



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

CAG :

Adding Value to Public Governance

2025-26





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— • 2025-26 • —

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Foreword

by the Comptroller and Auditor General of India



The report's forward-looking agenda includes thematic management letters, standardised audit design matrices and guidelines, technology-enabled audit expansion and a stronger competency architecture."

K. Sanjay Murthy

The Comptroller and Auditor General of India derives its authority from the Constitution of India and related laws and regulations. The CAG Organisation holds a unique position in India's federal structure, being entrusted with auditing the Union and State Governments and compiling the accounts of most State Governments.

The Organisation has discharged these responsibilities diligently, providing assurance and insight to the Legislature, Executive and public. The wider value and contributions arising from audit reports, accounts, entitlements and organisational initiatives has often remained dispersed and not been captured in a consolidated manner.

Guided by INTOSAI-P-12 on the value and benefits of Supreme Audit Institutions, we have established a structured mechanism through dedicated Impact Cells in field offices to track developments arising

from audit findings, recommendations, accounting reforms and organisational interventions. This enables us to present the outcomes of our work in a single report for various stakeholders.

I am pleased to present the report 'CAG: Adding value to public governance 2025-26'. It showcases outcomes that advance accountability, transparency and good governance through high-quality auditing and accounting. The report highlights the value added by the organisation to the public governance across five dimensions: (i) legislative, policy and regulatory reforms, (ii) financial recovery and strengthening public finances, (iii) compliance, control and risk management, (iv) environmental, social and governance, and (v) digitisation and technology in governance.



A defining theme of the report is the way timely audit and accounting interventions have supported evidence-based governance, stronger public financial management, better internal controls, recovery of public dues and systemic reforms through legislative, regulatory and executive action.

The report also captures the wider social and environmental value of audit, including improvements in labour welfare, disaster management, solid waste management and environmental disclosure. These outcomes reinforce audit's contribution to inclusive and sustainable development and national commitments under the Sustainable Development Goals.

Measuring the value addition done by audit to public governance remains an evolving practice. This report represents a step towards systematic and transparent reporting of value addition to public governance. The cases included have been drawn from the field offices of IA&AD through a structured methodology, and the framework will continue to be refined in the years ahead.

The report's forward-looking agenda includes thematic management letters, standardised audit design matrices and guidelines, technology-enabled audit expansion and a stronger competency architecture. Together, these measures demonstrate the CAG Organisation's commitment to remaining relevant, responsive and impactful in the journey towards Viksit Bharat @2047.

These outcomes also reflect the constructive engagement of the Union and State Executives with the CAG Organisation. It is acknowledged that the commendable response of the Ministries, Departments, State Governments and other public authorities to audit findings, and the action taken on audit recommendations, have enabled many of the outcomes documented in this report.

The report's forward-looking agenda demonstrates the CAG Organisation's commitment to remaining relevant, responsive and impactful for Viksit Bharat @2047."

Across sectors, audit findings have led to policy changes, revised procedures, stronger digital controls, recoveries and improved service delivery. This reflects a mature governance culture in which audit is recognised not only as an accountability mechanism but also as a source of assurance, insight and institutional learning that can support sustained reform.

I commend the officers and staff of the CAG Organisation across headquarters and field offices whose professional rigour, integrity and sustained effort underpin the outcomes presented in this report. I hope that every member of the Organisation will take pride in the public value created through their work and recognise how careful audit examination, reliable accounting and entitlement functions, persistent follow-up and innovation contribute to good governance and service delivery. I am confident that this report will serve both as a record of achievement and as a foundation for future progress.

K. Sanjay Murthy
Comptroller & Auditor General of India



Chapter 1

Executive summary

Section 1.1

Overview of the report

Section 1.2

Areas of value addition and key outcomes

Chapter 1

Executive summary

This report is intended for our stakeholders, which are legislatures, policymakers, administrators and the public. It is structured to provide both a consolidated view of key outcomes and detailed case-based instances across thematic areas.

1.1 Overview of the report

The Comptroller and Auditor General (CAG) of India, as a constitutional authority, plays a fundamental role in strengthening public accountability through independent audit and accounting functions. Through its work across the Union and States, the CAG supports the Legislature, the Executive and the public in ensuring that public resources are managed efficiently, transparently and in accordance with established laws and procedures.

While audit reports, certifications and accounts represent the formal outputs of this mandate, the broader contribution of audit lies in the changes that follow these outputs. Audit findings often lead to recovery of public money, correction of

procedures, strengthening of internal controls, improvements in accounting systems, and reforms in policies and regulatory frameworks. These outcomes are typically dispersed across institutions and over time, and are not always visible in a consolidated manner.

The framing principle of this report is aligned with INTOSAI-P 12, which recognises that Supreme Audit Institutions make a difference to the lives of citizens by strengthening accountability, transparency and integrity in government. This principle underpins the approach adopted in the report, which focuses on capturing outcomes and demonstrating how audit contributes to improvements in governance and public administration.

This report presents these outcomes in an integrated and outcome-oriented framework. It focuses on what has changed as a result of audit and accounting interventions, capturing both financial and non-financial outcomes. These include systemic improvements, enhanced compliance, digital transformation, and improvements in service delivery.

The scope of the report covers audit, accounts, entitlements and institutional initiatives undertaken across the country. The outcomes presented are based on contributions from field offices and headquarters and reflect the collective functioning of the CAG’s organisation during the period under review.

A key objective of this report is to provide a clear and consolidated understanding of how audit contributes to governance and public value. By bringing together outcomes that are otherwise dispersed across reports and institutions, the

report seeks to strengthen transparency, improve stakeholder awareness, and support evidence-based decision-making.

This report is intended for our stakeholders like, legislatures, policymakers, administrators and the public. It is structured to provide both a consolidated view of key outcomes and detailed case-based evidence across thematic areas.

1.2 Areas of value addition and key outcomes

The outcomes presented in this report reflect the multi-dimensional contribution of CAG across government administration; policymakers and regulatory authorities, citizens and international community. These outcomes span financial, regulatory, systemic and citizen-centric domains, demonstrating how audit interventions translate into measurable improvements across public administration.

Area	Nature of value addition to public governance
Legislative, policy and regulatory reforms	Amendments to Acts, rules and regulations; introduction of standard operating procedures and strengthened governance frameworks
Financial recovery and public finances	Recovery of public dues, correction of under-assessments, and improved financial discipline
Compliance, control and risk management	Strengthening adherence to rules and procedures; improvements in internal controls and risk management systems
Environmental, social and governance	Improvements in environmental compliance, welfare delivery and citizen-focused outcomes
Digitisation and technology in governance	Enhancement of digital platforms, system integration, automation and data validation mechanisms

HIGHLIGHTS

- **Audit enabled both corrective and preventive outcomes across key sectors such as infrastructure, mining, health and public finance:** While recoveries and corrections addressed existing irregularities, system improvements and control enhancements reduced the risk of recurrence.
- **Shift from transaction-level findings to systemic reforms:** Several cases resulted in policy changes, redesigned processes and strengthened institutional frameworks, moving beyond isolated corrections across areas such as procurement, service delivery and regulatory oversight.
- **Increasing role of digital systems in governance improvements:** Strengthening of IT platforms across financial management systems, direct benefit transfer mechanisms and e-governance applications enhanced transparency, reduced errors and improved efficiency.
- **Improved reliability of financial reporting and systems:** Interventions in accounting classification, reconciliation and system integration contributed to more accurate and transparent financial information.
- **Enhanced focus on citizen-facing outcomes:** Improvements in welfare delivery, environmental management and public services strengthened accountability and service effectiveness.

Together, these outcomes illustrate that audit contributes not only to addressing deficiencies, but also to strengthening systems, improving decision-making and enhancing the effectiveness of public administration. By linking evidence to action and action to outcomes, the report provides a consolidated view of how audit supports financial discipline, institutional strengthening and improved service delivery. The sections that follow present detailed, case-based instances of these contributions across key areas of governance.



Chapter 2

Context and methodology

Section 2.1

Understanding value addition to public governance

Section 2.2

Approach and methodology

Section 2.3

Institutional framework and scope

Section 2.4

Structure of the report

Section 2.5

Limitations and other considerations

Chapter 2

Context and methodology

The concept of value adopted in this report is informed by INTOSAI-P 12, which emphasises the role of Supreme Audit Institutions in strengthening accountability, transparency, and integrity while remaining relevant to stakeholders.

2.1 Understanding value addition to public governance

The Comptroller and Auditor General (CAG) of India is a key constitutional institution for public accountability, grounded in independence and objectivity. Its mandate extends beyond audit reports and accounts to improving stewardship of public resources, strengthening systems and controls, ensuring compliance, and enhancing public service delivery.

This report presents that broader contribution in an outcome-oriented manner. It focuses not only on formal outputs, but on the changes that follow - recoveries made, rules amended, procedures corrected, controls strengthened, transparency enhanced, and benefits delivered more effectively to citizens thereby adding value to public governance.

The concept of value adopted in this report is informed by INTOSAI-P 12, which emphasises on the role of Supreme Audit Institutions in

strengthening accountability, transparency, and integrity while remaining relevant to stakeholders. Value is understood both in financial terms such as recoveries, savings, and avoidance of waste and in systemic terms, including better policies, improved controls, stronger accounting frameworks, and enhanced service delivery.

A distinction is made between audit outputs and public outcomes. Outputs such as reports and recommendations derive value when they lead to corrective or reformative action. Audit contributes towards a broader accountability framework involving the Executive, Legislature, and wider public engagement, where its role is to provide credible, evidence-based inputs for governance improvement.

2.2 Approach and methodology

Public audit institutions globally adopt multiple approaches to capture value, including tracking implementation of recommendations, measuring financial benefits, and documenting systemic

improvements such as legal changes, strengthened controls, and improved service delivery. Some also assess the extent to which audit findings influence policy, legislative discussion, and administrative action.

Recognising that no single approach is sufficient, this report adopts a balanced framework combining quantitative and qualitative evidence. It captures financial, institutional, and governance outcomes, focusing on results that are demonstrable and traceable to audit or accounting interventions.

The report has been prepared through a structured institutional process using a common framework to identify cases of financial recoveries, policy changes, systems strengthening, accounting improvements, and other outcomes. A pilot exercise helped refine the approach and address challenges in documenting outcomes that evolve over time or across multiple entities.

Cases have been selected based on implementation status, relevance to the review period (April 2023 to March 2026), magnitude, traceability, and potential for wider institutional learning. Priority has been given to cases demonstrating clear corrective action, including recoveries, regulatory reforms, system improvements, and citizen-focused outcomes.

2.3 Institutional framework and scope

The outcomes presented in this report reflect the integrated functioning of the CAG's institutional framework. Audit Offices examine the accounts of Union and State Governments, public sector entities, schemes, and systems through financial, compliance, and performance audits, identifying gaps in legality, efficiency, and effectiveness and providing assurance to the Legislature.

Accounts and Entitlement Offices play a foundational role by compiling State accounts, improving classification and reporting, strengthening fiscal transparency, and supporting better public financial management.

The Headquarters provides overarching standards, methodology, coordination, and quality assurance,

ensuring consistency, credibility, and effectiveness across audit and accounting functions.

2.4 Structure of the report

Chapter 3 'CAG's Contribution: Key Figures' provides a consolidated, data-driven snapshot capturing the scale and magnitude of audit outcomes.

Chapter 4 'Value addition to public governance by the CAG' presents thematic and case-based illustrations of how audit and accounting interventions have led to tangible governance improvements.

Chapter 5 'Way Forward' synthesises key insights and outlines forward-looking priorities for greater value addition to public governance and relevance.

2.5 Limitations and other considerations

Audit outcomes depend on factors beyond the audit process. While audit provides evidence and recommendations, implementation rests with public authorities and may require changes in rules, systems, coordination mechanisms, and resource allocation. Some actions are immediate, while others require sustained effort.

Measurement of outcomes also presents challenges. Financial gains are directly quantifiable, but preventive, qualitative, and long-term benefits such as improved controls, transparency, or governance practices are more difficult to measure. Audit typically contributes as part of a broader chain of action, making contribution a more appropriate standard than exclusive attribution.

Time lags between audit findings and observable outcomes are common due to administrative processes, approvals, litigation, or operational constraints. Evidence of outcomes may also be dispersed across institutions.

Accordingly, this report adopts a cautious, evidence-based approach, highlighting cases where the linkage between audit intervention and outcome is reasonably clear, while recognising that the full value of audit extends beyond what can be measured at a given point in time.



Chapter 3

CAG's Contribution: Key Figures

Chapter 3

CAG's Contribution: Key Figures (during 2025-26)



Audit Reports Approved by the CAG

249



Recoveries Effected

₹ 4,251.34 crore



Amendments to Acts, Rules,
Regulations or Manuals

74



Government Orders, Circulars or
Notifications Issued

231



Changes in Accounting Policies, Classifications or Procedures

253



Chapter 4

Value addition to public governance by the CAG

Section 4.1

Legislative, policy and regulatory reforms

Section 4.2

Financial recovery and strengthening public finances

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Compliance, control and risk management

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Environmental, social and governance

Section 4.5

Digitisation and technology in governance



Chapter 4

Value addition to public governance by the CAG

The five themes covered in this chapter document changes that have flowed from the observations and recommendations made in the audit reports by discharging our audit and accounts & entitlement mandate.

The value of audit is realised when its observations translate into measurable improvements in the way public resources are raised, managed, and utilised. The five themes covered in this chapter document changes that have flowed from the observations and recommendations made in the audit reports by discharging our audit and accounts & entitlement mandate. In each case, value is traced not to the mere acceptance of a recommendation, but to the sequence that follows from it, identification of a governance gap, presentation of evidence, response of the audited entity, and the eventual correction, whether by way of recovery, amendment of rules, redesign of systems, improved compliance or better service delivery.

Taken together, these cases show that the work of audit is both corrective and preventive. It addresses specific instances of loss, leakage, misclassification, delay, weak control or non-compliance, while also preventing recurrence by strengthening the rules, systems and institutional practices through which public administration operates. The impact has been categorised under key thematic areas, as detailed below.

4.1 Legislative, policy and regulatory reforms

Case studies in this section illustrate the wide-ranging and tangible impact of audit interventions by the CAG in strengthening legislative, policy, and regulatory frameworks across diverse sectors and geographies. Spanning Union Government ministries and agencies such as CBDT (Central Board of Direct Taxes), CBIC (Central Board of Indirect Taxes and Customs), Ministry of Civil Aviation, and Ministry of Defence, Central Public Sector Enterprises (Steel Authority of India Limited), financial institutions (SBI Cards), as well as State Governments and authorities including Jammu & Kashmir, Chhattisgarh, and Uttar Pradesh (Greater Noida Industrial Development Authority), these cases cover domains such as taxation, mining, infrastructure, aviation, defence pensions, urban development, and public works. Collectively, they demonstrate how evidence-based audit findings have led to amendments in laws and subordinate legislation, introduction of standardised procedures, digitisation of systems, and strengthening of governance frameworks. These efforts have resulted in improved compliance, enhanced revenue realisation, better service delivery, and more robust accountability mechanisms.

Revision of District Mineral Foundation (DMF) framework, Government of Jammu & Kashmir



The office of the Accountant General (Audit), Jammu and Kashmir, during the audit, observed that the District Mineral Foundation (DMF) Rules, 2017, notified by the Department of Geology and Mining, were not aligned with the provisions of the Mines and Minerals (Development and Regulation) Act, 1957, and the Jammu and Kashmir Minor Mineral Concession, Storage, Transportation of Minerals and Prevention of Illegal Mining Rules, 2016, resulting in

short collection of ₹14.55 crore from minor mineral lease holders. Based on audit recommendations, the Government amended Rule 11 through S.O. 69 dated 8 February 2023 to align contribution rates with statutory provisions, ensuring alignment of subordinate legislation with the parent Act and strengthening the revenue framework governing mineral resources.

HIGHLIGHTS

- **Amendment of Rule 11:** The Mining Department, Government of Jammu & Kashmir amended Rule 11 of the J&K DMF Rules, 2017 through S.O. 69 dated 8 February 2023
- **Policy alignment and revenue restoration:** Brought the Rules in line with the Mines and Minerals (Development and Regulation) Act, 1957 and restored the prescribed contribution framework to the District Mineral Foundation

SDGs



Fixing a time limit for bringing export proceeds into India, Central Board of Direct Taxes



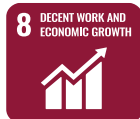
Under Section 10AA of the Income-tax Act, 1961, newly established SEZ units are eligible for tax holiday benefits for 15 years, subject to conditions including receipt of export proceeds in India. The office of the Director General of Audit (Central), Hyderabad, during the audit, observed that deductions under Section 10AA of the Income Tax Act, 1961 were being allowed without ensuring timely realisation of export proceeds, with ₹3,878.95 crore remaining unrealised and resulting in potential revenue loss of ₹28.57 crore. Audit recommended that the Central Board of Direct Taxes may consider specifying a timeline for

bringing consideration against export proceeds into India for claiming deduction under Section 10AA of the I.T. Act. The Ministry amended Section 10AA through the Finance Act, 2023 by inserting a new sub-section (4A) to fix the time limit of six-months for bringing the export proceeds into the country for claiming deduction under Section 10AA (effective from 1 April 2024). This resulted in restriction of inadmissible claims and strengthening of the legal framework governing export-linked tax benefits.

