



सत्यमेव जयते

**State Finances Audit Report
of the
Comptroller and Auditor General of India
for the year ended 31 March 2020**



लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest



**Government of Uttar Pradesh
Report No. 4 of the year 2021**

**State Finances Audit Report
of the
Comptroller and Auditor General of India
for the year ended 31 March 2020**

**Government of Uttar Pradesh
Report No. 4 of the year 2021**

TABLE OF CONTENTS

Particulars	Reference to	
	Paragraph	Page
Preface		v
Executive Summary		vii
CHAPTER-I OVERVIEW		
Profile of the State	1.1	1
Basis and Approach to State Finances Audit Report	1.2	3
Report Structure	1.3	4
Overview of Government Accounts Structure and Budgetary Processes	1.4	5
Fiscal Balance: Achievement of deficit and total debt targets	1.5	10
Deficits and Total Debt after examination in audit	1.6	15
CHAPTER-II FINANCES OF THE STATE		
Major changes in Key fiscal aggregates of the State	2.1	19
Sources and Application of Funds	2.2	20
Resources of the State	2.3	21
Application of resources	2.4	32
Public Account	2.5	46
Debt Management	2.6	51
Components of fiscal deficit and its financing pattern	2.7	53
Recommendations	2.8	62
CHAPTER-III BUDGETARY MANAGEMENT		
Budget Process	3.1	65
Comments on integrity of budgetary and accounting process	3.2	68
Comments on effectiveness of budgetary and accounting process	3.3	76
Recommendations	3.4	84
CHAPTER-IV QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES		
Funds outside Consolidated Fund or Public Account of the State	4.1	87
Extra-budget borrowings through State owned PSUs/Authorities not being credited to the Consolidated Fund	4.2	91
Un-discharged liabilities in Defined Contribution Pension Scheme	4.3	93

Particulars	Reference to	
	Paragraph	Page
Non-establishment of Uttar Pradesh Road Transport Accident Relief Fund	4.4	94
Delay in submission of Utilisation Certificates	4.5	95
Abstract Contingent Bills	4.6	97
Personal Deposit/ Personal Ledger Accounts	4.7	98
Indiscriminate use of Minor head 800	4.8	99
Huge expenditure under omnibus Object Head: '42- Other Expenditure'	4.9	102
Outstanding balances under major Suspense and Remittance Heads	4.10	103
Adverse balances of loans and advances	4.11	105
Non-reconciliation of Departmental figures	4.12	105
Submission of Accounts/Separate Audit Reports of Autonomous Bodies/Authorities	4.13	106
Departmental Commercial Undertakings/ Corporation/Companies	4.14	107
Misappropriations, losses, thefts, etc.	4.15	108
Recommendations	4.16	109
CHAPTER-V		
FUNCTIONING OF STATE PUBLIC SECTOR UNDERTAKINGS		
Introduction	5.1	111
Investments in Public Sector Undertakings	5.2	113
Budgetary support to Public Sector Undertakings	5.3	113
Reconciliation with Finance Accounts of Government of Uttar Pradesh	5.4	115
Performance of Public Sector Undertakings	5.5	116
Profit/Loss of PSUs	5.6	116
Erosion of Net Worth	5.7	117
Dividend Payout	5.8	118
Return on Equity	5.9	119
Return on Capital Employed	5.10	120
Analysis of Long terms loans of Public Sector Undertakings	5.11	121
Interest Coverage Ratio	5.12	121
Age-wise analysis of interest outstanding on Public Sector Undertakings	5.13	122
Comments on Accounts of Government Companies	5.14	122
Comments on Accounts of Statutory Corporations	5.15	123
Submission of accounts by Public Sector Undertakings	5.16	124
Non-functional Public Sector Undertakings	5.17	126
Follow-up action on State Finances Audit Report	5.18	127
Recommendations	5.19	127

Particulars	Reference to	
	Paragraph	Page
APPENDICES		
Appendix – 2.1	Time series data on the State Government Finances	129
Appendix – 2.2	Collection of Own Tax / Non-Tax Revenue during the years 2015-20	131
Appendix – 2.3	Details of Reserve Funds	132
Appendix – 3.1	Lump sum budgetary provisions during the year 2019-20	133
Appendix – 3.2	Detail of funding pattern (Central share/ State share/Financial Institution) not mentioned in Central schemes/Central Sponsored schemes in Budget Documents 2019-20	134
Appendix – 3.3	Detail of cases where total of Central share and State share in funding pattern more/less than 100 <i>per cent</i> or funding share of other Financial Institution/ Grantee is not mentioned in Central schemes/Central Sponsored schemes	135
Appendix – 3.4	Grants in which savings were above ₹ 100 crore in each case during the year 2019-20	136
Appendix – 3.5	Detail of cases where supplementary provision (₹ one crore or more in each case) proved unnecessary	141
Appendix – 3.6	Unnecessary Re-appropriation	145
Appendix – 3.7	Schemes for which Original and Supplementary provisions could not be utilised	151
Appendix – 3.8	Details of schemes for which Original, Supplementary provisions were re-appropriated to other schemes	169
Appendix – 4.1	Details of pendency in finalisation of Accounts by various Autonomous Bodies and Authorities	174
Appendix – 4.2	Statement of finalisation of accounts and investments in Departmental Commercial Undertakings	176
Appendix – 5.1	Summarised financial results of State Public Sector Undertakings covered in this Chapter for the latest year for which accounts were finalised	177
Appendix – 5.2	Details of State PSUs not covered in this Chapter	181
Appendix – 5.3	Statement showing position of equity and outstanding loans relating to PSUs covered in this Chapter as on 31 March 2020	186

Particulars	Reference to	
	Paragraph	Page
Appendix – 5.4	Statement showing difference between Finance Accounts of Government of Uttar Pradesh and accounts of the Public Sector Undertakings in respect of balances of Equity, Loans and Guarantees as on 31 March 2020	190
Appendix – 5.5	Statement showing position of State Government investment in such Public Sector PSUs accounts of which were in arrears	199
	Explanation of Terms	201
	Acronyms	203

PREFACE

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

2. Chapter I of this Report describes the basis and approach to the Report and the underlying data, provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the deficits/surplus.

3. Chapter II of this Report provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2015-16 to 2019-20, debt profile of the State and key Public Account transactions based on the Finance Accounts of the State. Information has also been obtained/utilised from the PSUs, Authorities, Ministry of Statistics and Programme Implementation, Government of India and other departments of Government of Uttar Pradesh etc., wherever necessary.

4. Chapter III of this Report is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from constitutional provisions relating to budgetary management.

5. Chapter IV of this Report provides a broad perspective on the quality of accounts rendered by various authorities of the State Government and status of compliance with prescribed financial rules, procedures and directives.

6. Chapter V of this Report provides an overview on the financial performance of State Public Sector Undertakings (PSUs), investment of the State Government in PSUs, budgetary support to PSUs, position of submission of accounts by PSUs, return on Equity and capital employed etc.

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

The audit has been conducted in conformity with Auditing Standards issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY

This Report on the finances of the Government of Uttar Pradesh (GoUP) intends to assess the financial performance of the State during the year 2019-20 and to provide the State Legislature with inputs based on audit analysis of the financial data. In order to put this analysis in a proper perspective, a broad comparison of targets envisaged by the Uttar Pradesh Fiscal Responsibility and Budget Management (UPFRBM) (Amendment) Act, 2016, the Fourteenth Finance Commission Report and the Budget Estimates of the year 2019-20 have been attempted. The Report is structured in five Chapters:

Chapter-I is an overview of the finances of the State at a glance.

Chapter-II is based on the audit of the Finance Accounts and makes an assessment of the fiscal position of GoUP as on 31 March 2020. It provides an insight into trends in expenditure on interest payments, salaries and wages, pensions and debt management.

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

Chapter-IV is an inventory of the GoUP's compliance to various reporting requirements and financial rules.

Chapter-V is an overview on the financial performance of State Public Sector Undertakings (PSUs), Investment of the State Government in PSUs, Budgetary Support to PSUs, position of submission of accounts by PSUs, Return on Equity and Capital employed etc.

Audit Findings

Fiscal position of the State

As indicated in the Accounts, during the year 2019-20, the State has achieved fiscal surplus and revenue surplus of ₹ 11,083 crore and ₹ 67,560 crore respectively. The ratio of total outstanding debt to GSDP (28 *per cent*) is below the targets set out in the budget estimates/ Medium Term Fiscal Restructuring Policy (MTFRP) (29.98 *per cent*), UPFRBM (Amendment) Act, 2016 (30.00 *per cent*) and Fourteenth Finance Commission (31.67 *per cent*).

During the year 2019-20, the State Government transferred the book balance of ₹ 71,180.23 crore of Sinking Fund to revenue receipt account. Being exceptional transaction and without any actual cash receipt, it has impacted the revenue and fiscal surplus of the State. The revenue surplus of ₹ 67,560 crore and fiscal surplus of ₹ 11,083 crore during the year 2019-20 should, therefore, be read in conjunction with the transfer of ₹ 71,180.23 crore from Sinking Fund as revenue receipt of the State without actual cash receipt.

(Paragraphs 1.4.1, 1.4.2, 1.5 and 1.6.1)

Budget Estimates and Actuals

Revenue receipts (₹ 3,66,393 crore) were lower than the budget estimates (₹ 3,91,734 crore) by ₹ 25,341 crore. The shortfall in revenue receipts *vis-a-vis* budget estimates were due to less receipt of Grants-in-aid from Government of India (GoI) and less collection of own tax revenue as compared to budget

estimates/MTFRP. Revenue expenditure (₹ 2,98,833 crore) was lower by ₹ 65,124 crore than the budget estimates (₹ 3,63,957 crore). Further, Capital outlay (₹ 59,998 crore) was lower by ₹ 17,643 crore than the budget estimates (₹ 77,641 crore).

(Paragraphs 1.4.1 and 1.5.2)

Sources and Application of Funds

As per Accounts, Revenue Receipts of ₹ 3,66,393 crore during the year 2019-20 consists of Own Tax Revenue (₹ 1,22,826 crore), Non-Tax Revenue (₹ 81,705 crore), Share of Union Taxes and Duties (₹ 1,17,818 crore) and Grants-in-aid from Government of India (₹ 44,044 crore). Own Tax revenue (₹ 1,22,826 crore) of the State increased by 2.25 *per cent* as compared to 2018-19 mainly due to increase in State Excise, Taxes on vehicles and Taxes and Duties on Electricity. Non Tax Revenue increased by 171.44 *per cent* over the year 2018-19 mainly on account of transfer of book balance of ₹ 71,180.23 crore of Sinking Fund to Non Tax Revenue. Effectively, the receipt of Non Tax Revenue (excluding Sinking Fund transfer) during the year 2019-20 was ₹ 10,525 crore, which was 40 *per cent* lower than the Non Tax Revenue during the year 2018-19.

(Paragraphs 2.3.2, 2.3.2.1 2.3.3.1 and 2.3.4)

Revenue expenditure (₹ 2,98,833 crore) continued to be the dominant component of the total expenditure and its share increased from 74.31 *per cent* in the year 2015-16 to 82.79 *per cent* in the year 2019-20. Committed expenditure (₹ 1,84,604 crore) on salary and wages, pensions and interest payments was 50.38 *per cent* of revenue receipt.

(Paragraphs 2.4.2 and 2.4.4)

Capital expenditure (₹ 59,998 crore) decreased by 3.95 *per cent* during the year 2019-20 as compared to the year 2018-19. Further, Capital Expenditure in all the three sectors, General Sector, Social Sector and Economic Sector, had shown a decline during the year 2019-20 as compared to the year 2018-19.

(Paragraph 2.4.5)

Consolidated Sinking Fund

The Government constituted (March 2020), a Consolidated Sinking Fund (CSF) for redeeming its outstanding liabilities, which is to come into force from financial year 2020-21 and it shall be administered by Reserve Bank of India (RBI). As per the State Government notification (17 March 2020), the outstanding balance under the existing Sinking Fund at end-March 2020 was to be transferred to the Consolidated Sinking Fund. However, the State Government transferred (30 March 2020) the entire balance of the existing Sinking Fund amounting to ₹ 71,180.23 crore as Non Tax Revenue of the State Government.

The State Government had general cash balance of ₹ 21,386.75 crore as on 31 March 2020, which was less than the book balance under Sinking Fund (before transfer to non-tax revenue). As such, the State Government was not in a position to transfer the book balance of Sinking Fund to Consolidated Sinking Fund with RBI which would involve actual cash transfer. However, with the reduction of Sinking Fund balance to zero, the State Government had

no balance available under Sinking Fund/Consolidated Sinking Fund as on 31.03.2020 for amortisation of its open market loans amounting to ₹ 2,91,185.86 crore. Further, the credited amount of the existing Sinking Fund into non-tax revenue could not be utilised for amortisation of borrowings for which it was created. This lack of financial prudence needs to be addressed to ensure availability of adequate fund in Consolidated Sinking Fund for repayment of borrowings.

While closing the existing Sinking Fund, State Government also did not adhere to the accounting principles laid down in the List of Major and Minor Heads of Account of Union and States. Further, this transfer of ₹ 71,180.23 crore was only a book adjustment without actual cash receipt. The revenue surplus and fiscal surplus of the State during the year 2019-20 should, therefore, be read in conjunction with the transfer of ₹ 71,180.23 crore from Sinking Fund as revenue receipt of the State.

Recommendation: *The State Government should ensure that Consolidated Sinking Fund balances are actually invested with Reserve Bank of India and are not mere book entries. Availability of adequate fund in Consolidated Sinking Fund may be ensured and as required under Consolidated Sinking Fund Scheme, State Government should ensure that annual contribution to the fund is at least 0.5 per cent of the outstanding liabilities. Further, the transfers out of the fund are not to be treated as Revenue Receipts and the amount equivalent to loan repaid should be transferred from Sinking Fund to Major Head 8680 (Miscellaneous Government Account) on redemption of debt.*

(Paragraph 2.5.2.1)

State Disaster Response Fund (SDRF)

Contrary to GoI guidelines that the SDRF should be operated under the category “Reserve Funds bearing Interest”, State Government operates its SDRF under the category “Reserve Funds not bearing Interest”. Further, the balances in the Fund are not invested in the manner as laid down in the SDRF guidelines. The State Government had not credited interest of ₹ 116.55 crore for the year 2019-20 on un-invested balances of the Fund.

Recommendation: *The State Government should transfer the SDRF balances to MH 8121- General and Other Reserve Funds under the category “Reserve Funds bearing Interest” and remit to the Fund the accrued interest as per SDRF guidelines. The State Government is also required to invest the fund balances in the manner prescribed in the SDRF guidelines.*

(Paragraph 2.5.2.2)

Contingent Liabilities – Status of Guarantees

For the purpose of redemption of guarantees, the State Government was required to create a Guarantee Redemption Fund as per the recommendations of Twelfth Finance Commission. However, State Government has not created a Guarantee Redemption Fund. The State Government has given guarantees to 23 entities viz. Statutory Corporation, Government Companies and other institutions for repayment of loans raised by them in the year 2019-20. There was an outstanding guarantee of ₹ 1,18,696.49 crore at the end of the year 2019-20. Further, guarantee fee is not being collected/accounted for in the minor head as provided in the List of Major and Minor Heads of Accounts of Union and States.

Recommendation: The State Government should create and operate the Guarantee Redemption Fund as per the recommendations of XII FC. State Government should also ensure that guarantee fees are realised promptly. The Government should stop financial support to the institutions which have not paid the guarantee fees and/or are also in arrears of accounts. Further, collection/accounting of guarantee fee should be aligned to the List of Major and Minor Head of Accounts.

(Paragraphs 2.5.2.3 and 2.7.2.2)

Expenditure without legislative authorisation

State Government failed to ensure legislative authorisation of expenditure of ₹ 51.21 crore incurred by Uttar Pradesh Electricity Regulatory Commission on purchase of land and construction of office building complex, which was violation of the provisions contained in Article 204 of the Constitution.

Recommendation: Expenditure incurred without approval of the State Legislature is against the provisions contained in Article 204 of the Constitution and therefore it should not be allowed. State Government should examine the reasons for expenditure without legislative authorisation in case of construction of UPERC building and fix responsibility.

(Paragraph 3.2.1)

Misclassification of expenditure

Misclassification of expenditure between Revenue as Capital and Capital as Revenue were noticed in a number of cases during the year 2019-20. The combined impact of misclassification of expenditure resulted in overstatement of revenue surplus by ₹ 85.01 crore.

Recommendation: Classification of some expenditure items as Capital or Revenue nature included in certain Object heads, as pointed out in paragraph 3.2.2, needs review and redressal to align it with UP Budget Manual (UPBM).

(Paragraphs 3.2.2, 3.2.2.1, 3.2.2.2 and 3.2.2.3)

Lump Sum provisions

Lump Sum provisions of ₹ 6,767.78 crore under various heads of 18 Grants were allocated in the Budget in contravention of guidelines contained in UP Budget Manual (UPBM) and expenditure of ₹ 6,572.33 crore (97 per cent of the provision) was incurred against these provisions.

Recommendation: Lump Sum budgetary provisions are in contravention of Para 31 of the UPBM and may be restricted or dispensed with altogether, in the light of the provisions of UPBM.

(Paragraph 3.2.3)

Excess expenditure requiring regularisation

There was an excess disbursement of ₹ 10.71 lakh over the authorisation made by the State Legislature under Grant No. 55- Public Works Department (Buildings) during the year 2019-20. Excess expenditure over legislative authorisation has regularly been pointed out in the previous State Finances Audit Report of the State. However, cases of excess expenditure of ₹ 32,525.25 crore under 102 grants and 46 appropriations pertaining to the years 2005-06 to 2018-19 are yet to be regularised by the State Legislature.

Recommendation: Excess expenditure over and above legislative authorisation (pertaining to the period 2005-06 to 2019-20) should be placed before the State Legislature for regularisation in term of the provisions contained in Article 205 of the Constitution.

(Paragraphs 3.2.4.1 and 3.2.4.2)

Savings

Savings of ₹ 1,27,382.47 crore occurred against the total provisions of ₹ 5,26,809.22 crore during the year 2019-20, which was 24.18 per cent of the total budgetary provisions. Such large savings are indicative of wide gap between planning and execution by the State Government. In 71 cases in 49 Grants, there were savings amounting to ₹ 1,24,946.48 crore in excess of ₹ 100 crore in each case. Further, provision of unnecessary/excessive supplementary grants despite savings against original allocations in the Grant prevents disbursement of funds to other departments.

Recommendation: Supplementary provisions and re-appropriations should be based on careful assessment of fund requirements. Finance Department may advice line departments to improve accuracy in cost estimation of schemes/projects at the time of submitting revised estimates in order to optimise utilisation of funds.

(Paragraphs 3.3.1, 3.3.2, 3.3.3, 3.3.4 and 3.3.5)

Rush of expenditure

Rush of expenditure in the last month of the financial year is against the principles of sound management of Public funds. No specific instructions have been given in the UPBM to prevent rush of expenditure. In four Grants, 50 per cent and above expenditure of their total budgeted provisions were incurred in the last month of the financial year 2019-20 i.e. March 2020. Further, out of ₹ 276.95 crore incurred under Grant No. 44 - Tourism Department during March 2020, ₹ 100 crore was transferred to Personal Deposit/Personal Ledger Account, which was in violation of instructions (March 2018) issued by the State Government to administrative departments to stop practice of keeping money under Personal Deposit/Personal Ledger Account after withdrawal from Consolidated Fund.

Recommendation: The Government may consider issuing guidelines to control rush of expenditure towards the closing months of the financial year especially in the month of March in order to maintain a steady pace of expenditure.

(Paragraph 3.3.6)

Delayed surrender of Savings

UPBM provides that the Controlling Officers should surrender all final Savings to the Finance Department by 25th March. However, only ₹ 19,658.69 crore was surrendered out of total Savings of ₹ 1,27,382.47 crore on the last day of the financial year and rest ₹ 1,07,723.78 crore lapsed.

Recommendation: Compliance of instructions in Para 141 of UPBM regarding surrender of funds by 25th March should be ensured for optimising funds utilisation and ensuring budgetary discipline.

(Paragraph 3.3.8)

Government receipts kept out of Government Accounts

Due to non-adoption of account of Building and Other Construction Workers Welfare cess through Government Accounts, it was not ascertainable from the accounts of the State Government as to how much money was collected on account of cess, fee etc. and how much money was transferred to the U.P. Building and Other Construction Workers Welfare (UPBOCW) Board. As per provisional data provided by the Board, the expenditure on registered works ranged from 3.81 to 7.20 per cent of available funds covering 5.55 to 23.36 per cent of registered workers during 2015-16 to 2019-20.

***Recommendation:** Sums collected against labour cess by the UP BOCW Board should be part of Public Account of the State and from there it may be transferred to the Board Account. The UP BOCW Board should fulfil its mandate of improving the working condition of building and other construction workers and providing adequate financial assistance to them.*

(Paragraph 4.1.1)

State Government did not constitute the State Electricity Regulatory Commission Fund. As a result, receipts of ₹ 110.16 crore of the Uttar Pradesh Electricity Regulatory Commission were being kept outside the Public Account of the State.

***Recommendation:** The State Government should constitute the State Electricity Regulatory Commission Fund and credit the fund balance in the Public Account of the State.*

(Paragraph 4.1.2)

Loans of the State Government not being credited to the Consolidated Fund

The State Government resorted to extra-budget borrowings through State owned PSUs/Authorities for meeting expenditure impacting the debt indicators of the State. As a result, Debt-stock increases by ₹ 5,107.58 crore and stood at ₹ 5,07,519.60 crore and Debt-stock to GSDP ratio at 28.28 per cent for the year 2019-20 as against ₹ 5,02,412.02 crore and 28.00 per cent respectively as reported for the year.

***Recommendation:** The State Government should avoid extra-budget borrowings and credit all loans taken by PSUs/Authorities on behalf of State Government but serviced by the State Government, to the Consolidated Fund.*

(Paragraph 4.2)

Un-discharged liabilities in Defined Contribution Pension Scheme

The State Government did not remit ₹ 2,023.76 crore for the Defined Contribution Pension Scheme to the designated fund manager for its further investment during the year 2019-20. As a result, non-remitted fund did not yield any value appreciation as it could not become the part of corpus of investment of the subscribers.

***Recommendation:** The State Government should transfer the entire amount of Defined Contribution Pension Scheme to designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank so that the un-transferred amount could become the part of corpus of investment of the subscribers and yield value appreciation.*

(Paragraph 4.3)

Non-establishment of Uttar Pradesh Road Transport Accident Relief Fund

The State Government did not establish Uttar Pradesh Road Transport Accident Relief Fund (UPRTARF) to provide relief to the passengers or heirs of deceased passengers or other persons suffering casualty as mandated by Uttar Pradesh Motor Vehicle Taxation Act, 1997. As a result, a sum of ₹ 536.38 crore has not been credited to UPRTARF during 2015-16 to 2019-20.

Recommendation: *Being the statutory requirement, the Government should create the 'Uttar Pradesh Road Transport Accident Relief Fund' so that the fund could be utilised for benefit of the affected persons.*

(Paragraph 4.4)

Delay in submission of Utilisation Certificates (UCs)

There were 41,376 UCs aggregating ₹ 15,697.94 crore outstanding as on 31 March 2020 for Grants released during the period 2001-02 to 2018-19 (up to September 2018). In the absence of UCs, there is no assurance that moneys disbursed have been used for the purposes for which they were sanctioned/authorised by the Legislature. Moreover, high pendency of UCs was fraught with the risk of embezzlement, diversion and misappropriation of funds.

Recommendation: *The Government may ensure timely submission of utilisation certificates by the departments in respect of the grants released for specific purposes and all pendencies may be reviewed before release of fresh grants to defaulting grantees.*

(Paragraph 4.5)

Abstract Contingent (AC) Bills

In violation of codal provisions for adjustment of AC bills by the end of the next month of drawl, 1,323 AC bills involving advance of ₹ 17.06 crore were pending for adjustment as on 31 March 2020 which included 1,185 AC bills drawn up to the year 2017-18.

Recommendation: *The Finance Department should ensure that all controlling officer adjust Abstract Contingent bills within stipulated period, as required under the Rules.*

(Paragraph 4.6)

Personal Deposit Accounts

Out of total 781 Personal Ledger Accounts (PLA)/Personal Deposit (PD) Accounts, 225 PLA/PD Accounts having a balance of ₹ 11.95 crore were inoperative during last three years. These inoperative PLA/PD Accounts were not closed by the State Government in contravention of the codal provisions of Uttar Pradesh Personal Ledger Account Rules 1998.

Recommendation: *The Finance Department should review all PD accounts to ensure that all amounts unnecessarily lying in these PD accounts are immediately remitted to the Consolidated Fund. Further, the Finance Department should reiterate the instructions contained in the financial*

rules/codal provisions and ensure that appropriate action is taken against departmental officers who fail to follow the rules.

(Paragraph 4.7)

Indiscriminate use of Minor head 800 and Object Head 42

A sum of ₹ 36,247.60 crore under 82 Revenue and Capital Major Heads of Accounts on the expenditure side and on the receipt side, ₹ 76,255.58 crore were recorded under minor head 800-Other Expenditure/Receipts under concerned Major Heads during the year 2019-20. The booking of large amounts under the Minor Head '800-Other Expenditure' affects the transparency in financial reporting. Further, expenditure of ₹ 11,820.86 crore was made under Object Head '42- Other Expenditure' which was 3.08 per cent of total expenditure of ₹ 3,83,351.68 crore under the Consolidated Fund of the State during the year 2019-20. In 18 grants, the expenditure under Object Head '42- Other Expenditure' was more than five per cent of total expenditure of these grants. The classification of large amounts under the Object Head '42- Other Expenditure' does not give a complete picture in financial reporting.

Recommendation: *The Finance Department should, in consultation with the Accountant General (A&E), conduct a comprehensive review of all items presently appearing under minor head 800 and ensure that all such receipts and expenditure are in future booked under the appropriate heads of account. Further, at object head level, indiscriminate use of object head 42-Other expenditure should be minimised.*

(Paragraphs 4.8 and 4.9)

Functioning of State Public Sector Undertakings

As on 31 March 2020, Uttar Pradesh had 113 State Public Sector Undertakings (PSUs) consisting of six Statutory Corporations and 107 Government companies (including 44 non-functional Government companies) under the audit jurisdiction of the Comptroller and Auditor General of India. This Report covers financial performance of 33 PSUs whose accounts were not in arrears for three years or more and were functional/not under liquidation. These 33 functional PSUs registered an annual turnover of ₹ 69,786 crore as per their latest finalised accounts. This turnover was equal to 3.89 per cent of Gross State Domestic Product (GSDP) of Uttar Pradesh for the year 2019-20.

(Paragraph 5.1)

Stake of Government of Uttar Pradesh and performance of PSUs

As on 31 March 2020, the total investment (equity and long-term loans) in 33 PSUs, whose financial performance is covered in this report, was ₹ 2,21,303.75 crore. The investment consisted of 59.44 per cent towards equity and 40.56 per cent in long-term loans. Out of this, GoUP has investment of ₹ 1,31,849.34 crore in these PSUs consisting of equity of ₹ 1,28,647.69 crore and long-term loans of ₹ 3,201.65 crore.

As per the latest finalised accounts up to the year 2019-20, the overall loss incurred by 33 PSUs was ₹ 14,210.90 crore. Out of 33 PSUs, 15 PSUs earned profit of ₹ 517.61 crore and 18 PSUs incurred loss of ₹ 14,728.51 crore. The top loss-making PSUs were Uttar Pradesh Power Corporation Limited (₹ 8,118.80 crore) and Dakshinanchal Vidyut Vitran Nigam Limited

(₹ 2,567.16 crore) and the top profit-making PSUs were Uttar Pradesh Avas Evam Vikas Parishad (₹ 167.37 crore) and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (₹ 123.75 crore).

(Paragraphs 5.2 and 5.6)

Reconciliation with Finance Accounts of Government of Uttar Pradesh

The figures in respect of equity, loans and guarantees outstanding as per records of the State PSUs should agree with that of the figures appearing in the Finance Accounts of the Government of Uttar Pradesh. However, as on 31 March 2020, differences in equity, loans and guarantee existed in respect of 64 PSUs. These differences between the figures are persisting since last many years, though the issue of reconciliation of differences was also taken up by the audit with the concerned PSUs and the Departments from time to time.

Recommendation: *The State Government and the respective PSUs should reconcile the differences in figures of equity, loans and guarantees outstanding as per records of the PSUs and as per the Finance Accounts of GoUP in a time bound manner.*

(Paragraph 5.4)

Arrears of accounts

Out of 69 functional PSUs, only three PSUs had submitted their accounts for the year 2019-20 and remaining 66 functional PSUs had arrears of 255 accounts. Out of 44 non-functional PSUs, one PSU viz. Uttar Pradesh State Yarn Company Limited had submitted its accounts for the year 2019-20, 41 PSUs had arrears of 674 accounts and remaining two PSUs had no arrear of accounts up to the date of going into liquidation. GoUP had provided ₹ 59,832.24 crore (Equity: ₹ 18,681.08 crore, Loan: ₹ 1,837.27 crore, Grant ₹ 15,525.07 crore and Subsidies: ₹ 23,788.82 crore) in 41 out of the 107 State PSUs during the period for which their accounts were in arrears.

Recommendation: *The Administrative Departments should strictly monitor and issue necessary directions to liquidate the arrears in accounts of PSUs. The Government may also look into the constraints in preparing the accounts of the PSUs and take necessary steps to liquidate the arrears in accounts.*

(Paragraphs 5.16)

CHAPTER - I

Overview

CHAPTER-I

OVERVIEW

1.1 Profile of the State

Uttar Pradesh in northern India is the most populous state of the country. The population of the State¹ increased from 19.98 crore in 2011 to 22.79 crore in 2020, recording a decadal growth of 14.08 *per cent*, as against the decadal growth rate of India at 11.25 *per cent*. It is India's third largest State economy driven largely by agriculture, with per capita income half of the national average. During the year 2018-19, per capita income of the State stood at ₹ 66,512 at current prices which was 47 *per cent* lower than the per capita income (₹ 1,26,406) of India. Agriculture is the largest employer², employing two in every three workers. It is a major producer of pulses, dairy, wheat, paddy, sugarcane, maize, potatoes, mangoes, leather and handicrafts. The percentage of population below the poverty line³ was 29.43 *per cent* in 2011-12. The literacy rate⁴ was 67.7 *per cent* in 2011 census; however, it was 5.3 *per cent* below the All-India average of 73 *per cent* in the census year 2011.

Table 1.1: General Data

Sl. No.	Particulars		Figures
1	Area		2,40,928 Sq. Km.
2	Population		
	a.	As per Census 2011	19.98 crore
	b.	Year 2020	22.79 crore
3	a.	Density of Population (as per 2001 Census) (All India Density = 325 persons per Sq. Km)	690 persons per Sq. Km.
	b.	Density of Population ⁵ (as per 2011 Census) (All India Density = 382 persons per Sq. Km)	829 persons per Sq. Km.
4	Population below poverty line (BPL) ³ (2011-12) (All India Average = 21.92 <i>per cent</i>)		29.43 <i>per cent</i>
5	a.	Literacy (as per 2001 Census) (All India Average = 64.80 <i>per cent</i>)	56.3 <i>per cent</i>
	b.	Literacy ⁶ (as per 2011 Census) (All India Average = 73 <i>per cent</i>)	67.7 <i>per cent</i>
6	Infant mortality rate ⁷ (2018) (per 1000 live births) (All India Average = 32 per 1000 live births)		43 per 1000 live births

¹ Population projection for India and State 2011-36 (November 2019), Table 8, Report of the Technical Group on population projection constituted by the National Commission on Population.

² <http://www.up.gov.in/Social-Demography.pdf>

³ Reserve Bank of India, Table 162 (Number and Percentage of Population Below Poverty line, https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/162T_BST130913.pdf)

⁴ Uttar Pradesh at a Glance 2019 published by Economic and Statistics Division, State Planning Institute, Planning Department, Uttar Pradesh.

⁵ Uttar Pradesh 'At A Glance 2019', published by Economic and Statistic Division, State Planning Institute, Planning Department, Uttar Pradesh (updes.up.nic.in).

⁶ Uttar Pradesh 'At A Glance 2019', published by Economic and Statistic Division, State Planning Institute, Planning Department, Uttar Pradesh (updes.up.nic.in).

⁷ censusindia.gov.in/vital-statistics/SRS-Report-2018.

Sl. No.	Particulars	Figures	
7	Life Expectancy at birth ⁸ (2013-17) (All India Average = 69 years)	65 years	
8	Gross State Domestic Product (GSDP) at current prices	₹ 17,94,508 crore	
9	Per capita GSDP CAGR (2011-12 to 2019-20)	Uttar Pradesh	10.32
		General Category States	10.53
10	GSDP CAGR (2011-12 to 2019-20)	Uttar Pradesh	12.01
		General Category States	11.98
11	Decadal Population Growth ⁹ (2011 to 2020)	Uttar Pradesh	14.08 <i>per cent</i>
		General Category States	11.13 <i>per cent</i>

1.1.1 Gross State Domestic Product of the State

Gross State Domestic Product (GSDP) is the value of all goods and services produced within the boundaries of the State in a given time period. Growth of GSDP is an important indicator of the State's economy, as it denotes the extent of changes in the level of economic development of the State over a period of time.

Changes in sectoral contribution to the GSDP is also important to understand the changing structure of the economy. Economic activity is generally divided into Primary, Secondary and Tertiary sectors, which correspond to the Agriculture, Industry and Service sectors.

The trends in annual growth of Gross Domestic Product (GDP) of India and GSDP of the State at current prices are given in **Table 1.2**.

Table 1.2: Trends in GSDP compared to the national GDP¹⁰ at current prices

Year	2015-16	2016-17	2017-18	2018-19	2019-20
National GDP (2011-12 Series)	1,37,71,874	1,53,91,669	1,70,98,304	1,89,71,237	2,03,39,849
Growth rate of GDP over previous year (in <i>per cent</i>)	10.46	11.76	11.09	10.95	7.21
State's GSDP (2011-12 Series)	11,37,808	12,90,289	14,60,443	16,68,229	17,94,508
Growth rate of GSDP over previous year (in <i>per cent</i>)	12.45	13.40	13.19	14.23	7.57

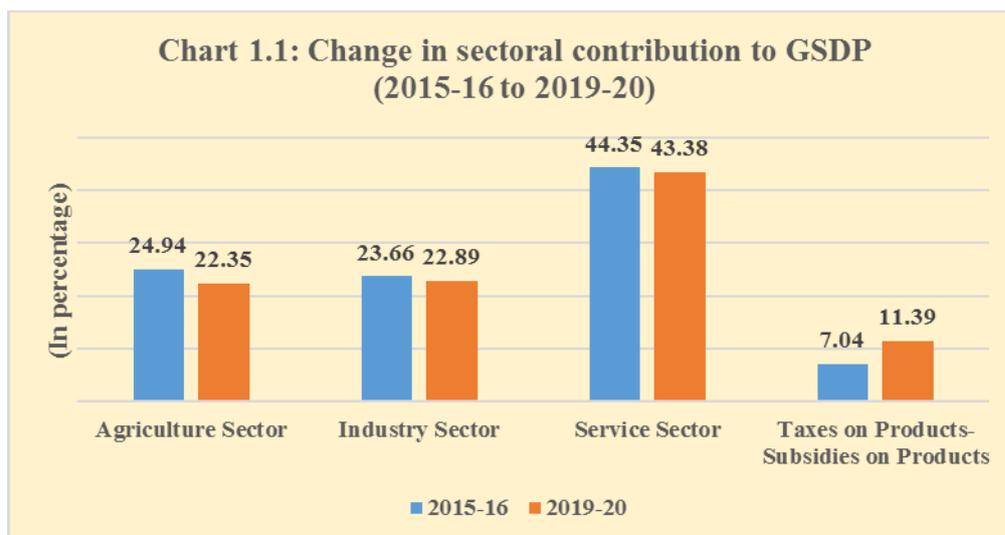
Source: Ministry of Statistics and Programme Implementation, Government of India

The growth rate of GSDP was 14.23 *per cent* during the year 2018-19 and broadly showed an increasing trend during the period 2015-19 but dropped to 7.57 *per cent* during the year 2019-20. However, during the period 2015-20, GSDP growth rate of Uttar Pradesh was higher than India's GDP growth rate. Comparative position of sectoral contribution to GSDP in 2015-16 with that of 2019-20 is given in **Chart 1.1**.

⁸ SRS based Life Table 2013-17 published by the Office of the Registrar General & Census Commissioner, GoI.

⁹ Population projections for India and States 2011-2036 (Table 8)

¹⁰ GDP and GSDP at current prices for the years 2015-16 to 2018-19 are revised by the Central/State Government, hence, percentage ratio/buoyancies of various parameters with reference to GDP/GSDP for 2015-16 to 2018-19 indicated in earlier State Finances Audit Reports have also been revised. GSDP statement released by Ministry of Statistics and Programme Implementation, Government of India (MoSPI, GoI) on its website as on 31.07.2020, has been included in this Audit Report. GDP is as per MoSPI press release dated 29.05.2020.

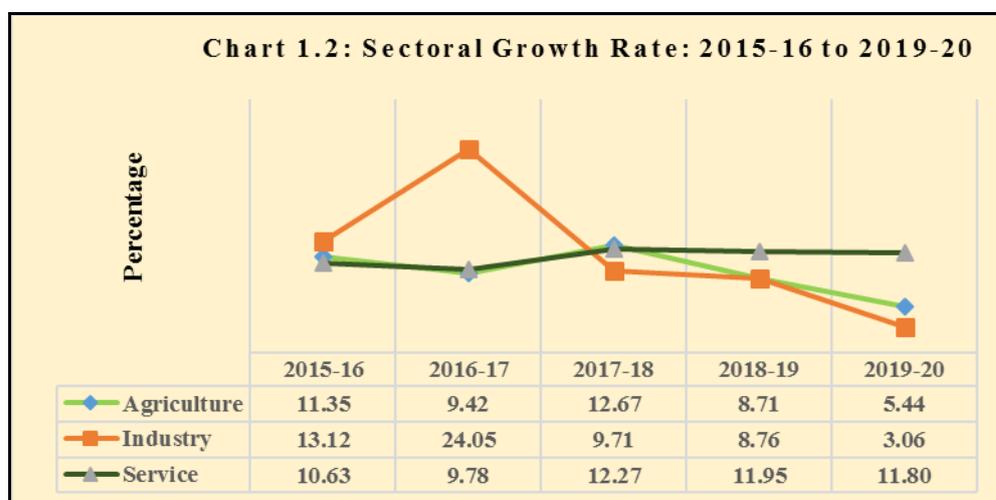


Source: Directorate of Economics and Statistics, Government of Uttar Pradesh

Note: **Agriculture (Primary) Sector** includes Agriculture (including Animal Husbandry), Forestry, Fishing and Mining and quarrying; **Industry (Secondary) Sector** includes Manufacturing, Electricity, Gas, Water supply & other utility services and Construction and **Service (Tertiary) Sector** includes Trade, Hotels and restaurants, Transport, Storage, Communication, Financing services, Real estate, Community, Public administration and Other services.

Sectoral growth in GSDP

Sectoral growth of all the sectors is depicted in **Chart 1.2:**



Source: Directorate of Economics and Statistics, Government of Uttar Pradesh

It is evident from the chart above that the growth rate of Industry sector has shown a decline particularly since 2017-18 while the rate of growth of Service sector has been more or less steady during the five-year period. The decline in rates of growth in Industry and Agriculture sector in 2017-20 have led to a deceleration of GSDP growth of the State to 7.57 per cent in the year 2019-20.

1.2 Basis and Approach to State Finances Audit Report

In terms of Article 151 (2) of the Constitution of India, the reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. The State Finances Audit Report

(SFAR) is prepared and submitted under Article 151(2) of the Constitution of India.

Accountant General (Accounts & Entitlements) prepares the Finance Accounts and Appropriation Accounts of the State annually, from the vouchers, challans and initial and subsidiary accounts rendered by the treasuries, offices and departments responsible for keeping such accounts functioning under the control of the State Government, and the statements received from the Reserve Bank of India. These accounts are audited independently by the Principal Accountant General (Audit) and certified by the CAG.

Finance Accounts and Appropriation Accounts of the State together with the Budget document of the State constitute the core data for this Report. Other sources include the following:

- Results of audit carried out by the Office of the Principal Accountant General (Audit);
- Other data with Departmental Authorities and Treasuries (accounting as well as MIS),
- GSDP data and other State related statistics; and
- Various Audit Reports of the CAG of India.

The analysis was also carried out in the context of recommendations of the XIV Finance Commission (FC), State Fiscal Responsibility and Budget Management Act, best practices and guidelines of the Government of India. The draft Report was forwarded to the State Government for comments on 22 February 2021. Replies of the State Government are awaited (July 2021).

1.3 Report Structure

The SFAR is structured into the following five Chapters:

Chapter - I	Overview This Chapter describes the basis and approach to the Report and the underlying data, provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the deficits/surplus.
Chapter - II	Finances of the State This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2015-16 to 2019-20, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
Chapter - III	Budgetary Management This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from constitutional provisions relating to budgetary management. Observations with respect to integrity of budgetary and accounting process viz. expenditure without authority of law, misclassification of expenditure between capital and revenue and <i>vice versa</i> , unnecessary or excessive

	supplementary grants, unnecessary or excessive re-appropriation, excess expenditure and its regularisation, transparency and effectiveness of budgetary and accounting process, have been included.
Chapter - IV	Quality of Accounts and Financial Reporting Practices This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government. Observations with respect to completeness, transparency and measurement of accounts alongwith issues related to disclosures, have been included.
Chapter - V	Functioning of State Public Sector Undertakings This chapter discussed the financial performance of State Public Sector Undertakings (PSUs), investment of the State Government in PSUs, budgetary support to PSUs, position of submission of accounts by PSUs, return on equity and capital employed etc.

1.4 Overview of Government Accounts Structure and Budgetary Processes

The Accounts of the State Government are kept in three parts:

i. Consolidated Fund of the State (Article 266 (1) of the Constitution of India)

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from Financial Institutions, Special Securities issued to National Small Savings Fund, etc.), Ways and Means advances extended by the Reserve Bank of India and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund except in accordance with law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (e.g., salaries of Constitutional authorities, loan repayments etc.), constitute a charge on the Consolidated Fund of the State (Charged expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure) is voted by the Legislature.

ii. Contingency Fund of the State (Article 267(2) of the Constitution of India)

This Fund is in the nature of an imprest which is established by the State Legislature by law, and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head relating to the Consolidated Fund of the State.

iii. Public Account of the State (Article 266(2) of the Constitution)

Apart from the above, all other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to

the Public Account. The Public Account includes repayables like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

There is a constitutional requirement in India (Article 202) to present before the House or Houses of the Legislature of the State, a statement of estimated receipts and expenditures of the government in respect of every financial year. This 'Annual Financial Statement' constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditures.

Revenue receipts consist of own tax revenue, non-tax revenue, share of Union Taxes/ Duties, and grants from Government of India.

Revenue expenditure consists of all those expenditures of the government which do not result in creation of physical or financial assets. It relates to those expenses incurred for the normal functioning of the government departments and various services, interest payments on debt incurred by the government, and grants given to various institutions (even though some of the grants may be meant for creation of assets).

The **Capital receipts** consist of:

- **Debt receipts:** Market Loans, Bonds, Loans from financial institutions, Net transaction under Ways and Means Advances, Loans and Advances from Central Government, etc.,
- **Non-debt receipts:** Proceeds from disinvestment, Recoveries of loans and advances,

Capital Expenditure includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares and loans and advances by the government to PSUs and other parties.

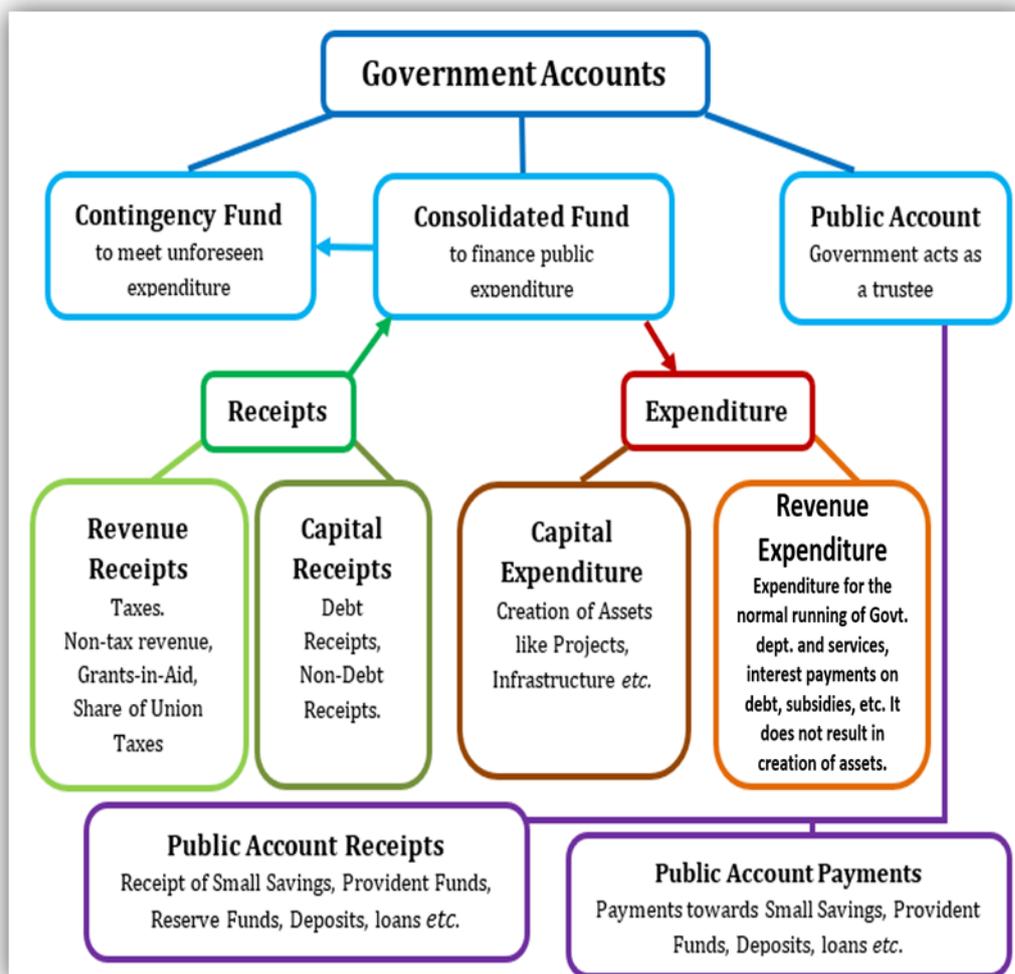
At present, there is an accounting classification system in government that is both functional and economic.

	Attribute of Transaction	Classification
Standardised in List of Major and Minor Heads (LMMH) of Account of Union and States, issued by Controller General of Accounts (CGA)	Function- Education, Health, etc. /Department	Major Head under Grants (4-digit)
	Sub-Function	Sub Major head (2-digit)
	Programme	Minor Head (3-digit)
Flexibility left for States	Scheme	Sub-Head (2-digit)
	Sub scheme	Detailed Head (2-digit)
	Economic nature/Activity	Object Head-Salary, Minor Works, etc. (2-digit)

The functional classification helps in identifying the department, function, scheme or programme, and object of the expenditure. Economic classification helps organise these payments as revenue, capital, debt, etc. Economic

classification is achieved by the numbering logic embedded in the first digit of 4-digit Major Heads. Object head is the primary unit of appropriation in the budget documents.

Structure of Government Accounts



Finance Accounts and Appropriation Accounts

The transactions of the State Government are captured in Finance Accounts and Appropriation Accounts, which are prepared by the office of the Accountant General (Accounts & Entitlement), Uttar Pradesh.

Finance Accounts of the State present the accounts of receipts and outgoings 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 liabilities and assets of the State Government as worked out from the balances recorded in the accounts. The Finance Accounts, generally (with some exceptions), depict transactions up to the Minor Head. The figures in the Finance Accounts are depicted at net level, i.e., after accounting for recoveries as reduction of expenditure.

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of Grants voted and Appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Articles 204 and 205 of the Constitution of India. Appropriation Accounts are on gross basis. These

Accounts facilitate understanding of utilisation of funds, the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of the State shall cause to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year, referred to as the **Annual Financial Statement**. In terms of Article 203, the Statement is submitted to the State Legislature in the form of Demands for Grants/ Appropriations and after approval of these, the Appropriation Bill is passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

The Uttar Pradesh Budget Manual details the budget formulation process and guides the State Government in preparing its budgetary estimates and monitoring its expenditure activities. Results of audit scrutiny of budget and implementation of other budgetary initiatives of the State Government are detailed in **Chapter III** of this Report.

1.4.1 Snapshot of Finances

Summary of fiscal operations gives an overview of the fiscal position, comparison of budget estimates with actuals achieved. Status of fiscal indicators i.e. Fiscal Deficit and Revenue Deficit are discussed in **Paragraph 2.7** of this Report. **Table 1.3** provides the details of actual financial results, Budget Estimates for the year 2019-20 *vis-a-vis* actuals of 2019-20.

Table 1.3: Budget Estimates *vis-a-vis* actual of 2019-20

<i>(₹ in crore)</i>						
Sl. No.	Components	2019-20 (Budget Estimate)	2019-20 (Revised Estimate)	2019-20 (Actuals)	Percentage of Actuals to Budget Estimate	Percentage of Actuals to GSDP
1.	Own Tax Revenue	1,40,176.00	1,34,038.94	1,22,825.83	87.62	6.84
2.	Non-Tax Revenue	30,632.96	31,375.92	81,705.08 ¹¹	266.72	4.55
3.	Share of Union taxes/duties	1,52,863.17	1,35,312.19	1,17,818.30	77.07	6.57
4.	Grants-in-aid and Contributions	68,062.27	69,538.4	44,043.97	64.71	2.45
5.	Revenue Receipts (1+2+3+4)	3,91,734.40	3,70,265.45	3,66,393.18	93.53	20.42
6.	Recovery of Loans and Advances (Non-Debt Capital Receipt)	5,681.60	5,681.6	5,640.58	99.28	0.31
7.	Public Debt Receipts	73,268.48	63,268.48	73,808.69	100.74	4.11
8.	Capital Receipts (6+7)	78,950.08	68,950.08	79,449.27	100.63	4.43
9.	Total Receipts (5+8)	4,70,684.48	4,39,215.53	4,45,842.45	94.72	24.84

¹¹ Non Tax Revenue includes transfer of outstanding book balance of ₹ 71,180.23 crore of Sinking Fund in March 2020.

Sl. No.	Components	2019-20 (Budget Estimate)	2019-20 (Revised Estimate)	2019-20 (Actuals)	Percentage of Actuals to Budget Estimate	Percentage of Actuals to GSDP
10.	Revenue Expenditure of which	3,63,957.04	3,43,983.28	2,98,833.04	82.11	16.65
11.	Interest payments	35,373.92	34,562.53	34,813.02	98.41	1.94
12.	Capital Expenditure of which	80,369.58	82,368.80	62,118.03	77.29	3.46
13.	Capital Outlay	77,641.13	79,010.91	59,998.03	77.28	3.34
14.	Disbursement of Loans and advances	2,728.45	3,357.89	2,120.00	77.70	0.12
15.	Total Expenditure (10+12)	4,44,326.62	4,26,352.08	3,60,951.07	81.24	20.11
16.	Revenue Deficit (-)/ Surplus (+) (5-10)	27,777.36	26,282.17	67,560.14	243.22	3.76
17.	Fiscal Deficit(-)/ Surplus(+)(5+6-15)	(-)46,910.62	(-)50,405.03	11,082.69	-	0.62
18.	Primary Deficit (-) Surplus¹² (+) {(5+6)-(15-11)}	(-)11,536.70	(-)15,842.50	45,895.71	-	2.56

Source: Finance Accounts 2019-20 and budget documents of the State Government

During the year 2019-20, the State Government transferred the book balance of ₹ 71,180.23 crore of Sinking Fund to revenue receipt account. Being exceptional transaction and without any actual cash receipt, it has impacted the revenue and fiscal surplus of the State. The revenue surplus of ₹ 67,560 crore and fiscal surplus of ₹ 11,083 crore during the year 2019-20 should, therefore, be read in conjunction with the transfer of ₹ 71,180.23 crore from Sinking Fund as revenue receipt of the State without actual cash receipt as discussed in Paragraph 2.5.2.1 in detail.

1.4.2 Snapshot of Assets and liabilities of the Government

Government Accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from public account and reserve funds, and the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

An abstract of liabilities and the assets as on 31 March 2020, compared with the corresponding position on 31 March 2019 is given in Table 1.4.

¹² Refers to the fiscal deficit minus the interest payments

Table 1.4: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities				Assets					
Particulars	As at 31 March 2019	As at 31 March 2020	Per cent increase/decrease	Particulars	As at 31 March 2019	As at 31 March 2020	Per cent increase/decrease		
Consolidated Fund									
A	Internal Debt	3,53,189.92	4,05,048.84	14.68	A	Gross Capital Outlay	5,21,867.09	5,81,865.12	11.50
B	Loans and Advances from GoI	11,979.59	11,528.75	-3.76	B	Loans and Advances	30,709.56	27,188.98	-11.46
Contingency Fund									
	Contingency Fund (Corpus)	600.00	600.00	0.00		Contingency Fund (unrecouped)	629.73	0.00	-100
Public Account									
A	Small Savings, Provident Funds, etc.	54,413.34	57,727.01	6.09	A	Advances	75.34	58.43	-22.44
B	Deposits	25,687.88	23,581.17	-8.20	B	Remittance	113.09	0.00	-100.00
C	Reserve Funds	72,824.77	4,526.25 ¹³	-93.78	C	Suspense and Miscellaneous	3,081.44	4,909.54	59.33
D	Remittances	0.00	200.41	-		Cash balance (including investment in Earmarked Fund)	26,912.11	21,443.36	-20.32
E	Cumulative Excess of Receipt over expenditure	64,692.86	1,32,253.00	104.43		Cumulative Excess of Expenditure over Receipts	-	-	-
Total		5,83,388.36	6,35,465.43		Total		5,83,388.36	6,35,465.43	

Source: Finance Accounts 2019-20

The increase in cumulative excess of receipt over expenditure during 2019-20 was mainly due to book transfer of entire balance of Sinking Fund (₹ 71,180.23 crore) under Reserve Funds to Non Tax Revenue of the State. No cash was received by the State Government out of this transaction.

According to Fiscal Responsibility and Budget Management (FRBM) Act, 2004, the total liability means the liabilities under the Consolidated Fund of the State and the Public Account of the State. The State Government, during the period 2017-19 could not restrict liabilities to 30.50 per cent of the GSDP as stipulated in UP FRBM (Amendment) Act, 2016. Total liabilities during the years 2017-2018 and 2018-19 stood at ₹ 4,67,842.18 crore (32.03 per cent of GSDP) and ₹ 5,18,095.50 crore (31.06 per cent of GSDP) respectively. However, during the financial year 2019-20, total liabilities stood at ₹ 5,02,412.02 crore (28 per cent of GSDP) which was within the target (30.00 per cent of GSDP) stipulated in UP FRBM (Amendment) Act 2016.

1.5 Fiscal Balance: Achievement of deficit and total debt targets

The Government of Uttar Pradesh enacted the Uttar Pradesh Fiscal Responsibility and Budget Management (UPFRBM) Act, 2004 with the

¹³ Decrease in reserve funds was primarily due to transfer of book balance of ₹ 71,180.23 crore of Sinking Fund in March 2020 to Non-Tax Revenue.

objective of ensuring prudence in fiscal management by eliminating revenue deficit, reducing fiscal deficit and overall/ outstanding debt to acceptable level, establishing improved debt management and improving transparency in a medium term framework. In this context, the Act provides quantitative targets to be adhered by the State with regard to deficit measures and debt level.

The performance of the State during the period 2015-20 under key fiscal indicators provided in the UPFRBM Act as amended from time to time is depicted in **Table 1.5**.

Table 1.5: Compliance with provisions of UPFRBM Act

Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹ in crore)				
		2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Deficit (-)/ Surplus (+) (₹ in crore)	Revenue Surplus	14,340	20,283	12,552	28,250	67,560
		✓	✓	✓	✓	✓
Fiscal Deficit (-)/ Surplus (+) ¹⁴ (as percentage of GSDP)	Three per cent	-34,143 3.00	-41,187 3.19	-27,810 1.90	-35,203 2.11	+11,083 0.62
		✓	✗	✓	✓	✓
Ratio of total outstanding debt ¹⁵ to GSDP (in per cent)	31 per cent during 2015-16 and 2016-17, 30.50 per cent during 2017-18 and 2018-19 and 30.00 per cent during 2019-20	32.28	32.80	32.03	31.06	28.00
		✗	✗	✗	✗	✓

Source: Budget documents of the State Government, UPFRBM Act, 2004, UPFRBM (Amendment) Act, 2016 and Finance Accounts of the respective years

As indicated in the Accounts, during the year 2019-20, the ratio of fiscal deficit to GSDP was within the targets as set out in the budget estimates/MTFRP, UPFRBM Act and Fourteenth Finance Commission. As against the target to maintain Fiscal Deficit of not more than three per cent of estimated GSDP, there was fiscal surplus (₹ 11,083 crore) which was 0.62 per cent of GSDP. The ratio of total outstanding debt to GSDP (28.00 per cent) was below the targets set out in the budget estimates/ MTFRP (29.98 per cent), UPFRBM Act (30.00 per cent) and Fourteenth Finance Commission (31.67 per cent). The State revenue surplus has increased from ₹ 28,250 crore (1.69 per cent of GSDP) in 2018-19 to ₹ 67,560 crore (3.76 per cent of GSDP) in 2019-20.

The State has achieved its target of revenue surplus proposed in the MTFRP (₹ 27,777 crore) and in the revised budget (₹ 26,282 crore) during the year 2019-20. The primary deficit of ₹ 3,161 crore (0.19 per cent of GSDP) in 2018-19 got converted into primary surplus of ₹ 45,896 crore (2.56 per cent of GSDP) in 2019-20. However, these achievement during the year 2019-20 should be viewed in conjunction with the transfer of ₹ 71,180.23 crore from Sinking Fund as revenue receipt of the State without actual cash receipt.

¹⁴ Excluding expenditure on UDAY during 2015-17.

¹⁵ Total outstanding debt during 2015-17 includes borrowings on account of UDAY.

1.5.1 Medium Term Fiscal Restructuring Policy

UPFRBM Act 2004 lays down that the State Government shall in each financial year lay before both Houses of the Legislature a Medium Term Fiscal Restructuring Policy (MTFRP) along with the annual budget. The MTFRP shall set forth a five-year rolling targets for the prescribed fiscal indicators with specification of underlying assumptions.

1.5.2 Comparative position of fiscal parameters: Projected in MTFRP with Actuals

Comparison of targets for fiscal parameters projected in MTFRP 2019 presented to the State Legislature with actuals for the year 2019-20 are depicted in Table 1.6.

Table 1.6: Projection in MTFRP vis-à-vis Actuals for 2019-20

(₹ in crore)				
Sl. No.	Fiscal Variables	Projection as per MTFRP	Actuals (2019-20)	Variation (in per cent)
1	Own Tax Revenue	1,40,176.00	1,22,825.83	(-)12.38
2	Non-Tax Revenue	30,632.96	81,705.08 ¹⁶	166.72
3	Share of Union taxes/duties	1,52,863.17	1,17,818.30	(-)22.93
4	Grants -in-aid from GoI	68,062.27	44,043.97	(-)35.29
5	Revenue Receipts (1+2+3+4)	3,91,734.40	3,66,393.18	(-)6.47
6	Revenue Expenditure	3,63,957.04	2,98,833.01	(-)17.89
7	Revenue Deficit (-)/ Surplus (+)	27,777.36	67,560.17	143.22
8	Fiscal Deficit (-)/ Surplus (+)	(-)46,910.62	11,082.69	123.63
9	Primary Deficit (-)/ Surplus (+)	(-)11,536.70	45,895.71	497.82
10	Debt stock-GSDP ratio (per cent)	29.98	28.00	(-)6.60
11	GSDP growth rate at current prices (per cent) ¹⁷	7.00	7.57	8.14

Source: Finance Accounts 2019-20 and budget documents of State Government.

Analysis of the above table revealed that:

- Shortfalls in revenue receipts were due to less receipts of Share of Union Taxes/Duties (₹ 35,044.87 crore), Grants-in-aid from GoI (₹ 24,018.30 crore) and Own Tax Revenue (₹ 17,350.17 crore) as compared to MTFRP projections. Further analysis revealed that shortfalls in Own Tax Revenue (₹ 17,350.17 crore) were mainly under State Goods and Services Taxes (₹ 5,748 crore) followed by Taxes on sales, trade etc. (₹ 4,143 crore), State excise (₹ 4,192 crore), Stamps and registration fee (₹ 3,109 crore), Land revenue (₹ 352 crore) and Taxes on vehicles (₹ 149 crore). Further, Non-tax revenue showed a positive variation in comparison to MTFRP primarily due to transfer of book balance of ₹ 71,180.23 crore of Sinking Fund to revenue receipt account. If this transfer is excluded from non-tax revenue, actuals will come down to ₹ 10,524.85 crore which is much below (65.64 per cent) the amount projected in MTFRP on this account.
- Shortfalls in revenue expenditure were noticed across all the three sectors: (i) General Services (₹ 31,998 crore; primarily due to non-appropriation towards reduction or avoidance of debt - ₹ 21,857.01 crore), (ii) Social

¹⁶ Including transfer of outstanding book balance of ₹ 71,180.23 crore of Sinking Fund to Non Tax Revenue.

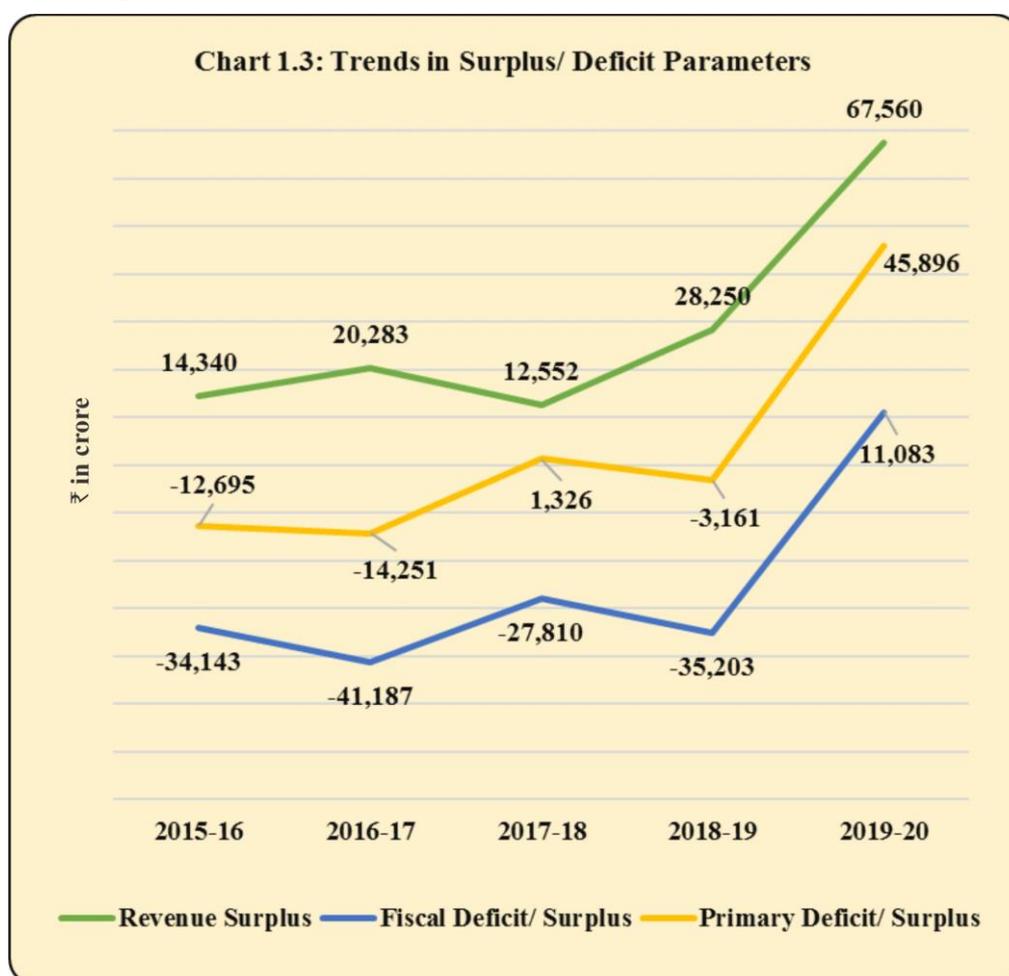
¹⁷ In MTFRP 2019, the State Government had projected GSDP of ₹ 15,79,807 crore for the year 2019-20 and revised estimate of ₹ 14,76,455 crore for 2018-19.

