

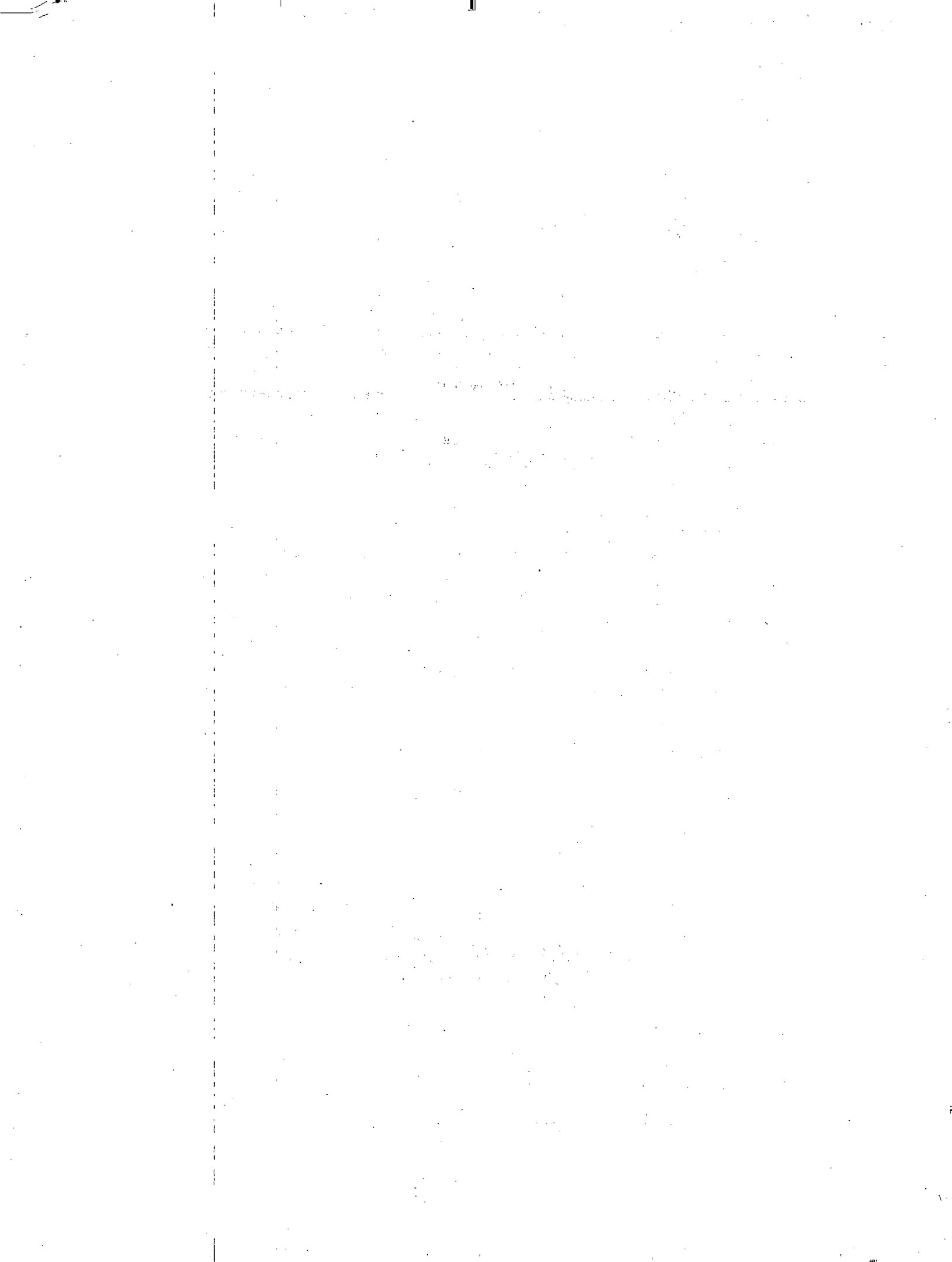


Government of Uttarakhand

Government of Uttarakhand

**ACCOUNTS AT A GLANCE  
2010-11**

**ACCOUNTANT GENERAL (A&E)  
(UTTARAKHAND)**




## *P*REFACE

This is the fifth issue of our annual publication 'Accounts at a Glance' of the Government of Uttarakhand. The purpose of this publication is to provide the stakeholders, useful information from the voluminous Finance & Appropriation Accounts.

From the year 2009-10 major changes have been made in the scope and presentation of the various reports. Through these reports Indian Audit & Accounts Department, working under the Comptroller and Auditor General of India, keeps the stakeholders, the Legislature, the Executive and the Public informed about the financial parameters and health of the State. To bring out the financial position of the Government more clearly, significant changes have been made in the format and presentation of the Finance Accounts, with the incorporation of some additional statements. Consequently, Finance Accounts has been prepared in two volumes. Volume I gives a summary of the various financial transactions, while as Volume II gives description of these transactions along with some additional information. In keeping with these changes, an effort has been made to remodel the Accounts at a Glance so as to make it more comprehensive and user friendly. A combined reading of the Finance & Appropriation Accounts, the Reports on State Finances and the Accounts at a Glance, will help the stakeholders to comprehend the various facets of the finances of the Government of Uttarakhand more effectively.

We look forward to suggestions that would help us in improving this publication.



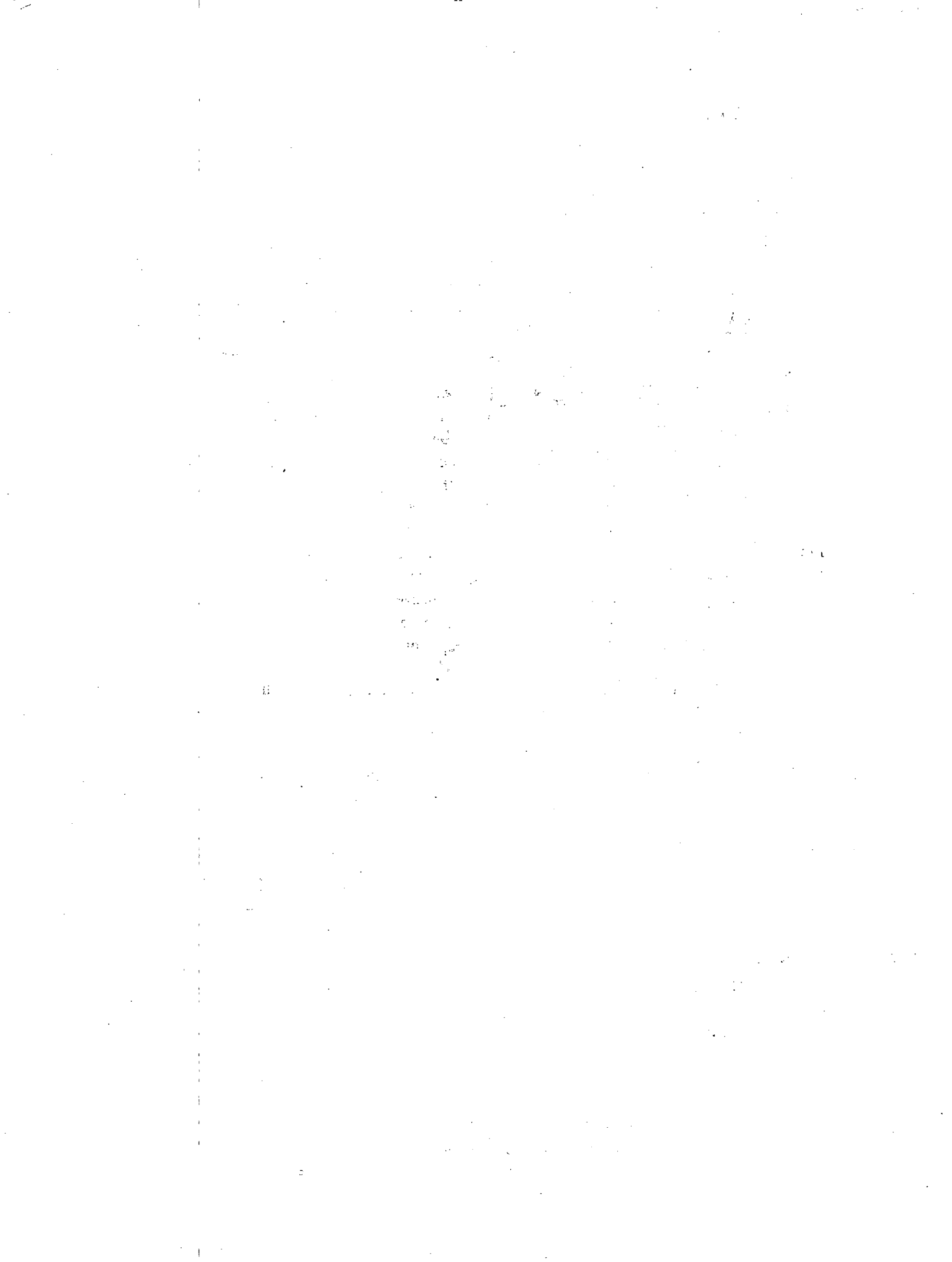
**Mahua Pal**

*Accountant General (A&E)*

*Uttarakhand*

Dehradun

Date: 05<sup>th</sup> March, 2012



## Our Vision, Mission and Core Values

The **vision** of the institution of the Comptroller and Auditor General of India is to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognized for independent, credible, balanced and timely reporting on public finance and Governance.

Our **mission** mandated by the Constitution of India, is to promote accountability, transparency and good governance through high quality auditing and accounting and providing independent assurance to our stakeholders-the Legislature, the Executive and the Public-that public funds are being used efficiently and for the intended purposes.

