

सत्यमेव जयते

Accounts At A Glance 2018-19



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Uttar Pradesh

ACCOUNTS AT A GLANCE

Government of Uttar Pradesh

2018-19

Accountant General (A&E), Uttar Pradesh

Preface

*This is the twenty -first issue of our annual publication, the '**Accounts at a Glance**' of the Government of Uttar Pradesh. The compilation has been prepared in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and placed before the Legislature in accordance with Article 151(2) of the Constitution of India.*

The purpose of this publication is to provide a summarized overview and unique perspective of the financial performance of the Government of Uttar Pradesh during the year 2018-19.

The Accounts at a Glance presents the information contained in the Finance and Appropriation Accounts in a simple and logical manner through graphs, tables and brief explanations. Though the analysis in the report is based on the certified Finance and Appropriation Accounts, the same should be referred to for the precise figures.

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


(S. Ahladini Panda)
Accountant General

Place: Allahabad

Date: Sept 18, 2020

Our Vision, Mission and Core Values

The **Vision** of the institution of the Comptroller and Auditor General of India

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.

Our Mission

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.

Our Core values

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

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Highlights of Accounts

1. **Saving /Excess against the budget provisions-** The Appropriation Act 2018-19 provided for gross expenditure of ₹4,99,136.11 crore under 93 Grants. Against this, the actual gross expenditure was ₹4,09,784.50 crore, resulting in net saving (i.e. saving over excess) of ₹89,351.61 crore (18 *per cent* of the total grant). Excess disbursements of ₹1,539.44 crore under six Grants requires regularisation by the State Legislature.
2. **Non-Utilisation of supplementary provisions-** Under 54 Grants, the State Government received ₹42,887.74 crore as supplementary provisions (9.40 *per cent* of the original provisions of ₹4,56,248.37 crore) during 2018-19. However, the government could not utilize it for the intended purposes.
3. **Fiscal position of the State Government -** As against the norms fixed for revenue deficit (i.e. to be zero) by the UPFRBM Act 2004, the revenue surplus of the State was ₹ 28,249.55 crore i.e. 1.83 *per cent* of GSDP for 2018-19, and the fiscal deficit was ₹ 35,203.11 crore i.e. 2.28 *per cent* of GSDP vis-a-vis the target of 3 *per cent* of GSDP. Thus, the State Government achieved the target fixed by the Act during the year.
4. **Collection of Goods and Services tax –** The State earned goods and services tax (including SGST, CGST and IGST), introduced by GoI in 2017-18 (July 2017), amounting to ₹82,558.57 crore (5.35 *per cent* of GSDP) in 2018-19.
5. **Debt and Liabilities of the State-** The total debt and liabilities as borrowings from internal and external sources and repayable under the Public Account was ₹5,18,095.50 crore (i.e. 34 *per cent* of GSDP) at the end of 2018-19 with an increase of ₹50,253.31 crore (i.e. three *per cent* of GSDP) over the previous year (2017-18). The State Government did not availed any ways and means advance from the Reserve Bank of India during 2018-19.
6. **Contingent Liabilities of the State-** During 2018-19, the Government extended net guarantee of ₹19,250.55 crore to various PSUs / institutions as contingent liabilities of the State (i.e. 1.25 *per cent* of GSDP). The FRBM Act 2003 prescribed the limit of 0.5 *per cent* of GDP for giving guarantees by GoI. However, the State Government has not fixed any such limit for giving the guarantee in any financial year.
7. **Lending by the Government-** The Government advanced net loans and advances of ₹989.25 crore during 2018-19. The closing stock of advances mounted to ₹30,709.56 crore (i.e. 1.99 *per cent* of GSDP) at the end of the year with increasing trend in accumulation of balances over the years.

8. **Investment made by the Government-** The State Government invested ₹13,752.85 crore in Public Sector Undertakings (PSUs) and other institutions during 2018-19. The total government investment in these institutions (13583) stood at ₹1,18,531.56 crore (7.7 *per cent* of GSDP) as on 31 March, 2019 and received dividend of ₹175.48 crore during the year. Besides, the Government had total investment of ₹ 26,684.36 crore in short and long-term securities as on 31 March, 2019.
9. **Subsidy given by the State Government-** the State Government expended on providing subsidy of ₹14,052.52 crore (i.e. 4.66 *per cent* of total revenue expenditure) under different sectors viz. Agriculture, Industry, Energy etc (especially under Agriculture: 25 *per cent* and Energy: 61 *per cent* of total subsidy) during 2018-19. It was 51 *per cent* more than the subsidy given in 2017-18.
10. **Utilisation Certificates awaited-** Against the grants given by the State Government up to September 2017, utilisation certificates (UCs) amounting to ₹ 23,832.12 crore (63366 in number) were awaited as on 31 March 2019. Of these, 86 *per cent* of wanting UCs pertained to mainly four departments of the Government of Uttar Pradesh, viz., Social Welfare Department, Education Department (Primary and Secondary Education), Urban Development Department, Agriculture and other Allied Department (Panchayat raj and Rural Department).

1

Overview

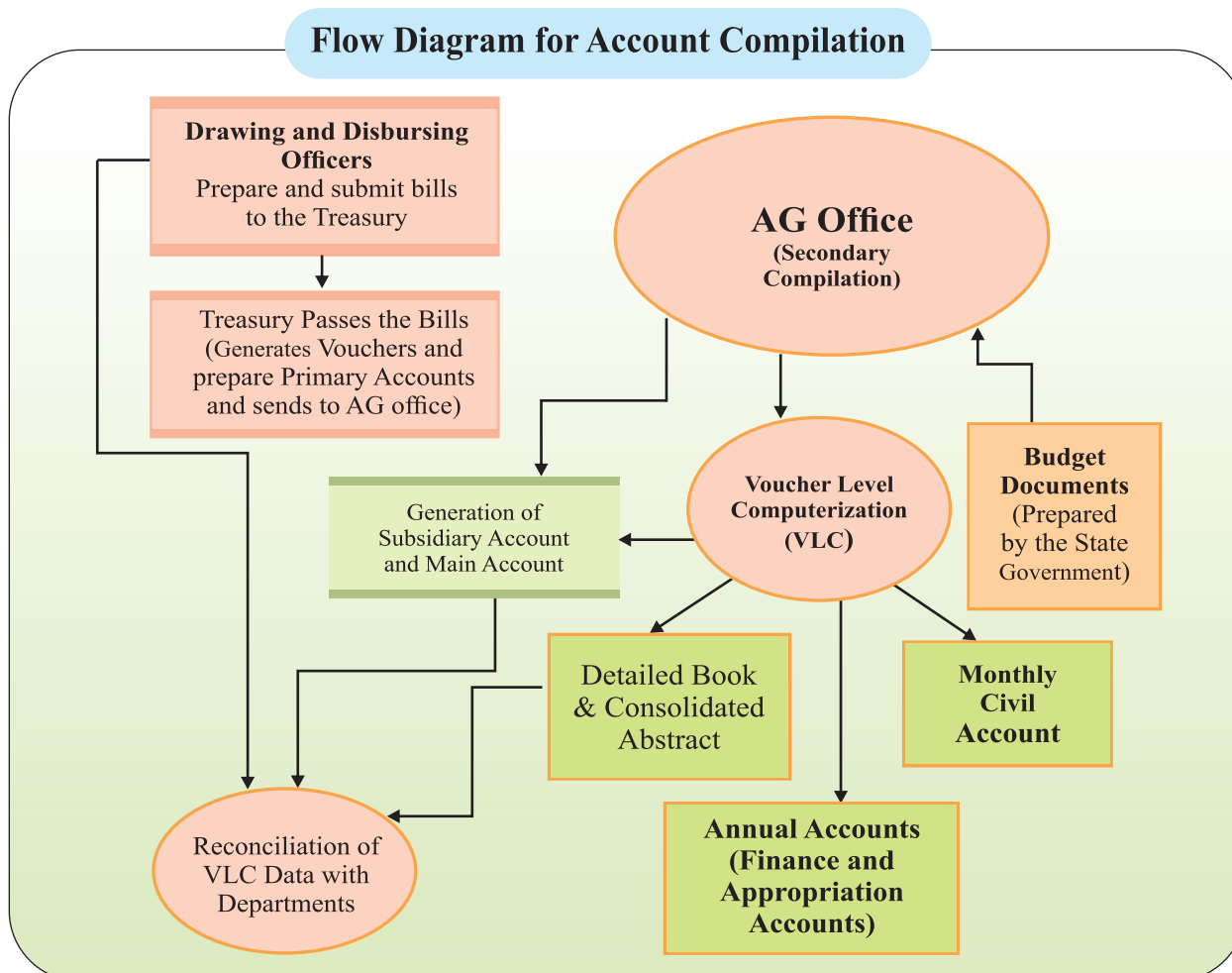
1.1 Introduction

Article 149 of the Constitution of India and Section 10 and 11 of Comptroller and Auditor General's DPC Act, 1971 mandates that the CAG of India is responsible for compiling the accounts of the State and preparation of their annual accounts from the accounts compiled.

Accordingly, the Accountant General (Accounts and Entitlements), Uttar Pradesh has been entrusted with the responsibility of preparation of the Annual Finance and Appropriation Accounts of the Government of Uttar Pradesh. These are prepared on the basis of monthly accounts compiled from the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions, advices of the Reserve Bank of India and other additional information received from Government of India and other State Governments.

The Finance Accounts and Appropriation Accounts are placed before the State Legislature after audit by the Principal Accountant General (General & Social Sector Audit) UP and certification by the CAG of India.

1.2 Compilation of Accounts



1.3 Structure of Accounts

Government Accounts are maintained in three parts:

Part I CONSOLIDATED FUND	It includes all revenues received and debt raised by the State Government, and the repayment of loans. All expenditure and disbursement of the Government including disbursement of loans and repayment of debt are met from this Fund.
Part II CONTINGENCY FUND	The Contingency Fund is in the nature of an imprest intended to meet unforeseen expenditure pending authorization by the State Legislature. Expenditure from this Fund is recouped subsequently from the Consolidated Fund. The corpus of this Fund for the Government of U.P. is ₹600 crore.
Part III PUBLIC ACCOUNT	All other public moneys received by or on behalf of the Government, where it acts as a banker or trustee, are credited to the Public Account. It comprises payables like Small Savings and Provident Funds, Reserve Funds, Deposits and Advances, and Suspense and Remittance heads (as transitory heads pending final booking).

1.4 Accounts at a Glance (2018-19)

Table 1.1 – Summary of Accounts

(₹ in crore)

Sl. No.	Items	B.E 2018-19	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP
1.	Tax Revenue	2,56,248.40	2,56,888.32	100.25	16.65
2.	Non-Tax Revenue	28,821.66	30,100.71	104.44	1.95
3.	Grants-in-Aid & Contributions	63,549.31	42,988.48	67.65	2.79
4.	Revenue Receipts (1+2+3)	3,48,619.37	3,29,977.51	94.65	21.39
5.	Recovery of Loans and Advances	5,165.09	5,313.39	102.87	0.34
6.	Borrowings & Other Liabilities	87,034.95	35,203.11	40.45	2.28
7.	Capital Receipts (5+6)	92,200.04	40,516.50	43.94	2.63
8.	Total Receipts (4+7)	4,40,819.41	3,70,494.01	84.05	24.02
9.	Revenue Expenditure	3,44,448.02	3,01,727.96	87.60	19.56
10.	Capital Expenditure (excluding Loans & Advances)	88,647.04	62,463.41	70.46	4.05
11.	Total Expenditure (9+10)	4,33,095.06	3,64,191.37	84.09	23.61
12.	Loans and Advances disbursed	7,724.35	6,302.64	81.59	0.41
13.	Revenue Surplus (+)/Deficit (-) (4- 9)	4,171.35	28,249.55	677.23	1.83
14.	Fiscal Surplus (+)/Deficit (-) {(4+5)-(11+12)}	-87,034.95	-35,203.11	40.45	2.28

1.5 Finance Accounts

The Finance Accounts present the accounts of receipts and expenditure of the Government for the year, together with the financial results disclosed by the Revenue and Capital accounts, the accounts of the Public Debt, and the assets and liabilities of the State Government.

This is presented in two volumes. **Volume I** contains the summarized statements on overall receipts and expenditure, financial position, 'Notes to Accounts' containing summary of significant accounting policies, quality of accounts and other disclosures. **Volume II** contains Detailed Statements (Part-I) and Appendices (Part-II).

Receipts and disbursements of the Government of Uttar Pradesh as depicted in the Finance Accounts 2018-19 are given below:

Table 1.2 - Receipts and Disbursements (2018-19)

(₹ in crore)

Receipts (Total: 3,70,494.01)	Revenue (Total: 3,29,977.51)	States' own Tax Revenue	1,20,121.86
		States' Share of Union taxes & Duties	1,36,766.46
		Non-Tax Revenue	30,100.71
		Grants-in-Aid and Contributions	42,988.48
	Capital (Total: 40,516.50)	Recovery of Loans and Advances	5,313.39
		Borrowings and other Liabilities	35,203.11
Disbursements (Total: 3,70,494.01)	Revenue		3,01,727.96
	Capital		62,463.41
	Loans and Advances		6,302.64

1.6 Appropriation Accounts

The Appropriation Accounts present the expenditure incurred during the year as against the sums specified in the Appropriation Acts passed by the State Legislature under Article 204 and 205 of the Constitution of India.

The Accounts depict the expenditure of the State Government against amounts 'Charged' on the Consolidated Fund of the State and 'Voted' by the State Legislature. There are 93 Grants consisting of 52 Voted Grants, 01 Charged Appropriation and 40 Grants (both Voted and Charged) in the State.

The Appropriation Act 2018-19 made the budget provision of ₹4,99,136.11 crore for gross expenditure and that of ₹27,863.85 crore for reduction of expenditure (recoveries). Against this, the actual gross expenditure was ₹4,09,784.50 crore (82 *per cent* of total grant) and reduction of expenditure was ₹18,573.89 crore (67 *per cent* of B.E.). This resulted in a net saving of ₹89,351.61 crore (18 *per cent* of the total grant).

1.7 Sources and Application of funds

During the year 2018-19, the State Government had total financial resources of ₹ 12,97,010.39 crore. Of this, the Government mainly collected 25 *per cent* as revenue receipts, raised 4 *per cent* as public debt from market, financial institutions and loan from GoI, and received about 5 *per cent* as Public Account receipts (excluding Suspense and Remittances).

