



**State Finances Audit Report
of the
Comptroller and Auditor General of India
for the year ended 31 March 2022**



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

**Government of National Capital
Territory of Delhi**
Report No. 2 of the year 2023

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PREFACE

PREFACE

This Report of the Comptroller and Auditor General of India has been prepared for submission to the Lieutenant Governor of National Capital Territory of Delhi under Section 48 of the Government of National Capital Territory of Delhi Act, 1991, for being laid before the Legislative Assembly of National Capital Territory of Delhi.

Chapter I describes the basis and approach to the Report and the underlying data, provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and GNCT of Delhi's fiscal position including the deficits/surplus.

Chapter II provides a broad perspective of the finances of the GNCT of Delhi, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2017-18 to 2021-22, debt profile of the GNCT of Delhi and key Public Account transactions, based on the Finance Accounts of the GNCT of Delhi.

Chapter III is based on the Appropriation Accounts of the GNCT of Delhi and reviews the appropriations and allocative priorities of the GNCTD and reports on deviations from constitutional provisions relating to budgetary management.

Chapter IV comments on the quality of accounts rendered by various authorities of the GNCTD and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the GNCTD.

Chapter V discusses the financial performance of Government Companies, Government controlled other company and Statutory Corporations.

EXECUTIVE SUMMARY

Executive Summary

Background

Based on the audited accounts of the Government of National Capital Territory of Delhi (GNCTD) for the year ending 31 March 2022, and additional data collected from several sources such as the Economic Survey, financial statements of Public Sector Undertakings and Census 2011, this report provides an analytical review of the Annual Accounts of Government of National Capital Territory (GNCT) of Delhi, in five chapters.

Audit findings

CHAPTER- I

OVERVIEW

- The fiscal surplus of GNCT of Delhi of ₹ 113 crore in 2017-18 increased to ₹ 2,237 crore during 2018-19 which turned to deficit of ₹ 416 crore during 2019-20 and deficit of ₹ 6,708 crore during 2020-21 and further dipped to a deficit of ₹ 7,021 crore during 2021-22.

(Paragraph 1.5)

CHAPTER - II

FINANCES OF THE GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI

- Revenue receipts increased by ₹ 7,449 crore (17.79 *per cent*) over the previous year. 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*. 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.

(Paragraph 2.3.2.1)

- Debt capital receipt decreased by 47.37 *per cent* from ₹ 15,365 crore in 2020-21 to ₹ 11,193 crore in 2021-22 (after exclusion of GST compensation of ₹ 5,865 crore received in 2020-21 and ₹ 6,193 crore in 2021-22 as back to back loan from GoI). Similarly, Non-debt capital receipts decreased by 1.27 *per cent* from ₹ 631 crore in 2020-21 to ₹ 623 crore in 2021-22.

(Paragraph 2.3.3)

- Capital expenditure displayed inter-year fluctuations ranging from ₹ 3,243 crore to ₹ 8,311 crore during the period 2017-22 whereas revenue expenditure continuously increased during the said period. Capital expenditure increased from ₹ 4,699 crore to ₹ 8,311 crore (76.87 *per cent*) in 2021-22 over the previous year. 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.

(Paragraphs 2.4.1 and 2.4.3)

- Revenue expenditure increased by 36.41 *per cent* from ₹ 33,754 crore in 2017-18 to ₹ 46,043 crore in 2021-22. Revenue expenditure increased by 13.93 *per cent* from ₹ 40,414 crore in 2020-21 to ₹ 46,043 crore in 2021-22. The share of committed expenditure in total revenue expenditure was ranging from 34.88 *per cent* (2019-20) to 36.34 *per cent* (2020-21) over the last five years.

(Paragraphs 2.4.2 and 2.4.2.2)

- Expenditure on subsidies increased from ₹ 2,497 crore in 2017-18 to ₹ 4,690 crore (87.83 *per cent*) in 2021-22. In 2021-22 expenditure on subsidies increased by 12.28 *per cent* over the previous year. The highest subsidy was power subsidy (₹ 3,250 crore) followed by water subsidy (₹ 600 crore) during 2021-22. 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.

(Paragraphs 2.4.2.4 and 2.4.2.5)

- The increase in investment in Government companies and co-operative institutions in 2021-22 over the previous year was ₹ 800 crore on account of investment made in Delhi Metro Rail Corporation Ltd. The percentage of return on investment was ranging from 0.05 *per cent* to 0.43 *per cent* during the period 2017-18 to 2021-22 whereas Government paid interest at the average rate of 6.50 *per cent* on its borrowings during 2021-22.

(Paragraph 2.4.3.2)

- GNCTD is not empowered to raise loans from the open market. Loans and advances received from Government of India comprise debt receipts of GNCTD. The effective outstanding debt at the end of 2021-22 would be ₹ 41,786 crore (₹ 53,844 crore - ₹ 5,865 crore - ₹ 6,193 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. 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. The repayment of public debt increased by ₹ 950 crore (29.10 *per cent*) in 2021-22 over the previous year.

(Paragraphs 2.5 and 2.5.1)

CHAPTER - III

BUDGETARY MANAGEMENT

- During 2021-22, there was an overall savings of ₹ 10,539.08 crore (14.62 *per cent*) against the total grants and appropriations of ₹ 72,081.08

crore which shows that budget estimates were not prepared after adequate scrutiny of the projects/schemes.

(Paragraphs 3.1.1 and 3.3.3)

- Supplementary grants amounting to ₹ 1,275.33 crore in seven cases proved unnecessary. Under 9 sub-heads spread across four grants, there were final savings of more than ₹ 15 crore. Re-appropriations were made unnecessarily as the departments were not able to even utilise fully their existing grants and there was cumulative savings of ₹ 699.19 crore against the re-appropriation of ₹ 230.12 crore. This shows unrealistic assessment of funds and deficient budgeting exercise.

(Paragraphs 3.3.1 and 3.3.2)

- GNCTD made total lump-sum budgetary provision of ₹ 319 crore under four grants without identifying the exact object head of expenditure, against which an expenditure of ₹ 170.07 crore was made.

(Paragraph 3.4.1)

- Savings of ₹ 5,458 crore (51.79 *per cent*) lapsed on 31 March, 2022 out of total saving of ₹ 10,539.08 crore. This shows that budget allocation was based on unrealistic proposals.

(Paragraph 3.5.1)

- In 82 sub-heads under nine grants (₹ one crore or above in each case), the entire provision of ₹ 560.41 crore remained unutilised by the departments or was remitted back to Government before the closure of the financial year 2021-22. Savings of the entire grants shows that estimates were not prepared after adequate scrutiny of the projects/schemes.

(Paragraph 3.5.2)

- Out of the total expenditure of ₹ 61,172.34 crore (excluding recoveries of ₹ 369.66 crore) during 2021-22, expenditure of ₹ 21,800.95 crore (30.24 *per cent* of budget) was incurred in the last quarter whereas ₹ 9,995.85 crore (13.87 *per cent* of budget) was incurred during the month of March 2022. Further, in 11 sub-heads under five grants the entire expenditure of ₹ 1,596.02 crore was incurred in March 2022. This shows lack of adherence to financial rules besides adversely affecting quality of expenditure.

(Paragraph 3.5.3)

CHAPTER- IV

QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES

- Audit noted that 1,049 UCs (73.46 *per cent*) involving ₹ 221.02 crore were outstanding prior to the year 2012-13, whereas 379 UCs (26.54 *per cent*) involving ₹ 7,509.29 crore were outstanding from 2012-13 to 2020-21.

(Paragraph 4.2)

- As of March 2022, a total of 4,686 AC bills involving ₹ 432.42 crore were outstanding. 64 Government Departments did not submit 536 DCC bills amounting to ₹ 134.40 crore before closing of the accounts for the financial year 2021-22. Thus, there is no assurance that these expenditure have actually been incurred during the financial year for the purpose for which it was authorised by the Legislature.

(Paragraph 4.3)

- During 2021-22, expenditure of ₹ 5,745 crore out of total expenditure of ₹ 54,354 crore (Revenue and Capital) was classified under the minor head of account ‘800-Other Expenditure’ which constituted 10.57 *per cent* of the total expenditure, while receipts of ₹ 695.57 crore out of total receipts of ₹ 49,312.99 crore, were classified under the minor head ‘800-Other Receipts’ which constituted 1.41 *per cent* of the total receipts.

(Paragraph 4.5)

- The audit of 11 autonomous bodies/authorities has been entrusted to the CAG under Sections 19 and 20 of the CAG’s (Duties, Powers and Conditions of Service) Act, 1971. 26 annual accounts from eight bodies/ authorities due up to 2021-22 had not been received as of September 2022 by Audit.

(Paragraph 4.6)

CHAPTER-V

STATE PUBLIC SECTOR UNDERTAKINGS

- As on 31 March 2022, there were 18 SPSUs in Delhi, including one Government Controlled Other Company, two Statutory Corporations and 15 Government Companies under the audit jurisdiction of the CAG.

(Paragraph 5.1.3)

- As on 31 March 2022, the total investment (equity and long-term loans) in 18 SPSUs was ₹ 25,748.79 crore. The investment consisted of 37.38 *per cent* towards equity and 62.62 *per cent* in long-term loans. Out of this, GNCTD has investment of ₹ 24,797.65 crore in these SPSUs consisting of equity of ₹ 9,202.49 crore and long-term loans of ₹ 15,595.16 crore.

(Paragraph 5.2.1)

- Two SPSUs, out of six SPSUs, which earned profit and in which GNCTD had made investment had declared/paid dividend during the year 2021-22. One SPSU although did not earn profit but paid dividend based on its Net Worth.

(Paragraph 5.3)

- Delhi Transport Corporation’s net worth has been completely eroded by its accumulated losses and as on 31 March 2022, the net worth was (-) ₹ 50,258.83 crore against equity investment of ₹ 1,983.85 crore.

(Paragraph 5.4)

- Out of 18 SPSUs, only six SPSUs had submitted their annual accounts for the year 2021-22 and remaining 12 SPSUs had arrears of 19 accounts. GNCTD had provided ₹ 2,572.53 crore (Equity: ₹ 4.80 crore, Loan: ₹ Nil crore, Grants: ₹ 2,567.73 crore) in six out of the 12 State PSUs during the period for which their accounts were in arrears.

(Paragraph 5.5.2)

CHAPTER-I

OVERVIEW

Chapter I

Overview

1.1 Profile of the National Capital Territory of Delhi

Delhi was declared as the National Capital Territory (NCT) through the Government of National Capital Territory of Delhi Act, 1991. Delhi has an administrative structure having dual jurisdiction, i.e., of the Union Government and the State Government. There are 11 districts and 33 sub-divisions in Delhi. The NCT of Delhi covers an area of 1,483 sq. km of which 1,114 sq. km is designated as urban and 369 sq. km as rural.

The geographical and socio-economic profile of NCT of Delhi is given in **Table 1.1**:

Table 1.1: Profile of the National Capital Territory of Delhi

Sl. No.	Particulars		Figures	
1.	Area		1,483 sq. km	
2.	Population			
	a.	Population (2011 census)	1.70 crore	
	b.	Population 2022	2.10 crore	
3.	Density of Population (Projected population as on 01.03.2022 by Ministry of Health and Family Welfare) (All India Density = 418.43 persons per Sq. Km)		14,137 persons per Sq. Km.	
4.	Population below poverty line (BPL) 2011-12 (All India Average = 21.92 per cent)		9.91 per cent	
5.	Literacy (Economic Survey 2021-22) (All India Average= 73.00 per cent)		86.20 per cent	
6.	Infant mortality (2020) (per 1000 live births) (All India Average =28 per 1000 live births)		12	
7.	Life expectancy at birth (2015-19) (All India Average = 69.7 years)		75.9 years	
8.	Gross State Domestic Product (GSDP) 2021-22 at current prices		₹ 9,23,966.57 crore	
9.	Per Capita GSDP/ GDP CAGR (2012-13 to 2021-22)	NCT of Delhi All India	7.84 per cent 8.86 per cent	
10.	GSDP/ GDP CAGR (2012-13 to 2021-22)	NCT of Delhi All India	10.01 per cent 10.11 per cent	
11.	Population Growth (2012 to 2022)	12.12 per cent (All India)		22.13 per cent

Source: Population Projections for India and States 2011-2036 by National Commission on Population, Ministry of Health and Family Welfare, Ministry of Statistics and Programme Implementation (MoSPI) website, Economic Survey 2021-22, Sample Registration System (SRS) Bulletin, SRS Based Abridged Life Tables 2015-19, Estimates of State Domestic Product of Delhi 2021-22, Directorate of Economics and Statistics, GNCTD, National Statistics Office, Ministry of Statistics and Programme Implementation and Census 2011

1.1.1 Gross State Domestic Product of NCT of Delhi

Gross State Domestic Product (GSDP) is the value of all goods and services produced within the boundaries of the State in a given period of time. Growth of GSDP is an important indicator of the State's economy, as it denotes the extent of changes in the level of economic development of the State over a period of time.

Trends in GSDP¹ of NCT of Delhi, changes in sectoral contribution to GSDP and sectoral growth in GSDP are given in **Table 1.2**, **Chart 1.1** and **Chart 1.2**, respectively.

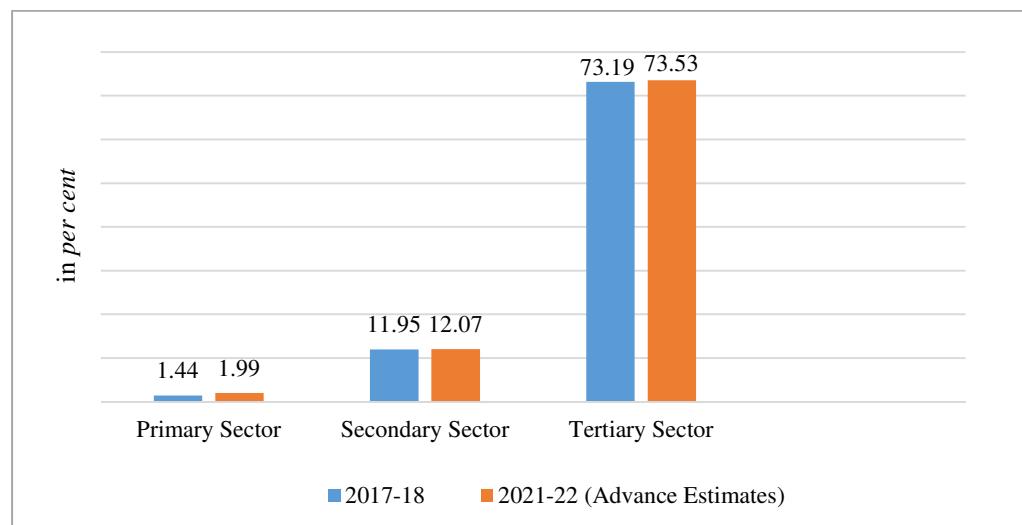
Table 1.2: Trends in GSDP compared to the GDP

Year	2017-18	2018-19	2019-20	2020-21	2021-22	(₹ in crore)
GDP at current prices (2011-12 Series)	1,70,90,042	1,88,99,668	2,00,74,856	1,98,00,914	2,36,64,637	
Growth rate of GDP over previous year (in per cent)	11.03	10.59	6.22	(-1.36	19.51	
GSDP at current prices (2011-12 Series)	6,77,900	7,38,389	7,94,030	7,85,342	9,23,967	
Growth rate of GSDP over previous year (in per cent)	10.03	8.92	7.54	-1.09	17.65	

Source: MoSPI website and Directorate of Economics and Statistics, GNCTD.

Changes in sectoral contribution to the GSDP are also important to understand the changing structure of the economy. Economic activity is generally divided into primary, secondary and tertiary sectors, which correspond to the agriculture, industry and service sectors.

Chart 1.1: Changes in sectoral contribution to GSDP (2017-18 to 2021-22)²

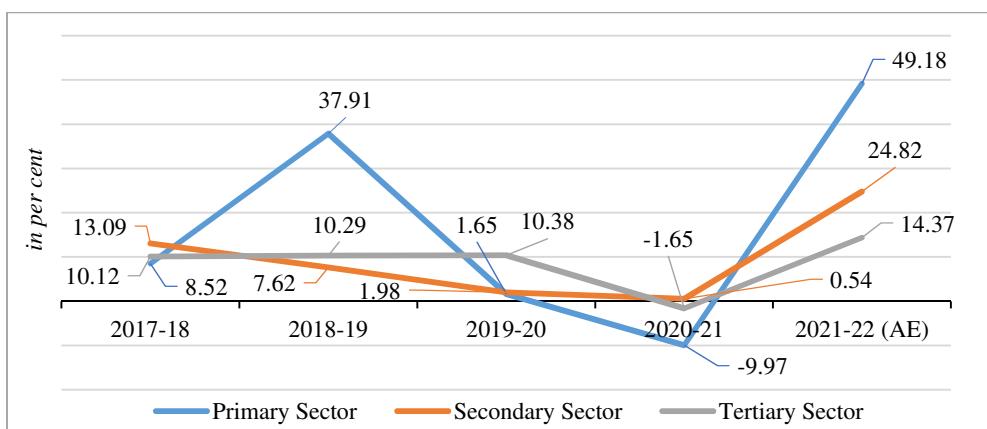


Source: Estimates of State Domestic Product of Delhi 2021-22, Directorate of Economics and Statistics, GNCTD.

¹ At current prices

² Except share of Taxes on Product *minus* subsidies (11.32 *per cent* in 2017-18 and 12.40 *per cent* in 2021-22)

Chart 1.2: Sectoral growth in GSDP



Source: Estimates of State Domestic Product of Delhi 2021-22, Directorate of Economics and Statistics, GNCTD.

It is evident from **Chart 1.1** and **Chart 1.2** that Tertiary (Service) sector was the largest contributor (73.53 *per cent*) to State's GSDP followed by Secondary (Industry) sector (12.07 *per cent*). There was increase in the growth rate in all sectors in 2021-22 after a slump during previous year. Revenue surplus of GNCT of Delhi increased by ₹ 1,820 crore (125.51 *per cent*) over the previous year as detailed in **Paragraph 1.5** and **Chapter II** of this report.

1.2 Basis and Approach to State Finances Audit Report

This Report of the Comptroller and Auditor General of India has been prepared for submission to the Lieutenant Governor of National Capital Territory of Delhi under Section 48 of the Government of National Capital Territory of Delhi Act, 1991, for being laid before the Legislative Assembly of National Capital Territory of Delhi.

Finance Accounts and Appropriation Accounts of the Government of NCT of Delhi constitute the core data for this report. Other sources include the following:

- Budget of the Government of NCT of Delhi: for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- GSDP and State related other statistics, Directorate of Economics and Statistics, GNCTD;
- Results of audit carried out by the office of the Principal Accountant General (Audit), Delhi; and
- Various audit reports of the CAG of India have been used for analysis/commentary, as appropriate.

The Draft State Finances Audit Report was sent to the Government of NCT of Delhi in December 2022 for comments. Replies of the Government, wherever received have been incorporated at appropriate places.

1.3 Report Structure

The State Finances Audit Report is structured into the following five Chapters:

Chapter - I	Overview This Chapter describes the basis and approach to the Report and the underlying data, provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and Government of NCT of Delhi's fiscal position including the deficits/surplus.
Chapter - II	Finances of the State This chapter provides a broad perspective of the finances of the Government of NCT of Delhi, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2017-18 to 2021-22 and debt profile of the Government of NCT of Delhi, based on the Finance Accounts of the Government of NCT of Delhi.
Chapter - III	Budgetary Management This chapter is based on the Appropriation Accounts of the Government of NCT of Delhi and reviews the appropriations and allocative priorities of the GNCTD and reports on deviations from Constitutional provisions relating to budgetary management.
Chapter - IV	Quality of Accounts and Financial Reporting Practices This chapter comments on the quality of accounts rendered by various authorities of the GNCTD and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the GNCTD.
Chapter - V	State Public Sector Undertakings This chapter comments on the functioning of State Public Sector Undertakings.

1.4 Overview of Government Accounts Structure and Budgetary Processes

The accounts of the Government of the NCT of Delhi (GNCTD) are kept in two parts:

1. Consolidated Fund of the Government of National Capital Territory of Delhi (Section (46) of the GNCTD Act, 1991)

The fund comprises all revenues received by the GNCTD, loans received from the Government of India, all grants made and all moneys received by the GNCTD in repayment of loans. No moneys can be appropriated from this Fund except in accordance with law and for the purposes and in the manner provided in the Act.

2. Contingency Fund of the Government of National Capital Territory of Delhi (Section 47 of the GNCTD Act, 1991)

This Fund is in the nature of an imprest which is established by the State Legislature by law, and is placed at the disposal of the Lieutenant Governor to enable advances to be made for meeting unforeseen expenditure, pending authorisation of such expenditure by the State Legislature.

Besides, all other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. As there is no Public Account separately for the Government of NCT of Delhi, transactions related to Public Account (Deposits, Advances, Remittances and Suspense) are merged in the Public Account of the Union Government. The closing balance of the GNCTD is merged with and forms part of the general cash balance of the Union Government and is treated as lying in deposit with the Government. The fiscal liabilities of the Government of NCT of Delhi comprise largely of share of small savings collections.

Delhi is not covered under the recommendations of the Central Finance Commission and it gets grants-in-aid in lieu of State's share of Union taxes and duties.

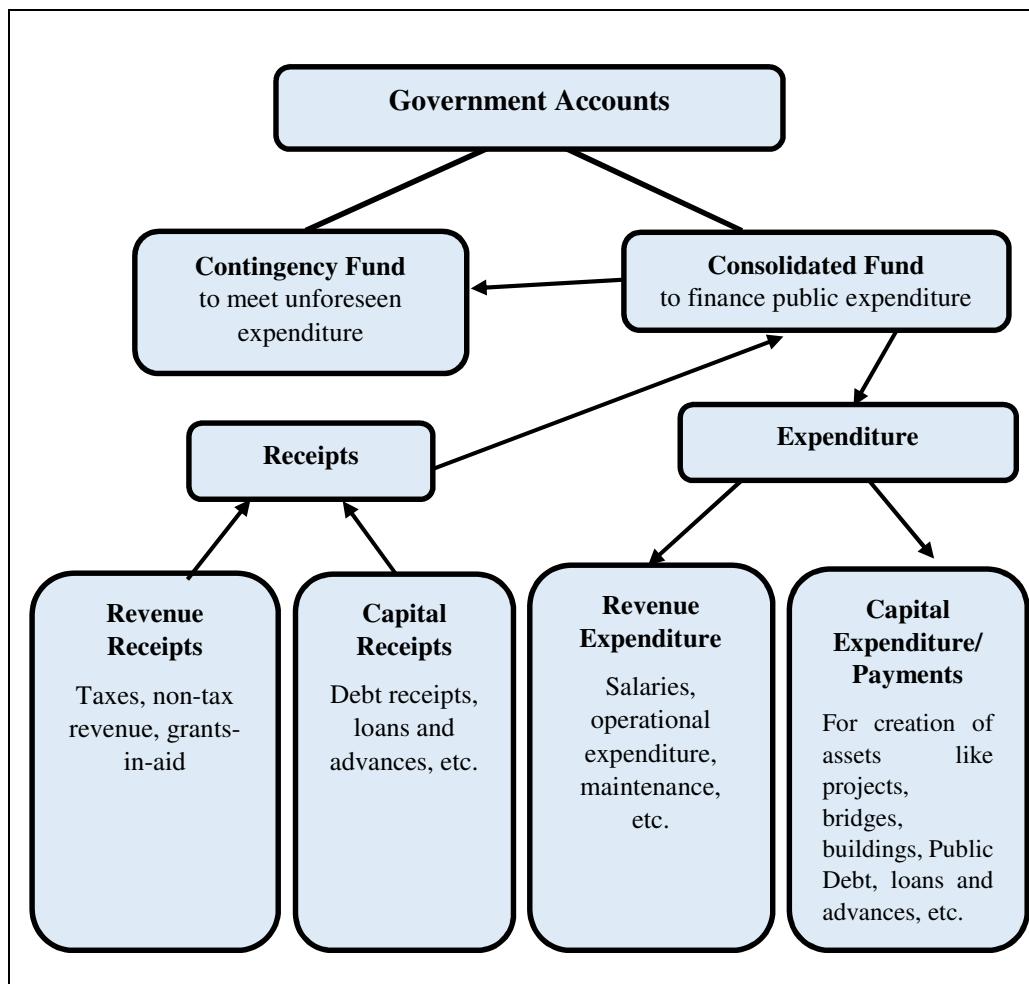
Revenue receipts consist of the Government of NCT of Delhi's tax revenue, non-tax revenue and grants-in-aid from Government of India (GoI).

Revenue expenditure consists of all those expenditures of the government which do not result in creation of physical or financial assets. It relates to those expenses incurred for the normal functioning of the government departments and providing various services, interest payments on debt incurred by the government, and grants-in-aid given to various institutions (even though some of the grants may be meant for creation of assets).

Capital receipts of GNCTD include recoveries of loans and advances, receipts through loan from GoI and miscellaneous capital receipts.

Capital expenditure broadly defined as expenditure incurred with the object of increasing concrete assets of a material and permanent character. It includes expenditure on the acquisition of land, building, machinery, equipment, investment in PSUs.

Chart 1.3: Structure of Government Accounts of GNCTD



Budgetary Processes

In terms of Section 27 of the GNCTD Act, 1991, the Lieutenant Governor of NCTD, in respect of every financial year shall cause to be laid before the Legislative Assembly, a statement of the estimated receipts and expenditure of the capital for that year, in the form of an Annual Financial Statement.

In terms of Section 28 of the above Act, the statement is submitted to the State Legislature in the form of Demand for Grants/Appropriation and after approval of these, the Appropriation bill is passed by the State Legislature under Section 29 of the Act to provide for appropriation of the required moneys out of the Consolidated Fund.

Results of audit scrutiny of the budget and implementation of other budgetary initiatives of the GNCTD are detailed in **Chapter III** of this Report.

1.4.1 Snapshot of Finances

Table 1.3 provides the details of actual financial results vis-a-vis budget estimates and actuals for the year 2021-22 and actuals of 2020-21.

The details of receipts and disbursements as well as the overall fiscal position during the last five years are given in **Appendix 1.1**.

Table 1.3: Actual financial results vis-a-vis budget estimates

Sl. No.	Components	2020-21 Actuals	2021-22				(₹ in crore)
			Budget Estimates	Actuals	Percentage of actuals to BE	Percentage of actuals to GSDP	
1	Tax Revenue	29,425	43,000	40,019	93.07	4.33	
2	Non-tax Revenue	980	1,000	827	82.70	0.09	
3	Grants-in-aid and Contributions	11,459	9,070	8,467	93.35	0.92	
4	Revenue Receipts (1+2+3)	41,864	53,070	49,313	92.92	5.34	
5	Recovery of Loans and Advances	631	1,000	623	62.30	0.07	
6	Other Receipts	-		-			
7	Borrowings and other Liabilities ^(a)	6,708	9,285	7,021	75.62	0.09 ³	
8	Capital Receipts (5+6+7)	7,339	10,285	7,644	74.32	0.83	
9	Total Receipts (4+8)	49,203	63,355	56,957	89.90	6.16	
10	Revenue Expenditure, of which	40,414	51,799	46,043	88.89	4.98	
11	- Interest payments	2,874	3,334	3,274	98.20	0.35	
12	Capital Expenditure	4,699	10,557	8,311	78.73	0.90	
13	Loans and advances	4,090	2,378	2,603	109.46	0.28	
14	Total Expenditure (10+12+13)	49,203	64,734	56,957	87.99	6.16	
15	Revenue Surplus/ (4-10)	1,450	1,271	3,270	257.28	0.35	
16	Fiscal Deficit {(4+5+6)-14}	(- 6,708)	(- 10,664)	(- 7,021)	65.84	-0.76	
17	Primary Deficit/(16+11)	(- 3,834)	(- 7,330)	(- 3,747)	51.12	-0.41	

(a) Borrowings and other liabilities: Net (Receipts - Disbursements) of Public Debt and Net of Opening and Closing Cash Balance merged with General Cash Balance of GoI. For the years 2020-21 and 2021-22, Effective Borrowing and other Liabilities would be ₹ 843 crore and ₹ 828 crore respectively as the Department of Expenditure, GoI had decided that GST compensation of ₹ 5,865 crore and ₹ 6,193 crore for 2020-21 and 2021-22, respectively given to State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

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 ₹ 7,230 crore as revenue receipts, due to inadequate balance in GST compensation fund during 2021-22, Delhi also received back to back loan of ₹ 6,193 crore under debt receipts of the GNCTD with no repayment liability for the State. Due to this arrangement, the revenue surplus of ₹ 3,270 crore and fiscal deficit of ₹ 7,021 crore may be read in conjunction with debt receipt of ₹ 6,193 crore in lieu of GST shortfall.

³ Arrived at after exclusion of GST compensation of ₹ 6,193 crore received as back to back loan under debt receipts

1.4.2 Snapshot of Assets and Liabilities of the Government

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. The assets comprise mainly the capital expenditure, loans and advances given by the GNCTD and cash balances. The liabilities consist only of loans and advances from the GoI. The summarised position of assets and liabilities is given in **Table 1.4**:

Table 1.4: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities				Assets					
	2020-21	2021-22	Per cent increase			2020-21	2021-22	Per cent increase	
Consolidated Fund									
A	Loans and Advances from Central Government	46,867	53,844*	14.89	a	Gross Capital Expenditure	74,984	83,294	11.08
B	Balance of capital outlay adopted from CGA during 1994-95	1,588	1,588	0	b	Loans and Advances	70,473	72,454	2.81
C	Balance of loans and advances adopted from CGA during 1994-95	3,356	3,356	0	c	Closing balance merged with the general cash balance of Government of India	11,393	11,349	-0.39
D	Cumulative Surplus in Revenue Account	1,05,039	1,08,309	3.11					
Total		1,56,850	1,67,097		Total		1,56,850	1,67,097	

Note: The assets amounting to ₹ 74,984 crore and ₹ 83,294 crore as on 31 March 2021 and 31 March 2022, respectively under the head 'Gross Capital Outlay' include an amount of ₹ 1,588 crore which were adopted during 1994-95 from the Office of Controller General of Accounts. Similarly, Loans and Advances depicted on assets side amounting to ₹ 70,473 crore and ₹ 72,454 crore as on 31 March 2021 and 31 March 2022 respectively include ₹ 3,356 crore adopted during 1994-95 from the Office of Controller General of Accounts.

* This includes an amount of ₹ 5,865 crore and ₹ 6,193 crore of back to back loans in lieu of GST compensation shortfall from GoI during 2020-21 and 2021-22, respectively with no repayment liability for the State.

1.5 Trends in surplus/deficit

Charts 1.4 and 1.5 give trends in surplus/deficit indicators and the surplus/deficit/ trends relative to GSDP during the period 2017-18 to 2021-22.

Chart 1.4: Trends in surplus/deficit indicators over the period 2017-18 to 2021-22

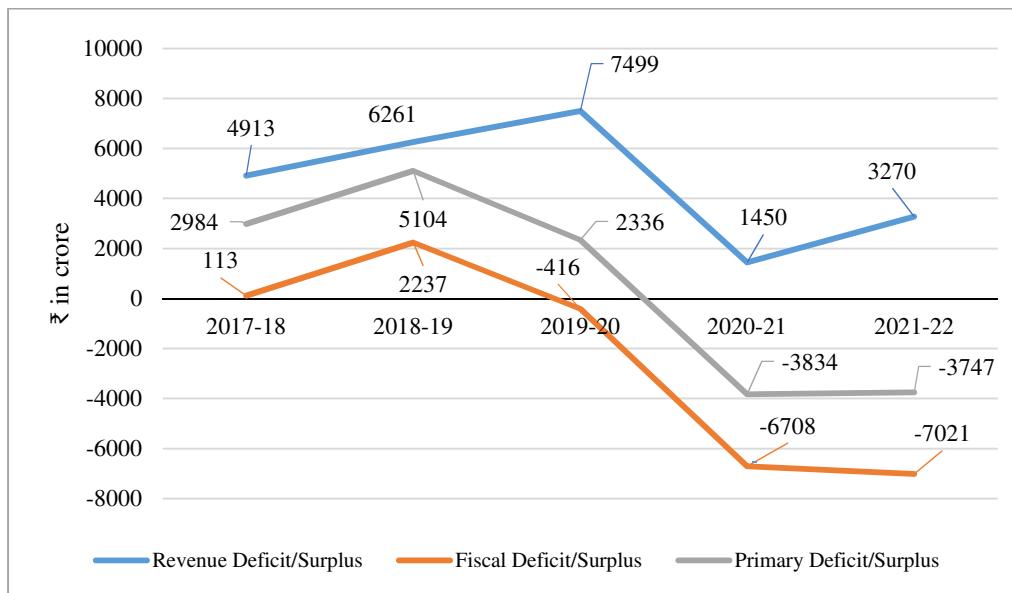
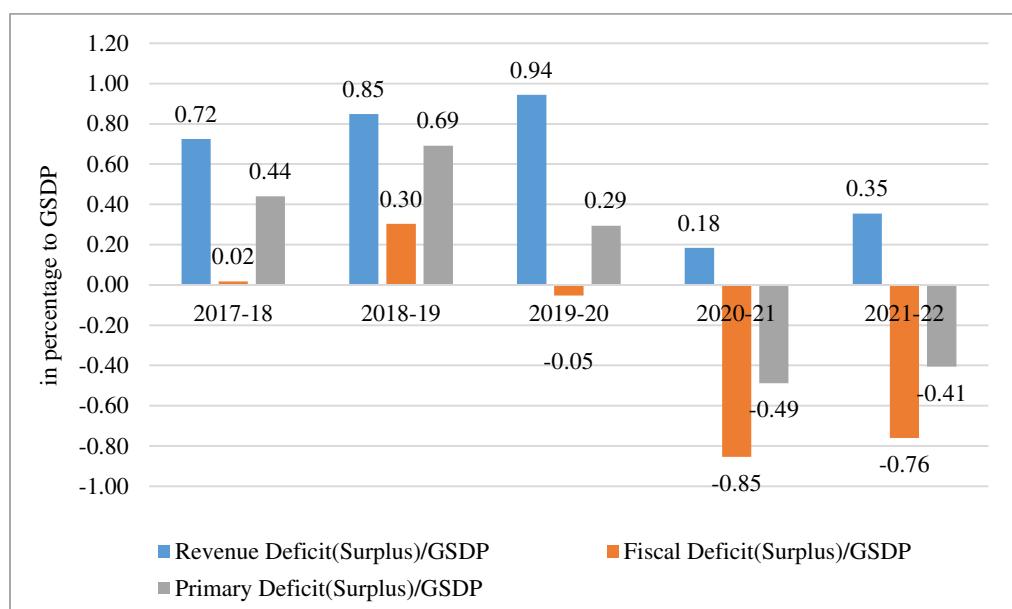


Chart 1.5: Trends in deficit indicators relative to GSDP over the period 2017-18 to 2021-22



It can be seen from **Chart 1.4**, fiscal surplus of ₹ 113 crore in 2017-18 increased to ₹ 2,237 crore during 2018-19, which turned to deficit of ₹ 416 crore during 2019-20 and deficit of ₹ 6,708 crore during 2020-21, which further dipped to a deficit of ₹ 7,021 crore during 2021-22 due to increase (20.48 *per cent*) in the aggregate of Revenue expenditure and Capital Expenditure from ₹ 45,113 crore (2020-21) to ₹ 54,354 crore (2021-22). Fiscal deficit stood at (-) 0.76 *per cent* of GSDP in 2021-22 as against fiscal deficit of (-) 0.85 *per cent* of GSDP in 2020-21.

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

Revenue Receipts	✓ Revenue receipts increased by 17.79 <i>per cent</i> ✓ Own Tax receipts increased by 36 <i>per cent</i> ✓ Non-tax receipts decreased by 15.61 <i>per cent</i> ✓ Grants-in-Aid from Government of India decreased by 26.11 <i>per cent</i>
Revenue Expenditure	✓ Revenue expenditure increased by 13.93 <i>per cent</i> ✓ Revenue expenditure on General Services increased by 10.45 <i>per cent</i> ✓ Revenue expenditure on Social Services increased by 15.87 <i>per cent</i> ✓ Revenue expenditure on Economic Services increased by 9.56 <i>per cent</i> ✓ Expenditure on Grants-in-Aid increased by 19.09 <i>per cent</i>
Capital Expenditure	✓ Capital expenditure increased by 76.87 <i>per cent</i> ✓ Capital expenditure on General Services increased by 52.03 <i>per cent</i> ✓ Capital expenditure on Social Services increased by 89.66 <i>per cent</i> ✓ Capital expenditure on Economic Services increased by 61.25 <i>per cent</i>
Loans and Advances	✓ Disbursement of Loans and Advances decreased by 36.36 <i>per cent</i> ✓ Recoveries of Loans and Advances decreased by 1.27 <i>per cent</i>
Public Debt	✓ Public Debt Receipts decreased by 47.37 ¹ <i>per cent</i> ✓ Repayment of Public Debt increased by 29.10 <i>per cent</i>

¹ 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.