Our **core values** are the guiding beacons for all that we do and give us the benchmarks for assessing our performance. They are as follows:

- Independence
- Objectivity
- Integrity
- Reliability
- Professional Excellence
- Transparency
- Positive Approach
- Guidance

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# CHAPTER I

## OVERVIEW

### 1.1. Introduction

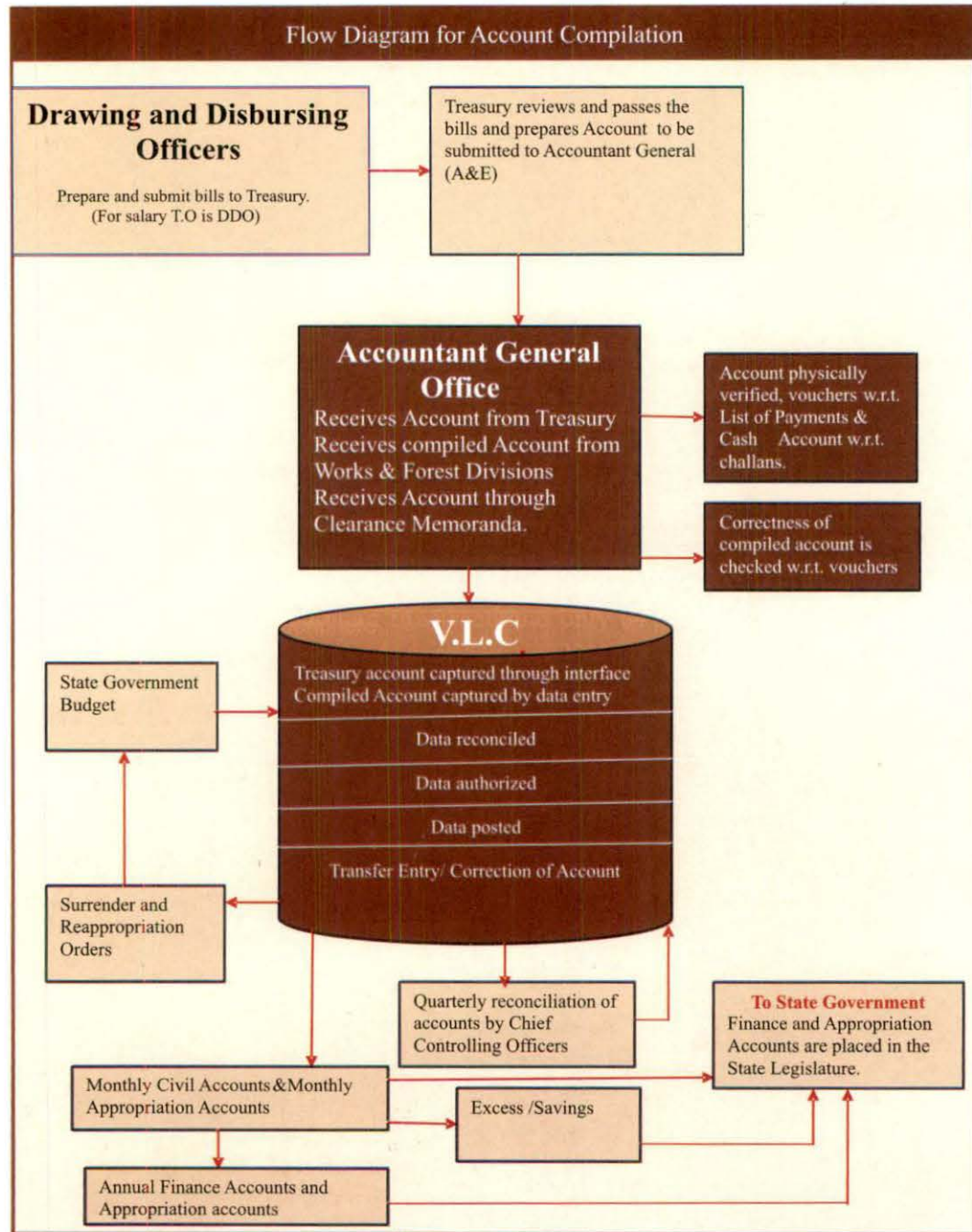
The Accountant General (Accounts and Entitlements), Uttarakhand compiles the accounts of receipts and expenditure of the Government of Uttarakhand. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India. Following such Compilation, the Accountant General (A&E) prepares, annually, the Finance Accounts and Appropriation Accounts, which are placed before the State Legislature after audit by the Principal Accountant General ( Audit) Uttarakhand and certification by the Comptroller and Auditor General of India.

### 1.2. Structure of Accounts

#### 1.2.1. *Government Accounts are kept in three parts:*

<b>Part I Consolidated Fund</b>	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
<b>Part II Contingency Fund</b>	Intended to meet unforeseen expenditure not provided for, in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.
<b>Part III Public Account</b>	Comprises of Debts, Deposits, Advances Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and suspense transactions are adjusting entities that are to be cleared eventually by booking to the final heads of account.

### 1.2.2. Compilation of Accounts



VLC: Voucher Level Compilation



### 1.3. Finance Accounts and Appropriation Accounts

#### 1.3.1. Finance Accounts

Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the Revenue and Capital Accounts, Public Debt and Public Account balances recorded in the accounts. From the year 2009-10, the Finance Accounts have been issued in two volumes, in a new format, to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarized statements of overall receipts and disbursements and 'Notes to Accounts' containing summary of significant accounting policies, quality of accounts and other items. Volume II contains other summarized statements (Part-I), detailed statements (Part II) and appendices (Part III).

Receipts and disbursements of the Government of Uttarakhand as depicted in the Finance Accounts 2010-11 are given below.

(₹ in crore)

<b>Receipts</b> (Total: 1,35,35.59)	<b>Revenue</b> (Total 1,16,08.16)	Tax Revenue	68,65.54
		Non Tax Revenue	6,78.06
		Grant-in-Aid	40,64.56
	<b>Capital</b> (Total: 1927.43)	Recovery of Loans and Advances	84.87
		Borrowings and other Liabilities *	18,42.56
<b>Disbursements</b> (Total:1,35,35.59)	Revenue	1,16,21.07	
	Capital	18,54.84	
	Loans and Advances	59.68	

\* Borrowing and other Liabilities: Net of Public Debt + Net of Contingency Fund + Net of Public Account+ Net of Opening and Closing Cash Balance.

The Union Government transfers substantial fund directly to State Implementing Agencies/ NGOs for implementation of various schemes and programmes. This year, the Government of India directly released ₹ 19, 18.16 crore. Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VII of Volume II of the Finance Accounts.

### *1.3.2. Appropriation Accounts*

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'charged' on the Consolidated Fund or 'voted' by the State Legislature. There are 02 Charged Appropriation, 09 both Charged Appropriation and Voted Grants and 20 Voted Grants.

The Appropriation Act, 2010-11, had provided for gross expenditure of ₹ 1,72,76.75 crore and reduction of expenditure (recoveries) of ₹ 14,39.38 crore. Against this, the actual gross expenditure was ₹ 1,62,09.15 crore and reduction of expenditure was ₹ 14,93.22 crore, resulting in net savings of ₹ 10,67.60 crore (6.18 percent) and an under-estimation of ₹ 53.85 crore (3.74 percent) on reduction of expenditure. Reduction of expenditure both revenue and capital, was far more than the estimates. The gross expenditure includes 94.17 crore drawn on Abstract Contingent (AC) Bills, out of which ₹ 72.74 crore is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

## **1.4. Sources and Application of Funds**

### *1.4.1. Ways and Means Advances*

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 0.16 crore) maintained with the RBI. During 2010-11, the Government of Uttarakhand maintained the minimum balance for 290 days without taking any advance, for 13 days Ordinary Ways & Means Advance, for 69 days Special Ways and Means Advance and for 11 days overdrafts were taken.

### *1.4.2. Fund flow statement*

The State had a Revenue Deficit of ₹ 12.91 crore and a Fiscal Deficit of ₹ 18,42.56 crore representing 0.02 percent and 3.53 percent of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 13.61 percent of total expenditure. This deficit constituted of Public Debt (₹ 19,07.82 crore), increase in Public Account (₹ 9,70.40 crore), un-recouped contribution from the Contingency Fund (₹(-) 4,70.09 crore), and net of opening and closing cash balance (₹ -5,65.57 crore). Around 63.25 percent of the revenue receipts (₹ 1,16,08.16 crore) of the State Government was spent on committed expenditure like salaries (₹ 47,21.12 crore), interest payments (₹ 14,79.58 crore) and pension (₹ 11,41.72 crore).

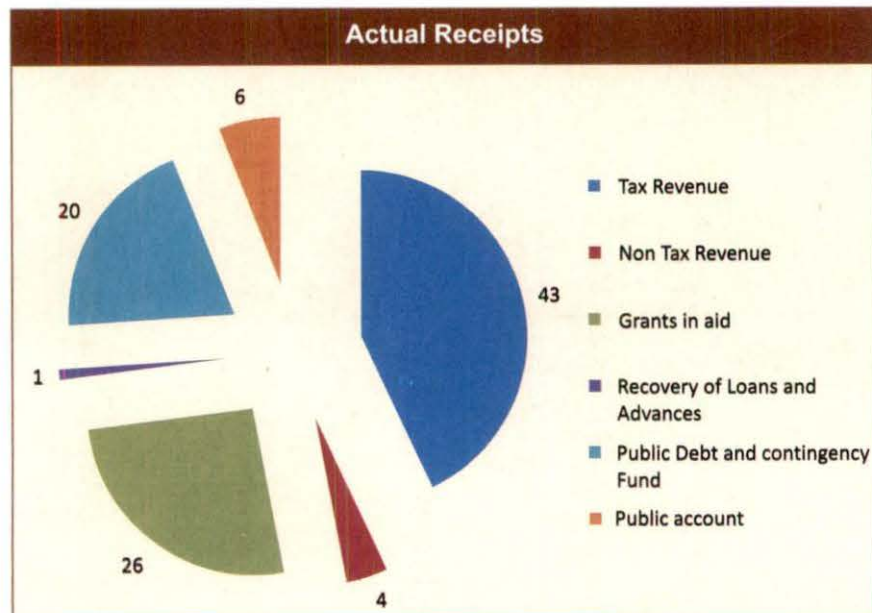


## Sources and Application of Funds

(₹ in crore)

