



**REPORT OF THE
COMPTROLLER AND AUDITOR
GENERAL OF INDIA**

**ON
STATE FINANCES**

FOR THE YEAR ENDED 31 MARCH 2009

GOVERNMENT OF UTTARAKHAND

<http://www.cag.gov.in>

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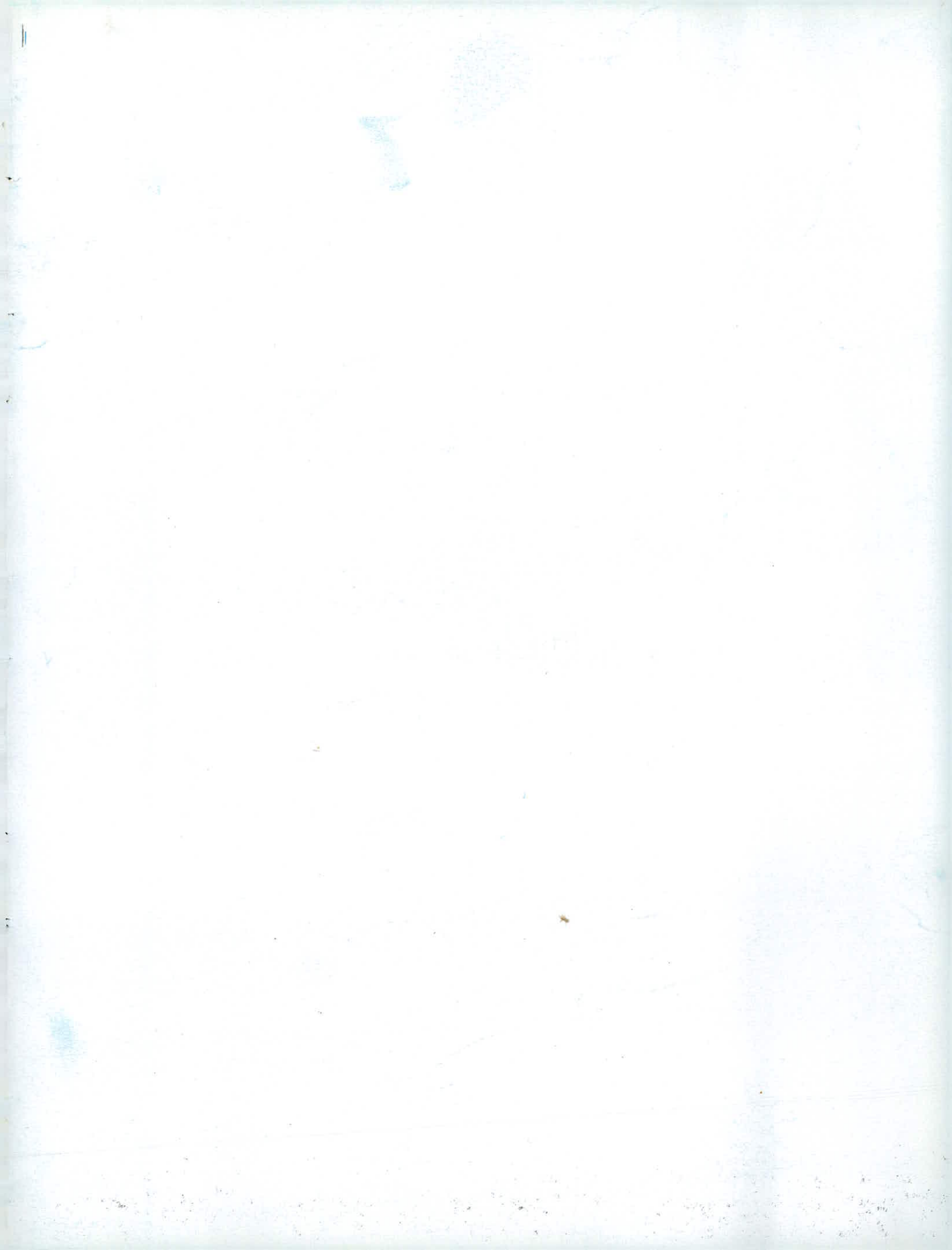
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PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution of India.
2. Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2009.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.
4. Audit observations on matters arising from performance audit and audit of transactions in various departments, audit of revenue receipts and Statutory Corporations, Boards and Government Companies for the year ended 31 March 2009 are included in a separate Report.
5. The Audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

Background

In October 2005, Uttarakhand Government responded to the Twelfth Finance Commission's recommendation by legislating its "Fiscal Responsibilities and Budget Management Act (FRBM)." It sets out a reform agenda through fiscal correction path in the medium term with the long-term goal of securing growth stability for its economy. The State Government's commitment to carry forward these reforms is largely reflected in certain policy initiatives announced in the budgets subsequently. While the benefits of FRBM legislation have been realised to a great extent already, in terms of reduction in major deficit indicators etc, the State Government's resolve to implement VAT, introduction of New Pension Scheme, ceilings on Government guarantees and a host of other institutional and sectoral reform measures will go a long way in building up the much needed 'fiscal space' for improving the quality of public expenditure and to promote fiscal stability.

The State Government has done well in establishing an institutional mechanism on fiscal transparency and accountability as evident from the year-on-year presentation of outcome budgets. These outcome indicators tend to serve the limited purpose of measuring the department-wise performance against the targets. They do not, however, give the 'big picture' of the status of financial management including debt position, off- budget liabilities and cash management etc. for the benefit of the State Legislature and other stakeholders.

The Comptroller and Auditor General's civil audit reports step in to fill this gap. C&AG's reports have been commenting upon the Government's finances for over three years since the FRBM legislation and have published three reports already. Since these comments formed part of the civil audit report, it was felt that the audit findings on State finances remained camouflaged in the large body of audit findings on compliance and performance audits. The obvious fallout of this well-intentioned but all-inclusive reporting was that the financial management portion of these findings did not receive proper attention. In recognition of the need to bring State finances to center-stage once again, a stand-alone report on State Government finances is considered an appropriate audit response to this challenge. Accordingly, from the report year 2009 onwards, C&AG has decided to bring out a separate volume titled "Report on State Finances."

The Report

Based on the audited accounts of the Government of Uttarakhand for the year ending March 2009, this report provides an analytical review of the Annual Accounts of the State Government. The report is structured in three Chapters.

Chapter I is based on the audit of Finance Accounts and makes an assessment of Uttarakhand Government's fiscal position as at 31 March 2009. It provides an insight

into trends in committed expenditure, borrowing pattern besides a brief account of central funds transferred directly to the State implementing agencies through off-budget route.

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

Chapter III is an inventory of Uttarakhand Government's compliance with various reporting requirements and financial rules. The report also has an appendage of additional data collated from several sources in support of the findings.

Audit findings and recommendations

Return to fiscal correction: Uttarakhand is one of the earliest of States to have passed the Fiscal Responsibility and Budget Management Act. The State of Uttarakhand achieved the target of attaining revenue surplus in 2006-07 and continues to be so. Fiscal deficit of the State government at 4.90 *per cent* in 2007-08 was lagging behind the target of 3 *per cent* as envisaged in FRBM, Act but has shown some appreciation in 2008-09 and is pegged at 4.59 *per cent*.

Greater priority to capital expenditure: Though no specific norms regarding prioritisation of capital expenditure have been laid in FRBM Act, the Government had made a budget provision of Rs.2,802 crore under the Capital Head during 2008-09. This shows the government's commitment to provide the basic infrastructure in the state. However, the actual capital expenditure during the year had to be restricted on account of rise in the revenue expenditure. Even though Capital expenditure both in Social and Economic sectors decreased by 3.48 *per cent* from 20.96 *per cent* in 2007-08 to 17.48 *per cent* in 2008-09, it was still higher than the national average.

Adequate thrust to development and social sector expenditure: The per capita development expenditure and per capita social sector expenditure in Uttarakhand is higher than the national average. Further analysis may be required by the state government to see whether the capacity of the state to utilize expenditure for developmental and social outcomes can be improved by better design of schemes, reducing administration costs, timely implementation, careful monitoring etc. Cost and time overruns of incomplete projects will have to be reduced so that people of Uttarakhand benefit from these sunk costs.

Review of Government investments: The average return on Uttarakhand Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives was almost negligible in the past three years while the Government paid an average interest of 7.84 *per cent* on this investment. It would be advisable for the State Government to ensure better value for money in investments, otherwise high cost borrowed funds will continue to be invested in projects with low financial return. Projects which are justified on account of low financial but high

socio-economic return may be identified and prioritized with full justification on why high cost borrowings should be channeled there.

Prudent cash management: The cost of holding surplus cash balances is high. In 2008-09, the interest received on investment of cash balances in RBI Investment in Treasury Bills and Auction Treasury Bills was only 2.20 *per cent* while the Government borrowed on an average at 7.75 *per cent*. Proper debt management through advance planning could reduce the need for the State government to hold large cash surpluses. Ways and Means facility of RBI can also be judiciously resorted to as long as the State does not avail of overdraft facility.

Debt sustainability: The Government of Uttarakhand should keep the debt-GSDP ratio stable by adhering to the FRBM principle. Borrowed funds should be used as far as possible only to fund capital expenditure and revenue expenditure should be met from revenue receipts. Efforts should be made to return to the state of primary surpluses and to maintain revenue surplus. Maintaining a calendar of borrowings to avoid bunching towards the end of the fiscal year and a clear understanding of the maturity profile of debt payments will go a long way in prudent debt management.

Oversight of funds transferred directly from the GoI to the State implementing agencies: As long as these funds remain outside the State budget, there is no single agency monitoring its use and there is no readily available data on how much is actually spent in any particular year on major flagship schemes and other important schemes which are being implemented by State implementing agencies but are funded directly by the GoI. A system has to be put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the Accountant General (A&E).

Financial management and budgetary control: Slow pace of programme implementation in the State left an overall saving of Rs.2,124.56 crore in grants and appropriations in Revenue section (59 cases) and under Capital section (4 Cases), offset by excess of Rs.461.02 crore in one grant under Public Debt Repayment. 'Water Supply, Housing and Urban development and Medical health and Family Welfare' sectors posted large savings persistently for the last five years. There were also instances of inadequate provision of funds and unnecessary/ excessive re-appropriations. Rush of expenditure at the end of the year is another chronic feature noticed in the overall financial management. In many cases, the anticipated savings were either not surrendered or surrendered on the last two days of the year leaving no scope for utilizing these funds for other development purposes. Detailed bills were not submitted for large amount of advances drawn on abstract contingent bills. Budgetary controls should be strictly observed to avoid such deficiencies in financial management. Last minute fund releases and issuance of re-appropriation/ surrender orders should be avoided.

Expenditure to the tune of Rs.32.02 crore was met from the advances from Contingency Fund during the year and had not been recouped to the fund at the end of

the year. The expenditure purely seemed unjustified as the Government could not foresee even its debt repayments, which are obligatory on the part of the Government and the expenditure on advertising and providing housing facilities to Scheduled Castes cannot be termed as of emergent nature requiring drawal from Contingency fund. The Government should sanction advances from the contingency fund only for meeting expenditure of an unforeseen and emergent character.

Financial reporting: State Government's compliance with various rules, procedures and directives was unsatisfactory as evident from delays in furnishing utilization certificates against the loans and grants from various grantee institutions.

CHAPTER-I

FINANCES OF THE STATE GOVERNMENT



CHAPTER- I

FINANCES OF THE STATE GOVERNMENT

This chapter provides a broad perspective of the finances of the Uttarakhand Government during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years.

1.1 Summary of Current Year's Fiscal Transactions

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2008-09) *vis-à-vis* the previous year while **Appendix 1.4** provides details of receipts and disbursements as well as overall fiscal position during the current year.

Table 1.1: Summary of Current Year's Fiscal Operations

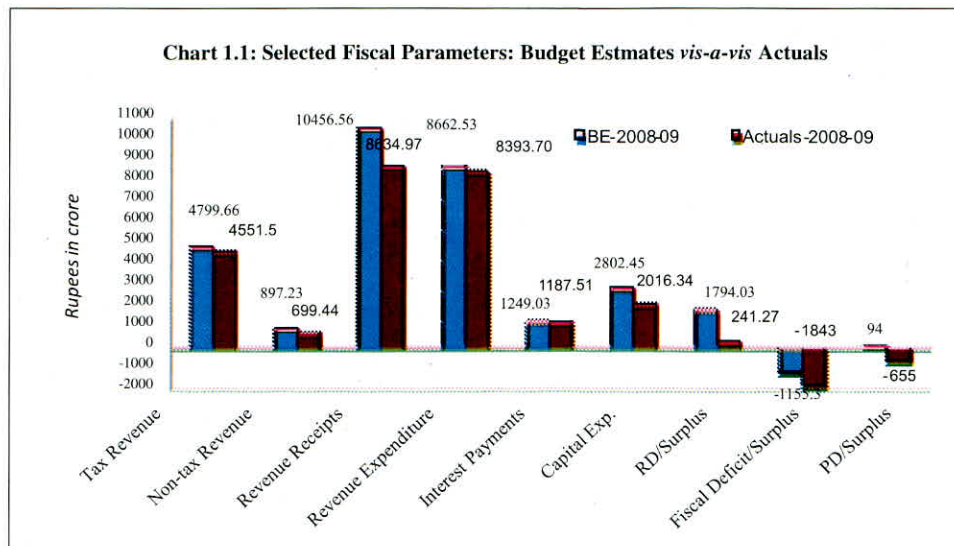
(Rupees in crore)

2007-08	Receipts	2008-09	2007-08	Disbursements	2008-09		
Section-A: Revenue					Non Plan	Plan	Total
7,891.09	Revenue receipts	8,634.97	7,254.56	Revenue expenditure	6,219.40	2174.30	8,393.70
2,738.75	Tax revenue	3,044.91	2,655.02	General services	3,098.95	5.02	3,103.96
668.38	Non-tax revenue	699.44	2,828.66	Social services	1,950.10	1441.73	3,391.84
1,427.70	Share of Union Taxes/ Duties	1,506.59	1,461.11	Economic services	895.64	727.49	1,623.13
3,056.26	Grants from Government of India	3,384.03	309.77	Grants-in-aid and Contributions	274.71	0.06	274.77
Section-B: Capital							
-	Misc. Capital Receipts	-	2,234.82	Capital Outlay	113.85	1902.49	2,016.34
68.43	Recoveries of Loans and Advances	53.63	212.54	Loans and Advances disbursed	2.83	118.88	121.71
1,397.39	Public Debt receipts*	1,543.82	272.69	Repayment of Public Debt*			355.38
27.21	Contingency Fund	2.42	0.72	Contingency Fund			32.05
12,411.82	Public Account receipts	13,657.56	11,863.78	Public Account disbursements			13,476.62
789.54	Opening Cash Balance	746.37	746.37	Closing Cash Balance			242.97
22,585.48	Total	24,638.77	22,585.48	Total			24,638.77

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

- Revenue receipts grew by Rs.744 crore (9.43 *per cent*). The increase was mainly due to the appreciation in State's own tax revenue (Rs.306 crore); non-tax revenue (Rs.31 crore); Central Transfers (Rs.79 crore) and in Grants-in-aid (Rs.328 crore).
- Revenue expenditure increased by Rs.1,139 crore (16 *per cent*), of which NPRES increased by Rs.799 crore and PRES increased by Rs.340 crore.
- Capital expenditure decreased by Rs.218 crore (9.75 *per cent*).
- Recovery of loans and advances decreased from Rs. 68 crore to Rs. 54 crore (20.59 *per cent*). Disbursement of loans and advances decreased from Rs.213 crore to Rs.122 crore during the year (42.72 *per cent*), mainly due to less disbursement under energy sector.
- Public debt receipts registered an increase of Rs.146 crore because of outstanding balances in ways & means advances to the tune of Rs.126 crore as on 31 March 2009. The repayment of public debts increased by Rs.83 crore in 2008-09.
- Public account receipts increased by Rs.1,246 crore, mainly due to receipts under Suspense and Miscellaneous (Rs.805 crore), Small Savings, Provident Fund etc. (Rs.419 crore). Public Account disbursement increased to the tune of Rs.1613 crore mainly due to the clearance of suspense heads (Rs.1243 crore), Remittances (Rs.476 crore) partly offset by less disbursements under Reserves (Rs.150 crore).
- As a result of inflows/outflows of funds as stated above, cash balance of the State at the end of 2008-09 decreased by Rs. 558 crore.

Several reasons may account for the deviation of the actual realization from the budget estimates. It may be because of unanticipated and unforeseen events or under or over estimation of expenditure or revenue at the budget stage etc. Actual realization of revenue and its disbursement however depends on a variety of factors, some internal and others external. **Chart 1.1** presents the budget estimates and actuals for some important fiscal parameters.



The Actuals against the Budget Estimates in respect of various components showed mixed trend during 2008-09. The Revenue Receipts were short by 17 per cent due to less receipt (22 per cent) under Non-tax Revenue. The Budget Estimates for Revenue Expenditure had a marginal variation of 3 per cent. The Capital Expenditure was not met as per the Budget Estimates and recorded a negative variation of 28 per cent. The budget projections for Revenue Deficit, Fiscal Deficit and Primary Deficit were also not achieved. The State Government, in its Mid Term Fiscal Policy Statement attributed the shortfall in revenue collection to the recession in the economy and financial burden that arose after the implementation of Sixth Pay Commission recommendations.

1.2 Resources of the State

1.2.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of 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 GOI as well as accruals from Public Account. **Table-1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts (**Appendix 1.1**) while **Chart 1.2** depicts the trends in various components of the receipts of the State during 2004-09. **Chart 1.3** depicts the composition of resources of the State during the current year.

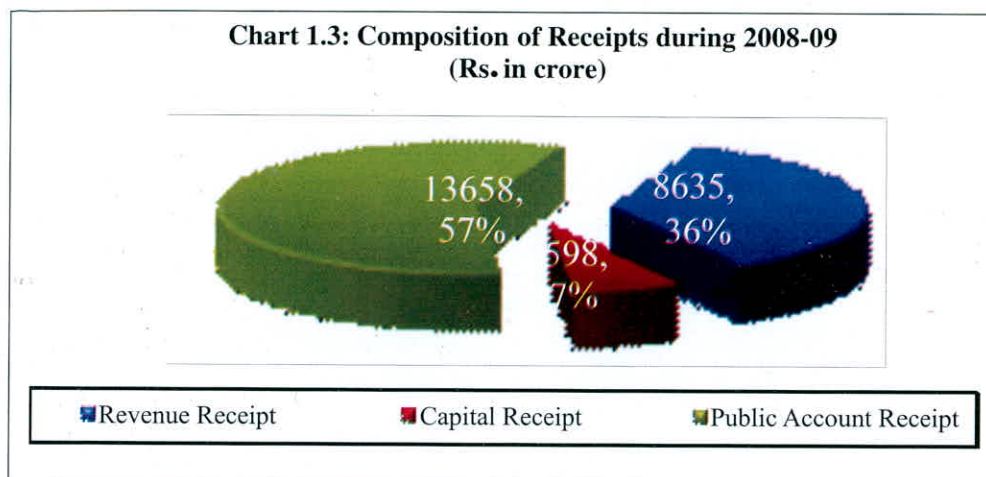
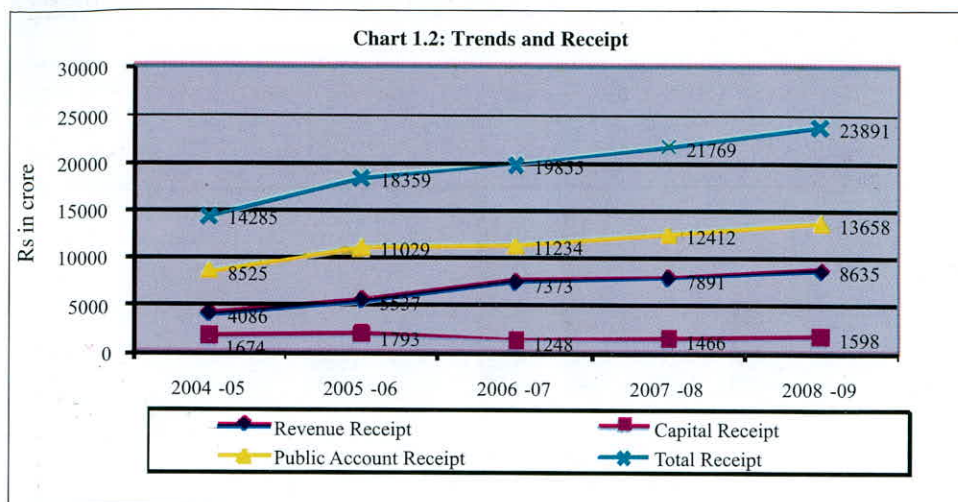


Chart 1.3 shows that the total receipts of the Government grew from Rs.14, 285 crore in 2004-05 to Rs.23,891 crore in 2008-09 (67.25 per cent). Of these, receipts of Rs.13,658 crore from the Public Account constitute 57 per cent. Revenue receipts were Rs.8,635 crore (36 per cent) and Rs.1,598 crore (7 per cent) came from borrowings.

As far as the current year is concerned, revenue receipts have shown marginal appreciation in overall composition of the State's Receipts mainly on account of increase in State's own Tax Revenue and Grants-in-aid from GOI, each of which grew by 11 per cent over the previous year.

Capital receipts almost remained unchanged. However, the recoveries of loans and advances decreased by 21 per cent.

Trends in Public Account receipts

- Receipts under Small Savings, Provident Fund etc increased by Rs.419 crore over the previous year mainly because 30 per cent of arrears of Pay and Allowances drawn in favour of State Government employees as 1st Installment was credited to the Provident Fund Account.
- Reserve funds and Deposits declined during the year by 10 per cent and 4 per cent respectively. *The State Government investment in sinking fund for amortization of internal debt was less than the normative figure prescribed under FRBM Act, 2005 resulting in reduction of receipts under reserve funds by Rs. 150 crore.*
- Suspense and miscellaneous receipts increased by 11 per cent mainly due to increase under the suspense head for cheques and bills. This suspense head is credited while issuing the cheques and is cleared on receipt of information from the bank regarding encashment of cheques. The increase was offset by clearance of previous year's balances under this suspense head, leaving a debit balance of Rs. 331 crore.

1.2.2 Funds Transferred to State Implementing Agencies outside the State Budget

The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies¹ (detailed in **Appendix 1.5**) for the implementation of various schemes/programmes in social and economic sectors recognized as critical. As these funds are not routed through the State Budget/State Treasury System, Annual Finance Accounts do not capture the flow of these funds and to that extent, State's receipts and expenditure as well as other fiscal variables/ parameters derived from them are underestimated. To present a holistic picture on availability of aggregate resources, funds directly transferred to State Implementing Agencies are presented in **Table 1.2**.

Table-1.2: Funds Transferred Directly to State Implementing Agencies

(Rupees in crore)

Sl No.	Name of the Programme of the Scheme	Name of the Implementing Agency	Total Fund released by the Govt. of India during 2008-09 (Rs. in crore)
1.	Sarva Sikhsa Abhiyan (SSA)	Uttaranchal Sabhi Ke Liye Sikhsa Parishad	114.94
2.	Ayush and Public Health	Director A & U Govt. of Uttarakhand	0.14
3.	National Rural Health Mission (NRHM)	Uttarakhand Health & Family Welfare Societies	109.18
4.	National Rural Employment Guarantee Scheme(NREGA)	DRDA, Projects Director Uttarakhand	102.88

¹ State Implementing Agency includes any Organization/Institution including Non-Governmental Organization 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 etc.

