



सत्यमेव जयते

ACCOUNTS AT A GLANCE 2019-20



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Uttarakhand

Government of Uttarakhand



Accounts at a Glance for the year 2019-20

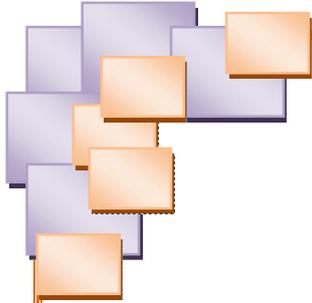
Accountant General
(Accounts and Entitlement),
Uttarakhand



लोकहितार्थ सत्यनिष्ठा
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GOVERNMENT OF UTTARAKHAND



Preface

I am happy to present the fourteenth issue of our annual publication, the 'Accounts at a Glance' for the year 2019-20, which provides a broad overview of Governmental activities, as reflected in the "Finance Accounts and Appropriation Accounts.

The Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and Public Account. The Appropriation Accounts record the grant-wise expenditure against provisions approved by the State Legislature and depict explanations for variations between the actual expenditure and the funds allocated.

Finance and Appropriation Accounts are prepared annually by my office under the direction of the Comptroller and Auditor General of India (C&AG) in accordance with the requirements of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 for being laid before the Legislature of the State.

We look forward to reader's feedback that would help us in improving the Publication.

Dehradun
Date: 05.05.2021


(Sandeep Singh)
Accountant General (A&E)
Uttarakhand

Our Vision, Mission and Core Values

VISION

(The vision of the institution of the Comptroller and Auditor General of India represents what we aspire to become.)

We strive 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.

Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders: the Legislature, the Executive and the Public so that public funds are being used efficiently and for the intended purposes.

MISSION

(Our mission enunciates our current role and describes what we are doing today.)

CORE VALUES

(Our core values are the guiding beacons for all that we do and give us the benchmarks for assessing our performance.)

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

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1.1. Introduction

The Accountant General (Accounts and Entitlement), Uttarakhand collates, classifies, compiles the accounts data rendered by multiple agencies and prepares the accounts of the Government of Uttarakhand. The compilation is done from the initial accounts rendered by 20 District Treasuries, 114 Public Works Divisions, 85 Irrigation Divisions, 57 Forest Divisions, accounts rendered by the other states/ accounting offices and advices of Reserve Bank of India. Every month a Monthly Civil Account is presented by the office of the Accountant General (A&E) to the Government of Uttarakhand. The office of Accountant General (A&E) also submits a quarterly Appreciation Note on the important financial indicators and quality of expenditure to the Government of Uttarakhand. The AG (A&E) also prepares, annually, Finance Accounts and the 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 Government Accounts

1.2.1 Government accounts are kept in three parts:

Structure of Government Accounts

Part 1 CONSOLIDATED FUND

All revenue received by the Government including tax and non-tax revenues, loans raised and repayment of loans given (including interest thereon) form the Consolidated Fund. All expenditure and disbursements of the Government, including release of loans and repayments of loans taken (and interest thereon), are met from this fund.

The Contingency Fund is in the nature of an Imprest, intended to meet unforeseen expenditure, not provided in the budget, pending authorization by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund. The corpus of this fund for the Government of Uttarakhand is ₹ 500.00 crore.

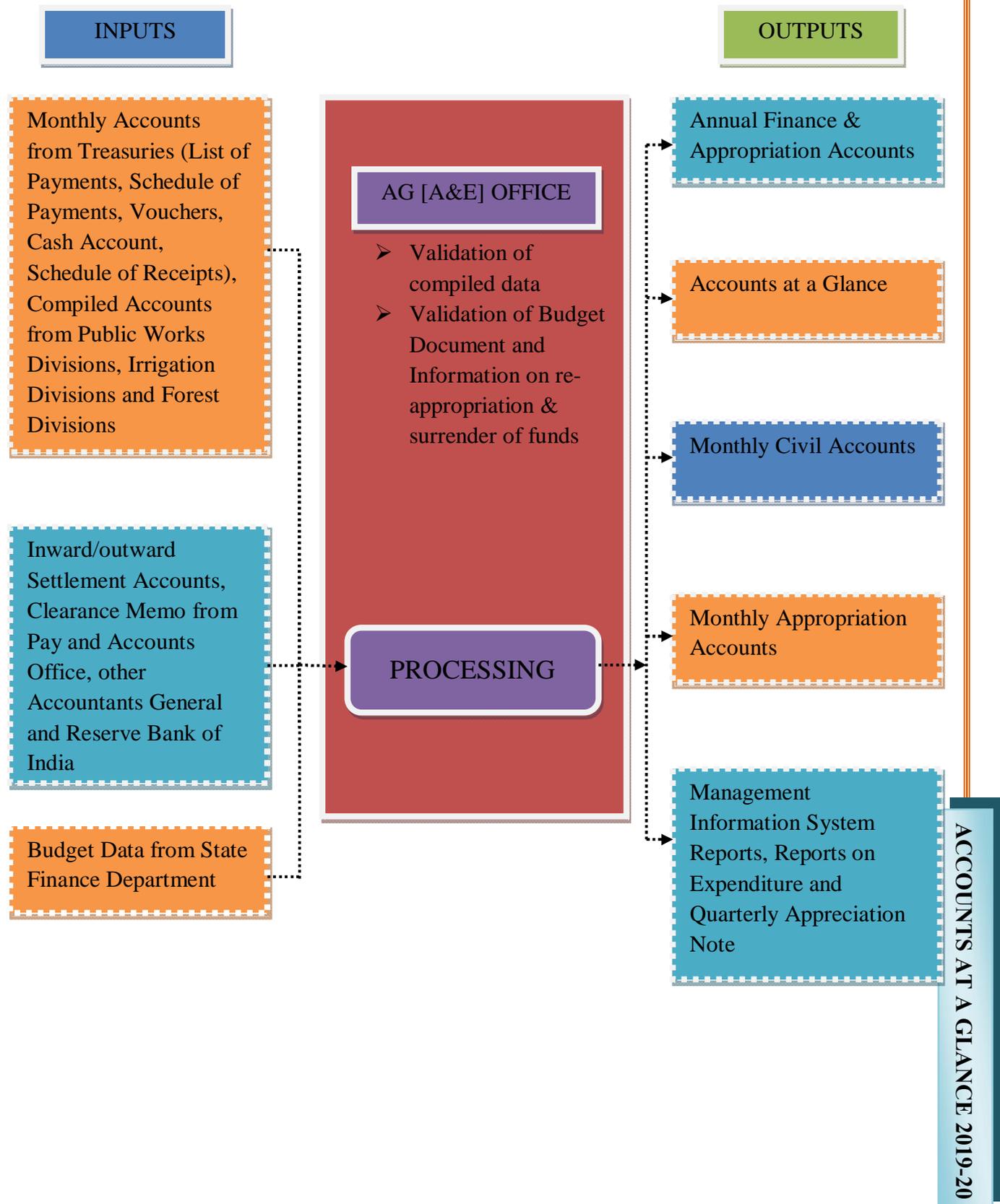
Part 2 CONTINGENCY FUND

Part 3 PUBLIC ACCOUNT

In Public Account, the transactions relating to Debt (Other than those included in Part 1), Deposits, Advances [in respect of which Government incurs a liability to pay the money received or has a claim to recover the amounts paid, together with the repayments of the former (Debt and Deposits) and recoveries of the latter (Advances)], Remittances and Suspense (embracing all merely adjusting heads under which shall appear such transactions as remittances of cash between treasuries and currency chests and transfer between different account circles) shall be recorded. The initial debits or credits of these heads will be cleared eventually by corresponding receipts or payments either within the same circle or in another account circle or by booking to the final heads of accounts.

1.2.2 Compilation of Accounts

Flow diagram for Accounts Compilation



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The 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. Finance Accounts are prepared in two volumes to make them more comprehensive and informative. Volume-I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, thirteen (13) summarized statements of overall receipts and disbursements and Notes to accounts containing summary of significant accounting policies, comments on quality of accounts and other items. Volume-II contains nine (9) detailed statements (Part I) and thirteen (13) appendices (Part II).

The Union Government transfers substantial funds directly to State Implementing Agencies/ Non-Governmental Organisations for implementation of various schemes and programmes. During the year 2019-20, the Government of India (GOI) released ₹ 23,04.31 crore directly to the implementing agencies in Uttarakhand. Since these funds are not routed through the State Budget, these are not reflected in the Accounts of the State Government. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts.

1.3.2 Financial Highlight of year 2019-20

The following table provides the details of actual financial results vis-a-vis budget estimates for the year 2019-20:

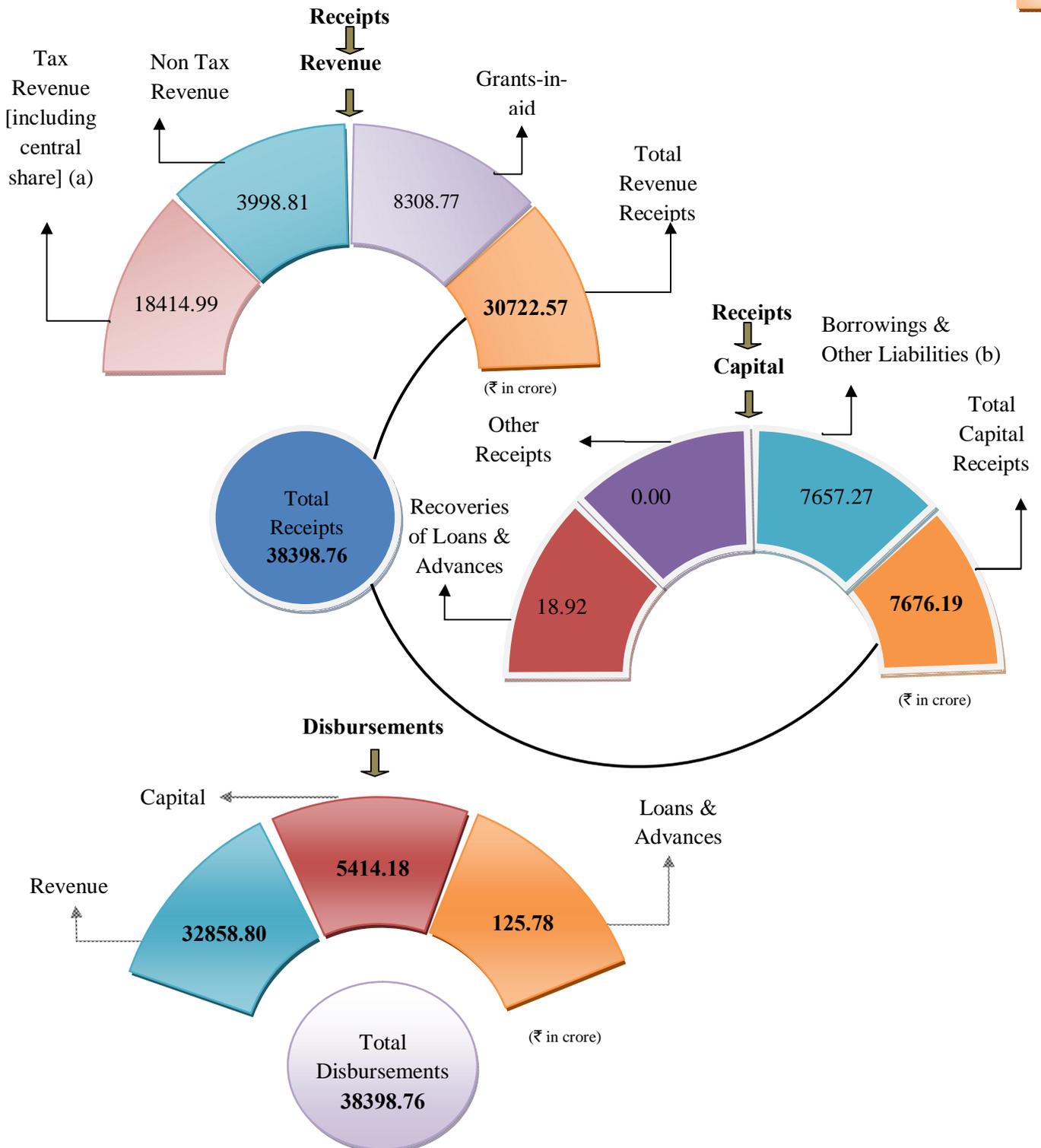
| Sr. No | Component | Budget Estimates (₹ in crore) | Actuals (₹ in crore) | Percentage of Actuals to B.E. | Percentage of Actuals to GSDP # |
|--------|---|-------------------------------|----------------------|-------------------------------|---------------------------------|
| 1. | Tax Revenue (including Central Share) (a) | 2,36,22.11 | 1,84,14.99 | 77.96 | 6.87 |
| 2. | Non-Tax Revenue | 42,54.81 | 39,98.81 | 93.98 | 1.49 |
| 3. | Grants-in-Aid & Contributions | 1,10,78.57 | 83,08.77 | 75.00 | 3.10 |
| 4. | Revenue Receipts (1+2+3) | 3,89,55.49 | 3,07,22.57 | 78.87 | 11.46 |
| 5. | Recovery of Loans & Advances | 33.94 | 18.92 | 55.75 | 0.00 |
| 6. | Other Receipts | í | í | í | í |
| 7. | Borrowings & Other Liabilities (b) | 67,98.16 | 76,57.27 | 112.64 | 2.86 |
| 8. | Capital Receipts (5+6+7) | 68,32.10 | 76,76.19 | 112.35 | 2.86 |
| 9. | Total Receipts (4+8) | 4,57,87.59 | 3,83,98.76 | 83.86 | 14.33 |
| 10. | Revenue Expenditure | 3,89,32.70 | 3,28,58.80 | 84.40 | 12.26 |
| 11. | Expenditure on Interest Payments (out of revenue expenditure) | 53,32.19 | 45,04.02 | 84.47 | 1.68 |
| 12. | Capital Expenditure | 65,72.08 | 54,14.18 | 82.38 | 2.02 |
| 13. | Loans and Advances Disbursed | 2,82.81 | 1,25.78 | 44.48 | 0.05 |
| 14. | Total Expenditure (10+12+13) | 4,57,87.59 | 3,83,98.76 | 83.86 | 14.33 |
| 15. | Revenue Deficit(-)/ Surplus (+) (4-10) | (+) 22.79 | (-) 21,36.23 | (-) 93,73.54 | (-) 0.80 |
| 16. | Fiscal Deficit(-)/ Surplus (+) (4+5+6-14) | (-)67,98.16 | (-)76,57.27 | (-) 112.64 | (-)2.86 |

(a) Includes share of net (tax) proceeds assigned to state amounting to ₹ 69,01.54 crore. [State Government Own Tax receipts were ₹ 1,15,13.45 crore which was 0.04 per cent of GSDP]

(b) Borrowing and other Liabilities: Net (receipts- disbursements) of Public Debt(₹ 40,16.94 crore) + Net of Contingency Fund(₹ 68.64 crore) + Net [Receipts-Disbursement] of Public Account(₹ 30,08.44 crore)+ net of Opening and Closing Cash Balance(₹ 5,63.25 crore).

(#) Advance estimates of GSDP for the year 2019-20 is ₹ 26,80,25.10 crore (at current prices) as per Budget document of State Government of Uttarakhand.

Receipts and Disbursement in year 2019-20



(a) Includes share of net (tax) proceeds assigned to state amounting to ₹ 69,02 crore. [State Government Own Tax receipts were ₹ 11513 crore which was 4.30 per cent of GSDP]

(b) Borrowing and other Liabilities: Net (receipts- disbursements) of Public Debt + Net of Contingency Fund, + Net [Receipts-Disbursement] of Public Account+ net of Opening and Closing Cash Balance

1.3.3 Appropriation Accounts

Under the Constitution, no expenditure can be incurred by the Government except with authorization of the Legislature. Barring certain expenditure specified in the Constitution as 'charged' on the Consolidated Fund, which can be incurred without vote of the Legislature, all other expenditure requires to be 'voted'. The Appropriation Accounts supplement the Finance Accounts. The budget of the Uttarakhand has 01 Charged Appropriation, 07 Charged Appropriation / Voted Grants and 23 Voted Grants. The purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure complied with the appropriation authorized by the Legislature through the Appropriation Act of each year.

1.3.4 Efficiency on Budget Preparation

The Appropriation Act, 2019-20, had provided for gross expenditure of ₹ 5,11,97.80 crore and reduction of expenditure (recoveries) of ₹ 23,34.50 crore. Against this, the actual gross expenditure was ₹ 4,79,73.19 crore and reduction of expenditure was ₹ 4,78.41 crore, resulting in saving of ₹ 32,24.61 crore (6.30 per cent) and ₹ 18,56.09 crore (79.51 per cent) respectively. Three grants, relating to 'Finance, Tax, Planning, Secretariat & Miscellaneous Services', 'Agriculture works & Research' and 'Food' showed excess.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

Ways and Means Advances are taken from the Reserve Bank of India to maintain liquidity by making good the deficiency in the agreed minimum cash balance (₹ 0.16 crore) which the State Government is required to maintain with the Reserve Bank of India. During 2019-20, the Government of Uttarakhand availed Ways and Means advance of ₹ 72,78.63 crore however, ₹ 69,65.36 crore was repaid during the year, thereby leaving net balance of ₹ 3,13.27 crore

1.4.2 Overdraft from the Reserve Bank of India

Overdraft is taken from the Reserve Bank of India while the limit of minimum cash balance falls below i.e. ₹ 0.16 crore, even after taking Ways and Means Advances which is required to be maintained with the Reserve Bank of India. During the year 2019-20, overdraft was taken by the State Government for 2 days.

1.4.3 Fund flow statement

The State had a Revenue Deficit of ₹ 21,36.23 crore and a Fiscal Deficit of ₹ 76,57.27 crore in 2019-20. The Fiscal Deficit was met from net Public Debt (₹ 40,16.94 crore), increase in Public Account (₹ 30,08.44 crore), net of Contingency Fund (₹ 68.64 crore) and net decrease in closing cash balance (₹ 5,63.25 crore). Around 71 per cent of Revenue Receipts (₹ 3,07,22.57 crore) of the State Government was spent on committed expenditure like salaries (₹ 1,17,13.73 crore), interest payments (₹ 45,04.02 crore), pensions (₹ 55,06.92 crore) and subsidies (₹ 34.62 crore).

