

PRESS RELEASE

OFFICE OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA
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CAG Audit Report on State Finances of NCT of Delhi tabled in Legislative Assembly

Audit Report No. 1 of the year 2019 on State Finances of the Comptroller and Auditor General of India relating to the Government of National Capital Territory of Delhi for the year ended March 2018 was placed in the Legislative Assembly today.

Audit Report No. 1 of the year 2019 on State Finances

The Audit Report on State Finances provides an analytical review of the annual accounts of the Government of NCT of Delhi (GNCTD) for the year ended 31 March 2018. The Report is structured in three chapters. Chapter-1 is based on audit of Finance Accounts and provides a broad perspective of the finances of GNCTD for the year ended March 2018. It also analyses critical changes in the major fiscal aggregates relating to the previous year keeping in view the overall trends during the last five years. Chapter-2 is based on audit of Appropriation Accounts and gives grant-wise description of appropriations and the manner in which allocated resources were managed by the service delivery departments. Chapter-3 is an overview and status of the GNCTD compliance with various financial rules, procedures and directives.

Finances of the Government of National Capital Territory of Delhi

- The GNCTD has maintained a revenue surplus over the last five years from 2013-14 to 2017-18. Revenue Receipts during the current year increased by 12.58 *per cent* over the previous year. Tax revenue and non-tax revenue registered an increase of 14.70 *per cent* and 101.05 *per cent* respectively over the previous year.
- The Grants-in-Aid from Government of India decreased from ₹2,825 crore (2016-17) to ₹2,184 crore (2017-18). This included grants from Government of India in lieu of share in central taxes which has remained stagnant at ₹325 crore since 2001-02 although the central tax collections have grown substantially since 2001-02.
- Total expenditure during 2017-18 increased by 10.21 *per cent* over the previous year. Revenue expenditure, during 2017-18, was 86 *per cent* of the total expenditure whereas capital expenditure and loans and advances were 8.26 *per cent* and 5.73 *per cent* respectively. The share of social and economic services in total expenditure, which represents development expenditure increased by 2.1 *per cent* in 2017-18 over the previous year.
- As on 31 March 2018, the Government had invested ₹19,173 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives. Return on this investment was 0.08 *per cent* while the Government paid interest at an average rate of 8.58 *per cent* on its borrowings during 2017-18.
- Against loans amounting to ₹ 26,620.04 crore disbursed to Delhi Jal Board during 1998-2018, ₹351.16 crore was repaid leaving ₹26,268.89 crore outstanding as on 31 March 2018.

Interest liability on the outstanding loans is under reconciliation by the Principal Accounts Office and executive agencies.

➤ Loans amounting to ₹11,837.69 crore were disbursed to Delhi Transport Corporation during 1996-2011. Against this ₹161.55 crore has been repaid leaving ₹11,676.14 crore as outstanding as on 31 March 2018. Interest liability of ₹20,818.07 crore on these loans was outstanding as on 31 March 2018.

➤ As on 31 March 2018, loans amounting to ₹ 2,037.54 crore, ₹ 1,395.90 crore and ₹381.45 crore were outstanding against North Delhi Municipal Corporation, East Delhi Municipal Corporation and South Delhi Municipal Corporation respectively. Interest Liability on the outstanding loans was under reconciliation by the Principal Accounts Office and executive agencies.

➤ Overall fiscal liabilities of NCT of Delhi were ₹33,569 crore in 2017-18. The fiscal liabilities were 4.89 *per cent* of GSDP, 86.81 *per cent* of revenue receipts and 92.01 *per cent* of NCT of Delhi's own resources.

➤ Although NCT of Delhi had revenue surplus in the last five years, revenue surplus decreased by 2.59 *per cent* in 2017-18 over the previous year and stood at 0.72 *per cent* of GSDP.

➤ The fiscal deficit of ₹1,051 crore in 2016-17 turned to fiscal surplus of ₹113 crore in 2017-18 and stood 0.02 *per cent* of GSDP.

➤ The Government maintained Primary surplus for the last four years from 2014-15 to 2017-18. Primary surplus increased by 62.88 *per cent* over the previous year and stood at 0.43 *per cent* of GSDP in 2017-18.

Financial management and budgetary control

➤ Against total provision of ₹49,202.08 crore during 2017-18, an expenditure of ₹41,159.42 crore was incurred which resulted in savings of ₹8,042.66 crore (16.35 *per cent*).

➤ During 2017-18, supplementary provision of ₹34.94 crore in 11 sub-heads was unnecessary. Re-appropriation of funds in 37 sub-heads where final savings were more than ₹ one crore was made injudiciously resulting in un-utilised/excessive provision of ₹283.98 crore in 2017-18.

➤ Substantial surrenders involving ₹1,249.81 crore were made in respect of 25 sub-heads during 2017-18, out of which in three sub-heads 100 *per cent* grant amounting to ₹150 crore was surrendered.

Financial reporting

➤ During 2017-18, there were substantial delays in submission of utilisation certificates by various grantee institutions and as a result proper utilisation of grants could not be ensured. Utilisation certificates involving ₹4,455.75 crore were outstanding for periods ranging from two to 10 years while ₹2,497.89 crore were outstanding for more than 10 years.

➤ 18 annual accounts of five bodies/authorities due up to 2016-17 had not been received as of March 2018.

➤ Detailed Countersigned Contingent bills of ₹205.21 crore (33.77 *per cent*) were received against the Abstract Contingent (AC) bills of ₹607.64 crore, leaving an outstanding balance of AC bills of ₹402.43 crore as on 31 March 2018. Against the AC bills of ₹176.06 crore during 2017-18 an amount of ₹90.85 crore (51.60 *per cent*) pertains to March 2018.

➤ During 2017-18, significant amounts of expenditure and receipts were booked under the Minor Heads '800-Other Expenditure' and '800-Other Receipts' under various Major Heads affecting transparency in financial reporting.

BSC/SS/TT

[This report along with press brief have been put in public domain at our website www.agaudelhi.cag.gov.in.](http://www.agaudelhi.cag.gov.in) and at website www.cag.gov.in.