



सत्यमेव जयते

**REPORT OF THE
COMPTROLLER AND AUDITOR
GENERAL OF INDIA
ON
STATE FINANCES
FOR THE YEAR ENDED 31 MARCH 2017**



उत्तराखण्ड शासन

GOVERNMENT OF UTTARAKHAND

Report No. 2 of the year 2017

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COMPTROLLER AND AUDITOR GENERAL
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PREFACE

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

Chapters 1 and 2 of this Report contain audit observations on matters arising from the examination of the Finance Accounts and the Appropriation Accounts respectively, of the State Government for the year ended 31 March 2017. Information has been obtained from the Government of Uttarakhand wherever necessary.

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

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

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Background

This Report on the finances of the Government of Uttarakhand is being brought out to assess the financial performance of the State during the year 2016-17 *vis-à-vis* the Budget and recommendations of *Fourteenth Finance Commission (FFC)* and analyses the dominant trends and structural profile of Government's receipts and disbursements.

Based on the audited accounts of the Government of Uttarakhand for the year ending 31 March 2017 and additional data collected from several sources such as the Economic Survey brought out by the State Government and Census, this report provides an analytical review of the Annual Accounts of the State Government in three Chapters.

Chapter-1 is based on the audit of Finance Accounts and makes an assessment of Uttarakhand Government's fiscal position as on 31 March 2017. It provides an insight into trends and profile of key fiscal aggregates, committed expenditure, borrowing pattern, *etc.*

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

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

Audit findings

Chapter-1

Finances of the State Government

The State experienced a revenue surplus of ₹ 1,787 crore in 2012-13 and ₹ 1,105 crore in 2013-14. However, during the year 2014-15 the State could not maintain the revenue surplus and experienced a revenue deficit of ₹ 917 crore which further deteriorated to ₹ 1,852 crore during the year 2015-16. However, the State was able to reduce the revenue deficit to ₹ 383 crore which was 0.20 *per cent* of Gross State

Domestic Product (GSDP) estimated by Central Statistical Organisation and Directorate of Economic and Statistics, Government of Uttarakhand.

The fiscal deficit during 2012-13 was 1.22 *per cent* of GSDP and it was below the 3.50 *per cent* target set forth in Fiscal Responsibility and Budgetary Management (FRBM) (Amendment), Act 2011. However, fiscal deficit increased during 2013-14 and 2014-15 and it was ₹ 2,650 crore and ₹ 5,826 crore respectively. It further increased to ₹ 6,125 crore during the year 2015-16 and was 3.48 *per cent* of the GSDP. However, the fiscal deficit of ₹ 5,467 crore (2.80 *per cent*) during the current year 2016-17 was well below the normative target of *FFC* of 3.25 *per cent* of GSDP.

The primary surplus (₹ 489 crore) during 2012-13 turned into primary deficit during the year 2013-14 and continued to be deficit till the current year. However, the primary deficit has reduced from ₹ 3,154 crore during 2015-16 to ₹ 1,744 crore during 2016-17.

As on 31 March 2017, the average return on Uttarakhand Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives was negligible and ranged from 0.004 to 0.49 *per cent* of the investment in the last five years while the Government paid an average interest rate of 8.18 *per cent* on its borrowings during 2012-13 to 2016-17.

The Fiscal Liabilities to GSDP ratio which was 22.18 *per cent* in 2015-16 has increased to 22.84 *per cent* during the current year. At 22.84 *per cent*, the Fiscal Liabilities (total outstanding debt) to GSDP ratio marginally exceeded the target (22.64 *per cent*) set forth by *FFC* for the year 2016-17 in respect of Uttarakhand.

Chapter-2

Financial management and budgetary control

During 2016-17, there was an excess of ₹ 5,457.33 crore in three grants (grant no. 17-Agriculture, Works and Research; grant no. 25-Food and grant no. 29-Horticulture Development) and one appropriation (appropriation no. 02-Governor) which requires regularisation under Article 205 of the Constitution of India.

An amount of ₹ 537.84 crore drawn by the State Government during the month of March 2017 was deposited in deposit heads to avoid lapse of budget grants.

An amount of ₹ 290.84 crore drawn from Contingency Fund during 2015-16 (₹ 63.14 crore) and 2016-17 (₹ 227.70 crore) has remained un-recouped as of August 2017.

Excess expenditure amounting to ₹ 15,323.44 crore pertaining to the years 2005-06 to 2015-16 was yet to be regularised by the State Legislature.

Chapter-3

Financial reporting

The departmental officers did not submit 224 Utilisation Certificates, in respect of grants of ₹ 327.35 crore given for specific purposes, to the Accountant General (Accounts & Entitlement), Uttarakhand till March 2017. In the absence of these certificates, it could not be ascertained whether the recipients had utilised the grants for the intended purposes. The departmental heads were not submitting statements of such bodies and authorities showing (a) the amount of assistance, (b) the purpose for which the assistance was sanctioned, and (c) the total expenditure of the body or authority to Accountant General (Audit) Uttarakhand to which grants or loan aggregating ₹ 10 lakh or more were paid during preceding year. As such, the institutions which attract audit by the Comptroller & Auditor General of India could not be identified properly.

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

CHAPTER-1

**FINANCES OF
THE STATE GOVERNMENT**

CHAPTER-1

FINANCES OF THE STATE GOVERNMENT

This chapter provides an overview of the finances of the State Government during the financial year 2016-17 in terms of its structural profile and by benchmarking against past trends of major fiscal aggregates. *Appendix-1.1* contains the structure and layout of the Finance Accounts of the State Government on which this Chapter is based. *Appendix-1.2 (Part A)* briefly outlines the methodology adopted for the assessment of the fiscal position of the State.

1.1 Profile of the State

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

The State has seen considerable economic growth in the past decade and the Compound Annual Growth Rate (CAGR) of its Gross State Domestic Product¹ (GSDP) at current prices for the period 2007-08 to 2016-17 has been over 17.50 *per cent*, against the CAGR of SCS of 15.70 *per cent*.

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

Gross State Domestic Product (GSDP)

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

Annual growth rate of GDP and GSDP at current prices

Year	2012-13	2013-14	2014-15*	2015-16*	2016-17*
India's GDP (₹ in crore)	99,44,013	1,12,33,522	1,24,45,128	1,36,82,035	1,51,83,709
Growth rate of GDP (percentage)	13.82	12.97	10.79	9.94	10.98
State's GSDP (₹ in crore)	1,31,613	1,49,074	1,61,439	1,76,171	1,95,192
Growth rate of GSDP (percentage)	14.12	13.27	8.29	9.13	10.80

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

* Provisional * Quick * Advance estimates.

The growth rate of GSDP declined sharply during 2012-13 to 2014-15 from 14.12 *per cent* in 2012-13 to 8.29 *per cent* in 2014-15. However, it appreciated in

¹ Refer glossary in **Appendix-4.1**.

2015-16 to 9.13 per cent and again appreciated to 10.80 per cent in 2016-17. Rate of growth of GSDP in comparison to GDP varied over the period 2012-13 to 2016-17. The growth rate of GSDP was higher than the GDP growth rate during 2012-13 and 2013-14 and less in 2014-15. However, it was more or less identical in the years 2015-16 and 2016-17.

The Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005 which was revised in 2011 as per the recommendation of the Thirteenth Finance Commission (*Th FC*) was further revised in December 2016 according to the recommendations of the Fourteenth Finance Commission (*FFC*) (*Appendix-1.2 Part B*). The targets set forth by the *FFC* regarding the fiscal health of the State are discussed in Paragraph 1.1.2. The State's own Fiscal Correction Path (FCP) through the Mid Term Fiscal Policy Statement (MTEPS) is also given in *Appendix-1.2 (Part B)*.

1.1.1 Summary of Current Year's Fiscal Transactions

Table-1.1 presents a summary of the State Government's fiscal transactions during the current year (2016-17) *vis-à-vis* the previous year (2015-16). *Appendix-1.4* provides details of receipts and disbursements as well as the overall fiscal position during the current year as compared to the previous year.

Table-1.1: Summary of Current Year's Fiscal Operations

(₹ in crore)

Receipts	2015-16	2016-17	Disbursements	2015-16	2016-17		
					Non-Plan	Plan	Total
Section-A: Revenue							
Own Tax revenue	9,377.79	10,897.31	General services	8,409.98	9,923.93	10.16	9934.09
Non-tax revenue	1,219.66	1,345.82	Social services	9,926.69	5,873.53	4,655.04	10,528.57
Share of Union Taxes/ Duties	5,333.19	6,411.57	Economic services	3,983.21	2,223.90	1,678.76	3,902.66
Grants from Government of India	5,303.79	6,234.27	Grants-in-aid and Contributions	766.56	906.18	--	906.18
Revenue receipts	21,234.43	24,888.97	Revenue expenditure	23,086.44			25,271.50
Section-B: Capital and Others							
Misc. Capital Receipts	--		Capital Outlay	4,217.38	878.27	4,075.95	4,954.22
Recoveries of Loans and Advances	27.20	34.85	Loans and Advances disbursed	83.15	99.10	65.95	165.05
Public Debt receipts*	6,798.23	6,500.67	Repayment of Public Debt*	1,996.56	--	--	1,127.40
--	--	--	Appropriation to Contingency Fund	--	--	--	--
Contingency Fund	190.76	394.77	Contingency Fund	385.46	--	--	227.70
Public Account receipts#	37,745.87	27,855.02	Public Account disbursements#	36,536.73	--	--	26,607.34
Opening Cash Balance	1,772.03	1,464.88**	Closing Cash Balance	1,462.80			2,785.95
Total	67,768.52	61,139.16	Total	67,768.52	--	--	61,139.16

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

Public Account receipts and disbursements do not include Departmental Balances and Cash Balance Investment Account.

In other places of the Report Net figure of Public Account Receipts have been taken for analysing the State resources.

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

The following are the significant changes during the current year (2016-17) over the previous year (2015-16):

- Revenue receipts at ₹ 24,888.97 crore were higher by ₹ 3,654.54 crore (17.21 per cent) over the previous year. This was due to the increase in State's Own Tax Revenue (₹ 1,519.52 crore), State's share of Union Taxes/Duties (₹ 1,078.38 crore), Grants-in-aid from GoI (₹ 930.48 crore) and Non-Tax Revenue (₹ 126.16 crore).
- Revenue expenditure grew by ₹ 2,185.06 crore (9.46 per cent) during the year, over the previous year.
- Revenue receipts were less than Revenue Expenditure by ₹ 382.53 crore resulting in revenue deficit to this extent during the current year.
- Capital expenditure during the year increased by ₹ 736.84 crore (17.47 per cent) over the previous year as detailed in Paragraph 1.6.1.
- Recovery of loans and advances increased by ₹ 7.65 crore (28.13 per cent) from ₹ 27.20 crore to ₹ 34.85 crore during the current year.
- Public Debt receipts (excluding ways and means advances) at ₹ 6,500.67 crore, decreased by ₹ 297.56 crore during the year over the previous year.
- Net Public Account Receipts increased from ₹ 1,209.14 crore in 2015-16 to ₹ 1,247.68 crore in 2016-17.
- The cash balance of the State at the end of the current year increased by ₹ 1,323.15 crore as compared to the closing balance at the end of 2015-16 mainly due to increase in deposits with Reserve Bank (₹ 1,153.81 crore).

1.1.2 Review of the fiscal situation

Major fiscal variables provided in the Budget and the recommendations of *FFC* for the State are given in **Table-1.2**. The FRBM Act has been revised by the State Government (December, 2016) and the targets have been fixed as per the recommendations of the *FFC*.

Table-1.2: Review of the fiscal situation

(₹ in crore)

Fiscal variables	2016-17						
	Targets as prescribed by <i>FFC</i>	Targets proposed in the Budget	Projections made in MTFPS	Actuals	Percentage variation of actual over		
					Targets of <i>FFC</i>	Targets of Budget	Projections MTFPS
Revenue Deficit (-)/ Surplus (+) (₹ in crore)	*	(+) 25.48	(-) 41.33	(-) 382.53	*	(-) 1,601.30	(-) 825.55
Fiscal Deficit/ GSDP (in per cent)	3.25	2.95	2.19	2.80	(+) 13.85	(+) 5.08	(-) 27.85
Ratio of outstanding fiscal liability to GSDP (in per cent)	22.64	19.79	19.80	22.84	(-) 0.88	(-) 15.41	(-) 15.35

*No target for Revenue Deficit has been prescribed by *FFC*.

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

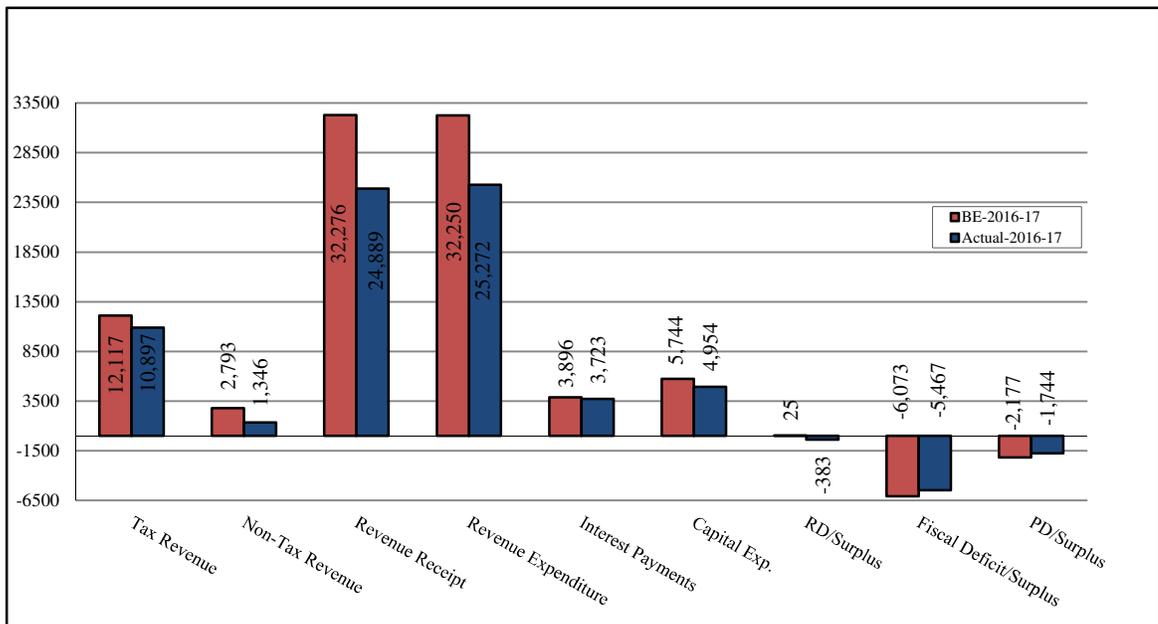
able to considerably bring down the revenue deficit (₹ 382.53 crore). The fiscal deficit at 2.80 per cent of GSDP was lower than the *FFC* norm but the ratio of outstanding fiscal liabilities to GSDP at 22.84 was slightly higher than the *FFC* norm of 22.64.

1.1.3 Budget estimates and actuals

The Budget papers presented by the State Government provide descriptions of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of the fiscal policies for overall economic management. Deviations from the Budget Estimates (BEs) are indicative of non-attainment and non-optimisation of the desired fiscal objectives, due to a variety of factors, some within the control of the Government while others beyond its control. A comparison of the actual against the BEs in respect of various components showed a mixed trend during 2016-17:

Chart-1.1: Selected Fiscal Parameters: Budget Estimates vis-à-vis Actuals

(₹ in crore)

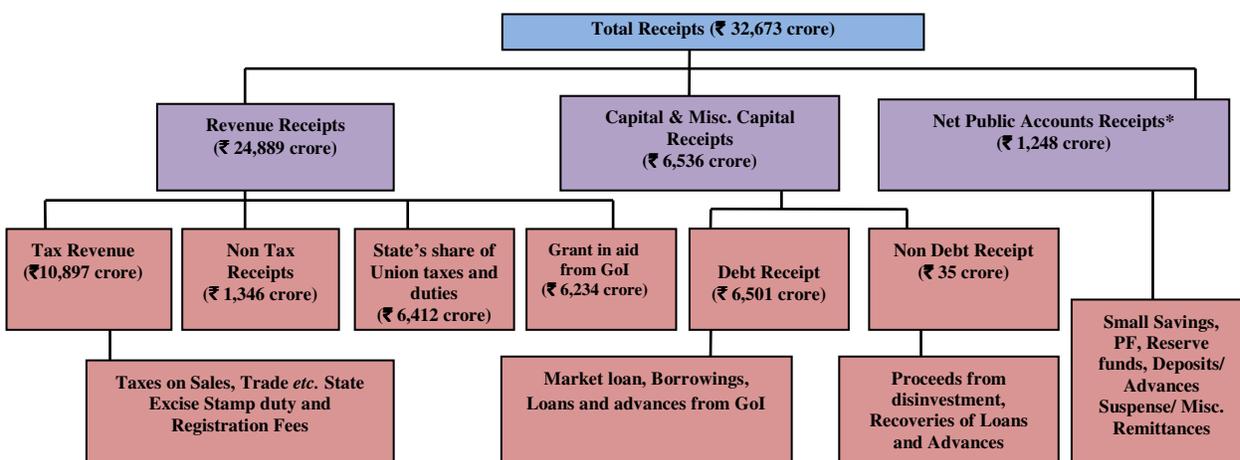


From the above **Chart-1.1** it is evident that:

- The overall revenue receipts were short by ₹ 7,387 crore (23 per cent) mainly due to less receipt of funds of ₹ 5,117 crore (45 per cent) from the GoI under grants-in-aid and less realisation of both Tax and Non-Tax Revenue by ₹ 1,220 crore (10 per cent) and ₹ 1,447 crore (52 per cent) against the BEs for the current year. The unachieved targets were to some extent counter-balanced by enhanced amount of ₹ 397 crore (seven per cent) received by the State under Central Devolution.

- The State Government was able to restrict the revenue expenditure in 2016-17 and it was ₹ 6,978 crore (22 per cent) less than the BEs for the current year.
- The budgetary projection of ₹ 5,744 crore under Capital head could not be utilised in full by the State Government during the year as the actual expenditure of ₹ 4,954 crore was less to the extent of ₹ 790 crore (14 per cent).
- The year 2016-17 ended with a Revenue Deficit of ₹ 383 crore against the assessment of Revenue Surplus of ₹ 25 crore made in the BEs.
- The actual fiscal deficit (₹ 5,467 crore) and primary deficit (₹ 1,744 crore) during 2016-17 were well below the assessments made in the BEs by 10 per cent (₹ 606 crore) and 20 per cent (₹ 433 crore) respectively.

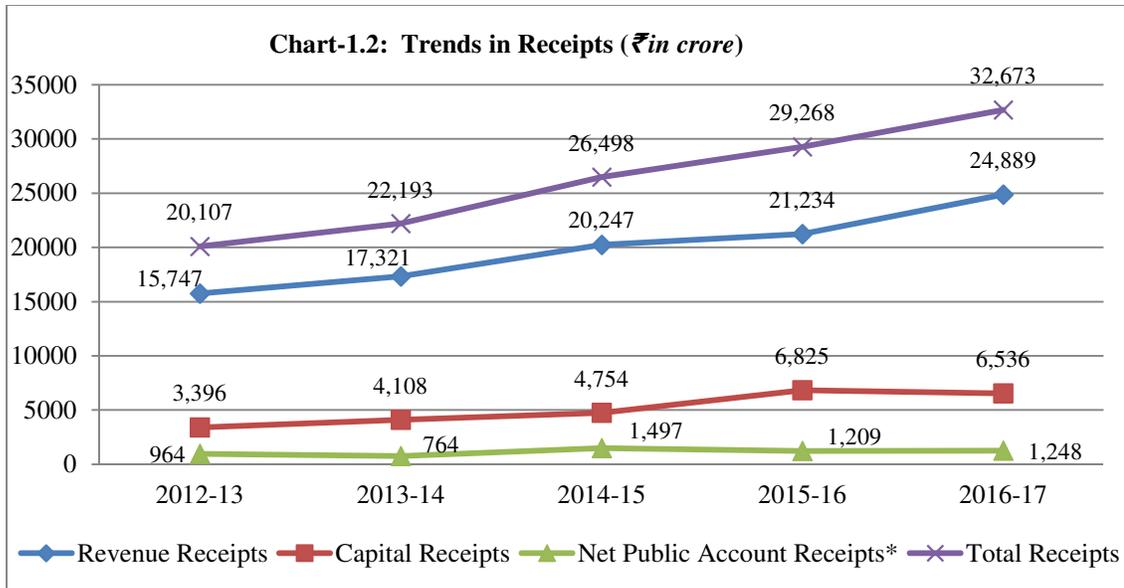
1.2 Resources of the State



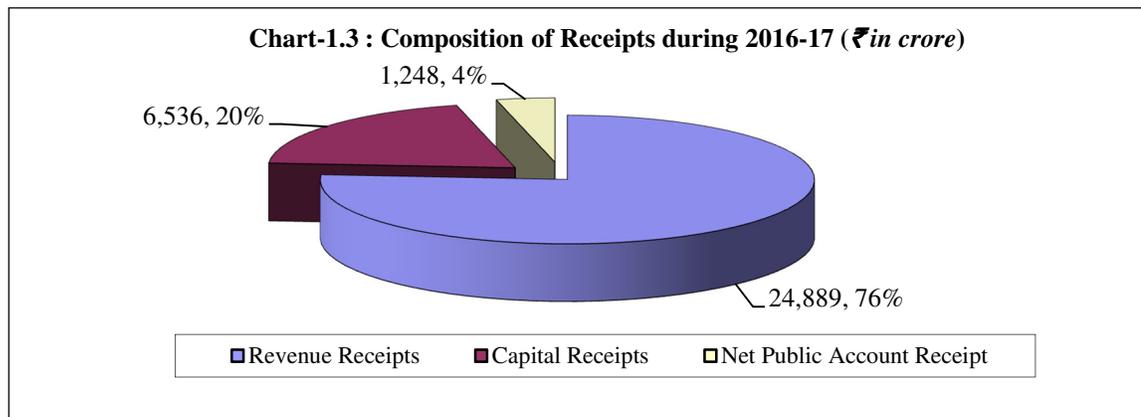
*Net Public Account Receipts (₹1,248 crore) = Public Accounts Receipts (₹27,855 crore) less Public Accounts Disbursements (₹26,607 crore).

1.2.1 Resources of the State as per the Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts comprise tax revenues, non-tax revenues, State's share of the Union taxes and duties, and grants-in-aid from the Government of India (GoI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/ commercial banks), and loans and advances from the GoI. Besides, funds available in the public accounts after disbursement are also utilised by the Government to finance its deficit. **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 2016-17. **Chart-1.3** depicts the composition of resources of the State during the current year.



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



The total receipts of the Government (excluding Contingency Fund Receipts) grew by ₹ 12,566 crore (62 per cent) from ₹ 20,107 crore in 2012-13 to ₹ 32,673 crore in 2016-17. Of total receipts, four per cent (₹ 1,248 crore) came from the net Public Account whereas 20 per cent (₹ 6,536 crore) and 76 per cent (₹ 24,889 crore) share of the total receipts came from borrowings and revenue receipts respectively.

The revenue receipts of the State during the current year grew by 17 per cent over the previous year. This was mainly due to increase in State's Own Tax Revenue by ₹ 1,520 crore (16 per cent), Non-Tax Revenue by ₹ 126 crore (10 per cent), Grant-in-Aid from Government of India by ₹ 930 crore (18 per cent) and Central devolution by ₹ 1,079 crore (20 per cent). As a percentage in the composition of total receipts, revenue receipts increased by three per cent during the current year while the share of capital receipts in the total receipts decreased by three per cent (refer Table-1.1).

Net Public Account receipts at ₹ 1,248 crore accounted for four per cent of total receipts during 2016-17 as detailed in paragraph 1.5.

1.2.2 Funds transferred to implementing agencies in the State

The Government of India has transferred significant funds directly to the State Implementing Agencies for implementation of various schemes/ programmes in the past years. However, despite the Government of India's decision to release all assistance pertaining to CSSs/ACA to the State Government and not to implementing agencies, the Government of India directly transferred funds amounting to ₹ 719.50 crore (Funds routed outside State Budget-Unaudited figures) to various State Implementing Agencies during the year 2016-17 as detailed in **Table-1.3**.

Table-1.3: Significant amount of funds transferred directly to State Implementing Agencies

(₹ in crore)

Sl. No.	Scheme Name	Agency Name/ Agency Type	Funds Transferred
1.	Mahatma Gandhi National Rural Employment Guarantee Yojna	Uttarakhand Rajya Rozgar Guarantee Sanstha	372.55
2.	Border Management Scheme	Public Works Department, Champawat	200.00
3.	Swadesh Darshan-Integrated Development of Theme Based	Tourism Development Board	40.50
4.	Digital India Programme	Information Technology Development Agency Dehradun	19.49
5.	Capacity Building for Panchayat Sashaktikaran Abhiyan	Director, Panchayati Raj	13.21
6.	National Mission on Pilgrimage Rejuvenation and Spirituality Augmentation	Tourism Development Board	12.92
7.	Others (50)	Various agencies	60.83
Total:			719.50

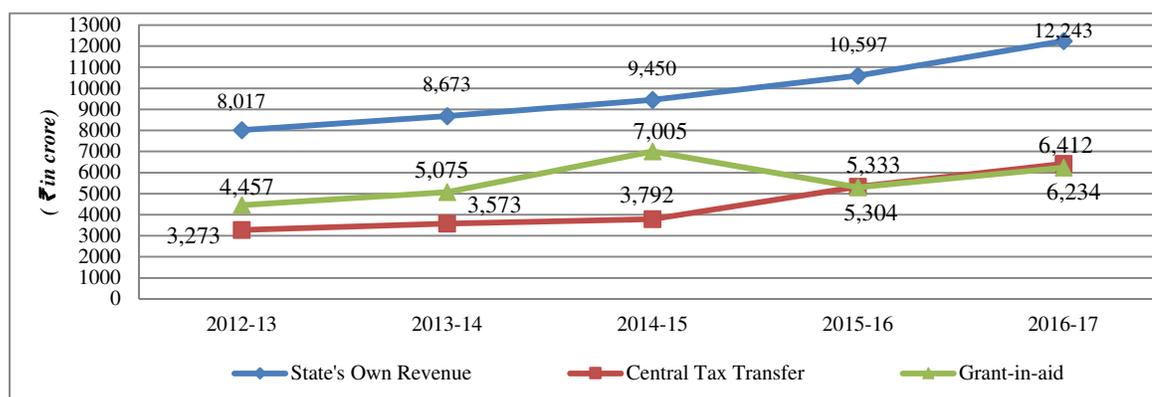
Source: Finance Account- Appendix VI.

Out of total funds of ₹ 1,629.70 crore transferred directly by Government of India to implementing agencies (including Central implementing agencies) in the State, an amount of ₹ 719.50 crore (44 per cent) was released to the State Implementing Agencies.

1.3 Revenue Receipts

Statement-14 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of State's own tax and non-tax revenues, central tax transfers and grants-in-aid from the GoI. The trends and composition of revenue receipts over the period 2012-13 to 2016-17 are presented in **Appendix-1.3** and are also depicted in **Chart-1.4**.

Chart-1.4: Trends in Revenue Receipts



The revenue receipts have shown a constant increase over the period 2012-13 to 2016-17. They increased from ₹ 15,747 crore in 2012-13 to ₹ 24,889 crore in 2016-17 at an average rate of 12.80 *per cent* per annum out of which State's own revenue, Central tax transfers and Grant-in-Aid increased by ₹ 4,226 crore (52.71 *per cent*), ₹ 3,139 crore (95.91 *per cent*) and ₹ 1,777 crore (39.86 *per cent*) respectively during the said period.

49.19 *per cent* of the revenue receipts during 2016-17 came from the State's own tax and non-tax revenue.

State's own receipts constituted on an average around 49.35 *per cent* of its revenue receipts, over the period 2012-13 to 2016-17. This showed continued dependence of the State on the grants-in-aid from GoI as the State has not been able to broaden its tax base. The trends in revenue receipts relative to GSDP are presented in **Table-1.4**.

Table-1.4: Trends in revenue receipts relative to GSDP

	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Receipts (RR) (₹ in crore)	15,747	17,321	20,247	21,234	24,889
Rate of growth of RR (<i>per cent</i>)	15.02	10.00	16.89	4.87	17.21
Gross State Domestic Product (GSDP)	1,31,613	1,49,074	1,61,439	1,76,171	1,95,192
RR/ GSDP (<i>per cent</i>)	11.96	11.62	12.54	12.05	12.75
Buoyancy Ratios²					
Revenue Buoyancy <i>w.r.t.</i> GSDP	1.06	0.75	2.04	0.53	1.59
State's Own Tax Buoyancy <i>w.r.t.</i> GSDP	1.01	1.11	1.61	1.36	1.50

The growth rate of Revenue Receipts was 15.02 *per cent* during 2012-13 over the previous year 2011-12 and thereafter it declined down to 10 *per cent* in 2013-14. The growth rate for 2014-15 increased by 6.89 percentage points over the previous year but again decreased sharply by 12.02 percentage points in 2015-16. However, it again picked up sharply during the current year 2016-17 and stood at 17.21 *per cent*.

Buoyancy ratio indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable. Revenue buoyancy, which is directly proportionate to growth of Revenue Receipts and GSDP, fluctuated widely during the period 2012-13 to 2016-17 due to fluctuations in the growth rate of Revenue Receipts. It declined to 0.53 in 2015-16 from 2.04 in 2014-15 due to decrease in the growth rate of Revenue Receipts to 4.87 *per cent* in 2015-16 from 16.89 *per cent* in 2014-15. However, the Revenue buoyancy has again appreciated to 1.59 during the current year 2016-17.

1.3.1 State's own resources

As the State's share in Central taxes and grants-in-aid are determined on the basis of recommendations of the Finance Commission, the State's performance in mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The *FFC* projections, BEs and MTFPS projections *vis-à-vis* actual in respect of State's own resources during 2016-17 are given in **Table-1.5**.

² Refer glossary in **Appendix-4.1**.

Table-1.5: States Own resources: Projection vis-à-vis actual

States Own resources	FFC projections	Budget Estimates	MTFPS projections	Actual	Percentage variation of actual over		
					FFC projections	Budget Estimates	MTFPS projections
Own Tax Revenue	14,487	12,117	10,867	10,897	(-) 24.78	(-)10.07	(+) 0.28
Non-Tax Revenue	2,678	2,793	1,316	1,346	(-)49.74	(-)51.81	(+) 2.28

(₹ in crore)

As shown in **Table-1.5**, the State's own resources vis-à-vis projections made by the FFC, and by the State Government in BEs and MTFPS showed that own tax revenues during 2016-17 were less by ₹ 3,590 crore and ₹ 1,220 crore respectively against the FFC projections and BEs. However, it was higher than the projections made in the MTFPS, by ₹ 30 crore.

