



Government of Uttarakhand

ACCOUNTS AT A GLANCE

2011-12



PRINCIPAL ACCOUNTANT GENERAL (A & E)
(UTTARAKHAND)



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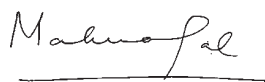
PRINCIPAL ACCOUNTANT GENERAL (A & E)
(UTTARAKHAND)

Preface

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

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

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



(Mahua Pal)

**Principal Accountant General (A&E)
Uttarakhand**

Dehradun
Date: 03-12-2012

Our Vision, Mission and Core Values

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

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

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

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

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OVERVIEW

1.1 Introduction

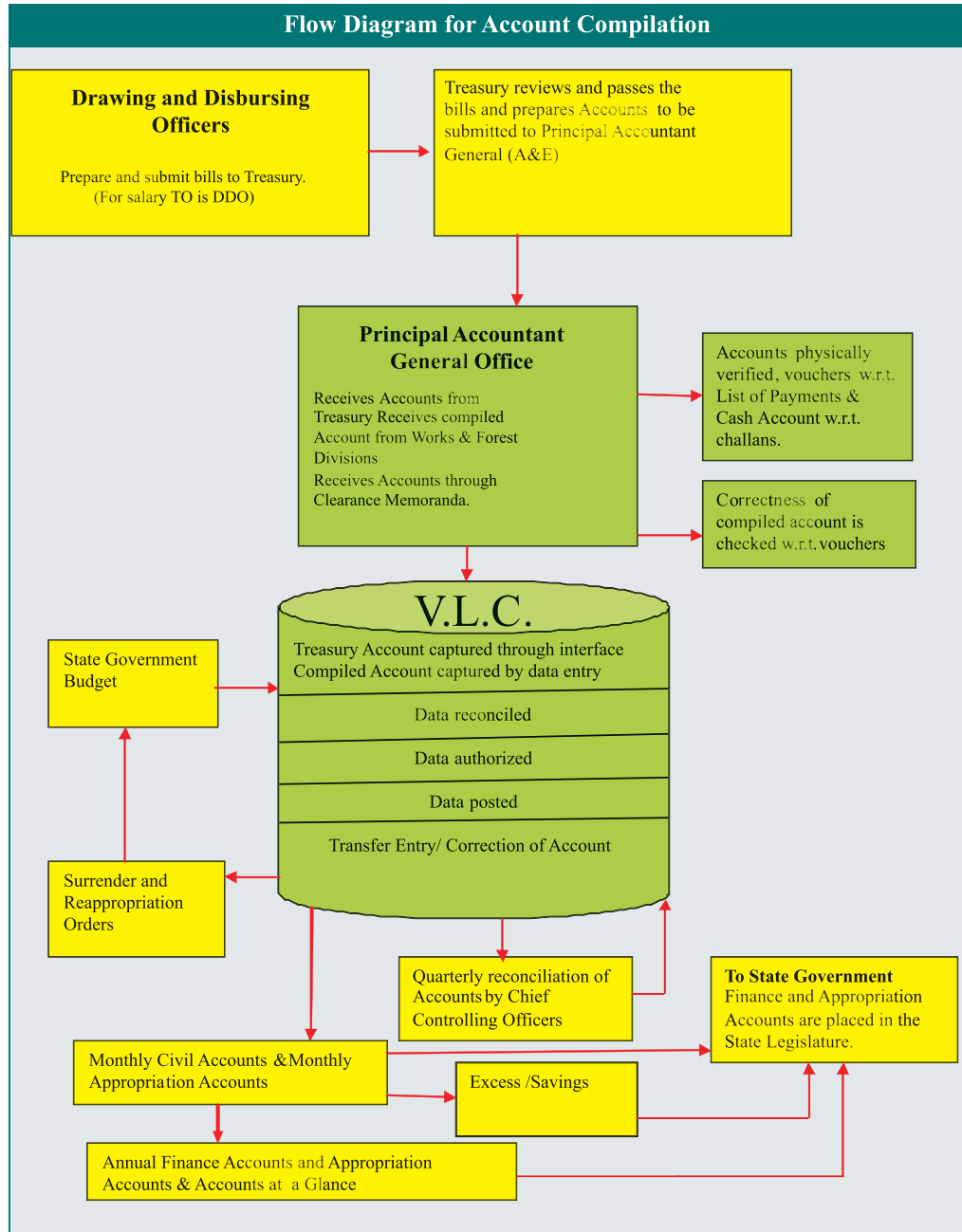
The Principal Accountant General (Accounts and Entitlements), Uttarakhand compiles the accounts of receipts and expenditure of the Government of Uttarakhand. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and Advices of the Reserve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

1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

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

1.2.2 Compilation of Accounts



VLC: Voucher Level Compilation

1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

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

Receipts and disbursements of the Government of Uttarakhand as depicted in the Finance Accounts 2011-12 are given below.

(₹ in crore)

Receipts (Total: 1,55,38.96)	Revenue (Total 1,36,91.24)	Tax Revenue	84,81.66
		Non Tax Revenue	11,36.13
		Grant-in-Aid	40,73.45
	Capital (Total: 18,47.72)	Recovery of Loans and Advances	90.65
		Borrowings and other Liabilities *	17,57.07
Disbursements (Total:1,55,38.96)	Revenue		1,29,75.19
	Capital		23,16.94
	Loans and Advances		2,46.83

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

The Union Government transfers substantial fund directly to State Implementing Agencies/ NGOs for implementation of various schemes and programmes. This year, the Government of India directly released ₹ 20,40.11 crore. Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VII of Volume II of the Finance Accounts.

1.3.2. Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'charged' on the Consolidated Fund or 'voted' by the State Legislature. There are 02 Charged Appropriations, 06 both Charged Appropriations and Voted Grants and 23 Voted Grants.

The Appropriation Act, 2011-12, had provided for gross expenditure of ₹ 2,10,03.38 crore and reduction of expenditure (recoveries) of ₹ 15,59.00 crore. Against this, the actual gross expenditure was ₹ 1,87,46.56 crore and reduction of expenditure was ₹ 12,83.55 crore, resulting in net savings of ₹ 22,56.82 crore (10.75%) and ₹ 2,75.45 crore (17.67%) respectively. The Gross expenditure includes ₹ 5.44 crore drawn on Abstract Contingent (AC) Bills, in which ₹ 3.71 crore is still outstanding at the end of the year for want of supporting Detailed Contingent Bills (DC Bills).

1.4. Sources and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 0.16 crore) maintained with the RBI. During 2011-12, the Government of Uttarakhand maintained the minimum balance for 305 days without taking any advance, for 15 days Ordinary Ways & Means Advance, for 58 days Special Ways and Means Advance and no overdrafts were taken.

1.4.2 Fund flow statement

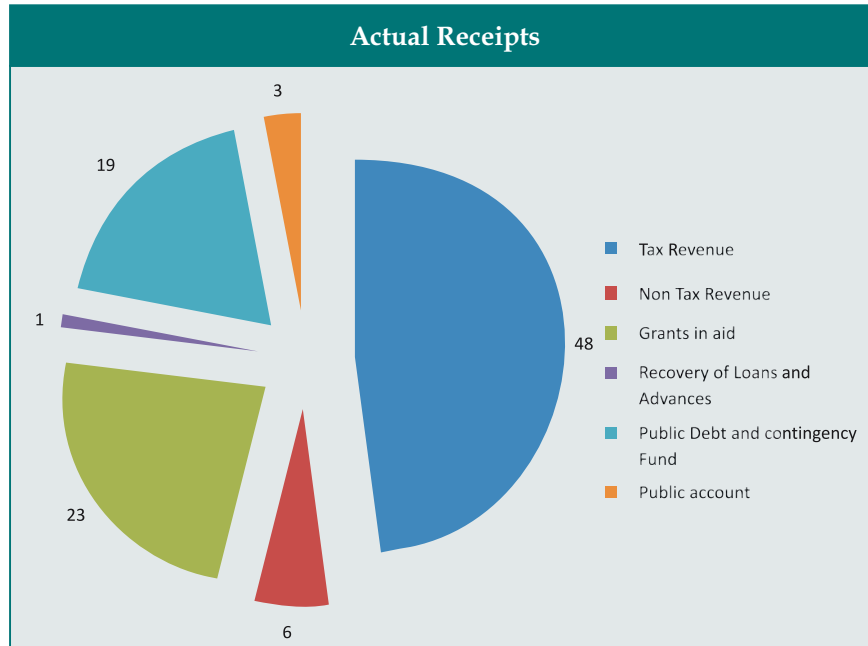
The State had a Revenue Surplus of ₹ 7,16.05 crore and a Fiscal Deficit of ₹ 17,57.07 crore representing 1.18 percent and 2.89 percent of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 11.31 percent of total expenditure. This deficit constituted of Public Debt (₹ 13,19.73 crore), Public Account (₹ - 2,37.91 crore), un-recouped contribution from the Contingency Fund (₹ 57.06 crore), reduction in the corpus of the Contingency Fund (₹ 400.00 crore) and net of Opening and Closing Cash Balance (₹ 2,18.19 crore). Around 59.52 percent of the Revenue Receipts (₹ 1,36,91.24 crore) of the State Government was spent on committed expenditure like Salaries (₹ 52,44.35 crore), Interest payments (₹ 17,69.21 crore) and Pension (₹ 11,35.00 crore).

