

## Overview

Based on the audited accounts of the Government of Delhi for the year ending March 2014, this Report provides an analytical review of the Annual Accounts of the State Government. 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 Delhi Government for the year ending March 2014. It also analyses critical changes in the major fiscal aggregates relating to the previous years keeping in view the overall trends during the last five years.

**Chapter 2** is based on audit of Appropriation Accounts and gives the 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 Delhi Government's compliance with various financial rules, procedures and directives.

### Audit findings

#### Chapter 1 Finances of the State Government

Revenue receipts increased by ₹ 2,419.72 crore (9.47 *per cent*) over the previous year. About 94.99 *per cent* of the total revenue receipts during the year 2013-14 were contributed from Delhi's own taxes. The tax revenue had increased by ₹ 2,487.17 crore (10.61 *per cent*). The non-tax revenue which constituted 2.36 *per cent* of total revenue receipts during 2013-14 decreased by ₹ 2,808.26 crore (80.99 *per cent*) from the year 2009-10. The grants from Government of India decreased by ₹ 99.66 crore (6.63 *per cent*).

*(Para 1.2 and Para 1.5.1)*

The revenue expenditure during the current year at ₹ 22,366.52 crore has increased by ₹ 1,707.16 crore (8.26 *per cent*) over the previous year. The revenue expenditure constituted 82.61 *per cent* of total expenditure (excluding loans and advances) during 2013-14.

*(Para 1.2 and 1.6)*

Capital expenditure increased by ₹ 530.79 crore over the previous year. The capital expenditure constituted only 17.39 *per cent* of total expenditure (excluding loans and advances) during 2013-14.

*(Para 1.2 and 1.6)*

The Government had invested ₹ 17,060.35 crore (as of 31 March 2014) in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives. The return on these investments was a meager 0.07 *per cent* in 2013-14 while the Government paid interest at an average rate of 8.80 *per cent* on its borrowings during 2013-14.

*(Para 1.8.1)*

Overall fiscal liabilities of the State increased from ₹ 26,544.20 crore in 2009-10 to ₹ 32,080.32 crore in 2013-14 (20.86 *per cent*). The fiscal liabilities of ₹ 32,080.32 crore during 2013-14 comprised of small savings collection of ₹ 32,080.31 crore and co-operative assistance to other co-operatives ₹ 0.01 crore.

*(Para 1.9.2)*

The State has continuously shown an increasing trend in revenue surplus from ₹ 6,550.46 crore in 2009-10 to ₹ 10,642.36 crore in 2010-11 and stood at ₹ 5,614.17 crore in 2013-14. The state had a primary deficit in 2009-10 which changed to primary surplus of ₹ 3,309.12 crore during 2010-11. The primary deficit increased to ₹ 1,118.42 crore in 2013-14. Fiscal deficit of ₹ 3,549.96 crore in 2009-10 turned to surplus of ₹ 729.60 crore in 2010-11. There was deficit of ₹ 3,942.71 crore during 2013-14.

*(Para 1.11.1)*

## **Chapter 2 Financial management and budgetary control**

During 2013-14, expenditure of ₹ 34,122.38 crore was incurred against total grants and appropriation of ₹ 38,716.47 crore resulting in a saving of ₹ 4,594.09 crore. The overall saving of ₹ 4,594.09 crore was a result of saving of ₹ 3,043.95 crore in 13 grants and one appropriation (Public Debt) under Revenue Section and ₹ 1,550.14 crore under Capital Section.

*(Para 2.2)*

Appropriation accounts for the year 2013-14 showed that savings exceeding ₹ 50 crore in each case occurred in 24 cases relating to eight grants and one appropriation totalling ₹ 2,826.07 crore.

*(Para 2.3.1)*

Supplementary grant amounting to ₹ 101.97 crore in eight sub-heads was obtained in anticipation of higher/ additional expenditure. However, the final expenditure was less than even the original grant/ appropriation.

*(Para 2.3.6)*

Out of the savings of ₹ 4,383.02 crore under 12 grants (savings of ₹ one crore and above were indicated in each grant/appropriation), an amount of ₹ 1,294.95 crore (29.54 *per cent* of amount of savings) was not surrendered.

*(Para 2.3.9)*

There were persistent savings of more than ₹ one crore in nine cases/sub-heads under the Grant No.11-Urban Development and Public Works Department which were more than 20 *per cent* of the total grant which indicated unrealistic budgeting, deficient financial management and slackness on the part of the departments in implementing the schemes such as introduction of BRT Corridors, SPV for Redevelopment of Walled City/Shahjahanabad and Development of Urban Villages.

*(Para 2.6)*

### Chapter 3 Financial reporting

There were delays in obtaining utilization certificates (UCs) from various grantee institutions for the grants released to them. Out of a total of 5,235 grants amounting to ₹ 26,434.30 crore given till March 2013, 4,784 UCs amounting to ₹ 19,064.02 crore were awaited from various departments at the end of March 2014. Out of 4784 outstanding UCs, 2,267 UCs (47.39 per cent) amounting to ₹ 5,651.17 crore were due for more than 10 years.

*(Para 3.1)*

20 annual accounts due upto the year 2012-13 of five bodies/authorities were not submitted to audit as of 31 March 2014.

*(Para 3.2)*

Large balances amounting to ₹ 1,151.65 crore were outstanding under Suspense Heads as on 31 March 2014, requiring expeditious clearing and classification under appropriate heads of accounts.

*(Para 3.6)*