

## **CHAPTER-II**

# **FINANCES OF THE GNCT OF DELHI**



## Chapter II

### Finances of the Government of the National Capital Territory of Delhi

This chapter provides a broad perspective of the finances of the Government of National Capital Territory of Delhi (GNCTD) during FY 2021-22 and analyses changes in the key fiscal aggregates as compared to the previous year, keeping in view the overall trends during the last five years.

#### 2.1 Major changes in key fiscal aggregates in FY 2021-22 vis-à-vis FY 2020-21

This section gives a bird's eye view of the major changes in key fiscal aggregates of the GNCTD during the financial year, compared to the previous year. Each of these indicators have been analysed in the succeeding paragraphs. Major changes in key fiscal aggregates in FY 2021-22 compared to FY 2020-21 are given in **Table 2.1**:

**Table 2.1: Changes in key fiscal aggregates of GNCTD in FY 2021-22 compared to FY 2020-21**

<b>Revenue Receipts</b>	<ul style="list-style-type: none"><li>✓ Revenue receipts increased by 17.79 per cent</li><li>✓ Own Tax receipts increased by 36 per cent</li><li>✓ Non-tax receipts decreased by 15.61 per cent</li><li>✓ Grants-in-Aid from Government of India decreased by 26.11 per cent</li></ul>
<b>Revenue Expenditure</b>	<ul style="list-style-type: none"><li>✓ Revenue expenditure increased by 13.93 per cent</li><li>✓ Revenue expenditure on General Services increased by 10.45 per cent</li><li>✓ Revenue expenditure on Social Services increased by 15.87 per cent</li><li>✓ Revenue expenditure on Economic Services increased by 9.56 per cent</li><li>✓ Expenditure on Grants-in-Aid increased by 19.09 per cent</li></ul>
<b>Capital Expenditure</b>	<ul style="list-style-type: none"><li>✓ Capital expenditure increased by 76.87 per cent</li><li>✓ Capital expenditure on General Services increased by 52.03 per cent</li><li>✓ Capital expenditure on Social Services increased by 89.66 per cent</li><li>✓ Capital expenditure on Economic Services increased by 61.25 per cent</li></ul>
<b>Loans and Advances</b>	<ul style="list-style-type: none"><li>✓ Disbursement of Loans and Advances decreased by 36.36 per cent</li><li>✓ Recoveries of Loans and Advances decreased by 1.27 per cent</li></ul>
<b>Public Debt</b>	<ul style="list-style-type: none"><li>✓ Public Debt Receipts decreased by 47.37<sup>1</sup> per cent</li><li>✓ Repayment of Public Debt increased by 29.10 per cent</li></ul>

<sup>1</sup> Arrived after exclusion of ₹ 5,865 crore and ₹ 6,193 crore received as back to back loans under debt receipts for the years 2020-21 and 2021-22, respectively.

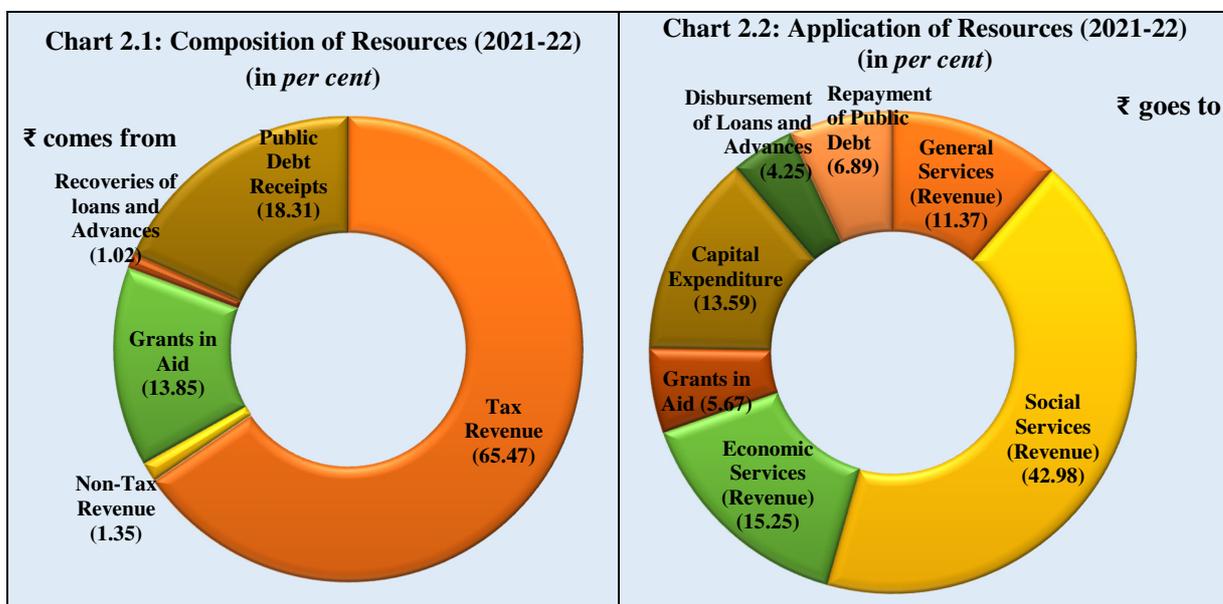
## 2.2 Sources and Application of Funds

This section compares the components of the sources and application of funds of the Government of NCT of Delhi during the financial year compared to the previous year. Details of sources and application of funds during 2020-21 and 2021-22 are shown in **Table 2.2**, **Chart 2.1** and **Chart 2.2**.

**Table 2.2: Details of Sources and Application of funds during 2020-21 and 2021-22**

(₹ in crore)				
	Particulars	2020-21	2021-22	Increase/ Decrease (in per cent)
<b>Sources</b>	Opening Balance	6,001	11,393	89.85
	Revenue Receipts	41,864	49,313	17.79
	Recoveries of Loans and Advances	631	623	(-) 1.27
	Public Debt Receipts (Net)	12,100	6,977 <sup>2</sup>	(-) 87.41 <sup>3</sup>
	<b>Total</b>	<b>60,596</b>	<b>68,306</b>	<b>12.72</b>
<b>Application</b>	Revenue Expenditure	40,414	46,043	13.93
	Capital expenditure	4,699	8,311	76.87
	Disbursement of Loans and Advances	4,090	2,603	(-) 36.36
	Closing Balance <sup>4</sup>	11,393	11,349	(-) 0.39
	<b>Total</b>	<b>60,596</b>	<b>68,306</b>	<b>12.72</b>

Source: Finance Accounts of respective years



<sup>2</sup> Due to 'Nil' disbursement from GoI during 2021-22 towards share of small saving collection.

<sup>3</sup> Arrived at after exclusion of ₹ 5,865 crore and ₹ 6,193 crore received as back to back loans under debt receipts for the years 2020-21 and 2021-22, respectively.

<sup>4</sup> The closing balance of National Capital Territory of Delhi of ₹ 11,349.09 crore is depicted under the major head '8450: Balance Account of Union Territories' which gets merged in the Union cash balance.

## 2.3 Resources of the Government of NCT of Delhi

The resources of the Government of NCT of Delhi are described below:

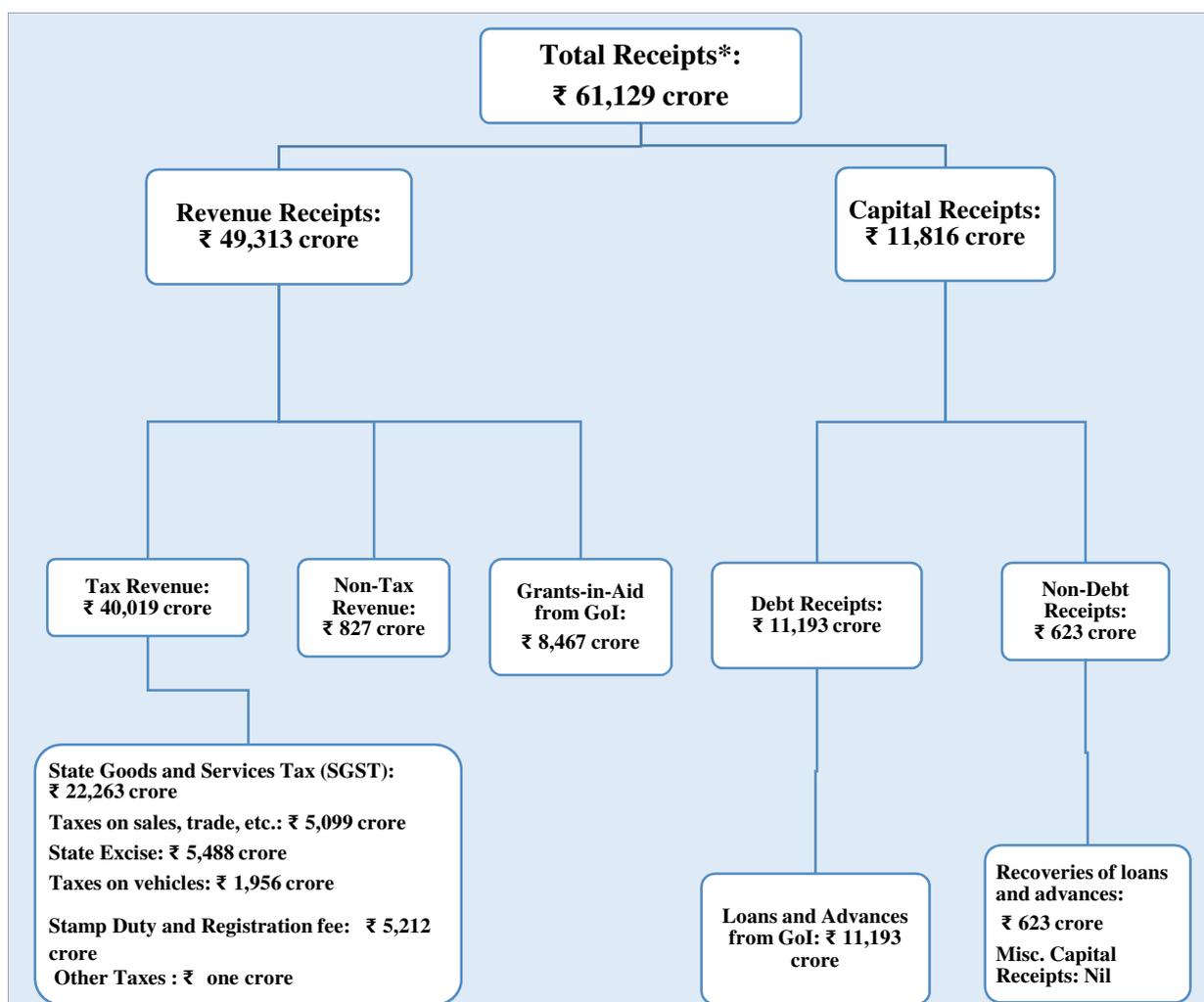
1. **Revenue receipts** consist of tax revenue, non-tax revenue and grants-in-aid from the Government of India (GoI).
2. **Capital receipts** of Government of Government of NCT of Delhi include recoveries of loans and advances disbursed to PSUs etc., receipts through loan from GoI and miscellaneous capital receipts.

Both revenue and capital receipts form part of the Consolidated Fund of the Government of NCT of Delhi.

### 2.3.1 Receipts of the Government of NCT of Delhi

The composition of overall receipts is given in **Chart 2.3**.

**Chart 2.3: Composition of receipts of the Government of NCT of Delhi during 2021-22**



\*excluding Opening balance and Contingency Fund

### 2.3.2 Government of NCT of Delhi's Revenue Receipts

Revenue receipts consist of the Government of NCT of Delhi's tax and non-tax revenues and grants-in-aid from GoI.

#### 2.3.2.1 Trends and growth of Revenue Receipts

The trends in growth of revenue receipts, revenue receipts relative to GSDP, buoyancy ratio and composition of revenue receipts are given in **Table 2.3** and **Chart 2.4**.

**Table 2.3: Trends in Revenue Receipts**

(₹ in crore)					
Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Receipts (RR)	38,667	43,113	47,136	41,864	49,313 <sup>5</sup>
Rate of growth of RR (per cent)	12.58	11.50	9.33	(-11.18)	17.79
Own Tax Revenue (a)	35,717	36,625	36,566	29,425	40,019
Own Non-Tax Revenue (b)	766	644	1,097	980	827
Own revenue (a + b)	36,483	37,269	37,663	30,405	40,846
Rate of growth of Own Revenue (per cent)	15.74	2.15	1.06	(-19.27)	34.34
Grants-in-Aid from GoI	2,184	5,844	9,473	11,459	8,467
Gross State Domestic Product (GSDP) (2011-12 Series)	6,77,900	7,38,389	7,94,030	7,85,342	9,23,967
Rate of growth of GSDP (per cent)	10.03	8.92	7.54	(-) 1.09	17.65
RR/GSDP (per cent)	5.70	5.84	5.94	5.33	5.34
<b>Buoyancy Ratios<sup>6</sup></b>					
Revenue Buoyancy w.r.t GSDP	1.25	1.29	1.24	*	1.01
Government of NCT of Delhi's Own Revenue Buoyancy w.r.t GSDP	1.57	0.24	0.14	*	1.95

Source: Directorate of Economics and Statistics and Finance Accounts of respective years.

