



सत्यमेव जयते

**State Finances Audit Report
of the
Comptroller and Auditor General of India
for the year ended 31 March 2023**



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Uttar Pradesh
Report No. 4 of the year 2024

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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 and 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 and analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2018-19 to 2022-23, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
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 discusses the investment in SPSEs, submission of accounts by SPSEs and erosion of net worth of SPSEs.
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

Executive Summary

About the Report

This Report of the CAG of India is on the State Finances for the year 2022-23. It provides an overview of the finances, budgetary management and quality of accounts, financial reporting practices and other matters relevant to State Finances.

This executive summary highlights the contents of this report and through snapshots of the important figures and aspects, provides insight into fiscal sustainability, performance against the budget intent, revenue and expenditure projection, the reasons for variations and its impact.

Gross State Domestic Product (GSDP) (at current prices) grew at an average growth rate of 9.69 *per cent* from ₹ 15,82,180 crore in 2018-19 to ₹ 22,57,575 crore in 2022-23. Budget Outlay of the State grew at an average growth rate of 9.96 *per cent* from ₹ 4,99,136 crore in 2018-19 to ₹ 6,85,556 crore in 2022-23.

There was 14.33 *per cent* growth in GSDP over 2021-22. The revenue receipts grew at 12.46 *per cent* and the percentage of revenue receipts over GSDP was 18.48 *per cent* in 2022-23 against 18.79 *per cent* in 2021-22. During the year 2022-23, the State's own tax revenue increased by 18.13 *per cent* over the previous year. The total expenditure (revenue expenditure, capital expenditure, loans and advances and appropriation to contingency fund) of the State of Uttar Pradesh increased from ₹ 4,11,237 crore in 2021-22 to ₹ 4,83,215 crore in the year 2022-23, increasing by 17.50 *per cent*. Of this, revenue expenditure showed 12.56 *per cent* increase from 2021-22. Revenue surplus increased from ₹ 33,430 crore to ₹ 37,263 crore registering 11.47 *per cent* increase over 2021-22, while fiscal deficit increased from ₹ 39,286 crore in 2021-22 to ₹ 64,636 crore in 2022-23 increasing by 64.53 *per cent*.

Receipt-Expenditure Mismatch

The continuous mismatch between receipts and expenditure indicates rising fiscal stress. The State has different sources of receipts such as State Own Tax Revenue, Non-tax Revenue, Devolution of States' share in taxes, Grants-in-aid and transfers from the Union Government and non-debt capital receipts. The State Government's expenditure includes expenditure on revenue account as well as capital accounts (assets creation, investments, etc).

From 2018-19 to 2022-23, revenue receipts grew from ₹ 3,29,978 crore to ₹ 4,17,241 crore, with an average annual growth rate of 9.60 *per cent*. Capital receipts also increased from ₹ 56,908 crore to ₹ 68,184 crore during this period.

The share of Grants-in-aid in revenue receipts rose from 13.03 *per cent* in 2018-19 to 14.36 *per cent* in 2022-23, indicating increased reliance on support from the Government of India. The State Government received ₹ 35,575 crore as grants-in-aid for the Centrally Sponsored Schemes (CSS) during 2022-23. In 2022-23, the buoyancy of State's own revenue was 1.26 with respect to GSDP.

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. Between 2018-19 and 2022-23, revenue expenditure increased from ₹ 3,01,728 crore (19.07 *per cent* of GSDP) to ₹ 3,79,978 crore (16.83 *per cent* of GSDP). It consistently made up a significant portion (79 to 85 *per cent*) of the total expenditure during this period, growing at an average annual rate of 7.58 *per cent*.

Result of expenditure beyond means

The gap between the revenue receipt and revenue expenditure results in revenue deficit. The State witnessed revenue surplus during 2018-23, except in the year 2020-21 which had revenue deficit of ₹ 2,367 crore. The revenue surplus of the State increased to ₹ 37,263 crore (1.65 *per cent* of GSDP) in the current year from ₹ 28,250 crore (1.79 *per cent* of GSDP) in the year 2018-19.

The gap between the total expenditure and total non-debt receipt of the State results in fiscal deficit. The fiscal deficit of the State increased to ₹ 64,636 crore (2.86 *per cent* of GSDP) in 2022-23 from ₹ 35,203 crore (2.22 *per cent* of GSDP) in 2018-19. The State Government spent ₹ 93,028 crore as capital expenditure during 2022-23, which was 19.25 *per cent* of the total expenditure in 2022-23.

Under the revenue expenditure, the quantum of committed expenditure constitutes the largest share. Committed expenditure has the first charge on the resources and consists of interest payments, expenditure on salaries and wages and pensions. Committed expenditure on interest payments, salaries and pensions constituted 56 to 62 *per cent* of revenue expenditure during 2018-19 (56 *per cent*) and 2022-23 (59 *per cent*). The Committed expenditure increased at an average rate of 7.95 *per cent*, i.e., from ₹ 1,67,479 crore in 2018-19 to ₹ 2,22,893 crore in 2022-23 {an increase of 10.27 *per cent* over 2021-22 (₹ 2,02,126 crore)}. However, share of committed expenditure in Revenue Expenditure decreased during 2020-21 to 2022-23.

In addition to the committed expenditure, inflexible expenditure as a percentage of revenue expenditure decreased from 20.43 *per cent* (2018-19) to 14.94 *per cent* (2022-23). The inflexible expenditure increased from ₹ 48,526 crore in 2021-22 to ₹ 56,770 crore in 2022-23 registering an increase of 16.99 *per cent*. Inflexible expenditure during the period decreased from 2018-19 (₹ 61,633 crore) to 2022-23 (₹ 56,770 crore).

Taken together, the committed and inflexible expenditure in 2022-23 was ₹ 2,79,663 crore; 74 *per cent* of the revenue expenditure. Upward trend on

committed and inflexible expenditure leaves the Government with lesser flexibility for other priority sectors and capital creation.

Expenditure on Subsidies

Within the non-committed expenditure, there is an increasing trend of subsidies, which increased from ₹ 14,053 crore in 2018-19 to ₹ 21,267 crore in 2022-23 i.e., from 4.66 *per cent* of the total revenue expenditure in 2018-19 to 5.60 *per cent* in 2022-23. Power subsidies constituted a significant portion, ranging from 52 *per cent* to 68 *per cent* of the total subsidies during this period.

Extra budget borrowings

The State Government, through Public Sector Enterprises raised ₹ 24,314.36 crore as Extra-budget borrowings including ₹ 3,488 crore during the year; which did not flow into the Consolidated Fund of the State but are required to be repaid and serviced through budget.

Contingent Liabilities on account of Guarantees

The total outstanding guarantee at the end of the year 2022-23 was ₹ 1,70,780.52 crore. The outstanding guarantees at the end of the year 2022-23 was 7.56 *per cent* of GSDP. During the year 2022-23, State Government did not receive any guarantee commission, out of the receivable guarantee commission of ₹ 4.41 crore from Uttar Pradesh State Warehousing Corporation.

Fiscal sustainability

Fiscal sustainability is examined in terms of macro-fiscal parameters such as deficits, level of debt and liabilities, commitments on account of off-budget borrowings, guarantees, subsidies, etc. So far as revenue and expenditure mismatch is concerned, one of the important constraints is committed and inflexible expenditure, which includes salaries and wages, pension payments, interests, etc. and also other inflexible expenditure such as those arising out of commitment for centrally sponsored schemes, transfer to reserve funds, transfer to local bodies, etc.

FRBM requirements and compliance with fiscal parameters

The FRBM Act / Rules prescribes certain limits for revenue deficit, fiscal deficit, debt as a percentage of the Gross State Domestic Product (GSDP). In 2022-23, the State has registered revenue surplus of ₹ 37,263.44 crore against target of nil revenue deficit under FRBM Act. Further, fiscal deficit for the year 2022-23 was ₹ 64,636.26 crore which was 2.86 *per cent* of GSDP as against the limit of 3.50 *per cent* under FRBM Act. The ratio of total outstanding Liabilities to GSDP during the year 2022-23 was 28.71 *per cent* which remained within the target (32.50 *per cent*) set out in the Medium-Term Fiscal Restructuring Policy 2022.

The State Government resorted to extra-budget borrowings through State owned PSUs/Authorities for meeting expenditure having implication on debt parameters of the State. As per information furnished by the State Government, the outstanding extra budget borrowings was ₹ 24,314.36 crore as on 31 March 2023, which included borrowings of ₹ 3,488 crore during 2022-23. Further, if the quantum of the off-budget borrowings is included as part of debt, the overall liability (includes Public Debt and Public Account Liabilities) of the Government was 29.79 *per cent* of the GSDP.

As per the debt stabilisation analysis, the public debt of the Government of Uttar Pradesh has grown on an average at a rate of 10.65 *per cent* annually of the outstanding public debt between 2018-19 to 2022-23. Public debt-GSDP ratio of Uttar Pradesh has increased from 23.08 *per cent* in 2018-19 to 24.53 *per cent* in 2022-23. However, the growth of rate of interest was lower than the rate of growth of the GSDP ($g-r > 0$) in 2019-20, 2021-22 and 2022-23 as per the Domar model analysis. Nevertheless, when examining the Domar gap ($g-r$), the real interest rate has surpassed the real economic growth rate in 2018-19 and 2020-21. The positive Domar gap coupled with Primary Surplus led to decline in Debt to GSDP ratio in 2021-22. Further, despite the Primary Deficit generated in 2022-23, the positive Domar Gap in 2022-23 was adequate to absorb the Primary Deficit and primarily contributed to further keep the debt to GSDP ratio in a declining trend. However, the real growth rate of GSDP (g) and domar gap ($g-r$) during post Covid-19 year (i.e., 2021-22 and 2022-23) should be read with negative GSDP growth rate during 2020-21 resulting in low base for computation of GSDP growth rates during subsequent years. From the above discussion, it can be concluded that Debt/GSDP ratio in the past five years remained fluctuating and thus, it is early to conclude that debt is on the path of stabilisation.

Budget performance

Aggregate expenditure outturn

Budget performance in terms of budgetary intent and budget implementation is examined to assess extent to which the aggregate expenditure outturn reflects the amount originally approved both in terms of excess and saving. In the Revenue section, deviation in outturn compared with Budget Estimates (BE) was (-) 18.81 *per cent*. This was due to deviation up 0 to ± 25 *per cent* in 45 grants, between ± 25 *per cent* and ± 50 *per cent* in 40 grants; and between ± 50 *per cent* and ± 100 *per cent* in six grants and equal to or more than 100 *per cent* in one grant. In the Capital section, deviation in outturn compared with BE was (-) 23.99 *per cent*. This was due to deviation up 0 to ± 25 *per cent* in 45 grants, between ± 25 *per cent* and ± 50 *per cent* in 21 grants; and between ± 50 *per cent* and ± 100 *per cent* in 19 grants and equal to or more than 100 *per cent* in seven grants.

Expenditure composition outturn

Budget performance also looks at the extent to which the re-allocation between the main budget categories during the execution have contributed to variance in expenditure composition. This measure indicates the extent of variation between the final budget and the actual expenditure. During 2022-23, deviation in outturn in the Revenue section compared with Revised Estimates (RE) was (-) 12.63 per cent. This was due to deviation up 0 to ± 25 per cent in 64 grants, between ± 25 per cent and ± 50 per cent in 23 grants and between ± 50 per cent and ± 100 per cent in five grants. In the Capital section, deviation in outturn compared with RE was (-) 24.31 per cent. This was due to deviation up 0 to ± 25 per cent in 53 grants, between ± 25 per cent and ± 50 per cent in 14 grants, between ± 50 per cent and ± 100 per cent in 20 grants and equal to or more than 100 per cent in five grants.

It was noticed that supplementary provisions of ₹ 5,256.75 crore during the year 2022-23 in 42 cases (₹ one crore or more than ₹ one crore in each case), including 28 cases in Revenue Voted Section and 14 cases in Capital Voted Section, proved unnecessary, as the expenditure did not come up even to the level of original provisions.

Overall Budget reliability assessment indicates that the deviations between the actual expenditure and total budget as well as between the actual expenditure and the revised estimates were 24 per cent and 16 per cent respectively. Moreover, it was also noticed that in several cases, there were supplementary grants where expenditure was not even up to the original grants. A reliable budget practice should need to deal with such deviations.

Quality of Accounts and Financial Reporting

Quality of accounts and financial reporting covers items, transactions and events which relate to gaps in compliance, regularity weaknesses and issues relating to delay in receipt of those accounting records or adjustment records which evidence the actual expenditure. It also highlights issues pertaining to the accounts and financial reporting such as funds outside the Government accounts, non- or short- discharging of liabilities and misclassification of transactions.

Regularization of Excess over Grants/ Appropriations

The State Government has to get excesses over grants/appropriations regularised by the State Legislature as per Articles 204 and 205 (1) (b) of the constitution. It was observed that excess disbursements of ₹ 32,533.46 crore pertaining to 2005-06 to 2020-21 were yet to be regularized.

Reconciliation

As per para 124 of UP Budget Manual, Chief Controlling Officer (CCOs)/ Controlling Officer(COs) are required to reconcile their expenditure and

receipts with the expenditure booked in the accounts in the Accountant General Office. The State Government reconciled 97.41 *per cent* of the total expenditure and 99.27 *per cent* of the total receipts during the year 2022-23.

Compliance with IGAS

As against the requirements of the Indian Government Accounting Standards (IGAS), the State Government partially complied with IGAS-1: Guarantees given by the Government Disclosure requirements, IGAS-2: Accounting and Classification of Grants-in-aid and IGAS-3: Loans and Advances made by Government.

Operation of Personal Deposit (PD) Accounts

Uttar Pradesh Government order (March 1999) provides that Administrators of PD Accounts were required to reconcile and verify their balances with the treasury figures and annual verification certificates were also required to be submitted to the Accountant General. However, during the year 2022-23, out of 12 Administrators of PD accounts of the State, only nine Administrators have reconciled and verified their balances with the treasury figures.

Funds to Single Nodal Agency

The Government of India and the State Government have introduced system of Single Nodal Agency (SNA) for implementation and fund flow for each Centrally Sponsored Scheme (CSS). The share of the Government of India and the State Government is transferred to the Bank Account of the SNA lying outside the Government Account.

As per PFMS portal of the CGA, the State Government received ₹ 32,239.40 crore being Central share during the year 2022-23 in its Treasury Accounts. As on 31 March 2023, the Government transferred Central share of ₹ 40,531.31 crore received in Treasury Accounts and State share of ₹ 38,533.68 crore to the SNAs. As per PFMS portal of CGA, ₹ 28,980.96 crore is lying unspent in the bank accounts of SNAs as on 31 March 2023.

Utilisation Certificates against conditional grants

Despite the requirement of submitting Utilisation Certificates (UCs) against conditional grants within a stipulated time period, 30,906 outstanding UCs of ₹ 19,981.24 crore were pending as on 31 March 2023 in respect of grants-in-aid released by the State Government during the period 2001-02 to 2021-22 (up to September 2021).

Detailed Countersigned Contingent (DC) bills against Abstract Contingent (AC) bills

Despite the requirement of submitting DC Bills against the advance money withdrawn through AC Bills, 842 AC bills of ₹ 8.52 crore were pending for

submission of DC bills as on 31 March 2023, out of which 788 AC Bills amounting to ₹ 5.09 crore pertained to the period upto 2021-22.

Funds outside Government Account

Section 103 of the Electricity Act, 2003 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. GoUP did not constitute State Electricity Regulatory Commission Fund under Public Account of the State. 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 2023, an amount of ₹ 111.14 crore was kept outside the Public Account of the State in violation of Article 266(2) of the Constitution.

The State Government directed (August 2013 and September 2016) to deposit the cess collected under 'The Building and Other Construction Workers (BOCW) Welfare Cess Act, 1996' into the nationalised bank account of the UP BOCW 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 (2) of the Constitution of India. As per information provided by the BOCW ₹ 4,479.59 crores were available with the Board as on 31 March 2023.

Compliance with prevailing rules and codal provisions are meant to ensure control and accountability in accounting and financial reporting. Non-compliance and deviations impact the quality of accounting and financial reporting adversely. Non-timely submission of UCs against conditional grants; non-submission of DC bills against AC bills; partially compliance with IGAS; funds remaining outside Government accounts have impacted the quality of accounts adversely.

Working of State Public Sector Enterprises (SPSEs)

As on 31 March 2023, there were 113 SPSEs in Uttar Pradesh, including six Statutory Corporations, 86 Government Companies (including 41 inactive Government Companies) and 21 Government Controlled Other Companies (GCOCs) under the audit jurisdiction of the Comptroller and Auditor General of India. Audit noticed that the prescribed timelines regarding submission of Financial Statements were not adhered to by 101 SPSEs whose 1,047 accounts were in arrears. Out of the total profit of ₹ 2,169.50 crore earned by 39 SPSEs as per their latest finalised financial statements, 89.14 per cent was contributed by six SPSEs only. Out of total loss of ₹ 32,429.90 crore incurred by 27 SPSEs as per their latest finalised financial statements, loss of ₹ 31,632.46 crore (97.54 per cent) was attributed to five Power Sector SPSEs. Net-worth of 15

SPSEs had been completely eroded due to accumulated losses as per their latest finalised accounts.

The State Government may impress upon the managements of SPSEs to ensure timely submission of their financial statements. In the absence of finalised accounts, Government investments in such SPSEs remain outside the oversight of the State Legislature. The State Government may also analyse the reasons of losses in loss making SPSEs and initiate steps to make their operations efficient and profitable.

CHAPTER - I

Overview

CHAPTER-I

OVERVIEW

1.1 Profile of the State

Uttar Pradesh is the most populous State with about 17 per cent of India's population and fourth largest State in terms of geographical area (2,40,928 sq. km.). Administratively, Uttar Pradesh is divided into 75 districts. The State has a population density¹ of 978 persons per sq. km. as against the all-India average of 422 persons per sq. km. In terms of Gross State Domestic Product, Uttar Pradesh was the fourth largest State economy in the country during 2022-23. The General Data relating to the State is given in **Appendix 1.1**.

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. The trends in annual growth of Gross Domestic Product (GDP) of India and GSDP of the State at current prices are given in **Table 1.1**.

Table 1.1: GDP of India and GSDP of the State at current prices (2011-12 series)²

	(₹ in crore)				
Year	2018-19	2019-20	2020-21	2021-22	2022-23
INDIA					
GDP (2011-12 Series)	18899668	20103593	19829927	23471012	27240712
GVA	17175128	18381117	18188780	21438883	24742871
Growth rate of GDP over previous year (in per cent)	10.59	6.37	(-)1.36	18.36	16.06
Growth rate of GVA over previous year (in per cent)	10.77	7.02	(-)1.05	17.87	15.41
Per Capita GDP (in ₹)	142424	149915	146301	171498	196983
STATE OF UTTAR PRADESH					
GSDP	1582180	1700062	1645317	1974532	2257575
GSVA	1442854	1555213	1513794	1807296	2066139
Growth rate of GSDP over previous year (in per cent)	9.88	7.45	(-)3.22	20.01	14.33

¹ Population Projections for India and States 2011-2036 by National Commission of Population, Ministry of Health & Family Welfare.

² GDP and GSDP at current prices for the years 2019-20 to 2021-22 are revised by the Central/State Government, hence, percentage ratio/buoyancies of various parameters with reference to GDP/GSDP for 2019-20 to 2021-22 indicated in earlier State Finances Audit Reports have also been revised.

Year	2018-19	2019-20	2020-21	2021-22	2022-23
Growth rate of GSVA over previous year (in per cent)	9.00	7.79	(-)2.66	19.39	14.32
Per Capita GSDP (in ₹)	70565	74679	71184	84139	96193

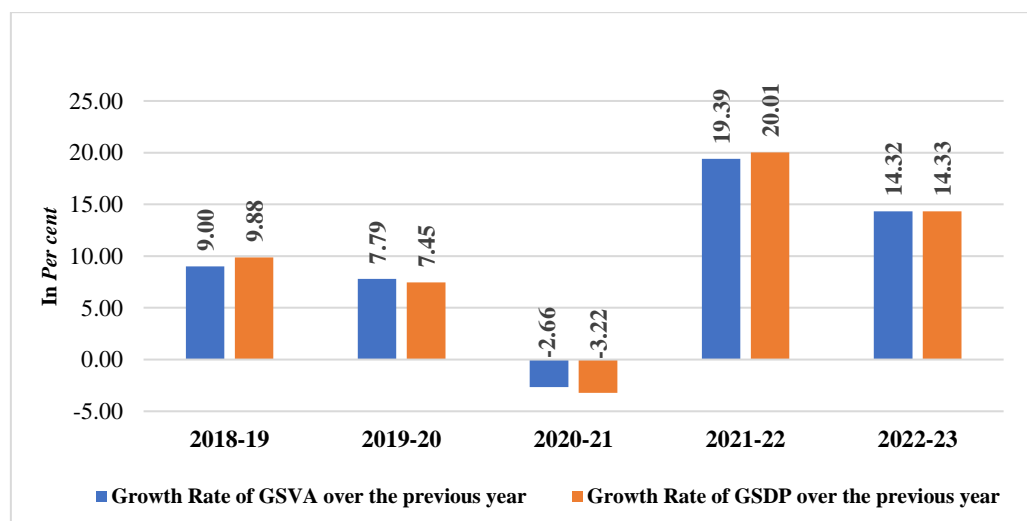
Source: Ministry of Statistics and Programme Implementation, Government of India (GoI)

As detailed in **Table 1.1**, GSDP of Uttar Pradesh was ₹ 22,57,575 crore in the year 2022-23 with a growth rate of 14.33 per cent over the previous year 2021-22. GSDP of the State witnessed a comparatively negative growth rate of 3.22 per cent in the COVID-19 pandemic-hit year 2020-21. However, State's GSDP subsequently grew by 20.01 per cent in the year 2021-22 as compared to the previous year. However, during 2022-23, the GSDP growth rate (14.33 per cent) was lower than the GDP growth rate (16.06 per cent). Further, the per capita GSDP of the State (₹ 96,193) was less than per capita GDP (₹ 1,96,983).

Gross Value Added (GVA) is being used for economic analysis by Government of India and international organisations like International Monetary Fund and World Bank as GVA is considered better indicator of economic growth compared to GDP, as it ignores the impact of taxes and subsidies. While GDP can be and is also computed as the sum of the various expenditure incurred in the economy including private consumption spending, government consumption spending and gross fixed capital formation or investment spending, reflecting essentially on the demand conditions in the economy. Both measures have difference in treatment of net taxes as a result of which the inclusion of taxes in GDP may differ from the real output situation. From a policymaker's perspective it is therefore vital to have a comparison of the GVA and GSVA data for better analysis and making policy interventions.

The trends of GSDP and GSVA of Uttar Pradesh for the period 2018-19 to 2022-23 are indicated in **Chart 1.1**.

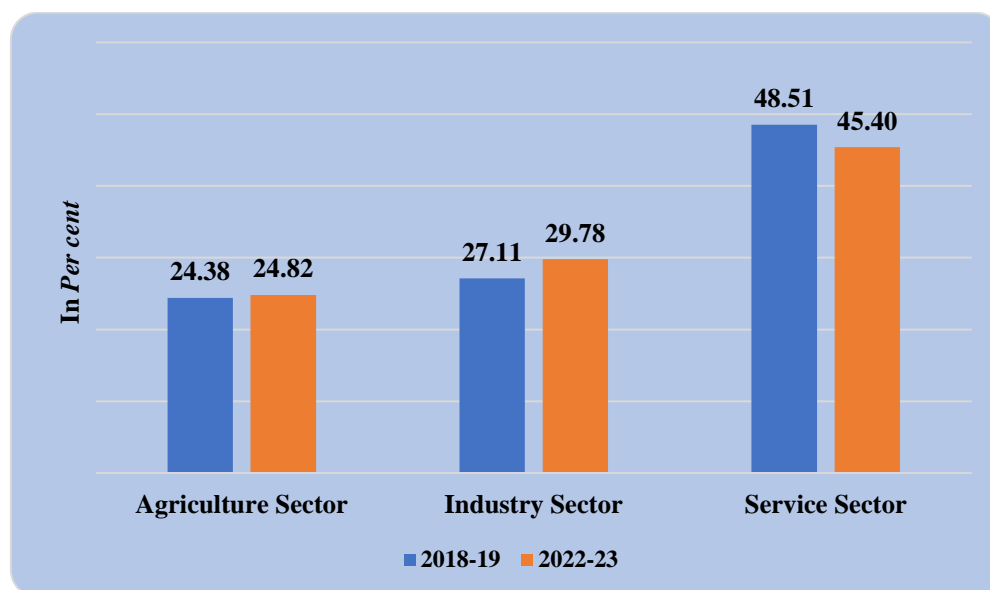
Chart 1.1: Growth rate of GSDP vs GSVA (2018-19 to 2022-23)



Source: Ministry of Statistics and Programme Implementation GoI.

Changes in sectoral contribution to the GSDP is important to understand the changing structure of the economy. Economic activity is generally divided into Primary, Secondary and Tertiary sectors, which correspond to Agriculture, Industry and Service sectors respectively. Comparative position of sectoral contribution to GSDP in 2022-23 with that of 2018-19 and sectoral growth rates during this period are given in **Chart 1.2** and **Chart 1.3** respectively.

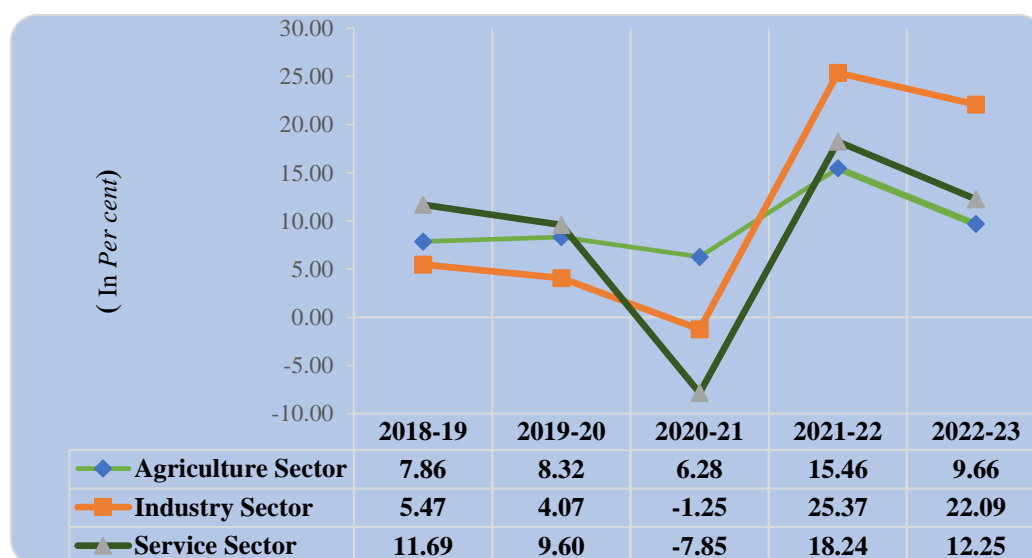
Chart 1.2: Change in sectoral contribution to GSVA during the period 2022-23 as compared to 2018-19



Source: Ministry of Statistics and Programme Implementation, GoI

Note: **Agriculture (Primary) Sector** includes Crop, Livestock, Forestry, Fishing and aquaculture; **Industry (Secondary) Sector** includes Mining and quarrying, Manufacturing, Electricity, Gas, Water supply & other utility services and Construction and **Service (Tertiary) Sector** includes Trade, Repair, Hotels and restaurants, Transport, Storage, Communication & services related to broadcasting, Financial services, Real estate, Public administration and Other services.

Chart 1.3: Sectoral growth rate of GSVA during the period 2018-23



Source: Ministry of Statistics and Programme Implementation, GoI

It is evident from **Chart 1.2** that Service sector was the largest contributor to State's GSVA during 2022-23 followed by Industry sector and Agriculture sector. **Chart 1.3** presents that there was a decrease in sectoral growth of all the three sectors, viz., Agriculture sector, Industry sector and Service sector in the year 2022-23 with comparison to the year 2021-22.

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 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 Accountant General (Audit);
- Other data with Departmental Authorities and Treasuries (accounting as well as MIS); and
- GSDP data and other State related statistics.

The analysis was also carried out in the context of recommendations of the Finance Commissions, Uttar Pradesh Fiscal Responsibility and Budget Management (UPFRBM) Act, 2004 as amended from time to time, Budget Estimates along with Medium Term Fiscal Restructuring Policy (MTFRP), best practices and guidelines of the Government of India (GoI). The draft SFAR was forwarded (November 2023 and January 2024) to the State Government for comments. Replies of the State Government were awaited.

1.3 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 upon 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 repayable 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 balance after disbursement is the fund available with the Government for use. 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.

Budget Document

There is a constitutional requirement (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 tax revenues (own tax revenue and share of Union Taxes/ Duties), non-tax revenues and grants-in-aid from GoI.

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-in-aid given to various institutions (even though some of the grants may be meant for creation of assets).

Capital receipts consist of:

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

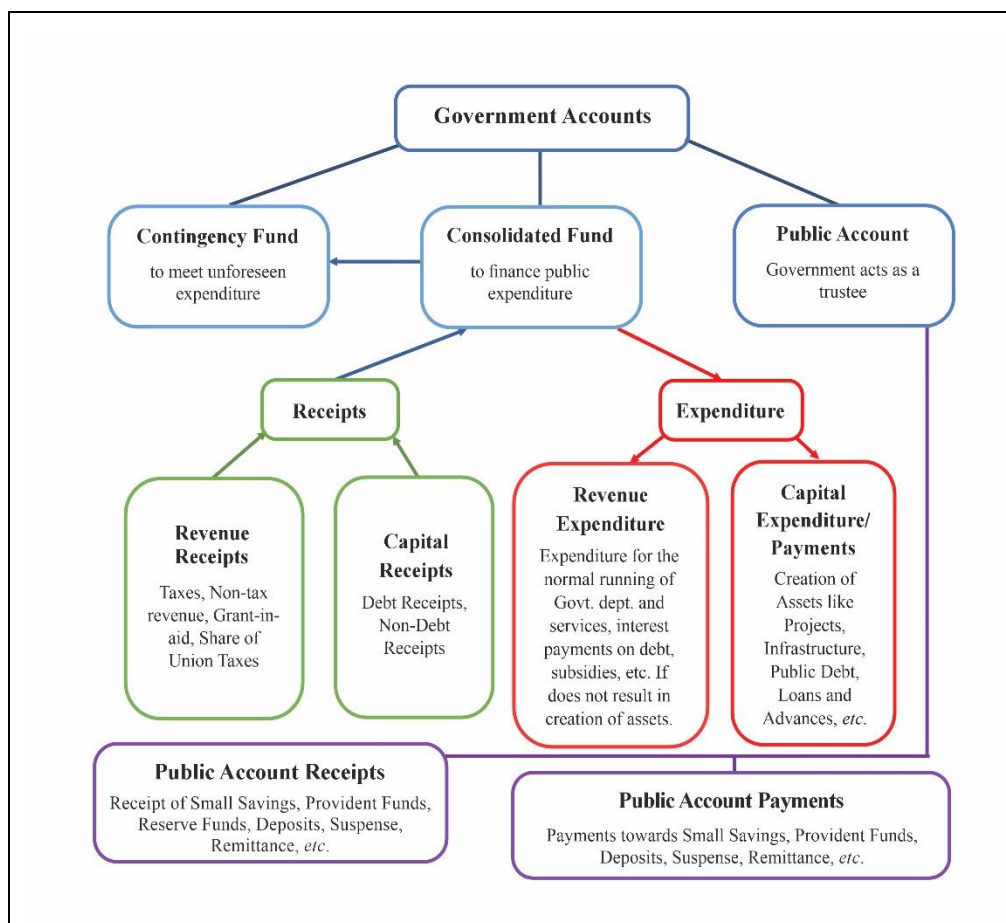
Capital Expenditure is broadly defined as expenditure incurred with the object of increasing concrete assets of a material and permanent character. It includes expenditure on the acquisition of land, building, machinery, equipment, investment in PSEs.

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, <i>etc.</i> /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, <i>etc.</i> (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.

Chart 1.4: Structure of Government Accounts



Public Debt and Public Liability: In this Report, ‘Public Debt’ has been taken to comprise market borrowings, institutional loans, special securities issued to National Small Savings Fund (NSSF), loan given by Central Government, *etc.* For this purpose, the major heads 6003 and 6004-Public Debt have been taken into consideration.

Further, the transactions relating to ‘Small Savings, Provident Fund, *etc.*’, ‘Reserve Funds’ and ‘Deposit and Advances’ under Public Accounts are such that the Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid. The transactions relating to ‘Remittances’ and ‘Suspense’ under Public Account, includes merely adjusting heads such as transactions as remittances of cash between treasuries and currency chests and transfer between different accounting circles.

In this Report, ‘Public Liability’ has been taken to include the transactions relating to ‘Small Savings, Provident Fund, *etc.*’, ‘Reserve Funds’ and ‘Deposits’ along with the transactions under major heads 6003 and 6004.

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 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 Snapshot of Finances

Table 1.2 provides the details of actual financial results *vis-à-vis* Budget Estimates for the year 2022-23 *vis-à-vis* actuals of 2021-22.

Table 1.2: Budget Estimates vis-à-vis actuals of 2022-23 as compared to actuals of 2021-22

(₹ in crore)

Sl. No.	Components	2021-22 (Actuals)	2022-23 (Budget Estimates)	2022-23 (Actuals)	2022-23 Percentage of Actuals to Budget Estimates	2022-23 Percentage of Actuals to GSDP
1.	Tax Revenue of which	307725.79	367153.76	343832.45	93.65	15.23
(i)	Own Tax Revenue	147367.74	220655.00	174087.15	78.90	7.71
(ii)	Share of Union taxes/duties	160358.05	146498.76	169745.30	115.87	7.52
2.	Non-Tax Revenue	11435.97	23406.48	13489.46	57.63	0.60
3.	Grants-in-aid from GoI	51849.68	108652.47	59919.59	55.15	2.65
4.	Revenue Receipts (1+2+3)	371011.44	499212.71	417241.50	83.58	18.48
5.	Recovery of Loans and Advances (Non-Debt Capital Receipt)	939.43	2565.00	1337.32	52.14	0.06
6.	Miscellaneous Capital Receipts	0	0	0	-	0
7.	Borrowings and Other Liabilities*	39286.42	81177.98	64636.26	79.62	2.86
8.	Capital Receipts (5+6+7)	40575.69	83742.98	65973.58	78.78	2.92
9.	Total Receipts (4+8)	411587.13	582955.69	483215.08	82.89	21.40
10.	Revenue Expenditure of which	337581.38	456089.06	379978.06	83.31	16.83
11.	Interest payments	42875.56	45987.46	43007.98	93.52	1.91
12.	Capital Expenditure	71442.55	123919.85	93028.39	75.07	4.12
13.	Disbursement of Loans and advances	1613.36	2946.78	10208.63	346.43	0.45
14.	Appropriation to the Contingency Fund	600	0	0	-	0.00
15.	Total Expenditure (10+12+13+14)	411237.29	582955.69	483215.08	82.89	21.40
16.	Revenue Deficit (-)/ Surplus (+) (4-10)	33430.06	43123.65	37263.44	86.41	1.65
17.	Fiscal Deficit (-)/ Surplus (+) (4+5+6-15)	(-)39286.42	(-)81177.98	(-)64636.26	79.62	2.86
18.	Primary Deficit (-)/ Surplus {(4+5+6)-(15-11)}	3589.14	(-)35190.52	(-)21628.28	61.46	0.96

Source: Finance Accounts of the respective years and budget documents of the State Government

* Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts-Disbursements) of Public Account + Net of Opening and Closing Cash Balance

During the year 2022-23, Tax Revenue of the State was 6.35 per cent below the projections made in the budget estimates. The State had registered revenue surplus of ₹ 37,263.44 crore during the year 2022-23 which was 13.59 per cent below the projections made in the Budget 2022-23. Further, fiscal deficit for the year 2022-23 was ₹ 64,636.26 crore which was 20.38 per cent below the budget projections and it was 2.86 per cent of the GSDP.

1.4.1 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 2023 compared with the corresponding position on 31 March 2022, as depicted in Statement 1 of Finance Accounts 2022-23 of the State, is given in **Table 1.3**.

Table 1.3: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities				Assets			
Particulars	As on 31 March 2022	As on 31 March 2023	Per cent increase/decrease	Particulars	As on 31 March 2022	As on 31 March 2023	Per cent increase/decrease
Consolidated Fund							
A Internal Debt	496422.89	533476.54	7.46	A Gross Capital Outlay	705544.77	798573.16	13.19
B Loans and Advances from GoI	27261.33*	34364.15*	26.05	B Loans and Advances	27880.79	36752.10	31.82
Contingency Fund							
Contingency Fund (Corpus)	1200.00	1200.00	0.0	Contingency Fund (unrecouped)	600.00**	0.06	-99.99
Public Account							
A Small Savings, Provident Funds, etc.	59314.53	59727.44	0.70	A Advances	58.58	58.58	0.00
B Deposits	24037.36	27636.11	14.97	B Remittance	103.99	0	-100
C Reserve Funds	8920.20	12611.99	41.39	C Suspense and Miscellaneous Balances	1750.95	1716.13	-1.99
D Remittances	0.00	952.62	952.62	Cash balance (including investment from Earmarked Fund)	44533.16	32848.19	-26.24
E Cumulative Excess of Receipt over expenditure	163315.93	199979.37	22.45	Cumulative Excess of Expenditure over Receipts	0.00	0.00	0.00
Total	780472.24	869948.22	11.46	Total	780472.24	869948.22	11.46

Source: Finance Accounts 2022-23

*This includes back to back loan received during 2020-21 (₹ 6,007 crore) and 2021-22 (₹8,139.94 crore) in lieu of GST compensation shortfall with no repayment liability to the State.

** This is transfer to Contingency Fund for increasing the corpus of the Fund during 2021-22

According to UPFRBM Act, 2004, the total liabilities means the liabilities under the Consolidated Fund of the State and the Public Account of the State. Statement 6 of the Finance Accounts 2022-23 depicts the total liabilities of the State. As on 31 March 2023, the total liabilities of the State stood at ₹ 6,62,316.24 crore which included internal debt of the State Government (₹ 5,33,476.54 crore), loans and advances from GoI (₹ 34,364.15 crore) and other Public Account liabilities (₹ 94,475.55 crore). Net increase in internal debt by 7.46 per cent (₹ 37,053.65 crore) and Loans and Advances from GoI by 26.05 per cent (₹ 7,102.82 crore) over the previous year were the main contributing factors for increase (₹ 49,359.91 crore) in total liabilities from ₹ 6,12,956.33 crore as on 31 March 2022. Debt management of the State Government is detailed in **Chapter II** of this report.

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 objective of ensuring prudence in fiscal management by achieving sufficient revenue surplus, reducing fiscal deficit, establishing improved debt management, improving transparency in fiscal operations of the State Government and using a medium term fiscal 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 2018-23 under key fiscal indicators provided in the UPFRBM Act as amended from time to time is depicted in **Table 1.4**.