Sources and Application of Funds

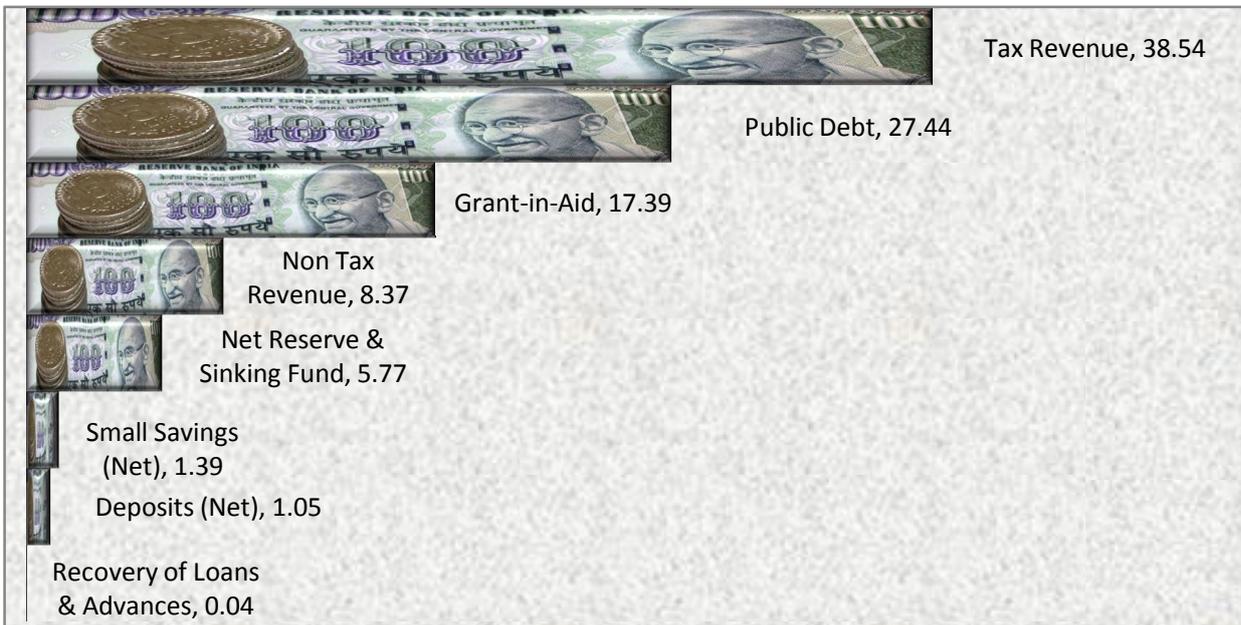
| | | (₹ in crore) |
|--------------------|---|------------------|
| | | AMOUNT |
| SOURCES | É Opening Cash Balance as on 1st April, 2019 | 1158.50 |
| | É Revenue Receipts | 30722.57 |
| | É Misc. Capital Receipts | 0.00 |
| | É Recovery of Loans and Advances | 18.92 |
| | É Public Debt | 13112.96 |
| | É Small Savings, Provident Funds etc. | 1976.29 |
| | É Reserve Funds & Sinking Funds | 3080.09 |
| | É Deposits Received | 4024.76 |
| | É Civil Advances Repaid | 0.00 |
| | É Suspense Account | 57517.55** |
| | É Remittances | 21.76 |
| | É Contingency Fund | 94.42 |
| | É Total | 111727.82 |
| APPLICATION | • Revenue Expenditure | 32858.80 |
| | • Capital Expenditure | 5414.18 |
| | • Loans Given | 125.78 |
| | • Repayment of Public Debt | 9096.03 |
| | • Small Savings, Provident Funds etc. | 1310.50 |
| | • Reserve Funds & Sinking Funds | 321.48 |
| | • Deposits Repaid | 3523.18 |
| | • Civil Advances Given | 0.00 |
| | • Suspense Account | 58434.46* |
| | • Remittances | 22.38 |
| | • Contingency Fund | 25.78 |
| | É Closing Cash Balance as on 31st March, 2020 | 595.25 |
| | • TOTAL | 111727.82 |

* Includes ₹ 2,10,42.59 crore on account of cash balance investment account.

** Includes ₹ 2,12,90.07 crore on account of cash balance investment account.

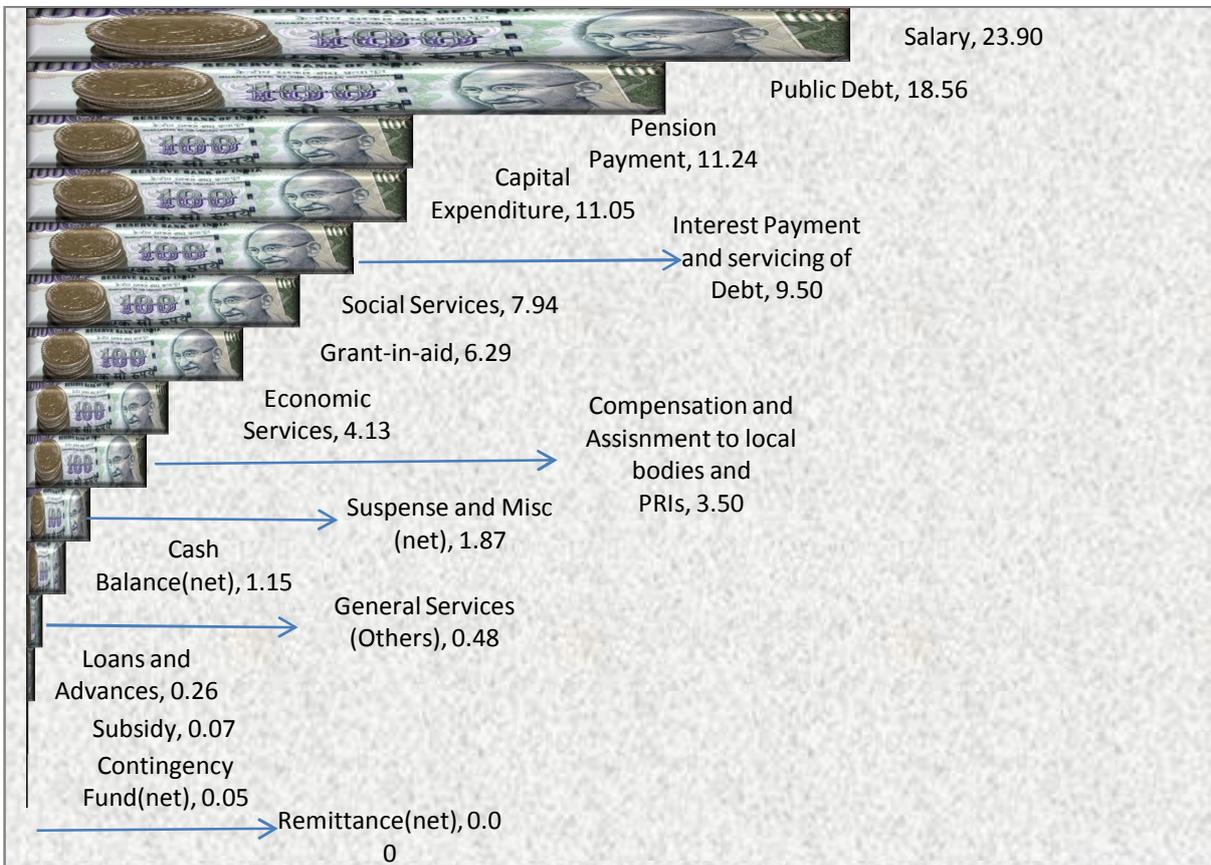
1.4.4 Where the ₹ came from ?

Actual Receipts



1.4.5 Where the ₹ went ?

Actual Expenditure



During the year 2019-20, Revenue Deficit of ₹ 21,36.23 crore (₹ 9,79.58 crore revenue deficit in 2018-19) and fiscal deficit of ₹ 76,57.27 crore (₹ 73,20.56 crore fiscal deficit in 2018-19) represent 0.80 per cent and 2.86 per cent of Gross State Domestic Product (GSDP) respectively. The fiscal deficit constituted 19.94 per cent of total expenditure (₹ 3,83,98.76 crore).

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.

Refers to the gap between revenue receipt and revenue expenditure. Revenue expenditure is required to maintain the existing establishment of government and ideally, should be fully met from revenue receipts.

REVENUE DEFICIT / SURPLUS

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 and ideally should be invested in capital projects.

1.5 Fiscal Responsibility and Budget Management (FRBM) Act, 2005

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The Government of Uttarakhand has enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005. This Act has been modified in the year 2011 and 2016. As per provision of this Act, the State Government was required to achieve certain fiscal targets by specified periods. Achievements during the

year 2019-20 against fiscal targets laid down in the Act and rules framed there under were as follows:

| Sr. No. | Financial Parameter | Actual (₹ in crore) | Ratio to GSDP# | |
|---------|----------------------------------|---------------------|--------------------------|----------------------|
| | | | Target | Achievement |
| 1 | Revenue Deficit | 21,36.23 | Reduce to nil by 2014-15 | 0.80 (Not achieved) |
| 2 | Fiscal Deficit | 76,57.27 | 3 to 3.25* | 2.86 (Achieved) |
| 3 | Borrowings and Other Obligations | 79,42.90 | 3 to 3.5** | 2.96 (Achieved) |
| 4 | Outstanding Guarantees | 5,82.40 | 1 | 0.22 (Achieved) |

Advance estimates of GSDP for the year 2019-20 is ₹ 2,68,025.10 crore (at current prices) as per Budget document of State Government of Uttarakhand.

*As per FRBM Act 2016, the limit for Fiscal Deficit is 3 per cent of GSDP and conditional flexibility upto 3.25 per cent of GSDP.

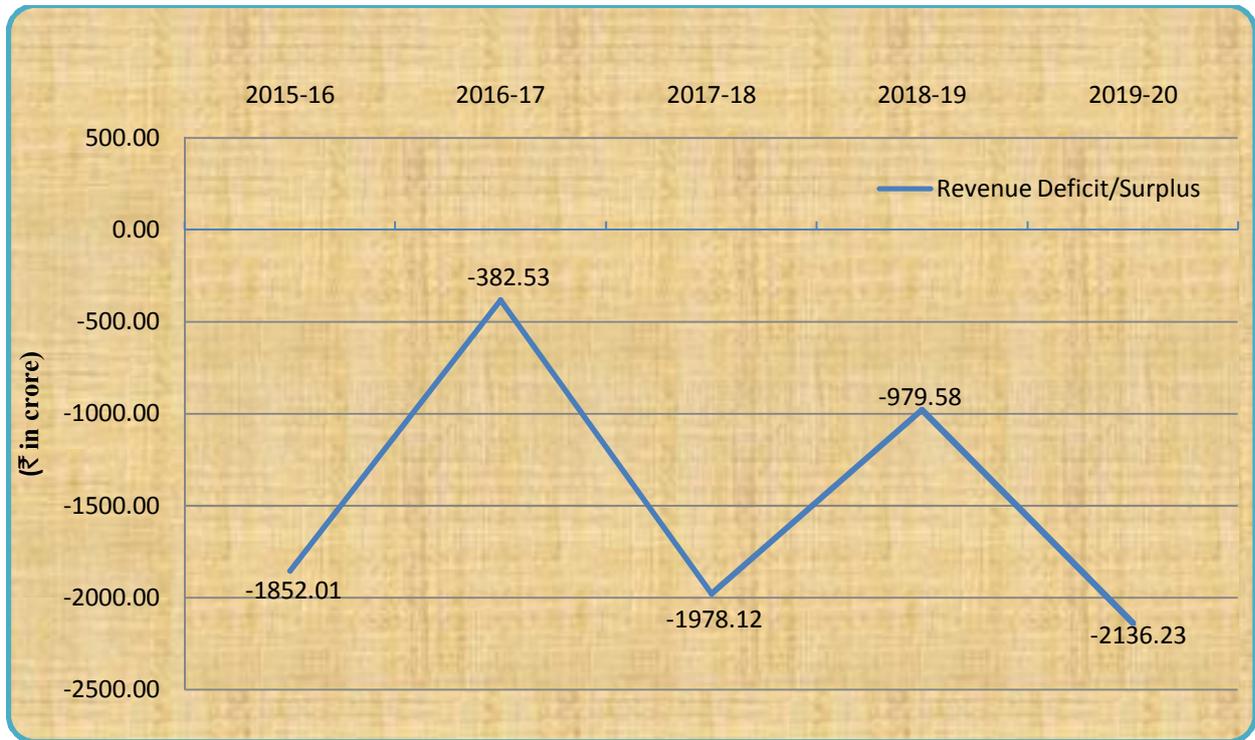
** As per FRBM Act 2016, the limit for borrowings is 3 per cent of GSDP and conditional flexibility upto 3.5 per cent of GSDP.

The State Government had made disclosures to the Legislature required under the Uttarakhand Fiscal Responsibility and Budget Management Act, 2005.

The State Government had Revenue Deficit of ₹ 9,79.58 crore in 2018-19 and ₹ 21,36.23 crore during the year 2019-20 which does not conform the target of FRBM Act. Fiscal deficit increased by ₹ 3,36.71 crore from ₹ 73,20.56 crore in 2018-19 to ₹ 76,57.27 crore in 2019-20 and was 2.86 per cent of GSDP which was well within the stipulated target of 3 per cent of GSDP. Against, the target of keeping borrowings during the year upto 3 per cent of GSDP by the year 2019-20, the borrowings during the year stood at ₹ 79,42.90 crore, being 2.96 per cent of GSDP. Similarly, against the target of maintaining amount of outstanding guarantees below 1 per cent of GSDP, the amount of outstanding guarantees was ₹ 5,82.40 crore as on 31 March, 2020, being 0.22 per cent of GSDP (₹ 26,80,25crore) which was well within the stipulated parameters.

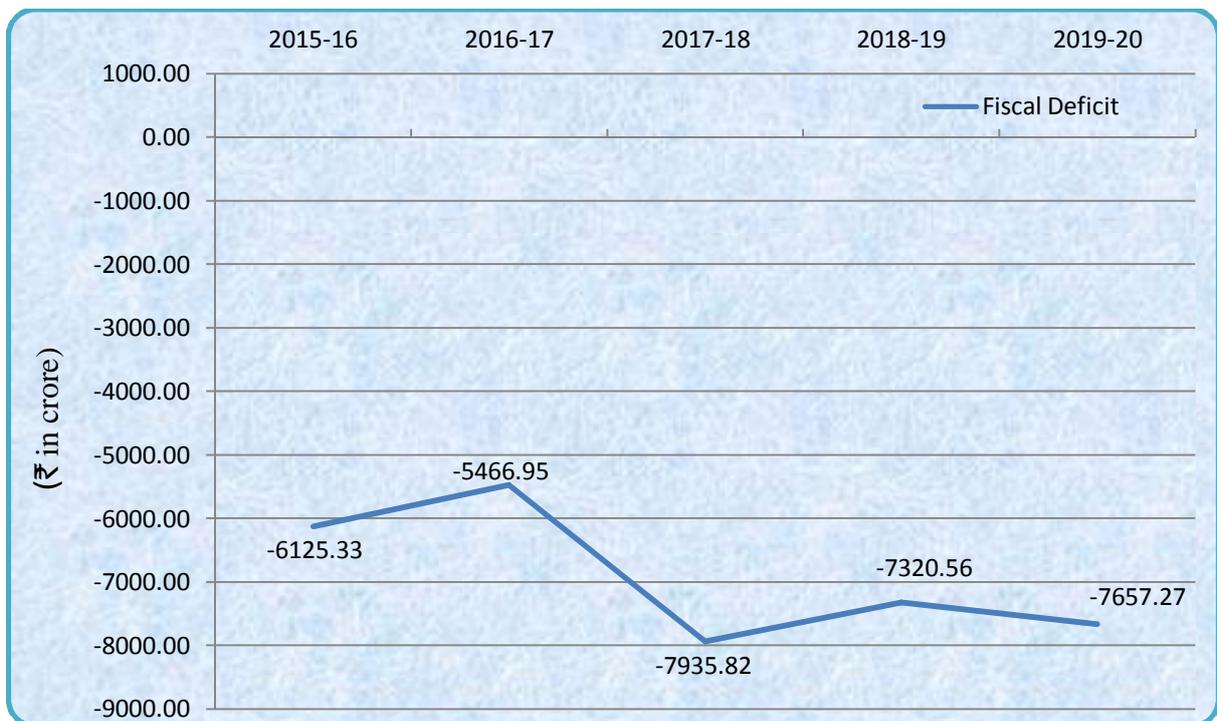
1.5.1 Trend of Revenue Deficit / Surplus

Trend of Revenue Deficit / Surplus



1.5.2 Trend of Fiscal Deficit

Trend of Fiscal Deficit

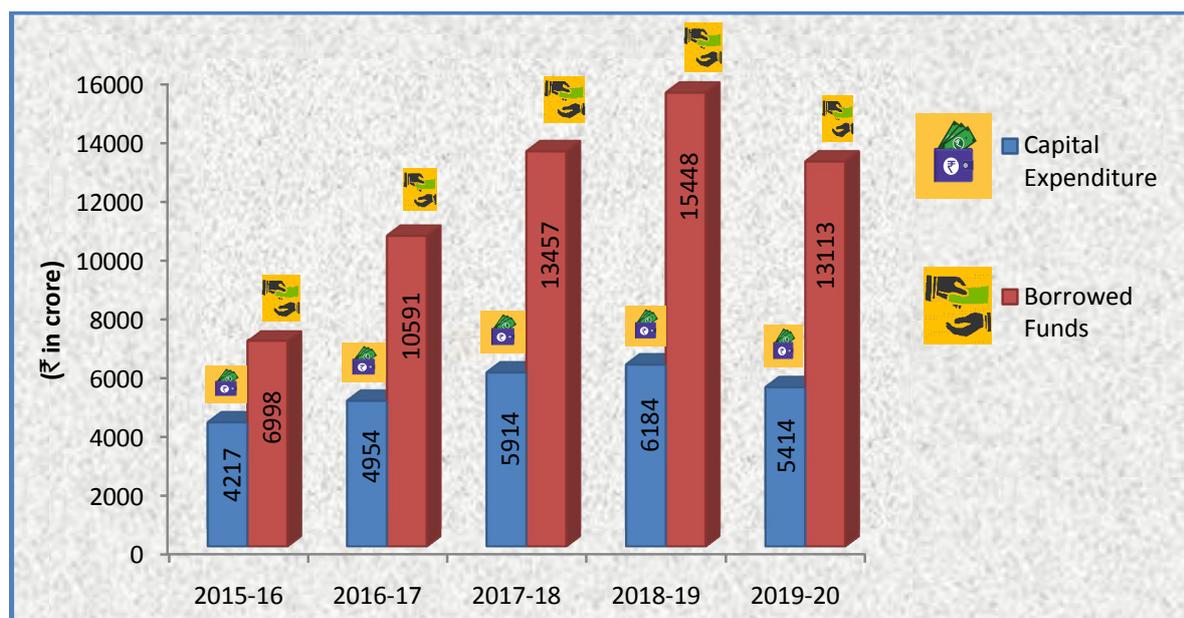


1.5.3 Proportion of borrowed funds spent on Capital Expenditure

(₹ in crore)

| Year | Borrowed Fund* | Capital Expenditure |
|---------|----------------|---------------------|
| 2015-16 | 69,98 | 42,17 |
| 2016-17 | 1,05,91 | 49,54 |
| 2017-18 | 1,34,57 | 59,14 |
| 2018-19 | 1,54,48 | 61,84 |
| 2019-20 | 1,31,13 | 54,14 |

*represents receipts of Public Debt during the year.