\* Since growth rate of GSDP was negative hence buoyancy was not calculated.

Revenue receipts increased by 27.53 per cent from ₹ 38,667 crore in 2017-18 to ₹49,313 crore in 2021-22 at an annual average growth rate of 8 per cent out of which Government of NCT of Delhi's own tax revenue increased by ₹ 4,302

<sup>5</sup> GST compensation is the revenue of the State Government under GST (Compensation to States) Act, 2017. However, in addition to receiving the GST compensation of ₹ 11,132.81 crore as revenue receipts, due to inadequate balance in GST compensation fund during the year 2021-22, Delhi also received back to back loan of ₹ 6,193 crore under debt receipts of GNCTD with no repayment liability for the State. Due to this arrangement, revenue may be read in conjunction with debt receipt of ₹ 6,193 crore in lieu of GST compensation.

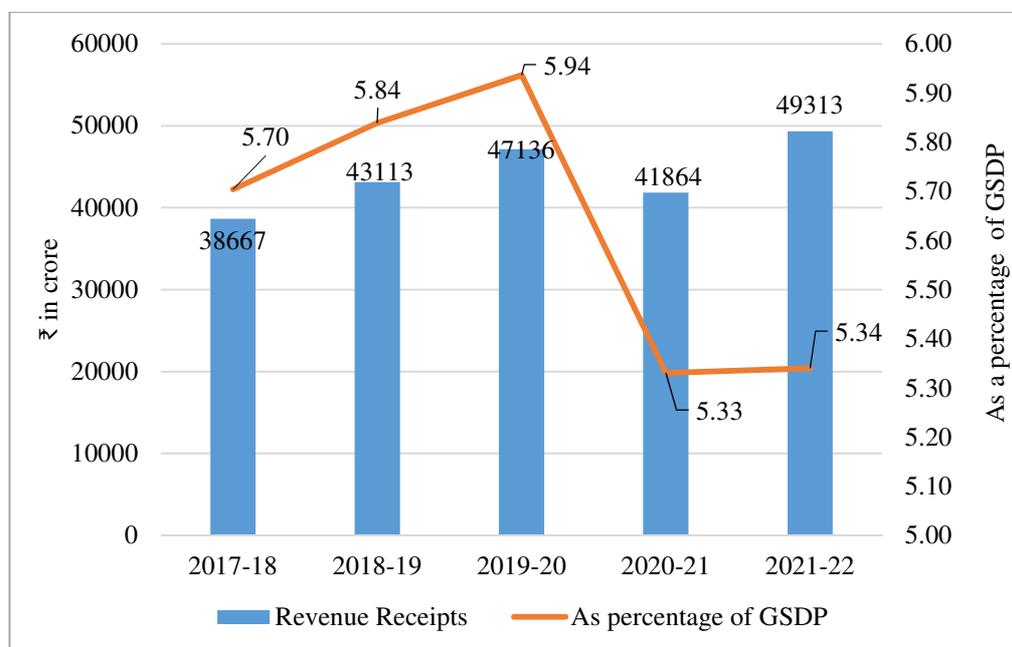
<sup>6</sup> Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy with respect to GSDP at 1.85 implies that revenue receipts tend to increase by 1.85 percentage points, if the GSDP increases by one per cent.

crore (12.04 per cent) while grants-in-aid from GoI increased by ₹ 6,283 crore (287.68 per cent) respectively, during the said period.

During 2021-22, revenue receipts increased by ₹7,449 crore (17.79 per cent) over the previous year, mainly due to increase in own tax revenue by ₹10,594 crore (36 per cent).

The share of GNCTD's own tax revenue to total revenue receipts decreased from 92.37 per cent in 2017-18 to 81.15 per cent in 2021-22. During 2017-18, about 94.35 per cent of revenue receipts came from GNCTD's own resources while Grants-in-aid contributed 5.65 per cent. In the year 2021-22, about 82.83 per cent of revenue receipts came from GNCTD's own resources while grants-in-aid contributed 17.17 per cent.

**Chart 2.4: Trends in Revenue Receipts relative to GSDP during 2017-2022**



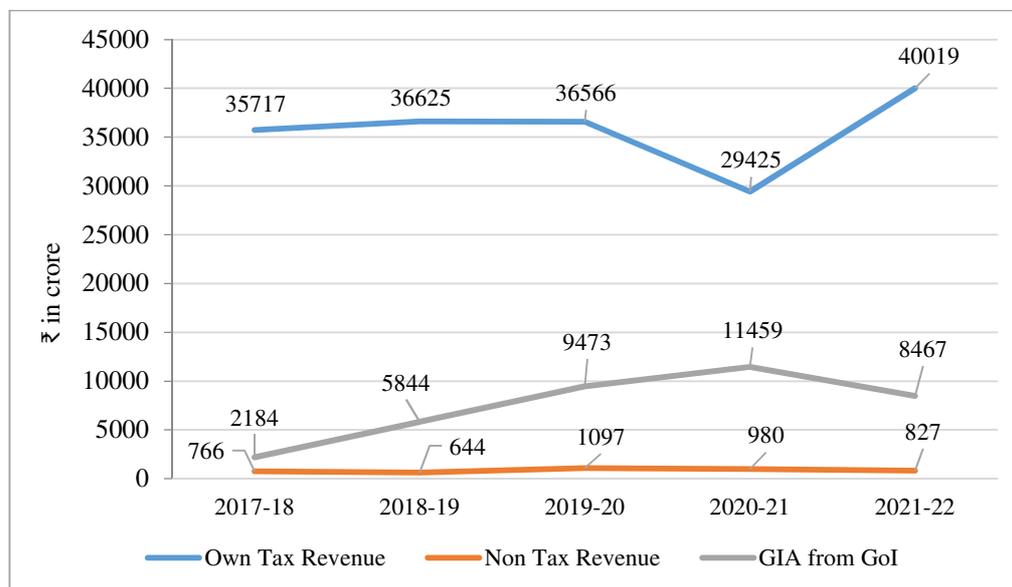
NCT of Delhi's GSDP increased from ₹ 6,77,900 crore in 2017-18 to ₹ 9,23,967 crore (36.30 per cent) in 2021-22. As compared to 2020-21, GSDP (₹ 7,85,342 crore) increased to ₹ 9,23,967 crore (17.65 per cent) in 2021-22. As evident from **Chart 2.4**, Revenue receipts as percentage of GSDP decreased from 5.70 per cent in 2017-18 to 5.34 per cent in 2021-22. Revenue receipts as a percentage of GSDP showed increasing trend from 2017-18 to 2019-20 but decreased rapidly in 2020-21 and remained almost static during 2021-22.

Revenue buoyancy with respect to GSDP at 1.01 in 2021-22 implies that revenue receipts increased by 1.01 percentage point, if the GSDP increased by one per cent. Government of NCT of Delhi's own revenue buoyancy with respect to GSDP at 1.95 in 2021-22 implies that Government of NCT of Delhi's

own revenue receipts increased by 1.95 percentage points, if the GSDP increased by one *per cent*.

Trends of components of revenue receipts are shown in **Chart 2.5**.

**Chart 2.5: Trends of components in State's Revenue Receipts**



Own tax revenue has shown mixed trend from 2017-18 to 2020-21 but increased significantly by ₹ 10,594 crore (36 *per cent*) in 2021-22 as compared to 2020-21 mainly due to increase in SGST collections by ₹ 6,587 crore (42 *per cent*) over previous year.

Further, GIA from GoI showed increasing trend from 2017-18 to 2020-21 but decreased significantly by ₹ 2,992 crore in 2021-22 as compared to 2020-21 mainly due to nil receipt of grants to meet revenue deficit to GNCTD from GoI.

Non-tax revenue had a mixed trend from 2017-18 to 2020-21 but decreased by ₹ 153 crore (16 *per cent*) in 2021-22 as compared to previous year due to decrease in interest receipt.

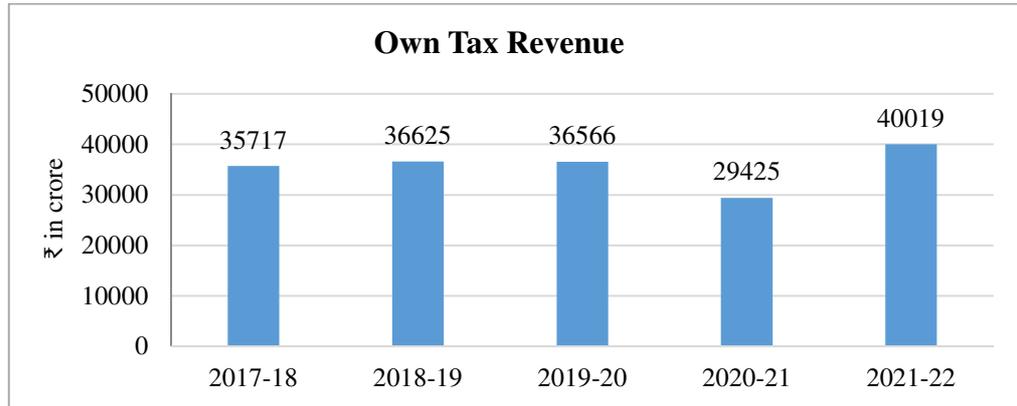
### 2.3.2.2 Government of NCT of Delhi's own resources

Government of NCT of Delhi's performance in mobilisation of resources is assessed in terms of its own resources comprising revenue from its own tax and non-tax sources.

#### Own Tax Revenue

Own tax revenues of the Government of NCT of Delhi consist of State GST, State excise, Taxes on vehicles, Stamp duty and Registration fee, Land revenue, etc. The trend of components of own tax revenue of the Government of NCT of Delhi during the period 2017-18 to 2021-22 is presented in **Table 2.4** and **Chart 2.6**.

**Chart 2.6: Growth of Own Tax Revenue during the period 2017-18 to 2021-22**



**Table 2.4: Components of Government of NCT of Delhi's own tax revenue**

(₹ in crore)

Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22
State Goods and Services Tax (SGST)	13,621	19,187	19,465	15,676	22,263
Taxes on Sales, Trade, etc.	11,149	5,886	5,475	4,411	5,099
State Excise	4,453	5,028	5,068	4,108	5,488
Taxes on Vehicles	2,116	2,055	1,948	1,676	1,956
Stamp duty and Registration fee	4,117	4,459	4,606	3,549	5,212
Land Revenue	2	0	3	4	0
Other Taxes <sup>7</sup>	259	10	1	1	1
<b>Tax Revenue</b>	<b>35,717</b>	<b>36,625</b>	<b>36,566</b>	<b>29,425</b>	<b>40,019</b>

Source: Finance Accounts of the respective years

**Table 2.5: GNCTD's actual own tax revenue vis-à-vis BE/RE for the year 2021-22**

Revenue head	BE (as per Receipts Budget 2021-22) (₹ in crore)	RE (as per Receipts Budget) (₹ in crore)	Actuals (₹ in crore)	Difference between BE and Actuals (₹ in crore)	Difference between RE and Actuals (₹ in crore)	Percentage vis-à-vis BE (+) Excess (-) Shortfall	Percentage vis-à-vis RE (+) Excess (-) Shortfall
State Goods and Services Tax (SGST)	23800	21,500	22,263	(-) 1537	(+)763	(-) 6.46	(+) 3.55
Taxes on Sales, Trade, etc.	6200	5,000	5,099	(-) 1101	(+)99	(-) 17.76	(+) 1.98
State Excise	6000	5,000	5,488	(-) 512	(+)488	(-) 8.53	(+) 9.76
Taxes on Vehicles	2000	1,850	1,956	(-) 44	(+) 106	(-) 2.20	(+) 5.73
Stamp duty and Registration fee	4997	4,997	5,212	215	(+) 215	4.30	(+)4.30
Land Revenue	3	3	0	(-) 3	(-) 3	(-) 100	(-) 100
Other taxes	0	0	1	1	1	-	-
<b>Total</b>	<b>43,000</b>	<b>38,350</b>	<b>40,019</b>	<b>(-)2981</b>	<b>(+) 1,669</b>	<b>(-) 6.93</b>	<b>(+) 4.35</b>

<sup>7</sup> Other taxes include Entertainment tax, Betting tax, Luxury tax and Cable tax.

During 2021-22, there was shortfall in all revenue heads (except Stamp duty and Registration fee) vis-à-vis the Budget Estimates.

### Goods and Services Tax (GST)

As per the GST (Compensation to States) Act, 2017, States will be compensated for the shortfall in revenue arising on account of implementation of the Goods and Services Tax considering an annual growth of 14 *per cent* from the base year (2015-16) for a period of five years. The Centre levies Integrated GST (IGST) on inter-state supply of goods and services and apportions the State's share of tax to the State where the goods or services are consumed. Trends in SGST collection are shown in **Table 2.6** and **Chart 2.7**.

