



## Accounts at a Glance for the year 2018-19

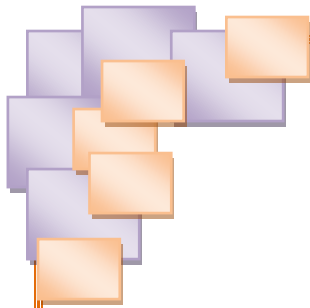
Accountant General  
(Accounts and Entitlements),  
Uttarakhand



लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest



**GOVERNMENT OF UTTARAKHAND**



## Preface

*I am happy to present the thirteenth issue of our annual publication, the 'Accounts at a Glance' for the year 2018-19, which provides a broad overview of Governmental activities, as reflected in the "Finance Accounts and Appropriation Accounts.*

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

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

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



Dehradun  
Date: 20.07.2020

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

## Our Vision, Mission and Core Values

### VISION

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

We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognized for independent, credible, balanced and timely reporting on public finance and governance.

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

### MISSION

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

### CORE VALUES

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

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

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### 1.1. Introduction

The Accountant General (Accounts and Entitlements), Uttarakhand collates, classifies, compiles the accounts data rendered by multiple agencies and prepares the accounts of the Government of Uttarakhand. The compilation is done from the initial accounts rendered by 20 District Treasuries, 114 Public Works Divisions, 84 Irrigation & Public Health Divisions, 56 Forest Divisions, accounts rendered by the other states/ accounting offices and advices of Reserve Bank of India. Every month a Monthly Civil Account is presented by the office of the Accountant General (A&E) to the Government of Uttarakhand. The office of Accountant General (A&E) also submits a quarterly Appreciation Note on the important financial indicators and quality of expenditure of the Government. The AG (A&E) also prepares, annually, Finance Accounts and the Appropriation Accounts which are placed before the State Legislature after audit by the Principal Accountant General (Audit), Uttarakhand and certification by the Comptroller and Auditor General of India.

## 1.2 Structure of Government Accounts

### 1.2.1 Government accounts are kept in three parts:

#### Structure of Government Accounts

##### Part 1 CONSOLIDATED FUND

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

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

##### Part 2 CONTINGENCY FUND

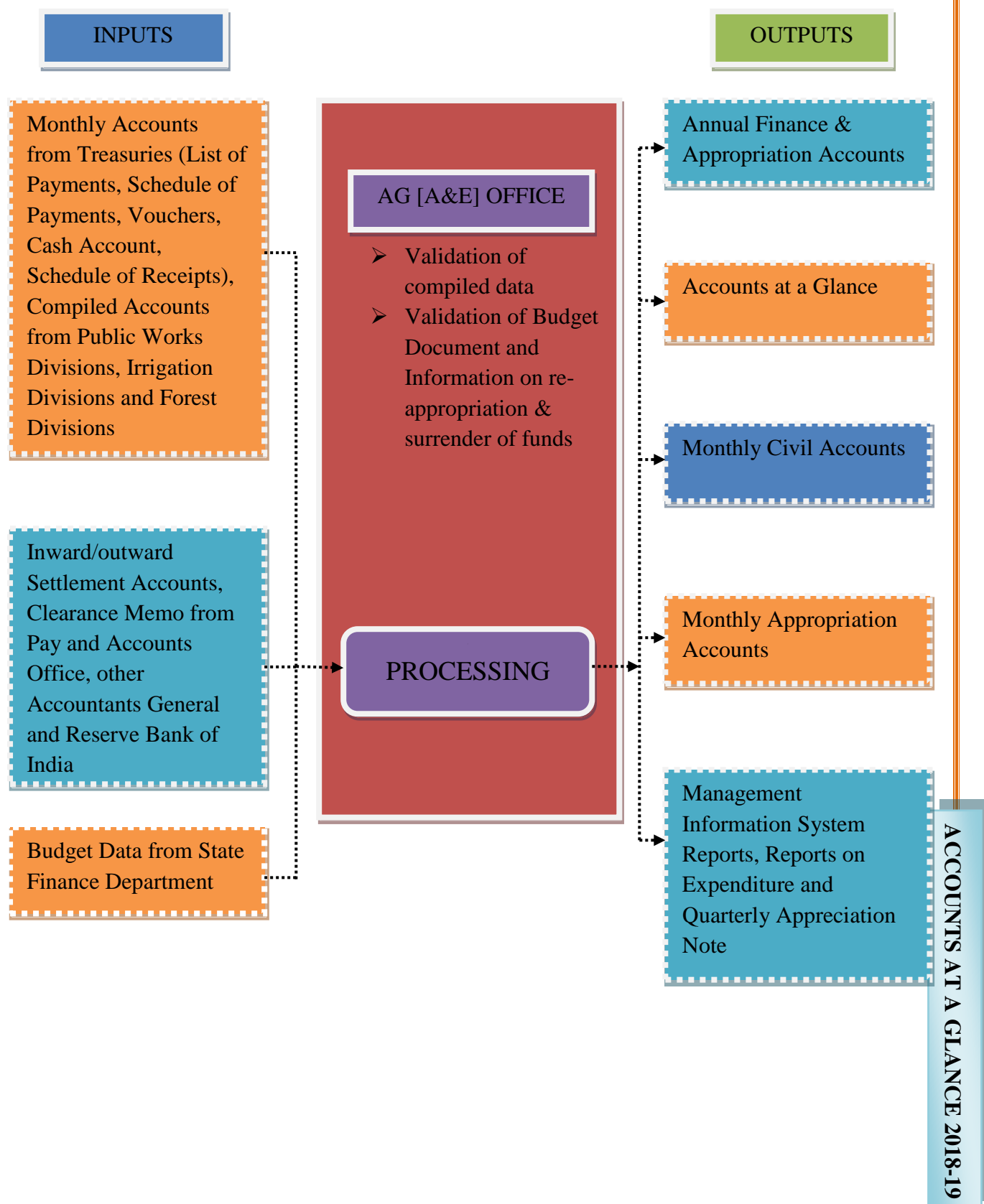
##### Part 3 PUBLIC ACCOUNT

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



## 1.2.2 Compilation of Accounts

### Flow diagram for Accounts Compilation



## 1.3 Finance Accounts and Appropriation Accounts

### 1.3.1 Finance Accounts

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

The Union Government transfers substantial funds directly to State Implementing Agencies/ Non-Governmental Organisations for implementation of various schemes and programmes. During the year 2018-19, the Government of India (GOI) released ₹ 7,01.50 crore directly to the implementing agencies in Uttarakhand. Since these funds are not routed through the State Budget, these are not reflected in the Accounts of the State Government. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts.

### 1.3.2 Financial Highlight of year 2018-19

The following table provides the details of actual financial results vis-a-vis budget estimates for the year 2018-19:

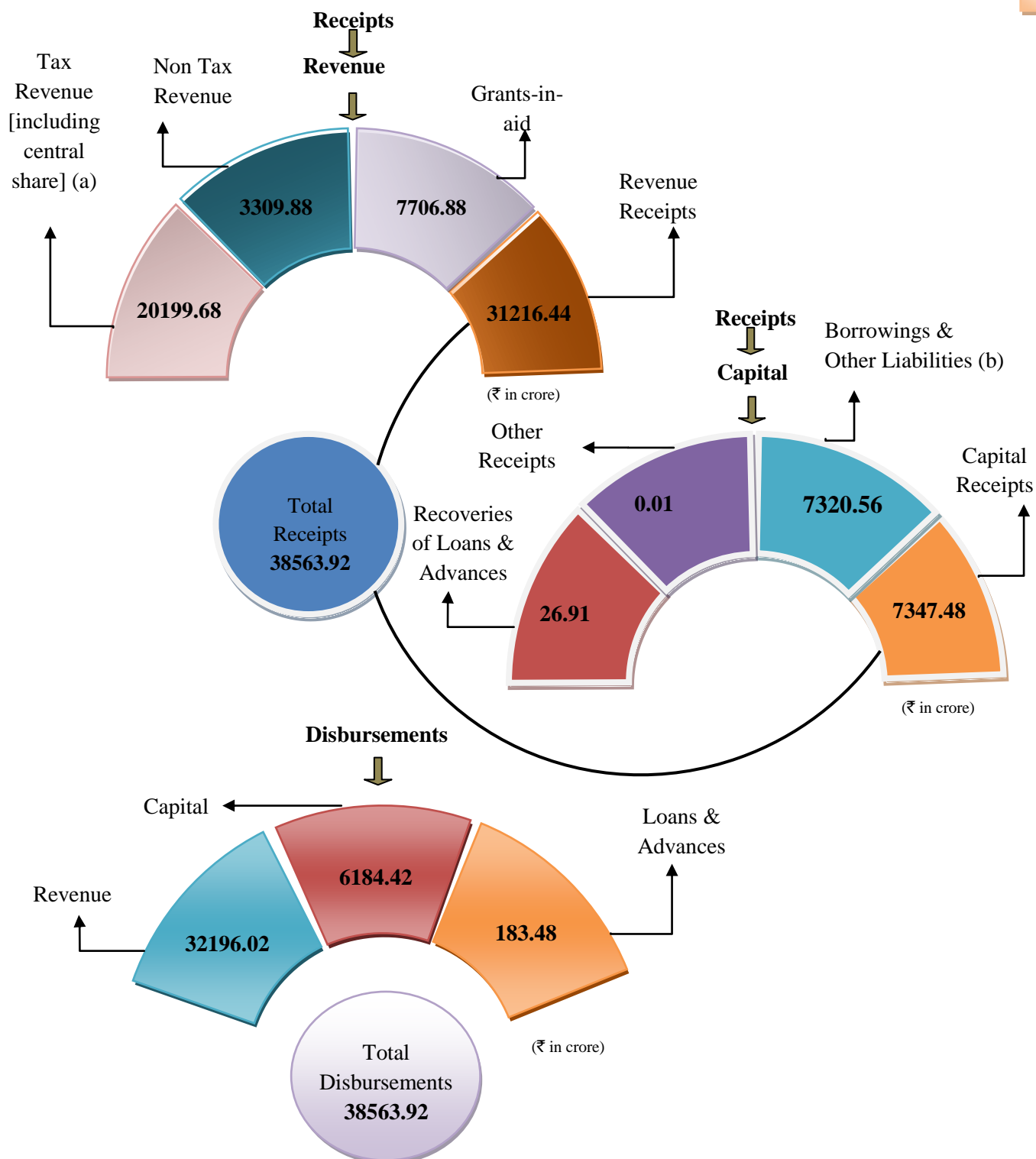
Sr. No	Component	Budget Estimates (₹ in crore)	Actuals (₹ in crore)	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP #
1.	Tax Revenue (including Central Share) (a)	2,32,54.85	2,01,99.68	86.86	8.21
2.	Non-Tax Revenue	34,70.51	33,09.88	95.37	1.35
3.	Grants-in-Aid & Contributions	89,34.64	77,06.88	86.26	3.13
4.	<b>Revenue Receipts (1+2+3)</b>	<b>3,56,60.00</b>	<b>3,12,16.44</b>	<b>87.54</b>	<b>12.70</b>
5.	Recovery of Loans & Advances	32.74	26.91	82.19	0.01
6.	Other Receipts	...	0.01	...	...
7.	Borrowings & Other Liabilities (b)	67,10.35	73,20.56	109.09	2.98
8.	<b>Capital Receipts (5+6+7)</b>	<b>67,43.09</b>	<b>73,47.48</b>	<b>108.96</b>	<b>2.99</b>
9.	<b>Total Receipts (4+8)</b>	<b>4,24,03.09</b>	<b>3,85,63.92</b>	<b>90.95</b>	<b>15.68</b>
10.	Revenue Expenditure	3,56,27.31	3,21,96.02	90.37	13.09
11.	Expenditure on Interest Payments (out of revenue expenditure)	49,06.12	44,74.82	91.21	1.82
12.	Capital Expenditure	65,83.80	61,84.42	93.93	2.52
13.	Loans and Advances Disbursed	1,91.98	1,83.48	95.57	0.07
14.	<b>Total Expenditure (10+12+13)</b>	<b>4,24,03.09</b>	<b>3,85,63.92</b>	<b>90.95</b>	<b>15.68</b>
15.	<b>Revenue Deficit(-)/ Surplus (+) (4-10)</b>	<b>(+) 32.69</b>	<b>(-) 9,79.58</b>	<b>(-) 2996.57</b>	<b>(-) 0.40</b>
16.	<b>Fiscal Deficit(-)/ Surplus (+) (4+5+6-14)</b>	<b>(-) 67,10.35</b>	<b>(-) 73,20.56</b>	<b>(-) 109.09</b>	<b>(-) 2.98</b>

(a) Includes share of net (tax) proceeds assigned to state amounting to ₹ 8,012 crore. [State Government Own Tax receipts were ₹ 12,188 crore which was 5 per cent of GSDP]

(b) Borrowing and other Liabilities: Net (receipts- disbursements) of Public Debt(₹ 5,217.68 crore) + Net of Contingency Fund(₹ 109.81 crore) + Net [Receipts-Disbursement] of Public Account(₹ 1980.58 crore)+ net of Opening and Closing Cash Balance(₹ 12.50 crore).

(#) GSDP figure of ₹ 24,58,95 crore (Advance Estimate at current Prices-base year 2011-12) for the year 2018-19 as communicated by Central Statistical Organization Government of India and Director of Economics & Statistics Government of Uttarakhand.

## Receipts and Disbursement in year 2018-19



(a) Includes share of net (tax) proceeds assigned to state amounting to ₹ 8,012 crore. [State Government Own Tax receipts were ₹ 12,188 crore which was 5 per cent of GSDP]

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

### 1.3.3 Appropriation Accounts

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

### 1.3.4 Efficiency on Budget Preparation

The Appropriation Act, 2018-19, had provided for gross expenditure of ₹ 4,80,37.50 crore and reduction of expenditure (recoveries) of ₹ 22,85.00 crore. Against this, the actual gross expenditure was ₹ 4,93,95.85 crore and reduction of expenditure was ₹ 6,01.79 crore, resulting in excess of ₹ 13,58.35 crore (2.83 *per cent*) and saving of ₹ 16,83.21 crore (73.66 *per cent*) respectively. Three grants, relating to ‘Finance, Tax, Planning, Secretariat & Miscellaneous Services’, Rural Development and ‘Food’ showed excess.

## 1.4 Sources and Application of Funds

### 1.4.1 Ways and Means Advances

Ways and Means Advances are taken from the Reserve Bank of India to maintain liquidity by making good the deficiency in the agreed minimum cash balance (₹ 0.16 crore) which the State Government is required to maintain with the Reserve Bank of India. During 2018-19 the Government of Uttarakhand availed Ways and Means advance of ₹ 81,72.64 crore however, the same was repaid during the year, thereby leaving nil balance.

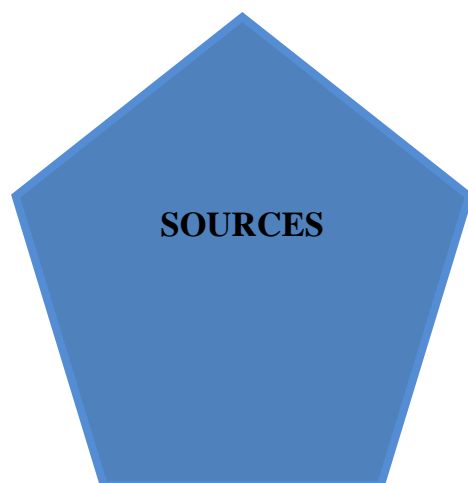
### 1.4.2 Overdraft from the Reserve Bank of India

Overdraft is taken from the Reserve Bank of India while the limit of minimum cash balance falls below i.e. ₹ 0.16 crore, even after taking Ways and Means Advances which is required to be maintained with the Reserve Bank of India. During the year 2018-19, overdraft was taken by the State Government for 18 days.