Against these resources, 28 *per cent* was utilized for revenue and capital expenditure, 6 *per cent* for repayment of public debt, 12 *per cent* for payments from Public Account except suspense and remittance transactions. Financial position of the Government as the sources of funds and their application during 2018-19 has been described as below-

Table 1.3 - Sources and Application of Funds

(₹ in crore)

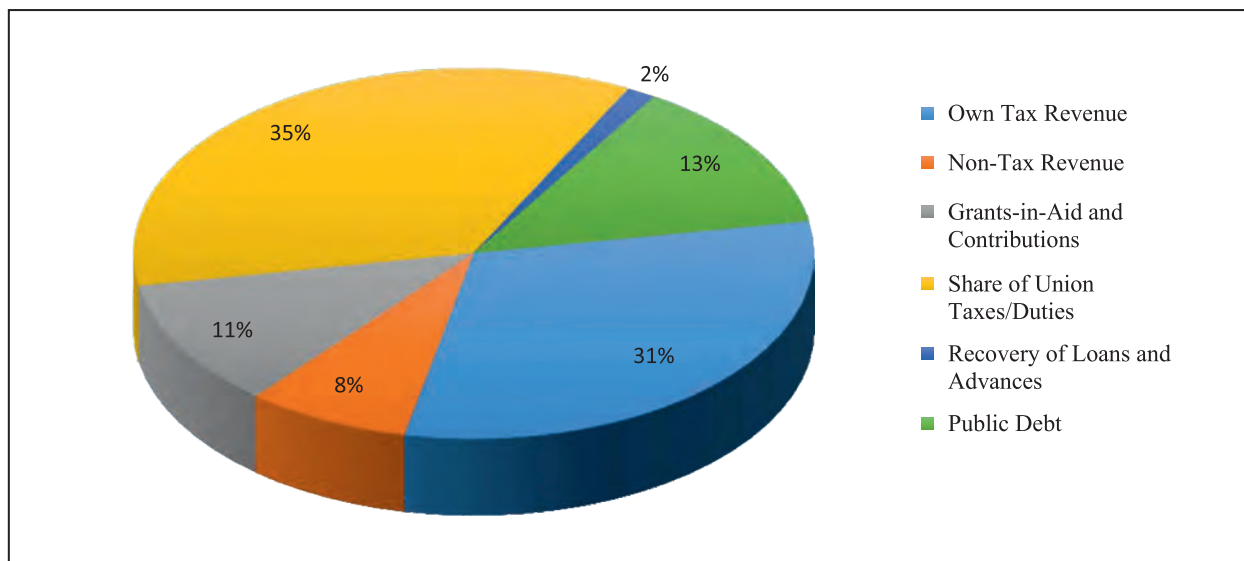
SOURCES	Opening Cash Balance as on 1.4.2018	265.21
	Consolidated Fund	
	Revenue Receipts	3,29,977.51
	Recovery of Loans and Advances	5,313.39
	Public Debt	51,595.26
	Contingency Fund	229.65
	Public Account	
	Small Savings, Provident Fund & Others	13,467.37
	Reserves & Sinking Funds	30,097.10
	Deposits Received	18,344.06
	Civil Advances Repaid	285.99
	Suspense Account	8,03,922.20
	Remittances	43,512.65
	Total	12,97,010.39
APPLICATION	Consolidated Fund	
	Revenue Expenditure	3,01,727.96
	Capital Expenditure	62,463.41
	Loans given	6,302.64
	Repayment of Public Debt	20,716.61
	Contingency Fund	396.29
	Public Account	
	Small Savings, Provident Funds and Others	9,821.79
	Reserves & Sinking Funds	16,552.40
	Deposits spent	16,159.68
	Civil Advances given	274.03
	Suspense Account	8,19,224.50
	Remittances	43,199.98
	Closing Cash Balance as on 31.3.2019	171.10
	Total	12,97,010.39

1.8 Where the Rupee came from

Total receipts under the Consolidated Fund of the State Government during 2018-19 i.e. sources of fund were ₹ 3,86,886.16 crore. Out of this, the major contributions were from share of union taxes (35 *per cent* of total receipts) and own tax revenue (about 31 *per cent*).

The component –wise break up of receipts is shown in the chart below:

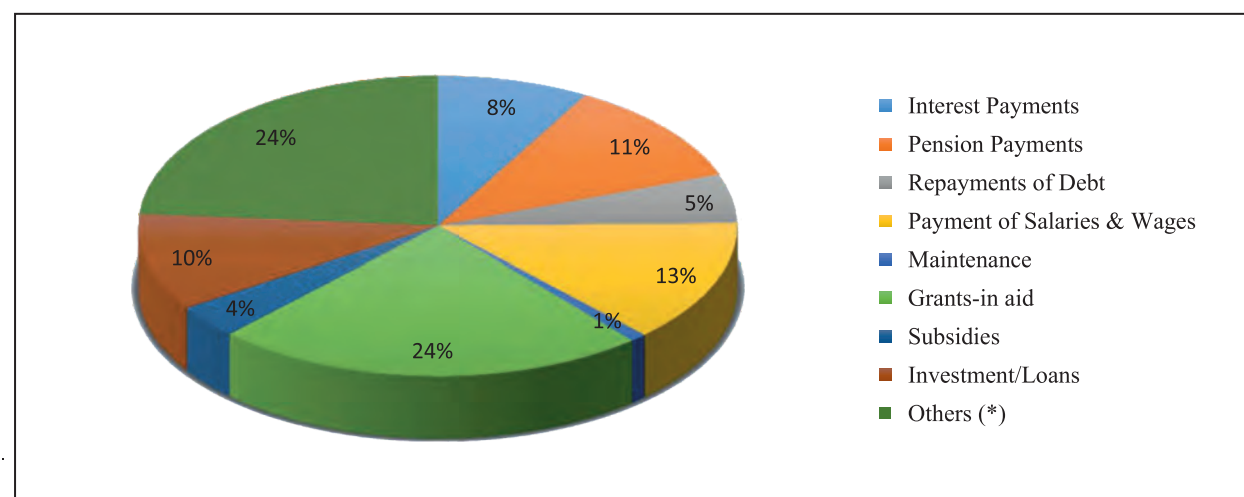
Graph 1.1 – Actual Receipts



1.9 Where the Rupee went

Total expenditure under the Consolidated Fund of the State Government during the year i.e. application of fund was ₹3,91,210.62 crore. The share of expenditure under various components viz. interest, pension, salaries, debt repayment etc. is shown below:

Graph 1.2 – Actual Expenditure



(*) Includes expenses on different allowances and other expenses under various object heads (viz- Scholarship/stipend, Electricity etc.).

2

Fiscal Position of the State

2.1 What do the Deficit and Surplus indicate?

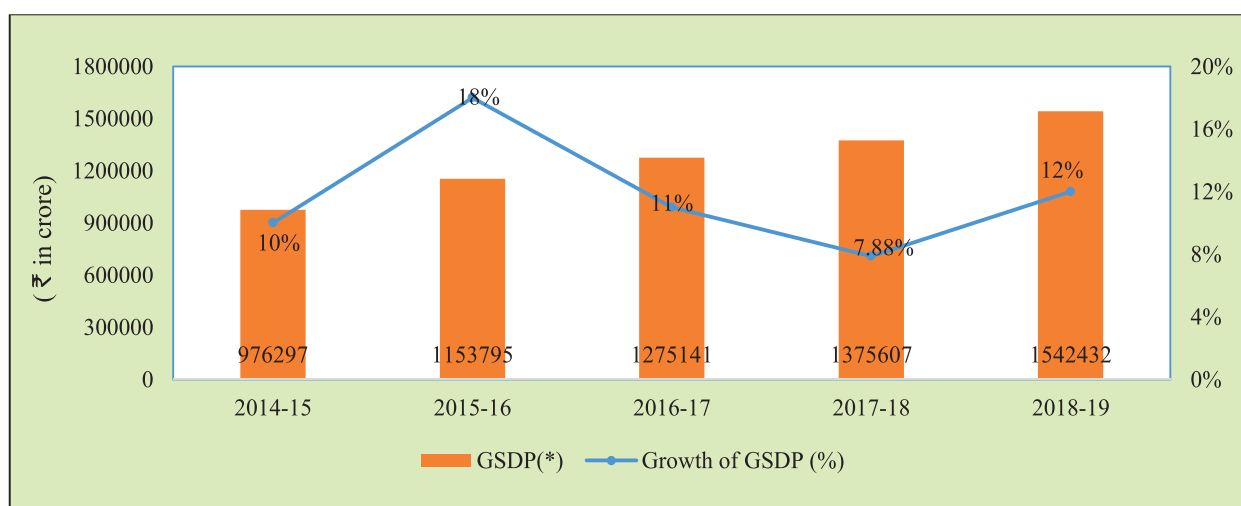
Deficit	Gap between revenue and expenditure.
Revenue Deficit/Surplus	Gap between revenue receipts and revenue expenditure. Revenue Expenditure is required to maintain the existing establishment of Government, and ideally should be fully met from revenue receipts.
Fiscal Deficit/Surplus	Gap between total receipts (excluding borrowings) and total expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the borrowings should be invested in capital projects.

2.2 Gross State Domestic Product and the factors affecting it

Gross State Domestic Product (GSDP) is the value of final goods and services produced within the boundaries of the State during the year. It is the measure of general activity level of an economy comprising of consumption of goods and services in the economy, investment in the economy and Government spending. Therefore, growth in these activities is what affects the GSDP.

The GSDP of the State of Uttar Pradesh for the year 2018-19 was ₹15,42,432.00 crore (as per revised estimate). The increase was 12 *per cent* over 2017-18. The growth trend during the last five years is presented below:

Graph 2.1 – GSDP Growth



(*) The figures of GSDP from 2014-15 to 2018-19 used in this publication are as depicted in the Finance Accounts of the State Government.

2.3 Deficits

The pattern of deficits over the last five years from 2014-15 to 2018-19 is depicted in the table below-

Table 2.1 – Trend of Deficits (2014-15 to 2018-19)

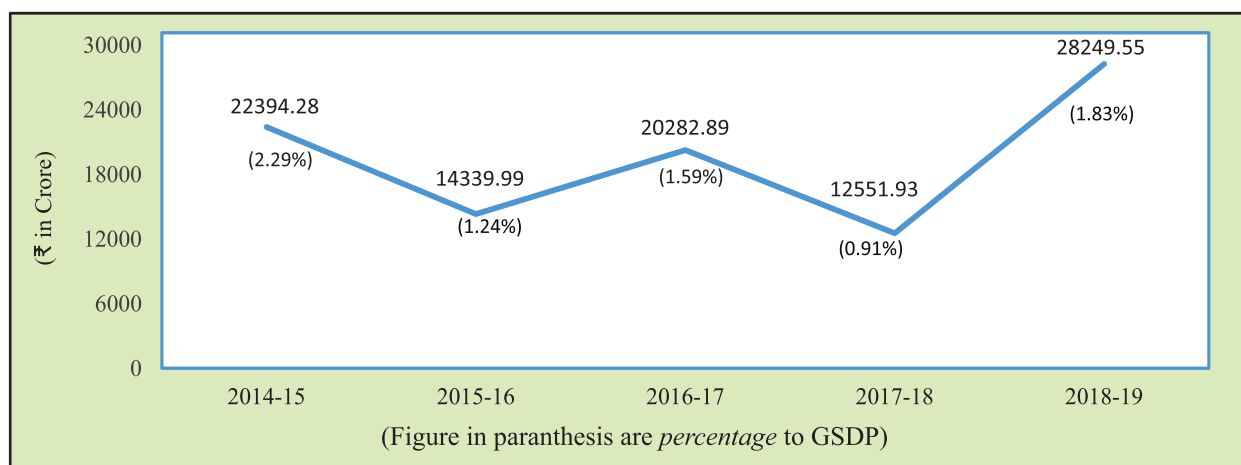
(₹ in crore)			
Financial Year	Fiscal Deficit(-)	Revenue Deficit (-)/Surplus(+)	GSDP
2014-15	-32,513.16 (3.33%)	22,394.28 (2.29%)	9,76,297.00
2015-16	-58,475.01 (5.07%)	14,339.99 (1.24%)	11,53,795.00
2016-17	-41,187.24 (3.23%)	20,202.89 (1.58%)	12,75,141.00
2017-18	-27,809.56 (2.02%)	12,551.93 (0.91%)	13,75,607.00
2018-19	-35,203.11 (2.28%)	28,249.55 (1.83%)	15,42,432.00

(Figures in parenthesis are percentage to GSDP)

2.4 Revenue Deficit/Surplus

As per the norms fixed in the Uttar Pradesh Fiscal Responsibility and Budget Management Act (UPFRBM. Act), 2004 “Revenue deficit is to be maintained up to Zero”. The State Government has maintained revenue surplus during the last five years as shown below:

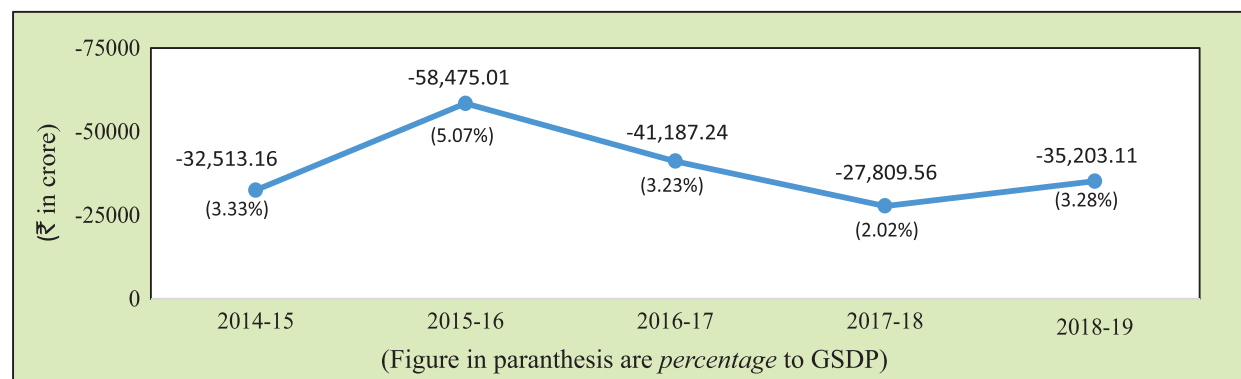
Graph 2.2 – Trend of Revenue Deficit/ Surplus