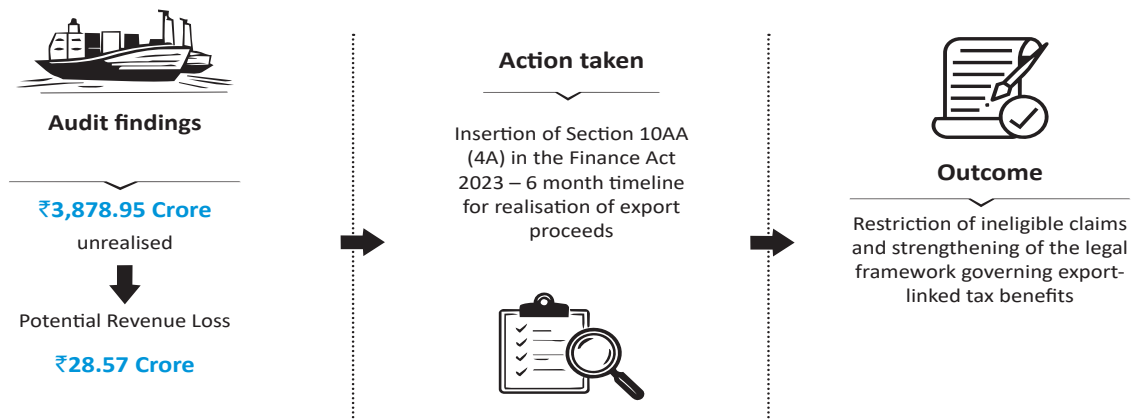
HIGHLIGHTS

- **Amendment through Finance Act, 2023:** Section 10AA amended by inserting sub-section (4A) to fix a six-month time limit for bringing export proceeds into India (effective 1 April 2024)
- **Defined eligibility condition:** Deduction under Section 10AA allowed only if export proceeds are received within the prescribed period
- **Applicability from AY 2024–25:** Provision applicable from assessment year 2024–25 for SEZ units claiming export profit deductions
- **Prevention of ineligible claims:** By restricting deductions where export proceeds are not realised within the prescribed time or exports are fictitious

SDGs



Section 10AA export proceeds



Standardising yield norms in pig iron production, Steel Authority of India Limited



In SAIL plants, surplus hot metal not processed by the Steel Melting Shop is diverted to Pig Casting Machines to produce pig iron, which generates comparatively lower revenue. Except for Rourkela Steel Plant, which had set an 85 per cent yield norm, plants such as Bhilai, Durgapur, and Bokaro followed static yield percentages without assessing actual operational outcomes. The average yield during 2017–24 ranged from 86 to 92 per cent, with annual yield losses of 7 to 17 per cent. Audit by the

office of Director General of Audit (Steel), Ranchi, observed that yield norms were not standardised across plants and were not aligned with actual production conditions, leading to losses of 77,870 tonnes of pig iron valued at ₹249.66 crore. Based on audit intervention, uniform yield norms were fixed for Pig Casting Machines across all SAIL plants/units, resulting in improved operational efficiency, reduced process losses and improved revenue realisation from pig-iron production.

HIGHLIGHTS

- **Fixation of yield norms:** Yield norms formally fixed for Pig Casting Machines across all SAIL units (April 2025)
- **Operational efficiency improvement:** Provided clear performance benchmarks, improving operational efficiency
- **Accountability and loss reduction:** Ensured accountability and reduced process losses
- **Improved revenue realisation:** Enhanced revenue realisation from pig iron production

SDGs



Strengthening structural quality norms in Water Resources Department, Chhattisgarh



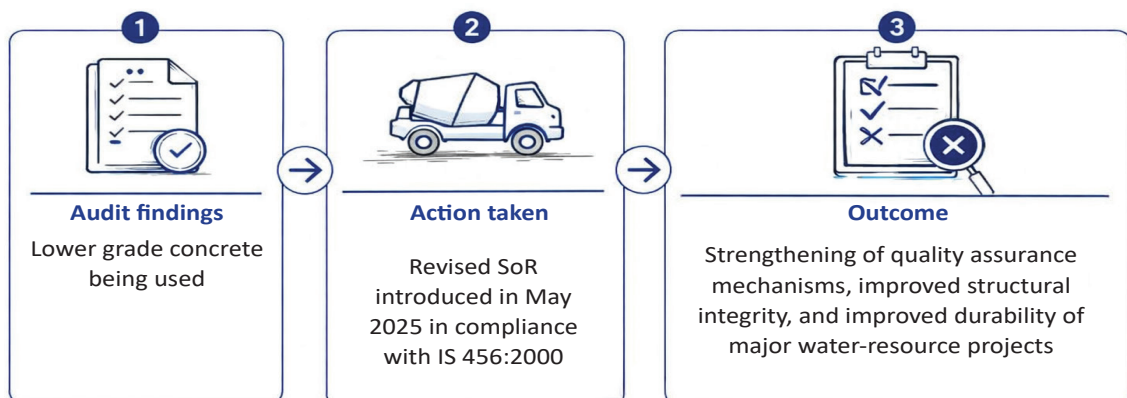
The office of the Accountant General (Audit) Chhattisgarh, Raipur, during the audit, observed that the Schedule of Rates (SoR), 2010 of the Water Resources Department prescribed concrete grades lower than those mandated under IS 456:2000, resulting in use of substandard concrete in 8.51 lakh cubic metres of Plain Cement Concrete (PCC) and 1.49 lakh cubic metres of Reinforced Cement Concrete (RCC) works, along with failure of 93 per cent of test samples. Audit recommended

periodic revision of SoR to align with IS Code 456 and strict adherence to prescribed specifications. Based on audit recommendations, the Department introduced a revised SoR effective May 2025 mandating compliance with IS Code 456. This resulted in strengthening of quality assurance mechanisms, improved structural integrity, and improved durability of major water-resource projects.

HIGHLIGHTS

- **Revised Schedule of Rates (SoR):** Introduced a new SoR effective 1 May 2025, mandating adherence to IS Code 456 and updating concrete strength and mix design requirements
- **Strengthened execution and quality assurance:** Reinforced execution processes and quality assurance mechanisms
- **Standards alignment:** Aligned future works with IS 456:2000
- **Improved project outcomes:** Enhanced structural integrity, conserved public resources, and improved durability of major water resource projects

SDGs



Standardisation of provisional attachment notification framework under Income Tax Act



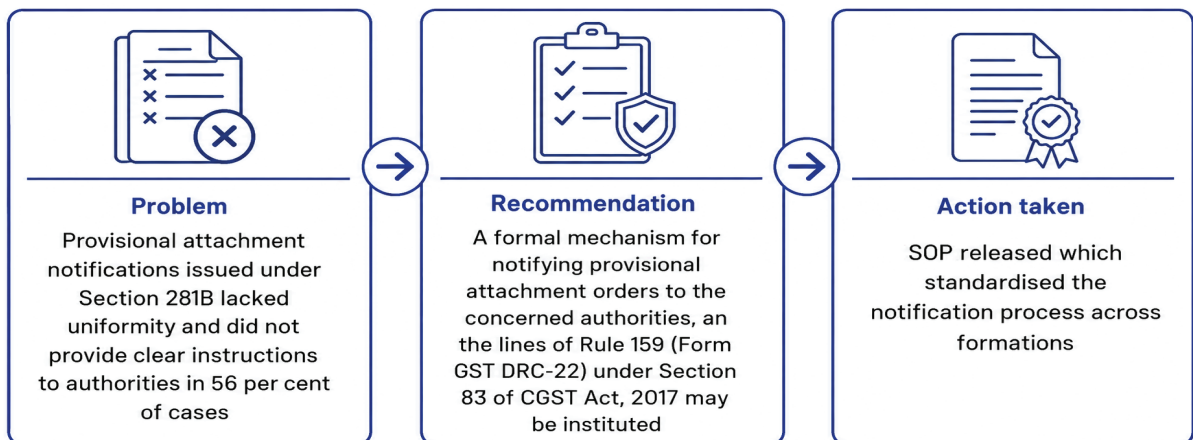
Provisional Attachment orders issued under Section 281B of the Income Tax Act, 1961 are communicated to registering authorities and Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) to safeguard government revenue by preventing the disposal of attached property and confirming that the property title is held in the assessee's name. The office of the Principal Director of Audit (Central), Bengaluru, during the audit, observed that provisional attachment notifications issued under Section 281B lacked uniformity and did not provide clear instructions to authorities in 56 per cent of cases, affecting

enforcement effectiveness. Audit recommended a formal mechanism for notifying provisional attachment orders to the concerned authorities, on the lines of Rule 159 (Form GST DRC-22) under Section 83 of CGST Act, 2017. Recommendation was accepted and implemented through Central Board of Direct Taxes (CBDT) Instruction of June 2024. The SOP standardised the notification process across formations, ensuring that Provisional Attachment orders are communicated with clear structure, adequate details and explicit directions.

HIGHLIGHTS

- **CBDT instruction implementation:** Recommendation accepted and implemented through CBDT Instruction (June 2024)
- **Standardised notification process:** SOP standardised the notification process across formations
- **Improved communication clarity:** Ensured Provisional Attachment orders are communicated with clear structure, adequate details, and explicit directions

SDGs



Strengthening credit risk governance in corporate card sanctions, SBI Cards



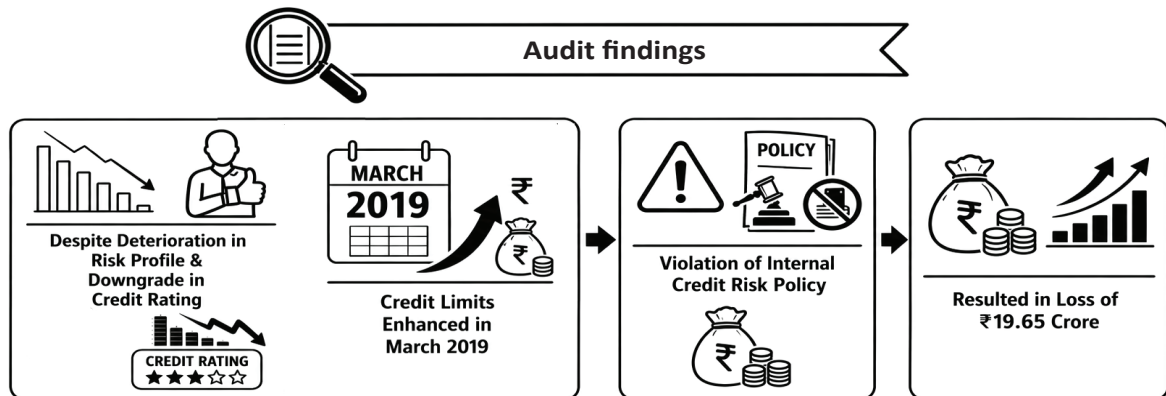
Para 11.7 of the Company's Credit Risk Policy required suspension or reduction of credit limits in the event of a downward rating movement. Despite the corporate's rating being downgraded by two notches in 2018–19 owing to deterioration in key financial ratios, the office of the Principal Director of Audit (Industry & Corporate Affairs), New Delhi, during the audit, noted that the Company enhanced the credit limit of the clients in March 2019 instead of reducing or suspending it, in contravention of its own risk controls. This non-adherence contributed to an

avoidable loss of ₹19.65 crore. Audit recommended strict adherence to credit policies, strengthening of internal controls, and enhanced monitoring mechanisms. Based on audit intervention, credit governance framework was strengthened with improved risk evaluation and monitoring. This resulted in reducing the risk of recurrence of similar instances.

HIGHLIGHTS

- **Strengthened credit governance:** SBI Cards strengthened its internal credit governance framework
- **Improved risk evaluation and monitoring:** Introduced more disciplined adherence to credit risk evaluation and enhanced monitoring mechanisms across the corporate card portfolio

SDGs



Revision of entitlement rules for casualty pensionary awards, Ministry of Defence

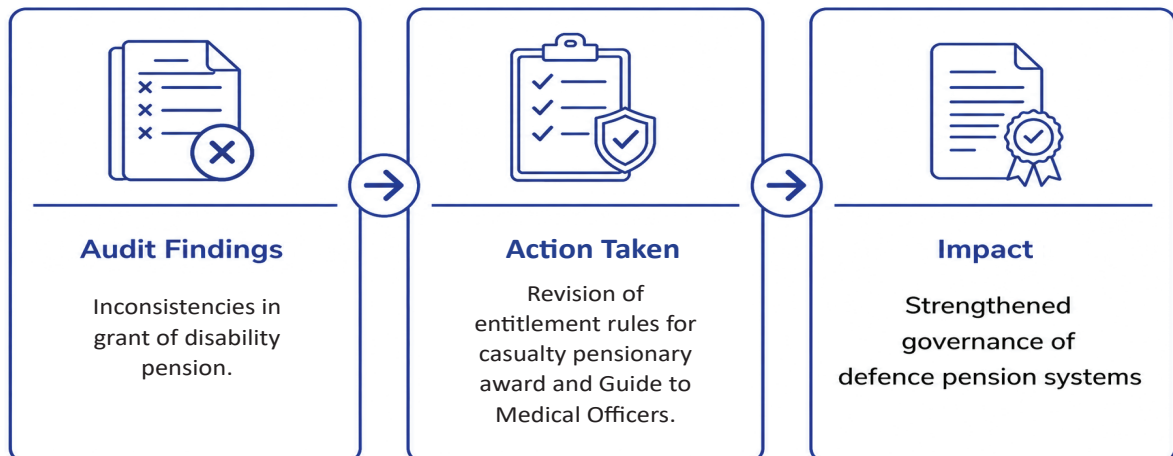
The office of the Director General of Audit (Defence Services), New Delhi, during the audit, observed inconsistencies in grant of disability pension, with disproportionately higher cases among certain categories and lack of reliable data for meaningful analysis. The percentage of Medical Officers granted disability pension was significantly higher as compared to other officers of the Indian Army. Further, 22 per cent and 13 per cent of the disability pension cases granted to the officers and personnel

below officer ranks (PBORs) respectively were exclusively on the ground of lifestyle diseases. Based on audit findings, the Ministry revised entitlement rules for casualty pensionary award for the armed forces personnel and updated the Guide to Medical Officers in September 2023. This resulted in improved standardisation of pension eligibility criteria, better data capture, and strengthened governance of defence pension systems.

HIGHLIGHTS

- **Revision of pension entitlement rules:** Ministry of Defence revised entitlement rules for casualty pensionary awards for armed forces personnel
- **Updated medical guidelines (September 2023):** Guide to Medical Officers (GMO) revised in September 2023

SDGs



Digitisation of customs bonded warehouse procedures, Central Board of Indirect Taxes and Customs



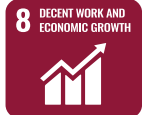
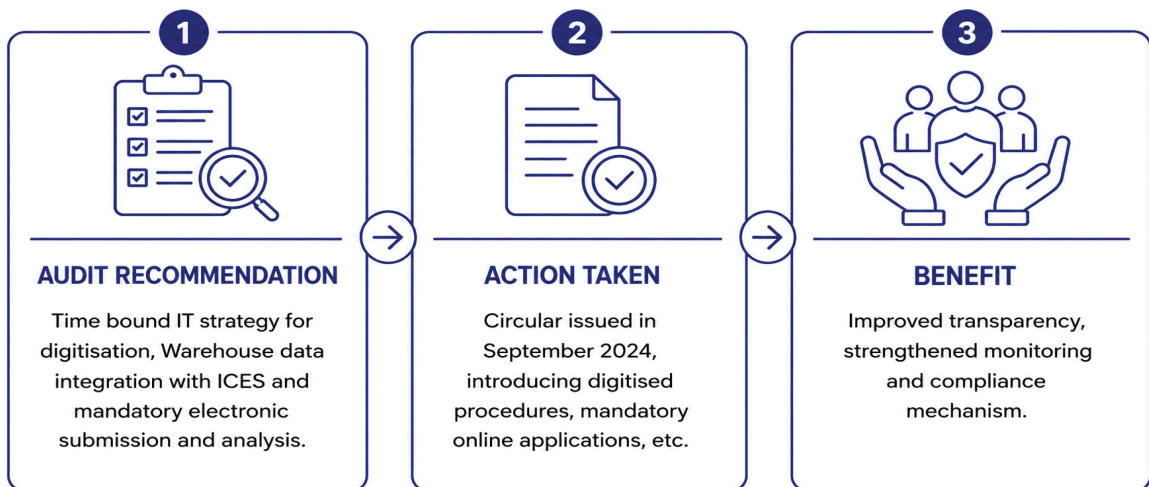
The supervision and control of the warehouse have been shifted from physical control to record based control. Under Warehousing Regulations, 2016, audit observed, warehouses were not maintaining records in prescribed electronic formats and monthly returns were not being filed digitally, limiting the Department's ability to verify duty payments, assess inventory levels, and monitor compliance. The audit under Custom wing, recommended implementation of a time-bound IT strategy for digitisation, integration of warehouse data with

Indian Customs EDI System (ICES), and mandatory electronic submission and analysis of returns. Based on audit recommendations, CBIC issued a circular in September 2024 introducing digitised procedures, mandatory online applications, and integration through the ICEGATE module. This resulted in improved transparency, strengthened monitoring and compliance mechanisms, and reduced risks of misuse under the warehousing system.

HIGHLIGHTS

- **CBIC circular issued:** Circular introduced in September 2024 for digitisation of Customs Bonded Warehouse procedures
- **Mandatory online application introduced:** Required online submission for warehouse licences through ICEGATE module
- **Viability assessment mechanism:** Integrated viability checks in the application process to ensure compliance
- **Reduced arbitrary approvals:** Measures introduced to prevent arbitrary approval of warehouse licences

SDGs



Write-off of unrealisable tax demands, Central Board of Direct Taxes



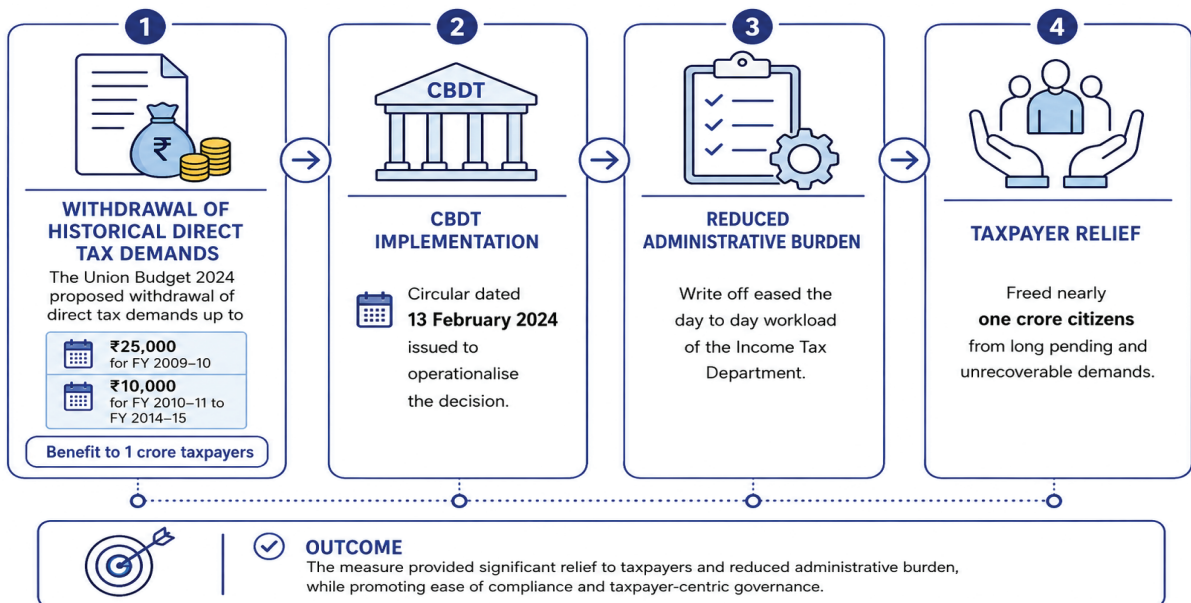
The office of the Director General of Audit (Central), Chennai, during the audit, observed absence of periodic review of small-value outstanding tax demands, with 8.43 lakh cases involving ₹267.84 crore remaining unresolved despite being eligible for write-off. Audit recommended institutionalising mechanisms for timely write-off of unrealisable

demands. Based on audit recommendations, the Union Budget 2024 announced withdrawal of historical demands up to specified thresholds, followed by issuance of CBDT instructions. This resulted in reduction of administrative burden, improved reliability of outstanding demand data, and minimisation of taxpayer grievances.