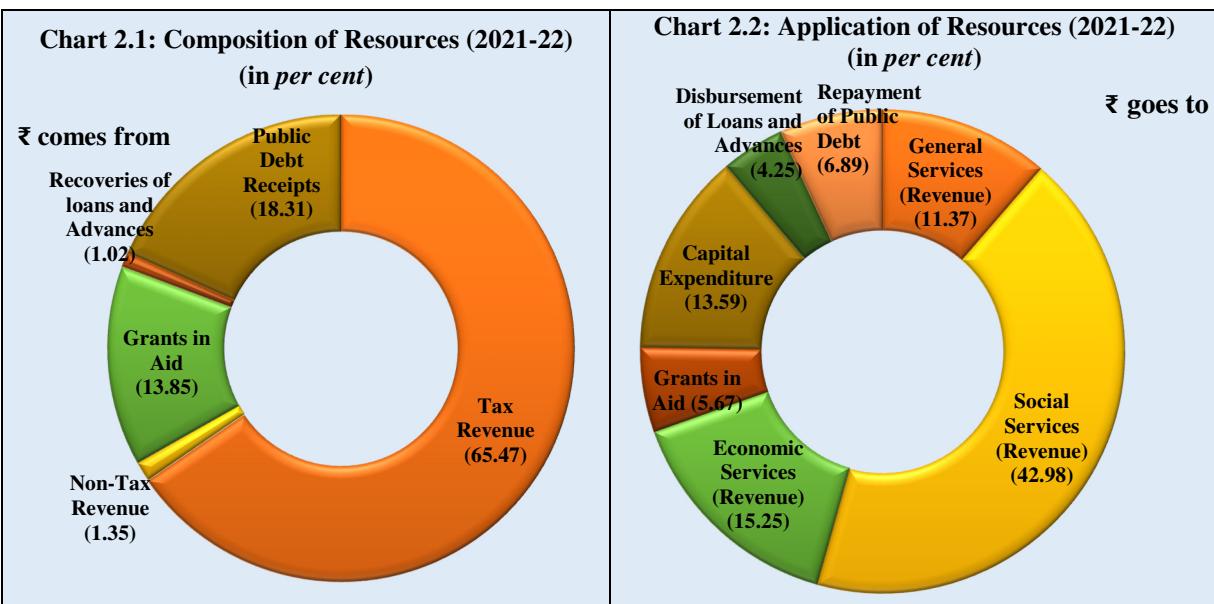
2.2 Sources and Application of Funds

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

	Particulars	2020-21	2021-22	(₹ in crore) Increase/ Decrease (in per cent)
Sources	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 ²	(-) 87.41 ³
	Total	60,596	68,306	12.72
Application	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 ⁴	11,393	11,349	(-) 0.39
	Total	60,596	68,306	12.72

Source: Finance Accounts of respective years



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

³ 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.

⁴ 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:

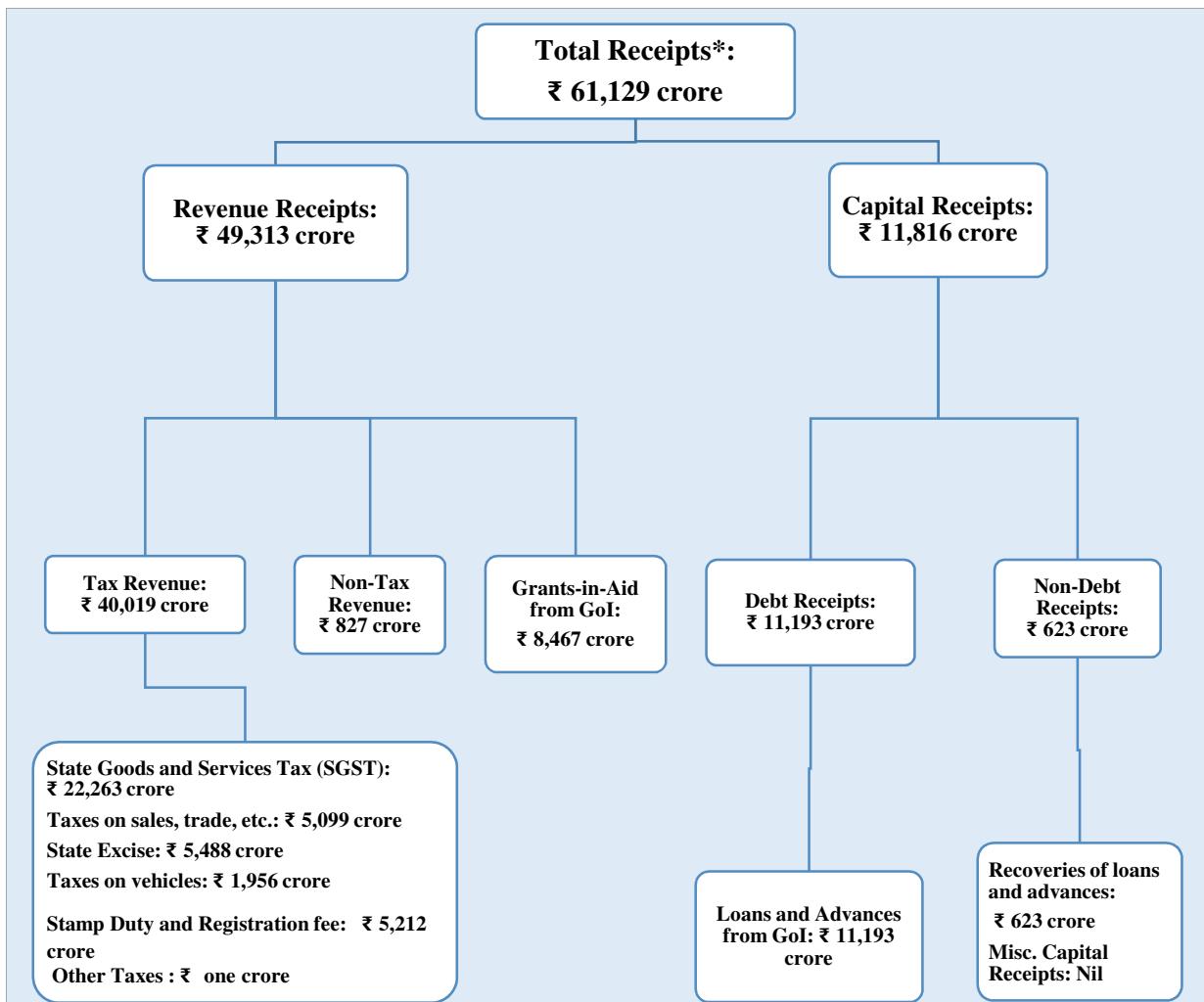
1. **Revenue receipts** consist of tax revenue, non-tax revenue and grants-in-aid from the Government of India (GoI).
2. **Capital receipts** of Government of NCT of Delhi include recoveries of loans and advances disbursed to PSUs etc., receipts through loan from GoI and miscellaneous capital receipts.

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

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Receipts (RR)	38,667	43,113	47,136	41,864	49,313 ⁵
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
Buoyancy Ratios⁶					
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

⁵ 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.

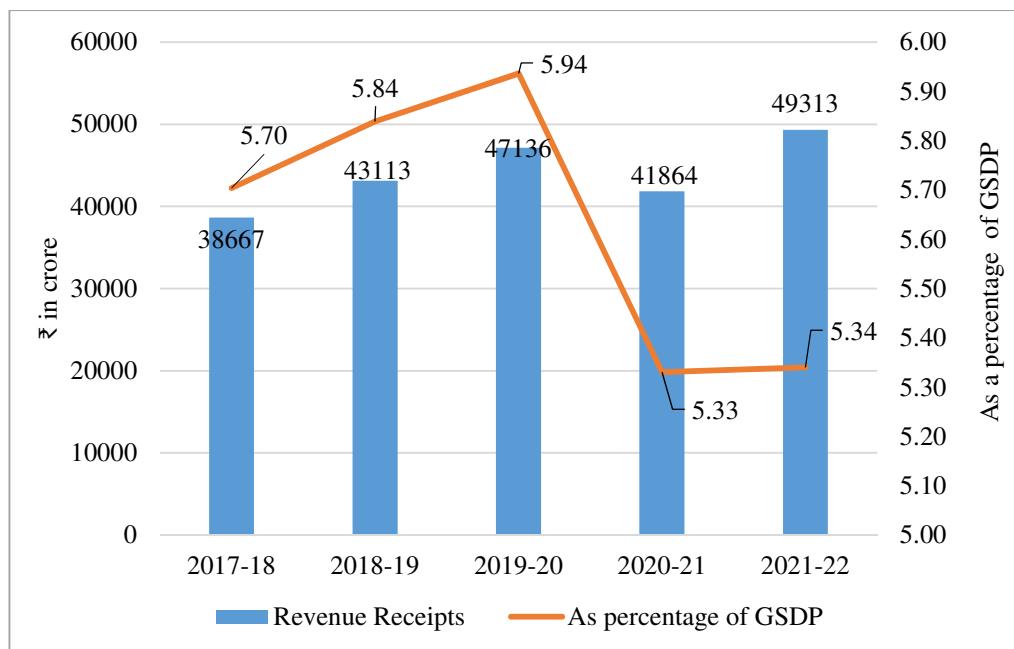
⁶ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy with respect to GSDP at 1.85 implies that revenue receipts tend to increase by 1.85 percentage points, if the GSDP increases by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



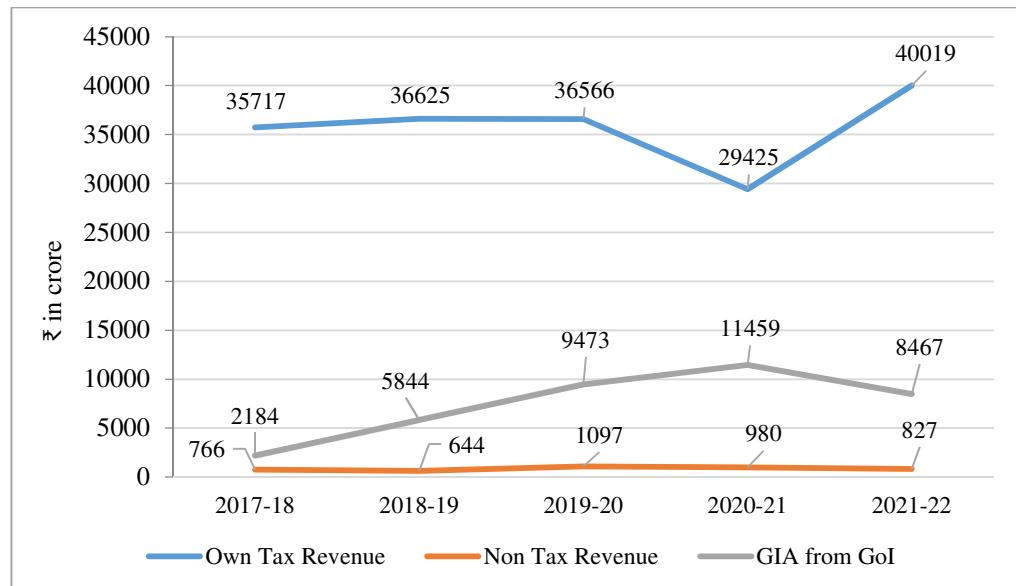
NCT of Delhi's GSDP increased from ₹ 6,77,900 crore in 2017-18 to ₹ 9,23,967 crore (36.30 *per cent*) in 2021-22. As compared to 2020-21, GSDP (₹ 7,85,342 crore) increased to ₹ 9,23,967 crore (17.65 *per cent*) in 2021-22. As evident from **Chart 2.4**, Revenue receipts as percentage of GSDP decreased 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

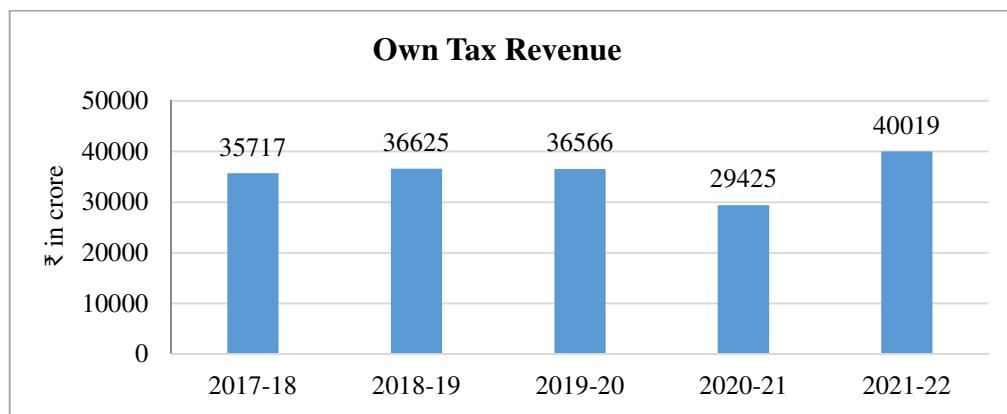


Table 2.4: Components of Government of NCT of Delhi's own tax revenue

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 Taxes⁷	259	10	1	1	1
Tax Revenue	35,717	36,625	36,566	29,425	40,019

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	-	-
Total	43,000	38,350	40,019	(-)2981	(+) 1,669	(-) 6.93	(+) 4.35

⁷ 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

Month	Revenue to be protected	Pre- GST taxes collected*	SGST Collected	Provisional apportion-ent of IGST+ Adhoc-settlement from IGST Fund	Other Taxes**	Total Amount received	Compen-sation received ***	(₹ in crore)	Back to back loans in lieu of GST compensa-tion shortfall
April 2021	3,070	17.48	1,339.30	949.77	0.03	2,306.58	11,132.81	11,132.81	2,921.30
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			
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			
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			
Total	36,840	85.02	10,264.85	11,998.58	0.51	22,348.96	11,132.81	6,192.67	

* Includes VAT & CST excluding Petroleum and Liquor.

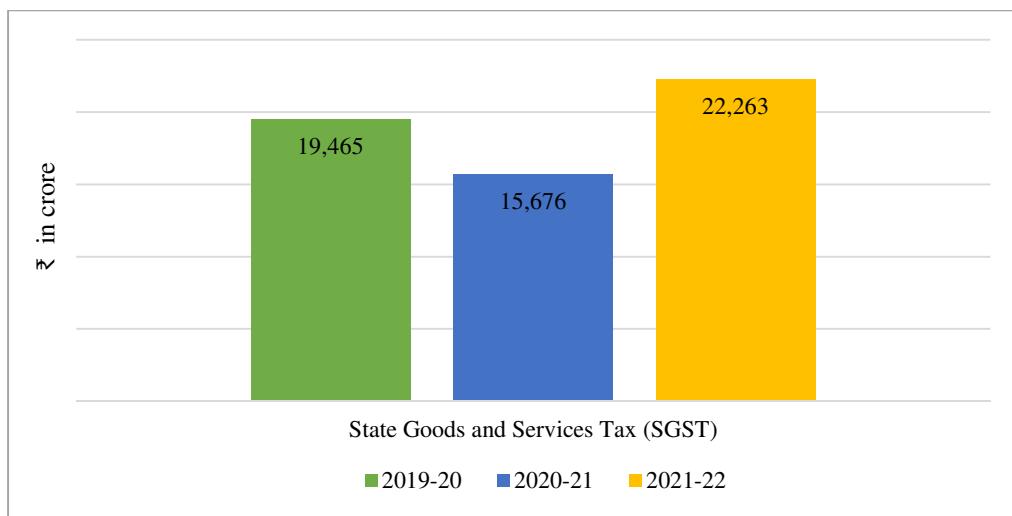
** Other Taxes includes Entertainment Tax and Cable Tax, Lottery, Betting & Gambling Tax and Duties of Excise on medicinal and toilet preparations.

*** 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 loan⁸ against compensation was ₹ 6,192.67 crore as detailed in **Table 2.6**.

⁸ 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	2019-20	2020-21	2021-22	(₹ in crore)
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	
Total	7,897	7,673	11,999	

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
Interest Receipts	396	113	404	468	356
Dividends and profits	16	15	16	10	90
Other Non-tax revenue receipts	354	516	677	502	381
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
Total Non-tax Revenue	766	644	1,097	980	827

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**.

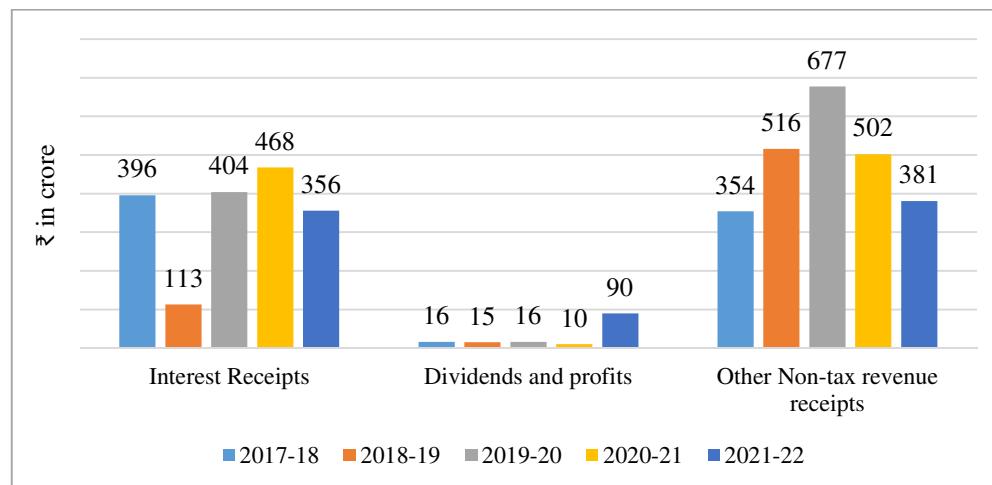
Table 2.12: GNCTD's actual own non-tax revenue vis-à-vis RE for the year 2021-22

(₹ 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
Total	800	827	(+) 27	(+) 3.38

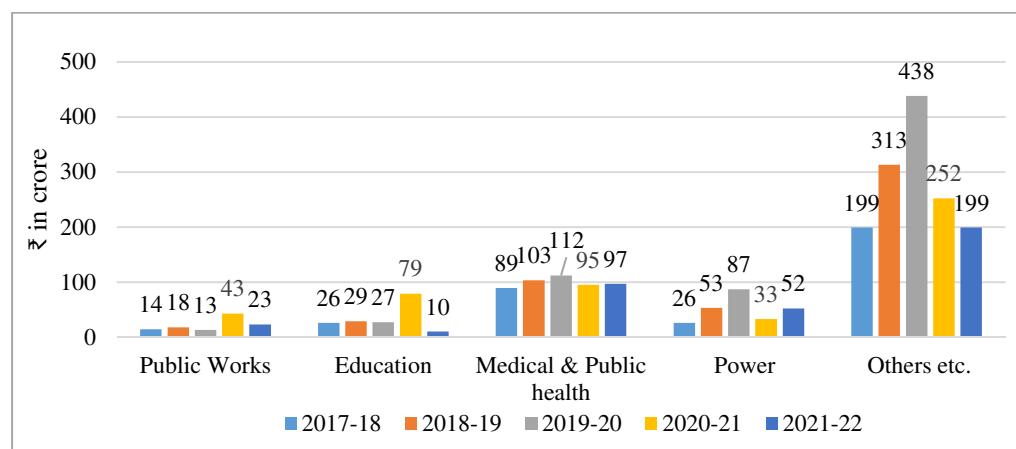
During 2021-22, the shortfall in interest receipt was attributable to decline in other interest receipts and the excess in dividends and profits was attributable to substantial increase (811 *per cent*) in dividends received from Public Undertakings over the previous year.

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**:

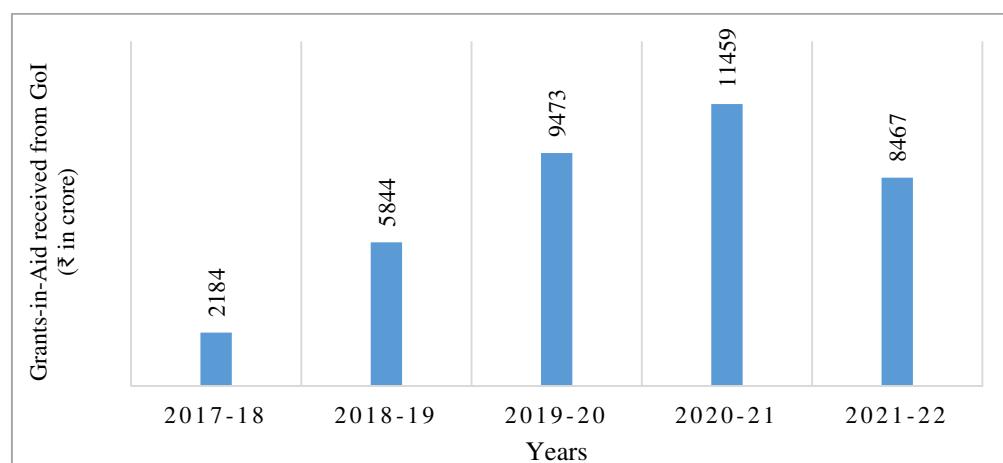
Table 2.13: Grants-in-aid from Government of India

Head	2017-18	2018-19	2019-20	2020-21	(₹ in crore) 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
Total	2,184.30	5,843.77	9,473.04	11,458.60	8,467.32
Percentage of GIA to Revenue Receipts	5.65	13.55	20.10	27.37	17.17

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 crore⁹, resulting in savings of ₹ 9.73¹⁰ 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

⁹ Include unspent balance of ₹ 0.18 crore (2020-21)

¹⁰ 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

Sources of Government of NCT of Delhi's Receipts	2017-18	2018-19	2019-20	2020-21	2021-22	(₹ in crore)
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 ¹¹	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 ¹²	(-) 47.37 ¹³	
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 (per cent)	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**.

¹¹ There is no internal debt of Government of NCT of Delhi.

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

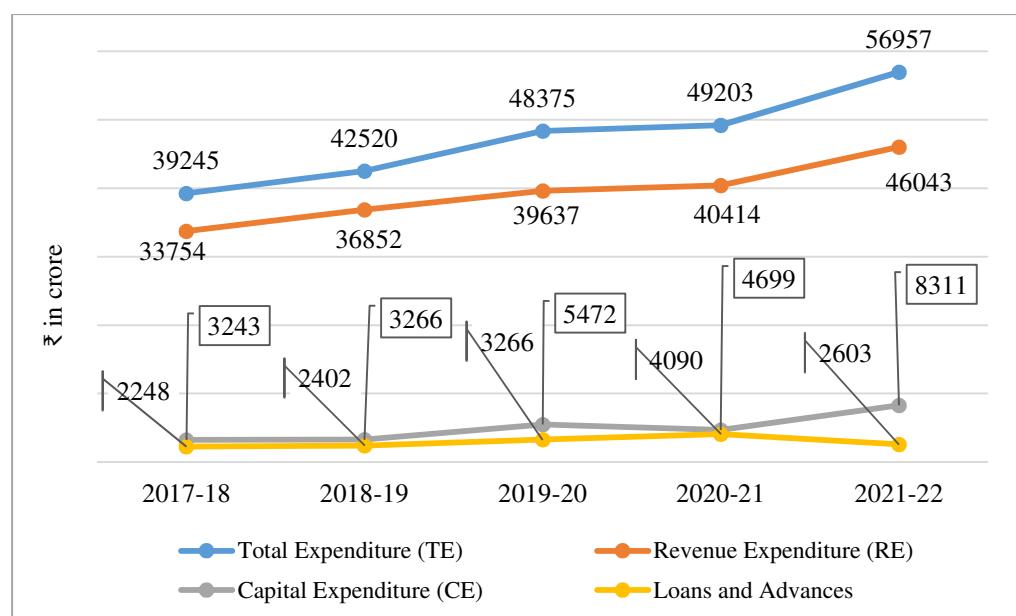
¹³ Arrived at after exclusion of GST Compensation of ₹ 6,193 crore received as back to back loan under debt receipts.

Table 2.15: Total expenditure and its composition

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

¹⁴ Excluding repayment of public debt.

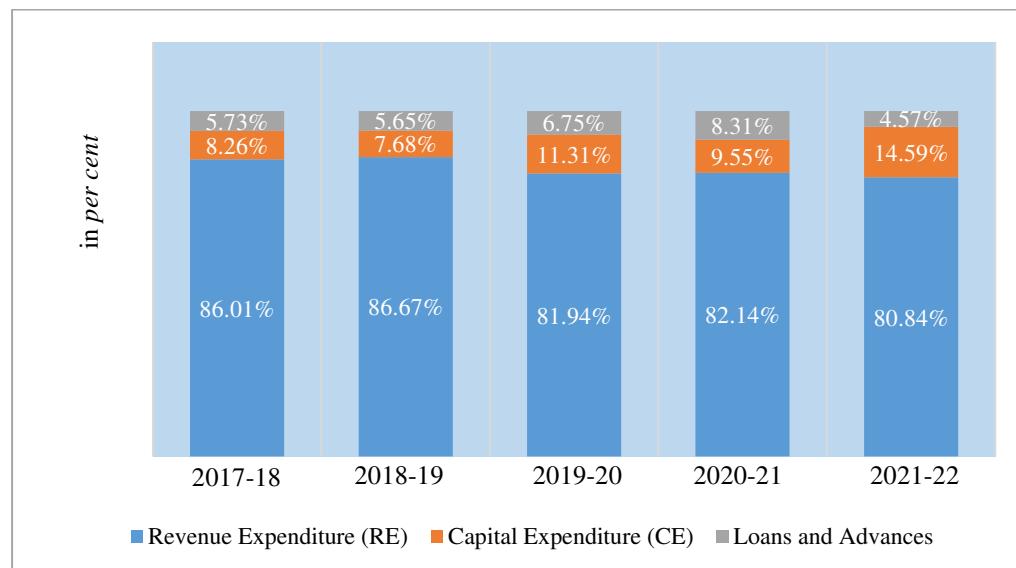
crore), Transport (₹ 959 crore), Medical and Public Health (₹ 920 crore) over previous year.

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

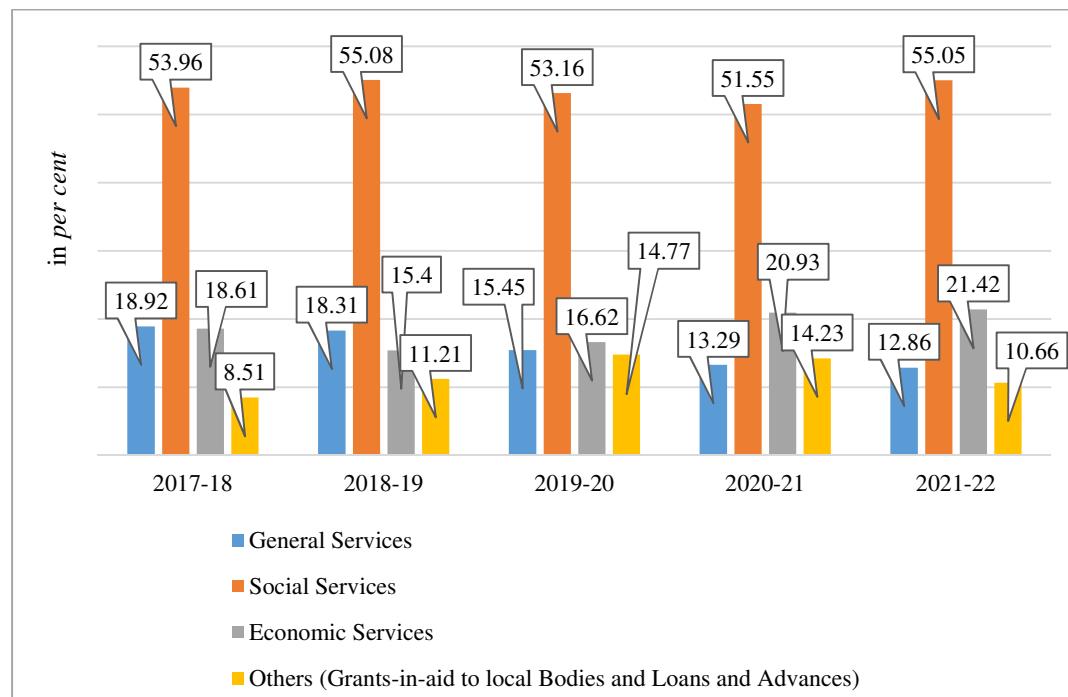
Relative shares of various sectors of expenditure are shown in **Table 2.16**. The share of general services in total expenditure (excluding public debt) decreased from 13.29 *per cent* in 2020-21 to 12.86 *per cent* in 2021-22.

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

Parameters	2017-18	2018-19	2019-20	2020-21	(in per cent) 2021-22
General Services ¹⁵	18.92	18.31	15.45	13.29	12.86
Social Services ¹⁶	53.96	55.08	53.16	51.55	55.05
Economic Services ¹⁷	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



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

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

¹⁷ 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

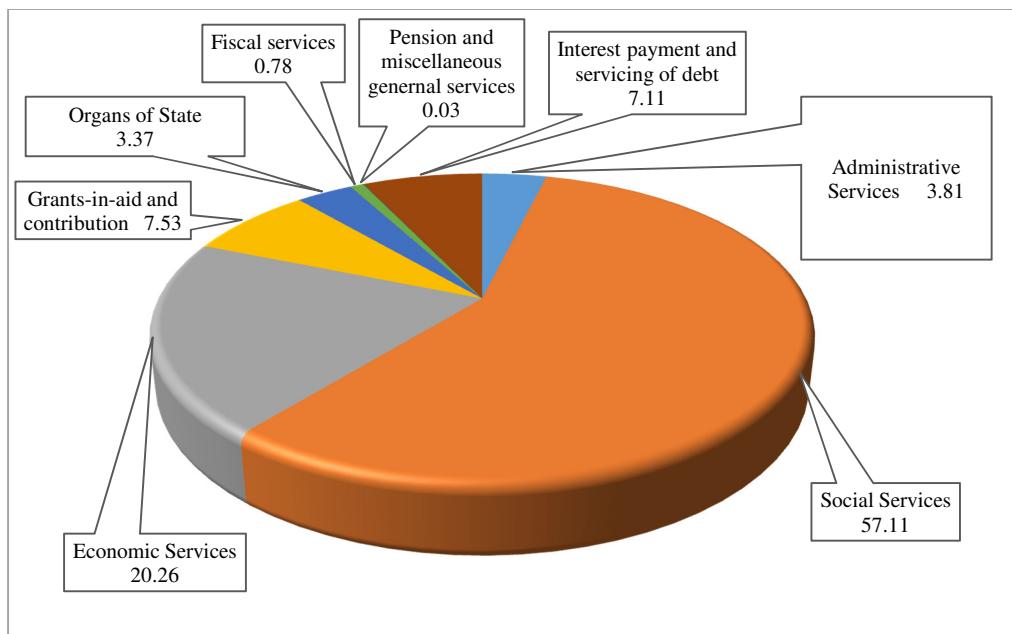
Parameters	2017-18	2018-19	2019-20	2020-21	2021-22	(₹ in crore)
Total Expenditure (TE)	39,245	42,520	48,375	49,203	56,957	
Revenue Expenditure (RE)	33,754	36,852	39,637	40,414	46,043	
Rate of Growth of RE from previous year (<i>per cent</i>)	15.19	9.18	7.56	1.96	13.93	
Revenue Expenditure as percentage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

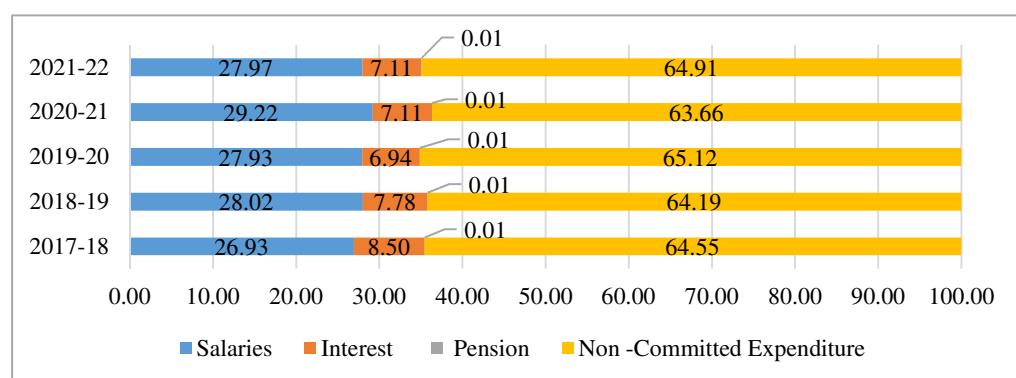
Components of Committed Expenditure	2017-18	2018-19	2019-20	2020-21	2021-22
Salaries and Wages	9,089.60	10,324.66	11,070.04	11810.19	12878.34
Expenditure on Pensions*	3.84	3.31	3.56	2.67	3.28
Interest Payments	2,870.67	2,867.11	2,751.87	2873.83	3274.24
Total	11,964.11	13,195.08	13,825.47	14686.69	16155.86
As a percentage of Revenue Receipts (RR)					
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
Total	30.94	30.61	29.34	35.08	32.77
As a percentage of Revenue Expenditure (RE)					
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
Total	35.44	35.81	34.88	36.34	35.09

* 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

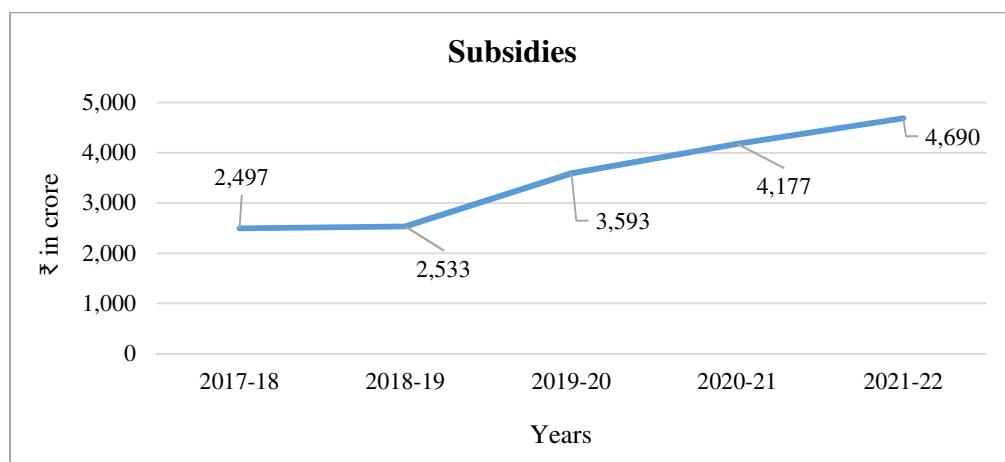
GNCTD gives subsidy for female bus commuters (through DTC/Cluster buses), to consumers of Delhi Jal Board and DISCOMs, for implementation of Right to Education Act, etc. Expenditure on subsidies by GNCTD are shown in **Table 2.20**. Expenditure on subsidies increased from ₹ 2,497 crore in 2017-18 to ₹ 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
Subsidies	2,497	2,533	3,593	4,177	4,690
Revenue receipts	38,667	43,113	47,136	41,864	49,313
Revenue expenditure	33,754	36,852	39,637	40,414	46,043
Subsidies as a percentage of revenue receipts (in <i>per cent</i>)	6.46	5.88	7.62	9.98	9.51
Subsidies as a percentage of revenue expenditure (in <i>per cent</i>)	7.40	6.87	9.06	10.34	10.19

Chart 2.16: Trend of Subsidies



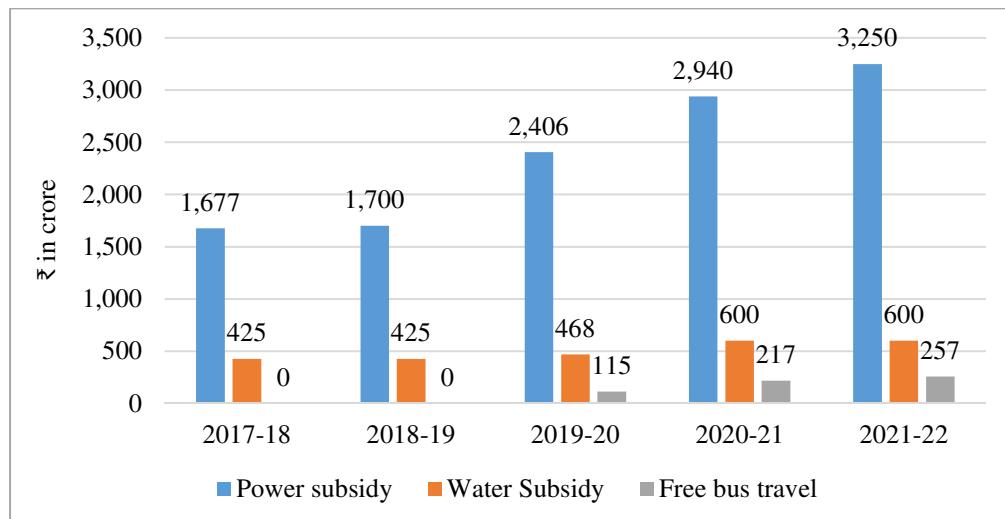
Subsidies as a percentage of revenue receipts marginally decreased from 9.98 *per cent* in 2020-21 to 9.51 *per cent* in 2021-22. Subsidies as a percentage of revenue expenditure marginally decreased from 10.34 *per cent* in 2020-21 to 10.19 *per cent* in 2021-22.