The Non-tax revenue (NTR) was less by ₹ 1,332 crore and ₹ 1,447 crore respectively as compared to the FFC projections and the BEs. However, the MTFPS targets were met by the Government and the actual realisation was higher by ₹ 30 crore.

1.3.1.1 Tax revenue

The gross collection in respect of major taxes and duties is given in **Table-1.6**.

Table-1.6: Components of State's own resources

Revenue Head	2012-13	2013-14	2014-15	2015-16	2016-17
Taxes on Sales, Trades etc.	4,289 (18)	4,903 (14)	5,465 (11)	6,105 (12)	7,154 (17)
State Excise	1,118 (32)	1,269 (14)	1,487 (17)	1,735 (17)	1,906 (10)
Taxes on Vehicles	304 (-9)	369 (21)	394 (7)	471 (20)	556 (18)
Stamp Duty and Registration Fee	648 (24)	687 (6)	714 (4)	871 (22)	778 (-11)
Taxes on Goods and Passengers	--	--	--	--	--
Other Taxes	55 (-80)	128 (133)	279 (118)	195 (-30)	503 (158)
Total	6,414 (14)	7,356 (15)	8,339 (13)	9,377 (12)	10,897 (16)

(₹ in crore)

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

The State's own tax revenue increased by 16 per cent from ₹ 9,377 crore in 2015-16 to ₹ 10,897 crore in 2016-17. This increase also led to the appreciation in the rate of growth during the year in comparison to previous year by four per cent. The revenue from taxes on Sales, Trade, etc. not only comprised a major share of tax revenue (65.65 per cent) but also registered an increase of 17 per cent over the previous year. State Excise was another major contributor to State's own tax revenue.

1.3.1.2 Non-tax revenue

Growth rate of non-tax revenue is given in **Table-1.7**.

Table-1.7: Trends of non-tax revenue receipt

Revenue Head	2012-13	2013-14	2014-15	2015-16	2016-17
Interest receipts	114.76	51.12	108.17	89.22	71.77
Dividends & Profits	0.19	0.30	0.11	5.10	15.21
Other non-tax receipts	1,487.93	1,265.12	1,002.16	1,125.34	1,258.84
Total	1,602.88	1,316.54	1,110.44	1,219.66	1,345.82
Per cent increase/decrease over previous year	41.08	(-) 17.86	(-)15.65	9.84	10.34

(₹ in crore)

Non-tax revenue at ₹ 1,602.88 crore in 2012-13 showed decreasing trend during the period 2013-14 and 2014-15. However, it increased in the year 2015-16. During the

current year it increased again which was mainly due to increase in Non Ferrous Mining and Metallurgical Industries (22.93 per cent), Education, Sports, Art and Culture (98.08 per cent) and Public Works (265.95 per cent). This was partially counter balanced by decrease in receipts from Power (22.83 per cent). The major contributors to Non-tax revenue during 2016-17 were Forestry and Wild Life ₹ 318.21 crore (23.64 per cent), Non-ferrous Mining & Metallurgical Industries ₹ 335.17 crore (24.90 per cent), Power ₹ 130.08 crore (9.67 per cent) and Interest Receipts ₹ 71.77 crore (5.33 per cent).

1.3.2 Grants-in-aid from GoI

Grants-in-aid (GIA) received from the GoI during 2012-13 to 2016-17 are depicted in **Table-1.8**.

Table-1.8: Trends in Grants-in-aid receipt from GoI

Particulars	(₹ in crore)				
	2012-13	2013-14	2014-15	2015-16	2016-17
Non-Plan grants	869	981	944	1,043	824
Grants for State Plan schemes	3,040	3,558	4,083	1,173	1,532
Grants for Central Plan schemes	8	13	99	609	843
Grants for Centrally Sponsored Plan schemes	540	523	1,879	2,479	3,035
Total	4,457	5,075	7,005	5,304	6,234
Percentage of increase/decrease over previous year	9	14	38	(-) 24	18
Percentage of Revenue Receipts	28	29	35	25	25

The grants-in-aid from GoI had shown an increase over the period 2012-13 to 2014-15 but it decreased by ₹ 1,701 crore (24.28 per cent) during 2015-16 over the previous year. During the current year the receipts under Grants-in-aid from GoI again increased by ₹ 930 crore (17.53 per cent) over the previous year.

1.3.3 Central tax transfers

The receipts in the form of State's share in Union taxes and duties have increased by ₹ 1,078.38 crore (20.22 per cent) from ₹ 5,333.19 crore in 2015-16 to ₹ 6,411.57 crore in 2016-17. The overall increase in Central tax transfers was due to increase in Corporation tax (₹ 378.88 crore), Union Excise Duties (₹ 295.79 crore), Taxes on income other than Corporation tax (₹ 266.18 crore), Service Tax (₹ 107.56 crore) and Customs (₹ 29.85 crore).

1.3.4 Optimisation of Fourteen Finance Commission grants

The *FFC* submitted its report in December 2014, covering the five year period commencing from April 1, 2015. The GoI allocated grants-in-aid of ₹ 3,856.52 crore on the recommendations of *FFC* to the State Government, to be utilised for Local Bodies and Disaster Relief Fund during 2015-16 to 2019-20. Position of releases by GoI during 2016-17 and onward transfers by the State Government is given in **Table-1.9**.

Table-1.9: Transfers recommended and actual release of Grants-in-aid

(₹ in crore)

Transfers	Recommendations of the FFC 2015-16 to 2019-20	Recommendations of the FFC 2016-17	Actual Release from GoI during 2016-17	Transfers made by State during 2016-17
1. Local Bodies				
(A) Grants to PRIs	1,882.69	318.37	318.37	318.37
(i) General Grant	1,694.42	281.45	281.45	281.45
(ii) Performance Grant	188.27	36.92	36.92	36.92
(B) Grants to ULBs	815.83	140.41	66.09	66.09
(i) General Grant	652.66	108.41	41.56	41.56
(ii) Performance Grant	163.17	32.00	24.53	24.53
Total (1)	2,698.52	458.78	384.46	384.46
2. Disaster Relief Fund	1,158.00	220.00	220.00*	220.00
Grand Total	3,856.52	678.78	604.46	604.46

Source: FFC Report and Finance Accounts.

(*₹198 crore as central share and ₹22 crore as state share)

The grants recommended by the FFC formed two parts - a basic grant and performance grant for duly constituted gram panchayats and municipalities. The State did not receive its full share from the GoI during 2016-17 under grants to ULBs. However, the actual utilisation by the PRIs and ULBs was not made available by the State Department.

1.4 Capital Receipts

The Capital Receipts are either non-debt capital receipts such as proceeds from disinvestment of equity in government companies/ corporations and recoveries of loans and advances or debt capital receipts, credited under public debt section of the Consolidated Fund. The public debt receipts fall broadly under two categories (a) loans/ advances from the Union government and (b) borrowing from banks, financial institutions through negotiated loans or open market borrowings through the issue of the State Development Loans. The share of non-debt capital receipts and loans/ advances from the Union government is negligible and capital receipts are mainly through borrowings from banks, financial institutions and the open market, as detailed in Table-1.10.

Table-1.10: Trends in growth and composition of receipts

(₹ in crore)

Sources of State's Receipts	2012-13	2013-14	2014-15	2015-16	2016-17	
Capital Receipts (CR)	3,396	4,108	4,754	6,825	6,536	
Miscellaneous Capital Receipts	--	180	135	--	--	
Recovery of Loans and Advances	428	55	46	27	35	
Public Debt Receipts	Market Loan	1,750	2,500	2,400	3,900	5,450
	Other Internal Resources	1,183	1,338	2,112	2,801	905
	GoI	35	35	61	97	146
	Total	2,968	3,873	4,573	6,798	6,501
Rate of growth of debt capital receipts (per cent)	27	30	18	49	(-)/4	
Rate of growth of non-debt capital receipts	370	(-) 45	(-) 23	(-) 85	30	
Rate of growth of GSDP	14.12	13.27	8.29	9.13	10.80	
Rate of growth of CR (per cent)	40	21	16	44	(-)/4	

Capital Receipts comprising debt and non-debt receipts of the State increased at an average growth rate of 23 per cent over the period 2012-13 to 2016-17. The debt receipts had a predominant share in capital receipts and accounted for 87.40 to 99.60 per cent during 2012-13 to 2016-17.

1.4.1 Recoveries of loans and advances

Recoveries from loans and advances continued to decline from 2012-13 onwards from a high of ₹ 428 crore in 2012-13 to ₹ 27 crore in 2015-16. However, the recoveries have shown an increase (₹ eight crore) during the current year.

1.4.2 Debt receipts from internal sources

Internal Debt receipts comprising Market loans, loans from financial institutions, etc. over the period 2012-13 to 2016-17 continued to be a major source of receipts of the State Government. They increased by ₹ 3,422 crore (116.67 per cent) over the period 2012-13 to 2016-17. However, debt receipt showed a decrease of ₹ 346 crore (5.16 per cent) over the previous year.

Trends in market borrowings are detailed in Paragraph 1.10.1.

1.4.3 Loans and advances from GoI

The State being a special category state, receives grants-in-aid and loans from GoI in the ratio of 90:10. Therefore, the State Government's outstanding liability on account of loans from the GoI (₹ 654.54 crore) is only 1.86 per cent of its total Public Debt (₹ 35,209.59 crore). Receipt of Loans and Advances from GoI increased tri-fold (₹ 111 crore) over the period 2012-13 to 2016-17. During the current year, it increased by ₹ 48.43 crore (49.92 per cent) over the previous year.

1.5 Public Account Receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266 (2) of the Constitution of India and are not subject to vote by the State Legislature. Here the Government acts as a banker/trustee for the public money. The balance after disbursement is the fund available with the Government for use. Trends of receipts and disbursement under various segments of Public Accounts are given in **Table-1.11**.

Table-1.11: Trends of Public Account Receipts and Disbursement during 2015-16 and 2016-17

(₹ in crore)

Source of State's Receipts	Public Account Receipts		Disbursement from Public Accounts		Excess of receipts over Disbursements (Net Public Account Receipt)	
	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
a. Small Savings, Provident fund etc.	1,513.13	1,528.82	1,035.39	1,116.13	477.74	412.69
b. Reserve Funds	332.46	280.00	149.09	356.63	183.37	(-) 76.63
c. Deposits and Advances	3,798.92	3,276.70	3,660.57	3,412.01	138.35	(-) 135.31
d. Suspense and Miscellaneous	27,622.77	29,078.90	27,246.38	28,028.62	376.39	1,050.28
e. Remittances	4,478.59	(-) 6,309.40	4,445.30	(-) 6,306.05	33.29	(-) 3.35
Total	37,745.87	27,855.02	36,536.73	26,607.34	1,209.14	1,247.68

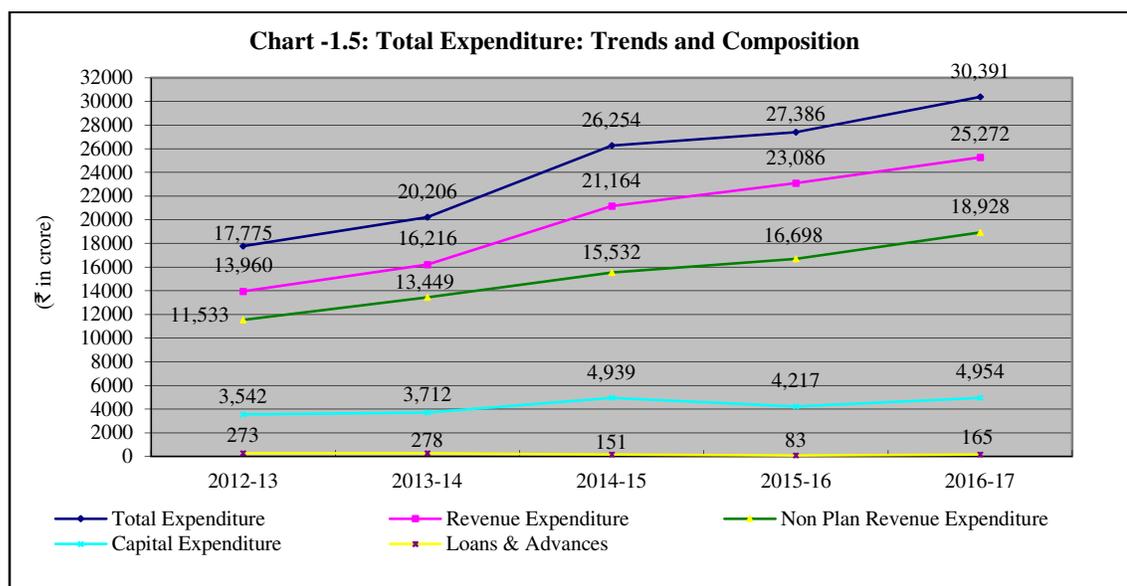
During the year 2016-17, excess of receipt over disbursement of ₹ 870.19 crore under Cheques and Bills formed the bulk of the excess of receipts over disbursements under Suspense and Miscellaneous (₹ 1,050.28 crore). This ultimately resulted in excess of receipts over disbursements under Public Account Receipt by ₹ 1,247.68 crore.

1.6 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with the State Government. 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 of capital infrastructure and social sector. Following is an analysis of allocation of expenditure in the State.

1.6.1 Growth and composition of expenditure

Chart-1.5 presents the trends in total expenditure over a period of five years (2012-13 to 2016-17) and its composition in terms of 'expenditure by nature' as depicted in **Chart-1.6**.



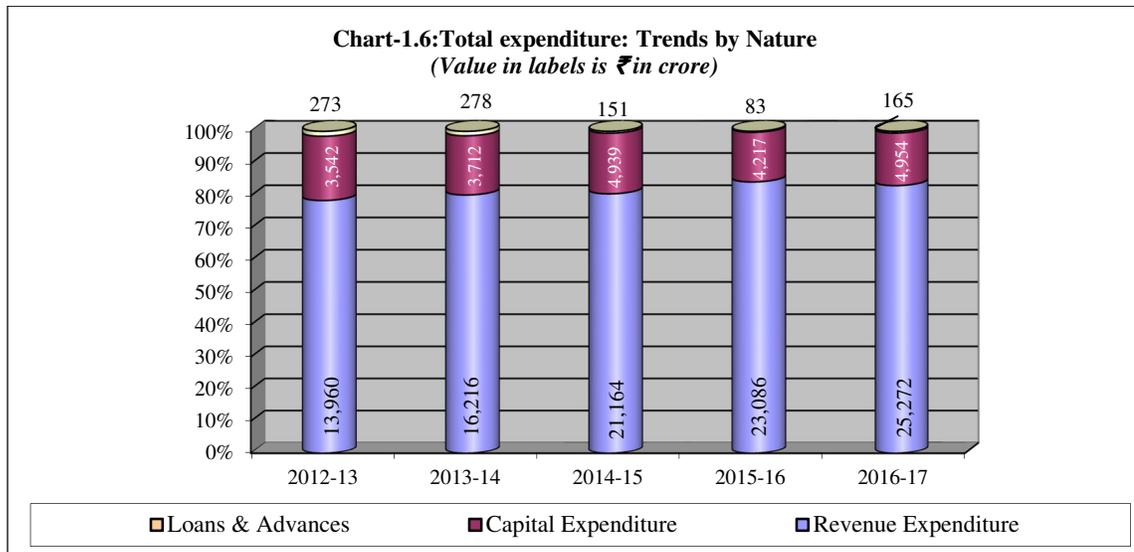
Total Expenditure (TE) of the State increased at an average rate of 14.65 per cent per annum during 2012-13 to 2016-17. An increase of ₹ 3,005 crore (10.97 per cent) in Total Expenditure during 2016-17 over the previous year was due to increase in Revenue Expenditure (RE) by ₹ 2,186 crore, Capital Expenditure (CE) by ₹ 737 crore and Loans and Advances by ₹ 82 crore.

Revenue Expenditure (RE): The RE of ₹ 25,272 crore during the current year was 83.16 per cent of TE (₹ 30,391 crore). The increase in RE (₹ 2,186 crore) during the

current year was due to increase in expenditure towards (i) Grants-in-aid and Contribution (₹ 140 crore), (ii) Social Services (₹ 602 crore), and (iii) General Services (₹ 1,524 crore) which included increase in the interest payments amounting to ₹ 752 crore.

Capital Expenditure (CE): The CE had shown a decrease of ₹ 722 crore (14.62 per cent) during 2015-16 over the previous year. However, the CE has again increased by ₹ 737 crore. As per cent of TE, it declined from 19.93 per cent in 2012-13 to 16.30 per cent in 2016-17. The CE showed an increasing trend during the period 2012-13 to 2014-15 while it decreased by 14.62 per cent during 2015-16 over previous year. It again increased during the current year 2016-17 by 17.48 percentage points. However, it was still below the target set forth by the State Government in its Budget (₹ 5,744.36 crore) but was above the target of the Mid Term Fiscal Policy Statement (MTFPS) (₹ 4,414.83 crore).

The relative share of these components of expenditure in total expenditure had shown a fluctuating trend during the period 2012-13 to 2016-17. The share of expenditure on General Services including interest payments, which is considered as non-developmental expenditure, fluctuated between one to two per cent during the period 2012-13 to 2016-17. The share of expenditure on Social and Economic Services during the year 2016-17 have decreased marginally by 1.64 per cent and 0.59 per cent respectively over the previous year.



The share of **Plan Revenue Expenditure (PRE)** in the Revenue Expenditure of the State showed an increase of ₹ 340 crore (14.01 per cent) in 2013-14, ₹ 2,865 crore (103.54 per cent) in 2014-15 and ₹ 756 crore (13.42 per cent) in 2015-16 over the previous years. However, it decreased marginally during the current year (₹ 44 crore). There was decline of PRE in the Economic and General Services, (₹ 291.90 crore and ₹ 17.91 crore) and increase in the Social Services (₹ 265.51 crore).

Non-Plan Revenue Expenditure (NPRE) of the State increased by ₹ 7,395 crore (64.12 per cent) from ₹ 11,533 crore in 2012-13 to ₹ 18,928 crore in 2016-17. During the current year, the increase in NPRE of ₹ 2,230 crore (13.35 per cent) was mainly due to increase in expenditure under Interest Payments (₹ 752 crore), Salaries (₹ 822 crore) and Pension (₹ 542 crore). **Table-1.12** depicts the details of actual NPRE with reference to projections made by the State Government at different stages during the year 2016-17.

Table -1.12: Actual NPRE vis-à-vis projections for 2016-17

(₹ in crore)

Non-Plan Revenue Expenditure (NPRE)	Assessment made by State Government in		Actuals
	Budget	MTFPS	
		22,250	***

Source: FFC Report, Annual Financial Report (GoUK) and Finance Accounts.

***PRE & NPRE clubbed w.e.f FY-2017-18

During the current year, the NPRE (₹ 18,928 crore) was less than the projections made by the State Government in its Budget (₹ 22,250 crore).

1.6.2 Committed expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table-1.13** presents the trends in the expenditure on these components during 2012-13 to 2016-17.

Table-1.13: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2012-13	2013-14	2014-15	2015-16	2016-17		
					BE	Actual	Percentage of variation of Actual over BE
Salaries & Wages, of which	5,724 (36.35)	6,431 (37.13)	7,309 (36.10)	7,848 (36.96)	11,753	8,670 (34.83)	(-) 26.23
Non-Plan Head	5,423	6,115	6,944	7,407 (34.88)		8,073 (32.44)	
Plan Head*	301	316	365	441 (2.08)		597 (2.40)	
Interest Payments	2,089 (13.27)	2,056 (11.87)	2,406 (11.88)	2,971 (13.99)	3,896	3,723 (14.96)	(-) 4.44
Expenditure on Pensions	1,366 (8.67)	2,131 (12.30)	2,452 (12.11)	2,628 (12.38)	3,529	3,170 (12.74)	(-) 10.17
Subsidies	163 (1.04)	24 (0.14)	209 (1.03)	211 (0.99)	350	208 (0.84)	(-) 40.57
Total Committed Expenditure	9,342 (59.33)	10,642 (61.44)	12,376 (61.13)	13,658 (64.32)	19,528	15,771 (63.37)	(-) 19.24
Other Components	2,191 (13.91)	2,807 (16.21)	3,156 (15.59)	3,040 (14.32)	2,722	3,157 (12.68)	(+) 15.98
Total NPRE	11,533	13,449	15,532	16,698	22,250	18,928	(-) 14.93
Total Revenue Expenditure	13,960	16,216	21,164	23,086	32,250	25,272	(-) 21.64
Revenue Receipts	15,747	17,321	20,247	21,234	32,276	24,889	(-) 22.89

Figures in the parentheses indicate percentage to revenue receipts.

*Plan Head also includes the salaries and wages paid under centrally sponsored schemes.

The committed expenditure, which was 59 per cent of revenue receipts in 2012-13, increased by four per cent during the current year and was 63 per cent of revenue receipts. It increased by ₹ 6,429 crore over the period 2012-13 to 2016-17. High levels of committed expenditure leave little scope for the Government to spend more on developmental activities.

Salaries and Wages

During the current year expenditure on salaries (₹ 8,670 crore) accounted for 46 *per cent* of NPRES (₹ 18,928 crore). The expenditure on salaries over the period 2012-13 to 2016-17 grew at an average of 10.60 *per cent*. The actual expenditure on salaries during 2016-17 was well below the target fixed by the State Government in its Budget (₹ 11,753 crore) and MTFPS (₹ 9,736 crore) for the current year. However, over estimation made in the BEs (36 *per cent*) for the year 2016-17 was not fully corrected by the Government in the Fiscal Correction Path and the projections made in the MTFPS were also overestimated (12 *per cent*) *vis-à-vis* actuals for the year 2016-17.

Pension Payments

Expenditure on pension payments was ₹ 3,170 crore in 2016-17, which constituted 12.74 *per cent* of the revenue receipts. During the current year, it increased by 20.62 *per cent* over the previous year 2015-16 and exceeded the normative assessment (₹ 2,934 crore) by eight *per cent* (₹ 236 crore) made by the FFC for the current year (Annexure 7.5 of FFC Report).

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

During the year, both employees contribution (₹ 252.90 crore) and matching government contribution (₹ 252.90 crore) amounting to ₹ 505.80 crore have been booked under MH-0071-117-Defined Contribution Pension Scheme for Government employees. A total amount of ₹ 503.35 crore has been transferred to National Securities Depository Limited (NSDL) leaving a balance of ₹ 2.45 crore that is yet to be transferred to the Fund. Further, the State Government had parked the legacy balances³ of ₹ 173.27 crore in the Public Account under Major Head 8342-117-Defined Contribution Pension Scheme for Government employees. During the year, no interest has been credited to the Fund. However, an amount of ₹ 2.89 crore has been transferred to NSDL leaving a balance of ₹ 170.38 crore in the Fund. Uncollected, unmatched and untransferred amounts, with accrued interest, represent outstanding liabilities under the Scheme.

Interest Payments

As shown in **Table-1.13**, interest payments increased by 78.22 *per cent* during 2012-13 to 2016-17 primarily on account of past borrowings. Interest payments during 2016-17 included interest on Internal Debt⁴ (₹ 3,099 crore), Small Savings, Provident Fund *etc.* (₹ 502 crore), other obligations (₹ 75 crore) and loans and advances from Government of India (₹ 47 crore). Interest payments (₹ 3,723 crore) during the current year were 14.96 *per cent* of Revenue receipts against 11.62 *per cent* recommended by FFC.

³ Legacy balances are the amounts relating to the period between date of announcement of the Scheme (1 October 2005) and the date on which the Scheme was notified by the State Government (31 March 2008).

⁴ Refer glossary in **Appendix-4.1**.

However, these were lower by ₹ 173 crore than the target of ₹ 3,896 crore set by the State Government in its Budget but exceeded the MTFPS target of ₹ 3,414 crore by ₹ 309 crore (9.05 per cent).

Subsidies

In any welfare state, it is not uncommon to provide subsidies/ subventions to the disadvantaged sections of the society. Subsidies are dispensed not only explicitly but also implicitly by providing subsidised public service to the people. Budgetary support to financial institutions, inadequate returns on investments, and poor recovery of user charges from Social and Economic Services provided by the Government are examples of implicit subsidies.

Explicit subsidy of the Government was ₹ 163.23 crore (2012-13), ₹ 23.63 crore (2013-14), ₹ 208.71 crore (2014-15), ₹ 211.38 crore (2015-16) and ₹ 207.99 crore (2016-17) as per Appendix II of Finance Accounts.

The amount of subsidy given during the year showed a marginal decrease of ₹ 3.39 crore (1.60 per cent) as compared to the previous year.

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

The quantum of assistance provided by way of grants to local bodies and other institutions during the current year relative to previous years is presented in **Table-1.14**.

Table -1.14: Financial Assistance to Local Bodies etc.

Financial Assistance to Institutions	2012-13	2013-14	2014-15	2015-16	2016-17	
					BE	ACTUAL
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	501.83	431.05	714.27	615.73	923.12	650.63
Municipal Corporations and Municipalities	306.28	321.19	380.17	334.11	622.96	397.77
Zila Parishads and Other Panchayati Raj Institutions	190.59	347.21	301.10	432.46	631.37	508.40
Development Agencies	480.80	562.37	891.07	828.94	1,519.02	953.33
Hospitals and Other Charitable Institutions	134.78	108.99	335.89	338.94	469.37	319.17
Energy (Non-conventional source of energy)	12.89	6.88	5.11	18.63	18.30	18.12
Agriculture Research and Educational Institution, Land Reforms for updating land records and Wild life Preservation	79.71	111.16	245.18	270.21	144.06	337.78
Co-operatives	9.75	11.83	4.64	4.12	8.54	5.07
Animal Husbandry, Dairy Development and Fisheries	8.75	10.43	28.58	27.09	52.22	32.00
Secretariat Economic Services & Tourism	36.28	49.33	68.80	1.52	43.53	30.69
Social Security & Welfare of Scheduled Caste, Scheduled Tribe & Other Backward Classes	254.31	285.85	412.94	514.86	665.76	446.96
Other Institutions	115.75	80.27	127.67	209.16	748.68	150.30
Total	2,131.72	2,326.56	3,515.42	3,595.77	5,846.93	3,850.22
Assistance as per percentage of RE	15.27	14.35	16.61	15.58	18.13	15.23

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

The total assistance to local bodies and other institutions increased by ₹ 1,718.50 crore (80.62 per cent) from ₹ 2,131.72 crore in 2012-13 to ₹ 3,850.22 crore in 2016-17. The assistance during the current year also showed an increase ₹ 254.45 crore over the previous year. Educational institutions and development agencies together accounted for 41.66 per cent of the total financial assistance during the current year.

There was increase in financial assistance under Development Agencies (₹ 124.39 crore), Zila Parishads (₹ 75.94 crore), Agriculture Research and Educational Institution, Land Reforms for updating land records and Wild life Preservation (₹ 67.57 crore), Secretariat Economic Services & Tourism (₹ 29.17 crore) Municipal Corporations and Municipalities (₹ 63.66 crore) and Educational Institutions (Aided Schools, Aided Colleges, Universities, etc) (₹ 34.90 crore). Financial assistance declined in Social Security & Welfare of Scheduled Caste, Scheduled Tribe & Other Backward Classes (₹ 67.90 crore), Other Institutions (₹ 58.86 crore) and Hospitals and Other Charitable Institutions (₹ 19.77 crore).

1.7 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, and its effectiveness (assessment of outlay-outcome relationships for select services).

1.7.1 Adequacy of Public expenditure

The expenditure responsibilities relating to social sector and economic infrastructure, assigned to the State Governments, are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health, etc. Fiscal priority [ratio of expenditure in that category to aggregate expenditure (AE)] refers to the priority given to a particular category of expenditure by the State. Low fiscal priority can be stated to have been attached to a particular sector if the expenditure incurred in that particular head of expenditure is below the Special Category States' average for that year.

Table-1.15 analyses the fiscal priorities of the State Government with regard to Development Expenditure (DE), Social Sector Expenditure (SSE) and Capital Expenditure (CE), Expenditure on Education and on Health relative to Special Category States in the years 2012-13, 2015-16 and 2016-17.

Table-1.15: Fiscal Priority of the State during the years 2012-13, 2015-16 and 2016-17

Fiscal Priority by the State	AE/GSDP*	DE#/AE@	SSE/AE@	ESE/AE@	CE/AE@	Education/ AE@	Health/AE@
Special Category States' Average (Ratio) 2012-13	24.80	61.10	34.30	30.70	15.10	18.10	5.30
Uttarakhand Average (Ratio) 2012-13	13.51	66.24	38.32	26.40	19.93	22.15	4.83
Special Category States' Average (Ratio) 2015-16	24.70	63.90	36.30	30.10	14.00	18.50	6.00
Uttarakhand Average (Ratio) 2015-16	15.55	66.08	39.40	26.38	15.40	18.73	4.96
Special Category States' Average (Ratio) 2016-17	27.40	61.50	34.20	30.00	13.60	16.60	5.40
Uttarakhand Average (Ratio) 2016-17	15.57	64.09	37.76	25.79	16.30	18.91	4.60

AE: Aggregate Expenditure DE: Development Expenditure SSE: Social Sector Expenditure ESE: Economic Sector Expenditure
Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.

Source: Finance Accounts of relevant Years and Economic Advisor, Office of the Comptroller and Auditor General of India.

A comparative study of average expenditure of Uttarakhand State in 2015-16 and 2016-17 with that of 2012-13 showed the following:

- The State Government's aggregate expenditure as a proportion of the GSDP in 2015-16 and 2016-17 was higher by 2.04 *per cent* and 2.06 *per cent* respectively in comparison to 2012-13.
- Development Expenditure (DE) as a proportion of Aggregate Expenditure (AE) in 2015-16 and 2016-17 was lesser by 0.16 *per cent* and 2.15 *per cent* respectively in comparison to 2012-13.
- Social Sector Expenditure as a proportion of AE was higher by 1.08 *per cent* during 2015-16 while it was lesser by 0.56 *per cent* in 2016-17 in comparison to 2012-13.
- Economic Sector Expenditure as a proportion of AE was lesser by 0.02 *per cent* and 0.61 *per cent* respectively during 2015-16 and 2016-17 in comparison to 2012-13.
- The proportion of Capital Expenditure (CE) in AE decreased by 4.53 *per cent* and 3.63 *per cent* in 2015-16 and 2016-17 respectively in comparison to 2012-13.