HIGHLIGHTS

- **Withdrawal of historical tax demands:** Union Budget 2024 proposed withdrawal of direct tax demands up to ₹25,000 for FY 2009–10 and ₹10,000 for FY 2010–11 to FY 2014–15, benefiting about one crore taxpayers
- **CBDT implementation:** Circular dated 13 February 2024 issued to operationalise the decision
- **Reduced administrative burden:** Write off eased the day to day workload of the Income Tax Department
- **Taxpayer relief:** Freed nearly one crore citizens from long pending and unrecoverable demands

SDGs



Reform of allotment conditions in Sports City and REP schemes, Greater Noida Industrial Development Authority (GNIDA), Uttar Pradesh



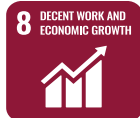
During the performance audit on land acquisition and allotment of properties in Greater Noida, the office of the Principal Accountant General (Audit-II), Uttar Pradesh, Lucknow, found that allotment conditions permitted subdivision of plots among consortium members without lock-in or independent eligibility criteria, leading to allotment to ineligible entities and project delays of 5–7 years. Audit recommended strengthening scheme design and eligibility norms.

GNIDA revised policy provisions by discontinuing subdivision, prescribing minimum net worth, liquidity and turnover criteria, and mandating continuity of consortium composition. These measures improved accountability in allotment, reduced speculative participation, and strengthened the regulatory framework governing such development schemes.

HIGHLIGHTS

- **Policy reforms introduced:** GNIDA addressed scheme design deficiencies through targeted policy changes
- **Subdivision provision abolished:** Removed provision allowing subdivision of plots
- **Stronger eligibility criteria:** Prescribed minimum net worth, liquidity, and average turnover requirements for allottees
- **Fixed consortium structure:** Mandated that consortium members remain unchanged from scheme commencement to completion
- **Improved safeguards and accountability:** Measures reduced risk of ineligible allotments and speculative participation in future schemes

SDGs



Mitigating the gaps in operationalisation of Regional Connectivity Scheme (RCS) Ude Desh ka Aam Nagrik (UDAN)



Context – The Regional Connectivity Scheme (RCS-UDAN), launched in 2016 under the National Civil Aviation Policy, aims to enhance air connectivity to underserved and unserved regions. Audit by the office of the Director General of Audit (Infrastructure), New Delhi, revealed structural and operational weaknesses affecting route viability, financial discipline, and timely infrastructure development. Short-haul routes and heliport operations showed particularly poor performance

due to planning gaps, weak eligibility frameworks and inadequate enforcement of financial safeguards. Audit had also noted that only 34 of 83 awarded heliport routes, i.e. 41 per cent, commenced operations, and that reliance on self-certified Viability Gap Funding (VGF) claims had resulted in excess VGF disbursement of ₹1.70 crore. Deficiencies in Viability Gap Funding (VGF) oversight, including weak passenger-data validation, further undermined scheme effectiveness.

Recommendation

Audit recommended a multipronged action plan covering:

- Achieving the sustainability of operations in the long run and for identification of unserved / underserved airports
- Identification of heliports under RCS based on feasibility of the operations and sustainability of the same in the long run
- Reconciliation of the VGF claims lodged by the airlines from the flight data available with Airport operators instead of disbursing the VGF on self-certification basis
- Revamping the system of booking of seats on RCS routes to ensure that airline operators do not charge air fare more than the air fare cap as stipulated in the Scheme
- Developing a robust and transparent system of booking seats on RCS flights by airline operators monitoring of the same by Ministry of Civil Aviation (MoCA) /Airports Authority of India (AAI) to ensure selling of RCS seats prior to selling non-RCS seats
- Devising a mechanism for identification of airports for revival/development for sustained operations based on feasibility study. Budget estimates for RCS airports should be reviewed considering the ground realities and workable timelines



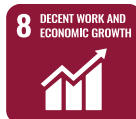
Outcome – Corrective actions were introduced under UDAN 5.0 and subsequent rounds. The 500 km stage-length ceiling was removed and airports likely to be operational within six-months were explicitly listed before bidding. Route operationalisation plans were made mandatory and airline operators were allowed limited transfer of route rights post-agreement execution. For heliports, an indicative eligibility list was introduced for the first time, along with mandatory operationalisation plans were introduced. Financial oversight was strengthened by requiring reconciliation of VGF claims using actual RCS flight data and submission of detailed passenger-level information.

Compliance enforcement was strengthened through penalties of ₹25,000 per seat for violations of fare caps, seat prioritisation and reoffering rules. Airlines are now required to capture granular flight-level data, including ticket issuance time, fares, cancellations, and RCS/non-RCS seat classification. Independent auditors have been appointed to verify compliance. Although the Additional Performance Guarantee was discontinued, a deterrent mechanism now mandates forfeiture of 25 per cent of the Performance Guarantee per month of delay in the commencement/operationalisation of awarded RCS routes within stipulated deadlines, thereby strengthening accountability and reducing operational and fiscal risk.

HIGHLIGHTS

- **Route viability strengthened:** Removed 500 km stage length ceiling; pre listed airports likely to be operational within six-months before bidding
- **Improved operational planning:** Made route operationalisation plans mandatory and introduced indicative eligibility lists for heliports
- **Strengthened financial oversight:** Required reconciliation of VGF claims using actual RCS flight data and submission of detailed passenger level information
- **Stronger compliance and monitoring:** Mandated granular flight level data capture and appointed independent auditors for verification
- **Enforcement and deterrence measures:** Introduced ₹25,000 per seat penalties for violations and mandated forfeiture of 25 per cent of Performance Guarantee per month of delay (up to four months)

SDGs



4.2 Financial recovery and strengthening public finances

The following case studies illustrate the wide-ranging and tangible impact of audit interventions by the CAG in safeguarding public finances and strengthening financial governance across diverse sectors and levels of government. Spanning Union Government departments, Central Public Sector Enterprises, financial institutions, and State Governments including Madhya Pradesh, Telangana, Uttarakhand, Odisha, and Jharkhand, these cases cover domains such as power, taxation, mining, infrastructure, public enterprises, and financial reporting. Collectively, they

demonstrate how evidence-based audit findings have led to recovery of substantial public funds, enforcement of contractual provisions, correction of revenue leakages, strengthening of accounting and financial system, and improvements in procurement and investment practices. These interventions have not only protected the public exchequer through recoveries and additional revenue mobilisation, but also contributed to systemic improvements in fiscal discipline, transparency, and accountability in the management of public resources.

Recovery of excess payments in Kaleshwaram Project following audit intervention



The office of the Principal Accountant General (Audit), Telangana, Hyderabad, during the audit, examined the accuracy of cost estimates, price-adjustment calculations and payment mechanisms adopted by the Irrigation and Command Area Development Department in three packages of the Kaleshwaram Lift Irrigation Project in Telangana. It noticed incorrect preparation of estimates, inappropriate application of price-adjustment formulae and other procedural deviations, resulting in excess payments to contractors and indicating weaknesses in technical

scrutiny, internal controls and contract management.

Audit recommended reassessment and recomputation of payment calculations, particularly price-adjustment components, to identify and recover excess amounts paid. The Government accepted the audit observations and recovered the entire excess amount of ₹65.45 crore from the concerned contractors.

HIGHLIGHTS

- **₹65.45 crore recovered** from the concerned contractors
- **Full recovery achieved** following acceptance of audit observations
- **Contract-payment controls strengthened** through reassessment of estimates and price-adjustment calculations

SDGs



Advancing timeline for closure of Monthly Civil Accounts (MCA)

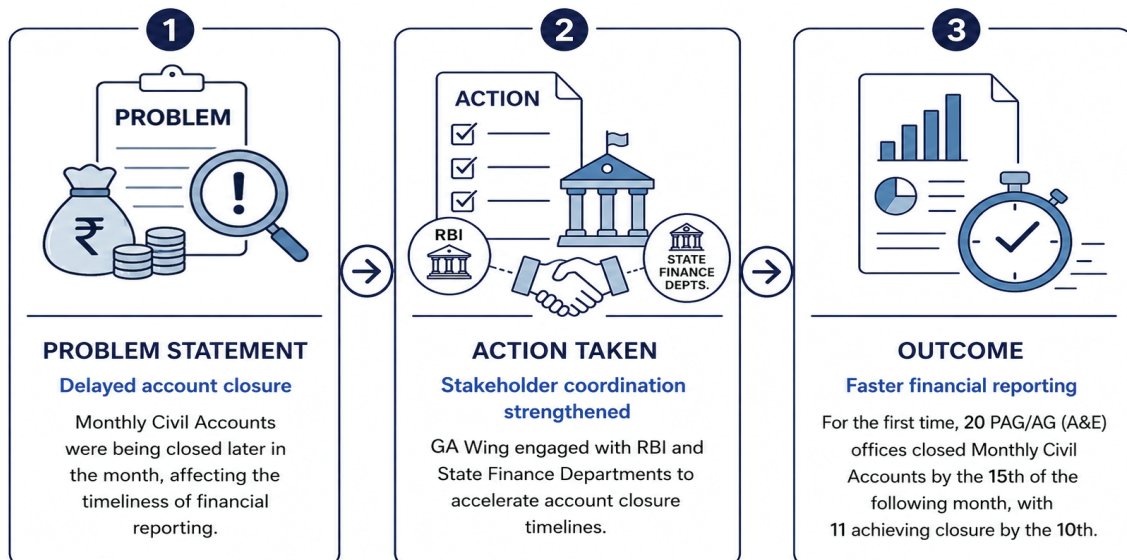
Government Accounts (GA) Wing is monitoring timely closing of Monthly Civil Accounts (MCA) in respect of 28 States and thereafter, hosting of Monthly Key Indicators (MKIs) in CAG's Website. During the year, GA Wing focused on advancing timelines for rendering MCA to the State Governments from existing target date of 25th of the following month.

For this, it engaged with RBI and State Finance Secretaries. As a result of this initiative for the first time, 20 PAG/AG (A&E) offices were able to close MCA of State Governments by 15th of the following month, with 11 out of these being able to close MCA by 10th of following month, during the year 2025-26.

HIGHLIGHTS

- **Accelerated monthly accounts closure:** GA Wing actively pursued advancement of timelines for closing Monthly Civil Accounts (MCA) of 28 States, aiming to improve the timeliness of financial reporting to State Governments.
- **Enhanced stakeholder engagement:** Coordinated with the Reserve Bank of India (RBI) and State Finance Secretaries to streamline processes and facilitate earlier finalisation of monthly accounts.
- **Record improvement in account finalisation:** For the first time, 20 PAG/AG (A&E) offices successfully closed MCA by the 15th of the following month during 2025-26, significantly ahead of the earlier target date of the 25th.
- **Achievement of best-ever timelines:** Of the 20 offices, 11 PAG/AG (A&E) offices further advanced the process by closing MCA by the 10th of the following month, demonstrating substantial gains in efficiency.
- **Timelier financial information:** Earlier closure of MCA enabled quicker availability of Monthly Key Indicators (MKIs) and strengthened the timeliness of financial information provided to State Governments and other stakeholders.

SDGs



Loss of revenue due to incorrect billing in BSNL



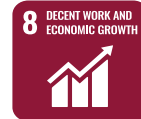
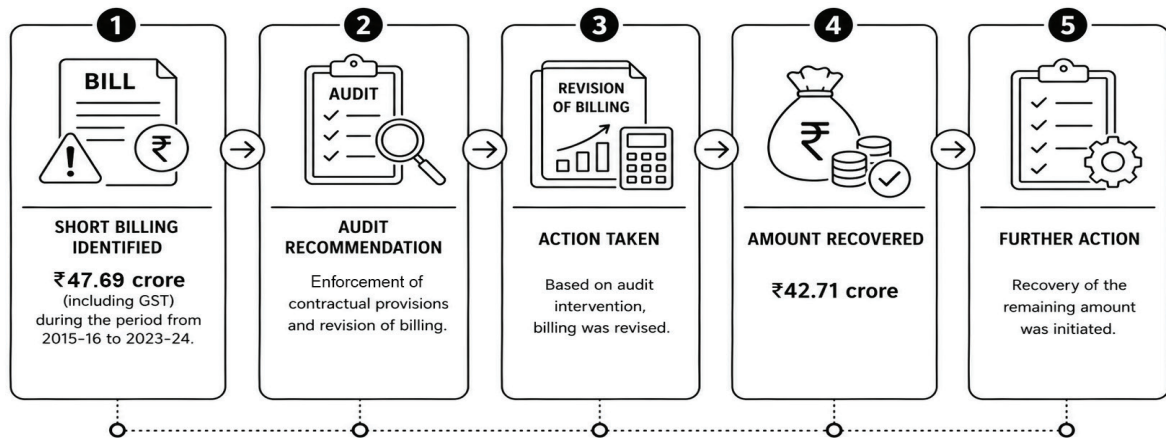
BSNL Corporate Office entered into a Master Service Agreement (MSA) with a private telecom company in May 2014 for sharing its passive infrastructure located in different parts of the country. The Office of Director General of Audit (Finance and Communication), during the audit, observed that in 14 out of 24 circles of BSNL, bills were raised on the private telecom company, without applying the escalation clause, in the financial years subsequent

to the year 2014. As a result, there was short billing of ₹47.69 crore (including GST) during the period from 2015-16 to 2023-24. Audit recommended enforcement of contractual provisions and revision of billing. Based on audit intervention, billing was revised, ₹42.71 crore was recovered, and recovery of the remaining amount was initiated.

HIGHLIGHTS

- **Recovery action initiated:** BSNL applied MSA provisions, including the escalation clause, to recover infrastructure sharing charges
- **₹42.71 crore** recovered from infrastructure sharing charges
- **₹4.98 crore** under recovery process for remaining dues

SDGs



Reduction in use of minor head '800' across State Finance Accounts

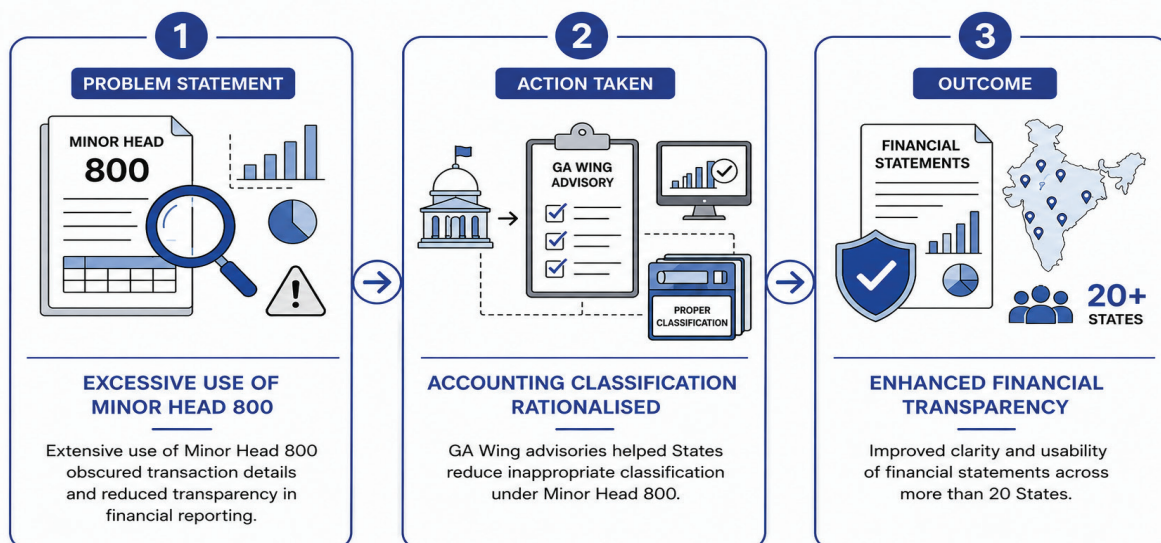
Analysis of Finance Accounts of various state governments highlighted extensive use of Minor Head '800 – Other Receipts/Expenditure', which obscured the nature of transactions and reduced transparency in financial reporting. Based on sustained and targeted advisories by the Government Accounts (GA) Wing and engagement by the

Offices of the State Accountants General (Accounts and Entitlements), classification practices were rationalised and inappropriate use of this residual head was reduced across more than 20 States. This resulted in improved clarity in financial statements, enhanced transparency in reporting, and better usability of accounts.

HIGHLIGHTS

- **Decline in receipts and expenditure under minor head 800:** Comparative analysis shows a marked reduction in receipts and expenditure under minor head 800 from FY 2013–14 to FY 2024–25
- **Better expenditure classification:** Improvement observed across 24 States, including Andhra Pradesh, Arunachal Pradesh, Chhattisgarh, Gujarat, Haryana, Punjab, Telangana, and Tripura
- **Improved receipts classification:** Improvements noted in over 20 States, including Arunachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Nagaland, and Uttar Pradesh

SDGs



Recovery of shunting charges, East Central Railway



Under Rate Circular 14 of 2009 (Ministry of Railways, Government of India), shunting charges were required to be levied based on services provided by the Railways to a privately owned siding company. The office of the Principal Director of Audit, Railway, Kolkata, during the audit, observed that shunting charges for services rendered during April 2020

to March 2023 were not billed due to deficiencies in billing and monitoring systems, resulting in non-assessment of ₹27.54 crore. Based on audit observations, pending dues were assessed and recovered, resulting in the realisation of ₹24.91 crore and strengthening of billing mechanisms and internal controls.