2.5 Fiscal Deficit/Surplus

The State Government achieved the norms of fiscal deficit (i.e. not more than 3 per cent of GSDP) as fixed in UPFRBM Act, 2004 in 2018-19 as shown below:

Graph 2.3 – Trend of Fiscal Deficit/ Surplus



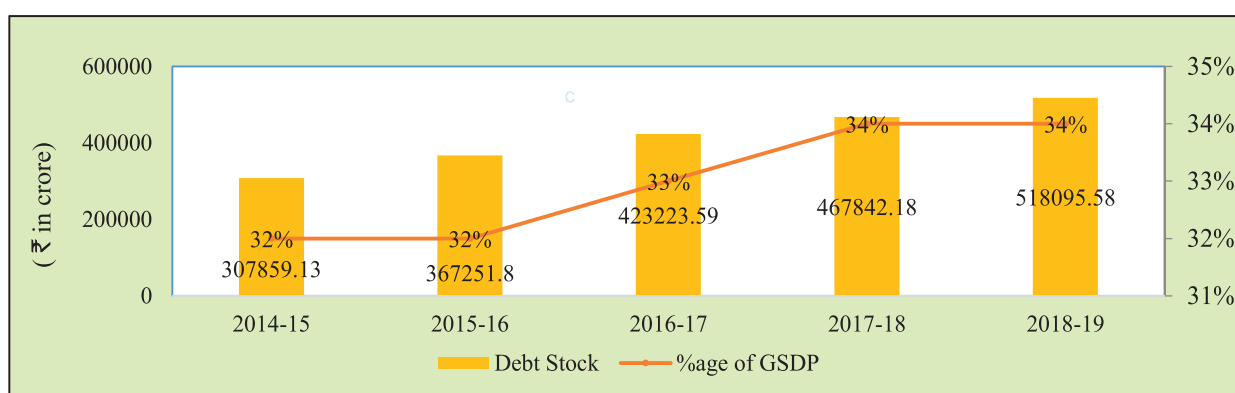
2.6 Debt Stock

Debt stock comprises government borrowings and other liabilities arising under Public Account viz- small savings, provident funds, reserve funds, deposits etc. Debt stock of the Government was ₹5,18,095.50 crore in 2018-19 (34 *per cent* of GSDP). The increase during 2014-15 to 2018-19 was 68 *per cent* and the augmentation was mainly due to regular increase in internal borrowings of the Government (ranging between 10 to 31 *per cent* annual growth). The position of the debt stock of the government and trend in debt growth during the last five years is as under-

Table 2.2 – Position of Debt Stock (2014-19)

Financial Year	Government Borrowings (A)		Other liabilities (B)	Debt Stock (A+B)	GSDP
	Internal debt	GoI Loans			
2014-15	1,83,191.54	14,461.65	1,10,205.94	3,07,859.13	9,76,297.00
2015-16	2,40,835.79	13,658.21	1,12,757.80	3,67,251.80	11,53,795.00
2016-17	2,88,626.78	13,249.62	1,21,347.19	4,23,223.59	12,75,141.00
2017-18	3,21,479.05	12,811.82	1,33,551.31	4,67,842.18	13,75,607.00
2018-19	3,53,189.92	11,979.59	1,52,925.99	5,18,095.50	15,42,432.00

Graph 2.4 – Trend of Debt Growth



2.7 Financing of the Fiscal Deficit

The Fiscal deficit is financed mainly by borrowings and other liabilities. During 2018-19, the deficit of ₹ 35,203.11 crore was financed from the sources as shown in the table below-

Table 2.3 – Financing of Fiscal Deficit

	(₹ in crore)
Public Debt	30,878.65
Contingency Fund	(-) 166.64
Public Accounts	4,396.99
Opening and Closing Balances	94.11
Total	35,203.11

(These are the net figures under each item)

2.8 Achievement of UPFRBM Targets against the fiscal indicators

The UPFRBM Act, 2004 provides for ensuring fiscal discipline and long term macro-economic stability. As against the targets fixed under the Act, achievement indicating the fiscal position of the State is depicted in the table below-

Table 2.4 – Achievement of Fiscal Targets and Fiscal Position

Area	Target	Achievement (as on 31.03.2019)
Revenue Deficit	Zero	Revenue Surplus: ₹28,249.55 crore (1.83 <i>per cent</i> of GSDP).
Fiscal Deficit	Not more than 3 <i>per cent</i> of GSDP	₹35,203.11 crore (2.28 <i>per cent</i> of GSDP)
Debt Stock	29.80 <i>per cent</i> of GSDP	₹5,18,095.49 crore (33.59 <i>per cent</i> of GSDP)

(Revised Advance Estimate of GSDP for 2018-19: ₹15,42,432 crore at current prices).

Thus, the State Government achieved the target fixed by the Act in respect of the revenue and fiscal deficit during the year. However, debt stock of the government exceeded the limit prescribed therefor by four *per cent* against the estimate.



3

Receipts

3.1 Classification

Receipts of the State Government are classified into revenue receipts and capital receipts.

3.2 Revenue Receipts

The three main sources of the revenue receipts are:

Tax Revenue	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.
Non-Tax Revenue	Includes interest receipts, dividends and profits, and other departmental receipts.
Grants-in-aid and contributions	Essentially, a form of central assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Material & Equipment' received from foreign governments and channelised through the Union Government.

During 2018-19, the total revenue receipts were ₹3,29,977.51 crore, of which tax revenue, non-tax revenue and grants-in-aid were 78, 9 and 13 *per cent* respectively. The receipts under various components of revenue were as follows:

Table 3.1 – Components of Revenue Receipts

(₹ in crore)	
Components	Actuals
A. Tax Revenue	2,56,888.32
Goods and Service Tax	82,558.57
Taxes on Income & Expenditure	82,839.59
Taxes on Property & Capital Transactions	16,381.71
Taxes on Commodities & Services	75,108.45
B. Non-Tax Revenue	30,100.71
Fiscal Services	0.01
Interest Receipts, Dividends and Profits	1,887.92
General Services	15,365.83
Social Services	871.51
Economic Services	11,975.43
C. Grants-in aid & Contributions	42,988.49
Total	3,29,977.51

3.2.1 Trend of Revenue Receipts

Tax revenue and non-tax revenue increased by about 18 *per cent* and 52 *per cent* respectively over the previous year (2017-18). Grants-in-aid from Central Government increased marginally by 6 *per cent*. Growth in overall revenue collection was 18 *per cent*. Share of sector-wise revenues receipts out of total revenue receipts during the preceding five years is depicted as below:

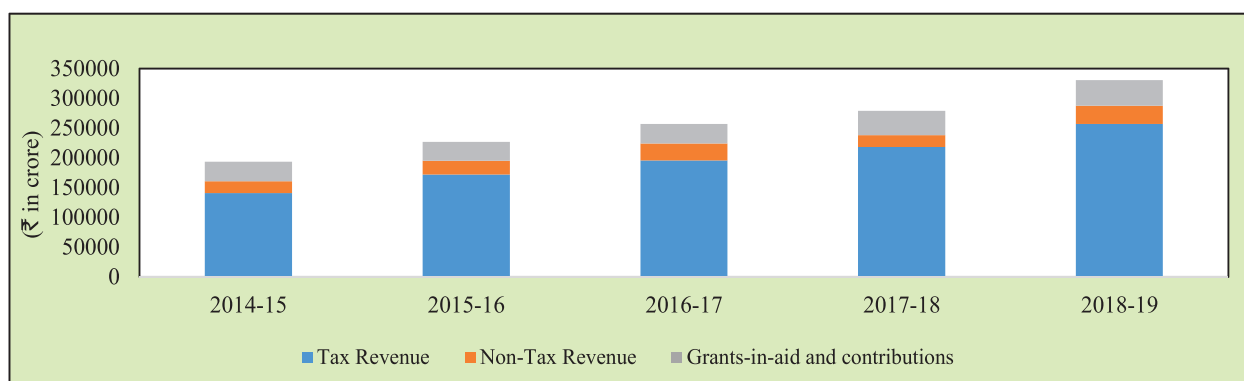
Table 3.2 Sector-wise Revenue Receipts (2014-19)

(₹ in crore)

Financial Year	2014-15	2015-16	2016-17	2017-18	2018-19
Tax Revenue	1,40,795.33 (14)	1,72,079.95 (15)	1,95,394.21 (15)	2,18,332.14 (16)	2,56,888.32 (17)
Non-Tax Revenue	19,934.80 (2)	23,134.65 (2)	28,944.07 (2)	19,794.86 (1)	30,100.71 (2)
Grants-in-aid and Contributions	32,691.47 (3)	31,861.34 (3)	32,536.87 (3)	40,648.45 (3)	42,988.49 (3)
Total Revenue Receipts	1,93,421.60 (20)	2,27,075.94 (20)	2,56,875.15 (20)	2,78,775.45 (20)	3,29,977.51 (21)
GSDP	9,76,297.00	11,53,795.00	12,75,141.00	13,75,607.00	15,42,432.00

(Figures in parenthesis are percentage to GSDP)

Graph 3.1 –Trend of Revenue Receipts



3.3 Tax Revenue

During 2018-19, tax revenue of the State Government was ₹2,56,888.32 crore which comprises State's own tax revenue (47 *per cent*) and State share of union taxes (53 *per cent*). The major contributors to the tax revenue were GST (32 *per cent*), Corporation Tax (19 *per cent*), Tax on Income other than Corporation Tax (14 *per cent*), Sales and Trade tax (9 *per cent*) and State Excise (9 *per cent*). The share of major contributors to the tax revenue in 2018-19 was as below-

Table 3.3 – Major contributors to tax revenue (2018-19)

(₹ in crore)

Head of Account	Receipts	Per cent to GSDP*
Goods and Services Tax (including SGST, CGST & IGST)	82,558.57	5.35
Corporation Tax	47,562.73	3.08
Taxes on Income other than Corporation Tax	35,027.93	2.27
State Excise	23,926.66	1.55
Taxes on Sales, Trade etc	23,797.84	1.54

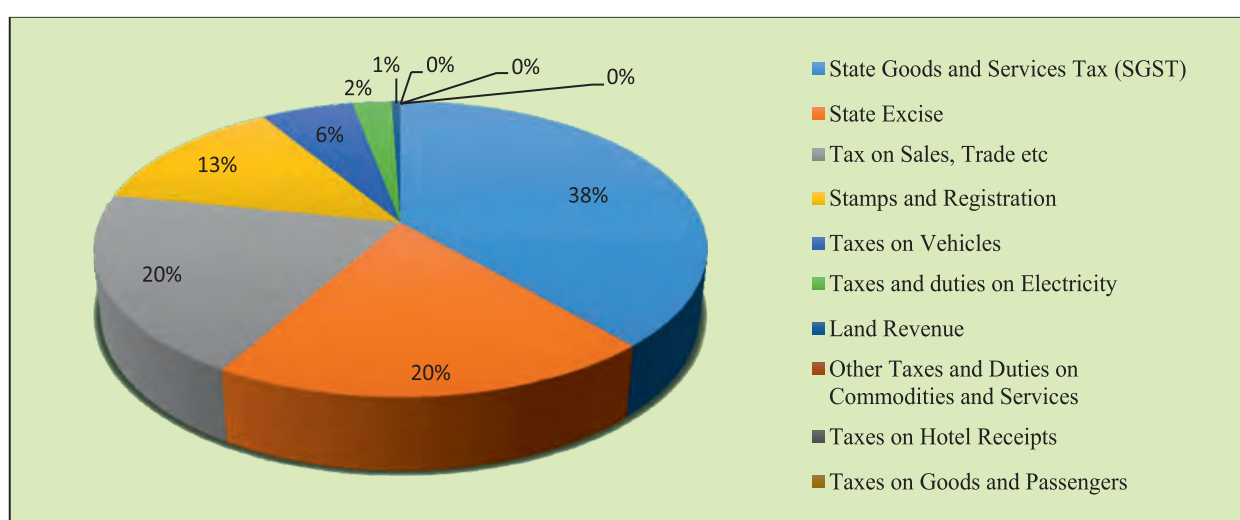
Stamps and Registration Fees	15,733.03	1.02
Customs	9,694.68	0.63
Taxes on Vehicles	6,929.34	0.45
Union Excise Duties	6442.69	0.42

* GSDP for 2018-19: ₹ 15,42,432.00 crore {Source: Directorate of Economics & Statistics, U.P.}

3.3.1 Components of State's Own Tax Revenue

During 2018-19, state's own tax revenue (₹1,20,121.86 crore) comprised mainly of SGST (38 *per cent*), taxes on state excise (20 *per cent*), sales and trades (20 *per cent*), stamps and registration (13 *per cent*), vehicles (6 *per cent*) and electricity (2 *per cent*). It was 47 *per cent* of the total tax revenue of the State Government (₹2,56,888.32 crore) and 36 *per cent* of the total revenue receipts (₹3,29,977.51 crore) of the Government during the year.

Graph 3.2 Components of State's Own Tax Revenue during 2018-19



The state's own tax revenue was about 46 *per cent* to the total tax revenue during the last five years except 53 *per cent* in 2014-15. During the year 2018-19, the states' own tax revenue increased by 23 *per cent* over that of the previous year. The trend of receipts of the revenue is given below:

Table 3.4 - Trend of growth of State's Own Tax Revenue during 2014-19

(₹ in crore)

Financial Year	Tax Revenue	State's Own Tax Revenue		
		Amount	%age growth	%age to Tax Revenue
2014-15	1,40,795.33	74,172.42	11	53
2015-16	1,72,079.95	81,106.26	9	47
2016-17	1,95,394.21	85,965.92	6	44
2017-18	2,18,332.14	97,393.00	13	45
2018-19	2,56,888.32	1,20,121.86	23	47

Thus, the State Government maintained an increasing trend of collection of own tax revenue during the last five year, however it may make more revenue earning efforts in the areas of land revenue, taxes on goods and passenger, hotel receipts etc where there was a nominal receipt.