Further comparative study of SCSs' Average and Uttarakhand's Average in 2015-16 and 2016-17 with that of 2012-13 also showed the following:

- Aggregate Expenditure (AE) as a proportion of GSDP in the State has remained on lower side than the SCSs' average during all the three years.
- Development Expenditure as a proportion of Aggregate Expenditure in the State has remained higher than the SCSs' average. Development Expenditure consists of both Economic and Social Service Sector Expenditure.
- The Social Sector Expenditure as a proportion of Aggregate Expenditure in the State was also higher than that of SCSs during all the three years.
- The Economic Sector Expenditure as a proportion of Aggregate Expenditure in the State was lower than that of SCSs during all the three years.
- Priority has been given by the State Government to Capital Expenditure in 2012-13, 2015-16 and 2016-17 as the ratio of Capital Expenditure to Aggregate Expenditure has been higher than the average ratio of Special Category States.
- In Education Sector, expenditure as a proportion of Aggregate Expenditure in the State was higher than that of SCSs during all the three years.
- As observed from the **Table-1.15**, adequate priority needs to be given to Health Sector as the ratio under Health Sector was below the average of SCS during all the three years.

1.7.2 *Efficiency of expenditure*

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 government to

take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods⁵. Apart from improving the 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-1.16** presents the trends in development expenditure relative to the Aggregate Expenditure of the State both during the current year and the previous year *vis-à-vis* allocations, **Table-1.17** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of selected social and economic services.

The share of Developmental Revenue Expenditure (DRE) in the Total Expenditure (TE) remained on an average of 48 *per cent* during the period. Although, DRE increased by 3.75 *per cent* over the previous year but its share in the TE declined (four *per cent*) during the current year. The Development Capital Expenditure (DCE) continued to increase over the period 2012-13 to 2014-15 but it decreased by ₹ 619 crore (13.10 *per cent*) during the year 2015-16 as compared to 2014-15. However, it again increased by ₹ 776 crore during 2016-17. The share of DCE in TE also increased by one *per cent* during 2016-17 over previous year. The overall Development Expenditure increased almost by 65.40 *per cent* over the period 2012-13 to 2016-17 although its share in TE remained at around 65-66 *per cent*.

Table-1.16: Development Expenditure

Components of Development Expenditure	2012-13	2013-14	2014-15	2015-16	2016-17	
					BE	Actuals
Development Expenditure	11,776 (66)	13,216 (65)	17,955 (68)	18,098 (66)	25,717	19,477 (64)
(a) Development Revenue Expenditure	8,091 (45)	9,366 (46)	13,081 (49)	13,910 (50)	19,866	14,431 (47)
(b) Development Capital Expenditure	3,413 (19)	3,574 (18)	4,725 (18)	4,106 (15)	5,457	4,882 (16)
(c) Development Loans and Advances	272 (2)	276 (1)	149 (1)	82 (1)	394	164 (01)

Figures in parentheses indicate percentage to aggregate expenditure

Table-1.17: Efficiency of Expenditure Use in Selected Social and Economic Services

Social/Economic Infrastructure	2015-16			2016-17		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
Social Services (SS) expenditure on major components		S & W	O & M		S & W	O & M
General Education	0.47	15.42	0.013	0.63	15.58	0.008
Health and Family Welfare	0.52	3.37	0.021	0.38	3.30	0.020
Water Supply, Sanitation, & Housing and Urban Development	1.56	0.04	0.008	1.17	0.04	0.009
Total SS	3.15	19.84	0.053	3.12	19.91	0.105

⁵ Refer the glossary in **Appendix-4.1**

⁶ Refer the glossary in **Appendix-4.1**

Economic Services(ES) expenditure on major components						
Agriculture & Allied Activities	0.37	2.91	0.069	2.81	2.83	0.093
Irrigation and Flood Control	2.58	1.16	0.172	1.53	1.10	0.118
Power & Energy	0.21	0.00	0.000	0.43	0.00	0.000
Transport	5.11	0.09	0.023	4.56	0.09	0.327
Total ES	11.84	5.50	0.267	12.95	5.38	0.542
Total (SS + ES)	14.99	25.34	0.320	16.06	25.29	0.646

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

The State Government in its Budget 2016-17 had committed a substantial growth in Capital Expenditure for the year 2016-17. However, the Government after review through Fiscal Correction Path revised the projections of Capital Expenditure and lowered the target in the Mid Term Fiscal Policy Statement presented to the State Legislature along with the Budget 2017-18. During the fiscal year 2016-17, the Government capitalised 17.48 per cent (₹ 737 crore) more funds over previous year 2015-16.

During 2016-17, salaries and wages, as a percentage of revenue expenditure in Social Services increased marginally but decreased in Economic Services. The expenditure under Operation & Maintenance as a percentage of revenue expenditure has increased in both Social and Economic Services during the current year over the previous year.

1.8 Analysis of Government Expenditure and Investments

In the post-FRBM framework, the State is expected to keep its fiscal deficit (and borrowing) not only at low levels, but also meet its requirements under capital expenditure and investments including loans and advances. 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 the cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidies, and take requisite steps to infuse transparency in its financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year *vis-à-vis* previous years.

1.8.1 Incomplete projects

Information pertaining to incomplete projects as on 31 March 2017 is given in Table-1.18.

Table-1.18: Profile of Incomplete Projects

(₹ in crore)

Department	No. of Incomplete Projects	Initial Budgeted cost	*Revised Total cost of Projects	Cost Over Runs in Revised Estimates	Cumulative actual expenditure as on 31.3.2017
Public Works Department	297	1,716.37	1,773.77	57.40	1,007.56

* Indicates the Revised total cost of the projects as per the last revision by the State Government as on 31.03.2017

Source: Finance Accounts

1.8.2 Investment and returns

As on 31 March 2017, the average return on Uttarakhand Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives

(Table-1.19) was negligible and ranged from 0.004 to 0.49 *per cent* of the investment in the last five years while the Government paid an average interest rate of 8.18 *per cent* on its borrowings during 2012-13 to 2016-17.

Table-1.19: Returns on Investment

Investment/Return/Cost of Borrowings	2012-13	2013-14	2014-15	2015-16	2016-17
Investment at the end of the year (₹in crore)	2,397	2,677	2,809	2,914	3,124
Return (Dividend/ interest) (₹in crore)	0.19	0.30	0.11	5.10	15.21
Return (<i>per cent</i>)	0.01	0.01	0.004	0.18	0.49
Average rate of interest on Government borrowing (<i>per cent</i>)	8.50	7.57	7.73	8.19	8.90
Difference between interest rate and return (<i>per cent</i>)	8.49	7.56	7.73	8.01	8.41

Source: Finance Accounts

In this context, no norms on investments and returns have been prescribed by the State Government. Thus, there is a need to formulate norms and identify the projects with low financial but high socio-economic returns.

The major investments (more than 25 *per cent*) were in (i) Uttarakhand Power Corporation Ltd. (₹ 1,087 crore), (ii) Uttarakhand Jal Vidyut Nigam Ltd. (₹ 1,085 crore) and Power Transmission Corporation of Uttarakhand Ltd. (₹ 421 crore). The Uttarakhand Power Corporation Ltd. had incurred accumulated losses of ₹ 2,051 crore as per their latest finalised accounts for the year 2015-16, while Uttarakhand Jal Vidyut Nigam, Ltd. and Power Transmission Corporation of Uttarakhand Ltd. have an accumulated profit of ₹ 423 crore and ₹ 67 crore respectively as per their latest finalised accounts for the year 2015-16.

1.8.3 Departmentally Managed Commercial Undertakings

Activities of quasi-commercial nature are also performed by the departmentally managed undertakings of certain government departments. The department-wise position of the investments made by the Government up to the year for which *pro forma* accounts are finalised, net profit/ loss as well as return on capital invested in these undertakings are given in **Appendix-1.5**. It was observed from the finalised accounts of three companies that:

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

1.8.4 Loans and advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the Government has also been providing loans and advances to many of these institutions/ organisations. **Table-1.20** presents the outstanding loans and advances as on 31 March 2017, and interest receipts *vis-à-vis* interest payments during the last three years.

Table-1.20: Average interest received on loans advanced by the State Government

Amount of Loans/Interest Receipts/ Cost of Borrowings	2014-15	2015-16	2016-17	
			BE	Actual
Opening Balance	940.97	1,046.36	---	1,596.45 [#]
Amount advanced during the year	150.97	83.15	395.22	165.05
Amount repaid during the year	45.58	27.20	41.13	34.85
Closing Balance	1,046.36	1,102.31		1,726.65
Net addition	105.39	55.95		130.20
Interest Receipts	0.14	0.14		0.17
Interest receipts as <i>per cent</i> to outstanding Loans and advances	0.01	0.01		0.01
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	7.19	7.61		8.35
Difference between interest payments and interest receipts (<i>per cent</i>)	7.18	7.60		8.34
Outstanding balance for which terms and conditions have been settled	Information not made available by the State Government			

Source: Finance Accounts and Annual Financial Statement (Government of Uttarakhand).

[#] Differs with the closing balance of previous year due to apportionment of unallocated balances between Uttar Pradesh and Uttarakhand.

During 2016-17, the Government advanced loans of ₹ 165.05 crore against ₹ 83.15 crore in 2015-16, an increase of ₹ 81.90 crore (98.50 *per cent*) over the previous year. Recoveries of loans and advances also showed an increase of ₹ 7.65 crore over the previous year.

Interest receipts, as a percentage of outstanding loans and advances remained identical during the current year as compared to previous year. However, interest payment as *per cent* to the outstanding Fiscal Liabilities of the State was 8.35 *per cent* during 2016-17, higher than the previous year, while the interest received (return) on loans and advances given to various institutions, Corporations/ Government Companies and Government servants, *etc.* by the State was only 0.01 *per cent* as against the target of seven *per cent* to be achieved by 2009-10 as fixed by the Twelfth Finance Commission.

The total loans advanced by the Government as on 31 March 2017 stood at ₹ 1,726.65 crore. The major beneficiaries were Agriculture and Allied Activities (₹ 895.31 crore), Transport (₹ 140.29 crore) and Energy (₹ 132.40 crore) sectors.

Scrutiny of the total outstanding loans revealed that there was no repayment by four sectors as detailed in **Table 1.21** over last five years ended March 2017 and in one sector (Agriculture and Allied Activities), the repayment was marginal while further loans had been extended resulting in increase in the outstanding balance over the years. **Table-1.21** shows details of Loans and Advances rolling for a long time.

Table 1.21: Loan and Advances rolling for a long time

Sl. No.	Name of the Sector	2012-13	2013-14	2014-15	2015-16	2016-17
1.	General Services (Other Loans)	19.47	19.47	19.47	19.47	19.47
2.	Water Supply, Sanitation, Housing and Urban Development	42.09	42.09	42.09	42.09	47.89
3.	Agriculture and Allied Activities	451.46	660.81	795.99	797.92	895.31
4.	Special Area Programme	9.53	9.53	9.53	9.53	503.68 [#]
5.	Transport	125.11	135.11	135.11	136.11	140.29
Total:		647.66	867.01	1002.19	1005.12	1,606.64

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

1.8.5 Cash balances and investment of cash balances

Table-1.22 depicts the cash balances and investments made by the State Government out of its cash balances during the year.

Table-1.22: Cash Balances and Investments out of Cash balance

Particulars	(₹ in crore)	
	As on 1 st April 2016	As on 31 st March 2017
General Cash Balance(a)		
Cash in Treasuries and local Remittances	00	00
Deposits with Reserve Bank	3.84	1,157.65
Deposits with other Banks(B)	00	00
Total	3.84	1,157.65
Investments held in Cash Balance investment account	344.74	451.51
Total (a)	348.58	1609.16
(b) Other Cash Balances and Investments		
Cash with departmental offices viz. Public Works Department Officers, Forest Department Officers, District Collectors	(-) 13.56	(-)11.02
Adjustment due to <i>pro forma</i> correction	(+) 2.05	--
Permanent advances for contingent expenditure with departmental officers	(-) 0.84	(-) 0.81
Adjustment due to <i>pro forma</i> correction	(+) 0.03	--
Investments of earmarked funds	1,128.62	1,188.62
Total (b)	1,116.30	1,176.79
Grand Total (a) + (b)	1,464.88	2,785.95

Source: Finance Accounts.

Pro forma correction Adjustment of unallocated balance between U.P. and Uttarakhand.

The closing Cash Balance (CB) at the end of the current year (₹ 2,785.95 crore) increased by ₹ 1,321.07 crore over the previous year (₹ 1,464.88 crore).

The State Government had created earmarked funds of ₹ 1,188.62 crore from the CB. The said amount of earmarked funds consisting of Sinking Fund Investment Account (₹ 1153.62 crore) and Guarantee Redemption Fund Investment Account (₹ 35 crore) was invested through RBI. The interest realised on cash balance investment account was ₹ 24.06 crore (6.98 per cent) during 2016-17 while government paid interest at the average rate of 8.90 per cent on its market borrowings during the year. The Government did not resort to overdraft facility and was able to maintain a minimum cash balance of ₹ 0.16 crore for maximum number of days (275 days) during 2016-17. However, temporary imbalances in cash flow forced the Government to obtain Ways and Means Advances (WMA) on 90 (special) occasions during the year. The State had to pay ₹ 3.84 crore as interest on WMA during the year 2016-17.

There was a credit balance of ₹ 1,209.48 crore lying under the minor head 'Treasury Cheques' below the major head 'Cheques and Bills' at the end of financial year 2016-17.

During the year 2016-17 the Market Borrowings of ₹ 5,450 crore exceeded the budgeted target of ₹ 4,900 crore by ₹ 550 crore. The fiscal deficit of ₹ 5,467 crore in 2016-17 was largely managed by Market Borrowings to the tune of ₹ 5,081 crore.

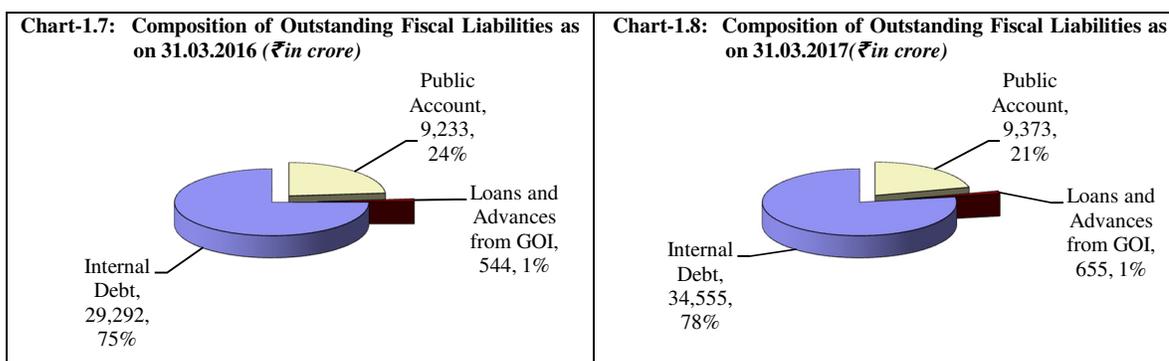
1.9 Assets and Liabilities

1.9.1 Growth and composition of assets and liabilities

In the existing government accounting system, comprehensive accounting of fixed assets such as land and buildings owned by the Government is not done. However, the government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix-1.4 (Part-B)** gives an abstract of such liabilities and the assets as on 31 March 2017, compared with the corresponding position as on 31 March 2016. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from GoI, receipts in the public account and reserve funds, the assets comprise mainly of capital outlay, loans and advances given by the State Government, and cash balances.

1.9.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix-1.3; Appendix-1.4 & Statement 6** of the State Finance Accounts. The composition of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Chart-1.7** and **Chart-1.8**.



The Fiscal Liabilities to GSDP ratio for the year of 2016-17 (22.84 per cent) increased by 0.66 per cent in comparison to previous year's ratio (22.18 per cent). The ratio was slightly on the higher side of the normative assessment of the *FFC* (22.64 per cent) for the year. The overall fiscal liabilities increased by 74.56 per cent from ₹ 25,540 crore in 2012-13 to ₹ 44,583 crore in 2016-17. The fiscal liabilities comprised of public debt (₹ 35,210 crore), Small Savings and Provident Fund, etc. (₹ 6,390 crore), and other obligations (₹ 2,983 crore). The increase in the fiscal liabilities (₹ 5,514 crore) at the end of the current year as compared to the previous year 2015-16 was mainly on account of Internal Debt, Small Savings and Provident Fund, etc. which rose by ₹ 5,263 crore and ₹ 413 crore respectively. This was partly offset by decrease in Deposits of ₹ 135 crore and Reserve Fund of ₹ 137 crore. Fiscal liabilities grew by 14.11 per cent in 2016-17 over the previous year. The buoyancy of these liabilities with respect to GSDP during the year was 1.31 indicating that for each percentage point increase in GSDP, fiscal liabilities

grew by 1.31 *per cent*. These liabilities stood at 1.79 times State's revenue receipts and 3.64 times its own resources.

1.9.3 Transactions under Reserve Funds & Deposits

(a) State Government operated seven Reserve Funds as on 31 March 2017 out of which one Reserve Fund is interest bearing (₹ 271.89 crore) and six are non-interest bearing funds (₹ 1,273.57 crore Net). Out of these seven funds, three funds are inoperative (balance ₹ 0.57 crore Debit) and four funds are operative (balance ₹ 1,546.03 crore Credit). As on 1 April 2016, opening balance against these funds was ₹1,622.09 crore. During the year, the State Government transferred funds amounting to ₹ 280.00 crore from the Consolidated Fund to various Reserve Funds and expenditure met from these funds was ₹ 356.62 crore, leaving a balance of ₹ 1,545.46 crore as on 31 March 2017. During the year an amount of ₹ 60.00 crore has been invested. The total investment to the end of the year stood at ₹ 1,188.62 crore, leaving a balance of ₹ 356.84 crore.

The inoperative reserve funds need to be reviewed for closure and the amount involved transferred to the concerned revenue heads. The same has not been done in the case of the above mentioned inoperative accounts.

(b) The interest liability of ₹ 57.95 crore in respect of Reserve Funds Bearing Interest and Deposits Bearing Interest, under Sectors J and K respectively of the Public Accounts is annual liability that the State Government is required to discharge. No budget provision for the interest payable was made by the State Government despite the existence of balance in such Reserve Funds and Deposits, as on 01 April 2016, as detailed in the **Table-1.23**.

Table-1.23: Details of Cash balances in Reserve Funds and Deposits

(₹ in crore)				
Sector	Sub-Sector	Rate of Interest	Balance at the beginning of 2016-17	Interest Payable
J- Reserve Fund	(a) Reserve Funds bearing interest (including SDRF)	7.5 <i>per cent</i> (average of W&M interest rate)	407.58	30.57
K- Deposits and Advances	(a) Deposit bearing interest	-do-	365.01	27.38
Total Interest				57.95

Consolidated Sinking Fund: In terms of the recommendations of the Twelfth Finance Commission, the State Government constituted a revised scheme for constitution and administration of the Consolidated Sinking Fund in 2006 for redeeming its outstanding liabilities (internal debt and public account liabilities of the State Government). As per the scheme and in terms of the guidelines of the Reserve Bank of India, States are required to contribute a minimum of 0.5 *per cent* of their outstanding liabilities (Internal Debt + Public Account liability) as at the end of the previous year. The Fund is administered by the Reserve Bank of India (RBI) subject to such directions/ instructions as the Government may issue from time to time. In the year 2016-17, against the minimum required contribution of ₹ 195.34 crore (0.5 *per cent* of the outstanding

liabilities of ₹ 39,068.63 crore), an amount of ₹ 50 crore has been appropriated from the Consolidated Fund of the State to the Sinking Fund, *i.e.* less by ₹ 145.34 crore in contravention of the provisions of the Sinking Fund Scheme. The State Government has also not intimated whether contribution to the Fund had been reviewed in accordance with the provisions of the fund on acquiring substantial amounts in the Fund. The total accumulations in the Fund was ₹ 1,228.00 crore at the end of 2016-17 which is 2.75 *per cent* of the outstanding liabilities of ₹ 44,582.67 crore. Of this, an amount of ₹ 1,153.62 crore has been invested by the Reserve Bank of India.

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

As on 1 April 2016, the Fund had a balance of ₹ 407.57 crore. During 2016-17, the Central Government released an amount of ₹ 198.00 crore towards SDRF. The State Government transferred the entire Central Government release together with its own share of ₹ 22.00 crore to the Public Account. Out of the available balance in the Fund, expenditure of ₹ 355.68 crore initially incurred under the MH 2245-Relief on account of Natural Calamities was set off, leaving a balance of ₹ 271.89 crore in the Fund as of 31 March 2017. Contrary to the guidelines, this amount was not invested by the State Government to earn interest.

1.9.4 Status of Guarantees - Contingent liabilities

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

No law had been enacted by the State Legislature under Article 293 of the Constitution fixing the maximum limit within which the government could give guarantees on the security of the Consolidated Fund of the State. The FRBM Act, 2005 prescribed that the State Government shall not give guarantee for any amount exceeding the limit stipulated under any rule or law of the State Government existing at the time of the coming into

force of such rule or law. However, the State government has not enacted so far any law or formulated any rule to cap the guarantees.

As per **Statement 9** of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years are given in **Table-1.24**.

Table-1.24: Guarantees given by the Government of Uttarakhand

Guarantees	2013-14	2014-15	2015-16	2016-17
Outstanding amount of guarantees	1,475	1,832	1,743	1,258
Percentage of amount guaranteed to total revenue receipts	8.52	9.05	8.21	5.05

Source: Finance Accounts.

The amount of guarantees outstanding as on 31 March 2017 is ₹ 1,258 crore which comprises Power Sector (₹ 989 crore), Co-operatives (₹ 50 crore) and others (₹ 219 crore). No guarantee had been invoked during the year. During scrutiny of the Finance Accounts (Statement 20), it was observed that the maximum amount of Guarantee and Outstanding amount of Guarantee was exclusive of interest. Thus the maximum amount of Guarantee and Outstanding amount of Guarantee indicated in the Finance Accounts did not reflect the correct amount. The complete information of Guarantee fee receivable and received in all the cases during the year was not given in the Finance Accounts since information was not provided by the State Government.

The government has constituted a “Guarantee Redemption Fund” for discharge of invoked guarantees with a corpus of ₹ 25 crore. An amount of ₹ 10 crore has been contributed from the Consolidated Fund to the Guarantee Redemption Fund during 2016-17. The Guarantee Redemption Fund had a balance of ₹ 60.89 crore as on 31 March 2017 (Including interest of ₹ 25.89 crore as intimated by RBI). The entire balance under the Fund has been invested.

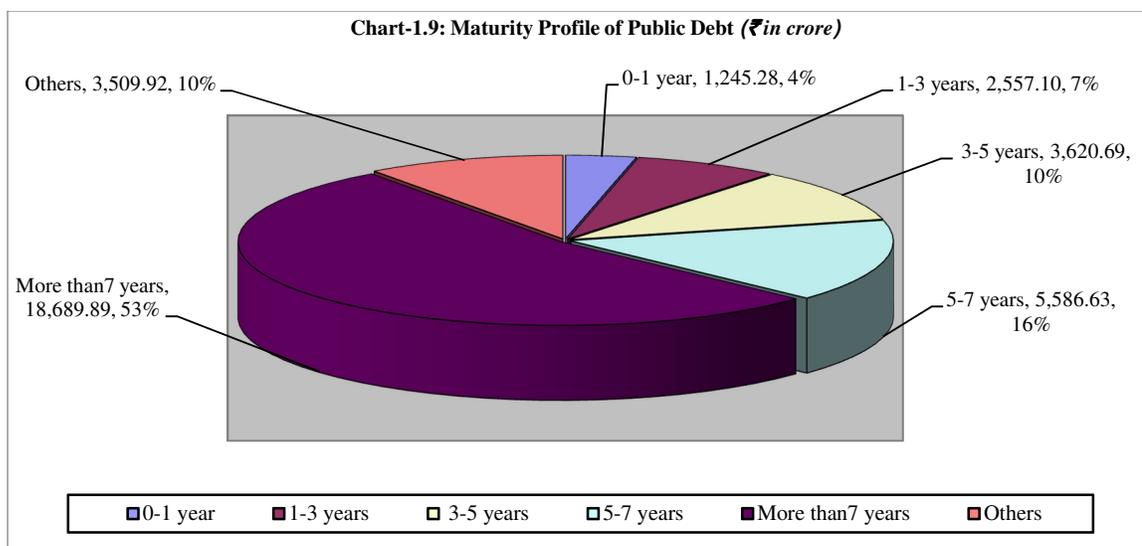
1.10 Debt Management

(i) Debt Profile

The maturity profile of the State's outstanding loans and advances (public debt) is given in **Table-1.25** and **Chart-1.9**.

Table-1.25: Maturity Profile of Public Debt

Maturity profile	Amount	Percentage to total Public Debt
0-1 year	1,245.28	3.54
1-3 years	2,557.10	7.26
3-5 years	3,620.69	10.28
5-7 years	5,586.63	15.87
More than 7 years	18,689.89	53.08
Others (information not made available by the State Government)	3,509.92	9.97
Total	35,209.51	100.00



Source: Finance Accounts.

As there was fiscal deficit in last five years, the Government had to borrow to meet its committed expenditure obligations. The maturity profile of outstanding stock of public debt as on 31 March 2017 shows that 53 per cent of the Public Debt was in the maturity bucket of seven years and above.

(ii) Debt Sustainability

Debt sustainability implies State's ability to service debt. Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability of the State. The analysis of variations in debt sustainability indicators for the period of five years beginning from 2012-13 is given in **Table-1.26**.

Table-1.26: Debt Sustainability: Indicators and Trends

Indicators of Debt Sustainability ⁷	(₹ in crore)				
	2012-13	2013-14	2014-15	2015-16	2016-17
Outstanding Public Debt	18,799	21,355	25,035	29,836	35,210
Rate of growth of Outstanding Public Debt	8.64	13.60	17.23	19.18	18.01
State's GSDP	1,31,613	1,49,074	1,61,439	1,76,171	1,95,192
Growth rate of GSDP	14.12	13.27	8.29	9.13	10.80
Average Interest Rate of Outstanding Public Debt (per cent)	8.45	7.83	8.15	8.53	9.67
Interest Payments/Revenue Receipts (per cent)	9.68	9.08	9.34	11.02	12.64
Percentage of Debt Repayment to Debt Receipts	49.60	34.00	19.55	29.38	17.35
Net Debt available to the State*	-29	984	1,788	2,462	2,227

* Net Debt available to the State Government is calculated as Excess of Public Debt receipts and Loans and Advances receipt from GOI over Public Debt repayment, Loans and Advances Disbursements and Interest Payment on Public Debt.

From the above **Table-1.26** it is observed:

- The growth rate of outstanding Public Debt continued to increase up to 2015-16. However, it declined during the current year. In contrast the Growth rate of GSDP has shown increasing trend over the period 2014-15 to 2016-17.

⁷ Refer glossary in **Appendix-4.1**.

- During the period 2012-13 to 2016-17, the average interest rate of Public Debt ranged between 7.83 per cent and 9.67 per cent.
- The State had utilised 9.08 to 12.64 per cent of revenue receipts for Interest Payments on Public Debt during 2012-13 to 2016-17.
- The percentage of Debt Repayment to Debt Receipts showed a fluctuating trend over the period 2012-13 to 2016-17. In 2012-13, 49.60 per cent of Public Debt Receipt was used for the purpose of Repayment of Public Debt while in 2016-17, only 17.35 per cent was used for this purpose.
- The net funds available from Public Debt after repayments (including interest) continued to remain positive from 2013-14 onwards leaving a better scope for capitilisation of funds.

1.10.1 Market Borrowings

Position of Market Borrowing (MB)

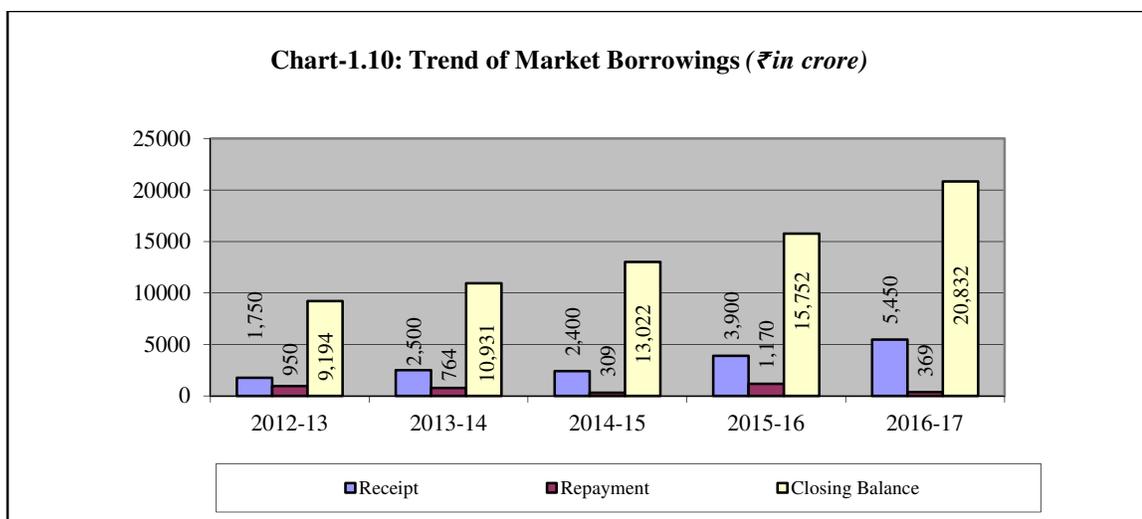
Table-1.27 represents the position of the market borrowings of the State Government for the period 2012-17:

Table-1.27: Position of market borrowings of the State Government

Years	Opening balance as on 1 st April	Receipts during the year	Payments during the year	Closing balance as on 31 st March	Increase (+)/ decrease (-) during the year	
					Amount	Per cent
2012-13	8,394.32	1,750.00	949.87	9,194.45	800.13	9.53
2013-14	9,194.45	2,500.00	763.89	10,930.56	1,736.11	18.88
2014-15	10,930.56	2,400.00	308.85	13,021.71	2,091.15	19.13
2015-16	13,021.71	3,900.00	1,170.19	15,751.52	2,729.81	20.96
2016-17	15,751.52	5,450.00	369.23	20,832.28	5,080.76	32.26
Total		16,000.00	3,562.03			

Source: Finance Accounts of concerned years.

