



**REPORT OF THE  
COMPTROLLER AND AUDITOR GENERAL OF INDIA  
ON  
STATE FINANCES  
FOR THE YEAR ENDED 31 MARCH 2013**



**Government of Uttarakhand**

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## **PREFACE**

This Report has been prepared for submission to the Governor of Uttarakhand under Article 151(2) of the Constitution.

Chapter 1 and 2 of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2013. 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 during the current year.

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

## 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 2012-13 *vis-à-vis* the Budget and the target set under the Fiscal Responsibility and Budget Management Act, 2005 and analyses the dominant trends and structural profile of Government's receipts and disbursement.

Based on the audited accounts of the Government of Uttarakhand for the year ending 31 March 2013 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 2013. 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 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 and recommendations

**Fiscal Correction Path:** Uttarakhand is one of the earliest States to have passed the Fiscal Responsibility and Budget Management Act (FRBM Act), 2005. The State of Uttarakhand achieved the target of attaining revenue surplus from 2006-07 onwards but could not maintain the trend and turned revenue deficit in 2009-10. However, the State was able to bring down the revenue deficit to almost nil (₹ 13 crore) during 2010-11. The revenue deficit ultimately turned into surplus during 2011-12 and further increased to ₹ 1,787 crore during the year 2012-13. Fiscal deficit of the State government continued to be below the target of four *per cent* (revised) as envisaged in FRBM Act since 2007-08. It was within reasonable limits (3.5 *per cent* of GSDP)

during 2010-11 and 2011-12. At ₹ 1,600 crore (1.48 *per cent* of GSDP) the fiscal deficit was also well below the normative assessment made by the Thirteenth Finance Commission (*Th FC*) for the current year.

**Greater priority to capital expenditure:** No specific norms regarding prioritisation of capital expenditure have been laid in the FRBM Act. However, the State Government, in its Mid Term Fiscal Policy Statement presented to State Legislature along with the Budget 2012-13, has committed itself to the recommendations of the Thirteenth Finance Commission which advocates that the fiscal deficit should be 3.5 *per cent* of the GSDP in the year 2012-13 which would be further brought down to three *per cent* by the year 2013-14. For achieving the targets, the State government has to borrow less and thereby, less funds would be available in the near future. However, during the current fiscal, the Government managed to capitalise more funds than what had been done in the year 2011-12, by 53 *per cent*.

Though, the State has been able to attain revenue surplus which has, in turn, brought down the fiscal deficit during the year, efforts should be made to arrest the situation of deficits in order to avoid deficit financing through borrowed funds (₹ 1,021 crore).

**Review of Government investments:** The average return on Uttarakhand Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives was almost negligible (0.01 *per cent* of the investment made) in the past three years while the Government paid an average interest of 7.89 *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.

**Debt sustainability:** The debt-GSDP<sup>1</sup> ratio showed a declining trend from 2008-09 to 2012-13 from 29.05 *per cent* to 23.57 *per cent* as against the target (40 *per cent*) set forth by the Thirteenth Finance Commission for the year 2012-13 in respect of Uttarakhand.

Maintaining a calendar of borrowings to avoid bunching towards the end of the fiscal year and a clear understanding of the maturity profile of debt payments will go a long way in prudent debt management.

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<sup>1</sup> On Current/ Market price. However, in the earlier Reports, the debt/ GSDP ratio was being calculated on Constant GSDP prices.

**Oversight of funds transferred directly from the GOI to the State implementing agencies:** There is no single agency monitoring the use of funds transferred directly by GOI to implementing agencies and also there is no readily available data to ascertain how much is actually spent in any particular year on major flagship schemes and other important schemes which are being implemented by State implementing agencies.

A system has to be put in place to ensure proper accounting of these funds and updated information should be validated by the State government to ensure effective utilisation of such funds.

**Financial management and budgetary control:** The State Government's budgetary processes have not been sound during the year, with errors in budgeting, persistent savings<sup>2</sup>, excesses, expenditure without provision and drawals from Contingency Fund without recoupment in the same financial year. In many cases, anticipated savings were either not surrendered or surrendered at the end of the year in the month of March leaving no scope for utilising these funds for other development purposes. Financial rules were flouted by several departments by drawing funds in excess of requirement, resorting to re-appropriation without proper explanation and expending without provision of funds. Release of funds and surrender of substantial funds at the end of the year is a matter of concern, since such funds could not be utilised fruitfully.

Budgetary controls should be strictly observed to avoid such deficiencies in financial management. Issuance of re-appropriation/ surrender orders at the end of the financial year should be avoided. A close and rigorous monitoring mechanism should be put in place by the DDOs to ensure adjustment of Abstract Contingent bills during the stipulated time frame.

**Financial reporting:** State Government's compliance with various rules, procedures and directives was unsatisfactory as evident from delays in furnishing of utilisation certificates against the loans and grants from various grantee institutions. Delays were also noted in submission of annual accounts by some of the departmental commercial undertakings. There were instances of loss and misappropriation.

Government departments may take urgent action for finalisation of outstanding annual accounts of departmental commercial undertakings. Departmental enquiries in misappropriation cases may be expedited to bring the defaulters to book.

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<sup>2</sup> Can also be termed as shortfall in the utilisation of funds.

## **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 2012-13 by benchmarking against past trends of major fiscal aggregates and its structural profile. **Appendix 1.1** contains the structure and layout of the Finance Accounts of the State Government on which this Report is based. **Appendix 1.2** 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) based upon the categorisation of States made by the Government of India. The special privileges given to Uttarakhand includes financial assistance from Government of India (GOI) in the ratio of 90 *per cent* grant and 10 *per cent* loan unlike non-special category States which get central aid in the ratio of 30 *per cent* grant and 70 *per cent* loan.

The State has seen considerable economic growth in the past decade and the Compound Annual Growth Rate (CAGR) of its Gross State Domestic Product<sup>1</sup> (GSDP) at current prices for the period 2003-04 to 2012-13 has been over 19.80 *per cent*.

The social indicators *viz.* literacy rate and rate of infant mortality at birth indicated that the State had a better literacy and low mortality rate than all India average. The percentage of BPL population in the State was well below the all India average (**Appendix-1**).

#### **Gross State Domestic Product (GSDP)**

GSDP is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the State's economy as it indicates the standard of living of the State's population. The trends in the annual growth of India's GDP and State's GSDP at current prices are indicated below:

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<sup>1</sup> Refer glossary in **Appendix-4.1**

Annual growth rate of GDP and GSDP at current prices

Year	2008-09	2009-10	2010-11	2011-12 (QE)*	2012-13 (AE)*
India's GDP (₹ in crore)	53,03,566	61,08,903	72,66,967	83,53,495	94,61,013
Growth rate of GDP (percentage)	15.76	15.18	18.96	14.95	13.26
State's GSDP (₹ in crore)	56,025	70,730	83,966	94,159	1,08,343
Growth rate of GSDP (percentage)	22.18	26.25	18.71	12.14	15.06

Source: Director, Economics and Statistics, Uttarakhand

\*QE-Quick Estimate & AE-Advance Estimate

Rate of growth of GSDP in comparison to GDP varied over the period 2008-09 to 2012-13. The growth rate of GSDP was higher than the GDP growth rate in 2008-09 and 2009-10. It was almost identical in the year 2010-11. It was lower in 2011-12, but remained on the higher side in 2012-13.

The major changes in the key fiscal aggregates were that the State Government's revenue surplus which had turned into revenue deficit during the year 2009-10 was reduced to almost nil (₹ 13 crore) during the year 2010-11 and ultimately turned into revenue surplus (₹ 716 crore) during the year 2011-12. It further improved to ₹ 1,787 crore during the current year. Fiscal deficit at ₹ 1,600 crore during the current year, is pegged at around 1.48 *per cent* of the GSDP which is well below the normative assessment of 3.50 *per cent* made by the Thirteenth Finance Commission (*Th FC*). A summary of Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005 (modified in March 2011 with the recommendation of *Th FC*) and the State's own Fiscal Correction Path (FCP) through Mid Term Fiscal Policy (MTFP) is given in **Appendix-1.2 (Part B)**.

**1.1.1 Summary of Current Year's Fiscal Transactions**

**Table 1.1** presents the summary of the State Government's fiscal transactions during the current year (2012-13) *vis-à-vis* the previous year (2011-12) while **Appendix-1.4** provides details of receipts and disbursements as well as overall fiscal position during the current year as compared to previous year.

**Table-1.1**  
**Summary of Current Year's Fiscal Operations** (₹ in crore)

Receipts	2011-12	2012-13	Disbursements	2011-12	2012-13		
					Non-Plan	Plan	Total
Section-A: Revenue							
Tax revenue	5,615.62	6,414.24	General services	4,475.11	5,368.13	4.10	5,372.23
Non-tax revenue	1,136.13	1,602.88	Social services	6,019.65	4,146.27	1,949.57	6,095.84
Share of Union Taxes/ Duties	2,866.04	3,272.88	Economic services	2,101.63	1,522.10	473.19	1,995.29
Grants from Government of India	4,073.45	4,457.22	Grants-in-aid and Contributions	378.80	496.86	--	496.86
Revenue receipts	13,691.24	15,747.22	Revenue expenditure	12,975.19	11,533.36	2,426.86	13,960.22
Section-B: Capital and Others							
Misc. Capital Receipts	-	-	Capital Outlay	2,316.94	570.41	2,971.68	3,542.09
Recoveries of Loans and Advances	90.65	428.44	Loans and Advances disbursed	246.83			272.57
Public Debt receipts*	2,335.52	2,967.43	Repayment of Public Debt*	1,015.79	--	--	1,472.21
--	--	--	Appropriation to Contingency Fund	(-)400.00	--	--	--
Contingency Fund	126.13	32.22	Contingency Fund	69.07	--	--	32.07
Public Account receipts	19,668.05	21,925.45	Public Account disbursements	19,832.00	--	--	20,961.24
Opening Cash Balance	1,229.41	1085.18	Closing Cash Balance	1,085.18	--	--	1,945.54
Total	37,141.00	42,185.94	Total	37,141.00	--	--	42,185.94

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

The following are the significant changes during 2012-13 over the previous year:

- Revenue receipts grew by ₹ 2,056 crore (15.02 per cent) over the previous year. This was due to the increase in State's own tax revenue (₹ 799 crore), non-tax revenue (₹ 467 crore), State's share of Union taxes/duties (₹ 407 crore) and grants from Government of India (₹ 384 crore).
- Revenue expenditure increased by ₹ 985 crore (7.59 per cent) during the year over the previous year as detailed in succeeding **Paragraph 1.6.1**.
- Capital expenditure during the year increased by ₹ 1,225 crore (52.88 per cent) over the previous year as detailed in succeeding **Paragraph 1.6.1**.
- Recovery of loans and advances increased from ₹ 91 crore (2011-12) to ₹ 428 crore (370 per cent). This was mainly due to repayments made by Energy sector (₹ 422 crore). Disbursement of loans and advances increased by

₹ 26 crore during the year (from ₹ 247 crore to ₹ 273 crore). Main recipients during the year 2012-13 were Agriculture & Allied Activities (₹ 159 crore) and Energy sectors (₹ 84 crore).

- Public debt receipts registered an increase of ₹ 632 crore during the year 2012-13 due to increase in internal debt of State government (₹ 644 crore). However, there was a decrease in loans and advances from the Central Government (₹ 12 crore).
- Public Account receipts increased by ₹ 2,257 crore due to increase under suspense and miscellaneous (₹ 2,644 crore), Remittance (₹ 67 crore) and deposits and advances (₹ 29 crore). This was partially offset by decrease in Reserve Funds (₹ 369 crore) and Small Savings, Provident Fund, *etc.* (₹ 113 crore). Public account disbursements also increased by ₹ 1,129 crore (**Appendix-1.4**) due to increase in suspense and miscellaneous (₹ 1,752 crore) and Small Savings, Provident Fund, *etc.* (₹ 242 crore) partially offset by decrease in Reserve Funds (₹ 410 crore), remittances (₹ 297 crore) and deposit and advances (₹ 157 crore).
- The cash balance of the State at the end of the year increased by ₹ 860 crore as compared to the closing balance at the end of 2011-12.

After bringing down the revenue deficit to almost nil (₹ 13 crore) in 2010-11, the Government was able to attain a revenue surplus of ₹ 716 crore in the year 2011-12. During the current year, the revenue surplus further showed an increase of ₹ 1,071 crore and stood at ₹ 1,787 crore mainly due to appreciation in State's own revenue receipts (₹ 1,265 crore). Fiscal deficit, which stood at ₹ 1,757 crore in 2011-12, has also come down to ₹ 1,600 crore (1.48 *per cent* of the GSDP) leading to further consolidation of fiscal position of the State.

### ***1.1.2 Review of the fiscal Situation***

Major fiscal variables provided in the Budget based on recommendations of the 13th Finance Commission and as targeted in the FRBM Act of the State are given in **Table 1.2**.

Table-1.2

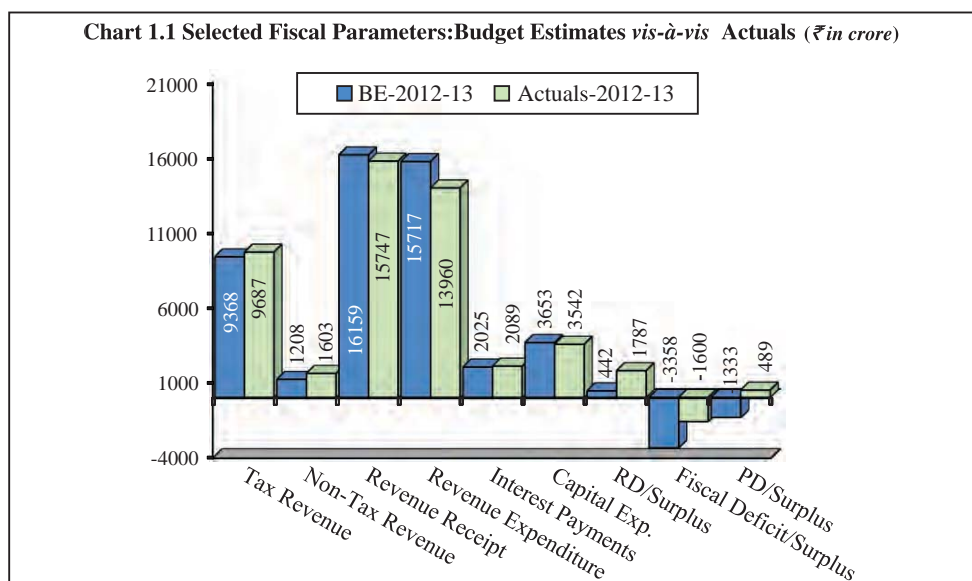
Fiscal variables	2012-13						
	Targets as prescribed in FRBM Act	Targets proposed in the Budget	Projections made in MTFP	Actuals	Percentage variation of actual over		
					Targets of FRBM Act	Targets of Budget	Projections MTFP
<b>Revenue Deficit (-)/ Surplus (+) (₹ in crore)</b>	To be brought down to nil by March 2015.	(+) 442	(+) 1,226	(+) 1,787	Achieved	(+) 304	(+) 46
<b>Fiscal Deficit/ GSDP (in per cent)</b>	3.50	3.12	3.09	1.48	58	53	52
<b>Ratio of total outstanding debt of the Government to GSDP (in per cent)</b>	40.00	23.27	23.19	23.57	41	1.29	1.64

In Uttarakhand, the FRBM Act was enacted in October 2005 paving the way for steps to be taken towards fiscal reforms and consolidation by the State Government. Thereby, the first Fiscal Correction Path (FCP) in the form of Mid Term Fiscal Policy Statement was laid in 2004-05 along with the annual Budget in the State Legislature.

The State Government has been on a fiscal consolidation path since the passing of the FRBM Act, 2005. The State Government has been able to maintain revenue surplus over the years barring in the year 2009-10. The fiscal deficit of the State has also remained within the prescribed limits of XII and XIII Finance Commissions.

### 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 fiscal policies for overall economic management. Deviations from the Budget Estimates (BEs) are indicative of non-attainment and non-optimisation of the desired fiscal objectives due to a variety of causes, some within the control of the Government. A comparison of the actuals against the BE in respect of various components showed mixed trend during 2012-13:



- The overall revenue receipts were short by ₹ 412 crore due to less receipt of funds of ₹ 1,125 crore (20.15 per cent) from GOI under grants-in-aid. The non-tax revenue has shown sharp increase over the previous year and was higher by ₹ 395 crore (32.69 per cent) against the BEs for the current year. The State's tax revenue against the BEs was also higher by ₹ 319 crore (3.41 per cent).
- The revenue expenditure was ₹ 1,757 crore (11.18 per cent) less than the BEs for the year.
- The expenditure under the capital head remained unutilised to the extent of ₹ 111 crore (3.04 per cent), mainly due to less disbursement under Education, Sports, Art & Culture, Health & Family Welfare, Water Supply, Sanitation, Housing and Urban Development.
- The budgetary projections during 2012-13 for Revenue, Fiscal and Primary Deficits were in line with the FRBM Act, 2005 (revised vide Uttarakhand Act No.72 of 2011) and *Th. FC* recommendations (**Chart 1.1**). The actuals for 2012-13 were well within the projections.

#### 1.1.4 Gender Budgeting

Gender Budget of the State discloses the expenditure proposed to be incurred within the overall budget on schemes which are designed to benefit women fully or partly. The provisions for the same had been made in the State budget with effect from Financial Year 2007-08. The year-wise allocations in the Gender Budget document are detailed in **Table 1.3**.

**Table-1.3**  
**Gender budgetary allocations during 2008-13** (₹ in crore)

Year	Outlay Under			Expenditure under		Total	Demands covered
	Category I	Category II	Total	Category I	Category II		
2008-09	165.36	310.42	475.78	119.63	741.64	861.27	20
2009-10	170.94	1,160.74	1,331.68	158.05	1,219.98	1,378.03	24
2010-11	255.19	1,274.24	1,529.43	177.31	1,324.59	1,501.90	26
2011-12	215.63	1,614.37	1,830.00	201.30	1,104.59	1,305.89	26
2012-13	316.41	1,921.49	2,237.90	280.26	*	280.26	29
<b>Total</b>	<b>1,123.53</b>	<b>6,281.26</b>	<b>7,404.79</b>	<b>936.55</b>	<b>4,390.80</b>	<b>5327.35</b>	

Source: Budget documents and Appropriation Accounts

\* Information not made available by the State Government

Budget allocation for gender budgeting has been categorised as Category I and Category II. Under Category I, the allocation is meant cent *per cent* for welfare of women. Under Category II, minimum 30 *per cent* allocation of the overall budget allocation is provided exclusively for women development. The allocations made under both categories over the period 2008-09 to 2012-13 by the Government of Uttarakhand have shown an unprecedented increase from ₹ 475.78 crore in 2008-09 to ₹ 2,237.90 crore in 2012-13.

However, for the proper implementation, monitoring and evaluation of the schemes being carried out under gender budgeting, the State Government has not constituted any dedicated gender budgeting cell at the State level. The State Government was also not in a position to provide the details of beneficiaries who had benefitted from gender budgeting. In the absence of any evaluation study, it could not be ascertained whether the gender budgeting was serving as a tool for upliftment of the women in the State.

Analysis of schemes of Gender Budget document (2012-13) under Category I in the departments of Transport and Welfare of Scheduled Castes showed the following:

#### Transport:

The Gender Budget document 2012-13 reflects only one scheme with respect to the Department of Transport under Category I. Its details are indicated in **Table 1.3 A**:

**Table 1.3 A**  
**Scheme under Category I of the Department of Transport** (₹ in crore)

Scheme	Allocation	Expenditure*	Saving	Percentage of saving
Re-imbursing free travelling by girl students in Uttarakhand Parivahan Nigam buses	5.00	0.80	4.20	84

\*Appropriation Accounts

The above table indicates that the only scheme designed for women empowerment for the year 2012-13 in the Transport Department, against an allocation of ₹ 5.00 crore, only ₹ 0.80 crore (16 *per cent*) could be utilised during the year.

### Welfare of Scheduled Castes:

The Gender Budget document 2012-13 reflects four schemes with respect to the Department of Welfare of Scheduled Castes under Category I. Its details are indicated in **Table 1.3 B**.

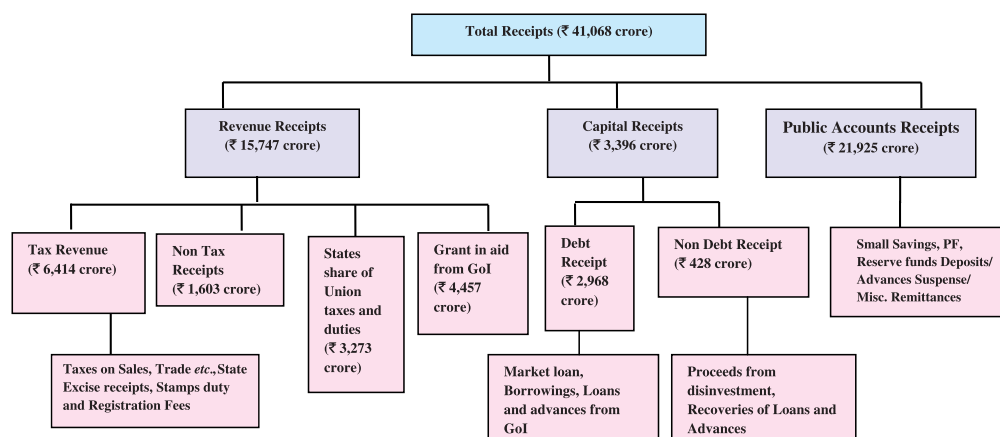
**Table 1.3 B**  
**Scheme under category I of Department of Welfare of Scheduled Castes**  
(₹ in crore)

Scheme	Allocation	Expenditure*	Saving	Percentage of saving
Kanya Dhan Yojana for education encouragement of SC girls	6.00	6.00	0.00	0.00
Prize to couples for marrying a widow	0.007	0.004	0.003	42.86
Grant to unsheltered widows for livelihood and settlement of their children	11.70	11.64	0.06	0.51
Construction of Babu Jagjivan Ram girls hostel	3.00	0.50	2.50	83.33

\*Appropriation Accounts

The above table indicates that out of four schemes designed for women empowerment, only one scheme could be fully implemented by the concerned Department. One scheme was lagging behind by more than 80 *per cent* as there was a saving of 83.33 *per cent*. The progress on the other two schemes was also not up to the mark.

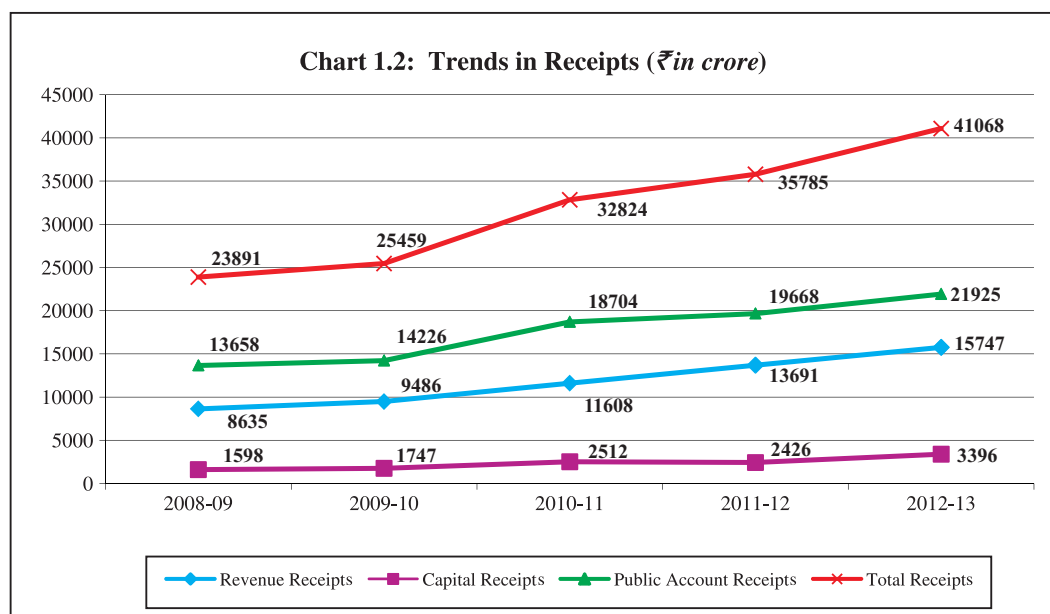
## 1.2 Resources of the State

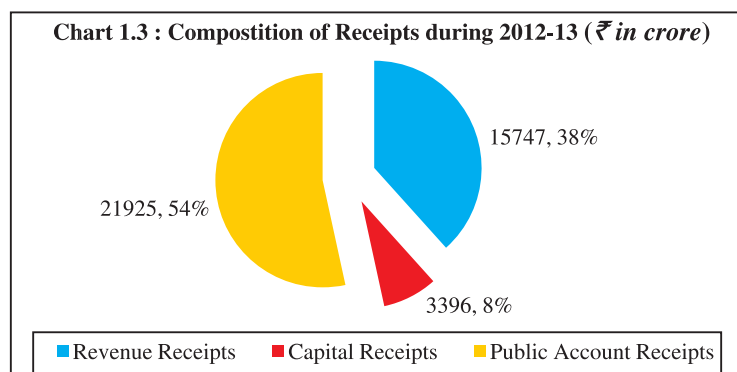




### 1.2.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, States' share of Union taxes and duties and grants-in-aid from Government of India (GOI). Capital receipts comprise of miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/ commercial banks) and loans and advances from GOI. Besides, funds available in the public accounts after disbursement are also utilised by the Government to finance its deficit. **Table-1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts (**Appendix-1.1**) while **Chart 1.2** depicts the trends in various components of the receipts of the State during 2008-13. **Chart 1.3** depicts the composition of resources of the State during the current year.





The total receipts of the Government (excluding Contingency Fund receipts) grew from ₹ 23,891 crore in 2008-09 to ₹ 41,068 crore in 2012-13 (71.90 *per cent*). Of the receipts of ₹ 41,068 crore in 2012-13, 54 *per cent* (₹ 21,925 crore) of the receipts came from the Public Account whereas 38 *per cent* (₹ 15,747 crore) and eight *per cent* (₹ 3,396 crore) share of the total receipts came from revenue receipts and borrowings respectively.

The revenue receipts of the State during the current year grew by 15.02 *per cent* over the previous year. However, as a percentage in the composition of total receipts, the revenue receipts remained unchanged during the year. Share of capital receipts in the total receipts has showed marginal appreciation on account of increased recovery of loans and advances during the year (**refer Table 1.1**).

#### Trends in Public Account receipts

- Receipts under Small Savings, Provident Fund, *etc.* and Reserve funds decreased by ₹ 113 crore and ₹ 369 crore respectively over the previous year.
- Suspense and Miscellaneous receipts increased by ₹ 2,644 crore (21.38 *per cent*) during the year mainly due to increase under the suspense head for Cheques and Bills (₹ 2,411 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 State implementing agencies outside the State Budget

The Central government has been transferring a sizeable quantum of funds directly to the State implementing agencies<sup>2</sup> for the implementation of various schemes/

<sup>2</sup> Refer glossary in **Appendix- 4.1**

programmes in social and economic sectors recognised as critical. These funds are not routed through the State Budget/ State Treasury system. Therefore, the State's receipts and expenditure as well as other fiscal variables/ parameters derived from them remained underestimated. To present a holistic picture on availability of aggregate resources, funds directly transferred to State implementing agencies are detailed in **Appendix-1.5**. Significant amounts transferred to the major programmes/schemes are presented in **Table 1.4**.