### 1.4.3 Fund flow statement

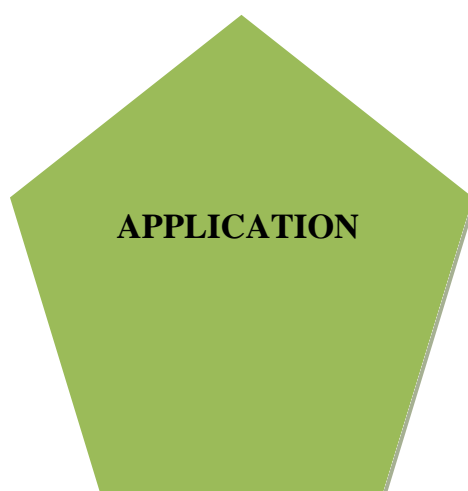
The State had a Revenue Deficit of ₹ 9,79.58 crore and a Fiscal Deficit of ₹ 73,20.56 crore in 2018-19. The Fiscal Deficit was met from net Public Debt (₹ 52,17.68 crore), increase in Public Account (₹ 19,80.58 crore), net of Contingency Fund (₹ 1,09.80 crore) and net decrease in closing cash balance (₹ 12.50 crore). Around 69 per cent of Revenue Receipts (₹ 3,12,16.44 crore) of the State Government was spent on committed expenditure like salaries (₹ 1,15,24.62 crore), interest payments (₹ 44,74.82 crore), pensions (₹ 53,96.21 crore) and subsidies (₹ 1,73.51 crore).

## Sources and Application of Funds



( ₹ in crore)

PARTICULARS	AMOUNT
• Opening Cash Balance as on 1st April, 2018	1171.00
• Revenue Receipts	31216.44
• Misc. Capital Receipts	0.01
• Recovery of Loans and Advances	26.91
• Public Debt	15447.82
• Small Savings, Provident Funds etc.	2189.60
• Reserve Funds & Sinking Funds	243.00
• Deposits Received	4344.63
• Civil Advances Repaid	157.41
• Suspense Account	49554.45*
• Remittances	(-)432.01
• Contingency Fund	216.89
• Total	<b>104136.14</b>



• Revenue Expenditure	32196.02
• Capital Expenditure	6184.42
• Loans Given	183.48
• Repayment of Public Debt	10230.14
• Small Savings, Provident Funds etc.	1299.74
• Reserve Funds & Sinking Funds	131.46
• Deposits Repaid	4355.68
• Civil Advances Given	157.42
• Suspense Account	49243.35**
• Remittances	(-)1111.15
• Contingency Fund	107.08
• Closing Cash Balance as on 31st March, 2019	1158.50
• TOTAL	<b>104136.14</b>

\* Includes ₹ 1,42,40.58 crore on account of cash balance investment account.

\*\* Includes ₹ 1,41,02.58 crore on account of cash balance investment account.



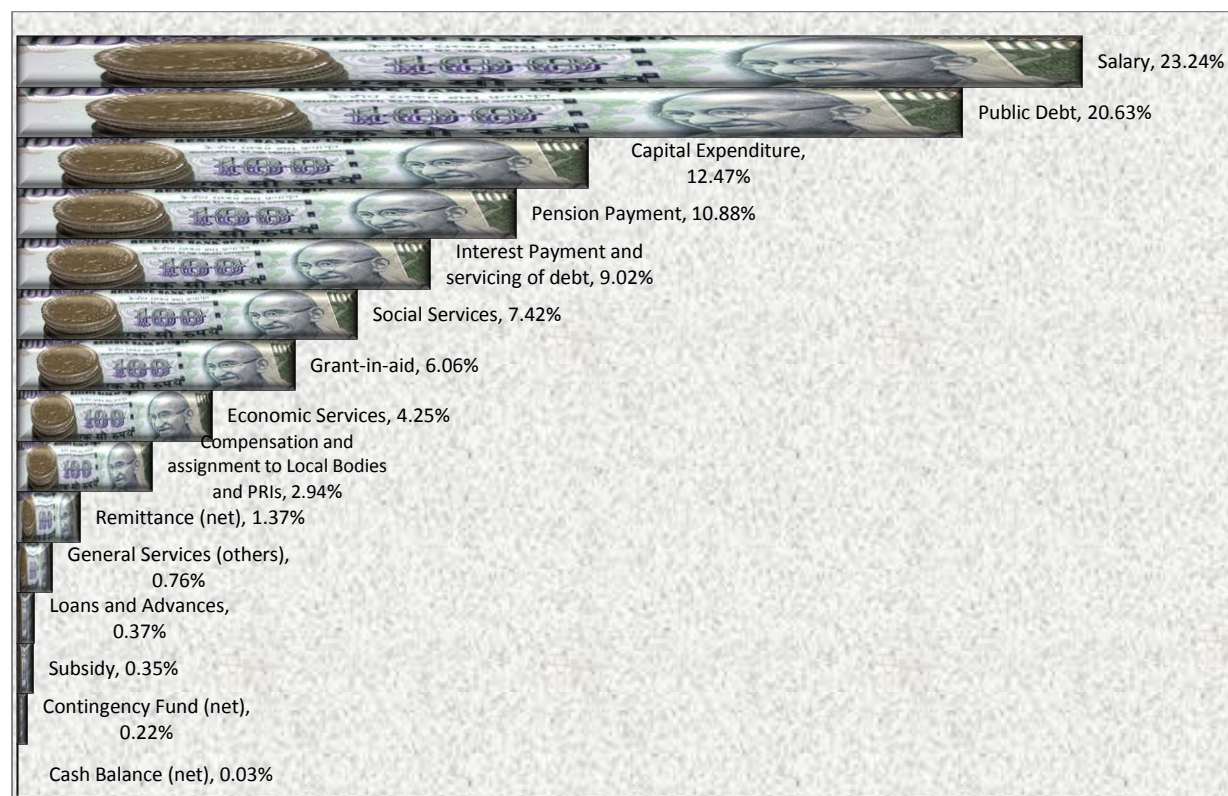
### 1.4.4 Where the ₹ came from ?

#### Actual Receipts



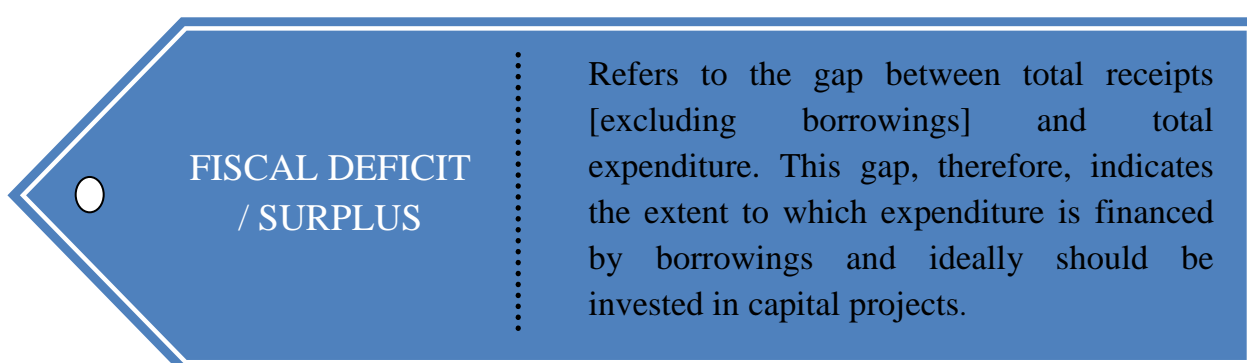
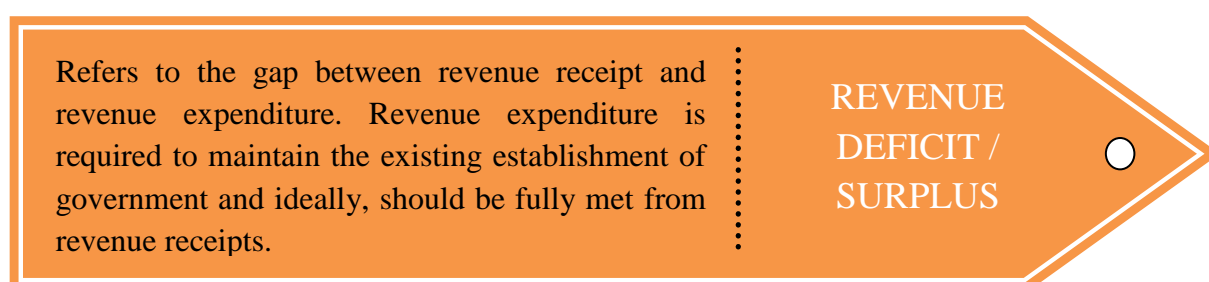
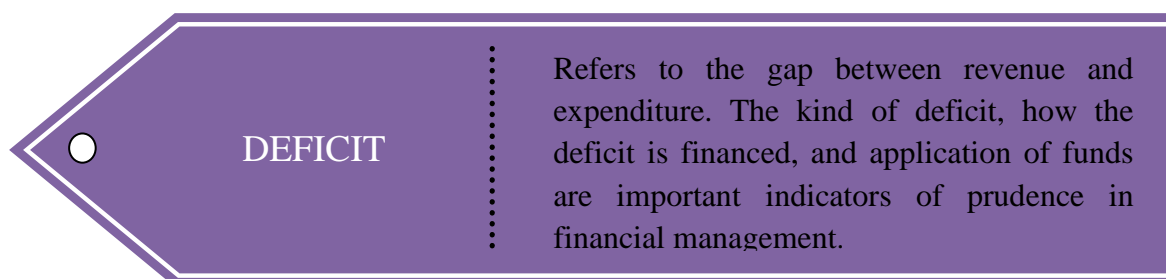
### 1.4.5 Where the ₹ went ?

#### Actual Expenditure



During the year 2018-19 Revenue Deficit of ₹ 9,79.58 crore (₹ 19,78.12 crore revenue deficit in 2017-18) and fiscal deficit of ₹ 73,20.56 crore (₹ 79,35.82 crore fiscal deficit in 2017-18) represent 0.40 per cent and 2.98 per cent of Gross State Domestic Product (GSDP) respectively. The fiscal deficit constituted 18.98 per cent of total expenditure.

### What do the deficits and surpluses indicate?



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

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

year 2018-19 against fiscal targets laid down in the Act and rules framed there under were as follows:

Sr. No.	Financial Parameter	Actual (₹ in crore)	Ratio to GSDP#	
			Target	Achievement
1	Revenue Deficit	9,79.58	Reduce to nil by 2014-15	0.40 ( Not achieved)
2	Fiscal Deficit	73,20.56	3 to 3.25*	2.98 (Achieved)
3	Debt and other Obligations	5,80,39.27	22.56**	23.60 (Not Achieved)
4	Outstanding Guarantees	13,11.16	1	0.53 (Achieved)

# GSDP figure of ₹24,58,95 crore (Advance Estimate at current Prices-base year 2011-12) for the year 2018-19 as communicated by Central Statistical Organization Government of India and Director of Economics & Statistics Government of Uttarakhand.

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

\*\* As per 14<sup>th</sup> Finance Commission the limit for total borrowings is 22.56 per cent of GSDP.

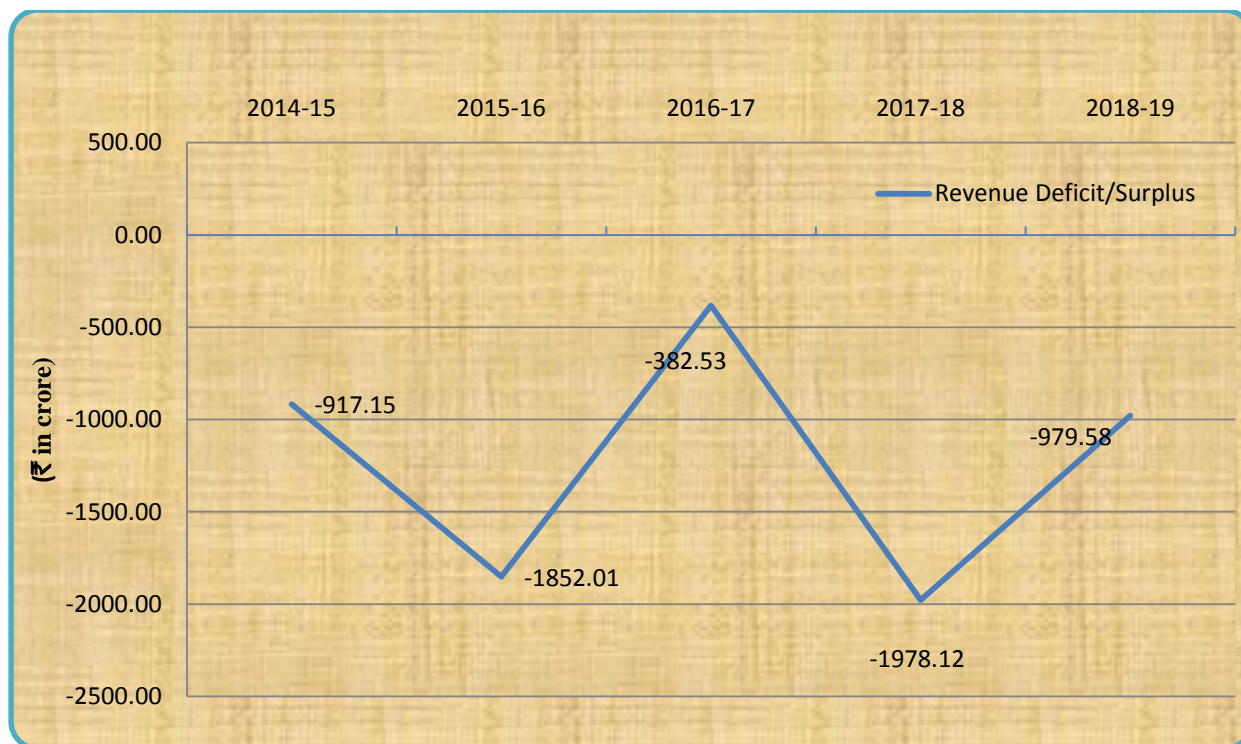
The State Government had made disclosures to the Legislature required under the Uttarakhand Fiscal Responsibility and Budget Management Act, 2005.

The State Government had Revenue Deficit of ₹ 19,78.12 crore in 2017-18 and ₹ 9,79.58 crore during the year 2018-19 which does not conform the target of FRBM Act. Fiscal deficit decreased by ₹ 6,15.26 crore from ₹ 79,35.82 crore in 2017-18 to ₹ 73,20.56 crore in the current year and was 2.98 per cent of GSDP which was well within the stipulated target of 3 per cent of GSDP. Against, the target of reducing outstanding debt to 3 per cent of GSDP by the year 2018-19, the outstanding debt stood at ₹ 62,08.03 crore as on 31 March, 2019, being 2.52 per cent of GSDP. Similarly against the target of maintaining amount of outstanding guarantees below 1 per cent of GSDP, the amount of outstanding guarantees was ₹ 13,11.16 crore as on 31 March, 2019, being 0.53 per cent of GSDP (₹ 24,58,95crore) which was well within the stipulated parameters.



