



सत्यमेव जयते

**REPORT OF THE
COMPTROLLER AND AUDITOR
GENERAL OF INDIA
ON
STATE FINANCES
FOR THE YEAR ENDED 31 MARCH 2016**



उत्तराखण्ड शासन

GOVERNMENT OF UTTARAKHAND

Report No. 2 of the year 2016

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PREFACE

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

Chapters 1 and 2 of this Report contain audit observations on matters arising from the examination of the Finance Accounts and the Appropriation Accounts respectively, of the State Government for the year ended 31 March 2016. Information has been obtained from the Government of Uttarakhand wherever necessary.

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

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

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Background

This Report on the finances of the Government of Uttarakhand is being brought out to assess the financial performance of the State during the year 2015-16 *vis-à-vis* the Budget and recommendations of *Fourteenth Finance Commission* and analyses the dominant trends and structural profile of Government's receipts and disbursements.

Based on the audited accounts of the Government of Uttarakhand for the year ending 31 March 2016 and additional data collected from several sources such as the Economic Survey brought out by the State Government and Census, this report provides an analytical review of the Annual Accounts of the State Government in three Chapters.

Chapter-1 is based on the audit of Finance Accounts and makes an assessment of Uttarakhand Government's fiscal position as on 31 March 2016. It provides an insight into trends and profile of key fiscal aggregates, committed expenditure, borrowing pattern, *etc.*

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

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

Audit findings

Chapter-1

Finances of the State Government

The State was able to attain and maintain the revenue surplus during 2011-12 (₹ 716 crore), 2012-13 (₹ 1,787 crore) and 2013-14 (₹ 1,105 crore). During the year 2014-15 the revenue surplus turned into revenue deficit of ₹ 917 crore which further increased to ₹ 1,852 crore during the current year. Fiscal deficit at ₹ 5,826 crore (3.60 *per cent* of GSDP) during the year 2014-15 was above the normative assessment of three *per cent* as stipulated in FRBM Act, 2005 (partially modified in March 2011) in accordance with the recommendations of the Thirteenth Finance Commission (*Th FC*). During the current year the fiscal deficit was 3.33 *per cent* of GSDP against recommendations of 3.25 *per cent* of the Fourteenth Finance Commission (*FFC*).

During the current fiscal, the Government capitalized 14.62 *per cent* less funds as compared to the previous year 2014-15.

The average return on Uttarakhand Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives was almost negligible (ranging from 0.004 to 0.18 *per cent* of the investment made) in the past five years while the Government paid an average interest of 7.96 *per cent* on the borrowed funds for this investment.

The Government may ensure better value for money in investments by identifying the Companies/Corporations which are endowed with low financial but high socio-economic returns and can justify high cost borrowings being channelised there.

The debt-GSDP¹ ratio showed a declining trend during 2011-12 to 2013-14 *i.e.* from 20.44 *per cent* to 19.20 *per cent* as against the target of 38.50 *per cent* set forth by the *Th. FC*. During 2014-15 it was 20.67 *per cent* which was also within the target of 37.20 *per cent*. During the current year, at 21.20 *per cent*, it was also below the target of 22.70 *per cent* as recommended by *FFC*.

Chapter-2

Financial management and budgetary control

During 2015-16, there was an excess of ₹ 23,34.24 crore in four grants and one appropriation which requires regularization under Article 205 of the Constitution of India.

An amount of ₹ 16,59.60 crore drawn by the State Government during the month of March 2016 was deposited in the deposit heads to avoid lapse of budget grants.

A significant amount of ₹ 82.56 crore sanctioned under Contingency Fund during 2013-14 to 2015-16 has remained un-recouped under Contingency Fund as of August 2016.

Excess expenditure amounting to ₹ 1,29,89.20 crore pertaining to the years 2005-06 to 2014-15 was also yet to be regularized by the State Legislature.

Chapter-3

Financial reporting

The departmental officers did not submit 293 Utilization Certificates, in respect of the grants of ₹ 3,48.92 crore given for specific purposes, to the Accountant General (A&E), Uttarakhand till March 2016. In the absence of these certificates, it could not be ascertained whether the recipients had utilized the grants for the intended purposes. The departmental heads were not submitting statement of such bodies and authorities

¹ On Current Market price.

to Accountant General (Audit) Uttarakhand to which grants or loan aggregating ₹ 10 lakh or more were paid during preceding year. As such the institutions which attract audit by the C & AG could not be identified properly.

Significant amounts of expenditure and receipts under Central and State Schemes, booked under the Minor Heads '800-Other Expenditure' and '800-Other Receipts' were not distinctly depicted in the State Finance Accounts of 2015-16, affecting the transparency in financial reporting.

CHAPTER-1

**FINANCES OF
THE STATE GOVERNMENT**

CHAPTER- 1

FINANCES OF THE STATE GOVERNMENT

This chapter provides an overview of the finances of the State Government during the financial year 2015-16 in terms of its structural profile and by benchmarking against past trends of major fiscal aggregates. *Appendix 1.1* contains the structure and layout of the Finance Accounts of the State Government on which this Chapter is based. *Appendix 1.2 (Part A)* briefly outlines the methodology adopted for the assessment of the fiscal position of the State.

1.1 Profile of the State

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

The State has seen considerable economic growth in the past decade and the Compound Annual Growth Rate (CAGR)¹ of its Gross State Domestic Product¹ (GSDP) at current prices for the period 2006-07 to 2015-16 has been over 19.59 *per cent*.

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

Gross State Domestic Product (GSDP)

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

Annual growth rate of GDP and GSDP at current prices

Year	2011-12	2012-13	2013-14*	2014-15*	2015-16*
India's GDP (₹ in crore)	87,36,039	99,51,344	1,12,72,764	1,24,88,205	1,35,76,086
Growth rate of GDP (percentage)	--	13.91	13.28	10.78	8.71
State's GSDP (₹ in crore)	1,15,523	1,31,835	1,49,817	1,61,985	1,84,091
Growth rate of GSDP (percentage)	--	14.12	13.64	8.12	13.65

Source: GSDP-Data provided by HQ's Office.

* Provisional * Quick * Advance estimates.

The growth rate of GSDP declined sharply from 14.12 *per cent* during 2012-13 to 8.12 *per cent* in 2014-15. However, it increased to 13.65 *per cent* in 2015-16. Rate of growth of GSDP in comparison to GDP varied over the period 2012-13 to 2015-16. The growth rate of GSDP was lower than the GDP growth rate in 2014-15 only. It was more or less identical in the years 2012-13 and 2013-14 and was significantly higher than the GDP growth rate in 2015-16.

¹ Refer glossary in Appendix-4.1

The Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005 which was revised in 2011 as per the recommendation of the Thirteenth Finance Commission (*Th FC*) (*Appendix 1.2 Part B*) was not further revised in 2015 according to the recommendations of the Fourteenth Finance Commission (*FFC*). However, the targets recommended by the *FFC* regarding the fiscal health of the State are discussed in **Para 1.1.2 Review of the fiscal situation** below. The State's own Fiscal Correction Path (FCP) through the Medium Term Fiscal Policy (MTFP) is also given in *Appendix-1.2 (Part B)*.

1.1.1 Summary of Current Year's Fiscal Transactions

Table 1.1 presents a summary of the State Government's fiscal transactions during the current year (2015-16) *vis-à-vis* the previous year (2014-2015). *Appendix-1.4* provides details of receipts and disbursements as well as the overall fiscal position during the current year as compared to the previous year.

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

(₹ in crore)

Receipts	2014-15	2015-16	Disbursements	2014-15	2015-16		
					Non-Plan	Plan	Total
Section-A: Revenue							
Tax revenue	8,338.47	9,377.79	General services	7,402.28	8,381.91	28.07	8,409.98
Non-tax revenue	1,110.44	1,219.66	Social services	9,223.69	5,537.15	4,389.54	9,926.69
Share of Union Taxes/ Duties	3,792.30	5,333.19	Economic services	3,856.47	2,012.54	1,970.67	3,983.21
Grants from Government of India	7,005.34	5,303.79	Grants-in-aid and Contributions	681.27	766.56	--	766.56
Revenue receipts	20,246.55	21,234.43	Revenue expenditure	21,163.71	16,698.16	6,388.28	23,086.44
Section-B: Capital and Others							
Misc. Capital Receipts	135.33	--	Capital Outlay	4,939.01	20.45	4,196.93	4,217.38
Recoveries of Loans and Advances	45.58	27.20	Loans and Advances disbursed	150.97	1.14	82.01	83.15
Public Debt receipts*	4,573.42	6,798.23	Repayment of Public Debt*	893.89	--	--	1,996.56
--	--	--	Appropriation to Contingency Fund	150.00	--	--	--
Contingency Fund	331.98	190.76	Contingency Fund	194.15	--	--	385.46
Public Account receipts#	35,032.43	37,745.87	Public Account disbursements#	33,534.94	--	--	36,536.73
Opening Cash Balance	2,433.41	1,772.03	Closing Cash Balance	1,772.03	--	--	1,462.80
Total	62,798.70	67,768.52	Total	62,798.70			67,768.52

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

In other Places Net figure of Public Account Receipts have been taken for analyzing the State resources.

The following are the significant changes during the current year (2015-16) over the previous year (2014-15):

- Revenue receipts at ₹ 21,234.43 crore were higher by ₹ 987.88 crore (4.88 per cent) over the previous year. This was due to the increase in State's own tax revenue (₹ 1,039.32 crore), State's share of Union taxes/duties (₹ 1,540.89 crore), and non-tax revenue (₹ 109.22 crore). However, during the current year, the grants from the GoI decreased considerably by ₹ 1,701.55 crore.
- The overall decrease of ₹ 160.66 crore (1.49 per cent) under the total receipts from GoI after the implementation of recommendation of *FFC* was due to decrease in grants by ₹ 1,701.55 crore counter balanced with the increase in State's share of Union taxes/duties by ₹ 1,540.89 crore.

- Revenue expenditure grew by ₹ 1,922.73² crore (9.09 per cent) during the year, over the previous year as detailed in **Paragraph 1.6.1**.
- Revenue receipts were lesser by ₹ 1,852.01 crore in comparison to revenue expenditure of the State resulting in revenue deficit to this extent during the current year.
- Capital expenditure during the year decreased by ₹ 721.63³ crore (14.61 per cent) over the previous year as detailed in **Paragraph 1.6.1**.
- Recovery of loans and advances decreased by ₹ 18.38 crore (40.32 per cent) from ₹ 45.58 crore (2014-15) to ₹ 27.20 crore.
- Public Debt receipts at ₹ 6,798.23 crore, registered an increase of ₹ 2,224.81 crore during the year 2015-16 due to increase in internal debt of the State Government (₹ 2,188.80 crore) and the loans and advances from the Central Government (₹ 36.01 crore). Out of total Public Debt receipts, Internal Debt and Loans from GoI receipts were ₹ 6,701.22 crore (98.57 per cent) and ₹ 97.01 crore (1.43 per cent) respectively.
- Net Public Account Receipts decreased from ₹ 1,497.49 crore in 2014-15 to ₹ 1,209.14 crore in 2015-16. During the current year, the main contributors were net Small Savings and Provident Fund ₹ 477.74 crore, net Suspense and Miscellaneous ₹ 376.39 crore, net Reserve Fund ₹ 183.37 crore and net Deposit and Advances ₹ 138.35 crore.
- The cash balance of the State at the end of the current year decreased by ₹ 309.23 crore as compared to the closing balance at the end of 2014-15 mainly due to decrease in Investments held in Cash Balances Investment Account from ₹ 592.21 crore to ₹ 344.74 crore in 2015-16.

1.1.2 Review of the fiscal situation

Major fiscal variables provided in the Budget and the recommendations of *FFC* for the State are given in **Table 1.2**. The FRBM Act has not been revised by the State Government as per recommendations of the *FFC* to fix targets for 2015-16 and onwards.

Table-1.2: Review of the fiscal situation (₹ in crore)

Fiscal variables	2015-16						
	Targets as prescribed by <i>FFC</i>	Targets proposed in the Budget	Projections made in MTFP	Actuals	Percentage variation of actual over		
					Targets of <i>FFC</i>	Targets of Budget	Projections MTFP
Revenue Deficit (-)/ Surplus (+) (₹ in crore)	(-) 274.00	(+) 38.35	(+) 282.09	(-) 1,852.01	(-)575.91	(-) 4,929.23	(-) 756.53
Fiscal Deficit/ GSDP (in per cent)	(-) 3.25	(-) 2.21	(-) 2.56	(-) 3.33	(-) 2.46	(-) 50.68	(-) 30.08
Ratio of outstanding fiscal liability to GSDP (in per cent)	22.70	18.33	18.72	21.20	(+) 6.60	(-) 15.66	(-) 13.25

The State Government has been on a fiscal consolidation path since the enactment of the FRBM Act, 2005. During 2011-14, the State Government was able to maintain revenue surplus. However, the Revenue Surplus turned into Revenue Deficit during 2014-15 (₹ 917 crore). During the current year, revenue deficit further increased to ₹ 1,852 crore,

² General Sector (₹ 1,007.70 crore) + Social Sector (₹ 703.00 crore) + Economic Sector (₹ 126.74 crore) + Grant in Aid and Contributions (₹ 85.29 crore).

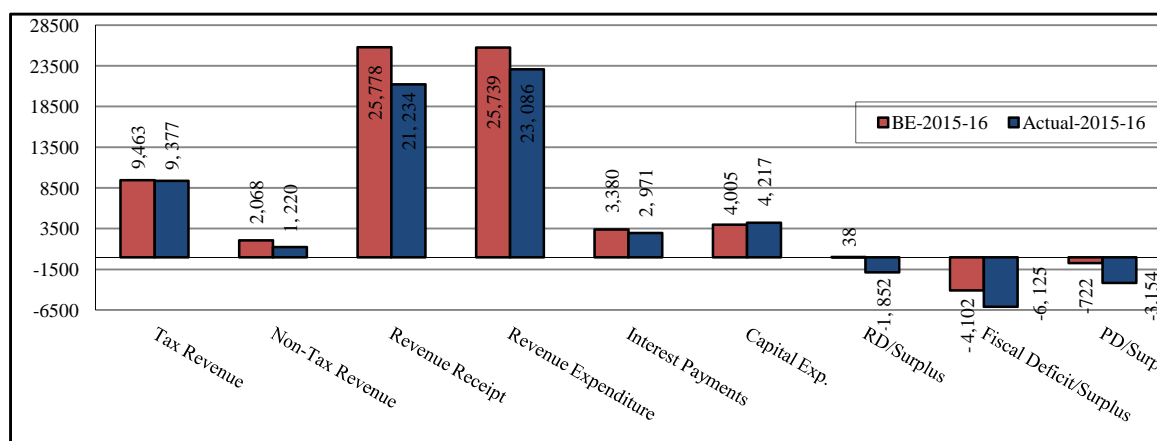
³ General Sector (₹ 102.57 crore) + Social Sector (₹ 366.71 crore) + Economic Sector (₹ 252.35 crore).

mainly due to significant increase in Revenue Expenditure by ₹ 1,923 crore (9.09 per cent) in comparison to increase in Revenue Receipts by ₹ 988 crore (4.88 per cent) over the previous year.

1.1.3 Budget estimates and actuals

The Budget papers presented by the State Government provide descriptions of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of the fiscal policies for overall economic management. Deviations from the Budget Estimates (BEs) are indicative of non-attainment and non-optimization of the desired fiscal objectives, due to a variety of factors, some within the control of the Government while others beyond its control. A comparison of the actual against the BEs in respect of various components showed a mixed trend during 2015-16:

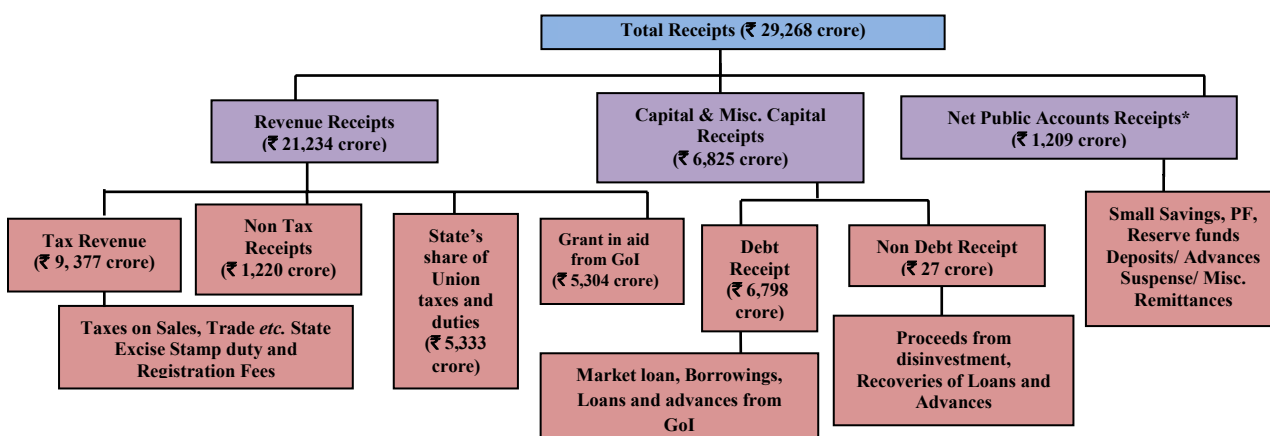
Chart 1.1 Selected Fiscal Parameters: Budget Estimates vis-à-vis Actuals (₹ in crore)



From the above **chart 1.1** it is evident that:

- The overall revenue receipts were short by ₹ 4,544 crore mainly due to less receipt of funds of ₹ 3,416 crore (39.17 per cent) from the GoI under grants-in-aid and less realisation of non-tax revenue by ₹ 848 crore (41.01 per cent) against the BEs for the current year. The State's tax revenue against the BEs was also slightly lower by ₹ 86 crore.
- The State Government was able to restrict the revenue expenditure in 2015-16 and it was ₹ 2,653 crore (10.31 per cent) less than the BEs for the current year.
- The budgetary projection of ₹ 4,005 crore against actual expenditure of ₹ 4,217 crore under capital head was insufficient to the extent of ₹ 212 crore (5.29 per cent).
- The year 2015-16 ended with a Revenue Deficit of ₹ 1,852 crore against the assessment of Revenue Surplus of ₹ 38 crore made in the BEs.
- The actual fiscal deficit (₹ 6,125 crore) and primary deficit (₹ 3,154 crore) during 2015-16 was higher than the assessment made in the BEs by 49.32 per cent (₹ 2,023 crore) and 336.84 per cent (₹ 2,432 crore) respectively.

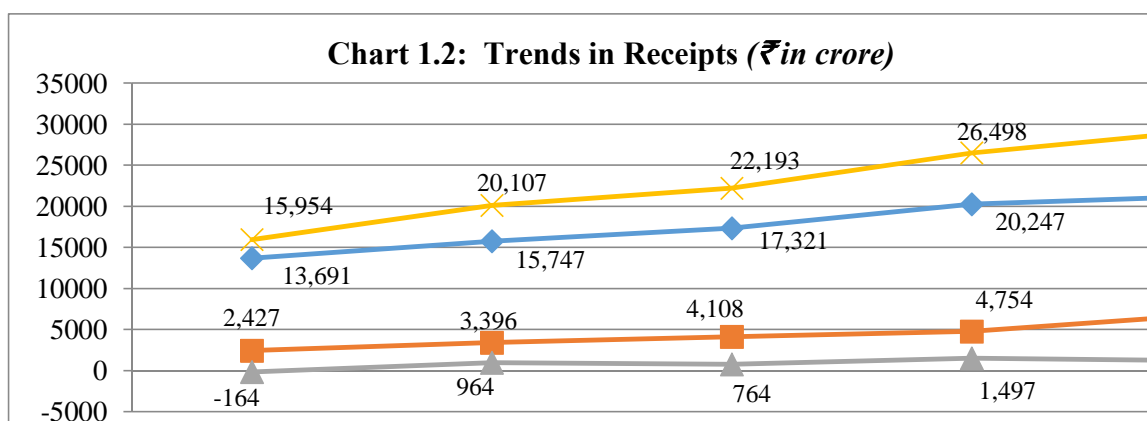
1.2 Resources of the State



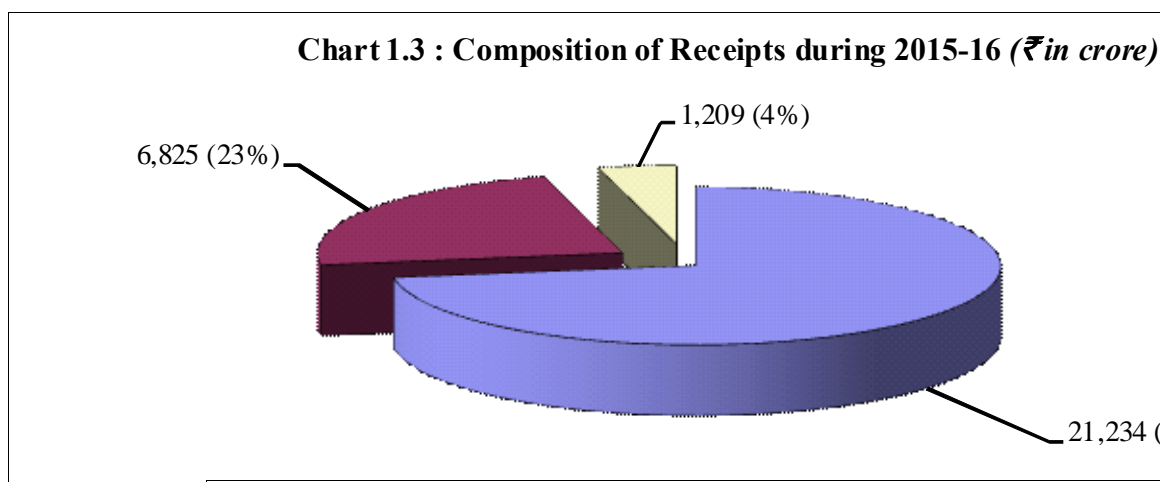
* Net Public Account Receipts (₹1,209 crore) = Public Accounts Receipts (₹37,746 crore) less Public Accounts Disbursements (₹36,537 crore).

1.2.1 Resources of the State as per the Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts comprise tax revenues, non-tax revenues, State’s share of the Union taxes and duties, and grants-in-aid from the Government of India (GoI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/ commercial banks), and loans and advances from the GoI. Besides, funds available in the public accounts after disbursement are also utilized by the Government to finance its deficit. **Table-1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts (*Appendix 1.1*) while **Chart 1.2** depicts the trends in various components of the receipts of the State during 2011-12 to 2015-16. **Chart 1.3** depicts the composition of resources of the State during the current year.



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



The total receipts of the Government (excluding Contingency Fund Receipts) grew from ₹ 15,954 crore in 2011-12 to ₹ 29,268 crore in 2015-16 by ₹ 13,314 crore (83.45 per cent). Of the receipts of ₹ 29,268 crore in 2015-16, four per cent (₹ 1,209 crore) of the receipts came from the net Public Account whereas 23 per cent (₹ 6,825 crore) and 73 per cent (₹ 21,234 crore) share of the total receipts came from borrowings and revenue receipts respectively.

The revenue receipts of the State during the current year grew by 4.87 per cent over the previous year. This was mainly due to increase in State's share of Union taxes and duties ₹ 1,541 crore (40.63 per cent) and Tax Revenue ₹ 1,039 crore (12.46 per cent). However, Grant-in-Aid from the Government of India decreased by ₹ 1,702 crore (24.29 per cent) restricting the growth of overall revenue receipt to 4.87 per cent. As a percentage in the composition of total receipts, Revenue Receipts decreased by 3.86 per cent during the current year while the share of capital receipts in the total receipts has shown an increase of 5.38 per cent (refer Table 1.1).

Trends in Public Account Receipts

The increase of ₹ 2,713.44 crore under the public account receipts was due to increase in suspense and miscellaneous (₹ 3,168.84 crore), deposits & advances (₹ 314.50 crore), small savings & provident funds (₹ 113.20 crore), and reserve funds (₹ 25.87 crore). However, there was a decrease in remittances (₹ 908.97 crore).

Suspense and Miscellaneous receipts increased by ₹ 3,168.84 crore (12.96 per cent) during the year mainly due to increase under the suspense head for Cheques and Bills (₹ 3,065.48 crore). This suspense head is credited while issuing the cheques and is cleared on receipt of information from the bank regarding encashment of cheques.

1.2.2 Funds transferred to implementing agencies in the State

The Government of India has transferred significant funds directly to the State Implementing Agencies for implementation of various schemes/ programmes in the past years. The system of direct transfers by GoI to implementing agencies has since been

dispensed with from 2014-15. However, during 2015-16, the Government of India did directly transfer funds amounting to ₹ 72.84 crore (Funds routed outside State Budget-Unaudited figures) to various state implementing agencies as detailed in **Table 1.3**.

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

Sl. No.	Scheme Name	Agency Name/ Agency Type	Fund Transferred (₹ in crore)
1.	Mahatma Gandhi National Rural Employment Guarantee Yojna	Uttarakhand Rajya Rozgar Guarantee Sanstha	27.50
2.	Package for (other than North East) Special Category States	State Industrial Development Corporation of Uttarakhand Ltd	22.78
3	Mega Clusters Textiles	Uttarakhand Handloom & Handicrafts Development Council	10.13
4.	Capacity Building for Service Providers	Garhwal Mandal Vikas Nigam Ltd.	6.47
5.	Development of Infrastructure for Promotion of Health Research	Veer Chandra Singh Garhwali Govt. Med. Science Research Institute, Srinagar.	1.25
6.	MPs Local Area Development Scheme MPLADS	District Magistrates of various Districts	1.12
7.	Others (16)	Various agencies	3.59
Total:			72.84

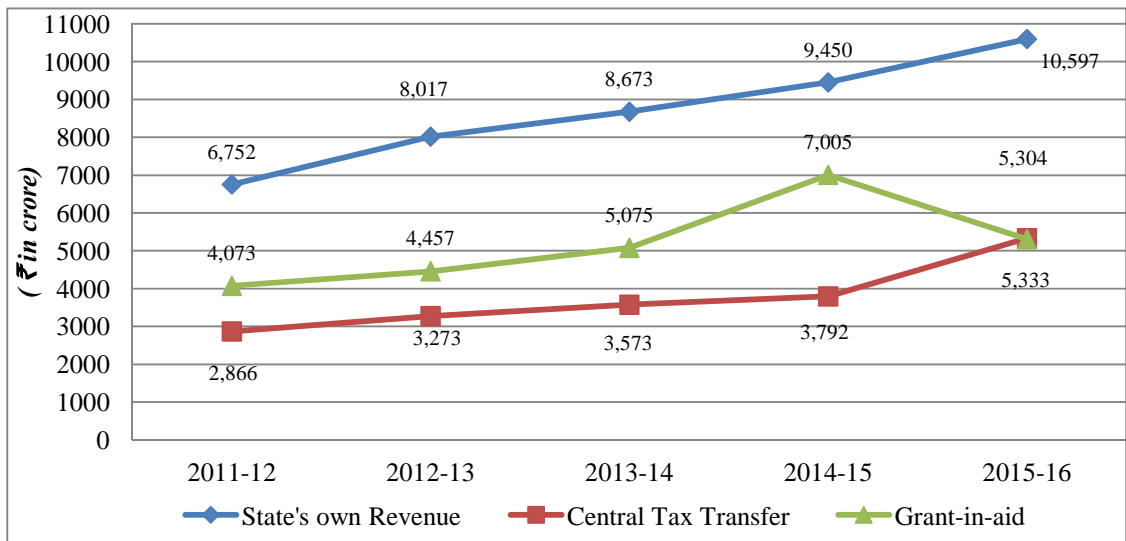
Source: Finance Account- Appendix VI.

Out of total funds of ₹ 985.83 crore transferred directly by Government of India to implementing agencies (including Central implementing agencies) in the State, an amount of ₹ 72.84 crore (7.39 per cent) was released to the State Implementing Agencies.

1.3 Revenue receipts

Statement-14 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of State's own tax and non-tax revenues, central tax transfers and grants-in-aid from the GoI. The trends and composition of revenue receipts over the period 2011-12 to 2015-16 are presented in *Appendix-1.3* and are also depicted in **Chart 1.4**.

Chart 1.4: Trends in Revenue Receipts



The revenue receipts have shown a constant increase over the period 2011-12 to 2015-16. They increased from ₹ 13,691 crore in 2011-12 to ₹ 21,234 crore in 2015-16 at an average

rate of 12.94 *per cent* per annum out of which State's own revenue, Central tax transfers and Grant-in-Aid increased by ₹ 3,845 crore (56.95 *per cent*), ₹ 2,467 crore (86.08 *per cent*) and ₹ 1,231 crore (30.22 *per cent*) respectively during the said period.

While 49.91 *per cent* of the revenue receipts during 2015-16 came from the State's own tax and non-tax revenue, the aggregate of Central tax transfers and grants-in-aid contributed the remaining 50.09 *per cent* of the total revenue.

State's own receipts constituted on an average around 49.38 *per cent* of its revenue receipts, over the period 2011-16. This showed continued dependence of the State on the grants-in-aid from GoI as the State has not been able to broaden its tax base. The trends in revenue receipts relative to GSDP are presented in **Table 1.4**.

Table-1.4: Trends in revenue receipts relative to GSDP

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Receipts (RR) (₹ in crore)	13,691	15,747	17,321	20,247	21,234
Rate of growth of RR (<i>per cent</i>)	17.94	15.02	10.00	16.89	4.87
R R/ GSDP (<i>per cent</i>)	11.85	11.94	11.56	12.50	11.53
Buoyancy Ratios⁴					
Revenue Buoyancy <i>w.r.t.</i> GSDP	--	1.06	0.73	2.08	0.36
State's Own Tax Buoyancy <i>w.r.t.</i> GSDP	--	1.01	1.08	1.65	0.91

The growth rate of Revenue Receipts was 17.94 *per cent* during 2011-12 over the previous year 2010-11 and thereafter it began to decline and came down to 10 *per cent* in 2013-14. However, the growth rate for 2014-15 increased by 6.89 *per cent* over the previous year but again decreased sharply by 12.02 *per cent* in 2015-16 and stood at 4.87 *per cent*.

Buoyancy ratio indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable. Revenue buoyancy, which is directly proportionate to growth of Revenue Receipts and GSDP, fluctuated widely during the period 2011-12 to 2015-16 due to fluctuations in the growth rate of Revenue Receipts. It declined to 0.36 in 2015-16 from 2.08 *per cent* in 2014-15 due to decrease in the growth rate of Revenue Receipts to 4.87 *per cent* in 2015-16 from 16.89 *per cent* in 2014-15.