**Table-1.4**

**Significant amount of funds transferred directly to State implementing agencies**

(₹ in crore)

Sl. No.	Scheme Name	Agency Name/ Agency Type	Releases
1	Central Rural Sanitation Programme	Project Management Unit Swajal Project Uttarakhand Makhawala, Registered Societies (Government ABs)	25.42
2	Grants in aid to Forestry and Wild life Institutions	Forest Research Institute, (Indian Council of Forestry Research and Education), Registered Societies (Government ABs) (₹ 109.76 crore) and WII (Government ABs) (₹ 12.21 crore)	121.97
3	Mahatma Gandhi National Rural Employment Guarantee Scheme	DRDAs of various Districts, Registered Societies (Government ABs)	268.27
4	National Rural Drinking Water Program	SWSM Uttarakhand Dehradun, Registered Societies (Government ABs)	74.28
5	National Rural Health Mission (NRHM & JIIT) Centrally Sponsored	Uttaranchal Health & Family Welfare Society, Registered Societies (Government ABs) (₹ 110.34 crore) and SPO Uttarakhand, Dehradun (State Government PSUs) (₹ 3.04 crore)	113.38
6	Pradhan Mantri Gram Sadak Yojana (PMGSY)	Uttarakhand Rural Roads Development Agency Dehradun, Registered Societies (Government ABs)	151.24
7	Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	Uttarakhand Sabhi Ke Liye Madhyamik Shiksha Parishad, Registered Societies (Government ABs)	96.64
8	Rural Housing- IAY	District Rural Development Agency, Registered Societies (Government ABs)	40.81
9	Sarva Shiksha Abhiyan (SSA)	Uttarakhand Sabhi ke Liye Shiksha Parishad, Registered Societies (Government ABs)	180.45
10	Support to Indian Institute of Technology (IITs)	IIT Roorkee, Roorkee, Uttarakhand, Registered Societies (Government ABs)	146.20
<b>Total</b>			<b>1,218.66</b>

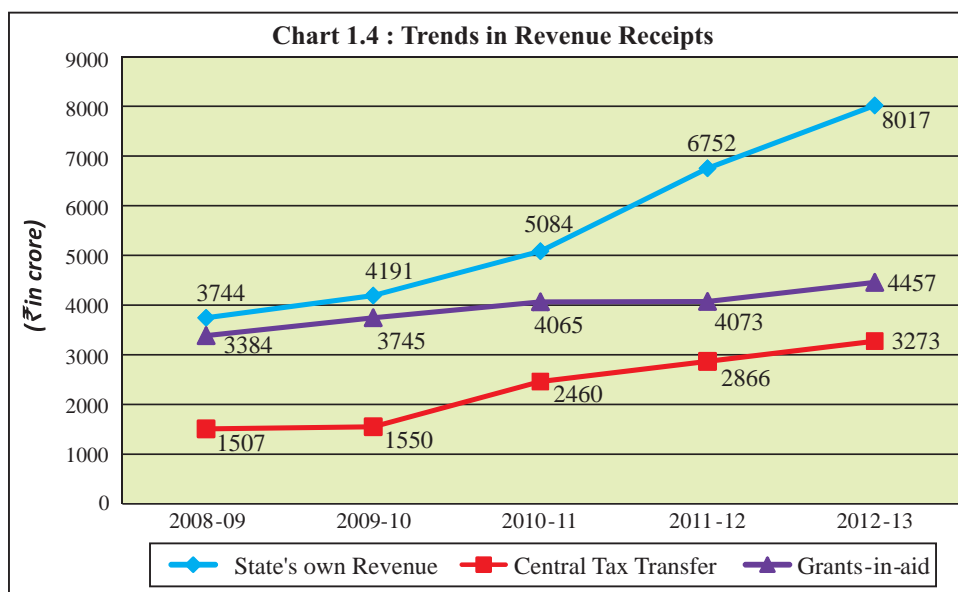
Source: Central Plan Scheme Monitoring System of Controller General of Accounts website.

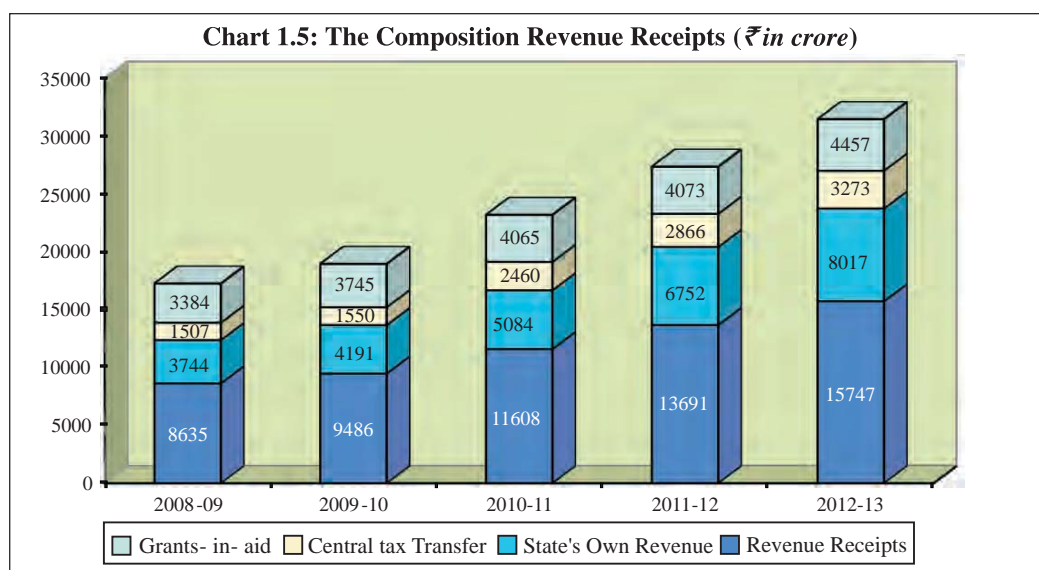
**Table 1.4** shows the significant amount of funds received by different agencies in Uttarakhand directly from various Ministries of GOI for the implementation of programmes under Social and Economic sectors. The programmes that received major portion of these funds during 2012-13 were (i) Mahatma Gandhi National

Rural Employment Guarantee Scheme - ₹ 268.27 crore (17.11 per cent), (ii) Sarva Shiksha Abhiyan - ₹ 180.45 crore (11.51 per cent), (iii) Pradhan Mantri Gram Sadak Yojana - ₹ 151.24 crore (9.65 per cent), (iv) Support to Indian Institute of Technology - ₹ 146.20 crore (9.32 per cent), (v) Grants-in-aid to Forest and Wild Life Institutions - ₹ 121.97 crore (7.78 per cent), (vi) National Rural Health Mission - ₹ 113.38 crore (7.23 per cent), (vii) Rashtriya Madhyamik Shiksha Abhiyan - ₹ 96.64 crore (6.16 per cent) and (viii) National Rural Drinking Water Programme - ₹ 74.28 crore (4.74 per cent). Thus, with the transfer of ₹ 1,568 crore during 2012-13 (**Appendix-1.5**) by GOI directly to the State implementing agencies, the total availability of State resources increased from ₹ 41,068 crore to ₹ 42,636 crore. It is also evident that there is no single agency monitoring the funds transferred by the GOI directly to the implementing agencies. As such, there is no readily available data on how much fund is actually spent in any particular year on major flagship schemes and other important schemes which are being undertaken by the State implementing agencies.

### 1.3 Revenue Receipts

**Statement-11** 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 GOI. The trends and composition of revenue receipts over the period 2008-09 to 2012-13 are presented in **Appendix-1.3** and are also depicted in **Charts 1.4** and **1.5** respectively.





The revenue receipts have shown a constant increase over the period 2008-09 to 2012-13. It increased from ₹ 8,635 crore in 2008-09 to ₹ 15,747 crore in 2012-13 at an average rate of 14.92 *per cent*.

While 50.91 *per cent* of the revenue receipts during 2012-13 came from the State's own tax and non-tax revenue, the aggregate of Central tax transfers and grants-in-aid contributed the remaining 49.09 *per cent* of the total revenue.

On an average, State's own receipts constituted around 46.31 *per cent* of its revenue receipts over the period 2008-09 to 2012-13 (**Chart-1.5**). This showed continued dependency 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 1.5**.

**Table-1.5**  
**Trends in revenue receipts relative to GSDP**

	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Revenue Receipts (RR) (₹ in crore)</b>	<b>8,635</b>	<b>9,486</b>	<b>11,608</b>	<b>13,691</b>	<b>15,747</b>
<b>Rate of growth of RR (<i>per cent</i>)</b>	9.43	9.86	22.37	17.94	15.02
<b>R R/ GSDP (<i>per cent</i>)</b>	15.41	13.32	14.08	14.38	14.53
<b>Buoyancy Ratios<sup>3</sup></b>					
<b>Revenue Buoyancy w.r.t. GSDP</b>	0.43	0.38	1.20	1.48	1.00
<b>State's Own Tax Buoyancy w.r.t. GSDP</b>	0.50	0.64	1.27	2.26	0.94

<sup>3</sup> Refer glossary in **Appendix-4.1**

The rate of growth of revenue receipts showed an increasing trend over the period 2008-09 to 2010-11. The growth rate grew to 22.37 *per cent* during 2010-11 and thereafter it began to decline and came down to 15.02 *per cent* in 2012-13. The growth rate for 2012-13 declined by 2.92 *per cent* over the previous year. The buoyancy ratio of State's own taxes with reference to GSDP, were below one during 2008-09 and 2009-10 and showed an increase in 2010-11 and 2011-12. In the current year, State's own taxes again showed lower buoyancy over the previous year indicating decreased tax revenue collection in comparison to growth in GSDP. For every one *per cent* increase in GSDP, State's own taxes increased by 0.94 *per cent* in 2012-13.

### **1.3.1 State's Own resources**

As the State's share in Central taxes and grants-in-aid are determined on the basis of recommendations of the Finance Commission, the State's performance in mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The 13th Finance Commission projections, BEs and MTFP projections *vis-à-vis* actuals in respect of State's own resources are mentioned in **Table 1.6**.

**Table-1.6**  
**States Own resources: Projection *vis-à-vis* actual** (₹ in crore)

	Th. FC projections	Budget estimates	MTFP projections	Actual	Percentage variation of actual over		
					Th. FC projections	Budget estimates	MTFP projections
<b>Tax Revenue</b>	5,459	5,980	6,050	6,414	17.49	7.26	6.02
<b>Non-Tax Revenue</b>	991	1,208	1,517	1,603	61.76	32.70	5.67

As shown in **Table 1.6**, the State's own resources *vis-à-vis* projections made by the Thirteenth Finance Commission (*Th FC*) showed that tax revenue at ₹ 6,414 crore during 2012-13 exceeded the normative assessment of ₹ 5,459 crore made by *Th FC* for the year.

The State's own tax revenue during the year also exceeded the target set forth by the State Government in its Budget Estimates (BEs) by ₹ 434 crore. This component also remained higher than the target set forth (₹ 6,050 crore) in the Mid Term Fiscal Policy Statement (MTFPS).

The Non-tax revenue (NTR) at ₹ 1,603 crore was higher by ₹ 612 crore as compared to *Th FC* projections. The actual realisation under NTR was higher by ₹ 395 crore as compared to BEs and ₹ 86 crore higher in comparison to MTFPS (₹ 1,517 crore).

### 1.3.1.1 Tax revenue

The gross collection in respect of major taxes and duties are given in **Table 1.7**.

**Table-1.7**  
Components of State's own resources (₹ in crore)

Revenue Head	2008-09	2009-10	2010-11	2011-12	2012-13
Taxes on Sales, Trades etc.	1,911 (17)	2,247 (18)	2,940 (31)	3,644 (24)	4,289 (18)
State Excise	528 (19)	705 (34)	756 (7)	844 (12)	1,118 (32)
Taxes on Vehicles	167 (8)	184 (10)	227 (23)	335 (48)	304 (-9)
Stamp Duty and Registration Fee	357 (-16)	399 (12)	440 (10)	524 (19)	648 (24)
Taxes on Goods and Passengers	06	--	--	--	--
Other Taxes	76 (-16)	24 (-68)	42 (75)	269 (540)	55 (-80)
<b>Total</b>	<b>3,045 (11)</b>	<b>3,559 (17)</b>	<b>4,405 (24)</b>	<b>5,616 (27)</b>	<b>6,414 (14)</b>

Figures in the parentheses indicate percentage increase over previous year

The State's own tax revenue increased by 14.21 per cent from ₹ 5,616 crore in 2011-12 to ₹ 6,414 crore in 2012-13. However, the rate of growth during the year in comparison to previous year declined from 27 per cent to 14 per cent. The revenue from taxes on Sales, Trade, etc. not only comprised a major share of tax revenue (66.87 per cent) but also registered an increase of 17.70 per cent over the previous year. Another major contributor to the State's own tax revenue was State Excise, the growth rate of which has showed mixed trends over the period 2008-09 to 2012-13.

### 1.3.1.2 Non-tax revenue

Growth rate of non-tax revenue is given in **Table 1.8**.

**Table-1.8**  
Trends of non-tax revenue receipt (₹ in crore)

Revenue Head	2008-09	2009-10	2010-11	2011-12	2012-13
Interest receipts	68	54	54	51	115
Dividends & Profits	0.23	0.07	0.21	0.05	0.19
Other non-tax receipts	630.77	577.93	623.79	1,048.95	1,487.81
<b>Total</b>	<b>699</b>	<b>632</b>	<b>678</b>	<b>1,136</b>	<b>1,603</b>
<i>Per cent increase over previous year</i>	<i>4.64</i>	<i>(-) 9.59</i>	<i>7.28</i>	<i>67.55</i>	<i>41.11</i>

Non-tax revenue after showing some appreciation in 2008-09 decreased by 10 per cent during 2009-10. However, NTR appreciated again by 7.28 per cent during the year 2010-11. During the year 2011-12, it increased significantly by



67.56 *per cent*. In the current year, it again showed a quantum jump of 41.11 *per cent* over previous year mainly due to increase in contributions and recoveries towards pension and retirement benefits (₹ 301 crore) and Power (₹ 108.80 crore).

The quantum jump in the NTR during the year was mainly due to the apportionment of pension liabilities of erstwhile composite State of Uttar Pradesh between successor states of Uttar Pradesh and Uttarakhand. Consequently, the State of Uttarakhand received ₹ 703 crore as apportionment from Uttar Pradesh during the year.

The other major contributors to NTR during 2012-13 were Forestry and Wild Life (₹ 238 crore), Power (₹ 150 crore), Interest Receipts (₹ 115 crore) and Non-ferrous Mining & Metallurgical Industries (₹ 110 crore). Average contribution of interest receipts to NTR was 7.58 *per cent* over the period 2008-09 to 2012-13.

### **1.3.2 Grants-in-aid from GOI**

Grants-in-aid received from GOI during 2008-09 to 2012-13 is depicted in **Table 1.9**.

**Table-1.9**  
**Trends in grants-in-aid receipt from GOI** (₹ in crore)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Non-plan grants	1,270	1,183	1,435	762	869
Grants for State plan schemes	1,906	2,334	2,253	2,840	3,040
Grants for Central plan schemes	08	11	21	10	8
Grants for Centrally sponsored plan schemes	200	217	356	462	540
<b>Total</b>	<b>3,384</b>	<b>3,745</b>	<b>4,065</b>	<b>4,074</b>	<b>4,457</b>
Percentage of increase over previous year	11	11	9	00	9
Percentage of revenue receipts	39	39	35	30	28

The grants-in-aid from GOI had shown an increase over the period 2008-09 to 2012-13. It increased from ₹ 3,384 crore in 2008-09 to ₹ 4,457 crore in 2012-13. The increase over previous year was ₹ 383 crore (9.40 *per cent*) mainly due to increase in grants for State plan schemes (₹ 200 crore), grants for various non-plan grants (₹ 107 crore) and grants for Centrally sponsored plan schemes (₹ 78 crore).

### **1.3.3 Central tax transfers**

The receipts in the form of State's share in Union taxes and duties have increased by ₹ 407 crore (14.20 *per cent*) from ₹ 2,866 crore in 2011-12 to ₹ 3,273 crore in 2012-13. The overall increase in Central tax transfers (₹ 407 crore) was due to increase in Service tax (₹ 136 crore), taxes on income other than Corporation tax (₹ 131 crore), taxes on Customs and Central Excise (₹ 95 crore) and Corporation tax (₹ 48 crore) offset by decrease in taxes on wealth by ₹ 3.00 crore.



### 1.3.4 Utilisation of the XIII Finance Commission grants

The 13th Finance Commission had recommended ₹ 3,063 crore as transfer to the State during the period 2010-11 to 2014-15 out of which ₹ 950.13 crore had been released upto 31 March 2013. The details of recommendations, actual release and its utilisation are given in **Table 1.10**.

**Table-1.10**  
**Transfers recommended and actual release of grants-in-aid** (₹ in crore)

Sl. No.	Transfers	Recommendation of the FC	Actual Release	Utilised amount
1.	<b>Local Bodies</b>			
	(a) Grants to PRIs	386.42	166.64	124.02
	(b) General performance grants to PRIs	204.56		3.43
	(c) Grants to ULBs	124.38	56.49	33.44
	(d) General performance grants to ULBs	65.84		
2.	<b>Disaster Relief</b>			
	(i) Disaster Relief Fund	585.14	211.48	105.89
	(ii) Capacity Building	20.00	12.00	8.00
3.	<b>Improving outcome grants</b>			
	(i) Improvement in justice delivery	102.22	30.66	20.41
	(ii) Incentive for issuing UIDs	36.00	3.60	00.00
	(iii) Statistical System Improvement	13.00	2.60	2.58
	(iv) Employee and Pension Data Base	5.00	2.50	5.18
	(v) District Innovation Fund	13.00	6.50	00.00
4.	<b>Environment related grants</b>			
	(i) Forest	205.44	89.88	88.48
	(ii) Water Sector Management	76.00	19.00	00.00
5.	<b>Elementary Education</b>	197.00	106.00	106.00
6.	<b>Roads and Bridges</b>	329.00	149.00	149.00
7.	<b>State specific grants</b>			
	(i) Sewerage Scheme for Dehradun	150.00	15.55	00.00
	(ii) Police Training and Up gradation of Police Infrastructure	70.00	21.00	17.06
	(iii) Development of Tourism	100.00	14.78	11.15
	(iv) Establishment of Five Nursery training Colleges	100.00	00.00	00.00
	(v) Construction of New Legislative Assembly Building	88.00	00.00	00.00
	(vi) Development of Culture	45.00	11.25	00.00
	(vii) Creation of International Level Sports Complex at Haldwani (Nainital)	25.00	00.00	00.00
	(viii) Upgradation of Uttarakhand Board of Technical Education ,Roorkee	17.00	00.00	00.00
	(ix) Border Area Development	105.00	31.20	00.00
	<b>Total</b>	<b>3,063.00</b>	<b>950.13</b>	<b>674.64</b>

\*Source: State Government

Audit analysis of information/ data pertaining to releases made by GOI in pursuance to Th. FC recommendations during the year 2012-13 and its utilisation by various departments/ agencies of the State Government showed that:

- Against the released amount of ₹ 950 crore, the State government could utilise only ₹ 675 crore (71 *per cent*) upto 31 March 2013.
- Under utilisation of funds (70 *per cent*) was noticed in respect of State specific grants.

#### **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 issue of State development loans. The share of non-debt capital receipts and loans/ advances from the Union government is negligible and capital receipts are mainly borrowing from banks, financial institutions and 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	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Capital Receipts (CR)</b>	<b>1,598</b>	<b>1,748</b>	<b>2,512</b>	<b>2,427</b>	<b>3,396</b>
Miscellaneous Capital Receipts	--	--	--	--	--
Recovery of Loans and Advances	54	65	85	91	428
Public Debt Receipts	1,544	1,683	2,427	2,336	2,968
Rate of growth of debt capital receipts ( <i>per cent</i> )	11	9	44	(-)4	27
Rate of growth of non-debt capital receipts	(-)21	20	31	7	370
Rate of growth of GSDP	22.18	26.25	18.71	12.14	15.06
Rate of growth of CR ( <i>per cent</i> )	9	9	44	(-) 3	40

##### **1.4.1 Recoveries of loans and advances**

The rate of growth of recoveries from loans and advances showed an increasing trend over the period 2008-09 to 2012-13. It continued to grow at an average rate of 19 *per cent* from 2009-10 to 2011-12. However, recoveries during the current year were mainly due to repayments made by Energy sector (₹ 422 crore).

#### 1.4.2 Debt receipts from internal sources

Debt receipts comprising Market loans, loans from financial institutions, *etc.* over the period 2008-09 to 2012-13 continued to be a source of receipts of the Government. Despite being a revenue surplus State coupled with comfortable cash balance, the government still resorted to obtain funds by way of internal borrowings.

#### 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 GOI is only 2.52 *per cent* of its total Public Debt.

### 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 and are not subject to vote by the State Legislature. The balance after disbursements is the total amount available with the government for use. **Table 1.12** depicts the public account receipts of the government during 2008-09 to 2012-13.

**Table-1.12**  
**Trends of Public Account Receipts** (₹ in crore)

Resources under various heads	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Public Account Receipts</b>					
a. Small Savings, Provident fund <i>etc.</i>	868	1,422	1,373	1,272	1,159
b. Reserve Funds	169	52	153	649	280
c. Deposits and Advances	1,748	2,223	2,464	2,331	2,359
d. Suspense and Miscellaneous	7,846	9,387	11,460	12,366	15,010
e. Remittances	3,027	1,142	3,254	3,050	3,117
<b>Total</b>	<b>13,658</b>	<b>14,226</b>	<b>18,704</b>	<b>19,668</b>	<b>21,925</b>

**Table 1.12** shows that public account receipts increased from 2008-09 to 2012-13 by ₹ 8,267 crore (61 *per cent*) which was mainly due to increase in suspense and miscellaneous by ₹ 7,164 crore (91 *per cent*).

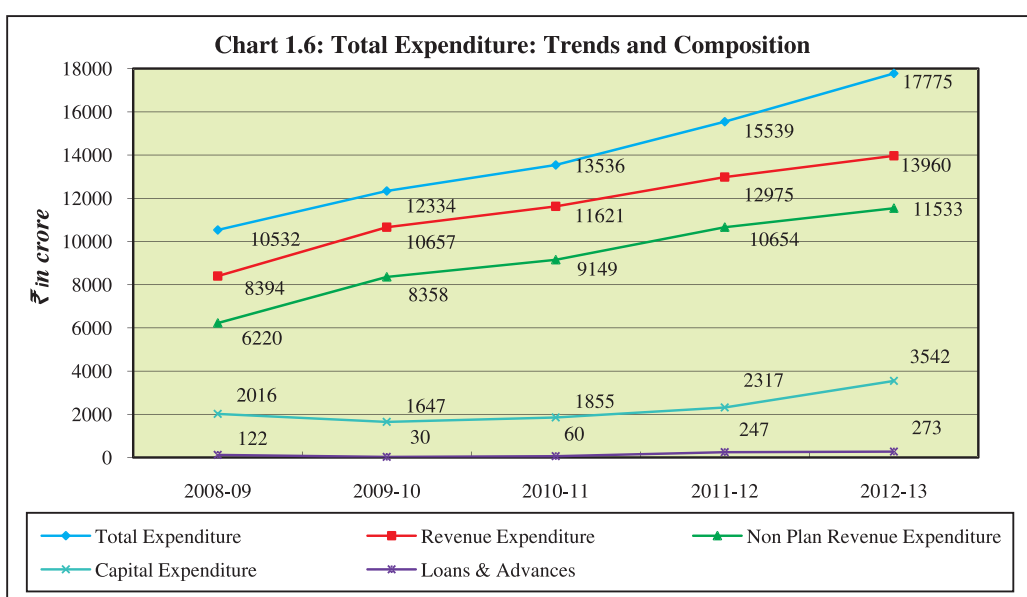
### 1.6 Application of Resources

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 and social sectors. Following is an analysis of allocation of expenditure in the State.

### 1.6.1 Growth and composition of expenditure

**Chart 1.6** presents the trends in total expenditure over a period of five years (2008-09 to 2012-13) and its composition both in terms of 'economic classification' and 'expenditure by activities' are depicted in **Charts 1.7 and 1.8** respectively.

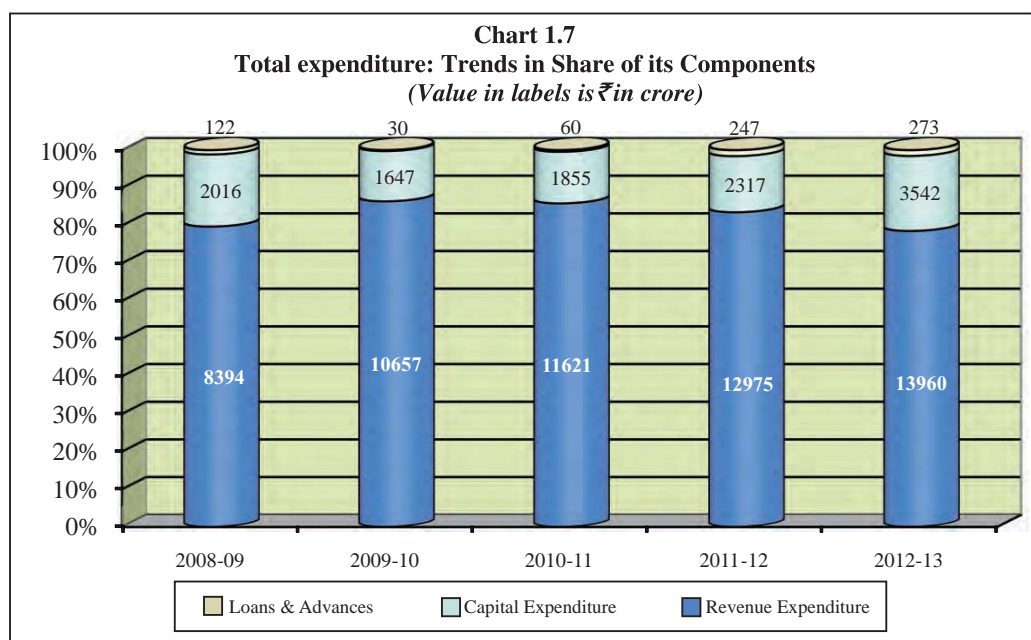


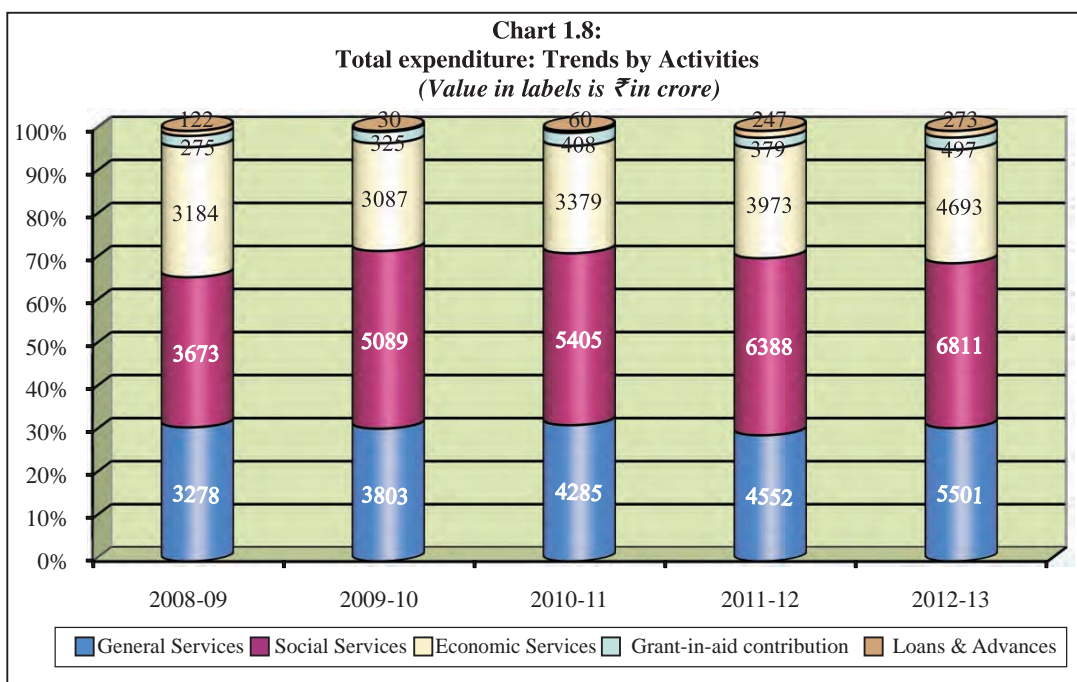
**Total expenditure (TE)** of the State increased at an average rate of 12.92 *per cent* per annum during 2008-13. An increase of ₹ 2,236 crore (14.39 *per cent*) in total expenditure during 2012-13 over the previous year was due to increase in revenue expenditure (RE) and capital expenditure (CE) by ₹ 985 crore and ₹ 1,225 crore respectively. The disbursement of loans and advances also increased by ₹ 26 crore.

**Revenue expenditure (RE):** The increase in RE (₹ 985 crore) during the current year was due to increase in expenditure towards (i) General Services (₹ 897 crore), (ii) grants-in-aid and contribution (₹ 118 crore) and (iii) Social Services (₹ 76 crore). The increase was offset by decrease in expenditure in Economic Services (₹ 106 crore).

**Capital expenditure (CE):** The increase in CE (₹ 1,225 crore) during the year was due to increase in (i) Social Services (₹ 346 crore), (ii) Economic Services (₹ 827 crore) and (iii) General Services (₹ 52 crore). As *per cent* of TE, it showed a fluctuating trend over the period 2008-09 to 2012-13 which was 19.14 *per cent* in 2008-09 and 19.93 *per cent* in the year 2012-13. The CE declined in 2009-10 as compared to 2008-09 but it again showed an increasing trend during the last three years and stood at ₹ 3,542 crore during the current year. The actual expenditure was, however, below the target set forth by the State Government in its Budget (₹ 3,653 crore) and MTFPS (₹ 4,547 crore).

The relative share of these components of expenditure, which had almost remained unchanged in the recent past (2009-12), has shown a turnaround during the current year on account of increased share of capital expenditure. The share of expenditure on General Services including interest payments, which is considered as non-developmental, remained almost unchanged during 2008-09 to 2012-13. Expenditure under Social Services has decreased from 41 *per cent* in 2011-12 to 38 *per cent* in 2012-13. Economic Services showed a declining trend during the period 2008-09 to 2010-11 and remained almost unchanged during 2011-12 and 2012-13.





The **revenue expenditure** of the State increased by ₹ 5,566 crore (66.31 *per cent*) from ₹ 8,394 crore to ₹ 13,960 crore during the period 2008-09 to 2012-13 at an average annual rate of 14.19 *per cent*.

