

**STATE FINANCES AUDIT REPORT
OF THE
COMPTROLLER AND AUDITOR
GENERAL OF INDIA**

FOR THE YEAR ENDED 31 MARCH 2019

GOVERNMENT OF UTTARAKHAND
Report No.1 of the year 2020

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PREFACE

This Report has been prepared for submission to the Governor of the State of Uttarakhand under Article 151 of the Constitution.

Chapters 1 and 2 of this Report contain audit observations on matters arising from the examination of the Finance Accounts and the Appropriation Accounts respectively, of the State Government for the year ended 31 March 2019. Information has been obtained from the Government of Uttarakhand wherever necessary.

Chapter 3 on Financial Reporting provides an overview and status of the State Government's compliance with various financial rules, procedures and directives relating to financial reporting during the current year.

The Report containing the findings of performance audit and audit of transactions in various departments, audit of Statutory Corporations, Boards and Government Companies and observations on Revenue Receipts, is presented separately.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Background

This Report on the finances of the Government of Uttarakhand is being brought out to assess the financial performance of the State during the year 2018-19 *vis-à-vis* the Budget and recommendations of Fourteenth Finance Commission (FFC) and analyses the dominant trends and structural profile of Government's receipts and disbursements.

Based on the audited accounts of the Government of Uttarakhand for the year ending 31 March 2019 and additional data collected from several sources such as the Economic Survey brought out by the State Government and Census, this report provides an analytical review of the Annual Accounts of the State Government in three Chapters.

Chapter-1 is based on the audit of Finance Accounts and makes an assessment of Uttarakhand Government's fiscal position as on 31 March 2019. It provides an insight into trends and profile of key fiscal aggregates, committed expenditure, borrowing pattern, *etc.*

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

Chapter-3 details Government's compliance with various reporting requirements and financial rules and non-submission of accounts.

Audit findings

Chapter-1

Finances of the State Government

➤ As on 31 March 2019, the average return on Uttarakhand Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives was negligible and ranged from 0.004 to 0.71 *per cent* of the investment (at historical cost) in the last five years while the Government paid an average interest rate of 8.25 *per cent* on its borrowings during 2014-15 to 2018-19.

[Paragraph 1.8.2]

➤ During the period 2014-15 to 2018-19 an amount of ₹ 659.48 crore was advanced to different sectors by the Government. Amounts repaid amounted to ₹ 168.05 crore over the same period. Recovery in each year declined from four *per cent* of the amount outstanding at the beginning of the year and amount advanced during the year in 2014-15 to less than two *per cent* in 2018-19. During the current year amount repaid was ₹ 26.91 crore which stood at 1.40 *per cent* of the outstanding loans (₹ 1,926.54 crore) as on 31 March 2019. Since recovery of the loans has been poor, State Government may consider treating these loans and advances as grants and booking them as revenue expenditure for ensuring that accounts reflect the correct position.

[Paragraph 1.8.4]

- The Fiscal Liabilities to GSDP ratio for the year 2018-19 was 23.60 *per cent* as compared to previous year ratio of 23.26 *per cent*. The ratio was 1.04 percentage points higher than the normative assessment of the FFC (22.56 *per cent*) for the year.

[Paragraph 1.9.2]

- Net Debt available to the State has declined from ₹ 2,388 crore (2017-18) to ₹ 1,388 crore in the current year on account of higher portion of public debt receipt being utilised for repayment of borrowed funds and payment of interest thereon. Percentage of debt repayment including interest to total borrowed funds increased to 80.92 *per cent* in 2018-19 as compared to 68.27 *per cent* in 2017-18.

[Paragraph 1.10 (ii)]

- The State had revenue deficit of ₹ 917 crore in 2014-15 which further deteriorated to ₹ 1,852 crore during 2015-16. During 2016-17, the State was able to bring down the revenue deficit to a considerably lower level of ₹ 383 crore. However, the State could not maintain this trend and the revenue deficit deteriorated to ₹ 1,978 crore in 2017-18. The position improved during the current year and the revenue deficit declined to ₹ 980 crore (0.40 *per cent* of GSDP).

[Paragraph 1.11.1]

- The fiscal deficit during 2014-15 at ₹ 5,826 crore (3.61 *per cent* of GSDP) increased in 2015-16 to ₹ 6,125 crore (3.46 *per cent* of GSDP), but it declined to ₹ 5,467 crore (2.80 *per cent* of GSDP) in 2016-17. However, it again increased to ₹ 7,935 crore (3.56 *per cent* of GSDP) in 2017-18. During the current year the fiscal deficit at ₹ 7,320 crore (2.98 *per cent* of GSDP) was below the normative target of 3.25 *per cent* of GSDP as fixed by the FFC. The State could have used the available fiscal space to borrow more for augmenting its capital expenditure which has declined from 18.8 *per cent* of total expenditure (2014-15) to 16 *per cent* (2018-19).

[Paragraph 1.11.1]

- The primary deficit during 2014-15 at ₹ 3,420 crore decreased to ₹ 3,154 crore in the year 2015-16 and ₹ 1,744 crore in 2016-17. The primary deficit decreased from ₹ 3,948 crore during the year 2017-18 to ₹ 2,845 crore during the current year. This shows that the State's financial position has improved. Its primary revenue surplus increased from ₹ 2,009 crore in 2017-18 to ₹ 3,495 crore in 2018-19. It was able to meet 78 *per cent* of interest liabilities from the primary revenue surplus this year as compared to 50 *per cent* in the previous year.

[Paragraph 1.11.1]

Chapter-2

Financial management and budgetary control

- During 2018-19, there was an overall excess of ₹ 1,358.35 crore against the total grants and appropriations of ₹ 48,037.49 crore. The excess of ₹ 8,464.98 crore occurred in two grants under Capital Voted and one Appropriation under Capital

Charged Section and saving of ₹ 7,106.62 crore occurred in 31 grants and eight appropriations. The excess of ₹ 8,464.98 crore requires regularisation under Article 205 of the Constitution of India. Excess expenditure amounting to ₹ 27,194.15 crore pertaining to the years 2005-06 to 2017-18 is yet to be regularised by the State Legislature.

[Paragraphs 2.2 & 2.3.1, 2.3.2 & 2.3.3]

- An amount of ₹ 107.08 crore drawn from Contingency Fund during 2018-19 has remained un-recouped as on 31 March 2019.

[Paragraph 2.6]

Chapter-3

Financial reporting

- The departmental officers did not submit 25 Utilisation Certificates, in respect of grants of ₹ 37.66 crore given for specific purposes, to the Accountant General (Accounts & Entitlement), Uttarakhand till March 2019. In the absence of these certificates, it could not be ascertained whether the recipients had utilised the grants for the intended purposes.

[Paragraph 3.1]

- Significant amounts of expenditure and receipts were booked under the Minor Heads '800-Other Expenditure' and '800-Other Receipts' instead of being booked under distinct heads of account. This adversely affected transparency in financial reporting.

[Paragraph 3.4]

- The Government has not provided adequate disclosures in the Finance Accounts as required under IGAS-1 (Guarantees given by the Government), IGAS-2 (Accounting and Classification of Grants-in-aid) and IGAS-3 (Loans and Advances made by the government).

[Paragraph 3.9]

CHAPTER-1

FINANCES OF THE STATE GOVERNMENT

CHAPTER-1

FINANCES OF THE STATE GOVERNMENT

This chapter provides an overview of the finances of the State Government during the financial year 2018-19. *Appendix-1.1* contains the structure and layout of the Finance Accounts of the State Government. *Appendix-1.2 (Part-A)* briefly outlines the methodology adopted for the assessment of the fiscal position of the State.

An Entry Conference was held with Secretary, Finance Department on 16 July 2019 and an Exit Conference was held on 10 February 2020 wherein the audit findings were discussed. Government responses have been suitably incorporated in the relevant paragraphs.

1.1 Profile of the State

Uttarakhand is a Special Category State (SCS) as per the categorisation of the States made by the Government of India (GoI). The special privileges given to Uttarakhand include financial assistance from GoI in the ratio of 90 *per cent* grant and 10 *per cent* loan unlike non-special category States which get central aid in the ratio of 30 *per cent* grant and 70 *per cent* loan.

The State has seen considerable economic growth in the past decade and the Compound Annual Growth Rate (CAGR) of its Gross State Domestic Product¹ (GSDP) and Per Capita GSDP at current prices for the period 2011-12 to 2018-19 has been over 11.42 *per cent* and 9.94 *per cent*; it was marginally below against the CAGR of SCS of 11.55 *per cent* and 10.93*per cent* respectively. Further, Per Capita GSDP CAGR of Uttarakhand State (9.94 *per cent*) was well below the All India Per Capita GDP CAGR (10.35 *per cent*).

The social indicators, viz. literacy rate and rate of infant mortality at birth, indicate that the State had better literacy rate but had higher infant mortality rate than the All India Average. The percentage of Below Poverty Line (BPL) population in the State was well below the All India Average (*Appendix-1*).

Gross State Domestic Product (GSDP)

The trends in the annual growth of India's GDP and the State's GSDP at current prices and constant prices are given in the **Table-1.1** below:

Table-1.1: Annual growth rate of GDP and GSDP at Current Prices and Constant Prices

Year	2014-15	2015-16	2016-17*	2017-18*	2018-19*
Current Prices					
India's GDP (₹ in crore)	1,24,67,959	1,37,71,874	1,53,62,386	1,70,95,005	1,90,10,164
Growth rate of GDP (percentage)	10.99	10.46	11.55	11.28	11.20
State's GSDP (₹ in crore)	1,61,439	1,77,163	1,95,125	2,22,836	2,45,895
Growth rate of GSDP (percentage)	8.29	9.74	10.14	14.20	10.35
Constant Prices					
India's GDP (₹ in crore)	1,05,27,674	1,13,69,493	1,22,98,327	1,31,79,857	1,40,77,586
Growth rate of GDP (percentage)	7.41	8.00	8.17	7.17	6.81
State's GSDP (₹ in crore)	1,41,278	1,52,699	1,67,703	1,80,844	1,93,273
Growth rate of GSDP (percentage)	5.29	8.08	9.83	7.84	6.87

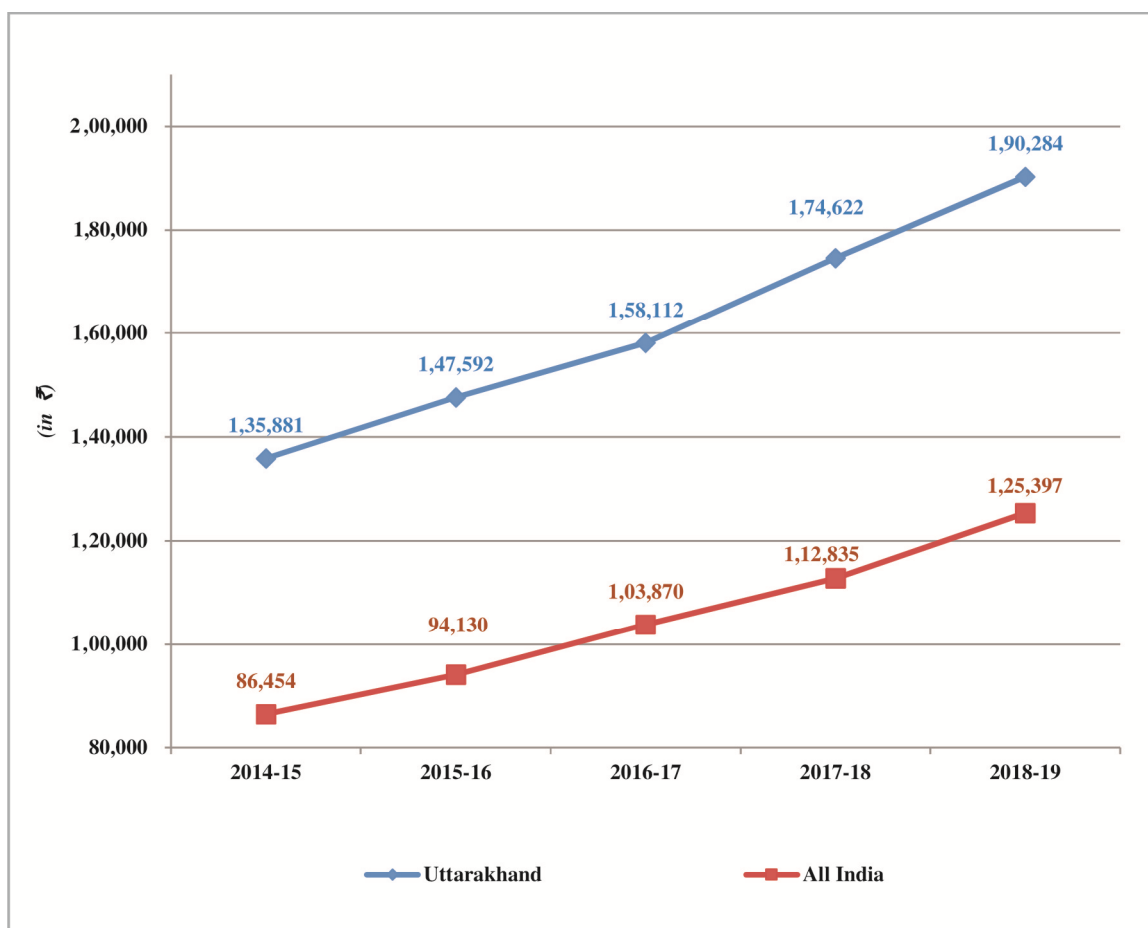
Source: Central Statistics office and Directorate of Economic and Statistics Government of Uttarakhand.

* Provisional * Quick * Advance estimates.

¹ Refer glossary in **Appendix-4.1**.

The growth rate of GSDP (Current Price) continued to appreciate from 8.29 *per cent* in 2014-15 to 14.20 *per cent* in 2017-18. However, the growth rate has declined in the current year to 10.35 *per cent*. The growth rate of GSDP which was lower than All India growth rate during 2014-15, 2015-16 and 2016-17 showed improvement during 2017-18 but again declined during 2018-19. The comparison of Per Capita annual income of Uttarakhand *vis-à-vis* the national average is reflected in **Chart-1.1**.

Chart-1.1: Comparison of Per Capita Annual Income of Uttarakhand *vis-à-vis* National Average



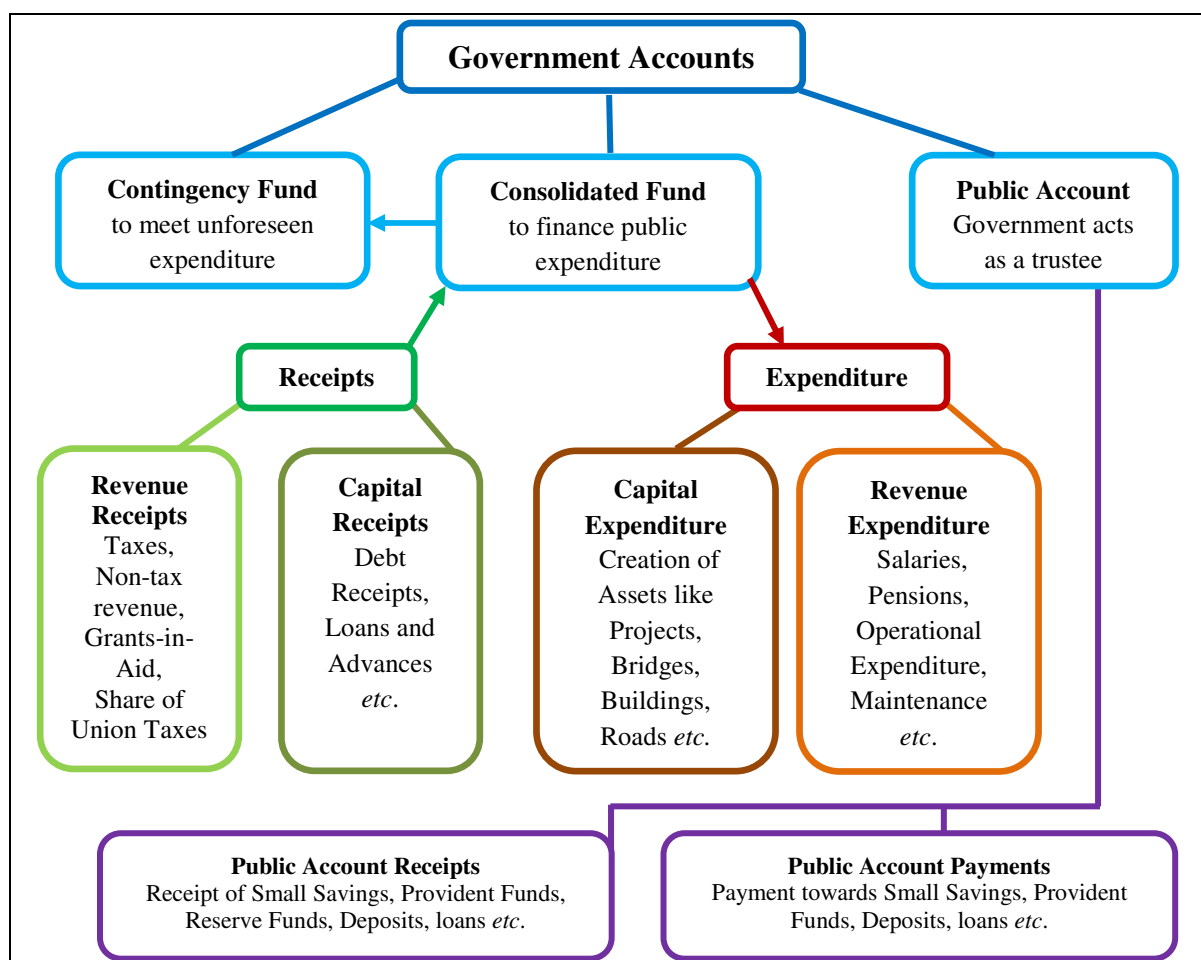
Source: Economic Survey of Uttarakhand 2018-19.

The Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005 which was revised in 2011 as per the recommendation of the Thirteenth Finance Commission was further revised in December 2016 according to the recommendations of the Fourteenth Finance Commission (*FFC*) (**Appendix-1.2 Part-B**). Fiscal Performance of the State *vis-à-vis* targets set forth by the *FFC* are discussed in paragraph 1.1.2. The outcome indicators of the State's own Fiscal Correction Path (FCP) through the Mid Term Fiscal Policy Statement (MTFPS) prepared on 18 February 2019 are also given in **Appendix-1.2 (Part-B)**.

1.1.1 Summary of Current Year's Fiscal Transactions

Government finances generally comprise the following:

Chart-1.2: Structure of Government Accounts



Source: Based on Budget Manual.

Table-1.2 presents a summary of the State Government's fiscal transactions during the current year (2018-19) *vis-à-vis* the previous year (2017-18). **Appendix-1.4 (Part-A)** provides details of receipts and disbursements as well as the overall fiscal position during the current year as compared to the previous year.

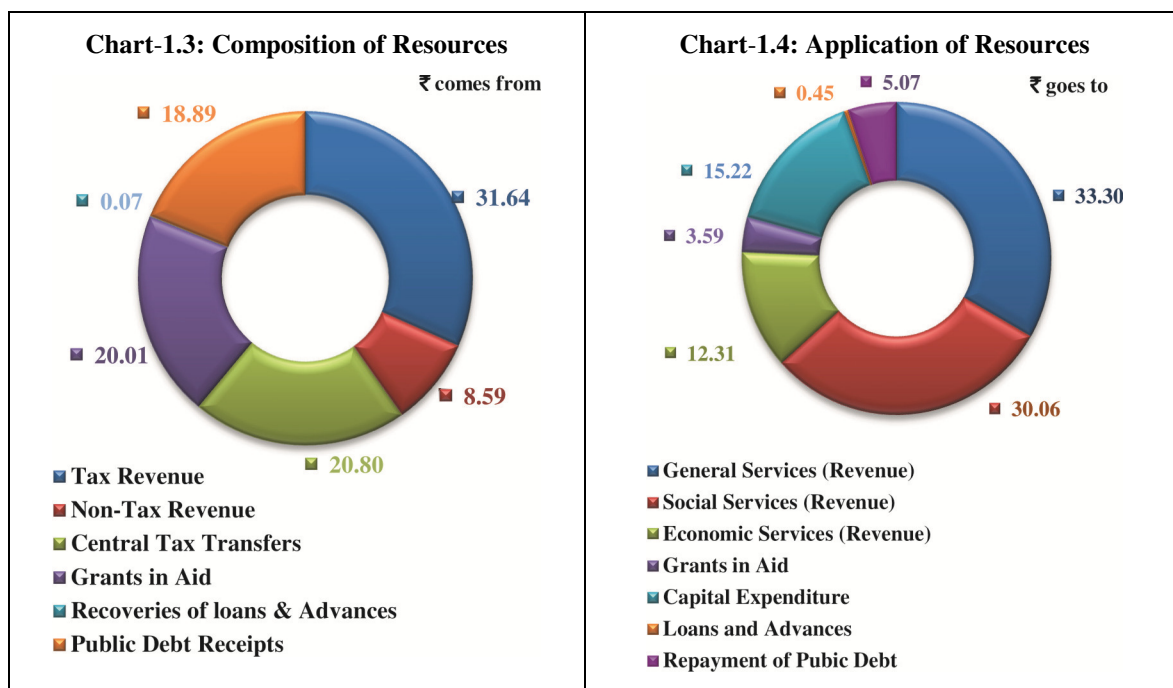
Table-1.2: Summary of Current Year's Fiscal Operations

					(₹ in crore)	
Receipts	2017-18	2018-19	Disbursements	2017-18	2018-19	
Section-A: Revenue						
Own Tax revenue	10,164.93	12,188.09	General services	12,408.50	13,524.87	
Non-tax revenue	1,769.53	3,309.88	Social services	10,929.44	12,209.34	
Share of Union Taxes/ Duties	7,084.91	8,011.59	Economic services	4,276.21	5,002.49	
Grants from Government of India	8,085.20	7,706.88	Grants-in-aid and Contributions	1,468.54	1,459.32	
Revenue receipts	27,104.57	31,216.44	Revenue expenditure	29,082.69	32,196.02	
Section-B: Capital and Others						
Misc. Capital Receipts	--	0.01	Capital Outlay	5,914.37	6,184.42	
Recoveries of Loans and Advances	33.50	26.91	Loans and Advances disbursed	76.83	183.48	
Public Debt receipts*	7,526.08	7,275.18	Repayment of Public Debt*	1,720.72	2,057.51	
Appropriation from Contingency Fund	--	--	Appropriation to Contingency Fund	(-) 250.00	--	
Contingency Fund	104.66	216.89	Contingency Fund	481.50	107.08	
Public Account receipts#	37,571.25	41,789.74	Public Account disbursements#	35,366.30	39,947.18	
Opening Cash Balance	2,785.95	2,733.60	Closing Cash Balance	2,733.60	2,583.08	
Total	75,126.01	83,258.77	Total	75,126.01	83,258.77	

*Excluding net transactions under Ways and means advances and overdraft.

Public Account receipts and disbursements do not include Departmental Balances and Cash Balance Investment Account. In other places of the Report Net figure of Public Account Receipts have been taken for analysing the State resources.

Composition of resources and application of funds in the Consolidated Fund of the State during 2018-19 is given in **Chart-1.3** and **Chart-1.4**:



Source: Finance Accounts.

Comparison of key elements of State Finances in 2018-19 (**Chart-1.3** and **Chart-1.4**) with that of the previous year 2017-18 is summarized below:

Table-1.3: Improving/worsening of various components

Positive Indicators	Parameters requiring close watch
<ul style="list-style-type: none"> Non-Tax Revenue increased by 87 per cent Own-Tax Revenue increased by 20 per cent Capital Expenditure increased by five per cent Public Debt Receipts decreased by three per cent 	<ul style="list-style-type: none"> Recovery of Loans and Advances decreased by 20 per cent Revenue Expenditure increased by 11 per cent

Source: Finance Accounts.

1.1.2 Review of the fiscal situation

Major fiscal variables provided in the Budget and the recommendations of *FFC* for the State are given in **Table-1.4**. The FRBM Act has been revised by the State Government (December 2016) and the targets have been fixed as per the recommendations of the *FFC*.

Table-1.4: Review of the fiscal situation

(₹ in crore)

Fiscal variables	2018-19						
	Targets as prescribed by <i>FFC</i>	Targets proposed in the Budget	Projections made in MTFPS	Actuals	Percentage variation of actual over		
					Targets of <i>FFC</i>	Targets of Budget	Projections MTFPS
Revenue Deficit (-)/Surplus (+)	Nil *	32.68	27.24	(-) 979.58	Not Computable	(-)3,097.49	(-) 3,696.11
Fiscal Deficit/ GSDP (in per cent)	3.25	2.75	2.32	2.98	(-) 8.31	(+) 8.36	(+) 28.45
Ratio of outstanding fiscal liability to GSDP (in per cent)	22.56	24.29	24.26	23.60	(+) 4.61	(-) 2.84	(-) 2.72

*No target for Revenue Deficit has been prescribed by *FFC* and in FRBM, Act.

The State Government has been on a fiscal consolidation path since the enactment of the FRBM Act, 2005. During 2011-12 to 2013-14, the State Government was able to maintain

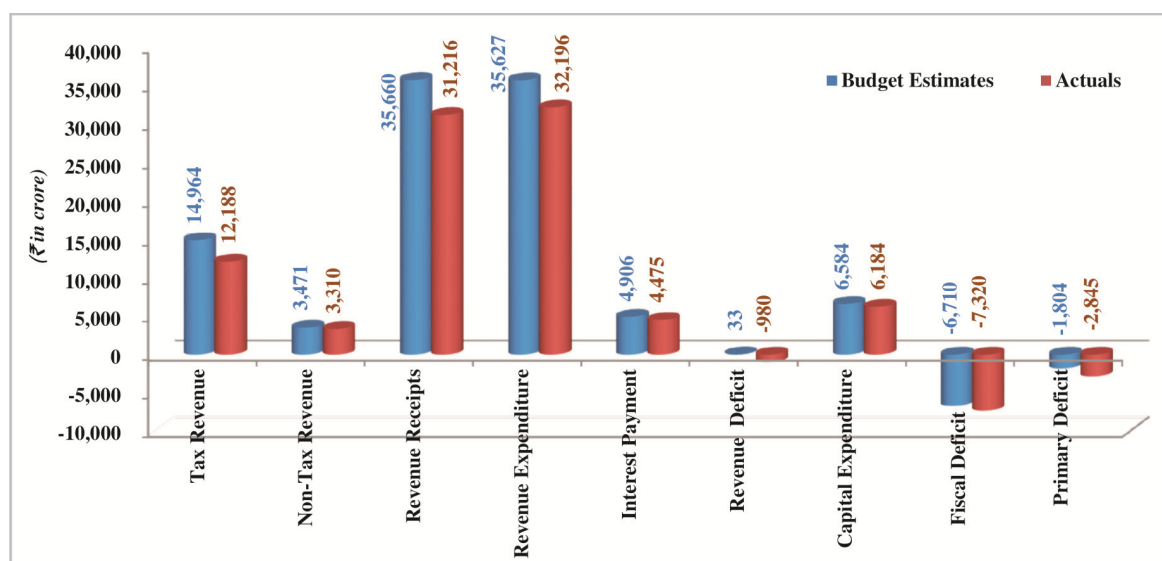
revenue surplus. The revenue surplus turned into revenue deficit during 2014-15 (₹917 crore) and continued in the year 2015-16 (₹1,852 crore). During the year 2016-17, the State was able to considerably bring down the revenue deficit to ₹383 crore, but could not maintain the same trend in the year 2017-18 and experienced a higher revenue deficit of ₹1,978 crore.

However, the revenue deficit during the current year has come down to ₹979.58 crore (0.40 per cent of GSDP). The fiscal deficit at 2.98 per cent of GSDP was within the FFC norm of 3.25 per cent during the year but the ratio of outstanding fiscal liabilities to GSDP at 23.60 per cent was higher than the FFC norm of 22.56 per cent.

1.1.3 Budget estimates and actuals

The Budget papers presented by the State Government provide descriptions of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of the fiscal policies for overall economic management. Deviations from the Budget Estimates (BEs) are indicative of non-attainment and non-optimisation of the desired fiscal objectives, due to a variety of factors, some within the control of the Government while others beyond its control. A comparison of the actuals against the BEs in respect of various components during 2018-19 is shown below:

Chart-1.5: Budget Estimates and Actuals for the year 2018-19



Source: Budget Estimates and Finance Accounts.

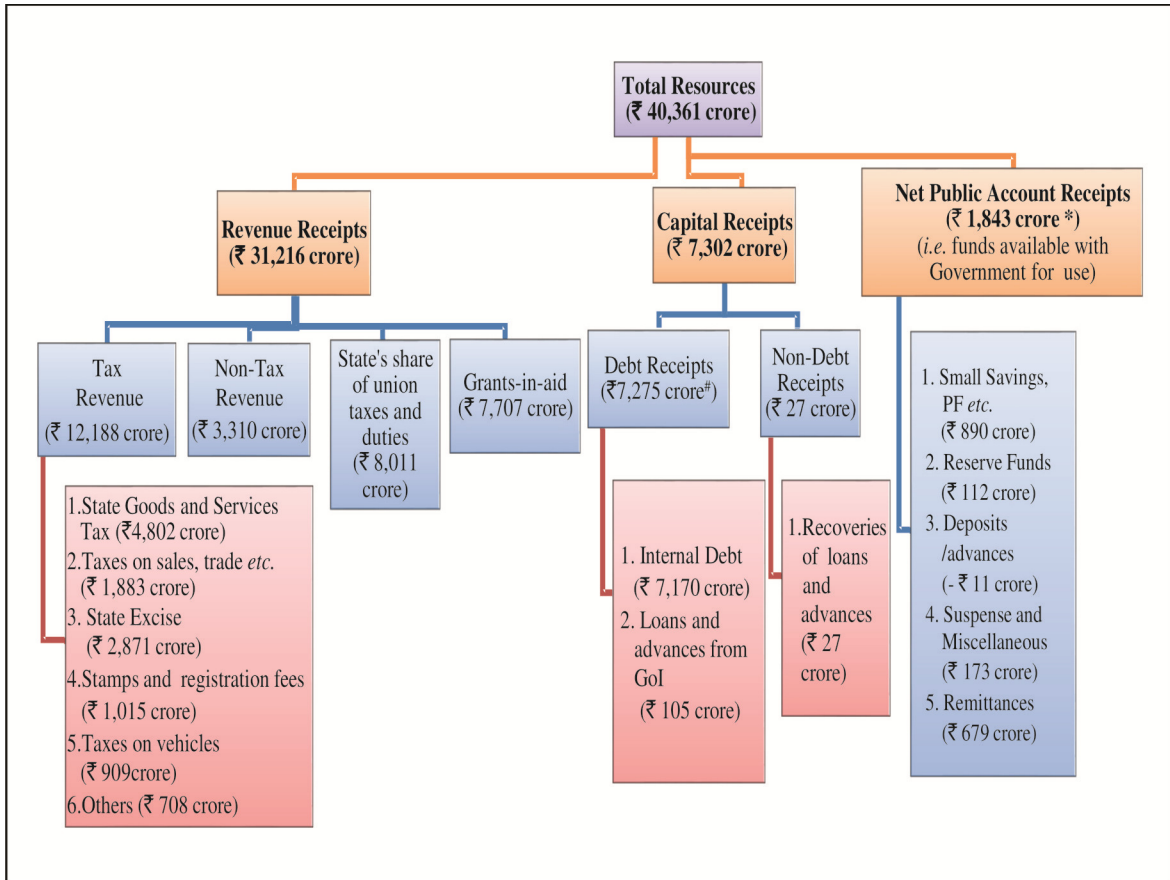
From the above **Chart-1.5** it is evident that:

- The overall revenue receipts were short by ₹4,444 crore (12.46 per cent) mainly due to less Tax revenue of ₹2,776 crore (18.55 per cent) and Non-Tax Revenue of ₹161 crore (4.64 per cent).
- The State Government was able to restrict the revenue expenditure in 2018-19 to some extent and it was ₹3,431 crore (9.63 per cent) less than the BEs for the current year.
- The Capital expenditure at ₹6,184 crore was less than the budgetary projection of ₹6,584 crore by ₹400 crore (6.08 per cent).

- The year 2018-19 ended with a Revenue Deficit of ₹ 980 crore against the assessment of Revenue Surplus of ₹ 33 crore made in the BEs.
- The targets for fiscal deficit (₹6,710 crore) and primary deficit (₹1,804 crore) during 2018-19 could not be achieved by the State, as both the fiscal deficit and primary deficit exceeded the BEs by ₹ 610 crore and ₹ 1,041 crore respectively.

This indicates that the achievements fell short of the target in all the parameters.

1.2 Receipts of the State



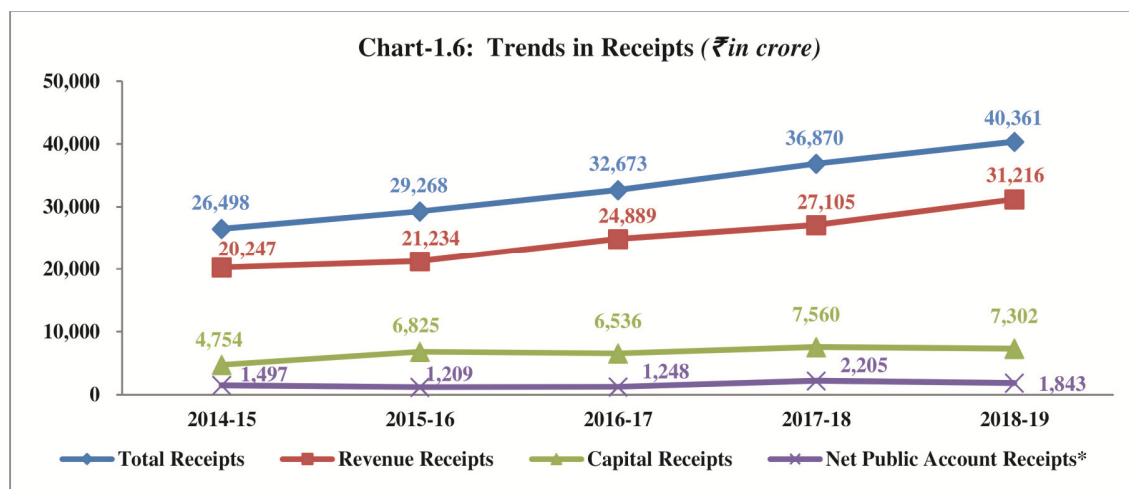
Source: Finance Accounts, *Excludes Ways and Means Advances.

*Net Public Account Receipts (₹1,843 crore) = Public Accounts Receipts (₹41,790 crore) less Public Accounts Disbursements (₹39,947 crore).

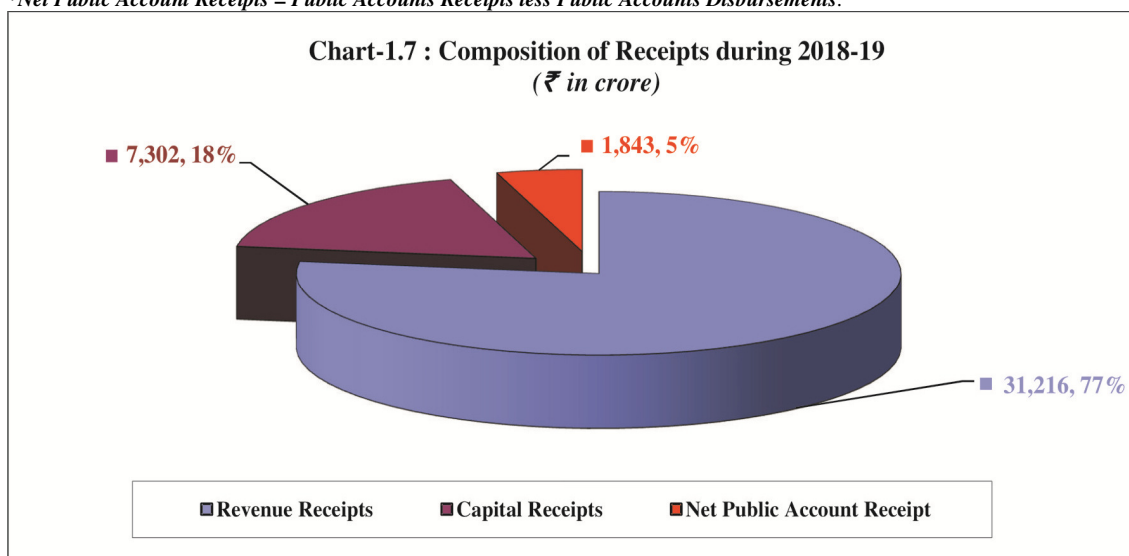
1.2.1 Trend and Composition of Receipts of the State

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts comprise tax revenues, non-tax revenues, State's share of the Union taxes and duties, and grants-in-aid from the Government of India (GoI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks), and loans and advances from the GoI. Besides, funds available in the public accounts after disbursement

are also utilised by the Government to finance its deficit. **Chart-1.6** depicts the trends in various components of receipts of the State during the period 2014-15 to 2018-19 and the **Chart-1.7** shows the composition of resources of the State during the current year.



*Net Public Account Receipts = Public Accounts Receipts less Public Accounts Disbursements.



The total receipts of the Government (excluding Contingency Fund Receipts) grew by ₹13,863 crore (52 per cent) from ₹26,498 crore in 2014-15 to ₹40,361 crore in 2018-19. Of total receipts, five per cent (₹1,843 crore) came from the net of Public Account Receipts where as 18 per cent (₹7,302 crore) and 77 per cent (₹31,216 crore) share of the total receipts came from Capital Receipts and Revenue Receipts respectively.

The revenue receipts of the State during the current year grew by 15.17 per cent over the previous year. This was mainly due to increase in State's Own Tax Revenue by ₹2,023 crore (19.90 per cent), State's share of Union taxes/duties by ₹926 crore (13.07 per cent) and Non-Tax Revenue by ₹1,540 crore (87.01 per cent). The increase was partially counter balanced by decrease in Grants-in-aid from Government of India by

₹378 crore (4.68 per cent). Contribution of revenue receipts to total receipts of the State increased by 3.82 per cent during the current year while the share of net public account receipts in the total receipts decreased by 1.41 per cent over the previous year (Refer Table-1.2).

1.2.2 Funds transferred to implementing agencies in the State

The Government of India has transferred significant amount of funds directly to the State Implementing Agencies² for implementation of various schemes/programmes in the past years. However, despite the Government of India's decision to release all assistance pertaining to Centrally Sponsored Schemes/Additional Central Assistance to the State Government and not to implementing agencies, the Government of India directly transferred funds amounting to ₹701.50 crore (Funds routed outside State Budget-Unaudited figures) to various State Implementing Agencies during the year 2018-19 as detailed in Table-1.5.

