



**State Finances Audit Report
of the
Comptroller and Auditor General of India
for the year ended 31 March 2021**



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

**Government of National Capital
Territory of Delhi**
Report No. 1 of the year 2022

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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 1 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 NCT of Delhi's fiscal position including the deficits/surplus.

Chapter 2 provides a broad perspective of the finances of the NCT of Delhi, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2016-17 to 2020-21, debt profile of the NCT of Delhi and key Public Accounts transactions, based on the Finance Accounts of the NCT of Delhi.

Chapter 3 is based on the Appropriation Accounts of the 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 4 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 5 discusses the financial performance of Government Companies, Government controlled other company and Statutory Corporations, and impact of significant comments issued as a result of supplementary audit of the financial statements of State Public Sector Enterprises (SPSEs).

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 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)

CHAPTER-1

OVERVIEW

Chapter 1

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	1483 sq. km	
2	Population		
	a.	Population (2011 Census)	1.70 crore
	b.	Population 2021	2.08 crore
3	Density of Population (2011 Census) (All India Density = 382 persons per Sq. Km)	11,320 person per Sq. Km.	
4	Population below poverty line (BPL) 2011-12 (All India Average = 21.9 per cent)	39.30 per cent	
5	Literacy (as per 2011 Census) (All India Average= 73.0 per cent)	86.20 per cent	
6	Infant mortality (2019) (per 1000 live births) (All India Average = 30 per 1000 live births)	11	
7	Life expectancy at birth (2014-18)(All India Average = 69.4 years)	75.3 years	
8	Gross State Domestic Product (GSDP) 2020-21 at current prices	₹ 7,98,310 crore	
9	Per Capita GDP/GSDP CAGR (2011-12 to 2020-21)	NCT of Delhi	7.61 per cent
		All India	8.21 per cent
10	GDP/GSDP CAGR (2011-12 to 2020-21)	NCT of Delhi	9.81 per cent
		All India	9.48 per cent
11	Population Growth (2011 to 2021)	12.30 per cent (All India)	22.30 per cent

Source: Ministry of Statistics and Programme Implementation (MoSPI) website, Economic Survey 2019-20, Sample Registration System Based Abridged Life Tables 2014-18, Human Development Report 2020 and Census Info India 2011, Report on Technical Group on Population projections for India and States 2011-2036, Registrar General of India.

1.1.1 Gross State Domestic Product of the 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 GSDP 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.

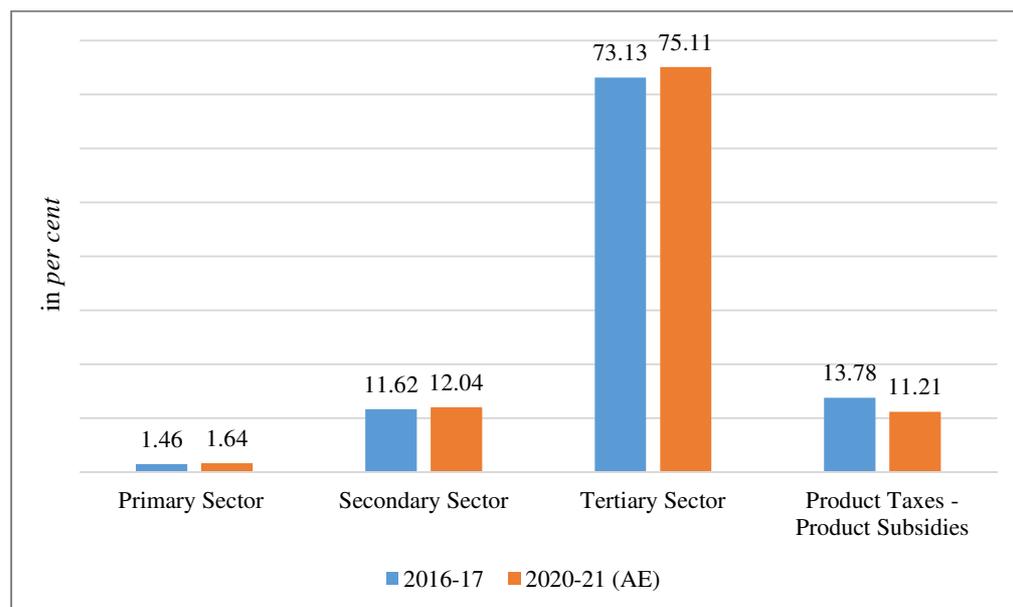
Table 1.2: Trends in GSDP compared to the national GDP

(₹ in crore)					
Year	2016-17	2017-18	2018-19	2019-20	2020-21
All India GDP	1,53,91,669	1,70,90,042	1,88,86,957	2,03,51,013	1,97,45,670
Growth rate of GDP over previous year (in per cent)	11.76	11.03	10.51	7.75	(-)2.93
NCT of Delhi's GSDP (2011-12 Series)	6,16,085	6,77,900	7,50,962	8,30,872	7,98,310
Growth rate of GSDP over previous year (in per cent)	11.85	10.03	10.78	10.64	-3.92

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

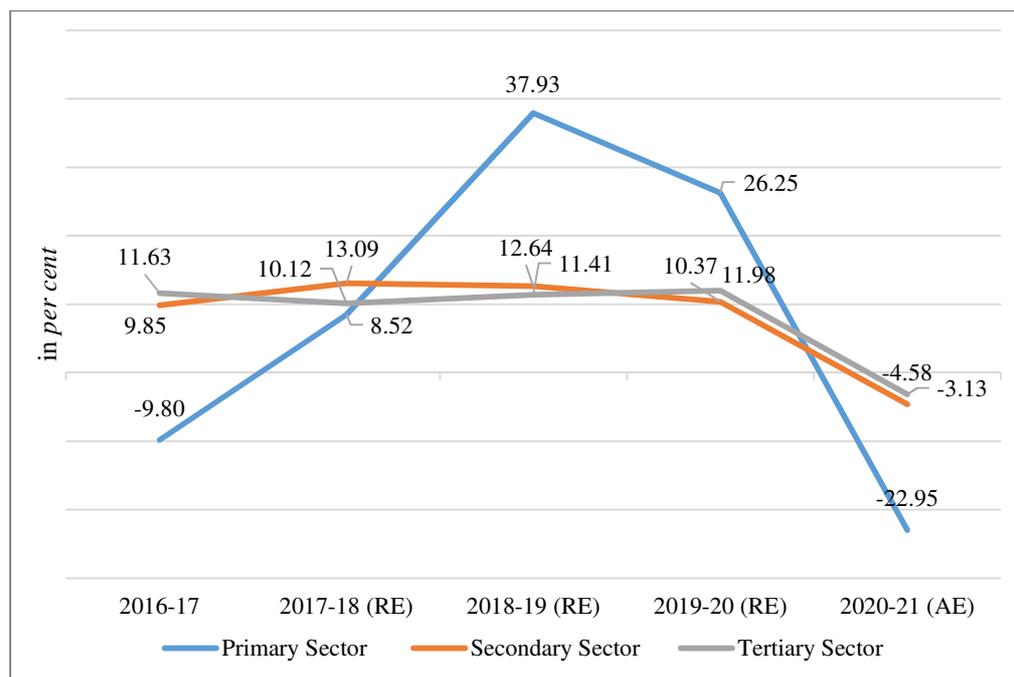
Changes in sectoral contribution to the GSDP is also important to understand the changing structure of the economy. Economic activity is generally divided into primary, secondary and tertiary sectors, which correspond to the agriculture, industry and service sectors.

Chart 1.1: Changes in sectoral contribution to GSDP (2016-17 to 2020-21)



Source: Estimate of State Domestic Product of Delhi 2020-21, Directorate of Economics and Statistics, GNCTD.

Chart 1.2: Sectoral growth in GSDP



Source: Estimate of State Domestic Product of Delhi 2020-21, Directorate of Economics and Statistics, GNCTD.

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

- Budget of the 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 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 Report in respect of Appropriation and Finance Accounts was sent to the Government of NCT of Delhi in December 2021 for comments. Replies of the Government, where received, have been incorporated at appropriate places.

1.3 Report Structure

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

Chapter - 1	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 NCT of Delhi's fiscal position including the deficits/surplus.
Chapter - 2	Finances of the State This chapter provides a broad perspective of the finances of the NCT of Delhi, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2016-17 to 2020-21 and debt profile of the NCT of Delhi, based on the Finance Accounts of the NCT of Delhi.
Chapter - 3	Budgetary Management This chapter is based on the Appropriation Accounts of the 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 - 4	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 - 5	State Public Sector Enterprises This chapter comments on the functioning of State Public Sector Enterprises.

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 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 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.

Apart from the above, 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 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 NCT of Delhi comprise largely of share of small savings collections.

Delhi is not covered under the recommendations of the Central Finance Commission and only gets discretionary grant in lieu of State's share of Union taxes and duties.

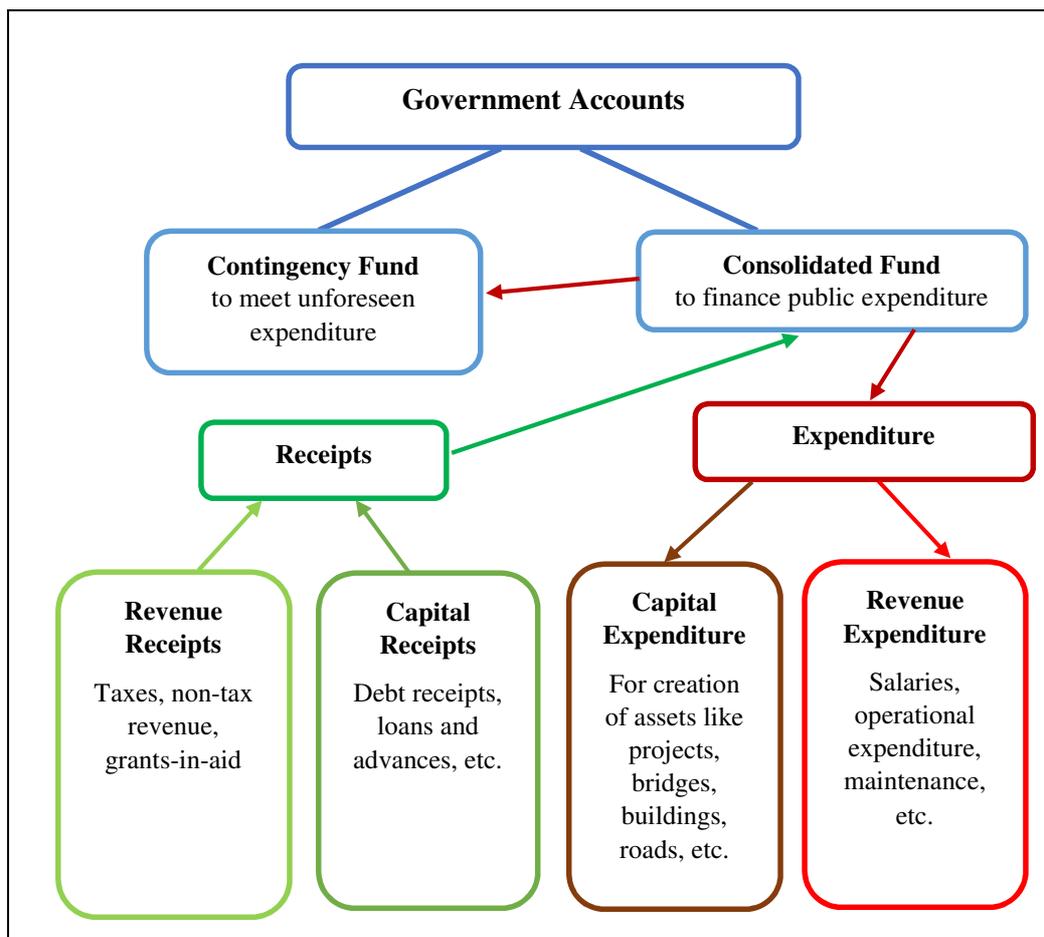
Revenue receipts consist of the NCT of Delhi's tax and non-tax revenues and grants-in-aid from Government of India (GoI).

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 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 includes expenditure on machinery, equipment, investment in shares, and loans and advances by the government to PSUs and other parties.

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 GNCTD, 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 3** of this Report.

1.4.1 Snapshot of Finances

Table 1.3 provides the details of actual financial results vis-a-vis budget estimates for the year 2020-21 and actuals of 2019-20.

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

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

(₹ in crore)

Sl. No.	Components	2019-20 Actuals	2020-21			
			Budget Estimates	Actuals	Percentage of actuals to BE	Percentage of actuals to GSDP
1	Tax Revenue	36,566	44,100	29,425	66.72	3.69
2	Non-tax Revenue	1,097	800	980	122.50	0.12
3	Grants-in-aid and Contributions	9,473	10,409	11,459	110.09	1.44
4	Revenue Receipts (1+2+3)	47,136	55,309	41,864	75.69	5.24
5	Recovery of Loans and Advances	823	1,100	631	57.36	0.08
6	Other Receipts	-	-	-	-	-
7	Borrowings and other Liabilities ^(a)	1,954	4,291	12,100	281.99	0.78 ¹
8	Capital Receipts (5+6+7)	2,777	5,391	12,731	236.15	1.59
9	Total Receipts (4+8)	49,913	60,700	54,595	89.94	6.84
10	Revenue Expenditure, of which	39,637	48,070	40,414	84.07	5.06
11	- Interest payments	2,752	3,062	2,874	93.86	0.36
12	Capital Expenditure ^(b) of which	8,738	13,419	8,789	65.50	1.10
13	- Capital outlay	5,472	9,999	4,699	46.99	0.59
14	- Loans and advances	3,266	3,420	4,090	119.59	0.51
15	Total Expenditure (10+12)	48,375	61,489	49,203	80.02	6.16
16	Revenue Surplus/ (4-10)	7,499	7,239	1,450	20.03	0.18
17	Fiscal Deficit {(4+5+6)-15}	(-) 416	(-)5,080	(-) 6,708	132.05	-0.84
18	Primary Surplus/(17+11)	2,336	(-)7,875²	(-)3,834	48.69	-0.48

(a) Borrowings and other liabilities: Net (Receipts - Disbursements) of Public Debt. Effective Borrowing and other Liabilities would be ₹ 6,235 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 5,865 crore give 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.

(b) Expenditure on capital account includes Capital Expenditure and Loans and Advances disbursed.

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 ₹ 7,264.46 crore as revenue receipts, due to inadequate balance in GST compensation fund during the year 2020-21, Delhi also received back to back loan of ₹ 5,865 crore under debt receipts of the GNCTD, with no repayment liability for the State. Due to this arrangement, the revenue surplus of ₹ 1,450 crore and fiscal deficit of ₹ 6,780 crore may be read in conjunction with debt receipt of ₹ 5,865 crore in lieu of GST compensation.

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

¹ Arrived at after exclusion of GST compensation of ₹ 5,865 crore received as back to back loan under debt receipts.

² Source: Budget at a glance of 2020-21, GNCTD

Government and the assets created out of the expenditure incurred. The assets comprise mainly the capital outlay and loans and advances given by the GNCTD and opening 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				
		2019-20	2020-21	Per cent increase			2019-20	2020-21	Per cent increase
Consolidated Fund									
A	Loans and Advances from Central Government	34,767	46,867*	34.80	a	Gross Capital Outlay	70,285	74,984	6.68
B	Balance of capital outlay adopted from CGA during 1994-95	1,588	1,588	0	b	Loans and Advances	67,014	70,473	5.16
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	6,001	11,393	89.85
D	Surplus in Revenue Account	1,03,589	1,05,039	1.40					
Total		1,43,300	1,56,850		Total		1,43,300	1,56,850	

Note: The assets amounting to ₹ 70,285 crore and ₹ 74,983 crore as on 31 March 2020 and 31 March 2021 respectively under the head Gross capital outlay include an amount of ₹ 1,588 crore which were adopted during 1994-95 from the Controller General of Accounts. Similarly, Loans and Advances depicted on assets side amounting to ₹ 67,014 crore and ₹ 70,473 crore as on 31 March 2020 and 31 March 2021 respectively include ₹ 3,356 crore adopted during 1994-95 from the Controller General of Accounts.

* This include an amount of ₹ 5,865 crore of back to back loan in lieu of GST compensation shortfall from GoI during 2020-21. As per condition of loan, repayment obligation will not be met from any other resources of 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 2016-17 to 2020-21.

Chart 1.4: Trends in surplus/deficit indicators over the period 2016-17 to 2020-21

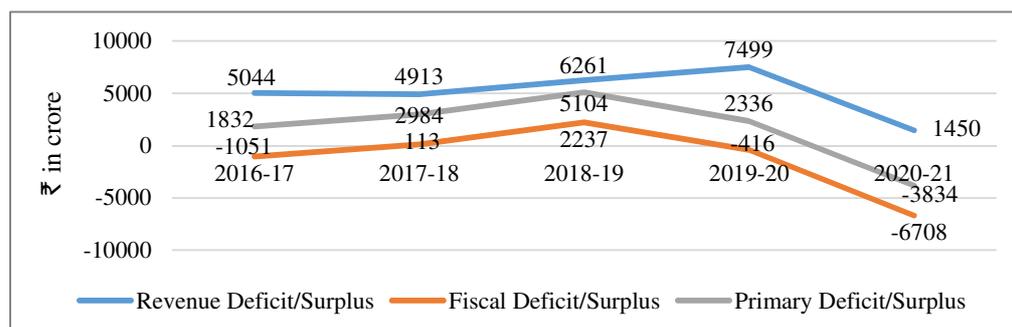
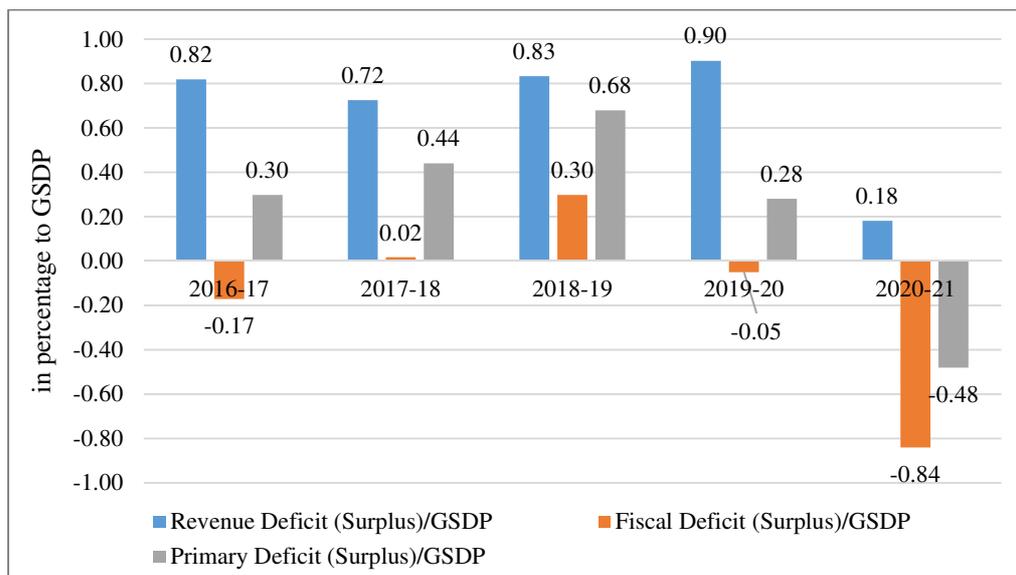


Chart 1.5: Trends in deficit indicators relative to GSDP over the period 2016-17 to 2020-21



Revenue surplus indicates the excess of revenue receipts over revenue expenditure. The revenue surplus of ₹ 1,450 crore in 2020-21 indicates that revenue receipts of the Government were sufficient to meet the revenue expenditure. NCT of Delhi consistently enjoyed revenue surplus during 2016-17 to 2020-21.

It can be seen from **Chart 1.4**, fiscal deficit which was ₹ 1,051 crore in 2016-17, turned to surplus at ₹ 113 crore during 2017-18 and at ₹ 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 due to decrease (11.39 *per cent*) in the total Revenue and Non-debt Capital receipts from ₹ 47,959 crore (2019-20) to ₹ 42,495 crore (2020-21).

The NCT of Delhi had primary surplus during the period 2016-17 to 2019-20 which turned to deficit of ₹ 3,834 crore in 2020-21 which was mainly due to decrease in total Revenue and Non-debt Capital Receipts.

Revenue surplus stood at 0.18 *per cent* of GSDP in 2020-21 as against 0.90 *per cent* of GSDP in 2019-20. Fiscal deficit stood at (-) 0.84 *per cent* of GSDP in 2020-21 as against fiscal deficit of (-) 0.05 *per cent* of GSDP 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, GoI. During 2020-21 pension liabilities of ₹ 1,452.48 crore of GNCTD employees and ₹ 7,706.44 crore of revenue expenditure (as per Revised Estimates) of Delhi Police were borne by GoI.

CHAPTER-2

FINANCES OF THE NCT OF DELHI

Chapter 2

Finances 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 2020-21 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 2020-21 vis-à-vis FY 2019-20

This section gives a bird's eye view of the major changes in key fiscal aggregates of the NCT of Delhi 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 2020-21 compared to FY 2019-20 are given in **Table 2.1**:

Table 2.1: Changes in key fiscal aggregates of GNCTD in FY 2020-21 compared to FY 2019-20

Revenue Receipts	<ul style="list-style-type: none">✓ Revenue receipts decreased by 11.18 <i>per cent</i>✓ Own Tax receipts decreased by 19.53 <i>per cent</i>✓ Non-tax receipts decreased by 10.67 <i>per cent</i>✓ Grants-in-Aid from Government of India increased by 20.96 <i>per cent</i>
Revenue Expenditure	<ul style="list-style-type: none">✓ Revenue expenditure increased by 1.96 <i>per cent</i>✓ Revenue expenditure on General Services decreased by 11.13 <i>per cent</i>✓ Revenue expenditure on Social Services increased by 2.47 <i>per cent</i>✓ Revenue expenditure on Economic Services increased by 30.38 <i>per cent</i>✓ Expenditure on Grants-in-Aid and contributions decreased by 24.93 <i>per cent</i>
Capital Expenditure	<ul style="list-style-type: none">✓ Capital expenditure decreased by 14.13 <i>per cent</i>✓ Capital expenditure on General Services decreased by 36.76 <i>per cent</i>✓ Capital expenditure on Social Services decreased by 25.28 <i>per cent</i>✓ Capital expenditure on Economic Services increased by 18.07 <i>per cent</i>
Loans and Advances	<ul style="list-style-type: none">✓ Disbursement of Loans and Advances increased by 25.23 <i>per cent</i>✓ Recoveries of Loans and Advances decreased by 23.33 <i>per cent</i>
Public Debt	<ul style="list-style-type: none">✓ Public Debt Receipts increased¹ by 99.37 <i>per cent</i>✓ Repayment of Public Debt increased by 16.15 <i>per cent</i>

¹ Arrived at after exclusion of GST compensation of ₹ 5,865 crore received as back to back loans under debt receipts.

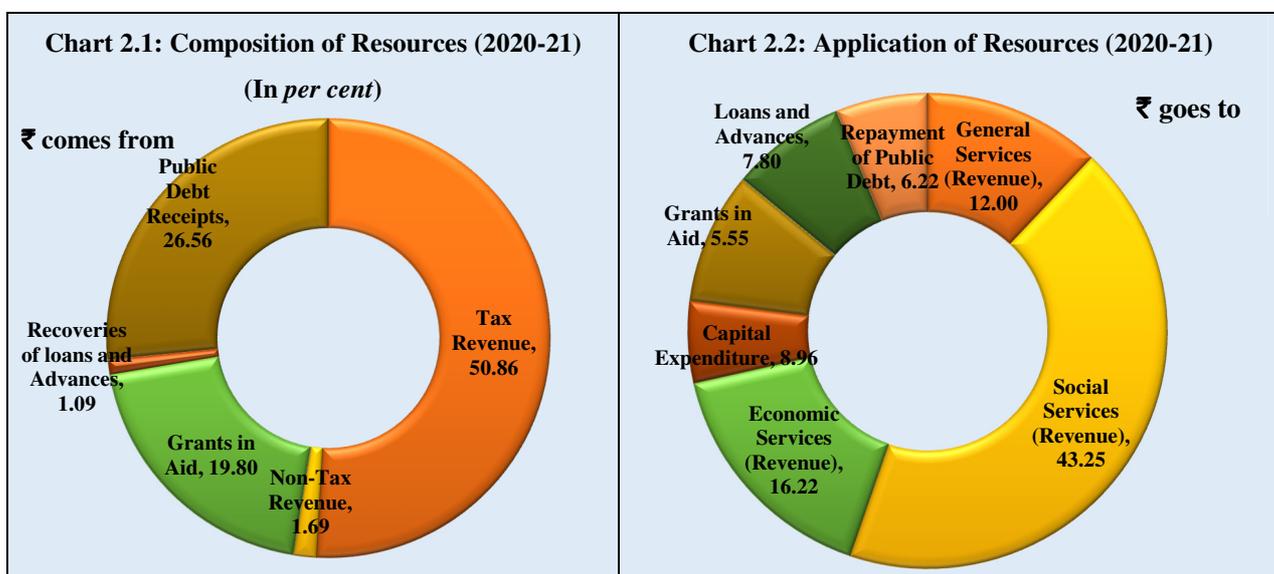
2.2 Sources and Application of Funds

This section compares the components of the sources and application of funds of the NCT of Delhi during the financial year compared to the previous year. Details of Sources and Application of funds during 2019-20 and 2020-21 are shown in **Table 2.2**, **Chart 2.1** and **Chart 2.2**.

Table 2.2: Details of Sources and Application of funds during 2019-20 and 2020-21

(₹ in crore)				
	Particulars	2019-20	2020-21	Increase/ Decrease (in per cent)
Sources	Opening Balance	4,463	6,001	34.46
	Revenue Receipts	47,136	41,864	(-) 11.18
	Recoveries of Loans and Advances	823	631	(-) 23.33
	Public Debt Receipts (Net)	1,954	12,100 ²	219.08 ³
	Total	54,376	60,596	11.44
Application	Revenue Expenditure	39,637	40,414	1.96
	Capital Expenditure	5,472	4,699	(-) 14.13
	Disbursement of Loans and Advances	3,266	4,090	25.23
	Closing Balance	6,001	11,393	89.85
	Total	54,376	60,596	11.44

Source: Finance Accounts of respective years



² Due to increased disbursement from GoI of share of Small saving collection from ₹ 4,540.60 crore during 2019-20 to ₹ 9,500 crore during 2020-21. Further, it also includes back to back loans of ₹ 5,865 crore received in lieu of GST compensation shortfall from GoI during 2020-21

³ Arrived at after exclusion of GST compensation of ₹ 5,865 crore received as back to back loans under debt receipts

2.3 Resources of the NCT of Delhi

The resources of the NCT of Delhi are described below:

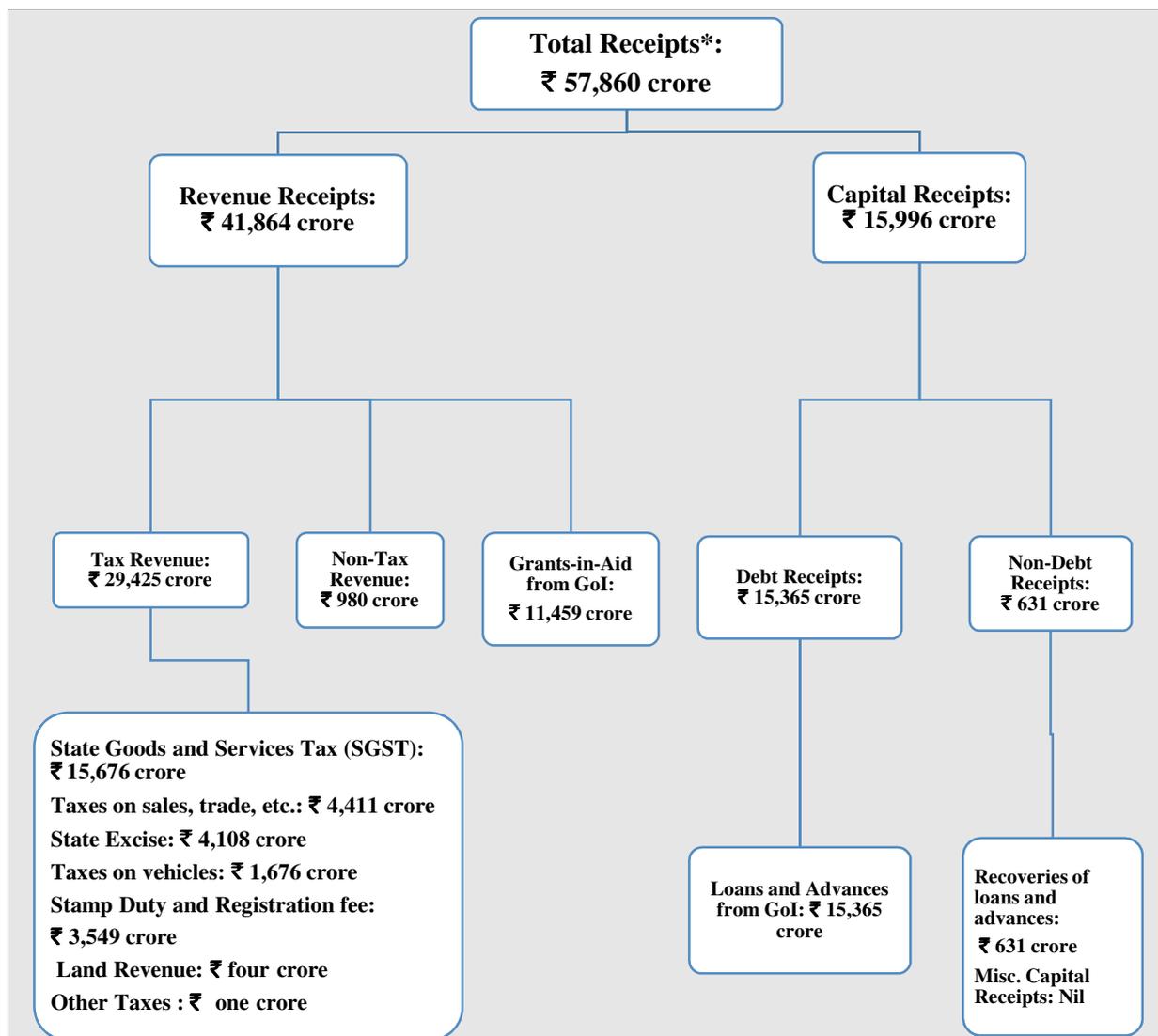
1. **Revenue receipts** consist of tax revenue, non-tax revenue and grants-in-aid from the Government of India (GoI).
2. **Capital receipts** of Government of NCT of Delhi include recoveries of loans and advances, receipts through loan from GoI and miscellaneous capital receipts.

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

2.3.1 Receipts of the NCT of Delhi

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

Chart 2.3: Composition of receipts of the NCT of Delhi during 2020-21



*excluding Opening balance and Contingency Fund

2.3.2 NCT of Delhi's Revenue Receipts

Revenue receipts consist of the 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	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Receipts (RR)	34,346	38,667	43,113	47,136	41,864 ⁴
Rate of growth of RR (per cent)	-1.87	12.58	11.50	9.33	-11.18
Own Tax Revenue	31,140	35,717	36,625	36,566	29,425
Own Non-Tax Revenue	381	766	644	1,097	980
Rate of growth of Own Revenue (per cent)	2.54	15.74	2.15	1.06	-19.27
Grants-in-Aid from GoI	2,825	2,184	5,844	9,473	11,459
Gross State Domestic Product (2011-12 Series)	6,16,085	6,77,900	7,50,962	8,30,872	7,98,310
Rate of growth of GSDP (per cent)	11.85	10.03	10.78	10.64	-3.92
RR/GSDP (per cent)	5.57	5.70	5.74	5.67	5.24
Buoyancy Ratios⁵					
Revenue Buoyancy w.r.t GSDP	-0.16	1.25	1.07	0.88	2.85
NCT of Delhi's Own Revenue Buoyancy w.r.t GSDP	0.21	1.57	0.20	0.10	4.92

Source: Directorate of Economics and Statistics and Finance Accounts of respective years. Revenue receipts increased by 21.89 *per cent* from ₹ 34,346 crore in 2016-17 to ₹ 41,864 crore in 2020-21 at an annual average growth rate of 4.07 *per cent* out of which NCT of Delhi's own tax revenue decreased by ₹ 1,715 crore (5.51 *per cent*) while grants-in-aid increased by ₹ 8,634 crore (305.63 *per cent*) respectively, during the said period.