**Non-plan revenue expenditure (NPRE)** of the State increased by ₹ 5,313 crore (85.42 *per cent*) from ₹ 6,220 crore in 2008-09 to ₹ 11,533 crore in 2012-13. During the current year, the increase in NPRE (₹ 879 crore) was mainly due to increase in expenditure under salaries (₹ 480 crore) and interest payments (₹ 320 crore).

The share of **plan revenue expenditure (PRE)** in the revenue expenditure of the State increased during 2008-11 but showed a decrease of ₹ 151 crore (6.11 *per cent*) during 2011-12. During the current year, it again increased by ₹ 106 crore (4.57 *per cent*) over the previous year, mainly on account of increase in expenditure under Education, Sports, Art and Culture (₹ 143 crore), Health and Family Welfare (₹ 57 crore), Social Welfare (₹ 39 crore) and Transport (₹ 11 crore). This was partly counterbalanced by decrease in the expenditure under Agriculture (₹ 151 crore) and Rural Development (₹ 57 crore).

Further, **Table 1.13** depicts the details of actual NPRE with reference to projections made by the State Government at different stages during the year 2012-13.

**Table-1.13**  
**Actual NPRE vis-à-vis projections for 2012-13**  
*(₹ in crore)*

Non-Plan Revenue Expenditure (NPRE)	Assessment made by <i>ThFC</i>	Assessment made by State Government in		Actuals
		Budget	MTFPS	
	9,390	14,883	15,017	11,533

*Source: Th FC Report, Annual Financial Report (GoUK) and Finance Accounts*

During the current year, the NPRE (₹ 11,533 crore) exceeded the normative assessment made by the *Th FC* (₹ 9,390 crore) by ₹ 2,143 crore (22.82 per cent) but was lesser than the projections made by the State Government in its Budget (₹ 14,883 crore) and MTFPS (₹ 15,017 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** and **Chart 1.9** present the trends in the expenditure on these components during 2008-13.

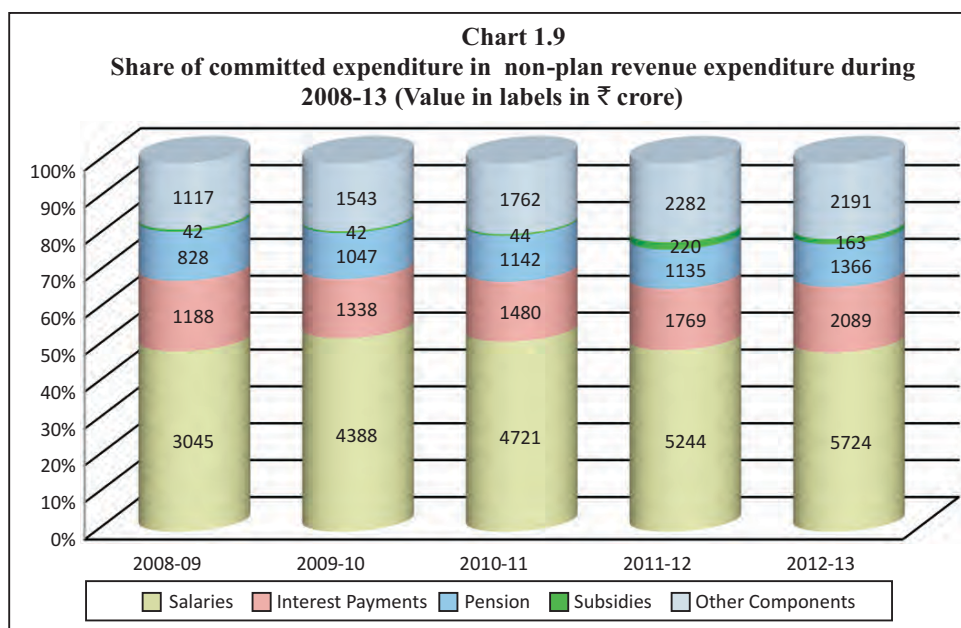
**Table-1.14**  
**Components of Committed Expenditure**  
*(₹ in crore)*

Components of Committed Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13		
					BE	Actuals	Percentage of variation
Salaries & Wages, of which	3,045 (35)	4,388 (46)	4,721 (41)	5,244 (40)	6,513 (41)	5,724 (41)	(-) 12.11
Non-Plan Head	2,728	4,114	4,464	4,971		5,423	
Plan Head*	317	274	257	273		301	
Interest Payments	1,188 (14)	1,338 (14)	1,480 (13)	1,769 (14)	2,025 (13)	2,089 (15)	(+) 3.16
Expenditure on Pensions	828 (10)	1,047 (11)	1,142 (10)	1,135 (9)	1,440 (9)	1,366 (10)	(-) 5.14
Subsidies	42 (0.50)	42 (0.44)	44	220 (2)	397 (3)	163 (1)	(-) 58.94
Total Committed Expenditure	5,103	6,815	7,387	8,368 (64)	10,375 (66)	9,342 (67)	(-) 9.96
Other Components	1,117	1,543	1,762	2,286	4,508	2,191	(-) 51.40
Total NPRE	6,220	8,358	9,149	10,654	14,883	11,533	(-) 22.51
Total Revenue Expenditure	8,394	10,657	11,621	12,975	15,717	13,960	(-) 11.18
Revenue Receipts	8,635	9,486	11,608	13,691	16,159	15,747	(-) 2.55

*Figures in the parentheses indicate percentage to revenue receipts*

\*Plan Head also includes the salaries and wages paid under Centrally sponsored schemes





The committed expenditure which was 59.10 *per cent* of revenue receipts in 2008-09, remained more or less the same (59.33 *per cent*) during the current year. However, it increased by ₹ 4,239 crore over the period 2008-13. The State Government may take steps to contain the committed expenditure as it leaves little scope for the government to spend more on developmental activities.

### Salaries and Wages

The expenditure on salaries increased by 44 *per cent* (₹ 1,343 crore) from ₹ 3,045 crore in 2008-09 to ₹ 4,388 crore in 2009-10, due to implementation of the recommendations of the Sixth Pay Commission. Thereafter, the expenditure on salaries during the years 2010-11, 2011-12 and 2012-13 grew by 7.59 *per cent*, 11.08 *per cent* and 9.15 *per cent* respectively. Salary expenditure during these three years was still higher than the *Th FC* projections. However, it was well below the target fixed by the State Government in its Budget (₹ 6,513 crore) and MTFPS (₹ 6,505 crore) for the current year.

Thirteenth Finance Commission prescribed that expenditure under the head salaries should be 35 *per cent* net of interest payments and pensions of revenue expenditure while the actual expenditure on salaries accounted for around 50 *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 ₹ 1,366 crore in 2012-13, which constituted 8.67 *per cent* of the revenue receipts. Pension payments during 2011-12 remained almost stagnant as compared to the previous year but during the current year, pension payments increased by 20.35 *per cent* over the previous year. The pension payments during the current year were also slightly higher (₹ 37 crore) than the normative assessment (₹ 1,329 crore) made by *Th FC* for the current year (Annexure 7.7 of *Th FC* Report).

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

### Interest payments

As shown in **Table 1.14**, interest payments increased by 75.84 *per cent* during 2008-13 primarily on account of earlier borrowings. Interest payments during 2012-13 included interest on Internal Debt<sup>4</sup> (₹ 1,486 crore), Small Savings, Provident Fund *etc.* (₹ 402 crore), other obligations (₹ 162 crore) and loan and advances from Government of India (₹ 39 crore). Interest payments (₹ 2,089 crore) during the current year were 13.27 *per cent* of RR, which were higher than the target of ₹ 2,025 crore set by the State Government in its Budget and also higher by ₹ 332 crore than the normative assessment (₹ 1,757 crore) made by the *Th FC* for the current year. However, the interest payment was less by ₹ 30 crore than the target of ₹ 2,119 crore fixed in 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 fall in the category of implicit subsidies.

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<sup>4</sup> Refer glossary in **Appendix-4.1**

Finance Accounts (Appendix III) showed an explicit subsidy of ₹ 41.94 crore (2008-2009), ₹ 42.45 crore (2009-10), ₹ 43.49 crore (2010-11), ₹ 219.67 crore (2011-12) and ₹ 163.23 crore (2012-13) during the last five years.

The amount of subsidy given during the year showed a decrease of ₹ 56.44 crore (25.69 per cent) as compared to the previous year. The decrease was mainly on account of less amount of subsidy given to Food (₹ 53.36 crore).

### **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.**

(₹ in crore)

Financial Assistance to Institutions	2008-09	2009-10	2010-11	2011-12	2012-13	
					BE	ACTUAL
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	198.99	267.99	488.49	403.45	526.25	501.83
Municipal Corporations and Municipalities	106.20	122.47	154.72	175.76	352.24	306.28
Zila Parishads and Other Panchayati Raj Institutions	168.57	202.25	252.96	203.04	495.68	190.59
Development Agencies	588.44	571.47	526.00	409.35	572.43	480.80
Hospitals and Other Charitable Institutions	38.89	44.52	71.23	86.98	137.05	134.78
Energy (Non-conventional source of energy)	69.79	24.39	7.50	6.32	12.57	12.89
Agriculture Research and education institution Land Reforms for updating land records and Wild life Preservation	217.73	98.62	151.15	205.54	203.18	79.71
Co-operatives	3.49	13.22	9.56	7.30	12.32	9.75
Animal Husbandry, Dairy Development and Fisheries	31.51	14.79	13.16	8.65	9.85	8.75
Secretariat Economics Services & Tourism	27.51	11.43	18.43	29.34	69.10	36.28
Social Security & Welfare of Scheduled Caste, Scheduled Tribe & Other Backward Classes	122.77	133.65	97.46	211.10	271.71	254.31
Other Institutions	85.46	371.24	131.61	31.12	136.37	115.75
<b>Total</b>	<b>1,659.35</b>	<b>1,876.04</b>	<b>1,922.27</b>	<b>1,777.95</b>	<b>2,798.75</b>	<b>2,131.72</b>
Assistance as per percentage of RE	19.77	17.60	16.54	13.70	17.80	15.27

Source: VLC, Pr. Accountant General (A&E), Uttarakhand

The total assistance to local bodies and other institutions showed a fluctuating trend over the period 2008-09 to 2012-13. The assistance to these bodies declined by ₹ 144 crore (7.51 *per cent*) in the year 2011-12 in comparison to 2010-11. However, the assistance during the year increased by ₹ 354 crore (19.90 *per cent*). Universities and educational institutions and development agencies together accounted for 46 *per cent* of the total financial assistance.

The increase in assistance during the year was mainly under educational institutions (₹ 98 crore), Urban Local Bodies and PRIs (₹ 118 crore), Hospital and other Charitable Institutions (₹ 48 crore) and Development Agencies (₹ 71 crore) which was partially counter balanced by decrease in assistance to Agriculture (₹ 126 crore).

#### ***1.6.4 Local Bodies: Introduction, devolution of functions, funds and accounting, auditing and reporting arrangements***

The State of Uttarakhand was formed in November 2000. The Office of the Senior Deputy Accountant General (Local Bodies Audit & Accounts), Uttarakhand, Dehradun under the administrative control of the then Principal Accountant General (A&E) Uttarakhand, Dehradun was established in 2004. After restructuring of Audit functions in IA&AD in 2012, the erstwhile Office of the Sr. DAG (LBA & A), Uttarakhand was merged with Social & LB Sector in the Office of the Principal Accountant General (Audit), Uttarakhand, Dehradun.

In Uttarakhand, there are 7,663 auditee units of PRIs having three categories *viz.* Gram Panchayats, Intermediate Panchayats and District Panchayats and 72 auditee units of ULBs categorised as Nagar Nigam, Nagar Palika Parishads and Nagar Panchayats under the audit jurisdiction.

#### **Functions of PRIs and ULBs:**

As envisaged in the 73<sup>rd</sup> Constitutional Amendment, 1993 and functions listed in 11<sup>th</sup> Schedule (Article 243 G), there are 29 functions identified for PRIs and as envisaged in 74<sup>th</sup> Constitutional Amendment, 1993 and functions listed in 12<sup>th</sup> Schedule (Article 243 W), there are 18 functions identified for ULBs. Out of these envisaged functions, the Uttarakhand Government has devolved only 14 functions to the three tiers of Panchayati Raj Institutions and 13 functions to the Urban Local Bodies of the State in the years 2006 and 2009 respectively.

**Functionaries:**

Functionaries relating to delegated functions to PRIs and ULBs had not been transferred to all the three tiers of Panchayati Raj Institutions and ULBs of Uttarakhand as yet. However, Government Orders pertaining to these functions have already been issued by the concerned departments of the State Government.

**Accounting, auditing and reporting arrangements:**

A new Budget and Accounting format has been prescribed by the Comptroller and Auditor General of India (CAG) all over India for preparation and maintenance of budget and accounts by the Local Bodies. It aims at providing uniformity to the LB accounts all over India. The State Government has adopted all these prescribed formats for PRIs and ULBs in 2005.

The audit of PRIs and ULBs, which are significantly financed from the Consolidated Funds of the Union and/ or State governments, are conducted by the CAG under *Section 14* of the Comptroller and Auditor General's (Duties, Powers & Conditions of Service) Act, 1971, wherever applicable. The State Government has also entrusted the audit of PRIs and ULBs to the CAG under Technical Guidance and Support arrangements under *Section 20 (1)* of the CAG's (DPC) Act, 1971. Accordingly, Audit of PRIs and ULBs, which are not covered under *Section 14* of the CAG's (DPC) Act, 1971, are taken up for Audit under *Section 20 (1)* of CAG's (DPC) Act, 1971. Audit findings arising out of conduct of such Audit is conveyed to the State Government in the form of an Annual Technical Inspection Report under Rule 155 of Regulations of Audit and Accounts, 2007.

## **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 use and the effectiveness (assessment of outlay-outcome relationships for select services).

### **1.7.1 Adequacy of Public expenditure**

**Table 1.16** analyses the fiscal priority of the State Government with regard to development expenditure (DE), social sector expenditure (SSE) and capital expenditure (CE) during the current year.

**Table-1.16**  
**Fiscal Priority of the State during 2008-09 and 2012-13** (₹ in per cent)

Fiscal Priority by the State	AE/GSDP	DE#/AE	SSE/AE	CE/AE
Uttarakhand's Average (Ratio) 2008-09	18.80	66.21	34.87	19.14
Uttarakhand's Average (Ratio) 2012-13	16.41	66.25	38.32	19.93
AE: Aggregate Expenditure DE: Development Expenditure SSE: Social Sector Expenditure # Development expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed. Source: (1) For GSDP, the information was collected from the State's Directorate of Economics and/Instified Statistics ( <b>Appendix-1.2 Part A</b> ).				

Fiscal priority refers to the priority given to a particular category of expenditure by the State. A comparative study of expenditure in 2012-13 with that in 2008-09 showed the following:

- The Government's aggregate expenditure as a proportion of GSDP in 2012-13 in comparison to 2008-09 was lesser by 2.39 *per cent*.
- Development expenditure (DE) as a proportion of aggregate expenditure (AE) was almost the same during 2008-09 and 2012-13.
- Social sector expenditure as a proportion of AE was higher by 3.45 *per cent*.
- Although, the capital expenditure during the current year increased by 52.87 *per cent*, yet the proportion of capital expenditure (CE) in AE remained almost unchanged.

### 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 governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods<sup>5</sup>. Apart from improving the allocation towards development expenditure<sup>6</sup>, 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 years *vis-à-vis* allocations, **Table 1.18** provides the details of

<sup>5</sup> Refer the glossary in **Appendix-4.1**

<sup>6</sup> Refer the glossary in **Appendix-4.1**

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 in the total expenditure showed an inter-year variation during the period 2008-13 and remained on an average 50 per cent during the period. During the current year 2012-13, it showed nominal decrease of 0.37 per cent over previous year. The share of developmental capital expenditure also showed inter-year variations but continued to show increasing trend from 2009-10 onwards. It increased by 52 per cent during the year 2012-13 as compared to 2011-12. The overall development expenditure increased by 69 per cent over the period 2008-09 to 2012-13.

**Table-1.17**  
**Development Expenditure**

(₹ in crore)

Components of Development Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13	
					BE	Actuals
Development Expenditure (a to c)	6,973 (66)	8,205 (66)	8,842 (65)	10,607 (68)	13,201 (67)	11,776 (66)
(a) Development Revenue Expenditure	5,015 (48)	6,638 (54)	7,033 (52)	8,121 (52)	9,425 (48)	8,091 (45)
(b) Development Capital Expenditure	1,842 (17)	1,538 (12)	1,750 (13)	2,240 (14)	3,514 (18)	3,413 (19)
(c) Development Loans and Advances	116 (1)	29 (0.23)	59 (0.44)	246 (2)	262 (1)	272 (2)

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	2011-12			2012-13		
	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	0.73	19.99	0.003	1.04	19.19	0.004
Health and Family Welfare	0.60	3.91	0.027	0.78	4.02	0.039
WS, Sanitation, & HUD	0.76	0.04	0.010	1.51	0.045	0.012
Total expenditure under SS	2.37	25.00	0.06	4.02	24.42	0.066
Economic Services(ES) expenditure on major components						
Agriculture & Allied Activities	1.67	3.37	0.13	3.05	3.58	0.230
Irrigation and Flood Control	2.93	1.54	0.19	2.18	1.53	0.244
Power & Energy	0.27	-	-	2.90	--	--
Transport	5.52	0.10	0.55	5.45	0.099	0.541
Total expenditure under ES	12.03	6.41	0.89	15.18	6.56	1.015
Total expenditure under SS & ES	14.41	31.41	0.94	19.20	30.98	1.081

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

Though, no specific norms regarding prioritisation of capital expenditure have been laid in the FRBM Act, the State Government in its Medium Term Fiscal Policy presented to the State Legislature along with the Budget 2012-13, has committed itself in line with the recommendations of the *Th FC*, which advocate that the fiscal deficit shall be 3.5 *per cent* of the GSDP in the year 2012-13 and be further brought down to three *per cent* by the year 2013-14. For this, the State Government has to borrow less, and therefore, there would be less funds available to capitalise in near future. However, during the current fiscal, the Government managed to capitalise 53 *per cent* more funds as compared to the year 2011-12.

During 2012-13, salaries and wages, as a percentage of revenue expenditure on both Social and Economic Services, remained almost stagnant. The expenditure under Operation & Maintenance as a percentage of revenue expenditure has appreciated in Economic Services during the current years.

### 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 its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidy and take requisite steps to infuse transparency in 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

The department-wise information pertaining to incomplete projects as on 31 March 2013 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 exp. as on 31.3.2013
Public Works Department	188	500.03	503.54	3.51	86.55
Rural Engineering Services	04	17.47	--	--	8.39
<b>Total</b>	<b>192</b>	<b>517.50</b>	<b>503.54</b>	<b>3.51</b>	<b>94.94</b>
* Indicates the Revised total cost of the projects as per the last revision by the State Government as on 31.03.2013					

Source: Finance Accounts



### 1.8.2 Investment and returns

As on 31 March 2013, the average return on Uttarakhand Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (Table 1.20) was negligible *i.e.* less than one *per cent* of the investment in the last three years while the Government paid an average interest rate of 7.81 *per cent* on its borrowings during 2008-09 to 2012-13.

**Table-1.20**  
**Returns on Investment**

Investment/Return/Cost of Borrowings	2008-09	2009-10	2010-11	2011-12	2012-13
Investment at the end of the year (₹ in crore)	1,071	1,240	1,296	1,338	1,858
Return (Dividend/ interest) (₹ in crore)	0.23	0.07	0.21	0.05	0.19
Return (per cent)	0.02	0.01	0.02	* <sup>7</sup>	0.01
Average rate of interest on Government borrowing (per	7.75	7.64	7.34	7.83	8.50
Difference between interest rate and returns (per cent)	7.73	7.63	7.32	7.83	8.49

Source: Finance Accounts

In this context, no norms on investment 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 beneficiaries were (i) Uttarakhand Power Corporation Ltd. (₹ 967 crore) and (ii) Uttarakhand Jal Vidyut Nigam Ltd. (₹ 600 crore). The Uttarakhand Power Corporation Ltd. had incurred accumulated loss of ₹ 1,948 crore and Uttarakhand Jal Vidyut Nigam Limited has an accumulated profit of ₹ 226 crore as per their latest finalised accounts for the year 2011-12.

### 1.8.3 Departmentally Managed Commercial Undertakings

Activities of quasi-commercial nature are also performed by the departmentally managed undertakings of certain government departments. The department-wise position of the investment made by the Government up to the year for which *proforma* accounts are finalised, net profit/ loss as well as return on capital invested in these undertakings are given in **Appendix-1.6**. It was observed from the finalised accounts of three companies that:

<sup>7</sup> Not computable



- An amount of ₹ 1.89 crore had been invested by the State Government in Government Irrigation Workshop, Roorkee till the end of financial year up to which their accounts were finalised (2009-10).
- Out of a total of three undertakings viz; Irrigation Workshop, Roorkee; Regional Food Controllers, Haldwani and Dehradun, only Irrigation Workshop had finalised their accounts up to 2009-10. It was a profit earning entity up to 2007-08 but has been posting net losses thereafter. The accumulated losses of the three departmental undertakings stood at ₹ 36 crore, as per the finalised accounts.
- No accounts were finalised by any of these departmental undertakings during 2012-13.

#### 1.8.4 Loans and advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the Government has also been providing loans and advances to many of these institutions/ organisations. **Table 1.21** presents the outstanding loans and advances as on 31 March 2013 and interest receipts *vis-à-vis* interest payments during the last three years.

**Table-1.21**  
Average interest received on loans advanced by the State Government (₹ in crore)

Amount of Loans/Interest Receipts/ Cost of Borrowings	2010-11	2011-12	2012-13	
			BE	Actual
Opening Balance	743.09	717.90	--	874.08
Amount advanced during the year	59.68	246.83	264.05	272.57
Amount repaid during the year	84.87	90.65	118.18	428.44
Closing Balance	717.90	874.08		718.21
Net addition	(-) 25.19	(+) 156.18		(-) 155.87
Interest Receipts	7.98	0.62		1.61
Interest receipts as <i>per cent</i> to outstanding Loans and advances	1.11	0.07		0.22
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government.	6.85	7.49		8.18
Difference between interest payments and interest receipts ( <i>per cent</i> )	5.74	7.42		7.96
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 2012-13, the Government advanced loans of ₹ 273 crore against ₹ 247 crore in 2011-12, an increase of ₹ 26 crore over the previous year. Recoveries of loans and

advances showed an increase of ₹ 338 crore over the previous year mainly on account of repayments made by the Energy Sector (₹ 422 crore).

Interest receipts, as a percentage of outstanding loans and advances, have shown marginal appreciation during the current year as compared to previous years. Average rate of interest on which the State Government raised market loans was 8.87 *per cent* during 2012-13 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 0.22 *per cent* as against the target of seven *per cent* by 2009-10, fixed by the Twelfth Finance Commission.

The Twelfth Finance Commission recommended that at least seven *per cent* return on outstanding loans and advances should be achieved in graded manner by the terminal year (2009-10) of the forecast period, a target that the State could not achieve even in the year 2012-13. The total loans advanced by the Government as on 31 March 2013 stood at ₹ 718 crore. The major beneficiaries were Agriculture (₹ 451 crore), Transport (₹ 125 crore) and Energy (₹ 77 crore) sectors.

#### **1.8.5 Cash balances and investment of cash balances**

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

**Table-1.22**  
**Cash Balances and Investments out of Cash balances** (₹ in crore)

Particulars	As on 1 <sup>st</sup> April 2012	As on 31 <sup>st</sup> March 2013
<b>General Cash Balance</b>		
Cash in Treasuries and local Remittances	(-) 5.38	00.00
Deposits with Reserve Bank	116.01	(-) 5.21
Deposits with other Banks(B)	00.00	00.00
<b>Total</b>	<b>110.63</b>	<b>(-) 5.21</b>
Investments held in Cash Balance investment account	50.21	875.15
<b>Total (a)</b>	<b>160.84</b>	<b>869.94</b>
<b>(b) Other Cash Balances and Investments</b>		
Cash with departmental offices viz. Public Works Department Officers, Forest Department Officers, District Collectors	(-) 2.15	(-) 2.15
Permanent advances for contingent expenditure with departmental officers	(-) 0.87	(-) 0.87
Investments of earmarked funds	927.36	1078.62
<b>Total (b)</b>	<b>924.34</b>	<b>1075.60</b>
<b>Grand Total (a) + (b)</b>	<b>1,085.18</b>	<b>1,945.54</b>

*Source: Finance Accounts*

The closing cash balance (CB) at the end of the current year (₹ 1,945.54 crore) increased by ₹ 860.36 crore over the previous year (₹ 1,085.18 crore).

The State Government had created an earmarked fund of ₹ 1,078.62 crore from CB. The same amount was invested from the earmarked fund in GOI securities and earned an interest of ₹ 32.15 crore during 2012-13. The interest realised on cash balance was 1.65 *per cent* during 2012-13 while Government paid interest at the average rate of 8.18 *per cent* on its 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 2012-13. However, temporary imbalances in cash flow forced the government to obtain Ways and Means advances (WMA) on two (ordinary and special) occasions during the year. The State had to pay ₹ 0.01 crore as interest on WMA during the year 2012-13.

There was a credit balance of ₹ 44.27 crore lying under the minor head Treasury Cheques below the major head 'Cheques and Bills' at the end of financial year 2012-13.

In view of the comfortable position of cash balances, revenue surplus of ₹ 1,787 crore and a low fiscal deficit of 1.48 *per cent* of GSDP, the open market borrowings could be restricted to ₹ 1,750 crore against the budgeted target of ₹ 2,400 crore.

## 1.9 Assets and Liabilities

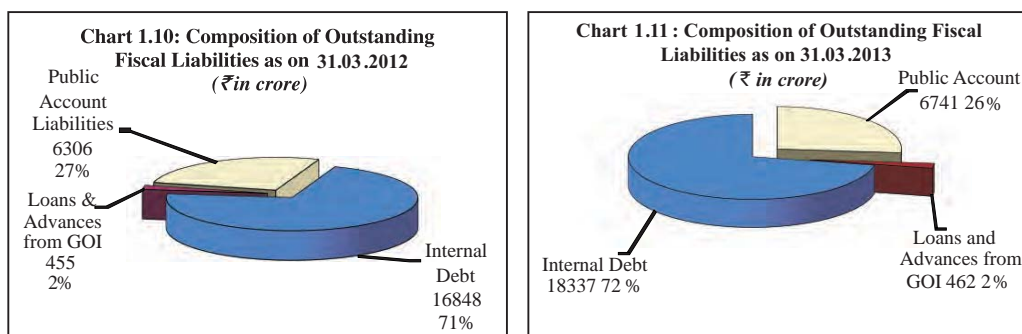
### 1.9.1 Growth and composition of assets and liabilities

In the existing government accounting system, comprehensive accounting of fixed assets such as land and buildings owned by the Government is not done. However, the government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix-1.4 (Part-B)** gives an abstract of such liabilities and the assets as on 31 March 2013, compared with the corresponding position as on 31 March 2012. 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 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. However, the

composition of fiscal liabilities during the current year *vis-à-vis* the previous year are presented in **Charts 1.10** and **1.11**.



The debt-GSDP ratio for the year of 2012-13 (23.57 per cent) appreciated by 1.5 per cent in comparison to previous year's ratio (25.07 per cent). The ratio remained well below the normative assessment of *Th FC* (40 per cent) for the year. The overall fiscal liabilities increased by 56.92 per cent from ₹ 16,276 crore in 2008-09 to ₹ 25,540 crore in 2012-13. The State liabilities which stood at ₹ 25,540 crore at the end of 2012-13 were mainly composed of public debt (₹ 18,799 crore), Small Savings and Provident Fund, *etc.* (₹ 4,720 crore) and other obligations (₹ 2,021 crore). The increase in the fiscal liabilities at the end of the current year as compared to the previous year 2011-12 was mainly on account of Internal Debt, Small Savings and Provident Fund, *etc.* which rose by ₹ 1,489 crore and ₹ 271 crore respectively. Fiscal liabilities grew marginally over the years; it rose by 8.18 per cent in 2012-13 over the previous year. The buoyancy of these liabilities with respect to GSDP during the year was 0.54 indicating that for each percentage point increase in GSDP, fiscal liabilities grew by 0.54 per cent. These liabilities stood at 1.62 times State's revenue receipts and 3.19 times its own resources. The sinking fund is in operation since the inception of the State (revised in September 2006) for amortisation of outstanding liabilities of the Government and the State has to contribute at the rate of 0.5 per cent of outstanding liabilities at the end of the previous year. The State Government has contributed ₹ 150 crore towards the fund during the current year.

### **1.9.3 Transactions under Reserve Funds**

Closing balance in the Reserve Fund as on 31 March 2013 was ₹ 1,228.09 crore (Credit). Out of this, reserve fund bearing interest held ₹ 36.86 crore (credit) and the share of these funds not bearing interest was ₹ 1,191.23 crore (credit). The major heads of account being operated were 8115-Depreciation/ Renewal Reserve fund (RRF) (₹ 0.01 crore) and 8121-General and Other Reserve Funds (₹ 36.85 crore)

under which a State Disaster Response Fund has been created. As for reserve funds not bearing interest (₹ 1,191.23 crore) (credit), heads of Account 8222-Sinking Funds (₹ 1,128 crore), 8229-Development and Welfare Funds (₹ 38.23 crore) and 8235-General and Reserve Funds (₹ 25 crore) had been operated.

