CHAPTER–III

Financial Reporting Practices

Chapter-III: Financial Reporting Practices

This chapter provides broad based perspective of quality of GNCTD Accounts rendered by various authorities of GNCTD and status of compliance with prescribed financial rules, procedures and directives.

Compliance with financial rules, procedures and directives as well as the completeness, timeliness and quality of reporting on the status of such compliance enhances relevance and reliability of the information presented in the financial reports

Issues related to completeness of accounts

3.1 Undischarged liabilities of the Government

Undischarged liabilities, such as non-transfer of collected cess to designated bodies or short remittances to the National Pension System (NPS), *etc.* can have significant long term fiscal and governance implications. These unpaid obligations accumulate over time, creating hidden liabilities that distort the true financial position of the State/UT. Further, delays in cess transfer hinder the intended development or welfare outcomes, defeating the purpose for which such levies were imposed. Over the years, such practices can erode trust, trigger legal liabilities and increase future expenditure obligations, thereby, constraining fiscal space and weakening fiscal sustainability. Such cases are discussed in succeeding paragraphs.

3.1.1 Pendency of refund cases

Promptness in disposal of refund cases is an important indicator of performance of the Department concerned. Out of five[1] tax collection Departments, Trade and Taxes department had provided data on the pendency of refund cases.

The details of refund cases during the year 2024-25, as reported by the departments concerned are at **Table 3.1**.

[1] Trade and Taxes, Excise, Transport, Revenue, Forests

Table 3.1: Details of refund cases

(₹ in crore)

Sl. No.	Particulars	GST		Sales Tax/VAT	
		No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year	5,534	989.28	3,175	774.83
2.	Claims received during the year	13,107	1,949.81	822	44.56
3.	Refunds made during the year	7,654	Sanctioned:605.33 Rejected: 199.82	793	41.31
4.	Refunds rejected during the year	1,096	339.31	0	0
5.	Deficiency Memo	981	110.73	-	-
6.	**Balance outstanding at the end of year (1+2)-(3+4+5)**	**8,910**	**1,638.9**	**3,204**	**778.08**

Similar information is awaited from the Departments of Excise, Transport, Revenue and Forests (February 2026).

3.2 Funds outside Government Accounts

3.2.1 Delhi Building and Other Construction Workers' Welfare Board (DBOCWWB)

Scrutiny of records pertaining to office of the Delhi Building and other Construction Workers Welfare Board (DBOCWWB, Board), Govt. of NCT of Delhi during the period from 01 April 2024 to 31 March 2025 showed that ₹ 5,040.26 crore was available with the Board as on 31 March 2025. The details of net receipts along with receipt and utilization of Cess are as follows in **Table 3.2**: -

Table 3.2: Details of receipts and utilisation of cess upto 2024-25

(₹ in crore)

Year	Actual receipts				Actual expenditure			Net receipts
	Cess collected	Beneficiaries Contribution	Interest earned	Total	Expenditure on scheme	Administrative expenditure	Total expenditure	
1	**2**	**3**	**4**	**5 (2+3+4)**	**6**	**7**	**8**	**9 (5-8)**
Opening Balance								4,340.38
2024-25	421.92	2.57	363.49	787.98	81	5.83	86.83	701.15
Less: Income tax deducted/deposited as on 31 March 2025								1.27
Net amount available								**5,040.26**

Source: DBOCWWB, GNCTD

Audit scrutiny showed that an order (August 2005) was passed by the Office of Labour Commissioner, GNCTD directing all Government Departments, Public Undertakings and other Government Bodies to remit one *per cent* of the amount of construction cost approved as per the tender notification from the bills as 'Labour Cess' at the time of making payment to the contractors by way of Account Payee Cheque, in favour of the Board within 30 days of making such payment. Later, the Board issued (November 2017) instructions to transfer the collected cess directly through RTGS/NEFT into its bank account of concerned district.

Section 46 of the GNCTD's Act, 1991, subject to the provisions of section 47 provides that all revenues received by GNCTD, all grants made and all moneys received by GNCTD in repayment of loans, loans received from the Government of India shall form one consolidated fund to be titled the Consolidated Fund of the GNCTD. Article 266 (2) provides that all other public moneys received by or on behalf of the Union Government shall be credited to the Public Account of the Union. As pointed in CAG's Audit Report No. 02 of 2025, this procedure of remitting cess directly to the accounts of the Board is not in conformity with the spirit of the above provisions of the Constitution. Further, BOCW Cess Rules, 1998 provide that the cess collected shall be transferred to the Board in the head of account of the Board under the accounting procedures of the State. Accordingly, the collected cess should be depicted firstly in Public Account (even though managed by the Union Government) and transferred to the Board Account from there.

In this regard, an audit query requesting (August 2025) to give reasons for not showing of the Cess into the Government Account was issued to the Board. Reply is awaited (February 2026).

Issues related to transparency

3.3 Delay in Submission of Utilisation Certificates (UCs)

Rule 238 of GFR, 2017 stipulates that where grants-in-aid are sanctioned and cases in which conditions are attached to the utilisation of grants-in-aid in the form of specification of particular objects of expenditure or the time within which the money must be spent or otherwise, the departmental officer on whose signature or countersignature the grants-in-aid bill was drawn should be primarily responsible for certifying to the Accountant General, the fulfilment of the conditions attached to the grants-in aid.

During the year 2024-25, 1,734 UCs amounting to ₹ 19,973.59 crore became due for submission (grant-in-aid bills drawn up to March 2024). Of these, 482 UCs amounting to ₹ 17,323.37 crore were cleared leaving 1,252 outstanding UCs of ₹ 2,650.22 crore **(Appendix 3.1)** as on 31 March 2025.