Sources and Application of Funds

(₹ in crore)

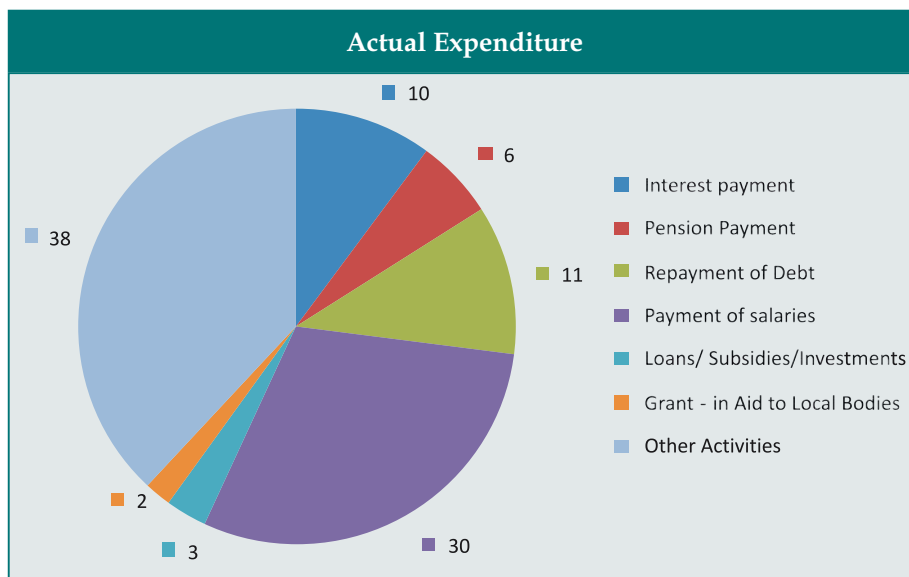
	PARTICULARS	AMOUNT
	Opening Cash Balance as on 01.04.2011	3,28.81
	Revenue Receipts	1,36,91.24
	Recovery of Loans & Advances	90.65
	Public Debt	32,43.78
	Small Savings Provident Fund and Others	12,72.45
SOURCES	Reserves & Sinking Funds	6,50.19
	Deposits Received	22,29.42
	Civil Advances Repaid	1,01.50
	Suspense Account	2,03,12.39
	Remittances	30,49.66
	Contingency Fund	1,26.13
	TOTAL	4,50,96.22
	Revenue Expenditure	1,29,75.19
	Capital Expenditure	23,16.94
	Loans Given	2,46.83
	Repayment of Public Debt	19,24.05
	Small Savings Provident Fund and Others	6,46.40
APPLICATION	Reserves & Sinking Funds	6,17.74
	Deposits Spent	21,96.68
	Civil Advances Given	1,01.34
	Suspense Account	2,07,75.57
	Remittances	35,15.79
	Contingency Fund	69.07
	Transfer to Contingency Fund	(-) 4,00.00
	Closing Cash Balance as on 31.03.2012	1,10.62
	TOTAL	4,50,96.22

1.4.3. *Where the Rupee came from*



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

1.4.4 *Where the Rupee went*



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

1.5 Highlights of Accounts

	Budget Estimates 2011-12	Actuals 2011-12	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP (a)
1. Tax Revenue (b)	7715.05	8481.66	109.94	13.93
2. Non-tax Revenue	1647.11	1136.13	68.98	1.87
3. Grant-in-Aid & Contributions	5272.83	4073.45	77.25	6.69
4. Revenue Receipts (1+2+3)	14634.99	13691.24	93.55	22.48
5. Recovery of Loans & Advances	474.96	90.65	19.09	0.15
6. Borrowings & Other Liabilities (c)	2618.25	1757.07	67.11	2.89
7. Capital Receipts (5+6)	3093.21	1847.72	59.73	3.03
8. Total Receipts (4+7)	17728.20	15538.96	87.65	25.52
9. Non-Plan Expenditure	11163.91	10913.84	97.76	17.92
10. Non Plan Expenditure on Revenue Account	11144.84	10654.11	95.60	17.50
11. Non Plan Expenditure on Interest Payments out of 10	1812.03	1769.21	97.64	2.91
12. Non Plan Expenditure on Capital Account	19.07	259.73	1361.98	0.43
13. Plan Expenditure	6564.29	4625.12	70.46	7.59
14. Plan Expenditure on Revenue Account	3180.85	2321.08	72.97	3.81
15. Plan expenditure on Capital Account	3383.44	2304.04	68.10	3.78
16. Total Expenditure (9+13)	17728.20	15538.96	87.65	25.52
17. Revenue Expenditure (10+14)	14325.69	12975.19	90.57	21.31
18. Capital Expenditure (12+15) (d)	3402.51	2563.77	75.35	4.21
19. Revenue Surplus (4-17)	309.30	(+) 716.05	231.51	1.18
20. Fiscal Deficit (4+5-16)	(-) 2618.25	(-)1757.07	67.11	2.89

- (a) GSDP figure of ₹ 6,08,98 crore (Advance Estimate at constant Prices, base year 2004-05) made available by the office of the Director Economics & Statistics Government of Uttarakhand.
- (b) Includes State's Share of Union Taxes of ₹ 28,66.04 crore
- (c) Borrowings and other Liabilities: Net (Receipts- Disbursements) of Public Debt + Contingency Fund + Public Account and Opening and Closing Cash Balance.
- (d) Expenditure on Capital Account includes Capital Expenditure (₹ 23,16.94 crore) and Loans and Advances disbursed (₹ 2,46.83 crore)

1.6 What do the Deficits and Surpluses indicate?

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

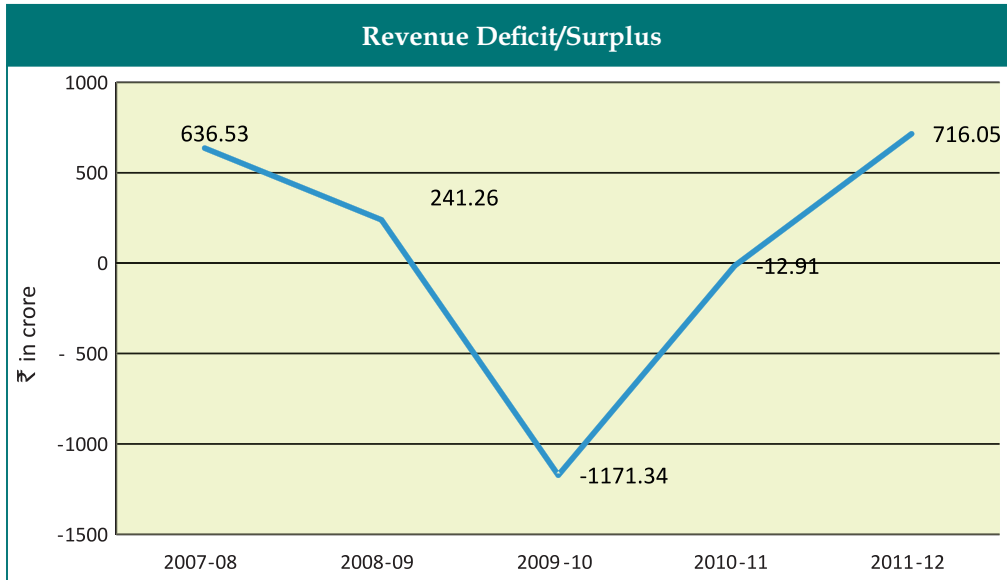
Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The 13th Finance Commission had recommended that the State of Uttarakhand reduce Gross Fiscal Deficit to 3.5 percent of GSDP by 2011-12. It also recommended that States should amend/enact FRBM Act to build in the fiscal reform path worked out. The Government of Uttarakhand enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005 and amended it in 2011-12 committing Government to reduce the Revenue Deficit beginning from 1st April, 2011 so as to eliminate it by 31st March, 2015 and generate revenue surplus thereafter.