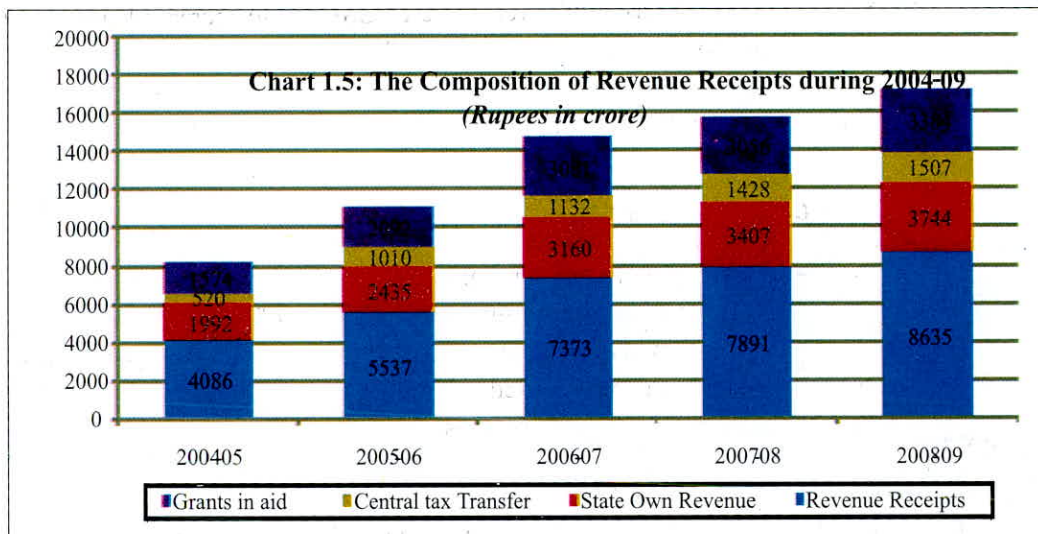
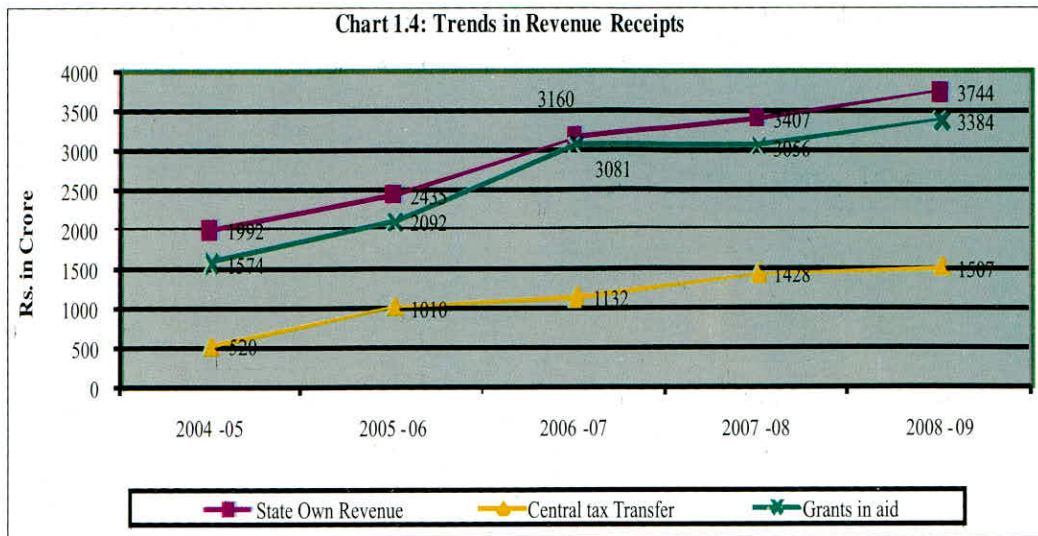
5.	Indira Awas Yojana(IAY)	DRDA, Projects Director Uttarakhand	48.92
6.	Swaran Jayanti Gram Swarojgar Yojana (SGSY)	DRDA, Projects Director Uttarakhand	21.59
7.	DRDA Administration	DRDA, Projects Director Uttarakhand	4.96
8.	Member of Parliament Local Area Development Scheme (MPLADS)	Deputy Commissioner	36.00
9.	National Afforestation	FDA, Uttarakhand	8.40
10.	Pradhan Mantri Gram Sadak Yojana	SGO, Uttarakhand, Dehradun	78.63
11.	Integrated Water Shed Management Programme	CGO and DRDA Projects Director Uttarakhand	32.85
12.	Accelerated Rural Water Supply Programme	Uttarakhand Peyjal Sansadhan Evam Nirman Nigam	88.01
13.	Package for Special Categories States others than N.E. , DIPP	SIDCUL	20.00
14.	E-governance	IT Development Agency	3.56
Total			670.06

Source: CPSMS of CGA's website

Table 1.2 shows funds received by different agencies in Uttarakhand directly from various Ministries of GoI for the implementation of programmes under Social and Economic sectors. The programmes that received major portion of these funds during 2008-09 were (i) National Rural Health Mission Rs.109.18 crore (15.56 per cent) (ii) Sarva Shiksha Abhiyan Rs.114.94 crore (16.38 per cent) (iii) National Rural Employment Guarantee scheme Rs.102.88 crore (14.67 per cent) (iv) Accelerated Rural Water Supply Programme Rs.88.01 crore (12.55 per cent) and (v) Pradhan Mantri Gram Sadak Yojana Rs.78.63 crore (11.21 per cent). Since these funds were not routed through the State Budget therefore, the State of Uttarakhand had additional resources of Rs.701.46 crore during 2008-09 for implementing various developmental Schemes in the Socio-economic Sector. However, this figure needs to be verified by the implementing agencies.

1.3 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of its own tax and non-tax revenues, central tax transfers and grants-in-aid from GOI. The trends and composition of revenue receipts over the period 2004-09 are presented in **Appendix 1.3** and also depicted in **Chart 1.4** and **1.5** respectively.



The revenue receipts have shown a constant increase over the period 2004-09. It increased from Rs.4,086 crore in 2004-05 to Rs.8,635 crore in 2008-09 at an average rate of 19.73 per cent.

On an average, States's own tax receipts constituted around 34 per cent of revenue receipts of the State over the period 2004-05 to 2008-09. The average buoyancy of revenue receipts with State's own tax revenue remained less than 1 over the period 2008-09, which showed continued dependency of the State on the Grants-in-aid from Government of India.

While 43 per cent of the revenue receipts during 2008-09 came from the State's own tax and non-tax revenues, the aggregate of Central Tax transfers and Grants-in-aid contributed 57 per cent of the total revenue.

The trends in revenue receipts relative to GSDP are presented in **Table 1.3** below:

Table 1.3: Trends in Revenue Receipts relative to GSDP

	2004-05	2005-06	2006-07	2007-08	2008-09
Revenue Receipts (RR) <i>(Rupees in crore)</i>	4086	5537	7373	7891	8635
Rate of growth of RR <i>(per cent)</i>	13.50	35.51	33.16	7.03	9.43
R R/GSDP <i>(per cent)</i>	17.23	21.15	23.50	22.17	21.50
Buoyancy Ratios²					
Revenue Buoyancy w.r.t. GSDP	0.91	3.43	1.67	0.52	0.73
State's Own Tax Buoyancy w.r.t. GSDP	1.20	2.28	2.05	0.67	0.87
Revenue Buoyancy with reference to State's own taxes	0.76	1.50	0.81	0.78	0.84

The rate of growth of revenue receipts showed a fluctuating trend over the period 2004-09. The growth rate was high during 2005-06 and 2006-07 but stabilised from 2007-08 onwards and stood at 9.43 *per cent* during 2008-09. The buoyancy ratio of revenue and State's own taxes with reference to GSDP also increased from 0.52 to 0.73 and from 0.67 to 0.87 respectively during 2008-09 over the previous year. For every one *per cent* increase in GSDP, revenue increased by 0.73 *per cent* and State's own taxes increased by 0.87, indicating that tax efforts need to be stepped up in the State.

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, collection of central tax receipts and central assistance for plan schemes etc, the State's performance in mobilization of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources.

Tax Revenue

In the current year tax revenue increased by 11 *per cent* from Rs.2,739 crore in 2007-08 to Rs.3,045 crore. The revenue from Sales Tax not only contributed to major share of tax revenue (62.74 *per cent*) but also registered an increase of 17 *per cent* over the previous year.

State's tax revenue (being major contributor to revenue receipts) after introduction of VAT in 2005, contributed significantly in achieving a growth of 35.51 *per cent* and 33.16 *per cent* during 2005-06 and 2006-07, under revenue receipts. From 2007-08 the growth seemed to have been stabilised, as is evident from the fact that growth rate came down to 7 *per cent* and 9 *per cent* in 2007-08 and 2008-09 respectively. Receipts under State Excise grew by Rs.86 crore over the previous year. However,

² Buoyancy ratio indicates the elasticity or degree of responsiveness of a 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 *per cent*.

receipts under Stamp and Registration reduced by Rs.67 crore; as registration of sale deeds reduced by 29,529 cases in four major districts³ of the State during the year.

Non-Tax Revenue

Non-tax revenue which had remained more or less stagnant from 2004-08 has shown slight improvement (4 per cent) during the year. At Rs.699 crore, non-tax revenue constituted 8 per cent of revenue receipts. The major contributors to non tax revenue during 2008-09 include Forest and Wild Life (Rs.207 crore), Power (Rs.171 crore), non ferrous and metallurgical industries (Rs.64 crore) and interest receipts (Rs.68 crore). Average contribution of interest receipts to non-tax revenue was 6.35 per cent over the period 2004-09. The State also got a debt relief of Rs.13.07 crore from GoI under Debt Consolidation Relief Fund (DCRF) the contra-entry of which is treated as non tax receipts of the Government.

The State's own resources vis-à-vis projections made by the Twelfth Finance Commission (TFC) reveal that Tax Revenue at Rs.3,045 crore during 2008-09 exceeded the normative assessment of Rs.2,171 crore made by TFC for the year while Non-Tax Revenue at Rs.775 crore was less by Rs.76 crore as compared to TFC projections. The projections made by the State Government in its Fiscal Correction Path (FCP) were more or less achieved in respect of Tax Revenue and exceeded the target by Rs.42 crore under Non-tax Revenue as is shown in the **Table 1.4** below:

Table: 1.4: Comparison of Projections/Assessments vis-à-vis Actuals

	Assessment made by TFC	Assessment made by State Government in FCP	Actual
	(1)	(2)	(3)
Tax Revenue	2171	3054	3045
Non-Tax Revenue	775	657	699

Central Tax Transfers

The receipts in the form of State's share in Union taxes and duties have increased by 6 per cent from Rs.1,428 crore in 2007-08 to Rs.1,507 crore in 2008-09. The overall increase in Central transfers (Rs.79 crore) was mainly due to increase in Corporation Tax (Rs.41 crore), Customs (Rs.18 crore) and Service Tax (Rs.20 crore).

Grants-in-Aid

The Grants-in aid from GOI had shown constant increase over the period of 2004-2009. It increased from Rs.1574 crore in 2004-05 to Rs.3,384 crore in 2008-09. Although it had shown a slight decline in 2007-08 it increased again by Rs.328 crore (11 per cent) during the current year. The increase was on account of additional grants released by GoI under Grants for State Plan Schemes by Rs.366 crore and partly off-set by reduction in Non-Plan Grants by Rs.65 crore.

³ Udham Singh Nagar, Dehradun, Haridwar and Nainital.

1.3.2 Loss of Revenue due to Evasion of Taxes, Write off/Waivers and Refunds

The details of cases of evasion of tax detected by the Commercial Tax Department, cases finalized and the demands for additional tax raised in 2008-09, as reported by the department indicate 457 cases of evasion at the end of the financial year 2008-09.

1.3.3 Revenue Arrears

Department wise break-up of Arrears of Revenue is shown in **Table 1.5** below:

Table: 1.5: Breakup of Revenue in arrears

Name of the Department	(Rupees in crore)	
	Amount in arrears as on 31 March 2009	Amount outstanding for more than 5 years as on 31 March 2009
Sales/Commercial Tax	631.18	157.86
State Excise	0.80	0.50
Stamp Duty and Registration	3.30	1.60
Taxes and Duties on Electricity	107.49	10.04
Registrar Co-operative Societies	8.54	6.17
Taxes on Vehicles	1.92	0.20
Entertainment Tax	0.66	0.46
Taxes on purchase of Sugarcane	5.38	nil
Total	759.27	176.83

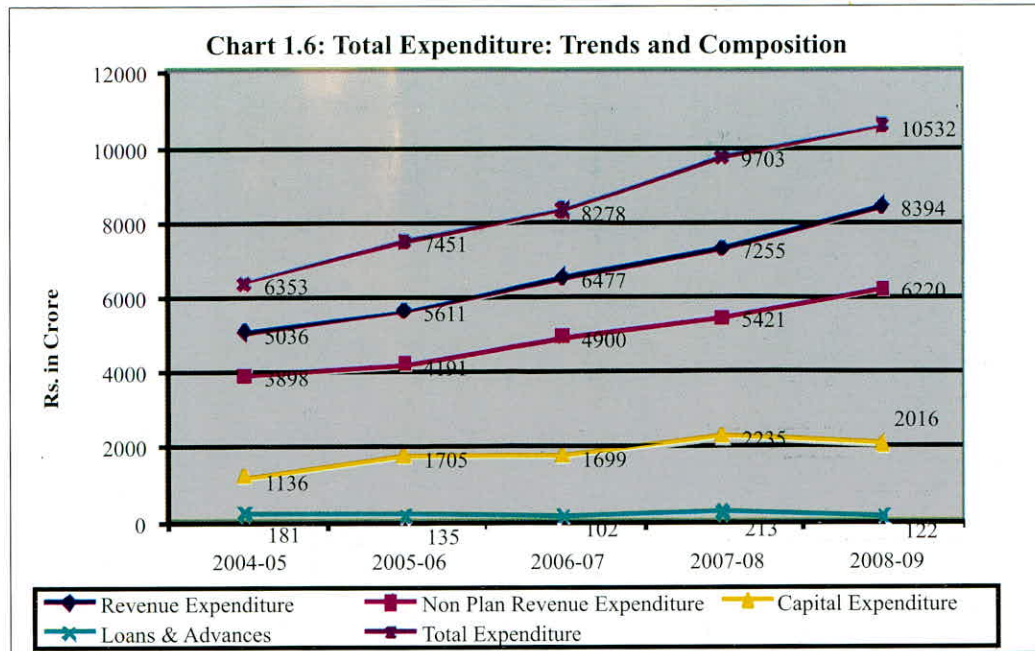
Arrears of revenue (excluding forest revenue) at the end of 2008-09 amounted to Rs.759.27 crore, of which Rs.176.83 crore (23 per cent) were more than five years old. Specific action taken to effect recoveries had not been intimated by the State Government.

1.4 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is therefore important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially expenditure directed towards development and social sectors. An analysis of allocation of expenditure is discussed below:

1.4.1 Growth and Composition of Expenditure

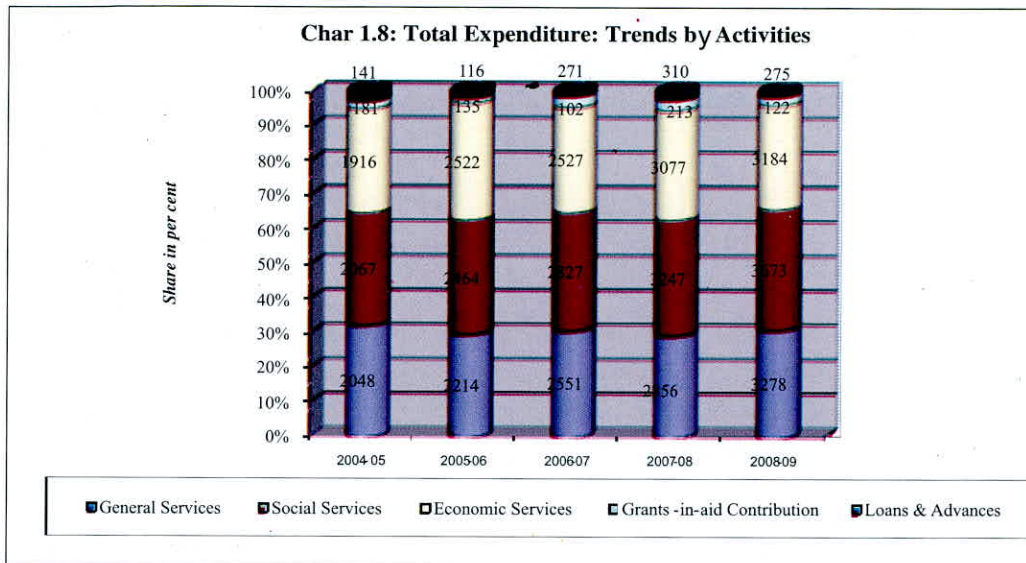
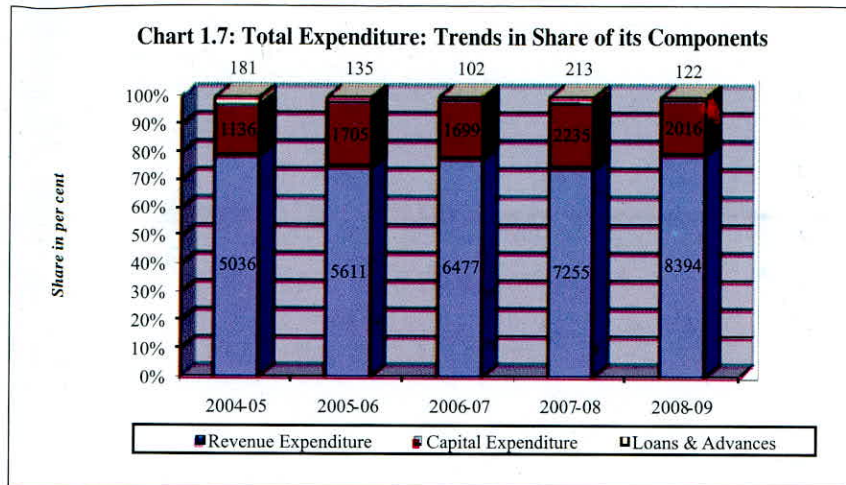
Chart 1.6 presents the trends in total expenditure over a period of five years (2004-09) and its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted respectively in **Charts 1.7 and 1.8**.



Total expenditure of the State increased at an average rate of 16 *per cent* per annum during 2004-09. An increase of Rs.829 crore (9 *per cent*) in total expenditure during 2008-09 over the previous year was due to an increase in revenue expenditure (Rs.1,139 crore) under (i) General Services (Rs.449 crore) (ii) Social Services (Rs.563 crore), (iii) Economic Services (Rs.162 crore) and reduced by decrease in Grants-in-aid and Contribution (Rs.35 crore).

Capital expenditure as per cent of total expenditure has shown fluctuating trend over the period 2004-05 to 2008-09. The increase over the period ranged between 17.88 *per cent* to 19.14 *per cent* with a high of 23.03 *per cent* in 2007-08. Capital Expenditure decreased by 10 *per cent* over the previous year and was four *per cent* lower than what was projected in MTFPS.

The relative share of these components of expenditure has remained unchanged in the recent past. The share of expenditure on General Services including interest payments, which is considered as non-developmental, marginally increased from 29 *per cent* in 2007-08 to 31 *per cent* in 2008-09. Social services also showed a marginal increase over the period 2004-05 to 2008-09 and in the case of Economic Services, the expenditure showed an upward trend over the period 2004-09.



The revenue expenditure of the State increased by 66 per cent from Rs.5,036 crore to Rs. 8,394 crore during the period 2004-09 at an average annual rate of 14.01 per cent. Non-Plan Revenue Expenditure (NPRE) of the State increased by 59.57 per cent during the same period. During the current year, the increase in NPRE (Rs.799 crore) was mainly due to increase in Salaries (Non-Plan) (Rs.708 crore), Pension (Rs. 205 crore) and Interest Payments (Rs.92 crore) partly offset by decrease in Grants-in-aid to local bodies (Rs.35 crore), Miscellaneous General Services (Rs.42 crore) and less amount being transferred to Reserve funds (Rs.38 crore).

While the share of Plan Revenue Expenditure (PRE) in revenue expenditure of the State exhibited an increasing trend, its growth rate showed upward trend during the period 2004-09. The PRE during the current year increased by Rs. 340 crore over the previous year mainly on account of increase in expenditure under Water Supply and Sanitation (Rs.117 crore) for augmentation of Urban Water Supply Programmes, Urban Development, Development of Small and Medium Towns (Rs.62 crore), Crop

Husbandry (Rs.41 crore), Forestry and Wild Life (Rs.40 crore) and Health and Family Welfare (Rs.25 crore) for rural family welfare services.

Table: 1.6 Actual NPRE vis-à-vis projections

(Rupees in crore)

Non-Plan Expenditure	Assessment made by TFC	Assessment made by State Government in		
		Fiscal Correction Path	MTFPS	Actual
	5235	6147	6044	6220

During the current year the NPRE exceeded the normative assessment made by the TFC by Rs.985 crore (18.82 per cent) but was more or less the same as had been projected by the State Government in FCP and Mid Term Fiscal Policy Statement (MTFPS) for the year 2008-09.

1.4.2 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 1.7** and **Chart 1.9** present the trends in the expenditure on these components during 2004-09.

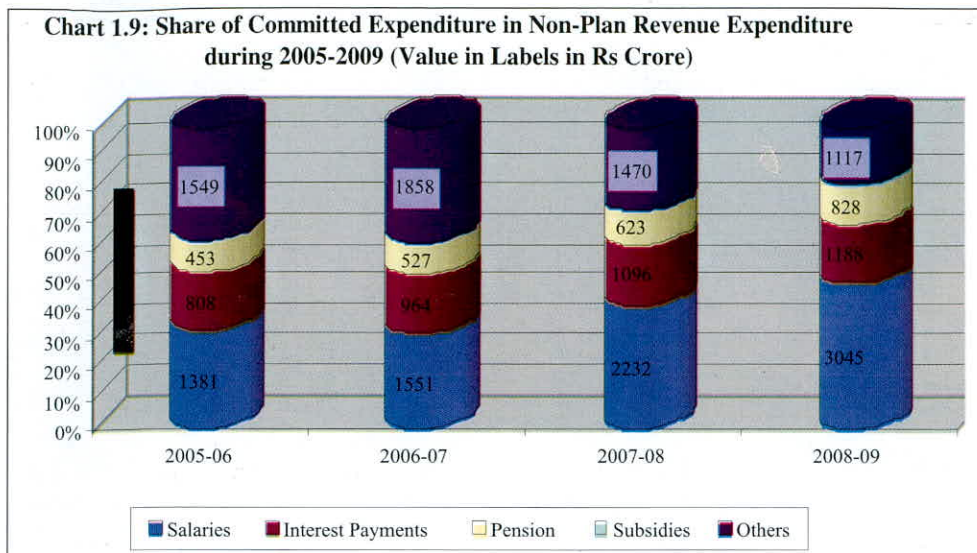
Table-1.7: Components of Committed Expenditure

(Rupees in crore)

Components of Committed Expenditure	2004-05	2005-06	2006-07	2007-08	2008-09	
					BE	Actuals
Salaries & Wages, Of which	1192	1381	1551	2232	2878	3045 (35)
Non-Plan Head	Plan/Non-Plan wise break up of salaries is not available for this period	1278	1397	2020	2621	2728
Plan Head*		103	154	212	257	317
Interest Payments	816	808	964	1096	1249	1188 (14)
Expenditure on Pensions	354	453	527	623	700	828 (10)
Subsidies	...	...	...	...	68	42 (0.50)
Other Components	1536	1549	1858	1470	1252	1117
Total	3898	4191	4900	5421	6147	6220

Figures in the parentheses indicate percentage to Revenue Receipts.

*Plan Head also includes the salaries and wages paid under Centrally Sponsored Schemes.



Note: Subsidies amount during 2008-09 is negligible.

The expenditure on salaries increased by Rs.813 crore from Rs.2,232 crore to Rs 3,045 crore, an increase of 36 per cent due to implementation of Sixth Pay Commission recommendations. Therefore, the projections made by the State Government in its FCP in respect of salaries did not stand accurate. Exceeding the TFC norms which required that expenditure under this head should be 35 per cent of revenue expenditure, expenditure on salaries accounted for 48 per cent net of interest payments and pensions in the current year.

The State Government estimated the pension liabilities on the historical growth rate of pension and not on actuarial basis. Expenditure on pension payments was Rs.828 crore in 2008-09, which constituted 9.59 per cent of the revenue receipts. Pension payments during 2008-09 grew up by 33 per cent over the previous year, mainly on account of implementation of Sixth Pay Commission report. It was higher than the rate of 10 per cent projected by the TFC, but was more or less of the same as Rs.814 crore set forth by TFC for the current year (*Annexure 6.12 of TFC report*). The State Government also introduced a contributory pension scheme for employees recruited on or after 1 October 2005 to mitigate the impact of rising pension liabilities in future.

The ratio of interest payments to revenue receipts determines the sustainability of the debt of State. As per the recommendations of the TFC, the level of interest payments relative to revenue receipts should fall to 15 per cent by 2009-10. Interest payments not only were below 15 per cent during 2008-09 but were also below the target of 14.74 per cent of revenue receipts set out by the State Government in its FCP. As shown in **Table 1.7**, interest payments increased by 46 per cent during 2004-09 primarily due to past borrowings. Interest payments during 2008-09 included those on

Internal Debt (Rs.960 crore)⁴, other obligations (Rs.66 crore) and Small Savings, Provident Fund etc. (Rs.126 crore).

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

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in **Table 1.8**.