Age-wise pendency in submission of UCs is detailed below in **Table 3.3**:

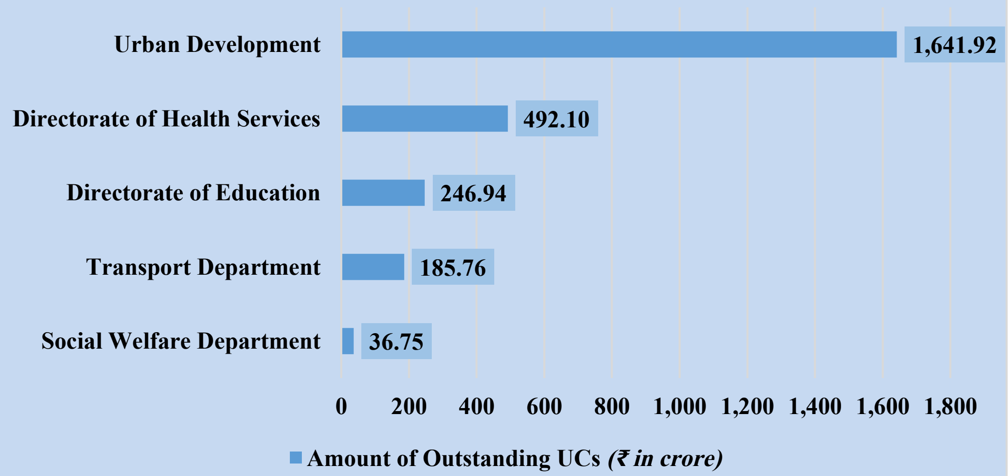
Table 3.3: Age-wise pendency of Utilisation Certificates

(₹ in crore)

	Utilization certificates due		Utilization certificates received		Utilization certificates outstanding	
	No. of UCs	Amount	No. of UCs	Amount	No. of UCs	Amount
Prior to 2019-20	1,225	1,538.29	22	1,166.64	1,203	371.65
2020-21	7	42.84	2	2.00	5	40.84
2021-22	56	278.41	36	59.88	20	218.54
2022-23	25	1,901.30	14	1,331.64	11	569.66
2023-24	421	16,212.75	408	14,763.21	13	1,449.53
Total	**1,734**	**19,973.59**	**482**	**17,323.37**	**1,252**	**2,650.22**

Source: Principal Accounts Office, GNCTD

Chart 3.1: Outstanding UCs in respect of five major departments as on 31 March 2025



Source: Principal Accounts Office, GNCTD

Chart 3.1 shows that UCs amounting to ₹ 2,603.47 crore i.e. 98.24 *per cent* of the total amount of outstanding UCs (₹ 2,650.22 crore) pertained to five departments, of which 61.95 *per cent* pertained to one department *viz.* Urban Development (₹ 1,641.92 crore).

Since non-submission of UCs is fraught with the risk of mis-utilisation, it is imperative that GNCTD should monitor this aspect closely and hold the persons concerned accountable for submission of UCs in a timely manner.

To verify the facts and figures relating to outstanding UCs contained in Finance Accounts of GNCTD, five Departments/Institutions viz., Urban Development Department, Department of Law, Justice & Legislative Affairs, Department of Women and Child Development, General Administrative Department and Divisional Commissioner, Revenue Department were selected for detailed audit. The audit showed significant deficiencies in the maintenance of essential records, which were found to be poorly maintained or unavailable for verification. Further, Utilization Certificates (UCs) for funds released were not submitted as required, resulting in the lack of assurance regarding proper utilization of funds.

Department-wise major observations are tabulated below:

Table 3.4: Department-wise major observations on outstanding UCs

Department/ Institutions	Outstanding UC as per		Format of UC in Form 12A (Rule 238 of GFR,2017)	Interest not remitted (Rule 230(8) of GFR, 2017)	Maintenance of Register of Grants under Rule 234 of GFR, 2017
	Finance Accounts	Departmental Records			
Urban Development Department	₹ 1,641.92 crore	Due to non-submission of relevant sanction orders, audit could not verify the actual amount of UCs due and outstanding.	Delhi Cantonment Board and DUSIB have furnished the UCs in Form 19A	₹ 1.26 crore	Not maintained properly
Department of Law, Justice & Legislative Affairs	₹ 1.37 crore	₹ 35.71 crore		Delhi Dispute Resolution Society (DDRS) earned interest amounting to ₹ 0.04 crore. The Delhi State Legal Services Authority did not disclose the amount of interest earned, but shown income from other sources, which amounted to ₹ 2.11 crore during this period. However, both the departments did not remit the income of ₹ 2.15 crore to Government and utilized the same with the	Not maintained

Department/ Institutions	Outstanding UC as per		Format of UC in Form 12A (Rule 238 of GFR,2017)	Interest not remitted (Rule 230(8) of GFR, 2017)	Maintenance of Register of Grants under Rule 234 of GFR, 2017
	Finance Accounts	Departmental Records			
				next year grants, which was against the provision of GFR.	
Department of Women and Child Development	₹ 12.06 crore	₹ 14.11 crore	Directorate of Women and Child Development, GNCT of Delhi had released the grants to the following organisations:- 1. Delhi Commission for Protection of Child Rights 2. Delhi Commission for Women 3. State Child Protection Society 4. Delhi Skill and Entrepreneurship University 5. Child Helpline However, none of the organisation had furnished the Utilisation certificate in the prescribed format.		Not maintained.
General Administrative Department	₹ 11.41 crore	₹ 130.45 crore			Not maintained.
Divisional Commissioner, Revenue Department	₹ 16.85 crore	₹ 2,535.81 crore		₹ 0.09 crore	Not maintained.

