CHAPTER–I

Overview of the Finances of GNCT of Delhi

Chapter-I: Overview of the Finances of GNCT of Delhi

This chapter provides a snapshot of Government of National Capital Territory of Delhi's (GNCTD) finances for 2024-25, covering demographics, economic indicators and its fiscal structure. It analyses trends in revenue and expenditure, debt levels and fiscal deficits, highlighting persistent imbalances and reliance on borrowings. The chapter flags issues like high committed expenditure, low returns on investments, burden of subsidies, financial sustainability *etc*.

1.1 Profile of the NCT of Delhi

Delhi, a predominantly non-agrarian region in Northern India, covers area of 1,483 sq. km. It is comprised of 11 districts and approximately 112 villages (as per the 2011 census). As per Population Projections for India and States 2011-2036, MoHFW, GoI, projected population for 2025 (1^{st} October) stood at 2.24 crore, accounting for about 1.5 *per cent* of India's total population, with a density of 13,871 persons per sq. km.

1.1.1 Demography of the NCT of Delhi

Demographic detail of the NCT of Delhi's *vis-à-vis* national average are presented in the **Table 1.1** below.

Table 1.1: Demographic profile of the NCT of Delhi

Demographic indicators	Delhi	National Average
Rural Population (*per cent*) *(Census of India 2011)*	2.50	68.86
Urban Population (*per cent*) *(Census of India 2011)*	97.50	31.14
Population density *(Population Projections For India and States 2011-2036)*	13,871 per sq. km	414 per sq. km
Sex Ratio per 1,000 Males *(Census of India, 2011)*	882	947
Infant Mortality Rate per 1,000 Live births *(Sample Registration System, Statistical Report 2020)*	14.00	25.00
Maternal Mortality Rate per 1,000 Live births *(Maternal Mortality Bulletin)*	0.45	0.88
Total Fertility Rate *(NFHS-5, 2019-21)*	1.62	1.99
Life Expectancy at Birth *(Report of the Technical Group on Population Projections, 2020)*	74.20	70.30
Population below Poverty Line *(Multidimensional Poverty Index, 2023, NITI Aayog)*	16.96 lakh	3,600 lakh
Literacy Rate *(NCS Report, 2012-18)*	86.90 *per cent*	80.90 *per cent*

Color code: Red signifies stress whereas Green signifies better vis-à-vis national average

1.1.2 Economy of the NCT of Delhi

Gross State Domestic Product (GSDP) and per capita GSDP are important indicators of the GNCTD's economy as discussed in succeeding paragraphs.

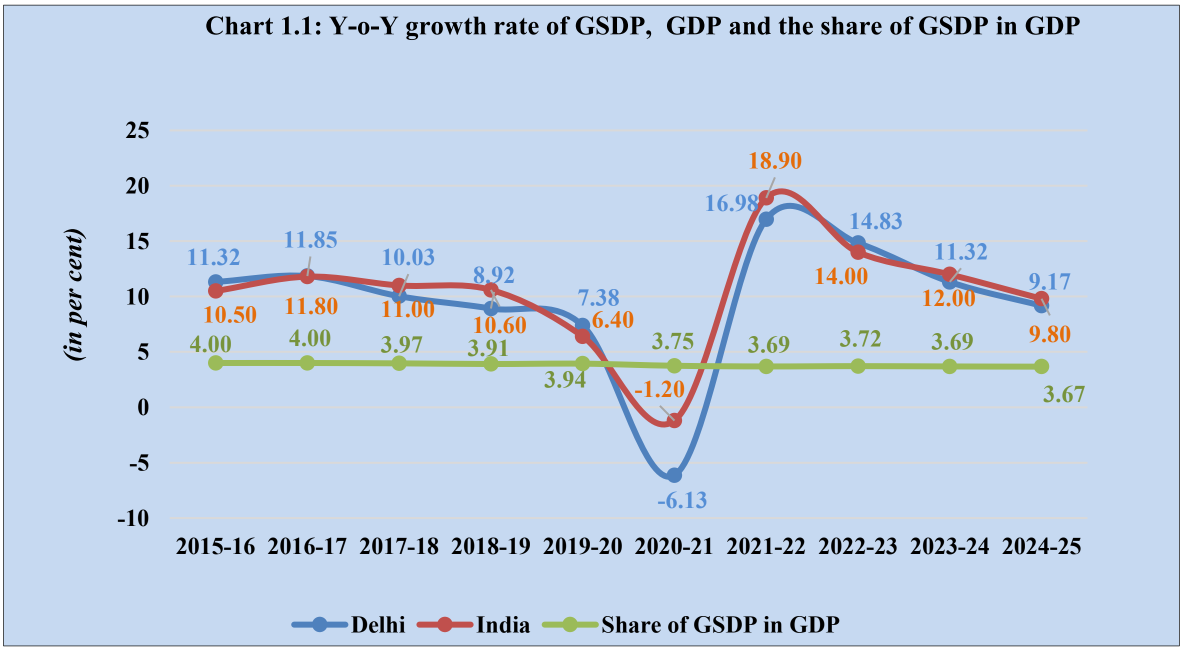
1.1.2.1 Gross State Domestic Product and Per capita GSDP

Gross Domestic Product (GDP) refers to the total value of goods and services produced within a country, while GSDP measures the same at the State/NCT level and both reflect economic development and overall progress. Trends of GSDP and GDP are given in **Table 1.2**. Year-wise growth of GSDP and GDP and GSDP contribution in GDP are given in **Chart 1.1** and per capita GDP of the country and per capita GSDP of the GNCTD are depicted in **Chart 1.2**.

Table 1.2: Trends in GSDP[1] compared to GDP of India (at current prices)

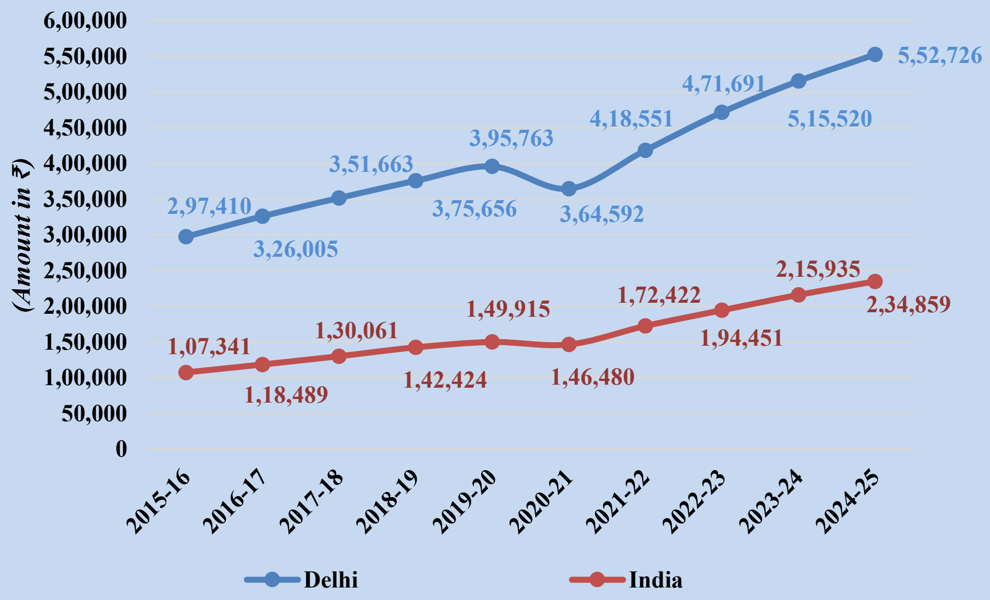
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
GDP of India *(₹ in lakh crore)*	137.72	153.92	170.90	189.00	201.03	198.54	235.97	268.90	301.23	330.68
GSDP of Delhi *(₹ in lakh crore)*	5.51	6.16	6.78	7.38	7.93	7.44	8.71	10.00	11.13	12.15
Share of GSDP in GDP *(in per cent)*	4.00	4.01	3.97	3.91	3.95	3.75	3.69	3.72	3.69	3.67
Per capita GDP of India *(in ₹)*	1,07,341	1,18,489	1,30,061	1,42,424	1,49,915	1,46,480	1,72,422	1,94,451	2,15,935	2,34,859
Per capita GSDP of Delhi *(in ₹)*	2,97,410	3,26,005	3,51,663	3,75,656	3,95,763	3,64,592	4,18,551	4,71,691	5,15,520	5,52,726

Colour code: Green signifies better vis-à-vis national average
Source: Ministry of Statistics and Programme Implementation, GoI



[1] ***GSDP***: *Actuals for 2020-21 & 2021-22; Provisional Estimates (PE) for 2022-23, Quick Estimates (QE) for 2023-24 and Advance Estimates (AE) for 2024-25*
GDP: *Actuals for 2020-21, 2021-22 & 2023-24; FRE: First Revised Estimates for 2023-24 and PE: Provisional Estimates for 2024-25.*

Chart 1.2: Per Capita GDP of India and GSDP of Delhi



GSDP and GDP in FY 2024-25, at current prices, were ₹ 12.15 lakh crore and ₹ 330.68 lakh crore, respectively. GSDP (at current prices) grew at a Compounded Annual Growth Rate (CAGR) of 8.23 *per cent* from ₹ 5.51 lakh crore in FY 2015-16 to ₹ 12.15 lakh crore in FY 2024-25.

The contribution of GSDP in GDP had shown an overall declining trend during the last ten years, decreasing from 4 *per cent* in 2015-16 to 3.67 *per cent* in 2024-25 (**Chart 1.1**). This indicates that the GNCTD's growth did not keep pace with the overall growth of the national economy.

Further, the per capita GSDP of Delhi has always surpassed the national per capita GDP and during 2024-25 it was 135.34 *per cent* more than national average (**Chart 1.2**). This is mainly attributable to Delhi's economy being heavily tilted towards service sector which typically has higher per capita productivity (**Chart 1.3**).

Further, the annual growth of per capita GSDP (6.39 *per cent*) measured by CAGR during the period 2015-2025 remained lower than the annual growth in per capita GDP (8.14 *per cent*) during the same period. This is evidenced from the fact that the per capita GSDP of the NCT of Delhi which was 177.07 *per cent* more than the per capita GDP of the country in 2015-16 dropped to 135.34 *per cent* at the end of 2024-25. This reflects the slightly slower economic growth of the GNCTD compared to the rest of the country.

1.1.2.2 Sectoral contribution to GSVA

The sectoral contribution by various sectors during 2024-25 and sectoral growth in GSVA during the last ten years are depicted in **Chart 1.3** and **Chart 1.4**, respectively.

Chart 1.3: Sectoral Contribution to GSVA in 2024-25

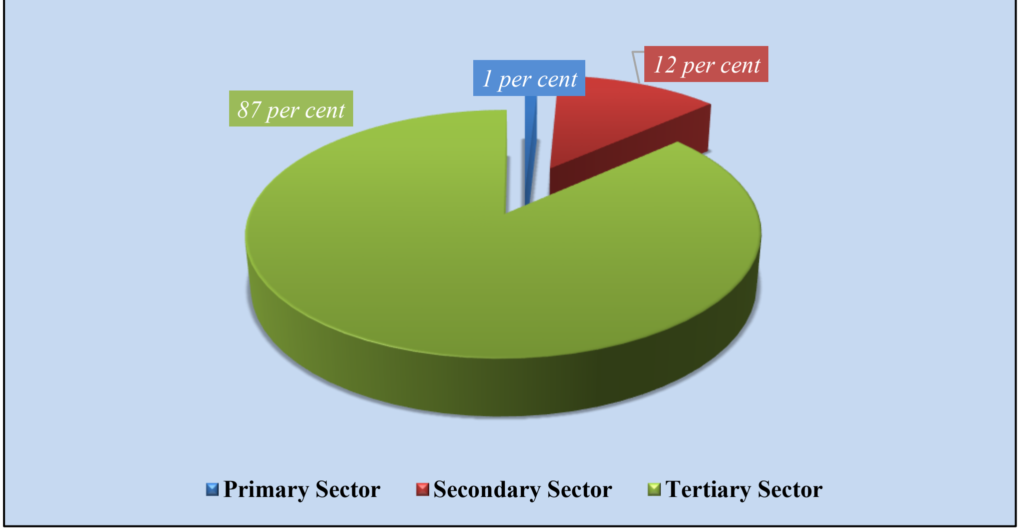
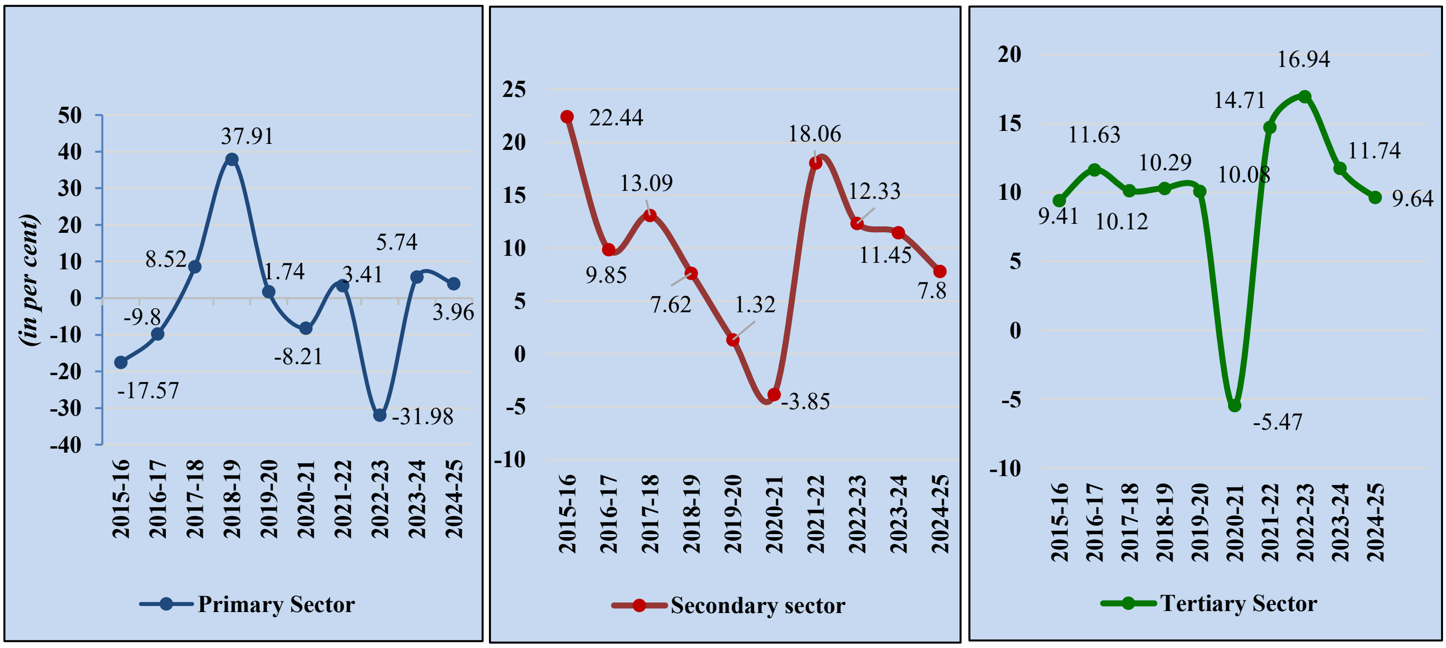


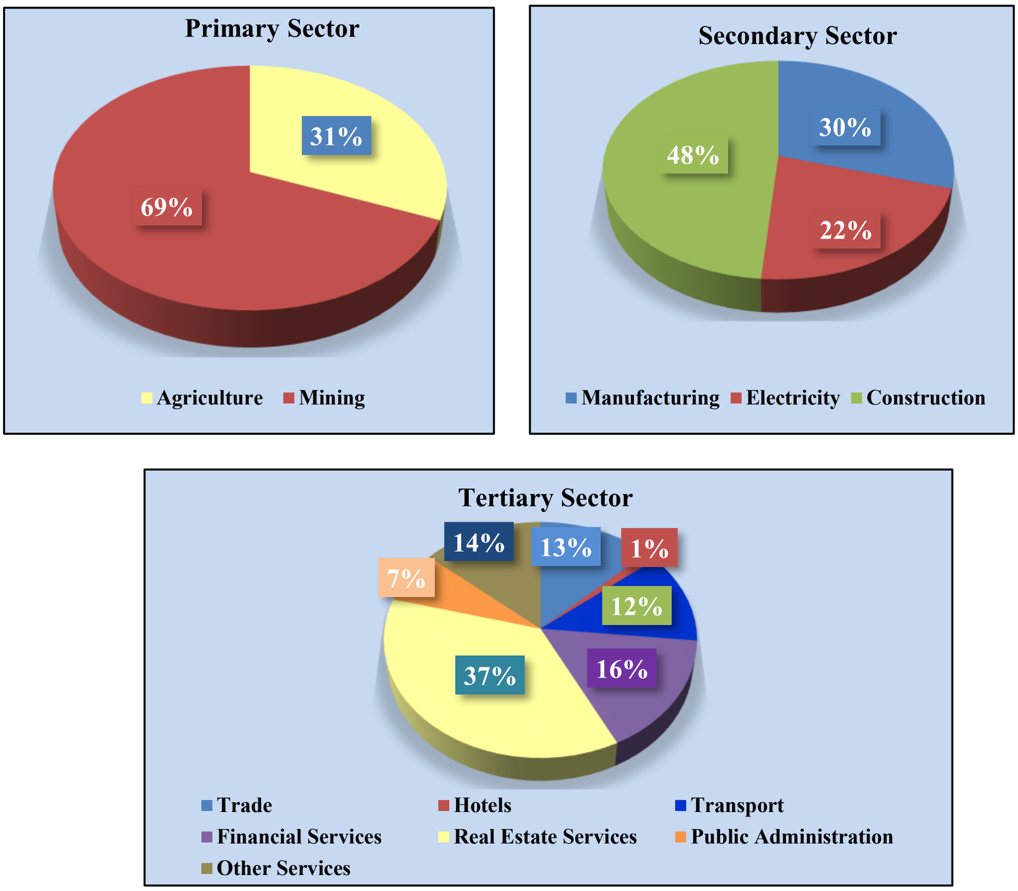
Chart 1.4: Sectoral growth in GSVA over the year



Source: Directorate of Economics & Statistics, GNCTD and MoSPI

The sectoral growth in GSVA in all the 3 sectors registered a decline during 2024-25 when compared to previous year **(Chart 1.4)**.