3.3.2 State's Share of Union Taxes

The proceed of the taxes levied by the Union are distributed between the States as per the recommendations of the Finance Commission under Article 238 to 273 of the Constitution of India. During 2018-19, the State Government received ₹1,36,766.46 crore as its share of union taxes i.e. 53 *per cent* of total tax revenue (₹2,56,888.32 crore) and 41 *per cent* of the total revenue receipts (₹3,29,977.51 crore) of the Government during the year. The receipts of state's shares in the foregoing years is mentioned as under-

Table 3.5 - State's Share of Union Taxes

(₹ in crore)

Major Head Description	2014-15	2015-16	2016-17	2017-18	2018-19
Goods & Services Tax (CGST & IGST)	-	-	-	13,930.05	36,450.54
Corporation Tax	23,265.10	28,603.42	35,098.94	37,043.22	47,562.73
Taxes on Income other than Corporation Tax	16,613.52	19,814.58	24,393.87	31,280.37	35,027.93
Other Taxes on Income and Expenditure	0.56	0.69	0.02	0.00	247.71
Taxes on Wealth	62.81	7.73	81.01	(-)2.08*	17.44
Customs	10,774.84	14,586.98	15,098.21	12,208.00	9,694.68
Union Excise Duties	6,084.21	12,205.56	17,240.85	12,760.80	6,442.69
Service Tax	9,821.89	15,681.47	17,515.08	13,718.81	1,252.12
Other Taxes and Duties on Commodities and Services	(-)0.02*	73.26	0.31	(-)0.03*	70.62
Total State Share of Union Taxes	66,622.91	90,973.69	1,09,428.29	1,20,939.14	1,36,766.46
Total Tax Revenue	1,40,795.33	1,72,079.95	1,95,394.21	2,18,332.14	2,56,888.32
Percentage of Union Taxes to Total Tax Revenue	47	53	56	55	53

(* Minus figure are due to refunds)

3.3.3 Sub Sector-wise Tax Revenue

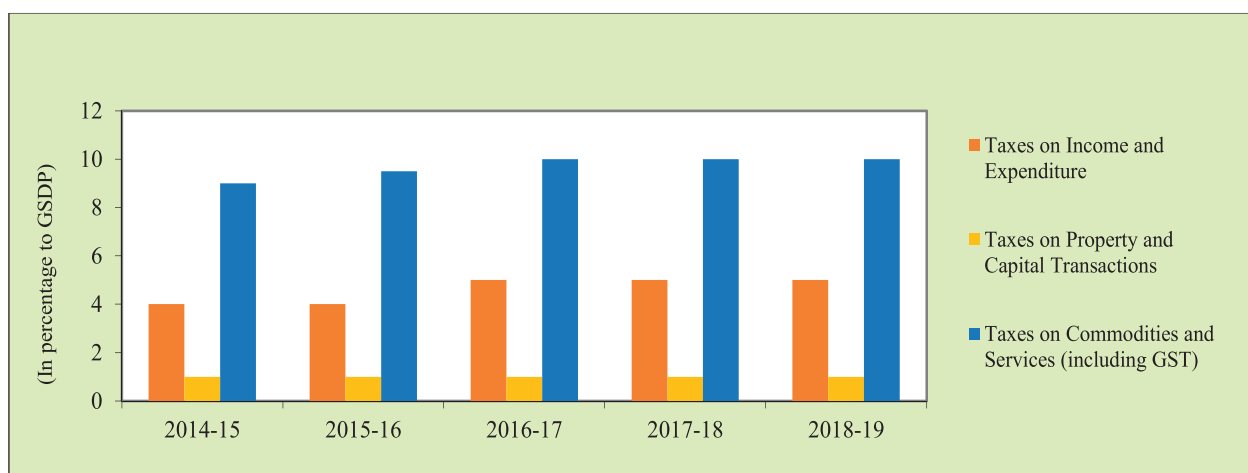
Tax revenue is further divided into sub sectors viz – taxes on Goods and Services, taxes on income and expenditure, property and capital transactions and commodities and services. Growth in these Sector over the last five years is depicted as below:

Table 3.6 – Sub Sector-wise Tax Revenue

Financial Year	2014-15	2015-16	2016-17	2017-18	2018-19
Goods and Services Tax	-	-	-	39,304.01	82,558.57
Taxes on Income and Expenditure	39,922.48	48,468.96	59,548.63	68,342.74	82,839.59
Taxes on Property and Capital Transactions	12,393.38	12,916.75	12,405.07	14,731.95	16,381.71
Taxes on Commodities and Services	88,479.47	1,10,694.24	1,23,440.51	95,953.44	75,108.45
Total Tax Revenue	1,40,795.33	1,72,079.95	1,95,394.21	2,18,332.14	2,56,888.32

(₹ in crore)

Graph 3.3 - Trend of Sub Sector-wise Tax Revenue in proportion to GSDP



3.3.4 Goods and Services Tax (GST) - Sub Sector -wise

GST is an indirect tax levied on supply of goods and services and has been implemented from July, 2017 in place of existing indirect taxes. The GST has three components – State GST (SGST), Central GST (CGST), and Integrated GST (IGST) levied on the basis of collection by the State Government and Central Government on intra and inter-state sales. During 2018-19, component wise GST receipts (SGST, CGST and IGST) were 56, 41 and 3 *per cent* of total GST receipts respectively. The receipts during 2018-19 grew by 110 *per cent* over the receipts in 2017-18. The GST receipts during the previous two years were as under-

Table 3.7 – Sub Sector-wise GST Receipts

(₹ in crore)

Financial Year	2017-18	2018-19	%age Growth
SGST	25,373.96	46,108.03	82
CGST	1,718.29	33,756.64	1865
IGST	12,211.76	2,693.90	-78
Total Tax Revenue	39,304.01	82,558.57	110

3.3.5 Efficiency of Tax Collection

Taxes on commodities and services form a major chunk of tax revenue. However, collection efficiency of taxes on property and capital transactions was about 19 *per cent*, whereas that on commodities and services was about 0.72 *per cent* during the last five years on an average.

Table 3.8 - Taxes on Property and Capital Transactions

(₹ in crore)

Financial Year	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Collection	12,393.38	12,916.75	12,405.07	14,731.95	16,381.71
Expenditure on Collection	2,090.49	2,212.78	2,592.66	2,965.97	3,206.62
Efficiency of Tax Collection (as Percentage)	17	17	21	20	20

Table 3.9- Taxes on Commodities and Services (including GST)

(₹ in crore)

Financial Year	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Collection (including GST)	88,479.47	1,10,694.24	1,23,440.51	1,35,257.45	1,57,667.02
Expenditure on Collection	716.75	757.64	854.28	1,015.77	1061.45
Efficiency of Tax Collection (as Percentage)	0.81	0.68	0.69	0.75	0.67

3.4 Non-Tax Revenue

Non-tax revenue mainly accrues in the form of interest receipts, dividends and the departmental receipts etc. During 2018-19, it was about 12 *per cent* of total tax revenue and 9 *per cent* of total revenue receipts. The non-tax revenue ranged between 9 to 15 *per cent* of the total tax revenue receipts during the last five years. The trend of receipts is presented as below:

Table 3.10 – Share of Non-Tax Revenue to Total Tax Revenue

(₹ in crore)

Revenue Head	2014-15	2015-16	2016-17	2017-18	2018-19
Interest Receipts	2,302.82	632.78	1,164.94	1,093.38	1,712.44
Dividends and Profits	8.08	42.66	86.34	30.84	175.48
Other Non-Tax Receipts	17,623.90	22,459.21	27,692.79	18,670.64	28,212.79
Non-Tax Revenue	19,934.80	23,134.65	28,944.07	19,794.86	30,100.71
Total Tax Revenue	1,40,795.33	1,72,079.95	1,95,394.21	2,18,332.14	2,56,888.32
Percentage of Non-Tax Revenue to Total Tax Revenue	14	13	15	9	12

3.5 Tax Buoyancy

Tax buoyancy is an indicator to measure efficiency and responsiveness of revenue mobilization in response to growth in the gross domestic product or national income. A tax is said to be buoyant, if the tax revenue increases more than a proportionate rise in national income or output. The responsiveness of tax revenue change to change in GSDP during the last five years is depicted as below:

Table 3.11 -Tax Buoyancy (2014-15 to 2018-19)

(₹ in crore)

Description	2014-15	2015-16	2016-17	2017-18	2018-19
Own Tax Revenue	74,152.42	81,106.26	85,965.92	97,393.00	1,20,121.86
Tax Buoyancy (i.e. % Change in tax receipts to % change in GSDP)	1.18	0.52	0.57	1.69	1.92
Non- Tax Revenue	19,934.80	23,134.65	28,944.07	19,794.86	30,100.71
Tax Buoyancy	2.19	0.88	2.39	-4.00	4.23
GSDP	9,76,297.00	11,53,795.00	12,75,141.00	13,75,607.00	15,42,432.00

3.6 Grants-in-Aid and Contributions

Grants-in-aid and contributions represent assistance from the Government of India and external grant assistance. It comprised grants for Centrally Sponsored Schemes (including Central Assistance/ Schemes, Externally Aided Projects- Grants for Centrally Sponsored Scheme), Finance Commission grants and other grants to the State. During 2018-19, total receipts under Grants-in-aid and Contributions was ₹42,988.48 crore, which was 13 *per cent* of total revenue receipts. Composition of the central assistance under different schemes during 2017-18 and 2018-19 is depicted as below-

Table 3.12 – Central Assistance as grants during 2018-19

(₹ in crore)

Schemes	2017-18	2018-19	Growth in %age
A. Centrally Sponsored Schemes (including grants for Externally Aided projects)	27,730.91	31,249.93	12.69
B. Finance Commission Grants	8849.23	9,317.81	5.30
Grants -in -Aid for State Disaster Response Fund (SDRF)	558.00	351.45	-37.02
Grants for Rural Local Bodies	6,179.65	7,148.74	15.68
Grants for Urban Local Bodies	2,111.58	1,817.62	-13.92
C. Other Transfers / Grants	4068.31	2,420.74	-40.50
Grants from Central Road Fund	890.24	655.91	-26.32
Special Assistance	932.51	1,297.08	39.09
Compensation for loss of revenue arising out of implementation of GST	2124.00	308.00	-85.50
Grants under proviso to Article 275(i) of the Constitution	1.89	2.52	33.33
Grants towards contribution to National Disaster Response Fund (NDRF)	119.67	157.23	3.21
Total Grants (A+B+C)	40,468.45	42,988.48	6.23

During the year 2018-19, the grants - in - aid increased by 6 *per cent* over that in previous year. The grants received for urban local bodies, compensation of loss of revenue out of implementation of GST and contribution towards SDRF, however, decreased.

3.7 Fourteenth Finance Commission Grants

The Finance Commission is set up every five years by the President under Article 280 of the Constitution mainly to give its recommendations on distribution on tax revenue between the Union and the States, and the State themselves. 14th Finance Commission (FFC) was appointed on 2 January 2013 under the chairmanship of Dr. Y.V. Reddy. It submitted the report on 15 December 2014 covering the period 2015-2020.

The FFC recommended for enhancement of higher tax devolution to the states in the Center divisible pool from 32% to 42%. It has recommended for the grants-in-aid to cover Revenue Deficit of states, Local Body grants and grants for augmenting the State's Disaster Relief Fund (SDRF) for the award period of 2015-2020. Local Bodies are required to spend grants only on the basic services assigned to them under the relevant legislations. This grant has been recommended in two parts– basic grant and performance grant (means a performance based grant).

Table 3.13: Allocation of grants to the State Government during the year 2018-19

(₹ in crore)

Grants	Allocation of Grants by the Commission	Received by the Government
Grants for SDRF	585.75	351.45
Basic Grant for Urban Local Bodies	1,820.41	1,817.62
Performance Grant for Urban Local Bodies	516.58	
Basic Grant for Rural Local Bodies	7,148.74	7,148.74
Performance Grant for Rural Local Bodies	901.60	
	10,973.08	9,317.81

4

Expenditure

4.1 Introduction

Government expenditure is classified as revenue expenditure and capital expenditure. Revenue expenditure is used to meet the day-to-day running of the organisation. Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. During the year 2018-19, out of the total expenditure of ₹3,64,191.37 crore, revenue expenditure comprised 83 *per cent* and capital 17 *per cent*.

Expenditure is categorised into sectors:

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

4.2 Revenue Expenditure

During the year, the actual revenue expenditure was ₹3,01,727.96 crore as against the budget estimates of ₹3,44,448.02 crore. Thus, there was a shortfall of 12 *per cent* against the budget during the year. This gap ranged between 11 to 16 *per cent* during the last five years as given below:

Table 4.1 - Gap between Budget and Revenue Expenditure

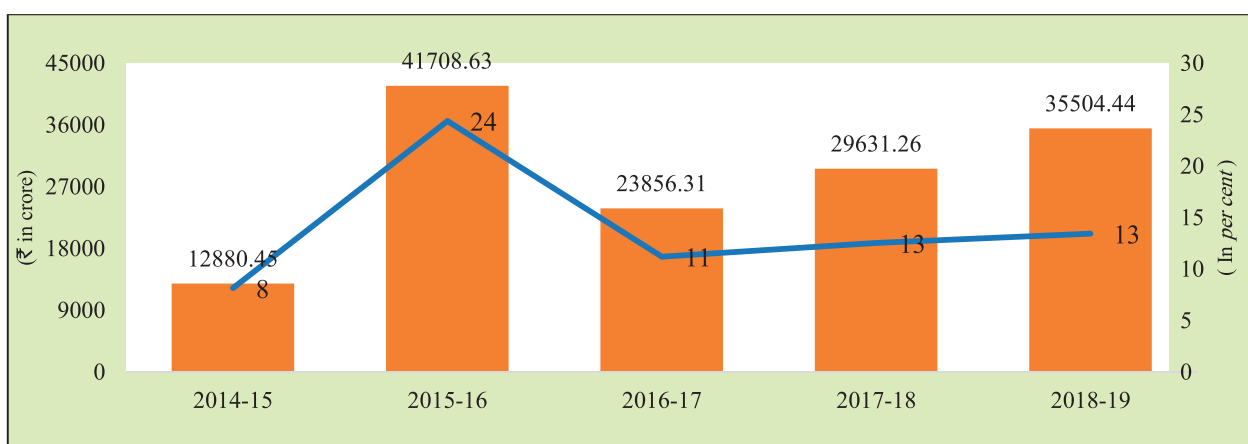
(₹ in crore)

Financial Year	2014-15	2015-16	2016-17	2017-18	2018-19
Budget Estimate	2,04,051.85	2,45,126.81	2,66,758.60	3,13,891.72	3,44,448.02
Actuals	1,71,027.32	2,12,735.95	2,36,592.26	2,66,223.52	3,01,727.96
Gap	33,024.53	32,390.86	30,166.34	47,668.20	42,720.06
Percentage of Gap over BE	16	13	11	15	12