Table 1.8: Financial Assistance to Local Bodies etc

(Rupees in crore)

Financial Assistance to Institutions	2004-05	2005-06	2006-07	2007-08	2008-09	
					BE	Actual
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	141.02	198.31	232.81	301.42	271.06	198.99
Municipal Corporations and Municipalities	61.46	80.55	96.63	110.93	123.07	106.20
Zila Parishads and Other Panchayati Raj Institutions	79.98	36.09	174.65	198.85	183.44	168.57
Development Agencies	362.08	305.04	408.25	514.53	672.48	588.44
Hospitals and Other Charitable Institutions	15.51	26.21	40.69	28.69	29.83	38.89
Energy (UPC and UPC for Rural Electrification)	73.75	60.83	100.61	134.52	380.71	69.79
Agriculture Research and education institution Land Reforms for updating land records and Wild life Preservation	76.80	103.96	146.39	153.67	176.93	217.73
General Labour Welfare	25.10	18.28	20.04	16.31	0.10	0.10
Co-operatives	4.30	7.64	14.24	17.16	3.55	3.49
Animal Husbandry, Dairy Development and Fishries	7.65	8.55	10.74	14.53	31.61	31.51
Secretariat Economics Services & Tourism	131.05	43.38	64.39	59.21	27.54	27.51
Social Security & Welfare of Scheduled Cast, Scheduled Tribe & Other Backward Classes	65.13	8.42	84.94	108.73	121.98	122.77
Other Institutions	11.80	33.71	18.13	23.03	75.09	85.36
Total	1054.90	1005.97	1412.51	1681.58	2097.39	1659.35
Assistance as per percentage of RE	20.93	17.93	21.82	23.18	24.21	19.77

⁴ Comprising Market Loans (Rs.414 crore) and Special Securities (Rs.470 crore) issued to the National Small Savings Fund (NSS) by the State Government.

The total assistance to local bodies and other institutions in 2008-09 had grown by 57 per cent over that of 2004-05. Universities and Educational institutions, Development agencies and Energy sector together accounted for 52 per cent of the total financial assistance. The assistance in the current year has almost remained stagnant as compared to the previous year. The increases during the year were, under Agriculture Research (Rs.64 crore) and Development Agencies (Rs.74 crore) which was counterbalanced by decrease in the assistance to Educational institutions (Rs.102 crore) and Energy (Rs.64 crore).

1.5 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The 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 use and the effectiveness (assessment of outlay-outcome relationships for select services).

1.5.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to social sector and economic infrastructure are largely assigned to the State Governments. Enhancing human development levels requires the States to step up their expenditure on key social services like, education, health etc. The low level of spending on any sector by a particular State may be either due to low fiscal priority attached by the State Government or on account of the low fiscal capacity of the State Government or due to both working together. The low fiscal priority (ratio of expenditure category to aggregate expenditure) is attached to a particular sector if it is below the respective national average while the low fiscal capacity would be reflected if the State's *per capita* expenditure is below the respective national average even after having a fiscal priority that is more than or equal to the national average. **Table 1.9** analyses the fiscal priority and fiscal capacity of the State Government with regard to development expenditure, social sector expenditure and capital expenditure during the current year.

Table-1.9: Fiscal Priority and Fiscal capacity of the State in 2005-06 and 2008-09

Fiscal Priority by the State	AE/GSDP	DE/AE	SSE/AE	CE/AE
All States/National Average* (Ratio) 2005-06	19.50	61.44	30.41	14.13
Uttarakhand's Average (Ratio) 2005-06	28.46	68.49	33.07	22.88
All States/National Average* (Ratio) 2008-09	19.16	67.68	33.90	16.87
Uttarakhand Average (Ratio)* 2008-09	26.23	66.21	34.87	19.14
Fiscal Capacity of the State	DE#	SSE	CE	
All States Average per capita Expenditure 2005-06	3010	1490	692	
Uttarakhand's per capita expenditure (Amount in Rs) in 2005-06	5627	2708	1874	
Adjusted per capita** Expenditure (Amount in Rs) in 2005-06	NR	NR	NR	

All States' Average <i>per capita</i> expenditure 2008-09	5030	2520	1254
Uttarakhand's <i>per capita</i> Expenditure (Amount in Rs) in 2008-09	7270	3826	2100
Adjusted <i>per capita</i> ** Expenditure (Amount in Rs) in 2008-09	NR	NR	NR
<p>* As per cent to GSDP ** Calculated as per the methodology explained in the Appendix 1.2 – Part A. AE: Aggregate Expenditure DE: Development Expenditure SSE: Social Sector Expenditure CE: Capital Expenditure. Population of Uttarakhand: 0.91 crore in 2005-06 and 0.96 crore in 2008-09. # Development expenditure includes Development Revenue Expenditure, Development Capital expenditure and Loans and Advances disbursed. Source : (1) For GSDP, the information was collected from the State's Directorate of Economics and Statistics (2) Population figures were taken from Projection 2001-2026 of the Registrar General & Census Commissioner, India. (Website: http://www.censusindia.gov.in) Population = Average of Projected population for 2005 and 2006. NR = No adjustment required since the state is giving adequate fiscal priority.</p>			

In **Table 1.9**, comparison is drawn between the fiscal priority given to different categories of expenditure and fiscal capacity of Uttarakhand in 2005-06 (the first year of the Award Period of the Twelfth Finance Commission) and the current year 2008-09. In 2005-06, the Uttarakhand Government gave adequate fiscal priority to Aggregate Expenditure (AE), Developmental Expenditure (DE), Social Sector Expenditure (SSE) and Capital Expenditure, since AE/GSDP alongwith DE/AE, SSE/AE and CE/AE ratios in the case of Uttarakhand was much higher than the national average. In 2008-09, it is observed there was adequate priority for all categories of expenditure compared to the national average except DE, where the DE/AE ratio was less than the All States average.

Since Uttarakhand is a special category state, with a relatively small population base, the *per capita* expenditure of DE, SSE and CE in 2005-06 as well as in 2008-09, was higher than the national average.

1.5.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods⁵. Apart from improving the

⁵ *Core public goods* 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 etc. *Merit goods* 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 etc.

allocation towards development expenditure⁶, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use 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 1.10** presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year vis-à-vis budgeted and the previous years, **Table 1.11** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

Table 1.10: Development Expenditure

(Rupees in crore)

Components of Development Expenditure	2004-05	2005-06	2006-07	2007-08	2008-09	
					BE	Actuals
Development Expenditure (a to c)	4155(65)	5103(68)	5441(66)	6521(67)	8283	6973(66)
a. Development Revenue Expenditure	2294(36)	3468(47)	3828(46)	4290(44)	5301	5015(48)
b. Development Capital Expenditure	988(16)	1518(20)	1526(18)	2034(21)	2575	1842(17)
c. Development Loans and Advances	173(3)	117(1)	87(1)	197(2)	407	116(1)

Figures in parentheses indicate percentage to aggregate expenditure

The share of developmental revenue expenditure in the total expenditure showed an inter-year variation during the period 2004-05 to 2008-09 at an average rate of 44 per cent. The share of developmental capital expenditure also showed inter-year variations and dipped by 4 per cent during the year as compared to 2007-08. However, the overall development expenditure increased by 68 per cent over the period 2004-09.

Table 1.11: Efficiency of Expenditure Use in Selected Social and Economic Services

(In per cent)

Social/Economic Infrastructure	2007-08			2008-09		
	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)						
General Education	1.76	14.62	0.01	1.44	15.87	0.01
Health and Family Welfare	1.62	2.76	0.03	0.74	3.20	0.03
WS, Sanitation, & HUD	0.16	0.03	0.02	0.20	0.03	0.01
Total (SS)	4.31	18.10	0.07	2.66	20.38	0.07

⁶ 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.

Economic Services (ES)						
Agri & Allied Activities	0.72	2.77	0.22	0.55	3.20	0.24
Irrigation and Flood Control	3.76	1.28	0.39	4.79	1.55	0.36
Power & Energy	2.65	0	0	1.57	-	-
Transport	8.08	0.07	1.13	7.11	0.08	0.97
Total (ES)	16.65	5.38	1.74	14.82	6.58	1.56
Total (SS+ES)	20.96	23.47	1.81	17.48	26.96	1.63

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

Though no specific norms regarding prioritisation of capital expenditure have been laid in FRBM Act, the Government had made a budget provision of Rs.2,802 crore under the Capital Head during 2008-09. This shows the government's commitment to provide the basic infrastructure in the State. However, the actual capital expenditure during the year had to be restricted on account of rise in the revenue expenditure. Capital expenditure both in Social and Economic sectors decreased by 3.48 per cent from 20.96 per cent in 2007-08 to 17.48 per cent in 2008-09.

During 2008-09, salaries and wages as a percentage of revenue expenditure on Social Services and Economic Services increased by 2.28 per cent and 3.49 per cent respectively. In Operational and Maintenance expenditure as a percentage of revenue expenditure remained almost stagnant both in Social and Economic Service.

1.5.3 Effectiveness of the Expenditure, i.e. Outlay-Outcome Relationship

Besides stepping up the expenditure on key social and economic services, enhancing human development requires the State to improve the delivery mechanism to achieve the desired outcomes. The State Government is expected to relate expenditure to outcomes in terms of quality, reach and the impact of government expenditure.

a) With the creation of Uttarakhand in November 2000, its hydro-power potential was recognized as key to the development of the State. The Government chalked out an ambitious plan to harness its hydropower potential through the concerted efforts of both the State and the private sector. The State policy to encourage generation of hydro-power was formulated in October 2002. The prime aim was to develop the state as 'Urja Pradesh', which would cater not just to the needs of the State but also to that of the power starved northern grid.

A performance review appearing as a stand-alone Audit Report on the 'hydro-power development through private sector participation' covering the key aspects of planning, allotment, operation, environment impact and monitoring of the projects revealed that:

Forty-eight projects with a total planned generation capacity of 2423.10 MW had been undertaken by Independent Power Producers (IPPs) in the State during 1993 to 2006, however, till March 2009, only 10 per cent of the projects with generation

capacity of 418.05 MW were complete and operational. The prime reasons for the delays are problems associated with land acquisition, forest clearances and enhancement in project capacities. Significant areas of concern leading to non-achievement of the planned generation capacity are inadequate pre-feasibility studies for the projects, deficient project execution and primarily, absence of monitoring and evaluation of the projects by departmental authorities/nodal agency (UJVNL). More grave is the total neglect of environmental concerns, the cumulative impact of which may prove devastating for the natural resources of the State.

b) The performance audit of the Uttarakhand Parivahan Nigam for the period from 2004-05 to 2008-09 was conducted to assess efficiency and economy of its operations, ability to meet its financial commitments, possibility of realigning the business model to tap non-conventional sources of revenue, existence and adequacy of fare policy and effectiveness of the top management in monitoring the affairs of the Nigam.

The Nigam provides public transport in the State through a fleet strength of 1095 buses as on 31 March 2009 and carried an average of 1.11 lakh passengers per day. The Nigam suffered a loss of Rs.14.09 crore in 2008-09 and its accumulated losses and borrowings stood at Rs.236.61 crore and Rs.33.13 crore as on 31 March 2009, respectively. The Nigam earned Rs.14.96 per km and expended Rs.16.04 per km in 2008-09. Audit noticed that with a right kind of policy measure and better management of its affairs, it is possible to increase revenue and reduce costs, so as to earn profit and serve its cause better. Though the Nigam did well on operational parameters, its 73 per cent routes were unprofitable due to high cost of operations and non-reimbursement of full cost of operations on uneconomical routes by the State Government. Nigam's performance on repair and maintenance was poor. The Nigam earned a net profit of Rs.10.57 crore from hired buses during 2004-09. As this activity is profitable and has the potential to cut down the cost substantially, the Nigam needs to explore possibility to replace overage buses by hiring more buses in future. The expenditure on manpower and fuel has to be controlled.

1.6 Analysis of Government Expenditure and Investments

In the post-FRBM framework, the State is expected to keep its fiscal deficit (and borrowing) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. In addition, in a transition to complete dependence on market based resources, the State Government needs to initiate measures to earn adequate return on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidy and take requisite steps to infuse transparency in 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.

1.6.1 Financial Results of Irrigation Works

The financial results of ten major irrigation projects with a capital outlay of Rs.596.47 crore at the end of March 2009 as per the Statement no. 3 of the Finance Accounts showed that revenue realized from these projects during 2008-09 (Rs.5.91 crore) was very low (0.99 *per cent*) compared to the capital outlay. It was barely sufficient to cover even the direct working expenses (Rs.33.94 crore) during 2008-09 and the government bore the remaining expenses of Rs.28.03 crore through budgetary support this year.

1.6.2 Incomplete projects

The department-wise information pertaining to incomplete projects as on 31 March 2009 is given in **Table 1.12**.

Table 1.12: Department-wise Profile of Incomplete Projects

(Rupees in crore)

Department	No. of Incomplete Projects	Initial Budgeted Cost	Revised Total Cost of Projects*	Cost Over Runs	Cum. actual exp as on 31.3.2009
Public Works Department	325	792.82	52.45	10.47	426.42
Irrigation	57	187.04	...	..	112.46
Total	382	979.86	52.45	10.47	538.88

* Indicates the Revised total cost of the projects as per the last revision by the State Government as on 31.03.2009

Information provided by the State Government showed that there were 382 projects which were due for completion as on 31 March 2009, but were incomplete. These incomplete projects include 17 projects (PWD) with initial budgeted cost of Rs.41.98 crore whose revised estimates escalated to Rs. 52.45 crore thereby resulting in cost over run of Rs.10.47 crore. The time over runs of these 17 incomplete works were within the range of one month to two years.

1.6.3 Investment and returns

As on 31 March 2009, Government had invested Rs.1071 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (**Table 1.13**). The average return on this investment was 0.03 *per cent* in the last three years while the Government paid an average interest rate of 7.84 *per cent* on its borrowings during 2006-07 to 2008-09.

Table 1.13: Return on Investment

Investment/Return/Cost of Borrowings	2004-05	2005-06	2006-07	2007-08	2008-09	
					BE	Actual
Investment at the end of the year (Rs in crore)	333	669	762	1005	279	1071
Return (Rs in crore)	0.26	0.07	0.16	0.53		0.23
Return (<i>per cent</i>)	0.08	0.01	0.02	0.05		0.02

Average rate of interest on Government borrowing (per cent)	9.10	7.47	7.79	7.99		7.75
Difference between interest rate and return (per cent)	9.02	7.46	7.77	7.94		7.73

Out of 12 Government Companies / Corporations, two companies' i.e. Uttaranchal Hydro Electric Corporation and Power Corporation Fund had received major share of investment by the end of 31 March 2009 totaling to Rs.540 crore and Rs.391 crore respectively. The accumulated loss of the Government Companies (seven) amounting to Rs.325 crore was mainly incurred by three companies viz. Uttarakhand Transport Corporation Limited (Rs.237 crore), Kichha Sugar Company Limited (Rs.50 crore) and Doiwalla Sugar Company Limited (Rs.28 crore). Uttarakhand Jal Vidyut Nigam Limited had, however, an accumulated profit of Rs.15 crore.

1.6.4 Departmental Commercial Undertakings

Activities of quasi-commercial nature are also performed by the departmental undertakings of certain Government departments. The department-wise position of the investment made by the Government up to the year for which pro forma accounts are finalized, net profit/loss as well as return on capital invested in these undertakings are given in **Appendix 1.6**. It is observed that:

- An amount of Rs.1.74 crore had been invested by the State Government in Government Irrigation Workshop, Roorkee at the end of financial year up to which their accounts were finalized (i.e. 2007-08).
- Of the total three undertakings, Irrigation Workshop, Roorkee; RFC, Haldwani and RFC Dehradun, only Workshop, Roorkee could earn net profit amounting to Rs.0.13 crore against the capital invested of Rs.1.74 crore. The interest received on the capital was Rs.4.41 crore. Thus, the percentage return (profit + interest) on the capital invested was 9.93 per cent.
- The accumulated losses of the two departmental undertakings viz. RFC, Haldwani and RFC, Dehradun were Rs.45.15 crore.

1.6.5 Loans and advances by State Government

In addition to investments in co-operative societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/ organizations. **Table 1.14** presents the outstanding loans and advances as on 31 March 2009, interest receipts *vis-à-vis* interest payments during the last three years.

Table 1.14: Average Interest Received on Loans Advanced by the State Government

(Rupees in crore)

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2006-07	2007-08	2008-09	
			BE	Actual
Opening Balance	482.80	565.68		709.79
Amount advanced during the year	102.38	212.54	407.12	121.71

Amount repaid during the year	19.50	68.43	161.60	53.63
Closing Balance	565.68	709.79		777.87
<i>Of which</i> Outstanding balance for which terms and conditions have been settled	Information not made available by the State Government			
Net addition	82.88	144.11		68.08
Interest Receipts	0.97	1.01		0.83
Interest receipts as <i>per cent</i> to outstanding Loans and advances	0.17	0.14		0.11
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government.	7.40	7.61		7.30
Difference between interest payments and interest receipts (<i>per cent</i>)	7.23	7.47		7.19

During 2008-09 Government advanced loans to the tune of Rs.122 crore against Rs.213 crore in 2007-08, a decrease of Rs.91 crore over the previous year.

Interest receipts as a percentage of outstanding loans and advances have been on a downward trend over the years 2006-09, with the figure reaching 0.11 in 2008-09. Average rate of interest on which the State Government raised market loans was 7.98 *per cent* during 2008-09 while the interest received on Loans and Advances given by the State was 0.11 *per cent*. TFC recommended that at least 7 *per cent* return on outstanding loans and advances should be achieved in graded manner by the terminal year of the forecast period, a target that the State seems unlikely to achieve. The total loans advanced by the Government ended 31 March 2009 stood at Rs.778 crore. The major beneficiaries were energy (Rs.421 crore) and agriculture (Rs.276 crore) sectors. Uttarakhand Power Corporation and Uttarakhand Power Corporation for Rural Electrification together accounted for Rs.335 crore under energy sector. The Uttarakhand cooperative Sugar Mills for payment of sugar price had a share of Rs. 239 crore under agriculture sector.

The recovery of loans and advances has not been upto the mark; the recoveries other than from energy sector were nil and the amount advanced was Rs.345 crore as on 31 March 2009.

1.6.6 Cash Balances and Investment of Cash balances

Table 1.15 depicts the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.15: Cash Balances and Investment of Cash balances

(Rupees in crore)

Particulars	As on 1 st April 2008	As on 31 st March 2009	Increase/ Decrease
Cash Balances			
Investments from Cash Balances (a to d)			
a. GOI Treasury Bills	...	...	...
b. GOI Securities	675.04	730.03	(+) 54.99
c. Other Securities, if any specify	...	...	...
d. Other Investments	...	...	...

Funds-wise Break-up of Investment from Earmarked balances (a to c)			
a. ----	----	---	----
b. i. Sinking Fund Investment Account	655.04 20.00	705.03 25.00	(+) 49.99 (+) 5.00
ii. Guarantee Redemption Fund			
c. ----	----	----	----
Interest Realized	11.63	16.08	(+) 4.45

The State Government had invested Rs.730.03 crore in GoI Securities and earned an interest of Rs.16.08 crore during 2008-09. The interest realized on cash balance was 2.20 per cent during 2008-09 while Government paid interest at the average rate of 7.75 per cent on its borrowings during the year.

The efficiency of handling the cash balances by the State can also be assessed by monitoring the trends in monthly daily average of cash balances held by the State to meet its normal banking transactions. **Table 1.16** presents the trends in monthly average daily cash balances and the investments in Auction Treasury Bills for the last three years (2006-09).

Table 1.16: Trends in Monthly Average Daily Cash Balances and the Investments in Auction Treasury Bills

(Rupees in crore)

Month	Monthly Average Daily Cash Balances			Investment in 14 days Treasury Bills		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
April	41.29 Dr.	11.12 Cr.	13.96Dr.	328.14	317.60	8.52
May	12.36 Dr.	22.73 Cr.	46.78Dr.	606.62	385.51	129.03
June	55.56 Cr.	10.42 Dr.	2.57Cr.	839.73	946.57	812.04
July	55.70 Dr.	38.24 Cr.	7.35 Dr.	1038.35	1107.84	746.09
August	42.02 Cr.	13.18 Dr.	35.36 Dr.	797.63	1126.17	1267.15
September	8.25 Dr.	12.99 Dr.	11.38Dr.	498.46	840.86	1034.08
October	13.38 Cr.	63.96 Dr.	16.05Dr.	460.80	571.73	555.80
November	9.24 Dr.	36.27 Dr.	37.16 Dr.	394.69	476.45	279.99
December	9.93 Dr.	16.44 Dr.	8.76 Dr.	256.08	297.77	1134.72
January	1.03 Cr.	37.43 Dr.	30.84 Dr.	125.14	333.95	1372.17
February	29.69 Cr.	5.04 Cr.	25.79 Cr.	119.23	707.57	1149.06
March	8.22 Cr.	10.25 Cr.	547.57 Dr.	890.55	643.40	1045.45

Source: Data provided by AG(A&E), Uttarakhand.

Treasury Bills amounting to Rs.9,534.06 crore were purchased and Rs.9,534.06 crore sold during the period 1.4.2008 to 31.3.2009. The State was able to maintain a minimum balance of Rs.16 lakh and did not avail overdraft facilities since 2004-05.

However, temporary balances in cash flow forced the Government to obtain Ways & Means Advances (WMA) on 83 occasions during the year. The State had to pay Rs.2.61 crore as interest on WMA during the year.

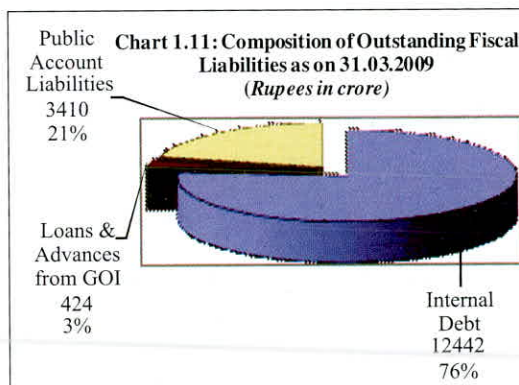
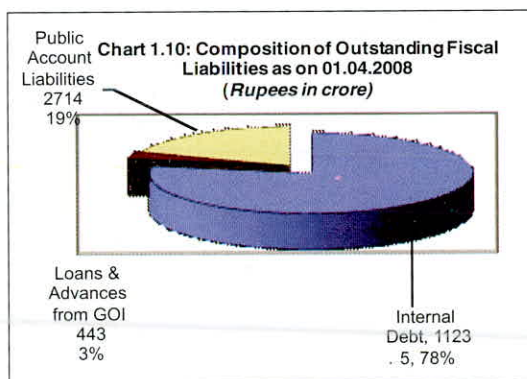
1.7 Assets and Liabilities

1.7.1 Growth and composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like 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** gives an abstract of such liabilities and the assets as on 31 March 2009, compared with the corresponding position on 31 March 2008. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

1.7.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.3**. However the composition of fiscal liabilities during the current year *vis-à-vis* the previous year are presented in **Chart 1.10** and **1.11**.



The overall fiscal liabilities increased by 64 per cent from Rs.9,910 crore in 2004-05 to Rs.16,276 crore in 2008-09. The State liabilities which stood at Rs. 16,276 crore in 2008-09 was mainly composed of Public debt (Rs.12,866 crore), Small savings and Provident Fund (Rs.1,887 crore), and other obligations (Rs.1,522 crore). The increase in the fiscal liabilities during the current year as compared to the previous year 2007-08 was mainly on account of internal debt and Small Savings Provident Fund etc. which rose by Rs.1,208 crore and Rs.531 crore respectively. The growth of fiscal liabilities is being tightened over the years; it was 13 per cent in 2008-09 over the

previous year. The buoyancy of these liabilities with respect to GSDP during the year was 1.02 indicating that for each percentage point increase in GSDP; fiscal liabilities grew by 1.02 *per cent*. These liabilities stood at 1.9 times State's revenue receipts and 4.3 times its own resources. The sinking fund is in operation since the inception of the State for amortization of open market loans and the State has to contribute @ 3 *per cent* of outstanding balance of market loans of the previous year. However, the State Government provided only Rs.50 crore during the year as against Rs.150 crore due for the purpose.

1.7.3 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.

No law under Article 293 of the Constitution had been passed by the State Legislature fixing the maximum limit within which, the Government may give guarantees on the security of the Consolidated Fund of the State. The FRBM Act, 2005 also 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 this Act or any rule or to be made by the State Government subsequent to coming into force of this Act. However, State Government has not enacted any law as on date to cap the guarantees.

As per Statement 6 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years is given in **Table 1.17**.

Table 1.17: Guarantees given by the Government of Uttarakhand

(Rupees in crore)

Guarantees	2006-07	2007-08	2008-09	
			BE	Actual
Maximum amount guaranteed	371	...	.....	125
Outstanding amount of guarantees	1716	1677	....	1802
Percentage of maximum amount guaranteed to total revenue receipts	23.71	21.25		20.87
Criteria as per FRBM Act/any other Act or Order of the State	No rules in pursuance to FRBM Act, 2005 have been framed by the GoU			

The quantum of government guarantees at Rs.1,802 crore was exactly the same amount as had been set in the MTFP of the State Government for the year 2008-09. Outstanding guarantees are in the nature of contingent liabilities, which stood at 21 *per cent* of revenue receipts (2008-09) of the State. The major beneficiaries of guarantees were Energy Department (Rs.1,600 crore), Uttarakhand State Cooperative Bank Limited (Rs.125 crore), Urban Development Department (Rs.64 crore) and Social Welfare Department (Rs.13 crore).

1.8 Debt Sustainability

Apart from the magnitude of debt of State Government, it is important to analyze various indicators that determine the debt sustainability⁷ of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilization⁸; sufficiency of non-debt receipts⁹; net availability of borrowed funds¹⁰; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.18** analyzes the debt sustainability of the State according to these indicators for the period of three years beginning from 2006-07.