The Governments usually run on fiscal deficits and borrow funds for capital / assets formation or for creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating an income stream. Thus, it is desirable to fully utilize borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest. The State Government, however, spent only 41.29 per cent of the borrowings of the current year (₹ 1,31,12.96 crore) on capital expenditure (₹ 54,14.18 crore) and 0.96 per cent on the loans given by the State Government (₹ 1,25.78 crore). It would therefore, appear that balance 57.75 per cent of borrowings in the public debt was utilized to repay the part of principal (₹ 90,96.03 crore) of public debt of previous years.

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts for 2019-20 was ₹ 3,83,98.76 crore (₹ 3,07,22.57 crore of Revenue Receipts and ₹ 76,76.19 crore of Capital Receipts).

2.2 Revenue Receipts

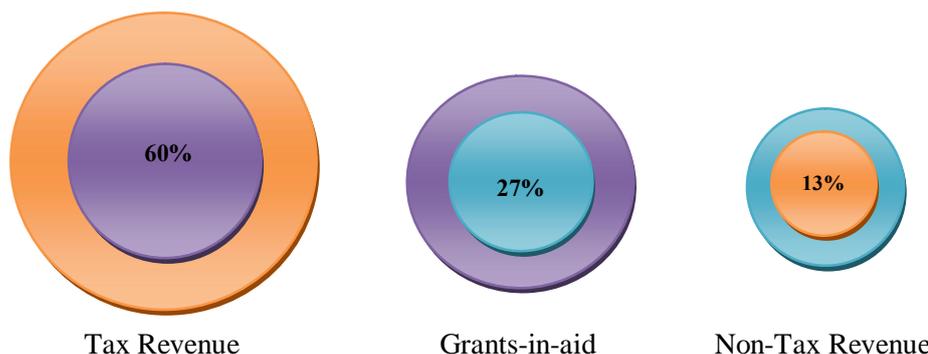
The Revenue Receipts of the government comprise three components viz. Tax Revenue, Non-tax Revenue and Grants-in-aid received from the Union Government.

TAX REVENUE Comprises taxes collected and retained by the state and State's Share of Union Taxes under Article 280(3) of the Constitution.

Includes interest receipts, dividends, profits, departmental receipts etc. **NON-TAX REVENUE**

GRANTS-IN-AID Grants-in-aid represent central assistance to the State Government from the Union Government. It also includes "External Grant Assistance" and "Aid, Material and Equipment" received from Foreign Government 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 Receipts



2.2.1 Revenue Receipts Components (2019-20)

| Components | Actuals (₹ in crore) | Per cent to Revenue Receipt |
|---|-------------------------|--------------------------------|
| A. Tax Revenue* | 1,84,14.99 | 59.94 |
| Goods and Service Tax | 68,89.51 | 22.42 |
| Taxes on Income and Expenditure | 41,97.19 | 13.66 |
| Taxes on Property and Capital Transactions | 10,96.06 | 3.57 |
| Taxes on Commodities and Services | 62,32.23 | 20.29 |
| B. Non-Tax Revenue | 39,98.81 | 13.02 |
| Fiscal Services | 0.02 | 0 |
| Interest Receipts, Dividend and Profits | 61.89 | 0.20 |
| General Services | 26,35.76 | 8.58 |
| Social Services | 4,49.54 | 1.47 |
| Economic Services | 8,51.60 | 2.77 |
| C. Grants-in-aid & Contributions | 83,08.77 | 27.04 |
| Total- Revenue Receipts | 3,07,22.57 | 100 |

* Includes share of net proceeds assigned to State [received from the Government of India].

2.2.2 Trend of Revenue Receipts

(₹ in crore)

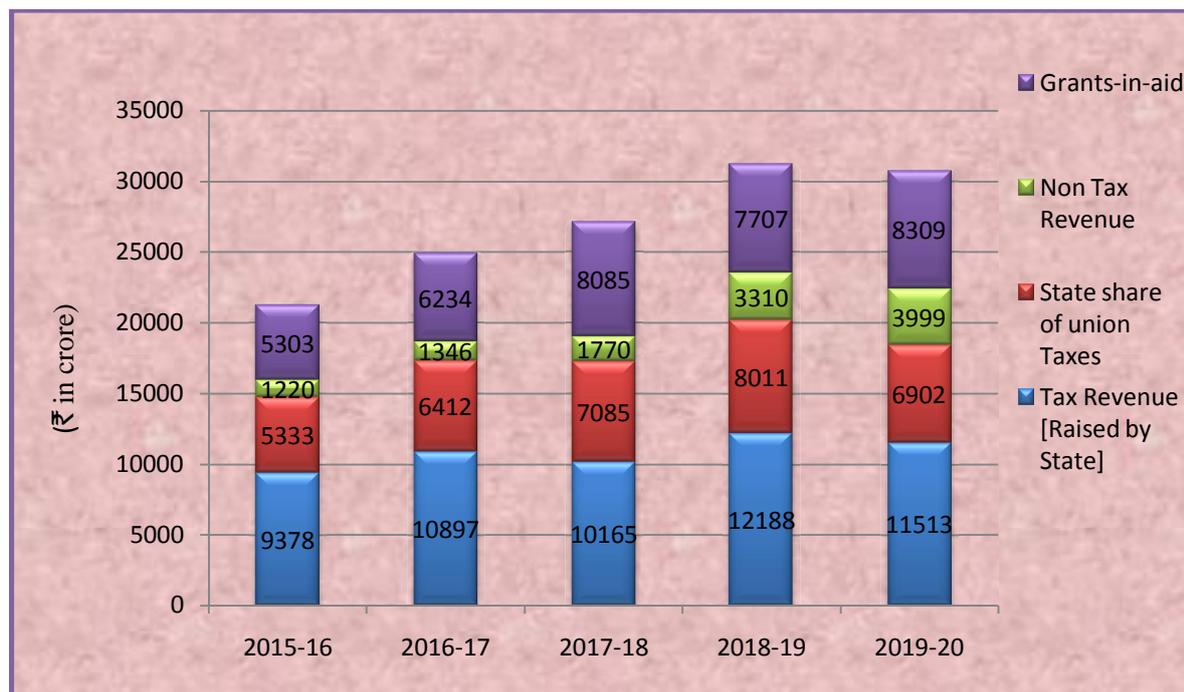
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Tax Revenue [Raised by the State] | 93,78 (5) | 1,08,97 (6) | 1,01,65 (5) | 1,21,88 (5) | 1,15,13 (4) |
| State Share of Union Taxes/ Duties | 53,33 (3) | 64,12 (3) | 70,85 (3) | 80,11 (3) | 69,02 (3) |
| Non-Tax Revenue | 12,20 (1) | 13,46(1) | 17,70 (1) | 33,10 (1) | 39,99 (1) |
| Grants in Aid | 53,04(3) | 62,34 (3) | 80,85 (3) | 77,07 (3) | 83,09 (3) |
| Total Revenue Receipts | 2,12,34 (12) | 2,48,89 (13) | 2,71,05 (12) | 3,12,16 (12) | 3,07,23 (11) |
| GSDP | 17,71,63 | 19,51,25 | 22,28,36 | 24,58,95 | 26,80,25# |

Note: Figures in parentheses represent percentage to GSDP. GSDP for the year 2019-20 is ₹ 2,68,025.10 crore (at current prices) as per Budget document of State Government of Uttarakhand.

Advance estimate

Though the GSDP increased by 9 per cent in 2019-20 as compared to previous year, decrease in revenue receipts was 1.58 per cent. The total tax revenue (including State Share of Union Taxes/ Duties) decreased by 8.84 per cent, the non-tax revenue increased by 20.82 per cent and the grants-in-aid increased by 7.81 per cent compared to previous year.

Trend of components of Revenue Receipts



2.3 Tax Revenue

(₹ in crore)

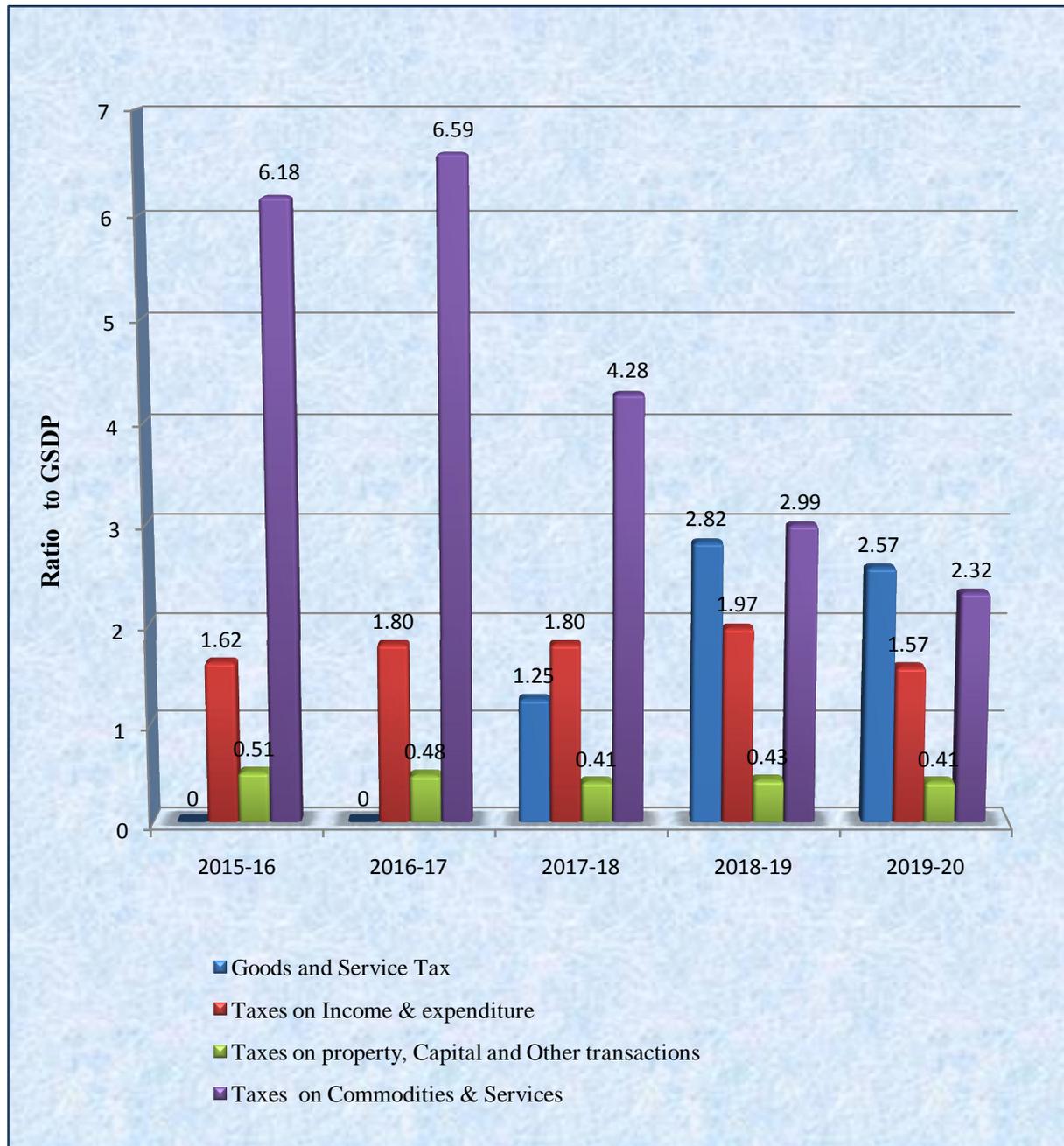
| Sector-wise Tax Revenue | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
| a. Goods and Service Tax | NA* | NA* | 27,88(1.25) | 69,37(2.82) | 68,90 (2.57) |
| b. Taxes on Income and Expenditure | 28,64(1.62) | 35,14(1.80) | 40,21(1.80) | 48,53(1.97) | 41,97(1.57) |
| c. Taxes on Property and Capital Transactions | 8,99(0.51) | 9,42(0.48) | 9,06(0.41) | 10,51(0.43) | 10,96 (0.41) |
| d. Taxes on Commodities and Services | 1,09,48(6.18) | 1,28,53(6.59) | 95,35(4.28) | 73,59(2.99) | 62,32 (2.32) |
| Total Tax Revenues | 1,47,11(8.30) | 1,73,09(8.87) | 1,72,50(7.74) | 2,02,00(8.21) | 1,84,15(6.87) |
| GSDP | 17,71,63 | 19,51,25 | 22,28,36 | 24,58,95 | 26,80,25 |

Note: Figures in Parentheses represents percentage to GSDP.

* GST was introduced w.e.f. 01/07/2017.

The decrease in total Tax Revenue during 2019-20 was mainly attributable to less collection under Taxes on Commodities and Services (₹ 11,27 crore) and Taxes on Income and Expenditure (₹ 6,56 crore).

Trend of Major Taxes in proportion to GSDP



2.3.1 State's own Tax and State's share of Union Taxes

Tax Revenue of the State Government comes from two sources viz. State's own tax collections and devolution of Union taxes.

| Year | Tax Revenue ₹ in crore | State share of Union taxes/Duties ₹ in crore | State's Own Tax Revenue | |
|---------|---------------------------|--|---------------------------|--------------------|
| | | | Tax Revenue ₹ in crore | Percentage to GSDP |
| (1) | (2) | (3) | (4) | (5) |
| 2015-16 | 14711 | 5333 | 9378 | 5.32 |
| 2016-17 | 17309 | 6412 | 10897 | 5.58 |
| 2017-18 | 17250 | 7085 | 10165 | 4.67 |
| 2018-19 | 20200 | 8012 | 12188 | 4.96 |
| 2019-20 | 18415 | 6902 | 11513 | 4.30 |

Following table depicts the comparative position about tax revenue received from the two sources over a period of five years: (₹ in crore)

| Description | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|----------------|----------------|----------------|----------------|----------------|
| State's own Tax collection | 93,78 | 1,08,97 | 1,01,65 | 1,21,88 | 1,15,13 |
| Devolution of Union Taxes | 53,33 | 64,12 | 70,85 | 80,12 | 69,02 |
| Total Tax Revenue | 1,47,11 | 1,73,09 | 1,72,50 | 2,02,00 | 1,84,15 |
| Percentage of State's own Tax to total Tax Revenue | 64 | 63 | 59 | 60 | 63 |

The proportion of State's own tax collection in overall tax revenue has decreased to 63 per cent in 2016-17, decreased to 59 per cent in 2017-18, increased to 60 per cent in 2018-19 and increased to 63 per cent in 2019-20.

2.3.2 Trend in State's Own Tax collection over the past five years

| Description | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|--------------|----------------|----------------|----------------|----------------|
| 1. State Goods and Services Tax (SGST) | NA* | NA* | 19,72 | 48,02 | 49,31 |
| 2. Taxes on Sales, Trade etc | 61,05 | 71,54 | 37,03 | 18,83 | 18,11 |
| 3. State Excise | 17,35 | 19,06 | 22,62 | 28,71 | 27,27 |
| 4. Taxes on Vehicles | 4,71 | 5,56 | 8,16 | 9,09 | 9,08 |
| 5. Stamp and Registration fees | 8,71 | 7,78 | 8,82 | 10,15 | 10,72 |
| 6. Taxes and Duties on electricity | 1,15 | 1,89 | 3,24 | 5,06 | 39 |
| 7. Land Revenue | 28 | 1,60 | 24 | 34 | 24 |
| 8. Other taxes | 53 | 1,54 | 1,82 | 1,68 | 01 |
| Total State's own Taxes | 93,78 | 1,08,97 | 1,01,65 | 1,21,88 | 1,15,13 |

* Not Applicable

2.4 Cost of Tax Collection

(₹ in crore)

| Taxes | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---------------------------------------|---------|---------|---------|---------|---------|
| 1. Taxes on Sales, Trade etc. | | | | | |
| Revenue collection | 61,05 | 71,54 | 37,03 | 18,83 | 18,11 |
| Expenditure on Collection | 2,83 | 1,86 | 1,90 | 41 | 8 |
| Cost of Tax Collection | 4.64% | 2.60% | 5.13% | 2.18% | 0.44% |
| 2. State Excise | | | | | |
| Revenue collection | 17,35 | 19,06 | 22,62 | 28,71 | 27,27 |
| Expenditure on Collection | 18 | 19 | 23 | 26 | 25 |
| Cost of Tax Collection | 1.04% | 1.00% | 1.02% | 0.91% | 0.92% |
| 3. Stamps and Registration Fee | | | | | |
| Revenue collection | 8,71 | 7,78 | 8,82 | 10,15 | 10,72 |
| Expenditure on Collection | 32 | 24 | 22 | 12 | 13 |
| Cost of Tax Collection | 3.67% | 3.08% | 2.49% | 1.18% | 1.21% |
| 4. Taxes on vehicles | | | | | |
| Revenue collection | 4,71 | 5,56 | 8,16 | 9,09 | 9,08 |
| Expenditure on Collection | 0.50 | 0.38 | 0.36 | 0.28 | 0.21 |
| Cost of Tax Collection | 0.11% | 0.07% | 0.04% | 0.03% | 0.02% |

The expenditure on collection of State Excise was high as compared to expenditure on collection of other taxes.