Services - ₹ 24,900 crore; primarily in Education, Sports, Art and Culture segment - ₹ 6,360.30 crore, in Health and Family Welfare segment - ₹ 2,982.15 crore and in Water Supply, Sanitation, Housing and Urban Development segment - ₹ 7,790.41 crore and under (iii) Economic Services (₹ 8,227 crore; primarily in Agriculture & Allied activities - ₹ 2,228.81 crore, in Rural Development - ₹ 5,682.05 crore).

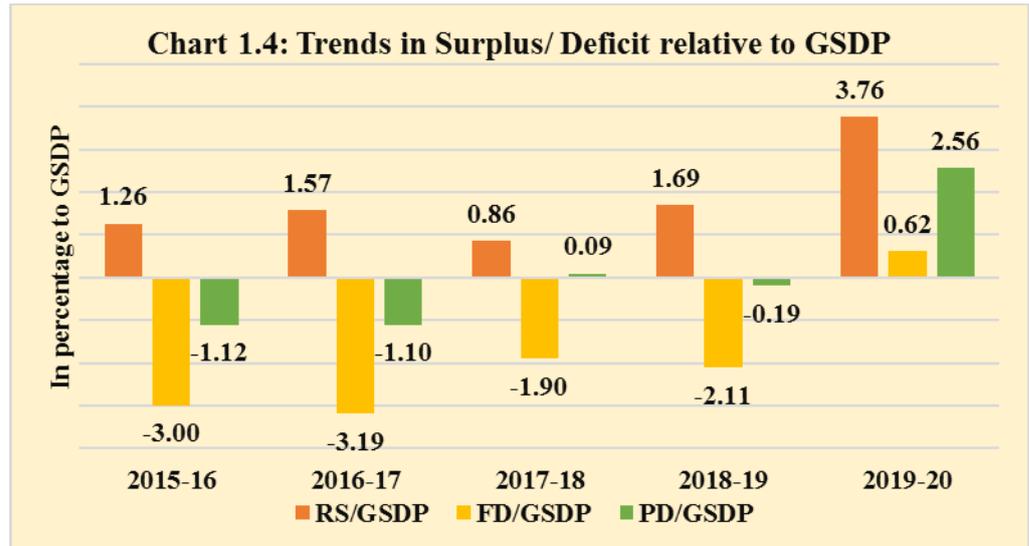
- Against the projected figures in MTFRP, revenue surplus and fiscal deficit reported outturns were positive. This was primarily due to transfer of the outstanding book balance of ₹ 71,180.23 crore of Sinking Fund to revenue receipt account.

1.5.3 Trend analysis of Key Fiscal Indicators

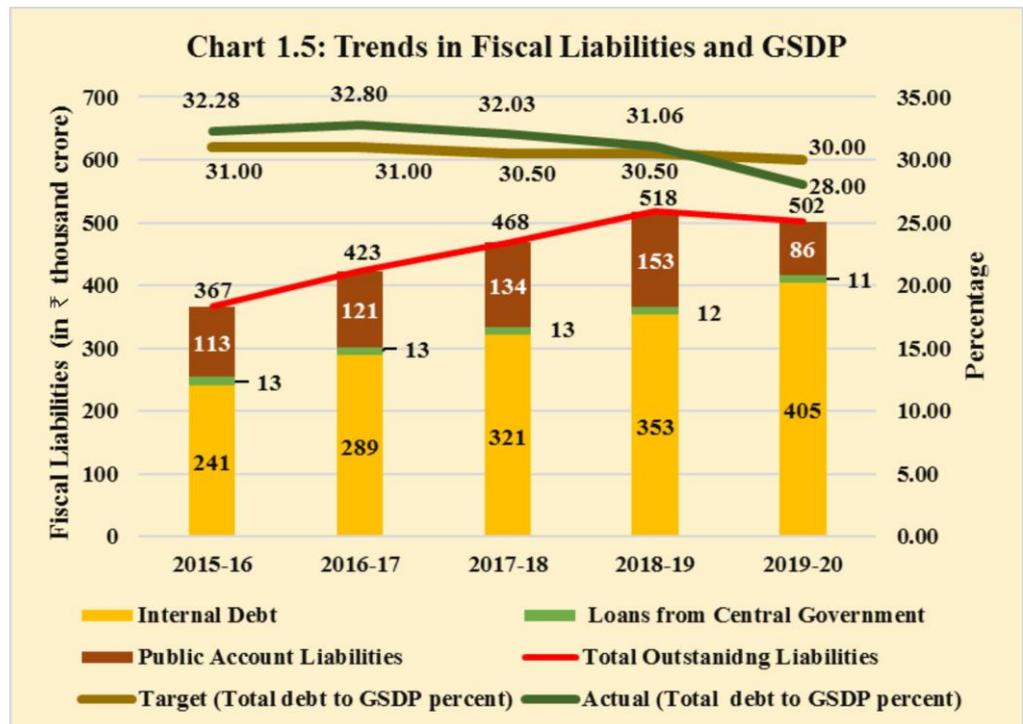
Trend analysis for the period 2015-20 of key fiscal indicators viz. deficit parameters (fiscal deficit, revenue deficit and primary deficit), ratio of surplus/deficit to GSDP and fiscal liabilities to GSDP are depicted in the following **Charts 1.3 to 1.5**.



Note: Revenue Surplus and Fiscal Surplus of ₹ 67,560 crore and ₹ 11,083 crore respectively for the year 2019-20 was mainly due to transfer of book balance of ₹ 71,180.23 crore of Sinking Fund in March 2020 to Non Tax Revenue.



Note: Revenue Surplus, Fiscal Surplus and Primary Surplus during 2019-20 should be read in conjunction with transfer of book balance of ₹ 71,180.23 crore of Sinking Fund in March 2020 to Non Tax Revenue.



The outstanding fiscal liabilities of the State increased by ₹ 1,50,844 crore (41.07 per cent) during the period 2015-19. During the year 2019-20, it however decreased by 3.03 per cent (₹ 15,683 crore) from ₹ 5,18,095 crore to ₹ 5,02,412 crore over the previous year.

The average per capita debt¹⁸ increased significantly by 35.39 per cent during 2015-19 (from ₹ 17,103 to ₹ 23,156) and decreased by 4.30 per cent from ₹ 23,156 in 2018-19 to ₹ 22,161 in 2019-20.

¹⁸ Debt divided by the population of previous calendar year; the population in a particular calendar year is as on the first day of October of that year.

1.6 Deficits and Total Debt after examination in audit

Deficits and debt position are two important fiscal indicators in assessing the financial health of the State. These indicators are also critically viewed by other stakeholders viz. Union Government, Financial Institutions, Banks etc. while offering any further financial support by way of grant/loan etc. In order to present a better picture of State Finances, classification of revenue expenditure as capital expenditure and conducting extra budget fiscal operations which came to notice of audit are detailed in the following paragraphs.

1.6.1 Post audit – Deficits/surplus

Certain issues viz. transfer of Sinking Fund balance to revenue receipt account, misclassification of revenue expenditure as capital and *vice versa*, non-appropriation of amount to ‘Uttar Pradesh Road Transport Accident Relief Fund’, non-credit of interest in interest-bearing reserves, etc. and other issues which are discussed in the Report in succeeding Chapters have had an impact on revenue surplus and fiscal surplus indicated in Finance Accounts 2019-20. In order to arrive at actual deficit figures, the impact of the aforesaid issues needs to be addressed and appropriately factored in to ascertain actual deficit numbers.

The impact of the above issues has resulted in overstatement of revenue surplus and fiscal surplus by ₹ 14,236.02 crore and ₹ 14,151.01 crore respectively during financial year 2019-20 which has been worked out in **Table 1.7** and result of audit impact has been depicted in **Table 1.8**.

Table 1.7: Revenue and Fiscal Deficits post examination by Audit

Particulars	Impact on Revenue Surplus		Impact on Fiscal Surplus	
	Over-statement	Under-statement	Over-statement	Under-statement
Items booked under Revenue section instead of Capital (Refer to paragraph 3.2.2.3)	-	7.21	-	-
Item booked under Capital Section instead of Revenue (Refer to paragraphs 3.2.2.1 and 3.2.2.2)	92.22	-	-	-
Non- payment of interest on interest bearing Reserve Fund balance (State Compensatory Afforestation Fund) (Refer to paragraph 2.5.2.4)	31.69	-	31.69	-
Amount transferred as Revenue Receipt to Consolidated Fund from Sinking Fund (Refer to paragraph 2.5.2.1)	13,877.20 (*)	-	13,877.20 (*)	-
Non-payment of interest on Reserve Fund balance (State Disaster Response Fund) (Refer to paragraph 2.5.2.2)	116.55	-	116.55	-
Non-establishment of Uttar Pradesh Road Transport Accident Relief Fund (Refer to paragraph 4.4.)	125.57	-	125.57	-
Total	14,243.23	7.21	14,151.01	
Net Impact	14,236.02 (overstatement of revenue surplus)		14,151.01 (overstatement of fiscal surplus)	
(*) Besides, transfer of an amount of ₹ 57,303.03 crore from Sinking Fund to Revenue Receipts was an extraordinary item of receipt during the year 2019-20 without actual cash receipt.				

Source: Finance Accounts 2019-20 and audit analysis

Table 1.8: Result of audit impact

(₹ in crore)

Sl. No.	Particular	As per Accounts	Overstated by	Actual/ Post audit examination
1	2	3	4	5 = 3-4
1	Revenue Surplus (+)/ Deficit (-)	67,560.14	14,236.02	53,324.12
2	Fiscal Surplus (+)/ Deficit (-)	11,082.69	14,151.01	(-)3,068.32

Source: Audit analysis

1.6.2 Post audit – Total Public Debt

Apart from usual components of debts viz. market borrowings, borrowings from Financial Institutions/Banks etc., the broader definition of “total outstanding public debt” also includes the extra-budget borrowings. Extra-budget borrowings or extra-budget financing generally refer to use of those financial resources by the Government for meeting expenditure requirements in a particular year or years, which are not reflected in the budget for that year/those years for seeking grant/appropriation, and hence remaining outside legislative control. They are financed through Government owned or controlled public sector enterprises or departmental commercial undertakings, which raise the resources through market borrowings on behalf of the Government. However, the Government is to repay the debt and/or service the debt from its budget. Therefore, extra-budget borrowings/financing involve *one*, payment of interest on recurrent basis and *second* repayment of the borrowings from budget as and when it is due.

The State Government, may bypass the stipulated Net Borrowing Ceiling by routing loans outside the budget through various State Government PSUs/Corporations/other Bodies despite being responsible for repayment of such loans. Extra-budget borrowings have an impact on the Revenue Deficit and Fiscal Deficit. Creating such liabilities, without disclosing them in the budget, raises questions both of transparency and of inter-generational equity. Such extra-budget borrowings are not taken in the disclosure statements in the budget documents or in the accounts, nor do these have legislative approval.

Examination of Audit revealed that during the period 2017-19, the State Government resorted to extra-budget borrowings of ₹ 6,494.00 crore. This issue has been discussed in detail in **Paragraph 4.2** of the Report. Due to the extra-budget borrowings, the overall debt has increased by certain percentage of the GSDP as given in **Table 1.9**.

Table 1.9: Overall debt, post examination by Audit

Sl. No	Particulars	Amount (₹ in crore)	Percentage of GSDP
1.	Overall Debt as per Accounts as on 31.03.2020	5,02,412.02	28.00
2.	Understated debt due to extra budget borrowings (Refer to paragraph 4.2)	5,107.58	0.28
	Total	5,07,519.60	28.28

Source: Finance Accounts of the respective years and information provided by State Government PSUs/Corporations/other Bodies

It is evident from **Table 1.9** that due to extra-budget borrowings the ratio of debt-stock to GSDP has increased to 28.28 *per cent* from 28.00 *per cent*. Further, Sinking Fund was not being created for amortisation of these extra-budget borrowings as these were not included in the overall debt of the State Government as per Accounts.

CHAPTER - II

Finances of the State

CHAPTER-II

FINANCES OF THE STATE

2.1 Major changes in Key fiscal aggregates of the State

This section gives a bird's eye view of the major changes in the key fiscal aggregates of the State during the year 2019-20 as compared to the year 2018-19. The analysis of the following indicators is discussed in the succeeding paragraphs.

Changes in key fiscal aggregates in the year 2019-20 compared to the year 2018-19

Revenue Receipts	<ul style="list-style-type: none">✓ Revenue receipts of the State increased by 11.04 per cent✓ Own Tax revenue of the State increased by 2.25 per cent✓ Non-tax revenue increased by 171.44 per cent¹⁹✓ State's Share of Union Taxes and Duties decreased by 13.85 per cent✓ Grants-in-Aid from Government of India decreased by 2.45 per cent
Revenue Expenditure	<ul style="list-style-type: none">✓ Revenue expenditure decreased by 0.96 per cent✓ Revenue expenditure on General Services decreased by 10.21 per cent✓ Revenue expenditure on Social Services increased by 13.73 per cent✓ Revenue expenditure on Economic Services decreased by 6.62 per cent✓ Expenditure on Grants-in-Aid increased by 19.83 per cent
Capital Expenditure	<ul style="list-style-type: none">✓ Capital expenditure decreased by 3.95 per cent✓ Capital expenditure on General Services decreased by 27.03 per cent✓ Capital expenditure on Social Services decreased by 0.70 per cent✓ Capital expenditure on Economic Services decreased by 3.03 per cent
Loans and Advances	<ul style="list-style-type: none">✓ Disbursement of Loans and Advances decreased by 66.37 per cent✓ Recoveries of Loans and Advances increased by 6.17 per cent
Public Debt	<ul style="list-style-type: none">✓ Public Debt Receipts increased by 43.05 per cent✓ Repayment of Public Debt increased by 8.13 per cent
Public Account	<ul style="list-style-type: none">✓ Public Account Receipts decreased by 2.70 per cent✓ Disbursement of Public Account increased by 21.66 per cent (mainly due to book transfer of balance of ₹ 71,180.23 crore under Sinking Fund to Non Tax Revenue)
Cash Balance and Investment	<ul style="list-style-type: none">✓ Cash balance and Investment decreased by ₹ 5,469 crore (20.32 per cent) as on 31 March 2020 with compared to 31 March 2019.

¹⁹ Non Tax Revenue includes transfer of book balance of ₹ 71,180.23 crore of Sinking Fund in March 2020 without actual cash receipts.

2.2 Sources and Application of Funds

This section compares the components of the sources and application of funds of the State during the year 2019-20 as compared to the year 2018-19.

Receipts of the State Government can be divided into two categories namely Revenue Receipts²⁰ and Capital Receipts²¹. Besides, the funds available in the Public Account net of disbursement made from it are also utilised by the Government to finance its deficit.

A time series data on the State Government finances for the period 2015-20 has been given in the *Appendix 2.1*. The following **Table 2.1** depicts the components and sub-components of the State's financial resources:

Table 2.1: Comparison of Sources and Application of funds during the year 2018-19 and 2019-20

Particulars		2018-19 (₹ in crore)	2019-20 (₹ in crore)	Increase/ Decrease (in percentage)
Sources	Opening Cash Balance and Investment	11,481	26,912	134.40
	Revenue Receipts	3,29,978	3,66,393	11.04
	Recoveries of Loans and Advances	5,313	5,641	6.17
	Public Debt Receipts (Net) ²²	30,878	51,408	66.49
	Public Account Receipts (Net)	19,922	(-) 68,590	(-) 444.29
	Contingency Fund	230	662	187.83
	Total	3,97,802	3,82,426	(-) 3.87
Application	Revenue Expenditure	3,01,728	2,98,833	(-) 0.96
	Capital Expenditure	62,463	59,998	(-) 3.95
	Disbursement of Loans and Advances	6,303	2,120	(-) 66.37
	Contingency Fund	396	32	(-) 91.92
	Closing Cash Balance and Investment	26,912	21,443	(-) 20.32
	Total	3,97,802	3,82,426	(-) 3.87

Source: Finance Accounts of the respective years

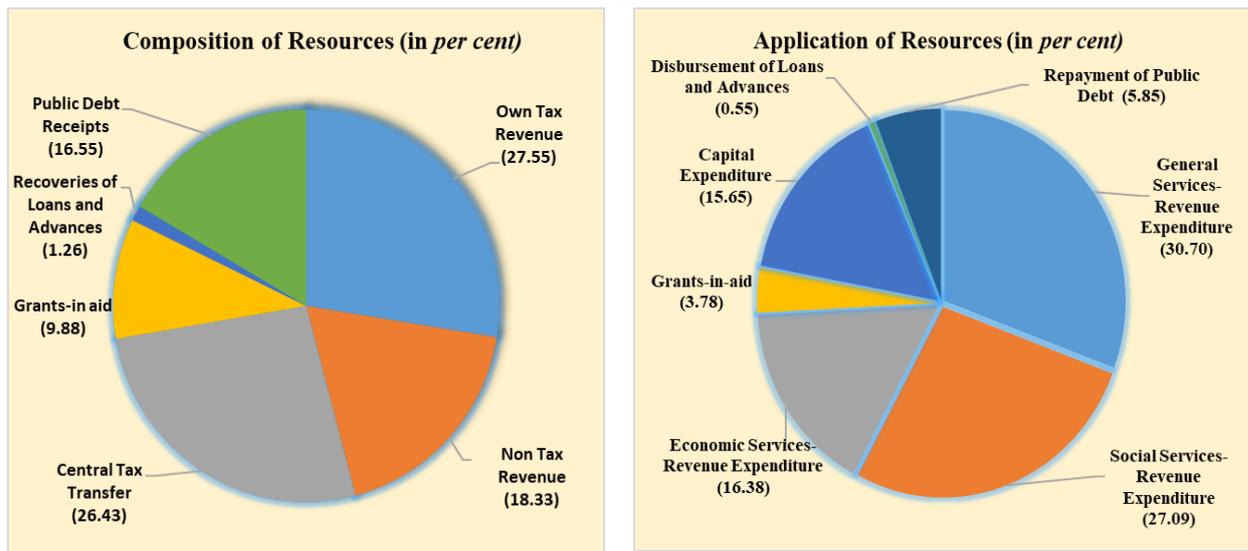
2.2.1 Component-wise sources and applications of funds under Consolidated Fund of the State during the year 2019-20 have been depicted in **Chart 2.1**.

²⁰ Revenue Receipts consist of Own Tax Revenues, Non-Tax Revenues, State's share of Union Taxes and Duties and Grants-in-aid from GoI.

²¹ Capital Receipts comprise of proceeds from disinvestments, recoveries of loans and advances, debt receipts (market loans, borrowings from financial institutions/commercial banks) and Loans and Advances from GoI.

²² Public Debt receipts (₹ 73,808.69 crore) – Repayment of Public Debt (₹ 22,400.61 crore)

Chart 2.1: Composition and Application of Resources during the year 2019-20



2.3 Resources of the State

The resources of the State are described below:

- i. **Revenue receipts** consist of own tax revenue, non-tax revenue, State's share of Union taxes and duties and grants-in-aid from the Government of India (GoI).
- ii. **Capital receipts** comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from the GoI.

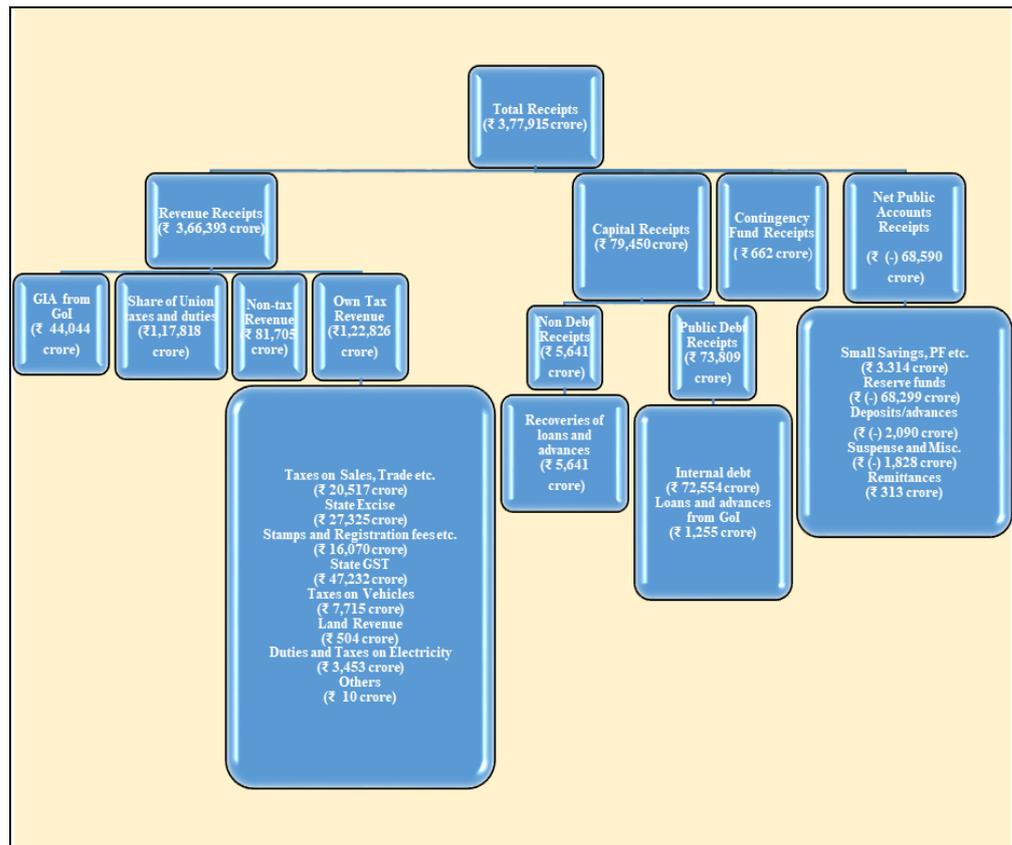
Both Revenue and Capital receipts form part of the Consolidated Fund of the State.

- iii. **Net Public Account receipts:** There are receipts and disbursements in respect of Deposits, Suspense, Remittances, etc. which do not form part of the Consolidated Fund. These are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

2.3.1 Receipts of the State

The composition of receipts of the State during the year 2019-20 is shown in Chart 2.2.

Chart 2.2: Details of composition of receipts during the year 2019-20



The total receipts of the State during the year 2019-20 was ₹ 3,77,915 crore. It constitutes of Revenue Receipts of ₹ 3,66,393 crore, Capital Receipts of ₹ 79,450 crore, Net Public Account Receipt²³ of (-) ₹ 68,590 crore and receipt of contingency fund of ₹ 662 crore. Revenue Receipts consists of Own Tax Revenue of ₹ 1,22,826 crore, Non-Tax Revenue of ₹ 81,705 crore, Share of Union Taxes and Duties of ₹ 1,17,818 crore and Grants-in-aid from Government of India of ₹ 44,044 crore. Capital Receipts constitutes of Non-Debt Receipts of ₹ 5,641 crore and Public Debt Receipts of ₹ 73,809 crore.

2.3.2 State's Revenue Receipts

During the year 2019-20, the total Revenue Receipts of the State of Uttar Pradesh was ₹ 3,66,393 crore representing a growth of 11.04 *per cent* over the previous year. Revenue Receipts were substantially higher due to transfer of balances of ₹ 71,180.23 crore from Sinking Fund under Public Account to Revenue Receipts under Consolidated Fund during the year 2019-20 without actual cash receipts.

2.3.2.1 Trends and growth of Revenue Receipts

Statement 14 of the Finance Accounts gives details of the Revenue Receipts of the Government. During the year 2019-20, the State Government transferred the book balance of ₹ 71,180.23 crore of Sinking Fund to revenue receipts²⁴ without actual cash receipts. The trends and composition of revenue receipts

²³ Net Public Account Receipts is the net balance at the end of the financial year of Small Savings & Provident Fund, Reserve Funds, Deposit/Advances, Suspense & Miscellaneous and Remittances.

²⁴ Under the Major head 0075-800 (Miscellaneous General Services)

during the period 2015-20 are presented in **Table 2.2 (a)** and **Table 2.2 (b)** and also depicted in **Chart 2.3** and **Chart 2.4**.

Table 2.2 (a): Trend in Revenue Receipts

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Receipts (RR) (₹ in crore)	2,27,076	2,56,875	2,78,775	3,29,978	3,66,393
Rate of growth of RR (<i>per cent</i>)	17.40	13.12	8.53	18.37	11.04
Own Tax Revenue (₹ in crore)	81,106	85,966	97,393	1,20,122	1,22,826
Non-Tax Revenue (₹ in crore)	23,135	28,944	19,795	30,101	81,705
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (<i>per cent</i>)	10.77	10.23	1.98	28.19	36.15
Rate of growth of Own Tax Revenue (<i>per cent</i>)	9.35	5.99	13.29	23.34	2.25
Gross State Domestic Product (₹ in crore) (2011-12 Series) (<i>at current price</i>)	11,37,808	12,90,289	14,60,443	16,68,229	17,94,508
Rate of growth of GSDP (<i>per cent</i>)	12.45	13.40	13.19	14.23	7.57
RR/GSDP (<i>per cent</i>)	19.96	19.91	19.09	19.78	20.42
Buoyancy Ratio²⁵					
Revenue Buoyancy w.r.t GSDP	1.40	0.98	0.65	1.29	1.46
State's Own Revenue Buoyancy w.r.t GSDP	0.87	0.76	0.15	1.98	4.78
State Own Tax Revenue Buoyancy w.r.t. GSDP	0.75	0.45	1.01	1.64	0.30

Source: Finance Accounts of the respective years and Directorate of Economics and Statistics, GoUP

Table 2.2 (b): Trend in Revenue Receipts (excluding receipts on account of transfer of balances of Sinking Fund to Non Tax Revenue)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Receipts (RR) (₹ in crore)	2,22,377	2,52,729	2,74,353	3,17,285	2,95,213
Rate of growth of RR (<i>per cent</i>)	17.39	13.65	8.56	15.65	(-)-6.96
Own Tax Revenue (₹ in crore)	81,106	85,966	97,393	1,20,122	1,22,826
Non Tax Revenue (₹ in crore)	18,436	24,798	15,373	17,408	10,525
Rate of growth of Own Tax Revenue (<i>per cent</i>)	9.35	5.99	13.29	23.34	2.25
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (<i>per cent</i>)	10.47	11.27	1.81	21.96	(-)-3.04
RR/GSDP (<i>per cent</i>)	19.54	19.59	18.79	19.02	16.45
Buoyancy Ratio					
Revenue Buoyancy w.r.t GSDP	1.40	1.02	0.65	1.10	(-)-0.92
State's Own Revenue Buoyancy w.r.t GSDP	0.84	0.84	0.14	1.54	(-)-0.40
State Own Tax Revenue Buoyancy w.r.t. GSDP	0.75	0.45	1.01	1.64	0.30

Source: Finance Accounts of the respective years and Directorate of Economics and Statistics, GoUP

(i) Analysis based on figures of Finance Accounts, as detailed in Table 2.2 (a), revealed that:

- Revenue Receipts of the Government were ₹ 3,66,393 crore during the year 2019-20. Compound annual growth rate of Revenue Receipts was 12.71 *per cent* during the period 2015-20.
- Revenue receipt growth rate had fluctuating trends during the period 2015-20. It was 17.40 *per cent* in the year 2015-16 which decreased to 8.53 *per cent* in the year 2017-18, increased to 18.37 *per cent* in the year 2018-19 and then again decreased to 11.04 *per cent* in the year 2019-20.

²⁵ Buoyancy ratio indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For example, revenue buoyancy with respect to GSDP at 1.85 implies that Revenue receipts tend to increase by 1.85 *per cent*, if the GSDP increases by one *per cent*.

- Own Tax Revenue had increased by 2.25 per cent whereas Non Tax Revenue increased 171.44 per cent in the year 2019-20 over the previous year 2018-19.
- (ii) Analysis based on derived figures (excluding receipts on account of transfer of balances of Sinking Fund to Non-tax revenue), as detailed in Table 2.2 (b), revealed that:
 - The actual Revenue Receipts of the State arrived at ₹ 2,95,213 crore and the actual growth rate of Revenue Receipt of the State Government arrived at (-) 6.96 per cent during the year 2019-20 as compared to the year 2018-19.
 - Own Tax Revenue had increased by 2.25 per cent whereas Non Tax Revenue decreased by 39.54 per cent in the year 2019-20 over the previous year 2018-19.
 - Revenue buoyancy measures the percentage change in the revenue receipts to the percentage change in GSDP. As can be seen from Table 2.2 (a), Revenue buoyancy which was 1.29 during the year 2018-19 has increased to 1.46 in the year 2019-20. However, if Sinking Fund receipts under Non-Tax Revenue is excluded, the Revenue buoyancy during the year 2019-20 will become (-) 0.92 per cent and Own Revenue buoyancy will become (-) 0.40 as brought out in Table 2.2 (b). It implies that during the year 2019-20 when GSDP of the State has grown by 1 basis point, Revenue Receipt and Own Tax Revenue showed a negative growth by 0.92 basis points and 0.40 basis points respectively.

Chart 2.3: Revenue Receipts/GSDP during the year 2015-20

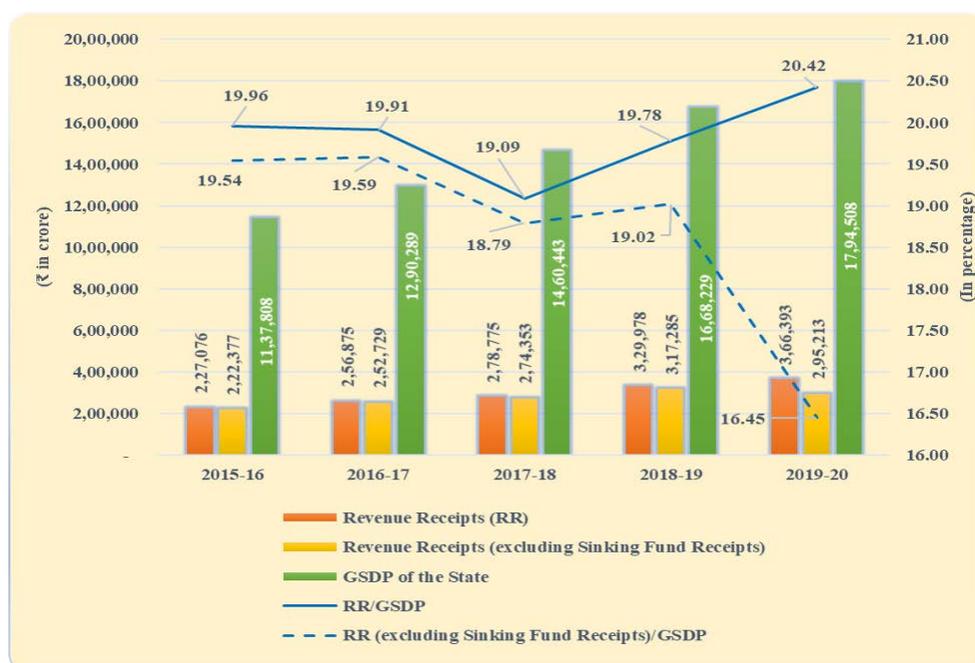
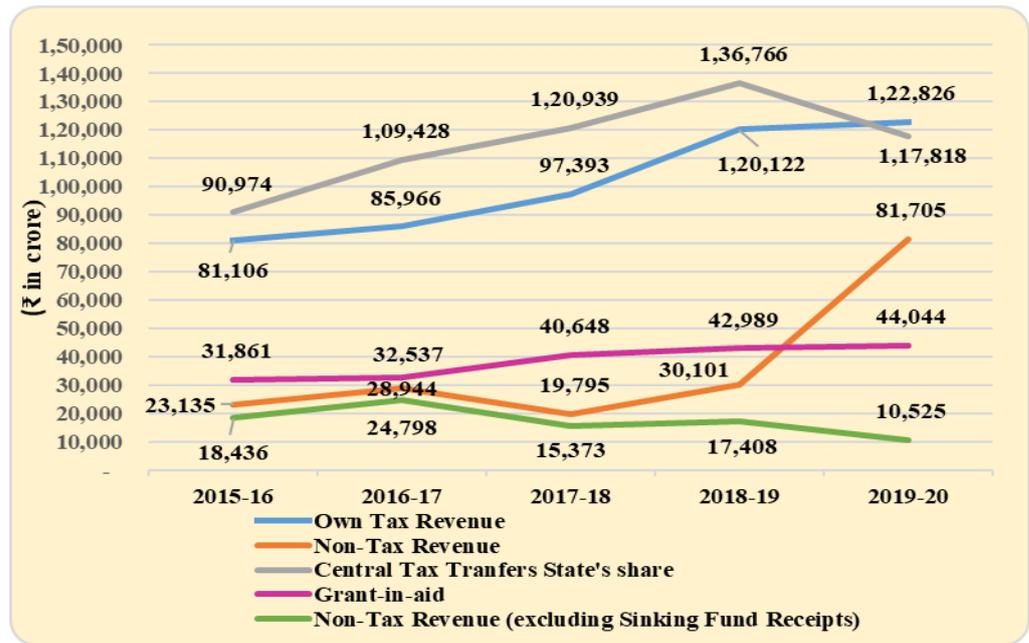


Chart 2.4: Trend of Revenue Receipts during 2015-20



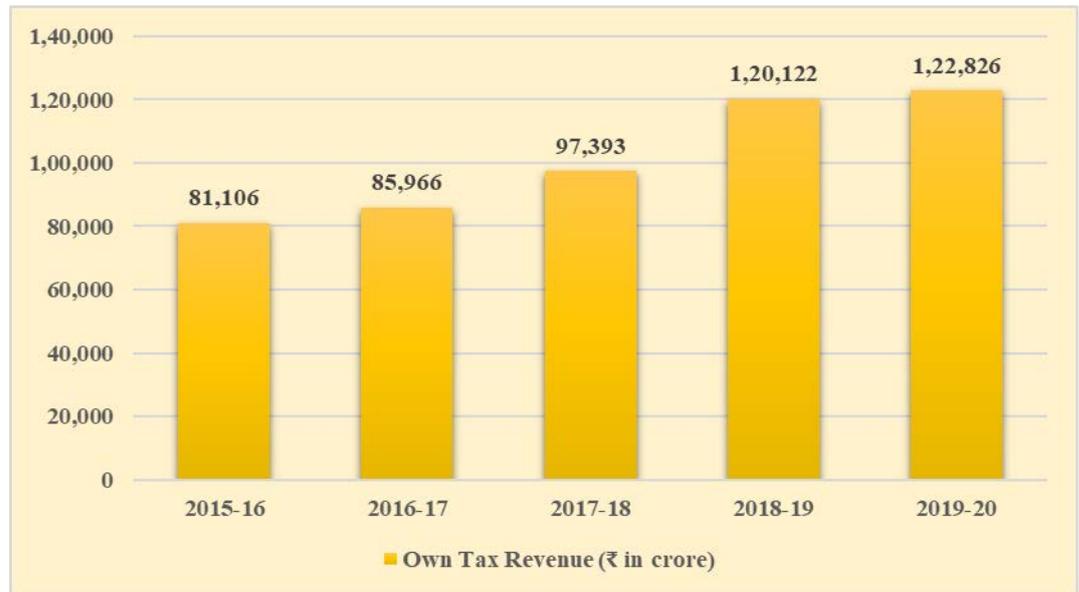
2.3.3 State's Own Resources

State's Own Resources are comprising of Own Tax Revenue and Non-Tax Revenue. Components of Own Tax Revenue of the State of Uttar Pradesh are State GST (SGST), State Excise, Taxes on Vehicles, Stamp Duty and Registration fees, Land revenue, Taxes and Duties on electricity, Taxes on Goods and Passengers etc. The sources of Non-Tax Revenue include receipts from fiscal services like interest receipts from outstanding loans and advances given by Government and investment of cash balance, dividends and profits from equity investments, royalty fees for allowing use of assets held as custodian like minerals, forests and wild life, or other such services and user charges for various social and economic services provided through the apparatus of the Government. The details of collection of Own Tax / Non Tax Revenue during the period 2015-20 is given in *Appendix 2.2*.

2.3.3.1 Own Tax Revenue

Own Tax Revenue of the State of Uttar Pradesh was ₹ 1,22,826 crore during the year 2019-20. During the period 2015-20, it increased by 51.44 per cent (₹ 41,720 crore) from ₹ 81,106 crore in the year 2015-16 to ₹ 1,22,826 crore in the year 2019-20. Major trends of growth of Own Tax Revenue are given in *Chart 2.5*.

Chart 2.5: Own Tax Revenue during 2015-20



During the period 2015-20 receipts under components of State's Own Tax Revenue are given in Table 2.3.

Table 2.3: Receipts of Tax Revenue during 2015-20

		(₹ in crore)					
Sl. No.	Revenue Head	2015-16	2016-17	2017-18	2018-19	2019-20	Sparkline
1.	Taxes on Sales, Trade, etc.	47,692	51,883	31,113	23,798	20,517	
2.	State Goods and Service Tax (SGST)	-	-	25,374	46,108	47,232	
3.	State Excise	14,084	14,274	17,320	23,927	27,325	
4.	Taxes on Vehicles	4,410	5,148	6,404	6,929	7,715	
5.	Stamps and Registration fees	12,404	11,564	13,398	15,733	16,070	
6.	Land Revenue	505	760	1,336	631	504	
7.	Taxes and duties on Electricity	1,338	1,556	2,124	2,978	3,453	
8.	Other Taxes	673	781	324	18	10	
	Total	81,106	85,966	97,393	1,20,122	1,22,826	

Source: Finance Accounts of the respective year

It is evident from the above table that:

- The overall growth of 2.25 per cent in Own-Tax Revenue during the year 2019-20 was mainly due to increase in State Excise (₹ 3,398 crore), Taxes on Vehicles (₹ 786 crore) and Taxes and Duties on Electricity (₹ 475 crore) counterbalanced by less receipts of ₹ 3,281 crore in Taxes on Sales, Trade etc. compared to the year 2018-19 as this tax was subsumed in Goods and Services Tax (GST) which was implemented from 1 July 2017.
- Less receipts under Taxes on Sales, Trade etc. was due to less receipts of VAT (₹ 3,095.30 crore) and more refund from receipts under Sales Tax Act (₹ 147.44 crore) during the year 2019-20 as compared to the year 2018-19.
- During the year 2019-20, State GST (SGST) collection increased by ₹ 1,124 crore vis-à-vis year 2018-19.

- Increase in State Excise was mainly due to increase in receipts on account of sale of country spirit (₹ 12,890 crore), malt liquor (₹ 4,072 crore) and foreign liquor and spirits (₹ 10,071 crore). The State Government had also increased the processing fee, renewal fee for retailers and Minimum Guaranteed Quantity of country liquor, etc. under the State Excise Policy for the year 2019-20.
- The receipts under Stamp and Registration fee increased due to higher receipts on account of sale of non-judicial stamps.
- Increase in receipts under Taxes and Duties on Electricity was due to more collection on account of consumption and sale of electricity.
- Other Taxes include Taxes on Goods and Passengers, Taxes on Hotel Receipt, Entertainment Tax, Betting Tax, Taxes on Advertisement exhibited in cinema theaters, etc. The reduction is mainly on account of subsuming of these taxes under Goods and Service Tax (GST) since 1 July 2017.

2.3.3.2 State Goods and Services Tax (SGST)

The State Government implemented the Goods and Services Tax (GST) Act, which became effective from 1 July 2017. Under GST (Compensation to States) Act, 2017, the Central Government will compensate the States for loss of revenue arising on account of implementation of GST for a period of five years. A base year (2015-16) revenue figures of taxes subsumed under GST was finalized under GST Act. The projected revenue for any year in a State was to be calculated by applying the projected growth rate (14 per cent per annum) over the base year revenue of the State.

Revenue figure under GST for the year 2019-20 has been depicted in the Finance Accounts as per nature of receipts i.e. State Goods and Services Tax (SGST), Input Tax Credit Cross Utilization of SGST and Integrated Goods and Services Tax (IGST), apportionment of IGST-transfer-in of Tax Component to SGST and advance apportionment from IGST. In case of Uttar Pradesh, the revenue from subsumed taxes was ₹ 33,359 crore during the base year (2015-16). Thus, projected revenue for the year 2019-20 in accordance with the base year figure was ₹ 56,342 crore against which SGST amounting to ₹ 47,232 crore was collected. This includes ₹ 2,457 crore as State's share in IGST. From total receipts of SGST, ₹ 340 crore was transferred to GoI as settlement of advance apportionment from IGST. State Government also received compensation of ₹ 5,180 crore from GoI for loss of revenue arising out of implementation of GST.

With automation of the collection of GST having taken place, the Government of India's decision to provide access to Pan-India data at GSTN premises was conveyed on 22 June 2020. Further, administrative action to implement the decision was at different stages of implementation. The accounts of the State Government for the year 2019-20 have, therefore, been certified on the basis of test audit, as was done when records were being maintained manually, pending full implementation of Government of India's decision to provide Audit access to GSTN data.

2.3.4 Non Tax Revenue

During the year 2019-20, the total receipts under Non-Tax Revenue was ₹ 81,705 crore representing an increase of 171.44 *per cent* over the year 2018-19. However, this was mainly on account of transfer of outstanding book balance of ₹ 71,180.23 crore of Sinking Fund to revenue receipt account²⁶.

Major sources of Non Tax revenue and their trend analysis during the period 2015-20 is given in **Table 2.4**.

Table 2.4: Trends of Non-Tax Revenue during the period 2015-20.

						(₹ in crore)
Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	Sparkline
(i) Interest receipts	633	1,165	1,093	1,712	1,469	
(ii) Dividends and Profits	43	86	31	175	39	
(iii) Other Non-tax Receipts:						
(a) Miscellaneous General Services	4,949	4,460	4,841	13,678	72,044	
(b) Non-ferrous Mining and Metallurgical Industries	1,222	1,548	3,259	3,165	2,181	
(c) Power	1,322	2,939	4,696	5,735	1,044	
(d) Irrigation (Major, Medium and Minor)	652	783	953	909	1,024	
(e) Roads and Bridges	652	929	366	932	707	
(f) Education, Sports, Art and Culture	10,652	14,092	432	381	480	
(g) Others and Miscellaneous	3,010	2,942	4,124	3,413	2,717	
Total	22,459	27,693	18,671	28,213	80,197	
Grand Total [(i), (ii) and (iii)]	23,135	28,944	19,795	30,101	81,705	

Source: Finance Accounts of the respective years

The overall increase in Non Tax Revenue during the year 2019-20 was mainly on account of net impact of transfer of book balances of ₹ 71,180.23 crore from Sinking fund under Public Account to Revenue Receipts under Consolidated Fund. Effectively, the receipts as Non Tax Revenue during the year 2019-20 was ₹ 10,525 crore (excluding the transfer of book balance of Sinking Fund), which was 40 *per cent* lower than the Non Tax Revenue of the previous year i.e. 2018-19. During the year 2019-20, decline in the Non Tax Revenue was in Power by ₹ 4,691 crore (81.80 *per cent*), Non-Ferrous Mining and Metallurgical Industries by ₹ 984 crore (31.09 *per cent*), Interest Receipts by ₹ 243 crore (14.19 *per cent*) and Dividends and Profits by ₹ 136 crore (77.71 *per cent*). Reason for decreases in Non-Ferrous Mining revenue were mainly due to less receipt from mineral concession fees, rents and royalties whereas, decrease in Power (non-tax revenue) was due to less receipt from GoI for share capital to UP Power Corporation for Rural Electrification.

2.3.4.1 Transfers from the Union Government

Components of the State's share of the State Government in Union taxes and duties are Corporation Tax, Taxes on Income other than Corporation Tax, Service Tax, Union Excise Duties, Central Goods and Service Tax and Integrated Goods and Service Tax etc.

²⁶ Under the head 0075-800-04 Receipts from Sinking Fund.

The trend of receipts under Uttar Pradesh's share in Union Taxes and Duties during the five-year period 2015-20 is given in **Table 2.5**.

Table 2.5: Central Tax Transfers during the period 2015-20

(₹ in crore)

Head	2015-16	2016-17	2017-18	2018-19	2019-20
Central Goods and Services Tax (CGST)	-	-	1,718	33,757	33,434
Integrated Goods and Services Tax (IGST)	-	-	12,212	2,694	0
Corporation Tax	28,603	35,099	37,043	47,563	40,171
Taxes on Income other than Corporation Tax	19,815	24,394	31,280	35,028	31,477
Customs	14,587	15,098	12,208	9,695	7,468
Union Excise Duties	12,206	17,241	12,761	6,442	5,192
Service Tax	15,681	17,515	13,719	1,252	0
Other Taxes ²⁷	82	81	(-)2	335	76
Central Tax transfers	90,974	1,09,428	1,20,939	1,36,766	1,17,818
Percentage of increase over previous year	36.55	20.28	10.52	13.09	(-)13.85
Percentage of Central tax transfers to Revenue Receipts	40.06	42.60	43.38	41.45	32.16

The above table shows that during the year 2019-20, the receipts under State's share of Union taxes and duties decreased by ₹ 18,948 crore (13.85 per cent) as compared to the year 2018-19. State's share of Union taxes and duties constituted 32.16 per cent of total revenue receipts of the State Government. During the year 2019-20, total transfer from GoI (including Tax Devolution and Grant-in-aid) decreased by 9.95 per cent (₹ 17,893 crore) as compared to the year 2018-19.

2.3.4.2 Grants-in-aid from Government of India

The State Government received Grants-in-aid from Government of India (GoI) under sub major heads such as Grants for Centrally Sponsored Schemes (CSS), Finance Commission Grants and other transfers from GoI. During the year 2015-20, position of grants-in-aid from GoI are depicted in **Table 2.6**.

Table 2.6: Grants-in-aid from Government of India

(₹ in crore)

Head	2015-16	2016-17	2017-18	2018-19	2019-20
Non-Plan Grants	8,274	9,335	-	-	-
Grants for State Plan Schemes	1,933	232	-	-	-
Grants for Central Plan Schemes ²⁸	16	56	-	-	-
Grants for Centrally Sponsored Plan Schemes	21,638	22,914	-	-	-
Grants for Special Plan Schemes	-	-	-	-	-
Grants for Centrally Sponsored Schemes (CSS)	-	-	27,731	31,250	25,824
Finance Commission Grants	-	-	8,849	9,318	12,965

²⁷ Include Taxes on Wealth, Other Taxes on Income and Expenditure, Other Taxes and Duties on commodities and Services.

²⁸ There are no figures during 2017-18 to 2019-20 since the nomenclature of plan and non-plan grants was replaced with effect from the year 2017-18 by Grants for CSS, Finance Commission Grants and Other Grants to States.

Head	2015-16	2016-17	2017-18	2018-19	2019-20
Other transfers/Grants to States/Union Territories with Legislature	-	-	4,068	2,421	5,255
Total	31,861	32,537	40,648	42,989	44,044
Percentage of increase over the previous year	(-) 2.54	2.12	24.93	5.76	2.45
Percentage of GIA to Revenue Receipts	14.03	12.67	14.58	13.03	12.02

Source: Finance Accounts of respective years

It is evident from above table that overall increase during the period 2015-20 under different components of grants from GoI was 38.24 per cent from ₹ 31,861 crore in 2015-16 to ₹ 44,044 crore in 2019-20. Further, there was a marginal increase in Grants-in-aid of 2.45 per cent (₹ 1,055 crore) in the year 2019-20 over the previous year. The State Government received ₹ 25,824 crore under Centrally Sponsored Schemes which was 17.36 per cent lower in comparison to the year 2018-19. There was an increase of ₹ 3,647 crore (39.14 per cent) and ₹ 2,834 crore (117.06 per cent) in Finance Commission Grants and in other transfers respectively compared to the year 2018-19.

2.3.4.3 Fourteenth Finance Commission Grants

XIV FC recommended for grants-in-aids to State Government for Local Bodies and State Disaster Response Fund. The details of amounts awarded and received during the year 2015-20 are shown in Table 2.7.

Table 2.7: XIV FC Grants from GoI during the period 2015-20

(₹ in crore)

Recommendation of the XIV FC	Grants received from GoI			Grants transferred by the State Government					
	2015-16 to 2018-19	2019-20	Total	2015-16 to 2018-19	2019-20	Total	2015-16 to 2018-19	2019-20	Total
Local Bodies (Basic and performance grants)									
(i) Grants to PRIs	24,936.52	10,840.04	35,776.56	29,303.95	9,659.47	41,419.41	25,480.15	9,659.47	37,595.61
(ii) Grants to ULBs	7,113.03	3,136.18	10,249.21		2,455.99			2,455.99	
Total for Local Bodies	32,049.55	13,976.22	46,025.77	29,303.95	12,115.46	41,419.41	25,480.15	12,115.46	37,595.61
State Disaster Response Fund	2,909.00	820.00	3,729.00 ²⁹	1,947.46	849.30	2,796.76	1,947.45	849.30	2,796.75
Grand Total	34,958.55	14,796.22	49,754.77	31,251.41	12,964.76	44,216.17	27,427.60	12,964.76	40,392.36

Source: XIV-FC Report and Finance Accounts of respective years

During the period 2015-20, against the total grants of ₹ 46,025.77 crore recommended by XIV Finance Commission under grants-in-aid for Local Bodies, the State Government received ₹ 41,419.41 crore from the GoI; thus, the State Government short received an amount of ₹ 4,606.36 crore. Further, the State Government released ₹ 37,595.61 crore to Urban and Rural Local Bodies during the period 2015-20 against the grants received from the GoI; thus, the State Government short released an amount of ₹ 3,823.80 crore. The short transfer pertained to the years 2015-16 to 2017-18. During the years

²⁹ Including state share of 25 per cent of total grant.

2018-19 and 2019-20, the State Government released entire amount of grants-in-aid received from the GoI to the Urban/Rural Local Bodies.

Further, during the period 2015-16 to 2019-20, the State Government was eligible for grants-in-aid of ₹ 2,796.75 crore from the GoI for State Disaster Response Fund under sharing pattern of 75:25 ratio between Central and State shares. The State Government received the aforesaid amount which was transferred to SDRF. The State Government also deposited its state share of 25 per cent to the tune of ₹ 918.09 crore to the Fund during the period 2015-20.

2.3.5 Capital receipts

Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions etc.) and loans and advances from the GoI. Capital Receipts of the State increased by ₹ 22,541 crore in the year 2019-20 representing a growth rate of 39.61 per cent in comparison to the year 2018-19.

During the year 2019-20, receipts under internal debt had increased by 42.85 per cent (₹ 21,763 crore) over the previous year. Internal debt receipts fluctuated during the period 2015-20 and were highest at ₹ 73,920 crore in the year 2015-16.

The recovery of Loans and Advances showed an increasing trend during the years 2017-20. During the year 2019-20, it increased by 6.17 per cent (₹ 5,641 crore) over the previous year (₹ 5,313 crore). Loans and advances from GoI fluctuated widely during the period 2015-20 and during 2019-20, it was highest at ₹ 1,255 crore. Trends in growth and composition of Capital Receipts are shown in **Table 2.8**.

Table 2.8: Trends in growth and composition of capital receipts during the year 2015-20

Sources of State's Receipts	2015-16	2016-17	2017-18	2018-19	2019-20
Capital Receipts	75,240	67,944	47,653	56,908	79,450
(i) Miscellaneous Capital Receipts	0	0	0	0	0
(ii) Recovery of Loans and Advances (Non Debt Receipt)	726	259	236	5,313	5,641
(iii) Public Debt Receipts of which	74,514	67,685	47,417	51,595	73,809
Internal Debt	73,920	66,654	46,314	50,791	72,554
Growth rate of Internal Debt (in percentage)	111.00	(-)9.83	(-)30.52	9.67	42.85
Loans and advances from GoI	594	1,031	1,103	804	1,255
Growth rate of Loans and advances from GoI (in percentage)	22.22	73.57	6.98	(-)27.11	56.09
Growth rate of debt Capital Receipts (in percentage)	109.78	(-)9.16	(-)29.94	8.81	43.05
Growth rate of non-debt Capital Receipts (in percentage)	177.10	(-)64.33	(-)8.88	2,151.27	6.17
Growth rate of GSDP (in percentage)	12.45	13.40	13.19	14.23	7.57
Growth rate of Capital Receipts (in percentage)	110.27	(-)9.70	(-)29.86	19.42	39.61

Source: Finance Accounts of the respective years

2.3.6 State's performance in mobilisation of resources

The State's performance in mobilisation of resources is assessed in terms of own tax revenue and non-tax revenue, without including the State's share in Central taxes and grants-in-aid from GoI. During the year 2019-20, the realisation of State's Own Tax Revenue was lower than the projection made by the Medium Term Fiscal Restructuring Policy 2019 (MTFRP) and XIV FC by 12.38 per cent and 18.93 per cent respectively as presented in **Table 2.9**.

Table 2.9: Tax and non-tax receipts vis-à-vis projections during the year 2019-20.

(₹ in crore)

Particulars	XIV Finance Commission projections	Budget Estimates /MTFRP	Actuals	Percentage variation of actuals over	
				FC projections	Budget estimates/ MTFPS
Own tax revenue	1,51,500	1,40,176	1,22,826	(-18.93	(-12.38
Non-tax revenue	44,344	30,633	81,705	84.25	166.72
Non-tax revenue (after excluding the receipts from Sinking Fund)			10,525	(-76.27	(-65.64

Source: XIV Finance Commission Report and U.P. Annual Financial Statement for the year 2019-20

The own tax revenue of the State in 2019-20 stood significantly lower than the projections made in the XIV FC and budget estimates/MTFRP. This was mainly due to less collection of SGST (₹ 5,748 crore), State Excise (₹ 4,192 crore), Taxes on sales, trade etc. (₹ 4,143 crore) and Stamps and Registration fees (₹ 3,109 crore) as compared to budget estimates. Non-tax revenue was higher than the XIV FC projections and the budget estimates due to impact of transfer of balances of ₹ 71,180.23 crore from Sinking Fund under Public Account to Non-Tax Revenue under Consolidated Fund. Due to this transfer of Sinking Fund balances, the non-tax revenue under Miscellaneous General Services (Major Head 0075) was ₹ 72,404 crore against the budget estimates of ₹ 14,051 crore. In effect, after excluding this transfer from Sinking Fund without actual cash receipt, the non-tax revenue was ₹ 10,525 crore, which was lower than the XIV FC projections and the budget estimates/MTFRP.

2.4 Application of resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development of capital infrastructure and social sector. This paragraph along with sub-paragraphs analyses allocation of expenditure in the State.

2.4.1 Growth and composition of expenditure

Expenditure relating to Revenue heads, Capital Outlay and Loans and Advances constitutes total expenditure of the State Government. During the period 2015-20, total expenditure of the State increased by 26.08 per cent from ₹ 2,86,277 crore in the year 2015-16 to ₹ 3,60,951 crore in the year 2019-20. The increase was mainly due to increase in revenue expenditure (₹ 86,097 crore), which was counterbalanced by less expenditure under Capital outlay (₹ 4,425 crore) and disbursement of Loan and Advances (₹ 6,998 crore). During the period 2015-20, revenue expenditure stood at an

average of 80.37 per cent of the total expenditure and capital expenditure including disbursement of loan and advances was 19.63 per cent. During the year 2019-20, of the total expenditure, Revenue Expenditure was 82.79 per cent and Capital Expenditure including loans and advances was 17.21 per cent. Thus, Revenue Expenditure had a predominant share in the total expenditure.

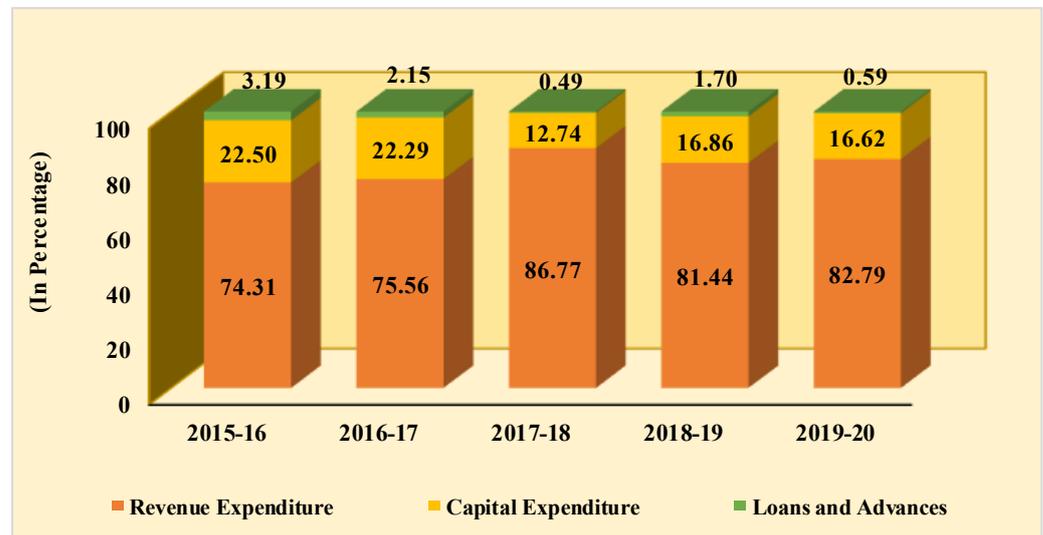
Total expenditure and its composition under revenue, capital and loan and advances during the period 2015-20 are summarised in **Table 2.10** and also depicted in **Chart 2.6**.

Table 2.10: Total expenditure and its composition during the period 2015-20

(₹ in crore)					
Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
Total Expenditure (TE)	2,86,277	3,13,122	3,06,821	3,70,494	3,60,951
Revenue Expenditure (RE)	2,12,736	2,36,592	2,66,224	3,01,728	2,98,833
Capital Expenditure (CE)³⁰	64,423	69,789	39,088	62,463	59,998
Loans and Advances	9,118	6,741	1,509	6,303	2,120
As a percentage of GSDP					
TE/GSDP	25.16	24.27	21.01	22.21	20.11
RE/GSDP	18.70	18.34	18.23	18.09	16.65
CE/GSDP	5.66	5.41	2.68	3.74	3.34
Loans and Advances/GSDP	0.80	0.52	0.10	0.38	0.12

Source: Finance Accounts of respective years

Chart 2.6: Trends in components wise expenditure during the period 2015-20



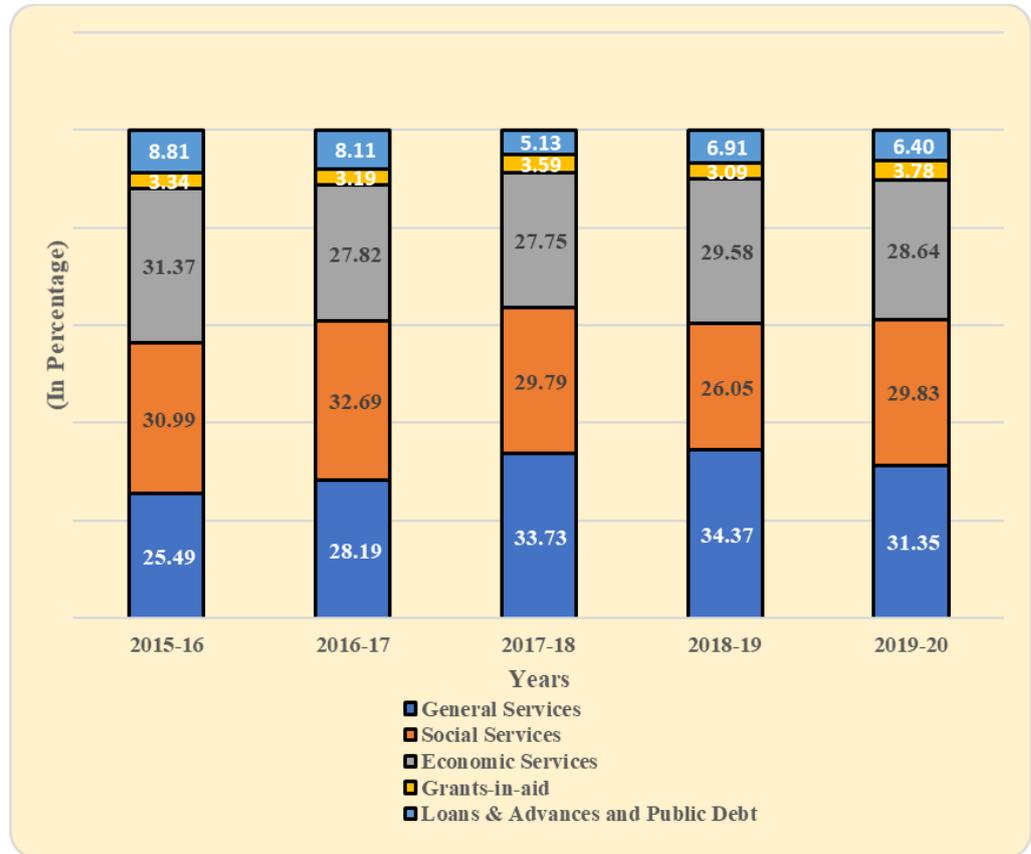
Source: Finance Accounts of the respective years

The expenditure under Consolidated Fund are grouped into sectors according to specific functions or services, such as ‘General Services’, ‘Social Services’, ‘Economic Services’, ‘Grants-in-aid and contributions’, ‘Public Debt’ and ‘Loans and Advances’. The trends of category wise expenditure from

³⁰ Capital expenditure during the year 2015-16 and 2016-17 included capital expenditure under UDAY to the tune of ₹ 6,083 crore and ₹ 3,700 crore respectively. During the year 2017-18, there was substantial reduction in capital expenditure as compared to the year 2016-17 mainly due to substantial budget provision of ₹ 36,000 crore for farm loan waiver schemes for small/marginal farmers.

Consolidated Fund of the State under General Services, Social Services, Economic Services, Loans and Advances and Grants-in-aid are presented in **Chart 2.7**.

Chart 2.7: Percentage of sector-wise expenditure during the period 2015-20



The component wise expenditure under Consolidated Fund of the State during the year 2019-20 is depicted in **Chart 2.8**.

Chart 2.8: Component wise expenditure during the year 2019-20

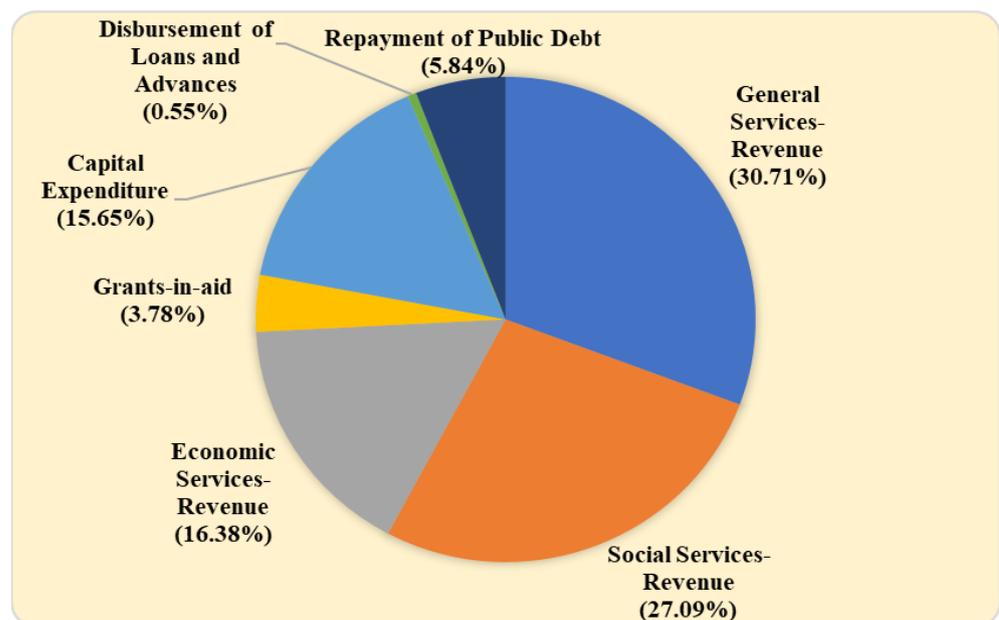


Chart 2.8 presents that during the year 2019-20, the revenue expenditure under General Services was highest at 30.71 per cent of total expenditure

which includes expenditure on Organs of State, Fiscal Services, Interest Payment, Administrative Services and Pensions. The revenue expenditure on Social Services was 27.09 *per cent* of the total expenditure which includes expenditure on Education, Sports, Art & Culture, Health and Family Welfare, Social Welfare and Nutrition, Water Supply & Sanitation, etc. The revenue expenditure on Economic Services was 16.38 *per cent* which includes expenditure on Agriculture and allied services, Rural Development, Irrigation and Flood Control, Energy, Industry and Minerals & Transport etc. The Capital expenditure (excluding debt servicing) was 15.65 *per cent* of the total expenditure.

