

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

FOR THE YEAR ENDED 31 MARCH 2018



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



उत्तराखण्ड शासन

GOVERNMENT OF UTTARAKHAND

Report No. 1 of the year 2019

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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 2018. 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 2017-18 *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 2018 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 2018. 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

Uttarakhand was a revenue surplus State in 2013-14. However, the State had revenue deficit of ₹ 917 crore (0.57 *per cent* of GSDP) in 2014-15, ₹ 1,852 crore (1.05 *per cent* of GSDP) in 2015-16, ₹ 383 crore (0.20 *per cent* of GSDP) in 2016-17. During 2016-17, the revenue deficit decreased to ₹ 383 crore. The position

deteriorated during the current year and the State had revenue deficit of ₹ 1,978 crore (0.91 *per cent* of GSDP).

The fiscal deficit during 2013-14 at ₹ 2,650 crore (1.78 *per cent* of GSDP) increased in 2014-15 to ₹ 5,826 crore (3.61 *per cent* of GSDP), ₹ 6,125 crore (3.48 *per cent* of GSDP) during 2015-16 and ₹ 5,467 crore (2.79 *per cent* of GSDP) in 2016-17. During the current year, the fiscal deficit at ₹ 7,935 crore (3.65 *per cent* of GSDP) was above the normative target of 3.25 *per cent* of GSDP as fixed by the *FFC*.

The State had primary deficit in each year during the period 2013-14 to 2017-18. The primary deficit which had reduced from ₹ 3,154 crore (2015-16) to ₹ 1,744 crore in 2016-17 increased to ₹ 3,948 crore during the current year. Existence of Primary Deficit indicates that the State would need to borrow money even for making interest payments on its borrowed funds. The State Government was, therefore, compelled to borrow ₹ 3,987 crore out of ₹ 7,526 crore total borrowed fund in the year 2017-18 to meet its interest commitments.

As on 31 March 2018, 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* in the last five years while the Government paid an average interest rate of 8.13 *per cent* on its borrowings during 2013-14 to 2017-18.

The Fiscal Liabilities to GSDP ratio for the year of 2017-18 (23.82 *per cent*) increased by 0.98 percentage points as compared to previous year (22.84 *per cent*). This was higher than the normative assessment of 22.60 *per cent* fixed by the *FFC* for the year.

Chapter-2

Financial management and budgetary control

During 2017-18, there was excess expenditure of ₹ 6,413.38 crore in six grants under Capital Voted and one appropriation under Capital Charged Section which requires regularisation under Article 205 of the Constitution of India.

An amount of ₹ 231.50 crore drawn from Contingency Fund during 2016-17 (₹ 156.34 crore) and 2017-18 (₹ 75.16 crore) has remained un-recouped as of August 2018.

Excess expenditure amounting to ₹ 20,780.77 crore pertaining to the years 2005-06 to 2016-17 is yet to be regularised by the State Legislature.

Chapter-3

Financial reporting

The departmental officers did not submit 102 Utilisation Certificates, in respect of grants of ₹ 164.92 crore given for specific purposes, to the Accountant General (Accounts & Entitlement), Uttarakhand till March 2018. In the absence of these certificates, it could not be ascertained whether the recipients had utilised the grants for the intended purposes. The departmental heads were not submitting statements of such bodies and authorities showing (a) the amount of assistance, (b) the purpose for which the assistance was sanctioned, and (c) the total expenditure of the body or authority to Principal Accountant General (Audit) Uttarakhand to which grants or loan aggregating ₹ 10 lakh or more were paid during preceding year. As such, the institutions which attract audit by the Comptroller & Auditor General of India could not be identified properly.

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.

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 2017-18. **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 8 August 2018 and an Exit Conference was held on 19 December 2018 wherein the audit findings were discussed. Government responses have been suitably incorporated.

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 2008-09 to 2017-18 has been over 16.30 *per cent* and 14.70 *per cent*, against the CAGR of SCS of 14.60 *per cent* and 13.30 *per cent* respectively. **Further, Per Capita GSDP CAGR of Uttarakhand State (14.70 *per cent*) was well above the all India Per Capita GDP CAGR (11.50 *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 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	2013-14	2014-15	2015-16*	2016-17*	2017-18*
Current Prices					
India's GDP (₹ in crore)	1,12,33,522	1,24,67,959	1,37,64,037	1,52,53,714	1,67,73,145
Growth rate of GDP (percentage)	12.97	10.99	10.40	10.82	9.96
State's GSDP (₹ in crore)	1,49,074	1,61,439	1,75,772	1,95,606	2,17,609
Growth rate of GSDP (percentage)	13.27	8.29	8.88	11.28	11.25
Constant Prices (Base year – 2011-12)					
India's GDP (₹ in crore)	98,01,370	1,05,27,674	1,13,86,145	1,21,96,006	1,30,10,843
Growth rate (per cent)	6.39	7.41	8.15	7.11	6.68
State's GSDP (₹ in crore)	1,34,182	1,41,278	1,51,901	1,62,451	1,73,444
Growth rate (per cent)	8.5	5.3	7.5	6.9	6.8

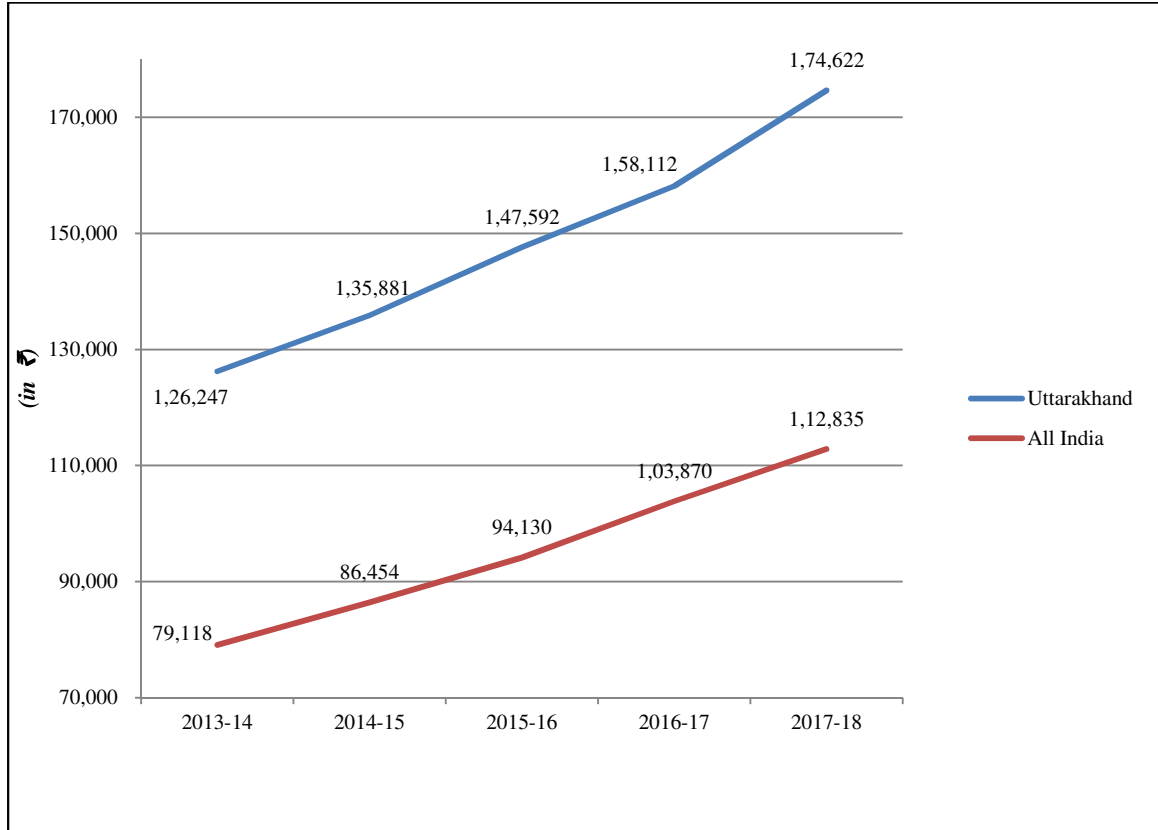
Source: Central Statistics office and Directorate of Economic and Statistics Government of Uttarakhand.

* Provisional * Quick * Advance estimates.

¹ Refer glossary in **Appendix-4.1**.

The growth rate of GSDP declined sharply from 13.27 per cent in 2013-14 to 8.29 per cent in 2014-15. However, the growth rate has improved since 2015-16 although there was marginal decline in 2017-18. The growth rate of GSDP which was lower than All India growth rate during 2014-15 and 2015-16 showed improvement during 2016-17 and 2017-18.

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



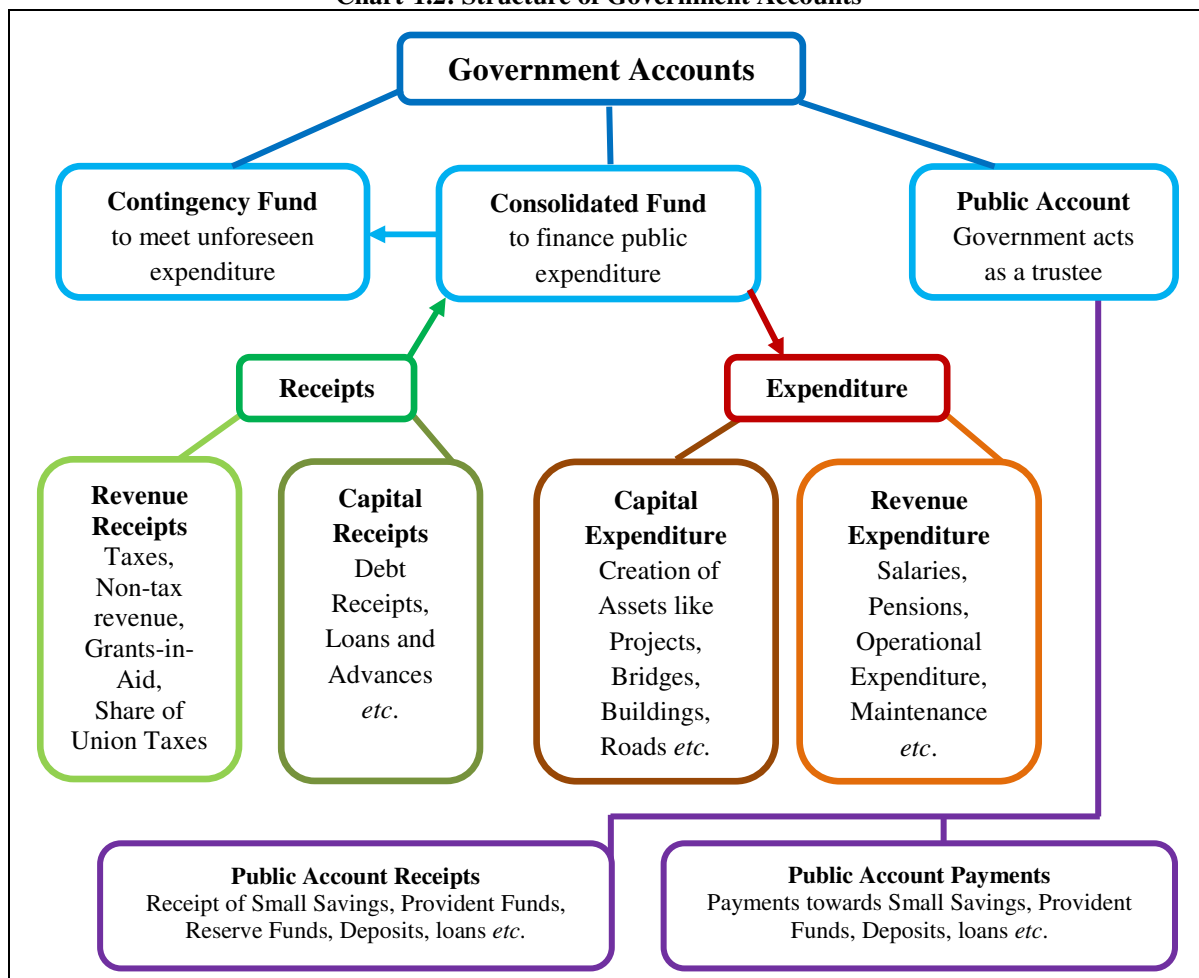
Source: Economic Survey of Uttarakhand 2019.

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-a-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 8 June 2017 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 (2017-18) *vis-à-vis* the previous year (2016-17). **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

Receipts		2016-17	2017-18	Disbursements		2016-17	2017-18
(₹ in crore)							
Section-A: Revenue							
Own Tax revenue		10,897.31	10,164.93	General services		9,934.09	12,408.50
Non-tax revenue		1,345.82	1,769.53	Social services		10,528.57	10,929.44
Share of Union Taxes/ Duties		6,411.57	7,084.91	Economic services		3,902.66	4,276.21
Grants from Government of India		6,234.27	8,085.20	Grants-in-aid and Contributions		906.18	1,468.54
Revenue receipts		24,888.97	27,104.57	Revenue expenditure		25,271.50	29,082.69
Section-B: Capital and Others							
Misc. Capital Receipts		--	--	Capital Outlay		4,954.22	5,914.37
Recoveries of Loans and Advances		34.85	33.50	Loans and Advances disbursed		165.05	76.83
Public Debt receipts*		6,500.67	7,526.08	Repayment of Public Debt*		1,127.40	1,720.72
Appropriation from Contingency Fund		--	--	Appropriation to Contingency Fund		--	(-)250.00
Contingency Fund		394.77	104.66	Contingency Fund		227.70	481.50
Public Account receipts [#]		27,855.02	37,571.25	Public Account disbursements [#]		26,607.34	35,366.30
Opening Cash Balance		1,464.88 ^{\$}	2,785.95	Closing Cash Balance		2,785.95	2,733.60
Total		61,139.16	75,126.01	Total		61,139.16	75,126.01

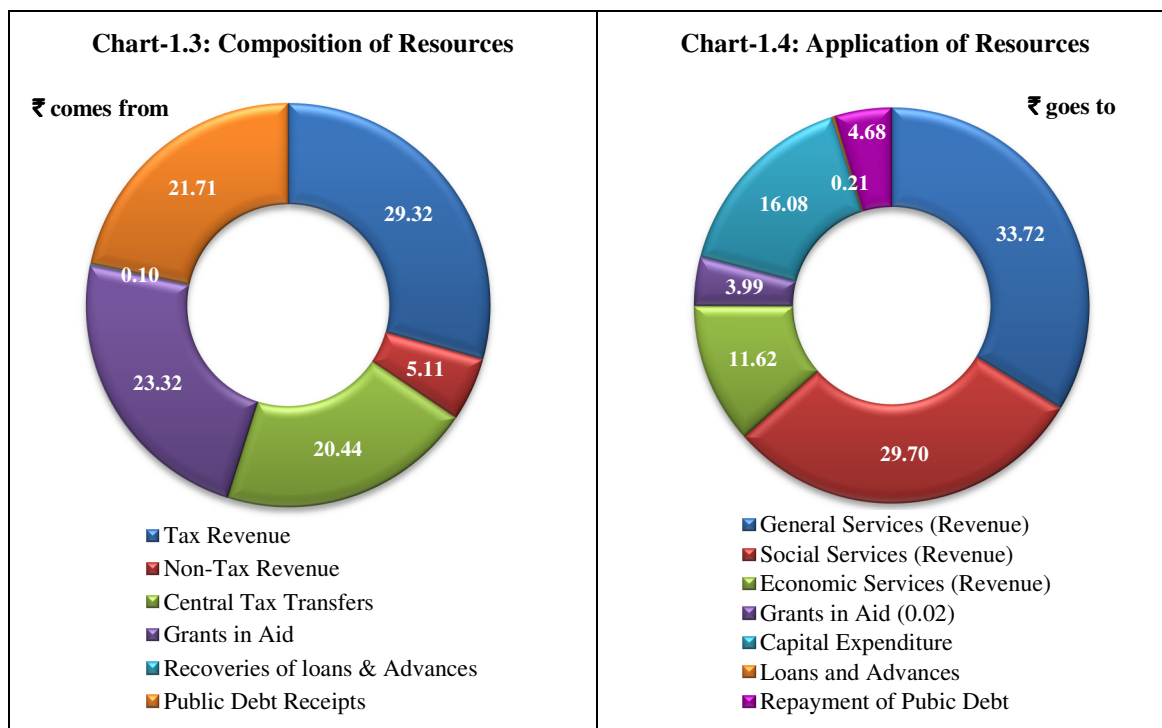
*Excluding net transactions under Ways and means advances and overdraft.

[#] 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.

^{\$} Differ with the closing balance of 2015-16 due to pro-forma correction made in Finance Account 2016-17.

Composition of resources and application of funds in the Consolidated Fund of the State during 2017-18 is given in *Chart-1.3* and *Chart-1.4*:



Source: Finance Accounts.

Comparison of key elements of State Finances in 2017-18 (*Chart-1.3* and *Chart-1.4*) with that of the previous year 2016-17 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 31 per cent Capital Expenditure increased by 19 per cent Public Debt Repayment increased by 53 per cent 	<ul style="list-style-type: none"> Own-Tax Revenue decreased by 7 per cent Recovery of Loans and Advances decreased by 4 per cent Public Debt Receipts increased by 16 per cent Revenue Expenditure increased by 15 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

Fiscal variables	2017-18						
	Targets as prescribed by <i>FFC</i>	Targets proposed in the Budget	Projections made in <i>MTFPS</i>	Actuals	Percentage variation of actual over		
					Targets of <i>FFC</i>	Targets of Budget	Projections <i>MTFPS</i>
Revenue Deficit(-)/Surplus (+) (₹ in crore)	Nil	42.25	38.28	(-)1,978.12	Not Computable	(-)4,781.94	(-) 5,267.50
Fiscal Deficit/ GSDP (in per cent)	3.25	2.50	2.49	3.65	(+) 12.31	(+) 46	(+) 46.59
Ratio of outstanding fiscal liability to GSDP (in per cent)	22.60	21.49	24.12	23.82	(+) 5.40	(+) 10.84	(-)1.24

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

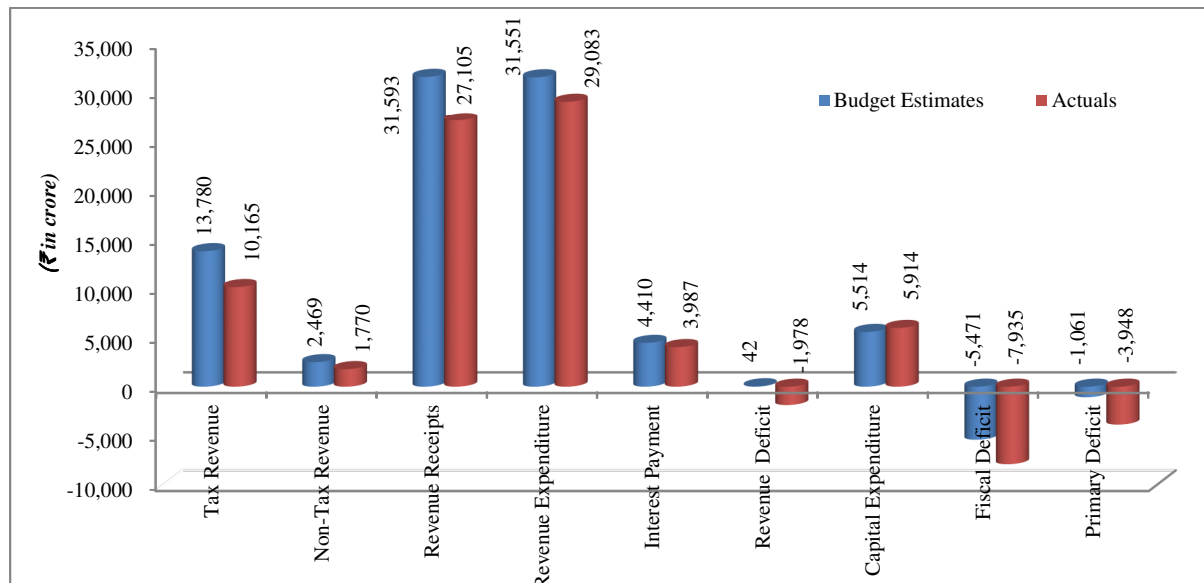
The State Government has been on a fiscal consolidation path since the enactment of the FRBM Act, 2005. During 2012-14, the State Government was able to maintain revenue surplus. The revenue surplus turned into revenue deficit during 2014-15 (₹ 917 crore) and continued in the year 2015-16 (₹ 1,852 crore). During the year 2016-17, the State was able to considerably bring down the revenue deficit (₹ 383 crore).

However, the revenue deficit during the current year has once again increased to ₹ 1,978.12 crore (0.91 per cent of GSDP). The fiscal deficit at 3.65 per cent of GSDP was higher than the FFC norm of 3.25 per cent during the year and the ratio of outstanding fiscal liabilities to GSDP at 23.82 per cent was also higher than the FFC norm of 22.60 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 actual against the BEs in respect of various components during 2017-18 is shown below:

Chart-1.5: Budget Estimates and Actuals for the year 2017-18



Source: Budget Estimates and Finance Accounts.

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

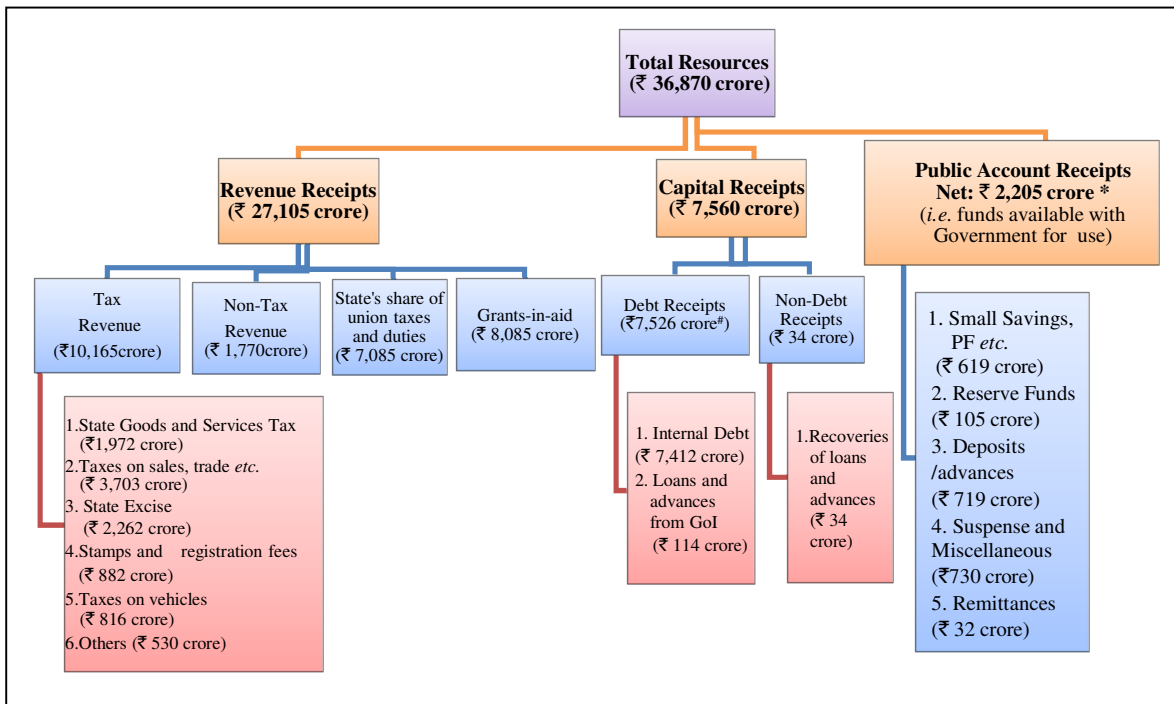
- **The overall revenue receipts were short by ₹ 4,488 crore (14.21 per cent) mainly due to less Tax revenue by ₹ 3,615 crore (26.23 per cent) and Non-Tax Revenue by ₹ 699 crore (28.31 per cent).**
- **The State Government was able to restrict the revenue expenditure in 2017-18 to**

some extent and it was ₹ 2,468 crore (7.82 per cent) less than the BEs for the current year.

- The budgetary projection of ₹ 5,514 crore proved inadequate as the State's Capital expenditure of ₹ 5,914 crore exceeded the BE by ₹ 400 crore (7.25 per cent).
- The year 2017-18 ended with a Revenue Deficit of ₹ 1,978 crore against the assessment of Revenue Surplus of ₹ 42 crore made in the BEs.
- The targets for fiscal deficit (₹ 5,471 crore) and primary deficit (₹ 1,061 crore) during 2017-18 could not be achieved by the State, as both the fiscal deficit and primary deficit exceeded the BEs by ₹ 2,464 crore and ₹ 2,887 crore respectively.

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

1.2 Receipts of the State

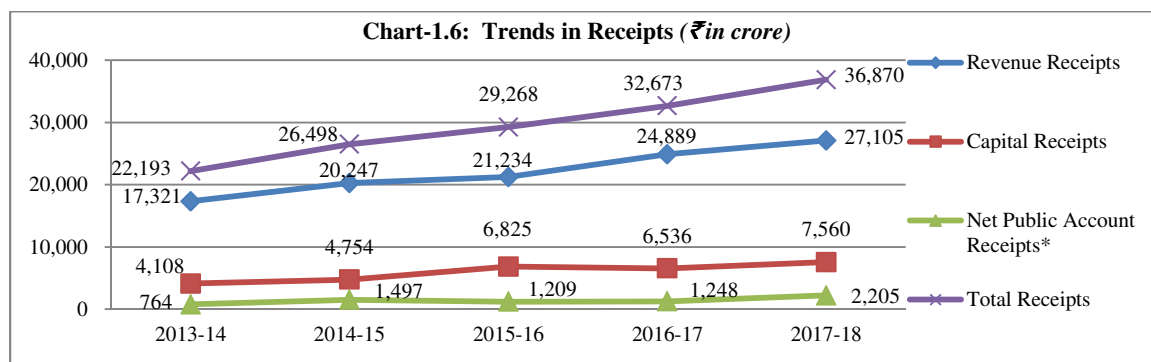


Source: Finance Accounts, #Excludes Ways and Means Advances.
 *Net Public Account Receipts (₹ 2,205 crore) = Public Accounts Receipts (₹ 37,571 crore) less Public Accounts Disbursements (₹ 35,366 crore).

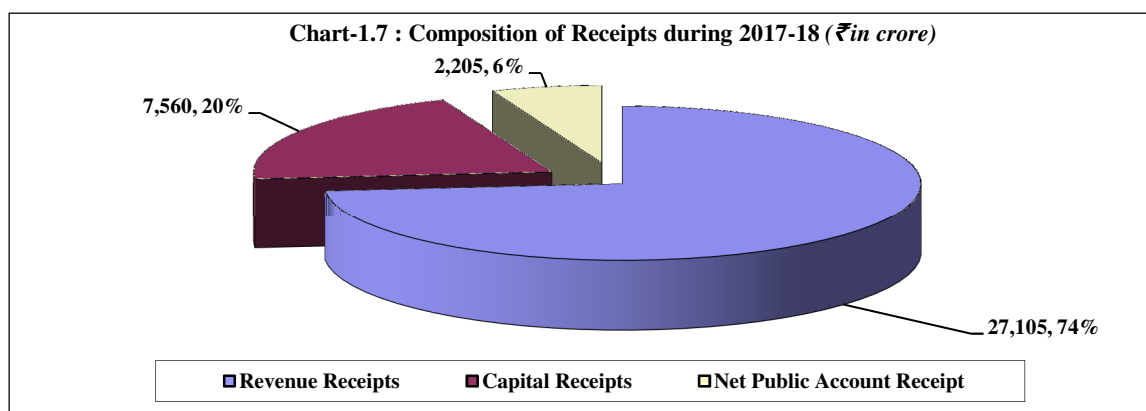
1.2.1 Trend and Composition of Receipts of the State

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 2013-14 to 2017-18 and 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 ₹ 14,677 crore (66 per cent) from ₹ 22,193 crore in 2013-14 to ₹ 36,870 crore in 2017-18. Of total receipts, six per cent (₹ 2,205 crore) came from the net of Public Account Receipts whereas 20 per cent (₹ 7,560 crore) and 74 per cent (₹ 27,105 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 nine per cent over the previous year. This was mainly due to increase in Grant-in-Aid from Government of India by ₹ 1,851 crore (29.69 per cent), State's share of Union taxes/duties by ₹ 673 crore (10.50 per cent) and Non-Tax Revenue by ₹ 424 crore (31.50 per cent). The increase was partially counterbalanced by decrease in State's Own Tax Revenue by ₹ 732 crore (6.72 per cent). Contribution of revenue receipts to total receipts of the State decreased by two per cent during the current year while the share of net public account receipts in the total receipts increased by two 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 Agencies 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 ₹ 1,001.37 crore (Funds routed outside State Budget-Unaudited figures) to various State Implementing Agencies during the year 2017-18 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	508.47
2.	E-Courts Phase II	Registrar General, High court of Uttarakhand	87.85
3.	Schemes of State Financed From Central Road Fund	Uttarakhand Government	86.20
4.	Support to Discom For Purchase of Gas Based power	Uttarakhand Power Corporation Limited	76.16
5.	MPs Local Area Development Scheme MPLADS	District Magistrates of various Districts	35.00
6.	Border Area Development Programme	Uttarakhand Government	31.00
7.	Solar Power-grid Interactive	Uttarakhand Renewable Energy Development Agency	27.09
8.	Package for (other than North East) Special Category States	State Industrial Development Corporation of Uttarakhand Ltd.	26.94
9.	Integrated Development of Tourist Circuits around specific Themes (Swadesh)	Uttarakhand Tourist Development Board	24.11
10.	Others (93)	Various agencies	98.55
Total			1,001.37

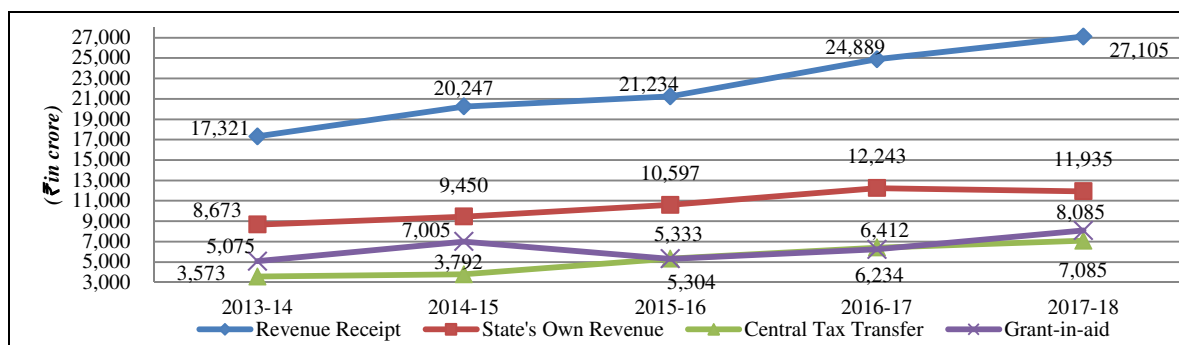
Source: Finance Account- Appendix VI.