4.2.1 Trend of Revenue Expenditure (2014-15 to 2018-19)

Growth in revenue expenditure ranged between 8 to 13 *per cent* in the last five years except in 2015-16 during which it was 24 *per cent* over previous year. The graph below shows the trend of variation in expenditure along with its percentage increase:

Graph 4.1 - Growth in Revenue Expenditure



4.2.2 Major Components of Revenue Expenditure

Expenditure incurred on General (including interest payment and debt servicing), Social and Economic Services form major part of the revenue expenditure. It was 43, 30 and 22 *per cent* of the total revenue expenditure (₹3,01,727.96 crore) during the year 2018-19. The sectoral distribution of revenue expenditure over the last five years has been depicted as below-

Table 4.2- Sector-wise Revenue Expenditure over the last five years

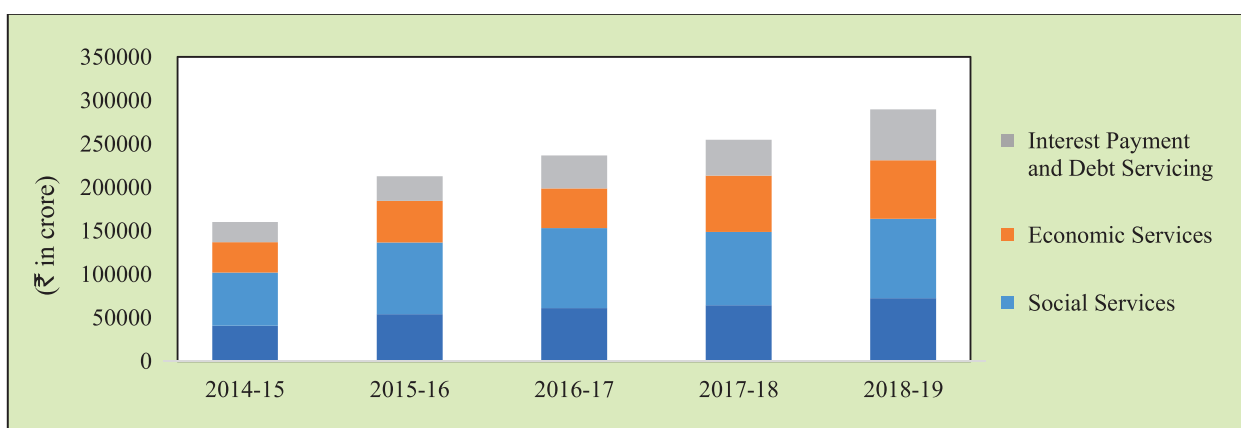
(₹ in crore)

Sl. No.	Sector	2014-15	2015-16	2016-17	2017-18	2018-19
1.	General Services	64,305.72 (23,364.53)	72,227.92 (28,414.65)	88,254.81 (37,708.02)	1,05,781.67 (41,368.06)	1,31,057.25 (58,446.04)
2.	Social Services	60,905.79	82,486.46	91,861.12	84,251.68	91,311.73
3.	Economic Services	34,885.24	47,881.29	45,834.17	64,634.76	67,258.59
4.	Grants -in -Aid and Contributions	10,930.57	10,140.28	10,642.16	11,555.41	12,100.39
Total		1,71,027.32	2,12,735.95	2,36,592.26	2,66,223.52	3,01,727.96

(Figures in bracket represent the expenditure under “Interest Payment and Servicing of Debt”).

As compared to expenditure on Social and Economic Services, there was a comparative more growth in expenditure on General Services (about 104 *per cent*) in 2018-19 over the year 2014-15. Expenditure on interest payment and debt servicing also steadily increased over the years. The trend over five years from 2014-19 is shown below:

Graph 4.2 -Trend of Major Components of Revenue Expenditure



4.2.3 Sub-Sector wise Distribution of Revenue Expenditure during 2018-19

Table 4.3- Sub- Sector wise Revenue Expenditure

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	4,296.29	2
B. Organs of State	2,977.82	1
C. Interest Payments and Servicing of Debt	58,446.04	19
D. Administrative Services	21,658.13	7
E. Pensions and Miscellaneous General Services	43,678.97	15
F. Social Services	91,311.73	30
G. Economic Services *	67,258.59	22
H. Grants-in-aid and Contributions	12,100.39	4
Total Expenditure (Revenue Account)	3,01,727.96	100

(* Includes important sectors like Industries, Rural Development, Agriculture and Irrigation etc.)

4.2.4 Financial Assistance to Local Bodies and Others

The grants-in-aid to PRIs increased to 18 *per cent* in the year 2018-19 from 11 *per cent* of the total grant in 2017-18, and grants to ULBs increased to 3 *per cent* in comparison to one *per cent* in previous year. The grants-in-aid provided by the State Government to Panchayati Raj Institutions (PRI), Urban Local Bodies (ULBs) and other institutions during the last five years have been depicted as under-

Table 4.4- Grants-in-Aid given by the State Government during 2014-15 to 2018-19

(₹ in crore)

Financial Year	Panchayati Rai Institutions (PRI)	Urban Local Bodies (ULBs)	Other Institutions (viz. PSUs, Autonomous Bodies, NGOs etc)	Total Grants
2014-15	2334.18 (4)	908.78 (2)	48,997.69 (94)	52,240.65
2015-16	3069.63 (4)	598.84 (1)	73,400.05 (95)	77,068.52
2016-17	7572.31 (9)	1002.05 (1)	73,803.20 (90)	82,377.56
2017-18	10096.44 (11)	1208.46 (1)	80916.06 (88)	92,220.96
2018-19	16,209.80 (18)	3,081.35 (3)	72,472.98 (79)	91,764.13

(Figures in parenthesis are percentage to total grants)

4.3 Capital Expenditure

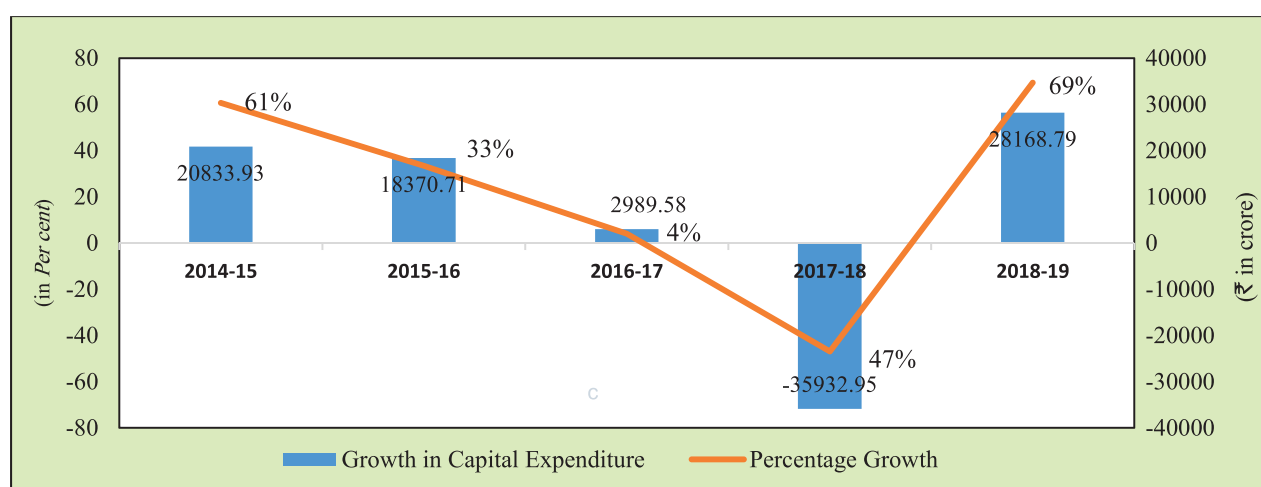
Capital expenditure of ₹68,766.05 crore (including loans and advances disbursed) for 2018-19 was less than the budget estimate (₹96,371.39 crore) by ₹27,605.34 crore (29 *per cent* of the budget). The Gap between BE and AE shows the fluctuation during the last five years as below-

Table 4.5 - Gap between Budget and Capital Expenditure (2014-15 to 2018-19)

(₹ in crore)

Financial Year	2014-15	2015-16	2016-17	2017-18	2018-19
Budget Estimate (BE)	66,125.00	83,757.95	91,694.66	60,141.85	96,371.39
Actual Expenditure (AE)	55,169.92	73,540.63	76,530.21	40,597.26	68,766.05
Gap	10,955.08	10,217.32	15,164.45	19,544.59	27,605.34
Percentage of Gap over BE	17	12	17	32	29

The capital expenditure, which is indicative of development related spending increased by 69 *per cent* in 2018-19 over that of the previous year. The graph reflects the trend of increase and decrease in capital expenditure during the last five years as below-

Graph 4.3 - Growth in Capital Expenditure

4.3.1 Sector-wise Capital Expenditure during 2018-19

Sector -wise capital expenditure incurred by the government along with major expenditure under different functions of the state during 2018-19 has been exhibited as below-

Table 4.6– Sector wise Capital Expenditure

(₹ in crore)

Sl. No.	Sector	Amount	Percentage
1.	General Services -Police, Land Revenue etc.	3,419.43	5
2.	Social Services - Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	10,589.12	15
	Capital Outlay on Medical and Public Health	2,054.41	3
	Capital Outlay on Water Supply and Sanitation	2,221.79	3
	Capital Outlay on Housing	3,333.19	5
3.	Economic Services -Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.,	48,454.86	71
	Capital Outlay on Food Storage and Warehousing	2,370.11	3

	Capital Outlay on other Rural Development Programme	3,406.72	5
	Capital Outlay on Major Irrigation	3,789.42	5
	Capital Outlay on Power Projects	13,409.18	19
	Capital Outlay on Civil Aviation	2,133.59	3
	Capital Outlay on Roads and Bridges	19,816.31	29
4.	Loans and Advances Disbursed	6,302.64	9
Total		68,766.05	100

4.3.2 Trend of Sectoral Distribution of Capital Expenditure

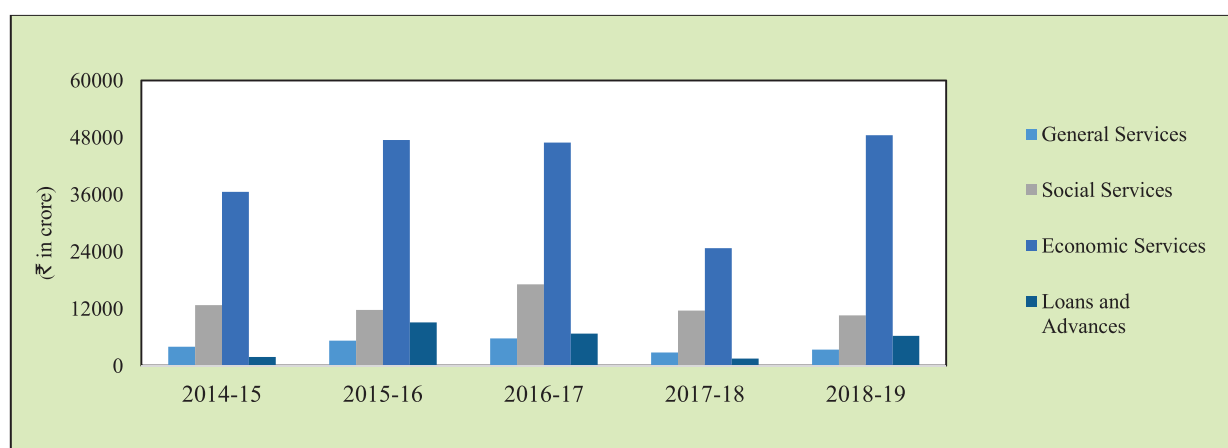
Table 4.7- Sector-wise Capital Expenditure over the last five years

(₹ in crore)

Sl. No.	Sector	2014-15	2015-16	2016-17	2017-18	2018-19
1.	General Services	4,008.68	5,259.07	5,727.30	2,775.78	3,419.43
2.	Social Services	12,754.72	11,706.77	17,150.47	11,625.13	10,589.12
3.	Economic Services	36,533.88	47,456.88	46,911.35	24,687.06	48,454.86
4.	Loans and Advances	1,872.64	9,117.91	6,741.09	1,509.29	6,302.64
Total		55,169.92	73,540.63	76,530.21	40,597.26	68,766.05

The trend of sectoral distribution of capital expenditure is graphically represented as below-

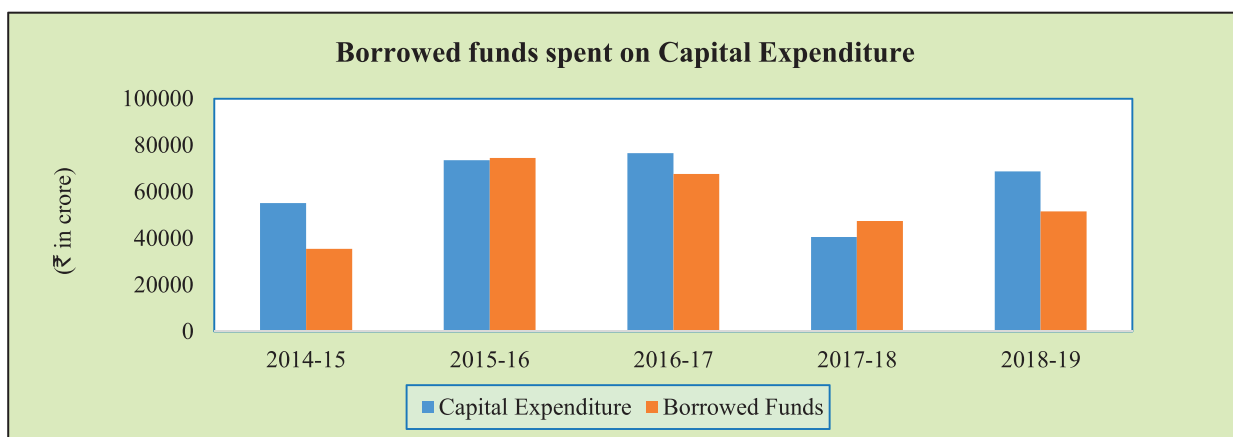
Graph 4.4 -Trend of Sectoral Distribution of Capital Expenditure



4.3.3 Proportion of Borrowed Funds spent on Capital Expenditure

Borrowed funds are meant for meeting capital expenditure for creation of capital assets. The State Government borrowed an amount of ₹51,595.26 crore from market, financial institutions, RBI and Government of India etc. for meeting capital expenditure during the year. A chart showing comparison of borrowed funds spent on capital expenditure during the last five years is as under:

Graph 4.5 - Borrowed funds spent on Capital Expenditure



It is evident from the above data that the funds borrowed by the government were utilised for meeting capital expenditure during the preceding five years except 2017-18 where it was spent for the purposes other than capital expenditure viz- investment in government securities.