**Table 2.6: SGST and Compensation Received**

(₹ in crore)								
Month	Revenue to be protected	Pre- GST taxes collected*	SGST Collected	Provisional apportionment of IGST+ Adhoc-settlement from IGST Fund	Other Taxes**	Total Amount received	Compensation received ***	Back to back loans in lieu of GST compensation shortfall
April 2021	3,070	17.48	1,339.30	949.77	0.03	2,306.58	11,132.81	
May 2021	3,070	29.47	523.45	366.98	0.01	919.91		
June 2021	3,070	(-) 0.44	468.97	366.51	0.06	835.10		
July 2021	3,070	(-) 5.58	872.13	637.41	0.05	1,504.01		2,921.30
August 2021	3,070	24.28	808.27	1,337.85	0.01	2,170.41		
September 2021	3,070	(-) 1.96	701.10	1,127.32	0.07	1,826.53		
October 2021	3,070	2.91	907.50	848.97	0.03	1,759.41		3,271.37
November 2021	3,070	11.11	979.75	1,011.18	0.01	2,002.05		
December 2021	3,070	0.27	859.31	1,054.35	0.04	1,913.97		
January 2022	3,070	8.71	1,047.07	1,856.08	0.04	2,911.90		
February 2022	3,070	3.48	857.86	817.31	0.05	1,678.70		
March 2022	3,070	(-) 4.71	900.14	1,624.85	0.11	2,520.39		
<b>Total</b>	<b>36,840</b>	<b>85.02</b>	<b>10,264.85</b>	<b>11,998.58</b>	<b>0.51</b>	<b>22,348.96</b>		<b>11,132.81</b>

\* Includes VAT & CST excluding Petroleum and Liquor.

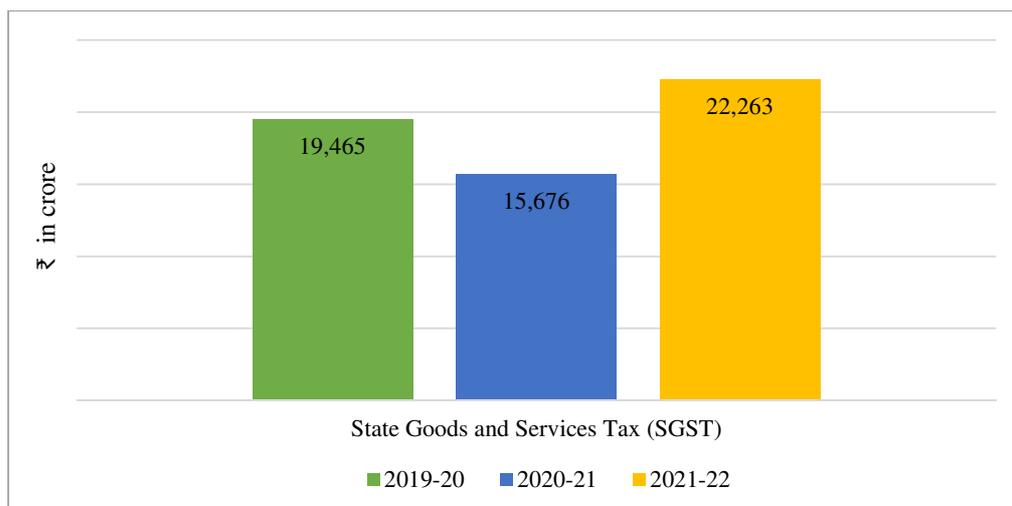
\*\* Other Taxes includes Entertainment Tax and Cable Tax, Lottery, Betting & Gambling Tax and Duties of Excise on medicinal and toilet preparations.

\*\*\* As per GNCTD Finance Accounts 2021-22, ₹ 6,445.96 crore was received on account of compensation for loss of revenue arising out of implementation of GST during 2021-22. This includes ₹ 2,543.15 crore pertaining to FY 2020-21. Further, ₹ 7,230 crore pertaining to FY 2021-22 was received in FY 2022-23. Thus, the compensation received for the FY 2021-22 was ₹ 11,132.81 crore (₹ 6,445.96 crore - ₹ 2,543.15 crore + ₹ 7,230.00 crore)

The projected revenue for the year 2021-22 in accordance with annual growth of 14 *per cent* was ₹ 36,840 crore. Against this, the revenue receipts of the Government of NCT of Delhi under GST during the year 2021-22 was ₹ 22,263.43 crore and compensation received was ₹ 11,132.81 crore and back to back loan<sup>8</sup> against compensation was ₹ 6,192.67 crore as detailed in **Table 2.6**.

<sup>8</sup> As per the condition of the loan communicated by GoI to States (August 2020) as part of the option for GST compensation, the debt servicing of the loan has to be done from the collection of cess in 'GST compensation fund' and repayment obligation will not be met from any other resources of the State

Chart 2.7: Trends in SGST collection



SGST collection increased by ₹ 6,587 crore (42.02 per cent) from ₹ 15,676 crore in 2020-21 to ₹ 22,263 crore in 2021-22.

The Department of Goods and Services Tax stated (August 2022) that the SGST collection increased as most of the restrictions imposed due to the COVID-19 pandemic had been lifted.

### Integrated Goods and Services Tax (IGST)

GNCTD receives funds towards settlement of IGST collected by the Centre on the basis of cross utilisation of Input Tax Credit of IGST and SGST/UTGST and apportionment from Government of India, which is accounted for under SGST. Out of ₹ 22,263.43 crore received under SGST during 2021-22, ₹ 11,999 crore was received as IGST. The details of funds received during the years 2019-20, 2020-21 and 2021-22 are given in **Table 2.7**:

**Table 2.7: IGST trends for the period 2019-20 to 2021-22**

Head	(₹ in crore)		
	2019-20	2020-21	2021-22
Input Tax Credit	3,501	2,626	3,761
Apportionment of IGST (Tax)	4,239	3,454	6,820
Apportionment of IGST (Interest)	0	0	5
Advance Apportionment of IGST	157	1,593	1,413
<b>Total</b>	<b>7,897</b>	<b>7,673</b>	<b>11,999</b>

### Arrears of revenue

Arrears of revenue indicate delayed realisation of revenue due/payable to the Government. The details of arrears of revenue as on 31 March 2022 under the Major Head '0040-Taxes on Sales, Trade', etc., as per information furnished by the Department of Trade and Taxes, GNCTD amounted to ₹ 71,475 crore, of which ₹ 25,248 crore was outstanding for more than five years.

**Arrears of assessment**

Arrears of assessment indicate potential revenue which is blocked due to delayed assessment. The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and number of cases pending for finalisation at the end of the year are depicted in **Table 2.8**.

**Table 2.8: Arrears of assessment**

Head of Revenue	Opening Balances of cases	New cases due for assessment during 2021-22	Total assessments due	Cases disposed of during 2021-22	Balance at the end of the year	Percentage of Disposal
0040 'Taxes on Sales, Trade' etc.	0	1,89,830	1,89,830	1,89,830	0	100

Source: Department of Trade and Taxes, GNCTD

**Details of evasion of tax detected by Department, refund cases, etc.**

The cases of evasion of tax detected by the Excise and Taxation Department, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government. Promptness in disposal of refund cases is an important indicator of performance of the Department. Cases of evasion of tax detected and details of refund cases for the year 2021-22 are depicted in **Table 2.9** and **Table 2.10**.

**Table 2.9: Evasion of tax detected**

Head of revenue	Cases pending as on 31 March 2021	Cases detected during 2021-22	Total	No. of cases in which assessment / investigation completed and additional demand with penalty, etc. raised		No. of cases pending under appeal as on 31 March 2022
				No. of cases	Amount of demand (₹ in crore)	
GST	236	1,517	1,753	1,488	367.51	265

Source: Department of Trade and Taxes, GNCTD

**Table 2.10: Details of refund cases for the year 2021-22**

Sl. No.	Particulars	GST		Sales tax/VAT	
		No. of cases	Amount (₹ in crore)	No. of cases	Amount (₹ in crore)
1	Claims outstanding at the beginning of the year	5,266	1,312.37	14,671	1,280.60
2	Claims received during the year	30,652	4,789.85	6	4.76
3	Refunds made during the year		2,610.32	3,385	122.37

Sl. No.	Particulars	GST		Sales tax/VAT	
		No. of cases	Amount (₹ in crore)	No. of cases	Amount (₹ in crore)
4	Refunds rejected/set-off/adjusted during the year	21,466*	772.69	1,396	12.00
5	Balance outstanding at the end of year	5,507 #	1,109.82#	11,292	1,150.99

\*No separate column for no. of cases (refund made/rejected) available with department.

# The Department of GST & Trade and Taxes stated (August 2022) that there was a difference in the balance outstanding claims as depicted in GSTN portal and that arithmetically calculated for which a clarification had been sought from GSTN.

### Non-Tax Revenue

Non-tax revenue consists of interest receipts, dividends and profits, departmental receipts, etc. Components of Government of NCT of Delhi's non-tax revenue and trends are given in **Table 2.11** and **Chart 2.8**.

**Table 2.11 Components of Government of NCT of Delhi's non-tax revenue**

(₹ in crore)					
Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Interest Receipts</b>	<b>396</b>	<b>113</b>	<b>404</b>	<b>468</b>	<b>356</b>
<b>Dividends and profits</b>	<b>16</b>	<b>15</b>	<b>16</b>	<b>10</b>	<b>90</b>
<b>Other Non-tax revenue receipts</b>	<b>354</b>	<b>516</b>	<b>677</b>	<b>502</b>	<b>381</b>
a) Public Works	14	18	13	43	23
b) Education	26	29	27	79	10
c) Medical & Public health	89	103	112	95	97
d) Power	26	53	87	33	52
e) Others etc.	199	313	438	252	199
<b>Total Non-tax Revenue</b>	<b>766</b>	<b>644</b>	<b>1,097</b>	<b>980</b>	<b>827</b>

Source: Finance Accounts of respective years

Non-tax revenue increased by 7.96 per cent from ₹ 766 crore in 2017-18 to ₹ 827 crore in 2021-22. Non-tax revenue, which constituted 1.68 per cent of revenue receipts (₹ 49,313 crore) during 2021-22, decreased by ₹ 153 crore (15.61 per cent) over the previous year mainly on account of decrease in interest receipts by ₹ 112 crore (23.93 per cent) and other non-tax revenue receipts by ₹ 121 crore (24.10 per cent).

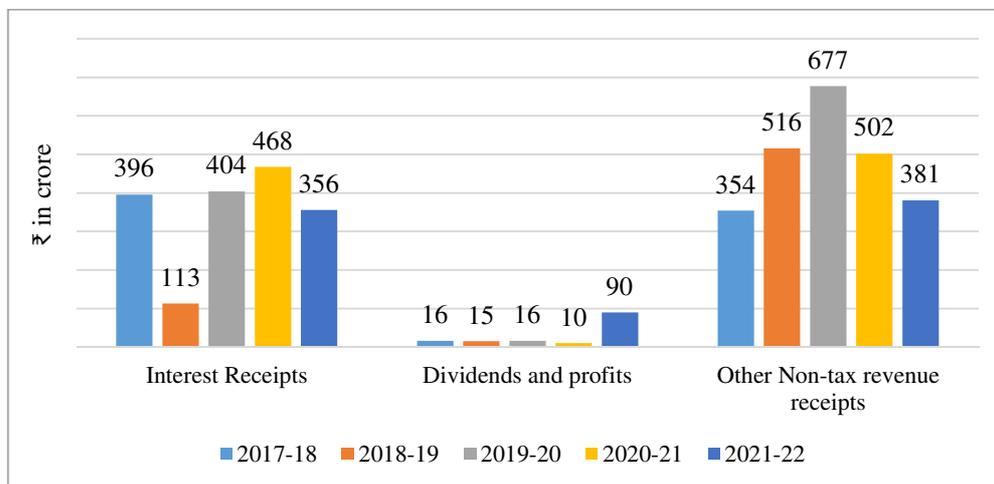
GNCTD's actual own non-tax revenue vis-à-vis RE for the year 2021-22 is shown in **Table 2.12**.