Out of total funds of ₹ 2,175.18 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 ₹ 1,001.37 crore (46 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 2013-14 to 2017-18 are presented in **Appendix-1.3** and are also depicted in **Chart-1.8**.

Chart-1.8: Trends in Revenue Receipts



The revenue receipts have shown a constant increase over the period 2013-14 to 2017-18. These increased from ₹ 17,321 crore in 2013-14 to ₹ 27,105 crore in 2017-18 at an average rate of 11.57 per cent per annum out of which State's own revenue, Central tax

transfers and Grant-in-Aid increased by ₹ 3,262 crore (37.61 per cent), ₹ 3,512 crore (98.29 per cent) and ₹ 3,010 crore (59.31 per cent) respectively during the said period. 44.03 per cent of the revenue receipts during 2017-18 came from the State's own revenue.

State's own revenue constituted on an average around 47.98 per cent of revenue receipts over the period 2013-14 to 2017-18. The growth in revenue receipts relative to GSDP are presented in **Table-1.6**.

Table-1.6: Trends in revenue receipts relative to GSDP

	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue Receipts (RR) (₹ in crore)	17,321	20,247	21,234	24,889	27,105
Rate of growth of RR (per cent)	10.00	16.89	4.87	17.21	8.90
Gross State Domestic Product (GSDP)	1,49,074	1,61,439	1,75,772	1,95,606	2,17,609
RR/ GSDP (per cent)	11.62	12.54	12.08	12.72	12.46
Buoyancy Ratios²					
Revenue Buoyancy w.r.t. GSDP	0.75	2.04	0.55	1.53	0.79
State's Own Tax Buoyancy w.r.t. GSDP	1.11	1.61	1.40	1.44	(-) 0.60

The growth rate of Revenue Receipts was 10 per cent during 2013-14. The growth rate for 2014-15 increased to 16.89 per cent but it again 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.

Revenue buoyancy, which is directly proportionate to growth of Revenue Receipts and GSDP, fluctuated widely during the period 2013-14 to 2017-18 due to fluctuations in the growth rate of Revenue Receipts. It declined to 0.55 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 1.53 during the year 2016-17. However, it again decreased to 0.79 during the current year.

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 2017-18 are given in **Table-1.7**.

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

States Own resources	FFC projections	Budget Estimates	MTFPS projections	Actual	Percentage variation of actual over		
					FFC projections	Budget Estimates	MTFPS projections
Own Tax Revenue	14,487	13,780	13,450	10,165	(-) 29.83	(-) 26.23	(-) 24.42
Non-Tax Revenue	2,678	2,469	2,477	1,770	(-) 33.91	(-) 28.31	(-) 28.54

As shown in **Table-1.7**, the State's own tax revenues during 2017-18 were less by ₹ 4,322 crore, ₹ 3,615 crore and ₹ 3,285 crore respectively against the *FFC* projections, the *BEs* and the *MTFPS*.

The Non-tax revenue (NTR) was less by ₹ 908 crore, ₹ 699 crore and ₹ 707 crore respectively as compared to the *FFC* projections, the *BEs* and the *MTFPS*.

² Refer glossary in **Appendix-4.1**.

In sum, the State could not even achieve their 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 1st 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 2017-18 (1st July 2017 to 31st March 2018) in accordance with the base year figure was ₹ 4,835.70 crore. Revenue figure under GST for the year 2017-18 has been depicted in Finance Accounts as per nature of receipts *i.e.* State Goods and Services (SGST) Tax, cross utilization of Input Tax Credit between SGST and IGST, Apportionment of IGST and Advance apportionment from IGST. **Against the projected revenue of ₹ 4,835.70 crore, the revenue receipt of the State Government under GST during the year 2017-18 was ₹ 5,259.37 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 July 2017 to March 2018

(₹ in crore)								Remarks
Month	Monthly revenue to be protected	Pre-GST taxes collected	SGST collected	Provisional apportionment of IGST	Total amount received	Compensation received	Deficit (+) / Surplus (-)	
	1	2	3	4	5=(2+3+4)	6	7={1-(5+6)}	8
July 2017	537.30	644.91	0	0	644.91	0	(-) 107.61	The State has received more revenue after taking into account the compensation component than the protected revenue.
August 2017	537.30	237.31	0	0	237.31	0	299.99	
September 2017	537.30	152.92	0	(-) 62.56	90.36	0	446.94	
October 2017	537.30	181.52	279.09	(-) 9.87	450.74	223.00	(-) 136.44	
November 2017	537.30	162.53	307.25	27.98	497.76	460.00	(-) 420.46	
December 2017	537.30	191.38	263.41	38.10	492.89	0	44.41	
January 2018	537.30	168.28	268.76	80.07	517.11	183.00	(-) 162.81	
February 2018	537.30	165.32	273.75	240.05	679.12	0	(-) 141.82	
March 2018	537.30	100.39	257.65	8.13	366.17	417.00	(-) 245.87	
Total	4,835.70	2,004.56	1,649.91	321.90	3,976.37	1,283.00	(-) 423.67	

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 (February 2018) provisional/advance settlement of apportionment of ₹ 217 crore with the condition that amount will be adjusted in the year 2018-19 from the regular settlement of IGST on the basis of monthly returns in ten equal installments starting from April 2018. **However, the GoI adjusted these ₹ 217 crore against the**

bi-monthly compensation due to State for November-December 2017. The GoI had not released compensation for this bi-monthly period.

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

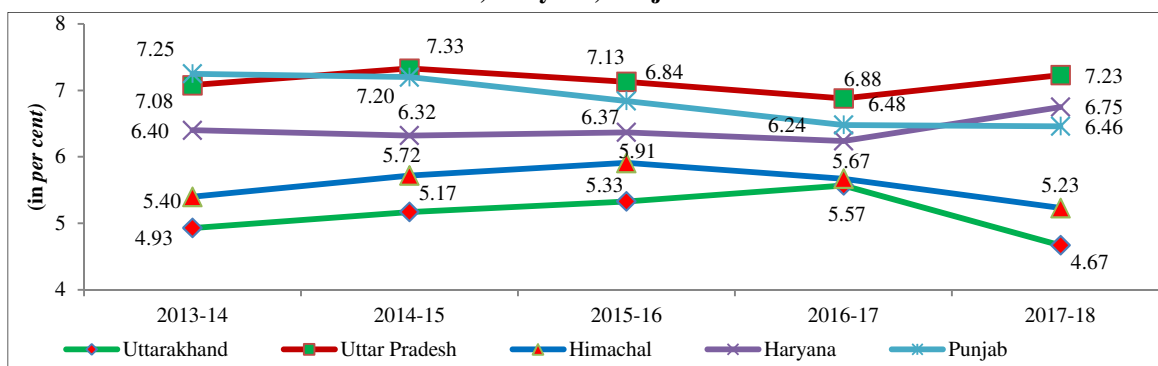
Revenue Head	2013-14	2014-15	2015-16	2016-17	2017-18
Taxes on Sales, Trades etc. & SGST*	4,903 (14)	5,465 (11)	6,105 (12)	7,154 (17)	5,675 (-21)
State Excise	1,269 (14)	1,487 (17)	1,735 (17)	1,906 (10)	2,262 (19)
Taxes on Vehicles	369 (21)	394 (7)	471 (20)	556 (18)	816 (47)
Stamp Duty and Registration Fee	687 (6)	714 (4)	871 (22)	778 (-11)	882 (13)
Taxes on Goods and Passengers	--	--	--	--	--
Other Taxes	128 (133)	279 (118)	195 (-30)	503 (158)	530 (5)
Total	7,356 (15)	8,339 (13)	9,377 (12)	10,897 (16)	10,165 (-7)

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

* Figures of SGST have been included only in the year 2017-18.

The State's own tax revenue decreased by seven per cent from ₹ 10,897 crore in 2016-17 to ₹ 10,165 crore in 2017-18. The revenue from taxes on Sales, Trade, etc. which comprised a major share of tax revenue (55.83 per cent) had registered an increase of 17 per cent during 2016-17 over the previous year. During the current year, the total collections under Taxes on Sales, Trades, etc. decreased by 21 per cent from ₹ 7,154 crore to ₹ 5,675 crore. The reasons for lower revenue collection can be attributed, *inter-alia*, to majority of items falling in lower tax rate³; and tax collection from the goods produced in the State moving outwards⁴ as Uttarakhand is a manufacturing surplus State.

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



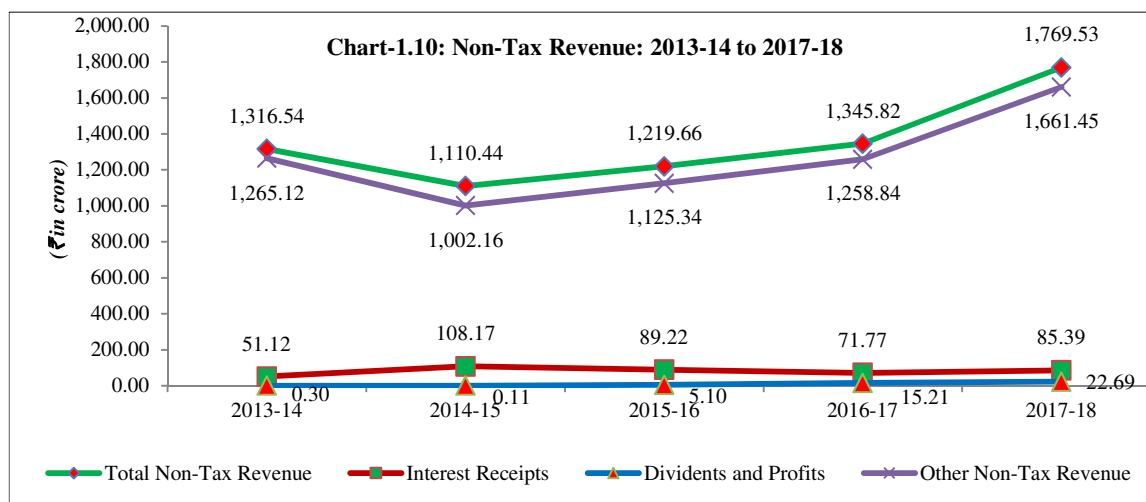
The Own Tax GSDP ratio of Uttarakhand is lower than the ratio of Himachal Pradesh and Uttar Pradesh (Mother State of Uttarakhand). The ratio also happens to be lower than States of Haryana and Punjab.

³ Prior to GST, all goods were taxed by the State alone at 5 per cent and 14.5 per cent. Post GST, the applicable tax rates for the State are 2.5 per cent, 6 per cent, 9 per cent and 14 per cent. Out of these majority of the items fall under the rates 2.5 per cent and 6 per cent.

⁴ Pre-GST, tax was collected in the State of origin/production irrespective of whether the goods were consumed in the state or not. But, post GST, as Uttarakhand is a manufacturing surplus state, the entire tax collection from the goods produced in the state is moving outwards.

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 ₹ 423.71 crore (31.48 per cent) mainly due to increase in receipts under Power (₹ 156.13 crore; 120.03 per cent), Non Ferrous Mining and Metallurgical Industries (₹ 104.64 crore; 31.22 per cent), Other Administrative Services (₹ 104.66 crore; 269.05 per cent) and Education, Sports, Art and Culture (₹ 26 crore; 31.39 per cent). The major contributors to Non-tax revenue during 2017-18 were Non-ferrous Mining & Metallurgical Industries (₹ 439.81 crore; 24.85 per cent), Forestry and Wild Life (₹ 312.20 crore; 17.64 per cent), Power (₹ 286.21 crore; 16.17 per cent) and Other Administrative Services (₹ 143.56 crore; 8.11 per cent).

1.3.2 Grants-in-aid from GoI

Grants-in-aid (GIA) received from the GoI during 2013-14 to 2017-18 are depicted in **Table-1.10**.

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

Particulars	₹ in crore)				
	2013-14	2014-15	2015-16	2016-17	2017-18
Non-Plan grants	981	944	1,043	824	714
Grants for State Plan schemes	3,558	4,083	1,173	1,532	1,621
Grants for Central Plan schemes	13	99	609	843	76
Grants for Centrally Sponsored Plan schemes	523	1,879	2,479	3,035	4,391
Other Transfer / Grants to States (GST Compensation)	--	--	--	--	1,283
Total	5,075	7,005	5,304	6,234	8,085
Percentage of increase/decrease over previous year	14	38	(-) 24	18	30
Percentage of Revenue Receipts	29	35	25	25	30

The grants-in-aid from GoI at ₹ 5,075 crore in 2013-14 increased to ₹ 7,005 crore (38.03 per cent) in 2014-15 but it decreased by ₹ 1,701 crore (24.28 per cent) during 2015-16 over the previous year. In 2016-17 and 2017-18, receipts under Grants-in-aid from GoI increased by ₹ 930 crore (17.53 per cent) and ₹ 1,851 crore (29.69 per cent) respectively over the previous year. **The increase in 2017-18 can be attributed to the Compensation of ₹ 1,283 crore received in lieu of loss of revenue after**

implementation of GST in the State (with effect from 01 July 2017) and increase in devolution of grants under State Plan schemes (₹ 89 crore) and Centrally Sponsored Plan schemes (₹ 1,356 crore).

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

(₹ in crore)

Component of State's share of Union taxes	FFC award period			Increase/ Decrease in 2017-18 over 2016-17	
	2015-16	2016-17	2017-18	Amount	Percentage
Corporation Tax	1,677.14	2,056.02	2,169.91	113.89	5.54
Customs	854.57	884.42	715.10	-169.32	-19.14
Income Tax	1,162.76	1,428.94	1,832.34	403.40	28.23
Other Taxes and Duties on commodities and services	4.15	0.02	0	-0.02	-100.00
Service Tax	919.96	1,027.52	804.25	-223.27	-21.73
Wealth Tax	0.43	4.71	-0.07	-4.78	-101.49
Union Excise Duties	714.15	1,009.94	747.50	-262.44	-25.99
CGST	NA	NA	100.52	100.52	NA
IGST	NA	NA	715.36	715.36	NA
Grand total	5,333.16	6,411.57	7,084.91	673.34	10.50
Devolution as percentage of Revenue Receipts of State	25.12	25.76	26.14		

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 of the State has been increasing over the past three years.

1.3.4 Optimisation of Fourteen Finance Commission grants

The FFC submit edits report in December 2014, covering the five year period commencing from April 1, 2015. The GoI allocated grants-in-aid of ₹ 3,855.50 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 2017-18 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 2017-18	Actual Release from GoI during 2017-18	Transfers made by State during 2017-18
1. Local Bodies				
(A) Grants to PRIs	1,882.68	366.98	325.20	325.20
(i) General Grant	1,694.40	325.20	325.20	325.20
(ii) Performance Grant	188.28	41.78	00	00
(B) Grants to ULBs	815.82	161.47	107.56	107.56
(i) General Grant	652.65	125.26	107.56	107.56
(ii) Performance Grant	163.17	36.21	00	00
Total (1)	2,698.50	528.45	432.76	432.76
2. Disaster Relief Fund	1,157.00	231.00	207.90	231.00*
Grand Total	3,855.50	759.45	640.66	663.76

Source: FFC Report and Finance Accounts.

(*State share of ₹23.10 crore was also released along with the central share of ₹207.90 crore).

The grants recommended by the FFC formed two parts- a basic grant and performance grant for duly constituted gram panchayats and municipalities. The State did not receive its full share of General Grant from the GoI for Urban Local Bodies (ULBs) and also did not get share of performance grant for ULBs as well as Panchayati Raj Institutions (PRIs)

during 2017-18. However, 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

Sources of State's Receipts		2013-14	2014-15	2015-16	2016-17	2017-18
<i>Capital Receipts (CR)</i>		4,108	4,754	6,825	6,536	7,560
Miscellaneous Capital Receipts		180	135	--	--	--
Recovery of Loans and Advances		55	46	27	35	34
Public Debt Receipts	Market Loan	2,500	2,400	3,900	5,450	6,660
	Other Internal Resources	1,338	2,112	2,801	905	752
	GoI	35	61	97	146	114
	<i>Total</i>	3,873 (94.28)	4,573 (96.19)	6,798 (99.60)	6,501 (99.46)	7,526 (99.55)

Figures in parentheses indicate percentage of total.

Capital Receipts comprising debt and non-debt receipts of the State increased at an average growth rate of 18.60 *per cent* over the period 2013-14 to 2017-18. The debt receipts had a predominant share in capital receipts and accounted between 94.28 and 99.60 *per cent* during 2013-14 to 2017-18.

1.4.1 Recoveries of loans and advances

Recoveries from loans and advances continued to decline from 2013-14 onwards from ₹ 55 crore in 2013-14 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.

1.4.2 Debt receipts from internal sources

Internal Debt receipts comprising Market loans, loans from financial institutions, *etc.* over the period 2013-14 to 2017-18 continued to be a major source of receipts of the State Government. They increased by ₹ 3,653 crore (94.32 *per cent*) over the period 2013-14 to 2017-18. Total debt receipt during the year showed an increase of ₹ 1,025 crore (15.77 *per cent*) 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 (₹ 728.58 crore) is only 1.78 per cent of its total Public Debt (₹ 41,014.94 crore).** Receipt of Loans and Advances from GoI increased more than threefold from ₹ 35 crore to ₹ 114 crore over the period 2013-14 to 2017-18. During the current year, it decreased by ₹ 32 crore (21.92 per cent) 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 2016-17 and 2017-18

(₹ in crore)

Source of State's Receipts	Public Account Receipts		Disbursement from Public Accounts		Excess of receipts over Disbursements (Net Public Account Receipt)	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
Small Savings, Provident fund etc.	1,528.82	1,840.79	1,116.13	1,221.32	412.69	619.47
Reserve Funds	280.00	232.34	356.63	127.26	(-) 76.63	105.08
Deposits and Advances	3,276.70	4,727.47	3,412.01	4,008.79	(-) 135.31	718.68
Suspense and Miscellaneous	29,078.90	31,936.91	28,028.62	31,206.55	1,050.28	730.36 ⁵
Remittances	(-) 6,309.40	(-) 1,166.25	(-) 6,306.05	(-) 1,197.62	(-) 3.35	31.37
<i>Total</i>	<i>27,855.02</i>	<i>37,571.26</i>	<i>26,607.34</i>	<i>35,366.30</i>	<i>1,247.68</i>	<i>2,204.96</i>

Increase in net public account receipts is primarily on account of rise in net collections under small savings and provident fund and deposits and advances.

1.6 Application of Resources

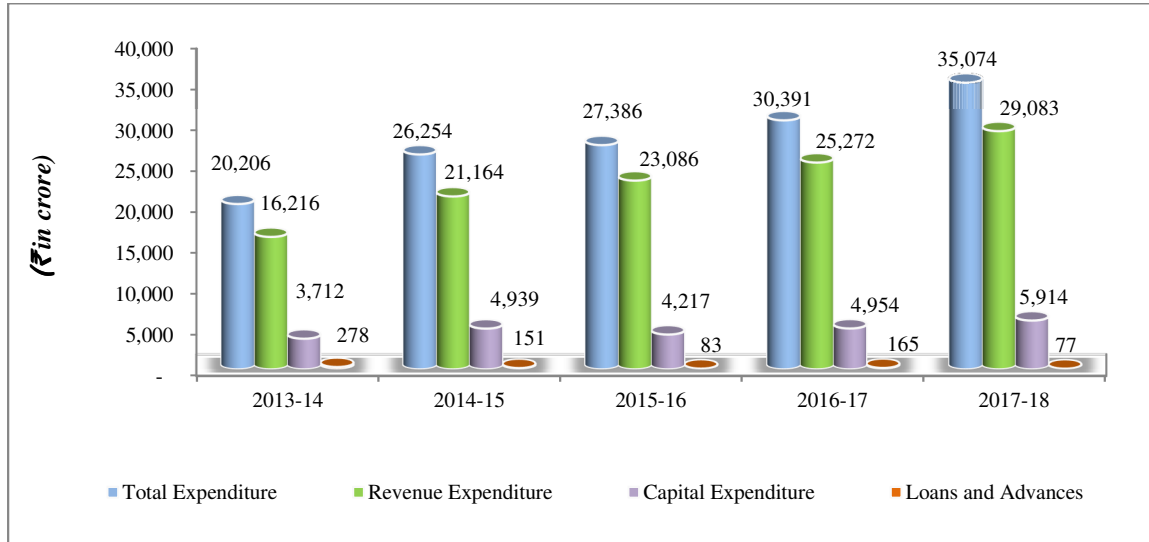
The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development 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 (2013-14 to 2017-18) and its composition in terms of 'expenditure by nature' as depicted in **Chart-1.11**.

⁵ Does not include departmental balances, balances under Permanent cash imprest and cash balance investment account.

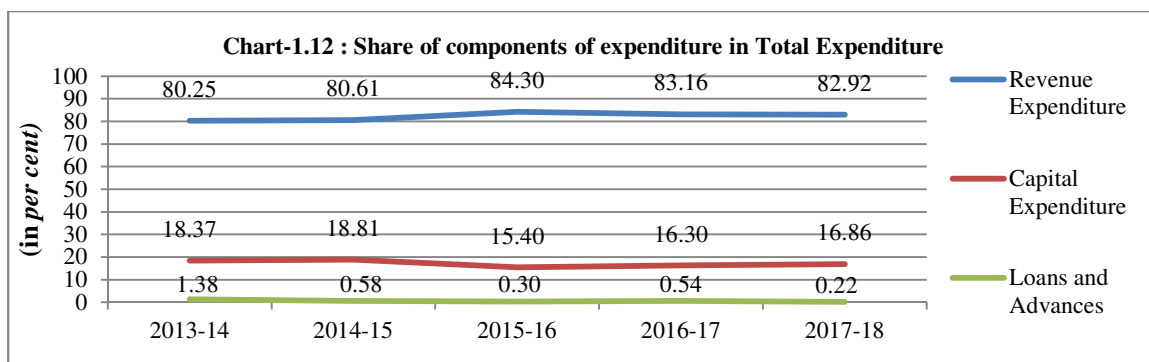
Chart-1.11: Composition of expenditure during last three years



Total Expenditure (TE) of the State increased at an average rate of 14.86 per cent per annum during 2013-14 to 2017-18. There was an increase of ₹ 4,683 crore (15.41 per cent) in Total Expenditure during 2017-18 over the previous year. This was largely due to increase in Revenue Expenditure (RE) by ₹ 3,811 crore, Capital Expenditure (CE) by ₹ 960 crore which was marginally counterbalanced by decrease in the disbursement of Loans and Advances by ₹ 88 crore.

Revenue Expenditure (RE): The RE of ₹ 29,083 crore during the current year was 82.92 per cent of TE (₹ 35,074 crore). Although RE in 2017-18 was higher than that of the previous year by ₹ 3,811 crore, it accounted for 82.92 per cent of TE (₹ 35,074 crore) which was lower than the corresponding figure of 83.16 per cent in 2016-17. The increase in RE during the current year as compared to the previous year was due to increase in expenditure towards (i) General Services (₹ 2,474 crore) which included increase in pension and interest payments amounting to ₹ 1,863 crore and ₹ 264 crore (ii) Grants-in-aid and Contribution (₹ 562 crore), (iii) Social Services (₹ 401 crore), and (iv) Economic Services (₹ 374 crore).

Capital Expenditure (CE): Total CE increased from ₹ 3,712 crore in 2013-14 to ₹ 4,217 crore in 2015-16, ₹ 4,954 crore in 2016-17, and ₹ 5,914 crore in 2017-18. However, as per cent of TE, CE declined from 18.37 per cent in 2013-14 to 16.86 per cent in 2017-18. The Capital Expenditure incurred by the State during the year 2017-18 exceeded the BE and MTFPS targets by ₹ 400 crore and ₹ 362 crore respectively.



The relative share of these components of expenditure in total expenditure had shown a fluctuating trend during the period 2013-14 to 2017-18. The revenue expenditure over the period 2013-14 to 2017-18 had an average share of 82.25 per cent, while the share of capital expenditure declined from 18.81 per cent in 2014-15 to 16.86 per cent in 2017-18. The share of loans and advances in the total expenditure also declined from 1.38 per cent in 2013-14 to 0.22 per cent in 2017-18.

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** presents the trends in the expenditure on these components during 2013-14 to 2017-18.

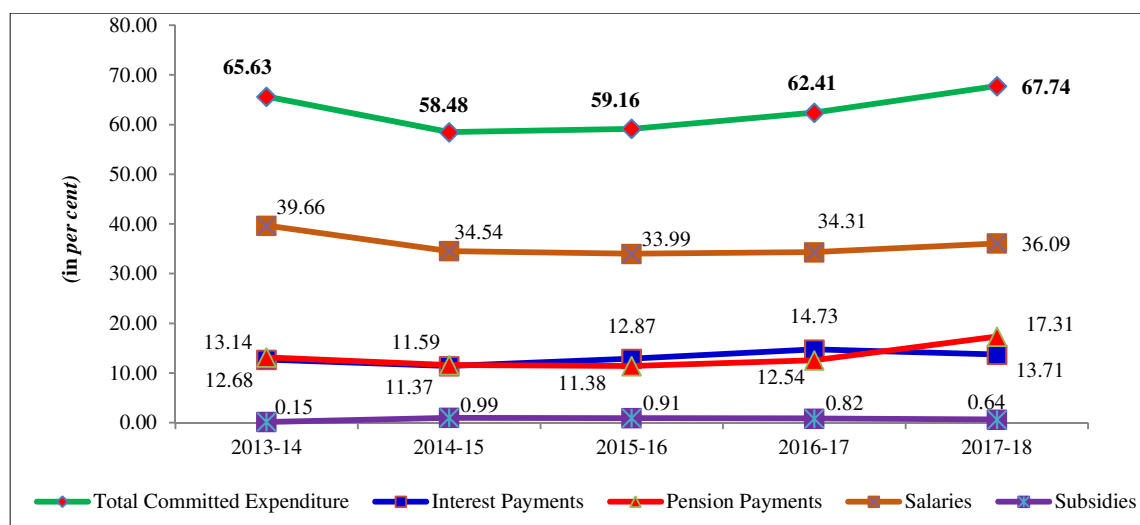
Table-1.15: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2013-14	2014-15	2015-16	2016-17	2017-18		
					BE	Actual	Percentage of variation of Actual over BE
Salaries & Wages	6,431 (37.13)	7,309 (36.10)	7,848 (36.96)	8,670 (34.83)	11,860	10,496 (38.72)	(-) 11.50
Interest Payments	2,056 (11.87)	2,406 (11.88)	2,971 (13.99)	3,723 (14.96)	4,410	3,987 (14.71)	(-) 9.59
Expenditure on Pension	2,131 (12.30)	2,452 (12.11)	2,628 (12.38)	3,170 (12.74)	4,272	5,033 (18.57)	17.81
Subsidies	24 (0.14)	209 (1.03)	211 (0.99)	208 (0.84)	260	186 (0.69)	(-) 28.46
Total Committed Expenditure	10,642 (61.44)	12,376 (61.13)	13,658 (64.32)	15,771 (63.37)	20,802	19,702 (72.69)	(-) 5.29
Other Components	5,574 (32.18)	8,788 (43.40)	9,428 (44.40)	9,501 (38.17)	10,749	9,381 (34.61)	(-) 12.73
Total Revenue Expenditure	16,216	21,164	23,086	25,272	31,551	29,083	(-) 7.82
Revenue Receipts	17,321	20,247	21,234	24,889	31,593	27,105	(-) 14.21

Figures in the parentheses indicate percentage to revenue receipts.

Chart-1.13: Committed Expenditure as percentage of Revenue Expenditure



The committed expenditure, which was 61.44 *per cent* of revenue receipts in 2013-14, increased by 11.25 percentage points during the current year and was 72.69 *per cent* of revenue receipts.

It increased by ₹ 9,060 crore over the period 2013-14 to 2017-18. 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 (₹ 10,496 crore) accounted for 36.09 *per cent* of RE (₹ 29,083 crore). Expenditure on salaries over the period 2013-14 to 2017-18 grew at an average of 12.98 *per cent*. The actual expenditure on salaries during 2017-18 was well below the target fixed by the State Government in its Budget (₹ 11,860 crore). However, over estimation made in the BE (12 *per cent*) for the year 2017-18 was not fully corrected by the Government in the Fiscal Correction Path and the projections made in the MTFPS (₹ 11,213 crore) were also over estimated (six *per cent*) *vis-à-vis* actuals for the year 2017-18.