2.5 Trend in State's share of Union Taxes over the past five years

(₹ in crore)

| Description | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---------|---------|---------|---------|---------|
| Central Goods and Services Tax (CGST) | NA* | NA* | 1,01 | 19,77 | 19,59 |
| Integrated Goods and Services Tax (IGST) | NA* | NA* | 7,15 | 1,58 | í |
| Corporation Tax | 16,77 | 20,56 | 21,70 | 27,86 | 23,53 |
| Taxes on Income other than Corporation Tax | 11,63 | 14,29 | 18,32 | 20,52 | 18,44 |
| Other taxes on Income and Expenditure | í | í | í | 15 | í |
| Taxes on Wealth | í | 5 | í | 1 | í |
| Customs | 8,55 | 8,84 | 7,15 | 5,68 | 4,38 |
| Union Excise Duties | 7,14 | 10,10 | 7,48 | 3,77 | 3,04 |
| Service Tax | 9,20 | 10,28 | 8,04 | 74 | í |
| Other Taxes and Duties on Commodities and Services | 4 | í | í | 4 | 4 |
| State Share of Union Taxes/Duties | 53,33 | 64,12 | 70,85 | 80,12 | 69,02 |
| Total Tax Revenue | 1,47,11 | 1,73,09 | 1,72,50 | 2,02,00 | 1,84,15 |
| Percentage of State Share of Union Taxes to Total Tax Revenue | 36.25 | 37.04 | 41.07 | 39.66 | 37.48 |

* Not applicable

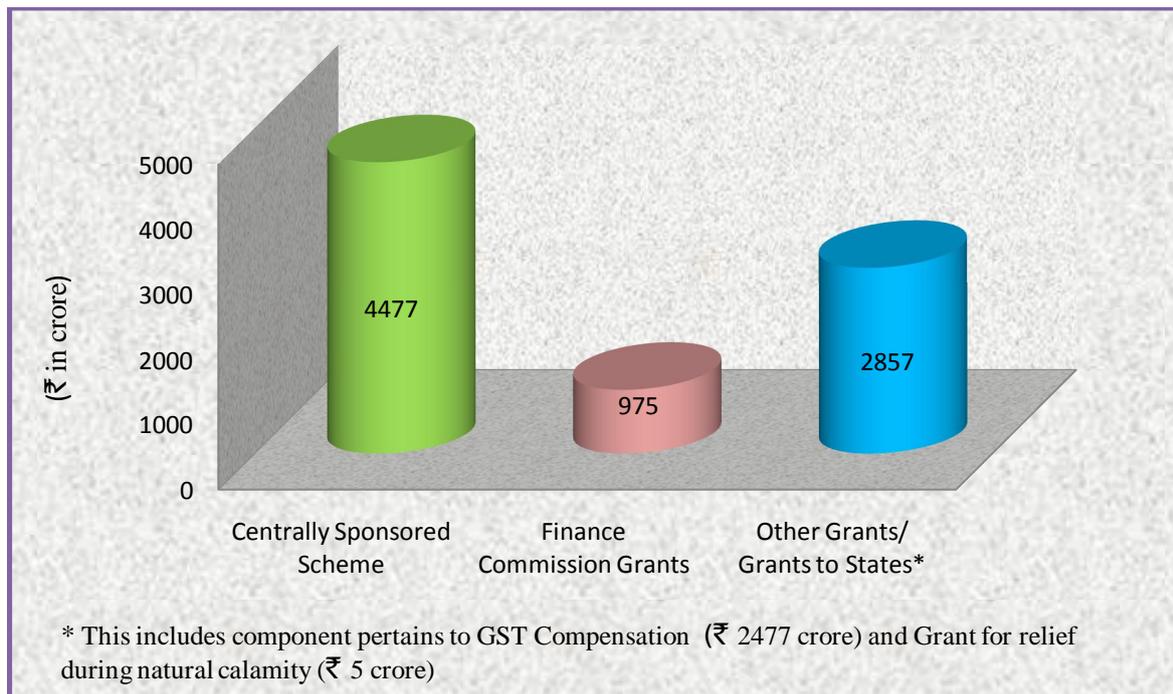
Government of Uttarakhand received ranging between 36 *per cent* to 41 *per cent* share of Total Tax Revenue from the net proceeds of all shareable Union Taxes during the period 2015-16 to 2019-20.

2.6 Grants-in-aid

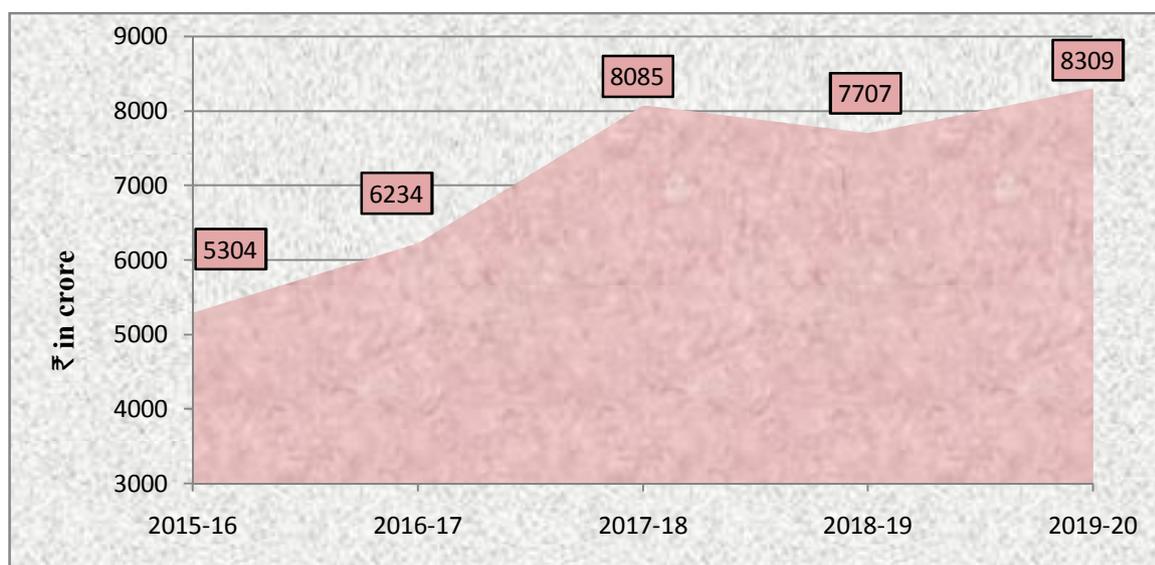
Grants-in-aid represent assistance from the Government of India, and comprises, grant for State Schemes, Central Schemes and Centrally Sponsored Schemes approved by the Niti Aayog and State Grants recommended by the Finance Commission.

Total receipts during 2019-20 under Grants-in-aid were ₹ 83,09 crore as shown below:

Grants - in - Aid

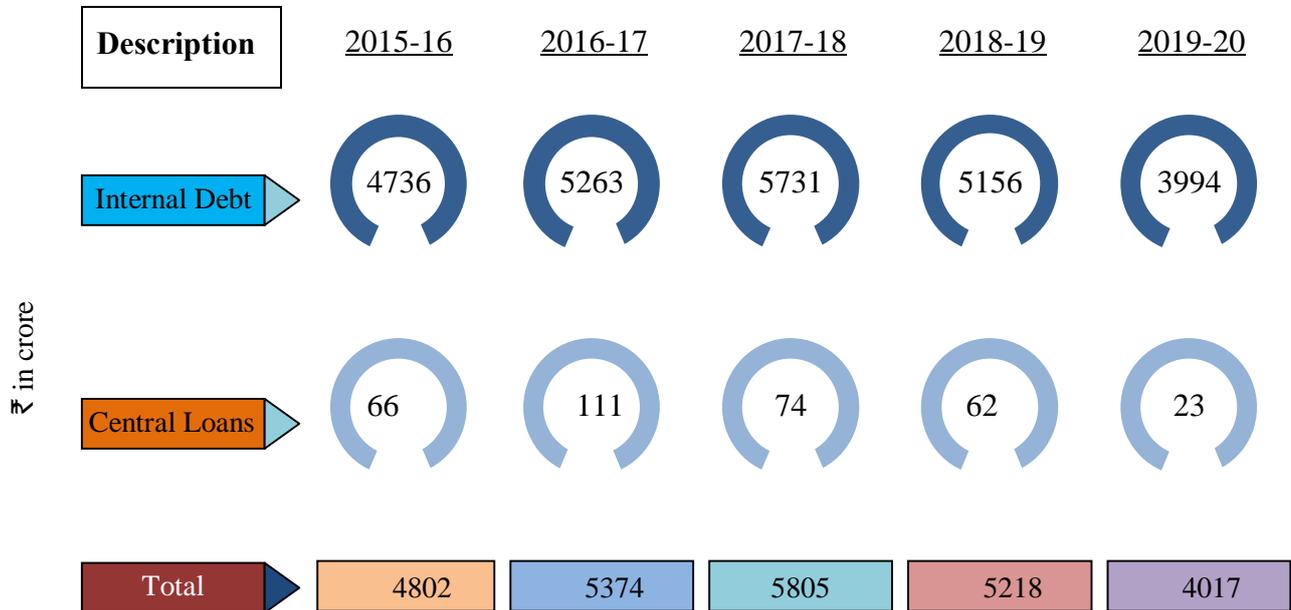


Trend of Grants-in-Aid



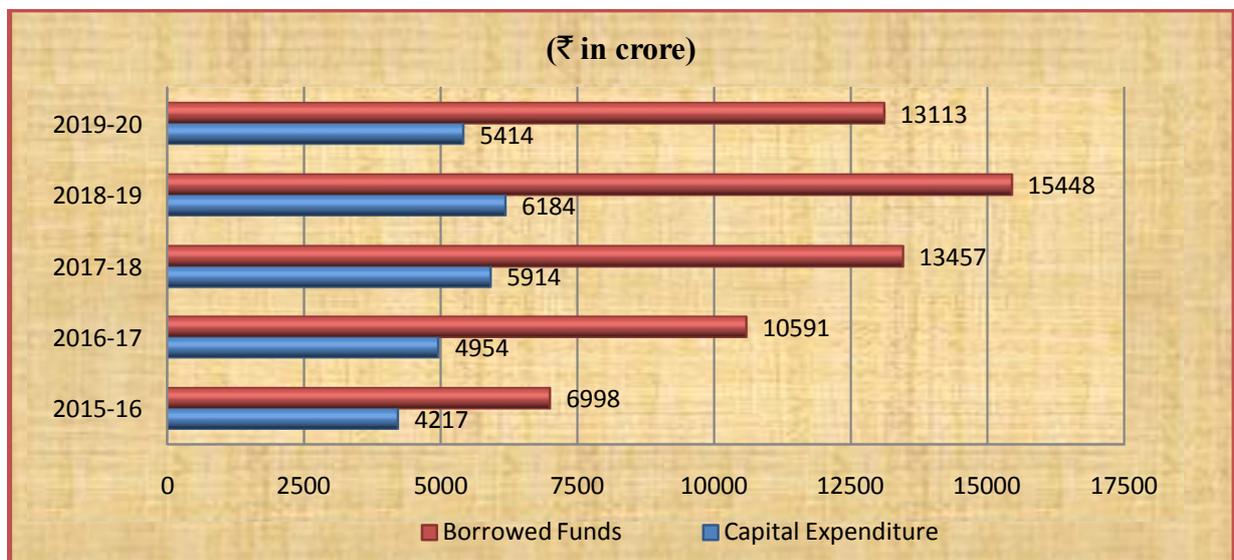
2.7 Public Debt

Trend of position of Public Debt (figures represent net increase / decrease during the year 2019-20) over the past five years:



During the year 2019-20, fifteen loans totaling ₹ 51,00.00 crore were raised from the open market at interest rates varying from 6.88 per cent to 8.19 per cent and the same are redeemable in the year 2029 and 2030. In addition, the State Government raised loan of ₹ 6,64.30 crore from the financial institutions. An amount of ₹ 72,78.63 crore obtained from Ways and Means Advances from the Reserve Bank of India. Thus, the total Internal Debt raised by the Government during the year 2019-20 aggregated to ₹ 1,30,42.93 crore. The Government also received ₹ 70.03 crore from Government of India as loans and advances.

Borrowed Funds viz-a-viz Capital Expenditure

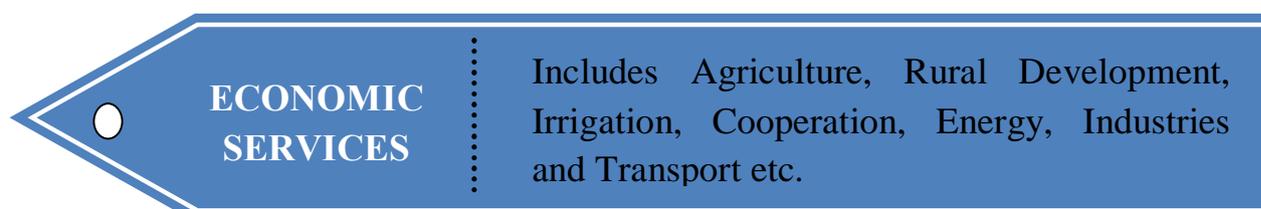
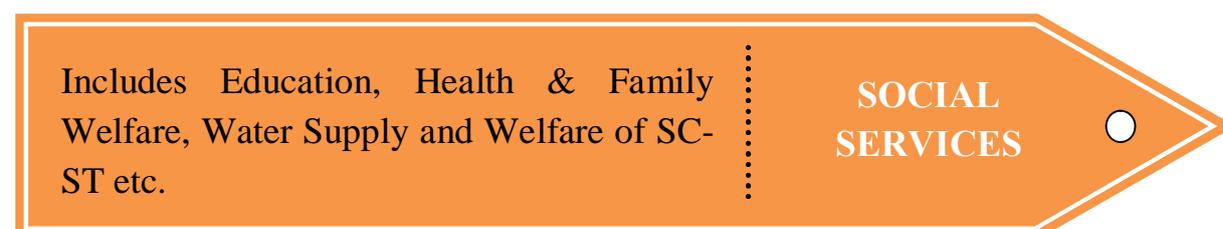


Chapter III Expenditure

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.

In Government accounts, the expenditure is classified at top level into three sectors: General Services, Social Services and Economic Services. The significant areas of expenditure covered under these sectors are mentioned in the table given below:-



3.2 Revenue Expenditure

The shortfall of revenue expenditure against budget estimates as per Appropriation Accounts during the past five years is given below:-

| Year | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|
| Budget Estimates | 2,57,39 | 3,22,50 | 3,15,51 | 3,56,27 | 3,89,33 |
| Actuals | 2,30,86 | 2,52,72 | 2,90,83 | 3,21,96 | 3,28,59 |
| Gaps | 26,53 | 69,78 | 24,68 | 34,31 | 60,74 |
| Percentage of variation of Actuals against BE | 10 | 22 | 8 | 10 | 16 |

(Source: Appropriation Accounts of respective years)

Compounding the shortfall (by 21 per cent) of revenue receipts (₹ 3,07,22.57 crore) against budget estimated (₹ 3,89,55.49 crore) in 2019-20, the State Government faced with the problem of generating revenue surplus in terms of the FRBM Act.

Around 66 *per cent* of the total revenue expenditure was incurred on committed expenses viz. Salaries (₹ 1,17,14 crore), Interest payments (₹ 45,04 crore) and Pensions (₹ 55,07 crore) and subsidies (₹ 35 crore).

The position of committed and uncommitted revenue expenditure over the last five years is given below:-

(₹ in crore)

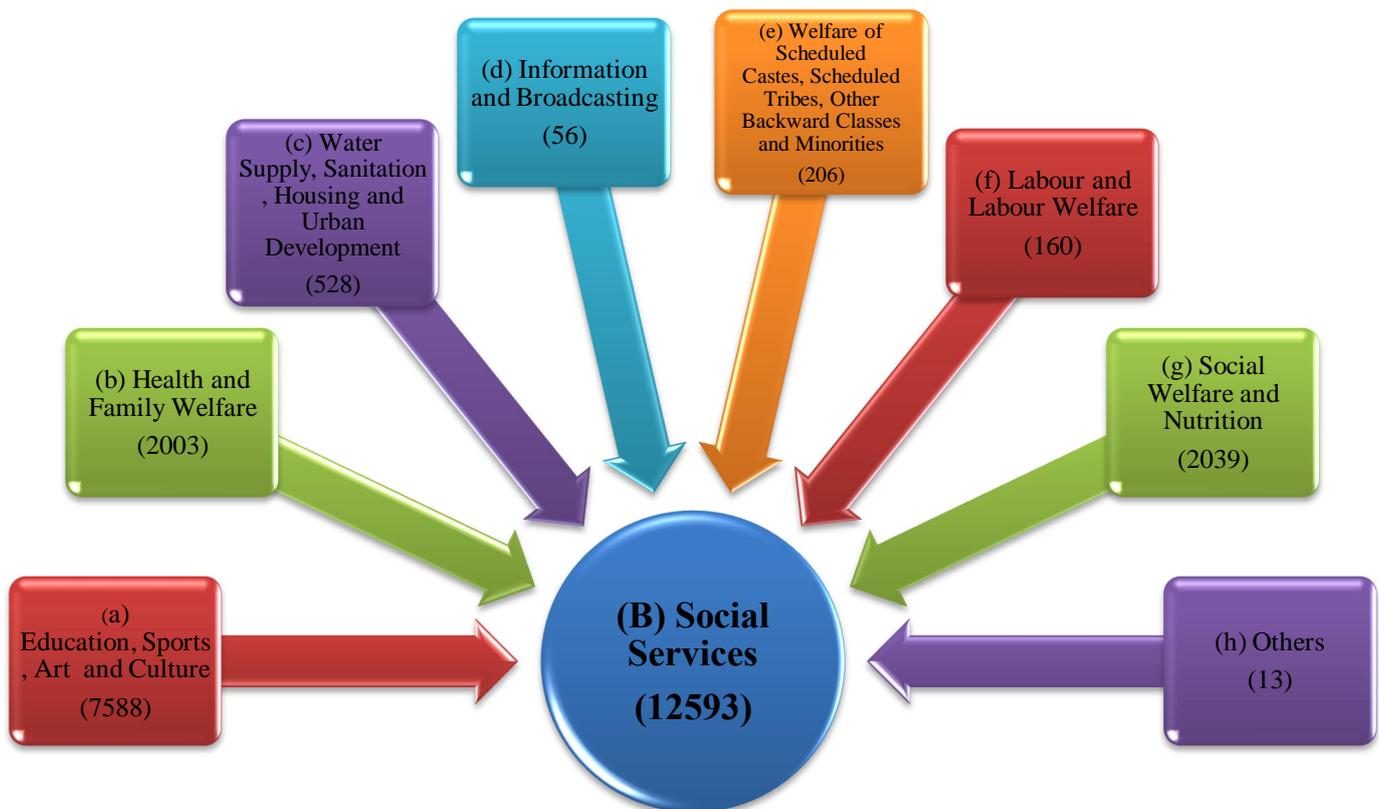
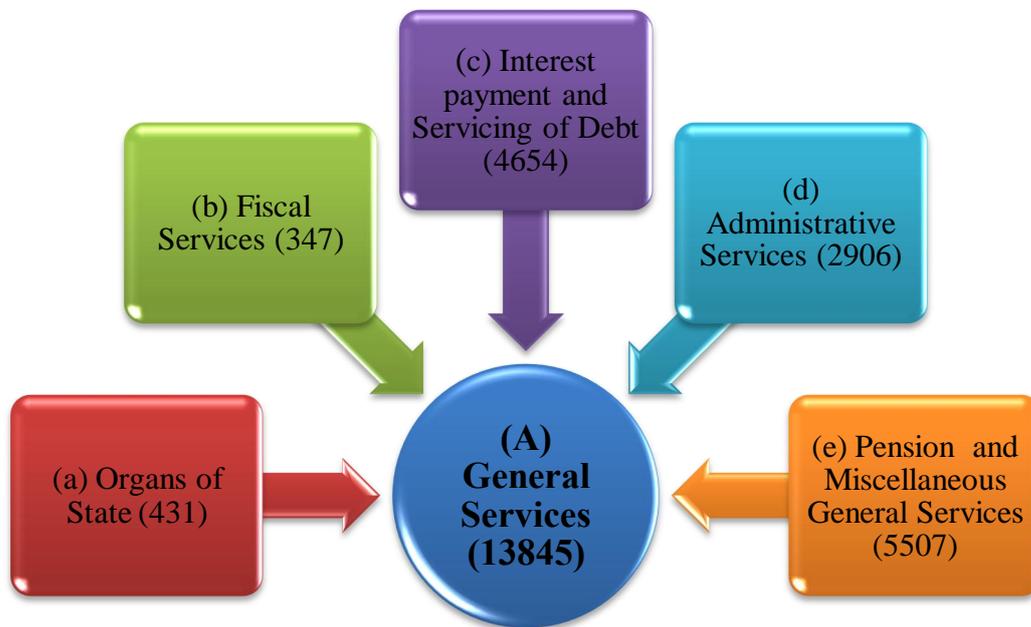
| Component | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|
| Total Revenue Expenditure | 2,30,86 | 2,52,72 | 2,90,83 | 3,21,96 | 3,28,59 |
| Committed Revenue Expenditure# | 1,36,58 | 1,57,71 | 1,97,02 | 2,15,70 | 2,17,60 |
| Percentage of Committed Revenue expenditure to Total Revenue expenditure | 59 | 62 | 68 | 67 | 66 |
| Uncommitted revenue expenditure | 94,28 | 95,01 | 93,81 | 1,06,26 | 1,10,99 |

Committed Revenue expenditure includes expenditure on Salaries, Interest Payment, Subsidies and Pensions.