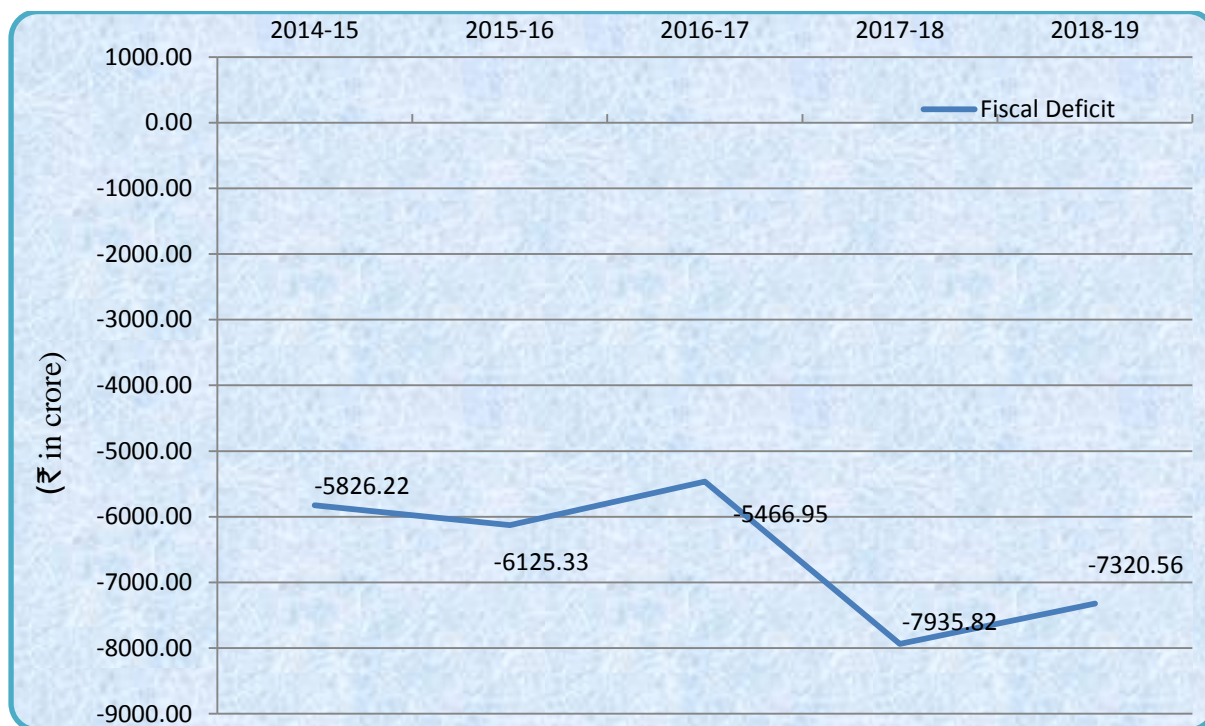
### 1.5.1 Trend of Revenue Deficit / Surplus

#### Trend of Revenue Deficit / Surplus



### 1.5.2 Trend of Fiscal Deficit

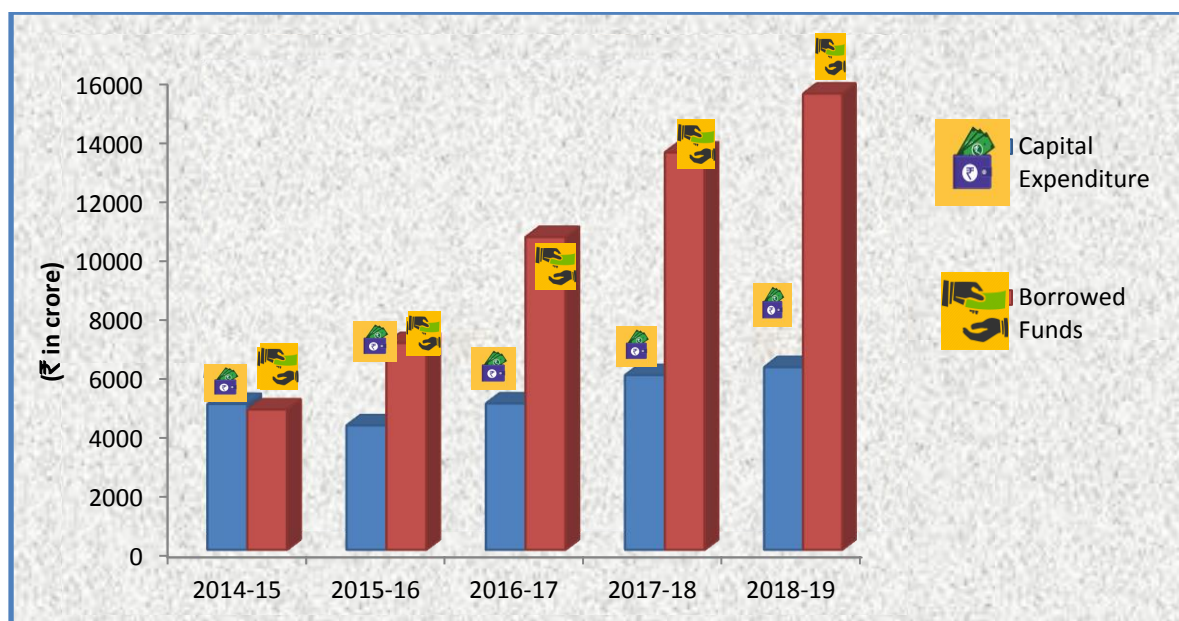
#### Trend of Fiscal Deficit



### 1.5.3 Proportion of borrowed funds spent on Capital Expenditure

(₹ in crore)

Year	Borrowed Fund	Capital Expenditure
2014-15	47,54	49,39
2015-16	69,98	42,17
2016-17	1,05,91	49,54
2017-18	1,34,57	59,14
2018-19	1,54,48	61,84



The Governments usually run on fiscal deficits and borrow funds for capital / assets formation or for creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating an income stream. Thus it is desirable to fully utilize borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest. The State Government, however, spent only 40.03 per cent of the borrowings of the current year (₹ 1,54,47.82 crore) on capital expenditure (₹ 61,84.42 crore) and 1.19 per cent on the loans given by the State Government (₹ 1,83.48 crore). It would therefore appear that balance 58.78 per cent of borrowings in the public debt was utilized to repay the part of principal (₹ 1,02,30.14 crore) of public debt of previous years.

## Chapter II

### Receipts

#### 2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts for 2018-19 was ₹ 3,85,63.92 crore.

#### 2.2 Revenue Receipts

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

##### TAX REVENUE

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

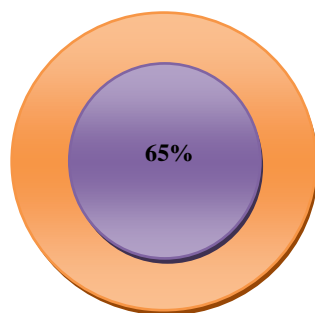
Includes interest receipts, dividends, profits, departmental receipts etc.

##### NON-TAX REVENUE

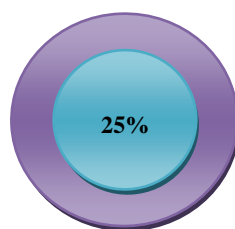
##### GRANTS-IN-AID

Grants-in-aid represent central assistance to the State Government from the Union Government. It also includes "External Grant Assistance" and "Aid, Material and Equipment" received from Foreign Government and channelized through the Union Government. In turn, the State Government also gives Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.

#### Revenue Receipts



Tax Revenue



Grants-in-aid



Non-Tax Revenue

## 2.2.1 Revenue Receipts Components (2018-19)

Components	Actuals (₹ in crore)	Per cent to Revenue Receipt
<b>A. Tax Revenue*</b>	<b>2,01,99.68</b>	<b>65</b>
Goods and Service Tax	69,37.22	22
Taxes on Income and Expenditure	48,52.73	16
Taxes on Property and Capital Transactions	10,50.55	3
Taxes on Commodities and Services	73,59.18	24
<b>B. Non-Tax Revenue</b>	<b>33,09.88</b>	<b>10</b>
Other Fiscal Services	0.07	0
Interest Receipts, Dividend and Profits	74.39	0
General Services	19,03.37	6
Social Services	2,40.24	1
Economic Services	10,91.81	3
<b>C. Grants-in-aid &amp; Contributions</b>	<b>77,06.87</b>	<b>25</b>
<b>Total- Revenue Receipts</b>	<b>3,12,16.43</b>	<b>100</b>

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

## 2.2.2 Trend of Revenue Receipts

(₹ in crore)

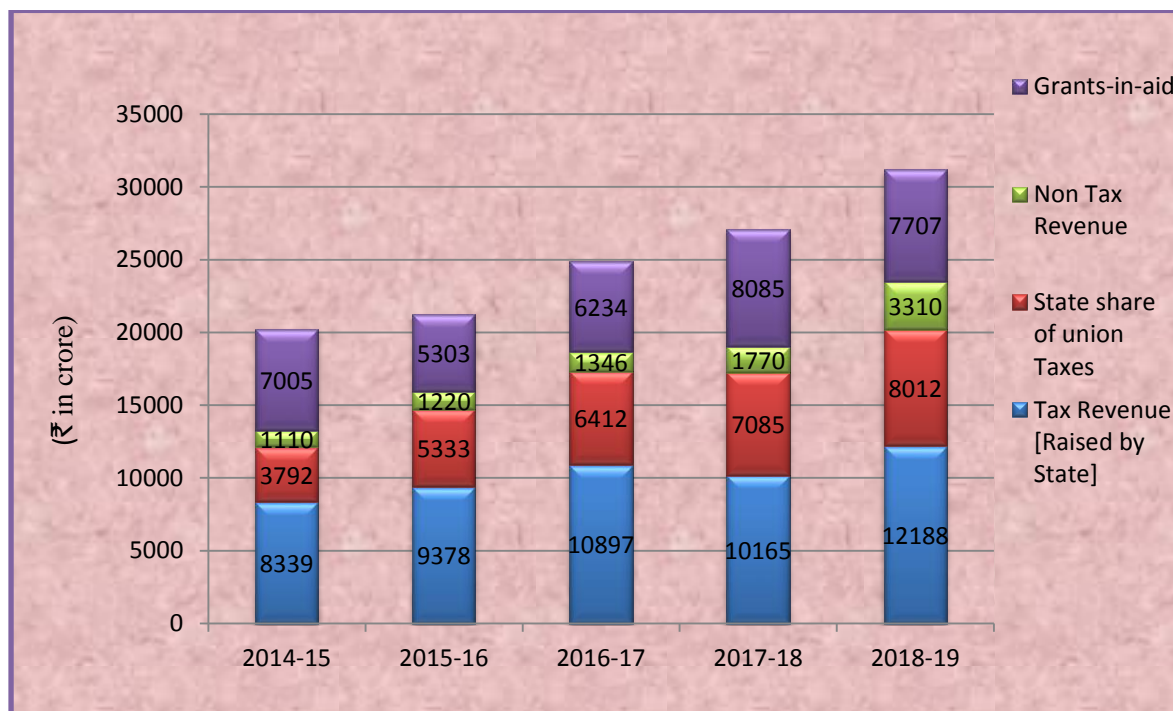
	2014-15	2015-16	2016-17	2017-18	2018-19
Tax Revenue [ Raised by the State]	83,39 (5)	93,78 (5)	1,08,97 (6)	1,01,65 (5)	1,21,88 (5)
State Share of Union Taxes/ Duties	37,92 (2)	53,33 (3)	64,12 (3)	70,85 (3)	80,12 (3)
Non-Tax Revenue	11,10 (1)	12,20 (1)	13,46(1)	17,70 (1)	33,10 (1)
Grants in Aid	70,05 (4)	53,03(3)	62,34 (3)	80,85 (4)	77,07 (3)
Total Revenue Receipts	2,02,47 (13)	2,12,34 (12)	2,48,89 (13)	2,71,05 (12)	3,12,16 (13)
GSDP	16,14,39	17,71,63	19,51,25	22,28,36	24,58,95#

Note: Figures in parentheses represent percentage to GSDP. GSDP figures for 2018-19 at current prices as intimated by Central Statistical Organization of India and Director of Economics & Statistics Government of Uttarakhand.

# Advance estimate

Though the GSDP increased by 10 per cent in 2018-19 as compared to previous year, growth in revenue receipts was 15.17 per cent. The total tax revenue (including State Share of Union Taxes/ Duties) increased by 17.10 per cent, the non-tax revenue increased by 87 per cent and the grants-in-aid decreased by 4.68 per cent compared to previous year.

## Trend of components of Revenue Receipts



### 2.3 Tax Revenue

(₹ in crore)

Sector-wise Tax Revenue					
	2014-15	2015-16	2016-17	2017-18	2018-19
a. Goods and Service Tax	NA*	NA*	NA*	27,88(1.25)	69,37(2.82)
b. Taxes on Income and Expenditure	22,92(1.42)	28,64(1.62)	35,14(1.80)	40,21(1.80)	48,53(1.97)
c. Taxes on Property and Capital Transactions	7,57(0.47)	8,99(0.51)	9,42(0.48)	9,06(0.41)	10,50(0.43)
d. Taxes on Commodities and Services	90,82(5.63)	1,09,48(6.18)	1,28,53(6.59)	95,35(4.28)	73,59(2.99)
<b>Total Tax Revenues</b>	<b>1,21,31(7.51)</b>	<b>1,47,11(8.30)</b>	<b>1,73,09(8.87)</b>	<b>1,72,50(7.74)</b>	<b>2,02,00(8.21)</b>
<b>GSDP</b>	<b>16,14,39</b>	<b>17,71,63</b>	<b>19,51,25</b>	<b>22,28,36</b>	<b>24,58,95</b>

Note: Figures in Parentheses represents percentage to GSDP.

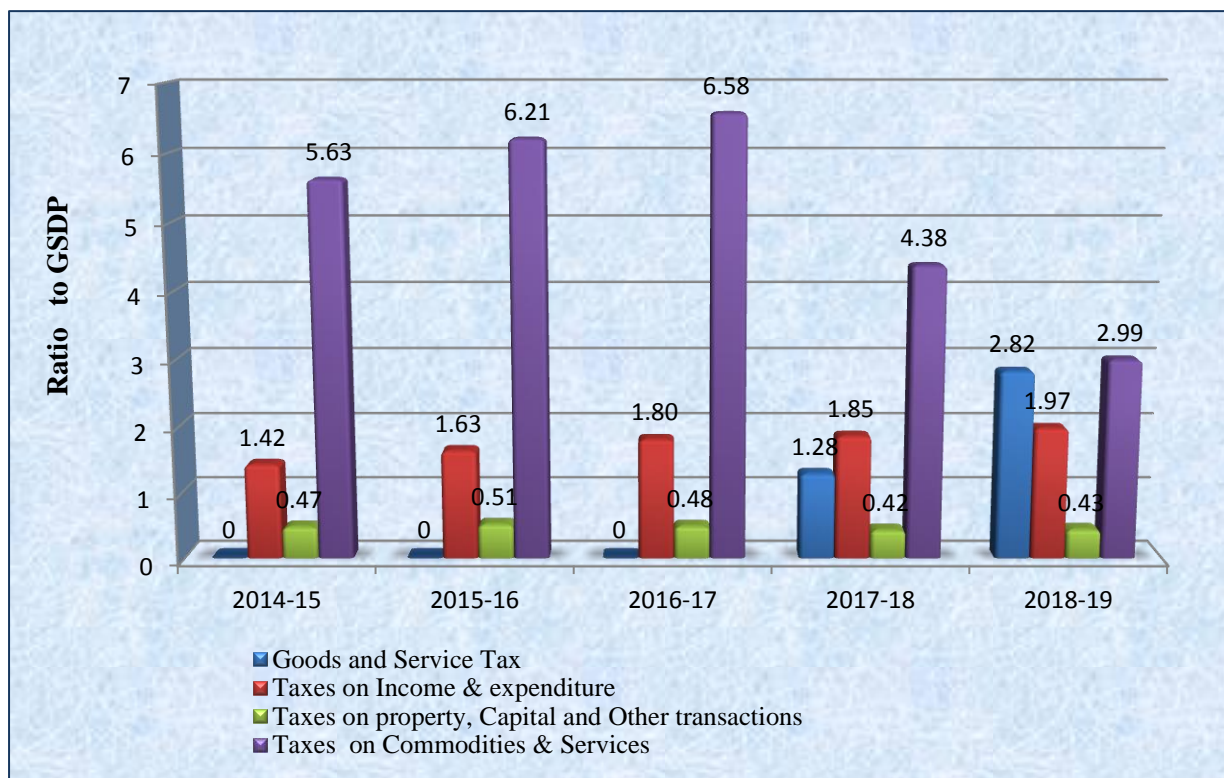
\* Not Applicable

The increase in total Tax Revenue during 2018-19 was mainly attributable to allocation of State share from Government of India under Central Goods and Services Tax (CGST)



(₹ 18,76.88 crore) and higher collection under State Goods and Services Tax (SGST) (₹ 28,30.20 crore). The decrease in Taxes on Commodities and Services was ₹ 21,75.36 crore.

### Trend of Major Taxes in proportion to GSDP



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

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

Year	Tax Revenue ₹ in crore	State share of Union taxes/Duties ₹ in crore	State's Own Tax Revenue	
			Tax Revenue ₹ in crore	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2014-15	12131	3792	8339	5.17
2015-16	14711	5333	9378	5.32
2016-17	17309	6412	10897	5.58
2017-18	17250	7085	10165	4.67
2018-19	20200	8012	12188	4.96

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

(₹ in crore)

Description	2014-15	2015-16	2016-17	2017-18	2018-19
<b>State's own Tax collection</b>	83,39	93,78	1,08,97	1,01,65	1,21,88
<b>Devolution of Union Taxes</b>	37,92	53,33	64,12	70,85	80,12
<b>Total Tax Revenue</b>	1,21,31	1,47,11	1,73,09	1,72,50	2,02,00
<b>Percentage of State's own Tax to total Tax Revenue</b>	69	64	63	59	60

The proportion of State's own tax collection in overall tax revenue has decreased to 64 per cent in 2015-16, decreased to 63 per cent in 2016-17, decreased to 59 per cent in 2017-18 and increased to 60 per cent in 2018-19.

