

## **Overview**



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Based on the audited accounts of the Government of National Capital Territory of Delhi (GNCTD) for the year ending March 2017, this Report provides an analytical review of the annual accounts of the Government. The Report is structured in three chapters.

**Chapter 1** is based on audit of Finance Accounts and provides a broad perspective of the finances of GNCTD for the year ending March 2017. It also analyses critical changes in the major fiscal aggregates relating to the previous years keeping in view the overall trends during the last five years.

**Chapter 2** is based on audit of Appropriation Accounts and gives the grant wise description of appropriations and the manner in which allocated resources were managed by the service delivery departments.

**Chapter 3** is an overview and status of the GNCTD compliance with various financial rules, procedures and directives.

### Audit findings

#### **Chapter 1 Finances of the Government of National Capital Territory of Delhi**

Revenue receipts during 2016-17 decreased by ₹ 653.11 crore (*1.87 per cent*) over the previous year. Tax revenue increased by ₹ 914.73 crore (*3.03 per cent*) while non-tax revenue decreased by ₹ 134.71 crore (*26.14 per cent*) and grants from Government of India decreased by ₹ 1,433.13 crore (*33.66 per cent*) in 2016-17 over the previous year. The decrease in grants from Government of India is mainly due to less receipt under ‘Compensation for the loss of revenue on account of phasing out of Central Sales Tax’ at ₹ 690.53 crore in 2016-17 vis-à-vis ₹ 2,572.48 crore in 2015-16. The share of NCT’s own tax revenue to total revenue receipts was *90.67 per cent* in 2016-17.

*(Para 1.2)*

The revenue expenditure during the current year at ₹ 29,301.92 crore has increased by ₹ 2,959.37 crore (*11.23 per cent*) over the previous year. The revenue expenditure constituted *88.64 per cent* of total expenditure (excluding loans and advances) during 2016-17.

*(Para 1.2 and 1.6)*

Capital expenditure decreased by ₹ 969.17 crore over the previous year. The capital expenditure constituted only *11.36 per cent* of total expenditure (excluding loans and advances) during 2016-17.

*(Para 1.2 and 1.6)*

As of 31 March 2017, the Government invested ₹ 18,933.05 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives. The return on these investments was *0.06 per cent* while the Government paid interest at an average rate of *8.65 per cent* on its borrowings during 2016-17.

*(Para 1.8.1)*

Overall fiscal liabilities of GNCTD increased from ₹ 29,242.71 crore in 2012-13 to ₹ 33,344.78 crore in 2016-17 (14.03 *per cent*). The fiscal liabilities stood at 0.97 times of the revenue receipts and 1.06 times of the NCT's own resources at the end of 2016-17.

**(Para 1.9.2)**

The fiscal position viewed in terms of key fiscal parameters show that the revenue surplus of ₹ 8,656.30 crore in 2015-16 decreased by ₹ 3,612.48 crore (41.73 *per cent*) to ₹ 5,043.82 crore in 2016-17 over the previous year. The fiscal surplus of ₹ 1,331.92 crore in 2015-16 decreased by 178.87 *per cent* and turned to fiscal deficit of ₹ 1,050.50 crore in 2016-17. The primary surplus of ₹ 4,141.73 crore in 2015-16 decreased (55.77 *per cent*) to ₹ 1,832.02 crore in 2016-17.

**(Para 1.11.1)**

## **Chapter 2 Financial management and budgetary control**

During 2016-17, against the total grants and appropriation of ₹ 47,429.27 crore expenditure of ₹ 37,620.77 crore was incurred resulting in saving of ₹ 9,808.50 crore. The overall saving of ₹ 9,808.50 crore was a result of saving of ₹ 6,698.38 crore in 13 grants and one appropriation under Revenue Section and ₹ 3,110.12 crore under Capital Section and Loan and Advances.

**(Para 2.2)**

Excess expenditure of ₹ 5.34 crore in six grants for the year 2016-17 required regularisation under Article 205 of the Constitution in addition to excess expenditure of ₹ 85.71 crore in grants relating to 2006-07 to 2015-16.

**(Para 2.3.1 & 2.3.2)**

Appropriation accounts for the year 2016-17 revealed that savings exceeding ₹ 50 crore occurred in 12 cases relating to eight grants totalling ₹ 1,240.61 crore.

**(Para 2.3.3)**

Supplementary grant amounting to ₹ 27.32 crore in three sub-heads was obtained in anticipation of higher/ additional expenditure. However, the final expenditure was even less than the original grant.

**(Para 2.3.6)**

Out of the savings of ₹ 8,835.42 crore under 10 grants where savings of ₹ one crore and above were indicated in each grant/appropriation, an amount of ₹ 3,575.75 crore (40.47 *per cent* of savings) was not surrendered.

**(Para 2.3.9)**

There were persistent savings of ₹ one crore or more in 5 cases/sub-heads during the period 2014-15 to 2016-17 under the Grant No. 10- Development. Re-appropriation in 55 cases proved unnecessary as the departments were not able to utilise fully their original grant. As a result, there was a cumulative

non-utilisation of ₹ 44.75 crore in these cases during 2014-15 to 2016-17 against re-appropriation of ₹ 28.28 crore.

**(Para 2.5)**

### **Chapter 3 Financial reporting**

There were delays in obtaining utilisation certificates (UCs) from various grantee institutions for the grants released to them. Out of a total of 3944 grants amounting to ₹ 15,220.87 crore given till March 2016, 3105 UCs amounting to ₹ 7,269.69 crore were awaited from various departments at the end of March 2017. Out of 3105 UCs due, 1980 UCs (63.77 *per cent*) of ₹ 4,939.01 crore were outstanding for periods ranging from two to 10 years while 1125 UCs (36.23 *per cent*) involving ₹ 2,330.68 crore were outstanding for more than 10 years.

**(Para 3.1)**

15 annual accounts due upto the year 2015-16 of five bodies/authorities were not submitted to audit as of 31 March 2017.

**(Para 3.2)**

Substantial balances amounting to ₹ 198.56 crore were outstanding under Suspense Heads as on 31 March 2017, requiring expeditious clearing and classification under appropriate heads of accounts.

**(Para 3.6)**

