

CHAPTER 4

PUBLIC FINANCE

As per provision of Government of NCT of Delhi Act, 1991, a Consolidated Fund, separate from that of the Government of India has been constituted with effect from December, 1993. All Revenue and Capital Receipts of Delhi Government are being credited in this Fund and all its expenditure under Plan and Non-Plan is being met out of this Fund.

2. Delhi Government's Revenue Receipts consist of Tax Revenue, Non-Tax Revenue and Grants-in-Aid from the Centre. The Tax Revenue covers the receipts under Value Added Tax (VAT), Stamps and Registration Fees, State Excise, Motor Vehicle Tax, Entertainment Tax, Betting Tax, Luxury Tax etc. On the other hand, its Non Tax Revenue mainly comprises Interest Receipts, Dividend and Profit from investments and Service Charges/Fees/Fines etc. from various Government Departments.
3. The Grants-in-Aid from the Centre includes (i) Non-Plan Grant viz discretionary grant in lieu of Share in Central Taxes, Grant for specific purposes depending upon the Policy of the Government of India from time to time like compensation to meet the losses on account of phasing out of Central Sales Tax (CST)/implementation of VAT, enhanced compensation to the 1984 riot victims etc. and (ii) Plan Grants as Central Assistance for Annual Plan, aid for Centrally Sponsored Schemes (CSS), etc.
4. Similarly, Delhi Government's Capital Receipt mainly covers recovery of loans and advances from Local Bodies/Undertakings/Government Servants etc. and Small Savings Loan from National Small Savings Fund (NSSF) of the Government of India.
5. The expenditure out of the Consolidated Fund of Delhi is broadly maintained under the Heads of Plan, Non-Plan and Centrally Sponsored Scheme (CSS). Further, both the Plan & Non-Plan expenditure is maintained under the heads of Revenue and Capital Accounts.
6. The Non-Plan Revenue expenditure of Delhi Government mainly covers the items like salary and office expenses, interest payment to Government of India, devolution of funds to Local Bodies, Grant-in-Aid to various Public Sector Enterprises (PSEs)/Institutions, Subsidies, if any, being provided by the Government to defray the cost of some items/services under Non- Plan etc. On the other hand, the Non-Plan Capital expenditure of the Government covers repayment of Principal to the Government of India, Non Plan loans/advances to the Local Bodies/Government Servants, Public Sector Enterprises etc.
7. The Revenue Expenditure under Plan mainly covers Salary/cost of equipments / subsidy / grant-in-aid etc. On the other hand, the Capital expenditure under Plan covers the Capital Outlay for various infrastructure projects being implemented by Government Departments including Equity capital to the Public Sector Enterprises etc. and loans & advances being provided for remunerative schemes/projects of Local Bodies/PSEs, etc.

8. Tax Collection of Delhi Government registered a growth of 21.20 per cent in 2011-12 as compared to the growth of 22.53 per cent in 2010-11. All components in the tax revenue showed a positive growth during 2011-12. Stamps and Registration fees recorded the highest growth of 65.24 per cent in 2011-12. Tax collections under Motor Vehicle Tax, State Excise and VAT recorded a growth of 48.28 per cent, 24.99 per cent and 13.94 per cent respectively while Other Taxes comprising Luxury Tax, Entertainment Tax, Betting Tax, etc, registered a growth of 24.73 per cent during 2011-12. Betting tax recorded the lowest growth of 9.46 per cent during 2011-12.
9. The investments in Small Savings instruments have started decreasing from the year 2010-11. Delhi Government has received Small Saving Loan of ₹ 556.08 crore in 2011-12 against ₹ 4388.94 crore received in 2010-11.
10. Like earlier Finance Commissions, Delhi has not been covered under the recommendations of Thirteenth Finance Commission (13th FC) whose term covers the period from 2010-11 to 2014-15. Thus, Delhi remains loser on account of the dispensations recommended by the 13th Finance Commission to the States which include Share in Central Taxes, Grants-in-aid for Local Bodies, Disaster Relief, Elementary Education, Maintenance of Roads & Bridges, and Improving Outcomes under justice delivery etc. and also grants-in-aid for specific problems of States. Now, Delhi only gets discretionary grants in lieu of Share in Central Taxes and that too is stagnant at ₹ 325 crore since 2001-02. Further, in pursuance of the recommendations of 13th Finance Commission for providing grants for improving statistical system in States and District level, the Government of India allocated a special grant of ₹ 1 crore to Delhi for the said purpose for the first time in 2012-13(RE).
11. On the other hand, as per Constitutional requirement, the Delhi Government is making devolution of funds to its Local Bodies based on the recommendations of Delhi Finance Commission being set up from time to time. Present formula for devolution of funds to Local Bodies in Delhi has been extended to them based on the recommendations of the Third Delhi Finance Commission. The Delhi Government has already set up the Fourth Delhi Finance Commission and the commission has submitted the recommendations for devolution of funds of Local Bodies which is under examination to the Government.
12. Delhi has maintained its consistent Revenue Surplus which was ₹ 4428.31 crore in 2011-12. Delhi's Revenue Surplus was 1.43 per cent of GSDP in 2011-12 as compared to all states estimated figure of 0.07 per cent of GDP for the year.
13. The private stage carriage buses run by individual private operators have been replaced with a new scheme for operation of cluster buses being operated by corporate entities to provide better services and safety of journey to the commuters of Delhi. According to the scheme the Government has to meet the gap between the cost of operation and revenue earned from such bus scheme. Thus, presently, the Delhi Government has to bear the working losses of both, DTC and Cluster bus scheme.

14. DJB has succeeded in meeting their operating expenses from 2010-11. No Non-Plan Assistance was provided to them during 2010-11 and 2011-12. DJB has repaid principal amount of ` 81.36 crore to Delhi Government during 2011-12 for first time after its formation.
15. The Delhi Urban Shelter Improvement Board (DUSIB) has been constituted by the Government of NCT of Delhi with effect from 1 July 2010. The DUSIB is looking after the matters relating to notifying certain slums areas, providing civic amenities to Jhuggie Jhomprrie settlements, Resettlement of such residents, etc. Presently, Delhi Government has to provide them Non Plan Assistance to meet their Non Plan deficit in view of limitation of their resources.
16. The Municipal Corporation of Delhi (MCD) has been trifurcated into North Delhi Municipal Corporation, South Delhi Municipal Corporation and East Delhi Municipal Corporation vide Government of Delhi's Notification dated 13th January 2012 to provide better municipal services to the residents of Delhi. These three new Municipal Corporations have inherited debt liabilities in view of poor financial conditions of erstwhile MCD. The Delhi Government has made provision of Non Plan loan of ` 1831 crore in current year's budget to meet urgent requirements of these new Municipal Corporations.
17. Delhi's outstanding loan at the end of March 2012 was ` 29608.47 crore which is about 9.53 per cent of GSDP against the estimated figure 24.20 per cent of GDP in case of all States during 2011-12(RE). Delhi's outstanding loan has reduced during 2011-12 because of reduction in receipt of Small Saving loan from the Government of India due to less investment in small saving instruments.
18. The flow of Central Assistance (CA) to Delhi has decreased from ` 1808.19 crore in 2010-11 to ` 734.56 crore in 2011-12. Such reduction in Central Assistance in 2011-12 is mainly because of no allocation of Additional Central Assistance (ACA) for Commonwealth Games projects and also due to reduction in ACA to Jawaharlal Nehru National Urban Renewal Mission (JNNURM).
19. Similarly, the Non-Plan Grants from the Centre has also decreased from ` 2093.82 crore in 2010-11 to ` 734.05 crore in 2011-12 mainly because of reduction in compensation on account of phasing out of Central Sales Tax (CST)/ implementation of Value Added Tax (VAT).
20. The Fiscal Deficit of Delhi during 2011-12 has been estimated at ` 2545.12 crore which is 0.82 per cent of GSDP as compared to the all states figure of 2.51 per cent of GDP during the year.
21. Thus, the overall Financial Position of Delhi is sound.
22. The details of inflow and outflow of funds of Delhi Government and some of its important financial features are described in the following paragraphs:-

23. Revenue Receipt

- 23.1 As per population Census - 2011, the population of Delhi has recorded a decennial growth of 20.96% during 2001-2011 as compared to the growth of 17.64% at the all India level. Thus, in view of increased population growth, it is necessary for the Government to augment its revenue to finance its development schemes/projects in order to cater to the needs and aspirations of the people in Delhi.
- 23.2 Revenue receipts can broadly be categorized as Tax Revenue, Non-Tax Revenue and Grants-in-aid from the Central Government. The position of revenue receipts of Delhi Government is presented in Statement 4.1. and Charts 4.1 and 4.2 (Ref. Table 4.1 for further details)

Statement 4.1
REVENUE RECEIPT OF DELHI GOVERNMENT

(` Crore)

No	Sources	2002-03	2006-07	AAG 2002- 07 (%)	2007-08	2011-12 (Tentative)	AAG 2007- 12 (%)	2012-13 (BE)	Apr.12 to Dec.12
1.	Tax Revenue								
a.	Stamps & Registration	436.80	917.97	23.71	1318.40	2240.27	17.39	4300.00	2346.88 (54.58)
b.	State Excise	725.68	1133.18	13.41	1301.25	2533.72	18.39	3000.00	2000.80 (66.69)
c.	Value Added Tax	3884.36	7365.80	18.08	8310.49	13750.95	13.70	17000.00	11131.20 (65.48)
d.	Taxes on Motor Vehicles	160.40	362.84	24.18	420.20	1049.19	26.54	1370.00	853.13 (62.27)
e.	Other Taxes	116.95	376.01	36.96	432.46	397.54	-3.89	480.00	280.79 (58.50)
	Total (Tax Revenue)	5324.19	10155.80	18.65	11782.80	19971.67	14.54	26150.00	16612.80 (63.53)
2.	Non Tax Revenue	829.56	1463.58	16.44	1816.70	460.86	-19.30	725.56	435.06 (59.96)
3.	Grants from Centre	512.19	574.22	2.14	1312.89	1960.64	17.91	1927.88	809.48 (41.99)
	Total Revenue Receipts	6665.94	12193.60	17.31	14912.39	22393.17	13.19	28803.44	17857.34 (61.99)

Sources : 1. Figures for 2007-08 to 2010-11 are from Finance Accounts, GNCTD.
2. Figures for 2011-12 and 2012-13(April to December'12) are from Principal Account Office, GNCTD.

Note: AAG – Average Annual Growth (%).
Figures in parenthesis relates to percentage achievement.

Chart 4.1
REVENUE RECEIPT OF DELHI GOVERNMENT DURING 2007-08 TO 2012-13(BE)

(` Crore)

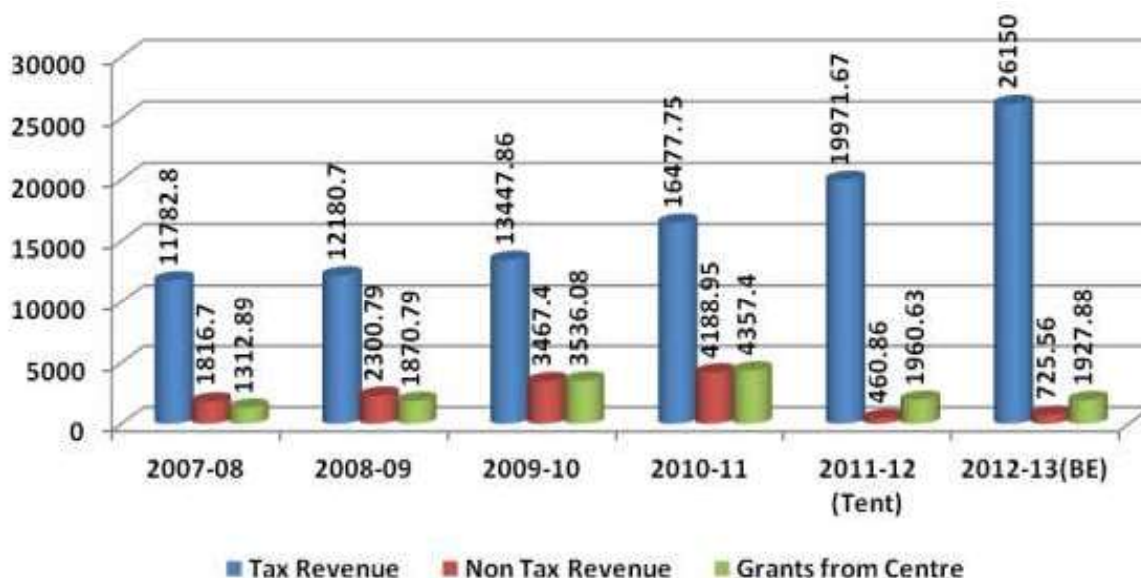
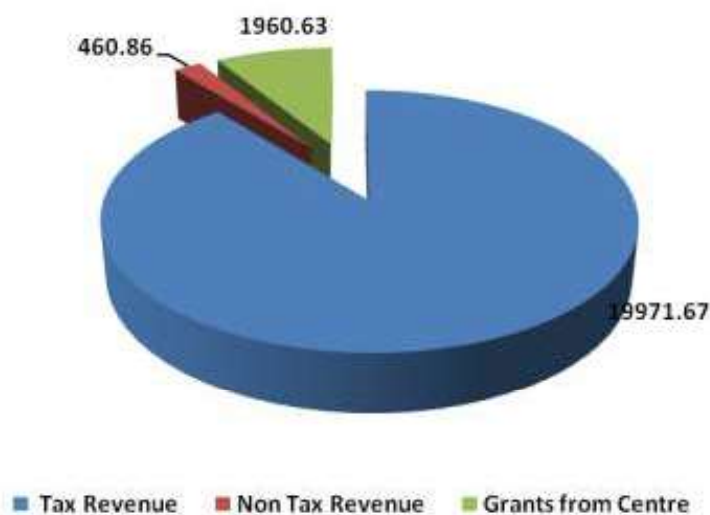