Pension Payments

Expenditure on pension payments was ₹ 5,033 crore in 2017-18, which constituted 18.57 *per cent* of the revenue receipts. During the current year, it increased by 58.77 *per cent* over the previous year 2016-17 and exceeded the normative assessment of ₹ 3,227 crore made by the FFC for the current year by 55.97 *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.

During the year, both employees contribution (₹ 308.76 crore) and matching government contribution (₹ 308.76 crore) amounting to ₹ 617.52 crore were booked under MH-8342-117-Defined Contribution Pension Scheme for Government employees. A total amount of ₹ 637.05 crore was transferred to National Securities Depository Limited (NSDL). Further, the State Government had parked the legacy balances⁶ of ₹ 170.38 crore in the Public Account under Major Head 8342-117-Defined Contributory Pension Scheme for Government employees. **During the year, no interest was credited to the Fund. However, an amount of ₹ 19.53 crore was transferred to NSDL leaving a balance of ₹ 150.85 crore in the Fund. Uncollected, unmatched and untransferred amounts, with accrued interest, represent outstanding liabilities under the Scheme.**

Interest Payments

As shown in **Table-1.15**, interest payments increased by 93.92 *per cent* during 2013-14 to 2017-18 primarily on account of past borrowings. Interest payments during 2017-18 included interest on Internal Debt⁷ (₹ 3,360 crore), Small Savings, Provident Fund, *etc.* (₹ 522 crore), other obligations (₹ 49 crore) and loans and advances from Government of India (₹ 56 crore). Interest payments (₹ 3,987 crore) during the current year were 14.71 *per cent* of revenue receipts against 11.63 *per cent* recommended by *FFC*. However, these were lower by ₹ 423 crore and ₹ 192 crore respectively than the target of ₹ 4,410 crore and ₹ 4,179 crore set by the State Government in its Budget and MTFPS.

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 ₹ 23.63 crore (2013-14), ₹ 208.71 crore (2014-15), ₹ 211.38 crore (2015-16), ₹ 207.99 crore (2016-17) and ₹ 185.93 crore (2017-18) as per Appendix-II of Finance Accounts, Volume-II. Share of subsidy in total revenue receipts went up from 0.14 *per cent* in 2013-14 to 0.69 *per cent* in 2017-18.

Amount of subsidy given during the year 2017-18 showed a decrease of ₹ 22.06 crore (10.61 *per cent*) as compared to the previous year. Major recipient of subsidy amount over the period 2014-15 to 2017-18 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 2013-14 to 2017-18 is presented in **Table-1.16**.

⁶ Legacy balances are the amounts relating to the period between date of announcement of the Scheme (1 October 2005) and the date on which the Scheme was notified by the State Government (31 March 2008).

⁷ Refer glossary in **Appendix-4.1**.

Table-1.16: Financial Assistance to Local Bodies etc.

Financial Assistance to Institutions	2013-14	2014-15	2015-16	2016-17	₹ in crore	
					2017-18	
					BE	Actual
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	431.05	714.27	615.73	650.63	526.88	464.93
Municipal Corporations and Municipalities	321.19	380.17	334.11	397.77	976.05	753.33
Zila Parishads and Other Panchayati Raj Institutions	347.21	301.10	432.46	508.40	760.90	715.21
Development Agencies	562.37	891.07	828.94	953.33	827.54	546.93
Hospitals and Other Charitable Institutions	108.99	335.89	338.94	319.17	457.42	252.98
Energy (Non-conventional source of energy)	6.88	5.11	18.63	18.12	11.98	11.78
Agriculture Research and Educational Institution, Land Reforms for updating land records and Wild life Preservation	111.16	245.18	270.21	337.78	556.35	476.94
Co-operatives	11.83	4.64	4.12	5.07	6.61	3.73
Animal Husbandry, Dairy Development and Fisheries	10.43	28.58	27.09	32.00	42.82	38.77
Secretariat Economic Services & Tourism	49.33	68.80	1.52	30.69	56.09	46.92
Social Security & Welfare of Scheduled Castes, Scheduled Tribes & Other Backward Classes	285.85	412.94	514.86	446.96	405.45	232.65
Other Institutions	80.27	127.67	209.16	150.30	566.87	119.64
Total	2,326.56	3,515.42	3,595.77	3,850.22	5,194.96	3,663.81
Assistance as per percentage of RE	14.35	16.61	15.58	15.23	16.47	12.60

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

The total assistance to local bodies and other institutions increased by ₹ 1,337.25 crore (57.48 per cent) from ₹ 2,326.56 crore in 2013-14 to ₹ 3,663.81 crore in 2017-18. **However, the assistance during the current year decreased by ₹ 186.41 crore over the previous year. Educational institutions and development agencies together accounted for 27.62 per cent of the total financial assistance during the current year.**

There was increase in financial assistance under Municipal Corporations and Municipalities (₹ 355.56 crore), Zila Parishads (₹ 206.81 crore), Agriculture Research and Educational Institution, Land Reforms for updating land records and Wild life Preservation (₹ 139.16 crore) and Secretariat Economic Services & Tourism (₹ 16.23 crore). However, there was decline in the grants released to the other institutions like Development Agencies (₹ 406.40 crore), Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.) (₹ 185.70 crore), Social Security & Welfare of Scheduled Castes, Scheduled Tribes & Other Backward Classes (₹ 214.31 crore), Hospitals and Other Charitable Institutions (₹ 66.19 crore) and Other Institutions (₹ 30.66 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.

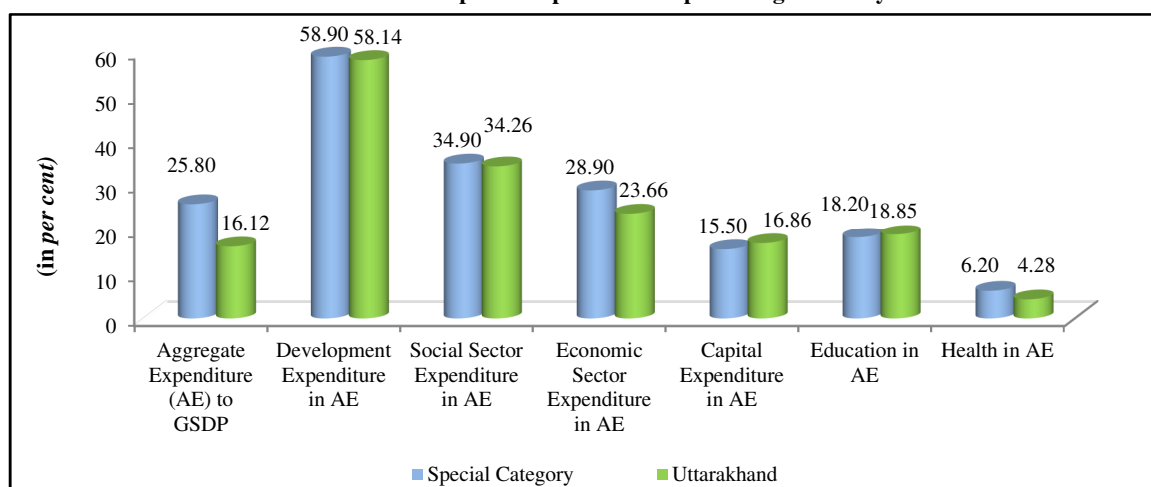
Table-1.17 and **Chart-1.14** analyses the fiscal priorities⁸ of the State Government with regard to Development Expenditure (DE), Social Sector Expenditure (SSE) and Capital Expenditure (CE), Expenditure on Education and on Health as compared to Special Category States' (SCSs) average in the years 2013-14, 2016-17 and 2017-18.

Table-1.17: Fiscal Priority of the State during the years 2013-14, 2016-17 and 2017-18

<i>(in per cent)</i>							
Fiscal Priority by the State	AE/ GSDP*	DE#/ AE	SSE/ AE	ESE/ AE	CE/ AE	Educ ation/ AE	Health/ AE
Special Category States' Average (Ratio) 2013-14	23.50	64.00	37.60	29.30	13.80	18.30	5.40
Uttarakhand Average (Ratio) 2013-14	13.55	65.41	40.28	23.76	18.37	21.35	4.68
Special Category States' Average (Ratio) 2016-17	27.40	61.40	34.20	30.00	13.60	16.60	5.40
Uttarakhand Average (Ratio) 2016-17	15.54	64.09	37.76	25.79	16.30	18.91	4.60
Special Category States' Average (Ratio) 2017-18	25.80	58.90	34.90	28.90	15.50	18.20	6.20
Uttarakhand Average (Ratio) 2017-18	16.12	58.14	34.26	23.66	16.86	18.85	4.28

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 2017-18



A comparative study of Average Expenditure of Uttarakhand State in 2016-17 and 2017-18 with that of 2013-14 indicates the following:

- The State Government's Aggregate Expenditure as a proportion of the GSDP in 2016-17 and 2017-18 was higher by 1.99 and 2.57 percentage points respectively as compared to 2013-14.
- Development Expenditure (DE) as a proportion of Aggregate Expenditure (AE) in 2016-17 and 2017-18 was less by 1.32 and 7.27 percentage points respectively as compared to 2013-14.
- Social Sector Expenditure as a proportion of AE was less by 2.52 and 6.02 percentage points respectively as compared to 2013-14.
- Economic Sector Expenditure as proportion of AE was higher by 2.03 percentage points in 2016-17 but less by 0.10 percentage points in 2017-18 as compared to 2013-14.

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

- The proportion of Capital Expenditure (CE) in AE decreased by 2.07 and 1.51 percentage points in 2016-17 and 2017-18 respectively as compared to 2013-14. Further comparative study of SCS's Average and Uttarakhand's Average in 2016-17 and 2017-18 with that of 2013-14 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 2013-14 and 2016-17. However, it was slightly lower during 2017-18.**
- **Social Sector Expenditure as a proportion of Aggregate Expenditure in the State was higher during 2013-14 and 2016-17 as compared to SCS's average. However, it was lower during 2017-18.**
- **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 2013-14, 2016-17 and 2017-18 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 was below the average of SCS's during all the three years.**

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 2013-14 to 2017-18. Although, DRE increased by 5.36 *per cent* over the previous year but its share in the TE declined by four *per cent* during the current year. The Development Capital Expenditure (DCE) had

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

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

shown an increase of ₹ 1,151 crore in the year 2014-15 over the previous year but it decreased by ₹ 619 crore (13.10 per cent) during the year 2015-16 as compared to 2014-15. It again increased by ₹ 776 crore (18.90 per cent) during 2016-17 and continued its trend in the year 2017-18 also. However, the share of DCE in TE decreased by little over one per cent during 2017-18 over previous year. The overall Development Expenditure increased almost by 54.29 per cent over the period 2013-14 to 2017-18 and its share in TE declined from 65 per cent in 2013-14 to 58 per cent in 2017-18.

Table-1.18: Development Expenditure

(₹ in crore)

Components of Development Expenditure	2013-14	2014-15	2015-16	2016-17	2017-18	
					BE	Actuals
Development Expenditure	13,216(65)	17,955(68)	18,098(66)	19,477(64)	22,108(59)	20,391(58)
(a) Development Revenue Expenditure	9,366(46)	13,081(49)	13,910(50)	14,431(47)	17,514(47)	15,205(43)
(b) Development Capital Expenditure	3,574(18)	4,725(18)	4,106(15)	4,882(16)	4,342(11)	5,110(15)
(c) Development Loans and Advances	276(01)	149(01)	82(01)	164(01)	252(1)	76(--)

Figures in parentheses indicate percentage to aggregate expenditure.

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

(in per cent)

Social/Economic Infrastructure	2016-17			2017-18		
	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	3.54	75.80	0.06	2.81	79.32	0.03
Health and Family Welfare	7.70	60.06	0.35	3.95	63.03	0.32
Water Supply, Sanitation, & Housing and Urban Development	30.06	1.07	0.23	54.96	2.44	0.26
Total SS	8.21	64.48	0.13	10.62	70.65	0.10
Economic Services(ES) expenditure on major components						
Agriculture & Allied Activities	32.46	40.30	0.90	27.18	39.34	1.29
Irrigation and Flood Control	56.37	77.20	11.05	43.60	78.52	8.85
Power & Energy	87.88	0.38	0.00	87.80	0.66	0.00
Transport	81.48	7.13	1.69	86.60	11.32	3.93
Total ES	53.47	41.16	2.48	49.42	42.53	2.62
Total (SS + ES)	26.15	58.66	0.72	24.95	63.64	0.73

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

The State Government in its Budget 2017-18 had committed a Capital Expenditure of ₹ 5,514.38 crore for the year 2017-18. However, the Government capitalised 7.25 per cent (₹ 399.99 crore) more funds than the BEs. The Capital Expenditure also increased by ₹ 960.15 crore during the current year over the previous year.

During 2017-18, salaries and wages, as a percentage of revenue expenditure in Social Services increased by 6.17 percentage points as compared to 2016-17. However, it showed marginal increase of 1.37 percentage points in Economic Services. **The expenditure under Operation & Maintenance as a percentage of revenue expenditure has declined in Social Services and almost remained the same in Economic Services 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 2018 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 31.3.2018
Public Works Department	260	1,090.46	1,141.75	51.29	631.94

* Indicates the Revised total cost of the projects as per the last revision by the State Government as on 31.03.2018

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 2018, 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 in the last five years while the Government paid an average interest rate of 8.13 per cent on its borrowings during 2013-14 to 2017-18.

Table-1.21: Returns on Investment

Investment/Return / Cost of Borrowings	2013-14	2014-15	2015-16	2016-17	2017-18
Investment at the end of the year (₹ in crore)	2,677	2,809	2,914	3,124	3,209
Return (Dividend / interest) (₹ in crore)	0.30	0.11	5.10	15.21	22.69
Return (per cent)	0.01	0.004	0.18	0.49	0.71
Average rate of interest on Government borrowing (per cent)	7.57	7.73	8.19	8.90	8.27
Difference between interest rate and return (per cent)	7.56	7.73	8.01	8.41	7.56
Notional loss due to difference between interest rate of Government borrowings and return on investments (₹ in crore)	202.38	217.14	233.41	262.73	242.60

Source: Finance Accounts.

In this context, no norms on investments and returns have been prescribed by the State Government. Over the past five years the State Government has incurred a notional loss of ₹ 1,158.26 crore on return on investment on account of difference between the Government's borrowing cost and the return on investment on working PSUs.

The major investments (more than 25 per cent) were in (i) Uttarakhand Power Corporation Ltd. (₹ 1,306.03 crore), (ii) Uttarakhand Jal Vidyut Nigam Ltd. (₹ 1,167.86 crore) and Power Transmission Corporation of Uttarakhand Ltd. (₹ 471.05 crore). The Uttarakhand Power Corporation Ltd. had incurred accumulated losses of ₹ 2,568.72 crore as per their latest finalised accounts for the year 2017-18, while Uttarakhand Jal Vidyut Nigam Ltd. and Power Transmission Corporation of Uttarakhand Ltd. have an accumulated profit of ₹ 570.55 crore and ₹ 133.79 crore respectively as per their latest finalised accounts for the year 2017-18.

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 PSUs, nine PSUs were loss making entities and had an accumulated loss of ₹ 3,184.91 crore. The Government of Uttarakhand has not given any loans or made any investment in the non-working PSUs during the current year. Further, during 2017-18, the State Government invested ₹ 22.00 crore as Equity Share Capital in Uttarakhand Power Corporation Limited and disbursed grant of ₹ 56.17 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 2018.

It was also observed that the State Government invested ₹ 0.50 crore¹¹ as equity share capital and provided grant/subsidy of ₹ 58.22 crore¹² 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 upto 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 2018, and interest receipts *vis-à-vis* interest payments during the last three years.

¹¹ Uttarakhand Alpsankhyak Kalyan Evam Wakf Vikas Nigam.

¹² Includes ₹ 56.17 crore to two State PSUs namely Doiwala Sugar Company and Kichha Sugar Company Limited which were having accumulated loss as on 31 March 2018; Uttarakhand Alpsankhyak Kalyan Evam Wakf Vikas Nigam- ₹ 1.80 crore and Uttarakhand Bahu-udeshiya vitt Evam Vikas Nigam- ₹ 0.25 crore.

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

(₹ in crore)

Amount of Loans / Interest Receipts / Cost of Borrowings	2015-16	2016-17	2017-18	
			BE	Actual
Opening Balance of loans and advances given by the State	1,046.36	1,596.45 [#]	--	1,726.65
Amount advanced during the year	83.15	165.05	252.35	76.83
Amount repaid during the year	27.20	34.85	253.05	33.51
Closing Balance	1,102.31	1,726.65	--	1,769.97
Net addition	55.95	130.20	--	43.33
Interest Receipts	0.14	0.17	--	0.08
Interest receipts as <i>per cent</i> to outstanding Loans and advances	0.01	0.01	--	0.005
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 2017-18, the Government advanced loans of ₹ 76.83 crore against ₹ 165.05 crore in 2016-17, a decrease of ₹ 88.22 crore (53.45 *per cent*) over the previous year. The decrease was mainly because in the year 2016-17, loans worth ₹ 98.40 crore had been advanced to Agriculture sector under “Loans for Crop Husbandry” against ₹ 5.44 crore during 2017-18. Recoveries of loans and advances also showed a nominal decrease of ₹ 1.34 crore over the previous year.

Interest receipts, as a percentage of outstanding loans and advances declined during the current year as compared to previous year. Interest payment as *per cent* to the outstanding Fiscal Liabilities of the State was 7.69 *per cent* during 2017-18, which was lower 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 0.005 *per cent* as against the target of seven *per cent* to be achieved by 2009-10 as fixed by the Twelfth Finance Commission.

Total loans advanced by the Government as on 31 March 2018 stood at ₹ 1,769.97 crore. The major beneficiaries were Agriculture and Allied Activities (₹ 899.79 crore), Transport (₹ 148.53 crore) and Energy (₹ 164.50 crore) sectors.

Scrutiny of the total outstanding loans revealed that there was no repayment by four sectors as detailed in **Table-1.23** over last five years (upto March 2018) and in one sector (Agriculture and Allied Activities), additional loans had been extended despite marginal repayments resulting in increase in the outstanding balance over the years.

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

(₹ in crore)

Sl. No.	Name of the Sector	2013-14	2014-15	2015-16	2016-17	2017-18
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	42.09	47.89	47.89
3.	Agriculture and Allied Activities	660.81	795.99	797.92	895.31	899.79
4.	Special Area Programme	9.53	9.53	9.53	503.68 [#]	503.16
5.	Transport	135.11	135.11	136.11	140.29	148.53
Total:		867.01	1,002.19	1,005.12	1,606.64	1,618.84

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

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

Particulars	(₹ in crore)	
	As on 1 st April 2017	As on 31 st March 2018
(a) General Cash Balance		
Cash in Treasuries and local Remittances	00	00
Deposits with Reserve Bank	1,157.65	1,171.00
Deposits with other Banks(B)	00	00
Total	1,157.65	1,171.00
Investments held in Cash Balance investment account	451.51	385.49
Total (a)	1,609.16	1,556.49
(b) Other Cash Balances and Investments		
Cash with departmental offices viz. Public Works Department Officers, Forest Department Officers, District Collectors	(-)11.02	(-) 10.70
Permanent advances for contingent expenditure with departmental officers	(-) 0.81	(-) 0.81
Investments of earmarked funds	1,188.62	1,188.62
Total (b)	1,176.79	1,177.11
Grand Total (a) + (b)	2,785.95	2,733.60

Source: Finance Accounts.

The closing Cash Balance (CB) at the end of the current year (₹ 2,733.60 crore) decreased by ₹ 52.35 crore over the previous year (₹ 2,785.95 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 did not resort to overdraft facility and was able to maintain a minimum cash balance of ₹ 0.16 crore for maximum number of days (275 days) during 2017-18. However, temporary imbalances in cash flow forced the Government to obtain Ways and Means Advances (WMA) on 90 (special) occasions during the year. The State had to pay ₹ 5.24 crore as interest on WMA during the year 2017-18.**

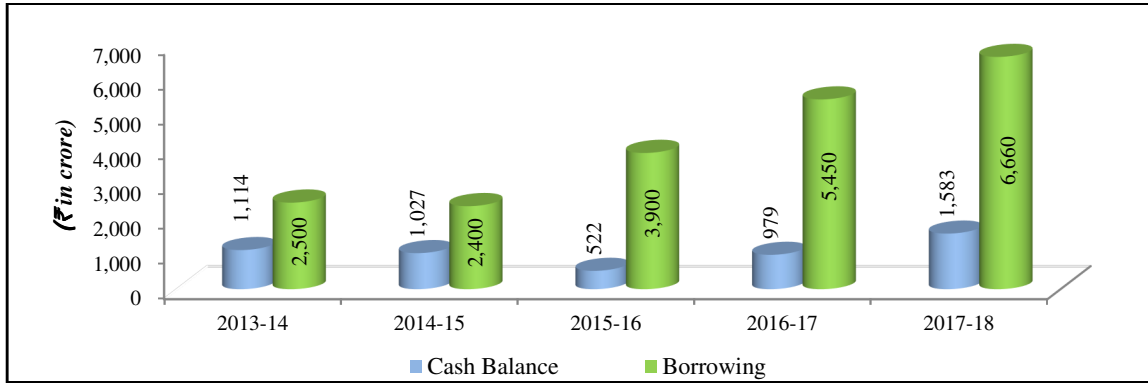
There was a credit balance of ₹ 1,817.09 crore lying under the minor head 'Treasury Cheques' below the major head 8670 - 'Cheques and Bills' at the end of financial year 2017-18.

During 2017-18, the State had an opening general cash balance of ₹ 1,609.16 crore at the beginning of the year and Government borrowed ₹ 6,660 crore from the open market for meeting its obligations. The general cash balance at the close of the year was ₹ 1,556.49 crore.

Audit analysis revealed that the interest realised on cash balance investment account was ₹ 14.05 crore (3.11 per cent) during 2017-18 while government paid interest at the average rate of 8.27 per cent 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-1.14 A.

Chart-1.14A: Cash Balance vis-à-vis Borrowings for the year 2013-14 to 2017-18



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 2018, compared with the corresponding position as on 31 March 2017. 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 2018 was ₹ 51,831 crore; its composition is at **Chart-1.15**.

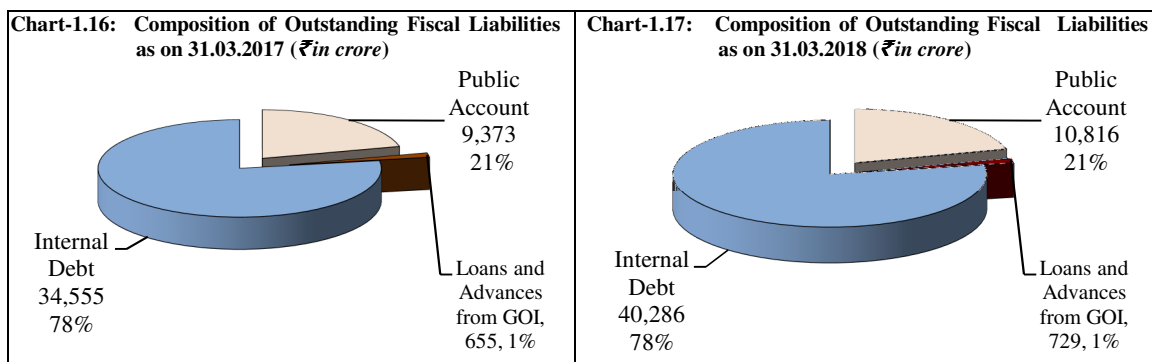
Chart-1.15: Components of total liabilities of 2017-18 of the State Government

Total Liabilities (₹ 51,831 crore) ¹³		
Internal Debt from Market, financial institutions, etc. (₹ 40,286 crore)	Loans and Advances from Government of India (₹ 729 crore)	Public Account Liabilities where Government acts as a banker (₹ 10,816 crore)
Market Loans (₹ 26,662 crore)	Loans for State Plan Schemes (₹ 724 crore)	Suspense and Miscellaneous (₹ 1,789 crore)
Loans from Financial Institutions (₹ 3,785 crore)	Non Plan Loans (₹ 4 crore)	Small Savings, Provident Fund, etc. (₹ 7,010 crore)
Special Securities issued to NSSF (₹ 9,838 crore)	Pre 1984-85 Loans (₹ 0.53 crore)	Reserve Fund (₹ 1,650 crore)
Loans from Other Institutions (₹ 1 crore)		Deposits (₹ 3,345 crore)

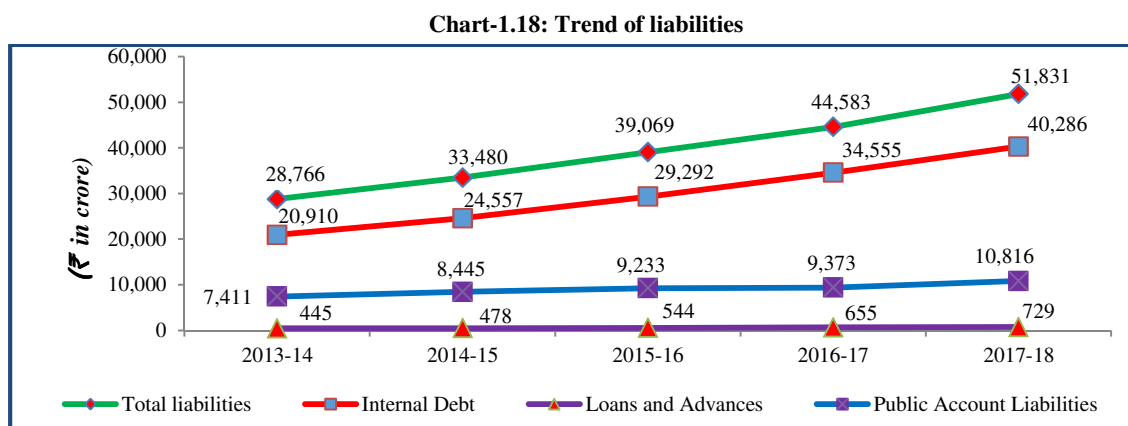
Source: Finance Accounts.

¹³ Does not include general cash balance and contingency fund (corpus).

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 of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Chart-1.16** and **Chart-1.17**.



The Fiscal Liabilities to GSDP ratio for the year 2017-18 was 23.82 *per cent* as compared to previous year ratio of 22.84 *per cent*. The ratio was 1.22 percentage points higher than the normative assessment of the *FFC* (22.60 *per cent*) for the year. The overall fiscal liabilities increased by 80.18 *per cent* from ₹ 28,767 crore in 2013-14 to ₹ 51,831 crore in 2017-18. The fiscal liabilities comprised of public debt (₹ 41,015 crore), Small Savings and Provident Fund, *etc.* (₹ 7,010 crore), and other obligations (₹ 3,806 crore). **The increase in the fiscal liabilities (₹ 7,248 crore) at the end of the current year as compared to the previous year 2016-17 was mainly on account of Internal Debt, Small Savings, and Provident Fund, *etc.* which rose by ₹ 5,731 crore and ₹ 619 crore respectively. The buoyancy of these liabilities with respect to GSDP during the year was 1.45 indicating that for each percentage point increase in GSDP, fiscal liabilities grew by 1.45 *per cent*. These liabilities (₹ 51,831.24 crore) stood at 1.91 times State's revenue receipts and 4.34 times its own resources during 2017-18.** Trend of composition of fiscal liability for the period 2013-14 to 2017-18 is depicted in the **Chart-1.18**.



Source: Finance Accounts.

1.9.3 Transactions under Reserve Funds & Deposits

(a) State Government operated seven Reserve Funds as on 31 March 2018, out of which one Reserve Fund is interest bearing¹⁴ (₹ 381.66 crore Credit) and six are non-interest bearing funds¹⁵ (₹ 1,268.87 crore Credit). Out of these seven funds, four funds are inoperative (balance ₹ 1,226.52 crore Credit) and three funds are operative (balance ₹ 424.02 crore Credit). As on 1 April 2017, opening balance against these seven fund was ₹ 1,545.46 crore. During the year, the State Government transferred funds amounting to ₹ 232.34 crore from the Consolidated Fund to the three operative Reserve Funds and expenditure met from these funds was ₹ 127.27 crore, leaving a balance of ₹ 1,650.53 crore as on 31 March 2018. 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 ₹ 461.91 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 ₹ 41.24 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 2017, 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 2017-18	Interest Payable
J- Reserve Fund	(a) Reserve Funds bearing interest (including SDRF)	6.08 per cent (Average of W&M interest rate)	271.89	16.53
K- Deposits and Advances	(a) Deposit bearing interest	6.08 per cent (Average of W&M interest rate)	406.49	24.71
Total Interest			678.38	41.24

Consolidated Sinking Fund: In terms of the recommendations of the Twelfth Finance Commission, the State Government constituted a revised scheme for constitution and administration of the Consolidated Sinking Fund in 2006 for redeeming its outstanding liabilities (internal debt and public account liabilities of the State Government). As per the scheme and in terms of the guidelines of the Reserve Bank of India, States are required to contribute a minimum of 0.5 per cent of their outstanding liabilities (Internal Debt + Public Account liability) as at the end of the previous year. The Fund is administered by the Reserve Bank of India (RBI) subject to such directions/ instructions as the Government may issue from time to time. **In the year 2017-18, against the**

¹⁴ State Disaster Response Fund.