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

(₹ in crore)

Description	2014-15	2015-16	2016-17	2017-18	2018-19
1. State Goods and Services Tax (SGST)	NA*	NA*	NA*	19,72	48,02
2. Taxes on Sales, Trade etc	54,65	61,05	71,54	37,03	18,83
3. State Excise	14,87	17,35	19,06	22,62	28,71
4. Taxes on Vehicles	3,94	4,71	5,56	8,16	9,09
5. Stamp and Registration fees	7,14	8,71	7,78	8,82	10,15
6. Taxes and Duties on electricity	1,93	1,15	1,89	3,24	5,06
7. Land Revenue	39	28	1,60	24	34
8. Other taxes	47	53	1,54	1,82	1,68
<b>Total State's own Taxes</b>	<b>83,39</b>	<b>93,78</b>	<b>1,08,97</b>	<b>1,01,65</b>	<b>1,21,88</b>

\* Not Applicable

## 2.4 Cost of Tax Collection

(₹ in crore)

Taxes	2014-15	2015-16	2016-17	2017-18	2018-19
<b>1. Taxes on Sales, Trade etc.</b>					
Revenue collection	54,65	61,05	71,54	37,03	18,83
Expenditure on Collection	1,68	2,83	1,86	1,90	41
Cost of Tax Collection	3.07%	4.64%	2.60%	5.13%	2.18%
<b>2. State Excise</b>					
Revenue collection	14,87	17,35	19,06	22,62	28,71
Expenditure on Collection	14	18	19	23	26
Cost of Tax Collection	0.94%	1.04%	1.00%	1.02%	0.91%
<b>3. Stamps and Registration Fee</b>					
Revenue collection	7,14	8,71	7,78	8,82	10,15
Expenditure on Collection	29	32	24	22	12
Cost of Tax Collection	4.06%	3.67%	3.08%	2.49%	1.18%

#### 4. Taxes on vehicles

Revenue collection	3,94	4,71	5,56	8,16	9,09
Expenditure on Collection	0.42	0.50	0.38	0.36	0.28
Cost of Tax Collection	0.11%	0.11%	0.07%	0.04%	0.03%

The expenditure on collection of Taxes on Sales, Trade etc. was high as compared to expenditure on collection of other taxes.

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

(₹ in crore)					
Description	2014-15	2015-16	2016-17	2017-18	2018-19
Central Goods and Services Tax (CGST)	NA*	NA*	NA*	1,01	19,77
Integrated Goods and Services Tax (IGST)	NA*	NA*	NA*	7,15	1,58
Corporation Tax	13,24	16,77	20,56	21,70	27,86
Taxes on Income other than Corporation Tax	9,46	11,63	14,29	18,32	20,52
Other taxes on Income and Expenditure	...	...	...	...	15
Taxes on Wealth	4	0	5	....	1
Customs	6,13	8,55	8,84	7,15	5,68
Union Excise Duties	3,46	7,14	10,10	7,48	3,77
Service Tax	5,59	9,20	10,28	8,04	74
Other Taxes and Duties on Commodities and Services	..	4	...	...	4
State Share of Union Taxes/Duties	37,92	53,33	64,12	70,85	80,12
Total Tax Revenue	<b>1,21,31</b>	<b>1,47,11</b>	<b>1,73,09</b>	<b>1,72,50</b>	2,02,00
Percentage of State Share of Union Taxes to Total Tax Revenue	31.26	36.25	37.04	41.07	39.66

\* Not applicable

Government of Uttarakhand received ranging between 31 per cent to 41 per cent share of Total Tax Revenue from the net proceeds of all shareable Union Taxes during the period 2014-15 to 2018-19.

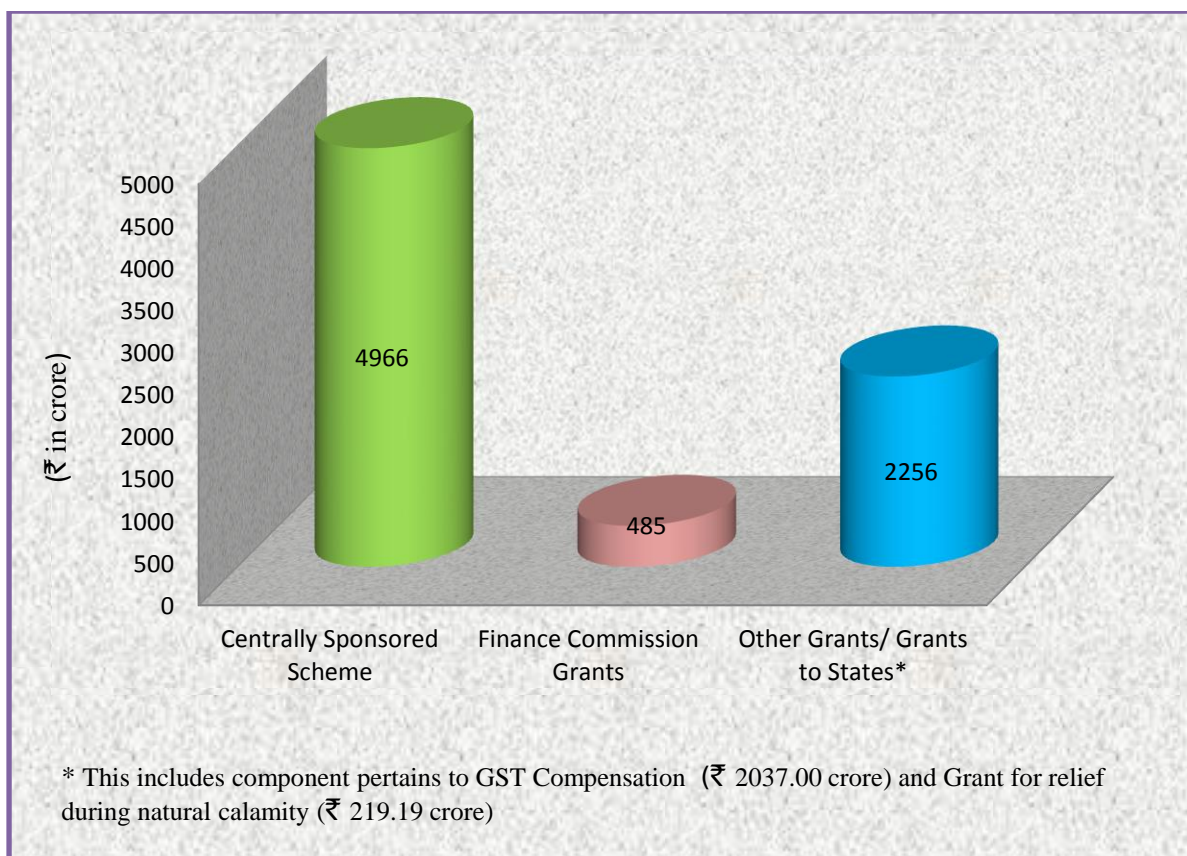
#### 2.6 Grants-in-aid

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

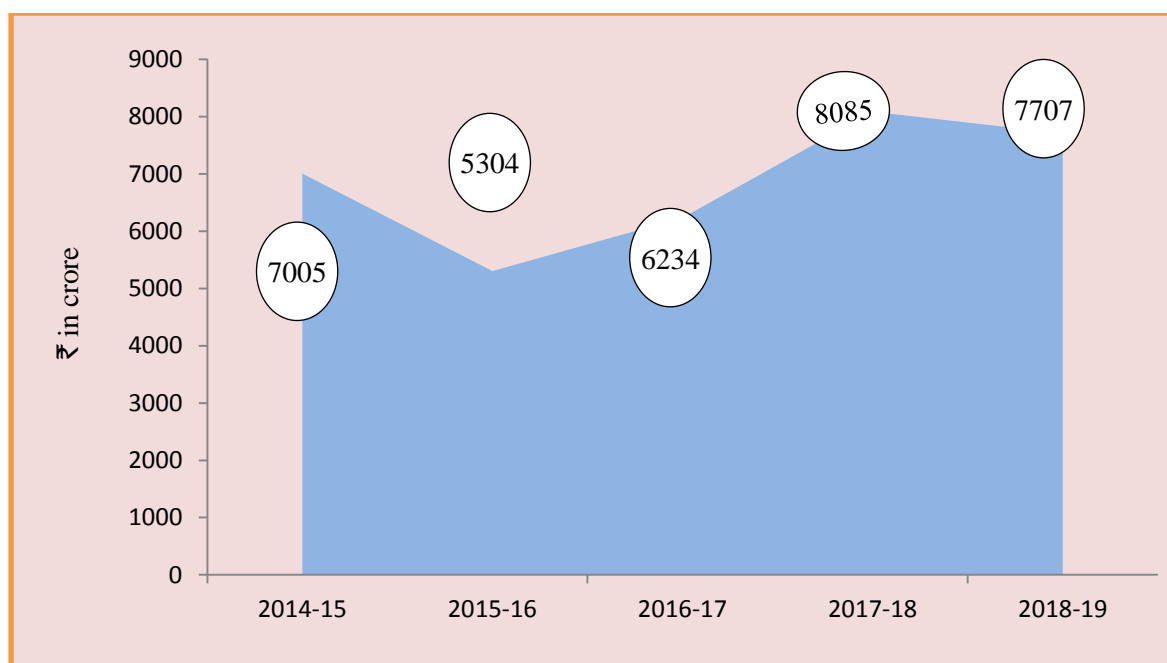
Total receipts during 2018-19 under Grants-in-aid were ₹ 77,07 crore as shown below:

#### Grants - in - Aid



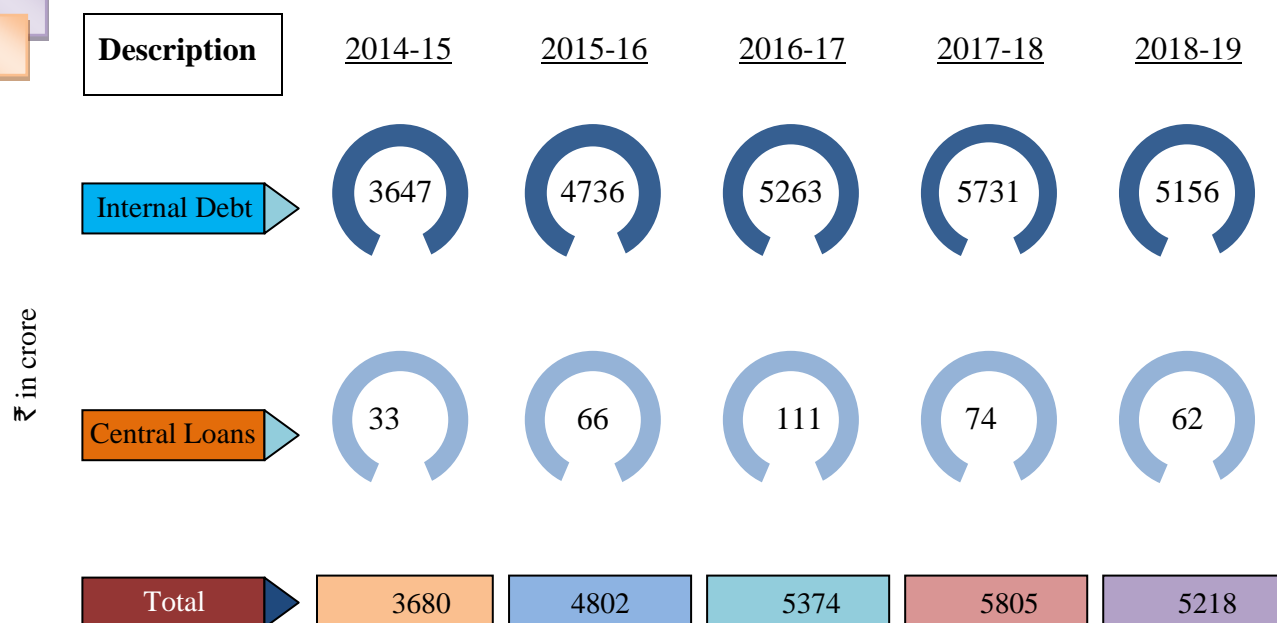


### Trend of Grants-in-Aid



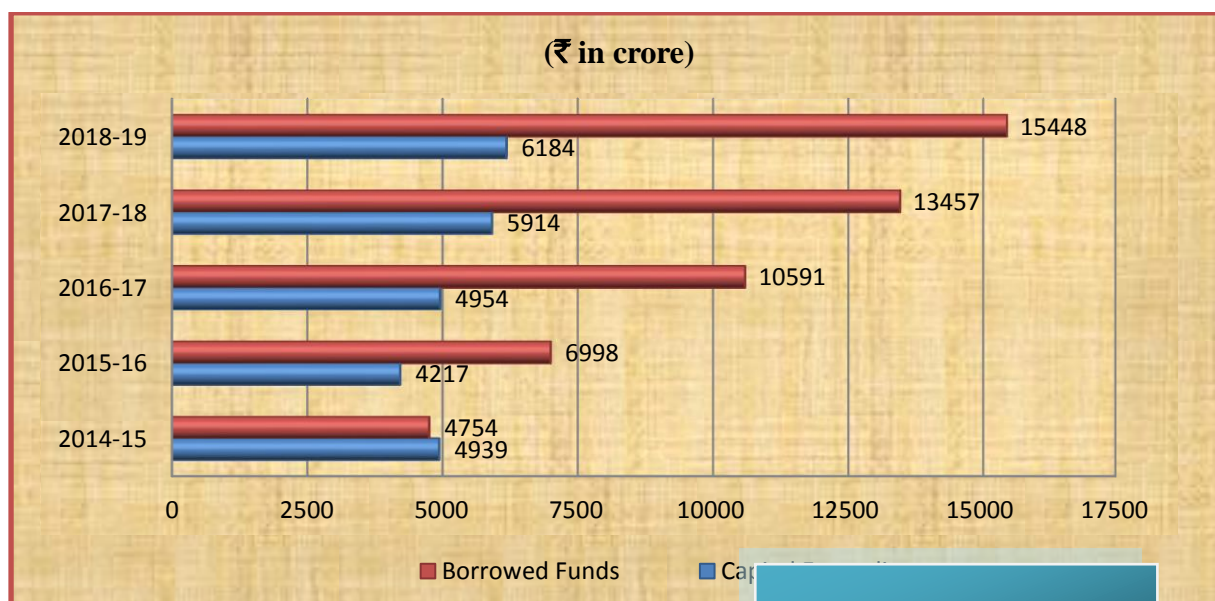
### 2.7 Public Debt

### Trend of position of Public Debt over the past five years:



During the year 2018-19, Twenty two loans totaling ₹ 63,00.00 crore were raised from the open market at interest rates varying from 7.80 per cent to 8.76 per cent and the same are redeemable in the year 2028. In addition, the State Government raised loan of ₹ 8,69.72 crore from the financial institutions. An amount of ₹ 81,72.64 crore obtained from ways and Means Advances from the Reserve of India. Thus the total Internal Debt raised by the Government during the year 2018-19 aggregated to ₹ 1,53,42.36 crore. The Government also received ₹ 1,05.46 crore from Government of India as loans and advances.

### Borrowed Funds viz-a-viz Capital Expenditure



## Chapter III Expenditure

### 3.1 Introduction

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

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

<b>GENERAL SERVICES</b>	Includes Justice, Police, Jail, PWD, Interest and Pension etc.
Includes Education, Health & Family Welfare, Water Supply and Welfare of SC-ST etc.	<b>SOCIAL SERVICES</b>
<b>ECONOMIC SERVICES</b>	Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries and Transport etc.