Table-1.5: Significant amount of funds transferred directly to State Implementing Agencies

(₹ in crore)			
Sl. No.	Scheme Name	Agency Name/Agency Type	Funds Transferred
1.	Mahatma Gandhi National Rural Employment Guarantee Yojna CS	Uttarakhand Rajya Rozgar Guarantee Sanstha	434.40
2.	Pradhan Mantri Kisan Samman Nidhi	Department of Agriculture UK	66.56
3.	MPs Local Area Development Scheme MPLADS	District Magistrates of various Districts	30.00
4.	Package for (other than North East) Special Category States for J & K, Himachal Pradesh and Uttarakhand	State Industrial Development Corporation of Uttarakhand Ltd.	24.71
5.	Integrated Development of Tourist Circuits around specific Themes (Swadesh)	Uttarakhand Tourist Development Board	24.58
6.	PRASAD-National Mission on Pilgrimage Rejuvenation and Spirituality Augmentation Drive	Uttarakhand Tourist Development Board	22.21
7.	Rashtriya Gokul Mission	Uttarakhand Livestock Development Board	22.13
8.	Others (99)	Various agencies	76.91
Total			701.50

Source: Finance Account- Appendix VI.

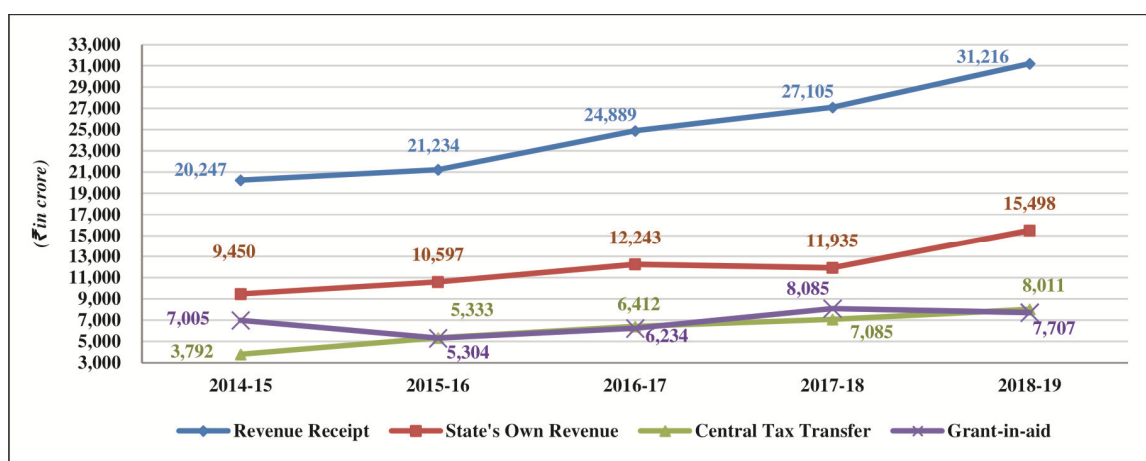
Out of total funds of ₹1,778.24 crore transferred by Government of India to implementing agencies (including Central Bodies and other organisations outside the purview of the State Government) in the State, an amount of ₹701.50 crore (39 per cent) was released to the State Implementing Agencies.

1.3 Revenue Receipts

Statement-14 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of State's own tax and non-tax revenues, central tax transfers and grants-in-aid from the GoI. The trends and composition of revenue receipts during the period 2014-15 to 2018-19 are presented in **Appendix-1.3** and are also depicted in **Chart-1.8**.

² Refer glossary in **Appendix-4.1**.

Chart-1.8: Trends in Revenue Receipts



The revenue receipts have shown a constant increase over the period 2014-15 to 2018-19. These increased from ₹20,247 crore in 2014-15 to ₹31,216 crore in 2018-19 at an average rate of 12.61 per cent per annum out of which State's own revenue, Central tax transfers and Grant-in-Aid increased by ₹6,048 crore (64 per cent), ₹4,219 crore (111.26 per cent) and ₹702 crore (10.02 per cent) respectively during the said period. 49.65 per cent of the revenue receipts during 2018-19 came from the State's own revenue.

State's own revenue constituted on an average around 47.89 per cent of revenue receipts over the period 2014-15 to 2018-19. The growth in revenue receipts relative to GSDP is presented in **Table-1.6**.

Table-1.6: Trends in revenue receipts relative to GSDP

	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Receipts (RR) (₹ in crore)	20,247	21,234	24,889	27,105	31,216
Rate of growth of RR (per cent)	16.89	4.87	17.21	8.90	15.17
Gross State Domestic Product (GSDP) (₹ in crore)	1,61,439	1,77,163	1,95,125	2,22,836	2,45,895
RR/ GSDP (per cent)	12.54	11.99	12.76	12.16	12.69
Buoyancy Ratios³					
Revenue Buoyancy w.r.t. GSDP	2.04	0.50	1.70	0.63	1.47
State's Own Tax Buoyancy w.r.t. GSDP	1.61	1.28	1.60	(-) 0.47	1.92

The growth rate at 16.89 per cent for 2014-15 decreased sharply to 4.87 per cent in 2015-16. However, it again picked up sharply during the year 2016-17 to 17.21 per cent, but again declined to 8.90 per cent in 2017-18. The growth rate appreciated considerably during the current year 2018-19 and was 15.17 per cent.

Revenue buoyancy, which is directly proportionate to growth of Revenue Receipts and GSDP, fluctuated widely during the period 2014-15 to 2018-19 due to fluctuations in the growth rate of Revenue Receipts. It declined to 0.50 in 2015-16 from 2.04 in 2014-15 due to decrease in the growth rate of Revenue Receipts to 4.87 per cent in 2015-16 from 16.89 per cent in 2014-15. The Revenue buoyancy again appreciated to 1.70 during the year 2016-17. It decreased to 0.63 during the year 2017-18. However, it has appreciated again to 1.47 per cent during 2018-19.

³ Refer glossary in **Appendix-4.1**.

1.3.1 State's own resources

As the State's share in Central taxes and grants-in-aid are determined on the basis of recommendations of the Finance Commission, the State's performance in mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The *FFC* projections, the BEs and the MTFPS projections *vis-à-vis* actual in respect of State's own resources during 2018-19 are given in **Table-1.7**.

Table-1.7: States Own resources: Projection *vis-à-vis* actual

(₹ in crore)

States Own resources	FFC projections	Budget Estimates	MTFPS projections	Actual	Percentage variation of actual over		
					FFC projections	Budget Estimates	MTFPS projections
Own Tax Revenue	22,282	14,964	14,764	12,188	-45.30	-18.55	-17.45
Non-Tax Revenue	3,418	3,471	3,747	3,310	-3.16	-4.64	-11.66

As shown in **Table-1.7**, the State's own tax revenues during 2018-19 were less by ₹10,094 crore, ₹2,776 crore and ₹2,576 crore respectively against the *FFC* projections, the BEs and the MTFPS.

The Non-tax revenue (NTR) was less by ₹108 crore, ₹161 crore and ₹437 crore respectively as compared to the *FFC* projections, the BEs and the MTFPS.

In sum, the State could not even achieve its own targets projected in the budget and in the MTFPS.

Goods and Services Tax

State Government implemented the Goods and Services Tax (GST) Act which became effective from 1 July 2017. According to GST (Compensation to the States) Act 2017, Central Government will compensate the States for loss of revenue arising on account of implementation of GST for a period of five years. The compensation payable to the State shall be calculated for every financial year after the receipt of final revenue figures, as audited by the CAG of India. A base year (2015-16) revenue figure was finalised under GST Act. In case of Uttarakhand, the revenue was ₹4,961.22 crore during the base year (2015-16). The projected revenue for any year in a State shall be calculated by applying the projected growth rate (14 per cent per annum) over the base year revenue of that State.

The projected revenue for the year 2018-19 in accordance with the base year figure was ₹7,350.26 crore. Revenue figure under GST for the year 2018-19 has been depicted in Finance Accounts as per nature of receipts *i.e.* State Goods and Services Tax (SGST), cross utilization of Input Tax Credit between SGST and IGST, Apportionment of IGST and Advance apportionment from IGST. Against the projected revenue of ₹7,350.26 crore, the revenue receipt of the State Government under GST during the year 2018-19 was ₹6,902.54 crore as detailed below.

Table-1.8: Pre-GST and SGST collected, provisional apportionment of IGST and compensation of IGST received from Government of India against the projected revenue of the State for the period from April 2018 to March 2019

(₹ in crore)

Month	Monthly revenue to be protected	Pre-GST taxes collected	SGST collected	Provisional apportionment of IGST	Total amount received	Compensation received	Deficit (+)/ Surplus (-)	Remarks
	1	2	3	4	5=(2+3+4)	6	7={1-(5+6)}	8
April 2018	612.522	160.12	351.33	-10.39	501.06	00	111.462	The State has received less revenue after taking into account the compensation component than the protected revenue.
May 2018	612.522	175.68	296.99	-5.51	467.16	149.00	-3.638	
June 2018	612.522	182.86	296.57	17.00	496.43	00	116.092	
July 2018	612.522	168.59	315.29	3.59	487.47	265.00	-139.948	
August 2018	612.522	148.94	290.28	310.10	749.32	00	-136.798	
September 2018	612.522	141.59	285.89	94.51	521.99	497.00	-406.468	
October 2018	612.522	152.94	336.66	5.88	495.48	00	117.042	
November 2018	612.522	156.75	334.83	252.98	744.56	425.00	-557.038	
December 2018	612.522	155.37	286.62	212.74	654.73	00	-42.208	
January 2019	612.522	176.08	290.11	40.97	507.16	338.00	-232.638	
February 2019	612.522	163.19	334.57	-48.01	449.75	00	162.772	
March 2019	612.522	-1,718.79 ⁴	353.57	155.65	-1,209.57	363.00	1,459.092	
Total	7,350.26	63.32	3,772.71	1,029.51	4,865.54	2,037.00	447.724	

Source: Data provided by O/o Accountant General (A&E), Uttarakhand.

Advance apportionment from IGST

The GoI is to apportion IGST to State Governments under sections 17 of the IGST Act, 2017. The State Tax Division, Ministry of Finance, Department of Revenue (GoI) sanctioned advance apportionment of ₹806 crore during the year 2018-19. However, the GoI adjusted ₹44 crore against the advance apportionment of ₹217 crore made during 2017-18. Therefore, the State received ₹762 crore as advance apportionment during 2018-19.

Audit of GST Receipts

With automation of the collection of Goods and Services Tax (GST) having taken place, it is essential for Audit to transition from sample checks to a comprehensive check of all transactions, to fulfill the CAG's Constitutional mandate of certifying the Accounts. The required access to data is yet to be provided. Not having access to the data pertaining to all GST transactions has come in the way of comprehensively auditing the GST receipts. The accounts for the year 2018-19 are, therefore, certified on the basis of test audit, as was done when records were manually maintained, as a one-time exception.

1.3.1.1 Tax revenue

Gross collection in respect of major taxes and duties is given in **Table-1.9**.

Table-1.9: Components of State's own resources

(₹ in crore)

Revenue Head	2014-15	2015-16	2016-17	2017-18	2018-19
Taxes on Sales, Trades etc. & SGST*	5,465 (11)	6,105 (12)	7,154 (17)	5,675 (-21)	6,685 (18)
State Excise	1,487 (17)	1,735 (17)	1,906 (10)	2,262 (19)	2,871 (27)
Taxes on Vehicles	394 (7)	471 (20)	556 (18)	816 (47)	909 (11)
Stamp Duty and Registration Fee	714 (4)	871 (22)	778 (-11)	882 (13)	1,015 (15)
Taxes on Goods and Passengers	--	--	--	--	--
Other Taxes	279 (118)	195 (-30)	503 (158)	530 (5)	708 (34)
Total	8,339 (13)	9,377 (12)	10,897 (16)	10,165 (-7)	12,188 (20)

Figures in the parentheses indicate percentage increase/decrease over previous year.

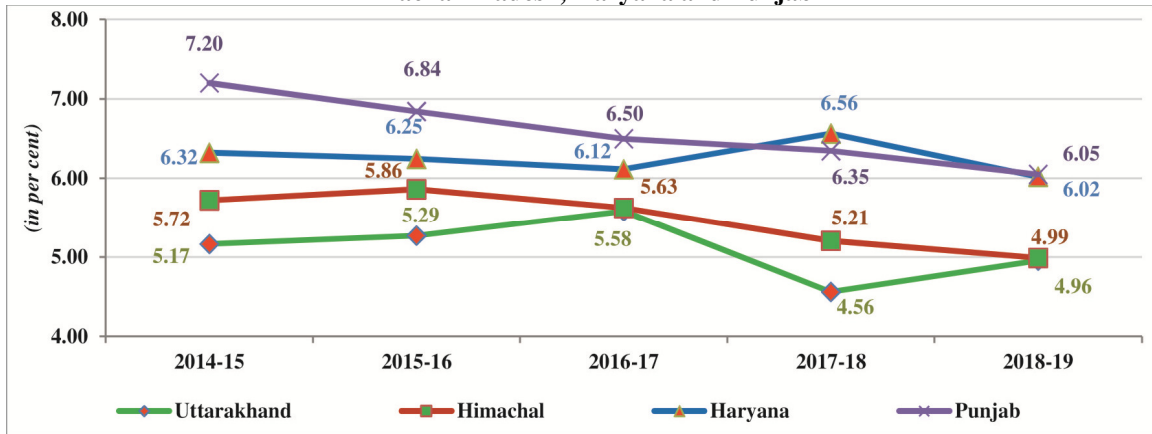
* Figures of SGST have been included only in the years 2017-18 and 2018-19.

The State's own tax revenue increased by 20 per cent from ₹10,165 crore in 2017-18 to ₹12,188 crore in 2018-19. The revenue from taxes on Sales, Trade, etc. which comprised a

⁴ Adverse entry is on account of correction of accounts.

major share of tax revenue (54.85 per cent during the current year) had registered a decrease of 21 per cent during 2017-18 over the previous year. During the current year, the total collections under Taxes on Sales, Trades, etc. increased by 18 per cent from ₹5,675 crore to ₹6,685 crore.

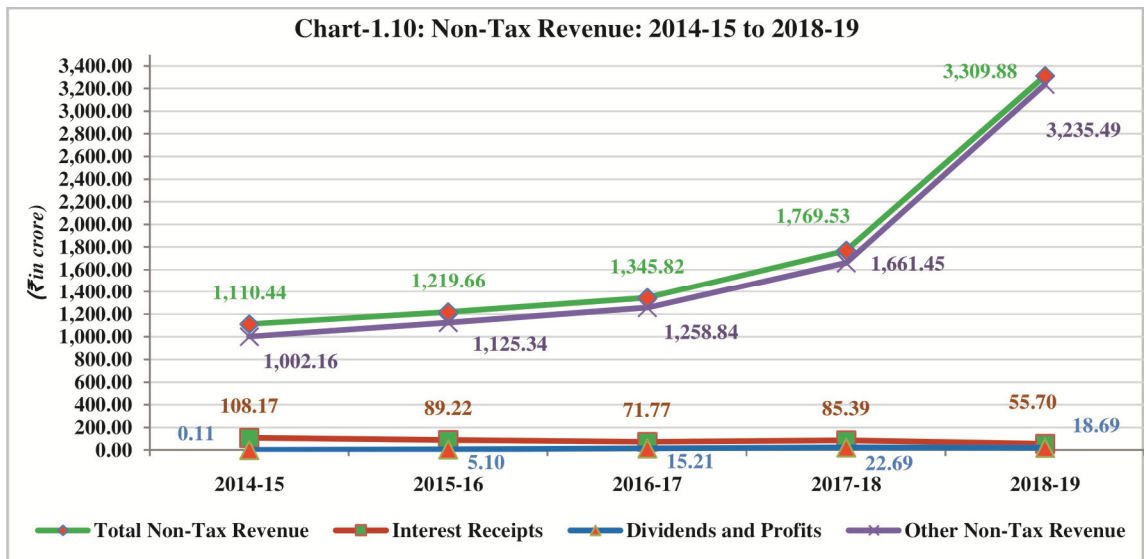
Chart-1.9: Comparison of Own Tax Revenue to GSDP of Uttarakhand with respect to Himachal Pradesh, Haryana and Punjab



The Own Tax Revenue to GSDP ratio of Uttarakhand is lower than the ratio of Himachal Pradesh, a neighbouring Hill State. The ratio also happens to be lower than States of Haryana and Punjab.

1.3.1.2 Non-tax revenue

Trend of non-tax revenue and its components is given in **Chart-1.10**.



During the current year Non-tax revenue increased by ₹1,540 crore (87.05 per cent) mainly due to the pension apportionment amount of ₹1,656.75 crore received from State of Uttar Pradesh during the year 2018-19. The increase during the year was also recorded in the Forestry and Wild Life (₹56.54 crore; 18.11 per cent) and Non Ferrous Mining and Metallurgical Industries (₹41.05 crore; 9.33 per cent). However, the increase was counter balanced to some extent by decrease in Power (₹99.54 crore; 34.78 per cent), Education,

Sports, Art and Culture (₹27.37 crore; 25.14 per cent), Other Administrative Services (₹55.63 crore; 38.75 per cent).

1.3.2 Grants-in-aid from GoI

Grants-in-aid (GIA) received from the GoI during 2014-15 to 2018-19 is depicted in Table-1.10.

Table-1.10: Trends in Grants-in-aid receipt from GoI

Particulars	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Non-Plan grants	944	1,043	824	714	-
Grants for State Plan schemes	4,083	1,173	1,532	1,621	-
Grants for Central Plan schemes	99	609	843	76	-
Grants for Centrally Sponsored Plan schemes	1,879	2,479	3,035	4,391	-
Grants for Centrally Sponsored Scheme	-	-	-	-	4,966
Finance Commission Grants	-	-	-	-	485
Other Transfer/Grants to States	--	--	--	1,283	2,256
Total	7,005	5,304	6,234	8,085	7,707
Percentage of increase/decrease over previous year	38	(-) 24	18	30	(-) 5
Percentage of Revenue Receipts	35	25	25	30	25

The grants-in-aid from GoI at ₹7,005 crore in 2014-15 decreased to ₹5,304 crore (24 per cent) in 2015-16 but it increased by ₹930 crore (18 per cent) during 2016-17 over the previous year. In 2017-18, receipts under Grants-in-aid from GoI increased by ₹1,851 crore (30 per cent) over the previous year. However, the Grants-in-aid decreased by ₹378 crore (five per cent) during the year 2018-19.

1.3.3 Central tax transfers

The FFC had recommended that the States' share of central taxes be increased to 42 per cent from 2015-16 onwards. Consequently, the State's share in the net proceeds of Central Taxes (excluding Service Tax) has been fixed at 1.05 per cent.

Table-1.11: Devolution of different components of State's share of Union Taxes

Component of State's share of Union taxes	FFC award period			Increase/Decrease in 2018-19 over 2017-18	
	2016-17	2017-18	2018-19	Amount	Percentage
	Corporation Tax	2,056.02	2,169.91	2,786.13	616.22
Customs	884.42	715.10	567.89	-147.21	(-) 20.59
Income Tax	1,428.94	1,832.34	2,051.86	219.52	11.98
Other Taxes and Duties on commodities and services	0.02	0	4.14	4.14	--
Service Tax	1,027.52	804.25	73.45	-730.80	(-) 90.87
Wealth Tax	4.71	-0.07	1.02	1.09	1557.14
Union Excise Duties	1,009.94	747.50	377.39	-370.11	(-) 49.51
Other Taxes on income and Expenditure	00	00	14.51	14.51	--
CGST	NA	100.52	1,977.40	1,876.88	1867.17
IGST	NA	715.36	157.80	-557.56	(-) 77.94
Grand total	6,411.57	7,084.91	8,011.59	926.68	13.08
Devolution as percentage of Revenue Receipts of the State	25.76	26.14	25.67		

NA: Not applicable due to implementation of GST Act with effect from 1 July 2017.
Source: Finance Accounts.

As can be seen from the above, the devolution as a percentage of Revenue Receipts which had increased during 2017-18 over the previous year, decreased during the year 2018-19. However, the devolution has increased by 13.08 per cent over the previous year.

1.3.4 Optimisation of Fourteen Finance Commission grants

The FFC submitted its report in December 2014, covering the five year period commencing from April 1, 2015. The GoI allocated grants-in-aid of ₹3,856.52 crore on the recommendations of FFC to the State Government, to be utilised for Local Bodies and

Disaster Relief Fund during 2015-16 to 2019-20. Position of releases by GoI during 2018-19 and onward transfers by the State Government is given in **Table-1.12**.

Table-1.12: Transfers recommended and actual release of Grants-in-aid

(₹ in crore)				
Transfers	Recommendations of the FFC 2015-16 to 2019-20	Recommendations of the FFC 2018-19	Actual Release from GoI during 2018-19	Transfers made by the State during 2018-19
1. Local Bodies				
(A) Grants to PRIs	1,882.69	438.32	376.19	376.19
(i) Basic Grant	1,694.42	376.19	376.19	376.19
(ii) Performance Grant	188.27	62.13	00	00
(B) Grants to ULBs	815.83	198.74	108.68	108.68
(i) Basic Grant	652.66	144.90	108.68	108.68
(ii) Performance Grant	163.17	53.84	00	00
Total (1)	2,698.52	637.06	484.87	484.87
2. Disaster Relief Fund	1,158.00	243.00	243.00*	141.06
Grand Total	3,856.52	880.06	727.87	625.93

Source: FFC Report and Finance Accounts.

(*State share of ₹24 crore was also released along with the central share of ₹219 crore).

The grants recommended by the FFC formed two parts- a Basic grant and performance grant for duly constituted Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs). The State did not receive its full share of Basic Grant from the GoI for ULBs and also did not get share of performance grant for ULBs as well as PRIs during 2018-19. The actual utilization of grants by the PRIs and ULBs was not made available by the State Department.

1.4 Capital Receipts

The Capital Receipts are either non-debt capital receipts such as proceeds from disinvestment of equity in government companies/corporations and recoveries of loans and advances or debt capital receipts. The public debt receipts fall broadly under two categories (a) Loans/Advances from the Union government and (b) Internal Debt consisting of borrowings from banks, financial institutions through negotiated loans or open market borrowings through the issue of the State Development Loans. The share of non-debt capital receipts and loans/advances from the Union government is negligible. Borrowings from banks, financial institutions and the open market comprise most of capital receipts as detailed in **Table-1.13**.

Table-1.13: Trends in growth and composition of receipts

(₹ in crore)						
Sources of State's Receipts	2014-15	2015-16	2016-17	2017-18	2018-19	
Capital Receipts (CR)	4,754	6,825	6,536	7,560	7,302	
Miscellaneous Capital Receipts	135	--	--	--	--	
Recovery of Loans and Advances	46	27	35	34	27	
Public Debt Receipts	Market Loan	2,400	3,900	5,450	6,660	6,300
	Other Internal Resources	2,112	2,801	905	752	870
	GoI	61	97	146	114	105
	Total	4,573 (96.19)	6,798 (99.60)	6,501 (99.46)	7,526 (99.55)	7,275 (99.63)

Figures in parentheses indicate percentage of total.

Capital Receipts comprising debt and non-debt receipts⁵ of the State increased at an average growth rate of 13.46 per cent over the period 2014-15 to 2018-19. The debt receipts had a predominant share in capital receipts and accounted between 96.19 and 99.63 per cent during 2014-15 to 2018-19.

⁵ Refer glossary in **Appendix-4.1**.

1.4.1 Recoveries of loans and advances

Recoveries from loans and advances declined from ₹46 crore in 2014-15 to ₹27 crore in 2015-16. However, the recoveries showed an increase (₹ eight crore) during the year 2016-17 but declined again marginally (₹ one crore) during the year 2017-18. The declining trend continued in 2018-19 also as it declined by ₹ seven crore over the previous year.

1.4.2 Debt receipts from internal sources

Internal Debt receipts comprising Market loans, loans from financial institutions, *etc.* over the period 2014-15 to 2018-19 continued to be a major source of receipts of the State Government. They increased by ₹2,658 crore (58.91 percent) over the period 2014-15 to 2018-19. However, total debt receipt during the year showed a decrease of ₹251 crore (3.34 percent) over the previous year. Trends in market borrowings are detailed in paragraph 1.10.1.

1.4.3 Loans and advances from GoI

The State being a special category state, receives grants-in-aid and loans from GoI in the ratio of 90:10. The State Government's outstanding liability on account of loans from the GoI (₹789.91 crore) is only 1.71 percent of its total Public Debt (₹46,232.62 crore). Receipt of Loans and Advances from GoI increased from ₹61 crore to ₹105 crore over the period 2014-15 to 2018-19. During the current year, it decreased by ₹ nine crore (7.89 percent) over the previous year.

1.5 Public Account Receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.*, which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266 (2) of the Constitution of India and are not subject to vote by the State Legislature. Here the Government acts as a banker/trustee for the public money. The balance after disbursement is the fund available with the Government for use. The trends of receipts and disbursement under various segments of Public Accounts are given in **Table-1.14**.

Table-1.14: Public Account Receipts and Disbursement during 2017-18 and 2018-19

(₹ in crore)

Source of State's Receipts	Public Account Receipts		Disbursement from Public Accounts		Excess of receipts over Disbursements (Net Public Account Receipt)	
	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
Small Savings, Provident fund <i>etc.</i>	1,840.79	2,189.60	1,221.32	1,299.74	619.47	889.86
Reserve Funds	232.34	243.00	127.26	131.46	105.08	111.54
Deposits and Advances	4,727.47	4,502.04	4,008.79	4,513.09	718.68	(-) 11.05
Suspense and Miscellaneous ⁶	31,936.91	35,287.11	31,206.55	35,114.04	730.36	173.07
Remittances	(-) 1,166.25	(-) 432.01	(-) 1,197.62	(-) 1,111.15	31.37	679.14
Total	37,571.26	41,789.74	35,366.30	39,947.18	2,204.96	1,842.56

Decrease in net public account receipts is primarily on account of decrease in net collections under Deposits and Advances which was partly counter balanced by increase in net collections under Remittances and Small Savings, Provident Fund *etc.*

⁶ Does not include departmental balances, balances under Permanent cash imprest and cash balance investment account.

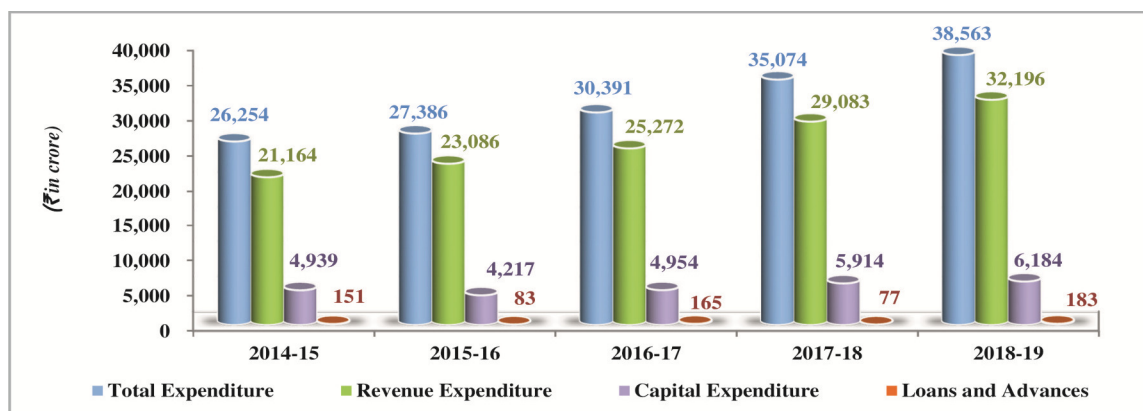
1.6 Application of Resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development of capital infrastructure and social sector. Following is an analysis of allocation of expenditure in the State.

1.6.1 Growth and composition of expenditure

Chart-1.11 presents the trends in total expenditure over a period of five years (2014-15 to 2018-19) and its composition in terms of 'expenditure by nature' as depicted in **Chart-1.11**.

Chart-1.11: Composition of expenditure during last five years

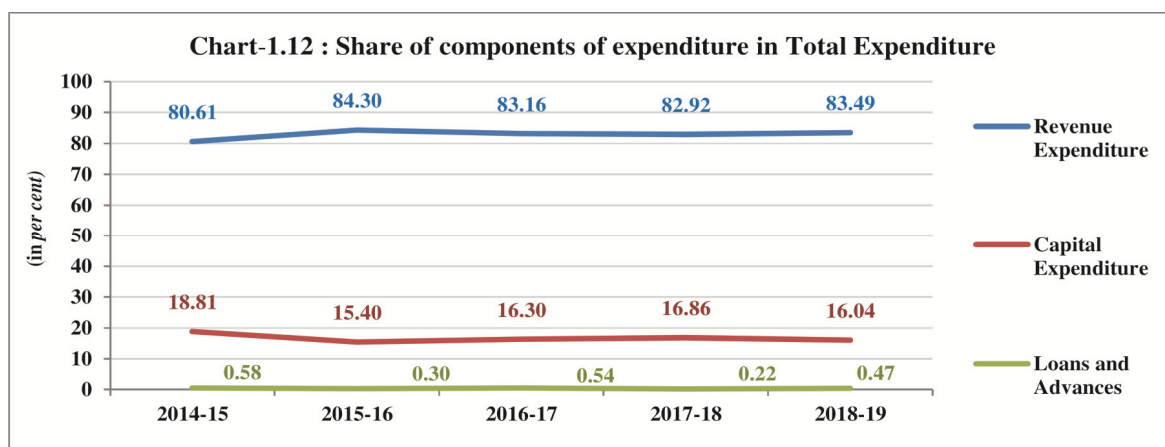


Total Expenditure (TE) of the State increased at an average rate of 14.11 per cent per annum during 2014-15 to 2018-19. There was an increase of ₹ 3,489 crore (9.95 per cent) in Total Expenditure during 2018-19 over the previous year. This was largely due to increase in Revenue Expenditure (RE) by ₹ 3,113 crore, Capital Expenditure (CE) by ₹ 270 crore and increase in the disbursement of Loans and Advances by ₹ 106 crore.

Revenue Expenditure (RE): RE in 2018-19 was higher than that of the previous year by ₹ 3,113 crore and accounted for 83.49 per cent of TE (₹ 38,563 crore) which was higher than the corresponding figure of 82.92 per cent in 2017-18. The increase in RE during the current year as compared to the previous year was due to increase in expenditure towards (i) Social Services (₹ 1,280 crore) mainly on account of increase in education sector (₹ 829 crore) and health sector (₹ 353 crore) (ii) General Services (₹ 1,116 crore) which included increase in interest payments and pension amounting to ₹ 488 crore and ₹ 363 crore respectively and (iii) Economic Services (₹ 726 crore) which was marginally counter balanced by decrease in Grants-in-aid and Contribution (₹ nine crore).

Capital Expenditure (CE): Total CE decreased from ₹ 4,939 crore in 2014-15 to ₹ 4,217 crore in 2015-16, but again increased to ₹ 4,954 crore in 2016-17, and ₹ 5,914 crore in 2017-18 respectively. The CE during the current year also showed an increasing trend and increased by ₹ 270 crore (4.57 per cent). However, as per cent of TE, CE declined

from 18.81 per cent in 2014-15 to 16.04 per cent in 2018-19. The Capital Expenditure incurred by the State during the year 2018-19 exceeded the MTFPS targets by ₹ 848 crore but was less by ₹ 400 crore against budget projections.



The relative share of these components of expenditure in total expenditure had shown a fluctuating trend during the period 2014-15 to 2018-19. The revenue expenditure over the period 2014-15 to 2018-19 had an average share of 82.90 per cent, while the share of capital expenditure declined from 18.81 per cent in 2014-15 to 16.04 per cent in 2018-19. The share of loans and advances in the total expenditure also declined marginally from 0.58 per cent in 2014-15 to 0.47 per cent in 2018-19.

1.6.2 Committed expenditure

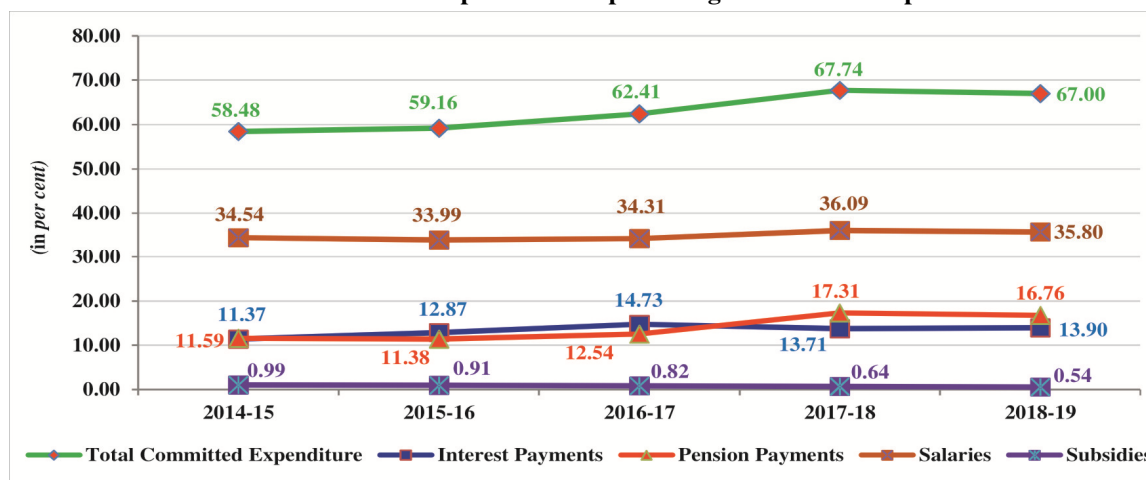
The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table-1.15** and **Chart-1.13** present the trends in the expenditure on these components during 2014-15 to 2018-19.

Table-1.15: Components of Committed Expenditure

Components of Committed Expenditure	2014-15	2015-16	2016-17	2017-18	2018-19		
					BE	Actual	Percentage of variation of Actual over BE
Salaries & Wages	7,309 (36.10)	7,848 (36.96)	8,670 (34.83)	10,496 (38.72)	13,765	11,525 (36.92)	-16.27
Interest Payments	2,406 (11.88)	2,971 (13.99)	3,723 (14.96)	3,987 (14.71)	4,906	4,475 (14.34)	-8.79
Expenditure on Pension	2,452 (12.11)	2,628 (12.38)	3,170 (12.74)	5,033 (18.57)	5,353	5,396 (17.29)	0.80
Subsidies	209 (1.03)	211 (0.99)	208 (0.84)	186 (0.69)	269	174 (0.56)	-35.32
Total Committed Expenditure	12,376 (61.13)	13,658 (64.32)	15,771 (63.37)	19,702 (72.69)	24,293	21,570 (69.10)	-11.21
Other Components	8,788 (43.40)	9,428 (44.40)	9,501 (38.17)	9,381 (34.61)	11,334	10,626 (34.04)	-6.25
Total Revenue Expenditure	21,164	23,086	25,272	29,083	35,627	32,196	-9.63
Revenue Receipts	20,247	21,234	24,889	27,105	35,660	31,216	-12.46

Figures in the parentheses indicate percentage to revenue receipts.

Chart-1.13: Committed Expenditure as percentage of Revenue Expenditure



The committed expenditure, which was 61.13 per cent of revenue receipts in 2014-15, increased by 7.97 percentage points during the period 2014-15 to 2018-19 and was 69.10 per cent of revenue receipts during the current year.

It increased by ₹9,194 crore over the period 2014-15 to 2018-19. High levels of committed expenditure leave little scope for the Government to spend on developmental activities.

Salaries and Wages

During the current year, expenditure on salaries (₹11,525 crore) accounted for 35.80 per cent of RE (₹32,196 crore). Expenditure on salaries over the period 2014-15 to 2018-19 grew at an average of 12.47 per cent. The actual expenditure on salaries during 2018-19 was well below the target fixed by the State Government in its Budget (₹13,765 crore). However, over estimation made in the BE (16 per cent) for the year 2018-19 was not fully corrected by the Government in the Fiscal Correction Path and the projections made in the MTFPS (₹12,752 crore) which were also overestimated (10 per cent) vis-à-vis actuals for the year 2018-19.

Pension Payments

Expenditure on pension payments was ₹5,396 crore in 2018-19, which constituted 17.29 per cent of the revenue receipts. During the current year, it increased by 7.21 per cent over the previous year 2017-18 and exceeded the normative assessment of ₹3,550 crore made by the FFC for the current year by 52 per cent (Annexure 7.5 of FFC Report).

National Pension Scheme

The State Government also introduced a Contributory Pension Scheme for the employees recruited on or after 1 October 2005 to mitigate the impact of rising pension liabilities in future.

As of 31 March 2019, as against the total employees' contribution of ₹382.74 crore under New Pension Scheme (NPS), the State Government contributed only ₹371.92 crore. Thus, the State Government did not discharge its statutory liability as it failed to contribute ₹10.82 crore as Government's matching share under NPS. Further, out of the total

collection of ₹905.50 crore under NPS up to 31 March 2019, the State Government has transferred only ₹746.12 crore to National Securities Depository Limited (NSDL) for further investment as per provision of NPS; thereby, leaving a balance of ₹159.38 crore. Thus, there was a short transfer of ₹170.20 crore (short contribution of ₹10.82 crore plus ₹159.38 crore not transferred) to the NSDL and current liability stands deferred to future year(s). Further, the State Government has also created an interest liability on the amount not transferred to NSDL; incorrectly used the funds that belong to its employees and created uncertainty in respect of benefits due to the employees affected/avoidable financial liability to Government in future, and, thus leading to possible failure of the scheme itself.

Interest Payments

As shown in **Table-1.15**, interest payments increased by 85.99 *per cent* during 2014-15 to 2018-19 primarily on account of past borrowings. Interest payments during 2018-19 included interest on Internal Debt⁷ (₹3,767 crore), Small Savings, Provident Fund, *etc.* (₹578 crore), other obligations (₹67 crore) and loans and advances from Government of India (₹63 crore). Interest payments (₹4,475 crore) during the current year were 14.34 *per cent* of revenue receipts against 11.66 *per cent* recommended by *FFC*. However, these were lower by ₹431 crore and ₹430 crore respectively than the target of ₹4,906 crore and ₹4,905 crore set forth by the State Government in its Budget and MTFPS respectively.

Subsidies

Subsidies are dispensed not only explicitly but also implicitly by providing subsidised public service to the people. Budgetary support to financial institutions, inadequate returns on investments, and poor recovery of user charges from Social and Economic Services provided by the Government are examples of implicit subsidies.

Explicit subsidy of the Government was ₹208.71 crore (2014-15), ₹211.38 crore (2015-16), ₹207.99 crore (2016-17), ₹185.93 crore (2017-18) and ₹173.51 crore (2018-19) as per Appendix-II of Finance Accounts, Volume-II. Share of subsidy in total revenue receipts went down from 1.03 *per cent* in 2014-15 to 0.56 *per cent* in 2018-19.

Amount of subsidy given during the year 2018-19 showed a decrease of ₹12 crore (6.45 *per cent*) as compared to the previous year. Major recipient of subsidy amount over the period 2015-16 to 2018-19 was Food Storage and Warehousing.