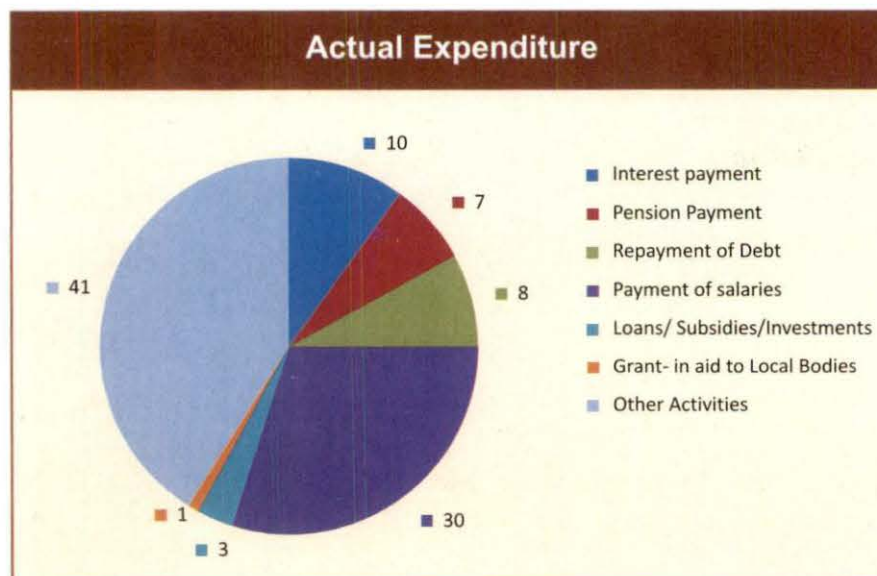
	PARTICULARS	AMOUNT
	Opening Cash Balance as on 01.04.2010	(-) 2,36.76
	Revenue Receipts	1,16,08.16
	Recovery of Loans & Advances	84.87
	Public Debt	30,88.16
	Small Savings Provident Fund and Others	13,72.65
<b>SOURCES</b>	Reserves & Sinking Funds	1,53.15
	Deposits Received	23,46.42
	Civil Advances Repaid	1,17.28
	Suspense Account	2,12,20.41
	Remittances	32,53.90
	Contingency Fund	5,81.62
	<b>TOTAL</b>	<b>4,35,89.86</b>
	Revenue Expenditure	1,16,21.07
	Capital Expenditure	18,54.84
	Loans Given	59.68
	Repayment of Public Debt	11,80.34
	Small Savings Provident Fund and Others	5,02.93
<b>APPLICATION</b>	Reserves & Sinking Funds	1,26.29
	Deposits Spent	23,00.83
	Civil Advances Given	1,17.28
	Suspense Account	2,08,89.27
	Remittances	35,56.81
	Contingency Fund	536.71
	Transfer to Contingency Fund	5,15.00
	Closing Cash Balance as on 31.03.2011	3,28.81
	<b>TOTAL</b>	<b>4,35,89.86</b>

### 1.4.3. Where the Rupee came from



Note: Contingency Fund, Public Account and Cash Balance component above are taken as 'net' and not 'gross' as shown in the Source and Application Table.

### 1.4.4. Where the Rupee went



Note: Contingency Fund, Public Account and Cash Balance component above are taken as 'net' and not 'gross' as shown in the Source and Application Table.



## 1.5. Highlights of Accounts

	Budget Estimates 2010-11	Actuals	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP (a)
1. Tax Revenue (b)	6368.90	6865.55	107.80	13.17
2. Non-tax Revenue	1115.00	678.06	60.81	1.30
3. Grant-in-Aid & Contributions	4674.89	4064.55	86.94	7.80
4. Revenue Receipts (1+2+3)	12158.79	11608.16	95.47	22.26
5. Recovery of Loans & Advances	246.38	84.87	34.44	0.16
6. Borrowings & Other Liabilities (c)	1747.15	1842.56	105.46	3.53
7. Capital Receipts (5+6)	1743.53	19,27.43	110.54	3.70
8. Total Receipts (4+7)	14152.32	13535.59	95.64	25.96
9. Non-Plan Expenditure	9034.94	9168.31	101.48	17.58
10. Non Plan Expenditure on Revenue Account	9022.62	9148.57	101.39	17.55
11. Non Plan Expenditure on Interest Payments out of 10	1578.93	1479.58	93.71	2.84
12. Non Plan Expenditure on Capital Account	12.32	19.74	160.23	0.04
13. Plan Expenditure	5117.38	4367.28	85.34	8.38
14. Plan Expenditure on Revenue Account	2974.07	2472.50	83.14	4.74
15. Plan expenditure on Capital Account	2143.31	1894.78	88.40	3.63
16. Total Expenditure (9+13)	14152.32	13535.59	95.64	25.96
17. Revenue Expenditure (10+14)	11996.69	11621.07	96.87	22.29
18. Capital Expenditure (12+15) (d)	2155.63	1914.52	88.81	3.67
19. Revenue Deficit (4-17)	162.10	12.91	7.96	0.02
20. Fiscal Deficit (4+5-16)	(-) 1747.15	(-)1842.56	105.47	3.53

- (a) GSDP figure of ₹ 5,21,43 crore (Advance Estimate) made available by the Office of the Director Economics & Statistics Government of Uttarakhand.
- (b) Includes State's Share of Union Taxes of ₹ 24,60.07crore
- (c) Borrowings and other Liabilities: Net (Receipts- Disbursements) of Public Debt+Contingency Fund + Public Account and Net of opening and Closing Cash Balance.
- (d) Expenditure on Capital Account includes Capital Expenditure ( ₹ 18,54.84 crore) and Loans and Advances disbursed ( ₹ 59.68 crore)



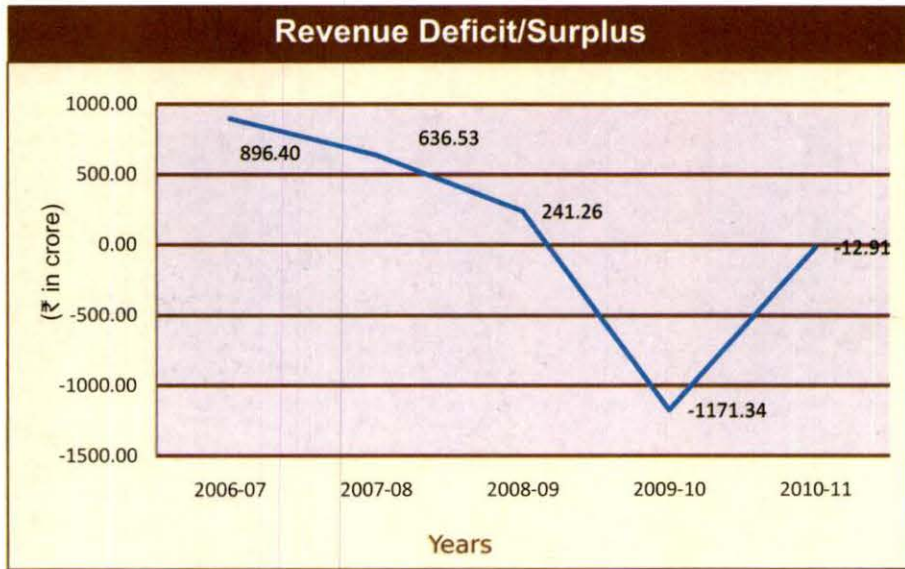
## 1.6. What do the Deficits and Surpluses indicate?

<b>Deficit</b>	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in financial management.
<b>Revenue Deficit/ Surplus</b>	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.
<b>Fiscal Deficit/ Surplus</b>	Refers to the gap between total Receipts (excluding borrowings) and total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the borrowings should be invested in Capital Projects.

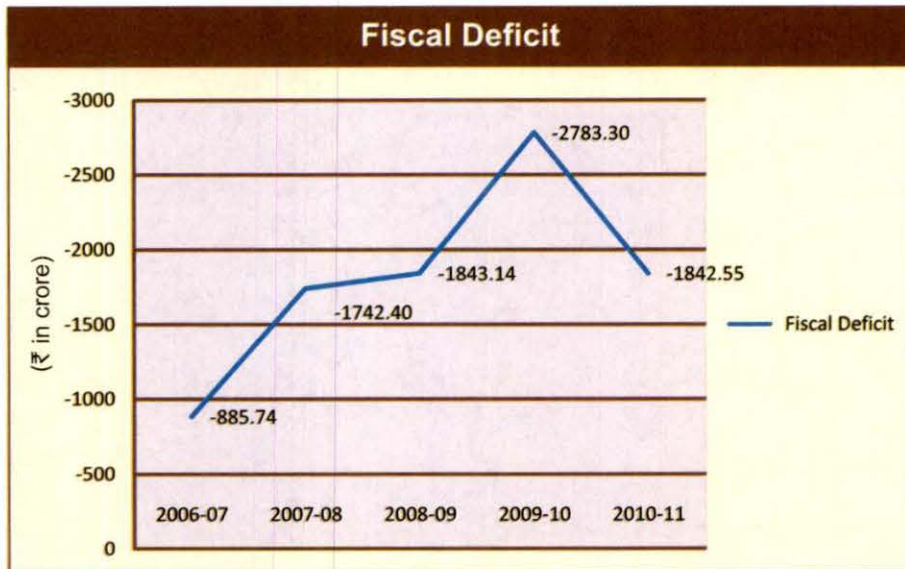
Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The twelfth finance commission had recommended that the States achieve revenue balance by 2008-09 and reduce Gross Fiscal Deficit to 3 percent of GSDP by 2009-10. In view of the economic slow-down, Government of India further relaxed the acceptable ceiling for the fiscal deficit GSDP ratio to 3.5 percent in 2008-09 and to 4 percent in 2009-10. To encourage the State Governments to achieve these goals, Government of India extended Debt Consolidation and Relief Facility (DCRF) to States, under which, successful State Governments would receive relief on repayment of principal and/or interest. The Government of Uttarakhand enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005 committing the State Government to reduce the revenue deficit beginning from 1<sup>st</sup> April, 2005 so as to eliminate it by 31<sup>st</sup> March, 2009 and generate the revenue surplus thereafter.