### 3.2 Revenue Expenditure

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

Year	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Budget Estimates</b>	2,37,92	2,57,39	3,22,50	3,15,51	3,56,27
<b>Actuals</b>	2,11,64	2,30,86	2,52,72	2,90,83	3,21,96
<b>Gaps</b>	26,28	26,53	69,78	24,68	34,31
<b>Percentage of variation of Actuals against BE</b>	11	10	22	8	10

(Source: Appropriation Accounts of respective years)

Compounding the shortfall (by 12 per cent) of revenue receipts against budget estimated in 2018-19, the State Government faced with the problem of generating revenue surplus in terms of the FRBM Act.

Around 67 *per cent* of the total revenue expenditure was incurred on committed expenses viz. Salaries (₹ 1,15,25 crore), Interest payment (₹ 44,75 crore) and Pensions (₹ 53,96 crore) and subsidies (₹ 1,74 crore).

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

(₹ in crore)

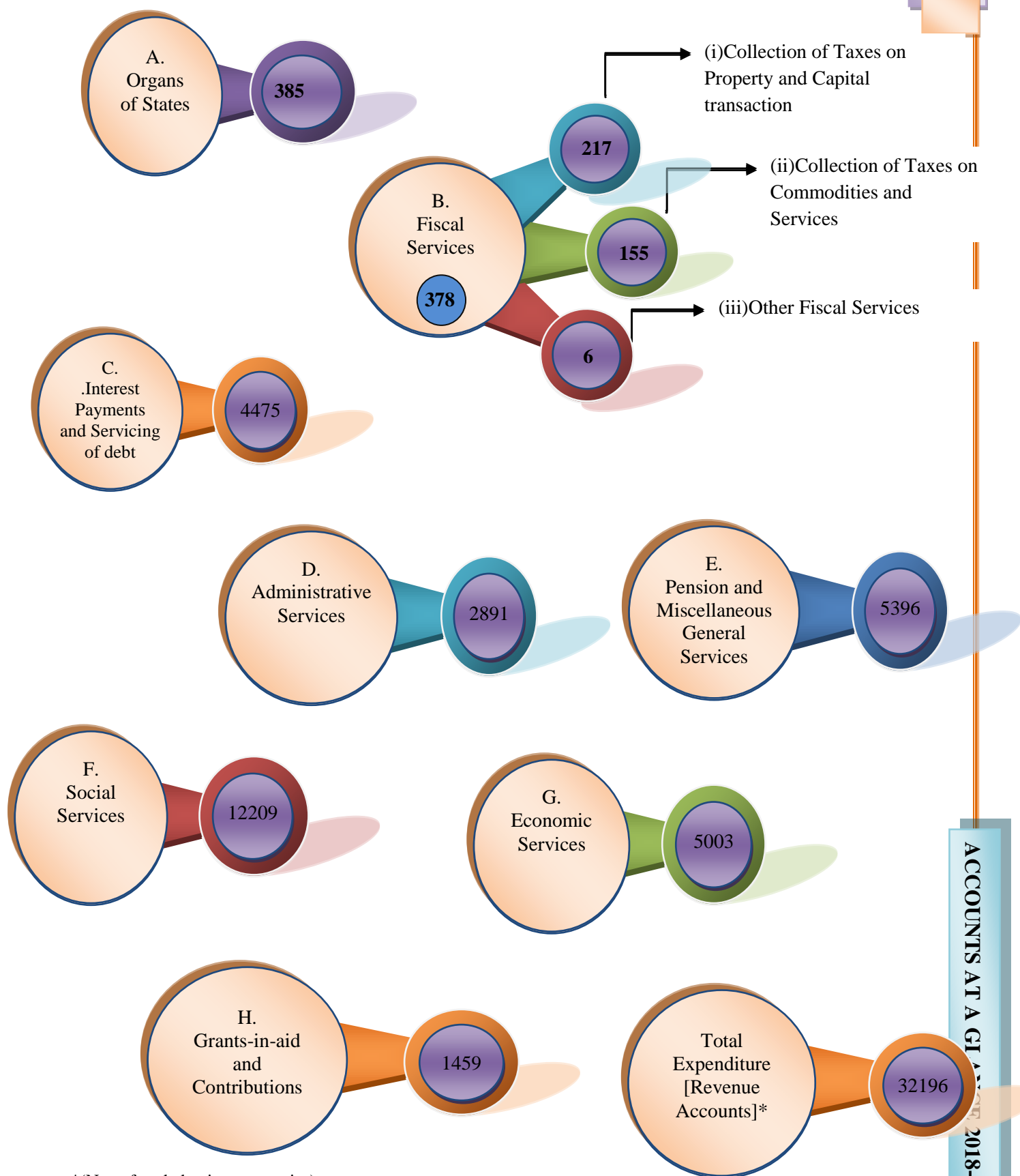
Component	2014-15	2015-16	2016-17	2017-18	2018-19
Total Revenue Expenditure	2,11,64	2,30,86	2,52,72	2,90,83	3,21,96
Committed Revenue Expenditure#	1,23,75	1,36,58	1,57,71	1,97,02	2,15,69
Percentage of Committed Revenue expenditure to Total Revenue expenditure	58	59	62	68	67
Uncommitted revenue expenditure	87,89	94,28	95,01	93,81	1,06,27

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

It may be seen that the uncommitted revenue expenditure available for implementation of various schemes has increase by 20.91 *per cent* from ₹ 87,89 crore in 2014-15 to 1,06,27 crore in 2018-19. The total revenue expenditure increased by 52 *per cent* from ₹ 2,11,64 crore in 2014-15 to ₹ 3,21,96 crore in 2018-19 and committed revenue expenditure increased by 74 *per cent* over the same period.

### 3.2.1 Sectoral distribution of Revenue Expenditure (2018-19)

( ₹ in crore)



\*(Net, after deducting recoveries)

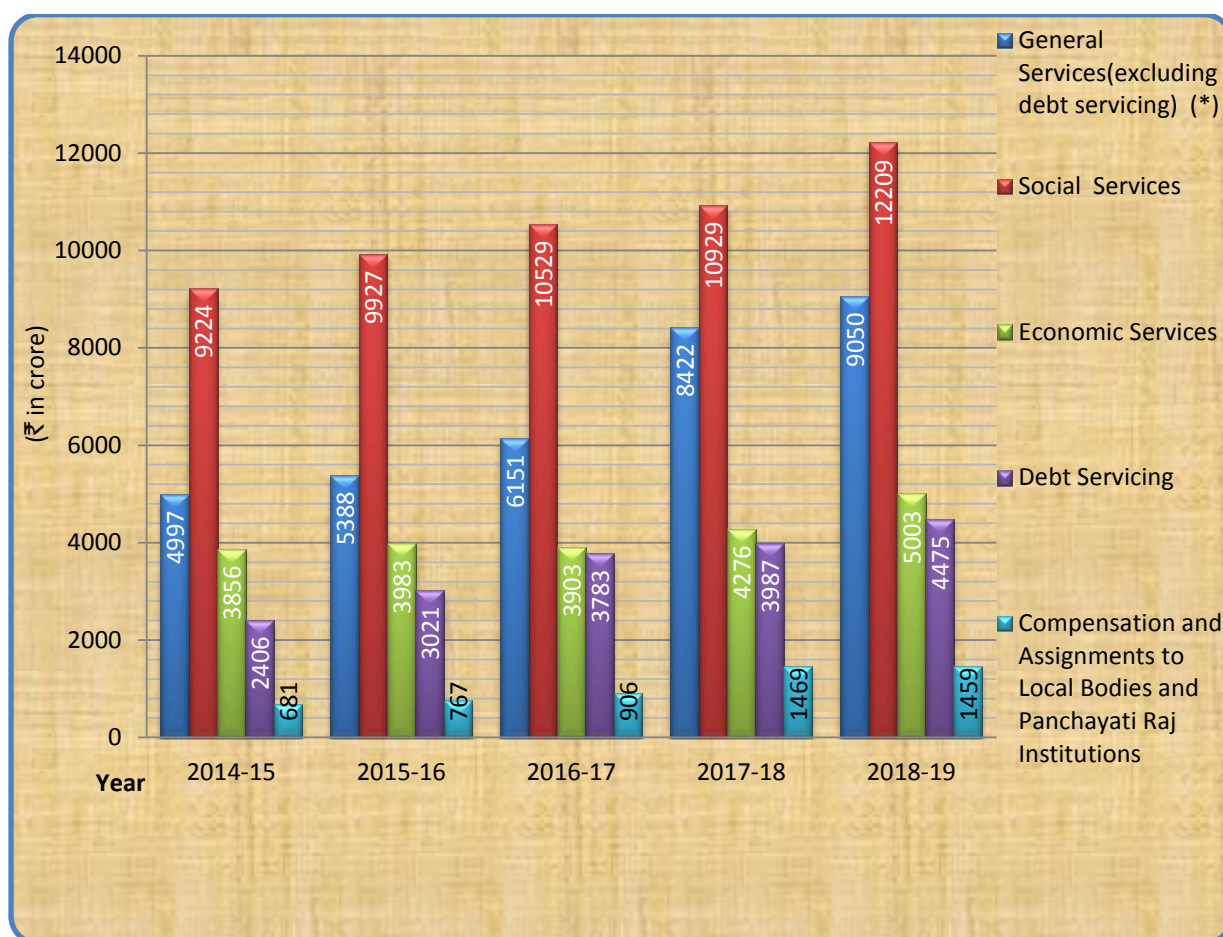


### 3.2.2 Major components of Revenue Expenditure 2014-15 to 2018-19

(₹ in crore)

Components	2014-15	2015-16	2016-17	2017-18	2018-19
Social Services	92,24	99,27	1,05,29	1,09,29	1,22,09
Economic Services	38,56	39,83	39,03	42,76	50,03
Debt Servicing	24,06	30,21	37,83	39,87	44,75
General Services (excluding expenditure on debt servicing)	49,97	53,88	61,51	84,22	90,50
Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	6,81	7,67	9,06	14,69	14,59

#### Trend of Major Components of Revenue Expenditure



### 3.3 Capital Expenditure

Capital expenditure is essential if the growth process is to be sustained. Capital Expenditure during 2018-19 amounting for ₹ 61,84 crore (2.51 per cent of GSDP) were less than Budget Estimates by ₹400 crore. The growth in capital expenditure has kept pace with the steady growth of GSDP since 2014-15 onwards (except 2015-16).

This can be seen from the table below:

(₹ in crore)

S. No.	Components	2014-15	2015-16	2016-17	2017-18	2018-19
1	Budget (B.E.)	45,91	40,05	57,44	55,14	65,84
2	Actual Expenditure (#)	49,39	42,17	49,54	59,14	61,84
3	Percentage of Actual Exp. to B.E.	108	105	86	107	94
4	Yearly growth in Capital Expenditure	33 %	(-)15 %	17 %	19 %	5%
5	GSDP	16,14,39	17,71,63	19,51,25	22,28,36	24,58,95
6	Yearly Growth in GSDP	8 %	10 %	10 %	14 %	10 %

(#) Does not include expenditure on Loans and Advances

### 3.3.1 Sectoral distribution of Capital Expenditure

During 2018-19, the Government spent ₹ 2,77 crore on various Irrigation Projects (₹2,22 crore on Major Irrigation, ₹ 7 crore on Medium Irrigation and ₹ 49 crore on Minor Irrigation). Apart from above, the Government spent ₹ 13,64 crore on construction of Roads and Bridges and invested ₹ 1,93 crore in Government and other Companies and Co-operative societies. During the year, no share capital was redeemed by Co-operative Banks and Societies.

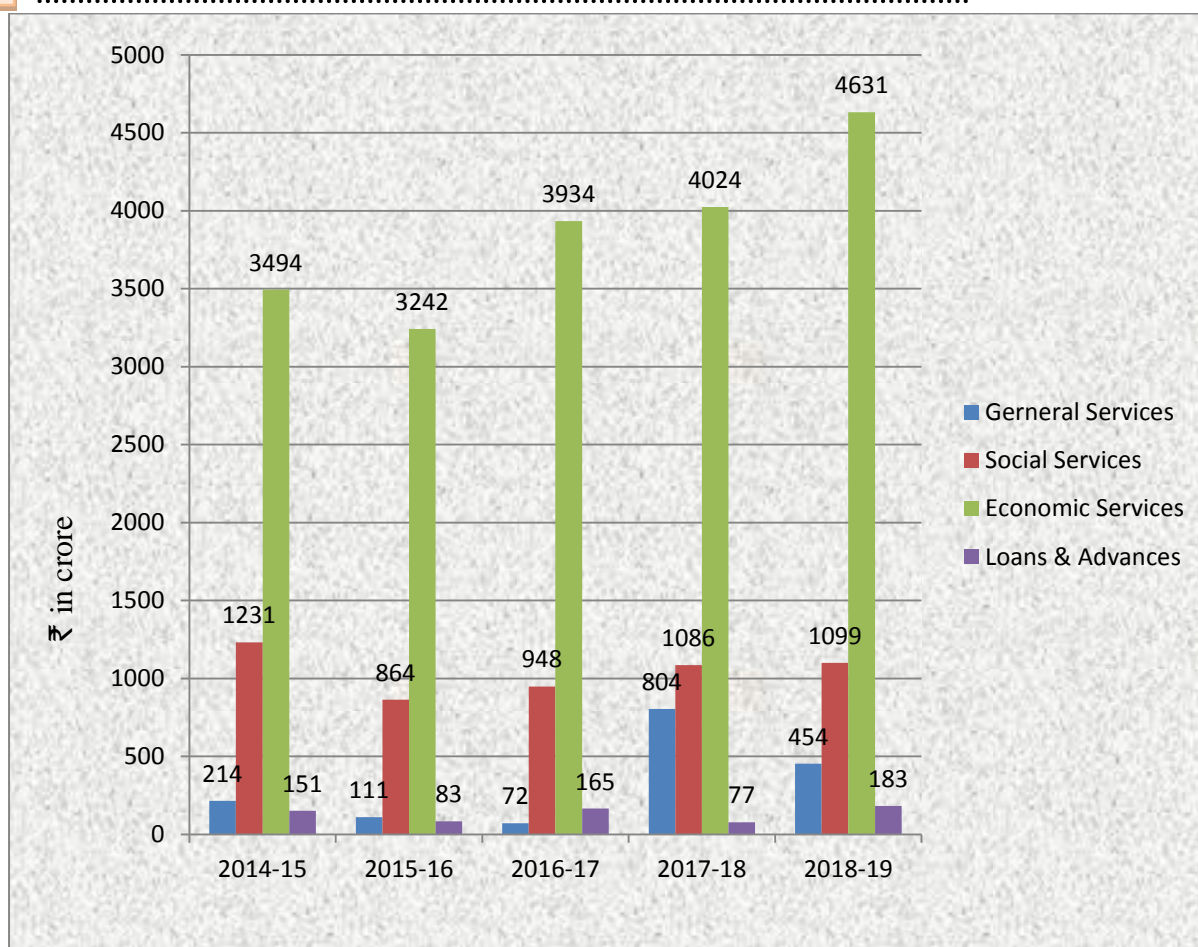
### 3.3.2 Sectoral distribution of Capital Expenditure over the past five years

(₹ in crore)

Sector	2014-15	2015-16	2016-17	2017-18	2018-19
<b>General Services</b>	2,14 (4)	1,11(3)	72(1)	8,04(14)	4,54(7)
<b>Social Services</b>	12,31(24)	8,64(20)	9,48(19)	10,86(18)	10,99(17)
<b>Economic Services</b>	34,94(69)	32,42(75)	39,34(77)	40,24(67)	46,31(73)
<b>Loans and Advances</b>	1,51(3)	83(2)	1,65(3)	77(1)	1,83(3)
<b>Total</b>	5090	4300	5119	5991	6367

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

### Trend of Sectoral Distribution of Capital Expenditure



### 3.3.3 Sectoral distribution of Capital and Revenue Expenditure

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

S.No.	Sector		2014-15	2015-16	2016-17	2017-18	2018-19
[A]	General Services	Capital	2,14	1,11	72	8,04	4,54
		Revenue	74,02	84,10	99,34	1,24,09	1,35,25
[B]	Social Services	Capital	12,31	8,64	9,48	10,86	10,99
		Revenue	92,24	99,27	1,05,29	1,09,29	1,22,09
[C]	Economic Services	Capital	34,94	32,42	39,34	40,24	46,31
		Revenue	38,57	39,83	39,03	42,76	50,03
[D]	Grant-in-aid and Contribution	Capital	NA*	NA*	NA*	NA*	NA*
		Revenue	6,81	7,66	9,06	14,69	14,59