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

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

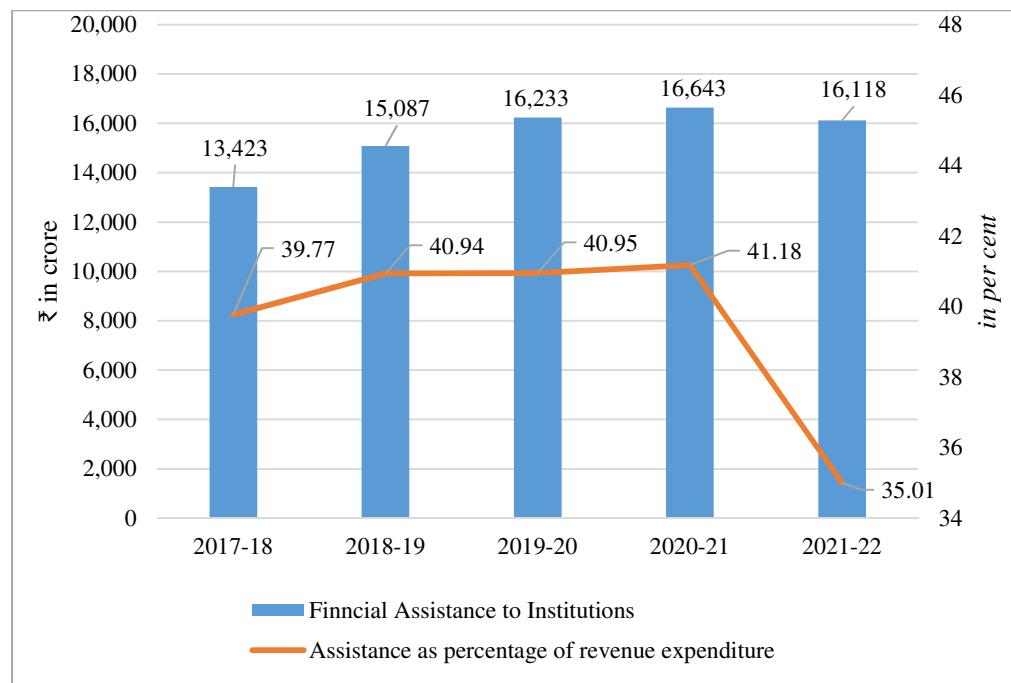
Financial assistance is provided by GNCTD to local bodies and other institutions by way of grants and loans. Details are shown in **Table 2.22** and trends in financial assistance are shown in **Chart 2.18**.

Table 2.22: Financial Assistance to Local Bodies, etc.

Financial Assistance to Institutions	2017-18	2018-19	2019-20	2020-21	2021-22
(A) Local Bodies					
Municipal Corporations and Municipalities	6,242	6,337	6,222	5,500	5,490
Total (A)	6,242	6,337	6,222	5,500	5,490
(B) Others					
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
Total (B)	7,181	8,750	10,011	11,143	10,628
Total (A+B)	13,423	15,087	16,233	16,643	16,118
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

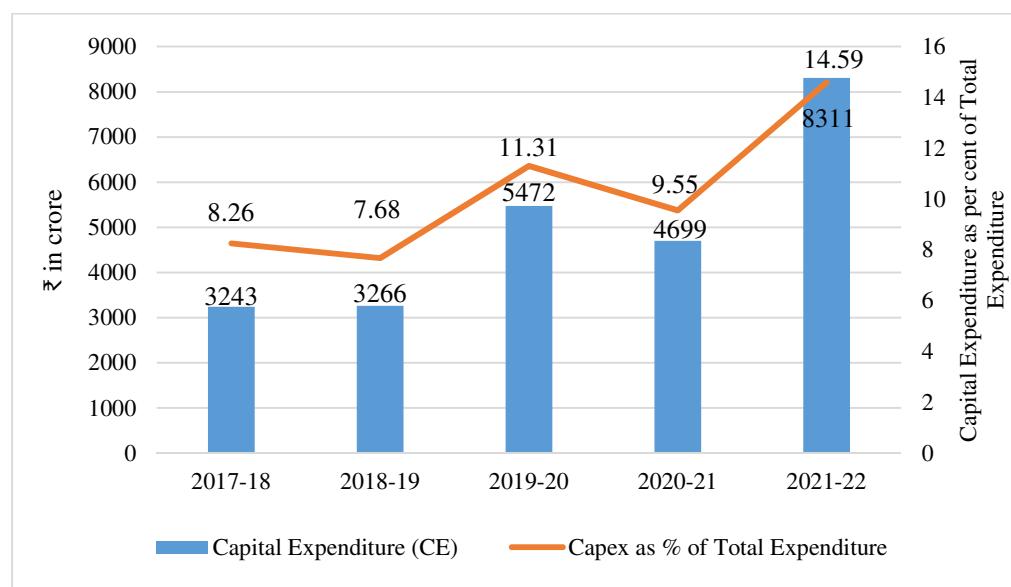


Financial assistance to local bodies and others decreased by 3.15 *per cent* from ₹ 16,643 crore in 2020-21 to ₹16,118 crore in 2021-22. As a percentage of revenue expenditure, financial assistance decreased from 41.18 *per cent* in 2020-21 to 35.01 *per cent* in 2021-22.

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
Difference between interest on Government borrowings and return on investment at the end of the year (₹ in crore)	1,630	1,651	1,565	1,392	1257

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

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

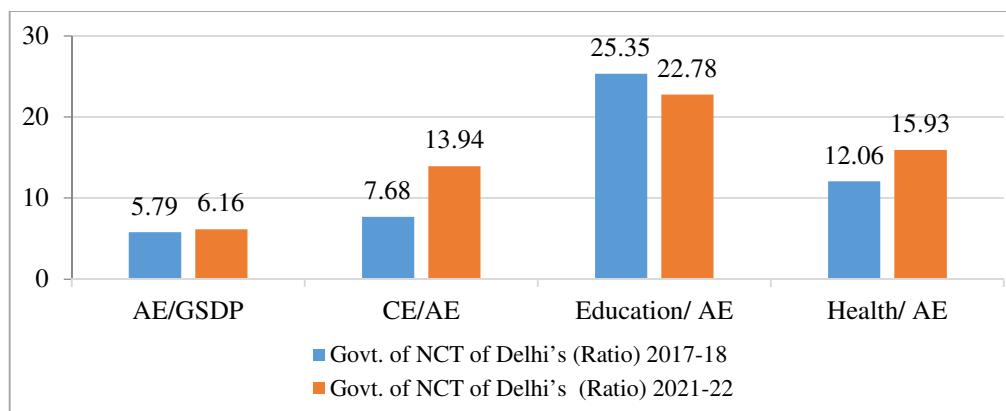
Table 2.26 and Chart 2.20 shows the fiscal priority of the Government of NCT of Delhi with regard to capital expenditure, expenditure on education and on health during the year 2017-18 and 2021-22.

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

Fiscal Priority by the State	AE/GSDP	CE/AE	Education/AE	Health/AE	(In per cent)
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

Year	Opening Balance	Debt Receipts	Repayment during the Year	Closing Balance	Increase/Decrease	(₹ in crore)
						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 (<i>per cent</i>)	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 (<i>per cent</i>)	10.03	8.92	7.54	-1.09	17.65
Overall debt/GSDP (<i>per cent</i>)	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 (<i>per cent</i>)	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

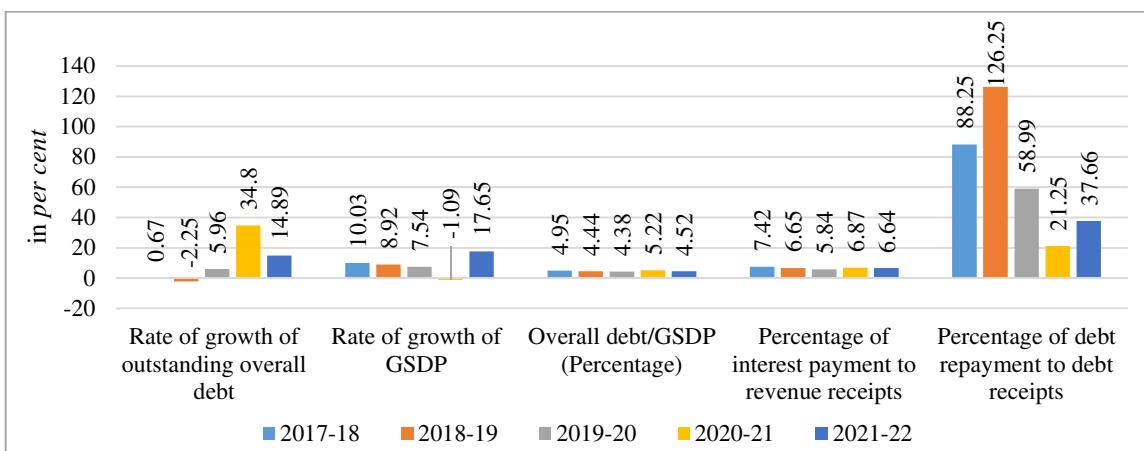
Source: Finance Accounts of respective years.

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

CHAPTER-III

BUDGETARY MANAGEMENT

Chapter III

Budgetary Management

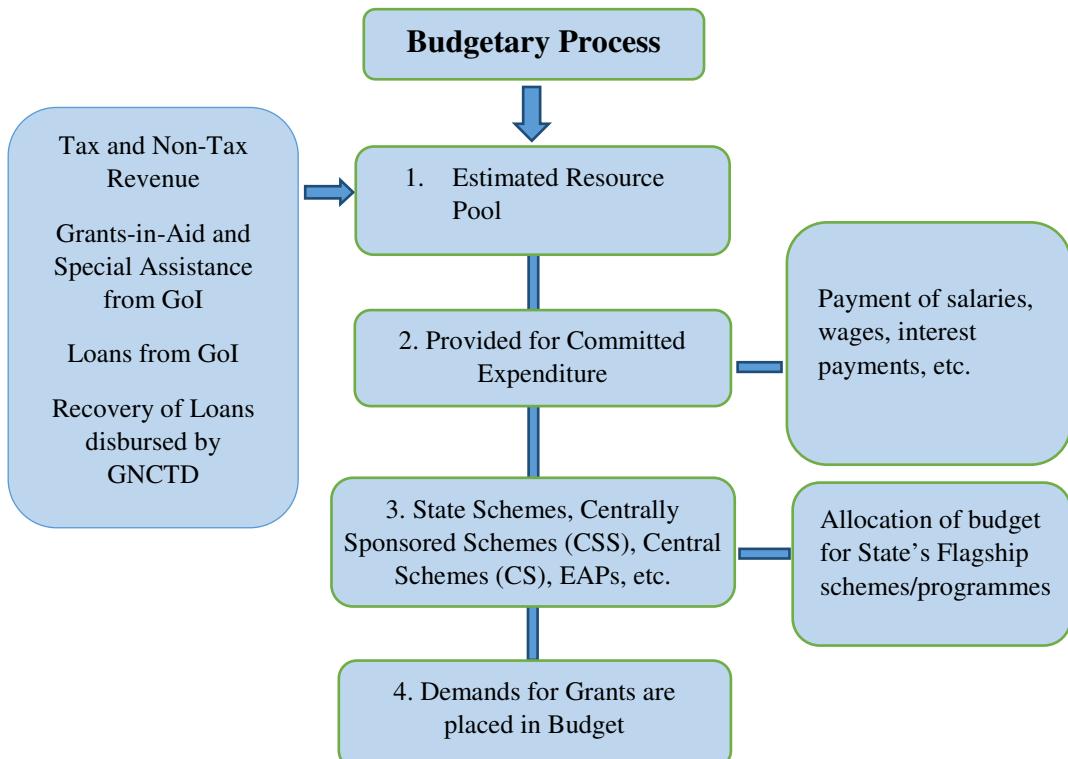
3.1 Budget Process

In terms of Section 27 of GNCTD Act, 1991, the Lieutenant Governor shall in respect of every financial year cause to be laid before the Legislative Assembly, a statement of the estimated receipts and expenditure of the Government of National Capital Territory of Delhi (GNCTD) in respect of every financial year.

The estimates of the expenditure show ‘charged’ and ‘voted’ items of expenditure separately and distinguish expenditure on revenue accounts from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the GNCTD.

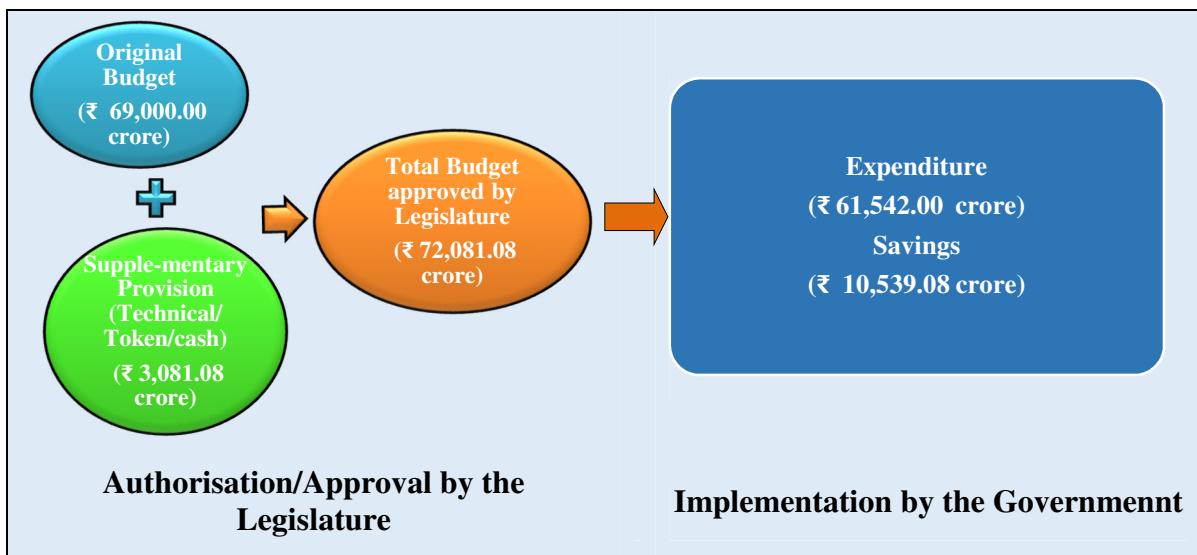
The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. The budget process commences with the issue of the Budget Circular, normally in August each year, providing guidance to different Departments in framing their estimates, for the next financial year. A typical budget preparation process in the GNCTD is given in **Chart 3.1**:

Chart 3.1: Flow chart of budget preparation process



Appropriation Accounts capture the data along the entire process of budget formulation and implementation (**Chart 3.2**).

Chart 3.2: Flow chart of budget implementation for the Financial Year 2021-22



Source: Appropriation Accounts for the year 2021-22

3.1.1 Summary of total provisions, actual disbursements and savings during the financial year 2021-22

A summarised position of total budget provision, disbursements and savings/excess for the financial year 2021-22 with its further bifurcation into voted/charged is given in **Table 3.1**:

Table 3.1: Budget provision, disbursements and savings/excess during 2021-22

Nature of expenditure	Total Budget provision		Disbursements		Savings(-)/Excess(+)	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	50,691.85	3,776.29	42,773.10	3,629.60	(-7,918.75)	(-146.69)
Capital	10,928.37	41.14	8,283.80	36.94	(-2,644.57)	(-4.20)
Public Debt	0.00	4,265.17	0.00	4,215.16	0.00	(-50.01)
Loans and Advances	2,378.26	0.00	2,603.40	0.00	(+225.14)	0.00
Total	63,998.48	8,082.60	53,660.30	7,881.70	10,338.18	200.90

GNCTD had envisaged ₹ 72081.08 crore (as per BE/RE) for spending on its activities/schemes. Against this the total receipt during 2021-22 was only ₹ 61,202.62 crore which was nearly 85 *per cent* of BE/RE. Moreover, the total disbursement was ₹ 61,246.52¹ crore nearly matched the total receipts. This indicates that budget prepared for spending on GNCTD activities/schemes was inflated and not realistic.

3.1.2 Charged and voted disbursements

Break-up of total disbursements into charged and voted for the period 2017-18 to 2021-22 is given in **Table 3.2**:

¹ ₹ 61,542 crore - ₹ 369.66 crore (recoveries) + ₹ 74.18 crore (contingency fund)

Table 3.2: Disbursements and savings/excess during the period 2017-18 to 2021-22

Year	Provision			Disbursements			Savings/Excess (₹ in crore)	
	Voted	Charged	Total	Voted	Charged	Total	Voted / (as percentage of Provision)	Charged (as percentage of Provision)
2017-18	44,159.42	5,042.66	49,202.08	36,369.86	4,789.56	41,159.42	7,789.57 (17.64)	253.09 (5.02)
2018-19	51,230.42	6,946.72	58,177.14	39,550.58	6,793.98	46,344.56	11,679.84 (22.80)	152.74 (2.20)
2019-20	57,305.74	6,874.94	64,180.68	45,632.91	5,877.12	51,510.03	11,672.83 (20.37)	997.82 (14.51)
2020-21	58,932.64	6,959.23	65,891.87	46,442.27	6,453.49	52,895.76	12,490.37 (21.19)	505.74 (7.27)
2021-22	63,998.48	8,082.60	72,081.08	53,660.30	7,881.70	61,542.00	10,338.18 (16.15)	200.90 (2.49)

It can be seen from **Table 3.2** that during the period 2017-18 to 2021-22, savings under the ‘Voted’ portion of the budget was ranging from 16.15 to 22.80 *per cent* whereas the savings under the ‘Charged’ portion of budget was ranging from 2.20 to 14.51 *per cent* over the same period.

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 and 205 of the Constitution of India. Appropriation Accounts are on gross basis. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services vis-à-vis those authorised by the Appropriation Act in respect of both charged and voted items of budget. Appropriation Accounts, thus, facilitate understanding of utilisation of funds, the management of finances and monitoring of budgetary provisions and, therefore, complements Finance Accounts.

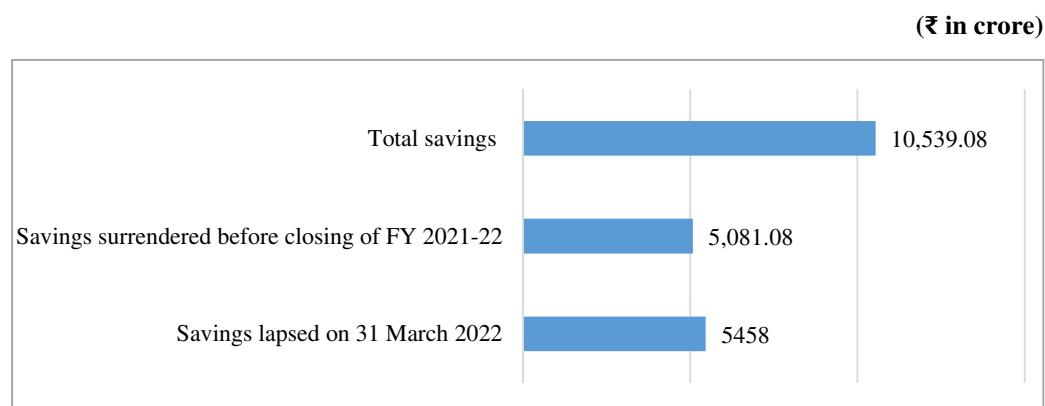
Audit of Appropriation Accounts by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants are within the authorisation given under the Appropriation Act. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions. This chapter contains audit observations in respect of the Appropriation Accounts prepared by the Controller of Accounts, GNCTD for the year 2021-22.

Scrutiny of the Appropriation Accounts revealed that there was total savings of ₹ 10,539.08 crore (14.62 *per cent* of total budget of ₹ 72,081.08 crore) and an amount of ₹ 5,081.08 crore (48.21 *per cent* of total savings) was surrendered.

₹ 5,458 crore (51.79 *per cent*) of total savings lapsed on 31 March 2022 due to delay in surrendering.

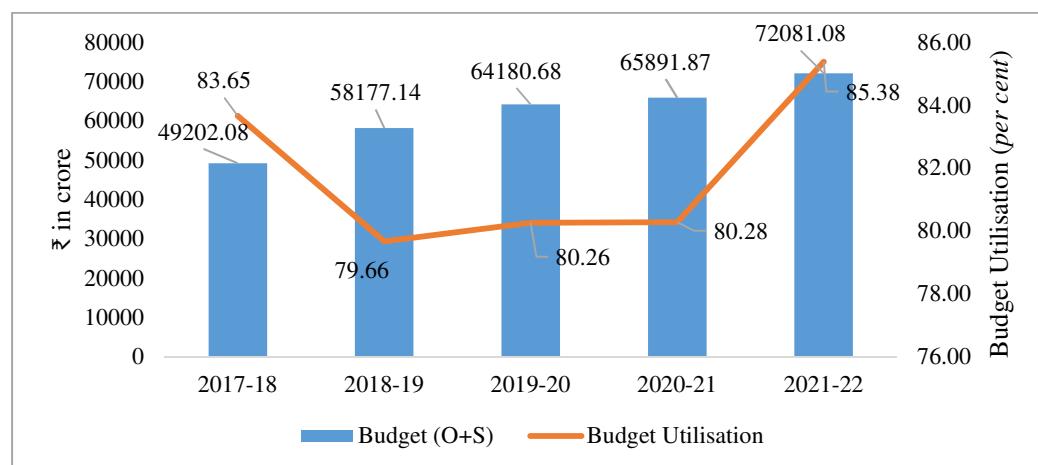
Savings and surrenders before close of the financial year 2021-22 is given in **Chart 3.3:**

Chart 3.3: Savings and Surrenders before closure of financial year 2021-22



The overall budget utilisation during the period 2017-18 to 2021-22 is given in **Chart 3.4.**

Chart 3.4: Budget utilisation during the period 2017-18 to 2021-22



3.3 Comments on integrity of budgetary and accounting process

3.3.1 Unnecessary or excessive supplementary grants

Supplementary grants should only be resorted to in exceptional and urgent cases. While obtaining a supplementary grant, the Department has to keep in view the resources available or likely to be available during the year and exercise due caution while forecasting its additional budgetary requirement of funds.

Scrutiny of Appropriation Accounts for the year 2021-22 revealed that supplementary grants amounting to ₹ 1,275.33 crore in seven cases, as detailed in **Table 3.3**, were obtained in anticipation of higher/additional expenditure.

However, the final expenditure was even less than the original grant, thereby defeating the intended purpose of the supplementary grant.

Table 3.3: Details of cases where supplementary provision (₹ one crore or more) proved unnecessary

(₹ in crore)						
Sl. No.	Name and No. of the Grant	Original grant/appropriation	Supplementary Grant	Actual Provision	Expenditure	Savings out of Provision
Revenue (Voted)						
1	Grant No. 2-General Administration	796.16	435.11	1,231.27	793.61	437.66
2	Grant No. 3-Administration of Justice	1,144.27	326.89	1,471.16	1,074.89	396.27
3	Grant No. 4-Finance	350.73	10.60	361.33	261.01	100.32
4	Grant No. 5-Home	958.79	97.52	1,056.31	738.99	317.32
5	Grant No. 7-Medical & Public Health	8,063.43	288.55	8,351.98	7,099.96	1,252.02
6	Grant No. 9-Industries	573.93	108.66	682.59	457.69	224.90
	Total	11,887.31	1,267.33	13,154.64	10,426.15	2,728.49
Capital (Voted)						
7	Grant No. 3-Administration of Justice	1.00	8.00	9.00	0.10	8.90
	Total	1.00	8.00	9.00	0.10	8.90
	Grand Total	11,888.31	1,275.33	13,163.64	10,426.25	2,737.39

The Finance Department, GNCTD, stated (October 2022) that the concerned departments had been advised to assess their requirement of funds on actual basis while inviting revised/budget estimates and to propose only those cases where the entire funds were likely to be utilised during the financial year. It added that departments were again being separately advised to ensure realistic assessment of funds and avoid unnecessary or excessive supplementary grants.

3.3.2 Unnecessary or excessive re-appropriation

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed.

Scrutiny of Appropriation Accounts for the year 2021-22 revealed that under nine sub-heads spread across four grants, there were final savings of more than ₹15 crore (in each case), as detailed in **Table 3.4(a)**:

Table 3.4(a): Excess/unnecessary re-appropriation of funds where final savings were more than ₹ 15 crore

(₹ in crore)

Sl. No.	Grant No. and Name	Head of Account (Sub-Head-wise)	Provisions				Actual Expenditure	Final Savings	Reasons as per head-wise appropriation accounts of GNCTD
			Original	Supplementary	Re-appropriation to the sub-head	Total			
Revenue-Voted									
1	Grant No.03- Administration of Justice	2014.00.105.99 - Session Courts	822.58	316.41	12.87	1151.86	876.03	275.83	Non-payment of arrears to Stenographers due to administrative reasons, non-receipt of bills/ claims and non - finalisation of some schemes and procurement of items due to administrative reasons.
2	Grant No.06- Education	2202.01.112.99- Mid Day Meal for Children (CSS)	50.00	0.01	34.99	85.00	42.39	42.61	Delay in release of Central Share by GoI.
3		2202.02.113.98 - Samagra Shiksha (State Share)	42.00	0.01	1.99	44.00	18.22	25.78	Delay in release of Central Share by GoI.
4		2202.02.113.97- Samagra Shiksha (CSS)	50.00	0.01	14.99	65.00	20.75	44.25	Delay in release of Central Share by GoI.
5	Grant No.10- Development	3604.00.102.98.9 6- GIA to South Delhi Municipal Corporation in lieu of shares in taxes	800.00	178.72	121.28	1100.00	916.72	183.28	Lockdown and COVID-19 restrictions, sale of stamp papers were affected as the Sub-Registrar Offices were closed
6	Grant No.11 - Urban Development & Public Works	3475.00.108.94 - Deen Dayal Upadhyaya Antodaya Yojana/ National Urban Livelihood Mission (CSS)	4.00	0.01	18.00	22.01	0.00	22.01	Non-release of funds from GoI.
7	Department	2210.01.110.10.8 7 -Lok Nayak Hospital	35.00	0.01	9.99	45.00	25.71	19.29	Delay in execution of works, non-submission of bills by the contractor, financial restriction imposed by GNCTD due to COVID-19,

(₹ in crore)

Sl. No.	Grant No. and Name	Head of Account (Sub-Head-wise)	Provisions				Actual Expenditure	Final Savings	Reasons as per head-wise appropriation accounts of GNCTD
			Original	Supple- mentary	Re-approp- riation to the sub- head	Total			
									vacant posts, receipt of budget at the fag end of the financial year and provision kept for payment of arbitration award.
Total			1803.58	495.18	214.11	2512.87	1899.82	613.05	
Capital-Voted									
8	Grant No.11 - Urban Development & Public Works Department	5054.04.101.83 - Construction of Flyover at Shastri Park Intersection and Seelampur	5.00	0.01	14.99	20.00	0.86	19.14	Delay in execution of works, non-submission of bills by the contractor, financial restriction imposed by the GNCTD due to COVID-19, vacant posts, non-utilisation of funds due to receipt of budget at the fag end of the financial year and provision kept for payment of arbitration award.
Total			5.00	0.01	14.99	20.00	0.86	19.14	
Revenue-Charged									
9	Grant No.3- Administration of Justice	2014.00.102.97 - Direction & Admn.	327.99	74.59	1.02	403.60	336.60	67.00	Non-filling of vacant posts, non-receipt of anticipated bill, less tours conducted, non-purchase of official cars for Hon'ble Judges and non-purchase of iMacs and Wacom, Unified Threat Management System, eHDDs, UPS batteries etc.
Total			327.99	74.59	1.02	403.60	336.60	67.00	
Grand Total			2136.57	569.78	230.12	2936.47	2237.28	699.19	

Re-appropriations to these sub-heads were made unnecessarily, as the departments were not able to utilise even their existing grants fully and there

was a cumulative non-utilisation (savings) of ₹ 699.19 crore against the re-appropriation of ₹ 230.12 crore.

It can also be seen that reasons cited for demand of excess funds were general in nature. The above excessive/unnecessary re-appropriation of funds was indicative of deficient budgeting exercise.

The Finance Department, GNCTD, stated (October 2022) that re-appropriation of funds are proposed by the departments after accessing the requirement of funds which are likely to be incurred during the year. Considering the savings, the departments are again being advised to ensure realistic assessment of funds and to avoid unnecessary or excessive re-appropriation.

Further, test check of reasons for savings indicated against Sl. no. 6,7 and 8 of the **Table 3.4 (a)** with respect to the records of the department administering the grants revealed that the reasons mentioned therein did not match with that indicated in the Appropriation Accounts in one case (Sl.no 6), as indicated below in **Table 3.4 (b)**:

Table 3.4(b): Actual reason for savings as per the departmental records

Sl.No.	Grant No. and Name	Head of Account (Sub-Head-wise)	Final savings (₹ in crore)	Reasons as departmental records
1.	Grant No.11 -Urban Development & Public Works Department	3475.00.108.94 - Deen Dayal Upadhyaya Antodaya Yojana/ National Urban Livelihood Mission (CSS)	22.01	Non-achievement of targets set for skill training and other activities of the scheme on account of COVID-19.

3.3.3 Unspent amount and surrendered appropriations and/or large savings/surrenders

As per Rule 62(2) of General Financial Rules 2017, savings as well as provisions that cannot be profitably utilised should be surrendered immediately when they are foreseen without waiting till the end of the year. No savings should be held in reserve for possible future excesses. There were overall savings of ₹ 10,539.08 crore, which was 14.62 *per cent* of total budget of ₹ 72,081.08 crore. Out of this, in six cases there were savings of more than ₹ 500 crore in each case (**Table 3.5**). Against the total provision of ₹ 51,051.69 crore, actual expenditure was ₹ 43,502.19 crore and savings were ₹ 7,549.50 crore.

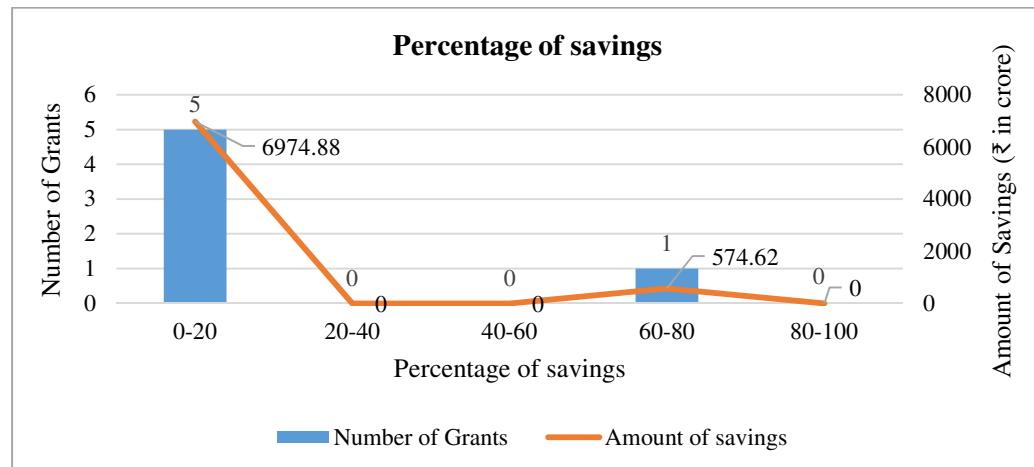
Table 3.5: Details of grants having large savings (savings above ₹ 500 crore) during the year 2021-22

(₹ in crore)								
Sl. No.	Grant No. and Name	Original grant/Appropriation	Supplementary grant/Appropriation	Total grant/Appropriation	Actual expenditure	Savings	Surrender	Lapsed
Revenue-Voted								
1	Grant No. 6- Education	14,008.53	0.93	14,009.46	11,238.47	2,770.99	1,625.17	1,145.82
2	Grant No. 7- Medical and Public Health	8,063.43	288.55	8,351.98	7,099.96	1,252.02	229.07	1,022.95
3	Grant No. 8- Social Welfare	9,326.67	0.92	9,327.59	8,358.89	968.70	137.63	831.07
4	Grant No. 11 -Urban Development and Public Works Department	9,663.07	0.26	9,663.33	8,567.92	1,095.41	626.46	468.95
Total		41,061.70	290.66	41,352.36	35,265.24	6,087.12	2,618.33	3,468.79
Capital-Voted								
5	Grant No. 10- Development	892.92	0.05	892.97	318.35	574.62	529.73	44.89
6	Grant No. 11- Urban Development and Public Works Department	8,806.00	0.36	8,806.36	7,918.60	887.76	252.14	635.62
Total		9,698.92	0.41	9,699.33	8,236.95	1,462.38	781.87	680.51
Grand Total		50,760.62	291.07	51,051.69	43,502.19	7,549.50	3,400.20	4,149.30

Further, it can be seen from the **Table 3.5**, despite significant savings of more than ₹ 500 crore and above out of original budget provision, supplementary provisions were obtained.

The distribution of the number of grants/appropriations (**Table 3.5**) grouped by the percentage of savings shows (**Chart 3.5**) that in five grants, there were savings amounting to ₹ 6,974.88 crore, being 10 to 20 *per cent* of the respective provisions. However, in one grant (Capital voted section of Grant no.10- Development) there was savings of ₹ 574.62 crore, being 64.35 *per cent* of the respective provision.