Chart 1.5: Sector-wise distribution, FY 2024-25



Source: Ministry of Statistics and Programme Implementation, GoI.

Chart 1.5 shows the composition of each sectors during FY 2024-25, in terms of its major contributing segments.

It is observed that Delhi's economy continues to be predominantly service-oriented, with the tertiary sector contributing the largest share (87 *per cent*). Within services, dominance of real estate services (37 *per cent*) is evident, reflecting Delhi's status as a commercial and administrative hub. This sector has largely shown stability and consistent growth, making it the principal driver of GSDP expansion.

The secondary sector is led by construction, which accounts for nearly half of the sector's output, indicating the importance of real estate and infrastructure development in supporting growth. Manufacturing and electricity contribute moderately, with their shares remaining largely stable.

The primary sector has a minimal contribution, with mining[2] forming the larger portion of its already small base. The negligible share of agriculture is consistent with Delhi's urban character and limited cultivable land.

[2] While Delhi does not have any mines, the mining receipts pertain to earnings of the employees based in Headquarters of the mining companies located in Delhi

1.1.3 Snapshot of Finances

Table 1.3 shows the details of actual financial results of GNCTD for the years 2023-24 and 2024-25 vis-a-vis Budget Estimates (BE), Revised Estimates (RE) and GSDP for the year 2024-25.

Table 1.3: Snapshot of Finances

(₹ in crore)

Sl. No.	Components	2023-24 (Actuals)	2024-25			2024-25 Percentage of Actuals to BE	2024-25 Percentage of Actuals to GSDP
			(BE)	(RE)	(Actuals)		
1.	Tax Revenue	53,681	58,750	59,200	59,458	101.21	4.89
(i)	Own Tax Revenue	53,681	58,750	59,200	59,458	101.21	4.89
(ii)	Share of Union taxes/duties	0	0	0	0	0	0
2.	Non-Tax Revenue	1,024	1,000	600	911	91.10	0.07
3.	Grants-in-aid and Contributions	2,093	4,392	3,219	1,864	42.44	0.15
4.	**Revenue Receipts (1+2+3)**	**56,798**	**64,142**	**63,019**	**62,233**	97.02	5.12
5.	Recovery of Loans and Advances	98	379	43	48	12.66	0
6.	Borrowings and other liabilities*	3,934	10,000	3,980	(-)5,724	(-)57.24	(-)0.47
7.	**Capital Receipts (5+6)**	**4,032**	**10,379**	**4,023**	**(-)5,676**	(-)54.69	(-)0.47
8.	**Total Receipts (4+7)**	**60,830**	**74,521**	**67,042**	**56,557**	75.89	4.65
9.	**Revenue Expenditure**	**50,336**	**60,911**	**54,706**	**49,986**	82.06	4.11
10.	Interest payments@	3,094	2,666	2,666	2,666	100.00	0.22
11.	Capital Expenditure	6,855	5,919	4,857	3,695	62.43	0.30
12 (a)	Loans and advances	3,639	4,256	5,023	2,876	67.58	0.24
12 (b)	Public Debt	4,994	4,914	4,914	4,914	100.00	0.40
13.	**Total Expenditure (9+11+12(a))**	**60,830**	**71,086**	**64,586**	**56,557**	79.56	4.65
14.	**Revenue Surplus (+)/Deficit (-) (4-9)**	**6,462**	**3,231**	**8,313**	**12,247**	379.05	1.01
15.	**Fiscal Surplus (+)/Deficit (-) {(4+5)-(13)}**	**(-)3,934**	**(-)6,565**	**-1,524**	**5,724**	-87.18	0.47
16.	**Primary Deficit (-)/ Surplus(+) (10+15)**	**(-)840**	**(-)3,899**	**1,142**	**8,390**	(-) 215.13	0.69

Colour code: Red signifies stress vis-à-vis previous year

Source: Finance Accounts

**Borrowings and other Liabilities: Net (Receipts – Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts – Disbursements) of Public Account + Net of Opening and Closing Balance.*

@ included in Revenue expenditure shown in Sl. No. 9

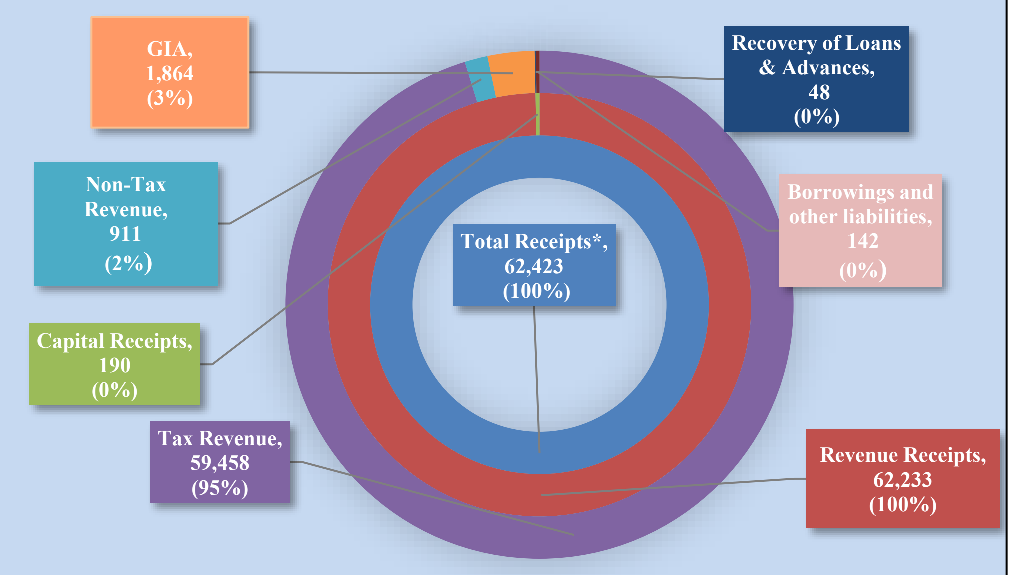
Capital Expenditure has declined to ₹ 3,695 crore in year 2024-25 as compared to ₹ 6,855 crore in year 2023-24. The decline was due to less expenditure in the different heads such as from ₹ 1,936.14 crore in 2023-24 to ₹ 909.30 crore in 2024-25 under head MH 5054- Capital outlay on Roads and Bridges; from ₹ 1,448 crore in 2023-24 to ₹ 390 crore in 2024-25 under head MH 5055- Capital outlay on Road Transport; from ₹ 637.43 crore in 2023-24 to ₹ 263.97 crore in 2024-25 under head MH 4202- Capital outlay on Education, Sports, Art & Culture-General Education. The details of GNCTD's finances for the FY 2015-16 to 2024-25 are given in **Appendix 1.1**.

1.1.4 Sources and Application of Funds

Comparison of components of the sources and application of funds of the GNCTD during the current year is given in **Chart 1.6** and **Chart 1.7.**

(*₹ in crore*)

Chart 1.6: Details of sources of funds during 2024-25

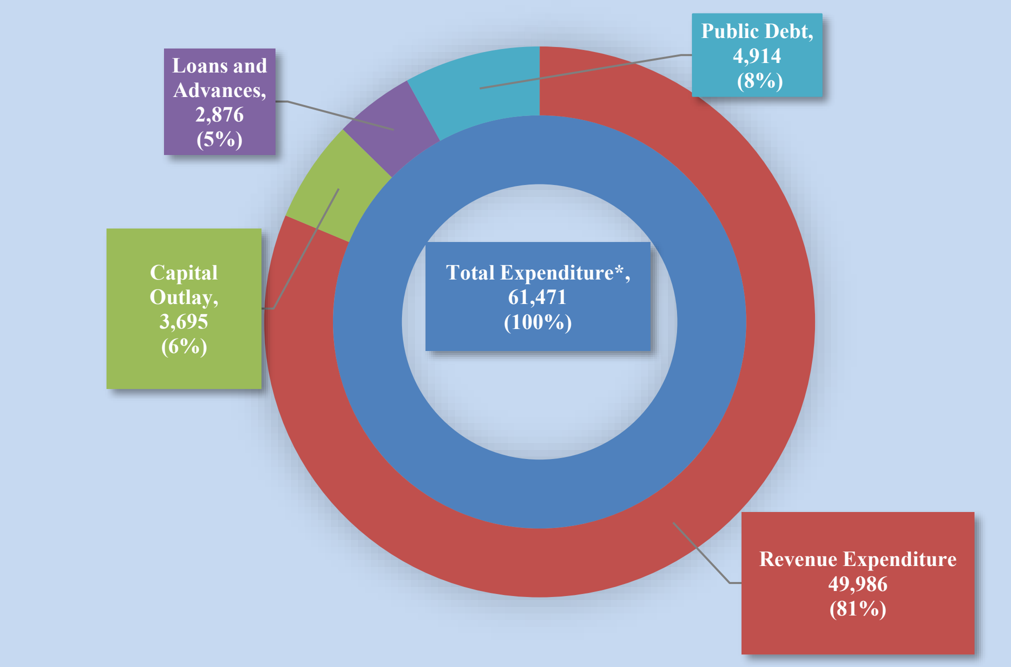


Source: Finance Accounts, GNCTD

**Total receipts depicted in the above graph differs from Table 1.3 due to non-reckoning of opening and closing balances of Consolidated Fund and the debt receipts have been taken in full and not netted.*

(*₹ in crore*)

Chart 1.7: Details of application of funds during 2024-25



Source: Finance Accounts, GNCTD

**The total expenditure differs from Table 1.3 due to inclusion of Public Debt of ₹ 4,914 crore.*

Appendix 1.2 provides details of receipts and disbursements and the overall fiscal position of the GNCTD during current year as well as previous year.

The analysis of the above-mentioned parameters has been given in succeeding paragraphs.

1.1.5 Snapshot of Assets and Liabilities of the Government

Government accounts *inter alia* capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.3** gives an abstract of such liabilities and assets, as on 31 March 2025, compared with the corresponding position of the previous year. The liabilities consist mainly of Balance of Capital Outlay and Balance of Loan & Advances adopted from Controller General of Accounts during 1994-95, loans and advances from GoI and cumulative surplus in revenue accounts. Assets comprise mainly of the Gross Capital Expenditure, loans and advances given by GNCTD and closing balances merged with general cash balance of GoI. A summarized position of assets and liabilities, for the financial years 2023-24 and 2024-25, is given in **Table 1.4.**

Table 1.4: Summarised position of assets and liabilities

(₹ in crore)

Liabilities						Assets					
Particulars		2023-24	2024-25	*Per cent* increase/ decrease		Particulars		2023-24	2024-25	*Per cent* increase/ decrease
Consolidated Fund										
A	Loans and Advances from GoI*	47,387.00	42,614.00	(-) 10.07	A	Gross Capital Expenditure	98,215.00	1,01,910.00	3.76
B	Balance of Capital Outlay adopted from CGA during 1994-95	1,588.00	1,588.00	0	B	Loans and Advances	77,821.00	80,649.00	3.63
C	Balance of Loans and Advances adopted from CGA during 1994-95	3,356.00	3,356.00	0	C	Closing balance merged with the general cash balance of Government of India	5,523.00	6,474.00	17.22
Contingency Fund		**100.00**	**100.00**	**0**					
D	Cumulative Surplus in Revenue Accounts	1,29,128.00	1,41,375.00	9.48					
Total		**1,81,559.00**	**1,89,033.00**	**4.12**		**Total**	**1,81,559.00**	**1,89,033.00**	**4.12**

Source: Finance Accounts of respective years

* *It includes back-to-back loans of* ₹ 12,058 *crore (₹ 5,865 crore in 2020-21 and ₹ 6,193 crore in 2021-22)*

1.2 Consolidated Fund of GNCTD

All revenues received by GNCTD, loans received from GoI and all money received by GNCTD in repayment of loans form part of the Consolidated fund of GNCTD.

1.2.1 Revenue Receipts

Trends and growth of revenue receipts with respect to Gross State Domestic Product (GSDP) over the ten year period (2015-25) are shown in **Table 1.5**.

Table 1.5: Trends in Revenue Receipts

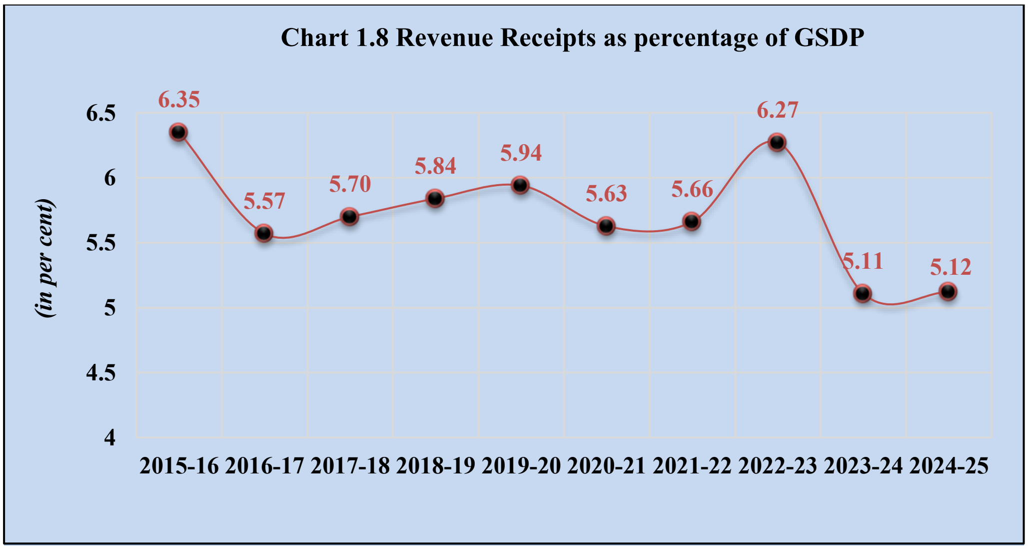
(₹ in crore)

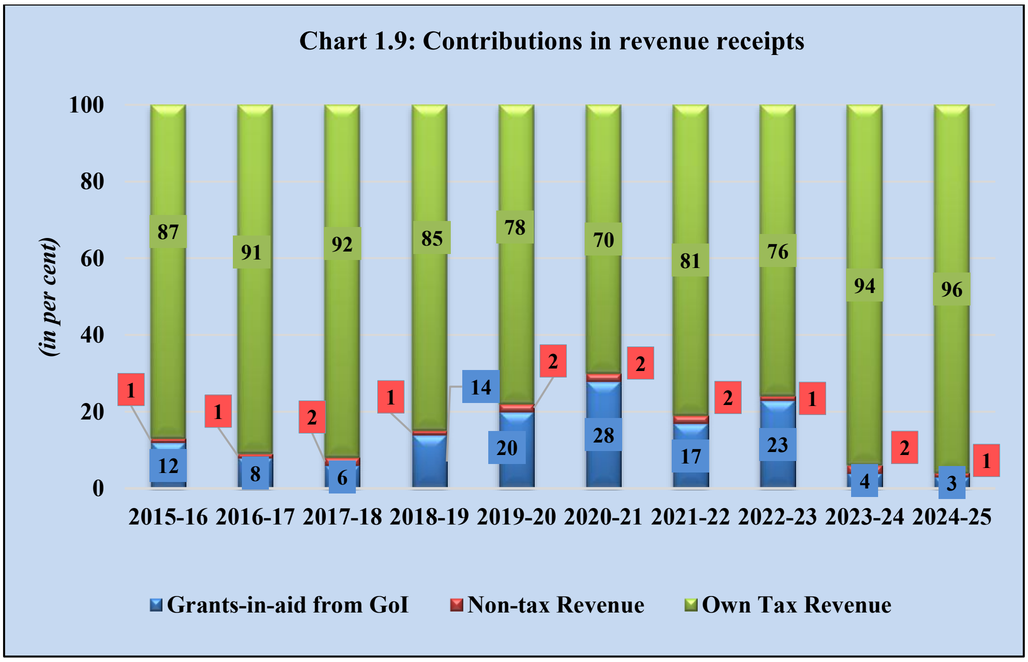
Parameters	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Receipts	34,999	34,346	38,667	43,113	47,136	41,864	49,313	62,703	56,798	62,233
Tax Revenue	30,226	31,140	35,717	36,625	36,566	29,425	40,019	47,363	53,681	59,458
Own Tax Revenue(A)	30,226	31,140	35,717	36,625	36,566	29,425	40,019	47,363	53,681	59,458
Non-Tax Revenue (B)	515	381	766	644	1,097	980	827	581	1,024	911
Grants- in aid from GoI	4,258	2,825	2,184	5,844	9,473	11,459	8,467	14,759	2,093	1,864
GNCTD 's Own Revenue (A+B)	30,741	31,521	36,483	37,269	37,663	30,405	40,846	47,944	54,705	60,369
GSDP (2011-12 series) (₹ in lakh crore)[3]	5.51	6.16	6.78	7.38	7.93	7.44	8.71	10.00	11.13	12.15
Growth Rates										
Revenue Receipts	18.30	(-)1.86	12.58	11.50	9.34	(-)11.18	17.79	27.15	(-)9.42	9.57
GNCTD's Own tax Revenue	13.61	3.02	14.70	2.54	(-)0.16	(-)19.53	36.00	18.35	13.34	10.76
GSDP	11.32	11.85	10.03	8.92	7.38	(-)6.13	16.98	14.83	11.32	9.17
Buoyancy Ratios										
GNCTD's Own tax Revenue Buoyancy w.r.t GSDP	1.20	0.26	1.46	0.28	(-)0.02	3.18	2.12	1.24	1.18	1.17

Colour code: Red shading signifies stress
Source: Finance Accounts for Revenue Receipts and MoSPI for GSDP figures
Q-Quick Estimates and A-Advance Estimates

Revenue Receipts as percentage of GSDP and contribution from various sources in revenue receipts is given in **Chart 1.8** and **Chart 1.9**.