1.3.1 State's own resources

As the State's share in Central taxes and grants-in-aid are determined on the basis of recommendations of the Finance Commission, the State's performance in mobilization of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The 14th Finance Commission projections, BEs and Medium Term Fiscal Policy (MTFP) projections *vis-à-vis* actuals in respect of State's own resources during 2015-16 are given in **Table 1.5**.

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

States Own resources	FFC projections	Budget estimates	MTFP projections	Actual	Percentage variation of actual over		
					XIV FC projections	Budget estimates	MTFP projections
Own Tax Revenue	11,538	9,463	9,653	9,377	(-)18.73	(-)0.91	(-)2.86
Non-Tax Revenue	2,375	2,068	2,175	1,220	(-)48.63	(-)41.01	(-)43.91

⁴ Refer glossary in **Appendix-4.1**

As shown in **Table 1.5**, the State's own resources *vis-à-vis* projections made by the *FFC*, *BEs* and *MTFPS* showed that own tax revenues during 2015-16 were less by ₹ 2,161 crore, ₹ 86 crore and ₹ 276 crore respectively.

The Non-tax revenue (NTR) was less by ₹ 1,155 crore, ₹ 848 crore and ₹ 955 crore as compared to the *FFC* projections, the *BEs* and the *MTFPS* respectively. The non-achievement of targets of Non-tax revenue was mainly due to less receipt under the Major Heads 0075 - Misc General Services, 0853 - Non Ferrous Mining and Metallurgical Industries, and 0071 Contributions and Recoveries towards Pension & Other Retirement benefits.

1.3.1.1 Tax revenue

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

Table-1.6: Components of State's own resources

Revenue Head	2011-12	2012-13	2013-14	2014-15	2015-16
Taxes on Sales, Trades etc.	3,644 (24)	4,289 (18)	4,903 (14)	5,465 (11)	6,105 (12)
State Excise	844 (12)	1,118 (32)	1,269 (14)	1,487 (17)	1,735 (17)
Taxes on Vehicles	335 (48)	304 (-9)	369 (21)	394 (7)	471 (20)
Stamp Duty and Registration Fee	524 (19)	648 (24)	687 (6)	714 (4)	871 (22)
Taxes on Goods and Passengers	--	--	--	--	--
Other Taxes	269 (540)	55 (-80)	128 (133)	279 (118)	195 (-30)
Total	5,616 (27)	6,414 (14)	7,356 (15)	8,339 (13)	9,377 (12)

Figures in the parentheses indicate percentage increase over previous year.

The State's own tax revenue increased by 12.45 per cent from ₹ 8,339 crore in 2014-15 to ₹ 9,377 crore in 2015-16. However, the rate of growth during the year in comparison to previous year decreased marginally by 0.91 per cent. The revenue from taxes on Sales, Trade, etc. not only comprised a major share of tax revenue (65.11 per cent) but also registered an increase of 11.71 per cent over the previous year. State Excise was another major contributor to State's own tax revenue.

1.3.1.2 Non-tax revenue

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

Table-1.7: Trends of non-tax revenue receipt

Revenue Head	2011-12	2012-13	2013-14	2014-15	2015-16
Interest receipts	50.62	114.76	51.12	108.17	89.22
Dividends & Profits	0.05	0.19	0.30	0.11	5.10
Other non-tax receipts	1,085.46	1,487.93	1,265.12	1,002.16	1,125.34
Total	1,136.13	1,602.88	1,316.54	1,110.44	1,219.66
<i>Per cent</i> increase/decrease over previous year	67.56	41.08	(-) 17.86	(-) 15.65	9.84

Non-tax revenue increased during the period 2011-12 to 2012-13 but it decreased during the period 2013-14 and 2014-15. During the year 2015-16, it again increased by ₹ 109.22 crore (9.84 per cent) against the previous year's decrease of ₹ 206.10 crore (15.65 per cent). During the current year the increase was mainly in Power (₹ 123.56 crore-274.52 per cent), Non Ferrous Mining and Metallurgical Industries (₹ 48.93 crore-21.87 per cent), Medical & Public Health (₹ 39.08 crore-103.44 per cent) and Labour & Employment (₹ 10.12 crore-38.71 per cent). This was partially counter balanced by decrease in receipts from Contribution and Recoveries towards Pension and

Other Retirement benefits (₹ 44.79 crore-47.99 *per cent*), Civil Aviation (₹ 40.03 crore-100 *per cent*), Interest Receipts (₹ 18.95 crore- 17.52 *per cent*), Public Works (₹ 14.33 crore- 50.65 *per cent*) and Misc. General Services (₹ 13.76 crore-166.59 *per cent*).

The major contributors to Non-tax revenue during 2015-16 were Forestry and Wild Life ₹ 357 crore (29.31 *per cent*), Non-ferrous Mining & Metallurgical Industries ₹ 273 crore (22.35 *per cent*), Power ₹ 169 crore (13.82 *per cent*) and Interest Receipts ₹ 89 crore (7.32 *per cent*).

1.3.2 Grants-in-aid from GoI

Grants-in-aid (GIA) received from the GoI during 2011-12 to 2015-16 are depicted in **Table 1.8**.

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

Particulars	(₹ in crore)				
	2011-12	2012-13	2013-14	2014-15	2015-16
Non-Plan grants	762	869	981	944	1,043
Grants for State Plan schemes	2,840	3,040	3,558	4,083	1,173
Grants for Central Plan schemes	10	8	13	99	609
Grants for Centrally Sponsored Plan schemes	462	540	523	1,879	2,479
Total	4,074	4,457	5,075	7,005	5,304
Percentage of increase/decrease over previous year	00	9	14	38	(-) 24
Percentage of Revenue Receipts	30	28	29	35	25

The grants-in-aid from GoI had shown an increase over the period 2011-12 to 2014-15 but it decreased by ₹ 1,701 crore (24.28 *per cent*) during 2015-16 over the previous year. The decrease of ₹ 1,701 crore over the previous year was due to decrease in grants for the State Plan schemes by ₹ 2,910 crore (71.27 *per cent*). However, Grants for Centrally Sponsored Plan schemes, grants for Central Plan schemes and non Plan grants during 2015-16 increased by ₹ 600 crore, ₹ 510 crore and ₹ 99 crore respectively over the previous year.

1.3.3 Central tax transfers

The receipts in the form of State's share in Union taxes and duties have increased by ₹ 1,540.89 crore (40.63 *per cent*) from ₹ 3,792.30 crore in 2014-15 to ₹ 5,333.19 crore in 2015-16. The overall increase in Central tax transfers of ₹ 1,540.89 crore was due to increase in Union Excise Duties (₹ 367.84 crore), Service Tax (₹ 360.73 crore), Corporation tax (₹ 352.91 crore), Customs (₹ 241.28 crore), Taxes on income other than Corporation tax (₹ 217.13 crore) and Other Taxes and duties on Commodities and Services (₹ 4.15 crore). However, there was a nominal decrease of ₹ 3.15 crore in Taxes on Wealth.

1.3.4 Comparison of devolution of fund between FFC and ThFC

Since there have been substantial increases in the devolution of funds under the recommendations of the Fourteenth Finance Commission (FFC) compared to the Thirteenth Finance Commission (Th FC), a comparison of the devolution of taxes as well as grants (both plan and non-plan) is being attempted between the last year of the Th FC and first year of FFC award. The detail of comparison of devolution of funds between the FFC and the Th FC is being provided in the **Table 1.9**.

Table 1.9: Comparison of devolution of fund between FFC and Th FC

(*₹* in crore)

Name of Tax/ Grant	2014-15		2015-16	
	Recommendation of Th FC	Release of funds against recommendation	Recommendation of FFC	Release of funds against recommendation
1. Grant to Local Bodies				
(A) PRIs				
(i) General Grant	104.62	98.81	203.26	203.26
(ii) Performance Grant	71.19	00	00	00
Total PRIs	175.81	98.81	203.26	203.26
(B) ULBs				
(i) General Grant*	33.68	43.68	78.29	37.71
(ii) Performance Grant	22.91	4.24	00	00
Total ULBs	56.59	47.92	78.29	37.71
Total to Local Bodies	232.40	146.73	281.55	240.97
2. Disaster Relief Fund	129.00	64.30	189.00	94.50
3. Incentive Grant for Grid	39.21	39.21	00	00
4. Other Grant	373.32	190.95	00	00
5. State Specific Need*	183.65	240.72	00	00
Total other Grants (2+3+4+5)	725.18	535.18	189.00	94.50
6. State Share of Central Tax	3,972.00	3,792.30	5,526.08	5,333.19
Grand Total	4,929.58	4,474.21	5,996.63	5,668.66

* In financial year 2014-15 release amount includes left out amount of previous year, due to which it was more than recommended for the year.

The above table indicates that in respect of State Share of Central Tax, *FFC* had recommended release of ₹ 5,526.08 crore to the State Government during 2015-16 (actual release: ₹ 5,333.19 crore) against the *Th FC's* recommendation of ₹ 3,972.00 crore (actual release ₹ 3,792.30 crore) *i.e.* recommended more funds to the tune of ₹ 1,554.08 crore (39.13 *per cent*) for the year 2015-16. Accordingly, actual release was also enhanced by ₹ 1,540.89 crore (40.63 *per cent*) during the current year over the previous year.

1.3.5 Up-keep of records of Collection and utilization of labour cess in Uttarakhand

According to the Central Government Building and Other Construction Workers' Welfare Cess Act, 1996 and Building and Other Construction Workers' Welfare Cess Rules, 1998, one *per cent* of construction cost of projects worth ₹ 10 lakh and above undertaken by both private or public builders, must be paid to the State's Labour Department, as welfare cess.

The Uttarakhand State Government framed the Uttarakhand Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2005 and constituted a Welfare Board for implementing the Act. The amount received as cess is to be deposited in an account opened in a Nationalized Bank in the name of the Labour Commissioner/ Secretary, Uttarakhand.

During the year 2011-12 to 2015-16, an amount of ₹ 134.97 crore had been collected in the fund out of which only an amount of ₹ 12.19 crore (9.03 *per cent*) had been expended which ranged from only 0.10 *per cent* to 9.85 *per cent* of the opening balances of the relevant years.

The details of Opening Balance, funds received, funds utilized, closing balance and percentage utilization for the period 2011-16 are detailed in the **Table 1.10**.

Table 1.10: Receipt and Utilization of Labour Cess during 2011-16

(₹ in crore)

Year	Opening Balance	Amount received during the year		Expenditure incurred out of labour cess received	Closing balance	Per cent utilization out of available fund (considering only Opening Balance)
		Labour cess	Interest			
2011-12	6.16	8.06	0.49	0.02	14.69	0.32
2012-13	14.69	44.90	0.92	0.08	60.43	0.54
2013-14	60.43	18.56	1.24	0.06	80.17	0.10
2014-15	80.17	32.42	1.17	0.92	112.84	1.15
2015-16	112.84	31.03	1.05	11.11	133.81	9.85
Total		134.97	4.87	12.19		

Source: Labour Department, Uttarakhand.

During the scrutiny of records of Secretary, Uttarakhand Bhavan Evam Anya Sannirman Karmkar Kalyan Board (UBEASKKB), Haldwani it was observed that total fourteen bank accounts were being operated for keeping the funds collected on account of labour cess. It was also observed that neither proper records of receipts and expenditure of the labour cess were being maintained nor reconciliation of receipts and expenditures with bank statements was being carried out. As a result, a difference of ₹ 5.36 crore was observed between the closing balance of the bank account and the cash balance as per the books maintained in the Welfare Board's records. This is evident from the fact that the figures of the opening balance and the receipts for the years 2011-15 intimated by the department to Audit last year have been changed in the information provided by the Department this year. On this being pointed out, the unit accepted the point and replied that the account will be audited on a regular basis and the required reconciliation will be carried out.

1.4 Capital Receipts

The Capital Receipts are either non-debt capital receipts such as proceeds from disinvestment of equity in government companies/ corporations and recoveries of loans and advances or debt capital receipts, credited under public debt section of the Consolidated Fund. The public debt receipts fall broadly under two categories (a) loans/ advances from the Union government and (b) borrowing from banks, financial institutions through negotiated loans or open market borrowings through the issue of the State Development Loans. The share of non-debt capital receipts and loans/ advances from the Union government is negligible and capital receipts are mainly through borrowings from banks, financial institutions and the open market, as detailed in Table 1.11.

Table-1.11: Trends in growth and composition of receipts

(₹ in crore)

Sources of State's Receipts	2011-12	2012-13	2013-14	2014-15	2015-16
Capital Receipts (CR)	2,427	3,396	4,108	4,754	6,825
Miscellaneous Capital Receipts	--	--	180	135	--
Recovery of Loans and Advances	91	428	55	46	27
Public Debt Receipts					
Market Loan	1,400	1,750	2,500	2,400	3,900
Other Internal Resources	889	1,183	1,338	2,112	2,801
GoI	47	35	35	61	97
Rate of growth of debt capital receipts (per cent)	(-)4	27	30	18	49
Rate of growth of non-debt capital receipts	7	370	(-) 45	(-) 23	(-) 85
Rate of growth of GSDP	--	14.12	13.64	8.12	13.65
Rate of growth of CR (per cent)	(-) 3	40	21	16	44

1.4.1 Recoveries of loans and advances

Recoveries from loans and advances showed an increasing trend over the period 2011-12 and 2012-13. However, in 2013-14, 2014-15 and 2015-16 the recovery of Loans and Advances declined by ₹ 373 crore, ₹ 9 crore and ₹ 19 crore respectively over the previous years. Thus, there was a persistent decline.

1.4.2 Debt receipts from internal sources

Debt receipts comprising Market loans, loans from financial institutions, *etc.* over the period 2011-12 to 2015-16 continued to be a major source of receipts of the State Government. They increased by ₹ 4,412 crore (192.75 *per cent*) over the period 2011-12 to 2015-16. During the current year, debt receipt increased by ₹ 2,189 crore (48.52 *per cent*) over the previous year. Trends in market borrowings are detailed in **Para 1.10.1**.

1.4.3 Loans and advances from GoI

The State being a special category state, receives grants-in-aid and loans from GoI in the ratio of 90:10. Therefore, the State Government's outstanding liability on account of loans from the GoI (₹ 543.84 crore) is only 1.82 *per cent* of its total Public Debt (₹ 29,836 crore). Receipt of Loans and Advances from GoI increased by ₹ 50 crore (106.38 *per cent*) over the period 2011-12 to 2015-16. During the current year, it increased by ₹ 36 crore (59.02 *per cent*) over the previous year.

1.5 Public Account Receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.*, which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266 (2) of the Constitution of India and are not subject to vote by the State Legislature. Trends of receipts and disbursement under various segments of Public Accounts are given in **Table 1.12**.

Table-1.12: Trends of Public Account Receipts and disbursement during 2014-15 and 2015-16

(₹ in crore)

Source of State's Receipts	Public Account Receipts		Disbursement from Public Accounts		Excess of receipts over disbursements	
	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
a. Small Savings, Provident fund <i>etc.</i>	1,399.93	1,513.13	979.73	1,035.39	420.20	477.74
b. Reserve Funds	306.59	332.46	92.02	149.09	214.57	183.37
c. Deposits and Advances	3,484.42	3,798.92	3,085.04	3,660.57	399.38	138.35
d. Suspense and Miscellaneous	24,453.93	27,622.77	24,440.43	27,246.38	13.50	376.39
e. Remittances	5,387.56	4,478.59	4,937.72	4,445.30	449.84	33.29
Total	35,032.43	37,745.87	33,534.94	36,536.73	1,497.49	1,209.14

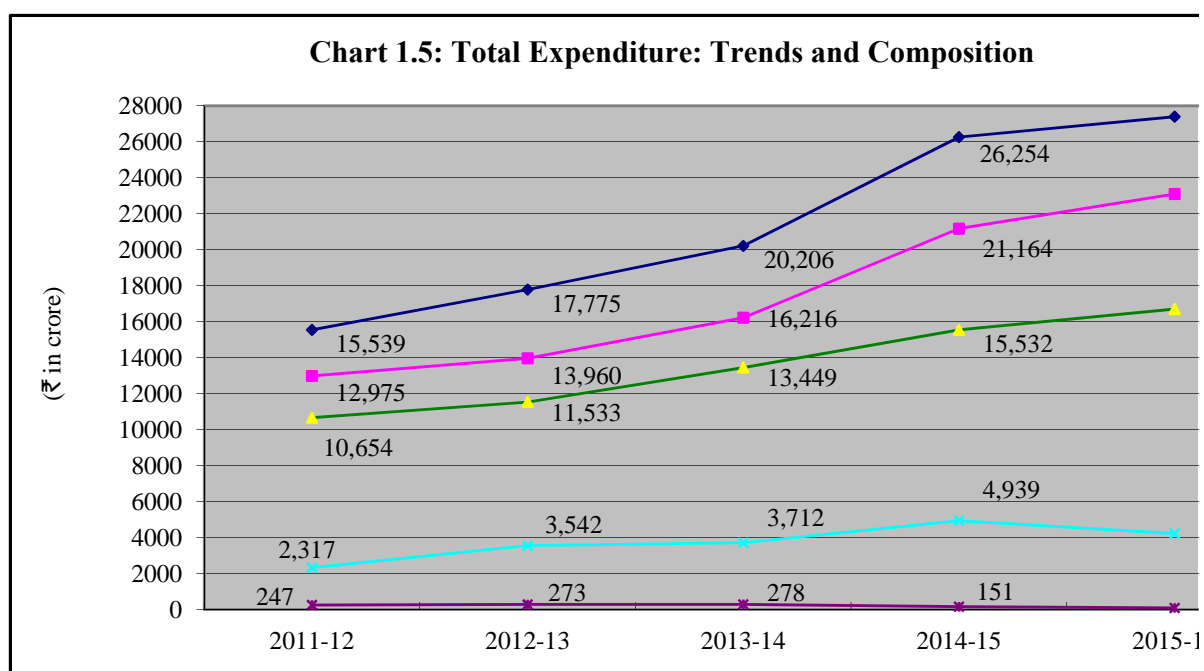
Cheques and Bills of ₹ 254.52 crore formed the bulk of the excess of receipt over disbursement of ₹ 376.39 crore during 2015-16 under Suspense and Miscellaneous. It indicates that several cheques issued during the year had not been presented to the banks for clearance.

1.6 Application of Resources

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

1.6.1 Growth and composition of expenditure

Chart 1.5 presents the trends in total expenditure over a period of five years (2011-12 to 2015-16) and its composition both in terms of ‘economic classification’ and ‘expenditure by activities’ is depicted in **Chart 1.6**.

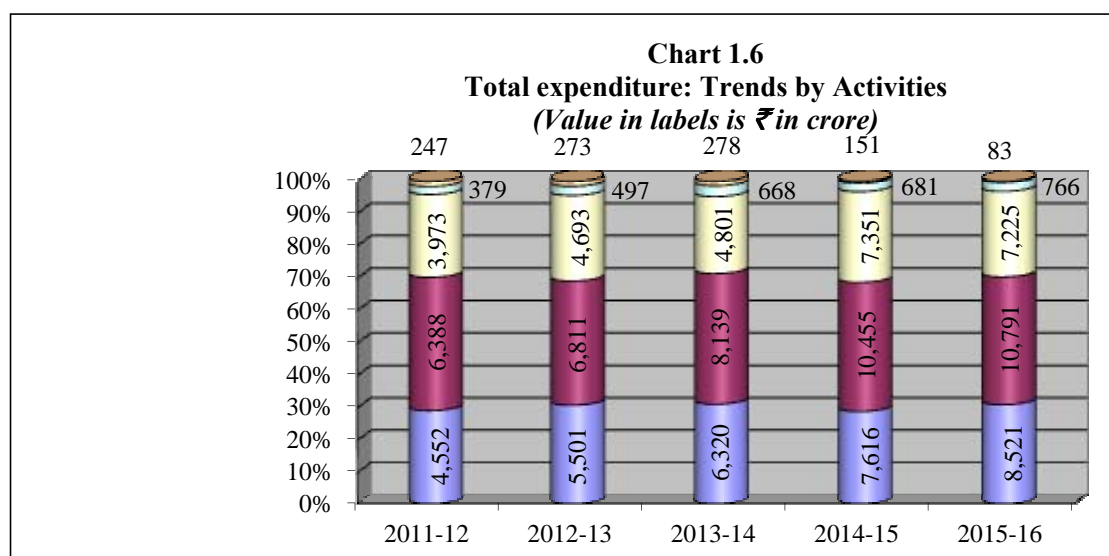


Total expenditure (TE) of the State increased at an average rate of 15.42 *per cent* per annum during 2011-12 to 2015-16. An increase of ₹ 1,132 crore (4.31 *per cent*) in Total Expenditure during 2015-16 over the previous year was due to increase in Revenue Expenditure (RE) by ₹ 1,922 crore. However, Capital Expenditure (CE) and disbursement of loans and advances decreased by ₹ 722 crore and ₹ 68 crore respectively.

Revenue expenditure (RE): The RE of ₹ 23,086 crore during the current year was 84.30 *per cent* of TE (₹ 27,386 crore). The increase in RE (₹ 1,922 crore) during the current year was due to increase in expenditure towards (i) Grants-in-aid and Contribution (₹ 85 crore), (ii) Economic Services (₹ 127 crore), (iii) Social Services (₹ 703 crore), and (iv) General Services (₹ 1,008 crore).

Capital expenditure (CE): The decrease in CE of ₹ 722 crore (14.62 per cent) during the year was due to decrease in (i) Social Services (₹ 367 crore), (ii) Economic Services (₹ 252 crore) and (iii) General Services (₹ 103 crore). As per cent of TE, it showed a fluctuating trend over the period 2011-12 to 2015-16 which was 14.91 per cent in 2011-12 and 15.40 per cent in the year 2015-16. The CE showed an increasing trend during the period 2011-12 to 2014-15 while it decreased by 14.62 per cent during 2015-16 over previous year and stood at ₹ 4,217 crore. The actual expenditure was, however, above the target set forth by the State Government in its Budget (₹ 4,004.85 crore) but below the target of the Medium Term Fiscal Policy Statement (MTFPS) (₹ 4,933.28 crore).

The relative share of these components of expenditure in total expenditure had shown a fluctuating trend during the period 2011-12 to 2015-16. The share of expenditure on General Services including interest payments, which is considered as non-developmental expenditure, fluctuated between almost one to two per cent during the period 2011-12 to 2015-16. The share of expenditure on Social and Economic Services during the year 2015-16 have decreased marginally by less than one per cent and 1.62 per cent respectively over the previous year.



The share of **Plan Revenue Expenditure (PRE)** in the Revenue Expenditure of the State showed an increase of ₹ 106 crore (4.57 per cent) in 2012-13, ₹ 340 crore (14.01 per cent) in 2013-14 and ₹ 2,865 crore (103.54 per cent) in 2014-15 over the previous years. In the current year, it further increased by ₹ 756 crore (13.42 per cent) over the previous year which was mainly on account of Rural Development (₹ 103 crore), Social Welfare and Nutrition (₹ 777 crore), Education, Sports, Art & Culture (₹ 34 crore) and Health and Family Welfare (₹ 49 crore). However, the decrease was mainly on Water Supply, Sanitation, Housing and Urban Development (₹ 118 crore) and Welfare of the Scheduled Castes, the Scheduled Tribes and the other backward classes (₹ 88 crore) during 2015-16.

Non-Plan Revenue Expenditure (NPRE) of the State increased by ₹ 6,044 crore (56.73 per cent) from ₹ 10,654 crore in 2011-12 to ₹ 16,698 crore in 2015-16. During the current year, the increase in NPRE of ₹ 1,166 crore (7.51 per cent) was mainly due to increase in expenditure under Interest Payments (₹ 565 crore), Salaries (₹ 463 crore) and Pension (₹ 176 crore). **Table 1.13** depicts the details of actual NPRE with reference to projections made by the State Government at different stages during the year 2015-16.

Table-1.13: Actual NPRE vis-à-vis projections for 2015-16

Non-Plan Revenue Expenditure (NPRE)	Assessment made by State Government in		Actuals
	Budget	MTFPS	
	21,059	20,662	

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

During the current year, the NPRE (₹ 16,698 crore) was less than the projections made by the State Government in its Budget (₹ 21,059 crore) and MTFPS (₹ 20,662 crore) by ₹ 4,361 crore and ₹ 3,964 crore respectively.

1.6.2 Committed expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.14** presents the trends in the expenditure on these components during 2011-12 to 2015-16.

Table-1.14: Components of Committed Expenditure

Components of Committed Expenditure	2011-12	2012-13	2013-14	2014-15	2015-16		
					BE	Actuals	Percentage of variation over BE to Actuals
Salaries & Wages, of which	5,244 (38.30)	5,724 (36.35)	6,431 (37.13)	7,309 (36.10)	9,148	7,848 (47.00)	(-) 14.21
Non-Plan Head	4,971	5,423	6,115	6,944		7,407 (44.36)	
Plan Head*	273	301	316	365		441 (2.64)	
Interest Payments	1,769 (12.92)	2,089 (13.27)	2,056 (11.87)	2,406 (11.88)	3,380	2,971 (17.79)	(-) 12.10
Expenditure on Pensions	1,135 (8.29)	1,366 (8.67)	2,131 (12.30)	2,452 (12.11)	2,624	2,628 (15.74)	(+) 0.15
Subsidies	220 (1.61)	163 (1.04)	24 (0.14)	209 (1.03)	318	211 (1.26)	(-) 33.65
Total Committed Expenditure	8,368 (61.12)	9,342 (59.33)	10,642 (61.44)	12,376 (61.13)	15,470	13,658 (81.79)	(-) 11.71
Other Components	2,286 (16.70)	2,191 (13.91)	2,807 (16.21)	3,156 (15.59)	5,589	3,040 (18.21)	(-) 45.61
Total NPRE	10,654	11,533	13,449	15,532	21,059	16,698	(-) 20.71
Total Revenue Expenditure	12,975	13,960	16,216	21,164	25,739	23,086	(-) 10.31
Revenue Receipts	13,691	15,747	17,321	20,247	25,778	21,234	(-) 17.63

Figures in the parentheses indicate percentage to revenue receipts.

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

The committed expenditure, which was 61 per cent of revenue receipts in 2011-12, increased by three per cent during the current year and was 64 per cent of revenue receipts. It increased by ₹ 5,290 crore over the period 2011-12 to 2015-16. There is a need to take steps to contain the committed expenditure as it leaves little scope for the government to spend more on developmental activities.

Salaries and Wages

During the current year expenditure on salaries (₹ 7,848 crore) consumed 47 per cent of NPRE (₹ 16,698 crore). The expenditure on salaries during the years 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 grew by 11.08 per cent, 9.15 per cent, 12.35 per cent, 13.65 per cent and 7.37 per cent respectively. Salary expenditure during the past four years was higher than the *Th. FC* projections. The actual expenditure on salaries during 2015-16 was well below the target fixed by the State Government in its Budget (₹ 9,148 crore) and MTFPS (₹ 8,254 crore) for the current year. However, for the year 2015-16 the BE and MTFP were overestimated as they were 25.16 per cent and 12.93 per cent higher than the Actual Expenditure made during 2014-15.

Th. FC prescribed that expenditure under the head salaries should be 35 per cent of revenue expenditure net of interest payments and pensions while the actual expenditure on salaries accounted for around 44.53 per cent in the current year.

Pension Payments

The State Government estimated the pension liabilities on the historical growth rate of pension and not on actuarial basis. Expenditure on pension payments was ₹ 2,628 crore in 2015-16, which constituted 12.38 per cent of the revenue receipts. However, during the current year, it increased by 7.18 per cent over the previous year 2014-15. The pension payments during the current year were less (₹ 39 crore) than the normative assessment (₹ 2,667 crore) made by the *FFC* for the current year (Annexure 7.5 of *FFC* Report).

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

During the year, both employees contribution (₹ 186.07 crore) and matching Government Contribution (₹ 186.07 crore) amounting to ₹ 372.14 crore has been booked under MH-0071-117-Defined Contribution Pension Scheme for Government employees. Out of this, ₹ 371.73 crore has been transferred to National Securities Depository Limited, leaving a balance ₹ 0.41 crore still to be transferred. Further, the State Government has parked the legacy balances⁵ of ₹ 145.32 crore in the Public Account under Major Head 8342-117-Defined Contribution Pension Scheme. During the year, interest of ₹ 30.00 crore on these accumulated balances has been credited to the Fund and an amount of ₹ 2.06 crore has been transferred to NSDL leaving a balance of ₹ 173.27 crore in the Fund.

Uncollected, unmatched and un-transferred amounts, with accrued interest, represent outstanding liabilities under the Scheme.

Interest Payments

As shown in **Table 1.14**, interest payments increased by 67.95 per cent during 2011-12 to 2015-16 primarily on account of earlier borrowings. Interest payments during

⁵ Legacy balances are the amounts relating to the period between date of announcement of the Scheme (1st October 2005) and the date the Scheme was notified by the State Government (31st March 2008).

2015-16 included interest on Internal Debt⁶ (₹ 2,298 crore), Small Savings, Provident Fund *etc.* (₹ 506 crore), other obligations (₹ 126 crore) and loans and advances from Government of India (₹ 41 crore). Interest payments (₹ 2,971 crore) during the current year were 13.99 *per cent* of Revenue receipts against 11.60 *per cent* recommended by FFC, which were lower by ₹ 409 crore than the target of ₹ 3,380 crore set by the State Government in its Budget and MTFPS.

Subsidies

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

The Finance Accounts (*Appendix II*) showed an explicit subsidy of ₹ 219.67 crore (2011-12), ₹ 163.23 crore (2012-13), ₹ 23.63 crore (2013-14), ₹ 208.71 crore (2014-15) and ₹ 211.38 crore (2015-16) during the last five years.

The amount of subsidy given during the year showed a marginal increase of ₹ 2.67 crore (1.28 *per cent*) as compared to the previous year.

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

The quantum of assistance provided by way of grants to local bodies and other institutions during the current year relative to previous years is presented in **Table 1.15**.

Table-1.15: Financial Assistance to Local Bodies etc.