2.4.2 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network. Revenue expenditure comprises wages and salaries, interest payments, pensions, expenditure on operation and maintenance of capital works, subsidies and transfers to local bodies, co-operatives, Non-Government Organisations (NGOs) and others. Basic parameters of Revenue Expenditure are given in **Table 2.11**.

Table 2.11: Basic parameters of Revenue Expenditure during the period 2015-20

(₹ in crore)					
Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
Total Expenditure (TE)	2,86,277	3,13,122	3,06,821	3,70,494	3,60,951
Revenue Expenditure (RE)	2,12,736	2,36,592	2,66,224	3,01,728	2,98,833
Rate of Growth of RE (<i>per cent</i>)	24.39	11.21	12.52	13.34	(-) 0.96
Revenue Expenditure as percentage of TE	74.31	75.56	86.77	81.44	82.79
RE/GSDP (<i>per cent</i>)	18.70	18.34	18.23	18.09	16.65
RE as percentage of RR	93.68	92.10	95.50	91.44	81.56
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	1.96	0.84	0.95	0.94	(-) 0.13
Revenue Receipts (ratio)	1.40	0.85	1.47	0.73	(-) 0.09

Source: Finance Accounts of the respective years.

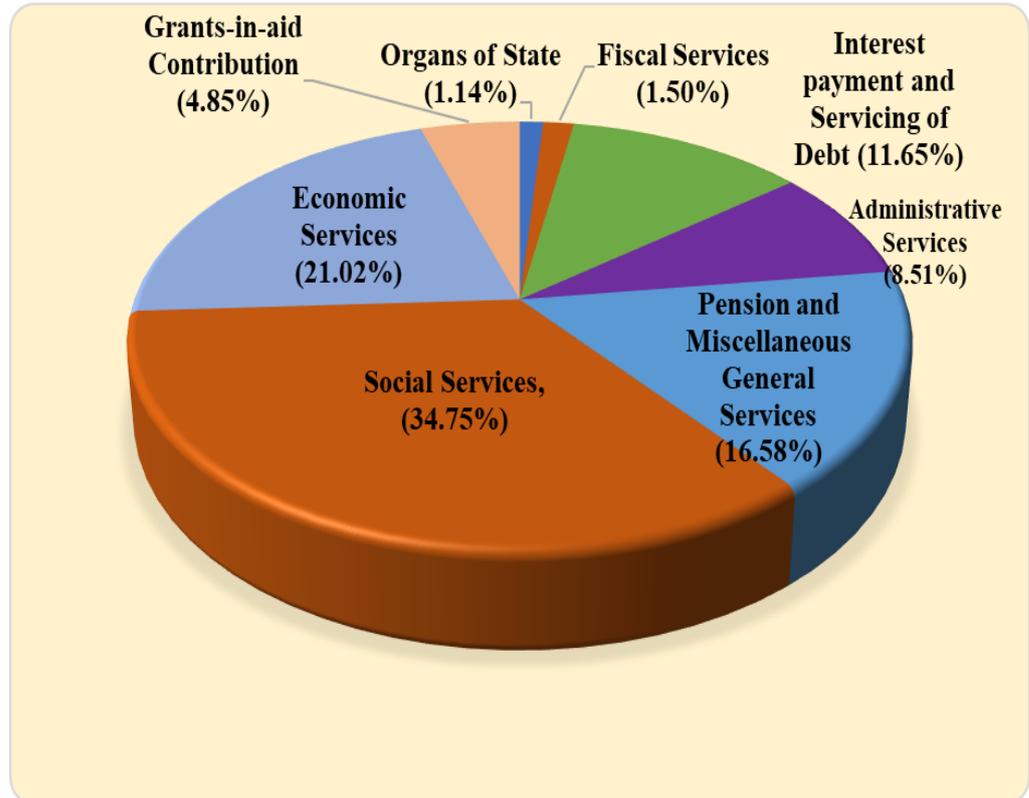
Revenue expenditure continued to be the dominant component of the total expenditure and its share increased from 74.31 *per cent* in the year 2015-16 to 82.79 *per cent* in the year 2019-20. The rate of growth of revenue expenditure fluctuated widely between (-) 0.96 *per cent* in the year 2019-20 to a high of 24.39 *per cent* in the year 2015-16. The decreases in the revenue expenditure during the year 2019-20 were mainly on Appropriation for reduction or avoidance of Debt (₹ 26,404 crore) under General Services, Water Supply and Sanitation (₹ 684 crore) under Social Services, Other Rural Development Programme (₹ 6,619 crore) and Crop Husbandry (₹ 3,774 crore) under the Economic Sector.

Revenue expenditure as a percentage of GSDP showed a decreasing trend from 18.70 *per cent* in the year 2015-16 to 16.65 *per cent* in the year 2019-20. Revenue Expenditure buoyancy with GSDP measures the percentage change in the revenue expenditure to the percentage change in GSDP. As can be seen from Table 2.11, the Revenue buoyancy which was 0.94 in the year 2018-19

has decreased to (-) 0.13 in the year 2019-20 due to negative growth rate of revenue expenditure.

The Revenue expenditure is further distributed in General Sector, Social Sector and Economic Sector and Grants-in-aid. The General Sector is comprising of Organs of State, Fiscal Services, Administrative Services, Interest Payment, Servicing of debt and Pension & Miscellaneous General Services. The Sector/Sub-sector wise revenue expenditure is presented in **Chart 2.9**.

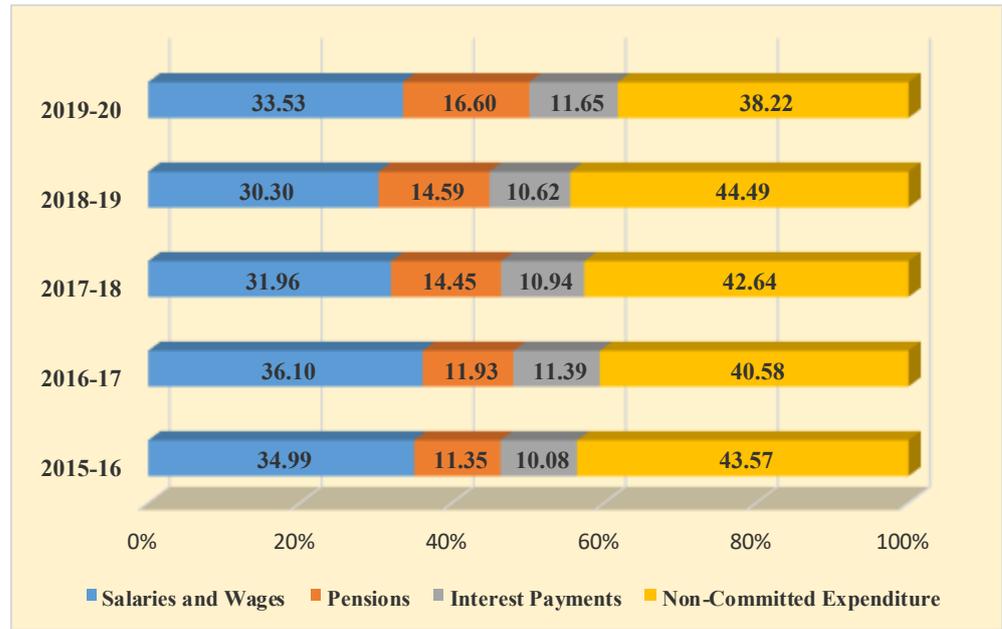
Chart 2.9: Sector-wise distribution of revenue expenditure



2.4.3 Committed and Non-Committed Expenditure

Expenditure of the State Government on revenue account can be classified into committed and non-committed expenditure. The committed expenditure of the State Government on revenue account mainly consists of expenditure on salaries and wages, pension payments and interest payments on which the present executive has limited control. Expenditure other than committed expenditure can be classified into non-committed expenditure. Trend of share of committed and non-committed expenditure during the period 2015-20 is depicted in **Chart 2.10**.

Chart 2.10: Share of committed and non-committed expenditure in Revenue Expenditure



2.4.4 Committed Expenditure

Component-wise Committed Expenditure during the period 2015-20 is given in Table 2.12.

Table 2.12: Component-wise expenditure on Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2015-16	2016-17	2017-18	2018-19	2019-20
Salaries	74,439	85,416	85,076	91,413	1,00,188
(i) Salary	33,881	37,547	43,490	50,471	53,508
(ii) Wages	643	824	921	1,062	1,357
(iii) Subsidiary Grant (Salary)	39,915	47,045	40,665	39,880	45,323
Pensions	24,150	28,227	38,476	44,024	49,603
Interest Payments	21,448	26,936	29,136	32,042	34,813
Total	1,20,037	1,40,579	1,52,688	1,67,479	1,84,604
As a percentage of Revenue Receipts (RR)					
Salaries	32.78	33.25	30.52	27.70	27.34
Pensions	10.64	10.99	13.80	13.34	13.54
Interest Payments	9.45	10.49	10.45	9.71	9.50
Total	52.86	54.73	54.77	50.75	50.38
As a percentage of Revenue Expenditure (RE)					
Salaries	34.99	36.10	31.96	30.30	33.53
Pensions	11.35	11.93	14.45	14.59	16.60
Interest Payments	10.08	11.39	10.94	10.62	11.65
Total	56.43	59.42	57.35	55.51	61.78

Source: Finance Accounts of the respective years

The committed expenditure affects the State in prioritising expenditure and in meeting capital investments to meet growing needs of social and economic infrastructure. The high proportion of committed expenditure to revenue receipts and revenue expenditure indicates that the State has limited flexibility in allocation of its resources for new schemes. During the year 2019-20, committed expenditure increased by 10.23 *per cent* (₹ 17,125 crore) over the year 2018-19. The committed expenditure was fluctuating during the period 2015-20 and highest in the year 2019-20 at 61.78 *per cent* of the total revenue expenditure. The component wise details of committed expenditure are discussed below.

2.4.4.1 Expenditure on Salaries

There were 12,40,155 sanctioned posts in the State Government on 31 March 2019. During the year 2019-20, expenditure on salaries with respect to the employees of the State Government was ₹ 53,508 crore. Taking into account the expenditure under the object head ‘Subsidiary Grant-General (Salary)’³¹ and ‘Wages’ amounting to ₹ 45,323 crore and ₹ 1,357 crore respectively, total expenditure on salary was ₹ 1,00,188 crore representing 27.34 *per cent* of Revenue Receipts and 33.53 *per cent* of Revenue Expenditure.

Further, the expenditure on salary on State Government employees has increased by six *per cent* (₹ 3,037 crore) over the year 2018-19. However, it was lower by ₹ 10,419 crore against the assessment made by the State Government in MTFRP (₹ 63,927 crore). During the year 2019-20, the expenditure on Salary of the State Government employees was 14.60 *per cent* of the Revenue Receipts and 17.91 *per cent* of the Revenue Expenditure.

2.4.4.2 Interest payments

During the period 2015-20, expenditure on account of payment of interest increased from ₹ 21,448 crore to ₹ 34,813 crore with compound annual growth rate of 12.87 *per cent*. As compared to the year 2018-19, interest payments increased by 8.65 *per cent* in the year 2019-20 mainly due to increased interest payment on market loans (by ₹ 2,898 crore) and small savings, provident funds *etc.* (by ₹ 332 crore). As a percentage of the Revenue Receipts, expenditure on interest payments shows a marginal increase of 0.05 *per cent* from 9.45 *per cent* in 2015-16 to 9.50 *per cent* in 2019-20. Further, in addition, State Government had provided financial assistance (Grants-in-aid) of ₹ 566.66 crore to State PSUs for the payment of interest on servicing of extra-budget borrowings taken by PSUs/Authorities as discussed in **Paragraph 4.2**.

2.4.4.3 Pension payments

There were 10.85 lakh pensioners in the State as of 31 March 2020. During the period 2015-20, expenditure on account of pension payment ranged between ₹ 24,150 crore and ₹ 49,603 crore. In the year 2019-20, expenditure on pension was ₹ 49,603 crore (including ₹ 1,972.36 crore on account of leave encashment benefits) increasing by 12.67 *per cent* over the previous year (₹ 44,024 crore). The increases were mainly on account of payment of superannuation and retirement benefits along with family pensions, gratuities

³¹ Related to the employees of Primary Education, Secondary Education and Aided Institutes, Autonomous Bodies, etc.

and Government contribution to Defined Contribution Pension Scheme though there was less expenditure under commuted value of pension. Expenditure on pension in the year 2019-20 accounted for 13.54 *per cent* of the total revenue receipts and 16.60 *per cent* of the total revenue expenditure. The State Government, however, did not discharge its statutory liability towards DCPS, since government contribution amounting to ₹ 1,232.29 crore, though booked as revenue expenditure during 2019-20, was not transferred to the designated major head 8342 for DCPS during 2019-20, as discussed in **Paragraph 4.3**.

2.4.4.4 Subsidies

The details of subsidies provided during the period 2015-20 are given in **Table 2.13**.

Table 2.13: Expenditure on subsidies during 2015-20

Particular	2015-16	2016-17	2017-18	2018-19	2019-20
Subsidies (₹ in crore)	7,691	8,045	9,284	14,053	14,092
Subsidies as a percentage of Revenue Receipts	3.39	3.13	3.33	4.26	3.85
Subsidies as a percentage of Revenue Expenditure	3.62	3.40	3.49	4.66	4.72

Expenditure on subsidy increased from ₹ 7,691 crore in 2015-16 to ₹ 14,092 crore in 2019-20. During the year 2019-20, subsidy of ₹ 14,092 crore was 3.85 *per cent* and 4.72 *per cent* of revenue receipts and revenue expenditure respectively. It also includes Central assistance of ₹ 1,447.69 crore for subsidy under Centrally Sponsored Schemes. The departments with major portion of subsidy during the year 2019-20 are given in **Table 2.14**.

Table 2.14: Departments with major portion of subsidy during 2019-20

Grant No	Name of the Department	Amount of Subsidy (₹ in crore)	Percentage of total Subsidy	Main Purpose
09	Power	7,910.00	56	Compensatory grant to UP Power Corporation Ltd. (₹ 4,790 crore), Revenue Compensatory Grant against amount paid for electric tax to UPPCL (₹ 3,120 crore).
83	Social Welfare	1,672.92	12	Special component Plan for Scheduled Caste (₹ 1,490.91 crore) and Schedule Tribes (₹ 182.01 crore).
11	Agriculture	2,202.31	16	On account of grant to UP Power Corporation Ltd for electricity supply to private tube-wells of farmers for improvement in agriculture production (₹ 1,200 crore) and National crop Insurance Programme (₹ 413 crore).

2.4.4.5 Financial assistance by the State Government to Local Bodies and Other Institutions

Financial assistance is provided by the State Government to Local Bodies and other institutions by way of grants-in-aid and loans. The quantum of assistance provided by way of grants-in-aid to local bodies and other institutions during the period 2015-20 is presented in **Table 2.15**.

Table 2.15: Financial Assistance to Local Bodies and others institutions during 2015-20

(₹ in crore)

Financial Assistance to Institutions	2015-16	2016-17	2017-18	2018-19	2019-20
(A) Panchayati Raj Institution (Zila Parishads and Gram Panchayats)	3,069.63	7,572.31	10,096.44	16,209.80	12,517.71
(B) Urban Local Bodies (Municipal Corporations and Municipalities)	598.84	1,002.05	1,208.46	3,081.35	9,059.97
Total (A +B)	3,668.47	8,574.36	11,304.90	19,291.15	21,577.68
(C) Public Sector Undertakings (Government Companies and Statutory Corporations)	13,056.85	8,440.26	133.41	7,053.03	8,940.17
(D)Autonomous Bodies (Universities, Development Authorities, Cooperative Institutions & Others)	1,584.81	2,295.33	5,405.83	6,436.96	37,393.78
(E) Non-Government Organisations	26,055.25	30,260.69	26,038.26	181.61	7,140.75
(F) Miscellaneous	32,703.14	32,806.92	49,338.56	58,801.38	18,282.08
Total (C+D+ E+F)	73,400.05	73,803.20	80,916.06	72,472.98	71,756.78
Grand Total (A+B +C+D+ E+ F)	77,068.52	82,377.56	92,220.96	91,764.13	93,334.46
Revenue Expenditure	2,12,736	2,36,592	2,66,224	3,01,728	2,98,833
Assistance as percentage of Revenue Expenditure	36.23	34.82	34.64	30.41	31.23

Source: Finance Accounts of the respective years

Financial assistance of ₹ 93,334.46 crore was provided by the State Government to Local bodies and other grantee institutions by way of grants-in-aid during the year 2019-20, which included Central assistance of ₹ 16,822.57 crore. Financial Assistance under grants-in-aid has continuously increased during the period 2015-20, except in the year 2018-19 when it slightly decreased. It increased by ₹ 16,265.94 crore (21.11 per cent) during the year 2019-20 as compared to the year 2015-16. However, as a percentage of revenue expenditure, it decreased from 36.23 per cent in the year 2015-16 to 31.23 per cent in the year 2019-20.

The assistance to PRIs increased from ₹ 3,069.63 crore in the year 2015-16 to ₹ 12,517.71 crore in the year 2019-20 though it decreased by ₹ 3,692.09 crore during the year 2019-20 when compared to the year 2018-19. It also included grants-in-aid released to the State Government (₹ 2,732.44 crore) under Centrally Sponsored Schemes, which decreased by ₹ 6,328 crore as compared to the year 2018-19 mainly under Swachh Bharat Mission (Rural).

Financial assistance to Urban Local Bodies had continuously increased during the period 2015-20 from ₹ 598.84 crore in the year 2015-16 to ₹ 9,059.97 crore in the year 2019-20. During the year 2019-20, it increased by ₹ 5,978.62 crore (194 per cent) when compared to grants-in-aid received during the year 2018-19. The increase was mainly due to release of Central Assistance under PM Housing Scheme (₹ 4,170.27 crore) and Smart City Mission (₹ 114.00 crore). The assistance to ULBs included ₹ 6,420.69 crore towards creation of capital assets.

In case of Autonomous Bodies, the increase of ₹ 31,502.82 crore in the year 2019-20 was mainly due to classification of assistance of ₹ 28,860.32 crore to Basic Education Board/Primary School, aided Junior KG/Nursery School under Autonomous Bodies, which was included in the category of Miscellaneous during the year 2018-19.

2.4.5 Capital Expenditure

Capital expenditure (capex) is primarily expenditure on creation of fixed infrastructure assets such as roads, buildings, etc. The State Government needs to initiate measures to earn adequate return on its investments, recover cost of borrowed funds and take requisite steps to infuse transparency in financial operations. Capital expenditure and its percentage to total expenditure during the period 2015-20 is presented in **Chart 2.11**.

Chart 2.11: Capital expenditure in the State during the period 2015-20



As evident from Chart 2.11, the capital expenditure as a percentage of total expenditure ranged between 12.74 *per cent* and 22.50 *per cent* during the period 2015-20, it was lowest at 12.74 *per cent* during the year 2017-18 and highest at 22.50 *per cent* of the total expenditure during the year 2015-16.

Some of the Major Heads where Capital expenditure was significantly high during the year 2019-20 are depicted in **Table 2.16**.

Table 2.16: Major Head wise capital expenditure during the year 2019-20

Sl. No.	Major Head and its Nomenclature	Major Activity/Scheme	Amount (₹ in crore)
1	4801-Capital Outlay on Power Projects	Power sector PSUs (For Generation Transmission and Distribution activities)	8,249
2	5054-Capital Outlay on Roads and Bridges	Roads and Bridges	21,376
3	4700-Capital Outlay on Major Irrigation	Major Irrigation	4,448
4	4515-Capital Outlay on other Rural Development Programmes	Special programme for rural development	3,706
5	4408-Capital Outlay on Food Storage and Warehousing	Food storage and warehousing	3,890
6	4215- Capital Outlay on Water supply and Sanitation	Water supply and sanitation	2,384
7	4210-Capital Outlay on Medical and Public Health	Construction of PHCs, CHCs etc,	2,123
8	4216-Capital Outlay on Housing	Housing	2,112

Source: Finance Accounts 2019-20

During the year 2019-20, the capital expenditure was ₹ 59,998 crore against the capital expenditure of ₹ 62,463 crore in the year 2018-19. The decrease of ₹ 2,465.38 crore (3.95 per cent) during the year 2019-20 in comparison with the year 2018-19 was mainly in Other Administrative Services under General Services Sector by ₹ 924.13 crore (27 per cent), Economic Services Sector by ₹ 1,466.83 crore (3.03 per cent) and Social Services Sector by ₹ 74.42 crore (0.70 per cent).

2.4.5.1 Major changes in Capital Expenditure

The details of major changes in the Capital Expenditure under various Major Heads for the year 2019-20 with comparison to the year 2018-19 are given in Table 2.17.

Table 2.17: Major changes in Capital Expenditure during 2019-20 under various Major Heads

Major Heads of Accounts	2018-19	2019-20	(₹ in crore)
			Increase (+)/ Decrease (-)
5054-Capital Outlay on Roads and Bridges	19,816.31	21,376.18	7.87
4408- Capital Outlay on Food Storage and Warehousing	2,370.11	3,890.04	64.13
4406-Capital Outlay on Forestry and Wild Life	216.97	714.67	229.39
4801-Capital Outlay on Power Projects	13,409.18	8,248.83	(-) 38.48
4070-Capital Outlay on other Administrative Services	1,893.49	651.86	(-) 65.57
4216-Capital Outlay on Housing	3,333.19	2,111.55	(-) 36.65

Source: Finance Accounts 2019-20

The main reason for increase/decrease under Major Heads is given below:

Major Head 5054 (Capital Outlay on Roads and Bridges)- The major changes during the year 2019-20 were due to increase in expenditure on major activities viz. construction work of State Highways (₹ 759.38 crore), Purvanchal Expressway project (₹ 1,799.35 crore), Bundelkhand Expressway project (₹ 1,538.02 crore), Gorakhpur Link Expressway (₹ 357.18 crore), widening and strengthening work of State roads (₹ 366.87 crore), etc.

Major Head 4408 (Capital Outlay on Food Storage and Warehousing)- Increases were mainly due to more procurement and supply of food-grains (₹ 1,574.12 crore).

Major Head 4406 (Capital Outlay on Forestry and Wild Life)- Increase was mainly due to increase in expenditure on different social and farm forestry schemes viz. social forestry (₹ 260.33 crore), plant nursery management scheme (₹ 159.62 crore) and establishment of zoo in Gorakhpur (₹ 75 crore).

Major Head 4801 (Capital Outlay on Power Projects)- Decreases were mainly due to less expenditure on investment in share capital for work under Integrated Power Development Scheme (₹ 863.42 crore) and share capital to UPPCL for underground cabling (₹ 196.43 crore). There was less investment in share capital for electricity under Pradhan Mantri Sahaj Bijli Har Ghar Yojna (₹ 1,071.14 crore) than that of previous year (2018-19).

Major Head 4070 (Capital Outlay on other Administrative Services)- Decreases were mainly due to decrease in expenditure towards payment of compensation of acquired land for construction of judicial buildings (₹ 116.62 crore) and expenditure on Kumbha Mela 2019 at Prayagraj (₹ 1,077.56 crore).

Major Head 4216 (Capital Outlay on Housing) - Decreases were mainly due to decrease in expenditure on centrally sponsored schemes for special component plan for SCs under rural housing (₹ 224.58 crore) and less expenditure under Prime Minister Awas Yojana-Rural (₹ 1,051.25 crore).

2.4.5.2 Quality of capital expenditure

This section presents an analysis of investments and other capital expenditure undertaken by the Government during the current year.

Quality of investments in PSUs

Capital expenditure, investments made and loan given to PSUs which are loss making or where net worth is completely eroded is not sustainable and affected the quality of capital expenditure. Return on investment in share capital invested in PSUs is an important determinant of quality of capital expenditure. Issues related to quality of investments in PSUs viz. Return on Investment, Erosion of Net Worth, Dividend Payout, Return on Capital Employed etc. have been discussed in detail under various paragraphs in **Chapter 5** of the Report.

Capital blocked in incomplete projects

Appendix IX of the Finance Accounts presents the overall status of incomplete works. The Appendix includes the list of incomplete works in Public Works and Irrigation Department of U.P Government, though the list is not inclusive of all the incomplete works of the State Government of other Departments. Blocking of funds on incomplete projects/ works impinges negatively on the quality of expenditure and deprives the State of the intended benefits for prolonged periods. Further, the funds borrowed for implementation of these projects during the respective years leads to the extra burden in terms of servicing of debt and interest liabilities. As per the Appendix IX, the status of Department-wise incomplete works (which were to be completed by 31 March 2020) and capital blocked therein as of 31 March 2020 are given in **Tables 2.18 (a) and (b)**.

Table 2.18 (a): Details of incomplete projects as on 31 March 2020

(₹ in crore)

Target year of completion	No of incomplete projects as on 31 March 2020	Estimated cost	Expenditure (as on 31 March 2020)
2015-16	1	2.55	2.42
2016-17	8	31.11	20.12
2017-18	14	670.98	586.87
2018-19	14	349.76	165.18
2019-20	206	5,142.66	6,178.24
Total	243	6,197.06	6,952.83

Source: Finance Accounts 2019-20

Table 2.18 (b): Department-wise incomplete projects as on 31 March 2020

(₹ in crore)

Department	No. of incomplete projects	Estimated cost	Expenditure
Public Works	223	4,198.32	3,210.92
Irrigation	20	1,998.74	3,741.91
Total	243	6,197.06	6,952.83

Source: Finance Accounts 2019-20

From the above tables it can be seen that in two major Departments (PWD and Irrigation) of the State Government, 243 projects (223 projects in PWD and 20 projects in Irrigation) were incomplete and as a result, expenditure of ₹ 6,952.83 crore as of 31 March 2020 incurred on these projects did not yield any return in terms of amenities to the people of the State and as an aid towards the economic growth of the State.

2.4.5.3 Implementation of Ujwal DISCOM Assurance Yojana (UDAY)

The Ministry of Power, Government of India (GoI) had launched (November 2015) the Ujwal DISCOM Assurance Yojana (UDAY) Scheme for the financial turnaround of State-owned Power Distribution Companies (DISCOMs) which were reeling under severe financial stress.

With an objective to improve the operational and financial efficiency of the State DISCOMs, a tripartite Memorandum of Undertaking (MoU) was executed between Ministry of Power (GoI), Government of Uttar Pradesh and UP Power Corporation Limited, for and on behalf of UP DISCOMs. This scheme provides State Governments to take over 75 per cent of DISCOM's outstanding debt as on 30 September 2015 (50 per cent in the year 2015-16 and 25 per cent in the year 2016-17) over a period of two years. Accordingly, outstanding debt of the DISCOMs amounting to ₹ 44,403 crore³² was taken over by the State Government in the form of equity, loan and grant/subsidy. The debt taken over by the State Government were transferred to DISCOMs as a mix of grant, loan and equity, as detailed in **Table 2.19**.

Table 2.19: Status of Equity/Loan/ Subsidy under UDAY as of 31 March 2020

(₹ in crore)

Year	Equity Investment	Loan	Grant	Total
2015-16	11,353 ³³	6,083	12,166	29,602
2016-17	3,700	3,700	7,401	14,801
Total	15,053	9,783	19,567	44,403

Source: Finance Accounts of respective years

Further, the State Government are to take over losses, if any, of the DISCOMs in a graded manner as follows:

Year	2017-18	2018-19	2019-20	2020-21
Loss to be taken over by State	5% of loss of 2016-17	10% of loss of 2017-18	25% of loss of 2018-19	50% of loss of previous year

During the year 2019-20, the State Government converted the interest free loan of ₹ 4,891.72 crore into grants under UDAY project and took over the losses of ₹ 2,400 crore in power distribution companies under UDAY Scheme as per the MoU.

³² The effective outstanding debt of DISCOMs as on 30 September 2015 was ₹ 59,205 crore, which consisted of outstanding debt of ₹ 53,935 crore as on 30 September 2015 and bond of ₹ 5,270 crore issued under Financial Restructuring Plan 2012 issued by the State Government during 2015-16 (before 30 September 2015).

³³ ₹ 5,270 crore issued under Financial Restructuring Plan 2012 issued by the State Government during 2015-16 (before 30 September 2015).

2.4.5.4 Resource availability of the State under Public Private Partnership Projects

Public Private Partnership (PPP) is an arrangement between the government or statutory entity and a private sector entity, to provide a framework that enables them to work together to meet the rising demand of the public for infrastructure development.

Annexure H of Finance Accounts Vol-I for the year 2019-20 gives the details of PPP projects in the State where developers have been selected. These details have been provided by the *Pradeshya Industrial & Investment Corporation of UP Ltd.* (PICUP), a government financial institution, to office of the Accountant General (A&E)-I UP Prayagraj. The Sector-wise detail of projects running under PPP mode are given in **Table 2.20**.

Table 2.20: Sector-wise details of PPP projects up-to 2019-20

(₹ in crore)

Sl. No.	Sector	Completed		Ongoing	
		No.	Estimated Cost	No.	Estimated Cost
1.	Industrial Development	-	-	1	13,782
2.	Public Works	-	-	9	8,083.40
3.	Urban Development	-	-	33	5,103.40
4.	Energy	-	-	14	66,488.64
5.	Hydro Electric	-	-	6	2,713.42
	Total	-	-	63	96,170.86

Source: Finance Accounts 2019-20.

2.4.6 Expenditure priorities

Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if the allocation is below the respective national average. The higher the ratio of these components to total expenditure, the quality of expenditure is considered to be better.

Table 2.21: Expenditure priority of the State with regards to Health, Education and Capital expenditure

(In percentage)

Particulars	AE/GSDP	CE/AE	Education/AE	Health/AE
All India Average of General Category States (2015-16)	16.97	14.81	15.68	4.79
Uttar Pradesh	25.16	22.50	16.14	4.70
All India Average of General Category States (2019-20)	15.15	12.97	15.91	5.21
Uttar Pradesh	20.11	16.62	15.45	5.53

(AE- Aggregate Expenditure, CE- Capital Expenditure)

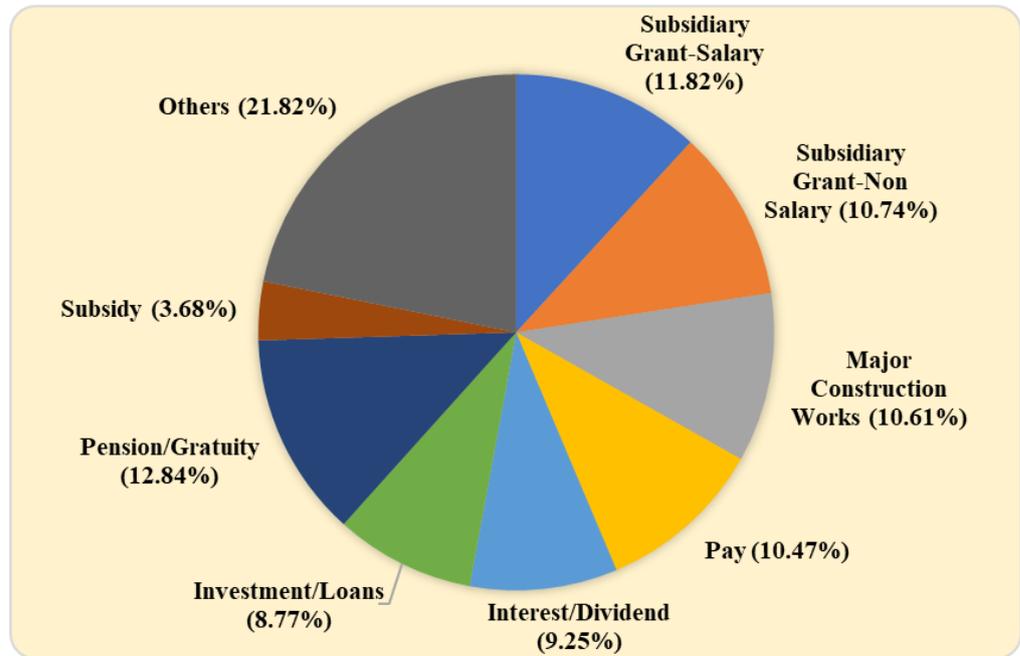
It is evident from **Table 2.21** that though the ratio of State's aggregate expenditure as well as capital expenditure to GSDP declined in the year 2019-20 when compared to the year 2015-16 but it was higher to All India average of General Category States. The ratio of expenditure on education to Aggregate Expenditure has declined in the year 2019-20 when compared to the year 2015-16. This was also marginally below than All India average of General Category States. Further, ratio of expenditure on health to aggregate expenditure has improved in the year 2019-20 when compared to the year

2015-16. It was also above than all India average of General Category States during the year 2019-20.

2.4.7 Object head wise expenditure

Object head-wise expenditure during the year 2019-20 is depicted in **Chart 2.12**.

Chart 2.12: Object Head wise expenditure (in per cent) during the year 2019-20



As evident from **Chart 2.12**, expenditure under object heads for pay, grants-in-aid for salary and pension and retirement benefits constituted 35 per cent of total expenditure during 2019-20. Besides, grants-in-aid (non-salary), interest/dividend and subsidy constituted 10.74 per cent, 9.25 per cent and 3.68 per cent of the total expenditure respectively. Expenditure on account of investment and loans and major construction works, which was capital in nature, constituted 8.77 per cent and 10.61 per cent of the total expenditure respectively.

2.5 Public Account

Receipts and disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. The Government acts as a banker in respect of these. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

2.5.1 Net Public Account Transactions

The status of receipts and disbursement under Public Accounts are shown in Statement-21 of the Finance Accounts and the details of Public Account (Net) transactions during the period 2015-20 are given in **Table 2.22**.

Table 2.22: Component-wise Public Account (Net) transactions during 2015-20

(₹ in crore)

Sector	Sub Sector	2015-16	2016-17	2017-18	2018-19	2019-20
Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	1,534	1,619	2,530	3,646	3,314
Reserve Funds	(a) Reserve Funds bearing Interest	0	0	0	0	1757
	(b) Reserve Funds not bearing Interest	2,561	7,225	8,265	13,545	(-70,056)
Deposits and Advances	(a) Deposits bearing Interest	92	187	220	184	883
	(b) Deposits not bearing Interest	(-1,635)	(-405)	1,189	2,000	(-2,990)
	(c) Advances	0	(-83)	4	12	17
Suspense and Miscellaneous	(a) Suspense	300	152	(-1,436)	(-236)	(-1,743)
	(b) Other Accounts	(-977)	440	(-778)	459	(-85)
	(c) Accounts with Governments of Foreign Countries	0	0	0	0	0
	(d) Miscellaneous	0	0	0	0	0
Remittances	(a) Money Orders, and other Remittances	(-194)	750	(-3,910)	329	308
	(b) Inter-Governmental Adjustment Account	(-3)	(-2)	4	(-16)	5
TOTAL		1,678	9,883	6,088	19,923	(-68,590)

Note: Positive denotes credit balance and negative denotes debit balances

2.5.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. These funds are met from contributions or grants from the Consolidated Fund of the State as well as the Government of India (GoI). Contributions from the GoI were received for State Disaster Response Fund, State Compensatory Afforestation Fund, Central Road Fund, etc. Detailed information on Reserve Funds and the investment from the earmarked funds is available in Statements 21 and 22 of the Finance Accounts. Details of Reserve Funds during the year 2019-20 are given in **Appendix 2.3**.

Operative and Inoperative Reserve Funds: There were 35 Reserve Funds (14 operative and 21 inoperative funds) earmarked for specific purposes in the beginning of 2019-20. Out of inoperative funds, 18 funds were closed by the State Government and one Reserve Fund was opened during the year. Thus, 18 funds existed with a total balance of ₹ 4,526.25 crore as on 31 March 2020. These 15 operative funds had a balance of ₹ 4,505.58 crore and three inoperative funds existed with a balance of ₹ 20.67 crore. The balances under inoperative Reserve Funds imply that these are lying as idle funds. During the year, the State Government made a net transfer of (-) ₹ 68,298.52 crore to various Reserve Funds. All these transactions were in the nature of book adjustments and did not represent actual cash transfers.

Interest and Non-interest bearing Funds: Out of the existing Reserve Funds, there were 17 non-interest bearing funds having a balance of

₹ 2,768.94 crore and one interest bearing fund³⁴ viz. “State Compensatory Afforestation Fund”. It had a balance of ₹ 1,757.31 crore as on 31 March 2020. Detail of some of the major funds has been discussed below:

2.5.2.1 Consolidated Sinking Fund

The Twelfth Finance Commission (2005-10) recommended (November 2004) that all states should set up sinking funds for amortisation of all loans including loans from banks, liabilities on account of NSSF etc. The fund should be maintained outside the consolidated fund of the States and the Public Account and should not be used for any other purpose, except for redemption of loans. Reserve Bank of India (RBI) maintains a Consolidated Sinking Fund, on behalf of the State Governments, to provide a cushion for amortisation of market borrowings/liabilities.

Government of Uttar Pradesh constituted³⁵ (March 2020) a Consolidated Sinking Fund (CSF) for redeeming its outstanding liabilities³⁶. This was done in line with the recommendations of 12th Finance Commission. The newly created CSF is to come into force from the financial year 2020-21 and it shall be administered by RBI. The corpus of fund comprising the periodic contributions as well as income accruing to the Fund shall be kept outside general revenue of the Government. No withdrawals will be allowed from the Fund until the year 2024-25.

As per the Uttar Pradesh Government notification (17 March 2020), the outstanding balance under the existing Sinking Fund at end-March 2020 was to be transferred to the Consolidated Sinking Fund. However, the State Government transferred (30 March 2020) the entire balance of the existing Sinking Fund under Public Account amounting to ₹ 71,180.23 crore as non-tax revenue of the State Government. This transfer of ₹ 71,180.23 crore was a book adjustment and no cash was received by the State Government out of this transaction.

Audit noted that the State Government had general cash balance of ₹ 21,386.75 crore as on 31 March 2020, which was less than the book balance under Sinking Fund (before transfer to non-tax revenue). As such, the State Government was not in a position to transfer the book balance of Sinking Fund to Consolidated Sinking Fund with RBI which would involve actual cash transfer. However, with the reduction of Sinking Fund balance to zero, the State Government has no balance available under Sinking Fund/Consolidated Sinking Fund as on 31.03.2020 for amortisation of its open market loans amounting to ₹ 2,91,185.86 crore. Further, repayment of internal debt amounting to ₹ 89,047 crore, including UP State Development Loan (market loans) of ₹ 45,330 crore, was due during 2020-21 to 2023-24.

While closing the existing Sinking Fund, State Government also did not adhere to the accounting principles laid down in the List of Major and Minor Heads of Account of Union and States. Note (1) below Major Head 8222-Sinking Fund of List of Major and Minor Heads of Accounts of Union and States (LMMH) prescribes that on maturity of the loan, the balance

³⁴ A Fund where the State Government is required to pay interest on deposits in the Fund on such rate as may be fixed by the Government.

³⁵ Vide notification no. 52/X-2020-10(4)-2006 dated 17.03.2020.

³⁶ Defined as comprising Internal Debt and Public Account liabilities of the State Government.

outstanding under this head is credited to the head ‘8680-Miscellaneous Government Accounts 101- Ledger Balance Adjustment accounts’. During the year 2019-20, State Government repaid Market Loans of ₹ 13,877.20 crore. As such, ₹ 13,877.20 crore was required to be transferred from Sinking Fund to Miscellaneous Government Accounts (Major Head 8680) instead the State Government transferred and credited entire balance of ₹ 71,180.23 crore from Sinking Fund to Revenue Receipts (under the Major Head 0075-Miscellaneous General Services- 800-Other Receipts). It overstated revenue receipts during the year due to violation of accounting procedure mentioned under Note (1) below Major Head 8222 of LMMH. Besides, transfer of the remaining balance from Sinking Fund (₹ 57,303.03 crore) was an extraordinary item of receipt during 2019-20 without actual cash receipt to the State Government.

Thus, the revenue surplus of ₹ 67,560.14 crore and fiscal surplus of ₹ 11,082.69 crore during the year 2019-20 should be read in conjunction with the transfer of ₹ 71,180.23 crore from Sinking Fund as revenue receipt of the State without actual cash receipt. Further, the credited amount of the existing Sinking Fund into non-tax revenue could not be utilised for amortisation of borrowings for which it was created. This lack of financial prudence needs to be addressed to ensure availability of adequate fund in Consolidated Sinking Fund for repayment of borrowings.

2.5.2.2 State Disaster Response Fund

Government of India (GoI) replaced the erstwhile Calamity Relief Fund with the State Disaster Response Fund (SDRF) with effect from 1 April 2010. The SDRF is to be used largely for meeting the expenditure for providing immediate relief to the victims of a disaster. In terms of the guidelines of the Fund, the Centre and States are required to contribute to the Fund in the certain proportion. The contributions are to be transferred to the Public Account to Major Head – 8121. Expenditure during the year is to be incurred by operating Major Head – 2245– Relief on account of Natural Calamities. The guidelines of SDRF stipulate the following:

- The Fund should be operated under the category “Reserve Fund bearing Interest” below Major Head-8121-General and Other Reserve Funds-122-State Disaster Response Fund.
- The State Government shall pay interest to the SDRF at the interest applicable to overdrafts under Overdraft Regulation Guidelines of the RBI. The interest is to be credited on a half yearly basis. The accretions to the SDRF together with the income earned on the investment of SDRF is to be invested in Central Government dated Securities, auctioned Treasury Bills and other interest earning deposits with scheduled commercial banks.

However, it was observed that the State Government operates its SDRF under the category “Reserve Funds not bearing Interest” below Major Head 8235-General and Other Reserve Funds-111- State Disaster Response Fund. The balances in the Fund are also not invested in the manner specified by the GoI.

During the year 2019-20, an amount of ₹ 820 crore was contributed to the Fund, which included ₹ 615 crore contributed by the GoI and ₹ 205 crore by the State Government in the ratio of 75:25. Besides, an amount of

₹ 234.30 crore being arrears of Central share and ₹ 78.10 crore as State share (in the ratio 90:10) was also contributed to the Fund.

At the beginning of the year 2019-20 and as on 01.10.2019, the SDRF had a balance of ₹ 956.94 crore and ₹ 1,838.98 crore respectively. Therefore, total interest of ₹ 116.55 crore on this balance (computed on six monthly basis at the average rate of interest on overdraft as applicable in the year 2019-20) was required to be paid by the State Government during 2019-20. However, the State Government has not credited to SDRF any interest on un-invested balances of the Fund as per the terms of the guidelines. Non-investment of unspent amount due to the fact that the Fund continues to be maintained as non-interest bearing, has impacted the corpus. Further, the revenue as well as fiscal surplus of the State during the year 2019-20 was overstated by ₹ 116.55 crore.

2.5.2.3 Guarantee Redemption Fund

As per the recommendations of Twelfth Finance Commission, the State Government should constitute 'Guarantee Redemption Fund' for meeting the debt service obligations arising in the event of default by the borrowing agency out of the guarantees issued by the Government in respect of bonds issued and other borrowings by the State Public Sector Undertakings or other Bodies and invoked by the beneficiaries. However, the State Government has not created a Guarantee Redemption Fund.

The position of guarantees given by the State Government on the loans availed by various institutions during the year is given in Statements 9 and 20 of Finance Accounts, which is based on information received from the State Government. The State Government had given guarantees for 23 entities *viz.* statutory corporation, Government companies and other institutions for loan raised by them in the year 2019-20. There was an outstanding guarantee of ₹ 1,18,696.49 crore at the end of the year 2019-20. The State Government executed the net guarantees of ₹ 4,439.64 crore during the year 2019-20 (*i.e.* about 0.25 *per cent* of GSDP). Further, the State Government had not fixed a limit for giving guarantee in a financial year.

Out of 23 entities, guarantee fee of ₹ 4.93 crore during 2019-20 was receivable from Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited only, which was received. The LMMH applicable to the Union and State Governments provides for account of Guarantee fee as a specific minor head under Major Head (0075-Miscellaneous General Services-108-Guarantee fees). In the case of Uttar Pradesh, however, it was observed that guarantee fee is not being collected/accounted for in the minor head as provided for in the LMMH.

2.5.2.4 State Compensatory Afforestation Fund

Under the Compensatory Afforestation Fund Act, 2016, State Government shall establish a special Fund to be called the State Compensatory Afforestation Fund (SCAF) under public accounts of the State. The monies received by the State Governments from the User Agencies are to be credited in 'State Compensatory Afforestation Deposits' under interest bearing section in Public Account of the State at Minor head level below the Major Head 8336-Civil Deposits. Out of this, 90 *per cent* shall be transferred to Minor Head 129- SCAF below Major Head 8121-General and Other Reserve Funds in Public Account of State and balance 10 *per cent* shall be credited into the

National Fund on yearly basis as per Section 3 (4) of the Compensatory Afforestation Fund Act, 2016, provided that, the credit of 10 *per cent* central share of funds should be ensured on monthly basis, so that the same is transferred to the National Compensatory Afforestation Fund.

Status of the State Compensatory Afforestation Fund: During the year 2019-20, the State Government received (August 2019) ₹ 1,819.63 crore from the GoI for credit to the SCAF. The expenditure incurred out of the Fund during the year was ₹ 62.32 crore. As on 31 March 2020, the balance in the SCAF was ₹ 1,757.31 crore.

The interest on balances available under ‘State Compensatory Afforestation Deposits’ under ‘8336-Civil Deposits’ and ‘SCAF’ under 8121- General and other Reserve Funds is to be paid as per the applicable rate declared by the Central Government on year to year basis. During the year 2019-20, the State Government was required to pay interest at the rate of three *per cent* per annum. However, the State Government did not pay interest of ₹ 31.69 crore as per the extant provisions. It has overstated the Revenue Surplus/Fiscal Surplus of the State Government by ₹ 31.69 crore during the year.

2.6 Debt Management

Debt management is the process of establishing and executing a strategy for managing the Government’s debt in order to raise the required amount of funding, achieve its risk and cost objectives, and to meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements.

2.6.1 Debt profile: Components

Total debt of the State Government typically constitutes of internal debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, etc.), loans and advances from the Central Government and Public Account Liabilities. Statement 6 of the Finance Accounts gives the status of outstanding liabilities of the State Government, which is presented in **Table 2.23**.

Table 2.23: Component wise debt trends during 2015-20

		(₹ in crore)				
		2015-16	2016-17	2017-18	2018-19	2019-20
Outstanding Overall Debt		3,67,251	4,23,224	4,67,842	5,18,095	5,02,412
Public Debt	Internal Debt	2,40,836	2,88,627	3,21,479	3,53,190	4,05,049
	Loans from GoI	13,658	13,250	12,812	11,980	11,529
Liabilities on Public Account		1,12,757	1,21,347	1,33,551	1,52,925	85,834 ³⁷
Rate of growth of outstanding Overall debt (percentage)		19.29	15.24	10.54	10.74	(-3.03)
Gross State Domestic Product (GSDP)		11,37,808	12,90,289	14,60,443	16,68,229	17,94,508
Debt/GSDP (per cent)		32.28	32.80	32.03	31.06	28.00

³⁷ Decrease in 2019-20 was primarily due to transfer of book balance of ₹ 71,180.23 crore of Sinking Fund in March 2020 to Non Tax Revenue.

	2015-16	2016-17	2017-18	2018-19	2019-20
Receipts under Public Debt and Other Liabilities	1,13,502	1,13,172	90,052	1,13,504	1,12,696
Repayments (Principal and interest) under Public Debt and Other Liabilities	75,557	84,099	74,570	95,293	1,63,192
Net Fund available	37,945	29,073	15,482	18,211	(-)50,496
Percentage of net funds available to receipts under public debt and other liabilities	33.43	25.69	17.19	16.04	(-) 44.81

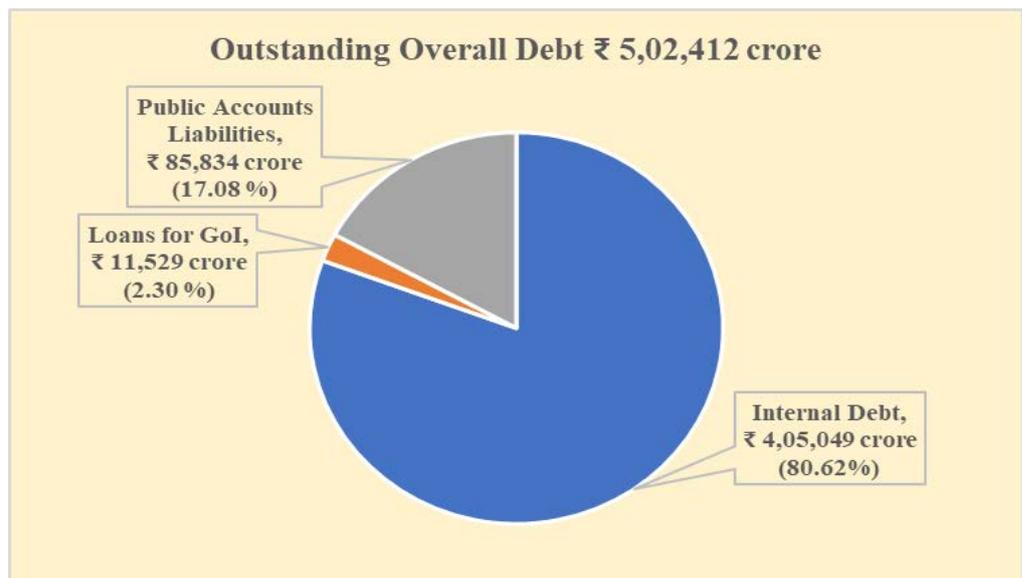
Source: Finance Accounts of respective years

As shown in **Table 2.23**, during the period 2015-20 the Internal Debt under overall debt of the State Government increased by 68 *per cent* from ₹ 2,40,836 crore in the year 2015-16 to ₹ 4,05,049 crore in the year 2019-20. During the year 2019-20, Internal Debt increased by 14.68 *per cent* over the previous year which was necessitated to finance the actual fiscal deficit of ₹ 60,098 crore as detailed in **Para 2.7**. Loans and advances from the Central Government have shown a decrease during the period 2015-20. Further, there was decrease of 44 *per cent* in Public Account liabilities mainly due to transfer of Sinking Fund balance of ₹ 71,180.23 crore to Revenue Receipt. As a result, the overall debt of the State decreased by 3.03 *per cent* during the year 2019-20 over the previous year 2018-19.

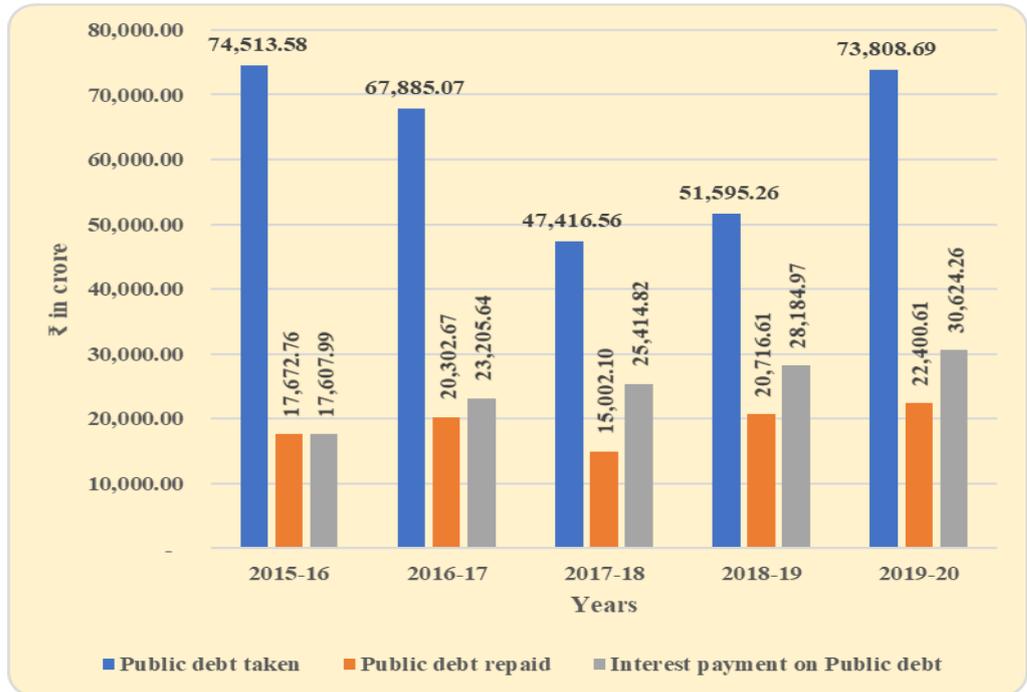
The percentage of net fund available under Public Debt and other liabilities to their receipts had a reducing trend during the year 2015-16 (33.43 *per cent*) to the year 2018-19 (16.04 *per cent*). The net fund available under Public Debt and other liabilities became negative, i.e., (-) ₹ 50,496 crore, during the year 2019-20 mainly due to book transfer of Sinking Fund balance to Revenue Receipts.

Chart 2.13 presents the status of outstanding overall debt of the State Government at the end of the year 2019-20.

Chart 2.13: Break up of Outstanding Overall Debt at the end of the year 2019-20



Trends of Public debts taken and its repayment during the period 2015-20 is depicted in **Chart 2.14**.

Chart 2.14: Public debt taken vis-à-vis repaid during the period 2015-20(**₹ in crore**)

It is evident from **Chart 2.14** that during the period 2015-16 to 2019-20, the State Government utilised 47 *per cent* to 95 *per cent* of its public debt receipt amount in repayment of previous public debts and interest liabilities, resultantly, only 5 *per cent* to 53 *per cent* of public debt was available for capital expenditure. This availability was lowest in the year 2018-19 and maximum in the year 2015-16. In the year 2019-20, the State Government utilised 72 *per cent* of its debt receipt amount in re-payment of previous debts and interest payment resultantly, only 28 *per cent* was available for capital expenditure.

2.7 Components of fiscal deficit and its financing pattern

Three key fiscal parameters- Revenue Deficit/Surplus, Fiscal Deficit/Surplus and Primary Deficit/Surplus - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government Accounts represents the gap between its receipts and expenditure. The nature of the deficit is an indicator of the prudence of fiscal management of the Government. Further, the manner in which the deficit is financed and the resources are applied, are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits. The overall position of key fiscal parameters are given in **Table 2.24**.

Table 2.24: Components of fiscal deficit and its financing pattern

		(₹ in crore)				
Particulars		2015-16	2016-17	2017-18	2018-19	2019-20
Composition of Fiscal Deficit		(-58,475)	(- 55,988)	(- 27,810)	(-35,203)	(+ 11,083)
1	Revenue Deficit/Surplus	(+)14,340	(+) 20,283	(+) 12,552	(+)28,250	(+)67,560
2	Net Capital Expenditure ³⁸	(-) 64,423	(-) 69,789	(-) 39,088	(-) 62,463	(-) 59,998
3	Net Loans and Advances ³⁹	(-) 8,392	(-) 6,482	(-) 1,274	(-) 990	(+) 3,521
Financing Pattern of Fiscal Deficit (Net)						
1	Market Borrowings	25,300.84	36,904.42	37,178.00	33,306.67	55,825.80
2	Loans from GOI	(-) 803.44	(-) 408.59	(-) 437.81	(-) 832.22	(-) 450.84
3	Special Securities issued to NSSF	4,338.68	(-) 4,531.58	(-) 4,643.05	(-) 4,871.64	(-) 5,122.07
4	Loans from Financial Institutions	28,004.73	15,418.15	317.32	3,275.84	1,155.20
5	Small Savings, PF, etc.	1,534.36	1,619.10	2,530.12	3,645.59	3,313.67
6	Deposits and Advances	(-) 1,542.84	(-) 300.62	1,413.38	2,196.34	(-) 2,089.80
7	Suspense and Miscellaneous	(-) 677.42	591.36	(-) 2,214.62	222.67	(-) 1,828.11
8	Remittances	(-) 196.61	747.79	(-) 3,906.31	312.67	313.50
9	Reserve Fund	2,560.53	7,225.02	8,264.72	13,544.71	(-) 68,298.52
10	Contingency Fund	157.21	(-) 176.04	(-) 154.96	(-) 166.65	629.73
11	Overall Deficit	58,676.04	57,089.01	38,346.79	50,633.98	(-) 16,551.44
12	Increase (-) / Decrease (+) in cash balance	(-) 201.04	(-) 1,100.99	(-) 10,537.00	(-) 15,431.00	5,468.75
13	Gross Fiscal Deficit	58,475.00	55,988.02	27,809.79	35,202.98	(-) 11,082.69

Note: The fiscal deficit figures are based on the Finance Accounts of the respective years. The fiscal deficit after excluding UDAY expenditure was ₹ 34,143 crore and ₹ 41,187 crore during 2015-16 and 2016-17 respectively.

Revenue surplus represents the difference between revenue receipts and revenue expenditure. Revenue surplus helps to decrease the borrowings. Fiscal deficit represents the net incremental liabilities of the Government or its additional borrowings. Break-up of Fiscal Deficit reveals the extent of various borrowings resorted to by the State to meet its requirement of funds over and above revenue and non-debt receipts. Fiscal deficit is the excess of Revenue and Capital Expenditure including loans and advances, over revenue and non-debt capital receipts.

Since the State had revenue surplus during the period 2015-20, the surplus on revenue account along with market borrowings, loans from GoI etc., were utilised to finance capital expenditure. During the period 2015-20, the revenue

³⁸ Net Capital Expenditure = Capital Receipt *minus* Capital Expenditure; minus figure indicate that the capital expenditure was more than the capital receipt during the year.

³⁹ Net Loans and advances = Recoveries of Loans and Advances *minus* disbursement of loans and advances; minus figure indicate that disbursement of loans and advances was more than the recovery during the year.

surplus had fluctuating trend. It was lowest ₹ 12,552 crore in 2017-18 and maximum ₹ 67,560 crore in the year 2019-20. Fiscal deficit also had volatile trend during 2015-19. The fiscal deficit reduced from ₹ 58,475 crore in the year 2015-16 to ₹ 27,810 crore in 2017-18 and then increased to ₹ 35,203 crore in 2018-19. Whereas, in 2019-20, State Government shown fiscal Surplus to the tune of ₹ 11,083 crore. However, revenue surplus and fiscal surplus during 2019-20 was mainly due to transfer book balance of ₹ 71,180.23 crore of Sinking Fund to revenue receipt account. If this transfer of Sinking Fund balance without any actual cash receipt to State exchequer is excluded from revenue receipt during 2019-20, in reality, it was revenue deficit of ₹ 3,620.09 crore and fiscal deficit of ₹ 60,097.54 crore.

2.7.1 Debt profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. Out of the outstanding overall debt/total outstanding Fiscal Liabilities of ₹ 5,02,412 crore as on 31 March 2020, ₹ 85,834 crore pertained to liabilities on Public Account/Other Liabilities. The maturity profile of public debt (₹ 4,16,578 crore) is shown in Table 2.25 and Chart 2.15.

Table 2.25: Debt Maturity profile of repayment of State debt

Period of repayment (Years)	Amount (₹ in crore)	Percentage (w.r.t. Public debt)
0 – 1	24,711.75	5.93
1 – 3	50,751.85	12.18
3 – 5	48,491.48	11.64
5 – 7	89,578.87	21.51
7 and above	1,98,881.08	47.74
Others ⁴⁰ (Under reconciliation with the State Government)	4,162.56	1.00
Total	4,16,577.59	100

Source: Finance Accounts 2019-20

Chart 2.15: Debt Maturity Profile



⁴⁰ Payment schedule of this amount is not maintained by the Accountant General (A&E).

The maturity profile of public debt indicates that the liability of the State to repay the debts during the periods 2020-21, 2021-23, 2023-25 and 2025-27 would be ₹ 24,711.75 crore (5.93 per cent), ₹ 50,751.85 crore (12.18 per cent), ₹ 48,491.48 crore (11.64 per cent) and ₹ 89,578.87 (21.51 per cent) respectively. Further, ₹ 1,98,881.08 crore (47.74 per cent) of the total public debt would be repayable after seven years.

2.7.2 Debt sustainability

Debt sustainability is defined as the ability of the State to service its debt liability in the future. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that increase in fiscal deficit should match with the increase in capacity to service the debt. Debts Sustainability indicators are depicted in **Chart 2.16** and summarised in **Table 2.26**.

Chart 2.16: Debt Sustainability indicators

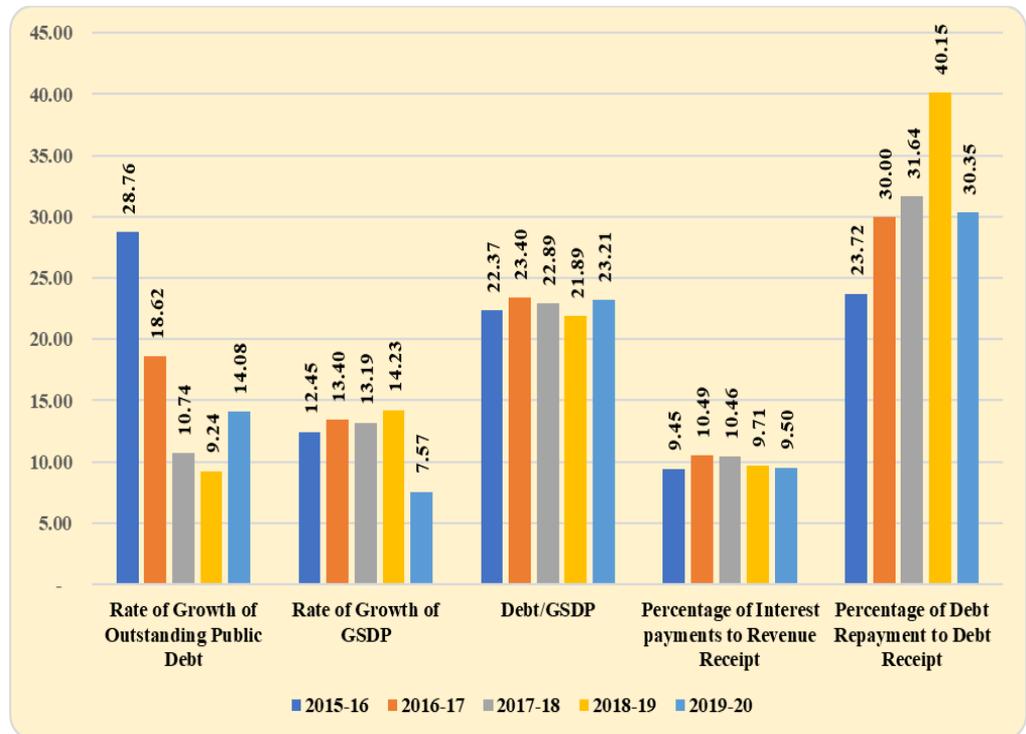


Table 2.26: Trends in Debt Sustainability Indicators

Debt Sustainability Indicators	2015-16	2016-17	2017-18	2018-19	2019-20
Outstanding Public Debt ⁴¹ (in ₹ crore)	2,54,494	3,01,877	3,34,291	3,65,170	4,16,578
Rate of Growth of Outstanding Public Debt (in per cent)	28.76	18.62	10.74	9.24	14.08
GSDP (in ₹ crore)	11,37,808	12,90,289	14,60,443	16,68,229	17,94,508
Rate of Growth of GSDP (in per cent)	12.45	13.40	13.19	14.23	7.57
Public Debt/GSDP	22.37	23.40	22.89	21.89	23.21
Average interest Rate of	7.79	8.34	7.99	8.06	7.83

⁴¹ Outstanding Public Debt is the sum of outstanding balances under Major heads 6003- Internal Debt and 6004- Loans and Advances from the Central Government.

Debt Sustainability Indicators	2015-16	2016-17	2017-18	2018-19	2019-20
Outstanding Public Debt (in per cent)					
Percentage of Interest payment on Public Debt to Revenue Receipt	7.75	9.03	9.12	8.54	8.36
Percentage of Public Debt Repayment to Public Debt Receipt	23.72	30.00	31.64	40.15	30.35
Net Public Debt available to the State⁴²	39,233	24,177	7,000	2,694	20,784
Net Public Debt available as per cent to Public Debt Receipts⁴³	52.65	35.72	14.76	5.22	28.16
Debt Stabilisation⁴⁴ (Quantum spread + Primary Deficit)	11,48,915	14,98,446	17,39,639	22,49,938	(-) 62,415

Source: Finance Accounts of the respective years

Debt sustainability also depends on the ratio of debt redemption (principal plus interest payments) to total debt receipts and application of available borrowed funds. The ratio of debt redemption to debt receipts indicates the extent to which the debt receipts were used in debt redemption indicating the net availability of borrowed funds for capital spending.