1.6.3 Financial Assistance by State Government to local bodies and other institutions

The quantum of assistance provided by way of grants to local bodies and other institutions during the period 2014-15 to 2018-19 is presented in **Table-1.16**.

⁷ Refer glossary in **Appendix-4.1**.

Table-1.16: Financial Assistance to Local Bodies etc.

(₹ in crore)

Sl. No.	Financial Assistance to Institutions	2014-15	2015-16	2016-17	2017-18	2018-19	
						BE	Actual
1.	Educational Institutions (Aided Schools & Colleges, Universities)	714.27	615.73	650.63	464.93	609.01	544.70
2.	Municipal Corporations and Municipalities	380.17	334.11	397.77	753.33	1,016.91	717.07
3.	Zila Parishads and Other Panchayati Raj Institutions	301.10	432.46	508.40	715.21	831.72	742.25
4.	Development Agencies	891.07	828.94	953.33	546.93	674.83	555.82
5.	Hospitals and Other Charitable Institutions	335.89	338.94	319.17	252.98	584.17	436.19
6.	Energy (Non-conventional source of energy)	5.11	18.63	18.12	11.78	13.69	11.69
7.	Agriculture Research and Educational Institution, Land Reforms for updating land records and Wild life Preservation	245.18	270.21	337.78	476.94	676.96	593.57
8.	Co-operatives	4.64	4.12	5.07	3.73	3.49	2.67
9.	Animal Husbandry, Dairy Development and Fisheries	28.58	27.09	32.00	38.77	51.04	41.80
10.	Secretariat Economic Services & Tourism	68.80	1.52	30.69	46.92	66.51	51.12
11.	Social Security & Welfare of Scheduled Castes, Scheduled Tribes & Other Backward Classes	412.94	514.86	446.96	232.65	314.31	216.54
12.	Other Institutions	127.67	209.16	150.30	119.64	701.30	552.36
Total		3,515.42	3,595.77	3,850.22	3,663.81	5,543.94	4,465.78
Assistance as per percentage of RE		16.61	15.58	15.23	12.60	15.56	13.87

Source: V.L.C. data of Accountant General (A&E), Uttarakhand.

The total assistance to local bodies and other institutions increased by ₹950.36 crore (27.03 per cent) from ₹3,515.42 crore in 2014-15 to ₹4,465.78 crore in 2018-19. The assistance during the current year also increased by ₹801.97 crore over the previous year. Municipal Corporations and Municipalities and Zila Parishads and other Panchayati Raj Institutions together accounted for 32.68 per cent of the total financial assistance during the current year.

There was increase in financial assistance under Other Institutions (₹432.72 crore), Hospitals and Other Charitable Institutions (₹183.21 crore), Agriculture Research and Educational Institution, Land Reforms for updating land records and Wild life Preservation (₹116.63 crore), Educational Institutions (Aided Schools, Aided Colleges, Universities, etc) (₹79.77 crore) and Zila Parishads & Other Panchayati Raj Institutions (₹27.04 crore). However, there was decline in the grants released to Municipal Corporations and Municipalities (₹36.26 crore) and Social Security & Welfare of Scheduled Castes, Scheduled Tribes & Other Backward Classes (₹16.11 crore).

1.7 Quality of Expenditure

Availability of good social and physical infrastructure in the State generally reflects the quality of its expenditure. Improvement in the quality of expenditure basically involves three aspects, viz., adequacy of the expenditure (i.e. adequate provisions for providing public services), efficiency of expenditure, and its effectiveness (assessment of outlay-outcome relationships for select services).

1.7.1 Adequacy of Public expenditure

Enhancing human development levels requires States to step up their expenditure on key social services like education, health, etc.

Table-1.17 and **Chart-1.14** analyses the fiscal priorities⁸ of the State Government with regard to Development Expenditure (DE), Social Sector Expenditure (SSE) and Capital

⁸ Ratio of expenditure in that category to Aggregate Expenditure (AE).

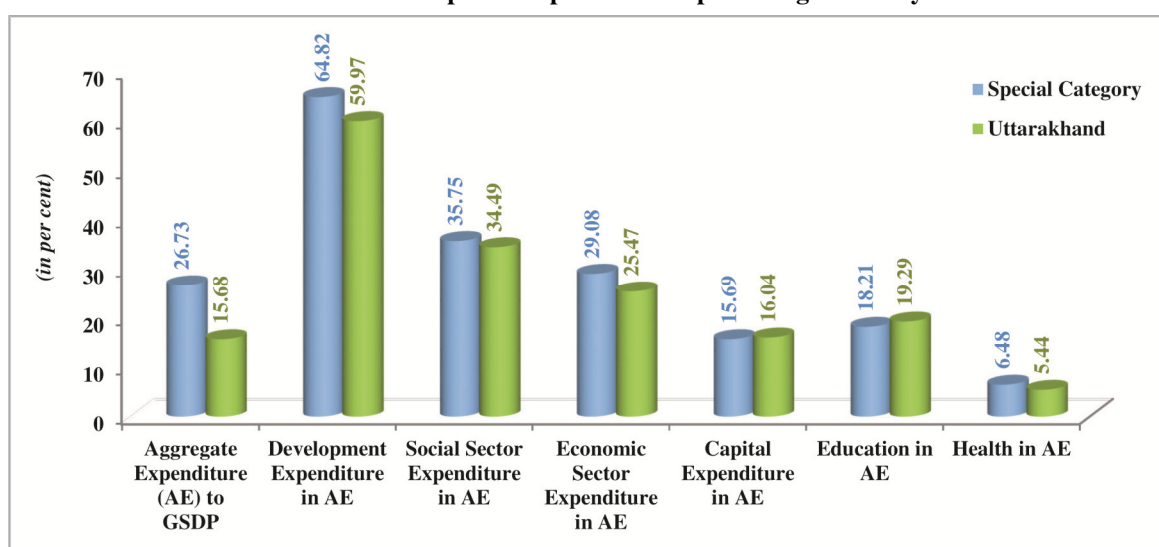
Expenditure (CE), Expenditure on Education and on Health as compared to Special Category States' (SCSs) average in the years 2014-15, 2017-18 and 2018-19.

Table-1.17: Fiscal Priority of the State during the years 2014-15, 2017-18 and 2018-19

Fiscal Priority by the State	(in per cent)						
	AE/ GSDP	DE#/ AE	SSE/ AE	ESE/ AE	CE/ AE	Education/ AE	Health/ AE
Special Category States' Average (Ratio) 2014-15	26.00	66.76	36.27	30.49	14.46	18.52	5.60
Uttarakhand Average (Ratio) 2014-15	16.26	68.39	39.82	28.57	18.81	19.60	5.73
Special Category States' Average (Ratio) 2017-18	25.86	64.17	34.99	29.18	15.73	18.04	6.22
Uttarakhand Average (Ratio) 2017-18	15.74	58.14	34.26	23.88	16.86	19.01	4.62
Special Category States' Average (Ratio) 2018-19	26.73	64.82	35.75	29.08	15.69	18.21	6.48
Uttarakhand Average (Ratio) 2018-19	15.68	59.97	34.49	25.47	16.04	19.29	5.44

AE: Aggregate Expenditure DE: Development Expenditure SSE: Social Sector Expenditure ESE: Economic Sector Expenditure
Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.
Source: Finance Accounts of relevant Years and Economic Advisor, Office of the Comptroller and Auditor General of India.

Chart-1.14: Prioritisation in public expenditure in percentage for the year 2018-19



A comparative study of Average Expenditure of Uttarakhand State in 2017-18 and 2018-19 with that of 2014-15 indicates the following:

- The State Government's Aggregate Expenditure as a proportion of the GSDP in 2017-18 and 2018-19 was lower by 0.52 and 0.58 percentage points respectively as compared to 2014-15.
- Development Expenditure (DE) as a proportion of Aggregate Expenditure (AE) in 2017-18 and 2018-19 was less by 10.25 and 8.42 percentage points respectively as compared to 2014-15.
- Social Sector Expenditure as a proportion of AE in 2017-18 and 2018-19 was less by 5.56 and 5.33 percentage points respectively as compared to 2014-15.
- Economic Sector Expenditure as proportion of AE was lesser by 4.69 percentage points and 3.10 percentage points in 2017-18 and 2018-19 respectively as compared to 2014-15.
- The proportion of Capital Expenditure (CE) in AE decreased by 1.95 and 2.77 percentage points in 2017-18 and 2018-19 respectively as compared to 2014-15.

Further comparative study of SCS's Average and Uttarakhand's Average in 2017-18 and 2018-19 with that of 2014-15 revealed the following:

- Aggregate Expenditure (AE) as a proportion of GSDP in the State remained lower than the SCS's average during all the three years.
- Development Expenditure as a proportion of Aggregate Expenditure in the State was higher than that of the SCS's average during 2014-15. However, it was lower during 2017-18 & 2018-19.
- Social Sector Expenditure as a proportion of Aggregate Expenditure in the State was higher during 2014-15 as compared to SCS's average. However, it was lower during 2017-18 and 2018-19.
- The Economic Sector Expenditure as a proportion of Aggregate Expenditure in the State was lower than that of SCS's during all the three years.
- Priority has been given by the State Government to Capital Expenditure in 2014-15, 2017-18 and 2018-19 as the ratio of Capital Expenditure to Aggregate Expenditure has been higher than that of the SCS's average.
- In Education Sector, expenditure as a proportion of Aggregate Expenditure in the State was higher than the SCS's average during all the three years.
- Expenditure under Health Sector as a proportion to Aggregate Expenditure was little higher during 2014-15 than that of the average of SCS's but was below during the years 2017-18 and 2018-19.

1.7.2 Efficiency of expenditure

In view of the importance of public expenditure on development heads for bringing about social and economic development, it is important for the State Government to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods⁹. Apart from increasing the allocation of funds towards development expenditure¹⁰, the efficiency of expenditure is also reflected by the ratio of Capital Expenditure to Total Expenditure (and/or GSDP) and proportion of Revenue Expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table-1.18** presents the trends in development expenditure relative to the Aggregate Expenditure of the State both during the current year and the previous year, **Table-1.19** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of selected social and economic services.

The share of Developmental Revenue Expenditure (DRE) in the Total Expenditure (TE) remained on an average of 47 *per cent* during the period 2014-15 to 2018-19. The DRE increased by 13.20 *per cent* over the previous year and its share in the TE also increased by two *per cent* during the current year. The Development Capital Expenditure (DCE) decreased by ₹619 crore (13.10 *per cent*) during the year 2015-16 as compared to

⁹ Refer the glossary in **Appendix-4.1**

¹⁰ Refer the glossary in **Appendix-4.1**

2014-15 (₹4,725 crore). It increased by ₹776 crore (18.90 per cent) during 2016-17, by ₹228 crore (4.67 per cent) during 2017-18 and continued its trend (₹620 crore, 12.13 per cent) in the year 2018-19 also. However, the share of DCE in TE remained unchanged during 2018-19 as compared to the year 2017-18. The overall Development Expenditure increased almost by 28.79 per cent over the period 2014-15 to 2018-19 and its share in TE declined from 68 per cent in 2014-15 to 60 per cent in 2018-19.

Table-1.18: Development Expenditure

Components of Development Expenditure	2014-15	2015-16	2016-17	2017-18	2018-19	
					BE	Actuals
Development Expenditure	17,955.68	18,098 (66)	19,477 (64)	20,391 (58)	25,504 (60)	23,125 (60)
(a) Development Revenue Expenditure	13,081 (49)	13,910 (50)	14,431 (47)	15,205 (43)	19,482 (46)	17,212 (45)
(b) Development Capital Expenditure	4,725 (18)	4,106 (15)	4,882 (16)	5,110 (15)	5,831 (14)	5,730 (15)
(c) Development Loans and Advances	149 (01)	82 (01)	164 (01)	76 (-)	191 (-)	183 (-)

Figures in parentheses indicate percentage to aggregate expenditure.

Table-1.19: Efficiency of Expenditure Use in Selected Social and Economic Services

Social/Economic Infrastructure	2017-18			2018-19		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S & W	O & M		S & W	O & M
Social Services (SS) expenditure on major components						
General Education	2.81	79.32	0.03	1.49	79.07	0.03
Health and Family Welfare	3.95	63.03	0.32	8.94	57.00	0.29
Water Supply, Sanitation, & Housing and Urban Development	54.96	2.44	0.26	54.36	1.69	0.49
Total SS	10.62	70.65	0.10	9.34	69.96	0.11
Economic Services(ES) expenditure on major components						
Agriculture & Allied Activities	27.18	39.34	1.29	28.65	35.16	1.79
Irrigation and Flood Control	43.60	78.52	8.85	45.48	74.97	9.70
Power & Energy	87.80	0.66	0.00	94.20	0.76	0.00
Transport	86.60	11.32	3.93	81.49	9.64	4.22
Total ES	49.42	42.53	2.62	47.44	37.84	3.06
Total (SS+ES)	24.95	63.64	0.73	23.41	61.82	0.86

TE: Total Expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages; O&M: Operations & Maintenance.

The State Government in its Budget 2018-19 had committed a Capital Expenditure of ₹6,583.79 crore for the year 2018-19. However, the Government could capitalise ₹6,184.42 crore only which was ₹399.37 crore (6.07 per cent) less than the BE. The Capital Expenditure increased by ₹270.05 crore during the current year over the previous year.

During 2018-19, salaries and wages, as a percentage of revenue expenditure both in Social and Economic Services decreased by 0.69 percentage points and 4.69 percentage points respectively as compared to 2017-18. The expenditure under Operation & Maintenance as a percentage of revenue expenditure has almost remained the same in Social Services. In Economic Services it has increased marginally during the current year over the previous year.

1.8 Analysis of Government Expenditure and Investments

In the post-FRBM framework, the State is expected to not only keep its fiscal deficit (and borrowing) at low levels, but also meet its requirements under capital expenditure and investments including loans and advances. In addition, the State Government needs to initiate measures to earn adequate return on its investments and recover the cost of borrowed funds rather than bearing the same on its budget in the form of implicit

subsidies, and take requisite steps to infuse transparency in its financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year *vis-à-vis* previous years.

1.8.1 Incomplete projects

Information pertaining to incomplete projects as on 31 March 2019 is given in **Table-1.20**.

Table-1.20: Profile of Incomplete Projects

(₹ in crore)

Department	No. of Incomplete Projects	Initial Budgeted cost	*Revised Total cost of Projects	Cost Over Runs in Revised Estimates	Cumulative actual expenditure as on 31.3.2019
Public Works Department	202	716.66	725.12	8.46	480.30

* Indicates the Revised total cost of the projects as per the last revision by the State Government as on 31.03.2019.

Source: Finance Accounts.

Delays in completion of projects not only adversely affected the quality of the expenditure but also deprived the State of intended benefits and economic growth.

1.8.2 Investment and returns

As on 31 March 2019, the average return on Uttarakhand Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (**Table-1.21**) was negligible and ranged from 0.004 to 0.71 per cent of the investment (at historical cost) in the last five years while the Government paid an average interest rate of 8.25 per cent on its borrowings during 2014-15 to 2018-19.

Table-1.21: Returns on Investment

Investment/Return/Cost of Borrowings	2014-15	2015-16	2016-17	2017-18	2018-19
Investment at the end of the year (₹ in crore)	2,809	2,914	3,124	3,209	3,402
Return (Dividend/ interest) (₹ in crore)	0.11	5.10	15.21	22.69	18.69
Return (per cent)	0.004	0.18	0.49	0.71	0.55
Average rate of interest on Government borrowing (per cent)	7.73	8.19	8.90	8.27	8.15
Difference between interest rate and return (per cent)	7.73	8.01	8.41	7.56	7.60
Notional loss due to difference between interest rate of Government borrowings and return on investments (₹ in crore)	217.14	233.41	262.73	242.60	258.55

Source: Finance Accounts.

The State does not have a policy for payment of dividend to Government by State PSUs. Over the past five years the State Government has incurred a notional loss of ₹1,214.43 crore on return on investment on account of difference between the Government's borrowing cost and the return on investment on working PSUs.

During Exit Conference, the State Government agreed to frame a policy for the payment of dividend to the State Government by profit earning PSUs.

The major investments were in (i) Uttarakhand Power Corporation Ltd. (₹ 1,321.03 crore), (ii) Uttarakhand Jal Vidyut Nigam Ltd. (₹ 1,178.86 crore) and Power Transmission Corporation of Uttarakhand Ltd. (₹ 473.88 crore). The Uttarakhand Power Corporation Ltd. had incurred accumulated losses of ₹3,121.95 crore as per their latest finalised accounts for the year 2018-19, while Uttarakhand Jal Vidyut Nigam Ltd. and Power Transmission Corporation of Uttarakhand Ltd. have an accumulated profit of ₹ 939.86 crore and ₹ 202.34 crore respectively as per their latest finalised accounts for the year 2018-19.

In the State of Uttarakhand there are a total of 30 PSUs, out of which 22 PSUs are working and eight are non-working. Amongst the working 22 PSUs¹¹, nine PSUs were loss making entities and had an accumulated loss of ₹4,400.07 crore as per their latest finalised account. The Government of Uttarakhand has not given any loans or made any investment in the non-working PSUs during the current year. Further, during 2018-19, the State Government invested ₹15 crore as Equity Share Capital in Uttarakhand Power Corporation Limited and during 2018-19 disbursed grant of ₹123.76 crore to two state PSUs namely Doiwala Sugar Company and Kichha Sugar Company Limited. All the three PSUs were having accumulated loss as on 31 March 2019.

It was also observed that the State Government invested ₹0.50 crore¹² as equity share capital and provided grant/subsidy of ₹125.81 crore¹³ to four PSUs whose accounts were in arrears.

1.8.3 Departmentally Managed Commercial Undertakings

Activities of quasi-commercial nature are also performed by the departmentally managed undertakings of certain government departments. There are three departmentally managed commercial undertakings in the State. Out of this, only one company, *i.e.* Irrigation Workshop, Roorkee had finalized its accounts up to 2011-12. The department-wise position of investments made by the Government up to the year for which proforma accounts are finalised, net profit/loss as well as return on capital invested in these undertakings are given in **Appendix-1.5**. It was observed from the finalised accounts of three companies that:

- An amount of ₹1.92 crore had been invested by the State Government in ‘Government Irrigation Workshop’, Roorkee, up to 2011-12.
- Out of a total of three undertakings *viz*; Irrigation Workshop, Roorkee; Regional Food Controllers, Haldwani and Dehradun, only Irrigation Workshop, Roorkee had finalised its accounts up to 2011-12. It was a profit earning entity up to 2007-08 but has been posting net losses thereafter.

1.8.4 Loans and advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the Government has also been providing loans and advances to many of these institutions/organisations. **Table-1.22** presents the outstanding loans and advances as on 31 March 2019, and interest receipts *vis-à-vis* interest payments during the last three years.

¹¹ Out of 22 working PSUs, eight were profit making and remaining five PSUs had not finalised their accounts for last five years.

¹² Uttarakhand Alpsankhyak Kalyan Evam Wakf Vikas Nigam.

¹³ Includes ₹123.76 crore to two State PSUs namely Doiwala Sugar Company and Kichha Sugar Company Limited which were having accumulated loss as on 31 March 2019; Uttarakhand Alpsankhyak Kalyan Evam Wakf Vikas Nigam-₹ 1.80 crore and Uttarakhand Bahuudeshiya Vitt Evam Vikas Nigam-₹ 0.25 crore.

Table-1.22: Average interest received on loans and advanced by the State Government

Amount of Loans/Interest Receipts/ Cost of Borrowings	2016-17	2017-18	2018-19	
			BE	Actual
Opening Balance of loans and advances given by the State	1,596.45 [#]	1,726.65	--	1,769.97
Amount advanced during the year	165.05	76.83	191.98	183.48
Amount repaid during the year	34.85	33.51	32.74	26.91
Closing Balance	1,726.65	1,769.97	--	1,926.54
Net addition	130.20	43.33	--	156.57
Interest Receipts	0.17	0.08	--	1.13
Interest receipts as <i>per cent</i> to outstanding Loans and advances	0.01	0.005	--	0.06
Outstanding balance for which terms and conditions have been settled	Information not made available			
<i>Source: Finance Accounts and Annual Financial Statement (Government of Uttarakhand).</i>				
<i># Differs with the closing balance of previous year due to apportionment of unallocated balances between Uttar Pradesh and Uttarakhand.</i>				

During 2018-19, the Government advanced loans of ₹183.48 crore against ₹76.83 crore in 2017-18, an increase of ₹106.65 crore (138.81 *per cent*) over the previous year. The increase was mainly on account of loans advanced to Agriculture Sector (₹107.84 crore) and Power (₹7.89 crore) which was partly counter balanced by less disbursement of loans to Urban Development (₹5.80 crore) and Transport (₹2.97 crore). Recoveries of loans and advances also showed a decrease of ₹6.60 crore over the previous year.

Interest receipts, as a percentage of outstanding loans and advances showed some appreciation during the current year as compared to previous year. Interest payment as *per cent* to the outstanding Fiscal Liabilities of the State was 7.71 *per cent* during 2018-19, which was marginally higher than the previous year, while the interest received (return) on loans and advances given to various institutions, Corporations/Government Companies and Government servants, *etc.* by the State was only 0.06 *per cent* as against the target of seven *per cent* which was to be achieved by 2009-10, as fixed by the Twelfth Finance Commission.

Total loans advanced by the Government as on 31 March 2019 stood at ₹1,926.54 crore. The major beneficiaries were Agriculture and Allied Activities (₹1,011.24 crore), Energy (₹211.59 crore) and Transport (₹153.80 crore) sectors.

Scrutiny of the total outstanding loans revealed that there was no repayment by three sectors namely General Services (other Loans), Special Area Programme and Transport sector as detailed in **Table-1.23** over last five years (up to March 2019) and in one sector (Agriculture and Allied Activities), additional loans had been extended despite marginal repayments. In another sector, Water Supply, Sanitation, Housing and Urban Development small recovery was recorded. The overall outstanding balance has increased over the years.

Table-1.23: Loan and Advances rolling for a long time

Sl. No.	Name of the Sector	2014-15	2015-16	2016-17	2017-18	2018-19
1.	General Services (Other Loans)	19.47	19.47	19.47	19.47	19.47
2.	Water Supply, Sanitation, Housing and Urban Development	42.09	42.09	47.89	47.89	42.09
3.	Agriculture and Allied Activities	795.99	797.92	895.31	899.79	1,011.24
4.	Special Area Programme	9.53	9.53	503.68 [#]	503.16	503.16
5.	Transport	135.11	136.11	140.29	148.53	153.80
Total		1,002.19	1,005.12	1,606.64	1,618.84	1,729.76

Increased by ₹494.15 crore due to apportionment of unallocated balances between Uttar Pradesh and Uttarakhand.

During the period 2014-15 to 2018-19 an amount of ₹659.48 crore was advanced to different sectors by the Government. Amounts repaid amounted to ₹168.05 crore over the same period. Recovery in each year declined from four *per cent* of the amount outstanding

at the beginning of the year and amount advanced during the year in 2014-15 to less than two percent in 2018-19. During the current year amount repaid was ₹26.91 crore which stood at 1.40 percent of the outstanding loans (₹1,926.54 crore) as on 31 March 2019.

Since recovery of the loans has been poor, State Government may consider treating these loans and advances as grants and booking them as revenue expenditure for ensuring that accounts reflect the correct position.

1.8.5 Cash balances and investment of cash balances

Table-1.24 depicts the cash balances and investments made by the State Government out of its cash balances during the year.

Table-1.24: Cash Balances and Investments out of Cash balance

(₹in crore)

Particulars	As on 1 st April 2018	As on 31 st March 2019
(a) General Cash Balance		
Cash in Treasuries and local Remittances	00	00
Deposits with Reserve Bank	1,171.00	1,158.50
Deposits with other Banks(B)	00	00
Total	1,171.00	1,158.50
Investments held in Cash Balance investment account	385.49	247.48
Total (a)	1,556.49	1,405.98
(b) Other Cash Balances and Investments		
Cash with departmental offices viz. Public Works Department Officers, Forest Department Officers, District Collectors	(-) 10.70	(-) 10.71
Permanent advances for contingent expenditure with departmental officers	(-) 0.81	(-) 0.81
Investments of earmarked funds	1,188.62	1,188.62
Total (b)	1,177.11	1,177.10
Grand Total (a) + (b)	2,733.60	2,583.08

Source: Finance Accounts.

The closing Cash Balance (CB) at the end of the current year (₹2,583.08 crore) decreased by ₹150.52 crore over the previous year (₹2,733.60 crore).

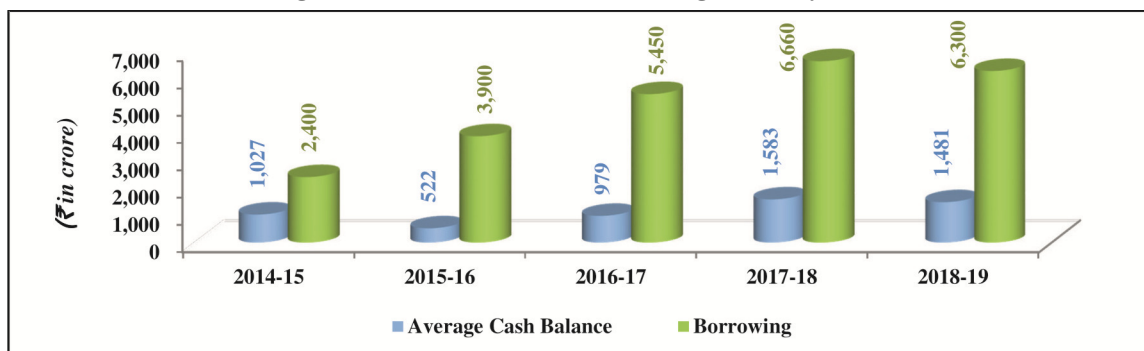
The State Government had created earmarked funds of ₹1,188.62 crore from the CB. The said amount of earmarked funds consisting of Sinking Fund Investment Account (₹1,153.62 crore) and Guarantee Redemption Fund Investment Account (₹35 crore) was invested through RBI. The Government had to resort to overdraft facility on 18 occasions during the year. The Government was able to maintain a minimum cash balance of ₹0.16 crore for maximum number of days (198 days) during 2018-19. The Government had also to maintain the minimum balance by taking ordinary advances on 142 occasions during the year. Temporary imbalances in cash flow forced the Government to obtain special Ways and Means Advances (WMA) on 07 occasions during the year. The State had to pay ₹6.08 crore as interest on WMA during the year 2018-19.

During 2018-19, the State had an opening general cash balance of ₹1,556.49 crore at the beginning of the year and Government borrowed ₹6,300 crore from the open market for meeting its obligations. The general cash balance at the close of the year was ₹1,405.98 crore.

Audit analysis revealed that the interest realised on cash balance investment account was ₹10.49 crore (2.72 percent) during 2018-19 while government paid interest at the average rate of 8.15 percent on its market borrowings during the year. Hence, it would have been in the financial interest of the State to have utilised the available cash balance (beyond the mandatory minimum cash balances required to be maintained with RBI) for meeting its requirements so as to minimise its borrowing.

The Average Cash Balance *vis-à-vis* borrowing of the last five years is depicted in the **Chart-1.15**.

Chart-1.15: Average Cash Balance *vis-à-vis* Borrowings for the year 2014-15 to 2018-19



1.9 Assets and Liabilities

1.9.1 Composition of assets and liabilities

In the existing government accounting system, comprehensive accounting of fixed assets such as land and buildings owned by the Government is not done. However, the government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix-1.4 (Part-B)** gives an abstract of such liabilities and assets as on 31 March 2019, compared with the corresponding position as on 31 March 2018. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from GoI, receipts in the public account and reserve funds, the assets comprise mainly of capital outlay, loans and advances given by the State Government, and cash balances.

1.9.2 Fiscal Liabilities

Liabilities of the Government consist mainly of internal borrowings, loans and advances from GoI and balances in the Public Account. The total liability of the State as of 31 March 2019 was ₹ 58,039 crore; its composition is at **Chart-1.16**.

Chart-1.16: Components of total liabilities of 2018-19 of the State Government

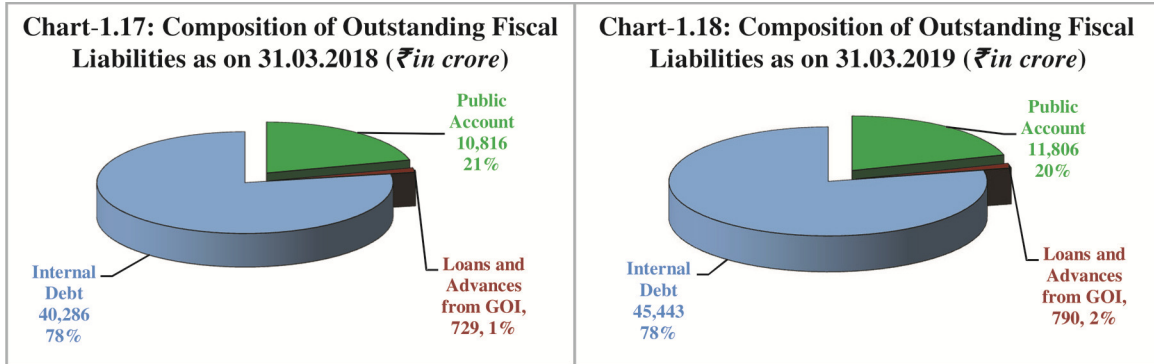
Total Liabilities (₹ 58,039 crore) ¹⁴		
Internal Debt from Market, financial institutions. etc. (₹ 45,443 crore)	Loans and Advances from Government of India (₹ 790 crore)	Public Account Liabilities where Government acts as a banker (₹ 11,806 crore)
Market Loans (₹ 31,952 crore)	Loans for State Plan Schemes (₹ 786 crore)	Small Savings, Provident Fund, etc (₹ 7,899 crore)
Loans from Financial Institutions (₹ 4,063 crore)	Non Plan Loans (₹ Four crore)	Reserve Fund (₹ 573 crore)
Special Securities issued to NSSF (₹ 9,427 crore)	Pre 1984-85 Loans (₹ 0.53 crore)	Deposits (₹ 3,334 crore)
Loans from Other Institutions (₹ One crore)		

Source: Finance Accounts.

The trends in outstanding fiscal liabilities of the State are presented in **Appendix-1.3; Appendix-1.4 (Part-A)** and **Statement 6** of the State Finance Accounts. The composition

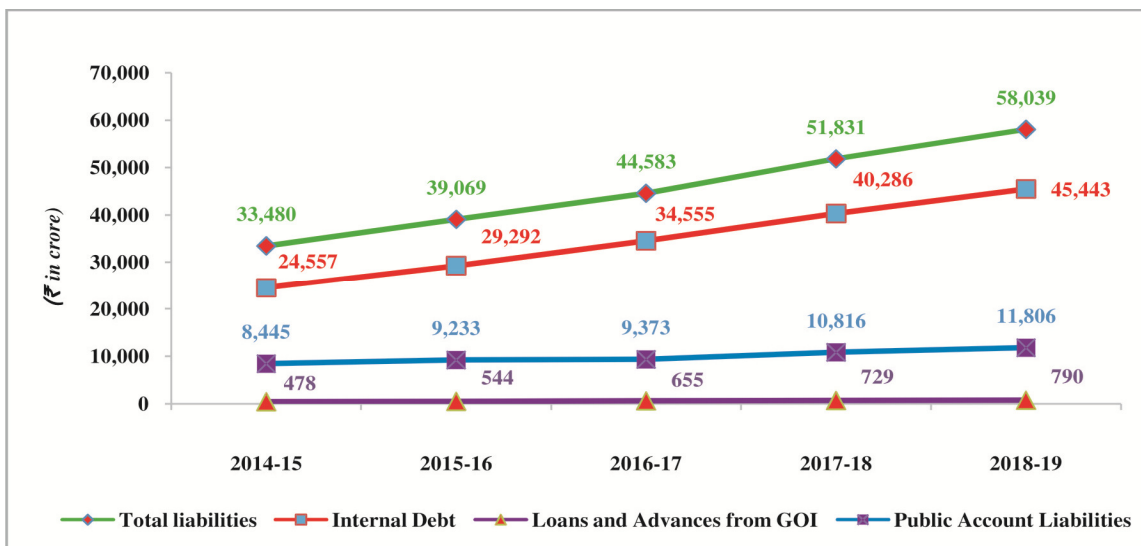
¹⁴ Does not include general cash balance and contingency fund (corpus).

of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Chart-1.17** and **Chart-1.18**.



The Fiscal Liabilities to GSDP ratio for the year 2018-19 was 23.60 percent as compared to previous year ratio of 23.26 percent. The ratio was 1.04 percentage points higher than the normative assessment of the FFC (22.56 percent) for the year. The overall fiscal liabilities increased by 73.35 percent from ₹33,480 crore in 2014-15 to ₹58,039 crore in 2018-19. The fiscal liabilities comprised of public debt (₹46,233 crore), Small Savings and Provident Fund, etc. (₹7,899 crore), and other obligations (₹3,907 crore). The increase in the fiscal liabilities (₹6,208 crore) at the end of the current year as compared to the previous year 2017-18 was mainly on account of Internal Debt, Small Savings, and Provident Fund, etc. which rose by ₹5,157 crore and ₹889 crore respectively. The buoyancy of these liabilities with respect to GSDP during the year was 1.16 indicating that for each percentage point increase in GSDP, fiscal liabilities grew by 1.16 percent. These liabilities (₹58,039.27 crore) stood at 1.86 times State’s revenue receipts and 3.74 times its own resources during 2018-19. Trend of composition of fiscal liability for the period 2014-15 to 2018-19 is depicted in the **Chart-1.19**.

Chart-1.19: Trend of liabilities



Source: Finance Accounts.

1.9.3 Transactions under Reserve Funds & Deposits

(a) State Government operated seven Reserve Funds as on 31 March 2019, out of which one Reserve Fund is interest bearing¹⁵ (₹494.43 crore credit) and six are non-interest bearing funds¹⁶ (₹1,267.65 crore credit). Out of these seven funds, two funds are inoperative (balance ₹36.48 crore debit) and five funds are operative (balance ₹1,798.56 crore credit). As on 1 April 2018, opening balance against these seven funds was ₹1,650.54 crore. During the year, the State Government transferred funds amounting to ₹243 crore from the Consolidated Fund to Reserve Funds and expenditure met from these funds was ₹131.46 crore, leaving a balance of ₹1,762.08 crore as on 31 March 2019. During the year, no amount was invested from these funds by the State Government. The total investment to the end of the year stood at ₹1,188.62 crore, leaving a balance of ₹573.46 crore. The inoperative reserve funds need to be reviewed for closure and the amount involved transferred to the concerned revenue heads. The same was not done in the case of the above mentioned inoperative accounts.

(b) Interest liability of ₹40.38 crore in respect of Reserve Funds Bearing Interest and Deposits Bearing Interest, under Sectors J and K respectively of the Public Accounts is annual liability that the State Government is required to discharge. No budget provision for the interest payable was made by the State Government despite the existence of balance in such Reserve Funds and Deposits, as on 01 April 2018, as detailed in the **Table-1.25**.

Table-1.25: Details of Cash balances in Reserve Funds and Deposits

(₹ in crore)					
Sector	Sub-Sector	Rate of Interest	Balance at the beginning of 2018-19	Interest Payable	
J- Reserve Fund	(a) Reserve Funds bearing interest (including SDRF)	6.33 per cent (Average of W & M interest rate)	381.66	24.16	
K- Deposits and Advances	(a) Deposit bearing interest (excluding CPS MH 8342-117)	6.33 per cent (Average of W & M interest rate)	256.22	16.22	
Total Interest				40.38	

State Disaster Response Fund (SDRF): Government of India replaced the existing Calamity Relief fund in 2010-11 with the State Disaster Response Fund (SDRF). In terms of the guidelines of the Fund, the Centre and Special Category States like Uttarakhand are required to contribute to the Fund in the proportion of 90:10. As per the guidelines, these contributions are to be transferred to the Public Account under Major Head 8121 by operating the Expenditure Major Head 2245. Expenditure incurred during the year on disaster response is adjusted by debiting the Public Account with contra deduct debit to the Expenditure Major Head 2245. Balance outstanding in the Fund, at the end of the year, is invested. Government of India provides additional assistance from the National Disaster Response Fund (NDRF) when the balance available under SDRF is insufficient to meet the expenditure on account of natural calamities. The entire fund provided under the NDRF is used directly against the expenditure on natural calamities.

As on 1 April 2018, the Fund had a balance of ₹381.66 crore. During 2018-19, the Central Government released an amount of ₹219.19 crore towards SDRF. The State Government transferred the entire Central Government release and its share of ₹23.81 crore to the

¹⁵ State Disaster Response Fund.

¹⁶ 1. Sinking Fund 2. Development Fund for Educational Purposes 3. Sugar Development Funds 4. Electricity Development Funds 5. Other Development and Welfare Funds 6. Guarantee Redemption Fund.

Public Account. From out of the available balance in the Fund, expenditure of ₹130.23 crore initially incurred under the MH 2245-Relief on account of Natural Calamities was set off, leaving a balance of ₹494.43 crore in the Fund as of 31 March 2019. Contrary to the guidelines, this amount was not invested by the State Government.

1.9.4 Status of Guarantees - Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended.

The FRBM Act, 2005 prescribed that the State Government shall not give guarantee for any amount exceeding the limit stipulated under any rule or law of the State Government existing at the time of the coming into force of such rule or law. However, the State Legislature (under Article 293 of the Constitution fixing the maximum limit within which the government could give guarantees on the security of the Consolidated Fund of the State) made the relevant provision in the amended FRBM, Act only in December 2016.

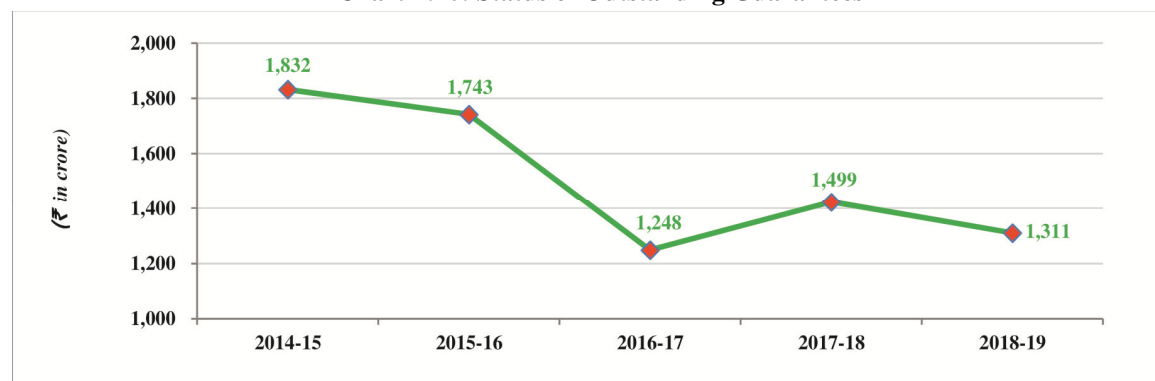
As per **Statement 9** of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last five years are given in **Table-1.26** and **Chart-1.20**.