In the year 2011-12, there was a Revenue Surplus of ₹ 7,16.05 crore, and to that extent the provisions of modified FRBM Act have been complied with.

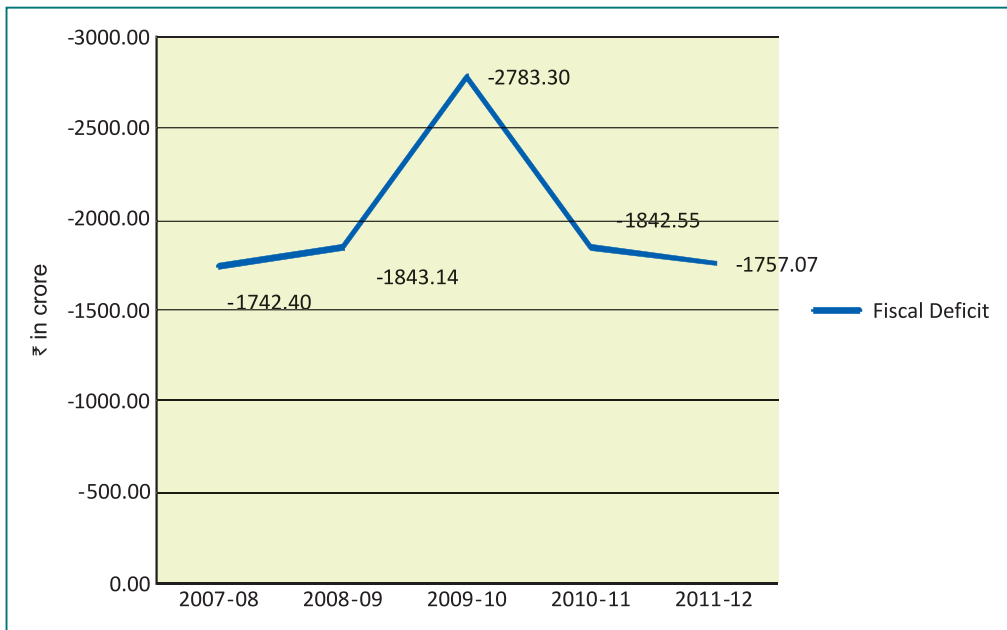
The amended section 4 (3c) of the FRBM Act provides that the State Government reduce Fiscal Deficit to less than three and a half *per cent* of the estimated Gross State Domestic Product for the years 2011-12 & 2012-13 and three *per cent* for the years 2013-14 & 2014-15. During the years 2011-12 the Fiscal Deficit at ₹ 17,57.07 crore was 2.89 *per cent* of GSDP (₹ 60898 crore), which was below the 3.5 *per cent* stipulation of the amended FRBM Act.

Section 4 (3e) envisages the State Government not to give guarantees for any amount exceeding the limits stipulated under any rule or law of the State Government existing at the time of the coming into force of the Act or any other rule or law to be made by the State Government subsequent to the coming into force of this Act. The State Government has not intimated whether any law has been passed in this regard.

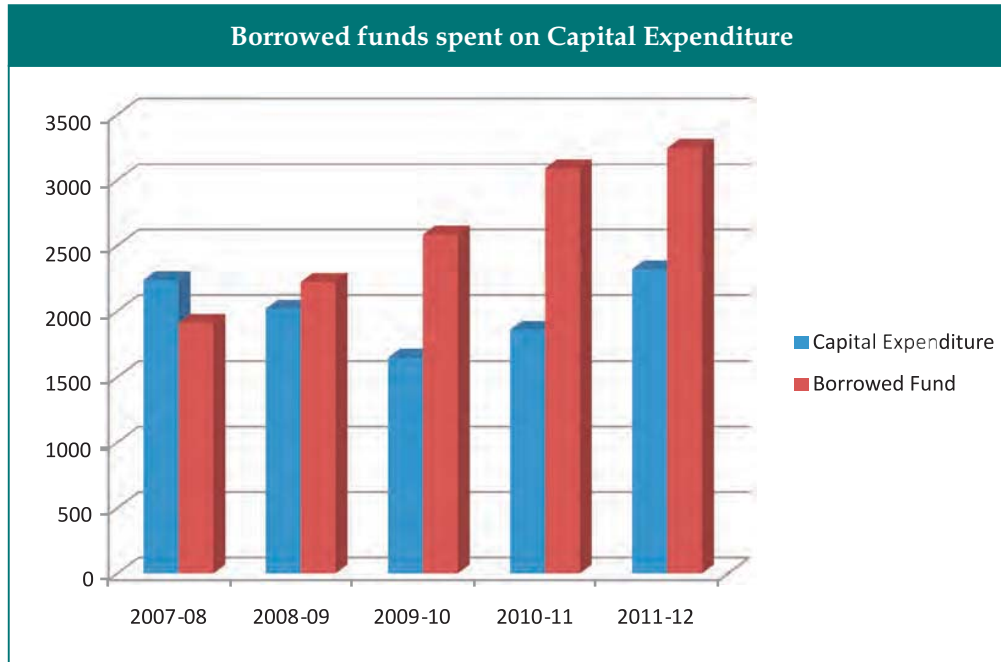
1.6.1. Trend of Revenue Deficit/Surplus



1.6.2. Trend of Fiscal Deficit



1.6.3. Proportion of borrowed funds spent as Capital Expenditure



Financial prudence envisages that the borrowed funds be fully utilized for creation of Capital Assets. During the year 2007-08 all borrowed funds have been utilized for creation of Capital Assets. However the trend could not be maintained from the year 2008-09 onwards. In the year 2011-12 only 71 percent of Capital Borrowed funds were utilized for creation of Capital Assets.

CHAPTER 2

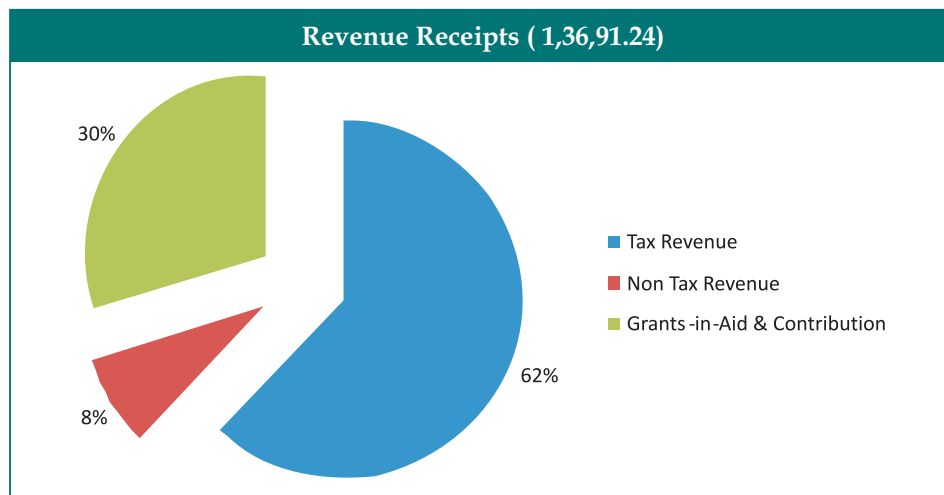
RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2011-12 were ₹ 1, 55,38.96 crore.