4.4 Committed Expenditure

Committed expenditure is defined as the expenditure incurred on interest payment, salaries and wages, pension and subsidy. High committed expenditure leaves the Government with less flexibility for development related spending.

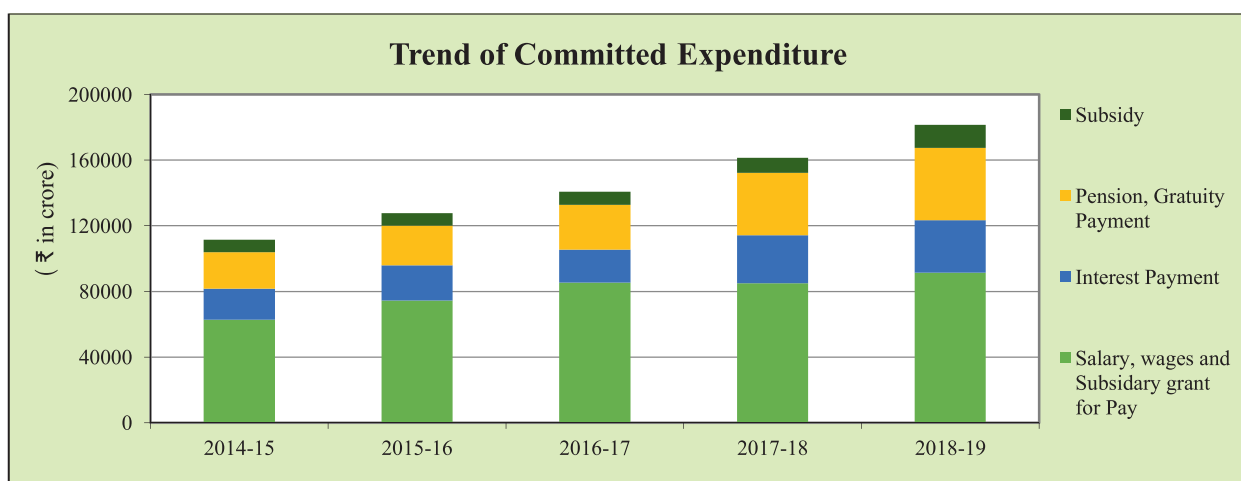
Table 4.8-Trend of Committed Expenditure (2014-15 to 2018-19)

(₹ in crore)					
Component	2014-15	2015-16	2016-17	2017-18	2018-19
Committed Expenditure (*)	1,11,566.03	1,27,728.12	1,48,209.09	1,61,489.74	1,81,531.92
Revenue Expenditure	1,71,027.32	2,12,735.95	2,36,592.26	2,66,223.52	3,01,727.96
Percentage of Committed Expenditure to Revenue Receipts	58	56	58	58	60
Percentage of Committed Expenditure to Revenue Expenditure	65	60	63	61	55

(*) It includes subsidiary assistance for salary.

The trend shows that the committed expenditure of the Government hovered around 55 to 65 *per cent* of the revenue expenditure in the last five financial years.

Graph 4.6 -Trend of Committed Expenditure



4.5 Subsidies Sector-wise

Subsidy is an assistance provided by the government to specific industries with the aim of keeping the prices of product and services low for people to be able to afford them and also to encourage production and consumption. During 2018-19, the State Government has extended total subsidy of ₹14,052.52 crore (i.e. 4.66 *per cent* of total revenue expenditure) on various activities under different sectors viz. agriculture, rural development, irrigation, flood control and energy etc. The expenditure on subsidy was highest in 2018-19 over that during the preceding five years. The trend in expenditure on subsidy has been depicted as below-

Table 4.9-Trend of Expenditure on Subsidy (2014-15 to 2018-19)

(₹ in crore)

Sector	Sub-Sector	2014-15	2015-16	2016-17	2017-18	2018-19
Social Services	Urban Development	0.00	0.20	0.11	0.00	0.00
Economic Services	Agriculture & Allied services	1,553.59	1,523.47	1,597.93	1,684.95	3,539.28
	Rural Development	421.51	225.59	363.61	527.27	793.63
	Special Area Programme	6.92	4.14	9.94	33.58	27.16
	Irrigation & Flood Control	201.85	284.12	186.87	149.50	163.64
	Energy	5,369.66	5,352.86	5,781.53	6,180.69	8,618.20
	Industry & Mineral	107.09	300.97	101.46	699.33	881.35
	Transport	0.00	0.00	3.43	8.71	29.25
	Total Economic Services	7,660.62	7,691.15	8,044.77	9,284.02	14,052.52
Total Subsidy		7,660.62	7,691.34	8,044.88	9,284.02	14,052.52
Revenue Expenditure		1,71,027.32	2,12,735.95	2,36,592.26	2,66,223.52	3,01,727.96
%age Expenditure on Subsidy over Revenue Expenditure		4.48	3.61	3.40	3.48	4.66

As evident from the above, the government has given subsidy mainly in energy sector (about 70 *per cent* of total subsidy) and agriculture (about 20 *per cent*) during the period. The expenditure on subsidy in energy and agriculture sector increased by 49 *per cent* and 121 *per cent* respectively in 2018-19 over that in year 2016-17.

4.6 Development Expenditure

Any expenditure incurred on activities directly related to economic and social development of the State is Development Expenditure. It signifies the extent to which resources has been utilized for development of the State. It includes expenditure on Social Services and Economic Services on Revenue and Capital Accounts, and Loans and Advances given by the State Government on these services; for example, expenditure incurred on Education, Health Care, Scientific Research, Infrastructure etc. During 2018-19, an amount of ₹ 2,23,743.49 crore (about 60 *per cent* of total expenditure of ₹ 3,70,494.62 crore) was spent on these activities.

4.7 Expenditure under Scheduled Castes Sub Plan (SCSP)/Tribal Sub Plan (TSP)

Scheduled Caste Sub Plan (SCSP) for scheduled castes (SC) and Tribal Sub Plan (TSP) for scheduled tribes (ST) are intended to channelize the flow of resources towards the development of SC and ST. The allocations under these components is provided for the purpose of creating productive assets, human resource development of the scheduled castes and scheduled tribes through adequate education and health services. These allocations are made under the minor head “Special Component for Scheduled Castes” (code 789) and Tribal Sub Plan (code 796). The position of allocations under these plans made by the State Government, expenditure incurred and the percentage gap during the last five years is depicted as under-

Table 4.10- Trend of Expenditure under SCSP and TSP during 2014-15 to 2018-19

(₹ in crore)

Year	SCSP			TSP		
	Budget	Expenditure	Percentage Gap	Budget	Expenditure	Percentage Gap
2014-15	17,338.91	13,189.91	24	160.28	61.77	61
2015-16	21,151.34	17,483.21	17	278.54	247.63	11
2016-17	22,948.63	18,698.20	19	311.24	240.79	23
2017-18	24,756.79	17,520.61	29	577.78	352.86	39
2018-19	26,893.28	18,671.03	31	977.23	684.57	30

(Here gap means difference between budget and expenditure).

It is evident from the above data that the percentage gap in expenditure with respect to the budget provisions in respect of scheduled caste programs ranged between 17 to 31 *per cent* during the period from 2014-15 to 2018-19. It was 11 to 61 *per cent* for scheduled tribe programs during the said period. The Government was unable to spend despite available budget provisions during the year.

4.8 Loans and Advances by the State Government

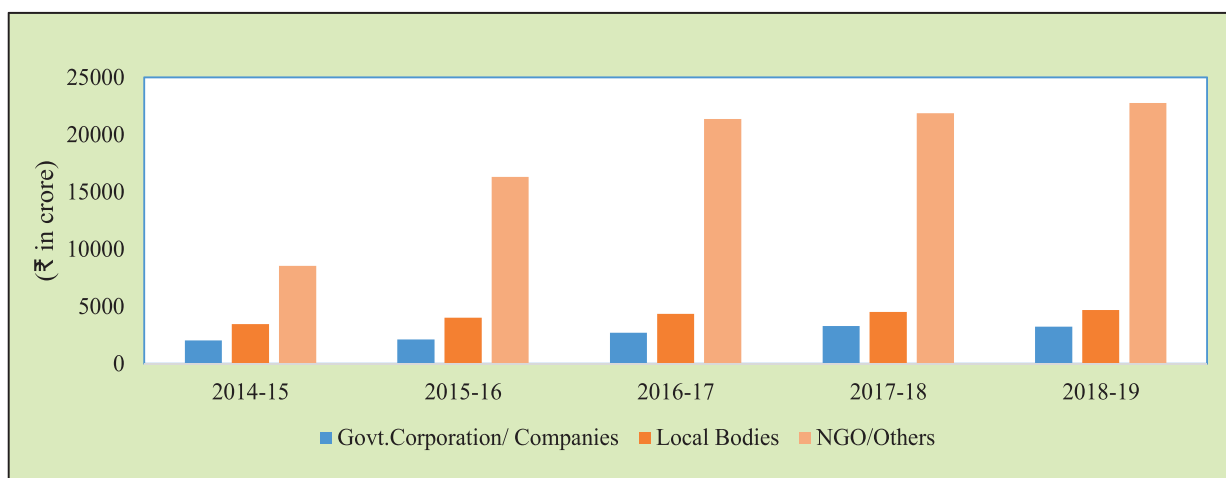
The State Government disburses loans and advances to Government Corporations/ Companies, Local Bodies, Non-Government Institutions/Organisation etc. The outstanding balance of loans and advances of these institutions was ₹30,709.56 crore as on 31 March 2019. The table below represents the institution wise position of outstanding loans and advances given by the State Government as on 31 March, 2019.

Table 4.11- Outstanding Loans and Advances by the State Government

(₹ in crore)

As on 31 March	Govt. Corporation/ Companies	Local Bodies	NGO/Others
2014-15	2,029.56	3,478.67	8,558.14
2015-16	2,111.56	4,025.44	16,321.55
2016-17	2,711.95	4,355.21	21,379.63
2017-18	3,304.54	4,518.04	21,879.73
2018-19	3,249.26	4,691.98	22,768.32

Graph 4.7- Outstanding Loans and Advances as on 31 March 2019



The Government was required to reconcile the loan figures depicted in the Finance Accounts with those of the concerned loanees viz. PSUs and other bodies and institutions. However, it was awaited. As a result, there are adverse balances in a few heads as depicted in the Finance Accounts (Statement-18).

5

Public Debt

5.1 Introduction

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

Borrowings are required to meet capital expenditure, repayment of debt, discharge of other liabilities that are not met by the receipts of the Government. Public debt comprises the borrowings from market, financial institutions like LIC, GIC, NABARD, NCDC NSSF, ways and means advances from RBI etc. (Internal Debt), and the loans and advances received from GoI..

At the end of 2018-19, total public debt (₹3,65,169.51 crore) comprised internal debt about 97 *per cent* and GoI loans 3 *per cent* thereof.

5.2 Public Debt

Public debt of the State Government increased from 20 *per cent* of GSDP in 2014-15 to 24 *per cent* in 2018-19 mainly due to increase in internal debt. GoI loans came down by 17 *per cent* in 2018-19 over the year 2014-15, while internal debts escalated by 93 *per cent*.

The increase in internal debt is mainly due to borrowings from market in the form of State Development loans. The market borrowings constituted 56 *per cent* of the total internal debt in 2014-15, which increased to 67 *per cent* in 2018-19. Thus, increasing trend in market borrowings has led to growth in government liabilities over the years. The growth of public debt during the preceding five years is depicted as below-

Table 5.1- Growth of Public Debt

Financial Year	Internal Debt (A) (market borrowings out of total Internal debt)	GoI loan (B)	Public Debt (A+B)	(₹ in crore)
				<i>Per cent to GSDP</i>
2014-15	1,83,191.54 (1,02,670.13)	14,461.64	1,97,653.18	20
2015-16	2,40,835.79 (1,27,970.97)	13,658.21	2,54,494.00	22
2016-17	2,88,626.78 (1,64,875.39)	13,249.62	3,01,876.40	24
2017-18	3,21,479.05 (2,02,053.39)	12,811.82	3,34,290.87	24
2018-19	3,53,189.92 (2,35,360.06)	11,979.59	3,65,169.51	24

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

5.3 Debt Service Ratio

Debt Service is the amount that is required to cover the repayment of interest and principal on a debt for a particular period.

Debt Service Ratio is defined as net income divided by total debt Service. It is a measure of the cash flow available to pay current obligations. The Debt Service Ratio helps to determine the borrower's ability to make debt service payments.

As per UP FRBM Act 2004, the State Government is required to maintain debt at prudent level. The total debt service was 3.2 *per cent* of GSDP during the year. The position of debt servicing during the last five years has been depicted as below: -

Table 5.2- Debt servicing as Percentage of GSDP

(₹ in crore)

Financial Year	2014-15	2015-16	2016-17	2017-18	2018-19
Repayment of Debt	9,411.21 (0.96)	17,672.76 (1.53)	20,302.67 (1.59)	15,002.10 (1.09)	20,716.61 (1.34)
Interest Paid	15,117.78 (1.55)	17,607.99 (1.52)	23,205.64 (1.82)	25,414.82 (1.85)	28,184.96 (1.83)
Total Debt Service	24,528.99 (2.5)	35,280.75 (3.0)	43,508.31 (3.4)	40,416.92 (2.9)	48,901.57 (3.2)
GSDP	9,76,297.00	11,53,795.00	12,75,141.00	13,75,607.00	15,42,432.00

(Figures in parenthesis are percentage to GSDP)

5.4 Debt Sustainability of the State

Public debt of the State Government increased substantially by 84.75 *per cent* in 2018-19 over the outstanding debt in 2014-15, whereas the economy in terms of GSDP grew by 57.99 *per cent*. The debt to GSDP ratio rose from 20 *per cent* in 2014-15 to 24 *per cent* in 2018-19. The debt repayment was an average of 8 *per cent* of total tax revenue and 30 *per cent* of debt receipts during the preceding last five years.