Financial Assistance to Institutions	2011-12	2012-13	2013-14	2014-15	2015-16	
					BE	ACTUAL
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	403.45	501.83	431.05	714.27	629.74	615.73
Municipal Corporations and Municipalities	175.76	306.28	321.19	380.17	577.08	334.11
Zila Parishads and Other Panchayati Raj Institutions	203.04	190.59	347.21	301.10	469.55	432.46
Development Agencies	409.35	480.80	562.37	891.07	1,209.58	828.94
Hospitals and Other Charitable Institutions	86.98	134.78	108.99	335.89	466.13	338.94
Energy (Non-conventional source of energy)	6.32	12.89	6.88	5.11	23.41	18.63
Agriculture Research and Educational Institution, Land Reforms for updating land records and Wild life Preservation	205.54	79.71	111.16	245.18	517.56	270.21
Co-operatives	7.30	9.75	11.83	4.64	7.93	4.12
Animal Husbandry, Dairy Development and Fisheries	8.65	8.75	10.43	28.58	32.74	27.09
Secretariat Economic Services & Tourism	29.34	36.28	49.33	68.80	41.90	1.52
Social Security & Welfare of Scheduled Caste, Scheduled Tribe & Other Backward Classes	211.10	254.31	285.85	412.94	604.45	514.86
Other Institutions	31.12	115.75	80.27	127.67	258.99	209.16
Total	1,777.95	2,131.72	2,326.56	3,515.42	4,839.06	3,595.77
<i>Assistance as per percentage of RE</i>	<i>13.70</i>	<i>15.27</i>	<i>14.35</i>	<i>16.61</i>	<i>18.80</i>	<i>15.58</i>

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

The total assistance to local bodies and other institutions declined by ₹ 144.32 crore (7.51 *per cent*) in the year 2011-12 in comparison to 2010-11. However, the assistance during the year 2012-13, 2013-14 and 2014-15 increased by ₹ 353.77 crore

⁶ Refer glossary in **Appendix-4.1**

(19.90 per cent), ₹ 194.84 crore (9.14 per cent) and ₹ 1,188.86 crore (51.10 per cent) respectively. During the current year 2015-16, it increased only by ₹ 80.35 crore (2.29 per cent) over the previous year. Educational institutions and development agencies together accounted for 40.18 per cent of the total financial assistance during the current year.

The increase in assistance during the current year was mainly under Zila Parishads and Other Panchayati Raj Institutions (₹ 131.36 crore), Social Security and Welfare of Scheduled Castes, Scheduled Tribes & Other Backward Classes (₹ 101.92 crore). The main decrease was under Educational Institutions⁷ (₹ 98.54 crore), Secretariat Economic Services & Tourism (₹ 67.28 crore) and Development Agencies (₹ 62.13 crore).

1.7 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects, viz., adequacy of the expenditure (*i.e.* adequate provisions for providing public services), efficiency of expenditure, and its effectiveness (assessment of outlay-outcome relationships for select services).

1.7.1 Adequacy of Public expenditure

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

Table 1.16 analyses the fiscal priorities of the State Government with regard to Development Expenditure (DE), Social Sector Expenditure (SSE) and Capital Expenditure (CE), Expenditure on Education and on Health relative to Special Category States in the years 2012-13, 2014-15 and 2015-16.

Table-1.16: Fiscal Priority of the State during the years 2012-13, 2014-15 and 2015-16

Fiscal Priority by the State	AE/GSDP [*]	DE#/AE [@]	SSE/AE [@]	ESE/AE [@]	CE/AE [@]	Education/ AE [@]	Health/AE [@]
Special Category States' Average (Ratio) 2012-13	22.23	69.92	38.42	31.50	15.53	20.86	5.58
Uttarakhand Average (Ratio) 2012-13	13.48	66.23	38.32	26.40	19.93	22.15	4.83
Special Category States' Average (Ratio) 2014-15	23.80	71.77	40.29	31.49	15.27	21.04	5.90
Uttarakhand Average (Ratio) 2014-15	16.21	68.39	39.82	28.57	18.81	18.76	5.32
Special Category States' Average (Ratio) 2015-16	21.66	70.41	39.78	30.63	13.95	20.63	6.41
Uttarakhand Average (Ratio) 2015-16	14.88	66.08	39.40	26.38	15.40	18.73	4.96

AE: Aggregate Expenditure DE: Development Expenditure SSE: Social Sector Expenditure ESE: Economic Sector Expenditure
Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.
@ Exclude only J&K. *Exclude J&K and Manipur

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

⁷ Aided Schools, Aided Colleges, Universities, etc.

A comparative study of average expenditure of Uttarakhand State in 2014-15 and 2015-16 with that of 2012-13 showed the following:

- The State Government's aggregate expenditure as a proportion of the GSDP in 2014-15 and 2015-16 was higher by 2.73 *per cent* and 1.40 *per cent* respectively in comparison to 2012-13.
- Development Expenditure (DE) as a proportion of Aggregate Expenditure (AE) in 2015-16 in comparison to 2012-13 was almost identical though it was higher in 2014-15.
- Social Sector Expenditure as a proportion of AE was higher by almost one *per cent* during 2014-15 and 2015-16 in comparison to 2012-13.
- Economic Sector Expenditure as a proportion of AE was higher by 2.17 *per cent* during 2014-15 and remained almost identical in 2015-16 in comparison to 2012-13.
- The proportion of Capital Expenditure (CE) in AE decreased by 1.12 *per cent* and 4.53 *per cent* in 2014-15 and 2015-16 respectively.

Further comparative study of SCSs' Average and Uttarakhand's Average in 2014-15 and 2015-16 with that of 2012-13 also showed the following:

- AE as a proportion of GSDP in the State has remained on lower side than the SCSs' average during all the three years.
- Development Expenditure as a proportion of Aggregate Expenditure in the State has also remained on lower side than the SCSs' average. Development Expenditure consists of both Economic and Social Service Sector Expenditure.
- The Social Sector Expenditure as a proportion of Aggregate Expenditure in the State was almost identical with that of SCSs during all the three years.
- The Economic Sector Expenditure as a proportion of Aggregate Expenditure in the State was on lower side than that of SCSs during all the three years.
- As observed from the **Table 1.16**, adequate priority needs to be given to Health Sector as the ratio under Health Sector was below the average of SCS during 2012-13, 2014-15 and 2015-16.
- In Education Sector, there is also need of giving priority as expenditure ratio under Education Sector was also below the average of SCS during 2014-15 and 2015-16.

Priority has been given by the State Government to Capital Expenditure in 2012-13, 2014-15 and 2015-16 as the ratio of Capital Expenditure to Aggregate Expenditure has been higher than the average ratio of Special Category States.

1.7.2 Efficiency of expenditure

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State government to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods⁸. Apart from improving the allocation towards development

⁸ Refer the glossary in **Appendix-4.1**

expenditure⁹, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of Capital Expenditure to Total Expenditure (and/or GSDP) and proportion of Revenue Expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.17** presents the trends in development expenditure relative to the Aggregate Expenditure of the State both during the current year and the previous year *vis-à-vis* allocations, **Table 1.18** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

The share of Developmental Revenue Expenditure (DRE) in the Total Expenditure (TE) showed an inter-year variation during the period 2011-12 to 2015-16 and remained on an average 49 *per cent* during the period. During the current year 2015-16, DRE showed an increase of 6.34 *per cent* over previous year. The share of Developmental Capital Expenditure in TE also showed inter-year variations during 2011-12 to 2015-16. The share of DCE in TE decreased by three *per cent* during 2015-16 over previous year. The DCE regularly increased ranging between ₹ 161 crore to ₹ 1,173 crore during 2011-12 to 2014-15. However, it decreased by ₹ 619 crore (13.10 *per cent*) during the year 2015-16 as compared to 2014-15. The overall Development Expenditure increased almost by 70.62 *per cent* over the period 2011-12 to 2015-16.

Table-1.17: Development Expenditure

(₹ in crore)

Components of Development Expenditure	2011-12	2012-13	2013-14	2014-15	2015-16	
					BE	Actuals
Development Expenditure (a to c)	10,607 (68)	11,776 (66)	13,216 (65)	17,955 (68)	19,835	18,098 (66)
(a) Development Revenue Expenditure	8,121 (52)	8,091 (45)	9,366 (46)	13,081 (49)	15,781	13,910 (51)
(b) Development Capital Expenditure	2,240 (14)	3,413 (19)	3,574 (18)	4,725 (18)	3,883	4,106 (15)
(c) Development Loans and Advances	246 (2)	272 (2)	276 (1)	149 (1)	171	82(--)

Figures in parentheses indicate percentage to aggregate expenditure

Table-1.18: Efficiency of Expenditure Use in Selected Social and Economic Services

(in per cent)

Social/Economic Infrastructure	2014-15			2015-16		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S &W	O&M		S &W	O &M
Social Services (SS) expenditure on major components						
General Education	0.60	15.55	0.004	0.47	15.42	0.013
Health and Family Welfare	0.99	3.51	0.037	0.52	3.37	0.021
WS, Sanitation, & HUD	1.46	0.04	0.008	1.56	0.04	0.008
Total SS	4.69	20.08	0.077	3.15	19.84	0.053
Economic Services(ES) expenditure on major components						
Agriculture & Allied Activities	0.71	2.99	0.132	0.37	2.91	0.069
Irrigation and Flood Control	2.91	1.23	0.190	2.58	1.16	0.172
Power & Energy	0.65	0.0002	0.000	0.21	0.00	0.000
Transport	5.98	0.091	0.004	5.11	0.09	0.023
Total ES	13.31	5.69	0.800	11.84	5.50	0.267
Total (SS + ES)	18.00	25.77	0.877	14.99	25.34	0.320

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

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

The State Government in its Budget 2015-16 and in the Medium Term Fiscal Policy presented to the State Legislature along with the Budget 2016-17, has committed that growth of Capital Expenditure will be 12.60 *per cent*. The *FFC* has also recommended that the fiscal deficit shall be 3.25 *per cent* of the GSDP in the year 2015-16. To achieve this, the State Government has to borrow less, and therefore, there would be fewer funds available to capitalize in near future. During the fiscal year 2015-16, the Government capitalised 14.62 *per cent* (₹ 722 crore) less funds over previous year 2014-15 while in 2014-15, it was 33 *per cent* (₹ 1,227 crore) more as compared to the year 2013-14.

During 2015-16, salaries and wages, as a percentage of revenue expenditure in both Social and Economic Services, decreased by less than one *per cent* over the previous year. The expenditure under Operation & Maintenance as a percentage of revenue expenditure has also decreased in both Social and Economic Services during the current year over the previous year.

1.8 Analysis of Government Expenditure and Investments

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

1.8.1 Incomplete projects

Information pertaining to incomplete projects as on 31 March 2016 is given in **Table 1.19**.

Table-1.19: Department-wise Profile of Incomplete Projects

(₹ in crore)

Department	No. of Incomplete Projects	Initial Budgeted cost	*Revised Total cost of Projects	Cost Over Runs in Revised Estimates	Cumulative actual expenditure as on 31.3.2016
Public Works Department	182	985.73	1,039.58	53.85	582.13

* Indicates the Revised total cost of the projects as per the last revision by the State Government as on 31.03.2016

Source: Finance Accounts

1.8.2 Investment and returns

As on 31 March 2016, the average return on Uttarakhand Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (**Table 1.20**) was negligible and ranged from 0.004 to 0.18 *per cent* of the investment in the last five years while the Government paid an average interest rate of 7.96 *per cent* on its borrowings during 2011-12 to 2015-16.

Table-1.20: Returns on Investment

Investment/Return/Cost of Borrowings	2011-12	2012-13	2013-14	2014-15	2015-16
Investment at the end of the year (₹ in crore)	1,338	2,397 [*]	2,677	2,809	2914
Return (Dividend/ interest) (₹ in crore)	0.05	0.19	0.30	0.11	5.10
Return (<i>per cent</i>)	0.004	0.01	0.01	0.004	0.18
Average rate of interest on Government borrowing (<i>per cent</i>)	7.83	8.50	7.57	7.73	8.19
Difference between interest rate and return (<i>per cent</i>)	7.83	8.49	7.56	7.73	8.01

*figure differs from previous year's figure due to pro forma correction made by AG (A&E) office.

Source: Finance Accounts

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

The major investments (more than 25 *per cent*) were in (i) Uttarakhand Power Corporation Ltd. (₹ 1,139 crore), (ii) Uttarakhand Jal Vidyut Nigam Ltd. (₹ 1,331 crore) and Power Transmission Corporation of Uttarakhand Ltd. (₹ 1,082 crore). The Uttarakhand Power Corporation Ltd. and Power Transmission Corporation of Uttarakhand Ltd. had incurred accumulated losses of ₹ 1,955 crore and ₹ 2 crore respectively as per their latest finalised accounts for the year 2014-15 while Uttarakhand Jal Vidyut Nigam, Limited has an accumulated profit of ₹ 441 crore as per their latest finalised accounts for the year 2015-16.

1.8.3 Implementation of UDAY Scheme

Government of India approved Ujjawal DISCOM Yojana (UDAY) on 5th November 2015. It is a scheme for the financial turnaround of Power Distribution Companies (DISCOMs) and is expected to improve the operational and financial efficiency of the State DISCOMs.

Under the scheme, UPCL, the State Power Distribution utility, submitted (5 March 2016) proposal for its operational and financial turnaround to the State Government. The decision taken (21-03-2016) on the proposal of UPCL, the present status and the likely impact on the fiscal position of the State are summarized in the **Table 1.21**.

Table 1.21: Implementation of UDAY Scheme and its impact on State fiscal position

Sl. No.	State Government's Instructions	Status on 31 March 2016	Impact on the State's fiscal position
1.	The UPCL will issue State guaranteed bonds to pay off outstanding loan of ₹ 520.37 crore (as on 30/09/2015) from Rural Electrification Corporation (at an average rate of interest of 12 <i>per cent</i>).	UPCL has not issued any State guaranteed bonds till date.	Impact will be analysed after initiating action.
2.	The State Government will convert the loan of ₹ 141.04 crore (as on 30-09-2015) (at an average rate of interest of 17.50 <i>per cent</i>), received by UPCL from the Government of UP into equity of the UPCL	Conversion of loan of ₹ 151.13 crore into equity has been approved (24-06-2016) by the Board of Directors of UPCL. The same was shown under Share Application money pending allotment as on 31 st March 2016 in the Annual Financial Statements (Balance Sheet) of UPCL for the F.Y. 2015-16.	No impact as loan is being converted into investment. However, there will be a decline in non-tax revenue in shape of interest receipts in the coming years.
3.	The State Government will convert the loan of ₹ 10.09 crore (as on 30-09-2015) (at an average rate of interest of 6.50 <i>per cent</i>) into equity of UPCL		
4.	State Government approved the adjustment of ₹ 642.09 crore in respect of electricity bills and surcharge receivable from the Jal Sansthan up to March 2015 against the Electricity Duty, Cess and Royalty payable to the State Government by UPCL.	The adjustment of ₹ 642.09 crore in respect of electricity bills and surcharge receivable from Jal Sansthan up to March 2015 was made during the F.Y. 2015-16, details of which are: (a) Adjustments against Electricity Duty – ₹ 444.63 crore. (b) Adjustment against Cess & Royalty ₹ 197.46 crore.	There will be a decline in non-tax revenue to the extent of adjustment taken.

Following are the inference of the implementation of UDAY scheme as indicated in the **Table 1.21** above:

- Financial position of UPCL would improve due to reduced interest payment burden on account of conversion of loan and interest thereon of ₹ 151.13 crore into equity.
- The old debtors and creditors (up to 31/03/2015) have been cleared from the Balance Sheet of UPCL.
- The State Government has forgone Non-Tax revenue to the tune of ₹ 642.09 crore due to adjustment of Electricity Duty, Cess and Royalty with the electricity dues of Jal Sansthan.

1.8.4 Departmentally Managed Commercial Undertakings

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

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

1.8.5 Loans and advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the Government has also been providing loans and advances to many of these institutions/ organisations. **Table 1.22** presents the outstanding loans and advances as on 31 March 2016, and interest receipts *vis-à-vis* interest payments during the last three years.

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

Amount of Loans/Interest Receipts/ Cost of Borrowings	2013-14	2014-15	2015-16	
			BE	Actual
Opening Balance	718.21	940.97	--	1,046.36
Amount advanced during the year	277.99	150.97	172.67	83.15
Amount repaid during the year	55.23	45.58	37.39	27.20
Closing Balance	940.97	1,046.36	--	1,102.30
Net addition	222.76	105.39		55.94
Interest Receipts	3.72	0.14		0.14
Interest receipts as <i>per cent</i> to outstanding Loans and advances	0.40	0.01		0.01
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	7.15	7.19		7.61
Difference between interest payments and interest receipts (<i>per cent</i>)	6.75	7.18		7.60
Outstanding balance for which terms and conditions have been settled	Information not made available by the State Government			

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

During 2015-16, the Government advanced loans of ₹ 83.15 crore against ₹ 150.97 crore in 2014-15, a sharp decrease of ₹ 67.82 crore (44.92 per cent) over the previous year. Recoveries of loans and advances also showed a decrease of ₹ 18.38 crore over the previous year.

Interest receipts, as a percentage of outstanding loans and advances remained identical during the current year as compared to previous year. Interest payment as per cent to the outstanding Fiscal Liabilities of the State was 7.61 per cent during 2015-16 while the interest received (return) on loans and advances given to various institutions, Corporations/ Government Companies and Government servants, etc. by the State was only 0.01 per cent as against the target of seven per cent by 2009-10 fixed by the Twelfth Finance Commission.

The total loans advanced by the Government as on 31 March 2016 stood at ₹ 1,102.30 crore. The major beneficiaries were Agriculture and Allied Activities (₹ 797.92 crore), Transport (₹ 136.11 crore) and Energy (₹ 108.03 crore) sectors.

Scrutiny of the total outstanding loans revealed that there was no repayment by four sectors over last five year ended March 2016 and in one sector, the repayment was marginal while further loans had been extended resulting in increase in the outstanding balance over the years. **Table 1.23** shows that closing balance indicating no/ marginal repayment.

Table 1.23: Loan and Advances rolling for a long time

(₹ in crore)						
Sl No.	Name of the Sector	2011-12	2012-13	2013-14	2014-15	2015-16
1.	General Services (Other Loans)	16.39	19.47	19.47	19.47	19.47
2.	Water Supply, Sanitation, Housing and Urban Development	42.09	42.09	42.09	42.09	42.09
3.	Agriculture and Allied Activities	294.55	451.46	660.81	795.99	797.92
4.	Special Area Programme	9.53	9.53	9.53	9.53	9.53
5.	Transport	100.11	125.11	135.11	135.11	136.11
Total:		462.67	647.66	867.01	1,002.19	1,005.12

1.8.6 Cash balances and investment of cash balances

Table 1.24 depicts the cash balances and investments made by the State Government out of its cash balances during the year.

Table-1.24: Cash Balances and Investments out of Cash balances

(₹ in crore)		
Particulars	As on 1 st April 2015	As on 31 st March 2016
General Cash Balance(a)		
Cash in Treasuries and local Remittances	00	00
Deposits with Reserve Bank	104.19	3.84
Deposits with other Banks(B)	00	00
Total	104.19	3.84
Investments held in Cash Balance investment account	592.21	344.74
Total (a)	696.40	348.58
(b) Other Cash Balances and Investments		
Cash with departmental offices viz. Public Works Department Officers, Forest Department Officers, District Collectors	(-) 2.15	(-) 13.56
Permanent advances for contingent expenditure with departmental officers	(-) 0.84	(-) 0.84
Investments of earmarked funds	1,078.62	1,128.62
Total (b)	1,075.63	1,114.22
Grand Total (a) + (b)	1,772.03	1,462.80

Source: Finance Accounts.

The closing cash balance (CB) at the end of the current year (₹ 1,462.80 crore) decreased by ₹ 309.23 crore over the previous year (₹ 1,772.03 crore).

The State Government had created an earmarked fund of ₹ 1,128.62 crore from the CB. The same amount was invested from the earmarked fund through RBI. The interest realised on cash balance investment account was ₹ 37.56 crore (6.34 per cent) during 2015-16 while government paid interest at the average rate of 8.19 per cent on its market borrowings during the year. The Government did not resort to overdraft facility and was able to maintain a minimum cash balance of ₹ 0.16 crore for maximum number of days during 2015-16. However, temporary imbalances in cash flow forced the government to obtain Ways and Means Advances (WMA) on nine (ordinary and special) occasions during the year. The State had to pay ₹ 0.19 crore as interest on WMA during the year 2015-16.

There was a credit balance of ₹ 339.29 crore lying under the minor head Treasury Cheques below the major head 'Cheques and Bills' at the end of financial year 2015-16.

During the year 2015-16 the Market Borrowings were within the budgeted target of ₹ 3,900.00 crore though it was higher by ₹ 1,500 crore over the year 2014-15. The fiscal deficit ₹ 6,125.00 crore in 2015-16 and ₹ 5,826.00 crore in 2014-15 was largely managed by Market Borrowings to the tune of ₹ 2,730.00 crore and ₹ 2,091.00 crore respectively.

1.9 Assets and Liabilities

1.9.1 Growth and composition of assets and liabilities

In the existing government accounting system, comprehensive accounting of fixed assets such as land and buildings owned by the Government is not done. However, the government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. *Appendix-1.4 (Part-B)* gives an abstract of such liabilities and the assets as on 31 March 2016, compared with the corresponding position as on 31 March 2015. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from GoI, receipts in the public account and reserve funds, the assets comprise mainly of capital outlay, loans and advances given by the State Government, and cash balances.

1.9.2 Fiscal Liabilities

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

Chart 1.7: Composition of Outstanding Fiscal Liabilities as on 31.03.2015 (₹ in crore)

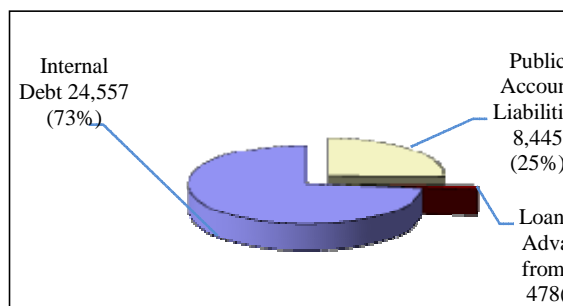
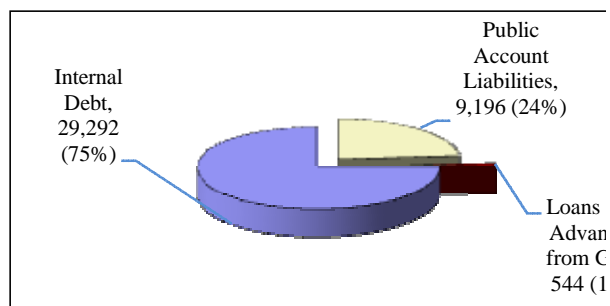


Chart 1.8: Composition of Outstanding Fiscal Liabilities as on 31.03.2016 (₹ in crore)



The debt-GSDP ratio for the year of 2015-16 (21.20 per cent) appreciated by 0.53 per cent in comparison to previous year's ratio (20.67 per cent). The ratio remained within the normative assessment of the FFC (22.70 per cent) for the year. The overall fiscal liabilities increased by 65.33 per cent from ₹ 23,609 crore in 2011-12 to ₹ 39,032 crore in 2015-16. The State liabilities which stood at ₹ 39,032 crore at the end of 2015-16 were composed of public debt (₹ 29,836 crore), Small Savings and Provident Fund, etc. (₹ 5,941 crore), and other obligations (₹ 3,255 crore). The increase in the fiscal liabilities (₹ 5,552 crore) at the end of the current year as compared to the previous year 2014-15 was mainly on account of Internal Debt, Small Savings and Provident Fund, Deposits, and Reserve Fund etc. which rose by ₹ 4,736 crore, ₹ 478 crore, ₹ 139 crore and ₹ 183 crore respectively. Fiscal liabilities grew by 16.58 per cent in 2015-16 over the previous year. The buoyancy of these liabilities with respect to GSDP during the year was 1.21 indicating that for each percentage point increase in GSDP, fiscal liabilities grew by 1.21 per cent. These liabilities stood at 1.84 times State's revenue receipts and 3.68 times its own resources.

1.9.3 Transactions under Reserve Funds & Deposits

(a) State Government operated eight Reserve Funds as on 31 March 2016 out of which two Reserve Funds are interest bearing (₹ 407.58 crore) and six are non-interest bearing (₹ 1,214.51 crore). Out of these eight funds, three funds are inoperative (balance ₹ 12.10 crore) and five funds are operative (balance ₹ 1,609.99 crore). As on 1 April 2015, opening balance against these funds was ₹ 1,438.73 crore. During the year, the State Government made book transfers amounting to ₹ 332.46 crore from the Consolidated fund to various Reserve Funds and expenditure met from these funds was ₹ 149.09 crore, leaving a balance of ₹ 1,622.09 crore as on 31 March 2016. During the year an amount of ₹ 50.00 crore has been invested. The total investment to the end of the year stood at ₹ 1,128.62 crore, leaving a balance of ₹ 493.47 crore.

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

(b) The interest liability of ₹ 30.44 crore in respect of Reserve Funds Bearing Interest and Deposits Bearing Interest, under Sectors J and K respectively of the Public Accounts is

annual liability that the State Government is required to discharge. No budget provision for the interest payable was made by the State Government despite the existence of balance in such Reserve Funds and Deposits, as on 01 April 2015, as detailed in the **Table 1.25**.

Table-1.25: Details of Cash balances in Reserve Funds and Deposits

(₹ in crore)				
Sector	Sub-Sector	Rate of Interest	Balance at the beginning of 2015-16	Interest Payable
J- Reserve Fund	(a) Reserve Funds bearing interest (including SDRF)	7.5 per cent (average of W&M interest rate)	279.35	20.95
K- Deposits and Advances	(a) Deposit bearing interest (excluding CPS) MH-8342-117	-do-	126.58	9.49
Total Interest				30.44

Consolidated Sinking Fund: In terms of the recommendations of the Twelfth Finance Commission, the State Government constituted a revised scheme for constitution and administration of the Consolidated Sinking Fund in 2006 for redeeming its outstanding liabilities (internal debt and public account liabilities of the State Government). As per the scheme and in terms of the guidelines of the Reserve Bank of India, States are required to contribute a minimum of 0.5 per cent of their outstanding liabilities (Internal Debt + Public Account liability) as at the end of the previous year. The Fund is administered by the Reserve Bank of India (RBI) subject to such directions/ instructions as the Government may issue from time to time. In the year 2015-16, against the minimum required contribution of ₹ 167.40 crore (0.5 per cent of the outstanding liabilities of ₹ 33,480.26 crore), an amount of ₹ 50 crore has been appropriated from the Consolidated Fund of the State to the Sinking Fund, *i.e.* less by ₹ 117.40 crore in contravention of the provisions of the Sinking Fund Scheme. The State Government has also not intimated whether contribution to the Fund had been reviewed in accordance with the provisions of the fund on acquiring substantial amounts in the fund. The total accumulations in the Fund was ₹ 1,178.00 crore at the end of 2015-16 which is 3.02 per cent of the outstanding liabilities of ₹ 39,031.87 crore. Of this, an amount of ₹ 1,103.62 crore has been invested by the Reserve Bank of India.

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

the expenditure on account of natural calamities. The funds provided under the NDRF are used directly against the expenditure on natural calamities.

As on 1 April 2015, the Fund had a balance of ₹ 279.35 crore. During 2015-16, the Central Government released an amount of ₹ 253.36 crore towards SDRF. The State Government transferred the entire Central Government release to the Public Account together with its own share ₹ 21.00 crore. Out of the available balance in the Fund, expenditure of ₹ 146.14 crore initially incurred under the MH 2245-Relief on account of Natural Calamities was set off, leaving a balance of ₹ 407.57 crore in the Fund as of 31 March 2016. Contrary to the guidelines, this amount was not invested by the State Government to earn interest.

1.9.4 Status of Guarantees – Contingent liabilities

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

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

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

Table-1.26: Guarantees given by the Government of Uttarakhand

Guarantees	2012-13	2013-14	2014-15	2015-16
Outstanding amount of guarantees	1,570	1,475	1,832	1,743
Percentage of amount guaranteed to total revenue receipts	9.97	8.52	9.05	8.21

Source: Finance Accounts.

The amount of guarantees outstanding as on 31 March 2016 is ₹ 1,743 crore which comprises Power Sector (₹ 819 crore), Co-operatives (₹ 700 crore) and others (₹ 224 crore). No guarantee had been invoked during the year. During scrutiny of the Finance Accounts (Statement 20), it was observed that the maximum amount of Guarantee and Outstanding amount of Guarantee was exclusive of interest. Thus the maximum amount of Guarantee and Outstanding amount of Guarantee indicated in the Finance Accounts did not reflect the correct amount. The complete information of Guarantee fee receivable and received in all the cases during the year was not given in the Finance Accounts due to the fact that information was not being provided by the State Government. It was also found that the Guarantee commission fees was not being deposited in the proper Head of account, rather it was being deposited in the head 0070-60-800-01 instead of 0075-108.

The government has constituted a “Guarantee Redemption Fund” for discharge of invoked guarantees with a corpus of ₹ 25 crore. Neither any amount has been appropriated nor withdrawn from the Fund up to the year 2015-16.

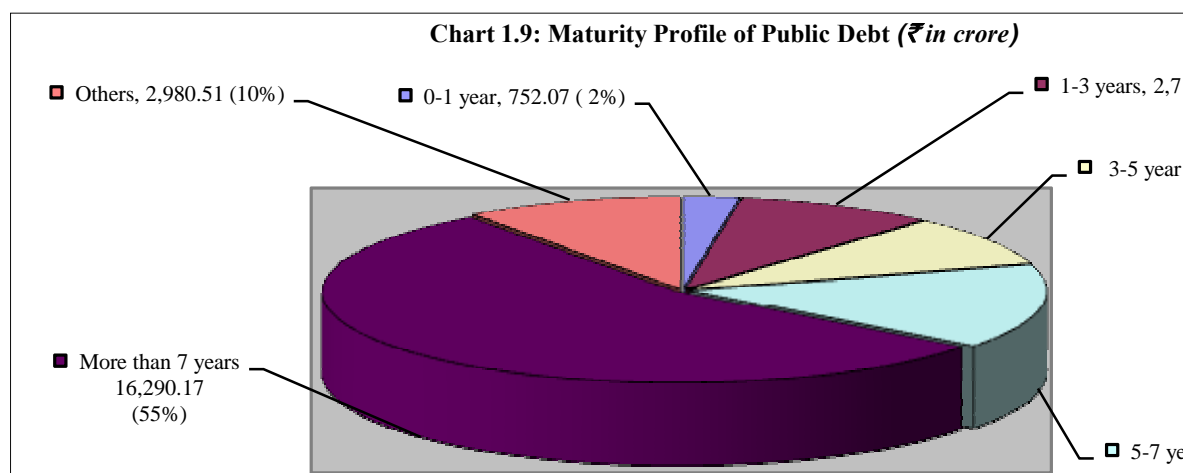
1.10 Debt Management

(i) Debt Profile

The maturity profile of the State's outstanding loans and advances (public debt) is given in **Table 1.27** and **Chart 1.9**.