Analysis of Table 2.26 indicates that the total outstanding Public Debt of the State grew from ₹ 2,54,494 crore in the year 2015-16 to ₹ 4,16,578 crore in the year 2019-20. During the year 2019-20, it grew at 14.08 per cent over the previous year. However, the net fund available from borrowing for current operations after providing for interest and repayment decreased continuously from ₹ 39,233 crore in 2015-16 to ₹ 2,694 crore in 2018-19 and further increased in the year 2019-20 to ₹ 20,784 crore though it was only 28.16 per cent of total public debt taken.

The ratio of interest payments to revenue receipt determines the debt sustainability of the State. During the year 2019-20, interest payments on public debt decreased by 0.23 percentage points over the previous year and constituted 8.36 per cent of Revenue Receipts of the State. This was above than the ratio projected (7.38 per cent) by XIV Finance Commission. The Debt Stabilisation for the year 2019-20 was decreased to (-) ₹ 62,415 crore as compared to ₹ 11,48,915 crore in the year 2015-16. The average expenditure on debt servicing during the period 2015-20 was ₹ 44,226.49 crore, which accounted for 70.20 per cent of average public debt receipts (₹ 63,003.83 crore) during the same period, implying that a large percentage of debt was being used for debt servicing.

2.7.2.1 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current

⁴² Net Public Debt available to the State Government is calculated as excess of Public Debt receipts over Public Debt repayment and interest payment on Public Debt.

⁴³ Net Public Debt available as per cent to Public Debt receipts indicates the extent to which the debt receipts are used for redemption of old debt.

⁴⁴ Quantum spread = Debt stock x Interest spread and Interest Spread = (GSDP Growth Rate – Average Interest Rate)

consumption and repayment of interest on outstanding loans is not sustainable. The status of borrowed fund is given in **Table 2.27**.

Table 2.27: Utilisation of borrowed funds

(₹ in crore)

Sl. No	Year	2015-16	2016-17	2017-18	2018-19	2019-20
1	Public Debt receipt	74,514	67,685	47,417	51,595	73,809
2	Repayment of earlier Public Debt (Principal) (percentage of Public Debt receipt)	17,673 (23.72)	20,303 (30.00)	15,002 (31.64)	20,717 (40.15)	22,401 (30.35)
3	Net Capital Expenditure (percentage of Public Debt receipt)	64,423 (86.46)	69,789 (103.11)	39,088 (82.43)	62,463 (121.06)	59,998 (81.29)
4	Net Loans and Advances (percentage of Public Debt receipt)	8,392 (11.26)	6,482 (9.58)	1,274 (2.69)	990 (1.92)	(-) 3,521 (-) 4.77
5	Portion of revenue expenditure met out of net available borrowings Sl. No. 5 = Sl. No. (1-2-3-4) (percentage of Public Debt receipt)	-15,974 (- 21.44)	-28,889 (- 42.68)	-7,947 (-16.76)	-32,575 (-63.14)	-5,069 (-6.87)

Source: Finance Accounts of the respective years

The table above shows that borrowings (Public Debt) during 2015-16 to 2019-20 was less than the expenditure on capital account, i.e., repayment of public debt, capital expenditure and loans and advances disbursed, thereby, implying that the expenditure on capital account were also met from revenue surplus of the State during the years 2015-16 to 2019-20. However, as discussed in **Paragraph 2.6.1**, repayment of previous debts and interest liability by the State Government during 2019-20 constituted 47 per cent to 95 per cent of its public debt receipt, thereby, only 5 per cent to 53 per cent of public debt was available for capital expenditure.

2.7.2.2 Status of Guarantees – Contingent Liabilities

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

Statement No. 20 of the Finance Accounts gives details of guarantees given by the State Government. Details in this compilation are prepared directly from the information furnished by the State Government. The maximum amount for which guarantees were given by State Government and outstanding guarantees for the last five years is given in **Table 2.28**.

Table 2.28: Status of Guarantees given by the State Government

Guarantees	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Maximum amount of guarantee	78,825.64	66,702.21	74,303.03	90,662.48	1,32,499.27
Outstanding amount of guarantee including interest [#]	57,618.35	55,825.49	74,841.22	1,10,032.12	1,18,696.49

[#] Information on interest has not been provided by the State Government

The outstanding guarantees increased by 7.87 per cent from ₹ 1,10,032.12 crore in the year 2018-19 to ₹ 1,18,696.49 crore in the year 2019-20 and these were 32.40 per cent of the Revenue Receipts (₹ 3,66,393 crore) of the State Government. There was an increase in net guarantee of ₹ 4,439.64 crore during 2019-20, which was about 0.25 per cent of GSDP. The total outstanding guarantee as on 31 March 2020 was ₹ 1,18,696.49 crore which mainly pertained to four power sector companies (₹ 94,251 crore), Industrial Development Department (₹ 12,010 crore), Public Works Department (₹ 4,844 crore) and Co-operatives and Sugar Industries Development Department (₹ 4,803 crore). The guarantees of power sector companies were given for repayment of loans/overdraft, amount raised by issue of bonds/debentures and payment of interest at stipulated rates.

Further, during the year 2019-20, the State Government guaranteed an amount of ₹ 28,371.91 crore for U.P. Rajya Vidyut Utpadan Nigam Limited against the maximum amount of guarantee of ₹ 27,280.31 crore and for UPEIDA for ₹ 12,009.64 crore against the maximum amount of guarantee ₹ 10,509.64 crore, thus the guarantee taken by the Government was above the maximum amount fixed against guarantee.

2.7.3 Management of Cash

As per an agreement with the Reserve Bank of India, State Governments have to maintain a minimum daily cash balance with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/Special Ways and Means Advances (SWMA)/Overdrafts (OD) from time to time. The limits for ordinary WMA to the State Government are revised by the RBI from time to time.

The State Government invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The yield derived from such investments are credited as receipts under the head '0049-Interest Receipts'. The cash balances are invested in the Consolidated Sinking Fund and Guarantee Redemption Fund as well.

It is not desirable that State Government take recourse to market loans despite having large cash balances since it leads to further accretion to cash balances without putting it to productive use.

During the year 2019-20 the cash balances and investments made by the State Government out of cash balances is presented in **Table 2.29**.

Table 2.29: Cash Balances and their investment during the year 2019-20

(₹ in crore)

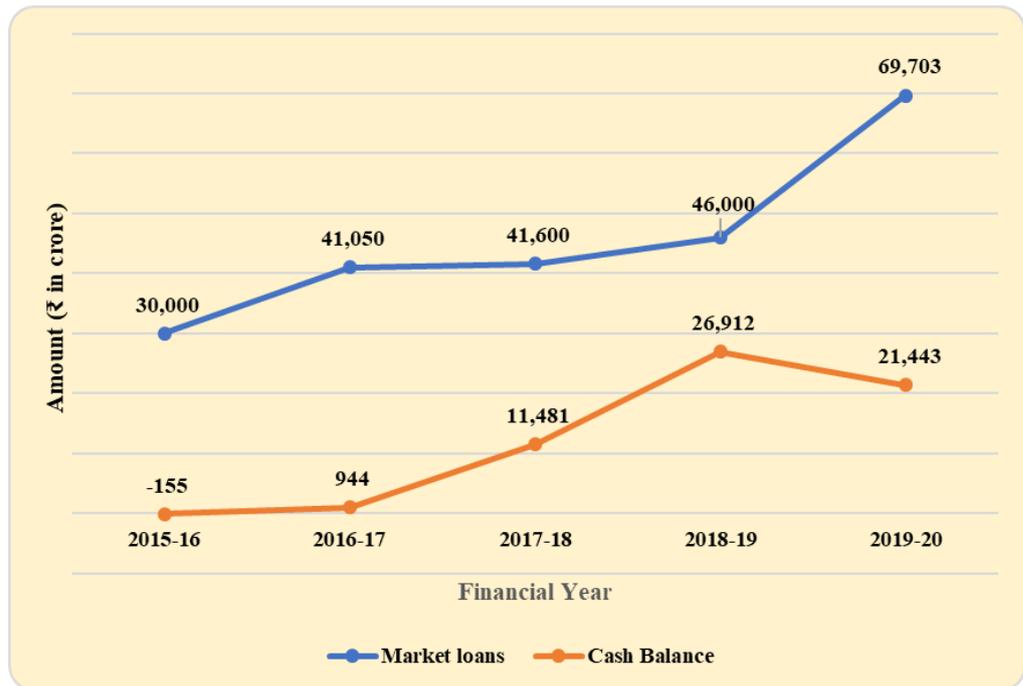
	Opening balance on 1 April 2019	Closing balance on 31 March 2020
A. General Cash Balance		
Cash in Treasuries	0.00	0.00
Deposits with Reserve Bank of India	171.10	236.04
Deposits with other Banks	0.00	0.00
Remittances in transit – Local	0.00	0.00
Total	171.10	236.04
Investments held in Cash Balance investment account	26,684.36	21,150.71
Total (A)	26,855.46	21,386.75
B. Other Cash Balances and Investments		
Cash with departmental officers viz., Public Works, Forest Officers	10.96	10.91
Permanent advances for contingent expenditure with department officers	0.49	0.50
Investment in earmarked funds	45.20	45.20
Total (B)	56.65	56.61
Total (A + B)	26,912.11	21,443.36

Source: Finance Accounts 2019-20

The State Government's cash balances at the end of the current year amounted to ₹ 21,443.36 crore. This has decreased by ₹ 5,468.75 crore (20.32 per cent) when compared with balances at the end of the year 2018-19. During the year 2019-20, the opening balance of investment held in Cash Balance Investment Account was ₹ 26,684.36 crore. Treasury Bills amounting to ₹ 4,93,843 crore were purchased and these instruments amounting to ₹ 4,99,376.65 crore were sold, leaving a balance of ₹ 21,150.71 crore in the account at the end of the year. The amounts of ₹ 582.23 crore and ₹ 13.92 crore were received as interest on investment under Treasury Bills and Long Term Government of India's Securities respectively.

Under the Cash Balance Investment Account, the transactions of the State Government in investing in Treasury bills of Central Government had consistently increased from ₹ 1,43,679 crore during the year 2015-16 to ₹ 5,44,061 crore during the year 2018-19 but decreased to ₹ 4,93,843 crore during the year 2019-20. Corresponding to Cash Balance Investment Account, the cash surplus increased during the period 2015-16 to 2018-19 from (-) ₹ 213 crore to ₹ 26,855 crore which decreased to ₹ 21,387 crore during the year 2019-20. The status of market loan taken by the State Government and cash balance available with the State Government is presented in **Chart 2.17**.

Chart 2.17: Market Loan vis-à-vis Cash Balance during the period 2015-20



The XIII-Finance Commission (FC) had recommended for a directed effort by States with large cash balances towards utilising their existing cash balances before resorting to fresh borrowings. Reserve Bank of India had also reiterated the fact that build-up of large surplus cash balances increases the interest cost burden for State Governments, if it is built up from borrowed resources⁴⁵.

2.7.3.1 Variation in Cash Balance

As per the certificate of confirmation of balances issued by the Reserve Bank of India, the State had a credit balance of ₹ 154.61 crore while the closing cash balance of the State for the month of 31 March 2020 as certified by the Accountant General (A&E) was ₹ 236.04 crore. Thus, there was a difference of ₹ 81.43 crore including the previous years' balances, between the cash balance of the State Government, as worked out by the Accountant General (A&E) and as reported by the Reserve Bank of India (as on 31.03.2020), which was under reconciliation.

Further, the agency banks are required to pay penal interest on delayed remittances into Government Account/double/erroneous payments. As such, a penal interest of ₹ 4.69 crore was claimed from the agency banks/RBI on discrepant items amounting ₹ 714.31 crore in the Government account for the period April 2017 to October 2019, however, it was not accepted by the bank. The matter was referred by the Accountant General (A&E) UP to the State Government (August 2020) and thereafter, the Directorate of Treasuries directed (September 2020) the State treasuries to claim the penal interest from the concerned agency banks. However, interest claim in this regard was not credited to the State's account by the RBI/banks during the year 2019-20. Status of Cash Balance Investment Account and interest earned thereon for the period 2015-20 is shown in **Table 2.30**.

⁴⁵ Paragraphs 4.40 and 4.41 of XIV FC Report

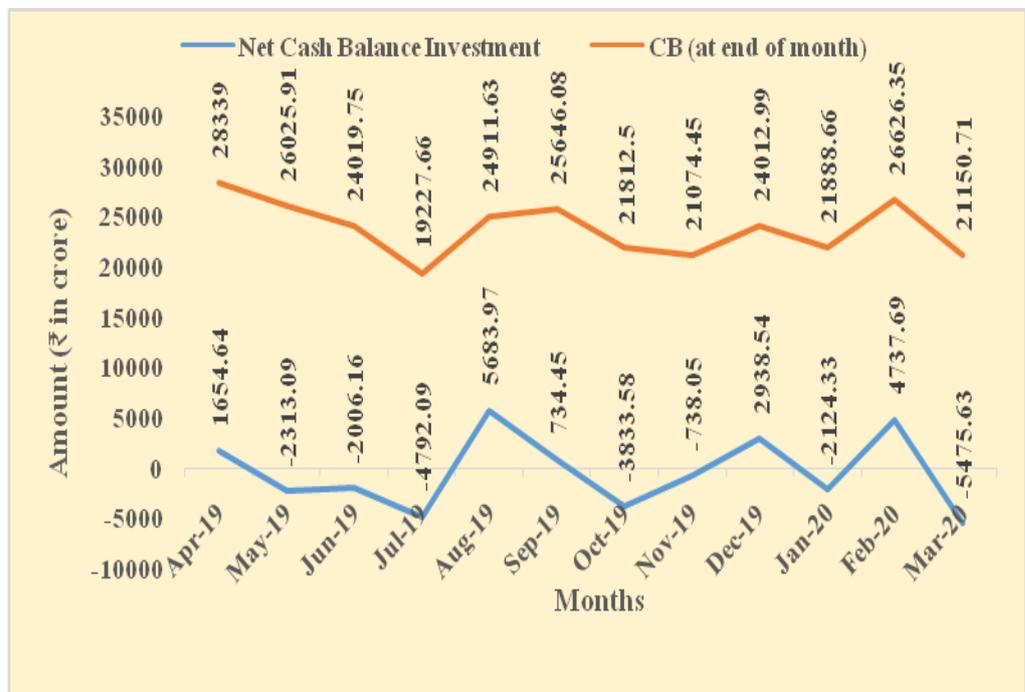
Table 2.30: Cash Balance Investment Account (Major Head 8673)

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-) (CB-OB)	Interest earned
2015-16	595.35	1,196.44	601.09	113.76
2016-17	1,196.44	2,168.23	971.79	578.36
2017-18	2,168.23	11,159.38	8,991.15	486.61
2018-19	11,159.38	26,684.36	15,524.98	1088.56
2019-20	26,684.36	21,150.71	(-)5,533.65	596.15

Month wise movement of Cash Balances and Net Cash Balance Investments during the year 2019-20 is presented in **Chart 2.18**.

Chart 2.18: Month wise movement of Cash Balances and net cash balance investments during the year 2019-20



2.8 Recommendations

- The State Government should ensure that Consolidated Sinking Fund balances are actually invested with Reserve Bank of India and are not mere book entries. Availability of adequate fund in Consolidated Sinking Fund may be ensured and as required under Consolidated Sinking Fund Scheme, State Government should ensure that annual contribution to the fund is at least 0.50 per cent of the outstanding liabilities. Further, the transfers out of the fund are not to be treated as Revenue Receipts and the amount equivalent to loan repaid should be transferred from Sinking Fund to Major Head 8680 (Miscellaneous Government Account) on redemption of debt.
- The State Government should transfer the SDRF balances to MH 8121-General and Other Reserve Funds under the category “Reserve Funds bearing Interest” and remit to the Fund accrued interest as per SDRF guidelines. The State Government is also required to invest the fund balances in the manner prescribed in the SDRF guidelines.

- *The State Government should create and operate the Guarantee Redemption Fund as per the recommendations of XII FC. State Government should also ensure that guarantee fees are realised promptly. The Government should stop financial support to the institutions which have not paid the guarantee fees and/or are also in arrears of accounts. Further, collection/accounting of guarantee fee should be aligned to the List of Major and Minor Head of Accounts.*

CHAPTER - III

Budgetary Management

CHAPTER-III

BUDGETARY MANAGEMENT

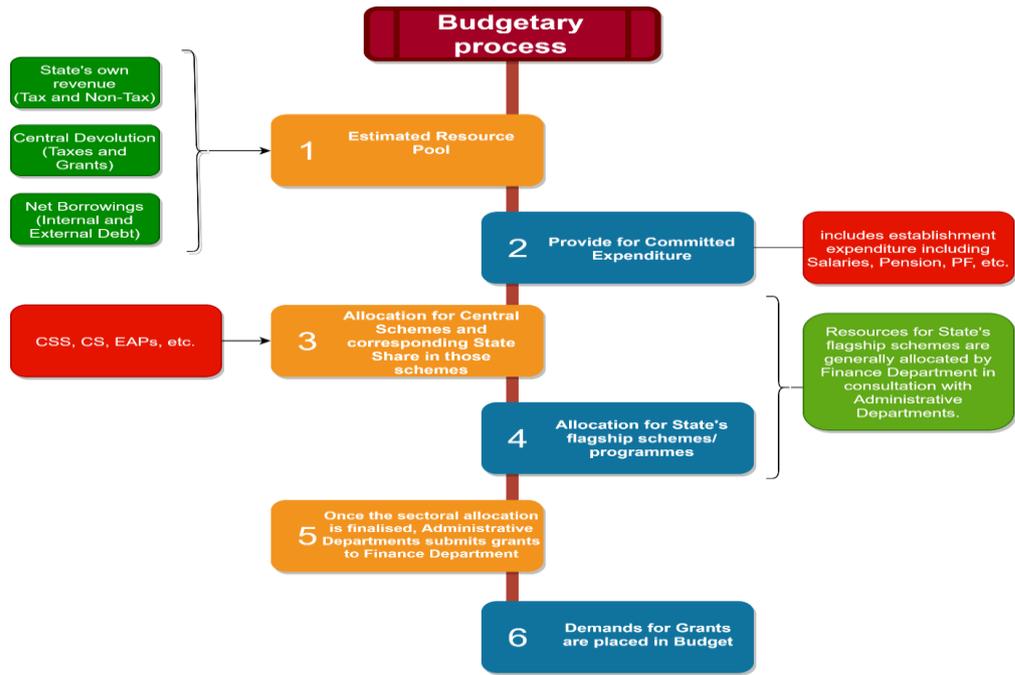
This Chapter deals with the integrity, transparency and effectiveness of the budgetary process and allocative priorities, including supplementary grants, and the concomitant financial management, assessing whether decisions taken at the policy level are implemented at the administrative level without diversion of funds.

3.1 Budget Process

The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. Uttar Pradesh Budget Manual (UPBM) specifies the Budget preparation process for the Government of Uttar Pradesh.

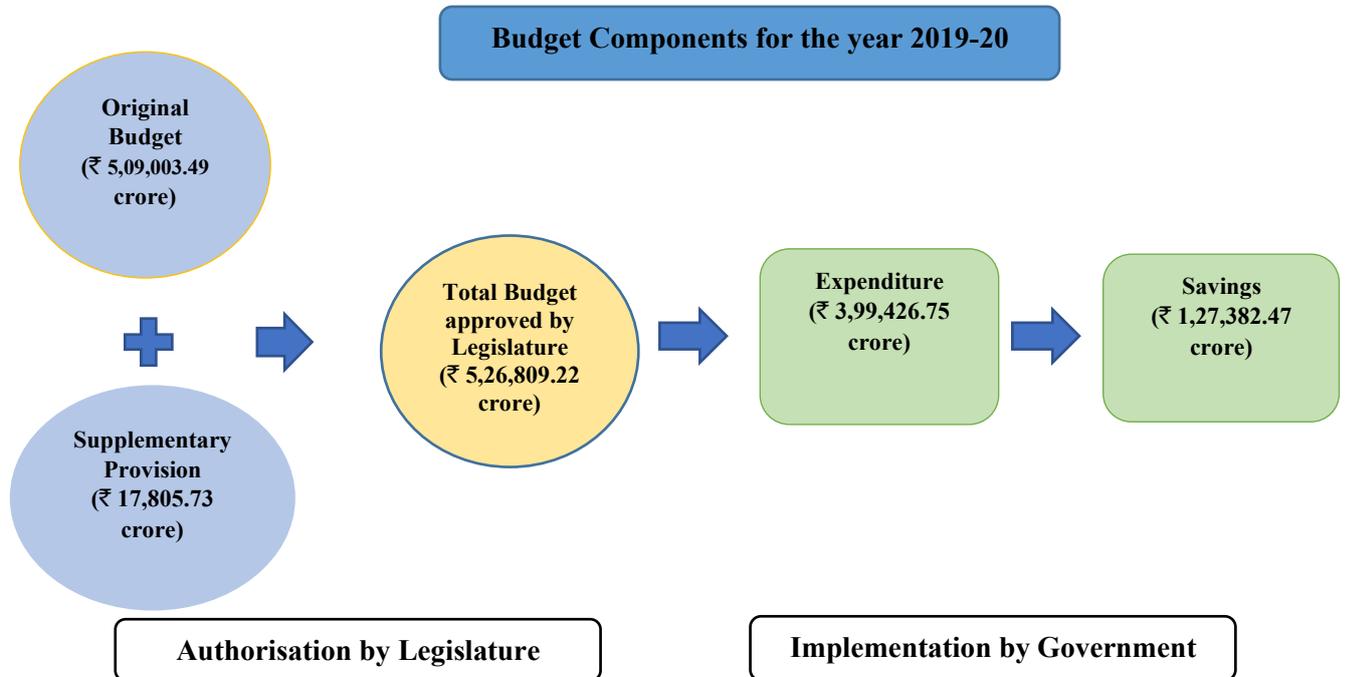
As per Para 8 of UPBM “the Finance Department is responsible for the preparation of the annual budget. The budget is prepared on the basis of the material furnished by the departmental officers and the administrative departments of the Secretariat. The Heads of Departments and other estimating officers prepare the estimates for each head of account with which they are concerned and forward these to the Finance Department”. The budget estimates must be submitted to the Finance Department by the prescribed date. After the finalisation of the Budget with the inclusion of provision therein for new expenditure, it is presented, under Article 202 of the Constitution, to both the Houses of the State Legislature on the recommendation of the Governor. After the Grants have been voted by the Legislative Assembly, a Bill to provide for the appropriation out of the Consolidated Fund of the State of all moneys required to meet the Voted as well as the Charged expenditure is introduced in the Legislative Assembly. When the Appropriation Bill is passed by both the Houses of the Legislature and it has also received the assent of the Governor, the amounts shown therein can be expended during the financial year concerned.

Article 205 of the Constitution of India prescribes that a Supplementary Grant or Appropriation over the provisions passed in the Appropriation Act for the year can be made during the current financial year to meet expenditure where provisions of the Appropriation Act is found to be insufficient, or when a need has arisen during the current financial year for supplementary or additional expenditure upon some new service not contemplated in the original budget, or if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year.



CSS: Centrally Sponsored Schemes; CS: Central Schemes.

Apart from supplementary grant, re-appropriation can also be used to re-allocate funds within the same Grant or Charged Appropriation. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure on existing service under another unit within the same section (viz. Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the Grant or Charged Appropriation. The various components of budget for the year 2019-20 are depicted in the Chart below.



Source: UP Annual Financial Statement, Supplementary Grants and Appropriation Accounts for the year 2019-20.

Appropriation Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital

and revenue expenditure on various specified services vis-à-vis those authorised by the Appropriation Act under Articles 204 and 205 of the Constitution of India in respect of both Charged and Voted items of budget. Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

3.1.1 Summary of total provisions, actual expenditure and savings during the year 2019-20

Summarised position of total budget provisions, expenditure and savings are given in **Table 3.1**.

Table 3.1: Budget provision, expenditure and savings during the year 2019-20

(₹ in crore)

	Total Budget provision		Expenditure		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	3,30,196	58,007	2,66,083	35,367	64,113	22,640
Capital	1,03,193	35,413	75,556	22,420	27,637	12,993

Source: Summary of Appropriation Accounts 2019-20

The above table shows that during the financial year 2019-20, the budget provision under Revenue Voted was ₹ 3,30,196 crore while the expenditure there against was ₹ 2,66,083 crore (80.58 per cent of budget provisions) and budget provision under Revenue Charged was ₹ 58,007 crore against which expenditure was ₹ 35,367 crore (60.97 per cent of budget provisions). Thus, actual expenditure was substantially lower than the budget provisions.

Similarly, budget provision under Capital Voted was ₹ 1,03,193 crore and expenditure was ₹ 75,556 crore (73.22 per cent of the total provision) and provision for Capital Charged was ₹ 35,413 crore and total expenditure against provision was ₹ 22,420 crore (63.31 per cent of budget provisions) which again was substantially lower than total budget provision.

3.1.2 Charged and Voted expenditure

Break-up of total expenditure into Charged and Voted and savings thereon during the period 2015-20 is detailed in **Table 3.2**.

Table 3.2: Expenditure under Voted and Charged during the period 2015-20

(₹ in crore)

Year	Revenue				Capital			
	Expenditure		Savings		Expenditure		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
2015-16	1,85,503	28,777	31,591	826	86,430	17,702	8,246	3,732
2016-17	2,01,666	38,072	28,724	510	89,186	20,309	14,129	4,767
2017-18	2,26,083	41,806	59,686	4,111	51,973	15,014	23,000	6,972
2018-19	2,47,287	58,976	51,703	433	82,792	20,729	27,377	9,838
2019-20	2,66,083	35,367	64,113	22,640	75,556	22,420	27,637	12,993

Source: Summary of Appropriation Accounts of the respective years

The above table shows that during the period 2015-20, the expenditure under Revenue Voted Section has consistently risen from ₹ 1,85,503 crore during the year 2015-16 to ₹ 2,66,083 crore in the year 2019-20. However, savings under

Revenue Voted section has also increased from 14.55 *per cent* in 2015-16 to 19.42 *per cent* during the year 2019-20 which is reflecting widened gap between planning and execution.

Further, the expenditure under Revenue Charged Section has increased during the period 2015-19 but decreased by 40.03 *per cent* during the year 2019-20 in comparison to the year 2018-19. This was mainly due to saving of ₹ 22,455 crore in Revenue Charged section in Grant No-61 Finance Department (Debt Services and Other Expenditure) in the year 2019-20.

Similarly, expenditure under Capital Voted section was volatile during the period 2015-20 and it was highest during the year 2016-17 and lowest during the year 2017-18. During the year 2019-20, the expenditure under Capital Voted Section was ₹ 75,556 crore which was 8.74 *per cent* less than the amount disbursed during the year 2018-19.

3.2 Comments on integrity of budgetary and accounting process

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of Article 204 of the Constitution. Deviations from prescribed procedures are discussed in this section.

3.2.1 Expenditure without legislative authorisation

State Government failed to ensure legislative authorisation of expenditure of ₹ 51.21 crore incurred by Uttar Pradesh Electricity Regulatory Commission on purchase of land and construction of office building complex.

In exercise of the powers conferred under section 17 and sub-section (2) of section 22 of the Electricity Regulatory Commission Act 1998, the Government of Uttar Pradesh (GoUP) vide notification dated 10 September 1998 established Uttar Pradesh Electricity Regulatory Commission (UPERC). As per the procedure prescribed (November 2000) by the State Government, UPERC would deposit fees collected by it into the treasury and the State Government would allot grants-in-aid to UPERC. Subsequently, Electricity Act, 2003 mandated that all fees received by UPERC shall be credited to UPERC Fund and the State Government may, in consultation with the Comptroller and Auditor General of India, prescribe the manner of applying the Fund for meeting the expenses of UPERC. However, the State Government has not yet established the UPERC Fund and the procedure prescribed (November 2000) for release of grants-in-aid to UPERC was continued to be followed. Accordingly, the State Government provided grants-in-aid to UPERC in Grant Number 09 (Energy Department) under the object heads 31-salary and 20-non-salary below the head – 2045 (Other taxes & duties on Goods and Services)-103 (Collection Charges ED)- 04 (UPERC).

Audit noticed that the State Government accorded (September 2010) in-principle approval on the proposal of UPERC for construction of office building on a land allotted to it. For construction of the office building, UPERC requested (November 2010) the State Government for administrative approval and allotment of ₹ 24.47 crore (₹ 14.07 crore in the year 2010-11 and ₹ 10.40 crore in the year 2011-12). However, without receiving the administrative approval/allotment of fund, UPERC made payments (December

2010) against cost of land and other charges amounting to ₹ 12.67 crore for transfer of land in its favour. Later on, the State Government conveyed (November 2013) to UPERC that for post facto approval of expenditure incurred on purchase of land and in-principle approval for the estimated expenditure to be incurred on the construction of building, no action was required at the level of the Government and action should be ensured at the level of UPERC according to its Act and Rules. However, the direction of the State Government was in violation of Sections 102 and 106 of the Electricity Act, 2003 which provides that UPERC shall forward its budget to the State Government and the State Government may, after due appropriation made by the State Legislature, make to the State Commission grants and loans of such sums of money as the State Government may consider necessary. Further, the direction of the State Government was also not in consonance with the prescribed procedure (November 2000) requiring UPERC to make expenditure from the grants-in-aid released by the State Government.

As on 31 March 2020, UPERC had incurred expenditure ₹ 51.21 crore⁴⁶ for the construction of office building. Incurrence of this expenditure was in violation of Article 204 of the Constitution, as the required legislative authorisation for grants-in-aid to UPERC for construction of the office building was not obtained.

In reply, UPERC stated (January 2021) that the Commission had repeatedly requested the State Government for budget allocation for land and building project. UPERC further contended that the Commission had acted in compliance of State Government orders (September 2010 and November 2013).

The reply was not acceptable, as UPERC was required to make expenditure from grants-in-aid received from the State Government. As such, the expenditure of any capital nature was to be incurred by UPERC out of grants-in-aid received from the State Government under the object head 35-grants for creation of capital assets after due authorisation by State Legislature through budgetary process.

The matter was reported to Government (December 2020); their reply is awaited (July 2021).

3.2.2 Misclassification of expenditure

As per the Uttar Pradesh Budget Manual (UPBM), the classification of expenditure between Capital and Revenue is as follows:

(a) Capital Expenditure: Capital expenditure may be broadly defined as expenditure incurred with the object of increasing concrete assets of material and permanent character. Capital bears all charges for the first construction of a project as well as charges for intermediate maintenance of the work while not opened for service and also bears charges for such further additions and improvements as may be sanctioned under the rules made by competent authority.

⁴⁶ Cost of land and other charges: ₹ 14.26 crore and construction of office complex: ₹ 36.95 crore.

(b) Revenue Expenditure: Revenue expenditure is recurring in nature and is intended to be met from revenue receipts. Further, as per Indian Government Accounting Standard-2 (IGAS-2), expenditure on grants-in-aid is recorded as revenue expenditure in the books of the grantor and as revenue receipts in the books of recipients. Revenue expenditure also covers the expenses on maintenance and upkeep of capital projects.

However, misclassification between Revenue as Capital and Capital as Revenue were noticed in a number of cases during the year 2019-20, as discussed in succeeding paragraphs:

3.2.2.1 Classification of Revenue Expenditure as Capital Expenditure

The Finance Department has adopted a list of Object heads as primary unit of appropriation showing economic nature of expenditure. As such, certain Object heads correspond only to Revenue nature of expenditure as they do not result in creation of assets as defined in UPBM.

However, expenditures of revenue nature object heads as summarised in the table below were booked as Capital expenditure as detailed in **Table 3.3**.

Table 3.3: Classification of Revenue expenditure as Capital Expenditure

(₹ in crore)

Sl. No.	Object Head	Object Head Nomenclature	Grant Number	Budget Provision for 2019-20	Actual Expenditure in 2019-20
1	15	Maintenance of Vehicles and Purchase of Petrol etc.: This includes provision for petrol/diesel and maintenance related to motor vehicles for the use of government offices/ functional establishments/guest houses etc. The expenditure on the arrangement of motor vehicles on the contract basis for government purpose is also included under this item.	60	0.11	0.10
2.	16	Payment for commercial and special services: This includes expenses on legal/ expert services, fee for consultancy services, dues to examiners etc.	61 and 72	9.27	3.81
3.	25	Minor construction works: As provided in Financial Hand Book Vol- VI para 314, works costing more than ₹ 1.00 lakh but not more than ₹ 2.00 lakh are minor works	01, 04, 08, 10, 11, 13, 20, 22, 25, 26, 31, 32, 34, 36, 42, 46, 49, 50, 52, 55, 58, 59, 60, 65, 69, 72, 73, 75, 77, 81, 83, 87, 89, 92 and 94	92.76	73.00
4.	47	Computer Maintenance / Purchase of relevant Stationery: This includes expenditure on maintenance of computers and on the purchase of computer stationery, printer ribbon/cartridges etc.	58, 72 and 73	0.24	0.10
Total				102.38	77.01

Thus, due to misclassification, expenditure of ₹ 77.01 crore has been booked as Capital expenditure instead of Revenue having an impact on the Revenue surplus of the State during 2019-20 by the same amount.

3.2.2.2 Misclassification of expenditure relating to Kumbh Mela

Misclassification of expenditure on Kumbh Mela led to booking of ₹ 15.21 crore as Capital expenditure instead of Revenue expenditure

Rule 30 of Government Accounting Rules, 1990 provides that expenditure of a capital nature to be classified in the Capital Section shall be broadly defined as expenditure incurred with the object of increasing concrete assets of a material and permanent character. Further, expenditure on a temporary asset cannot ordinarily be classifiable as capital expenditure, and shall not, except in cases specifically authorised by the President on the advice of Comptroller and Auditor General, be debited to a capital head of account.

During scrutiny of Appropriation Accounts it was noticed that a sum of ₹ 349 crore was allocated in Supplementary Budget (July 2019) under Capital Account of Grant 37 (Urban Development Department) for Kumbh Mela-2019 held at Prayagraj during 15 January 2019 to 4 March 2019, as detailed below.

Head of Account	Details
Grant No. 37 Head of Account - 4070-800-06-24	Capital Outlay on other Administrative Service-Other Expenditure - Kumbh Mela 2019, Prayagraj - Major Construction Work

Subsequently, a sum of ₹ 161.98 crore out of this supplementary allocation was surrendered on 31 March 2020 as an economy measure. However, expenditure of ₹ 437.61 crore was incurred with a resultant excess expenditure of ₹ 250.59 crore for which no reason has been intimated by the Government.

Test check of vouchers of expenditure from this supplementary provision for Kumbh Mela revealed that against the provisions for executing capital works, works of temporary nature (such as constructing temporary jetties, river dredging, putting up signage work in mela area and approach road, etc.) amounting to ₹ 15.21 crore were carried out. Expenditure of this nature should have been budgeted and expended from revenue head of expenditure. This misclassification has an impact of increasing revenue surplus during 2019-20 by ₹ 15.21 crore. The budgetary classification and nature of expenditure in the instant case does not conform to the laid down guidelines of classification of Capital/Revenue expenditure. The Government should, therefore, review the remaining expenditure on Kumbh Mela 2019 to ascertain if the same has been budgeted and classified as per the laid down provisions

The matter was reported to the Government (November 2020); their reply is awaited (July 2021).

3.2.2.3 Classification of Capital Expenditure as Revenue Expenditure

Certain Object heads can only be associated with capital nature of expenditure since assets are created from these provisions and need to be budgeted and accounted for accordingly.

Audit scrutiny revealed that expenditure on such Object heads were classified under Revenue head instead of Capital as summarised in **Table 3.4**.

Table 3.4 : Classification of Capital expenditure as Revenue expenditure

(₹ in crore)					
Sl. No.	Object Head	Object Head Nomenclature	Grant Number	Budget Provision for the year 2019-20	Actual Expenditure in 2019-20
1.	14	Purchase of Vehicles	01, 02, 03, 04, 06, 08, 10, 11, 13, 14, 15, 16, 17, 18, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 38, 40, 41, 42, 43, 44, 46, 47, 48, 49, 50, 51, 52, 54, 59, 60, 61, 63, 65, 67, 68, 72, 73, 74, 76, 78, 79, 80, 82, 83, 85, 86, 87, 89, 90, 91 and 95	9.10	7.21
Total				9.10	7.21

Thus, due to misclassification, expenditure of ₹ 7.21 crore has been booked as Revenue expenditure instead of Capital expenditure having an impact on the Revenue Surplus of the State during 2019-20 by the same amount.

3.2.3 Lump Sum budgetary provisions

Availability of reliable, relevant and timely information about the institutional arrangements for public finance allows for the assessment of a Government's financial position and the true cost of government activities. Transparency is a means to strengthening governance.

As per Para 31 of UPBM, lump sum provisions should not, as a rule, be made in the estimates except in cases where urgent measures are to be provided for meeting emergent situations or for meeting preliminary expenses of a project/scheme which has been accepted in principle for being taken up in the financial year. Detailed explanations justifying provisions proposed are required to be given in the budget note accompanying the lump sum estimates.

During the year 2019-20, lump sum provisions of ₹ 6,767.78 crore were made under various Heads of 18 Grants without indicating scheme details (*Appendix 3.1*). Lump sum provisions under three Grants (Grant Nos. 40, 57 and 58) were as high as 49.10 per cent, 10.62 per cent and 23.61 per cent respectively of the total budgeted provisions. Further, expenditure amounting to ₹ 6,572.33 crore (97 per cent of the provision) was incurred against lump Sum provisions under 14 out of 18 grants. Lump sum provisions without identifying the exact object of expenditure is against transparent budgetary practices.

3.2.4 Excess expenditure and its regularisation

3.2.4.1 Article 205(1)(b) of the Constitution provides that if any money has been spent on any service during a financial year in excess of the amount granted for that service, then for that year, the Governor shall cause to be presented to the Legislative Assembly of the State, a demand for such excess.

Audit noticed that there was an excess disbursement of ₹ 10.71 lakh in the Capital Charged Section of Grant No 55- Public Works Department (Buildings) without incorporating reasons of excess expenditure in the Appropriation Accounts. Excess expenditure over the authorisation made by the State Legislature during the year 2019-20 is detailed in **Table 3.5**.

Table 3.5: Excess disbursement over the authorisation from the Consolidated Fund of the State during the year 2019-20

(₹ in lakh)

Description of grant/ appropriation	Total grant/ appropriation	Actual Expenditure	Excess expenditure requiring regularisation
55-Public Works Department (Buildings)-Capital Charged	100.00	110.71	10.71

Source: Appropriation Accounts 2019-20

The excess disbursement over the budgetary provision was indicative of ineffective monitoring on the part of budget controlling authority while preparing both Budget Estimates as well as Supplementary Demands for Grants. The excess disbursement need to be regularised through the State Legislature.

3.2.4.2 Regularisation of excess expenditure of previous financial years

Para 137 of UPBM lays down that if after the close of the year, it is revealed that any expenditure was incurred under any Grant or Charged Appropriation in excess of the total appropriation for that year under that Grant or Charged Appropriation, the excess expenditure should be regularised, on the basis of the recommendation of the Committee on Public Accounts, by presenting to the Legislative Assembly demands for excess grants as required under Article 205 (1) (b) of the Constitution.

Excess disbursements amounting to ₹ 32,525.25 crore under 102 grants and 46 appropriations pertaining to the years 2005-06 to 2018-19, as commented in the Appropriation Accounts of respective years, are yet to be regularised by the State Legislature as detailed in **Table 3.6**.

Table 3.6: Excess expenditure of previous financial years

(₹ in crore)

Year	Description of Grant/ Appropriation	Amounts of excess required to be regularised
2005-06	Revenue Voted- 8,12,53,55,57,58,72; Capital Voted-15,16,18,23, 33, 34,37,38,40, 55,56, 57,58,73,75,96; Revenue Charged-1,52; Capital Charged-52,55;	869.05
2006-07	Revenue Voted-9,13,55,58,61,62,73,91,95; Capital Voted-3,16,31, 37, 55,57,58,89,96; Revenue Charged-2,3,10,52,62,89;	2,484.47
2007-08	Revenue Voted-51,55,57,58,62; Capital Voted-13,16,55,58,63,83,96; Revenue Charged-51,66	3,610.65
2008-09	Revenue Voted-62,96; Capital Voted-55,58,96; Revenue Charged-52;	3,399.42
2009-10	Revenue Voted-58; Capital Voted-1,16,55,58,59; Revenue Charged-3,10,16,48,52,66;	1,250.16
2010-11	Revenue Voted-30,51,91; Capital Voted-10,55,58; Revenue Charged-10,23,61,82;	1,702.62
2011-12	Revenue Voted-21,62,91; Capital Voted-1,55,58; Revenue Charged-13,18,23,61,62,82;	1,889.66
2012-13	Revenue Voted-51,57; Capital Voted-55,58; Revenue Charged-55,62,89;	2,380.23

Year	Description of Grant/ Appropriation	Amounts of excess required to be regularised
2013-14	Capital Voted - 55, 58; Capital Charged - 52;	2,608.18
2014-15	Revenue Voted - 57,91; Capital Voted -1,40,55,57,58; Revenue Charged -13;	2,225.32
2015-16	Capital Voted - 55,57,58,87; Revenue Charged - 2,23,52,62;	1,566.71
2016-17	Capital Voted - 55,58,87; Revenue Charged - 89; Capital Charged – 61;	5,662.17
2017-18	Revenue Voted- 62; Capital voted-55; Revenue Charged-91; Capital Charged-58	1,337.17
2018-19	Revenue Voted -57; Capital Voted – 55, 57, 58; Revenue Charged – 52; Capital Charged – 10, 21, 55	1,539.44
Total excess expenditure relating to previous years requiring regularisation		32,525.25

Source: Appropriation Accounts of the respective years

Excess expenditure vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public money and its non-regularisation is an infringement of the constitutional provision. This is in violation of Articles 204 and 205 of the Constitution which provides that no money shall be withdrawn from the Consolidated Fund except under appropriation made by Law by the State Legislature.

The excess expenditure over the authorisation and non-regularisation of excess expenditure have been regularly reported in previous State Finances Audit Reports of Uttar Pradesh. However, the cases of excess expenditure pertaining to the years 2005-06 to 2018-19 are yet to be placed before State Legislature for regularisation by the Finance Department in terms of the para 172 of UP Budget Manual.

3.2.5 Sub-Head/Detailed Head not created for accountal of Green Tax

The State Government did not create/operate distinct sub-head/detailed head for accountal of collected Green tax which resulted into receipt of ₹ 12.39 crore on account of Green Tax not being shown in the Government account distinctly and the collected revenue was also not utilised for intended purpose.

Uttar Pradesh Motor Vehicles Taxation (Amendment) Act 2014 provides that no motor vehicle other than a transport vehicle shall be used in any public place after the expiry of validity of registration under the Motor Vehicle Act, 1988 unless a Green Tax at the rate specified by a notification by the State Government has been paid in respect thereof. The purpose of Green Tax was to control environmental pollution and the revenue so collected was to be utilised for protection of environment. Government of Uttar Pradesh notified (January 2015) that Green Tax at the rate 10 per cent on onetime tax paid at the time of registration, would be payable at the time of renewal of registration of motor vehicle.

Information provided by Transport Commissioner, Government of Uttar Pradesh revealed that the Transport Department had realised Green Tax amounting to ₹ 12.39 crore⁴⁷ during the period 2015-16 to 2019-20. Audit scrutiny revealed that no separate sub-head/detailed head has been created for account of Green Tax and therefore, the same was deposited in the Major Head-0041-Vehicle Tax along with other taxes levied by the State Government. The aforesaid collected Green Tax was also not being utilised for protection of the environment since no budgetary allocation had been made for it. Thus, the stated objective of controlling environmental pollution by utilising revenue so received from the Green tax was not being met.

The matter was reported to the Government (January 2021); their reply is awaited (July 2021).

3.2.6 Non-operation of Major Head 2043-Collection Charges under State Goods and Service Tax

Para 21 of UPBM states that the List of Major and Minor heads of account of State receipts and disbursements, as prescribed by the Controller General of Accounts (CGA), Department of Expenditure, Ministry of Finance, Government of India on the advice of the Comptroller and Auditor General of India in terms of Article 150 of the Constitution of India should be used for the classification of heads of account. Further, Rule 26 of Government Accounting Rules 1990 prescribes that the classification prescribed in the List of Major and Minor Heads of Accounts of Union and States (including the code number assigned up to the major heads and minor heads thereunder) should be strictly followed. The CGA opened (June 2017) new Major Head 2043-Collection Charges under State Goods and Service Tax for booking of expenditure related to State Goods and Service Tax (SGST) with effect from financial year 2017-18. However, it was observed that the State Government had not operated MH 2043 and instead, the expenditure related to SGST collection were being incorrectly booked under MH 2040 (Taxes on Sales, Trades, etc) in Grant No. 89 (Institutional Finance Department), which is in violation of Rule 26 of Government Accounting Rules 1990.

The matter was reported to the Government (September 2020); their reply is awaited (July 2021)

3.2.7 Discrepancy in depiction of Central Schemes/Centrally Sponsored Schemes

The accounts of the Government follow a six-tier classification structure. The manner of depicting the budgetary provisions in Budget documents is mentioned in the Preface to the Budget Documents.

The Uttar Pradesh Budget Manual and the Guidelines issued for preparation of Budget provide that the budget provisions should be made with specified funding pattern (Central share/ State share/Financial Institution) with detailed head under sub-head 01 or 02 in respect of Central schemes/ Central Sponsored Schemes.

⁴⁷ Year-wise Green Tax realised was: year 2015-16 - ₹ 1.49 crore, year 2016-17 - ₹ 1.72 crore, year 2017-18 - ₹ 2.12 crore, year 2018-19 - ₹ 2.66 crore and year 2019-20 - ₹ 4.40 crore.

However, scrutiny of Budget Documents for 2019-20 revealed that the aforesaid criteria for recording funding pattern has not been adhered to in the following ways:

(i) The funding pattern (Central share/ State share/ Financial Institution) is not mentioned with detailed head in some Central schemes/ Centrally Sponsored Schemes as per details given in *Appendix 3.2*.

(ii) The sum total of Central share and State share is either more, or less than 100 per cent in certain cases without specifying any reason. The funding share of other Financial Institution/grantee is also not recorded in applicable cases as per details given in *Appendix 3.3*.

The matter was reported to the Government (September 2020); their reply is awaited (July 2021).

3.3 Comments on effectiveness of budgetary and accounting process

Details of budgetary allocations, actual disbursement, savings and surrenders and their impact on envisaged Schemes/Projects are discussed in succeeding paragraphs.

3.3.1 Budget projection and gap between expectation and actual

The summarised position of Budget provisions, Supplementary provisions, actual expenditure against total budget provisions and savings under Revenue Voted, Revenue Charged, Capital Voted and Capital Charged sections for the financial year 2019-20 is detailed in **Table 3.7**.

Table 3.7: Summarised position of Actual Expenditure vis-à-vis Budget (Original/Supplementary) provisions during the year 2019-20

(₹ in crore)

	Nature of expenditure	Original Grant /Appropriation	Supplementary Grant/ Appropriation	Total Provisions	Actual Expenditure	Savings	Surrender	
							Amount	Percentage
Voted	I. Revenue	3,19,696.99	10,499.19	3,30,196.18	2,66,083.12	64,113.06	15,067.22	23.50
	II. Capital	93,276.05	6,559.46	99,835.51	73,436.47	26,399.04	4,585.38	17.37
	III. Loans & Advances	2,728.45	629.44	3,357.89	2,120.00	1,237.89	1.03	0.08
	Total	4,15,701.49	17,688.09	4,33,389.58	3,41,639.59	91,749.99	19,653.63	21.42
Charged	V. Revenue	57,890.39	116.17	58,006.56	35,367.05	22,639.51	2.25	0.01
	VII. Capital	37.13	0.00	37.13	19.50	17.63	0.05	0.28
	VIII. Public Debt- Repayment	35,374.48	1.47	35,375.95	22,400.61	12,975.34	2.76	0.02
	Total	93,302.00	117.64	93,419.64	57,787.16	35,632.48	5.06	0.01
	Grand Total	5,09,003.49	17,805.73	5,26,809.22	3,99,426.75	1,27,382.47	19,658.69	15.43

Source: Appropriation Accounts 2019-20

During 2019-20, actual expenditure was ₹ 3,99,426.75 crore against the total provision of ₹ 5,26,809.22 crore. The overall savings of ₹ 1,27,382.47 crore

was 24.18 *per cent* of total provision, which included savings under Revenue Voted (19.42 *per cent*), Capital Voted (26.44 *per cent*) and Revenue Charged (39.03 *per cent*) sections. This indicated wide gap between planning and execution by the State Government.

3.3.2 Budget Provision, Actual Expenditure and Savings during the last five years (2015-20)

The budget provision, actual expenditure and savings during the last five years (2015-20) is presented in **Table 3.8**.

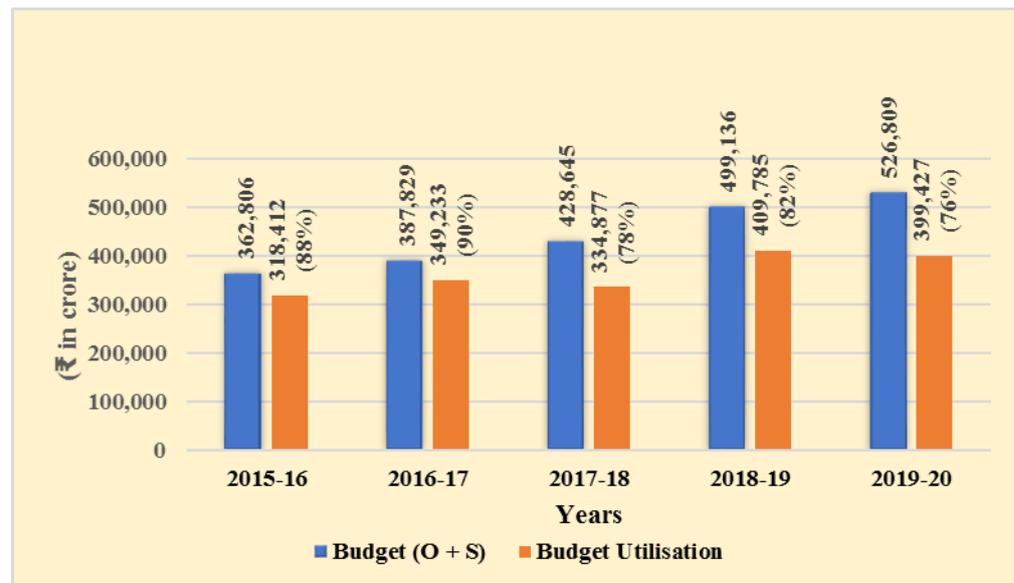
Table 3.8: Details of Original budget, actual expenditure and savings during the period 2015-20

Particulars	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Original Budget	3,15,221.94	3,60,797.65	4,17,256.95	4,56,248.38	5,09,003.49
Supplementary Budget	47,583.96	27,030.98	11,388.17	42,887.73	17,805.73
Total Budget	3,62,805.90	3,87,828.63	4,28,645.12	4,99,136.11	5,26,809.22
Actual Expenditure	3,18,412.23	3,49,232.60	3,34,876.62	4,09,784.50	3,99,426.75
Saving /excess	44,393.67	38,596.03	93,768.50	89,351.61	1,27,382.47
Percentage of Saving	12.24	9.95	21.88	17.90	24.18

Source: Appropriation Accounts of the respective years

The above table indicates that during the period 2015-20, savings (underutilisation of funds) varied between 9.95 *per cent* (2016-17) to 24.18 *per cent* (2019-20) of budget provisions. Pattern of lower budget utilisation against provision during the last five years (2015-20) can also be visualised in **Chart 3.1**.

Chart 3.1: Budget provisions and utilisation of budget during last five years (2015-20)



The above chart shows the budgetary provisions have increased consistently during the last five years (2015-20) but utilisation of budget ranged between 76 *per cent* (2019-20) and 90 *per cent* (2016-17). There was a reduction of ₹ 10,358 crore (2.53 *per cent*) in expenditure during the year 2019-20 over the

year 2018-19. Thus, the benefit of higher provisions for the year 2019-20 was neutralised by lower budget utilisation.

Audit analysis revealed that there were eight grants with less than 50 per cent budget utilisation in at least one year out of the last five years (2015-20) as detailed in **Table 3.9**.

Table 3.9: Budget utilisation less than 50 per cent during the period 2015-20

Sl. No.	Grant No.	Grant Name	Percentage of expenditure with respect to budget provisions (in per cent)					Number of Years with utilisation below 50 per cent
			2015-16	2016-17	2017-18	2018-19	2019-20	
1.	12	Agriculture and Other Allied Departments (Land Development and Water Resources)	64.95	66.18	74.30	38.96	12.98	02
2.	16	Agriculture and Other Allied Departments (Dairy Development)	95.48	94.60	98.53	64.76	30.83	01
3.	37	Urban Development Department	77.02	69.09	54.34	76.01	48.79	01
4.	40	Planning Department	67.64	79.92	60.11	85.61	45.86	01
5.	44	Tourism Department	89.70	69.27	17.77	67.11	47.41	02
6.	53	National Integration Department	52.86	47.41	55.34	36.54	31.69	03
7.	63	Finance Department (Treasury and Accounts Administration)	64.51	65.88	70.67	0.00	40.95	02
8.	88	Institutional Finance Department (Directorate)	96.27	74.91	93.95	95.00	48.90	01

Source: Appropriation Accounts of the respective years

3.3.3 Unspent amount and large surrendered Appropriations

Defective or inaccurate budgeting, necessitating large surrenders or resulting in excesses has been considered a serious financial irregularity in terms of Para 174 of UPBM. The guidelines for preparation of budget, issued by the Finance Department every year at the commencement of the budgetary process, also lays stress on accuracy of estimates and contemplates fixing personal responsibility of officers found responsible for framing inaccurate demands.

Persistent savings (₹ 100 and above) had been commented upon in previous State Finances Audit Reports of Uttar Pradesh and the State Government was recommended to review the reasons for non-utilisation of provisions under various schemes for more judicious provision in future years. Audit scrutiny of Original/Supplementary Grants along with savings with regards to 92 grants under Appropriation Accounts for the year 2019-20 revealed that in 41 cases pertaining to 41 Grants under Revenue-Voted and in 27 cases pertaining to 27 Grants under Capital-Voted sections, savings of ₹ 62,693.14 crore and ₹ 26,825.36 crore respectively were recorded. Similarly, in one case pertaining to one Grant under Revenue Charged Section and in two cases pertaining to two Grants under Capital Charged Sections (where savings in each case were more than ₹ 100 crore), savings of ₹ 22,455.49 crore and ₹ 12,972.49 crore respectively were recorded. Thus, there were total savings amounting to ₹ 1,24,946.48 crore in 71 cases of 49 Grants (exceeding ₹ 100 crore in each case) as detailed in *Appendix 3.4* and summarised in **Table 3.10**.

Table 3.10: Summary of Grants having large savings above ₹ 100 crore during the year 2019-20

(₹ in crore)								
Sl. No	Section of Grant	Number of Cases	Original Provision	Supplementary Provision	Total provisions	Expenditure	Savings	Savings over total provisions (per cent)
1	Revenue Voted	41	2,86,444.76	10,198.06	2,96,642.82	2,33,949.68	62,693.14	21.13
2	Capital Voted	27	90,988.06	6,124.12	97,112.18	70,286.82	26,825.36	27.62
Total Voted		68	3,77,432.82	16,322.18	3,93,755.00	3,04,236.50	89,518.50	22.73
1.	Revenue Charged	1	52,719.67	0.00	52,719.67	30,264.18	22,455.49	42.59
2.	Capital Charged	2	35,347.43	1.47	35,348.90	22,376.41	12,972.49	36.70
Total Charged		3	88,067.10	1.47	88,068.57	52,640.59	35,427.98	40.23
Grand Total		71	4,65,499.92	16,323.65	4,81,823.57	3,56,877.09	1,24,946.48	25.93

Source: Appropriation Accounts 2019-20

Large savings are indicative of poor budgeting or shortfall in performance or both, in respect of concerned schemes being implemented by the Department.

3.3.4 Unnecessary Supplementary Grants

Para 162 of UPBM, *inter alia*, stipulates that supplementary grants or appropriations are required in the cases when the amount included in a grant or appropriation authorised by the Appropriation Act is found to be insufficient for the year or when need has arisen for incurring expenditure upon some new services, scheme or item not contemplated in the Appropriation Act for the year.

Appropriation Accounts for the year 2019-20 revealed that supplementary provisions (₹ 1 crore or more in each case) made in 55 cases of 39 Grants amounting to ₹ 10,273.85 crore proved unnecessary due to savings of ₹ 75,472.51 crore in these Grants. Thus, the expenditure was not even up to the level of original provisions as detailed in *Appendix-3.5* and summarised in **Table 3.11**.

Table 3.11: Summary of cases in which supplementary provisions (₹ 1 crore or more in each case) proved unnecessary during the year 2019-20

(₹ in crore)						
Sl. No	Section of the Grant	Total Cases	Original Provision	Supplementary Provision	Expenditure	Savings
1.	Revenue Voted	29	2,22,128.25	8,398.02	1,81,096.47	49,429.80
2.	Capital Voted	25	66,495.66	1,874.36	45,409.07	22,960.95
3.	Capital Charged	1	3,152.79	1.47	72.50	3,081.76
Total		55	2,91,776.70	10,273.85	2,26,578.04	75,472.51

Source: Appropriation Accounts 2019-20

This shows absence of adequate justification for obtaining supplementary provisions resulting in substantial savings under these Grants. Moreover, this is also indicative of poor budget discipline as it entails that supplementary provisions were not based on careful assessment of fund requirement.

3.3.5 Unnecessary Re-appropriation

Para 147 of UPBM stipulates that expenditure under each unit of appropriation should be kept within the amount originally provided under that unit of appropriation. However, if the original/ supplementary provision on a scheme/ service is found short of requirement, the Government may resort to re-appropriation which is transfer of savings from one head of the grant to another, within the same section of the grant.

Audit noticed that during 2019-20, in 38 sub-heads involving 22 Grants, the original budget provision was ₹ 4,314.42 crore, supplementary provision obtained was ₹ 256.30 crore and re-appropriation was made for ₹ 828.05 crore. However, there were savings of ₹ 1,455.62 crore in these 38 sub-heads under 22 Grants which shows that in these cases, re-appropriation proved unnecessary. Details of re-appropriation and savings are detailed in *Appendix-3.6* and summarised in **Table 3.12**.

Table 3.12: Summarised position of unnecessary re-appropriation

(₹ in crore)							
No. of Grants	Sub Head	Original Provision	Supplementary Provision	Re-appropriations	Total provision	Expenditure	Savings
22	38	4,314.42	256.30	828.05	5,398.77	3,943.15	1,455.62

Source: Appropriation Accounts 2019-20

This shows absence of adequate justification for resorting to re-appropriation under these Grants while sufficient budgetary provisions were already available.

3.3.6 Rush of expenditure

Maintaining a steady pace of expenditure has universally been accepted as a sound public financial management. In General Financial Rules applicable in the Central Government, rush of expenditure, particularly in the closing month of financial year, has been regarded as a breach of financial propriety. However, no specific instructions have been given in the UPBM to prevent rush of expenditure.

From the Appropriation Accounts for the year 2019-20 it was noticed that in four Grants, 50 per cent and above expenditure of their total budgeted provisions were incurred in the last month of the financial year 2019-20 i.e., March 2020. The details of budget provision, and expenditure thereon is given in **Table 3.13**.

Table 3.13: Grants with more than 50 per cent of expenditure in March 2020 alone

(₹ in crore)										
Sl. No	Grant No.	Description of Grant	1st Quarter	2nd Quarter	3rd Quarter	4 th Quarter	Total Expenditure	Expenditure in March 2020	Expenditure in 4 th Quarter as percentage of total expenditure	Expenditure in March as percentage of total Expenditure
1	84	General Administration Department	4.78	5.83	1.01	225.83	237.45	199.31	95.11	83.94
2	44	Tourism Department	21.89	45.77	48.50	368.69	484.85	276.95	76.04	57.12

Sl. No	Grant No.	Description of Grant	1st Quarter	2nd Quarter	3rd Quarter	4 th Quarter	Total Expenditure	Expenditure in March 2020	Expenditure in 4 th Quarter as percentage of total expenditure	Expenditure in March as percentage of total Expenditure
3	57	Public Works Department (Communications-Bridges)	150.86	184.74	552.29	1582.74	2470.63	1395.78	64.06	56.49
4	56	Public Works Department (Special Area Programme)	4.47	38.25	65.58	226.78	335.08	184.24	67.68	54.98

Source: VLC data maintained by the office of AG (A&E)-I Uttar Pradesh for the year 2019-20

The above table indicates that during the year 2019-20, total expenditure under Grant No. 84-General Administration Department was ₹ 237.45 crore of which ₹ 199.31 crore were expended in the last month of the financial year, which was 83.94 per cent of the total budget provision. Further examination revealed that out of ₹ 276.95 crore incurred under Grant No. 44 – Tourism Department during March 2020, ₹ 100 crore was transferred to Personal Deposit/Personal Ledger Account under Head 8443 (Civil Deposits) – 117 (Deposits for work done for public bodies or private individuals). This transfer of money to Personal Deposit was in violation of instructions (March 2018) issued by the State Government to administrative departments to stop the practice of keeping money under Personal Deposit/Personal Ledger Account after withdrawal from Consolidated Fund.

3.3.7 Major policy pronouncements in budget and their actual funding for ensuring implementation

Para 212 of UPBM outlines the Guidelines for formulation and appraisal of Schemes and Projects as follows:

“Rigorous project formulation and appraisal have a major bearing on the relevance and impact of projects as well as on their timely implementation. Additional time and effort spent at the project formulation and appraisal stage would result in qualitative improvement in terms of ultimate project impact.”

Audit scrutiny of Appropriation Accounts 2019-20 revealed that there were Schemes for which the Government made Original/Supplementary provisions but did not expend any money without any reason disclosed in the Appropriation Accounts. Similarly, there were instances where Original and Supplementary provisions were re-appropriated to other projects/schemes with no expenditure on those schemes for which appropriations were originally made. Details of such instances are discussed below:

3.3.7.1 Scheme for which Original and Supplementary provisions could not be utilised

From Appropriation Accounts 2019-20 it was noticed that the State Government provisioned ₹ 43,865.90 crore for 193 schemes under 42 Grants in the Budget. Further, the State Government made supplementary provision

of ₹ 5,143.73 crore for another 28 Schemes in which two schemes had original provisions of ₹ 2.00 crore also, under 13 grants. Thus, the total provision of ₹ 49,011.63 crore for 221 schemes under 45 grants was made during the year 2019-20, but no expenditure was incurred. This shows that in 221 schemes for which allocations were made either in Original or in Supplementary provisions, funds could not be utilised.

Details of the schemes for which Original and Supplementary provision (₹ one crore and above) was made but no expenditure was incurred is given in **Appendix 3.7** and summarised in **Table 3.14**.

Table 3.14: Summary of schemes in which Original and Supplementary provisions not utilised

(₹ in crore)					
Number of Grants	Number of Schemes	Original Provision	Supplementary Provision	Total Provision	Total Expenditure
45	221	43,867.90	5,143.73	49,011.63	0.00

Non-utilisation of funds under 221 schemes indicated that either the budgeting was done without due prudence or there was serious slippage in programme implementation.

3.3.7.2 Scheme for which Original, Supplementary provisions were re-appropriated to other Schemes

The State Government provisioned ₹ 4,373.57 crore including Supplementary provision of ₹ 480.00 crore for 56 schemes under 24 Grants during the year 2019-20 (**Appendix 3.8**). However, the provisions were re-appropriated from these schemes (₹ 3,274.46 crore) and even the remaining fund (₹ 1,099.11 crore) was not utilised on these schemes. Some of the schemes in which the budgetary provisions were not utilised are illustrated in **Table 3.15**.

