

OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

New Delhi
2nd April, 2026

CAG Report on Accounts of the Union Government Tabled in the Parliament

Comptroller And Auditor General of India Report No.6 of 2026 on Accounts of the Union Government for the Year 2024-25 was tabled in the Parliament here today. The main features of the report are given below:

Overview of Union Finances

The economy recorded positive growth in terms of Gross Domestic Product (GDP) during Financial Year (FY) 2024-25. GDP at constant prices (Real GDP) increased by 7.10 *per cent*, while GDP at current prices (Nominal GDP) grew by 9.74 *per cent* during the year.

Revenue receipts of the Central Government increased by 10.82 *per cent* compared to the previous year. This growth was driven by a 21.38 *per cent* increase in non-tax revenue and a 7.43 *per cent* increase in tax revenue. Gross Tax Revenue (GTR) has been on a rising trend since FY 2020-21, with continuous growth in both direct and indirect taxes. The share of direct taxes to GTR rose to 57.15 *per cent* in FY 2024-25 and contribution to GDP was 6.82 *per cent* as compared to 6.63 *per cent* in previous year.

Among direct taxes, revenue from income tax increased by 17.02 *per cent* over previous year and its share in GTR and GDP increased to 31.16 *per cent* and 3.72 *per cent* respectively. Corporation Tax grew by 8.31 *per cent*; however, its share in GTR declined from 26.29 *per cent* to 25.99 *per cent* and in GDP from 3.14 *per cent* to 3.10 *per cent*, compared to FY 2023-24. GST collection, as a percentage of GDP, decreased slightly from 3.32 *per cent* in FY 2023-24 to 3.25 *per cent* in FY 2024-25.

Collections of ₹5,29,357 crore from cess and surcharge during FY 2024-25 saw an increase of 8.40 *per cent* compared to the previous year and accounted for 13.94 *per cent* of the Gross Tax Revenue. However, its share in GTR has been declining over the last five years, from 20.23 *per cent* in FY 2020-21 to 13.94 *per cent* in FY 2024-25.

Non-tax revenue recorded a significant growth of 21.38 *per cent* compared to FY 2023-24. As a result, its contribution to gross revenue receipts increased from 17.83 *per cent* to 19.39 *per cent*. This increase was mainly due to a sharp rise of 80.49 *per cent* in dividend and profits during the year, mainly contributed by surplus profits received from the Reserve Bank of India.

Government expenditure increased from ₹39,07,647 crore in FY 2020-21 to ₹50,85,089 crore in FY 2024-25. However, as a percentage of GDP, it declined from 19.68 *per cent* to 15.99 *per cent* during the same period. Capital expenditure as a percentage of GDP decreased slightly from 2.78 *per cent* in FY 2023-24 to 2.70 *per cent* in FY 2024-25. Repayment of debt has been the biggest draw from the Consolidated Fund of India, accounting for 62.57 *per cent* of the total outgo during FY 2024-25.

The fixed components of revenue expenditure, namely salary, pension, and interest payments, increased as a share of total revenue expenditure from 44.18 *per cent* in FY 2023-24 to 46.07 *per cent* in FY 2024-25. Among these, interest payments account for the largest share, comprising 29.20 *per cent* of revenue expenditure in FY 2024-25.

In FY 2024-25, the capital expenditure (capex) stood at ₹8,58,256 crore, representing an increase of 6.33 *per cent* over the previous year. Transport and defence services have been the major drivers of capital expenditure during the last five years.

The overall liabilities of the Union Government increased during FY 2024-25, mainly due to an increase in public debt. Internal debt and external debt increased by 8.35 *per cent* and 9.83 *per cent* respectively compared to FY 2023-24. At the end of FY 2024-25, internal debt stood at ₹1,59,25,949 crore and Market loans, its primary component, accounted for 69.96 *per cent* of the total internal debt.

Both revenue deficit and fiscal deficit declined compared to the previous year, indicating prudent fiscal management. The revenue deficit was 1.78 *per cent* of GDP in FY 2024-25. It decreased by 26.24 *per cent* compared to FY 2023-24, reflecting better control over revenue expenditure and steady growth in revenue receipts. The fiscal deficit was 4.62 *per cent* in FY 2024-25. It decreased by 8.27 *per cent* compared to FY 2023-24.

Quality of Accounts and Financial Reporting Practices

Irregularities were noticed in accounting of the Central Government Employees Group Insurance Scheme (CGEGIS). Test check revealed incorrect booking of CGEGIS payments up to minor head level instead of prescribed sub-head level which impacts calculation of closing balance under Insurance Fund/Saving Fund and consequently calculation of interest on the CGEGIS balances. Variation was observed between CGEGIS figures maintained by PAO-IDA (Pay & Accounts Office-Internal Debt & Accounts) and those appearing in the Union Government Finance Accounts (UGFA). Further, instances of incorrect classification of saving fund/ insurance fund payments and double accounting of receipt figures pertaining to Ministry of Railways were also noticed, affecting the accuracy of the accounts.