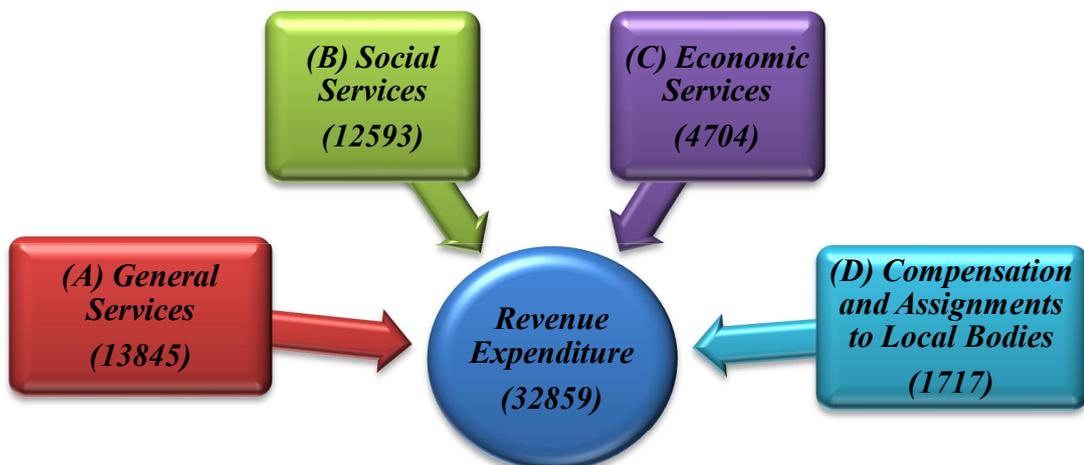
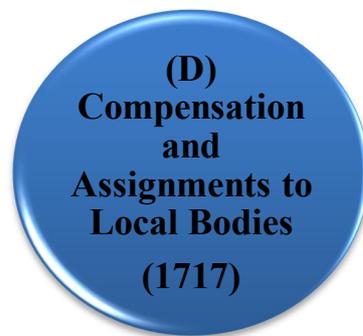
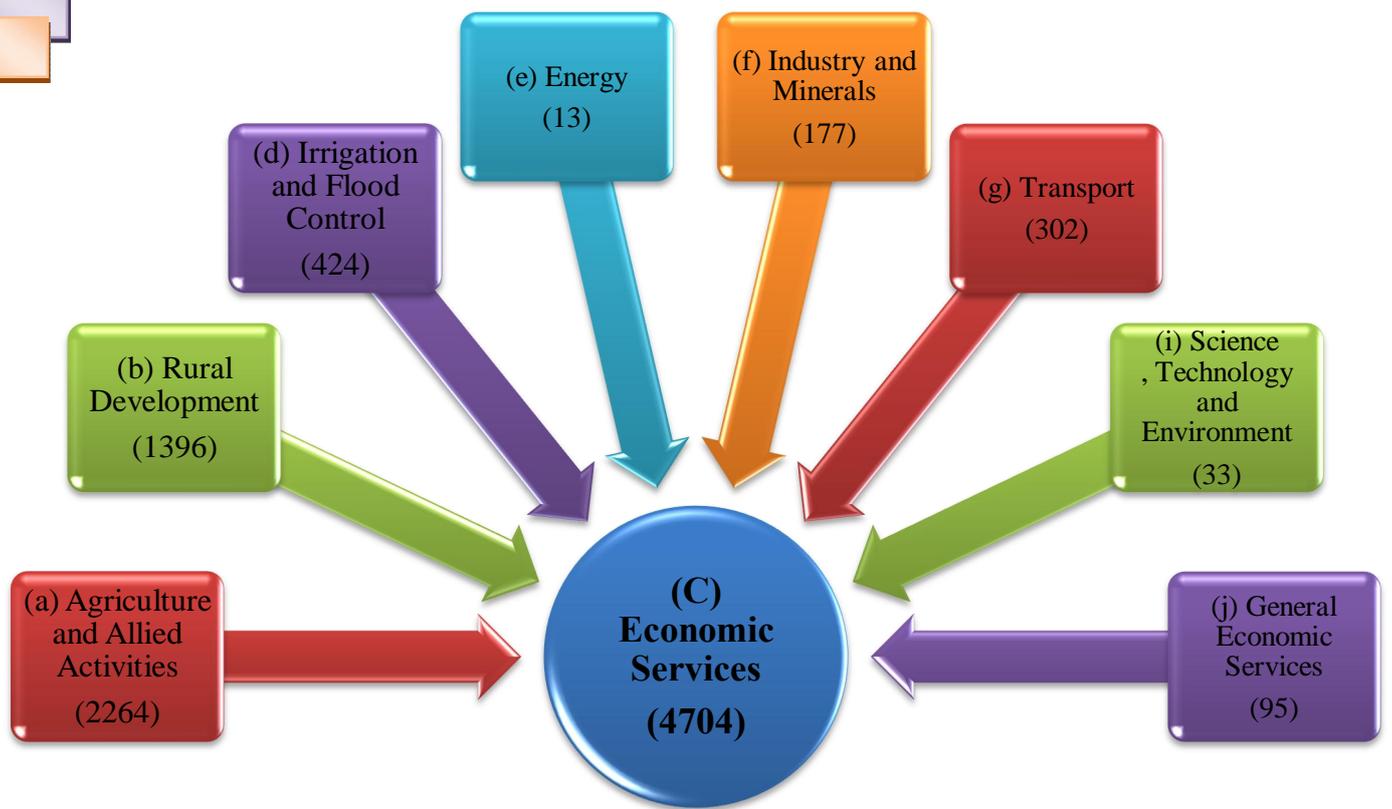
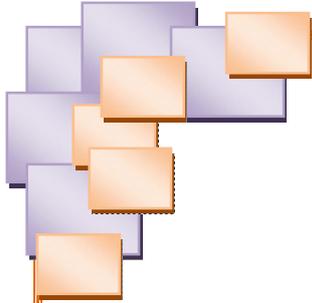
It may be seen that the uncommitted revenue expenditure available for implementation of various schemes has increase by 17.72 *per cent* from ₹ 94,28 crore in 2015-16 to 1,10,99 crore in 2019-20. The total revenue expenditure increased by 42.33 *per cent* from ₹ 2,30,86 crore in 2015-16 to ₹ 3,28,59 crore in 2019-20 and committed revenue expenditure increased by 59.32 *per cent* over the same period.

3.2.1 Sectoral distribution of Revenue Expenditure (2019-20)

(₹ in crore)



ACCOUNTS AT A GLANCE 2019-20

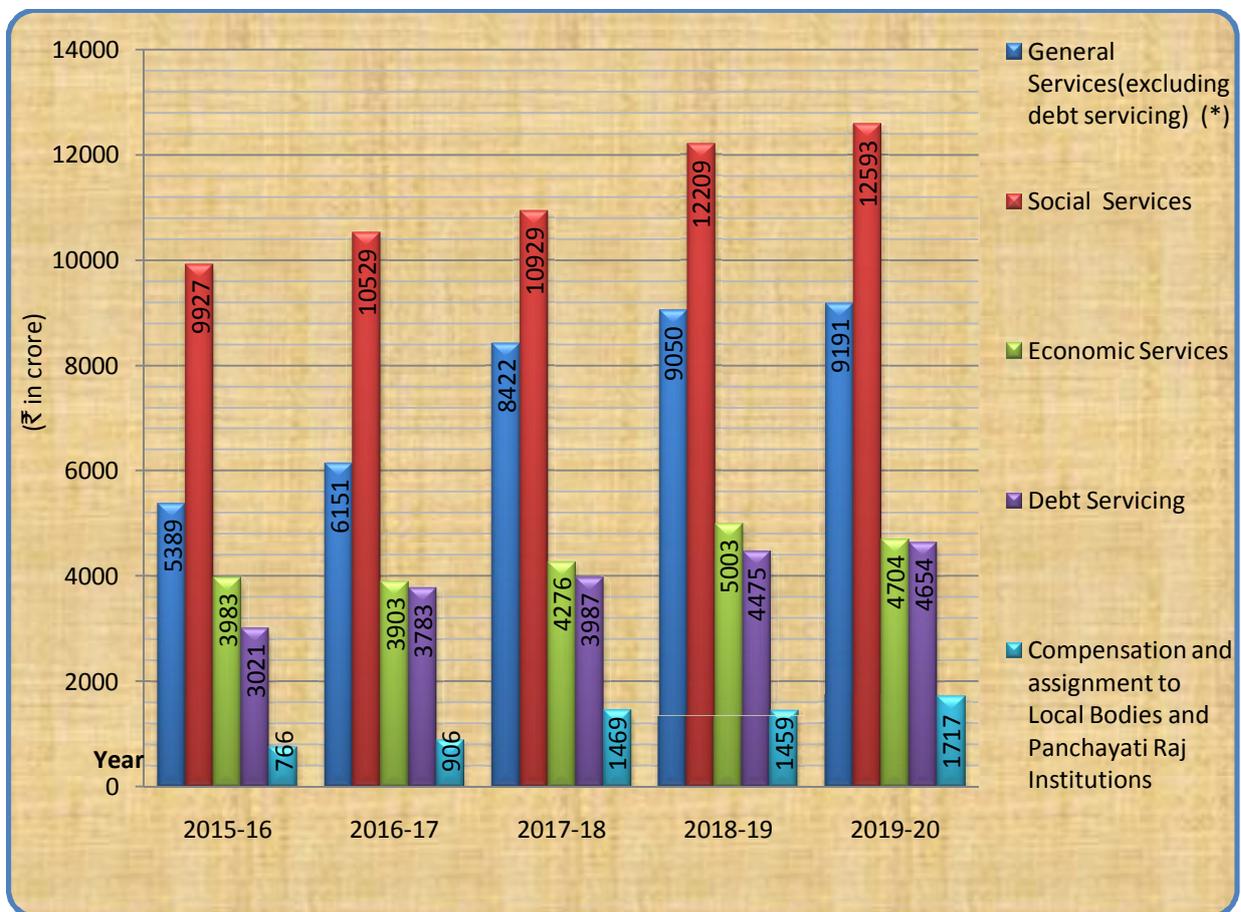


3.2.2 Major components of Revenue Expenditure 2015-16 to 2019-20

(₹ in crore)

| Components | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|
| Social Services | 99,27 | 1,05,29 | 1,09,29 | 1,22,09 | 1,25,93 |
| Economic Services | 39,83 | 39,03 | 42,76 | 50,03 | 47,04 |
| Debt Servicing | 30,21 | 37,83 | 39,87 | 44,75 | 46,54 |
| General Services (excluding expenditure on debt servicing) | 53,89 | 61,51 | 84,22 | 90,50 | 91,91 |
| Compensation and Assignments to Local Bodies and Panchayati Raj Institutions | 7,66 | 9,06 | 14,69 | 14,59 | 17,17 |

Trend of Major Components of Revenue Expenditure



3.3 Capital Expenditure

Capital expenditure is essential if the growth process is to be sustained. Capital Expenditure during 2019-20 amounting for ₹ 54,14 crore (2.02 per cent of GSDP) were less than Budget Estimates (₹65,72 crore) by ₹11,58 crore. The growth in capital expenditure has kept pace with the steady growth of GSDP since 2016-17 onwards (except 2018-19 & 2019-20).

This can be seen from the table below:

(₹ in crore)

| S. No. | Components | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--------|--------------------------------------|----------|----------|----------|----------|----------|
| 1 | Budget (B.E.) | 40,05 | 57,44 | 55,14 | 65,84 | 65,72 |
| 2 | Actual Expenditure (#) | 42,17 | 49,54 | 59,14 | 61,84 | 54,14 |
| 3 | Percentage of Actual Exp. to B.E. | 105 | 86 | 107 | 94 | 82 |
| 4 | Yearly growth in Capital Expenditure | (-)15 % | 17 % | 19 % | 5% | (-) 12% |
| 5 | GSDP | 17,71,63 | 19,51,25 | 22,28,36 | 24,58,95 | 26,80,25 |
| 6 | Yearly Growth in GSDP | 10 % | 10 % | 14 % | 10 % | 9% |

(#) Does not include expenditure on Loans and Advances

3.3.1 Sectoral distribution of Capital Expenditure

During 2019-20, the Government spent ₹ 2,40 crore on various Irrigation Projects (₹2,01 crore on Major Irrigation, ₹ 8 crore on Medium Irrigation and ₹ 31 crore on Minor Irrigation). Apart from above, the Government spent ₹ 9,15 crore on construction of Roads and Bridges and invested ₹ 1,33 crore in Government and other Companies and Co-operative societies.

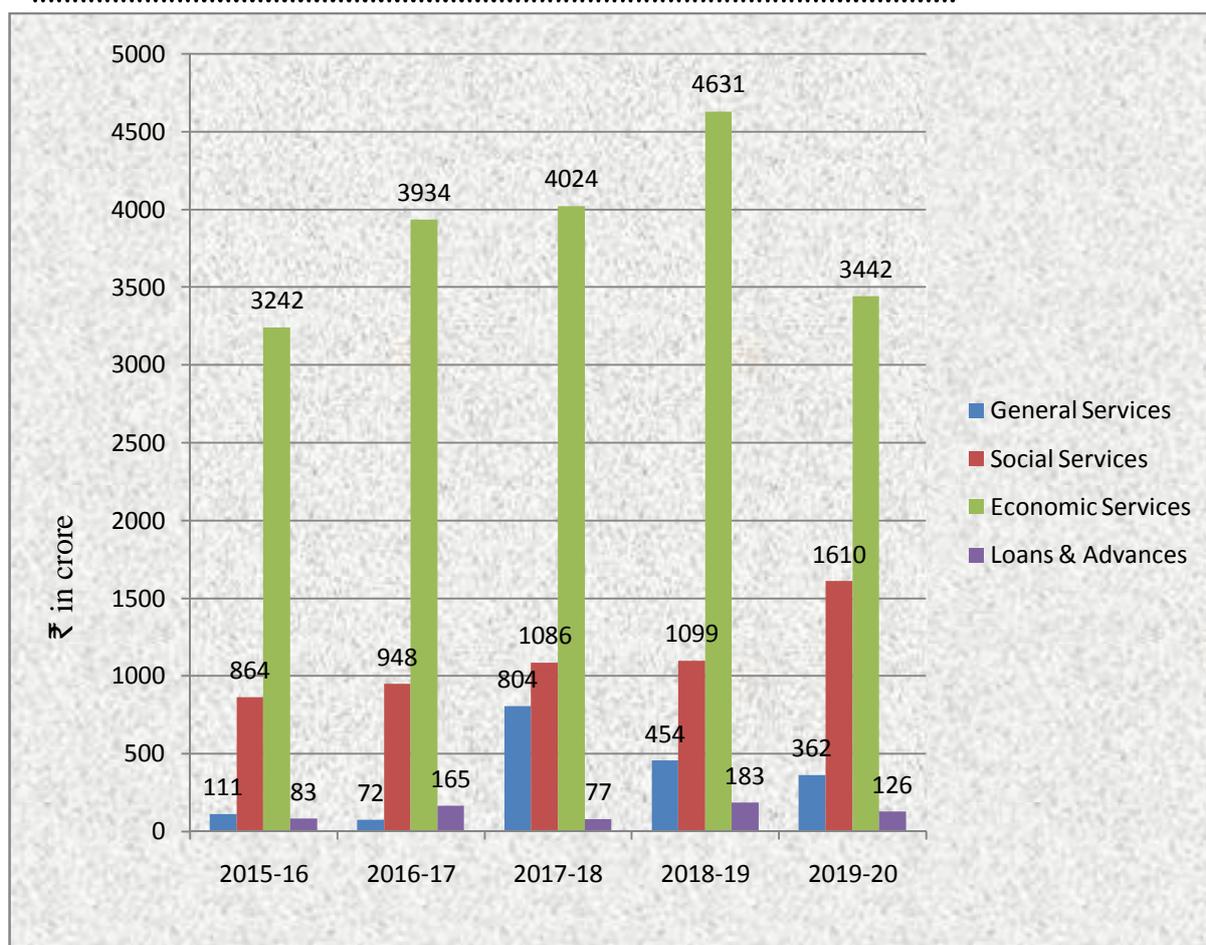
3.3.2 Sectoral distribution of Capital Expenditure over the past five years

(₹ in crore)

| Sector | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--------------------|--------------|--------------|--------------|--------------|--------------|
| General Services | 1,11(3) | 72(1) | 8,04(14) | 4,54(7) | 3,62 (7) |
| Social Services | 8,64(20) | 9,48(19) | 10,86(18) | 10,99(17) | 16,10 (29) |
| Economic Services | 32,42(75) | 39,34(77) | 40,24(67) | 46,31(73) | 34,42(62) |
| Loans and Advances | 83(2) | 1,65(3) | 77(1) | 1,83(3) | 1,26 (2) |
| Total | 43,00 | 51,19 | 59,91 | 63,67 | 55,40 |

Note: Figures in parentheses represent percentage to total capital expenditure.