Table 1.18: Debt Sustainability: Indicators and Trends

Indicators of Debt Sustainability	2006-07	2007-08	2008-09
Debt Stabilization (Quantum Spread + Primary Deficit)	(+) 1033	(+) 347	(+) 172
Sufficiency of Non-debt Receipts (Resource Gap)	(+) 993	(-) 859	(-) 99
Net Availability of Borrowed Funds	357	212	164
Burden of Interest Payments (IP/RR Ratio)	13.07	13.89	13.76
Maturity Profile of State Debt (In Years)			
0 - 1	Not available	459	636
1 - 3		1201	2132
3 - 5		2358	1739
5 - 7		2134	2158
7 and above		4775	5319

Source: Finance Accounts

⁷ The Debt sustainability is defined as the ability of the State to maintain a constant 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 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 constant 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 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 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.

The trends in **Table 1.18** indicate that during 2006-07 to 2008-09 the quantum spread together with primary deficit/surplus remained positive thereby suppressing the debt-GSDP ratio which declined to 40.52 *per cent* in 2008-09 from 41.54 *per cent* in 2006-07 and *is still higher than TFC recommendation of 30 per cent*. If these trends continue, the state will move towards debt stabilization in ensuing years.

Another indicator for debt stability and its sustainability is the 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. A positive resource gap strengthens the capacity of State to sustain the debt. **Table 1.18** indicates resource gap as defined for the period 2006-09.

Due to significant increase in State's own taxes (Rs.728 crore: 40.78 *per cent*) and Grants-in-aid (Rs.989 crore: 47.28 *per cent*) in 2006-07, the State experienced a positive resource gap. The gap however again turned negative in 2007-08, and continued to be so during the current year. These trends indicate that State needs to make sustainable efforts to mobilize more resources to meet the incremental liabilities arising on account of additional primary expenditure and interest payments during the year.

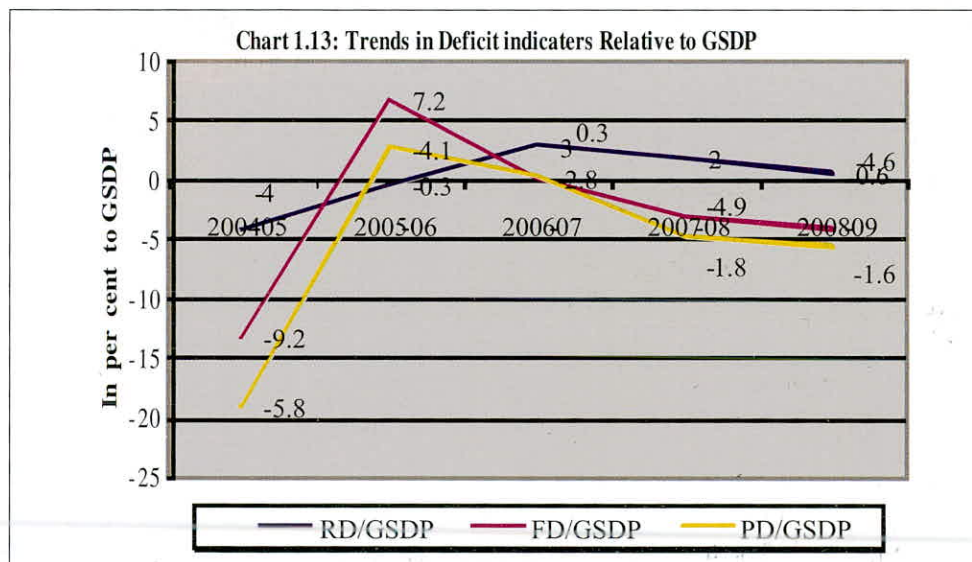
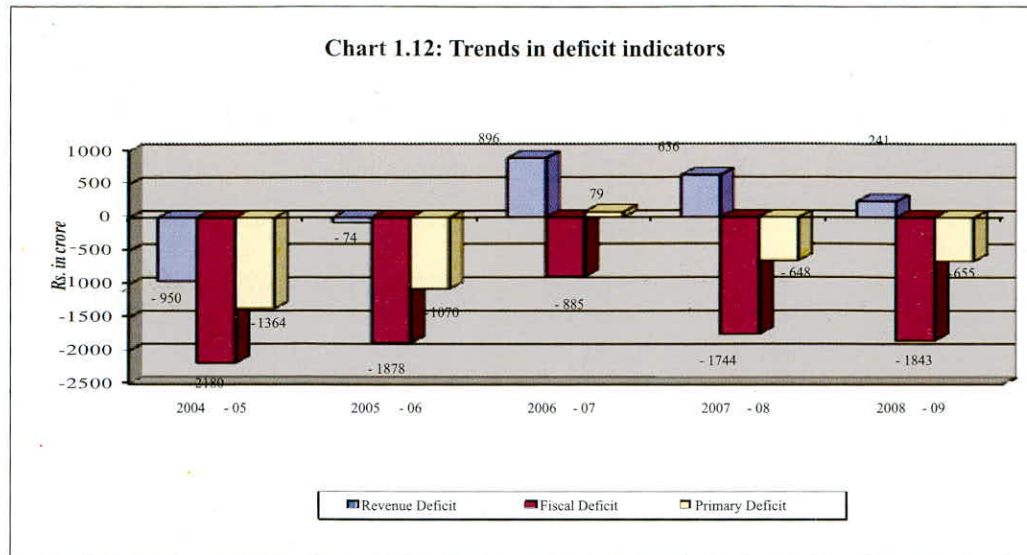
Debt redemption ratio steadily increased during the period 2004-09 indicating the fact that the borrowed funds are being increasingly used for the repayments towards the discharge of past debt obligations during the period. During the current year, internal debt redemption was 91 *per cent* of fresh debt receipts, redemption of GOI loans was 305.55 *per cent* while in case of other obligations repayments were 94.49 *per cent* of fresh receipts. These trends indicate towards the fact that the focus of the Government seems to be on discharging the past debt obligations.

1.9 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. 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 and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under FRBM Act/Rules for the financial year 2008-09.

1.9.1 Trends in Deficits

Chart 1.12 and 1.13 present the trends in deficit indicators over the period 2004-09.



The revenue deficit which continued upto 2005-06 showed a turn around in 2006-07 and has been so this year too. However, quantum of revenue surplus has decreased from Rs.636 crore to Rs.241 crore. The fiscal deficit has been on the higher side during 2008-09 and was (4.59 per cent of GSDP) above the 3 per cent as had been set forth in FRBM, Act 2005. The primary deficit has remained almost the same as compared to previous year.

The revenue surplus achieved during the year was not sufficient to meet the Capital Expenditure as was targeted in the FCP and MTFP. Therefore, in order to keep the

fiscal deficit under some control, Capital Expenditure in key sectors like Energy and Transport was curtailed by the Government.

1.9.2 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 1.19**.

Table 1.19: Components of Fiscal Deficit and its Financing Pattern

(Rupees in crore)

	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Decomposition of Fiscal Deficit						
1	Revenue Deficit/Surplus	950	74	(+) 896	(+) 636	(+) 241
2	Capital Expenditure	1136	1705	1699	2235	2016
3	Net Loans and Advances	94	99	82	145	68
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	--	404	319	733	884
2	Loans from GOI	125	(-) 23	(-) 9	(-) 16	(-) 19
3	Special Securities Issued to NSSF	968	1018	580	195	120
4	Loans from Financial Institutions	472	111	101	213	204
5	Small Savings, PF etc	113	100	88	155	531
6	Deposits and Advances	(-) 169	196	175	142	61
7	Suspense and Misc	(-) 171	558	(-) 491	138	(-) 331
8	Remittances	(-) 99	(-) 217	35	85	(-) 238
9	Others	(-) 9	(-) 269	87	99	631
10	Overall Surplus/Deficit	2180	1878	885	1744	1843

Figures in brackets indicate the per cent to GSDP.
*All these figures are net of disbursements/outflows during the year

The revenue deficit, which turned surplus in 2006-07, did not keep increasing instead showed a declining trend thereafter, which in turn resulted in increasing fiscal deficit over the period 2007-09. The fiscal deficit was largely managed by Internal Debt (market borrowings and loans from financial institutions) which constituted 66 per cent of the fiscal deficit during the year. Although there was a decrease (10 per cent) in capital expenditure during the year, even then the fiscal deficit could not be contained.

1.9.3 Quality of Deficit/Surplus

The ratio of RD to FD and the primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit (**Table 1.20**) would indicate the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table 1.20: Primary deficit/Surplus – Bifurcation of factors

Year	Non-debt receipts*	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	(Rupees in crore)	
						Primary revenue deficit (-) /surplus (+)	Primary deficit (-) /surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2004-05	4173	4220	1136	181	5537	(-) 47	(-) 1364
2005-06	5573	4803	1705	135	6643	(+) 770	(-) 1070
2006-07	7393	5513	1699	102	7314	(+) 1880	(+) 79
2007-08	7959	6159	2235	213	8607	(-) 1800	(-) 648
2008-09	8689	7206	2016	122	9344	(+) 1483	(-) 655

* Receipts other than Public Debt receipts i.e such receipts which are not to be paid back

Table 1.20 shows that the non-debt receipts over the period 2004-05 to 2008-09 were sufficient to meet the primary revenue expenditure, except in 2004-05. The ratio of Capital expenditure to Primary expenditure has shown a fluctuating trend and ranged from 20.52 *per cent* to 25.97 *per cent*. The primary revenue deficit in 2008-09 has declined by 17.61 *per cent* from the previous year only because the capital expenditure had also decreased, which is not appropriate as the Government's commitment towards infrastructure development will receive a set-back.

1.9.4 State's Own Revenue and Deficit Correction

It is worthwhile to observe the extent to which the deficit correction is achieved by the State on account of improvement in its own resources which is an indicator of the durability of the correction in deficit indicators. **Table 1.21** presents the change in revenue receipts of the State and the correction of the deficit during the last three years.

Table 1.21: Change in revenue Receipts and Correction of Deficit

Parameters	2006-07	2007-08	(Per cent of GSDP)	
			2008-09	
			BE	Actual
Revenue Receipts (a to d)	7373	7891	10456	8635(22)
a. State's Own Tax Revenue	2513	2739	3120	3045(8)
b. State's Own Non- tax Revenue	647	668	897	699(2)
c. State's Share in Central Taxes and Duties	1132	1428	1680	1507(4)
d. Grants-in-Aid	3081	3056	4759	3384(8)
Revenue Expenditure	6477	7255	8663	8394(21)
Revenue Deficit/Surplus	(+) 896	(+) 636	1794	(+) 241(0.60)
Fiscal Deficit/Surplus	885	1744	1155	1843(4.59)

Comparison of Revenue Receipts *vis-à-vis* Revenue Expenditure showed that the revenue receipts grew by 9 *per cent* against 16 *per cent* increase in revenue expenditure during the year. This in turn resulted in decline in revenue surplus during the year. The Budget Estimates for Own Tax Revenue (OTR) and Non Tax Revenue (NTR) did come to the expectation thereby resulting in containment of fiscal deficit which stood at 4.6 *per cent* of the GSDP during the year.

1.10 Conclusion /Observations

Reduction in Revenue Surplus

Although the tax revenue and non-tax revenue receipts exceeded normative assessments made by TFC by 40.26 *per cent* and by 9.81 *per cent* respectively during 2008-09. The revenue surplus decreased by Rs.395 crore (62.11 *per cent*) on account high revenue expenditure, which grew by 16 *per cent* over the previous year. The Government needs to improve its revenue collection as arrears of revenue (excluding forest revenue) at the end of 2008-09 amounted to Rs.759.27 crore, of which Rs.176.83 crore (23 *per cent*) were more than five years old.

The expenditure pattern of the State reveals that the revenue expenditure as a percentage of total expenditure increased during the current year and remained around 80 *per cent* leaving inadequate resources for creation of assets. The non-plan revenue expenditure (NPRES) increased by 15 *per cent* over the previous year. The NPRES exceeded the normative assessment made by TFC, assessment made by Government in its FCP and MTFPS by 18.82 *per cent*, 1.18 *per cent* and 2.91 *per cent* respectively. The Plan Revenue Expenditure (PRE) increased by 18.56 *per cent* over the previous year.

Within revenue expenditure, NPRES at Rs.6,220 crore in 2008-09 was although within the budgeted level of Rs. 6,147 crore but remained significantly higher than the normatively assessed level of Rs.5,235 crore by TFC for the year. Further, the salaries and wages, pensions and interest payments continued to consume a major share of NPRES which was around 81 *per cent* during 2008-09.

Capital Expenditure decreased by 10 *per cent* over the previous year and was four *per cent* lower than what was projected in MTFPS.

Fiscal Deficit

Fiscal deficit at 4.59 *per cent* of GSDP seemed to be sustainable, because the capital expenditure was not met as per the budget estimates and was even 10 *per cent* less than the previous year. Therefore, the target of reducing the fiscal deficit to 3 *per cent* of GSDP by 2009-10 is unlikely to be achieved.

The ratio of fiscal liabilities to GSDP stood at 41 *per cent* during 2008-09. The State Government in FRBM, Act (**Appendix 1.2, Part-B**) has committed that the fiscal liabilities to GSDP ratio will be brought down to 25 *per cent* by 2014-15.

Return to fiscal correction

Uttarakhand is one of the earliest of States to have passed the Fiscal Responsibility and Budget Management Act. The State of Uttarakhand achieved the target of attaining revenue surplus in 2006-07 and continues to do so. Fiscal deficit of the State government at 4.90 *per cent* in 2007-08 is lagging behind the target of 3.5 *per cent* (revised) as envisaged in FRBM, Act but has shown some staggering in 2008-09 and is pegged at 4.59 *per cent*.

Greater priority to capital expenditure

Though no specific norms regarding prioritisation of capital expenditure have been laid in FRBM Act, the Government had made a budget provision of Rs.2,802 crore under the Capital Head during 2008-09. This shows the government's commitment to provide the basic infrastructure in the state. However, the actual capital expenditure during the year had to be restricted on account of rise in the revenue expenditure. Even though the share of Capital expenditure (both in Social and Economic sectors) in the aggregate expenditure decreased by 3.48 *per cent* from 20.96 *per cent* in 2007-08 to 17.48 *per cent* in 2008-09, it was still higher than the national average.

Review of Government investments

The average return on Uttarakhand Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives was almost negligible in the past three years while the Government paid an average interest of 7.75 *per cent* on this investment (**Para 1.6.3**). It would be advisable for the State Government to ensure better value for money in investments, otherwise high cost borrowed funds will continue to be invested in projects with low financial return. Projects which are justified on account of low financial but high socio-economic return may be identified and prioritized with full justification on it why high cost borrowings should be channeled there.

Prudent cash management

The cost of holding surplus cash balances is high. In 2008-09, the interest received on investment of cash balances in RBI Investment in Treasury Bills and Auction Treasury Bills was only 2.20 *per cent* while the Government borrowed on an average at 7.75 *per cent* (**Para 1.6.6**). Proper debt management through advance planning could reduce the need for the State government to hold large cash surpluses. Ways and Means facility of RBI can also be judiciously resorted to as long as the State does not avail of overdraft facility.

Debt sustainability

The Government of Uttarakhand should ideally keep the debt-GSDP ratio stable by adhering to the FRBM principle. Borrowed funds should be used as far as possible only to fund capital expenditure and revenue expenditure should be met from revenue receipts. Efforts should be made to return to the state of primary surpluses. Maintaining a calendar of borrowings to avoid bunching towards the end of the fiscal year and a clear understanding of the maturity profile of debt payments will go a long way in prudent debt management.

Oversight of funds transferred directly from the GoI to the State implementing agencies

As long as these funds remain outside the State budget, there is no single agency monitoring its use and there is no readily available data on how much is actually spent in any particular year on major flagship schemes and other important schemes which

are being implemented by State implementing agencies but are funded directly by the GoI. A system has to be put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the Accountant General (A&E).

CHAPTER-II

**FINANCIAL MANAGEMENT AND BUDGETARY
CONTROL**

CHAPTER- II

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 distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorized 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 provisions and are therefore complementary to Finance Accounts.

2.1.2 Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorization 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 summarized position of actual expenditure during 2008-2009 against 31 grants/appropriations is as given in **Table 2.1**:

Table 2.1: Summarized Position of Actual Expenditure vis-à-vis Original/Supplementary provisions
(Rupees in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	7332.60	1292.84	8625.44	7154.22	(-)1471.22
	II Capital	3208.57	126.67	3335.24	3082.02	(-)253.22
	III Loans and Advances	407.12	-	407.12	121.71	(-)285.41
Total Voted		10948.29	1419.51	12367.80	10357.95	(-)2009.85
Charged	IV Revenue	1329.92	48.61	1378.53	1263.82	(-)114.71
	V Capital	-	-	-	-	-
	VI Public Debt- Repayment	570.22	00	570.22	1031.24	(+)461.02
Total Charged		1900.14	48.61	1948.75	2295.06	(+)346.31
Appropriation to Contingency Fund (if any)		-	-	-	-	-
Grand Total		12848.43	1468.12	14316.55	12653.01	(-)1663.54

The overall saving of Rs.1,663.54 crore was the result of saving of Rs.2,124.56 crore in grants and appropriations under Revenue Section (59 cases), in grants and appropriation under Capital Section(4 cases), offset by excess of Rs.461.02 crore in one grant under Public Debt Repayment.

The savings/excess (Detailed Appropriation Accounts) were intimated (20 to 27 July, 2009) to the Controlling Officers requesting them to explain the significant variations. Departments against which significant savings were noticed during the year were Finance (Rs.544.31 crore), Energy (Rs.424.38crore), Medical, Health and Family Welfare (Rs.199.90 crore), Welfare of Scheduled Castes (Rs.185.30 crore), Education, Sports, Youth and Culture (Rs.174.25crore) and Public works (Rs.122.50 crore). The replies were awaited as of November 2009.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit reveals that in 29 cases, savings exceeded 1 crore in each case and by more than 20 per cent of total provision in 14 cases (**Appendix 2.1**). Against the total savings of Rs.2,010 crore, savings of Rs.1,969 crore (97.96 per cent)¹ occurred in 15 cases relating to 12 grants and one appropriation as indicated in **Table 2.2**.

Table 2.2: List of Grants with savings of Rs 50 crore and above

(Rupees in crore)

Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
Revenue-Voted						
1	06-Revenue & General Administration	263.38	34.99	298.37	230.80	67.57
2	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	1264.42	411.26	1675.68	1281.35	394.33
3	10- Police & Jail	381.48	102.29	483.77	432.66	51.11
4	11-Education, Sports, Youth Welfare & Culture	1740.37	213.88	1954.25	1794.58	159.67
5	12-Medical, Health & Family Welfare	424.60	102.27	526.87	404.81	122.06
6	13-Water Supply, Housing & Urban Development	623.98	80.84	704.82	616.14	88.68
7	15-Welfare	291.05	41.19	332.24	238.71	93.53
8	22-Public Work	304.09	83.05	387.14	335.96	51.18
9	27-Forest	314.96	43.10	358.06	289.28	68.78
10	30-Welfare of Scheduled Castes	308.65	10.24	318.89	231.56	87.33

¹ Exceeding Rs 50 crore in each case.

Capital-Voted						
1	12-Medical, Health & Family Welfare	154.69	00	154.69	76.86	77.83
2	21-Energy	644.68	00	644.68	220.30	424.38
3	22-Public Work	814.38	00	814.38	744.60	69.78
4	24-Transport	117.66	00	117.66	9.77	107.89
Revenue-Charged						
1	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	1306.03	41.80	1347.83	1242.97	104.86
Total		8954.42	1164.91	10119.33	8150.35	1968.98

2.3.2 Persistent Savings

In 19 cases, during the last five years there were persistent savings of more than Rs 10 crore in each case (Table 2.3).

Table 2.3: List of Grants indicating persistent savings during 2004-09

(Rupees in crore)

Sl.No.	No and Name of grant	Amount of Saving					Total
		2004-05	2005-06	2006-07	2007-08	2008-09	
Revenue-Voted							
1.	04-Judicial Administration	10.73	5.99	15.59	18.69	16.29	67.29
2.	05-Election	6.56	1.78	1.37	3.82	3.68	17.21
3.	06-Revenue & General Administration	33.74	69.05	90.37	30.52	67.57	291.25
4.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	458.35	307.56	114.41	106.16	394.33	1380.81
5.	12-Medical Health & Family Welfare	59.73	81.31	172.06	86.33	122.06	521.49
6.	13-Water Supply, Housing & Urban Development	80.59	205.55	423.35	68.45	88.69	866.63
7.	15-Welfare	76.43	23.91	23.84	36.41	93.53	254.12
8.	16-Labour & Employment	11.24	6.22	42.48	38.41	35.29	133.64
9.	18-Co-operative	3.20	14.71	7.96	1.39	7.72	34.98
10.	19-Rural Development	43.15	52.16	71.45	49.63	45.13	261.52
11.	22-Public Works	40.61	42.15	68.41	29.78	51.18	232.13
12.	23-Industries	10.31	14.19	43.21	14.96	13.08	95.75
13.	24-Transport	4.79	4.11	21.57	10.10	11.56	52.13
14.	26-Tourism	1.99	3.95	1.20	0.71	2.31	10.16
15.	28-Animal Husbandry	6.83	7.53	19.64	12.18	7.38	53.56
Capital-Voted							
1.	07- Finance, Tax, Planning, Secretariat & Miscellaneous Services	29.60	28.93	126.95	24.06	45.12	254.66

2.	11-Education, Sports, Youth Welfare & Culture	11.77	7.02	71.17	16.97	14.57	121.5
3.	15-Welfare	24.93	3.15	16.25	2.15	6.39	52.87
4.	23-Industries	35.71	78.97	122.69	40.58	5.41	283.36

Reasons for persistent savings were awaited (November 2009).

2.3.3 Excess Expenditure

In 02 cases, expenditure aggregating Rs.639.65 crore exceeded the approved provisions by Rs.576.12 crore and more than Rs.1 crore in each case or by more than 20 per cent of the total provision. Details are given in **Appendix 2.2**. Of these, in the following grants/heads (**Table 2.4**), excess expenditure by more than 20 per cent has been observed consistently for the last five years:

Table 2.4: List of Grants indicating persistent excess expenditure during 2004-09

(Rupees in crore)

Sl.No.	No and Name of grant	Amount of excess expenditure				
		2004-05	2005-06	2006-07	2007-08	2008-09
Capital-Voted						
1.	17-Agriculture works & Research	2.42	3.15	4.15	14.81	11.72
2.	25-Food	492.97	485.97	404.16	367.77	564.40
Total		495.39	489.12	408.31	382.58	576.12

Reasons for persistent excesses were awaited (November 2009).

2.3.4 Expenditure without Provision

Table 2.5: Expenditure incurred without provision during 2008-09

(Rupees in crore)

Name and Name of Grants/Appropriations	Amount of Expenditure without provision	Reasons/Remarks
29, Horticulture Development	4.32	Reasons were awaited

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was however, noticed that expenditure of Rs.4.32 crore was incurred in one case as detailed in **Table 2.5** without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

2.3.5 Excess over provisions relating to previous years requiring regularization

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed under the Article, the regularization of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to Rs.3,286.06 crore for the years 2004-08 was yet to be regularized as detailed in **Appendix 2.3**. The year-wise amount of excess expenditure pending regularization for grants/appropriations is summarized in **Table 2.6**.

Table 2.6: Excess over provisions relating to previous years requiring regularization

(Rupees in crore)

Year	Number of		Amount of excess over provision	Status of Regularization
	Grants	Appropriations		
2004-05	14	4,5,6,7,12,13,14,15,17,19,20,22,25&29	952.85	Status not intimated by the State Government
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	
Total			3286.06	

2.3.6 Excess over provisions during 2008-09 requiring regularization

Table 2.7 contains the summary of total excess in six grants amounting to Rs.1,157.42 crore over authorization from the Consolidated Fund of State (CFS) during 2008-09 and requires regularization under Article 205 of the Constitution.

Table 2.7: Excess over provisions requiring regularization during 2008-09

(Rupees in crore)

Sl. No.	Number and title of Grant/ Appropriation		Total Grant/ Appropriation	Expenditure	Excess
Revenue Voted					
1.	21	Energy	13.50	24.51	11.01
Capital Voted					
2.	17.	Agriculture Works & Research	61.53	73.25	11.72
3.	20.	Irrigation & Flood	583.52	687.47	103.95
4.	25.	Food	2.00	566.40	564.40
5.	29.	Horticulture Development	---	4.32	4.32
Charged Capital					
6.	07.	Finance, Tax, Planning, Secretariat & Miscellaneous Services	569.22	1031.24	462.02
Total			1229.77	2387.19	1157.42

Reasons for the excesses had not been intimated by the State Government/Department as of November 2009.

