines issued by the Ministry of Home Affairs for acquisition of land which resulted in non-possession of land and blocking of funds amounting ₹ 6.53 crore for more than nine years.
- ❖ Central Armed Police Forces (CAPFs) units did not comply with the provisions of Professional Tax Act applicable in States of Assam, Kerala, Madhya Pradesh, Punjab, Telangana and Tripura, which resulted in non-deduction of professional tax amounting to ₹ 26.40 crore from the salary of the employees serving in CAPFs in these States.
- ❖ 36 Battalion of Sashastra Seema Bal (SSB), Geyzing, Sikkim paid Special Compensatory (Remote Locality) Allowance to its employees at higher rate in contravention of the instruction of the Ministry of Finance which resulted in excess payment of ₹ 3.18 crore.

Ministry of Social Justice and Empowerment

- ❖ During 2017-18 to 2023-24, Government of India and States/UTs spent ₹ 5,037.83 crore for awarding scholarship to 181.45 lakh Pre-Matric students and ₹ 47,840.58 crore for 348.09 lakh Post-Matric students belonging to Scheduled Castes. An audit of the implementation of these two scholarship schemes revealed various shortcomings and instances of deviations from scheme guidelines. Significant shortcomings included instances of selection of beneficiaries without considering the income and caste criteria,

payment of scholarship multiple times to beneficiaries, scholarships paid to students not enrolled in schools/institutions, etc.

While the Ministry acknowledged the audit observations and initiated preliminary corrective measures, it remains imperative for the Ministry, given its role as the policy owner and nodal implementation agency, to establish a robust oversight mechanism to ensure strict adherence to the scheme guidelines.

Ministry of Tribal Affairs

- ❖ During the period 2017-18 to 2023-2024, the Ministry spent ₹ 2,354.51 crore for awarding scholarship to 87.10 lakh Pre-Matric students and ₹ 13,695.74 crore to 151.66 lakh Post-Matric students belonging to Scheduled Tribes. An audit of the operations of these two scholarship schemes taken up for the period 2017–2021 revealed several systemic weaknesses in implementation. These included absence of defined timelines for processing of students' applications, lack of defined role prescribed for the nodal officers at institutes, district and states, ambiguities in scheme guidelines relating to the funding pattern, a lack of structured mechanisms for the release of Central Assistance, and deficiencies in monitoring and grievance redressal.

Although the Ministry has acknowledged the audit observations and initiated preliminary corrective measures, it remains imperative for the Ministry given its role as the policy owner and nodal implementation agency to establish a robust oversight mechanism to ensure strict adherence to the scheme guidelines.

Rashtriya Chemicals and Fertilizers Limited, Ministry of Chemicals and Fertilizers

- ❖ Rashtriya Chemicals and Fertilizers Limited allowed automatic encashment of earned leave and encashment of EL/HPL on 26 days' basis instead of 30 days in deviation from the guidelines of Department of Public Enterprises (DPE) which resulted in irregular payment of ₹ 33.68 crore by the Company to its employees during 2015-16 to 2023-24.

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