Table-1.27: Maturity Profile of Public Debt

Maturity profile	Amount	Percentage to total Public Debt
0-1 year	752.07	2.52
1-3 years	2,700.75	9.05
3-5 years	2,642.99	8.86
5-7 years	4,469.72	14.98
More than 7 years	16,290.17	54.60
Other (information not made available by the State Government)	2,980.51	9.99
Total	29,836.21	100



Source: Finance Accounts.

As there was fiscal deficit in last five years, the Government had to borrow to meet its committed expenditure obligations. The maturity profile of outstanding stock of public debt as on 31 March 2016 shows that 54.60 per cent of the Public Debt was in the maturity bucket of seven years and above.

(ii) Debt Sustainability

Apart from the magnitude of debt of State Government, it is important to analyze various indicators that determine the debt sustainability of the State. This section assesses the sustainability of debt of the State Government in terms of debt-GSDP ratio; debt-RR ratio; sufficiency of non-debt receipts; net availability of borrowed funds; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.28** analyzes the debt sustainability of the State according to these indicators for the period of five years beginning from 2011-12.

Table-1.28: Debt Sustainability: Indicators and Trends

Indicators of Debt Sustainability ¹⁰	2011-12	2012-13	2013-14	2014-15	2015-16
Rate of growth of Outstanding Debt	9.31	8.18	12.64	16.38	16.58
Growth rate of GSDP (percentage)	--	14.12	13.64	8.12	13.65
Ratio of Debt to GSDP ¹¹ (in per cent)	20.44	19.37	19.20	20.67	21.20
Ratio of Debt to Revenue Receipt (in per cent)	172.44	162.19	166.08	165.36	183.82
Sufficiency of Non-debt Receipts (Resource Gap) ¹¹	(+) 86	(+)157	(-) 1,050	(-) 3,176	(-) 299
Net Availability of Borrowed Funds ¹²	308	5	1,301	2,358	2,609
Average Interest Rate of Outstanding Debt	7.83	8.50	7.57	7.73	8.19
Burden of Interest Payments (IP/RR Ratio) in per cent	12.92	13.27	11.87	11.88	13.99
Debt Redemption (Principal +Interest)/ Total Debt Receipts	0.94	1	0.82	0.71	0.76

A low debt-GSDP ratio shows in economy that it produces and sells goods and services sufficient to pay back debts without incurring further Debt.

The trends in **Table 1.28** indicate that the debt-GSDP ratio which was 20.67 per cent in 2014-15, has increased marginally to 21.20 per cent during the current year. At 21.20 per cent, the debt-GSDP ratio was well below the target (22.70 per cent) set forth by FFC for the year 2015-16 in respect of Uttarakhand. The ratio of debt to revenue receipts increased in 2015-16 by 18.46 per cent against a marginal decrease of 0.72 per cent during the year 2014-15. The increase in the current year was due to lower growth rate in revenue receipts and increased rate of borrowings.

Another indicator for debt stability and its sustainability is the adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure termed as resource gap. The debt sustainability could be significantly facilitated if the incremental non-debt receipts¹³ could meet the incremental interest burden and the incremental primary expenditure. A positive resource gap strengthens the capacity of State to sustain the debt. **Table 1.28** indicates resource gap for the period 2012-16.

The State had enhanced positive resource gap during 2012-13, which in turn increased the revenue surplus to ₹ 1,787 crore during the year 2012-13. During the years 2013-14 and 2014-15, the resource gap was negative which in turn changed the revenue surplus into revenue deficit by 2014-15. In the current year, there was also negative resource gap of ₹ 299 crore resulting in the revenue deficit (₹ 1,852 crore) in 2015-16. The fiscal deficit was brought down to reasonable limits during 2011-12 (₹ 1,757 crore) which further came down to ₹ 1,600 crore during the year 2012-13 (1.21 per cent of the GSDP). During the years 2013-14, 2014-15 and 2015-16 the Fiscal Deficit deteriorated to ₹ 2,650 crore (1.77 per cent of GSDP), ₹ 5,826 crore (3.60 per cent of GSDP) and ₹ 6,125 crore (3.33 per cent of GSDP).

Debt redemption ratio was 0.94 during the year 2011-12 indicating the fact that the borrowed funds were used for the repayments towards the discharge of past debt obligations during the year (**Appendix-1.3**). However, it again showed an upward trend in 2012-13 but declined during 2013-14 and 2014-15 to 0.82 and 0.71 respectively and again increased to 0.76 during the current year. Thus, more funds were available for

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

¹¹ Refer glossary in **Appendix-4.1**.

¹² Refer glossary in **Appendix-4.1**.

¹³ Refer glossary in **Appendix-4.1**.

capitalization of funds/ productive expenditure after paying principal and interest from borrowed funds during the year 2014-15 and 2015-16.

1.10.1 Market Borrowings

Position of Market Borrowing (MB)

Table 1.29 represents the position of the market borrowings of the State Government for the period 2011-16:

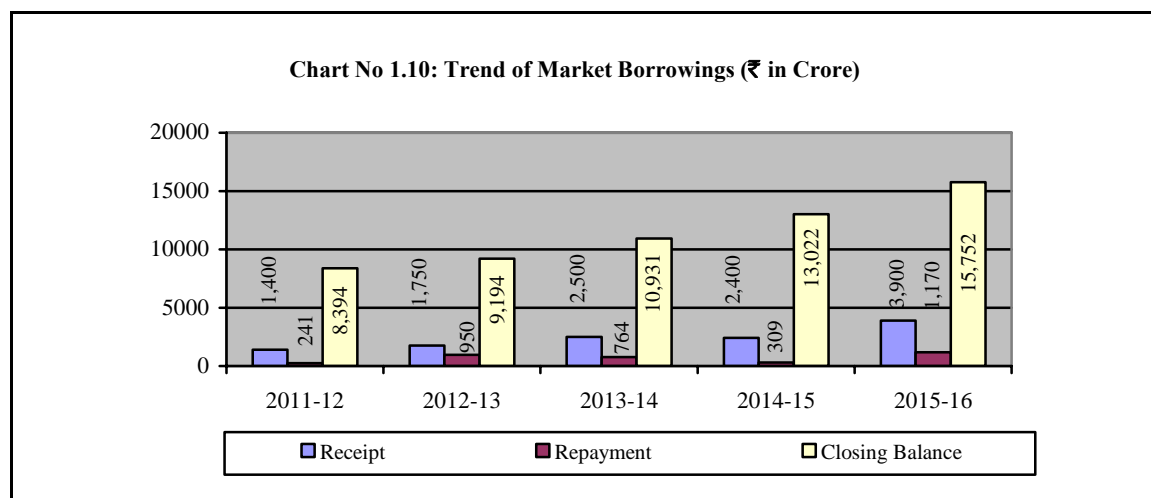
Table-1.29: Position of market borrowings of the State Government

(₹ in crore)

Years	Opening balance as on 1 st April	Receipts during the year	Payments during the year	Closing balance as on 31 st March	Increase (+)/ decrease (-) during the year	
					Amount	Per cent
2011-12	7,235.05	1,400.00	240.73	8,394.32	1,159.27	16.02
2012-13	8,394.32	1,750.00	949.87	9,194.45	800.13	9.53
2013-14	9,194.45	2,500.00	763.89	10,930.56	1,736.11	18.88
2014-15	10,930.56	2,400.00	308.85	13,021.71	2,091.15	19.13
2015-16	13,021.71	3,900.00	1,170.19	15,751.52	2,729.81	20.96
Total		11,950	3,433.53			

Source: Finance Accounts of concerned years.

The above table indicates that the Government of Uttarakhand borrowed and repaid ₹ 11,950 crore and ₹ 3,433.53 crore respectively during the period 2011-12 to 2015-16. During 2011-12 to 2015-16, the repayment was 28.73 per cent of total loans raised by the State Government (₹ 11,950 crore). The interest paid on these loans rose from ₹ 579 crore in 2011-12 to ₹ 1,214 crore in 2015-16 at weighted average interest rate of 8.67 per cent in 2011-12 to 8.32 per cent in 2015-16. Slow pace of repayment will increase the need of rollovers in the coming years. The maturity pressure of existing Market Borrowings on the Government would also be considerable. The above table also shows that the Market Borrowings have an increasing trend from 2011-12 to 2013-14 but the same decreased in 2014-15. However, it again increased during 2015-16 to ₹ 3,900 crore. The receipts during this period showed nearly 2.79 times increase from 2011-12 to 2015-16. This indicated continued dependence of the State Government on the borrowed funds. **Chart 1.10** given below shows the trend of Market Borrowing over the period 2011-12 to 2015-16.



Violation of provisions of FRBM Act

Section 4(d) of the FRBM Act, 2005 stipulates that borrowings are to be used on self-sustained development activities and creation or augmentation of capital assets, and are not to be applied in financing current expenditure. The Government, in each tranche of loan, notified the objective that the proceeds of loans will be utilised for financing development schemes, particularly those relating to Power, Agriculture, Irrigation, Transportation and Industries for the benefit, especially, of weaker sections and backward areas of the State. Market loans raised by the Government with the above objectives are given in **Table 1.30**.

Table-1.30 Details of Market Loans raised and repayments made by the Government during 2011-12 to 2015-16

(₹ in crore)

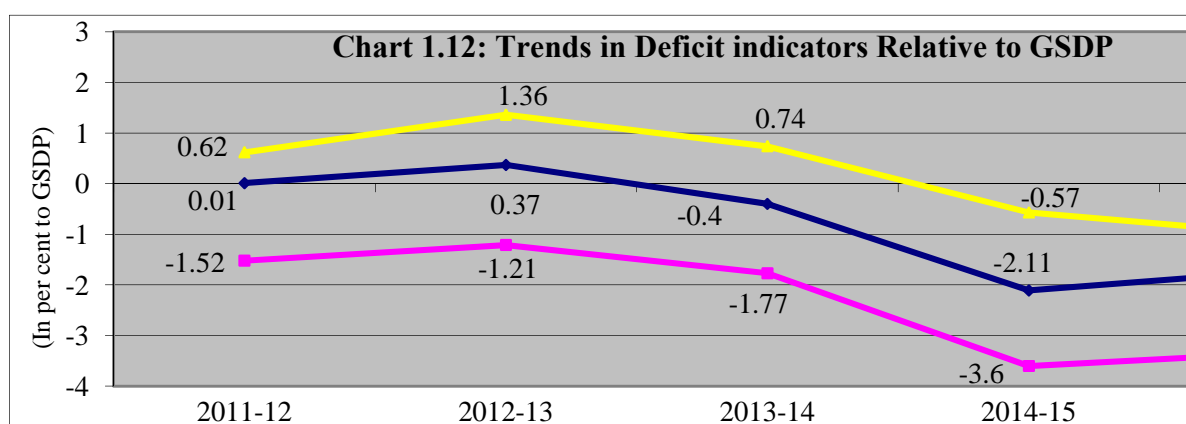
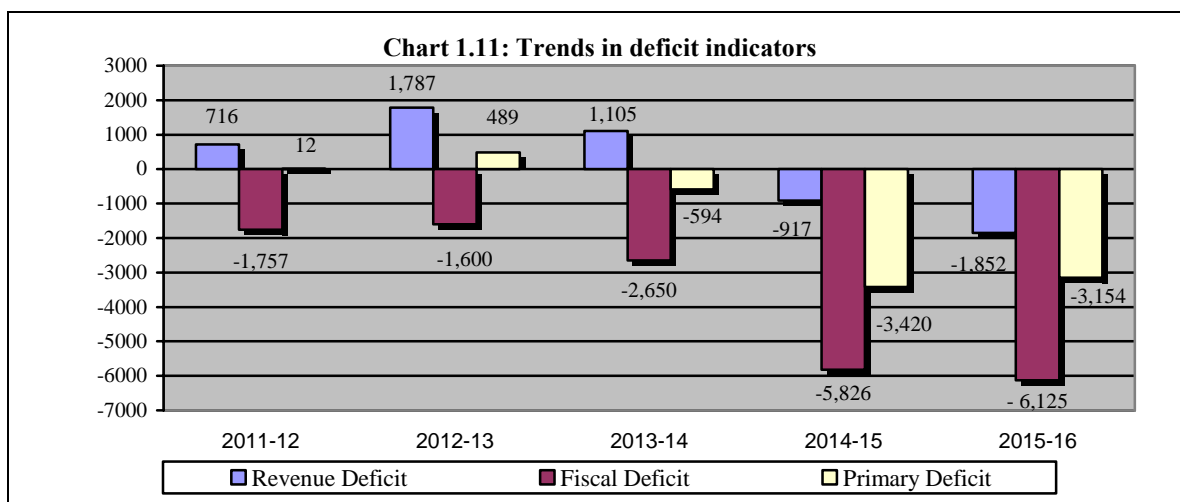
Year	Amount of market borrowing				
	Raised	For the purpose of repayment		For the purpose of capital expenditure	
		Amount	per cent	Amount	per cent
2011-12	1,400.00	240.73	17.20	1,159.27	82.80
2012-13	1,750.00	949.87	54.28	800.13	45.72
2013-14	2,500.00	763.89	30.56	1,736.11	69.44
2014-15	2,400.00	308.85	12.87	2,091.15	87.13
2015-16	3,900.00	1,170.19	30.00	2,729.81	70.00

The above table indicates that the Government utilised on an average 28.98 *per cent* of the fresh borrowings (2011-12 to 2015-16) for making re-payments of matured market loans whereas on an average 71.02 *per cent* were applied for capital expenditure in the respective years. The payment of matured market loans from fresh loans was against the provisions of FRBM Act, besides defeating the very objective for these loans.

1.11 Fiscal Imbalances

1.11.1 Trends in Deficits

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied, are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue, fiscal and primary deficits for the financial year 2015-16. **Charts 1.11** and **1.12** present the trends in deficit indicators over the period 2011-12 to 2015-16.



The State experienced a revenue surplus of ₹ 716 crore during 2011-12, ₹ 1,787 crore in 2012-13 and ₹ 1,105 crore in 2013-14. However, during the year 2014-15 the State could not maintain the revenue surplus and experienced a revenue deficit of ₹ 917 crore which further deteriorated to ₹ 1,852 crore during the current year.

The fiscal deficit during 2011-12 was 1.52 per cent of GSDP below the four per cent target set forth in FRBM Act 2005. The continued efforts of the government towards fiscal consolidation resulted in the decline in fiscal deficit in 2012-13. However, fiscal deficit increased during 2013-14 and 2014-15 and was ₹ 2,650 crore and ₹ 5,826 crore respectively which further increased to ₹ 6,125 crore during the current year 2015-16 and pegged at 3.33 per cent of the GSDP.

The primary deficit turned into positive (₹ 12 crore) during the year 2011-12. It continued to be positive during the year 2012-13 also but became negative during 2013-14 and continued to be negative up to the current year when it was ₹ 3,154 crore.

During 2015-16, the State Government booked Grants-in-Aid of ₹ 54.81 crore under Capital Heads, Major construction works of ₹ 1,188.01 crore under Revenue Heads, Maintenance works of ₹ 2.21 crore under Capital Section and Minor construction works of ₹ 4.33 crore under Capital Section which was against the Government Accounting Rules. The State Government made less contribution to Sinking Fund of ₹ 117.40 crore

and also did not provide interest on Reserves and Deposits of ₹ 30.44 crore during the current year.

The impact of the above misclassifications on Revenue and Fiscal Deficits of the State Government is given in the **Table 1.31**.

Table 1.31: Impact of misclassification on Revenue Deficit and Fiscal Deficit

(₹ in crore)

Sl. No.	Item	Impact on Revenue Deficit		Impact on Fiscal Deficit		Ratios before taking the net Impact (in per cent)		Ratios after taking the net Impact (in per cent)	
		Over Statement	Under Statement	Over Statement	Under Statement	RD/ GSDP	FD/ GSDP	RD/ GSDP	FD/ GSDP
1.	Misclassification between Revenue and Capital Account	1,181.47	--	--	--	1.01	3.33	0.50	3.43
2.	Booking of Grant in aid in Capital Account	--	54.81	--	--				
3.	Less transfer to NSDL	--	0.41	--	--				
4.	Less Contribution to Guarantee Redemption Fund	--	38.87	--	38.87				
5.	Less contribution to Sinking Fund	--	117.40	--	117.40				
6.	Non provision of interest on Reserves and Deposits	--	30.44	--	30.44				
Total (Net) impact		939.54 (Over Statement)		186.71 (Under Statement)					

Source: Finance Accounts.

1.11.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table 1.32**.

Table-1.32 Components of Fiscal Deficit and its Financing Pattern

(₹ in crore)

Sl.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Components of Fiscal Deficit						
1	Revenue Deficit (-)/ Surplus(+)	(+)716	(+)1,787	(+)1,105	(-) 917	(-) 1,852
2	Net Capital Expenditure	(-) 2,317	(-)3,542	(-)3,532	(-) 4,804	(-) 4,217
3	Net Loans and Advances	(-)156	(+)155	(-)223	(-) 105	(-) 56
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	1,159	800	1,736	(+) 2,091	(+) 2,730
2	Loans from GoI	20	6	(-)16	(+) 33	(+) 66
3	Special Securities Issued to NSSF	332	505	545	(+) 1,145	(+) 1,467
4	Loans from Financial Institutions	131	215	291	(+) 411	(+) 539
5	Small Savings, PF etc.	626	271	322	(+) 420	(+) 478
6	Deposits and Advances	33	219	352	(+) 399	(+) 138
7	Suspense and Misc.	(-)412	479	(-)223	(+) 13	(+) 377
8	Remittances	(-)466	(-)101	317	(+) 450	(+) 33
9	Others ¹⁴	190	66	(-)186	(+) 203	(-) 12
10	Overall Surplus/Deficit (Cash Balance)	144	(-)860	(-)488	(+) 661	(+) 309
Gross Fiscal Deficit		1,757	1,600	2,650	5,826	6,125

Source: Finance Accounts of Government of Uttarakhand, 2011-16.

The fiscal deficit (₹ 6,125 crore) was largely managed by market borrowings (₹ 2,730 crore) and Special Securities issued to the National Small Savings Fund (₹ 1,467 crore). Although there was a decrease in capital expenditure, the fiscal deficit at 3.33 per cent was above the limit of 3.25 per cent of GSDP as per the FFC recommendations.

¹⁴ ₹ 183 crore (reserve fund)-₹ 195 crore (contingency fund).

1.11.3 Quality of Deficit/ Surplus

The ratios of revenue deficit to fiscal deficit, primary revenue deficit and capital expenditure (including loans and advances) indicate the quality of deficit in the State's finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously eroding and a part of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit (**Table 1.33**) would indicate the extent to which the deficit is on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table-1.33: Primary deficit/surplus – Bifurcation of factors

(₹ in crore)							
Year	Non-debt receipts*	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Total Primary Expenditure	Primary revenue deficit (-)/surplus (+)	Primary deficit (-)/surplus(+)
1	2	3	4	5	6=(3+4+5)	7=(2-3)	8=(2-6)
2011-12	13,782	11,206	2,317	247	13,770	(+)2,576	(+) 12
2012-13	16,175	11,871	3,542	273	15,686	(+)4,304	(+) 489
2013-14	17,556	14,160	3,712	278	18,150	(+)3,396	(-) 594
2014-15	20,428	18,758	4,939	151	23,848	(+) 1,670	(-) 3,420
2015-16	21,261	20,115	4,217	83	24,415	(+) 1,146	(-) 3,154

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

- Non debt receipts increased by 54.27 per cent from 2011-12 to 2015-16 and were sufficient to meet the primary revenue expenditure. However, the gap showed a fluctuating trend during 2011-12 to 2015-16 ranging between ₹ 833 crore (2015-16) to ₹ 2,872 crore (2014-15).
- Total primary expenditure increased by ₹ 10,645 crore (77.31 per cent) during 2015-16 as compared to 2011-12 mainly due to increase in primary revenue expenditure to the extent of ₹ 8,909 crore (79.50 per cent) during the period 2011-12 to 2015-16.
- The primary revenue surplus showed increasing trend during 2011-12 to 2012-13. However, it showed declining trend from 2013-14 onwards and stood at ₹ 1,146 crore at the end of 2015-16 less by ₹ 524 crore (31.38 per cent) as compared to previous year.
- Due to increase in non-debt receipts, primary deficit turned into primary surplus during 2011-12 and continued to remain positive and stood at ₹ 489 crore at the end of 2012-13 but it turned into primary deficit due to increase in Total Primary Expenditure during 2013-14 and further declined by ₹ 2,826 crore due to increased Total Primary Expenditure during 2014-15. It continued to remain negative in 2015-16 and stood at ₹ 3,154 crore at the end of the current year.

1.12 Follow up on previous Audit Reports on State Finances

In Uttarakhand, none of the Reports on State Finances have been discussed by the Public Account Committee (September 2016). Accordingly, corrective measures taken by the

Government after the Reports were laid before the State Legislature could not be ascertained in audit.

1.13 Conclusion and Recommendations

Revenue receipts grew by ₹ 987.88 crore (4.88 per cent) during the current year over the previous year. This was due to the increase in State's own tax revenue (₹ 1,039.32 crore), State's share of Union taxes/duties (₹ 1,540.89 crore), and non-tax revenue (₹ 109.22 crore). However, during the current year, the grants from the GoI decreased considerably by ₹ 1,701.55 crore.

There was overall decrease of ₹ 160.66 crore (1.49 per cent) under the total receipts from GoI after the implementation of recommendation of FFC.

The State may explore the possibility of mobilizing additional resources through tax and non-tax resources by ensuring better tax compliance and rationalising the user charges/fees respectively.

The expenditure pattern of the State shows that the revenue expenditure as a percentage of total expenditure increased during the current year and remained around 84.30 per cent. The non-plan revenue expenditure (NPRE) increased by ₹ 1,166 crore (7.51 per cent) over the previous year. The expenditure on salaries accounted for 47 per cent and continued to consume a major share of the NPRE during 2015-16. Expenditure on pension payments was ₹ 2,628 crore in 2015-16 which constituted 12.38 per cent of the revenue receipts. The pension payments during the current year were less by ₹ 39 crore than the normative assessment of ₹ 2,667 crore made by the FFC for the current year (Annexure 7.7 of FFC Report).

The Capital Expenditure of the State decreased by ₹ 722 crore during 2015-16 as compared to the previous year, mainly due to decrease in expenditure on (i) Social and (ii) Economic Services. In terms of share of total expenditure, the capital expenditure was 14.91 per cent in 2011-12 and 15.40 per cent in 2015-16. During the current year, it showed a decrease over the previous year by 14.62 per cent and was ₹ 4,217 crore which was more than the target set forth by the State Government in its BEs (₹ 4,005 crore) but below the target set forth in the MTFPS (₹ 4,933 crore). The overall Developmental Expenditure increased by 70.62 per cent over the period 2011-12 to 2015-16.

Whereas major chunk of the non-plan revenue expenditure is on salaries, pension and interest payments which is largely unavoidable, the State Government may explore suitable measures for containing the other components of non-plan revenue expenditure so that a surplus of resources could be gained for allowing scope for assets creation and sustainable development of the State.

The average return on Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives was almost negligible in the past five years whereas on the other hand, the Government paid an average interest of 7.96 per cent on its borrowings during 2011-12 to 2015-16.

The State Government may ensure reasonable return on capital invested in the profit earning State PSUs in view of the substantial high cost of borrowings made by it.

The State was able to attain a revenue surplus of ₹ 716 crore during the year 2011-12 which further appreciated in 2012-13 to ₹ 1,787 crore but depreciated to ₹ 1,105 crore in 2013-14. During the year 2014-15 the revenue surplus turned into revenue deficit of ₹ 917 crore which further increased to ₹ 1,852 crore during 2015-16.

The fiscal deficit was within the reasonable limit of target fixed in FRBM Act in the years 2011-12, 2012-13 and 2013-14 of four *per cent*, 3.5 *per cent*, three *per cent of GSDP respectively*. During 2014-15, the fiscal deficit was ₹ 5,826 crore (3.60 *per cent of GSDP*). The fiscal deficit of the State amounting to ₹ 6,125 crore during 2015-16 (3.33 *per cent of the GSDP*) was above the reasonable limit of 3.25 *per cent* recommended by the *FFC*.

Cash balance of the State at the end of 2015-16 decreased by ₹ 309 crore. The interest received on investment of cash balances was 6.34 *per cent*, while the government borrowed at an average interest rate of 8.19 *per cent*.

The debt-GSDP ratio in 2015-16 was at 21.20 *per cent* increased slightly by 0.53 *per cent* over previous year (20.67 *per cent*). It was well below the target of 22.70 *per cent* set forth by the *FFC*.

The primary surplus in 2011-12, which has appreciated considerably during the year 2012-13 (₹ 489 crore) turned into primary deficit in 2013-14 (₹ 594 crore). During 2014-15 and 2015-16, primary deficit was of the order of ₹ 3,420 crore and ₹ 3,154 crore respectively.

The public debt as on 31 March 2016 was ₹ 29,836 crore, 54.60 *per cent* of the debt is in maturity bracket of seven years and above.

The State Government may consider resorting to need-based borrowings only and utilising the existing cash balances to the extent feasible before resorting to fresh borrowings.

CHAPTER-2

**FINANCIAL MANAGEMENT
AND BUDGETARY CONTROL**

CHAPTER- 2

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

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

2.1.2 Audit of Appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorization given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2015-16 against 31 grants/appropriations is given in **Table 2.1**.

Table-2.1: Summarized position of Original/ Supplementary Provisions *vis-à-vis* Actual Expenditure during the year 2015-16

(₹ in crore)									
	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)	Amount surrendered	Amount surrendered on 31 March	Percentage of Saving Surrendered by 31 March
Voted	I Revenue	2,22,38.82	29,57.95	2,51,96.77	2,00,19.08	(-) 51,77.69	9,44.57	9,44.57	100
	II Capital	40,03.84	18,28.67	58,32.51	66,15.62	(+) 7,83.11	2,05.84	2,05.84	100
	III Loans and Advances	1,72.67	0.20	1,72.87	83.14	(-) 89.73	0.00	0.00	0.00
Total Voted		2,64,15.33	47,86.82	3,12,02.15	2,67,17.84	(-)44,84.31	11,50.41	11,50.41	100
Charged	IV Revenue	34,99.51	1.24	35,00.75	30,68.35	(-) 4,32.40	1.48	1.48	100
	V Capital	1.01	0.00	1.01	1.00	(-) 0.01	0.00	0.00	0.00
	VI Public Debt- Repayment	27,76.79	0.00	27,76.79	21,96.81	(-) 5,79.98	0.00	0.00	0.00
Total Charged		62,77.31	1.24	62,78.55	52,66.16	(-) 10,12.39	1.48	1.48	100
Appropriation to Contingency Fund (if any)		-	-	-	-	-	-	-	-
Grand Total		3,26,92.64	47,88.06	3,74,80.70	3,19,84.00	(-) 54,96.70	11,51.89	11,51.89	100

Source: Appropriation Accounts.

As shown in **Table-2.1**, there was a saving of ₹ 54,96.70 crore which was the result of saving of ₹ 78,30.94 crore in grants and Appropriations under Revenue Section (31 cases), and Capital Section (22 cases) offset by an excess of ₹ 23, 34.24 crore in four grants under Capital (Voted) and one Appropriation under Revenue (Charged) Section.

Departments and Sections against which significant savings (more than ₹ 1,00.00 crore) were noticed during the year 2015-16 are given in **Table 2.2**.

Table-2.2: Details of significant savings (more than ₹ 1,00.00 crore) noticed during 2015-16

(₹ in crore)

Sl.No.	Number & Name of Grant	Section	Amount	Total Amount
1.	06-Revenue & General Administration	Revenue –Voted	6,69.86	6,69.86
2.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	Revenue –Voted	7,86.13	17,80.87
		Revenue –Charged	4,14.76	
		Capital-Charged	5,79.98	
3.	11-Education, Sports, Youth Welfare & Culture	Revenue –Voted	8,11.98	11,82.78
		Capital-Voted	3,70.80	
4.	12-Medical, Health & Family Welfare	Revenue –Voted	5,14.02	5,14.02
5.	13-Water Supply, Housing & Urban Development	Revenue –Voted	2,99.99	4,57.07
		Capital-Voted	1,57.08	
6.	15-Welfare	Revenue –Voted	3,96.89	3,96.89
7.	17-Agriculture Works & Research	Revenue –Voted	2,15.51	2,15.51
8.	19-Rural Development	Revenue –Voted	1,26.96	1,26.96
9.	20-Irrigation & Flood	Capital-Voted	3,97.59	3,97.59
10.	21-Energy	Capital-Voted	1,02.42	1,02.42
11.	22-Public Works	Revenue –Voted	1,19.55	1,19.55
12.	25-Food	Revenue –Voted	1,29.08	1,29.08
13.	30-Welfare of Scheduled Castes	Revenue –Voted	4,90.39	6,25.16
		Capital-Voted	1,34.77	
14.	31-Welfare of Scheduled Tribes	Revenue –Voted	1,17.85	1,17.85
			Total	68,35.61

Source: Appropriation Accounts.

Similarly, grants against which significant excess expenditure over the allotments was noticed under Capital-Voted Section during the year 2015-16, were Food (₹ 22,03.83 crore), Public Works (₹ 1,16.04 crore) and Agriculture Works and Research (₹ 9.37 crore).

The savings/excess (Detailed Appropriation Accounts) were intimated (July 2016) to the Controlling Officers requesting them to furnish reasons for the substantial savings/excess. Their replies were yet to be received (September 2016).

2.3 Financial Accountability and Budget Management

2.3.1 Excess Expenditure

As per paragraph 121 of Chapter XIII of the Uttarakhand Budget Manual (UBM), incurring of unauthorised excess expenditure is most objectionable and must be avoided. In four cases, expenditure aggregating ₹ 36,76.22 crore exceeded the approved provision by ₹ 23,34.24 crore which was more than ₹ one crore in each case or by more than 20 per cent of the total provision. Details are given in **Appendix-2.1**. Of these, excess expenditure has been observed consistently in **Grant No. 25-Food** during the last five years as detailed in **Table 2.3**.

