

**PRESS RELEASE**

**OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

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**18th December, 2025**

**CAG COMPLIANCE AUDIT REPORT ON CIVIL & COMMERCIAL TABLED IN  
PARLIAMENT**

Report No. 22 of 2025 of the Comptroller and Auditor General of India for the year ended March 2023, Union Government (Compliance Audit – Civil & Commercial), tabled in Parliament here today. The Audit Report covers significant audit findings arising from the compliance audit of financial transactions relating to 28 Ministries of Union Government, five Constitutional bodies/secretariat and five Union Territories without Legislature. This Report contains 24 illustrative cases (including three cases of recovery at the instance of Audit) of Compliance audit pertaining to six Ministries/Departments, five Union Territories and one Central Public Sector Enterprise. Important observations presented in the report are as follows:

**Ministry of Culture**

- ❖ The National Gallery of Modern Art, New Delhi under the Ministry of Culture did not assess its power consumption requirements so as to reduce the sanctioned load to a realistic level. This resulted in avoidable payment of ₹ 1.97 crore towards fixed electricity charges during the period April 2018 to March 2022.

**Ministry of External Affairs**

- ❖ The High Commission of India, London had levied and collected affidavit fee amounting to ₹ 2.35 crore (£ 2,33,200) during the period from 01 April 2021 to 04 November 2022 while rendered passport services. The action of the High Commission was without any authority and approval of the Ministry
- ❖ Though Goods and Services Tax (GST) was exempt on speed post services rendered to the Central Government, Regional Passport Offices at Pune, Lucknow, Bareilly, Kolkata and Chennai made payment of GST of ₹ 2.96 crore from July 2017 to June 2022 for such services to Postal authorities.

**Ministry of Home Affairs**

- ❖ Three test-checked units of Central Industrial Security Force and Sashastra Seema Bal in Assam, which did not fall within the classified areas, had made irregular payment of Risk and Hardship (RHA) allowance of ₹ 33.19 crore to its personnel during the period between March 2020 and March 2023.
- ❖ Ministry of Home Affairs approved construction of 263 number of staff quarters for CISF at Maidangarhi, Delhi. National Building Construction Corporation (India)

Limited (NBCC) was selected for executing the work of construction at a cost of ₹ 27.56 crore. Due to delay in getting encumbrance free site, deficient pre-construction surveys by NBCC and inability of CISF to approve the cost escalation led to stalling of work since January 2020 and foreclosure of contract with the construction agency. This resulted in blocking of funds of ₹ 11.75 crore spent so far and cost escalation of the work from ₹ 27.56 crore to ₹ 56.15 crore.

- ❖ Central Industrial Security Force (CISF), instead of making client organization liable for paying the ex-gratia in the case of death/incapacitation/injury of its personnel, itself made payment aggregating ₹ 4.05 crore to kin of the deceased employees who were posted in the Public Sector Undertakings (PSUs). On being pointed out by audit, CISF recovered ₹ 2.95 crore from the respective PSUs, as of January 2024.
- ❖ Ignoring the findings of Technical Committee set up for checking the suitability of proposed land for a Field Firing Range, Indo-Tibetan Border Police (ITBP) acquired a site at Damoh (Madhya Pradesh) in August 2017 at the cost of ₹ 16.55 crore, which could not be put to the intended use. Besides, ITBP spent ₹ 88.41 lakh (up to March 2023) on pay and allowances of the platoon guarding the land.
- ❖ To provide better living conditions to ITBP officials deployed at place having extreme weather conditions, Ministry of Home Affairs (MHA) got constructed a building which was slated to maintain liveable temperature inside the building, round the clock and throughout the year. Although the work of the said building was completed in July 2019 after incurring an expenditure of ₹ 14.57 crore, the constructed building could not be put in use due to gaps in the design considerations and implementation causing non-achievement of the designed temperature inside the building. The rectification work commenced in June 2024 and was continuing as of May 2025.
- ❖ ITBP constructed 48 residential quarters at 29<sup>th</sup> Battalion, Jabalpur, Madhya Pradesh in October 2018 at the cost of ₹ 6.93 crore. However, the quarters could not be allotted to the officials till October 2023 due to the absence of essential services like Sewerage Treatment Plant, external electric connection and internal roads. This resulted in unfruitful expenditure of ₹ 6.93 crore and consequential avoidable payment of ₹ 1.16 crore (likely to increase) on payment of House Rent Allowances to the officials.
- ❖ Abnormal delay in taking decision by the Sashastra Seema Bal (SSB) for acquisition of land for construction of Border Out Post (BOP) for 55<sup>th</sup> Battalion, SSB, Pithoragarh resulted in blocking of fund aggregating ₹ 80.91 lakh since August 2018.