The increasing trend of raising debt is likely to pile up a huge debt stock comprising about 30 *per cent* of GSDP after next five years entailing a heavy debt distress on the state economy. This fiscal situation may result in augmentation of debt liabilities and reduction of capital expenditure i.e. development related spending.

Table 5.3- Indicators of Debt Sustainability of the State

(₹ in crore)

Indicators of Debt Sustainability	2014-15	2015-16	2016-17	2017-18	2018-19
Outstanding Debt	1,97,653.18	2,54,494.00	3,01,876.40	3,34,290.87	3,65,169.51
Rate of growth of Outstanding Debt	15.22	28.76	18.62	10.74	9.24
GSDP	9,76,297.00	11,53,795.00	12,75,141.00	13,75,607.00	15,42,432.00
Rate of growth of GSDP	9.66	18.18	10.52	7.88	12.13
Debt/GSDP ratio	0.20	0.22	0.24	0.24	0.24
Debt Repayment/Debt Receipts	0.26	0.24	0.30	0.32	0.40
Net Debt available to State (Public Debt received(-)Total Debt Service)	10,991.29	39,232.83	24,176.76	6,999.64	2,693.69

5.5 Debt –Maturity Profile

The State Government had a debt balance of ₹ 3,53,189.92 crore as internal debt from market and different financial institutions, and ₹ 11,979.59 crore as loans from GoI (total public debt of ₹ 3,65,169.51 crore) as on 31 March 2019. These debt/loans are due to be repaid on their maturity upto 2078-79 as per the specified terms and conditions. The maturity profile of the government debt is broadly depicted as below-

(₹ in crore)

Year	Internal debt	Loan from Government of India
2019-20	23,702.91	1,575.67
2020-21	23,073.85	1,597.80
2021-22	27,026.47	1,606.15
2022-23	20,377.94	1,606.02
2023-24	18,532.82	1,622.16
2024-25	27,631.26	559.33
2025-26	38,813.30	409.71
2026-27	48,509.00	392.90
2027-28	48,866.26	391.17
2028-29	53,012.54	367.85
2029-30 and thereafter	23,642.57 (during 2029 -39)	1,850.83 (during 2029 -79)
Total	3,53,189.92	11,979.59

6

Appropriation Accounts

6.1 Budget Provisions

During 2018-19, the State Legislature approved a total provision of ₹4,99,136.11 crore under 93 grants (including supplementary grants). Against this, the actual expenditure was ₹4,09,784.50 crore (82 *per cent* of the total provision), of which total charged expenditure was 19 *per cent* and voted 81 *per cent*. Summary of the Appropriation Accounts for the year 2018-19 is given below-

Table 6.1- Summary of Appropriation Accounts for 2018-19

(₹ in crore)

Sl. No	Nature of Expenditure	Original Grant	Supplementary Grant(*)	Total	Actual Expenditure	Saving (-) Excess (+)	% of Total Grant
1	Revenue Voted Charged	2,76,091.14 59,355.47	22,899.64 53.11	2,98,990.78 59,408.58	2,47,287.30 58,975.52	(-) 51,703.48 (-) 433.06	17.29 0.73
2	Capital Voted Charged	88,160.71 20.41	14,284.50 0.03	1,02,445.21 20.44	76,489.69 12.74	(-)25,955.52 (-) 7.70	25.34 37.67
3	Public Debt Voted Charged	.. 30,546.74	.. 0.01	.. 30,546.75	.. 20,716.61	.. (-) 9,830.14	.. 32.18
4	Loans and Advances Voted	2,073.90	5,650.45	7,724.35	6,302.64	(-) 1,421.71	18.41
Total		4,56,248.37	42,887.74	4,99,136.11	4,09,784.50	(-) 89,351.61	17.90

(*) Supplementary Grants were provided under 54 grants.

6.2 Saving/Excess during the last five years

During the year 2018-19, saving was ₹89,351.61 crore (18 *per cent* of the total grant). It was 04 *per cent* lesser than that in the previous year. Saving/Excess under Revenue and Capital Expenditure heads, Public Debt and Loans and Advances over the last five years have been depicted as follows:

Table 6.2- Saving/Excess during 2014-15 to 2018-19

(₹ in crore)

Financial Year	Saving (-) / Excess (+)				Total Saving / Excess	% of Total Grant
	Revenue	Capital	Public Debt	Loans & Advances		
2014-15	(-)32,485.37	(-)9,033.93	(-)9,972.67	(-)551.53	(-)52,043.50	17.13
2015-16	(-)32,416.34	(-)7,499.85	(-)3,713.76	(-)763.72	(-)44,393.67	12.24
2016-17	(-)29,234.42	(-)13,248.19	(+)4,790.18	(-)903.60	(-)38,596.03	9.95
2017-18	(-)63,796.47	(-)21,939.87	(-)7,012.22	(-)1,019.94	(-)93,768.50	21.88
2018-19	(-)52,136.54	(-)25,963.22	(-)9,830.14	(-)1,421.71	(-)89,351.61	17.90

6.3 Persistent Savings

Persistent savings under a Grant indicate either slow or non-implementation of certain schemes/programmes. Some of the grants under which significant savings occurred are as follows:

Table 6.3-Savings under Grants during the year 2014-15 to 2018-19

(₹ in crore)

Grant Nos.	Nomenclature	2014-15	2015-16	2016-17	2017-18	2018-19
03	Industries Department (Small Industry and Export Promotion)	37.15	34.27	69.46	88.30	246.46
07	Industries Department (Heavy and Medium Industries)	502.19	142.11	2,490.67	1,293.18	1,529.17
14	Agriculture and Other Allied Departments (Panchayati Raj)	2,442.76	3,256.90	96.54	1,293.33	4,352.52
24	Cane Development Department (Sugar Industry)	42.37	304.08	1,184.01	390.16	1,187.36
32	Medical Department (Allopathy)	766.20	1,043.21	1,369.74	1,092.69	1,487.08
35	Medical Department (Family Welfare)	1,263.73	1,414.98	1,452.59	884.58	719.50
37	Urban Development Department	2,843.98	1,565.68	2,791.05	6,090.72	4,457.15
42	Judicial Department	527.99	589.02	1,057.41	1,357.83	1,470.07
48	Minorities Welfare Department	1,455.84	1,488.25	1,318.78	1,194.73	1,348.57
49	Women and Child Welfare Department	470.28	1,134.95	1,142.41	2,376.87	2,600.25
51	Revenue Department (Relief on account of Natural Calamities)	220.05	1,335.76	4,148.36	839.36	1,385.36
71	Education Department (Primary Education)	4,488.39	3,773.38	3,691.07	17,678.96	15,261.30
73	Education Department (Higher Education)	492.16	593.64	518.12	535.36	894.06
83	Social Welfare Department (Special Component Plan for Scheduled Castes)	4,144.70	3,664.49	4,182.19	7,211.07	8,222.19

(Note: In Appropriation Accounts, savings have been depicted with minus sign.)

6.4 Supplementary Provision of Funds

Supplementary Grants authorized under Article 205 of the Constitution of India, of ₹42,887.74 crore (10.47 *per cent* of total expenditure) during 2018-19 proved unfruitful. The instances where there were significant savings (more than ₹ 500 crore) at the end of the year even against original allocations are given below:

Table 6.4-Unutilised Supplementary Provisions

(₹ in crore)

Grant No.	Nomenclature	Section	Original B.E.	Supplementary B.E.	Actual Expenditure
07	Industries Department (Heavy and Medium Industries)	Revenue (Voted)	2,122.45	100.00	792.03
13	Agriculture and Other Allied Departments (Rural Development)	Revenue (Voted)	3,278.28	138.79	2,841.26
		Capital (Voted)	16,454.12	668.10	7,844.09
37	Urban Development Department	Revenue (Voted)	10,994.41	60.00	7,602.81
		Capital (Voted)	2,489.11	920.00	2,403.55
42	Judicial Department	Revenue (Voted)	2,175.20	44.37	1,745.69
		Capital (Voted)	1,458.51	77.15	552.44
49	Women and Child Welfare Department	Revenue (Voted)	7,282.26	831.28	5,648.82
51	Revenue Department (Relief on account of Natural Calamities)	Revenue (Voted)	1,649.97	301.00	580.05
60	Forest Department	Revenue (Voted)	793.66	2.70	608.03
62	Finance Department (Superannuation Allowances and Pensions)	Revenue (Voted)	44,592.13	3,031.90	43,443.28
72	Education Department (Secondary Education)	Revenue (Voted)	9,334.72	5.54	8,960.44
83	Social Welfare Department (Special Component Plan for Scheduled Castes)	Revenue (Voted)	15,347.83	2,341.35	13,603.72
		Capital (Voted)	9,140.95	63.15	5,067.37



7

Assets and Liabilities

7.1 Introduction

The Assets and liabilities of the State Government (as on March 31, 2019 and March 31, 2018) as exhibited in Statement No. 1 of the Finance Accounts of the year 2018-19 and 2017-18 respectively are depicted below-

Table 7.1-Assets and Liabilities of the State Government

(₹ in crore)

Assets			Liabilities		
	As on March 31, 2019	As on March 31, 2018		As on March 31, 2019	As on March 31, 2018
Cash (including RBD with RBI, Investment of Cash Balance, Investment from Earmarked Funds etc)	26,912.11	11,481.15	Internal Debt	3,53,189.92	3,21,479.05
Capital Expenditure including Investments	5,21,867.09	4,59,403.68	Loans and Advances from Central Government	11,979.59	12,811.82
Contingency Fund (un-recouped)	629.73	463.08	Contingency Fund(Corpus)	600.00	600.00
Loans &Advances	30,709.56	29,720.31	Liabilities on Public Account	1,52,925.99	1,33,551.32
Advances with Departmental Officers	75.34	87.29		--	--
Suspense & Miscellaneous Balances	3,081.44	3,304.21		--	--
Remittances Balances	113.09	425.76		--	--
Cumulative excess of Expenditure over Receipts	--	--	Cumulative excess of Receipts over Expenditure	64,692.86	36,443.29
Total	5,83,388.36	5,04,885.48		5,83,388.36	5,04,885.48

7.2 Assets

The existing form of accounts depicts valuation of physical assets and financial assets at historical cost i.e. the value in the year of acquisition/purchase. The Government assets mainly comprise cash balance and investments of cash balance, progressive capital expenditure, balance of loans and advances, civil advances and balance outstanding under remittances.

7.2.1 Cash Balance and Investment of Cash Balance

The State Government had total cash balance of ₹26,912.11 crore as on 31.03.2019, which was higher by ₹15,430.96 crore (74 *per cent*) as compared to 2017-18. This was mainly due to net increase in cash balance (of ₹94.11 crore) and investment of cash balance (of ₹15,524.98 crore) in government securities during the year. The State Government did not avail any WMA from the RBI during the year.

Table 7.2- Position of Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 April, 2018	As on 31 March, 2019	Net increase (+) / decrease
Cash Balance	265.21	171.10	(-)94.11
Investments from Cash Balance (GOI Try. Bills)	11,159.38	26,684.36	15,524.98
Other Cash Balance (including cash with departmental officers and permanent cash imprest)	11.36	11.45	0.09
Investment from Earmarked Fund Balances-			
(a) Depreciation Reserve Fund	44.42	44.42	0.00
(b) Famine Relief Fund	0.78	0.78	0.00
Interest realised on Investment of Cash Balance	487.71	1,088.56	600.85

7.2.2 Others Investment and Dividends

The Government invested in equity shares of Statutory Corporations, Government Companies, Co-operative Societies and other institutions, which stood at ₹1,18,531.56 crore in 2018-19. There was an increase of ₹13,752.85 crore over that of previous year. The dividends therefrom during the year were ₹175.48 crore (i.e. 0.15 *per cent* on this investment).

7.3 Liabilities

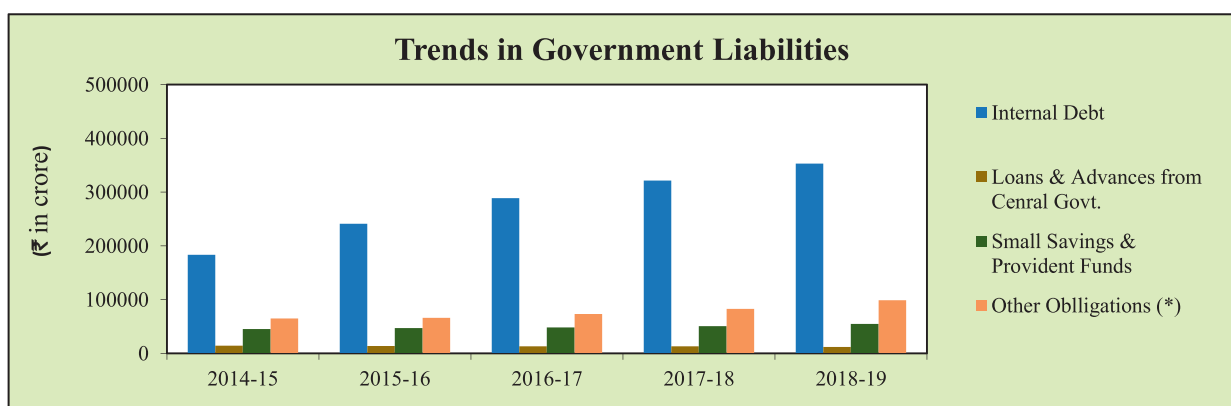
Government liabilities differ from the government debt to the extent that the government debt (or, public debt) comprises of Internal Debt of the State Government and Loans from GoI, whereas liabilities of the Government include Public Debt as well as other liabilities viz-Small Savings, Reserve Funds and other Deposits in the Public Accounts. These liabilities are 'Debt Stock of the State Government which escalated by ₹50,253.31 crore (about 11 *per cent*) in 2018-19 as against the previous year. In 2018-19, it was about 34 *per cent* of GSDP. Position of the debt stock during the last five years were as under:

Table 7.3-Trend of State's Liabilities during the year 2014-15 to 2018-19

(₹ in crore)

Financial Year	Public Debt	Per cent to GSDP	Total Public Account Liabilities	Per cent to GSDP	Total Debt Stock	Per cent to GSDP
2014-15	1,97,653.18	20	1,13,135.31	12	3,10,788.49	32
2015-16	2,54,494.00	22	1,15,453.81	10	3,69,947.81	32
2016-17	3,01,876.40	24	1,24,827.73	10	4,26,704.13	33
2017-18	3,34,290.87	24	1,33,551.32	10	4,67,842.19	34
2018-19	3,65,169.51	24	1,52,925.99	10	5,18,095.50	34

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

Graph 7.1-Trends in Government Liabilities

(*) Interest not bearing obligations such as Deposits of Local Funds, other Earmarked Funds, etc.