¹⁵ 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.

minimum required contribution of ₹ 222.91 crore (0.5 per cent of the outstanding liabilities of ₹ 44,582.67 crore as on 31 March 2017), no amount was appropriated from the Consolidated Fund of the State to the Sinking Fund. The State Government has also not intimated whether contribution to the Fund was reviewed in accordance with the provisions of the Fund. The total accumulations in the Fund was ₹ 2,484.32 crore including interest component of ₹ 1,256.32 crore at the end of 2017-18 which is 4.79 per cent of the outstanding liabilities of ₹ 51,831.24 crore as on 31 March 2018. Of this, an amount of ₹ 2,409.94 crore was invested by the Reserve Bank of India.

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 2017, the Fund had a balance of ₹ 271.89 crore. During 2017-18, the Central Government released an amount of ₹ 207.90 crore towards SDRF. The State Government transferred the entire Central Government release together with its own share of ₹ 23.10 crore to the Public Account. Out of the available balance in the Fund, expenditure of ₹ 121.23 crore initially incurred under the MH 2245-Relief on account of Natural Calamities was set off, leaving a balance of ₹ 381.66 crore in the Fund as of 31 March 2018. 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.

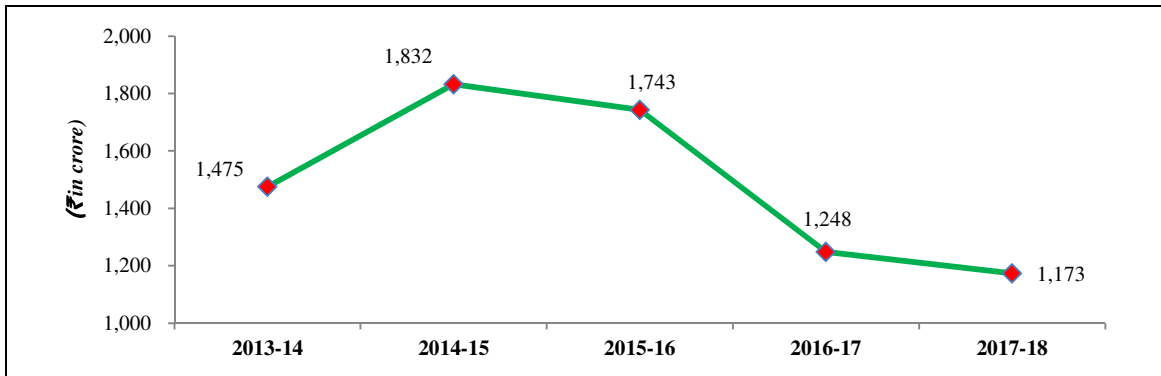
As per **Statement 9** of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last five years are given in **Table-1.26** and **Chart-1.19**.

Table-1.26: Guarantees given by the Government of Uttarakhand

(₹ in crore)

Guarantees	2013-14	2014-15	2015-16	2016-17	2017-18
Outstanding amount of guarantees	1,475	1,832	1,743	1,248 [#]	1,173
Ceiling fixed by the State Government Act	Outstanding guarantees capped within one <i>per cent</i> of the GSDP of that particular year. New guarantees given during any year should not be more than 0.3 <i>per cent</i> of the GSDP for that year.				
Additions during the year	--	438	915	295	--
Deletions during the year	--	81	1,004	781	75

Chart-1.19: Status of Outstanding Guarantees

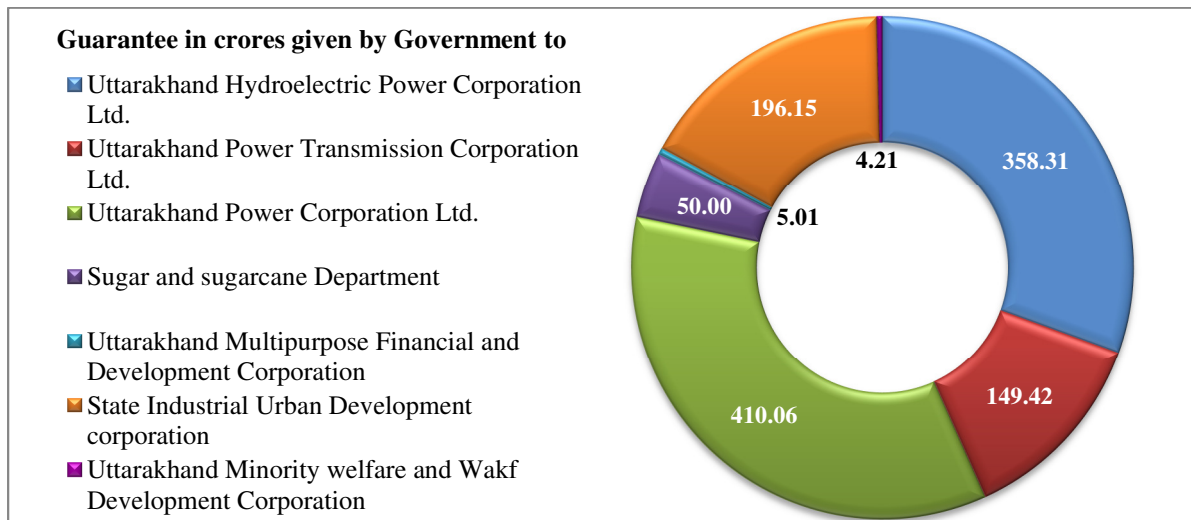


Source: Finance Accounts.

[#] Differs with the closing balance of previous year since the OB was taken as ₹1,248 crore in the Budget documents.

The amount of guarantees outstanding as on 31 March 2018 is ₹ 1,173 crore which comprises Power Sector (₹ 918 crore), Co-operatives (₹ 50 crore) and others (₹ 205 crore). **Total outstanding guarantees as on 31 March 2018 was ₹ 1,173 crore which is 0.54 per cent of GSDP for the year and hence was within the FRBM ceiling.** Company wise detail is given in the **Chart-1.20**.

Chart-1.20: Bodies in receipt of guarantees at the end of 31 March 2018



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. **The complete information of Guarantee fee receivable and received in all the cases during the year was not given in the Finance Accounts since information was not provided by the State Government.**

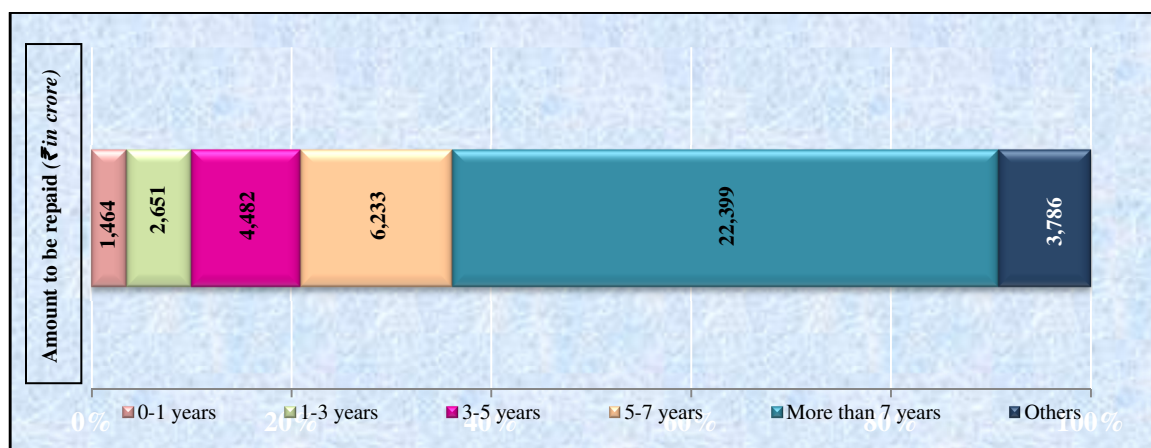
The government constituted a “Guarantee Redemption Fund” for discharge of invoked guarantees with a corpus of ₹ 35 crore. No amount was contributed from the Consolidated Fund to the Guarantee Redemption Fund during 2017-18. Further, in terms of the guidelines of the Reserve Bank of India which administers the Fund, the corpus of the Fund is to be gradually increased to the desirable level of five *per cent* of the outstanding guarantees. Against the desirable level of ₹ 58.66 crore (five *per cent* of the outstanding guarantees of ₹ 1,173.16 crore as on 31 March 2018), the Guarantee Redemption Fund had a balance of ₹ 65.42 crore as on 31 March 2018 (including interest of ₹ 30.42 crore as intimated by RBI). The entire balance under the Fund has been invested.

1.10 Debt Management

(i) Debt Profile

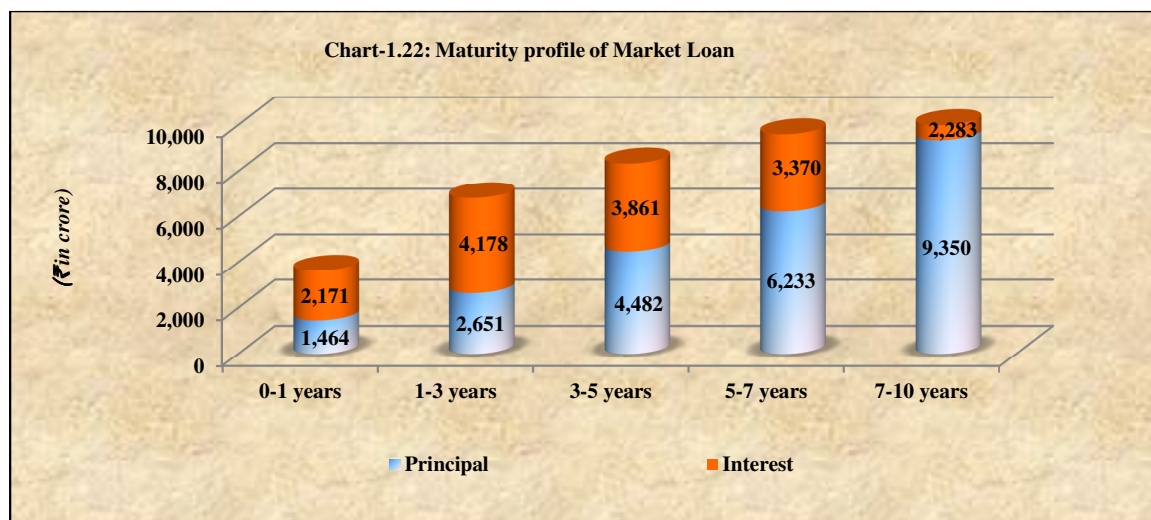
The maturity profile of the State's outstanding loans and advances (public debt) is given in **Chart-1.21**.

Chart-1.21: Maturity Profile of Public Debt



Source: Finance Accounts.

The maturity profile of outstanding stock of public debt as on 31 March 2018 shows that 55 *per cent* 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-1.22** below:



Note: the maturity profile has been evolved for outstanding market loans as on 31 March 2018 and interest has been calculated up to the financial year in which the loans are going to be retired.

During next ten years, the Government has to repay market loans of ₹ 24,180 crore (90.69 per cent) out of total outstanding market loans of ₹ 26,662 crore along with interest amounting to ₹ 15,863 crore. This means that in the next ten years the State will have to make average repayment of ₹ 4,004 crore annually which is much in excess of ₹ 2,677.65 crore of Public Debt repaid during the year. Thus, repayment liabilities will go up substantially in the future.

(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 2013-14 is given in **Table-1.27**.

Table-1.27: Debt Sustainability: Indicators and Trends

Indicators of Debt Sustainability ¹⁶	(₹ in crore)				
	2013-14	2014-15	2015-16	2016-17	2017-18
Outstanding Public Debt	21,355	25,035	29,836	35,210	41,015
Rate of growth of Outstanding Public Debt	13.60	17.23	19.18	18.01	16.49
State's GSDP	1,49,074	1,61,439	1,75,772	1,95,606	2,17,609
Growth rate of GSDP	13.27	8.29	8.88	11.28	11.25
Average Interest Rate of Outstanding Public Debt (per cent)	7.83	8.15	8.53	9.67	8.97
Interest Payments/Revenue Receipts (per cent)	9.08	9.34	11.02	12.64	12.61
Percentage of Debt Repayment to Debt Receipts	34.00	19.55	29.38	17.35	22.87
Public Debt Receipt	3,873.00	4,573.00	6,798.00	6,501.00	7,526.00
Public Debt Repayment	1,317.00	894.00	1,997.00	1,128.00	1,721.00
Interest paid on Internal Debt and Loans From GOI	1,572.00	1,891.00	2,339.00	3,146.00	3,417.00
Net Debt available to the State*	984.00	1,788.00	2,462.00	2,227.00	2,388.00
Percentage of Repayment of Debt & interest there on to Total Borrowed fund	74.59	60.90	63.78	65.74	68.27

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

¹⁶ Refer glossary in **Appendix-4.1**.

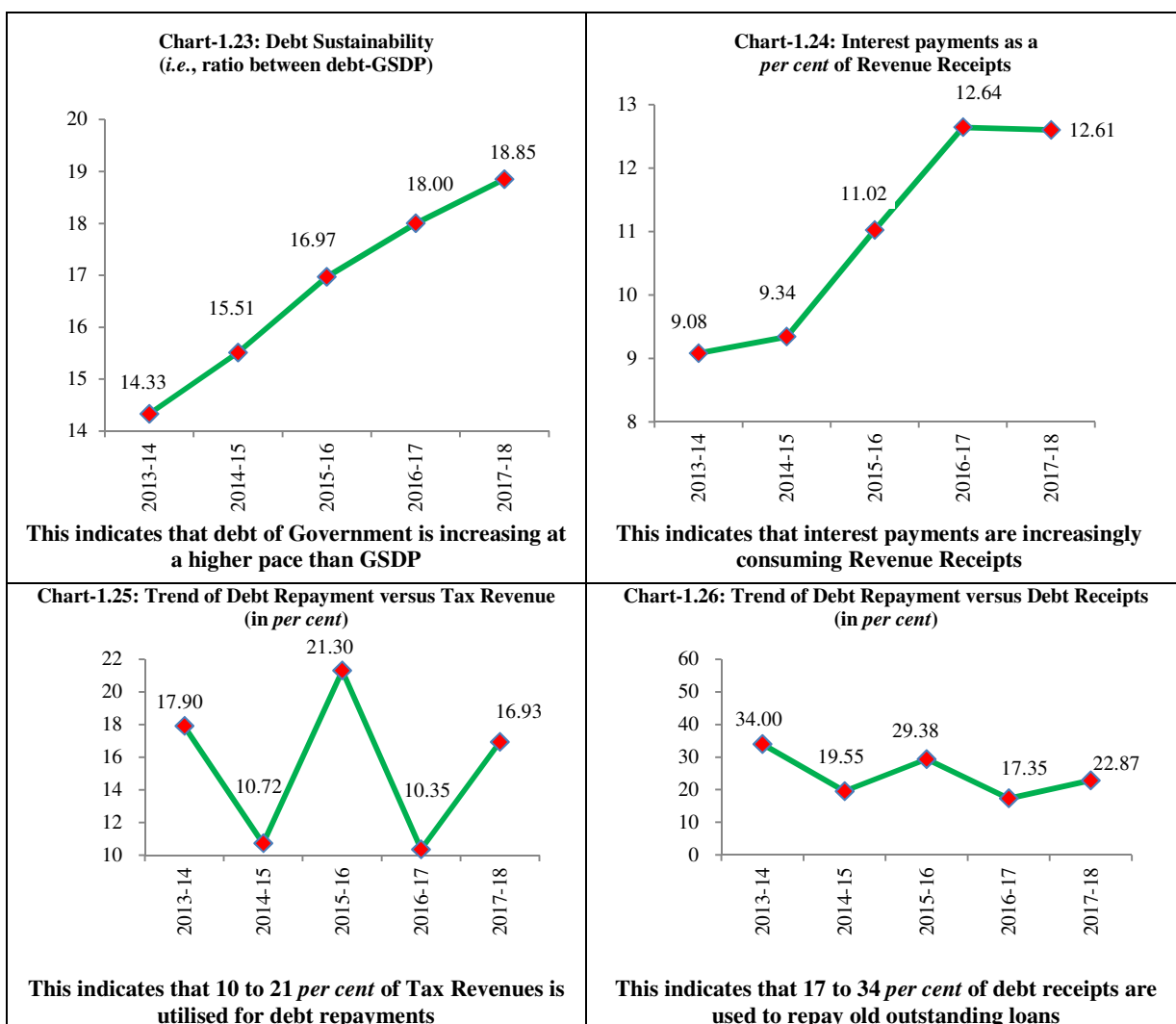
Table-1.28: Utilisation of borrowed funds

(₹ 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)
2013-14	3,873	1,317 (34)	2,556 (66)	NA	NA
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

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

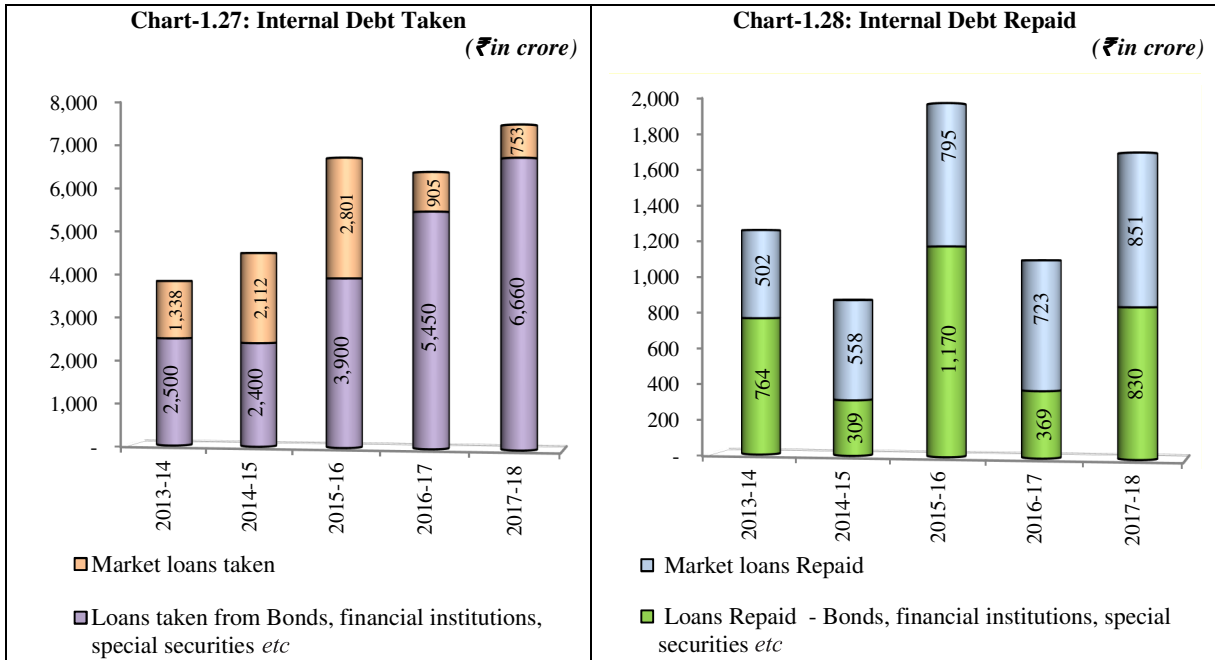
- In the years 2013-14, 2014-15 and 2017-18, the State utilised total borrowings for repayment of earlier principal and on capital expenditure. No portion of debt receipts was available for meeting revenue expenditure.
- During 2015-16 and 2016-17, an amount of ₹ 528 crore and ₹ 289 crore respectively were utilized out of total borrowings for meeting revenue expenditure.



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

- The growth rate of outstanding Public Debt continued to increase from 2013-14 to 2015-16. However, it declined during the years 2016-17 and 2017-18. The growth rate of public debt has consistently been higher than that of GSDP.
- During the period 2013-14 to 2017-18, the average interest rate of Outstanding Public Debt ranged between 7.83 *per cent* and 9.67 *per cent*.
- The State utilised 9.08 to 12.64 *per cent* of revenue receipts for Interest Payments on Public Debt during 2013-14 to 2017-18.
- The percentage of Debt Repayment to Debt Receipts showed a fluctuating trend over the period 2013-14 to 2017-18. In 2013-14, 36.70 *per cent* of Public Debt Receipt was used for the purpose of Repayment of Public Debt while in 2017-18, 56.86 *per cent* was used for this purpose.
- **During 2013-14 to 2017-18, a major portion (ranging between 60.90 *per cent* and 74.59 *per cent*) of public debt receipt was being utilised for repayment of earlier borrowed fund and payment of interest there on. Therefore, only 25.41 *per cent* to 39.10 *per cent* of public debt receipt was available for development expenditure.**

Composition of market Loan Taken and repaid during 2013-14 to 2017-18 is given in the **Chart-1.27** and **1.28**.



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 2013-14 to 2017-18:

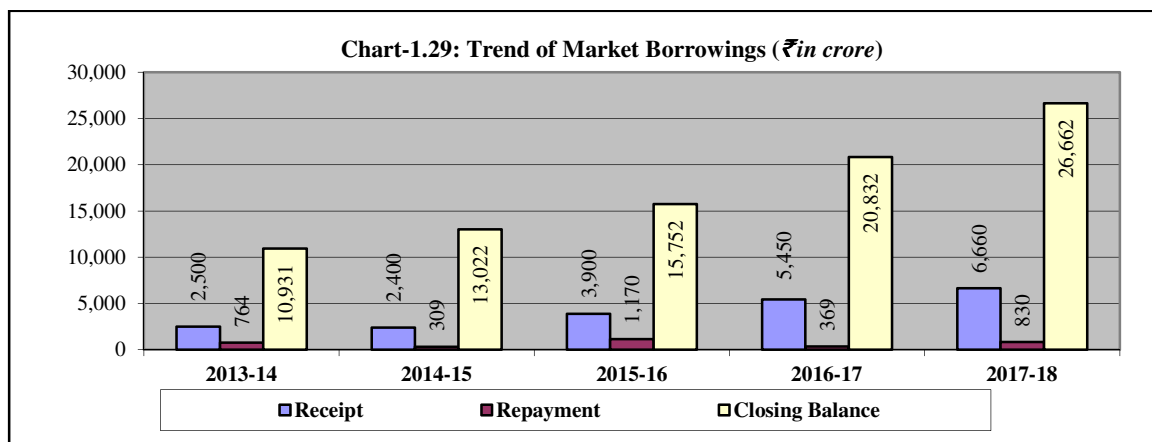
Table-1.29: Position of market borrowings of the State Government

(₹ 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
2013-14	9,194.45	2,500.00	763.89	10,930.56	1,736.11	18.88
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
Total		20,910.00	3,442.16			

Source: Finance Accounts of concerned years.

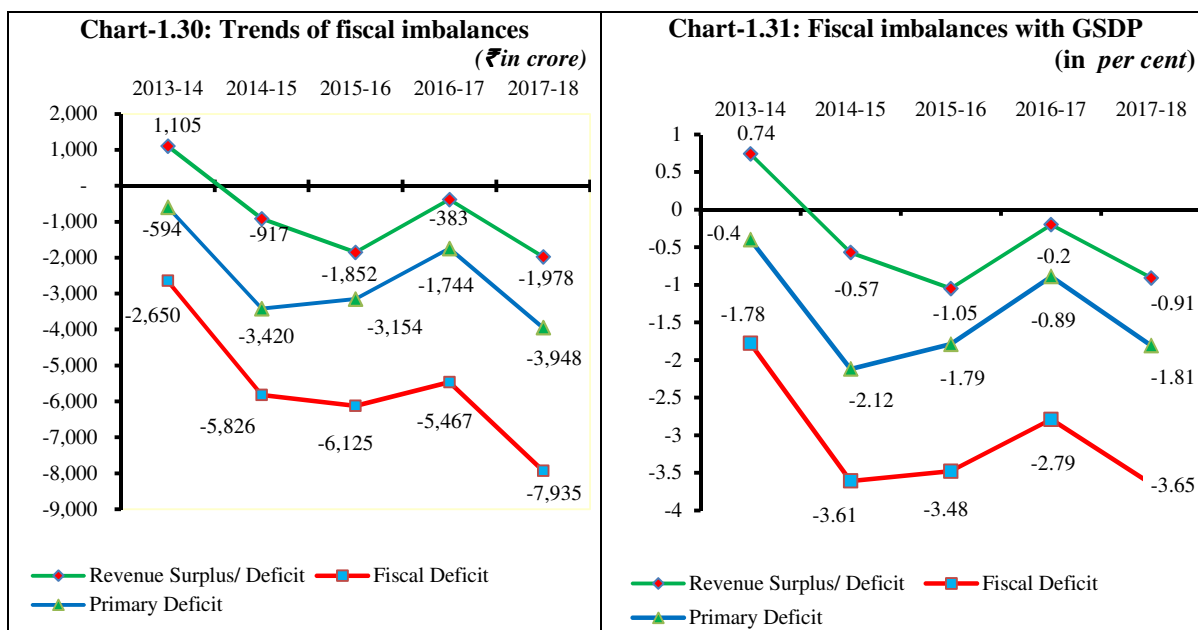
The above table indicates that the Government of Uttarakhand borrowed and repaid ₹ 20,910 crore and ₹ 3,442.16 crore respectively during the period 2013-14 to 2017-18. The repayment was 16.46 per cent of total loans raised by the State Government (₹ 20,910 crore). The re-payment on these loans rose from ₹ 763.89 crore in 2013-14 to ₹ 830.00 crore in 2017-18 at weighted average interest rate of 9.70 per cent in 2013-14 to 7.73 per cent in 2017-18. The above table also shows that the Market Borrowings had decreased in 2014-15. However, it again increased during 2015-16 to ₹ 3,900 crore and continued the same trend during the current year also. The receipts during this period showed nearly 2.66 times increase from 2013-14 to 2017-18. **Chart-1.29** given below shows the trend of Market Borrowings over the period 2013-14 to 2017-18.



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-1.30** and **1.31** present the trends of deficits over the period 2013-14 to 2017-18.



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

Revenue Deficit: Uttarakhand was a surplus State in 2013-14. However, 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 position deteriorated during the current year and the State had revenue deficit of ₹ 1,978 crore (0.91 per cent of GSDP).**

Fiscal Deficit: The fiscal deficit during 2013-14 at ₹ 2,650 crore (1.78 per cent of GSDP) increased in 2014-15 to ₹ 5,826 crore (3.61 per cent of GSDP), ₹ 6,125 crore (3.48 per cent of GSDP) during 2015-16 and then declined to ₹ 5,467 crore (2.79 per cent of GSDP) in 2016-17. **During the current year, the fiscal deficit at ₹ 7,935 crore (3.65 per cent of GSDP) was above the normative target of 3.25 per cent of GSDP as fixed by the FFC.**

Primary deficit: The primary surplus¹⁷ (₹ 489 crore) during 2012-13 turned into primary deficit during the year 2013-14 and continued to be deficit till the current year. However, the primary deficit which had reduced from ₹ 3,154 crore (2015-16) to ₹ 1,744 crore in 2016-17 again increased to ₹ 3,948 crore during the current year. **Existence of primary deficit indicates that the State would need to borrow money even for making interest payments on its borrowed funds. The State Government was, therefore, compelled to borrow ₹ 3,987 crore out of ₹ 7,526 crore total borrowed fund in the year 2017-18 to meet its interest commitments.**

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 2017-18, the State

¹⁷ Refers to the amount by which a government's total expenditure exceeds its total revenue excluding interest payments on its debt.

registered a Primary Revenue Surplus of ₹ 2,009 crore. This was 34 per cent of the Capital Expenditure (₹ 5,914 crore).

During 2017-18, the State Government booked Grants-in-Aid of ₹ 47.98 crore under Capital Heads and Major construction works of ₹ 419.39 crore under Revenue Heads which was against the Government Accounting Rules. The State Government made less contribution of ₹ 222.91 crore towards Sinking Fund and did not make any provision of interest on Reserves and Deposits of ₹ 41.24 crore during the current year.

The above impacted the Revenue and Fiscal Deficits of the State Government. The Revenue Deficit has been overstated by 0.05 percentage points while the Fiscal Deficit has been understated by 0.12 percentage points as detailed below.

Table-1.30: Impact on Revenue Deficit and Fiscal Deficit

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)	419.39 ¹⁸	--	--	--	0.91	3.65	0.86	3.77
2.	Booking of Grant in aid in Capital Account	--	47.98	--	--				
3.	Less contribution to Sinking Fund	--	222.91	--	222.91				
4.	Non provision of interest on Reserves and Deposits	--	41.24	--	41.24				
Total (Net) impact		107.26 (Over Statement)		264.15 (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

Sl.No.	Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
A	Decomposition of Fiscal Deficit (1 to 4)	(-) 2,650	(-) 5,826	(-) 6,125	(-) 5,467	(-) 7,935
1.	Revenue Deficit (-)/ Surplus(+)	(+)1,105	(-) 917	(-) 1,852	(-) 383	(-) 1,978
2.	Net Capital Expenditure	(-)3,532	(-) 4,804	(-) 4,217	(-) 4,954	(-) 5,914
3.	Net Loans and Advances	(-)223	(-) 105	(-) 56	(-) 130	(-) 43
B	Financing Pattern of Fiscal Deficit					
1.	Net Public Debt	2,556	3,680	4,802	5,373	5,806
a.	Net Market Borrowings	1,736	(+) 2,091	(+) 2,730	(+) 5,081	(+) 5,830
b.	Net Loans from Govt	(-)16	(+) 33	(+) 66	(+) 111	(+) 74
c.	Net Special Securities issued to NSSF	545	(+) 1,145	(+) 1,467	(-) 348	(-) 374
d.	Net Loans from Financial Institutions	291	(+) 411	(+) 539	(+) 529	(+) 276
2.	Net Public Account	764	1,497	1,209	1,248	2,204
a.	Net Small Savings, PF etc.	322	(+) 420	(+) 478	(+) 413	(+) 619
b.	Net Deposits and Advances	352	(+) 399	(+) 138	(-) 135	(+) 719
c.	Net Suspense and Misc.	(-)223	(+) 13	(+) 377	(+) 1,050	(+) 730
d.	Net Remittances	317	(+) 450	(+) 33	(-) 3	(+) 31
e.	Net Reserve Fund	(-) 4	(+) 215	(+) 183	(-) 77	(+) 105
3.	Net Contingency Fund	(-)182	(-) 12	(-) 195	(+) 167	(-) 127
4.	Accretion to Cash Balance	(-)488	(+) 661	(+) 309	(-) 1,321	(+) 52

Source: Finance Accounts of Government of Uttarakhand, 2013-14 to 2017-18.