2.2. Revenue Receipts

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



Revenue Receipt Components (2011-12)

(₹ in crore)

Components	Actuals
A. Tax Revenue	84,81.66
Taxes on Income & Expenditure	17,15.09
Taxes on Property, Capital and Other Transactions	5,38.59
Taxes on Commodities & Services	62,27.98
B. Non-Tax Revenue	11,36.13
Interest Receipts, Dividends and Profits	50.67
General Services	5,90.21
Social Services	75.46
Economic Services	4,19.79
C. Grants-in-aid & Contributions	40,73.45
Total- Revenue Receipts	1,36,91.24

2.3. Trend of Receipts

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Tax Revenues	4167 (11)	4552 (11)	5109 (11)	6866(13)	8482 (14)
Non-Tax Revenues	668 (2)	699 (2)	632 (1)	678 (1)	1136 (2)
Grants in Aid	3056 (8)	3384 (8)	3745 (8)	4065 (8)	4073 (7)
Total Revenue Receipts	7891 (21)	8635 (20)	9486 (20)	11608 (22)	13691 (22)
GSDP at constant Prices, (base year 2004-05)	3,80,15	4,28,35 (#)	4,78,08 (@)	5,21,43(*)	6,08,98(*)

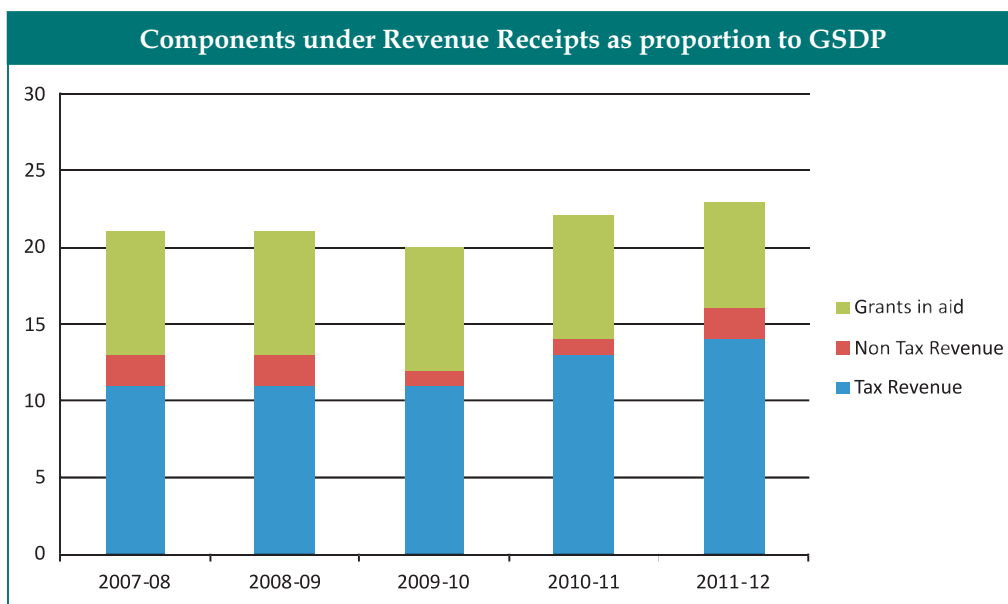
Note: Figures in parentheses represent percentage to GSDP.

(#) Revised Estimate

(@) Quick Estimate

(*) Advanced Estimate

The GSDP of the State of Uttarakhand increased from ₹ 3,80,15 crore in 2007-08 to ₹ 6,08,98 crore (Advance Estimate at constant Prices, (base year 2004-05)) in 2011-12, an increase of about 60 *per cent*. Revenue receipts showed a substantial increase from ₹ 7891 crore in 2007-08 to ₹ 1,36,91 crore in 2011-12, an increase of 74 *per cent*. All the three components of the Revenue Receipts increased and maintained their share of GSDP (Tax Revenue 11 to 14 *per cent*), Non Tax Revenue (1 to 2 *per cent*) and Grants-in-Aid (21 to 22 *per cent*).

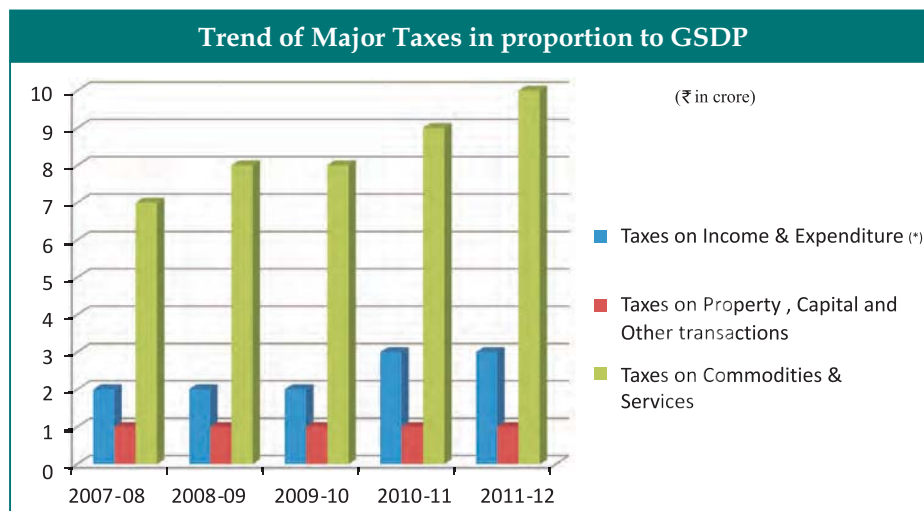


Sector-wise Tax Revenue

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Taxes on Income and Expenditure	762	810	1000	1479	1715
Taxes on Property, Capital and other Transactions	448	376	409	460	539
Taxes on Commodities and Services	2956	3365	3700	4927	6228
Total Tax Revenues	4166	4551	5109	6866	8482

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



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

2.4. Performance of State's own Tax Revenue collection

(₹ in crore)

Year	Tax Revenue	State's Share on Union Taxes	State's Own Tax Revenue	percentage to GSDP
			(₹ in crore)	
(1)	(2)	(3)	(4)	(5)
2007-08	4166	1428	2738	7
2008-09	4551	1507	3044	7
2009-10	5109	1550	3559	7
2010-11	6866	2460	4406	8
2011-12	8482	2866	5616	9

The proportions of the State's Own Tax Revenue to GSDP was at 8 per cent in 2010-11 and 9 per cent in 2011-12. However in the year 2007-08 to 2009-10 it was 7 per cent.

2.5 Efficiency of Tax collection

A. Taxes on Property, Capital and other Transactions

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	448	376	409	460	539
Expenditure on Collection	90	98	107	129	130
Efficiency of Tax Collection in percent	20	26	26	28	24

B. Taxes on Commodities and Services

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue collection	2956	3365	3700	4926	6228
Expenditure on Collection	22	45	42	57	58
Efficiency of Tax Collection in percent	1	1	1	1	1

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

(₹ in crore)

Major Head Description	2007-08	2008-09	2009-10	2010-11	2011-12
Corporation Tax	453	494	638	962	1128
Taxes on Income other than Corporation Tax	304	310	355	508	573
Taxes on Wealth	1	1	1	2	4
Customs	270	288	217	430	497
Union Excise Duties	257	251	175	314	322
Service Tax	143	163	164	245	342
State Share of Union Taxes	1428	1507	1550	2460	2866
Total Tax Revenue	4166	4551	5109	6866	8482
Percentage of Union Taxes to total Tax Revenue	34	33	30	36	34

As per recommendations of the 13th Finance Commission the share of Uttarakhand State in the net proceeds of all sharable union taxes (except Service Tax) shall be 1.120 *per cent* and in the Service Tax 1.138 *per cent* from the year 2010-11 to 2014-15.

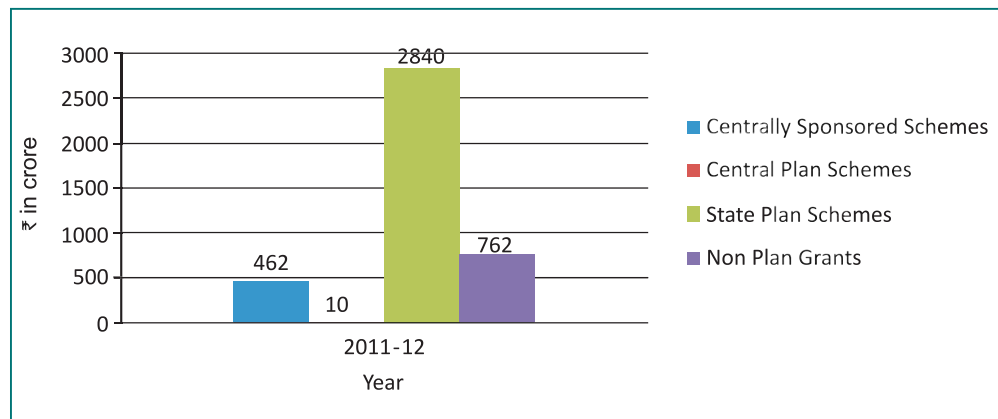
The share of Union Taxes to the total Tax Revenue of the State remained between 30 *per cent* to 36 *per cent* during the years 2007-08 to 2011-12.

