

Overview

Based on the audited accounts of the Government of Delhi for the year ending March 2013, 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 2013. 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 on the Delhi Government's compliance with various financial rules, procedures and directives during the year ended 31 March 2013.

Audit findings

Chapter 1 Finances of the State Government

Revenue receipts: Revenue receipts increased by ₹ 3167.80 crore (14.15 *per cent*). The tax revenue increased by ₹ 3459.85 crore and non-tax revenue increased by ₹ 166.06 crore, while grants from Government of India had decreased by ₹ 458.12 crore. The growth in revenue receipts (14.15 *per cent*) was lower as compared to growth in GSDP (17.70 *per cent*) in 2012-13 over the year 2011-12.

(Para 1.2 and 1.5)

High share of revenue expenditure in total expenditure: The revenue expenditure during the current year at ₹ 20659.36 crore has increased by ₹ 2694.51 crore (15.00 *per cent*) over the previous year. The revenue expenditure constituted 83.18 *per cent* of total expenditure (excluding loans and advances) during 2012-13.

(Para 1.2 and 1.6)

Inadequate priority to development expenditure: Capital expenditure increased by ₹ 172.36 crore (4.30 *per cent*) over the previous year. The capital expenditure constituted only 16.86 *per cent* of total expenditure (excluding loans and advances) during 2012-13.

(Para 1.2 and 1.6)

Investment and returns: As of 31 March 2013, the Government had invested ₹ 16388.15 crore in statutory corporations, rural banks and co-operatives. The

return on these investments was a meager 0.16 *per cent* in 2012-13 while the Government paid interest at an average rate of 9.73 *per cent* on its borrowings during 2010-2013.

(Para 1.8.1)

High ratio of fiscal liabilities to GSDP: Overall fiscal liabilities of the State increased from ₹ 25381.66 crore in 2008-09 to ₹ 29242.71 crore in 2012-13 (15.21 *per cent*). The fiscal liabilities of ₹ 29242.71 crore during 2012-13 comprised of small savings collection of ₹ 29242.70 crore and co-operative assistance to other co-operatives ₹ 0.01 crore.

(Para 1.9.2)

Fiscal position: The State has continuously shown an increasing trend in revenue surplus from ₹ 4589.65 crore in 2008-09 to ₹ 10642.36 crore in 2010-11. But, during 2011-12 a sharp decline was noticed as it came down to ₹ 4428.31 crore and stood at ₹ 4901.61 crore in 2012-13. The state had a primary deficit in 2008-09 and 2009-10 which changed to primary surplus of ₹ 3309.12 crore during 2010-11. The primary surplus declined to ₹ 372.06 crore and ₹ 577.93 crore during the year 2011-12 and 2012-13 respectively. Fiscal deficit of ₹ 2824.07 crore in 2008-09 turned to surplus of ₹ 729.60 crore in 2010-11 and there was deficit of ₹ 2284.95 crore during 2012-13.

(Para 1.11.1)

Chapter 2 Financial management and budgetary control

During 2012-13, expenditure of ₹ 29938.25 crore was incurred against total grants and appropriation of ₹ 34515.85 crore resulting in a saving of ₹ 4577.60 crore. The overall saving of ₹ 4577.60 crore was a result of saving of ₹ 2534 crore in 13 grants and one appropriation (Public Debt) under Revenue Section and ₹ 2043.60 crore under Capital Section.

(Para 2.2)

Appropriation accounts for the year 2012-13 showed that savings exceeding ₹ 50.00 crore in each case occurred in 27 cases relating to five grants and one appropriation totalling ₹ 4303.04 crore.

(Para 2.3.1)

Supplementary grant amounting to ₹ 12.83 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 ₹ 3452.32 crore under 8 grants (savings of ₹ one crore and above were indicated in each grant/appropriation), an amount of ₹ 2057.96 crore (59.62 *per cent* of amount of savings) was not surrendered.

(Para 2.3.9)

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 4781 grants amounting to ₹ 23105.20 crore given till March 2012, 4593 UCs amounting to ₹ 17389.41 crore were awaited from various departments at the end of March 2013. Out of 4593 outstanding UCs, 2180 UCs (47.86 *per cent*) amounting to ₹ 5380.92 crore were due for more than 10 years.

(Para 3.1)

Fifteen annual accounts due upto the year 2011-12 of three autonomous bodies/ authorities were not submitted to audit as of 31 March 2013.

(Para 3.2)