Chart 3.5: Number of Grants/Appropriations (Revenue Voted/Capital Voted) grouped by the percentage of savings along with total savings in each group



Audit further noted that in 10 grants there were total savings of ₹ 9,836 crore and an amount of ₹ 4883.52 crore was surrendered. ₹ 4,952.48 crore (more than ₹ 10 crore in each case) of total savings lapsed at the end of March 2022, as detailed in **Table 3.6**:

Table 3.6: Details of surrender of funds in excess of ₹ 10 crore at the end of March 2022

(₹ in crore)								
Sl. No.	Name and No. of the Grant	Original grant/ appropriation	Supplement ary Grant/ Appropriation	Total grant/ Appropriation	Expenditure	Savings	Surrender during the year	Lapsed
Revenue (Voted)								
1.	Grant No.2 - General Administration	796.16	435.11	1231.27	793.61	437.66	376.12	61.54
<i>Reasons² for savings and surrender: Savings occurred on account of inter alia non-operation of scheme of Safe City Project for safety of women by Delhi Police (₹ 219.46 crore) etc. Surrender of savings was attributed to vacant posts, non-receipt of bills for OTA, Wages; less expenditure on advertisement and publicity, transfer of incumbents etc.</i>								
2.	Grant No.3- Administration of Justice	1144.27	326.89	1471.16	1074.88	396.28	81.99	314.29
<i>Reasons for savings and surrender: Savings occurred inter alia on account of non-payment of arrear to Stenographers, non-finalisation of schemes, etc. (₹ 262.96 crore). Surrender of savings was attributed inter alia to decrease in criminal activities due to COVID, vacant posts etc.</i>								
3.	Grant No.4- Finance	350.73	10.6	361.33	261.01	100.32	68.26	32.06
<i>Reasons for savings and surrender: Savings occurred inter alia on account of finalisation of procurement related to IT infrastructure proposals etc. (₹ 28.45 crore); non-obtaining of administrative and expenditure sanction in respect of electricity/telephone bills etc. (₹ 31.34 crore). Surrender of savings was attributed inter alia to non-filling of posts, transfer of incumbents etc.</i>								
4.	Grant No.5- Home	958.79	97.52	1056.31	738.98	317.33	282.23	35.10
<i>Reasons for savings and surrender: Savings occurred inter alia on account of vacant posts, transfer of incumbents, less procurement etc. in Jails (₹ 234.36 crore); less procurement, non-implementation of scheme of computerisation of Delhi Fire Service etc. (₹ 249.08 crore). Surrender of savings was attributed inter alia to non-filling of posts, transfer of incumbents etc.</i>								
5.	Grant No.6 - Education	14008.53	0.93	14009.46	11238.46	2771	1625.17	1145.83
<i>Reasons for savings and surrender: Savings occurred inter alia on account of non-implementation of online assessment scheme (₹ 150 crore); delayed release of Central share of GoI in respect of Samagra Shiksha scheme (₹ 383.79 crore); partial closure of schools; non-filling up of vacant posts of teachers and staff in primary classes in Government Secondary schools etc. (₹ 198.61 crore); release of grants to local bodies such as NDMC, SDMC, EDMC (for primary education) as per net tax collection of GNCTD (₹ 336.26 crore); scheme of digital classroom at initial stage (₹ 249.83 crore). Surrender of savings was attributed inter alia to non-conducting of students tours and club activity; merger of Ambedkar Institute of Technology with NSUT etc.</i>								
6.	Grant No.7- Medical and Public Health	8063.43	288.55	8351.98	7099.96	1252.02	229.07	1022.95
<i>Reasons for savings and surrender: Savings occurred inter alia on account of less receipt of fund for Emergency Response and Health System Preparedness Package (ERHSPP) under NRHM (₹ 193 crore); release of less grants- in aid to Delhi State Health Mission for Aam Aadmi Mohalla Clinic (₹ 154.62 crore); vacant posts, transfer of incumbents, less procurement in Central Procurement Agency & State Drug Authority (₹ 177.58 crore). Surrender of savings was attributed inter alia to non-filling of posts, transfer of incumbents etc.</i>								
7.	Grant No.8- Social Welfare	9326.67	0.92	9327.59	8358.89	968.7	137.63	831.07
<i>Reasons for savings and surrender: Savings occurred inter alia on account of undisbursed pension under the Senior Citizen Pension Scheme returned by bank, stop of duplicate cases (₹ 159.31 crore); release of less compensation for meeting deficit of cluster buses (₹ 125 crore); release of less subsidy to DTC and cluster buses for female commuters owing to less beneficiaries, less passengers as the buses were to allowed to operate at 50 per cent capacity (₹ 228.61 crore). Surrender of savings was attributed inter alia to non-filling of posts, transfer of incumbents, change of scheme etc.</i>								

² As per Appropriation Accounts and surrender statement

(₹ in crore)								
Sl. No.	Name and No. of the Grant	Original grant/appropriation	Supplementary Grant/Appropriation	Total grant/Appropriation	Expenditure	Savings	Surrender during the year	Lapsed
8.	Grant No.9-Industries	573.93	108.66	682.59	457.69	224.9	87.52	137.38
<i>Reasons for savings and surrender: Savings occurred inter alia on account of non- implementation of Mukhya Mantri Ghar Ghar Rashan Yojana (₹ 220 crore). Surrender of savings was attributed inter alia to vacant post, non- implementation of Mukhya Mantri Ghar Ghar Rashan Yojana etc.</i>								
9.	Grant No.11-Urban Development and Public Works Department	9663.07	0.26	9663.33	8567.92	1095.41	626.46	468.95
<i>Reasons for savings and surrender: Savings occurred inter alia on account of less release of grants- in-aid and unspent balance available with Delhi Jal Board (₹ 337.50 crore), less release of basic tax assignment to EDMC, NDMC and SDMC based on the net tax collection of GNCTD (₹ 387.67 crore). Surrender of savings was attributed inter alia to less release of grants-in-aid, vacant posts, non-receipt of fund from GoI etc.</i>								
	Total	44,885.58	1,269.44	46,155.02	38,591.40	7,563.62	3514.45	4,049.17
Capital (Voted)								
10.	Grant No.5- Home	103.05	0.02	103.07	17.68	85.39	70.17	15.22
<i>Reasons for savings and surrender: Savings occurred inter alia on account of receipt of approval of the competent authority at the fag end of the year (₹ 43.37 crore); non-purchase of motor vehicle (₹ 36 crore). Surrender of savings was attributed inter alia to non-purchase of motor vehicle etc.</i>								
11.	Grant No.7-Medical and Public Health	369.45	0.07	369.52	213.14	156.38	78.28	78.10
<i>Reasons for savings and surrender: Savings occurred inter alia on account of procurement of less equipment for Central Procurement Agency & State Drug Authority etc. (₹ 86.63 crore); non-finalisation of purchase proposals of hospital equipment etc. for GB Hospital (₹ 48.59 crore).</i>								
<i>Surrender of savings was attributed inter alia to procurement of Machinery and equipment; non-purchase of motor vehicle etc.</i>								
12.	Grant No.8- Social Welfare	2232.87	0.01	2232.88	1664.65	568.23	438.75	129.48
<i>Reasons for savings and surrender: Savings occurred inter alia on account of no investment on purchase of buses (₹ 550 crore); slow progress of work relating to improvement of basties etc. (₹ 30.31 crore). Surrender of savings was attributed inter alia to slow progress of work etc.</i>								
13.	Grant No.10-Development Department	892.92	0.05	892.97	318.35	574.62	529.73	44.89
<i>Reasons for savings and surrender: Savings occurred inter alia on account of slow progress of work relating to Integrated Development of Rural Villages etc. (₹147.85 crore). Surrender of savings was attributed inter alia to slow progress of work etc.</i>								
14.	Grant No.11-Urban Development and Public Works Department	8806	0.36	8806.36	7918.6	887.76	252.14	635.62
	Total	12,404.29	0.51	12,404.80	10,132.42	2,272.38	1369.07	903.31
<i>Reasons for savings and surrender: Savings occurred inter alia on account of non-implementation of Chief Minister Local Area Development Scheme and Chief Minister Mohalla Sureksha Yojana (₹ 500 crore); slow pace of work, non-finalisation of proposals relating to Mukhyamantri Sadak Punrotan Yojana (₹ 272.81 crore); non- approval of streets capping of road (for new projects) (₹ 255.19 crore); delay in execution of works, non-submission of bills by contractors etc. relating to construction of elevated corridor- Barapullah Nallah Ph-III and installation of CCTV cameras. Surrender of savings was attributed inter alia to slow progress of work etc.</i>								
Grand Total		57,289.87	1,269.95	58,559.82	48,723.82	9,836.00	4,883.52	4,952.48

The Finance Department, GNCTD, stated (October 2022) that departments were being advised to ensure that the formulation of estimates are on realistic basis and not influenced by undue optimism.

3.4 Comments on transparency of budgetary and accounting process

3.4.1 Lump-sum budgetary provisions

The financial rules/budget manual prohibit lump-sum provision in estimates except in cases where urgent measures are to be provided for meeting emergent situations or for meeting preliminary expenses on a project/scheme which has been accepted in principle for being taken up in the financial year. Detailed explanations justifying provision proposed are required to be given in the budget note accompanying the lump-sum estimates.

Audit noted that GNCTD made total lump-sum budgetary provision of ₹ 319.00 crore under four grants against which expenditure of ₹ 170.07 crore was made. Lump-sum provisions without identifying the exact object of expenditure vitiates transparency. Further, as per sub rule 6 of Rule 3 of Delegation of Financial Power Rules, 1978 no lump-sum provision shall ordinarily be made in the budget except for works costing less than ₹ 10 lakh. However, Audit noted that in 17 cases under four Grants, as detailed in **Table 3.7**, the amount had exceeded the prescribed limit of ₹ 10 lakh. Moreover, it has also been noticed that similar lump-sum provisions under sub-heads of Grant No. 10 and Grant No. 11 were also made in previous year.

Table 3.7: Details of lump sum provisions made during the year 2021-22

Sl. No.	Grant No and Name	Head of Account	Lump sum provision	Expenditure from lump sum provision	Stated purpose	(₹ in crore)
1.	3-Administration of Justice (Revenue –Voted)	2014.00.105.97.00.42	1.20	0.12	Computerization of District and Session Courts	
2.	7-Public Health & Medical (Revenue –Voted)	2210.06.800.70.00.42	70.00	3.43	Introduction of Hospital Management information system	
3.	10-Development (Capital –Voted)	5425.00.208.84.00.42	1.00	0.00	Horticulture works	
4.	11-Urban Development and Public Works Department (Capital –Charged)	5054.04.800.99.00.42	40.00	36.80	Construction of Roads and Bridges	
5.	11-Urban Development and Public Works Department (Capital –Voted)	4055.00.212.90.00.42	10.00	6.43	Delhi Forensic Science Laboratory	
6.		4059.60.051.80.90.42	20.00	21.94	Infrastructural facilities for Judiciary	
7.		4070.00.800.89.00.42	25.00	23.06	Central Jail Building	
8.		4202.01.800.97.00.42	30.00	10.54	Renovation work in existing buildings	
9.		4202.02.105.88.00.42	4.00	1.06	G.B. Pant Engineering College	
10.		4202.03.800.89.00.42	50.30	29.58	Development of Play Grounds, sports complex and swimming pools etc.	
11.		4202.04.101.99.00.42	2.00	1.31	College of Art	

(₹ in crore)					
Sl. No.	Grant No and Name	Head of Account	Lump sum provision	Expenditure from lump sum provision	Stated purpose
12.		4202.04.104.96.00.42	3.00	1.01	Archives Department
13.		4210.03.102.98.00.42	3.50	2.10	Development of health care services of homoeopathic
14.		4235.02.101.87.00.42	9.00	1.14	Development of home for mentally retarded
15.		4235.02.104.94.00.42	15.00	6.06	Old Age Home
16.		4235.02.800.90.00.42	5.00	5.27	Provision of additional facilities in the existing buildings (PWD)
17.		5054.04.800.99.00.42	30.00	20.22	Construction of Roads and Bridges
Grand Total			319.00	170.07	

Source: Principal Accounts Office, GNCTD

The Finance Department, GNCTD, stated (October 2022) that the existing lump-sum provisions would be rectified in the Revised estimates 2022-23 and the ensuing Budget Estimates.

3.5 Comments on effectiveness of budgetary and accounting process

3.5.1 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities and weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some departments deprive other departments of the funds which they could have utilised.

Scrutiny of Appropriation Accounts for the year 2021-22 revealed that the departments could utilize only ₹ 61,542.00 crore against the total provision of ₹ 72,081.08 crore and savings of ₹ 5,458.00 crore (51.79 *per cent*) lapsed on 31 March, 2022 out of total savings of ₹ 10,539.08 crore. The details are given in **Table 3.8:**

Table 3.8: Summarised position of actual expenditure vis-à-vis original/ supplementary provisions

	Nature of expenditure	Original grant/appropriation	Supplementary Grant/appropriation	Total	Actual expenditure	Savings (-)/ Excess(+)	Lapsed on 31 March 2022	
							Amount	Percentage
Voted	I. Revenue	48,099.65	2,592.20	5,0691.85	42,773.10	(-)7,918.75	4,378.01	55.29
	II. Capital	10,516.24	412.13	1,0928.37	8,283.80	(-)2,644.57	994.51	41.11
	III. Loans and Advances	2,378.23	0.03	2378.26	2603.40	(+)225.14	0.00	0.00

	Nature of expenditure	Original grant/appropriation	Supplementary Grant/appropriation	Total	Actual expenditure	Savings (-)/ Excess(+)	(₹ in crore)	
							Amount	Percentage
	Total voted	60,994.12	3,004.36	63,998.48	53,660.30	(-10,338.18)	5,372.52	51.97
Charged	I. Revenue	3,699.71	76.58	3,776.29	3,629.60	(-146.69)	81.53	55.58
	II. Capital	41.00	0.14	41.14	36.94	(-4.20)	3.94	93.81
	Public Debt	4,265.17	0.00	4,265.17	4,215.16	(-50.01)	0.01	0.02
	III. Loans and Advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total charged	8,005.88	76.72	8,082.60	7,881.70	(-200.90)	85.48	42.55
	Appropriation to Contingency Fund (if any)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Grand Total	69,000.00	3,081.08	72,081.08	61,542.00	(-10,539.08)	5,458.00	51.79

Source: Appropriation Accounts.

The original budget of ₹ 69,000.00 crore prepared by GNCTD for the year 2021-22 was revised to ₹ 72,081.08 crore against which actual expenditure was ₹ 61,542.00 crore. Details of original budget, revised budget estimates and actual expenditure for the period 2017-18 to 2021-22 are given in **Table 3.9**:

Table 3.9: Original budget, revised estimates and actual expenditure during 2017-18 to 2021-22

	2017-18	2018-19	2019-20	2020-21	2021-22
Original Budget	48,000.00	53,000.01	60,000.00	65,000.00	69,000.00
Supplementary Budget	1,202.08	5,177.13	4,180.68	891.87	3,081.08
Revised Estimate	49,202.08	58,177.14	64,180.68	65,891.87	72,081.08
Actual Expenditure	41,159.42	46,344.56	51,510.03	52,895.76	61,542.00
Savings /excess	8,042.66	11,832.58	12,670.65	12,996.11	10,539.08
Percentage of Savings	16.35	20.34	19.74	19.72	14.62
Percentage of supplementary to the original provision	2.50	9.77	6.97	1.37	4.47

Source: Budget at a glance and Appropriation Accounts of the respective years.

It can be seen from **Table 3.9**, that during 2017-18 to 2021-22 the percentage of overall savings vis-à-vis total provision ranging from 14.62 *per cent* (2021-22) to 20.34 *per cent* (2018-19).

The Finance Department, GNCTD, stated (October 2022) that budget estimates of ₹ 69,000 crore was revised to ₹ 67,000 crore and the expenditure incurred against the revised estimates is ₹ 61,542 crore resulting in a savings of only ₹ 5,458 crore.

The reply is not tenable as revised estimates authorized by the Legislative Assembly of NCT of Delhi was ₹ 72,081.08 crore against which savings of ₹10,539.08 crore was reported.

The GNCTD's revenue expenditure (actuals) vis-à-vis figures of BE under Major Heads of accounts for the year 2021-22 is given in **Table 3.10**.

Table 3.10: GNCTD's Revenue Expenditure (actuals) vis-à-vis figures of BE for the year 2021-22

Expenditure head (Major heads of Accounts)	BE (as per Budget at a glance)	Actuals (₹ in crore)	Difference between BE and Actuals (₹ in crore)	(₹ in crore) Percentage (+) Excess (-) Shortfall
Fiscal services				
State Excise	51.24	44.95	(-)6.29	(-)12.28
Taxes on vehicles	288.26	161.81	(-)126.45	(-)43.87
Collection charges under GST	135.42	91.09	(-)44.33	(-)32.74
Administrative services				
Jails	530.21	372.49	(-)157.72	(-)29.75
Public Works	512.93	528.41	15.48	(+)3.02
Social services				
General Education	12948.56	10283.93	(-)2664.63	(-)20.58
Medical and Public Health	8474.29	7537.26	(-)937.03	(-)11.06
Water supply and sanitation	1630.50	1136.53	(-)493.97	(-)30.29
Urban Development	1034.69	661.59	(-)373.1	(-)36.06
Social security and Welfare	3685.36	3570.48	(-)114.88	(-)3.12
Economic Services				
Civil supplies	449.28	378.9	(-)70.38	(-)15.67
Flood control and Drainage	281.34	264.48	(-)16.86	(-)5.99
Power	3117.41	3266.97	149.56	(+)4.80
Roads and Bridges	536.8	658.15	121.35	(+)22.61
Road Transport	4744.25	4355.88	(-)388.37	(-)8.19

It can be seen from the **Table 3.10**, barring fiscal services, there were shortfall of expenditure (more than 25 *per cent* of Budget estimates) under two heads of accounts for Social services viz. 'Water supply and sanitation' and 'Urban Development' and under one head of account for Administrative services – 'Jails'.

3.5.2 Major policy pronouncement in the budget and their actual funding for ensuring implementation

Several policy initiatives taken up by the Government were partially or fully not executed due to non-approval of scheme guidelines/modalities, non-commencement of works for want of administrative sanction, non-release of budget, etc. This deprives the beneficiaries of intended benefits. Savings in such schemes deprives other departments of the funds which they could have utilised.

Audit found that in 82 sub-heads under nine Grants (₹ one crore or above in each case), the entire provision of ₹ 560.41 crore remained unutilised by the departments or was remitted back to Government before the closure of the financial year 2021-22 (**Appendix 3.1**).

Savings of the entire provision was indicative of the fact that the estimates were not prepared after adequate scrutiny of the projects/schemes. Schemes which did not take off due to non-utilisation of the entire provision were – Grant-in-aid for Covid-19 Emergency Response and Health System Preparedness Package under NRHM (CSS) (₹ 45.77 crore), Grant-in-aid for Covid-19 Emergency Response and Health System Preparedness Package under NRHM (State Share) (₹ 30.00 crore), Delhi Arogaya Kosh (₹ 40.96 crore), GIA to NDMC for Smart City (CSS) (₹ 50.00 crore), Swachh Bharat Mission (CSS) (₹ 33.00 crore), Deen Dayal Upadhyaya Antyodaya Yojana/National Urban Livelihood Mission (CSS) (₹ 22.01 crore), Swachh Bharat Mission (State Share) (₹ 20.00 crore), Subordinate debts for land acquisition for MRTS (₹ 100.00 crore), and Loan to DUSIB for construction of houses for Weaker Section (JNNURM) (₹ 14.93 crore).

Further, it was observed that in 89 sub-heads of nine grants, provision of ₹ 1,830.87 crore was made (₹ one crore or above in each case) in the original budget (**Appendix 3.2**) but the amount was completely withdrawn in the revised outlay for the financial year 2021-22.

The Finance Department, GNCTD, stated (October 2022) that departments were being advised that budget estimates/revised estimates should be prepared on a realistic basis after considering the payments expected to be made, readiness of the details of the concerned scheme and availability of funds to undertake the scheme.

3.5.3 Rush of expenditure

i) Rule 62(3) of GFR, 2017 provides that rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided. As per the guidelines of the Ministry of Finance, GoI dated 24 January 2020, expenditure in the last quarter and last month i.e. March of the financial year should be restricted to 25 *per cent* and 10 *per cent* of the budget, respectively.

It was noticed that out of the total expenditure of ₹ ₹ 61,172.34³ crore during 2021-22, expenditure of ₹ 21,800.95 crore (30.24 *per cent* of budget) was incurred in the last quarter, whereas ₹ 9,995.85 crore (13.87 *per cent* of budget) was incurred during the month of March, 2022. Besides, Audit noted that in 37 sub-heads under six grants, expenditure ranged from 50 to 100 *per cent* was incurred in March, 2022.

Rush of expenditure during the last quarter, especially during the month of March, indicates non-adherence to financial rules besides adversely affecting quality of expenditure.

³ Excluding recoveries of ₹ 369.66 crore

ii) Heads where entire expenditure was incurred in March 2022

Audit noted that in 11 sub-heads under five grants the entire expenditure of ₹ 1,596.02 crore was incurred in March 2022 as detailed in **Table 3.11:**

Table 3.11: Heads where entire expenditure was incurred in March 2022

Sl. No.	Grant No. and name	Head of Account (up to Sub-Head)	100 per cent expenditure during March (₹ in crore)
1	6 – Education	2202.02.109.53.00.31- GIA to School of Specialized excellence	38.00
2		2202.80.107.82.00.34- Welfare of educationally backward minority students	18.15
3		4202.01.203.91.00.53-Establishment of Sports University	14.91
4		4202.01.203.96.00.53-Allotment of land and construction of building of Indraprastha Vishwa Vidyalaya	10.25
5	7 - Medical and Public Health	2210.01.200.71.00.31 - GIA for India Covid-19	330.00
6	8 - Social Welfare	2225.01.789.76.00.34 - Reimbursement of Tuition fee in Public School	13.00
7		2235.02.103.22.00.50 - Subsidy to DTC for concessional passes	13.50
8		3055.00.190.99.00.33- Installation of CCTV Cameras in DTC and Cluster Buses (State Share)	38.46
9	10 - Development	2245.80.101.99.00.50- Village Development Board for works under Integrated Development of Rural Villages	169.75
10	11 - Urban Development and Public Works	5054.04.101.76.00.53- Construction of Extension of Flyover from Ashram to DND	50.00
11		7615.00.200.75.00.55- Loans to Delhi Jal Board for ways and Means support	900.00
Total			1596.02

Source: Principal Accounts Office, GNCTD

The Finance Department, GNCTD, stated (October 2022) that due to COVID-19, restriction was laid for cash management and rationalization of expenditure during the first three quarters of the financial year 2021-22. As regard to point no. 1, 3, 4, 5, 9 and 11 of the above table, Department stated the amount (₹ 1,462.91 crore out of ₹ 1,596.02 crore) was allocated in the Revised Estimates and released accordingly after obtaining necessary approval. It added that the remaining ₹ 83.11 crore (Sl.no. 2, 6, 7 and 8) relating to the payments of scholarship and stipend, subsidies and widow pension were in the shape of one-time payment. Sl.no. 10 (₹ 50 crore) related to item covered under the restrictions.

The fact remains that the General Financial Rules and the guidelines of Ministry of Finance were not observed in letter and spirit. Further, reply is not acceptable since scholarship and stipend are to be disbursed at the beginning of the session.

Besides, widow pension are to be disbursed on monthly basis. Furthermore, rush of expenditure could have been avoided had the allocation of funds in the revised estimates and the release thereof had been done in a timely manner.

iii) Grants with more than 50 *per cent* of expenditure in March 2022 alone

Audit noted that in 25 sub-heads under six grants, an expenditure of ₹ 3,211.99 crore ranging from 50 to 99.87 *per cent* of the total expenditure was incurred in March 2022 as depicted in **Table 3.12:**

Table 3.12: Grants with more than 50 *per cent* of expenditure in March 2022 alone

(₹ in crore)

Sl. No.	Gr. No. / Name	Head of Account	Total Expenditure	Total Expenditure in last quarter		Total Expenditure in March 2022	
			Amount	Amount	Percentage	Amount	Percentage
1.	5 - Home	2056.00.001.99.00.28	114.44	106.02	92.65	102.71	89.76
2.	6 - Education	2202.02.101.97.00.31	30.00	25.00	83.33	25.00	83.33
3.	6 - Education	2202.02.113.95.00.01	42.80	40.57	94.79	40.57	94.79
4.	6 - Education	2202.02.789.94.00.33	37.75	37.75	100.00	29.07	77.00
5.	6 - Education	2202.02.800.40.00.33	181.67	151.67	83.49	109.96	60.53
6.	6 - Education	2202.03.102.84.00.31	44.25	34.25	77.40	34.25	77.40
7.	6 - Education	2230.03.101.91.00.31	18.99	14.30	75.32	14.30	75.32
8.	6 - Education	4202.01.600.94.00.53	132.28	124.23	93.92	87.76	66.35
9.	6 - Education	4202.02.105.82.00.53	558.33	404.36	72.42	381.77	68.38
10.	7 - Medical and Public Health	2210.06.800.82.00.31	40.00	35.00	87.50	25.00	62.50
11.	8 - Social Welfare	2225.01.277.43.00.34	30.00	22.28	74.28	22.28	74.29
12.	8 - Social Welfare	2225.01.277.71.00.50	47.34	29.73	62.80	29.42	62.16
13.	8 - Social Welfare	2235.02.103.33.00.50	79.63	64.40	80.87	40.28	50.59
14.	8 - Social Welfare	3055.00.190.90.00.31	103.31	103.31	100.00	78.31	75.80
15.	8 - Social Welfare	5055.00.050.85.00.53	447.30	392.55	87.76	382.87	85.60
16.	8 - Social Welfare	5055.00.190.80.00.54	800.00	450.00	56.25	450.00	56.25
17.	8 - Social Welfare	7055.00.190.94.00.55	150.00	100.00	66.67	100.00	66.67
18.	10 - Development	2052.00.090.48.00.31	60.00	59.93	99.88	59.92	99.88
19.	10 - Development	2235.60.200.62.00.50	24.00	13.00	54.17	13.00	54.17
20.	11 - Urban Development and Public Works	2210.01.110.10.95.27	18.98	14.01	73.80	10.03	52.82
21.	11 - Urban Development and Public Works	2217.04.191.55.00.35	206.20	106.20	51.50	106.20	51.50

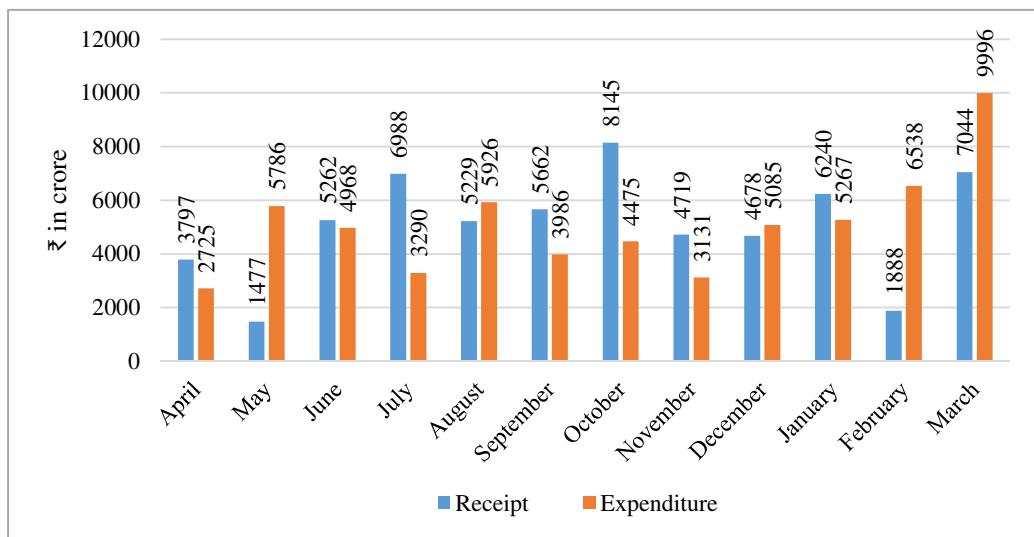
Sl. No.	Gr. No. / Name	Head of Account	Total Expenditure	Total Expenditure in last quarter		Total Expenditure in March 2022	
				Amount	Amount	Percentage	Amount
22.	11 - Urban Development and Public Works	4202.01.600.92.00.53	67.70	54.24	80.12	54.24	80.12
23.	11 - Urban Development and Public Works	4217.60.050.95.00.53	1056.77	842.81	79.75	772.55	73.11
24.	11 - Urban Development and Public Works	5054.04.337.89.00.53	44.05	43.00	97.61	30.00	68.10
25.	11 - Urban Development and Public Works	7615.00.200.81.00.55	325.00	268.75	82.69	212.50	65.38
Total			4660.79	3537.36		3211.99	

Source: Principal Accounts Office, GNCTD

The Finance Department, GNCTD, attributed (October 2022) the rush of expenditure to (i) payments made for Jails and security personnel deployed from other States after receipt of audit certificate from the State (sl.no.1 of the above table); (ii) enhancement of funds in the Revised Estimates (RE) with approval of Legislative Assembly with respect to (a) grants-in-aid (GIA) to Delhi Secondary Board of Education, (b) budget provision of Samagra Shiksha-Teacher Education, (c) GIA to Sports University, (d) Pradhan Mantri Kaushal Vikas Yojana, (e) outsourcing of school buildings and infrastructure projects, (f) GIA to Indian Institute of Liver & Biliary Sciences (sl.no. 2, 3, , 6-10 of the table); (iii) payments made for subsidy for school uniform, scholarship & stipends and reimbursement of tuition fees, Ladli Yojna etc., after necessary verifications (sl.no. 4-5, 11-12, 13); provision for payments for Transport Department only in the RE stage (sl.no. 14); payments released in the last quarter of the financial year due to revenue collection position (sl.no. 15-18); provision of funds to Wakf Board in the RE (sl.no. 19); ex-gratia payments made to defence personnel dying in war/operation as per requirement and approval of the committee (sl.no. 20); provision of funds in the RE and payments thereof (sl.no. 21); enhancement of funds in the RE in view of the additional funds received from GoI (sl.no. 22); payments relating to capital works being regulated as per the guidelines of cash management due to COVID-19 (sl.no. 23 -25).

The fact remains that the General Financial Rules and the guidelines of Ministry of Finance were not observed in letter and spirit. Further delayed payments to jails, delayed enhancement/allotment of funds in the RE, delayed payment of subsidy, stipends and tuition fees, etc., are not acceptable as a justification for rush of expenditure.

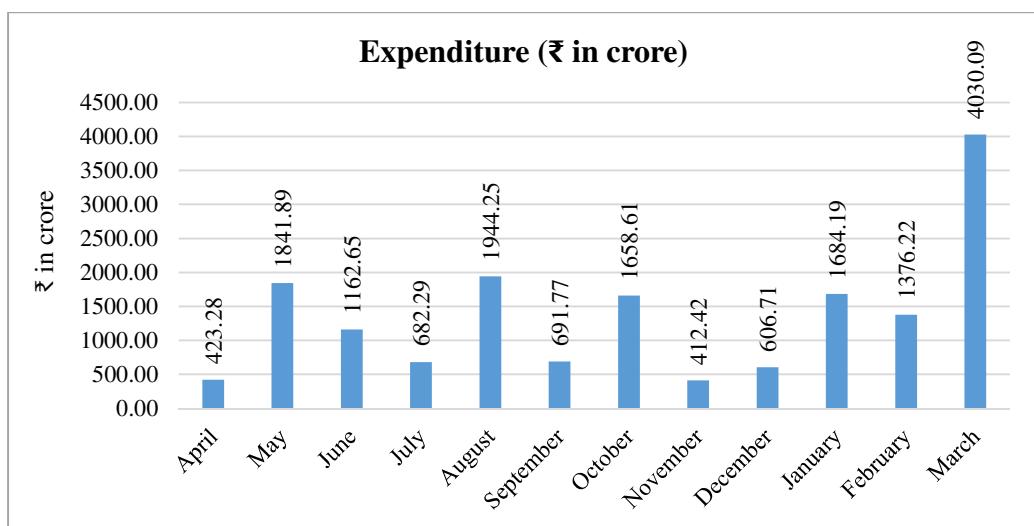
Chart 3.6: Monthly receipts and expenditure during the FY 2021-22



It may be observed from **Chart 3.6** that month-wise receipts of GNCTD ranged between 2.42 *per cent* (May) to 13.32 *per cent* (October) of the total receipt of ₹ 61,128 crore while month-wise expenditure (net of recoveries) of GNCTD ranged between 4.45 *per cent* (April) to 16.34 *per cent* (March) of the total expenditure of ₹ 61,173 crore during the year 2021-22.

Besides, Audit noted that in respect of ‘Grant No. 11- Urban Development and Public Works’ very high percentage of expenditure was incurred in the month of March as shown in **Chart 3.7**.

Chart 3.7: Month wise expenditure of Grant No. 11 Urban Development and Public Works during the year 2021-22 with very high percentage of expenditure in March 2022



Audit observed that the Department of Urban Development and Public Works (Grant No. 11) incurred 24.40 *per cent* of total expenditure in the last month of the financial year 2021-22. The rush of expenditure at the fag end of the financial year reflects poor budgeting and financial control.

3.5.4 Lack of utilisation of Grant (Centrally Sponsored Scheme)

GNCT of Delhi, under Centrally Sponsored Schemes (GIA) had approved provisions of ₹ 228.03 crore (₹ one crore and above) which was revised to ₹ 159.34 crore in 12 Sub-heads of four Grants. Audit observed that against ₹ 159.34 crore, only ₹ 36.10 crore was received from GoI during January to March 2022 and no expenditure was incurred there against. Details in **Appendix 3.3**.

The Finance Department, GNCTD, stated (October 2022) that in respect of sl.no. 1,4,9,10,11, and 12 of **Appendix 3.3**, the funds received from GoI has been authorised to departments during the financial year 2022-23. It added that for the remaining cases, no funds were available for authorisation.

3.5.5 Outcome of Grant no. 11—‘Urban Development and Public Works Department’

A review of budgetary procedure and control over expenditure in respect of Grant no.11—‘Urban Development and Public Works Department’, Government of National Capital Territory of Delhi (GNCTD) for the period 2019-20 to 2021-22 was conducted to ascertain compliance with budgeting processes, monitoring of funds and control mechanism within the grant. This grant is assigned to ‘Urban Development Department’, ‘Public Works Department’, ‘Land and Building Department’, ‘Housing Loan Department’, ‘Power Department’, and ‘State Election Commission’. During the review the following issues were noticed.

Budget and Expenditure

(i) The overall position of Budget provision, expenditure incurred and savings under the Grant for the last three years is given in **Table 3.13**:

Table 3.13: Budget and Expenditure

Year	Provision		Expenditure		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged
2019-20	19332.24	0.34	15300.94	0.19	4031.30	0.15
2020-21	19472.94	1.06	16659.22	0.01	2813.72	1.05
2021-22	18469.69	40.82	16486.52	36.94	1983.17	3.88

Unnecessary supplementary grant

(ii) Supplementary demand should only be resorted to in exceptional and urgent cases. While obtaining a supplementary grant, the Department has to keep in view the resources available or likely to be available during the year and exercise due caution while forecasting its additional budgetary requirement of funds.

Scrutiny of Grant no. 11 revealed that supplementary grants amounting to ₹ 12.00 crore (2019-20) in two cases, ₹ 4.00 crore (2020-21) in two cases

and ₹ 0.40 crore (2021-22) in one case were obtained in anticipation of higher/additional expenditure. However, the final expenditure was even less than the original grant making supplementary grants unnecessary and thereby savings of ₹18.03 crore in five cases.

Reason reported for savings was mainly on account of delay in execution of works due to migration of labour to their home states, non-submission of running account bills by the Contractor due to staff problems during lock down period, imposition of lockdown by the Government to contain COVID-19 pandemic during which offices remained closed, non-filling up of vacant posts, non-receipt of professional fee bills from Govt. counsels and non-clearance of bills due to administrative reasons

Unnecessary re-appropriation

(iii) Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed.

Detailed review of Grant no.11 for the years 2019-20 to 2021-22 revealed that the re-appropriation proved unnecessary as the Departments were not able to utilize their original grants in full. Cases of injudicious re-appropriation to sub-head under Revenue Voted/Capital Voted section are detailed below:

- Scrutiny of Grant no. 11 revealed that re-appropriation amounting to ₹ 18.48 crore (2019-20) under 7 sub-heads, ₹ 2.64 crore (2020-21) under 3 sub-heads and ₹ 36.10 crore (2021-22) under 8 sub-heads of Revenue Voted Section proved unnecessary as the Departments were not able to utilize their original grants in full.

Reason reported for savings was mainly on account of delay in execution of work due to migration of labour and non-submission of bills by the Contractor due to imposition of lockdown by the Government on account of COVID 19 (11 cases), Non-receipt of funds from GoI (3 cases), Vacant post not filled, pending clearance of bills due to administrative reasons, delay in completion of work, delay in receipt of claims (4 cases).

- Similarly, re-appropriation amounting to ₹ 66.21 crore (2019-20) under 5 sub-heads, ₹ 66.96 crore (2020-21) under 4 sub-heads and ₹ 23.77 crore (2021-22) under 5 sub-heads of Capital Voted Section proved unnecessary as the Departments were not able to utilize their original grants in full.

Reason reported for savings was mainly on account of delay in execution of work due to migration of labour and non-submission of bills by the Contractor due to imposition of lockdown by the

Government on account of COVID 19 (12 cases), no demand for Share capital by Power company (1 case), pending approval of payment by competent authority (1 case).

Overall savings:

(iv) Audit noted that under Grant no. 11, there were large savings during the period 2019-20 to 2021-22 as mentioned in the **Table 3.14**:

Table 3.14: Large Savings

Head	Total provision	Expenditure	Savings	Surrender	Lapsed	(₹ in crore)
2019-20						
Revenue (Voted)	9407.26	8759.35	647.91	418.12	229.79	
Capital (Voted)	9924.98	6541.59	3383.39	2704.66	678.73	
Total	19332.24	15300.94	4031.3	3122.78	908.52	
2020-21						
Revenue (Voted)	9788.37	9227.7	560.67	0.67	560.00	
Capital (Voted)	9684.57	7431.52	2253.05	1866.96	386.09	
Total	19472.94	16659.22	2813.72	1867.63	946.09	
2021-22						
Revenue (Voted)	9663.33	8567.92	1095.41	626.46	468.95	
Capital (Voted)	8806.36	7918.60	887.76	252.14	635.62	
Total	18469.69	16486.52	1983.17	878.60	1104.57	

Persistent Savings

(v) A detailed scrutiny of head-wise Appropriation Accounts of Grant no.11- ‘Urban Development and Public Works Department’ for the year 2019-20 to 2021-22 revealed that under the following sub-heads, persistent savings of ₹10.00 crore or more was noticed which was indicative of poor budgeting or shortfall in performance or both, in respect of the concerned Scheme/Programme being implemented by the Departments. Details of persistent savings during the year 2019-20 to 2021-22 is given in **Table 3.15 (a)**:

Table 3.15(a): Persistent savings (₹ 10.00 crore or more) in Sub-Head

Sl. No.	Sub-head	Description	Savings in 2019-20	Reasons	Savings in 2020-21	Reasons	Savings in 2021-22	Reasons	(₹ in crore)
1.	2217.80.191.04.00	Swachh Bharat Mission (CSS)	24.00	Non-receipt of second installment from GoI for want of Utilisation Certificate from Implementing agencies	94.84	Less release of CSS funds	33.00	Non-release of funds from GoI.	
2.	2217.80.191.03	Swachh Bharat Mission (State Share)	10.00	Non-receipt of proposal	25.53	Less release of CSS funds	20.00	Non-release of funds from GoI.	