**Table 2.12: GNCTD's actual own non-tax revenue vis-à-vis RE for the year 2021-22**

(₹ in crore)				
Non-tax revenue head	RE (as per Receipts Budget 2021-22)	Actuals	Difference between RE and Actuals	Percentage of (+) Excess/ (-) Shortfall to RE
Interest Receipts	424	356	(-) 68	(-) 16.04
Dividends and profits	13	90	(+)77	(+)592.37
Other non-tax revenue receipts	363	381	(+) 18	(+)4.96
<b>Total</b>	<b>800</b>	<b>827</b>	<b>(+) 27</b>	<b>(+) 3.38</b>

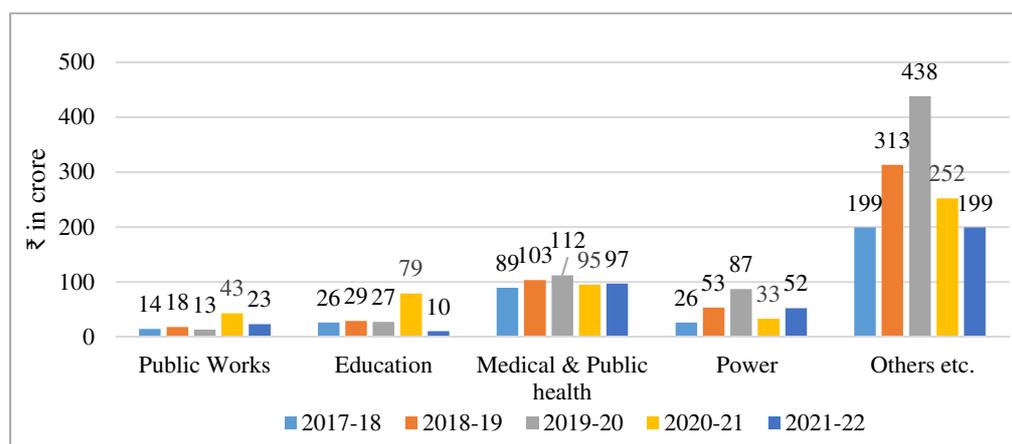
During 2021-22, the shortfall in interest receipt was attributable to decline in other interest receipts and the excess in dividends and profits was attributable to substantial increase (811 *per cent*) in dividends received from Public Undertakings over the previous year.

**Chart 2.8: Trends in Non-Tax Revenue Heads**



As evident from **Chart 2.8**, Other non-tax revenue receipts increased by ₹ 27 crore (7.63 *per cent*) during 2017-18 to 2021-22. The decrease in other non-tax revenue receipts by ₹ 121 crore (24.10 *per cent*) during 2021-22 over the previous year was mainly due to decrease of non-tax revenue receipts from General Services under the head ‘Public Works’ and ‘Social Services’ under the heads viz. Education and Urban Development. The trends in some heads of other non-tax revenue receipts are shown in **Chart 2.9**.

**Chart 2.9: Trends in heads of ‘Other Non-Tax revenue’**



### 2.3.2.3 Grants-in-Aid from Government of India

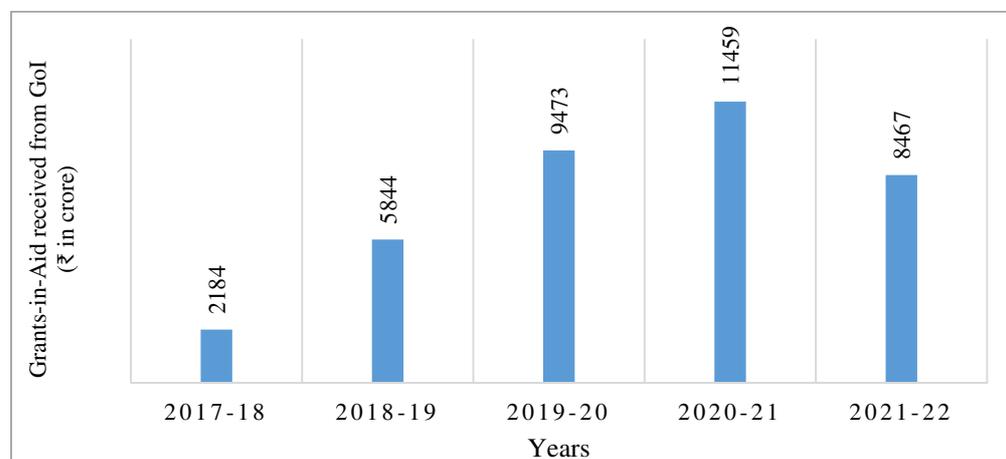
Government of India discontinued Plan and Non-plan classification for providing Grants-in-Aid (GIA) to States during 2017-18. During 2021-22, GNCTD received Grant-in-Aid (GIA) from GOI amounting to ₹ 8,467 crore (93.35 *per cent*) against the BE of ₹ 9,070 crore. The details of GIA from GoI are in **Table 2.13**:

**Table 2.13: Grants-in-aid from Government of India**

(₹ in crore)					
Head	2017-18	2018-19	2019-20	2020-21	2021-22
Centrally Sponsored Schemes (CSS)	527.27	807.03	1,169.48	1,441.46	991.93
Normal Central Plan Assistance (block grants)	412.98	449.99	472.00	626.00	626.00
Other Grants	706.30	79.75	70.56	Nil	3.43
Grants in lieu of Share in Central Taxes	325.00	325.00	325.00	325.00	325.00
Compensation of loss of revenue arising out of implementation of GST	157.00	4,182.00	7,436.00	5,521.65	6,445.96
National Social Assistance Programme (NSAP)	54.59	NSAP scheme merged in CSS w.e.f 2018-19			
Central Road Fund (CRF)	1.16	Nil	Nil	Nil	Nil
Other Grants (Plan)	Nil	Nil	Nil	Nil	Nil
Contribution to the Delhi Disaster Response Fund	Nil	Nil	Nil	161.49	Nil
Grants to meet Revenue Deficit	Nil	Nil	Nil	3,383.00	Nil
Grants as advance assistance for relief on account of Natural Calamities	Nil	Nil	Nil	Nil	75.00
<b>Total</b>	<b>2,184.30</b>	<b>5,843.77</b>	<b>9,473.04</b>	<b>11,458.60</b>	<b>8,467.32</b>
<b>Percentage of GIA to Revenue Receipts</b>	<b>5.65</b>	<b>13.55</b>	<b>20.10</b>	<b>27.37</b>	<b>17.17</b>

Source: Finance Accounts of respective years

GIA from GoI increased from ₹ 2,184.30 crore in 2017-18 to ₹ 8,467.32 crore (287.68 per cent) in 2021-22. GIA from GoI decreased by ₹ 2,991.28 crore (26.11 per cent) in 2021-22 over the previous year. This was mainly due to nil receipt under 'Grants to meet Revenue Deficit' during 2021-22. Delhi is not covered under the recommendations of the Central Finance Commission and only gets grant-in-aid in lieu of State's share of Union taxes and duties, which has remained stagnant at ₹ 325 crore since 2001-02 although the Central tax collections have grown substantially since 2001-02. The trends in GIA for the period from 2017-18 to 2021-22 is shown in **Chart 2.10**.

**Chart 2.10: Trend in Grants-in-Aid**

To verify the utilisation of grants-in-aid received from GoI, under Centrally Sponsored Schemes five schemes were selected for detailed study. The audit observations are as under:

**a) Emergency Response and Health System Preparedness Package**

The Delhi State Health Mission under the Department of Health and Family Welfare (DSHM), GNCTD received Grants-in-Aid of ₹ 44.01 crore, during 2021-22, from Government of India (GoI) for implementation of Centrally Sponsored Scheme of Emergency Response and Health System Preparedness Package. Further, there was a total unspent balance of previous year (2020-21) of ₹ 245.07 crore under the said scheme.

Audit noted that, against the total funds of ₹ 309.22 crore (including State share of ₹ 20.14 crore), an expenditure of ₹ 276.83 crore was incurred by the DSHM. An amount of ₹ 32.39 crore remained unspent as on 31 March 2022 (does not include ₹ 4.82 crore interest received during 2021-22). Further, DSHM has furnished the Utilization Certificate (UCs) for the grants received from the Ministry of Health and Family Welfare, GoI during the year 2021-22.

DSHM stated (August 2022) that most of the GIA for the financial year 2021-22 related to COVID-19, which had been released by the GoI at the end of year due to which 100 *per cent* utilization of funds was not achieved.

Furthermore, as per GFR 230(8), all interests or other earnings against Grants in aid or advances (other than reimbursement) released to any Grantee institution should be mandatorily remitted to the Consolidated Fund of India immediately after finalization of the accounts. However, interest of ₹ 4.82 crore earned on grants received from GoI was not remitted to the GoI account.

Reply of Delhi State Health Mission was awaited. (December 2022)

**b) Samagra Shiksha**

(i) The Directorate of Education (DoE) received Grants-in-Aid of ₹ 145.88 crore, during 2021-22, from the Department of School Education & Literacy, Ministry of Education (MoE), Government of India (GoI), under the Centrally Sponsored Scheme of Samagra Shiksha (i) ₹ 121.27 crore (Elementary Education), (ii) ₹ 20.75 crore (Secondary Education) and (iii) ₹ 3.86 crore (Teacher Education). There was also an unspent balance of ₹ 88.45 crore (60 *per cent* of ₹ 147.42 crore) of the previous year (2020-21).

Audit revealed that against the total funds of ₹ 234.33 crore, expenditure of ₹ 188.38 crore (60 *per cent* of ₹ 313.97 crore) was incurred by the DoE for which a provisional Utilization Certificate (UC) was furnished to the MoE, GoI. An amount of ₹ 45.95 crore remained unspent as on 31 March 2022. The unspent

balance was mainly attributable to release of funds of ₹ 33.28 crore by the MoE at the fag end of the financial year 2021-22 i.e., on 30 March, 2022.

DoE stated (August 2022) that MoE had allowed utilization of the balance amount during the next financial year- 2022-23 and the same will be adjusted by the MoE during the release of Grant for the financial year 2022-23.

(ii) As per rule 239 of General Financial Rule 2017, “when Central Grants are given to State Government for implementation of Central Scheme, Utilization Certificate in format GFR-12-C may be submitted by the State Government in respect of the scheme. The UC should be counter-signed by the Administrative Secretary of the division regulating the Scheme/Finance Secretary”.

However, the provisional UC submitted by DoE was not in the prescribed format in contravention to the said rule.

DoE did not furnish the copy of final UC to Audit on the grounds (September 2022) that the statutory Audit of Samagra Shiksha-Delhi for the financial year 2021-22 was under process and the final audited UC for the financial year 2021-22 would be furnished after completion of statutory audit.

**c) Anganwadi Service Scheme**

The Department of Women and Child Development (DWCD), GNCTD received Grants-in-Aid of ₹ 132.91 crore from the Ministry of Women and Child Development (MoWCD), Government of India (GoI) during 2021-22 under Centrally Sponsored Scheme of Anganwadi Service (i) Supplementary Nutrition Programme ₹ 78.25 crore, (ii) General ₹ 54.66 crore.

Audit revealed that against the total funds of ₹ 132.91 crore, expenditure of ₹ 157.48 crore, (including excess expenditure of ₹ 37.85 crore during 2020-21) was incurred by DWCD resulting in the excess expenditure of ₹ 24.57 crore during 2021-22. The Utilization Certificates thereof have been furnished to the MoWCD.

DWCD attributed (September 2022) the reasons for excess expenditure to non-receipt funds from GOI in time and the payments being made from State's share.

**d) Pradhan Mantri Kaushal Vikas Yojna (PMKVY)**

The Department of Training and Technical Education (DTTE) received GIA of ₹ 19.92 crore under Centrally Sponsored Scheme (CSS) for implementation of Pradhan Mantri Kaushal Vikas Yojna (PMKVY) during the year 2021-22. There was also an unspent balance of ₹ 0.18 crore from the previous year.

However, Audit noted that DTTE incurred an expenditure of ₹ 9.71 crore, against the total availability of ₹ 20.10 crore<sup>9</sup>, resulting in savings of ₹ 9.73<sup>10</sup> crore (48.39 per cent).

The savings was mainly attributable to receipt of funds of ₹ 14.30 crore (out of ₹ 19.92 crore) from GOI in the month of March 2022.

**e) Swachh Bharat Mission (SBM) & Atal Mission for Rejuvenation and Urban Transformation (AMRUT)**

As per information furnished by Principal Accounts Office (PAO), GNCTD to Audit, Department of Urban Development (UD) received Grants-in-Aid of ₹ 400.02 crore, during 2021-22 from the Government of India (GoI) under two Centrally Sponsored Schemes (CSS), namely- Swachh Bharat Mission (SBM) (₹ 193.82 crore) and Atal Mission for Rejuvenation and Urban Transformation (AMRUT) (₹ 206.20 crore).

However, as per records made available by UD, UD had received total grants amounting to ₹ 399.82 crore (₹ 193.62 crore under SBM and ₹ 206.20 crore under AMRUT).

Thus, difference of ₹ 0.20 crore between the figures provided by the PAO, GNCTD and UD for GIA received from the Centre, remained unreconciled.

UD stated (August 2022) that against GIA of ₹ 20,620.20 lakh received from GoI during 2021-22, funds amounting to ₹ 20,620 lakh had been transferred to State Nodal Account (SNA) and the proposal for transferring the balance amount of ₹ 20,000 was under process.

Against the total funds of ₹ 518.48 crore received during the period 2016-2022 for AMRUT scheme from GoI, ₹ 357.89 crore had been utilised, as evidenced by the Utilisation Certificates furnished by UD on a cumulative basis to GoI. There was a cumulative savings of ₹ 160.59 crore (31 per cent) under the AMRUT scheme.