### **Ministry of Information & Broadcasting**

- ❖ Despite being a government agency, the National Film Archive of India made payment of electricity charges under incorrect tariff category (HT-Commercial instead of HT-

Public Services) and thus, incurred avoidable expenditure of ₹ 1.99 crore during 2017-18 to 2021-22 (upto December 2022).

### **Ministry of Minority Affairs**

- ❖ Systemic issues in implementation of both Pre-Matric and Post-Matric Scholarship Schemes for the students belonging to minority communities limited the effectiveness of the schemes. The implementation was marked by deviations from guidelines, including awarding scholarships to ineligible students, acceptance of applications with income certificates issued by non-competent authorities or without income certificates and payments to non-enrolled school students. Further irregularities included disbursing Post-Matric scholarships to Pre-Matric students and excess payments beyond eligible limits.

### **Ministry of Panchayati Raj**

- ❖ Ministry of Panchayati Raj (MoPR) released Grants-in-aid aggregating ₹ 27,638.12 crore to 28 States during the period from 2007 to 2015 for the implementation of the Backward Regions Grant Fund (BRGF) Programme. Audit found unspent grant of ₹ 903.42 crore lying with 17 States as of September 2023 unrecovered even after lapse of 8 years since delinking of the Programme from the budgetary support of the Central Government from 2015-16. MoPR also did not take cognizance of the interest ₹ 207.33 crore estimated to be earned on these unspent balances lying with the States.

### **Union Territory Andaman and Nicobar Islands**

- ❖ Road Construction Division (RCD), Andaman Public Works Department (APWD), Wimberlygunj had taken up the work of “Construction of Sports Mini Indoor Hall” at Mannarghat village of South Andaman district under Member of Parliament Local Area Development Schemes [MPLADS]. APWD made substantial changes in the scope and requirement of work without concurrence of the Member of Parliament and the District Authority, resulting in exhaustion of sanctioned amount prior to completion of the work. After nearly five years from the commencement, the work was still incomplete (September 2023) thereby rendering expenditure of ₹ 62.61 lakh unfruitful.
- ❖ Office of the Labour Commissioner, Andaman and Nicobar Administration made incorrect calculation of compensation payable under Employees Compensation Act, 1923 to the dependents of deceased employees. Consequently, dependents of five employees received short payment of compensation amounting to ₹ 26.81 lakh and interest thereon to the tune of ₹ 7.09 lakh (up to September 2023).

- ❖ Inability of Zilla Parishad, South Andaman to maintain crematorium after expiry of the maintenance contract rendered it non-functional and beyond economic repair, resulting in unfruitful expenditure of ₹ 87.28 lakh incurred on its construction.

#### **Union Territory Chandigarh**

- ❖ Deficiencies related to constitution and functioning of the governance and oversight structure, comprising of the Chandigarh Building and Other Construction Workers Welfare Board (CBOCWW Board), Expert Committee and Advisory Committee, negatively impacted fulfilment of the mandated function of the Board to utilize the labour cess collected for the welfare of registered workers due to shortfalls in the identification/registration of workers and establishments and awareness among workers about welfare schemes.

#### **Union Territory Dadra & Nagar Haveli and Daman & Diu**

- ❖ Public Works Division, Daman failed to levy departmental charges, in violation of the provisions of CPWD Manual, on the works executed on behalf of local body, resulting in loss of revenue of ₹ 66.74 lakh.

#### **Union Territory Lakshadweep**

- ❖ Lakshadweep Public Works Department deposited (2013 to 2023) the annual budgetary funds allocated for electrical works in a separate savings bank account and failed to remit unutilized balances to the Government Account, resulting in irregular parking of funds ranging from ₹ 4.08 crore to ₹ 12.97 crore during 2013-14 to 2023-24 (up to 01/02/2024) outside the Government Account.

#### **Union Territory Ladakh**

- ❖ Additional Deputy Commissioner, Leh had short levied stamp duty in respect of 42 cases of family settlement deeds and four Partition deeds which resulted in loss of revenue to the extent of ₹ 92.82 lakh to the government exchequer. Penalty of ₹ 53.45 lakh was also due.

#### **Fertilizers and Chemicals Travancore Limited, Ministry of Chemicals and Fertilizers**

- ❖ The Fertilizers and Chemicals Travancore Limited allowed encashment of earned leave in deviation from Department of Public Enterprises (DPE) guidelines, which resulted in irregular payment of ₹ 45.61 crore to its employees by the Company during 2014-15 to 2022-23.

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**BSC/SS/IK/107-25**