2.3.7 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating Rs.476.63 crore obtained in 26 cases, Rs.50 lakh or more in each case, during the year proved unnecessary as the expenditure did not come up to the level of original provision as detailed in **Appendix 2.4**. In two cases, supplementary provision of Rs.90.17 crore proved insufficient by more than Rs.1 crore in each leaving an aggregate uncovered excess expenditure of Rs.115.67 crore (**Appendix 2.5**).

2.3.8 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive or insufficient and resulted in savings of over Rs.561.61 crore in 43 sub-heads. The excess was more than Rs.64.81 crore in 37 sub-heads as detailed in **Appendix 2.6**.

Savings exceeding Rs.25 crore and above occurred in six cases (i) Rs.245 crore under Pensions and Other Retirement benefits (ii) Rs.25 crore of centrally sponsored scheme under Capital Outlay on Public Works due to non-consumption of funds (iii) Rs.53 crore of centrally sponsored scheme under Elementary Education due to saving in Mid Day Meal Programme (iv) Rs.34 crore due for travelling expenses and establishment expenses of Prantiyakaran Basic Education Board under Elementary Education (v) Rs.49 crore of centrally sponsored scheme under New Projects of Irrigation Department and (vi) Rs.34 crore of centrally sponsored scheme under New Schemes of Irrigation Canals.

2.3.9 Substantial surrenders

Substantial surrenders (the cases where more than 50 *per cent* of total provision was surrendered) were made in respect of 78 sub-heads on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision amounting to Rs.693.67 crore in these 78 schemes, Rs.437.67 crore (63 *per cent*) were surrendered, which included *cent per cent* surrender in 32 schemes (Rs.48.21 crore). The details of selected cases, audited/verified by the Audit are given in **Appendix 2.7**.

2.3.10 Surrender in excess of actual saving

In two cases, the amount surrendered (Rs.50 lakh or more in each case) was in excess of actual savings indicating lack / inadequacy of budgetary controls in these departments. As against savings of Rs.120.89 crore, the amount surrendered was Rs.221.66 crore resulting in excess surrender of Rs.100.77 crore. Details are given in **Appendix 2.8**.

2.3.11 Anticipated savings not surrendered

As per Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2008-09, there were, however, 11 grants/appropriations in which savings occurred but no part of which had been surrendered by the concerned departments. The amount involved in these cases was Rs.303.14 crore (15.08 per cent of the total savings) (**Appendix 2.9**).

Similarly, out of total savings of Rs.2010.09 crore under 38 other grants/appropriations (savings of Rs.1 crore and above were indicated in each grant/appropriation) amount aggregated Rs.1452.56 crore (72 per cent of total savings) were not surrendered, details of which are given in **Appendix 2.10**. Besides, in 19 cases, (surrender of funds in excess of Rs.10 crore), Rs.932.59 crore were surrendered (**Appendix 2.11**) on the last two working days of March 2009 indicating inadequate financial control and the fact that these funds could not be utilized for other developmental purposes.

2.3.12 Rush of expenditure

According to Financial Code, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 108 sub- major heads listed in **Appendix 2.12**, expenditure exceeding Rs.10 crore and also more than 50 per cent of the total expenditure for the year was incurred in March 2009. **Table 2.8** also presents the major heads where more than 50 per cent expenditure was incurred either during the last quarter or during the last month of the financial year.

Table 2.8: Cases of Rush of Expenditure towards the end of the financial year 2008-09
(Rupees in crore)

Sl. No.	Major Head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2009	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1	2015-Elections	13.66	9.88	72.32	6.82	49.89
2	2030-Stamps and Registration	21.61	17.75	82.13	15.47	71.58
3	2048-Appropriation and Reduction or Avoidance of Debt	55.00	50.00	90.90	---	----
4	2217-Urban Development	241.12	190.55	79.02	137.48	57.01
5	2235-Social Security and Welfare	251.70	133.33	52.97	90.76	36.05
6	2245-Relief on Account of Natural Calamities	82.06	65.18	79.42	30.86	37.60

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7	2402-Soil and Water Conservation	4.40	3.84	87.27	2.24	50.90
8	2425-Co-operation	15.84	8.49	53.59	2.31	14.58
9	2501-SpecialProgramms for Rural Development	40.58	24.11	59.41	17.65	43.49
10	2701-Medium Irrigation	9.03	5.17	57.25	4.73	52.38
11	2705-Command Area Development	1.50	1.50	100	1.50	100
12	2801-Power	16.42	16.35	99.57	2.09	12.72
13	2810-Non-conventional Sources of Energy	11.26	6.71	59.80	2.26	20.07
14	3053-Civil Aviation	4.27	2.34	54.80	1.93	45.19
15	3451-Secretariat-Economic Services	14.84	11.96	80.59	11.66	78.57
16	4055-Capital Outlay on Police	35.46	30.07	84.79	25.04	70.61
17	4059-Capital Outlay on Public Works	139.00	74.49	53.58	55.02	39.58
18	4202-Capital Outlay on Sports, Arts & Culture	151.99	96.92	63.76	80.09	52.69
19	4210-Capital Outlay on Medical and Public Health	75.59	52.68	69.69	33.06	43.73
20	4216-Capital Outlay on Housing	21.46	15.82	73.71	14.98	69.80
21	4235-Capital Outlay on Social Security and Welfare	4.16	3.73	89.66	2.68	64.42
22	4401-Capital Outlay on Crop Husbandry	6.12	4.75	77.61	1.05	17.15
23	4405-Capital Outlay on Fisheries	2.22	2.20	99.09	2.11	95.04
24	4406-Capital Outlay on Forestry and Wildlife	17.35	11.43	65.87	7.71	44.43
25	4515-Capital Outlay on Other Rural Development Programs	114.05	71.85	62.99	48.03	42.11
26	4701-Capital Outlay on Medium Irrigation	1.98	1.20	60.60	1.00	50.50
27	4711- Capital Outlay on Flood Control Projects	18.09	14.05	77.66	12.62	69.76
28	4801-Capital Outlay on Power Projects	164.81	107.69	65.34	107.69	65.34
29	5053-Capital Outlay on Civil Aviation	3.70	3.33	90.00	1.50	40.54
30	5055-Capital Outlay on Road Transport	6.07	4.47	73.64	4.16	68.53
31	6801-Loans for Power Projects	56.29	45.17	80.24	45.17	80.24
Total		1601.63	1087.01		769.67	

Scrutiny revealed that Rs.1,087.01 crore i.e.10.32 *per cent* of the total expenditure of Rs.10,532 crore (Rs.10,532 crore excludes recoveries Rs.968.34 crore and Public Debt Rs.1031.24 crore) was incurred in last quarter of the financial year.

There were 31 cases in which above 50 *per cent* expenditure was incurred in the last quarter of the financial year 2008-09. In addition to this in 15 cases, expenditure exceeding 50 *per cent* of the total expenditure was incurred in March 2009.

2.4 Non-reconciliation of Departmental figures

2.4.1 Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

As per financial rule, every Drawing Officer has to certify in each abstract contingent 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 countersignature and transmission to the Accountant General. The total amount of DCC bills received during the period June 2009 was only Rs.0.0024 crore against the amount of AC bills of Rs.6.47 crore leading to an outstanding balance of DCC bills of Rs.6.46 crore as on 31 March 2009. Year wise details are given in **Table 2.9**.

Table 2.9: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

Year	Amount of AC bills	Amount of DCC bills	DCC bills as percentage of AC bills	(Rupees in crore)
				Outstanding AC bills
2007-08	0.63	Nil	0	13
2008-09	3.25	Nil	0	09
2009-10 (upto June 2009)	2.59	0.0024	0.0093	30 (upto June 2009)
Total	6.47	0.0024	0.0093	52

Department-wise pending DCC bills for the years up to 2008-09 have been detailed in **Appendix 2.13**.

2.4.2 Un-reconciled Expenditure

To enable Controlling Officers of Departments to exercise effective control over expenditure to keep it within the budget grants and to ensure accuracy of their accounts, Financial Rules stipulate 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. 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 2008-09 also. 14 Controlling Officers out of 59, did not reconcile expenditure amounting to Rs.3,600 crore during 2008-2009, which constituted 34 per cent of the total expenditure of Rs.10,532 crore as detailed in **Table 2.10**:

Table 2.10: List of controlling officers where amounts exceeding Rs 10 crore in each case remained un-reconciled during 2008-2009

		<i>(Rupees in crore)</i>
Sl. No.	Controlling Officers	Amount not reconciled
1.	Chief Engineer, Public Work Department	993
2.	Chief Engineer, Irrigation Department	698
3.	Principal Secretary, Medical, Health & Family Welfare	41
4.	Principal Secretary, Home	484
5.	Secretary, State Finance Commission	21
6.	Secretary, Personnel	21
7.	Secretary, Rajya Sampati Vibhag	129
8.	Secretary, Women & Child Welfare	246
9.	Secretary, Education(Technical)	41
10.	Secretary, Housing and Urban Development	241
11.	Secretary, Revenue/Natural Calamity	82
12.	Secretary, Sports & Youth Welfare	155
13.	Secretary, Tourism	73
14.	Secretary, Water Supply	375
Total		3600

2.5 Advances from Contingency Fund

The Contingency Fund of the State has been established in terms of provisions of Article 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 authorization by the Legislature, would be undesirable. The fund is in the nature of an imprest and its corpus is Rs.85 crore.

Table 2.11: Expenditure met from contingency fund

							<i>(Rupees in crore)</i>
Sl.No	Major Head of Account	Total Grant/ Appropriation	Actual Expenditure	Amount drawn from Contingency fund	Date of sanction of Advance	Purpose for which advance taken	
1.	6003- Internal Debt of the State Government	55.00	54.99	22.25	23.03.2009	Repayment to NABARD	

2.	2220- Information & Publicity	7.23	7.14	5.00	31.03.2009	Advertising and visual Publicity
3.	2225- Welfare of Scheduled Castes, Scheduled Tribes & Other Backward Classes	91.56	66.81	4.77	24.02.2009	Providing of Housing facilities to SC/ST and Other Backward Classes
Total		153.79	128.94	32.02		

The expenditure to the tune of Rs.32.02 crore was met from the advances from Contingency Fund during the year and had not been recouped to the fund at the end of the year. The expenditure purely seemed unjustified as the Government could not foresee even its debt repayments, which are obligatory on the part of the Government and the expenditure on advertising and providing housing facilities to Scheduled Castes cannot be termed as of emergent nature requiring drawal from Contingency fund. Moreover, there was a saving of over Rs.25 crore under the three major heads even then the Government obtained advances from the Contingency Fund for meeting these expenditures.

2.6 Personal Deposit Accounts

Personal Deposit (PD) Accounts is created for parking funds by debit to the Consolidated Fund of the State and should be closed at the end of the financial year by minus debit to the relevant service heads. No PD Account was opened by the Uttarakhand Government in 2008-09.

2.7 Errors in Budgeting Process

Lapses or errors observed in the process of budgeting by the State Government for the financial year 2008-09 were as under:

- No remedial measures were taken by the Finance department while preparing the budget documents for 2008-09, as in 23 cases savings were recorded during 2007-08 but the allocations under these cases for 2008-09 were enhanced on conventional practice, which should have otherwise been done away with.
- In the Major Head 215, Expenditure on Photo Identification Card has been shown under 01-0101- Minor Head-103 while as per List of Major Head Minor Head, it should be shown under Minor Head-108.
- Bifurcation of Central- share and State -share under Centrally Sponsored Schemes have not been shown under various Major Heads i.e. 2014-800-01 and 4059-60-051-01.

- Minor Head 900-Recoveries has been shown below Sector-A Tax-Revenue, while as the list of Major and Minor Head of Accounts provides that the Minor Head-900 recoveries shall be shown below every Major Head coming under the Sector-A Tax-Revenue.
- Minor Head 800-Others has not been shown below the sub-major head-05 – calamity relief under the major head 2245-Relief on Account of Natural Calamities as is provided in the list of major and minor head.

2.8 Outcome of Review of Selected Grants

Grant number 07- Finance, Tax, Planning, Secretariat and Miscellaneous Services was selected for review which revealed:

Rush of Expenditure

General Financial rules provide that the expenditure shall be uniformly be incurred during the year taking month wise/quarter wise flow into consideration. In the case of Grant Number 07, the quarter wise flow of expenditure was not maintained during 2008-09 as per prescribed norms as is tabulated below:

Table No. 2.12

(Rupees in crore)

Sl.No.	Major Head	Expenditure in last Quarter	Expenditure in March	Total Expenditure	Percentage of expenditure in last quarter	Percentage of expenditure in March
1.	2030	17.75	15.47	21.61	82	72
2.	2045	0.69	0.42	1.66	42	21
3.	2052	17.20	15.74	44.76	38	12
4.	2054	10.15	7.16	28.00	36	24
5	2059	87.81	63.42	201.51	44	31
6.	2071	248.57	123.05	828.25	30	15
7.	3451	11.96	11.66	14.84	81	79
8.	3454	2.97	2.23	7.16	42	31
9.	3604	76.21	58.74	274.77	28	21

The rush of expenditure in nine major heads under this grant in the last quarter of 2008-09 was 50 per cent of the total expenditure of these respective major heads. This indicates lack of planning and also prudence in allocation of funds.

Rush of expenditure at the close of the year can lead to infructuous, nugatory or ill planned expenditure. The departments should ensure that the funds are expended

uniformly as prescribed throughout the year as far as practicable to avoid rush of expenditure at the end of the financial year.

Unnecessary Supplementary Grant

Supplementary Grants are obtained to cover the excesses that may be anticipated after mid review of the Grants/Appropriations during a particular financial year. However, it was noticed that supplementary Grants were obtained under Grant Number 07, without any proper planning as is tabulated below:

Table No. 2.13

(Rupees in crore)

Sl. No.	Major Head	Total Budget Provision				Actual Expenditure	Saving
		Original	Supplementary	Re-appropriation	Total		
Revenue Voted							
1.	2040	62.72	0.75	-10.50	52.97	36.58	16.39
2.	2047	3.23	0.55	-	3.78	2.66	1.12
3.	2052	44.94	3.68	1.99	50.61	44.30	6.31
4.	2071	700.01	406.00	-10.00	1096.01	828.25	267.76
5.	3454	7.69	0.04	-0.58	7.15	7.16	-
	Total	818.59	411.02	-19.09	1210.52	918.95	291.58

Supplementary grants amounting to Rs.411.02 crore were obtained for five major heads under Grant Number 07, proved unnecessary as 71 per cent of these funds remained unutilised during the year. This indicates the Government's failure of proper budget planning. The Government should therefore, put a proper mechanism in place to ensure better management of fund utilisation.

Unutilised entire provision

Annual Financial Statement of the State provides for provisions for different schemes and programmes in order to carry out various developmental programmes/schemes. In Grant number 07, it was noticed that entire budget provision remained unutilised at the end of financial year 2008-09 as is tabulated below:

Table No. 2.14

(Rupees in crore)

Sl No.	Major Head	Budget Provision	Saving
1.	2052	0.06	0.06
2.	2059	2.00	2.00
3.	2071	3.30	3.30
4.	3451	1.00	1.00
5.	3604	36.02	36.02
6.	2049	0.18	0.18
7.	4059	2.00	2.00
8.	7615	0.50	0.50
9.	6003	0.60	0.60
10.	6004	5.00	5.00
	Total	50.66	50.66

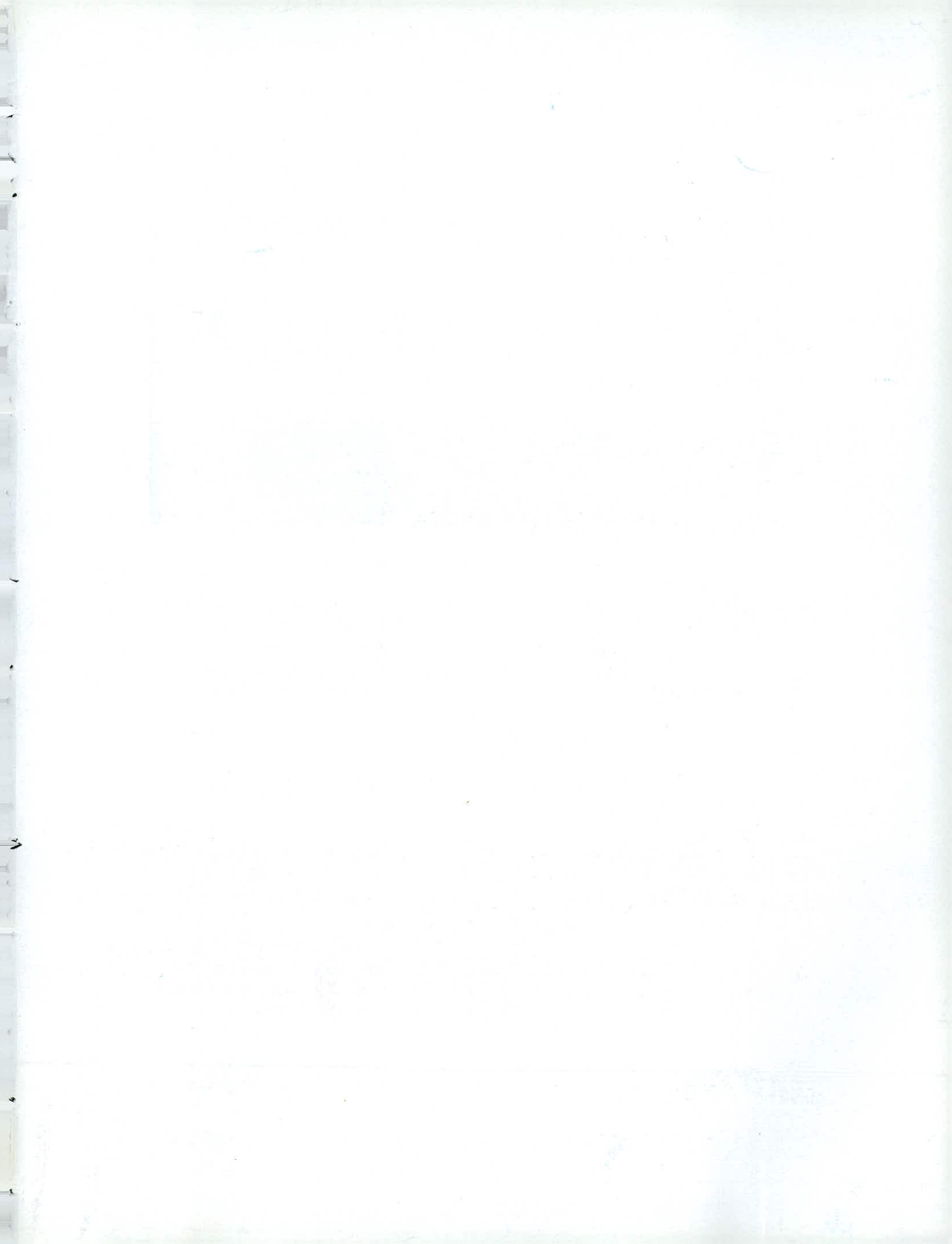
Entire Budget allocation of Rs.50 crore under various major heads of Grant Number 07 remained unutilised during 2008-09. This indicates improper budget planning of the State Government. This needs to be looked into to ensure optimum fund utilisation.

2.9 Conclusion and Recommendations

Slow pace of programme implementation in the State left an overall saving of Rs.2,124 crore offset by excess of Rs.461 crore; this requires regularisation under Article 205 of the Constitution of India (**para 2.3.5**). 'Water Supply, Housing and Urban development and 'Medical health and Family Welfare' sectors posted large savings persistently for the last five years (**para 2.3.2**). There were also instances of inadequate provision of funds and unnecessary/ excessive re-appropriations. Rush of expenditure at the end of the year is another chronic feature noticed in the overall financial management. In many cases, the anticipated savings were either not surrendered or surrendered on the last two days of the year leaving no scope for utilizing these funds for other development purposes. Detailed bills were not submitted for large amount of advances drawn on abstract contingent bills. Budgetary controls should be strictly observed to avoid such deficiencies in financial management. Last minute fund releases and issuance of re-appropriation/surrender orders should be avoided. The Government should sanction advances from the contingency fund only for meeting expenditure of an unforeseen and emergent character.

CHAPTER-III

FINANCIAL REPORTING



CHAPTER- III

FINANCIAL REPORTING

A sound internal financial reporting 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 compliances 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 and decision making. This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

3.1 Delay in furnishing Utilization Certificates

Financial Rules provide that for the grants provided for specific purposes, Utilization Certificates (UCs) should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to the Accountant General within 18 months from the date of their sanction unless specified otherwise. However, out of the 590 UCs due in respect of grants and loans aggregating to Rs.281.86 crore were in arrears till 2008-09. The age-wise delays in submission of UCs have been summarized in **Table 3.1**.

Table 3.1: Age-wise arrears of Utilization Certificates

(Rupees in crore)

Sl. No.	Range of Delay in Number of Years	Total grants paid		Utilization Certificates Outstanding	
		Number	Amount	Number	Amount
1.	0 - 1	-	-	-	-
2	1 - 3 (2008-09)	394	176.82	394	176.82
3	3 - 5 (2007-08)	196	105.04	196	105.04
4	5 - 7	-	-	-	-
5	7 - 9	-	-	-	-
6	9 & above				
Total		590	281.86	590	281.86

3.2 Departmental Commercial Undertakings

The departmental undertakings of certain Government departments performing activities of quasi-commercial nature are required to prepare pro forma accounts in the prescribed format annually showing the working results of financial operations so that the Government can assess their working. The finalised 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 accounts, the investment of the Government remains outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures, if any 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 Accountant General for audit within a specified time frame. As of September 2009, there were three such undertakings out of which two had not prepared accounts up to 2007-08. The department-wise position of arrears in preparation of pro forma accounts and investment made by the Government are given in **Appendix 3.1**

3.3 Misappropriations, losses, defalcations, etc.

State Government reported 8 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs.0.43 crore up to the period August 2008 on which final action was pending. The department-wise break up of pending cases and age wise analysis is given in **Appendix 3.2** and nature of these cases is given in **Appendix 3.3**. The age-profile of the pending cases and the number of cases pending in each category – theft and misappropriation/loss as emerged from these appendices are summarized in **Table 3.2**.

Table 3.2: Profile of Misappropriations, losses, defalcations, etc.

Age-Profile of the Pending Cases			Nature of the Pending Cases		
Range in Years	Number of Cases	Amount involved (Rs. in lakh)	Nature/Characteristics of the Cases	Number of Cases	Amount involved (Rs. in lakh)
0 - 5	08	43.38	Theft	01	2.33
5 - 10	---	---			
10 - 15	---	---	Misappropriation/Loss of material	07	41.05
15 - 20	---	---			
20 - 25	---	---	Total	08	43.38
25 & above	---	---	Cases of Losses Written off during the Year	---	---
Total	08	43.38	Total Pending cases	08	43.38

3.4 Conclusion

State Government's compliance with various rules, procedures and directives was unsatisfactory as evident from delays in furnishing utilization certificates against the loans and grants from various grantee institutions.