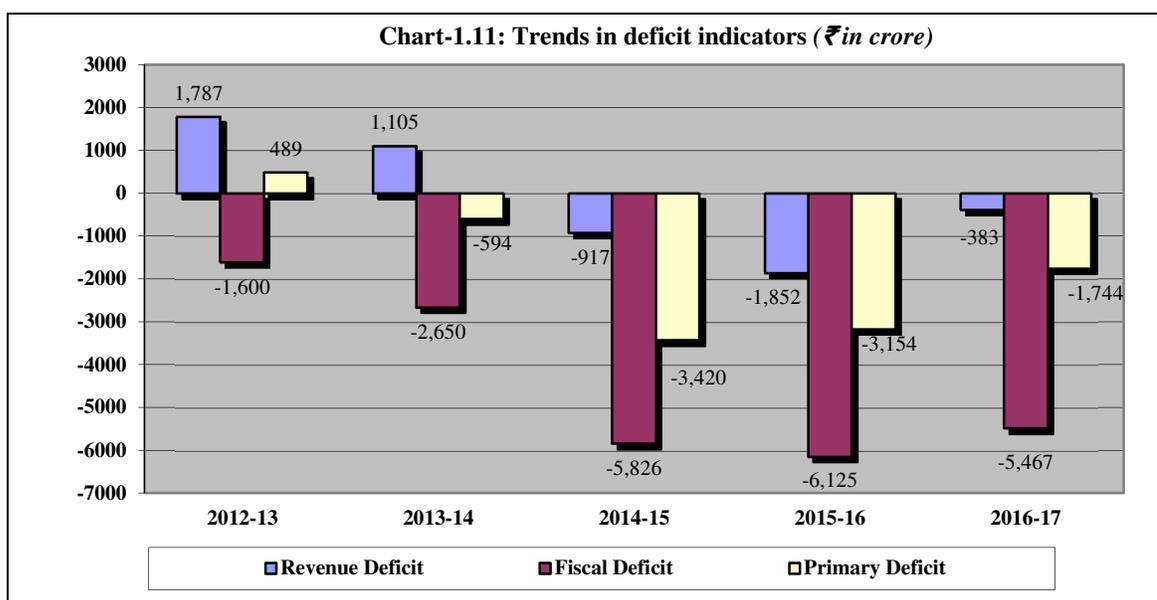
The above table indicates that the Government of Uttarakhand borrowed and repaid ₹ 16,000 crore and ₹ 3,562.03 crore respectively during the period 2012-13 to 2016-17. During 2012-13 to 2016-17, the repayment was 22.26 per cent of total loans raised by the State Government (₹ 16,000 crore). The interest paid on these loans rose from ₹ 743 crore in 2012-13 to ₹ 1,535 crore in 2016-17 at weighted average interest rate of 8.79 per cent in 2012-13 to 7.49 per cent in 2016-17. The above table also shows that the Market Borrowings had an increasing trend from 2012-13 and 2013-14 but decreased in 2014-15. However, it again increased during 2015-16 to ₹ 3,900 crore and continued the same trend during the current year also. The receipts during this period showed nearly 3.11 times increase from 2012-13 to 2016-17. This indicated continued dependence of the State Government on the borrowed funds. **Chart-1.10** given below shows the trend of Market Borrowings over the period 2012-13 to 2016-17.

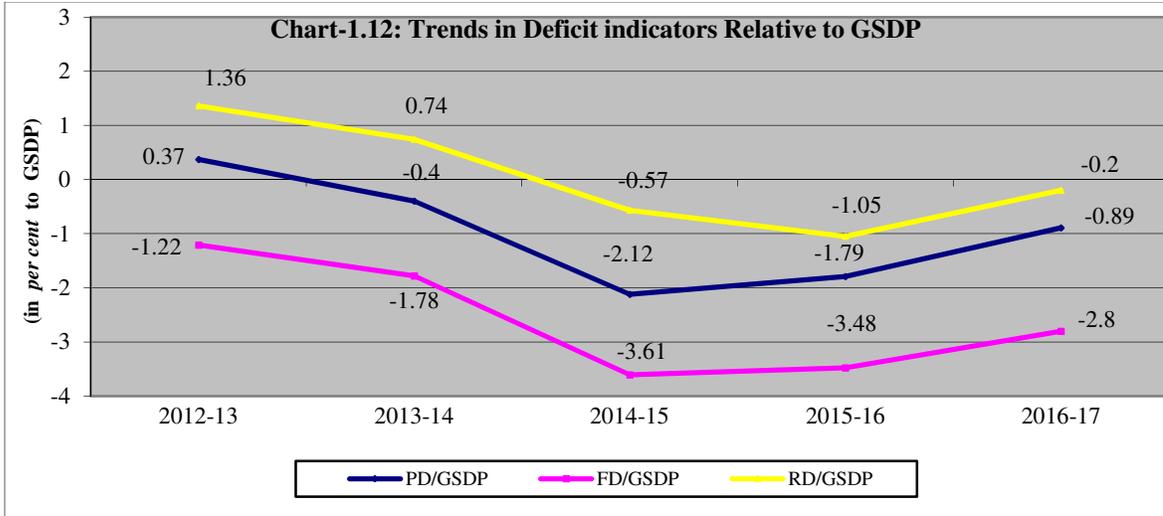


1.11 Fiscal Imbalances

1.11.1 Trends in Deficits

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government 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, fiscal and primary deficits for the financial year 2016-17. **Charts-1.11** and **1.12** present the trends in deficit indicators over the period 2012-13 to 2016-17.





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

The State experienced a revenue surplus of ₹ 1,787 crore in 2012-13 and ₹ 1,105 crore in 2013-14. However, during the year 2014-15 the State could not maintain the revenue surplus and experienced a revenue deficit of ₹ 917 crore which further deteriorated to ₹ 1,852 crore during 2015-16. During 2016-17, the State was able to bring down the revenue deficit to a considerably lower level of ₹ 383 crore, 0.20 per cent of GSDP.

The fiscal deficit during 2012-13 was 1.22 per cent of GSDP below the 3.5 per cent target set forth in FRBM (Amendment) Act 2011. However, fiscal deficit increased during 2013-14 and 2014-15 and was ₹ 2,650 crore and ₹ 5,826 crore respectively which further increased to ₹ 6,125 crore during the year 2015-16 and was 3.48 per cent of the GSDP. The fiscal deficit of 2.80 per cent during the current year 2016-17 was well below the normative target of FFC 3.25 per cent of GSDP.

The primary surplus⁸ (₹ 489 crore) during 2012-13 turned into primary deficit during the year 2013-14 and continued to be deficit till the current year. However, the primary deficit has reduced from ₹ 3,154 crore (2015-16) to the current level of ₹ 1,744 crore.

During 2016-17, the State Government booked Grants-in-Aid of ₹ 137.91 crore under Capital Heads, Major construction works of ₹ 1,166.76 crore under Revenue Heads, Maintenance works of ₹ 0.75 crore under Capital Section and Minor construction works of ₹ 1.66 crore under Capital Section which was against the Government Accounting Rules. The State Government made less contribution of ₹ 145.34 crore towards Sinking Fund and did not make any provision of interest on Reserves and Deposits of ₹ 57.95 crore during the current year.

⁸ Refers to the amount by which a government's total expenditure exceeds its total revenue excluding interest payments on its debt.

The above impacted the Revenue and Fiscal Deficits of the State Government as given in **Table-1.28**.

Table-1.28: Impact on Revenue Deficit and Fiscal Deficit*(₹ in crore)*

Sl. No.	Item	Impact on Revenue Deficit		Impact on Fiscal Deficit		Ratios before taking the net Impact (in per cent)		Ratios after taking the net Impact (in per cent)	
		Over Statement	Under Statement	Over Statement	Under Statement	RD/ GSDP	FD/ GSDP	RS/ GSDP	FD/ GSDP
1.	Misclassification between Revenue and Capital Account (Net)	1,164.35 ⁹	--	--	--	0.20	2.80	0.22	2.90
2.	Booking of Grant in aid in Capital Account	--	137.91	--	--				
3.	Less transfer to NSDL	--	2.45	--	--				
4.	Less Contribution to Guarantee Redemption Fund	--	---	--	---				
5.	Less contribution to Sinking Fund	--	145.34	--	145.34				
6.	Non provision of interest on Reserves and Deposits	--	57.95	--	57.95				
Total (Net) impact		820.70 (Over Statement)		203.29 (Under Statement)					

Source: Finance Accounts.

1.11.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table-1.29**.

Table-1.29: Components of Fiscal Deficit and its Financing Pattern*(₹ in crore)*

Sl.	Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Components of Fiscal Deficit						
1.	Revenue Deficit (-)/ Surplus(+)	(+)1,787	(+)1,105	(-) 917	(-) 1,852	(-) 383
2.	Net Capital Expenditure	(-)3,542	(-)3,532	(-) 4,804	(-) 4,217	(-) 4,954
3.	Net Loans and Advances	(+)155	(-)223	(-) 105	(-) 56	(-) 130
Financing Pattern of Fiscal Deficit						
1.	Market Borrowings	800	1,736	(+) 2,091	(+) 2,730	(+) 5,081
2.	Loans from GoI	6	(-)16	(+) 33	(+) 66	(+) 111
3.	Special Securities issued to NSSF	505	545	(+) 1,145	(+) 1,467	(-) 348
4.	Loans from Financial Institutions	215	291	(+) 411	(+) 539	(+) 529
5.	Small Savings, PF etc.	271	322	(+) 420	(+) 478	(+) 413
6.	Deposits and Advances	219	352	(+) 399	(+) 138	(-) 135
7.	Suspense and Misc.	479	(-)223	(+) 13	(+) 377	(+) 1,050
8.	Remittances	(-)101	317	(+) 450	(+) 33	(-) 3
9.	Others ¹⁰	66	(-)186	(+) 203	(-) 12	(+) 90
10.	Overall Surplus/Deficit (Cash Balance)	(-)860	(-)488	(+) 661	(+) 309	(-) 1,321
Gross Fiscal Deficit		1,600	2,650	5,826	6,125	5,467

Source: Finance Accounts of Government of Uttarakhand, 2012-13 to 2016-17.

The fiscal deficit (₹ 5,467 crore) in 2016-17 was largely managed by market borrowings (₹ 5,081 crore-93 per cent) and Loans from Financial Institutions (₹ 529 crore-10 per cent).

1.11.3 Quality of Deficit/ Surplus

The contribution of Revenue Deficit and net Capital Expenditure (including loans and advances) to Fiscal Deficit indicate the quality of deficit in the State's finances. The share

⁹ ₹ 1,166.76 crore-(₹ 0.75 crore+₹ 1.66 crore).

¹⁰ ₹ 167 crore (Contingency Fund) - ₹ 77 crore (Reserve Fund).

of revenue deficit in fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously being eroded and a part of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit (**Table-1.30**) would indicate the extent to which the deficit is on account of deficit in capital account which may be desirable to improve the productive capacity of the State's economy.

Table-1.30: Primary deficit/surplus – Bifurcation of factors

(₹ in crore)

Year	Non-debt receipts*	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Total Primary Expenditure	Primary revenue deficit (-) /surplus (+)	Primary deficit (-)/ surplus(+)
1	2	3	4	5	6=(3+4+5)	7=(2-3)	8=(2-6)
2012-13	16,175	11,871	3,542	273	15,686	(+) 4,304	(+) 489
2013-14	17,556	14,160	3,712	278	18,150	(+) 3,396	(-) 594
2014-15	20,428	18,758	4,939	151	23,848	(+) 1,670	(-) 3,420
2015-16	21,261	20,115	4,217	83	24,415	(+) 1,146	(-) 3,154
2016-17	24,924	21,549	4,954	165	26,668	(+) 3,375	(-) 1,744

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

- Non-debt receipts increased by 54.09 per cent from 2012-13 to 2016-17 and were sufficient to meet the primary revenue expenditure. However, the gap between non-debt receipts and primary revenue expenditure narrowed in 2016-17 to ₹ 3,375 crore from ₹ 4,304 crore in 2012-13.
- The primary revenue surplus showed decreasing trend during 2012-13 to 2015-16. However, it increased almost tri-fold over the previous year and stood at ₹ 3,375 crore at the end of 2016-17 primarily due to increase of 20 per cent in devolution of State's share of Union taxes and duties from ₹ 5,333 crore in 2015-16 to ₹ 6,412 crore in 2016-17 and increase of nearly 18 per cent in grants from GoI.
- The State experienced primary surplus during 2012-13. This primary surplus turned into primary deficit due to increase in total primary expenditure during 2013-14 and further declined by ₹ 2,826 crore during 2014-15. The primary deficit reduced by ₹ 1,410 crore during 2016-17 and stood at ₹ 1,744 crore due to increase in State's share of Union taxes and grants-in-aid from GoI.

Table-1.31: Components of Fiscal Deficit

(₹ in crore)

Item	2012-13	2013-14	2014-15	2015-16	2016-17
1	2	3	4	5	6
Revenue Deficit (-)/ Surplus (+)	(+) 1,787	(+) 1,105	(-) 917 (16)	(-) 1,852 (30)	(-) 383 (07)
Net Capital Expenditure	(-) 1,755 (100)	(-) 2,427 (92)	(-) 4,804 (82)	(-) 4,217 (69)	(-) 4,954 (91)
Net Loans and Advances	(+) 155	(-) 223 (08)	(-) 105 (02)	(-) 56 (01)	(-) 130 (02)
Fiscal Deficit	(-) 1,600	(-) 2,650	(-) 5,826	(-) 6,125	(-) 5,467

Figures in parentheses indicate percentage to Fiscal Deficit.

There is an improvement in quality of Fiscal Deficit since contribution of Revenue Deficit showed a decline from 16 *per cent* of Fiscal Deficit in 2014-15 to seven *per cent* in 2016-17. The percentage of the Net Capital Expenditure to Fiscal Deficit has increased from 82 *per cent* in 2014-15 to 91 *per cent* in 2016-17.

The Fiscal Deficit declined by 10.74 *per cent* in 2016-17 and was 2.80 *per cent* of GSDP as compared to 3.48 *per cent* in 2015-16.

1.12 Follow up on previous Audit Reports on State Finances

In Uttarakhand, none of the Reports on State Finances have been discussed by the Public Accounts Committee (September 2017), although the reports are being presented to the State Legislature every year. Accordingly, corrective measures taken by the Government after the Reports were laid before the State Legislature could not be ascertained in audit.

1.13 Conclusions

The Gross State Domestic Product stood at ₹ 1,95,192 crore at current prices as against the projection of ₹ 2,06,182 crore made in the MTFPS.

Revenue receipts grew by ₹ 3,654.54 crore (17.21 *per cent*) during the current year over the previous year. This was due to the increase in State's own tax revenue (₹ 1,519.52 crore), State's share of Union taxes/duties (₹ 1,078.38 crore), Grants-in-aid from GoI (₹ 930.48 crore), and non-tax revenue (₹ 126.16 crore).

The expenditure pattern of the State shows that the revenue expenditure as a percentage of total expenditure increased during the current year and remained around 83.16 *per cent*. The NPRES increased by 64.12 *per cent* due to increase in expenditure on salaries, pension and interest payments.

The Capital Expenditure declined from 19.93 *per cent* of total expenditure in 2012-13 to 16.30 *per cent* in 2016-17. During the current year, Capital Expenditure was ₹ 4,954 crore which was less than the target set forth by the State Government in its BEs (₹ 5,744.36 crore).

The average return on Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives was almost negligible in the past five years whereas, the Government paid an average interest of 8.18 *per cent* on its borrowings during 2012-13 to 2016-17.

The total fiscal liabilities to GSDP ratio in 2016-17 increased by 0.66 *per cent* over previous year. It was slightly above the target of 22.64 *per cent* set forth by the FFC.

The public debt as on 31 March 2017 was ₹ 35,210 crore, out of which 53.08 *per cent* is in maturity bracket of seven years and above.

Ratio of Interest Payments to Revenue Receipts increased from 13.30 *per cent* in 2012-13 to 15 *per cent* in 2016-17 indicating that an increasing proportion of the State's revenue are being directed for servicing public debt.

The State had a revenue surplus of ₹ 1,787 crore in 2012-13 which declined to ₹ 1,105 crore in 2013-14. During the year 2014-15 the revenue surplus turned into revenue deficit of ₹ 917 crore which further increased to ₹ 1,852 crore during 2015-16. However, the Government was able to bring down the revenue deficit by 79 *per cent* during 2016-17.

The fiscal deficit of the State amounting to ₹ 6,125 crore during 2015-16 (3.48 *per cent* of the GSDP) was above the reasonable limit of 3.25 *per cent* recommended by the *FFC*. However, the fiscal deficit at ₹ 5,467 crore, 2.80 *per cent* of GSDP during 2016-17 was well below the target of 3.25 *per cent* recommended by the *FFC*.

1.14 Recommendations

- The States's own tax revenue fell short of the budget estimates and *FFC* projections. Growth rate of collections from State excise duties has consistently declined during 2012-13 to 2016-17. Growth rate of collections from stamp duty and registration fee has also shown a consistent decline during the five year period and during 2016-17 collection from this source has been less than the previous year. The State Government may examine reasons for the same and take necessary action to increase its tax receipts;
- The State Government may increase its capital expenditure, particularly in social and economic sectors since it adds to the asset base which in turn would contribute to economic growth;
- The State may resort to need-based borrowing after utilising its available cash balances. It may strive to improve its debt redemption ratio which has declined from 49.60 *per cent* in 2012-13 to 17.35 *per cent* in 2016-17;
- The State Government may ensure reasonable return on capital invested in profit making State PSUs in view of the substantial high cost of borrowings made by it; and
- The State may ensure time-bound completion of the incomplete projects and ensure that there are no further cost overruns.

CHAPTER-2

**FINANCIAL MANAGEMENT
AND BUDGETARY CONTROL**

CHAPTER-2

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

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

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 authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2016-17 against 31 grants/appropriations is given in **Table-2.1**.

Table-2.1: Summarised position of Original/ Supplementary Provisions *vis-à-vis* Actual expenditure during the year 2016-17

(₹ in crore)									
	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)	Amount surrendered	Amount surrendered on 31 March	Percentage of Amount Surrendered on 31 March out of total amount surrendered
Voted	I Revenue	28,143.15	835.38	28,978.53	21,427.68	(-)7,550.85	450.00	450.00	100
	II Capital	5,739.36	647.71	6,387.07	6,587.91	(+)200.84	160.94	160.94	100
	III Loans and Advances	395.22	15.80	411.02	165.04	(-)245.98	0.00	0.00	0.00
Total Voted		34,277.73	1,498.89	35,776.62	28,180.63	(-)7,595.99	610.94	610.94	100
Charged	IV Revenue	4,107.25	8.98	4,116.23	3,844.68	(-)271.55	31.22	31.22	100
	V Capital	5.00	0.00	5.00	1.90	(-)3.10	0.00	0.00	0.00
	VI Public Debt- Repayment	2,032.23	0.00	2,032.23	5,218.68	(+)3,186.45	0.00	0.00	0.00
Total Charged		6,144.48	8.98	6,153.46	9,065.26	(+)2,911.80	31.22	31.22	100
Appropriation to Contingency Fund (if any)		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total		40,422.21	1,507.87	41,930.08	37,245.89	(-)4,684.19	642.16	642.16	100

Source: Appropriation Accounts.

As shown in **Table-2.1**, there was saving of ₹ 4,684.19 crore which was the result of saving of ₹ 10,141.52 crore in grants and Appropriations under Revenue Section

(31 cases), and Capital Section (24 cases) offset by excess of ₹ 5,457.33 crore in three grants under Capital (Voted) and one Appropriation under Capital (Charged) Section.

Departments and Sections against which significant savings of more than ₹ 100 crore were noticed during the year 2016-17 are given in **Table-2.2**.

Table-2.2: Details of significant savings (more than ₹ 100 crore) noticed during 2016-17

				(₹ in crore)
Sl. No.	Number & Name of Grant	Section	Amount	Total Amount
1.	06-Revenue & General Administration	Revenue –Voted	1,284.98	1,284.98
2.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	Revenue –Voted	1,020.53	1,557.75
		Revenue –Charged	226.69	
		Capital-Voted	310.53	
3.	10-Police & Jail	Revenue –Voted	149.77	149.77
4.	11-Education, Sports, Youth Welfare & Culture	Revenue –Voted	1,313.18	1,465.91
		Capital-Voted	152.73	
5.	12-Medical, Health & Family Welfare	Revenue –Voted	452.31	452.31
6.	13-Water Supply, Housing & Urban Development	Revenue –Voted	416.29	590.74
		Capital-Voted	174.45	
7.	15-Welfare	Revenue –Voted	504.66	504.66
8.	17-Agriculture Works & Research	Revenue –Voted	252.03	252.03
9.	19-Rural Development	Revenue –Voted	485.65	485.65
10.	20-Irrigation & Flood	Revenue –Voted	100.57	396.85
		Capital-Voted	296.28	
11.	21-Energy	Capital-Voted	314.05	314.05
12.	22-Public Work	Capital –Voted	323.56	323.56
13.	23-Industries	Revenue –Voted	106.40	106.40
14.	25-Food	Revenue –Voted	171.66	171.66
15.	27-Forest	Revenue –Voted	210.08	210.08
		Capital-Voted	117.96	
16.	30-Welfare of Scheduled Castes	Revenue –Voted	542.21	660.17
		Capital-Voted	117.96	
17.	31-Welfare of Scheduled Tribes	Revenue –Voted	138.15	138.15
Total				9,064.72

Source: Appropriation Accounts.

Similarly, departments against which significant excess expenditure over the allotments was noticed during the year 2016-17, were Finance, Tax, Planning, Secretariat & Miscellaneous (₹ 3,186.45 crore), Food (₹ 2,245.80 crore) and Agriculture Works and Research (₹ 16.08 crore).

The savings/excess (Detailed Appropriation Accounts) were intimated (July 2017) to the Controlling Officers requesting them to furnish reasons for the substantial savings/excess. Their replies were yet to be received (September 2017).

2.3 Financial Accountability and Budget Management

2.3.1 Excess Expenditure

As per paragraph 121 of Chapter XIII of the Uttarakhand Budget Manual (UBM), incurring of unauthorised excess expenditure is most objectionable and must be avoided. In four cases, expenditure aggregating ₹ 7,609.96 crore exceeded the approved provision by ₹ 5,457.33 crore which was more than ₹ one crore in each case or by more than 20 per cent of the total provision. Details are given in **Appendix-2.1**. Of these, excess expenditure has been observed consistently in **Grant No. 25-Food** during the last five years as detailed in **Table-2.3**.

Table-2.3: List of Grant indicating persistent excess expenditure during 2012-17

(₹ in crore)

Sl. No.	No. and Name of grant	Amount of excess expenditure				
		2012-13	2013-14	2014-15	2015-16	2016-17
Capital-Voted						
1	25-Food	1,810.59	1,775.56	1,738.25	2,203.83	2,245.80

Source: Appropriation Accounts.

The persistent excess expenditure indicates that the budgetary control in the department was ineffective and budget estimates were not prepared on realistic basis.

2.3.2 Expenditure without provision

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 ₹ nine crore was incurred in one case as detailed in **Table-2.4** without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

Table-2.4: Expenditure incurred without provision during 2016-17

(₹ in crore)

Sl. No.	No. and Name of Grants	Amount of expenditure without provision
1.	29-Horticulture Development (Capital-Voted)	9.00

Source: Appropriation Accounts.

Reasons for expenditure incurred without provision in 2016-17 were not intimated by the Government (August 2017).

2.3.3 Excess over provision relating to previous years requiring regularisation

Paragraph 121 of Chapter XIII of the UBM envisages that if after the close of the year, it is revealed, through the Appropriation Accounts, that any expenditure was incurred under any Grant or Charged Appropriation in excess of the total final appropriation for that year under that Grant or Charged Appropriation, the excess expenditure should be regularised, on the basis of the recommendation of the Committee on Public Accounts, by presenting to the Legislative Assembly, demands for excess grants as required under Articles 205 (1) (b) of the Constitution. However, excess expenditure amounting to ₹ 15,323.44 crore pertaining to previous years from 2005 to 2016 was yet to be regularised by the State Legislature. The year-wise amount of excess expenditure pending regularisation is summarised in **Table-2.5**.

Table-2.5: Excess expenditure over the provisions relating to previous years requiring regularisation

(₹ in crore)

Year	Number of Grant / Appropriation	Details of Grant / Appropriation	Amount of excess over provision	Status of regularisation
2005-06	7	7,8,17,20,22,25&29	663.50	Status not intimated by the State Government
2006-07	6	7,17,20,22,25& 29	935.92	
2007-08	6	7,17,20, 22,25 & 29	733.79	
2008-09	6	7,17,20,22,25&29	1,146.41	
2009-10	7	7,17,18,21,22,25&29	1,007.49	
2010-11	9	10,12,15,17,20,21,22,25 & 29	1,295.40	
2011-12	5	7,17,22,25&29	1,611.40	
2012-13	7	12,14,17,21,22,25 & 29	1,835.34	
2013-14	3	22,25 & 29	1,837.15	
2014-15	4	17,22, 25& 29	1,922.80	
2015-16	4	17, 22, 25& 29	2,334.24	
Total			15,323.44	

Source: Appropriation Accounts.

2.3.4 Excess over provisions during 2016-17 requiring regularisation

Table-2.6 contains the summary of total excess expenditure registered under three grants and one appropriation amounting to ₹ 5,457.33 crore over authorisation from the Consolidated Fund of the State (CFS) during the year 2016-17.

Table-2.6: Excess over provision requiring regularisation during 2016-17

(₹ in crore)					
Sl. No.	Number and title of Grant		Total Grant	Expenditure	Excess
Capital-Charged					
1.	07	Finance, Tax, Planning, Secretariat & Miscellaneous Services	2,032.23	5,218.68	3,186.45
Capital -Voted					
1.	17	Agriculture Works & Research	108.33	124.41	16.08
2.	25	Food	12.07	2,257.87	2,245.80
3.	29	Horticulture Development	00	9.00	9.00
			2,152.63	7,609.96	5,457.33

Source: Appropriation Accounts.

Reasons for the excess had not been intimated by the State Government/ Department as of September 2017. The excess expenditure over the provision under the grants incurred during the year 2016-17 should be got regularised by the State Legislature.

2.3.5 Inadequate supplementary provision

Supplementary provision of ₹ 10.03 crore sought in respect of two cases proved insufficient by more than ₹ one crore in each case thereby leaving an aggregate uncovered excess expenditure of ₹ 2,261.88 crore (**Appendix-2.2**).

2.3.6 Rush of expenditure

Paragraph 183 of chapter XVII of UBM stipulates that rush of expenditure in the closing month of the financial year should be avoided. For a sound financial management, uniform pace of expenditure should be maintained. Contrary to this, expenditure exceeding 25 per cent or 50 per cent of the total expenditure for the year 2016-17 was incurred in March 2017 and in last quarter (January 2017 to March 2017) in respect of 36 major heads as listed in **Appendix-2.3**.

Scrutiny showed that 50.69 per cent of the total expenditure of ₹ 7,858.86 crore spent against 36 major heads during the year 2016-17 was incurred in the last quarter of the financial year.

2.3.7 Excess provisions resulting in savings

2.3.7.1 Unnecessary/Excessive supplementary provision

Supplementary provision aggregating ₹ 1,418.56 crore obtained in 41 cases, amounting to ₹ 10 lakh or more in each case during the year proved unnecessary as the expenditure registered under the grants was within the original provision as detailed in **Appendix-2.4**.

2.3.7.2 Excessive/ unnecessary re-appropriation of funds

Re-appropriation is the transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed.

Re-appropriation proved excessive/ insufficient and resulted in savings/ excess of ₹ 10 lakh and above in 109 cases under 20 grants as detailed in **Appendix-2.5**.

Reasons for the savings were not furnished by the Government as of September 2017.

2.3.7.3 Substantial surrenders

Substantial surrenders (the cases where more than 30 *per cent* of total provision was surrendered) were made in respect of 82 sub-heads, in 13 grants, on account of savings in various items due to non-release of the State share for centrally sponsored schemes, actual expenditure being less than projected requirement of funds, savings in establishment expenses, and non-requirement of fund. Out of the total provision amounting to ₹ 715.52 crore in these 82 sub-heads, ₹ 336.43 crore (47.02 *per cent*) were surrendered which included *cent per cent* surrender in 22 schemes (₹ 38.95 crore) in Voted Grant as detailed in **Appendix-2.6 (A)** and substantial surrenders (the cases where more than 30 *per cent* of total provision was surrendered) were made in respect of one sub-head, in one grant. Out of the total provision amounting to ₹ 52.22 crore in one sub-head, ₹ 26.13 crore (50.04 *per cent*) was surrendered in one appropriation as detailed in **Appendix-2.6 (B)**.

2.3.7.4 Surrender in excess of actual savings

In three cases, the amount surrendered was in excess of actual saving indicating lack of budgetary controls in the Department. As against savings of ₹ 19.26 crore in these cases, the amount surrendered was ₹ 19.48 crore resulting in excess surrender of ₹ 0.22 crore. Details are given in **Appendix-2.7**.

2.3.7.5 Anticipated savings not surrendered

Paragraph 124 of Section I of Chapter XIII of the UBM stipulates that every Controlling Officer must furnish the final statement of excesses and savings in Form B.M. 2 (Part-II) which should reach the Finance Department, through the Administrative Department concerned, not later than 25 January. At the close of the year 2016-17, there were, however, 16 grants in which savings of ₹ five crore and above occurred but no part of it had been surrendered by the concerned departments. The amount involved in these cases was ₹ 4,785.83 crore (47.19 *per cent* of the total savings¹) as given in **Appendix-2.8**.

Similarly, out of savings of ₹ 10,116.39 crore (individual cases where savings were more than ₹ one crore) amount aggregating ₹ 617.88 crore only was surrendered resulting in non-surrender of remaining ₹ 9,498.51 crore (93.89 *per cent* of the savings of ₹ 10,116.39 crore), details of which are given in **Appendix-2.9**. Besides, in eleven cases in voted and one case in charged, (surrender of funds in excess of ₹ 10 crore), ₹ 547.11 crore in voted and ₹ 26.13 crore in charged (total ₹ 573.24 crore) were surrendered {**Appendix-2.10 (A) & Appendix-2.10 (B)**} on the last day of March 2017, thereby defeating the intended purpose of surrenders as these funds could not be utilised for other purposes.

¹ Of total savings of ₹ 10,141.52 crore.