Chart 4.2
REVENUE RECEIPT OF DELHI GOVERNMENT DURING 2011-12

(` Crore)



- 23.3 The total Revenue Collection of Delhi Government was ` 22393.17 crore (7.21% of GSDP) in 2011-12 as against ` 25024.10 crore (9.57% of GSDP) collected during the previous year. The sharp decline in the revenue receipt of Delhi Government during 2011-12 was due to the reduction in own non tax revenue mainly because of the Government's decision for discontinuing the old practice of recovery of interest dues from DTC and DJB by converting interest into Non Plan loan by way of book adjustment from 2011-12 and also

due to reduction in compensation of grant from Government of India on account of phasing out of CST/ implementation of VAT. The Revenue Receipt registered an average annual growth of 13.19 per cent during period of 11th Plan (2007-12) as compared to the growth of 17.31 per cent during the period of 10th Plan (2002-07). The main reasons for reduction in growth in revenue receipts during the period of 11th Plan are economic slowdown and also the reasons mentioned above.

- 23.4 The major source of Revenue Receipt of Delhi Government during 2011-12 is its Tax Revenue which was ₹ 19971.67 crore (89.19%) followed by Grants from the Centre at ₹ 1960.63 crore (8.76%) and Non-Tax Revenue at ₹ 460.86 crore (2.05%). Chart 4.2 represents the Tax Revenue; own Non-Tax Revenue and Grant-in-Aid from the Centre during 2011-12.

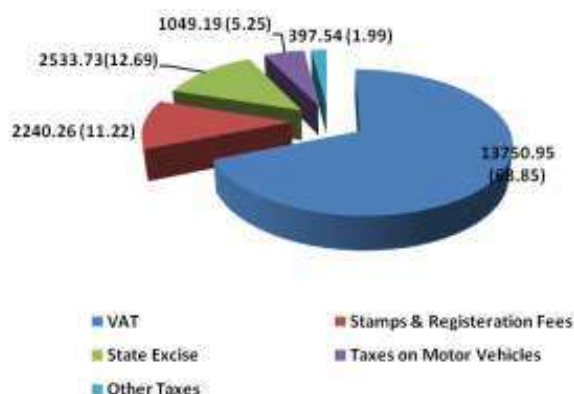
24. Tax Revenue

- 24.1 The Tax Revenue of Delhi Government was ₹ 19971.67 crore (6.43 per cent of GSDP) in 2011-12 as compared to ₹ 16477.75 crore (6.30 per cent of GSDP) in 2010-11. Delhi's Tax Revenue registered a growth of 21.20% in 2011-12 as compared to the Growth of 22.53% in 2010-11. The main items of Tax Revenue of Delhi Government are Value Added Tax (VAT) which was ₹ 13750.95 crore in 2011-12 (68.85%) followed by State Excise at ₹ 2533.72 crore (12.69%), Stamps & Registration Fees at ₹ 2240.27 crore (11.22%), Taxes on Motor Vehicle at ₹ 1049.19 crore (5.25%) and other Taxes & Duties on Commodities and Services (including Entertainment, Betting & Luxury Tax) at ₹ 397.54 crore (1.99%). Current year's budgetary target of Tax revenue has been kept at ₹ 26150 crore against which an amount of ₹ 16612.80 crore (63.53%) has been collected during April-December 2012. A total target for tax revenue of ₹ 28803.44 crore has been kept in the current year's budget of Delhi Govt. against which an amount of ₹ 17857.34 crore (61.99%) has been received during April-December 2012. Out the said target, the Budgetary target for Value Added Tax is ₹ 17000 crore against which an amount of ₹ 11131.20 crore (65.48%) has been collected during April-Dec`2012. Similarly, the targets for Stamps & Registration Fees, State Excise and Motor Vehicle Tax have been kept at ₹ 4300 crore, ₹ 3000 crore and ₹ 1370 crore respectively against which corresponding achievements are 54.58%, 66.69% and 62.27% during April-Dec`2012. (Ref. Chart 4.3 and Table 4.1).

Chart 4.3

TAX REVENUE OF DELHI GOVERNMENT IN 2011-12

(` Crore)

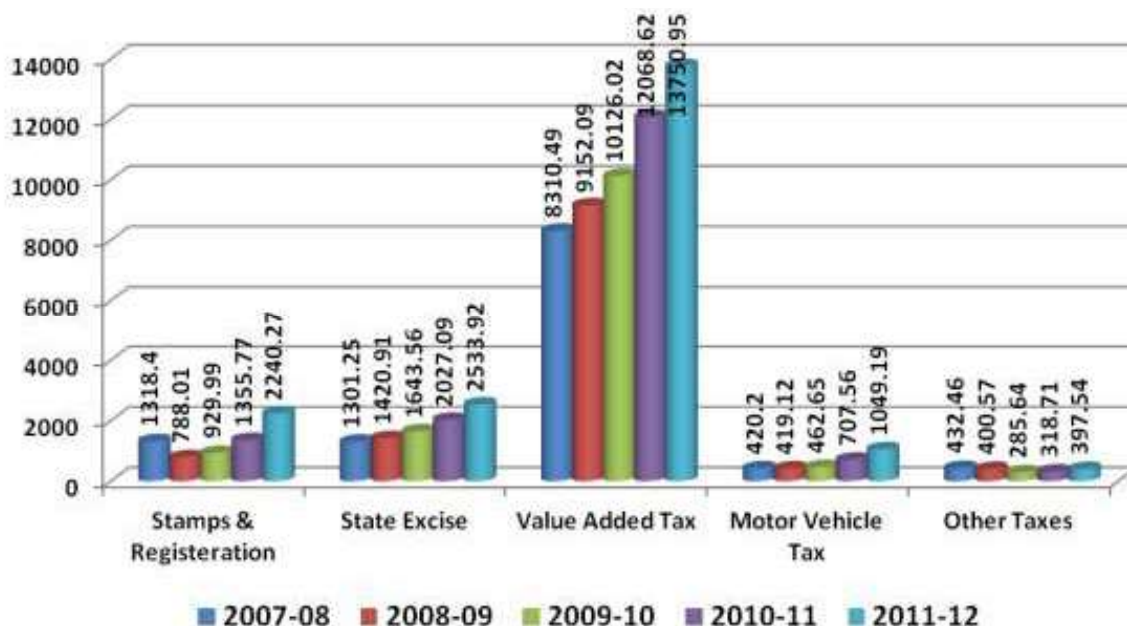


24.2. The year-wise position of collection of various Taxes and their percentage share and growth during 2007-08 to 2011-12 are shown in Chart 4.4 and Statement 4.2 respectively.

Chart 4.4

YEAR - WISE POSITION OF COLLECTION OF TAXES 2007-08 TO 2011-12

(` In crore)



Statement 4.2

PERCENTAGE SHARE OF VARIOUS TAXES & THEIR GROWTH DURING 2007-08 TO 2011-12 (Percent)

Sl. No	Sources	Revenue Receipts					
		2007-08	2008-09	2009-10	2010-11	2011-12 Tentative	Av Annual Growth (%) (2007-12)
1.	Stamps and Registration Fees	11.19 (43.62)	6.47 (-40.23)	6.92 (18.02)	8.23 (45.78)	11.22 (65.24)	17.39
2.	State Excise	11.04 (14.83)	11.66 (9.20)	12.22 (15.67)	12.30 (23.34)	12.69 (24.99)	18.39
3.	Value Added Tax (VAT)	70.53 (12.83)	75.14 (10.13)	75.30 (10.64)	73.24 (19.18)	68.85 (13.94)	13.70
4.	Taxes on Motor Vehicles	3.57 (15.81)	3.44 (-0.26)	3.44 (10.39)	4.29 (52.94)	5.25 (48.28)	26.54
5.	Other Taxes & Duties on Commodities & Services	3.67 (15.01)	3.29 (-7.37)	2.12 (-28.69)	1.94 (11.58)	1.99 (24.73)	-3.89
	Total	100.00 (16.02)	100.00 (3.38)	100.00 (10.40)	100.00 (22.53)	100.00 (21.20)	14.54

Sources: 1 Figures for 2007-08 to 2010-11 are from Finance Accounts of GNCTD.

2. Figures for 2011-12 are from Principal Account Office of GNCTD.

Notes: - Figure in parenthesis represents growth over previous year

24.3 The average annual growth of Tax Revenue during 2007-08 to 2011-12 was 14.54 per cent as compared to the growth of 18.65 per cent during the period of Tenth Plan (2002-07). The growth rate reduced during the period of 11th Plan mainly because of global economic slowdown during the first half of the 11th Plan period which adversely affected the collection under Stamps and Registration Fees, VAT and other Taxes and Duties on commodities and services. Stamps & Registration Fees registered an average annual growth of 17.39 per cent during 2007-08 to 2011-12 as compared to the growth of 23.71 per cent during the period of 10th Plan. Similarly, VAT registered a growth of 13.70 per cent during 2007-08 to 2011-12 against the growth of 18.08 per cent during the period of 10th Plan. The growth of other Taxes & Duties on Commodities & Services was (-) 3.89 per cent during 2007-08 to 2011-12 as compared to the growth of 36.96 per cent during the period of 10th Plan which was mainly because of negative growth under Luxury Tax. However, the growth in collection of Taxes on Motor Vehicle was higher at 26.54 per cent during 2007-08 to 2011-12 as compared to the growth of 24.18 per cent during the period of 10th Plan. Similarly the growth of State Excise was also higher at 18.39 per cent during the period of 11th Plan (2007-12) as compared to the growth of 13.41 per cent during the period of 10th Plan.

25. Non Tax Revenue

25.1 The Delhi Government's own Non-Tax Revenue mainly consists of interest receipt on account of loans and advances provided by Delhi Government to its Local Bodies and Undertakings, dividends and profits from investments in various Public Sector

Undertakings and services charges/fees/fines etc. from various Government Departments. Statement 4.3 and Chart 4.5 indicates the position of Own Non Tax Revenue of Delhi Government.