Table-1.26: Guarantees given by the Government of Uttarakhand

(₹ in crore)					
Guarantees	2014-15	2015-16	2016-17	2017-18	2018-19
Outstanding amount of guarantees as on 31 st March	1,832	1,743	1,248	1,499 [#]	1,311
Ceiling fixed by the State Government Act	Outstanding guarantees capped within one per cent of the GSDP of that particular year. New guarantees given during any year should not be more than 0.3 per cent of the GSDP for that year.				
Additions during the year	438	915	295	251	--
Deletions during the year	81	1,004	790	75	188

[#] Differs from the closing balance of previous year since the OB was taken as ₹1,499 crore in the Budget documents.

Chart-1.20: Status of Outstanding Guarantees

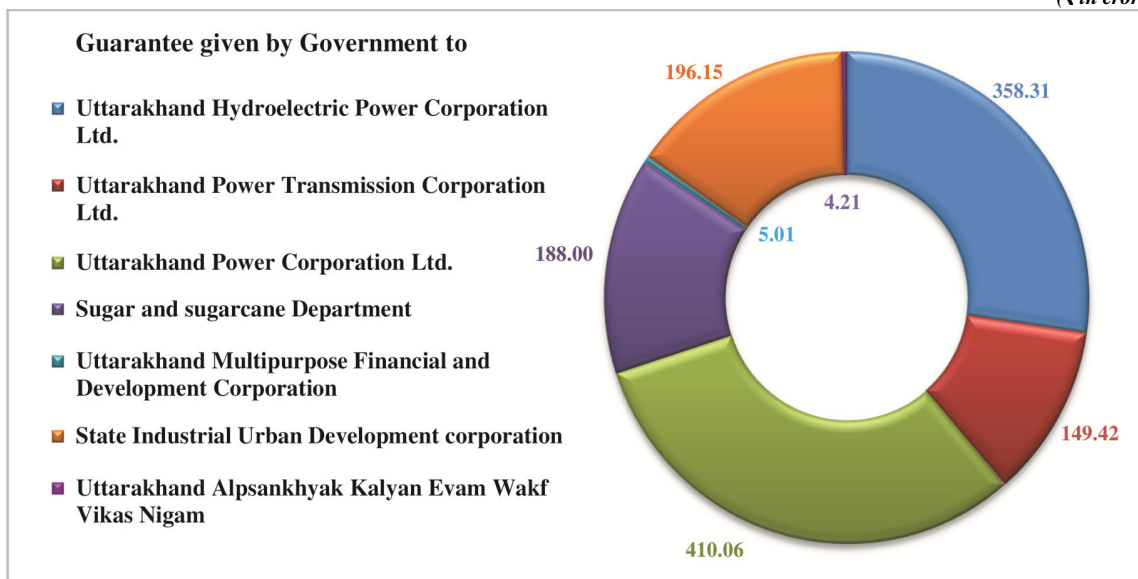


Source: Finance Accounts.

The amount of guarantees outstanding as on 31 March 2019 is ₹1,311 crore which comprises Power Sector (₹918 crore), Co-operatives (₹188 crore) and others (₹205 crore). Total outstanding guarantees as on 31 March 2019 was ₹1,311 crore which is 0.53 per cent of GSDP for the year and hence was within the FRBM ceiling. Company wise detail is given in the **Chart-1.21**.

Chart-1.21: Bodies in receipt of guarantees at the end of 31 March 2019

(₹in crore)



Source: Finance Accounts.

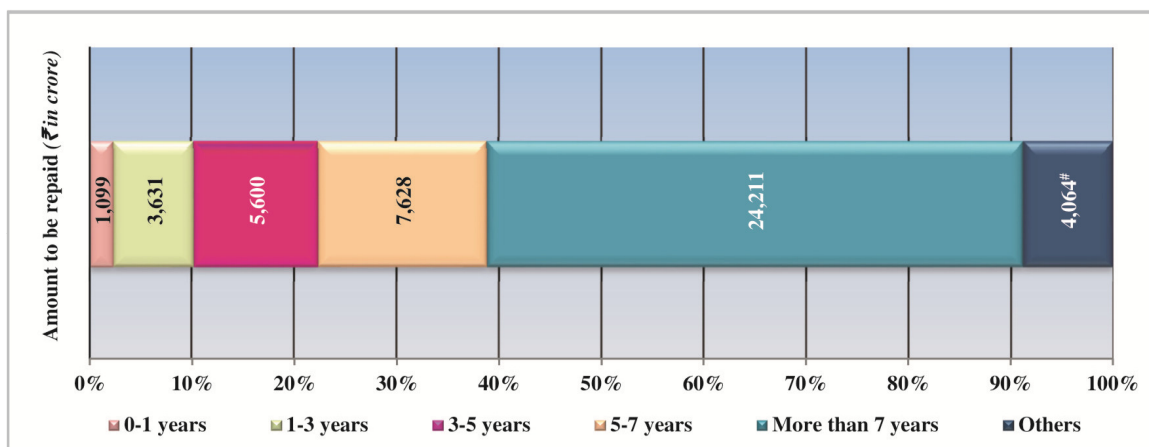
No guarantee was invoked during the year. The maximum amount of Guarantee and Outstanding amount of Guarantee indicated in the Finance Accounts is based on the information provided by the State Government.

1.10 Debt Management

(i) Debt Profile

The maturity profile of the State's outstanding loans and advances (public debt) is given in Chart-1.22.

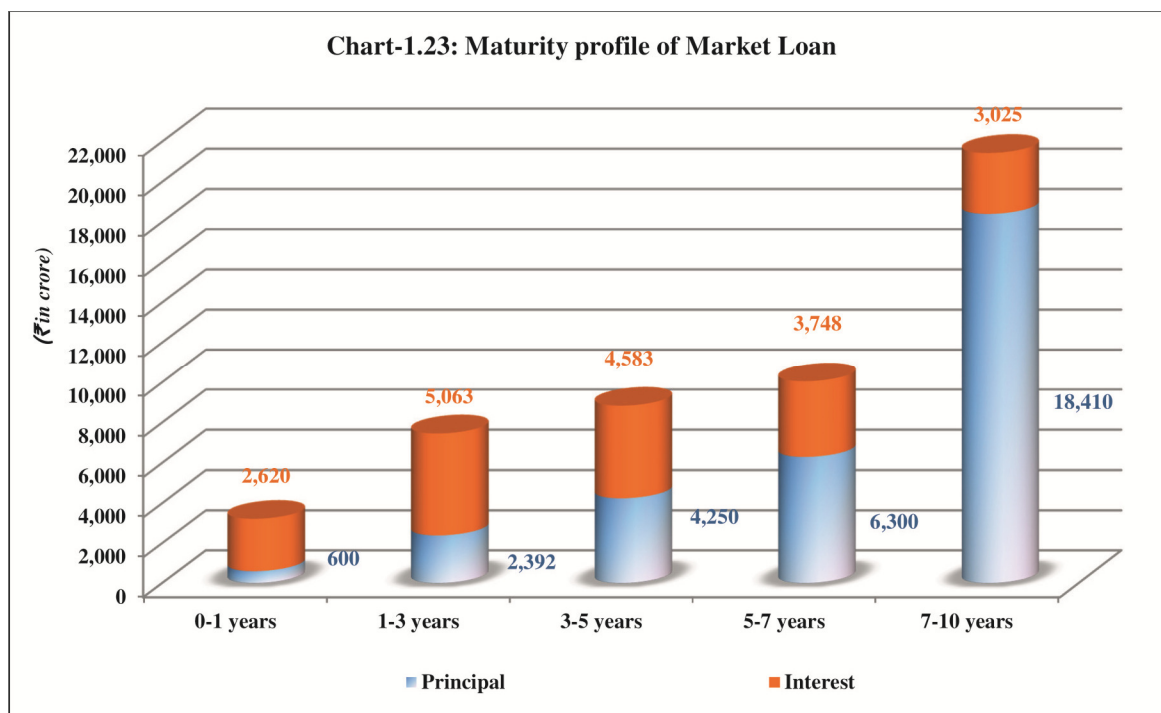
Chart-1.22: Maturity Profile of Public Debt



Source: Finance Accounts.

Maturity profile in respect of other loans amounting to ₹4,064 crore have not been provided in the finance accounts.

The maturity profile of outstanding stock of public debt as on 31 March 2019 shows that 52 percent of the Public Debt was in the maturity bucket of seven years and above. The amount of outstanding market loans and interest to be paid there on over the period of ten years is detailed in Chart-1.23 below:



Note: the maturity profile has been evolved for outstanding market loans as on 31 March 2019 and interest has been calculated up to the financial year in which the loans are going to be retired.

The State will have to repay ₹ 2,992 crore of market loans and pay interest of ₹ 7,683 crore in next three financial years *i.e.* up to 2021-22. In next two years up to 2023-24, ₹ 4,250 crore principal and interest of ₹ 4,583 crore will be payable. Annual outgo in shape of loan repayment and interest will be approximately ₹ 3,901.60 crore during next five years up to 2023-24.

In the period 2024-25 to 2028-29, loans of ₹ 24,710 crore and interest of ₹ 6,773 crore will be payable. As such the State will have to repay approximately ₹ 6,296.60 crore annually during the period 2024-25 to 2028-29. Current annual repayment of loans including interest is ₹ 3,334 crore.

Revenue Receipts (RR) and Revenue Expenditure (RE) have grown at an annual average rate of 16.04 *per cent* and 19.71 *per cent* respectively in the past five years. Applying these growth rates, and assuming that RR and RE will continue to grow at these rates, the Revenue Deficit of the State will increase to ₹ 13,473 crore in 2024-25 and ₹ 56,401 crore by the year 2028-29.

Repayment liabilities will go up substantially in the future and at the current rates of growth of RR and RE the State will continue to be in revenue deficit till 2028-29. Hence, the State will have to resort to increased borrowings to service its debt liability.

(ii) **Debt Sustainability**

Debt sustainability implies State's ability to service debt. Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability of the State. The analysis of variations in debt sustainability indicators for the period of five years beginning from 2014-15 is given in **Table-1.27**.

Table-1.27: Debt Sustainability: Indicators and Trends

(₹ in crore)

Indicators of Debt Sustainability ¹⁷	2014-15	2015-16	2016-17	2017-18	2018-19
Outstanding Public Debt	25,035	29,836	35,210	41,015	46,233
Rate of growth of Outstanding Public Debt	17.23	19.18	18.01	16.49	12.72
State's GSDP	1,61,439	1,77,163	1,95,125	2,22,836	2,45,895
Growth rate of GSDP	8.29	9.74	10.14	14.20	10.35
Average Interest Rate of Outstanding Public Debt (per cent)	8.15	8.53	9.67	8.97	8.78
Interest Payments/Revenue Receipts (per cent)	9.34	11.02	12.64	12.61	12.27
Percentage of Debt Repayment to Debt Receipts#	19.55	29.38	17.35	22.87	28.27
Public Debt Receipt	4,573	6,798	6,501	7,526	7,275
Public Debt Repayment	894	1,997	1,128	1,721	2,057
Interest paid on Internal Debt and Loans From GOI	1,891	2,339	3,146	3,417	3,830
Net Debt available to the State*	1,788	2,462	2,227	2,388	1,388
Percentage of Repayment of Debt & interest there on to Total Borrowed fund	60.90	63.78	65.74	68.27	80.92

* Net Debt available to the State Government is calculated as Excess of Public Debt receipts over Public Debt repayment, Interest Payment on Public Debt.

Excluding Ways & Means Advances.

An analysis on debt sustainability was carried out based on a study by E D Domar¹⁸ [Domar, 1944]. The Domar model states that the necessary premise for ensuring stability of public indebtedness is that the interest rates for government loans should not exceed the growth rate of GDP.

The dynamics of public debt depending on the interest rate, growth rate of GDP and the primary budget balance are as follows:

g-r (g - real economic growth rate; r- real interest rate)	s<0 (primary deficit)	s> 0 (primary surplus)
g-r> 0 (strong economic growth)	Public debt as percentage of GSDP should converge to a stable level greater than zero.	Public debt as percentage of GSDP should converge to a stable level less than zero leading to public savings.
g-r<0 (slow economic growth)	Public debt as percentage of GSDP should increase indefinitely, without converging to a stable level.	Undefined situation.

The result of applying the analysis to Uttarakhand is shown in the table below:

Year	Real Growth (g)	Real Interest (r)	g-r	Primary Deficit (-) /surplus (s) (₹ in crore)	Remarks
2014-15	5.29	4.69	0.60	(-) 3,420	g-r>0 and s<0: Public Debt will converge to a stable level greater than zero.
2015-16	8.08	5.62	2.46	(-) 3,154	
2016-17	9.83	5.76	4.07	(-) 1,744	
2017-18	7.84	4.32	3.52	(-) 3,948	
2018-19	6.87	4.57	2.30	(-) 2,845	
Real Growth rate calculated for Real GSDP. Real Interest rate is the nominal interest rate adjusted for inflation.					

Further, Debt to GSDP ratio stood at 23.60 per cent and the Fiscal Deficit to GSDP ratio at 2.98 per cent in 2018-19. The corresponding Fourteenth Finance Commission (FFC) Fiscal target of Debt limit was 22.56, and Fiscal Deficit ceiling was 3.25 per cent of GSDP. The capital expenditure of the State has hovered between 16 and 19 per cent during 2014-19.

In each of the five years (2014-15 to 2018-19) the State had primary deficit and the Domar gap (g-r) is positive during the period. Therefore, as per Domar model, the public debt will converge to a stable level greater than zero. However, other factors such as public account liabilities and *force majeure* events like current Corona virus crisis & its effect on GSDP

¹⁷ Refer glossary in **Appendix-4.1**.

¹⁸ Domar model does not take into account maturity profile, composition, cost and risk characteristics of debt stock.

and/or any other un-inventoried losses of revenue also have to be reckoned in assessing the debt sustainability/stability of the State as these cannot be anticipated or determined statistically; they have not been factored in the analysis.

Table-1.28: Utilisation of borrowed funds

(*₹ in crore*)

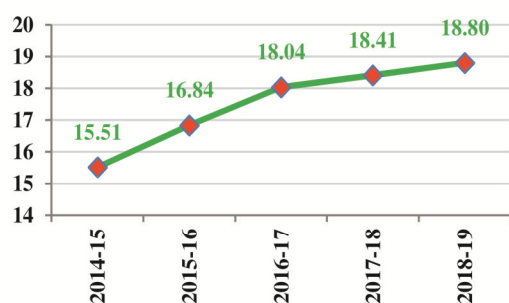
Year	Total Borrowings	Repayment of earlier borrowings (Principal) (percentage)	Net Capital expenditure* (percentage)	Net Loans and Advances disbursed (percentage)	Portion of Revenue expenditure met out of total borrowings (percentage)
2014-15	4,573	894 (20)	3,679 (80)	NA	NA
2015-16	6,798	1,997 (29)	4,217 (62)	56 (1)	528 (8)
2016-17	6,501	1,128 (17)	4,954 (76)	130 (2)	289 (5)
2017-18	7,526	1,721 (23)	5,805 (77)	NA	NA
2018-19	7,275	2,057 (28)	5,218 (72)	NA	NA

*Net Capital Expenditure = Total Capital Expenditure – Misc. Capital Receipts.

NA- Not Applicable.

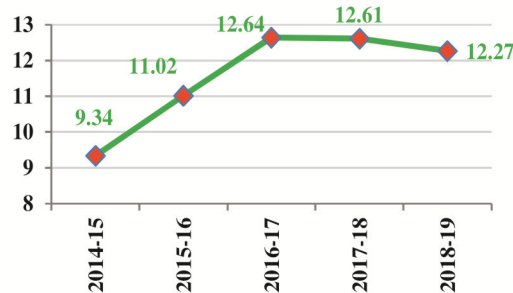
- In the years 2014-15, 2017-18 and 2018-19 the State utilised total borrowings for repayment of earlier principal and on capital expenditure.
- During 2015-16 and 2016-17, an amount of ₹528 crore and ₹289 crore respectively were utilized out of total borrowings for meeting revenue expenditure.

Chart-1.24: Debt Sustainability (i.e., ratio between debt-GSDP)



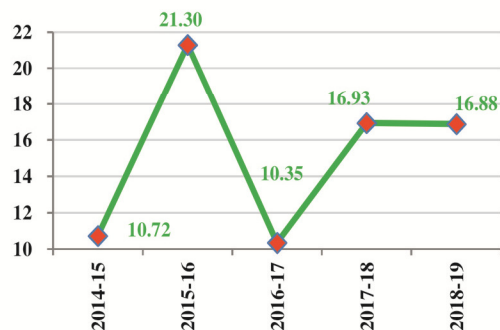
This indicates that debt of Government is increasing at a higher pace than GSDP

Chart-1.25: Interest payments as a per cent of Revenue Receipts



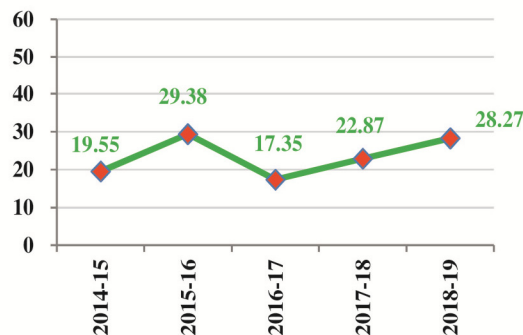
This indicates that interest payments are consuming on an average 11.58 per cent of Revenue Receipts

Chart-1.26: Trend of Debt Repayment versus Tax Revenue (in per cent)



This indicates that 10 to 21 per cent of Tax Revenues is utilised for debt repayments

Chart-1.27: Trend of Debt Repayment versus Debt Receipts (in per cent)

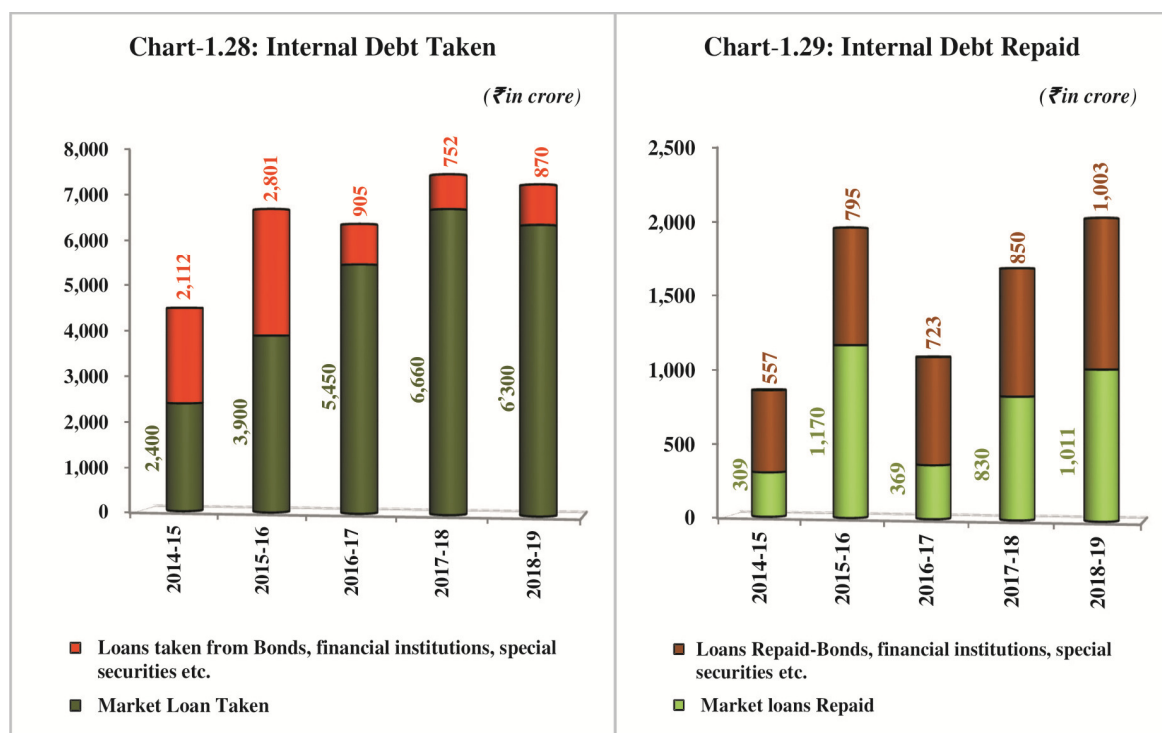


This indicates that 17 to 29 per cent of debt receipts are used to repay old outstanding loans

From the above **Table-1.27** it is observed:

- The growth rate of outstanding Public Debt increased 1.95 percentage points from 17.23 per cent in 2014-15 to 19.18 per cent in 2015-16. However, it showed declining trend from the year 2016-17 onwards and was 12.72 per cent during the current year. The growth rate of public debt has consistently been higher than that of GSDP.
- During the period 2014-15 to 2018-19, the average interest rate of Outstanding Public Debt ranged between 8.15 per cent and 9.67 per cent.
- The State utilised 9.34 to 12.64 per cent of revenue receipts for Interest Payments on Public Debt during 2014-15 to 2018-19.
- The percentage of Debt Repayment to Debt Receipts showed a fluctuating trend over the period 2014-15 to 2018-19. In 2014-15, 19.55 per cent of Public Debt Receipt was used for the purpose of Repayment of Public Debt while in 2018-19, 28.27 per cent was used for this purpose.
- During 2014-15 to 2018-19, a major portion (ranging between 60.90 per cent and 80.92 per cent) of public debt receipt was being utilised for repayment of earlier borrowed funds and payment of interest there on. Net Debt available to the State has declined from ₹2,388 crore (2017-18) to ₹1,388 crore in the current year on account of higher portion of public debt receipt being utilised for repayment of borrowed funds and payment of interest thereon. Percentage of debt repayment including interest to total borrowed funds increased to 80.92 per cent in 2018-19 as compared to 68.27 per cent in 2017-18.

Composition of market Loan taken and repaid during 2014-15 to 2018-19 is given in the **Chart-1.28** and **1.29**.



1.10.1 Market Borrowings

Position of Market Borrowing (MB)

Table-1.29 represents the position of the market borrowings of the State Government for the period 2014-15 to 2018-19.

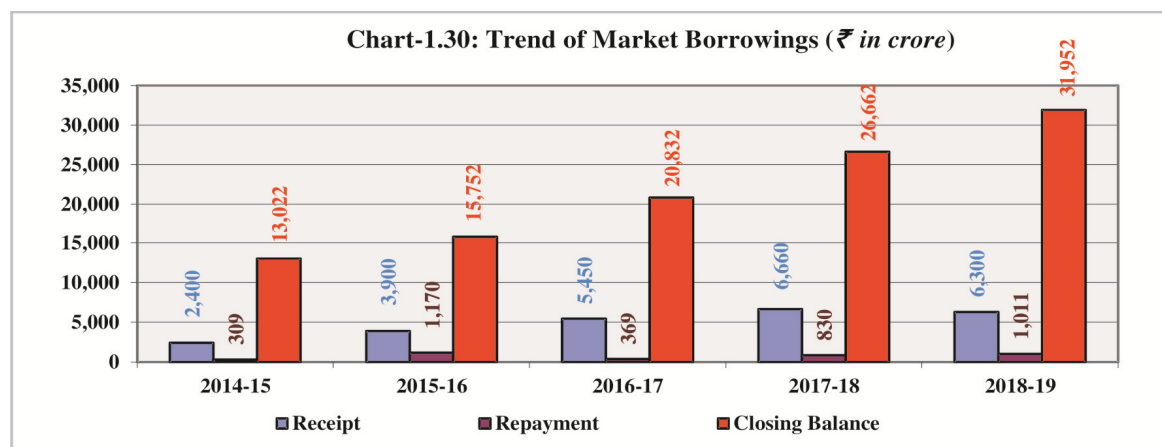
Table-1.29: Position of market borrowings of the State Government

(₹ in crore)

Years	Opening balance as on 1 st April	Receipts during the year	Repayments during the year	Closing balance as on 31 st March	Increase (+)/ decrease (-) during the year	
					Amount	Percentage
2014-15	10,930.56	2,400.00	308.85	13,021.71	2,091.15	19.13
2015-16	13,021.71	3,900.00	1,170.19	15,751.52	2,729.81	20.96
2016-17	15,751.52	5,450.00	369.23	20,832.28	5,080.76	32.26
2017-18	20,832.28	6,660.00	830.00	26,662.28	5,830.00	27.99
2018-19	26,662.28	6,300.00	1,010.69	31,951.59	5,289.31	19.84
Total		24,710.00	3,688.96			

Source: Finance Accounts of concerned years.

The above table indicates that the Government of Uttarakhand borrowed and repaid ₹24,710 crore and ₹3,688.96 crore respectively during the period 2014-15 to 2018-19. The repayment was 14.93 percent of total loans raised by the State Government (₹24,710 crore). The re-payment on these loans rose from ₹308.85 crore in 2014-15 to ₹1,010.69 crore in 2018-19 at weighted average interest rate of 8.15 percent in 2014-15 to 8.40 percent in 2018-19. The above table also shows that the Market Borrowings continued to increase from ₹2,400 crore in 2014-15 to ₹6,660 crore in 2017-18. However, it decreased during 2018-19 to ₹6,300 crore. The receipts during this period showed nearly 2.63 times increase from 2014-15 to 2018-19. **Chart-1.30** given below shows the trend of Market Borrowings over the period 2014-15 to 2018-19.

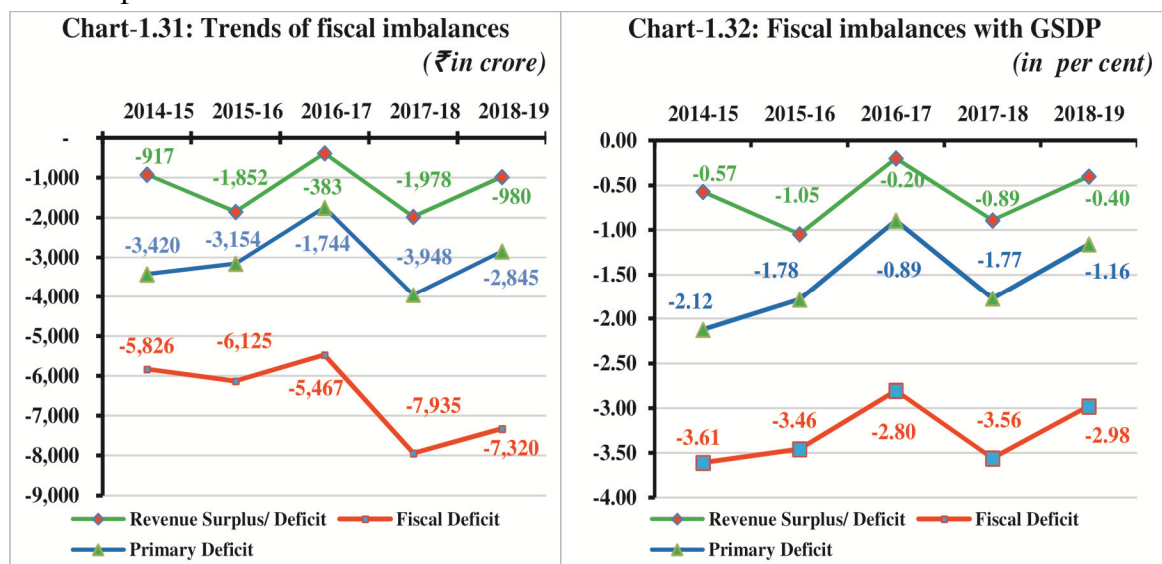


1.11 Fiscal Imbalances

1.11.1 Trends in Deficits

Three key fiscal parameters - revenue, fiscal and primary deficits indicate the extent of overall fiscal imbalances in the finances of the State Government. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied, are

important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits. **Charts-1.31** and **1.32** present the trends of deficits over the period 2014-15 to 2018-19.



Source: GSDP figures provided by Central Statistics and Directorate of Economic and Statistics, Government of Uttarakhand.

Revenue Deficit: The State had revenue deficit of ₹917 crore in 2014-15 which further deteriorated to ₹1,852 crore during 2015-16. During 2016-17, the State was able to bring down the revenue deficit to a considerably lower level of ₹383 crore. The State could not maintain the same trend and the revenue deficit again deteriorated to ₹1,978 crore in 2017-18. However, the position improved during the current year and the State had revenue deficit of ₹980 crore (0.40 per cent of GSDP).

Fiscal Deficit: The fiscal deficit during 2014-15 at ₹5,826 crore (3.61 per cent of GSDP) increased in 2015-16 to ₹6,125 crore (3.46 per cent of GSDP), but it declined to ₹5,467 crore (2.80 per cent of GSDP) in 2016-17. However, it again increased to ₹7,935 crore (3.56 per cent of GSDP) in 2017-18. During the current year the fiscal deficit at ₹7,320 crore (2.98 per cent of GSDP) was below the normative target of 3.25 per cent of GSDP as fixed by the Fourteenth Finance Commission. The State may consider using the available fiscal space to borrow more for augmenting its capital expenditure which has declined from 18.8 per cent of total expenditure (2014-15) to 16 per cent (2018-19).

Primary deficit: The primary deficit during 2014-15 at ₹3,420 crore decreased to ₹3,154 crore in the year 2015-16 and ₹1,744 crore in 2016-17. The primary deficit decreased from ₹3,948 crore during the year 2017-18 to ₹2,845 crore during the current year. This shows that the State's financial position has improved. Its primary revenue surplus increased from ₹2,009 crore in 2017-18 to ₹3,495 crore in 2018-19. It was able to meet 78 per cent of interest liabilities from the primary revenue surplus this year as compared to 50 per cent in the previous year.

Primary Revenue Balance: denotes the gap between non-debt receipts of the State and its non-interest Revenue Expenditure. It indicates the extent to which non-debt receipts of the State were able to meet the expenditure on Capital account. In 2018-19, the State registered a Primary Revenue Surplus of ₹3,495 crore. This was 56.52 per cent of the Capital Expenditure (₹6,184 crore).

During 2018-19, the State Government booked Grants-in-Aid of ₹46.82 crore under Capital Heads and Major construction works of ₹355.74 crore under Revenue Heads which was against the Government Accounting Rules. The State Government did not transfer Guarantee Commission of ₹3.58 crore to Public Account and did not make any provision of interest on Reserves and Deposits of ₹40.38 crore during the current year.

The above impacted the Fiscal Deficit of the State Government. The Fiscal Deficit to GSDP has been understated by 0.01 percentage points as detailed below.

Table-1.30: Impact on Revenue Deficit and Fiscal Deficit

(₹ in crore)

Sl. No.	Item	Impact on Revenue Deficit		Impact on Fiscal Deficit		Ratios before taking the net Impact (in per cent)		Ratios after taking the net Impact (in per cent)	
		Over Statement	Under Statement	Over Statement	Under Statement	RD/ GSDP	FD/ GSDP	RD/ GSDP	FD/ GSDP
1.	Misclassification between Revenue and Capital Account (Net)	355.74 ¹⁹	--	--	--	0.40	2.98	0.29	2.99
2.	Booking of Grant in aid in Capital Account	--	46.82	--	--				
3.	Non-transfer of Guarantee Commission to Public Account	--	3.58	--	3.58				
4.	Non provision of interest on Reserves and Deposits	--	40.38	--	40.38				
Total (Net) impact		264.96 (Over Statement)		43.96 (Under Statement)					

Source: Finance Accounts.

1.11.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table-1.31**.

Table-1.31: Components of Fiscal Deficit and its Financing Pattern

(₹ in crore)

Sl. No.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
A	Decomposition of Fiscal Deficit (1 to 4)	(-) 5,826	(-) 6,125	(-) 5,467	(-) 7,935	(-) 7,320
1.	Revenue Deficit (-)/ Surplus (+)	(-) 917	(-) 1,852	(-) 383	(-) 1,978	(-) 980
2.	Net Capital Expenditure	(-) 4,804	(-) 4,217	(-) 4,954	(-) 5,914	(-) 6,184
3.	Net Loans and Advances	(-) 105	(-) 56	(-) 130	(-) 43	(-) 156
B	Financing Pattern of Fiscal Deficit					
1.	Net Public Debt	3,680	4,802	5,373	5,806	5,217
a.	Net Market Borrowings	(+) 2,091	(+) 2,730	(+) 5,081	(+) 5,830	(+) 5,289
b.	Net Loans from GoI	(+) 33	(+) 66	(+) 111	(+) 74	(+) 61
c.	Net Special Securities issued to NSSF	(+) 1,145	(+) 1,467	(-) 348	(-) 374	(-) 411
d.	Net Loans from Financial Institutions	(+) 411	(+) 539	(+) 529	(+) 276	(+) 278
2.	Net Public Account	1,497	1,209	1,248	2,204	1,843
a.	Net Small Savings, PF etc.	(+) 420	(+) 478	(+) 413	(+) 619	(+) 890
b.	Net Deposits and Advances	(+) 399	(+) 138	(-) 135	(+) 719	(-) 11
c.	Net Suspense and Misc.	(+) 13	(+) 377	(+) 1,050	(+) 730	(+) 173
d.	Net Remittances	(+) 450	(+) 33	(-) 3	(+) 31	(+) 679
e.	Net Reserve Fund	(+) 215	(+) 183	(-) 77	(+) 105	(+) 112
3.	Net Contingency Fund	(-) 12	(-) 195	(+) 167	(-) 127	(+) 110
4.	Accretion to Cash Balance	(+) 661	(+) 309	(-) 1,321	(+) 52	(+) 150

Source: Finance Accounts of Government of Uttarakhand, 2014-15 to 2018-19.

¹⁹ The State Government provided and booked Major construction works amounting to ₹367.75 crore under various Revenue Heads. Also, ₹2.78 crore and ₹9.23 crore expended towards Minor Construction works and Maintenance was provided and booked under the Capital Section.

The fiscal deficit in 2018-19 was largely managed by market borrowings (72per cent), Small Savings & Provident Funds (12per cent), Remittances (nineper cent), and Loans from Financial Institutions (four per cent).

1.11.3 Quality of Deficit/ Surplus

The contribution of Revenue Deficit and net Capital Expenditure (including loans and advances) to Fiscal Deficit indicate the quality of deficit in the State's finances. Persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State is continuously being eroded and a part of borrowings (fiscal liabilities) does not have any asset backup. The bifurcation of the primary deficit (**Table-1.32**) would indicate the extent to which the deficit is on account of deficit in capital account which may be desirable to improve the productive capacity of the State's economy.

Table-1.32: Primary deficit/surplus–Bifurcation of factors

(₹ in crore)

Year	Non-debt receipts*	Revenue Receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Total Primary Expenditure	Primary revenue surplus (+)/ deficit (-)	Primary deficit (-)/ surplus(+)
1	2	3	4	5	6	7=(4+5+6)	8=(3-4)	9=(2-7)
2014-15	20,428	20,247	18,758	4,939	151	23,848	(+) 1,670	(-) 3,420
2015-16	21,261	21,234	20,115	4,217	83	24,415	(+) 1,119	(-) 3,154
2016-17	24,924	24,889	21,549	4,954	165	26,668	(+) 3,340	(-) 1,744
2017-18	27,139	27,105	25,096	5,914	77	31,087	(+) 2,009	(-) 3,948
2018-19	31,243	31,216	27,721	6,184	183	34,088	(+) 3,495	(-) 2,845

* Receipts other than public debt receipts.

- Non-debt receipts of the State mainly included Revenue Receipts and recoveries of loans and advances which increased by 52.94per cent from 2014-15 to 2018-19 and were sufficient to meet the primary revenue expenditure.
- The primary revenue surplus declined during 2015-16 as compared to 2014-15. It increased almost tri-fold over the previous year and stood at ₹ 3,340 crore during 2016-17, but it again decreased by ₹ 1,331 crore during the year 2017-18. However, it again increased by ₹ 1,486 crore during the current year.
- The primary deficit of ₹ 3,420 crore in 2014-15 decreased marginally by ₹ 266 crore in 2015-16 but showed a reduction of ₹ 1,410 crore during 2016-17. It has again increased considerably by ₹ 2,204 crore during the year 2017-18. However, it has again decreased by ₹ 1,103 crore during the year 2018-19.

Table-1.33: Components of Fiscal Deficit

(₹ in crore)

Item	2014-15	2015-16	2016-17	2017-18	2018-19
1	2	3	4	5	6
Revenue Deficit (-)/Surplus (+)	(-) 917 (16)	(-) 1,852 (30)	(-) 383 (07)	(-) 1,978 (25)	(-) 980 (14)
Net Capital Expenditure	(-) 4,804 (82)	(-) 4,217 (69)	(-) 4,954 (91)	(-) 5,914 (75)	(-) 6,184 (84)
Net Loans and Advances	(-) 105 (02)	(-) 56 (01)	(-) 130 (02)	(-) 43 (00)	(-) 156 (02)
Fiscal Deficit	(-) 5,826	(-) 6,125	(-) 5,467	(-) 7,935	(-) 7,320

Figures in parentheses indicate percentage to Fiscal Deficit.

The share of revenue deficit in fiscal deficit indicates the extent to which borrowed funds were used for current consumption. During the year, the quality of Fiscal Deficit has appreciated on account of lower Revenue Deficit. The contribution of revenue deficit in the fiscal deficit decreased from 25per cent in 2017-18 to 14per cent in 2018-19. This implies that a lower portion of current expenditure was met from borrowed fund in

2018-19 as compared to 2017-18. The percentage of the Net Capital Expenditure to Fiscal Deficit increased from 75 *per cent* in 2017-18 to 84 *per cent* in 2018-19. The Fiscal Deficit during the current year decreased by 7.75 *per cent* and was 2.98 *per cent* of GSDP as compared to 3.56 *per cent* in 2017-18.

1.12 Follow up on previous Audit Reports on State Finances

In Uttarakhand, the stand alone Reports on State Finances have not been discussed by the Public Accounts Committee since 2009, although the reports are being presented to the State Legislature every year. Hence, corrective measures taken by the Government after the Reports were laid before the State Legislature could not be ascertained in audit.

1.13 Conclusions

The State had revenue deficit of ₹917 crore in 2014-15 which further deteriorated to ₹1,852 crore during 2015-16. During 2016-17, the State was able to bring down the revenue deficit to a considerably lower level of ₹383 crore. The State could not maintain the same trend and the revenue deficit again deteriorated to ₹1,978 crore in 2017-18. However, the position improved during the current year and the State had revenue deficit of ₹980 crore (0.40 *per cent* of GSDP).

There was also incorrect booking of some expenditure under revenue and capital heads due to incorrect classification. Further, the State had also not made budget provisions towards interest. As a result, the fiscal deficit to GSDP was understated by 0.01 percentage points.

Capital expenditure registered an increase of ₹270 crore over the previous year which was more than the target set forth by the State Government in its MTFPS but was less than the BEs. The proportion of committed expenditure to total revenue expenditure showed marginal decline during the current year from previous year. It still hovers around 67 *per cent* of the revenue expenditure. This in effect means that less amount is available to the government for development activities.