2.3.7.6 Appropriation vis-à-vis expenditure

The outcome of the appropriation audit shows that in 58 cases, savings exceeded ₹ one crore in each case, and more than 20 per cent of total provision in 44 cases (Appendix-2.11). Against the total savings of ₹ 10,141.52 crore, savings of ₹ 9,749.41 crore (96.13 per cent)² occurred in 33 cases relating to 22 grants and one Appropriation as given in Table-2.7.

Table-2.7: List of Grants and Appropriations with savings of ₹ 50 crore and above

(₹ in crore)					
Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
Revenue – Voted					
1.	04	Judicial Administration	177.25	54.67	30.84
2.	06	Revenue and General Administration	2,866.81	1,284.98	44.82
3.	07	Finance, Tax, Planning, Secretariat & Misc. Services	5,938.56	1,020.53	17.18
4.	10	Police And Jail	1,589.83	149.77	9.42
5.	11	Education, Sports, Youth Welfare and Culture	6,513.93	1,313.18	20.16
6.	12	Medical, Health and Family Welfare	1,775.94	452.31	25.47
7.	13	Water Supply, Housing and Urban Development	1,161.10	416.29	35.85
8.	15	Welfare	1,663.21	504.66	30.34
9.	16	Labour & Employment	219.74	72.37	32.93
10.	17	Agriculture Works and Research	893.88	252.03	28.20
11.	19	Rural Development	1,117.99	485.65	43.44
12.	20	Irrigation and Flood	461.65	100.57	21.78
13.	22	Public Work	707.66	61.65	8.71
14.	23	Industries	230.58	106.40	46.14
15.	25	Food	377.27	171.66	45.50
16.	27	Forest	648.38	210.08	32.40
17.	28	Animal Husbandry	277.68	73.87	26.60
18.	30	Welfare of Scheduled Castes	1,241.11	542.21	43.69
19.	31	Welfare of Scheduled Tribes	344.49	138.15	40.10
Total			28,207.06	7,411.03	26.27
Revenue – Charged					
1.	07	Finance, Tax, Planning, Secretariat & Misc. Services	4,010.56	226.69	5.65
Total			4,010.56	226.69	5.65
Capital-Voted					
1.	03	Council of Ministers	100.00	81.31	81.31
2.	06	Revenue and General Administration	81.70	74.61	91.32
3.	07	Finance, Tax, Planning, Secretariat & Misc. Services	394.13	310.53	78.79
4.	11	Education, Sports, Youth Welfare and Culture	559.06	152.73	27.32
5.	13	Water Supply, Housing and Urban Development	484.32	174.45	36.02
6.	19	Rural Development	772.10	70.26	9.10
7.	20	Irrigation and Flood	772.68	296.28	38.34
8.	21	Energy	480.64	314.05	65.34
9.	22	Public Work	1,679.57	323.56	19.26
10.	26	Tourism	189.90	71.64	37.73
11.	27	Forest	165.15	64.46	39.03
12.	30	Welfare of Scheduled Castes	325.23	117.96	36.27
13.	31	Welfare of Scheduled Tribes	119.12	59.85	50.24
Total			6,123.60	2,111.69	34.48
Grand Total			38,341.22	9,749.41	25.43

Source: Appropriation Accounts.

The reasons for the savings though called for, were yet to be received (September 2017).

² Exceeding ₹ 50 crore in each case.

2.3.7.7 Persistent Savings

During the last five years, there were persistent savings of more than ₹ one crore in 47 cases as detailed in **Table-2.8**.

Table-2.8: List of Grants indicating persistent savings during last five years (2012-13 to 2016-17)

(₹ in crore)

Sl. No.	No. and Name of grant	Amount of Saving				
		2012-13	2013-14	2014-15	2015-16	2016-17
Revenue-Voted						
1.	04-Judicial Administration	50.90	36.52	35.73	29.67	54.67
2.	06-Revenue & General Administration	64.40	1,466.73	1,037.70	669.86	1,284.98
3.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	549.18	116.17	480.27	786.13	1,020.53
4.	08-Excise	1.02	2.02	1.44	1.91	5.13
5.	10-Police & Jail	32.17	23.71	100.55	60.74	149.77
6.	11-Education, Sports, Youth Welfare & Culture	567.60	635.48	741.48	811.98	1,313.18
7.	12-Medical, Health & Family Welfare	133.41	116.11	397.34	514.02	452.31
8.	13-Water Supply, Housing & Urban Development	153.22	308.25	175.86	299.99	416.29
9.	14-Information	1.84	1.16	1.01	2.19	4.76
10.	15-Welfare	191.96	178.11	342.56	396.89	504.66
11.	16-Labour & Employment	36.45	28.70	58.20	86.03	72.37
12.	17-Agriculture Works & Research	131.83	186.93	91.09	215.51	252.03
13.	18-Co-operative	6.03	8.53	7.93	6.60	16.69
14.	19-Rural Development	133.00	179.22	651.46	126.96	485.65
15.	20-Irrigation & Flood	31.45	36.48	63.40	49.57	100.57
16.	22-Public Works	56.85	95.65	205.45	119.55	61.65
17.	23-Industries	11.32	20.89	14.02	34.66	106.40
18.	24-Transport	5.90	3.22	5.27	5.60	11.69
19.	25- Food	230.84	226.55	224.72	129.08	171.66
20.	26-Tourism	30.05	13.43	42.46	4.17	18.69
21.	27-Forest	27.10	31.00	1,19.93	80.72	2,10.08
22.	28-Animal Husbandry	9.04	24.93	33.92	24.21	73.87
23.	29-Horticulture Development	7.19	40.87	41.31	61.45	49.46
24.	30-Welfare of Scheduled Castes	114.39	210.01	269.50	490.39	542.21
25.	31-Welfare of Scheduled Tribes	36.68	58.99	95.59	117.85	138.15
Revenue-Charged						
1.	04-Judicial Administration	5.87	5.52	7.59	8.77	28.12
2.	07- Finance, Tax, Planning, Secretariat & Miscellaneous Services	41.44	646.03	657.44	414.76	226.69
3.	09-Public Service Commission	1.93	2.40	1.59	1.64	9.49
4.	22-Public Works	1.02	1.75	4.71	5.09	1.38
Capital-Voted						
1.	01-Legislature	22.00	22.00	19.97	23.50	9.93
2.	04-Judicial Administration	3.76	7.94	19.54	29.06	38.67
3.	06-Revenue & General Administration	9.12	13.78	4.85	4.42	74.61
4.	07- Finance, Tax, Planning, Secretariat & Miscellaneous Services	20.60	40.81	23.09	15.31	310.53
5.	10-Police & Jail	43.76	46.89	7.55	2.91	17.12
6.	11-Education, Sports, Youth Welfare & Culture	122.03	184.55	189.88	370.80	152.73
7.	12-Medical, Health & Family Welfare	230.97	188.14	24.27	33.80	32.28
8.	13-Water Supply, Housing & Urban Development	307.99	275.08	477.85	157.08	174.45
9.	15-Welfare	3.54	6.75	74.29	39.12	17.66
10.	19-Rural Development	132.55	62.82	219.63	51.80	70.26
11.	20-Irrigation & Flood	256.27	609.30	247.86	397.59	296.28
12.	21-Energy	368.40	325.76	361.66	102.42	314.05
13.	23-Industries	23.69	28.21	25.81	16.29	34.66
14.	24-Transport	43.95	95.18	30.00	59.21	44.41
15.	26-Tourism	55.32	47.68	179.95	63.10	71.64
16.	27-Forest	16.32	18.82	8.37	71.35	64.46
17.	30-Welfare of Scheduled Castes	203.71	300.94	299.68	134.77	117.96
18.	31-Welfare of Scheduled Tribes	54.28	81.60	42.37	61.52	59.85

Source: Appropriation Accounts.

Reasons for savings in 2016-17 were not intimated by the Government (September 2017). Despite being mentioned in the Report on State Finances of the

Comptroller & Auditor General of India for the year 2015-16 of the State, a substantial number of cases were noticed where savings persisted during the year which is indicative of persistent over assessment of requirement of funds. This needs to be reviewed.

2.3.8 Drawal of funds to avoid lapse of Budget

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

From the information compiled by the Office of the Accountant General (Accounts and Entitlement), Uttarakhand, it was seen that an amount of ₹ 537.84 crore was drawn by the State Government departments during the month of March 2017 and deposited in the deposit heads namely, “8338-Deposits of Local Funds; 8443-Civil Deposits and 8448-Deposits of Local Funds”, to avoid lapse of the budget grant. The Administrators are required to close Civil Deposit Head 8443– Personal Deposit Account 106 (PDA) on the last working day of the financial year and transfer the unspent balances back to the Consolidated Fund. Out of ₹ 537.84 crore lying under deposit heads, an amount of ₹ 185.33 crore was lying in PDA (MH 8443-106) at the end of 2016-17 in contravention of the Rule. The status of PDA during 2016-17 is given in **Table-2.9**.

Table-2.9: Status of PD Accounts (MH 8443-106) during 2016-17

(₹ in crore)							
Opening Balance		Addition during the year		Closed during the year		Closing Balance	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
25	229.24	19	84.24	25	128.15	19	185.33

The **Table-2.9** above indicates that overall number of PD accounts and amount involved have come down over the previous year.

Further scrutiny of accounts of the Chief Treasury Officer, Dehradun showed that there was a decrease in number and increase in amount of deposit accounts at the end of 2016-17. The status of deposit accounts from 2014-15 to 2016-17 is detailed in **Table-2.10**.

Table-2.10: Status of the deposit accounts

Deposit Heads	2014-15		2015-16		2016-17	
	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
8338-Deposit of Local Fund	6	76.39	05	82.28	05	90.98
8443-Civil Deposit	11	106.30	06	130.74	05	123.71
8448-Deposit of Local Funds	20	61.55	17	33.08	17	38.18
Total fund Parked/transferred	37	244.24	28	246.10	27	252.87

Source: Records of Chief Treasury Officer, Dehradun.

During scrutiny of these accounts, it was seen that ₹ two crore, ₹ 18.22 crore and ₹ 11.88 crore were transferred between 26 and 31 March into the deposit head at the end of the years 2014-15, 2015-16 and 2016-17 respectively to avoid budgetary lapse (*Appendix- 2.12*).

Detailed scrutiny of the Personal Ledger Account (PLA) of the District Magistrate (DM), Dehradun showed that ₹ 11.88 crore was transferred on the last day of the financial year 2016-17 to avoid budgetary lapse as shown in **Table-2.11**.

Table-2.11: Amount of fund transferred at the end of 2016-17 into DM, Dehradun PLA

(₹ in crore)

Date of fund transfer	From where transferred (Head of Account)	Where transferred (HOA-Deposit Heads)	Amount transferred to deposit heads
31 March 2017	2250-00-800-01	8443-00-106-00	11.88
Total fund transferred			11.88

Source: Chief Treasury Officer, Dehradun.

On being enquired about transferring the fund of ₹ 11.88 crore on the last day of 2016-17, the administrator of PDA intimated that the details of funds transferred and reason of transferring the funds to PDA would be intimated after getting information from concerned departments.

It was further observed that in the PLA of DM Dehradun, an unspent closing balance of ₹ 87.49 crore, ₹ 119.50 crore and ₹ 112.07 crore was kept blocked in contravention of the Rule as on 31 March 2015, 31 March 2016 and 31 March 2017 respectively due to non-closure of PDA.

Thus, the unspent closing balance and the correspondence made with different departments indicated that the administrator had not taken effective steps to close such accounts on the last working day of the financial year.

2.4 Outcome of Review of Selected Grants

A review of receipts and expenditure under Grant No. 13-Water Supply, Housing & Urban Development and Grant No. 15-Welfare for the period 2014-15 to 2016-17 revealed the following position:

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

A. Revenue Expenditure

The overall revenue expenditure showed decrease during 2015-16 by 18.62 per cent and increase of 18.16 per cent during 2016-17 over the previous years, as summarised in the **Table-2.12**.

Table-2.12: Summarised position of actual expenditure vis-à-vis original provision during 2014-15 to 2016-17

(₹ in crore)

Head of Account	Year	Original provision	Supplementary provision	Total	Actual Expenditure	Saving	In per cent	
							Saving	Variation in Exp.
2215 & 2217- Water Supply, Housing & Urban Development	2014-15	659.70	290.69	950.39	774.53	175.86	18.50	-
	2015-16	513.63	416.70	930.33	630.34	299.99	32.25	(-)18.62
	2016-17	1,083.08	78.01	1,161.09	744.80	416.29	35.85	(+)18.16

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings ranging between ₹ 175.86 crore (18.50 per cent) and ₹ 416.29 crore (35.85 per cent) during 2014-15 to 2016-17. During 2016-17, there was unnecessary supplementary provision of ₹ 78.01 crore as the original allotment (₹ 1,083.08 crore) was more than actual expenditure (₹ 744.80 crore).

Test check of certain heads revealed significant trends of major variations (more than ₹ 50 lakh in any year) in expenditure over previous years, as shown below in **Table-2.13**.

Table-2.13: Trends of major variations in expenditure over previous years in grant

Sl. No.	Head	Expenditure (₹ in lakh)			Variation (₹ in lakh)		Variation (in per cent)	
		2014-15	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
1.	2215-01-101-01	55.00	0.00	56.77	(-)55.00	(+)56.77	(-)100.00	--
2.	2215-01-101-05	18,399.11	16,539.81	15,792.19	(-)1,859.30	(-)747.62	(-)10.11	(-)4.52
3.	2215-01-102-01	14,898.35	5,855.90	7,754.27	(-)9,042.45	(+)1,898.37	(-)60.69	(+)32.42
4.	2215-01-102-04	1,872.57	74.66	0.00	(-)1,797.91	(-)74.66	(-)96.01	(-)100.00
5.	2215-01-102-07	4,471.54	3,000.00	1,330.91	(-)1,471.54	(-)1,669.09	(-)32.91	(-)55.64
6.	2215-01-102-08	2,580.00	0.00	541.11	(-)2,580.00	(+)541.11	(-)100.00	--
7.	2215-01-102-11	500.00	392.80	361.85	(-)107.20	(-)30.95	(-)21.44	(-)7.88
8.	2215-01-102-13	1,500.00	0.00	0.00	(-)1,500.00	0.00	(-)100.00	0.00
9.	2215-01-102-97	9,844.87	3,100.00	0.00	(-)6,744.87	(-)3,100.00	(-)68.51	(-)100.00
10.	2215-01-190-03	2,500.00	2,500.00	4,450.00	0.00	(+)1,950.00	0.00	(+)78.00
11.	2215-01-190-05	0.00	0.00	3,000.00	0.00	(+)3,000.00	0.00	--
12.	2215-01-800-04	300.00	0.00	100.00	(-)300.00	(+)100.00	(-)100.00	--
13.	2215-01-800-08	0.00	0.00	200.00	0.00	(+)200.00	0.00	--
14.	2215-02-105-01	13,856.98	3,709.60	18,762.73	(-)10,147.38	(+)15,053.13	(-)73.23	(+)405.79
15.	2215-02-106-03	1,304.37	58.57	699.33	(-)1,245.80	(+)640.76	(-)95.51	(+)1,094.01
16.	2215-02-107-01	0.00	1,724.00	0.00	(+)1,724.00	(-)1,724.00	-----	(-)100.00
17.	2217-03-191-03	2,350.89	7,241.74	5,022.91	(+)4,890.85	(-)2,218.83	(+)208.04	(-)30.64
18.	2217-03-800-01	1,269.87	17,036.00	14,331.36	(+)15,766.13	(-)2,704.64	(+)1,241.55	(-)15.88
19.	2217-80-001-03	346.02	239.94	220.93	(-)106.08	(-)19.01	(-)30.66	(-)7.92
20.	2217-80-800-03	15.91	123.35	76.70	(+)107.44	(-)46.65	(+)675.30	(-)37.82
21.	4215-01-101-01	200.00	56.44	0.00	(-)143.56	(-)56.44	(-)71.78	(-)100.00
22.	4215-01-101-03	5,790.70	2,837.12	8,495.44	(-)2,953.58	(+)5,658.32	(-)51.01	(+)199.44
23.	4215-01-102-03	3,636.88	1,577.90	1,294.64	(-)2,058.98	(-)283.26	(-)56.61	(-)17.95
24.	4215-01-102-04	8.31	70.90	0.00	(+)62.59	(-)70.90	(+)753.19	(-)100.00
25.	4215-01-102-05	0.00	0.00	11,487.42	0.00	(+)11,487.42	0.00	--
26.	4217-03-191-97	7,312.30	11,265.28	8,657.82	(+)3,952.98	(-)2,607.46	(+)54.06	(-)23.15
27.	4217-03-800-01	6,616.46	22,103.24	471.93	(+)15,486.78	(-)21,631.31	(+)234.06	(-)97.86

Source: Detailed Appropriation Accounts.

B. Capital Expenditure

The overall capital expenditure showed increase of 60.88 per cent during 2015-16 and decrease of 18.26 per cent during 2016-17 over the previous years, as summarised below in **Table-2.14**.

Table-2.14: Summarised position of actual expenditure vis-à-vis original provision during 2014-15 to 2016-17

Head of Account	Year	Original Provision	Supplementary Provision	Total	Actual Exp.	Saving	In per cent	
							Saving	Variation in Expenditure
4215 & 4217	2014-15	695.50	18.00	713.50	235.65	477.85	66.97	-
	2015-16	390.38	145.80	536.18	379.11	157.07	29.29	(+)60.88
	2016-17	378.79	105.53	484.32	309.87	174.45	36.02	(-)18.26

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings ranging between ₹ 157.07 crore (29.29 per cent) and ₹ 477.85 crore (66.97 per cent) during 2014-15 to 2016-17. During 2014-15, there was unnecessary supplementary provision of ₹ 18 crore as the original allotment (₹ 695.50 crore) was more than actual expenditure (₹ 235.65 crore). Similarly during 2015-16, there was unnecessary supplementary provision of ₹ 145.80 crore as the original allotment (₹ 390.38 crore) was more than actual expenditure (₹ 379.11 crore). Similarly during 2016-17, there was unnecessary supplementary provision of ₹ 105.53 crore as the original allotment (₹ 378.79 crore) was more than actual expenditure (₹ 309.87 crore).

C. Non-Utilisation of entire Provision

Test check of sub-heads revealed that the departments did not utilise the entire provision during 2014-15 to 2016-17 at the end of the year (₹ one crore and above) are given in **Table-2.15**.

Table-2.15: Summarised position of Non-Utilisation of entire Provision during 2014-15 to 2016-17

(₹ in lakh)

Sl. No.	Year	Head of Account	Original	Supplementary	Total
1.	2014-15	2215-01-102-12	1,000.00	0.00	1,000.00
2.		2215-01-800-01	0.00	150.00	150.00
3.		2217-03-191-01	1,659.00	0.00	1,659.00
4.		2217-03-191-97	1,580.00	0.00	1,580.00
5.		4215-01-101-04	2,500.00	0.00	2,500.00
6.	2015-16	2215-01-102-08	100.00	0.00	100.00
7.		2215-01-102-12	1,000.00	0.00	1,000.00
8.		2215-01-800-06	100.00	0.00	100.00
9.		2217-03-191-97	2,000.00	0.00	2,000.00
10.		2217-80-800-09	100.00	0.00	100.00
11.		4215-01-101-04	500.00	0.00	500.00
12.		4215-01-102-05	0.00	7,500.00	7,500.00
13.	2016-17	2215-01-102-97	2,000.00	0.00	2,000.00
14.		2215-01-800-06	100.00	0.00	100.00
15.		2217-03-191-01	2,370.00	0.00	2,370.00
16.		2217-03-191-04	100.00	0.00	100.00
17.		2217-03-191-97	1,400.00	0.00	1,400.00
18.		2217-03-800-13	300.00	0.00	300.00
19.		4215-01-101-01	200.00	0.00	200.00
20.		4215-01-101-04	400.00	0.00	400.00
Total			17,409.00	7,650.00	25,059.00

Source: Detailed Appropriation Accounts.

D. Receipts

The overall position of revenue receipts under 0215 and 0217 Major Head of the selected grant during 2014-15 to 2016-17 is summarised in **Table-2.16**.

Table-2.16: Position of revenue receipts under 0215 and 0217 Major Head of the grant

(₹ in crore)

Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ short fall	Per cent Variation to R.E
2014-15	6.00	6.00	4.20	(-)1.80	30.00
2015-16	8.00	8.00	4.07	(-)3.93	49.13
2016-17	8.80	10.63	10.63	0.00	0.00

Source: Budget and Finance Accounts.

Test-check of certain heads revealed lower/higher estimation in the subsequent years as compared to actual receipts in previous years as given in **Table-2.17**.

Table-2.17: Summarised position of Receipts during 2014-15 to 2016-17

(₹ in crore)							
Sl. No.	Head of Account	Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ Shortfall	Per cent Variation to R.E
1.	0215-01-103	2014-15	3.00	3.00	0.00	(-)3.00	(-)100.00
		2015-16	4.00	4.00	0.00	(-)4.00	(-)100.00
		2016-17	4.40	7.36	7.36	0.00	0.00
2.	0217-03-800	2014-15	3.00	3.00	4.20	(+)1.20	40.00
		2015-16	4.00	4.00	4.07	(+)0.07	1.75
		2016-17	4.40	3.27	3.27	0.00	0.00

Source: Budget and Finance Accounts.

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

Grant No. 15- Welfare

A. Revenue Expenditure

The overall revenue expenditure showed increase of 2.33 per cent during 2015-16 and 6.07 per cent during 2016-17 over the previous years, as summarised in **Table-2.18**.

Table-2.18: Summary of actual expenditure vis-à-vis original provision during 2014-15 to 2016-17

(₹ in crore)								
Head of Account	Year	Original	Supp.	Total	Actual Exp.	Saving	Saving (in per cent)	Growth in expenditure (in per cent)
2225, 2235, 2250 & 2251- Welfare	2014-15	1,171.05	238.91	1,409.96	1,067.40	342.56	24.30	-
	2015-16	1,228.17	260.96	1,489.13	1,092.24	396.89	26.65	(+)2.33
	2016-17	1,461.33	201.88	1,663.21	1,158.55	504.66	30.34	(+)6.07

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings ranging between ₹ 342.56 crore (24.30 per cent) and ₹ 504.66 crore (30.34 per cent) during 2014-15 to 2016-17. During 2014-15, there was unnecessary supplementary provision of ₹ 238.91 crore as the original allotment (₹ 1,171.05 crore) was more than actual expenditure (₹ 1,067.40 crore). Similarly during 2015-16, there was unnecessary supplementary provision of ₹ 260.96 crore as the original allotment (₹ 1,228.17 crore) was more than actual expenditure (₹ 1,092.24 crore). Similarly during 2016-17, there was unnecessary supplementary provision of ₹ 201.88 crore as the original allotment (₹ 1,461.33 crore) was more than actual expenditure (₹ 1,158.55 crore).

Test-check of certain head revealed significant trend of major variations (more than ₹ 50 lakh in any year) in expenditure over previous years as shown below in **Table-2.19**.

Table-2.19: Trend of major variations in expenditure over previous years in grant

Sl. No.	Head	Expenditure (₹ in lakh)			Variations (₹ in lakh)		Variations (in per cent)	
		2014-15	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
1.	2225-01-001-03	148.59	191.20	252.27	(+)42.61	(+)61.07	(+)28.68	(+)31.94
2.	2225-01-001-05	896.71	1,042.64	1,061.64	(+)145.93	(+)19.00	(+)16.27	(+)1.82
3.	2225-01-001-06	0.00	69.53	12.42	(+)69.53	(-)57.11	--	(-)82.14
4.	2225-03-102-01	0.00	700.99	45.37	(+)700.99	(-)655.62	--	(-)93.53
5.	2225-03-277-01	5,301.37	1,211.70	21.34	(-)4,089.67	(-)1,190.36	(-)77.14	(-)98.24
6.	2235-02-101-20	4,702.75	4,733.34	5,990.88	(+)30.59	(+)1,257.54	(+)0.65	(+)26.57
7.	2235-02-102-01	14,167.05	14,292.18	13,239.56	(+)125.13	(-)1,052.62	(+)0.88	(-)7.37
8.	2235-02-102-03	19,060.36	19,317.37	18,960.50	(+)257.01	(-)356.87	(+)1.35	(-)1.85
9.	2235-02-102-06	4,558.93	1,496.93	4,036.82	(-)3,062.00	(+)2,539.89	(-)67.16	(+)169.67
10.	2235-02-103-01	0.00	69.34	141.61	(+)69.34	(+)72.27	--	(+)104.23
11.	2235-02-103-12	7,000.00	16,727.50	5,201.50	(+)9,727.50	(-)11,526.00	(+)138.96	(-)68.90
12.	2235-02-103-14	0.00	0.00	55.50	0.00	(+)55.50	0.00	--
13.	2235-02-103-15	8,779.50	8,228.17	11,683.54	(-)551.33	(+)3,455.37	(-)6.28	(+)41.99
14.	2235-02-103-20	36.25	101.29	235.80	(+)65.04	(+)134.51	(+)179.42	(+)132.80
15.	2235-02-103-24	200.00	100.00	100.00	(-)100.00	0.00	(-)50.00	0.00
16.	2235-02-104-06	1,078.65	2,526.12	1,993.46	(+)1,447.47	(-)532.66	(+)134.19	(-)21.09
17.	2235-02-800-04	379.50	70.00	150.00	(-)309.50	(+)80.00	(-)81.55	(+)114.29
18.	2235-02-800-07	13.91	52.53	0.00	(+)38.62	(-)52.53	(+)277.64	(-)100.00
19.	2235-60-102-05	22,085.33	22,658.96	32,040.18	(+)573.63	(+)9,381.22	(+)2.60	(+)41.40
20.	2235-60-102-06	231.28	1,203.07	1,966.84	(+)971.79	(+)763.77	(+)420.18	(+)63.49
21.	2235-60-107-03	723.31	1,160.89	884.15	(+)437.58	(-)276.74	(+)60.50	(-)23.84
22.	2235-60-200-03	2,149.67	2,833.71	2,833.93	(+)684.04	(+)0.22	(+)31.82	(+)0.01
23.	2235-60-200-07	200.00	0.00	3,350.00	(-)200.00	(+)3,350.00	(-)100.00	--
24.	2235-60-200-08	100.00	0.00	127.43	(-)100.00	(+)127.43	(-)100.00	--
25.	2235-60-800-01	6,206.91	4,647.48	5,008.04	(-)1,559.43	(+)360.56	(-)25.12	(+)7.76
26.	2235-60-800-06	380.01	405.63	0.00	(+)25.62	(-)405.63	(+)6.74	(-)100.00
27.	2250-00-800-01	3,778.59	2,010.84	2,625.62	(-)1,767.75	(+)614.78	(-)46.78	(+)30.57
28.	2250-00-800-05	329.27	324.24	568.25	(-)5.03	(+)244.01	(-)1.53	(+)75.26
29.	2250-00-800-08	0.00	0.00	100.00	0.00	(+)100.00	0.00	--
30.	2250-00-800-16	1,428.75	150.93	103.37	(-)1,277.82	(-)47.56	(-)89.44	(-)31.51
31.	2250-00-800-19	200.00	25.00	0.00	(-)175.00	(-)25.00	(-)87.50	(-)100.00
32.	2250-00-800-20	400.00	300.00	0.00	(-)100.00	(-)300.00	(-)25.00	(-)100.00
33.	2250-00-800-22	0.00	65.00	0.00	(+)65.00	(-)65.00	--	(-)100.00
34.	2250-00-800-23	200.00	0.00	0.00	(-)200.00	0.00	(-)100.00	0.00
35.	2250-00-800-26	0.00	70.00	200.00	(+)70.00	(+)130.00	--	(+)185.71
36.	4235-02-102-01	4,905.50	16.60	300.00	(-)4,888.90	(+)283.40	(-)99.66	(+)1,707.23
37.	4235-02-103-10	1,600.86	400.00	69.88	(-)1,200.86	(-)330.12	(-)75.01	(-)82.53
38.	4250-00-800-05	114.60	0.00	0.00	(-)114.60	0.00	(-)100.00	0.00
39.	4250-00-800-06	0.00	0.00	150.00	0.00	(+)150.00	0.00	--
40.	4250-00-800-09	396.24	0.00	0.00	(-)396.24	0.00	(-)100.00	0.00
41.	4250-00-800-10	599.39	100.00	0.00	(-)499.39	(-)100.00	(-)83.32	(-)100.00
42.	4250-00-800-11	0.00	965.95	1,291.23	(+)965.95	(+)325.28	--	(+)33.67

Source: Detailed Appropriation Accounts.

B. Capital Expenditure

The overall Capital Expenditure showed a decrease of 78.92 per cent during 2015-16 and an increase of 6.77 per cent in 2016-17 over the previous year, as summarised in Table 2.20.

Table -2.20: Summarised position of actual expenditure vis-à-vis original provision during 2014-15 to 2016-17

(₹ in crore)

Head of Account	Year	Original	Supplementary	Total	Actual Exp.	Saving	In per cent	
							Saving	Variation in Exp.
4225, 4235 & 4250	2014-15	1,44.93	12.11	1,57.04	82.75	74.29	47.31	-
	2015-16	31.56	25.00	56.56	17.44	39.12	69.17	(-)78.92
	2016-17	36.28	0.00	36.28	18.62	17.66	48.68	(+)6.77

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings ranging between ₹ 17.66 crore (48.68 per cent) and ₹ 74.29 crore (47.31 per cent) during 2014-15 to 2016-17. During 2014-15, there was unnecessary supplementary provision of ₹ 12.11 crore as the original allotment (₹ 144.93 crore) was more than actual expenditure (₹ 82.75 crore). Similarly during 2015-16, there was unnecessary supplementary provision of ₹ 25.00 crore as the original allotment (₹ 31.56 crore) was more than actual expenditure (₹ 17.44 crore).

C. Non-Utilisation of the entire Provision

Test check of certain sub-heads revealed that the departments did not utilise the entire provision during 2014-15 to 2016-17 at the end of the year (₹ one crore and above) are given in **Table-2.21**.