(Para 3.1.1.1, 3.1.1.2, 3.1.1.3 & 3.1.1.4)

User charges for compensatory afforestation were to be collected by State CAMPA authorities and distributed in the ratio of 90:10 between the State and Central authorities into the respective Reserve Funds. However, the collected levies were transferred to the Public Account of India for further distribution to the National/State Compensatory Afforestation Funds. At the end of FY 2024-

25, ₹10,380.36 crore was pending for disbursement to the respective States/UTs. Further, the balance reflected in Public Account was lower than the corresponding figures in the books of National CAMPA by ₹599.53 crore, indicating a potential understatement of the Public Account. Additionally, ₹2,192.95 crore remained in bank accounts instead of being transferred to the Public Account of India by the end of the financial year.

(Para 3.1.2)

Statement 13 of the UGFA shows only the net balances under Suspense Heads, thus understating the actual balances pending for clearance, the understatement being 76.61 *per cent* in Suspense Account (Civil) and 65.19 *per cent* in other nominated Banks (Private sector Banks) Suspense. Similarly, netting of cash balances resulted in understatement of cash balance pending reconciliation with RBI, the total cash balance to be reconciled being ₹3,880.67 crore. Under 'Departmental Cheques', a significant increase in adverse balance was observed during FY 2024-25. Major adverse balance of ₹44,714.77 crore, under the Ministry of External Affairs, was due to incorrect transfer entry.

(Para 3.2.2.3, 3.4.3, 3.2.2.2)

Irregular reversal of revenue expenditure of ₹2.35 crore to suspense head through Journal Entry due to incurring of expenditure without Letter of Authorisation (LoA) and non-booking of pension payment e-scrolls amounting to ₹3,042.32 crore under final head of account but to suspense head due to shortage of funds, resulting in understatement of revenue expenditure and impacting accuracy of accounts for FY 2024-25, were also observed.

(Paras 3.2.2.5 and 3.2.2.6)

Reserve Funds form part of the Public Account of India and are created for specific purposes, generally financed through cess or levy which on collection, is credited into the Consolidated Fund of India and transferred to the specified Reserve Funds with Parliament's approval. Test check of records revealed short transfer of ₹9,222 crore to four designated Reserve Funds during FY 2024-25. Also, continuance of dormant Reserve Funds and Deposits with an accumulated net credit balance of ₹844.93 crore implies that they have outlived their purpose and need to be reviewed.

(Para 3.3.1 & 3.3.2)

There were instances of misclassification in accounting amounting to ₹12,754.47 crore. Of these, ₹4,011.91 crore related to receipts and remaining misclassifications aggregating to ₹8,742.56 crore related to expenditure and were largely related to booking of expenditure under wrong object head (₹8,723.83 crore).

(Para 3.5)

At the end of FY 2024-25, loans and advances of ₹9,94,278.08 crore were outstanding for recovery from State/UT Governments and other entities, out of which arrears in recovery (principal and interest) amounted to ₹91,534 crore. Non-adjustment of a negative entry of ₹641.54 crore under loan head after repayment of loan amount, resulted in understatement of closing balance of 'Loans and Advances outstanding at the end of the financial year' by the same amount.

(Para 3.2.3 & 3.2.4)

There were 56 cases of adverse balances in various Fund/Deposit heads, of which 39 cases remained unresolved for over five years. There was a difference of ₹179.06 crore between Statement 10 and 11 of the UGFA 2024-25 in respect of 'Investment in International Financial Institutions'. Test check of records revealed short receipt of dividend of ₹842.82 crore, in respect of seven entities and short recovery of guarantee fee amounting to ₹322.13 crore from three entities.

(Para 3.2.1, 3.4.1.2, 3.4.1.7 & 3.4.2)

Budgetary Management

Union Government Appropriation Accounts consist of 102 Grants / Appropriations for FY 2024-25. The Parliament approved appropriations of ₹1,47,54,642.48 crore, against which Government spent ₹1,42,63,339.67 crore leading to overall savings of ₹4,91,302.81 crore. Total charged (not required to be voted by Parliament) provision from the Consolidated Fund of India in FY 2024-25 was ₹1,00,47,777.09 crore against which the expenditure incurred was ₹99,78,400.13 crore with savings of ₹69,376.96 crore. The total voted provision was ₹47,06,865.39 crore and actual expenditure was ₹42,84,939.54 crore with savings of ₹4,21,925.85 crore.

(Para 4.1.1, 4.1.2)

At minor/sub-heads level, excess expenditure of ₹25 crore or more occurred under 11 Grants/ Appropriations due to inadequate provisioning of funds. Further, there were savings of ₹5,000 crore or more in 19 Grants/ Appropriations during FY 2024-25 against which seven Grants/ Appropriations had persistent savings in last three FYs. Further, savings of ₹100 crore or more occurred in 97 segments of 74 Grants/ Appropriations.

(Para 4.2.1.1, 4.2.2.1 & 4.2.2.2)

Supplementary provisions obtained in respect of 26 minor/sub-heads under 16 Grants during FY 2024-25, in anticipation of higher expenditure, were found unnecessary as the final expenditure were less than the original provisions under the corresponding minor/sub-heads. Further, re-

appropriations in 18 cases, exceeding ₹10 crore each, across 10 Grants/Appropriations, were injudicious as the sanctioned provision under the minor/sub-heads to which augmentation was made by way of re-appropriation were adequate and re-appropriations were not required. Similarly, re-appropriations were injudiciously made from 10 minor/sub-heads across seven Grants, resulting in avoidable excess expenditure in these minor/sub-heads.

(Para 4.3, 4.4.1)

BSC/IK/24-26