¹⁸ The State Government provided and booked Major construction works amounting to ₹ 422.23 crore under various Revenue Heads. Also, ₹ 1.44 crore and ₹ 1.40 crore expended towards Minor construction works and maintenance was provided and booked under the Capital Section.

The fiscal deficit in 2017-18 was largely managed by market borrowings (73 per cent), Deposits and Advances (9 per cent), Small Savings & Provident Funds (8 per cent), and Loans from Financial Institutions (3 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 deficit (-) /surplus (+)	Primary deficit (-)/ surplus(+)
1	2	3	4	5	6	7=(4+5+6)	8=(3-4)	9=(2-7)
2013-14	17,556	17,321	14,160	3,712	278	18,150	(+) 3,161	(-) 594
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

* 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 54.59 per cent from 2013-14 to 2017-18 and were sufficient to meet the primary revenue expenditure.
- The primary revenue surplus declined during 2013-14 to 2015-16. It increased almost tri-fold over the previous year and stood at ₹ 3,340 crore during 2016-17. However, it again decreased by ₹ 1,331 crore during the current year.
- The primary deficit of ₹ 594 crore in 2013-14 increased to ₹ 3,420 crore in 2014-15. In the year 2015-16, it decreased marginally by ₹ 266 crore but showed a reduction of ₹ 1,410 crore during 2016-17. However, it has again increased considerably by ₹ 2,204 crore during the current year.

Table- 1.33: Components of Fiscal Deficit

(₹ in crore)

Item	2013-14	2014-15	2015-16	2016-17	2017-18
1	2	3	4	5	6
Revenue Deficit (-)/Surplus (+)	(+)1,105	(-) 917 (16)	(-) 1,852 (30)	(-) 383 (07)	(-) 1,978 (25)
Net Capital Expenditure	(-) 2,427 (92)	(-) 4,804 (82)	(-) 4,217 (69)	(-) 4,954 (91)	(-) 5,914 (75)
Net Loans and Advances	(-) 223 (08)	(-) 105 (02)	(-) 56 (01)	(-) 130 (02)	(-) 43 (00)
Fiscal Deficit	(-)2,650	(-) 5,826	(-) 6,125	(-) 5,467	(-)7,935

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 deteriorated on account of higher Revenue Deficit. The contribution of revenue deficit in the fiscal deficit increased from 7 per cent in 2016-17 to 25 per cent in 2017-18. This implies that an increasing proportion of current expenditure is

being met from borrowed funds rather than for asset creation. The percentage of the Net Capital Expenditure to Fiscal Deficit declined from 91 per cent in 2016-17 to 75 per cent in 2017-18. The Fiscal Deficit during the current year increased by 45.14 per cent and was 3.65 per cent of GSDP as compared to 2.79 per cent in 2016-17.

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 revenue surplus of 2013-14 could not be sustained and the State had a revenue deficit in the past four years. The revenue deficit in 2017-18 increased to 0.91 per cent of GSDP from 0.20 per cent of GSDP during the previous year. However, there was incorrect booking of some expenditure under revenue and capital heads due to incorrect classification. Further, the State had also not contributed to statutory funds and also had not made budget provisions towards interest. As a result, the revenue deficit was overstated by 0.05 percentage points and the fiscal deficit was understated by 0.12 percentage points.

Capital expenditure registered an increase of ₹ 960.15 crore over the previous year which was more than the target set forth by the State Government in its BE. There was increase in proportion of committed expenditure to total revenue expenditure from 62 per cent in 2016-17 to 68 per cent during the current year due to increase in expenditure on salaries, pension and interest payments. 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's average during all the three years while under Health Sector it was below the average of SCS's during all the three years.

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 0.005 per cent as against the target of seven per cent to be achieved by 2009-10 as fixed by the Twelfth Finance Commission.

Public debt of the State increased by 16.5 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 15 per cent in the last two years from 12 per cent during 2013-14. During 2017-18, 68 per cent of public debt receipt was being utilised for repayment of earlier borrowed fund and payment of interest there on.

Therefore, only 32 *per cent* of public debt receipt was available for development expenditure during the year as compared to 34 *per cent* in the previous year.

The total fiscal liabilities to GSDP ratio in 2017-18 increased by 0.98 *per cent* over previous year and stood at 23.82 *per cent* which was above the target of 22.60 *per cent* set forth by the *FFC*.

During the current year, the fiscal deficit at ₹ 7,935 crore (3.65 *per cent* of GSDP) was above the normative target of 3.25 *per cent* of GSDP as fixed by the *FFC*. During the year, the quality of Fiscal Deficit has deteriorated on account of higher Revenue Deficit. The contribution of revenue deficit in the fiscal deficit increased from 7 *per cent* in 2016-17 to 25 *per cent* in 2017-18. The percentage of the Net Capital Expenditure to Fiscal Deficit decreased from 91 *per cent* in 2016-17 to 75 *per cent* in 2017-18.

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. Also revenue expenditure may be curtailed for reducing Fiscal Deficit to bring it to 3.25 *per cent* of GSDP as recommended by *FFC*.
- 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;
- 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

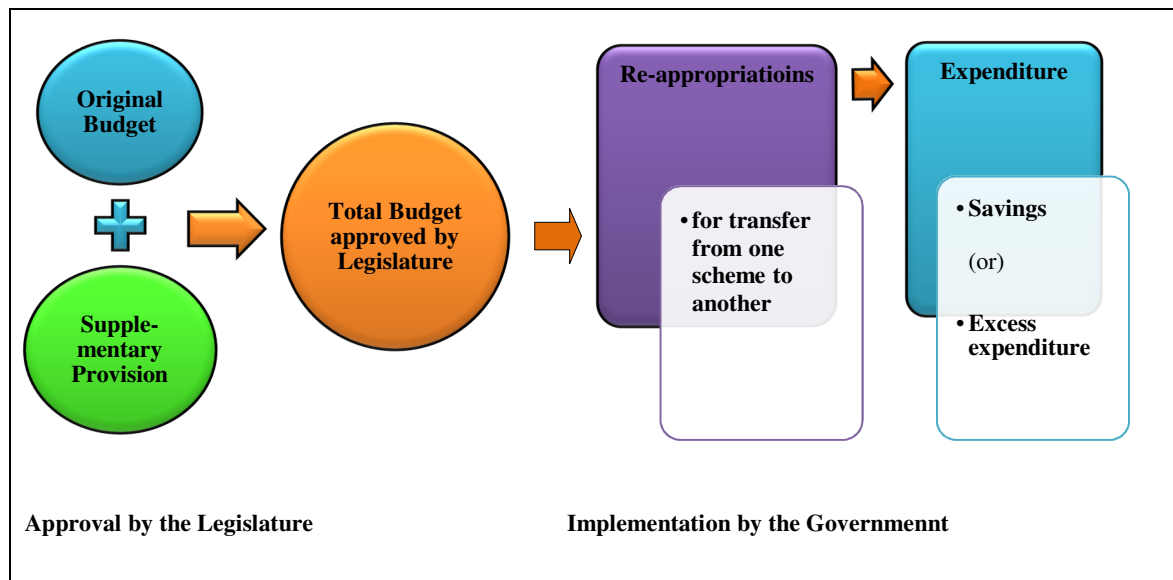
CHAPTER-2

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

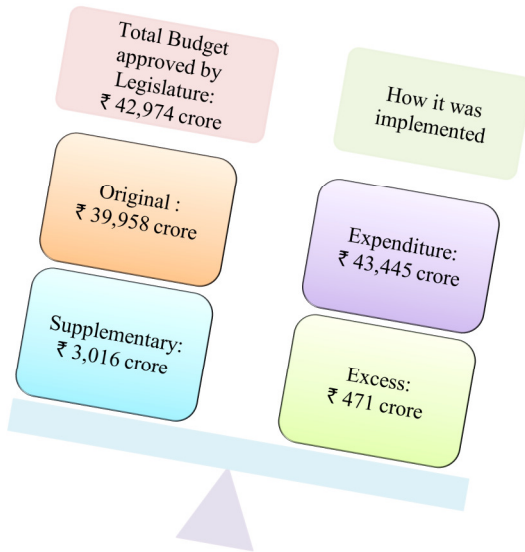
The summarised position of actual expenditure during 2017-18 against 31 grants/appropriations is given in **Table-2.1** and **Chart-2.2**.

Table-2.1: Summarised position of Original/Supplementary Provisions vis-à-vis Actual expenditure during the year 2017-18

(₹ 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	26,834.00	2,165.44	28,999.44	25,032.46	(-)3,966.98	162.72	162.72	100
	II Capital	5,511.37	827.61	6,338.98	6,633.44	(+)294.46	70.93	70.93	100
	III Loans and Advances	252.35	18.00	270.35	76.83	(-)193.52	00	00	00
Total Voted		32,597.72	3,011.05	35,608.77	31,742.73	(-)3,866.04	233.65	233.65	100
Charged	IV Revenue	4,716.83	4.70	4,721.53	4,050.41	(-)671.12	3.64	3.64	100
	V Capital	3.00	0.00	3.00	00	(-)3.00	00	00	00
	VI Public Debt-Repayment	2,640.23	0.00	2,640.23	7,651.62	(+)5,011.39	00	00	00
Total Charged		7,360.06	4.70	7,364.76	11,702.03	(+)4,337.27	3.64	3.64	100
Grand Total		39,957.78	3,015.75	42,973.53	43,444.76	(+)471.23	237.29	237.29	100

Source: Appropriation Accounts.

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

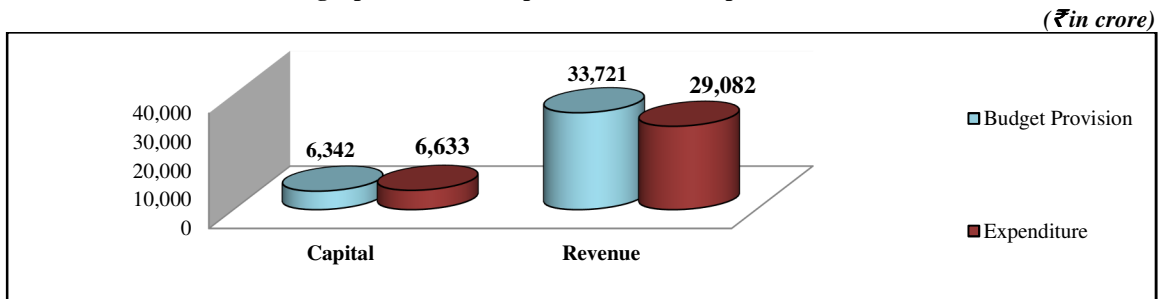


As shown in Table-2.1, there was an overall excess expenditure of ₹ 471.23 crore which was the result of excess expenditure of ₹ 6,413.38 crore in six grants under Capital Voted and one Appropriation under Capital Charged Section and saving of ₹ 5,942.15 crore in 30 grants and eight appropriations.

2.2.1 Capital and Revenue

Excess expenditure was reported in the Capital Account. However, Savings were observed in 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 2017-18 are given in **Table-2.2**.

Table-2.2: Details of significant excesses noticed during 2017-18

(₹ 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)	5,011.39
2.	25	Food	Capital (Voted)	1,322.39
Total				6,333.78

As is evident from above table, 98.76 per cent excess occurred in only one grant and one appropriation.

Similarly, departments against which significant savings over the allotments was noticed during the year 2017-18, were Revenue and General Administration (₹ 969.95 crore), Finance, Tax, Planning, Secretariat & Miscellaneous (₹ 1,134.71 crore), Education, Sports, Youth Welfare & Culture (₹ 551.38 crore), Medical, Health and Family Welfare (₹ 592.79 crore), Water Supply, Housing & Urban Development (₹ 364.75 crore), Welfare (₹ 368.84 crore), Rural Development (₹ 612.98 crore), Energy (₹ 196.67 crore) and Welfare of Scheduled Castes (₹ 307.01 crore).

The savings/excess (Detailed Appropriation Accounts) were intimated (July 2018) to the Controlling Officers requesting them to furnish reasons for the substantial savings/excess. Their replies were yet to be received (February 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 six cases, expenditure aggregating ₹ 10,810.75 crore exceeded the approved provision by ₹ 6,412.89 crore which was more than ₹ one crore in each case or more than 20 per cent of the total provision. 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 2013-14 to 2017-18

(₹ in crore)

Sl. No.	No. and Name of grant	Amount of excess expenditure				
		2013-14	2014-15	2015-16	2016-17	2017-18
Capital-Voted						
1.	25-Food	1,775.56	1,738.25	2,203.83	2,245.80	1,322.39

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 expenditure amounting to ₹ 20,780.77 crore pertaining to previous years from 2005 to 2017 was 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

(₹ in crore)			
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
Total			20,780.77

Source: Appropriation Accounts.

This is contrary to legislative intent and defeats the objective of ensuring accountability of the executive over utilisation of public money. Excess expenditure remaining unregularised for such extended period needs to be viewed seriously as this dilutes the legislative control over the exchequer and therefore, all existing cases of excess expenditure need to be got regularised at the earliest and strict departmental action is taken against controlling officer who exceed the budget.

2.3.3 Excess over provisions during 2017-18 requiring regularisation

Table-2.5 contains the summary of total excess expenditure registered under six grants and one appropriation amounting to ₹ 6,413.39 crore over authorisation from the Consolidated Fund of the State (CFS) during the year 2017-18.

Table-2.5: Excess over provision requiring regularisation during 2017-18

(₹ 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	2,640.23	7,651.62	5,011.39
Capital (Voted)					
1.	14	Information	8.27	8.76	0.50
2.	17	Agriculture Works & Research	23.03	26.75	3.72
3.	20	Irrigation & Flood	292.18	337.88	45.70
4.	22	Public Work	1,369.20	1,395.28	26.08
5.	25	Food	19.27	1,341.67	1,322.39
6.	27	Forest	53.95	57.56	3.61
Total			4,406.13	10,819.52	6,413.39

Source: Appropriation Accounts.

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

2.3.4 Inadequate supplementary provision

Supplementary provision of ₹ 138.20 crore sought in respect of four cases proved insufficient by one crore or more than ₹ one crore thereby leaving an aggregate uncovered excess expenditure of ₹ 1,397.89 crore (*Appendix-2.2*).

2.3.5 Rush of expenditure

Paragraph 183 of chapter XVII of 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 2017-18 was incurred in March 2018 in respect of 33 major heads as listed in *Appendix-2.3*.

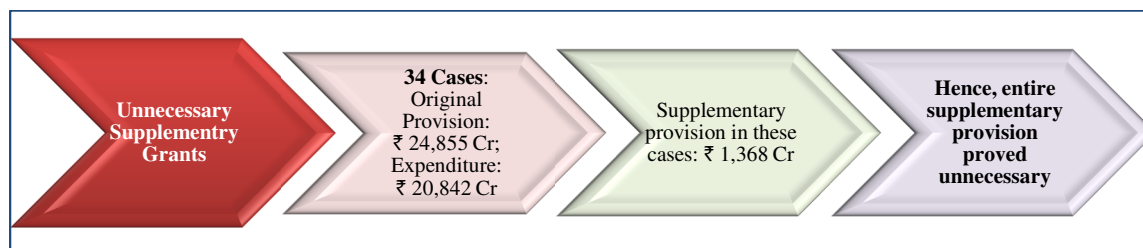
59.45 per cent of the total expenditure of ₹ 2,386.03 crore spent against 33 major heads during the year 2017-18 was incurred in the last quarter of the financial year.

2.3.6 Excess provision resulting in saving

2.3.6.1 Unnecessary/Excessive supplementary provision

Supplementary provision aggregating ₹ 1,367.58 crore obtained in 34 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 66 cases under 07 grants as detailed in **Appendix-2.5**.

Reasons for the savings were not furnished by the Government as of February 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 80 sub-heads, in 13 grants. Out of the total provision amounting to ₹ 343.03 crore in these 80 sub-heads, ₹ 148.03 crore (43.15 *per cent*) were surrendered which included *per cent* surrender in 43 schemes (₹ 28.35 crore) in Voted Grants detailed in **Appendix-2.6(A)** and substantial surrenders (exceeding 30 *per cent* of total provision) in respect of five sub-heads, under two grants. Out of the total provision amounting to ₹ 4.18 crore under five sub-heads, ₹ 1.36 crore (32.47 *per cent*) was surrendered in two appropriations as detailed in **Appendix-2.6(B)**.

2.3.6.4 *Surrender in excess of actual savings*

In three cases, the amount surrendered was in excess of actual saving indicating lack of budgetary controls in the Department. As against savings of ₹ 15.75 crore in three cases, the amount surrendered was ₹ 15.90 crore resulting in excess surrender of ₹ 0.15 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 2017-18, there were, however, 17 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 ₹ 2,408.87 crore (40.54 *per cent* of the total savings¹) as given in **Appendix-2.8**.

Similarly, out of savings of ₹ 5,912.82 crore (individual cases where savings were more than ₹ one crore) amount aggregating ₹ 155.90 crore only was surrendered resulting in non-surrender of remaining ₹ 5,756.92 crore (97.36 *per cent* of the savings of ₹ 5,912.82 crore), details of which are given in **Appendix-2.9**. **Besides, in four cases surrender of funds in excess of ₹ 10 crore amounting to ₹ 166.50 crore were surrendered (Appendix-2.10) on the last day of March 2018, thereby defeating the intended purpose of surrenders as these funds could not be utilised for other purposes.**

¹ Of total savings of ₹ 5,942.15 crore.

2.3.6.6 Appropriation vis-à-vis expenditure

Appropriation audit shows that in 55 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 ₹ 5,941.69 crore, savings of ₹ 5,524.05 crore (92.97 per cent)² occurred in 24 cases relating to 16 grants and one Appropriation as given in **Table-2.6**.

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 and General Administration	1,752.67	823.29	46.97
2.	07	Finance, Tax, Planning, Secretariat & Misc. Services	7,629.63	226.15	2.96
3.	11	Education, Sports, Youth Welfare and Culture	6,670.18	439.41	6.59
4.	12	Medical, Health and Family Welfare	1,951.34	510.18	26.15
5.	13	Water Supply, Housing and Urban Development	755.41	171.25	22.67
6.	15	Welfare	1,496.97	324.83	21.70
7.	17	Agriculture Works and Research	901.30	64.05	7.11
8.	19	Rural Development	1,212.25	557.81	46.01
9.	22	Public Work	705.46	63.62	9.02
10.	25	Food	237.71	55.36	23.29
11.	27	Forest	633.80	82.90	13.08
12.	29	Horticulture Development	271.11	55.47	20.46
13.	30	Welfare of Scheduled Castes	1,006.21	245.12	24.36
14.	31	Welfare of Scheduled Tribes	315.42	90.34	28.64
Total			25,539.46	3,709.78	14.52
Revenue Charged					
1.	07	Finance, Tax, Planning, Secretariat & Misc. Services	4,634.33	646.15	13.94
Total			4,634.33	646.15	13.94
Capital Voted					
1.	06	Revenue and General Administration	728.90	146.15	20.05
2.	07	Finance, Tax, Planning, Secretariat & Misc. Services	452.00	262.41	58.06
3.	11	Education, Sports, Youth Welfare and Culture	277.14	111.97	40.40
4.	12	Medical, Health and Family Welfare	146.55	82.61	56.37
5.	13	Water Supply, Housing and Urban Development	831.00	193.49	23.28
6.	19	Rural Development	1,183.16	55.16	4.66
7.	21	Energy	339.00	196.67	58.01
8.	23	Industries	63.74	57.77	90.63
9.	30	Welfare of Scheduled Castes	306.24	61.89	20.21
Total			4,327.73	1,168.12	26.99
Grand Total			34,501.52	5,524.05	16.01

Source: Appropriation Accounts.

The reasons for the savings though called for, were yet to be received (February 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**.

² Exceeding ₹ 50 crore in each case.

Table-2.7: List of Grants indicating persistent savings during last five years (2013-14 to 2017-18)

(₹ in crore)

Sl. No.	No. and Name of grant	Amount of Saving				
		2013-14	2014-15	2015-16	2016-17	2017-18
Revenue-Voted						
1.	04-Judicial Administration	36.52	35.73	29.67	54.67	19.38
2.	06-Revenue & General Administration	1,466.73	1,037.70	669.86	1,284.98	823.29
3.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	116.17	480.27	786.13	1,020.53	226.15
4.	08-Excise	2.02	1.44	1.91	5.13	2.59
5.	10-Police & Jail	23.71	100.55	60.74	149.77	73.90
6.	11-Education, Sports, Youth Welfare & Culture	635.48	741.48	811.98	1,313.18	439.41
7.	12-Medical, Health & Family Welfare	116.11	397.34	514.02	452.31	510.18
8.	13-Water Supply, Housing & Urban Development	308.25	175.86	299.99	416.29	171.25
9.	14-Information	1.16	1.01	2.19	4.76	3.30
10.	15-Welfare	178.11	342.56	396.89	504.66	324.83
11.	16-Labour & Employment	28.70	58.20	86.03	72.37	19.06
12.	17-Agriculture Works & Research	186.93	91.09	215.51	252.03	64.05
13.	18-Co-operative	8.53	7.93	6.60	16.69	2.84
14.	19-Rural Development	179.22	651.46	126.96	485.65	557.81
15.	20-Irrigation & Flood	36.48	63.40	49.57	100.57	36.58
16.	22-Public Works	95.65	205.45	119.55	61.65	63.62
17.	23-Industries	20.89	14.02	34.66	106.40	43.01
18.	24-Transport	3.22	5.27	5.60	11.69	9.43
19.	25- Food	226.55	224.72	129.08	171.66	55.36
20.	26-Tourism	13.43	42.46	4.17	18.69	8.40
21.	27-Forest	31.00	1,19.93	80.72	2,10.08	82.90
22.	28-Animal Husbandry	24.93	33.92	24.21	73.87	22.33
23.	29-Horticulture Development	40.87	41.31	61.45	49.46	55.47
24.	30-Welfare of Scheduled Castes	210.01	269.50	490.39	542.21	245.12
25.	31-Welfare of Scheduled Tribes	58.99	95.59	117.85	138.15	90.34
Revenue-Charged						
1.	04-Judicial Administration	5.52	7.59	8.77	28.12	7.20
2.	07- Finance, Tax, Planning, Secretariat & Miscellaneous Services	646.03	657.44	414.76	226.69	646.15
3.	09-Public Service Commission	2.40	1.59	1.64	9.49	10.11
4.	22-Public Works	1.75	4.71	5.09	1.38	3.95
Capital-Voted						
1.	01-Legislature	22.00	19.97	23.50	9.93	0.46
2.	04-Judicial Administration	7.94	19.54	29.06	38.67	3.76
3.	06-Revenue & General Administration	13.78	4.85	4.42	74.61	146.15
4.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	40.81	23.09	15.31	310.53	262.41
5.	10-Police & Jail	46.89	7.55	2.91	17.12	8.43
6.	11-Education, Sports, Youth Welfare & Culture	184.55	189.88	370.80	152.73	111.97
7.	12-Medical, Health & Family Welfare	188.14	24.27	33.80	32.28	82.61
8.	13-Water Supply, Housing & Urban Development	275.08	477.85	157.08	174.45	193.49
9.	15-Welfare	6.75	74.29	39.12	17.66	44.01
10.	19-Rural Development	62.82	219.63	51.80	70.26	55.16
11.	21-Energy	325.76	361.66	102.42	314.05	196.67
12.	23-Industries	28.21	25.81	16.29	34.66	57.77
13.	24-Transport	95.18	30.00	59.21	44.41	19.23
14.	26-Tourism	47.68	179.95	63.10	71.64	5.22
15.	30-Welfare of Scheduled Castes	300.94	299.68	134.77	117.96	61.89
16.	31-Welfare of Scheduled Tribes	81.60	42.37	61.52	59.85	36.65

Reasons for savings in 2017-18 were not intimated by the Government (February 2019). Despite being mentioned in the Report on State Finances of the Comptroller & Auditor General of India for the year 2016-17 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 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 and Accounts 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 2017-18, unspent balances to the tune of ₹ 235.52 crore remained untransferred to the Consolidated Fund. Further, it was also noticed that an amount of ₹ 0.41 crore and ₹ 0.66 crore drawn under Major Heads 4225 and 4235 were transferred to PD Accounts in March.

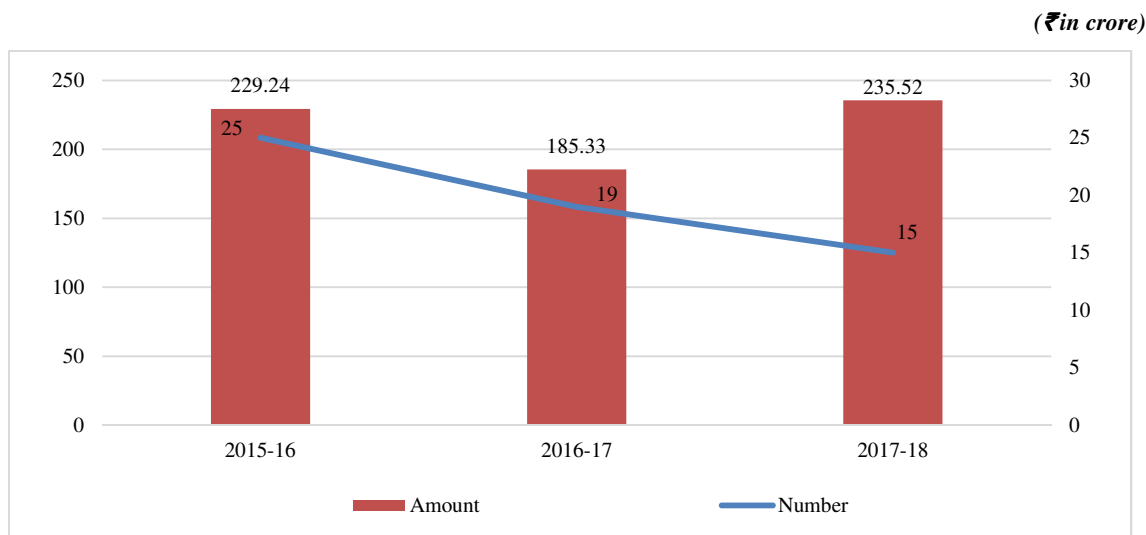
The status of PDA during 2017-18 is given in Table-2.8.

Table-2.8: Status of PD Accounts (MH 8443-106) during 2017-18

(₹ in crore)

Opening Balance		Addition during the year		Closed during the year		Closing Balance	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
19	185.33	15	135.76	19	85.57	15	235.52

Chart-2.5: PD Accounts



Overall number of PD accounts has come down while the amount involved has increased over the previous year.

An analysis of the 15 PD accounts disclosed that ₹ 144.14 crore was lying unspent for more than one year. Transferring money to PD accounts from Consolidated Fund of State and not spending these amount leads to over statement of expenditure from Consolidated Fund of State.

Further scrutiny of accounts of the Chief Treasury Officer, Dehradun showed that there was no change in the number but there was an increase in amount of deposit accounts at the end of 2017-18.

The status of deposit accounts from 2015-16 to 2017-18 is detailed in Table-2.9.

Table-2.9: Status of the deposit accounts

(₹ in crore)

Deposit Heads	2015-16		2016-17		2017-18	
	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
8338-Deposit of Local Fund	05	82.28	05	90.98	05	91.18
8443-Civil Deposit	06	130.74	05	123.71	04	105.06
8448-Deposit of Local Funds	17	33.08	17	38.18	19	109.24
Total fund Parked/transferred	28	246.10	27	252.87	28	305.48

Source: Records of Chief Treasury Officer, Dehradun.

These Personal Deposit accounts were required to be closed on the last working day of the financial year and unspent balances were required to be transferred to the Consolidated Fund. However, this was not done.

Non-reconciliation of balances in PD accounts periodically and not transferring the unspent balances lying in PD accounts to Consolidated Fund before the closure of the financial year entails the risk of misuse of public funds, fraud and misappropriation.

2.4 Outcome of Review of Selected Grants

A review of receipts and expenditure under Grant No. 06-Revenue & General Administration and Grant No. 19- Rural Development for the period 2015-16 to 2017-18 revealed the following position:

Grant No. 06-Revenue & General Administration

A. Revenue Expenditure

The overall revenue expenditure showed decrease during 2016-17 by 6.65 per cent and further decreased by 41.19 per cent during 2017-18 over the previous year, as summarised in the Table-2.10.