3 ***GSDP***: *Actuals for 2020-21 & 2021-22; Provisional Estimates (PE) for 2022-23, Quick Estimates (QE) for 2023-24 and Advance Estimates (AE) for 2024-25*
GDP: *Actuals for 2020-21, 2021-22&2023-24; FRE: First Revised Estimates for 2023-24 and PE: Provisional Estimates for 2024-25.*





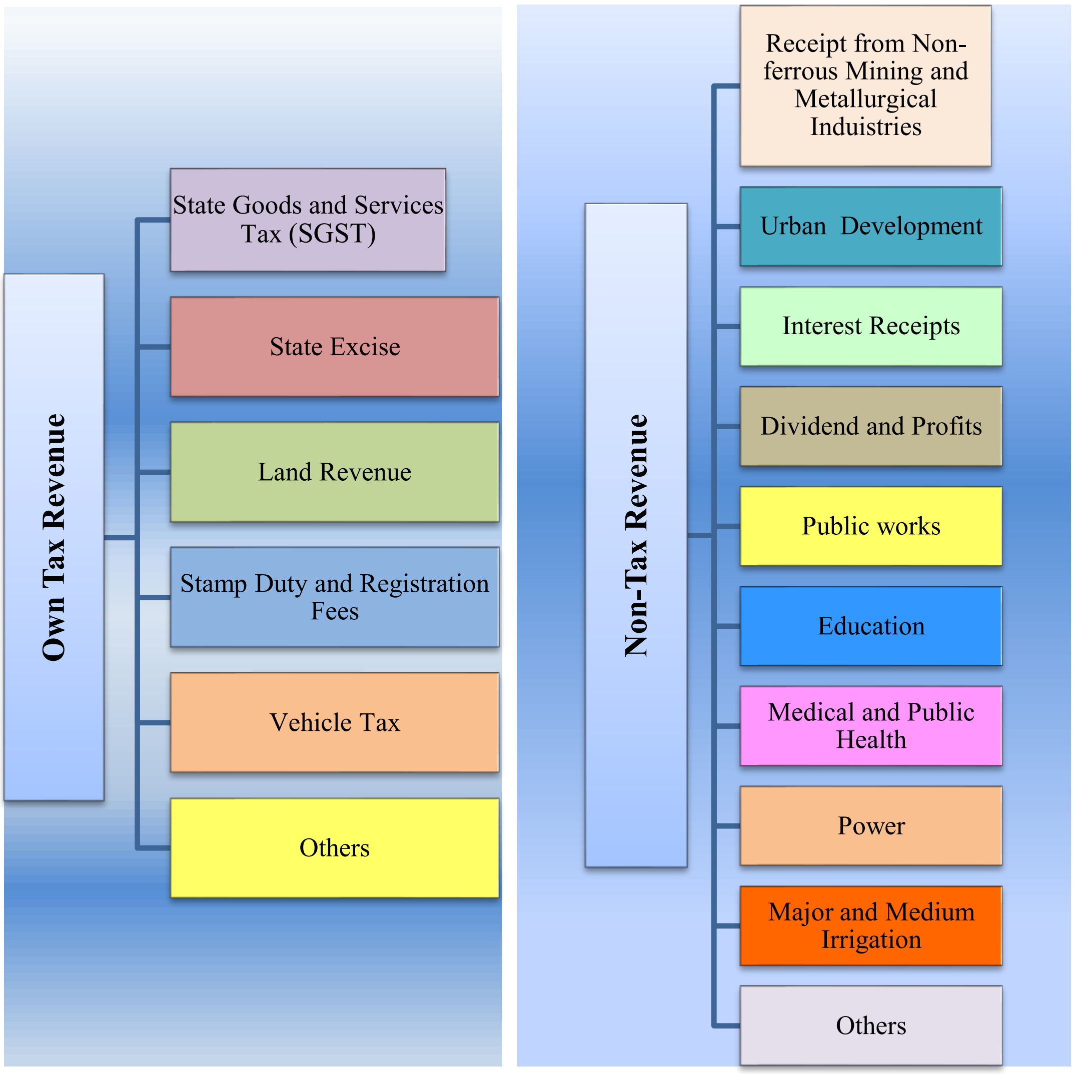
It is observed from **Chart 1.8** and **Table 1.5** that during the period of ten years, revenue receipts increased at CAGR of 5.92 *per cent.* Own revenue receipts increased at CAGR of 6.98 *per cent* from ₹ 30,741 crore in 2015-16 to ₹ 60,369 crore in 2024-25. While the GNCT of Delhi's revenue receipts are increasing in absolute terms, the rate of growth (excluding post-pandemic bounce back in the year 2021-22), slightly picked up from last year's decline. The own tax revenue buoyancy has slightly decreased over the previous year and stood at 1.17.

Further, Revenue receipts as a percentage of GSDP has shown a slightly declining trend from 6.35 in 2015-16 to 5.12 in 2024-25, primarily due to factors such as slowdown in the growth rate of own tax revenue**,** decrease in central government grants etc. It is also indicative of the fact that the government is successfully increasing its revenue-generating capacity, but it is not enough to outpace the overall growth rate of GNCTD. Further, **Chart 1.9** shows a drastic decline in Grants-in-aid from GoI and a mixed trend in non-tax revenue and own tax revenue in the contributions to revenue receipts of the GNCTD.

The decline in Grants-in-aid from GoI is mainly due to decrease in compensation for loss of revenue arising out of implementation of GST (₹ 774.8 crore (68.10 *per cent*)).

A. GNCTD's Own Resources

Chart 1.10: Details of GNCTD's Own Revenue



(i) Own Tax Revenue

Own Tax Revenue is the revenue collected by the GNCTD through taxes it is empowered to levy under the Constitution. Actuals for FY 2023-24, Budget Estimate (BE), Revised Estimate (RE) and Actuals of Own Tax Revenue for the FY 2024-25 is given in **Table 1.6**.

Table 1.6: Own Tax Revenue: 2023-24 (Actuals) and 2024-25 (BE, RE and Actuals)

(₹ in crore)

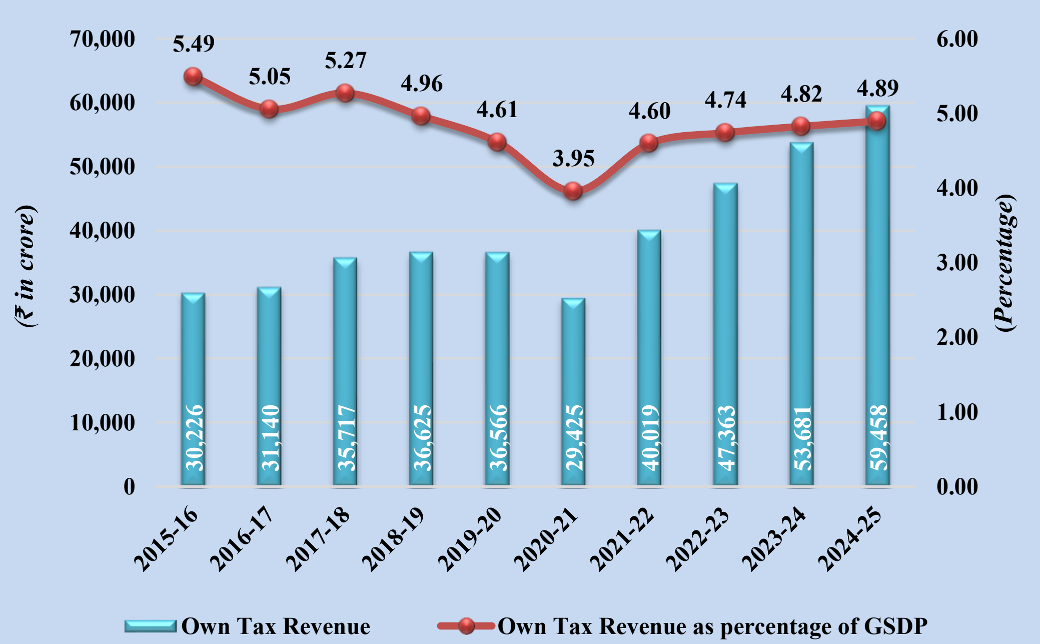
Own Tax Revenue	2023-24 (Actual)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)
State Goods and Services Tax (SGST)	31,571	34,000	35,499	35,623
Taxes on Sales, Trade etc.	6,551	7,000	7,200	7,241
Stamp Duty and Registration Fees	7,152	7,750	7,600	7,651
State Excise	5,164	6,400	5,600	5,701
Vehicle Tax	3,242	3,600	3,300	3,241
Others	1	-	1	1
Total	**53,681**	**58,750**	**59,200**	**59,458**

Source: Finance Accounts and Budget documents of Delhi

The total own tax revenue increased by ₹ 5,777 crore (10.77 *per cent*) during the current year over the previous year. The major increase was in receipts under SGST (₹ 4,052 crore: 12.84 *per cent*), State Excise (₹ 537 crore: 10.40 *per cent*), Stamp Duty and Registration fee (₹ 499 crore: 6.98 *per cent*) and Taxes on Sales, Trade etc. (₹ 690 crore: 10.54 *per cent*). Own tax revenue of the GNCTD exceeded budget estimates by ₹ 708 crore (1.21 *per cent*) mainly due to excess by ₹ 1,623 crore (4.78 *per cent)* in SGST collection. GNCTD's own tax revenue exceeded by ₹ 258 crore even of revised estimates for the year 2024-25.

Trends of own tax revenue and its components during the period 2015-16 to 2024-25 are shown in **Chart 1.11** and **Chart 1.12** respectively.

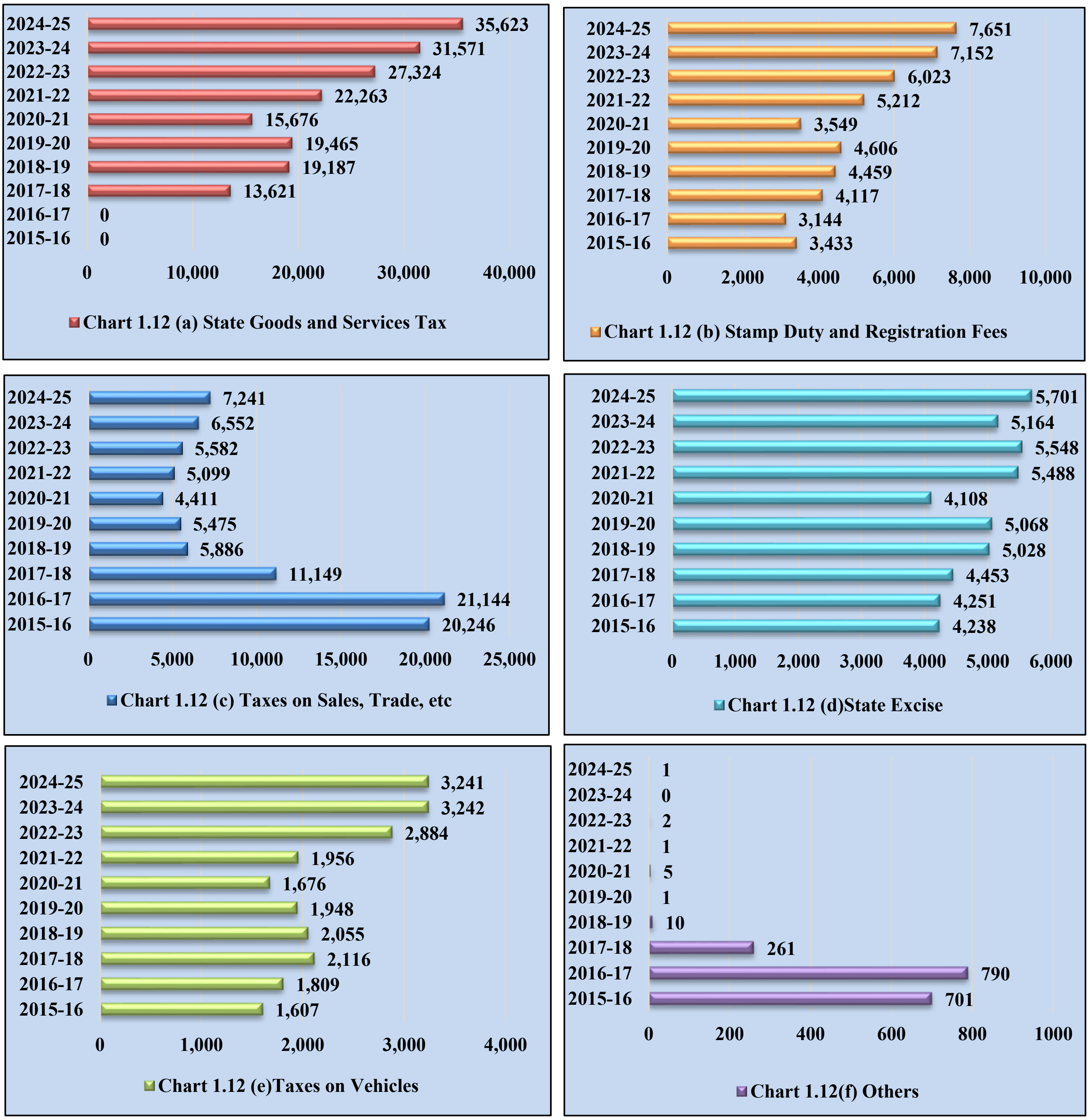
Chart 1.11: Trends of Own Tax Revenue during FY 2015-16 to FY 2024-25



Source: Finance Accounts and MoSPI for GSDP figures

Chart 1.12: Major components of GNCTD's Own Tax Revenue

(*₹ in crore*)



Source: Finance Accounts

It can be seen from **Chart 1.12** that Delhi's Own Tax Revenue showed an increasing trend during the period 2015-16 to 2024-25, due to various factors such as strong economic recovery post-pandemic, improved tax compliance and robust growth in key sectors like real estate and business activities. The reasons for increase in the components of Delhi's Own Tax Revenue was attributable to several initiatives taken by the Department of Trade and Taxes.

(ii) Non -Tax Revenue

Non-Tax Revenue of a UT refers to the rent, fees, royalties and other receipts of the GNCTD from sources other than taxes.

Actuals for FY 2023-24, Budget Estimate (BE), Revised Estimate (RE) and Actuals of Non-Tax Revenue for the FY 2024-25 is given in **Table 1.7**.

Table 1.7: Major Non-Tax Revenue: 2023-24 (Actuals) and 2024-25 (BE, RE and Actuals)

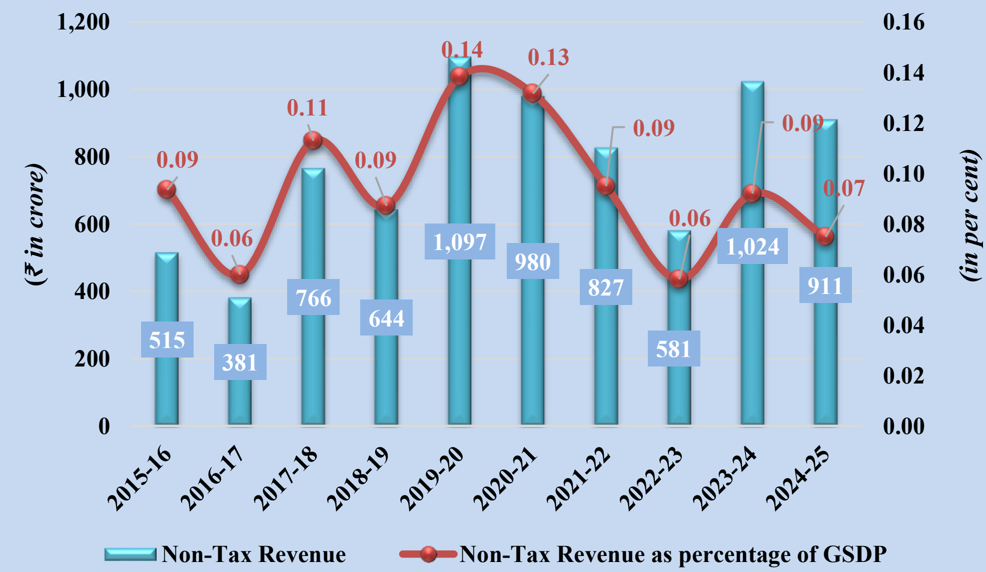
(₹ in crore)

Non-Tax Revenue	2023-24 (Actuals)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)
Education	95	46	8	186
Dividends and Profits	175	106	70	160
Interest Receipts	376	439	162	156
Other Administrative Services	120	147	123	149
Medical & Public Health	111	120	113	118
Power	59	46	42	64
Others	88	96	81	78
Total	**1,024**	**1,000**	**599**	**911**

During FY 2024-25, there was decrease of ₹ 113 crore (11.04 *per cent*) in total Non-Tax Revenue over the previous year which was mainly due to decrease of ₹ 220 crore (58.51 *per cent*) in Interest Receipts which was attributable to lower recoveries of interest from PSUs (₹ 219.60 crore; 64.73 *per cent*). The GNCTD's Non-Tax Revenue is slightly lower by ₹ 89 crore (8.90 *per cent)* than the Budget Estimates but ₹ 312 crore (52.09 *per cent*) higher than the revised estimates indicating lesser dependence on tax and central transfers.

Trends of Non-Tax Revenue and its components during the period 2015-16 to 2024-25 are shown in **Chart 1.13** and **Chart 1.14** respectively.