Statement 4.3

OWN NON-TAX REVENUE OF GNCTD DURING 2007-08 TO 2012-13 (BE)

(` Crore)

No	Sources	2002-03	2006-07	Av. Annual Growth (%)	2007-08	2011-12 (Tentative)	Av. Annual Growth (%)	2012-13 (BE)	Apr.12 to Dec.12
1.	Interest Receipts								
a.	DTC	388.87	602.42	13.42	767.82	--	--		
b.	DJB	269.30	474.34	15.58	586.62	--	--		
c.	DVB/ Successor Power Utilities		95.71	--	--	--	--		
e.	Others	82.14	112.51		280.34	174.14	-32.08	429.56	230.18 (53.59)
	Total	741.41	1284.98	15.80	1634.78	174.14		429.56	230.18 (53.59)
2.	Dividends & Profits	7.19	22.17	50.82	31.15	33.00	5.74	48.00	21.89 (45.60)
3.	Service Charges	80.96	156.43	18.04	150.77	253.72	16.37	248.00	182.99 (73.79)
	Total	829.56	1463.58	16.44	1816.70	460.86	-19.30	725.56	435.06 (59.96)

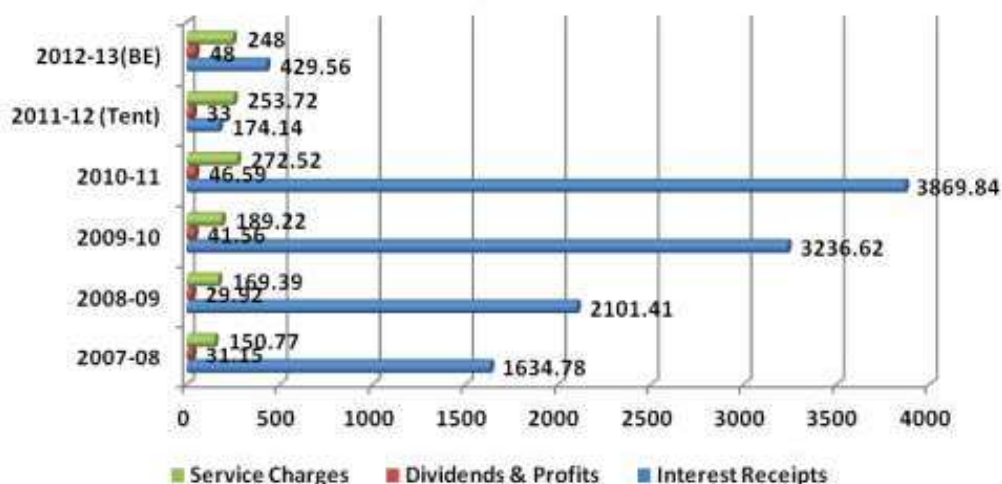
Sources: 1. Figures for 2007-08 to 2010-11 are from Finance Accounts, GNCTD.
2. Figures for 2011-12 are from Principal Account Office, GNCTD.

Note:- Figure in parenthesis represents percentage achievement.

Chart 4.5

BREAK-UP OF OWN NON-TAX REVENUE

(` in crore)



25.2 Delhi's own Non-Tax Revenue was ₹ 460.86 crore in 2011-12 (0.15% of the GSDP) as compared to ₹ 4188.95 crore (1.60 per cent of GSDP in 2010-11) received during 2010-11. The sharp decline in Non Tax Revenue during 2011-12 is mainly because of recovery of interest dues of ₹ 3869.84 crore from DTC and DJB during 2010-11 by converting the interest dues into Non Plan loan by way of book adjustment. Such practice of recovery of interest dues from them has been discontinued by the Delhi Government from 2011-12 as already stated above. During 2011-12 Delhi Government's own Non Tax Revenue consisted service charges of ₹ 253.72 crore (55.05%) followed by interest receipt at ₹ 174.14 crore (37.79%) and dividends and profits at ₹ 33 crore (7.16%). The current year's target of Own Non Tax Revenue has been kept at ₹ 725.56 crore, against which an amount of ₹ 435.06 crore (59.96 per cent) has been collected during April- December 2012.

26. Grant-in-Aid from the Centre

- 26.1 The Government of India have categorized the states as Special Category and Non Special Category States for the purpose of providing funds based on some norms generally revenue base of a state, border region, etc. In financial matter, Delhi has been categorized as a Non-Special Category State.
- 26.2 The Grant-in-aid to Delhi from the Centre consists of discretionary grant in lieu of Share in Central Taxes, Non-Plan grant for specific purposes like compensation on account of phasing out of Central Sales Tax (CST)/implementation of VAT, Grant under Central Assistance for Annual Plan of Delhi and also grants for Centrally Sponsored Schemes (CSS). The details of grant-in-aid from Centre to Delhi during 2007-08 to 2011-12 are mentioned in Statement 4.4.

Statement 4.4
GRANT-IN-AID FROM CENTRE

(₹ Crore)

No	Years	Grant in lieu of Share in Central Taxes	Compensation on account of Implementation of VAT/ Phasing out of CST	Grants in Aid for CSS	Grants under Central Plan Assistance	Other Grants from GOI	Grants in Aid from Centre (Total)	As % of GSDP
1.	2007-08	325	183.70	58.26	720.30	25.63	1312.89	0.83
2.	2008-09	325	517.57	72.37	793.10	162.75	1870.79	0.99
3.	2009-10	325	1566.02	131.10	1472.23	41.73	3536.08	1.61
4.	2010-11	325	2001.75	130.39	1808.19	92.07	4357.40	1.67
5.	2011-12 (Tentative)	325	653.85	167.03	734.56	80.20	1960.64	0.63
6.	2012-13 (BE)	325	200.00	158.77	1106.61	137.50	1927.88	0.53

Sources: 1. Figures for 2007-08 to 2010-11 are from Finance Accounts, GNCTD.

2. Figures for 2011-12 are from Principal Account Office, GNCTD.

Note: BE means Budget Estimates.

26.3 The Delhi Government has received Grant-in-aid of ₹1960.64 crore in 2011-12 as compared to ₹4357.43 crore in 2010-11. One of the main reasons for steep reduction in the grant-in-aid from the Centre during 2011-12 is the less receipt of compensatory grants on account of phasing out of CST and implementation of VAT during 2011-12. The Delhi Government has received compensatory grant of ₹653.85 crore in 2011-12 as compared to ₹2001.75 crore received during 2010-11. The other reason for such reduction in grant-in-aid is that the Delhi Government received grant under Central Plan Assistance of ₹734.56 crore in 2011-12 as compared to ₹1808.19 crore received in 2010-11 because the Central Plan Assistance of ₹1808.19 crore included the Additional Central Assistance (ACA) for Commonwealth Games projects which ceased to exist from 2011-12. Further, the discretionary grant in lieu of Share of Central Taxes to Delhi has been stagnant at ₹325 crore since 2001-02. A provision of ₹1927.88 crore has been made in current year's budget estimate of Delhi Government as Grant-in-Aid from the Government of India against which Delhi Government has received ₹809.48 Crore (41.99%) during April- December 2012. The Government of India has allocated a special grant of ₹1 crore for improvement of statistical system in Delhi for the first time in 2012-13(RE) in pursuance of the recommendations of the 13th Finance Commission in the matter to states.

27. Tax Buoyancy

27.1 The Tax Buoyancy indicates the relative growth in Tax Revenue with reference to the growth in the economy being measured by the growth of Gross State Domestic Product (GSDP). The following statement indicates the Tax Buoyancy of Delhi Government during 2007-08 to 2011-12.

Statement 4.5
TAX BUOYANCY IN DELHI

No	Details	2007-08	2008-09	2009-10	2010-11	2011-12 (Tent)	2007-12
1.	VAT	0.78	0.51	0.68	1.00	0.74	0.75
2.	State Excise	0.90	0.46	0.99	1.22	1.33	1.01
3.	Motor Vehicle Tax	0.96	-0.01	0.66	2.76	2.56	1.46
4.	Stamps & Registration	2.65	-2.01	1.14	2.39	3.46	0.95
5.	Luxury Tax	0.83	-0.44	-2.17	0.59	1.07	-0.39
6.	Total Own Tax	0.97	0.17	0.66	1.17	1.13	0.80

27.2. The Tax Buoyancy of Delhi was 0.80 during the period of 11th Plan (2007 -12) as compared to the tax buoyancy of 1.21 during the period of Tenth Plan (2002-2007). The Tax Buoyancy was lowest at 0.17 in 2008-09 due to global economic slow down. The impact was severe in case of Stamps & Registration Fees, Luxury Tax and Taxes on Motor Vehicles as reflected in their Tax Buoyancy of (-) 2.01, (-) 0.44 and (-) 0.01 respectively during the said period. The position has, however, improved in case of Stamps & Registration Fees and Taxes on Motor Vehicle in 2011-12 when its Tax Buoyancy were 3.46 & 2.56 respectively.

28. Tax Effort

28.1 Though Delhi is one among the higher per capita income States in the country, its position is 12th in terms of Own Tax/GSDP ratio (7.15%) during 2012-13 (BE). Among Non-Special Special Category States, those lagging behind Delhi in terms of Tax/GSDP ratio in 2012-13(BE) are Maharashtra (6.9%), Rajasthan (6.6%), Haryana (6.5%), Jharkhand (6.3%), Gujarat (6.1%), Orissa (6.0%), Bihar (5.9%) and West Bengal (4.9%). The following Statement indicates the position of Tax Revenue of Delhi as percentage of GSDP viz.-a-viz. the position of all States [Reference. Table 4.6 and 4.6a for further details]

Statement 4.6
TAX REVENUE AS % OF GSDP/GDP OF DELHI VIS-À-VIS ALL STATES

(` Crore)

No	Years	Tax Revenue		Tax Revenue as Percentage of	
		Delhi	All State	GSDP of Delhi	GDP of All States
1.	2004-05	7106.13	189133.44	7.08	6.36
2.	2005-06	8939.28	212307.34	7.75	6.26
3.	2006-07	10155.80	252548.45	7.49	6.39
4.	2007-08	11782.80	286546.00	7.46	6.25
5.	2008-09	12180.70	330405.00	6.43	6.07
6.	2009-10	13447.86	363061.00	6.13	5.96
7.	2010-11	16477.75	460710.00	6.30	6.44
8.	2011-12(Tent.)	19971.67	551470.00(RE)	6.42	6.23
9.	2012-13 (BE)	26150.00	645070.00(BE)	7.15	-----

Note: RE – Revised Estimate
BE- Budget Estimate

29. Revenue Expenditure

29.1 The revenue expenditure of the Government of Delhi consists of salary, office expenses, grant-in-aid/subsidy to Institutions/ Local Bodies under Plan and Non-Plan, interest payment to Government of India etc. The position of revenue expenditure of Government of Delhi is presented in Statement 4.7 and Chart 4.6.

Statement 4.7

REVENUE EXPENDITURE OF DELHI GOVERNMENT DURING 2007-08 TO 2012-13(BE)

(` Crore)

Sl No	Sources	2002-03	2006-07	AAG (%)	2007-08	2011-12 (Tentative)	AAG (%)	2012-13 (BE)	Apr.12 to Dec.12
	Total Revenue Expenditure (1+2)	4598.20	7755.48	13.80	9770.52	17964.86	15.25	22697.87	14827.71 (65.33)
1.	Plan	1218.20	2020.66	13.12	3329.01	6440.86	16.59	7569.37	3904.43 (51.58)
2.	Non Plan of which	3380.00	5734.82	14.04	6441.51	11524.00	14.54	15128.50	10923.28 (72.20)
a	Interest Payment	1114.78	2210.23	17.01	2504.34	2917.26	3.37	3300.00	2862.88 (86.75)
b	Devolution to Local Bodies	526.24	1034.73	18.92	1270.16	1764.16	8.61	2400.00	1459.59 (60.82)

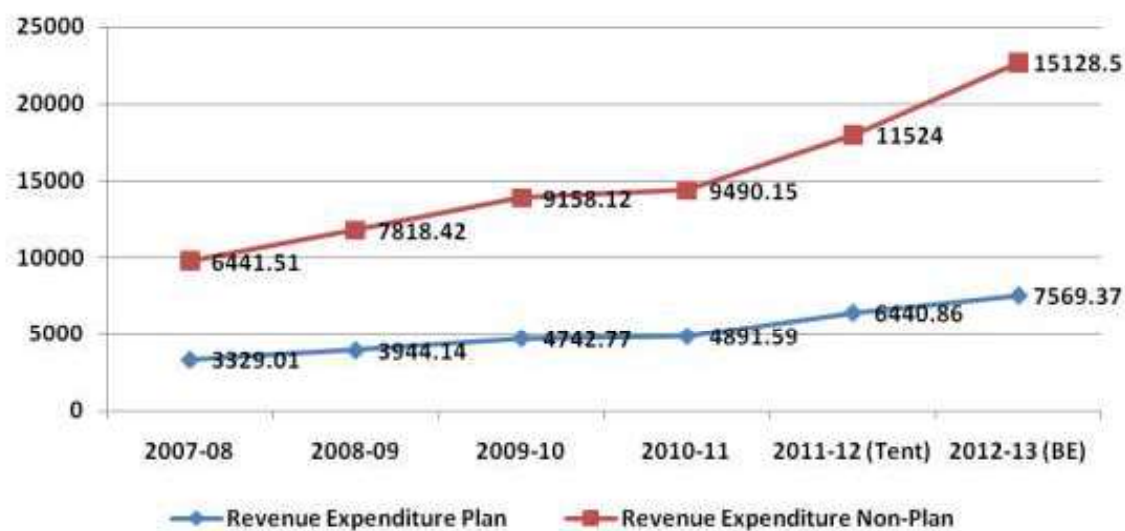
Sources: 1. Figures for 2007-08 to 2010-11 are from Finance Accounts, GNCTD.
2. Figures for 2011-12 are from Principal Account Office, GNCTD.