HIGHLIGHTS

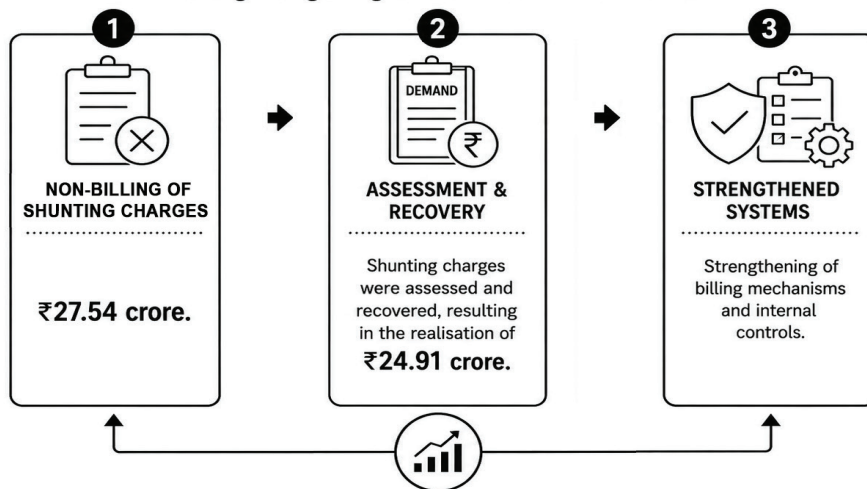
- **₹24.91 crore** recovered out of ₹27.54 crore assessed by field units as outstanding shunting charges (up to July 2025)

SDGs



FROM GAP TO REALISATION

Audit observations led to assessment and recovery of pending dues, strengthening billing mechanisms and internal controls.



Creation of Budget Stabilisation Fund, Jharkhand

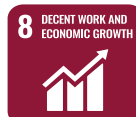
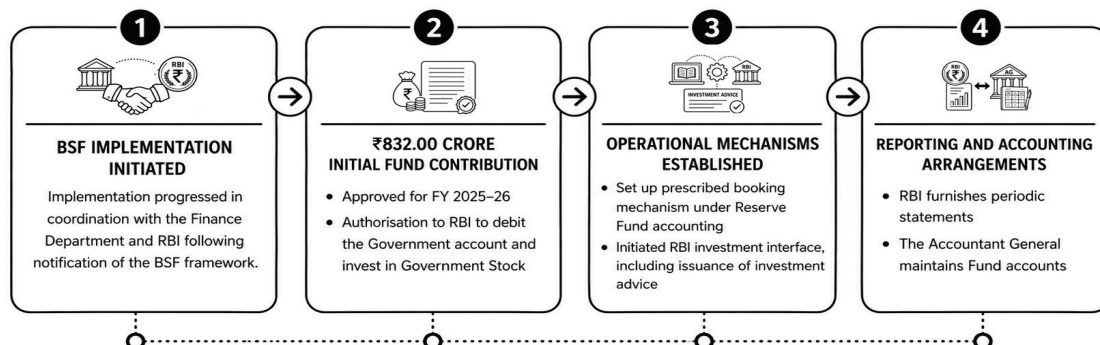
Jharkhand's fiscal position was vulnerable to volatility due to its dependence on mining-based revenues, which fluctuate with market conditions. States maintaining balanced budgets or generating fiscal and revenue surpluses are better placed to create fiscal buffers that help sustain public expenditure during periods of economic uncertainty. In this context, Odisha had established a Budget Stabilisation Fund (BSF) by earmarking a portion of its mining-related receipts as a rainy-day fund to cushion sudden revenue shortfalls and strengthen fiscal resilience. The initiative was also deliberated upon during the 2nd Conference of State Finance Secretaries in September 2025 as a best practice for enhancing fiscal sustainability across States.

Drawing on similar principles, the Office of the Principal Accountant General (A&E), Jharkhand, initiated consultations with the State Finance Department and designed the accounting and operational framework for a Budget Stabilisation Fund (BSF). Following its notification, the State Government approved an initial contribution of ₹832 crore during 2025–26 and authorised its investment through the Reserve Bank of India. This involved establishing dedicated reserve fund accounting and reporting mechanisms, with a clear audit trail and investment interface. The operationalisation of the BSF has resulted in the creation of a structured fiscal buffer, improved fiscal resilience against fluctuations in mining revenues, and strengthened transparency and accountability in fund management.

HIGHLIGHTS

- **BSF implementation initiated:** Implementation progressed in coordination with the Finance Department and RBI following notification of the BSF framework
- **₹832.00 crore initial fund contribution:** Approved for FY 2025–26 with authorisation to RBI to debit the Government account and invest in Government Stock
- **Operational mechanisms established:** Prescribed booking mechanism under Reserve Fund accounting and initiated RBI investment interface, including issuance of investment advice
- **Reporting and accounting arrangements:** RBI furnishes periodic statements while the Accountant General maintains Fund accounts

SDGs



Detection of incorrect allowance of deductions relating to bad and doubtful debts, Income Tax Department



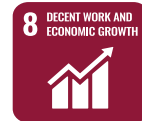
As part of the performance audit of exemptions and deductions claimed by Banks and Non-Banking Financial Companies (NBFCs) in assessments completed by the Income Tax Department, the office of the Principal Director of Audit (Central), Mumbai, observed incorrect allowance of deductions

and computation errors in tax assessments of the banking sector entities. Based on audit findings, reassessment and recovery proceedings were undertaken, resulting in recovery of ₹3,389 crore and strengthening of tax assessment processes.

HIGHLIGHTS

- **Cases reopened and tax reassessed:** Inadmissible amounts added back to turnover and tax liability recalculated
- **₹3,389 crore** recovered from the assesseees

SDGs



Recovery of differential stamp duty and registration fees from mining lessees, Odisha



Enhancement of mining production capacities attracts additional stamp duty and registration fee. For seven mining lessees where production capacity was enhanced during 2019-23, dues of ₹179.63 crore went unrealised owing to inadequate coordination between mining and registration offices. After

the audit by the office of the Principal Accountant General (Audit I), Odisha, Bhubaneswar, ₹106.51 crore was recovered between September 2023 and June 2024, with follow-up being carried out for recovering the balance.

HIGHLIGHTS

- **₹106.51 crore** worth of partial recovery done between September 2023 and June 2024 in respect of three mining blocks
- **Follow-up recovery action:** Government initiated further action to recover the remaining dues, reinforcing accountability in the regulatory process

SDGs



Rectification of interest credited to SDRF and SDMF balances, Madhya Pradesh

Incorrect application of interest rates on balances under the State Disaster Response Fund (SDRF) and State Disaster Mitigation Fund (SDMF) was observed, with interest being credited at 1.35 *per cent* instead of the prescribed rate of Repo Rate plus two per cent, resulting in short credit of interest over multiple financial years. Based on the communication of the applicable rate by the office of the Accountant General (A&E) Madhya Pradesh, Gwalior, the State Government was advised to rectify the shortfall

and make necessary budgetary provisions. During 2024–25, the Government rectified the discrepancy by crediting a combined additional credit of ₹498.13 crore (₹428.83 crore to SDRF and ₹69.30 crore to SDMF). This resulted in correct accounting of interest liabilities, improved accuracy of fund balances, and strengthened financial discipline in disaster-related funds.

HIGHLIGHTS

- **Correction of significant under-credited interest:** Identification and rectification of incorrect interest rates led to additional credit of ₹498.13 crore, ensuring accurate fund balances
- **Strengthened financial discipline in disaster funds:** Adoption of the prescribed interest rate (Repo Rate + 2 per cent) improved accuracy in financial reporting and adherence to norms, reinforcing discipline in managing disaster-related funds
- **Enhanced resource availability for disaster management:** Proper crediting of funds increased financial capacity of SDRF and SDMF

SDGs

13 CLIMATE ACTION

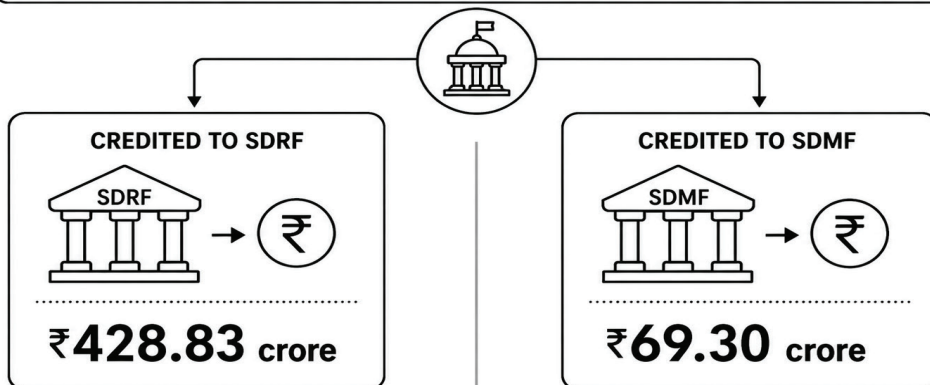


16 PEACE, JUSTICE AND STRONG INSTITUTIONS



DISCREPANCY RECTIFIED DURING 2024–25

During 2024–25, the Government rectified the discrepancy by crediting ₹428.83 crore to SDRF and ₹69.30 crore to SDMF.



Recovery of liquidated damages in Shree Singaji Stage-II Thermal Power Project, Madhya Pradesh



The office of the Principal Accountant General (Audit-II), Madhya Pradesh, Bhopal, during the audit, observed delays of 110 and 118 days in commissioning of two generating units under EPC contracts, resulting in generation loss of 3,069.79 MU and additional expenditure of ₹102.32 crore on procurement of power, while liquidated damages of ₹413.25 crore were not levied despite

contractual provisions. Based on audit findings, it was recommended that responsibility for the delays be examined, and the levy of liquidated damages be finalised in accordance with the terms of the EPC contract. The audit intervention ensured reconsideration of delay accountability and the recovery of ₹103.64 crore.

HIGHLIGHTS

- **₹103.64 crore** Recovered from the EPC contractor, a large-scale private construction company for delay in execution of the thermal power project (Stage II)
- **Audit-driven action:** Audit intervention ensured reconsideration of delay accountability and enabled the recovery

SDGs



Correction of financial statements of NIMHANS through certification audit

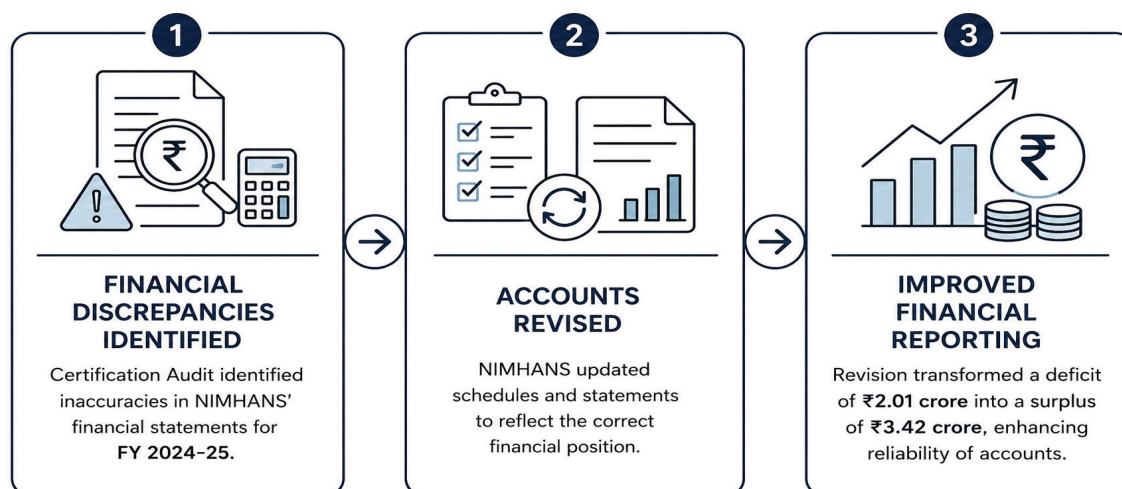
During the Certification Audit of the National Institute of Mental Health and Neurosciences (NIMHANS) for the financial year 2024-25 by the office of the Principal Director of Audit (Central), Bengaluru, discrepancies were identified in the initially submitted financial statements. As part of the audit process, the financial statements were examined for accuracy, completeness, and adherence to applicable accounting standards. The observations formed part of the Separate Audit Report (SAR) for NIMHANS for 2024–25. In response, NIMHANS undertook a revision

of the accounts, updating the relevant schedules and statements to reflect accurate financial positions and ensure compliance with the principles of transparency and reliability expected in certification audits. On revision, expenditure decreased by ₹5.57 crore and a deficit of ₹2.01 crore changed to a surplus of ₹3.42 crore, improving the accuracy and reliability of the certified accounts.

HIGHLIGHTS

- **Improved accuracy of financial statements:** Audit intervention identified inconsistencies, leading to a revision of expenditure by ₹5.57 crore and correction of financial records
- **Correction of reported financial position:** The institution's financial position shifted from a deficit of ₹2.01 crore to a surplus of ₹3.42 crore, reflecting more reliable reporting
- **Enhanced credibility and reliability of certified accounts:** The certification audit strengthened transparency, accuracy, and trust in financial statements

SDGs



Creation of the Oil Industry Development Fund (OIDF) and transfer of cess proceeds



The Office of the Director General of Audit (Finance and Communication), during the audit, observed that cess collected on crude oil by the Government amounting to ₹2,93,948.16 crore till 2023-24 was not transferred due to non-creation of a designated fund. Based on audit intervention, the need for proper accounting and earmarking of cess proceeds was highlighted. During 2024-25, the Union

Government created the Oil Industry Development Fund as a Reserve Fund and transferred ₹17,730 crore to it. This is a significant change in accounting/ fund management arrangement relating to transfer and earmarking of cess proceeds on crude oil in Government Accounts.

HIGHLIGHTS

- **Creation of Oil Industry Development Fund:** Oil Industry Development Fund created as a Reserve Fund in the Union Government Finance Accounts (UGFA) for FY 2024-25
- **₹17,730 crore** transferred to the Fund during FY 2024-25
- **Revised fund management framework:** Change in accounting and fund management arrangement for transfer and earmarking of cess proceeds in Government accounts

SDGs



Loss of revenue due to undervaluation of iron ore, Government of Odisha



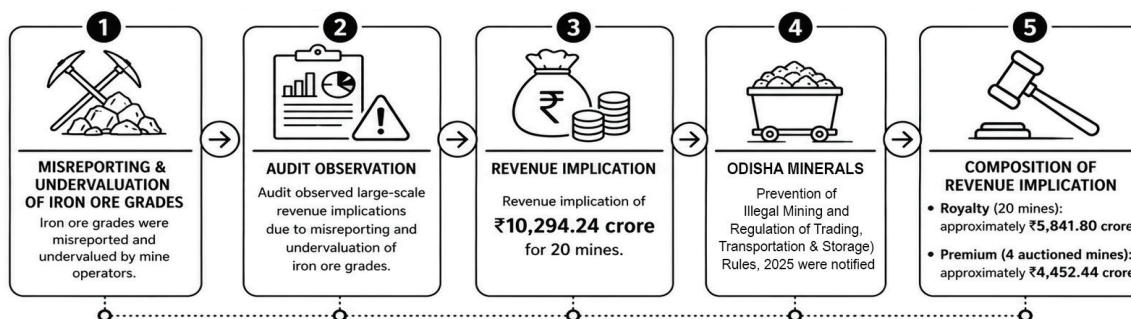
The office of Principal Accountant General (Audit-1), Odisha, during the audit, observed large-scale revenue implications due to misreporting and undervaluation of iron ore grades, leading to revenue implication of ₹10,294.24 crore for 20 test-checked mines consisting of royalty of approximately ₹5,841.80 crore and premium of approximately ₹4,452.44 crore in respect of four auctioned mines. Audit recommended carrying out a complete and timely investigation across all auctioned mines into the sudden reporting of lower grades of iron-ore as found in test check by Audit.

Audit also recommended putting in place a policy/ mechanism for preventing leakage of revenue due to the significant risk of misreporting of category and size of iron-ore. Based on audit findings, Odisha Minerals (Prevention of Illegal Mining and Regulation of Trading, Transportation and Storage) Rules, 2025 were notified to strengthen mineral administration through technology-driven controls, including real-time grade analysis, digital monitoring, AI-enabled surveillance, Global Positioning System (GPS)/ Radio Frequency Identification (RFID) based tracking and automated weighment.

HIGHLIGHTS

- **New mineral regulation rules notified:** Odisha Minerals (Prevention of Illegal Mining and Regulation of Trading, Transportation and Storage) Rules, 2025 introduced to strengthen mineral administration
- **Technology driven monitoring systems:** Measures include real time grade analysis, digital monitoring, AI enabled surveillance, GPS/RFID based tracking, and automated weighment
- **AI based enforcement mechanisms:** Mandated monitoring to curb illegal mining, under grading, misreporting and unauthorised transportation
- **Improved transparency and control:** Measures aimed at enhancing transparency in mineral dispatch and reducing revenue leakage, subject to effective implementation and enforcement

SDGs



Strengthening procurement controls and recovery in Central Public Sector Enterprises (CPSEs)



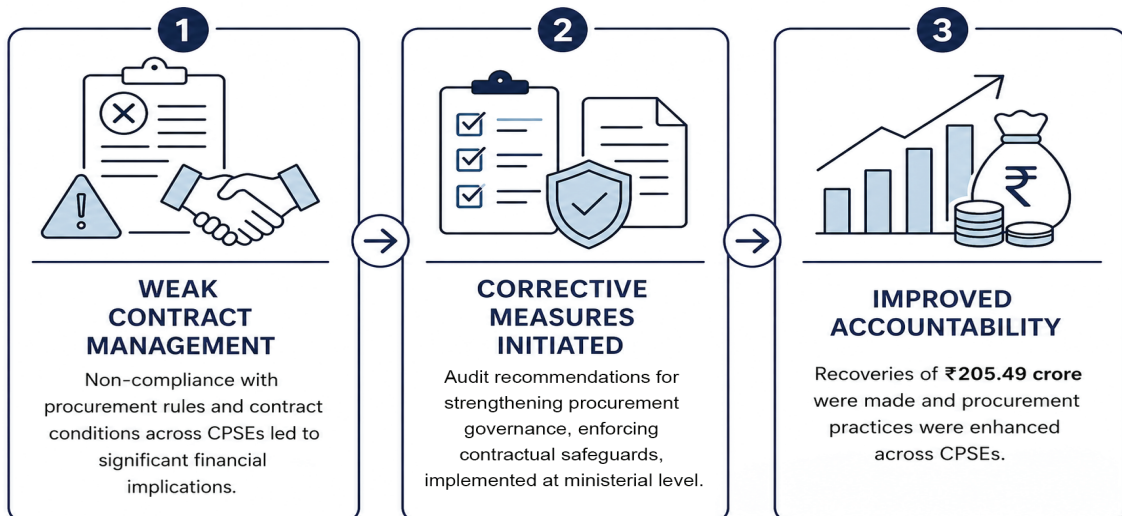
The Commercial Audit wing observed widespread non-compliance with procurement rules and contract conditions across Central Public Sector Enterprises, including inadequate market analysis, weak enforcement of performance guarantees, and lapses in contract execution. The financial implication of individual audit observations included in the relevant Report aggregated to ₹14,777.92 crore, of which non-compliance with rules, directives, procedures and terms and conditions of contracts accounted for ₹559.56 crore across seven audit paragraphs.