The State Government was successful in achieving the revenue surplus target from 2006-07 to 2008-09. The State Government could not sustain the trend of Revenue Surplus and had a Revenue Deficit of ₹ 1171.34 crore during 2009-10 and ₹ 12.91 crore during 2010-11. The debt waiver ₹ 13.08 crore granted to the Government of Uttarakhand for 2008-09 was recovered during 2010-11.

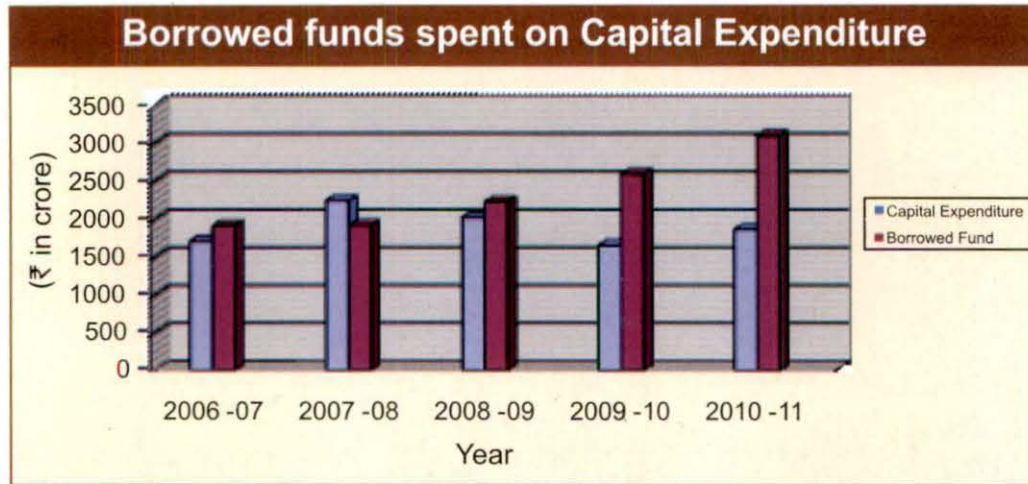
1.6.1. Trend of Revenue Deficit/Surplus



1.6.2. Trend of Fiscal Deficit



### 1.6.3. Proportion of borrowed funds spent as Capital Expenditure



Financial prudence envisages that the borrowed funds be fully utilized for creation of Capital Assets. For the year 2006-07 to 2008-09, the Capitals borrowed funds have been utilized for creation of assets to the tune of 89 percent to 100 percent. However, the State Government could not maintain this trend and only 64 percent and 60 percent of the funds were used for this purpose during the years 2009-10 and 2010-11. The rest 37 to 40 percent funds were utilized for repayment of the borrowed funds.



## CHAPTER II

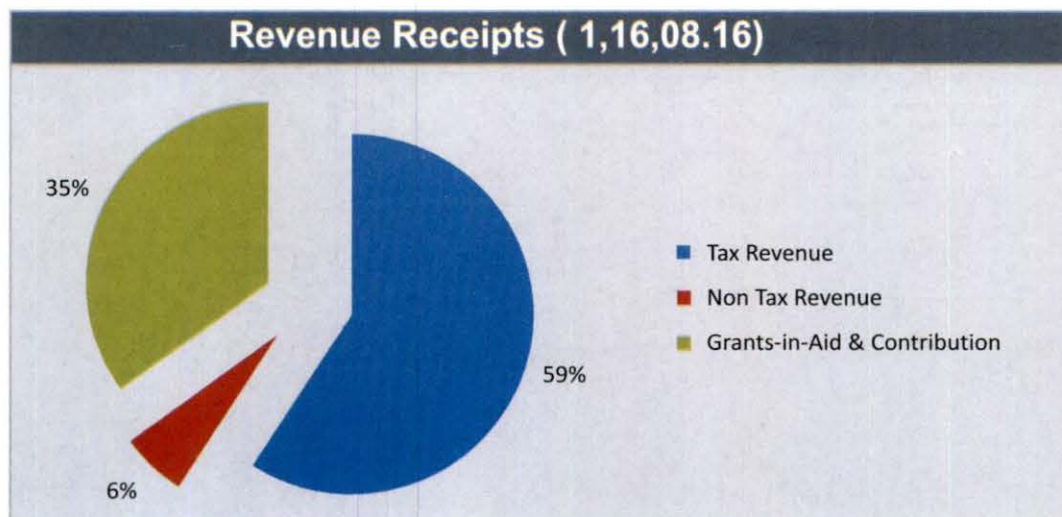
### RECEIPTS

#### 2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2010-11 were ₹ 1, 35,35.59 crore.

#### 2.2. Revenue Receipts

<b>Tax Revenue</b>	Comprises Taxes collected and retained by the State and State's share of Union Taxes under Article 280(3) of the Constitution.
<b>Non-tax Revenue</b>	Includes interest receipts, dividends, profits etc.
<b>Grant-in-Aid</b>	Essentially, a form of central assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, material and Equipment' received from foreign Governments and channelized through the Union Government. In turn, the State Government also gives Grants-in-Aid to Institutions like Panchayati Raj Institutions, Autonomous Bodies etc.



Revenue Receipt Components (2010-11)

(₹ in crore)

Components	Actuals
<b>A. Tax Revenue</b>	<b>68,65.55</b>
Taxes on Income & Expenditure	14,79.33
Taxes on Property & Capital Transactions	4,59.78
Taxes on Commodities & Services	49,26.44
<b>B. Non-Tax Revenue</b>	<b>6,78.06</b>
Interest Receipts, Dividends and Profits	53.97
General Services	1,64.27 (*)
Social Services	97.29
Economic Services	3,62.53
<b>C. Grants-in-aid &amp; Contributions</b>	<b>40,64.55</b>
<b>Total- Revenue Receipts</b>	<b>1,16,08.16</b>

(\*)Includes recovery of debt relief of ₹13.08 crore sanctioned by the Government of India in 2008-09.



### 2.3. Trend of Receipts

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Tax Revenues</b>	3645 (11)	4167 (11)	4552 (11)	5109 (11)	6866 (13)
<b>Non-Tax Revenues</b>	647 (2)	668 (2)	699 (2)	632 (1)	678 (1)
<b>Grants in Aid</b>	3081 (10)	3056 (8)	3384 (8)	3745 (8)	4065 (8)
<b>Total Revenue Receipts</b>	7373 (23)	7891 (21)	8635 (20)	9486 (20)	11608 (22)
<b>GSDP</b>	3,22,60	3,80,15	4,28,35 (#)	4,78,08 (@)	5,21,43(*)

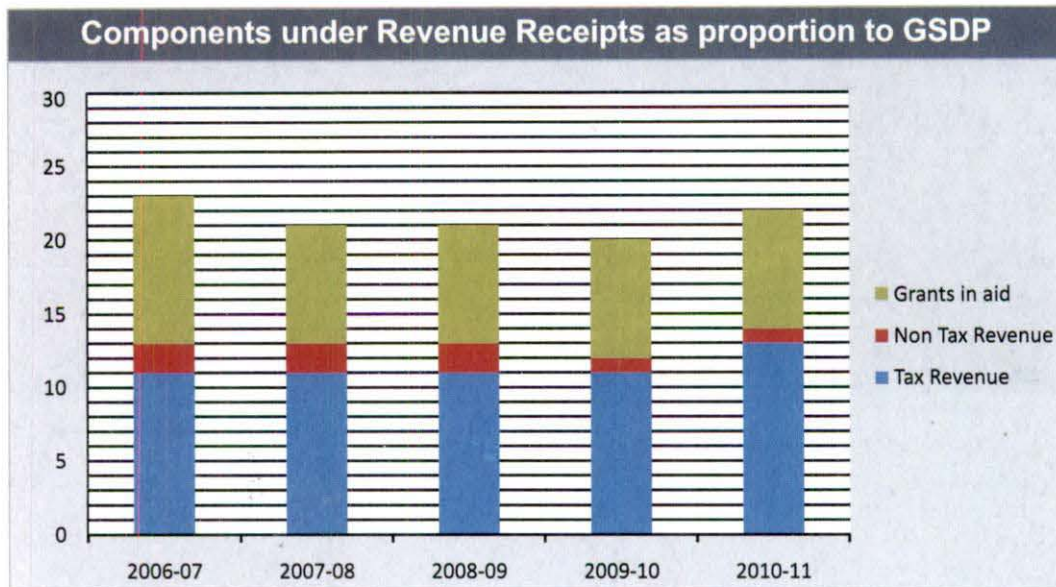
Note: Figures in parentheses represent percentage to GSDP.

(#) Revised Estimate

(@) Quick Estimate

(\*) Advanced Estimate

The GSDP of the Uttarakhand increased from ₹ 3,22,60 crore in 2006-07 to ₹ 5,21,43 crore (advance estimate) in 2010-11, an increase of about 62 percent. Revenue receipts showed a substantial increase from ₹ 7373 crore in 2006-07 to ₹ 1,16,09 crore in 2010-11, an increase of 57 percent. All the three components of the Revenue receipts increased and maintained their share of GSDP (Tax Revenue 11 to 13 percent), Non Tax Revenue (1 to 2 percent) and Grants-in-aid (21 to 23 percent).