Table-2.10: Summarised position of actual expenditure vis-à-vis original provision during 2015-16 to 2017-18

(₹ in crore)

Head of Account	Year	Original provision	Supplementary provision	Total	Actual Expenditure	Saving	In per cent	
							Saving	Variation in Exp.
2029-Land Revenue, 2052-Secretariat- General Services, 2053-District Administration, 2070-Other Administrative Service, 2075-Miscellaneous General Service, 2245-Relief on Account of Natural Calamities	2015-16	2,082.10	284.81	2,366.91	1,696.36	670.55	28.33	---
	2016-17	2,666.17	203.23	2,869.40	1,583.60	1,285.80	44.81	(-) 6.65
	2017-18	1,735.54	19.52	1,755.06	931.26	823.80	46.94	(-) 41.19

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings ranging between ₹ 670.55 crore (28.33 per cent) and ₹ 1,285.80 crore (44.81 per cent) during 2015-16 to 2016-17. During 2017-18, there was unnecessary supplementary provision of

₹ 19.52 crore as the original allotment (₹ 1,735.54 crore) was more than actual expenditure (₹ 931.26 crore).

Test check of certain heads revealed trends of major variations (more than ₹ 50 lakh in any year) in expenditure over previous years, as shown below in **Table-2.11**.

Table-2.11: Trends of major variations in expenditure over previous years in grant

Sl. No.	Head	Expenditure (₹ in lakh)			Variation (₹ in lakh)		Variation (in per cent)	
		2015-16	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
1.	2029-00-103-03	10,896.72	10,493.35	11,525.00	(-)403.37	(+)1,031.65	(-)3.70	(+)9.83
2.	2029-00-800-03	817.22	917.04	0.00	(+)99.82	(-)917.04	(+)12.21	(-)100.00
3.	2070-00-104-04	663.28	809.56	1,007.46	(+)146.28	(+)197.90	(+)22.05	(+)24.45
4.	2070-00-107-04	432.46	531.42	719.69	(+)98.96	(+)188.27	(+)22.88	(+)35.43
5.	2070-00-107-11	276.82	132.85	0.00	(-)143.97	(-)132.85	(-)52.01	(-)100.00
6.	2245-05-800-13	14,613.65	35,567.54	0.00	(+)20,953.89	(-)3,5567.50	(+)143.39	(-)100.00
7.	2245-80-800-01	32,720.45	18,689.98	16,792.74	(-)14,030.50	(-)1,897.24	(-)42.88	(-)10.15
8.	2245-80-800-03	4,886.14	2,166.46	0.00	(-)2,719.68	(-)2,166.46	(-)55.66	(-)100.00
9.	2245-80-800-97	70,000.00	79,153.00	0.00	(+)9,153.00	(-)79,153.00	(+)13.08	(-)100.00
10.	2245-05-101-01	27,436.00	22,000.00	23,100.00	(-)5,436.00	(+)1,100.00	(-)19.81	(+)5.00

Source: Detailed Appropriation Accounts.

B. Capital Expenditure

The overall capital expenditure showed decrease of 20.16 per cent during 2016-17 over the previous year. However, it showed a steep increase of 8,119.32 per cent during 2017-18, as summarised below in **Table-2.12**.

Table-2.12: Summarised position of actual expenditure vis-à-vis original /supplementary provision during 2015-16 to 2017-18

Head of Account	Year	Original Provision	Supplementary Provision	Total	Actual Expenditure	Saving	In per cent	
							Saving	Variation in Expenditure
4059- Capital Outlay on Public Work,	2015-16	4.81	8.50	13.31	8.88	4.43	33.28	--
	2016-17	80.70	1.00	81.70	7.09	74.61	91.32	(-)20.16
4250-Capital Outlay on Other Social Services	2017-18	708.40	20.50	728.90	582.75	146.15	20.05	(+)8,119.32

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings of ₹ 4.43 crore (33.28 per cent), ₹ 74.61 crore (91.32 per cent) and ₹ 146.15 crore (20.05 per cent) in the years 2015-16, 2016-17 and 2017-18 respectively. During 2016-17, there was unnecessary supplementary provision of ₹ 1.00 crore as the original provision (₹ 80.70 crore) was more than the actual expenditure (₹ 7.09 crore). Similarly, during 2017-18, there was unnecessary supplementary provision of ₹ 20.50 crore as the original allotment (₹ 708.40 crore) was more than actual expenditure (₹ 582.75 crore).

C. Non-Utilisation of entire Provision

Test check of sub-heads revealed that the department did not utilise the entire provision during 2015-16 to 2017-18 at the end of the year (₹ one crore and above) under following sub-heads:

Table-2.13: Summarised position of Non-Utilisation of entire Provision during 2015-16 to 2017-18

(₹ in lakh)

Sl.No.	Year	Head of Account	Original	Saving
1.	2015-16	2029-00-103-01	2,500.00	2,500.00
2.		2245-80-102-01	150.00	150.00
3.	2016-17	2029-00-103-01	2,000.00	2,000.00
4.		2070-00-800-01	177.74	177.74
5.		2245-80-102-01	150.00	150.00
6.		2245-80-800-05	1,000.00	1,000.00
7.	2017-18	2245-80-102-10	500.00	500.00
8.		2245-80-800-12	120.00	120.00
9.		4059-60-051-07	200.00	200.00
10.		4059-60-051-09	120.00	120.00
11.		4250-00-101-01	500.00	500.00

Source: Detailed Appropriation Accounts.

D. Receipts

The overall position of revenue receipts under 0029, 0070 and 0075 Major Head of the selected grant during 2015-16 to 2017-18 is summarised in Table-2.14.

Table-2.14: Position of revenue receipts under 0029, 0070 and 0075 Major Head of the grant

(₹ in crore)

Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ short fall	Per cent Variation to Revised Estimate
2015-16	74.02	73.85	65.56	(-)8.29	(-)11.23
2016-17	89.35	210.88	192.25	(-)18.63	(-)8.83
2017-18	124.67	95.67	178.96	(+)83.29	(+)87.06

Source: Budget and Finance Accounts.

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-2.15.

Table-2.15: Summarised position of Receipts during 2015-16 to 2017-18

(₹ in crore)

Sl. No.	Head of Account	Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ Shortfall	Per cent Variation to R.E
1.	0029-01-101	2015-16	11.00	11.00	27.88	(+)16.88	(+)153.45
		2016-17	20.20	29.24	29.21	(-)0.03	(-)0.10
		2017-18	34.00	30.00	11.23	(-)18.77	(-)62.57
2.	0029-01-103	2015-16	5.00	5.00	0.00	(-)5.00	(-)100.00
		2016-17	5.50	0.40	0.40	0.00	0.00
		2017-18	6.00	6.00	0.12	(-)5.88	(-)98.00
3.	0029-01-105	2015-16	0.00	0.00	0.00	0.00	0.00
		2016-17	0.00	100.01	100.01	0.00	0.00
		2017-18	0.00	0.00	0.00	0.00	0.00
4.	0029-01-800	2015-16	1.12	1.12	0.00	(-)1.12	(-)100.00
		2016-17	1.23	29.95	29.90	(-)0.05	(-)0.17
		2017-18	30.03	7.03	12.72	(+)5.69	(+)80.94
5.	0070-01-102	2015-16	31.60	31.60	43.16	(+)11.56	(+)36.58
		2016-17	34.76	41.00	38.81	(-)2.19	(-)5.34
		2017-18	44.60	44.60	143.55	(+)98.89	(+)221.43
6.	0070-01-800	2015-16	0.11	0.11	0.00	(-)0.11	(-)100.00
		2016-17	0.12	0.73	0.06	(-)0.67	(-)91.78
		2017-18	0.00	0.00	0.01	(+)0.01	0.00
7.	0070-02-800	2015-16	0.00	0.00	0.00	0.00	0.00
		2016-17	0.00	0.05	0.00	(-)0.05	(-)100.00
		2017-18	0.01	0.01	0.00	(-)0.01	(-)100.00
8.	0070-60-105	2015-16	0.00	0.00	0.02	(+)0.02	0.00
		2016-17	0.00	0.24	0.00	(-)0.24	(-)100.00
		2017-18	0.15	0.15	0.00	(-)0.15	(-)100.00
9.	0070-60-110	2015-16	0.13	0.13	0.00	(-)0.13	(-)100.00
		2016-17	0.14	0.25	0.00	(-)0.25	(-)100.00
		2017-18	0.30	0.30	0.00	(-)0.30	(-)100.00
10.	0075-01-105	2015-16	21.00	21.00	19.14	(-)1.86	(-)8.86
		2016-17	23.10	5.63	5.64	(+)0.01	(+)0.18
		2017-18	6.00	4.00	0.70	(-)3.30	(-)82.50

11.	0075-01-108	2015-16	2.00	2.00	0.00	(-)2.00	(-)100.00
		2016-17	2.20	1.00	4.89	(+)3.89	(+)389.00
		2017-18	2.00	2.00	4.23	(+)2.23	(+)111.50
12.	0075-01-800	2015-16	1.00	1.00	3.84	(+)2.84	(+)284.00
		2016-17	1.10	1.10	16.48	(+)15.38	(+)1,398.18
		2017-18	0.00	0.00	6.38	(+)6.38	0.00
13.	0075-01-900	2015-16	0.00	0.00	-28.47	(-)28.47	0.00
		2016-17	0.00	0.00	-33.17	(-)33.17	0.00
		2017-18	0.00	0.00	0.00	0.00	0.00

Source: Budget and Finance Accounts.

Grant No. 19- Rural Development

A. Revenue Expenditure

The overall revenue expenditure showed increase of 3.49 per cent during 2017-18 against a decrease of 18.95 per cent during 2016-17 over the previous years, as summarised in Table-2.16.

Table-2.16: Summary of actual expenditure vis-à-vis original provision during 2015-16 to 2017-18

Head of Account	Year	Original	Supplementary	Total	Actual Expenditure	Saving	₹ in crore	
							Saving (in per cent)	Growth in expenditure (in per cent)
2501- Special Programme for Rural Development, 2515-Other Rural Development Programmes	2015-16	833.11	73.99	907.10	780.14	126.96	14.00	-
	2016-17	1,112.82	5.18	1,117.99	632.34	485.65	43.44	(-)18.95
	2017-18	1,175.13	37.13	1,212.25	654.44	557.81	46.01	(+)3.49

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings ranging between ₹ 126.96 crore (14.00 per cent) and ₹ 557.81 crore (46.01 per cent) during 2015-16 to 2017-18. During 2015-16, there was unnecessary supplementary provision of ₹ 73.99 crore as the original allotment (₹ 833.11 crore) was more than actual expenditure (₹ 780.14 crore). Similarly during 2016-17, there was unnecessary supplementary provision of ₹ 5.18 crore as the original allotment (₹ 1,112.82 crore) was more than actual expenditure (₹ 632.34 crore). During 2017-18, there was unnecessary supplementary provision of ₹ 37.13 crore as the original allotment (₹ 1,175.13 crore) was more than actual expenditure (₹ 654.44 crore).

Test-check of certain heads revealed significant variations (more than ₹ 50 lakh in any year) in expenditure over previous years as shown below in Table-2.17.

Table-2.17: Trend of major variations in expenditure over previous years in grant

Head	Expenditure (₹ in lakh)			Variation (₹ in lakh)		Variation (in per cent)	
	2015-16	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
2515-00-003-03	645.17	696.75	830.29	(+)51.58	(+)133.54	(+)7.99	(+)19.17
2515-00-101-03	568.30	627.70	736.98	(+)59.40	(+)109.28	(+)10.45	(+)17.41
2515-00-102-01	110.39	60.11	40.00	(-)50.28	(-) 20.11	(-) 45.55	(-)33.46
2515-00-102-28	69.81	162.14	276.26	(+)92.33	(+)114.12	(+)132.26	(+)70.38
2515-00-102-97	5,041.89	7,283.44	7,500.00	(+)2,241.55	(+)216.56	(+)44.46	(+)2.97
2515-00-800-03	3,069.53	3,476.74	0.00	(+)407.21	(-)3,476.74	(+)13.27	(-)100.00
2515-00-800-06	414.20	202.99	0.00	(-)211.21	(-)202.99	(-)50.99	(-)100.00
2515-00-800-08	6,438.42	7,527.19	118.37	(+)1,088.77	(-)7,408.82	(+)16.91	(-)98.43

Source: Detailed Appropriation Accounts.

B. Capital Expenditure

The overall Capital Expenditure showed a decrease of 4.42 per cent during 2016-17 and an increase of 60.72 per cent in 2017-18 over the previous year, as summarised in Table-2.18.

Table-2.18: Summarised position of actual expenditure vis-à-vis original provision during 2015-16 to 2017-18
(₹ in crore)

Head of Account	Year	Original	Supplementary	Total	Actual Expenditure	Saving	In per cent	
							Saving	Variation in Exp.
4515- Capital Outlay on other Rural Development programmes	2015-16	638.11	148.00	786.11	734.31	51.80	6.59	-
	2016-17	772.10	0.00	772.10	701.85	70.26	9.10	(-) 4.42
	2017-18	972.50	210.66	1,183.16	1,128.00	55.16	4.66	(+) 60.72

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings under the Major Head-4515-Capital Outlay on Other Rural Development of ₹ 51.80 crore (6.59 per cent), ₹ 70.26 crore (9.10 per cent) and ₹ 55.16 crore (4.66 per cent) in the years 2015-16, 2016-17 and 2017-18 respectively.

C. Non-Utilisation of the entire Provision

Test check of certain sub-heads revealed that the department did not utilise the entire provision during 2015-16 to 2017-18 at the end of the year (₹ one crore and above) as given in **Table-2.19**.

Table-2.19: Summarised position of Non-Utilisation of entire Provision during 2015-16 to 2017-18

Sl. No.	Year	Head of Account	Original	Supplementary	Total (₹ in lakh)
1.	2015-16	2515-00-102-27	100.00	0.00	100.00
2.		2515-00-102-30	0.00	600.00	600.00
3.	2016-17	2515-00-102-07	120.40	0.00	120.40
4.		2515-00-102-12	200.00	0.00	200.00
5.		2515-00-102-27	100.00	0.00	100.00
6.		2515-00-102-31	1,000.00	0.00	1,000.00
7.	2017-18	2515-00-102-33	300.00	0.00	300.00
8.		2501-02-800-01	100.01	0.00	100.01
9.		2515-00-102-07	120.00	0.00	120.00
10.		2515-00-102-12	100.00	0.00	100.00
11.		2515-00-102-27	100.00	0.01	100.01
12.		2515-00-102-30	100.00	0.00	100.00
13.		4515-00-102-09	200.00	0.00	200.00
14.		4515-00-102-12	500.00	0.00	500.00
15.		4515-00-102-15	200.00	0.00	200.00

Source: Detailed Appropriation Accounts.

D. Receipts

The overall position of revenue receipts under 0501, 0505 and 0515 major head of the grant during 2015-16 to 2017-18 is summarised in **Table-2.20**.

Table-2.20: Position of revenue receipts under 0501, 0505 and 0515 Major Head of the grant

Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/Shortfall	Variation to Revised Estimate
					(in per cent)
2015-16	2.01	3.81	5.71	(+) 1.90	(+)49.87
2016-17	5.01	8.70	8.80	(+) 0.10	(+) 1.15
2017-18	9.91	9.91	4.83	(-) 5.08	(-) 51.26

Source: Budget and Finance Accounts.

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-2.21**.

Table-2.21: Position of Receipts, Minor Head-0501, 0505 and 0515

(₹ in crore)

Sl. No.	Head of Account	Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ Shortfall	Per cent Variation to R.E
1.	0515-01-101	2015-16	2.01	3.81	5.65	(+)1.84	(+)48.29
		2016-17	5.00	0.14	8.79	(+)8.65	(+)6,178.57
		2017-18	1.51	1.51	4.73	(+)3.23	(+)213.90
2.	0515-01-102	2015-16	0.01	0.01	0.00	(-)0.01	(-)100.00
		2016-17	0.01	5.46	0.00	(-)5.46	(-)100.00
		2017-18	5.20	5.20	0.00	(-)5.20	(-)100.00
3.	0515-01-800	2015-16	0.00	0.00	0.06	(+)0.06	0.00
		2016-17	0.00	3.10	0.02	(-)3.08	(-)99.35
		2017-18	3.20	3.20	0.09	(-)3.11	(-)97.19

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 91 units i.e. 19 treasuries and 70 sub-treasuries, one Cyber Treasury at Dehradun and one Pay & Accounts Office at New Delhi, in the State during 2017-18. Major irregularities noticed during inspection of 54 units³ during 2017-18 are contained in Table-2.22.

Table-2.22: Outcome of inspection of Treasuries

Sl. No.	Category	Amount (₹ in crore)
1.	Unadjusted amount withdrawn through TR 24	2.50
2.	Uncontrolled withdrawal from PLA Accounts	26.01
3.	Non deduction of TDS from pensioners during 2016-17	0.40

Source: Annual Review 2017-18 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 was reduced by ₹ 250 crore during the year and stood at ₹ 500 crore at the end of 2017-18. 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 2018, advances to the tune of ₹ 231.50 crore drawn from the Contingency Fund during the year 2017-18, remained to be recouped from Service Heads to the Contingency Fund after authorisation of the Legislature as required as per Section 5 of the Uttarakhand Contingency Fund Act, 2001 (Act No. 2 of 2001) (Appendix-2.12). The non-recouped amount of Contingency Fund under the Grants and Major Heads is shown in the Appendix-2.13.

³ 21 Treasuries and 33 Sub Treasuries.

During the Exit Conference (December 2018) it was stated that all the un-recouped amount has been recouped.

Table-2.23: 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	
2013-14	194.48	00	106.42	88.06	100.00
2014-15	194.15	10.00	58.38	125.77	94.85
2015-16	385.46	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
Total	1,233.29	16.64	376.82	839.83	

During the period of 2013-14 to 2017-18, it was observed that State Government incurred an expenditure on Natural Calamity, which is of emergent nature, ranging between zero and 5.15 per cent of Contingency Fund. However, the Government resorted to advances from the Contingency Fund to the tune of ₹ 376.82 crore (30.55 per cent) for Capital purposes over the period 2013-14 to 2017-18. An analysis of Capital Expenditure met out of Contingency Fund during the year 2017-18 revealed that expenditure was made on works not relating to natural calamity like Construction of Court Complex at Dehradun (₹ 10 crore); Construction of Uttarakhand Bhawan and Emporium in Mumbai (₹ 3.96 crore); refund of advance amount to a Kolkata based firm (₹ 1.91 crore); State share of National Rural Drinking Water Programme (₹ 3.83 crore) and irrigation works (₹ 12.00 crore). Besides, ₹ 128.33 crore was also spent on construction of Roads and Bridges by 39 divisions. A test check of records pertaining to five divisions which spent more than five crore from the Contingency Fund during the year 2017-18 disclosed that only ₹ 0.27 crore out of ₹ 51.56 crore was spent on works relating to natural calamity. 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 ₹ 0.59 crore, drawn on 16 AC bills were pending as at the end of March 2018. Year wise details are given in **Table-2.24**.

Table-2.24: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills (as on March 2018)

(₹ in crore)

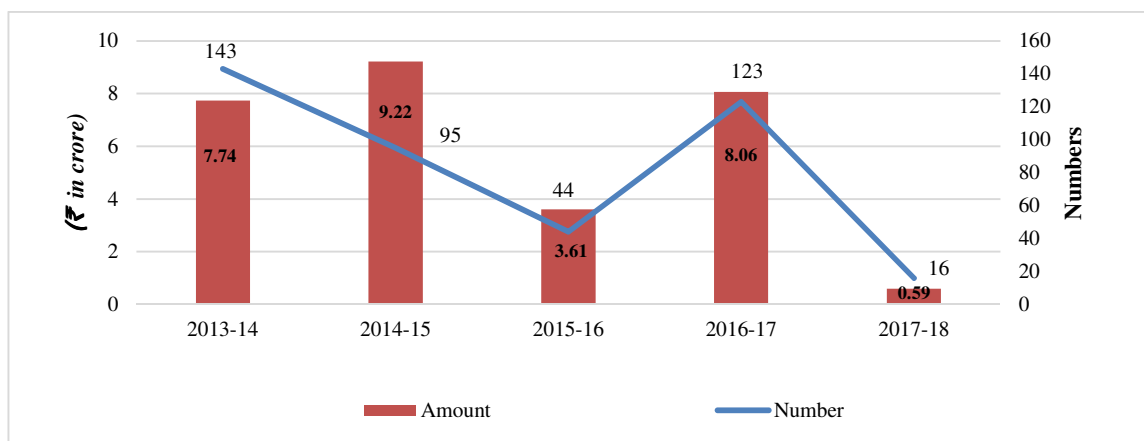
Year	Outstanding DC Bills	
	Number	Amount
Up to 2015-16	5	0.35
2016-17	7	0.18
2017-18	4	0.06
Total	16	0.59

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

Out of the total outstanding DCC bills amounting to ₹ 0.59 crore, seven outstanding DCC bills of ₹ 0.43 crore pertained to the Election Department. Position of Department / office wise pending DCC bills for the period up to 2017-18 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 16 DCC Bills amounting to ₹ 0.59 crore, were outstanding at the end of March 2018.

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 2017-18 also.

During the year 2017-18, such reconciliations had been completed fully by 48 CCOs out of 62 CCOs (77.42 per cent) for an amount of ₹ 31,263.90 crore (89.33 per cent) out of total expenditure of ₹ 34,997.06 crore.

The cases where amounts exceeding ₹ 10 crore involving a total of ₹ 2,333.18 crore (6.67 per cent of total expenditure) remained un-reconciled in respect of six Controlling Officers during the year 2017-18 are detailed in **Table-2.25**.

Table-2.25: List of Controlling Officers where amounts exceeding ₹ 10 crore in each case remained fully un-reconciled during 2017-18

Sl. No.	Controlling Officers	Amount not reconciled
1.	Chief Revenue Commissioner Ring Road, Ladhur, Dehradun	308.12
2.	Principal Secretary, Finance, Government of Uttarakhand	49.39
3.	Director, Information and Public relation, Uttarakhand Dehradun	40.16
4.	Deputy Director, Directorate, Sainik Kalyan evam Punarvas Uttarakhand	1,518.72
5.	Commissioner, Labour, Government of Uttarakhand, Dehradun	229.50
6.	Finance Controller, G.B. Pant Agriculture and Technical University Pantnagar	187.29
Total		2,333.18

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

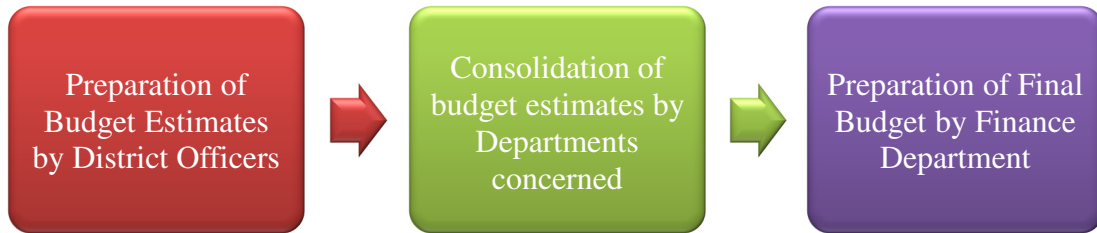
The Chief Controlling Officers of the abovementioned departments were asked to furnish the reasons for failing to undertake reconciliation as prescribed by the Accountant General (Accounts & Entitlement). However, no response was received till date (February 2019). Non-reconciliation of accounts by the 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.

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 district estimates 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 deficiencies were noticed in the budgeting process of the State Government in the financial year 2017-18.

- Under the Major Head 2245, only one Sub-Major Head 05-has been shown in State Disaster Redemption Fund, under which there is the provision of Minor Head 800-Other Expenditure, whereas as per the List of Major and Minor Heads of Accounts, Sub-Major Heads 01-Drought and 02-Flood and Cyclone have not been shown.
- In the Major Head 2059, under Grant Number 22 of the Budget Document Vol.-V Part III, Minor head 102 under Sub-Major Head 80 has been shown as “Repair and

- Maintenance”, whereas as per the List of Major and Minor Heads of Accounts it should have been Minor Head 053 –Repair and Maintenance under Sub-Major Head 80.
- iii. In the Major Head 2052, under Grant Number 07, Minor Head 800 has been shown as “other Expenditure”, whereas as per the List of Major and Minor Heads of Accounts there are provisions of Minor Head 091- “Attached Offices” and Minor Head 092- “Other offices”.
 - iv. In the Major Head 2211, under Grant Number 30 of the Budget Document Vol.-V Part IV, Minor head 101 has been shown as “Special Component Plan for Scheduled Castes”, whereas as per the List of Major and Minor Heads of Accounts it should have been 101-“Rural Family Welfare Services”.
 - v. In the Major Head 2055, under Grant Number 10 of the Budget Document Vol.-V Part I, Minor head 800 has been opened as “Other expenditure”, whereas as per the List of Major and Minor Heads of Accounts, there is no such provision.
 - vi. As per Budget Document, Minor Construction Work Expenditure provision was made in Major Head-4406 under Capital Account whereas as per rules Minor Construction Work Expenditure Provision must be made under Revenue Account.
 - vii. In the Major Head 4701, under Grant Number 20 of the Budget Document Vol.-V Part III, Minor head 006 under Sub-Major Head 80 has been shown as “High-tech of Educational Institutes and The idea”, whereas as per the List of Major and Minor Heads of Accounts there is no such provision.
 - viii. In the Major Head 4701, under Grant Number 20 of the Budget Document Vol-V Part III, Minor head 190 under Sub-Major Head 80 has been shown as “Investment in Government Sector and other undertaking”, whereas as per the List of Major and Minor Heads of Accounts it should have been “Investment in Public Sector and other undertaking”.
 - ix. In the Major Head 6801, under Grant Number 21 of the Budget Document Vol-V Part III, Minor head 190 under Sub-Major Head 05 has been shown as “Investment in Government Sector and other undertaking”, whereas as per the List of Major and Minor Heads of Accounts it should have been “Loan in Public Sector and other undertaking”.

Similar shortcomings were also mentioned in the Audit Report (2016-17). However, cognizance of the same has not been taken by the Government.

2.9 Conclusions and Recommendations

During 2017-18, there was an overall excess of ₹ 471.23 crore against the total grants and appropriations of ₹ 42,973.53 crore. The excess of ₹ 6,413.38 crore in six grants under Capital Voted and one Appropriation under Capital Charged Section and saving of ₹ 5,942.15 crore in 30 grants and eight appropriations requires regularisation under Article 205 of the Constitution of India. Large savings indicated deficient budget estimates. Supplementary provision of ₹ 1,367.58 crore obtained in 34 cases proved unnecessary. Re-appropriation of funds in 66 cases was made injudiciously resulting either in savings or

excesses over provisions. Departments surrendered ₹ 237.29 crore on the last working day of the financial year leaving no scope for utilising these funds for other development purposes. In three cases, ₹ 0.15 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 ₹ 20,780.77 crore pertaining to the years 2005-06 to 2016-17 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 ₹ 231.50 crore was sanctioned under Contingency Fund in 22 cases and the entire amount has remained un-recouped as on 31 March 2018.

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.

The Controlling Officers did not submit (March 2017) the Detailed Countersigned Contingent Bills in respect of ₹ 0.59 crore drawn on Abstract Contingent Bills up to March 2018.

The State Government may consider putting in place a rigorous monitoring mechanism to adjust the advances drawn against Abstract Contingent Bills within the stipulated period.

Inspection of treasuries also indicated deficiencies in their functioning. Fourteen 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 2017-18, 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 209 UCs amounting to ₹ 343.04 crore were pending as of March 2018 as shown in **Appendix- 3.1**. Of these, 146 UCs involving ₹ 219.42 crore were pending for a period up to two years and 63 UCs involving ₹ 123.62 crore were pending for more than two years. 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 as on March 2018

Sl. No.	Year	No of UCs awaited	Amount
1.	Upto 2015-16	63	123.62
2.	2016-17	39	41.30
3.	2017-18 #	107	178.12

Except where the sanction order specifies otherwise, UCs in respect of grants in aid drawn during 2017-18 become due only in 2018-19.

Source: Finance Accounts 2017-18 prepared by AG (A&E), Uttarakhand.

The Departmental officers did not submit 102 UCs due for submission by March 2018 in respect of which grants amounting to ₹ 164.92 crore were given up to March 2017 for specific purposes.

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.

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, Power and Conditions of Services) Act, 1971, the Government/ Heads of the Department 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.

It was seen that 24 out of 29 Autonomous Bodies/Authorities in the State of Uttarakhand did not furnish the information pertaining to grants aggregating ₹ 10 lakh or more. As such, the institutions which attract audit by Comptroller and Auditor General of India could not be identified. 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 Finance Department assured that a circular would be issued to all bodies/authorities in whose favour grant/ loan was sanctioned to provide information to office of Principal Accountant General (Audit).

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 2018, 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.

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 2017-18, an amount of ₹ 593.20 crore under 30 Major Heads of account, constituting 2.81 per cent of expenditure (₹ 21,120.55 crore) booked against these Major Heads and 2.04 per cent of the total revenue expenditure (₹ 29,082.69 crore) was classified under the Minor Head-800 'Other Expenditure' in the Revenue Account. Similarly, ₹ 626.23 crore under 36 Major Heads of Account constituting 6.16 per cent of receipts (₹ 10,169.56 crore) booked against these Major Heads and 2.31 per cent of the total revenue receipts (₹ 27,104.57 crore) was classified under the Minor Head-800 'Other Receipts'. Instances where a substantial portion (20 per cent or more and exceeding ₹ 10.00 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.	0023- Hotel Receipt Tax	19.07	19.02	99.74	2040- Taxes on Sales, Trades etc.	189.82	109.82	57.85
2.	0029- Land Revenue	24.09	12.72	52.80	2245- Relief on Account of Natural Calamities	518.75	167.93	32.37
3.	0055- Police	23.56	13.93	59.13	2250- Other Social Services	18.94	18.73	98.89
4.	0059- Public Works	18.69	18.59	99.46	2501- Special Program for Rural Development	121.80	28.40	23.32
5.	0406- Forestry and Wild Life	312.09	115.10	36.88	-	-	-	-
6.	0801- Power	286.21	286.21	100.00	-	-	-	-
Total		683.71	465.57	68.09	Total	849.31	324.88	38.25

Source: Finance Accounts 2017-18 prepared by Accountant General (A&E) Uttarakhand.