**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). 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. The Government pays to the RBI a commission at the rate of 1/8 *per cent* of one *per cent* on the turnover of the Fund or at the rate to be mutually decided from time to time. In the year 2012-13, an amount of ₹ 150 crore has been appropriated from the Consolidated Fund of the State to the Sinking Fund which is more than the requirement of 0.5 *per cent* (₹ 128 crore) of outstanding liabilities as on 31 March 2013 (₹ 25,539.88 crore). The total accumulations at the end of 2012-13 stood at ₹ 1,128 crore. Out of the total accumulation in the Fund, an amount of ₹ 1,053.62 crore was invested by the Reserve Bank of India.

**State Disaster Response Fund (SDRF):** The calamity relief fund was in operation in the State which has now been replaced by the SDRF as recommended by the 13th Finance Commission. In terms of the guidelines of the Fund, the Central and Special Category State governments like Uttarakhand are required to contribute to the fund in the proportion of 90:10.

The balance in the fund at the beginning of 2012-13 was ₹ 41.72 crore. During 2012-13, an amount of ₹ 129.72 crore (90 *per cent* Central share to the tune of ₹ 116.75 crore and 10 *per cent* State share to the tune of ₹ 12.97 crore) was appropriated from the Consolidated Funds of India and the State of Uttarakhand to the SDRF against which ₹ 134.59 crore has been expended from the Fund leaving a credit balance of ₹ 36.85 crore.

#### **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 under Article 293 of the Constitution had been enacted by the State Legislature 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 the Act or any rule or to be made by the State Government subsequent to coming into force of the Act. However, the State Government has so far not enacted any law 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 1.23**.

**Table-1.23**  
**Guarantees given by the Government of Uttarakhand** (₹ in crore)

Guarantees	2010-11	2011-12	2012-13
Maximum amount guaranteed	2,122	2,722	2,722
Outstanding amount of guarantees	1,511	1,739	1,570
Percentage of maximum amount guaranteed to total revenue receipts	18.28	19.88	17.29
Criteria as per FRBM Act/ any other Act or Order of the State	No rules have been framed by the State Government in pursuance to FRBM Act, 2005		

*Source: Finance Accounts*

The amount of guarantees outstanding as on 31 March 2013 (₹ 1,570 crore) was primarily against Power Sector (₹ 1,041 crore), Co-operatives (₹ 500 crore) and other institutions (₹ 29 crore). The percentage of maximum amount guaranteed *vis-à-vis* revenue receipts decreased from the level of 18.28 *per cent* in 2010-11 to 17.29 *per cent* in 2012-13. The Government has not invoked any guarantee during the year.

The State Government has not framed any rules in pursuance to FRBM Act, 2005 determining the limits up to which the government could give guarantees. In the absence of the same, it could not be ascertained whether the guarantees given by the Government were within the limits.

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 during the year 2012-13.

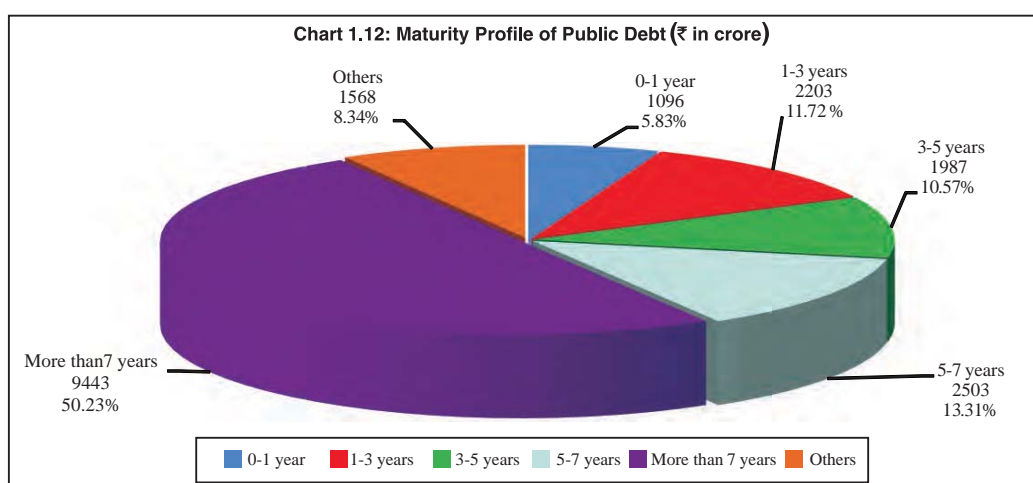
## **1.10 Debt Management**

### **(i) Debt Profile**

The maturity profile of the State's outstanding loans and advances (public debt) is given in **Table 1.24** and **Chart 1.12**.

**Table-1.24**  
**Maturity Profile of Public Debt**

Maturity profile	Amount (₹ in crore)	Percentage to total Public Debt
0-1 year	1,096	5.83
1-3 years	2,203	11.72
3-5 years	1,987	10.57
5-7 years	2,503	13.31
More than 7 years	9,443	50.23
Other (information not made available by the State Government)	1,568	8.34
<b>Total</b>	<b>18,800</b>	<b>100</b>



Source: Finance Accounts

As the fiscal surplus was not available in any of the 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 2013 shows that 50.23 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 analyse 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 stabilisation; 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 1.25** analyses the debt sustainability of the State according to these indicators for the period of three years beginning from 2010-11.



**Table-1.25**  
**Debt Sustainability: Indicators and Trends** (₹in crore)

Indicators of Debt Sustainability <sup>8</sup>	2010-11	2011-12	2012-13
Debt Stabilization <sup>9</sup> (Quantum Spread + Primary Deficit)	(+) 1,592	(+) 1,811	(+) 2,164
Sufficiency of Non-debt Receipts (Resource Gap) <sup>10</sup>	(+) 940	(+) 86	(+) 157
Net Availability of Borrowed Funds <sup>11</sup>	820	308	5
Burden of Interest Payments (IP/RR Ratio)	12.75	12.92	13.27

The trends in **Table 1.25** indicate that the quantum spread together with primary deficit was not only positive during the period 2010-11 to 2012-13 but also showed an increasing trend. It stood at ₹ 2,164 crore at the end of 2012-13. The debt-GSDP ratio which was 29.05 *per cent* in 2008-09, has come down to 23.57 *per cent* during the current year. At 23.57 *per cent*, the debt-GSDP ratio was well below the target (40 *per cent*) set forth by *Th FC* for the year 2012-13 in respect of Uttarakhand.

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 receipts<sup>12</sup> 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 1.25** indicates resource gap as defined for the period 2010-13.

The State experienced positive resource gap during 2010-11, 2011-12 and 2012-13, which in turn brought down the revenue deficit to almost nil (₹ 13 crore) in 2010-11 and the State attained a revenue surplus of ₹ 716 crore and ₹ 1,787 crore during the years 2011-12 and 2012-13 respectively. The fiscal deficit (₹ 1,757 crore) was brought down to reasonable limits during 2011-12 which further came down to ₹ 1,600 crore during the current year (1.48 *per cent* of the GSDP).

Debt redemption had remained on the higher side during the period 2008-10 and slightly improved during the year 2010-11 (0.83) indicating the fact that the borrowed funds are being increasingly used for the repayments towards the discharge of past debt obligations during the period (**Appendix-1.3**). However, it again showed an upward trend in 2011-12 and 2012-13. Therefore, no funds were available for

<sup>8</sup> Refer glossary in **Appendix-4.1**

<sup>9</sup> Refer glossary in **Appendix-4.1**

<sup>10</sup> Refer glossary in **Appendix-4.1**

<sup>11</sup> Refer glossary in **Appendix-4.1**

<sup>12</sup> Refer glossary in **Appendix-4.1**



capitalization of funds/ productive expenditure after paying principal and interest from borrowed funds during the current year. However, the ratio of debt redemption in respect of internal debt was 48.18 *per cent* of fresh debt receipts, redemption of GOI loans was 82.48 *per cent* while in case of other obligations repayments was 93.46 *per cent* of fresh receipts. These trends indicate that the focus of the Government is to discharge the past debt obligations.

### 1.10.1 Market Borrowings

#### Position of Market Borrowing (MB)

Table 1.26 represents the position of the market borrowings of the State Government for the period 2008-13:

Years	Opening balance as on 1 <sup>st</sup> April	Receipts during the year	Payments during the year	Closing balance as on 31 <sup>st</sup> March	Increase (+)/ decrease (-) during the year	
					Amount	Per cent
2008-09	5000.94	1010.69	126.53	5885.10	884.16	17.68
2009-10	5885.10	600.00	139.54	6345.57	460.62	7.82
2010-11	6345.53	991.52	102.00	7235.05	889.52	14.02
2011-12	7235.05	1400.00	240.73	8394.32	1159.27	16.02
2012-13	8394.32	1750.00	949.87	9194.45	800.13	9.53

Source: Finance Accounts of concerned years

The above table indicates that the Government of Uttarakhand borrowed and repaid ₹ 5,752.21 crore and ₹ 1,558.67 crore respectively during the period 2008-09 to 2012-13. During 2008-13, the repayment was 27.10 *per cent* of total loans raised by the State Government (₹ 5,752.21 crore). The interest paid on these loans got raised from ₹ 414 crore in 2008-09 to ₹ 743 crore in 2012-13 at weighted average interest rate of 7.61 *per cent* in 2008-09 to 8.45 *per cent* in 2012-13. Slow pace of repayment will increase the need of rollovers in 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 2009-10 onwards. The receipts during this period showed nearly tri-fold increase from 2009-10 to 2012-13. This indicated continued dependency of the State Government on the borrowed funds.

### Violation of provision of FRBM Act

Section 4(d) of 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 object 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. Records (2008-09 to 2012-13) of Finance Department showed that the Government raised market loans with the above object are given in **Table 1.27**.

**Table-1.27**  
**Details of Market Loans raised and repayments made by the government during**  
**2008-09 to 2012-13**  
(₹ 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
2008-09	1010.69	126.46	12.51	884.23	87.49
2009-10	600.00	139.53	23.26	460.47	76.74
2010-11	991.52	102.00	10.29	889.52	89.71
2011-12	1400.00	240.73	17.14	1160.00	82.86
2012-13	1750.00	950.00	54.29	800.00	45.71

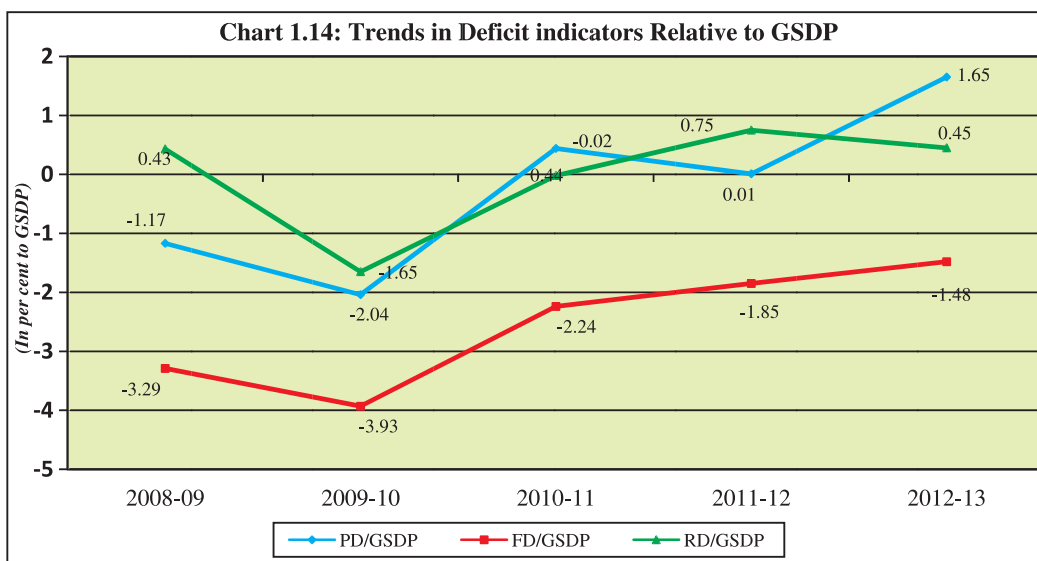
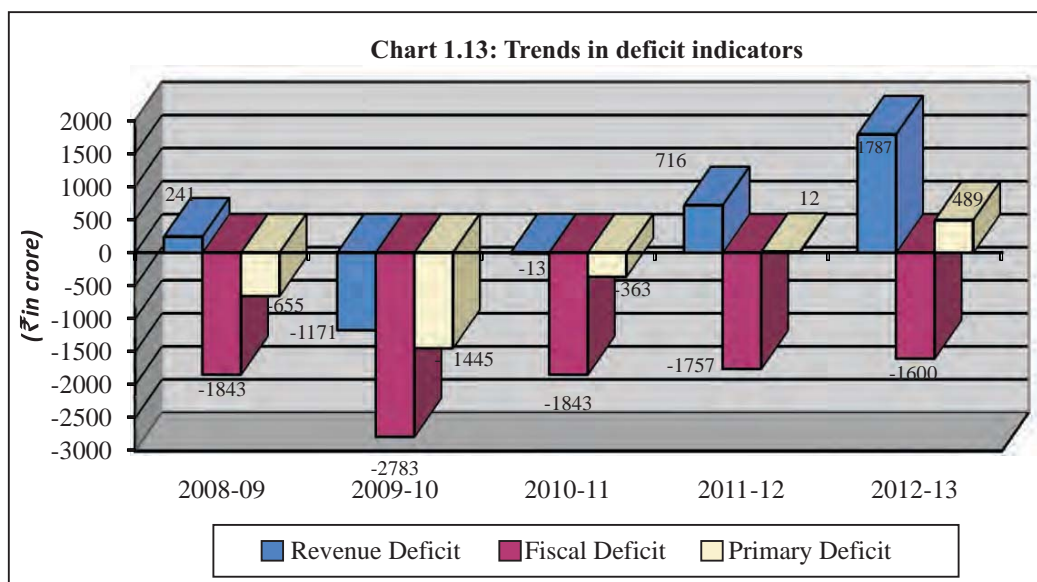
The above table indicates that the Government utilised on an average 24 *per cent* of the fresh borrowings (2008-09 to 2012-2013) for making re-payments of matured market loans whereas on an average 76 *per cent* were applied for capital expenditure in the respective years. The payment of matured market loans from fresh loans was against the provisions of FRBM Act, besides defeating the very objectives 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 and fiscal deficits *vis-à-vis* targets set under FRBM Act/Rules for the financial year 2012-13. **Charts 1.13** and **1.14** present the trends in deficit indicators over the period 2008 -09 to 2012-13.



The State experienced a revenue surplus in 2008-09 which turned into deficit during 2009-10 mainly on account of implementation of Sixth Central Pay Commission recommendations. However, the State was able to bring down the revenue deficit to almost nil (₹ 13 crore) during the year 2010-11 and attained a surplus of ₹ 716 crore during 2011-12 which rose to ₹ 1,787 crore in 2012-13.

The fiscal deficit had been reduced during 2010-11 and was 2.19 *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 2011-12 and 2012-13 also. Fiscal deficit amounting to ₹ 1,600 crore is currently pegged at 1.48 *per cent* of the GSDP and is well within the target of 3.5 *per cent* set forth by the *Th FC* in this regard.

The primary deficit which remained steady during the period 2007-09 had taken a quantum jump in 2009-10 (₹ 1,445 crore), came down (₹ 363 crore) during the year 2010-11 and turned positive during the year 2011-12. It continued to be on the positive side during the year and rose to ₹ 489 crore during the current year.

### **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 1.28**.

**Table-1.28**  
**Components of Fiscal Deficit and its Financing Pattern** (₹ in crore)

	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Components of Fiscal Deficit</b>						
1	Revenue Deficit (-)/ Surplus(+)	(+)241	(-)1,171	(-)13	(+)716	(+)1,787
2	Capital Expenditure	(-)2,016	(-)1,647	(-)1,855	(-)2,317	(-)3,542
3	Net Loans and Advances	(-)68	(+)35	(+)25	(-)156	(+)155
<b>Financing Pattern of Fiscal Deficit</b>						
1	Market Borrowings	884	460	890	1,159	800
2	Loans from GoI	(-)19	(-)5	16	20	6
3	Special Securities Issued to NSSF	120	672	921	332	505
4	Loans from Financial Institutions	204	70	182	131	215
5	Small Savings, PF etc.	531	1,066	870	626	271
6	Deposits and Advances	61	229	46	33	219
7	Suspense and Misc.	(-)331	722	(-) 331	(-)412	479
8	Remittances	(-)238	(-)129	(-) 303	(-)466	(-)101
9	Others	127	(-)6	242	190	66
10	Overall Surplus/Deficit (Cash Balance )	504	(-) 296	(-) 690	144	(-)860
11	Gross Fiscal Deficit	1,843	2,783	1,843	1,757	1,600

Source: Finance Accounts of Government of Uttarakhand, 2012-13

The revenue surplus, which turned into deficit in 2009-10 due to quantum jump in revenue expenditure, again turned into surplus during the year 2011-12 and further increased by ₹ 1,071 crore during the current year and stood at ₹ 1,787 crore at the

end of 2012-13. The fiscal deficit (₹ 1,600 crore) was largely managed by market borrowings (₹ 800 crore) and Special Securities issued to National Small Savings Fund (₹ 505 crore). Although, there was an increase in capital expenditure (52.88 per cent), even then the fiscal deficit was maintained well below the reasonable limits of 3.5 per cent of GSDP (as per the *Th FC* recommendations) during the current year (1.48 per cent of GSDP).

### 1.11.3 Quality of Deficit/ Surplus

The ratio of revenue deficit to fiscal deficit and the primary revenue deficit and capital expenditure (including loans and advances) would 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 shrinking and a part of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit (Table 1.29) 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-1.29**  
**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)
2008-09	8,689	7,206	2,016	122	9,344	(+) 1,483	(-) 655
2009-10	9,551	9,319	1,647	30	10,996	(+) 232	(-) 1,445
2010-11	11,693	10,141	1,855	60	12,056	(+) 1,552	(-) 363
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

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

- Non debt receipts increased by 86.15 per cent from 2008-09 to 2012-13 and were sufficient to meet the primary revenue expenditure. However, the gap which had reduced considerably in 2009-10, again showed an upward trend in 2010-11, 2011-12 and 2012-13.

- Total primary expenditure increased by ₹ 6,342 crore (67.87 *per cent*) during 2012-13 as compared to 2008-09 due to increase in primary revenue expenditure to the extent of ₹ 4,665 crore (64.74 *per cent*) during the period 2008-09 to 2012-13.
- The primary revenue surplus, which had showed sharp decline in 2009-10, again showed sharp upward trend during the last three years and rose to ₹ 4,304 crore during 2012-13.
- Due to increase in non-debt receipts, primary deficit turned into primary surplus during the 2011-12 and continued to remain positive during 2012-13 and stood at ₹ 489 crore at the end of 2012-13.

#### **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 2013). 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**

Revenue receipts grew by ₹ 2,056 crore (15.02 *per cent*) during the current year over the previous year. This was mainly due to increase in State's share of Union taxes and duties (₹ 407 crore), State's own tax revenue (₹ 799 crore) and non-tax revenue (₹ 467 crore). The expenditure pattern of the State reveals that the revenue expenditure as a percentage of total expenditure decreased during the current year and remained around 78.54 *per cent*. The non-plan revenue expenditure (NPRE) increased by 8.25 *per cent* over the previous year.

The expenditure on salaries accounted for 49.63 *per cent* and continued to consume a major share of NPRE during 2012-13. Expenditure on pension payments was ₹ 1,366 crore in 2012-13 which constituted 8.67 *per cent* of the revenue receipts. The pension payments during the current year were slightly higher (₹ 37 crore) than the normative assessment (₹ 1,329 crore) made by *Th FC* for the current year (Annexure 7.7 of *Th FC* Report). The State should adopt measures to restrict the components of non-plan revenue expenditure and resort to need based borrowing to cut down on interest payments.

The capital expenditure of the State increased by ₹ 1,225 crore during 2012-13 as compared to the previous year, mainly due to increase in expenditure in (i) Social

Services; and (ii) Economic Services. As *per cent* of total expenditure, the capital expenditure showed fluctuating trend over the period 2008-09 to 2012-13. It was 19 *per cent* in 2008-09 and 20 *per cent* in 2012-13. During the current year, it showed an increase over the previous year (52.87 *per cent*) but remained (₹ 3,542 crore) below the target set forth by the State Government in its BEs (₹ 3,653 crore) and MTFPS (₹ 4,547 crore).

The share of developmental capital expenditure also showed inter-year variations but improved during the year 2012-13 as compared to 2011-12. However, the overall developmental expenditure increased by 69 *per cent* over the period 2008-09 to 2012-13. The average return on Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives was almost negligible in the past three years while the Government paid an average interest of 7.89 *per cent* on its borrowings during 2010-11 to 2012-13.

The State experienced a revenue surplus during 2007-08 and 2008-09, which turned into deficit during 2009-10 mainly on account of implementation of Sixth Central Pay Commission recommendations. However, the State was able to bring down the revenue deficit to almost nil (₹ 13 crore) in 2010-11 and attained a revenue surplus of ₹ 716 crore during the year 2011-12 which further appreciated in the current year and stood at ₹ 1,787 crore.

The fiscal deficit, which had been on the higher side during 2009-10 and was 3.93 *per cent* of GSDP, was brought down below the reasonable limit of 3.5 *per cent* in the years 2010-11 and 2011-12. The fiscal deficit of the State amounting to ₹ 1,600 crore during 2012-13 is pegged at 1.48 *per cent* of the GSDP showing signs of fiscal consolidation.

Cash balance of the State at the end of 2012-13 increased by ₹ 860 crore. The interest received on investment of cash balances in RBI and investment in GOI Securities was negligible (1.06 *per cent*), while the Government borrowed at an average interest rate of 7.89 *per cent*. However, the State was able to maintain the minimum cash balance and did not resort to over draft facility during the year.

The debt-GSDP ratio in 2012-13 at 23.57 *per cent* was well below the target of 40 *per cent* set forth by *Th FC*. The State attained state of primary surplus in 2011-12, which has appreciated considerably during the year (₹ 489 crore). The public debt as on 31 March 2013 is ₹ 18,800 crore and 50 *per cent* of the debt is in maturity bracket of seven years and above.



During the year 2012-13, a large amount of ₹ 1,568 crore was directly transferred to State implementing agencies. These funds were, however, not routed through the State budget/ State treasury system. As these funds remain outside the State budget, there is no single agency monitoring its use and there is also no readily available data to ascertain how much is actually spent in any particular year on major flagship schemes and other important schemes.

#### **1.14 Recommendations**

The Government may:

- prepare an effective action plan to complete all projects promptly so that people derive envisaged benefits in time;
- consider taking appropriate measures to ensure better value for money in investments; and
- consider putting a MIS in place to monitor the utilisation of funds directly transferred to implementing agencies.



## **CHAPTER-2**

# **FINANCIAL MANAGEMENT AND BUDGETARY CONTROL**

## CHAPTER - 2

### FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

#### 2.1 Introduction

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

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

#### 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2012-2013 against 31 grants/appropriations is given in **Table 2.1**.

**Table-2.1**  
**Summarised position of Original/ Supplementary provisions *vis-à-vis* Actual**  
**Expenditure during the year 2012-13** (₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
<b>Voted</b>	<b>I Revenue</b>	1,34,84.90	8,22.24	1,43,07.14	1,16,86.24	(-)26,20.90
	<b>II Capital</b>	36,51.98	13,78.30	50,30.28	50,92.61	(+)62.33
	<b>III Loans and Advances</b>	2,64.05	1,55.21	4,19.26	2,72.57	(-)1,46.69
	<b>Total Voted</b>	<b>1,74,00.93</b>	<b>23,55.75</b>	<b>1,97,56.68</b>	<b>1,70,51.42</b>	<b>(-) 27,05.26</b>
<b>Charged</b>	<b>IV Revenue</b>	22,32.21	99.87	23,32.08	22,80.58	(-)51.50
	<b>V Capital</b>	1.50	9.50	11.00	9.02	(-)1.98
	<b>VI Public Debt-Repayment</b>	22,97.13	0.00	22,97.13	14,87.37	(-)8,09.76
	<b>Total Charged</b>	<b>45,30.84</b>	<b>1,09.37</b>	<b>46,40.21</b>	<b>37,76.97</b>	<b>(-)8,63.24</b>
	<b>Appropriation to Contingency Fund (if any)</b>	-	-	-	-	--
	<b>Grand Total</b>	<b>2,19,31.77</b>	<b>24,65.12</b>	<b>2,43,96.89</b>	<b>2,08,28.39</b>	<b>(-) 35,68.50</b>

As shown in **Table-2.1**, there was saving (shortfall in the utilisation of funds) of ₹ 35,68.50 crore which was the result of saving of ₹ 54,03.84 crore in grants and appropriations under Revenue Section (36 cases) and Capital Section (23 cases) offset by excess of ₹ 18,35.34 crore in one grant and one appropriation under Revenue Section and five grants under Capital Section.

Departments against which significant savings (more than ₹ 100 crore) were noticed during the year were Education, Sports, Youth Welfare and Culture (₹ 6,89.62 crore), Finance (₹ 6,11.22 crore), Water Supply, Housing & Urban Development (₹ 4,61.21 crore), Energy (₹ 3,68.40 crore), Medical Health & Family Welfare (₹ 3,64.38 crore), Welfare of Scheduled Castes (₹ 3,18.10 crore), Irrigation & Flood control (₹ 2,87.72 crore), Rural Development (₹ 2,65.55 crore), Food (₹ 2,30.83 crore), Welfare (₹ 1,95.50 crore), and Agriculture (₹ 1,31.83 crore). Similarly, departments against which significant excess expenditure over the allotments were noticed during the year 2012-13 were Food (₹ 18,10.59 crore), Agriculture (₹ 13.27 crore), Public Works (₹ 6.35 crore) and Horticulture Department (₹ 4.50 crore).

The savings/ excess (Detailed Appropriation Accounts) were intimated (August 2013) to the Controlling Officers requesting them to furnish reasons for substantial savings/ excess. Their replies were awaited as of September 2013.

## **2.3 Financial Accountability and Budget Management**

### **2.3.1 Appropriation vis-à-vis expenditure**

The outcome of the appropriation audit shows that in 49 cases, savings exceeded ₹ one crore in each case, and more than 20 *per cent* of total provision in 29 cases (**Appendix-2.1**). Against the total savings of ₹ 54,03.84 crore, savings of ₹ 41,09.06 crore (76.04 *per cent*)<sup>1</sup> occurred in 21 cases relating to 16 grants as indicated in **Table 2.2**.

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<sup>1</sup> Exceeding ₹ 50 crore in each case.

**Table-2.2**  
**List of Grants/appropriation with savings of ₹ 50 crore and above**

(₹ in crore)

Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
<b>Revenue-Voted</b>						
1.	04-Judicial Administration	1,29.17	6.16	1,35.33	84.43	50.90
2.	06-Revenue & General Administration	4,21.16	12.24	4,33.40	3,69.00	64.40
3.	07-Finance,Tax,Planning,Secretariat & Miscellaneous Services	26,29.00	13.36	26,42.36	20,93.18	5,49.18
4.	11-Education,Sports,Youth Welfare & Culture	39,85.03	2,12.56	41,97.59	36,30.00	5,67.59
5.	12-Medical,Health & Family Welfare	8,64.80	35.32	9,00.12	7,66.71	1,33.41
6.	13-Water Supply, Housing & Urban Development	5,37.30	85.59	6,22.89	4,69.67	1,53.22
7.	15-Welfare	6,39.20	69.68	7,08.88	5,16.92	1,91.96
8.	17-Agriculture,Works & Research	3,96.14	20.12	4,16.26	2,84.43	1,31.83
9.	19-Rural Development	3,78.20	11.32	3,89.52	2,56.52	1,33.00
10.	22-Public Works	4,88.24	48.55	5,36.79	4,79.95	56.84
11.	25-Food	3,82.99	0.22	3,83.21	1,52.38	2,30.83
12.	30- Welfare Of Scheduled Castes	4,75.46	31.71	5,07.17	3,92.79	1,14.38
<b>Capital-Voted</b>						
13.	11-Education, Sports, Youth Welfare & Culture	2,52.18	1,07.31	3,59.49	2,37.46	1,22.03
14.	12-Medical Health & Family Welfare	1,88.38	1,77.45	3,65.83	1,34.86	2,30.97
15.	13-Water Supply, Housing & Urban Development	4,92.50	67.00	5,59.50	2,51.51	3,07.99
16.	19-Rural Development	2,92.36	20.00	3,12.36	1,79.81	1,32.55
17.	20-Irrigation & Flood	5,98.23	96.05	6,94.28	4,38.01	2,56.27
18.	21-Energy	5,47.01	4,04.11	9,51.12	5,82.72	3,68.40
19.	26-Tourism	52.45	21.89	74.34	19.02	55.32
20.	30-Welfare Of Scheduled Caste	3,19.04	42.56	3,61.60	1, 57.89	2,03.71
21.	31-Welfare Of Scheduled Tribes	92.36	2.42	94.78	40.50	54.28
<b>Total</b>		<b>1,41,61.20</b>	<b>14,85.62</b>	<b>15,66.82</b>	<b>1,15,37.76</b>	<b>41,09.06</b>

In most of the cases, the reasons for savings were awaited as of September 2013.