Note: Figure in parenthesis relates to percentage achievement.
AAG- Average Annual Growth.

Chart 4.6

REVENUE EXPENDITURE (PLAN & NON-PLAN) OF DELHI GOVERNMENT DURING 2007-12 AND 2012-13(BE)

(` in crore)



- 29.2 The Total Revenue Expenditure of Delhi Government was ₹ 17964.86 crore in 2011-12 with a growth of 24.91 per cent. Statement 4.8 indicates the percentage growth of Revenue Expenditure during 2007-12. The average annual growth of Revenue Expenditure during the period of 11th Plan was 15.25 per cent as compared to the growth of 13.80 per cent during the period of Tenth Plan. Out of the total revenue expenditure of ₹ 17964.86 crore in 2011-12, an amount of ₹ 6440.86 crore (35.85 per cent) was under Plan and remaining ₹ 11524 crore (64.15 per cent) was under Non-Plan.

Statement 4.8

GROWTH OF REVENUE EXPENDITURE OF DELHI GOVERNMENT

(Per cent)

Sl. No.	Details	2007-08	2008-09	2009-10	2010-11	2011-12 (Tentative)
1.	Total Revenue Expenditure	25.98	20.39	18.18	3.46	24.91
2.	Plan	64.75	18.48	20.25	3.14	31.67
3	Non- Plan	12.32	21.38	17.14	3.63	21.43
	a. Interest Payment	13.31	0.30	-1.55	4.31	13.09
	b. Devolution to Local Bodies	22.76	-16.70	13.05	3.27	40.76
	c. Others	7.11	59.30	29.20	3.07	20.95

30. Interest Payment to Government of India

- 30.1 The interest liability of Government during a year depends on its outstanding debt in the previous year. The Delhi Government has made interest payment of ₹ 2917.26 crore in 2011-12 which is 14.61 per cent of its Tax Revenue during the year. Delhi had an outstanding debt of ₹ 29608.47 crore at the end of March 2012 and its interest liability to Government of India has been estimated at ₹ 3300 crore during 2012-13(BE) which is about 12.62 per cent of the Tax Revenue target for 2012-13 (BE). The position of interest payment of Delhi Government as percentage of its Tax Revenue is shown in the following Statement.

Statement 4.9

INTEREST PAYMENT AS PERCENTAGE OF TAX REVENUE

Sl. No	Years	Percentage of Tax Revenue
1.	2002-03	20.94
2.	2003-04	23.24
3.	2004-05	22.07
4.	2005-06	18.71

Sl. No	Years	Percentage of Tax Revenue
5.	2006-07	21.76
6.	2007-08	21.25
7.	2008-09	20.62
8.	2009-10	18.39
9.	2010-11	15.65
10.	2011-12 (Tentative)	14.61
11	2012-13(BE)	12.62

31. Devolution of funds to Local Bodies

- 31.1 Devolution of funds to Local Bodies in Delhi (i.e. MCD or its successor entities & NDMC) is being made as per the Government's decision based on the recommendations of Delhi Finance Commission (DFC). The devolution of funds to Local Bodies covers Basic Tax Share (i.e. share out of net Tax proceeds from Delhi Government) and Non-Plan Grant for specific purposes like education, maintenance of resettlement colonies etc. Though Delhi Cantonment Board (DCB) is not regarded as a Local Body but devolution of funds to them is also being made based on the recommendations of the Delhi Finance Commission.
- 31.2 The formula for devolution of funds to Local Bodies in Delhi as decided by Delhi Government based on the recommendations of the Third Delhi Finance Commission whose term was 2006-11, has been extended to the years 2011-12 and 2012-13. The Delhi Government has already set up Fourth Delhi Finance Commission and the 4th DFC have submitted recommendation for devolution of funds to local bodies which is under examination to the Government. Based on the recommendations of Third Delhi Finance Commission, 4% of the net tax proceeds of Delhi Government is being devolved to the Local Bodies as their Basic Tax Share, 5% (maximum limit) of the net tax proceeds is being devolved as Non-Plan grant towards meeting expenditure on education/resettlement colonies and 1.5% of the net tax proceeds would be available as incentives to the successor entities of MCD and NDMC if there is improvement in their revenue and economy in expenditure. The Delhi Government has already constituted the Fourth Delhi Finance Commission whose work is in progress. A Statement indicating the Devolution of funds to Local Bodies during the tenure of 1st, 2nd & 3rd DFC is as follows.

Statement 4.10

DEVOLUTION OF FUNDS TO LOCAL BODIES IN DELHI

` Crore)

Sl. No	Details	Period of 1 st DFC (1996-01)	Period 2 nd DFC (2001-06)	Period of 3 rd DFC(2006-11)		
				2006-08 (Based on the Recommendation of 2 nd DFC)	2008-11 (Based on the Recommendation of 3 rd DFC)	2006-11 Total
1	Grants in Aid					
	a. MCD	644.53	1380.34	1035.11	2577.74	3612.85
	b. NDMC	48.83	91.50	64.42	170.67	235.09
	c. DCB	4.82	7.08	3.89	14.31	18.20
	d. Total	698.18	1478.92	1103.42	2762.72	3866.14
2	Basic Tax Share					
	a. MCD	872.01	1576.83	1151.18	1456.30	2607.48
	b. NDMC	44.60	51.13	38.09	39.92	78.01
	c. DCB	11.15	22.93	12.30	18.67	30.97
	d. Total	927.76	1650.89	1201.57	1514.89	2716.46
3	Total					
	a. MCD	1516.54	2957.17	2186.29	4034.04	6220.33
	b. NDMC	93.43	142.63	102.51	210.59	313.10
	c. DCB	15.97	30.01	16.19	32.98	49.17
	Total	1625.94	3129.81	2304.99	4277.61	6582.60

31.3 The devolution of funds to Local Bodies during the tenure (2006-11) of 3rd DFC is. Rs 6582.60 crore with a growth of 103.19 per cent over the devolution during the tenure of 2nd DFC. Out of the total devolution of `6582.60 crore during the tenure of 3rd DFC, an amount of Rs 6220.33 crore (94.5 per cent) was devolved to MCD and ` 313.10 crore (4.8 per cent) and ` 49.17 crore (0.7 per cent) respectively were devolved to NDMC and DCB.

31.4 The following Statement indicates the year-wise devolution of funds to Local Bodies during 2006-07 to 2011-12.

Statement 4.11

YEAR-WISE DEVOLUTION OF FUNDS TO LOCAL BODIES IN DELHI

(₹ Crore)

Sl. No	Details	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 (Tentative)
1	Grants in Aid						
	a. MCD	469.41	565.70 (20.51)	563.54 (-0.38)	638.83 (13.36)	1375.37 (115.30)	1631.32 (18.61)
	b. NDMC	29.22	35.20 (20.47)	36.35 (3.27)	37.63 (3.52)	96.69 (156.95)	114.00 (17.90)
	c. DCB	1.85	2.04 (10.27)	2.11 (3.43)	2.20 (4.27)	10.00 (354.55)	9.77 (-2.30)
	d. Total	500.48	602.94 (20.47)	602.00 (-0.16)	678.66 (12.73)	1482.06 (118.38)	1755.09 (18.42)
	as % of total devolution	48.37	47.47	56.9	56.74	73.24	70.40
2	Share of Basic Tax						
	a. MCD	511.12	640.06 (25.23)	432.42 (-32.44)	496.66 (14.86)	527.22 (6.15)	700.22 (32.81)
	b. NDMC	17.27	20.82 (20.56)	14.85 (-28.67)	16.04 (8.01)	9.03 (-43.70)	23.66 (162.02)
	c. DCB	5.86	6.44 (9.90)	8.68 (34.78)	4.71 (-45.74)	5.28 (12.10)	14.02 (165.53)
	d. Total	534.25	667.32 (24.91)	455.95 (-33.17)	517.41 (13.48)	541.53 (4.66)	737.90 (36.26)
	as % of total devolution	51.63	52.53	43.1	43.26	26.76	29.60
3	Total devolution (1+2)						
	a. MCD	980.53 (33.53)	1205.76 (22.97)	995.96 (-17.40)	1135.49 (14.01)	1902.59 (67.56)	2331.54 (22.55)
	as % of total devolution	94.76	94.92	94.14	94.94	94.02	93.52
	b. NDMC	46.49 (37.02)	56.02 (20.50)	51.20 (-8.60)	53.67 (4.82)	105.72 (96.98)	137.66 (30.21)
	as % of total devolution	4.49	4.41	4.84	4.49	5.22	5.52
	c. DCB	7.71 (10.62)	8.48 (9.99)	10.79 (27.24)	6.91 (-35.96)	15.28 (121.13)	23.79 (55.69)
	as % of total devolution	0.75	0.67	1.02	0.58	0.76	0.96
	Total	1034.73 (33.48)	1270.26 (22.76)	1057.95 (-16.71)	1196.07 (13.06)	2023.59 (69.19)	2492.99 (23.20)

Figures in bracket represent growth over previous year

Sources: 1. Finance Department, GNCTD.

Notes: 1. DFC- Delhi Finance Commission,

2. BE- Budget Estimate

3. MCD- Municipal Corporation of Delhi,

4. NDMC- New Delhi Municipal Council and 5. DCB- Delhi Cantonment Board.

- 31.5 During 2011-12 a total of ` 2492.99 was devolved to Local Bodies, of which an amount of ` 2331.54 crore (93.52 per cent) was devolved to MCD and ` 137.66 crore (5.52 per cent) and ` 23.79 crore (0.96 per cent) were devolved to NDMC and DCB respectively.
- 31.6 The Municipal Corporation of Delhi (MCD) has been trifurcated into North Delhi Municipal Corporation, South Delhi Municipal Corporation and East Delhi Municipal Corporation vide Government of Delhi's Notification dated 24th January 2012 to provide better municipal services to the residents of Delhi. In current year's budget following provisions have been made as devolution of funds to the Local Bodies of Delhi including Delhi Cantonment Board.

Statement 4:11(a)

TRANSFER OF FUNDS TO LOCAL BODIES DURING 2012-13(BE)

(` Crore)

Sl. No	Local Bodies	Devolution of Funds from GNCTD		Total
		Basic Tax Share	Non Plan Grant	
1	Successor Entities of erstwhile MCD	790.84	1155.29	1946.13
	i. North Delhi Municipal Corporation	280.12	503.72	783.84
	ii. South Delhi Municipal Corporation	359.35	392.56	751.91
	iii. East Delhi Municipal Corporation	151.36	259.01	410.37
2.	New Delhi Municipal Council	27.10	67.12	94.22
3.	Incentive Grant for NDMC and Successor Entities of MCD			339.87
4.	Delhi Cantonment Board	15.84	3.87	19.71
	Total	833.78	1226.28	2399.93 i.e 2400

- 31.7 During the current year's budget of Delhi Government, a total provision of ` 2400 crore has been made for devolution of funds to Local Bodies, of which ` 783.84 crore, ` 751.91 crore and ` 410.37 crore have been allocated for North Delhi, South Delhi and East Delhi Municipal Corporations respectively on account of basic tax share and Non Plan grant for 2012-13(BE). Similarly ` 94.22 crore and ` 19.71 crore have been allocated for New Delhi Municipal Council and Delhi Cantonment Board respectively on account of the above items during 2012-13(BE). Besides above, a provision of ` 339.87 crore has also been made towards providing incentives to the three New Municipal Corporations and NDMC subject to the improvement in their revenue receipt and expenditure reduction.