In Education Sector, expenditure as a proportion of Aggregate Expenditure in the State was higher than the SCS' average during all the three years while under Health Sector it was marginally higher during 2014-15 but during 2017-18 and 2018-19, it was well below the SCS' average.

The State Government had provided budgetary support and invested in public sector undertakings having accumulated losses and also in Government corporations and companies that had not finalised their accounts. The average return on Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives was almost negligible. Interest received (return) on loans and advances given to various institutions, Corporations/ Government Companies and Government servants, *etc.* by the State was only 0.06 *per cent* as against the target of seven *per cent* which was to be achieved by 2009-10, as fixed by the Twelfth Finance Commission.

Public debt of the State increased by 12.72 *per cent* over the previous year. Public debt of the State has grown at a higher rate than the GSDP. Interest payment as a *per cent* of revenue receipts has increased to around 13 *per cent* in the last two years from nine *per cent* during 2014-15. Net Debt available to the State has declined from

₹2,388 crore (2017-18) to ₹1,388 crore in the current year on account of higher portion of public debt receipt being utilised for repayment of borrowed funds and payment of interest thereon. Percentage of debt repayment including interest to total borrowed funds increased to 80.92 per cent in 2018-19 as compared to 68.27 per cent in 2017-18.

The total fiscal liabilities to GSDP ratio in 2018-19 increased by 0.34 per cent over previous year and stood at 23.60 per cent which was above the target of 22.56 per cent set forth by the *FFC*.

During the current year, the fiscal deficit at ₹7,320 crore (2.98 per cent of GSDP) was within the normative target of 3.25 per cent of GSDP as fixed by the *FFC*. During the year, the quality of Fiscal Deficit has appreciated on account of lower Revenue Deficit. The contribution of revenue deficit in the fiscal deficit decreased from 25 per cent in 2017-18 to 14 per cent in 2018-19. The percentage of the Net Capital Expenditure to Fiscal Deficit increased from 75 per cent in 2017-18 to 84 per cent in 2018-19.

1.14 Recommendations

- The State's own tax revenue fell short of the budget estimates and *FFC* projections. The State may examine factors contributing to fall in collections of own tax revenue and take measures for improving resource mobilisation.
- The State Government may increase its capital expenditure, particularly in social and economic sectors since it adds to the asset base which in turn would contribute to economic growth;
- The State Government may explore ways of ensuring reasonable return on capital invested in profit making State PSUs in view of the substantial high cost of borrowings made by it;
- Since recovery of loans advanced by the Government to different sectors has been poor, State Government may consider treating the loans and advances as grants and booking them as revenue expenditure for ensuring that accounts reflect the correct position;
- The State may ensure time-bound completion of the incomplete projects and ensure that there are no further cost overruns;
- The State may increase allocation of resources on Health sector so as to bring it at par with SCS average; and
- The State Government should make provision for interest at the rate applicable to GPF to be paid on the legacy balances which are parked in public account.

CHAPTER-2

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

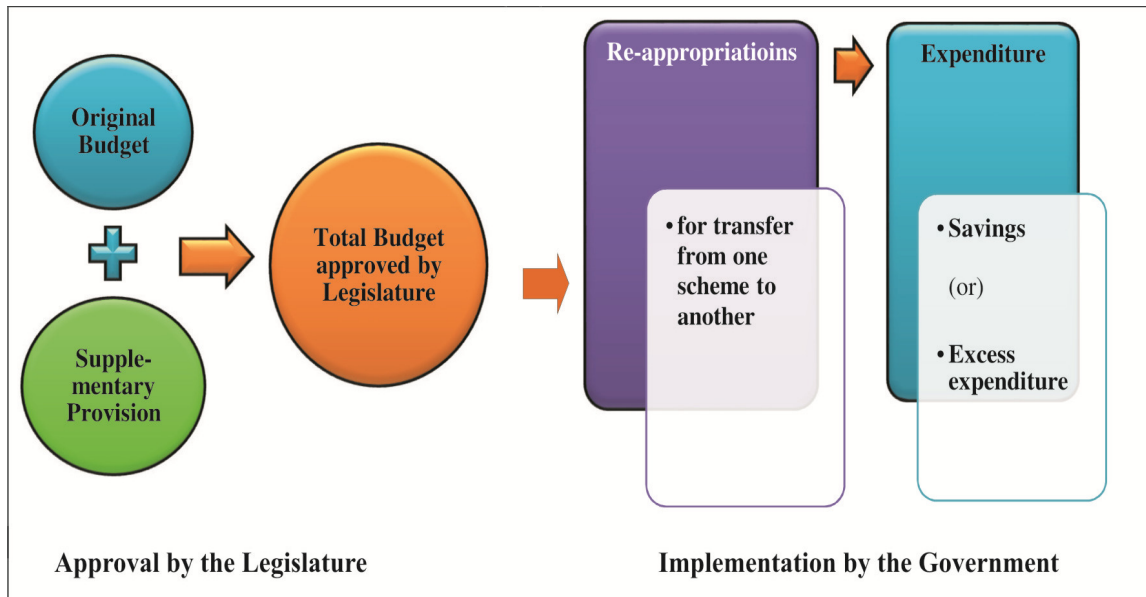
CHAPTER-2

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

2.1.1 Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of budget. Appropriation Accounts, thus, facilitate management of finances and monitoring of budgetary provision and are, therefore, complementary to Finance Accounts.

Chart-2.1: Flow chart of budget implementation



2.1.2 Audit of Appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2018-19 against 31 grants/appropriations is given in **Table-2.1** and **Chart-2.2**.

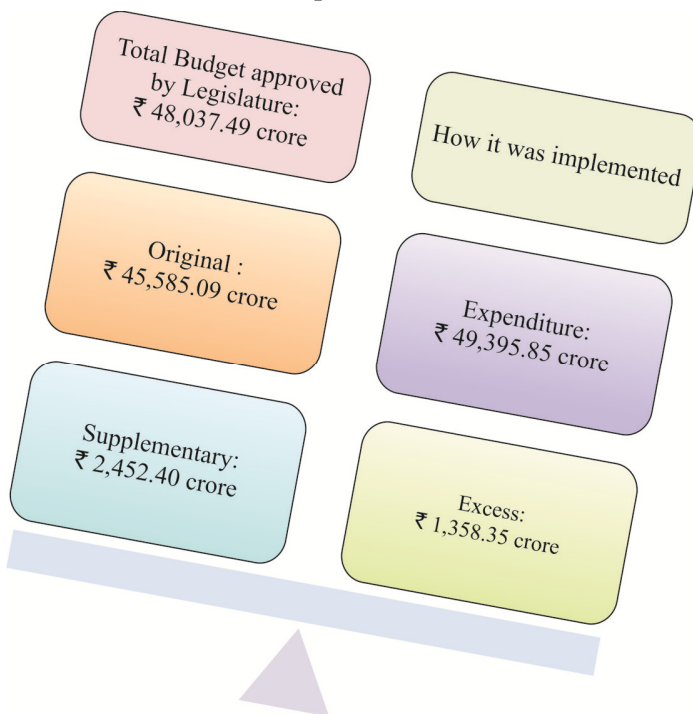
Table-2.1: Summarised position of Original/Supplementary Provisions vis-à-vis Actual expenditure during the year 2018-19

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)	Amount surrendered	Amount surrendered on 31 March	Percentage of Amount Surrendered on 31 March out of total amount surrendered
Voted	I- Revenue	30,542.41	1,504.24	32,046.65	27,648.18	(-) 4,398.47	689.91	689.91	100
	II- Capital	6,582.80	745.24	7,328.04	6,785.90	(-) 542.14	351.06	351.06	100
	III- Loans and Advances	191.98	0.92	192.90	183.48	(-) 9.42	00	00	00
Total Voted		37,317.19	2250.40	39,567.59	34,617.56	(-) 4950.03	1,040.97	1,040.97	100
Charged	IV- Revenue	5,084.90	202.00	5,286.90	4,547.99	(-) 738.91	3.58	3.58	100
	V- Capital	1.00	00	1.00	0.15	(-) 0.85	00	00	00
	VI- Public Debt- Repayment	3,182.00	00	3,182.00	10,230.14	(+) 7,048.14	00	00	00
Total Charged		8,267.90	202.00	8,469.90	14,778.28	6,308.38	3.58	3.58	100
Grand Total		45,585.09	2452.40	48037.49	49,395.84	1,358.35	1,044.55	1,044.55	100

Source: Appropriation Accounts.

Chart-2.2: Summarised position of provision vis-à-vis Actual Expenditure

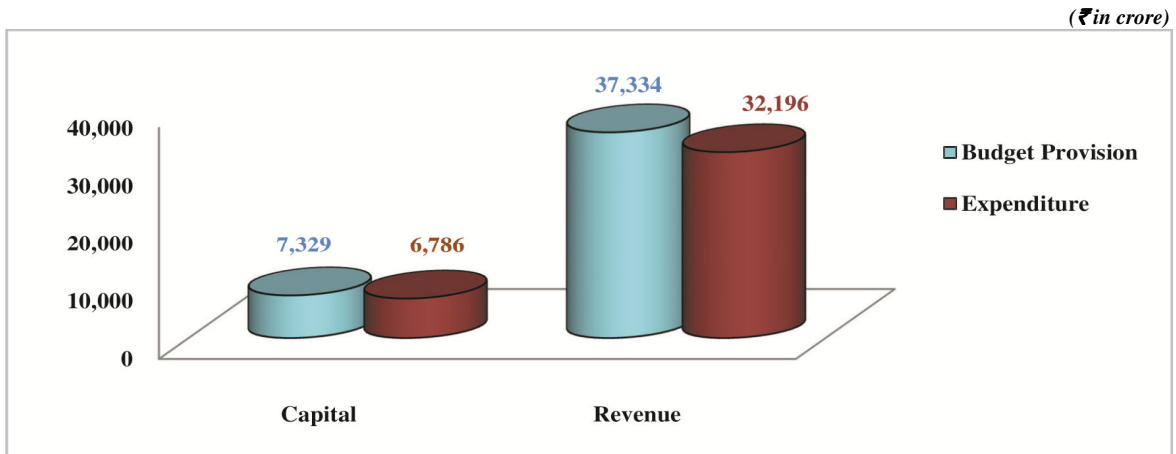


As shown in **Table-2.1**, there was an overall excess expenditure of ₹ 1,358.35 crore which was the result of excess expenditure of ₹ 8,464.98 crore in two grants under Capital Voted and one Appropriation under Capital Charged Section and saving of ₹ 7,106.62 crore in 31 grants and eight appropriations.

2.2.1 Capital and Revenue

Saving was observed in the Capital Account as well Revenue Account (**Chart-2.3**).

Chart-2.3: Budget provision and expenditure under Capital and Revenue sections



Source: Appropriation Accounts.

Departments and Sections against which significant excess expenditure over the allotment were noticed during the year 2018-19 are given in **Table-2.2**.

Table-2.2: Details of significant excesses noticed during 2018-19

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Excess Expenditure
1.	7	Finance, Tax, Planning, Secretariat & Miscellaneous Services	Capital (Charged)	7,048.14
2.	25	Food	Capital (Voted)	1,414.04
Total				8,462.18

As is evident from above table, 99.97 per cent excess occurred in only one grant and one appropriation.

Similarly, departments against which significant savings over the allotments were noticed during the year 2018-19, were Water Supply, Housing and Urban Development (₹ 660.85 crore), Revenue and General Administration (₹ 645.11 crore), Finance, Tax, Planning, Secretariat & Miscellaneous (₹ 1,557.33 crore), Education, Sports, Youth Welfare & Culture (₹ 697.55 crore), Medical, Health and Family Welfare (₹ 538.85 crore), Welfare (₹ 410.02 crore), Agriculture Works and Research (₹ 176.28 crore), Rural Development (₹ 205.91 crore), Public Works (₹ 231.81 crore), Transport (₹ 199.36 crore), Welfare of Scheduled Castes (₹ 417.35 crore), Forest (₹ 177.80 crore) and Welfare of Scheduled Tribes (₹ 176.17 crore).

The savings /excess (Detailed Appropriation Accounts) were intimated (July 2019) to the Controlling Officers requesting them to furnish reasons for the substantial savings/excess. Their replies were yet to be received (December 2019).

2.3 Financial Accountability and Budget Management

2.3.1 Excess Expenditure

As per paragraph 121 of Chapter XIII of the Uttarakhand Budget Manual (UBM), incurring of unauthorised excess expenditure is objectionable and must be avoided. In three cases, expenditure aggregating ₹ 13,173.14 crore exceeded the approved provision by ₹ 8,464.98 crore. Details are given in **Appendix-2.1**. Of these, excess expenditure has been observed consistently in Grant No. 25-Food during the last five years as detailed in **Table-2.3**.

Table-2.3: List of Grant indicating persistent excess expenditure during 2014-15 to 2018-19

Sl. No.	No. And Name of grant	Amount of excess expenditure				
		2014-15	2015-16	2016-17	2017-18	2018-19
(₹ in crore)						
Capital-Voted						
1.	25-Food	1,738.25	2,203.83	2,245.80	1,322.39	1,414.04

Source: Appropriation Accounts.

The persistent excess expenditure indicates that the budgetary control in the department was ineffective and budget estimates were not prepared on realistic basis. Such repeated excess expenditure over grants approved by the State Legislature are in violation of the will of the Legislature and the basic principle of democracy that not a rupee can be spent without the approval of the State Legislative Assembly, and, therefore, need to be viewed seriously. All the existing cases of excess expenditure need to be got regularised at the earliest and, in future, such un-voted expenditure may be completely stopped, except in case(s) of dire and extreme emergency, the cost of which cannot be met from the Contingency Fund.

2.3.2 Excess over provision relating to previous years requiring regularisation

Paragraph 121 of Chapter XIII of the UBM envisages that if after the close of the year, it is revealed, through the Appropriation Accounts, that any expenditure was incurred under any Grant or Charged Appropriation in excess of the total final appropriation for that year under that Grant or Charged Appropriation, the excess expenditure should be regularised, on the basis of the recommendation of the Committee on Public Accounts, by presenting to the Legislative Assembly, demands for excess grants as required under Article 205(1)(b) of the Constitution. However, excess disbursements amounting to ₹ 27,194.16 crore under 51 Grants and 23 Appropriations pertaining to the years 2005-06 to 2017-18 are yet to be regularised by the State Legislature. The year-wise amount of excess expenditure pending regularisation is summarised in **Table-2.4**.

Table-2.4: Excess expenditure over the provisions relating to previous years requiring regularisation

Year	Number of Grant/Appropriation	Details of Grant/Appropriation	Amount of excess over provision
2005-06	7	7,8,17,20,22,25&29	663.50
2006-07	6	7,17,20,22,25& 29	935.92
2007-08	6	7,17,20, 22,25 & 29	733.79
2008-09	6	7,17,20,22,25&29	1,146.41
2009-10	7	7,17,18,21,22,25&29	1,007.49
2010-11	9	10,12,15,17,20,21,22,25 & 29	1,295.40
2011-12	5	7,17,22,25&29	1,611.40
2012-13	7	12,14,17,21,22,25 & 29	1,835.34
2013-14	3	22,25 & 29	1,837.15
2014-15	4	17,22, 25& 29	1,922.80
2015-16	4	17, 22, 25& 29	2,334.24
2016-17	4	07, 17, 25 & 29	5,457.33
2017-18	6	07, 17, 20,22, 25 & 27	6,413.38
Total			27,194.15

Source: Appropriation Accounts.

This is in violation of Articles 204 and 205 of the Constitution which provides that no money shall be withdrawn from the Consolidated Fund except under appropriation made by Law by the State Legislature. This vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

2.3.3 Excess over provisions during 2018-19 requiring regularisation

Table-2.5 contains the summary of total excess expenditure registered under two grants and one appropriation amounting to ₹ 8,464.98 crore over authorisation from the Consolidated Fund of the State (CFS) during the year 2018-19.

Table-2.5: Excess over provision requiring regularisation during 2018-19

(₹ in crore)					
Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Total Expenditure	Excess Expenditure
Capital –Charged					
1.	7	Finance, Tax, Planning, Secretariat & Miscellaneous Services	3,182.00	10,230.14	7,048.14
Capital-Voted					
2.	19	Rural Development	1,507.16	1,509.96	2.80
3.	25	Food	19.00	1,433.04	1,414.04
Total			4,708.16	13,173.14	8,464.98

Source: Appropriation Accounts.

Reasons for the excess had not been intimated by the State Government/Department as of October 2019.

2.3.4 Inadequate supplementary provision

Supplementary provision of ₹ 125.01 crore sought in respect of two cases proved insufficient by one crore or more than ₹ one crore thereby leaving an aggregate uncovered excess expenditure of ₹ 1,416.84 crore (**Appendix-2.2**).

2.3.5 Rush of expenditure

Paragraph 183 of chapter XVII of Uttarakhand Budget Manual (UBM) stipulates that rush of expenditure in the closing month of the financial year should be avoided. For sound financial management, uniform pace of expenditure should be maintained. Contrary to this, expenditure exceeding 25 per cent of the total expenditure for the year 2018-19 was incurred in March 2019 in respect of 39 major heads as listed in **Appendix-2.3**.

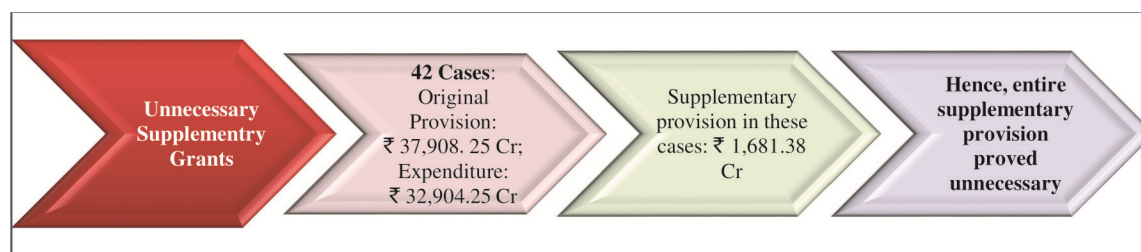
47.31 per cent (₹ 5,082.28 crore) of the total expenditure of ₹ 10,742.97 crore spent against 39 major heads during the year 2018-19 was incurred in the last quarter of the financial year.

2.3.6 Excess provision resulting in saving

2.3.6.1 Unnecessary/Excessive supplementary provision

Supplementary provision aggregating ₹ 1,681.38 crore obtained in 42 cases, amounting to ₹ 10 lakh or more in each case during the year proved unnecessary as the expenditure registered under the grants was within the original provision as detailed in **Appendix-2.4**.

Chart-2.4: Unnecessary Supplementary Provisions



Source: Appropriation Accounts.

2.3.6.2 Excessive/unnecessary re-appropriation of funds

Re-appropriation is the transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Re-appropriation proved excessive/insufficient and resulted in savings/excess expenditure exceeding ₹ 10 lakh in 124 cases under 22 grants as detailed in **Appendix-2.5**. Reasons for the savings were not furnished by the Government as of December 2019.

2.3.6.3 Substantial surrenders

Substantial surrenders (the cases where more than 30 per cent of total provision was surrendered) were made in respect of 104 sub-heads, in 16 grants. Out of the total provision amounting to ₹ 615.09 crore in these 104 sub-heads, ₹ 426.12 crore (69.28 per cent) were surrendered which included 100 per cent surrender in 51 schemes (₹ 76.31 crore) in Voted Grants detailed in **Appendix-2.6 (A)**. Out of the total provision amounting to ₹ 0.77 crore under one sub-head, ₹ 0.37 crore (48.05 per cent) was surrendered in one appropriation as detailed in **Appendix-2.6 (B)**.

2.3.6.4 Surrender in excess of actual savings

In one case, the amount surrendered was in excess of actual saving indicating lack of budgetary controls in the Department. As against savings of ₹ 66.62 crore in one case, the amount surrendered was ₹ 100.40 crore resulting in excess surrender of ₹ 33.78 crore. Details are given in **Appendix-2.7**.

2.3.6.5 Anticipated savings not surrendered/partially surrendered

Paragraph 124 of Section I of Chapter XIII of the UBM stipulates that every Controlling Officer must furnish the final statement of excesses and savings in Form B.M. 2 (Part-II) which should reach the Finance Department, through the Administrative Department concerned, not later than 25 January. At the close of the year 2018-19, there were, however, 13 grants in which savings of ₹ five crore and above occurred but no part of it had been surrendered by the concerned departments. The amount involved in these cases was ₹ 2,964.13 crore (41.71 per cent of the total savings¹) as given in **Appendix-2.8**.

Similarly, out of savings of ₹ 7,012.28 crore (individual cases where savings were more than ₹ one crore) amount aggregating ₹ 918.59 crore only was surrendered resulting in non-surrender of remaining ₹ 6,093.69 crore (85.75 per cent of the savings of ₹ 7,106.62 crore), details of which are given in **Appendix-2.9**. Besides, in 14 cases, funds in excess of ₹ 10 crore amounting to ₹ 957.51 crore were surrendered (**Appendix-2.10**) on the last day of March 2019, thereby defeating the intended purpose of surrenders as these funds could not be utilised for other purposes.

2.3.6.6 Appropriation vis-à-vis expenditure

Appropriation audit shows that in 58 cases, savings exceeded ₹ one crore or more than 20 per cent of total provision in each case (**Appendix-2.11**). Against the total savings of ₹ 7,106.62 crore, savings of ₹ 6,616.40 crore (93.10 per cent)² occurred in 29 cases relating to 19 grants and one Appropriation as given in **Table-2.6**.

¹ Of total savings of ₹ 7,106.62 crore.

² Exceeding ₹ 50 crore in each case.

Table-2.6: List of Grants and Appropriations with savings of ₹ 50 crore and above

(₹ in crore)					
Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percentage
Revenue -Voted					
1.	06	Revenue & General Administration	1,234.40	372.54	30.18
2.	07	Finance, Tax, Planning, Secretariat & Miscellaneous	8,440.00	697.69	8.27
3.	10	Police & Jail	1,938.78	105.30	5.43
4.	11	Education, Sports, Youth Welfare & Culture	7,609.74	542.42	7.13
5.	12	Medical, Health & Family Welfare	2,222.90	496.45	22.33
6.	13	Water Supply, Housing & Urban Development	705.07	143.54	20.36
7.	15	Welfare	1,709.43	367.60	21.50
8.	16	Labour & Employment	368.18	146.57	39.81
9.	17	Agriculture Works & Research	1,137.97	169.84	14.93
10.	19	Rural Development	1,004.01	205.91	20.51
11.	20	Irrigation & Flood	500.18	72.21	14.44
12.	22	Public Works	875.36	159.06	18.17
13.	23	Industries	250.87	53.04	21.14
14.	25	Food	257.69	86.46	33.55
15.	27	Forest	742.17	128.63	17.33
16.	30	Welfare of Scheduled Castes	1,200.62	321.08	26.74
17.	31	Welfare of Scheduled Tribes	363.88	122.09	33.55
Total			30,561.25	4,190.43	13.71
Revenue-Charged					
1.	07	Finance, Tax, Planning, Secretariat & Miscellaneous	5,174.62	699.30	13.51
Total			5,174.62	699.30	13.51
Capital-Voted					
1.	06	Revenue & General Administration	442.75	272.51	61.55
2.	07	Finance, Tax, Planning, Secretariat & Miscellaneous	328.13	160.34	48.86
3.	11	Education, Sports, Youth Welfare & Culture	297.93	155.14	52.07
4.	13	Water Supply, Housing & Urban Development	1,115.17	517.31	46.39
5.	20	Irrigation & Flood	468.20	102.27	21.84
6.	21	Energy	317.30	73.15	23.05
7.	22	Public Works	1,391.50	66.62	4.79
8.	24	Transport	187.81	173.86	92.57
9.	26	Tourism	112.59	55.11	48.95
10.	30	Welfare of Scheduled Castes	331.33	96.28	29.06
11.	31	Welfare of Scheduled Tribes	151.18	54.08	33.77
Total			5,143.89	1,726.67	33.57
Grand Total			40,879.76	6,616.40	16.19

Source: Appropriation Accounts.

The reasons for the savings though called for, were yet to be received (December 2019).

2.3.6.7 Persistent Savings

During the last five years, there were persistent savings of more than ₹ one crore in 45 cases as detailed in Table-2.7.

Table-2.7: List of Grants indicating persistent savings during last five years (2014-15 to 2018-19)

(₹ in crore)						
Sl. No.	No. and Name of grant	Amount of Saving				
		2014-15	2015-16	2016-17	2017-18	2018-19
Revenue-Voted						
1.	03-Council of Ministers	1.16	41.00	17.55	11.99	12.25
2.	04-Judicial Administration	35.73	29.67	54.67	19.38	39.73
3.	06-Revenue & General Administration	1,037.70	669.86	1,284.98	823.29	372.54
4.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	480.27	786.13	1,020.53	226.15	697.69
5.	08-Excise	1.44	1.91	5.13	2.59	3.12
6.	10-Police & Jail	100.55	60.74	149.77	73.90	105.30
7.	11-Education, Sports, Youth Welfare & Culture	741.48	811.98	1,313.18	439.41	542.42
8.	12-Medical, Health & Family Welfare	397.34	514.02	452.31	510.18	496.45
9.	13-Water Supply, Housing & Urban Development	175.86	300.00	416.29	171.25	143.54
10.	14-Information	1.01	2.19	4.76	3.30	8.92
11.	15-Welfare	342.56	396.89	504.66	324.83	367.60
12.	16-Labour & Employment	58.20	86.03	72.37	19.06	146.57
13.	17-Agriculture Works & Research	91.09	215.51	252.03	64.05	169.84
14.	18-Co-operative	7.93	6.60	16.69	2.84	16.46

15.	19-Rural Development	651.46	126.96	485.65	557.81	205.91
16.	20-Irrigation & Flood	63.40	49.57	100.57	36.58	72.21
17.	22-Public Works	205.45	119.55	61.65	63.62	159.06
18.	23-Industries	14.02	34.66	106.40	43.01	53.04
19.	24-Transport	5.27	5.60	11.69	9.43	25.50
20.	25- Food	224.72	129.08	171.66	55.36	86.46
21.	26-Tourism	42.46	4.17	18.69	8.40	14.96
22.	27-Forest	119.93	80.72	2,10.08	82.90	128.63
23.	28-Animal Husbandry	33.92	24.21	73.87	22.33	25.39
24.	29-Horticulture Development	41.31	61.45	49.46	55.47	44.62
25.	30-Welfare of Scheduled Castes	269.50	490.39	542.21	245.12	321.08
26.	31-Welfare of Scheduled Tribes	95.59	117.85	138.15	90.34	122.09
Revenue-Charged						
1.	02-Governor	1.19	1.31	4.81	2.18	3.16
2.	04-Judicial Administration	7.59	8.77	28.12	7.20	18.09
3.	07- Finance, Tax, Planning, Secretariat & Miscellaneous Services	657.44	414.76	226.69	646.15	699.30
4.	09-Public Service Commission	1.59	1.64	9.49	10.11	11.77
5.	22-Public Works	4.71	5.09	1.38	3.95	6.13
Capital -Voted						
1.	04-Judicial Administration	19.54	29.06	38.67	3.76	4.64
2.	06-Revenue & General Administration	4.85	4.42	74.61	146.15	272.51
3.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	23.09	15.31	310.53	262.41	160.34
4.	10-Police & Jail	7.55	2.91	17.12	8.43	4.63
5.	11-Education, Sports, Youth Welfare & Culture	189.88	370.80	152.73	111.97	155.14
6.	12-Medical, Health & Family Welfare	24.27	33.80	32.28	82.61	42.40
7.	13-Water Supply, Housing & Urban Development	477.85	157.08	174.45	193.49	517.31
8.	15-Welfare	74.29	39.12	17.66	44.01	42.42
9.	21-Energy	361.66	102.42	314.05	196.67	73.15
10.	23-Industries	25.81	16.29	34.66	57.77	46.68
11.	24-Transport	30.00	59.21	44.41	19.23	173.86
12.	26-Tourism	179.95	63.10	71.64	5.22	55.11
13.	30-Welfare of Scheduled Castes	299.68	134.77	117.96	61.89	96.28
14.	31-Welfare of Scheduled Tribes	42.37	61.52	59.85	36.65	54.08

Reasons for savings in 2018-19 were not intimated by the Government (December 2019). Despite being mentioned in the Report on State Finances of the Comptroller & Auditor General of India for the year 2017-18 of the State, a substantial number of cases were noticed where savings persisted during the current year also which is indicative of persistent over assessment of requirement of funds. This needs to be reviewed.

2.3.7 Drawal of funds to avoid lapse of Budget

Government is authorised to open Personal Deposit (PD) Accounts in order to deposit money by transferring funds from the Consolidated Fund for discharging liabilities of the Government. According to the provisions contained in General Financial Rules (Rule 8), funds shall be withdrawn only if required for immediate payment and shall not be removed from the Government Account for investment or deposit elsewhere without the consent of the Finance Department. Besides, the practice of withdrawing funds with a view to avoiding lapse of Budget grant and placing such moneys as deposits in the Public Account or with Bank is forbidden.

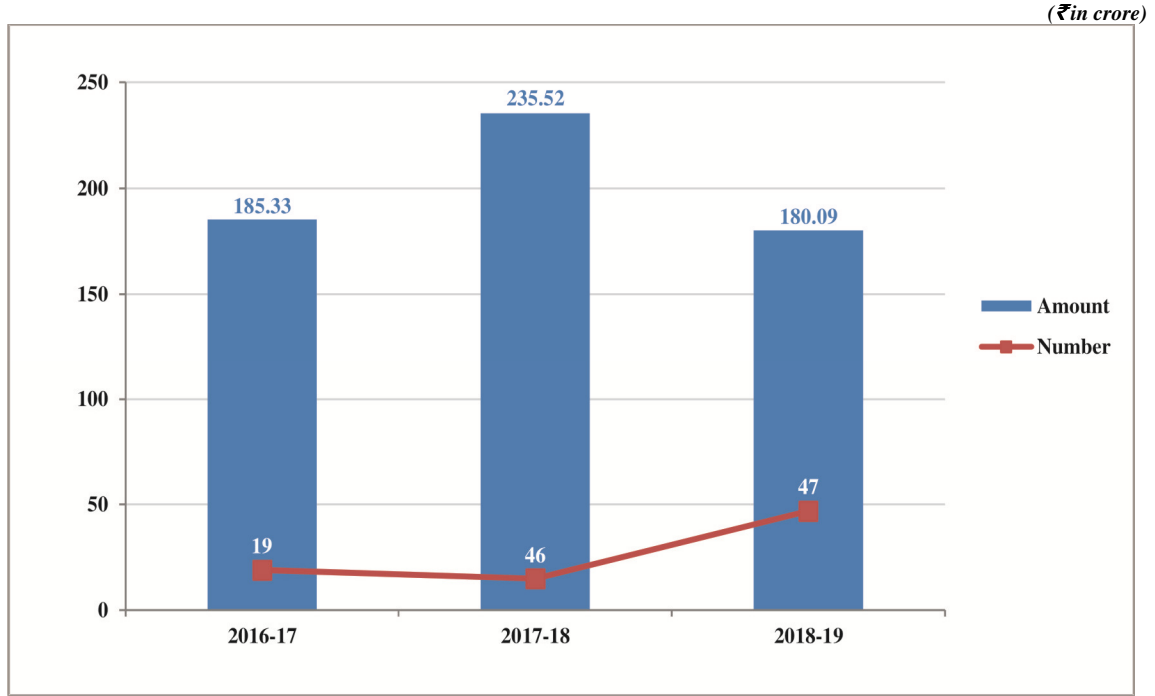
At the end of 2018-19, unspent balances to the tune of ₹180.09 crore in PD Accounts remained untransferred to the Consolidated Fund. Further, it was also noticed that an amount of ₹19.74 crore, ₹3.75 crore and ₹0.28 crore drawn under Major Heads 4515, 2415 and 2235 were transferred to PD Accounts in March.

The status of PDA during 2018-19 is given in **Table-2.8**.

Table-2.8: Status of PD Accounts (MH 8443-106) during 2018-19

Opening Balance		Addition during the year		Closed during the year		Closing Balance	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
46 ³	235.52	01	226.24	...	281.67	47	180.09

Chart-2.5: PD Accounts



The State had 47 Personal Deposit Accounts with a closing balance of ₹ 180.09 crore as on 31 March 2019. Out of this, an amount of ₹ 98.36 crore (54.61 per cent) relates to one Personal Deposit Account of District Magistrate, Dehradun. The same was required to be closed at the end of financial year and the unspent balances transferred to the Consolidated Fund. It was also found that the amounts held in the PLA of DM, Dehradun were for the use of another State Government Departments such as Social Welfare Department, Civil Supplies Department, Sports Department and Swajal. During the year 2018-19 no amount had been spent from this account, instead an amount of ₹ 4.77 crore had been transferred to this account. Besides, the account had not been got renewed from the Accountant General (A&E), Uttarakhand either in the year 2017-18 or in the year 2018-19. Amounts lying in PD Accounts resulted in overstatement of expenditure to that extent. Moreover, the PD Administrators had not reconciled their balances with treasury figures. Non-reconciliation of Personal Deposit Accounts periodically and not transferring the unspent balances lying in Personal Deposit Accounts to Consolidated Fund entails the risk of misuse of public funds, fraud and misappropriation.

During Exit Conference, the State Government assured to issue a Government Order to all District Magistrates and the District Treasury Officers to open new PLA accounts only with the concurrence of Finance Department and the Accountant General (A&E) and not to use it for parking of funds.

³ Differs with the last years OB on account of reconciliation.

2.4 Outcome of Review of Selected Grants

A review of receipts and expenditure under Grant No. 07-Finance, Tax, Planning, Secretariat & Miscellaneous Services and Grant No. 13- Water Supply, Housing & Urban Development for the period 2016-17 to 2018-19 revealed the following position:

Grant No. 07-Finance, Tax, Planning, Secretariat & Miscellaneous Services

A. Revenue Expenditure

The overall revenue expenditure showed increase during 2017-18 by 30.91 per cent and further increased by 7.25 per cent during 2018-19 over the previous year, as summarised in the **Table-2.9**.

Table-2.9: Summarised position of actual expenditure vis-à-vis original provision during 2016-17 to 2018-19

Head of Account	Year	Original provision	Supplementary provision	Total	Actual Expenditure	Saving	In per cent	
							Saving	Variation in Exp.
2030-Stamps and Registration, 2040- Taxes on Sales, Trade etc., 2043-Collection charges under State Goods & Services Tax, 2045-Other Taxes and Duties on Commodities and Services, 2047- Other Fiscal Services, 2048, 2049- Interest Payments, 2052- Secretariat General Services, 2054- Treasury & Accounts administration 2071-Pension & Other Retirement Benefits, 2515- Other Rural Development Programme, 3451-Secretariat Economic Services, 3454- Census Survey & Statistics and 3604- Compensation & Assignments to Local Bodies and Panchayati Raj Institutions	2016-17	9,946.90	2.22	9,949.12	8,701.90	1,247.22	12.54	-
	2017-18	11,576.52	687.45	12,263.97	11,391.67	872.30	7.11	30.91
	2018-19	13,164.90	449.72	13,614.62	12,217.62	1,397.00	10.26	7.25

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings during 2016-17 to 2018-19. During 2018-19, there was unnecessary supplementary provision of ₹ 449.72 crore as the original allotment (₹13,164.90 crore) was more than actual expenditure (₹12,217.62 crore).

Test check of certain heads of accounts revealed trends of major variations (more than ₹ 50 lakh in any year) in expenditure over previous years, as shown below in **Table-2.10**.

Table-2.10: Trends of major variations in expenditure over previous years in grant

Sl. No.	Head of Account	Expenditure (₹ in lakh)			Variation (₹ in lakh)		Variation (in per cent)	
		2016-17	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
1.	2030-01-101-03	107.81	309.06	33.98	201.25	-275.08	186.67	-89.01
2.	2040-00-800-05	11,280.92	10,417.77	3,977.60	-863.15	-6,440.17	-7.65	-61.82
3.	2054-00-003-03	20.00	140.00	200.00	120.00	60.00	600.00	42.86
4.	2071-01-104-03	36,980.60	462.42	48,321.04	-36,518.18	47,858.62	-98.75	10,349.60
5.	2071-01-111-03	296.56	396.45	1,023.09	99.89	626.64	33.68	158.06
6.	3454-02-001-01	182.99	120.64	63.02	-62.35	-57.62	-34.07	-47.76
7.	3454-02-001-03	1,351.35	1,580.58	1,695.92	229.23	115.34	16.96	7.30
8.	3604-01-191-01	4,834.15	5,925.93	4,547.44	1,091.78	-1,378.49	22.58	-23.26
9.	3604-01-191-03	9,772.23	22,982.93	24,504.65	13,210.70	1,521.72	135.19	6.62
10.	3604-01-192-01	3,723.82	7,842.28	4,945.67	4,118.46	-2,896.61	110.60	-36.94
11.	3604-01-193-03	7,423.25	6,924.26	6,346.99	-498.99	-577.27	-6.72	-8.34

Source: Detailed Appropriation Accounts.

B. Capital Expenditure

The overall capital expenditure increased by 47.88 per cent during 2017-18 and by 32.61 per cent during 2018-19 over the previous year, as summarised below in Table-2.11.

Table-2.11: Summarised position of actual expenditure vis-à-vis original/supplementary provision during 2016-17 to 2018-19

Head of Account	Year	Original Provision	Supplementary Provision	Total	Actual Expenditure	Excess	In per cent	
							Excess	Variation in Expenditure
4059- Capital Outlay on Public Work, 4216-Capital Outlay on Housing, 4515-Capital Outlay on Other Rural Development, 6003-Internal Debt of the State Government, 6004- Loans and Advances from the Central Government, 7610- Loans and Advances to Government servants etc., and 7615-miscellaneous Loans	2016-17	2,120.36	306.00	2,426.36	5,302.28	(+) 2,875.92	118.53	--
	2017-18	3,087.23	5.00	3,092.23	7,841.21	(+) 4,748.98	153.58	47.88
	2018-19	3,404.13	106.00	3,510.13	10,397.93	(+) 6,887.80	196.23	32.61

Source: Appropriation Accounts.

It is evident from the above that there were persistent excesses in the years 2016-17, 2017-18 and 2018-19. During 2017-18, supplementary provision of ₹ five crore proved inadequate as the actual expenditure (₹7,841.21 crore) was far more than the total provision. Similarly, during 2018-19, the total provision was not adequate, despite supplementary provision of ₹106 crore, as the actual expenditure (₹10,397.93 crore) exceeded the total provision by 196.23 per cent.