Table 1.4: Compliance with provisions of UPFRBM Act

Parameters	Fiscal targets set in the Act	Achievement				
		2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Deficit (-)/ Surplus (+) (₹ in crore)	Reduce Revenue Deficit to Nil by year ending on 31 March 2009	28250	67560	(-) 2367	33430	37263
		✓	✓	✗	✓	✓
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	Not more than three per cent of GSDP in 2018-19 and 2019-20, five per cent for 2020-21 and four per cent for 2021-22 and 3.5 per cent for 2022-23.	(-) 35203	11083	(-) 54622	(-) 39286	(-) 64636
		(-) 2.22	0.65	(-) 3.32	(-) 1.99	(-) 2.86
		✓	✓	✓	✓	✓
Ratio of total outstanding liability* to GSDP (in per cent)	Not more than 30.50 per cent during 2018-19 and 30.00 per cent during 2019-20.	32.75	29.55	33.97	30.33	28.71
		✗	✓	Targets of debt stock to GSDP under FRBM Act was not fixed for the year 2020-21, 2021-22 and 2022-23.		

Source: Budget documents of the State Government, UPFRBM Act, 2004 as amended from time to time and Finance Accounts of the respective years

*Total outstanding liabilities to GSDP per cent has been calculated excluding back to back loan received during 2020-21 (₹ 6,007 crore) and 2021-22 (₹ 8,139.94 crore) in lieu of GST compensation shortfall with no repayment liability to the State.

As indicated in **Table 1.4**, the ratio of fiscal deficit to GSDP was within the targets of set out in the UPFRBM (Amendment) Act during the period 2018-19 to 2022-23. Further, the State Government informed (August 2023) that the action on fixing the targets for debt stock to GSDP would be taken after receiving the directions of Government of India on the recommendations of Fifteenth Finance Commission regarding fiscal road map of the States. However, the ratio of total outstanding debt to GSDP (28.71 per cent) was within the limit (40.50 per cent of GSDP) recommended by 15th Finance Commission as indicative debt path for the year 2022-23.

1.5.1 Medium Term Fiscal Restructuring Policy (MTFRP)

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 2022 presented to the State Legislature with actuals for the year 2022-23 are depicted in **Table 1.5**.

Table 1.5: Projection in MTFRP vis-à-vis Actuals for 2022-23

(₹ in crore)				
Sl. No.	Fiscal Variables	Projection as per MTFRP	Actuals (2022-23)	Variation (in per cent)
1	Own Tax Revenue	220655	174087	-21.10
2	Non-Tax Revenue	23406	13489	-42.37
3	Share of Union taxes/duties	146499	169745	15.87
4	Grants -in-aid from GoI	108652	59920	-44.85
5	Revenue Receipts (1+2+3+4)	499213	417241	-16.42
6	Revenue Expenditure	456089	379978	-16.69
7	Revenue Deficit (-)/ Surplus (+)	43124	37263	-13.59
8	Fiscal Deficit (-)/ Surplus (+)	(-)81178	(-)64636	-20.38
9	Primary Deficit (-)/ Surplus (+)	(-)35191	(-)21628	-38.54
10	Debt stock-GSDP ratio (per cent)	32.5	28.71*	-11.66
11	GSDP growth rate at current prices (per cent) ³	17.08	14.33	-16.10

Source: Finance Accounts 2022-23 and budget documents of State Government.

*Debt Stock to GSDP per cent has been calculated excluding back to back loan received during 2020-21 (₹6,007 crore) and 2021-22 (₹8,139.94 crore) in lieu of GST compensation shortfall with no repayment liability to the State

As detailed in **Table 1.5**, against the projection for Revenue Surplus of ₹ 43,124 crore in MTFRP for 2022-23, State has registered Revenue surplus of ₹ 37,263 crore during the year mainly due to shortfall of Revenue Receipts by

³ In MTFRP 2022, the State Government had projected GSDP of ₹ 17,49,469 crore and ₹ 20,48,234 crore for the year 2021-22 and 2022-23 respectively.

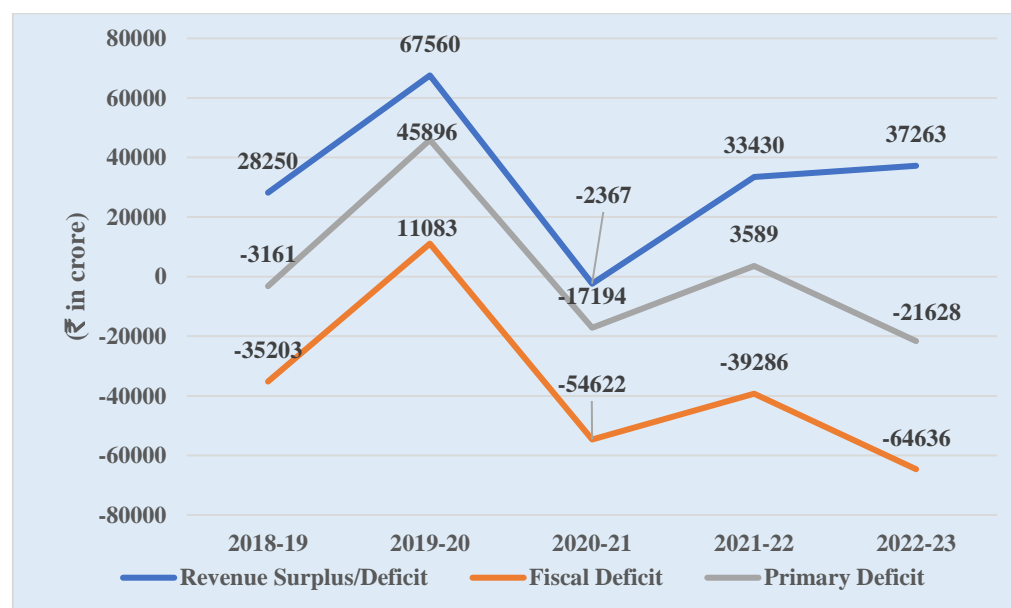
₹ 81,972 crore (16.42 per cent) from MTFRP projections, which was due to less receipts of Own Tax Revenue (₹ 46,568 crore), Non-Tax Revenue (₹ 9,917 crore) and Grants-in-aid from GoI (₹ 48,732 crore) as compared to MTFRP projections. However, there was increase of ₹ 23,246 crore in share of union taxes/duties as compared to MTFRP projection. Further analysis revealed that shortfalls in Own Tax Revenue *vis-à-vis* budget projections were mainly under State Goods and Services Taxes (₹ 24,123 crore) followed by State excise (₹ 7,900 crore), Stamps and Registration fee (₹ 4,848 crore), Taxes on sales, trade *etc.* (₹ 4,234 crore) and Taxes on vehicles (₹ 1,828 crore).

Less revenue expenditure (₹ 76,111 crore) as compared to MTFRP projections were due to lower expenditure under General Services (₹ 32,982 crore), Social Services (₹ 30,190 crore), Economic Services (₹ 12,938 crore) Sectors. The trend of State Government's receipts and expenditure has been analysed in **Chapter II** of the Report.

1.5.3 Trend analysis of Key Fiscal Indicators

Trend analysis for the period 2018-23 of key fiscal indicators *viz.* deficit parameters (fiscal deficit/surplus, revenue deficit/surplus and primary deficit/surplus), ratio of surplus/deficit to GSDP and fiscal liabilities to GSDP are depicted in the following **Charts 1.5, 1.6 and 1.7**.

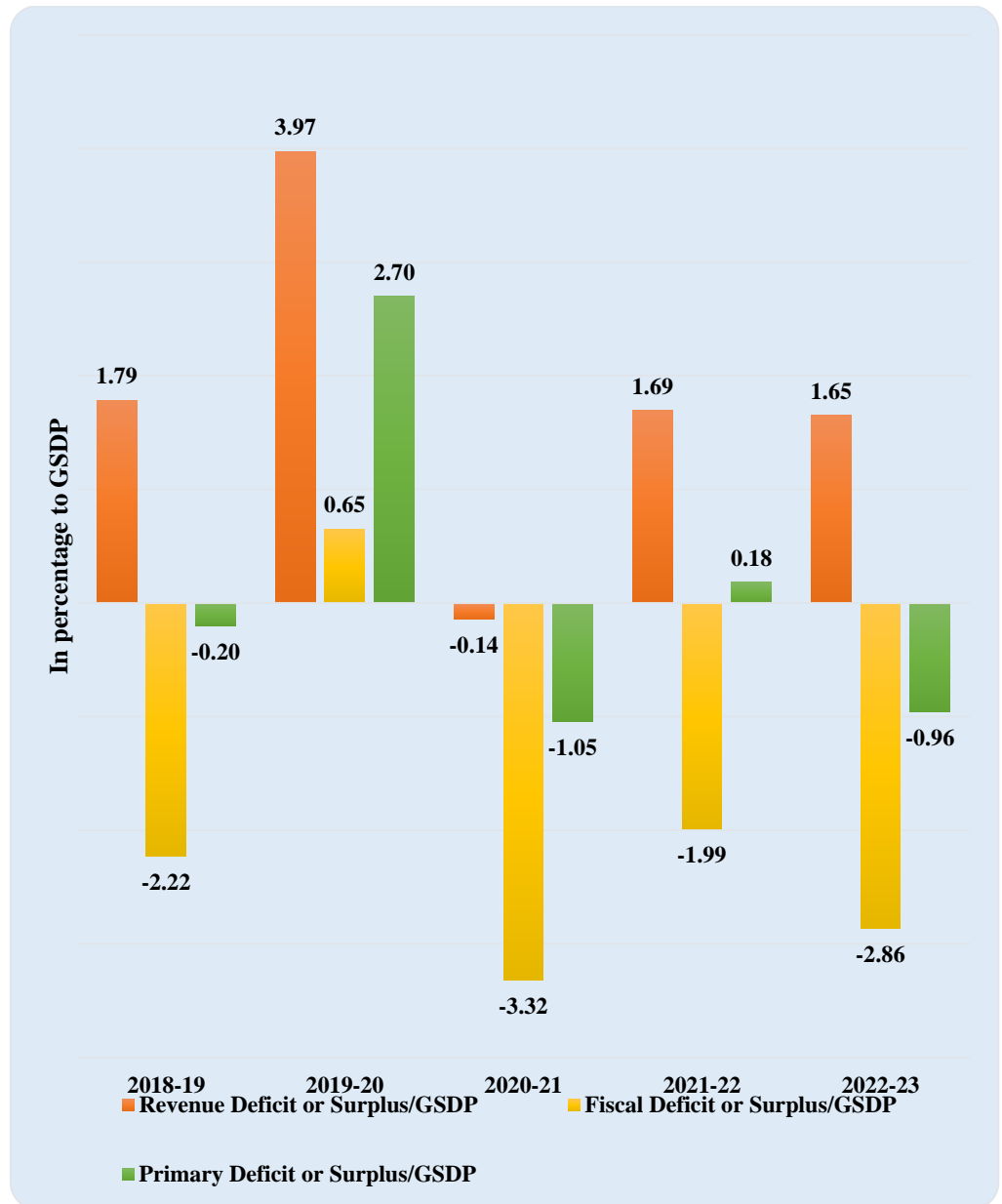
Chart 1.5: Trends in Surplus/Deficit Parameters



Source: Finance Accounts of the respective years

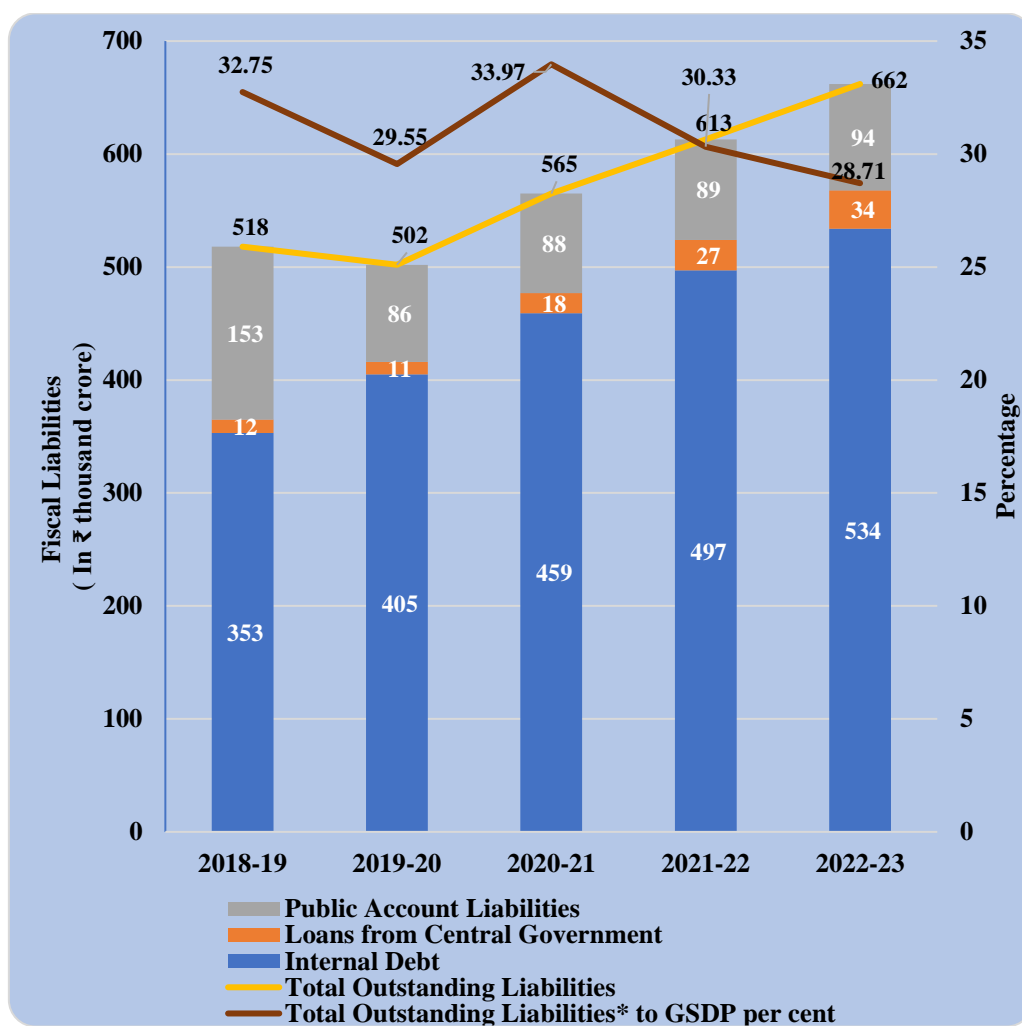
Note: Revenue Surplus, primary surplus and Fiscal Surplus during the year 2019-20 were mainly due to transfer of book balance of ₹ 71,180 crore of Sinking Fund in March 2020 to Non Tax Revenue without actual cash receipt.

Chart 1.6: Trends in Surplus/Deficit relative to GSDP



Source: Finance Accounts of the respective years and Ministry of Statistics and Programme Implementation, GoI

Chart 1.7: Trends in Fiscal Liabilities and GSDP



Source: Finance Accounts of the respective years and Ministry of Statistics and Programme Implementation, GoI

* Total outstanding liabilities to GSDP per cent has been calculated excluding back to back loan received during 2020-21 (₹ 6,007 crore) and 2021-22 (₹ 8,139.94 crore) in lieu of GST compensation shortfall with no repayment liability to the State.

Total outstanding liabilities of the State has consistently risen during 2018-19 to 2022-23, except in 2019-20 when Public Accounts liability was reduced due to transfer of sinking fund of ₹ 71,180 crore as Non Tax Revenue. Internal Debt increased from ₹ 3,53,190 crore in the year 2018-19 to ₹ 5,33,477 crore in the year 2022-23. Though during 2022-23, outstanding fiscal liabilities of the State increased by ₹ 49,360 crore (8.05 per cent) over the previous year, the total debt to GSDP per cent had showed a declining trend during the period 2020-21 (33.97 per cent) to 2022-23 (28.71 per cent).

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

As per the FRBM Act, the State Government must ensure compliance to the targets fixed for the fiscal indicators. The Revenue Deficit and the Fiscal deficit as worked out for the State gets impacted due to various circumstances such as, misclassification of revenue expenditure as capital and *vice versa*, interest not credited in interest-bearing reserves, *etc.*, which are discussed in the Report in succeeding Chapters. In order to arrive at actual deficit/surplus figures, the effect of misclassification of revenue expenditure/capital outlay and/or any such misclassification needs to be included and the impact of the aforesaid issues needs to be addressed and appropriately factored into.

The impact of the above issues has resulted in overstatement of state revenue surplus and understatement of fiscal deficit by ₹ 3,356.11 crore and ₹ 3,326.58 crore respectively during the year 2022-23 which has been worked out in **Table 1.6** and result of audit impact has been depicted in **Table 1.7**.

Table 1.6: Revenue and Fiscal Deficits post examination by Audit

(₹ in crore)

Particulars	Impact on Revenue Surplus		Impact on Fiscal Deficit	
	Over-statement	Under-statement	Over-statement	Under-statement
(1)	(2)	(3)	(4)	(5)
Short contribution to Consolidated Sinking Fund (Refer to Paragraph 2.5.2.1)	428.48	-	-	428.48
Interest not credited to the State Disaster Response Fund (Refer to Paragraph 2.5.2.3)	266.56	-	-	266.56
Interest not credited to the State Compensatory Afforestation Fund (Refer to Paragraph 2.5.2.6)	37.02			37.02
Misclassification of expenditure between Revenue to Capital and vice-versa (Refer to Paragraphs 3.2.2 and 3.4.2.4)	29.53	-	-	-
Interest not credited on balances of Defined Contributory Pension scheme (Refer to Paragraph 4.2)	30.75	-	-	30.75
Short contribution to Guarantee Redemption Fund (Refer to Paragraph 2.5.2.5)	1742.18			1742.18
Short contribution to Central Road and Infrastructure Fund (Refer to Paragraph 2.5.2.7)	658.75			658.75
Short contribution to Building and other Construction Workers Welfare Cess (Refer to Paragraph 2.5.3.1)	7.23			7.23
Non-transfer of fund to Uttar Pradesh Road Transport Accident Relief Fund (Refer to Paragraph 4.3)	155.61			155.61
Net Impact	₹ 3356.11 crore (Overstatement of revenue surplus)		₹ 3326.58 crore (Understatement of fiscal deficit)	

Source: Finance Accounts 2022-23 and audit analysis.

Table 1.7: Result of audit impact

(₹ in crore)

Sl. No.	Particular	As per Accounts	Understated (-)/ Overstated (+) by	Actual/ Post audit examination
1	2	3	4	5 = 3-4
1	Revenue Surplus	37263.44	3356.11	33907.33
2	Fiscal Deficit	64636.26	(-)3326.58	67962.84

Source: Audit analysis

1.7 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. These 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 has to repay the debt and/or service the debt from its budget.

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. 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 year 2022-23, the State Government resorted to extra-budget borrowings which is discussed in detail in **Paragraph 4.1** of the Report. As on 31 March 2023, extra-budget borrowings of ₹ 24,314.36 crore was outstanding, which has impact on the overall debt stock of the State as given in **Table 1.8**.

Table 1.8: Component of outstanding debt/liabilities as on 31 March 2023

(₹ in crore)

Borrowings and other liabilities as per Finance Accounts 2022-23	Amount
Internal Debt (A)	533476.54
Market Loans	447467.50
Loans from Financial Institutions	50638.47
Special Securities issued to National Small Savings Fund	35248.39
Other Loans	122.18
Loans and Advances from the Central Government(B)	34364.15

Borrowings and other liabilities as per Finance Accounts 2022-23	Amount
Ways and Means Advances	1.43
Pre 1984-85 Loans	9.94
Loans to cover gap in resources	14146.94
Block Loans	877.00
Special Assistance	1134.62
Other Loans	18194.22
Liabilities upon Public Accounts (C)	94475.55
Small Savings Provident Funds <i>etc.</i>	59727.44
Reserve Funds	7111.99
Deposits	18867.27
Deposits, yet to be apportioned between UP and Uttaranchal	8768.85
Total (A+B+C)	662316.24
Extra-budget borrowings	
Extra budget borrowing during 2022-23	3488.00
Extra-budget borrowings as on 31.03.2023	24314.36
Grand Total	686630.60

Source: Finance Accounts 2022-23 and information provided by Department of Finance

Thus, after including the extra budget borrowings the overall debt/liabilities of the State as on 31.03.2023 was ₹ 6,86,630.60 crore as against ₹ 6,62,316.24 crore as per Accounts. However, the borrowing and other liabilities of the State was ₹ 6,72,483.66 crore after excluding back to back loan received during 2020-21 (₹ 6,007 crore) and 2021-22 (₹ 8,139.94 crore) in lieu of GST compensation shortfall with no repayment liability to the State. The outstanding liabilities as a percentage of GSDP was 29.79 per cent after including extra budget borrowings but excluding back to back loan in lieu of GST compensation shortfall.

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 key fiscal aggregates of the State during the financial year 2022-23, compared to 2021-22. The analysis of the following indicators is discussed in the succeeding paragraphs.

Table 2.1: Changes in key fiscal aggregates in 2022-23 compared to the year 2021-22

Revenue Receipts	<ul style="list-style-type: none">✓ Revenue receipts of the State increased by 12.46 per cent✓ Own Tax receipts of the State increased by 18.13 per cent✓ Non-tax receipts increased by 17.96 per cent✓ State's Share of Union Taxes and Duties increased by 5.85 per cent✓ Grants-in-Aid from Government of India increased by 15.56 per cent
Revenue Expenditure	<ul style="list-style-type: none">✓ Revenue expenditure increased by 12.56 per cent✓ Revenue expenditure on General Services increased by 8.36 per cent✓ Revenue expenditure on Social Services increased by 14.83 per cent✓ Revenue expenditure on Economic Services increased by 17.71 per cent✓ Expenditure on Grants-in-Aid increased by 9.09 per cent
Capital Receipts	<ul style="list-style-type: none">✓ Debt Capital Receipts decreased by 11.75 per cent✓ Non debt Capital Receipts increased by 42.35 per cent
Capital Expenditure	<ul style="list-style-type: none">✓ Capital expenditure increased by 30.21 per cent✓ Capital expenditure on General Services increased by 88.76 per cent✓ Capital expenditure on Social Services increased by 88.75 per cent✓ Capital expenditure on Economic Services increased by 5.96 per cent
Loans and Advances	<ul style="list-style-type: none">✓ Disbursement of Loans and Advances increased by 532.76 per cent✓ Recoveries of Loans and Advances increased by 42.35 per cent
Public Debt	<ul style="list-style-type: none">✓ Public Debt Receipts decreased by 11.75 per cent✓ Repayment of Public Debt decreased by 21.01 per cent
Public Account	<ul style="list-style-type: none">✓ Public Account Receipts increased by 18.72 per cent✓ Disbursements from Public Account increased by 17.88 per cent
Cash Balance and Investment	<ul style="list-style-type: none">✓ Cash balance and Investment decreased by ₹ 11,685 crore (26.24 per cent) as on 31 March 2023 as compared to 31 March 2022.

Source: Finance Accounts of the respective year

2.2 Sources and Application of Funds

A time series data on the State Government finances for the period 2018-23 is given in *Appendix-2.1*. **Table 2.2** depicts the components and sub-components of the State's financial resources and application of funds during the year 2022-23 as compared to the year 2021-22.

Table 2.2: Comparison of Sources and Application of funds during the years 2021-22 and 2022-23

	Particulars	2021-22 (₹ in crore)	2022-23 (₹ in crore)	Increase/ Decrease (in percentage)
Sources	Opening Cash Balance and Investment	31653	44533	40.69
	Revenue Receipts	371011	417241	12.46
	Recoveries of Loans and Advances	939	1337	42.35
	Public Debt Receipts (Net)	47025	44156	(-)6.10
	Miscellaneous Capital Receipts	0	0	-
	Public Account Receipts (Net)*	4442	8795	98.00
	Contingency Fund Receipts	700	0	(-)100.00
	Total	455770	516062	13.23
Application	Revenue Expenditure	337581	379978	12.56
	Capital Expenditure	71443	93028	30.21
	Disbursement of Loans and Advances	1613	10208**	532.76
	Appropriation to Contingency Fund	600	0	(-)100.00
	Disbursements under Contingency Fund	0	0.06	-
	Closing Cash Balance and Investment	44533	32848	(-)26.24
	Total	*455770	516062	13.23

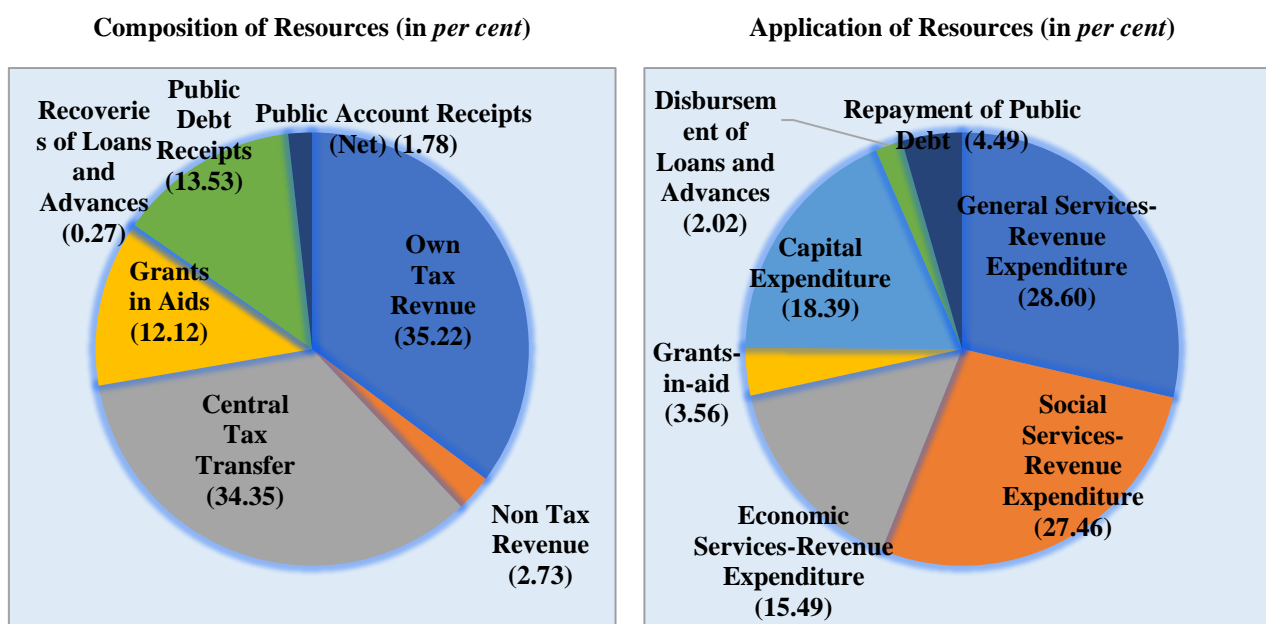
Source: Finance Accounts of the respective years.

* Excluding transactions under Major Heads 8671-Departmental Balances, 8672-Permanent Cash Imprest and 8673-Cash Balance Investment Account and investments in Reserve Funds which are part of opening and closing cash balances.

** Disbursement of loans and advances during 2022-23 was ₹10,208.63 crore.

2.2.1 Component wise sources and applications of funds during the year 2022-23 are depicted in **Chart 2.1**.

Chart 2.1: Composition and Application of Resources during the year 2022-23



Source: Finance Accounts 2022-23

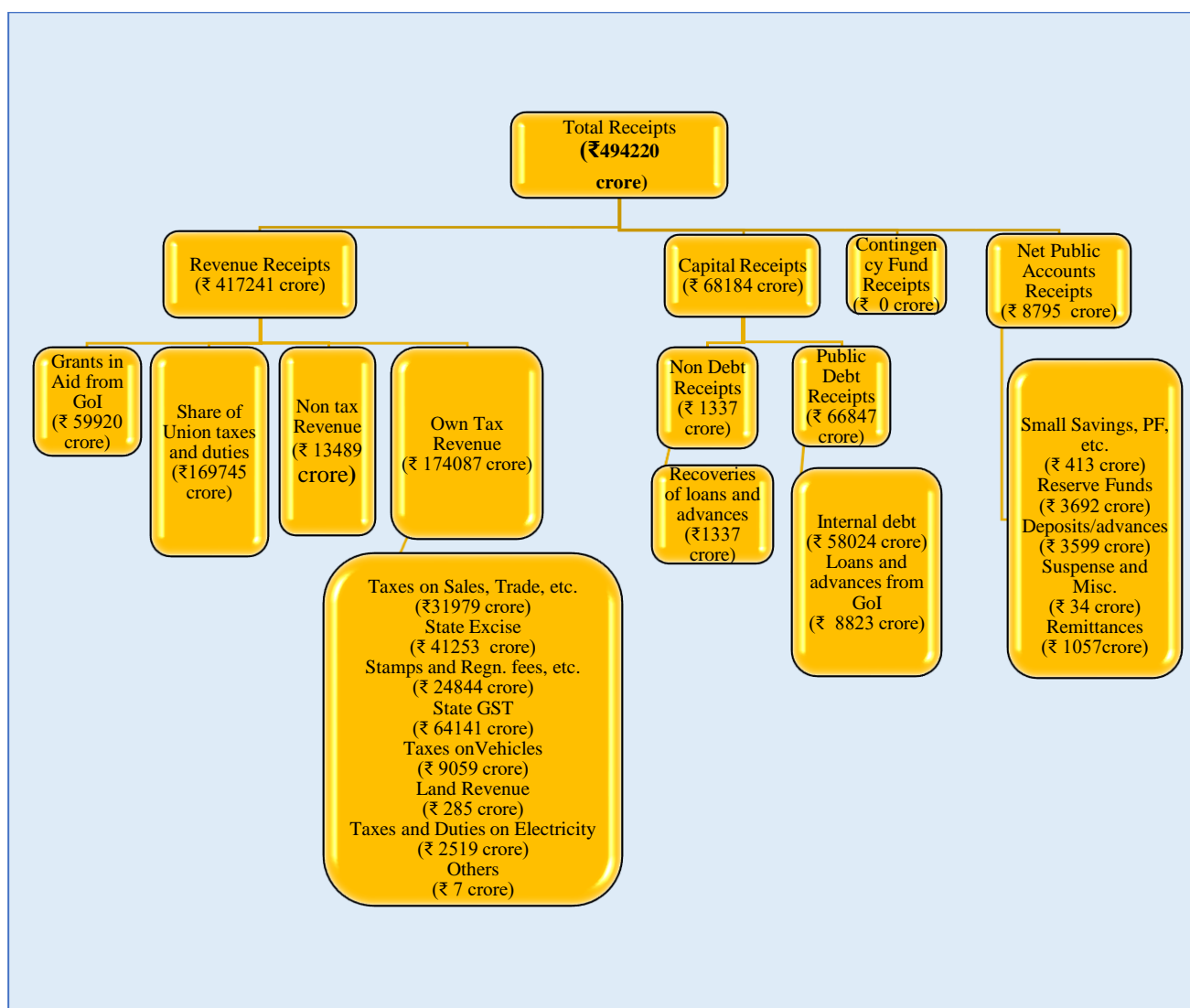
2.3 Resources of the State

This section analyses resources of the State and their trends during the years 2018-19 to 2022-23.

2.3.1 Receipts of the State

The composition of receipts of the State during the year 2022-23 is shown in **Chart 2.2**

Chart 2.2: Details of composition of receipts during the year 2022-23



Source: Finance Accounts 2022-23

The total receipts of the State during the year 2022-23 was ₹ 4,94,220 crore. It constitutes of Revenue Receipts of ₹ 4,17,241 crore, Capital Receipts of ₹ 68,184 crore and Net Public Account Receipt⁴ of ₹ 8,795 crore. Revenue Receipts consist of Own Tax Revenue of ₹ 1,74,087 crore, Non-Tax Revenue of ₹ 13,489 crore, Share of Union taxes and duties of ₹ 1,69,745 crore and Grants-in-Aid from GOI of ₹ 59,920 crore. Capital Receipts constitute Non-debt Receipts of ₹ 1,337 crore and Public Debt Receipts of ₹ 66,847 crore.

2.3.2 State's Revenue Receipts

This paragraph analyses trends in total Revenue Receipts and its components. It is followed by analysis of trends in the receipts bifurcated into State's own receipts and receipts from the Central Government.

⁴ 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.

2.3.2.1 Trends and growth of Revenue Receipts

The trends and growth of Revenue Receipts with respect to Gross State Domestic Product (GSDP) over the five-year period 2018-23 are depicted in **Table 2.3**.

Table 2.3: Trend in Revenue Receipts, Own Tax and Non-Tax Revenues of the State

(₹ in crore)					
Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Receipts (RR)	329978	366393	296176	371011	417241
<i>Rate of growth of RR (per cent)</i>	18.37	11.04	(-)19.16	25.27	12.46
Tax Revenue					
Own Tax Revenue	120122	122826	119897	147368	174087
State's share in Union taxes and duties	136766	117818	106687	160358	169745
Non-Tax Revenue	30101	81705	11846	11436	13489
Grants-in aid from GoI	42989	44044	57746	51849	59920
<i>Rate of growth of GIA from GoI</i>	5.76	2.45	31.11	(-)10.21	15.56
Own Revenue (Own Tax and Non-Tax Revenue)	150223	204531	131743	158804	187576
<i>Rate of growth of Own Revenue (per cent)</i>	28.19	36.15	(-)35.59	20.54	18.12
GSDP (2011-12 Series)	1582180	1700062	1645317	1974532	2257575
<i>Rate of growth of GSDP (per cent)</i>	9.88	7.45	(-)3.22	20.01	14.33
<i>RR/GSDP (per cent)</i>	20.86	21.55	18.00	18.79	18.48
Buoyancy Ratio⁵					
Revenue Buoyancy w.r.t. GSDP	1.86	1.48	*	1.26	0.87
State's Own Revenue Buoyancy w.r.t. GSDP	2.85	4.85	*	1.03	1.26

Source: Finance Accounts of the respective years and Ministry of Statistics and Programme Implementation, Government of India

*Since growth of GSDP was negative hence buoyancy was not calculated.

Analysis based on figures as detailed in **Table 2.3** revealed that:

- Revenue Receipts of the State of Uttar Pradesh during the year 2022-23 was ₹ 4,17,241 crore. The compound annual growth rate (CAGR) was 6.04 per cent during the period 2018-23. It increased by 12.46 per cent in the year 2022-23 as compared to previous year (2021-22). The increase in Revenue Receipts was mainly due to higher receipts of Corporation Tax (23 per cent) and Taxes on Income other than Corporation Tax (17 per cent) under Central Tax Transfers and Own Tax Revenue (18 per cent) as compared to the year 2021-22.
- State Government had projected Revenue Receipts of ₹ 4,99,213 crore in Budget Estimates 2022-23 which was reduced to ₹ 4,78,817 crore in Revised Estimates. As compared to Budget Estimates 2022-23, there were shortfall in actual receipts by 21.10 per cent in Own Tax Revenue, 42.37 per cent in Non-Tax Revenue and 44.85 per cent in Grants-in-aid from GoI. State could

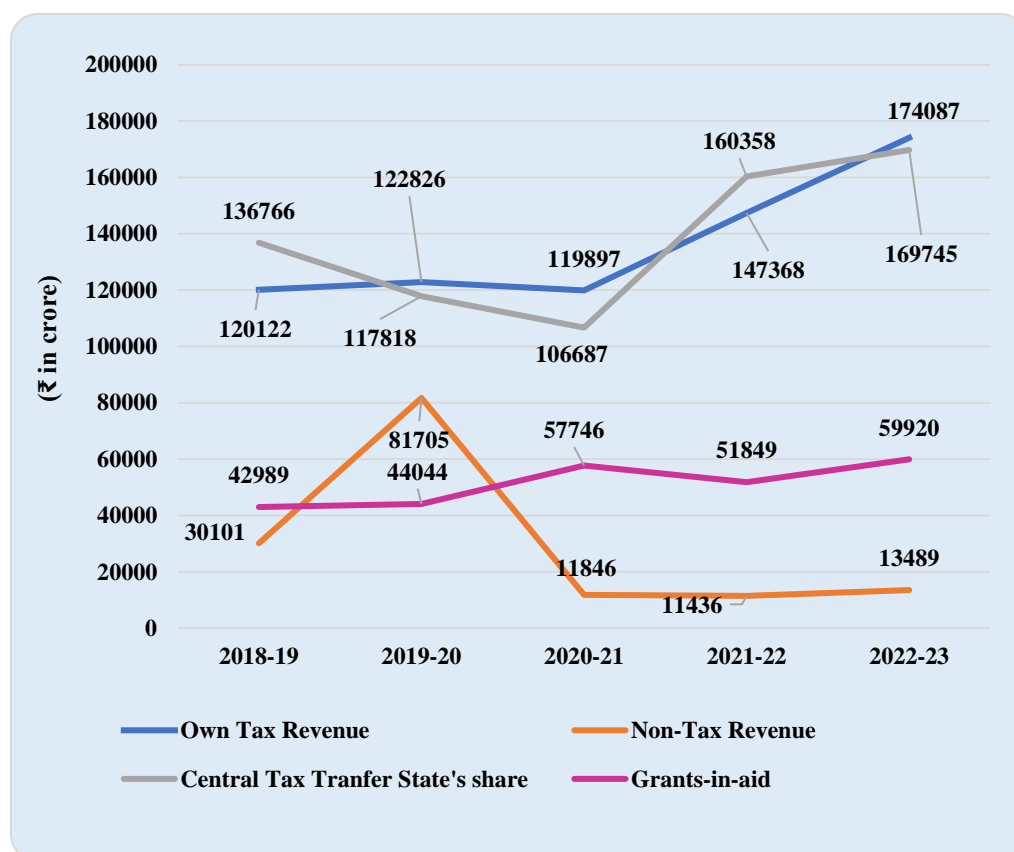
⁵ Buoyancy ratio indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable.

also not achieve Revised Estimates projections due to shortfall of 6.02 per cent in Own Tax Revenue and 46.28 per cent in Grants-in-aid from GoI.

- State’s own tax revenue buoyancy ratio with respect to GSDP had fluctuating trend during the period 2018-23. It increased to 4.85 in the year 2019-20 as compared to 2.85 in the year 2018-19, during 2021-22, it was 1.03 which increased to 1.26 during the year 2022-23.
- Grants-in-Aid from Government of India was 14.36 per cent of Revenue Receipts during 2022-23 as compared to 13.98 per cent during 2021-22 due to higher (15.56 per cent) receipts of grants-in-aid during 2022-23.