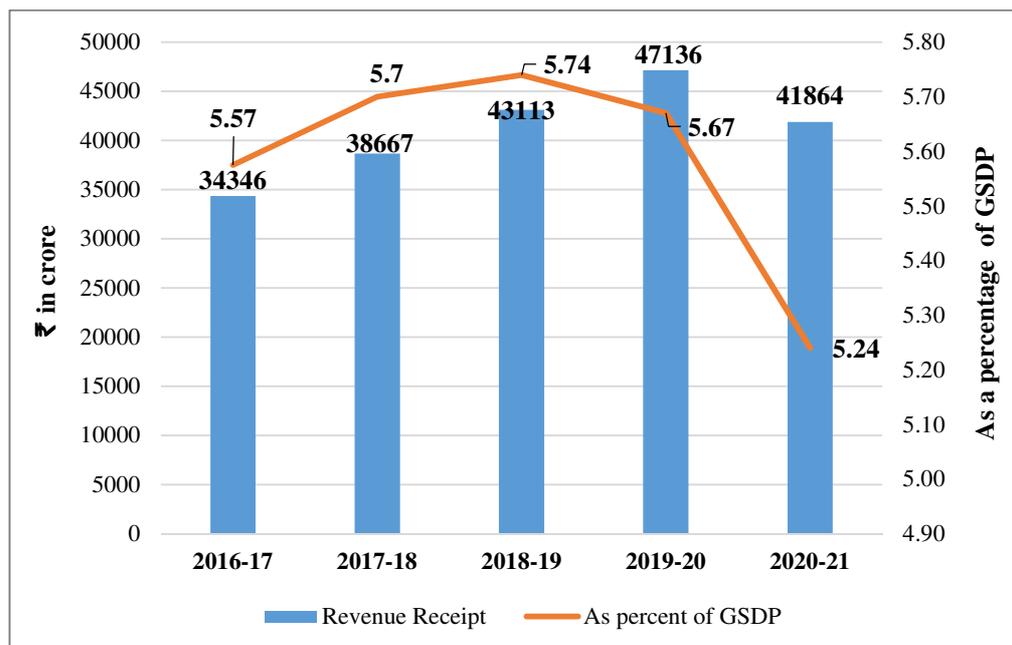
During 2020-21, revenue receipts decreased by 11.18 *per cent* over the previous year, mainly due to decrease in own tax revenue and non-tax revenue by ₹ 7,141 crore (19.53 *per cent*) and ₹ 117 crore (10.67 *per cent*) respectively.

⁴ 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 ₹ 7,264.45 crore as revenue receipts, due to inadequate balance in GST compensation fund during the year 2020-21, Delhi also received back to back loan of ₹ 5,865 crore under debt receipts of the GNCTD, with no repayment liability for the State. Due to this arrangement, revenue receipt may be read in conjunction with debt receipt of ₹ 5,865 crore in lieu of GST compensation.

⁵ 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*.

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. During 2016-17, about 91.77 per cent of revenue receipts came from GNCTD's own resources while Grants-in-aid contributed 8.23 per cent. 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.

Chart 2.4: Trends in Revenue Receipts relative to GSDP during 2016-2021

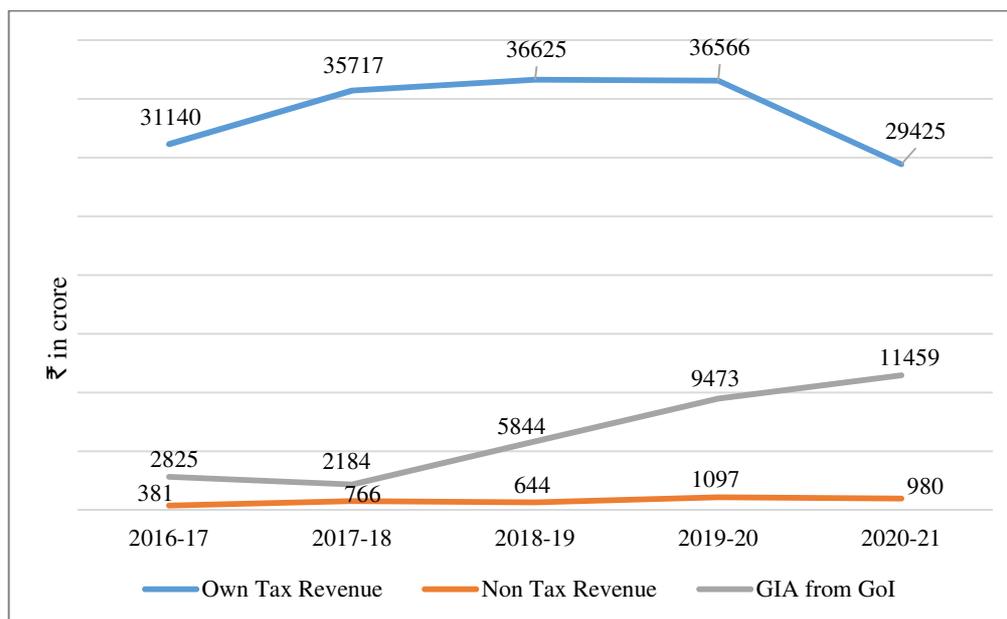


NCT of Delhi's GSDP increased from ₹ 6,16,085 crore in 2016-17 to ₹ 7,98,310 crore (29.58 per cent) in 2020-21. As compared to 2019-20, GSDP (₹ 8,30,872 crore) decreased to ₹ 7,98,310 crore (3.92 per cent) in 2020-21. Revenue receipts as percentage of GSDP decreased from 5.57 per cent in 2016-17 to 5.24 per cent in 2020-21. Revenue receipts as a percentage of GSDP showed a mixed trend on a yearly basis for the period 2016-17 to 2020-21.

Revenue buoyancy with respect to GSDP at 2.85 in 2020-21 implies that revenue receipts decreased by 2.85 percentage point, if the GSDP decreased by one per cent. NCT of Delhi's own revenue buoyancy w.r.t GSDP at 4.92 in 2020-21 implies that NCT of Delhi's own revenue receipts decreased by 4.92 percentage point, if the GSDP decreased 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 increasing trend from 2016-17 to 2018-19 but decreased significantly by ₹ 7,141 crore in 2020-21 as compared to 2019-20. However, GIA from GoI showed decreasing trend from 2016-17 to 2017-18 but increased rapidly from 2018-19 to 2020-21. Non-tax revenue has shown a mixed trend over the last five years.

2.3.2.2 NCT of Delhi's own resources

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 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 NCT of Delhi during the period 2016-17 to 2020-21 is presented in **Table 2.4** and **Chart 2.6**.

Chart 2.6: Growth of Own Tax Revenue during 2016-17 to 2020-21

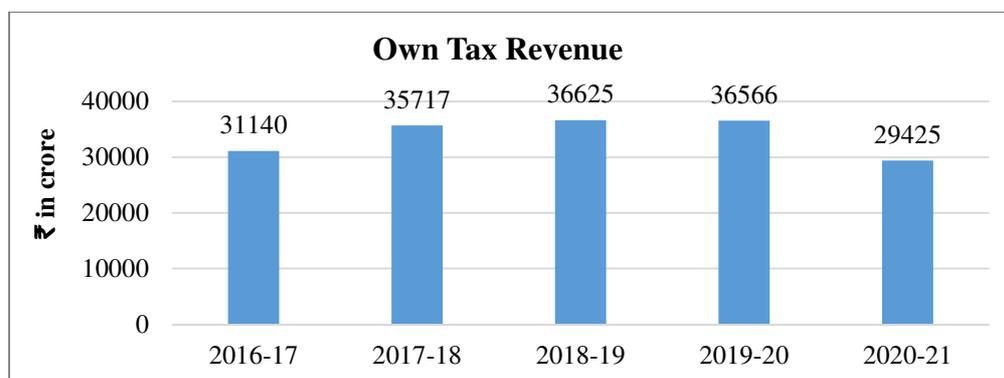


Table 2.4: Components of NCT of Delhi's own tax revenue

(₹ in crore)

Revenue Head	2016-17	2017-18	2018-19	2019-20	2020-21
State Goods and Services Tax (SGST)	-	13,621	19,187	19,465	15,676
Taxes on Sales, Trade, etc.	21,144	11,149	5,886	5,475	4,411
State Excise	4,251	4,453	5,028	5,068	4,108
Taxes on Vehicles	1,809	2,116	2,055	1,948	1,676
Stamp duty and Registration fee	3,144	4,117	4,459	4,606	3,549
Land Revenue	2	2	0	3	4
Other Taxes ⁶	790	259	10	1	1
Tax Revenue	31,140	35,717	36,625	36,566	29,425

Source: Finance Accounts of the respective years

Table 2.5: GNCTD's actual own tax revenue vis-à-vis BE for the year 2020-21

(₹ in crore)

Revenue head	BE	Actuals	Difference between BE and Actuals	Percentage (+) Excess (-) Shortfall
State Goods and Services Tax (SGST)	23,800	15,676	(-)8,124	(-) 34.13
Taxes on Sales, Trade, etc.	6,200	4,411	(-)1,789	(-) 28.85
State Excise	6,300	4,108	(-)2,192	(-) 34.79
Taxes on Vehicles	2,500	1,676	(-)824	(-) 32.96
Stamp duty and Registration fee	5,297	3,549	(-)1,748	(-) 33
Land Revenue	3	4	(+)1	(+)33.33
Other taxes	0	1		-
Total	44,100	29,425	(-)14,675	(-) 33.28

During 2020-21, there was shortfall in all revenue heads (except Land revenue) 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**.

⁶ Other taxes include Entertainment tax, Betting tax, Luxury tax and Cable tax.

Table 2.6: SGST and Compensation Received

(₹ in crore)

Month	Revenue to be protected	Pre-GST taxes collected *	SGST Collected	Provisional apportionment of IGST+ Adhoc-settlement from IGST Fund	Other Taxes**	Total Amount received	Compensation received***	Loan against compensation
April 2020	2693	10.31	227.44	80.07	1.76	319.58	7264.45	
May 2020	2693	9.02	494.04	585.58	1.10	1089.74		
June 2020	2693	-3.38	758.60	329.05	1.02	1085.29		
July 2020	2693	5.79	650.63	685.13	0.55	1342.10		
August 2020	2693	15.77	676.73	528.08	0.03	1220.61		
September 2020	2693	10.05	743.80	481.73	0.06	1235.64		
October 2020	2693	9.80	777.15	613.03	0.01	1399.99		
November 2020	2693	-4.13	811.80	444.10	0.08	1251.85		1706.93
December 2020	2693	-10.98	801.49	412.11	0.01	1202.63		1611.08
January 2021	2693	18.78	862.15	562.67	0.03	1443.63		1277.24
February 2021	2693	2.35	276.75	1612.07	0.07	1891.24		904.71
March 2021	2693	18.69	922.95	1338.99	0.09	2280.72		365.04
Total	32316	82.07	8003.53	7672.61	4.81	15763.02		7264.45

* Includes VAT & CST excluding Petroleum and Liquor.

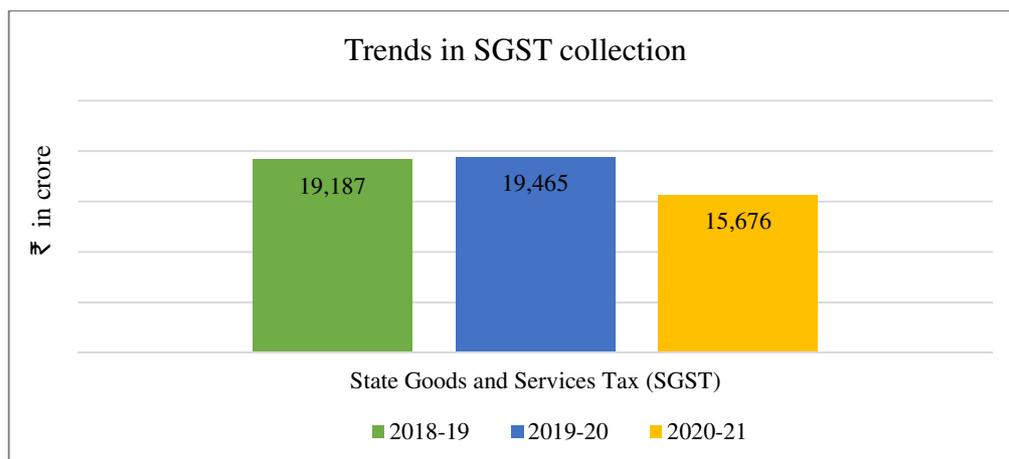
**Other Taxes includes Entertainment Tax and Cable Tax, Lottery, Betting & Gambling Tax and Duties of Excise on medicinal and toilet preparations.

*** As per Finance Accounts, ₹ 5,521.65 crore was received during FY 2020-21. This include ₹ 2,160 crore pertained to FY 2019-20 and ₹ 3,902.80 crore was received during the current year 2021-22. (₹ 5,521.65 crore - ₹ 2160 crore + ₹ 3,902.80 crore = ₹ 7,264.45 crore).

The projected revenue for the year 2020-21 in accordance with annual growth of 14 per cent was ₹ 32,316 crore. Against this, the revenue receipts of the Government of NCT of Delhi under GST during the year 2020-21 was ₹ 15,763.02 crore and compensation received was ₹ 7,264.45 crore and loan⁷ against compensation was ₹ 5,865 crore as detailed in **Table 2.6**. Thus, overall there was deficit of ₹ 3,423.52 crore in receipt of GST compensation as on 31 March 2021.

⁷ As per the condition of the loan condition 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 the 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 decreased by ₹ 3,789 crore (19.47 per cent) from ₹ 19,465 crore in 2019-20 to ₹ 15,676 crore in 2020-21.

The Department of Goods and Services Tax stated (September 2021) that the SGST collection decreased due to lockdown and other effects of COVID pandemic.

Integrated Goods and Services Tax (IGST)

GNCTD receives funds towards settlement of IGST collected by the Centre on the basis of cross utilisation of ITC of IGST and SGST/UTGST and apportionment from Government of India which is accounted for under SGST. The details of funds received during the years 2018-19, 2019-20 and 2020-21 are given in **Table 2.7**:

Table 2.7: IGST trends for the period 2018-19 to 2020-21

Head	(₹ in crore)		
	2018-19	2019-20	2020-21
Input Tax Credit	2,419	3,501	2626
Apportionment of IGST	3,607	4,239	3454
Advance Apportionment of IGST	2,582	157	1593
Total	8608	7897	7673

Arrears of revenue

Arrears of revenue indicate delayed realisation of revenue due to the Government. The details of arrears of revenue as on 31 March 2021 under the Major Head 0040-Taxes on Sales, Trade, etc., as per information furnished by the Department of Trade and Taxes, GNCTD amounted to ₹ 76,555 crore of which ₹ 24,517 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 2020-21	Total assessments due	Cases disposed of during 2020-21	Balance at the end of the year	Percentage of Disposal
0040 Taxes on Sales, Trade etc.	0	3,82,034	3,82,034	3,82,034	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 2020-21 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 2020	Cases detected during 2020-21	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 2021
				No. of cases	Amount of demand (₹ in crore)	
GST	07	2632	2639	2403	(a) 36.92 (b) 28.31	236

Source: Department of Trade and Taxes, GNCTD

Table 2.10: Details of refund cases for the year 2020-21

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	- (#)		17,759	1,344.59
2	Claims received during the year	32902	4366.79	8	4.36
3	Refunds made during the year	21372	1664.37	3,096	108.80
4	Refunds rejected/set off/adjusted during the year	*	1830.32	1,339	10.09
5	Balance outstanding at the end of year	5266	1312.37	14,671	1,230.06

Closing balance was not intimated by the Department for the year 2019-20.

*Information in respect of no. of rejected cases was not available with the Department

Non-Tax Revenue

Non-tax revenue consists of interest receipts, dividends and profits, departmental receipts, etc. Components 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 NCT of Delhi's non-tax revenue

(₹ in crore)

Revenue Head	2016-17	2017-18	2018-19	2019-20	2020-21
Interest Receipts	82	396	113	404	468
Dividends and profits	11	16	15	16	10
Other Non-tax receipts	288	354	516	677	502
a) Public Works	22	14	18	13	43
b) Education	24	26	29	27	79
c) Medical & Public health	60	89	103	112	95
d) Power	21	26	53	87	33
e) Others etc.	161	199	313	438	252
Total Non-tax Revenue	381	766	644	1,097	980

Source: Finance Accounts of respective years

Non-tax revenue increased by 157.22 *per cent* from ₹ 381 crore in 2016-17 to ₹ 980 crore in 2020-21. Non-tax revenue which constituted 2.34 *per cent* of revenue receipts (₹ 41,864 crore) during 2020-21 decreased by ₹ 117 crore (10.67 *per cent*) over the previous year mainly on account of decrease in other non-tax receipts by 25.85 *per cent* over the previous year.

GNCTD's actual own non-tax revenue vis-à-vis BE for the year 2020-21 is shown in **Table 2.12**.

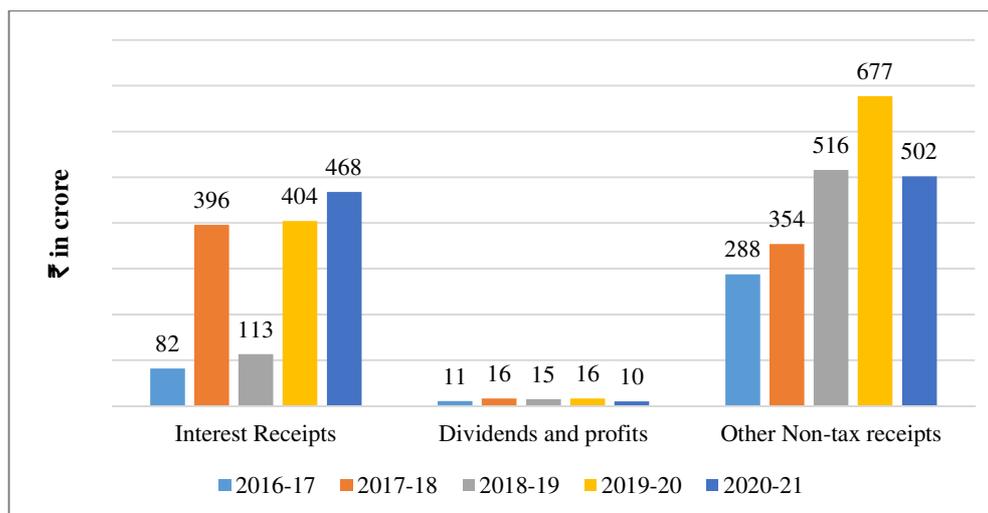
Table 2.12: GNCTD's actual own non-tax revenue vis-à-vis BE for the year 2020-21

(₹ in crore)

Revenue head	BE	Actuals	Difference between BE and Actuals	Percentage (+) Excess (-) Shortfall
Interest Receipts	330.00	468	(+)138	(+) 41.82
Dividends and profits	25.00	10	(-)15	(-) 60
Other Non-tax receipts	445	502	(+) 57	(+) 12.81
Total	800	980	(+) 180	(+) 22.5

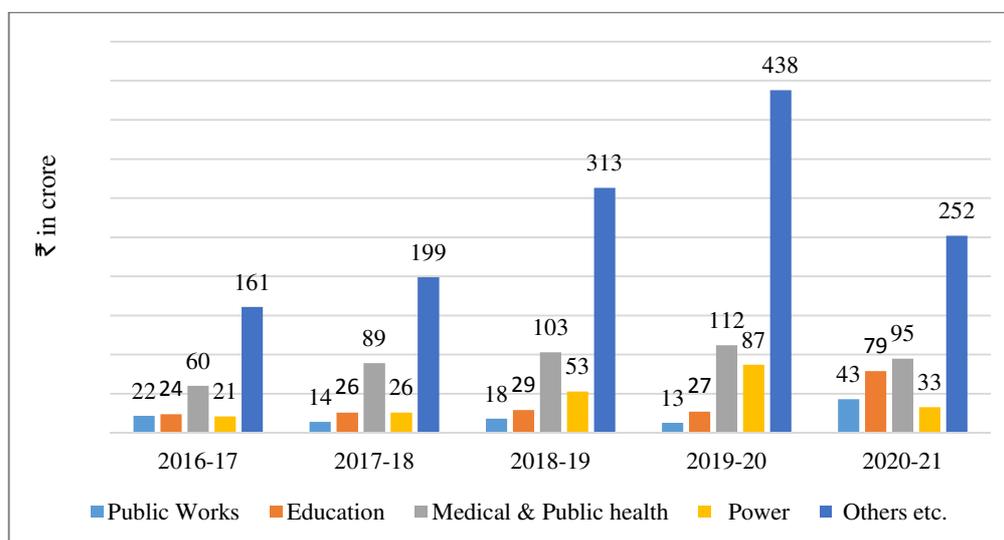
During 2020-21, there was shortfall in the revenue head (Dividend and profits) vis-à-vis the Budget estimates

Chart 2.8: Trends in Non-Tax Revenue Heads



Other non-tax receipts increased by ₹ 214 crore (74.31 per cent) during 2016-17 to 2020-21. The decrease in other non-tax receipts by ₹ 175 crore (25.85 per cent) during 2020-21 over the previous year was mainly due to decrease of non-tax revenue receipts from general services under the heads viz. Public Service Commission, Jails and Other Administrative Services over the previous year. The trends in other non-tax revenue receipts are shown in **Chart 2.9**.

Chart 2.9: Trends in other Non-Tax Receipt Heads



2.3.2.3 Grants-in-Aid from Government of India

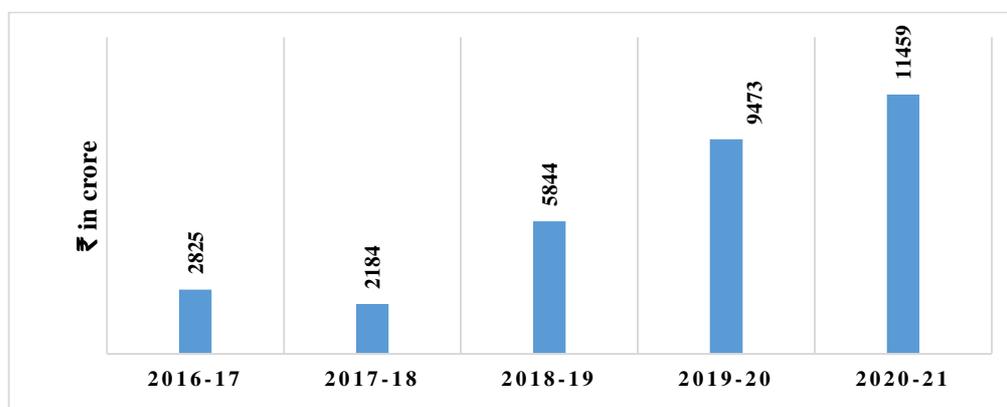
Government of India discontinued Plan and Non-plan classification for providing Grants-in-Aid (GIA) to States during 2017-18. During 2020-21, GNCTD received Grants-in-Aid from GoI amounting to ₹ 11,459 crore (110 per cent) against the BE of ₹ 10,409 crore. The details of GIA from GoI are in **Table 2.13**:

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

(₹ in crore)					
Head	2016-17	2017-18	2018-19	2019-20	2020-21
Centrally Sponsored Schemes (CSS)	1,156.28	527.27	807.03	1,169.48	1,441.46
Normal Central Plan Assistance (block grants)	462.89	412.98	449.99	472.00	626.00
Other Grants	793.71	706.30	79.75	70.56	-
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
National Social Assistance programme (NSAP)	81.73	54.59	NSAP scheme merged in CSS w.e.f 2018-19	NSAP scheme merged in CSS w.e.f 2018-19	NSAP scheme merged in CSS w.e.f 2018-19
Central Road Fund (CRF)	5.54	1.16	-	-	-
Other Grants (Plan)	-	-	-	-	-
Contribution to the Delhi Disaster Response Fund	-	-	-	-	161.49
Reversal of IGST Devolution and Appropriation of Balance IGST	-	-	-	-	3383.00
Total	2,825.15	2,184.30	5,843.77	9,473.04	11,458.60
Percentage of GIA to Revenue Receipts	8.23	5.65	13.55	20.10	27.37

Source: Finance Accounts of respective years

GIA from GoI increased from ₹ 2,825 crore in 2016-17 to ₹ 11,459 crore (305.63 per cent) in 2020-21. GIA from GoI increased by ₹ 1,986 crore (20.96 per cent) in 2020-21 over the previous year. This was mainly due to release of ₹ 3,383 crore under the head 'Reversal of IGST Devolution and Appropriation of Balance IGST'. Delhi is not covered under the recommendations of the Central Finance Commission and only gets discretionary grant 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 2016-17 to 2020-21 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:

(i) NDMC Smart City:

Rule 238(1) of GFR, 2017 stipulates that Utilization Certificates (UCs) should be submitted within 12 months of the closure of the financial year by the Institution or Organisation for grants released during a year for specific purposes.

Ministry of Housing and Urban Affairs (MoHUA), GoI released ₹ 294.00 crore to GNCTD between 2015-16 and 2020-21 for development of New Delhi Municipal Corporation (NDMC) as Smart City under the Smart Cities Mission (SCM). Audit noted that out of ₹ 294.00 crore, NDMC has incurred expenditure of ₹ 203.63 crore as on 31 March 2021, leaving an unspent balance of ₹ 90.37 crore.

Department of Urban Development (UD), GNCTD stated (October 2021) that NDMC submits UCs against the SCM to MoHUA, GoI directly. However, in the absence of availability of detailed expenditure and UCs with Department of UD, GNCTD Audit could not ascertain that NDMC has utilized the Grants-in-Aid for the purpose for which it was sanctioned.

The matter was reported to the department in October 2021, their reply is still awaited (December 2021).

(ii) Delhi State Health Mission (DSHM):

Delhi State Health Mission (DSHM) received Grants-in-Aid of ₹ 797.51 crore during 2020-21, under two Centrally Sponsored Schemes i.e., Covid-19 Emergency Response and Health System Preparedness Package under NRHM (₹ 787.91 crore) and Covid-19 Vaccination for Health Care Workers and Frontline Workers (₹ 3.46 crore + ₹ 6.14 crore = ₹ 9.60 crore).

Audit noted that against the total grants of ₹ 797.51 crore, grants amounting to ₹ 136.45 crore and ₹ 6.14 crore were released at the fag end of the year i.e. on 26 and 31 March 2021, respectively, and could not be utilized for the purpose by the department. Moreover, against the total grant of ₹ 797.51 crore received during the year 2020-21, expenditure of ₹ 542.88 crore was made resulting in savings of ₹ 254.63 crore (31.93 per cent).

DSHM stated (October 2021) that expenditure could not be incurred due to delay in release of the final instalment by the GoI. It also added that payments of all committed expenditure of the activity done in 2020-21 were made in the first and second quarter of 2021-22. The reply is not satisfactory as though amount of ₹ 142.59 crore (₹ 136.45 crore + ₹ 6.14 crore) was received at the fag end of the year, but the balance amount of ₹ 112.04 crore (₹ 254.63 crore - ₹ 142.59 crore) received for the purpose of Covid-19 Emergency response and

Covid-19 vaccination for health care and frontline workers could not be utilised for the purpose it was received. Besides out of grant of ₹ 3.46 crore received in January 2021 for Covid-19 vaccination, the department incurred only ₹ 0.04 crore (1.16 per cent) during 2020-21 and defeated the very purpose of grant.

(iii) Delhi Police Service Society:

Delhi Police Service Society received a GIA of ₹ 333.27 crore (₹ 64.67 crore on 2 March 2019 and ₹ 268.60 crore on 26 September 2019) for the implementation of Safe City Project for Safety of Women by Delhi Police (Nirbhaya Fund) during the year 2019-20.

Audit noted that out of ₹ 333.27 crore, Delhi Police released ₹ 45 crore as an advance payment (Mobilisation fund) to Centre for Development of Advanced Computing (C-DAC), Pune, on 27 September, 2019, leaving a closing balance of ₹ 301.88 crore as on 31 March 2021, including the interest accrued of ₹ 13.61 crore (during the years 2019-20 and 2020-21).

Delhi Police stated (October 2021) that due to delay in selection of Master System Integrator (MSI) and Internet service provider (ISP) by C-DAC, funds could not be utilised during 2019-20 and 2020-21.

(iv) Mid-Day Meal Scheme and Samagra Shiksha for Elementary Education:

Department of School Education and Literacy, Ministry of Education, GoI released GIA of ₹ 78.68 crore (General and ST component) during the year 2020-21 to Directorate of Education, GNCTD under the National Programme of Mid-Day meal in schools. However, Audit noted that out of GIA of ₹ 78.68 crore, grant of ₹ 16.33 crore was received only in the month of March 2021. As a result, the grant could not be further disbursed to the scheme implementing agencies for the purpose it was sanctioned.

Similarly, Ministry of Human Resource and Development, Department of School Education and Literacy, GoI also released GIA of ₹ 118.91 crore during the year 2020-21 to Directorate of Education, GNCTD under the Samagra Shiksha for Elementary Education. However, it was noted that out of GIA of ₹ 118.91 crore grant of ₹ 12.13 crore were received only on 27 March 2021. As a result the grant could not be utilized during 2020-21.

(v) Integrated Child Development Services (ICDS) and Supplementary Nutrition Programme (SNP)

During 2020-21, Govt. of NCT Delhi received GIA of ₹ 35.47 crore and ₹ 65.40 crore, under the Integrated Child Development Services (ICDS) and Supplementary Nutrition Programme (SNP) respectively from Ministry of Women and Child Development, GoI.

However, Audit noted that against the GIA of ₹ 35.47 crore under ICDS, Department incurred an expenditure of ₹ 70.92 crore against the total availability of ₹ 63.69⁸ crore. Similarly, against the GIA of ₹ 65.40 crore under SNP, Department incurred an expenditure of ₹ 71.79 crore against the total availability of ₹ 41.18⁹ crore.

Thus, there was an excess expenditure of ₹ 7.23 crore and ₹ 30.61 crore under the ICDS and SNP respectively.

Department stated (October 2021) that due to increase in the number of beneficiaries, fund remained insufficient and there was excess expenditure which was met from the state share. It also added that the excess expenditure will be adjusted in the next financial year after receiving funds from GoI. However, the approval of competent authority to meet out the excess expenditure from the state share was not found on the records of the department. Moreover, the intimation regarding increase in the number of beneficiaries to Ministry of Women and Child Development, GoI, was also not available.

The matter was reported to the department in October 2021 their reply is still awaited (December 2021).

2.3.3 Capital Receipts

Capital receipts of Government of NCT of Delhi comprises recoveries of loans and advances (non-debt) and receipts of loan and advances (debt) from GoI. Capital receipts during five years (2016-17 to 2020-21) are detailed in **Table 2.14:**

Table 2.14: Trends in growth and composition of Capital Receipts

Sources of NCT of Delhi's Receipts	2016-17	2017-18	2018-19	2019-20	2020-21
Capital Receipts (debt and non-debt)	1,908	2,597	4,524	5,588	15,996
Recoveries of Loans and Advances (non-debt)	212	691	1,644	823	631
Net Public Debt Receipts	41	224	(-756)	1,954	12,100
Internal Debt ¹⁰	-	-	-	-	-
Growth rate	-	-	-	-	-
Loans and advances from GoI (debt)	1,696	1,906	2,880	4,765	15,365
Rate of growth of debt Capital Receipts	(-)24.32	12.38	51.10	65.45	99.37 ¹¹
Rate of growth of non-debt capital receipts	155.42	225.94	137.92	(-)49.94	(-)23.33
Rate of growth of GSDP	11.85	10.03	10.78	10.64	(-)3.92
Rate of growth of Capital Receipts (per cent)	(-)17.90	36.11	74.20	23.52	186.26

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

⁸ Unspent balance of ₹ 28.22 crore (2019-20) plus ₹ 35.47 crore (2020-21)

⁹ Excess expenditure of ₹ 24.22 crore (2019-20) plus ₹ 65.40 crore (2020-21)

¹⁰ There is no internal debt of Government of NCT of Delhi.

¹¹ Arrived at after exclusion of GST compensation of ₹ 5,865 crore received as back to back loans under debt receipts

Non-debt capital receipts i.e. Recoveries of Loans and Advances decreased by 23.33 *per cent* from ₹ 823 crore in 2019-20 to ₹ 631 crore in 2020-21. Debt capital receipt i.e. Loans and Advances from GoI increased by 99.37¹² *per cent* from ₹ 4,765 crore in 2019-20 to ₹ 15,365 crore in 2020-21.

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

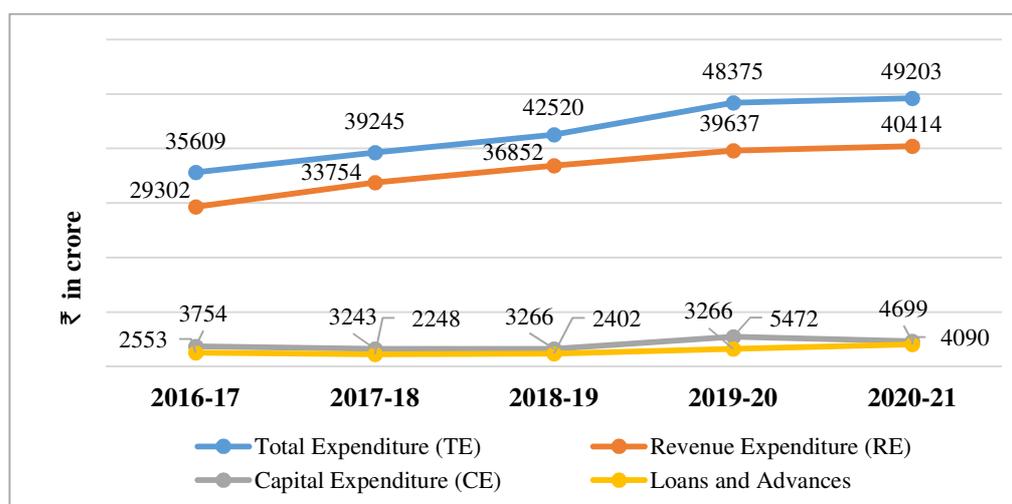
Trends and composition of total expenditure over the last five years (2016-17 to 2020-21) are shown in **Table 2.15** and **Chart 2.11**.