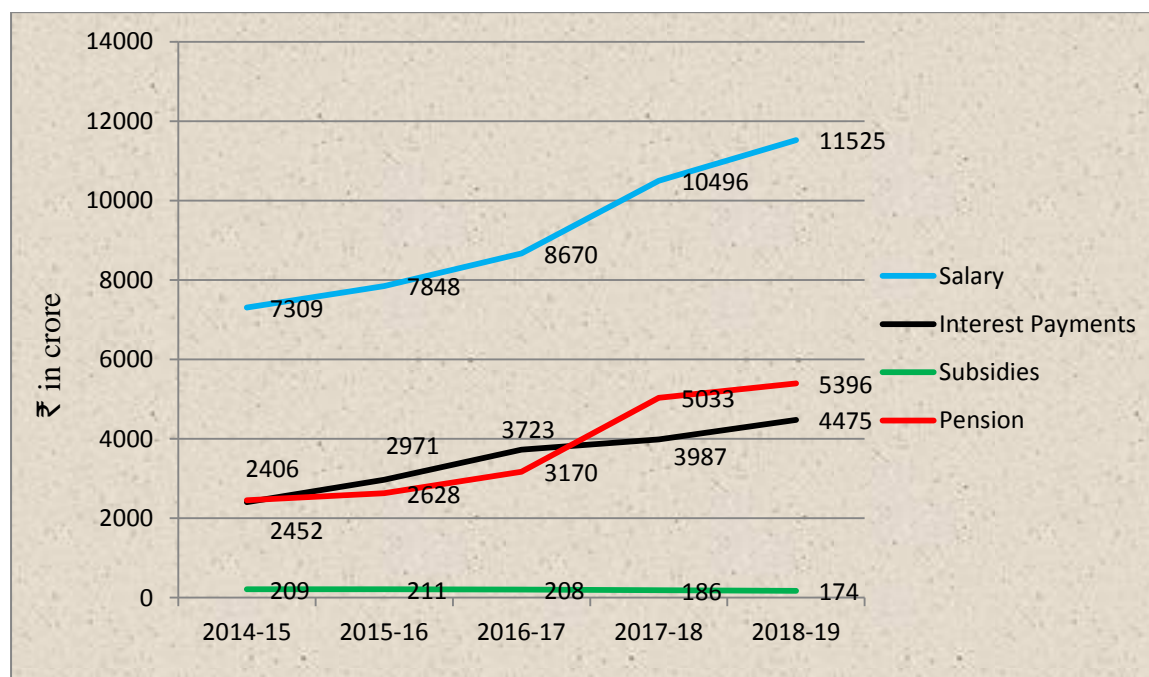
\*Not Applicable



### 3.4 Committed Expenditure

Expenditure on salaries, pensions, subsidies and interest payments showed increase in 2018-19 over the previous year:

#### Trend of Committed Expenditure



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

(₹ in crore)					
Component	2014-15	2015-16	2016-17	2017-18	2018-19
Committed Expenditure	1,23,75	1,36,58	1,57,71	1,97,02	2,15,69
Revenue Expenditure	2,11,64	2,30,86	2,52,72	2,90,83	3,21,96
Revenue Receipts	2,02,47	2,12,34	2,48,89	2,71,05	3,12,16
Percentage of committed expenditure to Revenue Receipts	61	64	63	73	69
Percentage of Committed expenditure to Revenue Expenditure	58	59	62	68	67

The committed expenditure increased by 74 per cent from 2014-15 to 2018-19 while revenue expenditure registered the growth of 52 per cent during the same period, leaving the Government with lesser flexibility in development spending.

## Chapter IV Appropriation Accounts

### 4.1 Summary of Appropriation Accounts for 2018-19

(₹ in crore)

Sl.	Nature of Expenditure	Original Grant	Supplementary Grant	Surrender	Total	Actual Expenditure	Saving (-) Excess (+)
1	Revenue Voted Charged	3,05,42.41 50,84.90	15,04.24 2,02.01	6,89.91 3.58	3,13,56.74 52,83.33	2,76,48.18 45,47.99	(-) 37,08.56 (-)7,35.34
2	Capital Voted Charged	65,82.80 1.00	6,54.16 0.00	3,51.06 0.00	68,85.90 1.00	67,85.91 0.15	(-) 99.99 (-)0.85
3	Public Debt Charged	31,82.00	0.00	0.00	31,82.00	1,02,30.14	(+)70,48.14
4	Loans and Advances Voted	1,91.98	92.00	0.00	2,83.98	1,83.48	(-)1,00.50
	<b>Grand Total</b>	<b>4,55,85.09</b>	<b>24,52.41</b>	<b>10,44.55</b>	<b>4,69,92.95</b>	<b>4,93,95.85</b>	<b>(+) 24,02.90</b>

### 4.2 Trend of Savings / Excess during the past five years

(₹ in crore)

Year	Saving (-) /Excess (+)				
	Revenue	Capital	Public Debt	Loans and Advances	Total
2014-15	(-)59,02.83	(-)1,71.44	(-)6,83.74	(-)1,96.52	(-)69,54.53
2015-16	(-)46,64.04	(+) 9,88.15	(-)5,79.98	(-)88.95	(-)43,44.82
2016-17	(-)73,41.18	(+)3,58.67	(+)31,86.45	(-)2,45.97	(-)40,42.03
2017-18	(-) 44,71.73	(+) 3,62.39	(+) 50,11.39	(-) 1,93.52	(+) 7,08.53
2018-19	(-) 44,43.90	(-) 1,00.84	(+) 70,48.14	(-) 1,00.50	(+) 24,02.90

### 4.3 Significant Savings

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

(₹ in crore)

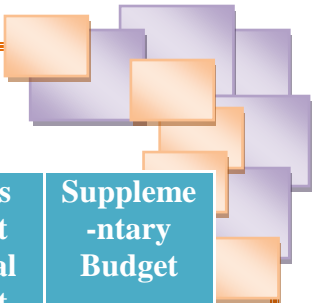
Grant No.	Nomenclature	2014-15	2015-16	2016-17	2017-18	2018-19
04	Judicial Administration	62	67	121	30	62
06	Revenue & General Administration	1044	674	1360	969	645
12	Medical, Health & Family Welfare	421	547	484	592	539
13	Water Supply, Housing & Urban Development	653	475	590	364	661
15	Welfare	416	436	522	368	410
21	Energy	383	107	314	196	75
23	Industries	398	509	141	100	100
30	Welfare of Scheduled Castes	569	625	660	307	417
31	Welfare of Scheduled Tribes	137	179	197	126	176

During 2018-19, supplementary grants totalling ₹ 24,52.41 crore (5.38 per cent of total original grant) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below-

(₹ in crore)

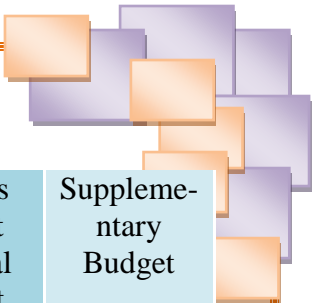
Grant No.	Nomenclature	Section	Original Budget	Actual Expenditure	Savings against Original Budget	Supplementary Budget
03	2013-Council of Ministers 800-Other Expenditure 03-Miscellaneous Expenditure by Ministers & Deputy Ministers	Revenue Voted	7.42	5.78	1.64	1.52

Grant No.	Nomenclature	Section	Original Budget	Actual Expenditure	Savings against Original Budget	Supplementary Budget
04	2014-Administration of Justice 800-Other Expenditure 06-District Legal Service Authority	Revenue Voted	4.88	4.47	0.41	2.68
04	2014-Administration of Justice 102-High Courts 03- High Court	Revenue Charged	52.80	35.67	17.13	0.96
06	2052-Secretariat-General Services 099-Board of Revenue 02-Revenue Commissioner Establishment	Revenue Voted	4.20	3.97	0.23	0.39
07	4059-Capital Outlay on Public Works 80-General 800-Other Expenditure 01- Centrally Sponsored Scheme	Capital Voted	1,52.50	1,25.41	27.09	100.00
07	4216-Capital Outlay on Housing 02-Urban Housing 800-Other Expenditure 12-Establishment of Uttarakhand Emporium and Building in Mumbai	Capital Voted	13.16	6.29	6.87	5.00
08	2039-State Excise 001-Direction and Administration 04- Furnaces	Revenue Voted	20.74	20.46	0.28	2.33



Grant No.	Nomenclature	Section	Original Budget	Actual Expenditure	Savings against Original Budget	Supplementary Budget
10	2055-Police 001-Direction and Administration 04-Establishment of Fire Protection and Control	Revenue Voted	73.85	65.53	8.32	1.11
11	4202-Capital Outlay on Education, Sports Art and Culture 01-General Education 202-Secondary Education 01-Centrally Sponsored Scheme	Capital Voted	55.00	31.69	23.31	10.00
12	2210-Medical and Public Health 05- Medical Education, Training and Research 105-Allopathy 04- Medical College	Revenue Voted	2,34.51	2,04.24	30.27	16.06
12	4210-Capital Outlay on Medical and Public Health 03-Medical Education Training and Research 105-Allopathy 01-Centrally Sponsored Scheme	Capital Voted	1,01.95	79.62	22.33	5.00
13	2217-Urban Development 80-General 001-Direction and Administration 03- Nagar Panchayats Election	Revenue Voted	13.69	13.42	0.27	4.73

Grant No.	Nomenclature	Section	Original Budget	Actual Expenditure	Savings against Original Budget	Supplementary Budget
15	2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities 03-Welfare of Backward Classes 102-Economic Development 01-Centrally Sponsored Scheme	Revenue Voted	20.00	10.30	9.70	20.00
15	2235-Social Security and Welfare 02-Social Welfare 102-Child Welfare 01-Centrally Sponsored Scheme	Revenue Voted	4,49.59	3,93.11	56.48	58.71
16	2230-Labour, Employment and Skill Development 03-Training 003- Training of Craftsmen and Supervisors 03-Craftsman Training Scheme and Establishment	Revenue Voted	1,08.42	94.95	13.47	2.23
20	2702-Minor Irrigation 03-Maintenance 102-Lift Irrigation Scheme 03-Maintenance Work	Revenue Voted	8.00	4.86	3.14	1.00
20	4711-Capital Outlay on Flood Control Projects 01-Flood Control 103-Civil Works 06-River Training Funded by State Sector	Capital Voted	3.00	2.86	0.14	1.00



Grant No.	Nomenclature	Section	Original Budget	Actual Expenditure	Savings against Original Budget	Supplementary Budget
24	3053-Civil Aviation 02-Air Ports 102-Aerodromes 09-Uttarakhand Civil Aviation Development Authority	Revenue Voted	18.00	13.00	5.00	5.00
26	3452-Tourism 80-General 001-Direction and Administration 03-Uttarakhand State Tourism Development Board	Revenue Voted	39.50	36.29	3.21	5.10
26	5452-Capital Outlay on Tourism 80-General 104-Promotion and Publicity 04-State Sector	Capital Voted	35.59	23.05	12.54	1.00
27	2406- Forestry and Wild Life 01-Forestry 101-Forest Conservation, Development and Regeneration 06-Multipurpose Plantation and Protection of Forests	Revenue Voted	9.23	9.20	0.03	2.00
30	2401-Crop Husbandry 001-Direction and Administration 01-Centrally Sponsored Scheme	Revenue Voted	46.17	43.49	2.68	17.26
30	4202-Capital Outlay on Education, Sports, Art and Culture 01-General Education 202-Secondary Education 01-Centrally sponsored Scheme	Capital Voted	25.00	2.34	22.66	3.00

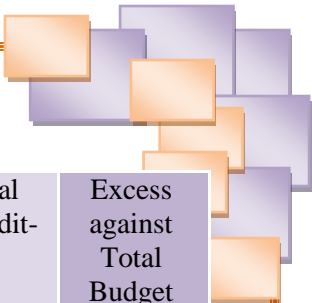
Grant No.	Nomenclature	Section	Original Budget	Actual Expenditure	Savings against Original Budget	Supplementary Budget
31	2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities 02-Welfare of Scheduled Tribes 277-Education 04-Maintenance of Government Aashram system School's for Scheduled Tribes Students	Revenue Voted	25.76	23.57	2.19	1.22
31	4202-Capital Outlay on Education, Sports, Art and Culture 01-General Education 202-Secondary Education 01-Centrally sponsored Scheme	Capital Voted	5.62	0.70	4.92	1.22

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

(₹ in crore)

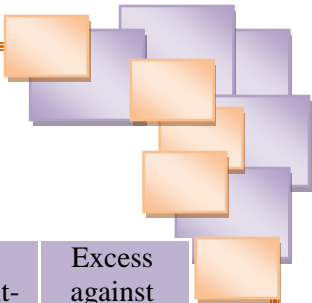
Grant No.	Nomenclature	Section	Original Budget	Supplementary Budget	Total Budget	Actual Expenditure	Excess against Total Budget
07	2071-Pension and Other Retirement Benefits 01 -Civil 101-Superannuation and Retirement Allowances 03-Superannuation and Retirement Allowances	Revenue Voted	14,44.00	74.33	1518.33	17,92.07	273.74





Grant No.	Nomenclature	Section	Original Budget	Supplement-ary Budget	Total Budget	Actual Expenditure	Excess against Total Budget
11	2202-General Education 01-Elementary Education 101-Government Primary Schools 01-Centrally Sponsored Scheme	Revenue Voted	6,03.07	20.00	623.07	6,62.25	39.18
12	2210-Medical and Public Health 03-Rural Health Services-Allopathy 103-Primary Health Centres 03-Establishment Primary Health Centres	Revenue Voted	74.33	1.21	75.54	76.76	1.22
12	2210-Medical and Public Health 03-Rural Health Services-Allopathy 104-Community Health Centres 03-Establishment of Community Health Centres	Revenue Voted	76.39	6.30	82.69	86.00	3.31
13	2215-Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply Programmes 05-Water Supply-Urban	Revenue Voted	1,42.50	61.27	203.77	2,49.83	46.06
13	2215-Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply Programmes 07-Payment of Departmental Fees Payable at Centrally Sponsored Schemes	Revenue Voted	20.00	15.00	35.00	40.03	5.03

Grant No.	Nomenclature	Section	Original Budget	Supplement-ary Budget	Total Budget	Actual Expenditure	Excess against Total Budget
13	2215-Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply Programmes 05-Water Supply-Urban	Revenue Voted	1,42.50	61.27	2,03.77	2,49.83	46.06
13	2215-Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply Programmes 07-Payment of Departmental Fees Payable at Centrally Sponsored Schemes	Revenue Voted	20.00	15.00	35.00	40.03	5.03
15	2235-Social Security and Welfare 02-Social Welfare 103-Women's Welfare 23-Nirbhaya Scheme	Revenue Voted	0.50	0.10	0.60	0.65	0.05
19	2501-Special Programmes for Rural Development 01-Integrated Rural Development Programme 800-Other Expenditure 01-Centrally Sponsored Scheme	Revenue Voted	33.00	33.23	66.23	81.53	15.30
19	2515-Other Rural Development Programmes 102-Community Development 01-Centrally Sponsored Scheme	Revenue Voted	2.10	15.00	17.10	19.04	1.94



Grant No.	Nomenclature	Section	Original Budget	Supplement-ary Budget	Total Budget	Actual Expenditure	Excess against Total Budget
20	2701-Medium Irrigation 13-Other Irrigation Programmes 101-Maintenance and Repairs 02- Other Maintenance Expenses	Revenue Voted	2.80	0.75	3.55	4.15	0.60
21	4801- Capital Outlay on Power Projects 05-Transmission and Distribution 190-Investments in Public Sector and Other Undertakings 07-Investment in Uttarakhand Power Corporation Limited for Transmission Scheme	Capital Voted	25.00	5.00	30.00	1,11.88	81.88
23	2851-Village and Small Industries 102-Small Scale Industries 32-Assistance Scheme for Micro, Small and Medium Industries	Revenue Voted	6.00	10.00	16.00	20.22	4.22
25	3475- Other General Economic Services 106-Regulation of Weights and Measures 03-Establishment Expenses	Revenue Voted	4.44	0.30	4.74	4.92	0.18