2.7. Grants-in-Aid

Grants-in-Aid represents assistance from the Government of India, and comprise, grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by Planning Commission and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2011-12 under Grants-in-Aid were ₹ 4073 crore as shown below:

(₹in crore)

Year	Non-Plan Grants	State Plan Grants	Central Plan Schemes	Centrally Sponsored Schemes
2011-12	762	2840	10	462



The Share of Non-Plan Grants and Central Plan Scheme decreased in the year 2011-12 as compared to the year 2010-11 by about 47 *per cent* from ₹ 1456.00 crore to ₹ 772.00 crore, where as State Plan Schemes and Centrally Sponsored Schemes increased by 27 *per cent* from ₹ 2609.00 crore to ₹ 3302.00 crore.

2.8. Public Debt

Trend of Public Debt over the past 5 years

(₹ in crore)

Description	2007-08	2008-09	2009-10	2010-11	2011-12
Internal Debt	1141	1248	1215	1891	1300
Central Loans	(-) 17	(-) 19	4	17	20
Total Public Debt	1124	1229	1219	1908	1320

In 2011-12, six loans totaling ₹ 1159 crore at interest rates varying from 8.39 *per cent* to 9.05 *per cent* and redeemable in the year 2021-22 were raised at par.

Against the total internal debt of ₹ 3197 crore received during this period, Capital Expenditure was only ₹ 2317 crore indicating that the rest of the public debt of ₹ 880 crore was used for non- developmental purposes.

CHAPTER 3

EXPENDITURE

3.1. Introduction

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

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

3.2. Revenue Expenditure

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

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Budget Estimates	8073	8663	11161	11997	14326
Actuals	7255	8394	10657	11621	12975
Gaps	818	269	504	376	1351
Percentage of gap over BE	10	3	5	3	9

The shortfall of Revenue Expenditure against budget estimates is to be viewed in the light of the recommendations of the 13th Finance Commission and the State Government's commitment under the amended FRBM Act 2011 to be Revenue neutral and then Revenue Surplus. During the year 2011-12 there was a Revenue Surplus of ₹ 716.05 crore. However a major portion about 64 percent of the Revenue Expenditure was "committed", on Salaries (₹ 5244 crore), Interest Payments (₹ 1769 crore), Pension Payments (₹ 1135 crore) and Subsidies (₹ 220 crore).

The position of committed/ uncommitted Revenue Expenditure over the last five years is given below.

(₹ in crore)

Components	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Expenditure	7255	8394	10657	11621	12975
Committed revenue expenditure (*)	3950	5103	6816	7386	8368
Uncommitted revenue expenditure	3305	3291	3841	4235	4607

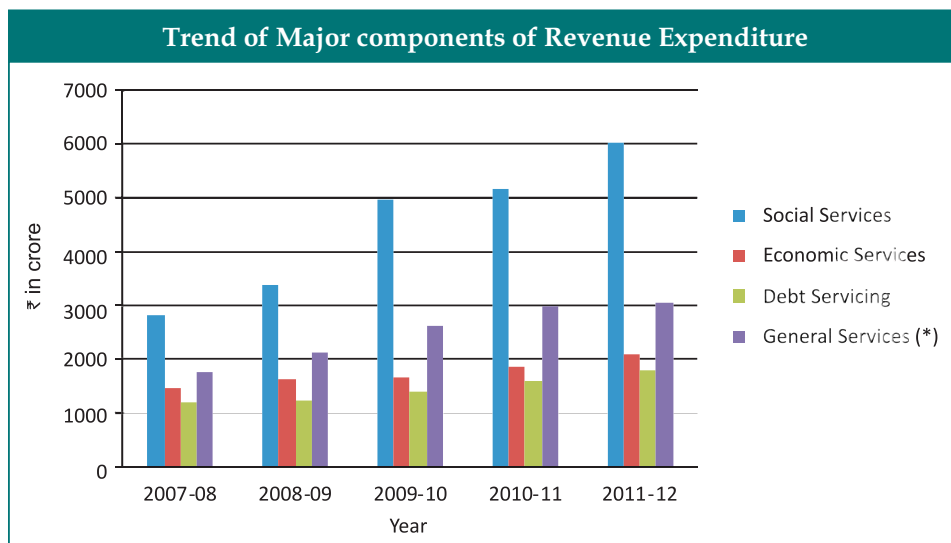
(*) Includes Salaries, Interest Payments, Pension Payments and Subsidies.

3.2.1 Sectoral distribution of Revenue Expenditure (2011-12)

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	1,91.80	1.48
(i) Collection of Taxes on Property, Capital and Other Transactions	1,30.27	1.00
(ii) Collection of Taxes on Commodities and Services	57.85	0.45
(iii) Other Fiscal Services	3.68	0.03
b. Organs of State	2,03.66	1.57
c. Interest Payments and Servicing of debt	17,94.21	13.83
d. Administrative Services	11,45.39	8.83
e. Pension and Miscellaneous General Services	11,40.05	8.79
B. Social Services	60,19.65	46.39
C. Economic Services	21,01.63	16.20
D. Grants-in-Aid and Contributions	3,78.80	2.92
Total Expenditure (Revenue Account)	1,29,75.19	100

3.2.2 Major Components of Revenue Expenditure (2011-12)



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

3.3. Capital Expenditure

Capital Disbursements for 2011-12 at 4 per cent of GSDP were less than Budget Estimates by ₹ 839.34 crore (less disbursement of ₹ 1079.40 crore under Plan Expenditure and excess of ₹ 240.66 crore under Non Plan Expenditure)

3.3.1. Sectoral distribution of Capital Expenditure

During 2011-12, the Government spent ₹ 441 crore on various Projects (₹ 235 crore on Major Irrigation, ₹ 4 crore on Medium Irrigation, and ₹ 202 crore on Minor Irrigation). Apart from above, the Government spent ₹ 15 crore on Flood Control Projects, ₹ 42 crore on Power Projects and ₹ 815 crore on Roads & Bridges. The Government of Uttarakhand also invested a sum of ₹ 42 crore on investments in various Companies, Corporations etc.

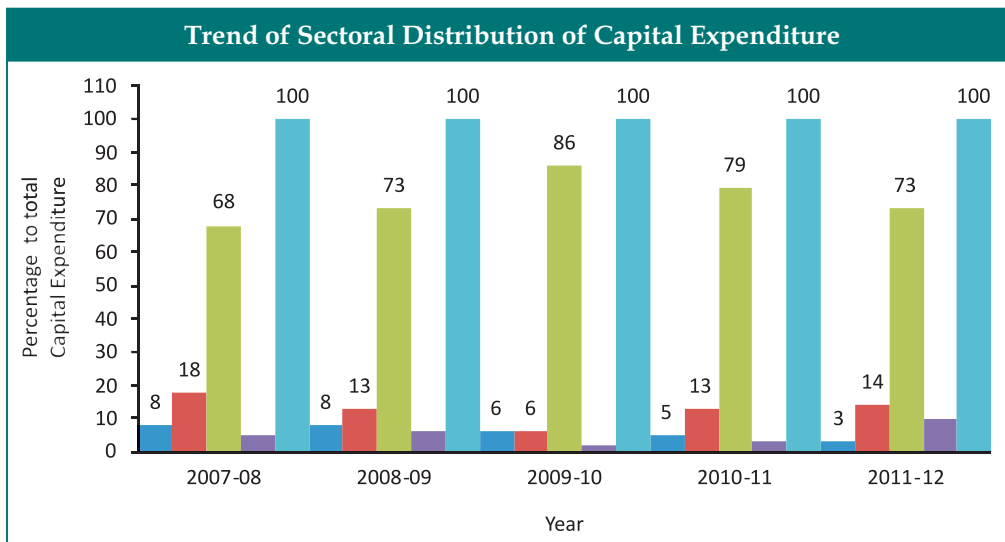
(₹ in crore)