Table-2.3: List of Grant indicating persistent excess expenditure during 2011-16

(₹ in crore)

Sl. No.	No. and Name of grant	Amount of excess expenditure				
		2011-12	2012-13	2013-14	2014-15	2015-16
Capital-Voted						
1	25-Food	12,83.25	18,10.59	17,75.56	17,38.25	22,03.83

Source: Appropriation Accounts.

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

2.3.2 Expenditure without provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 5.00 crore was incurred in one case as detailed in **Table 2.4** without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

Table-2.4: Expenditure incurred without provision during 2015-16

(₹ in crore)

Sl.No.	No. and Name of Grants	Amount of expenditure without provision
1.	29-Horticulture Development (Capital-Voted)	5.00

Source: Appropriation Accounts.

Reasons for expenditure incurred without provision in 2015-16 were not intimated by the Government (September 2016).

2.3.3 Excess over provision relating to previous years requiring regularization

Paragraph 121 of Chapter XIII of the UBM envisages that if after the close of the year, it is revealed, through the Appropriation Accounts, that any expenditure was incurred under any Grant or Charged Appropriation in excess of the total final appropriation for that year under that Grant or Charged Appropriation, the excess expenditure should be regularised, on the basis of the recommendation of the Committee on Public Accounts, by presenting to the Legislative Assembly, demands for excess grants as required under Articles 205 (1) (b) of the Constitution. However, excess expenditure amounting to ₹ 1,29,89.20 crore pertaining to previous years from 2005 to 2015 was yet to be regularized by the State Legislature. The year-wise amount of excess expenditure pending regularization is summarized in **Table 2.5**.

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

(₹ in crore)

Year	Number of Grant / Appropriation	Details of Grant / Appropriation	Amount of excess over provision	Status of Regularization
2005-06	7	7,8,17,20,22,25&29	6,63.50	Status not intimated by the State Government
2006-07	6	7,17,20,22,25& 29	9,35.92	
2007-08	6	7,17,20, 22,25 & 29	7,33.79	
2008-09	6	7,17,20,22,25&29	11,46.41	
2009-10	7	7,17,18,21,22,25&29	10,07.49	
2010-11	9	10,12,15,17,20,21,22,25 & 29	12,95.40	
2011-12	5	7,17,22,25&29	16,11.40	
2012-13	7	12,14,17,21,22,25 & 29	18,35.34	
2013-14	3	22,25 & 29	18,37.15	
2014-15	4	17,22, 25& 29	19,22.80	
Total			1,29,89.20	

Source: Appropriation Accounts.

2.3.4 Excess over provisions during 2015-16 requiring regularization

Table 2.6 contains the summary of total excess expenditure registered under four grants and one appropriation amounting to ₹ 23,34.24 crore over authorization from the Consolidated Fund of the State (CFS) during the year 2015-16.

Table-2.6: Excess over provision requiring regularization during 2015-16

(₹ in crore)

Sl. No.	Number and title of Grant		Total Grant	Expenditure	Excess
Revenue –Charged					
1.	11	Education, Sports, Youth Welfare & Culture	0.0000	0.0010	0.0010
Capital –Voted					
1.	17	Agriculture Works & Research	38.0803	47.4476	9.3673
2.	22	Public Works	12,87.7002	14,03.7412	1,16.0410
3.	25	Food	16.2001	22,20.0299	22,03.8298
4.	29	Horticulture Development	0.0000	4.9999	4.9999
Total			13,41.9806	36,76.2196	23,34.2390

Source: Appropriation Accounts.

Reasons for the excess had not been intimated by the State Government/ Department as of September 2016. The excess expenditure over the provision under the grants incurred during the year 2015-16, should be got regularized by the State Legislature.

2.3.5 Inadequate supplementary provision

Supplementary provision of ₹ 4,07.95 crore sought in respect of three cases proved insufficient by more than ₹ 1.00 crore in each case thereby leaving an aggregate uncovered excess expenditure of ₹ 23,29.24 crore (*Appendix-2.2*).

2.3.6 Rush of expenditure

Paragraph 183 of chapter XVII of UBM stipulates that rush of expenditure in the closing month of the financial year should be avoided. For a sound financial management, uniform pace of expenditure should be maintained. Contrary to this, expenditure exceeding 25 per cent or 50 per cent of the total expenditure for the year 2015-16 was incurred in March 2016 and in last quarter (January 2016 to March 2016) in respect of 46 major heads as listed in *Appendix-2.3*.

Scrutiny showed that 50.63 per cent of the total expenditure of ₹ 93,72.61 crore spent against 45 major heads during the year 2015-16, was incurred in the last quarter of the financial year.

2.3.7 Excess provisions resulting in savings

2.3.7.1 Unnecessary/Excessive supplementary provision

Supplementary provision aggregating ₹ 25,98.82 crore obtained in 33 cases, amounting to ₹ 10 lakh or more in each case during the year proved unnecessary as the expenditure registered under the grants was within the original provision as detailed in *Appendix-2.4*.

2.3.7.2 Excessive/ Unnecessary re-appropriation of funds

Re-appropriation is the transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive/ insufficient and resulted in savings of ₹ 10 lakh and above in thirty cases under six grants as detailed in *Appendix-2.5*.

Reasons for the savings were not furnished by the Government as of September 2016.

2.3.7.3 Substantial surrenders

Substantial surrenders (the cases where more than 30 per cent of total provision was surrendered) were made in respect of 138 sub-heads, in ten grants, on account of savings in various items due to non-receipt of central share, actual expenditure being less than projected requirement of funds, savings in establishment expenses, and non-requirement of fund. Out of the total provision amounting to ₹ 12,42.27 crore in these 138 sub-heads, ₹ 6,42.15 crore (51.69 per cent) were surrendered which included cent per cent surrender in seventy two schemes (₹ 43.80 crore) as detailed in **Appendix-2.6**.

2.3.7.4 Surrender in excess of actual saving

In two cases, the amount surrendered was in excess of actual saving indicating lack of budgetary controls in the Department. As against saving of ₹ 3.22 crore in these cases, the amount surrendered was ₹ 3.40 crore resulting in injudicious excess surrender of ₹ 0.18 crore. Details are given in **Appendix 2.7**.

2.3.7.5 Anticipated savings not surrendered

Paragraph 124 of Section I of Chapter XIII of the UBM stipulates that every Controlling Officer must furnish the final statement of excesses and savings in Form B.M. 2 (Part-II) which should reach the Finance Department, through the Administrative Department concerned, not later than 25th January. At the close of the year 2015-16, there were, however, 16 grants in which savings of ₹ 5.00 crore and above occurred but no part of it had been surrendered by the concerned departments. The amount involved in these cases was ₹ 29,90.70 crore (38.19 per cent of the total savings¹) as given in **Appendix-2.8**.

Similarly, out of savings of ₹ 78,24.19 crore (individual cases where savings were more than ₹ 1.00 crore occurred), amount aggregating ₹ 11,47.39 crore was only surrendered resulting in non-surrender of remaining ₹ 66,76.80 crore (85.34 per cent of the savings of ₹ 78,24.19 crore), details of which are given in **Appendix-2.9**. Besides, in eight cases, (surrender of funds in excess of ₹ 10 crore), ₹ 10,88.54 crore were surrendered (**Appendix-2.10**) on the last day of March 2016, thereby defeating the intended purpose of surrenders as these funds could not be utilized for other purposes.

2.3.7.6 Appropriation vis-à-vis expenditure

The outcome of the appropriation audit shows that in 56 cases, savings exceeded ₹ 1.00 crore in each case, and more than 20 per cent of total provision in 34 cases (**Appendix-2.11**). Against the total savings of ₹ 78,30.94 crore, savings of ₹ 74,31.53 crore (94.90 per cent)² occurred in 28 cases relating to 20 grants and one Appropriation as given in **Table 2.7**.

¹ Total savings of ₹ 78,30.94 crore.

² Exceeding ₹ 50 crore in each case.

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

(₹ in crore)					
Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
Revenue – Voted					
1.	06	Revenue & General Administration	23,64.88	6,69.86	28.33
2.	07	Finance ,Tax, Planning Secretariat & Miscellaneous Services	52,70.37	7,86.13	14.92
3.	10	Police & Jail	12,41.71	60.74	4.89
4.	11	Education, Sports ,Youth Welfare & Culture	55,85.60	8,11.98	14.54
5.	12	Medical Health & Family Welfare	17,77.51	5,14.02	28.92
6.	13	Water Supply ,Housing & Urban Development	9,30.33	2,99.99	32.25
7.	15	Welfare	14,89.13	3,96.89	26.65
8.	16	Labour & Employment	2,11.88	86.03	40.60
9.	17	Agriculture Works & Research	7,38.84	2,15.51	29.17
10.	19	Rural Development	9,07.10	1,26.96	14
11.	22	Public Works	6,57.12	1,19.55	18.19
12.	25	Food	3,32.03	1,29.08	38.88
13.	27	Forest	5,16.37	80.72	15.63
14.	29	Horticulture Development	2,18.98	61.45	28.06
15.	30	Welfare of Scheduled Castes	12,70.86	4,90.39	38.59
16.	31	Welfare of Scheduled Tribes	3,12.92	1,17.85	37.66
Total			2,38,25.63	49,67.15	20.85
Revenue – Charged					
1.	07	Finance ,Tax Planning ,Secretariat & Miscellaneous Services	34,37.14	4,14.76	12.07
Total			34,37.14	4,14.76	12.07
Capital-Voted					
1.	11	Education, Sports ,Youth Welfare & Culture	6,08.92	3,70.80	60.89
2.	13	Water Supply , Housing & Urban Development	5,36.18	1,57.08	29.30
3.	19	Rural Development	7,86.11	51.80	6.59
4.	20	Irrigation & Flood	11,32.02	3,97.59	35.12
5.	21	Energy	2,13.90	1,02.42	47.88
6.	24	Transport	70.96	59.21	83.44
7.	26	Tourism	1,57.03	63.10	40.18
8.	27	Forest	1,71.37	71.35	41.64
9.	30	Welfare of Scheduled Castes	3,12.69	1,34.77	43.10
10.	31	Welfare of Scheduled Tribes	1,17.20	61.52	52.49
Total			41,06.38	14,69.64	35.79
Capital-Charged					
1.	07	Finance, Tax, Planning, Secretariat and Miscellaneous Services	27,76.79	5,79.98	20.89
Total			27,76.79	5,79.98	20.89
Grand Total			3,41,45.94	74,31.53	21.76

Source: Appropriation Accounts.

The reasons for the savings though called for, were yet to be received (September 2016).

2.3.7.7 Persistent Savings

During the last five years, there were persistent savings of more than ₹ 1.00 crore in 42 cases as detailed in **Table 2.8**.

Table-2.8: List of Grants indicating persistent savings during last five years (2011-2016)

(₹ in crore)						
Sl. No.	No. and Name of grant	Amount of Saving				
		2011-12	2012-13	2013-14	2014-15	2015-16
Revenue-Voted						
1.	04-Judicial Administration	28.05	50.90	36.52	35.73	29.67
2.	06-Revenue & General Administration	43.94	64.40	14,66.73	10,37.70	6,69.86
3.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	5,80.10	5,49.18	1,16.17	4,80.27	7,86.13
4.	08-Excise	2.23	1.02	2.02	1.44	1.91
5.	10-Police & Jail	50.52	32.17	23.71	1,00.55	60.74
6.	11-Education, Sports, Youth Welfare & Culture	2,83.38	5,67.60	6,35.48	7,41.48	8,11.98
7.	12-Medical, Health & Family Welfare	1,53.99	1,33.41	1,16.11	3,97.34	5,14.02
8.	13-Water Supply, Housing & Urban Development	2,35.76	1,53.22	3,08.25	1,75.86	2,99.99
9.	14-Information	2.11	1.84	1.16	1.01	2.19
10.	15-Welfare	1,97.45	1,91.96	1,78.11	3,42.56	3,96.89

11.	16-Labour & Employment	12.39	36.45	28.70	58.20	86.03
12.	17-Agriculture Works & Research	44.73	1,31.83	1,86.93	91.09	2,15.51
13.	18-Co-operative	10.30	6.03	8.53	7.93	6.60
14.	19-Rural Development	92.71	1,33.00	1,79.22	6,51.46	1,26.96
15.	22-Public Works	35.43	56.85	95.65	2,05.45	1,19.55
16.	23-Industries	14.47	11.32	20.89	14.02	34.66
17.	24-Transport	1.37	5.90	3.22	5.27	5.60
18.	25- Food	1,23.52	2,30.84	2,26.55	2,24.72	1,29.08
19.	26-Tourism	30.66	30.05	13.43	42.46	4.17
20.	27-Forest	19.80	27.10	31.00	1,19.93	80.72
21.	28-Animal Husbandry	4.48	9.04	24.93	33.92	24.21
22.	29-Horticulture Development	14.94	7.19	40.87	41.31	61.45
23.	30-Welfare of Scheduled Castes	1,93.63	1,14.39	2,10.01	2,69.50	4,90.39
24.	31-Welfare of Scheduled Tribes	45.35	36.68	58.99	95.59	1,17.85
Revenue-Charged						
1.	04-Judicial Administration	13.87	5.87	5.52	7.59	8.77
2.	07- Finance, Tax, Planning, Secretariat & Miscellaneous Services	2,17.95	41.44	6,46.03	6,57.44	4,14.76
3.	09-Public Service Commission	1.46	1.93	240.00	1.59	1.64
4.	22-Public Works	1.40	1.02	1.75	4.71	5.09
Capital-Voted						
1.	04-Judicial Administration	29.40	3.76	7.94	19.54	29.06
2.	06-Revenue & General Administration	24.60	9.12	13.78	4.85	4.42
3.	07- Finance, Tax, Planning, Secretariat & Miscellaneous Services	72.43	20.60	40.81	23.09	15.31
4.	10-Police & Jail	44.60	43.76	46.89	7.55	2.91
5.	11-Education, Sports, Youth Welfare & Culture	1,66.31	1,22.03	1,84.55	1,89.88	3,70.80
6.	12-Medical, Health & Family Welfare	39.01	2,30.97	1,88.14	24.27	33.80
7.	15-Welfare	22.03	3.54	6.75	74.29	39.12
8.	19-Rural Development	66.05	1,32.55	62.82	2,19.63	51.80
9.	23-Industries	13.35	23.69	28.21	25.81	16.29
10.	24-Transport	12.55	43.95	95.18	30.00	59.21
11.	26-Tourism	19.20	55.32	47.68	1,79.95	63.10
12.	27-Forest	8.64	16.32	18.82	8.37	71.35
13.	30-Welfare of Scheduled Castes	1,76.49	2,03.71	3,00.94	2,99.68	1,34.77
14.	31-Welfare of Scheduled Tribes	54.70	54.28	81.60	42.37	61.52

Source: Appropriation Accounts.

Reasons for savings in 2015-16 were not intimated by the Government (September 2016). Despite being mentioned in the Report on State Finances of the Comptroller & Auditor General of India for the year 2015-16 of the State, a substantial number of cases were noticed where savings persisted during the year which is indicative of over assessment of requirement of funds. This needs to be reviewed.

2.3.8 Drawal of funds to avoid lapse of Budget

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.

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

From the information compiled by the Office of the Accountant General (Accounts and Entitlement), Uttarakhand, it was seen that an amount of ₹ 16,59.60 crore was drawn by the State Government departments during the month of March 2016 and

deposited in the deposit heads namely, “8338-Deposits of Local Funds; 8443-Civil Deposits and 8448-Deposits of Local Funds”, to avoid lapse of the budget grant. The Administrators are required to close Civil Deposit Head 8443– Personal Deposit Account 106 (PDA) on the last working day of the financial year and transfer the unspent balances back to the Consolidated Fund. Out of ₹ 16,59.60 crore lying under deposit heads, an amount of ₹ 2,29.24 crore was lying in PDA (MH 8443-106) at the end of 2015-16 in contravention of the rule. The status of PDA during 2015-16 is as under in **Table 2.9**.

Table 2.9: Status of PD Accounts (MH 8443-106) during 2015-16

(₹ in crore)

Opening Balance		Addition during the year		Closed during the year		Closing Balance	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
34	2,65.16	29	1,97.72	38	2,33.64	25	2,29.24

Source: Finance Account.

The **Table No.2.9** above indicates that overall number of PD accounts and amount involved have come down over the previous year.

Further scrutiny of accounts of the Chief Treasury Officer, Dehradun showed that there was a decrease in number and increase in amount of deposit accounts at the end of 2015-16. Of these accounts, one account was found inoperative since 2010-11, under which funds to the tune of ₹ 0.54 crore were parked. The status of deposit accounts from 2013-14 to 2015-16 is detailed in **Table 2.10**.

Table 2.10: Status of the deposit accounts

(₹ in crore)

Deposit Heads	2013-14		2014-15		2015-16	
	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
8338-Deposit of Local Fund	06	68.36	06	76.39	05	82.28
8443-Civil Deposit	23	1,78.07	11	1,06.30	06	1,30.74
8448-Deposit of Local Funds	24	39.22	20	61.55	17	33.08
Total fund Parked/transferred	53	2,85.65	37	2,44.24	28	2,46.10

Source: Records of Chief Treasury Officer, Dehradun.

During scrutiny of these accounts, it was seen that ₹ 79.87 crore, ₹ 2.00 crore and ₹ 18.22 crore were transferred into the deposit head at the end of the years 2013-14, 2014-15 and 2015-16 respectively to avoid budgetary lapses between 26 to 31 March of respective years (**Appendix- 2.12**).

Detailed scrutiny of the Personal Ledger Account (PLA) of the District Magistrate (DM), Dehradun showed that ₹ 18.22 crore were transferred from various Heads of Accounts and through Cash Deposit to avoid budgetary lapses in the last three days of the financial year 2015-16 as shown in **Table 2.11**.

Table 2.11: Amount of fund transferred at the end of 2015-16 into DM, Dehradun PLA

(₹ in crore)

Date of fund transfer	From where transferred (Head of Account)	Where transferred (HOA-Deposit Heads)	Amount transferred to deposit heads
28 March 2016	Cash Deposit (Nideshak, Alpsankhyak Kalyan)	8443-00-106-00	1.60
31 March 2016	2225-01-800-15	8443-00-106-00	0.14
	2235-02-101-02	8443-00-106-00	0.28
	4408-01-800-01	8443-00-106-00	7.77
	2215-02-105-01	8443-00-106-00	6.31
	2215-00-102-91	8443-00-106-00	0.01
	2215-02-105-01	8443-00-106-00	2.11
Total fund transferred			18.22

Source: Chief Treasury Officer, Dehradun.

On being enquired about transferring the fund of ₹ 18.22 crore in the last three days of 2015-16, the administrator of PDA intimated that the details of funds transferred and reason of transferring the fund to PDA will be intimated after getting information from concerned departments.

It was further observed that in the PLA of DM Dehradun, an un-spent closing balance of ₹ 87.49 crore and ₹ 1,19.50 crore was kept blocked in contravention of the rule as on 31 March 2015 and 31 March 2016, respectively due to non-closure of PDA.

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

2.4 Outcome of Review of Selected Grants

A review of receipts and expenditure under Grant No. 11-Education, Sports, Youth Welfare and Culture and Grant No. 12- Medical, Health and Family Welfare for the period 2013-14 to 2015-16 revealed the following position:

Grant No. 11- Education, Sports, Youth Welfare and Culture

A. Revenue Expenditure

The overall revenue expenditure showed increase of 14.24 per cent and 4.95 per cent over the previous years, as summarized in the **Table 2.12**.

Table -2.12: Summarized position of actual expenditure vis-à-vis original provision during 2013-16
(₹ in crore)

Head of Account	Year	Original provision	Supplementary provision	Total	Actual Expenditure	Saving	In per cent	
							Saving	Growth in exp.
2202, 2203, 2204 & 2205- Education, Sports, Youth Welfare and Culture	2013-14	45,32.73	84.14	46,16.87	39,81.39	6,35.48	13.76	-
	2014-15	49,45.50	3,44.34	52,89.84	45,48.37	7,41.47	14.02	14.24
	2015-16	52,36.20	3,49.40	55,85.60	47,73.62	8,11.98	14.54	4.95

Source: Appropriation Accounts.

The savings against total budget provision during 2013-14 to 2015-16 exhibited persistent trend which was indicative of over assessment of requirement of funds under various heads by the department without adequately scrutinizing the same and properly monitoring the flow of expenditure.

Test check of certain heads revealed significant trends of major variations (more than ₹ 50.00 lakh in any year) in expenditure over previous years, as shown below in **Table 2.13**.

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

Sl. No.	Head	Expenditure (₹ In lakh)			Variation (In lakh)		Variation (In per cent)	
		2013-14	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
1.	2204-00-104-08-20	86.34	84.75	2,00.00	(-)1.59	1,15.25	(-)1.84	135.99
2.	2204-00-104-10-20	63.23	1,74.06	1,27.99	1,10.83	(-)46.07	175.28	(-) 26.47
3.	2204-00-104-13-20	2,50.00	3,67.13	3,21.00	1,17.13	(-)46.13	46.85	(-) 12.57
4.	2204-00-104-21-20	18.91	82.60	26.88	63.69	(-)55.72	336.81	(-) 67.46
5.	4202-03-102-106	3,60.00	7,70.68	1,00.00	4,10.68	(-) 6,70.68	114.08	(-) 87.02
6.	4202-03-102-04	3.27	9,85.02	0.00	9,81.75	(-)9,85.02	30022.93	100

7.	4202-03-102-05	80.00	8,50.00	2,09.82	7,70.00	(-)6,40.18	962.50	(-)75.32
8.	4202-03-102-13-24	1,77.38	5,00.00	2,00.00	3,22.62	(-)3,00.00	181.88	(-)60
9.	4202-03-102-14-24	0.00	5,00.00	1,00.00	5,00.00	(-)4,00.00	--	(-)80
10.	4202-03-102-19-24	20,00.00	25,00.00	0.00	5,00.00	(-)25,00.00	25.00	100
11.	2205-00-102-13	0.00	72.1	1.22	72.10	(-)70.88	--	(-)98.31
12.	2205-00-103-03	10.52	1,06.75	19.21	96.23	(-)87.54	914.73	(-)82
13.	4202-04-106-03	1,00.00	5.87	80.00	(-)94.13	(+)74.13	(-)94.13	(+)1262.86
14.	4202-04-106-06	0.00	3,74.13	1,00.00	3,74.13	(-)2,74.13	--	(-)73.27
15.	4202-04-106-01	0.00	3,50.00	1,00.00	3,50.00	(-)2,50.00	--	(-)71.43

Source: Departmental figure.

B. Capital Expenditure

The overall capital expenditure showed increase of 40.80 per cent during 2014-15 and decrease in 2015-16 by 41.50 per cent over the previous years, as summarized below in **Table 2.14**.

Table -2.14: Summarized position of actual expenditure vis-à-vis original provision during 2013-16

(₹ in crore)

Head of Account	year	Original Provision	Supplementary Provision	Total	Actual Exp.	Saving	In per cent	
							Saving	Growth in exp.
4202	2013-14	3,03.32	1,70.31	4,73.63	2,89.08	1,84.55	38.97	-
	2014-15	3,63.33	2,33.57	5,96.90	4,07.03	1,89.87	31.81	(+)40.80
	2015-16	4,39.32	1,69.60	6,08.92	2,38.12	3,70.80	60.89	(-)41.50

Source: Appropriation Accounts.

Scrutiny revealed that unnecessary supplementary provisions of ₹ 1,70.31 crore and ₹ 1,69.60 crore were made during 2013-14 and 2015-16 respectively, as the actual expenditure was lower than the original allotment by 4.70 per cent and 45.80 per cent during these years.

C. Non – Utilization of entire Provision

Test check of sub-heads revealed that the departments did not utilize the entire provision and surrendered ₹ 3,81,11.35 lakh during 2013-14 to 2015-16 at the end of the year in 48 cases. Out of these 48 cases, 23 cases of ₹ 1.00 crore and above are given in **Table 2.15**.

Table -2.15: Summarized position of Non-Utilization of entire Provision during 2013-16.(₹ in lakh)

Sl. No.	Year	Head of Account	Original	Supplementary	Total
1	2013-14	2202-02-800-06	58,22.33	0.00	58,22.33
2		4202-01-202-01-03	17,00.00	0.00	17,00.00
3		4202-01-202-04	21,00.00	0.00	21,00.00
4		4202-01-202-17	2,00.00	0.00	2,00.00
5		4202-01-202-19	1,50.00	0.00	1,50.00
6		4202-01-202-27	8,16.01	0.00	8,16.01
7		2202-01-800-06	1,03.35	0.00	1,03.35
8		4202-01-201-06	20,96.00	0.00	20,96.00
9	2014-15	2202-02-109-14	3,54.09	0.00	3,54.09
10		2202-02-800-01	55,22.34	0.00	55,22.34
11		2202-02-800-11	1,50.00	0.00	1,50.00
12		4202-01-202-01-03	3,01.18	0.00	3,01.18
13		4202-01-202-01-07	31,85.79	0.00	31,85.79
14		2202-01-101-06	5,00.00	0.00	5,00.00
15		4202-01-201-06	12,37.14	0.00	12,37.14

16	2015-16	2202-02-800-11	1,50.00	0.00	1,50.00
17		2202-02-800-18	5,00.00	0.00	5,00.00
18		4202-01-202-01-03	19,72.00	0.00	19,72.00
19		4202-01-202-01-07	49,90.01	0.00	49,90.01
20		4202-01-202-01-28	0.00	4,00.00	4,00.00
21		4202-03-102-04	1,54.27	0.00	1,54.27
22		4202-03-102-19-24	30,00.00	0.00	30,00.00
23		4202-04-800-04	20,00.00	0.00	20,00.00
Total			3,70,04.51	4,00.00	3,74,04.51

Source: Departmental figure.

D. Receipts

The overall position of revenue receipts under 0202 Major Head of the selected grant during 2013-14 to 2015-16 is summarized in **Table 2.16**.

Table -2.16: Position of revenue receipts under 0202 Major Head of the grant

(₹ in crore)

Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ short fall	Per cent Variation to R.E
2013-14	22.67	32.67	39.91	(+)7.24	22.16
2014-15	38.74	38.74	43.61	(+)4.87	12.57
2015-16	42.75	42.75	41.82	(-) 0.93	(-) 2.17

Source: Budget and Finance Accounts.

Test check of certain heads revealed lower estimates in the subsequent years despite significant receipts in previous years as given in **Table 2.17**.

Table -2.17: Summarized position of Receipts during 2013-14 to 2015-16.

(₹ in crore)

Sr. no.	Head of Account	Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ Shortfall	Per cent Variation to R.E
1	0202-01-101	2013-14	0.00	10.00	39.74	(+) 29.74	2,97.40
		2014-15	25.00	25.00	42.63	(+)17.63	70.52
		2015-16	28.00	28.00	41.82	(+)13.82	49.36
2	0202-03-101	2013-14	0.18	0.18	0.00	(-)0.18	(-)1,00.00
		2014-15	0.20	0.20	0.00	(-)0.20	(-)1,00.00
		2015-16	0.20	0.20	0.00	(-)0.20	(-)1,00.00
3	0202-04-800	2013-14	0.15	0.15	0.09	(-)0.06	(-)40.00
		2014-15	0.20	0.20	0.97	(+)0.77	3,85.00
		2015-16	0.10	0.10	0.00	(-)0.10	(-)1,00.00

Source: Budget and Finance Accounts.

There were significant variations in respect of actual receipts and Revised Estimates which indicated deficiency in estimation. It was also noticed that in respect of Head of Account (0202-04-800), return of unutilized amount of ₹ 0.76 crore and ₹ 0.30 crore during 2014-15 and 2015-16 respectively, given to executing agencies under Capital Head in the previous years, have been taken as revenue receipt instead of taking it as reduction in Capital Expenditure in contravention of the Financial Rules. This irregularity increased the Revenue Receipts and consequently decreased the Revenue Deficit of the State Government during the concerned years. This also depicts the incorrect picture of Capital Expenditure during the year and Progressive Capital Expenditure of the Department.

Grant No. 12- Medical, Health and Family Welfare

A. Revenue Expenditure

The overall revenue expenditure showed increase of 40.56 per cent and 5.35 per cent over the previous years, as summarized in **Table 2.18**.

Table -2.18: Summary of actual expenditure vis-à-vis original provision during 2013-16.

Head of Account	Year	Original	Supp.	Total	Actual Exp.	Saving	Saving (in %)	(₹ in crore)
								Growth in expenditure (in %)
2210- Medical & Public Health	2013-14	9,41.22	28.14	9,69.36	8,53.26	1,16.10	11.98	-
	2014-15	11,93.02	4,03.63	15,96.65	11,99.31	3,97.34	24.89	40.56
2211- Family Welfare	2015-16	16,39.31	1,38.20	17,77.51	12,63.50	5,14.01	28.92	5.35

Source: Appropriation Accounts.

There were persistent savings against the total budget provision during 2013-14 to 2015-16 which was indicative of over assessment of requirement of funds under various heads by the department without adequately scrutinizing the same and properly monitoring the flow of expenditure.

Test check of certain head revealed significant trend of major variations (more than ₹ 1.00 crore in any year) in expenditure over previous years as shown below in **Table 2.19**.

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

Sl No.	Head	Expenditure (₹ In lakh)			Variations (₹ In lakh)		Variations (In per cent)	
		2013-14	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
1	2210-01-110-15	26,00.00	35,00.00	34,18.00	9,00.00	(-)82.00	34.61	(-)2.34
2	2210-03-104-03	3,15.23	5,33.51	1,65.01	2,18.28	(-)3,68.50	69.24	(-)69.07
3	2210-03-110-09	4,36.89	7,48.95	3,95.49	3,12.06	(-)3,53.46	71.42	(-)47.19
4	2211-00-101-01-02	77,74.53	87,11.25	85,01.99	9,36.72	(-)2,09.26	12.04	(-)2.40
5	4210-01-110-17	2,85.00	31.68	48.91	(-)2,53.32	(+) 17.23	(-)88.88	54.38
6	4210-01-110-18	3,25.00	2,20.59	17.75	(-)1,04.41	(-)2,02.84	(-)32.12	(-)91.95
7	4210-01-110-24	4,50.00	16,16.67	7,00.00	11,66.67	(-)9,16.67	2,59.26	(-)56.70
8	4210-02-104-03-02	3,99.05	4,83.26	1,49.97	84.21	(-)3,33.29	21.10	(-)68.96
9	4210-02-110-07	1,00.00	2,13.10	1,00.00	1,13.10	(-)1,13.10	113.10	(-)53.07

Source: Departmental figure.