### 2.3.2 Persistent Savings

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

**Table-2.3**  
**List of Grants indicating persistent savings during last five years**

(₹ in crore)

Sl. No.	No. and Name of grant	Amount of Saving				
		2008-09	2009-10	2010-11	2011-12	2012-13
Revenue-Voted						
1	04-Judicial Administration	16.29	28.57	29.91	28.05	50.90
2	05-Election	3.68	3.65	1.03	4.71	4.57
3	06-Revenue & General Administration	67.57	56.74	29.52	43.94	64.40
4	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	3,94.33	4,18.97	1,06.35	5,80.10	5,49.18
5	12-Medical Health & Family Welfare	1,22.06	91.88	1,24.39	1,53.99	1,33.41
6	13-Water Supply, Housing & Urban Development	88.69	47.75	3,72.80	2,35.77	1,53.22
7	15-Welfare	93.53	80.43	83.72	1,97.45	1,91.96
8	16-Labour & Employment	35.29	5.61	12.08	12.39	36.45
9	18-Co-operative	7.72	1.83	4.87	10.30	6.03
10	19-Rural Development	45.13	70.21	75.22	92.71	1,33.00
11	22-Public Works	51.18	28.64	34.94	35.43	56.85
12	23-Industries	13.08	1.34	5.15	14.47	11.32
13	24-Transport	11.56	5.62	2.52	1.37	5.90
14	26-Tourism	2.31	2.85	2.92	30.66	30.05
15	28-Animal Husbandry	7.38	8.49	15.53	4.48	9.04
Capital-Voted						
1	07- Finance, Tax, Planning, Secretariat & Miscellaneous Services	45.12	51.24	8.78	72.43	20.60
2	11-Education, Sports, Youth Welfare & Culture	14.57	7.80	60.20	1,66.31	1,22.03
3	15-Welfare	6.39	5.09	13.74	22.03	3.54
4	23-Industries	5.41	9.55	11.54	13.35	23.69

Despite being mentioned in the Report on State Finances of the Comptroller & Auditor General of India for the year 2011-12 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.

### 2.3.3 Excess Expenditure

In five cases, expenditure aggregating ₹ 2,959.59 crore exceeded the approved provision by ₹ 1,835.09 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-2.2**. Of these, excess expenditure has been observed consistently during the last five years in the following grants/ heads (**Table 2.4**).

**Table-2.4**  
**List of Grants indicating persistent excess expenditure during 2008-13**  
*(₹ in crore)*

Sl. No.	No. and Name of grant	Amount of excess expenditure				
		2008-09	2009-10	2010-11	2011-12	2012-13
Capital-Voted						
1	17-Agriculture Works & Research	11.72	11.73	30.82	18.33	13.27
2	25-Food	5,64.40	9,16.31	12,07.14	12,83.25	18,10.59
Total		5,76.12	9,28.04	12,37.96	13,01.58	18,23.86

Persistent excess under the grants/ heads was indicative of un-realistic budgetary estimates. Thus, for a sound financial management, assessment of requirement of funds under the heads should be more realistic to avoid recurrence of such instances of persisting excess expenditure in future. Reasons for persistent excesses were awaited (September 2013).

#### **2.3.4 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 ₹ 4.50 crore was incurred in one case as detailed in **Table 2.5** without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

**Table-2.5**  
**Expenditure incurred without provision during 2012-13**  
*(₹ in crore)*

No. and Name of Grants	Amount of expenditure without provision	Reasons/Remarks
<b>29-Horticulture Development (Capital-voted)</b>	4.50	Reasons were awaited

Although, a mention was made in the earlier Reports of CAG of India for the year ended 31 March 2011 and 2012, the State Government has not taken any action and has further incurred an expenditure of ₹ 4.50 crore under the same head without any budgetary provision during the current year, which was irregular and needs regularisation.

#### **2.3.5 Excess over provision relating to previous years requiring regularisation**

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess expenditure over a grant/ appropriation regularised by the State Legislature. Although, no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is

done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ₹ 7,393.91 crore pertaining to previous years 2005-12 was yet to be got regularised by the State Legislature. The year-wise amount of excess expenditure pending regularisation is summarised in **Table 2.6**.

**Table-2.6**  
Excess expenditure over the provision relating to previous years requiring regularisation  
(₹ in crore)

Year	Number of		Amount of excess over provision	Status of Regularisation
	Grant / Appropriation	Details of Grant / Appropriation		
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	1,146.41	
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	
<b>Total</b>			<b>73,93.91</b>	

The excess expenditure incurred over grants/ appropriations of the previous years should be got regularised by the State Legislature.

### 2.3.6 Excess over provisions during 2012-13 requiring regularisation

**Table 2.7** contains the summary of total excess expenditure registered under five grants amounting to ₹ 1,835.34 crore over authorization from the Consolidated Fund of State (CFS) during the year 2012-13.

**Table-2.7**  
Excess over provision requiring regularisation during 2012-13  
(₹ in thousand)

Sl. No.	Number and title of Grant/ Appropriation		Total Grant/ Appropriation	Expenditure	Excess
Revenue –Voted					
1	21	Energy	122876	125464	2588
Revenue –Charged					
2	12	Medical Health & Family Welfare	--	10	10
Capital –Voted					
1.	14	Information	10000	13760	3760
2.	17	Agriculture Works & Research	1783032	1915753	132721
3.	22	Public Works	9132000	9195465	63465
4.	25	Food	320000	18425895	18105895
5.	29	Horticulture Development	00	45000	45000
			11367908	29721347	18353439

Reasons for the excess had not been intimated by the State Government/ Department as of August 2013. The excess expenditure over the provision under

the grants/ appropriation incurred during the year 2012-13, should be got regularised by the State Legislature.

### **2.3.7 Unnecessary/ Excessive/ Inadequate supplementary provision**

Supplementary provision aggregating ₹ 1,142.69 crore obtained in 37 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-2.3**.

Supplementary provision of ₹ 393.03 crore sought in respect of three cases proved insufficient by more than ₹ one crore in each case thereby leaving an aggregate uncovered excess expenditure of ₹ 1,830.22 crore (**Appendix-2.4**).

### **2.3.8 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 or insufficient and resulted in savings/excess of ₹ 10 lakh and above in 83 sub-heads as detailed in **Appendix-2.5**. Of these, savings of ₹ 1,85.40 crore occurred in four Grants, (more than ₹ 20 crore in each Grant) such as ₹ 74.56 crore in Grant Number 11-Education, Sports, Youth Welfare & Culture, ₹ 24.57 crore in Grant Number 13-Water Supply, Housing & Urban Development, ₹ 23.16 crore in Grant Number 19-Rural Development and ₹ 63.11 crore in Grant Number 22-Public Works. Reasons for the savings had not been furnished by the Government as of September 2013. However, in 53 cases, re-appropriation to the tune of ₹ 25.46 crore was made between 20<sup>th</sup> to 31<sup>st</sup> March 2013.

The substantial saving in the aforesaid cases indicates that the funds could not be spent as estimated and planned under the schemes by the respective departments.

### **2.3.9 Substantial surrenders**

Substantial surrenders (the cases where more than 50 *per cent* of total provision was surrendered) were made in respect of 110 sub-heads on account of either non-implementation or slow implementation of schemes/ programmes. Out of the total provision amounting to ₹ 8,57.29 crore in these 110 sub-heads, ₹ 643.14 crore (75.02 *per cent*) were surrendered which included *cent per cent* surrender in 53 schemes (₹ 2,07.26 crore) as detailed in **Appendix-2.6**.



### **2.3.10 Surrender in excess of actual saving**

In two cases, the amount surrendered was in excess of actual savings (₹ 50 lakh or more in each case) indicating lack of budgetary controls in these departments. As against savings of ₹ 82.35 crore in these cases, the amount surrendered was ₹ 91.10 crore resulting in injudicious excess surrender of ₹ 8.75 crore. Details are given in **Appendix-2.7 A**.

In one case (Public Works), surrender of ₹ 24.51 crore has been made in spite of final excess of ₹ 6.35 crore. Details are given in **Appendix-2.7 B**.

### **2.3.11 Anticipated savings not surrendered**

As per the Budget Manual, the spending departments are required to surrender the savings under grants/ appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2012-13, there were, however, nine grants and one appropriation in which savings of ₹ 10 crore and above occurred but no part of it had been surrendered by the concerned departments. The amount involved in these cases was ₹ 18,45.44 crore (34.15 *per cent* of the total savings) (**Appendix-2.8**).

Similarly, out of savings of ₹ 52,69.65 crore (individual cases where savings were more than ₹ one crore occurred), amount aggregating ₹ 11,82.79 crore was surrendered resulting in non surrender of ₹ 40,86.86 crore (75.63 *per cent* of total savings), details of which are given in **Appendix-2.9**. Besides, in 22 cases, (surrender of funds in excess of ₹ 10 crore), ₹ 11,87.76 crore were surrendered (**Appendix-2.10**) on the last two working days of March 2013, thereby defeating the intended purpose of surrenders as these funds could not be utilized for other developmental purposes.

### **2.3.12 Rush of expenditure**

According to Financial Regulations, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, expenditure exceeding ₹ 10 crore or more than 50 *per cent* of the total expenditure for the year was incurred in last quarter or in March 2013, in respect of 50 sub-major heads listed in **Appendix-2.11**. **Table 2.8** also presents the major heads where more than 50 *per cent* expenditure was incurred either during the last quarter or during the last month of the financial year.

**Table-2.8**  
**Cases of Rush of Expenditure towards the end of the financial year 2012-13**

(₹ in crore)

Sl. No.	Major Head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2013	
			Amount (₹ in crore)	Percentage of total expenditure	Amount (₹ in crore)	Percentage of total expenditure
1.	2015	19.44	10.16	52.26	4.92	25.31
2.	2030	22.95	15.51	67.58	7.69	33.51
3.	2215	4,15.52	2,17.01	52.23	1,05.96	25.50
4.	2216	1.90	1.18	62.11	0.95	50.00
5.	2225	2,05.28	1,02.84	50.10	69.84	34.02
6.	2250	43.81	31.00	70.76	23.29	53.16
7.	2251	0.06	0.05	83.33	0.04	66.67
8.	2408	1,47.50	1,13.15	76.71	1,10.47	74.89
9.	2425	35.15	20.06	57.07	8.83	25.12
10.	2701	13.17	7.38	56.04	4.88	37.05
11.	2702	68.75	45.64	66.39	16.93	24.63
12.	2810	13.86	9.95	71.79	1.58	11.40
13.	3054	1,83.26	1,02.71	56.05	86.38	47.14
14.	3454	16.30	8.24	50.55	6.18	37.91
15.	4055	28.50	22.78	79.93	21.76	76.35
16.	4059	1,00.87	82.50	81.79	39.27	38.93
17.	4202	2,46.82	2,18.41	88.49	1,80.11	72.97
18.	4210	1,34.52	1,15.88	86.14	1,01.51	75.46
19.	4211	4.80	2.89	60.21	2.05	42.71
20.	4215	1,12.97	66.24	58.64	17.44	15.44
21.	4216	12.31	7.43	60.36	5.67	46.06
22.	4217	1,42.82	74.97	52.49	74.97	52.49
23.	4225	37.35	36.37	97.38	32.42	86.80
24.	4235	5.98	3.85	64.38	3.85	64.38
25.	4250	17.25	10.59	61.39	10.59	61.39
26.	4401	17.23	25.82	1,49.85	20.64	1,19.79
27.	4406	41.51	24.25	58.42	15.40	37.10
28.	4700	2,57.95	1,67.79	65.05	1,40.69	54.54
29.	4701	0.61	0.61	1,00.00	0.56	91.80
30.	4702	88.79	67.09	75.56	39.94	44.98
31.	4711	39.50	25.20	63.80	24.60	62.28
32.	4801	5,16.12	4,54.88	88.13	4,52.67	87.71
33.	4859	16.16	13.81	85.46	10.70	66.21
34.	5053	95.44	95.17	99.72	95.18	99.73
35.	5054	8,72.77	4,90.54	56.20	3,57.02	40.91
36.	5055	0.93	0.54	58.06	0.54	58.06
37.	5452	20.23	14.83	73.31	5.69	28.13
38.	6003	14,58.74	7,79.82	53.46	4,17.22	28.60
39.	6075	3.08	3.08	1,00.00	0.00	0.00
40.	6401	156.36	1,40.83	90.07	1,00.83	64.49
41.	6425	2.31	1.80	77.92	0.96	41.56
42.	7055	25.00	25.00	1,00.00	25.00	1,00.00
43.	7610	1.03	0.56	54.37	0.17	16.50
<b>Total</b>		<b>56,44.90</b>	<b>36,58.41</b>	<b>65.29</b>	<b>26,45.39</b>	<b>46.86</b>

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

Scrutiny revealed that 65.29 per cent of the total expenditure of ₹ 56,44.90 crore spent against these major heads during the year 2012-13, was incurred in the last

quarter of the financial year. Further, in 26 individual cases above, the expenditure exceeding ₹ 10 crore was incurred in the month of March 2013 alone.

Contrary to the spirit of financial regulations, a substantial expenditure was incurred by the Government at the end of the year which was indicative of poor financial control over the expenditure. A uniform pace of expenditure is a must for sound financial management.

## **2.4 Non-reconciliation of Departmental Figures**

### **2.4.1 Pendency in submission of Detailed Countersigned Contingent (DC) Bills against Abstract Contingent Bills (AC)**

As per 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 Principal Accountant General (Accounts and Entitlement). The total amount of DC bills received during the year 2012-13 was only ₹ 0.74 crore against the amount of AC bills of ₹ 3.68 crore leading to an outstanding balance of AC bills of ₹ 2.94 crore awaiting adjustment as on August 2013. Year wise details are given in **Table 2.9**.

**Table-2.9**  
**Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills (as on August 2013)**

(₹ in crore)

Year	Amount of AC Bills	Amount of DC Bills	Outstanding AC Bills	
			Number	Amount
2009-10	1.34	1.31	2	0.03
2010-11	40.13	32.25	64	7.88
2011-12	3.56	3.40	27	0.16
2012-13	3.68	0.74	70	2.94
<b>Total</b>	<b>48.71</b>	<b>37.70</b>	<b>163</b>	<b>11.01</b>

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

As can be seen from the table above, the total amount of AC bills outstanding against 163 AC Bills was ₹ 11.01 crore at the end of August 2013. It was further noticed that out of the total outstanding balance of ₹ 11.01 crore, a substantial amount of ₹ 1.06 crore (9.63 per cent) was drawn (during 2010-11) through five AC bills by the Relief Department under Major Head 2245 and was still outstanding on account of non-submission of DC bills. Out of total outstanding amount of AC bills of 2012-13 (₹ 2.94 crore), a substantial amount of ₹ 2.73 crore (92.86 per cent) pertains to General Education department under Major Head

2202. However, there is a substantial decrease in outstanding amount of A.C. Bills prior to 2012-13 by ₹ 36.96 crore (82.03 *per cent*) as on August 2013.

Department wise pending DC bills for the years up to 2012-13, showing position of outstanding DC bills as on August 2013, have been detailed in **Appendix- 2.12**.

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

#### 2.4.2 *Un-reconciled Expenditure*

To enable Controlling Officers of Departments to exercise effective control over expenditure to keep it within the budgetary allocation and to ensure accuracy of their accounts, Financial Rules stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Principal 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 2012-13 also. Audit scrutiny revealed cases where the amount exceeding ₹ 10 crore involving ₹ 50,44.86 crore remained un-reconciled in respect of five Controlling Officers during the year 2012-13, which constituted 28.38 *per cent* of the total net expenditure of ₹ 1,77,75.00 crore as detailed in **Table 2.10**.

**Table-2.10**  
List of Controlling Officers where amounts exceeding ₹ 10 crore in each case remained fully un-reconciled during 2012-13

Sl. No.	Controlling Officers	(₹ in crore) Amount not reconciled
1.	Commissioner, Relief, Revenue Department	1,35.42
2.	Principal Secretary Finance/Estate Department	28,68.99
3.	Director Ayurveic & Unani Services	824.92
4.	Secretary, Energy	5,30.03
5.	Principal Secretary, Social Welfare	6,85.50
<b>Total</b>		<b>50,44.86</b>

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

The reasons for the huge amount of ₹ 50,44.86 crore remaining un-reconciled during the year 2012-13 was mainly due to lack of initiative on the part of the Controlling Officers towards reconciliation.

Thus, government may ensure reconciliation of accounts by the concerned Controlling Officers to obviate the possibilities of fraud and misuse of funds.

## **2.5 Advances from Contingency Fund**

The Contingency Fund of the State has been established vide Uttarakhand Contingency Fund Act, 2001 (Act No. 2 of 2001) in terms of provisions of Article 267 (2) and 283 (2) of the Constitution of India. Advances from the fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. The fund is in the nature of an imprest and its present corpus is ₹ 2.00 crore (the corpus was reduced from ₹ 6.00 crore to ₹ 2.00 crore during the year). Any drawal of advances from the fund needs to be recouped from the Consolidated Fund of the State within the same financial year. However, advances to the tune of ₹ 32.06 crore drawn from the Contingency Fund remained to be recouped from Service Heads to the Contingency Fund after authorisation of Legislature as on 31 March 2013 as given in **Table 2.11**.

**Table-2.11**  
**Expenditure met from Contingency Fund during the year 2012-13 remained un-recouped**

(₹ in crore)

Sl. No	Grant No	Major Head	Budget Estimate	Re-appropriation/ Surrender	Total	Actual Exp	Adv From Contingency Fund	Month of Sanction
1	03	2013-Councils of Ministers	33.47	(-)1.16	32.31	32.79	1.00	03/2013
2	06	2070-Other Administrative Services	49.11	(-)0.09	49.02	40.60	0.002	01/2013
3	16	2230-Labor & Employment	10.62	0.00	10.62	7.91	0.028	12/2012,02/2013 & 03/2013
4	18	2425-Co-Operation	38.32	0.00	38.32	30.29	0.0007	11/2012
5	19	4515- Capital Outlay on other rural development programmes	312.36	(-)105.21	207.15	179.81	18.32	03/2013
6	26	3452- Tourism	72.75	0.00	72.75	42.70	12.00	02/2013
7	30	2403 – Animal Husbandry	3.33	0.00	3.33	3.28	0.71	03/2013
<b>Total</b>			<b>519.96</b>	<b>(-)106.46</b>	<b>413.50</b>	<b>337.38</b>	<b>32.0607</b>	

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

It is evident from the above that the expenditure to the tune of ₹ 32.06 crore was met through advances from the Contingency Fund during the year and had not been recouped by the State government during the year as required under Section 5 of Uttarakhand Contingency Fund Act, 2001 (Act No. 2 of 2001).

Government resorted to advances from the Contingency Fund during the year for meeting the capital expenditure (₹ 18.32 crore) which was foreseeable and thus in contravention of rules governing operation of the fund.

## **2.6 Deficiencies in Budgeting Process**

The following deficiencies were noticed in the budgeting process of the State government for the financial year 2012-13.

- Minor Head 900-Recoveries under Major Heads 0029, 0039 and Minor Head 901 under Sub-Major Head 01 of Registration Fees have been shown below Sector-A Tax-Revenue, while the list of Major & Minor Heads of Account (Volume-I) provides that the Minor Head-900 recoveries shall be shown below every Major, Sub-major and Minor Head coming under the Sector-A Tax-Revenue.
- As per the Budget document Vol-V part I, under Major Head 3454, Minor Head 001 Direction and Administration has been shown below Sub-Major Head 02 Survey instead of 01 Census as is provided in the List of Major and Minor Heads of Accounts.
- As per the Budget document 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.
- In the Major Head 2059, under Grant Number 22, Minor head 102 under Sub-Major Head 80 has been shown as 'Repair and Maintenance', whereas it should have been shown as Minor Head 053 under Sub-Major Head 80, as per the List of Major and Minor Heads of Accounts.
- Under the Major Head 2245-only one Sub-Major Head 05-has been shown, under which there is the provision of Minor Head 800 whereas the list of Major and Minor Heads of Accounts provides for the provision of two more Sub-Major Heads 01-Drought and 02-Flood and Cyclone.
- Sub-Major Head 04-has been shown as 'Integrated Development of Towns' under the Major Head 2217 while it should have been depicted as 'Development of Slums' as provided in the List of Major and Minor Heads of Accounts.

- In the Major Head 4235, 'Welfare of Handicapped' has been shown against Minor Head 104 under Sub-Major Head 02 whereas it should have been 'Welfare of Aged, Infirm and Destitute'. As per the List of Major and Minor Heads of Accounts 'Welfare of Handicapped' should have been shown against Minor Head 101.
- In Major Head 2402 under Grant Number 17, Minor Heads 101 and 102 have been shown as 'Soil Conservation & Testing' and 'Water Conservation' respectively, whereas these should have been shown as 'Soil Survey & Testing' and 'Soil Conservation' as per the List of Major and Minor Heads of Accounts.
- 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.
- No item has been mentioned against Minor Head 119 and the item name Other Schemes is shown against Minor head 800 under the Major Head 2401 in lieu of Afforestation and Vegetation against the aforesaid heads 119 and Other Expenditures against 800 as per the List of Major and Minor Heads of Accounts.
- Minor Heads 101 Special Component Plan for Scheduled Castes in the Major Head 2211 under Grant Number 30 has been shown according to Budget document whereas Minor Head 101 Rural Family Welfare Services has been mentioned in the List of Major and Minor Heads of Accounts.
- As per Budget document, Minor Head 797 indicates Transfer of Reserve Funds and Deposit Accounts under Major Head 2048 but in the List of Major and Minor Heads of Accounts it indicates Minor Head 101-Deposit Fund, 200-Other Investments only.
- As per the List of Major and Minor Heads of Accounts, under the Major Head 2052 there is the provision of Minor Heads 091 Attached Offices and 092 Other Offices while as provision of 800 Other Expenditure has been made in the Budget document.
- No name of items has been mentioned against the Minor Head 001 under Sub Major Head 02 of Major Head 2030 and Minor Head 200 under the Major



Head 3604. Therefore it is not possible to ascertain the particulars of the above mentioned Minor Heads.

## 2.7 Misclassification of Grants-in-Aid

Grants-in-aid to any institution/body must constitute the revenue expenditure of the Government. But during the year 2012-13, a sum of ₹ 4,33.05 crore has been disbursed as grants-in-aid under following capital major heads of expenditure against approved budgetary provision in violation of Indian Government Accounting Standard prescribed IGAS-2 as detailed in **Table 2.12**.

**Table 2.12**  
Misclassification of grants-in-aid under capital Major Heads

Major Head	Amount (₹ in crore)
4202-Capital Outlay on Education, Sports, Art & Culture	1,15.46
4210-Capital Outlay on Medical & Public Health	1.50
4215- Capital Outlay on Water Supply & Sanitation	1,12.97
4250- Capital Outlay on Other Social Services	10.62
4401- Capital Outlay on Crop Husbandry	15.00
4515- Capital Outlay on Other Rural Development Programmes	1,77.50
<b>Total</b>	<b>4,33.05</b>

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

Such misclassification is a matter of concern.

## 2.8 Outcome of Inspection of Treasuries

During inspection of treasuries/ Sub- treasuries for the year ended 31 March 2013 by the Office of the Principal Accountant General (A&E), following irregularities were noticed as indicated in **Table 2.13**.

**Table 2.13**  
Outcome of inspection of Treasuries

Sl. No	Category	Amount (₹ in crore)
1.	Unadjusted AC Bills	12.11
2.	Advances made under Treasury rule-24 by the District Magistrate, Udham Singh Nagar remained unrecouped.	0.05
3.	An amount of lapsed deposits had not been remitted into the Government Account.	0.22
4.	Unauthorized disbursement from PLA	10.65
5.	Reimbursement of pensioners' dues, in favors of UPCL, Uttarakhand and Uttar Pradesh Power Corporation Limited.	7.90
6.	Under authorisation of gratuities to pensioners by head of Departments / Director.	0.07

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

- There is a need to tighten the controls at the level of Treasury relating to AC bills adjustment, Advances made under Treasury Rule-24 by the District



Magistrates, unauthorised disbursement from PLA, lapsed deposits, pension and gratuities related payments.

## **2.9 Outcome of Review of Selected Grant**

Grant Number 07-Finance, Tax, Planning, Secretariat & Miscellaneous Services was selected for review which revealed the following:

### **Rush of Expenditure**

General Financial Rules provide that the expenditure shall uniformly be incurred during the year taking month wise/ quarter wise flow into consideration. In the case of Grant Number 07 (Finance, Tax, Planning, Secretariat & Miscellaneous Services), Audit revealed that the uniform flow of expenditure was not maintained during 2012-13 as per prescribed norms, which led to rush of expenditure. The details are shown in **Table 2.14**.

**Table-2.14**  
**Rush of expenditure during the last quarter/in the month of March, 2013**

(₹ in crore)

Sl. No.	Major Head (Voted)	Expenditure in last Quarter	Expenditure in March	Total Expenditure during 2012-13	Percentage of expenditure in last quarter	Percentage of expenditure in March
1.	2030-Stamps and Registration	15.51	7.69	22.95	67.58	33.51
2.	2049-Interest Payments	10,14.89	6,97.81	20,88.73	48.59	33.41
3.	3454- Census, Surveys and Statistics	8.24	6.18	16.30	50.55	37.91
<b>Total</b>		<b>10,38.64</b>	<b>7,11.68</b>	<b>21,27.98</b>	<b>48.81</b>	<b>33.44</b>

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

The expenditure in three Major Heads under the grant in the last quarter of 2012-13 was 48.81 per cent of the total expenditure with 33.44 per cent of the total expenditure under these Heads being incurred in the month of March, 2013 alone leading to the rush of expenditure. This indicates lack of planning and control in regulating the expenditure by the Finance Department of the Government.

Rush of expenditure at the close of the year could lead to infructuous, nugatory or ill planned expenditure. The departments should ensure maintaining uniform pace of expenditure throughout the year as far as practicable to avoid rush of expenditure at the end of the financial year.

### Unnecessary Supplementary Grants

Supplementary Grants are obtained to cover the excesses that may be anticipated after mid-term review of the requirement of additional funds under the Grants/ Appropriations during a financial year. However, it was noticed that Supplementary Grants were obtained under five Major Heads of Grant Number 07 without any proper planning as tabulated in the **Table-2.15**.

**Table-2.15**  
Details of supplementary provision obtained under the Grant (₹ in crore)

Major Head	Total Budget Provision				Actual Expenditure	Saving
	Original	Supplementary	Re-appropriation	Total		
2030- Stamps and Registration	26.81	0.53	0.00	27.34	22.95	(-)4.39
2045- Other Taxes and Duties on Commodities and Services	8.07	2.01	0.00	10.08	6.67	(-)3.41
2052- Secretariat-General Services	1,40.97	3.94	(-)2.43	1,42.48	87.12	(-)55.36
3454- Census, Surveys and Statistics	21.70	6.80	0.00	28.50	16.30	(-)12.20
4059- Capital Outlay on Public Works	26.24	5.50	0.00	31.74	20.43	(-)11.31
<b>Total</b>	<b>2,23.79</b>	<b>18.78</b>	<b>(-)2.43</b>	<b>2,40.14</b>	<b>1,53.47</b>	<b>(-)86.67</b>

Supplementary grants amounting to ₹ 18.78 crore obtained under five Major Heads of Grant Number 07 proved unnecessary since the Savings/overall Savings under five Major Heads itself were more than the supplementary grant obtained by the Department. A major portion (₹ 55.36 crore (39.27 per cent)) of original grant obtained under the Major Head 2052 remained unspent by the department despite re-appropriation of ₹ 2.43 crore.

The Government may put in place a proper mechanism to ensure proper utilisation of funds.

### Unutilised Provision

Annual Financial Statement of the government provides for provisions for different schemes and programmes in order to carry out various development programmes/ schemes. In Grant Number 07, it was noticed that the entire budgetary provision under certain sub-heads remained unutilised at the end of financial year 2012-13 as per details in **Table 2.16**.

**Table 2.16**  
**Details of Heads of accounts where the allocation were not used at all (₹in crore)**

Sl. No.	Head of Account	Budget Provision	Saving
1.	2040-00-800-04-Taxes on Sales, Trade, etc.	2.50	2.50
2.	2045-00-103-04-Other Taxes and Duties on Commodities and Services	2.00	2.00
3.	2052-00-800-03-Secretariat -General Services	50.00	50.00
4.	2071-01-101-06-Pension and Other Retirement Benefits	1.00	1.00
5.	2071-01-102-06- Pension and Other Retirement Benefits	1.00	1.00
6.	2071-01-104-06- Pension and Other Retirement Benefits	1.00	1.00
7.	2071-01-105-06- Pension and Other Retirement Benefits	0.50	0.50
8.	2071-01-200-06- Pension and Other Retirement Benefits	3.00	3.00
9.	2071-01-800-05- Pension and Other Retirement Benefits	1.20	1.20
10.	3451-00-092-01-Secretariat-Economic Services	1.30	1.30
11.	3451-00-092-06- Secretariat-Economic Services	2.00	2.00
<b>Total</b>		<b>65.50</b>	<b>65.50</b>

Entire allocation of ₹ 65.50 crore under various schemes/ programmes of various major heads of Grant Number 07 remained unutilised during 2012-13. This indicates that expenditure could not be incurred as estimated and planned. This needs to be looked into to ensure optimum utilisation of funds

## **2.10 Conclusion**

The overall saving of ₹ 35,68.50 crore was the result of saving of ₹ 54,03.84 crore in various grants and appropriations offset by excess of ₹ 18,35.34 crore in one grant and one appropriation under Revenue Section and five grants under Capital Section.