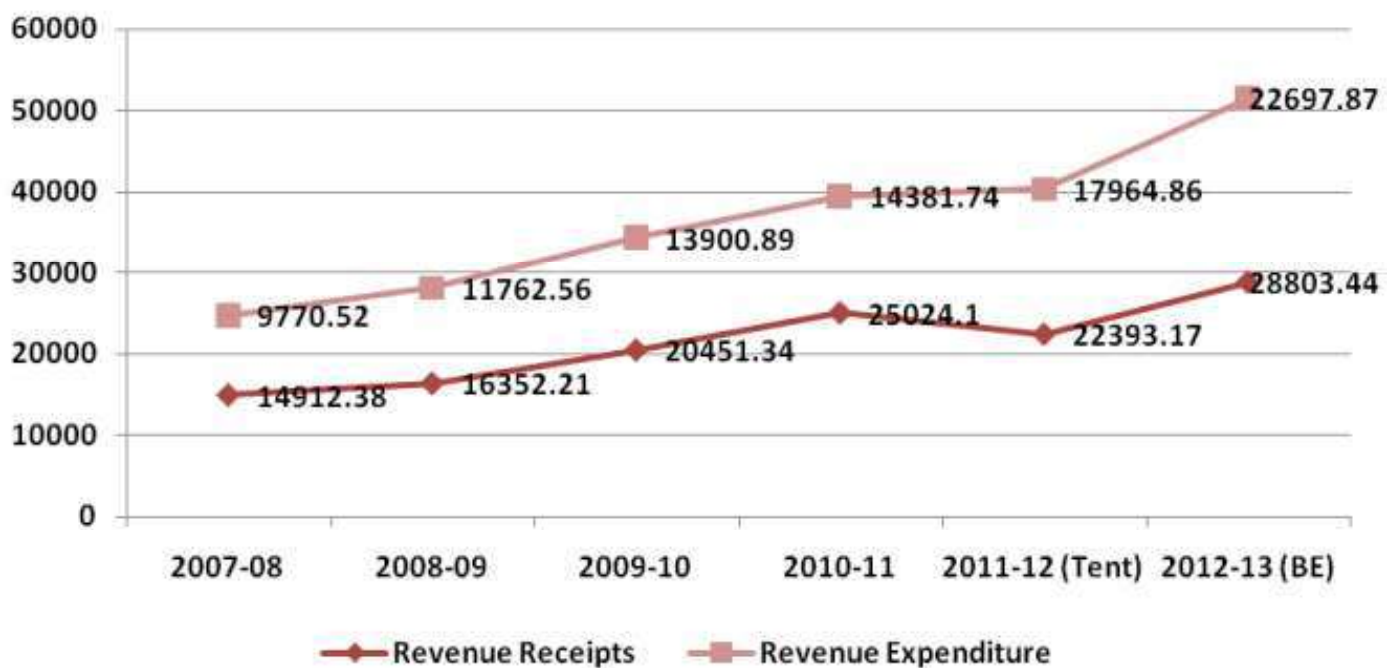
32. Revenue Surplus

32.1 Delhi has a distinct character of having consistent Revenue Surplus. The Delhi's Revenue Surplus was ₹ 4428.31 crore in 2011-12. Chart 4.7 indicates the revenue receipt and revenue expenditure position of Delhi Government during 2007-08 to 2012-13 (BE) [Reference Table 4.4 for further details]

Chart 4.7

REVENUE RECEIPT & REVENUE EXPENDITURE OF DELHI GOVERNMENT

(₹ Crore)



32.2. The position regarding the revenue receipts, revenue expenditure and revenue surplus/deficit of Delhi viz.-a-viz. all States during the period 2004-05 to 2012-13(BE) is mentioned in Statement 4.12. Further, Chart No.4.8 indicates the position of revenue surplus/deficit of Delhi Government.

Statement 4.12

REVENUE SURPLUS/DEFICIT OF ALL STATES & GNCTD DURING 2004-13

(` in crore)

Sl. No	Years	Receipts		Expenditure		Surplus (+)/ Deficit (-)	
		All States	Delhi	All States	Delhi	All States	Delhi
1	2004-05	372075.00	8562.63	408497.00	5827.48	-36422.00	2735.15
2	2005-06	431021.12	10843.53	438033.92	6310.94	-7012.80	4532.59
3	2006-07	530556.00	12193.61	505699.00	7755.48	24857.00	4438.13
4	2007-08	623748.00	14912.38	580805.00	9770.52	42943.00	5141.86
5	2008-09	737865.00	16352.21	727165.00	11762.56	10700.00	4589.65
6	2009-10	804943.00	20451.34	837228.00	13900.89	-32295.00	6550.45
7	2010-11	935347.00	25024.10	932297.00	14381.73	3050.00	10642.37
8.	2011-12 (Tent.)	1141469.00	22393.17	1135376.00	17964.86	6093.00	4428.31
9.	2012-13 (BE)	1330978.00	28803.44	1288411.00	22697.87	42567.00	6105.57

As percentage of GSDP/GDP

1	2004-05	12.52	8.53	13.75	5.81	-1.23	2.73
2	2005-06	12.72	9.4	12.92	5.47	-0.21	3.93
3	2006-07	13.42	8.99	12.8	5.72	0.63	3.27
4	2007-08	13.61	9.44	12.68	6.19	0.94	3.26
5	2008-09	17.85	8.63	17.52	6.21	0.33	2.42
6	2009-10	17.94	9.32	18.97	6.34	-1.04	2.99
7	2010-11	13.07	9.57	13.03	5.50	0.04	4.07
8	2011-12	13.78	7.21	13.71	5.78	0.07	1.43
9	2012-13	----	7.88	----	6.21	----	1.67

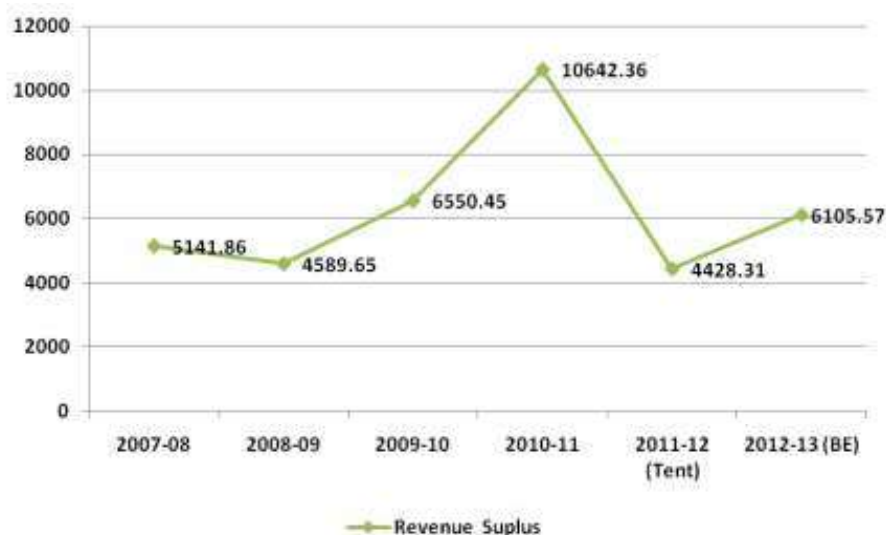
Sources:

1. Figures for 2007-08, 2008-09 & 2009-10 are from Finance Accounts, GNCTD.

2. Figures for 2010-11 & 2011-12 are from Principal Account Office, GNCTD.

Chart. 4.8
REVENUE SURPLUS OF DELHI GOVERNMENT DURING 2007-13

(` Crore)



33. Capital Receipt

33.1 The Delhi Government's capital receipts consist of loan from National Small Savings Fund (NSSF), recovery of loans and advances from Local Bodies/Public Utilities /Government Servants, etc. The information regarding the capital receipts of Delhi Government is presented in the following Statement.

Statement 4.13
CAPITAL RECEIPTS OF DELHI GOVERNMENT

(` Crore)

No	Sources	2002-03	2006-07	Av. Annual Growth (%)	2007-08	2011-12 (Tentative)	Av. Annual Growth (%)	2012-13 (BE)	Apr.12 to Dec.12
1.	Small Saving Loan	3276.84	4002.14	7.15	746.02	556.08	18.99	Nil	Nil
2.	Recovery of Loan & Advances	206.63	228.64	4.95	231.26	376.25	3.76	728.38	455.80 (62.58%)
3.	Block Loan & CSS Loan	384.89	--	--	--	--	--	--	--
	Total Capital Receipts	3868.36	4230.78	4.22	977.28	932.33	13.59	728.38	455.80 (62.58%)

Sources: 1. Figures for 2007-08 to 2010-11 are from Finance Accounts, GNCTD.
2. Figures for 2011-12 are from Principal Account Office, GNCTD.
3. Figure in parenthesis relates to progress of percentage achievement.

33.2 During 2011-12, Delhi Government's Capital Receipt was ` 932.33 crore as compared to ` 4825.72 crore received during the previous year (2010-11). One of the main reasons for sharp decline in Capital Receipts is reduction in the receipt of Small Saving Loan from ` 4388.94 crore in 2010-11 to ` 556.08 crore in 2011-12. In current year's budget of Delhi Government, the target of Small Savings Loan has been kept as Nil. The provision of capital receipts has been kept at ` 728.38 crore in 2012-13(BE) against which an amount of ` 455.80 crore (62.58 per cent) has been received during April- December 2012

34. Capital Disbursement

34.1 The capital disbursement of Delhi Government takes place both under Plan & Non-plan. The capital disbursement under Plan covers the expenditure like capital outlay for various infrastructure projects of the Government and loans and advances to the Local Bodies/Undertakings for development projects/schemes while the Non-Plan capital expenditure includes mainly by repayment of loan to Government of India, loans and advances towards meeting the working losses of DTC & DJB (which has been provided upto the year 2010-11), and also non plan loan, if any, provided to the Local Bodies/ Public Enterprises, etc. The Statement 4.14 and Chart 4.9 indicate the capital disbursement of Delhi Government.

Statement 4.14

CAPITAL DISBURSEMENT OF DELHI GOVERNMENT

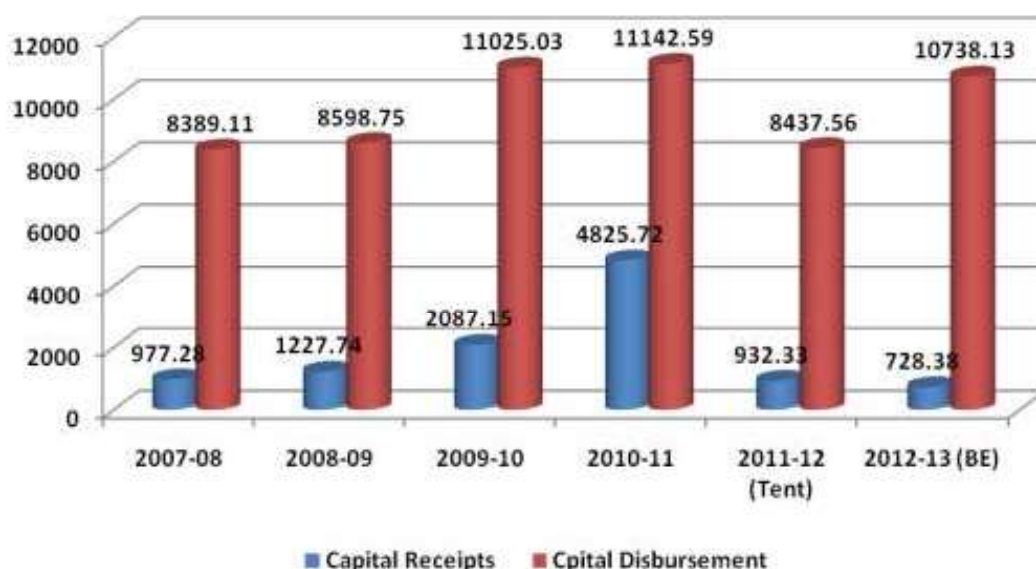
(` Crore)

No	Sources	2002-03	2006-07	Av. Annual Growth (%)	2007-08	2011-12 (Tentative)	Av. Annual Growth (%)	2012-13 (BE)	Apr.12 to Dec.12
1	Plan	3194.45	3067.49	-2.81	5456.03	7259.44	5.81	7598.63	2668.55
2	Non Plan	2420.85	2143.45	-7.58	2933.08	1178.12	-11.21	3139.50	2155.30
a.	Of Which, Loan Repayment	944.50	133.75	-44.78	975.11	1087.88	9.84	1300.00	1287.88
3.	Total Capital Disbursement	5615.30	5210.94	-5.00	8389.11	8437.56	2.74	10738.13	4823.85

Chart 4.9

CAPITAL RECEIPTS & CAPITAL DISBURSEMENT OF DELHI GOVERNMENT

(in Crore)



34.3 The total capital disbursement of Delhi Government during 2011-12 was ₹ 8437.56 crore which is about 31.96 per cent of the total expenditure of ₹ 26402.06 crore of the Government during the year. Out of total capital disbursement of ₹ 8437.56 crore in 2011-12, the disbursement under Plan was ₹ 7259.44 crore (86.04%) and remaining ₹ 1178.12 crore (13.96%) was under Non-Plan. The Non Plan Capital expenditure sharply reduced to ₹ 1178.12 crore in 2011-12 from ₹ 5489.92 crore in 2010-11 because the figure of ₹ 5489.92 crore included the Non Plan loan of ₹ 3692.95 crore in lieu of conversion of interest from DTC and DJB by way of book adjustment upto 2010-11 and which system has been discontinued from 2011-12 as already stated above. The provision of Non Plan Capital Expenditure is ₹ 3139.50 crore in 2012-13(BE) with a growth of 166.5 per cent because such provision includes the provision of Non Plan of ₹ 1831 crore to three new Municipal Corporations of erstwhile MCD.