B. Capital Expenditure

The overall Capital Expenditure showed an increase of 76.30 per cent during 2014-15 and a decrease in 2015-16 by 45.28 per cent over the previous year, as summarized in **Table 2.20**.

Table -2.20: Position of Capital Expenditure under 4210 & 4211 Major Head of the grant

Head of Account	Year	Original	Supplementary	Total	Actual Expenditure	Saving	In per cent	
							Saving	Growth in expenditure.
4210 & 4211	2013-14	3,14.69	16.47	3,31.16	1,43.02	1,88.14	56.81	-
	2014-15	2,29.90	46.51	2,76.41	2,52.14	24.27	8.78	76.30
	2015-16	30.32	1,41.44	1,71.76	1,37.96	33.80	19.68	(-)45.28

Source: Appropriation accounts.

It is evident from the above that there were persistent savings ranging between ₹ 24.27 crore (8.78 per cent) to ₹ 1,88.14 crore (56.81 per cent) during 2013-14 to

2015-16. During 2013-14, there was unnecessary supplementary provision of ₹ 16.47 crore as original allotment (₹ 3,14.69 crore) was more than actual expenditure (₹ 1,43.02 crore).

C. Non-Utilization of the entire Provision

Test check of certain sub-heads revealed that the departments did not utilize the entire provision in 38 cases during 2013-14 to 2015-16 and surrendered ₹ 29,90.87 lakh at the end of the year. Out of these 38 cases, nine cases of ₹ 1.00 crore and above are given in **Table 2.21**.

Table -2.21: Summarized position of Non-Utilization of entire Provision during 2013-16

Sl. No	Year	Head of Account	Original	Supplementary	Total (₹ in Lakh)
1	2013-14	4210-01-110-21	1,00.00	0.00	1,00.00
2	2014-15	2210-01-110-97-9701	0.00	1,00.00	1,00.00
3		2210-06-101-01-0106	2,00.00	0.00	2,00.00
4	2015-16	2210-06-800-01-0106	2,10.00	0.00	2,10.00
5		2210-01-110-97-9701	10,00.00	0.00	10,00.00
6		2210-06-101-01-106	2,00.00	0.00	2,00.00
7		4210-01-110-23	3,00.00	0.00	3,00.00
8		4210-01-110-25	1,00.00	0.00	1,00.00
9		4210-01-110-28	1,00.00	0.00	1,00.00

Source: Departmental figure.

D. Receipts

The overall position of revenue receipts under 0210 and 0211 Major head of the grant during 2013-14 to 2015-16 is summarized in **Table 2.22**.

Table -2.22: Position of Receipts, Major Head 0210 & 0211

Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ Shortfall	Variation to Revised Estimate (in Per cent)
2013-14	22.22	22.22	44.05	(+)21.83	98.24
2014-15	24.56	24.56	37.79	(+)13.23	53.87
2015-16	38.00	1,08.00	76.88	(-)31.12	28.81

Source: Budget and Finance Accounts.

Test check of certain heads revealed lower estimate in the subsequent years despite significant receipts in previous years as given in **Table 2.23**.

Table -2.23: Position of Receipts, Major head-0210 & 0211

Sl. No.	Head of Account	Year	Budget Estimate	Revised Estimate	Actual Receipts	Excess/ Shortfall	Variation to Revised Estimate (in Per cent)
1	0210-01-800	2013-14	16.10	16.10	43.98	(+)27.88	173.17
		2014-15	17.10	17.10	37.78	(+)20.68	120.94
		2015-16	26.11	96.11	76.86	(-)19.25	(-)20.03
2	0211-800	2013-14	0.12	0.12	0.01	(-)0.11	(-)91.67
		2014-15	0.04	0.04	0.02	(-)0.02	(-)50.00
		2015-16	0.04	0.04	0.02	(-)0.02	(-)50.00

Source: Budget and Finance Accounts.

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

2.5 Outcome of Inspection of Treasuries

There were 86 units i.e. 18 treasuries and 66 sub-treasuries, one Cyber Treasury at Dehradun and one Pay & Accounts Office at New Delhi, in the State during 2015-16.

Major irregularities noticed during inspection of 51³ units during 2015-16 are contained in **Table 2.24**.

Table 2.24: Outcome of inspection of Treasuries

Sl. No.	Category	Amount (₹ in crore)
1.	Unadjusted AC Bills	3.60
2.	Unauthorized booking/adjustment in major head 1601-Assistance Grant from Central Government	71.42
3.	Uncontrolled withdrawal from PLA Accounts	26.37
4.	Non deduction of TDS from pensioners during 2014-15	0.20
5.	Non depositing of lapsed deposit into Government Account	3.91

Source: Annual Review 2015-16 of Treasuries by Accountant General (A&E), Uttarakhand.

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

2.6 Advances from Contingency Fund

The Contingency Fund of the State, in the nature of an imprest, has been established vide the Uttarakhand Contingency Fund Act, 2001 (Act No.2 of 2001) in terms of provisions of Articles 267 (2) and 283 (2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorization by the Legislature, would be undesirable. The Fund stood at ₹ 7.50 crore at the end of 2015-16. Any drawal of advances from the Fund needs to be recouped from the Consolidated Fund of the State within the same financial year. However, as on 31 March 2016, advances to the tune of ₹ 3,85.46 crore drawn from the Contingency Fund during the year 2015-16, remained to be recouped from the Service Heads to the Contingency Fund after authorization of the Legislature as required as per Section 5 of the Uttarakhand Contingency Fund Act, 2001 (Act No. 2 of 2001). As on August 2016, the un-recouped balance had reduced to ₹ 72.15 crore (*Appendix-2.13*).

Further scrutiny showed that the Government had also not yet recouped the advance drawn from the Contingency Fund to the tune of ₹ 10.41 crore pertaining the period of 2013-14 to 2014-15 up to August 2016. The year wise non-recoupment of Contingency fund under the Grants and Major Heads is shown in the *Appendix-2.14*.

Also, the Government resorted to advances from the Contingency Fund during the year 2015-16 for meeting the capital expenditure (₹ 35.04 crore) which was foreseeable and thus in contravention of the rules governing operation of the Fund.

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

As per the Financial Rules, every Drawing Officer has to certify in each abstract contingent bill that detailed bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective controlling officers for countersignatures and transmission to the Accountant General (Accounts and Entitlement). Detailed bills aggregating ₹ 3.61 crore, drawn on 44 AC bills were pending as at the end of March 2016. Year wise details are given in **Table 2.25**.

³ 18 Treasuries and 33 Sub Treasuries.

Table-2.25: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills (as on March 2016)

Year	Outstanding DC Bills	
	Number	Amount
Up to 2013-14	22	1.31
2014-15	12	1.49
2015-16	10	0.81
Total	44	3.61

(₹ in crore)

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

Out of the total outstanding DC bills amounting to ₹ 3.61 crore, the major portion of twelve outstanding DC bills of ₹ 1.49 crore pertained to the Panchayati Raj Department.

Position of Department/office wise pending DC bills for the years up to 2015-16, has been given in **Appendix- 2.15**.

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

2.7. (B) Un-reconciled Expenditure

To enable the Controlling Officers of the Departments to exercise effective control over expenditure to keep it within the budgetary allocation and to ensure accuracy of their accounts, Para 109 of the Uttarakhand Budget Manual 2012 stipulates that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General (Accounts & Entitlements). Even though non-reconciliation of departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2015-16 also.

During the year 2015-16, such reconciliation has been completed fully by 34 CCOs out of 62 CCOs (54.84 per cent) for an amount of ₹ 2,12,82.19 crore (77.95 per cent) of total expenditure of ₹ 2,73,03.82 crore.

The cases where amounts exceeding ₹ 10 crore involving a total of ₹ 49,90.11 crore remained un-reconciled in respect of 10 Controlling Officers during the year 2015-16, constituted 18.28 per cent of the total expenditure of ₹ 2,73,03.82 crore. Details are given in **Table 2.26**.

Table-2.26: List of Controlling Officers where amounts exceeding ₹ 10 crore in each case remained fully un-reconciled during 2015-16

(₹ in crore)

Sl. No.	Controlling Officers	Amount not reconciled
1.	Secretary, Estate Department, Government of Uttarakhand	12,54.37
2.	Secretary, Housing and Urban Development Secretariat, GoU, Dehradun	5,60.83
3.	Principal Secretary, Social Welfare, Government of Uttarakhand	10,57.80
4.	Secretary, Sachivalya General Administration GOUK, Dehradun	3,26.01
5.	Chief Engineer, Irrigation Department, Yamuna Colony, Dehradun	2,82.86
6.	Chief Revenue Commissioner, Ring Road, Ladpur, Dehradun	2,76.89
7.	Secretary, Information and Technology, GoU, Dehradun	1,16.49
8.	Commissioner, Relief, Revenue Department, Government of Uttarakhand	10,86.73
9.	Secretary, Public Service Commission, Gurukul Kangari, Haridwar	17.33
10.	Director, Fisheries, Raipur, Dehradun	10.80
	Total	49,90.11

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

The Chief Controlling Officers of the abovementioned departments were asked to furnish the reasons for failing to undertake reconciliation as prescribed by the Accountant General (Accounts & Entitlement). However, no response was received till date (September 2016).

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

2.8 Deficiencies in Budgeting Process

The following deficiencies were noticed in the budgeting process of the State Government in the financial year 2015-16.

- i. In the Budget Document Vol.- IV under some Major Heads, for instance, Minor Head 900-Deduct Recoveries under Major Heads 0029, 0039 and Minor Head 901-Deduct Recoveries under Sub-Major Head 01-Judicial Stamp under Major Head 0030 have been shown below Sector-A Tax-Revenue, while the list of Major & Minor Heads of Account (Volume-I) provides that the deduct recoveries shall be shown under the sub head under appropriate Minor Head below every Major, Sub-Major Head coming under the Sector-A Tax-Revenue.
- ii. As per the Budget document Vol.-V Part I, in Grant No.-7 under Major Head 3454, Minor Head 001 Direction and Administration has been shown below Sub-Major Head 02 Survey instead of 01 Census as provided in the List of Major and Minor Heads of Accounts.
- iii. As per the Budget document Vol.-V Part II, Grant No.-14 Sub-Major Head 60- Others is shown under the Major Head 4059. However, as per the List of Major and Minor Heads of Accounts, there is the provision of other buildings under the Sub Major Head 60.
- iv. In the Major Head 2059, under Grant Number 22 of the Budget document Vol.-V Part III, Minor head 102 under Sub-Major Head 80 has been shown as “Repair and Maintenance”, whereas as per the List of Major and Minor Heads of Accounts it should have been Minor Head 053 under Sub-Major Head 80.
- v. Under the Major Head 2245-only one Sub-Major Head 05-has been shown, under which there is the provision of Minor Head 800 whereas the list of Major and Minor Heads of Accounts provides for two more Sub-Major Heads 01-Drought and 02-Flood and Cyclone.
- vi. As per the Budget document Vol.-V Part II, Grant No.-15 in the Major Head 4235, ‘Welfare of Handicapped’ has been shown against Minor Head 104 under Sub-Major Head 02 instead of ‘Welfare of Aged, Infirm and Destitute’ provided in the List of Major and Minor Heads of Accounts.
- vii. As per the Budget document Vol.-V Part II in Major Head 2401 under Grant Number 17, Minor Heads 800 “other scheme” was shown, whereas these should have been shown as ‘other expenditure’ as per the List of Major and Minor Heads of Accounts.

- viii. Several aided schemes of Central Government have not been shown in the Major Head-1601 under the detailed estimates of the receipt of Revenue and Capital Accounts.
- ix. Minor Heads 101- “Special Component Plan for Scheduled Castes” in the Major Head 2211 under Grant Number 30 has been shown according to the Budget document Vol.-V Part IV whereas Minor Head 101 “Rural Family Welfare Services” has been mentioned in the List of Major and Minor Heads of Accounts.
- x. In Major Head 2052, Minor Heads 800 other Expenditure was shown, whereas there are provisions of ‘091-Attached Offices’ and ‘092-Other offices’ sub heads as per the List of Major and Minor Heads of Accounts.

Similar shortcomings were also mentioned in the Audit Report (2014-15). However, cognizance of the same has not been taken by the Government.

2.9 Conclusion and Recommendations

During 2015-16, there was an overall savings of ₹ 54,96.70 crore against the total grants and appropriations of ₹ 3,74,80.70 crore. There was an excess of ₹ 23,34.24 crore in four grants and one Appropriation which requires regularization under Article 205 of the Constitution of India. Large savings indicated deficient budget estimates. Supplementary provision of ₹ 25,98.82 crore obtained in 33 cases proved unnecessary. Re-appropriation of funds in thirty cases was made injudiciously resulting either in savings or excesses over provisions. The departments surrendered ₹ 11,51.89 crore on the last working day of the financial year leaving no scope for utilizing these funds for other development purposes. In two cases, ₹ 0.18 crore was surrendered in excess of actual savings.

The State Government may consider that savings should be assessed and surrendered well before the close of the financial year so that they can be effectively utilized in other areas/ schemes.

Excess expenditure amounting to ₹ 1,29,89.20 crore pertaining to the years 2005-06 to 2014-15 was yet to be regularized by the State Legislature.

The State Government may ensure timely submission of explanations for excess expenditure.

An amount of ₹ 16,59.60 crore drawn by the State Government during the month of March 2016 was deposited in the deposit heads to avoid lapse of budget grants. One deposit account having ₹ 0.54 crore was found inoperative since last five years in Dehradun Treasury.

A significant amount of ₹ 3,85.46 crore sanctioned under Contingency Fund in 22 cases remained un-recouped up to March 2016. Out of this, ₹ 72.15 crore has remained un-recouped at the end of August 2016.

The State Government may consider ensuring that advances from the Contingency Fund are resorted to only to meet the expenditure that is contingent in nature and also those funds drawn from the fund are recouped timely.

The Controlling Officers did not submit (March 2016) the Detailed Contingent Bills in respect of ₹ 3.61 crore drawn on Abstract Contingent Bills up to March 2016.

The State Government may consider that a rigorous monitoring mechanism should be put in place to adjust the advances drawn against Abstract Contingent bills within the stipulated period.

Inspection of treasuries also indicated deficiencies in their functioning. Twenty eight Controlling Officers did not reconcile their expenditure with the Accountant General (Accounts & Entitlement), Uttarakhand. Deficiencies in classification of heads of accounts were noticed in the budgeting process of the State Government for the financial year 2015-16.

The State Government may consider reiterating directions to the Controlling Officers for timely/ periodically reconciliation of their expenditure figures with the Accountant General (Accounts & Entitlement).

CHAPTER-3



FINANCIAL REPORTING

CHAPTER- 3

FINANCIAL REPORTING

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

3.1 Delay in furnishing Utilization Certificates

Financial Rules provide that for the grants provided for specific purposes, Utilization Certificates (UCs) should be obtained by the departmental officers from the grantees and, after verification, these should be forwarded to the Accountant General (Accounts and Entitlements) within 12 months from the date of their sanction unless specified otherwise. 542 UCs amounting to ₹ 6,56.87 crore were pending as of March 2016. Of these, 371 UCs (68.45 per cent) involving ₹ 5,10.07 crore were pending for period up to two years and 171 UCs involving ₹ 1,46.80 crore were pending for more than two years. The age-wise delays in submission of UCs have been summarized in **Table 3.1**.

Table-3.1: Age-wise arrears of Utilization Certificates as on March 2016

(₹ in crore)

Sl. No.	Range of delay in number of years	Utilization Certificates Outstanding	
		Number	Amount
1.	0-1	249	3,07.95
2.	1-2	122	2,02.12
3.	More than two years	171	1,46.80
Total		542	6,56.87

Source: Finance Accounts 2015-16 prepared by AG (A&E), Uttarakhand.

However, due date of 249 utilization certificates amounting ₹ 3,07.95 crore falls between April 2016 to March 2017. Thus, the Departmental officers did not submit 293 UCs due for submission by March 2016 in respect of which grants amounting to ₹ 3,48.92 crore were given upto March 2015 for specific purposes.

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

3.2 Non-submission/delay in submission of accounts

In order to identify the institutions which attract audit under Section 14 of the Comptroller and Auditor General's (Duties, Power and Conditions of Services)

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

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

3.3 Delay in submission of Accounts in respect of Departmentally Managed Commercial Undertakings

The departmental undertakings of certain Government departments performing activities of quasi-commercial nature are required to prepare *pro forma* accounts in the prescribed format annually showing the working results of financial operations so that the Government can assess their working. The finalized annual accounts of departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business. In the absence of timely finalization of annual accounts, the investment of the Government remains outside the scrutiny of the Audit / State Legislature. Consequently, corrective measures, if required, for ensuring accountability and improving efficiency, cannot be taken in time. Besides, the delay in all likelihood may also open the system to risk of fraud and leakage of public money.

The Heads of Department in the government are to ensure that the undertakings prepare such accounts and submit the same to Accountant General (Audit), Uttarakhand, Dehradun for audit within a specified time frame. As of March 2016, the department-wise position of arrears in preparation of *pro forma* accounts and investment made by the Government are given in **Appendix-3.1**. Delay in finalization of accounts carries the risk of financial irregularities going undetected and, therefore, the accounts need to be finalized and submitted to audit at the earliest.

3.4 Misappropriations, losses, defalcations, etc.

Audit observed four cases of misappropriation, defalcation *etc.*, and involving Government money amounting to ₹ 8.80 lakh up to the period March 2016 on which final action was pending. The department-wise break-up of pending cases showing age

wise analysis and nature of these cases are given in *Appendix-3.2* and *Appendix-3.3* respectively. The age-profile of the pending cases and the number of cases pending in each category; and misappropriation / loss are summarized in **Table 3.2**.

Table-3.2: Profile of cases of misappropriations, losses, defalcations, etc., as on 31 March 2016

Age-Profile of the Pending Cases			Nature of the Pending Cases		
Range in Years	Number of Cases	Amount involved (₹ in lakh)	Nature/Characteristics of the Cases	Number of Cases	Amount involved (in ₹ lakh)
0 – 1	04	8.80	Theft/Misappropriation/Loss/	03	8.80
			corruption of material Defalcation of Material	01	WMV*
1 – 2	--	--	--	--	--
2 – 3	--	--	--	--	--
3 – 4					
4 & above					
--	--	--	Total	04	8.80
--	--	--	Cases of Loss Written off during the Year	--	--
Total	04	8.80	Total- Pending cases	04	8.80

*Without Money Value.

Of these four cases of misappropriation/ loss amounting to ₹ 8.80 lakh pending for final action, three cases involving a substantial amount of ₹ 8.80 lakh were awaiting finalization by the Department of Transport and one case of sabotage without money value was pending in the Department of Sub registrar.

An effective mechanism needs to be put in place to ensure speedy settlement of cases relating to misappropriation, loss and theft in order to avoid recurrence of such cases in future.

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

Minor Heads 800- 'Other Expenditure' and 'Other Receipts' under various Major Heads are intended to be operated only when the appropriate minor head has not been provided in the chart of accounts. Routine operation of Minor Heads 800 under various Major Heads is to be discouraged, since it renders the accounts opaque. During 2015-16, an amount of ₹ 33,21.56 crore under 39 Major Heads of account, constituting 14.39 per cent of the total revenue expenditure (₹ 2,30,86.44 crore) was classified under the Minor Head-800 'Other Expenditure' in the Revenue Account. Similarly, a total sum of ₹ 15,42.60 crore under 29 Major Heads of Account constituting 7.26 per cent of the total revenue receipts (₹ 2,12,34.43 crore) was classified under the Minor Head-800 'Other Receipts'. Instances where a substantial portion (50 per cent or more and exceeding ₹ 10.00 crore), of the receipts and expenditure were classified under Minor Head '800-Other Receipts' and '800-Other Expenditure' are depicted in **Table 3.3**.

Table 3.3: Substantial amount booked under Minor Head-‘800’ other receipts/expenditure

(₹ in crore)

“800-Other Receipts”				“800-Other Expenditure”			
Major Head	Total Receipts	Booking under Minor Head 800	Percentage of receipts	Major Head	Total expenditure	Booking under Minor Head 800	Percentage of Expenditure
0023	24.42	24.42	100	2040	2,82.87	2,23.51	79.02
0030	8,70.67	8,70.67	100				
0059	13.96	13.94	99.86	2217	2,57.31	1,71.65	66.71
0210	76.86	76.86	100	2425	43.02	25.00	58.11
0406	3,57.47	3,57.47	100	2501	5,53.01	5,33.34	96.44
0801	1,68.57	1,68.57	100				
Total	15,11.95	15,11.93	99.99	Total	11,36.21	9,53.50	83.92

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

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

3.6 Conclusion and Recommendations

The departmental officers did not submit 293 Utilization Certificates (due for submission by March 2016) to the Accountant General (A&E), Uttarakhand in respect of the grants of ₹ 3,48.92 crore given up to March 2015 for specific purposes. In the absence of these certificates it could not be ascertained whether the recipients had utilized the grants for the intended purposes.

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

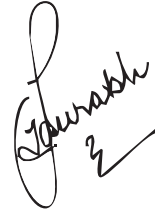
The departmental heads were not submitting statement of such bodies and authorities to Accountant General (Audit) Uttarakhand to which grants or loan aggregating ₹ 10 lakh or more were paid during preceding year. As such the institutions which attract audit by CAG could not be identified properly.

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

Significant amounts of expenditure and receipts under Central and State Schemes, booked under the Minor Heads ‘800-Other Expenditure’ and ‘800-Other Receipts’ under

various Major Heads were not distinctly depicted in the State Finance Accounts of 2015-16, affecting the transparency in financial reporting.

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



Dehradun
The 28 December 2016

(SAURABH NARAIN)
Accountant General (Audit), Uttarakhand

Countersigned



New Delhi
The 05 January 2017

(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

APPENDICES

Appendix-1
State Profile
Paragraph 1.1
(Reference: Profile of Uttarakhand; Page 1)

A. General Data*:

S. No.	Particulars		Figures
1	Area		53,483 Sq. km.
2	Population		
	a.	As per 2001 Census	84.89 lakh
	b.	As per 2011 Census	101.86 lakh
3	a.	Density of Population (as per 2001 Census) (All India Density = 325 persons per Sq. Km.)	159 person per Sq. km.
	b.	Density of Population (as per 2011 Census) (All India Density = 382 persons per Sq. Km.)	189 person per Sq. km.
4	Population Below Poverty Line (BPL) (All India Average = 29.50 per cent)		17.80 per cent
5	a.	Literacy (as per 2001 Census) (All India Average = 64.8 per cent)	71.62 per cent
	b.	Literacy (as per 2011 Census) (All India Average = 73.00 per cent)	78.82 per cent
6	Infant mortality (per 1000 live births) (All India Average = 39 per 1000 live births)		33
7	Life Expectancy at Birth (All India Average =67.50)		N.A.
8	Gini Coefficient**2009-10 (URP)		
	a.	Rural (All India = 0.29)	0.26
	b.	Urban (All India = 0.38)	0.36
9	Gross State Domestic Product (GSDP) 2015-16 at current prices		1,84,091
10	Per capita GSDP CAGR (2006-07 to 2015-16)		17.90 per cent
			14.85 per cent (SCS)
11	GSDP CAGR (2006-07 to 2015-16)		19.59 per cent
			16.26 per cent (SCS)
12	Population Growth (2006 to 2015)		13.69 per cent
			11.58 per cent(SCS)

B: Financial Data

CAGR								
Particulars			Figures (in per cent)					
CAGR			2006-07 to 2014-15		2011-12 to 2014-15		2014-15 to 2015-16	
			For Uttarakhand	For SCS#	For Uttarakhand	For SCS#	For Uttarakhand	For SCS#
A	Of Revenue Receipts		13.46	13.54	13.93	11.86	4.87	11.45
B	Of Tax Revenue		16.18	15.47	14.09	11.17	12.45	19.80
C	Of Non-Tax Revenue		6.99	5.62	(-) 0.74	(-)0.75	9.81	(-)18.75
D	Total Expenditure		15.52	15.10	19.10	14.99	4.31	2.73
E	Capital Expenditure		14.27	12.38	28.70	11.63	(-) 14.62	(-) 6.26
F	Revenue Expenditure on Education		16.39	17.28	10.91	14.92	4.57	1.24
G	Revenue Expenditure on Health		21.39	18.14	22.43	14.91	7.04	20.65
H	Salary and Wages		21.38	16.86	11.70	12.53	7.37	5.19
I	Pension		21.19	19.48	29.27	16.76	7.18	16.65

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

Exclude only Jammu & Kashmir

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

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

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

Appendices-III	Grants-in-Aid /Assistance given by the State Government (Institution wise and Scheme wise)
Appendices-IV	Details of Externally Aided Projects
Appendices-V	Plan Scheme Expenditure (A. Central Schemes B. State Schemes)
Appendices-VI	Direct Transfer of Central Scheme Funds to Implementing Agencies in the State (Funds routed outside State Budget) (Unaudited Figures)
Appendices-VII	Acceptance of Balances/ Unreconciled difference between Ledger and Broadsheet
Appendices-VIII	Financial results of Irrigation Works
Appendices-IX	Statement of Commitments on Incomplete Public Works Contracts (As on 31 March 2015)
Appendices-X	Statement on Maintenance Expenditure of the State during 2014-15 (As on 31 March 2015)
Appendices-XI	Statement on Implications of Major Policy Decisions during the year on New Schemes proposed in the Budget for the future Cash Flows (As on 31 March 2015)
Appendices-XII	Statement on Committed Liabilities of the State Government in future
Appendices-XIII	Statement of items for which allocation of balances as a result of Re-organisation of States has not been finalized

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

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

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

Trends in Gross State Domestic Product (GSDP)

	2011-12	2012-13	2013-14*	2014-15*	2015-16*
Gross State Domestic Product (₹ in crore)	1,15,523	1,31,835	1,49,817	1,61,985	1,84,091
Growth rate of GSDP	--	14.12	13.64	8.12	13.65
Source: Information provided by HQs’ Office.					

* Provisional * Quick * Advance

Methodology for Estimating the Fiscal Capacity

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

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

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

$$\begin{aligned} \text{AE/GSDP} &= x \\ \text{AE} &= x * \text{GSDP} \dots\dots\dots(1) \end{aligned}$$

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

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

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

$$\begin{aligned} \text{DE/AE} &= y \\ \text{DE} &= y * \text{AE} \dots\dots\dots(2) \end{aligned}$$

where y is the national average of DE-AE ratio
 Substituting (1) in (2) we get

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

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

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

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

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

Substituting (3) in (4) we get

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

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

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

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

Appendix-1.2

Part B

(Reference: Paragraph: 1.1; Pages 2)

**Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005
(Partially modified in March, 2011 in accordance with the recommendations of Thirteenth Finance Commission)**

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

In particular the State government shall--

- (a) reduce revenue deficit to nil within a period of four financial years beginning from the 1st day of April 2011 and ending on the 31st day of March 2015;
- (b) keep fiscal deficit to 3.5 *per cent* of Gross State Domestic Product in 2011-12 and 2012-13 and then to 3 *per cent* in 2013-14 and 2014-15 as has been recommended by Thirteenth Finance Commission;
- (c) ensure that in ensuing four years period beginning from 1st April 2011 upto March 2015 the ratio of fiscal liabilities vis-à-vis GSDP shall not be more than 41.10 *per cent*, 40.00 *per cent*, 38.50 *per cent* and 37.20 *per cent* respectively;
- (d) reduce fiscal deficit as percentage of Gross State Domestic Product in each of the financial years referred to in clause (a) in a manner consistent with the goal set out in clause (c);
- (e) Review the targets set forth by the State government above once in six months;
- (f) not give guarantee for any amount exceeding the limit stipulated under any rule or law of the State government existing at the time of the coming into force of this Act or any rule or law to be made by the State government subsequent to coming into force of this Act; and
- (g) Ensure within a period of ten financial years; beginning from the initial financial year on the 1st day of April 2005 and ending on the 31st day of March 2015 that the total liabilities at the end of the last financial year do not exceed twenty five *per cent* of the estimated Gross State Domestic Product for that year.

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

(₹ in crore)

	2014-15 (Actual)	2015-16 (Budgeted)	2015-16 (Revised)	2016-17 (Budgeted)	2017-18 (Projected)	2018-19 (Projected)	2019-20 (Projected)
A. STATE REVENUE ACCOUNT :							
1. Own Tax Revenue	8,338.47	9,463.49	9,653.30	12,116.67	14,176.50	16,586.51	19,406.22
2. Own Non-Tax Revenue	1,110.46	2,068.06	2,175.49	2,793.43	3,072.77	3,380.05	3,718.06
3. Own Tax +Non-Tax Revenue (1+2)	9,448.93	11,531.55	11,828.79	14,910.10	17,249.28	19,966.56	23,124.27
4. Share in Central Taxes and Duties	3,792.30	5,526.08	5,427.98	6,014.46	6,676.05	7,410.42	8,225.56
5. Plan-Grants	6,377.67	8,104.30	8,140.29	10,357.99	11,393.79	12,533.17	13,786.48
6. Non-Plan Grants	627.67	615.75	615.75	993.32	846.44	948.66	948.66
7. Total Central Transfer (4 to 6)	10,797.64	14,246.13	14,184.02	17,365.77	18,916.28	20,892.24	22,960.71
8. Total Revenue Receipts (3+7)	20,246.57	25,777.68	26,012.81	32,275.87	36,165.56	40,858.80	46,084.98
9. Plan Expenditure	10,426.59	11,634.49	12,883.45	15,931.60	17,524.76	19,277.24	21,204.96
10. Non-Plan Expenditure	16,771.81	21,059.15	20,662.12	24,490.60	26,939.66	29,633.63	32,596.99
11. Salary Expenditure	7,660.52	9,148.22	8,254.27	11,029.92	12,132.91	13,346.20	14,680.82
12. Pension	2,451.91	2,623.90	2,623.90	3,528.73	3,881.60	4,269.76	4,696.74
13. Interest Payments	2,405.61	3,380.14	3,380.14	3,896.06	4,512.20	5,172.00	5,884.17
14. Subsidies-General	-	-	-	-	-	-	-
15. Subsidies-Power	11.88%	13.11%	12.99%	12.07%	12.48%	12.66%	12.77%
16. Total Revenue Expenditure(9+10)	20,884.36	25,739.33	25,730.72	32,250.39	36,120.44	40,454.89	45,309.48
17. Salary + Interest + Pensions (11+12+13)	12,518.04	15,152.26	14,258.31	18,454.71	20,526.72	22,787.96	25,261.73
18. As per cent of Revenue Receipt (17/8)	61.83%	58.78%	54.81%	57.18%	56.76%	55.77%	54.82%
19. Revenue surplus/ deficit (8-16)	- 637.79	38.35	282.09	25.48	45.12	403.91	775.50
B. CONSOLIDATED REVENUE ACCOUNT							
Consolidated Revenue Surplus/Deficit	- 637.79	38.35	282.09	25.48	45.12	403.91	775.50
C. CONSOLIDATED DEBT:							
1. Outstanding Debt and liability*	30,578.38	34,047.93	34,762.32	40,793.69	47,639.70	54,970.76	62,883.77
2. Total Outstanding Guarantee	1,831.87	1,831.87	1,743.32	1,743.32	1,743.32	1,743.32	1,743.32
D. Capital Account							

Audit Report on State Finances for the year ended 31 March 2016

1. Capital Outlay	4,939.01	4,004.85	4,933.28	5,744.36	6,491.13	7,334.97	8,288.52
2. Disbursement of Loans and Advances	300.98	172.67	135.28	395.22	500.00	500.00	500.00
3. Recovery of Loans and Advances	180.91	37.39	37.39	41.13	100.00	100.00	100.00
4. Other capital receipts	5,696.87	4,101.78	4,749.08	6,072.97	6,846.01	7,331.06	7,913.02
E. GROSS FISCAL DEFICIT (GFD) :	5,696.87	4,101.78	4,749.08	6,072.97	6,846.01	7,331.06	7,913.02
GSDP (₹ in crore) at Current Prices	1,64,930.6	1,85,753.2	1,85,711.9	2,09,111.5	2,35,459.6	2,65,127.5	2,98,533.6
F. FISCAL DEFICIT :							
Actual/Assumed Nominal Growth Rate (per cent)	34.20%	12.60%	12.60%	12.60%	12.60%	12.60%	12.60%
* It includes amount of provident fund.							