As is evident from above table, around 68 per cent of receipts pertaining to six Major Heads were booked under 800- Other Receipts. Similarly, around 38 per cent of revenue expenditure pertaining to four 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 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 2011, has been completed. The apportionment of Pensionary dues beyond March 2011 is under examination by the two Governments.

3.6 Unallocated Balances between Uttarakhand and Uttar Pradesh

As per Appendix-XIII of Finance Accounts 2017-18 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.

3.7 Investment

The State Government has not made available/confirmed the information on investment made in Government Companies/Corporations by them. The information contained in the 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 (₹ 3,209 crore) are under reconciliation with the records of the entities (₹ 3,270 crore) where the investments have been made by the State Government.

3.8 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-3.3**.

Table-3.3: Implementation of IGAS

IGAS	Status of Implementation	Remarks
IGAS- I (Guarantees given by the Government)	Not complied with	The State Government has provided limited information on outstanding guarantees. Incomplete information regarding maximum amount of guarantees, added/invoked/discharged/not discharged during the year, guarantee commission receivable/received, etc. has been made available by the State Government.
IGAS- II (Accounting and Classification of Grant-in-Aid- GIA)	Not complied with	During the year 2017-18, the State Government gave grants of ₹ 47.98 crore under six Capital Major Heads, which was in contravention of IGAS- 2.
IGAS- III (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.

3.9 Conclusions and Recommendations

The departmental officers did not submit 102 Utilisation Certificates (due for submission by March 2018) to the Accountant General (A&E), Uttarakhand in respect of the grants of ₹ 164.92 crore given up-to March 2017 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.

The departmental heads were not furnishing information pertaining to financial statements of such bodies and authorities to Principal Accountant General (Audit), Uttarakhand to which grants or loan aggregating ₹ 10 lakh or more were paid during


preceding year. As such, the institutions which attract audit by CAG could not be identified.

The Government may ensure timely submission of such statements of all autonomous bodies and other entities that receive grants or loans for ensuring accountability.

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 take comprehensive review of 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.

Dehradun
The : 05 July 2019


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

Countersigned

New Delhi
The : 11 July 2019


(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	101.86 lakh
3.	a.	Density of Population (as per 2001 Census) (All India Density = 325 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 (per 1000 live births) (All India Average = 34 per 1000 live births)		38
7.	Life Expectancy at Birth (All India Average in 2011-15=68.30)		71.80
8.	HDI Value (2007-08) Uttarakhand		0.49
	HDI Rank (2007-08) Uttarakhand		14
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) 2017-18 at current prices		2,17,609
11.	Per capita GSDP CAGR (2008-09 to 2017-18)	Uttarakhand	14.70
		Special Category State	13.30
12.	GSDP CAGR (2008-09 to 2017-18)	Uttarakhand	16.30
		Special Category State	14.60
13.	Population Growth (2008 to 2017)	Uttarakhand	12.90
		Special Category State	11.10

B. Financial Data:

CAGR							
Particulars			Figures (in per cent)				
CAGR	2008-09 to 2016-17		2012-13 to 2016-17		2016-17 to 2017-18		
	For Uttarakhand	For SCS	For Uttarakhand	For SCS	For Uttarakhand	For SCS	
A	of Revenue Receipts	14.15	13.70	12.12	12.40	8.90	10.40
B	of Tax Revenue	17.28	16.00	14.17	11.90	-6.72	20.00
C	of Non-Tax Revenue	8.54	8.30	-4.27	10.60	31.50	8.00
D	Total Expenditure	14.16	13.70	14.35	12.90	15.41	10.60
E	Capital Expenditure	11.89	7.80	8.75	11.40	19.38	19.60
F	Revenue Expenditure on Education	14.48	16.60	9.53	12.50	20.41	15.80
G	Revenue Expenditure on Health	16.80	18.00	15.37	16.20	12.26	20.50
H	Salary and Wages	13.97	14.70	10.94	9.50	21.06	20.60
I	Pension	18.27	18.80	23.42	12.70	58.77	28.10

* 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
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Appendices-VIII	Financial results of Irrigation Works
Appendices-IX	Statement of Commitments on Incomplete Public Works Contracts (As on 31 March 2018)
Appendices-X	Statement on Maintenance Expenditure of the State during 2017-18 (As on 31 March 2018)
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 2018)
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)

	2013-14	2014-15	2015-16*	2016-17*	2017-18*
Gross State Domestic Product (₹ in crore)	1,49,074	1,61,439	1,75,772	1,95,606	2,17,609
Growth rate of GSDP	13.27	8.29	8.88	11.28	11.25
<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) Review the targets set forth by the State government above once in six months;
- (e) 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)

	2016-17 (Actual)	2017-18 (Budgeted)	2017-18 (Revised)	2018-19 (Projected)	2019-20 (Projected)	2020-21 (Projected)	2021-22 (Projected)
A. STATE REVENUE ACCOUNT :							
1. Own Tax Revenue	10,897.32	13,780.28	13,450.16	14,963.62	17,058.53	19,105.55	21,398.22
2. Own Non-Tax Revenue	1,345.82	2,468.71	2,477.24	3,470.51	2,387.56	2,530.81	2,682.66
3. Own Tax +Non-Tax Revenue (1+2)	12,243.14	16,248.99	15,927.40	18,434.13	19,446.09	21,636.36	24,080.88
4. Share in Central Taxes and Duties	6,411.55	7,113.48	7,084.97	8,291.23	9,452.00	10,680.76	12,069.26
5. Grants from Central Government	6,234.27	8,230.61	6,770.61	8,934.64	9,828.10	10,712.63	11,676.77
6. Total Central Transfer (4+5)	12,645.82	15,344.09	13,855.58	17,225.87	19,280.11	21,393.40	23,746.03
7. Total Revenue Receipts (3+6)	24,888.96	31,593.08	29,782.98	35,660.00	38,726.19	43,029.76	47,826.91
8. Salary Expenditure	9,570.88	11,859.53	11,212.63	13,765.42	15,279.62	16,960.37	18,826.02
9. Pension	3,170.27	4,272.28	4,750.33	5,352.50	6,958.25	9,045.73	11,759.44
10. Interest Payments	3,723.05	4,409.95	4,178.94	4,906.12	5,627.53	6,398.83	7,271.11
11. Subsidies-General	---	---	---	---	---	---	---
12. Subsidies-Power	---	---	---	---	---	---	---
13. Interest Payment/ Revenue Receipts (10/7)	14.96	13.96	14.03	13.76	14.53	14.87	15.20
14. Total Revenue Expenditure	25,271.50	31,550.83	29,744.70	35,627.31	38,691.26	42,947.30	47,671.50
15. Salary + Interest + Pensions (8+9+10)	16,464.20	20,541.76	20,141.90	24,024.04	27,865.39	32,404.93	37,856.57
16. As per cent of Revenue Receipt (15/7)	66.15	65.02	67.63	67.37	71.95	75.31	79.15
17. Revenue surplus/ deficit (7-14)	-382.54	42.25	38.28	32.69	34.94	82.46	155.41
B. CONSOLIDATED REVENUE ACCOUNT							
Consolidated Revenue Surplus/ Deficit	-382.54	42.25	38.28	32.69	34.94	82.46	155.41
C. CONSOLIDATED DEBT							
1. Outstanding Debt and liability*	41,599.75	47,071.18	52,487.79	59,198.13	67,213.74	76,287.90	86,550.04
2. Total Outstanding Guarantee	1,743.32	1,257.72	1,173.16	1,173.16	1,173.16	1,173.16	1,173.16
D. Capital Account							
1. Capital Outlay	4,954.21	5,514.38	5,551.59	6,583.79	7,900.55	9,006.62	10,267.55
2. Disbursement of Loans and Advances	165.05	252.35	156.35	191.98	200.00	200.00	200.00

3. Recovery of Loans and Advances	34.85	253.05	253.05	32.74	50.00	50.00	50.00
4. Other capital receipts	5,466.95	5,471.43	5,416.61	6,710.34	8,015.61	9,074.16	10,262.14
E. GROSS FISCAL DEFICIT (GFD) :	5,466.95	5,471.43	5,416.61	6,710.34	8,015.61	9,074.16	10,262.14
GSDP (₹ in crore) at Current Prices	1,95,606.10	2,19,078.80	2,17,609.50	2,43,722.60	2,72,969.30	3,05,725.60	3,42,412.70
F. FISCAL DEFICIT :							
Actual/Assumed Nominal Growth Rate (per cent)	12.00	24.64	11.25	12.00	12.00	12.00	12.00
* It includes amount of provident fund.							

Appendix-1.3
(Reference: Paragraphs-1.3 & 1.9.2; Pages 8 & 29)
Time series data on the State Government Finances

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18	
Part A. Receipts						
1. Revenue Receipts	17,321	20,247	21,234	24,889	27,105	
(i) Tax Revenue	7,356(42)	8,339 (41)	9,377 (44)	10,897 (44)	10,165 (37)	
SGST	--	--	--	--	1,972 (19)	
Taxes on Sales, Trade etc.	4,903(67)	5,465 (65)	6,105 (65)	7,154 (66)	3,703(37)	
State Excise	1,269(17)	1,487 (18)	1,735 (19)	1,906 (18)	2,262(22)	
Taxes on Vehicles	369(5)	394 (5)	471 (5)	556 (5)	816(8)	
Stamps and Registration fees	687(10)	714 (9)	871 (9)	778 (7)	882(9)	
Land Revenue	22(--)	39 (--)	28 (--)	160 (1)	24(--)	
Taxes on Goods and Passengers	--	--	--	--	--	
Others	106(1)	240 (3)	167 (2)	343 (3)	506 (5)	
(ii) Non Tax Revenue	1,317(8)	1,111 (5)	1,220 (6)	1,346 (5)	1,770 (7)	
(iii) State's share of Union taxes and duties	3,573(21)	3,792 (19)	5,333 (25)	6,412 (26)	7,085 (26)	
(iv) Grants in aid from Government of India	5,075(29)	7,005 (35)	5,304 (25)	6,234 (25)	8,085 (30)	
2. Miscellaneous Capital Receipts	180	135	--	--	--	
3. Recoveries of Loans and Advances	55	46	27	35	34	
4. Total Revenue and Non debt capital receipts (1+2+3)	17,556	20,428	21,261	24,924	27,139	
5. Public Debt Receipts	3,873	4,573	6,798	6,501	7,526	
Internal Debt (excluding Ways and Means Advances and Overdrafts)	3,838(99)	4,512 (99)	6,701 (99)	6,355(98)	7,412 (98)	
Net transactions under Ways and Means Advances and Overdrafts	--	--	--	--	--	
Loans and Advances from Government of India	35(1)	61 (1)	97 (1)	146(2)	114 (2)	
6. Total Receipts in the Consolidated Fund (4+5)	21,429	25,001	28,059	31,425	34,665	
7. Contingency Fund Receipts	412	332	191	395	105	
8. Public Account Receipts	25,954	35,032	37,746	27,855	37,571	
9. Total Receipts of the State (6+7+8)	47,795	60,365	65,996	59,675	72,341	
Part B. Expenditure/Disbursement¹						
10. Revenue Expenditure	16,216	21,164	23,086	25,272	29,083	
Plan	State Fund Expenditure	2,767(17)	5,632 (27)	6,388 (28)	6,344 (25)	25,570 (88)
Non Plan	Central assistance	13,449(83)	15,532 (73)	16,698 (72)	18,928 (75)	3,513 (12)
General Services (Including interest payments)		6,182(38)	7,402 (35)	8,410 (37)	9,934 (39)	12,409 (43)
Social Services		7,298(45)	9,224 (44)	9,927 (43)	10,529 (42)	10,929 (37)
Economic Services		2,068(13)	3,857 (18)	3,983 (17)	3,903 (15)	4,276 (15)
Grants-in-aid and contributions		668(4)	681 (3)	766 (3)	906 (4)	1,469 (5)
11. Capital Expenditure	3,712	4,939	4,217	4,954	5,914	
Plan	State Fund Expenditure	3,138(85)	4,780 (97)	4,197 (100)	4,076 (82)	4,274 (72)
Non Plan	Central assistance	574(15)	159 (3)	20 (--)	878 (18)	1,640 (28)
General Services		138(4)	214 (4)	111 (3)	72 (1)	804 (14)
Social Services		841(22)	1,231 (25)	864 (20)	948 (19)	1,086 (18)
Economic Services		2,733(74)	3,494 (71)	3,242 (77)	3,934 (80)	4,024 (68)

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	278	151	83	165	77
13. Total Expenditure of the State (10+11+12)	20,206	26,254	27,386	30,391	35,074
14. Repayments of Public Debt	1,317	894	1,997	1,128	1,721
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1,266	866	1,966	1,093	1,681
Net transactions under Ways and Means Advances and Overdraft	--	--	--	--	0
Loans and Advances from Govt. of India	51	28	31	35	40
15. Appropriation to Contingency Fund	400	150	--	--	-250
16. Total disbursement out of Consolidated Fund (13+14+15)	21,923	27,298	29,383	31,519	36,545
17. Contingency Fund disbursements	194	194	385	228	482
18. Public Account disbursements	25,190	33,535	36,537	26,607	35,366
19. Total disbursement by the State (16+17+18)	47,307	61,027	66,305	58,354	72,393
Part C. Deficits/Surplus					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	(+)1,105	(-) 917	(-) 1,852	(-) 383	(-) 1,978
21. Fiscal Deficit (4-13)	2,650	5,826	6,125	5,467	7,935
22. Primary Deficit(-)/Primary Surplus (+) (21+23)	(-)594	(-) 3,420	(-) 3,154	(-) 1,744	(-) 3,948
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	2,056	2,406	2,971	3,723	3,987
24. Financial Assistance to local bodies etc.	2,327	3,515	3,596	3,850	3,664
25. Ways and Means Advances/Overdraft availed (days)	16	12	9	90	90
26. Interest on Ways and Means Advances/Overdraft	0.09	0.13	0.19	3.84	5.24
27. Gross State Domestic Product (GSDP)[@]	1,49,074	1,61,439	1,75,772	1,95,606	2,17,609
28. Outstanding Fiscal liabilities (year end)	28,767	33,480	39,069	44,583	51,831
29. Outstanding guarantees (yearend) (excluding interest)	1,475	1,832	1,743	1,248*	1,173
30. Maximum amount guaranteed (year end)	2,513	2,951	2,805	2,805	2,105
31. Number of incomplete projects (in numbers)	96	141	182	297	260
32. Capital blocked in incomplete projects (₹ in crore)	266	155.71	582.13	1,007.56	631.94
Part E. Fiscal Health Indicators (in ratios)					
I Resource Mobilization					
Own Tax revenue/GSDP	0.05	0.05	0.05	0.06	0.05
Own Non-Tax Revenue/GSDP	0.01	0.01	0.01	0.01	0.01
Central Transfers/GSDP	0.06	0.07	0.06	0.07	0.07
II Expenditure Management					
Total Expenditure/GSDP	0.14	0.16	0.16	0.16	0.16
Total Expenditure/Revenue Receipts	1.17	1.30	1.29	1.22	1.29
Revenue Expenditure/Total Expenditure	0.80	0.81	0.84	0.83	0.83

* Note: Changed Proforma.

Expenditure on Social Services/Total Expenditure	0.40	0.40	0.39	0.38	0.34
Expenditure on Economic Services/Total Expenditure	0.24	0.28	0.26	0.26	0.24
Capital Expenditure/Total Expenditure	0.18	0.19	0.15	0.16	0.17
Capital Expenditure on Social and Economic Services/Total Expenditure	0.18	0.18	0.15	0.16	0.15
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	(+) 0.007	(-) 0.006	(-) 0.011	(-) 0.002	(-) 0.009
Fiscal deficit/GSDP	(-) 0.018	(-) 0.036	(-) 0.035	(-) 0.028	(-) 0.036
Primary Deficit (surplus) /GSDP	(-) 0.004	(-) 0.021	(-) 0.018	(-) 0.009	(-) 0.018
Revenue Deficit/Fiscal Deficit	(-) 0.417	(+) 0.157	(+) 0.302	(+) 0.070	(+) 0.249
Primary Revenue Balance/GSDP	(-) 0.006	(-) 0.020	(-) 0.027	(-) 0.021	(-) 0.027
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	0.19	0.21	0.22	0.23	0.24
Fiscal Liabilities/RR	1.66	1.65	1.84	1.79	1.91
Debt Repayment to Debt Receipts (in per cent)	34.00	19.55	29.38	17.35	22.87
V Other Fiscal Health Indicators					
Return on Investment	0.30	0.11	5.10	15.21	22.69
Financial Assets/Liabilities	0.95	0.93	0.90	0.96	0.94

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

@ GSDP figures communicated by the Government adopted.

Appendix-1.4
Part A
(Reference: Paragraphs-1.1.1 and 1.9.2; Pages 3 & 29)
Abstract of Receipts and Disbursements for the year 2017-18

(₹ in crore)

Receipts			Disbursements		
Various items	2016-17	2017-18	Various items	2016-17	2017-18
1	2	3	4	5	6
Section – A Revenue					
I-Revenue Receipts	24,888.97	27,104.57	I-Revenue Expenditure	25,271.50	29,082.69
(i) Tax revenue	10,897.31	10,164.93	General Services	9,934.09	12,408.50
(ii) Non-tax revenue	1,345.82	1,769.53	Social Services	10,528.57	10,929.44
(iii) State's share of Union Taxes and Duties	6,411.57	7,084.91	Education, Sports, Art and Culture	5,366.18	6,454.08
(iv) Non-Plan Grants	823.72	714.27	Health and Family Welfare	1,390.18	1,555.39
(v) Grants for State Plan Schemes	1,532.33	1,620.99	Water Supply Sanitation Housing and Urban Development	829.93	619.00
(vi) Grants for Central Plan and Centrally Sponsored Plan Schemes	3,878.22	4,466.94	Information and Broadcasting	98.16	40.34
(v) Other Grants Compensation for loss of revenue arising out of implementation of GST	--	1,283.00	Welfare of Scheduled Castes Scheduled Tribes and Other backward Classes	163.40	246.27
			Labour and Labour Welfare	117.40	134.84
			Social Welfare and Nutrition	2,522.78	1,859.91
			Others	40.54	19.61
			Economic Services	3,902.66	4,276.21
			Agriculture and Allied Activities	1,774.58	2,132.20
			Rural Development	1,247.79	1,266.40
			Special Area Programme	--	...
			Irrigation and Flood Control	360.22	407.44
			Energy	18.20	12.08
			Industry and Minerals	93.25	108.38
			Transport	314.81	236.05
			Science Technology and Environment	19.78	20.74
			General Economic Services	74.03	92.92
			Grants-in-aid and Contributions	906.18	1,468.54
Total	24,888.97	27,104.57	Total	25,271.50	29,082.69
II-Revenue Deficit carried over to Section-B	382.53	1,978.12	II-Revenue Surplus carried over to Section-B		
Total	25,271.50	29,082.69	Total	25,271.50	29,082.69

Various items	2016-17	2017-18	Various items	2016-17	2017-18
1	2	3	4	5	6
III-Opening cash balance including Permanent Advances and Cash Balance Investment	1,464.88	2,785.95	III-Opening overdraft from Reserve Bank of India	--	--
IV- Misc. Capital Receipts	--	--	IV- Capital Outlay	4,954.22	5,914.37
			General Services	72.39	804.41
			Social Services	947.61	1,085.67
			Education Sports Art and Culture	434.60	214.60
			Health and Family Welfare	115.97	63.94
			Water Supply Sanitation Housing and Urban Development	356.67	755.26
			Information and Broadcasting	--	---
			Welfare of Scheduled Castes Scheduled Tribes and Other Backward Classes	8.26	24.65
			Social Welfare and Nutrition	17.70	3.87
			Other Social Services	14.41	23.35
			Economic Services	3,934.22	4,024.29
			Agriculture and Allied Activities	852.99	795.95
			Rural Development	841.50	1,236.61
			Special Areas Programmes	--	---
			Irrigation and Flood Control	465.45	314.96
			Energy	132.00	87.00
			Industry and Minerals	138.63	5.98
			Transport	1,385.39	1,525.71
			General Economic Services	118.26	58.08
			Total	4,954.22	5,914.37
V-Recoveries of Loans and Advances	34.85	33.50	V- Loans and Advances disbursed	165.05	76.83
From Power Projects	31.05	30.54	For Power Projects	55.42	62.64
From Government Servants	2.15	1.97	To Government Servants	0.59	0.52
From Others	1.65	0.99	To others	109.04	13.67
VI-Revenue surplus brought down	---	---	VI-Revenue deficit brought down	382.53	1,978.12

*Differs with the closing balance of 2015-16 due to proforma corrections made in the Finance Accounts 2016-17.

Various items	2016-17	2017-18	Various items	2016-17	2017-18
1.	2.	3.	4.	5.	6.
VII-Public Debt Receipts	6,500.67	7,526.08	VII-Repayment of Public Debt	1,127.40	1,720.72
Internal Debt other than Ways and Means Advances and Overdraft	6,355.23	7,411.72	Internal debt other than Ways and Means Advances and Overdraft	1,092.67	1,680.40
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	145.44	114.36	Repayment of Loans and Advances to Central Government	34.73	40.32
VIII-Appropriation from Contingency Fund	--		VIII-Appropriation to Contingency Fund	--	(-) 250.00
IX- Amount transferred to Contingency Fund	394.77	104.66	IX- Expenditure from Contingency Fund	227.70	481.50
X- Public Account Receipts	27,855.02	37,571.25	X- Public Account disbursements	26,607.34	35,366.30
Small Savings and Provident Funds	1,528.82	1,840.79	Small Savings and Provident Funds	1,116.13	1,221.32
Reserve Funds	280.00	232.34	Reserve Funds	356.63	127.26
Deposits and Advances	3,276.70	4,727.47	Deposits and Advances	3,412.01	4,008.79
Suspense and Miscellaneous	29,078.90	31,936.91	Suspense and Miscellaneous	28,028.62	31,206.55
Remittances	(-) 6,309.40	(-)1,166.25	Remittances	(-) 6,306.05	(-) 1,197.62
XI- Closing overdraft from Reserve Bank of India	--	--	XI-Cash Balance at end	2,785.95	2,733.60
			Cash in Treasuries and Local Remittances	--	--
			Departmental Cash Balance including Permanent Advances	(-) 11.83	(-) 11.51
			Deposits with Reserve Bank	1,157.65	1,171.00
			Cash Balance investment and investment of earmarked funds	1,640.13	1,574.11
Total	36,250.19	48,021.44	Total	36,250.19	48,021.44

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 2018

(₹ in crore)

As on 31.03.2017	Liabilities	As on 31.03.2018
34,555.05	Internal Debt -	40,286.37
20,832.21	Market Loans bearing interest	26,662.21
0.07	Market Loans not bearing interest	0.07
1.50	Loans from Life Insurance Corporation of India	1.50
13,721.27	Loans from other Institutions	13,622.59
--	Ways and Means Advances	--
--	Overdrafts from Reserve Bank of India	--
654.54	Loans and Advances from Central Government -	728.58
0.53	Pre 1984-85 Loans	0.53
4.52	Non-Plan Loans	4.04
649.49	Loans for State Plan Schemes	724.01
---	Loans for Central Plan Schemes	--
---	Loans for Centrally Sponsored Plan Schemes	--
750.00	Contingency Fund (Corpus)	500.00
1,058.71	Suspense and Miscellaneous Balances	1,789.07
6,390.16	Small Savings Provident Funds etc.	7,009.63
2,626.08	Deposits	3,344.75
1,545.46	Reserve Funds	1,650.54
--	Remittance Balances	--
47,580.00	Total	55,308.94

Appendix-1.4 Part B (Continued)

As on 31.03.2017	Assets	As on 31.03.2018
40,274.30	Gross Capital Outlay on Fixed Assets -	46,188.67
3,123.74	Investments in shares of Companies Corporations etc.	3,209.24
37,150.56	Other Capital Outlay	42,979.43
1,726.65	Loans and Advances	1,769.97
132.41	Loans for Power Projects	164.50
1,606.16	Other Development Loans	1,618.84
(-) 11.92	Loans to Government servants and Miscellaneous loans	(-) 13.37
319.45	Contingency Fund (un-recouped)	446.28
644.76	Remittance	613.39
--	Suspense and Miscellaneous Balances	--
0.42	Advance with Departmental Officer	0.42
2,785.95	Cash -	2,733.60
--	Cash in Treasuries and Local Remittances	--
1,157.65	Deposits with Reserve Bank	1,171.00
(-) 11.02	Departmental Cash Balance	(-)10.70
(-) 0.81	Permanent Advances	(-) 0.81
1,640.13	Cash Balance Investments	1,574.11
1,828.47	Deficit on Government Account -	3,556.59
2,793.06	Deducted (changed proforma due to apportionment of un allocated balances between Uttar Pradesh and Uttarakhand)	--
	(i) Deduct Revenue Surplus of the current year	--
382.53	(ii) Add Revenue deficit of the current year	1,978.12
--	(iii) Appropriation to Contingency Fund and Misc. Capital Receipt	(-) 250.00
--	(iv) Amount close to Government Account	--
4,239.00	(v) Accumulated deficit at the beginning of the year	1,828.47
47,580.00	Total	55,308.92

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 ₹ 1,168.24 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	26,40.23	76,51.62	50,11.39	1,89.81
Capital (Voted)						
2.	17	Agriculture Works & Research	23.03	26.75	3.72	16.15
3.	20	Irrigation & Flood	2,92.18	3,37.88	45.70	15.64
4.	22	Public Work	13,69.20	13,95.28	26.08	1.90
5.	25	Food	19.27	13,41.66	13,22.39	68,62.43
6.	27	Forest	53.95	57.56	3.61	6.69
Total			43,97.86	1,08,10.75	64,12.89	1,45.82

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.	17	Agriculture Works & Research (Capital- Voted)	18.03	5.00	23.03	26.75	3.72
2.	20	Irrigation & Flood (Capital- Voted)	2,84.98	7.20	2,92.18	3,37.88	45.70
3.	22	Public Works (Capital- Voted)	12,44.20	1,25.00	13,69.20	13,95.28	26.08
4.	25	Food (Capital- Voted)	18.27	1.00	19.27	13,41.66	13,22.39
Total			15,65.48	1,38.20	17,03.68	31,01.57	13,97.89

Appendix-2.3

(Reference: Paragraph 2.3.5; Page 47)

Rush of Expenditure exceeding 25 per cent in March 2018 or 50 per cent in the last Quarter (Jan 2018 to March 2018) of the total Expenditure

(₹ in crore)

Sl. No.	Head of account Scheme/ Service	Expenditure incurred during Jan-March 2018	Expenditure incurred in March 2018	Total Expenditure April to March 2018	Percentage of total expenditure incurred during	
					March 2018	Jan-March 2018
1.	2030	10.67	8.67	22.08	39.27	48.32
2.	2040	1,11.94	95.83	1,88.08	50.95	59.52
3.	2215	1,33.08	1,04.80	4,14.32	25.29	32.12
4.	2216	1.35	0.83	2.37	35.02	56.96
5.	2225	1,71.73	91.66	2,46.23	37.23	69.74
6.	2245	1,87.34	1,59.32	4,08.97	38.96	45.81
7.	2250	12.26	6.35	18.94	33.53	64.73
8.	2251	0.52	0.19	0.67	28.36	77.61
9.	2404	24.01	10.70	41.57	25.74	57.76
10.	2405	8.60	5.85	15.96	36.65	53.88
11.	2408	1,48.12	28.05	1,73.37	16.18	85.44
12.	2425	40.30	25.68	62.03	41.40	64.97
13.	2701	10.74	9.64	14.20	67.89	75.63
14.	2711	3.71	3.43	4.90	70.00	75.71
15.	2801	0.22	0.20	0.29	68.97	75.86
16.	2851	51.37	34.79	99.10	35.11	51.84
17.	3055	16.03	11.66	38.21	30.52	41.95
18.	3452	42.84	16.46	57.97	28.39	73.90
19.	4055	8.20	6.71	14.34	46.79	57.18
20.	4202	1,58.06	1,11.29	2,14.60	51.86	73.65
21.	4210	52.02	27.37	63.94	42.81	81.36
22.	4216	15.90	10.10	19.47	51.87	81.66
23.	4225	23.03	17.97	24.65	72.90	93.43
24.	4235	3.59	3.40	3.87	87.86	92.76
25.	4250	9.13	7.63	23.35	32.68	39.10
26.	4401	8.81	1.98	3.37	58.75	2,61.42
27.	4403	0.97	0.80	0.97	82.47	1,00.00
28.	4405	2.67	2.66	2.67	99.63	1,00.00
29.	4406	45.79	34.67	57.87	59.91	79.13
30.	4702	32.24	14.07	32.32	43.53	99.75
31.	4801	56.51	36.83	87.01	42.33	64.95
32.	4851	3.42	2.05	3.42	59.94	1,00.00
33.	5055	23.44	20.84	24.92	83.63	94.06
Total		14,18.61	9,12.48	23,86.03	38.24	59.45