Table-2.21: Summarised position of Non-Utilisation of entire Provision during 2014-15 to 2016-17

Sl. No	Year	Head of Account	Original	Supplementary	Total (₹ in lakh)
1.	2014-15	2235-02-102-16	0.00	750.00	750.00
2.		2235-02-103-14	0.01	144.01	144.02
3.		2235-02-103-21	350.00	100.00	450.00
4.		2250-00-800-14	0.00	300.00	300.00
5.		4235-02-102-03	100.00	0.00	100.00
6.	2015-16	2235-60-200-07	0.00	200.00	200.00
7.		2235-60-200-08	0.00	150.00	150.00
8.		4235-02-102-03	100.00	0.00	100.00
9.		4250-00-800-01	300.00	0.00	300.00
10.	2016-17	2225-03-800-09	100.00	0.00	100.00
11.		2235-02-800-01	5,010.00	0.00	5,010.00
12.		2235-60-800-06	400.00	0.00	400.00
13.		2250-00-800-06	500.00	0.00	500.00
14.		2250-00-800-19	200.00	0.00	200.00
15.		2250-00-800-20	300.00	0.00	300.00
16.		2250-00-800-30	100.00	0.00	100.00
17.		2250-00-800-31	100.00	0.00	100.00
18.		4235-02-102-03	100.00	0.00	100.00
19.		4250-00-800-01	300.00	0.00	300.00
20.		4250-00-800-08	100.00	0.00	100.00
21.	4250-00-800-10	100.00	0.00	100.00	
Total			8,160.01	1,644.01	9,804.02

Source: Detailed Appropriation Accounts.

D. Receipts

The overall position of revenue receipts under 0235 and 0250 major head of the grant during 2014-15 to 2016-17 is summarised in **Table-2.22**.

Table-2.22: Position of revenue receipts under 0235 and 0250 Major Head of the grant

(₹ in crore)

Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ Shortfall	Variation to Revised Estimate (in per cent)
2014-15	10.01	10.01	5.45	(-)4.56	45.55
2015-16	16.67	17.27	11.71	(-)5.56	32.19
2016-17	18.94	46.17	46.13	(-)0.04	0.09

Source: Budget and Finance Accounts.

Test-check of certain heads revealed lower/higher estimation in the subsequent years as compared to actual receipts in previous years as given in **Table-2.23**.

Table-2.23: Position of Receipts, Minor Head-0235 & 0250

							(₹ in crore)
Sl. No.	Head of Account	Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/Shortfall	Variation to Revised Estimate (in per cent)
1.	0235-60-800	2014-15	6.01	6.01	0.88	(-)5.13	(-)85.36
		2015-16	11.67	11.67	6.09	(-)5.58	(-)47.81
		2016-17	12.84	17.10	17.10	0.00	0.00
2.	0250-00-102	2014-15	3.20	3.20	0.00	(-)3.20	(-)100.00
		2015-16	4.00	4.60	0.00	(-)4.60	(-)100.00
		2016-17	5.00	28.57	0.00	(-)28.57	(-)100.00
3.	0250-00-800	2014-15	0.80	0.80	4.57	(+)3.77	471.25
		2015-16	1.00	1.00	5.62	(+)4.62	462.00
		2016-17	1.10	0.50	29.03	(+)28.53	5706.00

Source: Budget and Finance Accounts.

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

2.5 Outcome of Inspection of Treasuries

There were 91 units i.e. 18 treasuries and 71 sub-treasuries, one Cyber Treasury at Dehradun and one Pay & Accounts Office at New Delhi, in the State during 2016-17. Major irregularities noticed during inspection of 51³ units during 2016-17 are contained in Table-2.24.

Table-2.24: Outcome of inspection of Treasuries

Sl. No.	Category	Amount (₹ in crore)
1.	Unadjusted AC Bills	8.05
2.	Uncontrolled withdrawal from PLA Accounts	15.59
3.	Non deduction of TDS from pensioners during 2015-16	0.34

Source: Annual Review 2016-17 of Treasuries by Accountant General (A&E), Uttarakhand.

There is a need to tighten the controls at the level of the treasuries to prevent recurrence of the above mentioned irregularities.

2.6 Advances from Contingency Fund

The Contingency Fund of the State, in the nature of an imprest, has been established vide Uttarakhand Contingency Fund Act, 2001 (Act No. 2 of 2001) in terms of provisions of Articles 267 (2) and 283 (2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. The Fund stood at ₹ 750 crore at the end of 2016-17. Any drawal of advances from the Fund needs to be recouped from the Consolidated Fund of the State within the same financial year. However, as on 31 March 2017, advances to the tune of ₹ 227.70 crore drawn from the Contingency Fund during the year 2016-17, remained to be recouped from Service Heads to the Contingency Fund after authorisation of the Legislature as required as per Section 5 of the Uttarakhand Contingency Fund Act, 2001 (Act No. 2 of 2001) (Appendix-2.13).

Further scrutiny showed that the Government had also not yet recouped (August 2017) the advance drawn from Contingency Fund to the tune of ₹ 63.14 crore pertaining to 2015-16.

³ 21 Treasuries and 30 Sub Treasuries.

The year wise non-recouped amount of Contingency Fund under the Grants and Major Heads is shown in the **Appendix-2.14**.

Also, the Government resorted to advances from the Contingency Fund during the year 2016-17 for meeting the capital expenditure (₹ 15.46 crore) which was in contravention of the rules governing operation of the Fund.

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

As per Financial Rules, every Drawing Officer has to certify in each AC bill that detailed bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective Controlling Officers for countersignatures and transmission to the Accountant General (Accounts and Entitlement). Detailed bills aggregating ₹ 8.06 crore, drawn on 123 AC bills were pending as at the end of March 2017. Year wise details are given in **Table-2.25**.

Table-2.25: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills (as on March 2017)

(₹ in crore)

Year	Outstanding DC Bills	
	Number	Amount
Up to 2014-15	06	0.35
2015-16	03	0.01
2016-17	114	7.70
Total	123	8.06

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

Out of the total outstanding DCC bills amounting to ₹ 8.06 crore, 47 outstanding DCC bills of ₹ 4.43 crore pertained to the Election Department.

Position of Department/office wise pending DCC bills for the years up to 2016-17 has been given in **Appendix- 2.15**.

Non-submission of DCC bills for long periods after drawal of AC bills is fraught with the risks of misappropriation and, therefore, needs to be monitored closely.

2.7. (B) Un-reconciled Expenditure

To enable the Controlling Officers of the Departments to exercise effective control over expenditure to keep it within the budgetary allocation and to ensure accuracy of their accounts, Paragraph 109 of the Uttarakhand Budget Manual 2012 stipulates that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General (Accounts & Entitlement). Even though non-reconciliation of departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2016-17 also.

During the year 2016-17, such reconciliations had been completed fully by 32 CCOs out of 62 CCOs (51.61 per cent) for an amount of ₹ 24,265.73 crore (80.28 per cent) out of total expenditure of ₹ 30,225.72 crore.

The cases where amounts exceeding ₹ 10 crore involving a total of ₹ 1,575.76 crore (5.21 per cent of total expenditure) remained un-reconciled in respect of eight Controlling Officers during the year 2016-17 are detailed in **Table-2.26**.

Table-2.26: List of Controlling Officers where amounts exceeding ₹ 10 crore in each case remained fully un-reconciled during 2016-17 (₹ in crore)

Sl. No.	Controlling Officers	Amount not reconciled
1.	Chief Revenue Commissioner Ring Road, Ladpur, Dehradun	62.76
2.	Commissioner, Relief, Revenue Department, Government of Uttarakhand	319.24
3.	Principal Secretary, Finance, Government of Uttarakhand	390.81
4.	Director, Information and Public relation, Uttarakhand Dehradun	36.28
5.	Deputy Director, Directorate, Sainik Kalyan evam Punarvas Uttarakhand	663.08
6.	Commissioner, Labour, Government of Uttarakhand, Dehradun	38.47
7.	Finance Controller, G.B. Pant Agriculture and Technical University Pantnagar	11.11
8.	Chief Engineer, Irrigation Department, Uttarakhand, Dehradun	54.01
Total		1,575.76

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

The Chief Controlling Officers of the above mentioned departments were asked to furnish the reasons for failing to undertake reconciliation as prescribed by the Accountant General (Accounts & Entitlement). However, no response was received till date (September 2017). The non-reconciliation of accounts by the controlling authorities has led to the continuation of deleted sub-major heads being operated upon by some controlling authorities.

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

2.8 Deficiencies in Budgeting Process

The following deficiencies were noticed in the budgeting process of the State Government in the financial year 2016-17.

- i. In the Budget Document Vol.- IV, Minor Head 900-Deduct Recoveries under Major Heads 0029, 0039 and Minor Head 901-Deduct Recoveries under Sub-Major Head 01-Judicial Stamp under Major Head 0030 have been shown below Sector-A Tax-Revenue, while the list of Major & Minor Heads of Account (Volume-I) provides that the deduct recoveries shall be shown under the sub head under appropriate Minor Head below every Major, Sub-Major Head coming under the Sector-A Tax-Revenue.
- ii. As per the Budget Document Vol.-V Part I, in Grant No.-7 under Major Head 3454, Minor Head 001 Direction and Administration has been shown below Sub-Major Head 02 Survey instead of 01 Census as provided in the List of Major and Minor Heads of Accounts.
- iii. As per the Budget Document Vol.-V Part II, Grant No.-14 Sub-Major Head 60- Others is shown under the Major Head 4059. However, as per the List of Major and Minor Heads of Accounts, there is the provision of other buildings under the Sub-Major Head 60.

- iv. In the Major Head 2059, under Grant Number 22 of the Budget Document Vol.-V Part III, Minor head 102 under Sub-Major Head 80 has been shown as “Repair and Maintenance”, whereas as per the List of Major and Minor Heads of Accounts it should have been Minor Head 053 under Sub-Major Head 80.
- v. Under the Major Head 2245-only one Sub-Major Head 05-has been shown, under which there is the provision of Minor Head 800 whereas the list of Major and Minor Heads of Accounts provides for the provision of two more Sub-Major Heads 01-Drought and 02-Flood and Cyclone.
- vi. As per the Budget Document Vol.-V Part II, Grant No.-15 in the Major Head 4235, ‘Welfare of Handicapped’ has been shown against Minor Head 104 under Sub-Major Head 02 instead of ‘Welfare of Aged, Infirm and Destitute’ provided in the List of Major and Minor Heads of Accounts.
- vii. As per the Budget Document Vol.-V Part II in Major Head 2401 under Grant Number 17, Minor Heads 800 “other scheme” was shown, whereas these should have been shown as ‘other expenditure’ as per the List of Major and Minor Heads of Accounts.
- viii. As per the Budget Document Vol.-V Part I, Grant No.-06 Minor Head 800- Other buildings is shown under the Major Head 4059. However, as per the List of Major and Minor Heads of Accounts, there is the provision of other expenditure under the Minor Head 800.
- ix. Minor Heads 101- “Special Component Plan for Scheduled Castes” in the Major Head 2211 under Grant Number 30 has been shown according to the Budget Document Vol.-V Part IV whereas Minor Head 101 “Rural Family Welfare Services” has been mentioned in the List of Major and Minor Heads of Accounts.
- x. In Major Head 2052, Minor Heads 800 other Expenditure was shown, whereas there are provisions of ‘091-Attached Offices’ and ‘092-Other offices’ sub heads as per the List of Major and Minor Heads of Accounts.

Similar shortcomings were also mentioned in the Audit Report (2015-16). However, cognizance of the same has not been taken by the Government.

2.9 Conclusions and Recommendations

During 2016-17, there was an overall savings of ₹ 4,684.19 crore against the total grants and appropriations of ₹ 41,930.08 crore. There was an excess expenditure of ₹ 5,457.33 crore in three grants and one appropriation which requires regularisation under Article 205 of the Constitution of India. Large savings indicated deficient budget estimates. Supplementary provision of ₹ 1,418.56 crore obtained in 41 cases proved unnecessary. Re-appropriation of funds in 109 cases was made injudiciously resulting either in savings or excesses over provisions. The departments surrendered ₹ 573.24 crore on the last working day of the financial year leaving no scope for utilising

these funds for other development purposes. In three cases, ₹ 0.22 crore was surrendered in excess of actual savings.

The State Government may assess the savings and surrender these well before the close of the financial year so that they can be effectively utilised in other areas/schemes.

Excess expenditure amounting to ₹ 15,323.44 crore pertaining to the years 2005-06 to 2015-16 was yet to be regularised by the State Legislature.

The State Government may plan their expenditure budgets more rigorously so as to avoid exceeding the approved grants and appropriations. Further, the State Government may ensure timely submission of explanations for excess expenditure so that these could be regularised.

An amount of ₹ 537.84 crore drawn by the State Government during the month of March 2017 was deposited in the deposit heads to avoid lapse of budget grants.

The State Government may consider ensuring that the funds drawn in March are not transferred to deposit heads in order to avoid lapse of budget.

A significant amount of ₹ 227.70 crore was sanctioned under Contingency Fund in 29 cases and the entire amount has remained un-recouped.

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

The Controlling Officers did not submit (March 2017) the Detailed Countersigned Contingent Bills in respect of ₹ 8.06 crore drawn on Abstract Contingent Bills up to March 2017.

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

Inspection of treasuries also indicated deficiencies in their functioning. Thirty controlling officers did not reconcile their expenditures with the Accountant General (Accounts & Entitlement), Uttarakhand. Consequently, deficiencies in classification of heads of accounts, noticed in the budgeting process of the State Government for the financial year 2016-17, could not be pre-empted.

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

CHAPTER-3 | FINANCIAL REPORTING

CHAPTER-3

FINANCIAL REPORTING

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

3.1 Delay in furnishing Utilisation Certificates

Financial Rules provide that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees and, after verification, these should be forwarded to the Accountant General (Accounts and Entitlement) within 12 months from the date of their sanction unless specified otherwise. A total number of 353 UCs amounting to ₹ 490.04 crore were pending as of March 2017. Of these, 211 UCs involving ₹ 303.25 crore were pending for period up to two years and 142 UCs involving ₹ 186.79 crore were pending for more than two years. The age-wise delays in submission of UCs have been summarised in **Table-3.1**.

Table-3.1: Age-wise arrears of Utilisation Certificates as on March 2017

(₹ in crore)

Sl. No.	Range of delay in number of years	Utilisation Certificates Outstanding	
		Number	Amount
1.	0-1	129	162.69
2.	1-2	82	140.56
3.	More than two years	142	186.79
Total		353	490.04

Source: Finance Accounts 2016-17 prepared by AG (A&E), Uttarakhand.

However, due date of 129 utilisation certificates amounting to ₹ 162.69 crore falls between April 2017 and March 2018. Thus, the Departmental officers did not submit

224 UCs due for submission by March 2017 in respect of which grants amounting to ₹ 327.35 crore were given up to March 2016 for specific purposes.

In the absence of UCs, it could not be ascertained whether the recipients had utilised the grants for the intended purpose for which these were sanctioned. Thus, efforts may be made by the departments for expeditious submission of UCs by the recipients.

3.2 Non-submission/delay in submission of Accounts

In order to identify the institutions which attract audit under Section 14 of the Comptroller and Auditor General's (Duties, Power and Conditions of Services) Act, 1971, the Government / Heads of the Department are required to furnish to Audit every year, detailed information about the financial assistance given to various institutions, the purpose for which the assistance is granted, and the total expenditure of the institutions. Further, Regulations on Audit and Accounts, 2007 provide that Government and the Heads of Departments which sanction grants and / or loans to bodies or authorities, shall furnish to the Audit Office, by the end of July every year, a statement of such bodies and authorities to which grants and / or loans aggregating ₹ 10 lakh or more were paid during the preceding year indicating (a) the amount of assistance, (b) the purpose for which the assistance was sanctioned, and (c) the total expenditure of the body or authority.

It was seen that none of the departmental heads had furnished the statement of such bodies and authorities to which grants and / or loans aggregating ₹ 10 lakh or more were paid during the preceding year. Consequently, audit could not provide assurance to the Legislature / Government on the manner in which the sanctioned grant was utilised, specifically on the issues of diversion or misutilisation.

3.3 Delay in submission of Accounts in respect of Departmentally Managed 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 annual accounts of departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business. In the absence of timely finalisation of annual accounts, the investment of the Government remains outside the scrutiny of the Audit / State Legislature. Consequently, corrective measures, if required, for ensuring accountability and improving efficiency, cannot be taken in time. Besides, the delay in all likelihood may also open the system to risk of fraud and leakage of public money.

The Heads of Department in the government are to ensure that the undertakings prepare such accounts and submit the same to Accountant General (Audit), Uttarakhand, Dehradun for audit within a specified time frame. As of March 2017, the department-wise position of arrears in preparation of *pro forma* accounts and investment made by the Government are given in **Appendix-3.1**. Delay in finalisation of accounts carries the risk of financial irregularities going undetected and, therefore, the accounts need to be finalised and submitted to audit at the earliest.

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

Minor Heads 800- 'Other Expenditure' and 'Other Receipts' under various Major Heads are intended to be operated only when the appropriate minor head has not been provided in the chart of accounts. Routine operation of Minor Heads 800 under various Major Heads is to be discouraged, since it renders the accounts opaque. During 2016-17, an amount of ₹ 2,919.42 crore under 39 Major Heads of account, constituting 11.55 *per cent* of the total revenue expenditure (₹ 25,271.50 crore) was classified under the Minor Head-800 'Other Expenditure' in the Revenue Account. Similarly, a total sum of ₹ 852.62 crore under 35 Major Heads of Account constituting 3.43 *per cent* of the total revenue receipts (₹ 24,888.97 crore) was classified under the Minor Head-800 'Other Receipts'. Instances where a substantial portion (50 *per cent* or more and exceeding ₹ 10.00 crore), of the receipts and expenditure were classified under Minor Head '800-Other Receipts' and '800-Other Expenditure' are depicted in **Table-3.2**.

Table-3.2: Substantial amount booked under Minor Head-‘800’ other receipts/expenditure
(₹ in crore)

“800-Other Receipts”				“800-Other Expenditure”			
Major Head	Total Receipts	Booking under Minor Head 800	Percentage of receipts	Major Head	Total Expenditure	Booking under Minor Head 800	Percentage of Expenditure
0023	29.43	29.43	100	2040	186.48	115.41	61.89
0059	51.08	51.06	99.96	2217	228.33	163.59	71.65
0210	78.70	78.70	100	2245	1225.44	1005.44	82.05
0235	17.10	17.10	100	2250	39.81	39.81	100
0250	29.03	29.03	100	2501	311.50	295.45	94.85
0406	318.21	318.21	100	2810	18.13	10.34	57.03
0801	130.08	130.08	100	3425	19.78	10.67	53.94
Total	653.63	653.61	100	Total	2,029.47	1,640.71	80.84

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

The major schemes are not depicted distinctly in the Finance Accounts, though the details of these expenditures are depicted in the sub-head (scheme) level or below in the detailed demands for Grants and corresponding head-wise Appropriation Accounts forming part of the State Government Accounts. Classification of large amounts booked under the minor head '800'-Other receipts/ expenditure affects the transparency/ fair picture in financial reporting.

3.5 Conclusions and Recommendations

The departmental officers did not submit 224 Utilisation Certificates (due for submission by March 2017) to the Accountant General (A&E), Uttarakhand in respect of the grants of ₹ 327.35 crore given up to March 2016 for specific purposes. In the absence of these certificates, it could not be ascertained whether the recipients had utilised the grants for the intended purposes.

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

The departmental heads were not submitting statement of such bodies and authorities to Accountant General (Audit) Uttarakhand to which grants or loan aggregating ₹ 10 lakh or more were paid during preceding year. As such, the institutions which attract audit by CAG could not be identified properly.

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

Significant amounts of expenditure and receipts under Central and State Schemes, booked under the Minor Heads '800-Other Expenditure' and '800-Other Receipts' under various Major Heads were not distinctly depicted in the State Finance Accounts of 2016-17, affecting the transparency in financial reporting.

The Government may ensure transparency in financial reporting by separately depicting the receipts and expenditure of major schemes rather than including them under the Minor Heads '800-Other Expenditure' and '800-Other Receipts' across various major heads.

Dehradun
The 06 February 2018


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

Countersigned

New Delhi
The 13 February 2018


(RAJIV MEHRISHI)
Comptroller and Auditor General of India

APPENDICES

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

A. General Data*:

S. No.	Particulars		Figures
1.	Area		53,483 Sq. km.
2.	Population		
	a.	As per 2001 Census	84.89 lakh
	b.	As per 2011 Census	101.86 lakh
3.	a.	Density of Population (as per 2001 Census) (All India Density = 325 persons per Sq. Km.)	159 person per Sq. km.
	b.	Density of Population (as per 2011 Census) (All India Density = 382 persons per Sq. Km.)	189 person per Sq. km.
4.	Population Below Poverty Line (BPL) (All India Average = 21.90 per cent)		11.30 per cent
5.	a.	Literacy (as per 2001 Census) (All India Average = 64.80 per cent)	71.62 per cent
	b.	Literacy (as per 2011 Census) (All India Average = 73.00 per cent)	78.80 per cent
6.	Infant mortality (per 1000 live births) (All India Average = 37 per 1000 live births)		34
7.	Life Expectancy at Birth (All India Average in 2011-15=68.30)		71.80
8.	Gini Coefficient**2009-10 (URP)		
	a.	Rural (All India = 0.29)	0.26
	b.	Urban (All India = 0.38)	0.36
9.	Gross State Domestic Product (GSDP) 2016-17 at current prices		1,95,192
10.	Per capita GSDP CAGR (2007-08 to 2016-17)	Uttarakhand	15.80
		Special Category State	14.30
11.	GSDP CAGR (2007-08 to 2016-17)	Uttarakhand	17.50
		Special Category State	15.70
12.	Population Growth (2007 to 2016)	Uttarakhand	13.30
		Special Category State	11.40

B. Financial Data :

CAGR							
Particulars		Figures (in per cent)					
		2007-08 to 2015-16		2011-12 to 2015-16		2015-16 to 2016-17	
CAGR		For Uttarakhand	For SCS	For Uttarakhand	For SCS	For Uttarakhand	For SCS
A	Of Revenue Receipts	13.17	13.40	15.75	11.79	17.21	14.44
B	Of Tax Revenue	16.63	17.20	18.63	14.50	16.21	4.99
C	Of Non-Tax Revenue	7.82	6.58	2.41	4.51	10.33	21.61
D	Total Expenditure	13.85	11.78	20.79	10.09	10.97	18.78
E	Capital Expenditure	8.26	6.17	22.09	6.86	17.48	50.62
F	Revenue Expenditure on Education	15.76	15.30	12.57	11.36	8.94	13.86
G	Revenue Expenditure on Health	20.26	17.91	25.24	16.41	5.35	20.55
H	Salary and Wages	17.02	15.95	14.38	10.75	10.47	4.41
I	Pension	19.71	17.87	32.29	16.74	20.62	11.76

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

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

Appendix-1.1

(Reference: Paragraph-1.1 & 1.2.1, Pages 1 & 5)

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

Appendices-IV	Details of Externally Aided Projects
Appendices-V	Plan Scheme Expenditure (A. Central Schemes B. State Schemes)
Appendices-VI	Direct Transfer of Central Scheme Funds to Implementing Agencies in the State (Funds routed outside State Budget) (Unaudited Figures)
Appendices-VII	Acceptance of Balances/ Unreconciled difference between Ledger and Broadsheet
Appendices-VIII	Financial results of Irrigation Works
Appendices-IX	Statement of Commitments on Incomplete Public Works Contracts (As on 31 March 2017)
Appendices-X	Statement on Maintenance Expenditure of the State during 2016-17 (As on 31 March 2017)
Appendices-XI	Statement on Implications of Major Policy Decisions during the year on New Schemes proposed in the Budget for the future Cash Flows (As on 31 March 2017)
Appendices-XII	Statement on Committed Liabilities of the State Government in future
Appendices-XIII	Statement of items for which allocation of balances as a result of Re-organisation of States has not been finalized

Appendix-1.2
Part A
(Reference: Page 1)
Methodology adopted for the Assessment of Fiscal Position

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

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

Trends in Gross State Domestic Product (GSDP)

	2012-13	2013-14	2014-15*	2015-16*	2016-17*
Gross State Domestic Product (₹ in crore)	1,31,613	1,49,074	1,61,439	1,76,171	1,95,192
Growth rate of GSDP	14.12	13.27	8.29	9.13	10.80
<i>Source: Central Statistics office and Directorate of Economic and Statistics Government of Uttarakhand.</i>					
<i>* Provisional * Quick * Advance estimates.</i>					

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

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

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

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

In particular the State government shall--

- (a) Fiscal Deficit of the State will be anchored to an annual limit of 3 *per cent* of GSDP. The State will be eligible for flexibility of 0.25 *per cent* over and above this for any year for which the borrowing limits are to be fixed if the debt-GSDP Ratio is less than or equal to 25 *per cent* in the preceding year.
- (b) The State will be further eligible for an additional borrowing limit of 0.25 *per cent* of GSDP in a given year for which the borrowing limits are to be fixed if the interest payments are less than or equal to 10 *per cent* of the revenue receipts in the preceding year.
- (c) The two options under these flexibility provisions can be availed by the State either separately, if any of the above criterion is fulfilled, or simultaneously if both the above stated criterion are fulfilled. Thus, the State can have a maximum fiscal deficit GSDP limit of 3.5 *per cent* in any given year.
- (d) Review the targets set forth by the State government above once in six months;
- (e) Total outstanding guarantee at beginning of the F.Y. should not more than 1 *per cent* of the GSDP of that particular year. New guarantee given during any year should not be more than 0.3 *per cent* of the GSDP for that year.

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

(₹ in crore)

	2015-16 (Actual)	2016-17 (Budgeted)	2016-17 (Revised)	2017-18 (Projected)	2018-19 (Projected)	2019-20 (Projected)	2020-21 (Projected)
A. STATE REVENUE ACCOUNT :							
1. Own Tax Revenue	9,381.94	12,116.67	10,866.99	13,780.28	15,985.12	18,542.74	21,509.58
2. Own Non-Tax Revenue	1,219.66	2,793.43	1,315.99	2,468.71	2,715.58	2,987.14	3,285.85
3. Own Tax +Non-Tax Revenue (1+2)	10,601.60	14,910.10	12,182.98	16,248.99	18,700.71	21,529.88	24,795.44
4. Share in Central Taxes and Duties	5,329.04	6,014.46	6,411.63	7,113.48	7,895.96	8,764.52	9728.62
5. Grants from Central Government	5,303.79	11,351.31	6,661.29	8,230.61	8,971.36	9,778.79	10,658.88
6. Total Central Transfer (4+5)	10,632.83	17,365.77	13,072.92	15,344.09	16,867.33	18,543.31	20,387.49
7. Total Revenue Receipts (3+6)	21,234.43	32,275.87	25,255.90	31,593.08	35,568.03	40,073.19	45,182.93
8. Salary Expenditure	8,685.06	11,752.62	9,736.44	11,859.53	13,045.48	14,350.03	15,785.03
9. Pension	2,627.82	3,528.73	3,144.98	4,272.28	4,699.51	5,169.46	5,686.40
10. Interest Payments	2,971.11	3,896.06	3,414.25	4,409.95	5,033.73	5,719.48	6,482.82
11. Subsidies-General	--	--	--	--	--	--	--
12. Subsidies-Power	--	--	--	--	--	--	--
13. Interest Payment/ Revenue Receipts (10/7)	13.99%	12.07%	13.52%	13.96%	14.15%	14.27%	14.35%
14. Total Revenue Expenditure	23,086.44	32,250.39	25,297.23	31,550.83	34,705.91	38,176.50	41,994.15
15. Salary + Interest + Pensions (8+9+10)	14,283.99	19,177.41	16,295.67	20,541.76	22,778.72	25,238.97	27,954.26
16. As per cent of Revenue Receipt (15/7)	67.27	59.42	64.52	65.02	64.04	62.98	61.87
17. Revenue surplus/ deficit (7-14)	(-)1,852.01	25.48	(-) 41.33	42.25	862.12	1,896.69	3,188.78
B. CONSOLIDATED REVENUE ACCOUNT							
Consolidated Revenue Surplus/ Deficit	(-)1,852.01	25.48	(-) 41.33	42.25	862.12	1,896.69	3,188.78
C. CONSOLIDATED DEBT							
1. Outstanding Debt and liability*	35,777.03	40,793.69	40,820.16	46,291.59	53,222.44	60,841.98	69,323.47
2. Total Outstanding Guarantee	1,743.32	1,743.32	1,743.32	1,257.72	1,258.04	1,258.04	1,258.04
D. Capital Account							
1. Capital Outlay	4,217.38	5,744.36	4,414.83	5,514.38	6,892.98	8,616.22	10,770.27
2. Disbursement of Loans and Advances	83.14	395.22	76.74	252.35	1000	1000	1000

3. Recovery of Loans and Advances	27.20	41.13	9.34	253.05	100	100	100
4. Other capital receipts	6,125.33	6,072.97	4,523.56	5,471.43	6,930.85	7,619.53	8,481.50
E. GROSS FISCAL DEFICIT (GFD) :	6,125.33	6,072.97	4,523.56	5,471.43	6,930.85	7,619.53	8,481.50
GSDP (₹ in crore) at Current Prices	1,84,091.3	2,06,182.3	2,06,182.3	2,30,924.2	2,58,635.1	2,89,671.3	3,24,431.8
F. FISCAL DEFICIT :							
Actual/Assumed Nominal Growth Rate (per cent)	12.90	12.00	12.00	12.00	12.00	12.00	12.00
* It includes amount of provident fund.							