C. Non-Utilisation of entire Provision

Test check of sub-heads revealed that the department did not utilise the entire provision during 2016-17 to 2018-19 at the end of the year (₹ one crore and above) under following sub-heads:

Table-2.12: Summarised position of Non-Utilisation of entire Provision during 2016-17 to 2018-19

Sl. No.	Year	Head of Account	Original	Supplementary	Saving
1.	2016-17	2049-03-104-06	550.00	0.00	550.00
2.		2049-03-104-05	330.00	0.00	330.00
3.		2071-01-101-06	1,100.00	0.00	1,100.00
4.		2071-01-101-07	100.00	0.00	100.00
5.	2017-18	2071-01-102-04	5,000.00	0.00	5,000.00
6.		2049-01-101-27	1,812.20	0.00	1,812.20
7.		2052-00-090-16	33.42	0.00	33.42
8.		2071-01-101-06	1,200.00	150.00	1,350.00
9.		2071-01-101-07	15,000.00	0.00	15,000.00
10.		2071-01-102-03	18,060.00	27,800.00	45,860.00
11.		2048-00-797-03	20,000.00	0.00	20,000.00
12.		2049-01-101-17	3,038.97	0.00	3,038.97
13.	2018-19	2049-01-200-11	100.00	0.00	100.00
14.		2048-00-797-03	5,000.00	15,000.00	20,000.00
15.		2048-00-797-04	1,500.00	5,000.00	6,500.00
16.		2049-01-200-11	100.00	0.00	100.00
17.		2049-03-104-05	330.00	0.00	330.00
18.		2071-01-101-06	1,600.00	0.00	1,600.00
19.		3451-00-092-07	50.00	0.00	50.00
20.		3604-02-196-04	1,661.00	0.00	1,661.00

Source: Detailed Appropriation Accounts.

D. Receipts

The overall position of revenue receipts under 0030, 0040, 0043, 0045, 0047, 0049, and 0071 Major Head of the selected grant during 2016-17 to 2018-19 is summarised in **Table-2.13**.

Table-2.13: Position of revenue receipts under 0030, 0040, 0043, 0045, 0047, 0049, and 0071 Major Head of the grant

(₹ in crore)					
Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ short fall	Per cent Variation to Revised Estimate
2016-17	10,018.67	8,310.59	8,373.35	62.76	0.76
2017-18	4,562.27	4,540.73	5,205.65	664.92	14.64
2018-19	5,445.32	5,645.32	5,346.69	-298.63	-5.29

Source: Budget and Finance Accounts.

However, test check of certain head of account revealed lower/higher estimation in the subsequent years as compared to actual receipts in previous years as given in **Table-2.14**.

Table-2.14: Summarised position of Receipts during 2016-17 to 2018-19

(₹ in crore)							
Sl. No.	Head of Account	Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ Shortfall	Per cent Variation to R.E
1.	0030-01-101	2016-17	1.65	8.22	8.08	-0.14	-1.70
		2017-18	8.00	8.00	18.31	10.31	128.88
		2018-19	00.00	00.00	6.18	6.18	0.00
2.	0030-01-800	2016-17	100.00	2.34	00.00	-2.34	-100.00
		2017-18	50.00	40.00	2.20	-37.8	-94.50
		2018-19	60.00	60.00	1.94	-58.06	-96.77
3.	0030-02-102	2016-17	798.15	594.09	591.90	-2.19	-0.37
		2017-18	714.00	714.00	662.77	-51.23	-7.18
		2018-19	620.00	620.00	776.09	156.09	25.18
4.	0030-02-103	2016-17	1.27	1.14	1.14	0.00	0.00
		2017-18	1.65	1.65	2.12	0.47	28.48
		2018-19	1.65	1.65	3.53	1.88	113.94
5.	0030-02-800	2016-17	29.07	0.75	0.88	0.13	17.33
		2017-18	13.04	10.04	1.00	-9.04	-90.04
		2018-19	150.04	150.04	00.00	-150.04	-100.00
6.	0030-03-104	2016-17	100.00	170.91	170.91	0.00	0.00
		2017-18	200.00	200.00	190.73	-9.27	-4.64
		2018-19	250.00	250.00	222.60	-27.4	-10.96
7.	0030-03-800	2016-17	170.00	2.32	2.32	0.00	0.00
		2017-18	110.02	100.02	1.06	-98.96	-98.94
		2018-19	110.02	110.02	0.82	-109.2	-99.25
8.	0040-00-101	2016-17	0.0001	786.73	668.14	-118.59	-15.07
		2017-18	308.00	308.00	126.92	-181.08	-58.79
		2018-19	100.00	100.00	18.94	-81.06	-81.06
9.	0040-00-102	2016-17	5,703.30	6,320.33	6,474.57	154.24	2.44
		2017-18	1,874.00	1,874.00	3,572.38	1,698.38	90.63
		2018-19	200.00	200.00	43.67	-156.33	-78.17
10.	0040-00-103	2016-17	1,600.00	14.00	0.70	-13.3	-95.00
		2017-18	0.0001	0.0001	0.09	0.0899	89,900.00
		2018-19	1,827.00	1,827.00	1,820.12	-6.88	-0.38
11.	0040-00-106	2016-17	20.01	10.35	10.35	0.00	0.00
		2017-18	20.00	20.00	3.30	-16.7	-83.50
		2018-19	2.00	2.00	0.15	-1.85	-92.50
12.	0043-00-103	2016-17	0.0001	0.006	00.00	-0.006	-100.00
		2017-18	0.007	0.007	0.01	0.003	42.86
		2018-19	0.005	0.005	0.008	0.003	60.00
13.	0045-00-101	2016-17	29.15	38.00	37.51	-0.49	-1.29
		2017-18	40.00	40.00	29.20	-10.8	-27.00
		2018-19	0.0001	0.0001	0.28	0.2799	2,79,900.00
14.	0045-00-102	2016-17	0.0002	0.05	0.64	0.59	1,180.00
		2017-18	0.0002	0.0002	0.02	0.0198	9,900.00
		2018-19	0.0002	0.0002	0.0002	0.00	0.00
15.	0045-00-110	2016-17	350.00	88.17	88.17	0.00	0.00
		2017-18	300.00	300.00	134.30	-165.7	-55.23
		2018-19	300.00	300.00	167.60	-132.4	-44.13

16.	0045-00-111	2016-17	0.007	0.008	0.008	0.00	0.00
		2017-18	0.008	0.008	0.01	0.002	25.00
		2018-19	0.0001	0.0001	0.0024	0.0023	2,300.00
17.	0045-00-112	2016-17	0.55	0.33	0.21	-0.12	-36.36
		2017-18	0.50	0.50	0.18	-0.32	-64.00
		2018-19	0.0001	0.0001	00.00	-0.0001	-100.00
18.	0047-01-800	2016-17	0.006	0.0001	0.001	0.0009	900.00
		2017-18	0.006	0.006	0.01	0.004	66.67
		2018-19	0.03	0.03	0.07	0.04	133.33
19.	0049-04-103	2016-17	10.20	0.07	47.53	47.46	67,800.00
		2017-18	0.10	0.10	71.26	71.16	71,160.00
		2018-19	0.10	0.10	44.07	43.97	43,970.00
20.	0049-04-110	2016-17	60.00	11.00	24.06	13.06	118.73
		2017-18	12.00	12.00	14.05	2.05	17.08
		2018-19	12.00	12.00	10.49	-1.51	-12.58
21.	0049-04-800	2016-17	26.40	36.56	0.17	-36.39	-99.54
		2017-18	40.15	41.61	0.08	-41.53	-99.81
		2018-19	45.00	45.00	1.13	-43.87	-97.49
22.	0071-01-800	2016-17	608.30	3.00	0.1	-2.9	-96.67
		2017-18	503.30	503.30	00.00	-503.3	-100.00
		2018-19	1,303.30	1,503.30	1,656.75	153.45	10.21

Source: Budget and Finance Accounts.

Grant No. 13-Water Supply, Housing & Urban Development

A. Revenue Expenditure

The overall revenue expenditure decreased by 3.87 percent during 2018-19 against a decrease of 21.57 percent during 2017-18 over the previous years, as summarised in Table-2.15.

Table-2.15: Summary of actual expenditure vis-à-vis original provision during 2016-17 to 2018-19

(₹ in crore)

Head of Account	Year	Original	Supplementary	Total	Actual Expenditure	Saving	Saving (in per cent)	Growth in expenditure (in per cent)
2215-Water Supply & Sanitation 2517-Urban Development	2016-17	1,083.09	78.01	1,161.10	744.80	416.29	35.85	-
	2017-18	651.69	103.72	755.41	584.16	171.25	22.67	(-) 21.57
	2018-19	588.57	116.50	705.07	561.53	143.54	20.36	(-) 3.87

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings during 2016-17 to 2018-19. During 2016-17, there was unnecessary supplementary provision of ₹78.01 crore as the original allotment (₹1,083.09 crore) was more than actual expenditure (₹744.80 crore). Similarly during 2017-18, there was unnecessary supplementary provision of ₹103.72 crore as the original allotment (₹651.69 crore) was more than actual expenditure (₹584.16 crore). During 2018-19, there was unnecessary supplementary provision of ₹116.50 crore as the original allotment (₹588.57 crore) was more than actual expenditure (₹561.53 crore).

Test-check of certain head of account revealed significant variations (more than ₹ 50 lakh in any year) in expenditure over previous years as shown below in Table-2.16.

Table-2.16: Trend of major variations in expenditure over previous years in grant

Head	Expenditure (₹ in lakh)			Variation (₹ in lakh)		Variation (in per cent)	
	2016-17	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
2215-01-101-05	15,792.19	19,789.10	24,982.63	3,996.91	5,193.53	25.31	26.24
2215-01-102-01	7,754.27	2,669.39	394.07	-5,084.88	-2,275.32	-65.58	-85.24
2215-01-102-07	1,330.91	1,105.00	4,002.62	-225.91	2,897.62	-16.97	262.23
2215-01-190-03	4,450.00	2,500.00	3,000.00	-1,950.00	500.00	-43.82	20.00
2215-01-190-05	3,000.00	9,680.00	5,200.00	6,680.00	-4,480.00	222.67	-46.28
2215-02-106-03	699.33	600.00	1,500.00	-99.33	900.00	-14.20	150.00
2217-03-001-06	381.14	475.61	526.68	94.47	51.07	24.79	10.74
2217-03-191-03	5,022.91	872.30	25.97	-4,150.61	-846.33	-82.63	-97.02
2217-03-800-01	14,331.36	436.12	1,617.13	-13,895.24	1,181.01	-96.96	270.80

Source: Detailed Appropriation Accounts.

B. Capital Expenditure

The overall Capital Expenditure showed an increase of 105.73 per cent during 2017-18 and a decrease of 6.22 per cent in 2018-19 over the previous year, as summarised in Table-2.17.

Table-2.17: Summarised position of actual expenditure vis-à-vis original provision during 2016-17 to 2018-19

Head of Account	Year	Original	Supplementary	Total	Actual Expenditure	Saving	In per cent	
							Saving	Variation in Exp.
4215- Capital Outlay on Water Supply and Sanitation, 4216- Capital Outlay on Housing, 4217-Capital Outlay on Urban Development and 6217-Loans for Urban Development.	2016-17	378.79	105.53	484.32	309.87	174.45	36.02	-
	2017-18	642.81	188.19	831.00	637.51	193.49	23.28	(+)105.73
	2018-19	1,047.47	67.70	1,115.17	597.86	517.31	46.39	(-)6.22

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings under the Capital Heads under grant number-13 Water Supply, housing & Urban Development of ₹174.45 crore (36.02 per cent), ₹193.49 crore (23.28 per cent) and ₹517.31 crore (46.39 per cent) in the years 2016-17, 2017-18 and 2018-19 respectively. Further, in all the three years the supplementary provision proved unnecessary as the actual expenditure was less than the original grant.

C. Non-Utilisation of the entire Provision

Test check of certain sub-heads of account revealed that the department did not utilise the entire provision during 2016-17 to 2018-19 at the end of the year (₹ one crore and above) as given in Table-2.18.

Table-2.18: Summarised position of Non-Utilisation of entire Provision during 2016-17 to 2018-19

Sl. No.	Year	Head of Account	Original	Supplementary	Total (₹in lakh)
1.	2016-17	2217-03-191-01	2,370.00	00.00	2,370.00
2.		2217-03-191-04	100.00	00.00	100.00
3.		2217-03-191-97	1,400.00	00.00	1,400.00
4.		2217-03-800-13	300.00	00.00	300.00
5.	2017-18	2215-01-052-02	100.00	00.00	100.00
6.		2217-03-800-16	00.00	200.00	200.00
8.		2217-05-051-01	2,500.00	00.00	2,500.00
9.		2217-80-800-09	100.00	00.00	100.00
10.	2018-19	2215-01-101-01	119.01	00.00	119.01
11.		2217-03-800-12	500.00	00.00	500.00
12.		2217-03-800-17	1,500.00	00.00	1,500.00
13.		2217-03-800-19	200.00	00.00	200.00

Source: Detailed Appropriation Accounts.

D. Receipts

The overall position of revenue receipts under 0215, 0216 and 0217 major head of the grant during 2016-17 to 2018-19 is summarised in Table-2.19.

Table-2.19: Position of revenue receipts under 0215, 0216 and 0217 Major Head of the grant

Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/Shortfall	Variation to Revised Estimate
					(in per cent)
2016-17	13.10	15.09	15.09	00.00	00.00
2017-18	14.75	15.75	17.12	1.37	8.70
2018-19	19.55	11.35	11.33	(-) 0.02	(-) 0.18

Source: Budget and Finance Accounts.

However, test check of certain heads revealed lower/higher estimation in the subsequent years as compared to actual receipts in previous years as given in **Table-2.20**.

Table-2.20: Position of Receipts, Minor Head-0215, 0216 and 0217

(₹ in crore)							
Sl. No.	Head of Account	Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ Shortfall	Per cent Variation to R.E
1.	0215-01-103	2016-17	4.40	7.36	7.36	00.00	00.00.
		2017-18	7.50	5.50	8.35	2.85	51.82
		2018-19	8.00	0.10	0.001	(-) 0.099	-99.00
2.	0216-01-106	2016-17	4.30	4.46	4.46	00.00	00.00
		2017-18	4.00	7.00	7.39	0.39	5.57
		2018-19	8.00	10.00	10.11	0.11	1.10
3.	0217-03-800	2016-17	4.40	3.27	3.27	00.00	00.00
		2017-18	3.25	3.25	1.38	-1.87	-57.54
		2018-19	3.55	1.25	1.22	-0.03	-2.40

Source: Budget and Finance Accounts.

Thus, there were significant variations in respect of actual receipts and Revised Estimates which indicated deficiency in estimation.

2.5 Outcome of Inspection of Treasuries

There were 90 units i.e. 19 treasuries, 70 sub-treasuries and one Cyber Treasury at Dehradun in the State, besides one Pay & Accounts Office at New Delhi. Major irregularities noticed during inspection of 54 units⁴ during 2018-19 are contained in **Table-2.21**.

Table-2.21: Outcome of inspection of Treasuries

Sl. No.	Category	Amount (₹ in crore)
1.	Unadjusted amount withdrawn through TR 24	0.20
2.	Uncontrolled withdrawal from PLA Accounts	27.14
3.	Non deduction of TDS from pensioners during 2016-17	0.14

Source: Annual Review 2018-19 of Treasuries by Accountant General (A&E), Uttarakhand.

2.6 Advances from Contingency Fund

The Contingency Fund of the State, in the nature of an imprest, has been established vide Uttarakhand Contingency Fund Act, 2001 (Act No.2 of 2001) in terms of provisions of Articles 267 (2) and 283 (2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. The corpus of Contingency Fund stood at ₹ 500 crore at the end of 2018-19. Any drawal of advances from the Fund needs to be recouped from the Consolidated Fund of the State within the same financial year. However, as on 31 March 2019, advances to the tune of ₹ 107.08 crore drawn from the Contingency Fund during the year 2018-19, remained to be recouped from Service Heads to the Contingency Fund as required as per Section 5 of the Uttarakhand Contingency Fund Act, 2001. As of August 2019, the position of un-recouped Contingency Fund for the year 2018-19 is depicted in **Appendix-2.12**. **Appendix-2.13** gives the position of non-recouped amount of Contingency Fund for the year 2017-18.

⁴ 19 Treasuries, 32 Sub Treasuries, One Cyber Treasury, One Pay & Account Office and One Director Treasury.

Table-2.22: Details of expenditure from Contingency Fund

(₹ in crore)

Financial Year	Contingency Fund Advance	Expenditure on Natural Calamity	Expenditure on other than Natural Calamity		Percentage of Expenditure other than Natural Calamity
			Capital Expenditure	Other Than Capital Expenditure	
2014-15	194.15	10.00	58.38	125.77	94.85
2015-16	385.46	00.00	35.04	350.42	100.00
2016-17	227.70	1.77	15.46	210.47	99.22
2017-18	231.50	4.87	161.52	65.11	97.90
2018-19	107.08	12.50	2.00	92.58	88.33
Total	1,145.89	29.14	272.40	844.35	

During the period 2014-15 to 2018-19, it was observed that State Government incurred an expenditure on Natural Calamity, which is of emergent nature, ranging between zero and 11.67 per cent of Contingency Fund. However, the Government resorted to advances from the Contingency Fund to the tune of ₹272.40 crore (23.77 per cent) for Capital purposes over the period 2014-15 to 2018-19.

An analysis of Expenditure met out of Contingency Fund during the year 2018-19 revealed that expenditure was made towards works not relating to natural calamity like Construction of temporary barrack, washroom & kitchen (₹ two crore); loan to Sugar Mills (₹10 crore); “Rashtriya Gram Swaraj Abhiyan” scheme (₹18.69 crore); grant to Office of the Managing Director, Uttarakhand Payjal Sansthan Vikas Evam Nirman Nigam for payment of salary to its employees (₹16 crore); grant to sugar mills for payment of remaining amount of purchase of Cane (₹12.16 crore); other rural development programmes (₹7.09 crore); for strengthening of district police (₹10.35 crore); assistance to public sector undertakings under Road Transport (₹9.63 crore); upgrading health services in the State (₹5.56 crore); and Others⁵ (₹3.10 crore)

The above expenditure was in contravention of the rules governing the operation of the Contingency fund.

2.7 (A) Pendency in submission of Detailed Countersigned Contingent (DCC) Bills against Abstract Contingent (AC) Bills

As per Financial Rules, every Drawing Officer has to certify in each AC bill that detailed bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective Controlling Officers for countersignatures and transmission to the Accountant General (Accounts and Entitlement). Detailed bills aggregating ₹ 0.56 crore, drawn on 10 AC bills were pending at the end of March 2019. Year wise details are given in **Table-2.23**.

Table-2.23: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills (as on March 2019)

(₹ in crore)

Year	Outstanding DC Bills	
	Number	Amount
Up to 2017-18	Nil	...
2018-19	10	0.56
Total	10	0.56

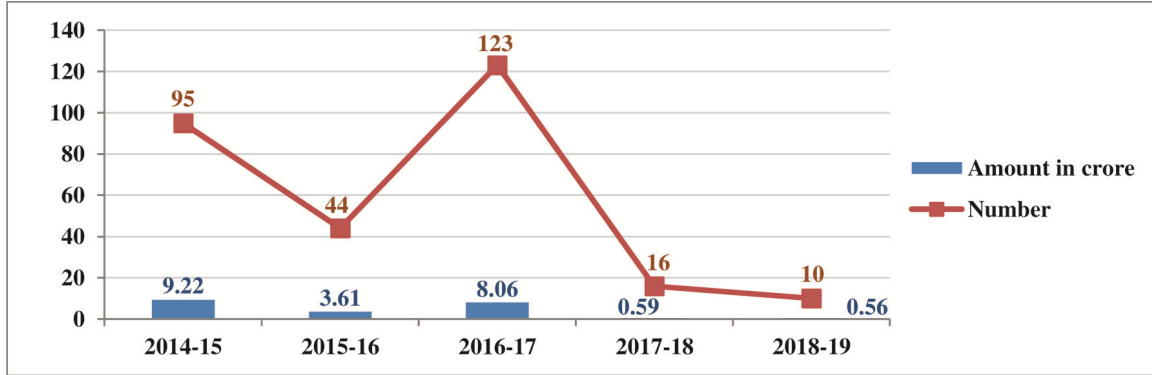
Source: Information as compiled from Accountant General (A&E), Uttarakhand.

⁵ Minor Irrigation (₹ 1.69 crore), Village and Small Industries (₹ 0.81 crore), General Education (₹ 0.02 crore), Urban Development (₹ 0.14 crore), Crop Husbandry (₹ 0.25 crore), Other Administrative Services (₹ 0.18 crore).

Out of the total outstanding DCC bills amounting to ₹0.56crore, four outstanding DCC bills of ₹0.29crore pertained to the Election Department. Position of Department/office wise pending DCC bills for the period up to 2018-19 has been given in **Appendix-2.14**.

The details of outstanding detailed counter signed contingent bills against AC bills during the last five years are given in the Chart below:

Chart-2.6: Outstanding DC Bills



There was a substantial reduction in the outstanding detailed bills against the AC Bills and only 10 DCC Bills amounting to ₹ 0.56 crore were outstanding at the end of March 2019.

2.7 (B) Un-reconciled Expenditure

To enable the Controlling Officers of the Departments to exercise effective control over expenditure to keep it within the budgetary allocation and to ensure accuracy of their accounts, Paragraph 109 of the Uttarakhand Budget Manual 2012 stipulates that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General (Accounts & Entitlement). Even though non-reconciliation of departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2018-19 also.

During the year 2018-19, such reconciliations had been completed fully by 55 Chief Controlling Officers (CCOs) out of 62 CCOs (88.71 percent) for an amount of ₹ 36,524.41 crore (95.16 percent) out of total expenditure of ₹ 38,380.44 crore.

The cases where amounts exceeding ₹ 10crore involving a total of ₹ 1140.61 crore (2.97 percent of total expenditure) remained un-reconciled in respect of six Controlling Officers during the year 2018-19 are detailed in **Table-2.24**.

Table-2.24: List of Controlling Officers where amounts exceeding ₹ 10 crore in each case remained fully un-reconciled during 2018-19

Sl. No.	Controlling Officers	Amount not reconciled
1.	O/o The Chief Revenue Commissioner Ring Road, Ladpur, Dehradun	122.50
2.	O/o The Principal Secretary, Finance, Government of Uttarakhand	76.17
3.	O/o The Director General Medical Health and Family Welfare Services	421.55
4.	O/o The Secretary, Housing and Urban Development	147.10
5.	O/o The Controller of Finance Govind Vallabh Pant Agriculture and Industrial University	119.68
6.	O/o The Chief Engineer, Irrigation Department	253.61
Total		1,140.61

Source: Information compiled from Accountant General (A&E), Uttarakhand.

The CCOs of the above mentioned departments were asked to furnish the reasons for failing to undertake reconciliation as prescribed by the Accountant General (Accounts & Entitlement). However, no response was received (December 2019). Non-reconciliation of accounts by the controlling authorities has led to the continuation of deleted sub-major heads being operated by some controlling authorities.

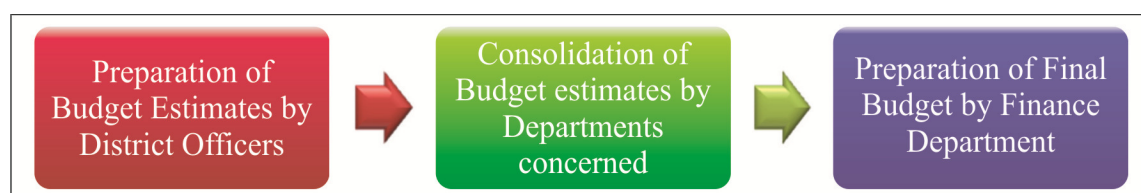
The Government must ensure reconciliation of accounts by the Controlling Officers concerned to obviate possibilities of fraud and misuse of funds.

During Exit Conference, the State Government agreed to issue a Government Order to all Administrative Departments/CCOs/Head of Departments for timely reconciliation of expenditure with Accountant General (A&E), Uttarakhand.

2.8 Budgeting Process

The flow chart of budget preparation process is below:

Chart-2.7: Flow chart of Budget preparation process



Source: Based on para 210 of Budget Manual.

Both the departmental estimates and estimates prepared at district level should receive careful attention of the officers who submit them, so that they may be neither inflated nor under pitched but as accurate as possible.

Audit analysis showed that budget preparation had several flaws that undermine its role in legislative control and as a tool for the Government to monitor the flow of funds.

2.8.1 Deficiencies in budgeting

The following discrepancies in the classification were noticed in the Budget document of the State Government for the financial year 2018-19.

Sl. No.	Classification made in the Budget Document.	Classification as per List of Major and Minor Heads of Accounts
1.	MH-2070-104-Vigilance	Minor Head 104-Vigilance does not exist
2.	MH-2202- 02- 105-Non-formal Education	MH-2202-02-103-Non-formal Education
3.	MH-2202-05-107-Scholarships	Minor Head 107-Scholarships does not exist under sub-Major Head 05
4.	MH-2202-80-107-Training	MH-2202-80-107-Scholarship
5.	MH-2215-01-107-Sewerage Services	MH-2215-01-107-Sewerage Services does not exist
6.	MH-4215-02-105-Sewerage Services	MH-4215-02-105-Sewerage Services does not exist
7.	MH-2501-01-003-Training, 800-Other Expenditure	MH-2501- 01 sub-Major Head does not exist
8.	MH-2701-16-102-Maintenance and Repairs	MH-2701-16-101-Maintenance and Repairs
9.	MH.4702-00-051-Construction	MH-4702-00-051-Construction does not exist
10.	MH 4711-01-051 -Construction	MH-4711-01-051-Construction does not exist
11.	MH-2810-01, 02, 03 and 60 have been provided	MH-2810- no sub-Major Head exists under this MH
12.	MH-2059-80-102-Maintenance and Repairs	MH-2059-80-102-Maintenance and Repairs does not exist, instead minor head 053-Maintenance and Repairs has been provided
13.	MH-2216-01-700-Other Housing	MH-2216-01-sub-Major head does not exist

Source: Information provided by office of the AG (A&E).

Similar shortcomings were also mentioned in the State Finance Audit Report (2017-18). However, cognizance of the same had not been taken by the Government.

During Exit Conference, the State Government assured that correct depiction would be made from the year 2020-21.

2.9 Conclusions and Recommendations

During 2018-19, there was an overall excess of ₹1,358.35 crore against the total grants and appropriations of ₹48,037.49 crore. The excess of ₹8,464.98 crore occurred in two grants under Capital Voted and one Appropriation under Capital Charged Section and saving of ₹7,106.62 crore occurred in 31 grants and eight appropriations. The excess of ₹8464.98 crore requires regularisation under Article 205 of the Constitution of India. Large savings indicated deficient budget estimates. Supplementary provision of ₹1,681.38 crore obtained in 42 cases proved unnecessary. Re-appropriation of funds in 124 cases was made injudiciously resulting either in savings or excesses over provisions. Departments surrendered ₹1,044.55 crore on the last working day of the financial year leaving no scope for utilising these funds for other development purposes. In one case, ₹33.78 crore was surrendered in excess of actual savings.

The State Government may assess the savings/excess and surrender the amount well before the close of the financial year so that they can be effectively utilised in other areas/ schemes. It may obtain adequate funds to avoid incurring of excess expenditure.

Excess expenditure amounting to ₹27,194.15 crore pertaining to the years 2005-06 to 2017-18 was yet to be regularised by the State Legislature.

The State Government may plan its expenditure budgets more rigorously so as to avoid exceeding the approved grants and appropriations.

A significant amount of ₹107.08 crore sanctioned under Contingency Fund remained unrecouped as on 31 March 2019.

Government may ensure that advances from the Contingency Fund are resorted only to meet the expenditure that is contingent in nature and also that funds drawn from the Fund are recouped on time.

Inspection of treasuries also indicated deficiencies in their functioning. Six controlling officers did not reconcile their expenditures with the Accountant General (Accounts & Entitlement), Uttarakhand. Consequently, deficiencies in classification of heads of accounts, noticed in the budgeting process of the State Government for the financial year 2018-19, could not be pre-empted.

The State Government may consider issuing directions to the Controlling Officers to timely/periodically reconcile their expenditure with the Accountant General (Accounts & Entitlement).

CHAPTER-3
FINANCIAL REPORTING

CHAPTER-3

FINANCIAL REPORTING

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is, thus, one of the attributes of good governance. The reports on compliance and controls, if effective and operational, assist the State Government in meeting its basic stewardship responsibilities, including strategic planning, decision making and accountability of the stakeholders. This Chapter provides an overview and status of State Government's compliance with various financial rules, procedures and directives during the current year.

3.1 Non-submission of Utilisation Certificates

Financial Rules provide that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees and, after verification, these should be forwarded to the Accountant General (Accounts and Entitlement) within 12 months from the date of their sanction unless specified otherwise. A total number of 119 UCs amounting to ₹353.34 crore was pending as of March 2019 as shown in *Appendix-3.1*. The age-wise position as regards submission of UCs has been summarised in **Table-3.1**.

Table-3.1: Age-wise position of Utilisation Certificates up to March 2019

Sl. No.	Year	No of UCs awaited	Amount
1.	Up to 2016-17	01	0.93
2.	2017-18	24	36.73
3.	2018-19 #	94	315.68
Total		119	353.34

Except where the sanction order specifies otherwise, UCs in respect of Grants-in-aid drawn during 2018-19 become due only in 2019-20.

Source: Finance Accounts 2018-19 prepared by AG (A&E), Uttarakhand.

The Departmental officers did not submit 25 UCs due for submission by March 2019 in respect of which grants amounting to ₹37.66 crore were given up to March 2018 for specific purposes. However, out of 25 UCs, nine UCs amounting to ₹5.87 crore had been received at the end of September 2019. Further, out of 94 UCs due for submission in 2019-20, 20 UCs amounting to ₹120.98 crore have been received up to September 2019. All the UCs, which were pending related to the Panchayati Raj Institutions/Urban Local Bodies.

In the absence of UCs, it could not be ascertained whether the recipients had utilised the grants for the intended purpose for which these were sanctioned. Pendency of UCs was fraught with the risk of misappropriation of funds and fraud.

During Exit Conference, the State Government agreed to issue Government Order for submission of UCs in time.

3.2 Non-receipt of information pertaining to institutions substantially financed by the Government

To identify the institutions, which attract audit under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/ Heads of the Departments are required to furnish to Audit every year, detailed information about the financial assistance given to various institutions, the purpose for which the assistance was granted, and the total expenditure of the institutions. Further, Regulations

on Audit and Accounts, 2007 provide that Government and the Heads of Departments which sanction grants and/or loans to bodies or authorities, shall furnish to the Audit Office, by the end of July every year, a statement of such bodies and authorities to which grants and/or loans aggregating ₹10 lakh or more were paid during the preceding year indicating (a) the amount of assistance, (b) the purpose for which the assistance was sanctioned, and (c) the total expenditure of the body or authority.

The Government, however, did not furnish the information pertaining to grants aggregating ₹10 lakh or more for the Autonomous Bodies/Authorities in the State of Uttarakhand. However, information in case of 15 Bodies was directly received in this office from the entities in whose favour the grants had been sanctioned by the Secretary Finance. Non-furnishing of information was in violation of Regulations on Audit and Accounts, 2007. Consequently, audit could not provide assurance to the Legislature/Government on the manner in which the sanctioned grant was utilised.

During Exit Conference, the State Government assured for compliance of the above requirement.

3.3 Delay in submission of Accounts in respect of Departmentally Managed Commercial Undertakings

Three departmental undertakings of certain Government departments performing activities of quasi-commercial nature are required to prepare *proforma* accounts in the prescribed format annually showing the working results of financial operations so that the Government can assess their working. The finalized annual accounts of departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business. In the absence of timely finalisation of annual accounts, investment of the Government remains outside the scrutiny of Audit/State Legislature. Consequently, corrective measures, if required, for ensuring accountability and improving efficiency, cannot be taken in time. Besides, the delay in all likelihood may also open the system to risk of fraud and leakage of public money.

The Heads of Department in the government are to ensure that the undertakings prepare such accounts and submit the same to Principal Accountant General (Audit), Uttarakhand, for audit within a specified time frame. As of March 2019, the department-wise position of arrears in preparation of *proforma* accounts and investment made by the Government are given in **Appendix-3.2**. Delay in finalisation of accounts carries the risk of financial irregularities going undetected.

During Exit Conference, the State Government agreed to issue a letter to the Administrative Department of Food and Irrigation to finalise the accounts in requisite formats and send these to the office of the Principal Accountant General (Audit).

3.4 Bookings under Minor Head 800-'Other Receipts' and 'Other Expenditure'

Minor Heads 800-'Other Expenditure' and 'Other Receipts' under various Major Heads are intended to be operated only when the appropriate minor head has not been provided in the chart of accounts. Routine operation of Minor Heads 800 under various Major Heads is to be discouraged since it renders the accounts opaque. During 2018-19, an amount of ₹507.85 crore under 29 Major Heads of account, constituting 2.61 *per cent* of expenditure (₹19,424.29 crore) booked against these Major Heads and 1.58 *per cent* of the total revenue expenditure (₹32,196.02 crore) was classified under the Minor Head-800 'Other Expenditure' in the Revenue Account. Similarly, ₹2,248.71 crore under 34 Major Heads of Account constituting 31.78 *per cent* of receipts (₹7,076.45 crore) booked against

these Major Heads and 7.20 percent of the total revenue receipts (₹ 31,216.44 crore) was classified under the Minor Head-‘800-Other Receipts’. Instances where a substantial portion (20 percent or more and exceeding ₹ five crore) of the receipts and expenditure was classified under Minor Head ‘800-Other Receipts’ and ‘800-Other Expenditure’ are depicted in **Table-3.2**.

Table-3.2: Substantial amount booked under Minor Head-‘800-Other Receipts/Expenditure’

(₹ in crore)

Sl. No.	“800-Other Receipts”				“800-Other Expenditure”			
	Major Head	Total Receipts	Booking under Minor Head 800	Percentage of Receipts	Major Head	Total Expenditure	Booking under Minor Head 800	Percentage of Expenditure
1.	0029- Land Revenue	34.10	9.56	28.04	2040- Taxes on Sales, Trades etc.	41.13	39.78	96.72
2.	0059- Public Works	46.49	17.22	37.04	2217-Urban Development	137.91	29.50	21.39
3.	0071- Contributions and recoveries towards Pension and Other Retirement benefits	1,714.70	1,656.75	96.62	2245- Relief on Account of Natural Calamities	403.51	120.92	29.97
4.	0075- Miscellaneous General Services	20.88	16.54	79.21	2250- Other Social Services	9.61	9.31	96.88
5.	0210-Medical and Public Health	99.27	99.27	100.00	2425- Co-operation	77.98	18.31	23.48
6.	0401- Crop Husbandry	16.08	13.83	86.00	2501- Special Program for Rural Development	214.23	107.47	50.17
7.	0406- Forestry and Wild Life	368.73	142.95	38.77	2810- New and Renewable Energy	11.69	6.70	57.31
8.	0801- Power	186.67	186.67	100.00	-	-	-	-
Total		2,486.92	2,142.79	86.16	Total	896.06	331.99	37.05

Source: Finance Accounts 2018-19 prepared by Accountant General (A&E) Uttarakhand.

As is evident from above table, around 86 percent of receipts pertaining to eight Major Heads were booked under ‘800- Other Receipts’. Similarly, around 37 percent of revenue expenditure pertaining to seven Major Heads was booked under the ‘800-Other Expenditure’. Classification of large amounts booked under the Minor Head ‘800-Other Receipts/Expenditure’ affects the transparency/fair picture in financial reporting.

3.5 Losses, Defalcations etc.

Audit observed two cases of defalcation involving Government money amounting to ₹76.77 lakh for the period 2018-19 on which final action was pending. Details of these two cases are given in the **Table-3.3**.

Table-3.3: Details of Cases of Loss and Defalcation

(₹ in lakh)

Sl. No.	Name of the Department	Amount Involved	Detail of the Case	Present Status
1.	Education Department	7.00	Embezzlement was done by withdrawing an amount of ₹ seven lakh from bank account by forging a cheque by a Junior Assistant of Government Inter College Chaumel, Champawat.	Pending in court of Law
2.	Irrigation Department	69.77	Non-adherence of laid down procedures by the Department led to an embezzlement of ₹ 69.77 lakh by fraudulent issue of 32 cheques of ₹ 68.86 lakh to seven persons/firms and non-deposit of Government revenue of ₹ 0.91 lakh in Government Account.	Reply awaited from the State Government

An effective mechanism needs to be put in place to ensure speedy settlement of cases relating to defalcation and loss in order to avoid recurrence of such cases in future.

3.6 Apportionment of Pensionary liabilities between Uttar Pradesh and Uttarakhand

In terms of the Uttar Pradesh Re-organisation Act, 2000, apportionment of the Pensionary dues between the State Governments of Uttarakhand and Uttar Pradesh for the period from April 2000 to March 2018, has been completed. As intimated by the State Government, the apportionment of Pensionary dues for 2018-19 will be undertaken.

3.7 Unallocated Balances between Uttarakhand and Uttar Pradesh

As per Appendix–XIII of Finance Accounts 2018-19 of Government of Uttarakhand, balances amounting to ₹ 8,758.82 crore representing balances under deposits and advances (MH 8336-Civil Deposits to MH 8550-Civil Advances) remain to be apportioned between the successor States of Uttarakhand and Uttar Pradesh, almost two decades after the formation of Uttarakhand State. However, as intimated by the office of the Accountant General (A&E), Uttarakhand, the finalisation was under progress.

3.8 Investment

The State Government has not made available/confirmed the information on investment made by it in Government Companies/Corporations. The information contained in the Statements 8 and 19 of Finance Accounts is primarily based on information on Government investments which are captured from the vouchers by the Accountant General (A&E). The investment figures as shown in the Finance Accounts are under reconciliation with the records of the entities where the investments have been made by the State Government which depicted a difference of ₹ 61.21 crore up to 31 March 2019.

3.9 Implementation of Indian Government Accounting Standards (IGAS)

Three Indian Government Accounting Standards (IGAS) have been notified by Government of India. The compliance of the existing accounting Standards by the State Government is detailed in the **Table-3.4**.

Table-3.4: Implementation of IGAS

IGAS	Status of Implementation	Remarks
IGAS- 1 (Guarantees given by the Government)	Not complied with	The State Government has provided limited information on outstanding guarantees. The information regarding maximum amount of guarantees, added/invoked/discharged/not discharged during the year, guarantee commission receivable/received, etc. has not been made available by the State Government.
IGAS- 2 (Accounting and Classification of Grant-in-Aid- GIA)	Not complied with	During the year 2018-19, the State Government gave grants of ₹ 46.82 crore under six Capital Major Heads, which was in contravention of IGAS- 2.
IGAS- 3 (Loans & Advances made by the Government)	Partially Implemented	Statements 7 and 18 of the Finance Accounts on Loans and Advances given by the Government have been prepared as per the requirements of IGAS-3, to the extent furnished by the State Government. Information on the repayments in arrears from various loanee entities was not provided. State Government departments have not furnished details of outstanding principal and loans that are sanctioned in perpetuity. Consequently, the requirements of IGAS-3 have not been fully met in these accounts.

During Exit Conference, the State Government assured that the provisions of IGAS-1, 2 & 3 would be complied.