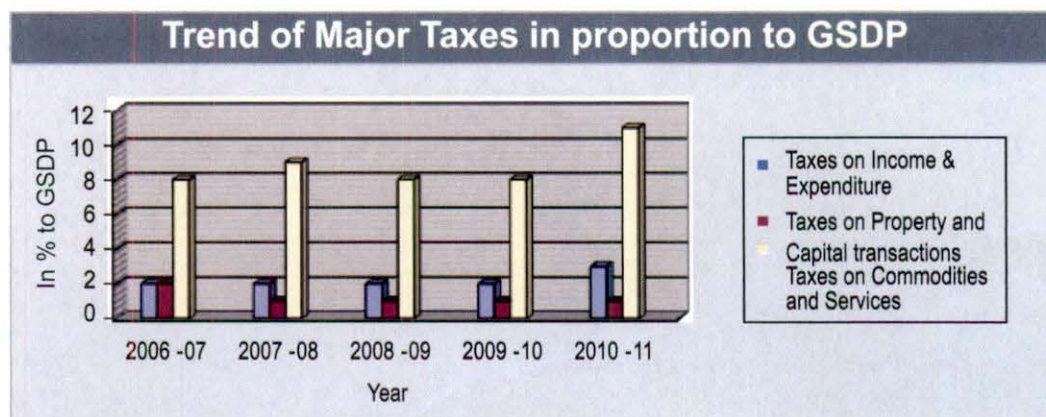


### Sector-wise Tax Revenue

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Taxes on Income and Expenditure	572	762	810	1000	1479
Taxes on Property and Capital Transactions	562	448	376	409	460
Taxes on Commodities and Services	2511	2956	3365	3700	4927
<b>Total Tax Revenues</b>	<b>3645</b>	<b>4166</b>	<b>4551</b>	<b>5109</b>	<b>6866</b>

All the sectors of the Tax Revenue have shown positive growth.



(\*) Primarily net proceeds of Central Share to the State



#### 2.4. Performance of State's own Tax Revenue collection

(₹ in crore)

Year	Tax Revenue	State's Share on Union Taxes	State's Own Tax Revenue	
			₹	Percentage to GDP
(1)	(2)	(3)	(4)	(5)
2006-07	3646	1132	2514	8
2007-08	4166	1428	2738	7
2008-09	4551	1507	3044	7
2009-10	5109	1550	3559	7
2010-11	6866	2460	4406	8

The proportions of the State's Own Tax Revenue to GSDP was at 8 percent in 2006-07 and 2010-11. However in the year 2007-08 to 2009-10 it was lesser by 1 percent at 7 percent.

#### 2.5. Efficiency of Tax collection

##### A. Taxes on Property and Capital Transactions

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue collection	562	448	376	409	460
Expenditure on Collection	73	90	98	107	129
Efficiency of Tax Collection	13%	20%	26%	26%	28%

##### B. Taxes on Commodities and Services

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue collection	2511	2956	3365	3700	4926
Expenditure on Collection	22	22	45	42	57
Efficiency of Tax Collection	1%	1%	1%	1%	1%

## 2.6 Trend in State's Share of Union Taxes over the past five years

(₹ in crore)

Major Head Description	2006-07	2007-08	2008-09	2009-10	2010-11
Corporation Tax	353	453	494	638	962
Taxes on Income other than Corporation Tax	215	304	310	355	508
Taxes on Wealth	...	1	1	1	2
Customs	221	270	288	217	430
Union Excise Duties	234	257	251	175	314
Service Tax	109	143	163	164	245
<b>State Share of Union Taxes</b>	<b>1132</b>	<b>1428</b>	<b>1506</b>	<b>1550</b>	<b>24,60</b>
<b>Total tax revenue</b>	<b>3645</b>	<b>4167</b>	<b>4552</b>	<b>5109</b>	<b>6866</b>
<b>%age of Union taxes to total tax revenue</b>	<b>31%</b>	<b>34%</b>	<b>33%</b>	<b>30%</b>	<b>36%</b>

Government of Uttarakhand received 0.93 percent of the net proceeds of all sharable union taxes during the period of 2006-07 to 2010-11 except share of Service Tax, which is 0.95 percent.

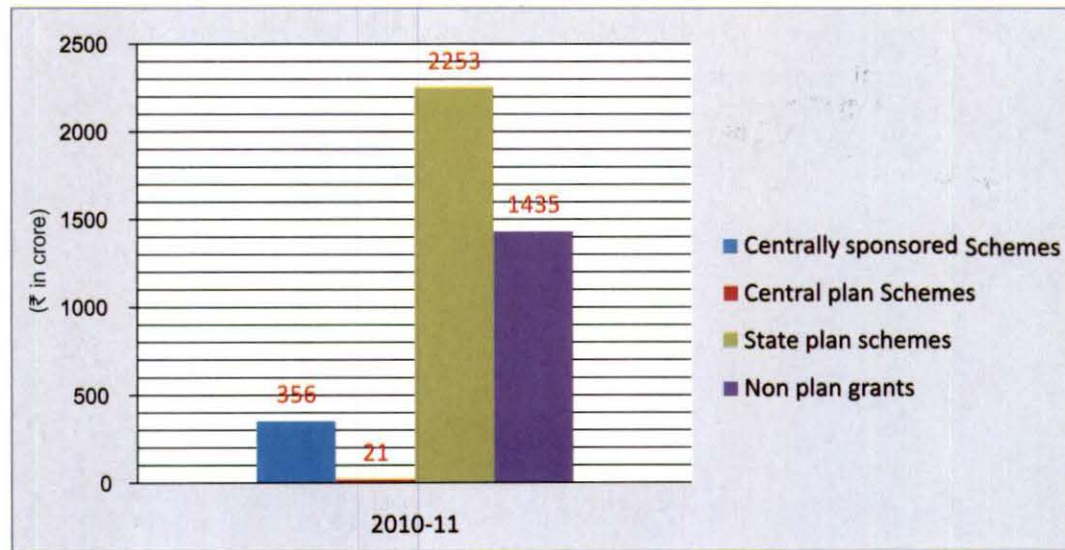
The share of Union Taxes declined in 2009-10 to 30 percent from that of 2008-09 33 percent. However, in other years it increased and was between 31 percent to 36 percent of the total Tax- Revenue.

## 2.7. Grants-in-Aid

Grants-in-Aid represents assistance from the Government of India, and comprise, grants for State Plan Schemes, Central Plan Scheme and Centrally Sponsored Scheme approved by Planning Commission and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2010-11 under Grants-in-Aid were ₹ 4065 crore as shown below:

(₹ in crore)

Year	Non-Plan Grants	State Plan Grants	Central Plan Schemes	Centrally Sponsored Schemes
2010-11	1435	2253	21	356



The Share of Non-Plan Grants, Central Plan Scheme and Centrally Sponsored Schemes increased in the year 2010-11 as compared to the year 2009-10 by about 29 percent from ₹ 1410.00 crore to ₹ 1812.00 crore, whereas State Plan Schemes decreased by 4 percent from ₹ 2335.00 crore to ₹ 2253.00 crore.



## 2.8 Public Debt

Trend of Public Debt over the past 5 years

(₹ in crore)

Description	2006-07	2007-08	2008-09	2009-10	2010-11
Internal Debt	1000	1141	1248	1215	1891
Central Loans	(-) 9	(-) 17	(-) 19	4	17
Total Public Debt	991	1124	1229	1219	1908

Note: Negative figures indicate that repayment is in excess of receipts.

In 2010-11, three loans totaling ₹ 952 crore at interest rates varying from 8.12 percent to 8.58 percent and redeemable in the years 2020-21 were raised at par.

Against the total internal debt of ₹ 3045 crore received during this period, Capital Expenditure was only ₹ 1855 crore indicating that the rest of the public debt was used for non-developmental purposes.

## CHAPTER III

### EXPENDITURE

#### 3.1. Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day to day running of the organization. Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

<b>General Services</b>	Includes Police, Land Revenue, Justice, Jail, PWD, Pension etc.
<b>Social Services</b>	Includes Education, Health & Family Welfare, Water Supply, Welfare of SC-ST etc.
<b>Economic Services</b>	Includes Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.

#### 3.2. Revenue Expenditure

The shortfall of expenditure against budget estimates under Revenue Section during the past 5 years is given below:

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Budget Estimates</b>	7596	8073	8663	11161	11997
<b>Actuals</b>	6477	7255	8394	10657	11621
<b>Gaps</b>	1119	818	269	504	376
<b>% of gap over BE</b>	15	10	3	5	3

The shortfall of revenue expenditure against budget estimates is to be viewed in the light of the State Government's commitment under the FRBM Act 2005 to be at least revenue neutral, if not revenue surplus. During the year 2010-11 around 64 percent of the revenue expenditure was "committed", on salaries (₹ 4721 crore), interest payments (₹ 1480 crore), pension payments (₹ 1142 crore) and subsidies (₹ 43 crore).

The position of committed/ uncommitted revenue expenditure over the last five years is given below.

(₹ in crore)

Components	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Expenditure	6477	7255	8394	10657	11621
Committed revenue expenditure (*)	3042	3950	5103	6816	7386
Uncommitted revenue expenditure	3435	3305	3291	3841	4235

(\*) Includes salaries, interest payments, pension payments and subsidies.