35. Public Debt

35.1 The Statement 4.15 indicates the outstanding Debt of Delhi Government and its debt servicing liability.

Statement 4.15
PUBLIC DEBT OF GNCTD DURING 2002-13

(` Crore)

Sl. No	Years	Loan Received	Loan Repaid			Outstanding Debt		Interest Payment
			Loan Repaid	Loan Prepaid Total	Total	Beginning of the year	End of the year	
1.	2002-03	3638.55*	122.49	798.47	920.96	8635.52	11353.11	1114.78
2.	2003-04	4664.48*	169.33	1530.88	1700.21	11353.11	14317.38	1367.27
3.	2004-05	4011.35*	101.65	2200.00	2301.65	14317.38	16027.08	1568.56
4.	2005-06	5896.45	58.25	165.42	223.67	16027.08	21699.86	1672.82
5.	2006-07	4002.14	133.79	0.00	133.79	21669.86	25568.25	2210.24
6.	2007-08	746.02	222.19	752.90	975.09	25568.25	25339.18	2504.34
7.	2008-09	428.74	386.06	0.00	386.06	25339.18	25381.86	2511.87
8.	2009-10	1769.00	606.47	0.00	606.47	25381.86	26544.39	2472.93
9.	2010-11	4388.94	793.06	0.00	793.06	26544.39	30140.27	2579.52
10.	2011-12 (Tentative)	556.08	1087.88	0.00	1087.88	30140.27	29608.47	2917.26
11.	2012-13 (BE)	0.00	1300.00	0.00	1300.00	29608.47	28308.47	3300.00

Sources: 1. Figures for 2002-03 to 2010-11 are from Finance Accounts, GNCTD.
2. Figures for 2011-12 are from Principal Account Office, GNCTD.

Notes:- * includes Block Loan to the tune of ` 361.71 crore, ` 256.41 crore & ` 278.91 crore during 2002-03, 2003-04 and 2004-05 respectively., BE- Budget Estimate

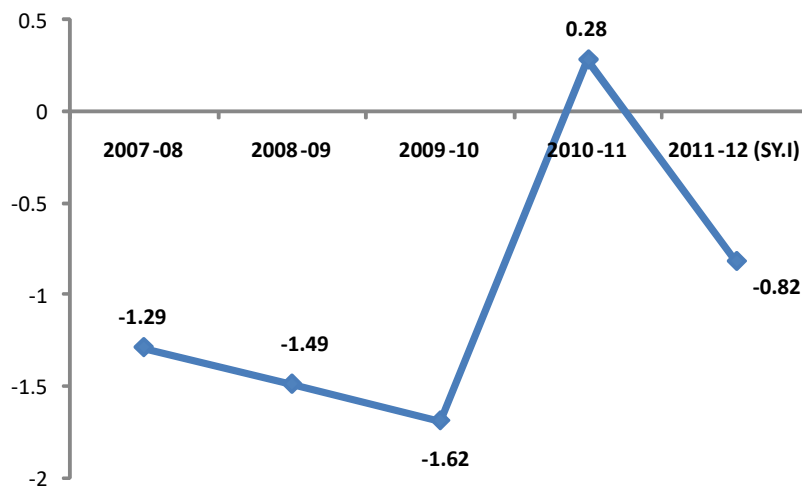
35.2 Delhi Government's outstanding debt stood at ` 29608.47 crore at the end of March 2012. Such outstanding debt is mainly on account of receipt of Small Savings Loan from National Small Savings Fund (NSSF) of Government of India. As a result of above outstanding debt, the Delhi Government's Liability for repayment of principle is ` 1300 crore in 2012-13(BE) against which an amount of ` 1288 crore (99 per cent) has been repaid during April-December 2012. Further, the Delhi Government's interest liability is estimated at ` 3300 crore in 2012-13(BE) against which ` 2964 crore (89.82 per cent) has been paid during April- December 2012.

36. Fiscal Deficit

36.1 The Fiscal Deficit is a summary statistical measure that indicates the net borrowing requirement of the Government from all sources. The Delhi Government had a Fiscal deficit of ` 2545.12 crore during 2011-12 which is 0.82 per cent of GSDP as compared to the all States estimated figure of 2.51% of GDP and the Government of India's estimated figure of 5.5% of GDP during the year.

Chart 4.10

GROSS FISCAL DEFICIT/ SURPLUS AS PERCENTAGE OF GSDP OF DELHI



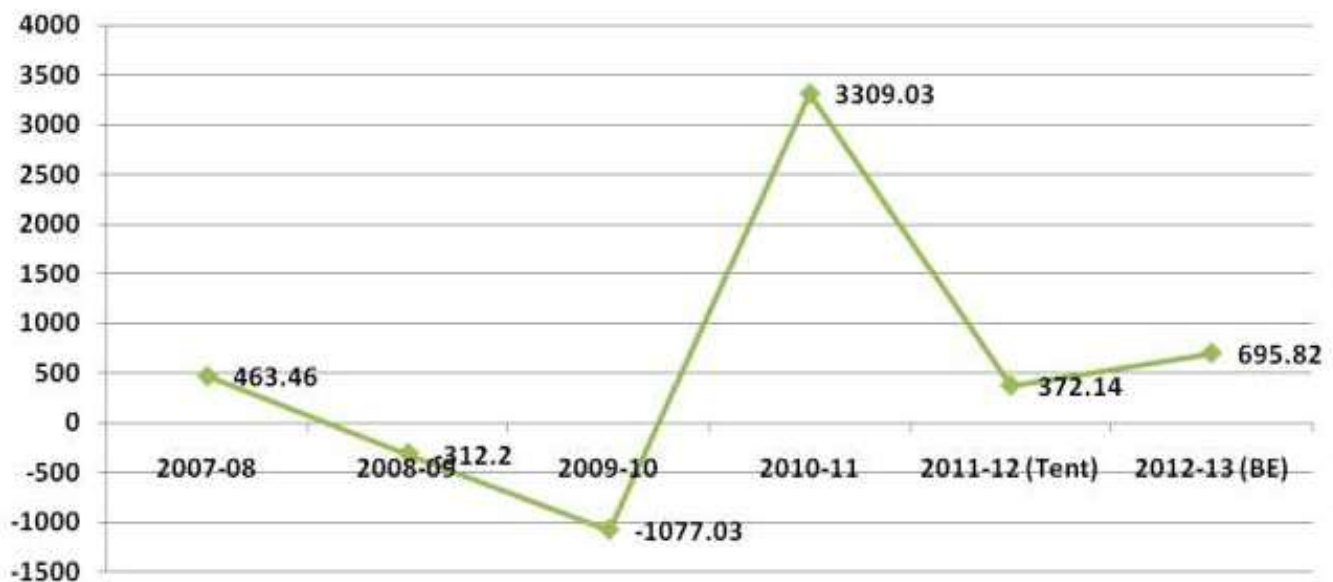
37. Primary Deficit

37.1 Primary Deficit (i.e. the fiscal deficit net of interest payment) is a measure of the net borrowing requirements of the Government to fund its total current consumption and investment expenditure. The Delhi Governments Primary deficit was ₹ 372.14 in 2011-12 as compared to the Primary Deficit of ₹ 3309.13 crore in 2010-11. Chart 4.11 indicates the Primary Deficit of Delhi Government during 2007-08 to 2012-13(BE).

Chart 4.11

PRIMARY DEFICIT OF DELHI GOVERNMENT

(₹ Crore)



38. Assistance to Public Utilities

38.1 The financial performance of Public Utilities in Delhi have an impact on the finances of the Government, because, Non-Plan assistance in the form of loan/grant/subsidy is being provided to them to meet their non plan deficit. This as a result, reduces the resources for Annual Plan of Delhi Government to that extent. Non-Plan assistance to various Public Utilities in Delhi is as follows:-

(a) Delhi Transport Corporation (DTC)

38.1.1 The DTC is incurring working losses and accordingly, the Delhi Government is obliged to meet such losses by providing them Non-Plan assistance. The financial position of Delhi Transport Corporation (DTC) and Non Plan assistance provided by Delhi Government to them is presented in Statement 4.16. and Chart 4.12.

Statement 4.16
FINANCIAL POSITION OF DTC

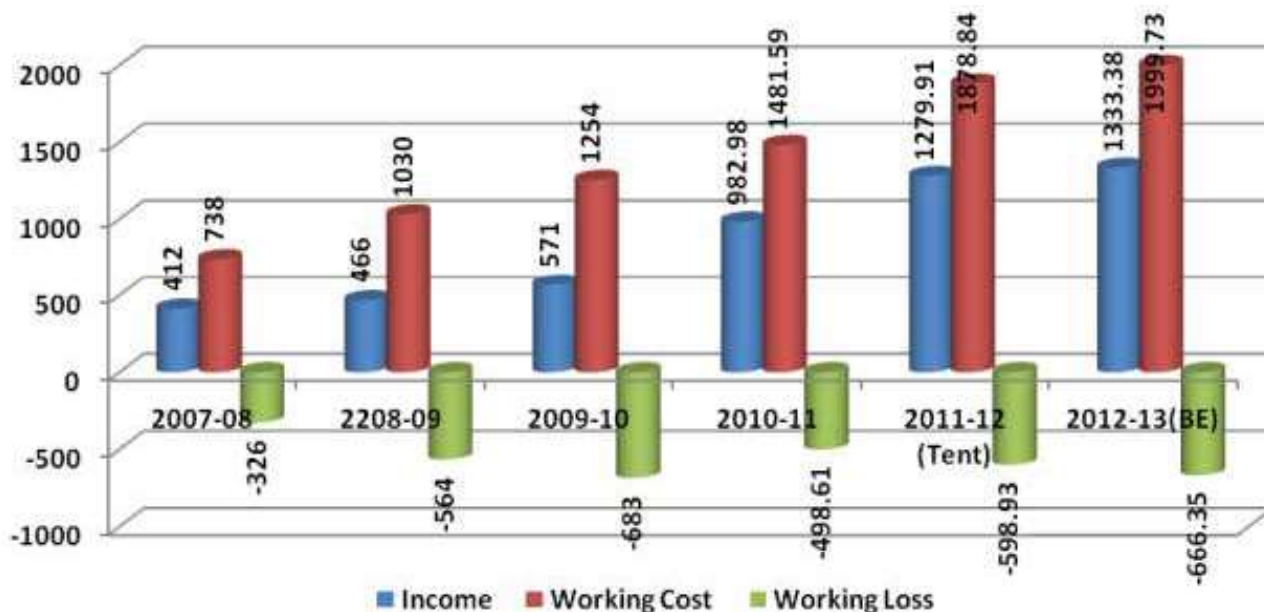
Sl. No	Details	2007-08	2008-09	2009-10	2010-11	2011-12 (Tent)	2012-13 (BE)
1.	Income	412.00	466.00	571.00	982.98	1279.91	1333.38
2.	Working Cost	738.00	1030.00	1254.00	1481.59	1878.84	1999.73
3.	Working Loss	326.00	564.00	683.00	498.61	598.93	666.35
4.	Assistance Provided by GNCTD						
	a. Non-Plan Assistance to meet working losses						
	i. Cash non Plan Loan	324.25	550.00	665.00	499.65		
	ii. Cash Non Plan Grant					529.00	600.00
	ii. Total (i+ii)	324.25	550.00	665.00	499.65	529.00	600.00
	b. Conversion of Interest into non-Plan Loan	767.82	1007.80	1316.28	1628.95		
	c. Subsidy to DTC for free/ Concessional Fares	20.18	19.00	20.00	64.45	60.00	75.00
	Grant Total (a+b+c)	1112.25	1576.80	2001.28	2193.05	589.00	675.00

Source: - Delhi Transport Corporation.

Note: - BE Budget Estimate

Chart 4.12
FINANCIAL POSITION OF DTC

(₹ in crore)



- 38.1.2 The working losses (i.e Revenue Receipt minus Non Plan Expenditure excluding Interest Payment and Depreciation) of DTC was ₹ 598.93 crore in 2011-12 with a growth of 20.12 per cent over the working deficit of ₹ 498.61 crore in 2010-11. Their working deficit is estimated at ₹ 666.34 crore in 2012-13(BE) which is expected to increase to ₹ 802 crore in the current year. Till the year 2010-11, Delhi Government used to meet the working losses of DTC by providing them Non Plan loan. However, this system has been changed from 2011-12 by providing them Non Plan Grant instead of Non Plan Loan to meet their working losses. The Delhi Government has released non plan grant of ₹ 700 crore to them during April- January 2013.
- 38.1.3 Further, Delhi Government has also discontinued the old practice of recovering the interest dues of DTC by converting the interest into Non Plan loan from the year 2011-12. Besides these, Delhi Government provides subsidy to DTC to defray the cost of free/ concessional passes issued by DTC on the direction of the Government of Delhi. Delhi Government provided a subsidy of ₹ 60 crore to DTC in 2011-12 and has kept a provision for subsidy of ₹ 75 crore on this account in 2012-13 (BE).
- 38.1.4 Besides above Delhi Government also provides fund in the form of equity share to DTC for purchase of buses and capital works. During 2011-12, Government of Delhi has released equity share of ₹ 201 crore and a provision for equity share of ₹ 240 crore has been made in 2012-13 (BE).