Sl. No.	Sector	Amount	Percentage
1.	General Services- Police, Land Revenue etc.	77	3.00
2.	Social Services- Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	369	14
3.	Economic Services- Agriculture, Rural Development, Irrigation Cooperation, Energy, Industries, Transport etc.	1871	73
4.	Loans and Advances Disbursed	247	10
Total		2564	100

3.3.2 Sectoral distribution of capital expenditure over the past 5 years

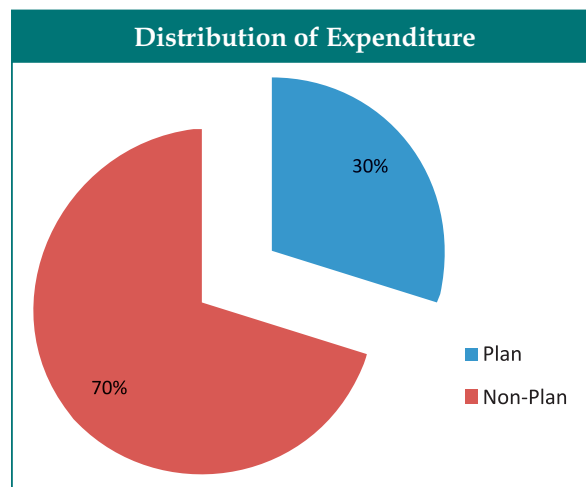
(₹in crore)

Sl. No.	Sector	2007-08	2008-09	2009-10	2010-11	2011-12
1.	General Services	201	174	109	105	77
2.	Social Services	418	281	109	235	369
3.	Economic Services	1616	1561	1429	1515	1871
4.	Loans & Advances	130	122	30	60	247
Total		2365	2138	1677	1915	2564



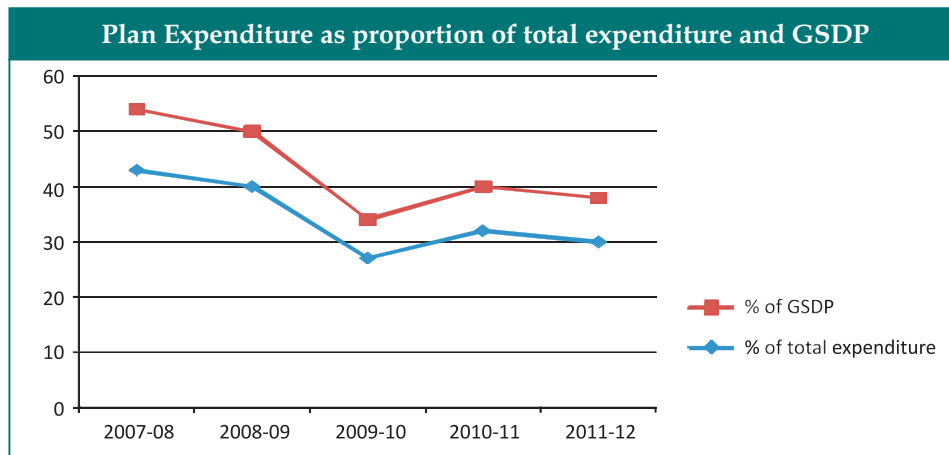
PLAN & NON PLAN EXPENDITURE

4.1. Distribution of Expenditure (2011-12)



4.2 Plan Expenditure

During 2011-12, Plan Expenditure, representing 30 percent of total disbursements, was ₹ 4625 crore (₹ 4044 crore under State Plan, ₹ 348 crore under Centrally Sponsored Plan Schemes and ₹ 233 crore under Loans and Advances).



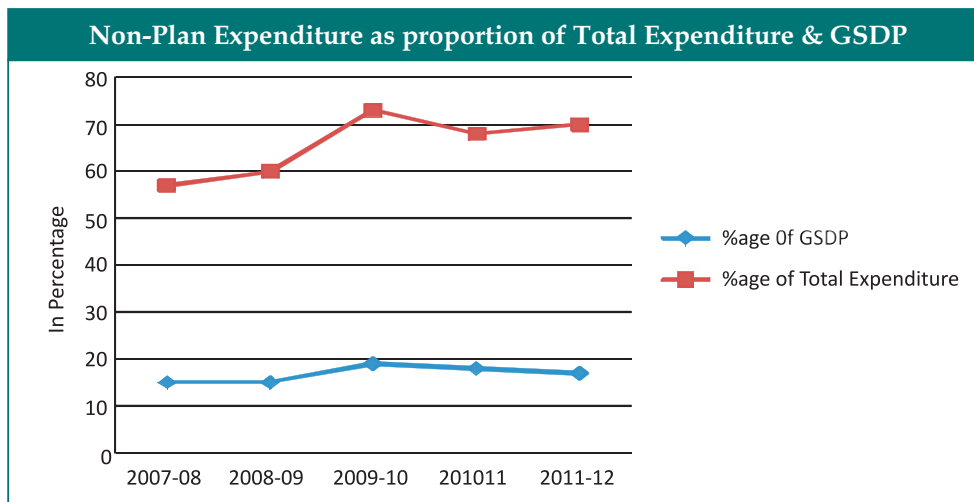
4.2.1. Plan expenditure under Capital Account

(₹ in crore)

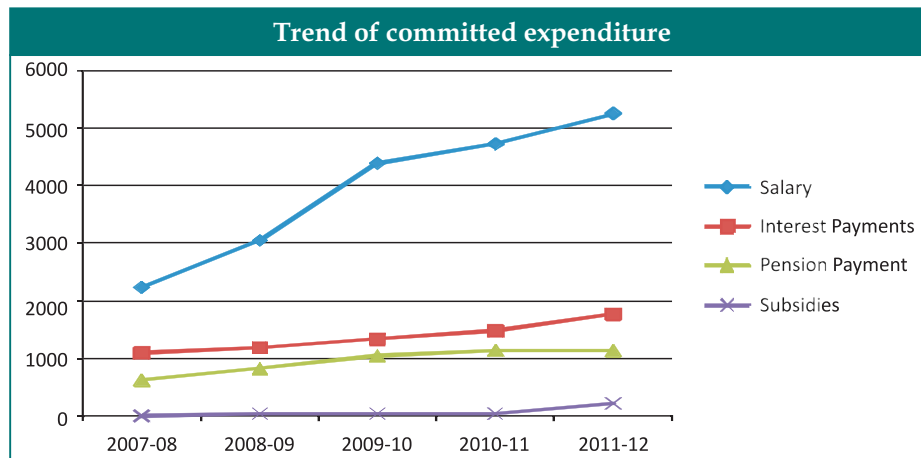
	2007-08	2008-09	2009-10	2010-11	2011-12
Total Capital Expenditure	2235	2016	1647	1855	2317
Capital Expenditure (Plan)	2157	1902	995	1859	2071
Percentage of Capital Expenditure (Plan) to Total Capital Expenditure	97	94	60	100	89

4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2011-2012, representing 70 per cent of total disbursements, was ₹ 10914 crore, (₹ 10654 crore under Revenue and ₹ 260 crore under Capital Account).



4.4 Committed Expenditure



(₹ in crore)

Component	2007-08	2008-09	2009-10	2010-11	2011-12
Committed Expenditure	3949	5061	6773	7343	8367
Revenue Expenditure	7255	8394	10657	11621	12975
Percentage of Committed expenditure to Revenue Receipts	50	59	71	63	61
Percentage of Committed Expenditure to Revenue expenditure	54	60	64	63	64

From the year 2007-08, there has been an upward trend in the Committed Expenditure. It has increased by about 2.11 times from 2007-08 to 2011-12. This leaves the Government with lesser flexibility for developmental spending.

APPROPRIATION ACCOUNTS

5.1. Summary of Appropriation Accounts for 2011-12

(₹ in crore)

Sl. No.	Nature of Expenditure	Original Grant	Suppl. Grant	Re-appropriation	Total	Actual Expenditure	Saving (-) Excess (+)
1	Revenue Voted Charged	1,23,02.30	11,14.20	7,66.88	1,26,49.62	1,11,56.11	-14,93.51
		20,23.40	41.68	11.45	20,53.63	18,28.91	-2,24.72
2	Capital Voted Charged	30,93.58	2,34.47	4,15.90	29,12.15	35,85.79	+6,73.64
		1.00	4.00	--	5.00	4.88	-0.12
3	Public Debt Charged	16,38.73	--	--	16,38.73	19,24.05	+2,85.32
4	Loans and Advances Voted	3,07.91	2,42.11	1.65	5,48.37	2,46.82	-3,01.55
	Total	1,93,66.92	16,36.46	11,95.88	1,98,07.50	1,87,46.56	-10,60.94

Actual Expenditure includes clearance of O.B.Suspense of previous years for ₹ 59.08 crore. (₹ 57.40 crore in Revenue and ₹ 1.68 crore in Capital Section).

