

Executive Summary

Based on the audited accounts of the Government of National Capital Territory of Delhi (GNCTD) for the year ending March 2019 and additional information collected from several sources as census and GNCTD, this Report provides an analytical review of the annual accounts of the 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 GNCTD for the year ended March 2019. 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 GNCTD compliance with various financial rules, procedures and directives.

Chapter 1 Finances of the Government of National Capital Territory of Delhi

Revenue receipts during 2018-19 increased by 11.50 *per cent* over the previous year. This was mainly due to increase of grants-in-aid by ₹ 3,660 crore (167.58 *per cent*) on account of receipt of compensation of ₹ 4,182 crore in lieu of loss of revenue arising out of implementation of GST. Grants-in-Aid from Government of India increased from ₹ 2,184 crore (2017-18) to ₹ 5,844 crore (2018-19). Tax revenue registered an increase of 2.54 *per cent* and non-tax revenue decreased by 15.93 *per cent* over the previous year.

(Para 1.3, 1.3.1.1 & 1.3.1.2)

Total expenditure during 2018-19 increased by 8.35 *per cent* over the previous year. Revenue expenditure, during 2018-19, was 86.67 *per cent* of the total expenditure whereas capital expenditure and loans and advances was only 7.68 *per cent* and 5.65 *per cent* respectively.

(Para 1.5.1)

As of 31 March 2019, the Government had invested ₹ 19,261 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives. The return on this investment was negligible and ranged between 0.06 and 0.08 *per cent* (at historical cost) while the Government paid interest at an average rate of 8.64 *per cent* on its borrowings during 2014-15 to 2018-19.

(Para 1.7.1)

Recovery of loans and advances, though higher than previous year, was only a fraction (2.55 *per cent*) of the outstanding loans. Against loans amounting to

₹ 28,011 crore disbursed to Delhi Jal Board during 1998-2019 only ₹ 351 crore was repaid leaving ₹ 27,660 crore outstanding as on 31 March 2019. Interest liability on account of outstanding loans is under reconciliation by the concerned agencies and Department of Urban Development with concerned PAO.

Loans amounting to ₹ 11,838 crore were disbursed to Delhi Transport Corporation during 1996-2011 whereas ₹ 162 crore has been repaid leaving ₹ 11,676 crore as outstanding as on 31 March 2019. Interest liability of ₹ 26,070 crore on these loans was outstanding as on 31 March 2019.

As on 31 March 2019, loans amounting to ₹ 2,038 crore, ₹ 1,396 crore and ₹ 319 crore were outstanding against North Delhi Municipal Corporation, East Delhi Municipal Corporation and South Delhi Municipal Corporation respectively. Recovery of loans for the period 2015-16 to 2017-18 has been deferred in respect of North Delhi Municipal Corporation and East Delhi Municipal Corporation due to their poor financial condition. Interest liability on account of outstanding loans is under reconciliation by the concerned agencies and Department of Urban Development with concerned PAO. Since recovery of loans has been poor, State Government may consider treating these loans and advances as grants and booking them as revenue expenditure for ensuring that accounts reflect the correct position.

(Para 1.7.2)

Overall fiscal liabilities of NCT of Delhi were ₹ 32,812 crore in 2018-19. The fiscal liabilities were 4.21 *per cent* of GSDP, 76.11 *per cent* of revenue receipts and 88.04 *per cent* of NCT of Delhi's own resources.

(Para 1.8.2)

NCT of Delhi has been able to maintain revenue surplus over the last five years from 2014-15 to 2018-19. Revenue surplus stood at ₹ 6,261 crore in 2018-19 and was 0.80 *per cent* of GSDP. Fiscal surplus of ₹ 113 crore in 2017-18 increased to ₹ 2,237 crore in 2018-19. NCT of Delhi has been able to maintain revenue surplus and fiscal surplus largely on account of pension liabilities of GNCTD employees being borne by GOI. In addition, expenditure of Delhi Police is also borne by Ministry of Home Affairs, GOI. During 2018-19 pension liabilities of ₹ 1,137.21 crore of GNCTD employees and ₹ 7,136.48 crore of revenue expenditure of Delhi Police were borne by GOI.

(Para 1.10.1)

Chapter 2 Financial management and budgetary control

Against the total provision of ₹ 58,177.14 crore, expenditure of ₹ 46,344.56 crore was incurred resulting in saving of ₹ 11,832.58 crore (20.34 *per cent*).

(Para 2.2.1)

Supplementary provision of ₹ 160.87 crore in eight sub-heads was unnecessary as final expenditure was less than the original grant in five cases while in all eight cases there was no expenditure from the supplementary provision.

(Para 2.3.4)

In 41 sub-heads where final savings were more than ₹ one crore re-appropriations were made injudiciously as the departments were not able to even utilize fully their existing grants resulting in cumulative non-utilisation of ₹ 315.91 crore during 2018-19.

(Para 2.3.5)

Substantial surrenders involving ₹ 2,112.83 crore were made in respect of 14 sub-heads, out of which in six sub-heads 100 *per cent* grant amounting to ₹ 1,297 crore was surrendered.

(Para 2.3.6)

Chapter 3 Financial reporting

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 ₹ 5,089.55 crore were outstanding for periods upto 10 years while 1,062 UCs involving ₹ 79.45 crore were outstanding for more than 10 years.

(Para 3.2)

18 annual accounts of six bodies/authorities due upto the year 2017-18 had not been received as of March 2019.

(Para 3.3)

Detailed Countersigned Contingent bills of ₹ 118.54 crore (17.36 *per cent*) were received against the Abstract Contingent bills of ₹ 682.98 crore, leaving an outstanding balance of Abstract Contingent bills of ₹ 564.44 crore as on 31 March 2019. During 2018-19, 41 *per cent* of the outstanding Abstract Contingent bills, pertain to March 2019 only.

(Para 3.5)