The increasing trend is due to the gradual increase in internal debt of the State Government during the period 2014-15 to 2018-19.

7.3.1 Increasing trend of outstanding liabilities on account of Market Borrowings

As per the procedure adopted by the State Government for amortisation of the market borrowings, the State Government makes provisions for reduction or avoidance of debt under Major Head 2048 and appropriates it to Sinking Fund under Major Head 8222 by way of book transfer. Out of this Fund, an amount equivalent to repayment of market borrowings is transferred and credited to Revenue Account (Major Head 0075) under Consolidated Fund. The data relating to the amounts appropriated to Sinking Fund and further transfers from this Fund to Revenue Account during the previous five years have depicted below –

Table 7.4- Trend of State's Outstanding Liabilities due to Market Borrowings

(₹ in crore)

Financial Year	Market Borrowings	Amount appropriated to Sinking Fund	Transfer from Sinking Fund to Revenue Account (equivalent to repayment of market borrowings)	Balance under Sinking Fund (as on 31 March)
2014-15	17,500.00	4,500.00	3,987.81	40,764.90
2015-16	30,000.00	6,966.78	4,699.04	43,042.64
2016-17	41,050.00	10,772.35	4,145.61	49,659.38
2017-18	41,600.00	12,332.23	4,422.00	57,469.61
2018-19	46,000.00	26,403.95	12,693.33	71,180.23

It is evident from the above position of market borrowings that–

- (i) Appropriation to Sinking Fund in excess of repayment of market borrowings over the years have led to cause increasing liabilities of the State. That is why the state liabilities of ₹ 40,764.90 crore in 2014-15 reached to ₹ 71,180.23 crore in 2018-19.
- (ii) Book transfer of the amount equivalent to repayment of market borrowings to Revenue Account overstates the revenue surplus of the State Government in a financial year. In 2018-19, the revenue surplus overstated by ₹ 12,693.33 crore.
- (iii) Such transfers are in the nature of book transfer, so no amount is available to be invested in government securities as per the guidelines for operation of Sinking Funds as stipulated in the List of Major and Minor Heads of Accounts of the Union and States.

7.4 Guarantees

The position of Guarantees given by the State Government as against the repayment of loans and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Co-operative Societies etc. is given below:

Table 7.5- Position of Guarantees during 2014-15 to 2018-19

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding at the end of year	
		Principal	Interest
2014-15	78,023.21	70,281.15	458.48
2015-16	78,825.64	57,159.87	458.48
2016-17	66,702.20	55,825.49	#
2017-18	74,303.03	74,841.22	#
2018-19	90,662.48	1,10,032.12	#

(#) Information not furnished by the State Government.

The net guarantee of ₹19,250.55 crore was given by the State Government during 2018-19 (i.e. 1.25 *per cent* of GSDP). The Fiscal Responsibility and Budget Management Act 2003 (FRBM Act 2003) prescribed the limit of 0.5 *per cent* of GDP for giving guarantee by GoI in a year. However, the State Government has not fixed any such limit for giving the guarantee in any financial year.

8

Other Accounting Issues

8.1 Compliance of Indian Accounting Standards formulated by GASAB:

The Government Accounting Standard Advisory Board (GASAB) has formulated three Indian Government Accounting Standards (IGASs) viz- Guarantees given by Governments: Disclosure Requirements (IGAS-I), Accounting Classification of Grants-in-Aid (IGAS-II), and Loans and Advances made by the Governments (IGAS-III).

In adherence with these standards, disclosures about the guarantees given by the State Government to various institutions have been exhibited in the Statement 9 and 20 of the Finance Accounts of the Government of Uttar Pradesh. However, the State Government has not created the Guarantee Redemption Fund for discharging the obligations arising out of guarantees executed. The State Government executed the net guarantees of ₹19,250.55 crore during 2018-19 (i.e. 1.25 *per cent* of GSDP). Under the extant provisions of FRBM Act 2003, additional guarantee should not be given in respect of any loan on security of Consolidated Fund of India in excess of one half of GDP in a financial year. However, the State Government has not fixed any limit for giving the guarantee in a financial year.

The information relating to Grants-in-Aid paid in cash and in kind have been disclosed in the Statement 10 and Appendix III of the Finance Accounts, and the grants have been classified in the state accounts in accordance with the stipulated principles except a few cases which were referred to the State Government. As regards Loans and Advances made by the State Government, the position relating to outstanding balances of loans, arrears of principal etc. is depicted in Statements 7, 18 and Appendix VII of the aforesaid accounts.

8.2 Implementation of Integrated Financial Management System (IFMS) -Mission Mode Project:

Under the National e-Governance Plan (July, 2010), the State Treasury Computerisation as a Mission Mode Project was to be implemented by the State Governments with aim to provide greater accuracy and transparency in budgeting and accounting processes. The State Accountants General (A&E), as Stakeholder, were required to work in line with the State Governments in designing the computer processes relating to capture of treasury data and compilation process and implementation of the project.

The State Government of Uttar Pradesh has implemented IFMS and data (of receipts & expenditure) as well as schedule of House Building Advance/ Motor Car Advance is fetched from all the eighty-two treasuries electronically (through central server of the State Government) and uploaded in VLC Server in the Accountant General's office. The Monthly Civil Accounts (MCA) are generated after compilation of the said treasury data and are submitted to the State Government every month. The State Government has implemented IPAO, DDO, UPKOSH, E-Kuber, Budget, CTS treasury system, Rajkosh and Koshwani modules. As regards interface

with the AG office, GPF schedules are still being entered manually. Online reconciliation, Re- appropriation and surrender orders, GIA, PDA/PLA are under testing.

8.3 Submission of Accounts by Treasuries/Departments

The initial accounts of all the treasuries were rendered timely during the year. Rendition of monthly accounts by Public Works and Forest Divisions were delayed from 2 to 15 days from the scheduled date of their receipt. However, no account was excluded at the end of the year.

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

In exceptional situations where 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 through AC bills without supporting documents. Such AC bills are required to be settled by submission of DC bills to the Accountant General (A&E) within a maximum of 30 days. As on 31 March 2019, 3178 AC bills amounting to ₹19.08 crore were outstanding for want of DC bills.

The major share of DC bills was awaited from the following Departments of the State Government:

1. Secretariat Administration Department	128 bills of ₹ 7.05 crore
2. Personnel Department (Training and Other Expenditure)	04 bills of ₹1.98 crore
3. Education Department (Secondary Education)	435 bills of ₹1.27 crore
4. Public Works Department (Estate Directorate)	645 bills of ₹1.20 crore

8.5 Utilisation Certificates Awaited

For grants sanctioned for specific purposes, the departmental officers concerned should obtain Utilization Certificate (UCs) from the grantee, which after verification should be forwarded to the Accountant General (A&E). Non-submission of UCs does not ensure that the funds released have been utilized for the intended purposes.

As on 31 March 2019, UCs (63366 in number) of ₹23,832.12 crore for the grants given upto September 2017 were awaited. The age analysis wise in respect of the following departments from which the major share of UCs were awaited, are as below:

Table 8.1-Utilisation Certificates Awaited

(₹ in crore)

Year *	Social Welfare Department (SCP for SCs)	Urban Development Department	Education Department (Primary Education)	Education Department (Secondary Department)	Agriculture and other Allied Departments (PRI and Rural Development)
	Amount (Vouchers)	Amount (Vouchers)	Amount (Vouchers)	Amount (Vouchers)	Amount (Vouchers)
Up to 2015-16	5,534.92 (9127)	3,034.28 (4388)	3,672.58 (6150)	1,496.07 (4125)	2,833.97 (5941)
2016-17	326.87 (427)	1,058.65 (484)	480.85 (335)	193.14 (325)	2.56 (40)
2017-18	101.30 (73)	1,718.94 (14)	44.37 (124)	61.78 (6)	0.07 (1)
Total	5,963.09 (9627)	5,811.87 (4886)	4,197.80 (6609)	1,750.99 (4456)	2,836.60 (5982)

* Year denotes 'year of release of grant' for which UCs were outstanding by March 2019.

8.6 Reconciliation of Receipts and Expenditure

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Accountant General (Accounts and Entitlements). This exercise is required to be conducted by respective Chief Controlling Officers (CCOs).

In 2018-19, nearly all the expenditure and receipts figures (99.95 and 99.37 *per cent* respectively) were reconciled. The status of reconciliation of the figures at the end of March 2019 is given below:

Table 8.2- Position of Reconciliation

Particulars	Total Nos. of CCOs	Nos. of CCOs who reconciled	Nos. of CCOs who didn't reconcile
Expenditure	179	178	1
Receipt	48	45	3

8.7 Non-closure and Reconciliation of Personal Deposit (PD) Accounts:

Personal Deposit (PD) accounts are opened for specific purposes in consultation with the Accountant General by transfer of funds, which is booked as expenditure against the Consolidated Fund of the State. If there is no transactions in any PD account for three years, it is required to be closed on the advice of the Accountant General and unspent balances remitted back to Government Accounts.

As on 31 March 2019, there were 1070 PD accounts with a balance of ₹4,347.89 crore. Out of these, 654 were operative and 416 were inoperative. The inoperative accounts with unspent balance of ₹22.77 crore were required to be closed, but the same has not been done by the State Government so far.

These accounts were also required to be reconciled by the respective treasuries. At the end of the year (2018-19), only 34 out of 77 treasuries in the State informed that the PD accounts maintained by them had been reconciled. The status of reconciliation of the remaining 43 treasuries has not been made available by them.

8.8 Lump Sum Provisions made by the State Government:

The State Government made lump sum provisions of ₹8,225.67 crore under various heads in its Budget 2018-19 in anticipation of future expenditure without indicating scheme details, and incurred expenditure amounting to ₹7,083.58 crore (86.11 *per cent* of the provisions) there against. In such cases, it was required on the part of the Government to re-appropriate the provisions well in advance against the specific schemes (Sub Heads). In the previous year (2017-18), an expenditure of ₹3,452.95 crore was also incurred as against lump sum provisions of ₹8,648.73 crore. However, the State Government agreed in principle to curtail the lump sum provisions (July 2019).

8.9 General Provident Fund

The State Government has constituted the “General provident Fund” under the Public Account which is regulated by the General Provident Fund (Uttar Pradesh) Rules 1985. The government pays interest on the GPF balance as may be admissible from time to time under the rules. The subscribers are entitled to receive temporary and final withdrawals. The final payment from the account is made to the subscribers in the event of superannuation, cessation of service,

death etc. The accounts of class III employees (212545 live GPF accounts as on 31.03.2019) are maintained by the Accountant General and the accounts of class IV employees by the departmental authorities. There was a total balance of ₹ 37,919.79 crore in the GPF accounts of the government employees (Class III and Class IV) in the State under the head 8009-01-101-G.P.F as on 31 March 2019.

8.10 Defined Contribution Pension Scheme

The government employees recruited on or after 1 April 2005 are covered under the Defined Contribution Pension Scheme. It is also applicable to the new entrants of government aided educational institutions and autonomous bodies financed by the government as well. In terms of the Scheme, the government employees contribute 10 *per cent* of basic pay and dearness allowance, which is matched by the State Government with 14 per cent contribution thereof (w.e.f. 1 April 2019), and the entire amount is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/ Trustee Bank as per the procedure prescribed by the Government of Uttar Pradesh vide G.O. No. Sa-3-379/Das -2005-301(9)- 2003 dated 28 March 2005 and No. Sa-3-1067/Das-2011-301(9)-2011 dated 15 September 2011. During 2018-19, contribution by Government and employees was as follows:

Table 8.3- Contribution by Government and employees

(₹ in crore)

Contribution made by the Government under the Scheme (under the head 2071-01-117)			Amount deposited/transferred by the State Govt. as government contribution (under major head 8342-Other Deposit)			Amount not deposited/ transferred by the State Government (under the major head 8342-Other Deposits)		
For Govt. Employees	For aided Educational institution employees	Total	For Govt. Employees	For aided Educational institution employees	Total	For Govt. Employees	For aided Educational institution employees	Total
1,221.40	547.00	1,768.40	1,215.17	22.64	1,237.81	6.23	524.36	530.59

8.11 Suspense Balances

Items of receipts and payments which cannot be taken to final head of receipt or expenditure owing to lack of information as to nature or for any other reason are booked temporarily under the Major Head 8658-Suspense Accounts. These are cleared by minus debit or minus credit as the case may be on receipt of details/information. The position of balances under Suspense and Remittance Heads as on March 31, 2019 was as under-

Table 8.4-Suspense Balances

(₹ in crore)

Head	Debit	Credit
8658-Suspense Accounts-		
101- Pay and Accounts Office Suspense	238.98	5.51
Net	Dr 233.47	
102-Suspense Accounts (Civil)	424.01	(-)31.62
Net	Dr 455.63	
110- Reserve Bank Suspense-Central Accounts Office	11.69	11.89
Net	Cr 0.20	
8793- Inter State Suspense Account	2.09	0.16
Net	Dr 1.93	

8.12 Commitments on account of Incomplete Capital Works

The State Government had undertaken various capital works /projects (592) relating to road works/bridges and irrigation projects executed by PWD and Irrigation Departments. These were required to be completed by 2018-19 or before, instead they were incomplete. A summarized view on commitments on account of 'Incomplete Capital Works' is given below:

Table 8.5-Incomplete Capital Works

(₹ in crore)

Sl. No.	Category of Works	Estimated Cost of Work	Expenditure during the year	Progressive Expenditure to the end of the year	Pending Payments
1.	Irrigation Project	410.88	46.09	255.58	5.83
2.	Public Works Project (including Road and Bridges)	11,804.64	3,566.22	6,853.80	4,262.03

- Note: i) Detailed information towards commitments on Incomplete Capital Works is available in Appendix IX of Finance Accounts 2018-19.
- ii) The figures exhibited in the above table are compiled from the data as provided by various Divisions/Departments.



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