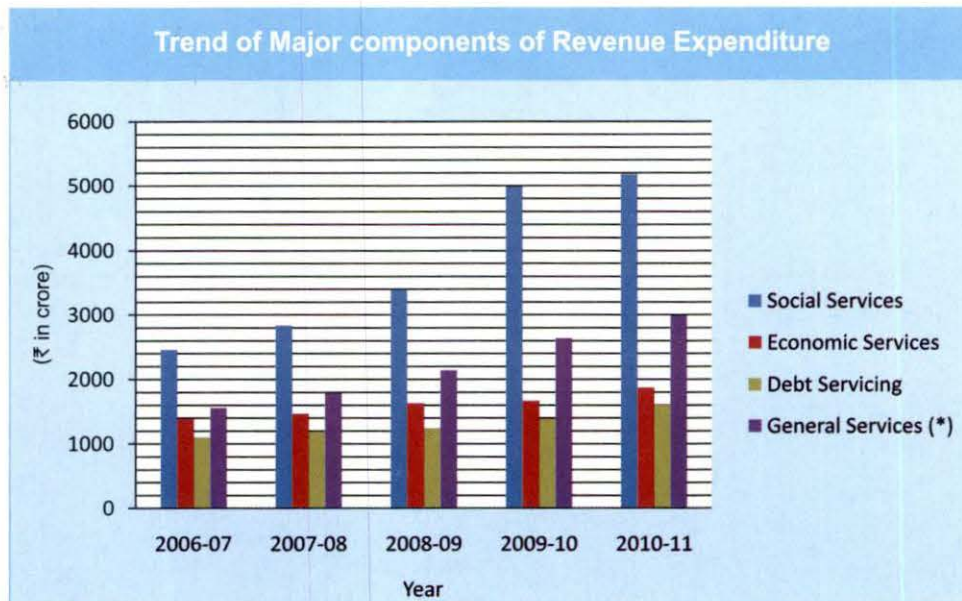


### 3.2.1 Sectoral distribution of Revenue Expenditure (2010-11)

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	2,04.05	1.76
(i) Collection of Taxes on Property and Capital transactions	1,28.64	1.11
(ii) Collection of Taxes on Commodities and Services	57.12	0.49
(iii) Other Fiscal Services	18.29	0.16
B. Organs of State	1,40.66	1.21
C. Interest Payments and Servicing of debt	16,04.58	13.81
D. Administrative Services	10,82.99	9.32
E. Pension and Miscellaneous General Services	11,47.87	9.88
F. Social Services	51,69.49	44.48
G. Economic Services	18,63.75	16.03
H. Grants-in-aid and Contributions	4,07.68	3.51
Total Expenditure ( revenue Account)	1,16,21.07	100

### 3.2.2 Major Components of Revenue Expenditure (2010-11)



\* General Services excludes Major Head 2048- Appropriation for Reduction or Avoidance of Debt, 2049- Interest Payments and includes Major Head 3604 (Compensation and Assignment to Local Bodies and Panchayati Raj Institutions).

### 3.3. Capital Expenditure

Capital Disbursements for 2010-11 at 4 percent of GSDP were less than Budget Estimates by ₹ 241 crore (less disbursement of ₹ 248 crore under Plan Expenditure and excess of ₹ 7 crore under Non Plan Expenditure).

#### 3.3.1. Sectoral distribution of Capital Expenditure

During 2010-11, the Government spent ₹ 326 crore on various Projects (₹ 190 crore on Major Irrigation, ₹ 2 crore on Medium Irrigation, and ₹ 134 crore on Minor Irrigation). Apart from above, the Government spent ₹ 21 crore on Flood Control Projects, ₹ 57 crore on Power Projects and ₹ 872 crore on Roads & Bridges. The Government of Uttarakhand also invested a sum of ₹ 56 crore on investments in various Companies, Corporations etc.

(₹ in crore)

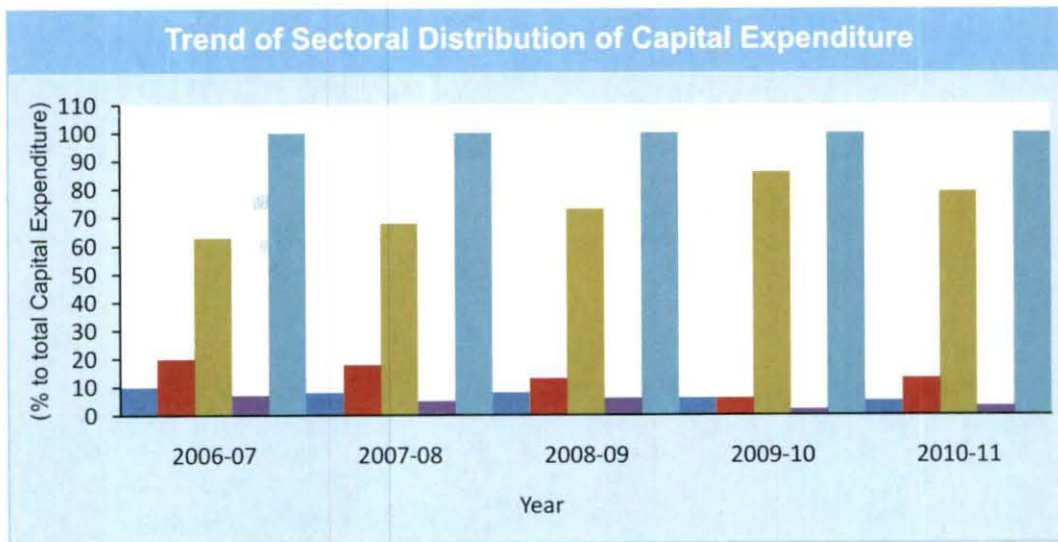
Sl. No.	Sector	Amount	Percentage
1.	<b>General Services</b> - Police, Land Revenue etc.	105	6
2.	<b>Social Services</b> - Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	235	12
3.	<b>Economic Services</b> - Agriculture, Rural Development, Irrigation Cooperation, Energy, Industries, Transport etc.	1515	79
4.	Loans and Advances Disbursed	60	3
	<b>Total</b>	1915	100



3.3.2. Sectoral distribution of capital expenditure over the past 5 years

(₹ in crore)

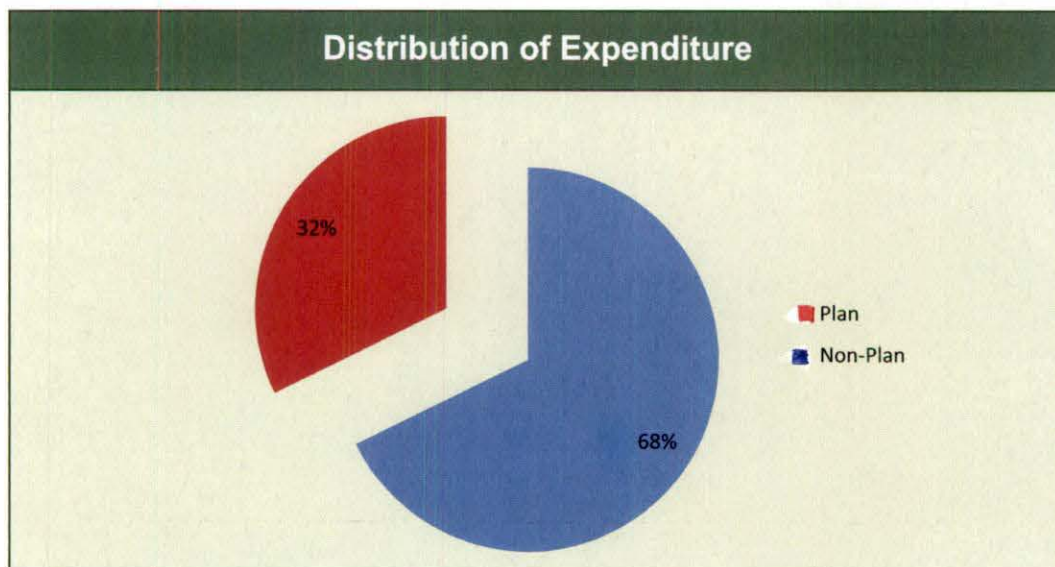
Sl. No.	Sector	2006-07	2007-08	2008-09	2009-10	2010-11
1.	General Services	173	201	174	109	105
2.	Social Services	372	418	281	109	235
3.	Economic Services	1154	1616	1561	1429	1515
4.	Loans & Advances	123	130	122	30	60
<b>Total</b>		<b>1822</b>	<b>2365</b>	<b>2138</b>	<b>1677</b>	<b>1915</b>



## CHAPTER IV

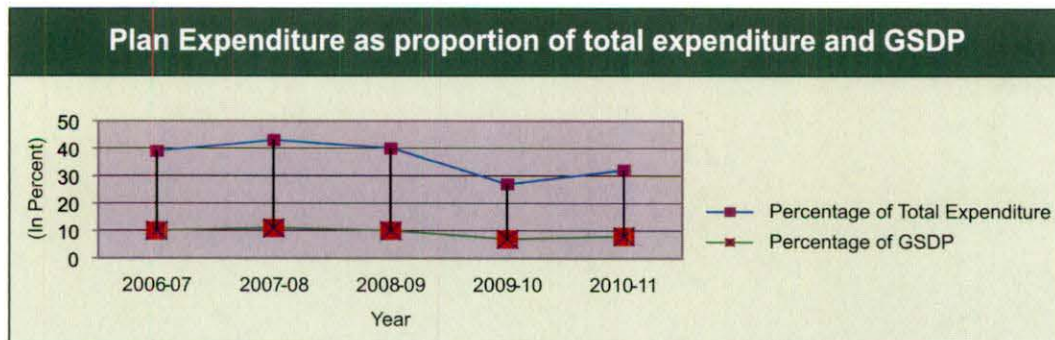
### PLAN & NON PLAN EXPENDITURE

#### 4.1. Distribution of expenditure (2010-11)



#### 4.2. Plan Expenditure

During 2010-11, Plan Expenditure, representing 32 percent of total disbursements, was ₹ 4367 crore (₹ 4053 crore under State Plan, ₹ 278 crore under Centrally Sponsored Plan Schemes and ₹ 36 crore under Loans and Advances).