Excess expenditure of ₹ 18,35.34 crore over the approved provision registered in seven cases under six grants and one appropriation during the year would require regularization under Article 205 of the Constitution of India.

Judicial Administration, Revenue and General Administration, Finance Tax, Planning, Energy, Medical Health and Family Welfare, Water Supply, Housing, Urban Development, Welfare, Rural Development and Public Works Grants posted large savings persistently during the last five years. There were also instances of inadequate provision and unnecessary/excessive re-appropriations of funds besides rush of expenditure in the last quarter/at the end of the financial year indicating inadequate budgetary control in the departments. In many cases, the anticipated savings were either not surrendered or surrendered at the end of the year in the month of March leaving no scope for utilizing these funds for other

developmental purposes. Advances sanctioned from the Contingency Fund which in certain cases were not of emergent nature requiring drawal from Contingency Fund, were not recouped at the end of the year.

Budgetary controls may be strictly observed to avoid such deficiencies in financial management. Last minute fund releases and issuance of re-appropriation/surrender orders should be avoided. The Government may sanction advances from the Contingency Fund only for meeting expenditure of an unforeseen and emergent nature only. The mechanism to recoup the fund timely should be streamlined. A close and rigorous monitoring mechanism should be put in place by the Controlling Officers to ensure adjustment of Abstract Contingent bills during the stipulated time frame. Deficiencies in classification of heads of accounts were noticed in the budgeting process of the State Government for the financial year 2012-13.

### **2.11 Recommendations**

The Government may consider that:

- all the departments should submit realistic budget estimates, keeping in view the trends of expenditure and the actual requirement of funds in order to avoid large savings/ excesses;
- all the departments should closely monitor the expenditure against the allocations and incurring of excess expenditure over the grants should be strictly avoided;
- all the departments should work out savings before hand and ensure their surrender by stipulated date for their effective utilization by other departments requiring funds;
- a monitoring mechanism may be put in place in the departments to adjust the advances drawn on Abstract Contingent Bills within the stipulated period, as required under the extant rules; and
- the budgeting process may be streamlined by depicting the items under proper heads of accounts.

## **CHAPTER-3**

### **FINANCIAL REPORTING**

## CHAPTER- 3

### FINANCIAL REPORTING

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

#### 3.1 Delay in furnishing Utilisation Certificates

Financial Rules provide that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees and, after verification, these should be forwarded to the Principal Accountant General (Accounts and Entitlements) within 18 months from the date of their sanction unless specified otherwise. 599 UCs amounting to ₹ 617.59 crore were pending as of August 2013. Of these, 213 UCs (35.56 *per cent*) involving ₹ 256.84 crore were pending for periods up to two years and 386 UCs involving ₹ 360.75 crore were pending for more than two years. The age-wise delays in submission of UCs have been summarised in Table 3.1.

**Table-3.1**  
**Age-wise arrears of Utilization Certificates as on August 2013**

(₹ in crore)

Sl. No.	Range of delay in number of years	Utilisation Certificates Outstanding	
		Number	Amount
1	0-1	97	146.36
2	1-2	116	110.48
3	More than two years	386	360.75
Total		599	617.59

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

### **3.2 Delay in submission of Accounts in respect of Departmental Managed Commercial Undertakings**

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

The Heads of Department in the government are to ensure that the undertakings prepare such accounts and submit the same to Accountant General (Audit), Uttarakhand, Dehradun for audit within a specified time frame. As of September 2013, out of three such undertakings, two had not prepared accounts and their accounts were in arrears from the year 2003-04 onwards. The department-wise position of arrears in preparation of *pro forma* accounts and investment made by the Government are given in **Appendix-3.1**.

Delay in finalisation of accounts carries the risk of financial irregularities going undetected and, therefore, the accounts need to be finalised and submitted to the audit at the earliest.

### **3.3 Misappropriations, Losses, Defalcations, etc.**

Audit observed four cases of misappropriation, defalcation *etc.*, involving Government money amounting to ₹ 1.44 crore up to the period March 2013 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 summarised in **Table 3.2**.

**Table-3.2**  
**Profile of cases of misappropriations, losses, defalcations, etc.,**  
**as on 31 March 2013**

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	01	37.18	Misappropriation/Loss of material	04	143.78
1 - 2	02	105.53			
2 - 3	--	---			
3 - 4	--	---			
4 - 5	01	1.07	<b>Total</b>	<b>04</b>	<b>143.78</b>
5 & above	--	---	Cases of Loss Written off during the Year	--	--
<b>Total</b>	<b>04</b>	<b>143.78</b>	<b>Total Pending cases</b>	<b>04</b>	<b>143.78</b>

Of these four cases of misappropriation/ loss amounting to ₹ 143.78 lakh pending for final action, one case was pending in the Department of 'Education' amounting ₹ 1.07 lakh and the other three cases involving substantial amount of ₹ 142.71 lakh were awaiting finalisation by the Department of Forest.

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

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

During 2012-13, an amount of ₹ 858.18 crore under 39 Major Heads of account (representing functions of the Government) was classified under the Minor Head 'Other Expenditure' in the revenue account constituting 6.15 *per cent* of the total revenue expenditure recorded under the respective Major Heads. Similarly, a total sum of ₹ 2,462.87 crore under 38 Major Heads of account (representing functions of the Government) was classified under the Minor Head 'Other Receipts' in the accounts constituting 15.64 *per cent* of the total receipts recorded under the respective Major Heads. In three Major Heads of accounts, substantial amount of expenditure (₹ 119.90 crore) was booked under 'Other Expenditure' and in nine Major Heads of accounts, substantial amount of receipts (₹ 1,830.78 crore) was booked under 'Other Receipts'. The major schemes are not depicted distinctly in the Finance Accounts, though the details of these expenditures are depicted in the sub-head (scheme) level or below in



the detailed demands for Grants and corresponding head-wise Appropriation Accounts forming part of the State Government Accounts.

Classification of large amounts booked under the minor head '800'-Other receipts/ expenditure affects the transparency/ fair picture in financial reporting.

### **3.5 Inaccurate Booking of GPF Figures under Major Head 8009 & 2049**

Interest figures pertaining to GPF of Class IV employees of State Government are not being provided to the Office of the Principal Accountant General (A&E), Uttarakhand, Dehradun. Hence, budgeted figures (₹ 80 crore) of the same are being incorporated in Finance Accounts 2012-13. This is reducing accuracy of accounts while at the same time increasing the risk of fraudulent withdrawals of GPF.

### **3.6 Conclusion**

Internal control system within the Government departments is not functioning as envisaged with regard to compliance with various rules, procedures and directives formulated by the Government. In absence of compliance with the basic requirement of the preparation of annual pro forma accounts by the Departmentally Managed Government Undertakings and non-adjustment of large amounts drawn on AC bills by the departmental authorities, financial reporting may not be accurate and reliable. Delay in submission of Utilisation Certificates to the Principal Accountant General (Accounts & Entitlements) against the loans and grants given to various grantee institutions indicates the need for strengthening the monitoring system of the Government as 599 UCs amounting to ₹ 617.59 crore, which were due for submission, were not furnished to the Principal Accountant General (Accounts & Entitlements) for reconciliation of accounts and keeping a watch on the proper utilisation of funds.

Departmental enquiries in the cases of misappropriation, loss and defalcation should be expedited to bring the defaulters to book. Due to non-receiving of actual figures of interest on GPF of Class IV employees from the State Government, the budgeted figures are being incorporated in Finance Accounts.

### **3.7 Recommendations**

The Government may consider ensuring:

- timely submission of utilization certificates in respect of the grants released for specific purposes to the grantee institutions;
- expediting departmental enquiries in respect of all fraud and misappropriation cases and strengthening internal controls to prevent such cases; and
- correctness in financial reporting instead of clubbing the receipts and expenditure of major schemes under the Minor Head '800-Other Expenditure' and '800-Other Receipts.

**Dehradun**  
**The**

**(SAURABH NARAIN)**  
**Accountant General (Audit), Uttarakhand**

**Countersigned**

**New Delhi**  
**The**

**(SHASHI KANT SHARMA)**  
**Comptroller and Auditor General of India**

**Appendix-1  
State Profile**

*(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	101.17 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 = 29.80 <i>per cent</i> )	18 <i>per cent</i>
5	a. Literacy (as per 2001 Census) (All India Average = 64.8 <i>per cent</i> )	71.60 <i>per cent</i>
	b. Literacy (as per 2011 Census ) (All India Average = 74.04 <i>per cent</i> )	79.63 <i>per cent</i>
6	Infant mortality (per 1000 live births) (All India Average = 44 per 1000 live births)	36
7	Life Expectancy at at Birth.(All India Average =66.10)	N A
8	Gini Coefficient**	
	a. Rural (All India = 0.276)	0.231
	b. Urban (All India = 0.376)	0.395
9	Gross State Domestic Product (GSDP) 2012-13 at current prices	108,343
10	Per capita GSDP CAGR (2003-04 to 2012-13)	18.00 <i>per cent</i>
11	GSDP CAGR (2003-04 to 2012-13)	19.80 <i>per cent</i>
12	Population Growth (2003-04 to 2012-13)	16.03

**B: Financial Data**

CAGR (2003-04 to 2012-13)			
Particulars		Figures (in <i>per cent</i> )	
CAGR		2003-04 to 2011-12	2003-04 to 2012-13
A	Of Revenue Receipts	18.17	17.82
B	Of Tax Revenue	16.45	16.20
C	Of Non-Tax Revenue	15.05	17.69
D	Total Expenditure	15.15	15.06
E	Capital Expenditure	20.16	23.42
F	Revenue Expenditure in General Education	16.42	14.39
G	Revenue Expenditure on Health	18.99	18.75
H	Salary	20.65	19.32
I	Pension	18.96	19.11

\* Source of General data: Data Book of Planning Commission for Deputy Chairman, Planning Commission, GOI-3 May 2013.  
(web site: <http://planningcommission.gov.in>)

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

**Appendix - 1.1**  
(Reference: Page 1)

**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
<b>Volume 1</b>	
Statement No.1	Statement of Financial Position.
Statement No.2	Statement of Receipts and Disbursements.
Statement No.3	Statement of Receipts in Consolidated Fund.
Statement No.4	Statement of Expenditure in Consolidated Fund. By Function and Nature Notes to Accounts.
Appendix 1	Cash balance and investment of cash balance
<b>Volume 2</b>	
<b>PART-I</b>	
Statement No. 5	Statement of Progressive Capital Expenditure.
Statement No.6	Statement of Borrowings and other Liabilities.
Statement No.7	Statement of Loans & Advances given by the Government.
Statement No.8	Statement of Grants-in-Aid given by the Government.
Statement No.9	Statement of Guarantees given by the Government.
Statement No.10	Statement of Voted & Charged Expenditure.
<b>PART-II</b>	
Statement No.11	Detailed Statement of Revenue & Capital Receipts by Minor Heads.
Statement No.12	Detailed Statement of Revenue Expenditure by Minor Heads.
Statement No.13	Detailed Statement of Capital Expenditure by Minor Heads.
Statement No.14	Detailed Statement of Investments of the Government.
Statement No.15	Detailed Statement of Borrowings & other Liabilities.
Statement No.16	Detailed Statement on Loans & Advances given by the Government.
Statement No.17	Detailed Statement on Sources & Applications of Fund for Expenditure other than Revenue Account.
Statement No.18	Detailed Statement in Contingency Fund & other Public Account Transactions.
Statement No.19	Detailed Statement on Investments of Earmarked Funds.

**Appendix 1.1-contd.**

<b>PART-III</b>	
<b>Appendices</b>	
II	Comparative Expenditure on Salary
III	Comparative Expenditure on Subsidy
IV	Grants-in-aid (Scheme wise and Institution wise)
V	Externally Aided Projects
VI	Plan Scheme Expenditure (Central and State Plan Schemes)
VII	Direct transfer of central scheme funds to implementing agencies in the State
VIII	Summary for Balances
IX	Financial results of Irrigation Schemes
X	Incomplete Works
XI	Maintenance expenditure with segregation of salary and non salary portion

**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)

	2008-09	2009-10	2010-11*	2011-12*	2012-13*
Gross State Domestic Product ( ₹ in crore)	56,025	70,730	83,966	94,159	108,343
Growth rate of GSDP	22.18	26.25	18.71	12.14	15.06
Source: Director Economics and Statistics Uttarakhand					

\* 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

$$AE/GSDP = x$$

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

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

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

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

$$DE/AE = y$$

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

where y is the national average of DE-AE ratio

Substituting (1) in (2) we get

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

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

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

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

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

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

**Appendix-1.2**

**Part B**

*(Reference: Paragraph: 1.1; Page 2)*

**Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005**

**(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 31<sup>st</sup> 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 1<sup>st</sup> day of April 2005 and ending on the 31<sup>st</sup> 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)

	2010-11 (Actuals)	2011-12 (Actuals)	2012-13 (Budgeted)	2012-13 (Revised)	2013-14 (Projected)	2014-15 (Projected)	2015-16 (Projected)
<b>A. STATE REVENUE ACCOUNT :</b>							
1. Own Tax Revenue	4,405.48	5,615.56	5,980.26	6,050.26	7,111.42	8,249.25	9,569.13
2. Own Non-Tax Revenue	678.06	1,136.07	1,208.17	1,517.43	1,216.26	1,181.56	1,276.09
<b>3. Own Tax +Non-Tax Revenue (1+2)</b>	<b>5,083.54</b>	<b>6,751.63</b>	<b>7,188.43</b>	<b>7,567.69</b>	<b>8,327.68</b>	<b>9,430.81</b>	<b>10,845.21</b>
4. Share in Central Taxes and Duties	2,460.07	2,866.10	3,388.45	3,272.88	3,896.39	4,363.96	4,887.63
5. Plan-Grants	2,629.36	3,354.51	4,831.67	5,531.67	6,107.07	6,717.78	7,389.55
6. Non-Plan Grants	1,435.20	719.18	750.40	839.24	624.58	485.00	485.00
<b>7. Total Central Transfer (4 to 6)</b>	<b>6,524.63</b>	<b>6,939.79</b>	<b>8,970.52</b>	<b>9,643.79</b>	<b>10,628.04</b>	<b>11,566.73</b>	<b>12,762.19</b>
<b>8. Total Revenue Receipts (3+7)</b>	<b>11,608.17</b>	<b>13,691.42</b>	<b>16,158.95</b>	<b>17,211.48</b>	<b>18,955.72</b>	<b>20,997.54</b>	<b>23,607.40</b>
9. Plan Expenditure	4,367.29	4,625.16	7,048.96	8,184.23	8,710.38	9,581.42	10,539.56
10. Non-Plan Expenditure	10,348.56	12,838.36	14,882.81	15,016.75	16,619.46	18,447.60	20,476.84
11. Salary Expenditure	4,966.14	5,511.88	6,513.18	6,505.22	7,404.18	8,144.60	8,959.06
12. Pension	1,141.72	1,135.10	1,439.80	1,439.80	1,989.55	2,208.40	2,451.32
13. Interest Payments	1,479.58	1,769.21	2,025.00	2,119.08	2,540.85	2,906.83	3,320.94
14. Subsidies-General							
15. Subsidies-Power							
<b>16. Total Revenue Expenditure (9+10 )</b>	<b>11,621.08</b>	<b>12,975.32</b>	<b>15,717.11</b>	<b>15,985.32</b>	<b>18,054.20</b>	<b>19,949.89</b>	<b>22,543.38</b>
17. Salary+Interest+ Pensions (11+12+13)	7,587.44	8,416.19	9,977.98	10,064.10	11,934.58	13,259.83	14,731.33
18. as per cent of Revenue Receipt (17/8)	65.36	61.47	61.75	58.47	62.96	63.15	62.40
<b>19. Revenue surplus/deficit (8-16)</b>	<b>- 12.91</b>	<b>716.10</b>	<b>441.84</b>	<b>1,226.16</b>	<b>901.52</b>	<b>1,047.65</b>	<b>1,064.02</b>
1. Power Sector loss/Profit net of actual subsidy transfer	-						
2. Increase in debtors during the year in power utility account (increase (-))	-						

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3. Interest payment on Off Budget Borrowings and SPV borrowings made by PSUs/SPUs outside budget	-						
<b>4. Total (1 to 3)</b>	<b>-</b>						
<b>Consolidated Revenue Surplus/Deficit</b>	<b>- 12.91</b>	<b>716.10</b>	<b>441.84</b>	<b>1,226.16</b>	<b>901.52</b>	<b>1,047.65</b>	<b>1,064.02</b>
<b>C. CONSOLIDATED DEBT:</b>							
1. Outstanding Debt and liability	19,806.99	21,752.77	25,028.11	24,939.58	28,498.94	32,565.41	37,166.65
2. Total Outstanding Guarantee	2,042.28	1,739.45	1,739.45	1,570.15	1,570.15	1,570.15	1,570.15
a) Guarantee of Budgeted & SPV borrowings							
<b>D. Capital Account</b>							
1. Capital Outlay	1,854.85	2,317.31	3,653.48	4,547.27	4,874.19	5,264.13	5,685.26
2. Disbursement of Loans and Advances	59.68	246.84	264.05	371.26	248.66	50.00	80.00
3. Recovery of Loans and Advances	84.87	490.57	118.10	368.10	684.59	200.00	100.00
4. Other capital receipts	2,382.29	2,335.52	3,357.00	3,357.00	3,536.74	4,066.47	4,601.23
<b>E. GROSS FISCAL DEFICIT (GFD) :</b>	<b>1,842.57</b>	<b>1,357.48</b>	<b>3,357.59</b>	<b>3,324.27</b>	<b>3,536.74</b>	<b>4,066.47</b>	<b>4,601.23</b>
GSDP (₹ in crore) at Current Prices	75,475.73	93,161.72	1,07,548.25	1,07,548.25	1,21,099.30	1,36,357.80	1,53,538.90
<b>F. FISCAL DEFICIT :</b>							
Actual/Assumed Nominal Growth Rate ( <i>per cent</i> )	13.67	12.35	15.44	15.44	12.60	12.60	12.60

**Appendix 1.3**  
(Reference: Paragraphs 1.3, 1.9.2 and 1.10 (ii); pages 12, 35 & 40)  
**Time series data on the State Government Finances**

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Part A. Receipts</b>					
<b>1. Revenue Receipts</b>	<b>8,635</b>	<b>9,486</b>	<b>11,608</b>	<b>13,691</b>	<b>15,747</b>
<b>(i) Tax Revenue</b>	<b>3,045(35)</b>	<b>3,559(38)</b>	<b>4,405(38)</b>	<b>5,616(41)</b>	<b>6,414(41)</b>
Taxes on Agricultural Income	...	-	--	--	--
Taxes on Sales, Trade etc.	1,911(63)	2,247(63)	2,940(67)	3,644(65)	4,289(67)
State Excise	528(17)	705(20)	756(17)	844(15)	1,118(17)
Taxes on Vehicles	167(5)	184(5)	227(5)	335(6)	304(5)
Stamps and Registration fees	357(12)	399(11)	440(10)	524(9)	648(10)
Land Revenue	18(1)	9(0.25)	18(0.41)	10(--)	11(--)
Taxes on Goods and Passengers	6(-)	-	-	-	--
Other Taxes	58(2)	15(0.42)	24(0.54)	259(5)	44(1)
<b>(ii) Non Tax Revenue</b>	<b>699(8)</b>	<b>632 (7)</b>	<b>678( 6)</b>	<b>1,136(8)</b>	<b>1,603(10)</b>
<b>(iii) State's share of Union taxes and duties</b>	<b>1,507(18)</b>	<b>1,550(16)</b>	<b>2,460(21)</b>	<b>2,866(21)</b>	<b>3,273(21)</b>
<b>(iv) Grants in aid from Government of India</b>	<b>3,384(39)</b>	<b>3,745(39)</b>	<b>4,065(35)</b>	<b>4,073(30)</b>	<b>4,457(28)</b>
<b>2. Miscellaneous Capital Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>--</b>
<b>3. Recoveries of Loans and Advances</b>	<b>54</b>	<b>65</b>	<b>85</b>	<b>91</b>	<b>428</b>
<b>4. Total Revenue and Non debt capital receipts (1+2+3)</b>	<b>8,689</b>	<b>9,551</b>	<b>11,693</b>	<b>13,782</b>	<b>16,175</b>
<b>5. Public Debt Receipts</b>	<b>1,544</b>	<b>1,682</b>	<b>2,427</b>	<b>2,336</b>	<b>2,968</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1,399(91)	1,582(94)	2,384(98)	2,289(98)	2,933(99)
Net transactions under Ways and Means Advances and Overdrafts	127(8)	69(4)	-	--	--
Loans and Advances from Government of India	18(1)	319(2)	43(2)	47(2)	35(1)
<b>6. Total Receipts in the Consolidated Fund (4+5)</b>	<b>10,233</b>	<b>11,233</b>	<b>14,120</b>	<b>16,118</b>	<b>19,143</b>
<b>7. Contingency Fund Receipts</b>	<b>2</b>	<b>37</b>	<b>582</b>	<b>126</b>	<b>32</b>
<b>8. Public Account Receipts</b>	<b>13,658</b>	<b>14,226</b>	<b>18,829</b>	<b>19,668</b>	<b>21,925</b>
<b>9. Total Receipts of the State (6+7+8)</b>	<b>23,891</b>	<b>25,459</b>	<b>33,531</b>	<b>35,912</b>	<b>41,100</b>
<b>Part B. Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>8,394</b>	<b>10,657</b>	<b>11,621</b>	<b>12,975</b>	<b>13,960</b>
Plan	2,174(26)	2,299(22)	2,472(21)	2,321(18)	2,427(17)
Non Plan	6,220(74)	8,358(78)	9,149(79)	10,654(82)	11,533(83)
General Services (including interest payments)	3,104(37)	3,694(35)	4,180(36)	4,475(35)	5,372(38)
Social Services	3,392(41)	4,980(47)	5,169(44)	6,019(46)	6,096(44)
Economic Services	1,623(19)	1,658(16)	1,864(16)	2,102(16)	1,995(14)
Grants-in-aid and contributions	275(3)	325(3)	408(4)	379(3)	497(4)
<b>11. Capital Expenditure</b>	<b>2,016</b>	<b>1,647</b>	<b>1,855</b>	<b>2,317</b>	<b>3,542</b>
Plan	1,902(94)	995(60)	1,859(100)	2,071(89)	2,972(84)
Non Plan	114(6)	651(40)	(-) 4	246(11)	570(16)
General Services	174(9)	109(7)	105(5)	77(3)	129(4)
Social Services	281(14)	109(7)	235(13)	369(16)	715(20)
Economic Services	1,561(77)	1,429(87)	1,515(82)	1,871(81)	2,698(76)

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<b>12. Disbursement of Loans and Advances</b>	<b>122</b>	<b>30</b>	<b>60</b>	<b>247</b>	<b>273</b>
<b>13. Total (10+11+12)</b>	<b>10,532</b>	<b>12,334</b>	<b>13,536</b>	<b>15,539</b>	<b>17,775</b>
<b>14. Repayments of Public Debt</b>	<b>355</b>	<b>473</b>	<b>519</b>	<b>1,016</b>	<b>1,472</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	318	437	448	667	1,412
Net transactions under Ways and Means Advances and Overdraft	--	--	45	323	31
Loans and Advances from Govt. of India	37	36	26	26	29
<b>15. Appropriation to Contingency Fund</b>		<b>-</b>	<b>515</b>	<b>(-) 400</b>	<b>--</b>
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>10,887</b>	<b>12,807</b>	<b>14,570</b>	<b>16,155</b>	<b>19,247</b>
<b>17. Contingency Fund disbursements</b>	<b>32</b>	<b>71</b>	<b>537</b>	<b>69</b>	<b>32</b>
<b>18. Public Account disbursements</b>	<b>13,477</b>	<b>12,322</b>	<b>17,733</b>	<b>19,832</b>	<b>20,961</b>
<b>Total disbursement by the State (16+17+18)</b>	<b>24,396</b>	<b>25,200</b>	<b>32,840</b>	<b>36,056</b>	<b>40,240</b>
<b>Part C. Deficits/Surplus</b>					
<b>20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)</b>	<b>(+) 241</b>	<b>(-) 1,171</b>	<b>(-) 13</b>	<b>(+)716</b>	<b>(+)1,787</b>
<b>21. Fiscal Deficit (4-13)</b>	<b>1,843</b>	<b>2,783</b>	<b>1,843</b>	<b>1,757</b>	<b>1,600</b>
<b>22. Primary Deficit (21+23)</b>	<b>(-) 655</b>	<b>(-) 1,445</b>	<b>(-) 363</b>	<b>(+) 12</b>	<b>(+)489</b>
<b>Part D. Other data</b>					
<b>23. Interest Payments (included in revenue expenditure)</b>	<b>1,188</b>	<b>1,338</b>	<b>1,480</b>	<b>1,769</b>	<b>2,089</b>
<b>24. Financial Assistance to local bodies etc.</b>	<b>275</b>	<b>324</b>	<b>408</b>	<b>379</b>	<b>497</b>
<b>25. Ways and Means Advances/Overdraft availed (days)</b>	<b>83</b>	<b>107/09</b>	<b>93</b>	<b>73</b>	<b>2</b>
<b>26. Interest on Ways and Means Advances/ Overdraft</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>0.88</b>	<b>0.01</b>
<b>27. Gross State Domestic Product (GSDP)<sup>@</sup></b>	<b>56,025</b>	<b>70,730</b>	<b>83,966</b>	<b>94,159</b>	<b>1,08,343</b>
<b>28. Outstanding Fiscal liabilities (year end)</b>	<b>16,276</b>	<b>18,748</b>	<b>21,598</b>	<b>23,609</b>	<b>25,540</b>
<b>29. Outstanding guarantees (year end) (including interest)</b>	<b>1,802</b>	<b>1,511</b>	<b>1,511</b>	<b>1,739</b>	<b>1,570</b>
<b>30. Maximum amount guaranteed (year end)</b>	<b>1,677</b>	<b>1,386</b>	<b>2,122</b>	<b>2,722</b>	<b>2,722</b>
<b>31. Number of incomplete projects (in numbers)</b>	<b>382</b>	<b>140</b>	<b>89</b>	<b>63</b>	<b>192</b>
<b>32. Capital blocked in incomplete projects (₹ in crore)</b>	<b>539</b>	<b>2,081</b>	<b>63</b>	<b>121.80</b>	<b>95</b>
<b>Part E. Fiscal Health Indicators (in ratios)</b>					
<b>I Resource Mobilization</b>					
<b>Own Tax revenue/GSDP</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.06</b>	<b>0.06</b>
<b>Own Non-Tax Revenue/GSDP</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>
<b>Central Transfers/GSDP</b>	<b>0.09</b>	<b>0.07</b>	<b>0.08</b>	<b>0.07</b>	<b>0.07</b>
<b>II Expenditure Management</b>					
<b>Total Expenditure/GSDP</b>	<b>0.19</b>	<b>0.17</b>	<b>0.16</b>	<b>0.17</b>	<b>0.16</b>
<b>Total Expenditure/Revenue Receipts</b>	<b>1.22</b>	<b>1.30</b>	<b>1.17</b>	<b>1.13</b>	<b>1.13</b>
<b>Revenue Expenditure/Total Expenditure</b>	<b>0.80</b>	<b>0.86</b>	<b>0.86</b>	<b>0.83</b>	<b>0.79</b>

Expenditure on Social Services/Total Expenditure	0.35	0.41	0.40	0.41	0.4
Expenditure on Economic Services/Total Expenditure	0.30	0.25	0.25	0.26	0.26
Capital Expenditure/Total Expenditure	0.19	0.13	0.14	0.15	0.20
Capital Expenditure on Social and Economic Services/Total Expenditure.	0.17	0.12	0.13	0.14	0.19
<b>III Management of Fiscal Imbalances</b>					
Revenue deficit (surplus)/GSDP	(+)0.004	(-) 0.017	*	(+)0.008	0.016
Fiscal deficit/GSDP	-0.033	-0.039	- 0.022	-0.018	-0.015
Primary Deficit (surplus) /GSDP	-0.012	-0.020	-0.004	*	0.005
Revenue Deficit/Fiscal Deficit	(+)0.131	(-)0.420	(-)0.007	(+)0.408	(-)1.117
Primary Revenue Balance/GSDP	(-)0.016	(-)0.036	(-)0.018	(-)0.011	(-)0.002
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	0.29	0.27	0.26	0.25	0.24
Fiscal Liabilities/RR	1.88	1.98	1.86	1.72	1.62
Primary deficit vis-à-vis quantum spread	(+) 1,694	(+)2,083	(+)1,592	(+)1,811	(+)2,164
Debt Redemption (Principal +Interest)/ Total Debt Receipts	0.95	0.95	0.83	0.94	1.00
<b>V Other Fiscal Health Indicators</b>					
Return on Investment	0.23	0.07	0.21	0.05	0.19
Balance from Current Revenue (₹ in crore)	(+) 357	(-) 1,384	(-) 46	(-)250	(+)775
Financial Assets/Liabilities	0.76	0.82	0.77	0.82	0.90

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

@ GSDP figures communicated by the Government adopted.