3.10 Conclusions and Recommendations

The departmental officers did not submit 25 Utilisation Certificates (due for submission by March 2019) to the Accountant General (A&E), Uttarakhand in respect of the grants of ₹37.66 crore given up-to March 2018 for specific purposes. In the absence of these certificates, it could not be ascertained whether the recipients had utilised the grants for the intended purposes.

The Government may ensure timely submission of utilisation certificates by the departments in respect of the grants released for specific purposes.


Significant amounts of expenditure and receipts were booked under the Minor Heads '800-Other Expenditure' and '800-Other Receipts' under various Major Heads affecting the transparency in financial reporting.

The Government may review all the items presently appearing under Minor Head 800 and ensure that all such receipts and expenditure are booked under the appropriate head of account to enhance transparency in financial reporting.

The Government has not provided adequate disclosures in the Finance Accounts as required under IGAS-1 (Guarantees given by the Government), IGAS-2 (Accounting and Classification of Grants-in-aid) and IGAS-3 (Loans and Advances made by the Government).

The State Government may take steps to ensure compliance with the IGAS-1, 2 and 3 by providing adequate disclosures.

Dehradun
The 20 July 2020


(S. ALOK)
Principal Accountant General (Audit),
Uttarakhand

Countersigned

New Delhi
The 27 July 2020


(RAJIV MEHRISHI)
Comptroller and Auditor General of India

APPENDICES

Appendix-1
(Reference; Paragraph 1.1; Page 1)
State Profile

A. General Data*

Sl. No.	Particulars		Figures
1.	Area		53,483 Sq. km.
2.	Population		
	a.	As per 2001 Census	84.89 lakh
	b.	As per 2011 Census	100.86 lakh
3.	a.	Density of Population (as per 2001 Census) (All India Density = 324 persons per Sq. Km.)	159 person per Sq. km.
	b.	Density of Population (as per 2011 Census) (All India Density = 382 persons per Sq. Km.)	189 person per Sq. km.
4.	Population Below Poverty Line (BPL) (All India Average = 21.90 per cent)		11.30 per cent
5.	a.	Literacy (as per 2001 Census) (All India Average = 64.80 per cent)	71.62 per cent
	b.	Literacy (as per 2011 Census) (All India Average = 73.00 per cent)	78.80 per cent
6.	Infant mortality rate (per 1000 live births) (All India Average = 33 per 1000 live births)		38
7.	Life Expectancy at Birth (All India Average =68.70)		71.80
8.	HDI Value Uttarakhand (UK HDR 2019)		0.72
	HDI Rank Uttarakhand		NA
9.	Gini Coefficient**2009-10 (URP)		
	a.	Rural (All India = 0.29)	0.26
	b.	Urban (All India = 0.38)	0.36
10.	Gross State Domestic Product (GSDP) 2018-19 at current prices		2,45,895
11.	Per capita GSDP CAGR (2011-12 to 2018-19)	Uttarakhand	9.94
		Special Category State	10.93
12.	GSDP CAGR (2011-12 to 2018-19)	Uttarakhand	11.42
		Special Category State	11.55
13.	Population Growth (2009 to 2019)	Uttarakhand	13.77
		Special Category State	11.91

B. Financial Data:

Particulars		CAGR					
		Figures (in per cent)					
		2009-10 to 2017-18		2013-14 to 2017-18		2017-18 to 2018-19	
CAGR		For Uttarakhand	For SCS	For Uttarakhand	For SCS	For Uttarakhand	For SCS
A	of Revenue Receipts	14.02	13.41	11.85	13.77	15.17	11.64
B	of Tax Revenue	14.02	17.65	8.42	13.08	19.90	23.22
C	of Non-Tax Revenue	13.74	8.57	7.67	8.88	87.01	19.16
D	Total Expenditure	13.96	11.95	14.78	13.53	9.95	13.97
E	Capital Expenditure	17.33	9.64	12.35	16.47	4.57	13.68
F	Revenue Expenditure on Education	10.28	13.97	12.66	12.59	12.84	16.16
G	Revenue Expenditure on Health	15.83	15.37	18.00	18.84	22.70	17.91
H	Salary and Wages	11.52	12.81	13.03	11.22	9.80	14.70
I	Pension	21.68	19.15	23.97	16.53	7.21	13.33

* Source: Economic Advisor, Office of the Comptroller and Auditor General of India.

** Gini-coefficient is a measure of inadequacy of income among the population. Value rate is from zero to one, closer to zero inequality is less; closure to one inadequacy is higher.

Appendix-1.1
(Reference: Page 1)

Part A: Structure and Form of Government Accounts	
Structure of Government Accounts: The accounts of the State Government are kept in three parts (i) Consolidated Fund (ii) Contingency Fund and (iii) Public Account.	
Part I: Consolidated Fund: All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.	
Part II: Contingency Fund: Contingency Fund of the State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained where upon the advances from the Contingency Fund are recouped to the Fund.	
Part III: Public Account: Receipts and disbursements in respect of certain transactions such as small savings provident funds, reserve funds, deposits, suspense remittances, etc. which do not form part of the Consolidated Fund are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State legislature.	
PART B: Layout of Finance Accounts	
Statement	Layout
Volume 1	
Part I-Summarized Statement	
Statement No.1	Statement of Financial Position
Statement No.2	Statement of Receipts and Disbursements
Statement No.3	Statement of Receipts (Consolidated Fund)
Statement No.4	Statement of Expenditure (Consolidated Fund) A. Expenditure by Function B. Expenditure by Nature
Statement No. 5	Statement of Progressive Capital Expenditure
Statement No.6	Statement of Borrowings and Other Liabilities
Statement No.7	Statement of Loans and Advances given by the Government
Statement No.8	Statement of Investments of the Government
Statement No.9	Statement of Guarantees given by the Government
Statement No.10	Statement of Grants-in-Aid given by the Government
Statement No. 11	Statement of Voted and Charged Expenditure
Statement No.12	Statement on Source and Application of Funds for Expenditure other than on Revenue Account
Statement No.13	Summary of balances under Consolidated Fund, Contingency Fund and Public Account
	Notes to Accounts
Volume II	
Part II-Detailed Statement	
Statement No.14	Detailed Statement of Revenue and Capital Receipts by Minor Heads
Statement No.15	Detailed Statement of Revenue Expenditure by Minor Heads
Statement No.16	Detailed Statement of Capital Expenditure by Minor Heads and Subheads
Statement No.17	Detailed Statement of Borrowings and Other Liabilities by Minor Heads
Statement No.18	Detailed Statement of Loans and Advances given by the Government
Statement No.19	Detailed Statement of Investments of the Government
Statement No.20	Detailed Statement of Guarantees given by the Government
Statement No.21	Detailed Statement on Contingency Fund and Other Public Account transactions
Statement No.22	Detailed Statement on Investment of Earmarked Balances
Part III: Appendices	
Appendices- I	Comparative Expenditure on Salary
Appendices-II	Comparative Expenditure on Subsidy
Appendices-III	Grants-in-Aid /Assistance given by the State Government (Institution wise and Scheme wise)

Appendices-IV	Details of Externally Aided Projects
Appendices-V	Plan Scheme Expenditure (A. Central Schemes B. State Schemes)
Appendices-VI	Direct Transfer of Central Scheme Funds to Implementing Agencies in the State (Funds routed outside State Budget) (Unaudited Figures)
Appendices-VII	Acceptance of Balances/ Unreconciled difference between Ledger and Broadsheet
Appendices-VIII	Financial results of Irrigation Works
Appendices-IX	Statement of Commitments on Incomplete Public Works Contracts (As on 31 March 2019)
Appendices-X	Statement on Maintenance Expenditure of the State during 2018-19 (As on 31 March 2019)
Appendices-XI	Statement on Implications of Major Policy Decisions during the year on New Schemes proposed in the Budget for the future Cash Flows (As on 31 March 2019)
Appendices-XII	Statement on Committed Liabilities of the State Government in future
Appendices-XIII	Statement of items for which allocation of balances as a result of Re-organisation of States has not been finalized

Appendix-1.2

Part A

(Reference: Page 1)

Methodology adopted for the Assessment of Fiscal Position

The norms/Ceilings prescribed by the Fourteenth Finance Commission (FFC) for selected fiscal variables along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other Statements required to be laid in the legislature under the Act (**Part B of Appendix 1.2**), are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that Gross State Domestic Product (GSDP) is a good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, capital expenditure, internal debt, and revenue and fiscal deficits have been presented as percentage to the GSDP at current prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources pattern of expenditure, etc., are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

The trends in GSDP for the last five years are indicated below:

Trends in Gross State Domestic Product (GSDP)

	2014-15	2015-16	2016-17*	2017-18*	2018-19*
Gross State Domestic Product (₹ in crore)	1,61,439	177,163	195,125	222,836	245,895
Growth rate of GSDP	8.29	9.74	10.14	14.20	10.35
<i>Source: Central Statistics office and Directorate of Economic and Statistics Government of Uttarakhand.</i>					
<i>* Provisional * Quick * Advance estimates.</i>					

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$
Interest spread	GSDP growth – Average Interest Rate
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} / [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts minus all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048–Appropriation for reduction of Avoidance of debt

Appendix-1.2**Part B***(Reference: Paragraph: 1.1; Page 2)****Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005
(Modified in March, 2011 in accordance with the recommendations of Thirteenth
Finance Commission and in December 2016 on the recommendations of Fourteenth
Finance Commission)***

To provide for the responsibility of the State government to ensure fiscal stability and sustainability and to enhance the scope for improving social and physical infrastructure and human development by achieving sufficient revenue surplus, reducing fiscal deficit and removing impediments to the effective conduct to fiscal policy and prudent debt management through limits on State government borrowings, Government guarantees debt and deficits, greater transparency in fiscal operations of the State government and use of a medium term fiscal framework and for matters connected therewith or incidental thereto.

In particular the State government shall--

- (a) Fiscal Deficit of the State will be anchored to an annual limit of 3 *per cent* of GSDP. The State will be eligible for flexibility of 0.25 *per cent* over and above this for any year for which the borrowing limits are to be fixed if the debt-GSDP Ratio is less than or equal to 25 *per cent* in the preceding year.
- (b) The State will be further eligible for an additional borrowing limit of 0.25 *per cent* of GSDP in a given year for which the borrowing limits are to be fixed if the interest payments are less than or equal to 10 *per cent* of the revenue receipts in the preceding year.
- (c) The two options under these flexibility provisions can be availed by the State either separately, if any of the above criterion is fulfilled, or simultaneously if both the above stated criterion are fulfilled. Thus, the State can have a maximum fiscal deficit GSDP limit of 3.5 *per cent* in any given year.
- (d) The flexibility for availing the additional limit under either of the two options or both will be available to the State only if there is no revenue deficit in the year in which borrowing limits are to be fixed and the immediately preceding year.
- (e) Review the targets set forth by the State government above once in six months;
- (f) Total outstanding guarantee at beginning of the F.Y. should not more than 1 *per cent* of the GSDP of that particular year. New guarantee given during any year should not be more than 0.3 *per cent* of the GSDP for that year.

**Outcome indicators of the State's Own Fiscal Correction Path through
Mid Term Fiscal Policy Statement**

(₹ in crore)

	2017-18 (Actual)	2018-19 (Budgeted)	2018-19 (Revised)	2019-20 (Projected)	2020-21 (Projected)	2021-22 (Projected)	2022-23 (Projected)
A. STATE REVENUE ACCOUNT :							
1. Own Tax Revenue	10,164.93	14,963.62	14,763.62	14,736.85	16,652.64	18,817.48	21,263.75
2. Own Non-Tax Revenue	1,769.53	3,470.51	3,746.53	4,254.81	2,892.55	3,037.18	3,189.04
3. Own Tax +Non-Tax Revenue (1+2)	11,934.46	18,434.13	18,510.15	18,991.66	19,545.19	21,854.66	24,452.79
4. Share in Central Taxes and Duties	7,084.91	8,291.23	8,011.59	8,885.26	9,862.64	10,947.53	12,151.76
5. Grants from Central Government	8,085.21	8,934.64	8,232.14	11,078.57	12,297.21	13,649.91	12,151.40
6. Total Central Transfer (4+5)	15,170.12	17,225.87	16,243.73	19,963.83	22,159.85	24,597.44	24,303.16
7. Total Revenue Receipts (3+6)	27,104.58	35,660.00	34,753.88	38,955.49	41,705.04	46,452.10	48,755.95
8. Salary Expenditure	11,656.22	13,765.42	12,752.30	14,513.79	15,529.76	16,772.14	18,113.91
9. Pension	5,033.47	5,352.50	5,580.80	5,942.69	6,299.25	6,929.18	7,622.09
10. Interest Payments	3,987.29	4,906.12	4,904.82	5,332.19	6,021.67	6,685.88	7,466.67
11. Subsidies-General	-	-	-	-	-	-	-
12. Subsidies-Power	-	-	-	-	-	-	-
13. Interest Payment/ Revenue Receipts (10/7) (in per cent)	14.71	13.76	14.11	13.69	14.44	14.39	15.31
14. Total Revenue Expenditure	29,082.69	35,627.31	34,726.63	38,932.70	41,657.99	44,990.63	48,589.88
15. Salary + Interest + Pensions (8+9+10)	20,676.98	24,024.04	23,237.92	25,788.67	27,850.68	30,387.20	33,202.67
16. As per cent of Revenue Receipt (15/7)	76.29	67.37	66.86	66.20	66.78	65.42	68.10
17. Revenue surplus/ deficit (7-14)	-1,978.11	32.69	27.25	22.79	47.05	1461.47	166.07
B. CONSOLIDATED REVENUE ACCOUNT:							
Consolidated Revenue Surplus/ Deficit	-1,978.11	32.69	27.25	22.79	47.05	1461.47	166.07
C. CONSOLIDATED DEBT:							
1. Outstanding Debt and liability*	51,831.25	59,198.13	57,523.37	64,321.53	71,982.36	79,362.47	88,037.98
2. Total Outstanding Guarantee	1,173.16	1,198.47	824.18	824.18	824.18	824.18	824.18
D. CAPITAL ACCOUNT:							
1. Capital Outlay	5,914.37	6,583.79	5,336.19	6,572.08	7,557.89	8,691.58	8,691.58
2. Disbursement of Loans and Advances	76.83	191.98	216.11	282.81	200.00	200.00	200.00
3. Recovery of Loans and Advances	283.50	32.74	32.94	33.94	50.00	50.00	50.00
4. Other capital receipts	7,685.82	6,710.35	5,492.12	6,798.16	7,660.84	7,380.11	8,675.51
E. GROSS FISCAL DEFICIT (GFD) :	7,685.82	6,710.35	5,492.12	6,798.16	7,660.84	7,380.11	8,675.51
GSDP (₹ in crore) at Current Prices	2,14,933.00	2,43,722.60	2,37,147.00	2,63,233.20	2,92,188.80	3,24,329.60	3,60,005.80
E. FISCAL DEFICIT:							
Actual/Assumed Nominal Growth Rate (per cent)	11.71	12.00	10.34	11.00	11.00	11.00	11.00

* It includes amount of provident fund.

Appendix-1.3
(Reference: Paragraphs-1.3 & 1.9.2; Pages 8 & 28)
Time series data on the State Government Finances

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19	
Part A. Receipts						
1. Revenue Receipts	20,247	21,234	24,889	27,105	31,216	
(i) Tax Revenue	8,339 (41)	9,377 (44)	10,897 (44)	10,165 (37)	12,188 (39)	
SGST	--	--	--	1,972 (19)	4,802 (39)	
Taxes on Sales, Trade etc.	5,465 (65)	6,105 (65)	7,154 (66)	3,703(37)	1,883 (15)	
State Excise	1,487 (18)	1,735 (19)	1,906 (18)	2,262(22)	2,871 (24)	
Taxes on Vehicles	394 (5)	471 (5)	556 (5)	816(8)	909 (8)	
Stamps and Registration fees	714 (9)	871 (9)	778 (7)	882(9)	1,015 (8)	
Land Revenue	39 (--)	28 (--)	160 (1)	24(--)	34(--)	
Taxes on Goods and Passengers	--	--	--	--	--	
Others	240 (3)	167 (2)	343 (3)	506 (5)	674 (6)	
(ii) Non Tax Revenue	1,111 (5)	1,220 (6)	1,346 (5)	1,770 (7)	3,310 (10)	
(iii) State's share of Union taxes and duties	3,792 (19)	5,333 (25)	6,412 (26)	7,085 (26)	8,011 (26)	
(iv) Grants in aid from Government of India	7,005 (35)	5,304 (25)	6,234 (25)	8,085 (30)	7,707 (25)	
2. Miscellaneous Capital Receipts	135	--	--	--	0.01	
3. Recoveries of Loans and Advances	46	27	35	34	27	
4. Total Revenue and Non debt capital receipts (1+2+3)	20,428	21,261	24,924	27,139	31,243	
5. Public Debt Receipts	4,573	6,798	6,501	7,526	7,275	
Internal Debt (excluding Ways and Means Advances and Overdrafts)	4,512 (99)	6,701 (99)	6,355(98)	7,412 (98)	7,170 (99)	
Net transactions under Ways and Means Advances and Overdrafts	--	--	--	--	--	
Loans and Advances from Government of India	61 (1)	97 (1)	146(2)	114 (2)	105 (1)	
6. Total Receipts in the Consolidated Fund (4+5)	25,001	28,059	31,425	34,665	38,518	
7. Contingency Fund Receipts	332	191	395	105	217	
8. Public Account Receipts	35,032	37,746	27,855	37,571	41,790	
9. Total Receipts of the State (6+7+8)	60,365	65,996	59,675	72,341	80,525	
Part B. Expenditure/Disbursement¹						
10. Revenue Expenditure	21,164	23,086	25,272	29,083	32,196	
Plan	State Fund Expenditure	5,632 (27)	6,388 (28)	6,344 (25)	25,570 (88)	28,296(88)
Non-Plan	Central Assistance	15,532 (73)	16,698 (72)	18,928 (75)	3,513 (12)	3,900(12)
General Services (Including interest payments)		7,402 (35)	8,410 (37)	9,934 (39)	12,409 (43)	13,525 (42)
Social Services		9,224 (44)	9,927 (43)	10,529 (42)	10,929 (37)	12,209(38)
Economic Services		3,857 (18)	3,983 (17)	3,903 (15)	4,276 (15)	5,003(16)
Grants-in-aid and contributions		681 (3)	766 (3)	906 (4)	1,469 (5)	1,459(4)
11. Capital Expenditure	4,939	4,217	4,954	5,914	6,184	
Plan	State Fund Expenditure	4,780 (97)	4,197 (100)	4,076 (82)	4,274 (72)	3,533 (57)
Non-Plan	Central Assistance	159 (3)	20 (--)	878 (18)	1,640 (28)	2,651 (43)
General Services		214 (4)	111 (3)	72 (1)	804 (14)	454 (7)
Social Services		1,231 (25)	864 (20)	948 (19)	1,086 (18)	1,099 (18)
Economic Services		3,494 (71)	3,242 (77)	3,934 (80)	4,024 (68)	4,631 (75)

¹ From 2017-18, Plan and Non-Plan bifurcation of funding has been discontinued and is being bifurcated in State Fund Expenditure and Central Assistance.

12. Disbursement of Loans and Advances	151	83	165	77	183
13. Total Expenditure of the State (10+11+12)	26,254	27,386	30,391	35,074	38,563
14. Repayments of Public Debt	894	1,997	1,128	1,721	2,057
Internal Debt (excluding Ways and Means Advances and Overdrafts)	866	1,966	1,093	1,681	2,013
Net transactions under Ways and Means Advances and Overdraft	--	--	--	--	--
Loans and Advances from Govt. of India	28	31	35	40	44
15. Appropriation to Contingency Fund	150	--	--	-250	0
16. Total disbursement out of Consolidated Fund (13+14+15)	27,298	29,383	31,519	36,545	40,620
17. Contingency Fund disbursements	194	385	228	482	107
18. Public Account disbursements	33,535	36,537	26,607	35,366	39,947
19. Total disbursement by the State (16+17+18)	61,027	66,305	58,354	72,393	80,674
Part C. Deficits/Surplus					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	(-) 917	(-) 1,852	(-) 383	(-) 1,978	(-) 980
21. Fiscal Deficit (4-13)	5,826	6,125	5,467	7,935	7,320
22. Primary Deficit(-)/Primary Surplus (+) (21+23)	(-) 3,420	(-) 3,154	(-) 1,744	(-) 3,948	(-) 2,845
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	2,406	2,971	3,723	3,987	4,475
24. Financial Assistance to local bodies etc.	3,515	3,596	3,850	3,664	4,466
25. Ways and Means Advances/Overdraft availed (days)	12	9	90	90	167
26. Interest on Ways and Means Advances/Overdraft	0.13	0.19	3.84	5.24	6.08
27. Gross State Domestic Product (GSDP)[@]	1,61,439	1,77,163	1,95,125	2,22,836	2,45,895
28. Outstanding Fiscal liabilities (year end)	33,480	39,069	44,583	51,831	58,039
29. Outstanding guarantees (year end) (excluding interest)	1,832	1,743	1,248*	1,173	1,311
30. Maximum amount guaranteed (year end)	2,951	2,805	2,805	2,105	2,105
31. Number of incomplete projects (in numbers)	141	182	297	260	202
32. Capital blocked in incomplete projects (₹ in crore)	155.71	582.13	1,007.56	631.94	480.30
Part E. Fiscal Health Indicators (in ratios)					
I Resource Mobilization					
Own Tax revenue/GSDP	0.05	0.05	0.06	0.05	0.05
Own Non-Tax Revenue/GSDP	0.01	0.01	0.01	0.01	0.01
Central Transfers/GSDP	0.07	0.06	0.07	0.07	0.06
II Expenditure Management					
Total Expenditure/GSDP	0.16	0.16	0.16	0.16	0.16
Total Expenditure/Revenue Receipts	1.30	1.29	1.22	1.29	1.24
Revenue Expenditure/Total Expenditure	0.81	0.84	0.83	0.83	0.83

Expenditure on Social Services/Total Expenditure	0.40	0.39	0.38	0.34	0.35
Expenditure on Economic Services/Total Expenditure	0.28	0.26	0.26	0.24	0.25
Capital Expenditure/Total Expenditure	0.19	0.15	0.16	0.17	0.16
Capital Expenditure on Social and Economic Services/Total Expenditure	0.18	0.15	0.16	0.15	0.15
<i>III Management of Fiscal Imbalances</i>					
Revenue deficit (surplus)/GSDP	(-) 0.006	(-) 0.01	(-) 0.002	(-) 0.009	(-) 0.004
Fiscal deficit/GSDP	(-) 0.036	(-) 0.035	(-) 0.028	(-) 0.036	(-) 0.03
Primary Deficit (surplus) /GSDP	(-) 0.021	(-) 0.018	(-) 0.009	(-) 0.018	(-) 0.012
Revenue Deficit/Fiscal Deficit	(+) 0.157	(+) 0.302	(+) 0.070	(+) 0.249	(+) 0.134
Net Primary Revenue Balance/GSDP	(-) 0.020	(-) 0.027	(-) 0.021	(-) 0.026	(-) 0.022
<i>IV Management of Fiscal Liabilities</i>					
Fiscal Liabilities/GSDP	0.21	0.22	0.23	0.23	0.24
Fiscal Liabilities/RR	1.65	1.84	1.79	1.91	1.86
Debt Repayment to Debt Receipts (in per cent)	19.55	29.38	17.35	22.87	28.27
<i>V Other Fiscal Health Indicators</i>					
Return on Investment	0.11	5.10	15.21	22.69	18.69
Financial Assets/Liabilities	0.93	0.90	0.96	0.94	0.93

Figures in brackets represent percentages (rounded) to total of each sub-heading.

* Note: Changed Proforma.

@ GSDP at current price figures communicated by the Government adopted.

Appendix-1.4

Part A

(Reference: Paragraphs-1.1.1 and 1.9.2; Pages 3 & 28)

Abstract of Receipts and Disbursements for the year 2018-19

(₹ in crore)

Receipts			Disbursements		
Various items	2017-18	2018-19	Various items	2017-18	2018-19
1	2	3	4	5	6
Section – A Revenue					
I-Revenue Receipts	27,104.57	31,216.44	I-Revenue Expenditure	29,082.69	32,196.02
(i) Tax revenue	10,164.93	12,188.09	General Services	12,408.50	13,524.87
(ii) Non-tax revenue	1,769.53	3,309.88	Social Services	10,929.44	12,209.34
(iii) State's share of Union Taxes and Duties	7,084.91	8,011.59	Education, Sports, Art and Culture	6,454.08	7,283.41
(iv) Non-Plan Grants	714.27	--	Health and Family Welfare	1,555.39	1,908.69
(v) Grants for State Plan Schemes	1,620.99	--	Water Supply Sanitation Housing and Urban Development	619.00	578.21
(vi) Grants for Central Plan and Centrally Sponsored Plan Schemes	4,466.94	--	Information and Broadcasting	40.34	119.16
(vii) Grants for Centrally sponsored Scheme	--	4,965.82	Welfare of Scheduled Castes Scheduled Tribes and Other backward Classes	246.27	206.40
(viii) Finance commission Grants	--	484.87	Labour and Labour Welfare	134.84	136.49
(ix) Other Transfer/ Grants to States/ Union Territories with Legislatures	1,283.00	2,256.19	Social Welfare and Nutrition	1,859.91	1,966.84
			Others	19.61	10.14
			Economic Services	4,276.21	5,002.49
			Agriculture and Allied Activities	2,132.20	2,485.04
			Rural Development	1,266.40	1,477.89
			Irrigation and Flood Control	407.44	427.81
			Energy	12.08	11.89
			Industry and Minerals	108.38	154.69
			Transport	236.05	311.97
			Science Technology and Environment	20.74	31.76
			General Economic Services	92.92	101.44
			Grants-in-aid and Contributions	1,468.54	1,459.32
Total	27,104.57	31,216.44	Total	29,082.69	32,196.02
II-Revenue Deficit carried over to Section-B	1,978.12	979.58	II-Revenue Surplus carried over to Section-B	--	--
Total	29,082.69	32,196.02	Total	29,082.69	32,196.02

Various items	2017-18	2018-19	Various items	2017-18	2018-19
1	2	3	4	5	6
III-Opening cash balance including Permanent Advances and Cash Balance Investment	2,785.95	2,733.60	III-Opening overdraft from Reserve Bank of India	--	--
IV- Misc. Capital Receipts	--	0.01	IV- Capital Outlay	5,914.37	6,184.42
			General Services	804.41	454.21
			Social Services	1,085.67	1,099.36
			Education Sports Art and Culture	214.60	154.33
			Health and Family Welfare	63.94	187.40
			Water Supply Sanitation Housing and Urban Development	755.26	688.63
			Welfare of Scheduled Castes Scheduled Tribes and Other Backward Classes	24.65	31.32
			Social Welfare and Nutrition	3.87	4.35
			Other Social Services	23.35	33.33
			Economic Services	4,024.29	4,630.85
			Agriculture and Allied Activities	795.95	997.65
			Rural Development	1,236.61	1,625.05
			Irrigation and Flood Control	314.96	356.92
			Energy	87.00	193.00
			Industry and Minerals	5.98	26.42
			Transport	1,525.71	1,373.83
			General Economic Services	58.08	57.98
			Total	5,914.37	6,184.42
V-Recoveries of Loans and Advances	33.50	26.91	V- Loans and Advances disbursed	76.83	183.48
From Power Projects	30.54	23.44	For Power Projects	62.64	70.53
From Government Servants	1.97	1.62	To Government Servants	0.52	0.20
From Others	0.99	1.85	To others	13.67	112.75
VI-Revenue surplus brought down	---	---	VI-Revenue deficit brought down	1,978.12	979.58

Various items	2017-18	2018-19	Various items	2017-18	2018-19
1.	2.	3.	4.	5.	6.
VII-Public Debt Receipts	7,526.08	7,275.18	VII-Repayment of Public Debt	1,720.72	2,057.51
Internal Debt other than Ways and Means Advances and Overdraft	7,411.72	7,169.72	Internal debt other than Ways and Means Advances and Overdraft	1,680.40	2,013.38
Net transactions under Ways and Means Advances including Overdraft	---	---	Net transactions under Ways and Means Advances and Overdraft	---	---
Loans and Advances from the Central Government	114.36	105.46	Repayment of Loans and Advances to Central Government	40.32	44.13
VIII-Appropriation from Contingency Fund	---	---	VIII-Appropriation to Contingency Fund	(-) 250.00	---
IX- Amount transferred to Contingency Fund	104.66	216.89	IX- Expenditure from Contingency Fund	481.50	107.08
X- Public Account Receipts	37,571.25	41,789.74	X- Public Account disbursements	35,366.30	39,947.18
Small Savings and Provident Funds	1,840.79	2,189.60	Small Savings and Provident Funds	1,221.32	1,299.74
Reserve Funds	232.34	243.00	Reserve Funds	127.26	131.46
Deposits and Advances	4,727.47	4,502.04	Deposits and Advances	4,008.79	4,513.09
Suspense and Miscellaneous	31,936.91	35,287.11	Suspense and Miscellaneous	31,206.55	35,114.04
Remittances	(-)1,166.25	(-)432.01	Remittances	(-) 1,197.62	(-) 1,111.15
XI- Closing overdraft from Reserve Bank of India	--	--	XI-Cash Balance at end	2,733.60	2,583.08
			Cash in Treasuries and Local Remittances	--	--
			Departmental Cash Balance including Permanent Advances	(-) 11.51	(-)11.52
			Deposits with Reserve Bank	1,171.00	1,158.50
			Cash Balance investment and investment of earmarked funds	1,574.11	1,436.10
Total	48,021.44	52,042.33	Total	48,021.44	52,042.33

Appendix-1.4 (Continued)
Part B
(Reference: Paragraph 1.9.1; Page 28)
Summarised financial position of the Government of Uttarakhand as on 31 March 2019

(₹ in crore)

As on 31.03.2018	Liabilities	As on 31.03.2019
40,286.37	Internal Debt -	45,442.71
26,662.21	Market Loans bearing interest	31,951.52
0.07	Market Loans not bearing interest	0.07
1.50	Loans from Life Insurance Corporation of India	1.50
13,622.59	Loans from other Institutions	13,489.62
--	Ways and Means Advances	--
--	Overdrafts from Reserve Bank of India	--
728.58	Loans and Advances from Central Government -	789.91
0.53	Pre 1984-85 Loans	0.53
4.04	Non-Plan Loans	3.56
724.01	Loans for State Plan Schemes	785.82
--	Loans for Central Plan Schemes	--
--	Loans for Centrally Sponsored Plan Schemes	--
500.00	Contingency Fund (Corpus)	500.00
1,789.07	Suspense and Miscellaneous Balances	1,962.14
7,009.63	Small Savings Provident Funds etc.	7,899.49
3,344.75	Deposits	3,333.70
1,650.54	Reserve Funds	1,762.08
--	Remittance Balances	65.75
55,308.94	Total	61,755.78

Appendix-1.4 Part B (Continued)

As on 31.03.2018	Assets	As on 31.03.2019
46,188.67	Gross Capital Outlay on Fixed Assets -	52,373.08
3,209.24	Investments in shares of Companies Corporations etc.	3,402.45
42,979.43	Other Capital Outlay	48,970.63
1,769.97	Loans and Advances	1,926.54
164.50	Loans for Power Projects	211.59
1,618.84	Other Development Loans	1,729.74
(-) 13.37	Loans to Government servants and Miscellaneous loans	(-) 14.79
446.28	Contingency Fund (un-recouped)	336.48
613.39	Remittance	--
--	Suspense and Miscellaneous Balances	--
0.42	Advance with Departmental Officer	0.42
2,733.60	Cash -	2,583.08
--	Cash in Treasuries and Local Remittances	--
1,171.00	Deposits with Reserve Bank	1,158.50
(-)10.70	Departmental Cash Balance	(-)10.71
(-) 0.81	Permanent Advances	(-)0.81
1,574.11	Cash Balance Investments	1,436.10
3,556.59	Deficit on Government Account -	4,536.18
--	Deducted (changed proforma due to apportionment of un allocated balances between Uttar Pradesh and Uttarakhand)	
--	(i) Deduct Revenue Surplus of the current year	--
1,978.12	(ii) Add Revenue deficit of the current year	979.58
(-) 250.00	(iii) Appropriation to Contingency Fund and Misc. Capital Receipt	0.01
--	(iv) Amount close to Government Account	--
1,828.47	(v) Accumulated deficit at the beginning of the year	3,556.59
55,308.92	Total	61,755.78

Explanatory Notes for Appendices 1.3 and 1.4

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis the deficit on Government account as shown in **Appendix 1.4** indicates the position on cash basis as opposed to accrual basis in commercial accounting. Consequently items payable or receivable or items like depreciation or variation in stock figures etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid payments made on behalf of the State and other pending settlements etc. There was a difference of ₹ 1,150.17 crore (Credit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank". The difference is under reconciliation.

Appendix-1.5
(Reference: Paragraph 1.8.3; Page 25)
Summarised Financial Statement of Departmentally Managed Commercial/Quasi-commercial Undertakings

(₹ in lakh)

Sl. No.	Name of the Undertaking	Period of accounts	Mean Govt capital	Block assets at depreciated cost	Depreciation provided during the Year	Turnover	Net profit/ Loss	Interest on Capital	Total return (8+9)	Percentage of Return on capital
1	2	3	4	5	6	7	8	9	10	11
1.	Irrigation Workshop Division, Roorkee	2011-12	191.72	80.57	6.03	55.57	(-) 26.22	23.49	(-) 2.73	(-) 1.42
2(a).	Regional Food Controller, Haldwani	2006-07	-	22.33	25.16	20,991.81	(-) 10,791.29	-	(-) 10,791.29	-
2(b).	Regional Food Controller, Dehradun	2006-07	-	13.00	1.37	14,297.23	(-) 2,786.73	-	(-) 2,786.73	-

Appendix-2.1

(Reference: Paragraph 2.3.1; Page 45)

Statement of various grants/appropriations where excess expenditure was more than ₹ one crore each or more than 20 per cent of the total provision

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appropriation	Total Expenditure	Excess Expenditure	Percentage of Excess Expenditure
Capital (Charged)						
1.	7	Finance, Tax, Planning, Secretariat & Miscellaneous Services	3,182.00	10,230.14	7,048.14	221.50
Capital (Voted)						
2.	19	Rural Development	1,507.16	1,509.96	2.80	0.19
5.	25	Food	19.00	1,433.04	1,414.04	7,442.32
Total			4,708.16	13,173.14	8,464.98	179.79

Appendix-2.2

(Reference: Paragraph 2.3.4; Page 47)

Statement of various grants/appropriations where supplementary provision proved insufficient by ₹ one crore or more than ₹ one crore each

(₹ in crore)

Sl. No.	Grant Number	Name of the Grant	Original Provision	Supplementary provision	Total	Expenditure	Excess
1.	19	Rural Development(Capital-Voted)	1,382.16	125.00	1,507.16	1,509.96	2.80
2.	25	Food (Capital-Voted)	19.00	0.005	19.01	1,433.04	1,414.04
Total			1,401.16	125.01	1,526.17	2,943.00	1,416.84

Appendix-2.3
(Reference: Paragraph 2.3.5; Page 47)
Rush of Expenditure exceeding 25 per cent in March 2019 or 50 per cent in the last Quarter (Jan 2019 to March 2019) of the total Expenditure

(₹ in crore)

Sl. No.	Head of account Scheme/ Service	Expenditure incurred during Jan-March 2019	Expenditure incurred in March 2019	Total Expenditure April to March 2019	Percentage of total expenditure incurred during	
					March 2019	Jan-March 2019
1.	2040	30.80	27.78	41.13	67.54	74.88
2.	2049	2,092.13	1,518.02	4,474.82	33.92	46.75
3.	2216	1.86	1.44	5.59	25.76	33.27
4.	2220	59.62	49.52	119.16	41.56	50.03
5.	2225	129.95	107.79	206.40	52.22	62.96
6.	2235	697.95	414.24	1,563.34	26.50	44.64
7.	2245	226.22	182.26	403.51	45.17	56.06
8.	2250	7.23	4.94	9.61	51.40	75.23
9.	2251	0.46	0.16	0.53	30.19	86.79
10.	2404	20.82	16.53	43.43	38.06	47.94
11.	2405	8.86	6.03	16.97	35.53	52.21
12.	2408	67.93	56.40	157.88	35.72	43.03
13.	2425	52.14	3.87	77.98	4.96	66.86
14.	2701	9.58	6.56	17.53	37.42	54.65
15.	2810	6.81	2.83	11.69	24.21	58.25
16.	2851	77.14	52.90	145.19	36.44	53.13
17.	3452	37.42	18.90	64.56	29.28	57.96
18.	3475	2.94	2.45	6.69	36.62	43.95
19.	4055	9.96	4.79	14.59	32.83	68.27
20.	4059	189.47	120.09	439.35	27.33	43.13
21.	4202	90.26	51.04	154.33	33.07	58.49
22.	4210	83.35	66.78	187.40	35.64	44.48
23.	4217	131.59	54.85	179.39	30.58	73.35
24.	4225	19.87	9.67	31.32	30.87	63.44
25.	4235	4.27	4.20	4.35	96.55	98.16
26.	4401	7.02	5.04	5.12	98.44	137.11
27.	4403	4.55	3.50	4.70	74.47	96.81
28.	4405	2.56	2.56	4.26	60.09	60.09
29.	4406	24.25	21.07	39.46	53.40	61.45
30.	4515	576.13	486.08	1,625.05	29.91	35.45
31.	4700	117.75	95.40	221.63	43.04	53.13
32.	4702	46.85	24.24	48.67	49.80	96.26
33.	4711	35.54	32.13	79.54	40.39	44.68
34.	4801	107.30	107.30	193	55.60	55.60
35.	4859	12.66	4.16	24.36	17.08	51.97
36.	5053	2.97	2.97	2.97	100.00	100.00
37.	6401	82.00	82.00	112.00	73.21	73.21
38.	7055	3.87	1.21	5.27	22.96	73.43
39.	7610	0.20	0.20	0.20	100.00	100.00
Total		5,082.28	3,651.90	10,742.97	33.99	47.31

Appendix-2.4

(Reference: Paragraph 2.3.6.1; Page 47)

Cases where supplementary provision (₹ 10 lakh or more in each case) proved unnecessary