As regards SBM scheme, ₹ 193.62 crore received from GoI during 2021-22 had been transferred to Single Nodal Account (SNA) of UD for onward transmission to implementing agencies in the next FY i.e., 2022-23 (as most of these receipts were sanctioned in the last week of March 2022). No Utilisation Certificates in respect of SBM scheme were furnished by UD to audit due to which the details regarding the actual expenditure and unspent balance could not be verified.

### 2.3.3 Capital Receipts

Capital receipts of Government of NCT of Delhi comprise recoveries of loans and advances advanced by GNCTD (non-debt) and receipts of loan and

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<sup>9</sup> Include unspent balance of ₹ 0.18 crore (2020-21)

<sup>10</sup> After excluding return of GIA of ₹ 0.66 crore by DTTE during 2021-22

advances (debt) from GoI. Capital receipts during five years (2017-18 to 2021-22) are detailed in **Table 2.14**.

**Table 2.14: Trends in growth and composition of Capital Receipts**

(₹ in crore)

Sources of Government of NCT of Delhi's Receipts	2017-18	2018-19	2019-20	2020-21	2021-22
Capital Receipts (debt and non-debt)	2,597	4,524	5,588	15,996	11,816
Loans and advances from GoI (debt)	1,906	2,880	4,765	15,365	11,193
Recoveries of Loans and Advances (non-debt)	691	1,644	823	631	623
Internal Debt <sup>11</sup>	NA	NA	NA	NA	NA
Growth rate	NA	NA	NA	NA	NA
Rate of growth of debt Capital Receipts	12.38	51.10	65.45	99.37 <sup>12</sup>	(-) 47.37 <sup>13</sup>
Rate of growth of non-debt capital receipts	225.94	137.92	(-)49.94	(-)23.33	(-)1.27
Rate of growth of GSDP	10.03	8.92	7.54	(-)1.09	17.65
Rate of growth of Capital Receipts ( <i>per cent</i> )	36.11	74.20	23.52	186.26	(-)26.13

Source: Directorate of Economic and Statistics and Finance Accounts of respective years

Debt capital receipt i.e. Loans and Advances from GoI decreased by 47.37 *per cent* from ₹ 15,365 crore in 2020-21 to ₹ 11,193 crore in 2021-22 mainly due to 'nil' disbursement from GoI during 2021-22 towards share of small saving. Similarly, non-debt capital receipts i.e. recoveries of loans and advances also decreased by 1.27 *per cent* from ₹ 631 crore in 2020-21 to ₹ 623 crore in 2021-22.

## 2.4 Application of Resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development of capital infrastructure and social sector. This paragraph along with sub-paragraphs gives the analysis of allocation of expenditure in the State.

### 2.4.1 Growth and Composition of Expenditure

Trends and composition of total expenditure over the last five years (2017-18 to 2021-22) are shown in **Table 2.15** and **Chart 2.11**.

<sup>11</sup> There is no internal debt of Government of NCT of Delhi.

<sup>12</sup> Arrived at after exclusion of GST Compensation of ₹ 5,865 crore received as back to back loan under debt receipts.

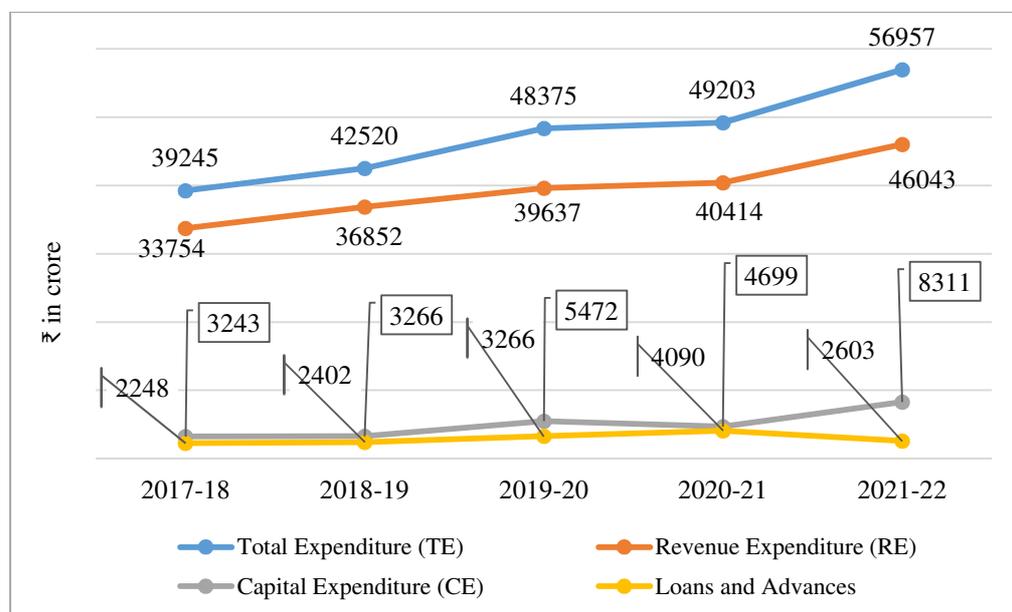
<sup>13</sup> Arrived at after exclusion of GST Compensation of ₹ 6,193 crore received as back to back loan under debt receipts.

**Table 2.15: Total expenditure and its composition**

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Total Expenditure (TE)<sup>14</sup></b>	39,245	42,520	48,375	49,203	56,957
<b>Revenue Expenditure (RE)</b>	33,754	36,852	39,637	40,414	46,043
<b>Capital Expenditure (CE)</b>	3,243	3,266	5,472	4,699	8,311
<b>Loans and Advances (L&amp;A)</b>	2,248	2,402	3,266	4,090	2,603
<b>As a percentage of GSDP</b>					
<b>TE/GSDP</b>	5.79	5.76	6.09	6.27	6.16
<b>RE/GSDP</b>	4.98	4.99	4.99	5.15	4.98
<b>CE/GSDP</b>	0.48	0.44	0.69	0.60	0.90
<b>L&amp;A /GSDP</b>	0.33	0.33	0.41	0.52	0.28

Source: Finance Accounts of respective years

**Chart 2.11: Total expenditure: Trends and Composition**



Source: Finance Accounts of respective years

It can be seen from **Chart 2.11** that the total expenditure continuously increased from ₹ 39,245 crore during 2017-18 to ₹ 56,957 crore during 2021-22 at a Compound Annual Growth rate (CAGR) of 7.73 per cent.

Similarly, the revenue expenditure continuously increased from ₹ 33,754 crore during 2017-18 to ₹ 46,043 crore during 2021-22 at a CAGR of 6.41 per cent. Capital expenditure displayed inter-year fluctuation ranged from ₹ 3,243 crore (2017-18) to ₹ 4,699 crore (2020-21) but increased rapidly by ₹ 3,612 crore (77 per cent) in 2021-22 to ₹ 8,311 crore. The increase was mainly attributable to increase in capital expenditure on Education, Sports, Art and Culture (₹ 1,027

<sup>14</sup> Excluding repayment of public debt.

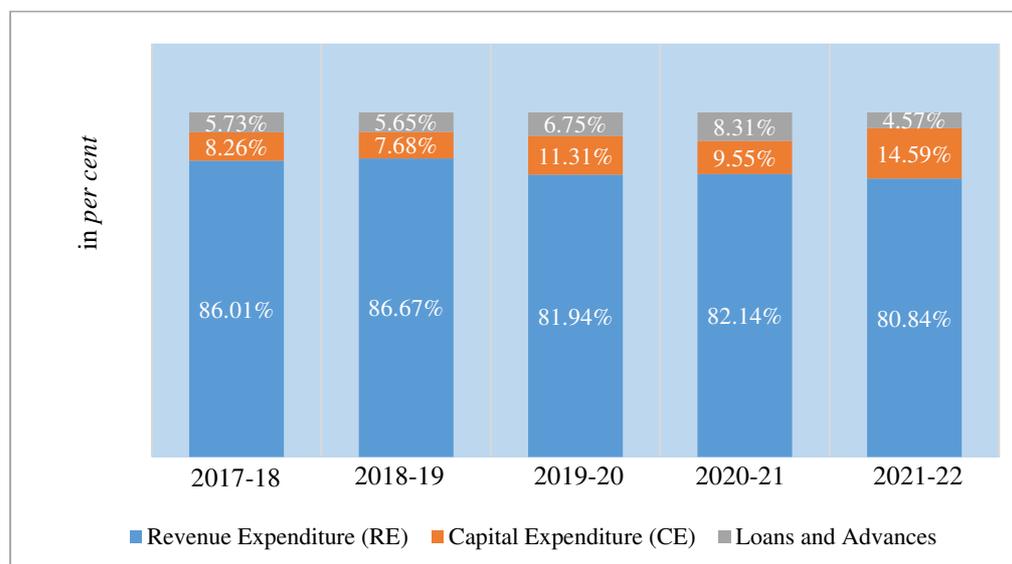
crore), Transport (₹ 959 crore), Medical and Public Health (₹ 920 crore) over previous year.

Further, disbursement of loans and advances increased during 2017-18 to 2020-21 from ₹ 2,248 crore to ₹ 4,090 crore but decreased significantly by ₹ 1,487 crore (36 per cent) in 2021-22 to ₹ 2,603 crore. The decrease was mainly due to dip in disbursements of loans and advances for Water supply and Sanitation by ₹ 1,212 crore (54 per cent) over previous year.

### Trends in share of components of expenditure

Trends in share of components of total expenditure (excluding public debt repayment) are shown in **Chart 2.12**. Revenue expenditure was 80.84 per cent of the total expenditure whereas capital expenditure and disbursement of loans and advances were 14.59 per cent and 4.57 per cent, respectively for the year 2021-22.

**Chart 2.12: Total Expenditure: Trends in share of its components**



Source: Finance Accounts of respective years

### Relative share of various sectors of expenditure

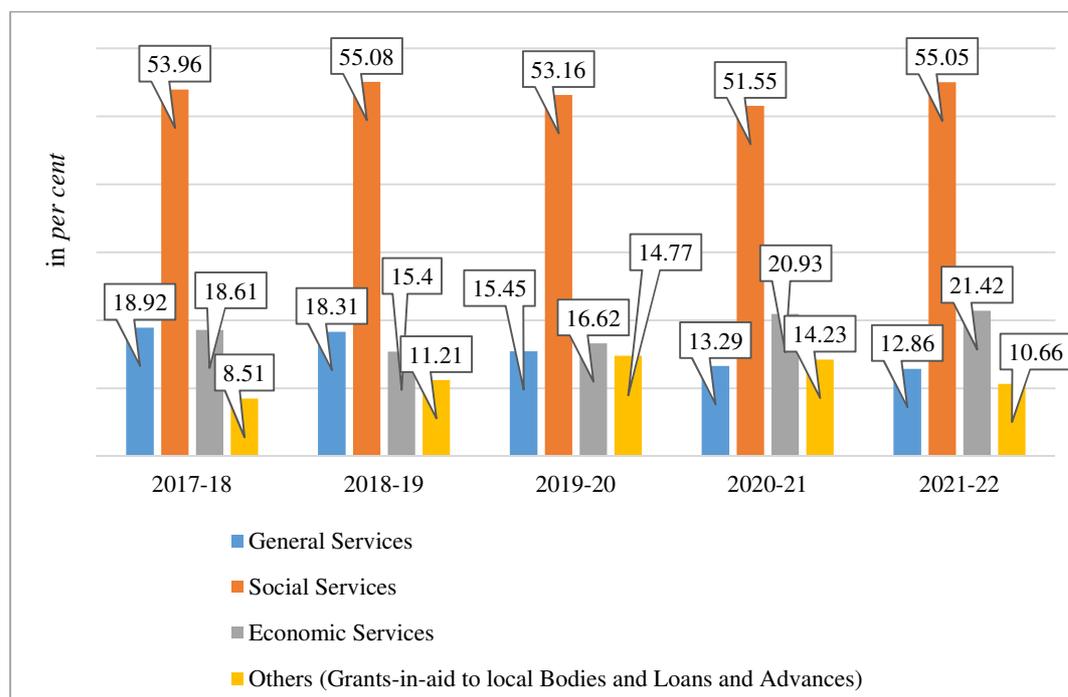
Relative shares of various sectors of expenditure are shown in **Table 2.16**. The share of general services in total expenditure (excluding public debt) decreased from 13.29 per cent in 2020-21 to 12.86 per cent in 2021-22.

**Table 2.16: Relative share of various sectors of expenditure out of total expenditure (excluding public debt repayment)**

(in per cent)					
Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
General Services <sup>15</sup>	18.92	18.31	15.45	13.29	12.86
Social Services <sup>16</sup>	53.96	55.08	53.16	51.55	55.05
Economic Services <sup>17</sup>	18.61	15.40	16.62	20.93	21.42
Others (Grants-in-aid and contribution to local bodies and Loans and Advances to Institutions, Departments, etc., of GNCTD)	8.51	11.21	14.77	14.23	10.66

Share of social services increased from 51.55 *per cent* in 2020-21 to 55.05 *per cent* in 2021-22. Also the share of economic services increased marginally from 20.93 *per cent* in 2020-21 to 21.42 *per cent* in 2021-22. Total expenditure on disbursement of loans and advances and grants to local bodies decreased from 14.23 *per cent* in 2020-21 to 10.66 *per cent* in 2021-22. Total expenditure by activities is shown in **Chart 2.13**.