Audit recommended strengthening procurement governance, enforcing contractual safeguards, and institutionalising monitoring mechanisms at the Ministry level. Based on audit intervention, ₹205.49 crore was recovered at the instance of Audit during March 2023 to March 2024 and corrections and rectifications were carried out by seven Central Public Sector Enterprises in their systems, agreements and guidelines at the instance of Audit.

HIGHLIGHTS

- **₹205.49 crore** recovered by seven Central Public Sector Enterprises during March 2023 to March 2024 at the instance of Audit
- **System and process corrections:** Seven Central Public Sector Enterprises carried out corrections and rectifications in their systems, agreements and guidelines based on audit observations

SDGs



Rationalisation of mineral receipts accounting to enhance transparency and compliance

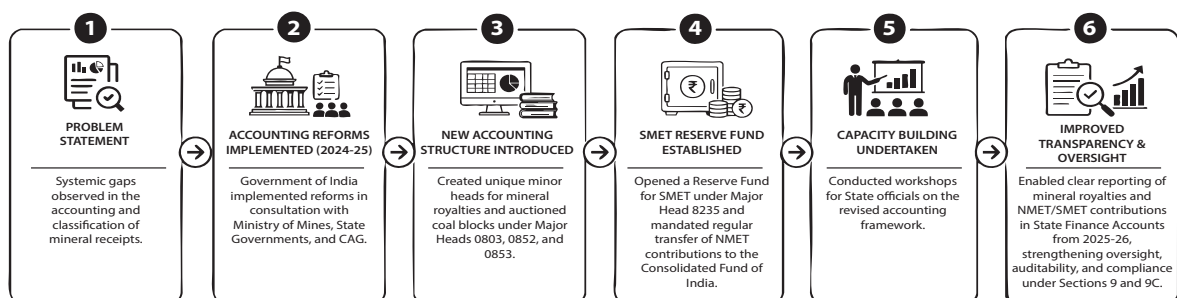
There existed several systemic deficiencies in the accounting of mineral receipts under the Mines and Minerals (Development and Regulation) Act, 1957, including lack of distinction between major and minor minerals, absence of unique accounting heads, and non-compliance with the National Mineral Exploration Trust (Amendment) Rules, 2018. These gaps affected traceability, auditability, and compliance monitoring. The issues highlighted the need for appropriate accounting classification, ring-fencing of receipts, and clear alignment of financial reporting with legislative and regulatory requirements to facilitate effective audit oversight and policy evaluation. Rationalisation of accounting structures was therefore undertaken to strengthen transparency, accountability, and compliance in the management of mineral revenues.

Pursuant to these objectives, reforms were introduced during 2024–25 through initiatives led by the Government Accounts Wing. These included the creation of unique minor heads under Major Heads 0803, 0852, and 0853 for coal and lignite, iron ore, and non-ferrous minerals respectively; establishment of a Reserve Fund for State Mineral Exploration Trusts (SMET) under Major Head 8235; and mandatory transfer of NMET contributions to the Consolidated Fund of India in accordance with statutory provisions. Capacity-building workshops were also conducted to facilitate implementation of the revised accounting framework. These measures improved classification and traceability of mineral receipts, strengthened compliance with Sections 9 and 9C of the Act and the NMET Rules, 2018, enhanced audit oversight, and ensured greater transparency and accountability in the management and reporting of mineral revenues.

HIGHLIGHTS

- **Accounting reforms implemented (2024–25):** Government of India implemented reforms in consultation with Ministry of Mines, State Governments, and CAG
- **New accounting structure introduced:** Created unique minor heads for mineral royalties and auctioned coal blocks under Major Heads 0803, 0852, and 0853
- **SMET Reserve Fund established:** Opened a Reserve Fund for SMET under Major Head 8235 and mandated regular transfer of NMET contributions to the Consolidated Fund of India
- **Improved transparency and oversight:** Enabled clear reporting of mineral royalties and NMET/SMET contributions in State Finance Accounts from 2025–26, strengthening oversight, auditability, and compliance under Sections 9 and 9C.

SDGs



Rectification of incorrect booking of pension payments post bifurcation, Telangana

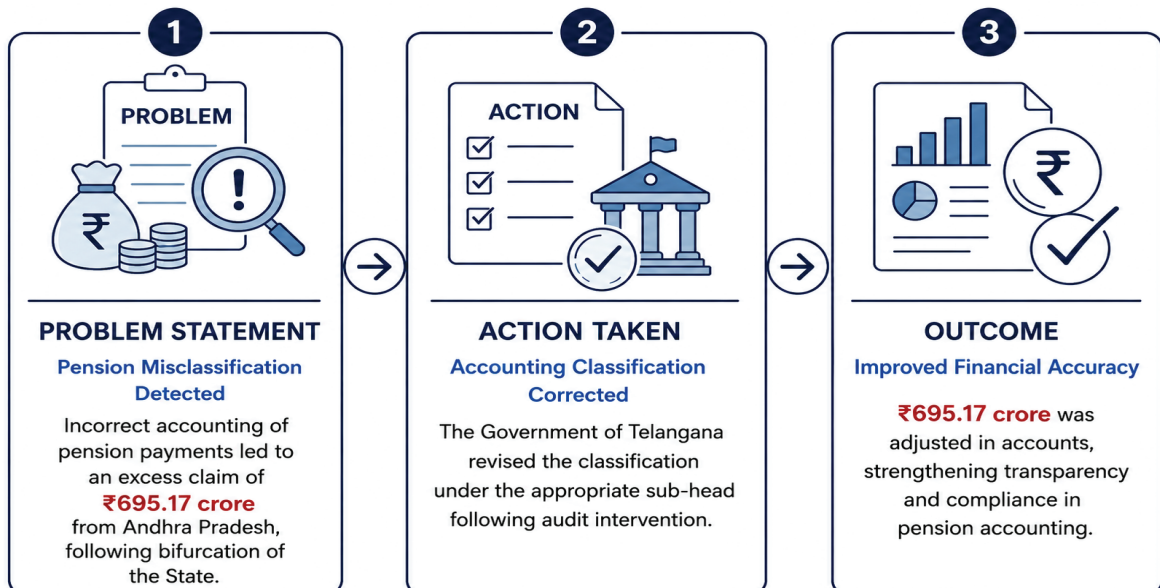
Incorrect classification of pension payments by Government of Telangana was observed under Sub-head (14) instead of Sub-head (34) following State bifurcation, resulting in excess claim of ₹695.17 crore from Andhra Pradesh during April 2021 to August 2024. Following sustained engagement by the Office of the Principal Accountant General (A&E), Telangana, the State Government corrected classification from

September 2024 onwards under the appropriate Sub-head. The excess amount of ₹695.17 crore was adjusted in the accounts for 2024–25. This rectification strengthened accuracy of inter-state financial reporting, improved compliance with accounting norms, and enhanced transparency and integrity in pension accounting.

HIGHLIGHTS

- **Correct classification implemented:** Pension payments correctly classified under Sub head (34) from September 2024 onwards following rectification by Government of Telangana
- **₹695.17 crore adjusted and rectified:** Excess amount claimed for April 2021 to August 2024, corrected in FY 2024–25 accounts

SDGs



Audit-led strengthening of billing efficiency and additional revenue mobilisation in Uttarakhand Power Corporation Limited (UPCL)



Context – During audit of the Billing Efficiency and Revenue Realisation in Uttarakhand Power Corporation Limited (UPCL), the office of the Principal Accountant General (Audit), Uttarakhand, identified non-enforcement of key regulatory requirements relating to recovery of Additional Security Deposits (ASD), enhancement of contracted

load for high-consumption domestic consumers, levy of enhanced penalties on persistent load violators and regulation of instalment facilities granted to defaulters. These deficiencies adversely impacted UPCL's cash flows, increased credit risk, weakened regulatory compliance and constrained the financial sustainability of the State power utility.

Recommendation

Audit recommended strict enforcement of existing norms governing ASD recovery, contracted load enhancement, and deterrent penalties for repeated load violations. It emphasised institutionalising time-bound recovery mechanisms, eliminating discretionary relaxations, strengthening monitoring of high-load consumers and tightening due diligence for the grant of instalment facilities.

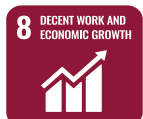
Outcome – UPCL obtained regulatory approval to recover pending ASDs in 12 equal monthly instalments, implemented systematic enhancement of contracted load for eligible domestic consumers, enforced four-fold penalties for persistent excess demand by industrial and non-domestic consumers, and strengthened the instalment framework by mandating bank guarantees and withdrawing concessions for chronic defaulters.

Consequently, recovery of ASDs rose sharply to ₹328 crore in 2024–25 from ₹70 crore in the previous year. Contracted load enhancement for 1.66 lakh domestic consumers generated ₹34.09 crore in additional revenue and ₹15.11 crore in one-time security deposits, with recurring monthly revenue of ₹2.22 crore. Enhanced penalties led to billing of ₹74.55 crore, with ₹47.78 crore recovered by October 2025. The cumulative financial impact exceeded ₹400 crore, while also improving load discipline, regulatory compliance, network efficiency and the long-term commercial viability of the State DISCOM.

HIGHLIGHTS

- **Significant revenue mobilisation through regulatory enforcement:** Audit-led reforms resulted in over ₹400 crore financial impact, including ₹328 crore ASD recovery and ₹34.09 crore in additional revenue
- **Strengthening of billing discipline and load management:** Systematic enhancement of contracted load for 1.66 lakh domestic consumers and stringent penalties for excess demand improved load discipline, network efficiency, and compliance
- **Improved financial sustainability and risk management:** Measures such as structured ASD recovery, stricter instalment norms with bank guarantees, and reduced discretionary relaxations enhanced cash flows, reduced credit risk, and improved long-term viability of the DISCOM

SDGs



4.3 Compliance, control and risk management

The case studies in this section illustrate the wide-ranging and tangible impact of audit interventions by the CAG of India in strengthening compliance frameworks, enforcement mechanisms, and risk controls across diverse sectors and administrative levels. Spanning Union Government departments, regulatory bodies, Central Public Sector Enterprises, and State Governments including Uttar Pradesh, Karnataka, Madhya Pradesh and NCT of Delhi, these cases cover domains such as taxation, infrastructure, welfare schemes, public enterprises, and minerals.

Collectively, they demonstrate how evidence-based audit findings have led to correction of procedural deficiencies, strengthening of validation and monitoring systems, enforcement of statutory and regulatory provisions, and improvement in governance processes. These interventions have not only addressed instances of non-compliance and control weaknesses but have also contributed to building more robust, transparent, and accountable systems capable of managing risks and ensuring sustained adherence to rules and standards.

Recovery proceedings and administrative actions initiated for sanctioning houses to ineligible beneficiaries, PMAY-G Scheme, Government of Uttar Pradesh



Office of the Principal Accountant General (Audit-I), U.P. Prayagraj, during the audit, observed that 1,838 ineligible persons were included in the Permanent Waiting List (PWL) and sanctioned houses under the Pradhan Mantri Awaas Yojana – Gramin (PMAY-G) during 2017–23. Audit observed payment of benefits amounting to ₹9.52 crore to ineligible beneficiaries under the scheme. Audit recommended

strengthening the verification and approval process for inclusion in the PMAY-G permanent waiting list. Based on audit recommendations, verification exercises were undertaken, and ₹6.90 crore had been recovered, resulting in strengthened eligibility controls and improved targeting of scheme benefits.

HIGHLIGHTS

- **Recovery and disciplinary action initiated:** Recovery proceedings and administrative actions initiated for sanctioning PMAY-G houses to ineligible beneficiaries

SDGs



Revision of Schedule of Rates for roads and procurement of bitumen – Public Works Department, Madhya Pradesh



The office of Principal Accountant General (Audit-II), Madhya Pradesh, during the performance audit of road works in Madhya Pradesh highlighted significant procurement and contract-management issues arising from deficiencies in the Schedule of Rates (SoR), including acceptance of substandard materials, incorrect bid evaluations in externally funded projects, procurement of bitumen from private vendors, and lack of provisions for sustaining plantation works. In response to audit recommendations, the Public Works Department undertook comprehensive reforms through SoR 2025. These included mandating procurement of

bitumen from government refineries, introducing provisions for plantation with multi-year maintenance and tree shifting, revising penalty rates for non-compliance with machinery norms, reinstating eco-friendly materials such as fly ash-based concrete, and lowering pre-qualification thresholds to enhance competition. Additionally, stricter controls such as mandatory field laboratory verification before commencement of works were introduced, strengthening quality assurance, environmental sustainability, and transparency in road construction.

HIGHLIGHTS

- **Revised procurement norms:** SoR 2025 mandates procurement of bitumen only from Government refineries
- **Sustainable construction measures:** Introduced tree plantation with maintenance for 3–5 years and tree shifting as an alternative to tree cutting
- **Enhanced deduction rates:** Deduction rates revised upward from ₹150 to ₹300 per cubic metre for Dry Lean Concrete and from ₹350 to ₹800 per cubic metre for Pavement Quality Concrete
- **Restoration of fly ash items:** Items of PQC and DLC with fly ash reinstated in SoR 2025 in compliance with MoEFCC directions
- **Relaxed contractor eligibility:** Pre-qualification threshold reduced from ₹5.00 crore to ₹2.00 crore in March 2025
- **Mandatory field laboratory verification:** Circular issued in February 2025 requiring verification by Superintending Engineer/Chief Engineer before commencement of works

SDGs



Strengthening safety management framework in Steel Authority of India Limited (SAIL)



The office of the Director General of Audit (Steel), Ranchi, observed persistent safety compliance gaps across SAIL plants such as Bhilai, Rourkela, and Durgapur Steel Plant, including non-functional fire detection systems, non-testing of safety equipment, and weak adherence to statutory provisions under the Factories Act, 1948. At Durgapur Steel Plant, deficiencies in supervision, lack of adequate Standard Operating Procedures, and unsafe track and slag handling practices culminated in a fatal accident on 20 November 2022, resulting in the death of three workers. Audit recommended that the

management may ensure periodic conduct of safety audits, with continuous monitoring and follow-up of compliance with the recommendations of such audits, to maintain a safe working environment. Audit intervention strengthened the safety framework across SAIL's integrated steel plants. The engagement of safety consultants, systematic follow-up on audit findings, and revision of SOPs reflect a strengthened institutional commitment to operational safety.

HIGHLIGHTS

- **Strengthened safety framework:** Audit intervention strengthened the safety framework across SAIL's integrated steel plants
- **Institutional measures implemented:** Included engagement of safety consultants, systematic follow up on audit findings, and revision of SOPs
- **Reduced safety risks:** Measures expected to reduce safety vulnerabilities and lower the risk of serious workplace incidents
- **Improved compliance and accountability:** Enhanced compliance with statutory requirements and strengthened organisational accountability

SDGs



Strengthening compliance controls in GST e-way bill system under the CGST Rules, 2017



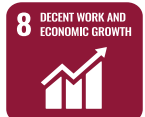
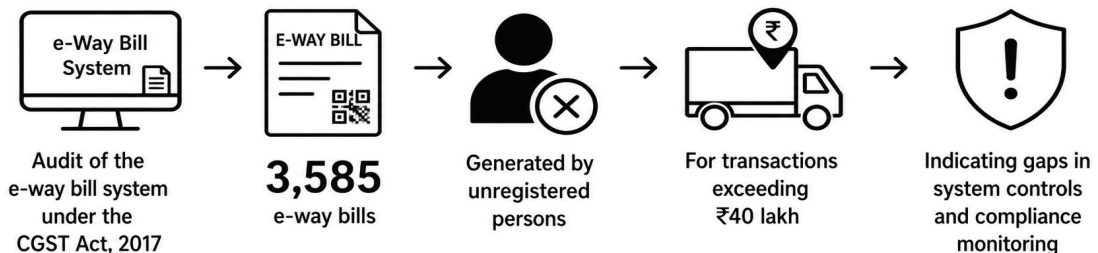
The office of the Director General of Audit (Central), Chennai, during the audit of the e-way bill system under the CGST Act, 2017 revealed that 3,585 e-way bills were generated by unregistered persons for transactions exceeding ₹40 lakh, indicating gaps in system controls and compliance monitoring. Audit recommended strengthening identification and regulatory coverage. Based on GST Council decisions

(June 2024), Rule 138(3) of the CGST Rules, 2017 was amended through Notification No. 12/2024 to mandate enrolment of such persons via Form GST ENR-03 and issuance of unique IDs. This resulted in improved traceability of transactions, strengthened audit trail for goods movement, and enhanced enforcement capability.