Table 2.15: Total expenditure and its composition

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Total Expenditure (TE)	35,609	39,245	42,520	48,375	49,203
Revenue Expenditure (RE)	29,302	33,754	36,852	39,637	40,414
Capital Expenditure (CE)	3,754	3,243	3,266	5,472	4,699
Loans and Advances	2,553	2,248	2,402	3,266	4,090
As a percentage of GSDP					
TE/GSDP	5.78	5.79	5.66	5.82	6.16
RE/GSDP	4.76	4.98	4.91	4.77	5.06
CE/GSDP	0.61	0.48	0.43	0.66	0.59
Loans and Advances/GSDP	0.41	0.33	0.32	0.39	0.51

Source: Finance Accounts of respective years

Chart 2.11: Total expenditure: Trends and Composition



Source: Finance Accounts of respective years

¹² Arrived at after exclusion of GST compensation of ₹ 5,865 crore received as back to back loans under debt receipts

It can be seen from the chart that the total expenditure continuously increased from ₹ 35,609 crore during 2016-17 to ₹ 49,203 crore during 2020-21 at a Compound Annual Growth rate (CAGR) of 6.68 per cent.

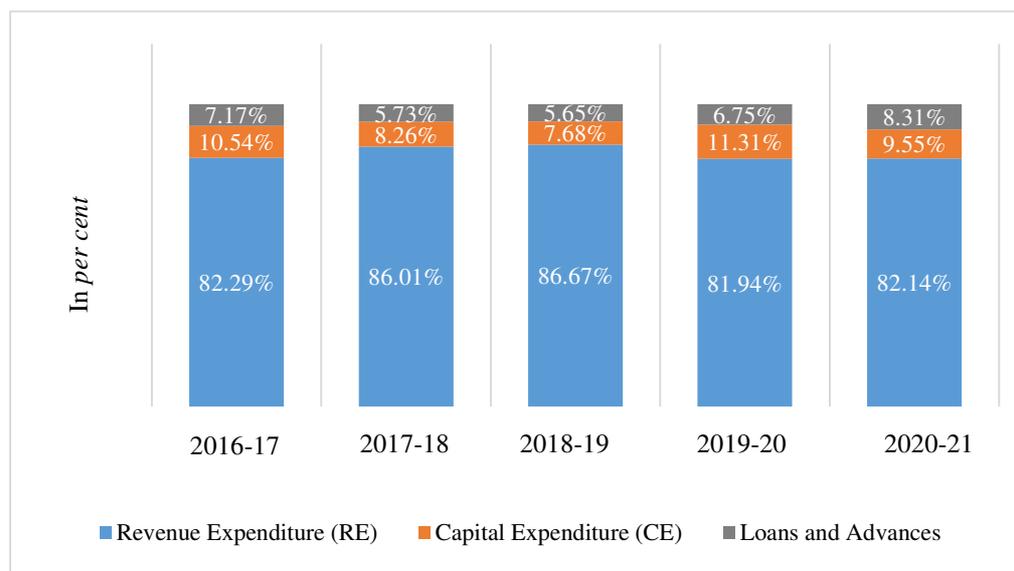
Similarly, the revenue expenditure continuously increased from ₹ 29,302 crore during 2016-17 to ₹ 40,414 crore during 2020-21 at a CAGR of 6.64 per cent. The capital expenditure displayed inter-year fluctuation which ranged between ₹ 3,243 crore (2017-18) and ₹ 5,472 crore (2019-20).

Further disbursement of loans and advances also displayed inter-year fluctuation which ranged between ₹ 2,248 crore and ₹ 4,090 crore.

Trends in share of components of expenditure

Trends in share of components of total expenditure is shown in **Chart 2.12**. 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.

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



Source: Finance Accounts of respective years

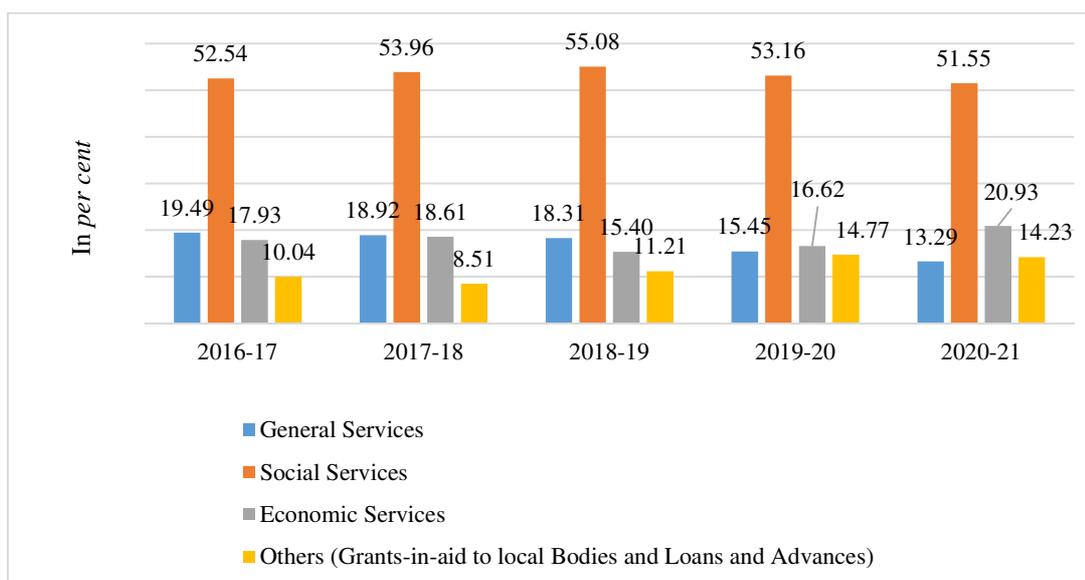
Relative share of various sectors of expenditure

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 15.45 per cent in 2019-20 to 13.29 per cent in 2020-21.

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

(In per cent)					
Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
General Services ¹³	19.49	18.92	18.31	15.45	13.29
Social Services ¹⁴	52.54	53.96	55.08	53.16	51.55
Economic Services ¹⁵	17.93	18.61	15.40	16.62	20.93
Others (Grants-in-aid and contribution to local bodies and Loans and Advances to Institutions, Departments, etc., of GNCTD)	10.04	8.51	11.21	14.77	14.23

Share of social services decreased from 53.16 *per cent* in 2019-20 to 51.55 *per cent* in 2020-21. Also the share of economic services increased from 16.62 *per cent* in 2019-20 to 20.93 *per cent* in 2020-21. Total expenditure on disbursement of loans and advances and grants to local bodies decreased marginally from 14.77 *per cent* in 2019-20 to 14.23 *per cent* in 2020-21. Total expenditure by activities is shown in **Chart 2.13**.

Chart 2.13: Total expenditure - Expenditure by activities

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 (2016-17 to 2020-21). Revenue expenditure

¹³ Includes Administration and Fiscal services such as Land revenue, Excise & GST, Police, Jails, Public works, etc.

¹⁴ Includes Education, Health and family welfare, Water supply, Sanitation, Housing, Urban development, Labour welfare, Social welfare etc.

¹⁵ Includes Agriculture and allied activities, Rural development, Irrigation & Flood control, etc.

increased by 37.92 per cent from ₹ 29,302 crore in 2016-17 to ₹ 40,414 crore in 2020-21. As a percentage of GSDP, revenue expenditure increased from 4.76 per cent in 2016-17 to 5.06 per cent 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 mainly due to increase in revenue expenditure on economic services from ₹ 6,530 crore in 2019-20 to ₹ 8,514 crore in 2020-21 (30.38 per cent) and on social services from ₹ 22,145 crore in 2019-20 to ₹ 22,693 crore in 2020-21 (2.47 per cent).

Table 2.17: Revenue Expenditure – Basic Parameters

(₹ in crore)

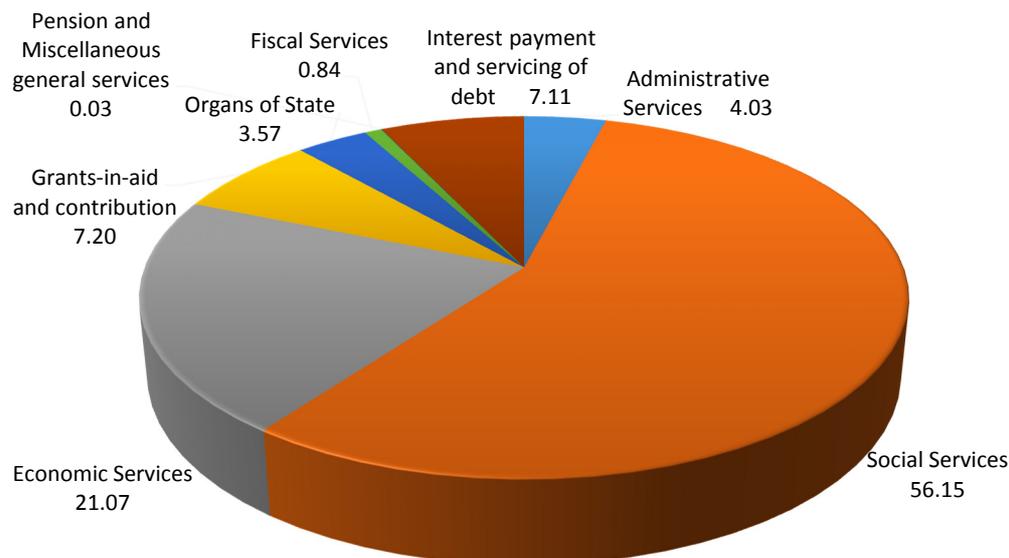
Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Total Expenditure (TE)	35,609	39,245	42,520	48,375	49,203
Revenue Expenditure (RE)	29,302	33,754	36,852	39,637	40,414
Rate of Growth of RE from previous year (per cent)	11.23	15.19	9.18	7.56	1.96
Revenue Expenditure as percentage of TE	82.29	86.01	86.67	81.94	82.14
Gross State Domestic Product (2011-12 Series)	6,16,085	6,77,900	7,50,962	8,30,872	7,98,310
Rate of growth of GSDP (per cent)	11.85	10.03	10.78	10.64	-3.92
RE/GSDP (per cent)	4.76	4.98	4.91	4.77	5.06
RE as percentage of Revenue Receipt	85.31	87.29	85.48	84.09	96.54
Buoyancy of Revenue Expenditure					
Revenue expenditure buoyancy w.r.t GSDP (ratio)	0.95	1.51	0.85	0.71	(-) 0.50
Revenue expenditure buoyancy w.r.t Revenue Receipts (ratio)	(-) 6.01	1.21	0.80	0.81	(-) 0.18

Source: Finance Accounts of respective years.

It can be seen from the above **Table 2.17**, buoyancy of revenue expenditure with GSDP (ratio) decreased by 1.21 percentage points during 2020-21 over the previous year.

Similarly, buoyancy of revenue expenditure with revenue receipts (ratio) decreased by 0.99 percentage points during 2020-21 over the previous year.

Sector-wise distribution of revenue expenditure for the period 2020-21 is shown in **Chart 2.14**.

Chart 2.14: Sector-wise distribution of revenue expenditure for 2020-21

2.4.2.1 Major changes in Revenue Expenditure

Variation in revenue expenditure during 2020-21 compared to 2019-20 under major heads of account are shown in **Table 2.18**:

Table 2.18: Variation in revenue expenditure over major heads during 2020-21 compared to 2019-20

Major Heads of Account	2019-20	2020-21	(₹ in crore)
			Increase (+)/ Decrease (-) (in per cent)
2040-Taxes on Sales, Trade, etc.	41.38	39.80	(-) 3.82%
2075-Miscellaneous General Services	9.67	9.32	(-) 3.62%
2215-Water Supply and Sanitation	1,415.35	1891.57	33.65%
2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	265.22	51.14	(-) 80.72%
2236 Nutrition	149.42	151.42	1.34%
2501-Special Programmes for Rural Development	6.39	6.21	(-) 2.82%
2216-Housing	102.61	100.41	(-) 2.14%
2515-Other Rural Development Programmes	7.67	7.50	(-) 2.22%

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' decreased by 80.72 per cent from the previous year, while expenditure under the Head '2215-Water Supply and Sanitation' increased by 33.65 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

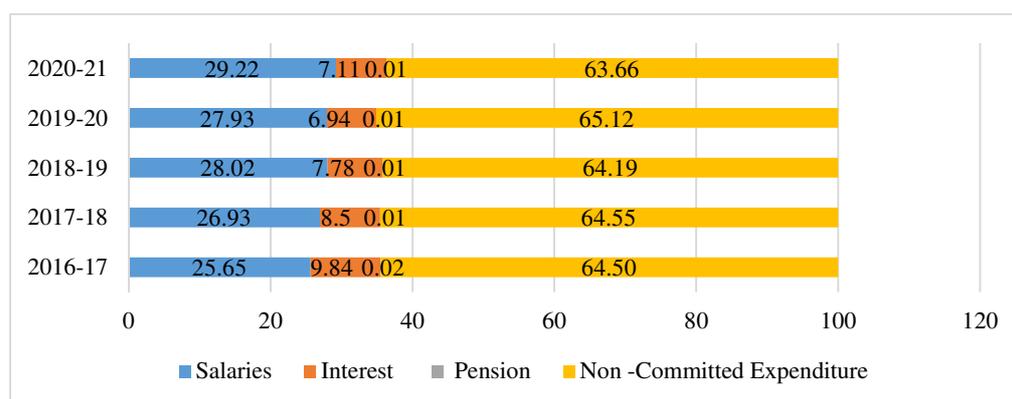
(₹ in crore)

Components of Committed Expenditure	2016-17	2017-18	2018-19	2019-20	2020-21
Salaries and Wages	7,515.26	9,089.60	10,324.66	11,070.04	11,810.19
Expenditure on Pensions*	5.43	3.84	3.31	3.56	2.67
Interest Payments	2,882.52	2,870.67	2,867.11	2,751.87	2,873.83
Total	10,403.21	11,964.11	13,195.08	13,825.47	14,686.69
As a percentage of Revenue Receipts (RR)					
Salaries and Wages	21.88	23.51	23.95	23.49	28.21
Expenditure on Pensions	0.02	0.01	0.01	0.01	0.01
Interest Payments	8.39	7.42	6.65	5.84	6.86
Total	30.29	30.94	30.61	29.34	35.08
As a percentage of Revenue Expenditure (RE)					
Salaries and Wages	25.65	26.93	28.02	27.93	29.22
Expenditure on Pensions	0.02	0.01	0.01	0.01	0.01
Interest Payments	9.84	8.50	7.78	6.94	7.11
Total	35.51	35.44	35.81	34.88	36.34

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

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



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.

As per information provided by the Principal Accounts Office, during 2020-21, the Government of NCT of Delhi deposited ₹ 750.08 crore with the NSDL/Trustee Bank against employee's contribution of ₹ 313.83 crore and employer's share of ₹ 436.25 crore. Hence, there was nothing outstanding against the employee as well as employers' contribution during 2020-21 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 ₹ 2,160 crore in 2016-17 to ₹ 4,177 crore in 2020-21 (93.38 *per cent*). In 2020-21 expenditure on subsidies increased by 16.25 *per cent* over the previous year.

Table 2.20: Expenditure on subsidies during 2016-17 to 2020-21

(₹ in crore)					
Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Subsidies	2,160	2,497	2,533	3,593	4,177
Revenue receipts	34,346	38,667	43,113	47,136	41,864
Revenue expenditure	29,302	33,754	36,852	39,637	40,414
Subsidies as a percentage of revenue receipts (in <i>per cent</i>)	6.29	6.46	5.88	7.62	9.98
Subsidies as a percentage of revenue expenditure (in <i>per cent</i>)	7.37	7.40	6.87	9.06	10.34

Subsidies as a percentage of revenue receipts increased from 7.62 *per cent* in 2019-20 to 9.98 *per cent* in 2020-21. Subsidies as a percentage of revenue expenditure increased from 9.06 *per cent* in 2019-20 to 10.34 *per cent* in 2020-21.

Subsidy given by GNCTD to consumers through DISCOMS and Female bus commuters through DTC/Cluster buses during 2016-17 to 2020-21 is given in **Table 2.21**.

Table 2.21 Trend of subsidy given by the GNCTD for power and free bus travel during 2016-17 to 2020-21

Year	Power subsidy (₹ in crore)	Free bus travel (₹ in crore)
2016-17	1577.94	Not applicable
2017-18	1676.70	Not applicable
2018-19	1699.71	Not applicable
2019-20	2405.59	44.52
2020-21	2939.99	114.86

Power subsidy given to the DISCOMs consumers increased by 86.32 per cent from ₹ 1,577.94 crore in 2016-17 to ₹ 2,939.99 crore in 2020-21. As compared to 2019-20, the subsidy increased from ₹ 2,405.59 crore to ₹ 2,939.99 crore (22.21 per cent) in 2020-21.

2.4.2.5 Financial Assistance by GNCTD to local bodies and other Institutions

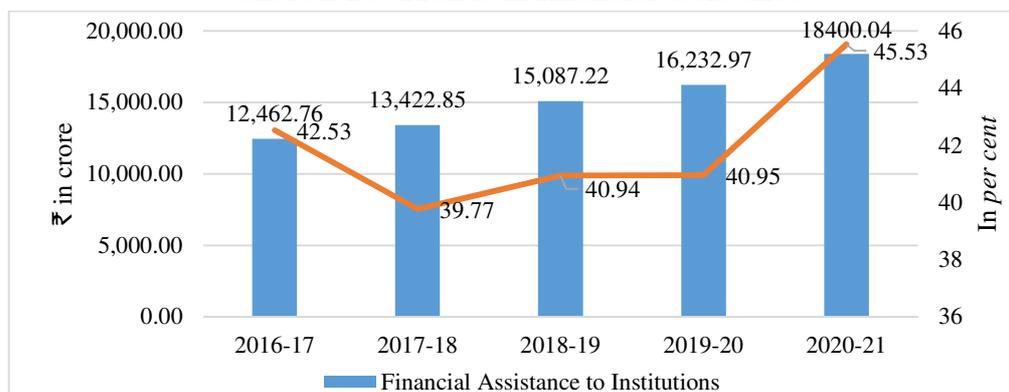
Financial assistance is provided by GNCTD to local bodies and other institutions by way of grants and loans. Details are shown in Table 2.22 and trends in financial assistance are shown in Chart 2.16.

Table 2.22: Financial Assistance to Local Bodies, etc.

(₹ in crore)					
Financial Assistance to Institutions	2016-17	2017-18	2018-19	2019-20	2020-21
(A) Local Bodies					
Municipal Corporations and Municipalities	6,057.07	6,241.68	6,337.30	6,221.62	7,253.15
Total (A)	6,057.07	6,241.68	6,337.30	6,221.62	7,253.15
(B) Others					
Delhi Cantonment Board	25.16	26.27	23.08	14.52	18.68
Delhi Jal Board	1,384.65	1,930.00	2,315.98	2,855.46	4,319.00
Delhi Transport Corporation	1,550.00	2,007.00	1,825.00	2,030.00	2,475.00
Delhi Urban Shelter Improvement Board	307.00	255.53	506.70	378.89	833.26
Others (including Delhi Metro Rail Corporation, Higher Education Institutions, Technical Education Institutions, Hospitals, Road Safety Cell, Technical Education Institutions, etc)	3,138.88	2,962.37	4,079.16	4,732.48	3,500.95
Total (B)	6,405.69	7,181.17	8,749.92	10,011.35	11,146.89
Total (A+B)	12,462.76	13,422.85	15,087.22	16,232.97	18,400.04
Revenue expenditure	29,302.00	33,754.00	36,852.00	39,637.00	40,414.00
Assistance as percentage of revenue expenditure	42.53	39.77	40.94	40.95	45.53

Source: Information received from Principal Accounts Office, GNCTD

Chart 2.16: Trends in financial assistance

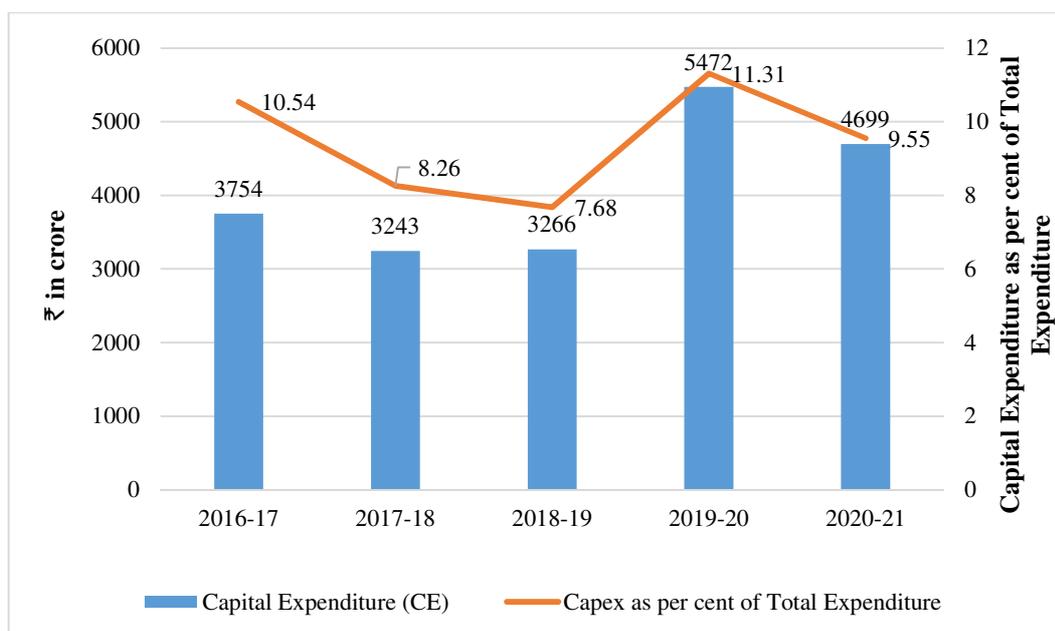


Financial assistance to local bodies and others increased by 13.35 *per cent* from ₹ 16,232.97 crore in 2019-20 to ₹ 18,400.04 crore in 2020-21. As a percentage of revenue expenditure financial assistance increased from 40.95 *per cent* in 2019-20 to 45.53 *per cent* in 2020-21.

2.4.3 Capital Expenditure

Capital expenditure (capex) is primarily expenditure on creation of fixed infrastructure assets such as roads, buildings, etc. Trends in capital expenditure are presented in **Chart 2.17**.

Chart 2.17: Capital expenditure in the NCT of Delhi



It can be seen from the chart that capital expenditure displayed inter-year fluctuations which ranged between ₹ 3,243 crore and ₹ 5,472 crore.

Similarly, capital expenditure as percentage of total expenditure displayed inter-year fluctuations which ranged between 7.68 *per cent* and 11.31 *per cent* during the period 2016-21. Capital expenditure decreased from ₹ 5,472 crore to ₹ 4,699 crore (14.13 *per cent*) in 2020-21 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 2020-21 compared to 2019-20

Major Heads of Account	2019-20	2020-21	Increase (+)/ Decrease (-)
5054-Capital Outlay on Roads and Bridges	771.92	934.23	(+) 21.03%
5055-Capital Outlay on Road Transport	282.89	654.85	(+)131.49%
4702-Capital Outlay on Minor Irrigation	0.09	1.29	(+) 1333.33%
4711-Capital Outlay on Flood Control Projects	116.20	102.98	(-)11.38%
4059-Capital Outlay on Public Works	192.62	211.59	(+) 9.85%
4210-Capital Outlay on Medical and Public Health	357.37	536.83	(+) 50.22%

4801-Capital Outlay on Power Projects	2.69	5.73	(+) 113.01%
4202- Capital outlay on Education, Sports, Art and Culture	1298.99	973.15	(-)25.08%
4217-Capital outlay on Urban development	1823.10	1121.53	(-) 38.48%

Source: Finance Accounts of respective years.

Capital outlay on Road Transport (MH 5055) increased by 131.49 *per cent* (₹ 371.96 crore) over the previous year. Capital outlay on medical and public health increased by 50.22 *per cent* due to re-modelling of existing hospitals (₹ 179.77 crore), construction of building for hospitals (₹ 150.59 crore) and public health centres (₹ 35.89 crore). Capital expenditure under the head '5054-Capital outlay on Roads and Bridges' increased by 21.03 *per cent* (₹ 162.31 crore) over the same period. Capital outlay on urban development decreased by 38.48 *per cent*. Similarly, capital outlay on education, sports, art & culture decreased by 25.08 *per cent* over the previous year.

2.4.3.2 Investment and Returns

As of 31 March 2021, the Government had invested ₹ 19,911 crore in Government companies and co-operative institutions. The increase in investment in 2020-21 over the previous year was by ₹ 500 crore on account of investment made in Delhi Metro Rail Corporation Ltd. The return on investment was 0.05 *per cent* in 2020-21 whereas Government paid interest at the average rate of 7.04 *per cent* on its borrowings during 2020-21. The details are given in **Table 2.24**:

Table 2.24: Return on Investment

(₹ in crore)

Investment/return/cost of borrowings	2016-17	2017-18	2018-19	2019-20	2020-21
Investment at the end of the year (₹ in crore)	18,933	19,173	19,261	19,411	19,911
Return (₹ in crore)	11.28	15.91	14.31	15.84	9.80
Return (<i>per cent</i>)	0.06	0.08	0.07	0.08	0.05
Average rate of interest on Government borrowings (<i>per cent</i>)	8.65	8.58	8.64	8.14	7.04
Difference between interest rate and return (<i>per cent</i>)	8.59	8.50	8.57	8.06	6.99
Difference between interest on Government borrowings and return on investment (₹ in crore)#	1,626	1,630	1,651	1,565	1,392

Source: Finance Accounts of respective years

#Investment at the end of the year

Government investments increased by 5.17 *per cent* over a period of five years from 2016-17 to 2020-21. GNCTD paid interest rate ranging from 7.04 *per cent* to 8.65 *per cent* on its borrowings during 2016-17 to 2020-21, whereas the percentage of return from investments ranged between 0.05 *per cent* and 0.08 *per cent* (at historical cost) during the same period. The loans disbursed and recovered during five years are given in **Table 2.25**.

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

(₹ in crore)

Quantum of loans disbursed and recovered	2016-17	2017-18	2018-19	2019-20	2020-21
Opening Balance of loans outstanding	59,915	62,255	63,812	64,570	67,014
Amount advanced during the year	2,553	2,248	2,402	3,266	4,090
Amount recovered during the year	213	691	1,644	823	631
Closing balance of the loans outstanding	62,255	63,812	64,570	67,014	70,473
Net addition	2,340	1,557	758	2,443	3,459
Interest received	82	396	113	404	468
Interest receipts as percentage of outstanding loans and advances	0.13	0.62	0.18	0.60	0.66
Rate of interest paid on the outstanding borrowings of the Government (<i>per cent</i>)	8.64	8.55	8.74	7.92	6.13
Difference between the rate of interest paid and interest received (<i>per cent</i>)	8.51	7.93	8.56	7.32	5.47

2.4.3.3 Reconciliation of Equity and Loans outstanding of State Public Sector Undertakings (PSUs), GNCTD with figures in Finance Accounts

The figures in respect of equity and loans outstanding as per records of State PSUs should agree with the figures appearing in the Finance Accounts of GNCTD. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of the differences. Audit noted difference in the figures of 'Equity and loan outstanding of State PSUs' as per records of State PSUs and those appearing in Finance Accounts, 2020-21 of GNCTD as shown in **Table 2.26**.

Table 2.26: Equity and Loans outstanding as per Finance Accounts vis-à-vis records of State PSUs

(₹ in crore)

Particulars	Equity and Loans outstanding		Difference
	As per Finance Accounts	As per records of PSUs	
Total Equity	9297.90	9202.48	95.42
Total Loans	15820.20	15185.76	4.44

Source: Records of State PSUs and Finance Accounts, GNCTD

The differences between the figures in equity relates to DTIDC (₹ 95.42 crore) whereas difference in figures in loans related to DSFDC (₹ 1.58 crore), DSCSC (₹ 2.22 crore), DTTDC (₹ 3.15 crore) and PPCL (₹ -2.51 crore).

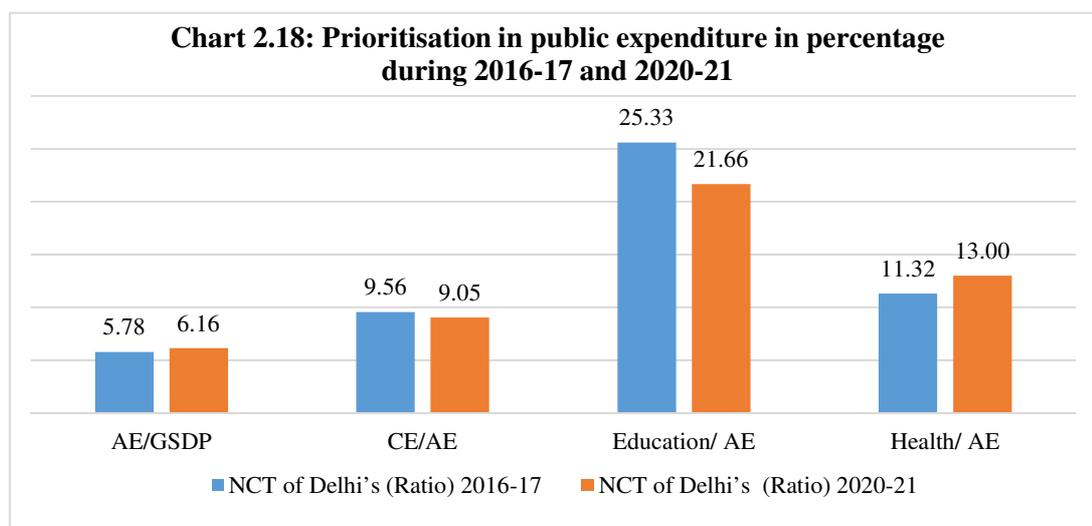
It is recommended that the State Government and the PSUs reconcile these differences in a time-bound manner.

2.4.4 Adequacy of Public Expenditure

Table 2.27 and Chart 2.18 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 2016-17 and 2020-21.

Table 2.27: Fiscal priority of GNCTD in 2016-17 and 2020-21

(In per cent)				
Fiscal Priority by the State	AE/GSDP	CE/AE	Education/AE	Health/AE
NCT of Delhi's (Ratio) 2016-17	5.78	9.56	25.33	11.32
NCT of Delhi's (Ratio) 2020-21	6.16	9.05	21.66	13.00
AE: Aggregate Expenditure, CE: Capital Expenditure (on Social and Economic Services)				



Aggregate expenditure as a proportion of GSDP increased to 6.16 per cent in 2020-21 from 5.78 per cent in 2016-17. Share of expenditure on health in total expenditure have also registered increase during this period. However, share of capital expenditure on social services and economic services decreased from 9.56 per cent to 9.05 per cent and share of expenditure on education in total expenditure decreased from 25.33 per cent to 21.66 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 2.28 gives a time series analysis of the debt profile of the Government of NCT of Delhi for the last five years.

Table 2.28: Profile of loans from GoI and debt of GNCTD

(₹ in crore)

Year	Opening Balance	Debt Receipts	Repayment during the Year	Closing Balance	Increase/Decrease	Percentage of increase over previous year
2016-17	33,303.87	1,695.53	1,654.62	33,344.78	40.91	0.12
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

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 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. Thus, the 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.

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 NCT of Delhi. **Table 2.29** analyses the debt sustainability of the NCT of Delhi according to these indicators for the period of five years from 2016-17 to 2020-21.