Trend of Sectoral Distribution of Capital Expenditure



3.3.3 Sectoral distribution of Capital and Revenue Expenditure

The comparative sectoral distribution of Capital and Revenue expenditure over the past five years is illustrated below: (₹ in crore)

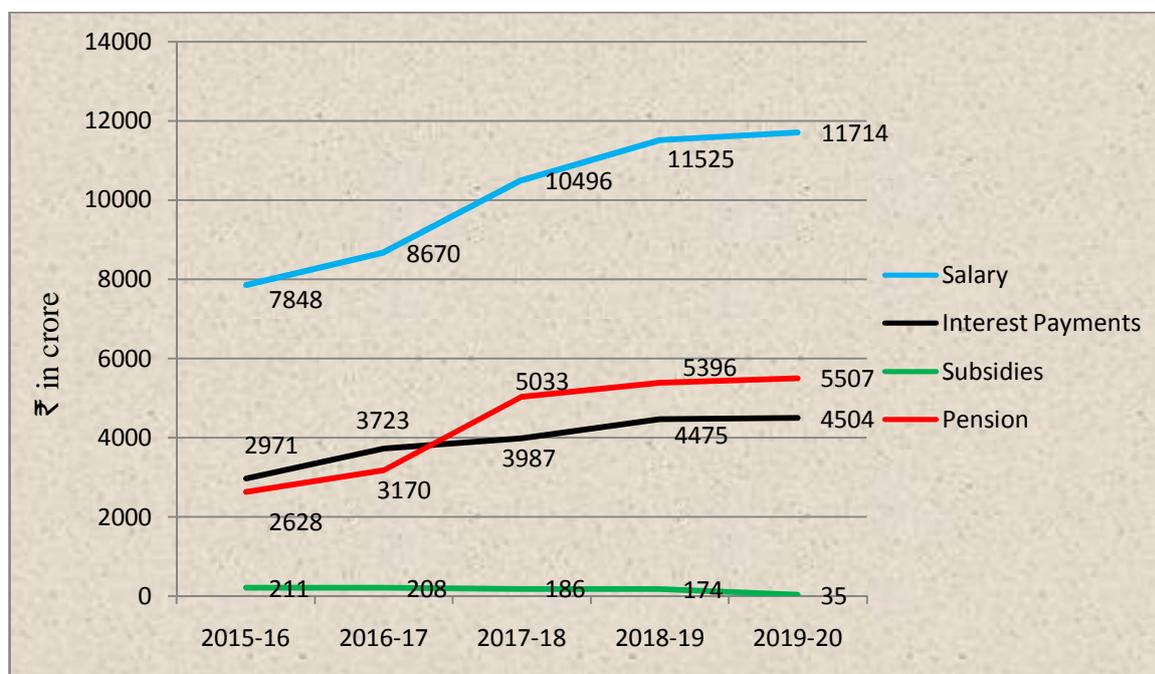
| S.No. | Sector | | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|-------|-------------------------------|---------|---------|---------|---------|---------|---------|
| [A] | General Services | Capital | 1,11 | 72 | 8,04 | 4,54 | 3,62 |
| | | Revenue | 84,09 | 99,34 | 1,24,09 | 1,35,25 | 1,38,45 |
| [B] | Social Services | Capital | 8,64 | 9,48 | 10,86 | 10,99 | 16,10 |
| | | Revenue | 99,27 | 1,05,29 | 1,09,29 | 1,22,09 | 1,25,93 |
| [C] | Economic Services | Capital | 32,42 | 39,34 | 40,24 | 46,31 | 34,42 |
| | | Revenue | 39,83 | 39,03 | 42,76 | 50,03 | 47,04 |
| [D] | Grant-in-aid and Contribution | Capital | NA* | NA* | NA* | NA* | NA* |
| | | Revenue | 7,67 | 9,06 | 14,69 | 14,59 | 17,17 |

*Not Applicable

3.4 Committed Expenditure

Expenditure on salaries, pensions, subsidies and interest payments showed increase in 2019-20 over the previous year:

Trend of Committed Expenditure



The trend of committed expenditure in comparison to revenue expenditure and revenue receipts over the past five years is depicted below:

| Component | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|
| Committed Expenditure | 1,36,58 | 1,57,71 | 1,97,02 | 2,15,70 | 2,17,60 |
| Revenue Expenditure | 2,30,86 | 2,52,72 | 2,90,83 | 3,21,96 | 3,28,59 |
| Revenue Receipts | 2,12,34 | 2,48,89 | 2,71,05 | 3,12,16 | 3,07,23 |
| Percentage of committed expenditure to Revenue Receipts | 64 | 63 | 73 | 69 | 71 |
| Percentage of Committed expenditure to Revenue Expenditure | 59 | 62 | 68 | 67 | 66 |

The committed expenditure increased by 59 per cent from 2015-16 to 2019-20 while revenue expenditure registered growth of 42 per cent during the same period, leaving the Government with lesser flexibility in development spending.

Chapter IV Appropriation Accounts

4.1 Summary of Appropriation Accounts for 2019-20

(₹ in crore)

| Sl. | Nature of Expenditure | Original Grant | Supplementary Grant | Surrender | Total | Actual Expenditure | Saving (-) Excess (+) |
|-----|--------------------------|------------------------|---------------------|----------------|------------------------|------------------------|----------------------------|
| 1 | Revenue Voted Charged | 3,31,58.09 57,74.61 | 16,03.17 3.17 | 250.86 0.00 | 3,45,10.40 57,77.78 | 2,81,29.02 47,29.78 | (-)63,81.38 (-)10,48.00 |
| 2 | Capital Voted Charged | 65,71.08 1.00 | 927.56 0.00 | 10.25 0.00 | 74,88.39 1.00 | 58,92.58 0.00 | (-)15,95.81 (-)1.00 |
| 3 | Public Debt Charged | 28,76.31 | 0.00 | 0.00 | 28,76.31 | 9096.03 | (+)62,19.72 |
| 4 | Loans and Advances Voted | 2,82.81 | 0.00 | 0.00 | 2,82.81 | 125.78 | (-)157.03 |
| | Grand Total | 4,86,63.90 | 25,33.90 | 2,61.11 | 5,09,36.69 | 4,79,73.19 | (-)29,63.50 |

4.2 Trend of Savings / Excess during the past five years

(₹ in crore)

| Year | Saving (-) / Excess (+) | | | | |
|---------|-------------------------|-------------|--------------|--------------------|---------------------|
| | Revenue | Capital | Public Debt | Loans and Advances | Total |
| 2015-16 | (-)46,64.04 | (+) 9,88.15 | (-)5,79.98 | (-)88.95 | (-)43,44.82 |
| 2016-17 | (-)73,41.18 | (+)3,58.67 | (+)31,86.45 | (-)2,45.97 | (-)40,42.03 |
| 2017-18 | (-) 44,71.73 | (+) 3,62.39 | (+) 50,11.39 | (-) 1,93.52 | (+) 7,08.53 |
| 2018-19 | (-) 44,43.90 | (-) 1,00.84 | (+) 70,48.14 | (-) 1,00.50 | (+) 24,02.90 |
| 2019-20 | (-)74,29.38 | (-)15,96.81 | (+)62,19.72 | (-)1,57.03 | (-)29,63.50 |

4.3 Significant Savings

Substantial savings under a grant indicates either non-implementation or slow implementation of certain schemes/ programmes. Some grants with persistent and significant net savings are given below

(₹ in crore)

| Grant No. | Nomenclature | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|-----------|---|---------|---------|---------|---------|---------|
| 06 | Revenue & General Administration | 674 | 1360 | 969 | 645 | 504 |
| 12 | Medical, Health & Family Welfare | 547 | 484 | 592 | 539 | 610 |
| 13 | Water Supply, Housing & Urban Development | 475 | 590 | 364 | 661 | 577 |
| 15 | Welfare | 436 | 522 | 368 | 410 | 454 |
| 21 | Energy | 107 | 314 | 196 | 75 | 214 |
| 23 | Industries | 509 | 141 | 100 | 100 | 97 |
| 30 | Welfare of Scheduled Castes | 625 | 660 | 307 | 417 | 469 |
| 31 | Welfare of Scheduled Tribes | 179 | 197 | 126 | 176 | 180 |

During 2019-20, supplementary grants totalling ₹ 25,33.90 crore (5.21 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 No. | Nomenclature | Section | Original Budget | Actual Expenditure | Savings against Original Budget | Supplementary Budget |
|-----------|---|---------------|-----------------|--------------------|---------------------------------|----------------------|
| 03 | 4059-Capita Outlay on Public Work 60-Other Buildings 800-Other Expenditure 02-Lump-sum Grants for Honourable Chief Minister's Announcements etc. | Capital Voted | 45.00 | 42.08 | 2.92 | 15.00 |

| Grant No. | Nomenclature | Section | Original Budget | Actual Expenditure | Savings against Original Budget | Supplementary Budget |
|-----------|--|---------------|-----------------|--------------------|---------------------------------|----------------------|
| 04 | 2014- Administration of Justice 105-Civil and Session Courts 03-District and Session Judge | Revenue Voted | 1,24.46 | 97.62 | 26.84 | 1.64 |
| 05 | 2015- Elections 103- Preparation and Printing of Electoral Rolls 05- Establishment Expenditure of Election (50 percent Centrally Sponsored) | Revenue Voted | 13.56 | 10.66 | 2.90 | 0.25 |
| 06 | 2029-Land Revenue 103-Land Records 03-District Establishment | Revenue Voted | 1,53.71 | 1,29.30 | 24.41 | 0.30 |
| 07 | 3604- Compensation and Assignments to Local Bodies and Panchayati Raj Institutions 02-Panchyati Raj Bodies 198-Gram Panchayats 01- Centrally Sponsored Scheme | Revenue Voted | 5,70.44 | 5,29.89 | 40.55 | 69.03 |
| 10 | 2055-Police 001-Direction and Administration 03- Headquarter | Revenue Voted | 47.14 | 43.76 | 3.38 | 2.61 |
| 10 | 4055-Capital Outlay on Police 211-Police Housing 09-Construction of Residential Building of Police Department | Capital Voted | 3.00 | 2.58 | 0.42 | 1.00 |

| Grant No. | Nomenclature | Section | Original Budget | Actual Expenditure | Savings against Original Budget | Supplementary Budget |
|-----------|---|---------------|-----------------|--------------------|---------------------------------|----------------------|
| 11 | 2202-General Education 03-University and Higher Education 103-Government Colleges and Institutes 01-Centrally Sponsored Scheme | Revenue Voted | 25.00 | 12.38 | 12.62 | 5.00 |
| 12 | 2210-Medical and Public Health 03-Rural Health Services Allopathy 110-Hospital and Dispensaries 01-Centrally Sponsored Scheme | Revenue Voted | 3,50.00 | 2,31.89 | 1,18.11 | 5.50 |
| 13 | 2217-Urban Development 03-Integrated Development of small and Medium Towns 191-Assistance to Local bodies, Corporations, Urban Development Authorities, Town Improvement Boards etc. 01-Centrally Sponsored Scheme | Revenue Voted | 1,23.40 | 55.81 | 67.59 | 10.00 |
| 14 | 2220-Information and Publicity 01-Films 105-Production of Films 06-Establishment of Film Board | Revenue Voted | 4.00 | 1.34 | 2.66 | 1.00 |

| Grant No. | Nomenclature | Section | Original Budget | Actual Expenditure | Savings against Original Budget | Supplementary Budget |
|-----------|--|---------------|-----------------|--------------------|---------------------------------|----------------------|
| 15 | 2235-Social Security and Welfare 02-Social Welfare 200-Other Programmes 01-Centrally Sponsored Scheme | Revenue Voted | 35.10 | 0.60 | 34.50 | 2.20 |
| 15 | 4235-Capital Outlay on Social Security and Welfare 02-Social Welfare 102-Child Welfare 05-Chief Minister Anganwadi building construction and upgradation scheme | Capital Voted | 7.00 | 6.88 | 0.12 | 3.00 |
| 17 | 2401-Crop Husbandry 001- Direction and Administration 04-General Establishment of Department of Agriculture | Revenue Voted | 1,20.71 | 1,02.11 | 18.60 | 1.14 |
| 19 | 2501-Special Programmes for Rural Development 01-Integrated Rural Development Programme 800- Other Expenditure 01-Centrally Sponsored Scheme | Revenue Voted | 58.00 | 13.85 | 44.15 | 20.00 |
| 20 | 4702-Capital Outlay on Minor Irrigation 051-Construction 01-Centrally Sponsored Scheme | Capital Voted | 62.00 | 19.44 | 42.56 | 30.00 |

| Grant No. | Nomenclature | Section | Original Budget | Actual Expenditure | Savings against Original Budget | Supplementary Budget |
|-----------|---|---------------|-----------------|--------------------|---------------------------------|----------------------|
| 21 | 4801-Capital Outlay on Power Projects 05-Transmission and Distribution 190-Investments in Public Sector and Other Undertakings 06-Investment for Transmission Projects | Capital Voted | 50.00 | 38.00 | 12.00 | 10.00 |
| 22 | 3054-Road and Bridges 04-District and Other Roads 337-Road Works 03-Maintenance and Repairs | Revenue Voted | 2,51.98 | 1,82.47 | 69.51 | 50.00 |
| 23 | 2851-Village and small Industries 102-Small Scale Industries 38-Ease of Doing Business | Revenue Voted | 4.00 | 3.13 | 0.87 | 4.00 |
| 24 | 5053-Capital Outlay on Civil Aviation 02-Air ports 102-Aerodroms 07-Payment of compensation for the land Acquisition / acquire /NPV for the construction of the runway | Capital Voted | 5.00 | 0.00 | 5.00 | 13.00 |
| 26 | 5452-Capital Outlay on Tourism 80-General 104-Promotion and Publicity 04-State Sector | Capital Voted | 35.10 | 16.69 | 18.41 | 7.00 |

| Grant No. | Nomenclature | Section | Original Budget | Actual Expenditure | Savings against Original Budget | Supplementary Budget |
|-----------|---|---------------|-----------------|--------------------|---------------------------------|----------------------|
| 27 | 2406- Forestry and Wild Life 101-Forest Conservation, Development and Regeneration 01- Centrally Sponsored Scheme | Revenue Voted | 7.00 | 1.27 | 5.73 | 25.00 |
| 28 | 4405-Capital Outlay on Fisheries 101-Inland Fisheries 01-Centrally Sponsored Scheme | Capital Voted | 7.79 | 2.62 | 5.17 | 3.00 |
| 30 | 2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities 01-Welfare of Scheduled Castes 277-Education 01- Centrally Sponsored Scheme | Revenue Voted | 1,57.00 | 49.95 | 1,07.05 | 2.00 |
| 31 | 2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities 02-Welfare of Scheduled Tribes 277-Education 07-Grants for Aided libraries / hostels and primary schools | Revenue Voted | 8.00 | 3.28 | 4.72 | 1.00 |

A few Instances where there was excess expenditure at the end of the year even after Supplementary allocations were made are given below-

(₹ in crore)

| Grant No. | Nomenclature | Section | Original Budget | Supplementary Budget | Total Budget | Actual Expenditure | Excess against Total Budget |
|-----------|--|---------------|-----------------|----------------------|--------------|--------------------|-----------------------------|
| 06 | 2029-Land Revenue 101-Collection Charges 03- Collection charges for land Revenue, Taquavi Canals and Other Miscellaneous Government Dues | Revenue Voted | 59.94 | 6.70 | 66.64 | 68.07 | 1.43 |
| 10 | 2055-Police 001-Direction and Administration 16- Kumbh/ Ardha Kumbh Mela arrangements | Revenue Voted | 2.91 | 0.14 | 3.05 | 4.05 | 1.00 |
| 15 | 2250-Other Social Services 800-Other Expenditure 15-Arabic-Persian Madrasa Board | Revenue Voted | 0.56 | 0.13 | 0.69 | 0.89 | 0.20 |
| 17 | 2401-Crop Husbandry 108- Commercial Crops 08-Balance payment of sugar cane Price | Revenue Voted | 2,15.00 | 46.77 | 2,61.77 | 2,62.09 | 0.32 |



| Grant No. | Nomenclature | Section | Original Budget | Supplementary Budget | Total Budget | Actual Expenditure | Excess against Total Budget |
|-----------|--|---------------|-----------------|----------------------|--------------|--------------------|-----------------------------|
| 30 | 4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Centrally Sponsored Scheme | Capital Voted | 20.00 | 18.46 | 38.46 | 55.77 | 17.31 |
| 31 | 4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Centrally Sponsored Scheme | Capital Voted | 4.40 | 2.15 | 6.55 | 12.91 | 6.36 |

Chapter V Assets and Liabilities

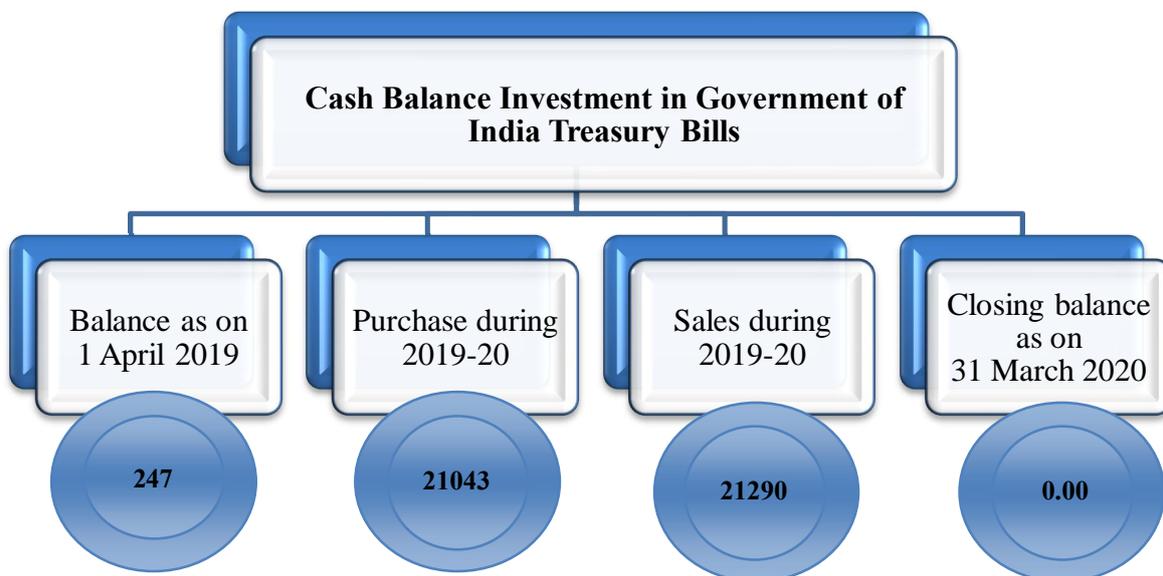
5.1 Assets

The existing forms of accounts do not clearly 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 ₹ 35,34.95 crore at the end of the year 2019-20. However, dividends received during the year were ₹ 14.08 crore (i.e. 0.40 *per cent*) on total investment. During 2019-20, investments increased by ₹ 1,32.50 crore and dividend income decreased by ₹ 4.61 crore.