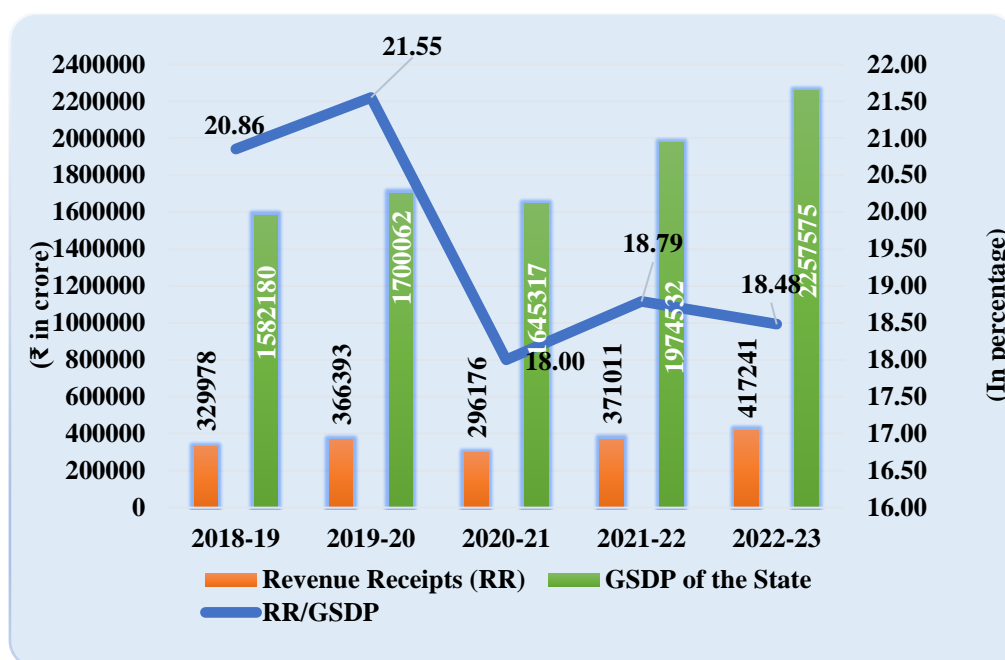
The trends and composition of Revenue Receipts as per Finance Accounts during the period 2018-23 are depicted in **Chart 2.3** and **Chart 2.4**.

Chart 2.3: Trend of Revenue Receipts during the period 2018-23



Source: Finance Accounts of the respective years

Chart 2.4: Revenue Receipts as a percentage of GSDP during the period 2018-23



Source: Finance Accounts of the respective years and Ministry of Statistics and Programme Implementation, Government of India

2.3.2.2 State's Own Resources

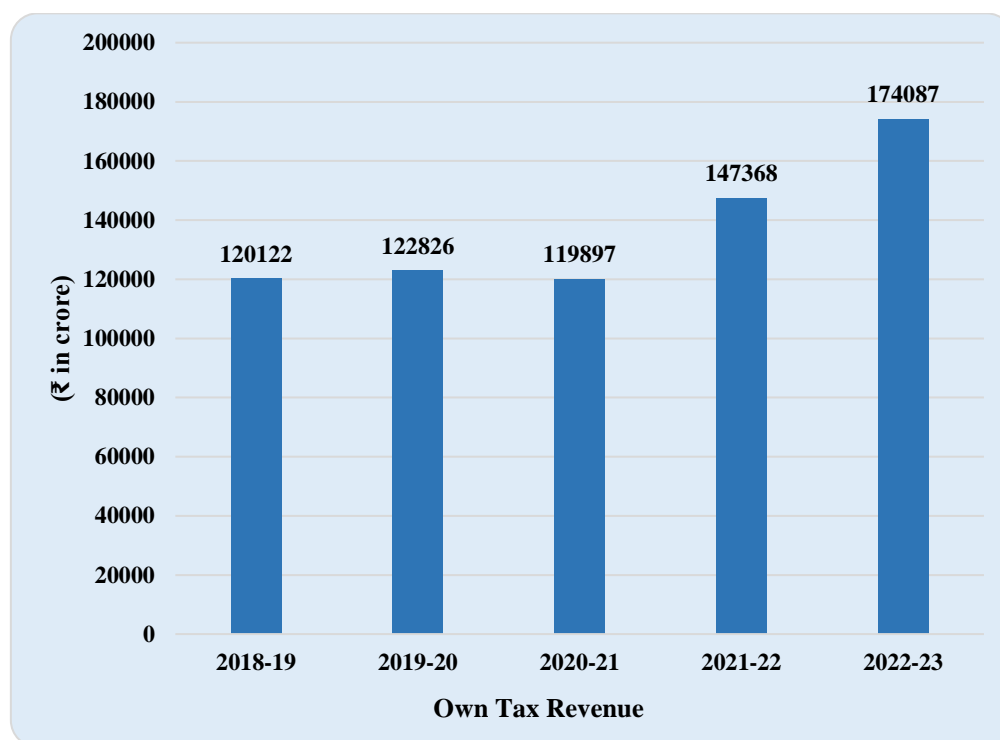
State's Own Resources comprise Own Tax Revenue and Non-Tax Revenue. Components of Own Tax Revenue of the State of Uttar Pradesh are State GST (SGST), State Excise, Taxes on Vehicles, Stamps and Registration Fees, Land Revenue, Taxes and Duties on Electricity, Taxes on Goods and Passengers, etc. The sources 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 2018-23 are given in *Appendix-2.2*.

(i) Own Tax revenue

Own Tax Revenue of the State consists of State Goods and Services Tax (SGST), Taxes of Sales, Trade, etc., State Excise, Taxes on Vehicles, Stamp Duty and Registration Fees, Land Revenue, etc.

Own Tax Revenue of the State was ₹ 1,74,087 crore during the year 2022-23. During the period 2018-23, it increased by 44.93 per cent (₹ 53,965 crore) from ₹ 1,20,122 crore in 2018-19 to ₹ 1,74,087 crore in 2022-23. Major trends of growth of Own Tax Revenue are given in **Chart 2.5**.

Chart 2.5: Own Tax Revenue during the period 2018-23



Source: Finance Accounts of the respective year

During the period 2018-23, receipts under components of State's Own Tax Revenue are given in **Table 2.4**.

Table 2.4: Components of State's Own Tax Revenue during the period 2018-23

(₹ in crore)

Sl. No.	Revenue Head	2018-19	2019-20	2020-21	2021-22	2022-23	Sparkline
1.	Taxes on Sales, Trade, etc.	23798	20517	22127	27058	31979	
2.	State Goods and Service Tax (SGST)	46108	47232	42860	54594	64141	
3.	State Excise	23927	27325	30061	36320	41253	
4.	Taxes on Vehicles	6929	7715	6483	7776	9059	
5.	Stamps and Registration fees	15733	16070	16475	20048	24844	
6.	Land Revenue	631	504	297	193	285	
7.	Taxes and duties on Electricity	2978	3453	1587	1366	2519	
8.	Other Taxes	18	10	7	13	7	
	Total	120122	122826	119897	147368	174087	

Source: Finance Accounts of the respective year

It is evident from **Table 2.4** that:

- The overall increase of 18 per cent in Own Tax Revenue during 2022-23 over previous year was mainly due to increase in receipts of State Goods and Services Tax by ₹ 9,547 crore, State Excise by ₹ 4,933 crore, Taxes on

Sales, Trade by ₹ 4,921 crore, Stamps and Registration Fees by ₹ 4,796 crore and Taxes on Vehicles by ₹ 1,283 crore, Taxes and Duties on Electricity by ₹ 1,153 crore as compared to the year 2021-22.

- State Goods and Services Tax (SGST) which is the largest component of tax revenue of the State comprised 36.84 *per cent* of the own tax revenue receipts for the year 2022-23. During the year 2022-23, the Budget estimate for SGST was ₹ 88,264 crore against which actual collection was ₹ 64,141 crore which was 27.33 *per cent* below the estimation. However, SGST was 17.49 *per cent* higher in 2022-23 as compared to the previous year.
- Collection under Taxes on Sales, Trade, etc., increased mainly due to more receipt under State Sales Tax by ₹ 2,780.62 crore and Value Added Tax by ₹ 2,747.72 crore. Increase in State Excise was mainly due to increase in receipts on account of Malt Liquor by ₹ 1,862.83 crore, Foreign Liquor and Spirits by ₹ 1,048.86 crore and Country Spirits by ₹ 1,804.83 crore. Increase in Taxes on Vehicles mainly due to more receipts of ₹ 924.88 crore under the State Motor Vehicle Taxation Act and ₹ 359.18 crore under the Indian Motor Vehicles Act.

State Goods and Services Tax (SGST)

As per figures intimated by the Reserve Bank of India, the amount of SGST for the year 2022-23 was ₹ 27,364.88 crore and as per the Finance Accounts 2022-23, the amount of SGST under Major Head 0006 was ₹ 64,140.91 crore. The difference of ₹ 36,766.03 crore was mainly due to figures of minor heads 105, 106, 107, 108 and 110 regarding apportionment of IGST (₹ 38,685.46 crore) booked on the basis of sanctions received from Government of India and refund/floating charges of ₹ 1,909.47 crore.

Analysis of arrears of revenue

The arrear of revenue indicates delayed realization of revenue due to the Government. As of 31 March 2023, the arrears of revenue were ₹ 45,687.87 crore, of which ₹ 16,893.47 crore were outstanding for more than five years, as detailed in **Table 2.5**.

Table 2.5: Arrear of Revenue

(₹ in crore)

Sl. No.	Head of Revenue	Amount outstanding as on 31 March 2023	Amount outstanding for more than five years as on 31 March 2023
1.	Tax/VAT on Sales, Trade etc.	35081.65	14910.71
2.	Goods and Service Tax	7430.27	0.00
3.	Taxes on Vehicles	675.57	0.00
4.	State Excise	45.26	45.26
5.	Stamp and Registration	2455.12	1937.50
	Total	45687.87	16893.47

(ii) Non-Tax Revenue

Major sources of Non-Tax revenue and their trend analysis during the period 2018-23 is given in **Table 2.6**:

Table 2.6: Trends of Non-Tax Revenue during the period 2018-23.**(₹ in crore)**

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23	Sparkline
(i) Interest receipts	1712	1469	1115	1250	1259	
(ii) Dividends and Profits	176	39	105	212	141	
(iii) Other Non-tax Receipts:						
(a) Miscellaneous General Services	13678	72044	572	295	486	
(b) Non-ferrous Mining and Metallurgical Industries	3165	2181	3113	2655	3351	
(c) Power	5735	1044	1309	1769	965	
(d) Irrigation (Major, Medium and Minor)	908	1024	1174	1120	1280	
(e) Roads and Bridges	932	707	997	640	855	
(f) Education, Sports, Art and Culture	381	480	505	452	672	
(g) Others Or Miscellaneous	3414	2717	2956	3043	4480	
Total	28213	80197	10626	9974	12089	
Grand Total [(i), (ii) and (iii)]	30101	81705	11846	11436	13489	

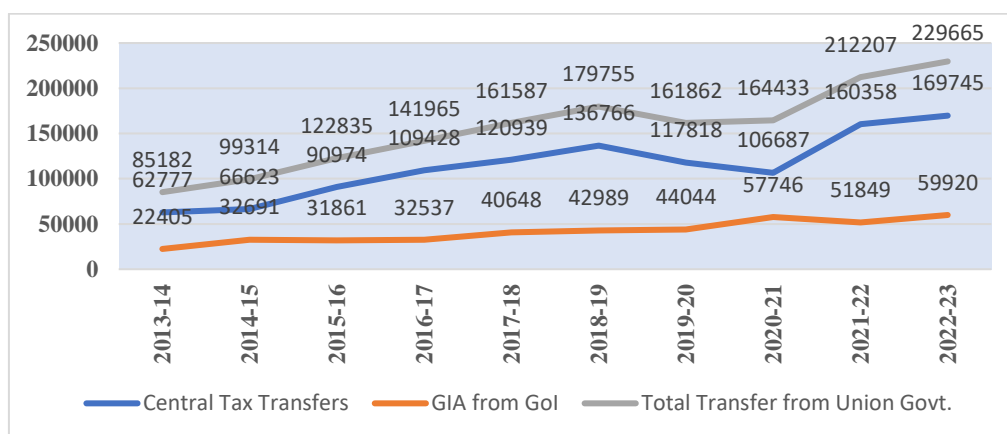
Source: Finance Accounts of the respective years.

Non-Tax receipts of the State was the highest during 2019-20. However, higher Non-Tax receipts during 2018-19 and 2019-20 was mainly due to book transfers of balances from Sinking Fund amounting to ₹ 12,693 crore (2018-19) and ₹ 71,180 crore (2019-20) to the head ‘Miscellaneous General Services’ without actual cash receipts. During 2022-23, the total receipts under Non-Tax Revenue were ₹ 13,489 crore, representing an increase of 17.95 per cent over the previous year. Increases were mainly in receipts of Non-Ferrous Mining and Metallurgical Industries by ₹ 696 crore (26.21 per cent), Education, Sports, Art and Culture ₹ 220 Crore (48.67 per cent). Increases were counter balanced by less receipts under Power ₹ 804 crore (45.44 per cent) as compared to previous year (2021-22).

2.3.2.3 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. The trends of Central tax transfers and grants during the period 2013-14 to 2022-23 are brought out in **Chart 2.6** below:

Chart 2.6: Trends of Transfers from Union Government



During the year 2022-23, transfers from GoI, (₹ 2,29,665 crore) which included State's share of Union Taxes and Duties (₹ 1,69,745 crore) and Grants-in-aid (₹ 59,920 crore), constituted 55.04 per cent of Revenue Receipts (₹ 4,17,241 crore) of the State. Total transfer from GoI was 8.23 per cent (₹ 17,458 crore) higher as compared to the year 2021-22.

(i) Central Tax Transfers

The actual release of share in Union taxes and duties to State Government vis-a-vis projections made by Fourteenth Finance Commission (2015-20) and Fifteenth Finance Commission for the period 2020-23 is tabulated in **Table 2.7**.

Table 2.7: Projection vis-a-vis Actual devolution of Central Share to Uttar Pradesh

(₹ in crore)

Year	Finance Commission projections	Projection as per FCR	Amount Devolved	Difference
(1)	(2)	(3)	(4)	(5)= (4)-(3)
2015-16	17.959 per cent of net proceeds of all shareable taxes excluding service tax and 18.205 per cent of net proceeds of shareable service tax (As per recommendations of 14 th FC)	104297	90973.69	(-)13323.31
2016-17		120355	109428.29	(-)10926.71
2017-18		139070	120939.14	(-)18130.86
2018-19		160892	136766.46	(-)24125.54
2019-20		186352	117818.30	(-)68533.70
2020-21	17.931 per cent of net proceeds of all shareable taxes. (As per recommendations of 15 th FC)	153342	106687.01	(-)46654.99
2021-22	17.939 per cent of net proceeds of all shareable taxes. (As per recommendations of 15 th FC)	118145	160358.05	42213.05
2022-23		131426	169745.30	38319.30

The trend of receipts under Uttar Pradesh's share in Union Taxes and Duties during the five-year period 2018-23 is given in **Table 2.8**.

Table 2.8: Central Tax Transfers during the period 2018-23

(₹ in crore)

Head	2018-19	2019-20	2020-21	2021-22	2022-23
Central Goods and Services Tax (CGST)	33757	33434	31611	45919	48136
Integrated Goods and Services Tax (IGST)	2694	0	0	0	0
Corporation Tax	47563	40171	32258	45807	56507
Taxes on Income other than Corporation Tax	35028	31477	33080	47482	55758
Customs	9695	7468	5606	11922	6697
Union Excise Duties	6442	5192	3577	6693	2101
Service Tax	1252	0	475	2360	266
Other Taxes ⁶	335	76	80	175	280
Total	136766	117818	106687	160358	169745
Percentage of increase over previous year	13.09	(-)13.85	(-)9.45	50.31	5.85
Percentage of Central tax transfers to total Revenue Receipts of State	41.45	32.16	36.02	43.22	40.68

Source: Finance Accounts of the respective years.

Table 2.8 shows that during the year 2022-23, the receipts under State's share of Union taxes and duties increased by ₹ 9,387 crore (5.85 per cent) as compared to year 2021-22. State's share of Union taxes and duties constituted 40.68 per cent of total revenue receipts of the State Government.

(ii) Grants-in-aid from Government of India

The State Government received Grants-in-aid from GoI under sub major heads such as Grants for Centrally Sponsored Schemes (CSS), Finance Commission Grants and other transfers from GoI. During the period 2018-23, position of grants-in-aid from GoI is depicted in Table 2.9

Table 2.9: Grants-in-aid from Government of India during the period 2018-23

(₹ in crore)

Head	2018-19	2019-20	2020-21	2021-22	2022-23
Grants for Centrally Sponsored Plan Scheme					
Grants for Centrally Sponsored Schemes (CSS)	31250	25824	32342	31227	35575
Finance Commission Grants	9318	12965	16023	12306	12384
Other Transfers/Grants to States/Union Territories with Legislature	2421	5255	9381	8316	11961
Total	42989	44044	57746	51849	59920
Percentage of increase over the previous year	5.76	2.45	31.11	(-)10.21	15.57
Percentage of GIA to Revenue Receipts	13.03	12.02	19.50	13.98	14.36

Source: Finance Accounts of respective years

⁶ Include Taxes on Wealth, Other Taxes on Income and Expenditure, Other Taxes and Duties on commodities and Services.

It is evident from **Table 2.9** that overall increase during the period 2018-23 under different components of Grants-in-aid from GoI was 39.38 *per cent* from ₹ 42,989 crore in 2018-19 to ₹ 59,920 crore in 2022-23. However, in the year 2022-23, there was an increase of 15.57 *per cent* (₹ 8,071 crore) in Grants-in-aid over the previous year. The State Government received ₹ 35,575 crore under Centrally Sponsored Schemes during 2022-23 which was 13.92 *per cent* higher in comparison to the year 2021-22 mainly due to increased Grants-in-Aid under Rural Development Department by ₹ 6,894.58 crore (130.63 *per cent*), Medical Education Department by ₹ 642.68 crore (91.81 *per cent*), Women and Child Development by ₹ 1,075.79 crore (71.36 *per cent*), Panchayati Raj and Youth Welfare by ₹ 336.48 crore (104.75 *per cent*), Primary Education by ₹ 657.26 crore (21.77 *per cent*) and Schedule Tribe Welfare by ₹ 184.23 crore (17.53 *per cent*). However, there was decrease in Grants-in-Aid under Police Department by ₹ 22.93 crore (70 *per cent*), Urban Development by ₹ 1,749.88 crore (31.30 *per cent*) and Social Welfare Development (Special Component Plan of Scheduled Castes) by ₹ 3,320.41 crore (50.84 *per cent*), etc.

Single Nodal Agency: Ministry of Finance, Government of India notified (March 2021) the procedure for release of funds under CSS and monitoring utilization of funds released through Single Nodal Agency (SNA). State Government is required to designate a SNA for implementing each CSS. The SNA will open a Single Nodal Account for each CSS at the State level in scheduled Commercial Bank authorized to conduct Government business by the State Government. As per the procedure, the State Government is to transfer the Central share received in its accounts in the RBI and corresponding State share to the concerned SNA's account.

As per PFMS portal of the CGA, the State Government received ₹ 32,239.40 crore being Central share during the year 2022-23 in its Treasury Accounts. Detailed vouchers and supporting documents of actual expenditure were not received by the Accountant General (A&E) Uttar Pradesh office from the SNAs. As on 31 March 2023, the Government transferred Central share of ₹ 40,531.31 crore received in Treasury Accounts and State share of ₹ 38,533.68 crore to the SNAs. As per PFMS portal of CGA, ₹ 28,980.96 crore is lying unspent in the bank accounts of SNAs as on 31 March 2023.

(a) Fifteenth Finance Commission Grants

Fifteenth Finance Commission recommended for grants-in-aid to State Government for Local Bodies and State Disaster Response Fund, State Disaster Risk Management Fund. The details of amounts recommended by the Fifteenth Finance Commission, grants-in-aid received from Government of India and transferred by the State Government during the period 2020-23 are shown in **Table 2.10**.

Table 2.10: Finance Commission Grants from GoI during the period 2022-23

(₹ in crore)

Particulars	Recommendation of			Grant received from GoI			Grants transferred by State Government		
	XV-FC	XV-FC	Total	2020-21 to 2021-22	2022-23	Total	2020-21 to 2021-22	2022-23	Total
	2020-21 to 2021-22	2022-23							
Local Bodies (Basic and Performance Grants)									
(i) Grants to PRIs	16960	7466	24426	16960	7466	24426	16960	7466	24426
(ii) Grants to ULBs	8245	3677	11922	6099.25	3477.82	9577.07	6099.25	3477.82	9577.07
Total for Local Bodies	25205	11143	36348	23059.25	10943.82	34003.07	23059.25	10943.82	34003.07
SDRF/SDMF*	3866	2030	5896	3479.40	1401.60	4881.00	3479.40	1401.60	4881.00
Grand Total	29071	13173	42244	26538.65	12345.42	38884.07	26538.65	12345.42	38884.07

Source: Finance Accounts of respective years and XV Finance Commission Reports

* State Disaster Response Fund (SDRF)/State Disaster Mitigation Fund (SDMF)

During the period 2022-23, against the total grants of ₹ 7,466.00 crore recommended by 15th Finance Commission under grants-in-aid for Panchayati Raj Institutions (PRIs), the State Government received ₹ 7,466.00 crore from the GoI. Out of this, the State Government released whole amount to Rural Local Bodies. Further, against the total grants of ₹ 3,677.00 crore recommended by the 15th Finance Commission for Urban Local bodies (ULBs), the State Government received ₹ 3,477.82 crore from GoI, the State Government released whole amount to ULBs during the year, thus short released of ₹ 199.18 crore, by GoI pertains to the year 2022-23. During the years 2022-23, the State Government released entire amount of grants-in-aid received from GoI to Urban/Rural Local Bodies.

As per the recommendations of the 15th Finance Commission, ₹ 2,707 crore are to be deposited under SDRF/SDMF during 2022-23, in which ₹ 1,624 crore for SDRF as Central share and ₹ 406 crore for SDMF as Central share and the State Government has to deposit ₹ 541.60 crore as state share for SDRF and ₹ 135.40 crore as state share for SDMF. Against the 15th FC recommendations GoI released ₹ 1,401.60 crore for SDRF/SDMF, thus GoI released short amount of ₹ 628.40 crore for the Fund. The State Government against its State share of ₹ 677 crore released ₹ 467.50 crore for the Fund. Thus, the State Government made short release of ₹ 209.50 crore.

The State Government transferred ₹ 812.00 crore as Central share and ₹ 270.80 as State share total ₹ 1,082.80 crore to SDRF and ₹ 589.60 crore as Central share and ₹ 196.70 crore as State share to SDMF respectively during the year 2022-23.

2.3.3 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 GoI. Trends in growth and composition of Capital Receipts are shown in **Table 2.11**.

Table 2.11: Trends of capital receipts during the period 2018-23

Sources of State's Receipts	2018-19	2019-20	2020-21	2021-22	2022-23
Capital Receipts	56908	79450	87994	76690	68184
(i) Miscellaneous Capital Receipts	0	0	0	0	0
(ii) Recovery of Loans and Advances (Non Debt Receipt)	5313	5641	1135	939	1337
(iii) Public Debt Receipts of which	51595	73809	86859	75751	66847
Internal Debt	50791	72554	78677	65003	58024
Growth rate of Internal Debt (in per cent)	9.67	42.85	8.44	(-17.38)	(-10.74)
Loans and advances from GoI	804	1255	8182*	10748*	8823
Growth rate of Loans and advances from GoI (in per cent)	(-27.11)	56.09	551.95	31.36	(-17.91)
Growth rate of debt Capital Receipts	8.81	43.05	17.68	(-12.79)	(-11.75)
Growth rate of non-debt Capital Receipts	2151.27	6.17	(-79.88)	(-17.27)	42.39
Growth rate of GSDP	9.88	7.45	(-3.22)	20.01	14.33
Growth rate of Capital Receipts (per cent)	19.42	39.61	10.75	(-12.85)	(-11.09)

Source: Finance Accounts of respective years

* Loans and advances from GoI included back-to-back loan of ₹6,007 crore and ₹8,140 crore in the years 2020-21 and 2021-22 respectively in lieu of GST compensation shortfall, with no repayment liability to the State.

As evident from **Table 2.11** that Capital Receipts of the State decreased by ₹ 8,506 crore in the year 2022-23 representing a decline of 11.09 per cent in comparison to the year 2021-22 due to less receipts of internal debt by 10.74 per cent and loans and advances from GoI by 17.91 per cent over the previous year. Internal debt receipts had increasing trend during the period 2018-21 but it had downward trend during 2021-22 and 2022-23. Receipts under Loans and advances from GoI fluctuated during the period 2018-23 and it was highest at ₹ 10,748 crore in the year 2021-22 mainly due to back-to-back loan of ₹ 8,140 crore in lieu of GST compensation shortfall with no repayment liability to the State as it is to be repaid from the collection of cess in the GST Compensation Fund.

During the year 2022-23, the recovery of loans and advances (₹ 1,337 crore) increased by 42.39 per cent over the previous year (₹ 939 crore). The recovery of loans and advances was higher during the years 2018-19 and 2019-20 mainly on account of conversion of loan amounting to ₹ 4,891.72 crore in each year under UDAY scheme to grants-in-aid to PSUs.

2.3.4 State's performance in mobilization of resources

State's performance in mobilisation of resources is assessed in terms of own tax revenue and non-tax revenue, without including State's share in Central taxes and grants-in-aid from GoI. During the year 2022-23, the realisation of State's

own tax revenue was lower than the projection made by the Medium Term Fiscal Restructuring Policy (MTFRP) 2022 by 21.10 *per cent* and 28.04 *per cent* higher than the projection made by 15th FC respectively as presented in **Table 2.12**.

Table 2.12: Tax and non-tax receipts vis-à-vis projections in the year 2022-23

(₹ in crore)

Particulars	15 th Finance Commission projections for the year 2022-23	Budget Estimates /MTFRP 2022	Actual for the year 2022-23	Percentage variation of actual over	
				XV FC projections	Budget estimates/MTFRP 2022
Own tax revenue	135959	220655	174087	28.04	(-)21.10
Non-tax revenue	35328	23406	13489	(-)61.82	(-)42.37

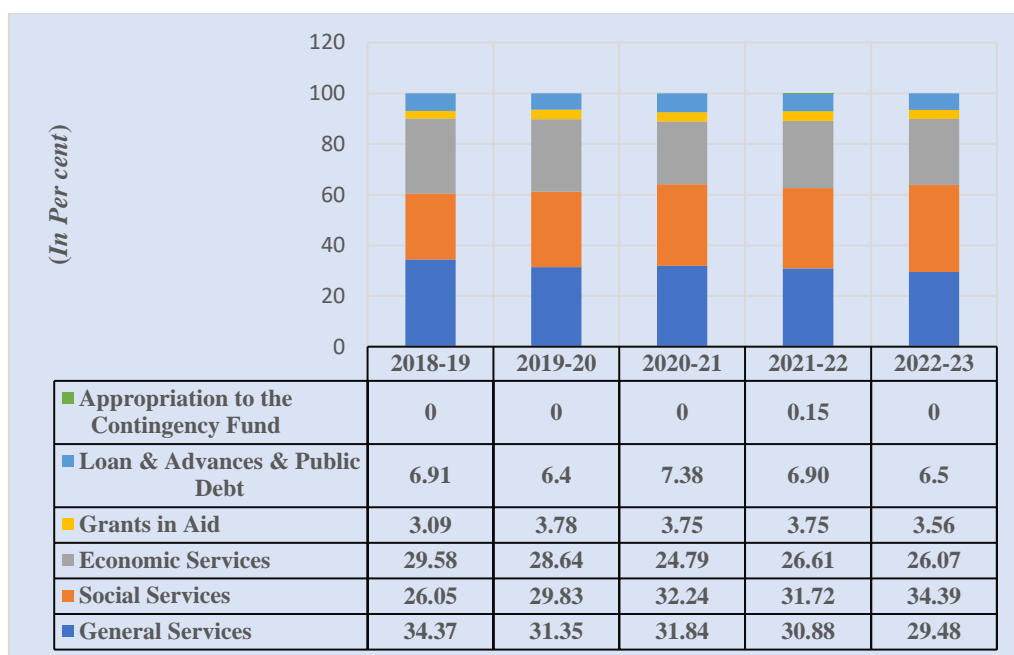
Source: 15th Finance Commission Report, Budget documents 2022-23 of the State Government and Finance Accounts 2022-23.

The Own tax revenue of the State in 2022-23 stood significantly lower than the projections made in the budget estimates/MTFRP 2022. This was mainly due to less collection of SGST by ₹ 24,123 crore, Stamps and Registration fees by ₹ 4,848 crore, State Excise by ₹ 7,900 crore and Taxes on sales, trade, etc. by ₹ 4,234 crore as compared to MTFRP 2022 projections. However, State's performance in mobilisation of own tax revenue was better than 15th Finance Commission projections.

2.4 Application of resources

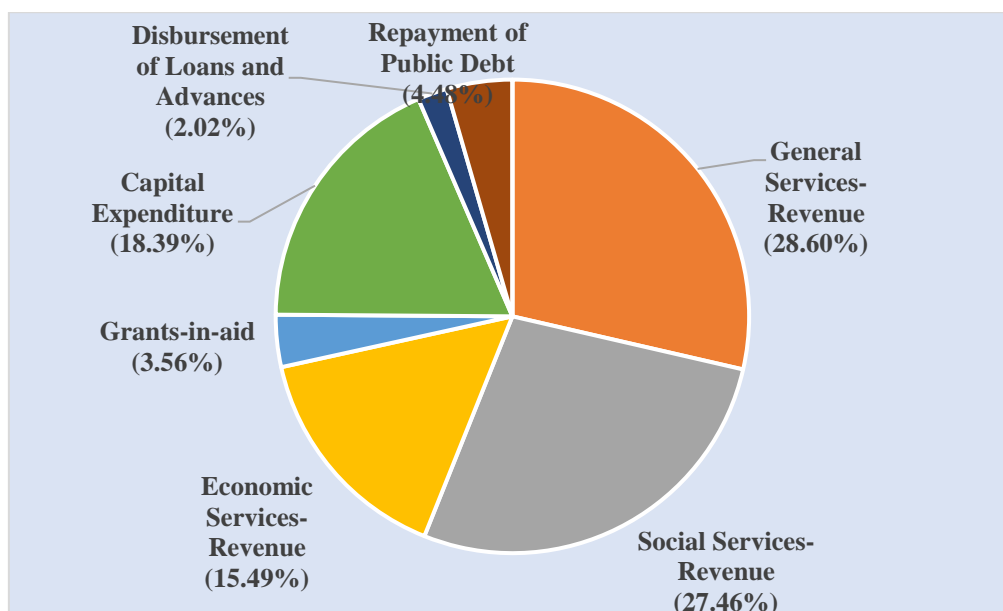
The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development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

The expenditure under Consolidated Fund is 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 Consolidated Fund of the State are presented in **Chart 2.7**.

Chart 2.7: Percentage of sector wise expenditure during the period 2018-23

Source: Finance Accounts of respective years

As evident from **Chart 2.7**, the share of expenditure on Social Services increased during 2022-23 as compared to 2021-22 whereas other sectors of expenditure witnessed decrease in their respective shares in total expenditure from Consolidated Fund of the State. The component wise expenditure under Consolidated Fund of the State during 2022-23 is depicted in **Chart 2.8**.

Chart 2.8: Component wise expenditure during the year 2022-23

Source: Finance Accounts 2022-23

Chart 2.8 presents that during the year 2022-23, the revenue expenditure under General Services was highest at 28.60 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 27.46 per cent of the total expenditure which includes expenditure on Education, Sports, Art and Culture, Health and Family Welfare, Social Welfare and Nutrition, Water Supply and Sanitation, Urban Development, etc. The revenue expenditure on Economic Services was 15.49 per cent which includes expenditure on Agriculture and allied activities, Rural Development, Irrigation and Flood Control, Energy, Industry and Minerals, Transport, etc.

Growth and composition of expenditure

Total expenditure under Consolidated Fund of the State and its composition during the period 2018-23 are summarized in **Table 2.13** and also depicted in the **Chart 2.9**.

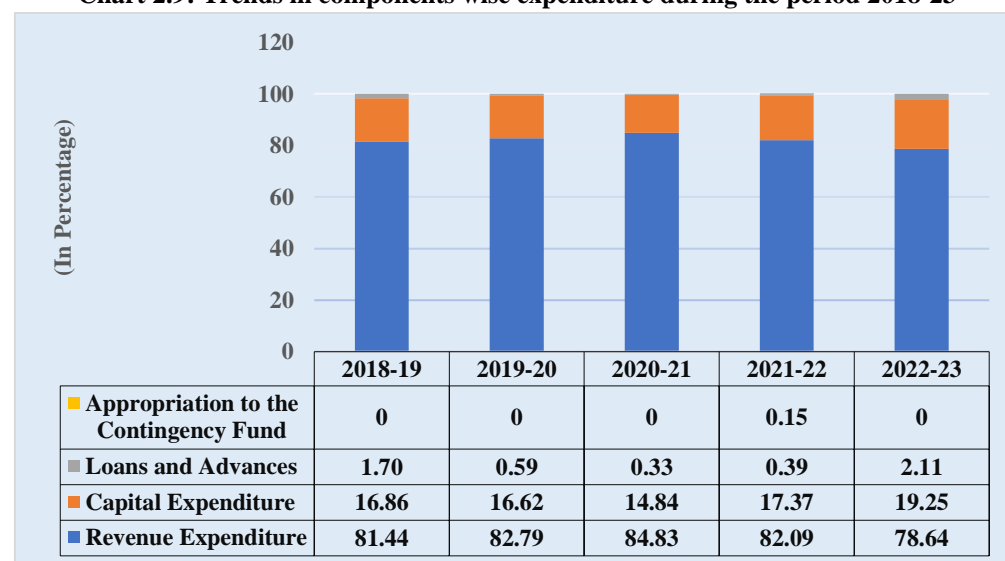
Table 2.13: Total expenditure and its composition during the period 2018-23

(₹ in crore)

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Total Expenditure (TE)	370494	360951	351933	411237	483215
Revenue Expenditure (RE)	301728	298833	298543	337581	379978
Capital Expenditure(CE)	62463	59998	52237	71443	93028
Loans and Advances	6303	2120	1153	1613	10209
Appropriation to the Contingency Fund	0	0	0	600	0
As a percentage of GSDP					
TE/GSDP	23.42	21.23	21.39	20.83	21.40
RE/GSDP	19.07	17.58	18.15	17.10	16.83
CE/GSDP	3.95	3.53	3.17	3.62	4.12
Loans and Advances/GSDP	0.40	0.12	0.07	0.08	0.45

Source: Finance Accounts of respective years

Chart 2.9: Trends in components wise expenditure during the period 2018-23



Source: Finance Accounts of respective years

During the period 2018-23, total expenditure of the State increased by 30.42 *per cent* from ₹ 3,70,494 crore in 2018-19 to ₹ 4,83,215 crore in 2022-23. The increase was due to increase in revenue expenditure by ₹ 78,250 crore, capital expenditure by ₹ 30,565 crore, disbursement of Loan and Advances by ₹ 3,906 crore. During the period 2022-23, revenue expenditure stood at 78.64 *per cent* of the total expenditure and capital expenditure was 19.25 *per cent* of total expenditure. Thus, Revenue expenditure had a predominant share in total expenditure.

2.4.1 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 2.14**.

Table 2.14: Basic parameters of Revenue Expenditure during the period 2018-23

(₹ in crore)					
Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Total Expenditure (TE)	370494	360951	351933	411237	483215
Revenue Expenditure (RE)	301728	298833	298543	337581	379978
Rate of Growth of RE (per cent)	13.34	(-)0.96	(-)0.10	13.08	12.56
Revenue Expenditure as percentage of TE	81.44	82.79	84.83	82.09	78.64
RE/GSDP (per cent)	19.07	17.58	18.15	17.10	16.83
Revenue Receipts	329978	366393	296176	371011	417241
Rate of Growth of RR (per cent)	18.37	11.04	(-)19.16	25.27	12.46
RE as percentage of RR	91.44	81.56	100.80	90.99	91.07
GSDP (₹ in crore)	1582180	1700062	1645317	1974532	2257575
Rate of Growth of GSDP (per cent)	9.88	7.45	(-)3.22	20.01	14.33
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	1.35	*	*	0.65	0.88
Revenue Receipts (ratio)	0.73	*	*	0.52	1.01

Source: Finance Accounts of respective years

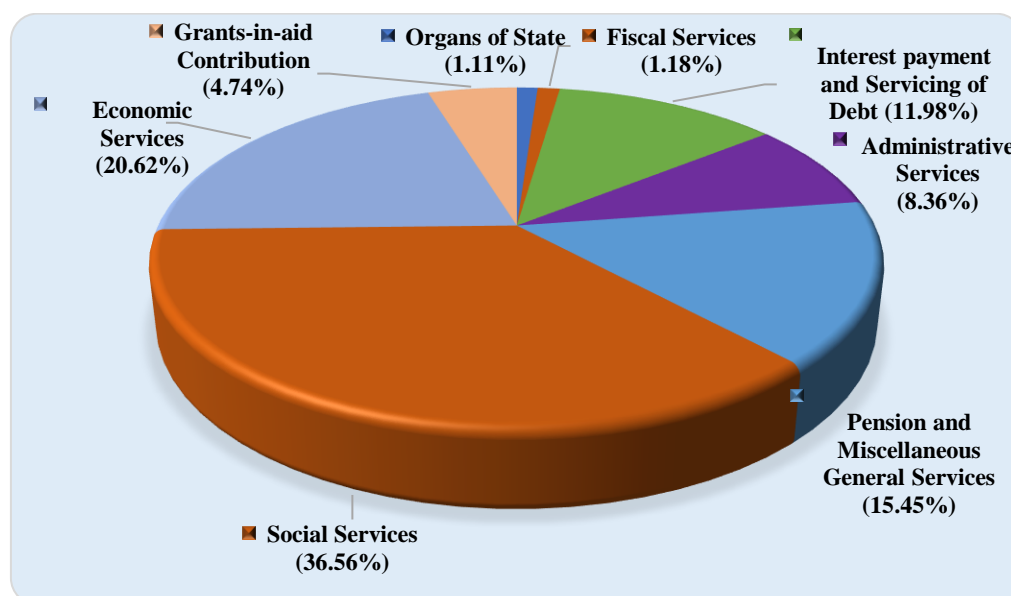
*Since growth rate were negative hence buoyancy not calculated.

Revenue expenditure continued to be the dominant component of the total expenditure, however, its share increased from 81.44 *per cent* in the year 2018-19 to 84.83 *per cent* in the year 2020-21, but it decreased to 78.64 *per cent* in the year 2022-23. The rate of growth of revenue expenditure was volatile during the period 2018-19 to 2022-23, it decreased to 0.10 *per cent* in the year 2020-21 from 13.34 *per cent* in the year 2018-19 and further increased to

12.56 per cent in the year 2022-23. Revenue expenditure as a percentage of GSDP showed a fluctuating trend during the period 2018-23. It was highest (19.07 per cent) in the year 2018-19 and lowest (16.83 per cent) in the year 2022-23. 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 2.14**, revenue expenditure buoyancy during the year 2022-23 with respect to GSDP was 0.88 and with respect to Revenue Receipts was 1.01.