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

(₹ in crore)

Year	Saving (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans and Advances	Total
2007-08	-5,12.64	+5,84.55	+2,89.48	-10.15	+3,51.24
2008-09	-10,73.22	+5,34.31	+4,62.02	-8.18	-85.07
2009-10	-11,46.92	+7,56.00	+61.10	-2,78.04	-6,07.86
2010-11	-10,62.77	+10,28.01	-20.09	-52.84	-1,07.69
2011-12	-17,18.23	+6,73.52	+2,85.32	-3,01.55	-10,60.94

5.3. Significant Savings

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

Some grants with persistent and significant savings (in per cent) are given below:

Grant No.	Nomenclature	2007-08	2008-09	2009-10	2010-11	2011-12
01	Legislature (Revenue, Voted)	17.77	11.89	11.74	18.03	9.66
01	Legislature (Revenue, Charged)	60.09	8.63	24.96	42.52	38.76
02	Governor (Revenue, Charged)	25.68	22.28	20.54	12.84	14.81
04	Judicial Administration (Revenue, Voted)	38.88	28.90	36.90	30.28	26.86
04	Judicial Administration (Revenue, Charged)	46.59	38.59	51.67	46.91	45.34
05	Election (Revenue, Voted)	26.37	21.20	13.11	9.68	14.17
06	Revenue and General Administration (Revenue, Voted)	10.76	22.65	14.68	7.44	4.95
06	Revenue and General Administration (Revenue, Charged)	20.97	3.82	0.59	11.60	22.00
06	Revenue and General Administration (Capital, Voted)	5.65	25.19	72.20	53.15	47.31
07	Finance, Tax, Planning, Secretariat and Miscellaneous Services (Revenue, Voted)	8.75	23.53	21.29	5.68	25.23
07	Finance, Tax, Planning, Secretariat and Miscellaneous Services (Revenue, Charged)	8.37	7.78	9.45	08.06	10.83
07	Finance, Tax, Planning, Secretariat and Miscellaneous Services (Capital, Voted)	15.76	28.88	34.04	13.08	48.10
08	Excise (Revenue, Voted)	18.90	3.42	3.28	12.56	22.34
09	Public Service Commission (Revenue, Charged)	23.70	24.64	9.95	9.73	14.58

10	Police and Jail (Capital, Voted)	28.92	12.38	62.76	20.42	75.09
11	Education, Sports, Youth Welfare and Culture (Capital, Voted)	10.25	9.75	13.57	37.72	57.89
12	Medical, Health and Family Welfare (Revenue, Voted)	22.33	23.17	16.36	17.37	18.78
12	Medical, Health and Family Welfare (Capital, Voted)	30.33	50.32	32.62	48.31	30.33
13	Water Supply, Housing and Urban Development (Revenue, Voted)	14.48	12.58	5.41	43.97	36.33
15	Welfare (Revenue, Voted)	13.51	28.15	23.54	18.00	30.51
15	Welfare (Capital, Voted)	19.87	43.92	66.94	79.99	68.42
16	Labour and Employment (Revenue, Voted)	60.81	51.47	10.88	16.74	17.35
19	Rural Development (Revenue Voted)	16.02	13.29	18.99	16.25	23.90
19	Rural Development (Capital, Voted)	19.45	13.76	19.56	18.50	30.88
21	Energy (Capital, Voted)	0.25	65.83	35.76	72.34	78.68
22	Public Work (Revenue, Charged)	57.67	38.19	53.61%	73.25	40.62%
23	Industries (Revenue, Voted)	26.55	24.10	3.03	8.00	18.37
23	Industries (Capital, Voted)	58.19	17.21	56.52	78.56	94.62
24	Transport (Revenue, Voted)	31.87	43.51	26.13	11.88	6.63
24	Transport (Capital, Voted)	64.08	91.69	29.00	10.72	8.08
25	Food (Revenue, Voted)	33.96	46.81	17.15	23.36	37.69
26	Tourism (Revenue, Voted)	2.42	7.59	14.48	11.31	52.16
26	Tourism (Capital, Voted)	0.35	8.10	56.11	34.93	40.60
27	Forest (Capital, Voted)	68.36	12.19	1.51	8.49	34.58
28	Animal Husbandry (Capital, Voted)	7.90	30.39	9.42	26.46	25.79

30	Welfare of Scheduled Castes (Revenue, Voted)	50.99	27.39	19.71	19.66	33.86
30	Welfare of Scheduled Castes (Capital, Voted)	28.79	44.97	54.55	45.32	51.68
31	Welfare of Scheduled Tribes (Revenue, Voted)	31.95	36.31	18.95	31.77	31.54
31	Welfare of Scheduled Tribes (Capital, Voted)	28.94	39.15	38.70	48.89	54.50

During 2011-12, Supplementary Grants totaling ₹ 16,36.46 crore (8.45 per cent of total original grant) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below-

₹ in crore

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
02	Governor	Revenue Charged	5.16	0.08	4.47
04	Judicial Administration	Revenue Voted	1,02.38	2.07	76.40
06	Revenue and General Administration	Revenue Voted	8,44.63	42.62	8,43.32
06	Revenue and General Administration	Revenue Charged	1.61	0.11	1.34
06	Revenue and General Administration	Capital Voted	49.00	3.00	27.40
07	Finance, Tax, Planning, Secretariat & Miscellaneous Services	Revenue Voted	22,43.70	55.97	17,19.58

07	Finance, Tax, Planning, Secretariat & Miscellaneous Services	Revenue Charged	19,74.03	38.96	17,95.04
07	Finance, Tax, Planning, Secretariat & Miscellaneous Services	Capital Voted	1,17.80	32.77	78.14
08	Excise	Revenue Voted	9.90	0.10	7.77
10	Police and Jail	Revenue Voted	6,67.28	43.72	6,60.48
10	Police and Jail	Capital Voted	49.00	10.40	14.80
11	Education, Sports, Youth Welfare and Culture	Capital Voted	2,71.05	16.22	1,20.95
12	Medical, Health and Family Welfare	Revenue Voted	8,03.83	16.28	6,66.12
12	Medical, Health and Family Welfare	Capital Voted	1,19.66	8.94	89.60
13	Water Supply, Housing and Urban development	Revenue Voted	6,46.94	2.07	4,13.24
13	Water Supply, Housing and Urban development	Capital Voted	81.50	15.05	80.78
15	Welfare	Revenue Voted	5,52.63	94.44	4,49.62
15	Welfare	Capital Voted	25.40	6.80	10.17
16	Labour and Employment	Revenue Voted	68.37	3.06	59.04
16	Labour and Employment	Capital Voted	16.15	0.78	10.47
18	Co-operative	Revenue Voted	35.23	7.08	32.01
19	Rural Development	Revenue Voted	3,23.11	64.74	2,95.14

20	Irrigation and Flood	Revenue Voted	3,07.71	15.98	2,98.68
21	Energy	Revenue Voted	8.01	6.02	7.64
21	Energy	Capital Voted	4,48.92	2,27.11	1,44.11
22	Public Work	Revenue Voted	4,20.43	17.10	4,02.10
23	Industries	Revenue Voted	75.24	3.53	64.30
24	Transport	Revenue Voted	19.95	0.69	19.27
24	Transport	Capital Voted	1,55.26	0.15	1,42.86
25	Food	Revenue Voted	3,27.52	0.20	2,04.20
26	Tourism	Revenue Voted	53.70	5.09	28.12
26	Tourism	Capital Voted	46.28	1.00	28.08
28	Animal Husbandry	Capital Voted	10.04	1.00	8.19
29	Horticulture Development	Revenue Voted	1,00.30	13.58	98.94
30	Welfare of Scheduled Castes	Revenue Voted	5,34.49	37.34	3,78.20
30	Welfare of Scheduled Castes	Capital Voted	3,38.68	2.80	1,64.99
31	Welfare of Scheduled Tribes	Revenue Voted	1,27.70	16.10	98.44
31	Welfare of Scheduled Tribes	Capital Voted	1,00.00	0.36	45.67

ASSETS AND LIABILITIES

6.1. Assets

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

Total investments as share capital in non-financial Public Sector Undertakings (PSUs) stood at ₹ 1338 crore at the end of 2011-12. During the year 2011-12 investments increased by ₹ 42 crore while as dividend decreased by about ₹ 0.16 crore.