Table 2.29: Debt Sustainability: Indicators and Trends

Debt Sustainability Indicators	2016-17	2017-18	2018-19	2019-20	2020-21
Outstanding overall debt * (₹ in crore)	33,345	33,569	32,812	34,767	46,867**
Rate of growth of outstanding overall debt (per cent)	0.12	0.67	-2.25	5.96	34.80
GSDP (₹ in crore)	6,16,085	6,77,900	7,50,962	8,30,872	7,98,310
Rate of growth of GSDP (per cent)	11.85	10.03	10.78	10.64	-3.92
Overall debt/GSDP (per cent)	5.41	4.95	4.37	4.18	5.14**
Interest payment (₹ in crore)	2,883	2,871	2,867	2,752	2,874
Average interest rate of outstanding public debt (per cent)	8.65	8.58	8.64	8.14	7.04
Revenue receipts (₹ in crore)	34,346	38,667	43,113	47,136	41,864
Percentage of interest payment to revenue receipts	8.39	7.42	6.65	5.84	6.87
Debt repayment (₹ in crore)	1,655	1,682	3,636	2,811	3,265
Debt receipts (₹ in crore)	1,696	1,906	2,880	4,765	15,365

Percentage of debt repayment to debt receipts	97.59	88.25	126.25	58.99	21.25
Net debt available to the NCT of Delhi ***	(-)2,842	(-)2,647	(-)3,623	(-)798	9,226
Net debt available as <i>per cent</i> to debt receipts	-	-	-	-	60.05

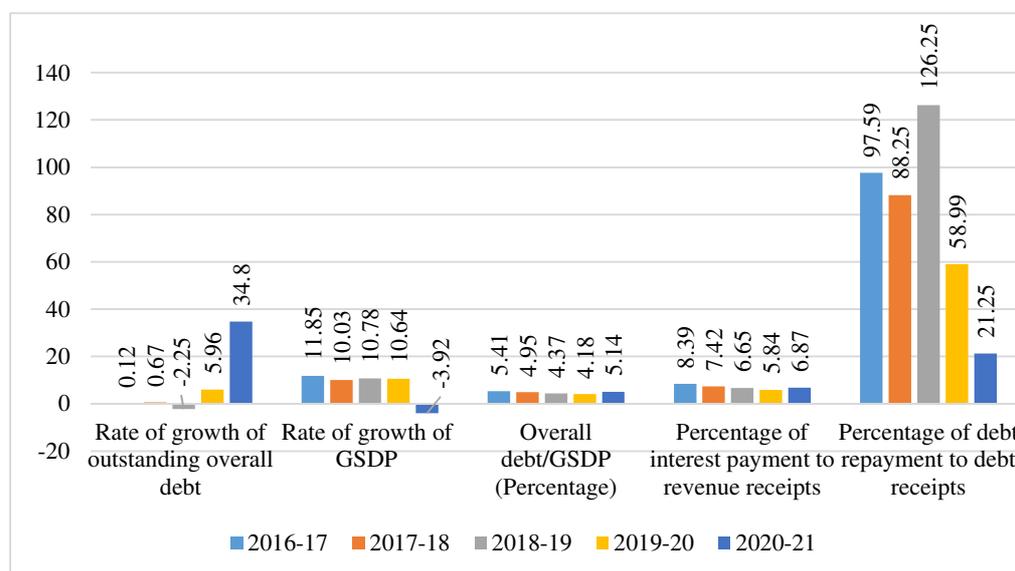
Source: Finance Accounts of respective years.

* 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 back loan of ₹ 5,865 crore received from GoI during the year 2020-21 in lieu of GST compensation shortfall. The debt servicing of this loan would be done from the collection of cess in the GST compensation fund and hence, the repayment obligation will not be met from the other resources of the State. After excluding this back to back loan, the overall effective debt of the state at the end of the year 2020-21 was ₹ 41,002 crore and debt to GSDP ratio would be 5.14 *per cent*.

*** 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 2.19: Debt Sustainability: Indicators and Trends



Public debt increased by 34.80 *per cent* in 2020-21 over the previous year. Repayment of public debt (₹ 3,265 crore) was less than the public debt receipts (₹ 15,365 crore).

2.7 Conclusion

A snapshot of some positive indicators and those requiring close watch are given in **Table 2.30**:

Table 2.30: Key parameters

Positive Indicators	Parameters requiring close watch
Grants-in-aid from Government of India increased by 20.96 <i>per cent</i>	Revenue receipts of NCT of Delhi decreased by 11.18 <i>per cent</i>
Repayment of Public Debt increased by 16.15 <i>per cent</i>	Capital expenditure decreased by 14.13 <i>per cent</i>
	Recoveries of Loans and Advances decreased by 23.33 <i>per cent</i>
	Public debt receipts increased by 99.37 <i>per cent</i>

CHAPTER-3
BUDGETARY MANAGEMENT

Chapter - 3

Budgetary Management

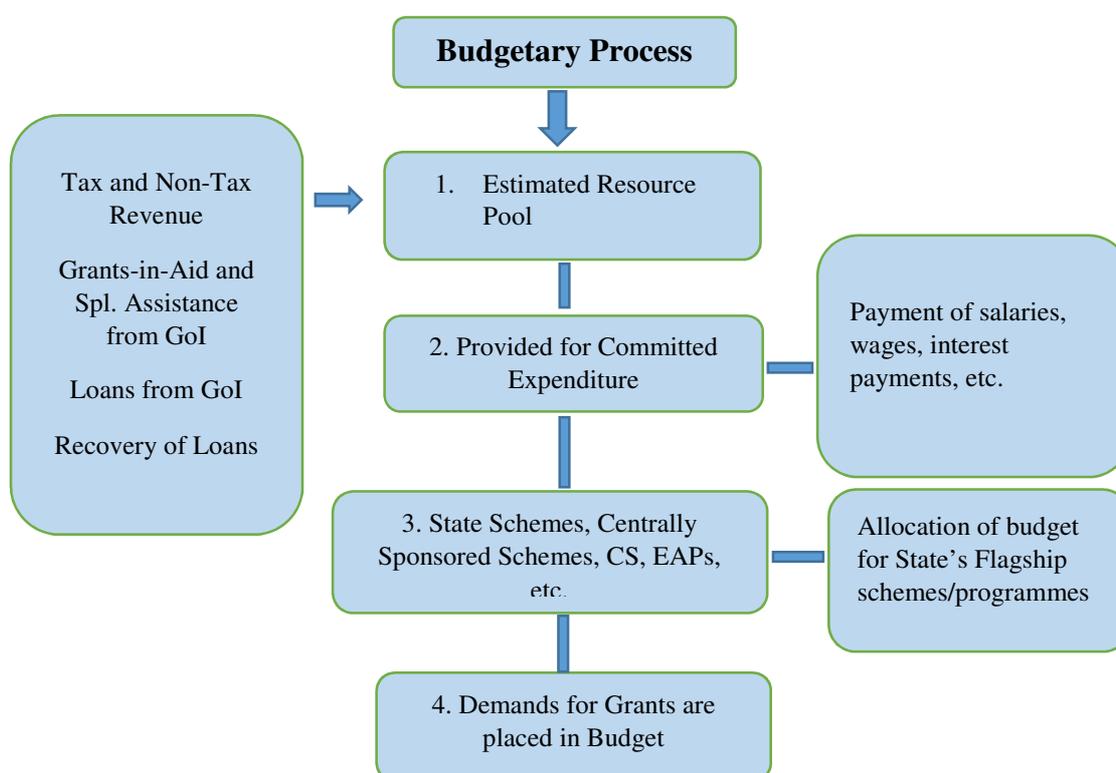
3.1 Budget Process

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 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 Government of National Capital Territory of Delhi (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 NCT of Delhi is given in **Chart 3.1**:

Chart 3.1: Flow chart of budget preparation process



CSS: Centrally Sponsored Schemes; CS: Central Schemes.

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

Table 3.2: Disbursements and savings/excess during 2016-17 to 2020-21

(₹ in crore)

Year	Provisions		Disbursements		Saving/Excess	
	Voted	Charged	Voted	Charged	Voted (in percentage)	Charged (in percentage)
2016-17	41753.68	5,675.59	32,884.90	4,735.87	8,868.78 (21.24)	939.72 (16.56)
2017-18	44159.42	5,042.66	36,369.86	4,789.56	7,789.57 (17.64)	253.09 (5.02)
2018-19	51,230.42	6946.72	39460.58	6,793.98	11,679.85 (22.8)	152.73 (2.2)
2019-20	57305.74	6874.94	45,632.91	5,877.12	11,672.83 (20.37)	997.82 (14.51)
2020-21	58932.64	6959.23	46,442.27	6453.49	12490.37 (21.19)	505.74 (7.27)

It can be seen from **Table 3.2**, that during 2016-17 to 2020-21 savings under the 'Voted' portion of the budget ranged between 17.64 to 22.80 *per cent* whereas the savings under the 'Charged' portion of budget ranged between 2.2 to 16.56 *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.

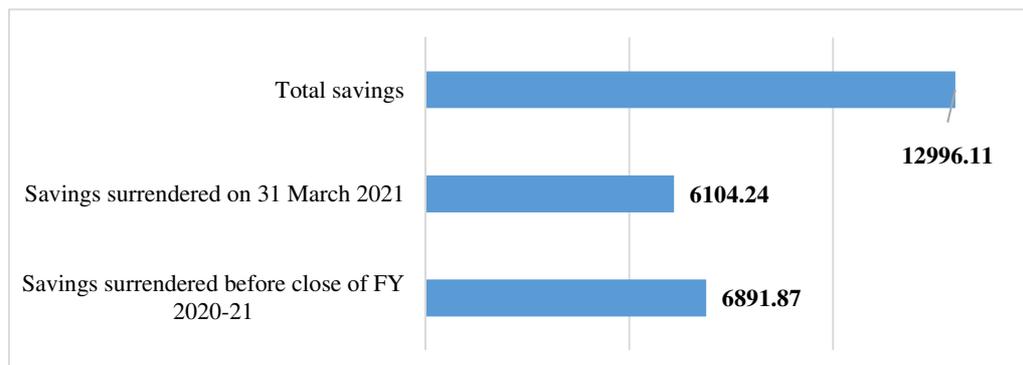
Audit of Appropriation Accounts by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants are within the authorisation given under the Appropriation Act. It also ascertains whether the expenditure so incurred is in conformity with 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 2020-21.

Scrutiny of the Appropriation Accounts revealed that there was total saving of ₹ 12,996.11 crore (19.72 *per cent* of total budget of ₹ 65,891.87 crore) and an amount of ₹ 6,891.87 crore (53.03 *per cent*) was surrendered. 46.97 *per cent* of total saving lapsed due to not surrendering the savings on time and ₹ 6,104.24 crore was surrendered on 31 March.

Savings and surrenders before close of the financial year 2020-21 is given in **Chart 3.3:**

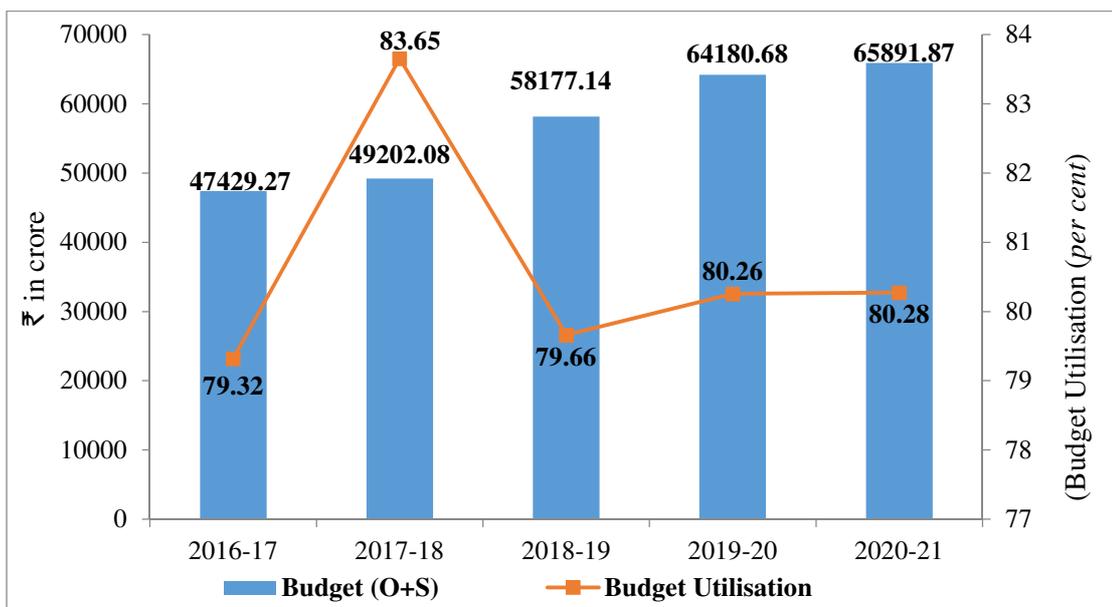
Chart 3.3: Savings and Surrenders before closure of financial year 2020-21

(₹ in crore)



The overall budget utilisation during 2016-17 to 2020-21 is given in **Chart 3.4.**

Chart 3.4: Budget utilisation during 2016-17 to 2020-21



3.3 Comments on integrity of budgetary and accounting process

3.3.1 Unnecessary or excessive supplementary grants

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 Appropriation Accounts for the year 2020-21 revealed that supplementary grants amounting to ₹ 604.36 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	Exp.	Saving out of Provision
	Revenue (Voted)					
1	Grant No. 3 Administration of Justice	1,129.53	62.78	1,192.31	1028.58	163.73
2	Grant No. 5 Home	806.77	25.27	832.04	615.27	216.77
3	Grant No. 7 Medical and Public Health	6,345.62	101.4	6,447.02	5611.13	835.89
4	Grant No. 10 Development	3,062.08	280.52	3,342.60	2556.41	786.19
5	Grant No. 11 Urban Development and Public Works Department	9,700.44	87.93	9,788.37	9227.70	560.67
	Total	21,044.44	557.9	21,602.34	19039.09	2563.25
	Revenue (Charged)					
6	Grant No. 3 Administration of Justice	307.21	30.78	337.99	300.14	37.85
	Total	307.21	30.78	337.99	300.14	37.85
	Capital (Voted)					
7	Grant No. 7 Medical and Public Health ¹	266.94	15.68	282.62	115.75	166.87
	Total	266.94	15.68	282.62	115.75	166.87
	Grand Total	21,618.59	604.36	22,222.95	19454.98	2767.97

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 2020-21 revealed that under 16 sub-heads spread across eight grants, there were final savings of more than ₹ 15 crore as detailed in **Table 3.4**. Re-appropriations were made unnecessarily, as the departments were not able to even utilise their existing grants fully and

¹ As per Re-appropriation order ₹ 15.20 crore were re-appropriated from Capital Section to Revenue Section of the Grant which needs clarification and has pointed out in the report separately

there was a cumulative non-utilisation (savings) of ₹ 940.02 crore against the re-appropriation of ₹ 401.57 crore.

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

Sl. No.	Grant No. and Name	Head of Account (Sub-Head-wise)	Provisions				Actual Expenditure	Final saving	Reasons for re-appropriation
			Original	Supplementary	Re-appropriation	Total			
Revenue-Voted									
1	03- Administration of Justice	2014.00.105.99 Session Courts	813.93	1.30	5.02	820.25	754.64	65.61	Engagement of more staff and increase in wages rates and more procurement
2		2235.01.800.92 Compensation for crime victims	50.00	14.84	5.16	70.00	53.70	16.30	Release of more grant
3	04- Finance	2043.00.101.98 Collection Charges	56.31	0.00	0.68	56.99	41.74	15.25	Filling of vacant posts
4	05-Home	2056.00.001.99 Jail Estt	368.81	25.23	54.99	449.03	281.68	167.35	Filling up vacant posts, revision of rates of wages, increase of Cost of Dietary and Non-Dietary items, receipt of arrears claim bills of deployment of forces in Tihar/Rohini/Mandoli Jail Complex and more procurement
5	06- Education	2203.00.105.86 Direction & admin	175.48	0.01	6.52	182.01	156.33	25.68	Filling of vacant post, provision for LTC, arrears of MACP/ACP, receipts of more bills, increase in tariff of electricity, water, telephone & pending bill of security and sanitation and more demand from institutes for disbursement of scholarship and stipend
6	07- Medical and Public Health	2210.01.800.84 Grant in-aid to Centralised Accident & Trauma service	95.00	0.01	29.99	125.00	74.25	50.75	Release of more grant
7		2210.01.110.86 Lok Nayak Hospital	511.13	0.01	39.99	551.13	509.04	42.09	Increase in minimum wages, engagement of additional outsource staff, increase in

									sudden demand in consumable and medicines due to COVID-19 pandemic etc.
8		2210.01.110.72 700 Bedded Hospital at Burari	0.00	10.08	10.71	20.79	2.89	17.90	Provision kept for new hospital
9	09- Industries	3456.00.102.87 Mukhya Mantri Ghar Ghar Rshan Yojana	0.00	56.47	43.53	100.00	0.00	100.00	New scheme to be implemented from January'21
10		2053.00.093.95 Secretary Revenue	43.81	0.01	3.48	47.30	28.77	18.53	Procurement of PT san storage
11	10- Developm ent	2235.60.200.62 Ex- gratia payment to Defence/Delhi Police/Para Miliary/Home guard & Civil Defence Personal dying in operation/war	35.00	0.01	29.99	65.00	16.00	49.00	Receipt of more proposals for ex-gratia payment
12		2245.05.101.99 Delhi Disaster Respose Fund (centre share	0.00	161.50	4.99	166.49	5.00	161.49	Receipt of funds from GOI for creation of Delhi Disaster Response Fund
13		2406.01.102.95 Administration Management & training of personnel	6.19	0.01	46.06	52.26	5.50	46.76	Filling of vacant posts, receipt of more bills, induction of training, hiring of vehicle, etc.
Total			2,155.66	269.48	281.11	2,706.25	1,929.54	776.71	
Capital-Voted									
14	07 Medical and Public Health	4210.01.110.96 G.B.Pant Hospital	10.50	0.02	66.48	77.00	9.12	67.88	Procurement of more motor vehicle/machinery & equipments
15	11-Urban Developm ent and Public Works Departme nt	4801.05.800.91 Purchase of land	15.00	0.01	49.99	65.00	5.84	59.16	Payment for purchase of more land
Total			25.50	0.03	116.47	142.00	14.96	127.04	
Revenue-Charged									
16	03- Administ ration of Justice	2014.00.102.97 Direction & Admn.	303.00	26.83	3.99	333.82	297.55	36.27	Receipt of more bills and more procurement
Total			303.00	26.83	3.99	333.82	297.55	36.27	
Grand Total			2,484.16	296.34	401.57	3,182.07	2,242.05	940.02	

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.

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

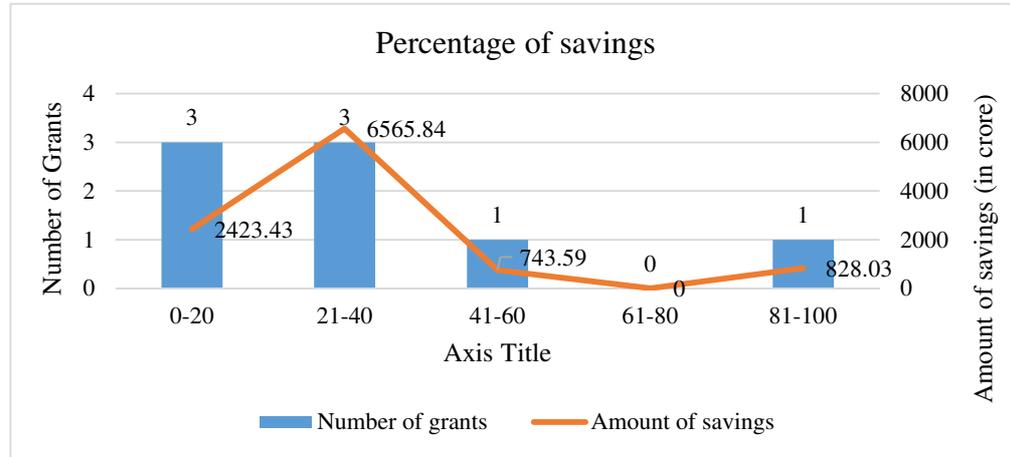
As per Rule 62 (2) of General Financial Rules 2017, savings as well as provisions that cannot be profitably utilised should be surrendered immediately when they are foreseen without waiting till the end of the year. No savings should be held in reserve for possible future excesses. There were overall savings of ₹ 12,996.11 crore, which was 19.72 per cent of total budget of ₹ 65,891.87 crore. Out of this, in eight cases there were savings of more than ₹ 500 crore in each case (Table 3.5). Against the total provision of ₹ 53,737.57 crore actual expenditure was ₹ 43,176.68 crore and savings were ₹ 10,560.89 crore.

Table 3.5: Details of grants having large savings (savings above ₹ 500 crore) during the year 2020-21

(₹ in crore)								
Sl. No.	Grant No. and Name	Original grant/Appropriation	Supplementary grant/Re-appropriation	Total grant/Appropriation	Actual expenditure	Savings	Surrender	Savings excluding surrender
Revenue-Voted								
1	Grant No. 6 Education	13,349.38	0.38	13,349.76	9,823.16	3,526.60	2,187.75	1,338.85
2	Grant No. 7 Medical and Public Health	6,330.42	116.60	6,447.02	5,611.14	835.88	0.05	835.83
3	Grant No. 8 Social Welfare	8,458.12	0.33	8,458.45	7,431.57	1,026.88	261.71	765.18
4	Grant No. 10 Development	3,062.08	280.52	3,342.60	2,556.41	786.19	0.57	785.62
5	Grant No. 11 Urban Development and Public Works Department	9,700.44	87.93	9,788.37	9,227.70	560.67	0.67	560.00
Total		40,900.44	485.76	41,386.2	34,649.98	6,736.22	2,450.75	4,285.48
Capital-Voted								
6	Grant No. 8 Social Welfare	1,650.86	0.01	1,650.87	907.28	743.59	711.48	32.11
7	Grant No. 10 Development	1,015.93	0.00	1,015.93	187.90	828.03	774.01	54.02
8	Grant No. 11 Urban Development and Public Works Department	9,684.34	0.23	9,684.57	7,431.52	2,253.05	1,866.96	386.09
Total		12,351.13	0.24	12,351.37	8,526.7	3,824.67	3,352.45	472.22
Grand Total		53,251.57	486.00	53,737.57	43,176.68	10,560.89	5,803.20	4,757.70

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 (except serial no. 7).

The distribution of the number of grants/appropriations (Table 3.5) grouped by the percentage of savings shows (Chart 3.5) that in three grants savings were 21 to 40 per cent of the total provisions amounting to ₹ 6,565.84 crore. However, in one grant (Capital voted section of Grant no. 10-Development) there was saving of ₹ 828.03 crore (81.50 per cent).

Chart 3.5: Number of Grants/Appropriations grouped by the percentage of savings along with total savings in each group

Audit further noted that in 9 grants there were total savings of ₹10,197.33 crore, out of which total amount of ₹ 6,881.68 crore (more than ₹10 crore) was surrendered at the end of March as detailed in **Table 3.6**:

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

							(₹ in crore)	
Sl. No.	Grant No. and Name	Original grant/Appropriation	Supplementary grant/Re-appropriation	Total grant/Appropriation	Actual expenditure	Savings	Surrender	
Revenue-Voted								
1	Grant No. 2 General Administration	918.98	0.04	919.02	447.21	471.81	45.40	
2	Grant No. 4 Finance	315.58	0.06	315.64	228.64	87.00	22.93	
3	Grant No. 6 Education	13,349.38	0.38	13,349.76	9,823.16	3,526.60	2,187.75	
4	Grant No. 8 Social Welfare	8,458.12	0.33	8,458.45	7,431.57	1,026.88	261.71	
Total		23,042.06	0.81	23,042.87	17,930.58	5,112.29	2,517.79	
Revenue-Charged								
5	Grant No. 7 Medical and Public Health	27.05	0.04	27.09	0.25	26.84	18.89	
6	Grant No. 15 Public Department	3,061.88	0.00	3,061.88	2,873.83	188.05	188.04	
Total		3,088.93	0.04	3,088.97	2,874.08	214.89	206.93	
Capital-Voted								
7	Grant No. 4 Finance	4.00	262.01	266.01	5.67	260.34	256.51	
8	Grant No. 5 Home	115.30	0.00	115.30	10.83	104.47	90.32	
9	Grant No. 6 Education	388.14	0.01	388.15	120.27	267.88	174.30	
10	Grant No. 7 Medical and Public Health	282.14	0.48	282.62	115.76	166.86	37.45	
11	Grant No. 8 Social Welfare	1,650.86	0.01	1,650.87	907.28	743.59	711.48	
12	Grant No. 10 Development	1,015.93	0.00	1,015.93	187.90	828.03	774.01	

13	Grant No. 11 Urban Development and Public Works Department	9,684.34	0.23	9,684.57	7,431.52	2,253.05	1,866.96
Total		13,140.71	262.74	13,403.45	8,779.23	4,624.22	3,911.03
Capital-Charged							
14	Grant No. 15 Public Department	3,511.10	0.00	3,511.10	3,265.17	245.93	245.93
Total		3,511.10	0.00	3,511.10	3,265.17	245.93	245.93
Grand Total		42,782.80	263.59	43,046.39	32,849.06	10,197.33	6,881.68

The grants where less than 50 per cent of the budget was utilized are shown in **Table 3.7:**

Table 3.7: Original Grants/Appropriations (more than ₹200 crore) in which budget utilisation was less than 50 per cent

Sl. No.	Grant No and Name	Percentage of budget utilisation					Number of years	Budget 2020-21	Total Budget for 5 years
		2016-17	2017-18	2018-19	2019-20	2020-21			
1.	2-General Administration Department	54.70	67.51	38.85	74.74	49.21	2	935.10	3,233.12
2.	4-Finance	70.81	39.81	24.00	53.19	40.28	3	581.75	4,194.11

It can be seen that, there were two grants (2-General Administration Department and 4-Finance) wherein two to three years' budget utilisation was less than 50 per cent during the last five years i.e. 2016-17 to 2020-21.

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 ₹ 213.06 crore under four grants against which expenditure of ₹ 186.85 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 18 cases under four Grants, as detailed in **Table 3.8**, 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 3.8: Details of lump sum provisions made during the year 2020-21

(₹ in crore)					
Sl. No	Grant No and Name	Head of Account	Lump sum provision	Expenditure from lump sum provision	Stated purpose
1.	3-Administration of Justice (Revenue – Voted)	2014.00.105.97.00.42	1.20	0.02	Computerisation of District and Session Courts
2.	7-Public Health & Medical (Revenue – Voted)	2210.06.800.70.00.42	10.00	1.05	Introduction of Hospital Management information system
3.	10-Development (Capital –Voted)	5425.00.208.84.00.42	0.15	0.00	Horticulture works
4.	11-Urban Development and Public Works Department (Capital –Voted)	4055.00.212.90.00.42	1.00	0.68	Delhi Forensic Science Laboratory
5.		4059.60.051.80.90.42	67.23	67.22	Infrastructural facilities for Judiciary
6.		4070.00.800.89.00.42	15.00	13.43	Central Jail Building
7.		4202.01.800.97.00.42	8.00	6.75	renovation work in existing buildings
8.		4202.02.105.87.00.42	0.70	0.39	Govt. Engineering College, Jaffarpur
9.		4202.02.105.85.00.42	0.75	0.58	Engineering College at Geeta Colony
10.		4202.02.105.88.00.42	1.50	1.17	G.B.Pant Engineering College
11.		4202.03.800.89.00.42	49.58	43.44	Development of Play Grounds, sports complex and swimming pools etc.
12.		4202.04.101.99.00.42	1.45	1.20	College of Art
13.		4202.04.104.96.00.42	4.50	1.72	Archives Department
14.		4210.03.102.98.00.42	2.50	1.01	Development of health care services of homoeopathic
15.		4235.02.101.87.00.42	1.00	0.76	Development of home for mentally retarded
16.		4235.02.104.94.00.42	4.00	3.46	Old Age Home
17.		4235.02.800.90.00.42	2.50	2.07	Provision of additional facilities in the existing buildings (PWD)
18.	5054.04.800.99.00.42	42.00	41.90	Construction of Roads and Bridges	
Grand Total			213.06	186.85	

Source: Principal Accounts Office, GNCTD

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 2020-21 revealed that the departments could utilize ₹ 52,895.76 crore against the total provision of ₹ 65,891.87 crore and savings of ₹ 6,104.24 crore (46.97 per cent) were surrendered in March out of total saving of ₹ 12,996.11 crore. The details are given in **Table 3.9**:

Table 3.9: Summarised position of actual expenditure vis-à-vis original/ supplementary provisions

(₹ in crore)								
	Nature of expenditure	Original grant/ appropriation	Supplementary Grant/ appropriation	Total	Actual expenditure	Net of Saving(-)	Surrender during March	
							Amount	Percentage
Voted	I. Revenue	44655.56	843.91	45499.47	37646.07	7853.40	5329.41	67.86
	II. Capital	9997.80	(-669.61)	9328.19	4705.81	4622.38	709.34	15.35
	III. Loans and Advances	3419.63	685.35	4104.98	4090.39	14.59	14.59	100.00
Total voted		58072.99	859.65	58932.64	46442.27	12490.37	6053.34	
Charged	I. Revenue	3414.91	32.18	3447.09	3188.28	258.81	50.80	19.63
	II. Capital	1.00	0.04	1.04	0.04	1.00	0.10	10.00
	Public Debt	3511.10	0.00	3511.10	3265.17	245.93	0	0
	III. Loans and Advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total charged		6927.01	32.22	6959.23	6453.49	505.74	50.90	10.06
Appropriation to Contingency Fund (if any)			0.00	0.00	0.00	0.00	0.00	0.00
Grand Total		65000.00	891.87	65891.87	52895.76	12996.11	6104.24	46.97

Source: Appropriation Accounts.

The original budget of ₹65,000 crore prepared by GNCTD for the year 2020-21 was revised to ₹65,891.87 crore against which actual expenditure was ₹ 52,895.76 crore. Details of original budget, revised budget estimates and actual expenditure for the period 2016-17 to 2020-21 are given in **Table 3.10**:

Table 3.10: Original budget, revised estimates and actual expenditure during 2016-17 to 2020-21

	(₹ in crore)				
	2016-17	2017-18	2018-19	2019-20	2020-21
Original Budget	46,600.00	48,000.00	53,000.01	60,000.00	65000.00
Supplementary Budget	829.27	1,202.08	5,177.13	4,180.68	891.87
Revised Estimate	47,429.27	49,202.08	58,177.14	64,180.68	65891.87
Actual Expenditure	37,620.77	41,159.42	46,344.56	51,510.03	52895.76
Saving /excess	9,808.50	8,042.66	11,832.58	12,670.65	12996.11
Percentage of Saving	20.68	16.35	20.34	19.74	19.72
Percentage of supplementary to the original provision	1.78	2.50	9.77	6.97	1.37

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

It can be seen from **Table 3.10**, that during 2016-17 to 2020-21 the percentage of overall savings vis-à-vis total provision ranged between 16.35 *per cent* to 20.68 *per cent*.

The GNCTD's revenue expenditure (actuals) vis-à-vis figures of BE under Major heads of accounts for the year 2020-21 is given in **Table 3.11**.

Table 3.11: GNCTD's Revenue Expenditure (actuals) vis-à-vis figures of BE for the year 2020-21

Expenditure head (Major heads of Accounts)	BE (₹ in crore)	Actuals (₹ in crore)	Difference between BE and Actuals	Percentage (+) Excess (-) Shortfall
Fiscal services				
State Excise	51.24	24.77	(-)26.47	(-)51.66
Taxes on vehicles	288.26	174.90	(-)113.36	(-)39.33
Collection charges under GST	135.42	69.19	(-)66.23	(-)48.91
Administrative services				
Jails	530.21	293.30	(-)236.91	(-)44.68
Public works	512.93	690.00	(+)177.07	(+)34.52
Social services				
General Education	12948.56	9265.00	(-)3,683.56	(-)28.45
Medical and Public health	8474.29	5790.40	(-)2,683.89	(-)31.67
Water supply and sanitation	1630.50	1891.57	(+)261.07	(+)16.01
Urban Development	1034.69	830.29	(-)204.40	(-)19.75
Social security and Welfare	3685.36	3011.25	(-)674.11	(-)18.29
Economic Services				
Civil supplies	449.28	513.31	(+)64.03	(+)14.25
Flood control and Drainage	281.34	210.54	(-)70.80	(-)25.17
Power	3117.41	2956.34	(-)161.07	(-)5.17
Roads and Bridges	536.80	449.50	(-)87.30	(-)16.26
Road Transport	4744.25	4095.86	(-)648.39	(-)13.67

It can be seen from the **Table 3.11**, there were shortfall (more than 25 *per cent*) in 'General Education', 'Medical and Public Health', and 'Flood control and Drainage'

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 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 (**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 – GIA to Delhi Police Service Society for implementation of Safe City Project for safety of women by Delhi Police (Nirbhaya Fund) (CSS) (₹ 284.50 crore), Delhi Model of Governance for outreach programme (₹ 21.00 crore), Post matric Scholarship for SC Students (CSS) (₹ 10.00 crore), Mukhya Mantri Vidhyatri Pratibha Yojana (₹ 78.00 crore), Mukhya Mantri Ghar Ghar Roshan Yojana (₹ 100.00 crore), and Disposal of legacy waste dumped at various dampening sites (₹ 50.00 crore).

Further, it was observed that in 46 sub-heads of seven grants (₹ one crore or above in each case), provision of ₹ 1,002.55 crore was made in the original budget (**Appendix 3.2**) but the amount was completely withdrawn in the revised outlay for the financial year 2020-21.

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 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.

It was noticed that out of the total expenditure of ₹ 52,468.04² crore during 2020 21, expenditure of ₹ 21,019.73 crore (31.90 *per cent* of 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. Besides, Audit noted that the expenditure in 41 sub-heads under eight grants which ranged between 50 *per cent* and 100 *per cent* was incurred in March.

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.