It can be seen from above table that irregularities occurred in the form of non-remittance of interest to the Government and the utilization of earned interest along with the subsequent year’s grant, indicating a violation of the aforementioned rules.

3.4 Abstract Contingent bills

When money is required in advance or when Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amount required, they are permitted to draw money without supporting documents, through Abstract Contingent

(AC) bills, by debiting service heads and the expenditure is reflected as an expense under the service head.

Rule 118 of the Receipts and Payments Rules provides that Drawing and Disbursing Officers (DDOs) are required to present Detailed Contingent (DC) bills containing vouchers in support of financial expenditure within six months from the date of drawing of such advance. Delayed submission or prolonged non-submission of DC bills may affect the completeness and correctness of accounts.

The details of AC bills, pending adjustment, as on 31 March 2025 are given in **Table 3.5**.

Table 3.5: Age-wise pending adjustment of AC bills

(₹ in crore)

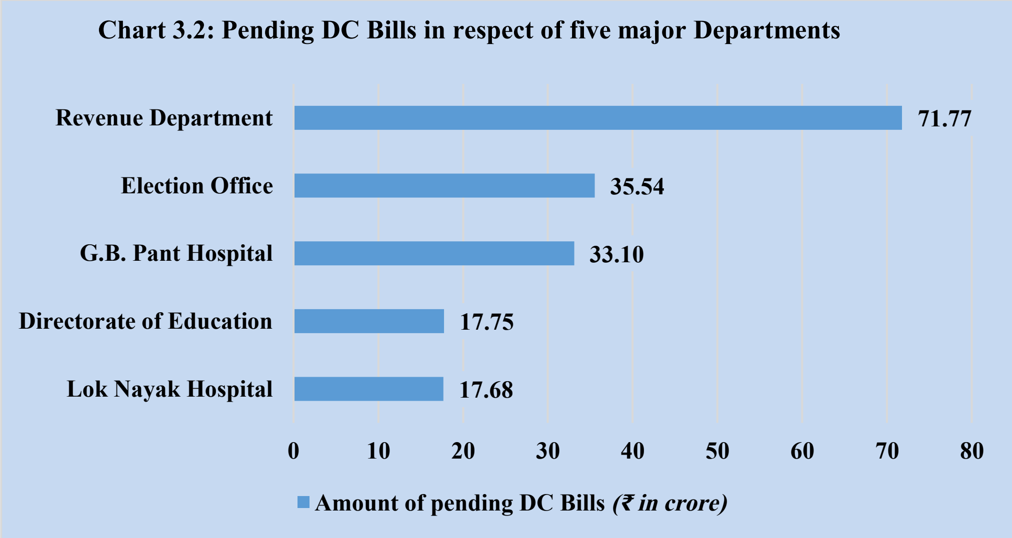
Year	No. of AC Bills	Amount
Up to 2020-21	**3,181**	**160.92**
2021-22	102	14.11
2022-23	125	36.60
2023-24	97	49.96
2024-25	470	61.82
Total	**3,975**	**323.41**

Source: Principal Accounts Office, GNCTD

It can be seen from the above that in all 3,975 AC bills involving ₹ 323.41 crore were outstanding as of March 2025. It was observed that 171 AC bills amounting to ₹ 5.72 crore (3.44 *per cent*) were drawn in March 2025. Information regarding AC Bills adjusted upto 31 March, 2025 was sought from Pr. PAO. In its reply, the Department stated (September 2025) that reasons for pending AC bills have been sought from the concerned PAOs. Further reply is awaited (February 2026).

During the financial year 2024-25, 64 Government Departments did not submit 470 DC bills amounting to ₹ 61.82 crore before closing of the Accounts. Further, against AC bills of ₹ 166.31 crore during 2024-25, an amount of ₹ 5.72 crore (3.44 *per cent*) pertained to March 2025.

The **Chart 3.2** shows five major departments having 54.37 *per cent* (₹ 175.84 crore) of the total outstanding DC bills (₹ 323.41 crore):



Source: Finance Accounts

Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills. Further, to the extent of non-receipt of DC bills, the expenditure shown in the Finance Accounts cannot be asserted as correct or final.

Principal Accounts Office, GNCTD has verified (October 2025) the facts and figures mentioned above.

To verify the facts and figures relating to outstanding AC Bills contained in Finance Accounts of GNCTD, five Departments/Institutions viz Registrar General, Delhi High Court, Dr. Baba Saheb Ambedkar Hospital, Lok Nayak Hospital, Forensic Science Laboratory, Department of Archaeology were selected for detailed audit. Department-wise major observations are discussed in the subsequent paras. The audit observations are tabulated below:

Table 3.6: Department-wise observations on Outstanding AC Bills

Department	Outstanding AC Bills as per Finance Accounts *(₹ in crore)*	Outstanding AC Bills as per Departmental Records *(₹ in crore)*	Period of delay in submission of DC Bills (range in days)	Maintenance of register of contingent expenditure required under Rule 110 of Receipts and Payments Rules
Registrar General, Delhi High Court	₹ 3.52 crore	₹ 3.52 crore	3 to 540 days **(Appendix 3.2)**	-

Department	Outstanding AC Bills as per Finance Accounts *(₹ in crore)*	Outstanding AC Bills as per Departmental Records *(₹ in crore)*	Period of delay in submission of DC Bills (range in days)	Maintenance of register of contingent expenditure required under Rule 110 of Receipts and Payments Rules
Dr. Baba Saheb Ambedkar Hospital	₹ 3.97 crore	₹ 3.97 crore	963-7583 days **(Appendix 3.3)**	-
Lok Nayak Hospital	₹ 17.68 crore	₹ 17.68 crore	1382-5458 days **(Appendix 3.4)**	Not maintained
Forensic Science Laboratory	₹ 5.93 crore	₹ 5.98 crore	402-3743 days **(Appendix 3.5)**	-
Department of Archaeology	₹ 6.11 crore	₹ 6.11 crore	409-580 **(Appendix 3.6)**	Not maintained

The Delhi High Court in its reply (September 2025), stated that the delay/pendency is mainly attributable to delays in project completion or non-submission of invoices by NICSI/vendors, despite continuous follow-ups and reminders by the Delhi High Court. The observation remains tenable till final settlement of pending AC bills in question, by Delhi High Court.