\* Not computable

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**Appendix-1.4**  
(Reference: Paragraphs 1.1.1, and 1.9.2; pages 2 & 35)  
**Part A**  
**Abstract of Receipts and Disbursements for the year 2012-13**

(₹ in crore)					(₹ in crore)					
Receipts					Disbursements					
Various items	2011-12		2012-13		Various items	2011-12	2012-13			
							Non-Plan	Plan	Total	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
Section – A Revenue										
I-Revenue Receipts		13,691.24		15,747.22	I-Revenue Expenditure	12,975.19	11,533.36	2,426.86	13,960.22	13,960.22
(i) Tax revenue	5,615.62		6,414.24		General Services	4,475.11	5,368.13	4.10	5,372.23	
(ii) Non-tax revenue	1,136.13		1,602.88		Social Services	6,019.65	4,146.27	1,949.57	6,095.84	
(iii) State's share of Union Taxes and Duties	2,866.04		3,272.88		Education Sports Art and Culture	3,462.86	3,121.04	618.74	3,739.78	
(iv) Non-Plan Grants	762.09		868.64		Health and Family Welfare	698.05	486.58	318.89	805.47	
(v) Grants for State Plan Schemes	2,839.85		3,040.12		Water Supply Sanitation Housing and Urban Development	435.35	146.10	362.53	508.63	
(vi) Grants for Central Plan and Centrally Sponsored Plan Schemes	471.51		548.46		Information and Broadcasting	36.37	40.34	1.15	41.49	
					Welfare of Scheduled Castes Scheduled Tribes and Other backward Classes	177.37	80.89	124.39	205.28	
		--			Labour and Labour Welfare	54.00	52.44	18.18	70.62	
					Social Welfare and Nutrition	1,136.36	212.92	467.78	680.70	
					Others	19.29	5.96	37.91	43.87	
					Economic Services	2,101.63	1522.10	473.19	1,995.29	
					Agriculture and Allied Activities	1,191.58	811.30	246.76	1,058.06	
					Rural Development	335.29	155.54	129.42	284.96	
					Special Area Programme	-	-	-	-	
					Irrigation and Flood Control	288.85	306.63	2.25	308.88	
					Energy	9.98	3.47	10.43	13.90	
					Industry and Minerals	42.86	26.81	16.62	43.43	
					Transport	175.30	190.64	19.24	209.88	
					Science Technology and Environment	13.62	0.85	8.30	9.15	
					General Economic Services	44.15	26.86	40.17	67.03	
					Grants-in-aid and Contributions	378.80	496.86	-	496.86	
Total		13,691.24		15,747.22	Total	12,975.19				13,960.22
II-Revenue Deficit carried over to Section-B		--		--	II-Revenue Surplus carried over to Section-B	716.05				1787.00
Total		13,691.24		15,747.22	Total	13,691.24				15,747.22

## Appendices

Various items	2011-12		2012-13		Various items	2011-12	2012-13			
							Non-Plan	Plan	Total	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
III-Opening cash balance including Permanent Advances and Cash Balance Investment		1,229.40		1,085.18	III- Opening overdraft from Reserve Bank of India					
IV- Misc. Capital Receipts	--	--	--	--	IV- Capital Outlay	2,316.94	570.41	2,971.68	3,542.09	3,542.09
					General Services	77.47	5.52	123.85	129.37	
					Social Services	368.58	6.25	708.57	714.82	
					Education Sports Art and Culture	131.47	6.25	240.57	246.82	
					Health and Family Welfare	93.66	--	139.31	139.31	
					Water Supply Sanitation Housing and Urban Development	119.62	--	268.11	268.11	
					Information and Broadcasting	-	--	--	--	
					Welfare of Scheduled Castes Scheduled Tribes and Other Backward Classes	11.93	--	37.35	37.35	
					Social Welfare and Nutrition	4.16	--	5.98	5.98	
					Others	7.74	--	17.25	17.25	
					Economics Services	1,870.89	558.64	2,139.26	2,697.90	
					Agriculture and Allied Activities	259.64	558.65	(-)16.68	541.97	
					Rural Development	226.03	--	246.73	246.73	
					Special Areas Programmes	--	--	--	--	
					Irrigation and Flood Control	455.82	(-) 0.01	386.86	386.85	
					Energy	41.78	--	516.12	516.12	
					Industry and Minerals	0.62	--	16.86	16.86	
					Transport	857.30	--	969.14	969.14	
					General Economic Services	29.70	--	20.23	20.23	
					Total	2,316.94				3,542.09
V-Recoveries of Loans and Advances		90.65		428.44	V- Loans and Advances disbursed	246.83				272.57
From Power Projects	84.75		422.16		For Power Projects	129.09	--	84.35	84.35	
From Government Servants	5.36		4.49		To Government Servants	1.17	1.03	--	1.03	
From Others	0.54		1.79		To others	116.57	3.52	183.67	187.19	
VI-Revenue surplus brought down	--	716.05		1787.00	VI-Revenue deficit brought down	-				
VII-Public Debt Receipts		2,335.52		2,967.43	VII-Repayment of Public Debt	1,015.78				1,472.21

***Audit Report on State Finances for the year ended 31 March 2013***

Various items 1.	2011-12		2012-13		Various items 6.	2011-12 7.	2012-13			
	2.	3.	4.	5.			Non-Plan 8.	Plan 9.	Total 10.	11.
Internal Debt other than Ways and Means Advances and Overdraft	2,289.12		2,932.72		Internal debt other than Ways and Means Advances and Overdraft	666.62			1,412.90	
Net transactions under Ways and Means Advances including Overdraft	-		--		Net transactions under Ways and Means Advances and Overdraft	322.90			30.69	
Loans and Advances from the Central Government	46.40		34.71		Repayment of Loans and Advances to Central Government	26.26			28.62	
<b>VIII-Appropriation to Contingent Fund</b>	-			--	<b>VIII-Appropriation to Contingency Fund</b>	<b>(-)400.00</b>				--
<b>IX- Amount transferred to Contingent Fund</b>		<b>126.13</b>		<b>32.22</b>	<b>IX- Expenditure from Contingency Fund</b>	<b>69.07</b>				<b>32.07</b>
<b>X- Public Account Receipts</b>		<b>19,668.05</b>		<b>21,925.45</b>	<b>X- Public Account disbursements</b>	<b>19,832.00</b>				<b>20,961.24</b>
Small Savings and Provident Funds	1,272.45		1,159.18		Small Savings and Provident Funds	646.40			888.06	
Reserve Funds	648.94		279.72		Reserve Funds	592.74			183.09	
Deposits and Advances	2,330.92		2,359.47		Deposits and Advances	2,298.02			2,140.68	
Suspense and Miscellaneous	12,366.08		15,010.04		Suspense and Miscellaneous	12,779.05			14,531.10	
Remittances	3,049.66		3,117.04		Remittances	3,515.79			3,218.31	
<b>XI- Closing overdraft from Reserve Bank of India</b>					<b>XI-Cash Balance at end</b>	<b>1,085.18</b>				<b>1,945.54</b>
					Cash in Treasuries and Local Remittances	(-) 5.38			--	
					Departmental Cash Balance including Permanent Advances	(-) 3.02			(-) 3.02	
					Deposits with Reserve Bank	116.01			(-)5.21	
					Cash Balance investment and investment of earmarked funds	977.57			1,953.77	
<b>Total</b>	<b>24,165.80</b>			<b>28,225.72</b>	<b>Total</b>	<b>24,165.80</b>				<b>28,225.72</b>



**Appendix-1.4 (Continued)**  
**Part B**  
*(Reference: Paragraph 1.9.1; page 35)*  
**Summarized financial position of the Government of Uttarakhand as on 31 March 2013**  
*(₹ in crore)*

As on 31.03.2012	Liabilities	As on 31.03.2013
<b>16,848.09</b>	<b>Internal Debt -</b>	<b>18,337.22</b>
83,94.18	Market Loans bearing interest	9,194.32
0.14	Market Loans not bearing interest	0.13
1.50	Loans from Life Insurance Corporation of India	1.50
8421.58	Loans from other Institutions	9,141.27
30.69	Ways and Means Advances	--
-	Overdrafts from Reserve Bank of India	--
<b>455.46</b>	<b>Loans and Advances from Central Government -</b>	<b>461.54</b>
0.53	Pre 1984-85 Loans	0.53
7.95	Non-Plan Loans	6.65
420.82	Loans for State Plan Schemes	430.19
0.04	Loans for Central Plan Schemes	0.04
26.12	Loans for Centrally Sponsored Plan Schemes	24.13
<b>102.70</b>	<b>Contingency Fund</b>	<b>102.85</b>
<b>4,449.22</b>	<b>Small Savings Provident Funds etc.</b>	<b>4,720.34</b>
<b>1,652.70</b>	<b>Deposits</b>	<b>1,871.49</b>
<b>1,131.46</b>	<b>Reserve Funds</b>	<b>1228.09</b>
-	<b>Remittance Balances</b>	<b>--</b>
<b>24,639.63</b>	<b>Total</b>	<b>26,721.53</b>

**Appendix-1.4 Part B (Continued)**

As on 31.03.2012	Assets	As on 31.03.2013
<b>15,839.88</b>	<b>Gross Capital Outlay on Fixed Assets -</b>	<b>19,381.97</b>
1,338.47	Investments in shares of Companies Corporations etc.	1,857.55
14,501.41	Other Capital Outlay	17,524.42
<b>874.08</b>	<b>Loans and Advances</b>	<b>718.21</b>
414.67	Loans for Power Projects	76.86
462.38	Other Development Loans	629.70
(-) 2.97	Loans to Government servants and Miscellaneous loans	11.65
<b>115.00</b>	<b>Appropriation to Contingency Fund</b>	<b>115.00</b>
<b>1,340.47</b>	<b>Remittance</b>	<b>1,441.73</b>
<b>838.34</b>	<b>Suspense and Miscellaneous Balances</b>	<b>359.41</b>
<b>1,085.19</b>	<b>Cash -</b>	<b>1,945.54</b>
(-)5.38	Cash in Treasuries and Local Remittances	
116.01	Deposits with Reserve Bank	(-)5.21
(-) 2.15	Departmental Cash Balance	(-)2.15
(-)0.86	Permanent Advances	(-)0.87
977.57	Cash Balance Investments	1,953.77
<b>4,546.67</b>	<b>Deficit on Government Account -</b>	<b>2,759.67</b>
716.05	(i) Deduct Revenue Surplus of the current year	1,787.00
-	(ii) Miscellaneous Deficit	--
5,262.72	Accumulated deficit at the beginning of the year	4,546.67
<b>24,639.63</b>	<b>Total</b>	<b>26,721.53</b>

**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 ₹ 11.27 crore (Debit) 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 1.2.2; pages 11&12)  
**Statement showing the funds transferred to the State implementing agencies under programmes/schemes outside the State Budget during 2012-13**

(₹ in crore)

Sl.No.	Scheme Name	Agency Name/Agency Type	Releases
1	SCHEME FOR FUNDING TO NATIONAL INSTITUTE SJE	NIVH: Registered Societies [Govt. Autonomous Bodies (ABs)]	14.20
2	AAJEEVIKA-SWARNA JAYANTI GRAM SWAROZGAR YOJANA SGSY/NRLM	DRDA : Registered Societies (Govt. A Bs)	15.08
3	ADULT EDUCATION AND SKILL DEVELOPMENT SCHEME	State Literacy Mission Authority, Uttarakhand, Registered Societies (NGOs)	5.55
4	AFFORESTATION AND FOREST MANAGEMENT	UTTARAKHAND STATE FOREST DEVELOPMENT AGENCY, Registered Societies (Govt. A Bs)	6.25
5	AUTONOMOUS INSTITUTIONS AND PROFESSIONAL BODIES	ARYABATTA RESEARCH INSTITUTE OF OBSERVATIONAL SCIENCES (ARIES), Registered Societies (Govt. ABs)(₹14.83 crore) and Wadia Institute of Himalayan Geology (₹5.14 crore)	19.97
6	CENTRAL RURAL SANITATION PROGRAMME	PROJECT MANAGEMENT UNIT SWAJAL PROJECT UTTARAKHAND MAKHAWALA, Registered Societies (Govt. ABs)	25.42
7	DRDA ADMINISTRATION	DRDAs of various Districts, Registered Societies (Govt. ABs)	8.13
8	GRANTS IN AID TO FOREST AND WILD LIFE INSTITUTIONS	Forest Research Institute, (Indian Council of Forestry Research and Education), Registered Societies (Govt. ABs) (₹109.76)and WII(Govt ABs)(₹12.21 crore)	121.97
9	GRID INTERACTIVE RENEWABLE POWER MNRE	Uttarakhand Jal Vidyut Nigam Ltd., State Government PSUs	6.21
10	HUMAN RESOURCES FOR HEALTH	Director General Medical Health & Family Welfare, Dehradun, Uttarakhand State Government Institutions	6.76
11	HYDROLOGY PROJECT	National Institute of Hydrology, Registered Societies (Govt. ABs)	4.74
12	INTEGRATED WATERSHED MANAGEMENT PROGRAMME (IWMP)	DRDA UTTAR KASHI Agency Type: Registered Societies (Govt., ABs)(₹12.79 crore) and Watershed PMU (₹4.73 crore)	17.52
13	MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME	DRDAs of various Districts Registered Societies (Govt. ABs)	268.27
14	NATIONAL AIDS CONTROL PROGRAMME III	Uttarakhand State AIDS Control Society Registered Societies (Govt. A Bs)	11.74
15	NATIONAL FOOD SECURITY MISSION	Small Farmers Agri-Business Consortium(SFAC), Registered Societies (Govt. ABs)	16.25
16	NATIONAL RURAL DRINKING WATER PROGRAMME	SWSM UTTARAKHAND DEHRADUN, Registered Societies (Govt. A Bs)	74.28
17	NATIONAL RURAL HEALTH MISSION (NRHM & JIIT) CENTRALLY SPONSORED	Uttaranchal Health & Family Welfare Society, Registered Societies (Govt.,ABs) (₹110.34 crore) and SPO Uttarakhand, Dehradun (State Government PSUs)(₹3.04 crore)	113.38
18	OFF GRID DRPS	Uttarakhand Renewable Energy Development Agency, Registered Societies (Govt. ABs)(₹6.46 crore), Reliance Food Processing Company, Private Sector Companies (₹0.02 crore), M/s Gautam Polymers, Private Sector Companies (₹ 2.76 crore), Uttarakhand Project Development and Construction Corporation Ltd., State Government PSUs (₹0.01 crore), Sanik School Ghorakhal, State Government Institutions (₹0.12 crore) and IIT Roorkee, Roorkee, Uttarakhand, Registered Societies (Govt. ABs) (₹1.13 crore)	10.50
19	PANCHAYAT YUVA KRIDA AND KHEL ABHIYAN (PYKKA)	STATE YOUTH WELFARE BOARD UTTARAKHAND, Registered Societies (Govt. ABs)	4.67
20	PRADHAN MANTRI GRAM SADAK YOJANA (PMGSY)	Uttarakhand Rural Roads Development Agency Dehradun, Registered Societies (Govt. ABs)	151.24
21	PRADHAN MANTRI SWASTHYA SURAKSHA YOJANA	All India Institute of Medical Sciences, Rishikesh, Registered Societies (Govt. ABs)	16.50
22	PRODUCT/ INFRASTRUCTURE DEVELOPMENT FOR DESTINATIONS AND CIRCUITS	Uttarakhand Tourism Development Board, Statutory Bodies	11.71
23	R AND D IN NEW AND RENEWABLE ENERGY TECHNOLOGIES	IIT Roorkee (₹8 crore) and University of PETROLEUM & Energy Studies (Statutory Bodies)(₹5.35 crore)	13.35

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24	RASHTRIYA MADHYAMIK SHIKSHA ABHIYAN (RMSA)	Uttarakhand Sabhi Ke Liye Madhyamik Shiksha Parishad, Registered Societies (Govt. A Bs)	96.64
25	RESEARCH AND DEVELOPMENT FOR CONSERVATION AND DEVELOPMENT	G.B. Pant Institute of Himalayan, Environment & Development, Registered Societies (Govt. ABs) (₹6.49 crore), Forest Research Institute ,ICFRE, Central Government (₹ 0.13 crore),G.B. Pant University of Agriculture and Technology, Pant Nagar, Statutory Bodies (₹ 0.01 crore)	6.63
26	RESEARCH AND DEVELOPMENT SUPPORT SERC	DAV(PG) College, Dehradun, State Government Institutions (₹0.07 crore), Gurukula Kangri Vishwavidyalaya, Haridwar, Registered Societies (Govt.,ABs) (₹ 0.55 crore),IIT Roorkee, Roorkee, Uttarakhand, Registered Societies (Govt. ABs (₹ 3.10 crore), CENTRE FOR DISASTER MANAGEMENT, Registered Societies (Govt. A Bs) (₹ 0.44 crore), INDIAN COUNCIL OF FORESTRY RESEARCH & EDUCATION, Uttarakhand, Registered Societies (Govt., ABs) (₹ 0.10 crore) and Kumaun University, Statutory Bodies (₹ 0.41 crore)	4.67
27	RESEARCH AND DEVELOPMENT WATER RESOURCES	National Institute of Hydrology, Registered Societies (Govt. ABs) (₹ 10.50 crore), IIT Roorkee (₹ 0.08 crore) and ₹ 0.02 crore to NGOs.	10.60
28	RURAL HOUSING- IAY	District Rural Development Agency, Registered Societies (Govt. ABs)	40.81
29	SARVA SHIKSHA ABHIYAN (SSA)	Uttarakhand Sabhi ke Liye Shiksha Parishad,Registered Societies (Govt. ABs)	180.45
30	SETTING UP OF NEW IIMs	Indian Institute of Management, Kashipur, Registered Societies (Govt. ABs)	9.13
31	SETTING UP OF NEW NATIONAL INSTITUTE OF TECHNOLOGY(NITS) INCLUDING CHAUDHARY GHANI KHAN INSTITUTE OF ENGINEERING DHE	National Institute of Technology, Uttarakhand, Registered Societies (Govt. ABs)	9.50
32	SKILL DEVELOPMENT	State Project Implementation Unit Society, Registered Societies (Govt. ABs)	2.08
33	SUPPORT TO INDIAN INSTITUTE OF TECHNOLOGY( IITs)	I I T Roorkee, Roorkee, Uttarakhand, Registered Societies (Govt. A Bs)	146.20
34	SUPPORT TO STATE EXTENSION PROGRAMME FOR EXTENSION REFORMS	Small Farmers Agri-Business Consortium(SFAC), Registered Societies (Govt. ABs)	4.63
35	SWARNA JAYANTI SHAHARI ROJGAR YOJANA (SJSRY)/ NATIONAL URBAN LIVELIHOODS MISSION (NULM)	State Urban Development Agency-Uttarakhand, Registered Societies (Govt. ABs)	6.26
36	OTHERS	To various Implementing Agencies	106.71
<b>TOTAL</b>			<b>1,568.00</b>

**Appendix-1.6**  
(Reference: Paragraph 1.8.3; page 32)  
**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	2009-10	188.81	90.43	6.61	608.22	(-) 0.79	27.76	26.97	31.62
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 50)*

**Statement of various grants/ appropriation where saving/ shortfall in the utilisation 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
(1)	(2)	(3)	(4)	(5)	(6)
<b>Revenue –Voted</b>					
1.	01	Legislature	19.06	2.09	10.96
2.	04	Judicial Administration	1,35.33	50.90	37.61
3.	05	Election	24.01	4.57	19.03
4.	06	Revenue & General Administration	4,33.40	64.40	14.85
5.	07	Finance ,Tax Planning Secretariat & Miscellaneous Services	26,42.36	5,49.18	20.78
6.	08	Excise	9.44	1.02	10.80
7.	10	Police & Jail	8,48.30	32.17	3.79
8.	11	Education, Sports ,Youth Welfare & Culture	41,97.59	5,67.59	13.52
9.	12	Medical Health & Family Welfare	9,00.12	1,33.41	14.82
10.	13	Water Supply ,Housing & Urban Development	6,22.89	1,53.22	24.60
11.	14	Information	43.14	1.84	4.27
12.	15	Welfare	7,08.88	1,91.96	27.08
13.	16	Labour & Employment	1,12.98	36.45	32.26
14.	17	Agriculture Works & Research	4,16.26	1,31.83	31.67
15.	18	Co-Operative	38.32	6.03	15.74
16.	19	Rural Development	3,89.52	1,33.00	34.14
17.	20	Irrigation & Flood	3,46.89	31.45	9.07
18.	22	Public Works	5,36.79	56.85	10.59
19.	23	Industries	71.39	11.32	15.86
20.	24	Transport	32.90	5.90	17.93
21.	25	Food	3,83.21	2,30.83	60.24
22.	26	Tourism	72.75	30.05	41.31
23.	27	Forest	3,72.90	27.10	7.27
24.	28	Animal Husbandry	1,33.32	9.04	6.78
25.	29	Horticulture Development	1,08.91	7.19	6.60
26.	30	Welfare of Scheduled Castes	5,07.17	1,14.39	22.55
27.	31	Welfare of Scheduled Tribes	1,53.54	36.68	23.89
<b>Total</b>			<b>1,42,61.37</b>	<b>26,20.46</b>	<b>18.37</b>

<b>Revenue –Charged</b>					
1.	04	Judicial Administration	28.47	5.87	20.62
2.	07	Finance ,Tax Planning ,Secretariat & Miscellaneous Services	22,81.08	41.44	1.82
3.	09	Public Service Commission	9.59	1.93	20.13
4.	22	Public Works	3.88	1.02	26.29
<b>Total</b>			<b>23,23.02</b>	<b>50.26</b>	<b>2.16</b>
<b>Capital- Voted</b>					
1.	01	Legislature	24.60	22.00	89.43
2.	04	Judicial Administration	21.00	3.76	17.90
3.	06	Revenue & General Administration	51.04	9.12	17.87
4.	07	Finance, Tax Planning, Secretariat & Miscellaneous Services	70.52	20.60	29.21
5.	10	Police & Jail	76.18	43.76	57.44
6.	11	Education, Sports ,Youth Welfare & Culture	3,59.49	1,22.03	33.95
7.	12	Medical Health & Family Welfare	3,65.83	2,30.97	63.14
8.	13	Water Supply Housing & Urban Development	5,59.50	3,07.99	55.05
9.	15	Welfare	26.36	3.54	13.43
10.	19	Rural Development	3,12.36	1,32.55	42.44
11.	20	Irrigation & Flood	6,94.28	2,56.27	36.91
12.	21	Energy	9,51.12	3,68.40	38.73
13.	23	Industries	40.55	23.69	58.42
14.	24	Transport	1,65.20	43.95	26.60
15.	26	Tourism	74.34	55.32	74.41
16.	27	Forest	57.76	16.32	28.25
17.	30	Welfare of Scheduled Castes	3,61.60	2,03.71	56.34
18.	31	Welfare of Scheduled Tribes	94.78	54.28	57.27
<b>Total</b>			<b>43,06.51</b>	<b>19,18.26</b>	<b>44.54</b>
<b>Capital-Charged</b>					
1	07	Finance, Tax Planning, Secretariat and Miscellaneous Services	2297.13	809.76	35.25
2	09	Public Service Commission	10.00	1.46	14.60
<b>Total</b>			<b>2307.13</b>	<b>811.22</b>	<b>35.16</b>
<b>Grand Total</b>			<b>2,31,98.03</b>	<b>54,00.20</b>	<b>23.28</b>

**Appendix-2.2**  
(Reference: Paragraph 2.3.3; page 52)  
**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.
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Capital (Voted)</b>						
1.	14	Information	1.00	1.38	0.38	38.00
2.	17	Agriculture Works & Research	1,78.30	1,91.57	13.27	7.44
3.	22	Public Works	9,13.20	9,19.55	6.35	0.70
4.	25	Food	32.00	18,42.59	18,10.59	5658.09
5.	29	Horticulture Development	0.00	4.50	4.50	100.00
<b>Total</b>			<b>11,24.50</b>	<b>29,59.59</b>	<b>18,35.09</b>	<b>163.19</b>



**Appendix-2.3**  
(Reference: Paragraph 2.3.7; page 55)  
**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
<b>A-Revenue (Voted)</b>					
1.	01 Legislature	18.84	16.97	1.87	0.22
2.	04 Judicial Administration	1,29.17	84.43	44.74	6.16
3.	06 Revenue And General Administration	4,21.16	3,69.00	52.16	12.24
4.	07 Finance Tax Planning Secretariat & Miscellaneous Services	26,29.00	20,93.18	5,35.82	13.36
5.	08 Excise	9.13	8.42	0.71	0.31
6.	11 Education, Sports, Youth Welfare & Culture	39,85.03	36,30.00	3,55.03	2,12.56
7.	12 Medical, Health & Family Welfare	8,64.80	7,66.71	98.09	35.32
8.	15 Welfare	6,39.20	5,16.92	1,22.28	69.68
9.	16 Labour & Employment	81.72	76.53	5.19	31.27
10.	17 Agriculture Works & Research	396.14	2,84.43	1,11.71	20.12
11.	18. Cooperative	37.01	32.29	4.72	1.31
12.	19 Rural Development	3,78.19	2,56.52	1,21.67	11.32
13.	20 Irrigation & Flood	3,46.49	3,15.43	31.06	0.40
14.	22 Public Works	4,88.24	4,79.95	8.29	48.55
15.	23 Industries	65.52	60.07	5.45	5.87
16.	24 Transport	32.52	27.00	5.52	0.38
17.	25 Food	3,82.99	1,52.38	2,30.61	0.22
18.	26 Tourism	51.13	42.70	8.43	21.61
19.	30 Welfare of Scheduled Castes	4,75.47	3,92.79	82.68	31.71
20.	31 Welfare of Scheduled Tribes	1,37.49	1,16.85	20.64	16.04
<b>Total Revenue (Voted)</b>		<b>1,15,69.24</b>	<b>97,22.57</b>	<b>18,46.67</b>	<b>5,38.65</b>
<b>B- Revenue (Charged)</b>					
1.	04 Judicial Administration	23.95	22.60	1.35	4.52
2.	09 Public Service Commission	9.33	7.66	1.67	0.26
3.	22 Public Works	3.15	2.86	0.29	0.73
<b>Total Revenue (Charged)</b>		<b>36.43</b>	<b>33.12</b>	<b>3.31</b>	<b>5.51</b>

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<b>C- Capital (Voted)</b>					
1.	01 Legislature	22.60	2.60	20.00	2.00
2.	04 Judicial Administration	20.00	17.24	2.76	1.00
3.	07 Finance Tax Planning Secretariat & Miscellaneous Services	55.44	49.92	5.52	15.08
4.	10 Police & Jail	41.00	32.42	8.58	35.18
5.	11 Education, Sports , Youth Welfare & Culture	2,52.18	2,37.46	14.72	1,07.32
6.	12 Medical Health & Family Welfare	1,88.38	1,34.86	53.52	1,77.45
7.	13 Water Supply, Housing & Urban Development	4,92.50	2,51.51	2,40.99	67.00
8.	19 Rural Development	2,92.36	1,79.81	1,12.55	20.00
9.	20 Irrigation & Flood	5,98.23	4,38.01	1,60.22	96.05
10.	23 Industries	35.55	16.86	18.69	5.00
11.	26 Tourism	52.45	19.03	33.42	21.89
12.	27 Forest	52.18	41.43	10.75	5.58
13.	30 Welfare of Scheduled Castes	3,19.04	1,57.89	1,61.15	42.56
14.	31 Welfare of Scheduled Tribes	92.36	40.50	51.86	2.42
<b>Total Capital (Voted)</b>		<b>25,14.27</b>	<b>16,19.54</b>	<b>8,94.73</b>	<b>5,98.53</b>
<b>Grand Total</b>		<b>1,41,19.94</b>	<b>1,13,75.23</b>	<b>27,44.71</b>	<b>11,42.69</b>

**Appendix-2.4**  
*(Reference: Paragraph 2.3.7; page 55)*  
**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)	26.47	1,51.83	1,78.30	1,91.58	13.28
2.	22	Public Works (Capital- Voted)	6,97.00	2,16.20	9,13.20	9,19.55	6.35
3.	25	Food (Capital Voted)	7.00	25.00	32.00	18,42.59	18,10.59
<b>Total</b>			<b>7,30.47</b>	<b>3,93.03</b>	<b>11,23.5</b>	<b>29,53.71</b>	<b>18,30.22</b>

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**Appendix-2.5**  
(Reference: Paragraph 2.3.8; page 55)  
**Excess/Unnecessary/Insufficient re-appropriation of funds resulting in saving (shortfall in the utilisation of funds)/  
excess of ₹ 10 lakh and above**

(₹ in lakh)