Table 3.15: Non-utilisation of budget provisions in schemes during the year 2019-20

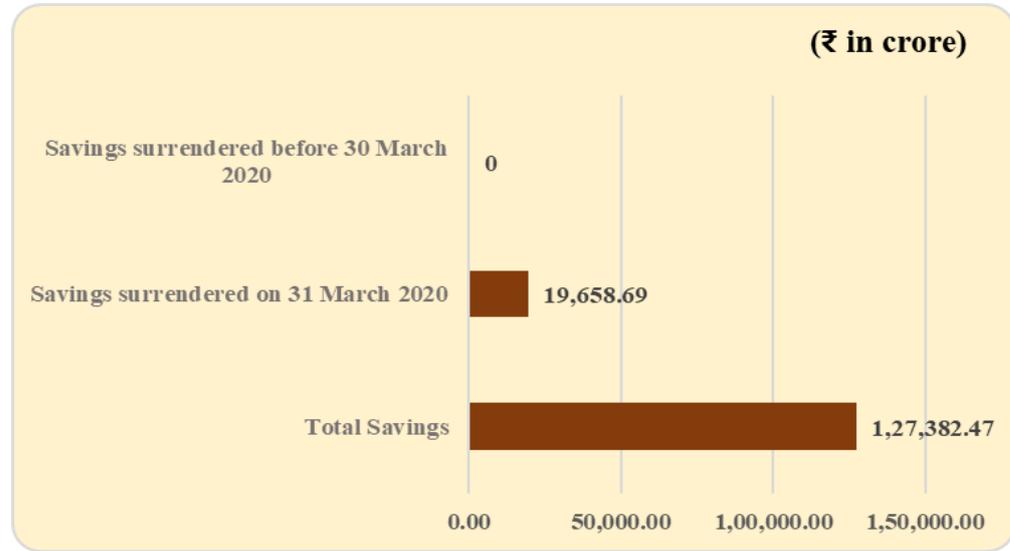
(₹ in crore)				
Sl. No	Grant No and Name	Name of the Scheme	Original Provision	Expenditure
1.	7-Industrial Department (Heavy and Medium Industries)	Prarambhik Nidhi (Seed Fund) for promotions of incubators and Start-Up	100.00	0.00
2.	40-Planning Department	Special Schemes of Bundelkhand	112.27	0.00
3.	44-Tourism Department	Establishment of Cultural Centre in Varanasi District	200.00	0.00
4.	51-Revenue Department (Relief on account of Natural Calamities)	Expenditure from National Disaster Response Fund	1,000.00	0.00
5.	37-Urban Development Department	Externally Aided Schemes	235.00	0.00
Total			1,647.27	0.00

3.3.8 Delayed surrender of Savings

Para 141 of UPBM directs Controlling Officers that all final savings must be surrendered to the Finance Department by 25th March. Officers making belated surrenders, when savings could reasonably have been foreseen and surrendered earlier, would be held responsible for the resultant financial irregularity if the Finance Department is not able to accept such surrenders.

The details of savings and surrenders during the year 2019-20 is plotted in **Chart 3.2**.

Chart 3.2: Total Savings and Surrenders during the year 2019-20



It can be seen from the above chart that only ₹ 19,658.69 crore (15.43 per cent) out of total savings of ₹ 1,27,382.47 crore were surrendered and the remaining amount of ₹ 1,07,723.78 crore lapsed. Further, all the surrenders were done on the last day of the financial year in gross violation of the directions of the UPBM.

3.3.9 Surrender in excess of actual Savings

Para 107 of the UPBM obligates the Controlling officer to surrender funds allocated to Grants, as soon as the likelihood of saving/lapse is foreseen.

In six cases involving five Grants, against savings of ₹ 189.86 crore, a sum of ₹ 190.55 crore was surrendered resulting in excess surrender of ₹ 0.69 crore during 2019-20 as detailed in **Table 3.16**.

Table 3.16: Details of surrender in excess of actual savings during the year 2019-20

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant	Head of Account	Total Grant	Saving	Amount surrendered	Surrender in excess
1	10	Agriculture and Other Allied Departments (Horticulture and Sericulture)	4401- Capital Outlay on Crop Husbandry (voted)	18.72	8.07	8.21	0.14
			4406- Capital Outlay on Forestry and Wild Life (voted)				
			4415- Capital Outlay on Agricultural Research and Education (voted)				
			4851-Village and small industries (voted)				
2			2401- Crop Husbandry (charged)	2.21	0.05	0.06	0.01
			2406- Forestry and Wild Life (charged)				

Sl. No.	Grant No.	Name of the Grant	Head of Account	Total Grant	Saving	Amount surrendered	Surrender in excess
			2415- Agricultural Research and Education (charged)				
			2851-Village and small industries (charged)				
3	18	Agriculture and Other Allied Departments (Co-operative)	2013- Council of Ministers (voted)	572.39	81.44	81.56	0.12
			2049- Interest Payments (voted)				
			2425-Co-operative (voted)				
4	44	Tourism Department	3452-Tourism (voted)	137.72	81.66	81.67	0.01
5	45	Environment Department	3435-Ecology and Environment (voted)	15.38	7.41	7.42	0.01
6	79	Social Welfare Department (Empowerment of the Handicapped and Welfare of backward classes)	2225- Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities (voted)	2,657.38	11.23	11.63	0.40
			2235-Social security and welfare (voted)				
Total				3,403.80	189.86	190.55	0.69

Source: Appropriation Accounts 2019-20

Such surrenders in excess of actual savings indicated that the Controlling Officers of the concerned departments did not exercise adequate budgetary controls by monitoring flow of expenditure through monthly expenditure statements of Drawing and Disbursement Officers through their controlling authorities.

3.4 Recommendations

- Expenditure incurred without approval of the State Legislature is against the provisions contained in Article 204 of the Constitution and therefore it should not be allowed. State Government should examine the reasons for expenditure without legislative authorisation in case of construction of UPERC building and fix responsibility.
- Excess expenditure over and above legislative authorisation (pertaining to the period 2005-06 to 2019-20) should be placed before the State Legislature for regularisation in term of the provisions contained in Article 205 of the Constitution.
- Classification of some expenditure items as Capital or Revenue nature included in certain Object heads, as pointed out in paragraph 3.2.2, needs review and redressal to align it with UPBM.
- Lumpsum budgetary provisions are in contravention of Para 31 of the UPBM and may be restricted or dispensed with altogether, in the light of the provisions of UPBM.

- *Supplementary provisions and re-appropriations should be based on careful assessment of fund requirements. Finance Department may advice line departments to improve accuracy in cost estimation of schemes/projects at the time of submitting revised estimates in order to optimise utilisation of funds.*
- *Compliance of instructions in Para 141 of UPBM regarding surrender of funds by 25th March should be ensured for optimising funds utilisation and ensuring budgetary discipline.*
- *The Government may consider issuing instructions/guidelines to control rush of expenditure towards the closing months of the financial year especially in the month of March in order to maintain a steady pace of expenditure.*

CHAPTER - IV

**Quality of Accounts and
Financial Reporting Practices**

CHAPTER-IV

QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is, thus, one of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist the Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making. This Chapter provides an overview on the quality of accounts and compliance of the State Government in its financial reporting practices, with prescribed financial rules, procedures and directives with regard to completeness, transparency, measurement and disclosure.

Issues related to completeness of accounts

4.1 Funds outside Consolidated Fund or Public Account of the State

Article 266 (1) subject to the provisions of Article 267, provides that all revenues received by the Government of a State, all loans raised by the Government by the issue of treasury bills, loans or ways and means advances and all moneys received by that Government in repayment of loans shall form one consolidated fund to be entitled “the Consolidated Fund of the State”. Article 266 (2) provides that all other public moneys received by or on behalf of the Government of a State shall be credited to the Public Account of the State. However, in the following cases moneys received by the State Government did not form part of the Consolidated Fund of the State /Public Account of the State as discussed below:

4.1.1 Building and Other Construction Workers Welfare Cess

The Building and Other Construction Workers (BOCW) Welfare Cess Act, 1996 and the BOCW (Regulation of Employment and Conditions of Service) Act, 1996 covers establishments employing ten or more building workers on any day of the preceding twelve months in any building or other construction work. The Acts, *inter alia*, provide for constitution of Welfare Boards with the aim of improving the working conditions of workers and to provide financial aid to them, and to augment the resources of the Welfare Boards through the levy and collection of cess on the cost of construction works. Accordingly, the State Government created (November 2009) the U.P. BOCW Welfare Board and in terms of the Cess Act, levies cess at the rate of one *per cent*. The U.P. BOCW Rules, 2009, as amended from time to time, provides for collection of registration fee of ₹ 20 and annual membership fee of ₹ 20 from registered workers which were subsequently reduced (December 2020) to zero till 31.03.2021 in view of the Covid pandemic. In this connection, the audit findings are as follows:

Funds kept outside Government Accounts

U.P. BOCW Welfare Board has not finalised its accounts since its constitution (November 2009). Details of receipts and utilisation of cess during the period 2015-20, as provided by the Board, are given in **Table 4.1**.

Table 4.1 Status of Registration Fee, Cess realised and utilisation during the period 2015-20

Year	Opening balance	Receipts				Total funds available	Expenditure	Closing balance
		Registration fee and annual membership fee	Labour cess		Interest on deposits			
			Received in Board account	From treasury (State Govt.)				
1	2	3	4	5	6	7 (Col. 2 to 6)	8	9 (Col. 7 – 8)
2015-16	1,830.59	14.55	686.81	0.00	128.37	2,660.32	202.41	2,457.91
2016-17	2,457.91	13.00	829.60	10.00	162.23	3,472.74	277.78	3,194.96
2017-18	3,194.96	10.54	789.79	36.96	214.36	4,246.61	324.14	3,922.47
2018-19	3,922.47	07.42	891.31	09.99	247.86	5,079.05	193.85	4,885.20
2019-20	4,885.20	13.15	916.45	08.73	323.18	6,146.71	362.67	5,784.04

Source: UP BOCW Welfare Board (Provisional data)

The State Government issued (August 2013 and September 2016) orders to deposit the collected cess into the nationalised bank account of the Board. The orders to transfer cess directly to the bank account of the Board without bringing it into Government Accounts violates the provisions of Article 266 of the Constitution of India. It is evident from the above table that as on 31 March 2020, ₹ 5,784.04 crore was available with the Board. It was further observed that:

- (i) The mechanism adopted for accountal of the cess is not in conformity with the BOCW Cess Rules, 1998⁴⁸ which provides that the cess collected shall be transferred to the Board in the head of account of the Board under the accounting procedure of the State. Accordingly, the collected cess should be kept in Public Account and from there it may be transferred to Board Account.
- (ii) Further, due to non-adoption of accountal of cess through Government Accounts, it was also not ascertainable from the accounts of the State Government as to how much money was collected on account of cess, fee etc. and how much money was transferred to the Board.

Utilisation of Labour cess

The State Government notified various schemes/activities, viz., pension, residential school, advances for purchase/construction of houses, funeral assistance, medical assistance, cash awards for meritorious students, financial assistance for education/marriage of children of beneficiaries, critical illness, solar energy, skill development and technical training etc., for welfare of the

⁴⁸ In exercise of the powers conferred by sub-section (1) of section 14 of the Building and Other Construction Workers' Welfare Cess Act, 1996, Central Government made BOCW Cess Rules 1998 which was published in the Gazette of India dated 26th March 1998.

construction workers from the BOCW Welfare Fund. Details of expenditure on these schemes during the period 2015-20 are given in **Table 4.2**.

Table 4.2: BOCW registered, covered and expenditure on schemes by UP BOCW Welfare Board during the period 2015-20

Year	Available funds (₹ in crore)	Scheme Operated		Actual expenditure (₹ in crore)	Registered workers at the end of the year	Workers covered	Percentage		
		No.	Allotted by BOCWB (₹ in crore)				Workers covered	Funds utilised against allotment	Funds utilised against availability
2015-16	2,660.32	21	605.61	141.82	27,41,452	2,77,909	10.14	23.42	5.33
2016-17	3,472.74	23	752.83	249.88	34,27,104	5,16,851	15.08	33.19	7.20
2017-18	4,246.61	18	514.06	282.57	42,08,744	3,50,384	8.33	54.97	6.65
2018-19	5,079.05	16	361.75	193.62	48,56,323	2,69,424	5.55	53.52	3.81
2019-20	6,146.71	16	696.94	357.25	53,70,729	12,54,380	23.36	51.26	5.65

Source: UP BOCW Welfare Board (Provisional data)

It is evident from the table above that the expenditure incurred by the Board on welfare of workers against available funds ranged from 3.81 to 7.20 per cent and covered 5.55 to 23.36 per cent of registered workers. It was further observed that the increase of expenditure in the year 2019-20 over previous year 2018-19 was mainly due to expenditure amounting to ₹ 96.69 crore by way of Disaster Relief Assistance Scheme for workers affected by the covid pandemic.

4.1.2 State Electricity Regulatory Commission Fund

Section 82 (1) of the Electricity Act, 2003 (Act) provides that every State Government shall constitute a Commission for the State to be known as State Electricity Regulatory Commission. Section 103 of the Act further provides that State Government shall constitute a Fund to be called the State Electricity Regulatory Commission Fund and there shall be credited thereto any grants and loans made to the State Commission by the State Government, all fees received by the State Commission under the Act and all sums received by the Commission from such other sources as may be decided upon by the State Government.

Uttar Pradesh Electricity Regulatory Commission was established on 10 September 1998. Audit noted that the GoUP did not constitute State Electricity Regulatory Commission Fund. As a result, fees received by the Uttar Pradesh Electricity Regulatory Commission (UPERC) are deposited in bank accounts maintained by the Commission. As such, as on 31 March 2020, an amount of ₹ 110.16 crore was kept outside the Public Account of the State in violation of Article 266(2) of the Constitution. Pertinently, in a similar case, Central Electricity Regulatory Commission Fund constituted (October 2007) by the Central Government under Section 99 of the Act was being operated under the Public Account of India.

The issue was also highlighted in Paragraph 6.1 of Audit Report on Economic Sector and Public Sector Undertakings, Government of Uttar Pradesh for the year ended 31 March 2019. In reply (June 2020), the Finance Department requested the Energy Department to frame rules for the Uttar Pradesh

Electricity Regulatory Fund and transfer the amount to the Public Account of the State. Further necessary action in the matter was awaited (July 2021).

4.1.3 District Mineral Foundation Trusts

Section 9B of the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act) as amended in January 2015 provides that in any district affected by mining related operations, the State Governments shall establish a trust, as a non-profit body, to be called the District Mineral Foundation. Accordingly, Government of Uttar Pradesh established (April 2017) the District Mineral Foundation Trusts (DMFTs).

In exercise of powers conferred by section 9B (3), 15 and 15A of MMDR Act and adopting Model District Mineral Foundation (Trust) Rules, 2015 issued by the Central Government, the State Government made (May 2017) the Uttar Pradesh District Mineral Foundation Trust Rules, 2017 to regulate the composition and functions of the DMFT. Audit observed that as per Rule-15 of the said Rules, the Trust Fund was to be kept in a scheduled commercial nationalised bank in the name of the Trust in individual districts. A sum of ₹ 699.54 crore levied and collected between 2017-18 and 2019-20 was deposited in various banks in the DMFT of different districts of Uttar Pradesh. Out of this, expenditure of ₹ 202.91 crore was incurred for various purposes.

It is notable that in the case of National Mineral Exploration Trust (NMET), the Government of India, Ministry of Mines which earlier permitted (August 2015) the Trust to open and operate bank accounts in scheduled banks, has amended (March 2018) the National Mineral Exploration Trust Rules, 2015 and directed to close the bank account of the Trust as soon as possible. Under the amended Rules, NMET Fund shall be opened under the Public Account of India as a non-lapsable and non-interest-bearing account and shall be administered by the Central Government. Annual Budget provision shall also be made in the Demands for Grants of Central Government under the appropriate Head for incurring expenditure from the Fund and an equivalent amount thereof shall be met from the Fund.

As such, in the instant case, the State Government should revisit the existing provision of maintaining the Trust Fund in a scheduled commercial bank and bring it in line with the provisions of Article 266 of the Constitution. In this context, a mention was made in the paragraph 5.3 of Audit Report (Revenue Sector), Government of Uttar Pradesh for the year ended 31 March 2019 that the State Government in violation of Articles 266 (1) of the Constitution maintained DMFT fund in scheduled commercial banks. It was recommended that the amount of royalty being contributed to the Trust should form part of Government Accounts of the State and the Government may create DMFT fund in the Public Account to enable incurrence of expenditure in accordance with the codal provisions.

The Department stated (January 2021) that the accounts of DMFTs had been opened according to the provisions contained in the Rule-15 of Uttar Pradesh District Mineral Foundation Trust Rules, 2017 which was made by adopting Model District Mineral Foundation (Trust) Rules, 2015 issued by the Central Government.

The reply of the Department is not tenable as in the case of NMET, the Government of India through notification dated 7 March 2018 had ensured the

compliance with the constitutional provisions under Article 266 (1) of the Constitution and contribution towards the Trust were made part of Public Account of India. Therefore, the State Government may take necessary action to ensure the compliance with the constitutional provisions under Article 266 of the Constitution.

4.2 Extra-budget borrowings through State owned PSUs/Authorities not being credited to the Consolidated Fund

The State Government resorted to extra-budget borrowings through State owned PSUs/Authorities, which were not being credited to the Consolidated Fund, for meeting expenditure having implication on debt parameter of the State.

The Uttar Pradesh Fiscal Responsibility and Budget Management (FRBM) Act, 2004 outlined that the State Government shall take suitable measures to ensure greater transparency in its fiscal operations in public interest by disclosing the contingent liabilities created by way of guarantees; the actual liabilities arising out of borrowings by Public Sector Undertaking and Special Purpose Vehicles and other equivalent instruments where liability for repayment is on the State Government allocations. Further, the Uttar Pradesh Fiscal Responsibility and Budget Management Rules, 2006 provided that the ‘Medium Term Fiscal Restructuring Policy (MTFRP) Statement’ laid before the Legislature along with Budget documents shall contain the five year rolling target with respect to Revenue Deficit, Fiscal Deficit and total outstanding debt⁴⁹ of the State Government. For the year 2019-20, debt-stock was targeted as 29.98 per cent of GSDP.

Audit observed that the State Government routed loans outside the budget through various State Government Public Sector Undertakings (PSUs)/ Authorities⁵⁰. Borrowings of this nature by PSUs/Authorities had an impact on the position of debt-stock, debt-stock to GSDP ratio.

Details in this connection are as under:

- (i) **Extra-Budget Borrowings:** During the period 2017-19, against the sanctioned loan amount of ₹ 7,279 crore, a sum of ₹ 6,494 crore was borrowed from the financial institutions by certain state PSUs/Authorities, which was serviced from the budget of the State Government. The summarised position of such borrowings during the period 2017-19 is given in **Table 4.3**.

Table 4.3: Details of extra-budget borrowings during the period 2017-19

(₹ in crore)				
Year	Entities borrowed on behalf of Government	Lending F.I.	Loan Sanctioned	Loan disbursed
2017-18	UPSBCL, UPRNN, UPSHA and UPEIDA	HUDCO	7,279.00	6,260.00
2018-19	UPEIDA	HUDCO		234.00
Total			7,279.00	6,494.00

Source: Information provided by the respective entities

⁴⁹ Total outstanding debt of the State indicates debt-stock position or total indebtedness of the State which includes Internal Debt, Loans and Advances from the GoI, Small Savings, Provident Funds etc, Reserve funds and Deposit & Advances.

⁵⁰ Uttar Pradesh State Bridge Corporation Limited (UPSBCL), Uttar Pradesh Rajkiya Nirman Nigam Limited (UPRNN), Uttar Pradesh State Highway Authority (UPSHA) and Uttar Pradesh Expressways Industrial Development Authority (UPEIDA).

- (ii) **Financial assistance by State Government:** During the year 2019-20, the State Government provided ₹ 1,953.08 crore (₹ 566.66 crore against interest payment and ₹ 1,386.42 crore against repayment of principal) to these PSUs/Authorities from the State Budget. The summarised position of payment of interest and re-payment of principal is given in **Table 4.4**.

Table 4.4: Details of assistance for payment of Interest and repayment of principal

(₹ in crore)			
Sl. No	Name of the Entities	Assistance for payment towards interest Amount	Assistance for re-payment towards principal amount
1	UPSBCCL	61.27	77.13
2	UPRNN	243.29	200.51
3	UPSHA	238.45	192.78
4	UPEIDA	23.65	916.00
Total		566.66	1,386.42

Source: Information provided by the respective entities

- (iii) **Debt-Stock:** Since these extra-budget borrowings do not form part of the Debt-Stock position of the State, the Debt-Stock position does not depict the actual debt position as given in **Table 4.5**.

Table 4.5: Debt-Stock position after extra-budget borrowings

(₹ in crore)					
Particular	Debt – Stock	Extra-budget borrowings	Cumulative extra-budget borrowings	Payment against extra-budget borrowings through financial assistance	Debts stock after taking into account extra-budget borrowings and financial assistance for re-payment
1	2	3	4	5	6 = (2+4-5)
Debt stock as on 31.03.2018	4,67,842.00	6,260.00	6,260.00	0.00	4,74,102.00
Debt stock as on 31.03.2019	5,18,095.00	234.00	6,494.00	0.00	5,24,589.00
Debt stock as on 31.03.2020	5,02,412.02	0.00	6,494.00	1,386.42	5,07,519.60

Source: Finance Accounts of the respective years and information provided by the respective entities

The table above indicates that Debt-Stock was higher by ₹ 5,107.58 crore⁵¹ in 2019-20 after taking into account extra-budget borrowing as on 31 March 2020. Accordingly, the debt-stock to GSDP⁵² ratio including extra-budget borrowings was 28.28 per cent as on 31.03.2020 against the reported ratio of 28 per cent without taking into account the extra-budget borrowings.

The matter was reported to Government (January 2021), the reply of the Government is awaited (July 2021).

⁵¹ ₹ 5,07,519.60 crore - ₹ 5,02,412.02 crore.

⁵² GSDP 2019-20: ₹ 17,94,508 crore

4.3 Un-discharged liabilities in Defined Contribution Pension Scheme

The State Government did not remit ₹ 2,023.76 crore for the Defined Contribution Pension Scheme to the designated fund managers for its further investment during the year 2019-20.

State Government employees recruited on or after 1 April 2005 are covered under the Defined Contribution Pension Scheme (DCPS). It is also applicable to the new entrants of government aided educational institutions and autonomous bodies financed by the State Government. In terms of the Scheme, the government employees contribute 10 *per cent* of basic pay and dearness allowance and an equal amount was contributed by the State Government up to 2018-19. The State Government has increased its share from 10 *per cent* to 14 *per cent* with effect from 1.4.2019. As per the procedure prescribed by the Government of Uttar Pradesh, both the contributions are to be initially credited to the Public Account under the concerned Head of Accounts 8342-Other Deposit-117 DCPS for Government employees and 8342-120-Miscellaneous Deposits for Government aided Educational Institutions and Autonomous Bodies. Thereafter, the entire amount (Government's contribution and employees' contribution) so contributed to DCPS is required to be transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank. Further, the Major Head 8342 comes under the category of 'deposits bearing interest' implying thereby, that the Government is required to pay interest on un-transferred balance.

The State Government however, did not follow the above procedure in its entirety. In respect of government employees, aided educational institutions employees and employees of Autonomous Bodies, the State Government booked expenditure of ₹ 3,478.57 crore as government contribution (₹ 2,299.04 crore for government employees, ₹ 1,179.42 crore for aided educational institutions employees and ₹ 0.11 crore for employees of Autonomous Bodies) under the Head of Accounts 2071-01-117-Government Contribution for DCPS during the year 2019-20. As against this, an amount of ₹ 1,232.29 crore (₹ 78.68 crore for government employees, ₹ 1,153.50 crore for aided educational institution employees and ₹ 0.11 crore for employees of Autonomous Bodies) was not transferred by the State Government during 2019-20 in the designated Head of Accounts 8342-117/120 Other Deposit. Thus, government contribution amounting to ₹ 1,232.29 crore, though booked as revenue expenditure in the Accounts, was not transferred by the State Government to the designated major head 8342 for DCPS during the year 2019-20. Similar short transfer of contribution amounting to ₹ 530.59 crore from major head 2071 to the designated major head 8342 was reported in the State Finances Audit Report for the year ended 31 March 2019 (Paragraph 1.5.1.3 of Audit Report No. 2 of the year 2020-Government of Uttar Pradesh). However, as stated in the Finance Accounts, the reason for this non-transfer was not furnished by the State Government.

Further, during the year 2019-20, the Government was required to transfer ₹ 7,104.45 crore (Government's contribution ₹ 3,478.57 crore, employees' contribution ₹ 3,624.21 crore and ₹ 1.67 crore interest paid on DCPS) to the designated fund manager. However, the Government transferred only ₹ 5,080.69 crore to the designated fund manager. Thus, there was a short

transfer of ₹ 2,023.76 crore (₹ 7,104.45 crore - ₹ 5,080.69 crore) to the designated authority during the year 2019-20 for its further investment as per the provision of the Scheme. Such short transfers of contributions of DCPS to the designated fund manager were earlier reported in the State Finances Audit Reports for the year ended 31 March 2017, 31 March 2018 and 31 March 2019.

Thus, the State Government did not discharge its statutory liability towards DCPS and the current liability stands deferred to future year(s). As a result, the non-remitted fund did not yield any value appreciation as it could not become part of the corpus of investment of the subscribers. Further, the State Government has created uncertainty in respect of benefits due to the employees/avoidable financial liability to the Government in future, and, thus, leading to possible failure of the scheme itself. The matter was reported to the Government (January 2021), the reply is awaited (July 2021).

4.4 Non-establishment of Uttar Pradesh Road Transport Accident Relief Fund

The State Government did not establish Uttar Pradesh Road Transport Accident Relief Fund (UPRTARF) which resulted in a sum of ₹ 536.38 crore not being credited to UPRTARF.

As per provisions of section 8(1) of Uttar Pradesh Motor Vehicle Taxation (UPMVT) Act, 1997, as amended in 2009, for the purpose of providing relief to the passengers or heirs of such passengers or other persons suffering casualty in which a public service vehicle is involved, the State Government shall establish the Uttar Pradesh Road Transport Accident Relief Fund (UPRTARF). An amount equivalent to two *per cent* of the tax levied under Section 4 and two *per cent* of the additional tax levied under Section 6 shall be credited to the fund.

A mention was made in the State Finances Audit Report for the year ended 31 March 2016 (Para No. 1.9.3.2 of Report No. 4 of the year 2016 – Government of Uttar Pradesh) regarding non-establishment of the UPRTARF by the State Government, which negated the very purpose of the provision in the UPMVT Act. In reply, the State Government had stated that the process of creation of the UPRTARF was in progress. Audit, however, observed that the State Government had not yet established the UPRTARF.

During the period 2015-20, Transport Department realised tax of ₹ 26,818.61 crore under Section 4 and Section 6 of UPMVT Act as detailed in **Table 4.6**.

Table 4.6: Details of tax to be credited to the UPRTARF during the period 2015-20

(₹ in crore)

Year	Tax realised under Section 4			Addl. Tax realised under Section 6 0041-102-01	Total Tax realised under Section 4 and Section 6	2 per cent to be transferred to the UPRTARF
	0041-102-01	0041-102-03	Total			
1	2	3	4 = 2+3	5	6 = 4+5	7 = 2% of col. 6
2015-16	3,710.60	159.40	3,870.00	213.00	4,083.00	81.66
2016-17	4,357.84	168.27	4,526.11	243.67	4,769.78	95.40
2017-18	5,186.72	186.02	5,372.74	270.73	5,643.47	112.87
2018-19	5,585.21	199.77	5,784.98	259.01	6,043.99	120.88
2019-20	5,843.87	203.25	6,047.12	231.25	6,278.37	125.57
Total	24,684.24	916.71	25,600.95	1217.66	26,818.61	536.38

Source: Information provided by the office of Transport Commissioner, Uttar Pradesh.

It is evident from the above that a sum of ₹ 536.38 crore was to be credited to the UPRTARF for the period 2015-20 but could not be credited due to non-establishment of the Fund. Out of ₹ 536.38 crore, ₹ 125.57 crore pertains to the year 2019-20. This also had an impact on the revenue surplus and fiscal surplus of the State, which was overstated by ₹ 125.57 crore during the year 2019-20.

The office of Transport Commissioner, Uttar Pradesh stated (January 2021) that the creation of UPRTARF was under process at the Government level. It was further intimated that a sum of ₹ 1.01 crore⁵³ was provided as financial assistance to the concerned entitled persons suffering from casualty during the period 2015-20 from the Major Head 2235-Social Security and Welfare under the Transport Department Grant Number 43. Thus, financial assistance to the entitled persons due to casualty was not being provided from the UPRTARF which was required to be established under the UPMVT Act, 1997. Also, there was large difference in money required to be credited to fund (₹ 536.38 crore) and financial assistance provided to victims (₹ 1.01 crore) during the years 2015-20. The Government needs to comply with the provisions of the Act by establishing the UPRTARF in the Public Account of the State.

The Government stated (July 2021) that the matter of establishing UPRTARF was under process.

Issues related to completeness of accounts and transparency

4.5 Delay in submission of Utilisation Certificates

The Financial Hand Book Volume-V Part-I, para 369-H prescribes that, where grants are sanctioned for specific purposes, the departmental officers concerned should obtain Utilisation Certificate (UC) from the grantee, which after verification should be forwarded to the Accountant General (A&E). Further, in respect of grants which are expected to be utilised during the next 12 months from the date of sanction, the competent authority should furnish to the Accountant General the requisite certificate not later than 18 months from the date of sanction of the grant.

The purpose for which grants-in-aid were utilised can be confirmed only on receipt of UCs which would safeguard against diversion of funds for other purposes. Thus, expenditure shown in the accounts cannot be treated as final to the extent of non-receipt of UCs. The position of outstanding UCs as on 31 March 2020 for grants given up to 30 September 2018 is given in **Table 4.7**.

Table 4.7: Arrears in submission of Utilisation Certificates

Year*	Number of UCs awaited (as on 31 st March)	Amount (₹ in crore)
Up to 2017-18	40,846	14,147.29
2018-19	530	1,550.65
Total	41,376	15,697.94

Source: Finance Accounts 2019-20 and information provided by AG (A&E), U.P., Prayagraj.

(*The year mentioned above relates to "Release year" for which UCs were due, but UCs not received by March 2020).

⁵³ Year 2015-16- ₹ 5.85 lakh (41 casualties), year 2016-17- ₹ 19.35 lakh (77 casualties), year 2017-18- ₹ 24.00 lakh (121 casualties), year 2018-19- ₹ 19.15 lakh (143 casualties) and year 2019-20- ₹ 33.07 lakh (176 casualties).

The above table shows that 41,376 UCs aggregating ₹ 15,697.94 crore were outstanding as on 31 March 2020 for grants released during the period 2001-02 to 2018-19 (up to September 2018). The age-wise status of pendency of UCs is summarised in **Table 4.8**.

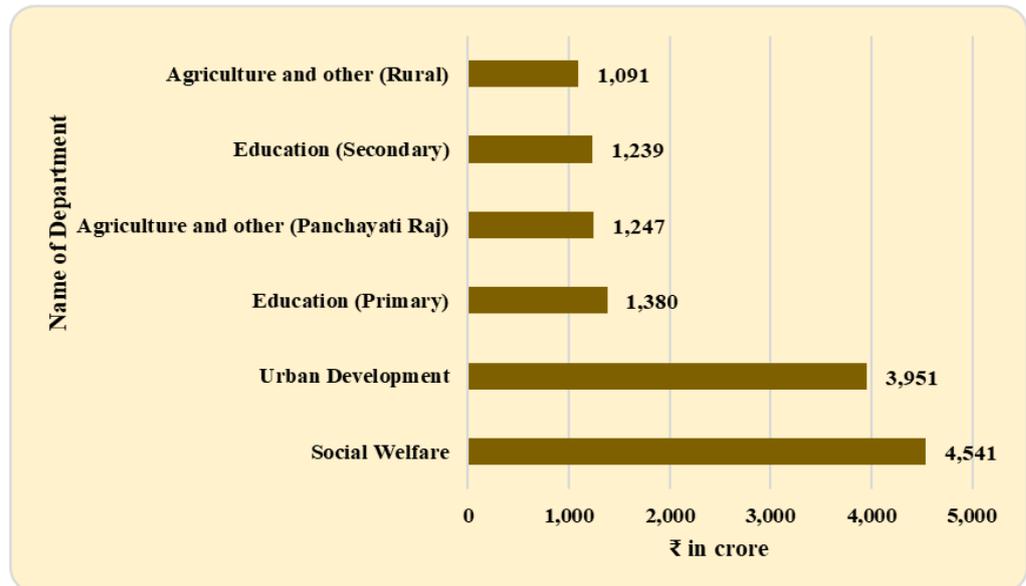
Table 4.8: Year wise break up of outstanding UCs

(₹ in crore)		
Year	Number of UCs	Amount
2001-02 to 2009-10	28,692	6,211.41
2010-11	1,205	736.71
2011-12	951	510.39
2012-13	1,232	674.18
2013-14	1,965	1,691.44
2014-15	2,126	1,136.19
2015-16	1,345	675.72
2016-17	1,547	1,050.35
2017-18	1,783	1,460.90
2018-19	530	1,550.65
Total	41,376	15,697.94

Source: Finance Accounts of the respective years and information provided by AG (A&E), U.P., Prayagraj

Of the total outstanding UCs, 20,365 UCs (49.22 per cent) amounting to ₹ 13,448.93 crore (85.67 per cent) pertained to six departments (Grants): Social Welfare Department (Special Component Plan for Scheduled Castes), Urban Development Department, Education Department (Primary Education), Agriculture and other Allied Departments (Panchayati Raj), Education Department (Secondary Education) and Agriculture and other Allied Departments (Rural Development), as presented in **Chart 4.1**.

Chart 4.1: Department wise amount of outstanding UCs



In the absence of UCs, there is no assurance that grants-in-aid disbursed have actually been incurred for the purpose for which they were sanctioned/ authorised by the Legislature. Moreover, high pendency of UCs was fraught with the risk of embezzlement, diversion and misappropriation of funds.

4.6 Abstract Contingent Bills

The drawal of contingent charges on items of expenditure by a State Government, for which final classification and supporting vouchers is not available at the time of drawal are made on ‘Abstract Contingent’ (AC) Bills. As per para 62 of Uttar Pradesh Treasury manual, Controlling officer/Drawing and Disbursing officer should ensure that no amounts shall be drawn through AC Bills unless required for immediate disbursement. As per para 183 of Financial Hand Book (Volume V) Part I, after utilisation of the money, Detailed Contingent (DC) bills are required to be submitted to the controlling officer or there be no controlling officers, to the Accountant General by the end of the next month. Prolonged non-submission of supporting DC bills renders the expenditure under AC bills opaque. The details of pending DC bills as on 31 March 2020 are given in **Table 4.9**.

Table 4.9: Year wise status of submission of Detailed Contingent bills against the Abstract Contingent bills up to 2019-20

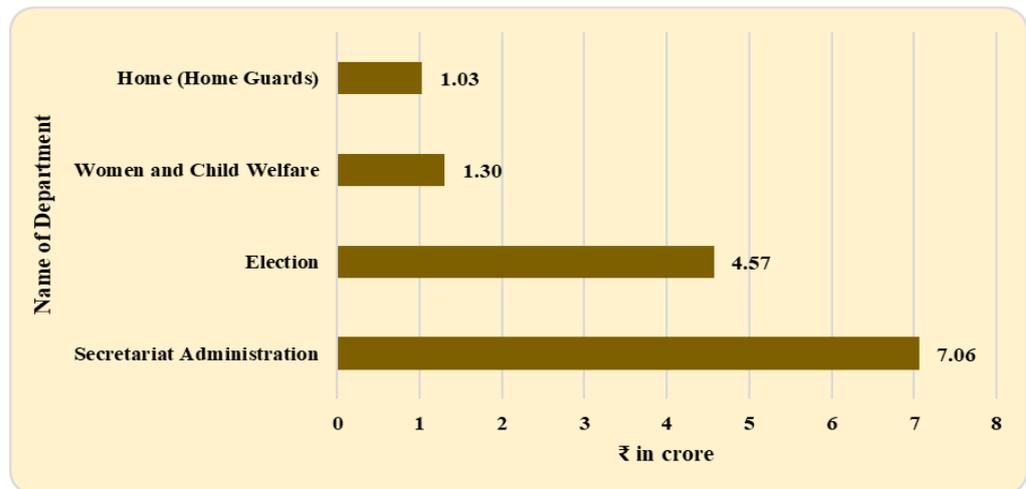
Year	Number of pending DC Bills	Amount (₹ in crore)
Up to 2017-18	1,185	10.98
2018-19	30	0.16
2019-20	108	5.92
Total	1,323	17.06

Source: Finance Accounts of the respective years and information provided by AG (A&E), U.P., Prayagraj

As evident from the above table, 1,185 bills amounting to ₹ 10.98 crore were pending for long periods prior to 2017-18 and 138 bills amounting to ₹ 6.08 crore were pending for the last two years. Of the total outstanding AC bills, 300 bills (22.68 per cent) amounting ₹ 13.96 crore (81.83 per cent) pertained to four departments: - Secretariat Administration Department (129 AC bills amounting to ₹ 7.06 crore); Election Department (79 AC bills amounting to ₹ 4.57 crore); Women & Child Welfare Department (81 AC bills amounting to ₹ 1.30 crore) and Home Department (Home Guards) (11 AC bills amounting to ₹ 1.03 crore).

Delay in submission of detailed contingent bills indicates that funds were drawn without requirement for immediate payment. The withdrawal of money through an AC bill is accounted for against the functional Major Head in the Consolidated Fund. Unless the accounts are settled within the time specified, the expenditure stands inflated to that extent. Further, non-submission of DC bills within the prescribed time not only breaches financial discipline but also increases the possibility of wastage/misappropriation/malfeasance, etc. Departments having outstanding AC Bills for amounts of more than ₹ one crore are presented in **Chart 4.2**.

Chart 4.2: Pending DC Bills of more than ₹ one crore



4.7 Personal Deposit/Personal Ledger Accounts

Under the List of Major and Minor Heads of Accounts of Union and States, Personal Deposits are of the nature of deposits not bearing interest opened under 8443-Civil Deposits-106-Personal Deposits. As per para 4 of Uttar Pradesh Personal Ledger Account (PLA) Rules 1998, the State Government is authorised to open Personal Deposit (PD) accounts/PLA for specific purposes in consultation with the Accountant General. Designated Administrators are authorised to operate these PD accounts by transfer of funds from the Consolidated Fund of the State. Further, para 11(2) of the said rule provides that if there is no transaction in any PD accounts for three years, the Treasury Officer would make a written request to the competent authority for closure of such accounts, and if no reply is received within three months, the PD account would be closed after transfer of the balance, if any, to the corresponding head of account on the advice of the Accountant General. Details of PLA/PD accounts as on 31 March 2020 are given in **Table 4.10**.

Table 4.10: Status of PLA/PD Accounts during the year 2019-20

(₹ in crore)

Opening Balance (As on 01-04-2019)		Addition (Accounts opened) and receipts during the year		Closure of Accounts and disbursement from the Accounts during the year		Closing Balance (As on 31-03-2020)	
No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
1,070	4,362.43	0	1,206.55	289	1,220.24	781	4,348.74

Source: Finance Accounts 2019-20 (information provided by the State Government)

During the year 2019-20, 289 PLA/ PD accounts were closed by the State Government and the unspent balance of ₹ 9.75 crore lying under these accounts were transferred back to the Consolidated Fund. Further, there was a difference of ₹ 14.54 crore (for 35 accounts) between the closing balance as on 31 March 2019 and the opening balance as on 1 April 2019, which was under reconciliation between the office of the Accountant General (A&E), Uttar Pradesh, Prayagraj and the State Government.

Inoperative PLA/PD Accounts

The composition of operative and inoperative PLA/PD accounts at the end of the year 2019-20 is given in **Table 4.11**.

Table 4.11: Operative and inoperative PLA/PD Accounts at the end of the year 2019-20
(₹ in crore)

PLA/PD Accounts					
Operative		Inoperative		Total	
Number	Amount	Number	Amount	Number	Amount
556	4,336.79	225	11.95	781	4,348.74

Source: Finance Accounts 2019-20 (information provided by the State Government)

Out of total 781 PLA/PD accounts, 225 PLA/ PD accounts having a balance of ₹ 11.95 crore were inoperative as no transaction in these accounts was done during the last three years. Principal Secretary (Finance), Government of Uttar Pradesh issued (January 2018) an order for closing of inoperative PLA/PD accounts and directed all the Treasury Officers to close the inoperative PLA/PD accounts immediately as per the laid down procedure. In contravention of the codal provisions of the Uttar Pradesh Personal Ledger Account Rules, 1998 and Government order (January 2018), these inoperative PLA/PD accounts were not closed. Non-compliance to the codal provisions was also reported in State Finances Audit Reports for the year ended 31 March 2018 and 31 March 2019.

Reconciliation of PLA/PD Accounts

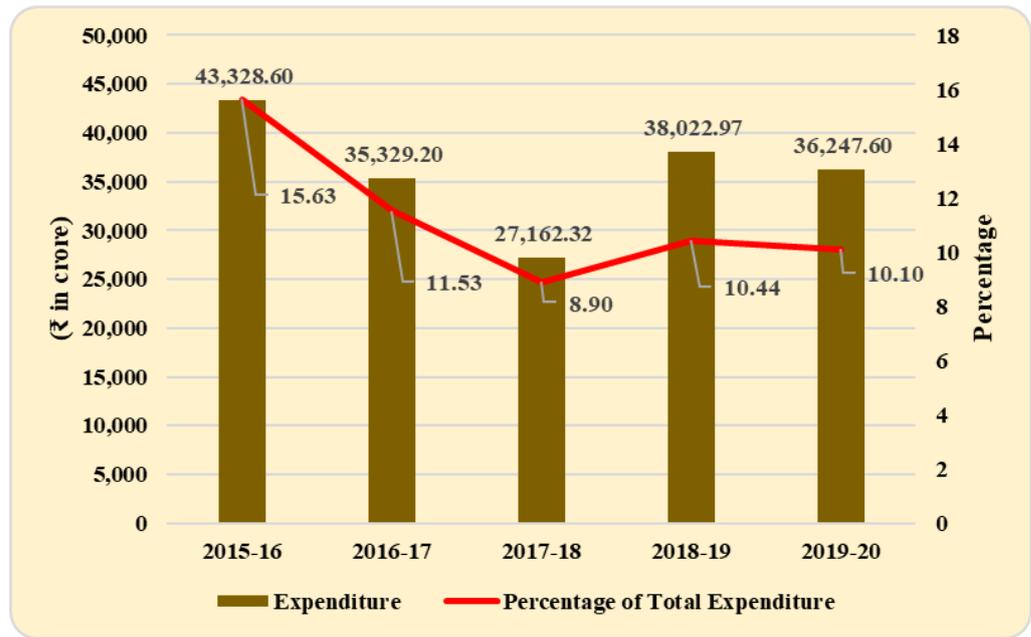
Out of 77 treasuries operating the PLA/ PD accounts of the State, only 47 treasuries have reconciled the figures of PLA/PD accounts maintained by them with the records of the concerned Administrator of PD/PLA accounts during the year 2019-20. The status of reconciliation of the remaining 30 treasuries was not been made available to the office of the Accountant General (A&E), Uttar Pradesh, Prayagraj by the respective treasuries.

4.8 Indiscriminate use of Minor head 800

As a crucial component of a transparent system of budgeting and accounting, the forms of accounts in which the receipts and expenditure of the Government are reported to the Legislature should constantly be reviewed and updated so that they truly reflect receipts and expenditure on all major activities of the Government in a transparent manner to meet the basic information needs of all important stakeholders. For the purpose, Minor head 800 relating to Other Receipts and Other Expenditure is intended to be operated only when the appropriate minor head has not been provided in the accounts. Routine operation of minor head 800 is to be discouraged, since it renders the accounts opaque.

During the year 2019-20, ₹ 36,247.60 crore under 82 Revenue and Capital Major Heads of accounts on the expenditure side, constituting 10.10 per cent of the total expenditure of ₹ 3,58,831.08 crore (Revenue and Capital), was recorded under minor head 800-Other Expenditure. The trend of expenditure booked under Minor Head 800 – Other Expenditure during the period 2015-16 to 2019-20 and its percentage to total expenditure is depicted in **Chart 4.3**.

Chart 4.3: Operation of Minor Head 800 - Other Expenditure during the period 2015-20



Instances where a substantial proportion (50 per cent or more of the total expenditure under the Major Head) of the expenditure was classified under minor head 800-Other Expenditure are listed in **Table 4.12**.

Table 4.12: Significant expenditure booked under Minor Head 800 – Other Expenditure during the year 2019-20

(₹ in crore)				
Major Head	Major Head Description	Expenditure under Minor Head 800	Total Expenditure	Percentage
5053	Capital Outlay on Civil Aviation	1,328.79	1,328.79	100.00
2040	Taxes on Sales, Trade etc.	792.48	792.48	100.00
4070	Capital Outlay on other Administrative Services	651.85	651.85	100.00
2885	Other Outlays on Industries and Minerals	572.04	572.04	100.00
2705	Command Area Development	104.16	104.16	100.00
2575	Other Special Area programmes	70.32	70.32	100.00
4859	Capital Outlay on Telecommunication and Electronic Industries	9.32	9.32	100.00
4853	Capital Outlay on Non-ferrous Mining and Metallurgical Industries	5.02	5.02	100.00
2407	Plantations	4.69	4.69	100.00
4047	Capital Outlay on other Fiscal Services	1.14	1.14	100.00
2041	Taxes on Vehicles	0.73	0.73	100.00
4404	Capital Outlay on Dairy Development	0.20	0.20	100.00
2852	Industries	1,257.81	1,391.58	90.39
2216	Housing	577.74	681.79	84.74
3053	Civil Aviation	19.01	23.22	81.87
4575	Capital Outlay on other Special Areas Programmes	590.09	750.40	78.64

Major Head	Major Head Description	Expenditure under Minor Head 800	Total Expenditure	Percentage
4235	Capital Outlay on Social Security and Welfare	518.91	667.60	77.73
4216	Capital Outlay on Housing	1,612.61	2,111.55	76.37
4403	Capital Outlay on Animal Husbandry	134.66	195.27	68.96
4401	Capital Outlay on Crop Husbandry	122.29	177.45	68.92
2801	Power	11,388.41	17,290.13	65.87
3452	Tourism	35.72	56.06	63.72
2700	Major Irrigation	402.26	640.16	62.84
2501	Special Programmes for Rural Development	656.07	1,098.08	59.75
2245	Relief on account of Natural Calamities	731.57	1,316.79	55.56
2211	Family Welfare	3,305.72	6,364.87	51.94

Source: Finance Accounts 2019-20

Similarly, during the year 2019-20, revenue receipts aggregating ₹ 76,255.58 crore were booked under Minor Head 800-Other Receipts in 54 Revenue Major Heads of accounts on the receipt side (this includes ₹ 71,180.23 crore booked under the Head 0075-Miscellaneous General Services-800-Other Receipts on account of transfer of balances under the existing Sinking Fund to non-tax revenue), constituting 20.81 *per cent* of the total revenue receipts of the State of ₹ 3,66,393.18 crore. Major Departments which booked large amounts under Minor Head-800 during the year 2019-20 are given in **Table 4.13**.

Table 4.13: Significant receipts booked under Minor Head 800 – Other Receipts during the year 2019-20

(₹ in crore)				
Major Head	Major Head Description	Receipts under Minor Head 800	Total Receipts	Percentage
0801	Power	1,044.14	1,044.14	100.00
1456	Civil Supplies	21.25	21.25	100.00
0217	Urban Development	20.37	20.37	100.00
0875	Other Industries	10.84	10.84	100.00
0506	Land Reforms	2.71	2.71	100.00
0575	Other Special Area Programmes	1.49	1.49	100.00
0023	Hotel Receipts Tax	1.21	1.21	100.00
0415	Agricultural Research and Education	0.62	0.62	100.00
0810	Non Conventional Sources of Energy	0.13	0.13	100.00
0215	Water Supply and Sanitation	0.07	0.07	100.00
0047	Other Fiscal Services	0.04	0.04	100.00
0235	Social Security and Welfare	34.03	34.13	99.71
1053	Civil Aviation	22.38	22.50	99.47
0075	Miscellaneous General Services	71,454.20	72,043.54	99.18
0211	Family Welfare	0.25	0.26	96.15
0700	Major Irrigation	38.19	40.00	95.48
1054	Roads and Bridges	674.18	706.81	95.38
1055	Road Transport	0.19	0.20	95.00
0056	Jails	4.06	4.38	92.69

Major Head	Major Head Description	Receipts under Minor Head 800	Total Receipts	Percentage
0059	Public Works	42.34	46.02	92.00
0029	Land Revenue	459.34	503.62	91.21
0425	Co-operation	5.26	5.94	88.55
0852	Industries	3.44	4.03	85.36
0406	Forestry and Wild Life	262.68	312.08	84.17
0851	Village and Small Industries	6.58	8.10	81.23
0515	Other Rural Development Programmes	76.55	102.79	74.47
0230	Labour and Employment	46.04	67.53	68.18
0403	Animal Husbandry	19.17	30.84	62.16
0401	Crop Husbandry	87.98	142.26	61.84
0435	Other Agricultural Programme	1.78	2.91	61.17
0070	Other Administrative Services	273.13	493.71	55.32

Source: Finance Accounts 2019-20

4.9 Huge expenditure under omnibus Object Head: '42- Other Expenditure'

With a view to bringing greater transparency in the budget of the State Government and effecting adequate security and control in planning and implementing, there is a need for budgeting provision under the appropriate heads instead of the omnibus object head '42- Other Expenditure'. As defined in budget documents, 'Other Expenditure' pertains to residual items and includes remuneration and award related expenses and expenditure from discretionary funds.

Scrutiny of the Accounts revealed that expenditure of ₹ 11,820.86 crore was made under Object Head '42- Other Expenditure' which was 3.08 per cent of the total expenditure of ₹ 3,83,351.68 crore (Revenue expenditure, Capital expenditure and repayment of public debt) under the Consolidated Fund of the State during 2019-20. Further it was observed that in 18 grants, the expenditure under Object Head: '42- Other Expenditure' was more than five per cent of the total expenditure of these grants and this contributed to 24.63 per cent of total expenditure of these grants as given in **Table 4.14**.

Table 4.14: Showing expenditure under Object Head '42 – other expenditure' and Total Expenditure in various Grants

Sl. No.	Grant No.	Grant Description	Total Expenditure	Expenditure under Object Head 42	Percentage of expenditure under OH 42 to Total Expenditure
1	53	National Integration Department	0.53	0.38	71.70
2	35	Medical Department (Family Welfare)	5,169.12	3,307.53	63.99
3	91	Institutional Finance Department (Stamps and Registration)	297.32	171.54	57.70
4	45	Environment Department	7.97	4.00	50.19
5	28	Home Department (Political Pension and Other Expenditure)	296.41	145.47	49.08
6	3	Industries Department (Small Industry and Export Promotion)	403.55	179.10	44.38
7	76	Labour Department (Labour welfare)	493.48	197.57	40.04

(₹ in crore)

Sl. No.	Grant No.	Grant Description	Total Expenditure	Expenditure under Object Head 42	Percentage of expenditure under OH 42 to Total Expenditure
8	13	Agriculture and Other allied Departments (Rural Development)	10,164.33	3,452.48	33.97
9	78	Secretariat Administration Department	897.28	282.45	31.48
10	69	Vocational Education Department	764.67	196.16	25.65
11	81	Social Welfare Department (Tribal Welfare)	820.54	191.60	23.35
12	33	Medical Department (Ayurvedic and Unani)	819.81	101.94	12.43
13	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	18,608.12	2,259.98	12.15
14	22	Sports Department	153.89	17.56	11.41
15	92	Culture Department	123.48	12.92	10.46
16	29	Confidential Department (Governor's Secretariat)	15.52	1.15	7.41
17	66	Finance Department (Group Insurance)	240.51	14.03	5.83
18	11	Agriculture and Other allied Departments (Agriculture)	4,433.33	230.42	5.20
Total (Above 5 per cent)			43,709.86	10,766.28	24.63

Source: Data extracted from VLC

The classification of large amounts under the Object Head '42- Other Expenditure' does not give a complete picture in financial reporting.

The matter was reported to the Government (September 2020); their reply is awaited (July 2021).

Issues related to Measurement

4.10 Outstanding balances under major Suspense and Remittance Heads

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/Works, Forest Divisions, etc.

Balances under certain major suspense heads of accounts, as recorded in the ledger maintained by office of the AG (A&E) are indicated in **Table 4.15**.

Table 4.15: Balances under Suspense and Remittance Heads

(₹ in crore)

Suspense Head	2017-18		2018-19		2019-20*	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Major Head 8658 - Suspense						
101 - PAO suspense	0.0	10.84	238.98	5.51	427.72	181.76
Net		Cr. 10.84		Dr. 233.47		Dr. 245.96

Suspense Head	2017-18		2018-19		2019-20*	
102 - Suspense Account-Civil	19.70	0.00	424.01	(-)31.62	17,250.45	15,426.11
Net	Dr. 19.70		Dr. 455.63		Dr. 1,824.34	
109 - Reserve Bank Suspense –Headquarters	0.00	0.01	0.00	0.00	0.00	0.00 ⁵⁴
Net	Cr. 0.01		0.00		0.00 ⁵⁴	
110 - Reserve Bank Suspense – CAO	66.74	11.77	11.69	11.89	(-)88.84	(-)83.08
Net	Dr. 54.97		Cr. 0.20		Cr. 5.76	
Major Head 8782-Cash Remittances						
102 - P.W. Remittances	(-)37.40	1,446.77	(-)0.41	2.47	1,41,969.51	1,44,127.12
Net	Cr. 1,484.17		Cr. 2.88		Cr. 2,157.61	
103 - Forest Remittances	112.39	317.55	125.65	390.18	3,100.31	3,293.99
Net	Cr. 205.16		Cr. 264.53		Cr. 193.68	
8793-Inter State Suspense Account	35.67	0.03	2.09	0.16	60.46	(-)0.09
Net	Dr. 35.64		Dr. 1.93		Dr. 60.55	

Source: Finance Accounts 2019-20

(*) It exhibits position of the balances under the heads at the end of the year as per the State Finance Accounts 2019-20 (Statement 21)

The implications of balances under these heads are discussed in the succeeding paragraphs.

Pay and Accounts Office Suspense

(i) This Minor Head is operated for settlement of inter-departmental and inter-governmental transactions arising in the books of Pay and Accounts Offices (PAOs) and the AG (A&E). Transactions under this Minor Head represent either recoveries effected or payments made by an Accounts Officer on behalf of another Accounts Officer against whom the Minor Head 'PAO Suspense' has been operated. Credit under the head is cleared by 'minus credit' when cheque is issued by the Accounts Officer in whose books initial recovery was accounted for. Debit under 'PAO Suspense' is cleared by 'minus debit' on receipt and realisation of cheque from the Accounts Officer on whose behalf payment was made.

Outstanding debit balance under the Minor Head would mean that payments have been made by the AG (A&E) on behalf of another Accounts Officer, which are yet to be recovered. Outstanding credit balance would mean that payments have been received by the AG (A&E) on behalf of another Accounts Officer, which are yet to be repaid/adjusted. The net debit balance under this head was ₹ 245.96 crore as on 31st March 2020.

Suspense Accounts (Civil)

(ii) This transitory Minor Head is operated for accounting of transactions, which for want of certain information/documents viz. vouchers, challans, etc. cannot be taken to the final head of expenditure or receipt. This Minor Head is

⁵⁴ ₹ 0.02 lakh.

credited for recording receipts and debited for expenditure incurred. On receipt of the requisite information/documents, the Minor Head is cleared by minus debit or minus credit by per contra debit or credit to the concerned Major/Sub-Major/ Minor Heads of accounts.

As on 31 March 2020, there was a net debit balance of ₹ 1,824.34 crore, indicating that classification of final receipt and expenditure could not be done due to want of details.

Reserve Bank Suspense-Central Accounts Office

(iii) This Head is operated for recording inter-governmental transactions where monetary settlement between cash balances of two Governments is done by sending advice to the Central Accounts Section of the Reserve Bank of India (RBI).

This Head is cleared by transferring the amount to the final Head of account on receipt of intimation of the monetary settlement having been carried out by the RBI. The main transaction which gets settled through this Suspense Head are grants/loans received from the GoI and their repayments and discharge of securities and interest paid thereon by the Public Debt Offices of RBI. As on 31 March 2020, net credit balance under this Head was ₹ 5.76 crore.

4.11 Adverse balances of loans and advances

Adverse balances (credit balances in debit heads and debit balances in credit heads) are negative balances appearing under those heads of accounts, where there should not be a negative balance. For example, against the accounting head of any loan or advance, a negative balance will indicate more repayment than the original amount advanced.

Finance Accounts for the year 2019-20 contained the following adverse balances of Loans and Advances as on 31 March 2020: Loans to Uttar Pradesh State Food and Essential Commodities Corporation (₹ 7.31 crore under the Accounts Head 6408-01-190), Loans for investment in debentures issued by Uttar Pradesh State Cooperative Land Development Bank (₹ 45.66 crore under the Accounts Head 6425-108), Loans for housing to State employees (₹ 0.57 lakh under the Accounts Head 6551-60), Loans to Uttar Pradesh State Electricity Board for construction of inter-State transmission lines (₹ 356.18 crore under the Accounts Head 6801-205), Advances for purchase of motor conveyances (₹ 12.86 crore under the Accounts Head 7610-202), Advances for purchase of other conveyances (₹ 25.23 crore under the Accounts Head 7610-202) and Other advances (₹ 3.01 crore under the Accounts Head 7610-810). These adverse balances were under reconciliation between the office of the Accountant General (A&E), Uttar Pradesh and the State Government.

4.12 Non-reconciliation of Departmental figures

To exercise effective budgetary control over revenue/expenditure and to ensure accuracy in accounts, as per para 124 of UP Budget Manual, Chief Controlling Officers (CCOs)/Controlling Officers (COs) are required to reconcile every month, the receipts and expenditure recorded in their books with the figures accounted for by the Accountant General (A&E). The status of reconciliation of figures by the Controlling Officers is given in **Table 4.16**.

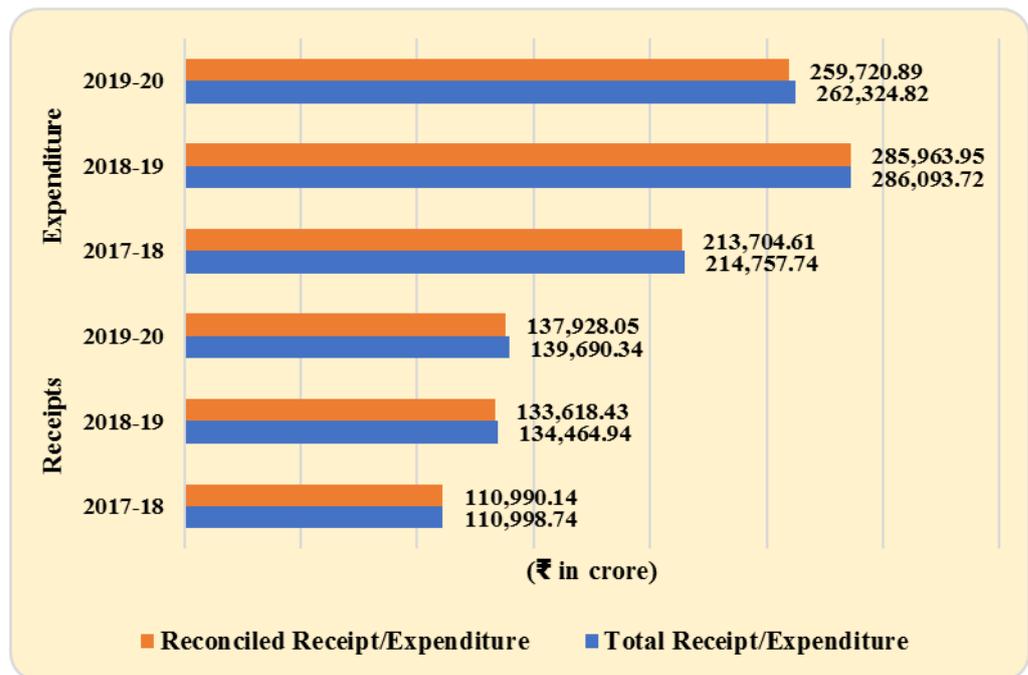
Table 4.16: Status of Reconciliation of Receipts and Expenditure by Controlling Officers

Year	Total No. of Controlling Officers	No. of controlling officers reconciled their receipts/ expenditure		
		Fully Reconciled	Partially Reconciled	Not reconciled at all
Receipts				
2017-18	45	43	--	02
2018-19	48	45	--	03
2019-20	48	43	--	05
Expenditure				
2017-18	170	166	--	04
2018-19	179	178	--	01
2019-20	179	166	--	13

Source: Finance Accounts of the respective years

Reconciliation of receipts was completed by 43 out of 48 CCOs, as they reconciled receipts of ₹ 1,37,928.05 crore (98.74 per cent of total receipts of ₹ 1,39,690.34 crore due for reconciliation) during 2019-20. Further out of 179 CCOs, 166 CCOs had reconciled their expenditure figures of ₹ 2,59,720.89 crore (99.01 per cent of total expenditure of ₹ 2,62,324.82 crore due for reconciliation) as shown in **Chart 4.4**.

Chart 4.4: Status of Reconciliation of Receipts and Expenditure during the year 2017-20



Necessary action for reconciliation in respect of all receipts and expenditure is required to be taken.

Issues related to disclosure

4.13 Submission of Accounts/Separate Audit Reports of Autonomous Bodies/ Authorities

As per Section 19(3) of the CAG’s DPC Act, the Governor/ Administrator may, in the public interest, request the CAG to audit the accounts of a corporation established by law made by the legislature of the State or of the Union Territory, as the case may be, and where such request has been made,

the CAG shall audit the accounts of such corporation and shall have, for the purposes of such audit, right of access to the books and accounts of such corporation.

Apart from Section 19, where the audit of the accounts of any body or authority has not been entrusted to the CAG by or under any law, he shall, if requested so to do by the President, or the Governor of a State or the Administrator of a Union Territory having a Legislative Assembly, as the case may be, undertake the audit of the accounts of such body or authority on such terms and conditions as may be agreed upon between him and the concerned Government and shall have, for the purposes of such audit, right of access to the books and accounts of that body or authority (Section 20 of the CAG's DPC Act).

Audit certificate is issued in case of above-mentioned autonomous bodies and authorities provided CAG is the sole auditor. Thus, these bodies and authorities are required to prepare annual accounts and submit the same to AG (Audit) for audit. Apart from Audit certificate, on completion of the financial audit, the audit office issues a separate audit report (SAR) that is part of the audit certificate on the accounts. These SARs are to be placed before the State Legislature.

It was observed that 218 annual accounts of 63 Autonomous Bodies and Authorities (due up to 2019-20) for audit as of 30 September 2020 have not been submitted by the concerned entities. The Department-wise details of accounts due from Autonomous Bodies and Authorities are given in *Appendix 4.1*. Age wise pendency of these 218 accounts is given in **Table 4.17**.

Table 4.17: Age wise analysis of Annual Accounts due for audit but not submitted

Delay in number of years	No. of Bodies/Authorities	No. of Accounts
1-2	23	26
3-4	34	102
5-10	Nil	Nil
More than 10	6	90
Total	63	218

In absence of annual accounts and their audit, proper utilisation of grants-in-aid and loans disbursed to these Bodies/Authorities and their accounting cannot be vouched. Audit took up the matter of non-submission of accounts of the defaulting bodies with the authorities concerned from time to time, but without perceivable improvement.

4.14 Departmental Commercial Undertakings/Corporations/Companies

Departmental Commercial Undertakings are required to finalise proforma annual accounts in the prescribed format and submit the same to the Accountant General for audit within three months of closure of accounts. However, out of the nine Departmental Commercial Undertakings in the State, three had not finalised their accounts for many years (*Appendix 4.2*).

Delay in finalisation of Accounts of PSUs/Corporations

Financial statements of companies for each financial year are to be finalised within six months from the end of the relevant financial year, i.e., 30 September under Sections 166 and 210 of the Companies Act, 1956. Similar

provisions also exist under Section 96(1) read with Section 129(2) of the Companies Act 2013. Further, GoI vide circular dated 17 August 2020 extended the date for holding of AGMs of the companies for the financial year 2019-20 up to December 2020. Failure to finalise the accounts timely may attract penal provisions under Section 129(7) of the Companies Act, 2013, which stipulates that every officer of the defaulting company responsible for non-compliance shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both. The accounts of statutory corporations are required to be finalised, audited and presented to the Legislature as per the provisions of their respective Acts. The status of submission of accounts by Public Sector Undertakings as of 31 December 2020 have been discussed in detail in **Paragraph 5.16** of this report.