The Lok Nayak Hospital in its reply (September 2025) stated that the matter is referred to Purchase Branch for its settlement. The observation remains tenable till final settlement of pending AC bills in question, by the Lok Nayak Hospital.

The Forensic Science Laboratory in its reply (September 2025) stated that the bills pertained to a very old period, making tracing of records difficult, however, efforts are being made to collect relevant details from concerned divisions, with some bills already under process for settlement. The observation remains tenable till final settlement of pending AC bills.

However, the replies from Dr. Baba Saheb Ambedkar Hospital and Department of Archaeology are still awaited (February 2026).

It is recommended to speed-up the follow ups for settlement of pending AC bills and efforts may be undertaken for faster or timely settlement of AC Bills in future.

3.5 Personal Deposit (PD) Accounts

Under the List of Major and Minor Heads of Accounts of Union and States, Personal Deposits are of the nature of deposits not bearing interest opened under 8443-Civil Deposits-106-Personal Deposits.

During the year 2024-25, the details of Personal Deposit of various administrators as mentioned in the Finance Accounts 2024-25 of GNCTD (Notes to Accounts) are given in **Table 3.7**.

Table 3.7: Status of PD Accounts during the year 2024-25

(₹ in crore)

Opening Balance (As on 01-04-2024)		Addition during the year 2024-25*		Disbursement during the year 2024-25*		Closing Balance (As on 31-03-2025)	
No. of Administrators	Amount	No. of Administrators	Amount	No. of Administrators	Amount	No. of Admini-strators	Amount
11	66.99	0	71.27	0	103.90	11	34.36

**Includes the amount of receipt into and payment from the existing PD Accounts*

However, as per Finance Accounts of Government of India (Statement No.13[2] Part-III, Major Head- 8443- 106 Personal Deposit), the details of Opening Balance as on April 2024 , addition and disbursement during the year and the closing balance as on 31st March 2025 are given below:

Table 3.8: Status of Personal Deposits (PD) as per Finance Accounts of GoI (2024-25)

(₹ in crore)

Opening Balance (As on 01-04-2024)	Addition during the year 2024-25	Disbursement during the year 2024-25	Closing Balance (As on 31-03-2025)
Amount	Amount	Amount	Amount
408.27	- 88.97	103.90	215.40

As per the Finance Accounts of GNCTD, the opening balance was ₹ 66.99 crore, receipts during the year were ₹ 71.27 crore and the closing balance was ₹ 34.36 crore. However, the Finance Accounts of Government of India, showed a higher opening balance of ₹ 408.27 crore, negative receipts of ₹ 88.97 crore and a closing balance of ₹ 215.40 crore. Only the disbursement figure of ₹ 103.90 crore matched in both records.

This mismatch in opening balance, receipts and closing balance indicates that proper reconciliation of Personal Deposit accounts has not been carried out. The Government needs to ensure timely reconciliation of balances and disclosure of

2 The Public Account of GNCTD, in which the Personal Deposits (PD) are depicted, gets merged with the Union Accounts

all administrators' accounts to present a true and fair picture of the Personal Deposits in Finance Accounts.

Principal Accounts Office, GNCTD has verified (October 2025) the facts and figures in above table.

In its reply, Principal Accounts Office, GNCTD stated (September 2025) that it has taken effective steps by holding continuous meetings with the concerned PAOs to reconcile the difference. 77.8 *per cent* of the outstanding difference of ₹ 819.44 crore at the end of 2021-22 has been cleared by the end of 2025 and for remaining difference efforts are being carried out.

Analysis of selected PD Accounts

To verify the facts and figures relating to PD Accounts contained in Finance Accounts of GNCTD, two Departments/Institutions viz Land and Building Department and Principal District & Session Judge (Central), Tis Hazari were selected for detailed audit. Department-wise major observations are discussed in the subsequent paras.

3.5.1 Land & Building Department

Non-disbursal of Compensation Funds amounting to ₹ 23.09 crore of Land & Building Department under PD Accounts.

During audit, it was observed that the Land & Building Department was maintaining a Personal Deposit Account in RBI for compensation received from various agencies towards land acquisition.

An amount of ₹ 23.09 crore relating to enhanced compensation remained undisbursed for more than six years and lying in the PD Account of Land and Building Department. The department attributed ₹ 7.19 crore of this amount to pending court cases and non- receipt of clarifications from Land Acquisition Collectors. No explanation was furnished for the balance ₹ 15.90 crore, which could not be verified in audit. Further, a variation of ₹ 1,202.80 was noticed between the cash book and the RBI statement, for which reconciliation is yet to be completed. Keeping money idle in the account for long periods reflects poor planning and weak monitoring.

Further, during scrutiny of Personal Deposit Account transactions of the Land & Building Department for the year 2024-25, variations were noticed between the figures reported by the Principal Accounts Office (Pr. AO) and those recorded by the Finance Branch, Land & Building Department. As per records, additions during the year were shown as ₹ 70.15 crore by Pr. AO against ₹ 70.22 crore reported by Finance Branch, Land & Building Department.

Similarly, disbursements were ₹ 102.84 crore by Pr. AO against ₹ 102.92 crore recorded by Finance Branch, Land & Building Department.