HIGHLIGHTS

- **GST rules amendment notified:** Fourth proviso inserted in Rule 138(3) of CGST Rules, 2017 based on GST Council recommendations
- **Formal enrolment for unregistered persons:** Enabled enrolment and creation of unique user IDs for unregistered persons generating e way bills
- **Structured registration process:** Required electronic submission of details through Form GST ENR 03 on the common portal, after which a unique enrolment number is issued for tracking transactions

SDGs



Outcome

Resulted in improved traceability of transactions, strengthened audit trail

Strengthening governance and financial management accountability in international organisations through external audit

The CAG of India, as External Auditor of organisations including WHO (World Health Organisation) and its hosted entities UNAIDS (Joint United Nations Programme on HIV/AIDS), UNITAID (UN International Drug Purchase Facility), IARC (International Agency for Research on Cancer), Staff Health Insurance, UNICC (United Nations International Computing Centre), FAO (Food and Agriculture Organization of the United Nations), OPCW (Organisation for the Prohibition of Chemical Weapons), ILO/ITC (International Labour Organization/International Training Centre), IAEA (International Atomic Energy Agency), BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) Secretariat (as Head of Panel), and SCO (Shanghai Cooperation Organisation) bodies, undertook audits to strengthen governance, financial

management, and accountability frameworks. During 2025–26, 11 audit reports containing 206 recommendations were issued, focusing on systemic improvements in internal controls, performance, and transparency. Additionally, support was provided to the UN Board of Auditors (UNBoA) to update its portal by identifying missing audit reports from previous years. All 206 recommendations were accepted by the respective organisations, reflecting their relevance and practical value. The initiative also led to consideration of uploading audit reports for the last ten years (from 2016) on the UNBoA portal.

HIGHLIGHTS

- **206 recommendations accepted:** All recommendations issued during 2025–26 were accepted by audited agencies, reflecting audit credibility and practical value
- **System strengthening across organisations:** Audit work supported improvements in systems, controls, and performance across major international organisations
- **UNBoA portal strengthening:** Assistance for portal upgradation appreciated, with consideration to upload reports from the past ten years (since 2016)
- **Enhanced transparency and knowledge access:** Outcomes improved institutional transparency and access to audit knowledge
- **Reinforced audit credibility:** Strengthened confidence in external audit as a key instrument of accountability in international organisations

SDGs



Strengthening document verification and service integrity in Railway recruitment



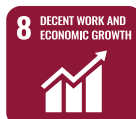
22 Group 'D' employees were appointed in the Metropolitan Transport Project/Railway (MTP/R) between 1989 and 1992 on the basis of non-genuine transfer documents and continued in service for over three decades due to delayed verification and non-adherence to prescribed procedures. They received pay and allowances of about ₹10.37 crore, while disciplinary proceedings initiated during 2001–2004 remained pending for decades and were acted upon only after 2018 by the Railway. Audit by the office of the Principal Director of Audit (Railway), Mumbai, highlighted these irregularities in 2020–21 and

pointed out delays in disciplinary action, deficiencies in document verification and internal controls, and recommended action against the responsible officials. In response, the Railway Board issued revised instructions in December 2024 prescribing HRMS-based validation of transfer requests, strengthened verification of documents, and mandatory self-declarations to safeguard the integrity and transparency of the recruitment process. The Ministry of Railways communicated the impact of audit in January 2025.

HIGHLIGHTS

- **Strengthened document verification:** Railway Board issued revised procedural instructions (December 2024) to strengthen verification of transfer, educational and other recruitment-related documents
- **HRMS-based validation introduced:** Transfer requests were brought under a standardized HRMS-based digital validation framework to improve authenticity and traceability
- **Enhanced recruitment safeguards:** Mandatory self-declarations and strengthened verification of character and antecedents were implemented to improve compliance with recruitment norms
- **Improved administrative controls:** The revised procedures addressed systemic gaps identified in audit and established stronger controls to safeguard the integrity of appointments and personnel management

SDGs



Strengthening pricing discipline in PMFBY to prevent reinsurance losses, Oriental Insurance Company Limited



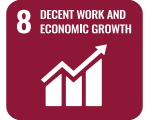
The office of the Principal Director of Audit (Industry & Corporate Affairs), New Delhi, during the audit, revealed that the Oriental Insurance Company Limited applied uniform premium rates across PMFBY crop-insurance clusters under the Pradhan Mantri Fasal Bima Yojana (PMFBY) in 2019–20, contrary to provisions of the Agriculture Quota Share Reinsurance Treaty with GIC, leading to invocation of the Loss Corridor clause and a loss of ₹194.08 crore. Audit recommended adherence to treaty-specific

pricing and improved underwriting discipline. In response, OICL discontinued underwriting under the traditional PMFBY model from 2020–21 and adopted the Surplus/Loss Sharing Model (SSM), also known as the Cup-and-Cap model (80:110), capping liability at 110 per cent of premium. Under this model, excess losses are borne by State Governments, while surpluses below 80 per cent are shared. This resulted in improved loss ratios and reduced exposure to catastrophic losses.

HIGHLIGHTS

- **Discontinued PMFBY underwriting:** OICL stopped underwriting crop insurance under the traditional PMFBY model from 2020–21 onwards
- **Shift to SSM (80:110) model:** Adopted Surplus/Loss Sharing Model with liability cap at 110 per cent of premium, with losses beyond cap borne by State and surplus shared below 80 per cent loss ratio
- **Improved underwriting outcomes:** Adoption led to improved loss ratios, enhanced underwriting discipline, reduced reinsurance uncertainty, and better pricing rationality
- **Strengthened financial stability:** Limited exposure to catastrophic losses and improved portfolio performance across clusters

SDGs



Introduction of real-time monitoring and preventive controls for national health programme drugs, Ministry of Health and Family Welfare



Government Medical Store Depots under the Directorate General of Health Services store and issue drugs procured for national health programmes. During the audit, the office of Director General of Audit (Central), Kolkata, found that anti-TB drugs valued at ₹40.75 crore and vector-borne disease drugs valued at ₹2.62 crore had expired before they could be issued at the depots in Kolkata, Guwahati, Hyderabad, Chennai and Karnal. Audit identified delayed release orders and the absence of a dynamic, need-based procurement and distribution strategy aligned with actual requirements and changes in treatment regimens. Audit recommended adoption

of a real-time monitoring and distribution system.

In response, National Centre for Vector Borne Diseases Control launched the Drug and Vaccines Distribution Management System (DVDMS), an online real-time dashboard for assessing requirements and distribution and alerting consignees to near-expiry and non-moving stocks. The outcome was thus the introduction of a more preventive and information-based control framework.

HIGHLIGHTS

- **Improved Stock Monitoring:** DVDMS portal provides alerts for drugs nearing expiry or remaining undistributed
- **Enhanced Inventory Management:** Enabled better stock visibility and timely redistribution
- **Reduced Expiry Risk:** Lowered risk of expired medicines remaining in stores

SDGs



EXPIRY OF ANTI-TB AND OTHER DRUGS IN GOVERNMENT MEDICAL STORE DEPOTS

Due to delayed release orders and absence of a dynamic, need-based distribution strategy



5
Government
Medical Store Depots
affected

DRUGS EXPIRED



₹43.37 crore
worth of
drugs expired

ANTI-TB DRUGS



₹40.75 crore
worth of anti-TB
drugs expired

MAJOR DEPOTS AFFECTED



Chennai

₹11.65 crore

worth of anti-TB drugs expired



Kolkata

₹11.52 crore

VECTOR-BORNE DISEASE DRUGS



₹2.62 crore
worth of drugs expired
before issuance

Drug and Vaccines Distribution Management System (DVDMS), an online platform providing real-time stock visibility and alerts for near-expiry drugs launched.

Management of end-of-life vehicles in public spaces, Government of NCT of Delhi



Under the framework applicable in Delhi, diesel vehicles more than 10 years old and petrol vehicles more than 15 years old are treated as end-of-life vehicles and are not permitted to ply. Against more than 41 lakh end-of-life vehicles requiring impounding and scrapping, only 347 had been impounded up to September 2020. Of these, only five had been handed over to scrappers, and the Department informed Audit that no vehicle had been scrapped till March 2021.

The office of the Principal Accountant General (Audit), Delhi, during the audit, observed the absence of a structured coordination mechanism among multiple agencies responsible for impounding end-of-life vehicles found operating, parked in public places or discarded as junk. The need for a

consolidated approach and streamlined processes to ensure impounding and routing end-of-life vehicles to MoRTH registered Vehicle Scrapping Facilities was highlighted in the findings.

The Transport Department issued the Guidelines for Handling End of Life Vehicles in Public Places of Delhi, 2024. The guidelines identify the enforcement agencies and prescribe procedures for enforcement drives, reporting, seizure, release and transfer of eligible impounded vehicles to Registered Vehicle Scrapping Facilities, thereby providing a common procedural framework for addressing the coordination gap identified by audit.

HIGHLIGHTS

- **Guidelines notified (February 2024):** Transport Department issued Guidelines for Handling End of Life Vehicles in Public Places of Delhi, 2024, establishing a common framework for addressing ELV enforcement and disposal.
- **Strengthened inter-agency coordination:** Identified enforcement agencies and prescribed procedures for enforcement drives, reporting, seizure, release and transfer of ELVs, addressing the coordination gaps highlighted by Audit.
- **Standardised scrapping mechanism:** Established a process for transferring eligible impounded vehicles to Ministry of Road Transport and Highways (MoRTH) registered Vehicle Scrapping Facilities, facilitating environmentally compliant disposal.
- **Improved enforcement processes:** Defined clear procedures for handling ELVs found operating, parked in public places or abandoned as junk, enabling a streamlined pathway from impounding to scrapping.

SDGs



Non-remittance of government revenue in Karnataka



Context – Under Section 3 of the Karnataka Stamp Act, 1957, stamp duty is levied on instruments as prescribed in the Schedule to the Act. During audit scrutiny of the Sub Registrar Office (SRO), Chitradurga, the office of the Accountant General (Audit-I) Karnataka noted discrepancies between the stamp duty and registration fee amounts shown as remitted in the attached paid challans and the actual amounts transferred to the Government account. Audit found that although full stamp duty and fees were collected from parties, only partial payments

were remitted to the bank. Further examination revealed that a licensed deed writer had manipulated the Khajane II (K2) challans by editing the documents using a text editor to inflate the remitted amounts before presenting them for registration. This resulted in significant financial loss to the Government and indicated serious lapses in document verification and internal controls within the SRO. Audit identified total short remittance of ₹1.51 crore across 181 cases.

Recommendation

Audit recommended immediate verification of all suspected cases, initiation of recovery proceedings, and strengthening of controls to prevent tampering with challans. To prevent recurrence, audit advised integrating registration processes with treasury systems to eliminate the scope for forged challans and to ensure real-time validation of remittances.

Outcome – Based on audit's observations and recommendations, the following actions were undertaken:

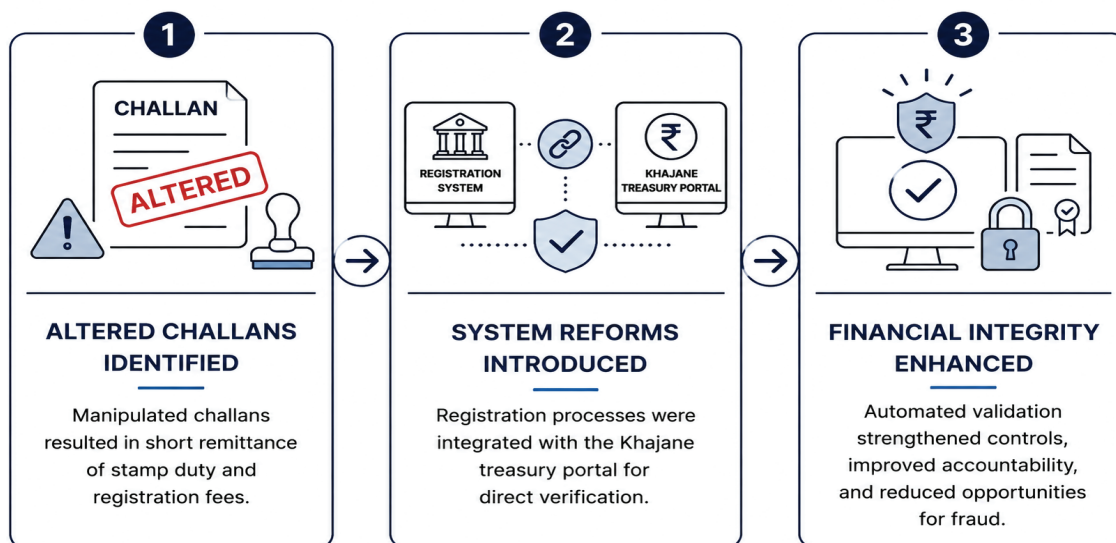
- Recovery of ₹36 lakh was completed in 47 cases.
- Ten cases were taken up before the High Court.
- Recovery efforts for the 137 cases were initiated.
- The Sub Registrar and a Second Division Assistant (SDA) were placed under suspension and a departmental enquiry commenced in September 2021. The deed writer's licence was cancelled, an FIR filed, and the individual arrested on 11 January 2022.
- Kaveri2 software was implemented across all registration offices by July 2023. The upgraded

system is fully integrated with the Khajane treasury portal, ensuring that challan verification occurs directly through the Government's financial management system. This integration has substantially reduced the risk of using forged challans for registration in the future. Additionally, administrative action was taken against the officers and officials responsible, reinforcing accountability. These measures collectively strengthened financial integrity, minimised opportunities for fraud, and improved the reliability of stamp duty and registration fee collections.

HIGHLIGHTS

- **₹36 lakh** recovered across 47 cases, with recovery efforts initiated for 137 cases
- **10 cases taken to High Court**
- **Disciplinary action and criminal proceedings:** Sub Registrar and SDA suspended and enquiry initiated (Sep 2021); deed writer's licence cancelled, FIR filed, and arrest made (11 Jan 2022)
- **Kaveri2 implementation:** System rolled out across all registration offices in July 2023 with integration to Khajane treasury for direct challan verification
- **Reduced fraud risk:** Integration significantly minimised use of forged challans in registration
- **Strengthened financial integrity and accountability:** Actions improved reliability of stamp duty collections, reduced fraud opportunities, and reinforced accountability

SDGs



4.4 Environmental, social and governance

The case studies in this section highlight the diverse and measurable impact of audit interventions by the CAG in strengthening governance, improving service delivery, and enhancing regulatory frameworks across environmental management, welfare schemes, labour welfare, and compliance systems. Covering a wide spectrum of entities such as State Governments (Meghalaya, Uttarakhand, Punjab, Assam, and NCT of Delhi), central ministries and agencies, as well as statutory bodies like the Visakhapatnam Port Authority, these cases span myriad domains such as solid waste management, environmental

regulation, social protection schemes, labour welfare, coastal governance, and urban pollution control. Collectively, they demonstrate how audit-led insights have driven policy reforms, process standardisation, digital integration, stakeholder engagement, and strengthened enforcement mechanisms. These interventions have resulted in improved targeting of beneficiaries, enhanced environmental compliance, better utilisation of public resources, increased transparency, and more robust and technology-enabled governance systems.

Solid Waste Management, Government of Meghalaya

Office of the Principal Accountant General (Audit), Meghalaya, during the audit of Solid Waste Management in Urban Areas in Meghalaya highlighted inadequate land availability and weak planning for scientific waste management, resulting in non-compliance with prescribed waste management norms. Based on the audit findings and recommendations presented to the Meghalaya Legislative Assembly, the Department initiated measures to address long-pending issues related to waste processing and disposal.

Following the laying of the Audit Report in August 2024, processing and recycling of legacy waste commenced at the existing Marten landfill site in Shillong. Approximately two lakh tonnes of waste had been processed and recycled. The Department also revived the process of acquiring land for establishing modern Solid Waste Management facilities and sanitary landfills, which had remained pending since 2011. The audit contributed to renewed action on scientific waste management, large-scale processing of legacy waste, and steps towards strengthening long-term waste management infrastructure in the State.



HIGHLIGHTS

- **Audit identified critical gaps:** Inadequate land availability and weak planning for scientific waste management.
- **Legacy waste processing initiated:** Recycling of approximately two lakh tonnes of waste at the Marten landfill site, Shillong.
- **Revival of a long-pending initiative:** Land acquisition process for modern SWM facilities and sanitary landfills resumed after remaining pending since 2011.
- **Renewed focus on scientific waste management:** Audit recommendations triggered action on waste processing and disposal.
- **Strengthened long-term waste management capacity:** Steps initiated towards developing sustainable waste management infrastructure.

SDGs



Strengthening governance mechanisms for welfare of construction workers, Government of Uttarakhand



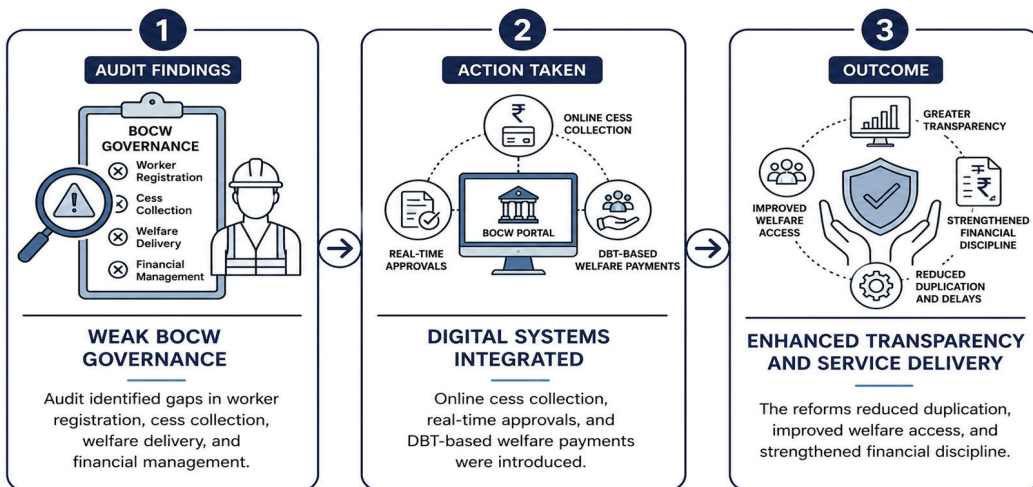
Audit of implementation of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and BOCW Welfare Cess Act, 1996 in Uttarakhand identified gaps in worker registration, cess collection, welfare delivery, and financial management by the Uttarakhand BOCW Board, including duplication and weak linkage with building approvals. The office of Principal Accountant General (Audit), Uttarakhand, during the audit, recommended strengthening institutional mechanisms, digitisation, system integration, and enforcement. In response, an online cess collection portal with payment gateway was introduced,

along with a one-mobile-number-one-account/ registration system and integration with Mussoorie Dehradun Development Authority (MDDA), District Development Authority (DDA) and SIDA for ensured real-time receipt of building files and confirmation of cess compliance before map approval. Welfare payments were shifted to DBT with reconciliation controls, and 69 enforcement cases were finalised with penalties of ₹58.48 lakh (2020–23). These measures improved access to welfare schemes, reduced duplication, enhanced transparency, and strengthened financial discipline.