Sl. No.	Sub-head	Description	Savings in 2019-20	Reasons	Savings in 2020-21	Reasons	Savings in 2021-22	Reasons	(₹ in crore)		
									2019-20	2020-21	2021-22
3.	2059.80.001.88	Estt. Charges	20.15	Migration of labour to their home state due to Lockdown, non-submission of running account bills by the contractor/agency	26.66	Migration of labour to their home state due to Lockdown, non-submission of running account bills by the contractor/agency	20.04	Delay in execution of works due to migration of labour; non-submission of running account bills by the contractors / agencies; lockdown by the Govt. on account of Covid-19 Pandemic etc.			
4.	4217.60.051.97	Strengthening and Augmentation of infrastructure i.e. Roads, Streets, Localities, Street Lights etc. in each Assembly Constituency	150.34	Funds retained to meet urgent requirement for carryout development in Assembly Constituency of MLA	46.10	Covid-19 outbreak	41.97	Non-submission of proposals after the completion of work by the executing agency resulting in non-release of balance amount etc.			
5.	4217.60.789.98	Strengthening and Augmentation of infrastructure i.e. Roads, Streets, Localities, Street Lights etc. in each Assembly Constituency (SCSP)	35.43	Funds retained to meet urgent requirement for carryout development in Assembly Constituency of MLA	16.25	Covid-19 outbreak	14.78	Non-finalisation of proposals due to administrative reasons.			

Further, test check of reasons for savings in respect of the cases indicated in the above table with the records of the department administering the grant revealed that the reasons did not match in the following cases, as indicated in **Table 3.15 (b):**

Table 3.15 (b): Reasons for savings as per departmental records

Sl. No.	Sub-head	Description	Reasons for savings as per audit verification		
			2019-20	2020-21	2021-22
1.	2217.80.191.04.00	Swachh Bharat Mission (CSS)	Funds were not received from GoI as per the proposal cost	Central allocation received in 2020-21 was 'Nil'.	Funds were only released by the Ministry on 28.03.2022 resulting in utilization of the funds during next Financial Year.
2.	2217.80.191.03	Swachh Bharat Mission (State)	State's Share subject to released	State's Share subject to released Central Share,	State's Share subject to released Central Share,

Sl. No.	Sub-head	Description	Reasons for savings as per audit verification		
			2019-20	2020-21	2021-22
		Share)	Central Share, hence, savings under Central Share leads to savings under State's Share	hence, savings under Central Share leads to savings under State's Share	hence, savings under Central Share leads to savings under State's Share
3.	2059.80.001.88	Estt. Charges	Reasons matched.	Vacant posts of Additional Director General /Pr. Chief Engineer, Chief Engineers, Superintending Engineers , Executive Engineers, Assistant Engineers, Junior Engineers and subordinate Staff	Vacant posts of Additional Director General /Pr. Chief Engineer, Chief Engineers, Superintending Engineers , Executive Engineers, Assistant Engineers, Junior Engineers and subordinate Staff
4.	4217.60.051.97	Strengthening and Augmentation of infrastructure i.e. Roads, Streets, Localities, Street Lights etc. in each Assembly Constituency	Reasons matched	Reasons matched.	Non-release of 2 nd installment/balance amount to the executing agencies after completion of work due to non-receipt of proposals on account of (i) lock down due to outbreak of COVID-19 and (ii) closure of offices due to pollution.
5.	4217.60.789.98	Strengthening and Augmentation of infrastructure i.e. Roads, Streets, Localities, Street Lights etc. in each Assembly Constituency (SCSP)	Reasons matched	Reasons matched	Non-release of 2 nd installment/balance amount to the executing agencies after completion of work due to non-receipt of proposals on account of (i) lock down due to outbreak of COVID-19 and (ii) closure of offices due to pollution.

Reply is awaited (January 2023).

Lump sum Provision

(vi) Rule 8 of Delegation of Financial Powers Rules (DFPR) stipulates that provision under the object head '42-Lump- sum provision' will not exceed ₹ 10 lakh and in all other cases break-up by other object of expenditure must be given. The financial rules/budget manual prohibit lump-sum provision in estimates except in cases where urgent measures are to be provided for meeting emergent situations or for meeting preliminary expenses on a project/scheme, which has been accepted in principle for being taken up in the financial year. Detailed explanations justifying provision proposed are required to be given in the budget note accompanying the lump-sum estimates.

Scrutiny of budgetary provisions for Grant no.11 for the period 2019-20 to 2021-22 revealed that GNCTD had made lump-sum budgetary provision of ₹ 229.02 crore (15 cases), ₹ 309.95 crore (15 cases) and ₹ 246.80 crore (14 cases) during 2019-20, 2020-21 and 2021-22 respectively under Capital

section of budget in contravention of Rule 8 of Delegation of Financial Powers Rules (DFPR).

Savings of entire Budget Provision

(vii) Appendix 3 of GFR 2017 and annual instructions as contained in the budget circular issued by the Ministry of Finance stipulates that Ministries/Departments are required to prepare their budget estimates keeping in view the disbursement trends during the previous years and other relevant factors, such as economy instructions issued by the Ministry of Finance from time to time.

Further, Rule 62(2) of GFR-2017 provides that the savings as well as provisions that cannot be profitably utilised shall be surrendered to Government immediately they are foreseen without waiting till the end of the year. The objective is to minimize the scope for avoiding surrenders at a later stage. Detailed review of Grant no.11 for the period 2019-20 to 2021-22 revealed that provision was made in various sub-heads without assessing the actual requirement, which resulted in a savings of entire amount of provision made. Savings of entire amount of provision (revised outlay) of ₹ 51.45 crore (11 cases), ₹ 70.00 crore (10 cases), ₹ 155.44 crore (12 cases) during 2019-20, 2020-21 and 2021-22 respectively depicts poor budgeting and financial control.

Rush of Expenditure

(viii) Rule 62(3) of GFR, 2017 provides that rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided. As per the guidelines of the Finance Ministry GoI dated 24 January 2020, expenditure in the last quarter and last month i.e. March of the financial year should be restricted to *25 per cent* and *10 per cent* of the budget respectively.

Audit noted that in 12 cases involving ₹ 974.57 crore (*87 per cent*) and ₹ 713.43 crore (*64 per cent*) expenditure of the total provisions of ₹ 1,116.61 crore, 18 cases involving ₹ 3,180.88 crore (*84 per cent*) and ₹ 2,931.10 crore (*77 per cent*) expenditure of the total provisions of ₹ 3785.4 crore and 8 cases involving ₹ 2279.01 crore (*85 per cent*) and ₹ 2135.53 crore (*79 per cent*) expenditure of the total provisions of ₹ 2693 crore were incurred in the last quarter and last month of 2019-20, 2020-21 and 2021-22 respectively.

3.5.6 Other irregularity

- (i) Para 15.1 of Budget Circular 2022-23 issued by Ministry of Finance, Department of Economic Affairs (Budget Division) read with O.M. No.: F. No.15(4)/B(D)/ dated 9th July 2003 provides that a detailed head '99' had been allotted against "Information Technology" to serve the purpose of consolidating the expenditure incurred by a Ministry/Department on the same.

Audit observed that said instruction has not been followed and classification of expenditure of ₹ 0.55 crore on 'Information Technology' has been done

in the Detailed Demands for Grants and the Appropriation Accounts under the head ‘2851-Village & Small Industries-Minor head-800-Others-Sub head 62- Computerization of records of Directorate of Industries-Detailed Head-00’ instead of ‘99’.

The Finance Department stated (September 2022) that the departments had been advised that the funds pertaining to expenditure relating to Information Technology are to be obtained under ‘Detailed Head-99’.

3.6 Recommendations

1. Government needs to formulate a realistic budget based on reliable assumptions of the needs of the Departments and their capacity to utilise the allocated resources;
2. An appropriate control mechanism needs to be instituted by the Government to enforce proper implementation and monitoring of the budget to ensure that savings are curtailed, large savings within the grant/appropriation are controlled, and anticipated savings are identified and surrendered within the specified timeframe.

CHAPTER-IV

QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES

Chapter IV

Quality of Accounts and Financial Reporting Practices

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is, thus, one of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist the Government in meeting its basic responsibilities, including strategic planning and decision-making. The compliance of GNCTD with various financial rules, procedures and directives has been discussed in this chapter.

Issues related to completeness of accounts

4.1 Funds transferred directly to State implementing agencies

The Union Government transfers large funds directly to State Implementing Agencies/Non-Governmental Organisations for implementation of various schemes and programmes.

As these funds are not routed through the GNCTD's Budget, these are not reflected in the accounts of GNCTD. As per the information shared by Finance Department, GNCTD, funds to the extent of ₹ 284.91 crore were transferred by the GoI directly to State Implementing Agencies within GNCTD, as depicted on the PFMS portal, during the year 2021-22.

Issues related to transparency

4.2 Delay in submission of Utilisation Certificates

Rule 238 of GFR, 2017 stipulates that for grants released during a year for specific purposes, Utilization Certificates (UCs) should be obtained by the Departmental officers from the grantees within 12 months of the closure of the financial year.

However, Audit noted that 1,428 UCs in respect of the grants of ₹ 7,730.31 crore released up to 31 March 2021, were not furnished by the grantees as of 31 March 2022.

Lack of submission of the UCs means that although expenditure is incurred but the grantees have not explained as to how the funds were spent. There is also no assurance that the intended objectives of providing these funds have been achieved. This assumes greater importance, if such UCs are pending against Grants-in-aid (GIA) meant for capital expenditure. Since lack of submission of UCs is fraught with the risk of misappropriation, it is imperative that GNCTD should monitor this aspect closely and hold the concerned departments accountable for submission of UCs in a timely manner. Year-wise break up of outstanding UCs is detailed below in **Table 4.1**.

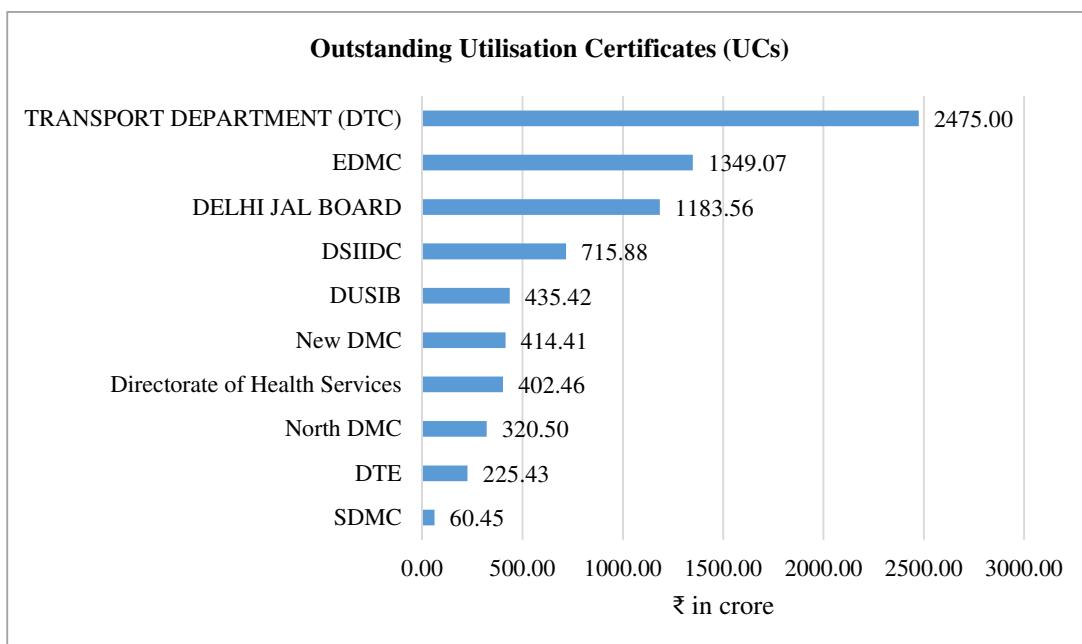
Table 4.1: Year-wise break up of outstanding Utilisation Certificates

Year	Number of UCs outstanding	Amount (₹ in crore)
1993-94 to 2011-12	1049	221.02
2012-13	105	189.02
2013-14	31	0.86
2014-15	48	0.73
2015-16	28	178.44
2016-17	27	685.61
2017-18	36	161.60
2018-19	61	940.33
2019-20	08	336.95
2020-21	35	5015.75
Total	1,428	7,730.31

It can be seen that 1,049 UCs (*73.46 per cent*) involving ₹ 221.02 crore were outstanding prior to the year 2012-13, whereas 379 UCs (*26.54 per cent*) involving ₹ 7,509.29 crore were outstanding from 2012-13 to 2020-21.

The details of outstanding UCs in respect of 10 major Departments for grants paid up to 2021-22 are given in **Chart 4.1**:

Chart 4.1: Details of outstanding UCs of 10 major Departments for the grant paid up to 2020-21



Source: Principal Accounts Office, GNCTD

Transport Department (DTC), East Delhi Municipal Corporation (EDMC) and Delhi Jal Board (DJB) contributed ₹ 2,475 crore (*32.02 per cent*), ₹ 1,349.07 crore (*17.45 per cent*) and ₹ 1,183.56 crore (*15.31 per cent*) of the arrears, respectively.

The Principal Accounts Office, GNCTD stated (September 2022) that delay in furnishing of Utilization Certificates have been referred to concerned departments with the request to provide the reasons/comments directly to Audit. It also stated that it had time and again requested the departments issuing grants to submit the UCs to the concerned PAOs and attributed the delay to administrative authorities. The reply of the concerned departments were awaited (December 2022).

It is recommended that Principal Accounts Office, GNCTD may, in conjunction with the Finance Department, conduct an inquiry on the reasons for outstanding UCs for the period upto 2012-13 under intimation to audit.

Discrepancy in year-wise summary of Utilization Certificate.

The number and amount of UCs due upto a particular year should remain same over the years. This position can, however, decline only if all the UCs for a particular year(s) have been furnished, whereupon it is removed from the summary of UCs. However, comparison of year-wise summary of Utilization certificates furnished by the Principal Accounts Office for the years 2020-21 and 2021-22, revealed that number and amount of UCs due to be received for the years 1993-94 to 2019-20 had decreased as given in **Table 4.2**. Further, in respect of the period 2003-04 to 2007-08 the number of UCs due had increased with no change in the amount while in respect of the years 2010-11, 2012-13 and 2013-14 both the number and amount of UCs due had increased whereas number of UCs due should remain same.

Table 4.2: Discrepancy in the data

(₹ in crore)

No. and amount of UCs to be received up to the year 2019-20 (As per year wise summary of UC for the year 2020-21)		No. and amount of UCs to be received up to the year 2019-20 (As per year wise summary of UC for the year 2021-22)		Difference	
No. of UCs	Amount	No. of UCs	Amount	No. of UCs	Amount
3,588	27,744.80	2,581	20,055.92	1,007	7,688.88

Principal Accounts Office, GNCTD stated (September 2022) that they had compiled the summary on the basis of report submitted by PAOs, who received the information from concerned Departments.

The reply is not satisfactory as the Principal Accounts Office, GNCTD may ensure that all the Pay and Accounts Offices adopt a uniform procedure to show quantum and amount of outstanding UCs that are consistent and in agreement with the figures shown in previous year's summary.

To verify the facts and figures relating to outstanding UCs contained in Finance Accounts of GNCTD, five Institutions viz., Delhi Jal Board (DJB), Delhi State Industrial and Infrastructure Corporation (DSIIDC), Delhi Urban Shelter Improvement Board (DUSIB), East Delhi Municipal Corporation (EDMC) and Delhi Transport Corporation (DTC) were selected for detailed audit.

Department-wise major observations are discussed in the subsequent paras.

4.2.1 Delhi Jal Board

As per Annexure ‘E’ to the GNCTD Finance Accounts 2021-22, 10 Utilisation Certificates for an amount of ₹ 1,183.56 crore were pending (as of 31 March 2022) in respect of the grants received up to 31 March 2021.

Audit noted that:

(i) DJB did not submit the certificate of actual utilization of the grants received (UC) for the purpose for which it was sanctioned in Form GFR 12-A as mandated under Rule 238(1) of the General Financial Rules (GFR) 2017 which includes unspent balances of grants received in previous years and interest earned thereon.

As per the position furnished by DJB (August 2022), ‘Nil’ UCs were pending and the unspent amount of ₹ 1,109.10 crore (as 31 March 2022) would be used in the subsequent year.

Thus the difference of UCs as per figures of Finance Accounts and DJB records remained unreconciled. Besides, it also shows that there is no coordination between Finance Department, GNCTD and DJB due to which 10 UCs have been shown as outstanding in the Finance Accounts while DJB is claiming that there are no pending UCs against the GIA issued.

(ii) In terms of Rule 230(4) of the GFR, every order sanctioning a grant shall indicate whether it is recurring or non-recurring and specify clearly the object for which it is being given and the general and special conditions, if any, attached to the Grant.

Scrutiny of the sanctions revealed that DJB did not specify the nature of the grant as mandated under the above rule.

(iii) Test check of the UCs revealed that expenditure incurred in respect of the following schemes was disproportionate to the grants sanctioned by the department, as detailed below in **Table 4.3**:

Table 4.3: Disproportionate expenditure *vis-à-vis* grants sanctioned

Name of the scheme	GIA during the period 2015-16 to 2020-21 ₹ in crore	Expenditure incurred till 31.03.2022 as reflected in the UCs ₹ in crore	Unspent amount (in per cent)
Water supply in Squatter Resettlement Colonies	60.50	19.03	68.54
Sewerage facility in squatter resettlement Colonies	7.11	2.23	68.59
Jan Jal Prabhandan Yojana	4.85	1.11	77.08

As evidenced from the above table, huge unspent amounts (in *per cent*) indicated ineffective monitoring and control mechanism in Department of Urban Development while releasing grants.

Reply was awaited (December 2022).

4.2.2 Delhi State Industrial and Infrastructure Development Corporation Ltd. (DSIIDC)

As per Annexure 'E' to the GNCTD Finance Accounts 2021-22, one Utilisation Certificates for an amount of ₹ 715.88 crore was pending (as of March 2022) in respect of the grants received upto 31 March 2021.

Scrutiny of the records revealed the following:

- (i) In terms of Rule 230(4) of the GFR, every order sanctioning a Grant shall indicate whether it is recurring or non-recurring and specify clearly the object for which it is being given and the general and special conditions, if any, attached to the Grant. Scrutiny of the sanctions revealed that DSIIDC did not specify the nature of the grant as mandated under the above rule.
- (ii) DSIIDC did not keep the certificate of actual utilization of the Grants received (UC) for the purpose for which it was sanctioned in Form GFR 12-A as mandated under Rule 238(1) of the General Financial Rules (GFR) 2017. However, as per the position furnished by DSIIDC (August 2022), one UC for an amount of ₹ 853.30 crore was pending since April 2019. Thus, the amount of outstanding UCs as reflected in the Finance Accounts and that depicted in records of DSIIDC remained unreconciled.
- (iii) Scrutiny of the Utilization Certificates in respect of the scheme 'Construction of Houses for weaker sections (JNURRM)' revealed that DSSIDC had received grants of ₹ 1,122.09 crore during the period 2006-07 to 2013-14 in respect of which there was an unspent balance of ₹ 4.03 crore (March 2018). Department of Urban Development (DUD) had released another grant for ₹ 371.06 crore during 2018-19. Audit noted that no amount has been spent by DSIIDC with respect to the grant of ₹ 371.06 crore received (2018-19) due to pending approval of the Council of Ministers for the utilization of funds. (August 2022)

Thus, the funds are lying idle for a period of more than three years. The reasons behind the non-approval of Council of Ministers and future plan on the matter were sought from Department but the same are awaited (December 2022).

- (iv) In terms of Rule 230 (8) of GFR 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 immediately after finalisation of the accounts. Such advances should not be allowed to be adjusted against future releases.

Since the UCs were not being prepared in Form 12 A (which depicts the interest earned), it could not be ascertained in audit as to whether any interest was being earned by the grantee and if so, whether the same was being remitted back to the Consolidated Fund of GNCTD after the finalisation of accounts.

Reply was awaited (December 2022).

4.2.3 Delhi Urban Shelter Improvement Board (DUSIB)

As per Annexure 'E' to the GNCTD Finance Accounts 2021-22, 16 UCs for an amount of ₹ 435.42 crore were pending (as of March 2022) in respect of the grants received upto 31 March 2021.

Scrutiny of the records revealed the following:

- (i) DUSIB did not keep the certificate of actual utilization of the Grants received (UC) for the purpose for which it was sanctioned in Form GFR 12-A as mandated under Rule 238(1) of the General Financial Rules (GFR) 2017.
- (ii) As per the position furnished by DUSIB (August 2022), 'Nil' UCs were pending and the unspent amount of ₹ 323.12 crore would be used in the subsequent year. Thus the difference of UCs as per figures of Finance Accounts and DUSIB records remained unreconciled. Besides, it also shows that there is no coordination between Finance Department, GNCTD and DUSIB due to which 16 UCs have been shown outstanding in the Finance Accounts while DUSIB is claiming that there are no pending UCs against the GIA issued.
- (iii) In terms of Rule 230 (8) of GFR 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 immediately after finalisation of the accounts. Such advances should not be allowed to be adjusted against future releases. Since the UCs were not being prepared in Form 12 A (which depicts the interest earned), it could not be ascertained in audit as to whether any interest was being earned by the grantee and if so, whether the same was being remitted back to the Consolidated Fund of GNCTD after the finalisation of accounts.
- (iv) As per the abstract provided to audit showing the aggregate funds received and expenditure incurred (as per UCs) for the period 2011-12 to 2020-21, there is a difference between the closing balance (CB) of the grants-in-aid for a year and the opening balance (OB) of the subsequent year, as detailed below in **Table 4.4:-**

Table 4.4: Difference between the closing and opening balance of the grants-in-aid

Year	CB	Year	OB	(₹ in crore)
2011-12	188.25	2012-13	190.75	2.50
2016-17	88.59	2017-18	82.40	6.19
2017-18	49.09	2018-19	49.14	0.05
2018-19	299.01	2019-20	298.96	(-) 0.05
2019-20	322.96	2020-21	323.02	0.06

(v) As per the UC for the year 2017-18, unspent balance of ₹ 12,21,917 in respect of Rajiv Awas Yojana was to be refunded in the next financial year, i.e. 2018-19. However, the same was not refunded till 2019-20. Further, in 2020-21 an expenditure of ₹ 18,018 was incurred and it was mentioned in the UC that the unspent balance of ₹ 12,03,899 will be carried forward to the next year, i.e., 2021-22. Thus, the instructions contained in the UC were not strictly observed. The copies of the sanctions mentioned in UC were not furnished to audit.

Reply was awaited (December 2022)

4.2.4 East Delhi Municipal Corporation (EDMC)

As per Annexure ‘E’ to the GNCTD Finance Accounts 2021-22, 12 Utilisation Certificates for an amount of ₹ 1,349.07 crore were pending (March 2022) in respect of the grants-in-aid received up to 31 March 2021.

Scrutiny of the records revealed the following:

(i) EDMC did not keep the certificate of actual utilization of the Grants received (UC) for the purpose for which it was sanctioned in Form GFR 12-A, as mandated under Rule 238(1) of the General Financial Rules (GFR) 2017.

As per the position furnished by EDMC (August 2022), ‘Nil’ UCs were pending and an excess amount of ₹ (-) 47.05 crore was incurred which was to be adjusted to the actual allocation from GNCTD by transfer entry. Thus the difference of UCs as per figures of Finance Accounts and EDMC records remained unreconciled. Besides, it also shows that there is no coordination between Finance Department, GNCTD and EDMC due to which 12 UCs have been shown outstanding in the Finance Accounts while EDMC is claiming that there are no pending UCs against the GIA issued.

(ii) In terms of Rule 230 (8) of GFR 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 immediately after finalisation of the accounts. Such advances should not be allowed to be adjusted against future releases.

Since the UCs were not being prepared in Form 12 A (which depicts the interest earned), it could not be ascertained in audit as to whether any interest was being earned by the grantee and if so, whether the same was being remitted back to the Consolidated Fund of GNCTD after the finalisation of accounts.

(iii) As per the abstract provided to audit, there is a difference between the closing balance (CB) of grants-in-aid in respect of a scheme for a year and the opening balance (OB) thereof for the subsequent year, as detailed below in **Table 4.5.**

Table 4.5: Difference between the closing and opening balance of the grants-in-aid

Year	Scheme	CB	Year	OB	Difference
2016-17	Primary Education	28.24	2017-18	35.03	6.79
2016-17	Additional facilities in JJ Colony	5.23	2017-18	5.47	0.24

(iv) The unspent balance of the grants as indicated in the UC unspent Balance Statement (UBS) in respect of two schemes for a particular year did not agree with that indicated in the moratorium/permission, by which department was allowed to utilize the unspent balance, as detailed below in **Table 4.6:-**

Table 4.6: Differences in the depiction of unspent balances

Scheme	Year	Unspent balance		Difference
		As per UC	As per permission	
Strengthening and Mechanization and Conservancy of Sanitation services	2016-17	22.01	24.13 <i>(permission dated 18.08.2017)</i>	2.12
Primary Education	2018-19	52.23	52.37 <i>(permission dated 18.08.2019)</i>	0.14

As per sanction order dated 1.02.2016, a grant of ₹ 30 crore had been given towards ‘Execution of various development works in Trans Yamuna area’ during the year 2015-16. However, this scheme does not appear in the abstract provided by EDMC.

Reply was awaited (December 2022).

4.2.5 Delhi Transport Corporation (DTC)

As per Annexure ‘E’ to the GNCTD Finance Accounts 2021-22, two Utilisation Certificates for an amount of ₹ 2,475 crore were pending (as on March 2022) in respect of the grants received during the year 2020-21. But as per the position furnished by DTC (August 2022), total funds of ₹ 2,572.07 crore were available for utilization for the year 2020-21, as detailed below in **Table 4.7:-**

Table 4.7: Status of available funds

Unspent balances of Grants received in previous years	Interest earned thereon	Interest deposited back to the Government	Grant received during the year 2020-21	Total available funds	Expenditure during the year 2020-21	Closing balance as on 31.03.2021
93.53	3.54	0.00	2,475.00	2,572.07	1,979.21	592.86

Thus, as per the reply of DTC, ₹ 592.86 crore remained unutilized as on 31.03.2021 out of total funds of ₹ 2,572.07 crore available during the year 2020-21. It was further stated that final Utilization Certificate for the utilized amount of ₹ 1,979.21 crore would be submitted to the Government after receipt of Audit report from C&AG. However, provisional UC had already been submitted to the Government for the year 2020-21.

As per the records/information made available to the Audit following was observed by Audit:

- (i) In terms of Rule 230 (8) of GFR 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 immediately after finalization of the accounts. Such advances should not be allowed to be adjusted against future releases. It was observed that interest amounting to ₹ 3.54 crore was accrued on the funds made available by GNCTD, which should have been remitted to Consolidated Fund of GNCTD, but the provisional UC submitted to the GNCTD suggests that the said amount of accrued interest was not remitted. The reason for non-remittance in violation of the aforesaid rule was not furnished to audit.
- (ii) In terms of Rule 230(7), when recurring grants-in-aid are sanctioned to the same Institution or Organization for the same purpose, the unspent balance of the previous grant should be taken into account in sanctioning the subsequent grant. However, scrutiny of the sanctions revealed that there was no indication therein about the availability of the unspent grant with the grantee institution.

Reply was awaited (December 2022)

4.3 Abstract Contingent bills

The drawal of contingent charges on items of expenditure by a State Government, for which final classification and supporting vouchers are not available at the time of drawal, are made on Abstract Contingent (AC) bills. Initially made as advance, its subsequent adjustments are ensured through submission of Detailed Countersigned Contingent (DCC) bills within a stipulated period of drawal of AC bills. DCC bills consist of abstract expenditure along with sub-vouchers for the amount drawn through AC bills. Drawing and Disbursing Officer are required to present Detailed Countersigned Contingent (DCC) bills duly countersigned by the Controlling Officer in all these cases within the prescribed period.

Rule 118 of the Receipts and Payments Rules stipulates that a certificate shall be attached to every AC bill to the effect that the DCC bills have been submitted to the Controlling Officer in respect of AC bills drawn during the

month previous to that in which the bill in question is presented for payment. Thus, money drawn on AC bills should be adjusted within a period of one month from the date of drawal by submission of DCC bill. On no account should an AC bill be adjusted without this certificate.

Year-wise progress in submission of DCC bills against the AC bills is detailed below in **Table 4.8:-**

Table-4.8:Year-wise progress in submission of DCC bills against the AC bills

Year	Opening balance		Clearance during the F.Y. 2021-22		Closing balance as on 31 March 2022		₹ in crore
	No.	Amount	No.	Amount	No.	Amount	
Upto 2017-18	3,989	270.14	413	33.06	3,576	237.08	
2018-19	281	136.14	62	117.05	219	19.10	
2019-20	359	63.29	140	35.44	219	27.85	
2020-21	307	265.53	171	251.53	136	13.99	
Upto 2020-21	4,936	735.1	786	437.08	4,150	298.02	
2021-22 [#]	1,976	223.79	1440	89.38	536	134.40	
Total		2,226		526.46	4,686	432.42	

represents total fresh bills drawn during the year 2021-22.

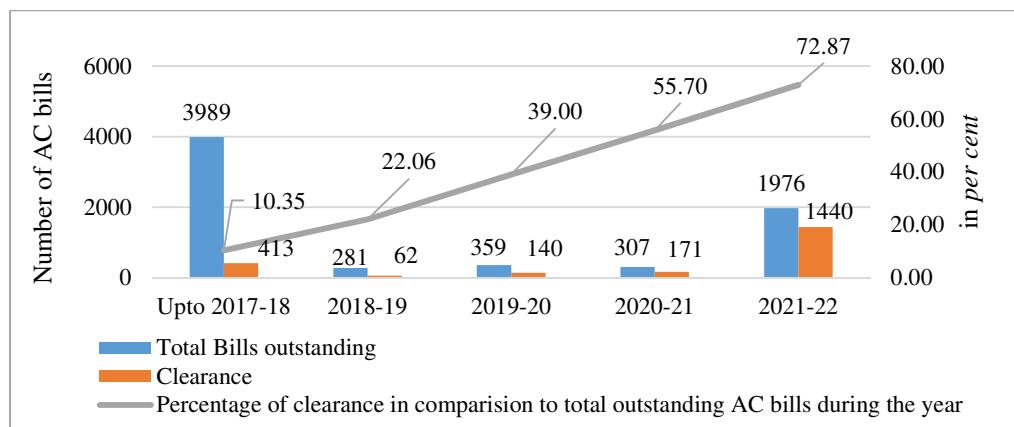
Source: Principal Accounts Office, GNCTD

64 Government Departments did not submit 536 DCC bills amounting to ₹ 134.40 crore before closing of the Accounts for the financial year 2021-22, and therefore, there was no assurance that the expenditure of ₹ 134.40 crore had actually been incurred during the financial year for the purpose for which it was authorized by the legislature. Moreover, it is evident from the above table that a total of 4,686 AC bills involving ₹432.42 crore were outstanding as of March 2022.

Against AC bills of ₹ 223.79 crore during 2021-22 an amount of ₹ 12.27 crore (5.48 per cent) pertained to March 2022.

Advances drawn and not accounted for increases the possibility of wastage/misappropriation/malfeasance, etc. Owing to non-submission of DCC bills by different Departments within prescribed time after drawal of AC Bills, it could not be ensured in audit that funds had been utilised for the purpose for which these were drawn. This, therefore, needs to be monitored closely. It is recommended that Principal Accounts Office, GNCTD may, in conjunction with the Finance Department, conduct an inquiry on the reasons for outstanding AC bills for the period upto 2017-18 under intimation to audit. The trend of clearance of AC bill is given in **Chart 4.2:**

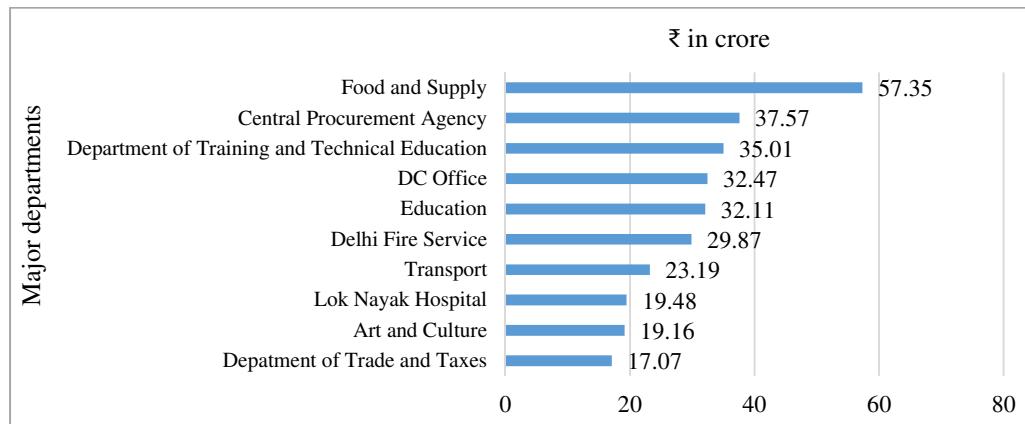
Chart 4.2: Trend of clearance of AC bills



It can also be seen from the above **Chart 4.2** that clearance of outstanding AC bills for the years 2017-18 to 2021-22 showed an increasing trend from 10.35 *per cent* to 72.87 *per cent* in 2021-22.

The details of pending DCC bills in respect of major departments are given in **Chart 4.3**:

Chart 4.3: Pending DCC bills in respect of major Departments



Source: Finance Accounts of GNCTD for the year 2021-22

From the above **Chart 4.3**, it can be seen that pending DCC bills in respect of ten major departments of GNCTD ranged from ₹ 17.07 crore to ₹ 57.35 crore.

AC bills drawn for creation of Capital assets

As per Rule 96 of Receipt and Payment Rules, 1983, the term ‘contingent charges’ or ‘contingencies’ means and includes all incidental and other expenses (including on stores) which are incurred for the management of an office as an office or for the working of technical establishment such as laboratory, workshop, industrial installation, store depot and the like but other than expenditure which has been specifically classified as falling under some other head of expenditure e.g. ‘works’, ‘tools and plants’.

During the year out of total 1,976 AC bills, 02 AC bills amounting to ₹ 7.00 crore were drawn for creation of capital assets pertaining to different

departments. Consequently, it could not be ensured that funds had been utilized for the purpose for which these funds had been drawn.

To verify the facts and figures relating to outstanding AC Bills contained in Finance Accounts of GNCTD, five Departments /Institutions viz., Lok Nayak Hospital (LNH), Delhi Fire Service (DFS), Directorate of Education (DTE), Department of Training and Technical Education (DTTE) and GB Pant Hospital were selected for detailed audit.

Department-wise major observations are discussed in the subsequent paras.

4.3.1 Lok Nayak Hospital (LNH)

a) Non-adjustment of outstanding AC bills amounting ₹ 19.48 Crore

Rule 118 of Receipts and Payments Rules, 1983 stipulates that a certificate shall be attached to every abstract contingent bill to the effect that the detailed bills have been submitted to the Controlling Officer in respect of AC Bills drawn during the month previous to that in which the bill in question is presented for payment. On no account may an abstract contingent bill be cashed without this certificate.

There were 93 outstanding abstract contingent Bills amounting to ₹19.48 crore, which were drawn during the period January 2003 to 31 March 2022. Due to non-submission of Detailed Countersigned Contingent (DCC) bills by different units of LNH, it could not be ensured in audit as to whether the funds had been utilized for the purpose for which these had been drawn.

b) Non-maintenance of Register of Contingent Expenditure in prescribed form

As per Rule 110 of Receipts and Payments Rules, 1983, a register of contingent expenditure shall be kept in Form GAR 27 by office and the initials of the head of the office, or of a gazetted officer to whom this duty has been delegated by the head of the office, shall be entered against the date of payment of each item.

Audit noted that LNH was not maintaining records relating to contingent expenditure in Form GAR 27 and was using a simple register for the same.