4.15 Misappropriations, losses, thefts, etc.

Para 82 of Financial Handbook, Volume-V Part-I lays down detailed instructions regarding fixing of responsibility for losses sustained through fraud or negligence of individuals, loss or destruction of Government property and report them to the Accountant General.

The State Government reported 135 cases⁵⁵ of misappropriation/ losses/thefts, etc. of Government material/money involving ₹ 9.31 crore on which final action was pending as on 31 March 2020. The department-wise break up of pending cases of misappropriation, losses, theft, etc., and reasons for the delay in final disposal are given in **Table 4.18**.

Table 4.18: Pending cases of misappropriation, losses, theft etc.

(₹ in lakh)

Name of Department	Cases of misappropriation/ losses /theft of Government material		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, etc.					
			Awaiting departmental and criminal investigation		Departmental action initiated but not finalised		Criminal proceedings finalised but recovery of the amount pending	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
Food and Civil Supplies	9	28.78	-	-	7	26.83	2	1.95
Social Welfare	3	0.95	-	-	2	0.70	1	0.25
Horticulture	1	3.59	-	-	1	3.59	-	-
Rural Development	9	3.28	1	0.74	7	2.34	1	0.20
Education	8	171.16	2	101.08	4	55.55	2	14.53
Technical Education	1	11.59	-	-	-	-	1	11.59
Animal Husbandry	16	6.55	7	5.20	9	1.35	-	-
Fisheries	3	2.61	-	-	3	2.61	-	-
Agriculture	3	7.62	2	2.17	1	5.45	-	-
Irrigation	41	121.03	4	16.07	35	36.95	2	68.01
Cooperative	2	1.45	-	-	1	0.17	1	1.28
Medical Health and Family Welfare	11	15.89	1	0.30	9	14.22	1	1.37

⁵⁵ Pertaining to period January 1961 to 2019-20.

Name of Department	Cases of misappropriation/ losses /theft of Government material		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, etc.					
			Awaiting departmental and criminal investigation		Departmental action initiated but not finalised		Criminal proceedings finalised but recovery of the amount pending	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
Home (Police)	8	56.09	7	8.61	-	-	1	47.48
Revenue	5	14.49	3	8.81	2	5.68	-	-
Finance	1	0.67	1	0.67	-	-	-	-
Weight and Measurements	1	1.01	-	-	-	-	1	1.01
Public Works Department	9	147.80	4	27.26	1	0.12	4	120.42
Revenue (Land Acquisition)	3	331.78	-	-	3	331.78	-	-
Judiciary	1	4.44	-	-	1	4.44	-	-
Total	135	930.78	32	170.91	86	491.78	17	268.09

Source: Information received from concerned departments

Out of a total of 135 pending cases (as on 31 March 2020) involving ₹ 930.78 lakh, departmental and criminal investigation was not initiated in 32 cases amounting to ₹ 170.91 lakh. Departmental action was initiated in 86 cases (involving ₹ 491.78 lakh) which were not finalised. Criminal proceedings were finalised in 17 cases (involving ₹ 268.09 lakh), but recovery of the amount was pending.

4.16 Recommendations

- Sums collected against labour cess by the U.P. Building and Other Construction Workers Welfare Board should be part of Public Account of the State and from there it may be transferred to the Board Account. The UP BOCW Board should fulfil its mandate of improving the working condition of building and other construction workers and providing adequate financial assistance to them.
- The State Government should constitute the State Electricity Regulatory Commission Fund and credit the fund balance in the Public Account of the State.
- The State Government should take action on recommendation made in Para 5.3 of Audit Report (Revenue Sector), Government of Uttar Pradesh for the year ended 31 March 2019 and ensure that the Trust fund should form part of Government Accounts in compliance of Articles 266 (1) of the Constitution. The Government may create DMFT fund in the Public Accounts to enable incurrence of expenditure in accordance with the codal provisions.
- The State Government should avoid extra-budget borrowings and credit all loans taken by PSUs/ Authorities on behalf of State Government but serviced by the State Government, to the Consolidated Fund.
- The State Government should transfer the entire amount of Defined Contribution Pension Scheme to the designated fund manager through the

National Securities Depository Limited (NSDL)/Trustee Bank so that the un-transferred amount could become the part of corpus of investment of the subscribers and yield value appreciation.

- *Being the statutory requirement, the Government should create the 'Uttar Pradesh Road Transport Accident Relief Fund' so that the fund could be utilised for benefit of the affected persons.*
- *The Government may ensure timely submission of utilisation certificates by the departments in respect of the grants released for specific purposes and all pendencies may be reviewed before release of fresh grants to defaulting grantees.*
- *The Finance Department should ensure that all controlling officer adjust Abstract Contingent bills within stipulated period, as required under the Rules.*
- *The Finance Department should review all PD accounts to ensure that all amounts unnecessarily lying in these PD accounts are immediately remitted to the Consolidated Fund. Further, the Finance Department should reiterate the instructions contained in the financial rules/codal provisions and ensure that appropriate action is taken against departmental officers who fail to follow the rules.*
- *The Finance Department should, in consultation with the Accountant General (A&E), conduct a comprehensive review of all items presently appearing under minor head 800 and ensure that all such receipts and expenditure are in future booked under the appropriate heads of account. Further, at object head level, indiscriminate use of object head 42-Other expenditure should be minimised.*
- *The Finance Department should consider evolving a system including undertaking regular reviews to expedite the process of compilation and submission of annual accounts by Bodies/Authorities in order to assess their financial position.*
- *The Government may consider preparing a time bound framework for taking prompt action in cases of misappropriation, loss, theft, etc. and strengthening the internal control system to prevent recurrence of such cases.*

CHAPTER - V

Functioning of State Public Sector Undertakings

CHAPTER-V

FUNCTIONING OF STATE PUBLIC SECTOR UNDERTAKINGS

5.1 Introduction

State Public Sector Undertakings (PSUs) consist of State Government Companies and Statutory Corporations. State PSUs are established to carry out activities of commercial nature keeping in view the welfare of people and occupy an important place in the State economy. As on 31 March 2020, there were 113 PSUs in Uttar Pradesh, including six Statutory Corporations⁵⁶ and 107 Government Companies (including 44 non-functional Government Companies⁵⁷) under the audit jurisdiction of the Comptroller and Auditor General of India. During the year 2019-20, two companies viz. Moradabad Smart City Limited and Saharanpur Smart City Limited were added. None of these Government Companies was listed on the stock exchange.

The financial performance of 33 PSUs (consisting of 11 PSUs of power sector and 22 PSUs of other than power sector, as detailed in *Appendix-5.1*) on the basis of latest finalised accounts received upto 31 December 2020 is covered in this Chapter. This Chapter does not include analysis of financial performance of 80 PSUs (including 68 Government companies, nine other Government Controlled Companies⁵⁸ and three Statutory Corporations) as these PSUs have accounts in arrears for three years or more or were defunct/under liquidation or first accounts were not received as detailed in *Appendix-5.2*. However, the Chapter covers investment in State PSUs (Paragraph 5.2), budgetary support to PSUs (paragraph 5.3), reconciliation with Finance Accounts of Government of Uttar Pradesh (paragraph 5.4), comments on accounts of PSUs (Paragraphs 5.14 and 5.15) and submission of accounts by PSUs (paragraph 5.16) in respect of all State PSUs.

The PSUs play an important role in the economy of the State. Apart from providing critical infrastructure required for development of the State's economy, these PSUs also add significantly to the GDP of the State. The ratio of PSUs' turnover to Gross State Domestic Product (GSDP) shows the extent of activities of PSUs in the State economy. **Table 5.1** provides the details of turnover of PSUs and GSDP of Uttar Pradesh for a period of four years ending 31 March 2020⁵⁹.

⁵⁶ Uttar Pradesh Avas Evam Vikas Parishad, Uttar Pradesh Jal Nigam, Uttar Pradesh Financial Corporation, Uttar Pradesh State Road Transport Corporation, Uttar Pradesh State Warehousing Corporation and Uttar Pradesh Forest Corporation.

⁵⁷ During the year 2019-20, two non-functional companies viz. Sonebhadra Power Generation Company Limited and Yamuna Power Generation Company Limited have been wound up.

⁵⁸ Companies owned or controlled directly or indirectly, by the Central Government or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments

⁵⁹ As per latest finalised accounts till 31 December 2020.

Table 5.1: Details of turnover of Public Sector Undertakings vis-a-vis GSDP of Uttar Pradesh

Particulars	₹ in crore)			
	2016-17	2017-18	2018-19	2019-20
Turnover of power sector PSUs	54,223	56,651	61,846	61,846 ⁶⁰
Turnover of other than power sector PSUs	7,647	8,032	7,909	7,940
Total turnover	61,870	64,683	69,755	69,786
Percentage change in turnover of power sector PSUs as compared to turnover of preceding year	-	4.48	9.17	0.00
Percentage change in turnover of other than power sector PSUs as compared to turnover of preceding year	-	5.04	-1.53	0.39
GSDP of Uttar Pradesh⁶¹	12,90,289	14,60,443	16,68,229	17,94,508
Percentage change in GSDP as compared to GSDP of preceding year	-	13.19	14.23	7.57
Percentage of turnover of power sector PSUs to GSDP of Uttar Pradesh	4.20	3.88	3.71	3.45
Percentage of turnover of other than power sector PSUs to GSDP of Uttar Pradesh	0.59	0.55	0.47	0.44

Source: Compiled based on turnover figures of PSUs and GSDP figures issued by Ministry of Statistics and Program Implementation, Government of India dated 31 July 2020

The turnover of 11 power sector PSUs has shown an increasing trend during the years 2017-18 to 2018-19, with growth ranging between 4.48 per cent and 9.17 per cent. Since no accounts for the year 2019-20 were submitted by any power sector PSU, growth rate during the year could not be established/analysed.

The turnover of 22 other than power sector PSUs has shown an increasing trend during the period 2017-18 to 2019-20 except in the year 2018-19 in which it decreased by 1.53 per cent. The increase in turnover ranged between 0.39 per cent to 5.04 per cent during the period 2017-18 to 2019-20 whereas increase in GSDP of Uttar Pradesh ranged between 7.57 per cent and 14.23 per cent during 2017-18 to 2019-20.

Compounded annual growth is a useful method to measure growth rate over multiple time periods. Against the compounded annual growth⁶² of 11.62 per cent of GSDP, the turnover of PSUs recorded lower compounded annual growth of 4.09 per cent during the last three years. This resulted in decrease in share of turnover of these power sector PSUs and other than power sector PSUs to GSDP from 4.20 per cent to 3.45 per cent and 0.59 per cent to 0.44 per cent respectively during the period 2016-17 to 2019-20.

⁶⁰ Turnover of power sector PSUs for the year 2018-19 and 2019-20 has been considered same, as no account for the year 2019-20 was received up to 31 December 2020.

⁶¹ GSDP at current prices for the years 2016-17 to 2018-19 were revised by Central/State Government, hence percentage ratio/buoyancies of various parameters with reference to GSDP for 2016-17 to 2018-19 indicated in earlier Audit Reports have also been revised.

⁶² Rate of Compounded Annual Growth $[(\text{Value of 2019-20}/\text{Value of 2016-17})^{1/3} - 1] * 100$.

5.2 Investments in Public Sector Undertakings

The sector-wise summary of investment (equity and long term loans) in 113 State PSUs as on 31 March 2020 is given in **Table 5.2**.

Table 5.2: Sector-wise investment in Public Sector Undertakings

(₹ in crore)

Sector	No. of PSUs	Investment								
		Equity				Long-term loans				Grand Total
		GoUP	GoI	Others ⁶³	Total	GoUP	GoI	Others	Total	
PSUs covered in this Chapter										
Power Sector PSUs	11	1,26,160.55	0.00	0.36	1,26,160.91	618.56	0.00	81,026.22	81,644.78	2,07,805.69
Other than Power Sector PSUs	22	2,487.14	1,887.57	1,014.87	5,389.58	2,583.09	584.10	4,941.29	8,108.48	13,498.06
Total of PSUs covered in this Chapter	33	1,28,647.69	1,887.57	1,015.23	1,31,550.49	3,201.65	584.10	85,967.51	89,753.26	2,21,303.75
PSUs not covered in this Chapter										
Power Sector PSUs	2	2.22	0.00	0.05	2.27	0.00	0.00	0.00	0.00	2.27
Other than Power Sector PSUs	78	2,590.89	123.58	2,246.14	4,960.61	4,572.59	1.10	2,053.23	6,626.92	11,587.53
Total of PSUs not covered in this Chapter	80	2,593.11	123.58	2,246.19	4,962.88	4,572.59	1.10	2,053.23	6,626.92	11,589.80
Grand Total	113	1,31,240.80	2,011.15	3,261.42	1,36,513.37	7,774.24	585.20	88,020.74	96,380.18	2,32,893.55

Source: Compiled figures based on annual accounts and information received from PSUs

As on 31 March 2020, the total investment (equity and long-term loans) in 11 power sector PSUs covered in this Chapter was ₹ 2,07,805.69 crore. The investment consisted of 60.71 per cent towards equity and 39.29 per cent in long-term loans. The long-term loans advanced by the State Government (₹ 618.56 crore) constituted 0.76 per cent of the total long-term loans whereas 99.24 per cent (₹ 81,026.22 crore) of the total long-term loans were availed from financial institutions as detailed in **Appendix 5.3**.

As on 31 March 2020, the total investment (equity and long term loans) in 22 other than power sector PSUs covered in this Chapter was ₹ 13,498.06 crore. The investment consisted of 39.93 per cent towards equity and 60.07 per cent in long-term loans. The long term loans advanced by the State Government constituted 31.86 per cent (₹ 2,583.09 crore) of the total long-term loans whereas 68.14 per cent (₹ 5,525.39 crore) of the total long term loans were availed from Government of India and financial institutions as detailed in **Appendix 5.3**.

5.3 Budgetary Support to Public Sector Undertakings

Government of Uttar Pradesh (GoUP) provides financial support to PSUs in various forms through the annual budget. The summarised details of budgetary outgo (equity, loans and grants/subsidies) and loans repayment/written off/loans converted into equity/grant during the year in respect of PSUs for the last three years ending March 2020 are given in **Table 5.3**.

⁶³ 'Others' includes investment by other than holding companies, financial institutions, banks, etc.

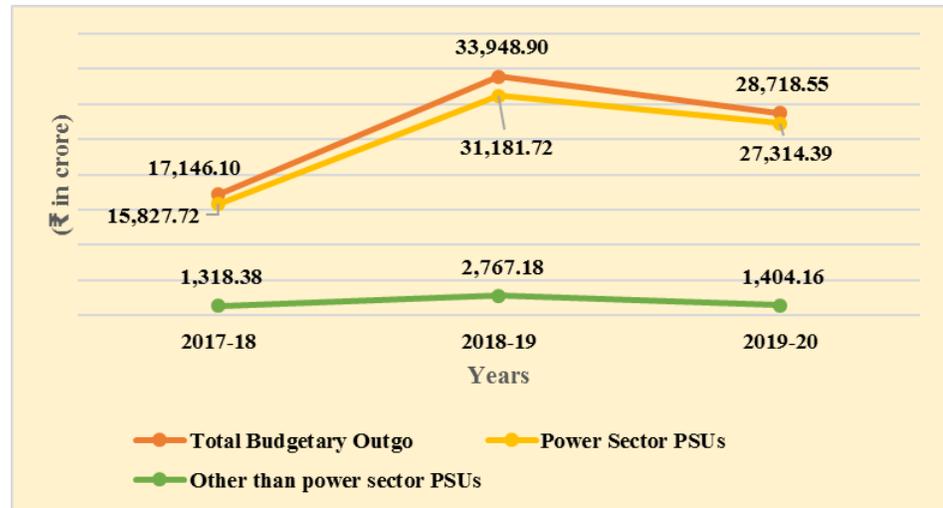
Table 5.3: Details of budgetary support to PSUs during the years 2017-18 to 2019-20

Particulars	2017-18		2018-19		2019-20	
	No of PSUs	Amount ⁶⁴ (₹ in crore)	No of PSU	Amount ⁶⁴ (₹ in crore)	No of PSUs	Amount ⁶⁴ (₹ in crore)
(A) Power Sector PSUs						
Equity Capital outgo (i)	4 ⁶⁵	8,234.53	3 ⁶⁵	13,409.18	3 ⁶⁵	8,248.83
Loans given (ii)	-	0.00	1	615.45	-	0.00
Grants/Subsidies provided (iii)	2	7,593.19	2	17,157.09	2	19,065.56
Total outgo (i+ii+iii)	4⁶⁶	15,827.72	3⁶⁶	31,181.72	3⁶⁶	27,314.39
Loan repayment/ written off/	-	-	1	4,891.72	1	61.54
Loans converted into Equity/ Grant	-	-	-	-	1	4,891.72
Guarantees Outstanding	3	57,912.93	4	85,998.73	3	91,645.29
Guarantee Commitment	2	31,488.20	3	13,198.56	2	9,919.23
(B) Other than Power Sector PSUs						
Equity Capital outgo (i)	3	136.26	3	55.60	4	288.63
Loans given (ii)	6	372.40	8	990.49	8	403.32
Grants/Subsidies provided (iii)	10	809.72	15	1721.09	17	712.21
Total outgo (i+ii+iii)	18⁶⁶	1318.38	25⁶⁶	2767.18	27⁶⁶	1404.16
Loan repayment/ written off/	-	-	-	-	-	0.00
Loans converted into Equity/ Grant	-	-	-	-	-	0.00
Guarantees Outstanding	4	154.62	6	3518.37	7	3569.84
Guarantee Commitment	-	-	-	-	-	0.00

Source: Compiled figures based on annual accounts, Government orders and information received from PSUs

The details regarding budgetary outgo towards equity, loans and grants/subsidies for the last three years ending March 2020 are given in Chart 5.1.

Chart 5.1: Budgetary support towards Equity, Loans and Grants/Subsidies



⁶⁴ Amount represents outgo from the State Budget only.

⁶⁵ GoUP releases equity to Uttar Pradesh Power Corporation Limited and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited on behalf of their subsidiaries. Therefore, for the purpose of infusion of Government's fund, only holding companies on behalf of their subsidiaries have been considered. The remaining two Power Sector PSUs are Uttar Pradesh Power Transmission Corporation Limited and Uttar Pradesh Jal Vidyut Nigam Limited. During 2018-19 and 2019-20, no budgetary support in the form of Equity, Loans and Grants/Subsidies was provided to Uttar Pradesh Jal Vidyut Nigam Limited by GoUP.

⁶⁶ The figure represents number of PSUs which have received outgo from budget under one or more heads i.e. equity, loans, grants/subsidy.

The annual budgetary assistance received by the power sector PSUs during the period 2017-18 to 2019-20 ranged between ₹ 15,827.72 crore and ₹ 31,181.72 crore. The budgetary assistance of ₹ 27,314.39 crore received during 2019-20 included ₹ 8,248.83 crore and ₹ 19,065.56 crore in the form of equity and grants/subsidy, respectively. An examination of budgetary support to power sector PSUs revealed sharp increase in grants/subsidies from ₹ 7593.19 crore in 2017-18 to ₹ 17,157.09 crore in 2018-19 and ₹ 19,065.56 crore in 2019-20. This was primarily on account of conversion of interest-free loan into grants under Ujwal DISCOM Assurance Yojana (UDAY) amounting to ₹ 4891.72 crore each in 2018-19 and 2019-20 and additional subsidy for loss funding under UDAY amounting to ₹ 761.09 crore in 2018-19 and ₹ 2,400 crore in 2019-20, respectively.

The annual budgetary assistance to other than power sector PSUs during the period 2017-18 to 2019-20 ranged between ₹ 1,318.38 crore and ₹ 2,767.18 crore. The budgetary assistance of ₹ 1,404.16 crore received during 2019-20 included ₹ 288.63 crore, ₹ 403.32 crore and ₹ 712.21 crore in the form of equity, loans and grants/subsidy respectively. Out of grants of ₹ 712.21 crore given by the State Government, ₹ 447.27 crore was provided to Uttar Pradesh Medical Supplies Corporation Limited.

In order to enable PSUs to obtain financial assistance from banks and financial institutions, GoUP gives guarantee for which guarantee commission is being charged at the rate of 0.25 per cent to one per cent depending upon the loanees as decided by GoUP (15 September 2000). Outstanding guarantee stood at ₹ 91,645.29 crore in power sector PSUs and ₹ 3,569.84 crore in other than power sector PSUs as on 31 March 2020. During the year 2019-20, guarantee commission of ₹ 0.07 crore was paid by two power sector PSUs⁶⁷.

5.4 Reconciliation with Finance Accounts of Government of Uttar Pradesh

The figures in respect of equity, loans and guarantees outstanding as per records of the State PSUs should agree with that of the figures appearing in the Finance Accounts of the Government of Uttar Pradesh. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of the differences. Audit observed that as on 31 March 2020 such differences existed in respect of 64 Public Sector Undertakings including four power sector PSUs as detailed in *Appendix- 5.4* and summarised in **Table 5.4**.

Table 5.4: Equity, loans and guarantees outstanding as per Finance Accounts of Government of Uttar Pradesh vis-à-vis records of State PSUs

(₹ in crore)

Outstanding in respect of	Amount as per records of State PSUs	Amount as per Finance Accounts	Difference
Equity	33,911.40	34,377.11	(-)465.71
Loans	7,220.33	3,244.89	3,975.44
Guarantees	30,308.46	32,211.29	(-)1,902.83

Source: Compiled based on annual accounts of PSUs, sanction/release orders for equity, loans and guarantees, information received from PSUs and Finance Accounts

⁶⁷ Uttar Pradesh Power Transmission Corporation Limited and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited

The differences between the figures are persisting since last many years. The issue of reconciliation of differences was also taken up by the audit with the concerned PSUs and the Departments from time to time. Major difference in balances was observed in case of two power sector PSUs⁶⁸ and four other than power sector PSUs⁶⁹.

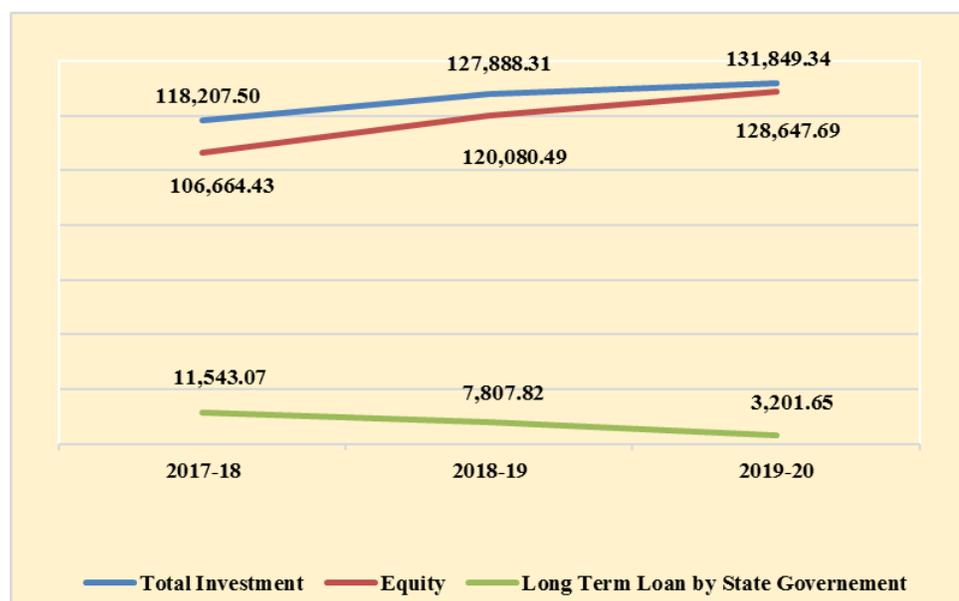
5.5 Performance of Public Sector Undertakings

The financial position and working results of 33 PSUs as per their latest finalised accounts as of 31 December 2020 are detailed in *Appendix-5.1*.

The PSUs are expected to yield reasonable return on investment made by Government in the undertakings. The total investment of the State Government and others in the PSUs as on 31 March 2020 was ₹ 2,21,303.75 crore consisting of ₹ 1,31,550.49 crore as equity and ₹ 89,753.26 crore as long-term loans as detailed in *Appendix-5.3*. Out of these 33 PSUs, GoUP has investment of ₹ 1,31,849.34 crore in 24 PSUs consisting of equity of ₹ 1,28,647.69 crore and long-term loans of ₹ 3,201.65 crore. The cumulative status of investment of GoUP in the form of equity and long-term loans in PSUs at the end of the period 2017-18 to 2019-20 is depicted in **Chart-5.2**.

Chart 5.2: Total investment of GoUP in Public Sector Undertakings

(₹ in crore)



5.6 Profit/Loss of PSUs

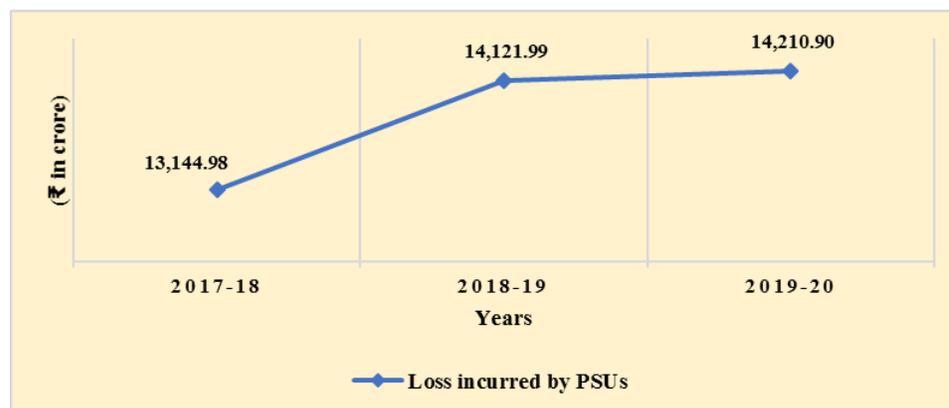
The overall losses⁷⁰ incurred by public sector undertakings during 2017-18 to 2019-20 are depicted in **Chart 5.3**.

⁶⁸ Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited and Uttar Pradesh Power Transmission Corporation Limited (Sl. No. 2 and 3 of power sector PSUs in *Appendix 5.4*)

⁶⁹ The Pradeshिया Industrial and Investment Corporation of UP Limited, Uttar Pradesh State Bridge Corporation Limited, Uttar Pradesh Rajkiya Nirman Nigam Limited and Uttar Pradesh Rajya Chini Evam Ganna Vikas Nigam Limited, (Sl. No. 9, 14, 15 and 17 of other than power sector PSUs in *Appendix 5.4*).

⁷⁰ Figures are as per the latest finalised accounts upto 31 December 2020.

Chart 5.3: Loss incurred by Public Sector Undertakings



The overall loss incurred by the power sector PSUs increased to ₹ 14,407.44 crore (*Appendix-5.1*) in the year 2019-20 from ₹ 13,469.37 crore in the year 2017-18. According to the latest finalised accounts of PSUs, two PSUs earned profit of ₹ 126.39 crore (₹ 123.75 crore by Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited and ₹ 2.64 crore by Jawaharpur Vidyut Utpadan Nigam Limited) and nine PSUs incurred loss of ₹ 14,533.83 crore. The top loss-making PSUs were Uttar Pradesh Power Corporation Limited (₹ 8,118.80 crore) and Dakshinanchal Vidyut Vitran Nigam Limited (₹ 2,567.16 crore).

Further, according to the latest finalised accounts of 22 other than power sector PSUs, 13 PSUs earned profit of ₹ 391.22 crore and nine PSUs incurred losses of ₹ 194.68 crore as detailed in *Appendix-5.1*. The top profit-making PSUs were Uttar Pradesh Avas Evam Vikas Parishad (₹ 167.37 crore) and Uttar Pradesh Forest Corporation (₹ 80.38 crore). The top loss-making PSUs were Noida Metro Rail Corporation Limited (₹ 92.47 crore) and Uttar Pradesh Metro Rail Corporation Limited (₹ 72.11 crore).

The position of PSUs which earned profit/incurred loss during the period 2017-18 to 2019-20 is given in **Table 5.5**.

Table 5.5: Public Sector Undertakings which earned profit /incurred loss

During the year	Total PSUs in Public Sector covered in this chapter	Number of PSUs which earned profits during the year	Number of PSUs which incurred loss during the year	Number of PSUs which had no profit/ loss during the year
2017-18	33	17	16	-
2018-19	33	17	16	-
2019-20	33	15	18	-

5.7 Erosion of Net Worth

Net worth means the sum total of the paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure. Essentially it is a measure of what an entity is worth to the owners. A negative net worth indicates that the entire investment of the owners has been wiped out by accumulated losses and deferred revenue expenditure.

As on 31 March 2020⁷¹, overall accumulated loss of 11 power sector PSUs covered in this Chapter was ₹ 1,62,205.75 crore. Of these, nine PSUs incurred

⁷¹ As per latest finalised accounts till 31 December 2020.

losses amounting to ₹ 14,533.83 crore as per their latest finalised accounts. Further, two PSUs earned profit of ₹ 126.39 crore as per their latest finalised accounts and were having accumulated profit of ₹ 1,176.05 crore.

Net worth of six power sector PSUs had been completely eroded due to accumulated loss. The net worth of these six PSUs was negative (-₹ 74,102.48 crore) against equity investment of ₹ 72,338.46 crore in these PSUs as on 31 March 2020 (*Appendix-5.1*). Net worth was less than half of the paid-up capital in respect of two⁷² out of five⁷³ PSUs, whose net worth was positive at the end of March 2020, indicating their potential financial sickness.

In case of other than power sector PSUs, as on 31 March 2020, out of 22 PSUs, 10 PSUs had accumulated loss of ₹ 2,015.38 crore. Of these 10 PSUs, as per their latest finalised accounts, six PSUs incurred losses amounting to ₹ 183.05 crore and four PSUs had earned profit of ₹ 55.20 crore, though they had an accumulated loss of ₹ 1,424.29 crore.

Net worth of six other than power sector PSUs had been completely eroded by accumulated loss and their net worth was (-) ₹ 551.60 crore against an equity investment of ₹ 1,162.17 crore as on 31 March 2020. However, out of six PSUs whose net worth had been eroded, three PSUs had earned profit of ₹ 54.89 crore as per their latest finalised accounts which included profit of ₹ 39.85 crore earned by the Uttar Pradesh State Road Transport Corporation. In these six PSUs Government loans outstanding as on 31 March 2020 amounted to ₹ 1,095.95 crore.

Table 5.6 indicates paid-up capital, accumulated profit/loss and net worth of the 33 PSUs (11 power sector and 22 other than power sector PSUs) during the period 2017-18 to 2019-20 as per latest finalised accounts till 31 December 2020.

Table 5.6: Net worth of Public Sector Undertakings during 2017-18 to 2019-20

(₹ in crore)

During the year	Paid up Capital at the end of the year	Accumulated Profit (+)/Loss (-) at the end of the year	Deferred revenue Expenditure	Net worth
(1)	(2)	(3)	(4)	(5)=(2)+(3)-(4)
I. Power Sector PSUs				
2017-18	1,04,324.11	(-) 1,56,262.10	3.95	(-) 51,941.94
2018-19	1,16,579.79	(-) 1,62,205.75	0.18	(-) 45,626.14
2019-20	1,16,579.79	(-) 1,62,205.75	0.18	(-) 45,626.14
II. Other than Power Sector PSUs				
2017-18	4100.91	(+) 5,074.08	0.06	9174.93
2018-19	4896.79	(+) 5,234.70	0.47	10131.02
2019-20	4922.06	(+) 5,142.80	0.21	10064.65

5.8 Dividend Payout

The State Government had formulated (October 2002) a dividend policy under which PSUs running in profit are required to pay a minimum dividend of five *per cent* on the share capital contributed by the State Government.

⁷² Madhyanchal Vidyut Vitran Nigam Limited and Uttar Pradesh Jal Vidyut Nigam Limited.

⁷³ Madhyanchal Vidyut Vitran Nigam Limited, Jawaharpur Vidyut Utpadan Nigam Limited, Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited, Uttar Pradesh Jal Vidyut Nigam Limited and Uttar Pradesh Power Transmission Corporation Limited.

Dividend payout by PSUs where equity was infused by GoUP during the period 2017-18 to 2019-20 is shown in **Table 5.7**.

Table 5.7: Dividend Payout of Public Sector Undertakings during 2017-18 to 2019-20

During the year	Total PSUs where equity infused by GoUP		PSUs running in profit during the year		PSUs which declared/paid dividend during the year		Dividend Payout Ratio (in per cent) (7/5*100)
	Number of PSUs	Equity infused by GoUP ⁷⁴ (₹ in crore)	Number of PSUs	Equity infused by GoUP (₹ in crore)	Number of PSUs	Dividend declared/paid by PSUs (₹ in crore)	
1	2	3	4	5	6	7	8
I. Power Sector PSUs							
2017-18	4	1,04,504.71	1	10,796.79	-	-	-
2018-19	4	1,17,911.72	1	12,305.55	-	-	-
2019-20	4	1,26,160.55	-	-	-	-	-
II. Other than Power Sector PSUs							
2017-18	13	2159.72	6	98.57	3 ⁷⁵	0.71	0.72
2018-19	13	2168.77	3	1.48	2 ⁷⁶	0.07	4.73
2019-20	13	2487.14	-	-	-	-	-

In case of power sector PSUs, during the period 2017-18 and 2018-19, one PSU viz. Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited was running in profit. However, the Company had not declared/paid any dividend to GoUP. None of the power sector PSUs finalised its accounts for the year 2019-20 upto 31 December 2020.

In case of other than power sector PSUs, during the period 2017-18 to 2019-20, the number of PSUs running in profit ranged between three and six. During the period 2017-18 and 2018-19 the number of PSUs which declared/paid dividend to GoUP ranged from two to three. None of the other than power sector PSUs, which finalised accounts for the year 2019-20, earned profit during the year. The dividend payout ratio was 0.72 per cent in 2017-18 and 4.73 per cent in 2018-19.

5.9 Return on Equity

Return on Equity (RoE)⁷⁷ is a measure of financial performance of a company calculated by dividing net income (i.e. net profit after taxes) by shareholders' fund. It is expressed as a percentage and can be calculated for any company if shareholders' fund is positive.

RoE of PSUs covered in the chapter during the period from 2017-18 to 2019-20 is given in **Table 5.8**.

⁷⁴ GoUP release equity to Uttar Pradesh Power Corporation Limited, Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited and Uttar Pradesh Electronics Corporation Limited on behalf of their subsidiaries. Therefore, for the purpose of infusion of Government's fund, only holding companies on behalf of their subsidiaries have been considered.

⁷⁵ Uttar Pradesh Projects Corporation Limited, Uttar Pradesh Development System Corporation Limited and Uttar Pradesh Purva Sainik Kalyan Nigam Limited.

⁷⁶ Uttar Pradesh Development System Corporation Limited and Uttar Pradesh Purva Sainik Kalyan Nigam Limited.

⁷⁷ Return on Equity = (Net Profit after Tax and preference Dividend/Equity)*100 where equity = paid up capital + free reserves – accumulated losses – deferred revenue expenditure.

Table 5.8: Return on Equity in Public Sector PSUs

Year	Net Income/ total Earnings for the year (₹ in crore)	Shareholders' Fund (₹ in crore)	ROE (per cent)
Power Sector PSUs			
2017-18	-13,469.37	-51,941.94	-
2018-19	-14,407.44	-45,626.14	-
2019-20	-14,407.44	-45,626.14	-
Other than Power Sector PSUs			
2017-18	324.39	9174.93	3.54
2018-19	285.45	10131.02	2.82
2019-20	196.54	10064.65	1.95

Source: Figures compiled based on latest finalised accounts till 31 December 2020.

In case of power sector PSUs, during the last three years ending March 2020, the net income and shareholders' fund were negative throughout the period. RoE in respect of the years 2017-18 to 2019-20 could not be worked out as shareholders' fund was negative which indicates that the liabilities of these PSUs have exceeded the assets and instead of paying returns on the share capital, the accumulated losses have wiped out the entire share capital.

In case of other than power sector PSUs, during the years 2017-18 to 2019-20, the RoE ranged from 1.95 per cent to 3.54 per cent. The positive RoE was mainly on account of positive ROE of Statutory Corporations ranging from 4.46 per cent to 5.19 per cent as compared to negative RoE of Government companies ranging from (-)2.86 per cent to (-) 0.08 per cent during these three years.

5.10 Return on Capital Employed

Return on Capital Employed (ROCE) is a ratio that measures a company's profitability and the efficiency with which its capital is employed.

ROCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed⁷⁸. The details of ROCE of 33 PSUs during the period from 2017-18 to 2019-20 are given in **Table 5.9**:

Table 5.9: Return on Capital Employed

During the year	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)
Power Sector PSUs			
2017-18	-8,369.45	24,544.71	-34.10
2018-19	-7,963.65	33,816.74	-23.55
2019-20 ⁷⁹	-7,963.65	33,816.74	-23.55
Other than Power Sector PSUs			
2017-18	369.36	14053.57	2.63
2018-19	327.54	17212.48	1.90
2019-20	301.12	17854.89	1.69

Source: Figures compiled based on latest finalised accounts till 31 December 2020

⁷⁸ Capital employed = Paid up share capital + free reserves and surplus + long term loans – accumulated losses - deferred revenue expenditure.

⁷⁹ As none of the power sector PSUs finalised its accounts for the year 2019-20 as of 31 December 2020, the ROCE for 2018-19 and 2019-20 is same as per latest finalised accounts.

The overall ROCE of the power sector PSUs ranged between (-) 23.55 per cent and (-) 34.10 per cent during the period 2017-18 to 2019-20.

The overall ROCE in other than power sector PSUs decreased from 2.63 per cent during 2017-18 to 1.69 per cent during 2019-20 due to significant increase in capital employed in Uttar Pradesh Metro Rail Corporation Limited (₹ 1,928.93 crore) and Noida Metro Rail Corporation Limited (₹ 1,094.81 crore) during 2017-18 and 2019-20. The capital employed of three PSUs (Uttar Pradesh State Spinning Company Limited, Allahabad City Transport Services Limited and Uttar Pradesh State Road Transport Corporation) was negative in all the three years (2017-18 to 2019-20).

5.11 Analysis of Long term loans of Public Sector Undertakings

An analysis of the long-term loans of the PSUs which had leverage during 2017-18 to 2019-20 was carried out to assess the ability of the PSUs to service the debt owed by them to Government, banks and other financial institutions. This is assessed through the interest coverage ratio.

5.12 Interest Coverage Ratio

Interest coverage ratio is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the less is the ability of the company to pay interest on debt. An interest coverage ratio of below one indicates that the company was not generating sufficient revenues to meet its expenses on interest. The details of interest coverage ratio of PSUs which had outstanding loans during the period from 2017-18 to 2019-20 are given in **Table 5.10**.

Table 5.10: Interest coverage ratio of the Public Sector PSUs having liability of interest on Long Term Loans

During the year	Interest (₹ in crore)	Earnings before interest and tax (₹ in crore)	Number of PSUs having liability of interest on loans from Government and Banks and other financial institutions	Number of PSUs having interest coverage ratio more than 1	Number of PSUs having interest coverage ratio less than 1
Power Sector PSUs					
2017-18	5,064.12	-250.35	8	2	6
2018-19	6,405.53	152.60	8	1	7
2019-20	6,405.53	152.60	8	1	7
Other than Power Sector PSUs					
2017-18	30.99	175.89	6	3	3
2018-19	24.37	36.03	7	4	3
2019-20	86.93	10.27	7	3	4

In power sector PSUs, out of eight PSUs having liability of interest-bearing loan during the period 2017-18 to 2019-20, two PSUs⁸⁰ during 2017-18 and one PSU⁸¹ during 2018-19 and 2019-20 had interest coverage ratio of more than one whereas the remaining six/seven PSUs had negative/less than one interest coverage ratio. This indicates that these PSUs could not generate

⁸⁰ Kanpur Electricity Supply Company and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited.

⁸¹ Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited.

sufficient revenues to meet their expenses on interest during the period.

Of the six/seven other than power sector PSUs having liability of loans during the period 2017-18 to 2019-20, three PSUs in 2017-18 and 2019-20 and four PSUs in 2018-19 had interest coverage ratio of more than one. Three/four PSUs had interest coverage ratio below one which indicates that these PSUs could not generate sufficient revenues to meet their expenses on interest during the period.

5.13 Age-wise analysis of interest outstanding on Public Sector Undertakings

As on 31 March 2020, interest amounting to ₹ 2,317.81 crore was outstanding on the long-term loans of six PSUs provided by GoUP. The age wise analysis of interest outstanding on GoUP loans in PSUs is depicted in **Table 5.11**.

Table 5.11: Age – wise analysis of interest outstanding on Public Sector Undertakings
(₹ in crore)

Name of PSU	Outstanding interest on loans as on 31 March 2020	Outstanding for less than 1 year	Outstanding for 1 to 3 years	Outstanding for more than 3 years
I. Power Sector PSUs				
Uttar Pradesh Jal Vidyut Nigam Limited	225.37	10.60	21.19	193.58
Uttar Pradesh Power Corporation Limited	29.90	29.90	0.00	0.00
Sub Total (I)	255.27	40.50	21.19	193.58
II. Other than Power Sector PSUs				
Uttar Pradesh Electronics Corporation Limited	49.35	2.20	6.62	40.53
Noida Metro Rail Corporation Limited	1953.55	0.00	268.14	1685.41
Uttar Pradesh State Spinning Company Limited	28.51	4.46	10.79	13.26
The Pradeshiya Industrial and Investment Corporation of UP Limited	31.13	0.00	0.00	31.13
Sub Total (II)	2,062.54	6.66	285.55	1770.33
Grand Total	2,317.81	47.16	306.74	1963.91

The above table indicate that out of total interest amount of ₹ 2317.81 crore, ₹ 1963.91 crore was outstanding for more than three years which indicates that these PSUs are not regular in paying interest.

5.14 Comments on Accounts of Government Companies

26 companies forwarded 32 audited accounts to the Principal Accountant General during the period from 1 January 2020 to 31 December 2020. Of these 25 accounts were selected for supplementary audit. The Audit Reports of Statutory Auditors and supplementary audit conducted by the CAG indicated that the quality of accounts needs to be improved substantially. The details of aggregate money value of the comments of Statutory Auditors and the CAG on accounts of 2017-20 are given in **Table 5.12**.

Table 5.12: Impact of audit comments on Public Sector PSUs

Sl. No.	Particulars	2017-18		2018-19		2019-20	
		Number of accounts	Amount (₹ in crore)	Number of accounts	Amount (₹ in crore)	Number of accounts	Amount (₹ in crore)
1.	Decrease in profit	13	136.70	12	162.85	5	89.31
2.	Increase in profit	2	0.71	5	33.81	2	0.25
3.	Increase in loss	8	1,308.64	12	481.67	7	37.73
4.	Decrease in loss	4	8.02	6	49.03	-	-
5.	Non-disclosure of material facts	15	728.33	13	385.32	1	0.11
6.	Errors of classification	10	196.70	20	1,762.50	6	137.45

Source: Compiled from comments of the Statutory Auditors/CAG in respect of Government PSUs

In case of power sector PSUs during the year 2019-20, the Statutory Auditors had issued qualified certificates and pointed out one instance of non-compliance to the Accounting Standards on the accounts of UP Jal Vidyut Nigam Limited for the year 2017-18.

In case of other than power sector PSUs during the period from 1 January 2020 to 31 December 2020, the Statutory Auditors had issued qualified certificates on 14 accounts. In case of accounts of Uttar Pradesh State Textile Corporation Limited for the years 2017-18 and 2018-19 and Uttar Pradesh Spinning Company Limited for the year 2017-18, the Statutory Auditors had given an adverse opinion. Compliance to the Accounting Standards by the PSUs remained poor as the Statutory Auditors pointed out 76 instances of non-compliance to the Accounting Standards in 18 accounts. The CAG had also issued adverse certificates (not true and fair view presented by the financial statements) on the accounts of Uttar Pradesh Small Industries Corporation Limited for the financial year 2009-10.

5.15 Comments on Accounts of Statutory Corporations

The State has six Statutory Corporations *i.e.* (i) Uttar Pradesh Avas Evam Vikas Parishad (UPAEVP), (ii) Uttar Pradesh Jal Nigam (UPJN), (iii) Uttar Pradesh Financial Corporation (UPFC), (iv) Uttar Pradesh State Road Transport Corporation (UPSRTC), (v) Uttar Pradesh State Warehousing Corporation (UPSWC) and (vi) Uttar Pradesh Forest Corporation. The CAG is the sole auditor of these Statutory Corporations except UPSWC and UPFC in which CAG conducts supplementary audit as per the provisions of governing Acts.

Out of six functional Statutory Corporations, one Corporation (UPAEVP) forwarded its annual accounts for the year 2018-19 during the period from 1 January 2020 to 31 December 2020, which was selected for audit.

The details of aggregate money value of the comments of Statutory Auditors and sole/supplementary audit by the CAG in respect of Statutory Corporations are given in **Table 5.13**.

Table 5.13: Impact of audit comments on Statutory Corporations

Sl. No.	Particulars	2017-18		2018-19	
		Number of accounts	Amounts (₹ in crore)	Number of accounts	Amounts (₹ in crore)
1.	Decrease in profit	3	26.33	3	65.90
2.	Increase in profit	2	2.09	3	5.61
3.	Increase in loss	-	-	-	-
4.	Decrease in loss	-	-	-	-
5.	Non-disclosure of material facts	-	-	1	236.36
6.	Errors of classification	1	0.71	2	5.86

Source: Compiled from comments of the Statutory Auditors/ CAG in respect of Statutory Corporations

5.16 Submission of accounts by Public Sector Undertakings

Of the total 113 State Public Sector PSUs there were 69 functional PSUs (63 Government Companies and six Statutory Corporations) and 44 non-functional PSUs under the purview of CAG as of 31 March 2020. The status of timeliness followed by the State PSUs in preparation of accounts is as follows:

5.16.1 Timeliness in preparation of accounts by the Public Sector Undertakings

Accounts for the year 2019-20 were required to be submitted by all the PSUs by 30 September 2020. However, Government of India vide its circular⁸² dated 17 August 2020 extended the date for holding AGM of companies for the financial year 2019-20 up to 31 December 2020.

- Out of 63 functional Government companies, only three Government companies⁸³ submitted their accounts for the year 2019-20 for audit by CAG on or before 31 December 2020. Resultantly, accounts of 60 functional Government companies were in arrears.
- Out of six Statutory Corporations, the CAG is the sole auditor in four Statutory Corporations (Uttar Pradesh State Road Transport Corporation, Uttar Pradesh Avas Evam Vikas Parishad, Uttar Pradesh Jal Nigam and Uttar Pradesh Forest Corporation). These four Statutory Corporations had seven accounts⁸⁴ in arrears as of 31 December 2020. Further, none of the Statutory Corporations has submitted accounts for the year 2019-20 for audit by the CAG upto 31 December 2020.

⁸² F. No. 2/4/2020-CL-V dated 17 August 2020.

⁸³ Sl. No. 2, 12 and 16 of *Appendix-5.1* viz. (i) NOIDA Metro Rail Corporation Limited, (ii) Uttar Pradesh Export Promotion Council and (iii) Almora Magnesite Limited (Government Controlled Company).

⁸⁴ Accounts of (i) Uttar Pradesh State Road Transport Corporation for the year 2019-20; (ii) Uttar Pradesh Avas Evam Vikas Parishad for the year 2019-20; (iii) Uttar Pradesh Jal Nigam for the years 2017-18 to 2019-20; and (iv) Uttar Pradesh Forest Corporation for the years 2018-19 & 2019-20.

Details of arrears in submission of accounts by the State PSUs as on 31 December 2020 are given in **Table 5.14**.

Table 5.14: Position relating to submission of accounts by Public Sector Undertakings

Particulars		Position relating to submission of Accounts			
		Government companies	Other Government controlled companies	Statutory corporations	Total
Total number of PSUs under the purview of CAG's audit as on 31 March 2020		94	13	6	113
Less: New PSUs from which accounts for 2019-20 were not due		-	-	-	-
Less: PSUs under liquidation from which accounts for 2019-20 were not due		12	1	-	13
Number of PSUs from which accounts for 2019- 20 were due		82	12	6	100
Number of PSUs which presented their accounts of 2019-20 for CAG's audit by 31 December 2020.		3 ⁸⁵	1	-	4
Number of PSUs whose accounts were in arrears		89 ⁸⁶	12	6	107 ⁸⁷
Number of accounts in arrears		856	56	17	929
Break- up of Arrears	(i) Under Liquidation	112	8	-	120
	(ii) Non-functional	529	25	-	554
	(iii) First accounts not submitted	45	17	-	62
	(iv) Others	170	6	17	193
Age-wise analysis of arrears against others category	One year (2019-20)	15	3	2	20
	Two years (2018-19 and 2019-20)	18	-	2	20
	Three years and more	137	3	13	153

GoUP had provided ₹ 55,325.92 crore (Equity: ₹ 18,583.61 crore, Loan: ₹ 615.45 crore, Grant: ₹ 12,403.61 crore and Subsidy: ₹ 23,723.25 crore) to nine out of 13 power sector PSUs accounts of which had not been finalised by 31 December 2020 whereas no investment was made in the remaining four power sector PSUs during the period for which accounts were in arrears.

Further, GoUP had also provided ₹ 4,506.32 crore (Equity: ₹ 97.47 crore, Loan: ₹ 1,221.82 crore, Grant: ₹ 3,121.46 crore and Subsidy: ₹ 65.57 crore) to 32 out of 94 other than power sector PSUs accounts of those had not been finalised by 31 December 2020 whereas no investment was made in the remaining 62 other than power sector PSUs during the period for which accounts were in arrears. PSU-wise details of investment made by State

⁸⁵ It includes one non-functional company (UP State Yarn Company Limited).

⁸⁶ 94 (Total PSUs) - 5 (3 PSUs submitted accounts for 2019-20 and 2 PSUs under liquidation whose accounts were not in arrear).

⁸⁷ It excludes two PSUs which are under liquidation for which no accounts are in arrear upto the date of going into liquidation.

Government during the years for which accounts were in arrears are shown in **Appendix-5.5**.

The administrative departments have the responsibility to oversee the activities of these PSUs and to ensure that the accounts are finalised and adopted by these PSUs within the stipulated period. The concerned departments were informed regularly regarding arrears in accounts.

5.16.2 Impact of non-finalisation of accounts of State PSUs

Delay in finalisation of accounts may result in risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 2013. In view of the above status of arrears of accounts, the actual performance including loss incurred/profit earned and contribution of these 107 PSUs⁸⁸ to State GDP during the period of arrear accounts could not be ascertained/reported to the State Legislature. In the absence of finalisation of accounts by these PSUs and their subsequent audit, it could not be ensured whether the investments and expenditure incurred had been properly accounted for and the funds were utilised for the purpose for which these were provided by the State Government. This issue is of greater concern in case of those Statutory Corporations where the entire responsibility for certification lies on the CAG as the sole auditor.

5.17 Non-functional Public Sector Undertakings

As on 31 March 2020, 44 State PSUs were non-functional having a total investment of ₹ 1,713.07 crore in the form of capital (₹ 1,015.21 crore) and long-term loans (₹ 697.86 crore). Of these, significant investment were in Nandganj-Sihori Sugar Company Limited (₹ 256.80 crore), Uttar Pradesh State Handloom Corporation Limited (₹ 232.18 crore) and Uttar Pradesh State Textile Corporation Limited (₹ 224.67 crore). Further, 27 PSUs are non-functional since the year 2000-01. Non-functional PSUs include 13 PSUs which were under liquidation. The State Government may review the status of these non-functional PSUs.

5.17.1 Arrear accounts of non-functional PSUs

Out of 44 non-functional PSUs (including 13 PSUs under liquidation), 674 accounts of 41 non-functional PSUs were in arrears as on 31 December 2020. The age-wise analysis of arrear accounts of these PSUs is given in **Table 5.15**.

Table 5.15: Age-wise analysis of arrear in accounts of non-functional PSUs

		Age wise analysis of arrears				Total
		1-5 years	6-10 years	11-20 years	21 years and above	
Non-functional PSUs with arrear in accounts	Under liquidation	4	1	5	1	11
	Others	6	6	4	14	30
No. of Accounts in arrear	PSUs under liquidation	9	8	74	29	120
	Other Non-functional PSUs	15	47	68	424	554

⁸⁸ 13 power sector PSUs and 94 other than power sector PSUs.

5.18 Follow up action on State Finances Audit Report

State Finances Audit Report is being prepared from the year 2008-09 onwards and presented to the State Legislature. The Public Accounts Committee is yet to discuss these reports.

5.19 Recommendations

- *The State Government and the respective PSUs should reconcile the differences in figures of equity, loans and guarantees outstanding as per records of the PSUs and as per the Finance Accounts of GoUP in a time bound manner.*
- *The Administrative Departments should strictly monitor and issue necessary directions to liquidate the arrears in accounts of PSUs. The Government may also look into the constraints in preparing the accounts of the PSUs and take necessary steps to liquidate the arrears in accounts.*



(RAJ KUMAR)

Lucknow,

The
29 September 2021

Principal Accountant General (Audit-II),
Uttar Pradesh

Countersigned



(GIRISH CHANDRA MURMU)

New Delhi,
The - 5 OCT 2021

Comptroller and Auditor General of India

APPENDICES

Appendix-2.1

(Referred to in paragraph 2.2.1)

Time series data on the State Government Finances

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
PART A – RECEIPTS					
1. Revenue Receipts	2,27,076	2,56,875	2,78,775	3,29,978	3,66,393
(i) Own Tax Revenue	81,106(36)	85,966(33)	97,393(35)	1,20,122(36)	1,22,826(34)
SGST	-	-	25,374(26)	46,108(38)	47,232(38)
Taxes on Sales, Trade, etc.	47,692(59)	51,883(60)	31,113(32)	23,798(20)	20,517(17)
State Excise	14,084(17)	14,274(17)	17,320(18)	23,927(20)	27,325(22)
Taxes on Vehicles	4,410(5)	5,148(6)	6,404(7)	6,929(6)	7,715(6)
Stamps and Registration fees	12,404(15)	11,564(13)	13,398(14)	15,733(13)	16,070(13)
Land Revenue	505(1)	760(1)	1,336(1)	631(1)	504(0.41)
Taxes and duties on Electricity	1,338 (2)	1,556 (2)	2,124 (2)	2,978 (2)	3,453(3)
Other Taxes	673 (1)	781(1)	324(0.33)	18(0.01)	10(0.01)
(ii) Non Tax Revenue	23,135(10)	28,944(11)	19,795(7)	30,101(9)	81,705(22)
(iii) State's Share of Union Taxes and Duties	90,974(40)	1,09,428(43)	1,20,939(43)	1,36,766(42)	1,17,818(32)
(iv) Grants-in-aid from GoI	31,861(14)	32,537(13)	40,648(15)	42,989(13)	44,044(12)
2. Miscellaneous Capital Receipts	0	0	0	0	0
3. Recoveries of Loans and Advances	726	259	236	5,313	5,641
4. Total Revenue and Non debt Capital Receipts (1+2+3)	2,27,802	2,57,134	2,79,011	3,35,291	3,72,034
5. Public Debt Receipts	74,514	67,685	47,417	51,595	73,809
Internal Debt (excluding Ways and Means Advances and Overdrafts)	69,421(93)	57,959(86)	43,381(92)	50,791(98)	72,554(98)
Transactions under Ways and Means Advances and Overdrafts	4,499(6)	8,695(13)	2,933(6)	0	0
Loans and Advances from GoI	594(1)	1,031(1)	1,103(2)	804(2)	1,255(2)
6. Total Receipts in the Consolidated Fund(4+5)	3,02,316	3,24,819	3,26,428	3,86,886	4,45,843
7. Contingency Fund Receipts	201	173	258	230	662
8. Public Account Receipts	2,65,972	3,06,406	3,20,471	3,80,994	3,70,692
9. Total Receipts of the State (6+7+8)	5,68,489	6,31,398	6,47,157	7,68,110	8,17,197
PART B - EXPENDITURE/ DISBURSEMENT					
10. Revenue Expenditure	2,12,736(74)	2,36,592(76)	2,66,224(87)	3,01,728(81)	2,98,833(83)
Plan	43,251(20)	49,706(21)			
Non Plan	1,69,485(80)	1,86,886(79)			

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
General Services (including interest payments)	72,228(34)	88,255(37)	1,05,782(40)	1,31,057(44)	1,17,675(39)
Social Services	82,487(39)	91,861(39)	84,252(32)	91,312(30)	1,03,849(35)
Economic Services	47,881(22)	45,834(19)	64,635(24)	67,259(22)	62,809(21)
Grants-in-aid and contributions	10,140(5)	10,642(5)	11,555(4)	12,100(4)	14,500(5)
11. Capital Expenditure	64,423(23)	69,789(22)	39,088(13)	62,463(17)	59,998(17)
Plan	49,045(76)	60,573(87)			
Non Plan	15,378(24)	9,216(13)			
General Services	5,259(8)	5,727(8)	2,776(7)	3,419(5)	2,495(4)
Social Services	11,707(18)	17,151(25)	11,625(30)	10,589(17)	10,515(18)
Economic Services	47,457(74)	46,911(67)	24,687(63)	48,455(78)	46,988(78)
12. Disbursement of Loans and Advances	9,118(3)	6,741(2)	1,509(0)	6,303(2)	2,120(1)
13. Total Expenditure (10+11+12)	2,86,277	3,13,122	3,06,821	3,70,494	3,60,951
14. Repayments of Public Debt	17,673	20,303	15,002	20,717	22,401
Internal Debt (excluding Ways and Means Advances and Overdrafts)	10,045(57)	10,168(50)	10,528(70)	19,080(92)	20,695(92)
Transactions under Ways and Means Advances and Overdraft	6,231(35)	8,695(43)	2,933(20)	0	0
Loans and Advances from Government of India	1,397(8)	1,440(7)	1,541(10)	1,637(8)	1,706(8)
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total Disbursement out of Consolidated Fund (Total Expenditure) (13+14+15)	3,03,950	3,33,425	3,21,823	3,91,211	3,83,352
17. Contingency Fund disbursements	44	349	413	396	32
18. Public Account disbursements	2,64,294	2,96,523	3,14,384	3,61,072	4,39,282
19. Total disbursement by the State (16+17+18)	5,68,288	6,30,297	6,36,620	7,52,679	8,27,666
PART C. DEFICITS					
20. Revenue Deficit(-)/ Revenue Surplus(+) (1-10)	(+) 14,340	(+)20,283	(+)12,552	(+)28,250	(+)67,560
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-) 58,475	(-)55,988	(-)27,810	(-)35,203	(+)11,083
22. Primary Deficit (21+23)	(-) 37,027	(-)29,052	(+)1,326	(-)3,161	(+)45,896
23. Interest Payment (included in Revenue Expenditure)	21,448	26,936	29,136	32,042	34,813

Appendix-2.2

(Referred to in paragraph 2.3.3)

Collection of Own Tax / Non-Tax Revenue during the years 2015-20

(₹ in crore)

Heads	2015-16	2016-17	2017-18	2018-19	2019-20 Budget Estimate	Actuals
(A) Own Tax Revenue during 2015-20						
State Goods and Service Tax	-	-	25,374	46,108	52,980	47,232
Taxes on Sales, Trade etc.	47,692	51,883	31,113	23,798	24,660	20,517
State Excise	14,084	14,274	17,320	23,927	31,517	27,325
Taxes on Vehicles	4,410	5,148	6,404	6,929	7,864	7,715
Stamp and Registration Fees	12,404	11,564	13,398	15,733	19,179	16,070
Land Revenue	505	760	1,336	631	856	504
Taxes and duties on Electricity	1,338	1,556	2,124	2,978	3,120	3,453
Other taxes	673	781	324	18	0	10
Total A	81,106	85,966	97,393	1,20,122	1,40,176	1,22,826
(B) Non Tax Revenue during 2015-20						
Interest Receipts, Dividend and Profits	676	1,251	1,124	1,888	1,250	1,509
General Services	6,114	5,994	6,806	15,366	15,875	73,484
Social Services	11,264	14,653	1,571	872	1,290	978
Economic Services	5,081	7,046	10,294	11,975	12,218	5,735
Total B	23,135	28,944	19,795	30,101	30,633	81,705
Grand Total (A + B)	1,04,241	1,14,910	1,17,188	1,50,223	1,70,809	2,04,531

Appendix-2.3

(Referred to in paragraph 2.5.2)

Details of Reserve Funds

(₹ in lakh)

Particulars	Opening Balance	Receipt	Disbursement	Closing Balance
Year 2019-20				
Reserve Funds				
Reserve Fund bearing Interest				
8115-Depreciation/Renewal Reserve Fund	(-) 4,441.57	0	0	(-) 4,441.57
105-Depreciation Reserve Fund-Investment Account	(-) 4,441.57	0	0	(-) 4,441.57
8121-General and Other Reserve Funds	0	1,81,692.68	6,231.54	1,75,731.14
129-State Compensatory Afforestation Fund (SCAF)	0	1,81,692.68	6,231.54	1,75,731.14
Total	0	1,81,692.68	6,231.54	1,75,731.14
Investment	(-) 4,441.57	0	0	(-) 4,441.57
Reserve Fund not bearing Interest				
8222-Sinking Fund	71,18,023.33	0	71,18,023.33	0
01-Appropriation for Reduction or avoidance of debt	71,18,023.33	0	71,18,023.33	0
101-Sinking Funds				
8223-Famine Relief Fund	(-) 78.01	0	0	(-) 78.01
102-Famine Relief Fund Investment Account	(-) 78.01	0	0	(-) 78.01
8225-Roads and Bridges Fund	(-) 27,099.68	3,00,000.00	2,47,084.51	25,815.81
101-State Roads and Bridges Fund	(-) 27,099.68	3,00,000.00	2,47,084.51	25,815.81
8226-Depreciation/Renewal Reserve Funds	(-) 799.03	0	0	(-) 799.03
102-Depreciation Reserve fund of Government Non-commercial Departments	(-) 799.03	0	0	(-) 799.03
8229-Development and Welfare Funds	77,176.64	12.61	0	77,189.25
101-Development Funds For Educational Purposes	4,236.71	12.61	0	4,249.32
106-Industrial Development Funds	1,174.75	0	0	1,174.75
109-Cooperative Development Funds	0.01	0	0	0.01
200-Other Development and Welfare Funds	71,765.17	0	0	71,765.17
8235-General and other Reserve Funds	1,15,175.65	1,37,901.34	78,389.48	1,74,687.51
101-General Reserve Funds of Government commercial Departments/Undertakings	7,319.89	(-) 4,164.77	0	3,155.12
111-State Disaster Response Fund (including ₹1,000 lakh as balance of State Mitigation Fund)	96,693.67	1,29,666.11	72,659.83	1,53,699.95
200-Other Funds	11,162.09	12,400.00	5,729.65	17,832.44
Total	72,82,476.91	4,37,913.95	74,49,728.86	4,52,624.68
Investment	(-) 78.01			(-)78.01
Grand Total	72,82,476.91	6,19,876.63	74,49,728.86	4,52,624.68
Investment	(-)4,519.58			(-)4,519.58

Appendix-3.1

(Referred to in paragraph 3.2.3)

Lump sum budgetary provisions during the year 2019-20

(₹ in crore)

Sl. No.	Grant No. and Head of Account	Provision	Total Provision in Grant	Percentage
1.	1-4059	0.50	258.93	0.19
2.	4-4853	5.05	55.53	9.09
3.	9-2045	16.94	34,861.67	0.05
4.	11-2071	14.00	5,971.62	0.23
5.	25-4070	30.00	1,165.65	2.57
6.	40-2575	1,026.14	2,090.09	49.10
	40-4059			
	40-4202			
	40-4210			
	40-4215			
	40-4575			
	40-4702			
	40-4801			
40-5054				
7.	47-2071	2.50	652.99	0.38
8.	48-2071	1.00	3,284.90	0.03
9.	50-4059	65.95	1,351.95	4.88
	50-4216			
10.	57-5054	251.98	2,372.12	10.62
11.	58-5054	4,536.59	19,211.29	23.61
12.	59-4059	0.50	367.90	0.14
13.	61-2049	178.34	1,00,268.94	0.18
14.	83-5054	255.28	26,272.90	0.97
15.	84-2075	3.00	252.52	1.19
16.	87-2075	1.51	74.19	2.04
17.	94-4711	356.50	12,017.14	2.97
18.	95-2701	22.00	4,912.17	0.45
	Total	6,767.78	2,15,442.50	3.14