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
1.	02	Governor	2012-03-090-03	(-)5.30	(-)29.11
2.			2012-03-103-03	(+)0.70	(-)17.01
3.	03	Council of Ministers	2013-00-105-03	(-)0.02	(+)42.20
4.	04	Judicial Administration	2014-00-105-03	(-)21,16.33	(+)35.39
5.			2014-00-105-04	(-)3,28.05	(+)1,54.62
6.			2014-00-114-04	(-)77.64	(-)51.20
7.			2014-00-800-01	(-)14,03.95	(+)56.86
8.			2014-00-800-04	(-)56.46	(+)12.10
9.			2014-00-800-14	(-)4,54.67	(-)41.58
10.	05	Election	2015-00-103-01	(-)34.18	(-)60.00
11.			2015-00-103-05	(-)1,30.43	(+)29.79
12.			2015-00-105-04	(-)1,60.46	(-)20.65
13.			2015-00-106-03	(-)83.34	(+)56.84
14.	06	Revenue and General Administration	2245-80-800-05	(-)37.00	(-)13.00
15.	07	Finance, Tax, Planning, Secretariat & Miscellaneous Services	2040-00-001-04	(-)73.75	(+)81.75
16.	08	Excise	2039-00-001-03	(-)3.00	(-)31.53
			2039-00-001-04	(+)3.00	(-)70.66
17.	10	Police & Jail	2055-00-001-03	(+)8.00	(-)1,59.26
			2055-00-109-04	(-)8.00	(-)1,47.07
18.	11	Education, Sports, Youth Welfare & Culture	2202-01-101-04	(-)1,01,09.30	(-)36,92.38
19.			2202-01-102-07	(-)4.02	(+)60.74
20.			2202-01-102-18	(-)1,15.76	(-)1,24.41
21.			2202-01-104-03	(-)2,51.35	(-)4,30.66
22.			2202-01-104-05	(-)4,25.78	(-)34.32
23.			2202-03-103-03	(-)10,36.16	(-)1,90.80
24.			2202-03-103-04	(-)1,63.51	(-)55.01
25.			2202-03-103-08	(-)65.78	(-)114.74
26.			2202-03-104-03	(-)1.64	(+)3,35.00
27.			2203-00-001-03	(-)10.03	(+)20.59

*Appendices*

28.			2203-00-105-03	(-)6,88.78	(+)44.59
29.			2203-00-112-03	(-)1,01.59	(-)80.00
30.			2204-00-001-10	(+)1.43	(+)11.78
31.			2205-00-001-03	(-)8.46	(+)1,28.00
32.			2205-00-103-03	(-)20.49	(+)16.79
33.			4202-01-201-03	(-)21.33	(-)14,26.35
34.			4202-01-202-01	(-)9,81.36	(-)37,63.66
35.			4202-01-203-18	(-)0.01	(+)1,13.51
36.			4202-03-102-01	(-)80.00	(-)10,00.00
37.			4202-03-102-13	(-)1,76.41	(-)2,23.59
38.			2210-01-110-03	(-)2,52.87	(+)48.34
39.			2210-01-110-05	(-)1,13.96	(-) 94.92
40.			2210-03-104-03	(-)6,01.80	(-)87.40
41.	12	Medical Health and Family Welfare	2210-03-110-09	(-)52.41	(+)21.93
42.			2210-03-110-17	(-)7,36.88	(+)19.12
43.			2210-03-110-23	(-)5.59	(-)11.51
44.			4210-02-110-08	(-)5.50	(-)14.41
45.	13	Water Supply, Housing and Urban Development	2215-01-101-05	(-)21.91	(+)25,13.40
46.			2215-01-101-97	(-)5,43.00	(-)24,57.00
47.			2215-01-800-04	(-)13.90	(-)16.70
48.			2215-02-106-05	(-)5.66	(-)14.34
49.	15	Welfare	2235-02-102-01	(-)24,14.05	(-)1,12.37
50.			2235-02-102-06	(-)1,22.71	(+)13.13
51.	17	Agriculture Works & Research	2415-80-120-05	(-)1,11.94	(-)1,38.06
52.			2415-80-120-08	(+)1,11.94	(-)53.84
53.	18	Co- operative	2425-00-800-19	(-)4,20.00	(-)1,80.00
54.			2501-01-800-01	(-)33,01.73	(-)19.99
55.	19	Rural Development	2515-00-102-01	(-)7.07	(+)20.00
56.			2515-00-800-06	(-)1.27	(-)20.31
57.			2515-00-800-08	(-)20.62	(-)23,15.94
58.			2700-00-001-04	(-)12,35.37	(-)89.14
59.			2701-13-101-02	(-)0.04	(-)13.03
60.			2701-14-101-02	(-)30.00	(-)15.00
61.	20	Irrigation & Floods	2702-03-102-03	(-)5.74	(-)3,99.98
62.			2702-03-103-03	(-)0.04	(+)4,99.93
63.			4700-05-800-01	(-)76,21.92	(-)19,37.71

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64.			4700-06-800-02	(-)2,78.57	(+)6,03.36
65.			4702-00-800-01	(-)1,36,88.94	(-)3,48.72
66.	22	Public Works	3054-04-337-03	(-)16.68	(+)9,66.08
67.			4059-80-800-09	(-)20.00	(+)19.99
68.			4059-80-800-10	(-)10.18	(-)25.00
69.			5054-03-101-03	(-)43.30	(+)9,64.16
70.			5054-04-800-01	(-)1,00.49	(-)7,07.47
71.			5054-04-800-03	(-)12,63.55	(+)18,07.00
72.			5054-04-800-05	(-)20.50	(-)26.65
73.			5054-04-800-06	(-)41.05	(+)64,33.83
74.			5054-04-800-97	(-)75,99.34	(-)63,10.53
75.	23	Industries	2851-00-102-17	(-)2.00	(-)1,88.00
76.			2851-00-102-23	(+)19.00	(+)1,88.00
77.			2853-02-001-03	(-)29.04	(-)29.99
78.			2853-02-102-03	(-)0.04	(+)30.00
79.	29	Horticulture Development	2401-00-119-03	(-)35.56	(-)5,88.04
80.	30	Welfare of Scheduled Caste	4202-01-201-02	(-)94.76	(+)23.20
81.			4702-00-800-01	(-)36,00.00	(+)1,32.88
82.			5054-04-800-02	(-)51.79	(+)11,07.05
83.			5054-04-800-97	(-)34,00.00	(-)11,00.00

**Appendix-2.6**  
(Reference: Paragraph 2.3.9; page 55)  
**Substantial surrenders made during the year 2012-13**

Sl. No.	Number and title of Grant/Appropriation	Name of the scheme (Head of Account)	Total Grant/Appropriation (₹ in lakh)	Amount of Surrender (₹ in lakh)	Percentage of Surrender
1.	03-Council of Minister	2013-00-101-04	8.80	6.73	76.48
2	04-Judicial Administration	2014-00-105-04	4,11.95	3,28.05	79.63
3		2014-00-105-05	50.0	50.00	1,00.00
4		2014-00-800-01	20,44.40	14,03.95	68.67
5		2014-00-800-10	46.22	46.22	1,00.00
6		2014-00-800-14	6,49.60	4,54.67	70.00
7	05-Election	2015-00-106-05	66.00	33.35	50.53
8	06-Revenue and General Administration	2245-80-800-03	50.00	50.00	1,00.00
9		2245-80-800-08	92.22	63.56	68.92
10	07-Finance Tax, Planning, Secretariat and Misc Services	2052-00-090-04	4.00	2.08	52.00
11		2052-00-090-11	38.14	29.31	76.85
12		2052-00-090-13	26.00	17.04	65.54
13		3451-00-092-04	2,00.00	1,71.58	85.79
14		3451-00-092-05	10.00	10.00	1,00.00
15		3451-00-092-09	5.00	3.92	78.40
16		4216-02-800-11	1,00.00	1,00.00	1,00.00
17		4216-02-800-13	1,00.00	1,00.00	1,00.00
18		4216-02-800-14	1,00.00	1,00.00	1,00.00
19		4216-02-800-15	50.00	32.78	65.56
20		4216-02-800-16	500.00	4,87.33	97.47
21	11-Education, Sports, Youth Welfare and Culture	2202-01-102-01	5,90.00	3,77.49	63.98
22		2202-01-104-05	5,22.02	4,25.78	81.56
23		2202-01-800-99	10.00	10.00	1,00.00
24		2202-03-800-08	3.00	3.00	1,00.00
25		2202-05-102-04	78.94	68.94	87.33
26		2202-05-102-06	20.00	20.00	1,00.00
27		2202-05-102-07	10.00	10.00	1,00.00
28		2202-05-102-09	2.50	2.50	1,00.00
29		2202-05-102-10	10.00	10.00	1,00.00
30		2202-05-102-11	25.00	25.00	1,00.00
31		2202-05-102-12	15.00	15.00	1,00.00
32		2202-05-102-13	54.31	41.12	75.71
33		2203-00-104-04	30.00	30.00	1,00.00
34		2203-00-800-97	15,00.00	13,00.00	86.67
35		2204-00-001-05	80.00	43.33	54.16
36		2204-00-001-09	20.00	20.00	1,00.00
37		2204-00-104-03	10.00	09.00	90.00
38		2205-00-102-01	12.75	12.69	99.53
39		4202-01-203-11	50.00	27.42	54.84
40		4202-02-104-01	16,00.01	12,00.01	75.00
41		4202-02-105-07	5,00.00	5,00.00	1,00.00
42		4202-02-105-09	5,00.00	5,00.00	1,00.00
43		4202-04-106-03	2,80.00	1,61.40	57.64

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44	12-Medical Health and family Welfare	2210-01-001-05	3,50.00	2,39.22	68.35
45		2210-01-110-20	12.70	9.73	76.61
46	15-Welfare	2235-02-102-03	1,46,00.00	95,13.71	65.16
47		2235-02-103-13	50.00	39.41	78.82
48	19-Rural Development	2515-00-102-05	10,34.88	954.78	92.26
49		2515-00-102-12	2,00.00	1,33.43	66.72
50		2515-00-102-18	44.01	26.66	60.58
51		2515-00-102-19	6,00.00	6,00.00	1,00.00
52		2515-00-102-21	80.00	80.00	1,00.00
53		2515-00-102-97	55,00.00	37,52.00	68.22
54		4515-00-102-04	25.00	25.00	1,00.00
55		4515-00-102-05	5,00.00	3,33.33	66.67
56		4515-00-102-09	50,00.00	50,00.00	1,00.00
57	20-Irrigation and Flood	2700-80-800-01	19,00.00	19,00.00	1,00.00
58		2702-02-005-05	15.72	12.87	81.87
59		2701-14-101-02	45.00	30.00	66.67
60		4702-00-800-01	2,26,03.00	1,36,88.94	60.56
61	22-Public Works	3054-80-800-04	95.00	85.61	90.12
62		5054-04-800-07	50.00	50.00	1,00.00
63	23-Industries	2851-00-102-20	10.00	10.00	1,00.00
64		2851-00-102-21	15.00	15.00	1,00.00
65		2851-00-800-07	1,00.00	1,00.00	1,00.00
66		3425-60-600-01	7,20.00	7,20.00	1,00.00
67		4859-02-800-01	28,04.00	22,93.00	81.78
68		4859-02-800-10	2,00.00	2,00.00	1,00.00
69	24-Tranport	3055-00-190-06	5,00.00	4,20.40	84.08
70		5055-00-050-06	40,00.00	40,00.00	1,00.00
71		5055-00-050-07	50.00	50.00	1,00.00
72		5055-00-050-08	50.00	50.00	1,00.00
73		5055-00-050-09	1,00.00	1,00.00	1,00.00
74	29-Horticulture	2401-00-119-16	19.00	18.53	97.53
75		2401-00-119-18	50.00	46.59	93.18
76	30-Welfare of Scheduled Caste	2202-03-103-03	50.00	50.00	1,00.00
77		2205-00-102-02	55.00	42.71	77.65
78		2210-03-103-03	33.50	33.50	1,00.00
79		2010-03-110-91	1,25.00	1,25.00	1,00.00
80		2235-02-102-02	42,00.03	28,53.14	67.93
81		4202-01-201-01	8,57.70	5,51.95	64.35
82		4202-02-105-03	1,60.00	1,60.00	1,00.00
83		4202-02-105-04	1,25.00	1,25.00	1,00.00
84		4202-02-105-05	1,00.00	1,00.00	1,00.00
85		4210-02-110-02	1,50.00	1,50.00	1,00.00
86		4210-02-110-03	20.00	20.00	1,00.00
87		4210-02-110-04	80.00	80.00	1,00.00
88		4702-00-800-01	36,00.00	36,00.00	1,00.00
89		4702-00-800-02	30.00	30.00	1,00.00
90		5055-00-800-03	30.00	20.00	66.67
91	31-Welfare of Scheduled Tribes	2202-01-800-01	822.59	6,32.00	76.83
92		2202-03-796-03	6.00	6.00	1,00.00
93		2203-00-105-03	40.00	40.00	1,00.00



*Appendices*

<b>94</b>		2210-03-796-06	10.40	8.09	77.79
<b>95</b>		2210-06-800-02	3.00	2.49	83.00
<b>96</b>		2235-02-796-01	873.60	618.02	70.74
<b>97</b>		2501-01-796-01	372.18	187.46	50.37
<b>98</b>		2515-00-796-10	15.00	11.54	76.93
<b>99</b>		2515-00-796-13	40.00	40.00	100.00
<b>100</b>		2515-00-796-14	10.00	10.00	100.00
<b>101</b>		2515-00-796-97	96.56	50.56	52.36
<b>102</b>		4202-01-201-01	180.57	140.41	77.76
<b>103</b>		4202-01-203-03	80.00	66.20	82.75
<b>104</b>		4202-02-104-03	70.00	68.91	98.44
<b>105</b>		4202-02-105-03	35.00	35.00	100.00
<b>106</b>		4202-02-105-05	30.00	30.00	100.00
<b>107</b>		4702-00-796-01	1090.00	1090.00	100.00
<b>108</b>		5054-04-796-01	30.00	29.20	97.33
<b>109</b>		5054-04-796-97	500.00	500.00	100.00
<b>110</b>		5055-00-800-03	8.40	5.60	66.67
<b>Total</b>			<b>8,52,28.70</b>	<b>6,43,14.24</b>	<b>75.02</b>

**Appendix-2.7 A**  
(Reference: Paragraph 2.3.10; page 56)  
**Surrenders in excess of actual savings (₹ 50 lakh or more)**

(₹ in crore)

Sl. No.	Number and name of the grant	Total grant	Saving	Amount surrendered	Amount surrendered in excess
<b>Revenue – Voted</b>					
1.	04- Judicial Administration	1,35.33	50.90	52.68	1.78
2.	20-Irrigation	3,46.89	31.45	38.42	6.97
<b>Total</b>		<b>4,82.22</b>	<b>82.35</b>	<b>91.10</b>	<b>8.75</b>

**Appendix-2.7 B**  
(Reference: Paragraph 2.3.10; page 56)  
**Surrender inspite of final excess**

(₹ in crore)

Sl. No.	Number and name of the grant	Total grant	Expenditure	Excess	Amount surrendered
<b>Capital- Voted</b>					
1.	22- Public Works	9,13.20	9,19.55	6.35	24.51
<b>Total</b>		<b>9,13.20</b>	<b>9,19.55</b>	<b>6.35</b>	<b>24.51</b>

**Appendix-2.8**

*(Reference: Paragraph 2.3.11; page 56)*

**Statement of various grants/appropriations in which savings of ₹ 10 crore and above occurred but no part of which had been surrendered**

*(₹ in crore)*

<b>I – Grant</b>			
<b>Sl. No.</b>	<b>Grant No.</b>	<b>Name of grant/appropriation</b>	<b>Saving</b>
1.	01	Legislature (Capital - Voted)	22.00
2.	07	Finance, Tax Planning, Secretariat & Miscellaneous (Capital – Charged)	8,09.76
3.	25	Food ( Revenue- Voted)	2,30.84
4.	26	Tourism (Revenue- Voted)	30.05
5.	26	Tourism (Capital- Voted)	55.32
6.	10	Police & Jail (Revenue – voted)	32.17
7.	10	Police & Jail ( Capital – voted)	43.76
8.	16	Labour & Employment(Revenue – Voted)	36.45
9.	17	Agriculture Works & Research (Revenue – Voted)	1,31.83
10.	21	Energy ( Capital – Voted)	3,68.40
11.	27	Forest (Capital- Voted)	16.32
12.	27	Forest (Revenue- Voted)	27.10
<b>Total</b>			<b>1,804.00</b>
13.	7	Finance, Tax, Planning, Secretariat & Miscellaneous (Revenue- Charged)	41.44
<b>Total</b>			<b>41.44</b>
<b>Grand Total</b>			<b>1,845.44</b>

**Appendix-2.9**

*(Reference: Paragraph 2.3.11; page 56)*

**Details of saving/ shortfall in the utilisation 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
1	2	3	4	5
1.	01-Legislature (Revenue Voted)	2.09	0	2.09
2.	01-Legislature (Capital- Voted)	22.00	0	22.00
3.	04-Judicial Administration (Capital- Voted)	3.76	0.24	3.52
4.	06-Revenue & General Administration (Revenue - Voted)	64.40	2.20	62.20
5.	07-Finance Tax Planning Secretariat & Miscellaneous Services (Revenue- Voted)	5,49.18	5.79	5,43.39
6.	07-Finance Tax Planning Secretariat& Miscellaneous Services (Revenue- Charged)	41.44	0	41.44
7.	07-Finance Tax Planning Secretariat& Miscellaneous Services (Capital- Voted)	20.60	8.55	12.05
8.	07-Finance Tax Planning Secretariat& Miscellaneous Services (Capital- Charged)	8,09.76	0	8,09.76
9.	08-Excise (Revenue- Voted)	1.02	0	1.02
10.	09 – Public Service Commission (Revenue- Charged)	1.93	0	1.93
11.	09- Public Service Commission (Capital-Charged)	1.46	0	1.46
12.	10-Police & Jail (Revenue-Voted)	32.17	0	32.17
13.	10-Police & Jail (Capital- Voted)	43.76	0	43.76
14.	11-Education, Sports, Youth Welfare & Culture (Revenue- Voted)	5,67.60	2,44.31	3,23.29
15.	11-Education Sports Youth Welfare & Culture (Capital- Voted)	1,22.03	35.77	86.26
16.	12-Medical Health & Family Welfare (Revenue - Voted)	1,33.41	67.51	65.90
17.	12-Medical Health & Family Welfare (Capital - Voted)	2,30.97	1.35	2,29.62
18.	13-Water Supply, Housing & Urban Development (Revenue- Voted)	1,53.22	32.72	1,20.50
19.	13-Water Supply, Housing & Urban Development (Capital - Voted)	3,07.99	0.01	3,07.98
20.	14-Informaton (Revenue-Voted)	1.84	0	1.84
21.	15-Welfare ( Revenue- Voted)	1,91.96	1,21.58	70.38
22.	15-Welfare (Capital-Voted)	3.54	1.00	2.54
23.	16-Labour & Employment ( Revenue- Voted)	36.45	0	36.45
24.	17-Agriculture Works & Research ( Revenue- Voted)	1,31.83	0	1,31.83
25.	17-Agriculture Works & Research (Capital-Voted)	13.27	0	13.27
26.	18-Co- operative ( Revenue- Voted)	6.03	0	6.03
27.	19-Rural Development ( Revenue -Voted)	1,33.00	95.74	37.26

*Appendices*

28.	19- Rural Development( Capital - Voted)	1,32.55	1,05.21	27.34
29.	20- Irrigation & Flood ( Capital - Voted)	2,56.27	2,15.89	40.38
30.	21-Energy (Capital - Voted)	3,68.40	0	3,68.40
31.	22 Public Works ( Revenue -Voted)	56.85	0.45	56.40
32.	24-Transport (Capital - Voted)	43.95	42.70	1.25
33.	25-Food ( Revenue -Voted)	2,30.84	0	2,30.84
34.	26- Tourism ( Revenue -Voted)	30.05	0	30.05
35.	26- Tourism ( Capital - Voted)	55.32	0	55.32
36.	27-Forest ( Revenue -Voted)	27.10	0	27.10
37.	27- Forest ( Capital - Voted)	16.32	0	16.32
38.	28-Animal Husbandry ( Revenue- Voted)	9.04	0	9.04
39.	29-Horticulture Development ( Revenue- Voted)	7.19	2.16	5.03
40.	30-Welfare of Scheduled Castes ( Revenue -Voted)	1,14.39	70.25	44.14
41.	30-Welfare of Scheduled Castes ( Capital - Voted)	2,03.71	85.28	1,18.43
42.	31-Welfare of Scheduled Tribes ( Revenue- Voted)	36.68	19.46	17.22
43.	31-Welfare of Scheduled Tribes ( Capital -Voted)	54.28	24.62	29.66
<b>Total</b>		<b>52,69.65</b>	<b>11,82.79</b>	<b>40,86.86</b>

**Appendix-2.10**

*(Reference: Paragraph 2.3.11; page 56)*

**Cases of surrender of funds in excess of ₹ 10 crore on 30/31 March 2013**

*(₹ in crore)*

Sl. No.	Grant No.	Major Head	Amount of Surrender	Percentage of Total Provision
1	2	3	4	5
1.	11	2202-General Education(Revenue-Voted)	212.85	5.26
2.	11	2203- Technical Education (Revenue Voted)	29.08	28.27
3.	11	4202- Capital Outlay on General Education (Capital-Voted)	35.77	9.95
4.	12	2210- Medical & Public Health (Revenue-Voted)	53.93	6.64
5.	12	2211- Family Welfare(Revenue Voted)	13.58	15.39
6.	13	2215-Water Supply & Sanitation(Revenue Voted)	32.43	7.50
7.	15	2235- Social Security & Welfare(Revenue Voted)	121.58	21.03
8.	19	2501-Special Programme For Rural Development(Revenue-Voted)	33.02	42.00
9.	19	2515-Other Rural Development Programmes (Revenue-Voted)	62.72	20.17
10.	19	4515- Capital Outlay on other Rural Development Programmes(Capital -Voted)	105.21	33.68
11.	20	2700- Major Irrigation(Revenue-Voted)	36.71	14.09
12.	20	4700- Capital Outlay on Major Irrigation(Capital- Voted)	79.00	22.18
13.	20	4702-Capital Outlay on Minor Irrigation(Capital-Voted)	136.89	59.81
14.	22	5054-Capital Outlay on Roads & Bridges(Capital-Voted)	24.21	2.66
15.	23	4859-Capital Outlay on Telecommunication and Electronic Industries(Capital-Voted)	22.93	58.66
16.	24	5055-Capital Outlay on Road Transport(Capital- Voted)	42.70	98.16
17.	30	2202-General education(Revenue Voted)	24.37	20.63
18.	30	2235-Social Security & Welfare(Revenue Voted)	28.53	24.56
19.	30	4202-Capital Outlay on Education(Capital-Voted)	10.53	32.18
20.	30	4702-Capital Outlay on Minor Irrigation(Capital -Voted)	36.30	100.00
21.	30	5054-Capital Outlay on Roads & Bridges(Capital-Voted)	34.52	41.89
22.	31	4702-Capital Outlay on Minor Irrigation(Capital-Voted)	10.90	95.20
<b>Total</b>			<b>11,87.76</b>	<b>12.70</b>

**Appendix-2.11**  
(Reference: Paragraph 2.3.12; page 56)  
**Rush of Expenditure**

(₹ in crore)

Sl. No.	Head of account Scheme/ Service	Expenditure incurred during Jan-March 2013	Expenditure incurred in March 2013	Total expenditure	Percentage of total expenditure incurred during	
					Jan-March 2012	March 2013
1.	2015	10.16	4.92	19.44	52.26	25.31
2.	2030	15.51	7.69	22.95	67.58	33.51
3.	2049	10,14.89	6,97.81	20,88.73	48.59	33.41
4.	2203	31.04	17.87	74.06	41.91	24.13
5.	2215	2,17.01	1,05.96	4,15.52	52.23	25.50
6.	2216	1.18	0.95	1.90	62.11	50.00
7.	2217	41.99	33.07	91.21	46.04	36.26
8.	2225	1,02.84	69.84	2,05.28	50.10	34.02
9.	2250	31.00	23.29	43.81	70.76	53.16
10.	2251	0.05	0.04	0.06	83.33	66.67
11.	2408	1,13.15	1,10.47	1,47.50	76.71	74.89
12.	2425	20.06	8.83	35.15	57.07	25.12
13.	2501	27.39	13.28	58.54	46.79	22.69
14.	2701	7.38	4.88	13.17	56.04	37.05
15.	2702	45.64	16.93	68.75	66.39	24.63
16.	2711	1.86	0.99	4.14	44.93	23.91
17.	2810	9.95	1.58	13.86	71.79	11.40
18.	3054	1,02.71	86.38	1,83.26	56.05	47.14
19.	3454	8.24	6.18	16.30	50.55	37.91
20.	4055	22.78	21.76	28.50	79.93	76.35
21.	4059	82.50	39.27	1,00.87	81.79	38.93
22.	4202	2,18.41	1,80.11	2,46.82	88.49	72.97
23.	4210	1,15.88	1,01.51	1,34.52	86.14	75.46
24.	4211	2.89	2.05	4.80	60.21	42.71
25.	4215	66.24	17.44	1,12.97	58.64	15.44
26.	4216	7.43	5.67	12.31	60.36	46.06
27.	4217	74.97	74.97	1,42.82	52.49	52.49
28.	4225	36.37	32.42	37.35	97.38	86.80
29.	4235	3.85	3.85	5.98	64.38	64.38
30.	4250	10.59	10.59	17.25	61.39	61.39
31.	4401	25.82	20.64	17.23	149.85	119.79
32.	4403	3.33	2.39	7.03	47.37	34.00
33.	4406	24.25	15.40	41.51	58.42	37.10
34.	4515	1,07.98	37.79	2,46.73	43.76	15.32
35.	4700	1,67.79	1,40.69	2,57.95	65.05	54.54
36.	4701	0.61	0.56	0.61	100.00	91.80
37.	4702	67.09	39.94	88.79	75.56	44.98
38.	4711	25.20	24.60	39.50	63.80	62.28
39.	4801	4,54.88	4,52.67	5,16.12	88.13	87.71
40.	4859	13.81	10.70	16.16	85.46	66.21
41.	5053	95.17	95.18	95.44	99.72	99.73
42.	5054	4,90.54	3,57.02	8,72.77	56.20	40.91
43.	5055	0.54	0.54	0.93	58.06	58.06
44.	5452	14.83	5.69	20.23	73.31	28.13
45.	6003	7,79.82	4,17.22	14,58.74	53.46	28.60
46.	6075	3.08	0.00	3.08	100.00	0.00
47.	6401	1,40.83	1,00.83	1,56.36	90.07	64.49
48.	6425	1.80	0.96	2.31	77.92	41.56
49.	7055	25.00	25.00	25.00	100.00	100.00
50.	7610	0.56	0.17	1.03	54.37	16.50
<b>Total</b>		<b>48,86.89</b>	<b>34,48.59</b>	<b>82,15.34</b>	<b>59.48</b>	<b>41.98</b>

**Appendix-2.12**  
**(Reference: Paragraph 2.4.1; page 59)**  
**Pending DC bills for the years up to 2012-13**  
**(Position as on August 2013)**

(₹ in lakh)

Department	Major Head	Number of AC bills	Amount
Animal Husbandry	2403	6	5.22
Election	2015	5	9.93
General Education	2202	75	2,73.43
Medical	2210	8	4,48.82
Relief on Natural Calamities	2245	5	1,05.84
Social Security & Welfare	2235	5	81.76
Labor & Employment	2230	1	15.00
Education ,Sports & Culture	2205	2	87.44
Food Storage & Warehousing	4408	10	40.00
Others		46	34.19
<b>Total</b>		<b>163</b>	<b>11,01.63</b>



**Appendix-3.1**  
*(Reference: Paragraph 3.2; page 70)*  
**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
<b>Department of Irrigation:</b>				
1.	Irrigation Workshop Division, Roorkee	2009-10	1.89	-
<b>Food &amp; Civil Supply Department</b>				
2.	Regional Food Controller, Haldwani	2002-03	--	-
3.	Regional Food Controller, Dehradun	2002-03	--	

**Appendix-3.2**

*(Reference: Paragraph 3.3; page 70)*

**Department wise/duration wise break-up of the cases of misappropriation, defalcation etc. (cases where final action was pending at the end of March 2013)**

Sl. No.	Name of the Department	Number of cases of delay						
		0-1 years	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 years to More	Total No. of Cases.
1.	Education	--	--	--	--	01 (3/2009)	--	01
2.	Forest	01 (3/2012)	02 (4/2011 & 6/2011)	--	--	--	--	03
<b>TOTAL</b>		<b>01</b>	<b>02</b>	<b>--</b>	<b>--</b>	<b>01</b>	<b>--</b>	<b>04</b>

Appendix-3.3

(Reference: Paragraph 3.3; page 70)

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	Number of Cases	Amount	Number of Cases	Amount
		(₹ in lakh)		(₹ in lakh)		(₹ in lakh)
Education	--	--	01	1.07	01	1.07
Forest	--	--	03	142.71	03	142.71
<b>Total</b>	<b>--</b>	<b>--</b>	<b>04</b>	<b>143.78</b>	<b>04</b>	<b>143.78</b>

**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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