

Executive Summary

Background

Based on the audited accounts of the Government of National Capital Territory of Delhi (GNCTD) for the year ending 31 March 2021, 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 National Capital Territory (NCT) of Delhi, in five chapters.

Audit findings

CHAPTER-1

OVERVIEW

- The revenue surplus of NCT of Delhi in 2020-21 of ₹ 1,450 crore indicates that revenue receipts of the Government were sufficient to meet the revenue expenditure. Revenue surplus stood at 0.18 *per cent* of Gross State Domestic Product (GSDP) in 2020-21 as against 0.90 *per cent* in 2019-20. NCT of Delhi has been able to maintain revenue surplus largely on account of pension liabilities of GNCTD employees being borne by GoI. In addition, expenditure of Delhi Police is also borne by Ministry of Home Affairs, Government of India.

(Paragraph 1.5)

- The fiscal deficit of NCT of Delhi which was ₹ 1,051 crore in 2016-17 turned to surplus during 2017-18 at ₹ 113 crore, and increased to ₹ 2,237 crore during 2018-19, which again turned to deficit during 2019-20 and 2020-21 at ₹ 416 crore and ₹ 6,708 crore respectively.

(Paragraph 1.5)

CHAPTER-2

FINANCES OF THE NATIONAL CAPITAL TERRITORY OF DELHI

- Revenue receipts decreased by ₹ 5,272 crore (11.18 *per cent*) over the previous year. In the year 2020-21, about 72.63 *per cent* of revenue receipts came from GNCTD's own resources while Grants-in-Aid contributed 27.37 *per cent*. The share of NCTD's own tax revenue to total revenue receipts decreased from 90.67 *per cent* in 2016-17 to 70.29 *per cent* in 2020-21.

(Paragraph 2.3.2.1)

- Non-debt capital receipts decreased by 23.33 *per cent* from ₹ 823 crore in 2019-20 to ₹ 631 crore in 2020-21. Debt capital receipt increased by 99.37 *per cent* from ₹ 4,765 crore in 2019-20 to ₹ 15,365 crore in 2020-21 due to increased flow of loans and advances from GoI.

(Paragraph 2.3.3)

- Capital expenditure displayed inter year fluctuation which ranged between ₹ 3,243 crore to ₹ 5,472 crore whereas revenue expenditure continuously increased during 2016-21. Capital expenditure decreased from ₹ 5,472 crore to ₹ 4,699 crore (14.13 *per cent*) in 2020-21 over the previous year. Revenue expenditure was 82.14 *per cent* of the total expenditure whereas capital expenditure and disbursement of loans and advances were 9.55 *per cent* and 8.31 *per cent* respectively for the year 2020-21.

(Paragraphs 2.4.1 and 2.4.3)

- Revenue expenditure increased by 37.92 *per cent* from ₹ 29,302 crore in 2016-17 to ₹ 40,414 crore in 2020-21. Revenue expenditure increased by 1.96 *per cent* from ₹ 39,637 crore in 2019-20 to ₹ 40,414 crore in 2020-21. The share of committed expenditure in total revenue expenditure ranged from 34.88 *per cent* to 36.34 *per cent* over the last five years.

(Paragraphs 2.4.2 and 2.4.2.2)

- Expenditure on subsidies increased from ₹ 2,160 crore in 2016-17 to ₹ 4,177 crore (93.38 *per cent*) in 2020-21. In 2020-21 expenditure on subsidies increased by 16.25 *per cent* over the previous year. Financial assistance to local bodies and others increased by 13.35 *per cent* from ₹ 16,232.97 crore in 2019-20 to ₹ 18,400.04 crore in 2020-21.

(Paragraphs 2.4.2.4 and 2.4.2.5)

- The increase in investment in Government companies and co-operative institutions in 2020-21 over the previous year was ₹ 500 crore on account of investment made in Delhi Metro Rail Corporation Ltd. The percentage of return on investment ranged between 0.05 *per cent* and 0.08 *per cent* during 2016-17 to 2020-21 whereas Government paid interest at the average rate of 7.04 *per cent* on its borrowings during 2020-21.

(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 2020-21 would be ₹ 41,002 crore (₹ 46,867 crore - ₹ 5,865 crore) as the Department of Expenditure, GoI had decided that Goods and Services Tax (GST) compensation of ₹ 5,865 crore 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 ₹ 7,657 crore (22.96 *per cent*) from ₹ 33,345 crore at the end of 2016-17 to ₹ 41,002 crore at the end of 2020-21.

(Paragraphs 2.5 and 2.5.1)

CHAPTER-3

BUDGETARY MANAGEMENT

- During 2020-21, there was an overall saving of ₹ 12,996.11 crore against the total grants and appropriations of ₹ 65,891.87 crore (19.72 *per cent* of total budget).