Cash Balance with RBI stood at ₹ 11,58.50 crore on 1 April 2019 and decreased to ₹ 5,95.25 crore at the end of March 2020. In addition, Government had invested an amount of ₹ 2,10,42.59 crore on 84 occasions in 14 days Treasury Bills and rediscounted Treasury Bills worth ₹ 2,12,90.07 crore on 127 occasions during 2019-20. The position of investment during the year 2019-20 is depicted in the table given below:-

(₹ in crore)



5.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund. Government of India determines, from time to time, the limit up to which State Government can borrow from the market. The limit for total net borrowings for the year 2019-20 was ₹ 80,40.75 crore (3 per cent of GSDP). Against this, Government of Uttarakhand has availed total net borrowings of ₹ 79,42.90 crore.

Details of the Public Debt and total liabilities of the State Government for the past five years are as under:

(₹ in crore)

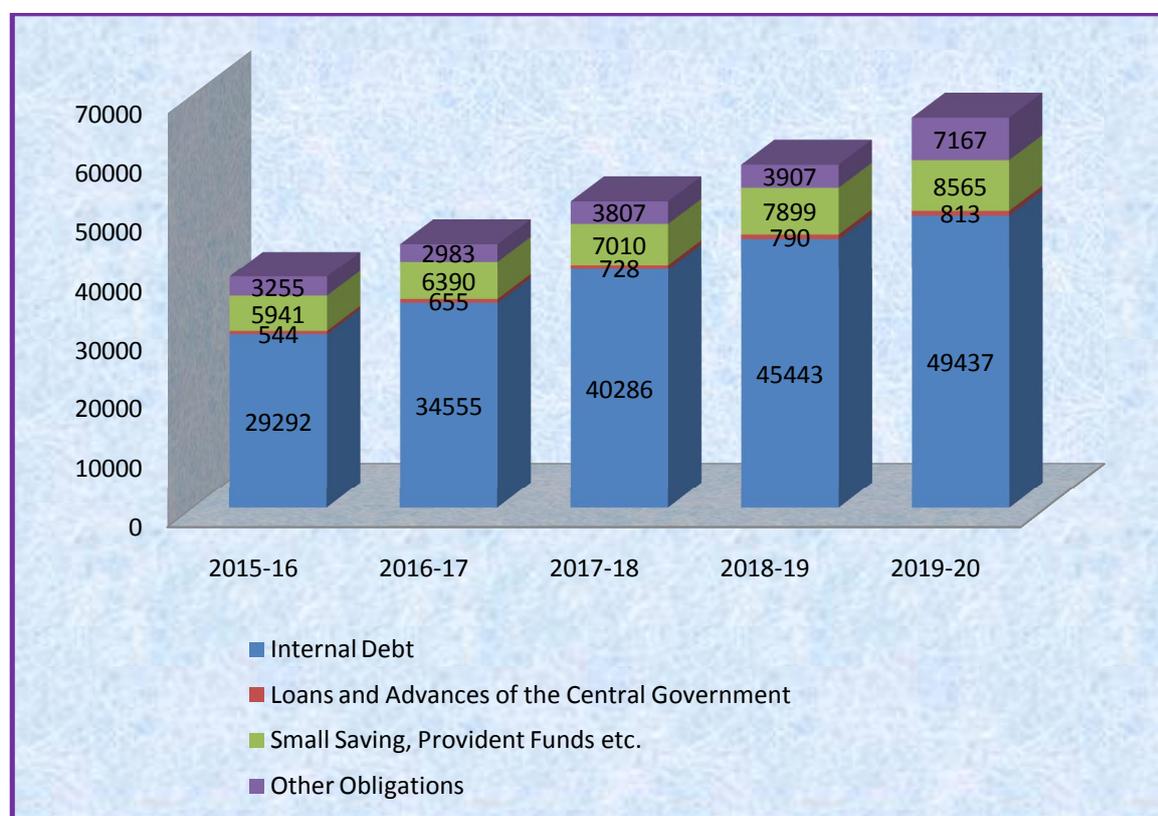
| Year | Public Debt | Per cent to GSDP | Public Account(*) | Per cent to GSDP | Total Liabilities | Per cent to GSDP |
|---------|-------------|------------------|-------------------|------------------|-------------------|------------------|
| 2015-16 | 2,98,36 | 17 | 91,96 | 5 | 3,90,32 | 22 |
| 2016-17 | 3,52,10 | 18 | 93,73 | 5 | 4,45,83 | 23 |
| 2017-18 | 4,10,15 | 18 | 1,08,16 | 5 | 5,18,31 | 23 |
| 2018-19 | 4,62,33 | 19 | 1,18,06 | 5 | 5,80,39 | 24 |
| 2019-20 | 5,02,49 | 19 | 1,57,33 | 6 | 6,59,82 | 25 |

(*) Excludes suspense and remittance balances.

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

Public Debt and other liabilities showed a net increase of ₹ 79,43 crore (14 per cent) in 2019-20 over the previous year.

Trends in Government Liabilities



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

5.3 Guarantees

In addition to directly raising loans, State Governments also guarantees loans raised by Statutory Corporations, Government companies and corporation, Co-operative societies etc. from the market and financial institution for implementation of various schemes and programs. These guarantees are contingent liability on the Consolidated Fund of the State in case of default in the payment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government companies and corporation, Co-operative societies etc. for whom the guarantee was extended and are projected outside the State Budget. Statements 9 and 20 of the Finance Accounts on Guarantees given by the Government have been prepared as per the requirements of IGAS 1, to the extent the information was furnished by the State Government. The State Government has provided limited information on outstanding guarantees. Incomplete information regarding maximum amount of guarantees, added/ invoked/ discharged/ not discharged during the year, guarantee commission receivable/received etc., has been made available by the State Government. Information contained in the statement is incomplete to that extent.

The position of guarantees by State Government for the re-payment of loans (payment of principal and interest thereon) raised by statutory corporation, government companies, corporations, cooperative societies etc., is given below:

(₹ in crore)

| At the end of the year | Maximum amount guaranteed (Principal only) | Amount outstanding at the end of the year | |
|------------------------|--|---|---------------|
| | | Principal | Interest |
| 2015-16 | 28,05(*) | 17,43 | Not Available |
| 2016-17 | 28,05(*) | 12,58 | Not Available |
| 2017-18 | 21,05(*) | 11,73 | Not Available |
| 2018-19 | 21,05(*) | 13,11 | Not Available |
| 2019-20 | (#) | 5,82 | Not Available |

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

(#) No information made available by the State Government.

6.1 Adverse Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, the State Government also guarantees loans raised by government companies and corporations from the market and financial institutions for implementation of various schemes and programmes which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government. However, the loan repayments appear in Government account, resulting in irreconcilable adverse balances and understatement of liabilities in Government accounts. As on 31 March 2020 balances of Loans and Advances given by the State Government are under reconciliation.

6.2 Loans and Advances given by the State Government

State Government departments maintain detailed accounts of Loans and Advances given to various beneficiaries including Government Servants. Statements 7 and 18 of the Finance Accounts on Loans and Advances given by the Government have been prepared as per the requirements of IGAS 3, to the extent the information was furnished by the State Government. State Government departments have not furnished details of outstanding principal and loans that are sanctioned in perpetuity. Consequently, the requirements of IGAS 3 have not been fully met in these accounts. Government is required to reconcile the Loans and Advances figures as shown in the Finance Accounts with those available in the books of various PSUs and other bodies which have not been done.

Total outstanding Loans and Advances made by the State Government at the end of 2019-20 was ₹20,33.40 crore. Out of this, loans and advances to Government Corporation/Companies, non-Government Institutions and Local Bodies was amounted to ₹ 19,87.56 crore. The information relating to recovery of interest in arrear was not made available by the State Government. During 2019-20, only ₹ 18.92 crore was received towards repayment of loans and advances, out of which ₹ 1.30 crore relates to repayment of loans to Government Servants. Effective steps to recover the outstanding loans would help the Government to improve its fiscal position.

Yearly balances are communicated to the State Government for acceptance. From the year 2001-02 upto the year 2019-20 total 344 number of acceptance are awaited for an amount of ₹ 34,74.94 crore pertaining to following four Major Heads of Accounts. The balances are under reconciliation.

(₹ in crore)

| S.No. | Major Head | Number of Acceptance Awaited | Amount |
|--------------|--------------------------------|------------------------------|-----------------|
| 1. | 6401-Loans for Crop Husbandry | 08 | 4,73.82 |
| 2. | 6425-Loans for Co-operations | 101 | 126.78 |
| 3. | 6801- Loans for Power Projects | 226 | 28,55.65 |
| 4. | 7055-Loans for Road Transport | 09 | 18.69 |
| Total | | 344 | 34,74.94 |

6.3 Financial Assistance to Local Bodies and others

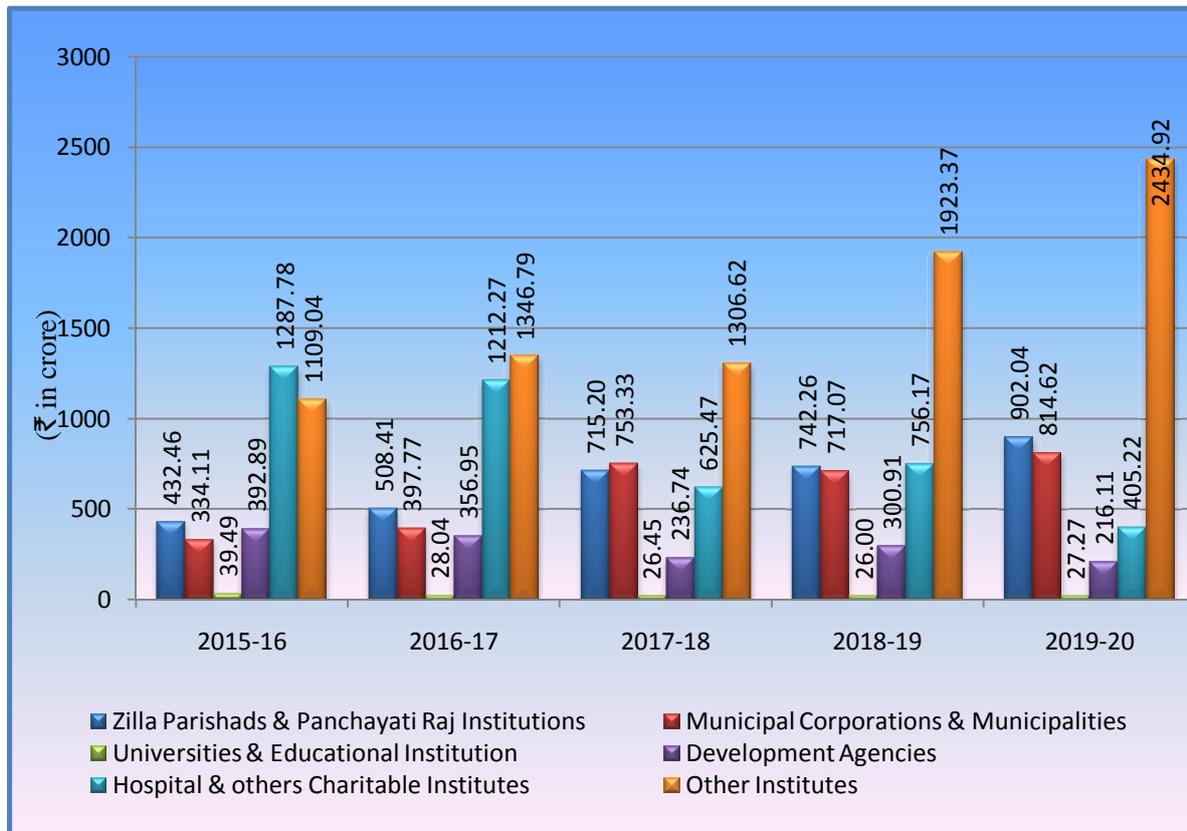
As per Indian Government Accounting Standard (IGAS) 2, expenditure on Grants-in-Aid is recorded as revenue expenditure in the books of the grantor and as revenue receipt in the books of the recipient regardless of end utilization. The Government of Uttarakhand continued to operate and allot funds as Grants-in-Aid to State Government entities in the Capital Section besides Revenue Section. During the year 2019-20, such grants were given under six Capital Major Heads. This contravened the Indian Government Accounting Standards (IGAS) 2, notified by the Government of India, wherein it has been stated that, expenditure on Grants-in-Aid for the purpose of creating assets shall not, except in cases specifically authorized by the President on the advice of the Comptroller and Auditor General, be debited to a Capital Head of account in the financial statements of the Government. Further, one of the requirements of IGAS-2 is depiction of Grants-in-Aid in kind, regarding which no information has been given by the State Government.

Grants-in-aid given to local bodies, autonomous bodies etc, increased from ₹ 35,95.77 crore in 2015-16 to ₹ 48,00.18 crore in 2019-20. Grants to Zilla Parishads and Panchayats Raj institutions, Municipal Corporations and Municipalities (₹ 17,16.66 crore) represent 35.75 per cent of total grants(excluding grants for creation of Capital Assets) given during the year. Details of Grants-in-aid for the past five years are as under:

(₹ in crore)

| S.No | Name of Institutions | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|------|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1. | Zilla Parishads & Panchayati Raj Institutions | 4,32.46 | 5,08.41 | 7,15.20 | 7,42.26 | 9,02.04 |
| 2. | Municipal Corporations & Municipalities | 3,34.11 | 3,97.77 | 7,53.33 | 7,17.07 | 8,14.62 |
| 3. | Universities & Educational Institution | 39.49 | 28.04 | 26.45 | 26.00 | 27.27 |
| 4. | Development Agencies | 3,92.89 | 3,56.95 | 2,36.74 | 3,00.91 | 2,16.11 |
| 5. | Hospital & others Charitable Institutes | 12,87.78 | 12,12.27 | 6,25.47 | 7,56.17 | 4,05.22 |
| 6. | Other Institutes | 11,09.04 | 13,46.79 | 13,06.62 | 19,23.37 | 24,34.92 |
| | Total | 35,95.77 | 38,50.23 | 36,63.81 | 44,65.78 | 48,00.18 |

Grant-in-aid Given



Details of Grants-in-aid for creation of Assets for the past five years are as under:

(₹ in crore)

| S.No | Name of Institutions | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|------|---|---------------|---------------|---------------|----------------|---------------|
| 1. | Zilla Parishads & Panchayati Raj Institutions | Nil | Nil | Nil | Nil | Nil |
| 2. | Municipal Corporations & Municipalities | Nil | Nil | Nil | Nil | Nil |
| 3. | Universities & Educational Institution | 13.22 | 4.75 | 4.00 | 5.50 | 12.64 |
| 4. | Development Agencies | Nil | Nil | Nil | Nil | Nil |
| 5. | Hospital & others Charitable Institutes | Nil | Nil | Nil | Nil | Nil |
| 6. | Other Institutes | 518.74 | 544.80 | 712.52 | 6,10.21 | 541.34 |
| | Total | 531.96 | 549.55 | 716.52 | 6,15.71 | 553.98 |

6.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

| Component | As on 1 April 2019 | As on 31 March 2020 | Net increase (+)/ decrease (-) |
|--|--------------------|---------------------|--------------------------------|
| Cash Balances | 11,58.50 | 5,95.25 | (-) 5,63.25 |
| Investments from cash balance (GOI Treasury bills) | 2,47.48 | 0.00 | (-) 2,47.48 |
| Investment from earmarked fund balances | 11,88.62 | 13,38.62 | (+) 1,50.00 |
| (a) Sinking fund | 11,53.62 | 13,03.62 | (+) 1,50.00 |
| (b) Guarantee Redemption Fund | 35.00 | 35.00 | 0.00 |
| Interest realized during the year | 10.49 | 21.73 | (+) 11.24 |

Cash with departmental officers viz public work department officers, forest department officers, district collectors was ₹ 10.71 crore (cr) and permanent advances for contingent expenditure with departmental officer was ₹ 0.81 crore (cr). State Government had a debit closing cash balance at the end of 31 March 2020. Interest receipt on the investment of cash balance has increased by 107.15 per cent from ₹ 10.49 crore in 2018-19 to ₹ 21.73 crore in 2019-20.

6.5 Reconciliation of Accounts

To exercise effective control of expenditure, to keep it within the budget grants and to ensure accuracy of their accounts, all Chief Controlling Officer (CCOs)/Controlling Officers (COs) are required to reconcile the Receipts and Expenditure recorded in their books every month with the figures accounted for by the office of the Accountant General (A&E). Such reconciliation of Receipts figures have been completed by 37 CCOs (fully by 6 CCOs and partially by 31 CCOs) out of 48 CCOs (77.08 per cent) and 49 CCOs (fully by 7 CCOs and partially by 42 CCOs) out of 62 CCOs (79.03 per cent) reconciled the expenditure figures.

6.6 Submission of Accounts by Accounts Rendering units

The Finance Accounts 2019-20 present the transaction of the Government of Uttarakhand for the period 1 April 2019 to 31 March 2020. The accounts of receipts and expenditure of the Government of Uttarakhand have been compiled based on the initial accounts rendered by 20 Treasuries, 114 Public Works Divisions, 57 Forest Divisions, 85 Irrigation and other Divisions and Advices of the Reserve Bank of India. Rendition of monthly accounts by the Accounts Rendering Units of the State Government was satisfactory and no accounts remained excluded at the end of the financial year.