HIGHLIGHTS

- **Digitisation and system integration for better compliance:** Launch of an online cess collection portal with payment gateway and integration with MDDA, DDA, and SIDA enabled real-time tracking, improved cess collection, and stronger linkage with building approvals
- **Strengthened enforcement and financial discipline:** Finalisation of 69 enforcement cases with penalties of ₹58.48 lakh and reconciliation controls enhanced accountability, transparency, and financial management of the BOCW Board

SDGs



Environmental Governance, Visakhapatnam Port Authority (VPA)



The office of the Principal Director of Commercial Audit, Hyderabad, during the audit, identified gaps in environmental monitoring, Environment Clearances (ECs) hosting on the website, and persistent manpower shortages for compliance functions at VPA. Audit recommended that VPA should provide adequate manpower for the environmental cell to oversee the environment related activities. Based on audit recommendations, recruitment notifications

were issued. Environment Clearances and half-yearly compliance submissions to the Ministry of Environment, Forest and Climate Change were hosted on its website by VPA. This has resulted in improved environmental compliance framework and strengthened institutional capacity to manage environmental obligations.

HIGHLIGHTS

- **Enhanced environmental disclosure:** Hosted Environment Clearances and half yearly compliance reports on official website in line with Environmental Impact Assessment (EIA) Notification requirements
- **Strengthened institutional capacity:** Issued recruitment notifications for two Environmental Supervisors and one Chief Engineer
- **Improved compliance and accountability:** Actions strengthened environmental compliance framework, institutional capacity, and public trust in environmental management

SDGs



Improving welfare delivery under the Building and Construction Workers (BOCW) Act in Punjab



Audit of implementation of the BOCW Act in Punjab (2019-22), by the office of the Principal Accountant General (Audit), Punjab, Chandigarh revealed gaps in registration, low utilisation of cess funds (10.58–17.12 per cent), pendency of 62,948 applications beyond six months, and non-transfer of cess by Local Bodies. Audit recommended expanding registration, clearing backlogs within defined timelines, strengthening monitoring, improving inter-departmental coordination, and enhancing data integration. In response, the Welfare Board undertook large-scale enrolment drives, integrated databases with the

e-Shram portal to reduce duplication and improve beneficiary identification, and conducted awareness campaigns for migrant and informal workers. Directions were issued to ensure maintenance of employment records and timely cess transfer, along with strengthened monitoring of collection and utilisation. These measures improved coverage of beneficiaries and reduced exclusion errors.

HIGHLIGHTS

- **Expanded worker enrolment:** Initiated systematic registration of previously unregistered and vulnerable construction workers, improving access to welfare benefits
- **eShram integration:** Enabled better identification of left out workers, reduced duplication, and improved beneficiary mapping across districts
- **Enhanced outreach and compliance:** Conducted awareness camps and registration drives; directed establishments to maintain mandatory employment records
- **Strengthened cess recovery mechanism:** Intensified recovery of unrealised labour cess from defaulting bodies, improving fund availability
- **Improved monitoring and governance:** Reinforced monitoring of cess collection and utilisation, strengthening accountability and alignment with statutory mandates
- **Better welfare delivery outcomes:** Measures expanded coverage, improved social protection, and ensured more equitable and efficient delivery of benefits under the BOCW Act

SDGs



Extension of housing and education benefits for tea tribes, Government of Assam



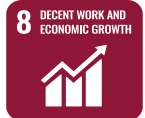
Audit of welfare schemes for tea tribes in Assam revealed lack of land ownership among 87 per cent of workers, and deficiencies in school access contrary to the Right to Education Act, 2009. The office of the Accountant General (Audit), Assam, during the audit, recommended improving housing access, and ensuring adequate school infrastructure. In response, the Assam Fixation of Ceiling on Land Holdings (Amendment) Act, 2025 was enacted, and land deeds

were distributed to 28,000 workers (March 2026), supported by an online portal for land applications. Additionally, 118 tea garden model schools were completed and 100 more were under construction. These measures enhanced livelihood opportunities, improved housing security, and strengthened access to education.

HIGHLIGHTS

- **Land ownership provided:** 28,000 land deeds distributed to tea garden workers in March 2026 under the amended land ceiling Act
- **Educational infrastructure expanded:** 118 model schools completed, with 100 additional schools under construction as of March 2026
- **Land reforms and digital access:** Enactment of the Assam Fixation of Ceiling on Land Holdings (Amendment) Act, 2025 and development of an online portal for land patta applications
- **Enhanced welfare measures:** Actions improved access to employment, housing security, and education for tea tribes

SDGs



Stakeholder engagement in the audit of Ex-Servicemen Contributory Health Scheme (ECHS)



The office of the Director General of Audit, (Defence Services), New Delhi during the audit of the ECHS adopted a consultative approach through beneficiary questionnaires, meetings with regional-level associations of ex-servicemen, and participation in Consultative Committee meetings to identify implementation gaps. Stakeholder feedback highlighted inadequate empanelment of Healthcare Organisations (HCOs), their skewed geographical distribution, and manpower shortages. For instance, under Regional Centre Patna, 20 of 28 empanelled HCOs were concentrated in Patna alone, leaving most of the 31 districts under its jurisdiction, covering 2,78,322 beneficiaries, without any empanelled HCO.

As the audit findings and recommendations were aligned with beneficiary concerns, the consultative

engagement led to early acceptance of audit recommendations and the Ministry initiated corrective action even before the Exit Conference. Empanelment norms for hospitals in tier-II and tier-III cities were relaxed, and empanelment was actively pursued through Regional Centres and Station Commanders. Within months of communication of the draft audit report, 67 new HCOs were empanelled under the six test-checked Regional Centres, including five new HCOs in Bihar. This improved the geographic dispersion of HCOs, provided relief to beneficiaries in surrounding areas, directly addressed difficulties in accessing healthcare services, enabled policy-level changes, and demonstrated the relevance of audit in responding to citizen concerns and supporting beneficial change.

HIGHLIGHTS

- **Consultative audit approach:** Beneficiary feedback and stakeholder engagement shaped audit findings
- **Key implementation gaps identified:** Inadequate HCO empanelment, skewed distribution, and manpower shortages
- **Early corrective action:** Ministry acted on recommendations before the Exit Conference
- **67 new HCOs empanelled** under six test-checked Regional Centres
- **Enhanced healthcare access** through improved geographic dispersion of HCOs

SDGs



Strengthening monitoring of environmental clearance compliance, MoEFCC



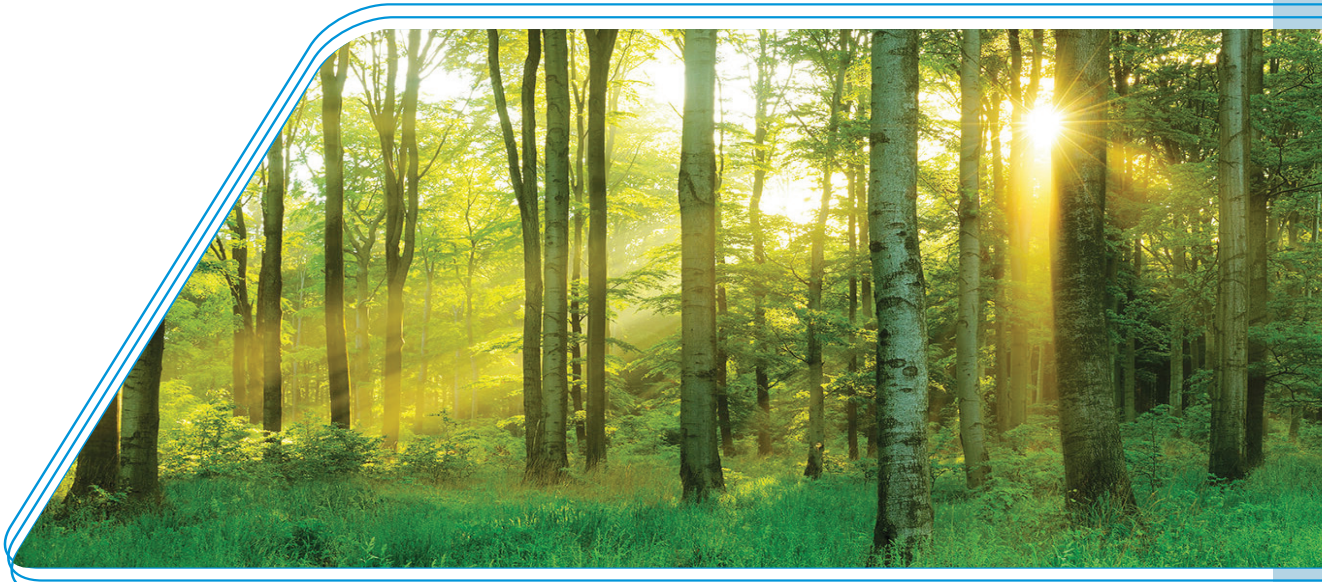
The Office of the Director General of Audit, Central Expenditure (Environment and Scientific Departments), New Delhi during the audit, observed weaknesses in monitoring and enforcement of compliance with environmental clearance conditions by the Ministry of Environment, Forest and Climate Change (MoEFCC), with inadequate inspection mechanisms limiting oversight and increasing the risk of non-compliance by project proponents. In response to audit findings, the Ministry expanded

the number of Integrated Regional Offices from 10 to 19, developed a web-based system for automated inspection and compliance monitoring, and integrated processes with the PARIVESH portal for real-time tracking. These measures improved monitoring capacity, enhanced transparency in compliance tracking, and enabled more effective enforcement of environmental safeguards, contributing to better environmental governance.

HIGHLIGHTS

- **Expanded field coverage:** Number of Integrated Regional Offices increased from 10 to 19, strengthening on ground monitoring capacity
- **Web based monitoring system introduced:** Automated inspection and compliance processes, reducing manual intervention and improving efficiency
- **PARIVESH portal integration:** Enabled real time tracking of non-compliance and granular monitoring of environmental clearance conditions
- **Strengthened compliance framework:** Measures reinforced compliance oversight and improved enforcement of environmental safeguards

SDGs



Enhancing enforcement in Coastal Regulation Zones (CRZ)



The office of Director General of Audit (Central), Chennai, reviewed the enforcement of Coastal Regulation Zone (CRZ) provisions by State Coastal Zone Management Authorities (SCZMAs) and District Level Committees (DLCs) and observed significant enforcement deficiencies. SCZMAs failed to initiate timely action against CRZ violations, while DLCs did not effectively identify and report violations.

Audit highlighted several instances of irregular development in ecologically sensitive CRZ-I areas, including construction on Olive Ridley turtle nesting sites and a racetrack in Pattipulam, Tamil Nadu. Violations were also observed in the No Development Zone (NDZ), such as construction of beach resorts, jetty extensions, commercial complexes and other unauthorized developments in Tamil Nadu, Gujarat and Kerala, encroachments in the Vembanad Lake region, irregular approvals in wetlands, discharge of

untreated effluents by coastal aquaculture units in Andhra Pradesh, and operation of ice plants and fish-packing units in CRZ areas of Tamil Nadu.

Audit recommended strengthening enforcement mechanisms through timely detection of violations, effective monitoring, and robust reporting and follow-up systems. In response, authorities initiated criminal proceedings under the Environment (Protection) Act, 1986 in cases of illegal constructions, issued show-cause notices and closure directions, and strengthened accountability through mandatory Action Taken Reports and provisions for revocation of CRZ clearances.

HIGHLIGHTS

- **Enforcement deficiencies identified:** Audit found significant lapses in CRZ enforcement, with SCZMAs and DLCs failing to take timely action and effectively detect and report violations
- **Ecologically sensitive areas impacted:** Unauthorized developments were observed in CRZ-I areas, including construction on Olive Ridley turtle nesting sites and a racetrack in Pattipulam, Tamil Nadu
- **Unauthorized construction in protected zones:** Beach resorts, jetty extensions, commercial complexes, and other developments were found in No Development Zones (NDZs)
- **Widespread CRZ violations detected:** Encroachments, irregular wetland approvals, untreated effluent discharge by aquaculture units, and operation of ice plants and fish-packing units were observed across multiple states
- **Strengthened enforcement response:** Authorities initiated proceedings under the Environment (Protection) Act, 1986, issued show-cause notices and closure directions, and enhanced accountability through Action Taken Reports and revocation of CRZ clearances

SDGs



Installation of automatic number plate recognition technology to curb the shortfall in number of vehicles put to emission testing, New Delhi



Context – As per the Central Motor Vehicles Rules, 1989, every motor vehicle is required to possess a valid Pollution Under Control Certificate after the expiry of one year from the date of first registration. Audit examination by the office of the Principal Accountant General (Audit), Delhi revealed that during the period from 2018-19 to 2020-21, only 46 to 63 per cent of Delhi registered vehicles due for Pollution Under Control checks were actually tested in Delhi. Although Pollution Under Control Centres were networked with the VAHAN portal, audit found

that no automated mechanism had been established to generate challans for vehicles operating without a valid certificate. Additionally, there was no disincentive mechanism to discourage delayed renewal of Pollution Under Control Certificates beyond the prescribed validity period. These gaps weakened the effectiveness of enforcement and diluted the regulatory framework for vehicular emission control.

Recommendation

Audit underscored the need to strengthen enforcement of Pollution Under Control requirements through the use of technology-driven solutions. It emphasised the importance of establishing automated detection and penalty mechanisms for non-compliant vehicles and enhancing public awareness to improve timely compliance, with the objective of reducing vehicular emissions and supporting air quality management efforts.

Outcome – In response to the audit findings, the department adopted digital interventions to improve enforcement and compliance. Automatic Number Plate Recognition technology was installed at approximately 500 strategic locations, including fuel stations and major Inter-State Bus Terminals, enabling real-time identification of vehicles operating without a valid Pollution Under Control Certificate. The system facilitates automatic generation of challans for non-compliant vehicles, strengthening deterrence against violations. In addition, automated Short Message

Service alerts are being issued to vehicle owners one month, fifteen days, seven days before expiry, and on the date of expiry of the Pollution Under Control Certificate. These measures are expected to improve compliance through enhanced awareness and automated enforcement, thereby strengthening regulatory oversight and contributing to improved control of vehicular air pollution.

HIGHLIGHTS

- **ANPR deployment:** Automatic Number Plate Recognition installed at ~500 locations, including fuel stations and major ISBTs, for real time identification of non compliant vehicles
- **Automated challan generation:** System enables automatic challans for vehicles without valid Pollution Under Control Certificates
- **Time based SMS alerts:** Alerts issued one month, 15 days, 7 days before expiry, and on the expiry date of PUC certificates
- **Stronger compliance and enforcement:** Digital measures are expected to improve awareness, automated enforcement, regulatory oversight, and control of vehicular air pollution

SDGs



4.5 Digitisation and technology in governance

The case studies in this section illustrate the transformative role of digitisation and technology in enhancing audit effectiveness, strengthening financial controls, and improving governance outcomes across diverse sectors and levels of government. They cover a wide range of initiatives such as implementation of ERP-based financial systems, Direct Benefit Transfer (DBT) safeguards, and real-time inventory management platforms, to advanced applications of data analytics, artificial intelligence, and remote–hybrid audit models. These cases span Union and State Governments of Maharashtra, Assam, Odisha and West Bengal. They

demonstrate how technology-enabled interventions have addressed systemic weaknesses in areas such as payment processing, beneficiary targeting, revenue collection, drug supply chains, and establishment expenditure audits. Collectively, these examples highlight how audit insights have driven system redesign, integration of digital platforms, automation of controls, and adoption of data-driven approaches. These measures have resulted in improved accuracy, enhanced transparency, prevention of financial leakages, strengthened compliance mechanisms, and more scalable, efficient, and evidence-based audit processes in an increasingly digital governance environment.

ERP-Based Financial Control Systems, West Bengal Housing Infrastructure Development Corporation (WBHIDCO)

A review of contractor payments processed through the ERP platform SAP and Suite 4 – High Performance Analytic Appliance (S/4HANA) by West Bengal Housing Infrastructure Development Corporation Ltd revealed critical gaps (deficiencies in the validation logic, failure of preventive system checks, and inadequate quality assurance processes during ERP implementation) in system controls. Following the

intimation by the office of the Principal Accountant General (Audit-I) West Bengal, an enquiry was conducted, and the developer of the ERP system submitted a report. Corrective action resulted in full recovery of ₹3 crore that had been erroneously paid to vendors, preventing financial loss to WBHIDCO.

HIGHLIGHTS

- **₹3 crore** recovered from erroneous payments made to vendors, preventing financial loss to WBHIDCO
- **Stronger payment controls:** System improvements enhanced reliability of the Automated Payment Module and reduced risk of duplicate payments
- **Enhanced financial governance:** Improved ERP financial control environment, digital accountability, and assurance of accurate and secure automated payments

SDGs



Direct Benefit Transfer Integrity (COVID Ex-gratia), Government of Maharashtra



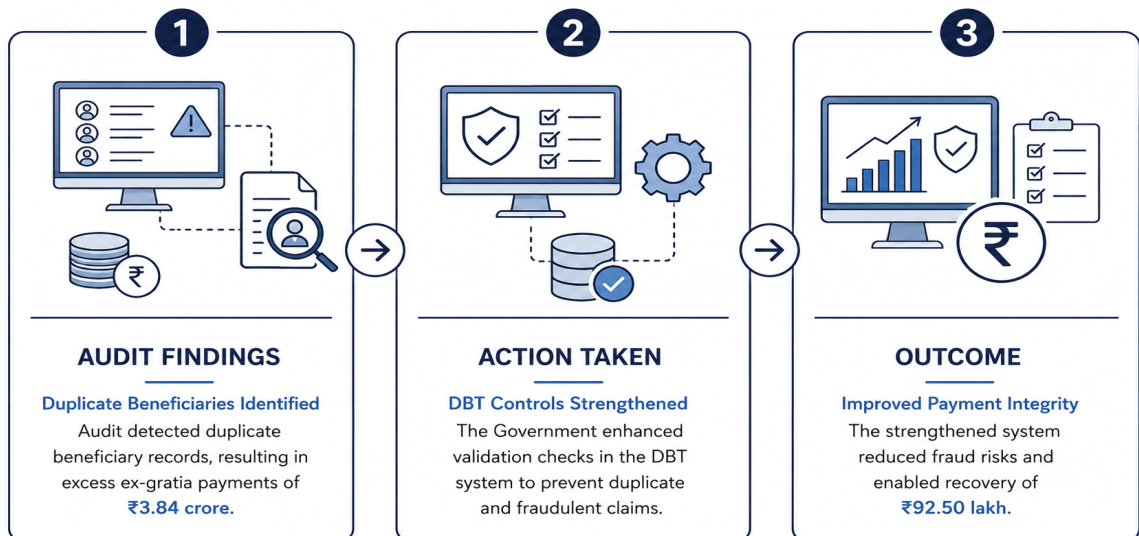
Revenue and Forest Department (Relief and Rehabilitation), Government of Maharashtra, approved ex-gratia assistance of ₹50,000 from the State Disaster Relief Fund (SDRF) to the next of kin of individuals who died due to COVID-19. The office of the Principal Accountant General (Audit I) Maharashtra, Mumbai, during the audit,

identified duplicate beneficiary records leading to excess payments of ₹3.84 crore. Responding to the audit findings, the modification of the DBT system significantly improved its robustness in preventing duplicate and fraudulent applications for ex-gratia assistance. The Government also recovered ₹92.50 lakh as of December 2024.