(b) Delhi Jal Board (DJB)

38.2.1 Presently, DJB is managing its operational expenses from its own resources after implementation of revised Water Tariff with effect from 1st January 2010. DJB has not asked for Non Plan assistance from Delhi Government from 2010-11, rather it has repaid principal amount of ₹ 81.36 crore in 2011-12 for the first time after its formation. Like DTC, no interest dues of DJB is being recovered by Delhi Government by converting the interest into Non Plan Loan from 2011-12 by way of book adjustment.

38.2.2 The financial position of Delhi Jal Board (DJB) as well as assistance provided by Delhi Government to it under Non-Plan is presented in Statement 4.17 and Chart 4.13.

Statement 4.17
FINANCIAL POSITION OF DJB

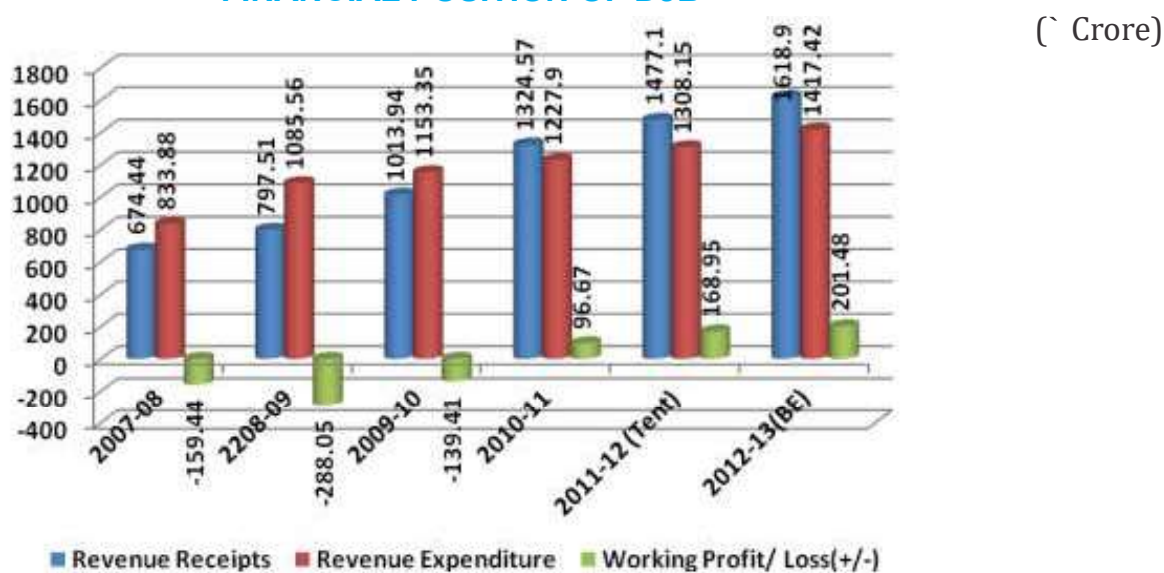
(₹ in Crore)

No	Details	2007-08	2008-09	2009-10	2010-11	2011-12 (RE)	2012-13 (BE)
1.	Revenue Receipts						
	a. Water	382.20	450.37	571.88	990.21	1109.92	1214.00
	b. Sewerage	292.24	347.14	442.06	334.36	367.18	404.90
	c. Total	674.44	797.51	1013.94	1324.57	1477.10	1618.90
2.	Revenue Expenditure						
	a. Establishment	391.54	575.67	726.39	764.060	787.46	866.21
	b. Electricity	322.77	359.83	318.10	317.32	325.00	341.25
	c. Raw Water	11.48	11.18	14.70	13.59	35.00	38.50
	d. Property Tax	7.66	39.47	10.22	7.46	10.69	11.76
	e. Others	100.43	99.41	83.94	124.93	150.00	159.70
	f. Total	833.88	1085.56	1153.35	1227.90	1308.15	1417.42
3.	Working Surplus/ Deficit (excluding Debt Charges & Depreciation) (1-2)	-159.44	-288.06	-139.41	96.67	168.95	201.48
4.	Non-plan Loan						
	a. Cash Payment	200.00	350.00	380.00	0.00	0.00	0.00
	b. Conversion of Interest into non - Plan Loan	586.62	609.40	1666.67	2064.00	0.00	0.00
	c. Total (1+2)	786.62	959.40	2046.67	2064.00	0.00	0.00
5.	Plan Fund Released	1342.41	1450.95	1648.90	1608.07	1501.04	1800.00
	Total Released Fund	2129.03	2410.35	3695.57	3672.07	1501.04	1800.00

Source: - Delhi Jal Board.

Note: - RE, Revised Estimate and BE Budget Estimate

Chart 4.13
FINANCIAL POSITION OF DJB



(c) Power Utilities

38.3.1 Power Sector in Delhi has undergone a major transformation since 2002. From a single State Electricity Board called Delhi Vidyut Board (DVB), the entire sector was divided into 7 independent companies namely, three Distribution Companies [BSES- Rajdhani, BSES-Yamuna and NDPL], one Transmission Company [i.e. Delhi Transco Ltd.(DTL)], two Generation Companies[i.e. Indraprastha Power Generation Company Ltd.(IPGCL) and Pragati Power Corporation Ltd.(PPCL)] and one Holding Company [i.e. Delhi Power Company Ltd. (DPCL)]. While the DISCOMs are private Companies, the others are all Government owned companies. Presently, no Non-Plan assistance is being provided to the Power Utilities in Delhi except Non-Plan grant to DPCL towards meeting the CPSU dues and subsidy to consumers of electricity through DISCOMs during 2011-12. Delhi Government provided Non Plan Grant of ` 362.35 crore to DPCL towards meeting the CPSU dues and subsidy of ` 190 crore to the consumers of electricity through DISCOMs. A provision of Non Plan Grant of ` 460 crore has been made for DPCL towards CPSU dues and a provision of subsidy of ` 200 crore has been made for consumers of electricity through DISCOMS during 2012-13(BE).

39. Finances of Local Bodies

39.1 For civic administration, the NCT of Delhi has been divided into five areas, working independently each other, namely the North Delhi Municipal Corporation, South Delhi Municipal Corporation, East Delhi Municipal Corporation, New Delhi Municipal Council (NDMC) and Delhi Cantonment Board (DCB). The first three new Municipal Corporations have been created after trifurcation of the erstwhile MCD. The area and density of population in these Local Bodies in Delhi as per 2011 census is presented in Statement 4.18.

Statement 4.18

AREA & DENSITY OF POPULATION OF LOCAL BODIES IN DELHI

Sl. No	Local Bodies	Area (Sq. Km)	Density of Population (Persons per Sq. Km)		
			1991	2001	2011
1.	North, South & East Municipal Corporations of Delhi	1397.29	6459	9564	--
2.	New Delhi Municipal Council	42.74	7050	6897	--
3.	Delhi Cantonment Board	42.97	2197	2896	--
	Total	1483.00	6359	9340	11297

Source: - Census of India, 1991, 2001 & 2011.

39.2 The position of opening balance, receipts, expenditure and closing balance of New Delhi Municipal Council (NDMC) during 2010-13 is presented in Statement 4.19 and Chart 4.14.

Statement 4.19

FINANCIAL POSITION OF NEW DELHI MUNICIPAL COUNCIL 2010-13

(` Crore)

Sl. No	Years	Opening Balance*	Receipts	Expenditure	Closing Balance*
1.	2010-11	3748.46	2047.50	2341.76	3803.97
2.	2011-12	3803.97	2154.04	2212.87	3571.99
3.	2012-13(RE)	3571.99	2315.49	2289.60	3597.88

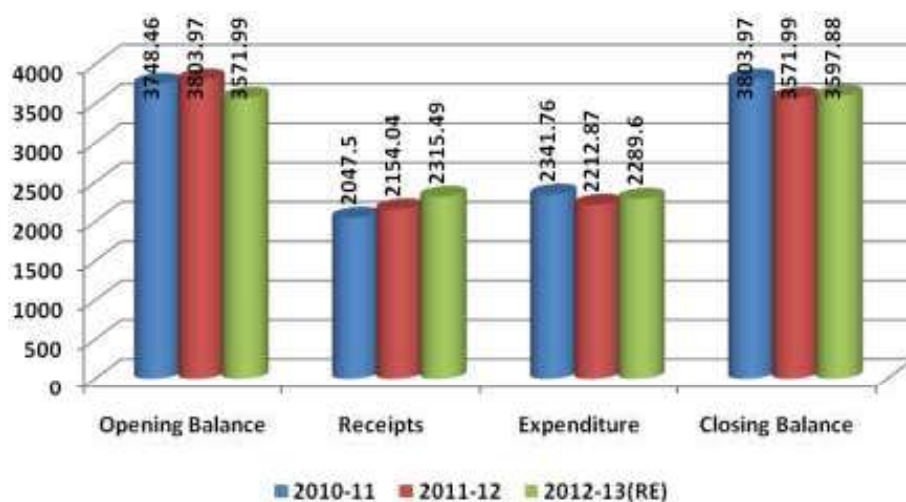
Source: - New Delhi Municipal Council.

* Balance include items on accrued basis along with cash and bank balance.

Chart 4.14

FINANCIAL POSITION OF NEW DELHI MUNICIPAL COUNCIL 2010-13

(` Crore)



39.3 The following Statement 4.20 and Charts 4.15 & 4.16 indicate non-plan income and expenditure of erstwhile Municipal Corporation of Delhi (MCD) during 2002-03 to 2011-12 and its three new entities viz North Municipal Corporation, South Municipal Corporation & East Delhi Municipal Corporation during 2012-13 (BE)

Statement 4.20

NON-PLAN INCOME & EXPENDITURE OF MCD DURING : 2002-12 AND ITS THREE SUCCESSOR CORPORATIONS DURING 2012-13 (BE)

(` Crore)

Sl. No	Years	Opening Balance	Income	Expenditure	Closing Balance
I	Municipal Corporation of Delhi (MCD)				
1.	2002-03	0.17	1659.50	1624.07	35.60
2.	2003-04	35.60	1682.84	1677.73	40.71
3.	2004-05	40.71	2258.48	1950.47	348.72
4.	2005-06	348.72	2134.12	2136.43	346.41
5.	2006-07	346.41	2807.75	2248.39	905.77
6.	2007-08	905.77	3285.92	2829.92	1361.77
7.	2008-09	1361.77	3176.96	3641.43	897.30
8.	2009-10	897.30	3638.54	4410.89	124.95
9.	2010-11	124.95	6126.48	553.08	718.35
10.	2011-12 (RE)	718.35	5601.20	6224.47	95.08
II	Successor New Corporations of MCD				
11.	2012-13 (BE)	--	7291.72	6932.39	359.33
	North Delhi	--	2994.04	2994.02	0.02
	South Delhi	--	2772.81	2413.53	359.28
	East Delhi	--	1524.87	1524.84	0.03

Source : Municipal Corporations of Delhi

Chart 4.15
NON-PLAN INCOME EXPENDITURE AND CLOSING BALANCE OF
ERSTWHILE MCD DURING 2002-12

(` Crore)