(Paragraphs 3.1.1 and 3.3.3)

- Supplementary grants amounting to ₹ 604.36 crore in seven cases proved unnecessary. Under 16 sub-heads spread across eight 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 ₹ 940.02 crore against the re-appropriation of ₹ 401.57 crore.

(Paragraphs 3.3.1 and 3.3.2)

- GNCTD made total lump-sum budgetary provision of ₹ 213.06 crore under four grants without identifying the exact object head of expenditure, against which an expenditure of ₹ 186.85 crore was made.

(Paragraph 3.4.1)

- Savings of ₹ 6,104.24 crore (46.97 *per cent*) were surrendered in March out of total saving of ₹ 12,996.11 crore.

(Paragraph 3.5.1)

- In 88 sub-heads under nine grants (₹ one crore or above in each case), the entire provision of ₹ 864.82 crore remained unutilised by the departments or was remitted back to Government before the closure of the financial year 2020-21.

(Paragraph 3.5.2)

- Out of the total expenditure of ₹ 52,468.04 crore (excluding recoveries of ₹ 427.72 crore) during 2020-21, expenditure of ₹ 21,019.73 crore {(31.90 *per cent* of Budget Estimates (B.E.))} was incurred in the last quarter whereas ₹ 11,815 crore (17.93 *per cent* of B.E.) was incurred during the month of March 2021. Further, 13 sub-heads under five grants the entire expenditure of ₹ 2,621.37 crore was incurred in March 2021.

(Paragraph 3.5.3)

CHAPTER-4

QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES

- Audit noted that 1,081 UCs (53.89 *per cent*) amounting to ₹ 114.32 crore were outstanding prior to the year 2011-12 whereas 925 Utilisation Certificates (UCs) (46.11 *per cent*) amounting to ₹ 8,935.13 crore were outstanding from 2011-12 to 2019-20.

(Paragraph 4.2)

- As of March 2021, a total of 4,936 Abstract Contingent (AC) bills involving ₹ 735.10 crore were outstanding. 57 Government Departments did not submit 307 Detailed Contingent (DC) bills amounting to ₹ 265.52 crore before closing of the accounts for the financial year 2020-21. Thus, there was 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 2020-21, expenditure of ₹ 6,205.42 crore out of total expenditure of ₹ 45,112.48 crore was classified under the minor head of account '800-Other Expenditure' which constituted 13.76 *per cent* of the total expenditure, while receipts of ₹ 592.04 crore out of total receipts of ₹ 30,405.00 crore, were classified under the minor head '800-Other Receipts' which constituted 1.95 *per cent* of the total receipts.

(Paragraph 4.5)

- The audit of 12 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. 33 annual accounts from 11 bodies/authorities due up to 2020-21 had not been received as of September 2021 by Audit.

(Paragraph 4.6)

CHAPTER-5

STATE PUBLIC SECTOR ENTERPRISES (SPSEs)

- As on 31 March 2021, there were 18 SPSEs in Delhi, including one Government Controlled Other Company, two Statutory Corporations and 15 Government Companies under the audit jurisdiction of the CAG.

(Paragraph 5.3.1)

- In 2020-21 there were 10 profit-earning SPSEs, as in 2019-20. The profit earned by the profit-making SPSEs increased to ₹ 2,809.65 crore in 2020-21 from ₹ 1,123.10 crore in 2019-20. During 2020-21, net profit of ₹ 2,705.65 crore constituting 96.30 *per cent* of total profit of these 10 SPSEs was contributed by five SPSEs. One SPSE neither earned Profit nor incurred Loss.

(Paragraph 5.5.1)

- There were seven SPSEs that incurred losses as per their latest finalised accounts at the end of March 2021. The losses incurred by these loss-incurring SPSEs increased to ₹ 6,162.64 crore in 2020-21, from ₹ 4,386.79 crore in 2018-19 and ₹ 5,294.16 crore in 2019-20. Out of total loss of ₹ 6,162.64 crore incurred by these seven loss-incurring SPSEs during 2020-21, loss of ₹ 6,147.06 crore (99.75 *per cent*) was contributed by Delhi Transport Corporation alone.

(Paragraph 5.8.1)

- As on 31 March 2021, net worth of Delhi Power Company Limited and Delhi Transport Corporation was (-) ₹ 43,271.94 crore because of accumulated losses of these SPSEs.

(Paragraph 5.8.2)

- Sixteen Government Companies and two Statutory Corporations were required to prepare and submit accounts for CAG audit as on 30 November 2021. However, accounts of eight Government Companies and Two Statutory Corporations for the year 2020-21 were in arrear and accounts of Delhi SC/ ST/ OBC Minorities Handicapped Financial and Development Corporation Limited were in arrear for six years (2015-16 to 2020-21).

(Paragraphs 5.11.2 and 5.11.3)