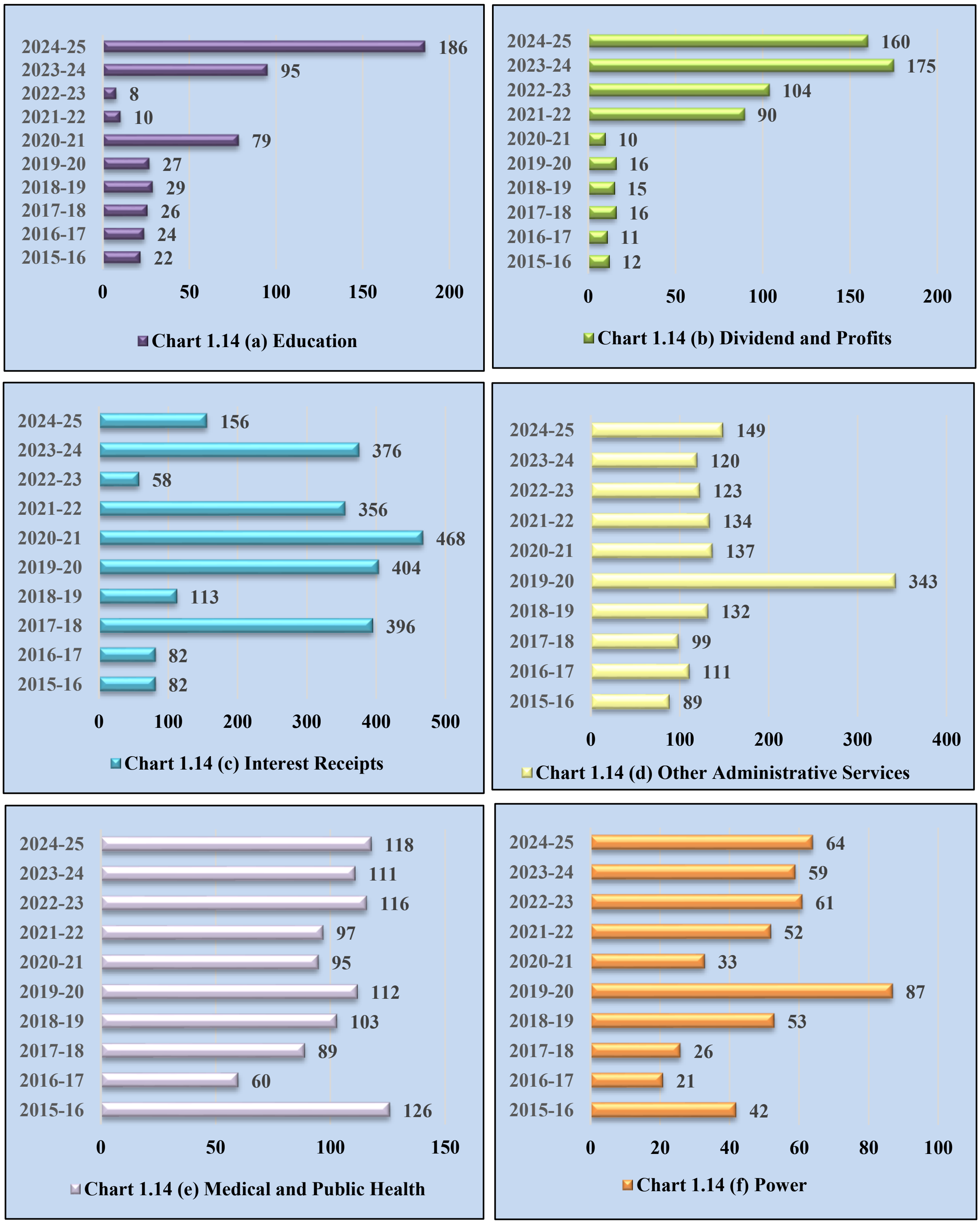
Chart 1.13: Trends in Non-Tax Revenue



Source: Finance Accounts of respective years and MoSPI for GSDP figures

Chart 1.14: Major components of GNCTD's Non-Tax Revenue

(₹ in crore)



Source: Finance Accounts of respective years

Receipts under Dividends decreased during 2024-25 compared to the previous years due to receipt of less dividends from PSUs.

Increase in receipts in Education during 2024-25 was attributed to increased revenue from 'Sports and Youth Services' (₹ 146.80 crore).

B. Grants-in-aid from Government of India

Trend of Grants-in-aid (GIA) from GoI and its components are shown in **Table 1.8**.

Table 1.8: Grants-in-aid from Government of India

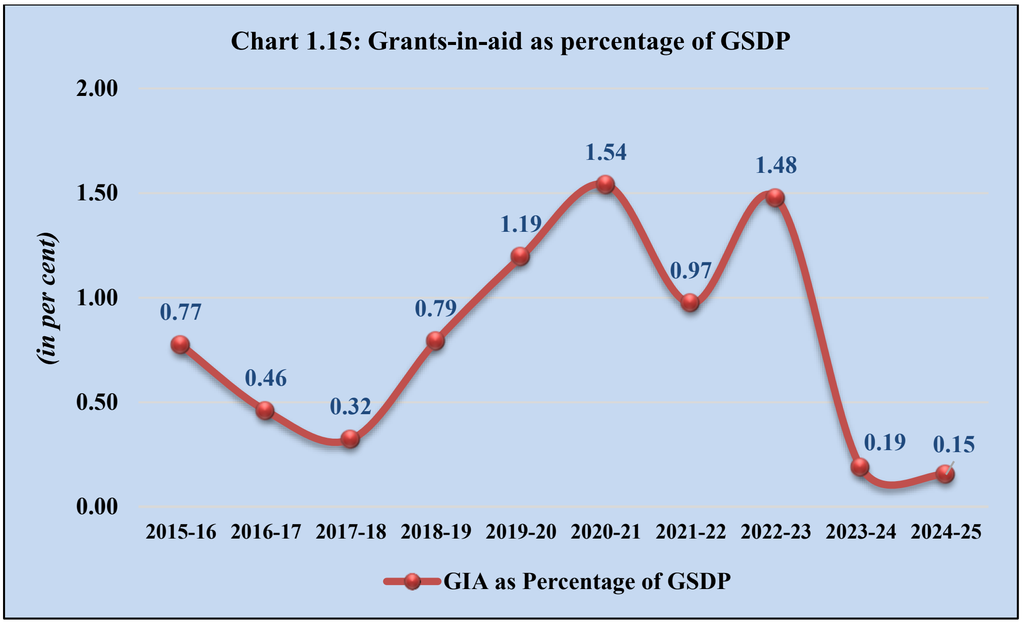
(₹ in crore)

Components	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Grants for Centrally Sponsored Schemes	866	1,156	995	807	1,169	1,442	992	982	955	1,486
Other transfers/ Grants to States/Union Territories with Legislature	3,392	1,669	1,189	5,037	8,304	10,017	7,475	13,777	1,138	378
Total	**4,258**	**2,825**	**2,184**	**5,844**	**9,473**	**11,459**	**8,467**	**14,759**	**2,093**	**1,864**

Source: Finance Accounts of respective years

Table 1.8 shows that the GIA from GoI decreased at CAGR of 7.92 *per cent* during the period 2015-16 to 2024-25. Other transfers to the State during 2024-25 include GST Compensation of ₹ 363 crore and advanced assistance for relief on account of Natural Calamities (₹ 15 crore). The decrease in GIA during the current year of ₹ 229 crore (10.95 *per cent*) over the previous year which was attributed to decrease in GST Compensation by ₹ 775 crore (68.10 *per cent*) in 2024-25 as compared to the previous year. Due to the sunset clause in the GST Act, 2017, GST compensation being paid to state governments for the revenue loss ceased in June, 2022. Decrease in GST Compensation has been the major reason behind decline in GIA during the last three years. The contribution of GIA towards revenue receipts decreased from 12 *per cent* in 2015-16 to 3 *per cent* in 2024-25.

Percentage of Grant-in-aid from Government of India to GSDP is given in **Chart 1.15**.



The declining percentage of Grants-in-aid to GSDP is attributable to GIA decreasing by 42.78 *per cent* and GSDP increasing by 120.59 *per cent* during 2015-25.

(i) Grants for Centrally Sponsored Schemes

Out of the Grants of ₹ 1,486.02 crore for Centrally Sponsored Schemes during 2024-25, major allocations were made to the schemes shown in **Table 1.9**.

Table 1.9: Major Schemes receiving grants above ₹ 100 crore

Sl. No.	Name of the Scheme	2023-24 Amount (*₹ in crore*)	2024-25 Amount (*₹ in crore*)	Percentage change over previous year
1.	Samagra Shiksha	146.09	385.39	163.81
2.	Swachh Bharat Mission (SBM) - Urban	235.31	181.63	(-)22.81
3.	Assistance to State Agencies for intra-state movement of food-grains and FPS dealers margin under NFSA	0	175.18	Can't be calculated
4.	Flexible Pool for RCH & Health System Strengthening, National Health Programme and National Urban Health Mission	81.42	167.93	106.25
5.	Saksham Anganwadi and Poshan 2.0 (Umbrella ICDS-Anganwadi Services Poshan Abhiyan Scheme For Adoloscent Girls National Creche Scheme)	161.82	160.41	(-)0.87

1.2.2 Capital Receipts

Capital Receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

Trends of Capital Receipts and its components during 2015-16 to 2024-25 are shown in **Table 1.10**.

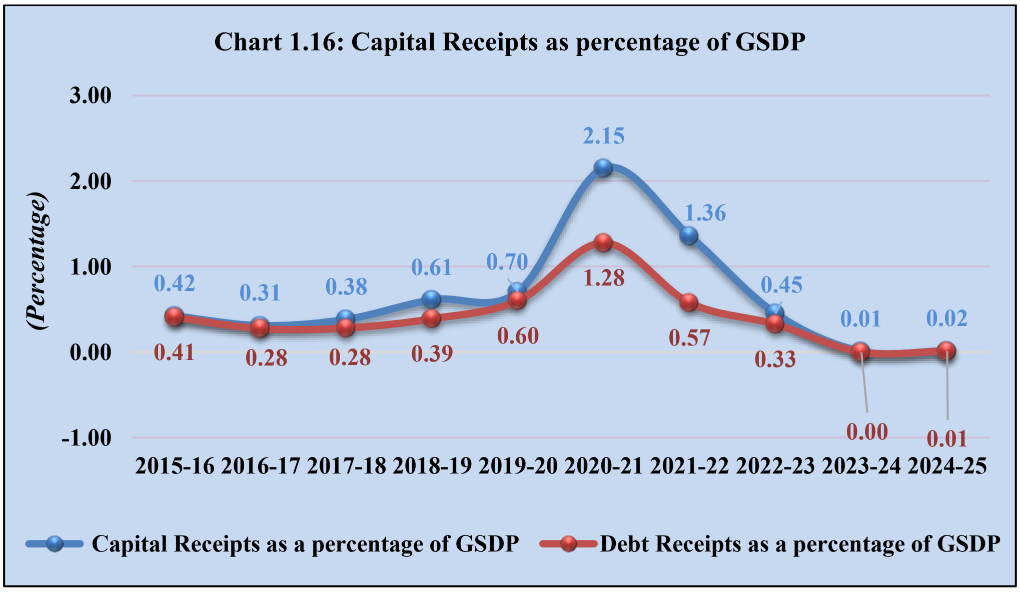
Table 1.10: Trends in growth and composition of capital receipts

(₹ in crore)

Sources of GNCTD's Receipts	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Capital Receipts (debt & non-debt)	2,324	1,908	2,597	4,524	5,588	15,996	11,816	4,509	98	190
Recovery of Loans and Advances by GNCTD (non-debt)	83	212	691	1,644	823	631	623	1,258	98	48
Loans and advances from GoI (debt)*	2,241	1,696	1,906	2,880	4,765	9,500	5,000	3,251	0	142
Year-on-Year growth rates (in per cent)										
GSDP	11.32	11.86	10.04	8.93	7.39	(-)6.13	16.98	14.83	11.32	9.17
Capital Receipts	16.67	(-)17.90	36.11	74.20	23.54	186.26	(-) 26.13	(-) 61.84	(-) 97.83	93.88
Recovery of loans and advances by GNCTD	(-) 63.60	155.42	225.94	137.92	(-)49.94	(-) 23.33	(-)1.27	101.93	(-)92.21	(-)51.02
Loans and advances from GoI	27.04	(-) 24.32	12.38	51.10	65.45	99.37	(-) 47.37	(-) 34.98	Not defined	

Colour code: Red shading signifies stress
Source: Finance Accounts
** During the year 2020-21 and 2021-22, it excludes ₹ 5,865 crore and ₹ 6,193 crore respectively as back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the GNCTD from its sources.*

Capital Receipts as percentage of GSDP is depicted in **Chart 1.16**.



Source: Finance Accounts for Capital and Debt Receipts and MoSPI for GSDP figures

Capital Receipts have shown a declining trend over ten years (2015-2025), reflecting reduced reliance on borrowings. Delhi's Capital Receipts are almost entirely dependent on loans from the Government of India, as the GNCTD is not permitted to raise internal debt. The sharp decline in such loans in recent years reflects a lower debt burden and reduced future interest outgo, which is fiscally prudent. On the other hand, the recovery of loans advanced by GNCTD has been dismal which needs to be improved through legal and institutional reforms, enhanced monitoring and borrower financial education.

1.2.3 Expenditure

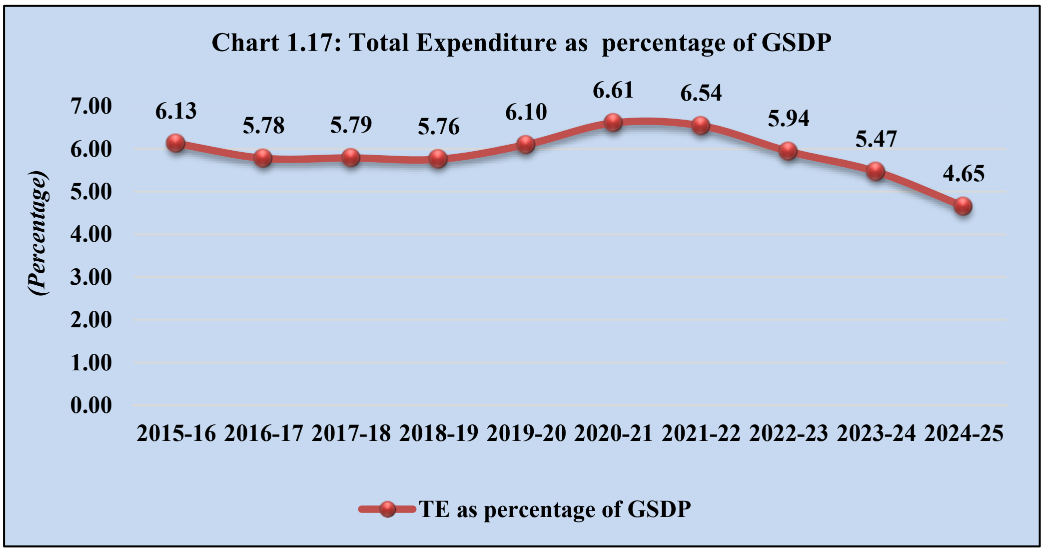
Government expenditure is classified into revenue expenditure, capital expenditure and loans and advances. Revenue expenditure includes costs for maintenance, repairs and day-to-day functioning of departments, including administrative and establishment expenses. Capital expenditure relates to the initial construction of projects and sanctioned improvements or additions to assets. Loans and advances comprise funds provided by the government to Public Sector Undertakings and other entities, which are recoverable over time. Details of expenditure, total expenditure as percentage of GSDP and share of its components is given in **Table 1.11**, **Chart 1.17** and **Chart 1.18** respectively.

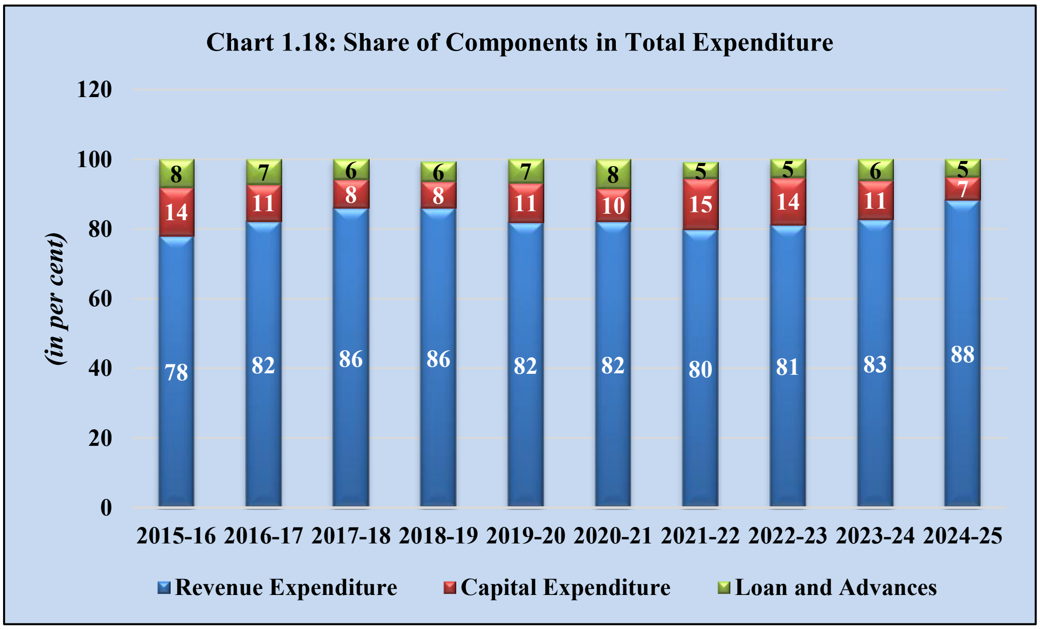
Table 1.11: Total expenditure and its composition

(₹ in crore)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure (TE)	33,750	35,609	39,245	42,520	48,375	49,203	56,957	59,395	60,830	56,557
Revenue Expenditure (RE)	26,343	29,302	33,754	36,852	39,637	40,414	46,043	48,246	50,336	49,986
Capital Expenditure (CE)	4,723	3,754	3,243	3,266	5,472	4,699	8,311	8,065	6,855	3,695
Loans and Advances	2,684	2,553	2,248	2,402	3,266	4,090	2,603	3,084	3,639	2,876

Source: Finance Accounts





Source: Finance Accounts and MoSPI for GSDP figures

Table 1.11 and **Chart 1.18** show that there has been dominance of revenue spending over infrastructure creation. Under-investment in infrastructure projects hampers long-term economic growth and the GNCTD' ability to improve public services. It also affects productivity and long-term fiscal sustainability. The GNCTD may increase its capital spending.