Appendix-1.3
(Reference: Paragraphs-1.3 & 1.9.2; Pages 7 & 25)
Time series data on the State Government Finances

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Part A. Receipts					
1. Revenue Receipts	15,747	17,321	20,247	21,234	24,889
(i) Tax Revenue	6,414(41)	7,356(42)	8,339 (41)	9,377 (44)	10,897 (44)
Taxes on Agricultural Income	--	--	--	--	--
Taxes on Sales, Trade etc.	4,289(67)	4,903(67)	5,465 (65)	6,105 (65)	7,154 (66)
State Excise	1,118(17)	1,269(17)	1,487 (18)	1,735 (19)	1,906 (18)
Taxes on Vehicles	304(5)	369(5)	394 (5)	471 (5)	556 (5)
Stamps and Registration fees	648(10)	687(10)	714 (9)	871 (9)	778 (7)
Land Revenue	11(--)	22(--)	39 (--)	28 (--)	160 (1)
Taxes on Goods and Passengers	--	--	--	--	--
Other Taxes	44(1)	106(1)	240 (3)	167 (2)	343 (3)
(ii) Non Tax Revenue	1,603(10)	1,317(8)	1,111 (5)	1,220 (6)	1,346 (5)
(iii) State's share of Union taxes and duties	3,273(21)	3,573(21)	3,792 (19)	5,333 (25)	6,412 (26)
(iv) Grants in aid from Government of India	4,457(28)	5,075(29)	7,005 (35)	5,304 (25)	6,234 (25)
2. Miscellaneous Capital Receipts	--	180	135	--	--
3. Recoveries of Loans and Advances	428	55	46	27	35
4. Total Revenue and Non debt capital receipts (1+2+3)	16,175	17,556	20,428	21,261	24,924
5. Public Debt Receipts	2,968	3,873	4,573	6,798	6,501
Internal Debt (excluding Ways and Means Advances and Overdrafts)	2,933(99)	3838(99)	4,512 (99)	6,701 (99)	6,355
Net transactions under Ways and Means Advances and Overdrafts	--	--	--	--	--
Loans and Advances from Government of India	35(1)	35(1)	61 (1)	97 (1)	146
6. Total Receipts in the Consolidated Fund (4+5)	19,143	21,429	25,001	28,059	31,425
7. Contingency Fund Receipts	32	412	332	191	395
8. Public Account Receipts	21,925	25,954	35,032	37,746	27855
9. Total Receipts of the State (6+7+8)	41,100	47,795	60,365	65,996	59,675
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	13,960	16,216	21,164	23,086	25,272
Plan	2,427(17)	2,767(17)	5,632 (27)	6,388 (28)	6,344 (25)
Non Plan	11,533(83)	13,449(83)	15,532 (73)	16,698 (72)	18,928 (75)
General Services (including interest payments)	5,372(38)	6,182(38)	7,402 (35)	8,410 (37)	9,934 (39)
Social Services	6,096(44)	7,298(45)	9,224 (44)	9,927 (43)	10,529 (42)
Economic Services	1,995(14)	2,068(13)	3,857 (18)	3,983 (17)	3,903 (15)
Grants-in-aid and contributions	497(4)	668(4)	681 (3)	766 (3)	906 (4)
11. Capital Expenditure	3,542	3,712	4,939	4,217	4,954
Plan	2,972(84)	3,138(85)	4,780 (97)	4,197 (100)	4,076 (82)
Non Plan	570(16)	574(15)	159 (3)	20 (--)	878 (18)
General Services	129(4)	138(4)	214 (4)	111 (3)	72 (1)
Social Services	715(20)	841(22)	1,231 (25)	864 (20)	948 (19)
Economic Services	2,698(76)	2,733(74)	3,494 (71)	3,242 (77)	3,934 (80)

12. Disbursement of Loans and Advances	273	278	151	83	165
13. Total Expenditure of the State (10+11+12)	17,775	20,206	26,254	27,386	30,391
14. Repayments of Public Debt	1,472	1,317	894	1,997	1,128
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1,412	1,266	866	1,966	1,093
Net transactions under Ways and Means Advances and Overdraft	31	--	--	--	--
Loans and Advances from Govt. of India	29	51	28	31	35
15. Appropriation to Contingency Fund	--	400	150	--	--
16. Total disbursement out of Consolidated Fund (13+14+15)	19,247	21,923	27,298	29,383	31,519
17. Contingency Fund disbursements	32	194	194	385	228
18. Public Account disbursements	20,961	25,190	33,535	36,537	26,607
19. Total disbursement by the State (16+17+18)	40,240	47,307	61,027	66,305	58,354
Part C. Deficits/Surplus					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	(+)1,787	(+)1,105	(-) 917	(-) 1,852	(-) 383
21. Fiscal Deficit (4-13)	1,600	2,650	5,826	6,125	5,467
22. Primary Deficit(-)/Primary Surplus (+) (21+23)	(+)489	(-)594	(-) 3,420	(-) 3,154	(-) 1,744
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	2,089	2,056	2,406	2,971	3,723
24. Financial Assistance to local bodies etc.	2,132	2,327	3,515	3,596	3,850
25. Ways and Means Advances/Overdraft availed (days)	2	16	12	9	90
26. Interest on Ways and Means Advances/Overdraft	0.01	0.09	0.13	0.19	3.84
27. Gross State Domestic Product (GSDP)[@]	1,31,613	1,49,074	1,61,439	1,76,171	1,95,192
28. Outstanding Fiscal liabilities (year end)	25,540	28,767	33,480	39,069	44,583
29. Outstanding guarantees (year end) (excluding interest)	1,570	1,475	1,832	1,743	1,258
30. Maximum amount guaranteed (year end)	2,722	2,513	2,951	2,805	2,805
31. Number of incomplete projects (in numbers)	192	96	141	182	297
32. Capital blocked in incomplete projects (₹ in crore)	95	266	155.71	582.13	1,007.56
Part E. Fiscal Health Indicators (in ratios)					
I Resource Mobilization					
Own Tax revenue/GSDP	0.05	0.05	0.05	0.05	0.06
Own Non-Tax Revenue/GSDP	0.01	0.01	0.01	0.01	0.01
Central Transfers/GSDP	0.06	0.06	0.07	0.06	0.06
II Expenditure Management					
Total Expenditure/GSDP	0.14	0.14	0.16	0.16	0.16
Total Expenditure/Revenue Receipts	1.13	1.17	1.30	1.29	1.22
Revenue Expenditure/Total Expenditure	0.79	0.80	0.81	0.84	0.83

Expenditure on Social Services/Total Expenditure	0.40	0.40	0.40	0.39	0.38
Expenditure on Economic Services/Total Expenditure	0.26	0.24	0.28	0.26	0.26
Capital Expenditure/Total Expenditure	0.20	0.18	0.19	0.15	0.16
Capital Expenditure on Social and Economic Services/Total Expenditure	0.19	0.18	0.18	0.15	0.16
<i>III Management of Fiscal Imbalances</i>					
Revenue deficit (surplus)/GSDP	0.014	0.007	(-) 0.006	(-) 0.011	(-) 0.002
Fiscal deficit/GSDP	(-) 0.012	(-) 0.018	(-) 0.036	(-) 0.035	(-) 0.028
Primary Deficit (surplus) /GSDP	0.004	(-) 0.004	(-) 0.021	(-) 0.018	(-) 0.009
Revenue Deficit/Fiscal Deficit	(-) 1.117	(-) 0.417	(+) 0.157	(+) 0.302	(+) 0.070
Primary Revenue Balance/GSDP	(-) 0.001	(-) 0.006	(-) 0.020	(-) 0.027	(-) 0.021
<i>IV Management of Fiscal Liabilities</i>					
Fiscal Liabilities/GSDP	0.19	0.19	0.21	0.22	0.23
Fiscal Liabilities/RR	1.62	1.66	1.65	1.84	1.79
Debt Repayment to Debt Receipts (in per cent)	49.60	34.00	19.55	29.38	17.35
<i>V Other Fiscal Health Indicators</i>					
Return on Investment	0.19	0.30	0.11	5.10	15.21
Balance from Current Revenue (₹in crore)	(+)775	(-) 223	(-) 1,347	(+) 325	(+) 611
Financial Assets/Liabilities	0.90	0.95	0.93	0.90	0.96

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

@ GSDP figures communicated by the Government adopted.

Appendix-1.4
Part A
(Reference: Paragraphs-1.1.1 and 1.9.2; Pages 2 & 25)
Abstract of Receipts and Disbursements for the year 2016-17

(₹ in crore)

(₹ in crore)

Receipts					Disbursements						
Various items	2015-16		2016-17		Various items	2015-16	2016-17				
	1.	2.	3.	4.			5.	6.	7.		8.
Section – A Revenue											
I-Revenue Receipts		21,234.43		24,888.97	I-Revenue Expenditure	23,086.44	18,927.54	6,343.96	25,271.50	25,271.50	
(i) Tax revenue	9,377.79		10,897.31		General Services	8,409.98	9923.93	10.16	9,934.09		
(ii) Non-tax revenue	1,219.66		1,345.82		Social Services	9,926.69	5873.53	4655.04	10,528.57		
(iii) State's share of Union Taxes and Duties	5,333.19		6,411.57		Education, Sports, Art and Culture	4,931.84	4305.70	1060.48	5,366.18		
(iv) Non-Plan Grants	1,042.85		823.72		Health and Family Welfare	1,323.46	732.61	657.57	1,390.18		
(v) Grants for State Plan Schemes	1,173.29		1,532.33		Water Supply Sanitation Housing and Urban Development	707.01	230.36	599.57	829.93		
(vi) Grants for Central Plan and Centrally Sponsored Plan Schemes	3,087.65		3,878.22		Information and Broadcasting	42.95	67.21	30.95	98.16		
					Welfare of Scheduled Castes Scheduled Tribes and Other backward Classes	215.55	52.08	111.32	163.40		
					Labour and Labour Welfare	92.25	80.73	36.67	117.40		
					Social Welfare and Nutrition	2,580.10	402.42	2120.36	2,522.78		
					Others	33.53	2.42	38.12	40.54		
					Economic Services	3,983.21	2,223.90	1,678.76	3,902.66		
					Agriculture and Allied Activities	1,586.09	1199.95	574.63	1,774.58		
					Rural Development	1,614.10	309.21	938.58	1,247.79		
					Special Area Programme	--	--	--	--		
					Irrigation and Flood Control	358.46	360.22	--	360.22		
					Energy	18.99	4.39	13.81	18.20		
					Industry and Minerals	68.18	39.70	53.55	93.25		
					Transport	214.42	273.52	41.29	314.81		
					Science Technology and Environment	46.05	1.07	18.71	19.78		
					General Economic Services	76.92	35.84	38.19	74.03		
					Grants-in-aid and Contributions	766.56	906.18	--	906.18		
Total		21,234.43		24,888.97	Total	23,086.44	18,927.54	6,343.96	25,271.50	25,271.50	
II-Revenue Deficit carried over to Section-B		1,852.01		382.53	II-Revenue Surplus carried over to Section-B						
Total		23,086.44		25,271.50	Total	23,086.44	18,927.54	6,343.96	25,271.50	25,271.50	

Audit Report on State Finances for the year ended 31 March 2017

Various items	2015-16		2016-17		Various items	2015-16	2016-17			
	2.	3.	4.	5.			6.	7.	Non-Plan	Plan
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
III-Opening cash balance including Permanent Advances and Cash Balance Investment		1,772.03		1,464.88#	III- Opening overdraft from Reserve Bank of India	--				--
IV- Misc. Capital Receipts	--			--	IV- Capital Outlay	4,217.38	878.27	4,075.95	4,954.22	4,954.22
					General Services	111.09	0.98	71.41	72.39	
					Social Services	864.03	1.13	946.48	947.61	
					Education Sports Art and Culture	253.67	1.13	433.47	434.60	
					Health and Family Welfare	141.16	--	115.97	115.97	
					Water Supply Sanitation Housing and Urban Development	425.92	--	356.67	356.67	
					Information and Broadcasting	--	--	--	--	
					Welfare of Scheduled Castes Scheduled Tribes and Other Backward Classes	25.84	--	8.26	8.26	
					Social Welfare and Nutrition	4.98	--	17.70	17.70	
					Other Social Services	12.46	--	14.41	14.41	
					Economic Services	3,242.26	876.16	3,058.06	3,934.22	
					Agriculture and Allied Activities	102.66	739.73	113.26	852.99	
					Rural Development	820.65	--	841.50	841.50	
					Special Areas Programmes	--	--	--	--	
					Irrigation and Flood Control	706.89	0.02	465.43	465.45	
					Energy	57.35	--	132.00	132.00	
					Industry and Minerals	60.52	136.41	2.22	138.63	
					Transport	1,400.26	--	1,385.39	1,385.39	
					General Economic Services	93.93	--	118.26	118.26	
					Total	4,217.38	878.27	4,075.95	4,954.22	
V-Recoveries of Loans and Advances		27.20		34.85	V- Loans and Advances disbursed	83.15	99.10	65.95	165.05	165.05
From Power Projects	23.65		31.05		For Power Projects	78.19	--	55.42		
From Government Servants	2.66		2.15		To Government Servants	0.94	0.59	--		
From Others	0.90		1.65		To others	4.01	98.51	10.53		
VI-Revenue surplus brought down					VI-Revenue deficit brought down	1,852.01				382.53
VII-Public Debt Receipts		6,798.23		6,500.67	VII-Repayment of Public Debt	1,996.56				1,127.40

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

Various items	2015-16		2016-17		Various items	2015-16	2016-17			
							Non-Plan	Plan	Total	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
Internal Debt other than Ways and Means Advances and Overdraft	6,701.22		6,355.23		Internal debt other than Ways and Means Advances and Overdraft	1,965.59			1,092.67	
Net transactions under Ways and Means Advances including Overdraft	--	--		--	Net transactions under Ways and Means Advances and Overdraft		--	--	--	
Loans and Advances from the Central Government	97.01		145.44		Repayment of Loans and Advances to Central Government	30.97			34.73	
VIII-Appropriation from Contingency Fund		--		--	VIII-Appropriation to Contingency Fund				--	
IX- Amount transferred to Contingency Fund		190.76		394.77	IX- Expenditure from Contingency Fund	385.46			227.70	227.70
X- Public Account Receipts		37,745.87		27,855.02	X- Public Account disbursements	36,536.73			26,607.34	26,607.34
Small Savings and Provident Funds	1,513.13		1528.82		Small Savings and Provident Funds	1,035.39			1,116.13	
Reserve Funds	332.46		280.00		Reserve Funds	149.09			356.63	
Deposits and Advances	3,798.92		3,276.70		Deposits and Advances	3,660.57			3,412.01	
Suspense and Miscellaneous	27,622.77		29,078.90		Suspense and Miscellaneous	27,246.38			28,028.62	
Remittances	4,478.59		(-) 6,309.40		Remittances	4,445.30			(-) 6,306.05	
XI- Closing overdraft from Reserve Bank of India					XI-Cash Balance at end	1,462.80			2,785.95	2,785.95
					Cash in Treasuries and Local Remittances		--	--	--	
					Departmental Cash Balance including Permanent Advances	(-) 14.40	--	--	(-) 11.83	
					Deposits with Reserve Bank	3.84	--	--	1,157.65	
					Cash Balance investment and investment of earmarked funds	1,473.36	--	--	1,640.13	
Total		46,534.09		36,250.19	Total	46,534.09				36,250.19

Appendix-1.4 (Continued)

Part B

(Reference: Paragraph 1.9.1; Page 25)

Summarised financial position of the Government of Uttarakhand as on 31 March 2017

(₹ in crore)

As on 31.03.2016	Liabilities	As on 31.03.2017
29,292.48	Internal Debt -	34,555.05
15,751.40	Market Loans bearing interest	20,832.21
0.11	Market Loans not bearing interest	0.07
1.50	Loans from Life Insurance Corporation of India	1.50
13,539.47	Loans from other Institutions	13,721.27
--	Ways and Means Advances	--
--	Overdrafts from Reserve Bank of India	--
543.84	Loans and Advances from Central Government -	654.54
0.53	Pre 1984-85 Loans	0.53
5.00	Non-Plan Loans	4.52
538.31	Loans for State Plan Schemes	649.49
--	Loans for Central Plan Schemes	---
--	Loans for Centrally Sponsored Plan Schemes	---
750.00	Contingency Fund (Corpus)	750.00
12.31	Suspense and Miscellaneous Balances	1,058.71
5,940.72	Small Savings Provident Funds etc.	6,390.16
2,760.97	Deposits	2,626.08
1,622.09	Reserve Funds	1,545.46
--	Remittance Balances	--
40,922.41	Total	47,580.00

Appendix-1.4 Part B (Continued)

As on 31.03.2016	Assets	As on 31.03.2017
32,990.39	Gross Capital Outlay on Fixed Assets -	40,274.30
2,914.41	Investments in shares of Companies Corporations etc.	3,123.74
30,075.98	Other Capital Outlay	37,150.56
1,102.30	Loans and Advances	1,726.65
108.03	Loans for Power Projects	132.41
1,004.73	Other Development Loans	1,606.16
(-)10.46	Loans to Government servants and Miscellaneous loans	(-) 11.92
486.51	Contingency Fund (un-recouped)	319.45
641.41	Remittance	644.76
--	Suspense and Miscellaneous Balances	--
	Advance with Departmental Officer	0.42
1,462.80	Cash -	2,785.95
--	Cash in Treasuries and Local Remittances	
3.84	Deposits with Reserve Bank	1,157.65
(-) 13.56	Departmental Cash Balance	(-) 11.02
(-) 0.84	Permanent Advances	(-) 0.81
1,473.36	Cash Balance Investments	1,640.13
4,239.00	Deficit on Government Account -	1,828.47
	Deducted (changed proforma due to apportionment of un allocated balances between Uttar Pradesh and Uttarakhand)	2,793.06
	(i) Deduct Revenue Surplus of the current year	
1,852.01	(ii) Add Revenue deficit of the current year	382.53
--	(iii) Appropriation to Contingency Fund and Misc. Capital Receipt	--
--	(iv) Amount close to Government Account	--
2,387.01	(v) Accumulated deficit at the beginning of the year	4,239.00
(-)0.02	(vi) Rectification of prior period to reconcile the accumulated Deficits as per Finance Accounts	
40,922.41	Total	47,580.00

Explanatory Notes for Appendices 1.3 and 1.4

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis the deficit on Government account as shown in **Appendix 1.4** indicates the position on cash basis as opposed to accrual basis in commercial accounting. Consequently items payable or receivable or items like depreciation or variation in stock figures etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid payments made on behalf of the State and other pending settlements etc. There was a difference of ₹ 1,152.34 crore (Credit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank". The difference is under reconciliation.

Appendix-1.5

(Reference: Paragraph 1.8.3; Page 22)

Summarised Financial Statement of Departmentally Managed Commercial/ Quasi-commercial Undertakings

(₹ in lakh)

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

Appendix-2.1

(Reference: Paragraph 2.3.1; Page 38)

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

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appropriation	Total Expenditure	Excess Expenditure	Percentage of Excess Expenditure
Capital (Charged)						
1.	07	Finance, Tax, Planning, Secretariat & Miscellaneous Services	20,32.23	52,18.68	31,86.45	1,56.80
Capital (Voted)						
1.	17	Agriculture Works & Research	1,08.33	1,24.41	16.08	14.84
2.	25	Food	12.07	22,57.87	22,45.80	1,86,06.46
3.	29	Horticulture Development	00	9.00	9.00	Not computable
Total			21,52.63	76,09.96	54,57.33	2,53.52

Appendix-2.2

(Reference: Paragraph 2.3.5; Page 40)

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

(₹ in crore)

Sl. No.	Grant Number	Name of the Grant	Original Provision	Supplementary provision	Total	Expenditure	Excess
1.	17	Agriculture Works & Research (Capital- Voted)	98.33	10.00	1,08.33	1,24.41	16.08
2.	25	Food (Capital Voted)	12.04	0.03	12.07	22,57.87	22,45.80
Total			1,10.37	10.03	1,20.40	23,82.28	22,61.88

Appendix-2.3
(Reference: Paragraph 2.3.6; Page 40)
Rush of Expenditure

(₹ in crore)

Sl. No.	Head of account Scheme/ Service	Expenditure incurred during Jan-March 2017	Expenditure incurred in March 2017	Total Expenditure April to March 2017	Percentage of total expenditure incurred during	
					Jan-March 2017	March 2017
1.	2015	41.09	28.52	56.76	72.39	50.25
2.	2030	12.38	8.88	23.56	52.55	37.69
3.	2040	1,02.59	91.05	1,86.48	55.01	48.83
4.	2048	60.00	0.00	60.00	100.00	0.00
5.	2049	19,01.44	13,98.13	37,23.05	51.07	37.55
6.	2205	8.46	5.52	21.15	40.00	26.10
7.	2215	2,21.75	1,98.11	5,98.64	37.04	33.09
8.	2216	2.70	2.29	2.96	91.22	77.36
9.	2225	57.30	41.99	1,63.40	35.07	25.70
10.	2235	6,21.05	4,38.48	12,97.35	47.87	33.80
11.	2250	17.51	16.51	39.81	43.98	41.47
12.	2405	9.56	7.44	16.19	59.05	45.95
13.	2408	1,75.21	1,71.51	1,97.71	88.62	86.75
14.	2425	15.60	12.58	36.85	42.33	34.14
15.	2701	7.40	4.07	10.57	70.01	38.51
16.	2702	44.24	22.64	81.25	54.45	27.86
17.	2711	3.42	2.57	4.56	75.00	56.36
18.	2851	26.36	21.96	82.08	32.12	26.75
19.	3053	9.00	8.84	25.86	34.80	34.18
20.	3054	1,48.20	1,23.97	2,61.61	56.65	47.39
21.	3452	20.10	14.80	40.79	49.28	36.28
22.	4058	0.21	0.21	0.21	100.00	100.00
23.	4059	28.66	25.40	69.80	41.06	36.39
24.	4210	41.33	31.00	1,15.91	35.66	26.74
25.	4211	0.06	0.06	0.06	100.00	100.00
26.	4216	16.98	14.21	33.42	50.81	42.52
27.	4217	70.56	70.56	1,10.48	63.87	63.87
28.	4235	16.89	0.00	17.70	95.42	0.00
29.	4401	8.73	7.44	7.21	1,21.08	1,03.19
30.	4405	5.14	5.14	5.19	99.04	99.04
31.	4406	80.40	28.22	1,00.94	79.65	27.96
32.	4700	82.22	71.88	2,05.26	40.06	35.02
33.	4801	42.00	42.00	1,32.00	31.82	31.82
34.	4859	1.03	1.03	2.22	46.40	46.40
35.	5053	9.38	9.38	9.57	98.01	98.01
36.	5452	74.91	44.19	1,18.26	63.34	37.37
Total		39,83.86	29,70.58	78,58.86	50.69	37.80

Appendix-2.4

(Reference: Paragraph 2.3.7.1; Page 40)

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

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original provision	Supplementary Provision
A-Revenue (Voted)					
1.	01- Legislature	34.50	31.75	2.75	0.80
2.	04- Judicial Administration	1,69.55	1,22.58	46.97	7.71
3.	06- Revenue & General Administration	26,63.58	15,81.83	10,81.75	2,03.23
4.	07- Finance, Tax, Planning, Secretariat& Misc. Services	59,36.34	49,18.03	10,18.31	2.22
5.	10 - Police & Jail	15,75.88	14,40.06	1,35.82	13.96
6.	11- Education, Sports, Youth Welfare & Culture	64,20.74	52,00.75	12,19.99	93.19
7.	12-Medical, Health & Family Welfare	17,64.16	13,23.63	4,40.53	11.78
8.	13-Water Supply, Housing & Urban Development	10,83.09	7,44.80	3,38.29	78.01
9.	15- Welfare	14,61.33	11,58.55	3,02.78	2,01.88
10.	16-Labour and Employment	2,14.03	1,47.37	66.66	5.71
11.	17-Agriculture Works & Research	8,27.71	6,41.86	1,85.85	66.17
12.	18-Co-operative	47.92	33.23	14.69	2.00
13.	19-Rural Development	11,12.82	6,32.34	4,80.48	5.18
14.	22- Public Works	6,91.70	6,46.01	45.69	15.96
15.	23-Industries	2,09.48	1,24.18	85.30	21.10
16.	24- Transport	64.16	53.57	10.59	1.10
17.	25 –Food	3,47.27	2,05.60	1,41.67	30.00
18.	26- Tourism	58.55	39.99	18.56	0.13
19.	27 –Forest	6,46.38	4,38.31	2,08.07	2.00
20.	28-Animal Husbandry	2,58.99	2,03.81	55.18	18.70
21.	29-Horticulture Development	2,53.14	2,10.21	42.93	6.54
22.	30-Welfare of Scheduled Castes	12,28.68	6,98.90	5,29.78	12.43
23.	31- Welfare of Scheduled Tribes	3,40.89	2,06.34	1,34.55	3.60
Total Revenue (Voted)		2,74,10.89	2,08,03.70	66,07.19	8,03.40
Revenue (Charged)					
1.	02-Governor	8.92	7.44	1.48	3.33
2.	09-Public Service Commission	23.42	19.48	3.94	5.55
3.	22- Public Works	7.30	6.02	1.28	0.10
Revenue (Charged)		39.64	32.94	6.70	8.98
C- Capital (Voted)					
1.	01- Legislature	15.20	10.27	4.93	5.00
2.	04- Judicial Administration	47.00	9.34	37.66	1.00
3.	06- Revenue & General Administration	80.70	7.09	73.61	1.00
4.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	88.13	83.60	4.53	3,06.00
5.	10 - Police & Jail	20.00	6.88	13.12	4.00
6.	11- Education, Sports, Youth Welfare & Culture	4,99.06	4,06.33	92.73	60.00
7.	13-Water Supply, Housing & Urban Development	3,78.79	3,09.87	68.92	1,05.53
8.	20-Irrigation & Flood	7,69.88	4,76.41	2,93.47	2.80
9.	22-Public Works	16,14.57	13,56.02	2,58.55	65.00
10.	23-Industries	1,46.76	1,38.85	7.91	26.75
11.	24- Transport	60.00	25.59	34.41	10.00
12.	26- Tourism	1,87.80	1,18.26	69.54	2.10
13.	27 –Forest	1,55.15	1,00.69	54.46	10.00
14.	30-Welfare of Scheduled Castes	3,23.23	2,07.28	1,15.95	2.00
15.	31- Welfare of Scheduled Tribes	1,14.12	59.27	54.85	5.00
Total Capital (Voted)		45,00.39	33,15.75	11,84.64	6,06.18
Grand Total		3,19,50.92	2,41,52.39	77,98.53	14,18.56

Appendix-2.5
(Reference: Paragraph 2.3.7.2; Page 41)
*Excess/Unnecessary/Insufficient re-appropriation of funds resulting in saving (shortfall in the utilisation of funds)/
excess of ₹10 lakh and above*

(₹ in lakh)

Sl. No.	Grant No.	Description	Voted/ Charged	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
1.	03	Council of Ministers	Revenue-Voted	2013-00-104-03	(+)1,25.00	(-)59.98
			Revenue-Voted	2013-00-108-03	(-)1,25.00	(-)22.68
2.	06	Revenue and General Administration	Revenue-Voted	2029-00-103-03	(-)23.80	(-)58,81.60
			Revenue-Voted	2053-00-094-03	(+)18.00	(-)32.09
			Revenue-Voted	2070-00-107-03	(+)33.33	(-)12,99.19
			Revenue-Voted	2070-00-107-11	(-)33.33	(-)45.33
			Revenue-Voted	2245-80-800-03	(-)60.00	(-)66,73.54
			Revenue-Voted	2245-80-800-08	(+)60.00	(-)36.84
3.	07	Finance, Tax, Planning, Secretariat & Miscellaneous Service	Revenue-Voted	2030-01-102-03	(-)15.00	(-)62.47
			Revenue-Voted	2030-02-102-03	(-)35.00	(-)63.93
			Revenue-Voted	2030-03-001-04	(+)51.00	(-)1,86.15
			Revenue-Voted	2040-00-001-03	(-)23.00	(-)4,42.34
			Revenue-Voted	2040-00-101-03	(-)1,88.00	(-)11,86.11
			Revenue-Voted	2054-00-097-03	(-)34.06	(-)17,66.57
			Revenue-Voted	2054-00-097-04	(+)6.50	(-)28.54
			Revenue-Voted	3604-01-191-01	(+)10,50.00	(+)2,73.90
			Revenue-Voted	3604-01-191-03	(-)7,00.00	(-)15,66.44
			Revenue-Voted	3604-01-192-01	(-)9,00.00	(-)38,00.78
			Revenue-Voted	3604-02-196-03	(-)29,10.49	(-)20,60.41
			Revenue-Voted	3604-02-198-01	(+)34,60.49	(-)71,52.49
			Capital Voted	4216-02-800-03	(+)5,00.00	(-)46.83
			4.	10	Police & Jail	Revenue-Voted
Revenue-Voted	2055-00-101-03	(-)9,71.17				(-)34.44
Revenue-Voted	2055-00-101-04	(-)3,84.33				(-)16.48
Revenue-Voted	2055-00-104-03	(+)9,22.95				(-)1,14.06
Revenue-Voted	2055-00-109-03	(-)30,89.44				(-)5,86.51
Revenue-Voted	2055-00-800-04	(-)8,35.83				(-)37.20
Revenue-Voted	2056-00-001-03	(+)78.00				(-)29,36.50
Revenue-Voted	2056-00-001-04	(-)78.00				(-)1,05.64
5.	11	Education, Sports, Youth Welfare & Culture	Revenue-Voted	2202-02-109-05	(+)34,11.85	(-)17,06.93
			Revenue-Voted	2202-02-109-07	(+)5,98.14	(-)75.66
			Revenue-Voted	2202-02-109-09	(+)37,64.13	(-)11,25.98
			Revenue-Voted	2202-02-109-16	(-)77,74.12	(-)19,14.31
			Revenue-Voted	2202-02-110-04	(-)14.89	(-)4,01.12
			Revenue-Voted	2202-03-103-04	(-)92.80	(-)86.29
			Revenue-Voted	2202-03-103-08	(+)1,92.79	(-)1,63.40
			Revenue-Voted	2202-80-800-04	(+)14.89	(-)2,57.04
			Revenue-Voted	2204-00-104-10	(-)33.00	(-)20.91
			Revenue-Voted	2205-00-001-03	(+)5.00	(-)32.47
			Capital Voted	4202-01-202-01	(-)12,01.94	(-)37,32.70
			Capital Voted	4202-01-202-11	(+)5,00.00	(-)3,74.21
			Capital Voted	4202-03-102-01	(-)52,09.48	(-)12,94.53
			Capital Voted	4202-03-102-26	(-)10,00.00	(-)16,66.79
6.	12	Medical, Health & Family Welfare	Revenue-Voted	2210-01-001-03	(+)1,00.00	(-)3,30.24
			Revenue-Voted	2210-01-110-03	(+)8,09.93	(-)32,12.67
			Revenue-Voted	2210-01-110-11	(+)1.00	(-)42.00
			Revenue-Voted	2210-01-110-16	(+)0.30	(-)21.26
			Revenue-Voted	2210-01-110-18	(+)20.00	(-)5,37.32
			Revenue-Voted	2210-02-101-11	(+)24.74	(+)20,01.66
			Revenue-Voted	2210-02-102-04	(+)6.55	(-)75.53
			Revenue-Voted	2210-03-103-03	(-)1,00.00	(-)9,32.83
			Revenue-Voted	2210-04-102-03	(-)6.55	(-)1,40.26
Revenue-Voted	2210-05-101-06	(-)24.74	(-)20,01.66			