**Chart 2.13: Total expenditure (excluding public debt) - Expenditure by activities**



<sup>15</sup> Includes Administration and Fiscal services such as Land revenue, Excise & GST, Police, Jails, Public works, etc.

<sup>16</sup> Includes Education, Health and family welfare, Water supply, Sanitation, Housing, Urban development, Labour welfare, Social welfare etc.

<sup>17</sup> Includes Agriculture and allied activities, Rural Development, Irrigation & Flood control, etc.

### 2.4.2 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for past obligations. As such, it does not result in any addition to the State's infrastructure and service network. **Table 2.17** presents the revenue expenditure over five years (2017-18 to 2021-22). Revenue expenditure increased by 36.41 *per cent* from ₹ 33,754 crore in 2017-18 to ₹ 46,043 crore in 2021-22. As a percentage of GSDP, revenue expenditure remained at 4.98 *per cent* in 2017-18 and 2020-21, respectively. Revenue expenditure increased by 13.93 *per cent* from ₹ 40,414 crore in 2020-21 to ₹ 46,043 crore in 2021-22 mainly due to increase in revenue expenditure on economic services from ₹ 8,514 crore in 2020-21 to ₹ 9,328 crore in 2021-22 (9.56 *per cent*) and on social services from ₹ 22,693 crore in 2020-21 to ₹ 26,294 crore in 2021-22 (15.87 *per cent*).

**Table 2.17: Revenue Expenditure – Basic Parameters**

(₹ in crore)

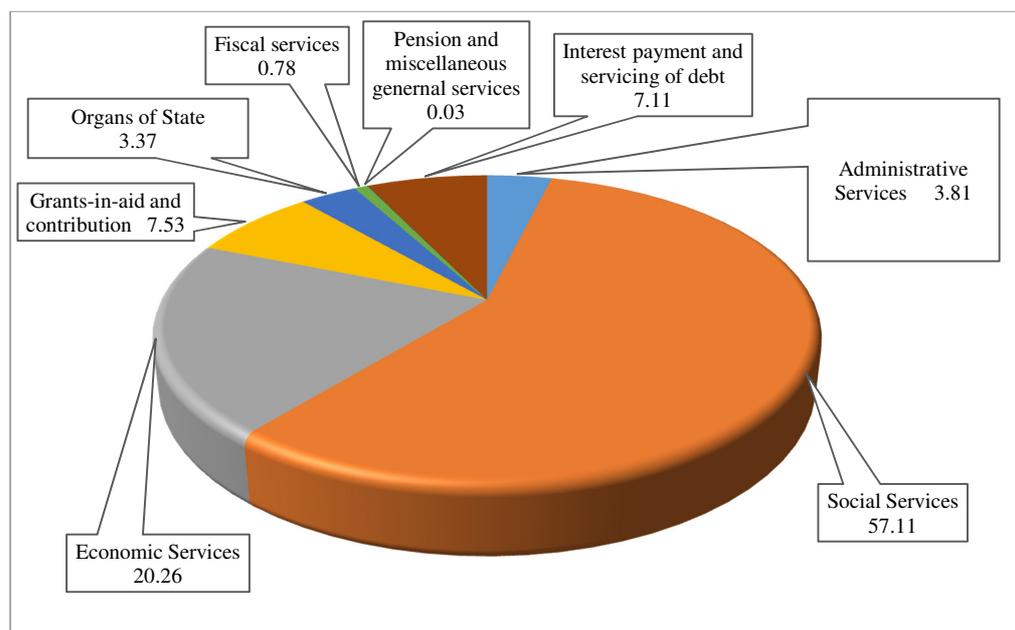
Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Total Expenditure (TE)</b>	39,245	42,520	48,375	49,203	56,957
<b>Revenue Expenditure (RE)</b>	33,754	36,852	39,637	40,414	46,043
<b>Rate of Growth of RE from previous year (<i>per cent</i>)</b>	15.19	9.18	7.56	1.96	13.93
<b>Revenue Expenditure as percentage of TE</b>	86.01	86.67	81.94	82.14	80.84
<b>GSDP (2011-12 Series)</b>	6,77,900	7,38,389	7,94,030	7,85,342	9,23,967
<b>Rate of growth of GSDP (<i>per cent</i>)</b>	10.03	8.92	7.54	(-)1.09	17.65
<b>RE/GSDP (<i>per cent</i>)</b>	4.98	4.99	4.99	5.15	4.98
<b>RE as percentage of Revenue Receipt</b>	87.29	85.48	84.09	96.54	93.37
<b>Buoyancy of Revenue Expenditure</b>					
<b>Revenue expenditure buoyancy w.r.t GSDP (ratio)</b>	1.51	1.03	1.00	*	0.79
<b>Revenue expenditure buoyancy w.r.t Revenue Receipts (ratio)</b>	1.21	0.80	0.81	*	0.78

Source: Finance Accounts of respective years.

\* Since growth rate of GSDP was negative hence buoyancy was not calculated.

Sector-wise distribution of revenue expenditure for the period 2021-22 is shown in **Chart 2.14**.

**Chart 2.14: Sector-wise distribution of revenue expenditure (in per cent) for 2021-22**



#### 2.4.2.1 Major changes in Revenue Expenditure

Variation in revenue expenditure during 2021-22 compared to 2020-21 under major heads of account are shown in **Table 2.18**:

**Table 2.18: Variation in revenue expenditure over major heads during 2021-22 compared to 2020-21**

(₹ in crore)

Major Heads of Account	2020-21	2021-22	Increase (+)/ Decrease (-) (in per cent)
2040-Taxes on Sales, Trade, etc.	39.80	19.97	(-) 49.82
2075-Miscellaneous General Services	9.32	13.75	47.53
2215-Water Supply and Sanitation	1891.57	1136.53	(-) 39.92
2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	51.14	191.47	274.40
2236 Nutrition	151.42	0	(-) 100
2501-Special Programmes for Rural Development	6.21	5.78	(-) 6.92
2216-Housing	100.41	140.37	39.80
2515-Other Rural Development Programmes	7.50	9.09	21.20

The percentage change in major heads of revenue expenditure shows variations over the period of two years. Revenue expenditure under the Head '2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities' increased by ₹ 140.33 crore (274.40 per cent) from the previous year due to increase in expenditure on education (₹ 90 crore) for Scheduled

Castes, Scheduled Tribes, Other Backward Classes and Minorities, while expenditure under the Head '2236-Nutrition' decreased by 100 *per cent* over the previous year.

#### 2.4.2.2 Committed Expenditure

The committed expenditure of GNCTD on revenue account consists of expenditure on salaries and wages, pensions and interest payments. It is first charge on Government resources. Upward trend on committed expenditure leaves the Government with lesser flexibility for the development sector. The components of committed expenditure are given in **Table 2.19**:

**Table 2.19: Components of Committed Expenditure**

(₹ in crore)

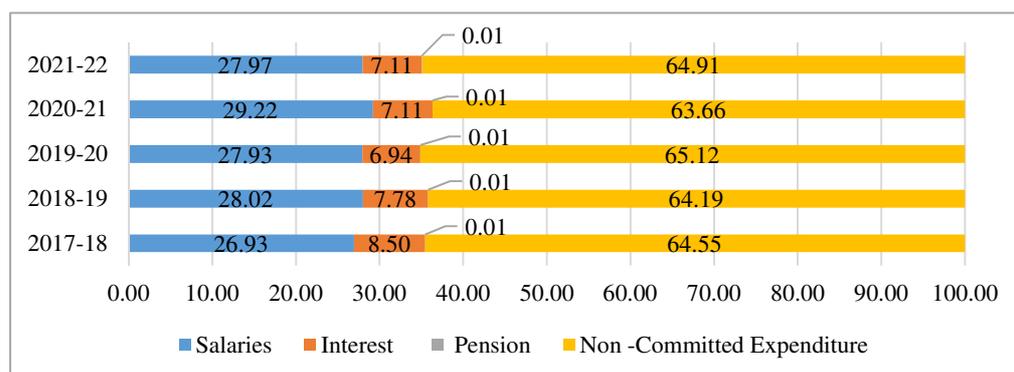
Components of Committed Expenditure	2017-18	2018-19	2019-20	2020-21	2021-22
Salaries and Wages	9,089.60	10,324.66	11,070.04	11810.19	12878.34
Expenditure on Pensions*	3.84	3.31	3.56	2.67	3.28
Interest Payments	2,870.67	2,867.11	2,751.87	2873.83	3274.24
<b>Total</b>	<b>11,964.11</b>	<b>13,195.08</b>	<b>13,825.47</b>	<b>14686.69</b>	<b>16155.86</b>
<b>As a percentage of Revenue Receipts (RR)</b>					
Salaries and Wages	23.51	23.95	23.49	28.21	26.12
Expenditure on Pensions	0.01	0.01	0.01	0.01	0.01
Interest Payments	7.42	6.65	5.84	6.86	6.64
<b>Total</b>	<b>30.94</b>	<b>30.61</b>	<b>29.34</b>	<b>35.08</b>	<b>32.77</b>
<b>As a percentage of Revenue Expenditure (RE)</b>					
Salaries and Wages	26.93	28.02	27.93	29.22	27.97
Expenditure on Pensions	0.01	0.01	0.01	0.01	0.01
Interest Payments	8.50	7.78	6.94	7.11	7.11
<b>Total</b>	<b>35.44</b>	<b>35.81</b>	<b>34.88</b>	<b>36.34</b>	<b>35.09</b>

\* Pension of Ex-MLAs and freedom fighters in Delhi only, as Pension Liability of GNCTD employees are borne by GoI.

Salaries and wages increased by 41.68 *per cent* from ₹ 9,089.60 crore in 2017-18 to ₹ 128,78.34 crore in 2021-22. Similarly, Interest payment increased by 14.06 *per cent* from ₹ 2,870.67 crore in 2017-18 to 3274.24 crore in 2021-22.

The share of committed expenditure in total revenue expenditure is given in **Chart 2.15**.

**Chart 2.15: Share of component of committed expenditure in total revenue expenditure (in percentage)**



### 2.4.2.3 National Pension System

State Government employees recruited on or after 1 January 2004 are eligible for the National Pension System (NPS). In terms of the scheme, employees contribute 10 *per cent* of basic pay and dearness allowance, however employer contribution was raised from 10 *per cent* to 14 *per cent* w.e.f. 1 April 2019. The entire amount is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank.

The pension liabilities of GNCTD are borne by GoI and the yearly budget towards employers' contribution under NPS and other retirement benefits is allotted by the Central Pension Accounting Office to GNCTD under the Major head '2071- Pensions and Retirement Benefits', which subsequently deposits the requisite funds with the NSDL/Trustee Bank.

As per information provided by the Principal Accounts Office, during 2021-22, the Government of NCT of Delhi deposited ₹ 870.61 crore with the NSDL/Trustee Bank against employee's contribution of ₹ 364.56 crore and employer's share of ₹ 506.05 crore. Hence, there was nothing outstanding against the employee as well as employers' contribution during 2021-22 under NPS.

### 2.4.2.4 Subsidies

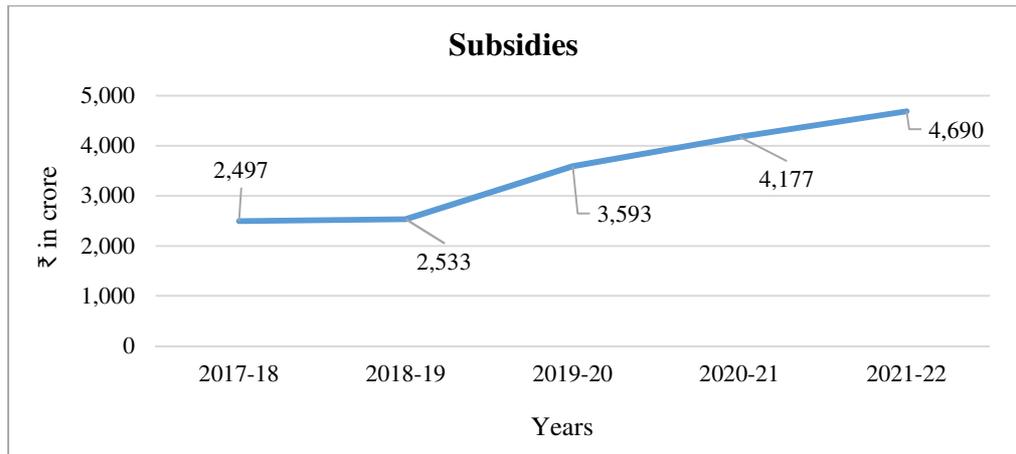
GNCTD gives subsidy for female bus commuters (through DTC/Cluster buses), to consumers of Delhi Jal Board and DISCOMs, for implementation of Right to Education Act, etc. Expenditure on subsidies by GNCTD are shown in **Table 2.20**. Expenditure on subsidies increased from ₹ 2,497 crore in 2017-18 to ₹ 4,690 crore in 2021-22 (87.83 per cent). In 2021-22, expenditure on subsidies increased by 12.28 per cent over the previous year.