Further as per **Chart 1.17**, the percentage of total expenditure to GSDP has consistently declined during the period 2015-16 to 2024-25 which is possibly due to a combination of factors like the economic slowdown, the COVID-19 pandemic and rising committed expenditures. While own tax revenue receipts have improved during 2015-25 from ₹ 30,226 crore to ₹ 59,458 crore, the growth in committed expenses like interest payments, salaries and pensions have limited the GNCTD's ability to increase developmental and capital expenditure. During 2015-25, Capital expenditure has declined from ₹ 4,723 crore to ₹ 3,695 crore.

Sector-wise Total Expenditure

Sector-wise composition of expenditure is given in **Table 1.12** and relative share of various sectors in total expenditure is depicted in **Chart 1.19**.

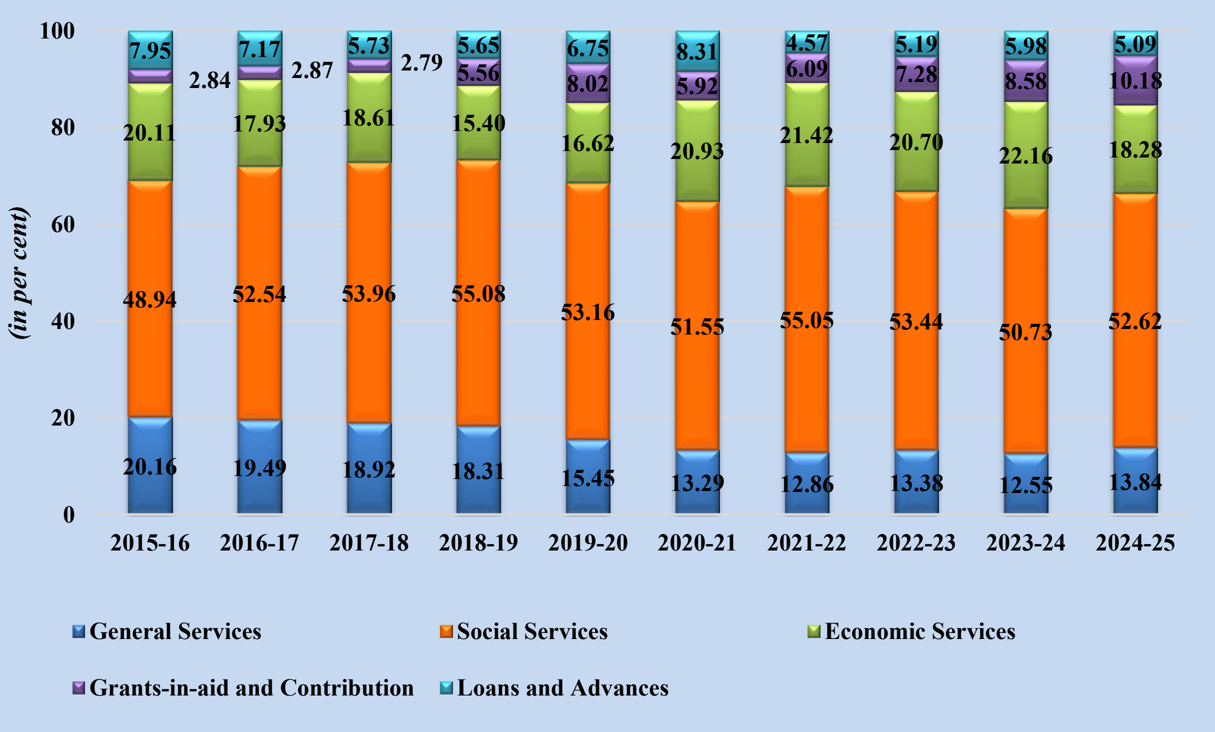
Table 1.12: Sector-wise Total Expenditure

(₹ in crore)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	6,804	6,940	7,424	7,785	7,472	6,541	7,327	7,948	7,631	7,826
Social Services	16,517	18,709	21,177	23,418	25,717	25,362	31,356	31,743	30,860	29,759
Economic Services	6,786	6,386	7,302	6,550	8,041	10,298	12,203	12,297	13,481	10,336
Grants-in-Aid and Contribution	959	1,021	1,094	2,365	3,879	2,912	3,468	4,323	5,219	5,760
Loans and Advances	2,684	2,553	2,247	2,402	3,266	4,090	2,603	3,084	3,639	2,876

Source: Finance Accounts

Chart 1.19: Relative share (*in per cent*) of various sectors in Total expenditure



Source: Finance Accounts

Table 1.12 shows that Delhi's expenditure pattern continues to be dominated by revenue expenditure, indicating that a large share of resources is being spent on routine operations, salaries, subsidies and other committed liabilities. While this ensures continuity of service delivery, it leaves limited fiscal space for discretionary spending or developmental initiatives.

The Sector-wise expenditure pattern (**Chart 1.19**) shows that social services continue to dominate spending (49 to 55 *per cent* of total expenditure), reflecting the government's focus on welfare and social development programs such as health, education and social security. While this focus on social welfare is notable, it necessitates a balanced approach to optimize resource allocation ensuring that both debt obligations and welfare commitments are met without undermining long term growth.

However, spending on economic services has been uneven, which may affect the consistent support needed for infrastructure, industry and employment-generating programs. General services, which include administrative and interest costs, also continues to take up a significant portion of resources.

1.2.3.1 Revenue Expenditure

Revenue Expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network. Growth of Revenue Expenditure, its ratio to Total Expenditure, GSDP and Revenue Receipts are shown in **Table 1.13**.

Table 1.13: Revenue Expenditure – Basic Parameters

(₹ in crore)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure (TE)	33,750	35,609	39,245	42,520	48,375	49,203	56,957	59,395	60,830	56,557
Revenue Expenditure (RE)	26,343	29,302	33,754	36,852	39,637	40,414	46,043	48,246	50,336	49,986
RE as percentage of Revenue Receipts	75.27	85.31	87.29	85.48	84.09	96.54	93.37	76.94	88.62	80.32
RE as percentage of TE	78.05	82.29	86.01	86.67	81.94	82.14	80.84	81.23	82.75	88.38
RE/GSDP (*per cent*)	4.78	4.76	4.98	4.99	5.00	5.43	5.29	4.82	4.52	4.11
Year-on-year growth (in *per cent*)										
Revenue Expenditure	12.05	11.23	15.19	9.18	7.56	1.96	13.93	4.78	4.33	(-)0.70
GSDP Growth	11.32	11.85	10.03	8.92	7.38	(-)6.13	16.98	14.83	11.32	9.17

Colour code: Red shading signifies stress
Source: Finance Accounts

Table 1.13 shows that revenue expenditure as percentage of revenue receipts remained elevated and fluctuating ranging from 75.27 *per cent* to 96.54 *per cent* during 2015-2025, which implies that the government's ability to cover its day-to-day expenses with its revenue income has been strained.

A. Sector-wise Revenue Expenditure

Sector-wise composition of Revenue Expenditure is given in **Table 1.14** and relative share of various sectors in Revenue Expenditure is depicted in **Chart 1.20**. Detailed Sector-wise expenditure is given in **Appendix 1.2**.

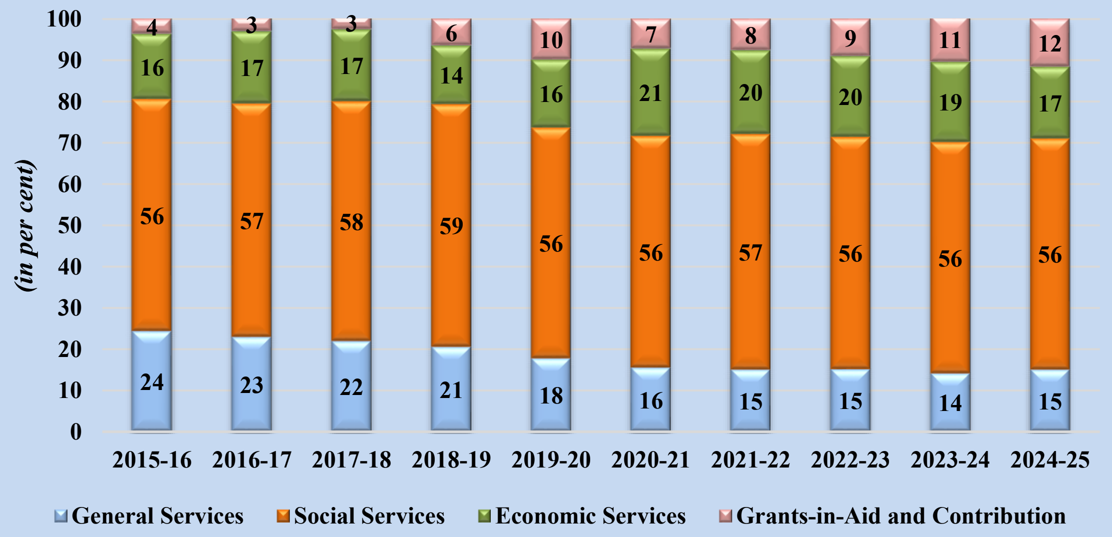
Table 1.14: Sector-wise Revenue Expenditure

(₹ in crore)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	6,427	6,590	7,196	7,605	7,083	6,295	6,953	7,323	7,162	7,567
Social Services	14,818	16,579	19,602	21,663	22,145	22,693	26,294	27,177	28,182	27,973
Economic Services	4,139	5,112	5,862	5,219	6,530	8,514	9,328	9,423	9,773	8,686
Grants-in-Aid and Contribution	959	1,021	1,094	2,365	3,879	2,912	3,468	4,323	5,219	5,760

Source: Finance Accounts

Chart 1.20: Relative share of various sectors in Revenue Expenditure



Source: Finance Accounts

To ensure that expenditure contributes to sustainable growth, GNCTD may consider containing routine and administrative expenses, stabilizing investment in economic services and prioritizing development-oriented sectors that enhance productivity, employment and long-term economic capacity.

B. Committed expenditure

The committed expenditure of the GNCTD on revenue account consists of interest payments; expenditure on salaries and wages; and pensions. It has first charge on Government resources. The components of committed expenditure is given in **Table 1.15**.

Table 1.15: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Salaries & Wages	6,251	7,515	9,090	10,325	11,070	11,810	12,878	14,215	15,018	15,727
Expenditure on Pensions[4]	4	5	3	3	3	3	3	3	4	5
Interest Payments	2,810	2,883	2,871	2,867	2,752	2,874	3,274	3,266	3,094	2,666
Total	**9,065**	**10,403**	**11,964**	**13,195**	**13,825**	**14,687**	**16,156**	**17,484**	**18,117**	**18,398**
Committed Expenditure as a percentage of Revenue Expenditure	34.41	35.50	35.44	35.81	34.88	36.34	35.09	36.24	35.99	36.81

Colour code: Darker the colour, higher the stress on finances
Source: Finance Accounts

The percentage of committed expenditure to revenue expenditure during the period 2015-2025 ranged from 34.41 (2015-16) to 36.81 (2024-25).

C. Subsidies

The subsidies during the current year increased by ₹ 250 crore (5.17 *per cent*) from the previous year. The increase was mainly due to increase of ₹ 361 crore on account of power subsidy, ₹ 22 crore on account of Urban Development (Water Subsidy) and ₹ 38 crore on account of Education subsidy.

Department-wise major subsidies for FYs 2015-16 to 2024-25, are shown in **Table 1.16**.

Table 1.16: Department-wise subsidies during FYs 2015-16 to 2024-25

(₹ in crore)

Sl. No.	Departments	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
1.	Power Department	NA	1,578 (73%)	1,677 (67%)	1,699 (67%)	2,406 (67%)	2,940 (70%)	3,250 (69%)	3,161 (68%)	3,250 (67%)	3,611 (71%)
2.	Directorate of Education	NA	NA	NA	NA	NA	219 (5%)	526 (11%)	543 (11%)	537 (11%)	575 (11%)
3.	Urban Development Department	NA	NA	NA	NA	468 (13%)	712 (17%)	602 (13%)	469 (10%)	463 (9%)	485 (9%)
4.	Transport Department	NA	NA	NA	NA	115 (3%)	305 (7%)	305 (6%)	456 (10%)	586 (12%)	416 (8%)
5.	Other departments*	NA	582 (27%)	820 (33%)	834 (33%)	604 (17%)	1 (1%)	7 (1%)	4 (1%)	4 (1%)	3 (1%)
	Total Subsidy	**1,868**	**2,160**	**2,497**	**2,533**	**3,593**	**4,177**	**4,690**	**4,633**	**4,840**	**5,090**

NA=Not Available
Sources: Finance Accounts of respective years, GNCTD
*Other departments include: Social Welfare, Industries Deptt, Development Deptt, Environment Deptt, Deptt. for Welfare of SC/ST & Backward classes and Food & Civil Supplies Department.

[4] The pension liabilities of GNCTD (excluding pension liabilities of Ex-MLAs and freedom fighters in Delhi) are borne by the GoI. For the year 2024-25, these liabilities amounted to ₹ 2,241.45 crore.

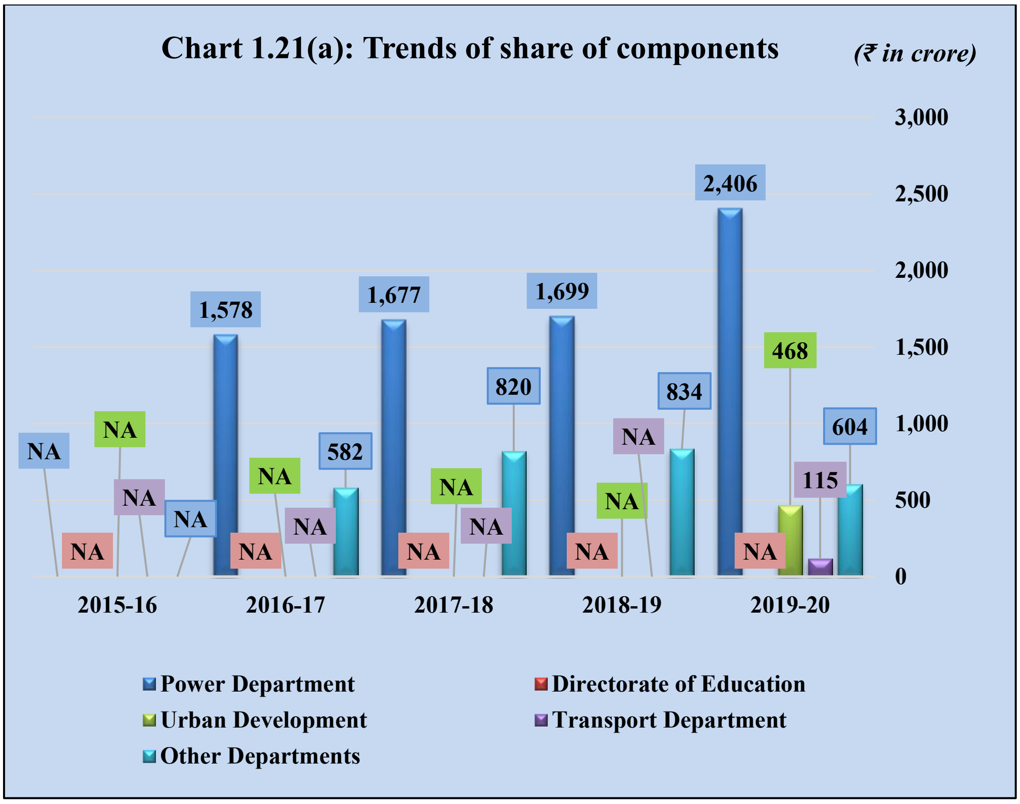


Chart 1.21(a): Trends of share of components
(₹ in crore)
3,000
2,500
2,000
1,500
1,000
500
0
NA
NA
NA
NA
NA
1,578
NA
NA
NA
582
1,677
NA
NA
NA
820
1,699
NA
NA
NA
834
2,406
NA
468
115
604
2015-16
2016-17
2017-18
2018-19
2019-20
Power Department
Directorate of Education
Urban Development
Transport Department
Other Departments