Deposits with RBI decreased by ₹ 218.24 crore and stood at ₹ 116.01 crore (cr) at the end of March, 2012.

6.2. Debt and Liabilities

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

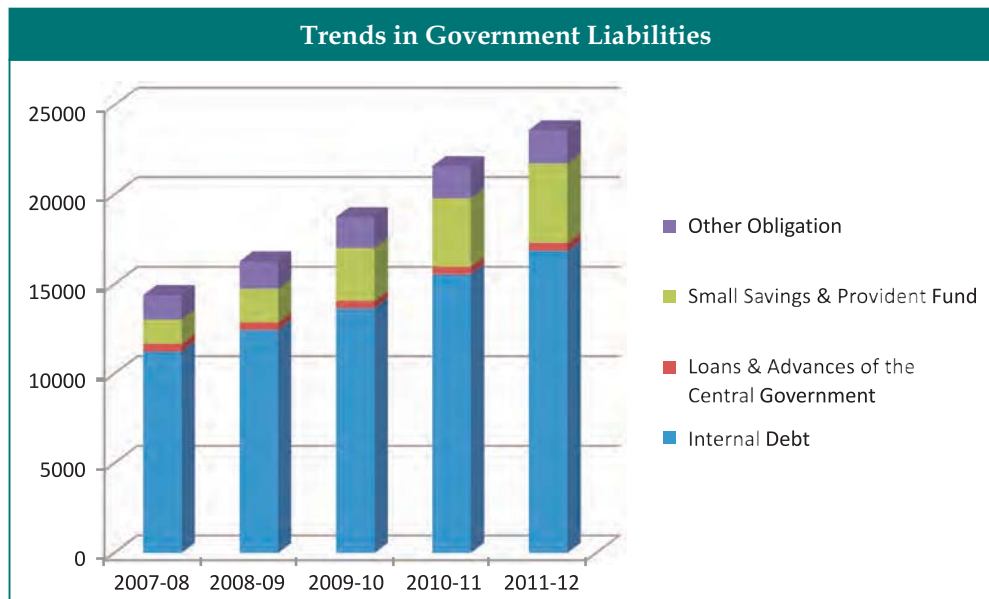
Details of the Public Debt and total liabilities of the State Government are as under:

(₹ in crore)

Year	Public Debt	% to GSDP	Public Account(*)	% to GSDP	Total Liabilities	% to GSDP
2007-08	11678	31	2714	7	14392	38
2008-09	12866	30	3410	8	16276	38
2009-10	14076	29	4672	10	18748	39
2010-11	15984	31	5614	11	21598	41
2011-12	17304	28	6306	10	23610	39

(*) Excludes Suspense and Remittance balances.

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



There was a net increase of ₹ 2122 crore (9 per cent) in Public Debt and Other liabilities as compared to 2010-11.

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

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

6.3. Guarantees

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

(₹ in crore)

At the end of the year	Maximum amount guaranteed (principal) only	Amount outstanding as on 31 st March 2012	
		Principal	Interest
2007-08	Information not available	1677	Information not available
2008-09	Information not available	1802	Information not available
2009-10	Information not available	1511	Information not available
2010-11	2122(*)	1511	Information not available
2011-12	2721(*)	1740	Information not available

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

OTHER ITEMS

7.1 Loans & Advances by the State Government

Total loans & Advances made by the State Government at the end of 2011-12 was ₹ 874.08 crore. Of this, Loans and Advances to Government Corporations/ Companies, non-Government Institutes and Local Bodies amounted to ₹ 806.38 crore. Details regarding the principal amount and the interest is not available.

7.2 Financial Assistance to Local bodies and Others

During the past five years, Grant-in-Aid to Local Bodies etc. increased from ₹ 309.78 crore in 2007-08 to ₹ 378.79 crore in 2011-12. Grants to Municipal Corporations, Municipalities, Zila Panchayats, Nagar Panchayats (₹ 237.42 crore) represented 62.68 per cent of total grants given during the year.

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

(₹ in crore)

Year	Municipal Corporations	Municipalities	Zila Panchayats	Nagar Panchayat	Others	Total
2007-08	21.46	73.65	38.46	15.82	160.39	309.78
2008-09	18.73	72.63	33.24	14.84	135.33	274.77
2009-10	26.66	79.66	40.30	16.16	161.95	324.73
2010-11	32.50	98.37	48.31	21.26	207.24	407.68
2011-12	50.05	102.23	61.67	23.47	141.37	378.79

7.3 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 st April 2011	As on 31 st March 2012	Net increase (+)/ decrease (-)
Cash Balances	3,28.80	1,10.63	(-)218.17
Investments from Cash Balance (GOI Treasury bills)	...	50.21	(+) 50.21
Investment from Earmarked Fund Balances	9,03.62	9,27.36	(+) 23.74
(a) Sinking fund	878.62	902.36	(+) 23.74
(b) Guarantee Redemption Fund	25.00	25.00	...
(c) Other Funds
Interest realized	13.78	10.40	(-) 3.38

State Government had a positive Closing Cash Balance at the end of 2011-12. The State Government had an investment of ₹ 927.36 crore from Earmarked Funds at the end of 2011.12

7.4 Reconciliation of Accounts

Accuracy and reliability of accounts depend, among other things on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Accountant General (Accounts & Entitlements). This exercise is to be conducted by respective Heads of Departments. In 2011-12, 61 percent (₹ 93,28.20 crore) of the total expenditure of ₹ 1,52,92.12 crore of the State Government could be reconciled. Similarly, out of total revenue receipts of ₹ 1,36,91.24 crore, only ₹ 1,20,16.96 crore was reconciled. The status of reconciliation of accounts in respect of the Chief Controlling Officers (CCO's) of different departments is given below:

PARTICULARS	Total number of CCOs	Fully reconciled	Partially reconciled	Not reconciled
EXPENDITURE	62	29	16	17
RECEIPTS	48	11	14	23

Some chronic defaulters in reconciliation are listed below.

Sl. No.	Name of the Department/ Chief Controlling Officer	Year/ Years pending
1.	Secretary, General Administration Secretariat, Government of Uttarakhand	2007-08 to 2011-12
2.	Commissioner, Calamity Relief, Revenue Department. Government of Uttarakhand	2007-08 to 2011-12
3.	Secretary, Real Estate Department Government of Uttarakhand	2007-08 to 2011-12
4.	Principal Secretary, Finance Govt. of Uttarakhand	2007-08 to 2011-12
5.	Commissioner Food & Civil Supplies Government of Uttarakhand, Dehradun	2010-11 to 2011-12

7.5 Submission of Accounts by Treasuries

- (i) 29 Treasuries of the State Government submit their Accounts to the Principal Accountant General (A&E), Uttarakhand. Out of 696 Accounts sent in 2011-12, 141 Accounts were sent belatedly. The delay ranged from 1 to 12 days.
- (ii) The total number of divisions in the Works Department as on March 2012 was 180. Total Accounts received during the year 2011-12 were 2057. Out of these 478 Accounts were received late. The delay ranged from 1 to 12 days.
- (iii) All the Pay & Accounts Offices sent their Accounts in time.
- (iv) Out of the total number of 57 divisions in the Forest Department, 684 Accounts were sent during the year 2011-12. 190 Accounts were received late. The delay ranged from 1 to 11 days.

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

When money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. Such AC bills are required to be settled, within a maximum of 90 days, through submission of DC bills. To the end of 31st March 2012, 345 DC Bills amounting to ₹ 53.97 crore was outstanding. This indicates that rules have not been properly followed. The position of the outstanding bills for the last three years is given below.

Year	Amount Outstanding (in crore of ₹)	Number of items
Upto 2009-10	4.34	16
2010-11	45.92	170
2011-12	03.71	159