The department stated (September 2025) that the Land & Building Department has submitted its figures as per the Cash Book maintained by Department whereas the PAO reported/reconciled the figures as reflected in RBI statement only.

The mismatch shows that proper reconciliation was not done between the Land & Building Department and Principal Accounts Office, GNCTD, which is needed to keep the accounts accurate.

3.5.2 District & Session Judge Patiala House Court

The Office of the Principal District & Sessions Judge, Patiala House Court, is maintaining a PD Account in the Reserve Bank of India in the name of the Rent Controller for rent deposits made in court cases.

Audit scrutiny revealed that an amount of ₹ 1.48 crore towards enhanced compensation has remained undisbursed for over six years and lying in the PD Account of District & Session Judge, Patiala House Court. The department attributed (September 2025) the non-disbursal to non-submission of withdrawal applications by litigants; however, no efforts were made by the court to expedite the disbursal process.

It was further noticed that no cashbook was maintained for the PD Account, which is a basic financial control requirement.

The department replied (September 2025) that out of above mentioned amount under the Major Head, ₹ 7.34 lakh was liquidated by making transfer entries and efforts are being made to minimize the adverse balance.

3.6 Operation of Minor Head-800

Minor Head-800 relating to Other Receipts and Other Expenditure is intended to be operated only when the appropriate minor head has not been provided in the accounts. Regular operation of Minor Head-800 is to be discouraged, since it renders the accounts opaque. Classification of large amounts under the omnibus Minor Head-800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

i) During the year 2024-25, ₹ 6,253.64 crore under (38) Major Heads of account, constituting 11.06 *per cent* of the total Revenue and Capital expenditure (₹ 56,556.71 crore) was classified under the Minor Head-800-Other Expenditure in the accounts despite availability of appropriate Minor Heads. Audit query (August 2025) was issued to the department. In its reply, the

Principal Accounts Office, GNCTD stated (September 2025) that the reason of increase for booking under Minor head will be provided by the Finance Department of GNCTD. The response of the Finance Department is awaited (February 2026).

Significant expenditure booked under minor head 800-Other Expenditure during 2024-25 are given in **Table 3.9** below:

Table 3.9: Significant Expenditure booked under Minor Head –'800 Other Expenditure'

(₹ in crore)

Sl. No.	Major Head	Expenditure booked under Minor Head 800 'Other expenditure'	Total expenditure under the Major Head	Percentage of expenditure in Minor Head-800 as compared to Total Expenditure
1	2013- Council Of Ministers	7.05	8.67	81.29
2	2041-Taxes on Vehicles	71.34	149.95	47.57
3	2075- Misc. General Services	12.90	13.56	95.12
4	2211-Family Welfare	56.03	66.03	84.86
5	2215-Water Supply and Sanitation	485.70	1,118.51	43.42
6	2250- Other Social Services	0.84	0.84	100.00
7	2404-Diary Development	13.57	13.57	100.00
8	2702-Minor Irrigation	13.61	16.72	81.44
9	2801-Power	3,628.11	3,628.11	100.00
10	4055-Capital outlay on police	16.93	20.07	84.32
11	4711-Capital Outlay on Flood Control Projects	86.81	87.22	99.51
Total		**4,392.89**	**5,123.25**	

The issue was also pointed out in earlier Audit Reports, however, no corrective action has been taken so far. The Government may carry out a comprehensive review of all items presently appearing under Minor Head 800 and ensure that all such receipts and expenditure are booked appropriately under the correct head of accounts to enhance transparency in financial reporting.

The reasons for classification of large amounts under the omnibus Minor Head 800 were asked vide audit query (August 2025). In its reply, the Principal Accounts Office, GNCTD stated (August 2025) that the reasons for increase in booking under Minor head will be provided by the Finance Department of GNCTD. The response of the Finance Department is awaited (February 2026).

ii) During 2024-25, receipts of ₹ 701.87 crore out of total revenue receipts of ₹ 62,232.85 crore, were classified under the Minor Head '800-Other Receipts' which constituted 1.13 *per cent* of the total revenue receipts. Cases of significant revenue receipts booked under Minor Head 800-Other Receipts during 2024-25 are given in **Table 3.10**.

Table 3.10: Significant Receipts booked under Minor Head-'800-Other Receipts'

(₹ in crore)

Sl. No.	Major Head	Booking under Minor Head 800	Total Receipts under the Major Head	Percentage of Receipts
1.	0029-Land Revenue	0.02	0.02	100.00
2.	0059- Public Works	11.21	16.30	68.77
3.	0075 Miscellaneous General Services	0.01	0.01	100.00
4.	0202- Education, Sports Arts and Culture	183.98	186.23	98.79
5.	0210- Medical & Public Health	87.07	117.83	73.90
6.	0217- Urban Development	2.42	2.42	100.00
7.	0230- Labour and Employment	3.48	4.73	73.57
8.	0235-Social Security & Welfare	0.42	0.42	100.00
9.	0403- Animal Husbandry	0.07	0.07	100.00
10.	0406- Forestry and Wild Life	2.61	2.61	100.00
11.	0425-Co-operation	0.03	0.14	21.43
12.	0515- Other Rural Development Programmes	0.02	0.02	100.00
13.	0701- Medium Irrigation	6.67	6.67	100.00
14.	0801- Power	64.20	64.20	100.00
15.	0810-Non Conventional source of energy	9.97	9.97	100.00
16.	0851- Village & Small Industries	0.04	0.04	100.00
17.	1452- Tourism	0.12	0.12	100.00
18.	1456 – Civil Supplies	0.36	0.36	100.00
19.	1475-Other General Economic services	0.01	8.54	0.12
Total		**372.71**	**420.70**	**88.59**

In response to an audit query (August 2025) on reasons for the above, the Finance Department, GNCTD stated (October 2025) that all the concerned departments had been requested that the receipts and expenditure be booked under the correct Head of Account and same be reflected while finalising BE 2026-27.