Appendix 1.3
(Reference: Paragraphs 1.3, 1.9.2 and 1.10 (ii); Pages 7, 26 and 31)
Time series data on the State Government Finances

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Part A. Receipts					
1. Revenue Receipts	13,691	15,747	17,321	20,247	21,234
(i) Tax Revenue	5,616(41)	6,414(41)	7,356(42)	8,339 (41)	9,377 (44)
Taxes on Agricultural Income	--	--	--	--	--
Taxes on Sales, Trade etc.	3,644(65)	4,289(67)	4,903(67)	5,465 (65)	6,105 (65)
State Excise	844(15)	1,118(17)	1,269(17)	1,487 (18)	1,735 (19)
Taxes on Vehicles	335(6)	304(5)	369(5)	394 (5)	471 (5)
Stamps and Registration fees	524(9)	648(10)	687(10)	714 (9)	871 (9)
Land Revenue	10(--)	11(--)	22(--)	39 (--)	28 (--)
Taxes on Goods and Passengers	--	--	--	--	--
Other Taxes	259(5)	44(1)	106(1)	240 (3)	167 (2)
(ii) Non Tax Revenue	1,136(8)	1,603(10)	1,317(8)	1,111 (5)	1,220 (6)
(iii) State's share of Union taxes and duties	2,866(21)	3,273(21)	3,573(21)	3,792 (19)	5,333 (25)
(iv) Grants in aid from Government of India	4,073(30)	4,457(28)	5,075(29)	7,005 (35)	5,304 (25)
2. Miscellaneous Capital Receipts	-	--	180	135	--
3. Recoveries of Loans and Advances	91	428	55	46	27
4. Total Revenue and Non debt capital receipts (1+2+3)	13,782	16,175	17,556	20,428	21,261
5. Public Debt Receipts	2,336	2,968	3,873	4,573	6,798
Internal Debt (excluding Ways and Means Advances and Overdrafts)	2,289(98)	2,933(99)	3838(99)	4,512 (99)	6,701
Net transactions under Ways and Means Advances and Overdrafts	--	--	--	--	--
Loans and Advances from Government of India	47(2)	35(1)	35(1)	61 (1)	97
6. Total Receipts in the Consolidated Fund (4+5)	16,118	19,143	21,429	25,001	28,059
7. Contingency Fund Receipts	126	32	412	332	191
8. Public Account Receipts	19,668	21,925	25,954	35,032	37,746
9. Total Receipts of the State (6+7+8)	35,912	41,100	47,795	60,365	65,996
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	12,975	13,960	16,216	21,164	23,086
Plan	2,321(18)	2,427(17)	2,767(17)	5,632 (27)	6,388 (28)
Non Plan	10,654(82)	11,533(83)	13,449(83)	15,532 (73)	16,698 (72)
General Services (including interest payments)	4,475(35)	5,372(38)	6,182(38)	7,402 (35)	8,410 (37)
Social Services	6,019(46)	6,096(44)	7,298(45)	9,224 (44)	9,927 (43)
Economic Services	2,102(16)	1,995(14)	2,068(13)	3,857 (18)	3,983 (17)
Grants-in-aid and contributions	379(3)	497(4)	668(4)	681 (3)	766 (3)
11. Capital Expenditure	2,317	3,542	3,712	4,939	4,217
Plan	2,071(89)	2,972(84)	3,138(85)	4,780 (97)	4,197 (100)
Non Plan	246(11)	570(16)	574(15)	159 (3)	20 (--)
General Services	77(3)	129(4)	138(4)	214 (4)	111 (3)
Social Services	369(16)	715(20)	841(22)	1,231 (25)	864 (20)
Economic Services	1,871(81)	2,698(76)	2,733(74)	3,494 (71)	3,242 (77)

12. Disbursement of Loans and Advances	247	273	278	151	83
13. Total Expenditure of the State (10+11+12)	15,539	17,775	20,206	26,254	27,386
14. Repayments of Public Debt	1,016	1,472	1,317	894	1,997
Internal Debt (excluding Ways and Means Advances and Overdrafts)	667	1,412	1,266	866	1,966
Net transactions under Ways and Means Advances and Overdraft	323	31	--	--	--
Loans and Advances from Govt. of India	26	29	51	28	31
15. Appropriation to Contingency Fund	(-) 400	--	400	150	--
16. Total disbursement out of Consolidated Fund (13+14+15)	16,155	19,247	21,923	27,298	29,383
17. Contingency Fund disbursements	69	32	194	194	385
18. Public Account disbursements	19,832	20,961	25,190	33,535	36,537
19. Total disbursement by the State (16+17+18)	36,056	40,240	47,307	61,027	66,305
Part C. Deficits/Surplus					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	(+)716	(+)1,787	(+)1,105	(-) 917	(-) 1,852
21. Fiscal Deficit (4-13)	1,757	1,600	2,650	5,826	6,125
22. Primary Deficit(-)/Primary Surplus (+) (21+23)	(+) 12	(+)489	(-)594	(-) 3,420	(-) 3,154
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	1,769	2,089	2,056	2,406	2,971
24. Financial Assistance to local bodies etc.	379	497	668	681	767
25. Ways and Means Advances/Overdraft availed (days)	73	2	16	12	9
26. Interest on Ways and Means Advances/Overdraft	0.88	0.01	0.09	0.13	0.19
27. Gross State Domestic Product (GSDP)[@]	1,15,523	1,31,835	1,49,817	1,61,985	1,84,091
28. Outstanding Fiscal liabilities (year end)	23,609	25,540	28,767	33,480	39,032
29. Outstanding guarantees (year end) (excluding interest)	1,739	1,570	1,475	1,832	1,743
30. Maximum amount guaranteed (year end)	2,722	2,722	2,513	2,951	2,805
31. Number of incomplete projects (in numbers)	63	192	96	141	182
32. Capital blocked in incomplete projects (₹ in crore)	121.80	95	266	155.71	582.13
Part E. Fiscal Health Indicators (in ratios)					
I Resource Mobilization					
Own Tax revenue/GSDP	0.05	0.05	0.05	0.05	0.05
Own Non-Tax Revenue/GSDP	0.01	0.01	0.01	0.01	0.01
Central Transfers/GSDP	0.06	0.06	0.06	0.07	0.06
II Expenditure Management					
Total Expenditure/GSDP	0.14	0.14	0.14	0.16	0.15
Total Expenditure/Revenue Receipts	1.13	1.13	1.17	1.30	1.29
Revenue Expenditure/Total Expenditure	0.83	0.79	0.80	0.81	0.84

Expenditure on Social Services/Total Expenditure	0.41	0.40	0.40	0.40	0.39
Expenditure on Economic Services/Total Expenditure	0.26	0.26	0.24	0.28	0.26
Capital Expenditure/Total Expenditure	0.15	0.20	0.18	0.19	0.15
Capital Expenditure on Social and Economic Services/Total Expenditure	0.14	0.19	0.18	0.18	0.15
<i>III Management of Fiscal Imbalances</i>					
Revenue deficit (surplus)/GSDP	(+) 0.01	(+) 0.014	(+) 0.007	(-) 0.006	(-) 0.01
Fiscal deficit/GSDP	(-) 0.015	(-) 0.01	(-) 0.02	(-) 0.04	(-) 0.03
Primary Deficit (surplus) /GSDP	(+) *	(+) 0.004	(-) 0.004	(-) 0.021	(-) 0.017
Revenue Deficit/Fiscal Deficit	(-) 0.408	(-) 1.117	(-) 0.417	(+) 0.157	(+) 0.302
Primary Revenue Balance/GSDP	(-) 0.009	(-) 0.001	(-) 0.006	(-) 0.020	(-) 0.026
<i>IV Management of Fiscal Liabilities</i>					
Fiscal Liabilities/GSDP	0.20	0.19	0.19	0.20	0.21
Fiscal Liabilities/RR	1.72	1.62	1.66	1.65	1.84
Debt Redemption (Principal +Interest)/ Total Debt Receipts	0.94	1.00	0.82	0.71	0.76
<i>V Other Fiscal Health Indicators</i>					
Return on Investment	0.05	0.19	0.30	0.11	5.10
Balance from Current Revenue (₹ in crore)	(-)250	(+)775	(-)223	(-)1,347	(+)325
Financial Assets/Liabilities	0.82	0.90	0.95	0.93	0.90

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

@ GSDP figures communicated by the Government adopted.

* Not computable

Appendix-1.4
(Reference: Paragraphs 1.1.1 and 1.9.2; Pages 2 and 26)
Part A
Abstract of Receipts and Disbursements for the year 2015-16

(₹in crore)

(₹in crore)

Receipts					Disbursements					
Various items	2014-15		2015-16		Various items	2014-15	2015-16			
							Non-Plan	Plan	Total	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
Section – A Revenue										
I-Revenue Receipts		20,246.55		21,234.43	I-Revenue Expenditure	21,163.71	16,698.16	6,388.28	23,086.44	23,086.44
(i) Tax revenue	8,338.47		9,377.79		General Services	7,402.28	8,381.91	28.07	8,409.98	
(ii) Non-tax revenue	1,110.44		1,219.66		Social Services	9,223.69	5,537.15	4,389.54	9,926.69	
(iii) State's share of Union Taxes and Duties	3,792.30		5,333.19		Education, Sports, Art and Culture	4,717.64	4,011.79	920.05	4,931.84	
(iv) Non-Plan Grants	943.81		1,042.85		Health and Family Welfare	1,245.12	711.36	612.10	1,323.46	
(v) Grants for State Plan Schemes	4,083.15		1,173.29		Water Supply Sanitation Housing and Urban Development	841.05	194.09	512.92	707.01	
(vi) Grants for Central Plan and Centrally Sponsored Plan Schemes	1,978.38		3,087.65		Information and Broadcasting	52.95	42.20	0.75	42.95	
					Welfare of Scheduled Castes Scheduled Tribes and Other backward Classes	335.56	71.83	143.72	215.55	
					Labour and Labour Welfare	127.55	70.29	21.96	92.25	
					Social Welfare and Nutrition	1,836.69	433.69	2,146.41	2,580.10	
					Others	67.13	1.90	31.63	33.53	
					Economic Services	3,856.47	2,012.54	1,970.67	3,983.21	
					Agriculture and Allied Activities	1,549.95	1,131.89	454.20	1,586.09	
					Rural Development	1,501.84	278.04	1,336.06	1,614.10	
					Special Area Programme	--	--	--	--	
					Irrigation and Flood Control	356.61	358.46	--	358.46	
					Energy	5.30	3.71	15.28	18.99	
					Industry and Minerals	58.30	33.15	35.03	68.18	
					Transport	273.94	172.87	41.55	214.42	
					Science Technology and Environment	8.92	1.02	45.03	46.05	
					General Economic Services	101.61	33.40	43.52	76.92	
					Grants-in-aid and Contributions	681.27	766.56	--	766.56	
Total		20,246.55		21,234.43	Total	21,163.71	16,698.16	6,388.28	23,086.44	23,086.44
II-Revenue Deficit carried over to Section-B		917.16		1,852.01	II-Revenue Surplus carried over to Section-B					
Total		21,163.71		23,086.44	Total	21,163.71				23,086.44

Various items	2014-15		2015-16		Various items	2014-15	2015-16			
	2.	3.	4.	5.			6.	7.	Non-Plan	Plan
1.							8.	9.	10.	
III-Opening cash balance including Permanent Advances and Cash Balance Investment		2,433.41		1,772.03	III- Opening overdraft from Reserve Bank of India	--				--
IV- Misc. Capital Receipts	--	135.33		--	IV- Capital Outlay	4,939.01	20.45	4,196.93	4,217.38	4,217.38
					General Services	213.66	1.11	109.98	111.09	
					Social Services	1,230.74	--	864.03	864.03	
					Education Sports Art and Culture	427.20	--	253.67	253.67	
					Health and Family Welfare	260.43	--	141.16	141.16	
					Water Supply Sanitation Housing and Urban Development	384.24	--	425.92	425.92	
					Information and Broadcasting	--	--	--	--	
					Welfare of Scheduled Castes Scheduled Tribes and Other Backward Classes	63.69	--	25.84	25.84	
					Social Welfare and Nutrition	79.33	--	4.98	4.98	
					Other Social Services	15.85	--	12.46	12.46	
					Economic Services	3,494.61	19.34	3,222.92	3,242.26	
					Agriculture and Allied Activities	186.68	(-) 32.56	135.22	102.66	
					Rural Development	701.47	--	820.65	820.65	
					Special Areas Programmes	--	--	--	--	
					Irrigation and Flood Control	764.10	1.90	704.99	706.89	
					Energy	171.25	--	57.35	57.35	
					Industry and Minerals	12.98	50.00	10.52	60.52	
					Transport	1,569.82	--	1,400.26	1400.26	
					General Economic Services	88.31	--	93.93	93.93	
					Total	4,939.01	20.45	4,196.93	4,217.38	4,217.38
V-Recoveries of Loans and Advances		45.58		27.20	V- Loans and Advances disbursed	150.97				83.15
From Power Projects	39.89		23.65		For Power Projects	11.26	--	78.19	78.19	
From Government Servants	3.04		2.66		To Government Servants	1.47	0.94	--	0.94	
From Others	2.65		0.90		To others	138.24	0.19	3.82	4.01	
VI-Revenue surplus brought down					VI-Revenue deficit brought down	917.16				1,852.01
VII-Public Debt Receipts		4,573.42		6,798.23	VII-Repayment of Public Debt	893.89				1,996.56

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Various items	2014-15		2015-16		Various items	2014-15	2015-16			
	2.	3.	4.	5.			Non-Plan	Plan	Total	11.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
Internal Debt other than Ways and Means Advances and Overdraft	4,512.42		6,701.22		Internal debt other than Ways and Means Advances and Overdraft	865.49			1,965.59	
Net transactions under Ways and Means Advances including Overdraft	--	--	--	--	Net transactions under Ways and Means Advances and Overdraft	--	--	--	--	
Loans and Advances from the Central Government	61.00		97.01		Repayment of Loans and Advances to Central Government	28.40			30.97	
VIII-Appropriation from Contingency Fund		--		--	VIII-Appropriation to Contingency Fund	150.00			--	
IX- Amount transferred to Contingency Fund		331.98		190.76	IX- Expenditure from Contingency Fund	194.15				385.46
X- Public Account Receipts		35,032.43		37,745.87	X- Public Account disbursements	33,534.94				36,536.73
Small Savings and Provident Funds	1,399.93		1,513.13		Small Savings and Provident Funds	979.73			1,035.39	
Reserve Funds	306.59		332.46		Reserve Funds	92.02			149.09	
Deposits and Advances	3,484.42		3,798.92		Deposits and Advances	3,085.04			3,660.57	
Suspense and Miscellaneous	24,453.93		27,622.77		Suspense and Miscellaneous	24,440.43			27,246.38	
Remittances	5,387.56		4,478.59		Remittances	4,937.72			4,445.30	
XI- Closing overdraft from Reserve Bank of India					XI-Cash Balance at end	1,772.03				1,462.80
					Cash in Treasuries and Local Remittances	--	--	--	--	
					Departmental Cash Balance including Permanent Advances	(-2.99)	--	--	(-) 14.40	
					Deposits with Reserve Bank	104.19	--	--	3.84	
					Cash Balance investment and investment of earmarked funds	1,670.83	--	--	1,473.36	
Total		42,552.15		46,534.09	Total	42,552.15				46,534.09

Appendix-1.4 (Continued)
Part B
(Reference: Paragraph 1.9.1; Page 26)
Summarized financial position of the Government of Uttarakhand as on 31 March 2016

(₹ in crore)

As on 31.03.2015	Liabilities	As on 31.03.2016
24,556.86	Internal Debt -	29,292.48
13,021.59	Market Loans bearing interest	15,751.40
0.12	Market Loans not bearing interest	0.11
1.50	Loans from Life Insurance Corporation of India	1.50
11,533.64	Loans from other Institutions	13,539.47
--	Ways and Means Advances	--
--	Overdrafts from Reserve Bank of India	--
477.80	Loans and Advances from Central Government -	543.84
0.53	Pre 1984-85 Loans	0.53
5.48	Non-Plan Loans	5.00
471.79	Loans for State Plan Schemes	538.31
--	Loans for Central Plan Schemes	--
--	Loans for Centrally Sponsored Plan Schemes	--
750.00	Contingency Fund (Corpus)	750.00
--	Suspense and Miscellaneous Balances	12.31
5,462.98	Small Savings Provident Funds etc.	5,940.72
2,622.62	Deposits	2,760.97
1,438.73	Reserve Funds	1,622.09
--	Remittance Balances	
35,308.99	Total	40,922.41

Appendix-1.4 Part B (Continued)

As on 31.03.2015	Assets	As on 31.03.2016
28,773.00	Gross Capital Outlay on Fixed Assets -	32,990.39
2,808.56	Investments in shares of Companies Corporations etc.	2,914.41
25,964.44	Other Capital Outlay	30,075.98
1,046.36	Loans and Advances	1,102.30
53.49	Loans for Power Projects	108.03
1,001.82	Other Development Loans	1,004.73
(-) 8.95	Loans to Government servants and Miscellaneous loans	(-)10.46
291.81	Contingency Fund (un-recouped)	486.51
674.70	Remittance	641.41
364.08	Suspense and Miscellaneous Balances	--
1,772.03	Cash -	1,462.80
--	Cash in Treasuries and Local Remittances	--
104.19	Deposits with Reserve Bank	3.84
(-) 2.15	Departmental Cash Balance	(-) 13.56
(-) 0.84	Permanent Advances	(-) 0.84
1,670.83	Cash Balance Investments	1,473.36
2,387.01	Deficit on Government Account -	4,239.00
--	(i) Deduct Revenue Surplus of the current year	
917.16	(ii) Add Revenue deficit of the current year	1,852.01
14.67	(iii) Appropriation to Contingency Fund and Misc. Capital Receipt	--
--	(iv) Amount close to Government Account	--
1,455.18	(v) Accumulated deficit at the beginning of the year	2,387.01
	(vi) Rectification of prior period to reconcile the accumulated Deficits as per Finance Accounts	(-)0.02
35,308.99	Total	40,922.41

Explanatory Notes for Appendices 1.3 and 1.4

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis the deficit on Government account as shown in **Appendix 1.4** indicates the position on cash basis as opposed to accrual basis in commercial accounting. Consequently items payable or receivable or items like depreciation or variation in stock figures etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid payments made on behalf of the State and other pending settlements etc. There was a difference of ₹ 210.17 crore (Credit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank". The difference is under reconciliation.

Appendix-1.5
(Reference: Paragraph 1.8.4; Page 24)
Summarised Financial Statement of Departmentally Managed Commercial/ Quasi-commercial Undertakings

(₹ in lakh)

Sl. No.	Name of the Undertaking	Period of accounts	Mean Govt capital	Block assets at depreciated cost	Depreciation provided during the Year	Turnover	Net profit/ Loss	Interest on Capital	Total return (8+9)	Percentage of Return on capital
1	2	3	4	5	6	7	8	9	10	11
1	Irrigation Workshop Division, Roorkee	2011-12	191.72	80.57	6.03	55.57	(-) 26.22	23.49	(-) 2.73	(-) 1.42
2(a)	Regional Food Controller, Haldwani	2002-03	-	58.25	6.64	19,644.70	(-) 1,873.25	-	(-) 1,873.25	-
2(b)	Regional Food Controller, Dehradun	2002-03	-	9.97	1.00	8,357.23	(-) 1,797.44	-	(-) 1,797.44	-

Appendix-2.1

(Reference: Paragraph 2.3.1; Page 40)

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

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appropriation	Total Expenditure	Excess Expenditure	Percentage of Excess Exp.
Capital (Voted)						
1.	17	Agriculture Works & Research	38.08	47.45	9.37	24.61
2.	22	Public Works	12,87.70	14,03.74	1,16.04	9.01
3.	25	Food	16.20	22,20.03	22,03.83	1,36,03.89
4.	29	Horticulture Development	00	5.00	5.00	Not computable
Total			13,41.98	36,76.22	23,34.24	1,73.94

Appendix-2.2

(Reference: Paragraph 2.3.5; Page 42)

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

(₹ in crore)

Sl. No.	Grant Number	Name of the Grant	Original Provision	Supplementary provision	Total	Expenditure	Excess
1.	17	Agriculture Works & Research (Capital- Voted)	13.33	24.75	38.08	47.45	9.37
2.	22	Public Works (Capital- Voted)	9,07.70	3,80.00	12,87.70	14,03.74	1,16.04
3.	25	Food (Capital Voted)	13.00	3.20	16.20	22,20.03	22,03.83
Total			9,34.03	4,07.95	13,41.98	36,71.22	23,29.24

Appendix-2.3
(Reference: Paragraph 2.3.6; Page 42)
Rush of Expenditure

(₹ in crore)

Sl. No.	Head of account Scheme/ Service	Expenditure incurred during Jan-March 2016	Expenditure incurred in March 2016	Total Expenditure April to March 2016	Percentage of total expenditure incurred during	
					Jan-March 2016	March 2016
1.	2015	12.13	6.31	22.97	52.81	27.47
2.	2030	15.95	14.51	32.14	49.63	45.15
3.	2048	50.00	00	50.00	100.00	0.00
4.	2049	14,40.44	10,25.81	29,71.11	48.48	34.53
5.	2058	4.38	2.85	11.11	39.42	25.65
6.	2075	0.31	0.31	0.38	81.58	81.58
7.	2204	19.30	11.63	36.91	52.29	31.51
8.	2205	7.72	5.94	19.42	39.75	30.59
9.	2215	1,98.62	1,31.74	4,47.30	44.40	29.45
10.	2216	1.88	1.76	2.39	78.66	73.64
11.	2217	1,54.46	88.27	2,57.31	60.03	34.30
12.	2225	1,30.46	73.03	2,15.55	60.52	33.88
13.	2235	6,42.97	4,16.22	12,26.05	52.44	33.95
14.	2250	13.58	9.40	33.30	40.78	28.23
15.	2401	2,37.53	1,42.55	5,53.34	42.93	25.76
16.	2405	4.82	3.21	10.26	46.98	31.29
17.	2408	94.33	59.88	1,95.64	48.22	30.61
18.	2425	23.11	13.94	43.01	53.73	32.41
19.	2701	10.72	8.39	15.22	70.43	55.12
20.	2711	3.06	2.46	4.85	63.09	50.72
21.	2810	12.37	12.37	18.87	65.55	65.55
22.	2851	24.17	18.41	58.16	41.56	31.65
23.	3452	28.67	17.89	48.76	58.80	36.69
24.	3604	2,95.39	2,11.88	7,66.56	38.53	27.64
25.	4055	5.98	5.06	7.38	81.03	68.56
26.	4059	55.79	43.06	1,03.62	53.84	41.56
27.	4202	1,62.13	83.52	2,53.67	63.91	32.92
28.	4210	98.79	59.59	1,40.66	70.23	42.36
29.	4211	0.50	0.00	0.50	100.00	0.00
30.	4216	16.86	14.60	21.95	76.81	66.51
31.	4217	1,42.24	92.21	3,58.54	39.67	25.72
32.	4225	25.27	2.17	25.84	97.79	8.40
33.	4235	4.25	4.0	4.98	85.34	80.32
34.	4250	10.95	10.95	12.45	87.95	87.95
35.	4401	19.31	17.95	21.26	90.83	84.43
36.	4403	2.04	1.26	2.85	71.58	44.21
37.	4405	0.35	0.06	0.54	64.81	11.11

38.	4515	4,16.58	2,23.06	8,20.66	50.76	27.18
39.	4700	1,90.68	1,29.00	3,15.12	60.51	40.94
40.	4701	3.20	2.80	4.33	73.90	64.67
41.	4702	63.34	9.71	64.92	97.57	14.96
42.	4801	27.80	20.80	57.35	48.47	36.27
43.	4859	10.11	8.56	10.51	96.19	81.45
44.	5053	8.11	8.11	8.11	100.00	100.00
45.	5055	1.11	1.07	2.84	39.08	37.68
46.	5452	53.63	5.29	93.92	57.10	5.63
Total		47,45.39	30,21.59	93,72.61	50.63	32.24

Appendix-2.4
(Reference: Paragraph 2.3.7.1; Page 42)

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

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original provision	Supplementary Provision
A-Revenue (Voted)					
1.	01- Legislature	30.05	28.65	1.40	1.41
2.	04- Judicial Administration	1,33.16	1,07.32	25.84	3.84
3.	06- Revenue & General Administration	20,80.08	16,95.03	3,85.05	2,84.81
4.	07- Finance, Tax, Planning, Secretariat & Misc. Services	47,39.92	44,84.24	2,55.68	5,30.46
5.	09-Public Service Commission	10.32	8.98	1.34	0.99
6.	10 - Police & Jail	12,00.07	11,80.98	19.09	41.64
7.	11- Education, Sports, Youth Welfare & Culture	52,36.20	47,73.62	4,62.58	3,49.40
8.	12-Medical, Health & Family Welfare	16,39.31	12,63.50	3,75.81	1,38.20
9.	15- Welfare	12,28.17	10,92.24	1,35.93	2,60.96
10.	16-Labour and Employment	1,91.38	1,25.85	65.53	20.50
11.	19-Rural Development	8,33.11	7,80.14	52.97	73.99
12.	20- Irrigation & Flood	3,93.09	3,59.45	33.64	15.92
13.	22- Public Works	6,36.72	5,37.57	99.15	20.40
14.	24- Transport	45.71	41.45	4.26	1.33
15.	25 -Food	3,31.70	2,02.95	1,28.75	0.32
16.	26- Tourism	51.59	48.76	2.83	1.33
17.	27 -Forest	5,00.31	4,35.65	64.66	16.06
18.	28-Animal Husbandry	1,96.07	1,82.85	13.22	10.99
19.	29-Horticulture Development	1,95.34	1,57.53	37.81	23.64
20.	30-Welfare of Scheduled Castes	9,93.53	7,80.48	2,13.05	2,77.33
21.	31- Welfare of Scheduled Tribes	2,58.10	1,95.07	63.03	54.81
Total Revenue (Voted)		2,09,23.93	1,84,82.31	24,41.62	21,28.33
Revenue (Charged)					
1.	02-Governor	7.84	6.95	0.89	0.42
2.	09-Public Service Commission	12.64	11.47	1.17	0.47
Revenue (Charged)		20.48	18.42	2.06	0.89
C- Capital (Voted)					
1.	07-Finance Tax, Planning, Secretariat & Miscellaneous Services	63.95	52.34	11.61	3.70
2.	11- Education, Sports, Youth Welfare & Culture	4,39.32	2,38.12	2,01.20	1,69.60
3.	13-Water Supply, Housing & Urban Development	3,90.38	3,79.11	11.27	1,45.80
4.	15-Welfare	31.56	17.44	14.12	25.00
5.	21-Energy	1,96.90	1,11.48	85.42	17.00
6.	24- Transport	60.00	11.75	48.25	10.96
7.	26- Tourism	1,49.00	93.93	55.07	8.03
8.	27 -Forest	1,26.27	1,00.02	26.25	45.10
9.	30-Welfare of Scheduled Castes	2,89.21	1,77.92	1,11.29	23.48
10.	31- Welfare of Scheduled Tribes	96.27	55.69	40.58	20.93
Total Capital (Voted)		18,42.86	12,37.80	6,05.06	4,69.60
Grand Total		2,27,87.27	1,97,38.53	30,48.74	25,98.82

Appendix-2.5

(Reference: Paragraph 2.3.7.2; Page 42)

Excess/Unnecessary/Insufficient re-appropriation of funds resulting in saving (shortfall in the utilization of funds)/ excess of ₹ 10 lakh and above

(₹ in lakh)