**Table 2.20: Expenditure on subsidies during 2017-18 to 2021-22**

(₹ in crore)

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Subsidies</b>	2,497	2,533	3,593	4,177	4,690
<b>Revenue receipts</b>	38,667	43,113	47,136	41,864	49,313
<b>Revenue expenditure</b>	33,754	36,852	39,637	40,414	46,043
<b>Subsidies as a percentage of revenue receipts (in <i>per cent</i>)</b>	6.46	5.88	7.62	9.98	9.51
<b>Subsidies as a percentage of revenue expenditure (in <i>per cent</i>)</b>	7.40	6.87	9.06	10.34	10.19

Chart 2.16: Trend of Subsidies



Subsidies as a percentage of revenue receipts marginally decreased from 9.98 per cent in 2020-21 to 9.51 per cent in 2021-22. Subsidies as a percentage of revenue expenditure marginally decreased from 10.34 per cent in 2020-21 to 10.19 per cent in 2021-22.

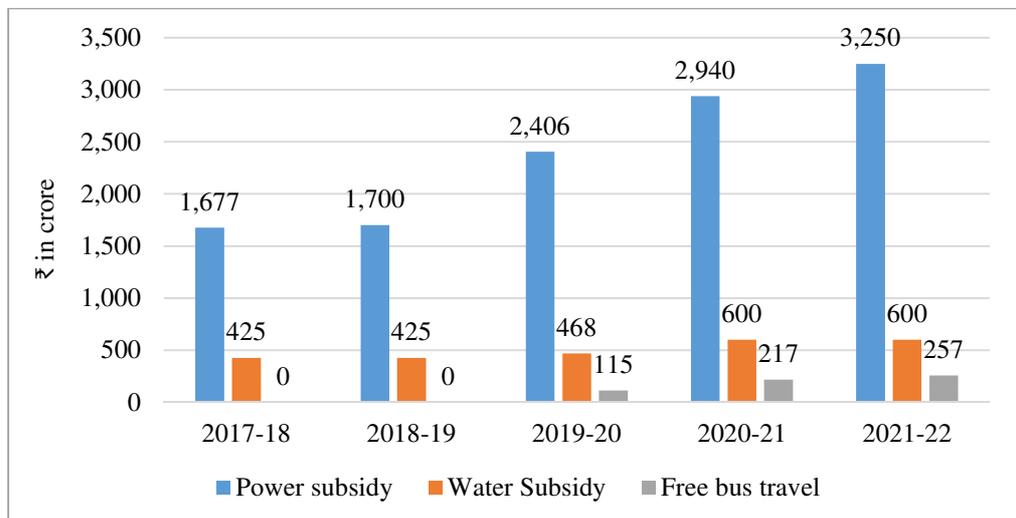
Subsidies given by GNCTD to consumers through DISCOMS (Power subsidy), Delhi Jal Board (DJB) (Water subsidy) and Female bus commuters (through DTC/Cluster buses) (Free bus travel) during the period 2017-18 to 2021-22 are given in Table 2.21.

Table 2.21 Trend of subsidy given by the GNCTD for power, water and free bus travel during 2017-18 to 2021-22

(₹ in crore)

Year	Power subsidy	Water Subsidy	Free bus travel
2017-18	1,676.70	425.00	Not applicable
2018-19	1,699.71	425.00	Not applicable
2019-20	2,405.59	467.50	114.69
2020-21	2,939.99	600.00	217.04
2021-22	3,250.00	600.00	257.39

Chart 2.17: Trend of subsidy given by the GNCTD for power, water and free bus travel



Power subsidy given to the DISCOMs consumers increased by 93.83 per cent from ₹ 1,676.70 crore in 2017-18 to ₹ 3,250 crore in 2021-22. Water Subsidy given to DJB consumers increased by 41.18 per cent from ₹ 425 crore in 2017-18 to ₹600 crore in 2021-22. Subsidy given to DTC/Cluster buses for Female bus commuters increased by 124.42 per cent from ₹ 114.69 crore in 2019-20 to ₹ 257.39 crore in 2021-22.

#### 2.4.2.5 Financial Assistance by GNCTD to local bodies and other Institutions

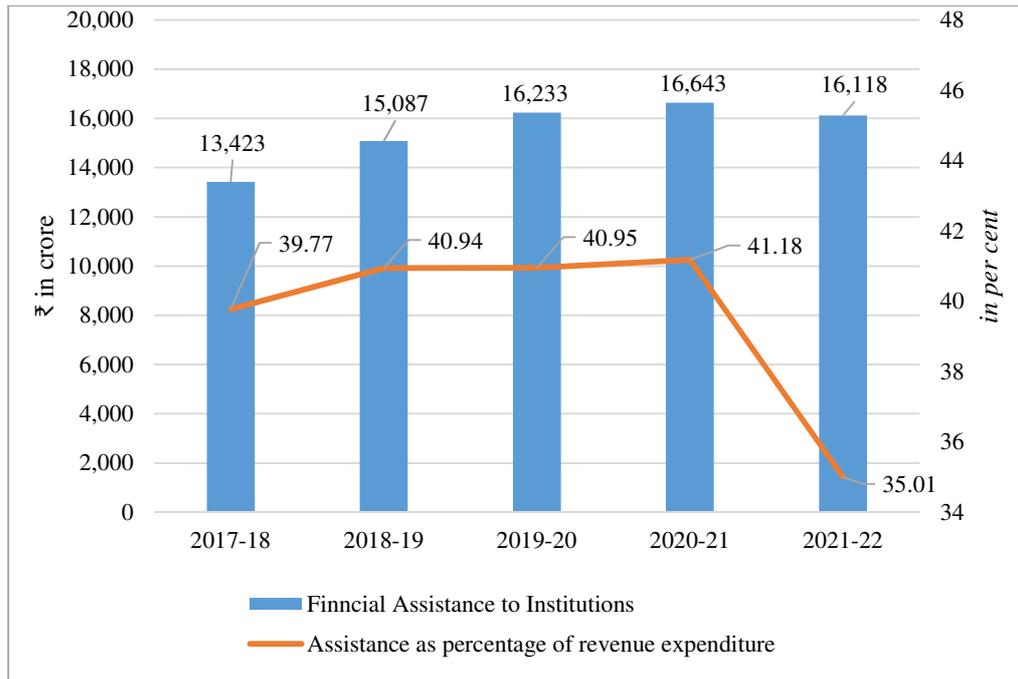
Financial assistance is provided by GNCTD to local bodies and other institutions by way of grants and loans. Details are shown in **Table 2.22** and trends in financial assistance are shown in **Chart 2.18**.

**Table 2.22: Financial Assistance to Local Bodies, etc.**

	(₹ in crore)				
Financial Assistance to Institutions	2017-18	2018-19	2019-20	2020-21	2021-22
<b>(A) Local Bodies</b>					
Municipal Corporations and Municipalities	6,242	6,337	6,222	5,500	5,490
<b>Total (A)</b>	<b>6,242</b>	<b>6,337</b>	<b>6,222</b>	<b>5,500</b>	<b>5,490</b>
<b>(B) Others</b>					
Delhi Cantonment Board	26	23	15	15	11
Delhi Jal Board	1,930	2,316	2,855	4,319	2,462
Delhi Transport Corporation	2,007	1,825	2,030	2,475	2,320
Delhi Urban Shelter Improvement Board	256	507	379	833	384
Others (including Delhi Metro Rail Corporation, Higher Education Institutions, Technical Education Institutions, Hospitals, Road Safety Cell, etc)	2,962	4,079	4,732	3,501	5,451
<b>Total (B)</b>	<b>7,181</b>	<b>8,750</b>	<b>10,011</b>	<b>11,143</b>	<b>10,628</b>
<b>Total (A+B)</b>	<b>13,423</b>	<b>15,087</b>	<b>16,233</b>	<b>16,643</b>	<b>16,118</b>
Revenue expenditure	33,754	36,852	39,637	40,414	46,043
Assistance as percentage of revenue expenditure	39.77	40.94	40.95	41.18	35.01

Source: Information received from Principal Accounts Office, GNCTD

**Chart 2.18: Trends in financial assistance**

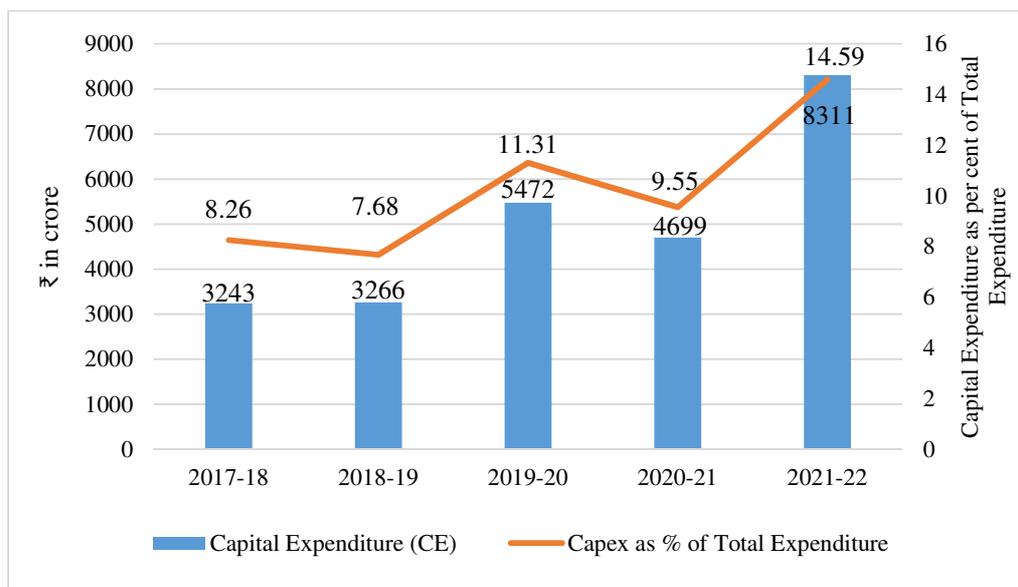


Financial assistance to local bodies and others decreased by 3.15 per cent from ₹ 16,643 crore in 2020-21 to ₹16,118 crore in 2021-22. As a percentage of revenue expenditure, financial assistance decreased from 41.18 per cent in 2020-21 to 35.01 per cent in 2021-22.

### 2.4.3 Capital Expenditure

Capital expenditure includes expenditure on creation of fixed infrastructure assets such as roads, buildings, etc. Trends in capital expenditure are presented in **Chart 2.19**.

**Chart 2.19: Capital expenditure in the Government of NCT of Delhi**



It can be seen from the **Chart 2.19** that capital expenditure during 2017-18 to 2021-22 displayed inter-year fluctuations ranging from ₹ 3,243 crore to ₹ 8,311 crore. Similarly, capital expenditure as percentage of total expenditure displayed inter-year fluctuations ranging from 7.68 *per cent* to 14.59 *per cent* during the period 2017-22. Capital expenditure increased from ₹ 4,699 crore to ₹ 8,311 crore (76.87 *per cent*) in 2021-22 over the previous year.

### 2.4.3.1 Major Changes in Capital Expenditure

Changes in major heads of capital expenditure are shown in **Table 2.23**:

**Table 2.23: Capital expenditure under major heads of account during 2021-22 compared to 2020-21**

Major Heads (MH) of Account	2020-21	2021-22	(₹ in crore)
			Increase (+)/ Decrease (-) in percentage
4210-Capital Outlay on Medical and Public Health	536.83	1457.20	171.45
4202- Capital Outlay on Education, Sports, Art and Culture	973.15	1999.78	105.50
5055-Capital Outlay on Road Transport	654.85	1277.68	95.11
4059-Capital Outlay on Public Works	211.60	316.97	49.80
5054-Capital Outlay on Roads and Bridges	934.23	1270.42	35.99
4217-Capital Outlay on Urban development	1121.53	1387.11	23.68
4711- Capital Outlay on Flood Control Projects	102.98	118.35	14.93
4702- Capital Outlay on Minor Irrigation	1.29	1.25	(-) 3.10

Source: Finance Accounts of respective years.

Capital outlay on Medical and Public Health (MH-4210) increased by 171.45 *per cent* (₹ 920.37 crore) over the previous year mainly due to additional capital expenditure (₹963.42 crore) on hospitals and dispensaries. Similarly, Capital outlay on Education, Sports, Art & Culture (MH-4202) under the ‘Major Head-4202’ increased by 105.50 *per cent* (₹ 1026.63 crore) over the previous year mainly due to increased capital outlay on engineering/technical colleges and institutes (₹ 448.78 crore), secondary education (₹ 392.83 crore) etc. Capital outlay on Road Transport (MH-5055) increased by 95.11 *per cent* (₹ 622.83 crore) over the previous year mainly due to construction of new bus terminal and purchase of land. Capital outlay on Public Works (MH-4059) increased by 49.80 *per cent* (₹ 105.37 crore) mainly due to increased construction works of office building. Capital outlay on Roads and Bridges (MH-5054) increased by 35.99 *per cent* (₹ 336.19 crore) over the previous year mainly due to increased capital outlay on construction of bridges and road works.