Issues related to disclosure

3.7 Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India (CAG), prescribe the form of accounts of the Union and of the States. On the advice of the CAG, the President of India has so far notified four Indian Government Accounting Standards (IGAS). Compliance to IGAS-2: Accounting and Classification of

Grants-in-aid and IGAS-3: Loans and Advances made by Government were checked and no deficiencies were noticed therein during 2024-25.

3.8 Submission of Accounts of Autonomous Bodies

The audit of 16 Autonomous bodies/authorities of GNCTD has been entrusted to the CAG under Sections 19 and 20 of the CAG's (Duties, Power and Conditions of Service) Act, 1971. As on 31 March 2025, 31 accounts in respect of 15 out of these 16 Autonomous Bodies (ABs) were pending as detailed in **Table 3.11**.

Table 3.11: Arrears of accounts of Autonomous Bodies as on 31 March 2025

Sl. No.	Name of Body or Authority	Accounts pending since	No. of accounts in arrears as on 30.09.2025
1.	Delhi Jal Board (DJB)	2023-24	2
2.	Delhi Urban Shelter Improvement Board (DUSIB)	2019-20	6
3.	Delhi Electricity Regulatory Commission (DERC)	2024-25	1
4.	Delhi Kalyan Samiti (DKS)	2022-23	3
5.	Delhi State Legal Services Authority (DSLSA)	2020-21	5
6.	Dr. B R Ambedkar University (AUD)	2024-25	1
7.	Guru Gobind Singh Indraprastha University (GGSIPU)	2024-25	1
8.	Delhi Technological University (DTU)	2024-25	1
9.	Indira Gandhi Delhi Technological University for Women (IGDTUW)	2024-25	1
10.	Netaji Subhash University of Technology (NSUT)	2024-25	1
11.	DTC EPF Trust	2024-25	1
12.	Delhi Building and other Construction Workers' Welfare Board (DBOCWWB)	2022-23	3
13.	DTC Pension Trust	2024-25	1
14.	Delhi Pharmaceutical Sciences and Research University (DPSRU)	2024-25	1
15.	Delhi Skill & Entrepreneurship University (DSEU)	2022-23	3
Total			**31**

Source: Departmental data/information

In the absence of timely finalisation of annual accounts, investment of the Government remains outside the scrutiny of Audit and Legislative Assembly. Consequently, corrective measures, if required, for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delays in finalisation of accounts increase the risk of mismanagement and leakage of public money.

For instance, DUSIB had earned interest of ₹ 4.64 crore from the unspent grants during 2021-24, which was, as required under Rule 230 (8) of GFR 2017, neither remitted to the Government nor mentioned in the Utilisation Certificate submitted to the Government for adjusting against further Grants.

The Government may expedite compilation and submission of annual accounts by these bodies/authorities.

Other Issues

3.9 Environment Compensation Charge (ECC)

a) Non-collection of Environment Compensation Charge (ECC) for a period of 280 days.

On the basis of the Hon'ble Supreme Court orders dated 09 October 2015 and 16 December 2015 the Transport Department is collecting the Environment Compensation Charge (ECC) through the Municipal Corporation of Delhi (MCD) from all the entry points in Delhi and which is deposited to the Government Account vide notification dated 04 March 2016.

Scrutiny of data in respect of ECC received from the Pollution Control Division (PCD) of the Transport Department revealed that a total ₹1,624.63 crore was collected during the period from 2015-16 to 2024-25. However, collection during the period from 06 April 2018 to 26 April 2018 (21 days) and 18 December 2020 to 02 September 2021 (259 days) was not found in the data provided to audit.

Reason for the non-collection of ECC during the period stated above was sought vide audit enquiry (September 2025). Reply is awaited (February 2026).

b) Amount of ₹ 843.12 crore collected on account of ECC lying unspent.

As per the Supreme Court's orders dated 09 October 2015, the amount collected as ECC ought to be exclusively used for augmenting public transport and improving roads, particularly for most vulnerable users, that is, cyclists and pedestrians in Delhi.

The Transport Department is collecting the ECC which is deposited under "MH-8443-Civil Deposit" through Transport Department.

As per the data provided, the total year-wise collection of ECC and expenditure is as under:

Table 3.12: Year-wise collection of ECC and expenditure

(₹ in crore)

FY	Amount of ECC	Progressive Total	Expenditure	Progressive Balance
2015-16	144.06	144.06	0	144.06
2016-17	358.11	502.17	0.93	501.24
2017-18	472.63	974.79	0.15	973.71
2018-19	154.49	1,129.28	271.43	856.77
2019-20	89.25	1,218.53	9.00	937.02
2020-21	66.12	1,284.65	0	1003.14
2021-22	39.47	1,324.13	0	1042.62
2022-23	111.58	1,435.71	0	1154.20
2023-24	95.38	1,531.09	500.00	749.58
2024-25	93.54	1,624.63	0	843.12
Grand Total	**1,624.63**		**781.51**	

As per the records made available, the above expenditure of ₹ 781.51 crore was spent at seven instances as per the orders of Hon'ble Supreme Court of India. The amount of ₹ 843.12 crore was found to be unspent as on 31 March 2025. It was also sought whether any policy was framed for utilization of amount collected on account of ECC (Reference: Supreme Court's orders dated 10 April 2018).

c) Deficient Accounting Procedure

The cess collected was being deposited by the Transport department directly in the Public Account under Major Head '8443-Civil Deposit'. Since ECC is GNCTD's receipt, it needs to be recognised initially as a receipt in the Consolidated Fund (CF) of GNCTD and then transferred to Public Account by debiting the CF. Thus, the accounting procedure followed by GNCTD in respect of ECC was found to be deficient.