² Excluding recoveries of ₹ 427.72 crore

ii) Sub-heads where entire expenditure was incurred in March 2021

Audit noted that in 13 sub-heads under five grants the entire expenditure of ₹ 2,621.37 crore was incurred in March 2021 as detailed in **Table 3.12**:

Table 3.12: Entire expenditure incurred in the month of March

Sl. No.	Grant No. and name	Head of Account (up to Sub-Head)	100 per cent expenditure during March (₹ in crore)	
1	6 - Education	2202.02.113.95.00.01 Samgra Shiksha- Teachers Education (State Share)	17.50	
2	7 - Medical and Public Health	2210.01.200.76.00.31 GIA for India Covid-19	221.34	
3	8 - Social Welfare	2225.01.277.71.00.50 Reimbursement of Tuition fee in Public School	11.39	
4		3055.00.190.99.00.33 Subsidy to DTC for concessional passes	78.82	
5		5055.00.190.78.00.54 Installation of CCTV Cameras in DTC and Cluster Buses (State Share)	75.59	
6		5055.00.190.80.00.54 Equity Capital to M.R.T. Authority	500.00	
7		7055.00.190.92.00.55 Interest free Subordinate Debts towards State Taxes to DMRC	125.00	
8		7055.00.190.94.00.55 Loan to MRTS for reimbursement of Central Taxes	125.00	
9		10 - Development	4515.00.103.93.00.53 Village Development Board for works under Integrated Development of Rural Villages	38.88
10		11 - Urban Development and Public Works	5054.04.101.82.00.53 Extension of Flyover from Aashram to DND	12.85
11	6215.01.191.80.00.55 Loans to DJB for Wazirabad WTP		15.00	
12	6217.60.789.94.00.55 Loan to DUSIB for In-situ Rehabilitation Plan		500.00	
13	7615.00.200.75.00.55 Loans to Delhi Jal Board for ways and Means support		900.00	
Total			2621.37	

Source: Principal Accounts Office, GNCTD

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

Audit noted that in 28 sub-heads under eight grants, an expenditure of ₹ 2,104.89 crore ranging between 52.46 to 99.93 per cent of the total expenditure was incurred in March 2021 as depicted in **Table 3.13**:

Table 3.13: Grants with more than 50 per cent of expenditure in March alone

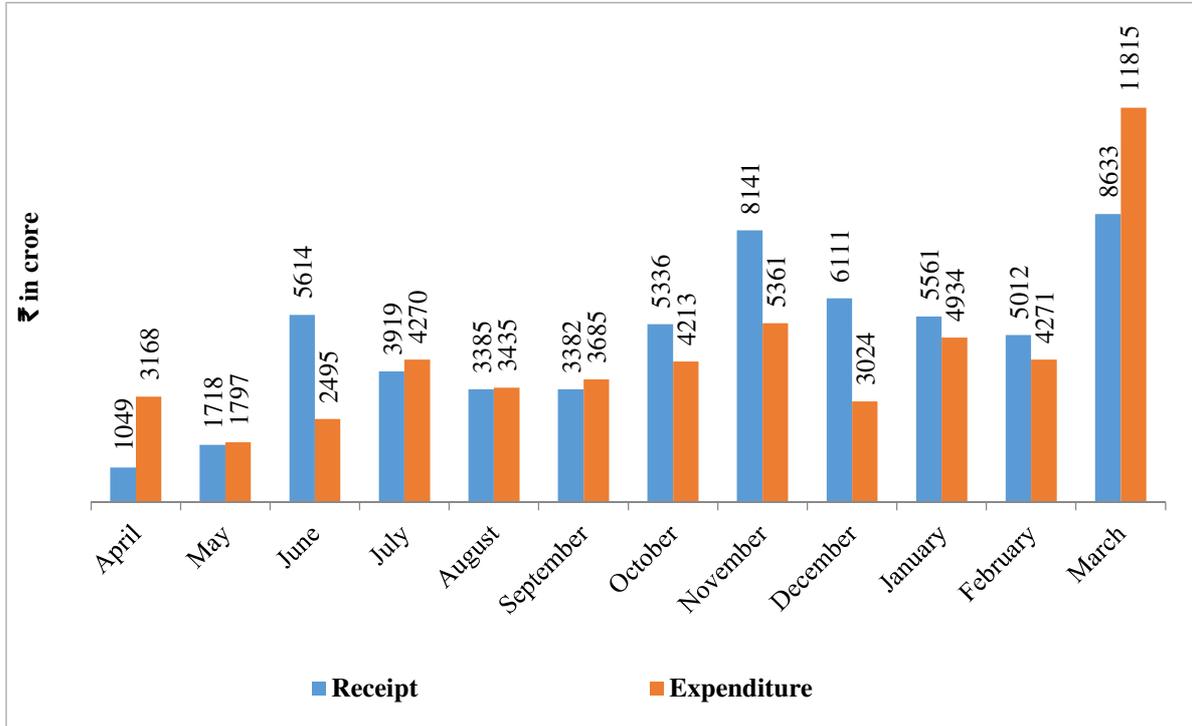
(₹ in crore)

Sl. No.	Grant No.	Description (Head of Account)	Total expenditure					Total expenditure in March 2021	
			1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	Amount	Percentage
1	2 - General Administration	2051.00.103.98.00.50	0.00	0.15	0.51	23.71	24.37	20.28	83.22
2	3 -Administration of Justice	2015.00.106.99.00.13	0.00	0.00	0.60	16.58	17.18	15.34	89.27
3	3 -Administration of Justice	2235.01.800.92.00.31	0.00	0.00	12.50	41.20	53.70	41.20	76.72
4	3 -Administration of Justice	4059.01.051.82.00.53	0.00	0.00	0.00	16.01	16.01	16.00	99.93
5	5 - Home	2056.00.001.99.00.28	0.17	0.19	0.24	51.94	52.54	51.80	98.59
6	6 - Education	2202.01.113.97.00.31	0.00	12.00	23.38	66.69	102.07	66.69	65.33
7	6 - Education	2202.01.113.98.00.31	0.00	10.67	16.07	53.14	79.87	53.14	66.53
8	6 - Education	2202.01.113.98.00.36	0.00	3.30	0.00	28.80	32.10	28.80	89.72
9	7 - Medical and Public Health	4210.01.110.97.00.52	1.11	2.25	4.20	17.55	25.10	15.92	63.43
10	8 - Social Welfare	2235.02.103.33.00.50	0.10	1.01	8.81	70.70	80.61	60.84	75.47
11	8 - Social Welfare	2235.02.789.96.00.50	3.52	3.19	4.44	29.43	40.58	26.21	64.60
12	8 - Social Welfare	3055.00.190.93.00.33	0.00	27.54	17.20	57.45	102.18	57.45	56.22
13	8 - Social Welfare	3055.00.190.94.00.33	0.00	35.59	19.02	60.26	114.86	60.26	52.46
14	10 - Development	4711.03.800.99.00.53	0.00	0.00	0.00	89.87	89.87	87.71	97.59
15	11 - Urban Development and Public Works	2217.04.789.99.00.31	0.00	0.00	0.00	18.00	18.00	12.00	66.67
16	11 - Urban Development and Public Works	4059.01.051.75.00.53	0.00	0.00	0.00	21.91	21.91	12.46	56.86
17	11 - Urban Development and Public Works	4217.60.050.95.00.53	0.00	0.00	297.15	693.11	990.26	691.06	69.79
18	11 - Urban Development and Public Works	4217.60.051.96.00.53	0.00	0.00	1.80	36.21	38.01	30.03	79.02
19	11 - Urban Development and Public Works	4217.60.789.98.00.53	0.00	0.00	4.98	16.28	21.25	15.18	71.41
20	11 - Urban Development and Public Works	5054.04.337.97.00.53	0.00	0.64	6.64	12.52	19.80	12.52	63.23
21	11 - Urban Development and Public Works	6215.01.191.72.00.55	0.00	12.50	0.00	37.50	50.00	37.50	75.00
22	11 - Urban Development and Public Works	6215.01.191.74.00.55	0.00	5.00	0.00	15.00	20.00	15.00	75.00
23	11 - Urban Development and Public Works	6215.01.191.75.00.55	0.00	22.50	0.00	67.50	90.00	67.50	75.00
24	11 - Urban Development and Public Works	6215.01.191.76.00.55	0.00	25.00	0.00	65.00	90.00	65.00	72.22
25	11 - Urban Development and Public Works	6215.01.191.78.00.55	0.00	25.00	0.00	55.00	80.00	55.00	68.75

26	11 - Urban Development and Public Works	6215.01.191.79.00.55	0.00	40.00	0.00	120.00	160.00	120.00	75.00
27	11 - Urban Development and Public Works	6215.02.191.85.00.55	0.00	15.00	0.00	45.00	60.00	45.00	75.00
28	11 - Urban Development and Public Works	6215.02.191.86.00.55	0.00	0.00	0.00	550.00	550.00	325.00	59.09
Total			4.90	241.52	417.52	2,376.35	3040.27	2,104.89	

Source: Principal Accounts Office, GNCTD

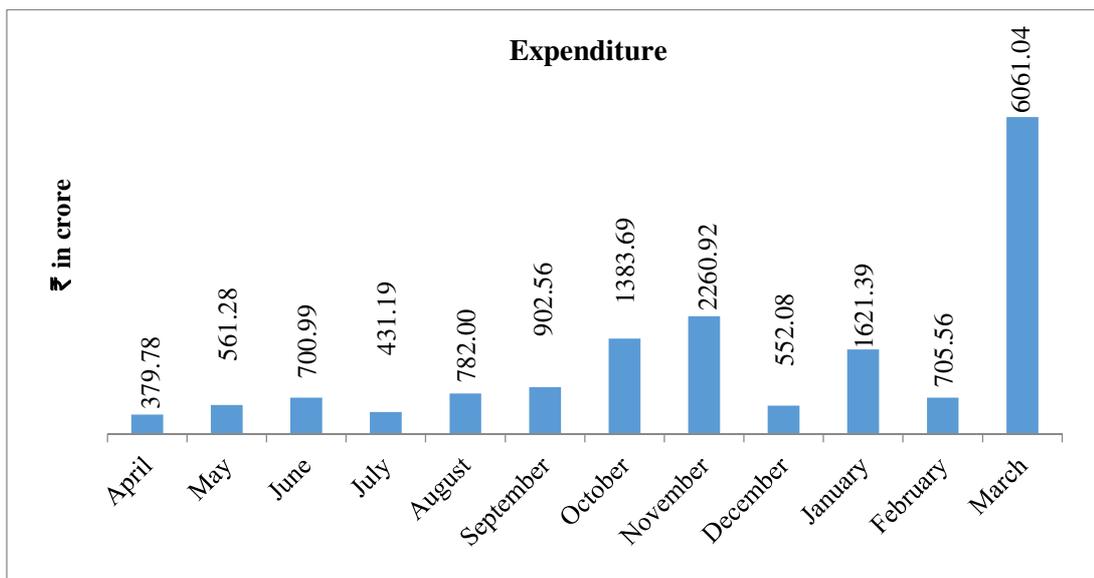
Chart 3.6: Monthly receipts and expenditure during the FY 2020-21



It may be observed from the above table/graph that month-wise receipts of GNCTD ranged between 1.81 per cent (April) to 14.92 per cent (March) of the total receipt of ₹ 57,860 crore while month-wise expenditure of GNCTD ranged between 3.43 per cent (May) to 22.52 per cent (March) of the total expenditure of ₹ 52,468 crore during the year 2020-21.

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 with very high percentage of expenditure in March 2021



Audit observed that the Urban Development and Public Works Department (Grant No. 11) incurred 37.09 *per cent* of total expenditure in the last month of the financial year 2020-21. 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)

NCT of Delhi had approved outlay of ₹ 348.68 crore which was revised to ₹ 335.29 crore under the Centrally Sponsored Schemes (GIA) under 17 Sub-heads of eight Grants.

Audit observed that against ₹ 335.29 crore only ₹ 8.53 crore were received (₹ 1.00 crore, ₹ 2.53 crore and ₹ 5.00 crore received on 16 September 2020, 15 March 2021 and 31 March 2021 respectively) during the year. Details in **Appendix 3.3**.

3.5.5 Outcome of Grant no. 9-‘Industries’

A review of budgetary procedure and control over expenditure in respect of Grant No.9 - ‘Industries’ for the period 2018-19 to 2020-21 was conducted to ascertain compliances with budgeting processes, monitoring of funds and control mechanism within the grant. The grant was assigned to ‘Industries Department’, ‘Employment Department’, Labour Department’, ‘Food and Civil Supplies and Consumer Affairs’ and ‘Weight and Measures Department’. During the review the following issues were noticed.

- (i) The overall position of Budget provision, expenditure incurred and savings under the Grant for the last three years is given in **Table 3.14**:

Table 3.14: Budget and Expenditure

(₹ in crore)

Year	Provision		Expenditure incurred		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged
2018-19	447.03	0.14	159.57	0.00	287.46	0.14
2019-20	454.63	0.14	204.67	0.01	249.96	0.13
2020-21	796.12	0.06	639.46	0.00	156.66	0.06

- (ii) In one case during the year 2020-21 a provision of supplementary grant of ₹ 56.47 crore was made while the final expenditure was nil, making the supplementary grant unnecessary.
- (iii) Re-appropriation in nine cases proved unnecessary, as the departments were not able to utilise fully their original grants. As a result, there were savings of ₹ 115.88 crore in these cases.
- (iv) There were persistent savings of ₹ 50 lakh or more in four cases/sub-heads under the grant during the period 2018-19 to 2020-21 which indicates unrealistic budgeting and deficient management. The savings were due to not filling of vacant post, non-drawal of salaries of newly joined Jr. Assistant for want of document verification, purchase-proposal not materialized etc.
- (v) Scrutiny of section-wise Appropriation accounts of the grant for the years 2018-19 to 2020-21 revealed persistent savings of 19 to 64 *per cent* in revenue voted section and 93 to 100 *per cent* in revenue charged section while savings in Capital voted section were 91 to 97 *per cent* of the total grant indicating unrealistic budgeting and deficient financial provision.
- (vi) In 10, 6, and 15 sub-heads, the entire provision remained un-utilised during the years 2018-19, 2019-20 and 2020-21 respectively, due to non-starting of work by PWD, absence of estimates for renovation, non-finalization of scheme due to pandemic etc. Savings of the entire provision was indicative of the fact, that estimates were prepared without adequately assessing the actual requirement and improper scrutiny of relevant projects/schemes.
- (vii) 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. Contrary to this, expenditure was incurred in 2 and 5 sub-heads by the departments in the last quarter of the financial years 2018-19 and 2019-20 and ranged between 72.22 to 74.55 *per cent* and 90 to 100 *per cent* of the total expenditure while in 3 sub-heads, the department during the year 2020-21 incurred 100 *per cent* expenditure in the last quarter of financial year.

3.5.6 Other irregularities

Audit of Grant no. 01 to 15 of GNCT of Delhi for the Financial Year 2020-21 of Appropriation Accounts revealed the following audit findings:

1. The funds of ₹ 15.00 crore were re-appropriated from Head “3456.00.102.98.00.50 - Streamlining of public distribution system with focus upon below poverty line” to “3456.00.102.88.00.50-Mukhya Mantri Corona Sahayata Yojna” in Grant/Demand no. 09. However, Grant Statement was only reflecting the supplementary grant of ₹ 33.45 crore and re-appropriated amount of ₹ 15.00 crore was not reflected in the appropriation account.

The matter was reported to the Finance Department in October 2021 but no reply has been received (November 2021).

2. As per sl. no.4 of Government of India’s Decisions under Rule 10 of DFPR, re-appropriation of funds from revenue to capital and vice-versa can be allowed only after the approval of Legislature.

Scrutiny of re-appropriation orders for the year 2020-21 revealed that the funds of ₹ 15.20 crore were re-appropriated from capital -voted to revenue - voted in grant no 07. The approval of the Legislature was not provided by the Principal Accounts Office.

The matter was reported to the Finance Department in October 2021 but no reply has been received (November 2021).

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-4

**QUALITY OF ACCOUNTS AND FINANCIAL
REPORTING PRACTICES**

Chapter - 4

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 NCT of Delhi's Budget, these are not reflected in the accounts of GNCTD. The information of funds transferred by the GoI directly to State Implementing Agencies was sought from Finance Department, GNCTD in September 2021 and their reply was awaited (December 2021). However, on the basis of information received from implementing agencies¹, it was found that the funds of ₹ 56.04 crore were directly transferred by GoI to State agencies.

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, Utilisation 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 2,006 UCs in respect of grants of ₹ 9,049.45 crore released up to 31 March 2020, were not furnished by the grantees as of 31 March 2021.

¹ i) South Delhi Municipal Corporation (SDMC)- Total ₹ 22.27 crore were received during 2020-21 (₹ 15 crore under MPLAD fund and ₹ 7.27 crore under Urban Development Fund). (ii) Indira Gandhi Delhi Technical University for women-₹ 5.92 crore were received during 2020-21 under different schemes. (iii) ₹ 0.15 crore were received by District South East Delhi for Sambal-One stop centre. (iv) ₹ 5.46 crore were received by Department of Women and Child Development for Pradhan Mantri Matru Vandana Yojana (PMMVY). (v) ₹ 22.24 crore were received by IPGCL Delhi under Solar Power Grid Interactive scheme.

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 not submitting UCs in a timely manner. Year-wise break up of outstanding UCs is detailed in **Table 4.1**.

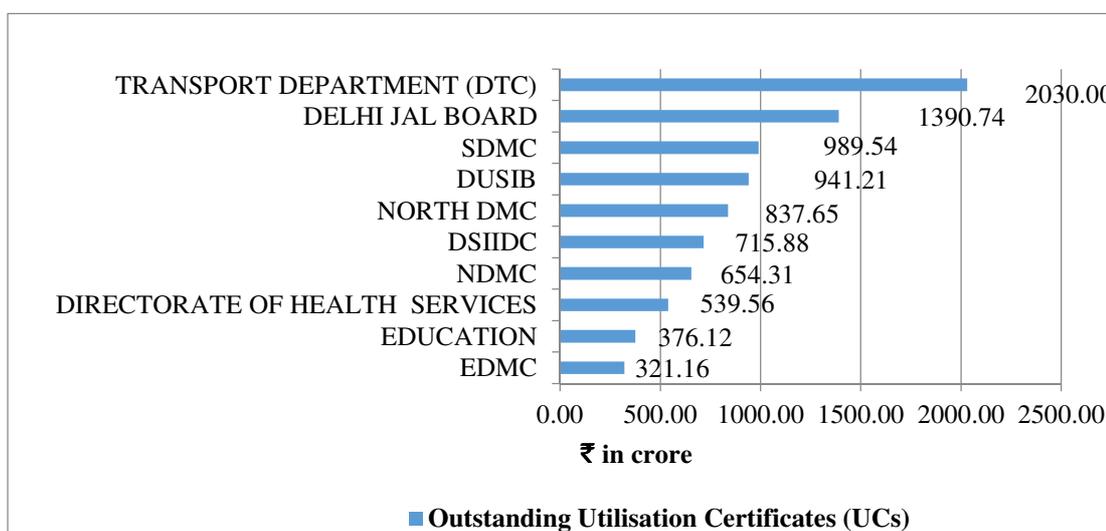
Table 4.1: Year-wise break up of outstanding Utilisation Certificates

(₹ in crore)		
Year	Number of UCs outstanding	Amount
1993-94 to 2010-11	1,081	114.32
2011-12	25	185.73
2012-13	145	387.62
2013-14	48	7.54
2014-15	97	1.28
2015-16	64	341.52
2016-17	122	1,437.12
2017-18	126	347.95
2018-19	181	1,943.35
2019-20	117	4,283.02
Total	2,006	9,049.45

It can be seen that 1,081 UCs (53.89 *per cent*) involving ₹ 114.32 crore were outstanding prior to the year 2011-12, whereas 925 UCs (46.11 *per cent*) amounting to ₹ 8,935.13 crore were outstanding from 2011-12 to 2019-20.

The details of outstanding UCs in respect of 10 major Departments for grants paid upto 2019-20 is given in **Chart 4.1**:

Chart 4.1: Details of outstanding UCs of 10 major Departments for the grant paid upto 2019-20



Source: Principal Accounts Office, GNCTD

Transport Department (DTC), Delhi Jal Board (DJB) and South Delhi Municipal Corporation (SDMC) accounted for ₹ 2,030.00 crore (22.43 per cent), ₹ 1,390.74 crore (15.36 per cent) and ₹ 989.54 crore (10.93 per cent) of the arrears, respectively. This indicates lack of internal control of the administrative departments and tendency on the part of Finance Department, GNCTD to disburse fresh grants without ascertaining proper utilisation of earlier grants.

The Principal Accounts Office stated (November 2021) that the pendency position of UCs was sent to concerned Departments from time to time. The UCs as provided by the concerned administrative departments to Pay and Accounts Offices (PAOs) have been duly accounted for. Further, it stated that it had time and again requested the department issuing grants to submit the UCs to the concerned PAOs. The delay is attributable to the administrative authority only. The reply is not satisfactory as the Department of Finance should take up the matter with the concerned departments to ascertain the reasons for the disbursement of funds to the concerned agency even where the UCs in respect of the previous grants are still awaited.

To verify the facts and figures relating to outstanding UCs contained in the Finance Accounts of GNCTD four Departments/Institutions viz. Directorate of Health Services, Delhi Cantonment Board, New Delhi Municipal Council (NDMC) and Department of Tourism were selected for detailed audit.

Department wise major observations are discussed in the subsequent paras.

4.2.1 Directorate of Health Services (DoHS)

Finance Accounts, for the year 2020-21, shows nine outstanding UCs of ₹ 539.56 crore as on 31st March 2021 pertaining to Directorate of Health Services.

The DoHS stated (September 2021) the grant released by them is of recurring nature and the unspent amount of previous year grant is taken into account while releasing the grant for subsequent year. It further stated that out of ₹ 539.56 crore, unspent balance of ₹ 536.87 crore GIA released during the year 2019-20 has been carried forward in the year 2020-21. Besides, it stated that records relating to nine UCs of ₹ 2.69 crore pertaining to 1998-99 shown as outstanding in the Finance Accounts are not readily traceable in the DoHS.

Test check of UCs related records in DoHS revealed the following deficiencies.

- i. The condition no. 6 of sanctions issued for release of GIA stipulates that UCs duly signed by Executive Head of the Organisation/Institution is/are to be submitted within the prescribed time.

Audit however noted that two entities² had submitted the UCs for the years 2018-19 and 2019-20, signed by their respective Chartered Accountants. (CAs).

- ii. Rule 230(7) of GFR 2017 stipulates that when recurring GIA is sanctioned to the same Institution or Organisation for the same purpose, the unspent balance of the previous Grant should be taken into account in sanctioning the subsequent grant.

Audit noted that unspent balance of previous year grant (2018-19) amounting to ₹ 8.88 crore in respect of Institute of Human Behaviour and Allied Sciences (IHBAS) was not adjusted at the time of releasing GIA for the year 2019-20 in violation of the rules. Similarly, unspent balance of the previous year grant (2018-19) amounting to ₹ 20.03 crore in respect of Institute of Liver and Biliary Sciences (ILBS) was also not adjusted at the time of releasing GIA for the year 2019-20.

- iii. Rule 238(1) of GFR stipulates that UCs should be submitted in Form GFR 12-A by the grantee.

Audit noted that UCs furnished for the years 2018-19 and 2019-20 by Indraprastha Vyavsayik Paryavarneeya Swasthya Samiti (IVPSS), Rajiv Gandhi Super Specialty Hospital, South Delhi Municipal Corporation, Centralized Accident and Trauma Services, etc., were not in prescribed format.

4.2.2 Delhi Cantonment Board

Finance Accounts, for the year 2020-21 shows 69 outstanding UCs of ₹ 41.02 crore pertaining to Delhi Cantonment Board (DCB) for the period 1994-95 to 1998-99, 2000-01 to 2001-02, 2008-09 and 2015-16.

Audit noted (September 2021) that there was variation in the data of outstanding UCs shown in the Finance Accounts and as per the records of the DCB. DCB stated that there was no pendency of UCs in its records and the data of 69 UCs of ₹ 41.02 crore may be treated as nil.

Thus, the difference of 69 UCs of ₹ 41.02 crore as per figures of Finance Accounts and DCB records, remained unreconciled.

Besides, it also shows that, there is no coordination between Finance Department, GNCTD and the DCB due to which amount has been shown outstanding in the Finance Accounts while DCB is claiming that there is no pending UCs against the GIA issued.

² Indraprastha Vyavsayik Paryavarneeya Swasthya Samiti (IVPSS) and Rajiv Gandhi Super Specialty Hospital

4.2.3 New Delhi Municipal Council (NDMC)

The NDMC has been receiving Grants-in-aid (GIA) for different purposes from GNCTD and it further distributes GIA to its subordinate branches. As per Finance Accounts 23 UCs of ₹ 654.31 crore were reported to be outstanding for the year ended 31 March 2021.

However, Audit noted that the subordinate branches of NDMC were sending UCs directly to the grant sanctioning authority and NDMC was not maintaining records/files relating to GIA received and UCs furnished by its subordinate branches to various departments from which grant were received. In the absence of proper mechanism to monitor GIA received and UCs forwarded to the GNCTD, the figures could not be verified in audit.

NDMC stated (September 2021) that information will be collected from various departments of NDMC in respect of UCs and the compiled report will be provided to Audit, but their reply was awaited (December 2021).

4.2.4 Department of Tourism (DoT)

Finance Account for the year 2020-21 shows 16 outstanding UCs of ₹ 73.88 crore pertaining to DoT for the period 2001-02 to 2013-14.

DoT (September 2021) provided records in respect of outstanding UCs only for the period 2011-12 to 2013-14. It also added that the department is in touch with Delhi Tourism and Transportation Development Corporation Limited, and Delhi Institute of Hotel Management and Catering Technology for pending information for the rest of the period. The information will be provided as it receives the same.

Audit further noted that as per Finance Accounts, UCs of ₹ 33.67 crore were outstanding for the year 2011-12 to 2013-14, while as per the information provided by the DoT, UCs of ₹ 47.90 crore were outstanding, leaving difference of ₹ 14.23 crore, unreconciled.

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 drawl, are made on Abstract Contingent (AC) bills. Initially made as advance, its subsequent adjustments are ensured through submission of Detailed Contingent (DC) bills within a stipulated period of drawl of AC bills. DC bills consists of abstract expenditure along with sub-vouchers for the amount drawn through AC bills. Drawing and Disbursing Officers are required to present Detailed Countersigned Contingent (DCC) bills duly countersigned by the Controlling Officers in all these cases within the prescribed period.

Rule 118 of the Receipt and Payment 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 drawl 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 in **Table 4.2** and **Chart 4.2**:

Table 4.2: Year wise progress in submission of DCC bills against the AC bills

(₹ in crore)

Year	Opening balance		Clearance during the F.Y. 2020-21		Closing balance as on 31 March 2021	
	No.	Amount	No.	Amount	No.	Amount
Upto 2017-18	4136	281.88	147	11.74	3989	270.14
2018-19	359	226.32	78	90.17	281	136.15
2019-20	730	266.27	371	202.98	359	63.29
Upto 2019-20	5225	774.47	596	304.89	4629	469.58
2020-21 [#]	704	291.81	397	26.29	307	265.52
Total			993	331.18	4936	735.10

Represents total fresh AC bills drawn during the year 2020-21.

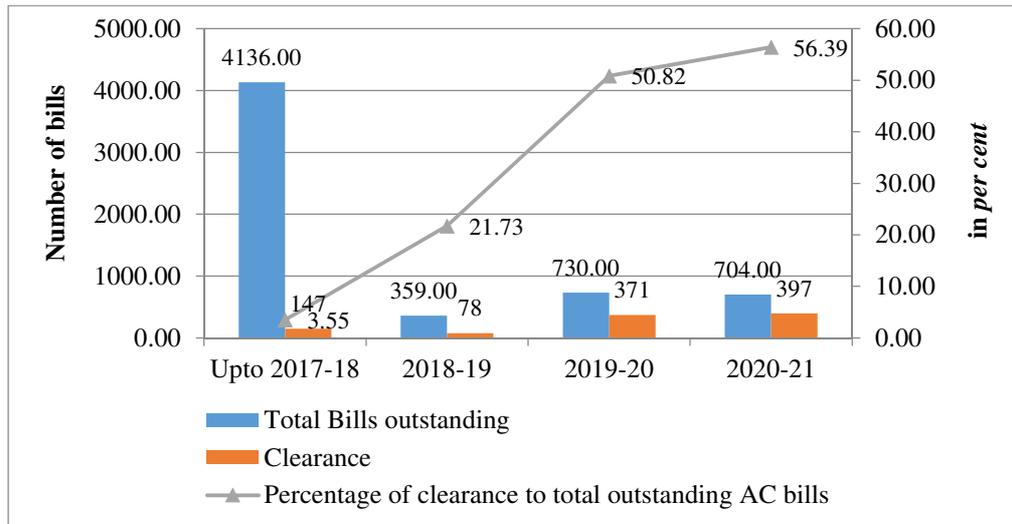
Source: Principal Accounts Office, GNCTD

57 Government Departments did not submit 307 DC bills amounting to ₹ 265.52 crore before closing of the accounts for the financial year 2020-21, and therefore, there was no assurance that the expenditure of ₹ 265.52 crore has actually been incurred during the financial year for the purpose for which it was authorised by the legislature. Moreover, from the table it can also be seen that a total of 4,936 AC bills involving ₹ 735.10 crore were outstanding as of March 2021.

Against AC bills of ₹ 291.81 crore during 2020-21 an amount of ₹ 8.05 crore (2.76 per cent) pertains to March 2021.

Advances drawn and not accounted for increases the possibility of wastage/misappropriation/malfeasance, etc. Non-submission of DCC bills by different Departments within prescribed time, after drawl of AC Bills, could not ensure that funds had been utilised for the purpose for which these were drawn. This, therefore, needs to be monitored closely. The trends of clearance of AC bill is given in **Chart 4.2**:

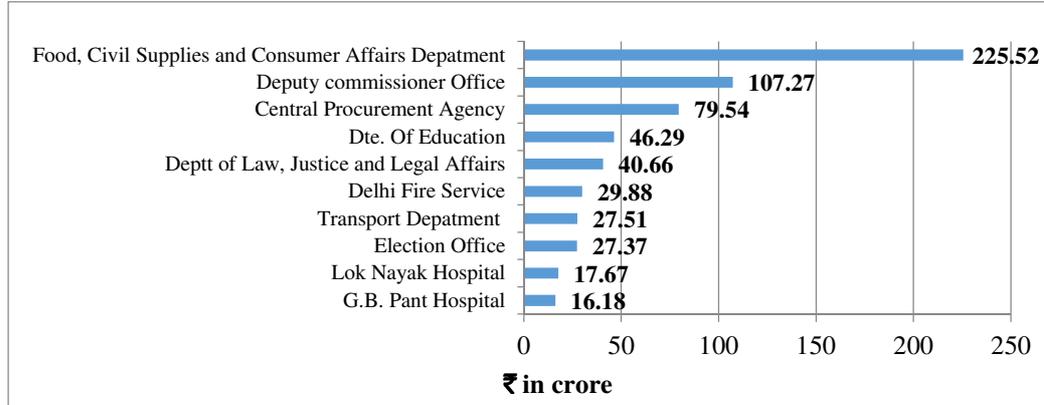
Chart 4.2: Trend of clearance of AC bills



It can be seen from the chart that clearance of outstanding AC bills for the years 2017-18 to 2020-21 showed an increasing trend from 3.55 *per cent* to 56.39 *per cent* in 2020-21.

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 2020-21

The Principal Accounts Office stated (November 2021) that Pay and Accounts Offices have requested the concerned Departments to submit the DCC bills to clear the outstanding AC bills from time to time. There is no failure on the part of PAOs/Pr.AO in this regard. The delay is attributable to the departmental authorities whose responsibility is to settle the advances as per GFR.

However, the reply is not satisfactory as the PAOs are not pursuing with the departments for the timely submission of DCC bills as per Rule 118 of the Receipt and Payment Rules. It also indicates that Finance Department does not have any monitoring mechanism to ensure the compliance of the PAOs requests.

To verify the facts and figures contained in the Finance Accounts relating to pending DCC bills, five Departments/Institutions viz; Central Procurement Agency, Department of Law Justice and Legal Affairs, District Magistrate (Dy. Commissioner) North District, Directorate of Education and Department of Food Supplies and Consumer Affairs were selected for detailed audit.

Department wise major observation are discussed in the subsequent paras.

4.3.1 Central Procurement Agency (CPA)

(i) 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’.

Audit noted that AC bills were drawn for creation of capital assets during 2015-16 to 2020-21 as given in the **Table 4.3:**

Table 4.3: AC bills drawn for creation of Capital assets

Year	Total no. of AC bills drawn during the year	No. of AC bills drawn for creation of capital assets	Amount of AC bills drawn for creation of capital assets (₹ in crore)
2015-16	01	01	9.38
2016-17	04	04	8.18
2017-18	06	06	24.38
2018-19	07	05	29.66
2019-20	11	02	1.43
2020-21	4	0	-
Total	33	18	73.03

(ii) Pendency of DCC bills

Records of CPA revealed that 33 AC bills of ₹ 86.12 crore were drawn between 2015-16 to 2020-21, and out of these 33 AC bills only 13 bills have been settled till 31.08.2021. 20 AC bills of ₹ 78.98 crore were outstanding since 31.03.2016 for want of DCC bills. The reasons for pendency of these AC bills were awaiting receipt of bills and other documents from the consignee/firm and non-receipt of balance amount left with the bank.