The revenue expenditure increased by ₹ 42,397 crore (12.56 per cent) from ₹ 3,37,581 crore in the year 2021-22 to ₹ 3,79,978 crore in the year 2022-23. The increases in the revenue expenditure during the year 2022-23 were mainly on General Education by ₹ 8,531.85 crore, Power by ₹ 7,410.72 crore, Social Security and Welfare by ₹ 5,313.49 crore, Family Welfare by ₹ 5,148.55 crore, Civil Supplies by ₹ 2,235.20 crore, Compensation and Assignments to Local Bodies and Panchayati Raj Institutions by ₹1,500.01 crore, Urban Development by ₹ 1,146.82 crore, Medical and Public Health by ₹ 1,035.66 crore which was counterbalanced by less expenditure mainly under Labour, Employment and Skill Development by ₹ 1,756.12 crore and Relief on account of Natural Calamities by ₹ 1,478.44 crore. Component of General Services and Social Services as well as Economic Services wise revenue expenditure during year 2022-23 is presented in **Chart 2.10**.

Chart 2.10: Sector-wise distribution of revenue expenditure during year 2022-23



Source: Finance Accounts 2022-23

2.4.1.1 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

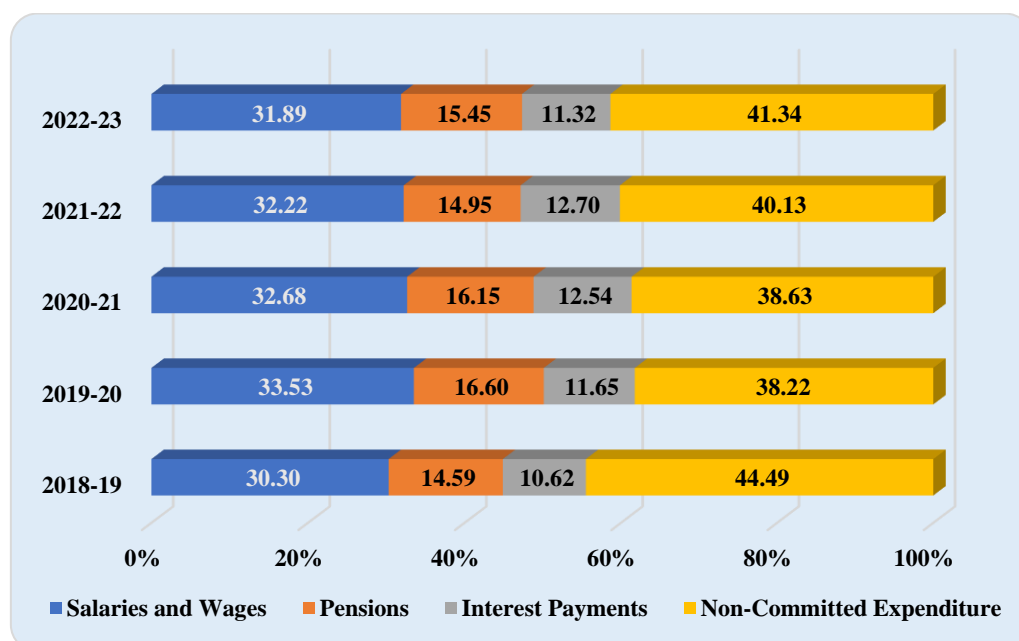
salaries and wages, pension payments and interest payments. It has first charge on Government resources.

Apart from the Committed Expenditure, there are certain items of inflexible expenditure which cannot be ordinarily altered or varied or are statutorily required on an annual basis. Unlike for variable transactions such as capital expenditure, etc. The following items may be considered as inflexible expenditure:

- Devolution to local bodies - statutory devolutions to local bodies for pay and allowances (devolution / transfer for expenditure)
- Statutory requirements of contribution to Reserve Funds - Contribution to Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF), State Disaster Mitigation / Response Fund (SDMF/SDRF) etc
- Recoupment of Contingency Fund - Amount recouped within the year
- Transfer of cess to reserve fund / other body, which are statutorily required
- Share contribution of CSS against the Central Fund received
- Payment of interest on the balances of the interest-bearing funds as if they could have been invested and payment of interest on public debt as charged
- Expenditure - interest payment

Expenditure other than committed expenditure can be classified into non-committed expenditure. Trend of share of committed, Inflexible and non-committed expenditure during the period 2018-23 is depicted in **Chart 2.11**.

Chart 2.11: Share of committed and non-committed expenditure in Revenue Expenditure



Source: Finance Accounts of respective years

Committed Expenditure

Component-wise Committed Expenditure during the period 2018-23 is given in the **Table 2.15**.

Table 2.15: Components of Committed and Inflexible Expenditure during the period 2018-23

(₹ in crore)

Components of Committed Expenditure	2018-19	2019-20	2020-21	2021-22	2022-23
Salaries and Wages	91413	100188	97540	108775	121188
(i) Salary	50471	53508	50333	54727	60061
(ii) Wages	1062	1357	2363	2500	2719
(iii) Grants-in-aid (Salary)	39880	45323	44844	51548	58408
Expenditure on Pensions	44024	49603	48219	50475	58697
Interest Payments	32042	34813	37428	42876	43008
Total Committed Expenditure	167479	184604	183187	202126	222893
Component of Inflexible Expenditure	2018-19	2019-20	2020-21	2021-22	2022-23
Statutory devolution to local bodies	12100	14500	14208	16500	18000
Contribution to Reserve Funds	30097	6199	5431	8950	8674
Recoupment of Contingency fund	230	662	0	700	0
Share contribution of CSS against the Central Fund received	19196	17020	22161	22366	30056
Transfer of Cess to BOCW	10	9.96	10	9.77	40.10
Total	61633	38390.96	41810	48525.77	56770.10
As a percentage of Revenue Receipts (RR)					
Committed expenditure					
Salaries and wages	27.70	27.34	32.93	29.32	29.05
Expenditure on Pensions	13.34	13.54	16.28	13.60	14.07
Interest Payments	9.71	9.50	12.64	11.56	10.31
Total	50.75	50.38	61.85	54.48	53.43
Inflexible expenditure	18.68	10.48	14.12	13.08	13.61
Grand total	69.43	60.86	75.97	67.56	67.04
As a percentage of Revenue Expenditure (RE)					
<i>Salaries and wages</i>	30.30	33.53	32.67	32.22	31.89
<i>Expenditure on Pensions</i>	14.59	16.60	16.15	14.95	15.45
<i>Interest Payments</i>	10.62	11.65	12.54	12.70	11.32
Total	55.51	61.78	61.36	59.87	58.66
Inflexible expenditure	20.43	12.85	14.00	14.37	14.94
Grand total	75.94	74.63	75.37	74.24	73.60
Non-committed RE*	134249	114229	115320	135455	157085
Percentage of RE	44.49	38.23	38.63	40.13	41.34
Percentage of TE	36.24	31.65	32.77	32.94	32.51

Source: Finance Accounts of respective years

* Total revenue expenditure excluding committed expenditure

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. **Table 2.15** shows that committed expenditure has increasing trend during the period 2018-23, except in the year 2020-21, when it was marginal declined. The component-wise details of committed expenditure are discussed below:

Expenditure on salaries and wages

There were 12,58,329 sanctioned posts in State Government as of 31 March 2022. During the year 2022-23, expenditure on salaries with respect to the employees of the State Government was ₹ 60,061 crore. This was 14.39 *per cent* of the Revenue Receipts (₹ 4,17,241 crore) and 15.81 *per cent* of the Revenue Expenditure (₹ 3,79,978 crore). However, taking into account the expenditure under the object heads ‘Subsidiary Grant-General (Salary)’, ‘Arrear of revised salary (State Aid)’⁷ and ‘Wages’, total expenditure on salary was ₹ 1,21,188 crore representing 29.05 *per cent* of Revenue Receipts and 31.89 *per cent* of Revenue Expenditure.

During the year 2022-23 total expenditure on salaries and wages increased by 11.41 *per cent* (₹ 12,413 crore) over the previous year 2021-22 mainly due to higher disbursement of dearness allowance (₹ 4,613 crore) and subsidiary grant-general (Salary) (₹ 6,861 crore).

Interest payments

The interest payments by the State Government on internal debt, small savings, provident funds, loans and advances from Central Government, *etc.*, are accounted under Major Head 2049-Interest Payments. During the period 2018-23, expenditure on account of payment of interest increased from ₹ 32,042 crore to ₹ 43,008 crore with compound annual growth rate (CAGR) of 7.64 *per cent*. As compared to 2021-22, interest payments increased by 0.31 *per cent* in 2022-23 mainly due to less interest payment by ₹ 86 crore for Loans and Advances from Central Government.

Further the State Government paid interest of ₹ 4.00 crore under the head ‘2071-01-117-09-payment of interest on late depositing subscriber contribution’ under Defined Contribution Pension Scheme (DCPS). Besides, expenditure of ₹ 8.38 crore was incurred under the head ‘2071-01-117-08-interest on due residual employer contribution up to 31.03.2019/late deposited employer contribution’. As per the List of Major and Minor Heads of Account of Union and States (LMMH), interest on DCPS is required to be booked under the head 2049-03-117. Budgeting and payment of interest on DCPS under

⁷ Related to the employees of Primary Education, Secondary Education, Aided Institutes, Autonomous Bodies, *etc.*

Major Head 2071 was in violation of LMMH, besides it understated interest expenditure under Major Head 2049.

Pension payments

There were 11,59,223 pensioners in the State as of 31 March 2022. During the period 2018-23, yearly expenditure on account of pension payment ranged between ₹ 44,024 crore and ₹ 58,697 crore. In the year 2022-23, expenditure on pension was ₹ 58,697 crore, which was 16.29 per cent higher than the previous year (₹ 50,475 crore). The increases were mainly under the heads of Superannuation and Retirement Allowances (₹ 1,753.65 crore), Commuted value of Pension (₹ 505.36 crore), Pension to employees of state aided educational institutions (by ₹ 1,373.90 crore), Government Contribution for DCPS (by ₹ 1,468.13 crore). Expenditure on pension in the year 2022-23 was 14.07 per cent of the total revenue receipts, 15.45 per cent of the total revenue expenditure.

Inflexible expenditure

The components of Inflexible expenditure which include among others Statutory devolution to local bodies and contribution to Reserve Funds showed a continued increase during the period 2018-19 to 2022-23. As a percentage of revenue receipts, the inflexible expenditure was between 10.48 per cent to 18.68 per cent and as a percentage of Revenue Expenditure inflexible expenditure was 12.85 per cent to 20.43 per cent during the year 2018-19 to 2022-23.

2.4.1.2 Subsidies

State Government provides subsidy under various schemes implemented by Agriculture and Other Allied Departments, Industries Department, Power Department, Science and Technology Department and Social Welfare Department, which is detailed in Appendix-II of Finance Accounts. The details of subsidies provided during the period 2018-23 are given in **Table 2.16**.

Table 2.16: Expenditure on subsidies during the period 2018-23

Particular	2018-19	2019-20	2020-21	2021-22	2022-23
Subsidies (₹ in crore)					
<i>of which</i>	14053	14092	11677	20145	21267
Power Subsidy (₹ in crore)	8370	8920	6057	13388	14361
<i>Subsidies as a percentage of Revenue Receipts</i>	4.26	3.85	3.94	5.43	5.10
<i>Subsidies as a percentage of Revenue Expenditure</i>	4.66	4.72	3.91	5.97	5.60
<i>Subsidies as a percentage of Total Expenditure</i>	3.79	3.90	3.32	4.90	4.40
<i>Power subsidy as percentage to total subsidy</i>	59.56	63.30	51.87	66.46	67.53

Source: Finance Accounts of respective years

Expenditure on subsidy was fluctuating during the period 2018-19 to 2022-23. Though it increased from ₹ 14,053 crore in the year 2018-19 to ₹ 21,267 crore in the year 2022-23, it was lowest ₹ 11,677 crore in the year 2020-21. During the year 2022-23, subsidy of ₹ 21,267 crore was 5.10 per cent and 5.60 per cent of revenue receipts and revenue expenditure respectively. It also includes central assistance of ₹ 1,564.07 crore for subsidy under Centrally Sponsored Schemes. The overall increase (₹ 1,112 crore) during the year 2022-23 as compared to previous year 2021-22 was mainly due to higher subsidies under ‘Grant to UPPCL due to granting 50 per cent rebate on tariff of private tube-well consumers’ by ₹ 1,250 crore, ‘Revenue compensatory grant against amount paid on electric tax to Uttar Pradesh Power Corporation Ltd’ by ₹ 1,050 crore, ‘National Rural Livelihood Mission’ (Tribal Welfare) by ₹ 252 crore which was counterbalanced by less subsidy under the head ‘National Rural Livelihood Mission’ (Special component plan for Scheduled Castes) by ₹ 635 crore, Swarnajayanti Gram Swarojgar Yojana by ₹ 640 crore.

2.4.1.3 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 and loans. The quantum of assistance provided by way of grants to local bodies and other institutions during the period 2018-23 is presented in **Table 2.17**.

Table 2.17: Financial Assistance to Local Bodies and other institutions during 2018-23

(₹ in crore)

Financial Assistance to Institutions	2018-19	2019-20	2020-21	2021-22	2022-23
(A) Local Bodies					
Urban Local Bodies (Municipal Corporations and Municipalities)	3081.35	9059.97	15115.15	13610.89	9802.01
Panchayati Raj Institution (Zila Parishads and Gram Panchayats)	16209.80	12517.71	10412.00	7635.03	8109.70
Total (A)	19291.15	21577.68	25527.15	21245.92	17911.71
(B) Public Sector Undertakings (Government Companies and Statutory Corporations)	7053.03	8940.17	7018.39	7391.59	10054.20
(C) Autonomous Bodies (Universities, Development Authorities, Cooperative Institutions & Others)	6436.96	37393.78	35251.87	44342.71	48527.42
(D) Non-Government Organisations	181.61	7140.75	7040.51	7924.10	9340.91
(E) Miscellaneous	58801.38	18282.08	24050.46	19941.12	35527.75
Total (B+C+D+ E)	72472.98	71756.78	73361.23	79599.52	103450.28
Grand Total (A+B + C +D+ E)	91764.13	93334.46	98888.38	100845.44	121361.99
GIA on Salary	39880.53	45322.82	44844.40	51547.02	58408.44
GIA on creation of capital assets	6089.49	6821.79	11208.64	12028.65	10955.37
GIA for non-salary	45794.09	41189.87	42799.84	37268.51	51998.17
GIA given in kind	No information received from the State Government				

Financial Assistance to Institutions	2018-19	2019-20	2020-21	2021-22	2022-23
Growth in GIA over the previous year	(-) 0.50	1.71	5.95	1.98	20.34
Revenue Expenditure	301728	298833	298543	337581	379978
<i>Assistance as percentage of Revenue Expenditure</i>	30.41	31.23	33.12	29.87	31.94

Source: Finance Accounts of respective years

Financial assistance of ₹ 1,21,361.99 crore was provided by the State Government to Local bodies and other grantee institutions by way of grants-in-aid during the year 2022-23. This includes: grants-in-aid to Urban Local Bodies (₹ 9,802.01 crore), Panchayati Raj Institutions (₹ 8,109.70 crore), Public Sector Undertakings (₹ 10,054.20 crore), Autonomous Bodies (₹ 48,527.42 crore), Non-Government Organizations (₹ 9,340.91 crore) and Miscellaneous (₹ 35,527.75 crore) which comprised release of grants-in-aid mainly under central assistance including centrally sponsored schemes (₹ 5,520.47 crore), state share of centrally sponsored schemes (₹ 3,944.16 crore), payment of outstanding electricity bill of Government department (₹ 3,500 crore), assistance to UPEIDA for repayment of loan (₹ 1,747.66 crore), Grants for maintenance of blind, mute, deaf and physically handicapped (₹ 1,184.11 crore) and for maintenance of destitute widows and for the education of their children's (₹ 3,304.24 crore), National Social Assistance Programme (₹ 1,620.78 crore), Old age/farmer pension (₹ 4,062.98 crore), etc.

The grants-in-aid by the State Government to Local bodies and other grantee institutions during the year 2022-23 was 20.34 per cent (₹ 20,516.55 crore) higher as compared to the year 2021-22. It increased by ₹ 29,597.86 crore (32.25 per cent) during the year 2022-23 as compared to the year 2018-19. Further, as a percentage of revenue expenditure it increased from 30.41 per cent in the year 2018-19 to 31.94 per cent in the year 2022-23.

The assistance to Panchyati Raj Institutions had decreased from ₹ 16,209.80 crore in the year 2018-19 to ₹ 8,109.70 crore in the year 2022-23. Grants-in-aid released to PRIs by the State Government during the year 2022-23 was on account of transfers of grants-in-aid received from GoI under 15th FC grants for Rural Local Bodies (₹ 7,466.00 crore) and Central assistance for Centrally Sponsored Schemes (₹ 643.70 crore). The grants-in-aid released to PRIs under 15th Finance Commission Grants increased by ₹ 258 crore and Centrally Sponsored Schemes increased by ₹ 217 crore during the year 2022-23 as compared to the year 2021-22.

Financial assistance to Urban Local Bodies increased from ₹ 3,081.35 crore in 2018-19 to ₹ 15,115.15 crore in 2020-21. However, it decreased to ₹ 9,802.01 crore in the year 2022-23. During the year 2022-23, there was overall decrease of grants-in-aid by ₹ 3,808.88 crore (28 per cent) to ULBs as compared to the year 2021-22. However, there were increase of grants-in-aid under Smart City Mission Programme by ₹ 1,225 crore, Pradhan Mantri Awas Yojna (Normal)

by ₹ 1,258 crore, Finance Commission Grants by ₹ 1,716.57 crore. The assistance to ULBs included ₹ 6,233.34 crore towards creation of capital assets.

Further, the financial assistance given for Salary and Non-Salary purpose during 2022-23 increased over the previous year, the financial assistance for creation of capital assets had decreased over the previous year. It was further noted that assistance on salary component had continuously showed an increasing trend during the last five years.

2.4.1.4 Implementation of Recommendation of State Finance Commission to Local Bodies on fiscal devolution

Article 243 I (read with Article 243 Y) of the Constitution makes it mandatory for the State Government to constitute State Finance Commission (SFC) after expiration of every fifth year to review financial position of PRIs and ULBs and *inter alia* recommend the distribution between the State and the PRIs/ULBs of the net proceeds of the taxes, duties, tolls and fees leviable by the State.

State Government constituted Fourth and Fifth SFCs in December 2011 and October 2015 respectively and their reports were submitted to the Governor in December 2014 and October 2018 and their recommendations were implemented in April 2015 and April 2020 respectively. As per the accepted recommendations, State Government was to devolve 12.5 *per cent* of the net proceeds of Own Tax Revenue of the State and share it between ULBs and PRIs in the ratio of 60:40. The devolution of SFC grants to ULBs and PRIs during 2018-19 to 2022-23 was as detailed in **Table 2.18**.

Table 2.18: Devolution of funds to PRIs and ULBs during 2018-23

(₹ in crore)

Particulars	Fourth SFC devolution			Fifth SFC devolution	
	2018-19	2019-20	2020-21	2021-22	2022-23
ULBs	7312.50	8700.00	8525.00	9900.00	10800.00
PRIs	4875.00	5800.00	5683.37	6600.00	7200.00
Total	12187.50	14500.00	14208.37	16500.00	18000.00

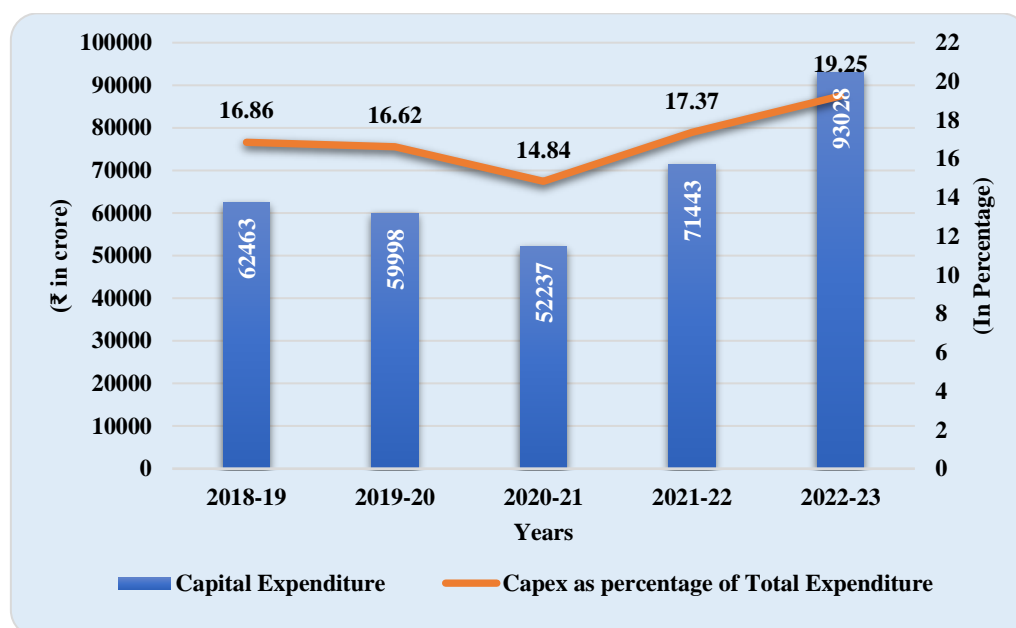
Source: Urban Local Bodies Directorate and Panchayati Raj Directorate

The devolution of SFC grants to ULBs and PRIs consistently increased during 2018-19 to 2022-23, except in the year 2020-21. There was 9.09 *per cent* increase in the devolution to Local Bodies during 2022-23 as compared to 2021-22.

2.4.2 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 2018-23 is presented in **Chart 2.12**.

Chart 2.12: Capital expenditure in the State during the period 2018-23



Source: Finance Accounts of respective years

As evident from **Chart 2.12**, the capital expenditure as a percentage of total expenditure ranged between 14.84 per cent and 19.25 per cent during the period 2018-23 and it was highest in the year 2022-23. Some of the Major Heads where Capital expenditure was significantly high during the year 2022-23 are depicted in **Table 2.19**.

Table 2.19: Major Head wise capital expenditure during the year 2022-23

Sl. No.	Major Head and its Nomenclature	Major Activity/Scheme	Amount (₹ in crore)
1	4215-Capital Outlay on Water Supply and Sanitation	Jal Jeewan Mission (₹ 8118.56 crore), Special Component Plan for Scheduled Caste (₹ 3940.23 crore)	12227.32
2	4801-Capital Outlay on Power Projects	Share Capital to U.P. Power Corporation Ltd. For strengthening of distribution network (₹ 3034.27 crore), Uninterrupted electricity in the state in the summer season (₹1000 crore).	10220.50
3	4216-Capital Outlay on Housing	PM Awas Yojna-Rural (₹ 4770.36 crore), Corresponding State share of CSS (₹ 3180.24 crore)	8984.05
4	4515-Capital Outlay on Other Rural Development Programme	National Rural Employment Guarantee Scheme (₹ 4224.99 crore), Corresponding State share of Centrally Sponsored Scheme (₹ 1284.56 crore)	7211.41
5	4210-Capital Outlay on Medical and Public Health	Corresponding state share of centrally sponsored schemes (₹ 1090.66 crore), Establishment of Ayush University (₹ 110 crore), Fifteenth Finance Commission (₹ 473 crore).	3789.20

Sl. No.	Major Head and its Nomenclature	Major Activity/Scheme	Amount (₹ in crore)
6	4217-Capital Outlay on Urban Development	Overall and Proper Development of New Cities (₹ 1000.00 crore), Delhi-Ghaziabad-Meerut Corridor Regional Rapid Transit System Project (₹ 1306.00 crore)	3204.53
7	4202-Capital Outlay on Education, Sports, Art and Culture	Elementary Education-Central Plan/Centrally Sponsored Scheme (₹ 867.39 crore), Elementary Education-State share of Centrally Sponsored Schemes (₹ 508.26 crore), Establishment of Atal residential schools (₹ 417.44 crore), Construction of International Cricket Stadium in Varanasi (₹ 121.28 crore)	3195.59
8	4055-Capital Outlay on Police	Construction of non-residential Building of Police Department (₹ 1362.82 crore), Construction of Residential Building of Police Department (₹ 579.10 crore), Construction of residential/non-residential Buildings in newly created Districts (₹ 263.92 crore).	3138.21
9	5053-Capital Outlay on Civil Aviation	Construction, extension and consolidation of Air Strips and acquisition of land (₹ 1246.77 crore), Establishment of International Airport at Jewar (₹ 661.21 crore).	2013.77

Source: Finance Accounts 2022-23

During the year 2022-23, capital expenditure was ₹ 93,028.39 crore. It increased by ₹ 21,586 crore (30 per cent) during the year 2022-23 in comparison to the year 2021-22. Increase was in General Services Sector by ₹ 2,092.00 crore (88.80 per cent) mainly under Police and Public Works, ₹ 16,480 crore (88.75 per cent) in Social Services Sector mainly under Medical and Public Health, Water Supply and Sanitation and Housing and ₹ 3,013 crore (5.96 per cent) in Economic Services Sector mainly under Food Storage and Warehousing and Other Rural Development Programme.

2.4.2.1 Major changes in Capital Expenditure

The details of major changes in the Capital Expenditure under various Major Heads for the year 2022-23 as compared to 2021-22 are given in **Table 2.20**.

Table 2.20: Major changes in Capital Expenditure during the year 2022-23 under various Major Heads

(₹ in crore)			
Major Heads of Accounts	2021-22	2022-23	Increase (+) / Decrease (-) (percentage)
4215-Capital Outlay on Water Supply and Sanitation	3965.72	12227.32	8261.60 (208)
4515-Capital Outlay on Other Rural Development Programme	3751.67	7211.41	3459.74 (92)
4217-Capital Outlay on Urban Development	1179.08	3204.53	2025.45 (172)
5053-Capital Outlay on Civil Aviation	105.02	2013.77	1908.75 (1817)
4202-Capital Outlay on Education, Sports, Art and Culture	1632.25	3195.59	1563.34 (96)
4055-Capital Outlay on Police	1599.85	3138.21	1538.36 (96)
4408-Capital Outlay on Food Storage and Warehousing	7481.74	3233.01	-4248.73 (-57)

Source: Finance Accounts of respective years

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

Major Head 4215 (Capital outlay on Water Supply and Sanitation):

Increase was mainly due to more expenditure under Jal Jeewan Mission by ₹ 5,737.97 crore and under central plan/centrally sponsored schemes under Special Component Plan for Scheduled Caste by ₹ 2,440.12 crore.

Major Head 4217 (Capital Outlay on Urban Development): It is mainly due to increase in expenditure on Overall and Proper Development of New Cities by ₹1,000.00 crore and Delhi - Ghaziabad - Meerut Corridor Regional Rapid Transit System Project by ₹ 736.00 crore.

Major Head 4515 (Capital Outlay on Other Rural Development Programme): Increase was mainly due to more expenditure under National Rural Employment Guarantee Scheme by ₹ 2,047.25 crore and Corresponding State share of Centrally Sponsored Scheme by ₹ 1,284.56 crore.

Major Head 5053 (Capital Outlay on Civil Aviation): It is mainly due to increase in expenditure on Construction, extension and consolidation of Air-Strips and acquisition of land by ₹ 1,204.21 crore and Establishment of International Airport at Jewar in district Gautam Buddha Nagar by ₹ 588.79 crore.

Major Head 4202 (Capital Outlay on Education, Sports, Art and Culture):

It is mainly due to increase in expenditure on Corresponding state share of centrally sponsored schemes by ₹ 508.26 crore, Central Plan / Centrally Sponsored Schemes by ₹ 489.21 crore and Establishment of Atal residential schools under general education by ₹ 147.44 crore.

Major Head 4408 (Capital Outlay on Food Storage and Warehousing):

Decreases was mainly due to less expenditure under Food grain supply project under Centrally Sponsored Scheme by ₹ 4,696.81 crore with comparison to the expenditure in the previous year.

2.4.2.2 Quality of capital expenditure

This section presents an analysis of quality of capital expenditure by the State Government.

(i) Quality of investments in PSUs

Capital expenditure, investments made and loans given to State Public Sector Undertakings (PSUs) which are loss making or where net worth is completely eroded is not sustainable and affected the quality of capital expenditure. Issues related to quality of investments in PSUs, viz., investment in non-functional PSUs, arrears in submission of annual accounts, budgetary support to PSUs, erosion of net worth, *etc.*, have been discussed in detail under various paragraphs in **Chapter-V** of the Report.

Trends of return on investment in companies, corporations and co-operative banks and societies, difference between cost of Government borrowings and return on investment are depicted in **Table 2.21**

Table 2.21: Return on Investment**(₹ in crore)**

Sl. No.	Investment/return/cost of borrowings	2018-19	2019-20	2020-21	2021-22	2022-23
1	Investment ⁸ at the end of the year	118532	127630	139495	151521	164001
2	Return	175.48	39.04	104.83	212.58	141.32
3	Return (per cent)	0.15	0.03	0.08	0.14	0.09
4	Average rate ⁹ of interest on Government Borrowings and other liabilities (per cent)	6.50	6.82	7.01	7.28	6.74
5	Difference between interest rate and return (per cent)	6.35	6.79	6.93	7.14	6.65
6	Difference between interest on Government borrowings and return on investment	7527	8666	9667	10819	10906

Source: Finance Accounts of the respective years.

⁸ These figures are as per Statement 19 (Section 2) of Finance Accounts. The information on investment provided by respective entities/State Government under Statement 19 (Section 1) was different, which was under reconciliation.

⁹ Average Interest Rate of Overall Outstanding Public Debt= [Interest Paid/ {(OB of Public Debt +CB of Public Debt)/2}] *100

During the year 2022-23, the return on investment was ₹ 141.32 crore (0.09 per cent). The return on investment was between 0.03 per cent to 0.15 per cent during the period 2018-19 to 2022-23, whereas average rate of interest paid by the State Government on its borrowings was between 6.50 per cent to 7.28 per cent during the same period. Over the period 2018-19 to 2022-23 (past five years) the difference in cost of Government borrowings and return on investment in PSUs and other entities was to the tune of ₹ 47,585 crore.

(ii) Loans and advances by the State Government

In addition to the investment in co-operative societies, corporations and companies, the State Government has also been providing loans and advances to many institutions/organizations. **Table 2.22** presents the positions of outstanding loans and advances as on 31 March 2023 and interest receipts *vis-à-vis* interest payments by the State Government on its borrowings during 2018-19 to 2022-23.

Table 2.22: Quantum of loans disbursed and recovered during 2018-23.

(₹ in crore)					
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Opening Balance of loans outstanding	29720.31	30709.56	27188.98	27206.86	27880.79
Amount advanced during the year	6302.64	2120.00	1152.61	1613.36	10208.63
Amount recovered during the year	5313.39	5640.58	1134.73	939.43	1337.32
Closing balance of the loans outstanding	30709.56	27188.98	27206.86	27880.79	36752.10
Net addition	989.25	-3520.58	17.88	673.93	8871.31
Interest received	27.10	112.29	89.18	66.78	42.33
Interest rate on Loans and Advances given by the Government	0.09	0.39	0.33	0.24	0.13
Rate of interest paid on the outstanding borrowings of the Government	6.50	6.82	7.01	7.28	6.74
Difference between the rate of interest received and interest paid (<i>per cent</i>)	6.41	6.43	6.68	7.04	6.61

Source: Finance Accounts of the respective years.

During the year 2022-23, ₹ 10,208.63 crore was advanced as loans against ₹ 1,613.36 crore during the year 2021-22. The loans advanced during the current year includes:

- Loan of ₹ 8,000.00 crore to Industrial Development Authorities.
- Loan of ₹ 1,000.00 crore to Uttar Pradesh Cooperative Sugar mills federation for payment of arrears of sugarcane price of sugar factories, though loan of ₹ 1,010.00 crore was outstanding at the beginning of the year.

The total outstanding loan advanced by the State Government increased by ₹ 8,871.31 crore in the year 2022-23. Recovery of loans was increased by ₹ 397.89 crore and interest receipt was decreased by ₹ 24.45 crore as compared to the year 2021-22. The interest receipt was only 0.12 *per cent* of the outstanding loans advances during the year 2022-23.

(iii) Capital blocked in incomplete projects

Appendix-IX of the Finance Accounts presents the overall status of incomplete capital 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 Appendix-IX of the Finance Accounts 2022-23, there were 575 incomplete capital projects as on 31 March 2023, on which an amount of ₹ 2,013.70 crore had been incurred and payments of ₹ 1,028.70 crore were pending as given in **Table 2.23**.

Table 2.23: Department-wise incomplete projects as on 31 March 2023

(₹ in crore)			
Department	No. of incomplete projects	Estimated cost	Expenditure
Public Works	569	3257.65	1944.84
Irrigation	06	85.58	68.86
Total	575	3343.23	2013.70

Source: Finance Accounts 2022-23

2.4.3 Expenditure priorities

Enhancing human development levels requires the States to step up their expenditure on key social services like education, health etc. Low fiscal priority (ratio of expenditure under a category to total 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. Fiscal priority of the State Government with regard to expenditure on social and economic sector, etc. is shown in **Table 2.24**.

Table 2.24: Expenditure priority of the State with regard to health, education and capital expenditure

Category	(In per cent)			
	TE/GSDP	CE/TE	Education/TE	Health & Family Welfare/TE
General Category States Average (2018-19)	16.38	15.58	14.76	5.07
Uttar Pradesh (2018-19)	23.42	16.86	13.01	4.89
General Category States Average (2022-23)	15.79	15.22	14.85	5.68
Uttar Pradesh (2022-23)	21.40	19.25	14.35	6.45

Source: Figures calculated on the basis of Finance Accounts of the respective years.

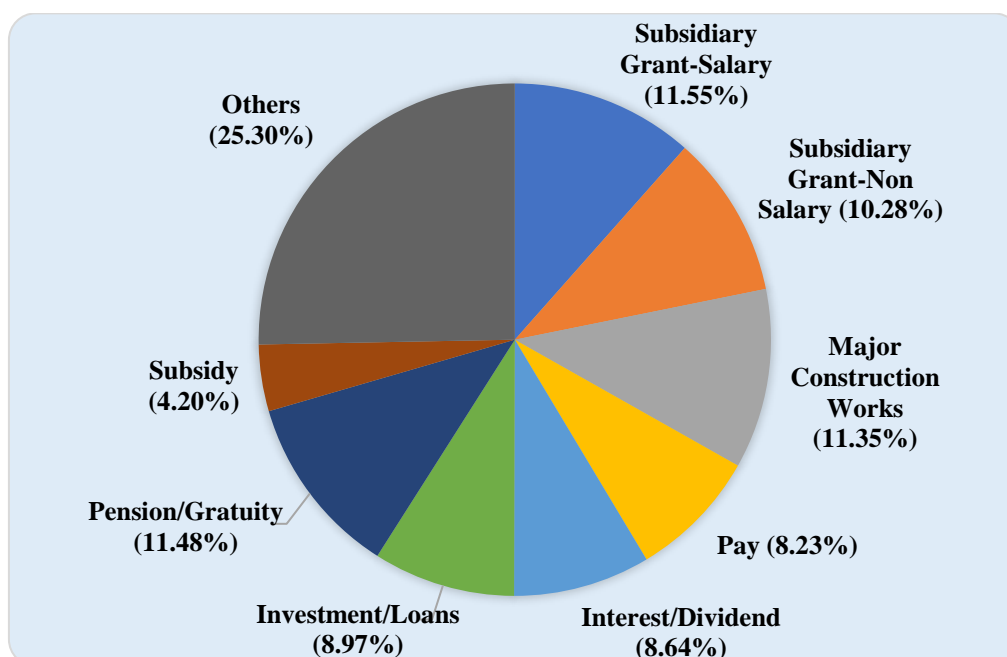
TE: Total expenditure and CE: Capital expenditure

Table 2.24 shows that:

- The State Government's total expenditure to GSDP ratio was higher with comparison to the General Category States average during 2018-19 and 2022-23, though it decreased from 23.42 per cent to 21.40 per cent in the year 2022-23 with respect to 2018-19.
- Capital expenditure facilitates asset creation which generates opportunities for higher growth. The ratio of capital expenditure to total expenditure increased from 16.86 per cent in the year 2018-19 to 19.25 per cent in the year 2022-23. The ratio of capital expenditure to total expenditure of the State was higher than the General Category States average in the year 2018-19 and 2022-23.
- The ratio of expenditure on education to the total expenditure in Uttar Pradesh increased from 13.01 per cent in the year 2018-19 to 14.35 per cent in the year 2022-23, though it was below the General Category States average during both years.
- The ratio of expenditure on health & family welfare to the total expenditure in Uttar Pradesh increased from 4.89 per cent in the year 2018-19 to 6.45 per cent in the year 2022-23. Further, it was higher than the General Category States average during 2022-23.

2.4.4 Object head wise expenditure

Object Heads are the primary units of appropriation showing the economic nature of expenditure such as pay, pension, grants-in-aid, interest, subsidy, etc. Object head wise expenditure during the year 2022-23 is depicted in **Chart 2.13**.

Chart 2.13: Object Head wise expenditure (in per cent) during the year 2022-23

Source: Finance Accounts 2022-23

As evident from **Chart 2.13**, the expenditure under object heads pay, grants-in-aid for salary and pension & retirement benefits constituted 32.41 per cent of overall expenditure (₹ 5,05,905.54 crore) under Consolidated Fund of the State. Besides, grants-in-aid (non-salary), interest/dividend and subsidy constituted 10.28 per cent, 8.64 per cent and 4.20 per cent of the Consolidated Fund expenditure respectively. Expenditure on account of investment and loans and major construction works, which are capital in nature, constituted 8.97 per cent and 11.35 per cent of the Consolidated Fund 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 Account are shown in Statement 21 of the Finance Accounts and the details of Public Account (Net) transactions during the period 2018-23 are given in **Table 2.25**.

Table 2.25: Component-wise Public Account (Net) transactions during the period 2018-23

(₹ in crore)

Sector	Sub Sector	2018-19	2019-20	2020-21	2021-22	2022-23
Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	3646	3314	1062	525	413
Reserve Funds	(a) Reserve Funds bearing Interest	0	1757	(-)252	2693	729
	(b) Reserve Funds not bearing Interest*	13545	(-)70056	753	1200	2963
Deposits and Advances	(a) Deposits bearing Interest	184	883	607	(-) 717	(-)1948
	(b) Deposits not bearing Interest	2000	(-)2990	1308	(-) 741	5547
	(c) Advances	12	17	(-) 0.15	0	0
Suspense and Miscellaneous	(a) Suspense	(-)236	(-)1743	1859	1444	(-)394
	(b) Other Accounts**	459	(-)85	(-)162	17	429
	(c) Accounts with Governments of Foreign Countries	0	0	0	0	0
	(d) Miscellaneous	0	0	0	0	(-)0.10
Remittances	(a) Money Orders and other Remittances	328	308	(-)323	25	1046
	(b) Inter-Governmental Adjustment Account	(-)16	5	(-)2	(-)4	10
TOTAL		19922	(-)68590	4850*	4442*	8795*

Note: Positive denotes receipts are more than disbursements and negative denotes vice versa.