In this regard, audit enquiry was issued (September 2025) to the Principal Accounts Office, GNCTD. Reply is awaited is awaited (February 2026).

3.10 Other inaccuracies in the statements of Finance Accounts

i) Minus/adverse Balance of Loans and Advances.

Scrutiny of Finance Accounts for the year 2024-25 of GNCT of Delhi revealed that there were Minus/Adverse balances of Loan & Advances in the Statement No.16 (Detailed statement of loan and Advances made by the Government) as given in **Table 3.13**.

Table 3.13: Minus/Adverse Balances

(₹ in crore)

Sl. No.	Head	Description	Sub- Head	Balances as on 31.03.2025
1	6401	Loans for Crops Husbandry	105-Manures and Fertilizers	(-) 0.90
2	7610	Loans to Government Servants	201-House Building Advances	(-) 5.54
3	7610	Loans to Government Servants	202-Advances for Purchase of Motor Conveyances	(-) 2.54
4	7610	Loans to Government Servants	203-Advances for Purchase of Other Conveyances	(-) 0.28
5	7610	Loans to Government Servants	204-Advance for Purchase of Computer	(-) 1.44

It was noticed that no explanatory note had been given with the Statement. This issue had also been pointed out in earlier audit reports, however, no corrective action has been taken so far.

Reasons for the Minus/Adverse balances had been sought (October 2025). The Principal Accounts Office, GNCTD replied (October 2025) that out of above mentioned amount under Major Head '7610-Loans to Government Servants', ₹ 8.82 lakh had been liquidated by making transfer entries and efforts are being made to minimize the adverse balance.

ii) Outstanding arrears of Loans and Advances

Scrutiny of records revealed that the loans of ₹ 1,97,856.44 crore were outstanding as on 31st March 2025 from 18 entities with pendency of arrears ranging from 6 years to 74 years, as detailed in **Appendix 3.7**. Of these, loans amounting to ₹ 63,537.02 crore (Principal ₹ 34,175.11 crore and Interest ₹ 29,361.91 crore) are more than 10 years old.

With respect to the position indicated at Sl. No. 6 of **Appendix 3.7**, DSCSCL intimated (October 2024) that the recommendation had been sent to the Finance Department, GNCTD for the waiver of loan and accrued interest.

Further, with respect to the position indicated at Sl. No. 15 of **Appendix 3.7**, IIIT stated (October 2024) that the repayment schedule for repayment of loan had already been sent to Directorate of Training and Technical Education (DTTE), GNCTD in December 2023, which was under consideration.

In its reply, Principal Accounts Office, GNCTD verified the facts and figures and stated (September 2025) that the matter has been referred to concerned department for providing the requisite information.

The same issue had been pointed out in previous audit reports, however, no corrective action has been taken so far.

iii) Cumulated data on investment in Statement No.11 does not match with total investment data of Statement No.12

Scrutiny of Statement No.11 and Statement No.12 of GNCTD Finance Accounts of 2024-25 revealed that there is a difference of ₹ 289.23 crore in investments shown in Statement No. 11 and 12, as detailed in **Appendix 3.8**.

On being pointed out by audit, Principal Accounts Office, GNCTD accepted the facts and stated (September 2025) that efforts will be made to sort out the differences between investment figures reflected in Statement No.11 and the details of investment mentioned in Statement No.12.

The same issue has been pointed out in previous audit report, however, no corrective action has been taken so far.

iv) Outstanding arrears of Loan and advances (Terms & Conditions not settled)

During scrutiny of the Finance Accounts for the year 2024-25 it was noticed that in disclosure No. 2 of Statement No. 16, on account of two loans to Delhi State Civil Supplies Corporation (DSCSC) (₹ 436.34 lakh) and Delhi S.C. Finance and Development Corporation (₹1,356.94 lakh) the terms and conditions of repayment of loans had not yet been settled though these related to the earliest period of 1998-99 and 1987-88 respectively.

In its reply, the Principal Accounts Office, GNCTD stated (September 2025) that the matter had been referred to the concerned departments and the replies were awaited.

Further, as per Statement No. 12 of Finance Accounts 'Details of Investment up to the end of March 2025, percentage of Government's Investment to the total paid up capital of some Cooperative societies was not shown in the statement. Reasons for percentage not shown in the statement were sought (August 2025).

In its reply, the Principal Accounts Office, GNCTD stated (September 2025) that the matter was referred to the Registrar of Cooperative society, GNCTD. Further reply is awaited (February 2026).

v) Fresh disbursement of loan to entities despite outstanding loan arrears since 1998-99

Scrutiny of Finance Accounts (Section 3 of Statement No.16 and Additional Disclosures for fresh loans and advances) for the year 2024-25 of GNCTD revealed that despite outstanding loan arrears on DJB and DUSIB, GNCTD has disbursed fresh loan of ₹ 2,325.51 crore as per details given in **Table 3.14** below:

Table 3.14: Disbursement of fresh loans to defaulting loanee entities

Loanee entity	Amount of arrears as on March 2025 (*₹ in crore*)		Earliest period to which arrears relates	Fresh loan advanced during 2024-25 (*₹ in crore*)	Total outstanding loan (excluding interest) as on 31 March 2025 (*₹ in crore*)
	Principal	Interest			
DJB	40,111.03	44,175.92	1998-99	2,275.51	42,386.54
DUSIB	1,255.21	972.06	2011-12	50.00	1,305.21
Total	**41,366.24**	**45,147.98**		**2,325.51**	**43,691.75**

Reasons for fresh disbursement of loan were enquired (August 2025). In its reply, the Principal Accounts Office, GNCTD stated (September 2025) that the matter has been referred to the State Resource Division and Department of Urban Development. Further responses are awaited (February 2026).

vi) Non-receipt of Dividends on Government Investments

On scrutiny of Annexure to Statement No. 12, which depicts Government investments up to the end of March 2025, it was observed that no amount of dividend has been reflected under the column "dividend received and credited to Government." The details of the Government's investment of ₹ 21,745 crore are depicted in **Appendix 3.9.**

It is evident that despite significant investments, no return in the form of dividend has been credited to the Government. This indicates that the concerned departments had not taken effective action to ensure timely realization of dividend proceeds.