Grant No.	Nomenclature	Section	Original Budget	Supplement-ary Budget	Total Budget	Actual Expenditure	Excess against Total Budget
28	2403-Animal Husbandry 101-Veterinary Services and Animal Health 01-Centrally Sponsored Scheme	Revenue Voted	8.79	3.00	11.79	14.22	2.43
30	4215-Capital Outlay on Water Supply and Sanitation 01-Water supply 102-Rural Water Supply 01-Centrally Sponsored Scheme	Capital Voted	22.00	2.27	24.27	31.79	5.72
31	2401-Crops Husbandry 109-Extension and Farmers Training 01-Centrally Sponsored Scheme	Revenue Voted	1.63	0.70	2.33	2.63	0.30

## Chapter V

### Assets and Liabilities

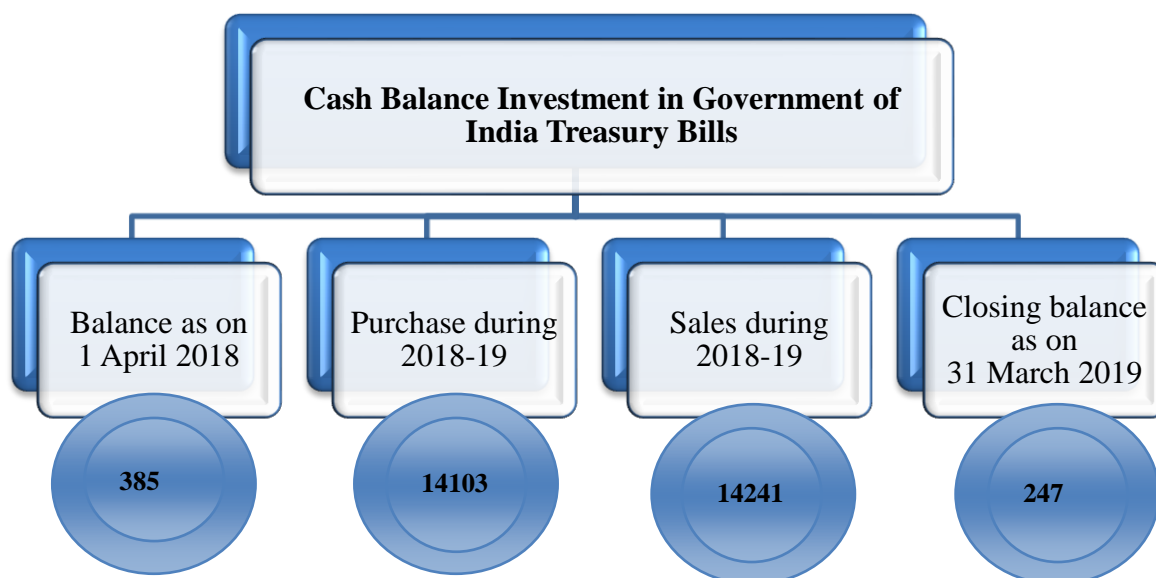
#### 5.1 Assets

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

Total investments as share capital in non-financial public sector undertakings (PSUs) stood at ₹ 34,02.45 crore at the end of the year 2018-19. However, dividends received during the year were ₹ 18.69 crore (i.e. 0.55 *per cent*) on total investment. During 2018-19, investments increased by ₹ 1,93 crore and dividend income decreased by ₹ 4 crore.

Cash Balance with RBI stood at ₹ 11,71.00 crore on 1 April 2018 and decreased to ₹ 11,58.50 crore at the end of March 2019. In addition, Government had invested an amount of ₹ 1,41,02.58 crore on 75 occasions in 14 days Treasury Bills and rediscounted Treasury Bills worth ₹ 1,42,40.58 crore on 116 occasions during 2018-19. The position of investment during the year 2018-19 is depicted in the table given below:-

(₹ in crore)



## 5.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund. Government of India determines, from time to time, the limit up to which State Government can borrow from the market. The limit of borrowings for 2018-19 was ₹ 73,76.85 crore and limit for total liabilities was ₹ 55,473.91 crore, against these limits Government of Uttarakhand has availed open market borrowing for ₹ 63,00 crore and total liabilities of ₹ 58,039.27 crore.

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

(₹ in crore)

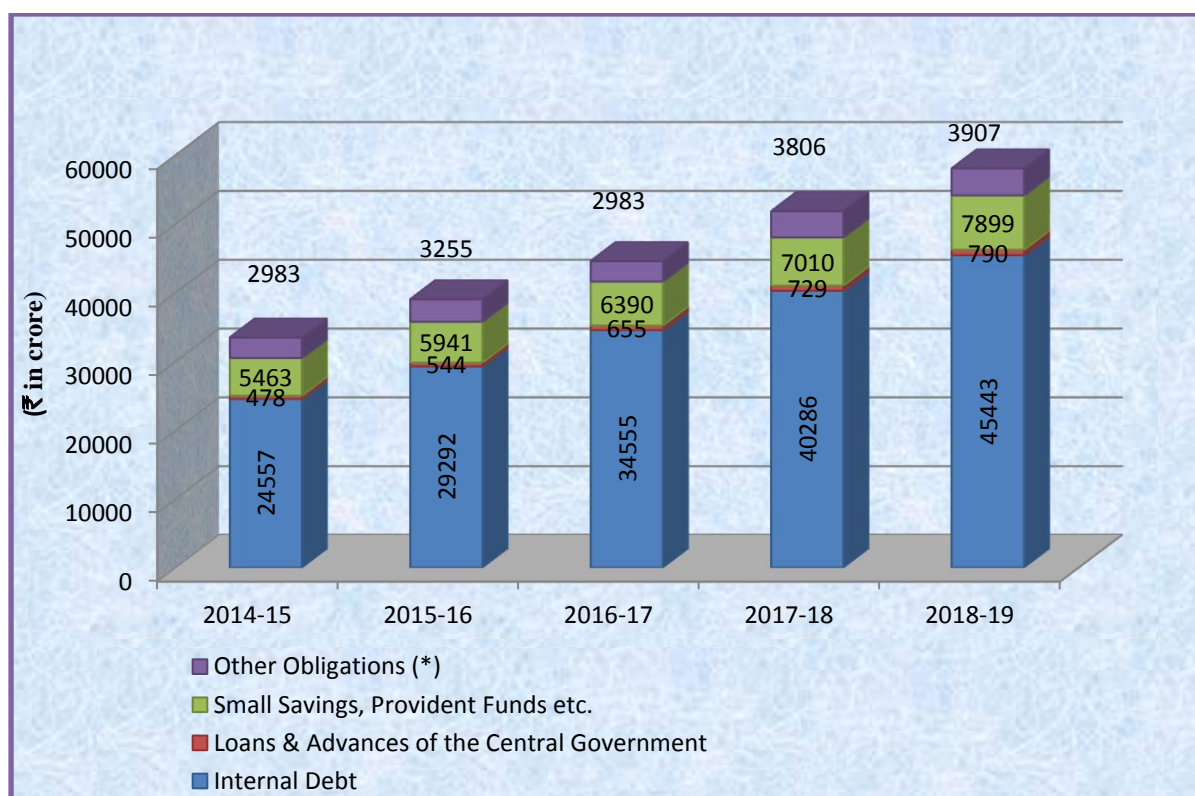
Year	Public Debt	Per cent to GSDP	Public Account(*)	Per cent to GSDP	Total Liabilities	Per cent to GSDP
2014-15	2,50,35	16	84,46	5	3,34,81	21
2015-16	2,98,36	17	91,96	5	3,90,32	22
2016-17	3,52,10	18	93,73	5	4,45,83	23
2017-18	4,10,15	18	1,08,16	5	5,18,31	23
2018-19	4,62,33	19	1,18,06	5	5,80,39	24

(\*) Excludes suspense and remittance balances.

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

Public Debt and other liabilities showed a net increase of ₹ 62,08 crore (12 per cent) in 2018-19 over the previous year.

### Trends in Government Liabilities



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



### 5.3 Guarantees

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

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

(₹ in crore)

At the end of the year	Maximum amount guaranteed (Principal only)	Amount outstanding at the end of the year	
		Principal	Interest
2014-15	29,51(*)	18,32	Not Available
2015-16	28,05(*)	17,43	Not Available
2016-17	28,05(*)	12,58	Not Available
2017-18	21,05(*)	11,73	Not Available
2018-19	21,05(*)	13,11	Not Available

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

### 6.1 Adverse Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, the State Government also guarantees loans raised by government companies and corporations from the market and financial institutions for implementation of various schemes and programmes which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government. However, the loan repayments appear in Government account, resulting in irreconcilable adverse balances and understatement of liabilities in Government accounts. As on 31 March 2019 balances of Loans and Advances given by the State Government are under reconciliation.

### 6.2 Loans and Advances given by the State Government

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

Total outstanding Loans and Advances made by the State Government at the end of 2018-19 was ₹19,26.54 crore. Out of this, loans and advances to Government Corporation/Companies, non-Government Institutions and Local Bodies amounted to ₹ 1,879.77 crore. The information relating to recovery of interest in arrear was not made available by the State Government. During 2018-19 only ₹ 26.91 crore was received towards repayment of loans and advances, out of which ₹ 1.62 crore relates to repayment of loans to Government Servants. Effective steps to recover the outstanding loans would help the Government to improve its fiscal position.

Yearly balances are communicated to the State Government for acceptance. From the year 2000-01 upto the year 2018-19 total 339 number of acceptance are awaited for an amount of ₹ 33,59.51 crore pertaining to following four Major Heads of Accounts. The balances are under reconciliation.

(₹ in crore)

S.No.	Major Head	Number of Acceptance Awaited	Amount
1.	6401-Loans for Crop Husbandry	08	4,73.82
2.	6425-Loans for Co-operations	100	26.78
3.	6801- Loans for Power Projects	222	28,40.24
4.	7055-Loans for Road Transport	09	18.67
<b>Total</b>		<b>339</b>	<b>33,59.51</b>

### 6.3 Financial Assistance to Local Bodies and others

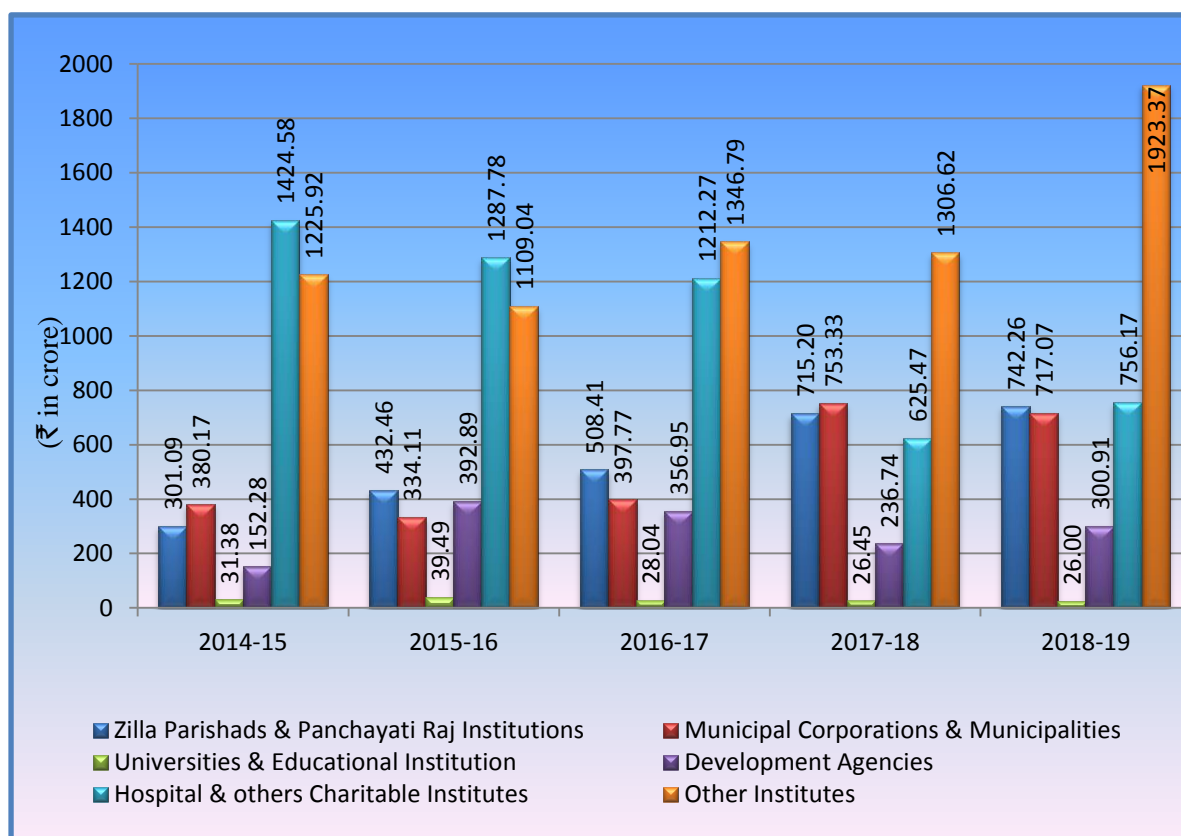
As per Indian Government Accounting Standard (IGAS) 2, expenditure on Grants-in-Aid is recorded as revenue expenditure in the books of the grantor and as revenue receipt in the books of the recipient regardless of end utilization. The Government of Uttarakhand continued to operate and allot funds as Grants-in-Aid to State Government entities in the Capital Section besides Revenue Section. During the year 2018-19 such grants were given under six Capital Major Heads. This contravened the Indian Government Accounting Standards (IGAS) 2, notified by the Government of India, wherein it has been stated that, expenditure on Grants-in-Aid for the purpose of creating assets shall not, except in cases specifically authorized by the President on the advice of the Comptroller and Auditor General, be debited to a Capital Head of account in the financial statements of the Government. Further, one of the requirements of IGAS-2 is depiction of Grants-in-Aid in kind, regarding which no information has been given by the State Government.

Grants-in-aid given to local bodies, autonomous bodies etc, increased from ₹ 35,15.42 crore in 2014-15 to ₹ 44,65.78 crore in 2018-19. Grants to Zilla Parishads and Panchayats Raj institutions, Municipal Corporations and Municipalities (₹ 14,59.32 crore) represent 32.68 *per cent* of total grants given during the year. Details of Grants-in-aid for the past five years are as under:

(₹ in crore)

S.No	Name of Institutions	2014-15	2015-16	2016-17	2017-18	2018-19
1.	Zilla Parishads & Panchayati Raj Institutions	3,01.09	4,32.46	5,08.41	7,15.20	7,42.26
2.	Municipal Corporations & Municipalities	3,80.17	3,34.11	3,97.77	7,53.33	7,17.07
3.	Universities & Educational Institution	31.38	39.49	28.04	26.45	26.00
4.	Development Agencies	1,52.28	3,92.89	3,56.95	2,36.74	3,00.91
5.	Hospital & others Charitable Institutes	14,24.58	12,87.78	12,12.27	6,25.47	7,56.17
6.	Other Institutes	12,25.92	11,09.04	13,46.79	13,06.62	19,23.37
	<b>Total</b>	<b>35,15.42</b>	<b>35,95.77</b>	<b>38,50.23</b>	<b>36,63.81</b>	<b>44,65.78</b>

## Grant-in-aid Given



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

(₹ in crore)

S.No	Name of Institutions	2014-15	2015-16	2016-17	2017-18	2018-19
1.	Zilla Parishads & Panchayati Raj Institutions	Nil	Nil	Nil	Nil	Nil
2.	Municipal Corporations & Municipalities	Nil	Nil	Nil	Nil	Nil
3.	Universities & Educational Institution	30.65	13.22	4.75	4.00	5.50
4.	Development Agencies	Nil	Nil	Nil	Nil	Nil
5.	Hospital & others Charitable Institutes	Nil	Nil	Nil	Nil	Nil
6.	Other Institutes	368.56	518.74	544.80	712.52	6,10.21
	<b>Total</b>	<b>399.21</b>	<b>531.96</b>	<b>549.55</b>	<b>716.52</b>	<b>6,15.71</b>

## 6.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 April 2018	As on 31 March 2019	Net increase (+)/ decrease (-)
Cash Balances	11,71.00	11,58.50	(-) 12.50
Investments from cash balance (GOI Treasury bills)	3,85.49	2,47.48	(-) 1,38.01
Investment from earmarked fund balances	11,88.62	11,88.62	0.00
(a) Sinking fund	11,53.62	11,53.62	0.00
(b) Guarantee Redemption Fund	35.00	35.00	0.00
Interest realized during the year	14.05	10.49	(-) 3.56

Cash with departmental officers viz public work department officers, forest department officers, district collectors was ₹ 10.71 crore and permanent advances for contingent expenditure with departmental officer was ₹ 0.81 crore. State Government had a credit closing cash balance at the end of 31 March 2019. Interest receipt on the investment of cash balance has decreased by 25.34 *per cent* from ₹ 14.05 crore in 2017-18 to ₹ 10.49 crore in 2018-19.