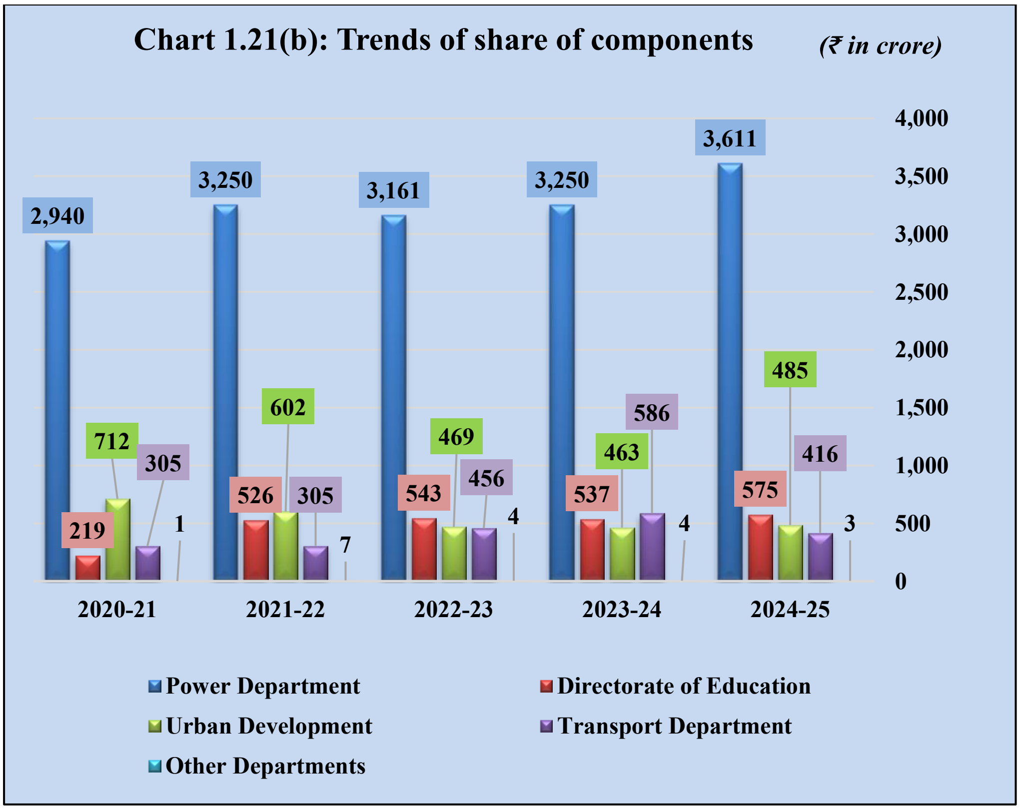
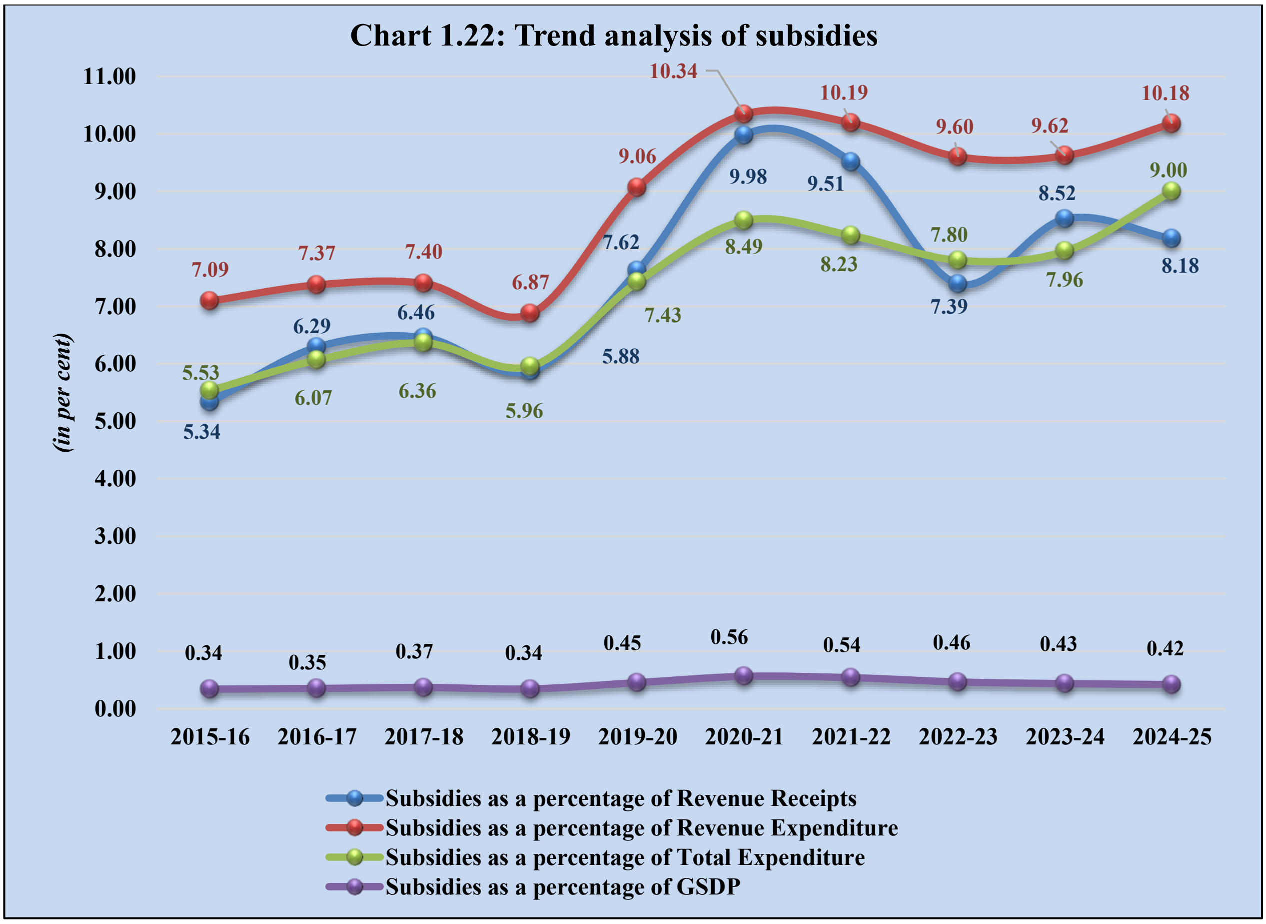


Chart 1.21(b): Trends of share of components
(₹ in crore)
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
2,940
219
712
305
1
3,250
526
602
305
7
3,161
543
469
456
4
3,250
537
463
586
4
3,611
575
485
416
3
2020-21
2021-22
2022-23
2023-24
2024-25
Power Department
Directorate of Education
Urban Development
Transport Department
Other Departments



The Delhi's subsidy expenditure was 10.18 *per cent* of total revenue expenditure in 2024-25. Subsidies for power continued to dominate the total subsidy outgo ranging from 67 to 73 *per cent.*

Rising subsidies pose a serious challenge to fiscal sustainability, as excessive subsidy expenditure can crowd out critical development spending and strain budgetary resources needed for long-term growth. Such fiscal constraints inhibit investments in infrastructure, education, healthcare and other productive sectors, ultimately undermining development objectives. Better identification and targeting of beneficiaries using improved data and direct benefit transfers (DBT) may ensure that support reaches those genuinely in need. Regular evaluations of subsidy schemes, incorporating outcome-based budgeting and performance metrics will help rationalize expenditure, phase out non-critical subsidies and align support with fiscal capacity.

D. Financial assistance by the GNCTD to Local Bodies and Other Institutions

Assistance provided by way of grants to the local bodies and other institutions during the period 2015-16 to 2024-25 is presented in **Table 1.17**.

Table 1.17: Financial assistance to Local Bodies and other institutions

(₹ in crore)

Institutions	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
(A) Local Bodies										
Municipal Corporations and Municipalities	3,942	4,485	5,172	3,996	4,003	5,514	5,502	7,580	8,596	9,282
Total (A)	**3,942**	**4,485**	**5,172**	**3,996**	**4,003**	**5,514**	**5,502**	**7,580**	**8,596**	**9,282**
(B) Others										
Delhi Jal Board	862	769	801	925	1,043	1,180	534	1,279	1,365	633
Delhi Transport Corporation (DTC)	1,150	1,550	2,007	1,825	2,030	2,475	2,320	2,350	2,900	2,620
DUSIB	272	227	95	177	159	133	59	156	209	162
Others	1,985	1,858	2,006	3,399	3,499	3,251	5,100	3,777	3,977	3,752
Total (B)	**4,269**	**4,404**	**4,909**	**6,326**	**6,731**	**7,039**	**8,013**	**7,562**	**8,451**	**7,167**
Total (A+B)	**8,211**	**8,889**	**10,081**	**10,322**	**10,734**	**12,553**	**13,515**	**15,142**	**17,047**	**16,449**
GIA for creation of Capital assets to Municipal corporations and Municipalities	758	840	593	-	-	102	268	821	649	499
Total GIA for creation of Capital assets	2,184	1,628	1,378	1,806	1,563	1,121	804	2,031	2,192	1,110
Revenue Expenditure	26,343	29,302	33,754	36,852	39,637	40,414	46,043	48,246	50,336	49,986
Percentage of GIA for creation of Capital Assets to total financial assistance	26.60	18.32	13.67	17.50	11.15	8.93	5.95	13.41	12.86	6.75
Assistance as percentage of Revenue Expenditure	31.17	30.34	29.87	28.01	27.08	31.06	29.35	31.38	33.87	32.91

Source: Finance Accounts of respective years and information provided by Principal Accounts Office, GNCTD

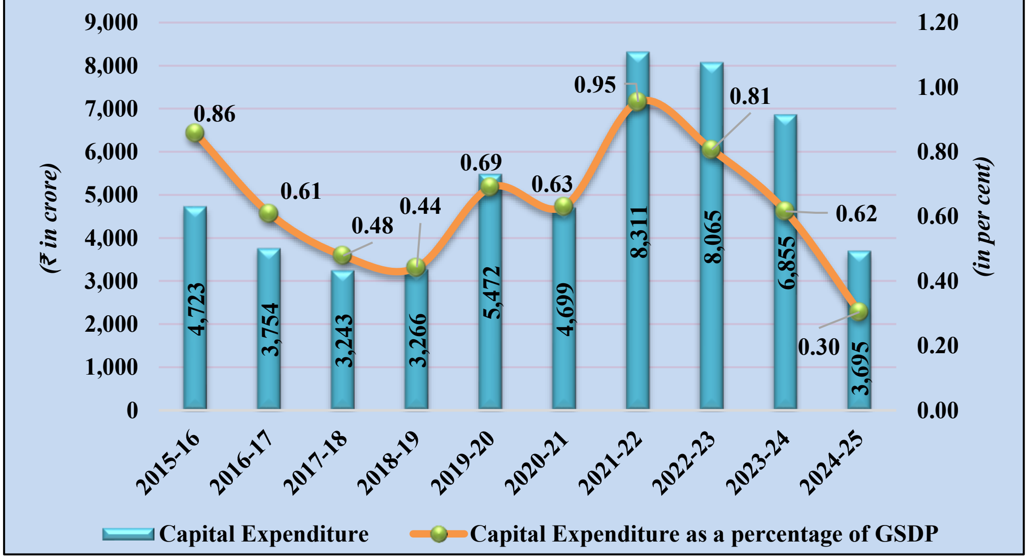
During the current year, financial assistance to the local bodies and other institutions decreased by ₹ 598.63 crore (3.5 *per cent*) over the previous year. The decrease was mainly due to decrease in assistance to GIA for creation of Capital assets to Municipal Corporations and Municipalities (decline of ₹ 150 crore or 23.11 *per cent*). The overall quantum of financial assistance to the local bodies and other institutions as percentage to revenue expenditure hovered around 27-34 *per cent*.

It is evident from the **Table-1.17** that very low financial assistance ranging from 6 to 27 *per cent* was given for creation of capital assets by the local bodies and other institutions signifying that major assistance ranging from 73 to 94 *per cent* was going towards day-to-day expenditure of the local bodies and other institutions during 2015-2025.

1.2.3.2 Capital Expenditure

Capital Expenditure is primarily expenditure on creation of fixed infrastructure assets, such as roads, buildings, *etc*. It also includes investments made by the GNCTD in Companies/Corporations. Trend of capital expenditure in the GNCTD over the last ten years *i.e.* 2015-25 is given in **Chart 1.23**.

Chart 1.23: Capital Expenditure in the State



Source: Finance Accounts of respective years

Apart from Capital Expenditure of ₹ 3,695 crore during 2024-25, GNCTD also transferred ₹ 1,110 crore as Grant-in-aid for creation of capital assets to the local bodies and other institutions.

Capital Expenditure over the period has shown a declining trend rather than consistent growth, indicating reduction in the GNCTD's investment in long-term assets and infrastructure. In year 2021-22, it was ₹ 8,311 crore, which gradually declined and became ₹ 3,695 crore in year 2024-25. Initially, there was budget estimate of ₹ 5,919 crore for capital expenditure in 2024-25, which had been subsequently revised to ₹ 4,857 crore. Decline in capital expenditure from ₹ 6,855 crore in 2023-24 to ₹ 3,695 crore in 2024-25 was due to the less expenditure in the different heads such as from ₹ 1,936.14 crore in 2023-24 to ₹ 909.30 crore in 2024-25 under head MH 5054- Capital outlay on Roads and Bridges; from ₹ 1,065 crore in 2023-24 to ₹ 467 crore in 2024-25 under MH 5055- Capital outlay on Road Transport; from ₹ 637.43 crore in 2023-24 to ₹ 263.97 crore in 2024-25 under MH 4202- Capital outlay on Education, Sports, Art & Culture-General Education.

The overall share of capital expenditure relative to the economy has been declining in the last few years, suggesting that the GNCTD has not consistently prioritized asset creation in line with its growth objectives. This pattern implies limited fiscal space for sustained investment in infrastructure and development programs, potentially affecting long-term economic growth and service delivery.

Strengthening the planning, timely release and monitoring of capital expenditure and grants-in-aid is essential to enhance the efficiency of public investment, ensure alignment with GSDP growth and improve long-term fiscal sustainability.

A. Sector-wise Capital Expenditure

Sector-wise composition of Capital Expenditure is given in **Table 1.18**. Detailed Sector-wise expenditure is given in **Appendix 1.2**.

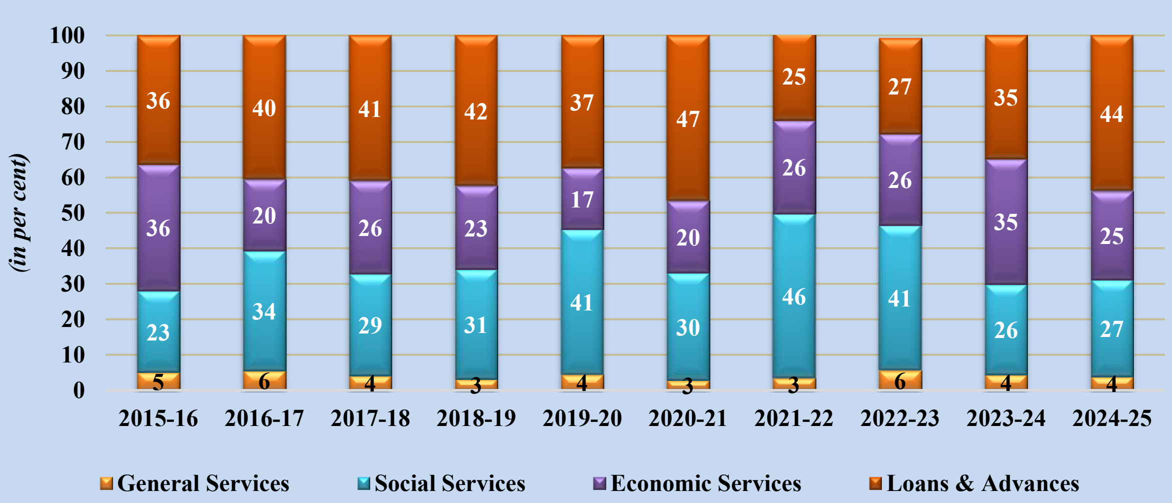
Table 1.18: Sector-wise Capital Expenditure

(₹ in crore)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	377	350	228	180	389	246	374	625	469	259
Social Services	1,699	2,130	1,575	1,755	3,572	2,669	5,062	4,566	2,678	1,786
Economic Services	2,647	1,274	1,440	1,331	1,511	1,784	2,875	2,874	3,708	1,650
Loans & Advances	2,684	2,553	2,248	2,402	3,266	4,090	2,603	3,084	3,639	2,876

Source: Finance Accounts

Chart 1.24: Relative share of various sectors in Capital Expenditure



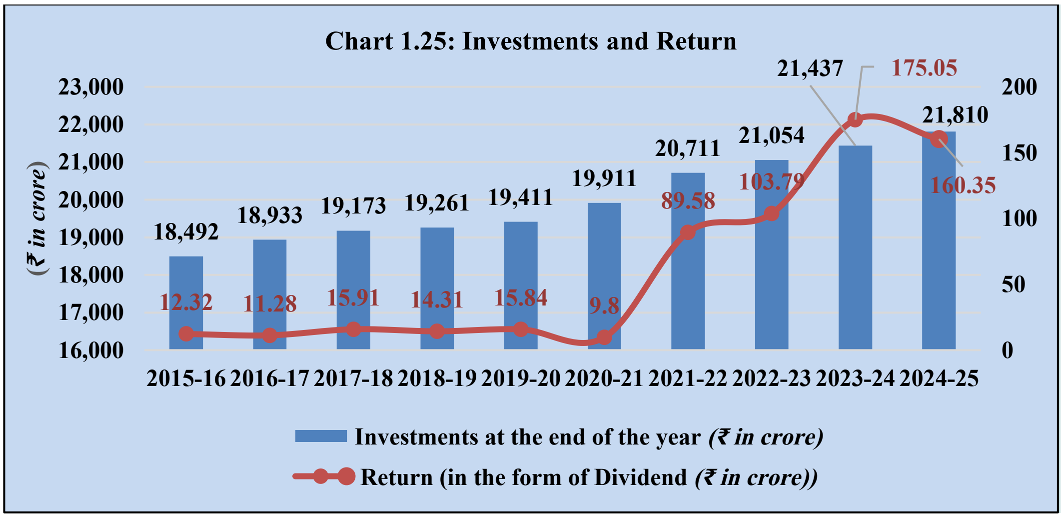
Source: Finance Accounts

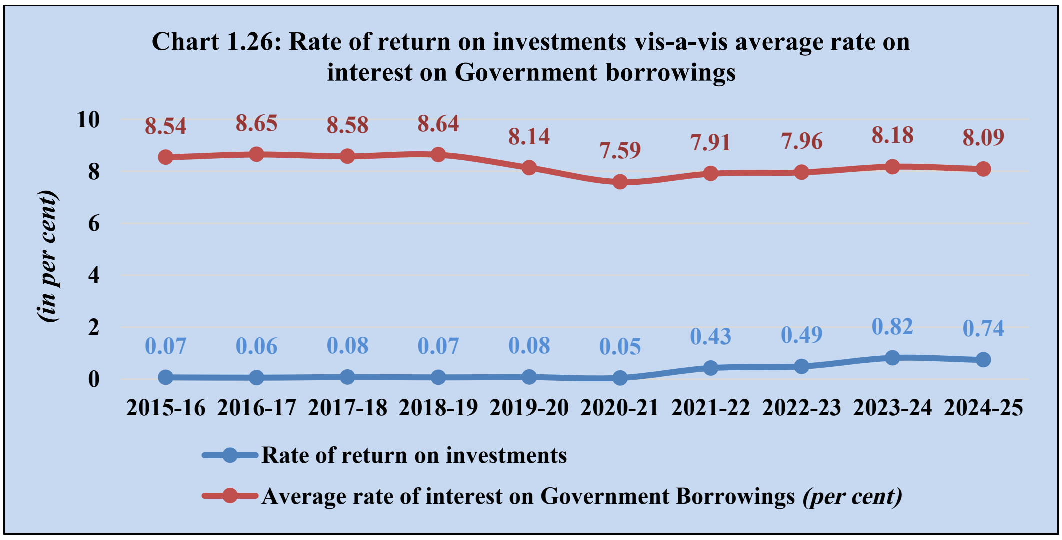
As per **Table 1.18** and **Chart 1.24**, the dominance of social services in capital expenditure has gradually reduced paving way for increased contribution to economic services and disbursement of loans and advances.