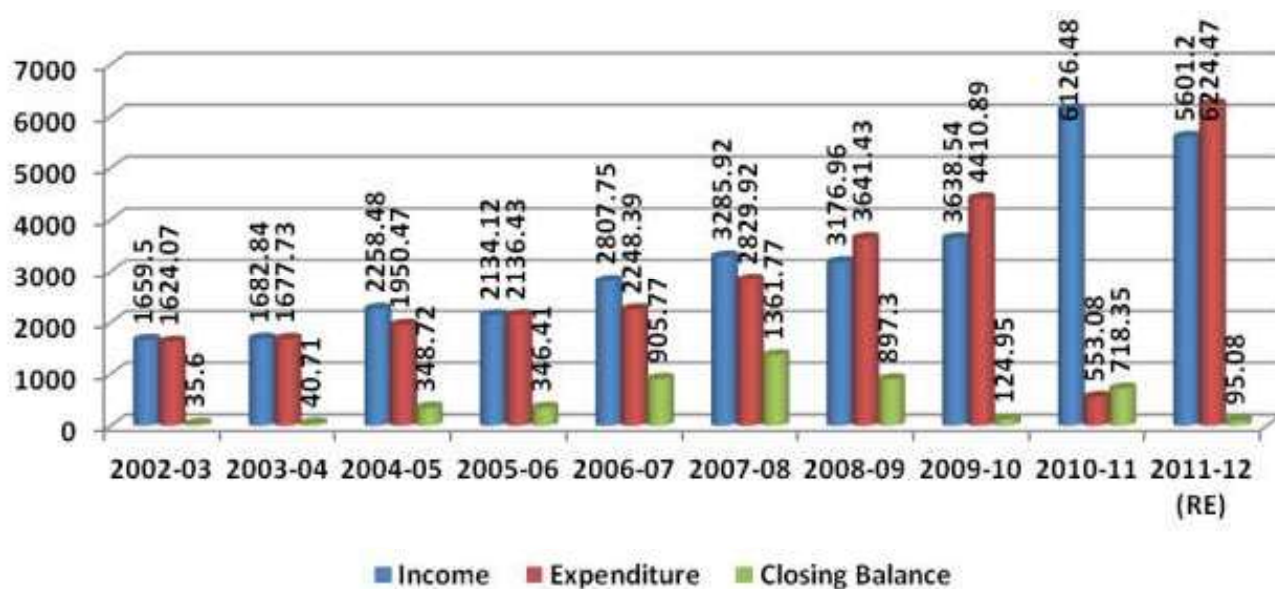
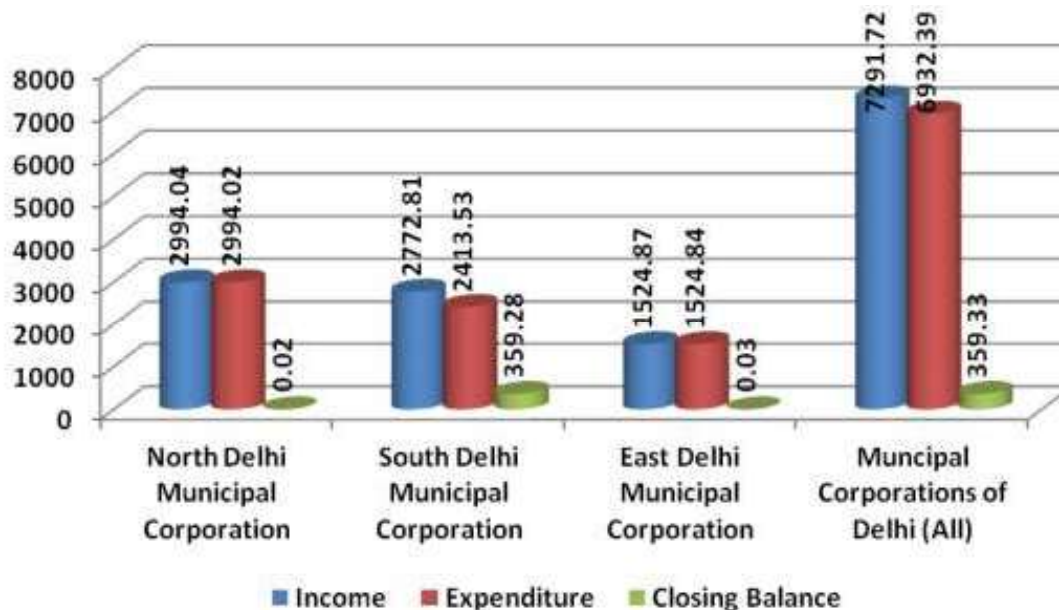


Chart 4.16
INCOME, EXPENDITURE AND CLOSING BALANCE OF NEW MUNICIPAL
CORPORATIONS (NORTH, SOUTH AND EAST) OF DELHI DURING 2012-13(BE)

(` Crore)



40. Plan Financing

40.1 Financing of Annual Plan of Delhi is almost similar to that of other States. However, Delhi does not get the benefit of the dispensations recommended by the successive Finance Commissions to the States and also it can not take resort to Market Borrowing/Negotiated loan/Provident Fund etc for its plan financing. The estimated target of resources for Eleventh Plan (2007-12) of Delhi as assessed by the Planning Commission was `54799 crore (at 2006-07 prices). The following Statement 4.21 indicates the achievement of resources in the five years of 11th Plan (2007-12).

Statement 4.21 EXPECTED ACHIEVEMENT OF RESOURCES DURING FIRST FIVE YEARS OF 11TH PLAN (2007-12)

(` in crore)

No.	Item	11 th Plan Target fixed by Planning Commission (in 2006-07 Prices)	Achievement of Resources. during (2007 -12) (at current prices)						
			2007- 08	2008- 09	2009- 10	2010- 11	2011-12	Achievement	
			AC	AC	AC	AC	(Tentative)	Total AC (2007-08 to 2010- 11) & (2011-12 Sy. I) (4+8)	% Achievement
1	2	3	4	5	6	7	8	9	10
1	Tax Revenue	71500.00	11782.80	12180.70	13447.86	16477.75	19971.67	73860.78	103.30
	of which								
1.1	VAT		8310.49	9152.09	10126.02	12068.62	13750.95	53408.17	
1.2	Stamps & Regd. Fees		1318.40	788.01	929.99	1355.77	2240.26	6632.43	
1.3	Taxes on Motor Vehicle		420.20	419.12	462.65	707.56	1049.19	3058.72	
1.4	State Excise		1301.25	1420.91	1643.56	2027.09	2533.73	8926.54	
1.5	Other Taxes & Duties on Commodities & Services		432.46	400.57	285.64	318.71	397.54	1834.92	
(i)	Entertainment Tax (incl. Cable TV Tax)		53.98	55.64	55.71	62.92	90.79	319.04	
(ii)	Betting Tax		5.87	4.77	5.90	6.34	6.94	29.82	
(iii)	Luxury Tax		372.61	340.16	224.03	249.95	299.81	1486.06	
2	Own Non Tax Revenue	8388.00	1816.70	2300.72	3467.40	4188.95	460.86	12234.63	145.86
	Of Which:								
I	Interest from local bodies		1634.78	2101.41	3236.62	3869.84	174.14	11016.79	
II	Dividends & Profits		31.15	29.92	41.56	46.59	33.00	182.22	
III	Service Charges		150.77	169.39	189.22	198.02	253.72	1035.62	

No.	Item	11 th Plan Target fixed by Planning Commission (in 2006-07 Prices)	Achievement of Resources. during (2007-12) (at current prices)						
			2007- 08	2008- 09	2009- 10	2010- 11	2011-12	Achievement	
			AC	AC	AC	AC	(Tentative)	Total AC (2007-08 to 2010- 11) & (2011-12 Sy. I) (4+8)	% Achievement
1	2	3	4	5	6	7	8	9	10
3	Share in Central Taxes	2041.00	325.00	325.00	325.00	325.00	325.00	1625	79.62
4	Non-Plan Grants from GOI	223.00	209.33	680.32	1607.75	2093.82	734.05	5325.27	2388.01
5	Non-Plan Revenue Receipt (1+2+3+4)	82152.00	14133.83	15486.74	18848.01	23085.52	21491.58	93045.68	113.26
6	Net Non Plan Revenue Expdr. (Excluding subsidy to DTC/ DJB/Power Utilities)	38305.00	6441.51	7818.42	9158.12	9490.14	11524.00	44432.19	116.00
7	Balance from Current Revenue (BCR) (including Share in Central Taxes) (5-6)	43847.00	7692.32	7668.32	9689.89	13595.38	9967.58	48613.49	110.87
8	Contribution of Public Utilities (i+ii)		-1878.69	-2517.20	-4027.95	-4192.60	0.00	-12616.44	
(i)	Total Non Plan Loan to DTC		-1092.07	-1557.80	-1981.28	2128.60	0.00	-6759.75	
(ii)	Total Non Plan Loan to DJB		-786.62	-959.40	-2046.67	-2046.00	0.00	-5856.69	
9	Net Misc. Capital Receipt (MCR) (i-ii)		-823.13	408.65	-293.46	-860.55	-801.87	-2370.36	
(i)	Capital Receipt (Excl. Small Savings Loan)		231.26	799.00	318.15	436.77	376.25	2161.43	
(ii)	Non-Plan Capital Expenditure (Excl. Non-Plan Loan to DTC, DJB etc.)		1054.39	390.35	611.61	1297.32	1178.12	4531.79	
10	Small Saving Loan (Gross)		746.02	428.74	1769.00	4388.94	556.08	7888.78	
11	Normal Repayment		222.19	386.03	606.47	793.06	1087.88	3095.63	
12	Pre-Payment of Loan		752.90					725.90	
13	Net Small Saving loan(10-11-12)	9191.00	-229.07	42.71	1162.53	3595.88	-531.80	4040.25	43.96
14	Opening Balance		10795.67	0.00	0.00	0.00	0.00	10795.67	
15	Delhi's Own Resources Total (7+8+9+11+12+13+14)	53038.00	16532.33	5988.51	7137.48	12931.17	9721.79	52311.14	98.63
16	Central Plan Assistance (i+ii+iii+iv)	1761.00	720.30	793.10	1472.23	1808.19	734.56	5528.38	313.93
(i)	Normal Assistance		164.98	166.36	206.54	170.58	329.27	1037.73	
(ii)	Special Grant for JNNURM		157.72	153.90	174.23	500.29	347.19	1333.33	
(iii)	Special Grant for Common Wealth Games		350.00	400.00	1000.00	1050.00	0.00	2800.00	
(iv)	Other Misc Schemes		47.60	72.84	91.46	87.32	58.10	357.32	
17	Aggregate Resources (15+16)	54799.00	17252.63	6781.61	8609.71	14739.36	10456.35	57839.52	105.55
18	Plan Expenditure/Outlay		8723.86	9568.88	11012.24	10424.22	13540.87	53270.08	
19	Resources Surplus (17-18)	54799.00	8528.77	-2787.27	-2402.53	4315.14	-3084.52	4569.44	

39.2. The Delhi Government's achievement of resources during 11th Plan is ₹ 57839.52 crore (at current prices) which is about 105.55 per cent of the estimated target of resources of ₹ 54799 crore (at 2006-07 prices) for 11th Plan.

41. Debt and Non-Debt Ratio of Plan Funding

41.1 The debt and non-debt financing of Plan expenditure of Delhi is presented in Statement 4.22.

Statement 4.22

DEBT & NON DEBT FINANCING OF ANNUAL PLAN OF DELHI

(₹ Crore)

Sl. No	Item	2007-08	2008-09	2009-10	2010-11	2011-12 (tentative)
1.	Debt	3074.24 (34.99)	3282.47 (34.07)	4287.53 (38.53)	193.84 (1.84)	3800.03 (27.74)
2.	Non-Debt	5710.80 (65.01)	6352.87 (65.93)	6840.71 (61.47)	10350.42 (98.16)	9900.27 (72.26)
	Plan Expenditure (including CSS)	8785.04	9635.34	11128.24	10544.26	13700.30

40.2 The Plan expenditure in Delhi was ₹ 13700.03 crore during 2011-12, out of which about 27.74 per cent of the expenditure has been met from out of debt resources and the remaining 72.26 per cent from Non-Debt resources like Balance from Current Revenue (BCR), Miscellaneous Capital Receipt(MCR), Grants under Central Plan Assistance etc.

42. Credit Deposit Ratio

42.1 At the end of March 2012 there were 2665 branches of all scheduled commercial banks in Delhi. The average population covered per branch in Delhi was 7123. The total deposits and credit of all banks in Delhi at the end of March 2012 were ₹ 686338 crore and ₹ 654265 crore respectively. The Credit Deposit Ratio (CDR) in Delhi was higher at 95.33% than the national average of 78.09%. The information regarding per capita deposit, credit and CDR is presented in Statement 4.23.

Statement 4.23

PER CAPITA DEPOSIT, CREDIT AND CDR OF DELHI & ALL INDIA

(As on 31st March 2012)

Sl. No	Details	Delhi	All India
1.	Population in Lakh	16753000	1210193000
2.	Number of Banks	2665	96059
3.	Population Per Bank	7123	12577
4.	Deposits (₹ Crore)	686338	6174147
5.	Per Capita Deposit (Rs)	361554	51106
6.	Credit (₹ Crore)	654265	4821527
7.	Per Capita Credit (₹)	344658	39909
8.	Credit Deposit Ratio (%)	95.33	78.09

Source: - <http://www.rbi.org.in>