### 2.4.3.2 Investment and Returns

As of 31 March 2022, the Government had invested ₹ 20,711 crore in Government companies and co-operative institutions. The increase in investment in 2021-22 over the previous year by ₹ 800 crore was on account of

investment made in Delhi Metro Rail Corporation Ltd. The return on investment was 0.43 *per cent* in 2021-22 whereas Government paid interest at the average rate of 6.50 *per cent* on its borrowings during 2021-22. The details are given below in **Table 2.24**.

**Table 2.24: Return on Investment**

Investment/return/cost of borrowings	2017-18	2018-19	2019-20	2020-21	2021-22
Investment at the end of the year (₹ in crore)	19,173	19,261	19,411	19,911	20,711
Return (₹ in crore)	15.91	14.31	15.84	9.80	89.58
Return ( <i>per cent</i> )	0.08	0.07	0.08	0.05	0.43
Average rate of interest on Government borrowings ( <i>per cent</i> )	8.58	8.64	8.14	7.04	6.50
Difference between interest rate and return ( <i>per cent</i> )	8.50	8.57	8.06	6.99	6.07
<b>Difference between interest on Government borrowings and return on investment at the end of the year (₹ in crore)</b>	<b>1,630</b>	<b>1,651</b>	<b>1,565</b>	<b>1,392</b>	<b>1257</b>

Source: Finance Accounts of respective years

Government investments increased by 8.02 *per cent* over a period of five years from 2017-18 to 2021-22. GNCTD paid interest rate ranging from 6.50 *per cent* to 8.64 *per cent* on its borrowings during the period 2017-18 to 2021-22, whereas the percentage of return from investments ranged from 0.05 *per cent* to 0.43 *per cent* (at historical cost) during the same period. The loans disbursed and recovered during five years are given in **Table 2.25**.

**Table 2.25: Quantum of loans disbursed and recovered during five years**

(₹ in crore)

Quantum of loans disbursed and recovered	2017-18	2018-19	2019-20	2020-21	2021-22
Opening Balance of loans outstanding	62,255	63,812	64,570	67,014	70,473
Amount advanced during the year	2,248	2,402	3,266	4,090	2,604
Amount recovered during the year	691	1,644	823	631	623
Closing balance of the loans outstanding	63,812	64,570	67,014	70,473	72,454
Net addition	1,557	758	2,443	3,459	1,981
Interest received	396	113	404	468	336
Interest receipts as percentage of outstanding loans and advances	0.62	0.18	0.60	0.66	0.46
Rate of interest paid on the outstanding borrowings of the Government ( <i>per cent</i> )	8.55	8.74	7.92	6.13	6.08
Difference between the rate of interest paid and interest received ( <i>per cent</i> )	7.93	8.56	7.32	5.47	5.62

#### 2.4.4 Adequacy of Public Expenditure

Table 2.26 and Chart 2.20 shows the fiscal priority of the Government of NCT of Delhi with regard to capital expenditure, expenditure on education and on health during the year 2017-18 and 2021-22.

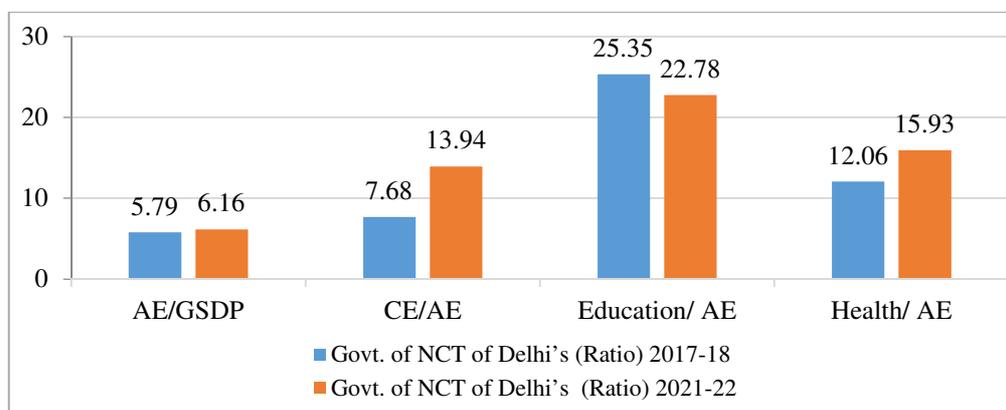
**Table 2.26: Fiscal priority of GNCTD in 2017-18 and 2021-22**

(In per cent)

Fiscal Priority by the State	AE/GSDP	CE/AE	Education/AE	Health/AE
Government of NCT of Delhi's (Ratio) 2017-18	5.79	7.68	25.35	12.06
Government of NCT of Delhi's (Ratio) 2021-22	6.16	13.94	22.78	15.93

AE: Revenue Expenditure +Capital Expenditure +Loans and Advances;  
CE: Capital Expenditure (on Social and Economic Services)

**Chart 2.20: Prioritisation in public expenditure in percentage during 2017-18 and 2021-22**



Total expenditure as a proportion of GSDP increased to 6.16 per cent in 2021-22 from 5.79 per cent in 2017-18. Share of capital expenditure on social services and economic services has also registered increase during this period from 7.68 per cent to 13.94 per cent. Share of expenditure on health has also registered increase during this period. However, share of expenditure on education decreased from 25.35 per cent to 22.78 per cent over the same period.

## 2.5 Debt Management

The Government of NCT of Delhi is not empowered to raise loans from the open market. All loans required are advanced to it from the Consolidated Fund of India. Loans and advances received from Government of India comprise debt receipts of Government of NCT of Delhi.

### 2.5.1 Debt Profile: Components

Table 2.27 gives a time series analysis of the debt profile of the Government of NCT of Delhi for the last five years.

**Table 2.27: Profile of loans from GoI and debt of GNCTD**

(₹ in crore)

Year	Opening Balance	Debt Receipts	Repayment during the Year	Closing Balance	Increase/ Decrease	Percentage of increase/ decrease over previous year
2017-18	33,344.78	1,906.34	1,682.43	33,568.69	223.91	0.67
2018-19	33,568.69	2,880.00	3,636.35	32,812.34	(-756.35)	(-2.25)
2019-20	32,812.34	4,765.60	2,811.10	34,766.84	1,954.50	5.96
2020-21	34,766.84	15,365.00	3,265.17	46,866.67	12,099.83	34.80
2021-22	46,866.67	11192.67	4,215.16	53,844.18	6,977.51	14.89

The effective outstanding debt at the end of 2021-22 would be ₹ 41,786 crore (₹ 53,844 crore - ₹ 6,193 crore - ₹ 5,865 crore) as the Department of Expenditure, GoI had decided that GST compensation of ₹ 5,865 crore (2020-21) and ₹ 6,193 crore (2021-22) given to State as back to back loan under debt receipts would not be treated as debt of the State. Thus, the effective debt of the Government increased by ₹ 8,217 crore (24.48 per cent) from ₹33,569 crore at the end of 2017-18 to ₹ 41,786 crore at the end of 2021-22.

## 2.6 Debt Sustainability

Apart from the magnitude of debt of the Government of NCT of Delhi, it is important to analyse the various indicators that determine debt sustainability. Debt sustainability refers to the ability of a State to service its debt in future. This section assesses the sustainability of debt of the Government of NCT of Delhi in terms of rate of growth, outstanding debt, ratio of interest payment and revenue receipts, debt repayment and debt receipts and net debt available to the Government of NCT of Delhi. **Table 2.28** analyses the debt sustainability of the Government of NCT of Delhi according to these indicators for the period of five years from 2017-18 to 2021-22.

**Table 2.28: Debt Sustainability: Indicators and Trends**

Debt Sustainability Indicators	2017-18	2018-19	2019-20	2020-21	2021-22
Outstanding overall debt* (₹ in crore)	33,569	32,812	34,767	46,867**	53,844**
Rate of growth of outstanding overall debt (per cent)	0.67	-2.25	5.96	34.80	14.89
GSDP (₹ in crore)	6,77,900	7,38,389	7,94,030	7,85,342	9,23,967
Rate of growth of GSDP (per cent)	10.03	8.92	7.54	-1.09	17.65
Overall debt/GSDP (per cent)	4.95	4.44	4.38	5.22**	4.52**
Interest payment (₹ in crore) (A)	2,871	2,867	2,752	2,874	3,274
Average interest rate of outstanding public debt (per cent)	8.58	8.64	8.14	7.04	6.50
Revenue receipts (₹ in crore)	38,667	43,113	47,136	41,864	49,313
Percentage of interest payment to revenue receipts	7.42	6.65	5.84	6.87	6.64
Debt repayment (₹ in crore) (B)	1,682	3,636	2,811	3,265	4,215
Debt receipts (₹ in crore) (C)	1,906	2,880	4,765	15,365	11,193
Percentage of debt repayment to debt receipts	88.25	126.25	58.99	21.25	37.66

Debt Sustainability Indicators	2017-18	2018-19	2019-20	2020-21	2021-22
Net debt available to the Government of NCT of Delhi *** (C-(A+B))	(-)2,647	(-)3,623	(-)798	9,226	3,704
Net debt available as <i>per cent</i> to debt receipts	NA	NA	NA	60.05	33.09

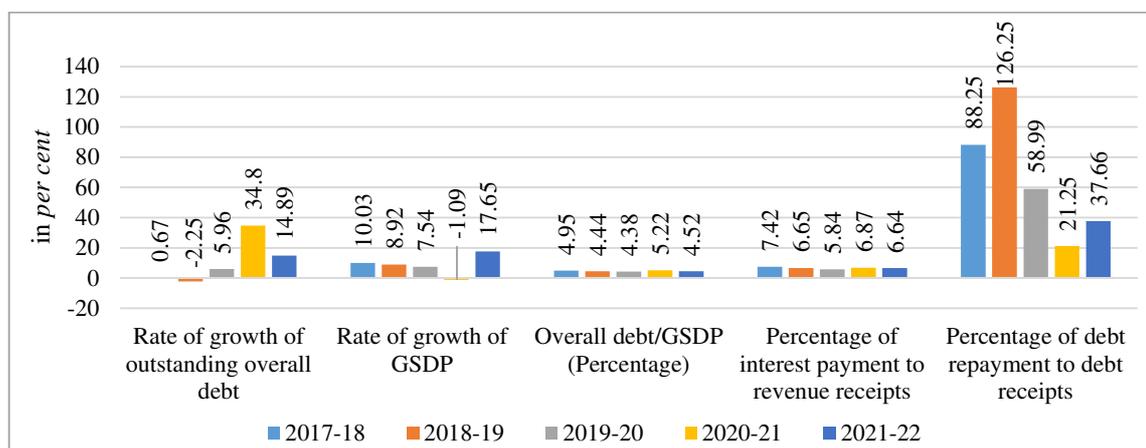
Source: Finance Accounts of respective years.

\*Outstanding Public Debt is the sum of outstanding balances under the heads '6003-Internal Debt' and '6004-Loans and Advances' from the Central Government.

\*\*This includes back to loan of ₹ 5,865 crore and ₹ 6,193 crore received from GoI during the years 2020-21 and 2021-22, respectively in lieu of GST compensation shortfall. The debt servicing of this loan would be done from the collection of cess in GST compensation fund and hence, the repayment obligation will not be met from the other resources of the State. After excluding these back to back loans, the overall effective debt for GNCTD at the end of the years 2020-21 and 2021-22 was ₹ 41,002 crore and ₹41,786 crore, respectively.

\*\*\*Net debt available to the GNCTD is calculated as excess of Public Debt receipts over Public debt repayment and interest payment on Public Debt.

**Chart 2.21: Debt Sustainability: Indicators and Trends**



Public debt increased by 14.89 *per cent* in 2021-22 over the previous year. Repayment of public debt (₹ 4,215 crore) was less than the public debt receipts (₹ 11,193 crore) during 2021-22.

## 2.7 Conclusion

A snapshot of some positive indicators and those requiring close watch are given in **Table 2.29**:

**Table 2.29: Key parameters**

Positive indicators	Parameters requiring close watch
<ul style="list-style-type: none"> <li>Revenue receipts increased by 17.79 <i>per cent</i>.</li> <li>Own Tax receipts increased by 36 <i>per cent</i>.</li> <li>Repayment of Public Debt increased by 29.10 <i>per cent</i></li> <li>Capital expenditure increased by 76.87 <i>per cent</i></li> </ul>	<ul style="list-style-type: none"> <li>Non-tax receipts decreased by 15.61 <i>per cent</i>.</li> <li>Disbursement of Loans and Advances decreased by 36.36 <i>per cent</i>.</li> </ul>