Reply was awaited. (December 2022)

4.3.2 Delhi Fire Service

a) Non-adjustment of outstanding AC bills amounting to ₹ 29.67 crore

25 AC bills for ₹29.67 crore were drawn during the period 2003-04 to 2021-22. In contravention of Rule 118 of Receipts and Payments Rules, 1983 only eight bills for ₹ 1.41 crore were settled till August 2022 and 17 bills for ₹ 29.53 crore were still lying unadjusted. Owing to non-submission of DCC

Bills by Delhi Fire Service, it could not be ensured that funds had been utilized for the purpose for which these had been drawn.

b) Delay in settlement of AC bills

Scrutiny of records revealed that the AC bills were settled (vide DCC bills) after delay ranging from 110 days to 3055 days from the date of their drawal in contravention of the Rule 118 of the Receipts and Payments Rules *ibid*, as detailed below in **Table 4.9**:

Table 4.9: Delay in settlement of AC bills

Sl. No.	Advance bill No. & date	Amount Drawn (in ₹)	Settled vide DCC bill No. & date	Delay in settlement (in days)
1.	1812 dt.13.02.2014	24,547	951 dt.27.07.2022	3055
2.	1711 dt.03.03.2015	20,000	953 dt.27.07.2022	2672
3.	1399 dt.03.08.2017	10,000	952 dt.27.07.2022	1788
4.	270 dt.15.06.2018	2,90,752	169 dt.17.05.2022	1401
5.	271 dt.21.06.2018	5,45,826	720 dt.27.01.2022	1285
6.	347 dt.17.08.2021	30,100	649 dt.05.01.2022	110
7.	741 dt.21.12.2020	3,83,684	1146 dt.07.02.2022	382

c) Non-maintenance of Register of Contingent Expenditure in prescribed form

In contravention of Rule 110 of Receipts and Payments Rules, 1983, Delhi Fire Service was not maintaining records relating to contingent expenditure in Form GAR 27 and was using a simple register for the same.

Reply was awaited. (December 2022)

4.3.3 Directorate of Education (DoE)

a) Unreconciled difference between Finance Accounts and departmental records

While Annexure 'D' to GNCTD Finance Accounts for the year 2021-22 depicted pending outstanding AC Bills of ₹ 32.11 crore as on March 2022, the departmental records showed outstanding AC Bills of ₹ 5.17 crore.

Thus the difference of outstanding AC bills as per figures of Finance Accounts and DoE records remained unreconciled. Besides, it also shows that there is no coordination between related department of GNCTD due to which there is variation in the figures of Finance Accounts and DoE.

b) Delay in settlement of AC bills

Scrutiny of records of DoE revealed that AC bills were settled (vide DCC bills) after delay ranging from 25 to 4917 days from the date of their drawal in contravention of the Rule 118 of the Receipts and Payments Rules *ibid*, as detailed below in **Table 4.10**:-

Table 4.10: Delay in settlement of AC bills

Sl. No.	Advance bill No. & date	Amount Drawn (in ₹)	Settled vide DCC bill No. & date	Delay in settlement (in days)
1.	2641/28.03.2008	9,10,00,000	824/14.10.2021	4917
2.	364/02.07.2021	95,00,000	1276/01.12.2021	121
3.	959/06.10.2021	95,00,000	1277/01.12.2021	25
4.	726/03.09.2021	25,75,000	1337/13.12.2021	70
5.	673/19.08.2021	50,000	1339/27.12.2021	99
6.	1247/18.11.2021	75,000	306/03.06.2022	166
7.	353/19.06.2019	1,35,520	634/06.08.2022	1113
8.	1356/16.12.2021	14,70,310	635/06.08.2022	202
9.	1206/13.12.2021	93,73,507	420/08.08.2022	207
10.	679/26.08.2019	53,74,523	637/08.08.2022	1047
11.	1553/14.01.2022	53,90,000	638/08.08.2022	175
12.	1430/17.03.2021	14,00,000	644/08.08.2022	478
13.	672/19.08.2021	20,53,200	1796/08.08.2022	323
14.	1439/19.03.2021	22,00,000	38/06.08.2022	474

c) Non-maintenance of Register of Contingent Expenditure in prescribed form

In contravention of Rule 110 of Receipts and Payments Rules, 1983 no register of contingent expenditure in Form GAR 27 was being maintained by DoE relating to contingent expenditure.

Reply was awaited. (December 2022).

4.3.4 Department of Training and Technical Education (DTTE)

a) Unreconciled difference between Finance Accounts and departmental records

While Annexure ‘D’ to GNCTD Finance Accounts for the year 2021-22 depicted pending outstanding AC Bills of ₹ 35 crore as on 31.03.2022, the departmental records showed outstanding AC Bills of ₹ 31.04 crore. Thus, the difference of outstanding AC bills as per figures of Finance Accounts and departmental records remained unreconciled. Besides, it also shows that there is no coordination between related department of GNCTD due to which there is variation in the figures of Finance Accounts and DTTE.

b) Delay in settlement of AC bills

Scrutiny of records of DTTE revealed that AC bills were settled (vide DCC bills) after delay ranging from 26 to 411 days from the date of their drawal in contravention of Rule 118 of the Receipts and Payments Rules ibid, as detailed below in **Table 4.11:-**

Table 4.11: Delay in settlement of AC bills

Sl. No.	Advance bill No. & date	Amount Drawn (in ₹)	Settled vide DCC bill No. & date	Delay in settlement (in days)
1.	34 dt.08.06.2020	30,000	120 dt 24.08.2021	411
2.	276 dt.31.12.2020	12,000	158 dt 25.08.2021	206

Sl. No.	Advance bill No. & date	Amount Drawn (in ₹)	Settled vide DCC bill No. & date	Delay in settlement (in days)
3.	73 dt.29.06.2021	50,000	334 dt 25.08.2021	26
4.	199 dt.17.02.2022	15,00,000	25 dt.25.04.2022	36
5.	200 dt.17.02.2022	1500000	26 dt.25.04.2022	36
6.	201 dt.17.02.2022	1500000	27 dt.25.04.2022	36

c) Non-maintenance of Register of Contingent Expenditure in prescribed form

In contravention of Rule 110 of Receipts and Payments Rules, 1983, DTTE was not maintaining records relating to contingent expenditure in Form GAR 27.

d) AC bills drawn for the purpose of creation of capital assets amounting to ₹ 30.58 crore

As per Rule 96 of the Receipts and Payments Rules, 1983, the term “contingent charges” or “contingencies” means and includes all incidental and other expenses (including on stores) which are incurred for the management of an office as an office or for the working of technical establishment such as laboratory, workshop, industrial installation, store depot and the like but other than expenditure which has been specifically classified as falling under some head of expenditure i.e. ‘Work’ ‘tools and plant’.

Audit scrutiny of AC bill register and list of outstanding AC bills of DTTE revealed that the AC bills were drawn for the purpose of creation of capital assets in violation of the said rule, as detailed below in **Table 4.12:-**

Table 4.12: AC bills drawn for the purpose of creation of capital assets

S. No.	AC Bill No. & Date	Purpose for which advance given	Agency whom to paid	Amount (in ₹)
1.	226/30.11.2021	Construction work of WCSC at Aryabhatt	DTTDC	2,32,74,881
2.	227/30.11.2021	Construction work of WCSC at BPIBS	DTTDC	2,72,82,101
3.	228/30.11.2021	Construction work of WCSC at ITI Mayur Vihar	DTTDC	2,21,13,191
4.	229/30.11.2021	Construction work of WCSC at MBIT	DTTDC	2,02,84,880
5.	230/30.11.2021	Construction work of WCSC at NSUT	DTTDC	2,68,90,256
6.	231/30.11.2021	Construction work of WCSC at ITI Jail Road	DTTDC	1,74,08,606
7.	232/30.11.2021	Construction work of WCSC at GBPIT	DTTDC	1,20,04,345
8.	233/30.11.2021	Construction work of WCSC at AIACTR	DTTDC	2,28,37,340
9.	234/30.11.2021	Construction work of WCSC at DITE Wazirpur	DTTDC	1,87,99,103
10.	235/30.11.2021	Construction work of WCSC at Jaffarpur Engg College	DTTDC	3,69,48,840
11.	236/30.11.2021	Construction work of WCSC at ITI Jaffarpur	DTTDC	2,86,68,000
12.	237/30.11.2021	Construction work of WCSC at ITI Dheerpur	DTTDC	49,96,225

S. No.	AC Bill No. & Date	Purpose for which advance given	Agency whom to paid	Amount (in ₹)
13.	238/30.11.2021	Construction work of WCSC at ITI Narela	DTTDC	2,16,18,909
14.	239/30.11.2021	Construction work of WCSC at ITI Narela	DTTDC	2,26,10,018
Total				30,57,36,895

Reply was awaited. (December 2022).

4.3.5 G. B. Pant Hospital

a) Non-adjustment of outstanding AC bills amounting to ₹ 16.88 crore

Audit noted one AC bill of ₹ 58,000/- was settled in 2021-22 and 78 bills for ₹16,87,63,345 were still lying unadjusted. Owing to non-submission of DCC bills by different departments of hospital, it could not be ensured that funds had been utilized for the purpose for which these had been drawn.

b) Non-maintenance of Register of Contingent Expenditure in prescribed form

In contravention of Rule 110 of Receipts and Payments Rules, 1983, G. B. Pant Hospital was not maintaining records relating to contingent expenditure in Form GAR 27 and was using a simple register for the same.

Reply was awaited (December 2022).

4.4 Personal Deposit Accounts

Rule 191 read with 191 (3) of the Receipt and Payment Rules, 1983 stipulates that Personal Deposit Accounts (PDAs) are generally authorized to be opened under the special order to the Ministry/ Department concerned in consultation with the Controller General of Accounts (CGA) in the following types of cases:

- In favour of an administrator appointed for the purpose of administering money tendered by or on behalf of ward and attached estates and estates under Government management. These PDAs do not lapse to Government as per Rule 192(1), even if outstanding for more than three completed years;
- In relation to Civil and Criminal Courts deposits, in favour of the Chief judicial authority concerned and these PDAs will not lapse as per Rule 192(2);
- Where, under certain regulatory activities of the Government, receipts are realized and credited to a Fund or Account under the provisions of an Act to be utilized towards expenditure there under and no outgo from the Consolidated Fund is involved. These PDAs will not lapse to Government until the provisions of the relevant Act are in force.

Every Personal deposit account so authorised to be opened will form part of the Government Account and be located in the Public Account portion thereof.

The details of PDAs in GNCTD as on 31 March 2022 are given in **Table 4.13:-**

Table 4.13: Details of PDAs as on 31 March 2022

PDAs as on 01.04.2021		PDAs opened during the year 2021-22		PDAs closed during the year 2021-22		Closing Balance as on 31.03. 2022	
Number	Amount (₹ in crore)	Number	Amount* (₹ in crore)	Number	Amount* (₹ in crore)	Number	Amount (₹ in crore)
12	47.37	Nil	26.24	nil	17.52	12	56.09

* Includes the amount of receipts into and payments from the existing PD Accounts

Principal Accounts Office, GNCTD, is operating 12 PDAs with the prior approval of the CGA, Ministry of Finance, Government of India. The purpose of opening these PDAs was to deposit receipts of compensation received from the land requisitioning authorities (DDA, etc.), for payment to land owners for land acquisitions through land acquisitions collectors, security charges, fees of election petitions, civil deposits, criminal deposits and rent of litigants as per order of court, etc., and no outgo from Consolidated Fund is involved.

As on 31st March 2022, there was a total of ₹ 56.09 crore in these 12 non-lapsable PDAs.

Analysis of PD Accounts

To verify the facts and figures relating to PDAs contained in Annexure ‘C’ to the GNCTD Finance Accounts, three Departments /Institutions viz., Directorate of Training and Technical Education, Land and Building Department and District and Session Judge (DJ-5), South Court, Saket were selected for detailed audit.

Department-wise major observations are discussed in the subsequent paras.

4.4.1 Directorate of Training and Technical Education

Rules 191 and 192 of the Receipts and Payments Rules, 1983 stipulate *inter alia* that every Personal deposit Account so authorised to be opened, will form part of the Government Account and be located in the Public Account portion and that if a personal deposit account is not operated upon for a considerable period and there is reason to believe that the need for the deposit account has ceased, the same should be closed in consultation with the officer in whose favour the deposit account has been opened.

Audit noted that Directorate of Training and Technical Education was having a closing balance of ₹ 4.43 lakh as on 31 March 2022 in its PD Account, which was inoperative after 31 July 2017. The amount could not be returned to National Project Implementation Unit (NPIU) due to lockdown. On this being pointed out by audit last year, the Principal Accounts Office stated (December 2021) that Department of Training and Technical Education had obtained the approval of Competent Authority to refund the balance amount of ₹ 4.43 lakh

and that it will refund the unspent balance at the earliest to close the PD Account. However, the amount is still lying in the PD account.

DTTE stated (August 2022), that due to transfer of competent authority, account could not be closed and that the same will be closed within 15 days after updating of signature of new Director TTE (Competent Authority) in RBI.

4.4.2 Land and Building Department

Land and Building Department (LBD) of GNCTD has one Personal Deposit Account in favour of Housing Commissioner, Delhi Administration for the purpose of receiving and making payment in connection with scheme for large scale acquisition, development and disposal of land in Delhi. It receives money from agencies such as DDA, PWD, NDMC, DMRC, MCD, Rural Development, etc.

Audit noticed that ₹15.64 crore was disbursed from PD account during 2021-22 leaving an undisbursed closing balance of ₹ 52.28 crore on 31 March 2022. Out of undisbursed balance, ₹13.56 crore pertained to uncashed cheques and ₹ 5.62 crore was disbursed during in 2022-23.

Of closing balance of ₹ 38.72 crore (52.28-13.56) on 31 March 2022, ₹ 33.10 crore¹ is pending for disbursal for six years and more.

LBD stated (August 2022) that matter relating to return of undisbursed funds to the Department of Urban Development and Delhi Jal Board was under process and remaining undisbursed amount could not be disbursed due to non-receipt of clarification from the LACs/Agencies and pending court cases in the ADJ/High/Supreme Court etc. LBD further stated that sincere efforts were being made for seeking requisite information/clarification from the concerned LACs/Agencies.

Notwithstanding the aforesaid efforts made by LBD, it needs to expedite the process of return of undisbursed funds to the above said departments.

4.4.3 District and Session Judge (DJ-5), South Court, Saket

- a) District and Session Judge (DJ-5), South Court, Saket has one Personal Deposit Account opened (2012) for deposit and disbursal of rent. Audit noticed that ₹ 1.46 crore was lying undisbursed in their PD accounts.
- b) Rule 17.7.5 of Civil Accounts Manual 2007 stipulates that for every Personal Deposit Account, the Pay and Accounts Officer shall invariably conduct a monthly reconciliation of the receipts and payments out of the PD Account against the reported figures in the bank scrolls and the monthly statement of receipts and expenditure

¹ ₹ 16.39 crore pertained to advances received from Urban Development Department, Delhi Development Authority, Jamia Millia Islamia University and PWD for UP link road respectively.

submitted by the PD Account holder. The PD Account holder shall indicate the details of cheques issued by him but not encashed till the end of month. For this purpose, an "Abstract of the Register of Receipts and Payments" pertaining to the Personal Deposit Account shall be submitted by the PD Account holder to the concerned Pay and Accounts Office.

Audit noted that monthly reconciliation of receipts and payments was not carried out for the PD account of District & Session Judge (DJ-5) by the concerned Pay and Accounts office, which is in contravention to the aforesaid rule. Besides, cash book was also not maintained for the Personal Deposit Account by the administrator of the account.

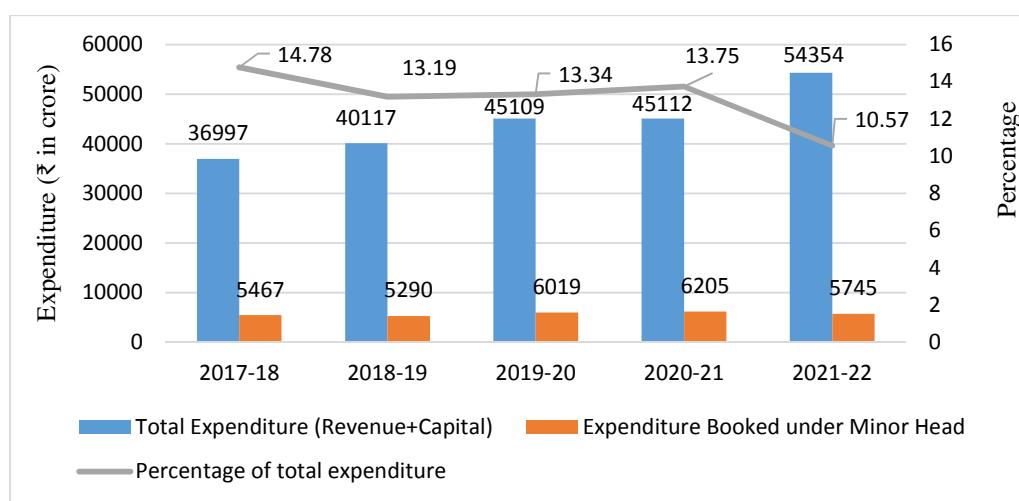
Saket Court, New Delhi stated (September 2022) that directions had been given to Nazir to henceforth reconcile the records in respect of PD accounts of District & Session Judge (DJ-5) on monthly basis. It added that the cash book in the form of registers were being separately maintained for cash deposit in Nazarat Branch and for disbursal of rent through cheque by Nazir of the court.

4.5 Indiscriminate use of Minor Head 800

As a crucial component of a transparent system of budgeting and accounting, the forms of accounts in which the receipts and expenditure of the Government are reported to the Legislature should constantly be reviewed and updated so that they truly reflect receipts and expenditure on all major activities of the Government in a transparent manner to meet the basic information needs of all important stakeholders. For the purpose, Minor head-'800' relating to 'Other Receipts and Other Expenditure' is intended to be operated only when the appropriate minor head has not been provided for in the accounts.

Routine operation of minor head 800 is to be discouraged, since it renders the accounts opaque.

Chart 4.4: Operation of Minor head '800--Other Expenditure' during 2017--2022



Source: Principal Accounts Office, GNCTD

From the **Chart 4.4** above it can be seen that the percentage of expenditure booked under minor Head '800 – Other Expenditure' during the period 2017-18 to 2021-22 ranged from 10.57 *per cent* (2021-22) to 14.78 *per cent* (2017-18).

In the previous year 2020-21, ₹ 6,205 crore was recorded under minor head '800-Other Expenditure' in 46 Revenue and Capital Major Heads of accounts on the expenditure side, constituting 13.75 *per cent* of the total expenditure of ₹ 45,112 crore (Revenue and Capital). However, the booking under the said minor head dipped by 7.42 *per cent* during the current year and stood at ₹ 5,745 crore under 42 Revenue and Capital Major Heads of accounts on the expenditure side, constituting 10.57 *per cent* of the total expenditure of ₹ 54,354 crore (Revenue and Capital).

Office of Controller General of Accounts, Ministry of Finance, Department of Expenditure had issued guidelines in May 2016 stipulating *inter alia* that use of minor head '800-Other Expenditure' should be temporary, wherever so required urgently and for comparatively lower amounts (e.g 5-10 *per cent* of major head provision).

However, it was noticed by audit that in 10 cases listed in **Table 4.14(a)**, 50 *per cent* or more of the total expenditure under respective Major Head was classified under minor head '800-Other Expenditure', in contravention CGA's guidelines.

Table 4.14(a): Significant Expenditure booked under Minor Head –'800 Other Expenditure'

S. No.	Major Head	Expenditure booked under Minor Head 800 'other expenditure'	Total expenditure under the concerned Major Head	Percentage of expenditure in Minor Head-800 as compared to Total Expenditure
1.	3435-Ecology and Environment	28.48	50.39	56.52
2.	4070-Capital outlay on other Administrative services	45.55	45.55	100.00
3.	4711-Capital Outlay on Flood Control Projects	117.37	118.35	99.17
4.	4801-Capital outlay on power projects	6.27	6.27	100.00
5.	2801-Power	3266.97	3266.97	100.00
6.	2702-Minor Irrigation	19.25	23.01	83.66
7.	2404-Dairy Development	11.71	11.71	100.00
8.	2250- Other Social Services	10.43	10.43	100.00
9.	2215-Water Supply and Sanitation	601.25	1136.53	52.90
10.	2211-Family Welfare	66.79	78.67	84.90
Total		4174.07	4747.88	87.91

Of the aforesaid major heads, the booking of expenditure under the minor head '800-Other expenditure' under the following major heads was persistent, as detailed below in **Table 4.14(b)**:-

Table 4.14(b): Persistent booking of expenditure under minor head '800-Other expenditure'

Sl. No.	Major Head	Period of booking of expenditure under the minor head '800'	Range of percentage of expenditure being booked under minor head '800'	Department operating the major head	Details of expenditure booked under minor head '800' (as per DDG)
1.	4070-Capital outlay on other Administrative services	2021-22, 2020-21, 2019-20, 2017-18.	100 (throughout)	Finance	Trade and Taxes-Motor Vehicle
2.	4711-Capital Outlay on Flood Control Projects	2021-22, 2020-21, 2019-20, 2017-18.	91- 100	Irrigation and flood Control	Other drainage works-Major Works
3.	4801-Capital outlay on power projects	2021-22, 2020-21.	100	Power	Major works relating to purchase of land, shifting of HT/LT transmission electricity lines etc.
4.	2801-Power	2021-22, 2020-21, 2019-20, 2017-18.	100 (throughout)	Power	Subsidy to consumers through DISCOMS, GIA to DEREC & DTL, energy efficiency and conservation etc.
5.	2702-Minor Irrigation	2021-22, 2020-21, 2017-18.	78-84	Irrigation and flood Control	Maintenance and repair of minor works
6.	2404-Dairy Development	2021-22, 2020-21, 2019-20.	100 (throughout)	Agricultural Marketing	Shifting of dairy colonies
7.	2211-Family Welfare	2021-22, 2020-21, 2019-20, 2017-18.	75-85	Directorate of Family Welfare	GIA to State Health Society

During the year 2021-22, receipts of ₹ 695.57 crore out of the total receipts of ₹ 49,312.99 crore were classified under the Minor head '800-Other receipts' which constituted 1.41 *per cent* of the total receipts. Significant receipts booked under Minor head '800-Other receipts' are detailed in **Table 4.15(a)**.

Table 4.15(a): Significant Receipts booked under Minor Head-‘800-Other Receipts’

Sl. No.	Major Head	Booking under MH 800	Total Receipts	(₹ in crore)
				Percentage of Total Receipts
1.	0235-Social security & Welfare Rehabilitation	0.07	0.08	87.5
2.	0217-Urban Development	15.36	15.36	100
3.	0701-Medium Irrigation	9.01	9.01	100
4.	0801-Power	51.87	51.87	100
5.	0406-Forestry and Wild Life	5.57	5.61	99.29
6.	0059-Public works	21.77	22.71	95.86
7.	0210-Medical & Public Health	78.47	97.33	80.62
8.	0230-Labour and employment	5.22	7.34	71.12
9.	0070-Other Administrative Services	94.74	134.09	70.65
Total		282.08	343.4	82.15

Of the aforesaid major heads, the booking of receipts under the minor head ‘800-Other receipts under the following major heads was persistent, as detailed below in **Table 4.15(b)**:-

Table 4.15(b): Persistent booking under the minor head 800-Other receipts’

S. No.	Major Head	Period of booking of receipts under the minor head ‘800’	Range of percentage of receipts being booked under minor head ‘800’
1.	0217-Urban Development	2021-22, 2020-21, 2019-20, 2017-18	100 (throughout)
2.	0701-Medium Irrigation	2021-22, 2020-21, 2019-20	100 (throughout)
3.	0801-Power	2021-22, 2020-21, 2019-20, 2017-18	100 (throughout)
4.	0059-Public works	2021-22, 2020-21, 2019-20, 2017-18	91-97
5.	0210-Medical & Public Health	2021-22, 2020-21, 2019-20, 2017-18	76-93
6.	0230-Labour and employment	2020-21, 2017-18	95-97
7.	0235-Social security & Welfare Rehabilitation	2021-22, 2020-21	88-100
8.	0070-Other Administrative Services	2020-21, 2019-20	83-85

Classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure. This issue was also pointed out in previous State Finance Audit Reports of GNCTD. However, no corrective action has been taken so far. The Government may carry out comprehensive review of all the items presently appearing under Minor Head 800 and explore the possibility of opening new heads of account for booking such receipts and expenditure or book them appropriately under the correct head of accounts to enhance transparency in financial reporting.

Further, GNCTD may, as an interim measure, insert footnotes in the Finance Accounts giving details of expenditure/receipts on significant initiatives merged under the Minor head ‘800-Other Receipts/Expenditure’.

Principal Accounts Office stated (September 2022) that matter had been referred to Finance Department and the reply was awaited (December 2022).

4.6 Submission of Accounts/Separate Audit Reports of Autonomous Bodies

The audit of 11 bodies/authorities has been entrusted to the CAG under Sections 19 and 20 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

The annual accounts of eight bodies/authorities due up to 2021-22 had not been received as of September 2022 in the office of the Principal Accountant General (Audit), Delhi. The details of these outstanding accounts are detailed in **Table 4.16**:

Table 4.16: Details of Outstanding Accounts as on 30 September 2022

Sl. No.	Name of Body or Authority	Accounts pending since	No. of accounts in arrears as on 30.09.2022
1	Delhi Urban Shelter Improvement Board (DUSIB)	2010-11	12
2	Delhi Jal Board (DJB)	2018-19	4
3	Delhi Kalyan Samiti	2020-21	2
4	Delhi Legal Services Authority	2019-20	3
5	Netaji Subhash University of Technology	2020-21	2
6	Ambedkar University	2021-22	1
7	Guru Gobind Singh Indraprastha University	2021-22	1
8	Delhi Technological University	2021-22	1

From the above, it is observed that 26 annual accounts up to the year 2021-22 of eight bodies/authorities were pending as on 30 September 2022.

In the absence of timely finalisation of annual accounts, investment of the Government remains outside the scrutiny of Audit/State Legislature. Consequently, corrective measures, if required, for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delays in finalisation of accounts increase the risk of fraud and leakage of public money.

The Government may consider evolving a system to expedite the process of compilation and submission of annual accounts by the bodies/authorities.

4.7 Other inaccuracies in the statements of Finance Accounts

i) Minus/adverse Balance of Loans and Advances.

Scrutiny of Finance Accounts for the year 2021-22 of GNCTD revealed that there were minus/adverse balances of Loans & Advances in Statement No.16 (Detailed statement of loan and Advances made by the Government) of GNCTD Finance Accounts 2021-22. The minus/adverse Balances are detailed below in **Table 4.17**:

Table 4.17: Minus/adverse balances

Sl. No.	Major Head	Description	Minor Head	Balances as on 31.03.2022 (₹ in lakh)
1	6401	Loans for Crops Husbandry	105-Manures and Fertilizers	(-)90.08

Sl. No.	Major Head	Description	Minor Head	(₹ in lakh) Balances as on 31.03.2022
2	7610	Loans to Government Servants	201-House Building Advances	(-)545.37
3	7610	Loans to Government Servants	202-Advances for Purchase of Motor Conveyances	(-)250.20
4	7610	Loans to Government Servants	203-Advances for Purchase of Other Conveyances	(-)25.92
5	7610	Loans to Government Servants	204-Advance for Purchase of Computer	(-)140.58

With respect to Major Head '6401-Loans for Crops Husbandry', the Principal Accounts Office, GNCTD stated (September 2022) that the amount of minus figure shown in the Finance Accounts pertained to the old period and that the concerned PAOs involved were being advised to trace out the misclassification and account for the same in the appropriate Head of Account. It added that with respect to Major Head '7610-Loans and Advances', the adverse balances were due to erroneous booking of interest amount into the principal amount and that the same would be reviewed with PAOs for giving appropriate treatment in the next financial year.

ii) Outstanding arrears of Loans & Advances

Scrutiny of Statement of Loans and Advances given by the GNCTD (Section 3 of Statement no.16-Repayments in arrears from various loanee entities) revealed that ₹ 1,46,388 crore were remaining as arrears as on 31 March 2022, as detailed below in **Table 4.18**:

Table 4.18: Outstanding arrears of Loans & Advances

Name of Loanees	Amount of arrears as on 31 March 2022			Earliest period to which arrears relate	Pendency (in years)
	Principal	Interest	Total		
Municipal Corporation of Delhi	3,75,226.83	3,53,125.07	7,28,351.90	1950-51	71 years
Delhi Jal Board	32,61,194.53	38,90,850.60	7,15,2045.13	1998-99	23 years
Delhi Urban Shelter Investment Board	1,54,517.32	41,986.20	1,96,503.52	2011-12	10 years
Delhi Tourism & Transportation Development Corporation Ltd	315.05	0.00	315.05	1977-78	44 years
Delhi S C Financial Development Corporation Delhi	6,872.18	3,386.71	10,258.89	1987-88	34 years
Delhi State Civil Supplies Corporation LTD	436.34	929.40	1,365.74	1998-99	23 years
Delhi Financial Corporation	3,300.00	2,475.00	5,775	2015-16	06 years

Name of Loaee	Amount of arrears as on 31 March 2022			Earliest period to which arrears relate	Pendency (in years)
	Principal	Interest	Total		
Cooperative institutions	61.33	227.43	288.76	1962-63	59 years
Delhi Transco Ltd.	0.00	1,769.12	1,769.12	2018-19	03 years
Delhi Power Company Ltd.	2,99,375.10	2,58,779.47	5,58,154.57	2014-15	07 years
Pragati Power Corp. Ltd.	0.00	3,093.45	3,093.45	2014-15	07 years
Indraprastha Power Generation Company Ltd.	0.00	51,490.91	51,490.91	2012-13	09 years
Delhi Development Authority	225.00	1,125.90	1,350.90	1979-80	42 years
Delhi Transport Corporation	11,46,328.46	47,80,042.83	59,26,371.29	1996-97	26 years
Delhi State Industrial & Infrastructure Development Corporation	0.00	637.74	637.74	1973-74	48 years
Delhi Khadi & Village Industries Board	215.29	565.44	780.73	2005-06	16 years
Industries	8.39	276.03	284.42	1981-82	40 years
Grant Total	52,48,075.82	93,90,761.30	146,38,837.12		

Delhi Urban Shelter Improvement Board (DUSIB) replied (December 2022) that it was neither in a position to repay outstanding loan nor pay interest as GNCTD had started making provision of ways and means loan instead of grants-in-aid for salary and establishment expenses of DUSIB. The reply is not acceptable and GNCTD is advised to look into the financial condition of DUSIB. The replies of other concerned departments are awaited (December 2022).

iii) Cumulated amount of investments shown in Statement no.11 does not match with total investment shown in Statement no.12.

Scrutiny of Statement no. 11 and Statement no.12 of GNCTD Finance Accounts 2021-22 revealed that there is a difference of ₹ 275.44 crore in the cumulated amount of investments shown in both the statements, as detailed below in **Table 4.19**:

Table 4.19: Difference in the cumulated amount of investments

Sl. No.	Investment shown under various minor heads in Statement no. 11	Cumulated Amount (₹ in thousand)
1	4216.80.201-Investment in Housing Boards.	3,00,200
2	4217.01.190-Investment in Public Sector and other undertakings.	70,000
3	4217.02.190-Investment in Public Sector and other undertakings	35,07,500
4	4225.01.190-Investment in Public Sector and other undertakings	2,34,887
5	4425.107-Investment in Cooperatives	4,852
6	4425.108-Investment in Other Cooperatives	1,557
7	4425.200-Other Investments	4,531

Sl. No.	Investment shown under various minor heads in Statement no. 11	Cumulated Amount (₹ in thousand)
8	4801.05.190- Investment in Public Sector and other undertakings	7,10,67,800
9	4853.60.190- Investment in Public Sector and other undertakings	31,800
10	4885.01.190- Investment in Public Sector and other undertakings	1,73,500
11	5055.00.190- Investment in Public Sector and other undertakings	13,42,27,017
12	5452.80.190- Investment in Public Sector and other undertakings	2,43,181
	Cumulative Amount of investments at the end of 2021-2022 shown in Statement No. 11	20,98,66,825
	Amount shown in Statement No.12 and Annexure to Statement 12	20,71,12,391
	Difference between the figure shown in Statement No.12 and cumulative figure of total investment as shown in Statement No. 11	27,54,434

Principal Accounts Office, GNCTD had furnished (August 2022) only the details of investments in Statement-12. The reply does not address variation in the two statements.

Though the Principal Accounts Office, GNCTD has not given any assurance in this regard, it is advised to incorporate suitable prior period adjustments in the concerned minor heads in Statement -11 against the last column depicting 'Capital expenditure upto the end of a financial year' so that the two statements match.

iv) Other inconsistencies/inaccuracies in the Statements of Finance Accounts of GNCT of Delhi for the year 2021-22.

The following inconsistencies/inaccuracies were noticed in the various Statements of Finance Accounts of GNCTD for the year 2021-22

a) Statement no. 1 –Summary of transactions

The operation of major head '2016-Audit' is incorrect as the List of Major and Minor Heads of Account clearly provides that this major head will include expenditure of the Indian Audit and Accounts Department under the Comptroller and Auditor General of India. The expenditure on the internal audit organization of the various departments and charges relating to the audit of co-operative societies will be recorded under the concerned functional major heads.

The said discrepancy was brought to the notice of the Pr.AO during the certification of Finance Account for the year 2020-21 and was advised to open a new major head for recording the related expenditure.

The Finance Department, GNCTD stated (October 2022) that the operation of Major Head '2016-Audit' had been rectified in the Budget estimates 2022-23.

b) Statement no. 10-Detailed Account of Revenue Expenditure by Minor Heads and Capital Expenditure by Major Heads.

A clarification was sought as to whether Charges of ₹491.83 lakh booked for conducting election of parliament under the head 2015.00.105 had been reimbursed. The details of the head under which the same had been booked were also sought.

The Office of the Chief Electoral Officer, Delhi stated (September 2022) that the reimbursement of Government of India's Share Money is to be made by Ministry of Law and Justice, GoI after the conduct of audit and submission of the audit certificate by the concerned audit office.

c) Statement no.11-Detailed Account of capital expenditure during and to the end of the year 2021-22

A clarification was sought on amounts of charged expenditure of ₹ 28,299.31 lakh and voted expenditure of (-) ₹9,195.13 lakh booked under the minor head '4217.01.050 –Land" in Statement-11.

The Principal Accounts Office, GNCTD stated that expenditure of ₹ 282.99 crore was incurred during 1999-00 to 2006-07 on account of large scale acquisition and disposal of land in Delhi. However, the department did not furnish the reasons for booking the said amount as charged expenditure. Further, no clarification was intimated on minus expenditure to the audit (November 2022).

d) Statement no.12-Statement showing details of Investment of GNCTD in Government Companies and Co-operative Institutions upto the end of 31st March, 2022

An investment of ₹ 81,961.22 lakh had been shown under the head 5055.00.190 (Investment in Public Sector and other Undertakings), which is the only investment accounted for during the year 2021-22 in Statement-11. However, investment during the year 2021-22 as per statement 12 is ₹ 80,000 lakh. This indicated a difference of ₹ 1961.22 lakh in investment during the year being depicted in Statement no. 11 and 12.

Principal Accounts Office, GNCTD stated (September 2022) that the matter has been referred concerned Department for requisite information and their reply was awaited (November 2022).

4.8 Voucher Audit irregularities

For the audit of vouchers, five Pay and Accounts offices i.e. PAO VI, X, XII, XXIV and XXV were selected out of a total of 25 PAOs. No substantive observations were detected in 2 PAOs and the major audit observations in the remaining 3 PAOs are as under:

4.8.1 PAO-VI (Department of Urban Development etc.)

(i) Release of second installment without taking completion certificate of work under the Scheme (Mukhyamantri Sadak Punarnirman Yojna)

Department of Urban Development (DUD), GNCTD issued several sanctions order to PAO VI to make the payment to concerned executing agencies for works under the Financial Assistance to Local Bodies [Mukhyamantri Sadak

Punarnirman Yojna (MPSY)] Scheme, i.e. work of construction, repair and maintenance of roads/streets under any Urban Local Body (ULB), in group housing societies, housing buildings societies and in unauthorized regularized colonies in each Assembly Constituency for the year 2021-22 (during 7th Vidhan Sabha)

The conditions of sanction order inter alia provided that (i) the funds will be released in two installments, (ii) 1st installment of 50 *per cent* of estimated cost will be released at the time of sanction of project/ scheme and (iii) the balance amount will be released after the completion of work. The warranty of maintenance period of road/streets should be at least 5 years from the date of completion of work, for which ULB is responsible.

Scrutiny of records revealed that 13 bills for ₹ 251.62 lakh were presented by DUD, GNCTD for payment of Second/Final installment without enclosing the mandated completion certificate. Nevertheless, these bills were approved by the PAO VI in violation of conditions of sanction. It could, therefore, not be ascertained in audit as to whether the mandated project/work had actually been completed.