## 6.5 Reconciliation of Accounts

To exercise effective control of expenditure, to keep it within the budget grants and to ensure accuracy of their accounts, all Chief Controlling Officer (CCOs)/Controlling Officers (COs) are required to reconcile the Receipts and Expenditure recorded in their books every month with the figures accounted for by the office of the Accountant General (A&E). Such reconciliation of Receipts figures have been completed *per cent* by 48 CCOs out of 48 CCOs and only 55 CCOs out of 62 CCOs fully reconciled the expenditure figures.

## 6.6 Submission of Accounts by Accounts Rendering units

The Finance Accounts 2018-19 present the transaction of the Government of Uttarakhand for the period 1 April 2018 to 31 March, 2019. The accounts of receipts and expenditure of the Government of Uttarakhand have been compiled based on the initial account rendered by 20 Treasuries, 114 Public Works Divisions, 56 Forest Divisions, 84 Irrigation and other Divisions and Advices of the Reserve Bank of India. Rendition of monthly accounts by the Accounts Rendering Units of the State Government was satisfactory and no accounts remained excluded at the end of the financial year.

## 6.7 Unadjusted Abstract Contingent Bill

When money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents, through Abstract Contingent (AC) bills, by debiting service heads and

the expenditure is reflected as an expense under the service head. These amounts are held under objection pending submission of Detailed Contingent (DC) bills to the AG (A&E), within a month. Delayed submission or prolonged non-submission of DC bills may affect the completeness and correctness of accounts. The detail of AC Bills, under objection, pending adjustment, as on 31 March 2019 is as under:

Year	Number of AC Bills drawn		Number of AC Bills adjusted		Pending Bills	
	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
Upto 2016-17	1736	127.50	1613	119.44	123	8.06
2017-18	17	0.61	124	8.08	16	0.59
2018-19	19	0.73	25	0.76	10	0.56
<b>Total</b>	<b>1772</b>	<b>128.84</b>	<b>1762</b>	<b>128.28</b>	<b>10</b>	<b>0.56</b>

Major defaulting departments/DDOs which have not submitted DC bills, are Deputy District Election Officer, Pithoragarh (₹ 0.29 crore, 51.79 per cent), Chief Veterinary Officer, Almora (₹ 0.22 crore, 39.29 per cent), District Magistrate, Rudraprayag (₹ 0.02 crore, 3.57 per cent), District Youth Welfare and Provincial Security Force Officer, Rudraprayag (₹ 0.02 crore, 3.57 per cent). Out of outstanding DCC bills of ₹ 0.56 crore, DCC Bills to the tune of ₹ 0.30 crore have been received and adjusted upto October 2019, leaving only DCC Bills of ₹ 0.26 crore was outstanding.

### 6.8 Status of Suspense and Remittance Balances

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

(₹ in crore)

Name of Minor Head	2015-16		2016-17		2017-18		2018-19	
	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr
<b>8658-Suspense Accounts</b>								
101-Pay and Accounts Office-Suspense	90.04	3.18	21.87	3.18	8.27	(-)38.97	30.38	3.45
<b>Net</b>	<b>(Dr) 86.86</b>		<b>(Dr) 18.69</b>		<b>(Dr) 47.24</b>		<b>(Dr) 26.93</b>	
102-Suspense Accounts (Civil)	555.18	366.95	565.00	367.15	5,52.63	4,09.83	549.40	368.32
<b>Net</b>	<b>(Dr) 188.23</b>		<b>(Dr) 197.85</b>		<b>(Dr) 142.80</b>		<b>(Dr) 181.08</b>	
107- Cash Settlement Suspense Account	3.16	0.26	3.16	0.26	3.16	0.26	3.16	0.26
<b>Net</b>	<b>(Dr) 2.90</b>		<b>(Dr) 2.90</b>		<b>(Dr) 2.90</b>		<b>(Dr) 2.90</b>	
109-Reserve Bank Suspense Headquarters'	0.00	0.01	-0.26	-0.25	(-)0.26	(-)0.25	(-) 0.26	(-) 0.25
<b>Net</b>	<b>(Cr) 0.01</b>		<b>(Cr) 0.01</b>		<b>(Cr) 0.01</b>		<b>(Cr) 0.01</b>	
110-Reserve Bank Suspense-Central Accounts Office	379.17	219.62	261.96	219.61	2,19.66	2,19.61	214.67	219.61

Net	(Dr) 159.55		(Dr) 42.35		(Dr) 0.05		(Cr) 4.94	
112-Tax Deducted at Source (TDS) Suspense	28.03	142.77	28.03	146.75	28.03	1,98.81	28.03	315.31
Net	(Cr) 114.74		(Cr) 118.72		(Cr) 170.78		(Cr) 287.28	
113-Provident Fund Suspense	24.42	24.50	24.72	25.14	24.74	25.47	24.75	24.78
Net	(Cr) 0.08		(Cr) 0.42		(Cr) 0.73		(Cr) 0.03	
117-Transaction on behalf of Reserve Bank	18.12	16.63	18.12	16.63	18.12	17.94	18.12	17.94
Net	(Dr) 1.49		(Dr) 1.49		(Dr) 0.18		(Dr) 0.18	
123-A.I.S Officers Group Insurance Scheme	0.21	0.42	0.21	0.45	0.25	0.48	0.27	0.50
Net	(Cr) 0.21		(Cr) 0.24		(Cr) 0.23		(Cr) 0.23	
129-Material Purchase Settlement Suspense Account	0.03	-0.73	0.03	-0.73	0.03	(-)0.73	0.03	(-) 0.73
Net	(Dr) 0.76		(Dr) 0.76		(Dr) 0.76		(Dr) 0.76	
8782- Cash Remittances and adjustments between officers rendering Accounts to the Same Accounts Officer								
102-Public Works Remittances	65,26.29	81,66.23	2653.10	2759.28	12,83.25	14,06.60	277.17	398.86
Net	(Cr) 16,39.94		(Cr) 106.18		(Cr) 123.35		(Cr) 121.69	
103- Forest Remittances	9,02.39	9,72.98	38.70	67.40	2,46.94	2,53.29	100.93	126.41
Net	(Cr) 70.59		(Cr) 28.70		(Cr) 6.35		(Cr) 25.48	
8793-Inter State Suspense Account	20,81.28	13,08.85	2086.73	1309.31	20,71.79	13,09.85	2090.76	2012.46
Net	(Dr) 7,72.43		(Dr) 777.42		(Dr) 761.94		(Dr) 78.30	

## 6.9 Status of Outstanding Utilization Certificate

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

<b>Year</b>	<b>Number of Utilization Certificates awaited</b>	<b>Amount (₹ in crore)</b>
<b>Up to 2016-17</b>	01	0.93
<b>2017-18</b>	24	36.73
<b>2018-19#</b>	94	315.68
<b>Total</b>	<b>119</b>	<b>353.34</b>

# Except where the Sanction order specifies otherwise, UC's in respect of Grants-in-aid drawn during 2018-19 become due only in 2019-20.



### 6.10 Commitments on Account of Incomplete Capital works

A total expenditure of ₹ 4,80,30 crore was incurred up to the year 2018-19 by the State Government on 202 incomplete projects, against original estimate cost of ₹ 7,46.53 crore as detailed in Appendix IX in Volume II of the Finance Accounts.

A summarized view on commitments on account of 'Incomplete Capital Works' is furnished in next page:

(₹ in crore)

S. No	Category of works (no. of works)	Estimated cost of work	Expenditure during the year	Progressive expenditure to the end of the year	Pending payments	Estimated cost after revision
1.	Building Works (1)	2,32.16	60.88	1,48.08	57.61	....
2.	Irrigation and Flood Control Works (1)	1,00.66	32.87	72.68	27.98	....
3.	Road Construction Works (182)	6,41,33.50	1,26,03.47	4,04,33.24	2,12,69.42	64,92.25
4.	Bridge (18) Construction	1,01,86.84	46,60.16	73,75.55	15,66.24	16,06.80
	Total	7,46,53.16	1,73,57.38	4,80,29.55	2,29,21.25	80,99.05

### 6.11 New Pension Scheme

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

The actual amount payable by employees and the matching Government contribution has not been estimated. However, as per the information furnished by the State Government, during the year, the employees' contribution was ₹ 382.74 crore and Government contribution to the NPS was ₹ 371.92 crore. There was a short contribution of ₹ 10.82 crore on part of the State Government. The contribution sum of ₹ 754.66 crore has been booked under MH-8342-117-Defined Contribution Pension Scheme for Government employees and total funds of ₹ 746.12 crore were transferred to NSDL inclusive of arrears of ₹ 179.83 crore. In the absence of actual amount payable by the employees and matching government contribution, accuracy of the Funds remitted by State Government could not be confirmed.

Out of total transfer of ₹ 746.12 crore, an amount of ₹ 742.64 crore has been received by the NSDL. Difference of ₹ 3.48 crore is under reconciliation with the State Government.. Further, the State Government has parked a balance of ₹ 150.85 crore (including legacy

balances<sup>1</sup> of ₹ 22.75 crore) in the Public Account under Major Head 8342-117 –Defined Contribution Pension Scheme for Government employees. During the year, no interest has been credited to the Fund. At the end of the year 2018-19 the total Balance of the Fund was ₹ 1,59.38 crore. Uncollected, unmatched and un-transferred contributions, with accrued interest, represent outstanding liabilities under the Scheme. During the Exit Conference, State government assured to remit the amount to N.S.D.L. on priority.

## 6.12 Personal Deposit Accounts

The State Government is authorized to open Personal Deposit Accounts in order to deposit money by transferring funds from the Consolidated Fund for discharging liabilities of the Government. The Administrators are required to close such accounts on the last working day of the financial year and transfer the unspent balances back to the Consolidated Fund. The State Government, in its different Office Orders concerning the opening and operation of such accounts, termed these accounts as Personal Ledger Accounts (PLAs). As per Para 4 of Uttar Pradesh Personal Ledger Account Rules 1998, the State Government is authorized to open Personal Ledger Accounts for specific purposes in consultation with the Accountant General and there is no reference to the term ‘PD Accounts’. The State Government notified the four Major Heads of Accounts for the opening of PLAs by different Authorities. The State Government, through its Integrated Financial Management System (IFMS) Portal depicts the operation of 653 PLAs under 23 minor heads of Accounts, out of which 385 PLAs were having balances of ₹ 22,11.88 crore up to 31<sup>st</sup> March, 2019. However, one of the Heads of Accounts as detailed below was operated for booking of Personal Deposits.

(₹ in crore)

PD Accounts as on 01.04.2018		PD Accounts opened during the year 2018-19		PD Accounts closed During the year 2018-19		Closing Balance as on 31.03.2019	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
46	2,35.52	01	2,26.24	-	2,81.67	47	1,80.09

## 6.13 Investments

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

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

## 6.14 Rush of Expenditure

Paragraph 183 of chapter XVII of Uttarakhand Budget Manual (UBM) stipulates that rush of expenditure in the closing month of the financial year should be avoided. During March 2019, however, the State Government incurred capital expenditure of ₹ 15,83.10 crore including CSS of ₹ 9,95.39 crore (constituting 25.60 *per cent* of total the Capital Expenditure of ₹ 61,84.42) and ₹ 41,76.28 crore of revenue expenditure including CSS of ₹ 8,88.28 crore (constituting 12.97 *per cent* of Revenue Expenditure of ₹ 3,21,96.02 crore). In addition, an amount of ₹ 1,67.89 crore constituting 0.44 *per cent* of the total expenditure was transferred to the Public Account in March 2019. The trend of expenditure incurred during the last quarter and March 2019 as compared to the total expenditure during 2018-19 is as under:

Expenditure incurred during January to March 2019 (₹ in crore)	Expenditure incurred in March 2019 (₹ in crore)	Expenditure Incurred during Last three days of March 2019 (₹ in crore)	Total Expenditure (₹ in crore)	Percentage of Total expenditure incurred during	
				January to March 2019	March 2019
1,25,56.26	57,59.38	12,91.31	38,380.44	32.72	15.01

## 6.15 Status of Reserve Funds

Details of Reserve Funds are available in statements 21 and 22 of the Finance Accounts. Details of some major Reserve Funds are given below:

### 6.15.1 Consolidated Sinking Fund

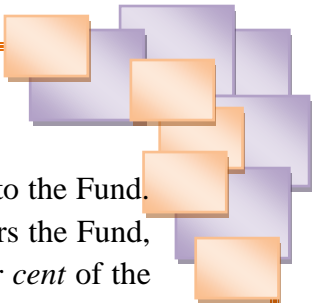
The Government of Uttarakhand constituted a revised scheme for constitution and administration of the Consolidated Sinking Fund in 2006 for redeeming its outstanding liabilities (internal debt and Public account liabilities). As per the guidelines of the Reserve Bank of India, States are required to contribute a minimum of 0.5 *per cent* of their outstanding liabilities as at the end of the previous year.

The State Government, however, during the year has not made any contribution to the Fund, thus there was less contribution of ₹ 2,59.16 crore.

The balance in the Consolidated Sinking Fund as on 31 March 2019 was ₹ 27,09.24 crore out of which, ₹ 26,34.86 crore has been invested by Reserve Bank of India.

### 6.15.2 Guarantee Redemption Fund

The Government of Uttarakhand set up a Guarantee Redemption Fund in 2006-07 as recommended by the twelfth Finance Commission. In terms of guidelines of Uttarakhand Gazette Notification dated 27/12/2006, the State Government is required to contribute an amount equivalent to at least 1/5 of the outstanding invoked guarantees plus amount of guarantees likely to be invoked as a result of the incremental guarantees issued during the year. The State Government has not given any information on invoked guarantees during 2018-19. No amount was contributed from the Consolidated Fund to the Guarantee



Redemption Fund and neither was guarantee fees/ commission received credited to the Fund. Further, in terms of the guidelines of the Reserve Bank of India which administers the Fund, the corpus of the Fund is to be gradually increased to the desirable level of 5 *per cent* of the outstanding guarantees.

Entire Fund balance of ₹71.24 crore (which is 5.43 percent of the outstanding guarantees ₹13,11.16 crore) has been invested as on 31 March 2019.

### **6.15.3 State Disaster Response Fund**

Government of India replaced the existing Calamity Relief Fund in 2010-11 with the State Disaster Response Fund. In terms of the guidelines of the Fund, the Centre and special category States like Uttarakhand are required to contribute to the Fund in the proportion of 90:10.

During 2018-19, the Centre Government released ₹ 218.70 crore on account of SDRF. The State Government transferred the entire Central release and its share of ₹ 24.30 crore to the Public Account. Out of the available balance in the Fund, expenditure of ₹ 130.23 crore initially incurred under the MH 2245-05- Relief on account of Natural Calamity was set off, leaving a balance of ₹ 494.43 crore in the Fund as of 31 March 2019. Contrary to the guidelines, this amount was not invested by the State Government.

### **6.16 Accounting of Building and Other Construction Workers Welfare Cess**

The Building and Other Construction Workers' Welfare Cess Rules' 1998 provides to levy and collection of one *per cent* of construction cost of projects worth above ₹ 10 lakh is deducted as Welfare Cess with an aim to facilitate improvement in working conditions of the workers and to provide financial aid to them.

During 2018-19, reported collection of an amount of ₹ 90.99 crore on account of labour cess, in accordance with the provisions, is deposited in a Nationalized Bank Account opened in name of Secretary, 'Building and other Construction Workers Welfare Board'. During the year ₹ 63.82 crore was spent on welfare schemes and ₹ 27.17 crore remain unspent. The Cess Account had an unspent balance of ₹ 209.88 crore as on 31 March 2019.