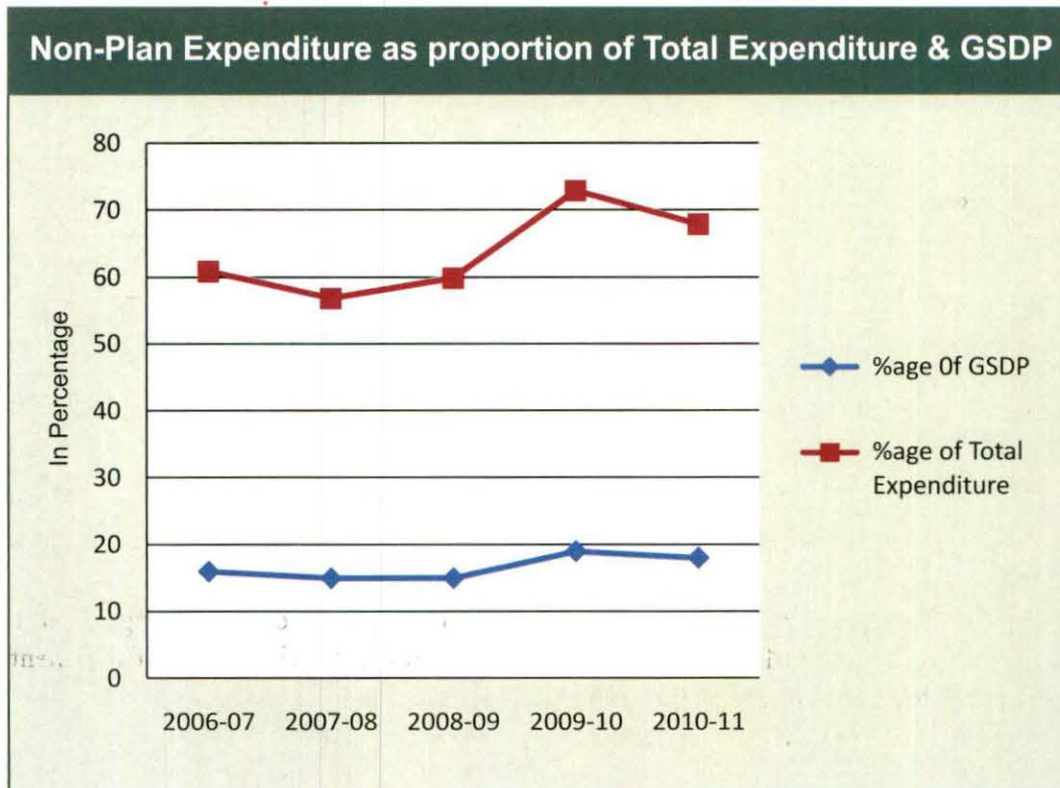
#### 4.2.1. Plan expenditure under Capital Account

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Total Capital Expenditure	1699	2235	2016	1647	1855
Capital Expenditure (Plan)	1602	2157	1902	995	1859
percent of Capital Expenditure (plan) to Total Capital Expenditure	94%	97%	94%	60%	100%

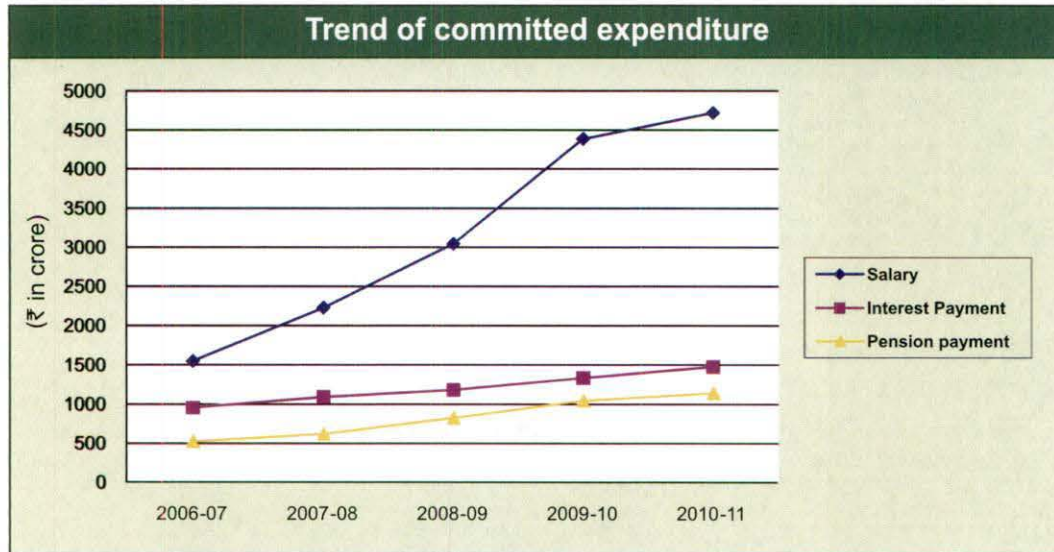
#### 4.3. Non-Plan Expenditure

Non-Plan Expenditure during 2010-2011, representing 68 percent of total disbursements, was ₹ 9168 crore, (₹ 9148 crore under Revenue and ₹ 20 crore under Capital Account. Negative expenditure under non-plan capital is due to excess recoveries, not estimated in the Budget).





#### 4.4. Committed Expenditure



The committed expenditure on subsidies being minimal has not been included in this chart.

(₹ in crore)

Component	2006-07	2007-08	2008-09	2009-10	2010-11
Committed Expenditure	3042	3949	5061	6773	7343
Revenue Expenditure	6470	7255	8394	10657	11621
% of Committed expenditure to Revenue Receipts	41	50	59	71	63
% of Committed expenditure to Revenue expenditure	47	54	60	64	63

From the year 2006-07, there has been steep upward trend in the committed expenditure. It has increased by about 1.41 times from 2006-07 to 2010-11. This leaves the Government with lesser flexibility for developmental spending.

## CHAPTER V

### APPROPRIATION ACCOUNTS

#### 5.1. Summary of Appropriation Accounts for 2010-11

(₹ in crore)

Sl. No.	Nature of Expenditure	Original Grant	Supplementary Grant	Re-appropriation	Total	Actual Expenditure	Saving (-) Excess (+)
1	<b>Revenue Voted</b>	1,02,34.30	10,98.89	4,10.88	1,09,22.31	1,00,03.96	-9,18.35
	<b>Charged</b>	17,62.39	32.90	14.80	17,80.49	16,36.07	-1,44.42
2	<b>Capital Voted</b>	20,04.09	6,76.11	3,85.92	22,94.28	33,27.07	+10,32.79
	<b>Charged</b>	1.00	5.81	—	6.81	2.03	-4.78
3	<b>Public Debt Charged</b>	12,99.63	—	99.20	12,00.43	11,80.34	-20.09
4	<b>Loans and Advances Voted</b>	1,50.54	11.09	49.11	1,12.52	59.68	-52.84
	<b>Total</b>	<b>1,54,51.95</b>	<b>18,24.80</b>	<b>9,59.91</b>	<b>1,63,16.84</b>	<b>1,62,09.15</b>	<b>-1,07.69</b>

Actual Expenditure includes adjustment of Objection Book Suspense of ₹ 1,18.61 crore pertaining to the previous years. (₹ 1,14.32 crore in Revenue and ₹ 4.29 crore in Capital Section).

#### 5.2. Trend of Savings / Excess during the past five years

(₹ in crore)

Year	Saving (-) / Excess (+)				Total
	Revenue	Capital	Public Debt	Loans and Advances	
2006-07	-11,73.84	+55.71	+4,45.83	-1,77.88	-8,50.18
2007-08	-5,12.64	+5,84.55	+2,89.48	-10.15	+3,51.24
2008-09	-10,73.22	+5,34.31	+4,62.02	-8.18	-85.07
2009-10	-11,46.92	+7,56.00	+61.10	-2,78.04	-6,07.86
2010-11	-10,62.77	+10,28.01	-20.09	-52.84	-1,07.69



### 5.3. Significant Savings

Substantial savings under a grant indicates either non-implementation or slow implementation of certain schemes/programmes.

Some grants with persistent and significant savings are given below:

Grant No.	Nomenclature	2006-07	2007-08	2008-09	2009-10	2010-11
06	Revenue and General Administration(Revenue, Voted)	31.33%	10.76%	22.65%	14.68%	7.44%
07	Finance, Tax, Planning, Secretariat and Miscellaneous Services (Revenue, Voted)	10.54%	8.75%	23.53%	21.29%	5.68%
11	Education, Sports, Youth Welfare and Culture (Revenue, Voted)	10.97%	9.77%	8.17%	6.28%	5.44%
12	Medical, Health and Family Welfare (Revenue, Voted)	39.99%	22.33%	23.17%	16.36%	17.37%
13	Water Supply, Housing and Urban Development (Revenue, Voted)	58.50%	14.48%	12.58%	5.41%	43.97%
27	Forest (Revenue, Voted)	24.83%	16.18%	19.21%	13.50%	9.73%
29	Horticulture Development (Revenue, Voted)	18.83%	7.09%	13.79%	3.10%	1.82%
30	Welfare of Scheduled Castes (Revenue, Voted)	52.87%	50.99%	27.39%	19.71%	19.66%
30	Welfare of Scheduled Castes (Capital, Voted)	52.45%	28.79%	44.97%	54.55%	45.32%
31	Welfare of Scheduled Tribes (Revenue, Voted)	31.56%	31.95%	36.31%	18.95%	31.77%
31	Welfare of Scheduled Tribes (Capital, Voted)	41.97%	28.94%	39.15%	38.70%	48.89%



During 2010-11, supplementary grants totaling ₹ 18,24.80 crore (11.81 percent of total original grant) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below.