Dehradun

The 01 अप्रैल 2010
APR 2010

(PRAVIR PANDEY)

Accountant General (Audit), Uttarakhand

Countersigned

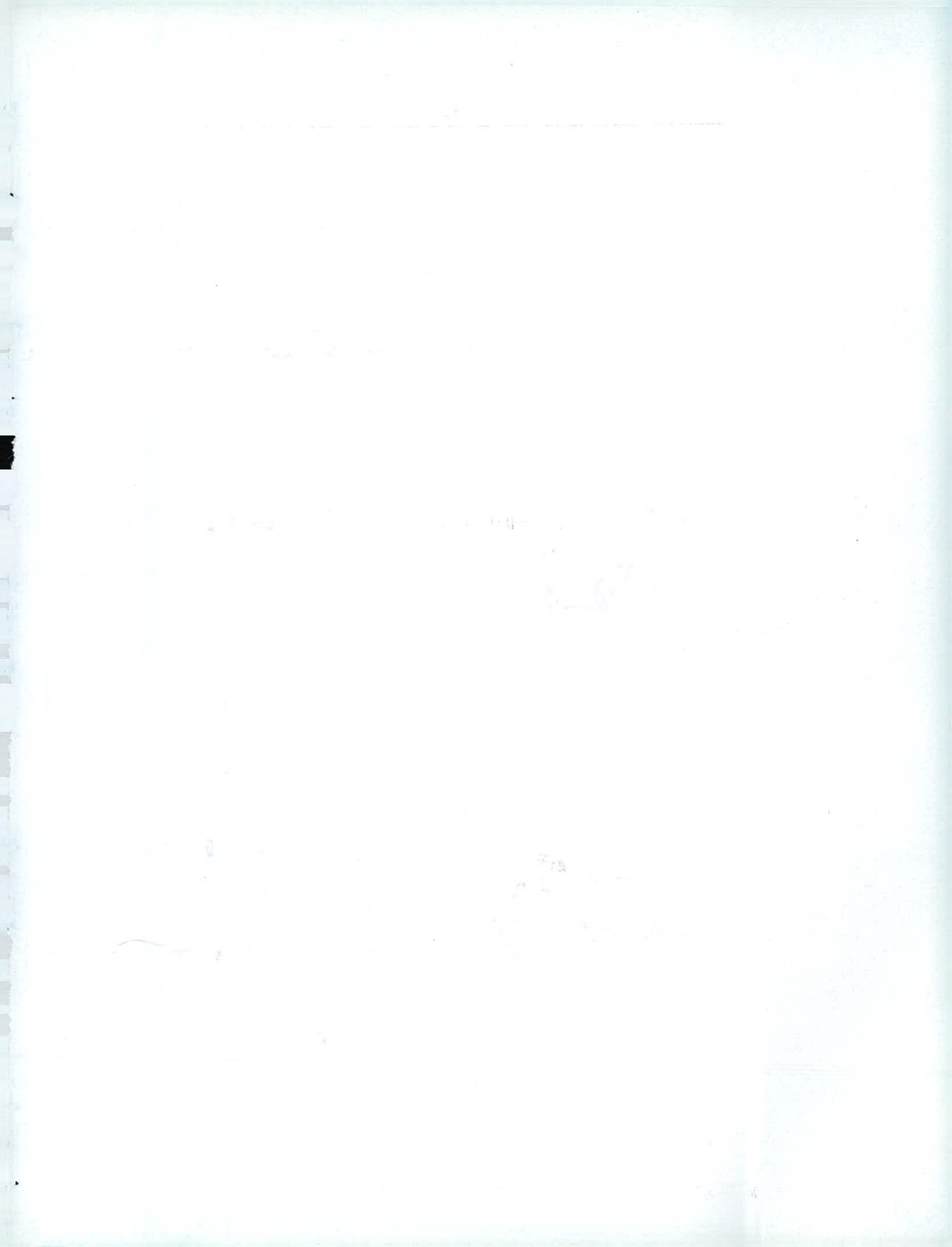


New Delhi

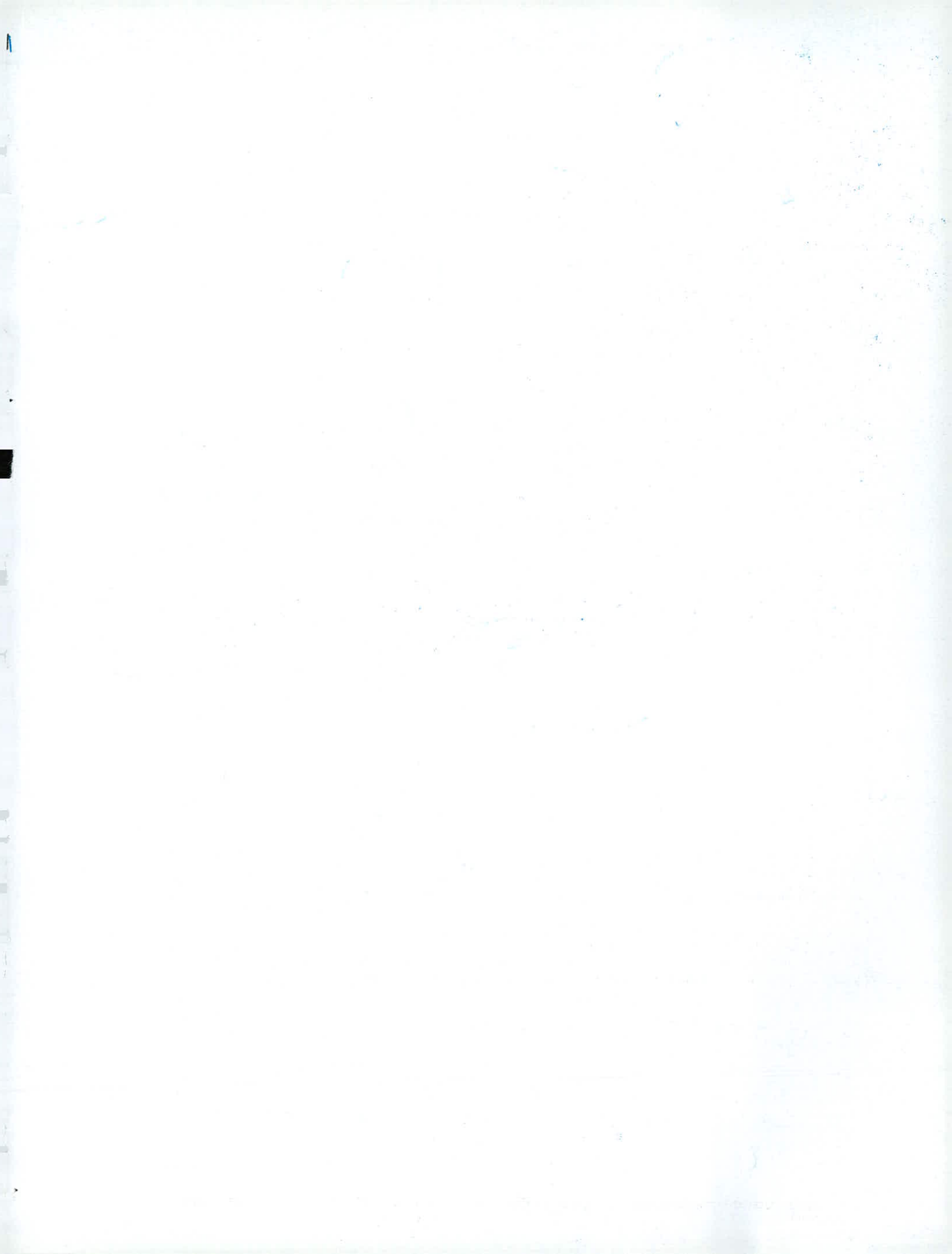
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(VINOD RAI)

Comptroller and Auditor General of India



APPENDICES



Appendix - 1.1

(Reference: Paragraph 1.2.1; page 3)

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, whereupon 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
Statement No.1	Presents the summary of transactions of the State Government – receipts and expenditure, revenue and capital, public debt receipts and disbursements etc in the Consolidated Fund, Contingency Fund and Public Account of the State.
Statement No.2	Contains the summarized statement of capital outlay showing progressive expenditure to the end of 2008-09
Statement No.3	Gives financial results of irrigation works, their revenue receipts, working expenses and maintenance charges, capital outlay, net profit or loss, etc.
Statement No.4	Indicates the summary of debt position of the State which includes borrowing from intern debt, Government of India, other obligations and servicing of debt.
Statement No. 5	Gives the summary of loans and advances given by the State Government during the year repayments made, recoveries in arrears etc
Statement No.6	Gives the summary of guarantees given by the Government for repayment of loans etc. raised by the statutory corporations, local bodies and other institutions.
Statement No.7	Gives the summary of cash balances and investments made out of such balances.
Statement No.8	Depicts the summary of balances under Consolidated Fund, Contingency Fund and Public Account as on 31 March 2009
Statement No.9	Shows the revenue and expenditure under different heads for the year 2008-09 as a percentage of total revenue/expenditure
Statement No.10	Indicates the distribution between the charged and voted expenditure incurred during the year
Statement No.11	Indicates the detailed account of revenue receipts by minor heads
Statement No.12	Provides accounts of revenue expenditure by minor heads under non-plan and plan separately and capital expenditure by major head wise
Statement No.13	depicts the detailed capital expenditure incurred during and to the end of 2008-09
Statement No.14	Shows the details of investment of the State Government in statutory corporations, Government companies, other joint stock companies, co-operative banks and societies etc up to the end of 2008-09
Statement No.15	Depicts the capital and other expenditure to the end of 2008-09 and the principal sources from which the funds were provided for that expenditure
Statement No.16	Gives the detailed account of receipts disbursements and balances under heads of account relating to Debt, Contingency Fund and Public Account
Statement No.17	Presents detailed account of debt and other interest bearing obligations of the Government of Uttarakhand.
Statement No.18	Provides the detailed account of loans and advances given by the Government of Uttarakhand, the amount of loan repaid during the year, the balance as on 31 March 2009.
Statement No.19	Gives the details of earmarked balances of reserve funds

Appendix - 1.2

Part A

(Reference: Paragraph 1.5.1; page 17)

Methodology Adopted for the Assessment of Fiscal Position

The norms/Ceilings prescribed by the TFC for selected fiscal variable 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 GSDP is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the Gross State Domestic Product (GSDP) at current market 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)

	2004-05*	2005-06*	2006-07*	2007-08*	2008-09*
Gross State Domestic Product (Rs in crore)	23720	26179	31380	35592	40159
Growth rate of GSDP	14.76	10.36	19.86	13.42	12.83

Source: Director, Economics and Statistics, Uttarakhand

Methodology for Estimating the Fiscal Capacity

For working out the fiscal capacity of the State Governments, the following methodology given in Twelfth Finance Commission report has been adopted.

Step 1: Calculate the national average of AE-GSDP and CO/DE/ SSE-AE.

Step 2: Based on the national average of AE-GSDP ratio, derive the aggregate expenditure so that no State is having a ratio AEGSDP less than the national average, i.e., if

$$AE/GSDP = x$$

$$AE = x * GSDP \dots\dots\dots(1)$$

where x is the national average of AE-GSDP ratio.

Wherever the States are having AE-GSDP ratio higher than national average, no adjustments were made. Wherever this ratio was less than average, it was made equal to the national average.

Step 3: Based on the national average of DE-AE, SSE-AE and COAE, derive the respective DE, SSE and CO, so that no State is having these ratios less than national average, i.e., if

$$DE/AE = y$$

$$DE = y * AE \dots\dots\dots(2)$$

where y is the national average of DE-AE ratio

Substituting (1) in (2), we get

$$DE = y * x * GSDP \dots\dots\dots(3)$$

Wherever the States are having DE-AE, SSE-AE and CO-AE ratio higher than national average, no adjustments have been made. Wherever these ratios were less than average, it was made equal to the national average.

Step 4: Based on the derived DE, SSE and CO as per equation (3), respective per capita expenditure was calculated, i.e.,

$$PCDE = DE/P \dots\dots\dots(4)$$

where PCDE is the per capita development expenditure and P is the population.

* Revised Estimates
 * Quick Estimates
 * Advance Estimates

Substituting (3) in (4), we get

$$PCDE = (y * x * GSDP)/P \dots\dots\dots(5)$$

Equation (5) provides the adjusted per capita expenditure. If the adjusted per capita expenditure is less than the national average of per capita expenditure, then the States' low level of spending is due to the low fiscal capacity. This gives a picture of actual level of expenditure when all the State Governments are attaching fiscal priority to these sectors equivalent to the national average.

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
Quantum spread	Debt stock * Interest spread
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 1.10; page 32)

Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005

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) reduce revenue deficit to nil within a period of four financial years beginning from the 1st day of April, 2005 and ending on the 31st day of March, 2009;
- (b) reduce revenue deficit as percentage of Gross State Domestic Product in each of the financial years referred to a clause (a) in a manner consistent with the goal set out in clause (a);
- (c) reduce fiscal deficit to not more than three per cent of the estimated Gross State Domestic Product within the period of 31st March, 2010.
- (d) reduce fiscal deficit as percentage of Gross State Domestic product in each of the financial years referred to in clause (a) in a manner consistent with the goal set out in clause (c);
- (e) not to 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 this Act or any rule or law to be made by the State Government subsequent to coming into force of this Act;
- (f) ensure within a period of ten financial years; beginning from the initial financial year on the 1st day of April, 2005 and ending on the 31st day of March, 2015 that the total liabilities at the end of the last financial year, do not exceed twenty-five per cent of the estimated gross State domestic product for that year:

Continued

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

(Rupees in crore)

	Base year estimates 2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
A. STATE REVENUE ACCOUNT :							
1. Own Tax Revenue	2513.78	2738.77	3053.63	3528.89	4040.58	4626.46	5297.30
2. Own Non-Tax Revenue	646.82	668.38	656.88	1428.69	1511.56	1602.71	1702.99
3. Own Tax +Non-Tax Revenue (1+2)	3160.60	3407.15	3710.51	4957.58	5552.14	6229.18	7000.29
4. Share in Central Taxes and Duties	1131.83	1427.68	1506.03	1545.88	1762.30	2009.03	2290.29
5. Plan-Grants	1630.14	1721.07	2333.08	3247.79	3572.57	3929.83	4322.81
6. Non-Plan Grants	1450.65	1335.20	1204.16	1196.42	1555.35	1555.35	1555.35
7. Total Central Transfer (4 to 6)	4212.62	4483.94	5043.27	5990.09	6890.22	7494.20	8168.44
8. Total Revenue Receipts (3+7)	7373.22	7891.09	8753.78	10947.67	12442.36	13723.38	15168.73
9. Plan Expenditure	1582.53	1833.86	2110.06	2287.53	2516.28	2767.91	3044.70
10. Non-Plan Expenditure	4894.31	5420.70	6043.86	8873.58	9760.94	10737.03	11810.73
11. Salary Expenditure	1787.55	2472.33	2854.76	4811.21	5292.33	5821.56	6403.72
12. Pension	527.02	622.87	856.83	1304.65	1435.12	1578.63	1736.49
13. Interest Payments	964.23	1095.93	1290.38	1510.91	1662.00	1828.20	2011.02
14. Subsidies-General	-	-	-	-	-	-	-
15. Subsidies-Power	-	-	-	-	-	-	-
16. Total Revenue Expenditure (9+10)	6476.84	7254.56	8153.92	11161.10	12277.22	13504.94	14855.44
17. Salary+Interest+ Pensions (11+12+13)	3278.80	4191.13	5001.97	7626.77	8389.45	9228.39	10151.23
18. as % of Revenue Receipt (17/8)	44.47%	53.11%	57.14%	69.67%	67.43%	67.25%	67%
19. Revenue surplus/deficit (8-16)	-896.38	-636.53	-599.86	213.43	-165.14	-218.43	-313.29
B. CONSOLIDATED REVENUE ACCOUNT:							
1. Power Sector loss/profit net of actual subsidy transfer	-	-	-	-	-	-	-
2. Increase in debtors during the year in power utility account (increase (-))	-	-	-	-	-	-	-
3. Interest payment on Off Budget Borrowings and SPV borrowings made by PSUs/SPUs outside budget	-	-	-	-	-	-	-
4. Total (1 to 3)	-	-	-	-	-	-	-
Consolidated Revenue Surplus/Deficit	-896.38	-636.53	-599.86	-213.43	-165.14	-218.43	-313.29

C. CONSOLIDATED DEBT:							
1. Outstanding Debt and liability	12145.63	13037.46	14621.67	16836.64	18663.32	20448.26	22483.08
2. Total Outstanding Guarantee	1712.44	1676.60	1801.60	1801.60	1801.60	1801.60	1801.60
a) Guarantee of Budgeted & SPV borrowings	-	-	-	-	-	-	-
D. CAPITAL ACCOUNT:							
1. Capital Outlay	1699.26	2234.82	2233.00	1956.92	2152.61	2367.87	2604.66
2. Disbursement of Loans and Advances	102.38	212.54	85.24	307.77	338.55	372.40	409.64
3. Recovery of Loans and Advances	19.50	68.40	161.60	407.16	407.16	407.16	407.16
4. Other capital receipts	1904.36	1225.68	1435.63	1854.35	1826.68	1784.93	2034.82
E. GROSS FISCAL DEFICIT (GFD) :							
GSDP (Rs in crore) at Current Prices	29881.13	35591.75	40159.26	45781.56	52190.97	59497.71	67827.39
F. FISCAL DEFICIT :							
Actual/Assumed Nominal Growth Rate (<i>per cent</i>)	15.92%	13.42%	12.83%	14.00%	14.00%	14.00%	14.00%

Appendix 1.3
(Reference: Paragraphs 1.3 and 1.7.2; pages 6 and 25)
Time series data on the State Government finances

(Rupees in crore)

	2004-2005	2005-2006	2006-2007	2007-2008	2008-09
Part A. Receipts					
1. Revenue Receipts	4086	5537	7373	7891	8635
(i) Tax Revenue	1444(35)	1785(32)	2513(35)	2739(35)	3045(35)
Taxes on Agricultural Income	..	...	...	...	...
Taxes on Sales, Trade, etc	793(55)	1014(57)	1361(54)	1628(59)	1911(63)
State Excise	292(20)	293(16)	373(15)	442(16)	528(17)
Taxes on Vehicles	99(7)	115(6)	141(6)	155(6)	167(5)
Stamps and Registration fees	208(14)	333(19)	546(21)	424 (15)	357(12)
Land Revenue	8(1)	9(1)	15(1)	23(1)	18(1)
Taxes on Goods and Passengers					6(-)
Other Taxes	44(3)	21(1)	77(3)		58(2)
(ii) Non Tax Revenue	548(14)	650(12)	647(9)	668(8)	699(8)
(iii) State's share of Union taxes and duties	520(13)	1010(18)	1132(15)	1428(18)	1507(18)
(iv) Grants in aid from Government of India	1574(38)	2092(38)	3081(42)	3056(38)	3384(39)
2. Miscellaneous Capital Receipts					.....
3. Recoveries of Loans and Advances	87	36	20	68	54
4. Total Revenue and Non debt capital receipts (1+2+3)	4173	5573	7393	7959	8689
5. Public Debt Receipts	1587	1757	1228	1398	1544
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1405(89)	1749(99)	1208(98)	1210(87)	1399
Net transactions under Ways and Means Advances and Overdrafts	35(2)	--	--	172(12)	127
Loans and Advances from Government of India	147(9)	8(1)	20(2)	16(1)	18
6. Total Receipts in the Consolidated Fund (4+5)	5760	7330	8621	9357	10233
7. Contingency Fund Receipts	24	16	34	27	2
8. Public Account Receipts	8525	11029	11234	12412	13658
9. Total Receipts of the State (6+8)	14285	18369	19855	21769	23891
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	5036	5611	6477	7255	8394
Plan	1138(23)	1420(25)	1577(24)	1834(25)	2174(26)
Non Plan	3898(77)	4191(75)	4900(76)	5421(75)	6220(74)
General Services (including interest payments)	1901(38)	2027(36)	2378(37)	2655(37)	3104(37)
Social Services	1904(38)	2256(40)	2455(38)	2829(39)	3392(41)
Economic Services	1090(22)	1212(22)	1373(21)	1461(20)	1623(19)
Grants-in-aid and contributions	141(3)	116(2)	271(4)	310(4)	275(3)
11. Capital Expenditure	1136	1705	1699	2235	2016
Plan	1075(95)	1657(97)	1602(94)	2157(97)	1902(94)
Non Plan	61(5)	48(3)	97(6)	78(3)	114(6)
General Services	147(13)	187(11)	173(10)	201(9)	174(9)
Social Services	163(14)	208(12)	372(22)	418(19)	281(14)
Economic Services	826(73)	1310(77)	1154(68)	1616(72)	1561(77)

12. Disbursement of Loans and Advances	181	135	102	213	122
13. Total (10+11+12)	6353	7451	8278	9703	10532
14. Repayments of Public Debt	22	247	237	273	355
Internal Debt (excluding Ways and Means Advances and Overdrafts)	-	181(73)	208(88)	240(88)	318
Net transactions under Ways and Means Advances and Overdraft	-	35(14)	...	--	
Loans and Advances from Govt. of India	22(100)	31(13)	29(12)	33(12)	37
15. Appropriation to Contingency Fund	-	-	-	--	
16. Total disbursement out of Consolidated Fund (13+14+15)	6375	7698	8515	9976	10887
17. Contingency Fund disbursements	16	45	25	1	32
18. Public Account disbursements	7847	18917	11227	11864	13477
19. Total disbursement by the State (16+17+18)	14238	26660	19767	21841	24,396
<i>Part C. Deficits</i>					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	950	74	(+) 896	(+) 636	(+)241
21. Fiscal Deficit (3+4-13)	2180	1878	885	1744	1843
22. Primary Deficit (21+23)	(-)1364	(-)1070	(+) 79	(-) 648	(-) 655
<i>Part D. Other data</i>					
23. Interest Payments (included in revenue expenditure)	816	808	964	1096	1188
24. Arrears of revenue (percentage of tax & Non-tax Revenue Receipt)	NA	313(9)	284(9)	610(18)	759(20)
25. Financial Assistance to local bodies etc.,	141	117	271	310	275
26. Ways and Means Advances/Overdraft availed (days)	200	54	114	52	83
27. Interest on Ways and Means Advances/Overdraft	0.81	0.62	1.24	0.66	3
28. Gross State Domestic Product (GSDP) [®]	23720	26179	31380	35592	40159
29. Outstanding Fiscal liabilities (year end)	9910	11714	13034	14392	16276
30. Outstanding guarantees (year end) (including interest)	1345	1345	1716	1677	1802
31. Maximum amount guaranteed (year end)	760	1345	1723	1738	1677
32. Number of incomplete projects	578	848	169	367	382
33. Capital blocked in incomplete projects	1737	1749	271	487	539
<i>Part E. Fiscal Health Indicators</i>					
I Resource Mobilization					
Own Tax revenue/GSDP	0.06	0.07	0.08	0.08	0.08
Own Non-Tax Revenue/GSDP	0.02	0.02	0.02	0.02	0.02
Central Transfers/GSDP	0.02	0.39	0.04	0.04	0.38
II Expenditure Management					
Total Expenditure/GSDP	0.27	0.28	0.26	0.27	0.26
Total Expenditure/Revenue Receipts	1.55	1.35	1.12	1.23	1.22
Revenue Expenditure/Total Expenditure	0.79	0.75	0.78	0.75	0.80

Expenditure on Social Services/Total Expenditure	0.33	0.33	0.34	0.33	0.35
Expenditure on Economic Services/Total Expenditure	0.30	0.34	0.31	0.32	0.30
Capital Expenditure/Total Expenditure	0.18	0.23	0.21	0.23	0.19
Capital Expenditure on Social and Economic Services/Total Expenditure.	0.15	0.20	0.18	0.21	0.17
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	0.04	0.003	(+)0.029	(+)0.018	(+)0.006
Fiscal deficit/GSDP	0.092	0.072	0.028	0.049	0.046
Primary Deficit (surplus) /GSDP	0.058	0.041	(+) 0.003	0.018	0.016
Revenue Deficit/Fiscal Deficit	0.436	0.039	(+)1.012	(+)0.365	(+)0.131
Primary Revenue Balance/GSDP	0.178	0.183	0.176	0.173	0.179
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	0.418	0.448	0.415	0.404	0.405
Fiscal Liabilities/RR	2.43	2.12	1.78	1.82	1.88
Primary deficit vis-à-vis quantum spread	(-) 1280	(-) 499	(+) 1033	(+) 347	(+) 27
Debt Redemption (Principal +Interest)/ Total Debt Receipts	0.72	0.75	0.90	0.94	0.95
V Other Fiscal Health Indicators					
Return on Investment	026	0.07	0.16	0.53	0.23
Balance from Current Revenue (Rs in crore)	(-) 1128	(+) 518	(+) 978	(+) 842	(+) 357
Financial Assets/Liabilities	0.44	0.52	0.64	0.71	0.76

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

@ GSDP figures communicated by the Government adopted.