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original provision	Supplementary Provision
A-Revenue (Voted)					
1.	03-Council of Ministers	67.62	64.46	3.16	9.09
2.	04-Judicial Administration	193.04	167.92	25.12	14.61
3.	05-Election	44.13	35.93	8.2	2.76
4.	06- Revenue & General Administration	1,223.58	861.87	361.71	10.83
5.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	8,190.27	7,742.30	447.97	249.72
6.	08- Excise	26.99	26.24	0.75	2.37
7.	10-Police & Jail	1,914.89	1,833.48	81.41	23.89
8.	11- Education, Sports, Youth Welfare & Culture	7,424.30	7,067.33	356.97	185.44
9.	12-Medical, Health & Family Welfare	2,102.77	1,726.45	376.32	120.14
10.	13-Water Supply, Housing & Urban Development	588.57	561.53	27.04	116.50
11.	15- Welfare	1,594.74	1,341.83	252.91	114.70
12.	16- Labour & Employment	342.92	221.60	121.32	25.26
13.	18- Cooperative	89.41	77.98	11.43	5.03
14.	19-Rural Development	910.83	798.09	112.74	93.17
15.	20-Irrigation and Flood	494.01	427.96	66.05	6.17
16.	21- Energy	12.64	11.11	1.53	0.60
17.	22- Public Works	822.42	716.30	106.12	52.94
18.	23-Industries	234.52	197.83	36.69	16.35
19.	24- Transport	87.80	74.74	13.06	12.44
20.	25 -Food	256.65	171.23	85.42	1.05
21.	26- Tourism	71.78	62.06	9.72	5.24
22.	27 -Forest	727.35	613.54	113.81	14.81
23.	29-Horticulture Development	294.26	262.82	31.44	13.18
24.	30-Welfare of Scheduled Castes	1,134.91	879.55	255.36	65.72
25.	31- Welfare of Scheduled Tribes	337.63	241.79	95.84	26.25
Total Revenue (Voted)		29,188.03	26,185.94	3,002.09	1,188.26
B-Revenue (Charged)					
1	04- Judicial Administration	52.80	35.67	17.13	0.96
2.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	4,974.62	4,475.32	499.30	200.00
Total Revenue (Charged)		5,027.42	4,510.99	516.43	200.96
C- Capital (Voted)					
1.	06- Revenue & General Administration	442.50	170.24	272.26	0.25
2.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	222.13	167.79	54.34	106.00
3	10-Police & Jail	20.72	18.59	2.13	2.50
4	11- Education, Sports, Youth Welfare & Culture	277.31	142.79	134.52	20.62
5.	13-Water Supply, Housing & Urban Development	1,047.47	597.86	449.61	67.70
6	15- Welfare	71.29	37.87	33.42	9.00
7.	16- Labour & Employment	12.00	10.96	1.04	2.00
8	20-Irrigation and Flood	426.28	365.92	60.36	41.92
9.	21- Energy	307.30	244.15	63.15	10.00
10	24- Transport	185.81	13.95	171.86	2.00
11.	26-Tourism	111.59	57.48	54.11	1.00
12.	27-Forest	81.20	38.60	42.60	6.58
13.	28-Animal Husbandry	21.73	8.97	12.76	5.55
14.	30-Welfare of Scheduled Castes	326.06	235.06	91.00	5.27
15	31- Welfare of Scheduled Tribes	139.41	97.09	42.32	11.77
Total Capital (Voted)		3,692.80	2,207.32	1,485.48	292.16
Grand Total		37,908.25	32,904.25	5,004.00	1,681.38

Appendix-2.5
(Reference: Paragraph 2.3.6.2; Page 48)
Excess/Unnecessary/Insufficient re-appropriation of funds resulting in saving (shortfall in the utilisation of funds)/ excess of ₹ 10 lakh and above

(₹ lakh)

Sl. No.	Grant No.	Description	Voted/Charged	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
1.	01	Legislature	Revenue-Voted	2011-02-101-03	(+)13.50	(-)60.04
			Revenue-Voted	2011-02-103-03	(-)13.50	(-)259.11
2.	04	Judicial Administration	Revenue-Voted	2014-00-105-03	(-)70.00	(-)1814.72
			Revenue-Voted	2014-00-105-04	(+)19.17	(-)332.68
			Revenue-Voted	2014-00-108-03	(+)50.83	(-)251.49
3.	06	Revenue and General Administration	Revenue-Voted	2053-00-093-03	(-)14.00	(-)1,058.36
			Revenue-Voted	2053-00-101-03	(+)14.00	(-)52.14
			Revenue-Voted	2070-00-107-03	(-)1,312.94	(-)12.00
			Revenue-Voted	2245-80-102-05	(+)70.00	(-)57.38
			Revenue-Voted	2245-80-102-07	(-)70.00	(-)297.98
4.	07	Finance, Tax, Planning, Secretariat & Miscellaneous Service	Revenue-Voted	2030-02-102-03	(-) 23.34	(-)211.70
			Revenue-Voted	2030-03-001-03	(+) 24.00	(-) 57.72
			Revenue-Voted	2030-03-001-04	(+) 23.34	(-)62.62
			Revenue-Voted	2030-03-001-05	(-) 24.00	(-) 76.00
			Revenue-Voted	2043-00-101-03	(+) 91.00	(-) 852.53
			Revenue-Voted	2043-00-800-02	(-) 91.00	(-) 179.46
			Revenue-Voted	2049-60-701-03	(+) 25.00	(-) 14.47
			Revenue-Voted	2049-60-701-05	(-) 25.00	(-) 3,475.00
			Revenue-Voted	2052-00-090-13	(-) 13.00	(-) 24.00
			Revenue-Voted	2052-00-091-03	(-) 321.47	(-) 102.57
			Revenue-Voted	2052-00-800-04	(-) 20.00	(-) 115.46
			Revenue-Voted	2054-00-095-03	(+) 4.00	(-) 102.31
			Revenue-Voted	2054-00-097-03	(+) 16.00	(-) 610.64
			Capital -Voted	3604-01-193-04	(-) 500.00	(-) 5,612.83
Capital -Voted	4216-02-800-12	(-) 966.28	(-) 220.43			
5	08	Excise	Revenue-Voted	2039-00-001-03	(+) 34.50	(-) 86.05
			Revenue-Voted	2039-00-001-04	(-) 34.50	(-) 225.85
6.	10	Police & Jail	Revenue-Voted	2055-00-001-03	(-) 55.55	(-) 219.24
			Revenue-Voted	2055-00-001-04	(-) 98.00	(-) 845.36
			Revenue-Voted	2055-00-003-04	(+) 47.80	(-) 68.05
			Revenue-Voted	2055-00-104-04	(-) 10.00	(-) 636.53
			Revenue-Voted	2055-00-109-04	(-) 33.62	(-) 601.24
			Revenue-Voted	2055-00-109-05	(+) 105.00	(-) 219.21
			Revenue-Voted	2055-00-109-07	(+) 7.75	(-) 48.01
			Revenue-Voted	2055-00-110-03	(+) 108.00	(-) 17.38
7.	11	Education, Sports, Youth Welfare & Culture	Revenue-Voted	2202-02-001-03	(+) 11.99	(-) 96.17
			Revenue-Voted	2202-02-109-07	(+) 85.00	(-) 158.46
			Revenue-Voted	2202-02-109-16	(-) 6,840.00	(-) 242.57
			Revenue-Voted	2202-03-103-04	(-) 757.47	(-) 69.00
			Revenue-Voted	2202-03-103-08	(-) 74.59	(-) 535.56
			Revenue-Voted	2202-03-104-03	(-) 219.82	(-) 741.07
			Revenue-Voted	2202-05-103-04	(-) 20.28	(-) 200.00
			Revenue-Voted	2204-00-001-01	(-) 34.76	(-) 25.02
			Revenue-Voted	2204-00-001-04	(-) 206.74	(+) 34.08
			Revenue-Voted	2204-00-104-35	(-) 39.73	(-) 10.27
			Revenue-Voted	2205-00-102-01	(-) 8.73	(-) 10.19
		Capital Voted	4202-03-102-26	(+) 263.44	(-) 16.34	

8.	12	Medical, Health & Family Welfare	Revenue-Voted	2210-01-001-03	(+) 238.31	(-) 353.09
			Revenue-Voted	2210-01-110-05	(+) 25.00	(-) 547.35
			Revenue-Voted	2210-01-110-11	(-) 30.00	(-) 107.18
			Revenue-Voted	2210-03-103-03	(+) 450.00	(-) 328.84
			Revenue-Voted	2210-03-110-17	(-) 450.00	(-) 808.51
			Revenue-Voted	2210-06-101-03	(-) 233.31	(-) 9,880.30
			Capital Voted	4210-01-110-14	(+) 33.02	(-) 50.00
			Capital Voted	4210-03-105-03	(+) 188.68	(+) 139.94
			Capital Voted	4210-03-105-11	(-)188.68	(-) 171.32
9.	13	Water supply, Housing & Urban Development	Revenue-Voted	2215-01-102-07	(+) 656.47	(-) 153.85
			Revenue-Voted	2215-01-800-08	(-) 304.94	(-) 195.06
			Revenue-Voted	2217-03-191-01	(-) 2,988.15	(-) 5,556.35
			Capital Voted	4217-03-051-01	(-) 1,000.00	(-) 18,999.03
10.	14	Information	Revenue-Voted	2220-01-105-03	(-) 4.43	(-) 182.32
			Revenue-Voted	2220-01-105-06	(-) 22.55	(-) 150.00
			Revenue-Voted	2220-60-001-03	(-) 193.12	(-) 34.37
			Revenue-Voted	2220-60-110-03	(-) 28.43	(-) 100.00
11.	15	Welfare	Revenue-Voted	2235-02-103-23	(+) 30.00	(-) 24.87
			Revenue-Voted	2235-02-103-29	(-) 30.00	(-) 6,678.98
			Revenue-Voted	2235-60-200-03	(-) 418.97	(-) 10.00
			Revenue-Voted	2250-00-800-18	(+) 10.88	(-) 41.56
12.	17	Agriculture Works & Research	Revenue-Voted	2401-00-001-01	(-) 1,576.76	(-) 4,458.63
			Revenue-Voted	2401-00-109-01	(+) 597.48	(-) 1,256.22
13.	19	Rural Development	Revenue-Voted	2501-01-003-01	(-) 3,000.00	(-) 2,556.52
			Revenue-Voted	2501-01-800-01	(+) 5,642.97	(-) 4,112.05
			Revenue-Voted	2515-00-102-01	(+) 310.50	(-) 116.63
14.	20	Irrigation and Flood	Revenue-Voted	2700-00-001-05	(-) 177.54	(-) 244.87
			Revenue-Voted	2701-15-101-02	(+)177.54	(-) 120.99
			Capital-Voted	4700-00-051-01	(-) 1,033.76	(-) 2,167.26
			Capital-Voted	4700-04-051-02	(+) 17.59	(-) 100.00
			Capital-Voted	4700-18-051-02	(-) 420.84	(-) 366.29
			Capital-Voted	4711-01-103-01	(+) 1,033.76	(-) 201.76
15.	22	Public Works	Revenue-Voted	2059-80-102-06	(-) 6.90	(-) 17.27
			Revenue-Voted	3054-01-337-01	(-) 1,853.74	(-) 2,013.36
			Revenue-Voted	3054-03-337-05	(-) 41.23	(-) 83.51
			Revenue-Voted	3054-04-337-03	(-) 5,291.15	(-) 433.79
			Capital-Voted	5054-03-101-03	(-) 760.06	(-) 87.73
			Capital-Voted	5054-04-337-03	(+) 2,133.82	(-) 2,257.34
			Capital-Voted	5054-04-337-04	(-) 597.29	(-) 214.90
			Capital-Voted	5054-04-337-05	(-) 59.50	(+) 127.18
			Capital-Voted	5054-04-337-06	(-) 422.25	(+) 98.80
			Capital-Voted	5054-04-337-97	(-) 2,809.17	(+) 17.14
			Capital-Voted	5054-04-337-98	(-) 936.41	(-) 498.54
16.	23	Industries	Revenue-Voted	2851-00-101-03	(-) 200.00	(-) 2,000.00
			Revenue-Voted	2851-00-102-97	(-) 950.00	(-) 50.00
17.	25	Food	Revenue-Voted	2408-01-001-03	(-) 50.00	(-) 541.90
			Revenue-Voted	3475-00-106-03	(+) 50.00	(-) 32.73
			Capital-Voted	4408-01-800-05	(-) 149.48	(-) 33.60
18.	27	Forest	Revenue-Voted	2406-00-101-01	(+) 767.76	(-) 770.26
			Revenue-Voted	2406-01-800-01	(-) 791.91	(-) 2,004.57
			Revenue-Voted	2406-02-110-01	(+) 24.15	(-) 1,073.41
19.	28	Animal Husbandry	Revenue-Voted	2403-00-101-01	(+) 332.36	(-) 89.99
			Revenue-Voted	2403-00-104-04	(-) 62.70	(-) 37.35
			Revenue-Voted	2403-00-113-01	(-) 69.66	(-) 72.97
20.	29	Horticulture Development	Revenue-Voted	2401-00-119-01	(-) 702.10	(-) 78.94

			Revenue-Voted	2401-00-119-03	(-) 1,692.83	(+) 299.05			
			Revenue-Voted	2401-00-119-28	(-) 9.00	(-) 191.00			
			Revenue-Voted	2401-00-119-31	(-) 0.81	(-) 81.99			
			Revenue-Voted	2401-00-119-98	(-) 50.00	(-) 450.00			
21.	30	Welfare of Scheduled Castes	Revenue-Voted	2235-02-101-02	(+) 117.13	(-) 88.26			
			Revenue-Voted	2235-60-102-02	(-) 117.13	(-) 980.85			
			Revenue-Voted	2401-00-001-01	(-) 1,322.54	(-) 671.64			
			Revenue-Voted	2401-00-109-01	(+) 74.09	(-) 35.13			
			Revenue-Voted	2403-00-101-01	(+) 7.30	(-) 65.37			
			Revenue-Voted	2403-00-113-01	(-) 7.30	(-) 32.70			
			Revenue-Voted	2501-01-003-01	(-) 1,300.00	(-) 331.44			
			Revenue-Voted	2515-00-102-02	(-) 1293.79	(-) 34.20			
			Capital-Voted	4215-02-105-01	(-) 751.49	(-) 346.16			
			Capital-Voted	4702-00-800-01	(-) 780.00	(+) 36.29			
			Capital-Voted	5054-04-337-02	(-) 133.06	(-) 19.28			
			22.	31	Welfare of Scheduled Tribes	Revenue-Voted	2210-03-796-03	(+) 71.00	(-) 97.45
						Revenue-Voted	2210-06-101-99	(-) 71.00	(-) 92.56
Revenue-Voted	2235-02-796-03	(-) 82.33				(-) 199.72			
Revenue-Voted	2235-02-796-07	(+) 82.33				(-) 15.90			
Revenue-Voted	2401-00-001-01	(-) 184.12				(-) 52.31			
Capital-Voted	4702-00-800-01	(-) 512.00				(-) 80.33			
Capital-Voted	5054-04-796-02	(-) 22.06				(-) 929.68			

Appendix-2.6 (A)
(Reference: Paragraph 2.3.6.3; Page 48)
Substantial surrenders made during the year 2018-19 of Voted Grant

(₹ in lakh)

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Total Grant	Amount of Surrender	Percentage of Surrender
1.	03-Council of Ministers	2013-00-105-05	500.00	235.22	47.04
2.	05-Election	2015-00-105-03	1,135.02	354.26	31.21
		2015-00-106-03	147.89	73.51	49.71
		2015-00-109-03	403.57	203.59	50.45
3.	06-Revenue & General Administration	2070-00-105-03	7.23	7.23	100.00
		2070-00-800-16	5.00	5.00	100.00
4.	10-Police & Jail	2055-00-001-05	21.75	20.55	94.48
5.	11-Education, Sports, Youth Welfare & Culture	2202-03-102-08	630.00	400.00	63.49
		2202-03-103-01	2,500.00	2,081.17	83.25
		2202-03-103-12	100.00	54.00	54.00
		2204-00-001-01	82.50	34.76	42.13
		2205-00-001-05	78.40	76.73	97.87
		2205-00-102-01	20.25	8.73	43.11
		2205-00-102-06	15.00	10.31	68.73
		2205-00-102-36	20.00	15.60	78.00
		2205-00-102-39	50.00	44.00	88.00
		2205-00-103-01	10.76	5.57	51.77
		2202-01-101-08	500.00	500.00	100.00
		2202-01-101-09	18.48	18.48	100.00
		2202-03-102-09	58.00	58.00	100.00
		2202-03-103-05	70.00	70.00	100.00
		2202-03-103-13	50.00	50.00	100.00
		2202-03-103-14	100.00	100.0	100.00
		2202-03-107-06	20.00	20.00	100.00
		2202-03-800-09	50.00	50.00	100.00
		2202-03-800-13	32.00	32.00	100.00
		2202-03-800-14	6.00	6.00	100.00
		2202-03-800-15	5.00	5.00	100.00
		2202-03-800-16	20.00	20.00	100.00
		2205-00-102-37	40.00	40.00	100.00
		2205-00-102-38	20.00	20.00	100.00
		2205-00-102-40	20.00	20.00	100.00
		2205-00-102-42	50.00	50.00	100.00
		2205-00-102-43	50.00	50.00	100.00
		2205-00-102-44	40.00	40.00	100.00
		2204-00-001-10	30.54	18.19	59.56
		4202-01-201-01	5,000.01	4,649.70	92.99
		4202-01-201-03	500.00	416.12	83.22
		4202-01-203-01	2,000.01	1,095.62	54.78
		4202-04-106-04	271.00	209.14	77.17
4202-04-106-06	500.00	469.65	93.93		
4202-01-203-14	250.00	250.00	100.00		
4202-01-203-18	50.00	50.00	100.00		
4202-01-203-19	50.00	50.00	100.00		

		4202-01-203-24	50.00	50.00	100.00
		4202-01-205-08	50.00	50.00	100.00
		4202-04-106-01	500.00	500.00	100.00
		4202-04-106-03	200.00	200.00	100.00
		4202-04-106-05	50.00	50.00	100.00
		4202-04-106-07	25.00	25.00	100.00
6.	14-Information	2220-60-102-03	87.93	35.19	40.02
		2220-60-102-04	21.06	7.04	33.43
		4059-60-051-04	100.00	100.00	100.00
7.	15- Welfare	2251-00-092-07	100.00	64.21	64.21
		2251-00-092-06	37.00	37.00	100.00
		4235-60-200-03	241.00	226.02	93.78
8.	16-Labour & Employment	2230-01-101-05	212.24	65.82	31.01
		2230-01-103-09	15.00	11.86	79.07
		2230-01-103-06	5.00	5.00	100.00
		2230-01-103-10	20.00	20.00	100.00
		2230-01-103-16	1,137.15	1,137.15	100.00
9.	17-Agriculture Works & Research	2415-80-120-13	194.86	134.86	69.21
		2415-80-120-14	197.05	127.05	64.48
		2415-80-120-15	159.45	102.25	64.13
		2415-80-120-20	32.40	27.40	84.57
		2415-80-120-24	20.00	13.40	67.00
		2401-00-001-11	24.40	24.40	100.00
		2415-80-120-05	100.00	100.00	100.00
		2415-80-120-08	100.00	100.00	100.00
		2415-80-120-11	80.00	80.00	100.00
		2415-80-120-12	80.00	80.00	100.00
		4401-00-800-06	400.00	400.00	100.00
		4401-00-800-07	50.00	50.00	100.00
10.	19-Rural Development	2515-00-001-06	77.24	62.51	80.93
11.	20-Irrigation & Flood	2702-02-005-05	12.56	11.98	95.38
		2702-80-005-02	199.65	121.68	60.95
		4702-00-051-01	10,003.00	6,734.35	67.32
12.	22- Public Works	3054-01-337-01	4,000.00	1,853.74	46.34
		5054-04-337-01	10,000.01	5,239.04	52.39
		5054-04-337-06	500.00	422.25	84.45
		5054-05-337-02	2,000.00	620.95	31.05
		5054-05-337-03	500.00	500.00	100.00
		5054-80-190-03	200.00	200.00	100.00
13.	28- Animal Husbandry	2405-00-001-01	30.00	26.62	88.73
		2405-00-101-01	1,178.60	762.48	64.69
		4405-00-101-01	1,229.28	1,220.00	99.25
		4405-00-101-98	800.00	382.88	47.86
		4405-00-001-03	25.00	25.00	100.00
14.	29- Horticulture Development	2401-00-119-29	8.20	8.20	100.00
		2401-00-119-97	1,000.00	1,000.00	100.00
		4401-00-119-13	100.00	87.55	87.55
		4401-00-119-98	500.00	500.00	100.00
15.	30-Welfare of Scheduled Castes	2202-03-001-01	500.00	500.00	100.00
		4202-01-201-01	2,200.00	2,084.08	94.73

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		4702-00-800-01	1,500.00	780.00	52.00
		4702-00-800-02	200.00	100.91	50.46
		4202-01-201-02	100.00	100.00	100.00
16.	31- Welfare of Scheduled Tribes	2202-01-800-01	3,000.01	1,911.45	63.71
		2401-00-796-31	120.00	40.00	33.33
		2202-03-800-01	250.00	250.00	100.00
		4202-01-201-01	700.00	686.02	98.00
		4702-00-800-01	700.00	512.00	73.14
		5054-04-796-01	30.00	29.40	98.00
		4702-00-796-05	27.50	27.50	100.00
Total			61,509.00	42,612.37	69.28

Appendix-2.6 (B)
(Reference: Paragraph 2.3.6.3; Page 48)
Substantial surrenders made during the year 2018-19 of Charged Appropriation

(₹ in lakh)

Sl. No.	Number and title of Appropriation	Name of the scheme (Head of Account)	Total Grant	Amount of Surrender	Percentage of Surrender
1.	02-Governor	2012-03-105-03	77.35	37.00	47.83
Total			77.35	37.00	47.83

Appendix-2.7
(Reference: Paragraph 2.3.6.4; Page 48)
Surrenders in excess of actual savings

(₹ in crore)

Sl. No.	Number and name of the Grant	Total Grant	Saving	Amount Surrendered	Amount Surrendered in excess
1. Capital-Voted					
1.	22-Public Works	1,391.50	66.62	100.40	33.78
Total		1,391.50	66.62	100.40	33.78

Appendix-2.8
(Reference: Paragraph 2.3.6.5; Page 48)
Statement of various grants/appropriations in which savings of ₹ five crore and above occurred but no part of which had been surrendered

(₹ in crore)

Sl. No.	Grant No.	Name of grant/appropriation	Total Grant/ Appropriation	Expenditure	Saving
1.	04	Judicial Administration (Revenue-Voted)	207.65	167.92	39.73
		Judicial Administration (Revenue-Charged)	53.76	35.67	18.09
2.	06	Revenue & General Administration (Capital-Voted)	442.75	170.24	272.51
3.	07	Finance, Tax, Planning, Secretariat & Miscellaneous Services (Revenue-Charged)	5,174.62	4,475.32	699.30
4.	09	Public Service Commission (Revenue-Charged)	29.12	17.35	11.77
5.	12	Medical, Health and Family Welfare (Revenue-Voted)	2,222.90	1,726.45	496.45
		Medical, Health and Family Welfare (Capital-Voted)	229.80	187.40	42.40
6.	13	Water Supply, Housing & Urban Development (Revenue-Voted)	705.07	561.53	143.54
		Water Supply, Housing & Urban Development (Capital-Voted)	1,115.17	597.86	517.31
7.	18	Co-operative (Revenue-Voted)	94.44	77.98	16.46
8.	21	Energy (Capital-Voted)	317.30	244.15	73.15
9.	23	Industries (Revenue -Voted)	250.87	197.83	53.04
		Industries (Capital-Voted)	73.36	26.68	46.68
10.	24	Transport (Revenue-Voted)	100.25	74.74	25.51
		Transport (Capital-Voted)	187.81	13.95	173.86
11.	25	Food (Revenue-Voted)	257.69	171.23	86.46
12.	26	Tourism (Revenue-Voted)	77.02	62.06	14.96
		Tourism (Capital-Voted)	112.59	57.48	55.11
13.	27	Forest (Revenue-Voted)	742.17	613.54	128.63
		Forest (Capital-Voted)	87.78	38.60	49.18
Total			12,482.12	9,517.98	2,964.14

Appendix-2.9
(Reference: Paragraph 2.3.6.5; Page 48)
Details of saving/shortfall in the utilisation of funds of ₹ one crore and above not surrendered

(₹ in crore)

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered
Revenue-Voted				
1.	01-Legislature	3.19	00.00	3.19
2.	03-Council of Ministers	12.25	2.35	9.90
3.	04-Judicial Administration	39.73	00.00	39.73
4.	06- Revenue & General Administration	372.54	14.71	357.83
5.	07- Finance, Tax, Planning, Secretariat & Misc. Services	697.69	8.21	689.48
6.	08-Excise	3.12	00.00	3.12
7.	10-Police And Jail	105.30	0.21	105.09
8.	11-Education, Sports, Youth Welfare and Culture	542.42	328.31	214.11
9.	12-Medical, Health and Family Welfare	496.45	00.00	496.45
10.	13-Water Supply, Housing and Urban Development	143.54	00.00	143.54
11.	14-Information	8.92	4.21	4.71
12.	15-Welfare	367.60	7.37	360.23
13.	16-Labour & Employment	146.57	24.97	121.60
14.	17-Agriculture Works & Research	169.84	92.54	77.30
15.	18- Co-Operative	16.46	00.00	16.46
16.	19- Rural Development	205.91	23.71	182.20
17.	20- Irrigation and Flood	72.21	4.28	67.93
18.	21-Energy	2.13	00.00	2.13
19.	22- Public Works	159.06	72.03	87.03
20.	23- Industries	53.04	00.00	53.04
21.	24- Transport	25.50	00.00	25.50
22.	25- Food	86.46	00.00	86.46
23.	26- Tourism	14.96	00.00	14.96
24.	27- Forest	128.63	00.00	128.63
25.	28- Animal Husbandry	25.39	9.02	16.37
26.	29- Horticulture Development	44.62	34.76	9.86
27.	30-Welfare of Scheduled Castes	321.08	27.06	294.02
28.	31- Welfare of Scheduled Tribes	122.09	25.21	96.88
Total		4,386.70	678.95	3,707.75
Revenue-Charged				
1.	04- Judicial Administration	18.09	00.00	18.09
2.	07- Finance, Tax, Planning, Secretariat & Misc. Services	699.30	00.00	699.30
3.	09- Public Service Commission	11.77	00.00	11.77
4.	22- Public Works	6.13	0.42	5.71
Total		735.29	0.42	734.87
Capital-Voted				
1.	04- Judicial Administration	4.64	00.00	4.64
2.	06- Revenue and General Administration	272.51	00.00	272.51
3.	07- Finance, Tax, Planning, Secretariat & Misc. Services	160.34	15.52	144.82
4.	10-Police And Jail	4.63	00.00	4.63
5.	11-Education, Sports, Youth Welfare and Culture	155.14	82.62	72.52
6.	12-Medical, Health and Family Welfare	42.40	00.00	42.40
7.	13-Water Supply, Housing and Urban Development	517.31	00.00	517.31
8.	15-Welfare	42.42	2.26	40.16
9.	16-Labour & Employment	3.04	00.00	3.04
10.	17-Agriculture, Works & Research	6.44	4.50	1.94

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11.	18-Co-operative	1.55	00.00	1.55
12.	20- Irrigation and Flood	102.27	67.34	34.93
13.	21-Energy	73.15	00.00	73.15
14.	23- Industries	46.68	00.00	46.68
15.	24-Transport	173.86	00.00	173.86
16.	26-Tourism	55.11	00.00	55.11
17.	27- Forest	49.18	00.00	49.18
18.	28- Animal Husbandry	18.31	16.28	2.03
19.	29-Horticulture Development	10.95	5.88	5.07
20.	30-Welfare of Scheduled Castes	96.28	31.99	64.29
21.	31- Welfare of Scheduled Tribes	54.08	12.83	41.25
Total		1,890.29	239.22	1,651.07
Grand Total		7,012.28	918.59	6,093.69

Appendix-2.10

(Reference: Paragraph 2.3.6.5; Page 48)

Cases of surrender of funds in excess of ₹ 10 crore on 30/31 March 2019 of Voted Grant

(₹ in crore)

Sl. No.	Grant No.	Major Head	Total Provision	Amount of Surrender	Percentage of Total Provision
1.	3	4059- Capital Outlay on Public Works	65.00	10.44	16.06
2	5	2015-Election	46.88	10.95	23.36
3.	6	2070- Other Administrative Services	114.71	14.71	12.82
4.	7	4216- Capital Outlay on housing	29.66	15.52	52.33
5.	11	2202-General Education	7,323.78	319.18	4.36
		4202- Capital Outlay on Education, Sports, Art and Culture	297.93	82.62	27.73
6.	16	2210- Medical and Public Health	100.86	11.19	11.09
		2230- Labour and Employment	267.32	13.78	5.15
7.	17	2401- Crop Husbandry	895.10	45.63	5.10
		2415- Agriculture Research and Education	242.87	46.91	19.31
8.	19	2515- Other Rural Development Programmes	636.78	23.71	3.72
9.	20	4702- Capital Outlay on Minor Irrigation	105.03	67.34	64.12
10.	22	3054- Road and Bridges	333.53	71.96	21.58
		5054- Capital Outlay on Roads and Bridges	1,387.00	100.40	7.24
11.	28	4405- Capital Outlay on Fisheries	20.54	16.28	79.26
12.	29	2401- Crop Husbandry	307.44	34.76	11.31
13.	30	2202- General Education	226.54	14.60	6.44
		2401- Crop Husbandry	91.14	12.43	13.64
		4202- Capital Outlay on Education, Sports, Art and Culture	59.15	21.85	36.94
14.	31	2202- General Education	54.67	23.25	42.53
Total			12,605.93	957.51	7.60

Appendix-2.11
(Reference: Paragraph 2.3.6.6; Page 48)
Statement of various grants/appropriation where saving/shortfall in the utilisation of funds was more than ₹ one crore or more than 20 per cent of the total provision

(₹ in crore)

Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
Revenue -Voted					
1.	01	Legislature	72.34	3.19	4.41
2.	03	Council of Ministers	76.72	12.25	15.97
3.	04	Judicial Administration	207.65	39.73	19.13
4.	05	Election	46.88	10.95	23.36
5.	06	Revenue & General Administration	1,234.41	372.54	30.18
6.	07	Finance, Tax, Planning, Secretariat & Miscellaneous Services	8,440.00	697.69	8.27
7.	08	Excise	29.36	3.12	10.63
8.	10	Police & Jail	1,938.78	105.30	5.43
9.	11	Education, Sports, Youth Welfare & Culture	7,609.74	542.42	7.13
10.	12	Medical, Health & Family Welfare	2,222.90	496.45	22.33
11.	13	Water Supply, Housing & Urban Development	705.07	143.54	20.36
12.	14	Information	127.74	8.92	6.98
13.	15	Welfare	1,709.43	367.60	21.50
14.	16	Labour & Employment	368.18	146.57	39.81
15.	17	Agriculture Works & Research	1,137.97	169.84	14.92
16.	18	Co-operative	94.44	16.46	17.43
17.	19	Rural Development	1,004.01	205.91	20.51
18.	20	Irrigation & Flood	500.18	72.21	14.44
19.	21	Energy	13.24	2.13	16.09
20.	22	Public Works	875.36	159.06	18.17
21.	23	Industries	250.87	53.04	21.14
22.	24	Transport	100.25	25.50	25.44
23.	25	Food	257.69	86.46	33.55
24.	26	Tourism	77.02	14.96	19.42
25.	27	Forest	742.17	128.63	17.33
26.	28	Animal Husbandry	316.17	25.39	8.03
27.	29	Horticulture Development	307.44	44.62	14.51
28.	30	Welfare of Scheduled Castes	1,200.62	321.08	26.74
29.	31	Welfare of Scheduled Tribes	363.88	122.09	33.55
Total			32,030.51	4,397.65	13.73
Revenue-Charged					
1.	04	Judicial Administration	53.76	18.09	33.65
2.	07	Finance, Tax, Planning, Secretariat & Miscellaneous Services	5,174.62	699.30	13.51
3.	09	Public Service Commission	29.12	11.77	40.42
4.	22	Public Works	11.00	6.13	55.73
Total			5,268.50	735.29	13.96
Capital-Voted					
1.	03	Council of Ministers	65.00	10.44	16.06
2.	04	Judicial Administration	45.10	4.64	10.29
3.	06	Revenue & General Administration	442.75	272.51	61.55
4.	07	Finance, Tax, Planning, Secretariat & Miscellaneous Services	328.13	160.34	48.86
5.	10	Police & Jail	23.22	4.63	19.94
6.	11	Education, Sports, Youth Welfare & Culture	297.93	155.14	52.07
7.	12	Medical, Health & Family Welfare	229.80	42.40	18.45

8.	13	Water Supply, Housing & Urban Development	1,115.17	517.31	46.39
9.	14	Information	1.00	1.00	100.00
10.	15	Welfare	80.29	42.42	52.83
11.	16	Labour & Employment	14.00	3.04	21.71
12.	17	Agriculture Works & Research	139.87	6.44	4.60
13.	18	Co-operative	4.68	1.55	33.12
14.	20	Irrigation & Flood	468.20	102.27	21.84
15.	21	Energy	317.30	73.15	23.05
16.	22	Public Works	1,391.50	66.62	4.79
17.	23	Industries	73.36	46.68	63.63
18.	24	Transport	187.81	173.86	92.57
19.	26	Tourism	112.59	55.11	48.95
20.	27	Forest	87.78	49.18	56.03
21.	28	Animal Husbandry	27.28	18.31	67.12
22.	29	Horticulture Development	16.00	10.95	68.44
23.	30	Welfare of Scheduled Castes	331.33	96.28	29.06
24.	31	Welfare of Scheduled Tribes	151.18	54.08	35.77
Total			5,951.27	1,968.35	33.07
Capital-Charged					
1	09	<i>Public Service Commission</i>	<i>1.00</i>	<i>0.85</i>	<i>85.00</i>
Total			1.00	0.85	85.00
Grand Total			43,251.28	7,102.14	16.42

Appendix-2.12

(Reference: Paragraph 2.6; Page 57)

Status (as on August 2019) of Advances drawn from Contingency Fund during the year 2018-19 which remained un-recouped till the close of financial year

(₹ in crore)

Sl. No.	Grant No	Major Head	Advance From Contingency Fund	Un-recouped (August 2019)
1.	10-Police	2055	10.35	10.35
2.	11-General Education	2202	0.02	0.02
3.	13-Water Supply & Sanitation	2215	16.00	16.00
4.	13-Urban Development	2217	0.14	0.14
5.	6-Relief on account of Natural Calamities	2245	12.50	12.50
6.	17-Crop Husbandry	2401	12.16	12.16
7.	29- Crop Husbandry	2401	0.25	0.25
8.	19- Other Rural Development Programmes	2515	18.69	18.69
9.	23-Village & Small Industries	2851	0.81	0.81
Total			70.92	70.92

Source: Information as compiled from VLC data of Accountant General (A&E), Uttarakhand.

Appendix-2.13
(Reference: Paragraph 2.6; Page 57)
Expenditure made from Contingency Fund during the year 2017-18 which remained un-recouped (as on August 2019)

(₹ in crore)

Sl. No.	MH	Un-recouped Contingency fund	
		2017-18	Total
1.	2040	0.008	0.008
2.	2052	1.48	1.48
3.	2202	5.46	5.46
4.	2204	0.07	0.07
5.	2210	0.32	0.32
6.	2220	1.34	1.34
7.	2225	0.06	0.06
8.	2225	0.06	0.06
9.	2245	4.87	4.87
10.	4711	0.0005	0.0005
11.	5054	0.69	0.69
12.	5054	0.27	0.27
Total		14.63	14.63

Appendix-2.14
(Reference: Paragraph 2.7(A); Page 59)
Pending DC bills for the years up to 2018-19 (Position as on 31 March 2019)

(₹ in lakh)

Sl. No.	DDO	Major Head	Number of AC bills	Amount
1.	Asst. District Election Officer, Pithoragarh	2015	04	29.40
2.	Chief Medical Officer, Animal Dept., Almora	2403	02	22.05
3.	District Magistrate, Rudraprayag	2515	01	2.00
4.	Assistant District Election Officer, Rudraprayag	2015	01	0.20
5.	Drawing and Disbursing Officer, District Election office Pithoragarh	2015	01	0.50
6.	District Youth Welfare & Prantiya Rakshak Dal, Officer, Rudraprayag	2515	01	2.25
Total			10	56.40

Appendix-3.1
(Reference: Paragraph 3.1; Page 63)
Major Head and Department-wise details of outstanding Utilisation Certificates separately for each year

Sl. No.	Head of Account	Name of the DDO	Year in which GIA Released	Number of UCs outstanding	Amount (₹ in crore)
1.	3604	Zila Panchayati Raj Adhikari (01)	2016-17	01	0.93
2.	3604	Zila Panchayati Raj Adhikari (10)	2017-18	24	36.73
		Executive Officer, Nagar Palika Parishad (04)			
		Executive Officer, Nagar Panchayat (02)			
		MD, Uttarakhand Peyjal Nigam, Dehradun (01)			
		Sr. Finance Officer Nagar Nigam, Roorkee (02)			
		Administrator Nagar Nigam (01)			
		Additional Director, Directorate Urban Development (01)			
In-charge Officer Finance-District Magistrate (03)					
3.	3604	Zila Panchayati Raj Adhikari (70)	2018-19	94	315.68
		Chief Development Officer (05)			
		Executive Officer, Nagar Panchayat (06)			
		Sr. Finance Officer Nagar Nigam, Roorkee (01)			
		Executive Officer, Nagar Palika Parishad (04)			
		Prashasak, Nagar Nigam (01)			
		Nagar Aayukt, Nagar Nigam (04)			
Additional Director, Directorate Urban Development (03)					
Total (As on 31.03.2019)				119	353.34

Appendix-3.2
(Reference: Paragraph 3.3; Page 64)
**Statement of finalisation of Accounts and the Government Investment in Departmentally
 Managed Commercial and Quasi-Commercial Undertakings**

Sl. No.	Name of the Undertaking	Accounts finalised up to	Investment as per the last accounts finalised (₹ in crore)	Remarks/Reasons for Delay in Preparation of accounts
Department of Irrigation				
1.	Irrigation Workshop Division, Roorkee	2011-12	1.92	NA
Food & Civil Supply Department				
2.	Regional Food Controller, Haldwani	2006-07	NA	NA
3.	Regional Food Controller, Dehradun	2006-07	NA	NA

Appendix-4.1
Glossary of terms

Sl. No.	Terms	Description
1.	State Implementing Agency	State Implementing Agency includes any Organisations/Institutions including Non-Governmental Organisation which is authorized by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for SSA and State Health Mission for NRHM <i>etc.</i>
2.	GSDP	GSDP is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production at current prices.
3.	Buoyancy ratio	Buoyancy ratio indicates the elasticity or degree of responsiveness of fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one <i>per cent.</i>
4.	Internal Debt	Comprising mainly Market Loans and Special Securities issued to the National Small Savings Fund (NSS) by the State Government.
5.	Core Public and Merit goods	<i>Core public goods</i> are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure <i>etc.</i> <i>Merit goods</i> are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation <i>etc.</i>
6.	Development Expenditure	The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.
7.	Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a current debt-GDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt, therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.

8.	Debt Stabilization	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be current or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.
9.	Sufficiency of Non-debt receipts (Resource Gap)	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
10.	Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.
11.	Non debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
12.	Net Debt Available	Excess of Public Debt receipts and Loans and Advances receipt over Public Debt repayment, Loans and Advances Disbursements and Interest Payment on Public debt.