Pay and Accounts Office VI replied (February 2023) that all the completion certificates were being kept with Urban Development Department and after taking consideration of these certificates 2nd and last instalment were released. The reply is not acceptable as these certificates were supposed to be attached with the voucher on which the PAO was supposed to pass the bill.

(ii) Release of second installment without taking completion certificate of work under the Scheme MLALAD

Department of Urban Development (DUD), GNCTD issued several sanctions order to PAO VI to make the payment to concerned executing agencies i.e. East Delhi Municipal Corporation (EDMC), Delhi Jal Board (DJB), South Delhi Municipal Corporation (SDMC), North Delhi Municipal Corporation (NDMC), I&FC etc. for the work “Strengthening and Augmentation of Infrastructure i.e., Roads, Streets, Localities, Streets Lights etc. in each Assembly Constituency” under the MLALAD scheme for the year 2021-22 (during 7th Vidhan Sabha)

The conditions of sanction order inter alia provided that (i) 50 *per cent* of estimated amount shall be released as first instalment, (ii) balance fund will be released after the completion of the work under MLALAD Scheme and (iii) the executive agency shall ensure that the said work has been completed as per agreement/MLALAD scheme guidelines before making the payment to the contractor.

Scrutiny of records revealed that nine bills for ₹ 77.91 lakh were presented by DUD, GNCTD for payment of Second/Final instalment without enclosing the mandated completion certificate. Nevertheless, these bills were approved by the PAO VI, in violation of conditions of sanction. It could, therefore, not be

ascertained in audit as to whether the mandated project/work had actually been completed.

Pay and Accounts Office VI replied (February 2023) that all the completion certificates were being kept with Urban Development Department and after taking consideration of these certificates 2nd and last instalment were released. The reply is not acceptable as these certificates were supposed to be attached with the voucher on which the PAO was supposed to pass the bill.

4.8.2 PAO-XXIV (Directorate of Education)

(i) Booking of expenditure related to Professional Services in Office Expense Head

As per Delegation of Financial Powers Rules (DFPR), expenditure on Professional Services is to be accounted for under the object head '28-Professional Services'. Scrutiny of vouchers for the month of March, 2022 revealed that five vouchers for ₹ 36,513 involved expenditure towards 'professional charges for preparation of Form-16 and filing of e-return'. However, these expenses were incorrectly booked under the object head '13-Office Expenses', which were irregularly passed by the PAO subsequently.

Thus, the PAO needs to validate the vouchers submitted by DDOs as per the DFPR and to instruct DDOs to book the expenditure under the correct object head.

4.8.3 PAO-XXV (Directorate of Education)

(i) Misclassification of Head of Account

As per Delegation of Financial Powers Rules (DFPR), expenditure on Professional Services and office expenses are to be accounted for under the object head '28- Professional Services' and '13-Office expenses', respectively.

Scrutiny of vouchers for the month of March 2022 revealed that in 15 bills amounting to ₹ 1.93 lakh, expenditure was booked under wrong head of Accounts as detailed below:

- In nine cases, the expenditure towards payments of fees to advocate, filing of income tax returns etc., had been incorrectly booked under object head '13-Office Expenses' instead of object head '28-Professional Services'. The PAO replied (August 2022) that as per Budget Allocation, no such head is available for filing of Returns and Court fee respectively. The reply is not tenable as there is a separate object head '28-Professional Services' as per the DFPR.
- In six cases, the expenditure towards payments for refreshments served in an office meeting, purchase of liquid soap dispenser, insecticides, Tea set, cleaning duster, liquid hand-wash, refill extinguishers etc., had been incorrectly booked under object head '27-Minor works' instead of object

head '13-Office Expenses'. The PAO attached a copy of the order of Directorate of Education's order dated 18.02.2022, which also provides for booking of expenditure on refreshment/lunch arrangements etc., under the object head '13-Office Expenses', thereby validating the audit observation.

4.9 Single Nodal Accounting

With a view to have more effective cash management and bring more efficiency in the public expenditure management, Department of Expenditure, Ministry of Finance, GoI, vide its Office Memorandum 23 March 2021 laid down the Procedure for release of funds under Centrally Sponsored Scheme (CSS) and monitoring utilization of the funds released.

As per above OM, every State Government will designate a Single Nodal Agency (SNA) for implementing each CSS. The SNA will open a Single Nodal Account for each CSS at the State level in a scheduled commercial bank and funds for each CSS shall be moved through designated Single Nodal Agency's (SNA) dedicated bank account. Funds are to be released to the States strictly on the basis of balance funds of the CSS (Central and State Share) available in the State treasury and bank account of the SNA as per PFMS or scheme specific portals fully integrated with PFMS and in consonance with rule 232 (v) of the General Financial Rule, 2017. These directions were to be implemented with effect from 1 July 2021. GNCTD on-boarded 61 state-linked scheme to 40 centrally sponsored schemes (CSS) during the year 2021-22 for which funds were routed through SNA's account.

Besides, State Government was to register Single Nodal Agencies (SNAs) and all Implementing Agencies (IAs) on PFMS and were required to use unique PFMS IDs assigned to the SNAs/IAs for all payment. Bank accounts of SNAs, IAs, vendors and other organisation receiving funds were to be mapped in PFMS.

Examination of the reports of the PFMS Portal, Department of Finance, GNCTD for the year 2021-22, audit noted the following:

- i. In 13 CSS, GoI transferred ₹ 686.85 crore to the GNCTD against which it had released only ₹ 273.68 crore as Central Government share to SNA's account resulting in less transfer of ₹413.17 crore.
- ii. There were unspent balances of ₹ 2823.14 crore in 31 State linked schemes during 2021-22.
- iii. GNCTD released funds of ₹103.03 crore in excess of its proportionate state share in six CSS.
- iv. GNCTD released less funds of ₹161.61 crore in six centrally sponsored schemes with respect to its proportionate state share.

- v. There were adverse balances of ₹108.29 crore. in seven State linked schemes which showed that excess expenditure was incurred in these schemes
- vi. GNCTD released funds of ₹ 37.42 crore in two State linked schemes which were shown as ‘unclassified amount’ on the portal, due to which it could not be ascertained whether the funds released pertained to State’s share or GoI’s share.

Finance Department, GNCTD replied (February 2023) that it was only coordinating the implementation of CSS in various departments of GNCTD and that the implementing agencies were maintaining all relevant records pertaining to Single Nodal account.

The reply is not acceptable as Finance Department is the nodal department for ensuring financial discipline in GNCTD as also enunciated in Transaction of Business of the GNCTD Rules, 2003. Thus, Finance Department is advised to take cognizance of the above audit observations based on the exception reports generated through PFMS portal.

4.10 Non-operation of Delhi Electricity Regulatory Commission Fund

Section 103 of the Electricity Act, 2003 provides that State Government shall constitute a Fund to be called the State Electricity Regulatory Commission Fund (SERCF) and there shall be credited thereto any grants and loans made to the State Commission by the State Government, all fees received by the State Commission under the Act and all sums received by the Commission from such other sources as may be decided upon by the State Government.

Delhi Electricity Regulatory Commission (DERC) had requested (July 2003) GNCTD for creation of SERCF in accordance with Electricity Act, 2003. Audit noted that the GNCTD did not constitute fund despite a lapse of nearly two decades.

As a result, fees received (₹ 11.66 crore) as on 31 March 2022 by the Delhi Electricity Regulatory Commission (DERC) was kept outside the Government Accounts. Pertinently, in similar case, Central Electricity Commission Fund constituted (October 2007) by the Central Government under Section 99 of the Act was being operated under the Public Account of India.

4.11 Recommendations

- (i) The Government should ensure timely submission of utilisation certificates by the departments in respect of the grants released for specific purposes.
- (ii) The Government should carry out adjustment of Abstract Contingent bills within stipulated period, as required under the Rules.

(iii) The Government may carry out comprehensive review of all the items presently appearing under Minor Head 800 and explore the possibility of opening new heads of account for booking such receipts and expenditure or book them appropriately under the correct head of accounts to enhance transparency in financial reporting.

CHAPTER-V

STATE PUBLIC SECTOR UNDERTAKING

Chapter V

State Public Sector Undertakings

5.1 Introduction

State Public Sector Undertakings (SPSUs) are established to carry out activities of commercial nature keeping in view the welfare of people and occupy an important place in the State economy. SPSUs consist of State Government Companies, Government controlled other Companies and Statutory Corporations. This Chapter presents the investment in SPSUs, budgetary support to SPSUs, dividend paid by SPSUs, erosion of net worth of SPSUs and submission of accounts by SPSUs.

5.1.1 Definition of Government Companies, Government Controlled Other Companies and Statutory Corporations

A Government Company is defined in Section 2(45) of the Companies Act, 2013 as a company in which not less than *51 per cent* of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary of a Government Company.

Besides, any other company¹ owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this chapter as Government Controlled Other Companies. The Statutory Corporations are those corporations which were set up under Statutes enacted by the Legislature.

5.1.2 Mandate of Audit

Audit of Government Companies and Government controlled other Companies is conducted by the Comptroller and Auditor General of India (CAG) under the provisions of Sections 143(5) to 143(7) of the Companies Act, 2013 read with Section 19 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made thereunder. Under the Companies Act, 2013, the CAG appoints Chartered Accountants as Statutory Auditors for Companies and gives directions on the manner in which the accounts are to be audited. In addition, the CAG has the right to conduct a supplementary audit. The statutes governing some Statutory Corporations require their accounts to be audited only by the CAG.

5.1.3 Nature of State Public Sector Undertakings and their coverage in the Chapter

As on 31 March 2022, there were 18 SPSUs in Delhi, including two² Statutory Corporations, one Government controlled other Company and 15 Government

¹ Companies (Removal of Difficulties) Seventh Order, 2014 issued by Ministry of Corporate Affairs *vide* Gazette Notification dated 4 September 2014.

² Delhi Transport Corporation and Delhi Financial Corporation.

Companies under the audit jurisdiction of the CAG as detailed in **Table 5.1**. 15 Government Companies include four inactive subsidiaries of DSIIDC which are not carrying out any activities for the last several years. None of the State PSUs were listed on the stock exchange.

Table 5.1: List of SPSUs

Government Companies	
Finance	
1.	Delhi SC /ST /OBC Minorities and Handicapped Financial Development Corporation Limited (DSCFDC)
Infrastructure	
2.	Shahjahanabad Redevelopment Corporation (SRDC)
3.	Delhi State Industrial & Infrastructure Development Corporation Limited (DSIIDC)
Power	
4.	Indraprastha Power Generation Company Limited (IPGCL)
5.	Pragati Power Corporation Limited (PPCL)
6.	Delhi Transco Limited (DTL)
7.	Delhi Power Company Limited (DPCL)
Services	
8.	Delhi Tourism and Transportation Development Corporation Limited (DTTDC)
9.	Delhi State Civil Supplies Corporation Limited (DSCSC)
10.	Geospatial Delhi Limited (GDL)
Transport	
11.	Delhi Transport and Infrastructure Development Corporation Limited (DTIDC)
Statutory Corporations	
Finance	
12.	Delhi Financial Corporation (DFC)
Transport	
13.	Delhi Transport Corporation (DTC)
Government Controlled other Company	
Services	
14.	Intelligent Communication Systems India Limited (ICSIL- Associate Company of DSIIDC)
Inactive Government Companies	
15.	Delhi Creative Arts Development Limited (DCADL- Subsidiary of DSIIDC)
16.	DSIIDC Liquor Limited (DLL- Subsidiary of DSIIDC)
17.	DSIIDC Maintenance Services Limited (DMSL- Subsidiary of DSIIDC)
18.	DSIIDC Energy Limited (DEL- Subsidiary of DSIIDC)

5.2 Investment in SPSUs and Budgetary support

5.2.1 Equity holding and Long Term Loans in SPSUs

The sector-wise total equity, equity contribution by GNCTD and total long-term loans and the loans given by GNCTD in all the 18 SPSUs as on 31 March 2022 is given in **Table 5.2**:

Table 5.2: Sector-wise investment in SPSUs as on 31 March 2022

Name of Sector	Companies/Statutory Corporation	Total Investment (₹ in crore)					
		Equity		Long Term Loans		Total Equity and Long-Term Loans	
		No. of SPSUs	Total	State Government	Total	State Government	
(A) Power	Companies	5	7,506.79	7,106.78	4,345.26	3,815.64	11,852.05
(B) Other than Power							
i. Finance	Company	1	50.00	38.12	68.24	68.24	118.24
	Statutory Corporation	1	26.54	18.05	33.00	33.00	59.54

Name of Sector	Companies/Statutory Corporation	Total Investment					
		Equity		Long Term Loans			
		No. of SPSUs	Total	State Government	Total	State Government	Total Equity and Long-Term Loans
ii. Service	Companies	7	25.07	24.04	2.25	2.14	27.32
iii. Infrastructure	Companies	2	21.00	21.00	0.00	0.00	21.00
iv. Transport	Company	1	10.65	10.65	0.00	0.00	10.65
	Statutory Corporation	1	1,983.85	1,983.85	11,676.14	11,676.14	13,659.99
Total B (i+ii+iii+iv)		13	2,117.11	2,095.71	11,779.63	11,779.52	13,896.74
Total (A) + (B)		18	9,623.90	9,202.49	16,124.89	15,595.16	25,748.79

Source: Latest Financial Statements and information furnished by the SPSUs (Long term loans include current maturities of GNCTD loans)

The financial health of power sector SPSUs are detailed as under:

There are total four active power sector companies namely DPCL, IPGCL, PPCL and DTL. Besides, there are three power distribution companies (in private sector) in which DPCL has only 49 *per cent* stake. As on 31 March 2022, the total investment of ₹ 11,852.05 crore (equity and long-term loans) in five power sector SPSUs consisted of 63.34 *per cent* towards equity and 36.66 *per cent* in long-term loans. The equity contributed by the State Government (₹ 7,106.78 crore) constituted 94.67 *per cent* of the total equity. The long-term loans advanced by the State Government (₹ 3,815.64 crore) constituted 87.81 *per cent* of the total long-term loans whereas 12.19 *per cent* (₹ 529.62 crore) of the total long-term loans were availed from others as detailed in **Appendix-5.1**.

No dividend was paid by any of the four SPSUs for the last three years as per their latest finalized accounts.

As on 31 March 2022, total loan and interest of four Power sector SPSUs payable to GNCTD amounting to ₹ 3,815.64 crore and ₹ 3,349.23 crore respectively were outstanding. Out of this, major amount of ₹ 3,326.39 (87.17 *per cent*) and ₹ 2,587.80 (77.26 *per cent*) pertained to DPCL. The said loan was disbursed by GoI to GNCTD who in turn disbursed it to DPCL for meeting the liability towards Power Purchase Cost payable to CPSUs & Ministry of Railways. DPCL has referred the matter to GNCTD for treating the outstanding amount of the loan as 'Non-refundable Financial Support' from GNCTD as CPSUs dues of Delhi Electricity Supply Undertaking period were not part of liabilities of the DPCL as per Transfer Scheme Rules, 2001 on unbundling of Delhi Vidyut Board. The GNCTD in turn had taken up the matter with the GoI for converting the said loan into one time grant. The decision on the matter is still pending (December 2022).

PPCL has outstanding loan of ₹ 489.25 crore against which there was no default in payment of principal amount due. Against the outstanding interest of ₹ 870.55 crore against GNCTD loan, IPGCL had made a payment of ₹ 276.79 crore (2021-22) whereas PPCL against outstanding interest of ₹ 983.30 crore had made a payment of ₹ 859.87 crore (2019-22).

As on 31 March 2022, the total investment (equity and long term loans) in 13 SPSUs (other than power sector) was ₹ 13,896.74 crore. The investment consisted of 15.23 *per cent* towards equity and 84.77 *per cent* in long-term loans. The equity contributed by the State Government (₹ 2,095.71 crore) constituted 98.99 *per cent* of the total equity. The long-term loans advanced to SPSUs (other than power sector) by the State Government constituted 99.99 *per cent* (₹ 11,779.52 crore) of the total long-term loans as detailed in **Appendix-5.1**.

5.2.2 Budgetary Support to State Public Sector Undertakings

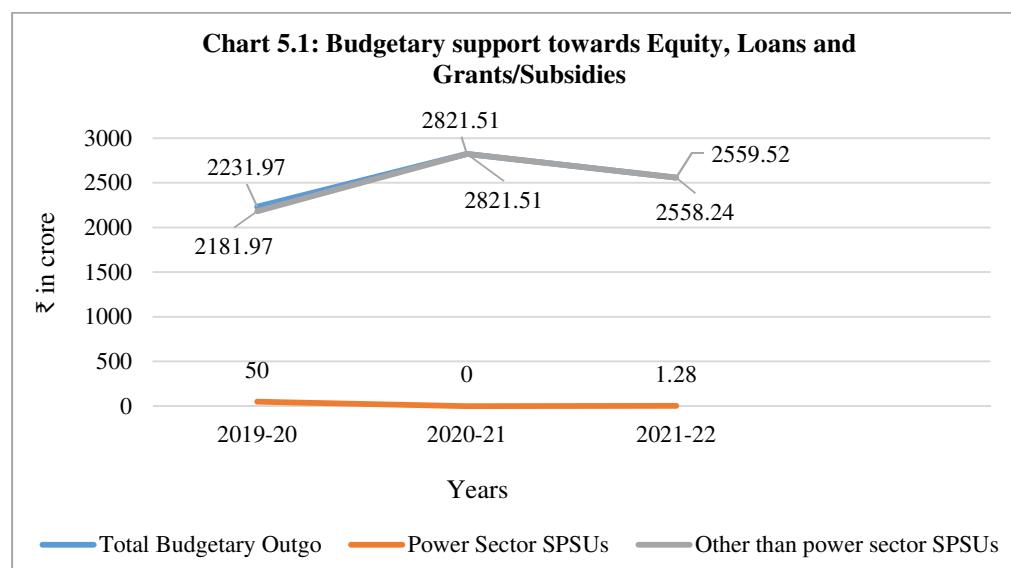
Government of NCT of Delhi (GNCTD) provides financial support to SPSUs in various forms through the annual budget. The summarized details of budgetary outgo (equity, loans and grants/subsidies) in respect of SPSUs for the last three years ending 31 March 2022 are given in **Table 5.3**:

Table 5.3: Details of budgetary support³ to SPSUs during the years 2019-20 to 2021-22

Particulars	2019-20		2020-21		2021-22	
	No of SPSUs	Amount (₹ in crore)	No of SPSUs	Amount (₹ in crore)	No of SPSUs	Amount (₹ in crore)
(A) Power Sector SPSUs						
Equity Capital outgo (i)	-	-	-	-	-	-
Loans given (ii)	1	50.00	-	-	-	-
Grants/Subsidies provided (iii)	-	-	-	-	1	1.28
Total outgo (A)	1	50.00	-	-	1	1.28
(B) Other than Power Sector SPSUs						
Equity Capital outgo (i)	1	4.80	-	-	-	-
Loans given (ii)	-	-	-	-	-	-
Grants/Subsidies provided (iii)	4	2,177.17	4	2,821.51	4	2,558.24
Total outgo (B)	4	2,181.97	4	2,821.51	4	2,558.24
Grand Total outgo (A + B)	5	2,231.97	4	2,821.51	5	2,559.52

Source: Figures compiled based on annual accounts and information received from PSUs

The details regarding budgetary outgo towards equity, loans and grants/subsidies for the last three years ending March 2022 are given in **Chart 5.1**:



³ Amount represents outgo from the State Budget only.

The annual budgetary assistance received by the SPSUs (power sector) was loan of ₹ 50 crore and grants/ subsidies of ₹ 1.28 crore during the years 2019-20 and 2021-22, respectively.

The annual budgetary assistance to SPSUs (other than power sector) during the years 2019-20, 2020-21 and 2021-22 were ₹ 2,181.97 crore, ₹ 2,821.51 crore and ₹ 2,558.24 crore, respectively. The budgetary assistance of ₹ 2,558.24 crore to the SPSUs (other than power sector) during 2021-22 mainly included the grants and subsidies of ₹ 2501.91 crore to DTC for carrying out its operations during 2021-22.

5.2.3 Reconciliation with Finance Accounts of Government of NCT of Delhi

The figures in respect of equity, loans and guarantees outstanding as per records of the State PSUs should agree with that of the figures appearing in the Finance Accounts of the Government of NCT of Delhi. In case the figures do not agree, the concerned SPSUs and the Finance Department should carry out reconciliation of the differences. Audit observed that as on 31 March 2022 such differences existed in respect of loans of four SPSUs as detailed in **Appendix-5.2** and summarised in **Table 5.4**:

Table 5.4: Loans outstanding as per Finance Accounts of Government of NCT of Delhi vis-à-vis records of State PSUs

(₹ in crore)				
Outstanding in respect of	Sector	Amount as per records of State PSUs	Amount as per Finance Accounts	Difference
Loans	Power Sector	489.25	485.70	3.55
	Other than Power Sector	70.38	77.33	-6.95
	Total	559.63	563.03	-3.40

Source: Information received from PSUs and Finance Accounts

5.3 Dividend paid by SPSUs

GNCTD had formulated (17 August 2021) dividend policy under which SPSUs would be required to pay a minimum annual dividend of 30 *per cent* of Profit after Tax or five *per cent* of the Net Worth, whichever is higher, subject to maximum dividend permitted under the extant legal provisions. Prior to August 2021 there was no dividend policy and no SPSUs had paid/declared dividend during 2019-20 and 2020-21.

During 2021-22, two SPSUs (DSIIDC & GDL) paid/ declared dividend of ₹ 66.37 crore at the rate of 30 *per cent* of Profit after Tax and one SPSU (DTTDC) paid dividend of ₹ 11.06 crore at the rate of five *per cent* of net worth, respectively. None of the other four⁴ profit making SPSUs, which earned profit as per their latest finalised accounts received during 2021-22 and 2022-23 and in which GNCTD had made investment, had declared/paid dividend.

⁴ DPCL, DTL, DSCSC and DTIDC.

5.4 Erosion of Net Worth of SPSUs

As on 31 March 2022, out of 18 SPSUs there is only one SPSU (Delhi Transport Corporation) whose net worth was completely eroded by accumulated losses of ₹ 52,242.68 crore. The net worth of DTC was (-) ₹ 50,258.83 crore against equity investment of ₹1,983.85 crore as per its latest finalised accounts for the year 2020-21. The capital of DTC has eroded whereas its outstanding GNCTD Loans and interest thereon were ₹ 11,676.14 crore and ₹ 39,424.50 crore, respectively. DTC had not repaid the outstanding Loan since 2007-08 and interest thereon since 2011-12 to GNCTD. The losses incurred by DTC were mainly due to non-economic fare structure, issuance of various concessional passes, increase in price of men/material input cost and interest burden of Plan and Non-Plan loans released by the GNCTD. The GNCTD had released way and means grant of ₹ 2,030 crore, ₹ 2,475 crore and ₹ 2,320 crore during 2019-20, 2020-21 and 2021-22 respectively to meet the deficit after excluding interest cost. Thus, DTC is dependent upon the financial assistance of GNCTD for its operations.

DTC requested GNCTD (December 2016, June 2017, October 2021 & October 2022) to convert Plan loans in equity and Non Plan loans and interest accrued into Grants/ Subsidy for improving its financial position which was still pending for decision (December 2022).

5.5 Submission of accounts by State Public Sector Undertakings

5.5.1 Need for timely submission of Annual Report and Accounts

Section 96 of the Companies Act, 2013 requires every company to hold AGM⁵ of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited financial statements for the financial year have to be placed in the said AGM for their consideration.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

According to Section 394 of the Companies Act, 2013, an Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM). As soon as may be after such preparation, the Annual Report together with a copy of the Audit Report and comments of the CAG upon or as supplement to the Audit Report must be laid before the Legislature. Similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the Companies/ Corporations from the Consolidated Fund of the State.

⁵ In case of the first AGM, it shall be held within a period of nine months from the date of closing of the first financial year of the company and in any other case within a period of six months, from the date of closing of the financial year i.e. 30 September.

As of 31 March 2022, there are 18 SPSUs in Delhi, including two⁶ Statutory Corporations, one Government controlled other Company and 15 Government Companies under the audit jurisdiction of the CAG. 15 Government Companies include four inactive subsidiaries companies of DSIIDC which are not carrying out any activities for the last several years.

5.5.2 Timeliness in preparation of accounts by Government Companies

- Accounts for the year 2021-22 were required to be submitted by all the 16 SPSUs by 30 September 2022. Six⁷ Government Companies, out of 16 Government Companies, submitted their accounts for audit by CAG by 30 September 2022. Accounts of ten Government Companies were in arrears.
- Audit of two Statutory Corporations (DFC and DTC) is conducted by the CAG. Accounts of both Statutory Corporations for the year 2021-22 were not submitted as on 30 November 2022.

Details of arrears in submission of accounts by the SPSUs are given in **Table 5.5:**

Table 5.5: Details of arrears in submission of accounts of SPSUs

Particulars	Government Companies	Statutory Corporations
Total number of SPSUs from which accounts for 2021-22 were due	16	2
Number of SPSUs which submitted the accounts for CAG's audit by 30 September 2022/ 30 November 2022	6	0
Number of accounts in arrears (ten Government Companies and 2 Corporations)	17	2
Break-up of arrears		
Arrear for one year (2021-22)	07 ⁸	2
Two years (2020-21 and 2021-22)	2 ⁹	-
Arrear for more than three years	1 ¹⁰	-

GNCTD invested ₹ 2,572.53 crore (Equity: ₹ 4.80 crore, Loan: Nil, Grant: ₹ 2,567.73 crore) in six SPSUs out of 12 SPSUs during the said period the accounts were in arrears. SPSU-wise details of investment made by State Government during the years for which accounts were in arrears are shown in **Appendix-5.3**.

The administrative departments have the responsibility to oversee the activities of these SPSUs and to ensure that the accounts are finalised and adopted by these SPSUs within the stipulated period. The concerned departments were informed regularly regarding arrears in accounts.

⁶ Delhi Transport Corporation and Delhi Financial Corporation.

⁷ DTL, ICSIL, DCADL, DLL, DMSL and DEL

⁸ DSIIDC, DTTDC, DTIDC, DSCSC, DPCL, SRDC and GDL. Accounts of DSIIDC and DTTDC were received in October 2022 and DTIDC in November 2022.

⁹ PPCL, IPGCL

¹⁰ Six accounts of DSCFDC were in arrears for 2016-17 to 2021-22.

5.5.3 Impact of non-finalisation of accounts of State Public Sector Undertakings

Delay in finalisation of accounts may result in risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 2013. In the absence of finalisation of accounts by these SPSUs and their subsequent audit, it could not be ensured whether the investments and expenditure incurred had been properly accounted for and the funds were utilised for the purpose for which these were provided by the State Government.

5.6 Inactive companies

The four subsidiaries companies of DSIIDC viz. DSIIDC Energy Limited, Delhi Creative Arts Development Limited, DSIIDC Liquor Limited and DSIIDC Maintenance Services Limited were created in 2011 to increase profitability and wealth with investment of ₹ one lakh each by DSIIDC. These companies except one¹¹ (during 2012-13 to 2014-15), did not commence their business and have remained inactive so far (December 2022). In September 2014, the assets and liabilities of these subsidiary companies were taken over by DSIIDC. During 2012-13 to 2021-22, these companies earned negligible income but incurred annual expenses on audit fee and Registrar of Companies filing fee. DSIIDC, during its 293rd Board of Directors (BoD) meeting (March 2022), decided to close Delhi Creative Arts Development Limited and DSIIDC Liquor Limited and deferred the proposal of the management for revival of DSIIDC Energy Ltd and DSIIDC Maintenance Services Ltd. However, due to order of Excise Department (August 2022) announcing reversion of old policy regime of government companies resuming liquor sale, an action plan for revival of DSIIDC Liquor was sought and the decision for closure of DSIIDC Liquor was decided to be kept in abeyance by the 295th BoD meeting held in September 2022.

5.7 Conclusion

- As on 31 March 2022, the total investment (equity and long-term loans) in 18 SPSUs was ₹ 25,748.79 crore. The investment consisted of 37.38 *per cent* towards equity and 62.62 *per cent* in long-term loans. Out of this, GNCTD has investment of ₹ 24,797.65 crore in these SPSUs consisting of equity of ₹ 9,202.49 crore and long-term loans of ₹ 15,595.16 crore.
- As on 31 March 2022, differences in loans existed in respect of four SPSUs between records of SPSUs and the Finance accounts, which needed to be reconciled by the SPSUs and Finance Department, GNCTD.
- Two SPSUs, out of six SPSUs, which earned profit and in which GNCTD had made investment had declared/paid dividend during the year 2021-22. One SPSU although not earned profit paid dividend based on its Net Worth.
- Delhi Transport Corporation's net worth has been completely eroded by its accumulated losses and as on 31 March 2022, the net worth was (-) ₹ 50,258.83 crore against equity investment of ₹ 1,983.85 crore.

¹¹ DEL

- Out of 18 SPSUs, only six SPSUs had submitted their annual accounts for the year 2021-22 and remaining 12 SPSUs had arrears of 19 accounts. GNCTD had provided ₹ 2,572.53 crore (Equity: ₹ 4.80 crore, Loan: ₹ Nil crore, Grants and Subsidies: ₹ 2,567.73 crore) in six out of the 12 State PSUs during the period for which their accounts were in arrears.
- The four subsidiaries companies of DSIIDC have remained inactive since inception. While the BoDs have decided to close Delhi Creative Arts Development Limited, no decision has been taken in respect of the remaining three subsidiaries.

5.8 Recommendations

The State Government may:

- reconcile the differences in figures of loans outstanding as per records of the SPSUs and as per the Finance Accounts in a time bound manner.
- ensure payment of dividend as per dividend policy framed.
- formulate plan for making DTC viable.
- ensure timely submission of financial statements of SPSUs.
- decide on closure/operation of three inactive subsidiaries of DSIIDC.



New Delhi

Dated: 08 May 2023

(AMAN DEEP CHATHA)

Principal Accountant General (Audit), Delhi

Countersigned



New Delhi

Dated: 16 May 2023

(GIRISH CHANDRA MURMU)

Comptroller and Auditor General of India

APPENDICES

Appendix 1.1
Time series data on the Government of NCT of Delhi finances
(Referred in para 1.4.1)

	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
<i>Part A. Receipts</i>					
1. Revenue Receipts	38,667	43,113	47,136	41,864	49,313
(i) Tax Revenue	35,717	36,625	36,566	29,425	40,019
State Goods and Service Tax (SGST)	13,621	19,187	19,465	15,676	22,263
Taxes on Agricultural Income	-	-	-	-	-
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
Stamps and Registration fees	4,117	4,459	4,606	3,549	5,212
Land Revenue	2	0	3	4	0
Taxes on Goods and Passengers	-	-	-	-	-
Other Taxes	259	10	1	1	1
(ii) Non Tax Revenue	766	644	1,097	980	827
(iii) State's share of Union taxes and duties	-	-	-	-	-
(iv) Grants in aid from Government of India	2,184	5,844	9,473	11,459	8,467
2. Miscellaneous Capital Receipts	-	-	-	-	-
3. Recoveries of Loans and Advances	691	1,644	823	631	623
4. Total Revenue (1+2+3)	39,358	44,757	47,959	42,495	49,936
5. Public Debt Receipts	1,906	2,880	4,765	15,365	11,193
Internal Debt (excluding Ways and Means Advances and Overdrafts)	-	-	-	-	-
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	-
Loans and Advances from Government of India	1,906	2,880	4,765	15,365	11,193
6. Total Receipts in Consolidated Fund (4+5)	41,264	47,637	52,724	57,860	61,129
7. Contingency Fund Receipts	2	95	143	79	74
8. Public Account Receipts	-	-	-	-	-
9. Total Receipts of the State (6+7+8)	41,266	47,732	52,867	57,939	61,203
<i>Part B. Expenditure /Disbursement</i>					
10. Revenue Expenditure	33,754	36,852	39,637	40,414	46,043
General Services (including interest payments)	7,196	7,605	7,083	6,295	6,953
Social Services	19,602	21,663	22,145	22,693	26,294
Economic Services	5,862	5,219	6,530	8,514	9,328
Grants-in-aid-and contributions	1,094	2,365	3,879	2,912	3,468
11. Capital Expenditure	3,243	3,266	5,472	4,699	8,311
General Services	228	180	389	246	374
Social Services	1,575	1,755	3,572	2,669	5,062
Economic Services	1,440	1,331	1,511	1,784	2,875
12. Disbursement of Loans and Advances	2,248	2,402	3,266	4,090	2,603
13. Total Expenditure (10+11+12)	39,245	42,520	48,375	49,203	56,957
14. Repayments of Public Debt	1,682	3,636	2,811	3,265	4,215
Internal Debt (excluding Ways and Means Advances and Overdrafts)	-	-	-	-	-
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	1,682	3,636	2,811	3,265	4,215
15. Appropriation to Contingency Fund	-	90	0	0	0
16. Total disbursement out of Consolidated Fund	40,927	46,246	51,186	52,468	61,172

	2017-18	2018-19	2019-20	2020-21	(₹ in crore) 2021-22
(13+14+15)					
17. Contingency Fund disbursements	2	5	143	79	74
18. Public Account disbursements	-	-	-	-	-
19. Total disbursement by the State (16+17+18)	40,929	46,251	51,329	52,547	61,246
Part C. Deficits					
20. Revenue Deficit(-)/Revenue Surplus (+)(1-10)	4,913	6,261	7,499	1,450	3,270
21. Fiscal Deficit(-)/Fiscal Surplus(+) (4-13)	113	2,237	-416	-6,708	-7,021
22. Primary Deficit(-)/Primary Surplus(+) (21+23)	2,984	5,104	2,336	-3,834	-3,747
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	2,871	2,867	2,752	2,874	3,274
24. Financial Assistance to local bodies etc.	-	-	-	-	-
25. Ways and Means Advances/Overdraft availed (days)	-	-	-	-	-
Ways and Means Advances availed (days)	-	-	-	-	-
Overdraft availed (days)	-	-	-	-	-
26. Interest on ways and Means Advances/Overdraft	-	-	-	-	-
27. Gross State Domestic Product (GSDP)	6,77,900	7,38,389	7,94,030	7,85,342	9,23,967
28. Outstanding fiscal liabilities	33,569	32,812	34,767	46,867*	53,844*
29. Outstanding guarantees (year-end) (including interest)	-	-	-	-	-
30. Maximum amount guaranteed (year-end)	-	-	-	-	-
Part E: Fiscal Health Indicators					
I Resource Mobilisation					
Own Tax revenue/GSDP	5.27	4.96	4.61	3.75	4.33
Own Non-Tax revenue/GSDP	0.11	0.09	0.14	0.12	0.09
II Expenditure Management					
Total Expenditure/GSDP	5.79	5.76	6.09	6.27	6.16
Total Expenditure/Revenue Receipts	101.49	98.62	102.63	117.53	115.50
Revenue Expenditure/Total Expenditure	86.01	86.67	81.94	82.14	80.84
Expenditure on Social Services/ Total Expenditure	53.96	55.08	53.16	51.55	55.05
Expenditure on Economic Services/Total Expenditure	18.61	15.40	16.62	20.93	21.42
Capital Expenditure/Total Expenditure	8.26	7.68	11.31	9.55	14.59
Capital Expenditure on Social and Economic Services/ Total Expenditure	7.68	7.26	10.51	9.05	13.94
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	0.72	0.85	0.94	0.18	0.35
Fiscal deficit (surplus)/GSDP	0.02	0.30	-0.05	-0.85	-0.76
Primary Deficit(surplus)/GSDP	0.44	0.69	0.29	-0.49	-0.41
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	4.95	4.44	4.38	5.22**	4.52**
Fiscal Liabilities/RR	86.82	76.11	73.76	111.95	109.19
Primary deficit vis-a-vis quantum spread	612.05	5458.31	-1103.14	100.56	-62.41
Debt Redemption (Principal + Interest)/Total Debt Receipts	-	-	-	-	-
V Other Fiscal Health Indicators					
Return on Investment	0.08	0.07	0.08	0.05	0.43

Note-Figures have been rounded to the nearest decimal.

*The effective outstanding fiscal liabilities for the years 2020-21 and 2021-22 would be ₹ 41,002 crore and ₹ 41,786 crore, respectively as GST compensation of ₹ 5,865 crore (2020-21) and ₹ 6,193 crore (2021-22) given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

**Arrived at after exclusion of GST compensation of ₹ 5,865 crore (2020-21) and ₹ 6,193 crore (2021-22) received as back to back loan under debt receipts from the total outstanding liabilities.