Sl. No.	Grant No.	Description	Voted/ Charged	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
1.	15	Welfare	Revenue-Voted	2225-01-001-03	(-) 0.50	(-)65.58
			Revenue-Voted	2225-01-001-05	(-) 85.00	(-)1,82.85
			Revenue-Voted	2225-03-102-01	(-) 44,00.00	(-)49.01
			Revenue-Voted	2225-03-277-01	(-) 8,68.40	(-)3,45.96
			Revenue-Voted	2225-03-800-06	(-) 0.63	(-)15.04
			Revenue-Voted	2235-02-101-04	(-) 1.06	(-) 36.59
			Revenue-Voted	2235-02-101-20	(-) 9,04.60	(-) 2,13.07
			Revenue-Voted	2235-02-102-04	(+)4.36	(-) 19.94
			Revenue-Voted	2235-02-102-05	(-)3.10	(-) 31.87
			Revenue-Voted	2235-02-103-14	(-)64.76	(-) 81.26
			Revenue-Voted	2235-02-103-15	(+)5,89.97	(-)61.80
			Revenue-Voted	2235-02-103-19	(+)2.50	(-)43.30
			Revenue-Voted	2235-02-800-07	(+)50.00	(-)17.47
			Revenue-Voted	2235-60-102-05	(+)47,38.43	(-)1,19.47
2.	17	Agriculture Works & Research	Capital-Voted	4401-00-800-06	(-)4,49.12	(-)15,44.66
3.	19	Rural Development	Revenue-Voted	2515-00-001-04	(+)15.85	(-)11.67
			Revenue-Voted	2515-00-101-03	(-)15.85	(-)2,64.21
4.	21	Energy	Revenue-Voted	2810-60-800-03	(-)5,04.56	(-)4,77.44
5.	30	Welfare of Scheduled Castes	Revenue-Voted	2225-01-277-01	(-)4,50.62	(-)1,54,90.71
			Revenue-Voted	2225-01-277-03	(-)52.00	(-)33.83
			Revenue-Voted	2225-01-277-06	(-)1,53.27	(-)30.72
			Revenue-Voted	2225-01-277-07	(-)28.92	(-)21.08
			Revenue-Voted	2225-01-277-12	(-)19.53	(-)17.54
			Revenue-Voted	2225-01-277-16	(-)35.60	(-)2,84.20
			Revenue-Voted	2225-01-800-15	(-)41.92	(-)148.01
			Revenue-Voted	2225-01-800-17	(-)70.00	(-)30.00
			Revenue-Voted	2235-02-101-02	(+)2,66.10	(-)2,43.76
			Revenue-Voted	2235-02-103-02	(+)6,99.22	(-)1,31.91
6.	31	Welfare of Scheduled Tribes	Revenue-Voted	2225-02-794-01	(-)3,06.92	(-)5,93.08
			Revenue-Voted	2235-02-796-03	(+)2,56.02	(-)1,25.34

Appendix-2.6
(Reference: Paragraph 2.3.7.3; Page 43)
Substantial surrenders made during the year 2015-16

(₹ in lakh)

Sl.No.	Number and title of Grant/Appropriation	Name of the scheme (Head of Account)	Total Grant	Amount of Surrender	Percentage of Surrender
1.	02-Governor	2012-03-101-03	14.20	5.41	38.10
		2012-03-800-04	27.45	9.04	32.93
2.	03-Council of Ministers	2013-00-101-04	30.00	14.98	49.93
		2013-00-104-03	1,30.00	70.93	54.56
3.	05-Election	2015-00-105-04	0.10	0.10	100
		2015-00-106-03	0.10	0.10	100
4.	06-Revenue & General Administration	2070-00-105-03	7.26	6.62	91.18
		2070-00-800-15	0.01	0.01	100
		2070-00-800-16	6.00	6.00	100
5.	07- Finance, Tax, Planning, Secretariat & Miscellaneous Service	2030-02-800-03	1.00	1.00	100
		2030-03-001-03	1,17.91	36.77	31.18
		2052-00-090-04	4.00	2.40	60
		2052-00-090-05	1,71.77	73.10	42.56
		2052-00-090-06	30.12	9.22	30.61
		2052-00-090-08	20.00	7.79	38.95
		2052-00-090-14	2.00	1.00	50
		3451-00-092-03	3,90.00	1,17.90	30.23
		3451-00-092-04	2,00.00	1,69.02	84.51
		3451-00-092-06	1,00.00	75.00	75
		3451-00-092-07	1,00.00	1,00.00	100
		3451-00-092-99	20.00	20.00	100
		3454-02-001-01	8,21.32	6,99.45	85.16
		3454-02-800-01	16.70	16.67	99.82
		4059-80-800-01	1,50.00	1,35.31	90.21
		4216-02-800-04	0.01	0.01	100
		4216-02-800-11	0.01	0.01	100
		4216-02-800-12	0.01	0.01	100
		4216-02-800-16	50.00	50.00	100
		4216-02-800-17	0.01	0.01	100
4216-02-800-18	0.01	0.01	100		
4216-02-800-19	3,00.00	3,00.00	100		
6.	11-Education, Sports, Youth Welfare & Culture	2202-01-102-01	28,30.00	13,39.33	47.33
		2202-01-102-18	56,00.00	42,85.05	76.52
		2202-01-109-04	2.00	2.00	100
		2202-01-800-01	4,17,74.57	1,99,94.86	47.86
		2202-01-800-06	10.00	10.00	100
		2202-01-800-07	19.00	7.96	41.89
		2202-01-800-99	0.01	0.01	100
		2202-02-001-05	1,70.17	51.44	30.23
		2202-02-001-07	0.17	0.17	100
		2202-02-107-01	2.00	0.75	37.50
		2202-02-107-05	1.00	1.00	100
		2202-02-107-07	1.00	1.00	100
		2202-02-107-09	4.50	4.50	100

	2202-02-107-12	1.00	1.00	100
	2202-02-107-13	2.50	1.10	44
	2202-02-107-14	4.00	3.96	99
	2202-02-107-17	2.00	1.74	87
	2202-02-108-05	0.01	0.01	100
	2202-02-108-06	0.04	0.04	100
	2202-02-109-11	0.01	0.01	100
	2202-02-109-14	0.01	0.01	100
	2202-02-109-16	63,00.00	23,13.04	36.71
	2202-02-109-17	13,00.00	4,26.12	32.78
	2202-02-800-05	2.00	1.22	61
	2202-02-800-09	3,00.00	1,42.50	47.50
	2202-02-800-11	1,50.00	1,50.00	100
	2202-02-800-14	30.00	16.54	55.13
	2202-02-800-18	5,00.00	5,00.00	100
	2202-02-800-19	0.01	0.01	100
	2202-02-800-20	50.00	50.00	100
	2202-02-800-21	0.01	0.01	100
	2202-02-800-22	71.20	71.20	100
	2202-03-001-03	4,43.33	1,33.54	30.12
	2202-03-102-09	50.00	50.00	100
	2202-03-103-05	1,00.00	1,00.00	100
	2202-03-103-12	1,00.00	1,00.00	100
	2202-03-107-05	0.01	0.01	100
	2202-03-800-04	2.00	2.00	100
	2202-03-800-08	0.02	0.02	100
	2202-03-800-09	5,00.00	5,00.00	100
	2202-05-001-03	75.05	34.64	46.16
	2202-05-102-03	3.00	3.00	100
	2202-05-102-04	1,10.00	80.00	72.73
	2202-05-102-13	80.00	50.00	62.50
	2202-05-102-15	50.00	32.50	65
	2202-05-102-18	50.00	38.00	76
	2202-05-103-03	2,04.61	96.58	47.20
	2202-05-103-06	94.95	57.75	60.82
	2202-05-103-08	1,25.67	70.30	55.94
	2202-05-103-09	1,00.00	1,00.00	100
	2205-00-105-01	40.00	40.00	100
	4202-01-201-01	0.01	0.01	100
	4202-01-201-04	25,00.00	14,86.36	59.45
	4202-01-201-05	40.00	40.00	10
	4202-01-201-06	0.01	0.01	100
	4202-01-201-07	0.01	0.01	100
	4202-01-202-01	1,69,72.02	1,11,63.63	65.78
	4202-01-202-17	0.01	0.01	100
	4202-01-202-19	0.01	0.01	100
	4202-01-202-20	0.01	0.01	100
	4202-01-202-24	0.01	0.01	100
	4202-01-202-25	0.01	0.01	100
	4202-01-202-26	0.01	0.01	100

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		4202-01-202-28	0.01	0.01	100
		4202-01-202-29	4,00.00	4,00.00	100
		4202-01-203-01	99,00.00	30,61.58	30.93
		4202-01-203-05	1,00.00	1,00.00	100
		4202-01-203-07	20.00	20.00	100
		4202-01-203-11	0.01	0.01	100
		4202-01-203-13	0.01	0.01	100
		4202-01-203-16	0.01	0.01	100
		4202-01-205-04	40.00	40.00	100
		4202-01-205-05	50.00	50.00	100
7.	13-Water Supply, Housing & Urban Development	2217-80-001-03	3,87.56	1,47.61	38.09
8.	16-Labour and Employment	2210-01-102-01	54,38.15	16,41.45	30.18
		2230-01-101-04	41.64	13.84	33.24
		2230-01-101-05	2,26.92	70.54	31.09
		2230-01-101-06	0.30	0.20	66.67
		2230-01-103-05	5.00	2.15	43.00
		2230-02-001-03	9,20.33	3,01.23	32.73
		2230-02-800-01	19.92	6.93	34.79
		2230-02-800-03	2,12.78	85.30	40.09
9.	30-Welfare of Scheduled Castes	2202-01-800-01	1,04,99.55	36,70.70	34.96
		2202-02-109-02	15,79.41	9,62.34	60.93
		2202-02-800-03	6,60.00	6,60.00	100
		2202-03-103-03	50.00	50.00	100
		2202-03-800-01	3,50.00	3,50.00	100
		2202-03-800-02	2,00.00	2,00.00	100
		2202-80-003-01	0.01	0.01	100
		2230-02-800-02	97.26	47.93	49.28
		4202-01-201-01	10,09.83	6,71.03	66.45
		4202-01-201-02	0.02	0.02	100
		4202-01-202-01	20,00.00	19,94.84	99.74
		5055-00-800-03	30.00	18.00	60.00
10.	31-Welfare of Scheduled Tribes	2202-01-101-01	6,60.00	2,28.83	34.67
		2202-01-800-01	29,48.45	15,84.60	53.74
		2202-02-800-01	15,39.35	11,80.91	76.71
		2202-02-800-03	1,47.81	1,47.81	100
		2202-03-796-03	9.00	9.00	100
		2202-03-796-05	1,50.00	1,50.00	100
		2202-80-003-01	0.01	0.01	100
		2230-02-796-01	1,10.00	48.26	43.87
		2230-02-796-02	31.00	11.36	36.65
		4202-01-201-01	92.81	49.83	53.69
		4202-01-201-03	0.01	0.01	100
		4202-01-202-01	7,22.00	7,21.18	99.89
		4202-01-203-03	1,00.00	34.91	34.91
Total			12,42,27.11	6,42,15.32	51.69

Appendix 2.7
(Reference: Paragraph 2.3.7.4; Page 43)
Surrenders in excess of actual savings

(₹ in crore)

<i>Sl. No.</i>	<i>Number and name of the grant</i>	<i>Total grant</i>	<i>Saving</i>	<i>Amount surrendered</i>	<i>Amount surrendered in excess of actual savings</i>
<i>1. Revenue Voted</i>					
<i>1.</i>	<i>08 - Excise</i>	<i>20.10</i>	<i>1.91</i>	<i>1.92</i>	<i>0.01</i>
<i>2. Revenue Charged</i>					
<i>2.</i>	<i>02 - Governor's</i>	<i>8.26</i>	<i>1.31</i>	<i>1.48</i>	<i>0.17</i>
<i>Total</i>		<i>28.36</i>	<i>3.22</i>	<i>3.40</i>	<i>0.18</i>

Appendix-2.8

(Reference: Paragraph 2.3.7.5; Page 43)

Statement of various grants/appropriations in which savings of ₹ 5 crore and above occurred but no part of which had been surrendered

(₹ in crore)

Sl. No.	Grant No.	Name of grant/appropriation	Total Grant/ Appropriation	Expenditure	Saving
1.	01	Legislature (Capital-Voted)	25.50	2.00	23.50
2.	04	Judicial Administration (Revenue-Voted)	1,37.00	1,07.32	29.68
		<i>Judicial Administration (Revenue-charged)</i>	32.66	23.89	8.77
		Judicial Administration (Capital-Voted)	72.00	42.94	29.06
3.	07	<i>Finance, Tax, Planning, Secretariat & Miscellaneous Services (Revenue-Charged)</i>	34,37.14	30,22.38	4,14.76
		<i>Finance, Tax, Planning, Secretariat & Miscellaneous Services (Capital-Charged)</i>	27,76.79	21,96.81	5,79.98
4.	10	Police & Jail (Revenue-Voted)	12,41.71	11,80.98	60.73
5.	12	Medical, Health & Family Welfare (Revenue-Voted)	17,77.51	12,63.50	5,14.01
		Medical, Health & Family Welfare (Capital-Voted)	1,71.76	1,37.97	33.79
6.	13	Water Supply, Housing & Urban Development (Capital-Voted)	5,36.18	3,79.11	1,57.07
7.	15	Welfare (Capital-Voted)	56.56	17.44	39.12
8.	18	Co-Operative (Revenue-Voted)	45.28	38.68	6.60
9.	20	Irrigation & Flood (Revenue-Voted)	4,09.02	3,59.45	49.57
		Irrigation & Flood (Capital-Voted)	11,32.02	7,34.43	3,97.59
10.	21	Energy (Capital-Voted)	2,13.90	1,11.48	1,02.42
11.	22	Public Works (Revenue-Voted)	6,57.12	5,37.57	1,19.55
		Public Works (Revenue-Charged)	5.09	0.00	5.09
12.	23	Industries (Revenue-Voted)	1,59.90	1,25.24	34.66
		Industries (Capital-Voted)	76.89	60.60	16.29
13.	25	Food (Revenue-Voted)	3,32.03	2,02.95	1,29.08
14.	26	Tourism (Capital-Voted)	1,57.03	93.93	63.10
15.	27	Forest (Revenue-Voted)	5,16.37	4,35.65	80.72
		Forest (Capital-Voted)	1,71.37	1,00.02	71.35
16.	28	Animal Husbandry (Revenue-Voted)	2,07.06	1,82.85	24.21
Total			1,43,47.89	1,13,57.19	29,90.70

Appendix-2.9

(Reference: Paragraph 2.3.7.5; Page 43)

Details of saving/ shortfall in the utilization of funds of ₹ 1 crore and above not surrendered

(₹ in crore)

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered
Revenue-Voted				
1.	01-Legislature	2.81	0.00	2.81
2.	03-Council of Ministers	40.99	1.35	39.64
3.	04- Judicial Administration	29.67	0.00	29.67
4.	06- Revenue and General Administration	6,69.86	0.83	6,69.03
5.	07- Finance, Tax, Planning, Secretariat & Misc. Services	7,86.13	41.17	7,44.96
6.	09-Public Service Commission	2.33	0.00	2.33
7.	10-Police And Jail	60.74	0.00	60.74
8.	11-Education, Sports, Youth Welfare and Culture	8,11.98	7,45.98	66.00
9.	12-Medical, Health and Family Welfare	5,14.02	0.00	5,14.02
10.	13-Water Supply, Housing and Urban Development	2,99.99	1.66	2,98.33
11.	14- Information	2.19	0.00	2.19
12.	15- Welfare	3,96.89	2.52	3,94.37
13.	16-Labour & Employment	86.03	23.31	62.72
14.	17- Agriculture Works and Research	2,15.51	9.81	2,05.70
15.	18- Co-Operative	6.60	0.00	6.60
16.	19- Rural Development	1,26.96	6.09	1,20.87
17.	20- Irrigation and Flood	49.57	0.00	49.57
18.	21- Energy	4.81	0.00	4.81
19.	22- Public Work	1,19.55	0.00	1,19.55
20.	23- Industries	34.66	0.00	34.66
21.	24- Transport	5.60	4.80	0.80
22.	25- Food	1,29.08	0.00	1,29.08
23.	26- Tourism	4.17	0.00	4.17
24.	27- Forest	80.72	0.00	80.72
25.	28- Animal Husbandry	24.21	0.00	24.21
26.	29- Horticulture Development	61.45	0.18	61.27
27.	30-Welfare of Scheduled Castes	4,90.39	69.96	4,20.43
28.	31- Welfare of Scheduled Tribes	1,17.85	33.94	83.91
Total		51,74.76	9,41.60	42,33.16
Revenue Charged				
1.	04- Judicial Administration	8.77	0.00	8.77
2.	07- Finance, Tax, Planning, Secretariat & Misc. Services	4,14.76	0.00	4,14.76
3.	09- Public Service Commission	1.64	0.00	1.64
6.	22- Public Work	5.09	0.00	5.09
Total		4,30.26	0.00	4,30.26

Audit Report on the State Finances for the year ended 31March 2016

Capital-Voted				
1.	01- Legislature	23.50	0.00	23.50
2.	03-Council of Ministers	2.84	0.00	2.84
3.	04- Judicial Administration	29.06	0.00	29.06
4.	06- Revenue and General Administration	4.42	0.00	4.42
5.	07- Finance, Tax, Planning, Secretariat & Misc. Services	15.31	5.10	10.21
6.	10-Police And Jail	2.91	0.00	2.91
7.	11-Education, Sports, Youth Welfare and Culture	3,70.80	165.70	2,05.10
8.	12-Medical, Health and Family Welfare	33.80	0.00	33.80
9.	13-Water Supply, Housing and Urban Development	1,57.08	0.00	1,57.08
10.	15-Welfare	39.12	0.00	39.12
11.	19-Rural Development	51.80	0.04	51.76
12.	20- Irrigation and Flood	3,97.59	0.00	3,97.59
13.	21-Energy	1,02.42	0.00	1,02.42
14.	23- Industries	16.29	0.00	16.29
15.	24-Transport	59.21	0.05	59.16
16.	26-Tourism	63.10	0.00	63.10
17.	27-Forest	71.35	0.00	71.35
18.	28-Animal Husbandry	2.30	0.00	2.30
19.	30-Welfare of Scheduled Castes	1,34.77	26.84	1,07.93
20.	31- Welfare of Scheduled Tribes	61.52	8.06	53.46
	Total	16,39.19	2,05.79	14,33.40
Capital-Charged				
1.	07- Finance, Tax, Planning, Secretariat & Misc. Services	5,79.98	0.00	5,79.98
	Total	5,79.98	0.00	5,79.98
	Grand Total	78,24.19	11,47.39	66,76.80

Appendix-2.10
(Reference: Paragraph 2.3.7.5; Page 43)
Cases of surrender of funds in excess of ₹ 10 crore on 30/31 March 2016

(₹ in crore)

Sl. No.	Grant No.	Major Head	Total Provision	Amount of Surrender	Percentage of Total Provision
1.	07	2052-Secretariat-General Services	1,61.16	20.45	12.69
		3454-Census, Survey and Statistics	30.96	13.09	42.28
2.	11	2202-General Education	46,23.96	7,45.07	16.11
		4202-Capital Outlay on Education, Sports, Art and Culture	6,08.92	1,65.70	27.21
3.	16	2210-Medical and Public Health	54.38	16.41	30.18
4.	30	2202-General Education	1,97.06	68.08	34.55
		4202- Capital Outlay on Education, Sports, Art and Culture	41.50	26.66	64.24
5.	31	2202- General Education	57.80	33.08	57.23
Total			57,75.74	10,88.54	18.85

Appendix-2.11

(Reference: Paragraph 2.3.7.6; Page 43)

Statement of various grants/ appropriation where saving/ shortfall in the utilization of funds was more than ₹ 1 crore or more than 20 per cent of the total provision

(₹ in crore)

Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percentage
Revenue –Voted					
1.	01	Legislature	31.46	2.81	8.93
2.	03	Council of Ministers	1,57.66	40.99	26.00
3.	04	Judicial Administration	1,37.00	29.67	21.66
4.	05	Election	24.01	1.04	4.33
5.	06	Revenue & General Administration	23,64.88	6,69.86	28.33
6.	07	Finance ,Tax Planning Secretariat & Miscellaneous Services	52,70.37	7,86.13	14.92
7.	08	Excise	20.10	1.91	9.50
8.	09	Public Service Commission	11.31	2.33	20.60
9.	10	Police & Jail	12,41.71	60.74	4.89
10.	11	Education, Sports ,Youth Welfare & Culture	55,85.60	8,11.98	14.54
11.	12	Medical Health & Family Welfare	17,77.51	5,14.02	28.92
12.	13	Water Supply ,Housing & Urban Development	9,30.33	2,99.99	32.25
13.	14	Information	44.93	2.19	4.87
14.	15	Welfare	14,89.13	3,96.89	26.65
15.	16	Labour & Employment	2,11.88	86.03	40.60
16.	17	Agriculture Works & Research	7,38.84	2,15.51	29.17
17.	18	Co-Operative	45.28	6.60	14.58
18.	19	Rural Development	9,07.10	1,26.96	14.00
19.	20	Irrigation & Flood	4,09.02	49.57	12.12
20.	21	Energy	23.43	4.81	20.53
21.	22	Public Works	6,57.12	1,19.55	18.19
22.	23	Industries	1,59.90	34.66	21.68
23.	24	Transport	47.04	5.60	11.90
24.	25	Food	3,32.03	1,29.08	38.88
25.	26	Tourism	52.92	4.17	7.88
26.	27	Forest	5,16.37	80.72	15.63
27.	28	Animal Husbandry	2,07.06	24.21	11.69
28.	29	Horticulture Development	2,18.98	61.45	28.06
29.	30	Welfare of Scheduled Castes	12,70.86	4,90.39	38.59
30.	31	Welfare of Scheduled Tribes	3,12.92	1,17.85	37.66
Total			2,51,96.75	51,77.71	20.55
Revenue –Charged					
1.	02	Governor	8.26	1.31	15.86
2.	04	Judicial Administration	32.66	8.77	26.85
3.	07	Finance ,Tax Planning ,Secretariat & Miscellaneous Services	34,37.14	414.76	12.07
4.	09	Public Service Commission	13.11	1.64	12.51
5.	22	Public Works	5.09	5.09	100.00
Total			34,96.26	4,31.57	12.34
Capital-Voted					
1.	01	Legislature	25.50	23.50	92.16
2.	03	Council of Ministers	25.00	2.84	11.36
3.	04	Judicial Administration	72.00	29.06	40.36
4.	06	Revenue & General Administration	13.30	4.42	33.23

5.	07	Finance ,Tax Planning Secretariat & Miscellaneous Services	67.65	15.31	22.63
6.	10	Police & Jail	17.80	2.91	16.35
7.	11	Education, Sports ,Youth Welfare & Culture	6,08.92	3,70.80	60.89
8.	12	Medical Health & Family Welfare	1,71.76	33.80	19.68
9.	13	Water Supply Housing & Urban Development	5,36.18	1,57.08	29.30
10.	15	Welfare	56.56	39.12	69.17
11.	19	Rural Development	7,86.11	51.80	6.59
12.	20	Irrigation & Flood	11,32.02	3,97.59	35.12
13.	21	Energy	2,13.90	1,02.42	47.88
14.	23	Industries	76.89	16.29	21.19
15.	24	Transport	70.96	59.21	83.44
16.	26	Tourism	1,57.03	63.10	40.18
17.	27	Forest	1,71.37	71.35	41.64
18.	28	Animal Husbandry	5.44	2.30	42.28
19.	30	Welfare of Scheduled Castes	3,12.69	1,34.77	43.10
20.	31	Welfare of Scheduled Tribes	1,17.20	61.52	52.49
Total			46,38.28	16,39.19	35.34
Capital-Charged					
1.	07	Finance, Tax Planning, Secretariat and Miscellaneous Services	27,76.79	5,79.98	20.89
Total			27,76.79	5,79.98	20.89
Grand Total			3,61,08.08	78,28.45	21.68

Appendix-2.12
(Reference: Paragraph 2.3.8; Page 46)
Funds transferred to deposit accounts at the end of the year during 2013-14 to 2015-16

(₹ in crore)

Year/ Name of Department (Account holder)	Date of fund transfer	From where transferred (HOA)	Where transferred (HOA-Deposit)	Amount transferred to deposit heads
2013-14				
Addl.CEO & FC, UK-KVIB, Dehradun	31 March 2014	Cash challan	8443-00-800	2.40
FC, Parivahan Nigam, Dehradun	31 March 2014	Cash challan	8443-00-800	10.00
District Magistrate, Dehradun	29 March 2014	4250-00-800-09	8443-00-800	1.34
	30 March 2014	4202-02-105-(7 to 11)	8443-00-800	23.61
	31 March 2014	Cash challan	8443-00-800	26.00
		4202-03-102-(18,01,20)	8443-00-800	16.52
Total				79.87
2014-15				
Akshay Urja Vikas Abhikaran (UREDA)	26 March 2015	2045-00-103-04	8443-00-800	2.00
Total				2.00
2015-16				
Nideshak Alpsankhyak Kalyan	28 March 2016	Cash Challan	8443-00-106-00	1.60
District Magistrate, Dehradun	31 March 2016	2225-01-800-15	8443-00-106-00	0.14
		2235-02-101-02	8443-00-106-00	0.28
		4408-01-800-01	8443-00-106-00	7.77
		2215-02-105-01	8443-00-106-00	8.42
		2215-00-102-91	8443-00-106-00	0.01
Total				18.22
Grand Total				100.09

Appendix-2.13

(Reference: Paragraph 2.6; Page 52)

Status (as on August 2016) of advances drawn from Contingency Fund during the year 2015-16 which remained Un-recouped during the same year

(₹ in crore)

Sl. No	Grant No	Major Head	Adv. From Contingency Fund	Un-recouped (August 2016)
1.	03-Council of Ministers	2013	10.24	0.24
2.	04-Administration of Justice	2014	4.02	2.76
3.	07-Taxes on Sales, Trade etc	2040	3.33	0.00
4.	07-Secretariat-General Services	2052	0.18	0.18
5.	09-Public Service Commission	2051	1.72	0.00
6.	10-Police	2055	40.47	4.92
7.	11-General Education	2202	3.10	0.43
8.	14-Information and Publicity	2220	10.09	0.00
9.	15-Social Security and Welfare	2235	1.50	1.50
10.	17-Crop Husbandry	2401	1,04.08	24.86
11.	19-Other Rural Development Programmes	2515	21.79	29.86
12.	23-Vilage and Small Industries	2851	1.30	1.30
13.	28-Dairy Development	2404	1.37	0.30
14.	30-Crop Husbandry	2401	0.16	0.00
15.	31-Crop Husbandry	2401	0.03	0.00
16.	22-Roads and Bridges	3054	0.30	0.00
17.	03-Capital Outlay on Public Works	4059	19.20	0.00
18.	13- Capital Outlay on Urban Development	4217	5.80	5.80
19.	25- Capital Outlay on Food Storage and Warehousing	4408	0.03	0.00
20.	27- Capital Outlay on Forestry and Wild Life	4406	10.00	0.00
21.	22 Capital Outlay on Roads and Bridges	5054	58.35	0.00
22.	17-Loans on Crop Husbandry	6401	88.40	0.00
Total			3,85.46	72.15

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

Appendix-2.14

(Reference: Paragraph 2.6; Page 52)

Expenditure made from Contingency Fund during the year 2013-14 and 2014-15 remained un-recouped (as on August 2016)

(₹ in crore)

Sl. No.	MH	Un-recouped Contingency fund		
		2013-14	2014-15	Total
1.	2014	0.14	--	0.14
2.	2202	0.03	--	0.03
3.	4210	--	1.00	1.00
4.	2217	--	2.64	2.64
5.	2225	1.15	--	1.15
6.	2235	0.20	--	0.20
7.	2230	0.08	--	0.08
8.	2059	0.96	--	0.96
9.	2853	1.30	--	1.30
10.	2235	0.40	--	0.40
11.	2225	2.51	--	2.51
Total		6.77	3.64	10.41

Appendix-2.15
(Reference: Paragraph 2.7 (A); Page 53)
Pending DC bills for the years up to 2015-16 (Position as on 31 March 2016)

(₹ in lakh)

Sl. No.	Department	Major Head	Number of AC bills	Amount
1.	Education	2202	4	19.57
2.	NCC Directorate	2202	2	0.71
3.	General Administration	2217	1	0.20
4.	General Administration	2205	1	0.25
5.	Animal Husbandry	2403	1	0.20
6.	General Administration	2070	2	2.35
7.	Uttarakhand Information Commission	2070	3	0.44
8.	Revenue & General Administration	4059	1	29.66
9.	General Administration	2245	1	62.40
10.	General Administration	2053	1	0.25
11.	Rural Development	2515	9	1.91
12.	Panchayati Raj	2515	12	1,49.23
13.	Forest	2406	1	0.25
14.	Fisheries	2405	1	0.03
15.	Labour & Employment (Dy. Director Factory)	2230	1	15.00
16.	Uttarakhand Law & Judicial Academy	2014	1	0.45
17.	Social Security & Welfare	2235	1	77.94
18.	Chief Probationer Officer, Women Welfare	2235	1	0.05
	Total		44	3,60.89

Appendix-3.1

(Reference: Paragraph 3.3; Page 58)

Statement of finalisation of Accounts and the Government Investment in Departmentally Managed Commercial and Quasi-Commercial Undertakings

Sl. No.	Name of the Undertaking	Accounts finalized up to	Investment as per the last accounts finalized (₹ in crore)	Remarks/Reasons for Delay in Preparation of accounts
Department of Irrigation:				
1.	Irrigation Workshop Division, Roorkee	2011-12	1.92	NA
Food & Civil Supply Department				
2.	Regional Food Controller, Haldwani	2002-03	NA	NA
3.	Regional Food Controller, Dehradun	2002-03	NA	NA

Appendix-3.2

(Reference: Paragraph 3.4; Page 59)

**Department wise/duration wise break-up of the cases of misappropriation, defalcation etc
(cases where final action was pending at the end of March 2016)**

Sl. No.	Name of the Department	Number of cases of delay						Total No. of Cases
		0-1 years	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 years to More	
1.	Transport	03	--	--	--	--	--	03
2.	Sub Registrar	01	--	-	--	--	--	01
TOTAL		04						04

Appendix-3.3

(Reference: Paragraph 3.4; Page 59)

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

Name of Department	Theft Cases		Misappropriation/Loss of Government Material		Total	
	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)
Transport	01	1.72	01	7.08	03	8.80
			01	WMV*		
Sub Registrar	--	--	01	WMV*	01	WMV
Total	01	1.72	03	7.08	04	8.80

*Without Money Value.

Appendix-4.1
Glossary of terms

Sl. No.	Terms	Description
1	State Implementing Agency	State Implementing Agency includes any Organisations/Institutions including Non-Governmental Organisation which is authorized by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for SSA and State Health Mission for NRHM etc.
2.	GSDP	GSDP is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production at current prices
3.	Buoyancy ratio	Buoyancy ratio indicates the elasticity or degree of responsiveness of fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one <i>per cent</i>
4.	Internal Debt	Comprising mainly Market Loans and Special Securities issued to the National Small Savings Fund (NSS) by the State Government.
5.	Core Public and Merit goods	<i>Core public goods</i> are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. <i>Merit goods</i> are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.
6.	Development Expenditure	The analysis of expenditure data is disaggregated into development and non development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.
7.	Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a current debt-GDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt, therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.
8.	Debt Stabilization	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be current or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.

9.	Sufficiency of Non-debt receipts (Resource Gap)	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
10.	Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.
11.	Non debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

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