HIGHLIGHTS

- **DBT system strengthened:** Modified to incorporate enhanced duplicate detection checks
- **Improved fraud prevention:** Strengthened system robustness to prevent duplicate and fraudulent ex gratia applications
- **₹92.50 lakh** recovered as of December 2024 through recovery of excess DBT payments

SDGs



API Integration of FinAssam and Voucher Level Computerisation System (VLCS), Assam

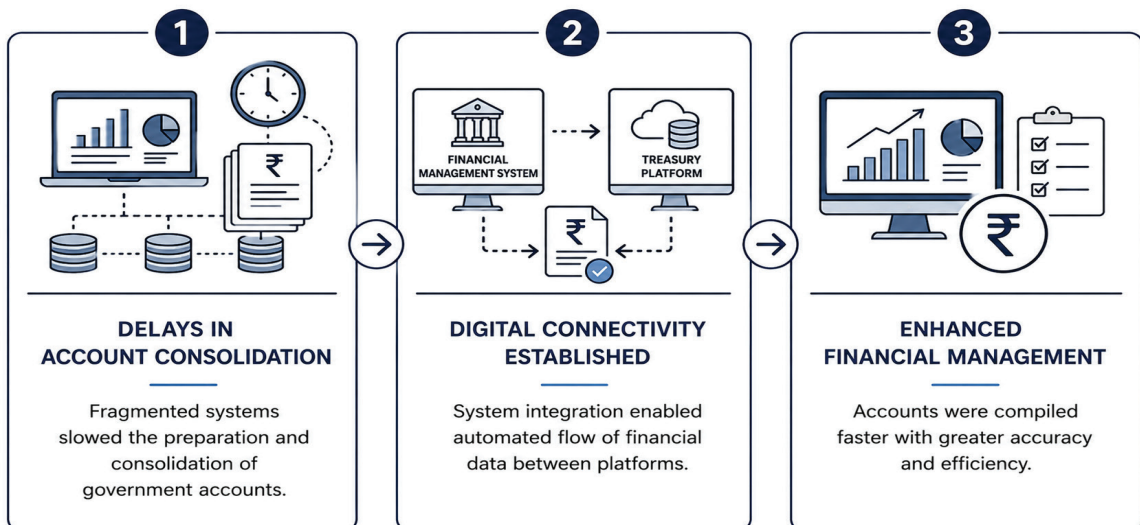
Delays in consolidation of accounts were observed due to lack of integration between the Integrated Financial Management Information System (FinAssam) and the Voucher Level Computerisation System (VLCS). Based on intervention by the office of the Principal Accountant General (A&E), Assam, the systems were integrated to enable seamless data flow between treasury and accounting systems. The issue of integration and interoperability of public finance IT systems was also deliberated during the 2nd Conference of State Finance Secretaries, where

States were encouraged to integrate their IFMS with the VLCS. As part of this initiative, the Government of Assam introduced a first-of-its-kind Application Programming Interface (API) integration between FinAssam and the VLCS of the Principal Accountant General (A&E). This resulted in improved timeliness in compilation of accounts, reduction in manual intervention, and enhanced accuracy in financial reporting.

HIGHLIGHTS

- **Faster MCA closure:** Monthly Civil Account closure improved from around the 25th to within the 10th of the following month
- **IFMIS VLCS integration:** Integration of FinAssam (State IFMIS) with VLCS enabled seamless financial workflows
- **Improved data flow and coordination:** Achieved through timely data flow via the integration application and stronger treasury coordination
- **Enhanced accounting efficiency:** Resulted in a more efficient, reliable, and timely monthly accounting process

SDGs



Improved beneficiary identification, Krushak Assistance for Livelihood and Income Augmentation Scheme, Government of Odisha



During implementation of the scheme, the Department identified 9.76 lakh ineligible beneficiaries. The office of Accountant General (Audit II), Odisha, during the audit, further identified another 2.96 lakh beneficiaries, making 12.72 lakh ineligible beneficiaries to whom ₹782.26 crore had been transferred. Audit also found ₹107.64 crore

released to 1.28 lakh wrong account holders. Audit recommended the Government to develop a robust mechanism, develop the IT application, incorporate adequate IT controls etc. Integration of land data from Krushak Odisha with CM-KISAN and PM-KISAN improved beneficiary identification and payment integrity.

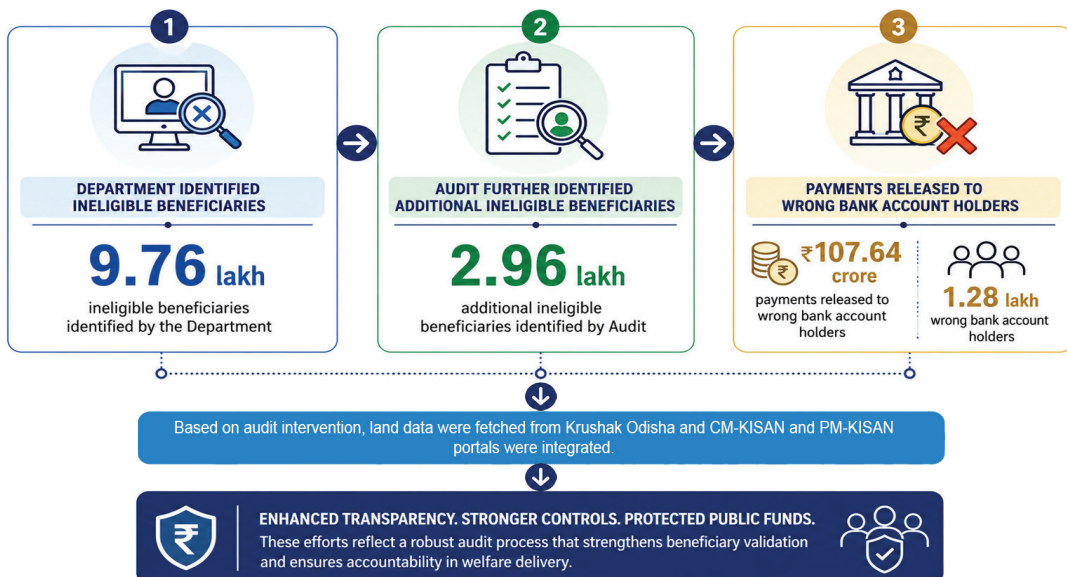
HIGHLIGHTS

- **Integrated data systems:** CM KISAN portal integrated with National Food Security Act (NFSA), Krushak Odisha (KO), National Payments Corporation of India (NPCI) and Unique Identification Authority of India (UIDAI) for data sanitisation and accurate farmer data collection
- **Land and farmer category verification:** Land data from Krushak Odisha cross verified during registration to identify small, marginal, medium and large farmers
- **Aadhaar-based authentication:** Mandatory Aadhaar submission and e KYC verification through mobile OTP introduced for registration
- **Inter portal integration:** Integration with PM KISAN enabled automatic sharing of beneficiary data and validation of land details and farmer categories
- **Improved data accuracy and payment integrity:** Measures enhanced accuracy of beneficiary identification and reduced risk of unauthorised payments

SDGs



STRENGTHENING BENEFICIARY IDENTIFICATION PROCESS AND PUBLIC FUNDS PROTECTION





Chapter

5

Way forward

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Way forward

As governance systems become increasingly digital, interconnected and data-intensive, the future effectiveness of the CAG's organisation will depend not only on identifying deficiencies through audit but also on continuously strengthening the institutional capabilities that enable timely, risk-based and outcome-oriented assurance, reliable compilation of accounts and seamless delivery of entitlements.

As governance systems become increasingly digital, interconnected and data-intensive, the future effectiveness of the CAG's organisation will depend not only on identifying deficiencies through audit but also on continuously strengthening the institutional capabilities that enable timely, risk-based and outcome-oriented assurance, reliable compilation of accounts and seamless delivery of entitlements. Building on recent reforms and innovations, the CAG's organisation is moving towards a technology-enabled, citizen-centric and impact-driven ecosystem spanning its audit, accounts and entitlement functions.

Technology: From digital audit to intelligent audit

The next phase of audit will be characterised by deeper integration of technology into audit.

Expanding use of analytics-driven audits, artificial intelligence, machine learning and population-level transaction analysis will enable auditors to identify risks, anomalies and control weaknesses with greater precision and timeliness. Increased utilisation of data from digital platforms such as PFMS, GSTN, IFMS and DBT ecosystems, along with enhanced IT audit capabilities, will support more comprehensive and evidence-based assurance.

The experience gained from data-driven social sector audits, remote-hybrid public works audits and data-led establishment audits demonstrates the potential for scalable, technology-enabled approaches that significantly improve audit coverage, detection capability and resource efficiency.

People: Building future-ready audit capabilities

Future investments will focus on strengthening competencies in data analytics, artificial intelligence, cybersecurity, ESG, digital governance and sector-specific audit domains. The continued expansion of structured learning programmes, competency frameworks and technology-enabled learning platforms will support role-based capability development across all levels of the organisation.

The emergence of Digital Transformation Leaders, specialised capability-building initiatives and collaborations with leading academic institutions provide a strong foundation for developing a workforce capable of auditing increasingly complex governance ecosystems.

Processes: Towards standardised, risk-based audit

A key priority for the future is the institutionalisation of standardised methodologies that improve consistency, quality and impact. Greater adoption of common Audit Design Matrices for Pan India audits, standard audit plans, thematic management letters and maturity-based assessment frameworks will enable more structured and risk-focused audits across sectors.

The expansion of tools such as the Risk-Control Maturity Scorecard (RCMS), thematic compliance frameworks and sector-specific diagnostic models will support a gradual transition from retrospective verification towards preventive and system-strengthening audits. Increased use of risk analytics and maturity assessments will allow audit to identify emerging vulnerabilities before they translate into governance failures.

Future-ready accounts and entitlement functions

The digitisation of A&E offices will be pursued in a phased manner under a clearly defined roadmap. End-to-end digitisation of the Pension, GPF and

Gazetted Entitlement functions by both the AG offices and the State Governments is expected to achieve full coverage across all offices, leading to hassle-free delivery of entitlement services.

In parallel, the CAG's new accounting application (VLC 2.0) is planned to be developed and rolled out, with the existing VLC and GPF applications migrated to a cloud environment. VLC 2.0 is envisaged to be built for integration with other public finance systems such as IFMIS, WAMIS and e-Procurement platforms, so that data flows from a single source, remains non-repudiable, and is captured once at origin rather than re-entered at multiple points. This integrated data is intended to serve two purposes: compilation of accounts, and feeding data-led smart audits in the years ahead. Analytics models and data-sharing protocols are proposed to be developed to support this, alongside the use of IFMIS and VLC data for treasury inspection, including a remote/hybrid inspection system built into the new application.

Broader public finance and accounting issues of national significance are proposed to be addressed through the annual Conference of State Finance Secretaries, a consultative mechanism that brings together policymakers, senior officials of the Union and State Governments along with other stakeholders.

Efforts will also be made to democratise granular accounting data for stakeholders and citizens through the decadal publication on State finances and interactive dashboards on public finance of States.

Partnerships: Deepening engagement for better governance

Platforms such as CAG Connect, ICSSR colloquiums, conferences with State Finance Secretaries, academic collaborations and citizen-facing digital initiatives have demonstrated the value of structured engagement in strengthening public financial management and improving implementation outcomes.

Going forward, wider dissemination of audit insights through dashboards, thematic briefs, digital platforms and stakeholder consultations will improve accessibility, transparency and public understanding of audit outcomes. Increased engagement with domain experts and specialised institutions will further strengthen audit relevance in emerging sectors and regulatory environments.

The CAG's organisation is progressing towards a future in which audit is increasingly predictive, technology-enabled and outcome-focused. By combining advanced analytics, professional

excellence, standardised methodologies and collaborative engagement, the institution will be better positioned to provide timely assurance, strengthen governance systems and contribute to more transparent, efficient and citizen-centric public administration. On the accounts and entitlement side, complete digitisation of entitlement functions and a new accounting application integrated with public finance systems will ensure hassle-free delivery of services, a single non-repudiable source of accounting data, and its availability to auditors, policymakers and citizens alike.

Glossary

Term	Full form
AG (A&E)	Accountant General (Accounts & Entitlement)
AI	Artificial Intelligence
ANPR	Automatic Number Plate Recognition
API	Application Programming Interface
ASD	Additional Security Deposits
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BOCW	Building and Other Construction Workers
BSF	Budget Stabilisation Fund
BSNL	Bharat Sanchar Nigam Limited
CAG	Comptroller and Auditor General of India
CBDT	Central Board of Direct Taxes
CBIC	Central Board of Indirect Taxes and Customs
CERSAI	Central Registry of Securitisation Asset Reconstruction and Security Interest of India
CGST	Central Goods and Services Tax
CM-KISAN	Odisha farmer support scheme
CPSE	Central Public Sector Enterprise
CRZ	Coastal Regulation Zone
DBT	Direct Benefit Transfer
DDA	District Development Authority
DISCOM	Distribution Company
DLC	Dry Lean Concrete
DLCs	District Level Committees
DMF	District Mineral Foundation
DVDMS	Drug and Vaccines Distribution Management System
ECHS	Ex-Servicemen Contributory Health Scheme
EDI	Electronic Data Interchange
EIA	Environmental Impact Assessment
ELV	End-of-Life Vehicle
EPC	Engineering, Procurement and Construction
ERP	Enterprise Resource Planning
ESG	Environmental, social and governance
FAO	Food and Agriculture Organization
FIR	First Information Report
GA Wing	Government Accounts Wing
GIC	General Insurance Corporation of India
GMO	Guide to Medical Officers

GNIDA	Greater Noida Industrial Development Authority
GPF	General Provident Fund
GST	Goods and Services Tax
GSTN	Goods and Services Tax Network
GPS	Global Positioning System
HCO	Health Care Organisation
HRMS	Human Resource Management System
IA&AD	Indian Audit and Accounts Department
IAEA	International Atomic Energy Agency
IARC	International Agency for Research on Cancer
ICEGATE	Indian Customs Electronic Gateway
ICES	Indian Customs EDI System
ICSSR	Indian Council of Social Science Research.
IFMIS	Integrated Financial Management Information System
ILO/ITC	International Labour Organization/International Training Centre
INTOSAI	International Organization of Supreme Audit Institutions
IT	Information Technology
KO	Krushak Odisha
MCA	Monthly Civil Accounts
MDDA	Mussoorie Dehradun Development Authority
MKI	Monthly Key Indicator
MoEFCC	Ministry of Environment, Forest and Climate Change
MoRTH	Ministry of Road Transport and Highways
MSA	Master Service Agreement
MTP/R	Metropolitan Transport Project/Railway
MU	Million Units
NBFC	Non-Banking Financial Companies
NDZ	No Development Zone
NFSA	National Food Security Act
NIMHANS	National Institute of Mental Health and Neurosciences
NMET	National Mineral Exploration Trust
NPCI	National Payments Corporation of India
OICL	Oriental Insurance Company Limited
OIDF	Oil Industry Development Fund
OPCW	Organisation for the Prohibition of Chemical Weapons
PAG	Principal Accountant General
PARIVESH	Pro Active and Responsive facilitation by Interactive and Virtuous Environmental Single window Hub
PBOR	Personnel Below Officer Rank
PCC	Plain Cement Concrete
PFMS	Public Financial Management System

PMAY-G	Pradhan Mantri Awaas Yojana – Gramin
PMFBY	Pradhan Mantri Fasal Bima Yojana
PM-KISAN	Pradhan Mantri Kisan Samman Nidhi
PQC	Pavement Quality Concrete
PUC	Pollution Under Control
PWL	Permanent Waiting List
RBI	Reserve Bank of India
RCC	Reinforced Cement Concrete
RCMS	Risk-Control Maturity Scorecard
RCS-UDAN	Regional Connectivity Scheme – Ude Desh ka Aam Nagrik
RFID	Radio Frequency Identification
SAIL	Steel Authority of India Limited
SAR	Separate Audit Report
SBI	State Bank of India
SCO	Shanghai Cooperation Organization
SCZMA	State Coastal Zone Management Authority
SDA	Second Division Assistant
SDGs	Sustainable Development Goals
SDMF	State Disaster Mitigation Fund
SDRF	State Disaster Response Fund
SDRF	State Disaster Relief Fund
SEZ	Special Economic Zone
SIDA	State Industrial Development Authority
SMET	State Mineral Exploration Trust
SOP	Standard Operating Procedure
SRO	Sub Registrar Office
SoR	Schedule of Rates
SSM	Surplus/Loss Sharing Model
SWM	Solid Waste Management
UGFA	Union Government Finance Accounts
UIDAI	Unique Identification Authority of India
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNBoA	UN Board of Auditors
UNICC	United Nations International Computing Centre
UPCL	Uttarakhand Power Corporation Limited
VGf	Viability Gap Funding
VLCS	Voucher Level Computerisation System
VPA	Visakhapatnam Port Authority
WAMIS	Works and Accounts Management Information System
WBHIDCO	West Bengal Housing Infrastructure Development Corporation
WHO	World Health Organization