B. Quality of investments in the companies, corporations and other bodies

As of 31 March 2025, the GNCTD's investments in 16 companies and two corporations stood at ₹ 21,810 crore, comprising Government Companies (₹ 21,778 crore) and corporations (₹ 32 crore).

Trends of investments at the end of the year in companies, corporations and co-operative banks and societies and return on these investments is depicted in **Chart 1.25**. Rate of return on investments made *vis-à-vis* average rate of interest on government borrowing is depicted in **Chart 1.26**.





Source: Finance Accounts

As per **Chart 1.25**, GNCTD's investments in Government companies and corporations has risen from ₹ 18,492 crore (2015-16) to ₹ 21,810 crore (2024-25), but returns (**Chart 1.26**) remain negligible (below 1 *per cent*), far lower than the 7.6-8.7 *per cent* cost of borrowings, indicating inefficient use of public funds and fiscal stress. Few entities declare dividends, while large sums remain blocked in defunct or non-performing units. In absence of an effective dividend policy aligned with GoI norms and weak departmental monitoring, compliance is poor. The GNCTD needs to review viability of non-performing entities, consider disinvestment and enforce dividend declarations to improve returns and ease fiscal burden. It was found that ₹ 3,718.98 crore was invested in three GNCTD PSEs upto FY 2024-25. Out of three SPSEs only two SPSEs gave return of ₹ 103.06 crore[5] during the FY 2024-25 which was only 2.8 *per cent* of total investment. However, government borrowed funds at an average rate of interest of 8.09 *per cent.*

[5] Government Companies (₹ 103.06 crore);

Dividend Policy and Its Impact

A well-defined dividend policy mandating a minimum return from profit-making enterprises, enables the State Government to optimise its returns from investments in SPSEs and enhances monitoring of the SPSEs financial performance.

It was observed that Delhi Government has circulated a dividend policy vide OM dated 17 August 2021 wherein a minimum annual dividend of 30 *per cent* of Profit after tax (PAT) or 5 *per cent* of the net-worth whichever is higher is to be paid by the PSU. Administrative Department may take stock of the financial results of the SPSEs and enforce the discipline laid down in dividend policy for payment of dividend.

The annual accounts of the SPSEs revealed that only 3 companies (DSCSC, DSIIDC and DTTDC) had paid dividend and the same was claimed to be in consonance with the extant policy (30 *per cent* of PAT or 5 *per cent* of net worth). However, it could not be ascertained from the accounts whether the above policy was actually followed in spirit.

Information regarding the calculation of the Dividend paid has been asked from the concerned companies and is awaited (February 2026).

Other relevant information pertaining to Dividend policy and its impact is also awaited from GNCTD (February 2026).

C. Loans and advances by GNCTD

In addition to the investments in co-operative societies, corporations and companies, the GNCTD has also been providing loans and advances to many institutions/organisations. **Table 1.19** presents the position of outstanding loans and advances as on 31 March 2025 and interest receipts *vis-à-vis* interest payments by the GNCTD on its borrowings during the last ten years (2015-2025).

Table 1.19: Quantum of loans disbursed and recovered during 2015-25

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Opening Balance of loans outstanding	57,190	59,915*	62,255	63,812	64,570	67,014	70,473	72,454	74,280	77,821
Amount advanced during the year	2,684	2,553	2,248	2,402	3,266	4,090	2,603	3,084	3,639	2,876
Amount recovered during the year	83	213	691	1,644	823	631	623	1,258	98	48
Closing Balance of the loans outstanding	59,791	62,255	63,812	64,570	67,014	70,473	72,454	74,280	77,821	80,649

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Net addition	2,601	2,340	1,557	758	2,443	3,459	1,981	1,826	3,541	2,828
Interest received	83	81	396	113	404	464	336	46	339	120
Interest rate on Loans and Advances given by the Government (*per cent*)	0.14	0.13	0.62	0.18	0.60	0.66	0.46	0.06	0.44	0.15
Average rate of interest on Government Borrowings (*per cent*)	8.54	8.65	8.58	8.64	8.14	7.59	7.91	7.96	8.18	8.09
Difference between the rate of interest received and interest paid (*per cent*)	(-)8.40	(-)8.52	(-)7.96	(-)8.46	(-)7.54	(-)6.93	(-)7.45	(-)7.90	(-)7.74	(-)7.94

Source: Finance Accounts
**The difference of ₹ 124 crore is due to prior period adjustment on accounts of misclassification.*

The analysis reveals that while loan disbursements by Delhi Government continue to rise, recoveries are minimal, leading to steady accumulation of outstanding balances. Interest receipts remain extremely low, with the effective return on loans far below the cost of borrowings, causing a widening negative spread and persistent loss to the exchequer. This reflects poor appraisal of loan proposals, weak recovery mechanisms and absence of monitoring by administrative departments.

1.3 Contingency Fund

The Contingency Fund of the GNCTD is intended to provide advances for meeting unforeseen expenditure, pending its authorisation by the Legislative Assembly of NCT of Delhi. The fund is recouped once the Legislature approves the additional expenditure. The corpus of the Fund is ₹ 100 crore.

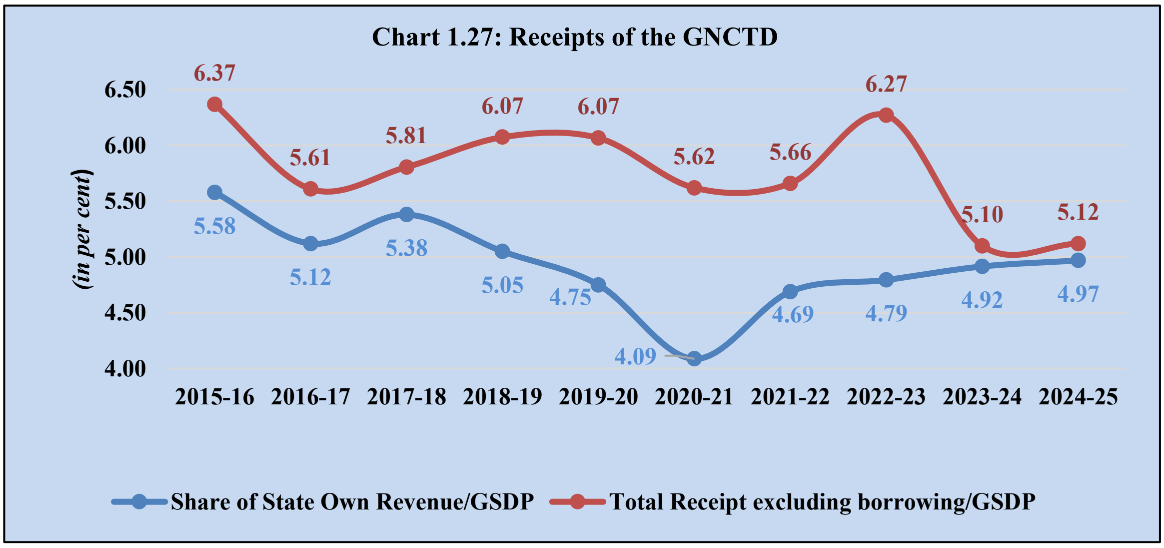
During 2024-25, ₹ 49.61 crore had been withdrawn from the fund under various budgetary heads i.e. Medical & Public Health (₹ 0.01 crore), General Education (₹ 15.75 crore), Capital outlay Social Security and Welfare (₹ 31.08 crore), Social security and Welfare (₹ 2.64 crore) and on Family Welfare (₹ 0.13 crore). However, the total amount of ₹ 49.61 crore had been fully replenished/recouped by the end of the FY 2024-25. As on 31st March 2025, Contingency Fund had a balance of ₹ 100 crore.

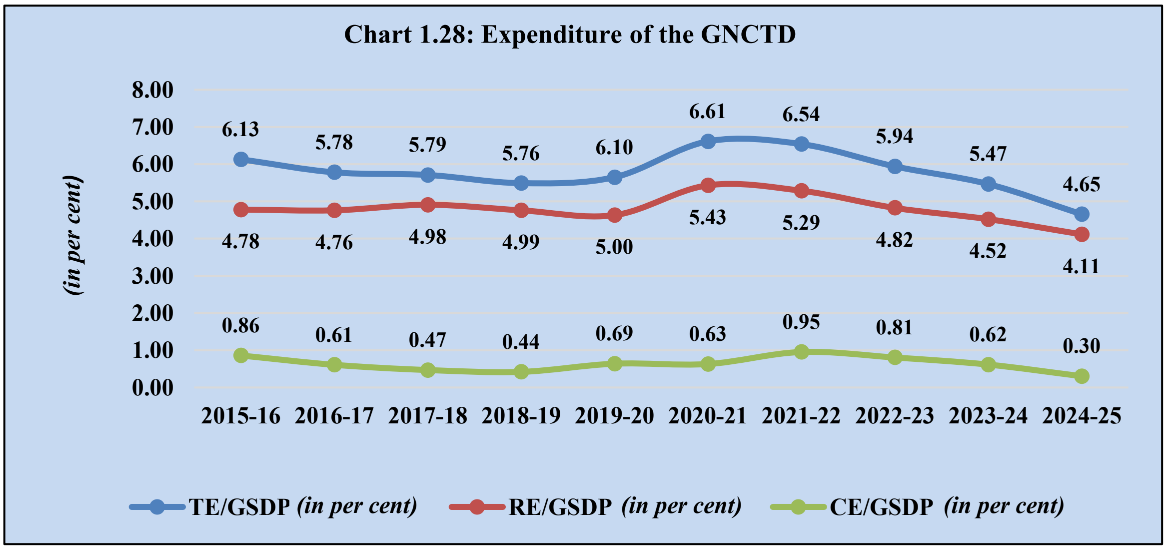
Details of expenditure made out of the Contingency Fund are discussed in paragraph no. 2.8 of Chapter-II.

1.4 Fiscal Sustainability

Fiscal Sustainability is the ability of a government to manage its revenue and expenditure in a manner that ensures it can meet its current and future obligations such as public services, infrastructure and debt repayments without excessive borrowing or accumulating unsustainable debt. It implies maintaining a stable balance between revenue generation and expenditure over the long term.

Chart 1.27 and **Chart 1.28** shows receipts and expenditure of the GNCTD as a percentage of GSDP, during FY 2015-25 respectively.

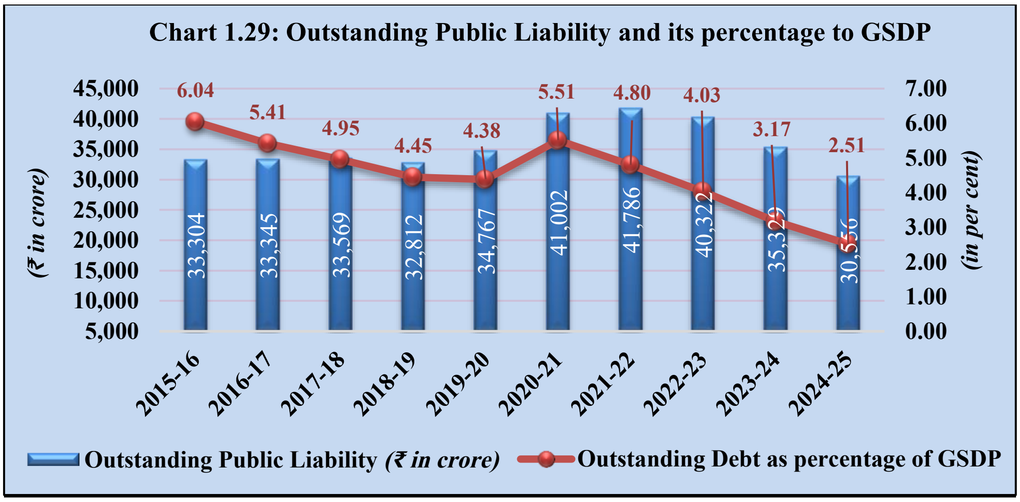




Source: Finance Accounts and MoSPI for GSDP figures

1.4.1 Public Liability Management

Outstanding liability of the UT of Delhi along with its percentage to GSDP for the period 2015-16 to 2024-25 is depicted in **Chart 1.29**.



Source: Finance Accounts and MoSPI for GSDP figures

1.4.1.1 Liability profile: Components

Total liabilities of GNCTD typically constitute only the loans and advances from the Central Government as the GNCTD is not empowered to raise loans from the market. The component-wise liability trends of the GNCTD for the period of ten years beginning from 2015-16 are presented in **Table 1.20**.

Table 1.20: Component-wise liability trends

Components of fiscal liability	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Loans from GoI* *(₹ in crore)*	33,304	33,345	33,569	32,812	34,767	41,002	41,786	40,322	35,329	30,556
Gross State Domestic Product (GSDP) *(₹ in lakh crore)*	5.51	6.16	6.78	7.38	7.93	7.44	8.71	10.00	11.13	12.15
Borrowings										
Total Debt Receipts during the year *(₹ in crore)* *	2,241	1,696	1,906	2,880	4,765	9,500	5,000	3,251	0	142
Total Debt Repayments during the year *(₹ in crore)*	1,435	1,655	1,682	3,636	2,811	3,265	4,215	4,715	4,994	4,914
Net funds available *(₹ in crore)*	806	41	224	(-) 756	1,954	6,235	785	(-) 1,464	(-) 4,994	(-) 4,772
Repayments/ Receipts *(per cent)*	64.03	97.58	88.25	126.25	58.98	34.37	84.30	145.03	-	3,460.56

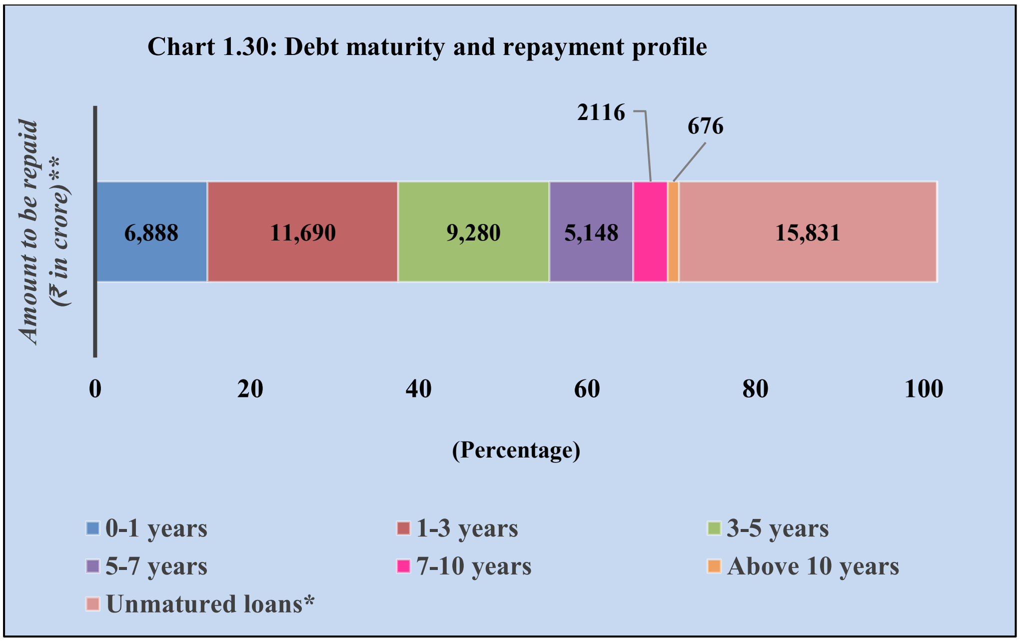
Source: Finance Accounts

**During the year 2020-21, 2021-22 and 2022-25, it excludes ₹ 5,865 crore, ₹ 6,193 crore and ₹ 12,058 crore respectively, as back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the GNCTD from its sources.*

While the internal debt of GNCTD of Delhi is *Nil*, the public account liabilities of GNCTD are merged in the Union Accounts. Loans from GoI decreased by 13.51 *per cent* during 2024-25 over the previous year.

1.4.1.2 Debt profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. Debt maturity profile of the GNCTD is depicted in **Chart 1.30**.



Source: Finance Accounts, GNCTD
**Unmatured loans include back to back loans of ₹ 12,058 crore received during 2020-21 and 2021-22, loans of ₹ 3,326 crore from GoI for settlement of DESU's dues during 2013-14 and loans of ₹ 447 crore for rehabilitation of WTP at Chandrawal (2018-19),*
***Includes aggregate interest of ₹ 9,016 crore payable during the aforesaid time intervals.*

1.4.2 Financing pattern of fiscal deficit

Table 1.21 depicts financing pattern of the fiscal deficit during 2015-25.

Table 1.21: Components of fiscal deficit and its financing pattern

(₹ in crore)

Particulars		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Fiscal Surplus (+)/ Deficit (-) (1-2+3)		**1,332**	**(-) 1,050**	**113**	**2,237**	**(-) 416**	**(-) 6,708**	**(-) 7,022**	**4,566**	**(-) 3,934**	**5,724**
1	Revenue Surplus	8,656	5,044	4,913	6,261	7,499	1,450	3,270	14,457	6,462	12,247
2	Net Capital Expenditure	4,723	3,754	3,243	3,266	5,472	4,699	8,311	8,065	6,855	3,695
3	Net loans and advances	(-) 2,601	(-) 2,340	(-) 1,557	(-) 758	(-) 2,443	(-) 3,459	(-) 1,981	(-) 1,826	(-) 3,541	(-) 2,828
Financing Pattern of Fiscal Deficit											
1	Net Loans from GoI	806	41	224	(-) 756	1,954	12,100	6,978	(-) 1,464	(-) 4,994	(-) 4,772
2	Increase (-) /decrease in Cash balance(+)	(-) 2,138	1,009	(-) 337	(-) 1,481	(-) 1,538	(-) 5,392	44	(-) 3,102	8,928	(-) 952
Gross Fiscal Surplus (+)/ Deficit (-) (1+2)		**(-) 1,332**	**1,050**	**(-) 113**	**(-) 2,237**	**416**	**6,708**	**7,022**	**(-) 4,566**	**3,934**	**(-) 5,724**

Source: Finance Accounts

During the 10 year period 2015-25, the fiscal surplus /deficit displayed a mixed trend with GNCTD reporting fiscal surplus in 5 years. In order to finance the fiscal deficit, GNCTD has to solely rely on loans from GoI as it is not empowered to raise loans from the market. The loans from GoI during 2020-21 and 2021-22 were especially higher due to receipt of back to back loans of ₹ 5,865 crore and ₹ 6,193 crore respectively in lieu of GST Compensation shortfall, though these are not to be repaid by GNCTD from its own sources.