(iii) Delay in submission of DCC bills

Audit noted that there was delay of 6.5 and 37 months in submission of DCC bills. Audit also noted that no efforts were made by CPA to settle outstanding AC bills prior to July 2020 as no correspondence in this regard was available in the records.

4.3.2 Department of Law Justice and Legal Affairs

(i) Lack of adjustment of pending AC Bill ₹ 40.61 crore due to matter being sub-judice in the High Court of Delhi:

The Council of Ministers approved a scheme on 18 December 2019 vide Cabinet Decision No. 2794 titled 'Chief Minister Advocate Welfare Scheme' for advocates (Scheme) who are enrolled on the Bar Council of Delhi (BCD) and are also in the voters list of Delhi. Budget amounting to ₹ 50 crore was made during 2020-21.

As per extant procedure expenditure through AC Bills should be done only for meeting contingent expenditure and not carrying out planned activities. Audit noted that Department had drawn two AC bills (i) of ₹ 30.53 crore for advance payment of premium to New India Assurance Co. Ltd for providing Group (Medi-claim) Insurance Coverage to advocates and their family members and (ii) of ₹ 10.08 crore to Life Insurance Corporation of India for providing Group (Term) Life Insurance to advocates in November 2020.

Writ petition was filed before the High Court of Delhi in connection with implementation of the scheme. As per records, the matter was pending in the High Court of Delhi due to which, the amount of ₹ 40.61 crore, raised through AC Bills, could not be settled.

(ii) Lack of reconciliation of AC bills of ₹ 0.04 crore

As per Finance Accounts AC bills of ₹ 40.66 crore were pending against Department on 31 March 2021. However, as per Department records, the pending AC Bills as on 31 March 2021 was ₹ 40.62 crore. Therefore, the difference of ₹ 0.04 crore needs reconciliation.

4.3.3 District Magistrate (Dy. Commissioner), North District

(i) As per Rule 110 of Receipt and Payment 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 Office of the DC (North), was not maintaining records relating to contingent expenditure in Form GAR 27 and was using a simple register for the same.

(ii) As per Rule 118 of Receipt and Payment Rules, 1983 a certificate should be attached to every AC bill to the effect that the detailed contingent bill 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, an AC bill is adjusted without this certificate.

Audit noted that no such certificate was attached with AC bills of DC (North).

- (iii) Audit noted that AC bill of ₹ 0.25 crore was drawn (December 2019) in favor of DTTDC for creation of capital assets viz., Construction of boundary wall of SR office, Bhalswa under the head MH 4059 -Capital outlay in public works during 2019-20.
- (iv) Audit noted that there were significant delays in submission of DC bills in respect of cases of ₹ 20,000 drawn for purchase of wall calendars, notebooks and diaries adjusted after 55 months and AC bills of ₹ 20,500 adjusted after 18 months against cancelled cheque while DC bill was not submitted (December 2021) against the AC bill of ₹ 12.12 lakh drawn in 2017-18.

4.3.4 Directorate of Education

- (i) As per Finance Accounts AC bills of ₹ 46.29 crore were outstanding with the Directorate of Education as on 31 March 2021 for submission of DCC bills.

Audit noted that advance of ₹ 9.10 crore given vide AC bill no. 2641/28.03.2008 for the purchase of 1820 Multimedia projector for school were lying outstanding for the want of original bills though the Utilisation Certificate had already been provided by the Government Agency EdCIL. In respect of advance of ₹ 14.91 crore DoE stated (November 2021) that it is in the process of settlement. The DoE did not furnish the status of outstanding AC bill of remaining amount of ₹ 22.28 crore.

- (ii) **AC bills drawn for creation of capital assets**

Audit noted that two AC bills were drawn for the creation of capital assets in 2019-20 and 2020-21 amounting to ₹ 77.98 lakh and ₹ 2.50 crore respectively in violation of Section III, Rule 96 of the Receipt and Payment Rules, 1983.

4.3.5 Department of Food, Supplies and Consumer Affairs

- (i) **Difference of ₹ 0.43 crore between the data of Finance Accounts and Department**

As per Finance Accounts, AC bills of ₹ 225.52 crore were outstanding as on 31 March 2021 while as per information provided by the Department, the AC bills of ₹ 225.09 crore were outstanding leaving a difference of ₹ 0.43 crore as on 31 March 2021, which needs reconciliation.

Audit noted that AC bill of ₹ 225.24 crore in respect of Department and AC bill of ₹ 0.06 crore in respect its eight branch offices drawn in connection with

payments related to Annshri Yojana, Food Corporation of India, etc., were outstanding. Besides, AC bills of ₹ 0.22 crore which were settled by the Department were shown pending at PAOs.

DDO, Department of Food, Supplies and Consumer Affairs stated that outstanding AC bills of ₹ 225.09 crore were pending due to non-submission of vouchers/invoice along with the sanction orders although letters had been written to F&S (Headquarter)/branches offices.

4.3.6 Other common irregularities

In order to avoid delay in disbursement to outsourced staff on contract from Intelligent Communication Systems India Limited (ICSIL³), GNCTD decided (22 March 2016) that individual departments were to provide ICSIL one and half months equivalent wages of outsourced staff (i.e. DEOs and Assistant programmer hired from ICSIL).

Audit noted that advances were drawn by three Departments through AC bill for advance payment to ICSIL for disbursement of one and half months equivalent wages of outsourced staff from ICSIL as per details given below:

Table 4.4: AC bills drawn for advance payment of wages

Sl. No.	Name of the Department	Period for which payment made	Payment made for hiring of	Amount (₹ in crore)
1	Department of Law Justice and Legal Affairs	2016-17 to 2020-21	DEOs and MTS	0.01
2	Directorate of Education	2016-17	DEOs	1.10
3	Department of Food, Supplies and Consumer Affairs	2016-17 to 2017-18	DEOs/Assistant Programmer	0.47
Total				1.58

The AC Bills of ₹ 1.58 crore were pending for their settlement, although, the one and half months advance salary paid to ICSIL should have been adjusted from the succeeding month's salaries payable to outsourced staff from ICSIL.

4.4 Personal Deposit Accounts

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

- a) In favour of an administrator appointed for the purpose of administering money tendered by or on behalf of ward and attached estates and estates

³ A joint venture of Telecommunication Consultant India Limited and DSIIDC.

under Government management. These PDAs do not lapse to Government as per Rule 192(1), even if outstanding for more than three completed years;

- b) 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);
- c) Where, under certain regulatory activities of the Government, receipts are realised and credited to a Fund or Account under the provisions of an Act to be utilised towards expenditure thereunder 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.

The details of PDAs in GNCTD as on 31 March 2021 are given in **Table 4.5:**

Table 4.5: Details of PDAs as on 31 March 2021

PDAs as on 01.04.2020		PDAs opened during the year 2020-21		PDAs closed during the year 2020-21		Closing balance	
Number	Amount (₹ in crore)	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
12	54.65	nil	nil	nil	nil	12	47.37

Source: Principal Accounts Office, GNCTD

The 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 31 March 2021, there was a total of ₹ 47.37 crore in these 12 PDAs which are not lapsable.

Analysis of PD Accounts

(i) Rule 191 and rule 192 of the Receipt and Payment 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.

However, Audit noted that Directorate of Training and Technical Education was having a closing balance of ₹ 4.43 lakh as on 31.03.2021 in its PD Account which was inoperative after 31.07.2017. The amount could not be returned to National Project Implementation Unit (NPIU) due to lockdown.

The Principal Accounts Office stated (December 2021) that Department of Training and Technical Education has obtained the approval of Competent Authority to refund the balance amount of ₹ 4.43 lakh and it will refund the unspent balance at the earliest to close the PD Account.

(ii) Land and Building Department

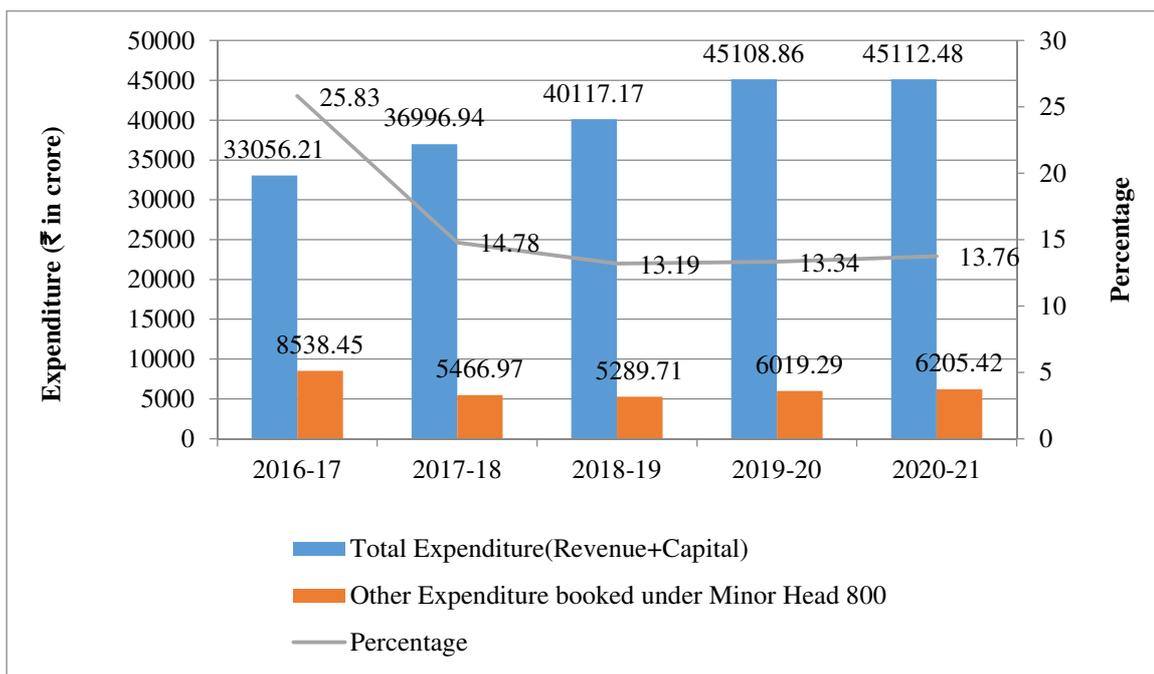
(a) Department of Land and Building, GNCTD has one Personal Deposit Account in favour of Housing Commissioner, Delhi Administration for the purpose of receiving and making payment in connection with scheme for large scale acquisition, development and disposal of land in Delhi. It receives money from agencies such as DDA, PWD, NDMC, DMRC, MCD, Rural Development, etc. Audit noted that ₹ 15.77 crore was disbursed from this account during 2020-21 leaving an undisbursed closing balance of ₹ 42.52 crore as on 31 March 2021. Out of ₹ 42.52 crore, ₹ 8.71 crore, ₹ 2.70 crore, ₹ 3.08 crore and ₹ 3.51 crore pertained to advances from Urban Development Department, Jamia Milia Islamia University, Land Acquisition Collectors (LAC) West and LAC South West respectively.

The Land and Building Department stated (September 2021) that amount could not be disbursed due to lack of receipt of requisite clarification/ information from the LACs/Agencies and pending court cases in the ADJ Courts/ High Court / Supreme Court. It further added that sincere efforts are being made for seeking requisite information/clarification from the concerned LACs/Agencies by issuing request letter, reminders and DO letters from the Secretary/Special Secretary/ DCA and pending amount would be disbursed very soon.

4.5 Indiscriminate use of Minor Head 800

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 in the accounts. 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. Routine operation of minor head 800 is to be discouraged, since it renders the accounts opaque. Trends of amounts booked under minor head 800 – Other expenditure is shown in **Chart 4.4:**

Chart 4.4: Operation of Minor head-Other Expenditure during 2016-2021



Source: Principal Accounts Office, GNCTD

From the graph it can be seen that the percentage of expenditure booked under this head over the total expenditure ranged around 14 *per cent* during the period 2017-18 to 2020-21.

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. Expenditure booked under Minor Head '800-Other Expenditure' during 2020-21 is given in **Table 4.6**:

Table 4.6: Significant Expenditure booked under Minor Head –'800 Other Expenditure'

(₹ in crore)

Sl. No.	Major Head	Expenditure booked under Minor Head 800 'other expenditure'	Total expenditure under the Major Head	Percentage of expenditure in Minor Head-800 as compared to Total Expenditure
1.	2404-Dairy Development	11.59	11.59	100.00
2.	2801-Power	2,956.34	2,956.34	100.00
3.	3075-Other transport service	1.18	1.18	100.00
4.	4070-Capital outlay on other Administrative services	30.97	30.97	100.00
5.	4801-Capital outlay on power projects	5.73	5.73	100.00
6.	5475-Capital outlay on other general economic services	1.27	1.27	100.00
7.	4711-Capital Outlay on Flood Control Projects	94.07	102.98	91.34

Sl. No.	Major Head	Expenditure booked under Minor Head 800 'other expenditure'	Total expenditure under the Major Head	Percentage of expenditure in Minor Head-800 as compared to Total Expenditure
8.	3054-Roads and Bridges	369.52	449.50	82.21
9.	4055-Capital outlay on police	2.88	3.57	80.67
10.	2702-Minor Irrigation	14.89	18.57	80.18
11.	2211-Family Welfare	55.00	69.43	79.22
12.	2041-Taxes on Vehicles	94.03	174.90	53.76
13.	2040-Sales Tax	20.77	39.80	52.19
	Total	3,658.24	3,865.83	94.63

During 2020-21, receipts of ₹ 592.04 crore out of the 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. Significant receipts booked under Minor Head '800-Other Receipts' are given in **Table 4.7:**

Table 4.7: Significant Receipts booked under Minor Head-'800-Other Receipts'

(₹ in crore)

Sl. No.	Major Head	Booking under MH 800	Total Receipts	Percentage of Receipts
1	0217-Urban Development	61.69	61.69	100.00
2	0235-Social security and welfare	6.57	6.57	100.00
3	0701-Medium Irrigation	16.43	16.43	100.00
4	0801-Power	33.10	33.10	100.00
5	0059-Public works	41.91	43.26	96.88
6	0230-Labour and employment	4.03	4.22	95.50
7	0070-Other Administrative Services	117.31	137.22	85.49
8	0210-Medical & Public Health	78.35	95.32	82.20
	Total	359.39	397.81	90.34

The issue was also pointed out in earlier Audit Reports on State Finances. However, no corrective action has been taken so far. The Government may carry out a comprehensive review of all items presently appearing under Minor Head 800 and ensure that all such receipts and expenditure are booked 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' on the lines of CGA adopted for Union Accounts.

The Principal Accounts Office stated (November 2021) that matter has been referred to Finance Department and on receipt of their reply, the same will be provided.

4.6 Submission of Accounts/Separate Audit Reports of Autonomous Bodies

The audit of 12 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 11 bodies/authorities due up to 2020-21 had not been received as of September 2021 in the office of the Principal Accountant General (Audit), Delhi. The details of these outstanding accounts are given in **Table 4.8:**

Table 4.8: Details of Outstanding Accounts as on 30 September 2021

Sl. No.	Name of Body or Authority	Accounts pending since	No. of accounts in arrears as on 30.09.2021
1	Delhi Urban Shelter Improvement Board (DUSIB)	2010-11	11
2	Delhi Jal Board (DJB)	2015-16	6
3	Delhi Kalyan Samiti	2020-21	1
4	Delhi Legal Services Authority	2019-20	2
5	Netaji Subhash University of Technology	2019-20	2
6	Ambedkar University	2020-21	1
7	Guru Govind Singh Indraprastha University	2020-21	1
8	Delhi Technological University	2020-21	1
9	Indira Gandhi Delhi Technical University for Women	2018-19	3
10	Indraprastha Institute of Information and Technology Delhi	2020-21	1
11	Delhi Building and Other Construction Workers Welfare Board	2017-18	4

From the above, it is observed that 33 annual accounts up to the year 2020-21 of 11 bodies/authorities were pending as on 30 September 2021.

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 increases 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) As per 'Section 3-Summary of repayments in arrear from various loanee entities' of Statement No.4 - Loans and Advances given by GNCTD, the earliest period of arrears (principal and interest) has been shown as 1950-51 against Local Bodies, etc., and 1962-63 against Government Corporations, etc., The reasons for the loans in arrears for more than 60 years and the efforts taken for effecting the recoveries was asked from Principal Accounts Office. The Principal Accounts Office stated (November 2021) that the matter has been referred to concerned departments and on the receipt of their replies the same will be provided.

(ii) The cumulative amount of investments to the end of 2020-21 shown under the heads in Statement no.11-Detailed account of capital expenditure during and to the end of the year 2020-21 was not consistent with the amount shown in Statement no.12-Details of Investment of GNCTD in Government Companies and Cooperative Institutions up to the end of 31 March, 2021 as shown in the **Table 4.9**.

Table 4.9: Detail of cumulative amount of investment shown in the Statement no.11 and 12 of Finance Accounts:

(₹ in thousands)

Sl. No.	Major Head	Amount shown under Statement No.11	Amount shown under the Statement No.12	Reasons for difference stated by the GNCTD
1	4216.80.201	300200	302600	Investment adopted from CGA during the year 1994-95.
2	4425.00.107	10940	23038	Investment adopted from CGA during the year 1993-94, investment during 1994-95 and disinvestment during 1995-96 and 2006-07.
3	4425.00.108			
4	4425.00.200			
5	4853.60.190	31800	00	Merger of Delhi State Mineral Development Corporation with Delhi State Industrial Infrastructure Development Corporation in July 2007.
6	5452.80.190	243181	62825	Difference amount pertains to Capital expenditure on account of tourism infrastructure.

The reasons are not satisfactory as the amount under investment heads in Statement-11 should match with the cumulative amount of investments shown in the Statement-12. Efforts may be made to reconcile the figures.

(iii) As per Section 1 of the Statement No.16– Loans and Advances made by GNCTD, the minor heads 201, 202, 203 and 204 below the major head ‘7610-Loans to Govt. servants’ and ‘6401-105-Loans for Crop Husbandry-Manures and Fertilisers’ are continuing to show adverse (minus) balance.

The Principal Accounts Office stated (November 2021) that the concerned PAOs are being directed to identify the misclassification and account for the same in the appropriate head of Account.

(iv) As per disclosure given with Statement no. 16, loans earliest granted by the Government to Delhi Scheduled Caste Financial Development Corporation was ₹ 1356.94 lakh in 1987-88 and ₹ 436.34 lakh in 1998-99 to Delhi State Civil Supply Corporation Limited. Audit observed that after a lapse of nearly 30 years, the terms and conditions of loans are yet to be settled.

The matter was reported to the Finance Department in October 2021 but their reply is still awaited (December 2021).

(v) As per disclosure given with the Statement no. 16 under the head 'Fresh loans and advances made during the year to the loanee entities from whom repayments of loans are in arrears', loans were given to Delhi Jal Board, Delhi Urban Shelter Investment Board and Delhi Khadi and Village Industries Board for water supply, sanitation, construction of houses for weaker section and implementation of scheme. Audit noted that the earlier period in which the loans were given to these agencies ranged between 1998-99 and 2011-12 for which the repayments are yet to be received.

The Finance Department should specify the reasons for disbursing loans to the defaulting entities and efforts made to effect the recoveries.

The matter was reported to the Finance Department in October 2021, their reply is still awaited (December 2021).

4.8 Voucher Audit irregularities

For the audit of vouchers, three Pay and Accounts offices i.e. PAO VI, IX and XII were selected out of a total of 23 PAOs. PAO wise major audit observations are as under:

PAO-VI (Urban Development Department)

(i) Misclassification within object heads under the same section of grant

Rule 8 of Delegation of Financial Power Rules prescribes standard primary units of appropriation with the description/definitions of the purpose of classification of expenditure. It also specifies the object heads and their descriptions specifying the details of expenditures to be booked under a particular Object Head.

During test check of vouchers, Audit noted that 43 cases amounting to ₹ 2.71 crore were booked under incorrect object heads. Specific instances include seven case amounting to ₹ 0.86 crore were to be classified under object head '02-wages' but were wrongly classified under the other object heads- salaries, office expenses and other charges.

(ii) Payment without proper sanctions orders

As per para 4.1.2 of Civil Account Manual, it is the duty of the Pay and Accounts Officer to see that the incurring of expenditure from the Consolidated Fund of India is governed by essential conditions which *inter alia* includes that there exists sanction, either special or general, accorded by the competent authority authorizing expenditure.

However, test check of vouchers revealed the deficiencies in the following vouchers/bills as given in **Table 4.10**:

Table 4.10: Instances where payment was made without sanction orders

Sl. No.	Token No.	Bill No.	Date	Amount (in ₹)	Detail of expenditure	Classified under Object head	Remarks
1	12875	MB-2198	01/02/2021	14,330	Medical Bill	06-Medical treatment	Sanction orders not available
2	13166	CB-760	10/02/2021	1,30,161	Reimbursement of peon cum home orderly allowance	13-Office expenses	Sanction was issued under object head 01-Salary
3	7428	MB-1035	08/10/2020	58,169	Medical Bill	06-Medical treatment	Sanction order not available
4	8675	82	23/11/2020	20,15,000	Release of funds for execution of works under the MLALAD Scheme	53-Major works	Sanction issued for M.H.-4271 instead of M.H.-4217
5	17000	462	28/03/2021	34,59,000	Release of funds for execution of works under the MLALAD Scheme	53-Major works	Sanction issued for M.H.-4271 instead of M.H.-4217

PAO-IX (Department of Education)

(i) Misclassification within object heads under the same section of grant

Audit noted that in 20 vouchers amount of ₹ 8.66 crore was booked under incorrect object heads in violation of Rule 8 of Delegation of Financial Power Rules.

Specific instances include four cases amounting to ₹ 93.84 lakh, ₹ 7.17 lakh, ₹ 741.23 lakh and ₹ 6.48 lakh were to be classified under object head '01 - Salaries' and '02-Wages' but were wrongly classified under the object heads 'Wages', 'Salaries' and 'Office expenses'.

(ii) Payment without proper sanctions orders

Test check of vouchers revealed the deficiencies in the following vouchers/bills as given in **Table 4.11**:

Table 4.11: Instances where payment was made without sanction orders

Sl. No.	Token No.	Bill No.	Date	Amount (in ₹)	Detail of expenditure	Classified under object head	Remarks
1	35243	PB-154	04/03/2021	2,84,338	Salary of contractual staff	02- Wages	Sanction orders not available
2	21639	CB-324	18/11/2020	1,97,692	Purchasing of consumable items	21-Supply & material	-do-
3	37396	ACB-1464	18/03/2021	4,50,000	State Teachers Awards Function	05-Rewards	-do-
4	1155	PB-009	09/04/2020	1,52,709	Salary of contractual staff	02- Wages	Income tax not deducted
5	14604	PB-168	17/09/2020	8,27,352	Salary of staff	01-Salaries	Smt. Renu's GPF/NPS not deducted

PAO-XII (Public Works Department)

(i) Booking of expenditure in not existing Sub-Major head/ Minor head by the DDO

Audit noted that various DDOs of Public Works Department are booking their establishment expenditure in 'Sub-Major Head-00/Minor Head-095' which does not exist under the Major Head 2059. As per List of Major and Minor Heads of accounts, Minor Head '095- Directorate of Accounts and Treasuries' is only available under the Major Head '2054- Treasury and Accounts Administration'. Although, the PAO is booking the expenditure in concerned expenditure head but classification in the Vouchers has not been changed. DDOs are continuously submitting the vouchers with the wrong classification and no efforts are being made by the PAO to change the classification in the forthcoming vouchers.

It could not be ascertained in audit, how the monthly accounts have been reconciled, when the DDOs are submitting the vouchers with wrong classification.

Hence, PAO may advise the DDOs to mention proper classification of Head of Account under which expenditure is to be booked in order to rule out any possibility of wrong classification from the respective DDOs.

(ii) Expenditure on salary of Work Charged Staff wrongly booked under Salary head instead of specifically assigned Minor head for work charged staff

Work-charged establishment means that establishment whose pay and allowances etc. are directly chargeable to 'Works'. Work-charged (WC) Staff is employed on the actual execution of a specific work, sub-works of a specific work, etc. The cost of work-charged establishment should invariably be shown as a separate sub-head of the estimate for a work. In other respects, the work-charged staff is comparable to the regular categories

Moreover, List of Major and Minor Heads of accounts (LMMH) provides that Minor head '053- Maintenance and Repairs' are to be divided into the following sub-heads:-

- (i) Work Charged Establishment
- (ii) Other maintenance expenditure

Thus, the expenditure incurred on WC staff should be booked in the Sub-head under the Minor Head – 'Maintenance and Repair 053'.

Audit noted that the salary, bonus, etc., paid to work charged staff (Khalasi, Beldar, etc.) has been booked under the regular salary head by the various DDOs of Public Works Department instead of the sub-head under Minor head '053- Maintenance and Repairs'. Audit also verified from the Compact software of PAO and found that the PAO is also booking such expenditure in regular salary head of account i.e. 2059800018800-01(Object head - Salary).

Thus, it is evident that the expenditure on WC staff is being wrongly classified and booked under the regular salary head. Necessary measures may be taken to rectify the classification.

(iii) Head of account not mentioned in the vouchers submitted by the DDOs

Test check revealed that in four vouchers Head of Account has not been mentioned by the DDOs while submitting them to PAO and these vouchers have been passed by the PAO without raising any objection. Possibility of wrong classification by the DDO could not be ruled out in such cases.

Hence, PAO should instruct the DDOs to mention proper classification of Head of Account under which expenditure is to be booked in order to rule out any possibility of wrong classification from DDOs.

(iv) Declaration regarding 'Admissibility of Bonus' found missing in the vouchers.

As per Annexure to O.M no. 7/24/2007-E-III(A) dated 21.10.2020 issued by Department of expenditure, MoF, GOI, those employees who have completed six months of continuous service and being in service as on 31 March 2020 were eligible for the ad-hoc bonus and there should not be any break in the service during the period in consideration. In this regard the DDO had to attach a declaration with the vouchers relating to the payment of ad-hoc bonus that all the employees to whom the payment of bonus is being made, have completed six months of service and there is no break in the service during the period under consideration.

Test check by Audit revealed that in 16 cases vouchers relating to the payment of ad-hoc bonus, such declaration was not found attached though the payment was made. As a result, Audit could not ascertain whether the employees to whom payment is made, were actually eligible for the ad-hoc bonus or not.

4.9 Recommendations

- (i) The Government should ensure timely submission of utilisation certificates by the departments in respect of the grants released for specific purposes. GNCTD may review pendency of UCs before release of fresh grants or subsidy or any other financial support to defaulting grantees.
- (ii) The Government should carry out adjustment of Abstract Contingent bills within stipulated period, as required under the Rules. GNCTD should fix responsibility of DDOs who have not submitted Detailed Contingency bills for more than a year for advances drawn through AC bills.
- (iii) The Finance Department should conduct a comprehensive review of all items presently appearing under Minor Head 800 and ensure that all such receipts and expenditure are in future booked under the appropriate heads of account.

CHAPTER-5

STATE PUBLIC SECTOR ENTERPRISES

Chapter - 5

State Public Sector Enterprises

This chapter discusses the financial performance of Government Companies, Government Controlled Other Companies and Statutory Corporations as revealed from their accounts. Impact of significant comments issued as a result of supplementary audit of the Financial Statements of these State Public Sector Enterprises (SPSEs) conducted by the Comptroller and Auditor General (CAG) of India for the year 2020-21 (or of earlier years which were finalised during the current year) has also been discussed.

5.1 Definition of Government Companies

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.

5.2 Mandate of Audit

Audit of Government Companies is conducted by the CAG of India 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 Delhi Transport Corporation (a Statutory Corporation) require their accounts to be audited only by the CAG whereas for Delhi Financial Corporation, CAG conducts supplementary audit.

5.3 State Public Sector Enterprises and their contribution to the GSDP of the State

5.3.1 State Public Sector Enterprises (SPSEs) consist of State Government Companies and Statutory Corporations. SPSEs are established to carry out activities of a commercial nature keeping in view the welfare of the people and occupy an important place in the State economy. As on 31 March 2021, there

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

were 18 SPSEs in Delhi, including two² 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 last more than three years. These SPSEs are detailed in **Table 5.1:**

Table 5.1: List of SPSEs

Sl. No.	Sector and Name of the State Public Sector Enterprises
Government Companies	
Finance	
1.	Delhi SC /ST /OBC Minorities and Handicapped Financial and 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)

² Delhi Transport Corporation and Delhi Financial Corporation.

5.3.2 The ratio of turnover of the SPSEs to the Gross State Domestic Product (GSDP) shows the extent of activities of the SPSEs in the State economy. The details of total turnover of SPSEs and GSDP of Government of National Capital Territory of Delhi (GNCTD) for a period of three years ending 31 March 2021 are given in **Table 5.2**:

Table 5.2: Details of total turnover of SPSEs vis-à-vis GSDP of GNCTD

Particulars	₹ in crore)		
	2018-19	2019-20	2020-21
Total turnover	9,318.69	9,573.56	11,505.87
GSDP of Delhi	7,50,961.61	8,30,872.49	7,98,309.81
Percentage of turnover to GSDP of Delhi	1.24	1.15	1.44

Source: Turnover has been taken as per the latest Financial Statements of SPSEs and GSDP has been taken from Directorate of Economics and Statistics.

It can be seen from the table above that the total turnover of these SPSEs has shown an increase of 23.47 per cent during the three years from 2018-19 to 2020-21 as per their latest audited accounts. However, the contribution of SPSEs in the GSDP remained marginal.

5.4 Investment in SPSEs and Budgetary support

5.4.1 Equity holding and Loans in SPSEs

The sector-wise total equity, equity contribution by GNCTD and long-term loans including the loans given by GNCTD as on 31 March 2021 (**Appendix 5.2**) is given in **Table 5.3**:

Table 5.3: Sector-wise investment in SPSEs as on 31 March 2021

Name of Sector	Companies/ Statutory Corporation	Total Investment (₹ in crore)				
		Equity		Long Term Loans		Total Equity and Long-Term Loans
		Total	State Government	Total	State Government	
Power	Companies	7,506.79	7,106.78	4,713.62	4,036.24	12,220.41
Finance	Company	50.00	38.12	68.24	68.24	118.24
	Statutory Corporation	26.48	18.05	33.00	33.00	59.48
Service	Companies	25.07	24.04	2.19	2.14	27.26
Infrastructure	Companies	21.00	21.00	0.00	0.00	21.00
Transport	Company	10.65	10.65	0.00	0.00	10.65
	Statutory Corporation	1,983.85	1,983.85	11,676.14	11,676.14	13,659.99
Total		9,623.84	9,202.49	16,493.19	15,815.76	26,117.03

Source: Financial Statements of 2020-21 and information furnished by the SPSEs (Long term loans include current maturities of GNCTD loans)

It can be seen from the above table that the thrust of investment in SPSEs was mainly on the Transport and Power sector, which received 52.34 per cent and 46.79 per cent respectively, of the total investment of ₹ 26,117.03 crore. Statutory Corporation (DTC) under Transport sector received 99.92 per cent of total investment in Transport sector.

5.4.2 Grants and Subsidies to SPSEs

The sector-wise total grants and subsidies given by GNCTD and Central Government during the period 2018-19 to 2020-21 is given in **Table 5.4**:

Table-5.4: Details of Grants/ Subsidies in SPSEs

Year	Grant and Subsidy from		Total
	State Government	Central Government	
2018-19	1,969.82	41.23	2,011.05
2019-20	2,176.67	8.04	2,184.71
2020-21	2,761.56	0.00	2,761.56
Total	6,908.05	41.23	6,957.32

Source: As per the information furnished by SPSEs

It can be seen from the above table that the support in the form of grants and subsidies to SPSEs was mainly received from GNCTD i.e. 99.02 per cent. GNCTD granted funds amounting to ₹ 6,761.69 crore (97.19 per cent) to DTC for its operation.

5.4.3 Disinvestment, Restructuring and Privatisation

During the year 2020-21, there was no case of disinvestment/restructuring/privatisation of SPSEs. GNCTD has not prepared any policy on disinvestment of State Government equity invested in the SPSEs.

5.5 Returns from SPSEs

5.5.1 Profit earned by SPSEs

In 2020-21 also there were 10 profit-earning SPSEs³, 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.

The details of the top five profit earning SPSEs in 2020-21 (**Appendix 5.1**) is given in **Table 5.5**:

Table 5.5: Top five profit earning SPSEs

Name of SPSE	Net profit earned (₹ in crore)	Percentage of profit to total SPSEs profit
PPCL	1562.16	55.60
DTL	606.60	21.59
DSI IDC	219.09	7.80
IPGCL	190.93	6.80
DPCL	126.87	4.51
Total	2,705.65	96.30

Source: Latest Financial Statements of SPSEs

³ DSI IDC, PPCL, IPGCL, DTL, DPCL, ICSIL, DSCSC, DTTDC, GDL, DTIDC. One SPSE (SRDC) is a non-profit making Company registered under Section 8 of the Companies Act, 2013.