* Excluding investments in Reserve Funds which are part of opening and closing cash balances.

** Excluding transactions under Major Heads 8671-Departmental Balances, 8672-Permanent Cash Imprest and 8673-Cash Balance Investment Account, which are part of opening and closing cash 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 GoI. Detailed information on Reserve Funds and the investment from the earmarked funds is available in Statements 21 and 22 of the Finance Accounts, which is summarized in *Appendix-2.3*.

As on 31 March 2023, there was total accumulated balance of ₹ 12,611.99 crore with Reserve Funds. Out of these, ₹ 4,927.44 crore was under Reserve Funds bearing interest¹⁰ and ₹ 7,684.56 crore under Reserve Funds not bearing interest. Further, State Government had invested ₹ 5,545.20 crore of Reserve Fund balances in government securities. Detail of some of the significant Reserve Funds are discussed below:

¹⁰ 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.

2.5.2.1 Consolidated Sinking Fund

State Government created the ‘Consolidated Sinking Fund of Government of Uttar Pradesh’ in March 2020, which came into force with effect from financial year 2020-21. The Fund is to be utilised as an amortisation fund for redemption of outstanding liabilities of the Government commencing from the financial year 2020-21. As per the State Government notification (17 March 2020), the Government may contribute to the Fund at least 0.5 *per cent* of the outstanding liabilities, *i.e.*, internal debt and public account liabilities, of the Government as at the end of the previous year. The corpus of the Fund comprising of periodic contributions as well as the income accruing to the Fund shall be kept outside the general revenue of the Government. The Fund shall be administered by RBI subject to directions/instructions as the Government may issue from time to time. The accretions to the Fund shall be invested in GoI dated Securities, Treasury bill, Special Securities of GoI and State Development Loans of other States of such maturities as the Bank may determine from time to time in consultation with the Government.

Consolidated Sinking Fund had opening balance of ₹ 3,000 crore as on 1 April 2022 which is maintained in Public Account under the head 8222-01-101-Sinking Fund. During the year 2022-23, State Government transferred ₹ 2,500 crore to the Fund from the head 2048-00-101-Appropriation for reduction or avoidance of debt under Consolidated Fund of the State. Further, there was no disbursement from the Fund during the year 2022-23. Thus, as on 31 March 2023, Consolidated Sinking Fund had a balance of ₹ 5,500 crore (excluding accrued interest).

In view of guidelines of Consolidated Sinking Fund, Government was required to contribute at least ₹ 2,928.48 crore (0.50 *per cent* of internal debt and public account liabilities of ₹ 5,85,695.00 crore at the end of the year 2021-22) in the consolidated Sinking fund. Thus, there was short contribution of ₹ 428.48 crore (₹ 2,928.48 crore - ₹ 2,500.00 crore) which could not become the part of sinking fund investment during the year 2022-23. Due to short transfer to Consolidated Sinking Fund State’s Revenue Surplus was overstated and Fiscal Deficit was understated by ₹ 428.48 crore during the year 2022-23.

2.5.2.2 Depreciation Reserve Fund

The State Government created (March 2005) the Uttar Pradesh Public Works Department (PWD) Depreciation Reserve Fund (DRF) to purchase machines and equipment for renewal and replacement of unserviceable machines or equipment, carrying out special repair of machines or equipment and purchase of high technology machines/equipment. DRF is maintained in the Public Account under head 8226-102.

During the year 2022-23, the Fund had opening balance of (-) ₹ 6.11 crore and an amount of ₹ 30.00 crore was transferred to the Fund from the head

3054-80-797 and an amount of ₹ 9.70 crore disbursed from it which was transferred to the head 5054-80-800. As a result, the closing balance of DRF was ₹ 14.19 crore as on 31 March 2023.

The Government prescribed that 1.5 *per cent* amount on account of DRF would be debited to work and credited to receipt head 1054-800-04. Under the provisions of Uttar Pradesh PWD DRF Rules, 2005, this amount would be transferred to DRF under Public Account for intended purposes. Audit noticed that during the year 2022-23, State Government received ₹ 98.45 crore against DRF under the head 1054-800-04 against which the State Government had transferred ₹ 30.00 crore to DRF under the head 8226-102 during the year 2022-23. Thus, the Government had increased its revenue receipts by increasing the cost of work.

The matter was also highlighted in Paragraph 2.8.2.2 of the State Finances Audit Report for the year ended 31 March 2021 and 31 March 2022.

2.5.2.3 State Disaster Response Fund

The State Disaster Response Fund (SDRF) is a fund constituted under Section 48 (1) (a) of the Disaster Management Act, 2005. As per the guidelines issued (January 2022) by GoI under the Act, SDRF is to be used only for meeting the expenditure for providing immediate relief to the victims of cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloudburst, pest attack and cold waves/frost. The guidelines of SDRF further stipulate the following:

- The Fund will be constituted in the Public Account under the 'Reserve Funds bearing Interest' below Major Head-8121-General and Other Reserve Funds in the accounts of the State Governments concerned.
- The aggregate size of the State Disaster Response Fund of each State for each of the financial year from 2021-22 to 2025-26, would be as recommended by the 15th Finance Commission. Of the total size of SDRF indicated, GoI will contribute 75 *per cent* for general category States and the balance 25 *per cent* will be contributed by the State Government concerned.
- 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.

During the year 2022-23, State Government maintained SDRF under the head 8121-122-SDRF. 15th Finance Commission had allocated ₹ 2,165.60 crore for SDRF which consisted of contribution from GoI (₹ 1,624 crore) and State Government (₹ 541.60 crore). Against this, State Government received

₹ 812 crore from GoI and transferred ₹ 1,082.80 crore (including State's share of ₹ 270.80 crore) to SDRF. Besides, the State Government also received ₹ 0.18 crore from the Central Government towards NDRF, which was transferred to SDRF.

During the year 2022-23, the head 8121-122-SDRF had an opening balance of ₹ 3,015.59 crore¹¹ and it received ₹ 1,091.97 crore during the year. Further, expenditure of ₹ 949.20 crore incurred on natural calamities was set off (Major Head 2245-05-901) against the fund balances. Thus, the closing balance of the head 8121-122-SDRF at the end of 31 March 2023 was ₹ 3,158.36 crore, which is a reserve fund bearing interest. However, State Government did not credit interest of ₹ 266.56 crore (computed on six monthly basis at the average rate of interest on overdraft as applicable in the year 2022-23) on the balances available under SDRF. Besides, SDRF had also miscellaneous receipts of ₹ 6.73 crore credited under the head 8235-111-SDRF during 2022-23. Further, State Government had not invested the accretion of SDRF in the manner as laid down in the SDRF guidelines.

Due to not crediting interest (₹ 266.56 crore) to SDRF, State's Revenue Surplus was overstated and Fiscal Deficit was understated by ₹ 266.56 crore during the year 2022-23.

2.5.2.4 State Disaster Mitigation Fund

The State Disaster Mitigation Fund (SDMF) is to be constituted under Section 48 (1) (c) of the Disaster Management Act, 2005. This Fund is exclusively for the purpose of mitigation projects in respect of disasters covered under State Disaster Response Fund (SDRF) / National Disaster Response Fund (NDRF) guidelines and the State specific local disasters notified by the State Government. Government of Uttar Pradesh had notified (June 2022) the operation of SDMF under Major Head 8121-130- State Disaster Mitigation Fund, which is Reserve Funds bearing interest.

During the year 2022-23, the State Government received ₹ 589.60 crore from the Central Government. Opening balance of the Fund was nil, the State Government transferred ₹ 786.30 crore to the Fund including Central share (₹ 589.60 crore) and State share (₹ 196.70 crore). No expenditure was incurred from the Fund during the year.

2.5.2.5 Guarantee Redemption Fund

State Government notified (January 2021) the scheme for constitution and administration of the Guarantee Redemption Fund of the Government of Uttar Pradesh for meeting the payment obligations arising out of the guarantees issued by the Government in respect of bonds issued and other borrowings by the State

¹¹ This includes ₹ 10 crore of balance under State Calamity Mitigation Fund transferred from the head 8235-111-SDRF to the head 8121-122-SDRF.

Level Undertakings or other bodies and invoked by the beneficiaries. The fund was to come in force from the financial year 2021-22 and it was to be administered by RBI. As per the guidelines¹², the State Government shall initially contribute a minimum of one *per cent* and thereafter at the rate of minimum 0.5 *per cent* every year of outstanding guarantees at the end of the previous year to achieve a minimum level of three *per cent* in next five years.

The position of guarantees given by the State Government on the loans availed by various institutions is given in Statements 9 and 20 of Finance Accounts, which is based on information received from the State Government. As per Finance Accounts 2021-22, outstanding guarantees executed by the State Government at the end of the year 2021-22 was ₹ 1,74,218.42 crore. However, as per Finance Accounts 2022-23, outstanding guarantees executed by the State Government at the beginning of the year 2022-23 was ₹ 1,71,705.13 crore to 20 entities, *viz.*, statutory corporations, Government companies and other institutions. Thus, there was a difference of ₹ 2,513.30 crore between the outstanding guarantee at the end of the year 2021-22 and at the beginning of the year 2022-23. The difference was under reconciliation between the Accountant General (A&E) Uttar Pradesh and the State Government.

During the year 2022-23, addition in the guarantee was ₹ 21,539.69 crore and guarantees of ₹ 22,464.30 crore were deleted. Thus, the total outstanding guarantee at the end of the year 2022-23 was ₹ 1,70,780.52 crore. The outstanding guarantees at the end of the year 2022-23 was 7.56 *per cent* of GSDP. During the year 2022-23, State Government did not received any guarantee commission, out of the receivable guarantee commission of ₹ 4.41 crore from Uttar Pradesh Warehousing Corporation.

Further, the State Government did not contribute any amount against ₹ 1,742.18 crore it was required to contribute to the Fund during 2022-23. This resulted in understatement of Revenue Expenditure of ₹ 1,742.18 crore.

2.5.2.6 State Compensatory Afforestation Fund

State Compensatory Afforestation Fund (SCAF) was established under the Compensatory Afforestation Fund Act, 2016. Compensatory Afforestation Fund (Accounting Procedure) Rules, 2018 provide that the monies realized by the State Governments from the user agencies¹³ are to be credited in 'State Compensatory Afforestation Deposits' under interest bearing section in Public Account of the State at Minor head-103 below Major Head 8336-Civil Deposits. Out of this, 90 *per cent* shall be transferred to Minor Head 129- SCAF below

¹² As amended in December 2022

¹³ 'user agency' means any person, organisation or company or department of the Central Government or State Government making a request for diversion or de-notification of forest land for non-forest purpose or using forest land for non-forest purpose in accordance with the provisions contained in the Forest (Conservation) Act, 1980 and the rules made and guidelines issued, there under.

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 as per Section 3 (4) of the Compensatory Afforestation Fund Act, 2016.

As on 1 April 2022, SCAF had opening balance of ₹ 1,182.76 crore. During 2022-23 the State Government had not received any amount for SCAF from National Compensatory Afforestation Deposit. There was no receipt from the user agencies. During the year 2022-23, the State Government paid outstanding interest of ₹ 31.66 crore related to the year 2019-20. The expenditure incurred out of the Fund during the year 2022-23 was ₹ 231.74 crore leaving a balance of ₹ 982.68 crore in SCAF.

The interest on balances available under State Compensatory Afforestation Deposits under the head 8336-Civil Deposits and SCAF under the head 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.

However, the State Government did not transfer interest of ₹ 37.02 crore due on balance of SCAF at the rate of 3.35 *per cent*¹⁴ during 2022-23. Thus, the Revenue Surplus of the State was overstated and the Fiscal Deficit was understated by ₹ 37.02 crore during the year 2022-23.

2.5.2.7 Central Road and Infrastructure Fund (CRIF)

Central Road and Infrastructure Fund (CRIF) is used for development and maintenance of National Highways, Railway projects, improvement of safety in Railways, State and Rural roads and other infrastructure, etc. In terms of the extant accounting procedure, the grants-in-aid received by the State Government from GoI in respect of CRIF are to be initially booked as Revenue Receipts under Major Head 1601 and thereafter, the amount so received is to be transferred to the Public Account under Major Head 8449-103-Subventions from Central Road and Infrastructure Fund.

During the year 2022-23, the State Government received grants-in-aid of ₹ 658.75 crore towards CRIF. However, the State Government did not transfer any amount to the Fund in the Public Account as on 31 March 2023. This resulted in understatement of Revenue Expenditure by ₹ 658.75 crore.

2.5.3 Funds outside Consolidated Fund or Public Account of the State

Article 266 (1) subject to the provisions of Article 267, of Constitution of India 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

¹⁴ As notified (October 2022) by Ministry of Environment, Forest and Climate Change.

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:

2.5.3.1 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, levied cess at the rate of one *per cent*. The U.P. BOCW Rules, 2009, as amended from time to time, provide for collection of registration fee of ₹ 20 and annual membership fee of ₹ 20 from registered workers.

In this connection, the audit findings are as follows:

Funds kept outside Government Accounts

Details of receipts and utilisation of cess during the period 2018-23 as provided by the Board, are given in **Table 2.26**.

Table 2.26: Status of Registration Fee, Cess realised and utilisation during the period 2018-23

(₹ in crore)

Year	Opening balance	Receipts			Interest on deposits	Total funds available	Expenditure	Corpus Fund for Atal Residential School	Closing balance
		Registration fee and annual membership fee	Labour cess						
1	2	3	4	5	6	7 (Col. 2 to 6)	8	9	10 [Col. 7-(8+9)]
2018-19	3922.47	7.42	891.31	9.99	247.86	5079.05	193.85	0.00	4885.20
2019-20	4885.20	13.15	916.45	8.73	323.18	6146.71	362.67	0.00	5784.04
2020-21	5784.04	9.31	878.81	10.00	360.00	7042.16	882.54	0.00	6159.62
2021-22	6159.62	3.71	1007.55	9.78	310.80	7491.46	1697.50	1890.00	3903.96
2022-23	3903.96	9.63	1297.46	40.10	305.05	5556.20	626.61	450.00	4479.59

Source: UP BOCW Welfare Board (Provisional data for the year 2022-23)

State Government appointed (November 2009 and September 2010) all District Collectors and the officers of other departments/local bodies/public sector undertakings as Cess Assessment Officer and Cess Collectors under the BOCW Welfare Cess Act, 1996 and BOCW Cess Rules, 1998¹⁵. The State Government further directed (August 2013 and September 2016) to deposit the collected cess

¹⁵ 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.

into the nationalised bank account of the Board. It is evident from **Table 2.26** that ₹ 4,479.59 crore were available with the Board as on 31 March 2023.

BOCW Cess Rules, 1998 provides that the cess collected shall be transferred to the Board in the head of account of the Board under the accounting procedures of the State. 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 (2) of the Constitution of India. In the absence of accounting 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 by various Cess Collectors.

It was further noticed that during the year 2022-23, labour cess of ₹ 47.33 crore were deposited in the State Government's accounts under Major Head 0230 out of which ₹ 40.10 crore was transferred to the Board. Thus, ₹ 7.23 crore of labour cess remained un-transferred under Major head 0230 as on 31 March 2023 which resulted in overstatement of revenue surplus by ₹ 7.23 crore.

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, etc., for welfare of the construction workers from the BOCW Welfare Fund. Details of expenditure on these schemes during the period 2018-23 are given in **Table 2.27**.

Table 2.27: Workers registered, covered and expenditure on schemes by UP BOCW Welfare Board during the period 2018-23

Year	Available funds (₹ in crore)	Scheme Operated		Actual expenditure on scheme (₹ in crore)	Registered workers in the year	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
2018-19	3922.47	16	361.75	174.47	647579	4856323	269424	5.55	48.23	4.45
2019-20	4885.20	17	696.94	347.04	514406	5370729	1164381	21.68	49.79	7.10
2020-21	5784.04	16	1203.15	868.88	4374964*	9745693	3046569*	31.26	72.22	15.02
2021-22	6159.62	16	2461.03	1681.22	4822173*	14567866	4470669*	30.69	68.31	27.29
2022-23	3903.96	15	1506.31	604.61	1185758	15753624	149518	0.95	40.14	15.49

Source: UP BOCW Welfare Board

*Note: UP BOCW Welfare Board informed (October 2023) that the number of registered workers and workers covered during 2020-21 and 2021-22 were higher as the registered workers were provided assistance in two instalments during 2020-21 and four instalments during 2021-22 under Disaster Relief Assistance Scheme.

It is evident from **Table 2.27** that the expenditure incurred by the Board on welfare of workers against available funds ranged from 4.45 *per cent* to 27.29 *per cent* and covered 0.95 *per cent* to 31.26 *per cent* of registered workers.

2.5.3.2 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 2023, an amount of ₹ 111.14 crore¹⁶ 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. The matter was reiterated in Paragraph 4.1.2 of the State Finances Audit Report for the years ended 31 March 2020, 31 March 2021 and 31 March 2022.

UPERC stated (September 2023) that it had issued reminder (October 2022) to the Government for constitution of Uttar Pradesh Electricity Regulatory Fund. Further Finance Department requested (August 2023) UPERC to frame the Rules in the light of current provisions.

2.6 Public Liability Management

Management of public liability is the process of establishing and executing a strategy for managing the Government's liabilities 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.

¹⁶ As per information provided by the UPERC for the Financial Year 2022-23

2.6.1 Liability profile: Components

Total liabilities 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, 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. The State Government did not disclose the extra-budget liabilities in budget documents. **Table 2.28** presents the component wise debt trends during 2018-19 to 2022-23.

Table 2.28: Component wise liability trends during the period 2018-23

(₹ in crore)

	2018-19	2019-20	2020-21	2021-22	2022-23	
Outstanding Total Liabilities	518096	502412	564972	612956	662316	
Public Debt	Internal Debt	353190	405049	458552	496423	533477
	Loans from GoI	11980	11529	18107	27261	34364
Liabilities on Public Account	152926	85834	88313	89272	94475	
Rate of growth of outstanding liabilities (percentage)	10.74	(-)3.03	12.45	8.49	8.05	
Gross State Domestic Product (GSDP)	1582180	1700062	1645317	1974532	2257575	
liabilities /GSDP (per cent)	32.75	29.55	34.34	31.04	29.34	
Receipts under Public Debt and Other Liabilities	113504	112696	123555	121852	116747	
Repayments (Principal and interest) under Public Debt and Other Liabilities	95293	163192	98424	116743	110395	
Net Fund available	18211	(-)50496	25131	5109	6352	
Percentage of net funds available to receipts under public debt & other liabilities	16.04	(-)44.81	20.34	4.19	5.44	

Source: Finance Accounts of respective years

As shown in **Table 2.28**, during the period 2018-23, the Internal Debt under overall Liabilities of the State Government increased by 51.05 per cent from ₹ 3,53,190 crore in 2018-19 to ₹ 5,33,477 crore in 2022-23. During the year 2022-23, it increased by 7.46 per cent over the previous year which necessitated to finance the fiscal deficit of ₹ 64,636.26 crore. As on 31 March 2023, Internal Debt (₹ 5,33,477 crore) consisted of Market Loan (₹ 4,47,467.50 crore), Loan from Financial Institutions (₹ 50,638.47 crore), Special Securities issued to National Small Savings Fund (₹ 35,248.39 crore) and other Loans (₹ 122.18 crore). Thus, Market Loan constituted 67.56 per cent of total fiscal liabilities (₹ 6,62,316 crore) of the State Government.

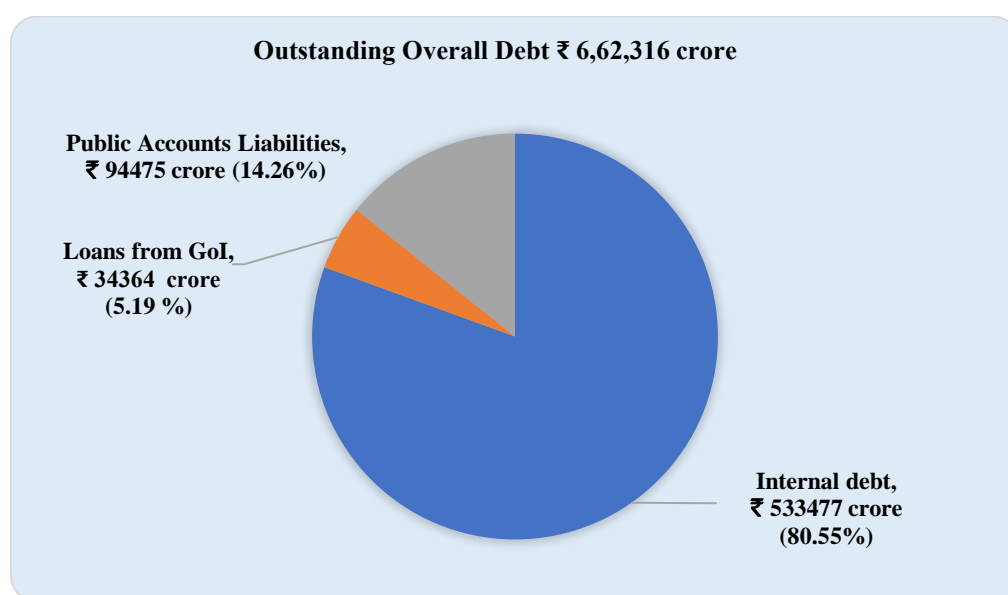
The overall Liabilities of the State increased by 8.05 per cent during 2022-23 over the previous year 2021-22. The percentage of net fund available under

Public Debt and other liabilities to their receipts had a fluctuating trend during the period 2018-19 (16.04 *per cent*) to the year 2022-23 (5.44 *per cent*).

The broader definition of total outstanding liabilities also includes extra-budget borrowings by State Public Sector Undertakings and other bodies where the principal and/or interest are to be serviced out of the State Budget. As discussed in **Paragraph 4.1** State Government had also resorted to extra budget borrowings and the outstanding liability on this account as on 31 March 2023 was ₹ 24,314.36 crore.

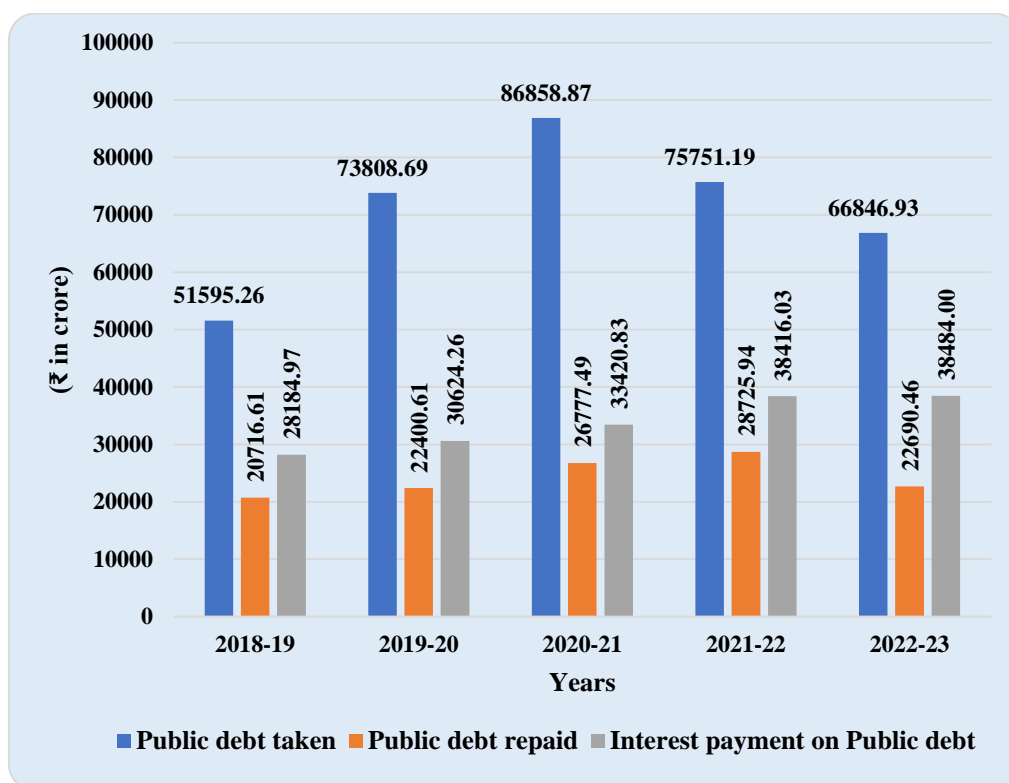
Chart 2.14 presents the status of Outstanding Overall Liabilities of the State Government as per Finance Accounts at the end of the year 2022-23.

Chart 2.14: Break-up of Outstanding Total Liabilities at the end of the year 2022-23



Source: Finance Accounts 2022-23

Trends of Public debts taken and its repayment during the period 2018-23 is depicted in **Chart 2.15**.

Chart 2.15: Public debt taken vis-à-vis repaid during the period 2018-23

Source: Finance Accounts of respective years

It is evident from **Chart 2.15** that during the period 2018-19 to 2022-23, the State Government utilised 69 per cent to 95 per cent of its public debt receipt amount in repayment of previous debts and interest liabilities, resultantly, only five per cent to 31 per cent of public debt was available for capital expenditure. This availability was lowest in the year 2018-19 and maximum in the year 2020-21. In the year 2022-23, the State Government utilised 92 per cent of its public debt receipt amount in repayment of previous debts and interest payment resultantly, only eight per cent was available for capital expenditure.

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.

Revenue Surplus represents the difference between revenue receipts and revenue expenditure. Revenue surplus helps to decrease the borrowings. Fiscal Deficit is the excess of Revenue and Capital Expenditure including loans and advances, over revenue and non-debt capital receipts. 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. 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 is given in **Table 2.29**.

Table 2.29: Components of fiscal deficit and its financing pattern

(₹ in crore)

Particulars		2018-19	2019-20	2020-21	2021-22	2022-23
Composition of Fiscal Deficit (-)/ Surplus (+) (A)		(-)35203	(+)11083	(-)54622	(-)39286	(-)64636
1	Revenue Deficit(-) / Surplus(+)	(+)28250	(+)67560	(-)2367	(+)33430	(+)37263
2	Net Capital Expenditure ¹⁷	(-)62463	(-)59998	(-)52237	(-)71443	(-)93028
3	Net Loans and Advances ¹⁸	(-)990	(+)3521	(-)18	(-)1273	(-)8871
Financing Pattern of Fiscal Deficit (Net)						
1	Market Borrowings	33306.67	55825.80	63499.68	46670.00	46111.96
2	Loans from GOI	(-) 832.22	(-) 450.84	6577.99	9154.59	7102.82
3	Special Securities issued to NSSF	(-) 4871.64	(-) 5122.07	(-) 5122.07	(-)5122.07	-5122.07
4	Loans from Financial Institutions	3275.84	1155.20	(-) 4874.22	(-)3677.27	-3936.23
5	Small Savings, Provident Funds, etc.	3645.59	3313.67	1062.40	525.12	412.91
6	Deposits and Advances	2196.34	(-) 2089.80	1914.78	(-)1458.73	3598.74
7	Suspense and Miscellaneous	222.67	(-) 1828.11	1697.48	1461.10	34.82
8	Remittances	312.67	313.50	(-)325.46	21.06	1056.61
9	Reserve Fund	13544.71	(-) 68298.52	500.94	3893.01	3691.79
10	Contingency Fund	(-) 166.65	629.73	(-) 100.00	700.00	(-)0.06
11	Overall Deficit (B)	50633.98	(-) 16551.44	64831.52	52166.81	52951.29
12	Increase (-) / Decrease (+) in cash balance (A-B)	(-) 15431.00	5468.75	(-)10209.41	(-)12880.39	11684.97
13	Fiscal Deficit (11+12)	35202.98	(-) 11082.69	54622.11	39286.42	64636.26

Source: Finance Accounts of respective years

Revenue Deficit and Fiscal Deficit had fluctuating trend during the period 2018-23. State's revenue surplus (₹ 67,560 crore) and fiscal surplus (₹ 11,083 crore) during 2019-20 was mainly due to transfer of book balance of ₹ 71,180 crore of Sinking Fund to revenue receipt account without any actual cash receipt to State exchequer. During the year 2022-23, State registered Fiscal

¹⁷ Net Capital Expenditure = Miscellaneous Capital Receipts *minus* Capital Expenditure; minus figure indicate that the capital Expenditure was more than the capital receipt during the year.

¹⁸ 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. In the year 2021-22, this also includes transfer of ₹ 600 crore from Consolidated Fund to Contingency Fund which was budgeted by the State Government under Loans and Advances.

Deficit of ₹ 64,636.26 crore which was mainly financed through market borrowings and loans from GoI.

2.6.2 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 total outstanding Liabilities of ₹ 6,62,316 crore as on 31 March 2023, ₹ 94,475 crore pertained to Liabilities on Public Account. The maturity profile of public debt (₹ 5,67,841 crore) is shown in **Table 2.30** and **Chart 2.16**.

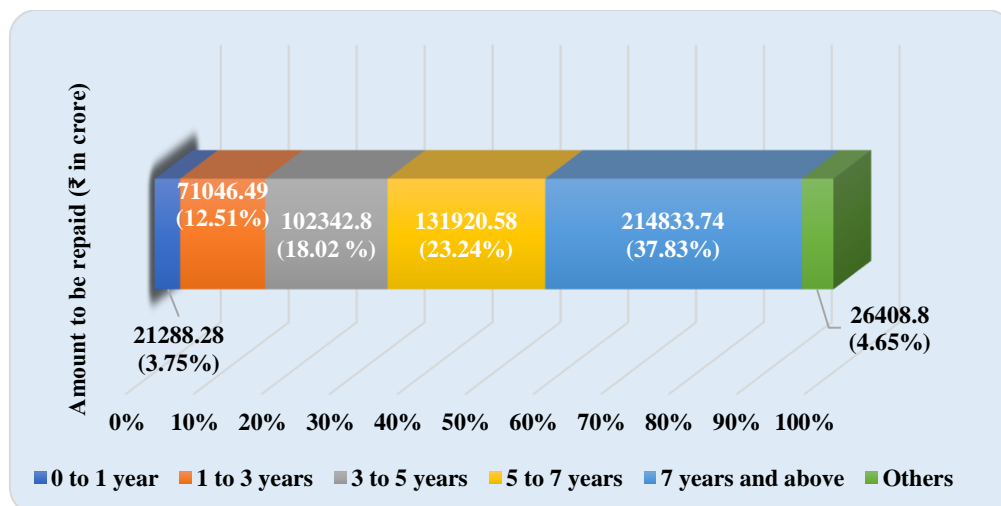
Table 2.30: Debt Maturity profile of repayment of Public Debt of the State

(₹ in crore)		
Period of repayment (Years)	Public Debt	Per cent
0-1	21288.28	3.75
1-3	71046.49	12.51
3-5	102342.80	18.02
5-7	131920.58	23.24
7 and above	214833.74	37.83
Others*	26408.80	4.65
Total	567840.69	100

Source: Calculated on the basis of Finance Accounts for the year 2022-23.

* Under reconciliation - this includes ₹13.12 crore to be written off by GoI, ₹24,546.44 crore for which terms of repayment of loans were awaited from GoI and (-) ₹235.72 crore of back-to-back loan repaid by GoI for which loan wise details were awaited.

Chart 2.16: Public Debt Maturity Profile



Source: Finance Accounts 2022-23

The maturity profile of public debt indicates that the liability of the State to repay the debt during the periods 2023-24, 2024-26, 2026-28 and 2028-30 would be ₹ 21,288.28 crore (3.75 per cent), ₹ 71,046.49 crore (12.51 per cent), ₹ 1,02,342.80 crore (18.02 per cent) and ₹ 1,31,920.58 (23.24 per cent) respectively.

Table 2.31 shows the year-wise repayment schedule during the next nine and above years of the Public Debt outstanding as on 31 March 2023.

Table 2.31: Repayment Schedule of Public Debt

(₹ in crore)

Period of repayment	Repayment of Public Debt		Total	Per cent
	Internal Debt	Loans and Advances from GoI		
2023-24	19485.70	1802.58	21288.28	3.75
2024-25	29007.44	704.77	29712.21	5.23
2025-26	40731.06	603.22	41334.28	7.28
2026-27	50426.52	748.60	51175.12	9.01
2027-28	50522.28	645.40	51167.68	9.01
2028-29	54321.85	626.20	54948.05	9.68
2029-30	76368.87	603.66	76972.53	13.56
2030-31	81335.73	541.77	81877.50	14.42
2031-32	62419.37	445.00	62864.37	11.07
2031-32 onwards	66784.12	3307.75	70091.87	12.34
Under reconciliation with the State Government *	2073.60	24335.20	26408.80	5.08
Total	533476.54	34364.15	567840.69	100.00

Source: Finance Accounts 2022-23

Note: Interest payable on outstanding debt stock has not been included in Table 2.31.

*This includes ₹13.12 crore to be written off by GoI, ₹24,546.44 crore for which terms of repayment of loans were awaited from GoI and (-) ₹235.72 crore of back-to-back loan repaid by GoI for which loan wise details were awaited.

2.7 Debt sustainability Analysis

Debt sustainability analysis has been carried out on the basis of fiscal and debt parameters, Domar approach and compliance of macro-fiscal parameters to the State FRBM targets. The result of analysis is given in the following paragraphs:

(A) 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. 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.

Debts Sustainability indicators of State's Public Debt are depicted in **Table 2.32** and **Chart 2.17**.

Table 2.32: Trend in Debt Sustainability Indicators

(₹ in crore)

Debt Sustainability Indicators	2018-19	2019-20	2020-21	2021-22	2022-23
Outstanding Public Debt¹⁹ (in ₹ crore)	365170	416578	470652*	509537*	553694*
<i>Rate of Growth of Outstanding Public Debt (in per cent)</i>	9.24	14.08	12.98	8.26	8.67
GSDP (in ₹ crore)	1582180	1700062	1645317	1974532	2257575
<i>Rate of Growth of GSDP (in per cent)</i>	9.88	7.45	(-3.22)	20.01	14.33
<i>Public Debt/GSDP (in per cent)</i>	23.08	24.50	28.61	25.81	24.53
Average interest Rate of Public Debt²⁰ (in per cent)	8.06	7.83	7.53	7.84	7.24
<i>Percentage of Interest payment on Public Debt to Revenue Receipt</i>	8.54	8.36	11.28	10.35	9.22
<i>Percentage of Public Debt Repayment to Public Debt Receipt</i>	40.15	30.35	30.83	37.92	33.94
Net Public Debt available to the State²¹	2694	20784	26661	8609	5672
Net Public Debt available as per cent to Public Debt Receipts	5.22	28.25	30.69	11.37	8.49
Revenue Deficit (-)/Surplus (+) without interest payment	60292	102373	35061	76306	80271
Primary Deficit (-)/Surplus (+)	(-3161)	45896	(-17194)	3589	(-21628)
Debt Stabilisation (in ₹ crore) (Quantum spread²² + Primary Deficit)	3485	44313	(- 67789)	65600	17629

Source: Finance Accounts of respective years

*Outstanding Public Debt has been calculated excluding back to back loan received during 2020-21 (₹6,007 crore) and 2021-22 (₹8,139.94 crore) in lieu of GST compensation shortfall with no repayment liability to the State.

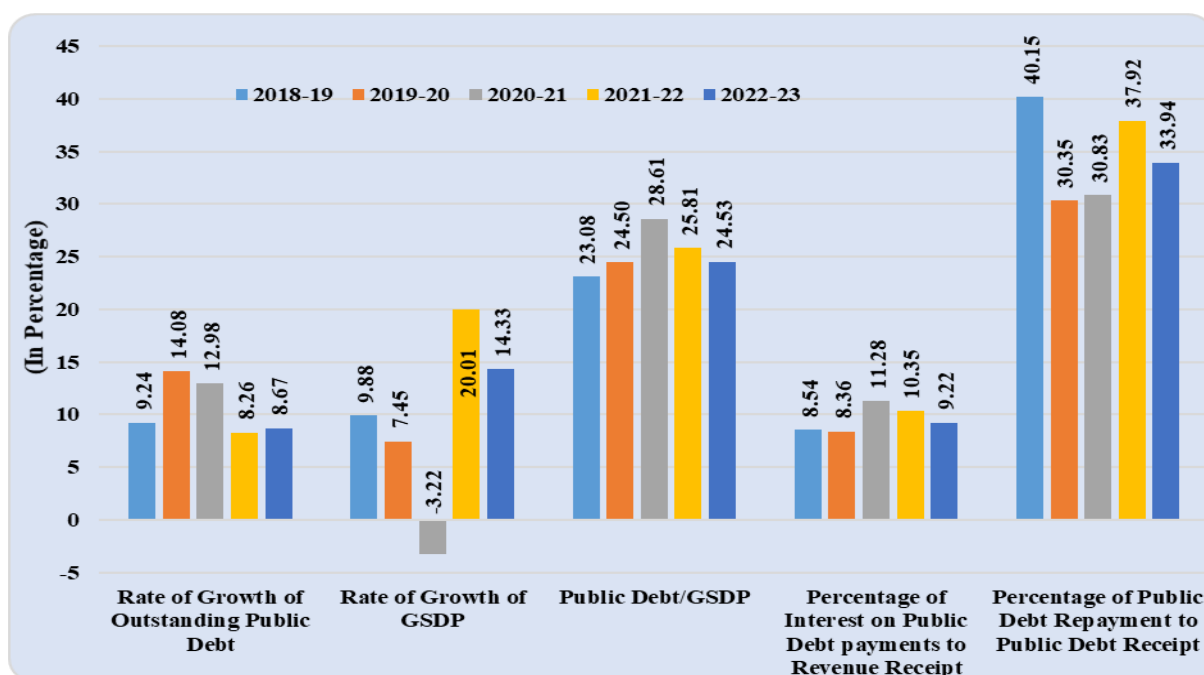
¹⁹ Outstanding Public Debt is the sum of outstanding balances under the Major heads 6003- Internal Debt and 6004- Loans and Advances from the Central Government as on 31 March of the year.

²⁰ Interest paid on public debt (opening balance of Public Debt + closing balance of Public Debt/2) (in per cent).

²¹ Net debt available to the State Government is calculated as excess of Public debt receipts over Public debt repayment and interest payment on Public Debt.

²² Quantum spread= Outstanding Public Debt x (GSDP Growth Rate – Average Interest Rate)/100.