1.4.3 Debt Sustainability Analysis

Debt sustainability refers to the ability of the State to service its debt obligation now and in future. Analysis of variations in debt sustainability indicators is given in **Table 1.22**.

Table 1.22: Trends in Debt Sustainability Indicators

Sl. No.	Debt Sustainability Indicators	2020-21	2021-22	2022-23	2023-24	2024-25
1	Overall Liabilities or Overall Debt (*₹ in crore*)*	41,002	41,786	40,322	35,329	30,556
2	Rate of Growth of Overall Debt (*per cent*)	17.93	1.91	(-)3.50	(-)12.38	(-)13.51
3	Nominal GSDP[6] (*₹ in lakh crore*)	7.44	8.71	10.00	11.13	12.15
4	Nominal GSDP growth (*per cent*)	(-)6.13	16.98	14.83	11.32	9.17
5	Overall Debt/GSDP (*per cent*)	5.51	4.80	4.03	3.17	2.51
6	Repayment to Gross Borrowings (*per cent*)	64.62	149.78	245.49	undefined	5338.03
7	Net borrowings available as a percentage of Gross Borrowings#	35.38	-49.78	(-)145.49		(-)5238.03
8	Interest payments on Overall Debt (*₹ in crore*)	2,874	3,274	3,266	3,094	2,666
9	Effective rate of interest on Overall Debt[7] (*per cent*)	7.59	7.91	7.96	8.18	8.09
10	Interest payment to Revenue Receipts (*per cent*)	6.87	6.64	5.21	5.45	4.28
11	Revenue Deficit(-)/Surplus(+)	1,450	3,270	14,457	6,462	12,247
12	Primary Revenue Balance (PRB) (*₹ in crore*)	4,324	6,544	17,723	9,557	14,913
13	Primary Balance (PB) (*₹ in crore*)	(-)3,834	(-)3,747	7,832	(-)840	8,390
14	PB/GSDP (*per cent*)	(-)0.52	(-)0.43	0.78	(-)0.08	0.69
15	Difference between RoI[8] and effective rate of interest on Overall Debt (*per cent*)	(-)6.93	(-)7.45	(-)7.90	(-)7.74	(-)7.94
16	Liquidity Management (use of financial accommodation instruments available with RBI) (in number of occasions)	-	-	-	-	-
17	Debt Stabilisation (Quantum spread[9] + Primary balance)	(-)9,459	43	10,604	269	8,719
18	**Domar gap**					
a	GSDP (*₹ in lakh crore*) (in constant terms)	5.34	5.72	6.14	6.70	7.12

[6] **GSDP**: *Actuals for 2020-21 and 2021-22; Provisional Estimates (PE) for 2022-23, Quick Estimates (QE) for 2023-24 and Advance Estimates (AE) for 2024-25*
GDP: *Actuals for 2020-21, 2021-22 and 2022-23; FRE: First Revised Estimates for 2023-24 and PE: Provisional Estimates for 2024-25.*

[7] *Effective rate of interest on Overall Debt has been calculated adjusting the Reserve Funds, Deposits not bearing interest and 50 years' interest free Central assistance to State for Capital Expenditure. Effective rate of interest= Interest paid/Average of opening and closing stock of Debt (excluding non-interest bearing liabilities) *100*

[8] *Return on Investment (RoI) as measured by effective rate of interest receipts.*
*RoI = Interest Receipts/Average of Opening & Closing Stock of Loans and Advances Disbursed *100*

[9] *Quantum Spread = Interest Spread* x *Debt (excluding non- interest bearing liabilities).*

Sl. No.	Debt Sustainability Indicators	2020-21	2021-22	2022-23	2023-24	2024-25
b	Real Growth (in constant terms) (*per cent*)	(-)8.96	7.20	7.27	9.16	6.21
c	Inflation based on CPI (*per cent*)	3.03	5.97	4.00	2.55	2.40
d	Effective Rate of interest (*per cent*)	7.59	7.91	7.96	8.18	8.09
e	Real effective rate of interest (Effective rate of interest-Inflation) (*per cent*)	4.56	1.94	3.96	5.63	5.69
f	Growth Interest Differential (GID) (Real growth- Real effective rate of interest) (*per cent*)	(-)13.52	5.26	3.31	3.53	0.52
g	Primary Balance (PB) (₹ *in crore*)	(-)3,834	(-)3,747	7,832	(-)840	8,390

Source: Finance Accounts

Colour code: Darker the colour, higher the stress on finances

* *Outstanding Public Debt is the sum of outstanding balances under the Heads 6003-'Internal Debt' and 6004-'Loans and Advances from the Central Government'. During 2020-21, 2021-22 and 2022-25, it excluded ₹ 5,865 crore, ₹ 6,193 crore and ₹ 12,058 crore (₹ 5,865 crore+₹ 6,193 crore) respectively as back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the GNCTD from its sources*

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

GNCTD's debt profile over 2020-21 to 2024-25 reflects important fiscal health and sustainability signals.

(i) The proportion of public debt receipts used for repayment for borrowings ranged from 65 *per cent* in 2020-21 to 5,338 *per cent* in 2024-25. The said proportion is undefined during 2023-24 due to nil debt receipts during the year.

(ii) The average debt burden of the GNCTD, measured by overall liabilities relative to GSDP, remained 4 *per cent* during 2020-25. Excluding the pandemic year (2020-21), the debt dynamics of UT of Delhi remained favourable during 2020-21 to 2024-25, as nominal growth consistently exceeded the interest rate. This indicates that nominal growth was robust and larger than the cost of borrowing. Also, the primary balance relative to GSDP at large has been on the path of improvement. This suggests that fall registered in debt burden of the GNCTD from 5.51 *per cent* in 2020-21 to 2.51 *per cent* in 2024-25 can be attributed to favourable debt dynamics.

(iii) Domar criteria reveals that GID in real terms after a significant economic recovery in 2021-22, the persistent deceleration in economic growth with the exception of 2023-24, as well as a steady increase in the real cost of borrowing since 2022-23 forced the GID to witness a declining trend thereafter.

(iv) The percentage of interest payments to revenue receipts has declined from 6.87 *per cent* in 2020-21 to 4.28 *per cent* in 2024-25 which is indicative of faster growth in revenue receipts compared to interest expenditure and improved debt management policies thereby contributing to improved fiscal sustainability.

Delhi's debt trajectory shows low risk of fiscal stress, disciplined borrowing and favourable sustainability indicators. However, continued focus is needed to ensure borrowings support growth-enhancing investments rather than being absorbed primarily by repayments.

Therefore, to make available more resources for sustained investment spending in physical and human capital formation to accelerate and attain potential growth, the GNCTD needs to focus on additional resource mobilization. Additional tax resources should come mainly from improved tax collection, as well as strengthening enforcement to enhance compliance, along with other measures to raise non-tax revenues. Additional resource mobilization, alongside sustained and stable growth measures lead to an increase in the own tax-GSDP ratio and own non tax-GSDP ratio.

1.4.4 Pathways to Fiscal Stability

Deficits can be improved by enhancing revenues and rationalizing expenditures. This includes strengthening tax compliance, widening the tax base, revising user charges and monetizing idle government assets. On the spending side, better targeting of subsidies, controlling salary and pension growth and ensuring proper classification of expenditure are key factors. Prioritizing productive capital investment and improving debt management through transparent and efficient borrowing can further ease fiscal pressure. These measures collectively create fiscal space and help reduce revenue, fiscal and primary deficits in a sustainable manner. These have been discussed in succeeding paragraphs.

1.4.5 Improving revenues of GNCTD

Untapped revenue potential that, if harnessed effectively, could significantly enhance fiscal space and reduce dependence on debt. Inefficiencies in assessment, under-valuation and limited enforcement mechanisms of key tax streams such as State GST, Stamp Duty and Excise will lead to subdued revenue growth. Under-realized non-tax revenues, with low user charges, poor cost recovery and sub-optimal returns on public assets and investments also impede the fiscal space. Timely realization of pending arrears is (tax and non- tax) another step towards enhancing the fiscal space.

A. Arrears of revenue

As on 31 March 2025, the arrears of revenue to be received in Consolidated Fund of the GNCTD in respect of principal heads of revenue were ₹ 2,56,845.67 crore, of which ₹ 57,331.13 crore were outstanding for more than five years, as depicted in **Table 1.23**.

Table 1.23: Arrears of revenue

(₹ in crore)

Sl. No.	Head of revenue	Amount outstanding as on 31 March 2025	Amount outstanding for more than five years as on 31 March 2025
1.	Taxes/VAT on Sales, Trade, etc.	80,498.16	57,331.13
2.	Goods and Services Tax	1,76,347.51	-
3.	Forests and Wildlife	Reply awaited from the Department as of February 2026.	
4.	State Excise		
5.	Taxes on Vehicles		
6.	Land Revenue		
7.	Stamps and Registration Fee		
	Total	**2,56,845.67**	**57,331.13**

Source: Department of Trade and Taxes, GNCTD

B. Arrears of assessment

The information on number 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, as furnished by the Department of Trade and Taxes in respect of Sales Tax/VAT is depicted in **Table 1.24**.

Table 1.24: Arrears of assessment

Sl. No.	Head of Revenue	Cases pending at the beginning of 2024-25	New cases due for assessment during 2024-25	Total cases due for assessment	Cases disposed of during 2024-25	Balance at the end of the year	Percentage of disposal
1.	Taxes/VAT on Sales, Trade, etc.	0	12,483	12,483	12,483	0	100

Source: Department of Trade and Taxes, GNCTD

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

The cases of evasion of tax detected, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the GNCTD.

The details of cases of evasion of tax detected by the Department of Trade and Taxes, cases finalised and the demand for additional tax raised; during the year 2024- 25, as reported by the departments concerned, are depicted in **Table 1.25**.

Table 1.25: Evasion of tax detected

Sl. No.	Head of revenue	Cases pending as on 31 March 2024	Cases detected during 2024-25	Total	No. of cases in which assessment / investigation completed and additional demand with penalty, etc. raised		No. of cases pending for finalisation as on 31 March 2025
					No. of cases	Amount of demand *(₹ in crore)*	
1.	Goods and Services Tax	25	39	64	20	13.67	44
	Total	**25**	**39**	**64**	**20**	**13.67**	

Source: Department of Trade and Taxes, GNCTD

1.4.6 Issues on expenditure side

A. Fiscal stress from committed expenditure and subsidies

Chart 1.31 and **Chart 1.32** depicts Committed Expenditure and subsidies together as a percentage of Revenue Receipts and Revenue Expenditure during the FY 2015-25 respectively.

Chart 1.31: Committed Expenditure and subsidies as a percentage of Revenue Receipts (RR)

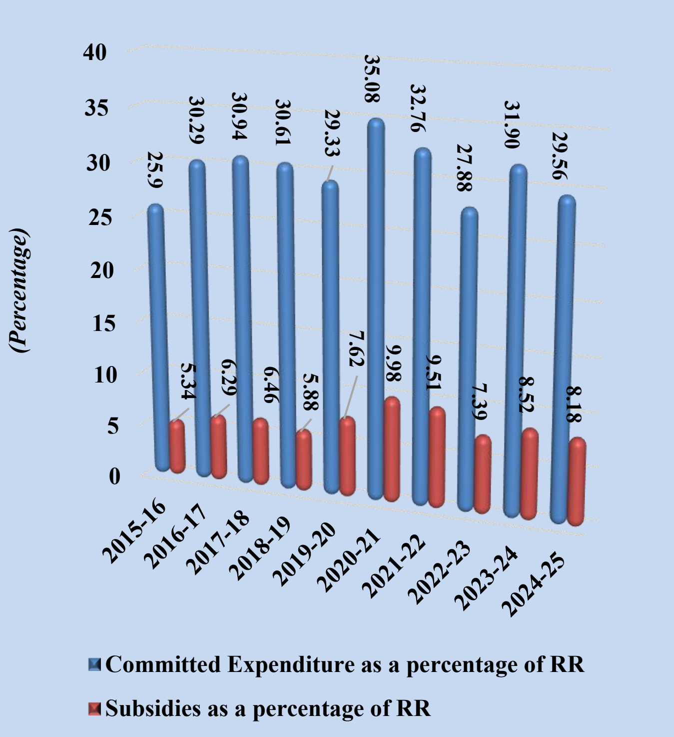
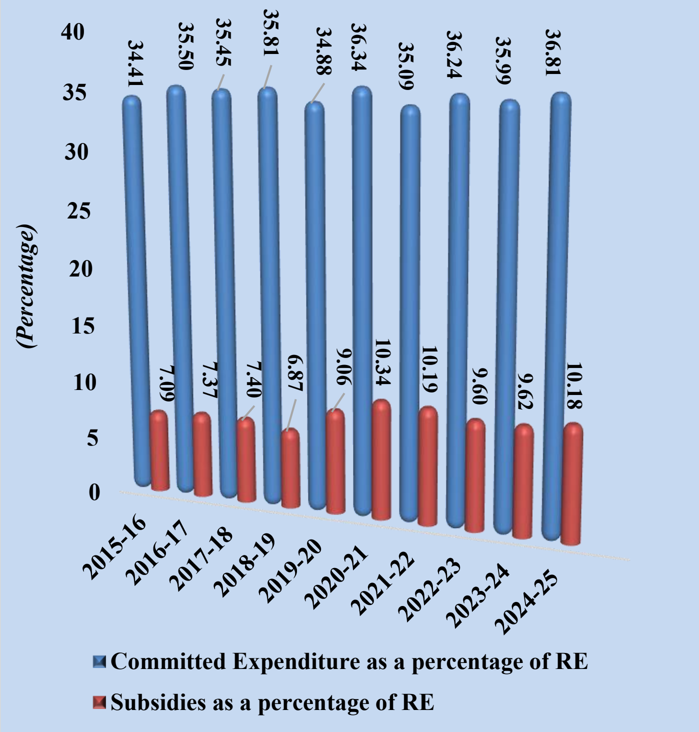


Chart 1.32: Committed Expenditure and subsidies as a percentage of Revenue Expenditure (RE)



In 2024-25, the GNCTD's committed expenditure of ₹ 18,398 crore comprising Salaries and Wages, Allowances and leave travel Concession (₹ 15,727 crore), pensions of ex-MLAs and freedom fighter (₹ 4.70 crore) and interest payments (₹ 2,666 crore), accounted for approximately 29.56 *per cent* of the Revenue Receipts. In addition, subsidies amounted to ₹ 5,090 crore, bringing the total inflexible expenditure to ₹ 23,488 crore, which was nearly 37.74 *per cent* of the GNCTD's revenue receipts. The high and inflexible nature of such expenditure significantly compresses fiscal space, limiting the GNCTD's ability to allocate resources towards capital investment and developmental priorities. This structural imbalance increases the risk of persistent revenue and primary deficits, constrains long-term fiscal sustainability and reduces the government's capacity to respond to emergent socio-economic challenges.

There is an urgent need for expenditure reform through rationalization of subsidies, improved targeting and prudent management to enhance fiscal flexibility and ensure a sustainable fiscal path.

1.5 Conclusion

- GNCTD's own revenue buoyancy w.r.t. GSDP during 2024-25 was greater than one, indicating that the significant 9.17 *per cent* growth in GSDP did translate into a proportional rise in the GNCTD's own revenue mobilization.

  During 2024-25, NCT of Delhi was fourth State /UT in terms of largest revenue surplus. GNCTD consistently reported a revenue surplus during 2020-25 which ranged from ₹ 1,450 crore to ₹ 14,457 crore and as a percentage of GSDP ranged from 0.19 to 1.45 during this period. Further, GNCTD was the only State/UT besides Puducherry reporting a fiscal surplus of ₹5,724 crore (0.47 *per cent* of GSDP) during 2024-25. However, it is pertinent to mention that while GNCTD does not get any share in Union Taxes, for the year 2024-25 the pensionary liabilities of GNCTD (excluding pension liabilities of Ex-MLAs and freedom fighters in Delhi) of ₹ 2,241.45 crore and the expenditure on account of the Delhi Police of ₹ 11,595.91 crore were borne by the Union Government, which are quite substantial.

- Between 2015-16 and 2024-25, revenue expenditure increased from ₹ 26,343 crore (4.78 *per cent* of GSDP) to ₹ 49,986 crore (4.11 *per cent* of GSDP). It consistently made up a significant portion (78 to 88 *per cent*) of the total expenditure during this period, growing at a compound annual growth rate of 6.61 *per cent.*

- Under the revenue expenditure, the quantum of committed expenditure on interest payments, salaries and pensions constituted 34-37 *per cent* of revenue expenditure during the period 2015-25. Committed expenditure increased at a compound annual growth rate of 7.33 *per cent* during that period.

- There is an increasing trend of subsidies, from ₹ 1,868 crore in 2015-16 to ₹ 5,090 crore in 2024-25, which ranged from 6.87 *per cent* to 10.34 *per cent* of the total revenue expenditure during 2015-25. Power subsidies constituted a significant portion, ranging from 67 *per cent* to 73 *per cent* of the total subsidies during this period.

- Capital expenditure as a percentage of GSDP was quite low and ranged from 0.30 to 0.95 during 2015-25. The GNCTD spent ₹ 3,695 crore only on capital account during 2024-25 which was 6.53 *per cent* of the total expenditure.

- Ratio of Interest payment to revenue receipts significantly came down from 8.03 in 2015-16 to 4.28 in 2024-25 which indicated a sustainable debt trajectory.

1.6 Recommendations

Government should

(i) strengthen revenue mobilization by improving tax compliance, updating property valuation systems and enforcing a clear non-tax revenue policy, especially for dividends and interest receipts, etc.

(ii) enhance capital expenditure along with its quality and prioritization by increasing allocations to infrastructure sectors, avoiding misclassification of expenditures and ensuring capital outlay keeps pace with economic growth.