Appendix 1.4
(Reference: Paragraphs 1.1 and 1.7.1; pages 1 and 25)
Part A

Abstract of Receipts and Disbursements for the year 2008-09

(Rupees in crore)					(Rupees in crore)					
Receipts					Disbursements					
2007-08			2008-09		2007-08			2008-09		
1.	2.	3.	4.	5.	6.	7.	Non-Plan	Plan	Total	
Section - A Revenue										
	7891.09	I-Revenue Receipts		8634.97	7254.56	I-Revenue Expenditure				8393.70
2738.75		(i) Tax revenue	3044.91		2655.02	General Services	3098.95	5.02	3103.97	
668.38		(ii) Non-tax revenue	699.44		2828.66	Social Services	1950.101	1441.73	3391.83	
1427.70		(iii) State's share of Union Taxes and Duties	1506.59		1582.61	Education, Sports, Art and Culture	1380.80	450.45	1831.25	
1335.20		(iv) Non-Plan Grants	1269.67		305.14	Health and Family Welfare	282.81	131.11	413.92	
1539.92		(v) Grants for State Plan Schemes	1905.93		438.09	Water Supply, Sanitation, Housing and Urban Development	16.13	620.95	637.08	
181.14		(vi) Grants for Central Plan and Centrally Sponsored Plan Schemes	208.43		15.78	Information and Broadcasting	13.31	1.34	14.65	
					107.79	Welfare of Scheduled Castes, Scheduled Tribes and Other backward Classes	51.04	60.66	111.70	
					23.24	Labour and Labour Welfare	24.83	6.92	31.75	
					336.97	Social Welfare and Nutrition	167.05	166.71	333.76	
					19.04	Others	14.14	3.58	17.72	
					1461.11	Economic Services	895.64	727.49	1623.13	
					652.90	Agriculture and Allied Activities	402.92	377.91	780.83	
					314.27	Rural Development	106.87	240.86	347.73	
					-	Special Area Programme	--	--	--	
					178.86	Irrigation and Flood Control	201.60	6.02	207.62	
					19.89	Energy	1.89	25.79	27.68	
					26.68	Industry and Minerals	16.59	13.86	30.45	
					185.37	Transport	150.90	20.82	171.72	
					9.66	Science, Technology and Environment		4.00	4.00	
					73.48	General Economic Services	14.87	38.23	53.10	
					309.77	Grants-in-aid and Contributions	274.71	0.06	274.77	
	7891.09	Total		8634.97	7254.56	Total	6219.40	2174.30	8393.70	8393.70
		II-Revenue Deficit carried over to Section-B			636.53	II-Revenue surplus carried over to Section-B				241.27
7891.09		Total:		8634.97		Total:				8634.97

2007-08			2008-09		2007-08			2008-09		
1.	2.	3.	4.	5.	6.	7.	Non-Plan	Plan	Total	11.
Section-B-Capital										
	789.54	III-Opening cash balance including Permanent Advances and Cash Balance Investment				III- Opening overdraft from Reserve Bank of India	--	--	--	--
		IV- Misc. Capital Receipts			2234.82	IV- Capital Outlay				2016.34
					201.07	General Services	45.61	128.85	174.46	174.46
					417.90	Social Services	5.03	275.49	280.52	280.52
					171.16	Education, Sports, Art and Culture	--	151.99	151.99	
					157.11	Health and Family Welfare	3.00	74.87	77.87	
					15.97	Water Supply, Sanitation, Housing and Urban Development	2.03	19.43	21.46	
						Information and Broadcasting	--	-	-	
					65.09	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	-	21.04	21.04	
					3.60	Social Welfare and Nutrition	--	4.16	4.16	
					4.97	Others	--	4.00	4.00	
					1615.85	Economics Services	63.21	1498.14	1561.35	1561.35
					69.62	Agriculture and Allied Activities	42.19	12.64	54.82	
					105.97	Rural Development	--	114.05	114.05	
					-	Special Areas Programmes	--	--	--	
					365.07	Irrigation and Flood Control	1.36	503.57	504.93	
					257.34	Energy	15.03	149.78	164.81	
					-	Industry and Minerals	--	(-73.97)	(-73.97)	
					783.70	Transport	4.63	744.75	749.38	
					56.50	General Economic Services	--	47.33	47.33	
					2234.82	Total	113.85	1902.49		2016.34
	68.43	V-Recoveries of Loans and Advances		53.63	13.93	V- Loans and Advances disbursed				121.71
	60.26	From Power Projects	45.01		1.33	For Power Projects	-	56.29	56.29	
7.02		From Government Servants	7.79		10.34	To Government Servants	2.67	-	2.67	
	1.15	From Others	0.83		2.26	To others	0.16	62.59	62.75	
	636.53	VI-Revenue surplus brought down	241.27	--	--	VI-Revenue deficit brought down			--	-
	1225.68	VII-Public Debt Receipts		1543.82	272.69	VII-Repayment of Public Debt				355.38

2007-08		2008-09			2007-08		2008-09			
1.	2.	3.	4.	5.	6.	7.	Non-Plan	Plan	Total	11.
1209.33		Internal Debt other than Ways and Means Advances and Overdraft	1399.07	240.06		Internal debt other than Ways and Means Advances and Overdraft			318.12	
171.71		Net transactions under Ways and Means Advances including Overdraft	126.63	-	-	Net transactions under Ways and Means Advances and Overdraft		--		
16.35		Loans and Advances from the Central Government	18.12	32.63		Repayment of Loans and Advances to Central Government			37.26	
-	-	VIII-Appropriation to Contingent Fund	-	--		VIII-Appropriation to Contingency Fund				--
27.21		IX- Amount transferred to Contingent Fund	2.42	0.72		IX-Expenditure from Contingency Fund				32.05
	12411.82	X- Public Account Receipts	13657.56		11863.78	X- Public Account disbursements				13476.62
449.27		Small Savings and Provident Funds	868.09		294.48	Small Savings and Provident Funds		336.77		
187.26		Reserve Funds	168.83		160.43	Reserve Funds		10.26		
1828.44		Deposits and Advances	1747.53		1686.39	Deposits and Advances		1686.44		
7072.03		Suspense and Miscellaneous	7846.51		6933.51	Suspense and Miscellaneous		8178.23		
2874.82		Remittances	3026.60		2788.97	Remittances		3264.92		
		XI- Closing overdraft from Reserve Bank of India		--	746.37	XI-Cash Balance at end				242.97
					(-)14.58	Cash in Treasuries and Local Remittances		(-)13.25		
					(-)2.71	Departmental Cash Balance including Permanent Advances		(-)2.98		
					88.62	Deposits with Reserve Bank		(-)470.83		
					675.04	Cash Balance investment		730.03		
	15330.92	Total		16245.06	15330.92	Total				16245.06

Appendix 1.4 (Continued)

Part B

(Reference: Paragraphs 1.1 and 1.7.1; pages 1 and 25)

Summarized financial position of the Government of Uttarakhand as on 31 March 2009

(Rupees in crore)

As on 31.03.2008	Liabilities	As on 31.03.2009
11234.68	Internal Debt -	12442.26
5000.74	Market Loans bearing interest	5884.95
0.20	Market Loans not bearing interest	0.15
1.50	Loans from Life Insurance Corporation of India	1.50
6029.84	Loans from other Institutions	6226.63
202.40	Ways and Means Advances	329.03
-	Overdrafts from Reserve Bank of India	-
443.18	Loans and Advances from Central Government -	424.04
0.53	Pre 1984-85 Loans	0.53
45.79	Non-Plan Loans	27.80
363.81	Loans for State Plan Schemes	364.20
0.05	Loans for Central Plan Schemes	0.05
33.00	Loans for Centrally Sponsored Plan Schemes	31.46
64.74	Contingency Fund	35.12
1356.11	Small Savings, Provident Funds, etc.	1887.43
1283.69	Deposits	1344.78
749.11	Reserve Funds	907.67
-	Remittance Balances	
	Total	17041.30

Appendix 1.4 (Continued)

As on 31.03.2008	Assets		As on 31.03.2009
8005.03	Gross Capital Outlay on Fixed Assets -		10021.36
1004.74	Investments in shares of Companies, Corporations, etc.	1071.02	
7000.29	Other Capital Outlay	8950.34	
709.79	Loans and Advances		777.87
410.04	Loans for Power Projects	421.33	
282.24	Other Development Loans	344.07	
17.51	Loans to Government servants and Miscellaneous loans	12.47	
204.22	Remittance		442.54
1146.36	Suspense and Miscellaneous Balances		1478.09
746.37	Cash -		242.97
(-)14.58	Cash in Treasuries and Local Remittances	(-)13.25	
88.62	Deposits with Reserve Bank	(-)470.83	
(-)1.84	Departmental Cash Balance including	(-) 2.11	
(-)0.87	Permanent Advances	(-) 0.87	
675.04	Cash Balance Investments	730.03	
4319.74	Deficit on Government Account -		4078.47
	(i) Less Revenue Surplus of the current year	241.27	
	(ii) Miscellaneous Deficit	-	
	Accumulated deficit at the beginning of the year	4319.74	
	Total		17041.30

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 Rs 76.74 crore (Net credit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank". A net difference to the extent of Rs 18.66 crore (Net debit) had been reconciled (June 2009) leaving a balance of net credit of Rs 58.08 crore which was under reconciliation.

Appendix 1.5
(Reference : Paragraph 1.2.2; page 5)

Statement showing the funds transferred to the state implementing Agencies under Programmes/Schemes outside the State budget during 2008-09

Sl No.	Programmes/Scheme	Implementing Agencies in the State	Amount
1.	Scheme: 0143 Drugs quality control	Director A & U Govt. of Uttarakhand	14,00,000
2.	Scheme: 0142 Hospitals and Dispensaries Under NRHM	Uttarakhand Health and Family Welfare Societies	109,18,00,000
3.	Scheme: 0136 HRD Training Programme Fellowship Exposure Visit Upgradation of Skills etc.	Gurukul Kangri Govt Ayurvedic College, Haridwar	3,50,000
4.	Scheme: 0135 Medicinal Plants	Forest Research Institute, Dehradun	7,02,727
		Uttaranchal Forest Development Corporation, Dehradun	1,50,00,000
		Regional Sericultural Research Station Sahaspur	2,00,000
		Govt. of Uttarakhand	11,50,00,000
		Dehradun Central Soil and Water Conservation Research	69,00,000
		Total	13,78,02,727
5.	Scheme: 0046 National Bamboo Mission	Uttaranchal Bamboo and Fiber Devt Board, Dehradun	2,40,47,000
		ICFRE, Dehradun	41,27,000
		Total	2,81,74,000
6.	Scheme: 0149 Bioinformatics	G.B. Pant University of Agriculture and Technology	71,35,000
		IIT, Roorkee	30,93,150
		Kumaun University, Nainital	23,42,000
		Total	1,25,70,150
7.	Scheme: 0152 International Cooperation	G.B. Pant University of Agriculture and Technology	12,44,000
8.	Scheme: 0150 Research and Development Department of Biotechnology	G.B. Pant University of Agriculture and Technology	1,01,97,000
		Forest Research Institute, Dehradun	6,05,000
		Uttaranchal Bamboo and Fiber Devt Board, Dehradun	10,99,000
		National Research Centre on Cold Water Fisheries	15,67,000
		Total	1,34,68,000
9.	Scheme : 0222 Director General of Foreign Trade	Dr Chip Dehradun	55,976
		Deeps Brother Trade Dehradun	5,99,350
		Total	6,55,326
10.	Scheme: 0242 Central Rural Sanitation Programme	DWSM District Project Management Unit Pauri Garhwal	2,65,39,000
11.	Scheme: 0418 Deafness	State Health Society	31,42,150
13.	Scheme: 0621, Integrated Watershed Management Programme DPAP DDP IWDP DLR	CGO The Director Dehradun	31,96,000
		DRDA Project Directors in Uttarakhand	32,54,00,000
		Total	32,85,00,000
14.	Scheme: 0622, NLRMP DLR	NGO, Mussoorie	50,00,000
15.	Scheme: 0826, DRDA ADMN	DRDA Project Directors in Uttarakhand	4,96,86,000
16.	Scheme: 0828, PMGSY	SGO, Uttarakhand, Dehradun	78,63,17,000
17.	Scheme: 0827, Rural Housing IAYRD	Project Officer, DRDAs	48,92,00,000
18.	Scheme: 0825,SGSY	Project Officer, DRDAs	21,59,00,000
19.	Scheme: 0279,Sarva Sikhsa Abhiyan	Uttaranchal Sabhi ke Liye Sikhsa Parishad	1,14,94,00,000

20.	Scheme: 0287, Support to NGOs Institution SRCs for Adult education and skill development merged schemes of NGOs JSS SRCs	Jan Shiksha Sansthans in Uttarakhand	1,93,10,683
21.	Scheme: 1011, Science and Technology Programme for Socio Economic Development	Parivartan Vikas Sansthan , UDS Nagar	3,50,000
		Foundation for Development Research and Action, Delhi	2,50,000
		Himalayan Environmental Studies Conservation Organization	2,90,000
		NGOs	25,77,701
		Total	34,67,701
22.	Scheme:1261, MPLADS	Deputy Commissioner	36,00,00,000
23.	Scheme: 0202, Promotion and Dissemination of Art and Culture	NGOs	20,85,750
24.	Scheme: 0261 National Afforestation Programme	FDA Uttarakhand	2,49,00,000
		Parvatiya Forest Development Agency	9,00,000
		SSF Development Agency	1,44,36,000
		VNF Development Agency	1,50,00,000
		Roha Forest Development Agency	1,23,37,000
		Dahanu Forest Development Agency	1,56,00,000
		Shimla Forest Development Agency	8,00,000
		Total	8,39,73,000
25.	Scheme: 0616, Externally Aided Project For Reforms and Investment in Vocation Training Services Rendered By Central and State Government	Directorate of Training and Employment , Uttarakhand	51,00,000
26.	Scheme: 0614, Skill Development Initiative	Directorate of Training and Employment , Uttarakhand	66,50,000
		Globus Infocom Ltd, Dehradun	1,10,538
		Total	67,60,538
27.	Scheme:0644, Promotional Services Institutions and Programme Revenue	MSMEDI, Haldwani	9,40,025
28.	Scheme:0682, Grid Interactive Renewable Power	Uttarakhand Renewable Energy Development Agency	22,06,800
		IIT, Roorkee	3,00,000
		Total	25,06,800
29.	Scheme:0683,OFF Grid DRPS	Uttarakhand Renewable Energy Development Agency	64,800
		IIT, Roorkee	1,27,235
		Total	1,92,035
30.	Scheme:0769, Action Research and Research Studies	Rural Litigation and Entitlement Kedra Dehradun	5,40,000
31.	Scheme:0971, Deen Dayal Rehabilitation Scheme SJE	Baja Institute of Learning	5,59,148
		Shri Bharat Mandir School Society	9,01,22,4
		RAPHAEL	4,36,851
		Total	18,97,223
32.	Scheme:1072, Handicrafts	Youth Club Bejupuram Srikakulam AP	3,27,618
		Gramya Mahila Kalyan Sansthan Dehradun	30,000
		All India Karmthat People Development foundation	5,41,500
		Shri Pragpur 2 Mahila BharatGunthan Sa Ma Ltd	7,22,000
		Shri Mundra Taluka Charm Udyog Sa Ma Ltd, Bhuj	3,61,000
		GramVikas Parishad ,Assam	30,63,000
		Manav Sikhsan Sansthan Samiti, Dehradun	1,64,851
		Misc. Agencies	30,94,804
		Total	83,04,773
		33.	Scheme:1071, Handlooms	Textile Committee, Mumbai	3,00,00,000

		Director of Industries Govt. of Uttarakhand	37,97,668
		Total	3,37,97,668
34.	Scheme:0822, National Rural Employment Guarantee Scheme	DRDA Project Directors in Uttarakhand	1,02,88,00,000
35.	Scheme:0241 Accelerated Rural Water Supply Programme	Uttarakhand Peyjal Sansthan Vikas Nigam	88,01,00,000
36.	Scheme:0505 Package For Special Category States other than N.E. DIPP	State Industrial Development Corporation of Uttarakhand	20,00,00,000
37.	Scheme: 0537 E-Governance	IT Development	3,56,00,000
Total			7,01,46,20,549

Appendix 1.6

(Reference: Paragraph 1.6.4; page 22)

Summarized Financial Statement of Departmentally Managed Commercial/Quasi-commercial Undertakings
(Rupees 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 (9+10)	Percentage of Return on capital
1	2	4	5	6	7	8	9	10	11	12
1	Irrigation workshop Division, Roorkee	2007-08	173.56	189.52	7.32	64.56	12.73	4.51	17.24	9.93%
2(a)	RFC, Haldwani	2002-03	-	58.25	6.64	7112.35	(-)3164.61	-	(-)3164.61	-
2(b)	RFC, Dehradun	2002-03	-	9.97	1.00	8357.23	(-)1350.21	-	(-)1350.21	-
3	State Live stock, Kalsi, Dehradun, Agriculture Farm	}	Audit not entrusted							
4	Rishikul Ayurvedic, Pharmacy, Haridwar									
5	State Vaccine Institute, Haridwar									

Appendix 2.1
(Reference : paragraph 2.3.1; page 36)

Statement of various grants/appropriation where saving was more than Rs 1 crore or more than 20 per cent of the total provision

(Rupees in crore)

Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
1	01	Legislature	13.11	1.49	-
2	03	Council of Ministers	30.05	11.05	36.77
3	04	Judicial Administration	82.58	25.39	30.75
4	05	Election	31.00	3.68	-
5	06	Revenue & General Administration	365.69	84.30	23.05
6	07	Finance, Tax, Planning, Secretariate & Miscellaneous Services	3,748.95	544.31	
7	09	Public Service Commission	5.57	2.13	38.24
8	10	Police & Jail	529.94	56.82	-
9	11	Education, Sports, Youth Welfare & Culture	2,103.78	174.25	-
10	12	Medical, Health, & Family Welfare	681.56	199.90	29.33
11	13	Water Supply, Housing & Urban Development	709.32	90.45	-
12	14	Information	16.66	2.09	-
13	15	Welfare	346.79	99.92	28.81
14	16	Labour & Employment	74.55	40.22	53.95
15	17	Agriculture Works & Research	363.78	32.35	-
16	18	Co-operative	26.16	11.73	44.84
17	19	Rural Development	435.08	58.28	-
18	20	Irrigation & Flood	860.19	44.70	-
19	21	Energy	658.19	424.38	64.48
20	22	Public Work	1,205.54	122.50	-
21	23	Industries	85.70	18.49	21.58
22	24	Transport	144.23	119.45	82.82
23	25	Food	35.74	15.80	44.21
24	26	Tourism	80.04	6.33	-
25	27	Forest	377.82	71.19	-
26	28	Animal Husbandry	93.99	10.30	-
27	29	Horticulture Development	99.20	13.65	-
28	30	Welfare of Scheduled Castes	536.73	185.30	34.52
29	31	Welfare of Scheduled Tribes	170.02	63.83	37.54
		Total	13,911.96	2,534.28	

Appendix 2.2
(Reference: Paragraph 2.3.3; page 38)

Statement of various grants/appropriations where excess expenditure was more than 1 crore each or more than 20 per cent of the total provision

(Rupees in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Excess Expenditure	Percentage of Excess Exp.
(1)	(2)	(3)	(4)	(5)	(6)
1	07	Finance. Tax, Planning, Secretariat & Miscellaneous Services	3,748.95	462.02	12.32
2	17	Agriculture Works & Research	363.78	11.72	3.22
3	20	Irrigation & Flood	860.19	103.95	12.08
4	21	Energy	658.19	11.01	1.67
5	25	Food	35.74	564.40	1,579.18
6	29	Horticulture Development	99.20	4.32	4.35
Total			5,766.05	1,157.42	

Appendix 2.3

(Reference: Paragraph 2.3.5; page 39)

Excess over provision of previous years requiring regularisation

(Rupees in crore)

Year	Number of grants/ appropriations	Grant/ appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2004-05	14	4,5,6,7,12,13,14,15,17,19 20,22,25&29	952.85	Status not intimated by the State Government
2005-06	07	7,8,17,20,22,25&29	663.50	
2006-07	06	7,17,20,22,25 & 29	935.92	
2007-08	06	7,17,20, 22,25 & 29	733.79	
2008-09	06	7,17,19,20,25 & 29	1146.41	
Total			4,432.47	

Appendix 2.4

(Reference: Paragraph 2.3.7; page 40)

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

(In thousand of Rupees)

Sl. No.	Number and Name of the Grant	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
	A Revenue (Charged)				
1	02-Legislature	30,286	28,895	1,391	6,891
2	04-Judicial Administration	1,09,077	9,9537	9,540	53,004
3	07-Finance ,Tax, Planning, Secretariat & Miscellaneous Services	1,30,60,312	1,24,29,679	6,30,633	4,18,000
Total for Charged		1,31,99,675	1,25,58,111	6,41,564	4,77,895
	A Revenue (Voted)				
1	01-Governor	1,08,550	1,04,460	4,090	10,000
2	04-Judicial Administration	4,48,064	4,00,756	47,308	1,15,623
3	06,-Revenue & General Administration	26,33,864	23,08,015	3,25,849	3,49,877
4	09-Public Service Commission	37,700	34,439	3,261	8,000
5	12-Medical,Health & Family Welfare	42,46,008	40,48,091	1,97,917	10,22,694
6	13-Water Supply, Housing & Urban Development	62,39,801	61,61,360	78,441	8,08,416
7	14-Information	1,52,395	1,45,651	6,744	9,200
8	15-Welfare	29,10,464	23,87,117	5,23,347	4,11,940
9	16-Labour & Employment	6,13,529	3,32,653	2,80,876	71,982
10	18-Co-operative	2,06,512	1,44,267	62,245	15,000
11	19-Rural Development	31,51,984	29,44,304	2,07,680	2,43,633
12	20-Irrigation & Flood	23,48,842	23,19,607	29,235	4,17,800
13	23-Industires	4,61,676	4,11,854	49,822	80,963
14	24-Transport	2,38,737	1,50,072	88,665	26,905
15	26-Tourism	3,00,798	2,81,260	19,538	3,567
16	27-Forest	31,49,600	28,92,756	2,56,844	4,31,000
17	30-Welfare of Scheduled Castes	30,86,491	23,15,578	7,70,913	1,02,416
18	31-Welfare of Scheduled Tribes	9,38,390	6,13,053	3,25,337	24,123
Total for Voted		3,12,73,405	2,79,95,293	32,78,112	41,53,139
Total for Revenue		4,44,73,080	4,05,53,404	39,19,676	46,31,034

Sl. No.	Grant Number	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
	B Capital				
1	06-Revenue & General Administration	6,32,406	4,95,561	1,36,845	30,000
2	16-Labour & Employment	20,000	10,668	9,332	40,000
3	27-Forest	1,75,103	1,73,520	1,583	22,500
4	28-Animal Husbandry	88,903	66,967	21,936	7,300
5	30-Welfare of Scheduled Castes	21,42,904	11,98,720	9,44,184	35,471
Total for Capital		30,59,316	19,45,436	11,13,880	1.35,271
Grant Total		4,75,32,396	4,24,98,840	50,33,556	47,66,305

Appendix 2.5

(Reference: Paragraph 2.3.7; page 40)

Statement of various grants/appropriations where supplementary provision proved insufficient by more than Rs 1 crore each

(Rupees in crore)

Sl. No.	Grant Number	Name of the Grant and Appropriation	Original Provision	Supplementary provision	Total	Expenditure	Excess
1	17	Agriculture Works & Research	5.24	56.29	61.53	73.25	11.72
2	20	Irrigation & Flood	549.64	33.88	583.52	687.47	103.95
		Total	554.88	90.17	645.05	760.72	115.67

Appendix 2.6
(Reference: Paragraph 2.3.8; page 40)
Excess/Unnecessary/Insufficient re-appropriation of funds

(Rupees in lakh)

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)		
1.	01	Legislature	2011-101		(-) 17.11		
2.			2011-103	(-) 126.01	(+) 2.53		
3.	04	Judicial Administration	2014-102-03	(+) 643.80	(+) 17.81		
4.	05	Election	2015-105-04	(-)1.53	(-) 97.98		
5.	06	Revenue and General Administration	2245-800	(-) 904.30	(-) 2011.31		
6.	07	Finance, Tax, Planning, Secretariat and Miscellaneous Services	2030-102	(-) 0.32	(+) 150.79		
7.			2030-001-04	(+) 17.69	(-) 76.92		
8.			2030-001-05	(-) 1151.56	(+) 80.00		
9.			2045-103-03	(-) 51.26	(-) 2.58		
10.			2052-090-03	(+) 557.03	(-) 83.91		
11.			2052-800-03	(-) 131.00	(-) 349.00		
12.			2071-101-03	(-) 15550.00	(-) 24560.81		
13.			4059-800-01	(-) 186.65	(-) 2554.90		
14.			4059-800-03	(-) 38.61	(-) 10.00		
15.			10	Police	2055-001-03	(+) 58.97	(+) 59.98
16.					2055-101-03	(-) 100.50	(+) 60.27
17.					2055-104-03	(-) 307.75	(+) 466.36
18.					2055-109-03	(-) 4200.08	(+) 502.23
19.	2055-109-05	(-) 172.64			(+) 147.05		
20.	11	Education, Sports, Youth Welfare and Culture	2202-01-101-01	(-) 101.35	(-) 5302.89		
21.			2202-01-101-04	(-) 312.56	(-) 3411.92		
22.			2202-01-102-07	(+) 165.00	(+) 1918.86		
23.			2202-01-102-18	(+) 560.11	(-) 182.02		
24.			2202-01-109-800	(-) 2134.30	(-) 492.04		
25.			2202-02-109-03	(-) 670.04	(-) 1656.32		
26.			2202-02-109-05	(+) 424.46	(-) 540.45		
27.			2202-02-109-09	(+) 436.85	(-) 670.70		
28.			2202-02-110-03	(-) 3.37	(+) 271.74		
29.			2202-02-110-05	(+) 195.73	(-) 72.08		
30.			2202-02-800-01	(-) 128.24	(-) 67.19		
31.			2202-03-102-04	(-) 654.43	(-) 45.14		
32.		2202-03-103-03	(-) 763.91	(+) 35.01			