Chart 2.17: Debt Sustainability indicators



Source: Finance Accounts of respective years

Analysis of **Table 2.32** and **Chart 2.17** indicates the following:

- Public Debt of the State, excluding back to back loan received in lieu of GST compensation shortfall during 2020-21 and 2021-22, grew from ₹ 3,65,170 crore in the year 2018-19 to ₹ 5,53,694 crore in the year 2022-23. It grew at 8.67 per cent in the year 2022-23 over the previous year. However, after taking into account the back-to-back loan received during 2020-21 (₹ 6,007 crore) and 2021-22 (₹ 8,139.94 crore) in lieu of GST compensation with no repayment liability to the State, the State's Public Debt was ₹ 5,67,840.69 crore as on 31 March 2023 with growth rate of 8.43 per cent over previous year.
- Debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would tend to be constant or debt would stabilise eventually. In case it is positive, debt-GSDP ratio would eventually be falling and on the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising. As computed in **Table 2.32**, the debt stabilization indicator, after showing a deterioration in 2020-21 turned positive in 2021-22 and continued to be on the path of improvement, despite the deceleration in 2022-23.
- Higher percentage of interest payments leaves less funds for priority areas. Percentage of interest payments to revenue receipt measures the margin of safety a government has for paying interest on its debt during a given period. The percentage of interest payment on public debt to revenue receipt decreased from 11.28 per cent during 2020-21 to 9.22 per cent during 2022-23. The net fund available from borrowings for current operations after providing for

interest and repayment of Public Debt had fluctuating trend during 2018-23 and it was lowest 5.22 *per cent* of total public debt taken during the year 2018-19 and highest 30.69 *per cent* in the year 2020-21. During the year 2022-23 the net fund available from borrowings was 8.49 *per cent*.

(B) Details of achievements vis-à-vis targets set in the Finance Commission Reports are shown below:

Table 2.33: Achievement vis-à-vis target set for fiscal aggregates in Finance Commission Report

Particulars		2018-19	2019-20	2020-21	2021-22	2022-23
Total outstanding Liabilities as percentage of GSDP	Target	32.03	32.67	40.90	40.00	40.50
	Achievement	32.75	29.55	33.97*	30.33*	28.71*

*Computed after excluding back to back loan during 2020-21 (₹ 6,007 crore) and 2021-22 (₹ 8,139.94 crore) in lieu of shortfall in GST compensation with no repayment liability to the State.

As seen from **Table 2.33**, total outstanding debt as a percentage of GSDP of the State was below the target set by Finance Commission during the period 2018-23, except in the year 2018-19.

(C) An analysis on debt sustainability was carried out based on a study by E.D. Domar (Domar, 1944). The Domar model states that the necessary premise for ensuring stability of public indebtedness is that the interest rates for government loans should not exceed the growth rate of GDP. The dynamics of public debt depending on the interest rate, growth rate of GSDP and the primary budget balance are as follows:

g-r (g: real economic growth; r: real interest rate)	Primary Budget Balance <0 (Primary Deficit)	Primary Budget Balance >0 (Primary Surplus)
If g-r>0 (strong economic growth)	Real economic growth exceeds real interest rate provided that the primary deficit registered is stable and consistent with debt/GSDP then the debt is sustainable.	Real economic growth exceeds real interest rate and records primary surplus then debt/GSDP ratio shall decrease and debt tends towards stable level therefore sustainable.
If g-r<0 (slow economic growth)	Real economic growth is lower than real interest rate and records primary deficit, then debt tends to increase without limitations and becomes unsustainable.	Real economic growth is lower than real interest rate and records primary surplus, then debt is no longer sustainable provided that it is not decreased in the medium or long run.

The results of applying the above parameters in the case of Uttar Pradesh are shown in **Table 2.34**

Table 2.34: Debt sustainability analysis based on Domar Model

Year	Real Growth* (g)	Real Interest** (r)	g-r (Domar gap)	Primary deficit(-) /Surplus (+) (₹ in crore)
2018-19	3.88	4.29	(-)0.41	(-) 3161
2019-20	4.03	1.97	2.06	(+) 45896
2020-21	(-)4.24	2.27	(-)6.51	(-) 17194
2021-22	10.20	2.05	8.15	(+) 3589
2022-23	8.30	0.17	8.13	(-) 21628

*Real Growth rate calculated for GSDP at constant prices.

**Real interest rate is the nominal interest rate adjusted for inflation.

The State Government had achieved primary surplus during 2019-20 and 2021-22. However, primary surplus during 2019-20 was mainly due to transfer of book balance of ₹ 71,180 crore of Sinking Fund under Public Account to Non Tax Revenue without actual cash receipt. Further, the real growth rate of GSDP (g) and domar gap (g-r) during post Covid-19 year (*i.e.*, 2021-22 and 2022-23) should be read with negative GSDP growth rate during 2020-21 resulting in low base for computation of GSDP growth rates during subsequent years.

As evident from **Table 2.34**, the growth of rate of interest was lower than the rate of growth of the GSDP ($g-r > 0$) in 2019-20, 2021-22 and 2022-23 as per the Domar model analysis. Nevertheless, when examining the Domar gap (g-r), the real interest rate had surpassed the real economic growth rate in 2018-19 and 2020-21. The positive Domar gap coupled with Primary Surplus led to decline in Debt to GSDP ratio in 2021-22. Further, despite the Primary Deficit generated in 2022-23, the positive Domar Gap in 2022-23 was adequate to absorb the Primary Deficit and primarily contributed to further keep the debt to GSDP ratio in a declining trend, as detailed in **Table 2.32**.

From the above discussion, it can be concluded that Debt/GSDP ratio in the past five years remained fluctuating and thus, it is early to conclude that debt is on the path of stabilisation.

2.7.1 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and developmental activities. The status of utilisation of borrowed fund during the period 2018-23 is given in the **Table 2.35**.

Table 2.35: Utilisation of borrowed funds

		(₹ in crore)				
Sl. No	Year	2018-19	2019-20	2020-21	2021-22	2022-23
1	Public Debt receipt	51595	73809	86859	75751	66847
2	Repayment of earlier Public Debt (Principal) (percentage of Public Debt receipt)	20717 (40.15)	22401 (30.35)	26777 (30.83)	28726 (37.92)	22690 (33.94)

Sl. No	Year	2018-19	2019-20	2020-21	2021-22	2022-23
3	Capital Expenditure (percentage of Public Debt receipt)	62463 (121.06)	59998 (81.29)	52237 (60.14)	71443 (94.31)	93028 (139.17)
4	Net Loans and Advances disbursed (percentage of Public Debt receipt)	990 (1.92)	(-)3521 (-4.77)	18 (0.02)	674 (0.89)	8871 (13.27)
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)	(-)32575 (-63.14)	(-)5069 (-6.87)	7827 (9.01)	(-)25092 (-33.12)	(-)57742 (-86.38)

Source: Finance Accounts of respective years

Table 2.35 shows that during the years 2018-19, 2019-20, 2021-22 and 2022-23, a portion of expenditure on capital account was met from revenue surplus of the State.

2.7.2 Status of Guarantees – Contingent Liabilities

The State Government issues guarantees in respect of bonds issued and other borrowings by the State Public Sector Undertakings or other Bodies. 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.

The State Government has not fixed any limit for giving guarantee. Statement No. 9 and 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 are given in **Table 2.36**.

Table 2.36: Status of Guarantees given by the State Government

Guarantees	2018-19	2019-20	2020-21	2021-22	2022-23
Maximum amount guaranteed during the year	90662.48	132499.27	175469.24	206431.78	193244.82
Outstanding amount of guarantee	110032.12	118696.49	150554.00	174218.42	170780.52

Source: Finance Accounts of respective years

The outstanding guarantees decreased by 1.97 per cent from ₹ 1,74,218.42 crore in the year 2021-22 to ₹ 1,70,780.52 crore in the year 2022-23. During the year 2022-23, outstanding guarantee was 40.93 per cent of the Revenue Receipts (₹ 4,17,242 crore) and 7.56 per cent of GSDP (₹ 22,57,575 crore) of the State Government during the year. The outstanding

guarantee as on 31 March 2023 mainly pertained to three power sector companies (₹ 1,30,648 crore), one entity under Infrastructure and Industrial Development Department (₹ 28,450 crore), four entities under Co-operative Department (₹ 6,175 crore) and two entities under Sugar Industry Department (₹ 3,699 crore). During the year 2022-23, Guarantee Fee/Commission of ₹ 4.41 crore was receivable from Uttar Pradesh State Warehousing Corporation but no guarantee fee was received. Further, no guarantee was invoked during the year 2022-23.

Further, there was a difference to ₹ 2,513.30 crore between outstanding guarantees at the beginning of the year 2022-23 and that at the end of the year 2021-22 which was under reconciliation between the Accountant General (Accounts & Entitlements) Uttar Pradesh and the State Government.

2.7.3 Management of Cash Balances

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 /Overdrafts from time to time. The limit 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 Major Head '0049-Interest Receipts'. The cash balances include government securities investments of the Consolidated Sinking Fund.

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 2022-23 the cash balances and investments made by the State Government out of cash balances is presented in **Table 2.37**.

Table 2.37: Cash Balances and their investment during the year 2022-23

(₹ in crore)

	Opening balance on 1 April 2022	Closing balance on 31 March 2023
A. General Cash Balance		
Cash in Treasuries	0.00	0.00
Deposits with Reserve Bank of India	(-)348.47	102.77
Remittances in transit	0.00	0.00
Investments held in Cash Balance Investment Account	41825.24	27188.94
Total (A)	41476.77	27291.71
B. Other Cash Balances and Investments		
Cash with departmental officers viz., Public Works, Forest Officers	10.69	10.78

	Opening balance on 1 April 2022	Closing balance on 31 March 2023
Permanent advances for contingent expenditure with department officers	0.50	0.50
Investment in earmarked funds	3045.20	5545.20
Total (B)	3056.39	5556.48
Total (A + B)	44533.16	32848.19

Source: Finance Accounts 2022-23

The State Government's cash balances at the end of the current year amounted to ₹ 32,848.19 crore. This has decreased by ₹ 11,684.97 crore (26.24 per cent) when compared with balances at the end of the year 2021-22. During 2022-23, the opening balance of investment held in Cash Balance Investment Account was ₹ 41,825.24 crore. Treasury Bills amounting to ₹ 8,42,096.42 crore were purchased and these instruments amounting to ₹ 8,56,668.38 crore were sold, leaving a balance of ₹ 27,188.94 crore in the account at the end of the year. The amounts of ₹ 391.31 crore and ₹ 11.29 crore were received as interest on investment under Treasury Bills and Long-Term Government of India's Securities respectively. Further, ₹ 64.34 crore was received as redemption under Long Term Government of India's Securities.

Under the Cash Balance Investment Account, the transactions of the State Government in investing in Treasury bills decreased from ₹ 5,44,061 crore during 2018-19 to ₹ 4,93,843 crore during the year 2019-20 and ₹ 4,64,321 crore in the year 2020-21. It increased to ₹ 6,91,373 crore during the year 2021-22 and ₹ 8,42,096 crore in the year 2022-23. Corresponding to Cash Balance Investment Account, the cash surplus (General Cash Balances) increased during the period 2017-18 to 2018-19 from ₹ 11,425 crore (31 March 2018) to ₹ 26,855 crore (31 March 2019) which decreased to ₹ 21,387 crore in the year 2019-20 (31 March 2020) and again increased to ₹ 30,597 crore in the year 2020-21 (31 March 2021), ₹ 41,477 crore in the year 2021-22 (31 March 2022) and further decreased to ₹ 27,292 crore in the year 2022-23. Status of Cash Balance Investment Account and interest earned thereon for the period 2018-23 is shown in **Table 2.38**.

Table 2.38: Cash Balance Investment Account (Major Head 8673)

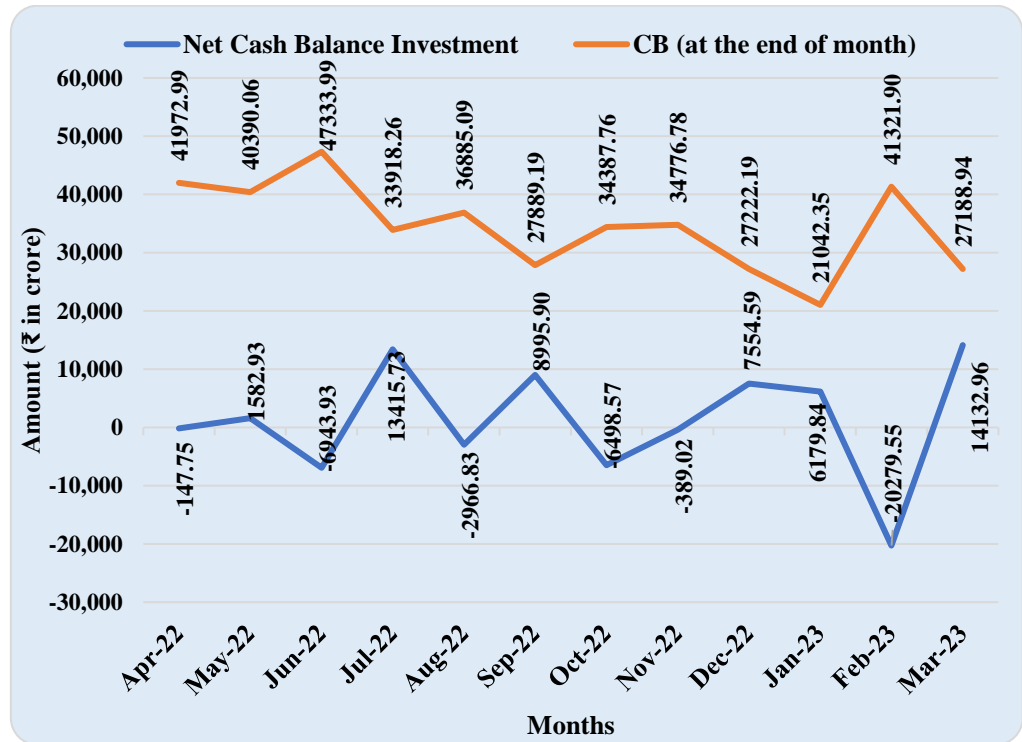
(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-) (CB-OB)	Interest earned
2018-19	11159.38	26684.36	15524.98	1088.56
2019-20	26684.36	21150.71	(-) 5533.65	596.15
2020-21	21150.71	30459.45	9308.74	249.67
2021-22	30459.45	41825.24	11365.79	346.99
2022-23	41825.24	27188.94	(-) 14636.30	402.60

Source: Finance Accounts of respective years

Month wise movement of Cash Balances and Net Cash Balance Investments during the year 2022-23 is presented in **Chart 2.18**.

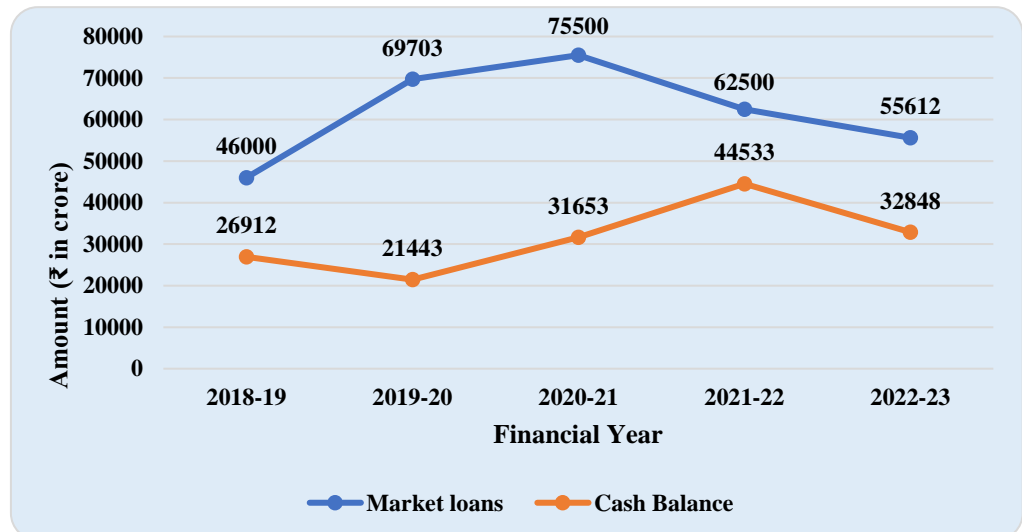
Chart 2.18: Month wise movement of Cash Balances and net cash balance investments during the year 2022-23



Source: Data maintained by the office of Accountant General (A&E) Uttar Pradesh

The status of Market loan taken by the State Government and Cash balance available with the State Government is presented in **Chart 2.19**.

Chart 2.19: Market Loan vis-à-vis Cash Balance during the period 2018-23



Source: Finance Accounts of respective years

2.7.4 Variation in Cash Balance

The Cash balance as on 31 March 2023 as per the record of Accountant General was ₹ 102.77 crore (Debit) and that reported by the RBI was ₹ 41.19 crore (Debit). There was a net difference of ₹ 143.96 crore, which was under reconciliation.

2.8 Conclusion

Positive Indicators

- Fiscal Deficit (-) ₹ 64,636 crore was 2.86 *per cent* of GSDP, which was within the fiscal target of 3.5 *per cent* set in the UPFRMB (Amendment) Bill, 2021.
- Revenue Receipt in the year 2022-23 increased by 12.46 *per cent* over the year 2021-22.
- State had registered revenue surplus of ₹ 37,263 crore during the year 2022-23.
- Committed Expenditure to Revenue Expenditure shows a decreasing trend during the year 2020-21 to 2022-23. In the year 2022-23 it was 58.66 *per cent* of the Revenue Expenditure.
- Debt-GSDP ratio of the State showing a decreasing trend during 2021-22 and 2022-23 and it was 28.71 *per cent* in the year 2022-23.
- The positive Domar Gap in 2022-23 was adequate to absorb the Primary Deficit and primarily contributed to further keep the debt to GSDP ratio in a declining trend.

Parameters requiring close watch

- During the year 2022-23, State Government transferred less contribution of ₹ 428.48 crore to the Consolidated Sinking Fund, which was to be utilised for amortization of redemption of outstanding liabilities of State Government.
- State Government did not transfer the amount charged for Depreciation Reserve Fund to this Fund in entirety instead it was kept as revenue receipts of the State Government.
- The State Government had not credited interest of ₹ 266.56 crore for the year 2022-23 on un-invested balances of the State Disaster Response Fund. The balance of the Fund was not being invested in the manner specified in the SDRF guidelines.
- The State Government did not contribute ₹ 1,742.18 crore to the Guarantee Redemption Fund for meeting the debt servicing obligation arising in the event of default by the borrowing agency out of guarantees issued by the Government.

2.9 Recommendations

- 1. The State Government should ensure that annual contribution to the Consolidated Sinking Fund is at least 0.50 per cent of the outstanding liabilities at the end of the previous year as provided under the Consolidated Sinking Fund Scheme so that adequate balance would be available in the Fund for its further investment by the Reserve Bank of India and for future redemption of outstanding liabilities.*
- 2. The State Government should transfer the full amount charged on works for Depreciation Reserve Fund to this Fund.*
- 3. The State Government should invest the balances under SDRF in the manner prescribed in the SDRF guidelines and also remit the accrued interest to the Fund.*
- 4. The State Government should ensure annual contribution to the Guarantee Redemption Fund as required under the Uttar Pradesh Guarantee Fund Redemption scheme.*

CHAPTER - III

Budgetary Management

CHAPTER-III

BUDGETARY MANAGEMENT

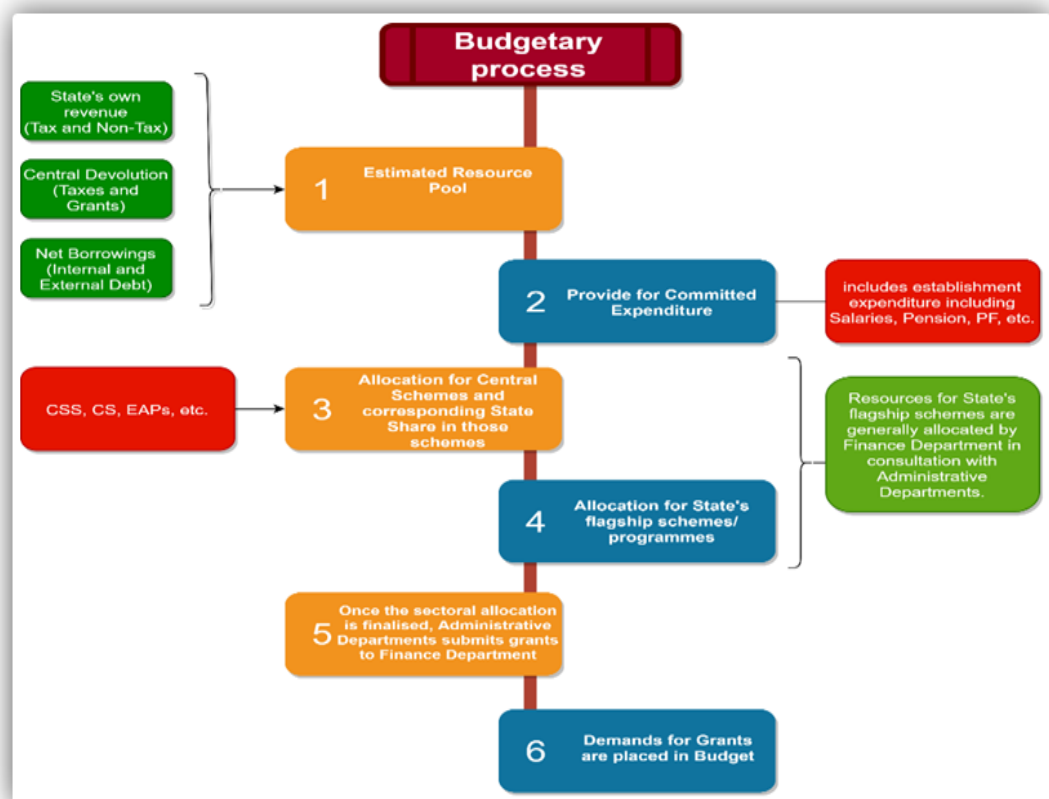
This Chapter deals with the integrity, transparency and effectiveness of the budgetary process and allocative priorities, including supplementary grants, and the concomitant financial management, assessing whether decisions taken at the policy level are implemented at the administrative level without 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 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 is prepared on the basis of the material furnished by the departmental officers and the administrative departments of the Secretariat. The budget preparation process is given in **Chart 3.1**.

Chart 3.1: Budget preparation process

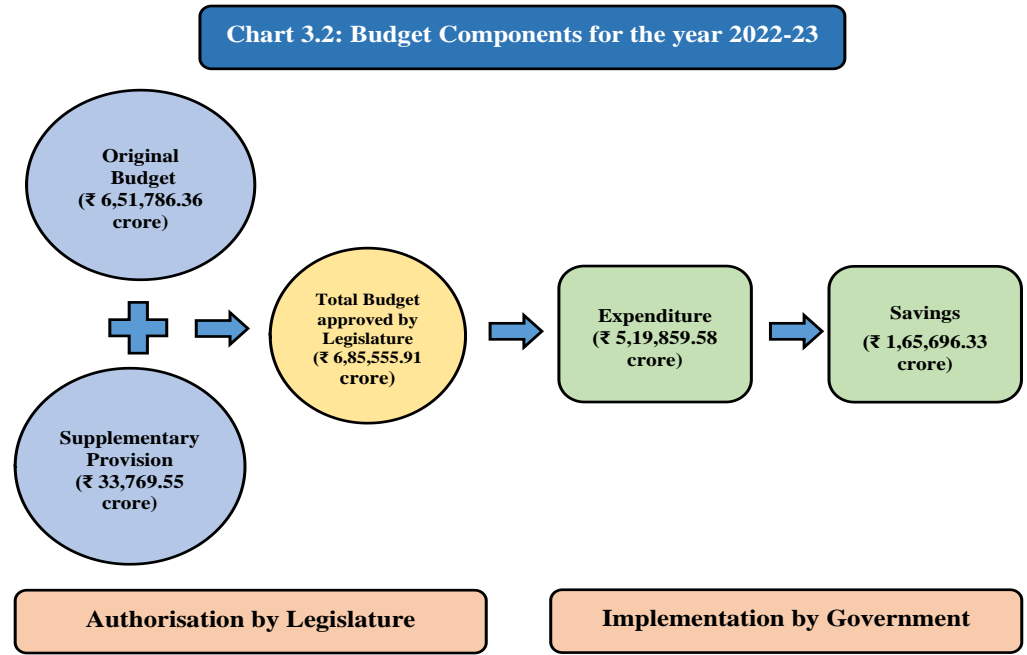


CSS: Centrally Sponsored Schemes; CS: Central Schemes; EAPs: Externally Aided Projects.

After the finalisation of the Budget, it is presented, under Article 202 of the Constitution, to both the Houses of the State Legislature on the recommendation of the Governor. The estimates of the expenditure embodied in the Budget show 'charged' and 'voted' items of expenditure separately and distinguish expenditure on revenue account from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the State Government. 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.

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 2022-23 are depicted in **Chart 3.2**.



Source: Uttar Pradesh Annual Financial Statement and Appropriation Accounts for the year 2022-23

Appropriation Accounts depict the original budget provision, supplementary grants, re-appropriations and surrenders 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 Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with 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 2022-23

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

Table 3.1: Budget provisions, expenditure and savings during 2022-23

(₹ in crore)

	Total Budget provision		Expenditure		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	436261.48	49523.27	336997.42	46227.13	99264.06	3296.14
Capital	167153.05	32618.11	113919.00	22716.03	53234.05	9902.08
Total :	603414.53	82141.38	450916.42	68943.16	152498.11	13198.22

Source: Appropriation Accounts 2022-23 & Budget Documents.

During the financial year 2022-23, the actual expenditure was substantially lower than the budget provisions both under Revenue and Capital Sections which witnessed savings of 21.11 *per cent* and 31.60 *per cent*. The total expenditure against the budget provision was 77.25 *per cent* in Revenue Voted section, 93.34 *per cent* in Revenue Charged section, 68.15 *per cent* in Capital Voted section and 69.64 *per cent* in Capital Charged section of Grants/Appropriations.

3.1.2 Charged and Voted expenditure

Break-up of total expenditure into Charged and Voted and savings thereon and trend analysis during the period 2018-23 is detailed in **Table 3.2**

Table 3.2: Expenditure under Voted and Charged during the period 2018-23

(₹ in crore)

Year	Revenue				Capital			
	Expenditure		Savings		Expenditure		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
2018-19	247287	58976	51703	433	82792	20729	27377	9838
2019-20	266083	35367	64113	22640	75556	22420	27637	12993
2020-21	263323	39047	81777	25080	66856	26798	33551	8139
2021-22	293995	45530	84220	999	80806	28734	57149	10258
2022-23	336997	46227	99264	3296	113919	22716	53234	9902

Source: Appropriation Accounts of respective years

Table 3.2 shows that the expenditure under Revenue Voted Section increased from ₹ 2,47,287 crore during the year 2018-19 to ₹ 2,66,083 crore during the year 2019-20 and thereafter decreased marginally to ₹ 2,63,323 crore in the year 2020-21 which further increased to ₹ 3,36,997 crore in the year 2022-23. During the year 2022-23, the expenditure under Revenue Voted Section was 14.63 *per cent* higher than the expenditure during the previous year. However, savings under Revenue Voted section has increased from ₹ 51,703 crore in 2018-19 to ₹ 99,264 crore in the year 2022-23.

Similarly, expenditure under Capital Voted section was volatile during the period 2018-23 and it was highest (₹ 1,13,919 crore) during the year 2022-23 and lowest (₹ 66,856 crore) during the year 2020-21. During the year 2022-23, the expenditure under Capital Voted Section (₹ 1,13,919 crore) was 40.98 *per cent* higher than the expenditure during the previous year. However, saving under Capital Voted section has increasing trend from ₹ 27,377 crore in 2018-19 to ₹ 57,149 crore in the year 2021-22, which decreased to ₹ 53,234 crore during 2022-23.

3.1.3 Budget marksmanship

Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved.

Table 3.3 provides details of actual outturn as compared to original approved budget.

Table 3.3: Actual Outturn vs. original approved budget during 2022-23

(₹ in crore)

Description	Original Approved Budget (BE)	Actual Outturn	Difference between Actual and BE*
(1)	(2)	(3)	(4)
Revenue	472027.90	383224.55	(-)88803.35
Capital	179758.46	136635.03	(-)43123.43
Total	651786.36	519859.58	(-)131926.78

Source: Appropriation Accounts and Budget document

*Excess of actual outturn over original budget provision is denoted as (+) figure and shortage of actual outturn over original budget provision is denoted as (-) figure.

In Revenue section, deviation in outturn compared with BE was (-) 18.81 per cent. This was due to deviation between 0 to ± 25 per cent in 45 grants, between ± 25 per cent to ± 50 per cent in 40 grants, between ± 50 per cent to ± 100 per cent in six grants and equal to or more than 100 per cent in one grant.

In capital section, deviation in outturn compared with BE was (-) 23.99 per cent. This was due to deviation between 0 to ± 25 per cent in 45 grants, between ± 25 per cent to ± 50 per cent in 21 grants, between ± 50 per cent to ± 100 per cent in 19 grants and equal to or more than 100 per cent in seven grants.

Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition as detailed in **Table 3.4**.

Table 3.4: Expenditure Composition Outturn

(₹ in crore)

Description	Original Approved Budget (BE)	Revised (RE)	Actual Outturn	Difference between BE & RE	Difference between Actual and RE*
(1)	(2)	(3)	(4)	(5)	(6)
Revenue	472027.90	438622.88	383224.55	33405.02	(-)55398.33
Capital	179758.46	180516.56	136635.03	(-) 758.10	(-)43881.53
Total	651786.36	619139.44	519859.58	32646.92	(-)99279.86

Source: Appropriation Accounts and Budget document

*Excess of actuals over revised estimate is denoted as (+) figure and shortage of actuals over revised estimate is denoted as (-) figure

In Revenue section, deviation in outturn compared with RE was (-) 12.63 per cent. This was due to deviation between 0 to ± 25 per cent in 64 grants, between ± 25 per cent to ± 50 per cent in 23 grants, between ± 50 per cent to ± 100 per cent in five grants.

In capital section, deviation in outturn compared with RE was (-) 24.31 per cent. This was due to deviation between 0 to ± 25 per cent in 53 grants, between ± 25 per cent to ± 50 per cent in 14 grants, between ± 50 per cent to ± 100 per cent in 20 grants and more than or equal to 100 per cent in five Grants.

3.2 Comments on integrity of budgetary and accounting process

Deviations from prescribed budgetary and accounting process procedures are discussed in this section.

3.2.1 Regularisation of excess expenditure of previous financial years

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 and for that year, the Governor shall cause to be laid before the Legislative Assembly of the State, a demand for such excess.

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 ₹ 32,533.46 crore under 104 grants and 48 appropriations pertaining to the years 2005-06 to 2020-21, as commented in the Appropriation Accounts of respective years, are yet to be regularised by the State Legislature as detailed in **Table 3.5**.

Table 3.5: Excess expenditure of previous financial years

(₹ in crore)		
Year	Description of Grant/ Appropriation	Amounts of excess expenditure 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	2484.47
2007-08	Revenue Voted-51,55,57,58,62; Capital Voted-13,16,55,58,63,83,96 Revenue Charged-51,66	3610.65
2008-09	Revenue Voted-62,96; Capital Voted-55,58,96 Revenue Charged-52	3399.42
2009-10	Revenue Voted-58; Capital Voted-1,16,55,58,59 Revenue Charged-3,10,16,48,52,66	1250.16

Year	Description of Grant/ Appropriation	Amounts of excess expenditure required to be regularised
2010-11	Revenue Voted-30,51,91; Capital Voted-10,55,58 Revenue Charged-10,23,61,82	1702.62
2011-12	Revenue Voted-21,62,91; Capital Voted-1,55,58 Revenue Charged-13,18,23,61,62,82	1889.66
2012-13	Revenue Voted-51,57; Capital Voted-55,58 Revenue Charged-55,62,89	2380.23
2013-14	Capital Voted – 55, 58 Capital Charged – 52	2608.18
2014-15	Revenue Voted – 57,91; Capital Voted -1,40,55,57,58 Revenue Charged -13	2225.32
2015-16	Capital Voted – 55,57,58,87 Revenue Charged – 2,23,52,62	1566.71
2016-17	Capital Voted – 55,58,87 Revenue Charged – 89; Capital Charged – 61	5662.17
2017-18	Revenue Voted- 62; Capital voted-55 Revenue Charged-91; Capital Charged-58	1337.17
2018-19	Revenue Voted -57; Capital Voted – 55, 57, 58 Revenue Charged – 52; Capital Charged – 10, 21, 55	1539.44
2019-20	Capital Charged – 55	0.11
2020-21	Revenue Voted -57; Capital Voted –55; Capital Charged –55	8.10
Total excess expenditure relating to previous years requiring regularisation		32533.46

Source: Appropriation Accounts of 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. 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 2020-21 are yet to be placed before State Legislature for regularisation by the Finance Department. This is in violation of Articles 204 and 205 of the Constitution, which provide that no money shall be withdrawn from the Consolidated Fund except under appropriation made by Law by the State Legislature.

3.2.2 Misclassification of 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. Further, 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 noticed misclassification between revenue and capital expenditure under object heads 15 (Maintenance of vehicle and purchase of petrol, etc.), 16 (Payment for Commercial and Special Services), 27 (Subsidy), 29 (Maintenance), 47 (Maintenance of Computer/Purchase of related Stationery) and 58 (Disbursement for outsourcing services) as summarised in **Table 3.6**.

Table 3.6: Classification of Revenue expenditure as Capital Expenditure

(₹ in crore)

Sl. No.	Object Head	Object Head Nomenclature	Major Head	Expenditure in 2022-23
1.	15	Maintenance of vehicle and purchase of petrol etc.	4406	0.19
2.	16	Payment for Commercial and Special Services.	4059, 5054	6.16
3.	27	Subsidy	4810	9.08
4.	29	Maintenance	4406	0.29
5.	47	Maintenance of Computer /Purchase of related Stationery.	4202, 5054	0.82
6.	58	Disbursement for outsourcing services	4070	1.18
Understatement of Revenue Expenditure				17.72

Source: Finance Accounts 2022-23

As a result of misclassification between revenue and capital expenditure as detailed in **Table 3.6**, State's Revenue Surplus during the year 2022-23 was overstated by ₹ 17.72 crore.

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 when the expenditure out of lump sum allotments is regulated by standing sanctions, instructions or rules. Full explanation in justification of the provisions proposed, with indication of the principal items.

During the year 2022-23, lump sum provisions of ₹ 9,277.05 crore were made under various Heads of 18 Grants without indicating scheme details (**Appendix-3.1**). Out of these lump sum provisions, actual expenditure of ₹ 5,254.09 crore (56.64 per cent of the provision) was incurred.

In case of Capital (Voted) section of Grant No. 58-Public Works Department (Communications-Roads), the lump sum provisions of ₹ 5,246 crore were made for road works in the original budget provision, which constituted 33.05 per cent of the budgeted original provisions under Capital (Voted) section of the Grant. Out of this, the actual expenditure was ₹ 4,617.04 crore. Lump sum provisions without identifying the exact object of expenditure is against transparent budgetary practices.

3.2.4 Discrepancy in depiction of Central Schemes/Centrally Sponsored Schemes

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 appropriate detailed head under sub-head in respect of Central schemes/ Central Sponsored Schemes.

Scrutiny of Budget Documents for 2022-23 revealed that the aforesaid criteria for recording funding pattern was not adhered. In case of eight programmes under Centrally Sponsored Schemes (*Appendix-3.2*) funding pattern (Central share/ State share/ Financial Institution) was not mentioned with detailed head. Further, in case of four programmes under Central schemes/ Centrally Sponsored Schemes (*Appendix-3.3*) the sum total of Central share and State share was either more, or less than 100 *per cent* without specifying any reason.

The matter was also highlighted in Paragraph 3.2.7, Paragraph 3.2.6 and Paragraph 3.2.6 of the State Finances Audit Reports for the year ended 31 March 2020, 31 March 2021 and 31 March 2022 respectively but no corrective action was taken by the Government.

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 planning and execution

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 2022-23 is detailed in **Table 3.7**

Table 3.7: Summarised position of Actual Expenditure *vis-à-vis* Budget provisions during the year 2022-23

(₹ in crore)

Nature of expenditure		Original grant /Appropriation	Supplementary Grant	Total Grant/ Appropriation	Actual Expenditure	Savings	Surrender	
							Amount	Percentage
Voted	Revenue	422507.48	13754.00	436261.48	336997.42	99264.06	20152.35	20.30
	Capital	144198.92	11757.35	155956.27	103710.37	52245.90	3401.72	6.51
	Loans &Advances	2946.78	8250	1,196.78	10208.63	988.15	415.71	42.07
	Total	569653.18	33761.35	603414.53	450916.42	152498.11	23969.78	15.72
Charged	Revenue	49520.42	2.85	49523.27	46227.13	3296.14	32.41	0.98
	Capital	49.47	00	49.47	25.57	23.90	0.53	2.22
	Public Debt- Repayment	32563.29	5.35	32568.64	22690.46	9878.18	00	00
	Total	82133.18	8.20	82141.38	68943.16	13198.22	32.94	0.25
Grand Total		651786.36	33769.55	685555.91	519859.58	165696.33	24002.72	14.49

Source: Appropriation Accounts 2022-23

During 2022-23, actual expenditure was ₹ 5,19,859.58 crore against the total provision of ₹ 6,85,555.91 crore. The overall savings of ₹ 1,65,696.33 crore was 24.17 per cent of total provision, which was mainly under Revenue Voted (22.75 per cent) and Capital Voted (33.50 per cent) sections. This indicated wide gap between planning and execution by the State Government.

Trends in the original budget, revised estimate, actual expenditure for the period 2018-19 to 2022-23 are given in **Table 3.8**.