During 2020-21, net profit of ₹ 2,705.65 crore constituting 96.30 per cent of total profit of the 10 SPSEs was contributed by these five SPSEs, out of which PPCL earned maximum profit.

5.5.2 Dividend paid by SPSEs

GNCTD had formulated (17 August 2021) dividend policy under which SPSEs 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. None of the nine SPSEs-which earned profit and in which GNCTD had made investment had declared/paid dividend for the year 2020-21.

5.6 Debt Servicing

5.6.1 Interest Coverage Ratio

Interest coverage ratio is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser is the ability of the company to pay interest on debt. An interest coverage ratio of below one indicates that the company was not generating sufficient revenues to meet its interest liabilities.

The details of interest coverage ratio in SPSEs which had interest burden are given in **Table 5.6:**

Table 5.6: Interest coverage ratio of SPSEs

Year	Interest liability (₹ in crore)	Earnings before interest and tax (EBIT) (₹ in crore)	Number of SPSEs having interest liability from Government and other financial institutions	Number of companies having interest coverage ratio more than 1	Number of companies having interest coverage ratio less than 1
2018-19	5,005.46	1,645.16	6	3	3
2019-20	5,701.94	1,382.53	6	3	3
2020-21	6,844.49	3,470.25	7	3	4

Source: Latest Financial Statement of SPSEs

It was observed that three SPSEs⁴ had interest coverage ratio of more than one, but four⁵ other SPSEs had interest coverage ratio of less than one during 2020-21. Thus, these four SPSEs were not generating sufficient revenues even to meet their interest liability. DPCL had interest liability of ₹ 316.01 crore against loan of ₹ 3,326.39 crore which was not booked as expenditure but shown as recoverable from the GNCTD and State Government in turn requested the Government of India for writing off of loan, however no approval for same was received (December 2021). DTC and DFC had also not paid interest on GNCTD Loans.

⁴ DTL, IPGCL and PPCL

⁵ DSCFDC, DFC, DTC and DPCL

5.6.2 Age wise analysis of interest unpaid on GNCTD Loans

As on 31 March 2021, interest amounting to ₹ 35,522.14 crore was unpaid on loans of five SPSEs provided by GNCTD. The age wise analysis of interest unpaid on GNCTD loans in SPSEs is depicted in **Table 5.7**:

Table 5.7- Interest unpaid on GNCTD Loans

(₹ in crore)

Name of SPSE	Interest unpaid on GNCTD Loans	Interest on GNCTD loans unpaid for less than 1 year	Interest on GNCTD loans unpaid for 1 – 3 years	Interest on GNCTD loans unpaid for more than 3 years
IPGCL	814.30	74.59	195.86	543.85
PPCL	485.64	116.20	289.21	80.23
DFC	18.15	3.30	6.60	8.25
DTC	32,248.27	6,144.54	9,752.65	16,351.08
DPCL	1,955.78	316.01	632.02	1,007.75
Total	35,522.14	6,654.64	10,876.34	17,991.16

Source: Information received from SPSEs and latest financial statements of SPSEs.

It may be seen from above table IPGCL and PPCL despite earning profits defaulted in payment of interest amounting to ₹ 1,109.15 crore to GNCTD for more than one year. In case of DTC it had neither repaid Principal (since 2007-08) of ₹ 11,676.14 crore nor interest (since 2011-12) amounting to ₹ 32,248.27 crore.

5.7 Performance of SPSEs

5.7.1 Return on Capital Employed

Return on Capital Employed (RoCE) is a ratio that measures a company's profitability and the efficiency with which its capital is employed. RoCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed⁶. The details of RoCE of 13 SPSEs in which GNCTD had invested (**Appendix 5.1**) during the period from 2018-19 to 2020-21 are given in **Table 5.8**:

Table 5.8: Return on Capital Employed

Year	EBIT (₹ in crore)	Capital Employed (₹ in crore)	RoCE (in per cent)
2018-19	2,036.61	(-) 6,198.10	(-) 32.86
2019-20	2,022.62	(-) 11,192.35	(-) 18.07
2020-21	3,762.72	(-) 15,597.80	(-) 24.12

Source: Latest Financial Statement of SPSEs.

It was observed that the RoCE was negative in all the years mainly due to negative capital employed (accumulated losses are more than sum total of paid-up share capital, free reserves and surplus and long-term loans) of DTC of ₹ 31,240.53 crore. If capital employed of DTC is excluded the capital employed of remaining 12 SPSEs was ₹ 15, 642.73 crore and RoCE was 23.92 per cent.

⁶ Capital Employed = Paid up Share Capital + Free Reserves and Surplus + Long-term Loans – Accumulated Losses – Deferred Revenue Expenditure

5.7.2 Return on Equity by SPSEs

Return on Equity (RoE) is a measure of financial performance to assess how effectively a company's assets are being used to create profits. RoE is calculated by dividing net income (*i.e.* net profit after taxes) by shareholders' fund⁷. It is expressed as a percentage and can be calculated for any company, if net income and shareholders' fund are both positive numbers.

Shareholders' fund reveals how much would be left for a company's stakeholders if all assets were sold and all debts paid. A positive shareholders fund reveals that the company has enough assets to cover its liabilities while negative shareholder fund means liabilities exceed assets.

The details of total net income and shareholders' fund relating to 13 SPSEs with GNCTD investment (**Appendix 5.1**) are given in **Table 5.9**:

Table 5.9: Return on Equity relating to SPSEs where funds were infused by GNCTD

Year	Total net Income (₹ in crore)	Shareholders' Fund (₹ in crore)	ROE (Percentage)
2018-19	-3,489.59	(-) 22,120.85	-
2019-20	-4,175.27	(-) 26,292.35	-
2020-21	-3,358.75	(-) 29,918.53	-

As the net income as well as shareholders' fund of SPSEs during 2018-19 to 2020-21 was negative, RoE was not calculated. The net income for all the years from 2018-19 to 2020-21 was negative due to the losses incurred by DTC, which wiped out the profits earned by other SPSEs. The shareholder's fund was negative mainly on account of accumulated losses of DTC which had increased to ₹ 44,900.52 crore as per its latest finalised accounts (2019-20).

5.7.3 Return on Investment

Return on investment is the percentage of profit or loss to the total investment. Out of 18 SPSEs of the State, GNCTD infused funds in the form of equity, loans and grants/subsidies in 13 SPSEs only. GNCTD did not infuse any direct funds in remaining five⁸ SPSEs.

5.7.4 Rate of Real Return (RORR) on Government Investments

RORR measures the profitability and efficiency with which equity and similar non interest bearing capitals have been employed, after adjusting for their time value (Present Value (PV)), assumes significance when compared with the conventional rate of return (ROR) which is calculated by dividing the Profit after Tax by the sum of all such investments counted on historical cost.

⁷ Shareholders' fund = Paid up capital + free Reserves – Accumulated Losses - Deferred Revenue Expenditure

⁸ DEL, DCAD, DMSL and DLL are subsidiary companies of DSIIDC, which contributed towards their capital. Further, in case of ICSIL, capital was contributed by DSIIDC, TCIL and two other companies.

The RORR of GNCTD investment in 13 SPSEs was computed on the basis of following assumption:

- Actual infusion by GNCTD in the SPSEs in the form of equity, interest-free loans and grants and subsidies for operational and administrative expenses given by GNCTD to the SPSEs have been considered as investment infusion by GNCTD.
- The average rate of interest on Government borrowings for the concerned financial year⁹ was adopted as compounded rate for arriving at PV since they represent the cost incurred by the Government towards investment of funds for the year and was therefore considered as the minimum expected rate of return on investments made by the Government.
- For the purpose of RORR calculation of GNCTD investment, the period beginning 2002-03¹⁰ till 2020-21 has been taken considering the investment in these 13 SPSEs as on 31 March 2002 as PV of GNCTD investment in the beginning of 2002-03.

The consolidated position of the RORR of GNCTD investment relating to the 13 SPSEs since 2002-03 till 31 March 2021 is indicated in **Table 5.10**:

Table 5.10: Year-wise details of investment by the GNCTD and RORR on government funds from 2002-03 to 2020-21

(₹ in crore)										
Financial year	Present value of total investment at the beginning of the year	Equity infused by the State Govt. during the year	Interest free loans given by the State Govt. during the year	Grants and subsidies for operational and administrative expenses	Total investment during the year	Total investment at the end of the year	Average rate of interest on government borrowings in %)	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings/ Losses (-) for the year
i	ii	iii	iv	v	vi=iii+iv+v	vii=ii+vi	viii	ix={(vii* (1+ viii)/ 100)}	x={(viii*vii)/100}	xi
2002-03	183.06 ¹¹	324.41	0.00	0.20	324.61	507.67	11.17	564.38	56.71	-1,872.94
2003-04	564.38	0.00	0.00	0.20	0.20	564.58	10.65	624.70	60.13	-534.27
2004-05	624.70	0.00	0.00	0.20	0.20	624.90	10.34	689.52	64.62	-1,375.28
2005-06	689.52	0.00	0.00	130.87	130.87	820.39	8.87	893.16	72.77	-1,859.78
2006-07	893.16	3.11	0.00	42.07	45.18	938.34	9.35	1,026.07	87.73	-864.09
2007-08	1,026.07	4,471.80	0.00	33.56	4,505.36	5,531.43	9.84	6,075.73	544.29	-1,749.46
2008-09	6,075.73	715.19	0.00	19.25	734.44	6,810.17	9.90	7,484.37	674.21	-1,672.67
2009-10	7,484.37	1,128.25	0.00	96.25	1,224.50	8,708.87	9.52	9,537.96	829.08	-1,788.68
2010-11	9,537.96	464.00	0.00	402.98	866.98	10,404.94	9.10	11,351.79	946.85	-1,557.81
2011-12	11,351.79	665.48	40.00	764.59	1,470.07	12,821.86	9.77	14,074.55	1,252.70	-1,969.18
2012-13	14,074.55	498.55	50.00	1,310.54	1,859.09	15,933.64	9.73	17,483.98	1,550.34	-1,775.75
2013-14	17,483.98	745.00	1.00	1,409.70	2,155.70	19,639.68	9.21	21,448.50	1,808.81	-2,034.69
2014-15	21,448.50	-1.15	7.00	1,438.75	1,444.60	22,893.10	8.59	24,859.62	1,966.52	-942.51
2015-16	24,859.62	0.00	0.00	1,416.93	1,416.93	26,276.55	8.54	28,520.56	2,244.02	-2,049.81
2016-17	28,520.56	0.00	0.00	1,792.66	1,792.66	30,313.22	8.65	32,935.32	2,622.09	-2,867.88
2017-18	32,935.32	0.00	0.00	2,078.18	2,078.18	35,013.50	8.58	38,017.66	3,004.16	-2,895.56
2018-19	38,017.66	0.00	0.00	1,890.95	1,890.95	39,908.61	8.64	43,356.71	3,448.10	-3,489.59
2019-20	43,356.71	4.80	0.00	2,162.44	2,167.24	45,523.95	8.14	49,229.60	3,705.65	-4,175.27
2020-21	49,229.60	0.00	0.00	2,639.68	2,639.68	51,869.28	7.04	55,520.88	3,651.60	-3,358.75
Total		9,019.44	98.00	17,630.00	26,747.44					

Source: Information received from SPSEs and Finance Accounts of GNCTD of respective years.

⁹ The average rate of interest on government borrowings was adopted from Finance Account of GNCTD of respective year.

¹⁰ As per information received from the SPSEs.

¹¹ Closing balance of investment made by GNCTD in 13 SPSEs till the year 2001-02.

The investment of GNCTD in these 13 SPSEs at the end of the year increased to ₹ 9,202.50 crore in 2020-21 from ₹ 507.67 crore in 2002-03. The PV of investments of GNCTD up to 31 March 2021 worked out to ₹ 55,520.88 crore. It can be seen from the table that total earnings of the companies have remained negative throughout the period from 2002-03 to 2020-21. This was because the losses suffered by DTC (in losses since inception 1996-97) mainly wipes out the profit earned by other SPSEs.

5.8 SPSEs incurring losses

5.8.1 Losses incurred

There were seven¹² 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 as per their latest finalised accounts from ₹ 4,386.79 crore in 2018-19 and ₹ 5,294.16 crore in 2019-20 as given in **Table 5.11**:

Table 5.11: Details of SPSEs that incurred losses

(₹ in crore)

Year	No. of loss making SPSEs	Net loss for the year	Accumulated loss	Net Worth ¹³
2018-19	11 ¹⁴	4,386.79	-32,499.28	-29,436.93
2019-20	7 ¹⁵	5,294.16	-38,741.28	-36,685.71
2020-21	7 ¹⁶	6,162.64	-44,889.77	-42,834.20

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. The reasons for losses are as under:

a. DTC:

The losses incurred by DTC were mainly due to lack of revision of fares since November 2009 and interest burden of Plan and Non-Plan loans released by the Government of NCT of Delhi. Resultantly, DTC has not been in a position to repay either the loans (since 2007-08) received from GNCTD or the interest thereon (since 2011-12). From 2011-12 onwards GNCTD had released grants-in-aid (GIA) to DTC as financial assistance. DTC had received GIA amounting

¹² SRDC earns no profit/loss in 2019-20 hence, not considered in loss making SPSEs.

¹³ Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits and share premium account but do not include reserves created out of revaluation of assets and write back of depreciation provision.

¹⁴ Four Subsidiaries of DSIIDC, SRDC, DTC, NDMC Smart City, IPGCL, DFC, DSIIDC and DSCFDC.

¹⁵ Four Subsidiaries of DSIIDC, DTC, DFC and DSCFDC.

¹⁶ Four Subsidiaries of DSIIDC, DTC, DFC and DSCFDC

to ₹ 14,241 crore during the period 2011-2021. Prior to 2011, DTC had received interest bearing loans of ₹ 11,676 crore from GNCTD. As of March 2020, accumulated unpaid interest amounted to ₹ 32,248 crore. Thus, out of the total accumulated losses of ₹ 44,900 crore (as on March 2020), 72 *per cent* i.e. ₹ 32,248 crore was due to accumulated unpaid interest.

DTC submitted (2016) the following proposal to the Delhi Government for improving its financial position which was still pending (December 2021) for decision.

- a. Conversion of outstanding plan loan of ₹ 511 crore into equity.
- b. Conversion of outstanding non plan loan of ₹ 11,165 crore into GIA and conversion of accumulated interest of ₹ 16,330.59 crore (as on 31 March 2017) into GIA.
- c. Revision of fares as there was no revision since November 2009.

b. DFC

Losses incurred by DFC were due to its Non-Performing Asset (NPA) of ₹ 20.19 crore as on 31.3.2020 which was 41.83 *per cent* of total Loans disbursed, declining business due to very high cost of funds at 10 *per cent* as compared to six *per cent* on bank loans, discontinuation of refinance from SIDBI and high rate of interest on GNCTD loan of ₹ 33 crore.

c. Others:

The four loss making 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. These companies except one¹⁷ (during 2012-13 to 2014-15), did not commence their business and has remained inactive so far (December 2021). In September 2014, the assets and liabilities of these subsidiary companies were taken over by DSIIDC. During 2012-13 to 2019-20, these companies earned negligible income but incurred annual expenses on audit fee and Registrar of Companies filing fee. Despite takeover of assets and liabilities by DSIIDC in 2014-15, it has so far failed to take decision on closure of these companies and objective of creating these companies remained unfulfilled due to not functioning of these companies leading to loss of ₹ 20.64 lakh to DSIIDC.

5.8.2 Erosion of Capital in SPSEs

As on 31 March 2021, there were three SPSEs with accumulated losses of ₹ 46,003.49 crore in which GNCTD had invested equity and loans. Of these three SPSEs, two SPSE (DTC and DFC) incurred losses amounting to

¹⁷ DEL

₹ 6,147.06 crore and ₹ 12.38 crore respectively and one¹⁸ SPSE had not incurred loss, even though it had accumulated loss of ₹ 1,100.32 crore as per its latest finalised accounts (2019-20).

The net worth of two¹⁹ out of these three SPSEs had been completely eroded by accumulated losses and their net worth were negative. As on 31 March 2021 the net worth of these two SPSEs was (-) ₹ 43,271.94 crore against equity investment of ₹ 2,728.90 crore. Out of these two SPSEs, whose capital had been eroded, DPCL had earned profit of ₹ 126.87 crore during 2020-21. In these two SPSEs, outstanding Government loans as on 31 March 2021 were ₹ 12,341.42 crore.

5.9 Audit of State Public Sector Enterprises

Comptroller and Auditor General of India appoints the statutory auditors of a Government Company under Section 139 (5) and (7) of the Companies Act, 2013. CAG has a right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the statutory auditor. Statutes governing Corporations require that their accounts be audited by the CAG and audited accounts and separate audit report be submitted to the Legislature.

5.10 Appointment of statutory auditors of Government Companies by CAG

Sections 139 (5) of the Companies Act, 2013 provides that the statutory auditors in case of a Government Company are to be appointed by the CAG within a period of 180 days from the commencement of the financial year.

The statutory auditors of the Government Companies for the year 2020-21 were appointed by the CAG during 2020.

5.11 Submission of accounts by State Public Sector Enterprises

5.11.1 Need for timely submission of Annual Report and Accounts

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 Meeting²⁰ (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

¹⁸ DPCL

¹⁹ DPCL and DTC

²⁰ 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

control over the utilisation of public funds invested in the Companies from the Consolidated Fund of the State.

Section 96 of the Companies Act, 2013 requires every company to hold AGM 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.

The annual accounts of various SPSEs were in arrears as on 30 November 2021, as detailed in the following paragraph.

5.11.2 Timeliness in preparation of accounts by Government Companies

As of 31 March 2021, there were 16 Government Companies under the purview of CAG's audit. However, only seven Government Companies had prepared and submitted their accounts for audit by CAG by 30 November 2021²¹. Accounts of nine Government Companies were in arrears. Details of arrears in submission of accounts of Government Companies are given in **Table 5.12**:

Table 5.12: Details of arrears in submission of accounts of Government Companies

Particulars		Number
Total number of Companies from which accounts for 2020-21 were due		16
Number of companies which prepared and submitted the accounts for CAG's audit by 30 November 2021		07
Number of accounts in arrears (nine Government Companies)		14
Break-up of arrears	Arrear for one year (2020-21)	08 ²²
	Two years (2019-20 and 2020-21)	-
	Arrear for more than three years	1 ²³

Accounts of PPCL, DSCSC, DTIDC, IPGCL, DPCL, DEL, DCADL and GDL were in arrear for 2020-21 and of DSCFDC accounts were in arrear for six years (2015-16 to 2020-21). GNCTD invested ₹ 19.56 crore in DSCFDC (Equity: ₹ 4.80 crore, Loans: ₹ 6.00 crore and Grant: ₹ 8.76 crore) during the period its accounts were in arrears. In the absence of finalisation of accounts, government

²¹ Date of holding AGM of Companies for the financial year 2020-21 was extended upto 30 November 2021 by Government of India, Ministry of Corporate Affairs vide order dated 23 September 2021.

²² PPCL, DSCSC, DTIDC, IPGCL, DPCL, DEL, DCADL and GDL.

²³ Six accounts of DSCFDC were in arrear for 2015-16 to 2020-21.

investments in DSCFDC remained outside the oversight of the audit and State Legislature.

5.11.3 Timeliness in preparation of accounts by Statutory Corporations

Audit of two Statutory Corporations (DFC and DTC) is conducted by the CAG. Accounts of both Statutory Corporations for the year 2020-21 were not prepared and submitted as on 30 November 2021. GNCTD invested ₹ 2,575.24 crore (Grants/subsidies) inspite of DTC not finalizing their accounts during 2020-21. This remained outside the oversight of the audit and State Legislature because of not submitting of accounts by DTC.

5.12 CAG's oversight - Audit of accounts and supplementary audit

5.12.1 Financial reporting framework

Companies are required to prepare the financial statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards. The Statutory Corporations are required to prepare their accounts in the format prescribed under the rules framed in consultation with the CAG and any other specific provision relating to accounts in the Act governing such Corporations.

5.12.2 Audit of accounts of Government Companies by Statutory Auditors

The statutory auditors appointed by the CAG under Section 139 of the Companies Act, 2013, conduct audit of accounts of the Government Companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG plays an oversight role by monitoring the performance of the statutory auditors in audit of public sector undertakings with the overall objective that the statutory auditors discharge the functions assigned to them properly and effectively. This function is discharged by exercising the power to:

- issue directions to the statutory auditors under Section 143(5) of the Companies Act, 2013 and
- supplement or comment upon the statutory auditor's report under Section 143(6) of the Companies Act, 2013.

5.12.3 Supplementary Audit of accounts of Government Companies

The prime responsibility for preparation of financial statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the management of an entity.

The statutory auditors appointed by the CAG under section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the financial statements under Section 143 of the Companies Act, 2013 based on an independent audit in accordance with the Standard Auditing Practices of the

Institute of Chartered Accountants of India and directions given by the CAG. The statutory auditors are required to submit the Audit Report to the CAG under Section 143 of the Companies Act, 2013.

The certified accounts of selected Government Companies along with the report of the statutory auditors are reviewed by CAG by carrying out a supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act, 2013 to be placed before the AGM.

5.13 Result of CAG's oversight role

5.13.1 Audit of accounts of Government Companies under Section 143 of the Companies Act, 2013

Fourteen financial statements for the year 2020-21 and previous years were received from twelve Government Companies from 1 January 2021 to 30 November 2021. Out of these, ten financial statements of SPSEs were reviewed in audit by the CAG and in respect of remaining four financial statements it was decided not to review the same. The results of the review are detailed in following paragraph.

5.13.2 Significant comments of the CAG issued as supplement to the statutory auditors' reports on Government Companies

Subsequent to the audit of the financial statements for the year 2020-21 and previous years by statutory auditors, the CAG conducted supplementary audit of the financial statements of 11 Government Companies. Significant comments issued on financial statements of Government Companies, the financial impact of which was ₹ 25.29 crore on the profitability as well as assets/liabilities, have been detailed in **Tables 5.13** and **5.14**:

Table 5.13: Impact of the Comments on the Profitability of Government Companies

Sl. No.	Name of the Company	Comments
1	DTIDC (2019-20)	<ul style="list-style-type: none"> Profit of DTIDC was understated by ₹ 1.06 crore due to lack of inclusion of license fee receivable from advertising agencies. Similar comment was issued during 2018-19. Profit of DTIDC was overstated by ₹ 4.83 crore due to lack of provision for penal interest of ₹ 4.83 crore in the accounts. Similar comment was issued during 2016-17 to 2018-19. DTIDC had not made provision of liability for 50 per cent share of Municipal Corporation of Delhi on revenue earned from Bus Queue Shelters, amounting to ₹ 13.87 crore which resulted in understatement of other Current Liabilities and overstatement of Profit by ₹ 13.87 crore. Profit was overstated by ₹ 74.39 lakh as no provision for watch and ward services as per order of the Arbitrator/ court was made in accounts. This also resulted in understatement of Short term Provision by ₹ 74.39 lakh.

2	ICSIL (2019-20)	<ul style="list-style-type: none"> ICSIL profit was overstated by ₹ 1.69 crore due to lack of provision for rent payable to DSIIDC for premises and interest payable thereon amounting to ₹ 1.69 crore.
3	DSCFDC (2013-14)	<ul style="list-style-type: none"> DSCFDC Profit was overstated by ₹ 113.19 lakh due to lack of booking of expenditure for various Electrical Installations and Mechanical Equipment for the period 2009-14. It has also resulted in understatement of Current Liabilities by ₹ 130.86 lakh, and overstatement of Current Assets (advances) by ₹ 17.67 lakh. DSCFDC had not made provision for bad and doubtful debts in respect of dues of ₹ 4.08 crore against those beneficiaries who had either died or their whereabouts were not available. This resulted in overstatement of Long Term Loans and Advances and overstatement of Profit by ₹ 4.08 crore. Similar comment was made on 2012-13 accounts.

Table 5.14: Impact of the Comments on Financial Position of Government Companies

Sl. No.	Name of the Company	Comments
1.	DPCL (2019-20)	<ul style="list-style-type: none"> DPCL in violation of Accounting Policy No.10 and Ind AS 7 has included Term deposits of ₹ 35.01 crore with less than 3 months maturity under bank balance and deposits instead of cash and cash equivalent.
2	DSCFDC (2013-14)	<ul style="list-style-type: none"> DSCFDC has treated loans from Department for the Welfare of SC/ST/OBC/PH/Minorities as grants against the conditions of sanction orders, resulting in overstatement of Grant-in-Aid and understatement of Unsecured Loan by ₹ 14.46 crore. Similar comment was made on 2012-13 accounts.

5.13.3 Statutory Corporations where CAG is the sole/ supplementary auditor

The significant comments issued by the CAG on the accounts of Statutory Corporations where CAG is the sole/supplementary auditor, the financial impact of which was ₹ 786.23 crore on the profitability and as well as on assets/liabilities, are detailed below:

Impact of the Comments on the profitability and financial position of Statutory Corporations

Delhi Transport Corporation (2018-19)

- Provision for gratuity liability as per actuarial valuation as on 31 March 2019 was ₹ 798.11 crore but DTC had booked only ₹ 58.63 crore which resulted in understatement of Provision for Gratuity to the extent of ₹ 739.48 crore.
- DTC had not provided liability for Service tax of ₹ 5.07 crore raised by Service Tax Department for which curative petition filed by the Corporation was dismissed by Hon'ble Supreme Court, resulting in understatement of net Loss, Other Liabilities and Expenditure by ₹ 5.07 crore.

- DTC had shown receivable of ₹ 2.40 crore from Delhi Tourism and Transportation Development Corporation Limited (DTTDC) towards rent/electricity/ water charges for parking of Hop-on Hop-off buses. However, the Corporation agreed to waive off parking charges and raised a bill of ₹ 9.33 lakh towards electricity, security and water charges, but did not write off parking charges of ₹ 2.31 crore. This resulted in overstatement of Current Assets and understatement of Expenditure and Loss by ₹ 2.31 crore.
- DTC had given advances of ₹ 2.07 crore to Delhi State Industrial and Infrastructure Development Corporation Limited (DSIIDC) in respect of secured parking at I.P Power Station. These advances were more than nine years old, but no provision for doubtful advances was made in this regard. This resulted in overstatement of Advances and understatement of Expenditure and Loss by ₹ 2.07 crore.
- DTC had not provided for ₹ 9.33 crore being difference of gratuity due to increase in gratuity limit from ₹ 10 lakh to ₹ 20 lakh as per Payment of Gratuity (Amendment) Act, 2018 which resulted in understatement of contribution towards Gratuity Fund as well as net Loss by ₹ 9.33 crore.
- DTC had booked penalty imposed on M/s Trimax IT Infrastructure & Services Ltd. against which insolvency proceedings have been initiated which resulted in overstatement of Sundry Debtors and understatement of net Loss by ₹ 15.67 crore.

Delhi Financial Corporation (2019-20)

- DFC has not booked liability for DFC Employees' Pension Trust of ₹ 12.30 crore plus interest which resulted in understatement of Liabilities and Loss to the same extent.

5.14 Lack of compliance with provisions of Accounting Standards/ Ind AS

In exercise of the powers conferred by Section 469 of the Companies Act, 2013, read with Section 129 (1), Section 132 and Section 133 of the said Act, the Central Government prescribed Accounting Standards 1 to 7 and 9 to 29. Besides these, the Central Government notified 41 Indian Accounting Standards (Ind AS) through Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The statutory auditors reported that five SPSEs had not complied with mandatory Accounting Standards/Ind AS as detailed in **Table 5.15**.

Table 5.15: Non-compliance with Accounting Standards (AS)/Indian Accounting Standards (Ind AS) as reported by the Statutory Auditors

S. No.	Name of the Company	Year of accounts	Number of AS/Ind AS
1	Indraprastha Power Generation Company Limited	2019-20	Ind AS 109
2	Delhi Transport Infrastructure Development Corporation Limited	2019-20	AS-19, AS-29, AS-3, AS-5
3	Pragati Power Corporation Limited	2019-20	Ind AS 109, 24, 114,116
4	Delhi SC/ ST/ OBC Minorities Handicapped Financial and Development Corporation Limited	2012-13 and 2013-14	AS-15

During the course of supplementary audit, the CAG observed that the following SPSEs detailed in **Table 5.16** had also not complied with the Accounting Standards/Ind AS, which was not reported by their statutory auditors:

Table 5.16: CAG Comments on Accounting Standards/IndAS

Sl. No.	Name of the Company	AS/IndAS	Comment
1	IPGCL (2019-20)	Ind AS - 115 Revenue from Contracts with Customers	<ul style="list-style-type: none"> The company had not disclosed the method used to recognise revenue and explanation of why the method used provides a faithful depiction of the transfer of goods or services in violation of requirement of Ind AS 115.
2	DPCL (2019-20)	Ind AS – 39 Financial Instruments: Recognition and Measurement	<ul style="list-style-type: none"> In violation of Ind AS 39, DPCL had not disclosed a brief description of the nature of the contingent liability in respect of 19 claims disclosed under Contingent Liabilities.
3	DTC (2018-19)	AS – 12 Accounting for Government Grants AS – 15 Employee Benefits	<ul style="list-style-type: none"> Accounting Policy on treatment of Grant-in-Aid for Capital works (Construction of Bus Depots/Terminals) for specific fixed assets is reflected as income of the Corporation in the Profit and Loss Account which was in contravention of the requirement of Accounting Standard 12. During the period 2006-07 to 2018-19, the Corporation had shown income of ₹ 159.31 crore on account of utilised Grants for Construction of Bus Depots. The Corporation in violation of the requirement of Accounting Standard - 15 did not make the provision for leave encashment on actuarial basis.

4	DTIDC (2019-20)	AS – 3 Cash Flow Statements	<ul style="list-style-type: none"> An amount of ₹ 2.61 crore was paid to Delhi Integrated Multi-Modal Transit System (DIMTS) during the financial year 2019-20 on account of Capital Advance for renovation and up-gradation of ISBTs. This amount was incorrectly included under Cash Flow from Financing Activities instead of Cash Flow from Investing Activities which was in violation of Accounting Standard-3.
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5.15 Management Letters

Material observations on the financial statements of Public Sector Enterprises were reported as comments by the CAG under Section 143(5) of the Companies Act, 2013. Besides these comments, irregularities or deficiencies observed by CAG in the financial reports or in the reporting process, were also communicated to the Management through Management Letters for taking corrective action. During the year, CAG issued Management Letters to 10 SPSEs. The deficiencies requiring attention of the management were highlighted in these management letters.

5.16 Conclusion

- As on 31 March 2021, there were four inactive Government Companies since incorporation (2011), for which no decision/action for their operation/closure was taken by DSIIDC.
- Out of the total profit of ₹ 2,809.65 crore earned by 10 profit-earning SPSEs in 2020-21, 96.30 per cent was contributed by five²⁴ SPSEs. None of the profit earning SPSEs declared /paid dividend to GNCTD during the year 2020-21.
- Out of total loss of ₹ 6,162.64 crore incurred by seven loss-incurring SPSEs, loss of ₹ 6,147.06 crore was contributed by Delhi Transport Corporation alone.
- DSCFDC did not adhere to the prescribed timelines regarding submission of its financial statements as per the Companies Act, 2013 and its accounts were arrear for six years. Further, accounts for 2020-21 of eight Government Companies and two Statutory Corporations were not finalised as of 30 November 2021.
- During 2020-21, the impact of CAG's comments on the financial statements of the SPSEs amounted to ₹ 811.52 crore on profitability.

²⁴ DSIIDC, PPCL, IPGCL, DTL and DPCL

5.17 Recommendations

The State Government may:

- decide on closure/operation of four inactive subsidiaries of DSIIDC;
- ensure timely submission of financial statements of SPSEs;
- ensure payment of dividend as per dividend policy framed; and
- formulate plan for making DTC viable.