Appendix 3.1
Details of schemes for which provision (₹ one crore and above) was made
but no expenditure was incurred
(Referred in Para no. 3.5.2)

(₹ in crore)					
Sl. No.	Grant No. and Name	Head/Scheme Name	Approved outlay (original budget)	Revised outlay	Actual expenditure
Revenue Voted					
1	02-General Administration	2220.60.101.94 Delhi Model of Governance for outreach programme	50.00	11.00	NIL
2	03-Administration of Justice	2014.00.103.97Setting up of Fast Track Special Courts (FTSCs)for expeditious disposal of cases of Rape & POCSO Act (Nirbhaya Fund) (CSS)	7.20	7.20	NIL
3		2014.00.103.96 Setting up of Fast Track Special Courts (FTSCs)for expeditious disposal of cases of Rape & POCSO Act (Nirbhaya Fund) (State Share)	4.80	4.80	NIL
4	Grant No.04	2043.00.101.93 Implementation of Goods & Service Tax System	1.00	1.00	NIL
5		2043.00.101.92 Bill Bawao Inaam Pao	1.00	1.00	NIL
6	06 Education	2202.02.109.72 School Health Scheme & Issue of Multi-Purpose Students I-Cards	22.00	2.00	NIL
7		2202.02.109.68 Setting up of Studio for transmission of Online Lectures	1.00	1.00	NIL
8		2202.02.109.62 Conduct of Educational Conferences	50.00	1.00	NIL
9		2202.02.109.61 Sainik School & Academy	2.00	1.00	NIL
10		2202.02.109.60 Virtual School	2.00	1.00	NIL
11		2202.02.109.56 Desh Bhakti Pathyakrama	2.00	1.00	NIL
12		2202.02.109.54 Grant-In-Aid to DBSE for Online Assessment	0.01	15.00	NIL
13		2202.80.001.82 Education Minister Engagement / Communication with public	10.00	1.00	NIL
14		2204.00.104.44 Maintenance of Sports Infrastructure	5.00	1.00	NIL
15		2203.00.112.41 Research Grant Scheme	10.00	5.00	NIL
16		2202.03.001.99 Innovation Initiatives for Students	1.00	1.00	NIL
17		2202.03.102.87 GIA to Ambedkar University for Early Childhood Care Centre	0.10	2.00	NIL
18		2202.03.102.85 Special Grant to Universities & Collages	20.00	10.00	NIL
19		2202.80.004.87 Higher Education Fellowship	4.00	4.00	NIL
20	07-Medical & Public Health	2210.01.200.74 Grant in aid for Covid-19 Emergency Response and health system preparedness package under NRHM (CSS)	0.02	45.77	NIL
21		2210.01.200.73Grant in aid for Covid-19 Emergency Response and health system preparedness package under NRHM (State Share)	0.01	30.00	NIL

Sl. No.	Grant No. and Name	Head/Scheme Name	Approved outlay (original budget)	Revised outlay	Actual expenditure
22		2210.06.800.67 Grant-in-aid to Rogi Kalyan Samiti	15.00	5.00	NIL
23		2210.80.101.99 Ayushman Bharat Health Insurance (CSS)	20.00	1.00	NIL
24		2210.80.800.59 Delhi Arogaya Kosh	100.00	40.96	NIL
25		2210.06.107.92 Strengthening of State Drug and Regulatory System (CSS) (New)	0.01	4.97	NIL
26		2210.06.107.91 Strengthening of State Drug and Regulatory System (State Share) (New)	0.01	3.31	NIL
27		2211.00.102.75 Grants for expenditure on Post-Partum units in Hospitals	6.00	2.60	NIL
28		2210.05.101.86.98 Essential Medicines to Ayush Dispensaries (CSS)	1.80	1.80	NIL
29	08-Social Welfare	2235.02.102.36 Incentives Anganwadi Upgradation Scheme	15.00	4.76	NIL
30		2235.02.104.59 Skill Development and Rehabilitation of Beggars, Persons with Disabilities and Economically Weaker Section	1.00	1.00	NIL
31		2235.02.102.22 Training of Parents, AWWs & Anganwadi Samitis (Early Childhood Education)	2.00	1.00	NIL
32		2235.02.102.17.90 Anganwadi Services Scheme- Procurement of Aadhar Enrolment Kit	0.01	2.56	NIL
33		2235.02.102.16.92 Anganwadi Services Scheme - Procurement of Aadhar Enrolment Kit	0.01	1.71	NIL
34		2235.02.103.19 Mahila Shakti Kendra (MSK)(CSS)	0.40	1.11	NIL
35		2235.02.103.17 Mahila Sahayata Prokosht (Mahila Help Desk)	2.05	1.00	NIL
36		2235.02.103.13.97 PMMVY- Flexi Fund	0.01	1.20	NIL
37		2235.02.789.92.97 Scheme for Adolescent Girls (SAG)- Nutrition Component	0.01	1.00	NIL
38		2236.02.101.71 Additional Diet under Supplementary Nutrition programme	20.00	4.50	NIL
39		2225.01.190.97 Financial Assistance to DSCFDC for SC/STs	3.00	1.00	NIL
40		2041.00.800.96 Road Safety Cell and Grant-in-aid to NGOs	1.00	1.00	NIL
41		3452.80.001.84 Public Engagement for Council of Ministers	6.00	6.00	NIL
42		3452.80.104.59 GIA to DTTDC for Tourism & Heritage Fellowships	2.00	1.00	NIL
43	09-Industries	2852.08.600.89PM Formulation of Micro Food Processing Enterprises Schemes (State Share)	4.25	4.25	NIL
44		2852.80.104.99 Medical Oxygen production Promotion Policy of Delhi 2021	70.00	10.00	NIL

(₹ in crore)					
Sl. No.	Grant No. and Name	Head/Scheme Name	Approved outlay (original budget)	Revised outlay	Actual expenditure
45		3456.00.103.93 Provision for Market intervention to check the rising prices of Essential Commodity	5.00	1.63	NIL
46	10 - Development	2401.00.104.94 Paramparagat Krishi Vikas Yojna (CSS)	10.00	1.00	NIL
47		2403.00.101.85 Providing facilities for prevention of Contagious Diseases in Dairy Colonies	2.00	1.00	NIL
48		2225.04.102.97 Multi - Sectoral Development Programme for Minority concentration Districts (CSS)	9.00	9.00	NIL
49		2225.04.277.98 Merit Scholarship for students belonging to Minority studying in Professional and Technical Colleges /Institutions / Universities	2.00	2.00	NIL
50		2406.04.103.97 Integrated Wildlife Management Plan financed from state Compensatory Afforestation Fund (SCAF)	1.39	1.39	NIL
51	11 - Urban Development and Public Works Department	2217.04.191.57GIA to NDMC for Smart City (CSS)	98.00	50.00	NIL
52		2217.05.191.94GIA to MCD's/ NDMC for AMRUT 2.0 (CSS)	0.02	1.00	NIL
53		2217.80.191.04.00 Swachh Bharat Mission (CSS)	76.00	33.00	NIL
54		2217.80.191.04.91 Urban Development Department for public awareness and IEC activities (CSS)	3.50	2.10	NIL
55		2217.80.191.03 Swachh Bharat Mission (State Share)	20.00	20.00	NIL
56		2217.80.800.76Disposal of legacy waste dumped at various dumping sites	50.00	1.00	NIL
57		3475.00.108.94 Deen Dayal Upadhyaya Antyodaya Yojana/National Urban Livelihood Mission (CSS)	4.00	22.01	NIL
58		2810.02.800.90 Generation Based incentive Scheme for Solar Energy	5.00	8.40	NIL
			748.61	403.03	NIL
Revenue Charged					
59	03-Administration of Justice	2015.00.102.00 Electoral Officers	0.50	1.00	NIL
60	07-Medical & Public Health	2210.01.110.27 Dr. Hedgewar Arogya Sansthan	0.05	1.60	NIL
61		2210.01.110.23 Jag Pravesh Chandra hospital	0.01	1.67	NIL
	Total		0.56	4.27	NIL
Capital Voted					
62	02-General Administration	4059.60.051.75 Development of Online Examination Centre at Wazirpur and Patparganj	48.00	5.00	NIL
63	06 - Education	4202.01.202.93 Sainik School & Academy	18.00	1.00	NIL
64		4202.03.800.98 Development of play Grounds, Sports Complexes and Swimming Pools etc.	24.65	5.00	NIL
65	07-Medical &	4210.04.107.94 Strengthening of State Drug and	2.50	2.50	NIL

(₹ in crore)						
Sl. No.	Grant No. and Name	Head/Scheme Name	Approved outlay (original budget)	Revised outlay	Actual expenditure	
	Public Health	Regulatory System (CSS)				
66		4210.04.107.93 Strengthening of State Drug and Regulatory System (State Share)	1.70	1.70	NIL	
67	08-Social Welfare	4235.02.104.98 Old Age Home	4.00	1.00	NIL	
68		4235.02.102.98 CCTV in each Anganwadi Centre	5.00	2.28	NIL	
69		4235.02.103.98 Construction of working women hostel	3.00	1.00	NIL	
70		4235.02.800.93 Provision of additional facilities in the existing building (WCD)	2.50	2.50	NIL	
71		6225.80.800.94 Loan to DSFDC under Chief Minister Street Vendors Loan Scheme	20.00	5.00	NIL	
72		5055.00.050.86 Construction of Bus queue Shelters	30.00	2.00	NIL	
73		5055.00.800.88 Encouragement of pedestrian & Non-motorized vehicles.	10.00	1.00	NIL	
74		5055.00.800.87 RRTS Corridor	1.00	1.00	NIL	
75		7055.00.190.96 Subordinate Debts for land acquisition for MRTS	100.00	100.00	NIL	
76		5452.01.102.92 Purchase of Land for construction of Delhi Sedan	20.00	1.00	NIL	
77	09-Industries	5475.00.102.89 Streamlining of Public Distribution System	2.00	1.20	NIL	
78	10 Development	4059.01.051.81 Dy. Commissioner Office	20.00	2.00	NIL	
79	11 - Urban Development and Public Works Department	6217.60.789.93 Loan to DUSIB for construction of houses for Weaker Section (JNNURM) (SCSP)	5.00	1.00	NIL	
80		6217.60.800.98 Loan to DUSIB for construction of houses for Weaker Section (JNNURM)	20.00	14.93	NIL	
81		4059.01.051.72Constructin of New Secretariat Building	0.01	1.00	NIL	
82		5054.04.800.82 Provision of LED screens	50.00	1.00	NIL	
Total			387.36	153.11		
Grand Total			1136.53	560.41		

Appendix 3.2
Details of schemes for which provision (₹ one crore and above) was made but were withdrawn in revised outlay
(Referred in Para no. 3.5.2)

(₹ in crore)

Sl. No.	Grant No. and Name	Head/Scheme Name	Approved outlay	Revised outlay
Revenue voted				
1	02-General Administration	2055.00.119.97 GIA to Delhi Police Service Society for implementation of Safe City Project for safety of women by Delhi Police (Nirbhaya Fund) (CSS)	219.46	Nil
2	03- Administration of Justice	2014.00.103.98 Setting up of Special Courts for trial of Criminal Cases related to elected MPs and MLAs. to deal with	2.60	Nil
3	05- Home	2056.00.101.98 Implementation of e-Prison Project (CSS)	2.00	Nil
4	06 - Education	2202.01.104.99 Preparation of Program for International Student Assessment (PISA) – 2024	2.00	Nil
5		2202.02.107.96 Chief Minister's Scholarship for Meritorious Students	8.00	Nil
6		2202.02.109.70 Introduction of Foreign Language in RPVVs & SoEs	1.00	Nil
7		2202.02.109.69 Organising Parent Workshops by Delhi Commission for Protection of Child Rights (DCPCR)	10.00	Nil
8		2202.02.109.65 Science TV Programme	5.00	Nil
9		2202.02.109.63 Mukhyamantri Pariksha Fees Sahayta Yojana for Class X and XII Students	1.00	Nil
10		2202.02.109.57 Online Assessment	150.00	Nil
11		2202.80.001.74 Conduct of special classes for development of mathematical skill and competence	2.00	Nil
12		2204.00.001.87 Fitness Assessment of Students in Schools	5.00	Nil
13		2204.00.104.53 Grants-in-Aid to sports Associations	1.00	Nil
14		2204.00.104.46 Providing Sports Kits to Students	5.00	Nil
15		2204.00.104.45 Mukhyamantri Khelo Delhi Yojana	5.00	Nil
16		2203.00.004.92 Entrepreneurship Development Programme for Students (Technical)	4.53	Nil
17		2203.00.112.40 Institute/ Industries Interaction Scheme	5.00	Nil
18		2230.03.001.96 Innovative Initiatives for Students	4.00	Nil
19		2230.03.001.95 Conferences on Higher Education	10.00	Nil
20		2202.03.112.89 Delhi Institute of Heritage, Research & Management	3.55	Nil
21		2202.03.800.84 Spoken English Programme	50.00	Nil
22		2203.00.112.64 Govt. Engineering College, Jaffarpur	6.71	Nil
23	07-Medical Public Health &	2210.01.102.99 Contribution to the Employee State Insurance	5.00	Nil
24		2210.01.110.50 GIA for Delhi State Health Mission for Women Mohalla Clinic	14.50	Nil

(₹ in crore)

Sl. No.	Grant No. and Name	Head/Scheme Name	Approved outlay	Revised outlay
25		2210.01.200.89.98 Payment to insurance companies	10.00	Nil
26		2210.01.200.87 Tele Radiology	1.00	Nil
27		2210.01.200.86 CT Scan/ MRI in ppp	1.00	Nil
28		2210.01.800.40 GIA for Covid - 19 Emergency Response and Health System Preparedness Package under NRHM (CSS)	400.00	Nil
29		2210.06.003.89 Training & Exchange Programme (Management Skills & Staff Skills)	1.76	Nil
30		2210.06.101.23 Free COVID-19 Vaccine for Public	50.00	Nil
31		2210.05.105.67 Establishment of DDU Medical College	1.00	Nil
32		2210.05.105.75 University College of Medical Sciences	1.00	Nil
33		2211.00.101.78 Rural family Welfare Services : Sub-Centre (CSS)	4.00	Nil
34		2211.00.102.78 Revamping of Urban Family Welfare Centres (CSS)	8.00	Nil
35	08-Social Welfare	2235.02.102.55 Integrated Child Development Services (CSS)	80.00	Nil
36		2235.02.102.38 Honorarium to Anganwadi Workers & Helpers	145.00	Nil
37		2235.02.102.29 ICDS (General)-State Share	46.00	Nil
38		2235.02.102.27 Grant-in-aid to state Child Protection Society (CSS)	11.00	Nil
39		2235.02.102.26 Grant-in-aid to state Child Protection Society (State Share)	7.00	Nil
40		2235.02.102.23 National Creches Scheme (CSS)	1.20	Nil
41		2235.02.102.20 procurement of Aadhar Enrolment Kit, Anganwadi Service Scheme Under Umbrella ICDS Scheme (CSS)	2.56	Nil
42		2235.02.102.19 procurement of Aadhar Enrolment Kit, Anganwadi Service Scheme Under Umbrella ICDS Scheme (State Share)	1.71	Nil
43		2235.02.103.21 Pradhan Mantri Maitri Vandana Yojna (PMMVY) (CSS)	4.40	Nil
44		2235.02.103.20 Pradhan Mantri Maitri Vandana Yojna (PMMVY) (State Share)	25.00	Nil
45		2236.02.101.90 Supplementary Nutrition Programme	60.00	Nil
46		2236.02.101.82 Supplementary Nutrition Programme (CSS)	75.00	Nil
47		2236.02.101.78 Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG) SABLA for Supplementary Nutrition Programme (SNP)(CSS)	1.00	Nil
48		2236.02.101.77 Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG) SABLA for Supplementary Nutrition Programme (SNP) (State Share)	1.00	Nil

(₹ in crore)				
Sl. No.	Grant No. and Name	Head/Scheme Name	Approved outlay	Revised outlay
49		2236.02.101.76 Rajiv Gandhi Scheme for Empowerment of Adolescent Girls for Components other than Nutrition (CSS)	1.00	Nil
50		2236.02.101.75 Rajiv Gandhi Scheme for Empowerment of Adolescent Girls for Components other than Nutrition (State Share)	1.00	Nil
51		2236.02.101.73 Poshan Abhiyan (CSS)	24.40	Nil
52		2236.02.101.72 Poshan Abhiyan (State Share)	6.05	Nil
53		2236.02.789.94 Special Component Plan for Scheduled Castes: Supplementary Nutrition Programme (SCSP)	15.00	Nil
54		2236.02.789.92 Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG-SABLA) for Supplementary Nutrition Programme (SCSP)(CSS)	1.00	Nil
55		2236.02.789.91 Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG-SABLA) for Supplementary Nutrition Programme (SCSP) (State Share)	1.00	Nil
56		2225.01.277.69 Post Matric Scholarship Scheme	9.72	Nil
57		2225.01.277.54 Pre Metric Scholar-ship to OBC Students (CSS)	1.00	Nil
58		2225.01.277.51 Post matric Scholarship for OBC Students(CSS)	2.00	Nil
59		2225.01.800.74 Special Central Assistance for Scheduled Caste Component Plan (CSS)	1.20	Nil
60		3055.00.190.95 State Electric Vehicle Fund	10.22	Nil
61	09-Industries	2851.00.004.90 Start-up Festival	10.00	Nil
62		3475.00.106.90 Strengthening of Legal Metrology Wing (CSS)	1.22	Nil
63	10 - Development	2401.00.102.91 Food Grain Crops Kisan Mitra Yojana	50.00	Nil
64		2245.80.102.92 Disaster Contingence Plan / Disaster Response fund	5.00	Nil
65		2245.80.800.99 Epidemic/Pandemic Financed from Disaster Response Fund	6.25	Nil
66		2401.00.119.74 Mission for Integrated Development of Horticulture (CSS)	15.25	Nil
67		2401.00.119.71 National Beekeeping & Honey Mission (CSS)	2.14	Nil
68		2401.00.789.97 Mission for Integrated Development of Horticulture (SCSP) (CSS)	3.89	Nil
69		3435.04.103.87 Monitoring of Air Pollution through Hotspots	40.00	Nil
70		3435.04.800.82 Pollution Control & Hazard Management	28.00	Nil
	Total		1696.32	

(₹ in crore)

Sl. No.	Grant No. and Name	Head/Scheme Name	Approved outlay	Revised outlay
Revenue Charged				
71	07-Medical & Public Health	2210.01.110.17 Shri Dadadev Matri Avum Shishu Chikitsalaya	2.20	Nil
	Total		2.20	Nil
Capital Voted				
72	06 - Education	4202.01.202.92 Virtual School	8.00	Nil
73		4202.02.104.88 Equipment	5.00	Nil
74		4202.02.104.87 Setting up new Polytechnics (CSS)	4.00	Nil
75		4202.02.105.88 G.B. Pant Engineering College	1.00	Nil
76	07-Medical & Public Health	4210.80.190.96 Investment in Public Sector and Other Undertakings Equity Capital to Delhi Health Care Corporation	5.00	Nil
77	08-Social Welfare	4235.02.101.82 Scheme for Implementation of Persons with disabilities act 1995 (CSS)	5.35	Nil
78	09- Industries	5475.00.102.88 Providing Accommodation to District forum & state commission	2.00	Nil
79	11 - Urban Development and Public Works Department	4059.60.051.77 Construction of Haj House	10.00	Nil
80		5054.04.101.94 East-West Corridor	1.00	Nil
81		5054.04.101.93 North-South Corridor	1.00	Nil
82		5054.04.101.84 Construction of Underpass at Khajuri Chowk	1.00	Nil
83		5054.04.101.73 Construction of Additional Bridge for widening of existing bridge over Gazipur drain Hindon canal from road along Ghazipur Drain to Dhamashala Road	1.00	Nil
84		5054.04.101.72 Construction of Additional Bridge for widening of existing bridge over Gazipur drain Hindon canal from road along Ghazipur Drain to New Ashok Nagar Metro Station	1.00	Nil
85		5054.04.101.71 Construction of underpass at ORR near Mukarba Chowk	10.00	Nil
86		4801.04.190.97 Equity Contribution for renovation and modernisation of Gas Turbine Power Station	50.00	Nil
87		4801.05.800.86 Conversion of 11KV Network from Bare Conductor to Insulated Conductor under Jagmagati Delhi Program	25.00	Nil
88		6801.00.190.94 Loan to Delhi Transco Ltd.	1.00	Nil
89		6801.00.203.90 Loan towards Renovation & Modernization of GTPS	1.00	Nil
	Total		132.35	Nil
Grand Total			1830.87	Nil

Appendix 3.3
Lack of utilisation of Grant (Centrally Sponsored Schemes)
(Referred in para 3.5.4)

(₹ in crore)						
Sl. No.	Grant No. and Name	Head/Scheme Name	Approved outlay (Original Budget)	Revised outlay	Actual Expenditure	Reasons reported for not utilizing grant
Schemes for which provision (₹ one crore and above) was made but no expenditure incurred						
Revenue – Voted						
1	03-Administration of Justice	2014.00.103.97 Setting up of Fast Track Special Courts (FTSCs) for expeditious disposal of cases of Rape & POCSO Act (Nirbhaya Fund) (CSS)	7.20	7.20	NIL	Non-mapping of SNA account with the child agency
2	07-Medical & Public Health	2210.01.200.74 Grant in aid for Covid-19 Emergency Response and health system preparedness package under NRHM (CSS)	0.00	45.77	NIL	Non-receipt of funds from GoI
3		2210.80.101.99 Ayushman Bharat Health Insurance (CSS)	20.00	1.00	NIL	Scheme is yet to be organised
4		2210.06.107.92 Strengthening of State Drug and Regulatory System (CSS) (New)	0.01	4.97	NIL	Non-completion of process of procurement of sophisticated instruments in DTL in the FY
5		2210.05.101.86.98 Essential Medicines to Ayush Dispensaries (CSS)	1.80	1.80	NIL	Non-approval of State Annual Action Plan by Govt. of India
6	10 Development	2401.00.104.94 Paramparagat Krishi Vikas Yojna (CSS)	10.00	1.00	NIL	Non-implementation of scheme
7		2225.04.102.97 Multi-Sectoral Development Programme for Minority concentration Districts (CSS)	9.00	9.00	NIL	Non-utilisation of funds due to non-completion of work relating to construction of Delhi Govt. dispensary on account of COVID-19.
8	11 - Urban Development and Public Works Department	2217.04.191.57GIA to NDMC for Smart City (CSS)	98.00	50.00	NIL	Due to non-release of funds from Govt. of India
9		2217.05.191.94GIA to MCD's/ NDMC for AMRUT 2.0 (CSS)	0.02	1.00	NIL	Non-implementation of scheme
10		2217.80.191.04.00 Swachh Bharat Mission (CSS)	76.00	33.00	NIL	Non-release of funds from Govt. of India

(₹ in crore)						
Sl. No.	Grant No. and Name	Head/Scheme Name	Approved outlay (Original Budget)	Revised outlay	Actual Expenditure	Reasons reported for not utilizing grant
11		2217.80.191.04.91 Urban Development Department for public awareness and IEC activities (CSS)	3.50	2.10	NIL	Non- release of funds from Govt. of India
Capital – Voted						
12	07-Medical & Public Health	4210.04.107.94 Strengthening of State Drug and Regulatory System (CSS)	2.50	2.50	NIL	Due to change of GoI scheme code from 9156 to 3663, direction received to refund the funds
Total			228.03	159.34	NIL	

Appendix 5.1
(Referred to in paragraph 5.2.1)
Statement showing position of equity and outstanding loans relating to State PSUs as on 31 March 2022

Sl. No.	Sector & Name of the PSU	Name of the Department	Period of latest finalized accounts	Equity at close of the year 2021-22 ¹				Long term loans outstanding at close of the year ² 2021-22				Total investment (Equity and Long term loans) (₹ in crore)
				GNCTD	GoI	Others	Total	GNCTD	GoI	Others	Total	
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	
A Power Sector												
1	Indraprastha Power Generation Company Limited	Power	2019-20	596.54	0.00	140.00	736.54	0.00	0.00	0.00	0.00	736.54
2	Pragati Power Corporation Limited	Power	2019-20	2074.19	0.00	0.00	2074.19	489.25	0	212.62	701.87	2776.06
3	Delhi Transco Limited	Power	2021-22	3691.00	0.00	260.00	3951.00	0.00	0.00	317.00	317.00	4268.00
4	Delhi Power Company Limited	Power	2020-21	745.05	0.00	0.00	745.05	3326.39	0.00	0.00	3326.39	4071.44
5	DSIIDC Energy Limited	Industries	2021-22	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.01
Total A				7106.78	0.00	400.01	7506.79	3815.64	0.00	529.62	4345.26	11852.05
B Other than Power Sector												
B1 Finance Sector												
6	Delhi SC /ST /OBC Minorities, Handicapped Financial and Development Corporation Limited	Welfare of SC/ ST/ OBC/ Minorities	2015-16	38.12	11.88	0.00	50.00	68.24	0.00	0.00	68.24	118.24
7	Delhi Financial Corporation	Finance	2020-21	18.05	0.00	8.49	26.54	33.00	0.00	0.00	33.00	59.54
Total B1				56.17	11.88	8.49	76.54	101.24	0.00	0.00	101.24	177.78
B2 Service Sector												
8	Delhi State Civil Supplies Corporation Limited	Food, Supplies and Consumer Affairs	2020-21	7.00	0.00	0.00	7.00	2.14	0.00	0.00	2.14	9.14
9	Delhi Tourism and Transportation Development Corporation Limited	Tourism	2020-21	6.28	0.00	0.00	6.28	0.00	0.00	0.00	0.00	6.28

¹ Figures as per latest information/ annual accounts of 2021-22 received as on 30 November 2022

² Loans include current maturity of GNCTD loans shown in accounts as current liabilities.

Sl. No.	Sector & Name of the PSU	Name of the Department	Period of latest finalized accounts	Equity at close of the year 2021-22 ¹				Long term loans outstanding at close of the year ² 2021-22				Total investment (Equity and Long term loans)
				GNCTD	GoI	Others	Total	GNCTD	GoI	Others	Total	
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	
B2	Service sector											
10	Geospatial Delhi Limited	Information Technology	2020-21	10.76	0.00	0.00	10.76	0.00	0.00	0.00	0.00	10.76
11	Delhi Creative Arts Development Limited	Industries	2021-22	0.00	0.00	0.01	0.01	0.00	0.00	0.06	0.06	0.07
12	DSIIDC Liquor Limited	Industries	2021-22	0.00	0.00	0.01	0.01	0.00	0.00	0.05	0.05	0.06
13	DSIIDC Maintenance Services Limited	Industries	2021-22	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.01
14	Intelligent Communication Systems India Limited	Joint Venture of DSIIDC and TCIL	2021-22	0.00	0.00	1.00	1.00	0.00	0.00	0.00	0.00	1.00
	Total B2			24.04	0.00	1.03	25.07	2.14	0.00	0.11	2.25	27.32
B3	Infrastructure Sector											
15	Delhi State Industrial & Infrastructure Development Corporation Limited	Industries	2021-22	21.00	0.00	0.00	21.00	0.00	0.00	0.00	0.00	21.00
16	Shahjahanabad Redevelopment Corporation	Urban Development	2020-21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total B3			21.00	0.00	0.00	21.00	0.00	0.00	0.00	0.00	21.00
B4	Transport Sector											
17	Delhi Transport and Infrastructure Development Corporation Limited	Transport	2020-21	10.65	0.00	0.00	10.65	0.00	0.00	0.00	0.00	10.65
18	Delhi Transport Corporation	Transport	2020-21	1,983.85	0.00	0.00	1,983.85	11,676.14	0.00	0.00	11,676.14	13659.99
	Total B4			1994.50	0.00	0.00	1994.50	11676.14	0.00	0.00	11676.14	13670.64
	Total B = B1+B2+B3+B4			2095.71	11.88	9.52	2117.11	11779.52	0.00	0.11	11779.63	13896.74
	Total A + B			9202.49	11.88	409.53	9623.90	15595.16	0.00	529.73	16124.89	25748.79

Appendix -5.2**(Referred to in paragraph 5.2.3)****Statement showing difference between Finance Accounts of GNCTD and Accounts of the State PSUs in respect of balances of Loans as on 31 March 2022**

(₹ in crore)

Sl. No.	Name of PSU	As per records of the State PSUs	As per Finance Accounts of Government of GNCTD	Difference
		Loans outstanding	Loans outstanding	
1	2	3	4	5
A	Power			
1	Pragati Power Corporation Limited	489.25	485.70	3.55
	Total A	489.25	485.70	3.55
B	Non Power			
1	Delhi SC/ST/OBC Minorities, Handicapped Financial and Development Corporation Limited	68.24	69.82	-1.58
2	Delhi State Civil Supplies Corporation Limited	2.14	4.36	-2.22
3	Delhi Tourism and Transportation Development Corporation Limited	0	3.15	-3.15
	Total B	70.38	77.33	-6.95
	Grand Total (A & B)	559.63	563.03	-3.40

Appendix-5.3

(Referred to in paragraph 5.5.2)

Statement showing position of State Government investment in State PSUs during the period for which accounts are in arrears

(₹ in crore)

Sl. No.	Name of PSU	Period upto which accounts finalised	Period for which accounts are in arrears	Paid up capital as per latest finalised accounts	Investment made by State Government during the period for which accounts are in arrears			
					Equity	Loans	Grants/Subsidy	Total
A Power								
1	Delhi Power Company Limited	2020-21	2021-22	745.05	0.00	0.00	0.00	0.00
2	Indraprastha Power Generation Company Limited	2019-20	2020-21 to 2021-22	736.54	0.00	0.00	0.00	0.00
3	Pragati Power Corporation Limited	2019-20	2020-21 to 2021-22	2074.19	0.00	0.00	1.28	1.28
B Non Power								
1	Delhi SC/ST/OBC Minorities, Handicapped Financial and Development Corporation Limited	2015-16	2016-17 to 2021-22	45.20	4.80	0.00	8.21	13.01
2	Delhi Tourism and Transportation Development Corporation Limited	2020-21	2021-22	6.28	0.00	0.00	42.15	42.15
3	Delhi State Industrial & Infrastructure Development Corporation Limited	2020-21	2021-22	21.00	0.00	0.00	4.00	4.00
4	Delhi State Civil Supplies Corporation Limited	2020-21	2021-22	7.00	0.00	0.00	0.00	0.00
5	Geospatial Delhi Limited	2020-21	2021-22	10.76	0.00	0.00	0.00	0.00
6	Shahjahanabad Redevelopment Corporation	2020-21	2021-22	0.00	0.00	0.00	10.18	10.18
7	Delhi Transport and Infrastructure Development Corporation Limited	2020-21	2021-22	10.65	0.00	0.00	0.00	0.00
Total A + B				3656.67	4.80	0.00	65.82	70.62
C Statutory Corporation								
1	Delhi Financial Corporation	2020-21	2021-22	26.54	0	0	0	0
2	Delhi Transport Corporation	2020-21	2021-22	1,983.85	0	0	2501.91	2501.91
Total C				2,010.39	0.00	0.00	2,501.91	2,501.91
Grand Total (A+B+C)				5,667.06	4.80	0.00	2,567.73	2,572.53

GLOSSARY

Glossary of terms

1. **'Accounts' or 'actuals' of a year** - are the amounts of receipts and disbursements for the financial year beginning on *April 1st* and ending on *March 31st* following, as finally recorded in the Accounting authority's books (as audited by C&AG). Provisional Accounts refers to the unaudited accounts.
2. **'Administrative approval' of a scheme, proposal or work** - is the formal acceptance thereof by the competent authority for the purpose of incurring expenditure. Taken with the provision of funds in the budget, it operates as a financial sanction to the work during that particular year in which the Administrative Approval is issued.
3. **'Annual financial statement'** - Also referred to as Budget means the statement of estimated receipts and expenditure of the Central/State Government for each financial year, laid before the Parliament/State Legislature.
4. **'Appropriation'** - means the amount authorized by the Parliament/State Legislature for expenditure under different primary unit of appropriation or part thereof placed at the disposal of a disbursing officer.
5. **'Charged Expenditure'** - means such expenditure as is not to be submitted to the vote of the Legislature under the provisions of the Constitution.
6. **'Consolidated Fund of India/State'** - All revenues of the Union/State Government, loans raised by it and all moneys received in repayment of loans form the Consolidated Fund of India/ State. No moneys out of this Fund can be appropriated except in accordance with the law and for the purposes and in the manner provided in the Constitution.
7. **'Contingency Fund'** - is in the nature of an imprest. The Contingency Fund is intended to provide advances to the executive/Government to meet unforeseen expenditure arising in the course of a year pending its authorisation by the Parliament/State Legislature. The amounts drawn from the Contingency Fund are recouped after the Parliament/State Legislature approves it through the Supplementary Demands.
8. **'Controlling Officer (budget)'** - means an officer entrusted by a Department with the responsibility of controlling the incurring of expenditure and/or the collection of revenue. The term includes the Heads of Department and also the Administrators.
9. **'Drawing and Disbursing Officer' (DDO)** - means a Head of Office and also any other Officer so designated by the Finance Department of the State Government, to draw bills and make payments on behalf of the State Government. The term shall also include a Head of Department where he himself discharges such function
10. **'Excess Grant'** - Excess grant means the amount of expenditure over and above the provision allowed through the original/supplementary grant, that requires regularization by obtaining excess grant from the Parliament/ State Legislature under Article 115/205 of the Constitution.

11. **'New Service'** - As appearing in Article 115(1)(a)/205(1)(a) of the Constitution, New Service means expenditure arising out of a new policy decision, not brought to the notice of Parliament/State Legislature earlier, including a new activity or a new form of investment.
12. **'New Instrument of Service'** - means relatively large expenditure arising out of important expansion of an existing activity.
13. **'Public Account'** - means the Public Account referred to in Article 266(2) of the Constitution. The receipts and disbursements such as deposits, reserve funds, remittances, etc. which do not form part of the Consolidated Fund are included in the Public Account. Disbursements from the Public Account are not subject to vote by the Parliament/State Legislature, as they are not moneys issued out of the Consolidated Fund of India/State.
14. **'Re-appropriation'** - means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation.
15. **'Revised Estimate'** - is an estimate of the probable receipts or expenditure for a financial year, framed in the course of that year, with reference to the transactions already recorded and anticipation for the remainder of the year in the light of the orders already issued.
16. **'Supplementary Demands for Grants'** - means the statement of supplementary demands laid before the legislature, showing the estimated amount of further expenditure necessary in respect of a financial year over and above the expenditure authorized in the Annual Financial Statement for that year. The demand for supplementary may be token, technical or substantive/cash.
 - a) **Cash Supplementary** is over and above the original budget provisions and results in enhancement of the allocation for the Demand/Grant. It should be obtained as a last resort and after proper due diligence. Presently, this method is followed by the State.
 - b) There are four Sections in each Demand i.e., Revenue Voted, Revenue Charged, Capital Voted and Capital Charged. **Technical Supplementary**, after obtaining the approval of the State Legislature, allows to utilise the savings of one of the Sections for any other Section.
 - c) **Token Supplementary** allows to utilise the savings within the same section of the grant.
17. **'Major Head'** - means a Major Head of account for the purpose of recording and classifying the receipts and disbursements of the State. A Major Head, particularly the one falling within the Consolidated Fund, generally corresponds to a 'function' of Government such as Agriculture, Education, Health, etc.
18. **"Sub-Major Head"** - means an intermediate head of account introduced between a Major Head and the Minor Heads under it, when the Minor

Heads are numerous and can conveniently be grouped together under such intermediate Head.

19. **'Minor Head'** - means a head subordinate to a Major Head or a Sub-Major Head. A Minor Head subordinate to a Major Head identifies a "programme" undertaken to achieve the objectives of the function represented by the Major Head.
20. **"Sub-Head"** - means a unit of account next subordinate to a Minor Head which normally denotes the scheme or organisation under that Minor Head or programme.
21. **'Major Work'** - means an original work, the estimated cost of which exclusive of departmental charges exceeds the amount as notified by the Government from time to time.
22. **'Minor Work'** - means an original work, the estimated cost of which exclusive of departmental charges does not exceed the amount as notified by the Government from time to time.
23. **"Modified Grant or Appropriation"** - means the sum allotted to any Sub-Head of Appropriation as it stands after Re-Appropriation or the sanction of an Additional or Supplementary Grant by competent authority.
24. **"Supplementary or Additional Grant or Appropriation"** - means a provision included in an Appropriation Act, during the course of a financial year, to meet expenditure in excess of the amount previously included in an Appropriation Act for that year.
25. **"Schedule of New Expenditure"** - means a statement of items of new expenditure proposed for inclusion in the Budget for the ensuing year.
26. **"Token demand"** - means a demand made to the Assembly for a nominal or token sum when, for example, it is proposed to meet the entire expenditure on a new service from savings out of the sanctioned budget grant.

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