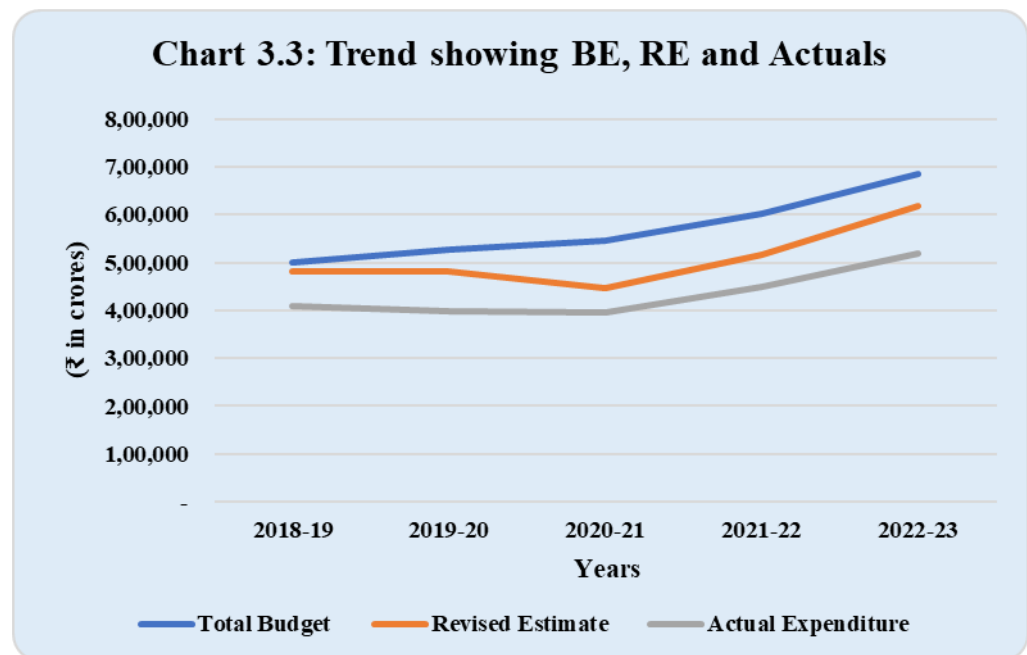
Table 3.8: Original Budget, Revised Estimate and Actual Expenditure during 2018-23
(₹ in crore)

Details	2018-19	2019-20	2020-21	2021-22	2022-23
Original Budget	456248.38	509003.49	544571.20	585910.43	651786.36
Supplementary Budget	42887.74	17805.73	00	15781.05	33769.55
Total Budget(TB)	499136.12	526809.22	544571.20	601691.48	685555.91
Revised Estimate(RE)	482328.87	481130.95	446224.67	517531.86	619139.44
Actual Expenditure(AE)	409784.50	399426.75	396023.70	449065.47	519859.58
Savings	89351.61	127382.47	148547.50	152626.01	165696.33
Percentage of supplementary to original provision	9.40	3.50	00	2.69	5.18
Percentage of overall savings to the overall provision	17.90	24.18	27.28	25.37	24.17
TB –RE	16807.24	45678.27	98346.53	84159.61	66416.47
RE-AE	72544.37	81704.20	50200.97	68466.39	99279.86
(TB-RE) as % of TB	3.37	8.67	18.06	13.99	9.69
(RE-AE) as % of RE	15.04	16.98	11.25	13.23	16.04

Source: Annual Financial Statement and Appropriation Accounts

Table 3.8 shows that supplementary provision of ₹ 33,769.55 crore during 2022-23 constituted 5.18 per cent of the original provision as against 2.69 per cent in the previous year.

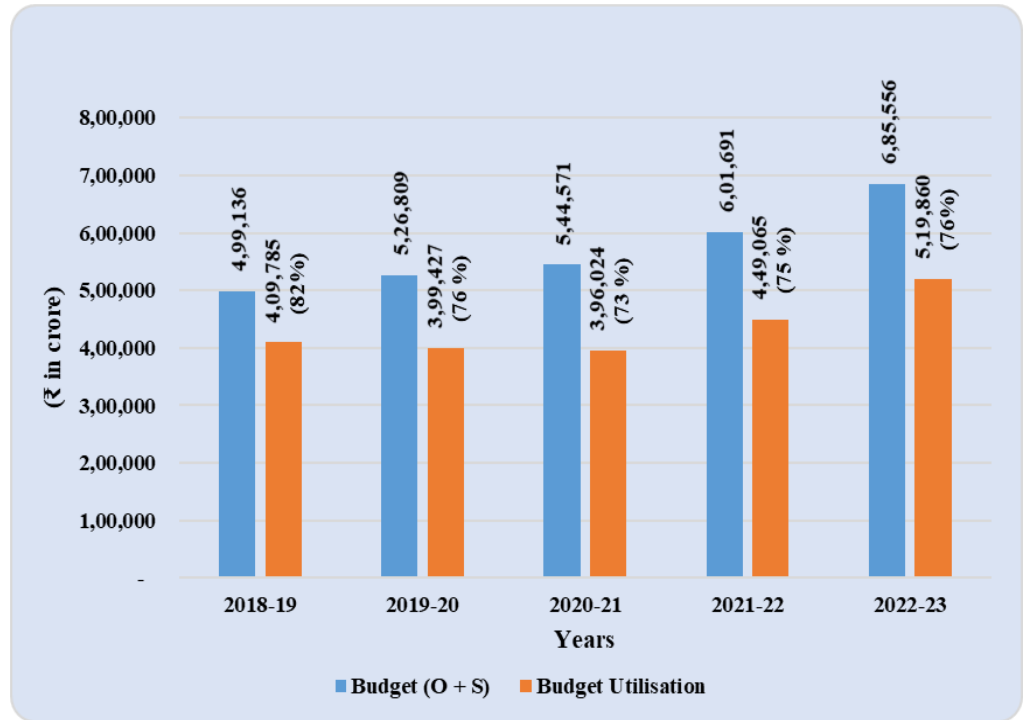
Trend showing BE, RE and Actuals are visualised in **Chart 3.3**.



From the above Chart, it can be seen that over the years from 2018-19 to 2022-23, the Revised Estimate (RE) was always lower than the Total Budget (TB) of the State. The gap between the RE and the TB showed an increasing trend constantly during the first three years, but had a decreasing during last two years. Actual expenditure slightly decreased during 2019-20 (by 2.53 per cent) and 2020-21 (by 0.85 per cent) as compared to respective previous years, however, it increased during 2021-22 (by 13.39 per cent) and 2022-23 (by 15.76 per cent) as compared to respective previous years. Savings varied between 17.90 per cent (2018-19) and 27.28 per cent (2020-21) of budget provisions during 2018-23. RE was 3.37 per cent lower than the TB in 2018-19 and the gap increased to 9.69 per cent in 2022-23. Further, Actual Expenditure during the same period was also lower than the RE throughout and during 2018-23, it ranged between 11.25 per cent (2020-21) and 16.04 per cent (2021-22). As such, the supplementary provisions during the years 2018-19 to 2022-23 proved unnecessary since the expenditure did not come up even to the level of original budget provisions.

Pattern of lower budget utilisation against provision during the last five years (2018-23) has been visualised in **Chart 3.4**.

Chart 3.4: Budget provisions and utilisation of budget during last five years (2018-23)



Source: Appropriation Accounts of respective years

Chart 3.4 shows that the budgetary provisions increased consistently during the last five years (2018-23), however actual expenditure had reducing trend during 2019-20 and 2020-21. There was increase in actual expenditure during 2021-22 and 2022-23, but it remained 75 per cent to 76 per cent of budget provision. This reflects that budgetary allocation were based on unrealistic proposals as Budget Estimates of the State were inflated and the Actual Expenditure was less than the budgetary provisions. A comparison between estimated receipts and actual receipts during 2022-23 also revealed resource gap to meet the budget provisions for total budgeted expenditure, as detailed in Table 3.9.

Table 3.9: Budget Estimates and Actual Receipts during 2022-23

(₹ in crore)

Item of receipts	Budget Estimates	Actual Receipts	Shortfall/excess of actual receipts vis-à-vis Budget Estimates
(i) Revenue receipts of which	499212.71	417241.50	(-) 16.42
Own Tax Revenue	220655.00	174087.15	(-) 21.10
Share of Union Taxes/Duties	146498.76	169745.30	(+) 15.87
Non Tax Revenue	23406.48	13489.46	(-) 42.37
Grants-in-aid from GoI	108652.47	59919.59	(-) 44.85
(ii) Recovery of Loans and advance	2565.00	1337.32	(-) 47.86
(iii) Public Debt	89174.00	66846.93	(-) 25.04
Total Receipts	590951.71	485425.75	17.86

Source: Budget document of the State Government and Finance Accounts

As evident from **Table 3.9**, there was substantial gap (₹ 1,05,526 crore) between estimated resources in Budget 2022-23 and actual receipts. Therefore, the State Government may review the increase in budget size vis-à-vis available revenue space.

3.3.2 Unspent budget provisions

Defective or inaccurate budgeting, necessitating large surrenders or resulting in excesses has been considered a 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 budgetary process, also lays stress on accuracy of estimates and contemplates of fixing personal responsibility of officers found responsible for inaccuracies in demands.

Audit scrutiny of budget provision *vis-à-vis* savings with regards to 92 grants under Appropriation Accounts for the year 2022-23 revealed that in 55 cases pertaining to 55 Grants under Revenue-Voted and in 31 cases pertaining to 31 Grants under Capital-Voted sections (where savings in each case were more than ₹ 100 crore), savings of ₹ 98,549.60 crore and ₹ 52,025.93 crore respectively were recorded. Similarly, in three cases pertaining to three Grants under Revenue Charged Section and in one case pertaining to one Grant under Capital Charged Sections (where savings in each case were more than ₹100 crore), savings of ₹ 3,256.15 crore and ₹ 9,876.90 crore respectively were recorded during 2022-23. Thus, there were total savings amounting to ₹ 1,63,708.58 crore (24.98 *per cent*) in 90 cases of 62 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 period 2022-23

(₹ in crore)

Sl. No	Section of Grant	Number of Cases	Total Provision	Expenditure	Savings	Savings over total provisions (<i>per cent</i>)
1	Revenue Voted	55	422917.71	324368.05	98549.60	23.30
2	Capital Voted	31	158459.24	106433.31	52025.93	32.83
Total Voted		86	581376.95	430801.36	150575.53	25.90
1.	Revenue Charged	3	45821.03	42564.88	3256.15	7.11
2.	Capital Charged	1	28136.73	18259.84	9876.90	35.10
Total Charged		4	73957.76	60824.72	13133.05	17.76
Grand Total		90	655334.71	491626.08	163708.58	24.98

Source: Appropriation Accounts 2022-23

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

3.3.3 Persistent Savings

Persistent savings (₹100 crore 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.

In 27 cases involving 24 grants, it was noticed that there was persistent savings (₹ 100 crore and above) during the last five years ranging between ₹ 101.54 crore and ₹ 14,921.22 crore. The persistent savings are detailed in *Appendix-3.5* and summarised in **Table 3.11**.

Table 3.11: Summary of grants having persistent savings during the period 2018-23

(₹ in crore)

Nature of expenditure	No. of Cases	Amount of Savings				
		2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Voted	23	37825.43	47801.39	53290.45	52515.92	61142.03
Capital Voted	04	10717.24	12115.09	10233.06	11636.85	5663.27
Total	27	48542.67	59916.48	63523.51	64152.77	66805.30

Source: Appropriation Accounts of respective years

Persistent savings in substantial number of grants over the years is indicative of improper assessment of the requirement of fund by the State Government repeatedly.

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 2022-23 revealed that Supplementary provisions (₹ 1.00 crore or more in each case) made in 42 cases of 17 Grants amounting to ₹ 5,256.75 crore proved unnecessary due to savings of ₹ 17,504.94 crore in these Grants. The expenditure was not even up to the less than or equal to the level of original provisions as detailed in the *Appendix-3.6* and summarised in **Table 3.12**.

Table 3.12: Summary of cases in which supplementary provisions (₹ 1 crore or more in each case) proved unnecessary in 2022-23

(₹ in crore)

Sl. No	Section of the Grant	Total Cases	Original Provision	Supplementary Provision	Total	Expenditure	Savings
1.	Revenue Voted	28	52971.17	3826.77	56797.94	42369.82	14428.12
2.	Capital Voted	14	4255.55	1429.98	5685.53	2608.71	3076.82
Total		42	57226.72	5256.75	62483.47	44978.53	17504.94

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 2022-23, in 31 sub-heads involving 18 Grants (*Appendix-3.7*), the total budget provision was ₹ 8,484.54 crore, and further augmentation of ₹ 542.35 crore was made through re-appropriation. However, re-appropriation proved unnecessary, as in each case, expenditure was within the total budget provision under these sub-heads. There were overall savings of ₹ 1,498.57 crore in these 31 sub-heads as summarised in **Table 3.13**.

Table 3.13: Summarised position of unnecessary re-appropriation

(₹ in crore)

Grants	Sub Head	Total Provision	Re-appropriations	Total provision after re-appropriation	Expenditure	Savings
18	31	8484.54	542.35	9026.89	7528.32	1498.57

Source: Appropriation Accounts 2022-23

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

Under Rule 62 (3) of the General Financial Rules, maintaining a steady pace of expenditure has universally been accepted as a sound public financial management practice. 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.

Audit scrutiny of Appropriation Accounts for the year 2022-23 revealed that under 10 Grants, the expenditure incurred during the month of March 2023 ranged between 50 and 71 *per cent* as detailed in **Appendix 3.8**. The expenditure under these Grants during the fourth quarter of the year 2022-23 ranged between 54 *per cent* and 77 *per cent*.

Further examination revealed that under out of ₹ 11,969 crore incurred under Grant No. 58 (PWD-Communication and Roads) during March 2023, ₹ 53.03 crore was transferred to PD/PLA in two districts (Kaushambi and Prayagraj). Similarly, out of ₹ 1,420 crore incurred under Grant No. 38 (Civil Aviation Department) in March 2023, ₹ 611.62 crore was transferred to PD/PLA in two district (Gautam Budh Nagar and Shrawasti). In case of Grant No. 7 (Industries Department-Heavy and Medium Industries), ₹ 25 crore was transferred to PD/PLA in Urai district out of expenditure of ₹ 10,367 crore incurred in March 2023.

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 2022-23 revealed that there were Schemes for which the Government made Original provisions but did not expend any money without any reason disclosed in the Appropriation Accounts. Similarly, there were instances where Original 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:

Scheme (Sub heads) for which budget provisions could not be utilised

From Appropriation Accounts 2022-23, it was noticed that the State Government did not incur any expenditure on 22 schemes (**Appendix-3.9**) under 13 Grants for which budget provision of one hundred crore and above were made, as summarised in **Table 3.14**.

Table 3.14: Summary of schemes in which original provisions not utilised

(₹ in crore)				
Number of Grants	Number of Schemes	Original Provision	Total Expenditure	Saving
13	22	9,458.85	0.00	9,458.85

Source: Appropriation Accounts 2022-23

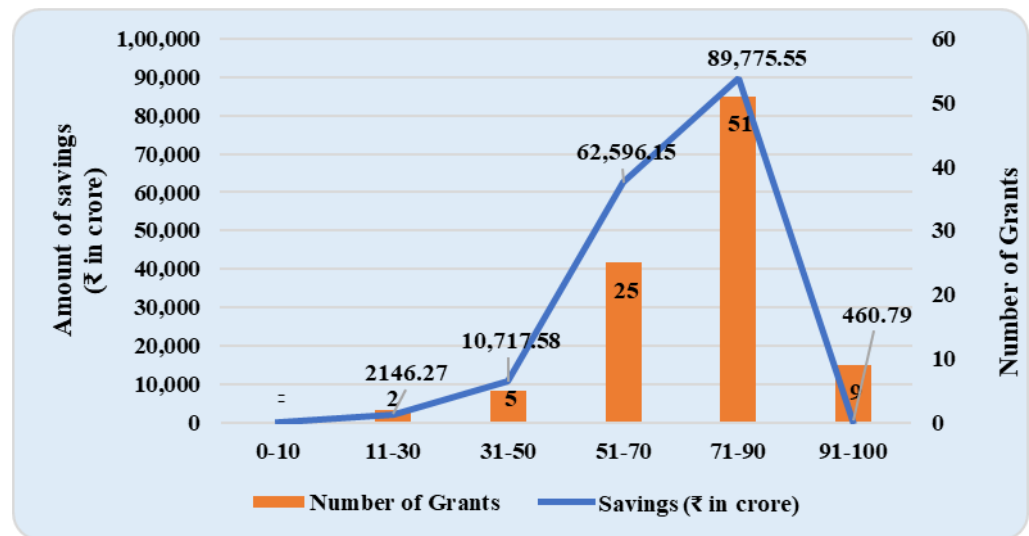
Scheme (Sub heads) from which budget provisions were re-appropriated to other Schemes

The State Government provisioned ₹ 1,233.69 crore for 30 schemes under 15 Grants for which budget provision of ten crore and above were made during the year 2022-23 (*Appendix-3.10*), but no expenditure was incurred and the provisions were re-appropriated (₹ 1,233.69 crore) from these schemes.

Non-utilisation of funds under above 52 schemes indicated that either the budgeting was done without due prudence or there was slippage in programme implementation.

Details of grants grouped by the percentage of utilization along with total savings during 2022-23 has been shown in *Appendix 3.11* and **Chart 3.5**.

Chart 3.5: The distribution of the number of Grants/Appropriations grouped by the percentage of Savings along with total savings



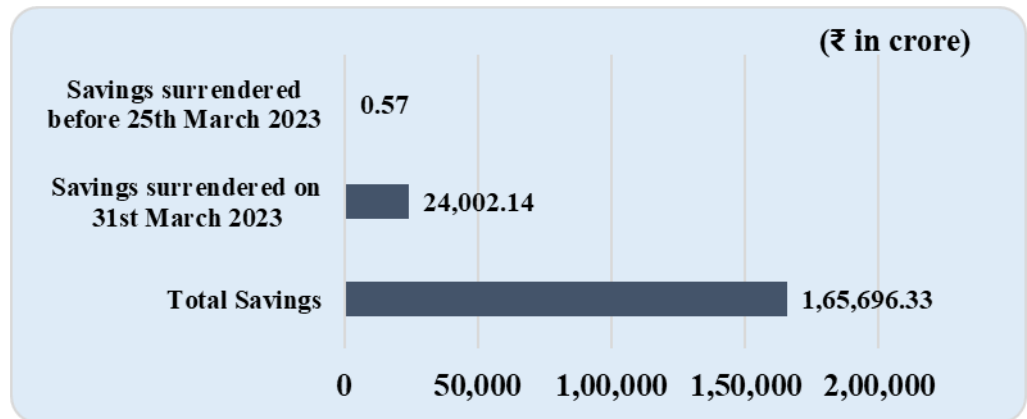
Source: Appropriation Accounts 22-23

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 2022-23 is plotted in **Chart 3.6**.

Chart 3.6: Total Savings and Surrenders during the year 2022-23



Source: Appropriation Accounts 2022-23

It can be seen in **Chart 3.6** that out of the total savings of ₹ 1,65,696.33 crore, the amount surrendered was ₹ 24,002.71 crore (14.49 per cent). Out of total surrender, ₹ 0.57 crore was surrendered before 25 March 2023 and remaining ₹ 24,002.14 crore was surrendered on the last day of financial year. Remaining savings of ₹ 1,41,693.62 crore (85.51 per cent) was not surrendered. Further, the surrenders done on the last day of the financial year was in gross violation of the directions of UPBM.

Surrenders in Excess of actual savings

In three cases involving three Grants (₹1.00 crore or more in each case) as against saving of ₹ 785.46 crore, ₹ 791.14 crore was surrendered resulting in excess surrenders of ₹ 5.68 crore during the year 2022-23 as detailed in **Table 3.15**.

Table 3.15: Summary of schemes in which surrender excess to savings

(₹ in Crore)				
Grant No.	Grant Name	Saving	Surrender	Excess Surrender
68	Legislative Assembly Secretariat (Revenue Voted)	21.93	25.85	3.92
73	Education Department (Higher Education-Revenue Voted)	578.68	580.43	1.75
17	Agriculture and other allied department (Revenue Voted)	184.85	184.86	0.01
Total		785.46	791.14	5.68

Source: Appropriation Accounts 2022-23

Such surrenders in excess of actual saving indicated that the departments did not exercise adequate budgetary controls by watching flow of expenditure.

3.4 Review of selected Grants

Budgetary procedure and control over expenditure in respect of selected Grants was conducted wherein magnitude of variations in original grants,

supplementary demands and actual expenditure were analysed. The result of grant reviews are discussed in succeeding paragraphs of this Report.

3.4.1 Grant No. 60-Forest Department

3.4.1.1 Introduction

Grant 60-Forest Department includes Major Heads 2049-Interest Payments, 2235-Social Security and Welfare 2406-Forestry and Wild Life, 2407-Plantations, 2415-Agricultural Research and Education, 3604-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions, 4059-Capital Outlay on Public Works, 4216-Capital Outlay on Housing and 4406-Capital Outlay on Forestry and Wild Life.

3.4.1.2 Budget and Expenditure

The overall position of budget provisions, actual expenditure and unutilised provisions under the Grant for the last three years (2020-21 to 2022-23) is given in **Table 3.16**.

Table 3.16: Budget provisions, expenditure and savings during the year 2020-21 to 2022-23

(₹ in crore)

Year	Section	Budget provision	Total	Expenditure	Un-utilised provision and its percentage
2020-21	Revenue-Voted Original	901.55	901.55	566.71	334.84
	Supplementary	0.00			(37.14)
	Revenue-Charged Original	0.14	0.14	0.00	0.14
	Supplementary	0.00			(100.00)
	Capital-Voted Original	468.19	468.19	414.63	53.56
	Supplementary	0.00			(11.44)
	Total		1369.88	981.34	388.54
2021-22	Revenue-Voted Original	936.89	936.89	589.33	347.56
	Supplementary	0.00			(37.10)
	Revenue-Charged Original	0.14	0.14	0.00	0.14
	Supplementary	0.00			(100.00)
	Capital-Voted Original	568.86	568.86	541.05	27.81
	Supplementary	0.00			(4.89)
	Total		1505.89	1,130.38	375.51
2022-23	Revenue-Voted Original	1010.88	1010.98	671.21	339.77
	Supplementary	0.10			(33.61)
	Revenue-Charged Original	31.80	31.80	31.69	0.11
	Supplementary	0.00			(0.35)
	Capital-Voted Original	729.93	986.44	900.58	85.86
	Supplementary	256.51			(8.70)
	Total		2029.22	1603.48	425.74

Source: Appropriation Accounts 2020-21, 2021-20 & 2022-23 and information provided by Forest Department

Table 3.16 shows that there was un-utilized budget provision ranged between 33.61 per cent and 37.14 per cent under Revenue-Voted during last three

years, whereas entire budget provision under Revenue- Charged remained unutilised during the years 2020-21 and 2021-22.

In reply, Department stated (August 2023) that the unutilised amount of revenue (voted non-plan) heads during 2020-23 pertained to salary and establishment heads which were assessed on the basis of sanctioned strength. Savings was due to superannuation/vacant posts and there was possibility in reduction in savings in ensuing years. In respect of savings under revenue charged heads, Department further stated that the provision was made for anticipated payments in compliance of judgement, decree or award of court/tribunal.

3.4.1.3 Entire provision remained un-utilised

As discussed in **Para 3.3.7**, the State Government did not incur any expenditure on 22 schemes (**Appendix-3.9**) under 13 Grants for which budget provision of ₹ 100 crore and above were made. Apart from above, it was noticed during the grant audit of Forest Department that there were two heads/schemes for which the Government made original provisions as well as supplementary provisions but did not incur any expenditure as discussed in **Table 3.17**.

Table 3.17: Scheme for which entire provisions could not be utilised

(₹ in crore)

Sl. No.	Head of Accounts	Name of scheme/ head	Original Provision	Supple-entary Provision	Total	Expenditure	Un-utilised provision
1.	4406-01-102-01 Voted	Centrally Sponsored Schemes	7.05	21.71	28.76	0.00	28.76
2.	4406-01-102-89 Voted	Relevant State Share of Centrally Sponsored Schemes	5.23	14.47	19.70	0.00	19.70
In reply, Department stated (August 2023) that central share of Centrally Sponsored Schemes (CSS) could not be obtained from Government of India (GoI) due to non-completion of PFMS mapping due to change in fund transfer and monitoring mechanism system.							

Source: Appropriation Accounts 2022-23 and information provided by Forest Department

Further, under one head/scheme, the Government made re-appropriation from original provision, however, Department did not incur any expenditure out of budget provisions remained after re-appropriation as discussed in **Table 3.18**.

Table 3.18: Scheme in which budget provision remained after re-appropriation could not be utilised

(₹ in crore)

Sl. No.	Head of Accounts	Name of scheme/head	Original Provision	Re-appropriation	Total	Expenditure	Un-utilised provision
1.	4406-02-110-08 Voted	Establishment of Eco-tourism & Bio-diversity Centre in Kukrail Forest Area	10.00	(-)4.75	5.25	0.00	5.25
In reply, Department stated (August 2023) that provisions were un-utilised due to pending approval of establishment of Kukrail Night Safari Park in Kukrail forest area. Fact remained that Department could not complete the necessary formalities to initiate the proposed work due to which budget provision could not be utilised.							

Source: Appropriation Accounts 2022-23 and information provided by Forest Department

Non-utilisation of funds under above heads/schemes indicated that the budgeting was done without completion of necessary formalities to initiate the proposed work.

3.4.1.4 Implementation of new Services/Schemes

There was provision for 11 new Heads/Schemes for the year 2022-23 in Grant 60 (Forest Department). During scrutiny of the records, it was noticed that Department has incurred expenditure of 50.00 per cent to 60.40 per cent against provisions in three cases out of 11 new heads/schemes as detailed in **Table 3.19**.

Table 3.19: Detail of Expenditure in new Services

(₹ in crore)

Sl. No.	Head of accounts	Name of scheme	Original Provision	Expenditure (Percentage)	Un-utilised Provision
1.	2406-01-070-03 Voted	Renovation & Maintenance of Forest Rest Houses in Districts other than Bundelkhand	10.00	6.04 (60.40)	3.96
In reply, Department stated (August 2023) that it had sent proposal to GoUP for re-appropriation of un-utilised amount. However, approval for the same could not be obtained till the end of financial year.					
2.	2406-02-111-04 Voted	Corpus Fund for Shaheed Ashfak Ullah Khan Zoo, Gorakhpur	50.00	25.00 (50.00)	25.00
In reply, Department stated (August 2023) that GoUP had accorded financial approval of only ₹ 25.00 crore.					
3.	4406-02-110-04 Voted	Wildlife Management and Development of Tourism facilities in Sarnath Dear Park	0.33	0.18 (54.55)	0.15
In reply, Department stated (August 2023) that Appraisal Committee could not obtain proposal on time for upgradation of mini zoo in place of proposed work of maintenance of Rest Houses as directed and consequently fund could not be utilised.					

Source: Appropriation Accounts 2022-23 and information provided by Forest Department

As discussed in **Table 3.19**, Department could not complete the necessary formalities for execution of proposed work resulting in non-utilisation of fund.

3.4.1.5 Unnecessary Supplementary Grants

Para 162 of UPBM, *inter alia* stipulates that Supplementary grants 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.

During scrutiny of records of Forest Department for the year 2022-23, it was observed that Supplementary provisions made in two schemes amounting to ₹ 37.18 crore proved unnecessary due to non-utilisation of total provisions in these cases as per details given in **Table 3.20**.

Table 3.20: Detail of provision, expenditure and savings in Supplementary provisions
(₹ in crore)

Sl. No.	Head	Name of scheme	Original Provision	Supplementary Provision	Total	Expenditure	Savings
1.	4406-01-102-01 Voted	Green India Mission	7.05	21.71	28.76	0.00	28.76
	4406-01-102-89 State Share-Voted		5.23	14.47	19.70	0.00	19.70
In reply, Department stated (August 2023) that Department could not utilize the provision for Green India Mission due to non-release of central share by GoI.							
2.	2406-02-110-17 Voted	Establishment of Kukrail	0.00	0.10	0.10	0.00	0.10
	4406-02-110-17 Voted	Night Safari Park in Lucknow	0.00	0.90	0.90	0.00	0.90
In reply, Department stated (August 2023) that establishment of Kukrail Night Safari Park could not be started due to lack of approval of work from Central Zoo Authority (CZA). Fact remained that despite availability of budget provisions, Department could not ensure the completion of necessary formalities to initiate the proposed work of establishment of Kukrail Night Safari Park.							
Total			12.28	37.18	49.46	0.00	49.18

Source: Appropriation Accounts 2022-23 and information provided by Forest Department

3.4.1.6 Persistent Savings

Substantial portion (₹ 1.00 crore and above in each case) of the budget allocation remained unutilised under the head 2406-04-103-03 (State Compensatory Afforestation-State Authority) in this grant during 2020-21 to 2022-23 indicating non-achievement of the projected financial outlays in the respective years as shown in **Table 3.21**.

Table 3.21: Detail of Persistent Savings of ₹ 1.00 crore and above

(₹ in crore)

Sl. No.	Head	Name of scheme	Savings 2020-21	Savings 2021-22	Savings 2022-23
1.	2406-04-103-03 Revenue- Voted	State Compensatory Afforestation – State Authority	26.06	3.11	368.26
Audit observed that provisions under the head 2406-04-103-03 State Compensatory Afforestation-State Authority were made for Compensatory Afforestation, <i>Jal Sangrahan Kshetra Shodhan Yojna</i> , Net Present Value (NPV) of forest land and interest payment heads. With reference to savings under NPV of forest land and interest payment heads, Department stated (August 2023) that reasons for savings were non-achievement of targets by many forest divisions during 2021-22 and 2022-23 and less expenditure in the head respectively. However, with reference to savings under <i>Jal Sangrahan Kshetra Shodhan Yojna</i> head, Department stated (August 2023) that reason for savings was not sending of proposal for fund by GoUP in view of pending approval from GoI for transfer of forest land.					

Source: Appropriation Accounts 2020-21, 2021-22 & 2022-23 and information provided by Forest Department

Persistent savings over the years is indicative of improper assessment of the requirement of fund by the State Government.

3.4.1.7 Indiscriminate use of Minor Head 800

Audit noticed that Forest Department booked expenditure amounting to ₹ 3.21 crore, ₹ 3.27 crore and ₹ 7.03 crore under Minor Head 800- Other Expenditure in Major Head-2406 and Major Head-4406 during the year 2020-21, 2021-22 and 2022-23 respectively instead of booking these expenditures under appropriate minor heads as per detail given in **Table 3.22**.

Table 3.22: Detail of Expenditure under Minor Head 800

(₹ in crore)

Major Head/ Sub-major Head	Expenditure under Minor Head 800 and its percentage to total expenditure of Major Head		
	2020-21	2021-22	2022-23
2406- Forestry and Wildlife- 01- Forestry	2.21 (0.39)	0.77 (0.13)	0.78 (0.12)
4406- Capital outlay on Forestry and Wildlife- 01- Forestry	1.00 (0.24)	2.50 (0.46)	6.25 (0.69)
Total	3.21	3.27	7.03

Audit noticed that Department booked expenditure related to Centrally Sponsored Schemes (CSS) Forest Fire Prevention and Management Scheme, construction and revision of works plan, e-Governance scheme, relevant state Share of CSS, development and protection of Musabag forest area, Lucknow, establishment of Acharya Narendra Dev Memorial Park, development of eco-tourism, protection and development of Van Devi Bio-diversity area, Mau, development of Van Vihar Park in Gaura Hardo, Azamgarh under Minor head 800-Other Expenditure. However, these expenditure should pertained to minor heads-101-Forest Conservation, Development and Regeneration; 102- Social and Farm forestry or 001-Direction and Administration available under Major Head 2406 and Major Head- 4406.

In reply, Department assured (August 2023) to submit proposal to Finance Department for provision and booking of these expenditures in the relevant minor heads.

Source: Information provided by o/o the A.G.(A&E-I), U.P., Prayagraj and Forest Department

3.4.2 Grant No. 38 Civil Aviation

3.4.2.1 Introduction

Grant 38- Civil Aviation includes Major Heads 2070- Other Administrative Services, 2203- Technical Education, 3053- Civil Aviation and 5053- Capital Outlay on Civil aviation.

3.4.2.2 Budget and Expenditure

The overall position of budget provisions, actual disbursement, and savings under the grant for the last three years (2020-21 to 2022-23) is given in **Table 3.23**.

Table 3.23: Budget and Expenditure during the year 2020-21 to 2022-23

(₹ in crore)

Year	Section	Budget provision	Total	Expenditure	Un-utilised provision and its percentage
2020-21	Revenue-Original (V)	146.91	146.91	87.96	58.95
	Supplementary	0.00			(40.13)
	Capital-Original (V)	2,604.75	2604.75	1728.92	875.83
	Supplementary	0.00			(33.62)
2021-22	Revenue-Original (V)	101.19	101.19	52.72	48.47
	Supplementary	0.00			(47.90)
	Capital-Original (V)	2,206.00	2206.00	128.28	2077.72
	Supplementary	0.00			(94.18)
2022-23	Revenue-Original (V)	103.68	103.68	76.17	27.51
	Supplementary	0.00			(26.53)
	Capital-Original (V)	2,212.00	2212.00	2013.77	198.23
	Supplementary	0.00			(8.96)

Source: Appropriation Accounts

Table 3.23 Shows that un-utilised budget provision under Capital (Voted) ranged between 8.96 per cent and 94.18 per cent and under Revenue (Voted) ranged between 26.53 per cent and 47.90 per cent.

The Department stated (August 2023) that less utilisation of budget were lockdown in view of COVID during 2020-21 and 2021-22 and assembly election during 2021-22 due to which operation of helicopters affected. Further, for the year 2022-23, the Department stated savings were due to less expenditure on capital projects.

3.4.2.3 Non-surrender of savings

As per UPBM, the spending departments are required to surrender the grant/appropriations or portion thereof to the Finance Department by 25th March.

The position of savings and surrenders under Grant 38-Civil Aviation during 2020-21 to 2022-23 has been depicted in **Table 3.24**.

Table 3.24: Non-surrender of savings under Grant No. 38-Civil Aviation

(₹ in crore)

Year	Savings		Surrender	
	Revenue (V)	Capital (V)	Revenue (V)	Capital (V)
2020-21	58.95	875.83	0.00	0.00
2021-22	48.47	2077.72	9.91	2077.62
2022-23	27.51	198.23	27.51	198.23

Source: Appropriation Accounts

Audit observed that all the surrenders, as detailed in Table 3.23, were made by the Department on the last day of the financial year, i.e., on 31 March, which was in violation of UPBM.

3.4.2.4 Incorrect classification of expenditure

As per note (8) below Major Head 3053 under the List of Major and Minor Heads of Accounts of Union and States (LMMH), planes purchased by the State Government for use of high dignitaries should be classified as part of the general administrative expenditure of the Government. Further, note (6) below under Major Head 2070 in LMMH provides that expenditure on purchase and maintenance of aircrafts maintained by the Government not as a regular public service should be classified under Minor Head 114 below Major Head 2070-Other Administrative Services. Thus, the expenditure on repair and maintenance of aircraft should be classified under Major Head 2070-Other Administrative Services and not under Major Head 3053-Civil Aviation or MH 5053 - Capital Outlay on Civil Aviation.

Audit scrutiny revealed that the Department incurred an expenditure of ₹ 11.81 crore on special repair of State helicopters and classified the expenditure under Capital Major Head 5053 instead of Revenue Major Head 2070. Classification of Revenue expenditure as Capital expenditure in the book of accounts had also impact on Revenue surplus of the State.

In reply, the Department stated (July 2023) that expenditure was classified on head of accounts in which budget allotment was made.

Fact remained that the expenditure incurred on repair and maintenance of State helicopter was classified as Capital expenditure instead of Revenue expenditure which was in violation of directions under LMMH.

3.4.2.5 Entire budget provision remained un-utilised and surrendered

The Government sanctioned (February 2023) ₹ 0.88 crore made for purchase and installation of security system at Lucknow airport. A budget provision of ₹ one crore under 5053-02-800-04-26-machines and equipment was made in the budget 2022-23.

Audit scrutiny revealed that entire provision of ₹ one crore remained unutilised and surrender, as proposed equipment could not be purchased.

In reply, the Department (August 2023) stated that to purchase the security equipment as per standards of Bureau of Civil Aviation Security, GoI, a purchase committee and technical committee was framed but the purchase committee had not completed the purchase process in the financial year.

Facts remains that due to delay in procurement process, the fund provided for purchase of equipment could not be utilised.

3.5 Conclusion

- Out of total budget provision of ₹ 6,85,555.91 crore during the year 2022-23, there were overall savings of ₹ 1,65,696.33 crore. Budgetary provisions increased consistently during the last five years (2018-23) but utilization of budget remained in the range of 73 per cent to 82 per cent. However, there was increase of ₹ 70,794.11 crore (15.76 per cent) in actual expenditure during 2022-23 over the previous year 2021-22.
- There were cases of misclassification of expenditure, rush of expenditure in the last quarter of the financial year, unutilised provisions under large number of schemes and unnecessary re-appropriation of budget provisions. Besides, Departmental Controlling Officers did not surrender savings and 85.51 per cent of savings lapsed.
- Excess disbursements of ₹ 32,533.46 crore under 104 Grants and 48 Appropriations pertaining to the years 2005-06 to 2020-21 are yet to be placed before the State Legislature for regularisation. Excess expenditure require regularisation under Article 205 of the Constitution of India.

3.6 Recommendations

5. *The Finance Department should review the reasons due to which the provisions under various Grants/Appropriations remained unutilised and take steps to make more judicious budget provisions in future years.*
6. *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.*
7. *The Finance Department should monitor trend of expenditure by Departmental Controlling Officers, so that funds are not retained unnecessarily and are surrendered at the earliest, without resorting to last minute surrenders and lapse of allocations.*
8. *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.*

9. *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.*
10. *The State Government should ensure that all the existing cases of excess expenditure are placed before the State Legislature for regularisation in term of the provisions contained in Article 205 of the Constitution.*

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

The State Government resorted to extra-budget borrowings through State owned PSEs/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 (UPFRBM) 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 Enterprises 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 targets with respect to Revenue Deficit, Fiscal Deficit and total outstanding debt²³ of the State Government. For the year 2022-23 debt stock was targeted as 32.5 per cent of GSDP.

State Government did not provide the details of extra-budget borrowings in its budget. However, as per information furnished by the State Government, as on

²³ Total outstanding debt of the State indicates debt stock position or total indebtedness of the State which includes Internal Debt, Loans and Advances from GoI, Small Savings, Provident Funds, etc., Reserve funds and Deposits.

31 March 2023, the outstanding extra budget borrowing was ₹ 24,314.36 crore which included borrowings of ₹ 3,488 crore by Uttar Pradesh Power Corporation Limited during 2022-23.

4.2 Undischarged liabilities in Defined Contribution Pension Scheme

The State Government did not discharge its liability towards the Defined Contribution Pension Scheme as the contributions were not transferred to the designated fund managers for its further investment.

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 whereas State Government contributes 14 *per cent*. 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 falls under the category of 'deposits bearing interest' implying thereby, that the Government is required to pay interest on un-transferred balance.

During the year 2022-23, State Government booked expenditure of ₹ 6,744.03 crore under the head 2071-01-117-Government contribution for DCPS. This included ₹ 6,255.10 crore as Government contribution (₹ 3,772.71 crore for government employees, ₹ 2,476.96 crore for aided educational institutions employees and ₹ 5.43 crore for aided autonomous bodies employees) and ₹ 488.93 crore for payment of gratuity, family pension and interest on delayed deposits of employees covered under the scheme. Out of this, Government contribution of ₹ 6,237.81 crore was transferred to the heads designated for DCPS under Major Head 8342 in the Public Account. The difference between the amount booked as revenue expenditure (₹ 6,255.10 crore) and the amount actually transferred to designated head (₹ 6,237.81 crore) for DCPS was under reconciliation between the State Government and the Accountant General (Accounts & Entitlements).