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			Revenue-Voted	2210-06-101-03	(-)8,29.93	(-)33,96.08
			Capital-Voted	4210-01-110-25	(-)22.99	(-)77.01
			Capital-Voted	4210-02-110-07	(-)1,80.00	(+)80.00
			Capital-Voted	4210-02-800-03	(+)50.00	(+)39.90
			Capital-Voted	4210-02-800-04	(-)50.00	(+)50.00
7.	13	Water Supply, Housing & Urban Development	Revenue-Voted	2215-01-101-01	(-)41.11	(-)2,62.12
8.	15	Welfare	Revenue-Voted	2235-02-101-20	(-)1,56.06	(-)31,03.07
			Revenue-Voted	2235-02-102-04	(-)0.22	(-)28.57
			Revenue-Voted	2235-02-102-05	(+)3.22	(-)46.96
			Revenue-Voted	2235-02-102-07	(-)1.60	(-)2,82.13
			Revenue-Voted	2235-02-103-09	(-)0.80	(-)12.20
			Revenue-Voted	2235-02-103-19	(-)0.60	(-)46.42
			Revenue-Voted	2250-00-800-01	(-)3,68.25	(-)10,26.14
			Revenue-Voted	2250-00-800-05	(+)3,68.25	(-)4,10.00
9.	17	Agriculture Works & Research	Revenue-Voted	2401-00-102-06	(-)52.08	(-)1,25.96
			Revenue-Voted	2401-00-800-01	(-)8,93.34	(-)1,15,38.37
			Revenue-Voted	2401-00-800-97	(+)7,90.22	(-)12,42.92
10.	19	Rural Development	Revenue-Voted	2515-00-102-12	(-)1,00.00	(-)2,00.00
			Revenue-Voted	2515-00-102-31	(-)5,00.00	(-)10,00.00
11.	20	Irrigation and Flood	Revenue-Voted	2700-00-001-03	(+)9.00	(-)8,11.93
			Revenue-Voted	2700-00-001-04	(-)9.00	(-)68,61.51
12.	22	Public Work	Revenue-Voted	2059-80-001-03	(+)39.00	(+)1,80.63
			Revenue-Voted	2059-80-001-05	(-)6,43.50	(-)3,32.13
			Revenue-Voted	2059-80-051-03	(+)6,04.50	(-)47,90.38
			Capital-Voted	5054-04-800-01	(+)60,00.00	(-)16,41.96
			Capital-Voted	5054-04-800-03	(+)15,00.00	(-)1,50,33.93
			Capital-Voted	5054-04-800-97	(-)15,00.00	(-)1,32,52.89
			Capital-Voted	5054-05-800-02	(-)60,00.00	(-)40,00.01
13.	23	Industries	Revenue-Voted	2058-00-001-03	(-)12.56	(-)2,47.48
			Revenue-Voted	2851-00-102-03	(-)3,20.00	(-)4,42.99
			Revenue-Voted	2851-00-102-35	(-)65.00	(-)1,35.00
14.	24	Transport	Revenue-Voted	3055-00-001-03	(+)12.00	(-)8,15.93
			Revenue-Voted	3055-00-190-07	(-)1.00	(-)1,04.00
15.	25	Food	Revenue-Voted	2408-01-102-06	(+)50,00.00	(-)1,63.44
16.	27	Forest	Revenue-Voted	2406-00-101-01	(-)3,72.35	(-)67,55.67
			Revenue-Voted	2406-01-800-03	(+)14,09.00	(-)13,86.91
			Revenue-Voted	2406-02-110-01	(+)4,36.11	(-)3,72.61
			Revenue-Voted	2406-02-110-07	(-)14,72.76	(-)5,27.24
17.	28	Animal Husbandry	Revenue-Voted	2403-00-102-08	(-)61.84	(-)90.71
18.	29	Horticulture Development	Revenue-Voted	2401-00-119-03	(+)1,64.87	(-)20,91.54
			Revenue-Voted	2401-00-119-22	(-)1,54.00	(-)36.25
			Revenue-Voted	2401-00-119-26	(+)1,70.84	(-)1,50.00
			Revenue-Voted	2401-00-119-28	(-)36.00	(-)2,63.82
19.	30	Welfare of Schedule Castes	Revenue-Voted	2225-01-001-06	(-)0.38	(+)24.40
			Revenue-Voted	2225-01-277-06	(+)11.90	(-)2,42.70
			Revenue-Voted	2225-01-277-12	(-)4.85	(-)58.93
			Revenue-Voted	2225-01-277-13	(-)66.17	(-)39,89.83
			Revenue-Voted	2225-01-277-16	(-)1,10.33	(-)26,67.50
			Revenue-Voted	2225-01-277-18	(+)66.17	(-)27.07
			Revenue-Voted	2225-01-800-15	(-)2,64.00	(-)1,36.00
			Revenue-Voted	2235-60-102-02	(+)2,64.00	(-)1,15.34
			Revenue-Voted	2501-01-800-01	(+)4.49	(-)8,23.57
			Revenue-Voted	2501-01-800-02	(-)4.49	(-)66,07.77
20.	31	Welfare of Schedule Tribes	Revenue-Voted	2225-02-277-07	(+)2,50.00	(+)1,42.09
			Revenue-Voted	2235-02-796-08	(+)64.90	(-)55.84
			Revenue-Voted	2501-01-796-01	(-)1,10.39	(-)13,04.60

Appendix-2.6 (A)
(Reference: Paragraph 2.3.7.3; Page 41)
Substantial surrenders made during the year 2016-17 of Voted Grant

(₹ in lakh)

Sl.No.	Number and title of Grant	Name of the scheme (Head of Account)	Total Grant	Amount of Surrender	Percentage of Surrender
1.	01-Legislature	4059-80-800-04	20,00.00	10,00.00	50.00
2.	02-Governor	2012-03-090-03	7,22.41	2,97.96	41.25
		2012-03-101-03	14.20	6.40	45.07
		2012-03-103-03	2,80.82	1,18.81	42.31
		2012-03-105-03	69.95	35.42	50.64
		2012-03-108-03	11.00	3.42	31.09
		2012-03-800-04	36.53	17.85	48.86
		2012-03-800-05	0.10	0.10	100.00
3.	04-Judicial Administration	2012-03-800-06	0.10	0.10	100.00
		2014-00-102-03	2,78.00	2,37.89	85.57
		2014-00-105-04	6,50.80	2,39.91	36.86
		2014-00-105-05	60.00	60.00	100.00
		2014-00-105-06	67.70	33.71	49.79
		2014-00-800-05	2,24.70	77.69	34.57
		2014-00-800-06	5,97.25	2,54.24	42.57
		2014-00-800-07	24.60	10.00	40.65
		2014-00-800-08	1,20.00	1,05.26	87.72
		2014-00-800-09	4,56.46	2,21.49	48.52
		2014-00-800-10	1,35.71	1,35.71	100.00
		2014-00-800-12	10.00	10.00	100.00
		4059-60-051-01	30,00.01	30,00.01	100.00
		4059-60-051-03	0.01	0.01	100.00
4059-60-051-04	2,00.00	2,00.00	100.00		
4059-60-051-05	16,00.00	6,43.80	40.24		
4.	05-Election	2015-00-105-03	0.10	0.10	100.00
		2015-00-105-04	0.10	0.10	100.00
		2015-00-106-05	0.07	0.07	100.00
5.	07- Finance, Tax, Planning, Secretariat & Miscellaneous Service	2052-00-090-12	72.55	31.08	42.84
		2052-00-091-04	1,02.20	46.79	45.78
		2052-00-091-09	17.05	13.13	77.01
		2052-00-091-10	2,22.34	1,21.06	54.45
		2052-00-091-11	12.25	10.44	85.22
		3451-00-092-01	0.01	0.01	100.00
		3451-00-092-03	4,34.92	1,32.27	30.41
		3451-00-092-04	2,00.00	1,54.29	77.15
		3451-00-092-06	1,00.00	66.67	66.67
		3451-00-092-07	80.00	80.00	100.00
		3454-02-001-01	8,19.21	6,36.22	77.66
3454-02-001-03	20,93.51	7,42.16	35.45		
6.	10-Police & Jail	2055-00-800-03	11,57.60	5,51.71	47.66
		2055-00-800-11	23.75	8.66	36.46
		2055-00-800-16	1,92.30	91.46	47.56
		2055-00-800-27	10.00	10.00	100.00
		4055-00-211-03	3,00.00	2,00.00	66.67

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		4055-00-211-08	2,00.00	2,00.00	100.00
7.	11-Education, Sports, Youth Welfare & Culture	2202-05-102-04	1,15.00	80.00	69.57
		2202-05-102-13	60.00	32.00	53.33
		2202-05-102-15	54.60	40.60	74.36
		2202-05-102-18	55.00	52.00	94.55
		2202-05-103-03	2,19.60	75.64	34.44
		2202-05-103-06	80.30	43.83	54.58
		4202-01-203-16	1,00.00	1,00.00	100.00
		4202-01-205-04	50.00	50.00	100.00
8.	15- Welfare	2235-02-102-01	2,48,92.08	79,15.24	31.80
		2235-02-102-09	3.78	3.78	100.00
		2235-02-102-11	10.00	10.00	100.00
		2235-02-102-14	12.00	5.58	46.50
		2235-02-102-15	1,14.20	67.27	58.91
		2235-02-102-16	4,00.00	3,84.06	96.02
		2235-02-103-01	3,00.00	1,58.39	52.80
		2235-02-103-10	1,62.32	56.29	34.68
		2235-02-103-18	25.00	10.31	41.24
		2235-02-103-23	1,00.00	53.17	53.17
		2235-02-103-26	38.06	12.30	32.32
		2235-60-107-03	15,00.00	5,68.65	37.91
		2251-00-092-04	7.00	4.20	60.00
		2251-00-092-05	30.00	29.94	99.80
		2251-00-092-08	4.50	3.14	69.78
9.	16-Labour & Employment	2230-02-001-03	10,96.10	4,19.25	38.25
		2230-02-800-03	2,52.65	1,24.27	49.19
10.	20-Irrigation & Flood	2702-80-052-03	7.00	7.00	100.00
		2702-80-800-01	0.01	0.01	100.00
		4702-00-800-01	1,50,03.00	80,53.36	53.68
11.	29-Horticulture Development	2401-00-119-16	13.50	11.02	81.63
12.	30-Welfare of Scheduled Castes	2230-02-800-02	1,00.10	51.87	51.82
		2235-02-102-02	55,08.57	26,43.07	47.98
		4702-00-800-01	22,00.00	15,23.16	69.23
		4702-00-800-02	2,00.00	1,71.97	85.99
13.	31-Welfare of Scheduled Tribes	2230-02-796-01	1,20.20	62.36	51.88
		2235-02-796-01	11,61.65	4,31.19	37.12
		4702-00-796-05	27.50	27.50	100.00
		4702-00-800-01	9,30.00	5,54.99	59.68
Total			7,15,52.03	3,36,43.41	47.02

Appendix-2.6 (B)
(Reference: Paragraph 2.3.7.3; Page 41)
Substantial surrenders made during the year 2016-17 of Charged Appropriation

(₹ in lakh)

Sl.No.	Number and title of Appropriation	Name of the scheme (Head of Account)	Total Grant	Amount of Surrender	Percentage of Surrender
1.	04-Judicial Administration	2014-00-102-03	52,21.50	26,13.06	50.04
Total			52,21.50	26,13.06	50.04

Appendix-2.7
(Reference: Paragraph 2.3.7.4; Page 41)
Surrenders in excess of actual savings

(₹ in crore)

Sl.No.	Number and name of the Grant	Total Grant	Saving	Amount Surrendered	Amount Surrendered in excess
1. Revenue Voted					
	05-Election	65.87	9.11	9.18	0.07
2. Revenue Charged					
	01-Legislature	1.47	0.22	0.28	0.06
3. Capital Voted					
	01-Legislature	20.20	9.93	10.02	0.09
Total		87.54	19.26	19.48	0.22

Appendix-2.8
(Reference: Paragraph 2.3.7.5; Page 41)
**Statement of various grants/appropriations in which savings of ₹ five crore and above occurred
but no part of which had been surrendered**

(₹ in crore)

Sl. No.	Grant No.	Name of grant/appropriation	Total Grant/ Appropriation	Expenditure	Saving
1.	03	Council of Ministers (Revenue-Voted)	84.58	67.03	17.55
		Council of Ministers (Capital-Voted)	1,00.00	18.69	81.31
2.	06	Revenue & General Administration (Revenue-Voted)	28,66.81	15,81.83	12,84.98
		Revenue & General Administration (Capital-Voted)	81.70	7.09	74.61
3.	07	Finance, Tax, Planning, Secretariat & Miscellaneous Services (Revenue-Charged)	40,10.56	37,83.87	2,26.69
4.	08	Excise (Revenue-Voted)	23.92	18.79	5.13
5.	09	Public Service Commission (Revenue-Charged)	28.97	19.48	9.49
6.	12	Medical, Health & Family Welfare (Revenue-Voted)	17,75.94	13,23.63	4,52.31
		Medical, Health & Family Welfare (Capital-Voted)	1,48.25	1,15.97	32.28
7.	13	Water Supply, Housing & Urban Development (Revenue-Voted)	11,61.10	7,44.80	4,16.30
		Water Supply, Housing & Urban Development (Capital-Voted)	4,84.32	3,09.87	1,74.45
8.	18	Co-Operative (Revenue-Voted)	49.92	33.23	16.69
		Co-Operative (Capital-Voted)	6.95	1.75	5.20
9.	19	Rural Development (Revenue-Voted)	11,17.99	6,32.34	4,85.65
		Rural Development (Capital-Voted)	7,72.10	7,01.85	70.25
10.	21	Energy (Capital-Voted)	4,80.64	1,66.59	3,14.05
11.	22	Public Works (Revenue-Voted)	7,07.66	6,46.01	61.65
		Public Works (Capital-Voted)	16,79.57	13,56.02	3,23.55
12.	23	Industries (Revenue-Voted)	2,30.58	1,24.18	1,06.40
		Industries (Capital-Voted)	1,73.51	1,38.85	34.66
13.	24	Transport (Revenue-Voted)	65.26	53.57	11.69
		Transport (Capital-Voted)	70.00	25.59	44.41
14.	25	Food (Revenue-Voted)	3,77.27	2,05.60	1,71.67
15.	26	Tourism (Revenue-Voted)	58.68	39.99	18.69
		Tourism (Capital-Voted)	1,89.90	1,18.26	71.64
16.	27	Forest (Revenue-Voted)	6,48.38	4,38.31	2,10.07
		Forest (Capital-Voted)	1,65.15	1,00.69	64.46
Total			1,75,59.71	1,27,73.88	47,85.83

Appendix-2.9

(Reference: Paragraph 2.3.7.5; Page 41)

Details of saving/ shortfall in the utilisation of funds of ₹ one crore and above not surrendered

(₹ in crore)

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered
Revenue-Voted				
1.	01-Legislature	3.55	3.36	0.19
2.	03-Council of Ministers	17.55	0.00	17.55
3.	04- Judicial Administration	54.67	54.14	0.53
4.	06- Revenue and General Administration	12,84.98	0.00	12,84.98
5.	07- Finance, Tax, Planning, Secretariat & Misc. Services	10,20.53	20.85	9,99.68
6.	08-Excise	5.13	0.00	5.13
7.	09-Public Service Commission	2.94	0.00	2.94
8.	10-Police And Jail	1,49.77	1,06.07	43.70
9.	11-Education, Sports, Youth Welfare and Culture	13,13.18	7.67	13,05.51
10.	12-Medical, Health and Family Welfare	4,52.31	0.00	4,52.31
11.	13-Water Supply, Housing and Urban Development	4,16.29	0.00	4,16.29
12.	14- Information	4.76	0.00	4.76
13.	15- Welfare	5,04.66	1,45.56	3,59.10
14.	16-Labour & Employment	72.37	5.53	66.84
15.	17- Agriculture Works and Research	2,52.03	25.01	2,27.02
16.	18- Co-Operative	16.69	0.00	16.69
17.	19- Rural Development	4,85.65	0.00	4,85.65
18.	20- Irrigation and Flood	1,00.57	4.81	95.76
19.	22- Public Work	61.65	0.00	61.65
20.	23- Industries	1,06.40	0.00	1,06.40
21.	24- Transport	11.69	0.00	11.69
22.	25- Food	1,71.66	0.00	1,71.66
23.	26- Tourism	18.69	0.00	18.69
24.	27- Forest	2,10.08	0.00	2,10.08
25.	28- Animal Husbandry	73.87	30.63	43.24
26.	29- Horticulture Development	49.46	2.13	47.33
27.	30-Welfare of Scheduled Castes	5,42.21	28.31	5,13.90
28.	31- Welfare of Scheduled Tribes	1,38.15	6.76	1,31.39
Total		75,41.49	4,40.83	71,00.66
Revenue Charged				
1.	04- Judicial Administration	28.12	26.13	1.99
2.	07- Finance, Tax, Planning, Secretariat & Misc. Services	2,26.69	0.00	2,26.69
3.	09- Public Service Commission	9.49	0.00	9.49
4.	22- Public Work	1.38	0.00	1.38
Total		2,65.68	26.13	2,39.55

Capital-Voted				
1.	03-Council of Ministers	81.31	0.00	81.31
2.	04- Judicial Administration	38.67	38.44	0.23
3.	06- Revenue and General Administration	74.61	0.00	74.61
4.	07- Finance, Tax, Planning, Secretariat & Misc. Services	3,10.53	2.00	3,08.53
5.	10-Police And Jail	17.12	4.00	13.12
6.	11-Education, Sports, Youth Welfare and Culture	1,52.73	1.50	1,51.23
7.	12-Medical, Health and Family Welfare	32.28	0.00	32.28
8.	13-Water Supply, Housing and Urban Development	1,74.45	0.00	1,74.45
9.	15-Welfare	17.66	1.50	16.16
10.	16-Labour & Employment	1.36	0.00	1.36
11.	18-Co-operative	5.20	0.00	5.20
12.	19-Rural Development	70.26	0.00	70.26
13.	20- Irrigation and Flood	2,96.28	80.53	2,15.75
14.	21-Energy	3,14.05	0.00	3,14.05
15.	22-Public Work	3,23.56	0.00	3,23.56
16.	23- Industries	34.66	0.00	34.66
17.	24-Transport	44.41	0.00	44.41
18.	26-Tourism	71.64	0.00	71.64
19.	27-Forest	64.46	0.00	64.46
20.	28-Animal Husbandry	3.07	0.00	3.07
21.	30-Welfare of Scheduled Castes	1,17.96	17.08	1,00.88
22.	31- Welfare of Scheduled Tribes	59.85	5.87	53.98
Total		23,06.12	1,50.92	21,55.20
Capital-Charged				
1.	09- Public Service Commission	3.10	0.00	3.10
Total		3.10	0.00	3.10
Grand Total		1,01,16.39	6,17.88	94,98.51

Appendix-2.10 (A)
(Reference: Paragraph 2.3.7.5; Page 41)
Cases of surrender of funds in excess of ₹ 10 crore on 30/31 March 2017 of Voted Grant
(₹ in crore)

Sl. No.	Grant No.	Major Head	Total Provision	Amount of Surrender	Percentage of Total Provision
1.	01	4059-Capital outlay on Public Works	20.20	10.02	49.60
2.	04	2014-Administration of Justice	1,77.25	54.14	30.54
		4059- Capital outlay on Public Works	48.00	38.44	80.08
3.	07	3454-Census, Surveys and Statistics	35.32	13.99	39.61
4.	10	2055-Police	14,16.42	1,06.07	7.49
5.	15	2235-Social Security and Welfare	13,40.02	1,44.90	10.81
6.	17	2401-Crop Husbandry	7,02.57	25.01	3.56
7.	20	4702- Capital outlay on Minor Irrigation	1,50.03	80.53	53.68
8.	28	2403-Animal Husbandry	1,80.86	30.63	16.94
9.	30	2235- Social Security and Welfare	1,63.97	26.43	16.12
		4702- Capital outlay on Minor Irrigation	24.00	16.95	70.63
Total			42,58.64	5,47.11	12.85

Appendix-2.10 (B)
(Reference: Paragraph 2.3.7.5; Page 41)
Cases of surrender of funds in excess of ₹ 10 crore on 30/31 March 2017 of Charged Appropriation
(₹ in crore)

Sl. No.	Grant No.	Major Head	Total Provision	Amount of Surrender	Percentage of Total Provision
1.	04	2014- Administration of Justice	52.22	26.13	50.04
Total			52.22	26.13	50.04

Appendix-2.11
(Reference: Paragraph 2.3.7.6; Page 42)
Statement of various grants/ appropriation where saving/ shortfall in the utilisation of funds was more than ₹ one crore or more than 20 per cent of the total provision

(₹ in crore)

Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percentage
Revenue –Voted					
1.	01	Legislature	35.30	3.55	10.06
2.	03	Council of Ministers	84.58	17.55	20.75
3.	04	Judicial Administration	1,77.25	54.67	30.84
4.	05	Election	65.87	9.11	13.83
5.	06	Revenue and General Administration	28,66.81	12,84.98	44.82
6.	07	Finance, Tax, Planning, Secretariat & Misc. Services	59,38.56	10,20.53	17.18
7.	08	Excise	23.92	5.13	21.45
8.	09	Public Service Commission	7.88	2.94	37.31
9.	10	Police And Jail	15,89.83	1,49.77	9.42
10.	11	Education, Sports, Youth Welfare and Culture	65,13.93	13,13.18	20.16
11.	12	Medical, Health and Family Welfare	17,75.94	4,52.31	25.47
12.	13	Water Supply, Housing and Urban Development	11,61.10	4,16.29	35.85
13.	14	Information	1,02.72	4.76	4.63
14.	15	Welfare	16,63.21	5,04.66	30.34
15.	16	Labour & Employment	2,19.74	72.37	32.93
16.	17	Agriculture Works and Research	8,93.88	2,52.03	28.20
17.	18	Co-Operative	49.92	16.69	33.43
18.	19	Rural Development	11,17.99	4,85.65	43.44
19.	20	Irrigation and Flood	4,61.65	1,00.57	21.78
20.	22	Public Work	7,07.66	61.65	8.71
21.	23	Industries	2,30.58	1,06.40	46.14
22.	24	Transport	65.26	11.69	17.91
23.	25	Food	3,77.27	1,71.66	45.50
24.	26	Tourism	58.68	18.69	31.85
25.	27	Forest	6,48.38	2,10.08	32.40
26.	28	Animal Husbandry	2,77.68	73.87	26.60
27.	29	Horticulture Development	2,59.68	49.46	19.05
28.	30	Welfare of Scheduled Castes	12,41.11	5,42.21	43.69
29.	31	Welfare of Scheduled Tribes	3,44.49	1,38.15	40.10
Total			2,89,60.87	75,50.60	26.07
Revenue –Charged					
1.	02	Governor	12.25	4.81	39.27
2.	04	Judicial Administration	52.22	28.12	53.85
3.	07	Finance, Tax, Planning, Secretariat & Misc. Services	40,10.56	2,26.69	5.65
4.	09	Public Service Commission	28.97	9.49	32.76
5.	22	Public Work	7.40	1.38	18.65
Total			41,11.40	2,70.49	6.58
Capital-Voted					
1.	01	Legislature	20.20	9.93	49.16
2.	03	Council of Ministers	1,00.00	81.31	81.31
3.	04	Judicial Administration	48.00	38.67	80.56
4.	06	Revenue and General Administration	81.70	74.61	91.32
5.	07	Finance, Tax, Planning, Secretariat & Misc. Services	3,94.13	3,10.53	78.79
6.	10	Police And Jail	24.00	17.12	71.33
7.	11	Education, Sports, Youth Welfare and Culture	5,59.06	1,52.73	27.32
8.	12	Medical, Health and Family Welfare	1,48.25	32.28	21.77
9.	13	Water Supply, Housing and Urban Development	4,84.32	1,74.45	36.02
10.	15	Welfare	36.28	17.66	48.68
11.	16	Labour & Employment	14.25	1.36	9.54

12.	18	Co-operative	6.95	5.20	74.82
13.	19	Rural Development	7,72.10	70.26	9.10
14.	20	Irrigation and Flood	7,72.68	2,96.28	38.34
15.	21	Energy	4,80.64	3,14.05	65.34
16.	22	Public Work	16,79.57	3,23.56	19.26
17.	23	Industries	1,73.51	34.66	19.98
18.	24	Transport	70.00	44.41	63.44
19.	26	Tourism	1,89.90	71.64	37.73
20.	27	Forest	1,65.15	64.46	39.03
21.	28	Animal Husbandry	11.39	3.07	26.95
22.	30	Welfare of Scheduled Castes	3,25.23	1,17.96	36.27
23.	31	Welfare of Scheduled Tribes	1,19.12	59.85	50.24
Total			66,76.43	23,16.05	34.69
Capital-Charged					
1.	09	<i>Public Service Commission</i>	5.00	3.10	62.00
Total			5.00	3.10	62.00
Grand Total			3,97,53.70	1,01,40.24	25.51

Appendix-2.12

(Reference: Paragraph 2.3.8; Page 45)

Funds transferred to deposit accounts at the end of the year during 2014-15 to 2016-17

(₹ in crore)

Year/ Name of Department (Account holder)	Date of fund transfer	From where transferred (HOA)	Where transferred (HOA-Deposit)	Amount transferred to deposit heads
2014-15				
Akshay Urja Vikas Abhikaran (UREDA)	26 March 2015	2045-00-103-04	8443-00-800	2.00
Total				2.00
2015-16				
Nideshak Alpsankhyak Kalyan	28 March 2016	Cash Challan	8443-00-106-00	1.60
District Magistrate, Dehradun	31 March 2016	2225-01-800-15	8443-00-106-00	0.14
		2235-02-101-02	8443-00-106-00	0.28
		4408-01-800-01	8443-00-106-00	7.77
		2215-02-105-01	8443-00-106-00	8.42
		2215-00-102-91	8443-00-106-00	0.01
Total				18.22
2016-17				
District Magistrate, Dehradun	31 March 2017	2250-00-800-01	8443-00-106-00	11.88
Total				11.88
Grand Total				32.10

Appendix-2.13

(Reference: Paragraph 2.6; Page 51)

Status (as on August 2017) of advances drawn from Contingency Fund during the year 2016-17 which remained un-recouped during the same year

(₹ in crore)

Sl. No	Grant No	Major Head	Adv. From Contingency Fund	Un-recouped (August 2017)
1.	03-Council of Ministers	2013	5.00	5.00
2.	04-Administration of Justice	2014	0.05	0.05
3.	09-Public Service Commission	2051	2.05	2.05
4.	10-Police	2055	6.24	6.24
5.	06-Other Administrative Services	2070	0.14	0.14
6.	11-General Education	2202	18.41	18.41
7.	11-Technical Education	2203	8.40	8.40
8.	11-Sports and Youth Services	2204	2.11	2.11
9.	11-Art and Culture	2205	1.33	1.33
10.	12-Medical and Public Health	2210	4.64	4.64
11.	13-Water Supply and Sanitation	2215	20.51	20.51
12.	13-Urban Development	2217	1.34	1.34
13.	15-Social Security and Welfare	2235	6.06	6.06
14.	06-Relief on account of natural calamities	2245	1.77	1.77
15.	17-Crop Husbandry	2401	2.50	2.50
16.	28-Dairy Development	2404	1.66	1.66
17.	28-Fisheries	2405	0.01	0.01
18.	27-Forestry and Wild life	2406	13.12	13.12
19.	19-Other Rural Development Programme	2515	0.01	0.01
20.	23-Village and Small Industries	2851	37.78	37.78
21.	23-Non-ferrous mining and metallurgical industries	2853	0.10	0.10
22.	22-Roads and Bridges	3054	0.27	0.27
23.	26-Tourism	3452	1.00	1.00
24.	07-Capital Outlay on Housing	4059	11.15	11.15
25.	12- Capital Outlay on Medical and Public Health	4210	2.00	2.00
26.	15- Capital Outlay on Social Security and Welfare	4235	0.07	0.07
27.	15- Capital Outlay on Other Social Services	4250	2.09	2.09
28.	28- Capital Outlay on Fisheries	4405	0.15	0.15
29.	22- Capital Outlay on Roads and Bridges	5054	77.74	77.74
Total			2,27.70	2,27.70

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

Appendix-2.14

(Reference: Paragraph 2.6; Page 52)

*Expenditure made from Contingency Fund during the year 2015-16 which remained un-recouped
(as on August 2017)*

(₹ in crore)

Sl. No.	MH	Un-recouped Contingency fund	
		2015-16	Total
1.	2013	0.24	0.24
2.	2014	2.35	2.35
3.	2052	0.18	0.18
4.	2055	4.92	4.92
5.	2202	0.43	0.43
6.	2401	24.86	24.86
7.	2515	29.86	29.86
8.	3054	0.30	0.30
Total		63.14	63.14

Appendix-2.15
(Reference: Paragraph 2.7 (A); Page 52)
Pending DC bills for the years up to 2016-17 (Position as on 31 March 2017)

(₹ in lakh)

Sl. No.	Department	Major Head	Number of AC bills	Amount
1.	NCC Directorate	2202	02	0.71
2.	Animal Husbandry	2403	05	13.65
3.	Home Guard	2070	03	34.22
4.	General Administration	2053	01	0.25
5.	Rural Development	2515	04	3.82
6.	Panchayati Raj	2515	03	34.51
7.	Forest	2406	01	0.25
8.	Fisheries	2405	13	8.46
9.	Chief Probationer Officer, Women Welfare	2235	43	2,66.72
10.	Election	2015	47	4,42.95
11.	Irrigation	2700	01	0.06
Total			123	8,05.60

Appendix-3.1
(Reference: Paragraph 3.3; Page 59)
Statement of finalisation of Accounts and the Government Investment in Departmentally Managed Commercial and Quasi-Commercial Undertakings

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

Appendix-4.1
Glossary of terms

Sl. No.	Terms	Description
1.	State Implementing Agency	State Implementing Agency includes any Organisations/Institutions including Non-Governmental Organisation which is authorised 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.
2.	GSDP	GSDP is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production at current prices
3.	Buoyancy ratio	Buoyancy ratio indicates the elasticity or degree of responsiveness of fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one <i>per cent</i>
4.	Internal Debt	Comprising mainly Market Loans and Special Securities issued to the National Small Savings Fund (NSS) by the State Government.
5.	Core Public and Merit goods	<i>Core public goods</i> are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. <i>Merit goods</i> are commodities that the public sector provides free or at subsidised 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 subsidised 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.
6.	Development Expenditure	The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.
7.	Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a current debt-GDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt, therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.
8.	Debt Stabilization	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be current or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.
9.	Sufficiency of Non-debt receipts (Resource Gap)	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

10.	Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.
11.	Non debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
12.	Net Debt Available	Excess of Public Debt receipts and Loans and Advances receipt over Public Debt repayment, Loans and Advances Disbursements and Interest Payment on Public debt.

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