Appendix-3.2

(Referred to in paragraph 3.2.7)

Detail of funding pattern (Central share / State share/ Financial Institution) not mentioned in Central schemes / Central Sponsored schemes in Budget Documents 2019-20

				(₹ in crore)
Grant No and Name	Account Head	Name of Program	Amount	
03-Industries Department (Small Industry and Export Promotion)	2851-00-102-01-0103	Small Industries Cluster Development Scheme	1.00	
11-Agriculture and Other Allied Departments (Agriculture)	4401-00-800-02-0207	Horticulture and Fertilizer Processing Capital Project	15.00	
17-Agriculture and Other Allied Departments (Fisheries)	2405-00-101-01-0102	Blue Revolution Integrated Development and Management of Fisheries Scheme	53.96	
21-Food and Civil Supplies Department	4059-60-051-01-0102	Building of Second Standard Laboratory / Calibration Towers	10.00	
37-Urban Development Department	2217-05-191-01-0102	Aid for J.N.N.U.R.M. scheme	15.00	
	2230-02-101-01-01	Establishment of a cell on state level	0.09	
	4216-02-800-01-01	Rajeev Housing Yojna	30.00	
42-Judicial Department	4059-01-051-01-0110	Construction of new Buildings for the Lucknow bench of the Hon. High Court Allahabad	150.00	
44-Tourism Department	5452-80-104-01-0109	Establishment of tourism facilities at Places marked under Prasad Scheme	25.00	
47-Technical Education Department	4202-02-105-01-0105	Establishment and Reinforcement of Technical Institutions under Rastriya Uchchar Siksha Abhiyan (RUSA)	6.00	
49-Women and Child Welfare Department	4235-02-102-01-0127	Upgradation of Anganbadi Centres	13.80	
75-Education Department (State Council of Educational Research and Training)	4202-01-201-01-0104	New DIET Institute in 03 districts (Ghaziabad, Amethi, Kasganj)	5.00	
81-Social Welfare Department (Tribal Welfare)	4202-01-796-01-0108	Establishment Of District Education And Training Institute	0.12	
83-Social Welfare Department (Special Component Plan for Scheduled Castes)	2235-02-789-01-03	Scheme for Teenager Girls (S.A.G.)	29.24	
	4202-01-789-01-0108	Establishment of District Education and Training Institute	3.00	
92-Culture Department	2205-00-800-01-0101	Grant in Aid to Vrindavan Sodh Sansthan for construction of Braj Sanskriti Sangrahalay, Mathura	0.38	
Total			357.59	

Appendix-3.3

(Referred to in paragraph 3.2.7)

Detail of cases where total of central share and state share in funding pattern more / less than 100 per cent or funding share of other Financial Institution/Grantee is not mentioned in Central schemes / Central Sponsored schemes

(₹ in crore)

Grant No and Name	Account	Name of Program	Amount
11-Agriculture and Other Allied Departments (Agriculture)	2401-00-114-01-0101	National Food Security Mission (OS/TBO)(C.60%/S.60%)	18.40
37-Urban Development Department	2217-03-191-01-0102	Urban Infrastructure Development Scheme for Small and Medium Towns (C.80%/S.10%)	22.00
45-Environment Department	3435-04-103-01-0101	Establishment of Waste Disposal facilities and Treatment of unauthorized waste water disposal sites. (C.0%/S.50%)	0.50
47-Technical Education Department	4202-02-105-01-0102	Establishment of IIIT on PPE model (C.50%/S.35%)	10.00
49-Women and Child Welfare Department	2235-02-103-01-0104	Ujjwala Scheme (C.60%/S.30%)	1.50
83-Social Welfare Department (Special Component Plan for Scheduled Castes)	2401-00-789-01-0110	National Food Security Mission (O.S./T.B.O.) (C.60%/S.60%)	3.40
Total			55.80

Appendix-3.4

(Referred to in paragraph 3.3.3)

Grants in which savings were above ₹ 100 crore in each case during the year 2019-20

(₹ in crore)

Sl. No.	Grant No.	Grant Name	Original Provision	Supplementary Provision	Total Grant	Expenditure	Saving	Savings excluding surrendered
Revenue Voted								
1.	3	Industries Department (Small Industry and Export Promotion)	597.07	0.00	597.07	388.11	208.96	208.96
2.	7	Industries Department (Heavy and Medium Industries)	1,766.36	1,039.92	2,806.28	1,896.24	910.04	907.99
3.	9	Power Department	17,233.75	1,600.00	18,833.75	16333.65	2,500.09	2492.50
4.	10	Agriculture and other Allied Departments (Horticultural and Sericulture Development)	680.44	5.00	685.44	559.97	125.47	32.66
5.	11	Agriculture and other Allied Departments (Agriculture)	5,352.03	54.00	5,406.03	4,327.79	1,078.24	938.16
6.	12	Agriculture and other Allied Departments (Land Development and Water Resources)	802.48	0.00	802.48	104.16	698.31	698.31
7.	13	Agriculture and other Allied Departments (Rural Development)	3,719.53	0.00	3,719.53	3,070.98	648.55	489.39
8.	14	Agriculture and Other Allied Departments (Panchayati Raj)	18,769.38	18.85	18,788.23	14,625.65	4,162.58	4,142.62
9.	15	Agriculture and other Allied Departments (Animal Husbandry)	1,645.16	11.27	1,656.43	1,432.59	223.83	223.83
10.	26	Home Department (Police)	21,705.24	0.00	21,705.24	19,895.38	1,809.86	1,809.86
11.	31	Medical Department (Medical Education and Training)	3,628.40	0.00	3,628.40	3,382.50	245.91	245.91

Sl. No.	Grant No.	Grant Name	Original Provision	Supplementary Provision	Total Grant	Expenditure	Saving	Savings excluding surrendered
12.	32	Medical Department (Allopathy)	7,889.07	0.00	7,889.07	5,953.98	1,935.09	2.60
13.	33	Medical Department (Ayurvedic and Unani)	1,129.43	0.00	1,129.43	797.89	331.55	0.06
14.	34	Medical Department (Homoeopathy)	476.30	0.00	476.30	355.00	121.30	121.30
15.	35	Medical Department (Family Welfare)	5,934.41	50.00	5,984.41	4,995.94	988.46	988.46
16.	36	Medical Department (Public Health)	821.77	4.00	825.77	564.06	261.71	14.15
17.	37	Urban Development Department	15,354.80	1,306.46	16,661.26	7,907.29	8,753.97	11.73
18.	38	Civil Aviation Department	202.96	0.00	202.96	62.68	140.28	0.00
19.	40	Planning Department	337.85	0.63	338.48	228.51	109.97	109.97
20.	41	Election Department	576.19	0.00	576.19	432.01	144.17	1.14
21.	42	Judicial Department	2,529.85	180.00	2,709.85	1,896.68	813.17	813.17
22.	48	Minorities Welfare Department	2,453.81	42.85	2,496.66	1,415.45	1,081.21	1,081.21
23.	49	Women and Child Welfare Department	9,536.15	20.00	9,556.15	6,001.92	3,554.23	1,315.17
24.	50	Revenue Department (District Administration)	1,115.81	0.00	1,115.81	882.38	233.43	233.43
25.	51	Revenue Department (Relief on Account of Natural Calamities)	1,827.60	0.00	1,827.60	1,295.16	532.44	532.44
26.	52	Revenue Department (Board of Revenue and other Expenditure)	4,714.67	0.00	4,714.67	3,167.08	1,547.59	1,547.59
27.	54	Public Works Department (Establishment)	2,695.16	0.00	2,695.16	816.39	1,878.77	1,878.77
28.	60	Forest Department	873.30	0.00	873.30	627.40	245.90	245.90
29.	62	Finance Department (Superannuation Allowances and Pensions)	49,828.89	3,000.00	52,828.89	48,425.32	4,403.56	4,403.56

Sl. No.	Grant No.	Grant Name	Original Provision	Supplementary Provision	Total Grant	Expenditure	Saving	Savings excluding surrendered
30.	63	Finance Department (Treasury and Accounts Administration)	307.18	0.00	307.18	125.94	181.24	181.24
31.	69	Vocational Education Department	704.45	13.50	717.95	593.05	124.91	124.91
32.	71	Education Department (Primary Education)	53,408.65	1,300.00	54,708.65	40,300.94	14,407.71	14,407.71
33.	72	Education Department (Secondary Education)	11,160.24	536.22	11,696.46	10,194.29	1,502.17	1,502.17
34.	73	Education Department (Higher Education)	2,613.70	171.97	2785.67	2,443.02	342.64	342.64
35.	78	Secretariat Administration Department	1,075.85	8.00	1,083.85	894.28	189.56	189.56
36.	80	Social Welfare Department (Social Welfare and Welfare of Scheduled Castes)	4,811.15	0.00	4,811.15	4,671.63	139.51	139.51
37.	81	Social Welfare Department (Tribal Welfare)	858.35	22.25	880.61	695.45	185.15	185.15
38.	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	17,427.54	13.14	17,440.68	13,185.01	4,255.67	3,774.68
39.	89	Institutional Finance Department (Commercial Tax)	1,021.98	0.00	1,021.98	806.19	215.79	215.79
40.	94	Irrigation Department (Works)	3,947.63	800.00	4,747.63	4,631.76	115.88	115.88
41.	95	Irrigation Department (Establishment)	4,910.17	0.00	4,910.17	3,565.96	1,344.21	1,344.21
		Total	2,86,444.76	10,198.06	296,642.82	2,33,949.68	62,693.14	48,014.29
Capital Voted								
1.	2	Housing Department-	1,310.41	0.00	1,310.41	846.47	463.94	463.94

Sl. No.	Grant No.	Grant Name	Original Provision	Supplementary Provision	Total Grant	Expenditure	Saving	Savings excluding surrendered
2.	7	Industries Department (Heavy and Medium Industries)	4,149.34	2,825.25	6,974.59	6,651.73	322.86	322.86
3.	9	Power Department	8,247.66	311.63	8,559.29	6,244.09	2,315.20	0.00
4.	11	Agriculture and other Allied Departments (Agriculture)	565.40	0.00	565.40	381.37	184.02	123.19
5.	13	Agriculture and other Allied Departments (Rural Development)	16,485.27	9.77	16,495.04	7,123.38	9,371.66	9,371.50
6.	14	Agriculture and Other Allied Departments (Panchayati Raj)	175.39	163.49	338.87	220.15	118.73	114.19
7.	16	Agriculture and Other Allied Departments (Dairy Development)	231.51	0.00	231.51	25.21	206.31	0.00
8.	21	Food and Civil Supplies Department	14,006.88	3.03	14,009.91	13,708.27	301.64	208.47
9.	24	Cane Development Department (Sugar Industry)	1,600.58	0.01	1,600.59	1044.89	555.70	555.70
10.	25	Home Department (Jails)	338.75	50.41	389.17	251.75	137.41	137.41
11.	26	Home Department (Police)	2,668.87	250.00	2918.87	996.88	1921.99	1921.99
12.	31	Medical Department (Medical Education and Training)	2,071.41	363.14	2434.55	1701.08	733.47	733.47
13.	32	Medical Department (Allopathy)	666.09	0.00	666.09	321.45	344.64	344.64
14.	37	Urban Development Department	498.17	869.00	1367.17	889.53	477.64	5.12
15.	38	Civil Aviation Department	2,001.00	0.00	2001.00	1,332.34	668.66	0.00
16.	40	Planning Department	1,715.66	35.95	1,751.61	730.08	1,021.53	1,021.53
17.	42	Judicial Department	1,963.63	57.00	2,020.63	643.37	1,377.26	1,377.26
18.	44	Tourism Department	732.90	152.00	884.90	428.79	456.11	0.00
19.	48	Minorities Welfare Department	593.22	195.00	788.22	420.13	368.09	368.09

State Finances Audit Report for the year ended 31 March 2020

Sl. No.	Grant No.	Grant Name	Original Provision	Supplementary Provision	Total Grant	Expenditure	Saving	Savings excluding surrendered
20.	58	Public Works Department (Communications-Roads)	13,073.97	201.00	13,274.97	13,082.32	192.65	192.65
21.	60	Forest Department	543.58	314.72	858.30	695.65	162.65	162.65
22.	61	Finance Department (Debt Services & other Expenditure)	320.46	0.00	320.46	63.41	257.04	257.04
23.	71	Education Department (Primary Education)	581.45	0.00	581.45	326.05	255.41	255.41
24.	72	Education Department (Secondary Education)	374.42	25.01	399.43	147.28	252.14	252.14
25.	79	Social Welfare Department (Empowerment of the Handicapped and Welfare of the Backward Classes)	211.59	61.43	273.02	163.61	109.41	0.00
26.	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	8630.78	201.43	8,832.22	5,525.82	3,306.39	3,192.47
27.	94	Irrigation Department (Works)	7,229.67	34.84	7,264.51	6,321.67	942.84	942.84
Total			90,988.06	6,124.12	97,112.18	70,286.82	26,825.36	22,324.56
Grand Total (Voted)			3,77,432.82	16,322.18	3,93,755.00	3,04,236.50	89,518.50	70,338.89
Revenue Charged								
1.	61	Finance Department (Debt Services & other Expenditure)	52,719.67	0.00	52,719.67	30,264.18	22,455.49	22,455.49
Total			52,719.67	0.00	52,719.67	30,264.18	22,455.49	22,455.49
Capital Charged								
1.	9	Power Department	3,152.79	1.47	3,154.26	72.50	3,081.76	3,081.76
2.	61	Finance Department (Debt Services & other Expenditure)	32,194.64	00.0	32,194.64	22,303.91	9,890.73	9,890.73
Total			35,347.43	1.47	35,348.90	22,376.41	12,972.49	12,972.49
Grand Total (Charged)			88,067.10	1.47	88,068.57	52,640.59	35,427.98	35,427.98

Appendix-3.5
(Referred to in paragraph 3.3.4)
Detail of cases where supplementary provision
(₹ one crore or more in each case) proved unnecessary

(₹ in crore)

Sl. No.	Grant no.	Name of Grant	Voted/ Charged	Original	Supplementary	Expenditure	Saving
Revenue Voted							
1.	4	Industries Department (Mines and Minerals)	Voted	46.72	3.76	38.62	11.86
2.	8	Industries Department (Printing and Stationery)	Voted	193.99	1.53	170.57	24.95
3.	9	Power Department	Voted	17,233.75	1,600.00	16,333.65	2,500.10
4.	10	Agriculture and other Allied Departments (Horticultural and Sericulture Development)	Voted	680.44	5.00	559.97	125.47
5.	11	Agriculture and other Allied Departments (Agriculture)	Voted	5,352.03	54.00	4,327.79	1,078.24
6.	14	Agriculture and Other Allied Departments (Panchayati Raj)	Voted	18,769.38	18.85	14,625.65	4,162.58
7.	15	Agriculture and other Allied Departments (Animal Husbandry)	Voted	1,645.16	11.27	1,432.59	223.84
8.	35	Medical Department (Family Welfare)	Voted	5,934.41	50.00	4,995.94	988.47
9.	36	Medical Department (Public Health)	Voted	821.77	4.00	564.06	261.71
10.	37	Urban Development Department	Voted	15,354.80	1,306.46	7,907.29	8,753.97
11.	40	Planning Department	Voted	337.85	0.63	228.51	109.97
12.	42	Judicial Department	Voted	2,529.85	180.00	1,896.68	813.17
13.	44	Tourism Department	Voted	126.72	11.00	56.06	81.66
14.	45	Environment Department	Voted	14.38	1.00	7.97	7.41
15.	47	Technical Education Department	Voted	453.05	4.00	410.46	46.59

Sl. No.	Grant no.	Name of Grant	Voted/ Charged	Original	Supplementary	Expenditure	Saving
16.	48	Minorities Welfare Department	Voted	2,453.81	42.85	1,415.45	1,081.21
17.	49	Women and Child Welfare Department	Voted	9,536.15	20.00	6,001.92	3,554.23
18.	59	Public Works Department (Estate Directorate)	Voted	298.86	1.73	207.41	93.18
19.	62	Finance (Superannuation Allowances and Pensions)	Voted	49,828.89	3,000.00	48,425.32	4,403.57
20.	68	Legislative Assembly Secretariat	Voted	199.64	9.54	181.96	27.22
21.	69	Vocational Education Department	Voted	704.45	13.50	593.05	124.90
22.	70	Science and Technology Department	Voted	415.26	2.50	356.41	61.35
23.	71	Education Department (Primary Education)	Voted	53,408.65	1,300.00	40,300.94	14,407.71
24.	72	Education Department (Secondary Education)	Voted	11,160.24	536.22	10,194.29	1,502.17
25.	73	Education Department (Higher Education)	Voted	2,613.70	171.97	2,443.02	342.65
26.	78	Secretariat Administration Department	Voted	1,075.85	8.00	894.28	189.57
27.	79	Social Welfare Department (Employment of the Handicapped and welfare Backward classes)	Voted	2,652.56	4.82	2,646.15	11.23
28.	81	Social Welfare Department (Tribal Welfare)	Voted	858.35	22.25	695.45	185.15

Sl. No.	Grant no.	Name of Grant	Voted/Charged	Original	Supplementary	Expenditure	Saving
29.	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	Voted	17,427.54	13.14	13,185.01	4,255.67
		Total		2,22,128.25	8,398.02	1,81,096.47	49,429.80
Capital Voted							
1.	3	Industries Department (Small Industry and Export Promotion)	Voted	20.98	5.00	17.00	8.98
2.	9	Power Department	Voted	8,247.66	311.63	6,244.09	2,315.20
3.	13	Agriculture and other Allied Departments (Rural Development)	Voted	16,485.27	9.77	7,123.38	9,371.66
4.	15	Agriculture and other Allied Departments (Animal Husbandry)	Voted	233.68	11.50	195.05	50.13
5.	21	Food and Civil Supplies Department	Voted	14,006.88	3.03	13,708.27	301.64
6.	25	Home Department (Jails)	Voted	338.75	50.41	251.75	137.41
7.	26	Home Department (Police)	Voted	2,668.87	250.00	996.88	1,921.99
8.	31	Medical Department (Medical Education and Training)	Voted	2,071.41	363.14	1,701.08	733.47
9.	36	Medical Department (Public Health)	Voted	5.92	11.56	2.04	15.44
10.	40	Planning Department	Voted	1,715.66	35.95	730.08	1,021.53
11.	42	Judicial Department	Voted	1,963.63	57.00	643.37	1,377.26
12.	44	Tourism Department	Voted	732.90	152.00	428.79	456.11
13.	48	Minorities Welfare Department	Voted	593.22	195.00	420.13	368.09
14.	49	Women and Child Welfare Department	Voted	82.00	32.21	46.14	68.07

Sl. No.	Grant no.	Name of Grant	Voted/ Charged	Original	Supplementary	Expenditure	Saving
15.	55	Public Work Department (Buildings)	Voted	76.01	5.00	74.19	6.82
16.	59	Public Works Department (Estate Directorate)	Voted	57.61	9.70	31.55	35.76
17.	70	Science and Technology Department	Voted	15.00	10.00	0.00	25.00
18.	72	Education Department (Secondary Education)	Voted	374.42	25.01	147.28	252.15
19.	73	Education Department (Higher Education)	Voted	282.98	25.00	233.00	74.98
20.	79	Social Welfare Department (Empowerment of the Handicapped and Welfare of the Backward Classes)	Voted	211.59	61.43	163.61	109.41
21.	81	Social Welfare Department (Tribal Welfare)	Voted	143.52	2.89	125.09	21.32
22.	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	Voted	8,630.78	201.43	5,525.82	3,306.39
23.	84	General Administration Department	Voted	223.47	6.36	221.46	8.37
24.	92	Culture Department	Voted	83.78	4.50	57.35	30.93
25.	94	Irrigation Department (Works)	Voted	7,229.67	34.84	6,321.67	942.84
		Total		66,495.66	1,874.36	45,409.07	22,960.95
Capital Charged							
1.	9	Power Department	Charged	3,152.79	1.47	72.50	3,081.76
		Total		3,152.79	1.47	72.50	3,081.76
Grand Total				2,91,776.70	10,273.85	2,26,578.04	75,472.51

Appendix-3.6
(Referred to in paragraph 3.3.5)
Unnecessary Re-appropriation

(₹ in lakh)

Sl. No.	Grant No.	Head of Accounts	Provisions				Actual expenditure	Final Excess (+) savings (-)
			Original	Supplementary	Re-appropriation	Total		
1.	02-Housing Department	2070-Other administrative services 800-Other expenditure 03-Establishment of prescribed officers	939.02	0.00	7.95	946.97	932.50	(-)14.47
2.	10-Agriculture and Other Allied Departments (Horticultural and Sericulture Development)	2401-Crop Husbandry 119-Horticulture and vegetable crops 04-Fruits	6348.73	0.00	925.00	7273.73	6154.01	(-)1119.72
3.	13-Agriculture and Other Allied Departments (Rural Development)	2515-Other Rural Development Programme 001-Direction and Administration 03-Development Commissioner (Headquarter)	2424.71	0.00	35.69	2460.40	2020.20	(-)440.20
4.		2515-Other Rural Development Programmes 001-Direction and Administration 04-Regional Office of Development Commissioner	1747.68	0.00	13.50	1761.18	1656.49	(-)104.69
5.		2515-Other Rural Development Programmes 102-Community Development 06-Collective District Office	20530.36	0.00	75.50	20605.86	18990.42	(-)1615.44

Sl. No.	Grant No.	Head of Accounts	Provisions				Actual expenditure	Final Excess (+) savings (-)
			Original	Supplementary	Re-appropriation	Total		
6.		2515-Other Rural Development Programmes 102-Community Development 09-Rural Development Budget and Monitoring cell	54.89	0.00	6.10	60.99	49.00	(-)11.99
7.	17-Agriculture and Other Allied Departments (Fisheries)	2405-Fisheries 101-Inland Fisheries 01-Central sponsored scheme	5395.78	0.00	28.20	5423.98	4764.05	(-)659.93
8.	23-Cane Development Department (Cane)	2401-Crop Husbandry 001-Direction and administration 03-Establishment of Cane commissioner	1346.82	0.00	3.00	1349.82	1098.03	(-)251.79
9.	25-Home Department (Jails)	2056-Jails 001-Direction and administration 03-Main	2189.54	0.00	15.00	2204.54	1692.23	(-)512.31
10.	29-Confidential Department (Governor's Secretariat)	2012-President, Vice President/Governor Administrator of Union Territories 090-Secretariat 03-Establishment Expenditure	1146.57	0.00	48.80	1195.37	975.18	(-)220.19
11.		2012-President, Vice President/Governor Administrator of Union Territories 105-Medical Facilities 03-Medical Related Expenditure	119.20	0.00	13.06	132.26	110.01	(-)22.25
12.	31-Medical Department (Medical Education and Training)	4210-Capital outlay on Medical and Public Health 105-Allopathy 79-Establishment of AIIMS in Raebareli	1000.00	0.00	3040.33	4040.33	0.00	(-)4040.33
13.	34-Medical Department (Homoeopathy)	2210-Medical and Public Health 102-Homeopathy 03-Education	6439.57	0.00	90.00	6529.57	5496.30	(-)1033.27

Sl. No.	Grant No.	Head of Accounts	Provisions				Actual expenditure	Final Excess (+) savings (-)
			Original	Supplementary	Re-appropriation	Total		
14.	40-Planning Department	2575-Other Special Arrear Programme 800-Other expenditure 04-Special Scheme of Bundelkhand	11337.00	0.00	1145.00	12482.00	7032.07	(-)5449.93
15.		4575-Capital outlay on other special areas programme 800-Other Expenditure 04-Special Schemes of Bundelkhand.	48773.15	0.00	10307.00	59080.15	25450.17	(-)33629.98
16.	42-Judicial Department	2014-Administration of Justice 105-Civil and Session Courts 01-Central Sponsored Schemes	890.59	0.00	50.00	940.59	794.38	(-)146.21
17.		2014-Administration of Justice 105-Civil and Session Courts 16-Commerical Courts	1085.55	0.00	2.00	1087.55	208.86	(-)878.69
18.		2052-Secretariat General Services 091-Attached Offices 03-Legal Cell Uttar Pradesh Bhawan, New Delhi	284.09	0.00	2.50	286.59	216.25	(-)70.34
19.		2235-Social Security and Welfare 200-Other Programmes 04-State Legal Service Authority and District Legal Service	2221.50	0.00	97.00	2318.50	1751.55	(-)566.95
20.	47-Technical Education Department	2203-Technical Education 001-Direction and Administration 04-Regional Offices	303.85	0.00	10.56	314.41	289.04	(-)25.37

Sl. No.	Grant No.	Head of Accounts	Provisions				Actual expenditure	Final Excess (+) savings (-)
			Original	Supplementary	Re-appropriation	Total		
21.	51-Revenue Department (Relief on account of Natural Calamities)	2245-Relief on Account of Natural Calamities 800-Other Expenditure 06-Expenditure from State Disaster Response Fund	82000.00	0.00	59827.00	141827.00	72659.83	(-)69167.17
22.	59-Public Works Department (Estate Directorate)	2059-Public Works 053-Maintenance and Repairs 09-Jawahar Bhawan and Indira Bhawan Compound	3216.01	0.00	75.00	3291.01	1242.65	(-)2048.36
23.	59-Public Works Department (Estate Directorate)	2059-Public Works 053-Maintenance and Repairs 03-Arrangements for guest houses situated in Lucknow	1727.99	0.00	60.00	1787.99	502.57	(-)1285.42
24.		2059-Public Works 053-Maintenance and Repairs 04-Arrangements for guest houses situated in Delhi	786.76	140.00	50.00	976.76	895.81	(-)80.95
25.		2216-Housing 700-Other Housing 09-Resident Allotted to MLAs	3062.91	0.00	60.34	3123.25	2060.43	(-)1062.82
26.		4059-Capital Outlay on Public Works 051-Construction 20-Construction of Under Ground Parking Jawahar Bhawan and Indira Bhawan	0.00	0.00	138.05	138.05	0.00	(-)138.05
27.	60-Forest Department	4406-Capital Oytlay on forestry and Wild Life 102-Social and Farm Forestry 03-Social Forestry (CCL System) (District Plan)	23984.00	14569.85	892.84	39446.69	38245.80	(-)1200.89

Sl. No.	Grant No.	Head of Accounts	Provisions				Actual expenditure	Final Excess (+) savings (-)
			Original	Supplementary	Re-appropriation	Total		
28.	63-Finance Department (Treasury and Accounts administration)	2054-Treasury and Accounts Administration 095-Directorate of Accounts and Treasuries 03-Treasury Directorate	2170.00	0.00	52.00	2222.00	1816.29	(-)405.71
29.	68-Legislative Assembly Secretariat	2011-Parliament/State/ Union Territory Legislature 103-Legislative Secretariat 03-legislative Assembly Secretariat	6633.46	619.87	56.03	7309.36	6838.52	(-)470.84
30.	72-Education Department (Secondary Education)	2202-General Education 103-Sanskrit Education 04-Subsidiary Grant to Sanskrit Schools	24225.19	0.00	600.00	24825.19	22308.77	(-)2516.42
31.	74-Home Department (Home Guards)	2070-Other Administrative Services 107-Home Guards 03-General Establishment	83157.01	10000.00	5.00	93162.01	89221.90	(-)3940.11
32.	78-Secretariat Administration Department	2013-Council of Ministers 800-Other expenditure 03-Miscellaneous expenditure of Ministers and Deputy ministers	185.00	0.00	23.00	208.00	71.33	(-)136.67
33.		2052-Secretariate-General Services 090-Secretariat 03-Secretariat	52283.99	300.00	4556.39	57140.38	45864.89	(-)11275.49
34.	80-Social Welfare Department (Social Welfare and Welfare of Scheduled Castes)	2225-Welfare of Schedule castes, Scheduled Tribes, Other Background Classes and Minorities 277-Education 03-Operation of Industrial Training Centers	979.88	0.00	45.42	1025.30	948.76	(-)76.54

Sl. No.	Grant No.	Head of Accounts	Provisions				Actual expenditure	Final Excess (+) savings (-)
			Original	Supplementary	Re-appropriation	Total		
35.		2235-Social security and welfare 105-Prohibition 01-Central plan/Centrally Sponsored Schemes	0.00	0.00	225.00	225.00	0.00	(-)225.00
36.	94-Irrigation Department (Works)	2701-Medium Irrigation 25-Tanda pump Canal (commercial) 101-Maintenance and repairs 03-Other Maintenance Expenses	209.71	0.00	99.65	309.36	192.53	(-)116.83
37.	94-Irrigation Department (Works)	2701-Medium Irrigation 50-Dumariaganj Pump canal (commercial) 101-Maintenance and repairs 03-Other Maintenance Expenses	141.61	0.00	23.75	165.36	117.30	(-)48.06
38.		4711-Capital Outlay on Flood Control Projects 01-Flood Control 103-Civil Works 09-Anti erosion schemes	32100.00	0.00	100.00	32200.00	31647.17	(-)552.83
Total (₹ in lakh)			431442.12	25629.72	82805.66	539877.50	394315.29	(-)145562.21
Total (₹ in crore)			4,314.42	256.30	828.05	5,398.77	3,943.15	(-)1,455.62

Appendix-3.7

(Referred to in paragraph 3.3.7.1)

Schemes for which Original and Supplementary provisions could not be utilised

(₹ in crore)

Sl. No.	Grant	Department Name	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
(A) Schemes without Supplementary Provisions									
1	2	Housing Department	4202-04-800-04	Establishment of Jai Prakash Narayan International Center in Gomti Nagar, Lucknow	70.00	0.00	0.00	70.00	0.00
2	4202-04-800-05		Sanskriti School, Lucknow	10.00	0.00	0.00	10.00	0.00	
3	4216-01-106-03		Construction of Towers of Civil Services Institute	13.34	0.00	0.00	13.34	0.00	
4	4217-60-190-07		Metro Rail Project in Varansi, Meerut, Gorakhpur, Prayagraj, Jhansi	150.00	0.00	0.00	150.00	0.00	
5	3	Industries Department (Small Industries and Export Promotion)	2851-102-01	Central sponsored Schemes	1.00	0.00	0.00	1.00	0.00
6	2851-102-24		Payments to Adviser Consultants/Experts for Study/project design for promotion of industries in the state	1.00	0.00	0.00	1.00	0.00	
7	2851-102-29		Micro, Small and Medium Enterprise Promotion Policy	10.00	0.00	0.00	10.00	0.00	
8	4851-104-03		Carpet Market in Sant Ravidas Nagar(Bhadohi)	8.98	0.00	0.00	8.98	0.00	
9	6	Industries Department (Handloom industry)	2851-103-07	Chief Minister Handloom Weaver Honour	2.00	0.00	0.00	2.00	0.00
10	2851-108-07		Chief Minister power-loom Industry Development Scheme	2.07	0.00	0.00	2.07	0.00	
11	7	Industries Department (Heavy and Medium	2852-07-202-16	Implementation of Uttar Pradesh Information Technology-2012	20.00	0.00	0.00	20.00	0.00

Sl. No.	Grant	Department Name	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
12			2852-07-202-22	Directorate of Electronic Mission	1.52	0.00	0.00	1.52	0.00
13			2885-60-800-21	Special Investment Board	5.00	0.00	0.00	5.00	0.00
14			4859-02-800-11	Establishment of Electronic Manufacturing Cluster	10.00	0.00	0.00	10.00	0.00
15			4859-02-800-14	Establishment of Incubator in Lucknow	3.00	0.00	0.00	3.00	0.00
16			6860-01-190-05	Loans to Uttar Pradesh State Yarn Company Ltd.	2.39	0.00	0.00	2.39	0.00
17	9	Power Department	6003-109-04	Repayment of Government Securities Issued under Uday Yojna	3,081.76	0.00	0.00	3,081.76	0.00
18	10	Agriculture and Other Allied Departments (Horticulture & Sericulture Development)	2851-107-14	Silk Development Scheme aided by Central silk Board (State Share)	1.81	0.00	0.00	1.81	0.00
19	11	Agriculture and Other Allied Departments (Agriculture)	2401-109-11	Scientific farming and climate change impact management	15.07	0.00	0.00	15.07	0.00
20			2402-101-05	Strengthening of Bio fertilizer protection laboratories/programme of encouragement of use of Bio-Fertilizers	4.06	0.00	0.00	4.06	0.00
21			2402-103-08	Development plan of organic farming in district Hamirpur	4.71	0.00	0.00	4.71	0.00
22			2415-80-120-29	Establishment of Agriculture degree college Lakhimpur Kheri under Chandrashekhar Azad Agriculture and Technical University Kanpur	1.90	0.00	0.00	1.90	0.00
23			4415-80-277-29	Agriculture University Banda	7.38	0.00	0.00	7.38	0.00

Sl. No.	Grant	Department Name	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
24	12	Agriculture and Other Allied Departments (Land Development & Water Resources)	2501-02-307-02	Prime Minister Irrigation Scheme	19.18	0.00	0.00	19.18	0.00
25			2501-05-101-01	Central sponsored Schemes	1.37	0.00	0.00	1.37	0.00
26	13	Agriculture and Other Allied Departments (Rural Development)	2515-102-08	Special employment Scheme	25.00	0.00	0.00	25.00	0.00
27			2702-02-800-12	Integrated mini green tubewell scheme	6.00	0.00	0.00	6.00	0.00
28			4515-103-06	Community development main establishment	3.00	0.00	0.00	3.00	0.00
29			4702-800-12	Prime Minister agriculture Irrigation Scheme	50.00	0.00	0.00	50.00	0.00
30	14	Agriculture and Other Allied Departments (Panchayati Raj)	4515-101-09	Establishment of two Chandrashekhar Azad Rural development secretariat in each Nyaya Panchayat	20.00	0.00	0.00	20.00	0.00
31	15	Agriculture and Other Allied Departments (Animal Husbandry)	2403-104-02	National Live stock Management Programme	8.26	0.00	0.00	8.26	0.00
32			4403-101-01	Central sponsored Schemes	3.40	0.00	0.00	3.40	0.00
33			4403-101-09	Multipurpose mobile veterinary service (State Plan)	4.00	0.00	0.00	4.00	0.00
34			4403-800-06	Directorate of Animal Husbandry	1.62	0.00	0.00	1.62	0.00
35	17	Agriculture and Other Allied Departments (Fisheries)	2405-800-12	Fisherman Welfare Fund	25.00	0.00	0.00	25.00	0.00
36			4405-105-01	Central sponsored Schemes	1.00	0.00	0.00	1.00	0.00
37	21	Food and Civil supplies departments	4408-800-04	Other Expenditure	147.00	0.00	0.00	147.00	0.00
38	22	Sports Department	2204-104-36	Eklavya sports Fund	25.00	0.00	0.00	25.00	0.00
39			4202-03-800-10	Sports College Saharanpur	10.00	0.00	0.00	10.00	0.00
40			4202-03-800-12	K.D. singh Babu Stadium Lucknow	6.04	0.00	0.00	6.04	0.00

Sl. No.	Grant	Department Name	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
41			4202-03-800-74	Development of International level Facilities for wrestling, Kabddi, Weight Lifting, Volley Ball, Basket Ball and Boxing in Western U.P.	2.00	0.00	0.00	2.00	0.00
42	24	Cane Development Department(Sugar Industry)	6860-04-101-20	For operation of Cooperative sugar mills by PPP Method	25.00	0.00	0.00	25.00	0.00
43	6860-04-190-08		For reoperation of closed sugar mills of Government	50.00	0.00	0.00	50.00	0.00	
44	26	Home Department (Police)	2055-101-01	Central sponsored Schemes	10.00	0.00	0.00	10.00	0.00
45	2055-109-11		Provision for transportation of forces of central/external states	10.00	0.00	0.00	10.00	0.00	
46	2055-109-12		Smart City Surviellance System	1.00	0.00	0.00	1.00	0.00	
47	2035-800-03		Terrorist Activies, Fire Accidents etc. affecting public arrangement	1.00	0.00	0.00	1.00	0.00	
48	4055-207-12		Purchase of CCTV and concomitant equipment for traffic management of Districts	9.00	0.00	0.00	9.00	0.00	
49	4055-207-22		Anti-terrorism squad	3.50	0.00	0.00	3.50	0.00	
50	4055-211-04		Establishment of security line in lucknow	19.45	0.00	0.00	19.45	0.00	
51	4070-800-11		Prevention and control from Fire administration	10.00	0.00	0.00	10.00	0.00	
52	31	Medical Department (Medical Education and Training)	4210-03-105-13	Establishment of Turshari Care Cancer Centre in Sanjai Gandhi Post Graduate Medical Institute, Lucknow (C.60/S.40-C+S)	5.00	0.00	0.00	5.00	0.00

Sl. No.	Grant	Department Name	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
53			4210-03-105-61	Establishment of heart disease hospital in medical college Kannauj	5.00	0.00	0.00	5.00	0.00
54			4210-03-105-62	Establishment of Cancer hospital in medical college campus, Kannauj	5.00	0.00	0.00	5.00	0.00
55			4210-03-105-64	Establishment of Intensive Care Unit(ICU) in Government Medical Colleges	1.00	0.00	0.00	1.00	0.00
56			6075-800-03	Revolving for treatment of State employees in SGPGI, Lucknow	1.00	0.00	0.00	1.00	0.00
57	32	Medical Department (Allopathy)	4210-01-110-04	Construction of T.B. Clinic Building	1.00	0.00	0.00	1.00	0.00
58			4210-01-110-06	Establishment of 300 bedded joint hospitals at Divisional Headquarters	25.00	0.00	0.00	25.00	0.00
59			4210-01-110-55	Construction of 300 bedded joint hospitals on Kanpur Road in Lucknow	1.73	0.00	0.00	1.73	0.00
60			4210-01-110-82	14 Hearses for Government Hospitals	6.00	0.00	0.00	6.00	0.00
61			4210-01-800-05	Construction of Building of G.N.M. training center	5.00	0.00	0.00	5.00	0.00
62			4210-02-110-07	Construction of Building of 100 bedded hospitals in Milkipur district Faizabad	1.03	0.00	0.00	1.03	0.00
63	40	Planning Department	2575-06-101-03	Lump sum Provision for solar light/Solar pump/solar power fencing	2.00	0.00	0.00	2.00	0.00
64			2575-06-105-04	Lump sum Provision for skill development mission	3.00	0.00	0.00	3.00	0.00

Sl. No.	Grant	Department Name	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
65		Planning Department	4215-01-101-03	Rapid Financial development Scheme	50.00	0.00	0.00	50.00	0.00
66			4215-01-102-03	Rapid Financial development Scheme	80.00	0.00	0.00	80.00	0.00
67			4215-02-101-03	Rapid Financial development Scheme	50.00	0.00	0.00	50.00	0.00
68			4215-02-106-03	Rapid Financial development Scheme	50.00	0.00	0.00	50.00	0.00
69			4406-01-102-03	Rapid Financial development Scheme	5.00	0.00	0.00	5.00	0.00
70			4575-06-201-03	Lump sum provision for construction/extension of boundary wall of school building	3.50	0.00	0.00	3.50	0.00
71			4575-06-800-13	Lump sum provision for construction of toilets	4.00	0.00	0.00	4.00	0.00
72			4702-800-03	Rapid Financial development Scheme	5.00	0.00	0.00	5.00	0.00
73			4801-05-800-03	Rapid Financial development Scheme	100.00	0.00	0.00	100.00	0.00
74			4801-06-800-03	Rapid Financial development Scheme	20.00	0.00	0.00	20.00	0.00
75			4801-80-800-03	Rapid Financial development Scheme	20.00	0.00	0.00	20.00	0.00
76			5054-04-101-03	Rapid Financial development Scheme	100.00	0.00	0.00	100.00	0.00
77	42		Judicial Department	2014-102-15	Establishment of courts for quick disposal of cases relating to women victimization	22.28	0.00	0.00	22.28
78		2235-60-200-12		Grant to Trustee Committee of U.P. Advocate welfare fund	20.00	0.00	0.00	20.00	0.00

Sl. No.	Grant	Department Name	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
79			2235-60-200-13	Corpus fund for young Advocates	5.00	0.00	0.00	5.00	0.00
80			2235-60-200-17	Books and Magazines for young Advocates	10.00	0.00	0.00	10.00	0.00
81			4059-01-51-12	Construction of public toilets in lower courts of the state	20.00	0.00	0.00	20.00	0.00
82			4059-01-051-14	Penal code	1.61	0.00	0.00	1.61	0.00
83			4059-01-52-03	CCTV camera and security equipment's for security of lower courts	75.00	0.00	0.00	75.00	0.00
84			4070-800-04	Acquirement of land for new permises of district court, Varanasi	100.00	0.00	0.00	100.00	0.00
85			4216-01-700-10	Construction of residential buildings for employees of Hon'ble High Court	100.00	0.00	0.00	100.00	0.00
86	43	Transport Department	4047-800-01	Central Plan/Centrally sponsored Schemes	8.48	0.00	0.00	8.48	0.00
87			4059-01-051-15	Construction of Building in regional transport office, Azamgarh	3.00	0.00	0.00	3.00	0.00
88	47	Technical Education Department	2203-104-01	Central Sponsored Schemes	2.00	0.00	0.00	2.00	0.00
89			4202-02-105-13	Engineering college Kannauj	8.00	0.00	0.00	8.00	0.00
90			4202-02-105-17	Engineering college Mirzapur	7.00	0.00	0.00	7.00	0.00
91	48	Minorities Welfare Department	2225-80-800-01	Central Sponsored Schemes	608.27	0.00	0.00	608.27	0.00
92			2250-102-05	Non recurring grant to U.P. Shia/Sunni central waqf board	1.01	0.00	0.00	1.01	0.00
93			4235-60-800-03	Construction of boundaries of Graveyards/ cremation places of minorities	100.00	0.00	0.00	100.00	0.00
94			4250-800-03	Construction of Haj House, Lucknow & Ghaziabad	2.34	0.00	0.00	2.34	0.00

Sl. No.	Grant	Department Name	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
95	49	Women & Child Welfare Department	2235-02-102-05	Adolescent Justice fund	7.00	0.00	0.00	7.00	0.00
96			2235-02-103-03	State resource centre for women and child	3.00	0.00	0.00	3.00	0.00
97			2235-02-103-12	Operation of Rani Lakshmi Bai Asha Jyoti Kendra	5.00	0.00	0.00	5.00	0.00
98			2235-02-103-13	Women Empowerment Programme	2.00	0.00	0.00	2.00	0.00
99			2235-02-103-24	Establishment of Old age Women Ashrams through Voluntary organizations	6.50	0.00	0.00	6.50	0.00
100		Women & Child Welfare Department	2235-02-103-25	Establishment of Government Women Asylum	3.58	0.00	0.00	3.58	0.00
101			4235-02-103-01	Central sponsored Schemes	35.00	0.00	0.00	35.00	0.00
102			4235-02-103-03	Establishment of Rani Lakshmi Bai Asha Jyoti Centre	20.00	0.00	0.00	20.00	0.00
103			4235-02-103-04	Establishment of old age Ashram	5.00	0.00	0.00	5.00	0.00
104			52	Revenue Department (Board of Revenue and other expenditure)	2235-60-110-01	Central sponsored Schemes	134.83	0.00	0.00
105	2235-60-110-03	For implementation of Chief Minister Kisan Awam Sarvhit Bima Yojna			15.60	0.00	0.00	15.60	0.00
106	2235-60-110-04	Chief Minister Kisan Awam Sarvhit Bima Yojna			845.50	0.00	0.00	845.50	0.00
107	4059-60-051-06	Up gradation of Lekhpal Training school Chinhat			4.91	0.00	0.00	4.91	0.00
108	58	Public Works Department (Communication Roads)	5054-04-337-16	Construction/widening/strengthening of left track of Ganga Canal	50.00	0.00	0.00	50.00	0.00
109			5054-80-004-04	Strengthening upgradation of research Institute and laboratories of Quality Promotion Cell	1.10	0.00	0.00	1.10	0.00

Sl. No.	Grant	Department Name	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
110	59	Public Works Department (Estate Directorate)	4059-80-051-04	Upgradation/renovation work of Air condition plant and power supply equipment in Jawahar Bhawan and Indira Bhawan	2.00	0.00	0.00	2.00	0.00
111	61	Finance Department (Debt services and other expenditure)	2048-101-03	Transfer of Sinking funds to the debt relief fund of U.P. state development loans	21,857.01	0.00	0.00	21,857.01	0.00
112			2049-200-03	Interest on short terms loan taken from Reserve Bank of India	5.00	0.00	0.00	5.00	0.00
113		Finance Department (Debt services and other expenditure)	2217-80-800-03	Transfer of 2% additional Stamp duty to urban body collected by State Government	175.00	0.00	0.00	175.00	0.00
114			4070-800-03	Expenditure on DPR of Projects	5.01	0.00	0.00	5.01	0.00
115			6003-110-03	Repayment of ways and means advances	10,000.00	0.00	0.00	10,000.00	0.00
116	62	Finance Department (Superannuation allowances and Pensions)	2071-01-101-04	Contribution of retired employees of Jal Nigam For State services	25.00	0.00	0.00	25.00	0.00
117			2071-01-115-05	Encashment of leave of Retired Officers of all India services	2.45	0.00	0.00	2.45	0.00
118			2071-01-800-03	Domestic Servant Allowances to Retired officers of U.P. Judicial services/Higher Judicial services	1.91	0.00	0.00	1.91	0.00
119			2071-01-800-09	Interest payable on late payment of retirement benefits	1.00	0.00	0.00	1.00	0.00
120			2071-01-800-10	Amount Payable to Uttarakhand Government due to Apportionment of Pension liabilities under U.P. State reorganization Act 2000	3,000.00	0.00	0.00	3,000.00	0.00

Sl. No.	Grant	Department Name	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
121	70	Science and Technology Department	5425-800-03	Light Deduction and Ranging (LIDER) survey and data analysis laboratory	10.00	0.00	0.00	10.00	0.00
122	71	Education Department (Primary Education)	2202-01-111-03	Amount of difference of Honorarium to part time teachers working in Kasturba Gandhi Girls Schools	8.00	0.00	0.00	8.00	0.00
123			4202-01-201-03	Construction of Office Buildings of basic Education officers in the districts (District plan)	1.55	0.00	0.00	1.55	0.00
124	72	Education Department (Secondary Education)	2071-01-109-03	Payment of pensions to employees of sainik school Lucknow	2.00	0.00	0.00	2.00	0.00
125			2202-01-105-03	Serving Teachers training for imparting quality education and third party evolution	1.00	0.00	0.00	1.00	0.00
126			2202-01-109-01	Central sponsored Schemes	15.00	0.00	0.00	15.00	0.00
127			2202-01-110-01	Central sponsored Schemes	16.08	0.00	0.00	16.08	0.00
128			2202-01-800-10	Subsidiary grant to Raza ram Mohan Rai Institute Kolkata	2.00	0.00	0.00	2.00	0.00
129			2202-01-800-27	Payment of Honorarium to part time teachers of non-government non added schools recognized from board of secondary education U.P.	1.00	0.00	0.00	1.00	0.00
130			4202-01-202-18	Purchase E- books/ establishment of E-Library	5.00	0.00	0.00	5.00	0.00
131			73	Education Department (Higher Education)	2071-01-117-04	Contribution in Tier-1 account for teachers/Non-teaching Staff of State Universities	50.00	0.00	0.00

Sl. No.	Grant	Department Name	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
132			2202-03-800-13	Research and Development in degree colleges/Universities of the State	4.00	0.00	0.00	4.00	0.00
133			2202-03-800-17	Ahilya Bai Kanya free of cost Education Scheme	21.12	0.00	0.00	21.12	0.00
134			2202-03-800-18	Wi Fi Facility in all colleges, universities	50.00	0.00	0.00	50.00	0.00
135			4202-01-203-11	Sampoorna Nand Sanskrit University Varanasi	3.67	0.00	0.00	3.67	0.00
136			4202-01-203-12	Establishment of State University in Balia	5.00	0.00	0.00	5.00	0.00
137			4202-01-203-35	State University in District Saharanpur	10.00	0.00	0.00	10.00	0.00
138			4202-01-203-36	Construction of Savitri bai phule girls Hostel in Baba Saheb Dr. Bheem Rao Ambedkar University Lucknow	5.00	0.00	0.00	5.00	0.00
139	76	Labour Department (Labour Welfare)	2230-01-111-03	Deen Dayal security Insurance scheme for unorganized labour	1.25	0.00	0.00	1.25	0.00
140			2230-01-111-06	Atal Pension Scheme for unorganized labour	12.52	0.00	0.00	12.52	0.00
141	80	Social welfare Department (Social Welfare & Welfare of Scheduled Caste)	2235-01-277-20	Scholarships to Pre-High School (Class 1st to 10th) Students of persons involved in work like sweeper & leather removal services	1.00	0.00	0.00	1.00	0.00
142			2225-02-200-11	Pre- Exam Training for Preliminary examination of IAS/PCS in the Institution situated in Delhi	1.00	0.00	0.00	1.00	0.00
143	83	Social welfare Department (Special Component)	2235-02-789-09	Saree for Ladies of BPL families	9.00	0.00	0.00	9.00	0.00
144			2501-02-789-02	Prime Minister agriculture Irrigation Scheme	5.40	0.00	0.00	5.40	0.00

Sl. No.	Grant	Department Name	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
145		Plan for Scheduled Castes)	2501-05-789-01	Central sponsored Schemes	36.50	0.00	0.00	36.50	0.00
146			2515-789-05	Ambedkar Rojgar Yojna	25.00	0.00	0.00	25.00	0.00
147			2851-789-14	Silk Development Scheme developed by central silk board (State Share)	4.18	0.00	0.00	4.18	0.00
148			4202-02-789-09	Engineering college Kannauj	1.60	0.00	0.00	1.60	0.00
149			4202-01-789-19	Engineering college, Mirzapur	1.00	0.00	0.00	1.00	0.00
150			4210-02-789-07	Construction of Homeopathic Hospital Building	1.13	0.00	0.00	1.13	0.00
151	83		Social welfare Department (Special Component Plan for Scheduled Castes)	4210-03-789-07	Government allopathic medical college, Saharanpur	3.03	0.00	0.00	3.03
152		4210-03-789-08		Government allopathic medical college, Ambedkar nagar	3.03	0.00	0.00	3.03	0.00
153		4210-03-789-11		Government medical college, Allahabad	4.24	0.00	0.00	4.24	0.00
154		4210-03-789-12		Government medical college, Meerut	4.75	0.00	0.00	4.75	0.00
155		4210-03-789-13		Government medical college Jhansi	4.67	0.00	0.00	4.67	0.00
156		4210-03-789-16		Government medical college Badaun	12.73	0.00	0.00	12.73	0.00
157		4210-03-789-17		Government medical college Azamgarh	8.48	0.00	0.00	8.48	0.00
158		4210-03-789-21		Cardiology Hospital in medical college Kannauj	3.18	0.00	0.00	3.18	0.00
159		4210-03-789-22		Cancer Hospital in medical college Kannauj	3.18	0.00	0.00	3.18	0.00
160		4210-03-789-30		Paramedical Institute Saifai, Etawah	1.00	0.00	0.00	1.00	0.00
161		4210-03-789-33		Medical University Greater NOIDA	10.00	0.00	0.00	10.00	0.00

Sl. No.	Grant	Department Name	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
162			4215-01-789-07	Pipe Drinking water project in Bundelkhand/vindhya/quality affected villages	690.00	0.00	0.00	690.00	0.00
163			4216-03-789-01	Central sponsored Schemes	300.00	0.00	0.00	300.00	0.00
164			4700-22-789-10	Canals	371.60	0.00	0.00	371.60	0.00
165			4711-01-789-09	Anicut Schemes	20.00	0.00	0.00	20.00	0.00
166	84	General Administration Department	2250-101-10	Shri Kashi Vishwanath special area development council, Varanasi	3.00	0.00	0.00	3.00	0.00
167	89	Institutional Finance Department (Commercial Tax)	2040-800-12	District Arbitration authority	3.80	0.00	0.00	3.80	0.00
168	89	Institutional Finance Department (Commercial Tax)	2049-60-701-03	Interest payment on deposit account of entry tax	65.35	0.00	0.00	65.35	0.00
169	91	Institutional Finance Department (Stamps & Registration)	2030-03-001-05	Scanning and indexing whole documents	25.00	0.00	0.00	25.00	0.00
170	92	Cultural Department	4202-04-800-01	Central sponsored Schemes	14.38	0.00	0.00	14.38	0.00
171			4202-04-800-03	Construction of auditorium/open stage	3.00	0.00	0.00	3.00	0.00
172			4202-04-800-06	Arrangement of land and construction of new premises of Bhat khande music institute cum university	1.00	0.00	0.00	1.00	0.00
173			4202-04-800-08	Construction of building of Hari Yuddha Kalakendra in Azamgarh	1.00	0.00	0.00	1.00	0.00
174			4202-04-800-33	Construction of Archival Gallery in the premises of U.P. Rajkiya abhilekhagar Lucknow	4.00	0.00	0.00	4.00	0.00

Sl. No.	Grant	Department Name	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
175	94	Irrigation Department (Works)	2700-80-800-01	Central sponsored Schemes	28.68	0.00	0.00	28.68	0.00
176			4700-05-050-10	Canals	1.00	0.00	0.00	1.00	0.00
177			4700-06-050-10	Canals	1.00	0.00	0.00	1.00	0.00
178			4700-06-051-15	Project of extension, renewal and beautification of Quaysides of river situated at Vrindavan District Mathura	1.00	0.00	0.00	1.00	0.00
179	94	Irrigation Department (Works)	4700-07-051-17	Safety of foundation of international tourist place Taj-Mahal in Agra, rowing, beautification and spectacular, to build environment, to store water, project of construction of rubber barrage in 1.50 d	6.00	0.00	0.00	6.00	0.00
180			4700-08-050-10	Canals	1.00	0.00	0.00	1.00	0.00
181			4700-09-051-15	Channelization of River Gomti in Lucknow	38.32	0.00	0.00	38.32	0.00
182			4700-09-051-19	Road construction works from 42.200 Km to 46.75 Km on left patri of tikri Rajwaha from Amtahi to Gokul Village	1.75	0.00	0.00	1.75	0.00
183			4700-14-050-10	Canals	23.00	0.00	0.00	23.00	0.00
184			4700-18-051-10	Canals	14.00	0.00	0.00	14.00	0.00
185			4700-19-050-10	Canals	1.00	0.00	0.00	1.00	0.00
186			4700-23-051-10	Canals	60.00	0.00	0.00	60.00	0.00
187			4700-29-051-10	Canals	12.00	0.00	0.00	12.00	0.00
188			4700-30-051-10	Canals	4.00	0.00	0.00	4.00	0.00

Sl. No.	Grant	Department Name	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
189			4700-84-050-10	Canals	5.00	0.00	0.00	5.00	0.00
190			4700-87-051-10	Canals	4.77	0.00	0.00	4.77	0.00
191			4700-94-051-07	Barrage	10.00	0.00	0.00	10.00	0.00
192			4711-03-103-07	Drainage Scheme(Financed by NABARD)	1.00	0.00	0.00	1.00	0.00
193	95	Irrigation Department (Establishment)	4701-03-001-03	Direction	1.50	0.00	0.00	1.50	0.00
Total					43,865.90	0.00	0.00	43,865.90	0.00
(B) Schemes with Supplementary Provisions									
1	7	Industries department heavy and medium industries	2852-80-800-18	Assistance for due interest on loan taken from financial institutions for construction of Gorakhpur link express way project by UPEIDA	0.00	12.70	0.00	12.70	0.00
2			2852-80-800-19	Assistance for due interest on loans taken from financial institutions for construction of Bundelkhand link express way project by UPEIDA	0.00	46.28	0.00	46.28	0.00
3	11	Agriculture and Other Allied Departments (Agriculture)	2071-01-117-07	Lump sum payment of residual employer contribution up to 31.03.2019 of employees of agriculture universities covered under NPS	0.00	14.00	0.00	14.00	0.00
4			2071-01-117-08	Interest on due of residual employer contribution up to 31.03.2019/ late deposited employer contribution of agriculture universities.	0.00	4.00	0.00	4.00	0.00

Sl. No.	Grant	Department Name	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
5			2071-01-117-09	Payment of interest on late depositing subscriber contribution of employees of agriculture universities covered under NPS	0.00	2.00	0.00	2.00	0.00
6			2401-113-06	System management plan	0.00	25.00	0.00	25.00	0.00
7	31	Medical Department(Medical Education and Training)	4210-03-105-22	J.K. Institute of radiology and cancer research kanpur	1.00	20.00	0.00	21.00	0.00
8			4210-03-105-76	National Programme for the Elderly in K.G.M.U., Lucknow	0.00	3.47	0.00	3.47	0.00
9	36	Medical Department (Public Health Welfare)	4210-04-107-01	Central sponsored Schemes	0.00	11.56	0.00	11.56	0.00
10	47	Technical Education Department	2071-01-117-07	Lump sum payment of residual employers contribution up to 31.03.2019 of employees covered under NPS of added technical educational institutes	0.00	2.50	0.00	2.50	0.00
11			2071-01-117-08	Interest on due residual employer contribution up to 31.03.2019/late deposited employer contribution of added technical educational institute	0.00	1.00	0.00	1.00	0.00
12	48	Minorities Welfare Department	2071-01-117-07	Lump sum payment of residual employer contribution up to 31.03.2019 employees covered under NPS of added Arabi farsi madarasas	0.00	1.00	0.00	1.00	0.00

Sl. No.	Grant	Department Name	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
13	55	Public Works Department (Building)	4059-60-051-05	Project report/assessment for construction of Government Building	0.00	5.00	0.00	5.00	0.00
14	58	Public Works Department (Communication Roads)	5054-80-800-07	Arrangement for adaption and study of new Technology, constitution of new technology project/study and evaluation etc. of pre-built project	0.00	1.00	0.00	1.00	0.00
15	62	Finance Department (Superannuation allowances and Pensions)	2071-01-117-07	Lump sum payment of residual employer contribution up to 31.03.2019 of Government employees covered under NPS	0.00	2,400.00	0.00	2,400.00	0.00
16			2071-01-117-08	Interest on due of residual employer contribution up to 31.03.2019/ late deposited employer contribution	0.00	580.00	0.00	580.00	0.00
17			2071-01-117-09	Payment of interest on late depositing subscribers contribution	0.00	20.00	0.00	20.00	0.00
18	71	Education Department (Primary Education)	2071-01-117-07	Lump sum payment of employer contribution balance up to 31.03.2019 for employees covered under NPS	0.00	900.00	0.00	900.00	0.00
19			2071-01-117-08	Interest on due employer contribution balance up to 31.03.2019/Late deposited employer contribution	0.00	390.00	0.00	390.00	0.00
20			2071-01-117-09	Payment of Interest on late depositing subscriber contribution	0.00	10.00	0.00	10.00	0.00

Sl. No.	Grant	Department Name	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
21	72	Education Department (Secondary Education)	2071-01-117-07	Lump sum payment of employer contribution balance up to 31.03.2019 for employees covered under NPS	0.00	365.00	0.00	365.00	0.00
22			2071-01-117-08	Interest on due employer contribution balance up to 31.03.2019/Late deposited employer contribution	0.00	150.00	0.00	150.00	0.00
23			2071-01-117-09	Payment of Interest on late depositing subscriber contribution	0.00	5.00	0.00	5.00	0.00
24			2202-02-800-14	U.P. Education services tribunal	0.00	8.22	0.00	8.22	0.00
25	73	Education Department (Higher Education)	2071-01-117-07	Lump sum payment of residual employers contribution up to 31.03.2019 of employees covered under NPS	0.00	100.00	0.00	100.00	0.00
26			2071-01-117-08	Interest on due residual employer contribution up to 31.03.2019/late deposited employer contribution	0.00	53.00	0.00	53.00	0.00
27			2071-01-117-09	Payment of Interest on late depositing subscriber contribution	0.00	5.00	0.00	5.00	0.00
28	78	Secretariat Administration Department	4059-80-800-04	Establishment of C.C.T.V./ surveillance camera and concomitant equipment	1.00	8.00	0.00	9.00	0.00
Total					2.00	5,143.73	0.00	5,145.73	0.00
Grand Total					43,867.90	5,143.73	0.00	49,011.63	0.00

Appendix 3.8

(Referred to in paragraph 3.3.7.2)

Details of Schemes for which Original, Supplementary provisions were re-appropriated to other schemes

(₹ in crore)

Sl. No.	Grant No	Name of Grant	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
1.	7	Industries department (Heavy and Medium Industries)	2852-07-202-05	Prarambhik Nidhi (Seed Fund) for promotions of incubators and start up	100.00	0.00	(-)30.15	69.85	0.00
2.			2852-80-800-08	Dis-investment and Privatization of Public Private Partnership projects and Public sector & Co-operative Units	2.05	0.00	(-)2.05	0.00	0.00
3.	9	Power Department	2801-05-800-21	For Prevention of Electricity Theft	2.00	0.00	(-)2.00	0.00	0.00
4.			4801-06-190-06	Share capital for electricity distribution work under Deen Dayal Upadhyaya Gram Jyoti Scheme (c.60/S.10/B.30-C)	590.00	0.00	(-)590.00	0.00	0.00
5.			4801-80-190-04	Share capital for electrification under Pradhan Mantri Sahaj Bijli Har Ghar Yojna (saubhagya)(C.60/S.10/B.30-C+S)	79.00	0.00	(-)79.00	0.00	0.00
6.	15	Agriculture and Other Allied Departments (Animal Husbandry)	2403-107-06	Additional Fodder development Programme	2.00	0.00	(-)2.00	0.00	0.00
7.	16	Agriculture and Other Allied Departments (Dairy Development)	2404-102-07	Revival of milk federations under N.P.D.D. Scheme	19.66	0.00	(-)19.66	0.00	0.00
8.			2404-102-09	U.P. Milk Policy 2018	5.00	0.00	(-)5.00	0.00	0.00

Sl. No.	Grant No	Name of Grant	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
9.	16	Agriculture and Other Allied Departments (Dairy Development)	6404-190-03	Loan for strengthening of P.C.D.F.	150.00	0.00	(-)150.00	0.00	0.00
10.			6404-190-08	Establishment of new Dairy in Mathura	56.23	0.00	(-)56.23	0.00	0.00
11.	18	Agriculture and Other Allied Departments (Co-operative)	2425-107-03	Computerization in primary agriculture co-operative societies (PACS)	24.96	0.00	(-)24.96	0.00	0.00
12.			6003-105-03	Pay off of Loans taken	24.90	0.00	(-)24.90	0.00	0.00
13.	24	Cane Development Department (Sugar Industry)	6860-04-190-05	Loans for payment of outstanding sugarcane value to private and corporation sector sugar mills	500.00	0.00	(-)200.00	300.00	0.00
14.	32	Medical Department (Allopathy)	2210-01-110-09	State Employees cashless medical Scheme	50.00	0.00	(-)50.00	0.00	0.00
15.			2210-80-800-11	Biometric attendance System	2.00	0.00	(-)2.00	0.00	0.00
16.	33	Medical Department (Ayurvedic and Unani)	4210-01-800-08	Establishment of Ayush University	10.00	0.00	(-)10.00	0.00	0.00
17.	37	Urban Development Department	2215-02-106-01	Central Plan/Centrally sponsored Schemes	29.69	0.00	(-)29.69	0.00	0.00
18.			4216-02-800-01	Centrally sponsored Schemes	30.00	0.00	(-)10.00	20.00	0.00
19.			4217-60-800-03	Establishment of Training Centre in District Ghaziabad	50.00	0.00	(-)50.00	0.00	0.00
20.	40	Planning Department	2575-02-800-03	Special Schemes of Bundelkhand	36.63	0.00	(-)11.45	25.18	0.00
21.			4575-02-800-03	Special scheme of Bundelkhand	112.27	0.00	(-)103.07	9.20	0.00
22.	42	Judicial Department	4059-01-52-04	Establishment of solar power system in lower court	20.00	0.00	(-)15.30	4.70	0.00