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
02	Governor	Revenue, Charged	4.69	0.13	4.21
04	Judicial Administration	Revenue Charged	28.40	0.35	15.26
04	Judicial Administration	Capital Voted	20.00	2.00	18.14
05	Election	Revenue Voted	9.67	1.00	9.64
07	Finance, Tax, Planning, Secretariat and Miscellaneous Services	Revenue Voted	18,18.59	54.63	17,66.88
07	Finance, Tax, Planning, Secretariat and Miscellaneous Services	Revenue Charged	17,15.93	30.47	16,05.65
08	Excise	Revenue Voted	9.75	0.24	8.73
12	Medical, Health and Family Welfare	Revenue Voted	6,88.07	28.05	5,91.73
12	Medical, Health and Family Welfare	Capital Voted	1,10.67	18.74	66.89
13	Water Supply, Housing and Urban Development	Revenue Voted	7,48.10	99.67	4,74.99
15	Welfare	Capital Voted	5.90	11.27	3.44
17	Agriculture Works and Research	Revenue Voted	3,70.65	60.85	3,48.78
18	Co-operative	Revenue Voted	29.57	1.22	25.92
19	Rural Development	Revenue Voted	4,33.40	29.49	3,87.66
19	Rural Development	Capital Voted	63.90	7.45	58.15
21	Energy	Capital Voted	3,85.65	10.69	1,09.65
22	Public Work	Revenue Voted	3,56.17	23.84	3,45.07
23	Industries	Capital Voted	12.81	1.87	3.15
24	Transport	Revenue Voted	21.09	0.04	18.62
25	Food	Revenue Voted	28.98	2.14	23.85
26	Tourism	Capital Voted	65.44	20.00	55.60
27	Forest	Revenue Voted	2,92.22	23.95	2,85.41
28	Animal Husbandry	Capital Voted	9.47	1.59	8.14
30	Welfare of Scheduled Castes	Revenue Voted	4,48.01	41.19	3,93.01
30	Welfare of Scheduled Castes	Capital Voted	2,10.95	49.65	1,42.49
31	Welfare of Scheduled Tribes	Revenue Voted	1,23.70	15.46	94.95
31	Welfare of Scheduled Tribes	Capital Voted	73.55	15.73	45.64

## CHAPTER VI

### ASSETS AND LIABILITIES

#### 6.1. Assets

The existing form of accounts do not easily depict valuation of Government assets like land, building etc., except the year of acquisition/ purchase. Similarly while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

Total investments as share capital in non-financial Public Sector Undertakings (PSUs) stood at ₹ 1296 crore at the end of 2010-11. During the year 2010-11 investments increased by ₹ 56 crore while as dividend increased only by about ₹ 0.13 crore.

Cash Balance with RBI stood at ₹ 227.84 crore (Dr.) on 31<sup>st</sup> March 2010 and increased to ₹ 334.25 crore (Cr) at the end of March, 2011.

#### 6.2. Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be from time to time fixed by the State Legislature.

Detailed of the Public Debt and total liabilities of the State Government are as under:

(₹ in crore)

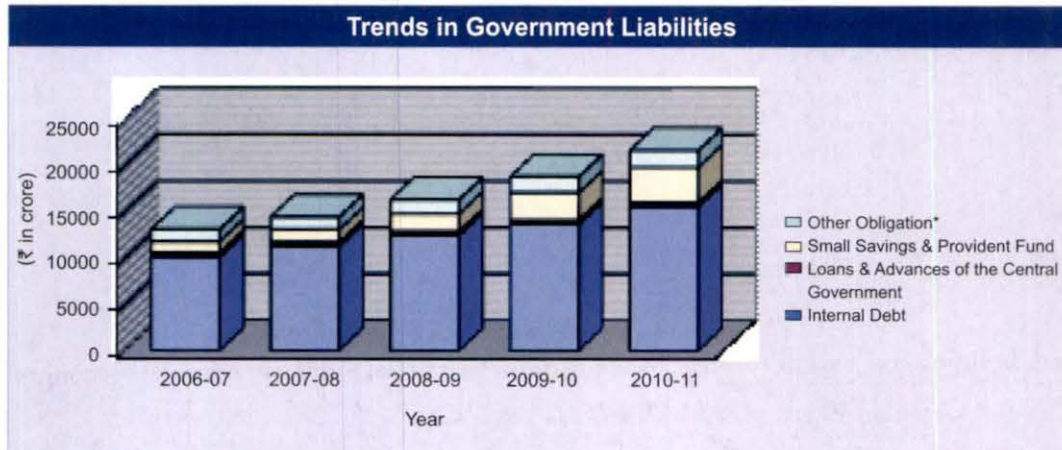
Year	Public Debt	% to GSDP	Public Account(*)	% to GSDP	Total Liabilities	% to GSDP
2006-07	10553	33	2481	8	13034	40
2007-08	11678	31	2714	7	14392	38
2008-09	12866	30	3410	8	16276	38
2009-10	14076	29	4672	10	18748	39
2010-11	15984	31	5614	11	21598	41

(\*) Excludes Suspense and Remittance balances.

Note: Figures are progressive balances to end of the year.

There was a net increase of ₹ 2850 crore (15 percent) in Public Debt and Other liabilities as compared to 2009-10.





(\*) Non-interest bearing obligations such as deposits of local Funds, other earmarked funds, etc.

Government of India determines, from time to time, the limits up to which State Governments can borrow from the market.

### 6.3. Guarantees

The Position of Guarantees by the State Government for the payment of loans and Capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Cooperative Societies, etc. is given below.

(₹ in crore)

At the end of the year	Maximum amount guaranteed (principal) only	Amount outstanding as on 31 <sup>st</sup> March 2011	
		Principal	Interest
2006-07	Information not available	1716	Information not available
2007-08	Information not available	1677	Information not available
2008-09	Information not available	1802	Information not available
2009-10	Information not available	1511	Information not available
2010-11	2122(*)	1511	Information not available

(\*) Calculated on the strength of the partial information made available by the State Government.



## CHAPTER VII

### OTHER ITEMS

#### 7.1. Loans & Advances by the State Government

Total loans & Advances made by the State Government at the end of 2010-11 was ₹ 717.90 crore. Of this, Loans and Advances to Government Corporations/Companies, non-Government Institutes and Local Bodies amounted to ₹ 668.68 crore. Details regarding the principal amount and the interest is not available.

#### 7.2. Financial assistance to Local bodies and Others

During the past five years, Grant-in-aid to Local Bodies etc. increased from ₹ 271.28 crore in 2006-07 to ₹ 407.68 crore 2010-11. Grants to Municipal Corporations, Municipalities, Zila Panchayats, Nagar Panchayats (₹ 200.44 crore) represented 49.16 percent of total grants given during the year.

Details of Grant-in-aid for the past five years are as under.

(₹ in crore)

Year	Municipal Corporations	Municipalities	Zila Panchayats	Nagar Panchayat	Others	Total
2006-07	18.82	63.30	34.26	14.51	140.39	271.28
2007-08	21.46	73.65	38.46	15.82	160.39	309.78
2008-09	18.73	72.63	33.24	14.84	135.33	274.77
2009-10	26.66	79.66	40.30	16.16	161.95	324.73
2010-11	32.50	98.37	48.31	21.26	207.24	407.68

### 7.3. Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 <sup>st</sup> April 2010	As on 31 <sup>st</sup> March 2011	Net increase (+)/ decrease (-)
Cash Balances	(-)236.76	328.81	(+)565.57
Investments from cash balance (GOI Treasury bills)	...	...	...
Investment from earmarked fund balances	778.65	903.62	(+) 124.97
(a) Sinking fund	753.65	878.62	(+) 124.97
(b) Guarantee Redemption Fund	25.00	25.00	...
(c) Other Funds	...	...	...
Interest realized	9.44	13.78	+4.34

State Government had a positive closing cash balance at the end of 2010-11. The State Government had an investment of ₹ 903.62 crore from earmarked funds at the end of 2010.11

### 7.4. Reconciliation of Accounts

Accuracy and reliability of accounts depend, among other things on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Accountant General (Accounts & Entitlements). This exercise is to be conducted by respective Heads of Departments. In 2010-11, 71.78 percent (₹ 9716.03 crore) of the total expenditure of ₹ 13536 crore of the State Government could be reconciled. Similarly, out of total revenue receipts of ₹ 11608.16 crore, only ₹ 9771.45 crore was reconciled. The status of reconciliation of accounts in respect of the Chief Controlling Officers (CCO's) of different departments is given below:

PARTICULARS	TOTAL NUMBER OF CCOs	FULLY RECONCILED	PARTIALLY RECONCILED	NOT RECONCILED
EXPENDITURE	62	32	19	11
RECEIPTS	48	11	11	26

Some chronic defaulters in reconciliation are listed below.

Sl. no.	Name of the Department/ Chief Controlling Officer	Year/ Years pending
1.	Secretary, General Administration Secretariat, Government of Uttarakhand	2007-08 to 2010-11
2.	Commissioner, Calamity relief, Revenue Department. Government of Uttarakhand	2007-08 to 2010-11
3.	Secretary, Real Estate Department Government of Uttarakhand	2007-08 to 2010-11
4.	Principal Secretary , Finance Govt. of Uttarakhand	2007-08 to 2009-10
5.	Chief Engineer PWD Yamuna Colony Dehradun	2007-08 to 2009-10
6.	Secretary, Information Technology Secretariat Govt. of Uttarakhand Dehradun	2009-10, 2010-11
7.	Secretary, Food Controller Weights & Measures Government of Uttarakhand Dehradun	2009-10,2010-11
8.	Secretary, Social Welfare Government of Uttarakhand Dehradun	2009-10, 2010-11

#### 7.5. Submission of Accounts by Treasuries

The rendition of initial accounts by the treasuries is satisfactory. However, There was some delay in the submission of accounts by the Works and Forest Divisions. The delay ranged from 1 to 15 days.

#### 7.6. Abstract Contingent (AC) Bills and Detailed Contingent (DC) Bills

When money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. Such AC bills are required to be settled, within a maximum of 90 days, through submission of DC bills. To the end of 31<sup>st</sup> March 2011, 391 DC Bills amounting to ₹ 77.15 crore was outstanding. This indicates that rules have not been properly followed. The position of the outstanding bills for the last three years is given below.



Year	Amount Outstanding (in crore of ₹)	Number of items
2008-09	3.00	2
2009-10	1.41	22
2010-11	72.74	367