33.			2202-03-103-04	(-) 216.22	(+) 7.00
34.			2202-03-104-03	(-) 422.61	(+) 18.40
35.			2202-80-003-01	(-) 30.12	(+) 101.45
36.			2203-105-03	(-) 576.74	(+) 20.63
37.			2203-112-03	(-) 43.16	(-) 50.00
38.			2203-112-04	(-) 136.80	(-) 20.50
39.			2203-112-05	(-) 17.74	(+) 78.24
40.			2204-001-09	(-) 1.54	(-) 48.46
41.			4202-01-202-16	(-) 264.79	(+) 115.82
42.			4202-01-202-19	(-) 102.38	(-) 96.30
43.	12	Medical, Health and Family Welfare	2210-01-110-03	(+) 51.86	(-) 1027.43
44.			2210-01-110-05	(+) 7.00	(-) 65.18
45.			2210-02-101-08	(-) 100.00	(-) 321.66
46.			2210-03-101-03	(+) 7.00	(-) 117.97
47.			2210-03-104-03	(-) 20.00	(-) 1200.74
48.			2210-05-101-06	(+) 90.00	(-) 103.19
49.	13	Water Supply, Housing and Urban Development	2217-03-191-03	(-) 964.92	(-) 52.79
50.			2217-03-800-01	(-) 657.46	(+) 400.20
51.			2217-80-001-03	(-) 38.86	(+) 97.27
52.	15	Welfare	2235-01-800-91	(+) 147.78	(-) 10.90
53.			2250-800-09	(-) 30.00	(+) 13.13
54.			2250-800-12	(-) 53.00	(+) 226.00
55.	20	Irrigation and Flood Control	2702-02-005-03	(-) 249.30	(-) 15.83
56.			2702-02-800-91	(-) 121.65	(-) 9.44
57.			4700-04-800-02	(-) 92.65	(+) 88.03
58.			4700-05-800-01	(-) 1992.00	(-) 4883.09
59.			4700-06-800-02	(+) 64.65	(+) 141.48
60.			4702-800-01	(-) 4055.75	(+) 483.43
61.			4711-01-103001	(+) 1992.00	(-) 1246.54
62.	21	Energy	2801-05-800-03	(-) 21.15	(-) 1.91
63.	22	Public Works	3054-04-337-01	(-) 2.28	(-) 40.69
64.			3054-04-337-03	(-) 100.03	(+) 47.95
65.			5054-04-800-01	(-) 2214.64	(+) 225.00
66.			5054-04-800-97	(-) 21086.55	(+) 103.61
67.	23	Industries	2851-102-01	(-) 80.86	(+) 4.01
68.			2851-102-03	(-) 179.99	(+) 3.59
69.			2851-103-07	(-) 59.05	(-) 21.91
70.			2853-02-001-03	(-) 23.69	(-) 190.57
71.	25	Food	2408-01-001-03	(-) 241.03	(+) 21.99

72.			2403-001-03	(-)94.68	(+) 111.77
73.	28	Animal Husbandry	2403-106-03	(+) 31.89	(+) 7.61
74.	29	Horticulture development	2401-119-03	(-) 915.50	(+) 181.80
75.			2202-01-800-01	(-)100.00	(-) 950.00
76.			2225-01-277-12	(-) 34.74	(+) 27.84
77.			2235-60-102-02	(-) 93.22	(-) 66.37
78.			2515-102-02	(-) 791.88	(+) 22.50
79.			4700-05-800-01	(-) 185.29	(-) 3414.71
80.	30	Welfare of Scheduled Castes	5054-04-800-02	(-) 58.83	(+) 219.34

Appendix 2.7

(Reference: Paragraph 2.3.9; page 40)

Results of review of substantial surrenders made during the year 2008-09

Sl.No.	Number and title of Grant	Name of the scheme (Head of Account)	Total Grant/Appropriation (Rupees in lakh)	Amount of Surrender (Rupees in lakh)	Percentage of Surrender
1.	03, Council of Ministers	2013-108-03	85.01	41.01	48.24
2.		2013-105-04	50.00	50.00	100.00
3.	04, Judicial Administration	2014-800-01	286.96	146.22	50.95
4.		2014-800-10	30.41	30.41	100.00
5.	06, Revenue and General Administration	2070-104-05	26.45	26.45	100.00
6.		2245-800-04	100.00	100.00	100.00
7.		2245-800-05	200.28	200.28	100.00
8.		2245-800-06	100.00	100.00	100.00
9.	07, Finance, Tax, Planning, Secretariat and Miscellaneous Services	2030-01-101-03	50.00	44.80	89.60
10.		2052-090-06	38.90	25.51	65.58
11.		2052-090-11	85.86	53.06	61.80
12.		2052-091-04	49.52	29.35	59.27
13.		2040-800-05	1000.00	1000.00	100.00
14.		4059-80-800-11	100.00	70.42	70.42
15.	11, Education, Sports, Youth Welfare and Culture	2202-01-004-03	75.17	64.86	86.28
16.		2203-104-04	50.00	50.00	100.00
17.		2202-01-800-10	100.08	100.08	100.00
18.		2205-102-01	23.50	23.50	100.00
19.		2205-102-25	79.00	79.00	100.00
20.		4202-01-202-20	100.00	100.00	100.00
21.		4202-01-203-12	145.00	145.00	100.00
22.	4202-01-203-13	300.00	300.00	100.00	
23.	15, Welfare	2235-02-101-05	50.00	40.10	80.20
24.		2250-800-04	55.59	35.86	64.51
25.	17, Agriculture Works and Research	2401-800-06	225.00	172.77	76.79
26.	19, Rural Development	2501-02-800-01	631.00	339.19	53.75
27.		2515-102-07	300.01	163.24	54.41
28.		2515-102-08	85.00	56.00	65.88
29.		2515-102-09	330.00	170.69	51.72
30.		2515-102-12	1232.00	689.11	55.93
31.		2515-102-14	91.00	89.55	98.41
32.		4515-102-01	2044.00	1308.90	64.04
33.	21, Energy	2801-05-800-03	32.56	21.15	64.96
34.		6801-01-190-04	5557.00	4158.40	74.83
35.		6801-01-190-97	8400.00	5595.00	66.61
36.	22, Public Works	3054-80-800-04	200.00	147.63	73.82
37.		5054-04-800-01	3100.00	2214.64	71.44
38.		5054-04-800-97	30000.00	15188.13	50.63
39.	23, Industries	2851-102-23	325.00	305.27	93.93
40.		3425-60-004-05	100.00	100.00	100.00
41.		3425-60-004-09	100.00	100.00	100.00
42.		3425-60-004-10	25.00	25.00	100.00
43.		3425-60-004-12	25.00	25.00	100.00
44.		3425-60-004-13	25.00	25.00	100.00
45.	24, Transport	5053-02-800-04	500.00	256.64	51.33
46.	28, Animal Husbandry	2403-113-01	56.61	45.43	80.25
47.		2403-102-05	500.00	500.00	100.00
48.		2403-102-06	22.00	22.00	100.00
49.		2403-106-91	50.00	50.00	100.00

50.	29, Horticulture Development	2401-119-08	200.00	144.80	72.40
51.		2401-119-16	57.25	30.44	53.17
52.		2401-119-17	300.00	157.71	52.57
53.		2401-119-18	81.00	43.20	53.33
54.	30, Welfare of Scheduled Castes	2225-01-277-07	35.00	20.45	58.43
55.		2225-01-277-13	2000.00	1521.00	76.05
56.		2225-01-800-08	44.00	27.56	62.64
57.		2235-02-800-04	183.00	179.68	98.19
58.		2402-102-02	380.00	208.00	54.74
59.		2202-03-102-02	287.00	287.00	100.00
60.		2205-102-02	24.00	24.00	100.00
61.		2225-01-793-01	650.00	650.00	100.00
62.		2225-01-800-06	100.00	100.00	100.00
63.		2225-01-800-12	35.00	35.00	100.00
64.		4225-01-800-03	5000.00	3377.63	67.55
65.		4702-800-02	1050.00	881.00	83.90
66.		4403-101-02	54.00	54.00	100.00
67.	31, Welfare of Scheduled Tribes	2401-102-01	140.00	87.70	62.64
68.		2515-796-05	37.22	21.76	58.46
69.		2515-796-07	33.00	27.81	84.27
70.		2515-796-08	44.10	35.82	81.22
71.		2515-796-10	64.00	35.80	55.94
72.		2202-03-796-01	100.00	100.00	100.00
73.		2202-03-796-02	190.00	190.00	100.00
74.		2225-02-794-01	179.91	179.91	100.00
75.		2225-02-800-16	50.00	50.00	100.00
76.		4225-02-277-01	640.71	462.26	72.15
77.		4225-02-800-03	220.00	161.92	73.60
78.		5054-04-796-01	50.00	47.75	95.50
Total			69367.10	43,766.85	63.09

Appendix 2.8

(Reference: Paragraph 2.3.10; page 40)

Surrenders in excess of actual savings (Rs 50 lakh or more)

(Rupees in crore)

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
Revenue – Charged					
1	04-Judicial Administration	16.21	6.25	6.44	0.19
Revenue – Voted					
1	03-Council of Ministers	30.05	11.05	11.43	0.38
2	04-Judicial Administration	56.37	16.29	16.47	0.18
3	10-Police & Jail	483.77	51.11	60.53	9.42
4.	28-Animal Husbandry	84.37	7.38	7.68	0.30
5	29-Horticulture Development	98.83	13.63	13.67	0.04
Capital – Voted					
1.	22-Public Work	814.38	69.78	161.13	91.35
Total		1,583.98	175.49	277.35	101.86

Appendix 2.9
(Reference: Paragraph 2.3.11; page 41)
**Statement of various grants/appropriations in which savings occurred
but no part of which had been surrendered**

(Rupees in crore)			
I - Grant			
Sl. No.	Grant No.	Number and Name of grant/appropriation	Saving
1	10	Police & Jail (Capital-voted)	5.72
2	11	Education,Sports,Youth Welfare & Culture (Capital-Voted)	14.57
3	12	Medical,Health & Family Welfare(Capital-Voted)	77.83
4	13	Water Supply, Housing & Urban Development(Capital-Voted)	1.77
5	14	Information(Revenue-Voted)	1.59
6	14	Information(Capital-Voted)	0.50
7	16	Labour & Employment(Capital-Voted)	4.93
8	18	Co-operative(Revenue-Voted)	7.72
9	18	Co-operative(Capital -Voted)	4.01
10	26	Tourism(Revenue-Voted)	2.31
11	26	Tourism(Capital-Voted)	4.01
12	27	Forest(Revenue-Voted)	68.78
13	27	Forest(Capital-Voted)	2.41
Total			196.15
II - Appropriation			
1	07	Finance,Tax, planning, Secretriare & Misscellenous Services(Revenue-Charged)	104.86
2	09	Public Service Commission(Revenue-Charged)	1.13
3	09	Public Service Commission(Capital-Charged)	1.00
Total			106.99
Grand Total			303.14

Appendix 2.10

(Reference: Paragraph 2.3.11; page 41)

Details of saving of Rs 1 crore and above not surrendered

(Rupees in crore)

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered
1	2	3	4	5
1	04- Judicial Administration (Capital-Voted)	2.84	0.05	2.79
2	06- Revenue & General Administration(Revenue-Voted)	67.57	15.82	51.75
3	06-Revenue & General Administration (Capital- Voted)	16.68	13.80	2.88
4	07-Fianace, Tax, Planning, Secretriare & Miscellaneous Services(Revenue-Voted)	394.33	36.56	357.77
5	07-Fianace, Tax, Planning, Secretriare & Miscellaneous Services(Revenue-Charged)	104.86	00	104.86
6	07-Fianace, Tax, Planning, Secretriare & Miscellaneous Services(Capital-Voted)	45.11	7.54	37.57
7	09-Public Service Commission (Revenue- Charged)	1.13	00	1.13
8	09- Public Service commisSion (Capital- Charged)	1.00	00	1.00
9	10-Police & Jail (Capital-Voted)	5.72	00	5.72
10	11- Education, Sports, Youth Welfare & Culture(Revenue-Voted)	159.67	58.48	101.19
11	11-Education, Sports, Youth Welfare & Culture(Capital-Voted)	14.57	00	14.57
12	12- Medical, Health & Family Welfare(Revenue-Voted)	122.06	3.36	118.70
13	12-Medical, Health & Family Welfare(Capital-Voted)	77.83	00	77.83
14	13-Water Supply, Housing & Urban Development(Revenue-Voted)	88.69	17.22	71.47
15	13-Water Supply, Housing & Urban Development(Capital-Voted)	1.77	00	1.77
16	14-Information(Revenue-Voted)	1.59	00	1.59
17	15-Welfare (Revenue-Voted)	93.53	48.48	45.05
18	16-Labour & Employment(Revenue-Voted)	35.29	.93	34.36
19	16- Labour & Employment(Capital-Voted)	4.93	00	4.93
20	17- Agriculture Works & Research(Revenue-Voted)	32.35	15.11	17.24
21	18-Co-operative(Revenue-Voted)	7.72	00	7.72
22	19-Rural Development(Revenue-Voted)	45.13	30.60	14.53
23	20-Irrigation & Flood(Revenue-Voted)	44.70	21.33	23.37
24	21-Energy(Revenue-Voted)	11.01	2.55	8.46
25	22- Public Work(Revenue-Voted)	51.18	41.98	9.20
26	23-Industries (Revenue-Voted)	13.08	10.95	2.13
27	24-Transport(Revenue-Voted)	11.56	8.72	2.84
28	24-Transport(Capital-Voted)	107.89	47.15	60.74
29	25-Food(Revenue-Voted)	15.80	6.09	9.71
30	26-Tourism(Revenue-Voted)	2.31	00	2.31
31	26-Tourism(Capital-Voted)	4.02	00	4.02
32	27- Forest(Revenue-Voted)	68.78	00	68.78
33	27- Forest(Capital-Voted)	2.41	00	2.41
34	30-Welfare of Scheduled Castes (Revenue-Voted)	87.33	57.55	29.78
35	30-Welfare of Scheduled Castes (capital-voted)	97.97	45.80	52.17
36	31-Welfare of Scheduled Tribes (revenue-voted)	34.95	13.71	21.24
37	31-Welfare of Scheduled Tribes(capital-voted)	28.88	16.90	11.98
Total		1906.24	520.68	1385.56

Appendix - 2.11

(Reference: Paragraph 2.3.11; page 41)

Cases of surrender of funds in excess of Rs 10 crore on 30 and 31 March 2009

(Rupees in crore)

Sl. No.	Grant No.	Major Head	Amount of Surrender	Percentage of Total Provision
1	2	3	4	
1.	04	2014-Administration of Justice	16.47	29.00
2.	06	4059- Capital Outlay on Public Works	13.80	21.00
3.	07	2030-Stamps and Registration	10.62	31.00
4.	07	2040-Taxes on Sales, Trades etc.	10.00	15.00
5.	10.	2055-Police	56.68	12.00
6.	11.	2202-Education	18.82	01.00
7.	13	2217-Urban Development	16.44	06.00
8.	15	2235-Social Securities and Welfare	11.71	08.00
9.	15	2250-Other Social Services	29.81	64.00
10.	19	2515-Other Rural Development Programmes	22.09	08.00
11.	20	2702-Minor Irrigation	16.50	23.00
12.	21	4801-Capital Outlay on Power Projects	100.19	37.80
13.	21	6801-Loans For Power Project	324.18	85.38
14.	22	5054- Capital Outlay on Roads and Bridges	160.82	19.95
15.	22	2059-Public Works	38.93	18.12
16.	24	5053- Capital Outlay on Civil Aviation	38.07	90.64
17.	29	2401-Crop Husbandry	13.68	13.00
18.	30	4225- Capital Outlay on Welfare of SC/ST and Other Backward classes	33.78	62.00
Total			932.59	

Appendix 2.12
(Reference: Paragraph 2.3.12 ; page 41)
Rush of Expenditure

(Rupees in crore)

Sl. No.	Head of account Scheme/Service	Expenditure incurred during Jan-March 2008	Expenditure incurred in March 2008	Total expenditure	Percentage of total expenditure incurred during	
					Jan-March 2009	March 2009
1	2011	3.90	1.65	11.14	35.00%	14.81%
2	2012	1.34	0.42	2.89	46.36%	14.53%
3	2013	6.49	0.67	19.00	34.15%	3.52%
4	2014	19.06	11.43	50.03	38.09%	22.85%
5	2015	9.88	6.82	13.66	72.32%	49.89%
6	2029	29.29	18.20	76.75	38.16%	23.71%
7	2030	17.75	15.47	21.61	82.13%	71.58%
8	2039	2.38	1.49	6.21	38.32%	23.99%
9	2040	10.94	6.35	36.58	29.90%	17.35%
10	2041	0.048	0.015	0.14	34.28%	10.71%
11	2045	0.69	0.42	1.66	41.56%	25.30%
12	2047	1.08	0.57	2.66	40.60%	21.42%
13	2048	50.00	0.00	55.00	90.90%	---
14	2049	326.37	234.10	1187.51	27.48%	19.71%
15	2051	1.57	0.84	3.61	43.49%	23.26%
16	2052	17.20	5.74	44.76	38.42%	12.82%
17	2053	20.58	12.78	47.84	43.01%	26.71%
18	2054	10.15	7.16	28.00	36.25%	25.57%
19	2055	168.30	116.15	419.22	40.14%	27.70%
20	2056	4.76	3.07	13.44	35.41%	22.84%
21	2058	3.50	2.40	7.31	47.87%	32.83%
22	2059	87.81	63.42	201.51	43.57%	31.47%
23	2070	8.23	4.09	21.92	37.54%	18.65%
24	2071	248.57	123.05	828.25	30.01%	14.85%
25	2075	1.09	0.80	3.27	33.33%	24.46%
26	2202	568.10	285.74	1757.03	32.33%	16.26%
27	2203	14.83	6.61	43.51	34.08%	15.19%
28	2204	11.22	8.32	23.27	48.21%	35.75%
29	2205	3.23	2.03	7.43	43.47%	27.32%
30	2210	178.72	116.48	369.86	48.38%	31.49%
31	2211	20.05	13.17	44.06	45.50%	29.89%
32	2215	157.78	140.87	394.38	40.00%	35.71%
33	2216	0.61	0.40	1.59	38.36%	25.15%
34	2217	190.55	137.48	241.12	79.02%	57.01%
35	2220	3.61	2.16	14.65	24.64%	14.74%
36	2225	33.80	24.47	111.70	30.25%	21.90%
37	2230	11.13	7.11	31.75	35.06%	22.39%
38	2235	133.33	90.76	251.70	52.97%	36.05%
39	2245	65.18	30.86	82.06	79.42%	37.60%
40	2250	4.11	3.49	17.72	23.19%	19.69%
41	2251	0.0032	0.0018	0.0090	35.55%	20.00%
42	2401	139.05	89.99	288.38	48.21%	31.20%
43	2402	3.84	2.24	4.40	87.27%	50.90%
44	2403	22.69	13.98	63.59	35.68%	21.98%
45	2404	5.38	4.70	12.91	41.67%	36.40%
46	2405	1.94	0.84	4.34	44.70%	19.35%
47	2406	123.77	90.71	299.48	41.32%	30.28%

48	2407	0.20	0.077	0.50	40.00%	15.04%
49	2408	4.59	2.60	14.97	30.66%	17.36%
50	2415	19.85	5.97	76.41	25.97%	7.81%
51	2425	8.49	2.31	15.84	53.59%	14.58%
52	2501	24.11	17.65	40.58	59.41%	43.49%
53	2501	103.90	62.24	307.14	33.82%	20.26%
54	2700	54.51	32.64	144.52	37.71%	22.58%
55	2701	5.17	4.73	9.03	57.25%	52.38%
56	2702	23.38	13.51	49.48	47.25%	27.30%
57	2705	1.50	1.50	1.50	100%	100.00%
58	2711	1.17	0.83	3.09	37.86%	26.86%
59	2801	16.35	2.09	16.42	99.57%	12.72%
60	2810	6.71	2.26	11.26	59.59%	20.07%
61	2851	12.11	9.28	26.92	44.98%	34.47%
62	2853	1.74	1.29	3.53	49.29%	36.54%
63	3053	2.34	1.93	4.27	54.80%	45.19%
64	3054	43.35	28.86	156.86	27.63%	18.39%
65	3055	4.55	2.24	10.59	42.96%	21.15%
66	3425	0.00	0.00	4.00	0.00%	0.00%
67	3451	11.96	11.66	14.84	80.59%	78.57%
68	3452	4.64	3.22	28.13	16.49%	11.44%
69	3454	2.97	2.23	7.16	41.48%	31.14%
70	3456	0.63	0.45	1.50	42.00%	30.00%
71	3475	0.61	0.30	1.47	41.49%	20.40%
72	3604	76.21	58.70	274.77	27.73%	21.36%
73	4055	30.07	25.04	35.46	84.79%	70.61%
74	4059	74.49	55.02	139.00	53.58%	39.58%
75	4202	96.92	80.09	151.99	63.76%	52.69%
76	4210	52.68	33.06	75.59	69.69%	43.73%
77	4211	0.67	0.084	2.08	29.38%	3.68%
78	4216	15.82	14.98	21.46	73.71%	69.80%
79	4225	21.04	20.04	21.04	100%	95.24%
80	4235	3.73	2.68	4.16	89.66%	64.42%
81	4250	0.00	4.00	4.00	0.00%	100%
82	4401	4.75	1.05	6.12	77.61%	17.15%
83	4403	1.64	0.050	4.78	34.30%	1.04%
84	4405	2.20	2.11	2.22	99.09%	95.04%
85	4406	11.43	7.71	17.35	65.87%	44.43%
86	4408	-35.78	-59.88	26.38	-135.63%	-226.99%
87	4425	-0.89	-0.76	-2.03	43.84%	37.43%
88	4515	71.85	48.03	114.05	62.99%	42.11%
89	4700	101.00	64.94	216.34	46.68%	30.01%
90	4701	1.20	1.00	1.98	60.60%	50.50%
91	4702	108.84	66.31	268.52	40.43%	24.69%
92	4711	14.05	12.62	18.09	77.66%	69.76%
93	4801	107.69	107.69	164.81	65.34%	65.34%
94	4851	0.49	0.00	4.45	11.01%	0.00%
95	4859	10.46	8.34	21.57	48.49%	38.66%
96	4885	0.00	0.00	-100.00	--- %	0.00%
97	5053	3.33	1.50	3.70	90.00%	40.54%
98	5054	308.05	192.57	739.60	41.65%	26.03%
99	5055	4.47	4.16	6.07	73.64%	68.53%
100	5452	21.57	13.92	47.33	45.57%	29.41%
101	6003	95.07	53.41	993.98	9.56%	5.37%

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102	6004	32.00	14.84	37.26	85.88%	39.82%
103	6075	0.00	0.00	3.54	0.00%	0.00%
104	6215	0.23	0.23	2.73	8.42%	8.42%
105	6401	14.02	0.024	56.42	24.84%	0.042%
106	6425	0.00	0.00	0.00034	0.00%	0.00%
107	6801	45.17	45.17	56.29	80.24%	80.24%
108	7610	1.09	0.79	2.67	44.56%	0.29%
Total		4,394.29	2,798.91	11,562.69		

Appendix - 2.13
(Reference: Paragraph 2.4.1; page 43)
Pending D C bills for the years up to 2008-09

Department	Number of AC bills	Amount
<i>(Rupees in lakh)</i>		
Secretary, Education, Sports and Youth Welfare	11	330.00
Principal Secretary, General Administration	05	56.00
Director, Treasury & Financial Services	01	0.10
Inspector General, Jail	03	0.45
Principal Secretary, Medical	01	0.23
Secretary, Agriculture	01	0.10
Total		386.88

Appendix – 3.1

(Reference: Paragraph 3.2; page 50)

Statement of Finalization of Accounts and the Government Investment in Departmentally managed Commercial and Quasi-Commercial Undertakings

Sl. No.	Name of the Undertaking	Accounts finalized up to	Investment as per the last accounts finalized (Rs in crore)	Remarks/Reasons for Delay in Preparation of accounts
Department:				
1.	Department of Irrigation (Government Irrigation Workshop), Roorkee	2007-08	1.74	
2.	Food and Civil Supplies (a) Regional Food Controller, Haldwani (b) Regional Food Controller, Dehradun	2002-2003	-	-

Appendix – 3.2

(Reference: Paragraph 3.3 ; page 50)

Department wise/duration wise break-up of the cases of misappropriation, defalcation, etc,
(Cases where final action was pending at the end of March 2009)

Sl. No.	Name of the Department	Up to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 years to More	Total No. of Cases.
1	Education	02	-	-	-	-	-	02
2	I.C.D.S	01	-	-	-	-	-	01
3	Tourism	01	-	-	-	-	-	01
4	Medical	01	-	-	-	-	-	01
5	Social Welfare	01	-	-	-	-	-	01
6	DRDA, Gopeshwar (Chamoli)	01	-	-	-	-	-	01
TOTAL		07	-	-	-	-	-	07

Appendix – 3.3
(Reference : Paragraph 3.3 ; page 50)

**Department/category wise details in respect of cases of loss to Government
due to theft, misappropriation/loss of Government material**

Name of Department	Theft Cases		Misappropriation/ Loss of Government Material		Total	
	Number of Cases	Amount (Rs. in lakh)	Number of Cases	Amount (Rs. in lakh)	Number of Cases	Amount (Rs. in lakh)
Education	01	2.33	02	18.22	03	20.55
I.C.D.S.	-	-	01	0.52	01	0.52
Tourism	-	-	01	1.78	01	1.78
Medical	-	-	01	11.96	01	11.96
Social Welfare	-	-	01	1.07	01	1.07
DRDA, Gopeshwar (Chamoli)	-	-	01	7.50	01	7.50
Total	01	2.33	07	41.05	08	43.38

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