Sl. No.	Grant No	Name of Grant	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
23.	44	Tourism Department	3452-80-104-09	Organization of Ramayan Conclave	3.00	0.00	(-)3.00	0.00	0.00
24.			3452-80-800-14	Incentive to Tourism Units under tourism policy 2018	70.00	0.00	(-)70.00	0.00	0.00
25.			5452-80-104-01	Central sponsored Schemes	77.40	0.00	(-)77.40	0.00	0.00
26.			5452-80-104-11	Aligarh food craft institute	5.00	0.00	(-)5.00	0.00	0.00
27.			5452-80-104-22	Renovation of 50 Historical Jal khands and Ponds of ancient period in Mathura	1.00	0.00	(-)1.00	0.00	0.00
28.			5452-80-104-37	Establishment of cultural Centre in Varanasi District	200.00	0.00	(-)155.70	44.30	0.00
29.			49	Women and Child Welfare Department	2235-02-102-16	State Nutrition Mission	14.00	0.00	(-)14.00
30.	2235-02-102-20	Shabri resolution campaign			200.00	0.00	(-)200.00	0.00	0.00
31.	51	Revenue Department (Relief on Account of Natural Calamities)	2245-05-800-05	Expenditure from National disaster response fund	1,000.00	0.00	(-)598.27	401.73	0.00
32.	60	Forest Department	4406-01-102-17	Plantation project in left mines in Vindhya and Bundelkhand area and Plataeu/hill area (CCL System)	1.00	0.00	(-)1.00	0.00	0.00
33.			4406-02-110-06	Development of Lion safari park and babbar sher fertilization park in district Etawah	10.00	0.00	(-)10.00	0.00	0.00
34.			4406-02-110-08	Establishment of Eco Tourism and Bio Diversity Centre under Kukrail forest area	5.00	0.00	(-)5.00	0.00	0.00
35.	78	Secretariat Administration Department	2013-102-03	Allowances of Ministers and Deputy Ministers	9.00	0.00	(-)9.00	0.00	0.00

Sl. No.	Grant No	Name of Grant	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
36.	79	Social welfare Department (Welfare of the Handicapped & Backward classes)	2235-02-101-20	Motorized tricycle scheme for physically disabled persons	32.56	0.00	(-)32.56	0.00	0.00
37.			4225-03-277-01	Central sponsored Schemes	52.66	0.00	(-)52.66	0.00	0.00
38.			4235-02-101-01	Central sponsored Schemes	5.00	0.00	(-)5.00	0.00	0.00
39.			4235-02-101-11	Establishment of Sparsh Rajkiya Drishtibadhit Balika Inter College	1.00	0.00	(-)1.00	0.00	0.00
40.	83	Social welfare Department (Special Component Plan for Scheduled Castes)	4210-01-789-03	Purchase of equipment for district/joint dispensaries and other dispensaries	20.00	0.00	(-)20.00	0.00	0.00
41.			4210-02-789-05	Water supply electrification improvement, extension and renovation in primary health centres/CH Centre and sub centres	1.00	0.00	(-)1.00	0.00	0.00
42.			4216-02-789-01	Central sponsored Schemes	15.00	0.00	(-)15.00	0.00	0.00
43.			4801-05-789-06	Capital Share for electrification under Pradhan Mantri Sahaj Bilji Har Ghar Yojna(Saubhagya)	21.00	0.00	(-)21.00	0.00	0.00
44.	86	Information Department	4059-80-800-03	Establishment of film television and liberal arts institute	1.00	0.00	(-)1.00	0.00	0.00
45.	88	Institutional Finance Department (Directorate)	2052-091-05	Implementation Depositor Welfare protection Act-2016	1.46	0.00	(-)1.46	0.00	0.00
46.	88	Institutional Finance Department (Directorate)	4059-01-051-03	Construction of office Building of Institutional Finance Directorate in district Lucknow	4.10	0.00	(-)4.10	0.00	0.00

Sl. No.	Grant No	Name of Grant	Head	Scheme Name	Original Provision	Supplementary Provision	Re-Appropriation	Total Provision	Actual Expenditure
47.	92	Cultural Department	2205-800-15	Grant to folk artists for musical instruments	1.00	0.00	(-)1.00	0.00	0.00
48.			2205-800-16	Establishment of cultural club	1.00	0.00	(-)1.00	0.00	0.00
49.			4202-04-800-16	Establishment of International Ramleela Complex in Ayodhya Faizabad	5.00	0.00	(-)0.85	4.15	0.00
50.	37	Urban Development Department	2217-05-051-03	State Smart City Mission Programme	0.00	175.00	(-)175.00	0.00	0.00
51.			2217-80-192-08	Construction and Developments of Parks	0.00	60.00	(-)60.00	0.00	0.00
52.			4215-01-101-97	Externally aided Schemes	235.00	220.00	(-)235.00	220.00	0.00
53.	44	Tourism Department	5452-80-104-27	Tourism Development in Vindhyavasini Devi Dham in Dist. Mirzapur	0.00	10.00	(-)10.00	0.00	0.00
54.	45	Environment Department	3435-04-800-05	District Environment Committee	0.00	1.00	(-)1.00	0.00	0.00
55.	70	Science and Technology Department	4810-102-04	Encouragement of Scheme for electricity production based on solar energy source	5.00	10.00	(-)15.00	0.00	0.00
56.	79	Social welfare Department (Welfare of the Handicapped & Backward classes)	2235-02-101-38	Establishment/Operation of District Disabled rehabilitations centre (DDRC)	0.00	4.00	(-)4.00	0.00	0.00
Total					3,893.57	480	(-)3,274.46	1,099.11	0.00

Appendix 4.1

(Referred to in paragraph 4.13)

Details of Pendency in Finalisation of Accounts by Various Autonomous Bodies and Authorities

Sl. No.	Name of Department	Name of the Body/Authority	Year(s) for which accounts had not been received	Total No. of pending annual accounts
1.	Forest Department	Compensatory Afforestation Fund Management and Planning Authority (CAMPA)	2019-20	01
2.	Infrastructure and Industrial Development Department	New Okhla Industrial Development Authority	2005-06 to 2019-20	15
3.	-do-	Greater Noida Development Authority	2018-19 to 2019-20	02
4.	-do-	Yamuna Expressway Industrial Development Authority	2005-06 to 2019-20	15
5.	-do-	UP Expressway Industrial Development Authority	2017-18 to 2019-20	03
6.	-do-	Satharia Industrial Development Authority	2005-06 to 2019-20	15
7.	-do-	Gorakhpur Industrial Development Authority	2005-06 to 2019-20	15
8.	-do-	UP State Industrial Development Authority	2018-19 to 2019-20	02
9.	-do-	Lucknow Industrial Development Authority	2005-06 to 2019-20	15
10.	Housing and Urban Planning Department	Lucknow Development Authority	2017-18 to 2019-20	03
11.	-do-	Ghaziabad Development Authority	2017-18 to 2019-20	03
12.	-do-	Agra Development Authority	2017-18 to 2019-20	03
13.	-do-	Meerut Development Authority	2017-18 to 2019-20	03
14.	-do-	Prayagraj Development Authority	2017-18 to 2019-20	03
15.	-do-	Hapur/Pilkhuan Development Authority	2017-18 to 2019-20	03
16.	-do-	Varanasi Development Authority	2017-18 to 2019-20	03
17.	-do-	Moradabad Development Authority	2017-18 to 2019-20	03
18.	-do-	Gorakhpur Development Authority	2017-18 to 2019-20	03
19.	-do-	Mathura Vrindavan Development Authority	2017-18 to 2019-20	03
20.	-do-	Aligarh Development Authority	2017-18 to 2019-20	03
21.	-do-	Bareilly Development Authority	2017-18 to 2019-20	03
22.	-do-	Raibareilly Development Authority	2017-18 to 2019-20	03
23.	-do-	Saharanpur Development Authority	2017-18 to 2019-20	03
24.	-do-	Ayodhya/ Faizabad Development Authority	2017-18 to 2019-20	03
25.	-do-	Firozabad/Shikohabad Development Authority	2017-18 to 2019-20	03
26.	-do-	Kanpur Development Authority	2017-18 to 2019-20	03
27.	-do-	Rampur Development Authority	2017-18 to 2019-20	03
28.	-do-	Unnao Shuklaganj Development Authority	2017-18 to 2019-20	03
29.	-do-	Jhansi Development Authority	2017-18 to 2019-20	03
30.	-do-	Muzzaffarnagar Development Authority	2017-18 to 2019-20	03
31.	-do-	Bulandshahar Development Authority	2017-18 to 2019-20	03
32.	-do-	Khurja Development Authority	2017-18 to 2019-20	03
33.	-do-	Urai Development Authority	2017-18 to 2019-20	03
34.	-do-	Banda Development Authority	2017-18 to 2019-20	03
35.	-do-	Baghpat Badaut Khekda Development Authority	2017-18 to 2019-20	03

Sl. No.	Name of Department	Name of the Body/Authority	Year(s) for which accounts had not been received	Total No. of pending annual accounts
36.	Housing and Urban Planning Department	Azamgarh Development Authority	2017-18 to 2019-20	03
37.	-do-	Basti Development Authority	2017-18 to 2019-20	03
38.	-do-	Special Area Development Authority, Shakti Nagar	2017-18 to 2019-20	03
39.	-do-	Special Area Development Authority, Chitrakoot	2017-18 to 2019-20	03
40.	-do-	Special Area Development Authority, Kapilvastu	2017-18 to 2019-20	03
41.	-do-	Special Area Development Authority, Vindhyachal-Mirzapur	2017-18 to 2019-20	03
42.	-do-	Special Area Development Authority, Kushinagar	2017-18 to 2019-20	03
43.	-do-	UP Real Estate Regulatory Authority	2018-19 to 2019-20	02
44.	Energy Department	Uttar Pradesh Electricity Regulatory Commission	2019-20	01
45.	Child Welfare Department	U.P. State Commission for Protection of Child Rights	2005-06 to 2019-20	15
46.	Higher Education	Dr. Bhim Rao Ambedkar University, Agra	2019-20	01
47.	-do-	Deendayal Upadhyay University	2019-20	01
48.	-do-	Dr. Ram Manohar Lohia National Law University Lucknow	2019-20	01
49.	-do-	Lucknow University	2019-20	01
50.	-do-	Choudhary Charan Singh University	2019-20	01
51.	-do-	U P Rajarshi Tandon Open University	2019-20	01
52.	-do-	Prof Rajendra Singh (Rajju Bhaiya) University	2019-20	01
53.	-do-	Siddharth University, Kapilvastu, Siddharth Nagar	2019-20	01
54.	-do-	Mahatma Gandhi Kashi Vidhyapith	2019-20	01
55.	-do-	Sampurnanand Sanskrit Viswavidyalaya	2019-20	01
56.	-do-	Jannayak Chandrashekhar University	2019-20	01
57.	-do-	Khwaja Moinuddin Chisti Urdu, Arbi, Farsei University	2019-20	01
58.	-do-	Bundelkhand University	2019-20	01
59.	Industrial Development	Gautam Budh University	2019-20	01
60.	Technical Education	Madan Mohan Malviya University of Agriculture and Technology	2019-20	01
61.	-do-	Harcourt Butler Technological University	2019-20	01
62.	-do-	Dr. A.P.J. Abdul Kalam Technical University	2019-20	01
63.	Handicapped Welfare	Dr. Shakuntala Mishra National Rehabilitation University	2019-20	01
Total				218

Appendix 4.2

(Referred to in paragraph 4.14)

Statement of finalisation of accounts and investments in Departmental Commercial Undertakings

(₹ in crore)

Sl. No.	Name of the undertaking	Accounts finalised up to	Investment as per the last accounts finalised
Irrigation Department			
1.	Irrigation Workshop Division, Kanpur	2019-20	1.94
2.	Irrigation Workshop Division, Jhansi	2019-20	11.95
3.	Irrigation Workshop Division, Bareilly	2019-20	13.10
4.	Irrigation Workshop Division, Meerut	2019-20	1.98
5.	Irrigation Workshop Division, Gorakhpur	2019-20	0.54
6.	Irrigation Workshop Division, Prayagraj	2019-20	3.97
Food and Civil Supplies Department			
7.	Food Commissioner and CAO	2014-15	4,002.95
Animal Husbandry Department			
8.	Dy. Director, Animal Husbandry Farms Corporation	2015-16	32.61
Health Department			
9.	Dy. Director, State Ayurvedic & Unani Medicine Department	1987-88	Not available
Total			4,069.04

Appendix-5.1

(Referred to in Paragraphs 5.1, 5.5, 5.6, 5.7 and 5.16.1)

Summarised financial results of State Public Sector Undertakings covered in this Chapter for the latest year for which accounts were finalised

(₹ in crore)

Sl. No.	Name of PSU	Period of Account	Net Profit/Loss before interest and Tax	Net Profit/Loss after interest and Tax	Turnover	Paid up Capital including share application money	Capital Employed ¹	Net Worth/ Shareholders' Fund	Accumulated profit/ loss
I	Power Sector PSUs								
A	Government Companies								
1	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	2018-19	1138.79	123.75	9358.47	12305.55	23956.03	12928.09	1173.67
2	Uttar Pradesh Jal Vidyut Nigam Limited	2017-18	-3.15	-25.68	97.39	435.33	209.02	56.94	-378.39
3	Jawaharpur Vidyut Utpadan Nigam Limited (Subsidiary of Sl. No.1)	2018-19	3.74	2.64	0	551.05	1802.31	553.43	2.38
4	Uttar Pradesh Power Transmission Corporation Limited	2018-19	706.60	-356.27	2364.28	14060.07	23152.35	12250.65	-1809.24
5	Purvanchal Vidyut Vitaran Nigam Limited (Subsidiary of Sl. No. 10)	2018-19	163.88	-978.11	11036.93	18698.49	14175.13	-674.95	-19373.44
6	Paschimanchal Vidyut Vitaran Nigam Limited (Subsidiary of Sl. No. 10)	2018-19	-577.61	-1290.50	16334.27	14679.36	9009.57	-1547.35	-16226.71
7	Madhyanchal Vidyut Vitaran Nigam Limited (Subsidiary of Sl. No. 10)	2018-19	125.01	-746.48	10029.68	17440.46	14462.83	2687.23	-14753.23
8	Dakshinanchal Vidyut Vitaran Nigam Limited (Subsidiary of Sl. No. 10)	2018-19	-1121.60	-2567.16	10174.60	18412.68	7454.00	-9533.02	-27945.70

¹ Capital employed is the sum total of Shareholders' fund and Long Term Loans.

Sl. No.	Name of PSU	Period of Account	Net Profit/Loss before interest and Tax	Net Profit/Loss after interest and Tax	Turnover	Paid up Capital including share application money	Capital Employed ¹	Net Worth/ Shareholders' Fund	Accumulated profit/ loss
9	Kanpur Electricity Supply Company Limited (Subsidiary of Sl. No. 10)	2018-19	-279.32	-449.64	2449.94	1955.83	324.33	-1615.83	-3571.66
10	Uttar Pradesh Power Corporation Limited	2017-18	-8118.80	-8118.80	0	82991.49	-60729.08	-60729.08	-79321.02
11	UCM Coal Company Limited (Joint Venture of Sl. No. 1)	2018-19	-1.19	-1.19	0	0.16	0.25	-2.25	-2.41
Sub Total (A)			-7963.65	-14,407.44	61,845.56	181530.47²	33816.74	-45626.14³	-162205.75
II	Other than power sector PSUs								
A	Government Companies								
1	Uttar Pradesh Metro Rail Corporation Limited (Lucknow Metro)	2018-19	-70.02	-72.11	15.04	2041.00	6509.65	1897.60	-143.40
2	NOIDA Metro Rail Corporation Limited	2019-20	-16.14	-92.47	60.71	1400.24	3198.95	1245.40	-154.84
3	U.P. Projects Corporation Limited	2017-18	15.39	9.63	591.20	6.40	126.03	126.03	119.63
4	Uttar Pradesh State Construction & Infrastructure Development Corporation Limited(formerly known asUttar Pradesh Samaj Kalyan Nirman Nigam Limited)	2017-18	1.26	0.91	582.35	0.15	74.20	74.20	74.05
5	Shretron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	2018-19	1.00	0.61	43.21	7.12	13.64	11.21	4.09

² Paid up capital of ₹ 1,81,530.47 crore includes an amount of ₹ 64,950.68 crore in holding companies at Sl. No. 1 (₹ 551.13 crore) and Sl. No. 10 (₹ 64,399.55 crore) which was given by the Government for their subsidiary/associates/joint venture companies at Sl. No. 3, 5, 6, 7, 8, 9 and 11. Therefore, the amount of ₹ 64,950.68 crore has been excluded for calculation of net worth and capital employed.

³ Net worth is the sum total of paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure. DRE of ₹ 0.18 crore was deducted in case of Uttar Pradesh Power Transmission Corporation Limited to arrive at the net worth figure.

Sl. No.	Name of PSU	Period of Account	Net Profit/Loss before interest and Tax	Net Profit/Loss after interest and Tax	Turnover	Paid up Capital including share application money	Capital Employed ¹	Net Worth/ Shareholders' Fund	Accumulated profit/ loss
6	Uptron Powertronics Ltd. (subsidiary of Uttar Pradesh Electronics Corporation)	2017-18	0.60	0.31	17.48	4.07	2.53	2.53	-1.54
7	Uttar Pradesh Electronics Corporations Limited	2017-18	3.27	2.35	45.68	91.54	143.88	35.92	7.49
8	Uttar Pradesh Development Systems Corporation Limited	2018-19	18.94	12.16	224.84	1.00	33.01	33.01	32.01
9	Uttar Pradesh Purva Sainik Kalyan Nigam Limited	2018-19	54.71	54.71	445.66	0.43	321.59	321.59	321.16
10	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited	2017-18	0.04	0.04	0.18	0.25	1.97	-0.51	-0.76
11	Uttar Pradesh Police Avas Nigam Limited	2018-19	-11.30	-11.30	50.98	3.00	21.80	21.80	18.80
12	Uttar Pradesh Export Promotion Council	2019-20	-0.04	-0.04	1.38	0.05	6.07	1.07	1.02
13	Allahabad City Transport Services Limited	2017-18	-7.16	-7.16	16.03	4.91	-6.21	-14.95	-19.86
14	Uttar Pradesh State Spinning Company Limited	2017-18	-4.23	-8.07	0.00	93.24	-73.72	-175.60	-268.84
15	The Pradeshiya Industrial and Investment Corporation of UP Limited	2018-19	18.80	15.00	9.25	135.58	697.22	-243.91	-379.49
Sub Total (A)			5.12	-95.43	2103.99	3788.98	11070.61	3335.39	-390.48
B	Other Government controlled companies								
16	Almora Magnesite Limited (139 (5) & (7) Company)	2019-20	-0.24	-0.29	24.15	2.00	7.60	7.30	5.51
17	Agra Smart City Limited	2018-19	-1.81	-1.82	0.00	216.00	214.17	214.17	-1.83
18	Aligarh Smart City Limited	2018-19	-1.42	-1.42	0.02	2.00	-0.32	-0.32	-2.32

Sl. No.	Name of PSU	Period of Account	Net Profit/Loss before interest and Tax	Net Profit/Loss after interest and Tax	Turnover	Paid up Capital including share application money	Capital Employed ¹	Net Worth/ Shareholders' Fund	Accumulated profit/ loss
19	Varanasi Smart City Limited	2018-19	11.15	7.90	0.00	50.00	61.69	61.69	11.69
Sub Total (B)			7.68	4.37	24.17	270.00	283.14	282.84	13.05
C.	Statutory Corporations								
20	Uttar Pradesh Avas Evam Vikas Parishad	2018-19	167.37	167.37	942.99	0.00	5039.65	5039.65	5039.65
21	Uttar Pradesh Forest Corporation	2017-18	81.10	80.38	345.50	0.00	1536.08	1523.08	1523.08
22	Uttar Pradesh State Road Transport Corporation	2018-19	39.85	39.85	4523.19	926.19	-74.59	-116.31	-1042.50
Sub Total (C)			288.32	287.60	5811.68	926.19	6501.14	6446.42	5520.23
Total of other than power sector PSUs (A+B+C)			301.12	196.54	7939.84	4985.17⁴	17854.89	10064.65⁵	5142.80
Grand Total (I+II)			-7662.53	-14210.90	69785.40	186515.64	51671.63	-35561.49	-157062.95

⁴ Paid up capital of ₹ 4,985.17 crore includes an amount of ₹ 63.11 crore in holding Company at Sl. number 7 which was given by the Government for their subsidiary companies. Therefore, the amount of ₹ 63.11 crore has been excluded for calculation of net worth and capital employed. Further, loan amount of ₹ 2.46 crore was given by GoUP to holding Company at SI No. 7 for its subsidiary companies. Therefore, the same has also been excluded for calculation of capital employed.

⁵ Net worth is the sum total of the paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure (DRE). DRE of ₹ 0.21 crore was deducted in case of Almora Magnesite Limited to arrive at the net worth figure.

Appendix-5.2

(Referred to in paragraph 5.1)

Details of State PSUs not covered in this Chapter

(₹ in crore)

Sl. No.	Name of the PSUs	Period of latest finalised accounts	Year in which finalised	Net Profit/Loss after Intt., Tax & Dividend	Turnover	Paid Up Capital
1	2	3	4	5	6	7
I	Power Sector PSUs					
A	Functional PSUs with arrears of accounts for three or more years/first accounts not received/not due					
a	Government Companies					
1	UPSIDC Power Company Ltd.	2013-14	2016-17	-0.02	Nil	0.05
B	Non-Functional PSUs					
a	Government Companies					
2	Southern UP Power Transmission Company Ltd.	2018-19	2019-20	0.00	Nil	2.22
	Total of Power Sector PSUs (A+B)			-0.02	Nil	2.27
II	Other than power sector PSUs					
A	Functional PSUs with arrears of accounts for three or more years/first accounts not received/not due					
a	Government Companies					
1	Uttar Pradesh Alpsankhyak Vittyta Avam Vikas Nigam Limited	2005-06	2017-18	-1.1	3.32	30
2	Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited	2015-16	2019-20	0.39	1.24	12.23
3	Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited	2015-16	2018-19	11.89	67.74	230.42
4	Uttar Pradesh Food and Essential Commodities Corporation Limited	2010-11	2018-19	10.86	1535.05	5.5
5	Uttar Pradesh Bhumi Sudhar Nigam	2016-17	2019-20	0.1	0.17	1.5
6	Uttar Pradesh Mahila Kalyan Nigam Limited	2013-14	2014-15	0.36	0.6	5.19
7	Uttar Pradesh Waqf Vikas Nigam Limited	2003-04	2016-17	-0.21	0.38	5.25
8	Uttar Pradesh State Agro Industrial Corporation Limited	2010-11	2016-17	10.26	793.26	46.3
9	Uttar Pradesh Rajkiya Nirman Nigam Limited	2013-14	2018-19	82.47	3438.74	1
10	Uttar Pradesh State Bridge Corporation Limited	2015-16	2018-19	24.13	1892.52	15
11	Uttar Pradesh Small Industries Corporation Limited	2009-10	2019-20	5.72	291.77	5.96
12	Uttar Pradesh Beej Vikas Nigam Limited	2015-16	2019-20	-35.94	229.63	6.92
13	Uttar Pradesh Matsya Vikas Nigam Limited	2016-17	2019-20	0.92	8.58	1.07
14	Uttar Pradesh Drugs and Pharmaceuticals Limited	2009-10	2012-13	-8.53	0.33	1.1

Sl. No.	Name of the PSUs	Period of latest finalised accounts	Year in which finalised	Net Profit/Loss after Intt., Tax & Dividend	Turnover	Paid Up Capital
15	Uttar Pradesh Rajya Chini Avam Ganna Vikas Nigam Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	2015-16	2018-19	-11.5	0	880.13
16	Uttar Pradesh State Sugar Corporation Limited	2015-16	2018-19	0.87	100.39	1648.31
17	Uttar Pradesh Handicraft & Marketing Development Corporation Limited (Formerly Uttar Pradesh Export Corporation Limited)	2007-08	2017-18	-0.13	10.65	7.24
18	Uttar Pradesh State Tourism Development Corporation Limited	2016-17	2019-20	0.52	34.03	32.6
19	Lucknow City Transport Services Limited	Accounts not received	-	-	-	-
20	Meerut City Transport Services Limited	2013-14	2019-20	-0.17	17.19	0.05
21	Agra Mathura City Transport Services Limited	Accounts not received	-	-	-	-
22	Kanpur City Transport Services Limited	Accounts not received	-	-	-	-
23	Varanasi City Transport Services Limited	Accounts not received	-	-	-	-
24	Uttar Pradesh Medical Supply Corporation Limited (Incorporated on 23.03.2018)	Accounts not received	-	-	-	-
25	Uttar Pradesh Rajya Krishi Evam Gramin Vikas Nigam Limited (Incorporated on 04.10.2018)	Accounts not received	-	-	-	-
	Sub Total (a)			90.91	8425.59	2935.77
b	Other Government Controlled Companies					
26	Jhansi Smart City Limited (Incorporated on 22.11.2016)	Accounts not received	-	-	-	-
27	Kanpur Smart City Limited (Incorporated on 08.12.2016)	Accounts not received	-	-	-	-
28	Bareilly Smart City Limited (Incorporated on 03.04.2018)	Accounts not received	-	-	-	-
29	Prayagraj Smart City Limited (Incorporated on 29.08.2017)	Accounts not received	-	-	-	-
30	Lucknow Smart City Limited	2016-17	2017-18	-0.22	0.00	0.50
31	Moradabad Smart City Limited (DOI 16.06.2018)	Accounts not received		-	-	-
32	Saharanpur Smart City Limited (DOI 01.03.2018)	Accounts not received		-	-	-
	Sub Total (b)			-0.22	0.00	0.50
c	Statutory Corporation					
33	Uttar Pradesh Financial Corporation	2012-13	2015-16	17.38	22.22	179.28
34	Uttar Pradesh State Warehousing Corporation	2016-17	2018-19	45.66	474.83	13.00

Sl. No.	Name of the PSUs	Period of latest finalised accounts	Year in which finalised	Net Profit/Loss after Intt., Tax & Dividend	Turnover	Paid Up Capital
35	Uttar Pradesh Jal Nigam	2016-17	2018-19	-317.07	462.27	0.00
	Sub Total (c)			-254.03	959.32	192.28
	Total of (A=a+b+c)			-163.34	9384.91	3128.55
B	Non-functional PSUs					
a	Government Companies					
36	Uplease Financial Services Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	1997-98	1998-99	-0.4	1.29	1.05
37	Uttar Pradesh State Mineral Development Corporation Limited	2013-14	2016-17	-0.48	0	59.43
38	Chhata Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	2016-17	2019-20	-0.6	0	81.38
39	Ghatampur Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	2016-17	2017-18	-0.6	0	147.72
40	Nandganj-Sihori Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	2016-17	2019-20	-0.57	0	256.8
41	The Indian Turpentine and Rosin Company Limited	2010-11	2012-13	-0.6	0.03	0.22
42	Uttar Pradesh Instruments Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	2001-02	2005-06	-0.29	0.16	1.93
43	Uttar Pradesh State Brassware Corporation Limited	1997-98	2007-08	2.39	0.53	5.38
44	Uttar Pradesh State Textile Corporation Limited	2018-19	2019-20	-12.19	0	160.79
45	Uttar Pradesh State Handloom Corporation Limited	1999-00	2018-19	-13.84	28.68	47.07
46	Uttar Pradesh State Leather Development and Marketing Corporation Limited	2000-01	2002-03	0.26	3.6	5.74
47	Uttar Pradesh State Yarn Company Limited	2019-20	2019-20	9.16	0	53.67
48	Uttar Pradesh Pashudhan Udyog Nigam Limited	2015-16	2018-19	0.18	0	2.73
49	Uttar Pradesh Poultry and Livestock Specialties Limited	2012-13	2018-19	-0.18	0	0.5
50	Uttar Pradesh State Horticultural Produce Marketing & Processing Corporation Limited	1984-85	1994-95	-0.67	0.27	1.9
51	Uttar Pradesh (Paschim) Ganna Beej Evam Vikas Nigam Limited	2013-14	2014-15	-0.12	0	0.64
52	Uttar Pradesh Panchayati Raj Vitta Evam Vikas Nigam Limited	1995-96	2012-13	-0.16	0.45	1.46
53	Agra Mandal Vikas Nigam	1988-89	2007-08	-0.09	3.91	1

Sl. No.	Name of the PSUs	Period of latest finalised accounts	Year in which finalised	Net Profit/Loss after Intt., Tax & Dividend	Turnover	Paid Up Capital
	Limited					
54	Allahabad Mandal Vikas Nigam Limited	1983-84	1992-93	-0.11	2.74	0.55
55	Bareilly Mandal Vikas Nigam Limited	1988-89	2011-12	-0.39	3.33	1
56	Gorakhpur Mandal Vikas Nigam Limited	1988-89	2013-14	-0.07	0.25	1.26
57	Lucknow Mandaliya Vikas Nigam Limited	1981-82	1992-93	0.01	1.7	0.5
58	Meerut Mandal Vikas Nigam Limited	2008-09	2010-11	-0.03	0	1
59	Moradabad Mandal Vikas Nigam Limited	1991-92	2011-12	-0.19	0.85	0.25
60	Tarai Anusuchit Janjati Vikas Nigam Limited	1982-83	1990-91	-0.04	0.01	0.25
61	Uttar Pradesh Bundelkhand Vikas Nigam Limited	2010-11	2016-17	0.09	0	1.23
62	Uttar Pradesh Chalchitra Nigam Limited	2009-10	2011-12	-0.38	0.12	8.18
63	Uttar Pradesh Poorvanchal Vikas Nigam Limited	1987-88	1994-95	-0.14	1.3	1.15
64	Varanasi Mandal Vikas Nigam Limited	1987-88	1993-94	-0.03	1.47	0.7
	Sub Total (a)			-20.08	50.69	845.48
b	Other Government Controlled Companies					
65	Command Area Poultry Development Corporation Limited	1994-95	-	0.01	0.96	0.24
	Sub Total (b)			0.01	0.96	0.24
c	Statutory Corporations	-	-	-	-	-
	Sub Total (c)	-	-	-	-	-
	Total of (B=a+b+c)			-20.07	51.65	845.72
C	PSUs under liquidation (UL)					
a	Government Companies					
66	Uttar Pradesh (Poorva) Ganna Beej Evam Vikas Nigam Limited	2002-03 (UL from 01 July 03)	2004-05	-0.18	0.04	0.31
67	Uttar Pradesh (Rohilkhand Tarai) Ganna Beej Evam Vikash Nigam Limited	2006-07 (UL from 01 July 03)	2008-09	-1.05	0.11	0.71
68	Uttar Pradesh Cement Corporation Limited	1995-96 (UL from 08 February 1999)	1996-97	-47.75	113.01	68.28
69	Vindhyachal Abrasives Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	1987-88 (UL from 28 November 2002)	1995-96	-0.12	0	0
70	Auto Tractors Limited	1991-92 (UL from 14 February 2003)	1995-96	0.11	6.31	7.5
71	Bhadohi Woollens Limited (Subsidiary of Uttar Pradesh	1994-95 (UL from 20	-	-1.66	0.27	3.76

Sl. No.	Name of the PSUs	Period of latest finalised accounts	Year in which finalised	Net Profit/Loss after Intt., Tax & Dividend	Turnover	Paid Up Capital
	State Textile Corporation Ltd.)	February 96)				
72	Continental Float Glass Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	1997-98 (UL from 01 April 2002)	2002-03	0	0	46.24
73	Kanpur Components Limited (Subsidiary of Uttar Pradesh Electronics Corporation Ltd.)	(UL from 10 June 1996)	-	0	0.05	0
74	Uttar Pradesh Abscott Private Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	1975-76 (UL from 19 April 1996)	-	-0.02	0	0.05
75	Uttar Pradesh Carbide and Chemicals Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	1992-93 (UL from 19 February 94)	-	-6.18	2.26	6.58
76	Uttar Pradesh Plant Protection Appliances (Private) Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	1974-75 (UL from November 2003)	1984-85	-0.01	0.04	0.01
77	Uptron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	1995-96	1997-98	-32.12	97.15	53.16
	Sub Total (a)			-88.98	219.24	186.6
b	Other Government Controlled Companies					
78	Electronics and Computers (India)	(UL from 14 July 1981)	-	0	0	0
	Sub Total (b)			0	0	0
	Total of (C=a+b)			-88.98	219.24	186.6
	Total of other than power sector (II=A+B+C)			-272.39	9655.80	4160.87
	Grand Total (I +II)			-272.41	9655.80	4163.14

Appendix-5.3
(Referred to in Paragraph 5.2 and 5.5)

Statement showing position of equity and outstanding loans relating to PSUs covered in this Chapter as on 31 March 2020

(₹ in crore)

Sl. No.	Name of the PSUs	Name of Department	Number of PSU	Month and year of incorporation	Equity at close of the year 2019-20				Long Terms Loans outstanding at close of the year 2019-20				Total Investment (Equity and Long term loans)
					State Govt.	GoI	Others	Total	State Govt. loan	Central Govt. Loan	Holding Company/ Other Financial Institutions loan	Long Terms Loans	
1	2	3	4	5	6 (a)	6 (b)	6 (c)	6 (d)	7 (a)	7(b)	7(c)	7 (d)	8
I	Power Sector PSUs												
A	Government Companies												
1.	UP Rajya Vidyut Utpadan Nigam Limited (including subsidiary JVUNL)	Energy	2	25 August 1980 (UPRVUNL only)	15200.69	0.00	0.00	15200.69	0.00	0.00	16049.23	16049.23	31249.92
2.	UP Jal Vidyut Nigam Limited	Energy	1	15 April 1985	435.33	0.00	0.00	435.33	64.65	0.00	85.21	149.86	585.19
3.	UP Power Transmission Corporation Limited (UPPTCL)	Energy	1	13 July 2006	15576.01 ⁶	0.00	0.00	15576.01	0.00	0.00	12987.04	12987.04	28563.05
4.	UPPCL (including PuVVNL, PVVNL, DVVNL, MVVNL and KESCO)	Energy	6	30 November 1999 (UPPCL only)	94948.52 ⁷	0.00	0.20 ⁸	94948.72	553.91	0.00	51902.24	52456.15	147404.87
5.	UCM Coal Company Limited	Energy	1	16 October 2008	0.00	0.00	0.16	0.16	0.00	0.00	2.50	2.50	2.66
	Total of Power Sector PSUs (I)		11		126160.55	0.00	0.36	126160.91	618.56	0.00	81026.22	81644.78	207805.69

⁶ It includes ₹ 2,213.27 crore of GoUP investment obtained through UPPCL.

⁷ It excludes ₹ 2,213.27 crore of GoUP investment in UPPTCL through UPPCL as the same is included in GoUP investment in UPPTCL. Further, it excludes ₹ 2.22 crore of GoUP investment in SUPPTCL through UPPCL as SUPPTCL is not covered in this Chapter.

⁸ ₹ 0.20 crore appearing in category of “others” is on account of promoters’ shares allotted to UPPCL by DISCOMs i.e. 500 equity shares valuing to ₹ 5.00 lakh (500 shares @ ₹ 1000/- each) to four DISCOMs.

Sl. No.	Name of the PSUs	Name of Department	Number of PSU	Month and year of incorporation	Equity at close of the year 2019-20				Long Terms Loans outstanding at close of the year 2019-20				Total Investment (Equity and Long term loans)
					State Govt.	GoI	Others	Total	State Govt. loan	Central Govt. Loan	Holding Company/ Other Financial Institutions loan	Long Terms Loans	
II Other than Power Sector PSUs													
B Government Companies													
1	U P Metro Rail Corporation Limited (Erstwhile Lucknow Metro Rail Corporation Limited)	Housing and Urban Planning	1	25 November 2013	1277.95	1138.94	0.05	2416.94	830.00	297.00	3502.00	4629.00	7045.94
2	NOIDA Metro Rail Corporation Limited	Infrastructure and Industrial Development	1	11 May 2014	0.00	687.62	712.62	1400.24	240.55	283.00	1430.00	1953.55	3353.79
3	U.P. Projects Corporation Limited	Irrigation	1	26 May 1976	5.40	1.00	0.00	6.40	0.00	0.00	0.00	0.00	6.40
4	Uttar Pradesh State Construction & Infrastructure Development Corporation Limited (formely known as Uttar Pradesh Samaj Kalyan Nirman Nigam Limited)	Samaj Kalyan	1	25 June 1976	0.15	0.00	0.00	0.15	0.00	0.00	0.00	0.00	0.15
5	Shreetron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Information Technology and Electronics	1	02 October 1979	0.00	0.00	0.77	0.77	0.00	0.00	0.00	0.00	0.77
6	Uptron Powertronics Ltd. (subsidiary of Uttar Pradesh Electronics Corporation)	Information Technology and Electronics	1	04 October 1974	0.00	0.00	1.47	1.47	0.00	0.00	2.64	2.64	4.11

Sl. No.	Name of the PSUs	Name of Department	Number of PSU	Month and year of incorporation	Equity at close of the year 2019-20				Long Terms Loans outstanding at close of the year 2019-20				Total Investment (Equity and Long term loans)
					State Govt.	GoI	Others	Total	State Govt. loan	Central Govt. Loan	Holding Company/ Other Financial Institutions loan	Long Terms Loans	
7	Uttar Pradesh Electronics Corporations Limited	Information Technology and Electronics	1	20 March 1974	91.54 ⁹	0.00	0.00	91.54	112.08 ¹⁰	0.00	0.00	112.08	203.62
8	Uttar Pradesh Development Systems Corporation Limited	Information Technology and Electronics	1	15 March 1977	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	1.00
9	Uttar Pradesh Purva Sainik Kalyan Nigam Limited	Samaj Kalyan	1	23 May 1989	0.43	0.00	0.00	0.43	0.00	0.00	0.00	0.00	0.43
10	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited	Sugar Industry and Cane Development	1	27 August 1975	0.15	0.00	0.10	0.25	0.00	0.00	0.00	0.00	0.25
11	Uttar Pradesh Police Avas Nigam Limited	Home	1	27 March 1987	3.00	0.00	0.00	3.00	0.00	0.00	0.00	0.00	3.00
12	Uttar Pradesh Export Promotion Council	Laghu Udyog evam Niryat Protsahan	1	11 August 2016	0.05	0.00	0.00	0.05	5.00	0.00	0.00	5.00	5.05
13	Allahabad City Transport Services Limited	Urban Development	1	27 April 2010	0.05	0.00	4.86	4.91	0.00	0.00	6.57	6.57	11.48

⁹ Government of UP Investment in the form of Equity of ₹ 91.54 crore in holding company at SI. No. 7 includes an amount of ₹ 8.95 crore (₹ 6.35 crore and ₹ 2.60 crore) which was given for its subsidiary companies at SI. No. 5 and 6. The same has been excluded from Equity of these subsidiary companies to avoid double counting of investment.

¹⁰ Government of UP Investment in the form of Long term loan of ₹ 112.48 crore in holding company at SI. No. 7 includes an amount of ₹ 2.09 crore which was given for its subsidiary companies at SI No. 5 (₹ 2.06 crore) and SI. No. 6 (₹ 0.03 crore). The same has been excluded from Long term loan of these subsidiary companies to avoid double counting of investment.

Sl. No.	Name of the PSUs	Name of Department	Number of PSU	Month and year of incorporation	Equity at close of the year 2019-20				Long Terms Loans outstanding at close of the year 2019-20				Total Investment (Equity and Long term loans)
					State Govt.	GoI	Others	Total	State Govt. loan	Central Govt. Loan	Holding Company/ Other Financial Institutions loan	Long Terms Loans	
14	Uttar Pradesh State Spinning Company Limited	Hathkargha evam Vastra Udhhyog	1	20 August 1976	93.24	0.00	0.00	93.24	148.25	0.00	0.00	148.25	241.49
15	The Pradeshiya Industrial and Investment Corporation of UP Limited	Infrastructure and Industrial Development	1	29 March 1972	110.58	0.00	25.00	135.58	1212.21	4.10	0.00	1216.31	1351.89
	Sub Total (B)		15		1583.54	1827.56	744.87	4155.97	2548.09	584.10	4941.21	8073.40	12229.37
C	Other Government controlled companies												
16	Almora Magnesite Limited (139 (5) & (7) Company)		1	27 August 1971	0.00	0.00	2.00	2.00	0.00	0.00	0.08	0.08	2.08
17	Agra Smart City Limited	Urban Development	1	01 September 2017	0.00	0.00	216.00	216.00	0.00	0.00	0.00	0.00	216.00
18	Aligarh Smart City Limited	Urban Development	1	30 August 2017	0.00	0.00	2.00	2.00	0.00	0.00	0.00	0.00	2.00
19	Varanasi Smart City Limited	Urban Development	1	29 October 2016	0.00	0.00	50.00	50.00	0.00	0.00	0.00	0.00	50.00
	Sub Total (C)		4		0.00	0.00	270.00	270.00	0.00	0.00	0.08	0.08	270.08
D	Statutory Corporation												
20	Uttar Pradesh Avas Evam Vikas Parishad	Housing and Urban Planning	1	04 March 1966	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21	Uttar Pradesh Forest Corporation	Forest	1	25 November 1974	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	Uttar Pradesh State Road Transport Corporation	Transport	1	06 January 1972	903.60	60.01	0.00	963.61	35.00	0.00	0.00	35.00	998.61
	Sub Total (D)		3		903.60	60.01	0.00	963.61	35.00	0.00	0.00	35.00	998.61
	Total of other than Power Sector PSUs (B+C+D)		22		2487.14	1887.57	1014.87	5389.58	2583.09	584.10	4941.29	8108.48	13498.06
	Grand Total (I + II)		33		128647.69	1887.57	1015.23	131550.49	3201.65	584.10	85967.51	89753.26	221303.75

Appendix-5.4
(Referred to in paragraph 5.4)

Statement showing difference between Finance Accounts of Government of Uttar Pradesh and Accounts of the Public Sector Undertakings in respect of balances of Equity, Loans and Guarantees as on 31 March 2020

(₹ in crore)

Sl. No.	Name of the PSUs	As per records of PSU			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding
1	2	3	4	5	6	7	8	9 = 3-6	10 = 4-7	11 = 5-8
I	Power Sector PSUs									
A	Functional PSUs									
1	Kanpur Electricity Supply Company Limited	0.00	-	-	0.07	-	-	(-) 0.07	-	-
2	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	15,200.69	0.00	25766.22	12,305.55	0.00	28371.91	2895.14	0.00	(-) 2595.69
3	Uttar Pradesh Power Transmission Corporation Limited	13362.68	0.00	972.40	15576.01	0.00	972.40	(-) 2213.33	0.00	0.00
4	Uttar Pradesh Jal Vidyut Nigam Limited	435.33	64.65	0.00	435.33	0.00	0.00	0.00	64.65	0.00
	Sub Total (A)	28998.70	64.65	26738.62	28316.96	0.00	29334.31	681.74	64.65	(-)2595.69
B	Non-functional PSUs									
	NIL									
	Total of Power Sector PSUs	28998.70	64.65	26738.62	28316.96	0.00	29334.31	681.74	64.65	(-)2595.69
II	Other than Power Sector PSUs									

Sl. No.	Name of the PSUs	As per records of PSU			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding
A	Functional PSUs									
1	U P Metro Rail Corporation Limited (Erstwhile Lucknow Metro Rail Corporation Limited)	1277.95	830.00	0.00	1278.00	991.00	0.00	-0.05	-161.00	0.00
2	NOIDA Metro Rail Corporation Limited	0.00	240.55	0.00	0.00	0.00	0.00	0.00	240.55	0.00
3	Uttar Pradesh Avas Evam Vikas Parishad	0.00	0.00	0.00	0.00	0.31	0.00	0.00	-0.31	0.00
4	Uttar Pradesh State Road Transport Corporation	903.60	35.00	0.00	766.18	42.45	0.00	137.42	-7.45	0.00
5	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited	0.15	0.00	0.00	0.15	0.00	1.80	0.00	0.00	-1.80
6	Uttar Pradesh Export Promotion Council	0.05	5.00	0.00	0.00	0.00	0.00	0.05	5.00	0.00
7	Allahabad City Transport Services Limited	0.05	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00
8	Uttar Pradesh State Spinning Company Limited	93.24	148.25	0.00	93.24	15.68	0.00	0.00	132.57	0.00
9	The Pradeshiya Industrial and	110.58	1212.21	1.39	110.58	452.54	1.39	0.00	759.67	0.00

Sl. No.	Name of the PSUs	As per records of PSU			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding
	Investment Corporation of UP Limited									
10	Uttar Pradesh Alpsankhyak Vitty Avam Vikas Nigam Limited	30.00	0.00	0.00	30.00	15.18	0.00	0.00	-15.18	0.00
11	Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited	12.23	57.43	0.00	13.56	0.00	52.65	-1.33	57.43	-52.65
12	Uttar Pradesh Food and Essential Commodities Corporation Limited	12.34	0.00	0.00	12.34	-7.31	0.00	0.00	7.31	0.00
13	Uttar Pradesh State Agro Industrial Corporation Limited	58.32	29.00	0.00	59.01	4.69	0.00	-0.69	24.31	0.00
14	Uttar Pradesh Rajkiya Nirman Nigam Limited	1.00	2179.24	2380.00	1.00	0.00	2150.91	0.00	2179.24	229.09
15	Uttar Pradesh State Bridge Corporation Limited	15.00	0.00	1000.00	15.00	0.00	542.41	0.00	0.00	-540.94
16	Uttar Pradesh Small Industries Corporation Limited	5.96	3.57	0.00	5.96	0.41	0.00	0.00	3.16	0.00

Sl. No.	Name of the PSUs	As per records of PSU			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding
17	Uttar Pradesh Rajya Chini Avam Ganna Vikas Nigam Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	0.00	0.00	0.00	880.13	0.00	0.00	-880.13	0.00	0.00
18	Uttar Pradesh State Sugar Corporation Limited	1648.31	861.00	183.96	1648.31	992.05	120.00	0.00	-131.05	63.96
19	Uttar Pradesh Handicraft & Marketing Development Corporation Limited (Formerly Uttar Pradesh Export Corporation Limited)	6.34	12.44	0.00	6.34	5.95	0.00	0.00	6.49	0.00
20	Uttar Pradesh State Tourism Development Corporation Limited	32.60	0.30	0.00	32.60	2.76	0.00	0.00	-2.46	0.00
21	Lucknow City Transport Services Limited	17.84	0.00	0.00	0.00	0.00	0.00	17.84	0.00	0.00
22	Meerut City Transport Services Limited	4.04	0.00	0.00	0.00	0.00	0.00	4.04	0.00	0.00
23	Agra Mathura City Transport Services Limited	0.05	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00

State Finances Audit Report for the year ended 31 March 2020

Sl. No.	Name of the PSUs	As per records of PSU			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding
24	Kanpur City Transport Services Limited	0.10	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.00
25	Varanasi City Transport Services Limited	0.05	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00
26	Uttar Pradesh Medical Supply Corporation Limited	10.16	0.00	0.00	0.00	0.00	0.00	10.16	0.00	0.00
27	Uttar Pradesh Electronics Corporation Limited.	91.54	112.08	0.00	91.54	31.23	0.00	0.00	80.85	0.00
28	Uttar Pradesh Financial Corporation	114.51	395.59	2.46	114.51	15.11	2.46	0.00	380.48	0.00
29	Uttar Pradesh State Warehousing Corporation	7.61	0.00	1.47	7.60	0.63	0.00	0.01	-0.63	1.47
30	Uttar Pradesh Jal Nigam	0.00	537.96	0.00	0.00	388.77	0.00	0.00	149.19	0.00
	Sub Total (A)	4453.62	6659.62	3569.28	5166.05	2951.45	2871.62	(-)712.43	3708.17	697.66
B	Non-functional PSUs									
31	Uttar Pradesh State Mineral Development Corporation Limited	59.43	18.24	0.00	59.43	4.97	0.00	0.00	13.27	0.00
32	Chhata Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	0.00	0.00	0.00	81.38	0.00	0.00	-81.38	0.00	0.00

Sl. No.	Name of the PSUs	As per records of PSU			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding
33	Ghatampur Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	0.00	0.00	0.00	147.72	0.00	0.00	-147.72	0.00	0.00
34	Nandganj-Sihori Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	0.00	0.00	0.00	256.80	0.00	0.00	-256.80	0.00	0.00
35	The Indian Turpentine and Rosin Company Limited	0.19	5.33	0.00	0.30	1.99	1.76	-0.11	3.34	-1.76
36	Uttar Pradesh Instruments Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	0.09	5.55	0.00	0.09	0.00	0.00	0.00	5.55	0.00
37	Uttar Pradesh State Brassware Corporation Limited	5.28	1.94	0.00	5.28	0.15	0.00	0.00	1.79	0.00
38	Uttar Pradesh State Textile Corporation Limited	197.10	90.86	0.00	160.79	205.11	0.00	36.31	-114.25	0.00

State Finances Audit Report for the year ended 31 March 2020

Sl. No.	Name of the PSUs	As per records of PSU			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding
39	Uttar Pradesh State Handloom Corporation Limited	36.44	154.56	0.00	36.44	12.53	2.34	0.00	142.03	-2.34
40	Uttar Pradesh State Leather Development and Marketing Corporation Limited	5.74	1.91	0.00	5.74	1.40	0.00	0.00	0.51	0.00
41	Uttar Pradesh State Yarn Company Limited	53.67	62.21	0.00	31.91	9.06	0.00	21.76	53.15	0.00
42	Uttar Pradesh Pashudhan Udyog Nigam Limited	2.10	0.71	0.00	2.73	1.10	0.00	-0.63	-0.39	0.00
43	Uttar Pradesh Poultry and Livestock Specialties Limited	2.88	0.00	0.00	0.44	0.00	0.00	2.44	0.00	0.00
44	Uttar Pradesh State Horticultural Produce Marketing & Processing Corporation Limited	6.41	3.34	0.56	8.72	0.00	0.56	-2.31	3.34	0.00
45	Uttar Pradesh (Paschim) Ganna Beej Evam Vikas Nigam Limited	0.51	0.00	0.00	0.51	0.00	0.70	0.00	0.00	-0.70
46	Agra Mandal Vikas Nigam Limited	1.00	0.05	0.00	1.00	0.00	0.00	0.00	0.05	0.00

Sl. No.	Name of the PSUs	As per records of PSU			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding
47	Allahabad Mandal Vikas Nigam Limited	0.67	0.66	0.00	0.67	0.00	0.00	0.00	0.66	0.00
48	Gorakhpur Mandal Vikas Nigam Limited	0.94	0.65	0.00	0.93	0.00	0.00	0.01	0.65	0.00
49	Lucknow Mandaliya Vikas Nigam Limited	0.70	0.86	0.00	0.70	0.00	0.00	0.00	0.86	0.00
50	Moradabad Mandal Vikas Nigam Limited	0.25	0.65	0.00	0.25	0.00	0.00	0.00	0.65	0.00
51	Tarai Anusuchit Janjati Vikas Nigam Limited	0.45	1.25	0.00	0.45	0.00	0.00	0.00	1.25	0.00
52	Uttar Pradesh Bundelkhand Vikas Nigam Limited	1.23	0.05	0.00	1.23	0.00	0.00	0.00	0.05	0.00
53	Uttar Pradesh Chalchitra Nigam Limited	8.18	2.47	0.00	8.18	0.31	0.00	0.00	2.16	0.00
54	Uttar Pradesh Poorvanchal Vikas Nigam Limited	1.30	0.35	0.00	1.30	0.00	0.00	0.00	0.35	0.00
	Sub Total (B)	384.56	351.64	0.56	812.99	236.62	5.36	(-)428.43	115.02	(-)4.80
C	PSUs under Liquidation									
55	Uttar Pradesh (Poorva) Ganna Beej Evam Vikas Nigam Limited	0.23	1.70	0.00	0.23	1.63	0.00	0.00	0.07	0.00

Sl. No.	Name of the PSUs	As per records of PSU			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding	Equity (including share application money pending allotment)	Loan Outstanding	Guarantee Outstanding
56	Uttar Pradesh (Rohilkhand Tarai) Ganna Beej Evam Vikash Nigam Limited	0.38	6.55	0.00	0.38	0.00	0.00	0.00	6.55	0.00
57	Uttar Pradesh Cement Corporation Limited	68.28	124.77	0.00	68.28	37.45	0.00	0.00	87.32	0.00
58	Auto Tractors Limited	5.63	0.38	0.00	5.63	14.89	0.00	0.00	-14.51	0.00
59	Uttar Pradesh Carbide and Chemicals Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	0.00	11.02	0.00	6.59	0.00	0.00	-6.59	11.02	0.00
60	Uptron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	0.00	0.00	0.00	0.00	2.85	0.00	0.00	-2.85	0.00
	Sub Total (C)	74.52	144.42	0.00	81.11	56.82	0.00	(-)6.59	87.60	0.00
	Total of Other than Power Sector PSUs (A+B+C)	4912.70	7155.68	3569.84	6060.15	3244.89	2876.98	(-)1147.45	3910.79	692.86
	Grand Total (I +II)	33911.40	7220.33	30308.46	34377.11	3244.89	32211.29	(-)465.71	3975.44	(-)1902.83

Appendix 5.5
(Referred to in paragraph 5.16.1)

Statement showing position of State Government investment in such Public Sector PSUs accounts of which were in arrears

(₹ in crore)

Sl. No.	Name of PSU	Number of PSUs	Period upto which Accounts finalised	Period for which accounts are in arrears	Paid up Capital including share application money as per finalised accounts	Investment made by State Government during the period for which accounts were in arrear				
						Equity	Loans	Grant	Subsidy	Total
1	2		3	4	5	6	7	8	9	10 (6+7+8+9)
I	Power Sector PSUs									
A.	Functional PSUs									
1	Uttar Pradesh Rajya Vidyut Nigam Limited (including subsidiary i.e. Jawaharpur VUNL)	2	2018-19	2019-20	12305.55	2895.14	0.00	0.00	0.00	2895.14
2	Uttar Pradesh Power Transmission Company Limited	1	2018-19	2019-20	14060.07	1515.94	0.00	0.00	174.54	1690.48
3	Uttar Pradesh Power Corporation Limited (including subsidiaries i.e. MVVNL, DVVNL, PVVNL, PuVVNL and KESCO)	6	2017-18	2018-19 and 2019-20	82991.49	14172.53	615.45	12403.61	23548.71	50740.30
	Total of (A=a+b+c)	9				18583.61	615.45	12403.61	23723.25	55325.92
B.	Non -functional PSUs									
						Nil				
	Total of power sector PSUs (A+B)					18583.61	615.45	12403.61	23723.25	55325.92
II	Other than power sector PSUs									
A.	Functional PSUs									
1	Agra Smart City Limited	1	2018-19	2019-20	216.00	0.00	0.00	10.00	0.00	10.00
2	Varanasi Smart City Limited	1	2018-19	2019-20	50.00	0.00	0.00	10.00	0.00	10.00

State Finances Audit Report for the year ended 31 March 2020

Sl. No.	Name of PSU	Number of PSUs	Period upto which Accounts finalised	Period for which accounts are in arrears	Paid up Capital including share application money as per finalised accounts	Investment made by State Government during the period for which accounts were in arrear				
						Equity	Loans	Grant	Subsidy	Total
3	Uttar Pradesh State Road Transport Corporation	1	2018-19	2019-20	926.19	37.43	0.00	0.00	0.00	37.43
4	The Pradeshiya Industrial and Investment Corporation of U P Limited	1	2018-19	2019-20	135.58	0.00	90.83	0.00	0.00	90.83
5	Uttar Pradesh Development Systems Corporation Limited	1	2018-19	2019-20	1.00	0.00	0.00	1.00	0.00	1.00
6	Allahabad City Transport Services Limited	1	2017-18	2018-19 & 2019-20	4.91	0.00	0.00	26.62	0.00	26.62
7	UP Medical Supplies Corporation Limited	1	—	2018-19 & 2019-20	-	10.16	0.00	800.61	0.00	810.77
8	Uttar Pradesh State Spinning Company Limited	1	2017-18	2018-19 & 2019-20	93.24	0.00	5.89	0.00	0.00	5.89
9	Uttar Pradesh Jal Nigam	1	2016-17	2017-18 & 2019-20	0.00	0.00	0.00	1714.91	0.00	1714.91
10	Uttar Pradesh State Sugar Corporation Limited	1	2015-16	2016-17 to 2019-20	1648.31	0.00	849.00	0.00	0.00	849.00
11	Uttar Pradesh Scheduled Caste Finance and Development Corporation Limited	1	2015-16	2016-17 to 2019-20	230.42	9.95	0.00	0.00	62.11	72.06
12	Uttar Pradesh Food & Essential Corporation Limited	1	2010-11	2011-12 to 2019-20	5.50	6.83	0.00	0.00	0.00	6.83
13	Uttar Pradesh Mahila Kalyan Nigam Limited	1	2013-14	2014-15 to 2019-20	5.19	0.00	0.00	18.92	0.00	18.92

Sl. No.	Name of PSU	Number of PSUs	Period upto which Accounts finalised	Period for which accounts are in arrears	Paid up Capital including share application money as per finalised accounts	Investment made by State Government during the period for which accounts were in arrear				
						Equity	Loans	Grant	Subsidy	Total
14	Uttar Pradesh Waqf Vikas Nigam Limited	1	2003-04	2004-05 to 2019-20	5.25	4.75	0.00	0.00	0.00	4.75
15	Uttar Pradesh Beej Vikas Nigam Limited	1	2015-16	2016-17 to 2019-20	6.92	0.00	0.00	27.48	0.00	27.48
16	Jhansi Smart City Limited	1	—	2016-17 to 2019-20	-	0.00	0.00	36.00	0.00	36.00
17	Uttar Pradesh State Agro Industrial Corporation Limited	1	2010-11	2011-12 to 2019-20	46.30	10.41	0.00	0.00	0.00	10.41
18	U.P. Handicrafts & Marketing Development Corporation Limited	1	2007-08	2008-09 to 2019-20	7.24	0.00	5.00	2.68	0.00	7.68
19	Uttar Pradesh Bhumi Sudhar Nigam	1	2016-17	2017-18 to 2019-20	1.50	0.00	0.00	150.00	0.00	150.00
20	Lucknow City Transport Services Limited (Incorporated on 01-02-2010)	1	-	2009-10 to 2019-20	-	17.84	0.00	112.75	0.00	130.59
21	Meerut City Transport Services Limited	1	2013-14	2014-15 to 2019-20	0.05	0.00	0.00	20.02	0.00	20.02
22	Kanpur City Transport Services Limited (Incorporated w.e.f. 28-04-10)	1	-	2010-11 to 2019-20	0.00	0.05	0.00	67.03	0.00	67.08
23	Varanasi City Transport Services Limited	1	(Incorporated on 15-06-10)	2010-11 to 2019-20	0.00	0.05	0.00	27.63	0.00	27.68

State Finances Audit Report for the year ended 31 March 2020

Sl. No.	Name of PSU	Number of PSUs	Period upto which Accounts finalised	Period for which accounts are in arrears	Paid up Capital including share application money as per finalised accounts	Investment made by State Government during the period for which accounts were in arrear				
						Equity	Loans	Grant	Subsidy	Total
24	Uttar Pradesh Matsya Vikas Nigam Limited	1	2016-17	2017-18 to 2019-20	1.07	0.00	0.00	23.59	0.00	23.59
25	Uttar Pradesh Financial Corporation	1	2012-13	2013-14 to 2019-20	179.28	0.00	102.60	0.00	0.00	102.60
26	Uttar Pradesh Alpsankhyak Vittya Avam Vikas Nigam Limited	1	2005-06	2006-07 to 2019-20	30.00	0.00	0.00	64.22	0.00	64.22
27	Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited	1	2015-16	2016-17 to 2019-20	12.23	0.00	57.43	0.00	0.00	57.43
28	Prayagraj Smart City Limited	1	-	2017-18 to 2019-20	-	0.00	0.00	8.00	0.00	8.00
29	Agra Mathura City Transport Services Limited	1	-	2010-11 to 2019-20	-	0.00	0.00	0.00	3.46	3.46
	Total of A	29				97.47	1110.75	3121.46	65.57	4395.25
B	Non-Functional PSUs									
30	Uttar Pradesh State Textile Corporation Limited	1	2018-19	2019-20	160.79	0.00	1.22	0.00	0.00	1.22
31	Uttar Pradesh State Handloom Corporation Limited	1	1999-2000	2000-2001 to 2019-20	47.07	0.00	109.51	0.00	0.00	109.51
32	The Indian Turpentine and Rosin Company Limited	1	2010-11	2011-12 to 2019-20	0.22	0.00	0.34	0.00	0.00	0.34
	Total of B	3				0.00	111.07	0.00	0.00	111.07
	Total of other than power sector PSUs (A+B)	32				97.47	1221.82	3121.46	65.57	4506.32
	Grand Total of Power and other than power sector PSUs	41				18681.08	1837.27	15525.07	23788.82	59832.24

EXPLANATION OF TERMS

Terms	Explanations
Appropriation Accounts	Appropriation Accounts present the total amount of funds (Original and Supplementary) authorised by the Legislative Assembly in the budget grants under each voted grants and charged appropriations vis-à-vis the actual expenditure incurred against each and the unspent provisions or excess under each grant or appropriation. Any expenditure in excess of the voted grants/charge appropriations requires regularisation by the legislature.
Autonomous bodies	Autonomous bodies (usually registered Societies or Statutory corporations) are setup whenever it is felt that certain functions need to be discharged outside the governmental setup with some amount of independence and flexibility without day-to-day interference of the governmental machinery.
Committed expenditure	The committed expenditure of State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies on which the present executive has limited control.
Contingent liability	Contingent liabilities may or may not be incurred by an entity depending on the outcome of a future event such as a Court case.
Development expenditure	The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans & Advances is categorized into Social services, Economic services and General services. Broadly, the Social and Economic services constitute development expenditure, while expenditure on General services, is treated as non-development expenditure.
Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debts. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs and additional borrowings with returns from such borrowings. It means that rise in fiscal deficits should match with the increase in capacity to service the debt.
Debt stabilisation	Necessary condition for stability states that if the rate of growth of economy exceeds the interest rates or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative.

Terms	Explanations
Internal debt	Internal debt comprises regular loans from the public in India, also termed 'Debt raised in India'. It is confined to loans credited to the Consolidated Fund.
Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal plus Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.
Primary revenue expenditure	Primary revenue expenditure means revenue expenditure excluding interest payments.
Primary expenditure	Primary revenue expenditure plus capital expenditure plus loan and advances.
Primary Revenue Deficit / Surplus	Non-debt receipt minus primary revenue expenditure.
Primary Deficit / Surplus	Fiscal deficit minus interest payment gives primary deficit. It can be interpreted as the excess of non-interest expenditure of the Government over its revenue receipts and non-debt capital receipts.
Public Accounts Committee	A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India relating to the appropriation accounts of the State, the annual financial accounts of the State or such other accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinise.
Re-appropriation	Means the transfer of funds from one Primary under of appropriation to another such unit.
Sinking Fund	A fund into which the Government sets aside money over time in order to retire its debt.

ACRONYMS

Acronym	Full Form
AC Bill	Abstract Contingent Bill
AE	Aggregate Expenditure
BOCW Act	Building and Other Construction Workers Act
CAG	Comptroller and Auditor General of India
CAGR	Compound Annual Growth Rate
CCO	Chief Controlling Officers
CE	Capital Expenditure
CSF	Consolidated Sinking Fund
DC Bill	Detailed Contingent Bill
DCPS	Defined Contribution Pension Scheme
DCU	Departmental Commercial Undertaking
DDR	Debt, Deposit and Remittances
FC	Finance Commission
FHB	Financial Hand Book
FRBM Act	Fiscal Responsibility and Budget Management Act
GDP	Gross Domestic Product
GoI	Government of India
GSDP	Gross State Domestic Product
GST	Goods and Services Tax
GSTN	Goods and Service Tax Network
IGST	Integrated Goods and Services Tax
JSCs	Joint Stock Companies
MH	Major Head
MTFRP	Medium Term Fiscal Restructuring Policy
NDRF	National Disaster Response Fund
NSDL	National Securities Depository Limited
NTR	Non-tax Receipts
OTR	Own Tax Revenue
PAC	Public Accounts Committee
PAO	Pay and Accounts Office
PD Account	Personal Deposit Account

Acronym	Full Form
PLA	Personal Ledger Account
PPP	Public Private Partnership
PRI	Panchayati Raj Institution
PSUs	Public Sector Undertakings
RE	Revenue Expenditure
RR	Revenue Receipts
SDRF	State Disaster Response Fund
SGST	State Goods and Services Tax
UC	Utilisation Certificate
UDAY	Ujwal DISCOM Assurance Yojana
UPBM	Uttar Pradesh Budget Manual
UPEIDA	Uttar Pradesh Expressways Industrial Development Authority
UPERC	Uttar Pradesh Electricity Regulatory Commission
UPRNN	<i>Uttar Pradesh Rajkiya Nirman Nigam Limited</i>
UPRTARF	Uttar Pradesh Road Transport Accident Relief Fund
UPSBCCL	Uttar Pradesh State Bridge Corporation Limited
UPSHA	Uttar Pradesh State Highway Authority
VAT	Value Added Tax

**© COMPTROLLER AND
AUDITOR GENERAL OF INDIA
<https://cag.gov.in>**

<https://cag.gov.in/ag2/uttar-pradesh>