New Delhi
Dated: 20 May 2022


(SAMAR KANT THAKUR)
Principal Accountant General (Audit), Delhi

Countersigned

New Delhi
Dated: 24 May 2022


(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)

	2016-17	2017-18	2018-19	2019-20	2020-21
Part A. Receipts					
1. Revenue Receipts	34,346	38,667	43,113	47,136	41,864
(i) Tax Revenue	31,140	35,717	36,625	36,566	29,425
State Goods and Service Tax (SGST)	-	13,621	19,187	19,465	15,676
Taxes on Agricultural Income	-	-	-	-	-
Taxes on Sales, Trade, etc.	21,144	11,149	5,886	5,475	4,411
State Excise	4,251	4,453	5,028	5,068	4,108
Taxes on Vehicles	1,809	2,116	2,055	1,948	1,676
Stamps and Registration fees	3,144	4,117	4,459	4,606	3,549
Land Revenue	2	2	0	3	4
Taxes on Goods and Passengers	-	-	-	-	-
Other Taxes	790	259	10	1	1
(ii) Non Tax Revenue	381	766	644	1,097	980
(iii) State's share of Union taxes and duties	-	-	-	-	-
(iv) Grants in aid from Government of India	2,825	2,184	5,844	9,473	11,459
2. Miscellaneous Capital Receipts	-	-	-	-	-
3. Recoveries of Loans and Advances	212	691	1,644	823	631
4. Total Revenue (1+2+3)	34,558	39,358	44,757	47,959	42,495
5. Public Debt Receipts	1,696	1,906	2,880	4,765	15,365
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	1,696	1,906	2,880	4,765	15,365
6. Total Receipts in Consolidated Fund (4+5)	36,254	41,264	47,637	52,724	57,860
7. Contingency Fund Receipts	-	2	95	143	79
8. Public Account Receipts	-	-	-	-	-
9. Total Receipts of the State (6+7+8)	36,254	41,266	47,732	52,867	57,939
Part B. Expenditure /Disbursement					
10. Revenue Expenditure	29,302	33,754	36,852	39,637	40,414
General Services (including interest payments)	6,590	7,196	7,605	7,083	6,295
Social Services	16,579	19,602	21,663	22,145	22,693
Economic Services	5,111	5,862	5,219	6,530	8,514
Grants-in-aid-and contributions	1,021	1,094	2,365	3,879	2,912
11. Capital Expenditure	3,754	3,243	3,266	5,472	4699
General Services	350	228	180	389	246
Social Services	2,130	1,575	1,755	3,572	2,669
Economic Services	1,274	1,440	1,331	1,511	1,784
12. Disbursement of Loans and Advances	2,553	2,248	2,402	3,266	4,090
13. Total Expenditure (10+11+12)	35,609	39,245	42,520	48,375	49,203
14. Repayments of Public Debt	1,655	1,682	3,636	2,811	3,265
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	1,655	1,682	3,636	2,811	3,265
15. Appropriation to Contingency Fund	-	-	90	0	0
16. Total disbursement out of Consolidated Fund (13+14+15)	37,264	40,927	46,246	51,186	52,468
17. Contingency Fund disbursements	-	2	5	143	79
18. Public Account disbursements	-	-	-	-	-

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19. Total disbursement by the State (16+17+18)	37,264	40,929	46,251	51,329	52,547
Part C. Deficits					
20. Revenue Deficit(-)/Revenue Surplus (+)(1-10)	(+)5,044	(+)4,913	(+)6,261	(+)7,499	(+)1,450
21. Fiscal Deficit(-)/Fiscal Surplus(+) (4-13)	(-)1,051	(+)113	(+)2,237	(-)416	(-)6,708
22. Primary Deficit(-)/Primary Surplus(+) (21+23)	(+)1,832	(+)2,984	(+)5,104	(+)2,336	(-)3,834
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	2,883	2,871	2,867	2,752	2,874
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)	616,085	677,900	750,962	830,872	798,310
28. Outstanding fiscal liabilities	33,345	33,569	32,812	34,767	46,867*
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	5.05	5.27	4.88	4.40	3.69
Own Non-Tax revenue/GSDP	0.06	0.11	0.09	0.13	0.12
II Expenditure Management					
Total Expenditure/GSDP	5.78	5.79	5.66	5.82	6.16
Total Expenditure/Revenue Receipts	103.68	101.49	98.62	102.63	117.53
Revenue Expenditure/Total Expenditure	82.29	86.01	86.67	81.94	82.14
Expenditure on Social Services/ Total Expenditure	54.68	56.49	59.05	53.16	51.55
Expenditure on Economic Services/Total Expenditure	21.25	20.89	17.07	16.62	20.93
Capital Expenditure/Total Expenditure	10.54	8.26	7.68	11.31	9.55
Capital Expenditure on Social and Economic Services/ Total Expenditure	9.56	7.68	7.26	10.51	9.05
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	(+)0.82	(+)0.72	(+)0.83	(+)0.90	(+)0.18
Fiscal deficit (surplus)/GSDP	(-)0.17	(+)0.02	(+)0.30	(-)0.05	(-)0.84
Primary Deficit(surplus)/GSDP	(+)0.30	(+)0.44	(+)0.68	(+)0.28	(-)0.48
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	5.41	4.95	4.37	4.18	5.14**
Fiscal Liabilities/RR	97.09	86.82	76.11	73.76	111.95
Primary deficit vis-a-vis quantum spread	171.65	612.04	726.99	269.14	74.64
Debt Redemption (Principal+Interest)/Total Debt Receipts	-	-	-	-	-
V Other Fiscal Health Indicators					
Return on Investment	0.06	0.08	0.07	0.08	0.05

Note-Figures have been rounded to the nearest decimal.

*The effective outstanding fiscal liabilities would be ₹ 41,002 crore as GST compensation of ₹ 5,865 crore 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 received as back to back loan under debt receipts from the total outstanding liabilities

Appendix 3.1
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	2052.00.090.38 Chief Minister Communication with Public	20.00	5.00	Nil
2		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)	284.50	284.50	Nil
3		2220.60.101.95 Communication teams for every Departments	20.00	2.96	Nil
4		2220.60.101.94 Delhi Model of Governance for outreach programme	50.00	21.00	Nil
5	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	1.19	1.20	Nil
6		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
7		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
8	05 - Home	2056.00.101.97 Implementation of Body Worn Cameras Pilot Project in Jails (CSS)	0.00	1.00	Nil
9		2055.00.116.96 DNA Test Lab - Nirbhaya Fund (CSS)	4.00	7.30	Nil
10	06 - Education	2202.02.109.69 Organising Parent Workshops by Delhi Commission for Protection of Child Rights (DCPCR)	20.00	1.50	Nil
11		2202.02.109.68 Setting up of Studio for transmission of Online Lectures	1.00	1.00	Nil
12		2202.02.109.64 Talent Promotion of Children with Special Needs (CWSN)	2.00	2.00	Nil
13		2202.80.001.85 GIA to Delhi Commission for Protection of Child Rights (DCPCR)	2.00	1.00	Nil
14		2202.80.001.82 Education Minister Engagement / Communication with public	10.00	10.00	Nil

15		2202.80.001.74 Conduct of special classes for development of mathematical skill and competence	8.00	1.75	Nil
16		2204.00.101.79 Grants-in-Aid to North Delhi Municipal corporation for improvement of Physical Education	1.00	1.00	Nil
17		2204.00.101.78 Grants-in-Aid to South Delhi Municipal corporation for improvement of Physical Education	1.00	1.00	Nil
18		2204.00.101.77 Grants-in-Aid to East Delhi Municipal corporation for improvement of Physical Education	1.00	1.00	Nil
19		2204.00.104.53 Grants-in-Aid to sports Associations	1.00	1.00	Nil
20		2204.00.104.46 Providing Sports Kits to Students	65.00	1.00	Nil
21		2204.00.104.44 Maintenance of Sports Infrastructure	5.00	5.00	Nil
22		2203.00.112.41 Research Grant Scheme	10.00	10.00	Nil
23		2205.00.102.79 Grants-in-Aid to Sahitya Kala Parishad for organisation of State Functions	7.00	3.50	Nil
24		2202.03.102.87 GIA to Ambedkar University for Early Childhood Care Centre	0.60	2.00	Nil
25		2202.03.102.86 Delhi Teacher's University	5.00	1.00	Nil
26	07-Medical & Public Health	2210.06.800.67 Grant-in-aid to Rogi Kalyan Samiti	15.00	10.00	Nil
27		2210.06.101.32 Tele Medicine Facility	1.25	1.25	Nil
28		2210.01.110.81 Indira Gandhi Hospital	0.00	4.00	Nil
29	08-Social Welfare	2235.02.101.43 Mukhyamantri Divyangjan Punarvas Seva Yojana (MDPSY)	10.00	1.00	Nil
30		2235.02.103.18 Behavioural Change for Dignity of Women	20.00	10.00	Nil
31		2235.02.107.90 Scheme of Prevention of Alcoholism & Substance (Drugs) Abuse	1.00	1.00	Nil
32		2236.02.101.71 Additional Diet Under Supplementary Nutrition Programme	20.00	1.17	Nil
33		2225.01.277.69 Post Matric Scholarship Scheme	10.00	9.77	Nil
34		2225.01.277.52 Post matric Scholarship for SC Students (CSS)	10.00	10.00	Nil
35		2225.01.277.50 Setting up of residential school for weaker section fo SC/OBC/Minorities & orphan at Village Ishapur Delhi in collaboration with Kalings Institute of Social Sciences (KISS)	2.70	2.70	Nil

36		2225.01.277.44 Mukhyamantri Vidhyatri Pratibha Yojana	100.00	78.00	Nil
37		2225.01.789.77 Prematric Scholarship to SC Students (CSS)(SCSP-Schedule Castes Sub Plan)	2.53	2.53	Nil
38		2225.01.789.75 Mukhyamantri Vidhyatri Pratibha Yojana (SCSP)	50.00	20.00	Nil
39		2225.80.789.97 Setting up of residential School for weaker section of SC/OBC/MIN. & orphan at village Ishapur Delhi in Colloboation with Kalings Institute of Social Sciences (KISS) (SCSP)	1.80	1.80	Nil
40		3055.00.190.95 State Electric Vehicle Fund	50.00	3.74	Nil
41		3452.80.001.84 Public Engagement for Council of Ministers	8.00	4.00	Nil
42		3452.80.104.64 GIA to DTTDC for Campaign for Communal Harmony	25.00	2.00	Nil
43	09-Industries	2851.00.001.96 Ease of Doing Business	5.00	1.98	Nil
44		2851.00.004.91 promotion of Startup	20.00	1.00	Nil
45		2851.00.004.90 Startup Festival	20.00	1.00	Nil
46		3456.00.001.94 Campaign for Door Step Delivery of Ration	20.00	5.00	Nil
47		3456.00.102.87 Mukhya Mantri Ghar Ghar Rashan Yojana	0.00	100.00	Nil
48		3456.00.800.74 State Food Commission	1.00	1.00	Nil
49	10 - Development	2401.00.104.94 Paramparagat Krishi Vikas Yojna (CSS)	10.00	4.71	Nil
50		2403.00.101.85 Providing facilities for prevention of Contagious Diseases in Dairy Colonies	2.00	1.50	Nil
51		2403.00.789.99 Veterinary services and control of contagious diseases in hospitals/dispensaries (SCSP)	1.00	1.00	Nil
52		2515.00.800.77 IDRUV Works including water bodies through DVDB including 5% outlay for Repair of IDRUV works (General)	1.07	1.07	Nil
53		2030.01.101.99 Secretary Revenue	2.10	2.10	Nil
54		2225.03.277.77 Pre-Metric scholarship scheme for minority students (CCS)	6.50	6.50	Nil
55		2235.60.200.61 Witness Protection fund	2.00	2.00	Nil
56		2245.80.102.92 Disaster Contingence Plan / Disaster Response fund	5.00	5.00	Nil
57		2245.80.800.99 Epidemic/Pandemic Financed from Disaster Response Fund	0.00	6.25	Nil
58		2406.04.103.99 Compensatory Afforstation Financed from State	0.00	12.05	Nil

		Compensatory Afforestation Fund (SCAF)			
59		2406.04.103.97 Integrated Wildlife Management Plan financed from state Compensatory Afforestation Fund (SCAF)	0.00	2.78	Nil
60		2406.04.103.96 Net Present Value of Forest Land financed from state Compensatory Afforestation Fund (SCAF)	0.00	3.87	Nil
61	11 - Urban Development and Public Works Department	2217.05.800.85 Market Development Fund	30.00	1.00	Nil
62		2217.80.191.04.95 Urban Development Department for capacity Building and A & OE (CSS)	1.50	1.50	Nil
63		2217.80.191.04.91 Urban Development Department for public awareness and IEC activities (CSS)	3.50	3.50	Nil
64		2217.80.800.76 Disposal of legacy waste dumped at various dumping sites	50.00	50.00	Nil
65		3475.00.108.94 Deen Dayal Upadhaya Antodays Yojana/ National Urban Livelihood Mission (CSS)	4.00	4.00	Nil
66		2810.02.800.90 Generation Based incentive Scheme for Solar Energy	5.00	2.00	Nil
		Total	1,048.24	762.48	
Revenue-Charged					
67	03-Administration of Justice	2015.00.102 Electoral Officers.	0.10	1.00	Nil
68	07-Medical & Public Health	2210.01.110.17 Shri Dadadev Matri Avum Shishu Chikitsalaya	1.88	1.88	Nil
69	11 Urban Development and Public Works Department	2070.00.800.63 Directorate of Local Bodies	0.00	1.00	Nil
		Total	1.98	3.88	
Capital-Voted					
70	06-Education	4202.03.800.98 Development of play Grounds, Sports Complexes and Swimming Pools etc.	24.65	20.00	Nil
71		4250.00.201.86 Up gradation of Government ITIs into Model ITIs (CSS)	2.95	1.55	Nil
72		6202.02.105.94 Loan to Indraprastha Institute of Information Technology (IIIT), Delhi	10.00	10.00	Nil
73		4202.04.101.98 Delhi Kala Kendra	10.00	1.00	Nil
74		4202.01.203.96 Allotment of land and Constructions of building of Indraprastha Vishwaidhayalaya	0.00	10.25	Nil
75		4202.01.203.91 Establishment of Sports University	20.00	1.00	Nil

76	07-Medical & Public Health	4210.01.110.64 Central Procurement Agency & State Drug Authority	150.00	24.00	Nil
77		4210.04.107.93 Strengthening of State Drug and Regulatory System (State Share)	1.70	1.70	Nil
78		4210.01.110.61 700 bedded Hospital at Burari	0.00	4.99	Nil
79		4210.01.110.60 Indira Gandhi Hospital	0.00	1.97	Nil
80	Grant No. 08-Social Welfare	4235.02.101.82 Scheme for Implementation of Persons with disabilities act. 1995 (SIPDA) (CSS)	5.50	2.50	Nil
81		4235.02.800.94 Provision of additional facilities in the existing buildings (SWD)	5.00	1.00	Nil
82		4235.02.102.98 CCTV in each Anganwadi Centre	10.00	3.00	Nil
83		6225.80.800.95 Loan to DSFDC for Education Loan to S.C./S.T./O.B.C/Minorities and Handicapped	1.50	1.50	Nil
84		6225.80.800.94 Loan to DSFDC under Chief Minister Street Vendors Loan Scheme	0.00	2.00	Nil
85	10-Development	4250.00.101.99 Disaster Contingency Plan /Disaster Response Fund	5.00	5.00	Nil
86	11-Urban Development and Public Works Department	4217.60.051.95 Chief Minister Local Area Development	400.00	1.00	Nil
87		4217.60.051.94 Chief Minister Mohalla Sureksha Yojana	100.00	1.00	Nil
88		4202.04.101.97 Infrastructure Development for Academies	0.00	5.00	Nil
		Total	746.30	98.46	
		Grand total	1,796.52	864.82	

Appendix 3.2
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	2220.60.101.96 Collaboration with Media Network	50.00	Nil
2		2202.01.101.92 Happiness Curriculum & Entrepreneurship Activities	20.00	Nil
3		2202.01.101.90 Setting of PR Unit to show case development of School System	1.00	Nil
4		2202.01.101.89 Culture Exchange Programme with other State/Countries	2.00	Nil
5		2202.01.103.95 Grant-in-aid to DMC for implementation of New Schemes & Initiatives	20.00	Nil
6		2202.01.104.99 Preparation of programme for International Student Assessment (PISA)-2024	2.00	Nil
7		2202.02.104.98 Promotion of Teachers Innovation Activities	5.00	Nil
8		2202.02.107.96 Chief Ministers Scholarship for meritorious Students	8.00	Nil
9		2202.02.109.95 Free transport Facilities to Girl Students of rural areas	4.00	Nil
10		2202.02.109.80 Organization of Summer Camps in Govt. Schools	40.00	Nil
11		2202.02.109.72 School Health Scheme & Issue of Multipurpose Student I-Cards	22.00	Nil
12		2202.02.109.66 School of Excellence	15.00	Nil
13		2202.02.109.65 Science TV Programme	5.00	Nil
14		2202.02.109.63 Mukhyamantri Pariksha Fees Sahayta Yojana for Class X and XII Students	60.00	Nil
15	06 - Education	2202.02.789.95 Grants-in-Aid to Aided Schools for subsidy for school uniforms to students (SCSP)	3.00	Nil
16		2202.02.789.94 Subsidy for school uniforms to the students(SCSP)	45.00	Nil
17		2202.02.800.67 Incentives to best students, schools & Teaching Staff	1.7	Nil
18		2202.02.800.40 Subsidy for school uniforms to the students	1.85	Nil
19		2202.02.800.38 Grants-in-Aid to Aided Schools for subsidy for school uniforms to students	17.00	Nil
20		2202.80.107.82 Welfare of educationally backward minority students	20.00	Nil
21		2204.00.001.87 Fitness Assessment of Students in Schools	25.00	Nil
22		2204.00.102.66 Self Defence for Girls Students in Schools	10.00	Nil
23		2204.00.104.45 Mukhyamantri Khelo Delhi Yojana	35.00	Nil

24		2203.00.112.48 Grants-in-Aid to Delhi Technological University for Technical Education Quality improvement programme (TEQIP)(CSS)	1.00	Nil
25	07-Medical and Public Health	2210.05.105.75 Medical Education, training and research allopathy, University Collage of Medical Sciences	1.00	Nil
26		2211.00.103.80 Special Immunisation Programme MMR	8.5	Nil
27		2210.05.101.86.98 Essential Medicines to Ayush Dispensaries (CSS)	2.00	Nil
28	08 – Social Welfare	2225.03.277.75 Jai Bhim Mukhyamantri Pratibha Vikas Yojna for Minorities/OBC/EWS	60.00	Nil
29		2041.00.800.96 Road Safety Cell & Grant-in-aid to NGOs	1.00	Nil
30		3452.80.104.65 GIA to DTTDC for Development of Bharat Darshan Park	10.00	Nil
31	10 – Development	2405.00.101.87 Blue Revolution Integrated Development and Management of Fisheries (CSS)	1.00	Nil
32		2053.00.800.92.94 Grant-in-aid to Delhi e-district Implementation Society-e District Project	1.5	Nil
		Total	498.55	Nil
Revenue-Charged				
33	03- Administration of Justice	2014.00.102.93 Computerisation of records of High Court	1.00	Nil
		Total	1.00	Nil
Capital-Voted				
34	06 – Education	4202.02.104.87 Setting up new Polytechnics (CSS)	4.00	Nil
35	08 – Social Welfare	4235.02.104.98 Old Age Home	5.00	Nil
36		5055.00.190.99 Equity Capital to Delhi Transport Corporation for purchase of buses	250.00	Nil
37	11- Urban Development and Public Works Department	4235.02.104.93 Construction of Building at Sewa Sadan Complex, Lampur	9.00	Nil
38		5054.04.101.96 Construction of Flyover/underpass at KarawalNagar, Bhajanpura and Gagan Cinema on Mangal	200.00	Nil
39		5054.04.101.95 Flyover at Majnu ka Tilla and Metcalf House on Outer Ring	10.00	Nil
40		5054.04.101.93 North-South Corridor	10.00	Nil
41		5054.04.101.79 Construction of Grade Separater / Flyover at Road no.56 from Anand Vihar ROB to Apsara Border ROB Delhi	1.00	Nil
42		5054.04.101.78 Integrated corridor (i) Ring Road from DND intersection to Bhairon Marg Junction (ii) Outer Ring Road from Modi Mill Flyover to IIT Gate	10.00	Nil
43		5054.04.101.76 Construction of Flyover at Karawal Nagar Ghanda and Brijpuri Junction of Mangal Pandey Marg including Elevated Corridor, Footpath, Road Work including Road Signages, Electrical Works and Drainage	1.00	Nil
44		5054.04.337.93 Construction of four Lane along bank of Drain No.8 (Najafgarh Drain) from Dhansa Regulator to Dwarka Mor	1.00	Nil

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45		5054.04.337.92 Construction of elevated Road over Najafgarh Drain from Kakrola More to Wazirabad	1.00	Nil
46		5054.04.337.91 New Connectivity along Haryana Canal from Bawana to Inderlok	1.00	Nil
		Total	503.00	Nil
Grand Total			1,002.55	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	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)	284.50	284.50	Nil	Lack of finalisation of tender of Master System Integrator (MSI) and Internet Service Provider (ISP)
2	03- Administration of Justice	2014.00.103.97 Setting up of Fast track Special Courts (FTSCs) for expeditious disposal of cases of Rape & POSCSO Act (Nirbhaya Fund) CSS	7.20	7.20	Nil	Implementing agency for the scheme not decided by Hon'ble Delhi High Court
3	05- Home	2056.00.101.97 Implementation of Body Worn Cameras Pilot Project in Jails (CSS)	0.00	1.00	Nil	Late receipt of authorization of fund from Finance Department
4		2055.00.116.96 DNA Test Lab – Nirbhaya Fund (CSS)	4.00	7.30	Nil	Lack of materialisation of proposals COVID-19 outbreak and administrative reasons
5	08- Social Welfare	2225.01.277.52 Post matric Scholarship for SC Students (CSS)	10.00	10.00	Nil	Funds has not been received from the concerned Ministry
6		2225.01.789.77 Prematric Scholarship to SC Students (CSS)(SCSP)	2.53	2.53	Nil	Due to late receipt of authorization of fund from the Finance Department
7	10- Development	2401.00.104.94 Paramparagat Krishi Vikas Yojna (CSS)	10.00	4.71	Nil	Lack of release of payment closing of F.Y. 2020-21 COVID-19 pandemic and some errors found in the bills submitted by RCs/NGO
8		2245.80.102.92 Disaster Contingence Plan/Disaster Response Fund (CSS)	5.00	5.00	Nil	Initial provision kept for transfer of funds in DDRF
9	11- Urban Development and Public Works Department	2217.80.191.04.95 Urban Development Department for capacity Building and A&OE (CSS)	1.50	1.50	Nil	Less release of CSS funds

10		2217.80.191.04.91 Urban Development Department for Public Awareness and IEC activities (CSS)	3.50	3.50	Nil	Less release of CSS funds
11		3475.00.108.94 Deen Dayal Upadhaya Antodays Yojna/National Urban Livelihood Mission (CSS)	4.00	4.00	Nil	COVID-19 skill training was stopped from 22.03.2020 to 20.09.2020
Total			332.23	331.24	Nil	
Capital Voted						
12	06- Education	4250.00.201.86 Up-gradation of Government ITIs into Model ITIs (CSS)	2.95	1.55	Nil	The funds could not be released due to availability of previous year unspent balance with the institute
13	08- Social Welfare	4235.02.101.82 Scheme for Implementation of Persons with disabilities Act 1995 (SIPDA) (CSS)	5.50	2.50	Nil	Lack of furnishing of UCs to Govt. of India, hence the balance funding from GOI could not be received
Total			8.45	4.05	Nil	
Schemes for which provision (₹ one crore and above) was made but were withdrawn in revised outlay						
Revenue – Voted						
14	06- Education	2203.00.112.48 Grants in Aid to Delhi Technological University for Technical Education Quality improvement programme (TEQIP)(CSS)	1.00	Nil	Nil	Lack of release of grant
15	07- Medical and Public Health	2210.05.101.86.98 Essential Medicines to Ayush Dispensaries (CSS)	2.00	Nil	Nil	Lack of receipt of funds from Govt. of India
16	10- Development	2405.00.101.87 Blue Revolution Integrated Development and Management of Fishseries (CSS)	1.00	Nil	Nil	Replacement of scheme
Total			4.00	Nil	Nil	
Capital – Voted						
17	06- Education	4202.02.104.87 Settings up new Polytechnics (CSS)	4.00	Nil	Nil	Lack of implementation of scheme owing to lack of receipt of funds from GOI
Total			4.00	Nil	Nil	
Grand Total			348.68	335.29	Nil	

Appendix 5.1
(Referred to in Paragraphs 5.5.1, 5.7.1 and 5.7.2)
Summarised financial results of Public Sector Undertakings for the latest year for which accounts are received

(₹ in crore)

Sl. No.	Activity & Name of the SPSEs	Period of accounts	Year in which received	Net profit/loss before interest and tax	Net profit/loss after interest and tax	Turn over	Paid up capital	Capital Employed ¹	Net Worth ²	Accumulated Profit/loss (net of free reserves)
1	2	3	4	5	6	7	8	9	10	11
A	SPSEs in which GNCTD had invested									
A1	Power									
1	Indraprastha Power Generation Company Limited	2019-20	2020-21	296.61	190.93	570.53	736.54	1,359.71	1,334.99	599.16
2	Pragati Power Corporation Limited	2019-20	2020-21	2,180.76	1,562.16	4,972.33	2,074.19	7,759.96	6,222.98	4,149.44
3	Delhi Transco Limited	2020-21	2021-22	841.93	606.60	1,397.69	3,951.00	4,355.10	4,038.11	87.11
4	Delhi Power Company Limited	2019-20	2020-21	141.09	126.87	00.00	745.05	310.01	-355.27	-1,100.32
	Total A1			3,460.39	2,486.56	6,940.55	7,506.78	13,784.78	11,240.81	3,735.39
A2	Others									
5	Delhi SC/ST/OBC Minorities, Handicapped Financial and Development Corporation Limited	2014-15	2021-22	-2.93	-3.20	1.18	45.20	124.08	58.60	13.40
6	Delhi State Civil Supplies Corporation Limited	2019-20	2020-21	13.74	9.26	1,045.90	7.00	54.64	52.50	45.50
7	Delhi State Industrial and Infrastructure Development Corporation Limited	2020-21	2021-22	232.32	219.09	1,112.46	21.00	1,204.05	1,204.05	1,183.05
8	Delhi Tourism and Transportation Development Corporation Limited	2020-21	2021-22	9.86	6.68	1,346.60	6.28	220.55	220.55	214.27
9	Delhi Transport and Infrastructure Development Corporation Limited	2019-20	2020-21	32.09	78.97	93.05	10.65	171.36	171.36	160.71

¹ Capital Employed is the sum total of the Paid up Capital, Long Term Loans and Accumulated Profit/Loss minus Deferred Revenue Expenditure. Deferred Revenue Expenditure of ₹ 0.71 crore in respect of IPGCL and ₹ 0.65 crore in respect of PPCL was deducted to arrive at the Capital Employed figures

² Net worth is the sum total of the paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure. Deferred Revenue Expenditure of ₹ 0.71 crore in respect of IPGCL and ₹ 0.65 crore in respect of PPCL was deducted to arrive at the net worth figures

Sl. No.	Activity & Name of the SPSEs	Period of accounts	Year in which received	Net profit/ loss before interest and tax	Net profit/ loss after interest and tax	Turn over	Paid up capital	Capital Employed ³	Net Worth ⁴	Accumulated Profit/ loss (net of free reserves)
1	2	3	4	5	6	7	8	9	10	11
10	Delhi Financial Corporation	2019-20	2020-21	-8.21	-12.38	6.43	26.48	56.83	23.83	-2.65
11	Delhi Transport Corporation	2019-20	2021-22	21.00	-6,147.06	792.44	1,983.85	-31,240.53	-42,916.67	-44,900.52
12	Geospatial Delhi Limited	2019-20	2020-21	4.46	3.33	6.04	10.76	26.44	26.44	15.68
13	Shahjahanabad Redevelopment Corporation	2020-21	2021-22	0	0	0	0	0	0	0
	Total A2			302.33	-5,845.31	4,404.10	2,111.22	-29,382.58	-41,159.34	-43,270.56
	Total A (A1+A2)			3,762.72	-3,358.75	11,344.65	9,618.00	-15,597.80	-29,918.53	-39,535.17
B	SPSEs in which GNCTD had not invested									
B1	Power									
14	DSI IDC Energy Limited ⁵	2019-20	2020-21	0.00	0.00	00.00	0.01	0.22	0.22	0.21
	Total B1			0.00	0.00	00.00	0.01	0.22	0.22	0.21
B2	Others									
15	Delhi Creative Arts Development Limited	2019-20	2020-21	0	0	0	0.01	0.00	-0.05	-0.06
16	DSI IDC Liquor Limited	2020-21	2021-22	0	0	0	0.01	0.00	-0.05	-0.06
17	DSI IDC Maintenance Services Limited	2020-21	2021-22	0	0	0	0.01	-0.08	-0.08	-0.09
18	Intelligent Communication Systems India Limited	2020-21	2021-22	9.13	5.76	161.22	1.00	37.11	37.11	36.11
	Total B2			9.13	5.76	161.22	1.03	37.03	36.93	35.90
	Total B (B1+B2)			9.13	5.76	161.22	1.04	37.25	37.15	36.11
	Grand Total (A+B)			3,771.85	-3,352.99	11,505.87	9,619.04	-15,560.55	-29,881.38	-39,499.06

³ Capital Employed is the sum total of the Paid up Capital, Long Term Loans and Accumulated Profit/Loss minus Deferred Revenue Expenditure. Deferred Revenue Expenditure of ₹ 0.71 crore in respect of IPGCL and ₹ 0.65 crore in respect of PPCL was deducted to arrive at the Capital Employed figures

⁴ Net worth is the sum total of the paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure. Deferred Revenue Expenditure of ₹ 0.71 crore in respect of IPGCL and ₹ 0.65 crore in respect of PPCL was deducted to arrive at the net worth figures

⁵ DSI IDC Energy has net loss of ₹ 33,450

Appendix 5.2
(Referred to in paragraph 5.4.1)

Statement showing position of equity and outstanding loans relating to State PSUs as on 31 March 2021 (₹ in crore)

Sl. No.	Sector & Name of the PSU	Name of the Department	Month and year of incorporation	Equity at close of the year 2020-21 ⁶				Long term loans outstanding at close of the year ⁵ 2020-21			
				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	Jan 2001	596.54	0.00	140.00	736.54	0.00	0.00	0.00	0.00
2	Pragati Power Corporation Limited	Power	Jan 2001	2,074.19	0.00	0.00	2,074.19	709.85	0.00	257.14	966.99
3	Delhi Transco Limited	Power	July 2001	3,691.00	0.00	260.00	3,951.00	0.00	0.00	420.24	420.24
4	Delhi Power Company Limited	Power	July 2001	745.05	0.00	0.00	745.05	3,326.39	0.00	0.00	3,326.39
5	DSIIDC Energy Limited	Industries	May 2011	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00
	Total A			7,106.78	0.00	400.01	7,506.79	4,036.24	0.00	677.38	4,713.62
B	Finance Sector										
6	Delhi SC /ST /OBC Minorities, Handicapped Financial and Development Corporation Limited	Welfare of SC/ ST/ OBC/ Minorities	Jan-83	38.12	11.88	0.00	50.00	68.24	0.00	0.00	68.24
7	Delhi Financial Corporation	Finance	Apr-67	18.05	0.00	8.43	26.48	33.00	0.00	0.00	33.00
	Total B			56.17	11.88	8.43	76.48	101.24	0.00	0	101.24
C	Service Sector										
8	Delhi State Civil Supplies Corporation Limited	Food, Supplies and Consumer Affairs	Nov-80	7.00	0.00	0.00	7.00	2.14	0.00	0.00	2.14
9	Delhi Tourism and Transportation Development Corporation Limited	Tourism	Dec-75	6.28	0.00	0.00	6.28	0.00	0.00	0.00	0.00
C	Service sector										
10	Geospatial Delhi Limited	Information Technology	May-08	10.76	0.00	0.00	10.76	0.00	0.00	0.00	0.00
11	Delhi Creative Arts Development Limited	Industries	May-11	0.00	0.00	0.01	0.01	0.00	0.00	0.05	0.00
12	DSIIDC Liquor Limited	Industries	May-11	0.00	0.00	0.01	0.01	0.00	0.00	0.05	0.05
13	DSIIDC Maintenance Services Limited	Industries	May-11	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00
14	Intelligent Communication Systems India Limited	Joint Venture of DSIIIDC and TCIL	Apr-87	0.00	0.00	1.00	1.00	0.00	0.00	0.00	0.00
	Total C			24.04	0.00	1.03	25.07	2.14	0.00	0.10	2.19

⁶ Figures as per latest accounts/information received as on 30 November 2021 and annual accounts of 2020-21

⁵ Loans include current maturity of GNCTD loans shown in accounts as current liabilities.

Sl. No.	Sector & Name of the PSU	Name of the Department	Month and year of incorporation	Equity at close of the year 2020-21 ⁶				Long term loans outstanding at close of the year ⁵ 2020-21			
				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)
D	Infrastructure Sector										
15	Delhi State Industrial & Infrastructure Development Corporation Limited	Industries	Feb-71	21.00	0.00	0.00	21.00	0.00	0.00	0.00	0.00
16	Shahjahanabad Redevelopment Corporation	Urban Development	May-08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total D			21.00	0.00	0.00	21.00	0.00	0.00	0.00	0.00
E	Transport Sector										
17	Delhi Transport and Infrastructure Development Corporation Limited	Transport	Aug-10	10.65	0.00	0.00	10.65	0.00	0.00	0.00	0.00
18	Delhi Transport Corporation	Transport	Nov-71	1,983.85	0.00	0.00	1,983.85	11,676.14	0.00	0.00	11,676.14
	Total E			1,994.50	0.00	0.00	1,994.50	11,676.14	0.00	0.00	11,676.14
	Total A + B + C + D + E			9,202.49	11.88	409.47	9,623.84	15,815.76	0.00	677.43	16,493.19

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 Accounts'** - 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. **'Reappropriation'** - 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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