Audit is of the view that non-receipt of dividends not only results in blocking of Government funds without any productive return but also reflects inadequate monitoring of Government investments.

The reasons for non-receipt of dividends were enquired (August 2025). In its reply, the Principal Accounts Office, GNCTD stated (September 2025) that the matter has been referred to the Finance Department of GNCTD to provide the required information. The response of the Finance Department is awaited (February 2026).

vii) Major increase/ decrease in Revenue

Scrutiny of records revealed that there was increase/decrease in the major heads of the receipts (Tax, Non-tax revenue) in the year 2024-25 as compared to the previous year 2023-24. The major increase/decrease in the revenue heads is tabulated below:

Table 3.15: Tax revenue (Major increase/decrease)

(₹ in thousands)

Sl. No.	Major Head	Major Head Description	2023-24	2024-25	Increase(+)/ Decrease(-)	Percentage
1.	0045	Other Taxes & Duties on Commodities and Services	2,460	10,539	8,079	328.41

Table 3.16: Non-Tax Revenue (Major increase/decrease)

(₹ in thousands)

Sl. No.	Major Head	Major Head Description	2023-24	2024-25	Increase (+) /Decrease (-)	Percentage
1.	0049	Interest Receipts	37,60,190	15,63,332	(-)21,96,858	(-)58.42
2.	0051	Public Service Commission	63,602	37,719	(-) 25,883	(-)40.70
3.	0055	Police	73	20	(-)53	(-)72.60
4.	0056	Jails	37,590	82,384	44,794	119.16
5.	0070	Other Administrative services	11,95,859	14,86,612	2,90,753	24.31
6.	0075	Miscellaneous General Services	5	114	109	2180.00
7.	0202	Education, Sports, Art & Culture	9,52,950	18,62,340	9,09,390	95.43
8.	0211	Family welfare	164	10	(-)154	(-)93.90
9.	0217	Urban Development	11,558	24,215	12,657	109.51
10.	0235	Social Security & Welfare	549	4177	3,628	660.84
11.	0403	Animal Husbandry	392	723	331	84.44
12.	0405	Fisheries	162	120	(-) 42	(-)25.93
13.	0406	Forestry & Wild Life	21,383	26,055	4,672	21.85
14.	0425	Cooperation	2,458	1,436	(-) 1,022	(-)41.58
15.	0435	Other Agricultural Programme	202	0	(-) 202	(-)100.00
16.	0515	Other Rural Development Programme	753	193	(-) 560	(-)74.37
17.	0701	Medium Irrigation	3,09,642	66,710	(-) 2,42,932	(-)78.46
18.	0810	Non-Conventional Source of Energy	0	99,704	99,704	Undefined
19.	0851	Village & Small Industries	455	353	(-) 102	(-)22.42
20.	1456	Civil Supply	2,386	3,617	1,231	51.59

Principal Accounts Office, GNCTD replied (September 2025) that all the departments had been requested to provide the reason for increase/decrease in revenue. The responses of the above departments were awaited (February 2026).

3.11 Follow up action on State Finances Audit Report

In every State/UT, the Public Accounts Committee (PAC)/Finance Department require the line departments to provide a *suo-motu* Explanatory Note (EN) on the paragraphs featuring in the Audit Reports within one month of placing the Reports in the Legislature. The line departments are also required to provide Action Taken Notes (ATNs) to the Principal Accountant General for vetting and onward transmission to the PAC within three months of tabling the Reports.

There have been no discussions by the PAC on the SFARs of GNCTD for the years 2020-21, 2021-22 and 2022-23. GNCTD rolled out the Audit Para Monitoring System (APMS) in July 2025 on which the ATNs are being received and processed.

3.12 Conclusion

- The Utilisation Certificates (UC) amounting to ₹ 2,650.22 crore (1,252 UCs) were awaited indicating tendency on the part of the Government to disburse fresh grants without ascertaining proper utilisation of earlier grants.
- Detailed Contingent (DC) bills amounting to ₹ 323.41 crore (3,975 DC bills) were also awaited.
- 15 autonomous bodies did not submit their final accounts for considerable periods. As a result, their financial position could not be assessed and results of investments of the Government remained outside the purview of the Legislature of NCT of Delhi.

These issues indicate weak internal controls in the administrative departments of GNCTD.

3.13 Recommendations

In light of the audit observations, GNCTD may:

(i) *ensure timely submission of Utilisation Certificates by the Departments in respect of the grants released for specific purposes*

(ii) *ensure adjustment of Abstract Contingent bills within the stipulated period, as required under the Rules*

(iii) *put in place a system to expedite the process of compilation and submission of annual accounts by autonomous bodies in order to assess their financial position*

New Delhi
Dated: 11 May 2026

(NAZLI J. SHAYIN)
Principal Accountant General (Audit), Delhi

Countersigned

New Delhi
Dated: 18 May 2026

(K. SANJAY MURTHY)
Comptroller and Auditor General of India