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.	04- Judicial Administration	1,52.55	1,44.35	8.20	11.18
2.	05-Election	43.80	41.13	2.67	0.55
3.	06- Revenue & General Administration	17,33.14	9,29.37	8,03.77	19.52
4.	08- Excise	23.04	22.82	0.22	2.37
5.	11- Education, Sports, Youth Welfare & Culture	63,91.32	62,30.77	1,60.55	2,78.86
6.	12-Medical, Health & Family Welfare	17,99.45	14,41.16	3,58.30	1,51.88
7.	13-Water Supply, Housing & Urban Development	6,51.69	5,84.16	67.53	1,03.72
8.	15- Welfare	13,75.19	11,72.14	2,03.05	1,21.78
9.	19-Rural Development	11,75.13	6,54.44	5,20.69	37.13
10.	20-Irrigation and Flood	4,40.66	4,07.62	33.04	3.54
11.	22- Public Works	6,92.13	6,41.84	50.29	13.33
12.	23-Industries	1,59.30	1,40.44	18.86	24.16
13.	24- Transport	51.95	49.59	2.36	7.08
14.	25 -Food	2,34.36	1,82.35	52.01	3.35
15.	27 -Forest	6,21.70	5,50.89	70.81	12.10
16.	28-Animal Husbandry	2,50.49	2,38.50	11.99	10.33
17.	29-Horticulture Development	2,55.29	2,15.63	39.66	15.82
18.	30-Welfare of Scheduled Castes	8,57.27	7,61.09	96.18	1,48.94
19.	31- Welfare of Scheduled Tribes	2,77.61	2,25.08	52.53	37.82
Total Revenue (Voted)		1,71,86.07	1,46,33.37	25,52.70	10,03.46
B-Revenue (Charged)					
1.	02-Governor	10.28	8.22	2.06	0.12
2.	04- Judicial Administration	36.02	32.22	3.80	3.40
3.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	46,33.83	39,88.18	6,45.65	0.50
4.	09-Public Service Commission	23.88	14.37	9.51	0.60
Total Revenue (Charged)		47,04.01	40,42.99	6,61.02	4.62
C- Capital (Voted)					
1.	06- Revenue & General Administration	7,08.40	5,82.75	1,25.65	20.50
2.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	4,47.00	1,89.58	2,57.41	5.00
3.	11- Education, Sports, Youth Welfare & Culture	2,42.14	1,65.17	76.97	35.00
4.	12-Medical, Health & Family Welfare	1,23.85	63.94	59.91	22.70
5.	13-Water Supply, Housing & Urban Development	6,42.81	6,37.51	5.30	1,88.19
6.	21- Energy	3,26.00	1,42.33	1,83.67	13.00
7.	23-Industries	52.83	5.98	46.85	10.91
8.	26-Tourism	62.30	58.08	4.22	1.00
9.	28-Animal Husbandry	7.34	3.64	3.70	0.50
10.	30-Welfare of Scheduled Castes	2,63.25	2,44.35	18.90	42.99
11.	31- Welfare of Scheduled Tribes	89.46	72.52	16.94	19.71
Total Capital (Voted)		29,65.38	21,65.85	7,99.52	3,59.50
Grand Total		2,48,55.46	2,08,42.21	40,13.24	13,67.58

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

(₹ in lakh)

Sl. No.	Grant No.	Description	Voted/Charged	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
1.	04	Judicial Administration	Revenue-Voted	2014-00-105-03	(+)3,00.00	(-)8,82.20
			Revenue-Voted	2014-00-105-04	(-)40.00	(-)2,44.48
			Revenue-Voted	2014-00-108-03	(-)2,60.00	(-)1,46.73
2.	05	Election	Revenue-Voted	2015-00-103-05	(+)26.84	(+)51.00
3.	06	Revenue and General Administration	Revenue-Voted	2070-00-107-03	(-)67.00	(-)17,47.00
			Revenue-Voted	2070-00-107-04	(+)67.00	(-)68.36
			Revenue-Voted	2245-80-102-02	(-)8.00	(-)21,37.87
4.	07	Finance, Tax, Planning, Secretariat & Miscellaneous Service	Revenue-Voted	2030-01-101-03	(+)1,51.00	(+)58.06
			Revenue-Voted	2030-02-101-03	(-)1,79.50	(-)44.25
			Revenue-Voted	2030-03-001-03	(+)28.50	(-)49.12
			Revenue-Voted	2040-00-001-03	(+)34.00	(-)1,35.77
			Revenue-Voted	2040-00-101-03	(+)3,67.00	(-)4,56.32
			Revenue-Voted	2040-00-800-05	(-)4,01.00	(-)1,81.23
			Revenue-Voted	2049-60-701-03	(+)25.00	(-)21.73
			Revenue-Voted	2049-60-701-05	(-)25.00	(-)34,75.00
			Revenue-Voted	2054-00-095-03	(+)18.50	(-)30.75
			Revenue-Voted	2054-00-097-03	(-)18.50	(-)2,39.91
			Revenue-Voted	3604-01-192-03	(+)14,00.00	(+)4,30.19
			Revenue-Voted	3604-01-193-03	(-)14,00.00	(-)6,11.60
			Revenue-Voted	3604-01-193-04	(-)13,00.00	(-)1,34,28.32
			Revenue-Voted	3604-02-198-03	(+)13,00.00	(-)81.48
			Capital -Voted	4216-02-800-16	(-)1.00	(-)49.00
Capital -Voted	6003-00-111-03	(-)19,71.00	(-)1,05,85.65			
5.	10	Police & Jail	Revenue-Voted	2055-00-001-03	(-)2,67.31	(-)86.30
			Revenue-Voted	2055-00-001-04	(+)1,94.54	(-)4,86.29
			Revenue-Voted	2055-00-001-05	(-)1.75	(-)16.05
			Revenue-Voted	2055-00-001-06	(-)12.30	(-)43.47
			Revenue-Voted	2055-00-001-10	(-)34.65	(-)51.36
			Revenue-Voted	2055-00-003-04	(+)8.50	(-)36.13
			Revenue-Voted	2055-00-101-03	(-)40.09	(-)4,67.65
			Revenue-Voted	2055-00-101-04	(-)20.60	(-)1,15.94
			Revenue-Voted	2055-00-101-05	(+)8.50	(-)36.71
			Revenue-Voted	2055-00-104-03	(-)4,78.42	(-)6,62.92
			Revenue-Voted	2055-00-104-04	(-)1,04.70	(-)1,50.38
			Revenue-Voted	2055-00-104-05	(-)2.10	(-)12.85
			Revenue-Voted	2055-00-108-04	(-)2,65.57	(-)1,08.45
			Revenue-Voted	2055-00-109-03	(+)4,91.45	(-)31,98.77
			Revenue-Voted	2055-00-109-04	(+)1,10.67	(-)47.13
			Revenue-Voted	2055-00-109-05	(+)2,48.59	(-)1,60.00
			Revenue-Voted	2055-00-109-07	(+)28.78	(-)21.81
Revenue-Voted	2055-00-111-03	(+)1,72.00	(-)20.18			
Revenue-Voted	2055-00-113-04	(-)4.42	(-)51.99			
Revenue-Voted	2055-00-116-03	(-)0.50	(-)28.83			
6.	11	Education, Sports, Youth Welfare & Culture	Revenue-Voted	2202-01-101-01	(+)18,28.68	(-)15,92.68
			Revenue-Voted	2202-01-101-04	(-)16,00.68	(-)1,99,69.17
			Revenue-Voted	2202-02-101-04	(+)2,54.00	(-)79.01
			Revenue-Voted	2202-02-109-03	(-)3,68.00	(-)94,01.56
			Revenue-Voted	2202-02-109-07	(+)6,86.12	(-)1,30.97
			Revenue-Voted	2202-02-109-16	(-)8,50.12	(-)4,37.81

			Revenue-Voted	2202-02-109-19	(+)24.80	(-)24.48
			Revenue-Voted	2202-02-110-04	(-)1,01.24	(-)4,17.29
			Revenue-Voted	2202-03-103-03	(-)10,63.74	(-)3,17.93
			Revenue-Voted	2202-03-103-04	(+)2,06.74	(-)3,22.56
			Revenue-Voted	2202-03-104-03	(+)8,57.00	(-)63.76
			Revenue-Voted	2204-00-104-21	(+)3.66	(-)10.00
			Revenue-Voted	2205-00-001-03	(+)64.40	(-)47.82
			Capital Voted	4202-01-203-03	(-)6.14	(-)14.83
7.	12	Medical, Health & Family Welfare	Revenue-Voted	2210-02-101-01	(+)11,16.64	(-)74.35
			Revenue-Voted	2210-02-101-03	(+)10.84	(-)1,11.49
			Revenue-Voted	2210-02-101-04	(+)1.50	(-)22.60
			Revenue-Voted	2210-02-101-08	(-)11,28.98	(-)8,59.75
			Revenue-Voted	2210-02-102-04	(+)20.36	(-)19.53
			Revenue-Voted	2210-04-102-03	(-)20.36	(-)46.86
			Capital Voted	4210-01-110-10	(-)1,56.95	(-)43.05
			Capital Voted	4210-01-110-17	(+)50.00	(-)69.22
			Capital Voted	4210-01-110-23	(+)1,00.00	(-)1,00.00

Appendix-2.6(A)
(Reference: Paragraph 2.3.6.3; Page 48)
Substantial surrenders made during the year 2017-18 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.	01-Legislature	4059-80-051-02	20.00	18.67	93.35
2.	03-Council of Ministers	2013-00-101-03	5,70.00	3,67.70	64.51
		2013-00-101-04	35.00	20.96	59.89
		2013-00-108-03	2,00.00	83.84	41.92
3.	05-Election	2015-00-105-03	0.10	0.10	1,00.00
		2015-00-105-04	0.10	0.10	1,00.00
4.	06-Revenue & General Administration	2070-00-107-01	2,00.04	2,00.04	1,00.00
		2070-00-107-06	40.05	40.05	1,00.00
		2070-00-107-11	0.09	0.09	1,00.00
		4059-60-051-12	2,50.00	2,49.11	99.64
5.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Service	2052-00-090-11	26.82	18.61	69.39
		2052-00-090-13	26.00	26.00	1,00.00
		2052-00-091-04	1,15.58	54.79	47.40
		2052-00-091-10	1,12.39	56.59	50.35
		2052-00-091-11	7.25	4.02	55.45
6.	11-Education, Sports, Youth Welfare & Culture	2202-02-800-25	29.50	12.38	41.97
		2204-00-001-06	20.00	20.00	1,00.00
		2204-00-001-17	6.00	5.62	93.67
		2204-00-104-03	5.00	5.00	1,00.00
		2204-00-104-07	60.00	45.01	75.02
		2204-00-104-11	65.00	26.92	41.42
		2204-00-104-12	50.00	46.70	93.40
		2204-00-104-14	15.00	15.00	1,00.00
		2204-00-104-15	15.00	4.90	32.67
		2204-00-104-29	4.00	4.00	1,00.00
		2204-00-104-30	50.00	44.00	88.00
		2204-00-104-31	10.00	10.00	1,00.00
		2204-00-104-33	30.00	30.00	1,00.00
		2204-00-104-34	10.00	10.00	1,00.00
		2204-00-104-36	20.00	20.00	100.00
		4202-01-202-01	55,10.03	20,00.01	36.30
		4202-01-800-31	50.00	50.00	1,00.00
7.	14-Information	2220-01-105-03	4,92.57	1,56.04	31.69
		2220-01-105-06	50.00	33.98	67.96
		2220-60-103-04	1.00	0.40	40.00
8.	15- Welfare	2250-00-800-17	10.00	4.30	43.00
9.	17-Agriculture Works & Research	2401-00-001-01	1,71,15.02	52,75.71	30.83
		2415-80-120-05	1,00.00	1,00.00	1,00.00
		2415-80-120-08	55.00	55.00	1,00.00
		2415-80-120-11	80.00	80.00	1,00.00
		2415-80-120-12	80.00	80.00	1,00.00
		2415-80-120-14	50.00	22.40	44.80
		2415-80-120-16	70.00	70.00	1,00.00
		2415-80-120-17	70.00	70.00	1,00.00

		2415-80-120-18	70.00	70.00	1,00.00
		2415-80-120-19	70.00	70.00	1,00.00
		2415-80-120-20	60.50	51.33	84.84
		2415-80-120-21	60.00	54.54	90.90
		2415-80-120-22	60.00	60.00	1,00.00
		2415-80-120-24	12.00	8.00	66.67
		4401-00-800-07	50.00	50.00	1,00.00
		4401-00-800-08	5,00.00	5,00.00	1,00.00
		6401-00-109-12	0.01	0.01	1,00.00
10.	22-Public Work	2059-80-001-05	11,50.00	3,73.40	32.47
		3054-01-337-01	30,00.01	18,97.09	63.24
		5054-05-337-03	5,00.00	5,00.00	1,00.00
		5054-80-190-03	2,00.00	2,00.00	1,00.00
11.	28-Animal Husbandry	2403-00-101-01	9,50.83	3,40.38	35.80
		2403-00-104-05	2.52	2.52	1,00.00
		2403-00-106-15	25.00	25.00	1,00.00
		2403-00-107-01	1,40.00	1,40.00	1,00.00
		2403-00-107-05	2.82	2.82	1,00.00
		4403-00-101-01	40.02	23.37	58.40
		4403-00-101-09	1,50.00	1,50.00	1,00.00
		4403-00-101-10	1,50.00	69.68	46.45
		4403-00-102-02	50.00	50.00	1,00.00
		4405-00-001-03	25.00	25.00	1,00.00
12.	30-Welfare of Scheduled Castes	4405-00-101-01	2,69.39	1,02.51	38.05
		2403-00-101-01	2,81.95	2,30.15	81.63
		2403-00-104-01	0.01	0.01	1,00.00
		2403-00-104-02	8.33	8.33	1,00.00
		2403-00-106-02	5,56.50	2,07.58	37.30
		2403-00-107-01	71.33	71.33	1,00.00
		2403-00-113-01	0.01	0.01	1,00.00
		4403-00-101-01	0.01	0.01	1,00.00
13.	31-Welfare of Scheduled Tribes	4403-00-101-02	0.01	0.01	1,00.00
		2401-00-114-01	5.00	2.02	40.40
		2405-00-796-03	60.00	25.21	42.02
		4403-00-101-04	25.00	25.00	1,00.00
		5054-04-796-01	30.00	29.70	99.00
Total			3,43,02.79	1,48,03.05	43.15

Appendix-2.6(B)

(Reference: Paragraph 2.3.6.3; Page 48)

Substantial surrenders made during the year 2017-18 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	2012-03-101-03	15.50	7.70	49.68
		2012-03-103-04	0.10	0.10	1,00.00
		2012-03-103-05	0.10	0.10	1,00.00
		2012-03-105-03	51.88	16.84	32.46
2.	22-Public Works	2059-01-053-03	3,50.00	1,10.85	31.67
Total			4,17.58	1,35.59	32.47

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.Revenue-Voted					
1.	01-Legislature	43.65	0.46	0.47	0.01
2.	03-Council of Ministers	64.30	11.99	12.08	0.09
3.	14- Information	43.46	3.30	3.35	0.05
Total		1,51.41	15.75	15.90	0.15

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-Charged)	39.42	32.22	7.20
2.	07	Finance, Tax, Planning, Secretariat & Miscellaneous Services (Revenue Charged)	46,34.33	39,88.18	6,46.15
		Finance, Tax, Planning, Secretariat & Miscellaneous Services (Capital Voted)	4,52.00	1,89.59	2,62.41
3.	09	Public Service Commission (Revenue- Charged)	24.48	14.37	10.11
4.	10	Police and Jail (Capital-Voted)	26.50	18.07	8.43
5.	12	Medical, Health and Family Welfare (Revenue Voted)	19,51.34	14,41.16	5,10.18
6.		Medical, Health and Family Welfare (Capital-Voted)	1,46.55	63.94	82.61
7.	13	Water Supply, Housing & urban Development (Capital-Voted)	8,31.00	6,37.51	1,93.49
8.	15	Welfare (Capital Voted)	64.55	20.54	44.01
9.	16	Labour and Employment (Revenue Voted)	2,37.85	2,18.79	19.06
10.	19	Rural Development (Capital Voted)	11,83.16	11,28.00	55.16
11.	20	Irrigation and Flood (Revenue-Voted)	4,44.20	4,07.62	36.58
12.	21	Energy (Capital Voted)	3,39.00	1,42.33	1,96.67
13.	23	Industries (Revenue -Voted)	1,83.45	1,40.44	43.01
14.		Industries (Capital-Voted)	63.74	5.98	57.76
15.	24	Transport (Revenue-Voted)	59.03	49.59	9.44
16.		Transport (Capital-Voted)	1,52.13	1,32.90	19.23
17.	25	Food (Revenue-Voted)	2,37.71	1,82.35	55.36
18.	26	Tourism (Revenue-Voted)	66.77	58.37	8.40
		Tourism (Capital-Voted)	63.30	58.08	5.22
19.	27	Forest (Revenue-Voted)	6,33.80	5,50.89	82.91
20.	29	Horticulture Development (Revenue-Voted)	2,71.11	2,15.63	55.48
Total			1,21,05.42	96,96.55	24,08.87

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.	04-Judicial Administration	19.38	0.53	18.85
2.	06- Revenue & General Administration	8,23.29	2.53	8,20.76
3.	07- Finance, Tax, Planning, Secretariat & Misc. Services	2,26.15	5.79	2,20.36
4.	08-Excise	2.59	0.00	2.59
5.	10-Police And Jail	73.90	2.25	71.65
6.	11-Education, Sports, Youth Welfare and Culture	4,39.41	8.55	4,30.86
7.	12-Medical, Health and Family Welfare	5,10.18	00	5,10.18
8.	13-Water Supply, Housing and Urban Development	1,71.25	0.27	1,70.98
9.	15-Welfare	3,24.83	1.05	3,23.78
10.	16-Labour & Employment	19.06	00	19.06
11.	17-Agriculture Works & Research	64.05	42.03	22.02
12.	18- Co-Operative	2.84	00	2.84
13.	19- Rural Development	5,57.81	0.52	5,57.29
14.	20- Irrigation and Flood	36.58	00	36.58
15.	22- Public Work	63.62	47.68	15.94
16.	23- Industries	43.01	00	43.01
17.	24- Transport	9.43	00	9.43
18.	25- Food	55.36	00	55.36
19.	26- Tourism	8.40	00	8.40
20.	27- Forest	82.90	00	82.90
21.	28- Animal Husbandry	22.33	19.02	3.31
22.	29- Horticulture Development	55.47	00	55.47
23.	30-Welfare of Scheduled Castes	2,45.12	8.14	2,36.98
24.	31- Welfare of Scheduled Tribes	90.34	5.24	85.10
Total		39,47.30	1,43.60	38,03.70
Revenue Charged				
1.	04- Judicial Administration	7.20	00	7.20
2.	07- Finance, Tax, Planning, Secretariat & Misc. Services	6,46.15	00	6,46.15
3.	09- Public Service Commission	10.11	00	10.11
4.	22- Public Work	3.95	1.24	2.71
Total		6,67.41	1.24	6,66.17
Capital Voted				
1.	04- Judicial Administration	3.76	00	3.76
2.	06- Revenue and General Administration	1,46.15	2.49	1,43.66
3.	07- Finance, Tax, Planning, Secretariat & Misc. Services	2,62.41	00	2,62.41
4.	10-Police And Jail	8.43	00	8.43

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5.	11-Education, Sports, Youth Welfare and Culture	1,11.97	5.79	1,06.18
6.	12-Medical, Health and Family Welfare	82.61	00	82.61
7.	13-Water Supply, Housing and Urban Development	1,93.49	00	1,93.49
8.	15-Welfare	44.01	00	44.01
9.	16-Labour & Employment	3.54	00	3.54
10.	18-Co-operative	4.69	00	4.69
11.	19-Rural Development	55.16	00	55.16
12.	21-Energy	1,96.67	00	1,96.67
13.	23- Industries	57.77	00	57.77
14.	24-Transport	19.23	00	19.23
15.	26-Tourism	5.22	00	5.22
16.	29-Horticulture Development	1.46	00	1.46
17.	30-Welfare of Scheduled Castes	61.89	1.29	60.60
18.	31- Welfare of Scheduled Tribes	36.65	1.49	35.16
Total		12,95.11	11.06	12,84.05
Capital Charged				
1.	09- Public Service Commission	3.00	0	3.00
Total		3.00	0	3.00
Grand Total		59,12.82	155.90	5756.92

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 2018 of Voted Grant

(₹ in crore)

Sl. No.	Grant No.	Major Head	Total Provision	Amount of Surrender	Percentage of Total Provision
1.	3	2013-Council of Ministers	64.30	12.08	18.79
2.	17	2401-Crop Husbandry	6,93.73	21.75	3.14
		2415- Agricultural Research and Education	2,07.58	20.28	9.77
3.	22	2059-Public Work	4,73.90	16.78	3.54
		3054-Roads and Bridges	2,29.46	30.43	13.26
		5054-Capital Outlay on Road and Bridges	13,66.00	48.69	3.56
4.	28	2403- Animal Husbandry	2,02.32	16.49	8.15
Total			32,37.29	1,66.50	5.14

Appendix-2.11

(Reference: Paragraph 2.3.6.6; Page 49)

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.	03	Council of Ministers	64.30	11.99	18.65
2.	04	Judicial Administration	1,63.72	19.38	11.84
3.	05	Election	44.35	3.22	7.26
4.	06	Revenue and General Administration	17,52.67	8,23.29	46.97
5.	07	Finance, Tax, Planning, Secretariat & Misc. Services	76,29.63	2,26.15	2.96
6.	08	Excise	25.41	2.59	10.19
7.	10	Police And Jail	17,34.49	73.90	4.26
8.	11	Education, Sports, Youth Welfare and Culture	66,70.18	4,39.41	6.59
9.	12	Medical, Health and Family Welfare	19,51.34	5,10.18	26.15
10.	13	Water Supply, Housing and Urban Development	7,55.41	1,71.25	22.67
11.	14	Information	43.46	3.30	7.59
12.	15	Welfare	14,96.97	3,24.83	21.70
13.	16	Labour& Employment	2,37.85	19.06	8.01
14.	17	Agriculture Works and Research	9,01.30	64.05	7.11
15.	18	Co-Operative	62.07	2.84	4.58
16.	19	Rural Development	12,12.25	5,57.81	46.01
17.	20	Irrigation and Flood	4,44.20	36.58	8.24
18.	22	Public Work	7,05.46	63.62	9.02
19.	23	Industries	1,83.45	43.01	23.45
20.	24	Transport	59.03	9.43	15.97
21.	25	Food	2,37.71	55.36	23.29
22.	26	Tourism	66.77	8.40	12.58
23.	27	Forest	6,33.80	82.90	13.08
24.	28	Animal Husbandry	2,60.82	22.33	8.56
25.	29	Horticulture Development	2,71.11	55.47	20.46
26.	30	Welfare of Scheduled Castes	10,06.21	2,45.12	24.36
27.	31	Welfare of Scheduled Tribes	3,15.42	90.34	28.64
Total			2,89,99.44	39,66.99	13.68
Revenue Charged					
1.	01	Legislature	2.39	1.00	41.84
2.	02	Governor	10.40	2.18	20.96
3.	04	Judicial Administration	39.42	7.20	18.26
4.	06	Revenue and General Administration	2.39	0.51	21.34
5.	07	Finance, Tax, Planning, Secretariat & Misc. Services	46,34.33	6,46.15	13.94
6.	09	Public Service Commission	24.48	10.11	41.30
7.	22	Public Work	7.30	3.95	54.11
Total			47,20.71	6,71.10	2,11.75
Capital Voted					
1.	03	Council of Ministers	25.00	1.28	5.12
2.	04	Judicial Administration	18.50	3.76	20.32
3.	06	Revenue and General Administration	7,28.90	1,46.15	20.05
4.	07	Finance, Tax, Planning, Secretariat & Misc. Services	4,52.00	2,62.41	58.06
5.	10	Police And Jail	26.50	8.43	31.81
6.	11	Education, Sports, Youth Welfare and Culture	2,77.14	1,11.97	40.40
7.	12	Medical, Health and Family Welfare	1,46.55	82.61	56.37
8.	13	Water Supply, Housing and Urban Development	8,31.00	1,93.49	23.28
9.	15	Welfare	64.55	44.01	68.18
10.	16	Labour& Employment	14.25	3.54	24.84
11.	18	Co-operative	6.25	4.69	75.04

12.	19	Rural Development	11,83.16	55.16	4.66
13.	21	Energy	3,39.00	1,96.67	58.01
14.	23	Industries	63.74	57.77	90.63
15.	24	Transport	1,52.13	19.23	12.64
16.	26	Tourism	63.30	5.22	8.25
17.	28	Animal Husbandry	7.84	4.21	53.70
18.	29	Horticulture Development	8.00	1.46	18.25
19.	30	Welfare of Scheduled Castes	3,06.24	61.89	20.21
20.	31	Welfare of Scheduled Tribes	1,09.17	36.65	33.57
Total			48,23.22	13,00.60	26.97
Capital Charged					
1	09	<i>Public Service Commission</i>	3.00	3.00	1,00.00
Total			3.00	3.00	1,00.00
Grand Total			3,85,46.37	59,41.69	15.41

Appendix-2.12

(Reference: Paragraph 2.6; Page 57)

Status (as on August 2018) of Advances drawn from Contingency Fund during the year 2017-18 which remained un-recouped till the close of financial year

(₹ in crore)

Sl. No	Grant No	Major Head	Adv. From Contingency Fund	Un-recouped (August 2018)
1.	01- Parliament/State/Union Territory Legislatures	2011	1.96	1.96
2.	04-Capital Outlay on Public Works	4059	10.00	10.00
3.	06-Relief on Account of Natural Calamities	2245	4.86	4.86
4.	07-Taxes on Sales, Trades, etc.	2040	0.01	0.01
5.	07-Secretariate-General Services	2052	6.08	6.08
6.	07-Capital Outlay on Housing	4216	3.96	3.96
7.	10-Police	2055	2.54	2.54
8.	11-General Education	2202	25.94	25.94
9.	11-Sports and Youth Services	2204	0.07	0.07
10.	12-Medical and Public Health	2210	0.32	0.32
11.	12- Capital Outlay on Medical and Public Health	4210	1.90	1.90
12.	14-Information & Publicity	2220	24.96	24.96
13.	15-Social Security and Welfare	2235	0.90	0.90
14.	17-Crop Husbandry	2401	0.93	0.93
15.	20-Capital Outlay on Major Irrigation	4700	12.00	12.00
16.	20-Capital Outlay on Flood Control Projects	4711	1.50	1.50
17.	22- Capital Outlay on Roads and Bridges	5054	1,12.33	1,12.33
18.	30-Welfare of Schedule Cast/ Schedule Tribe, Other Backward Classes & Minorities	2225	0.06	0.06
19.	30-Animal Husbandry	2403	0.56	0.56
20.	30-Capital Outlay on of Water Supply and Sanitation	4215	3.83	3.83
21.	31-Welfare of Schedule Cast/ Schedule Tribe, Other Backward Classes & Minorities	2225	0.79	0.79
22.	31- Capital Outlay on Roads and Bridges	5054	16.00	16.00
Total			2,31.50	2,31.50

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 2016-17 which remained un-recouped
(as on August 2018)

(₹ in crore)

Sl. No.	MH	Un-recouped Contingency fund	
		2016-17	Total
1.	2013	5.00	5.00
2.	2014	0.05	0.05
3.	2205	1.33	1.33
4.	2210	4.33	4.33
5.	2215	1.71	1.71
6.	2217	1.33	1.33
7.	2245	1.77	1.77
8.	2401	2.50	2.50
9.	2405	0.01	0.01
10.	2406	13.12	13.12
11.	2851	32.78	32.78
12.	2853	0.10	0.10
13.	3452	1.00	1.00
14.	3054	0.27	0.27
15.	4059	11.15	11.15
16.	4210	2.00	2.00
17.	4405	0.15	0.15
18.	5054	77.74	77.74
Total		1,56.34	1,56.34

Appendix-2.14

(Reference: Paragraph 2.7(A); Page 59)

Pending DC bills for the years up to 2017-18 (Position as on 31 March 2018)

(₹ in lakh)

Sl. No.	DDO	Major Head	Number of AC bills	Amount
1.	Chief Medical Officer, Pithoragarh	2210	03	3.00
2.	Joint Director, Animal Husbandry Dept., Dehradun	2403	02	0.70
3.	Asst. District Election Officer, Uttarkashi	2015	04	8.13
4.	Panchayati Raj (Election), Pithoragarh	2515	03	34.51
5.	Chief Probationer Officer, Women Welfare, Dehradun	2235	01	0.05
6.	Child Development Project Officer, Pithoragarh	2235	01	2.63
7.	Child Development Project Officer, Almora	2235	02	9.84
Total			16	58.86

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	2008-09	12	2.80
		Zila Samaj Kalyan Adhikari			
		Ex. Officer, Nagar Palika			
2.	NA	District Magistrate	2009-10	4	0.81
		Zila Panchayati Raj Adhikari			
3.	3604	Zila Panchayati Raj Adhikari	2012-13	2	2.05
4.	3604	Zila Panchayati Raj Adhikari	2013-14	7	10.21
		Ex. Officer, Nagar Panchayat			
		District Magistrate			
		Ex. Officer, Nagar Palika			
5.	3604 & 2215	District Magistrate	2014-15	24	80.51
6.	3604	District Magistrate	2015-16	14	27.24
7.	3604	District Magistrate	2016-17	39	41.30
		Zila Panchayati Raj Adhikari			
		Deputy Director, SVN			
8.	3604	Zila Panchayati Raj Adhikari	2017-18	107	178.12
		Ex. Officer, Nagar Panchayat			
		Ex. Officer, Nagar Palika			
		Prashasak, Nagar Nigam			
		Ex. Officer, Nagar Palika			
Sr. Finance Officer Nagar Nigam					
Total (As on 31.03.2018)				209	343.04

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.

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