6.7 Unadjusted Abstract Contingent Bill

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 Abstract Contingent (AC) bills, by debiting service heads and the expenditure is reflected as an expense under the service head. These amounts are held under objection pending submission of Detailed Contingent (DC) bills to the AG (A&E), within a month. Delayed submission or prolonged non-submission of DC bills may affect the completeness and correctness of accounts. The detail of AC Bills, under objection, pending adjustment, as on 31 March 2020 is as under:

| Year | Number of AC Bills drawn | | Number of AC Bills adjusted | | Unadjusted AC Bills | |
|--------------|--------------------------|------------------------|-----------------------------|------------------------|---------------------|------------------------|
| | Number | Amount (₹ in crore) | Number | Amount (₹ in crore) | Number | Amount (₹ in crore) |
| Upto 2017-18 | 1753 | 128.11 | 1737 | 127.52 | 16 | 0.59 |
| 2018-19 | 19 | 0.73 | 25 | 0.76 | 10 | 0.56 |
| 2019-20 | 61 | 6.03 | 34 | 3.58 | 37 ¹ | 3.01 |
| Total | 1833 | 134.87 | 1796 | 131.86 | | |

Major defaulting departments/DDOs which have not submitted DC bills, are Project Officer Almora (₹ 0.63 crore, 20.93 per cent), Chief Veterinary Officer, Pithoragarh (₹ 0.43 crore, 14.29 per cent), Chief Veterinary Officer, Champawat (₹ 0.43 crore, 14.29 per cent), Zila Yuva Kalyan Adhikari, New Tehri (₹ 0.41 crore, 13.62 per cent).

6.8 Status of Suspense and Remittance Balances

The Finance Accounts reflect the net balances under Suspense and Remittances Heads. The outstanding balances under these heads are worked out aggregating the outstanding debit and credit balances separately under various heads. Significant suspense items shown as gross debit and credit balances under Major Head-8658-Suspense Account and 8782-Remittances for the last four years, are as under:

| Name of Minor Head | 2016-17 | | 2017-18 | | 2018-19 | | 2019-20 | |
|--------------------------------------|--------------------|--------|--------------------|----------|--------------------|--------|--------------------|--------|
| | Dr | Cr | Dr | Cr | Dr | Cr | Dr | Cr |
| (₹ in crore) | | | | | | | | |
| 8658-Suspense Accounts | | | | | | | | |
| 101-Pay and Accounts Office-Suspense | 21.87 | 3.18 | 8.27 | (-)38.97 | 30.38 | 3.45 | 54.71 | 3.61 |
| Net | (Dr) 18.69 | | (Dr) 47.24 | | (Dr) 26.93 | | (Dr) 51.10 | |
| 102-Suspense Accounts (Civil) | 565.00 | 367.15 | 5,52.63 | 4,09.83 | 549.40 | 368.32 | 566.35 | 411.83 |
| Net | (Dr) 197.85 | | (Dr) 142.80 | | (Dr) 181.08 | | (Dr) 154.52 | |

¹ This includes 4 AC Bills amounting to ₹ 0.27 crore pertaining to 2018-19 and 33 AC Bills amounting to ₹ 2.74 crore pertaining to 2019-20.

| | | | | | | | | |
|--|--------------------|---------|--------------------|----------|--------------------|----------|--------------------|---------|
| 107- Cash Settlement Suspense Account | 3.16 | 0.26 | 3.16 | 0.26 | 3.16 | 0.26 | 966.77 | 885.52 |
| Net | (Dr) 2.90 | | (Dr) 2.90 | | (Dr) 2.90 | | (Dr) 81.25 | |
| 110-Reserve Bank Suspense-Central Accounts Office | 261.96 | 219.61 | 2,19.66 | 2,19.61 | 214.67 | 219.61 | 214.67 | 219.61 |
| Net | (Dr) 42.35 | | (Dr) 0.05 | | (Cr) 4.94 | | (Cr) 4.94 | |
| 112-Tax Deducted at Source (TDS) Suspense | 28.03 | 146.75 | 28.03 | 1,98.81 | 28.03 | 315.31 | 28.03 | 266.57 |
| Net | (Cr) 118.72 | | (Cr) 170.78 | | (Cr) 287.28 | | (Cr) 238.54 | |
| 113-Provident Fund Suspense | 24.72 | 25.14 | 24.74 | 25.47 | 24.75 | 24.78 | 24.75 | 24.64 |
| Net | (Cr) 0.42 | | (Cr) 0.73 | | (Cr) 0.03 | | (Dr) 0.11 | |
| 117-Transaction on behalf of Reserve Bank | 18.12 | 16.63 | 18.12 | 17.94 | 18.12 | 17.94 | 18.12 | 17.94 |
| Net | (Dr) 1.49 | | (Dr) 0.18 | | (Dr) 0.18 | | (Dr) 0.18 | |
| 123-A.I.S Officers Group Insurance Scheme | 0.21 | 0.45 | 0.25 | 0.48 | 0.27 | 0.50 | 0.29 | 0.53 |
| Net | (Cr) 0.24 | | (Cr) 0.23 | | (Cr) 0.23 | | (Cr) 0.24 | |
| 129-Material Purchase Settlement Suspense Account | 0.03 | -0.73 | 0.03 | (-)0.73 | 0.03 | (-) 0.73 | 0.03 | (-)0.73 |
| Net | (Dr) 0.76 | | (Dr) 0.76 | | (Dr) 0.76 | | (Dr) 0.76 | |
| 8782- Cash Remittances and adjustments between officers rendering Accounts to the Same Accounts Officer | | | | | | | | |
| 102-Public Works Remittances | 2653.10 | 2759.28 | 12,83.25 | 14,06.60 | 277.17 | 398.86 | 296.13 | 372.74 |
| Net | (Cr) 106.18 | | (Cr) 123.35 | | (Cr) 121.69 | | (Cr) 76.61 | |
| 103- Forest Remittances | 38.70 | 67.40 | 2,46.94 | 2,53.29 | 100.93 | 126.41 | 107.23 | 166.95 |
| Net | (Cr) 28.70 | | (Cr) 6.35 | | (Cr) 25.48 | | (Cr) 59.72 | |
| 8793-Inter State Suspense Account | 2086.73 | 1309.31 | 20,71.79 | 13,09.85 | 2090.76 | 2012.46 | 2087.89 | 2013.35 |
| Net | (Dr) 777.42 | | (Dr) 761.94 | | (Dr) 78.30 | | (Dr) 74.54 | |

6.9 Status of Outstanding Utilization Certificate

Where grants are sanctioned for specific purposes, the departmental officers concerned should furnish Utilization Certificate (UCs) to the Accountant General (A&E), within the stipulated period. UCs outstanding beyond the specified periods indicate absence of assurance on utilization of the grants for intended purposes. The details of outstanding utilization Certificate as per the records of the Accountant General (A&E) as under:-

| Year | Number of Utilization Certificates awaited | Amount (₹ in crore) |
|---------------|--|------------------------|
| Up to 2017-18 | 07 | 9.48 |
| 2018-19 | 45 | 89.96 |
| 2019-20# | 149 | 1537.25 |
| Total | 201 | 1636.69 |

Except where the Sanction order specifies otherwise, UCs in respect of Grants-in-aid drawn during 2019-20 become due only in 2020-21.

| Major Defaulting Department (For the year 2017-18 and 2018-19) | | Amount (₹ in crore) | per cent |
|---|--|---------------------|----------|
| 2017-18 | District Panchayat Raj Adhikari, Dehradun | 8.21 | 86.60 |
| | Varisth Vitt Adhikaari, Nagar Nigam, Roorki | 0.45 | 4.75 |
| 2018-19 | District Panchayat Raj Adhikari, Pithoragarh | 46.47 | 51.66 |
| | District Panchayat Raj Adhikari, Champawat | 16.31 | 18.13 |
| | District Panchayat Raj Adhikari, Nainital | 16.31 | 18.13 |
| | District Panchayat Raj Adhikari, Dehradun | 3.85 | 4.28 |
| | Mukhya Vikas Adhikari, Champawat | 3.48 | 3.87 |

6.10 Commitments on Account of Incomplete Capital works

A total expenditure of ₹ 6,27,08 crore was incurred up to the year 2019-20 by the State Government on 210 incomplete projects, against original estimate cost of ₹ 7,38.65 crore as detailed in Appendix IX in Volume II of the Finance Accounts.

A summarized view on commitments on account of Incomplete Capital Works is given below:

(₹ in crore)

| S. No | Category of works (no. of works) | Estimated cost of work | Expenditure during the year | Progressive expenditure to the end of the year | Pending payments | Estimated cost after revision |
|-------|--|------------------------|-----------------------------|--|------------------|-------------------------------|
| 1. | Irrigation and Flood Control Works (9) | 17.90 | 6.04 | 11.28 | 6.14 | ... |
| 2. | Road Construction Works (190) | 5,19.05 | 93.28 | 4,29.34 | 1,42.55 | 78.94 |
| 3. | Bridge (11) Construction | 2,01.70 | 41.79 | 1,86.46 | 12.30 | 24.28 |
| | Total | 7,38.65 | 1,41.11 | 6,27.08 | 1,60.99 | 1,03.22 |

6.11 National Pension System

State Government employees recruited on or after 1 October 2005 are covered under the National Pension System (NPS), which is a defined contribution scheme. In terms of the Scheme, the employee contributes 10 per cent of his basic pay and dearness allowance and the Government contribute 14 per cent of the basic and dearness allowance. The entire amount is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/ Trustee Bank.

The actual amount payable by employees and the Government contribution have not been estimated. During the year, the employees' contribution was ₹ 418.51 crore and Government contribution to the NPS was ₹ 501.37 crore against the desired contribution of ₹ 585.91 crore. Thus, there was a short contribution of ₹ 84.54 crore on the part of the State

Government. The total contribution of ₹ 919.88 crore has been booked under MH-8342-117-Defined Contribution Pension Scheme for Government employees and total funds of ₹ 914.63 crore were transferred to NSDL inclusive of arrears of ₹ 31.37 crore. In the absence of actual amount payable by the employees and matching government contribution, accuracy of the Funds remitted by State Government could not be confirmed.

Out of total transfer of ₹ 914.63 crore, an amount of ₹ 912.98 crore has been received by the NSDL. Difference of ₹ 1.65 crore is under reconciliation with the State Government. Further, the State Government has parked a balance of ₹ 159.38 crore (including legacy balances² of ₹ 22.75 crore) in the Public Account under Major Head 8342-117 óDefined Contribution Pension Scheme for Government employees. At the end of the year 2019-20, the total Balance of the Fund was ₹ 164.64 crore.

6.12 Personal Deposit Accounts

Government is authorized to open Personal Deposit Accounts in order to deposit money by transferring funds from the Consolidated Fund for discharging liabilities of the Government. The Administrators are required to close such accounts on the last working day of the financial year and transfer the unspent balances back to the Consolidated Fund. At the end of 2019-20, unspent balances to the tune of ₹ 200.29 crore remained un-transferred to the Consolidated Fund. The Status of PD accounts during 2019-20 is as under-

| Head of Account | Particulars | Number of PLAs | Amount (₹ in Crore) |
|-----------------|-------------------|----------------|---------------------|
| 8443-106 | Personal Deposits | 48 | 2,00.29 |

At the end of the year, ₹ 18.12 crore were lying unspent for more than one year and ₹ 95.37 crore were lying unspent for more than three years.

6.13 Investments

The State Government invests in the equity and shares of Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative Institutions. The State Government has not made available/ confirmed the information on investments made by them. Consequently, the information contained in the Finance Accounts is primarily based on limited information on Government investments which are captured from vouchers by the Accountant General (A&E). The investment figures as shown in the Finance Accounts are under reconciliation with the records of the entities where the investments have been made by the State Government.

²Legacy balances are the contributions relating to the period between date of announcement of the National Pension System(1 October 2005) and the date on which the scheme was actually notified by the State Government (31 March 2008).

6.14 Rush of Expenditure

Principles of prudent Financial Management and paragraph 183 of chapter XVII of Uttarakhand Budget Manual (UBM) stipulates that rush of expenditure in the closing month of the financial year should be avoided. The trend of expenditure incurred during the last quarter and March 2020 as compared to the total expenditure during 2019-20 is as under:

| Expenditure incurred during January to March 2019 (₹ in crore) | Expenditure incurred in March 2020 (₹ in crore) | Total Expenditure (₹ in crore) | Percentage of Total expenditure incurred during (₹ in crore) | |
|--|---|--------------------------------|--|------------|
| | | | January to March 2020 | March 2020 |
| 1,07,97.54 | 51,75.62 | 3,82,72.98 | 28.21 | 13.52 |

6.15 Status of Reserve Funds

State Government operated eight Reserve Funds as on 31 March 2020 out of which two Reserve Funds are interest bearing (₹ 3,253.55 crore credit) and six Reserve Funds are non-interest bearing funds (₹ 1,417.13 crore credit). Out of these eight funds, two funds are in-operative (balance ₹ 36.48 crore debit) and six funds are operative (balance ₹ 4,707.16 crore credit). The State Government has been asked to reconcile the Balances in the Reserve Funds, so that the in-operative funds could be closed. The State Government response in this regard is awaited.

(₹ in crore)

| Opening balance (01 April 2019) | State Government transfer to the Fund | Expenditure | Closing Balance (31 March 2020) | Total Investment | Balance after investment |
|---------------------------------|---------------------------------------|-------------|---------------------------------|------------------|--------------------------|
| 1,762.08 | 3,080.09 | 171.49 | 4,670.68 | 1,338.62 | 3,332.06 |

6.15.1 Guarantee Redemption Fund

The Government of Uttarakhand set up a Guarantee Redemption Fund in 2006-07 as recommended by the Twelfth Finance Commission. In term of guidelines of Uttarakhand Gazette Notification dated 27/12/2006, the State Government is required to contribute an amount equivalent to at least 1/5 of the outstanding invoked guarantees plus amount of guarantees likely to be invoked as a result of the incremental guarantees issued during the year. The State Government has informed that Guarantee amounting to ₹ 0.32 crore has been invoked during 2019-20. No amount was contributed from the Consolidated Fund to the Guarantee Redemption Fund. However, an amount of ₹ 4.45 crore has been received as Guarantee fees/Commission. Further, in terms of the guidelines of the Reserve Bank of India which administers the Fund, the corpus of the Fund is to be gradually increased to the desirable level of 5 per cent of the outstanding guarantees. The fund details are given in table below:

(₹ in crore)

| Opening balance (01 April 2019) | Additions to the Fund (contribution and interest) | | Payments out of the Fund | Total balance in the Fund | Amount invested by RBI during the year | Closing balance (31 March, 2020) |
|---------------------------------------|--|--------------------------------|--------------------------------|------------------------------------|--|---|
| | Desired Level Contribution (5 % of balance as on 31 March 2019) | Actual contribution made | | | | |
| 71.24 (35.00 + 36.24) | 44.66 | Nil 6.20 (Interest) | Nil | 77.44 (35.00+ 42.44) | 77.44 | Nil |

6.15.2 State Disaster Response Fund

Government of India replaced the existing Calamity Relief Fund in 2010-11 with the State Disaster Response Fund. 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.

(₹ in crore)

| Opening balance (01 April 2019) | Contribution by Centre | State Share | Total | Amount set off (MH 2245- 05) | Balance in the fund (31 March 2020) | Amount invested through RBI during the year |
|--|---------------------------|----------------|--------|---------------------------------------|--|---|
| 494.43 | 229.50 | 25.50 | 749.43 | 170.97 | 578.46 | Nil |

6.15.3 State Compensatory Afforestation Fund

The Uttarakhand State Compensatory Afforestation Fund was created in September 2018 by the Government of Uttarakhand to administer the amount received and utilize the monies collected for undertaking Compensatory Afforestation, assisted natural regeneration, conservation and protection of forests, infrastructure development, wildlife conservation and protection and other related activities and for matters connected therewith or incidental thereto. Detailed guidelines for accounting under this Fund have been issued vide Ministry of Environment, Forest and Climate Change, Government of India in November 2018. The State Government has not so far adopted these guidelines and not followed the accounting procedure. However, during 2019-20 Ministry of Environment, Forest & Climate Change, Government of India has transferred an amount of ₹ 2,675.09 crore from National Compensatory Afforestation Fund, as the share of the Uttarakhand. This amount is booked under 8121-129 State Compensatory Afforestation Fund. As the State Government has not followed the guidelines for accounting in the fund, the matter has been brought to the notice of the State Government.

6.16 Major Cess

6.16.1 Labour Cess

The State Government of Uttarakhand has informed that in accordance to -Building and Other Construction Workers Welfare Cess Rules 1998, one *per cent* of construction cost of projects worth above ₹ 10 lakh is deducted as Welfare Cess. This cess, in accordance with the provisions, is deposited in a nationalized Bank Account opened in name of Secretary, -Building and other Construction Workers Welfare Board. Double Entry System is being followed for accounting the cess. The balance accumulated in the Fund and expenditure met there from is as follows:-

(₹ in crore)

| Financial Year | Bank Opening | Labour Cess Received | Bank Interest | FDR Interest | FDR Matured Amount Received | Registration Fees and Other Income Received | Welfare Expenses | Other Expenses | Amount Transferred for FDR | Bank Closing= (A+B+C+D+E+F-G-H-I) |
|----------------|---------------|----------------------|---------------|--------------|-----------------------------|---|------------------|----------------|----------------------------|-----------------------------------|
| | A | B | C | D | E | F | G | H | I | |
| 2015-16 | 12.95 | 43.78 | 0.37 | 0.60 | 45.08 | 0.03 | 9.94 | 0.62 | 62.31 | 29.94 |
| 2016-17 | 29.94 | 54.89 | 1.46 | 0.11 | 8.29 | 0.14 | 30.96 | 2.31 | 11.25 | 50.31 |
| 2017-18 | 50.31 | 67.09 | 2.05 | 7.07 | 23.21 | 0.00 | 36.08 | 1.75 | 22.52 | 89.38 |
| 2018-19 | 89.38 | 87.01 | 3.74 | 11.72 | 72.59 | 0.28 | 88.65 | 2.32 | 71.40 | 102.44 |
| 2019-20 | 102.44 | 149.54 | 3.17 | 6.10 | 5.16 | 1.35 | 190.61 | 2.39 | 9.71 | 65.05 |
| Total | 402.40 | 107.79 | 10.79 | 25.60 | 154.33 | 1.80 | 356.24 | 9.39 | 177.19 | |

The Cess Account had an unspent balance of ₹ 65.05 crore as on 31 March 2020.

6.16.2 Green Energy Cess:

As per the information contained in -The Uttarakhand Green Energy Cess Act 2014, the cess will be levied on such electricity which is generated within the State and is being transmitted outside the State. In addition Green Energy Cess up to Ten paise per unit shall be levied on the electricity supplied to commercial and industrial consumers of the State and the amount of cess should be collected by such generator or UPCL and remitted to the Green Energy Fund. UPCL has informed that for the year 2018-19 an amount of ₹ 75.61 crore has been collected as green cess and an amount of ₹ 78.23 crore has been paid to the State Government.

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