As per Finance Accounts 2022-23, there was a closing balance of ₹ 481.05 crore under the head 8342-117-DCPS for Government Employees, which was not transferred to NSDL/Trustee Bank. The opening balance of DCPS at the beginning of the year was ₹ 440.62 crore in respect of Government

employees on which the Government was required to credit interest amounting to ₹ 31.28 crore calculated as per the rate of interest payable to General Provident Fund. However, Government paid interest of ₹ 0.53 crore. The short credit of interest had an impact on the Revenue Surplus and Fiscal Deficit of the State, which was overstated and understated respectively by ₹ 30.75 crore during the year 2022-23.

Further, as per data maintained by Accountant General (Accounts & Entitlements), in respect of aided educational institution and autonomous bodies, State Government transferred ₹ 3,992.44 crore to NSDL/Trustee Bank as against the receipts of ₹ 4,463.96 crore (employees' contribution: ₹ 2,019.43 crore and Government's contribution: ₹ 2,444.53 crore) under the head 8342-120 during 2022-23. Short transfers of contributions of DCPS to the designated fund manager were also reported earlier in the State Finances Audit Reports for the year ended 31 March 2017, 31 March 2018, 31 March 2019, 31 March 2020, 31 March 2021 and 31 March 2022. Thus, the State Government did not discharge its 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.

4.3 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 ₹ 915.46 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, the State Government shall establish the Uttar Pradesh Road Transport Accident Relief Fund (UPRTARF) 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. 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 amendment on rules for creation of the UPRTARF was in progress. The matter was reiterated in Paragraph 4.4 of the State Finances Audit Reports for the year ended 31 March 2020, 31 March 2021 and 31 March 2022. However, it was observed that the State Government had not yet established the UPRTARF.

During the period 2015-23, Transport Department realised tax and additional tax of ₹ 45,772.30 crore under Section 4 and Section 6 of UPMVT Act as detailed in **Table 4.1** below.

Table 4.1: Details of tax to be credited to the UPRTARF during the period 2015-23
(₹ in crore)

Year	Tax realised under Section 4			Addl. Tax realised under Section 6	Total Tax realised under Section 4 and Section 6	Two per cent to be transferred to the UPRTARF
	Head of Accounts	0041-102-01	0041-102-03			
1	2	3	4 = 2+3	5	6 = 4+5	7= 2% of col. 6
2015-16	3710.60	159.40	3870.00	213.00	4083.00	81.66
2016-17	4357.84	168.27	4526.11	243.67	4769.78	95.40
2017-18	5186.72	186.02	5372.74	270.73	5643.47	112.87
2018-19	5585.21	199.77	5784.98	259.01	6043.99	120.88
2019-20	5843.87	203.25	6047.12	231.25	6278.37	125.57
2020-21	4809.33	153.75	4963.08	58.44	5021.52	100.43
2021-22	5816.77	176.97	5993.74	158.10	6151.84	123.04
2022-23	7359.76	234.98	7594.74	185.59	7780.33	155.61
Total	42670.10	1482.41	44152.51	1619.79	45772.30	915.46

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

As evident from **Table 4.1**, a sum of ₹ 915.46 crore was credited to the UPRTARF for the period 2015-23 but could not be credited as the fund was not established. Out of ₹ 915.46 crore, ₹ 155.61 crore pertains to the year 2022-23. This also had an impact on Revenue Surplus and Fiscal Deficit of the State for the year 2022-23, which was overstated and understated respectively by ₹ 155.61 crore.

Transport Commissioner, Uttar Pradesh stated (September 2023) that the creation of UPRTARF was under process at the Government level. It was further intimated that a sum of ₹ 1.57 crore²⁴ was provided as financial assistance to the concerned entitled persons suffering from casualty during the period 2015-23 from the Major Head 2235-Social Security and Welfare under the Transport Department Grant Number 43.

However, the Government needs to comply with the provisions of the Act by establishing the UPRTARF in the Public Account of the State and financial assistance to the entitled persons due to casualty was not being provided from the UPRTARF established under the UPMVT Act, 1997.

²⁴ 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), year 2019-20- ₹ 33.07 lakh (176 casualties), year 2020-21- ₹ 21.60 lakh (164 casualties), year 2021-22- ₹ 18.85 lakh (135 casualties) and year 2022-23 ₹ 15.60 lakh (87 casualties).

4.4 Non creation of distinct sub head

4.4.1 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 ₹ 32.18 crore on account of Green Tax not being shown in the Government account distinctly.

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 (September 2023) by Transport Commissioner, Government of Uttar Pradesh revealed that the Transport Department had realised Green Tax amounting to ₹ 8.32 crore was realised from 1.28 lakh vehicles during 2022-23. Realisation of Green Tax amounting to ₹ 23.86 crore from 6.38 lakh vehicles during 2015-16 to 2021-22 were reported in State Finances Audit Report for the year ended 31 March 2022.

Audit scrutiny revealed that no separate sub-head/detailed head has been created for accounting 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. As a result, realisation of Green tax was not ascertainable from the accounts of State Government. Further, the office of Transport Commissioner could not provide the status of actual utilisation of Green Tax for protection of the environment.

The matter was also highlighted in Paragraph 3.2.5, Paragraph 3.2.4 and Paragraph 3.2.4 of the State Finances Audit Reports for the year ended 31 March 2020, 31 March 2021 and 31 March 2022 respectively but no corrective action was taken by the Government.

The matter was again reported (November 2023 and February 2024) to the Government, the reply of the Government is awaited (February 2024).

4.4.2 Transfer of additional stamp duty to Development Authorities

The Uttar Pradesh Urban Planning and Development Act, 1973 provides for collection of two *per cent* additional stamp duty on any deed of transfer of immovable property in the case of an immovable property situated within a

development area. The collection resulting from the additional stamp duty was to be transferred, after deduction of incidental expenses, if any, to the local bodies²⁵ in specified proportions. Further, the Government while determining the procedure (September 2013) for distribution of the additional two *per cent* stamp duty, ordered transfer of 25 *per cent* of the amount collected to a Dedicated Urban Transport Fund (DUTF). The amount of realised stamp duty and additional stamp duty are accounted for under the Major Head 0030- Stamps and Registration Fees, 02-Stamps Non-Judicial, 102-Sale of Stamps.

For transfer of two per cent additional stamp duty, budget provisions of ₹ 1,201.36 crore was made during the year 2022-23 under the head 2217-Urban Development-80-General-800-Other Expenditure under Grant No. 61- Finance Department (Debt Services and Other Expenditure). Against this, an amount of ₹ 932.62 crore was transferred to the Urban Bodies and DUTF.

No distinct sub head has been opened by the State Government for accounting of the additional stamp duty in the absence of which, it is not clear how much money was received by the Government on account of two *per cent* additional stamp duty and whether all the moneys received were transferred to the concerned local bodies and DUTF in specified proportions. On being pointed out (July 2023), the office of Commissioner, Stamp, Uttar Pradesh informed (August 2023) that the State Government had been requested (February 2023) for creation of distinct sub head for additional stamp duty.

4.4.3 Incorrect classification of subsidy under UDAY to UPPCL

Under Ujwal DISCOM Assurance Yojana (UDAY), a tripartite Memorandum of Understanding (MoU) was signed (January 2016) among the Ministry of Power (GoI), Government of Uttar Pradesh and Uttar Pradesh Power Corporation Limited (UPPCL) on behalf of all the DISCOMs. The MoU provided that the GoUP would take over the future losses of the DISCOM in a graded manner during the period 2017-18 to 2020-21.

Audit noticed that the State Government made provision of ₹ 6,154.00 crore under the head 2801-Electricity-05-Transmission and Distribution-800-Other Expenses-05-UDAY Yojana-20-Grant-in-aid (non-salary) of Grant No. 09. Against this provision, subsidy of ₹ 5,372.50 crore was released to UPPCL during 2021-22. Similarly, subsidy of ₹ 8,007.72 crore was released under UDAY to UPPCL during 2022-23. Thus, the subsidy of ₹ 13,380.22 crore was booked under UDAY during 2021-22 and 2022-23 despite there was no provision under MoU for UDAY for such taking over of losses of DISCOM during 2021-22 and 2022-23.

In reply (July 2023), State Government stated the aforesaid loss subsidy of ₹ 13,380.22 crore was sanctioned and released under ‘UDAY’ by mistake,

²⁵ Development Authorities, Uttar Pradesh Avastha Vikas Parishad, Municipal Corporations/ Municipalities

which was to be released under Action Plan/ Revamped Distribution Sector Scheme (RDSS).

Thus, there was incorrect account classification for release of subsidy to DISCOMs during 2021-22 and 2022-23. State Government may, therefore, create a specific head of accounts for assistance to DISCOM under RDSS.

4.5 Transfer of Central Scheme Funds to Implementing Agencies in the State

Appendix VI of Volume II of the Finance Accounts exhibits the direct transfer of central scheme funds to Implementing Agencies in the State, *i.e.*, fund routed outside State Budget, which is compiled from PFMS portal of GoI. During the year 2022-23, GoI directly transferred ₹ 1,062.78 crore to State Implementing Agencies (State Government DDOs: ₹ 1.13 crore, State Government PSUs: ₹ 4.25 crore, State Government Institutions: ₹ 1,017.69 crore, Local Bodies: ₹ 2.08 crore, Academic Institutions (Government): ₹ 1.15 crore and statutory bodies: ₹ 36.48 crore). Further, the direct transfer of Central Scheme funds to the State Government Implementing Agencies has increased by 158.74 *per cent* in the year 2022-23 as compared to the year 2021-22 (from ₹ 410.76 crore in 2021-22 to ₹ 1,062.78 crore in 2022-23).

Issues related to Transparency

4.6 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 2023 for grants given up to 30 September 2021 is given in **Table 4.2**.

Table 4.2: Arrears in submission of Utilisation Certificates

Year ²⁶	Number of UCs awaited (as on 31 st March)	Amount (₹ in crore)
Up to 2019-20	27147	10753.67
2020-21	3148	8528.85
2021-22 (Up to September 2021)	611	698.72
Total	30906	19981.24

Source: Finance Accounts 2022-23

²⁶ The year mentioned above relates to “Due year” *i.e.*, after 18 months of actual drawal.

Table 4.2 shows that 30,906 UCs aggregating ₹ 19,981.24 crore were outstanding as on 31 March 2023 for grants released during the period 2001-02 to 2021-22 (up to September 2021). The total outstanding UCs include 8,449 UCs (₹ 11,368.55 crore) related to Centrally Sponsored Schemes/Central Schemes. Further, 28,786 number of UCs amounting to ₹ 36,336.54 crore in respect of grants-in-aid released during the period 2001-02 to 2021-22 (up to 30 September 2021) were cleared during 2022-23. The age-wise status of pendency of UCs is summarised in **Table 4.3**.

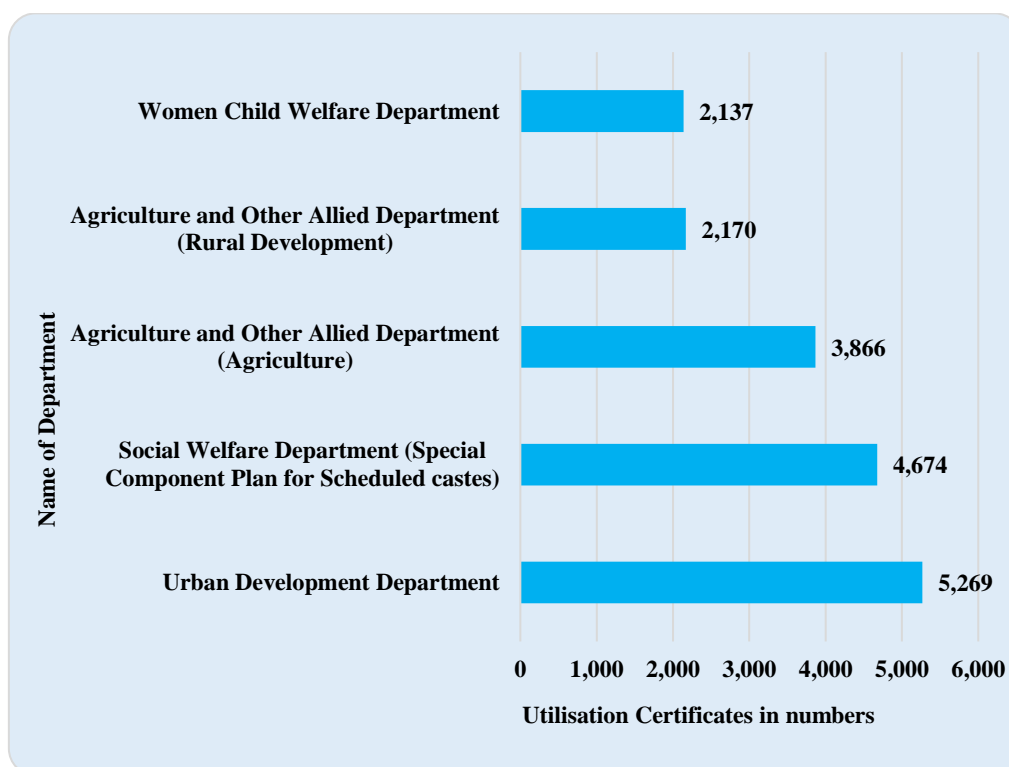
Table 4.3: Year wise break up of outstanding UCs

(₹ in crore)		
Year	Number of UCs	Amount
2001-02 to 2011-12	19468	5055.74
2012-13	321	158.93
2013-14	1187	600.36
2014-15	1635	899.75
2015-16	718	518.56
2016-17	532	425.95
2017-18	399	554.82
2018-19	766	1418.21
2019-20	2121	1121.35
2020-21	3148	8528.85
2021-22 (Up to September 2021)	611	698.72
Total	30906	19981.24

Source: Finance Accounts 2022-23 and information maintained by Accountant General (A&E) U.P.

Of the total outstanding UCs, 18,116 UCs (58.61 *per cent*) amounting to ₹ 16,476.42 crore (82.46 *per cent*) pertained to five departments: Urban Development Department, Social Welfare Department (Special Component Plan for Scheduled Castes), Agriculture and Other Allied Department (Agriculture), Agriculture and other Allied Departments (Rural Development), and Women and Child Welfare Department as presented in **Chart 4.1**.

Chart 4.1: Department wise outstanding UCs in numbers



Source: Information provided by AG(A&E-I)

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

4.7 Abstract Contingent Bills

The drawal of contingent charges on items of expenditure by a State Government, for which final classification and supporting vouchers are not available at the time of drawal are made on Abstract Contingent (AC) Bills. As per para 183 of Financial Hand Book (Volume V) Part I, in the case of contingent charges countersigned after payment, Detailed Countersigned Contingent (DCC) bills are required to be submitted by the Head of the Office to the controlling officer or if there is no controlling officers, to the Accountant General directly by the end of the next month. Delayed submission or prolonged non-submission of supporting DCC bills renders expenditure through AC Bills opaque. The details of pending DCC bills as on 31 March 2023 are given in **Table 4.4**.

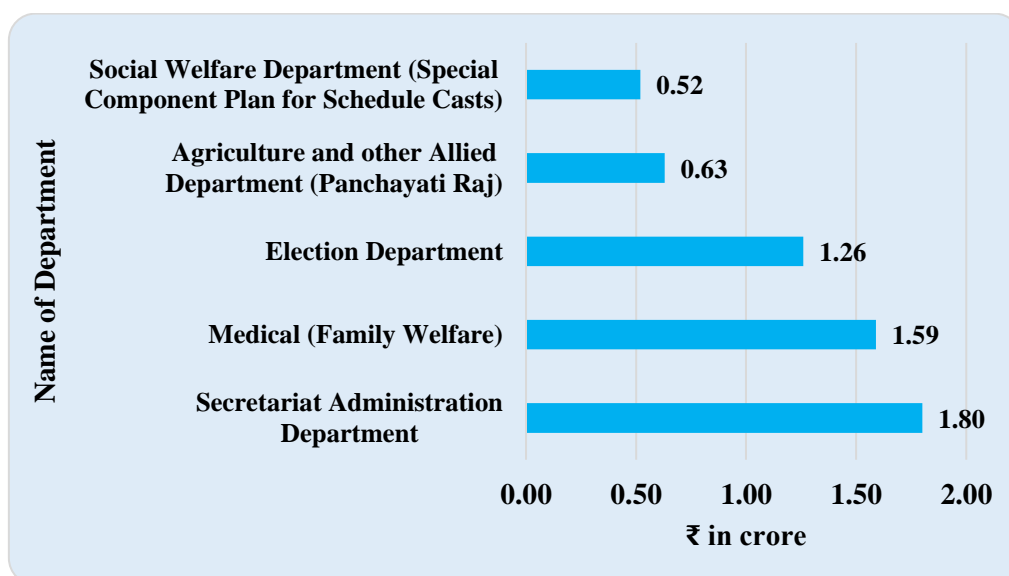
Table 4.4: Year wise status of pending DCC bills as on 31 March 2023

Year	Number of pending DCC Bills	Amount (₹ in crore)
Up to 2020-21	776	4.14
2021-22	12	0.95
2022-23	54	3.43
Total	842	8.52

Source: Finance Accounts 2022-23

As evident from **Table 4.4**, 788 DCC bills amounting to ₹ 5.09 crore were pending for long periods from the year 2001-02 to 2021-22 and 54 outstanding DCC bills amounting to ₹ 3.43 crore pertain to the year 2022-23. Of the total outstanding AC bills, 290 bills (34.44 *per cent*) amounting to ₹ 5.80 crore (68.03 *per cent*) pertained to five departments: Secretariat administration Department (93 AC bills amounting to ₹ 1.80 crore); Medical (Family Welfare) (three AC bills amounting to ₹ 1.59 crore); Election Department (55 AC bills amounting to ₹ 1.26 crore); Agriculture and other Allied Departments (Panchayati Raj) (120 AC bills amounting to ₹ 0.63 crore) and Social Welfare Department (Special Component Plan for Schedule Caste) (19 AC bills amounting to ₹ 0.52 crore) as depicted in **Chart 4.2**.

Chart 4.2: Pending DCC Bills of major defaulting departments



Source: Information provided by AG(A&E)-I

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 DCC bills within the prescribed time not only breaches financial discipline but also increases the possibility of wastage/misappropriation/malfeasance, *etc.*

4.8 Personal Deposit 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 (UPPLA) 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.

During the year 2022-23, an amount of ₹ 2.96 crore was transferred from the Consolidated Fund of the State to PD Accounts under head 8443-106. This includes ₹ 0.17 crore of the total credit to PD Accounts, transferred in March 2023. Details of PD accounts as on 31 March 2023 are given in **Table 4.5**.

Table 4.5: Status of PD Accounts during the year 2022-23

(₹ in crore)

Opening Balance (As on 01-04-2022)		Addition during the year		Disbursement during the year		Closing Balance (As on 31-03-2023)	
No. of Administrators	Amount	No. of Administrators	Amount	No. of Administrators	Amount	No. of Administrators	Amount
13	11.08(Dr) ²⁷	nil	2.96	01	1.46	12	9.58(Dr) ²⁸

Source: Finance Accounts 2022-23

Further, Uttar Pradesh Government order (March 1999) provides that Administrators of PD Account were required to reconcile and verify their balances with the treasury figures and annual verification certificates were also required to be submitted to the Accountant General. However, during the year 2022-23, out of 12 Administrators of PD accounts of the State, only nine Administrators have reconciled and verified their balances with the treasury figures.

4.9 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.

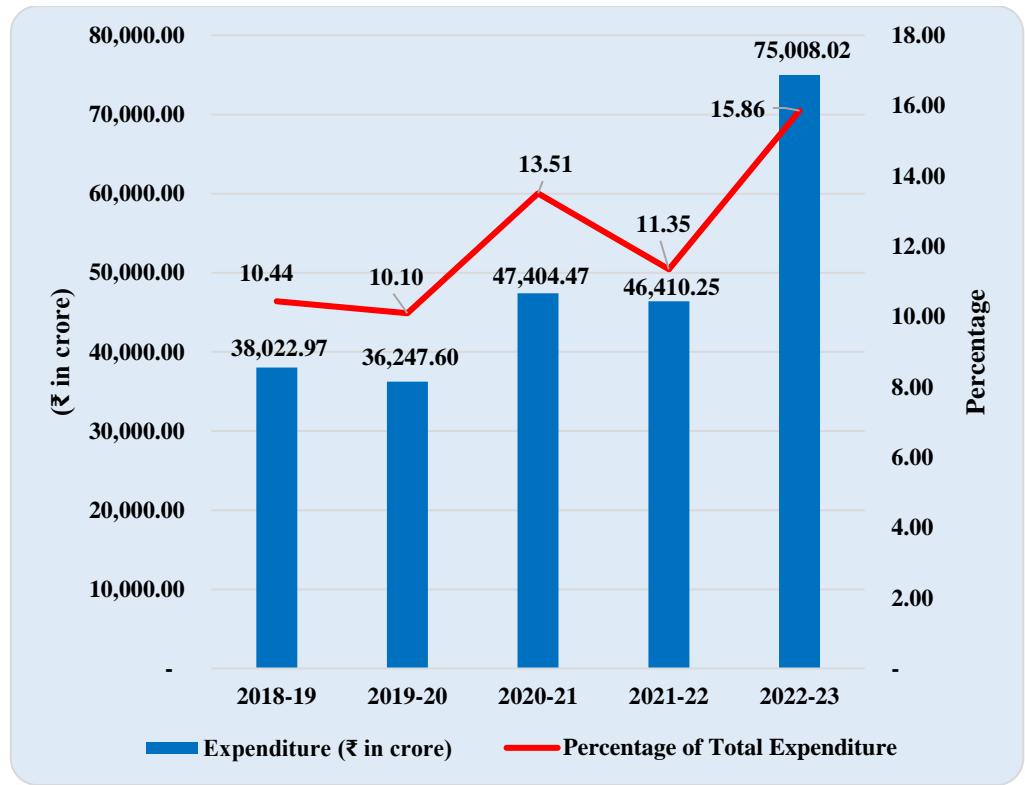
During the year 2022-23, ₹ 75,008.02 crore under 86 Major Heads of accounts on the expenditure side, constituting 15.86 per cent of the total Revenue and Capital expenditure of ₹ 4,73,006.45 crore, was classified under Minor Head 800-Other Expenditure. The trend of expenditure booked under Minor Head

²⁷ The State Government has intimated opening balance of ₹ 10.95 crore. The difference is under reconciliation and has been disclosed under Statement 21.

²⁸ The State Government has intimated closing balance of ₹ 12.65 crore. The difference is under reconciliation and has been disclosed under Statement 21.

800-Other Expenditure during the period 2018-23 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 2018-23



Source: Finance Accounts of respective years

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 4.6**.

Table 4.6: Significant expenditure booked under Minor Head 800 – Other Expenditure during the year 2022-23

(₹ in crore)

Major Head	Major Head Description	Expenditure under Minor Head 800	Total Expenditure	Percentage
5053	Capital Outlay on Civil Aviation	2013.77	2013.77	100.00
4875	Capital outlay on other industries	921.91	921.91	100.00
2040	Taxes on Sales, Trade etc.	877.38	877.38	100.00
4070	Capital Outlay on other Administrative Services	645.97	645.97	100.00
4859	Capital Outlay on Telecommunication and Electronic Industries	389.47	389.47	100.00
2705	Command Area Development	209.13	209.13	100.00
2885	Other Outlays on Industries and Minerals	58.02	58.02	100.00
2575	Other Special Area Programmes	27.51	27.51	100.00
2043	Collection Charges under State Goods and Services Tax	25.26	25.26	100.00

Major Head	Major Head Description	Expenditure under Minor Head 800	Total Expenditure	Percentage
5425	Capital Outlay on Other Scientific and Environmental research	11.40	11.40	100.00
2407	Plantations	5.74	5.74	100.00
4853	Capital Outlay from Non-Ferrous Mining and Metallurgical Industries	3.87	3.87	100.00
4047	Capital Outlay on Other Fiscal Services	1.12	1.12	100.00
2041	Taxes on Vehicles	0.77	0.77	100.00
5475	Capital Outlay on Other General Economic Services	300.08	300.76	99.77
2801	Power	25884.81	27884.81	92.83
4216	Capital Outlay on Housing	8225.06	8984.05	91.55
3053	Civil Aviation	31.16	34.23	91.03
2852	Industries	3492.16	3839.86	90.94
2216	Housing	405.03	531.30	76.23
3452	Tourism	90.06	120.74	74.59
4403	Capital Outlay on Animal Husbandry	89.40	120.79	74.01
2211	Family Welfare	9459.88	12852.18	73.61
4575	Capital Outlay on Other Special Areas Programmes	598.69	828.17	72.29
4235	Capital Outlay on Social Security and Welfare	640.19	943.04	67.89
2700	Major Irrigation	546.08	836.96	65.25
2501	Special Programmes for Rural Development	1142.94	2044.64	55.90
2075	Miscellaneous General Services	18.81	33.87	55.54
4250	Capital Outlay on Other Social Services	457.02	840.88	54.35

Source: Finance Accounts 2022-23

Further examination of expenditure during the last four years 2019-20 to 2022-23 showed that in three Grants, viz., Grant No. 12-Agriculture and Other Allied Department (Land Development and Water Resources) (Major Heads 2515-Other Rural Development and 2705-Command Area Development), Grant No. 53-National Integration Department (Major Head 2070-Other Administrative Services) and Grant No. 85- Public Enterprises Department (Major Head-3475-Other General Economic Services), 100 per cent expenditure was booked under Minor Head 800.

Similarly, during the year 2022-23, revenue receipts aggregating 7,327.58 crore were booked under Minor Head 800-Other Receipts in 53 Major Heads of accounts on the receipt side constituting 1.76 per cent of the total revenue receipts of the State of 4,17,241.50 crore. Instances where a substantial proportion (50 per cent or more of the total receipts under the Major Head) of the revenue receipts was classified under minor head 800-Other Receipts during the year 2022-23 are listed in **Table 4.7**.

Table 4.7: Significant receipts booked under Minor Head 800 – Other Receipts during the year 2022-23

(₹ in crore)

Major Head	Major Head Description	Receipts under Minor Head 800	Total Receipts	Percentage
0801	Power	964.52	964.52	100.00
0810	Non-Conventional Sources of Energy-	293.35	293.35	100.00
0217	Urban Development	175.80	175.80	100.00
0425	Co-operation	59.01	59.01	100.00
0875	Other Industries	20.93	20.93	100.00
1452	Tourism	8.78	8.78	100.00
0215	Water Supply and Sanitation	4.68	4.68	100.00
1456	Civil Supplies	2.40	2.40	100.00
0023	Hotel Receipts Tax	0.87	0.87	100.00
0047	Other Fiscal Services	0.27	0.27	100.00
0415	Agricultural Research and Education	0.15	0.15	100.00
0852	Industries	0.08	0.08	100.00
0220	Information and Publicity	0.05	0.05	100.00
0211	Family Welfare	34.51	34.54	99.91
0235	Social Security and Welfare	78.84	79.10	99.67
1055	Road Transport	2.43	2.48	97.98
0230	Labour and Employment	798.73	820.59	97.34
0056	Jails	9.58	9.92	96.57
0059	Public Works	140.36	145.58	96.41
1054	Roads and Bridges	823.01	855.12	96.24
0700	Major Irrigation	19.49	20.80	93.70
0435	Other Agricultural Programmes	60.50	67.57	89.54
1053	Civil Aviation	0.12	0.14	85.71
0029	Land Revenue	229.91	284.94	80.69
0515	Other Rural Development Programmes	117.31	149.02	78.72
0406	Forestry and Wild Life	209.04	322.28	64.86
0071	Contributions and Recoveries towards Pension and Other Retirement benefits	293.64	505.91	58.04
0403	Animal Husbandary	12.02	22.22	54.10

Source: Finance Accounts 2022-23

The classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

4.10 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 it also includes remuneration and award related expenses and expenditure from discretionary funds.

Scrutiny of the Accounts revealed that expenditure of ₹ 36,912.15 crore was made under Object Head ‘42- Other Expenditure’ which was 7.30 per cent of the total disbursements of ₹ 5,05,905.54 crore out of the Consolidated Fund of the State during 2022-23. Further, it was observed that in 25 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 24.98 per cent of total expenditure of these grants as given in **Table 4.8**.

Table 4.8: Showing expenditure under Object Head ‘42 – other expenditure’ and Total Expenditure in various Grants

(₹ in crore)

Sl. No.	Grant No.	Grant Description	Total Expenditure	Expenditure under Object Head 42	Percentage of expenditure under OH 42 to Total Expenditure
1.	35	Medical Department (Family Welfare)	12270.89	9773.66	79.65
2.	53	National Integration Department	0.33	0.25	74.58
3.	03	Industries Department (Small Industry and Export Promotion)	1071.98	669.21	62.43
4.	76	Labour Department (Labour Welfare)	790.06	469.92	59.48
5.	13	Agriculture and Other Allied Departments (Rural Development)	21601.08	12126.14	56.14
6.	91	Institutional Finance Department (Stamps Registration)	329.28	176.67	53.65
7.	45	Environment Department	9.38	4.87	51.93
8.	28	Home Department (Political Pension and Other Expenditure)	283.48	138.53	48.87
9.	78	Secretariat Administration Department	1235.18	575.22	46.57
10.	21	Food and Civil Supplies Departments	5931.17	2292.55	38.65
11.	69	Vocational Education Department	1024.57	367.19	35.84
12.	33	Medical Department (Ayurvedic and Unani)	1147.56	241.89	21.08
13.	92	Cultural Department	172.60	32.90	19.06
14.	52	Revenue Department (Board of Revenue and other expenditure)	3584.67	645.45	18.01
15.	07	Industries Department (Heavy and Medium Industries)	8592.89	1376.35	16.02
16.	10	Agriculture and Other Allied Departments (Horticulture and Sericulture Development)	805.36	125.48	15.58
17.	66	Finance Department (Group Insurance)	259.90	40.00	15.39
18.	83	Social Welfare Department (Special Component Plan for Scheduled castes)	20600.17	3113.71	15.11
19.	43	Transport Department	672.31	100.08	14.89
20.	22	Sports Department	369.97	54.16	14.64
21.	34	Medical Department (Homoeopathy)	491.63	60.63	12.33
22.	81	Social Welfare Department (Tribal Welfare)	1251.64	147.04	11.75
23.	89	Institutional Finance Department (Commercial Tax)	931.05	94.24	10.12
24.	29	Confidential Department (Governor Secretariat)	19.26	1.63	8.46
25.	61	Finance Department (Debt services and Other Expenditure)	60910.73	3433.04	5.64
Total (Above 5 per cent)			144357.14	36060.81	24.98

Source: Information maintained by Accountant General (A&E) U.P.

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

Issues related to Measurement

4.11 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. The outstanding balances under certain major suspense heads of accounts are indicated in **Table 4.9**.

Table 4.9: Balances under Suspense and Remittance Heads

Suspense Head	2020-21		2021-22		2022-23	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Major Head 8658 - Suspense						
101 - PAO suspense	305.56	711.90	418.07	739.80	395.41	269.72
Net	Cr. 406.34		Cr. 321.73		Dr. 125.69	
102 - Suspense Account-Civil	15856.65	16415.75	15820.92	16389.57	15764.39	16431.30
Net	Cr. 559.10		Cr. 568.65		Cr. 666.91	
109 - Reserve Bank Suspense – Headquarters	0.00	0.00	0.00	0.00	0.00	0.01
Net	0.00 ²⁹		0.00 ³⁰		Cr. 0.01	
110 - Reserve Bank Suspense – Central Accounts Office	(-)84.60	(-)827.29	(-)94.54	(-)1,138.62	(-)94.12	(-)1,136.38
Net	Dr. 742.69		Dr. 1,044.08		Dr. 1,042.26	
Major Head 8782-Cash remittances and adjustments between officers rendering accounts to the same Accounts Officer						
102 - Public Works Remittances	180269.09	182097.49	2,16,990.54	2,18,840.01	2,32,556.35	2,35,417.30
Net	Cr. 1828.40		Cr. 1,849.47		Cr. 2,860.95	
103 - Forest Remittances	3206.05	3405.87	3391.12	3594.69	3,701.73	3,939.71
Net	Cr. 199.82		Cr. 203.57		Cr. 237.98	
8793-Inter State Suspense Account	62.96	0.01	66.72	0.05	56.76	0.01
Net	Dr. 62.95		Dr. 66.67		Dr. 56.75	

Source: Finance Accounts 2022-23

4.12 Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India (CAG), prescribe the form of accounts of the Union and of the States. On the advice of the CAG, the President of India has so far notified three Indian Government Accounting Standards (IGAS). Compliance to these Accounting Standards by Government of Uttar Pradesh as well as deficiencies therein during 2022-23 is detailed in **Table 4.10**.

²⁹ Cr. 0.02 lakh

³⁰ Cr. 0.01 lakh

Table 4.10: Compliance to Accounting Standards

Sl. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Deficiency
1	IGAS-1	Guarantees Given by the Government – Disclosure requirements	Partially Complied (Statement 9 and 20 of Finance Accounts)	Information relating to the designated authority for guarantees given by the Government was not provided by the State Government.
2	IGAS-2	Accounting and Classification of Grants-in-aid	Partially complied (Statement 10 of Finance Accounts)	Information regarding total value of Grant-in-aid given in kind was not provided by State Government.
3	IGAS-3	Loans and Advances made by Government	Partially complied (Statement 7 and 18 of Finance Accounts)	Information regarding loans in perpetuity was not provided by State Government.

Source: Finance Account

4.13 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 2022-23 contained the following adverse balances of Loans and Advances as on 31 March 2023: 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 (₹ 17.47 crore under the Accounts Head 7610-202), Advances for purchase of other conveyances (₹ 25.37 crore under the Accounts Head 7610-203), Other advances (₹ 3.02 crore under the Accounts Head 7610-800).

These adverse balances were under reconciliation between the office of the Accountant General (A&E) Uttar Pradesh and the State Government.

4.14 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 of

the Accountant General (A&E). The status of reconciliation of figures by the Controlling Officers is given in **Table 4.11**.

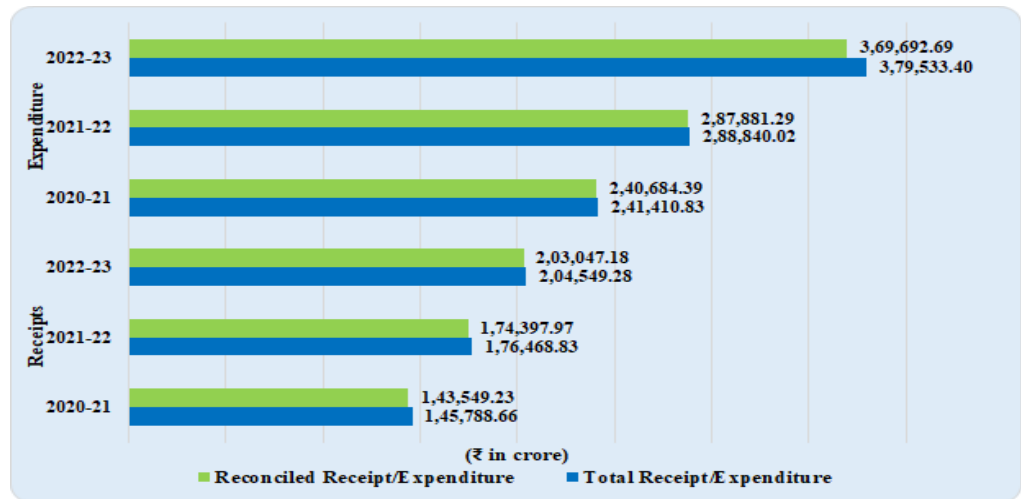
Table 4.11: Status of Reconciliation of Receipts and Expenditure by Controlling Officers

Year	Total No. of Controlling Officers	No. of controlling officers reconciled their receipts/ expenditure		
		Fully Reconciled	Partially Reconciled	Not reconciled at all
Receipts				
2020-21	48	45	--	03
2021-22	48	43	--	05
2022-23	48	43	--	05
Expenditure				
2020-21	179	173	--	06
2021-22	180	177	--	03
2022-23	180	179	--	01

Source: Information maintained by Accountant General (A&E) U.P.

Reconciliation of receipts was completed by 43 out of 48 CCOs, as they reconciled receipts of ₹ 2,03,047.18 crore (99.27 per cent of total receipts of ₹ 2,04,549.28 crore due for reconciliation) during 2022-23. Further out of 180 CCOs, 179 CCOs had reconciled their expenditure figures of ₹ 3,69,692.69 crore (97.41 per cent of total expenditure of ₹ 3,79,533.40 crore due for reconciliation) as shown in **Chart 4.4**.

Chart 4.4: Status of Reconciliation of Receipts and Expenditure during the year 2020-23



Source: Information maintained by Accountant General (A&E) U.P.

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

Issues related to Disclosure

4.15 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 anybody 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 to the accounts being ‘true and fair’ is issued in case of abovementioned 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.

It was observed that 343 annual accounts of 55 Autonomous Bodies and Authorities (due up to 2022-23) for audit as on 30 June 2023 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 343 accounts is given in **Table 4.12**.

Table 4.12: 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	9	12
3-4	16	50
5-10	23	140
More than 10	7	141
Total	55	343

Source: Information available in Office of the PAG (Audit)I and AG (Audit)II

In the 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 has been taking up the matter of non-submission of accounts of the defaulting bodies with the authorities concerned from time to time, but without perceivable improvement.

4.16 Proforma Accounts of Departmental Commercial Undertakings

Departmental Commercial Undertakings (DCUs) 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 DCUs in the State, five DCU, (Irrigation Workshop Division, Kanpur, Jhansi, Bareilly, Meerut and Prayagraj) have finalised its

annual accounts for the financial year 2022-23 and two DCUs (Irrigation Workshop Division, Gorakhpur and Food Commissioner and CAO) have finalised their annual accounts for 2021-22 and one DCU (Dy. Director, Animal Husbandry Farms Corporation) has finalised its account for the year 2020-21 while remaining one DCU has not finalised their annual accounts for many years. The details are shown in **Appendix 4.2**.

4.17 Pending cases of 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 cases³¹ of misappropriation/ losses/thefts, etc., of Government material/money involving ₹ 9.31 crore on which final action was pending as on 31 March 2023. 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 4.13**.

Table 4.13: 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	0	0	7	26.83	2	1.95
Social Welfare	3	0.95	0	0	2	0.70	1	0.25
Horticulture	1	3.59	0	0	1	3.59	0	0
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	0	0	0	0	1	11.59
Animal Husbandry	16	6.55	7	5.20	9	1.35	0	0
Fisheries	3	2.61	0	0	3	2.61	0	0
Agriculture	3	7.62	2	2.17	1	5.45	0	0
Irrigation	41	121.03	4	16.07	35	36.95	2	68.01
Cooperative	2	1.45	0	0	1	0.17	1	1.28
Medical Health and Family Welfare	11	15.89	1	0.30	9	14.22	1	1.37
Police	6	8.10	6	8.10	0	0	0	0
PAC	2	47.99	1	0.51	0	0	1	47.48
Revenue	5	14.49	3	8.81	2	5.68	0	0
Finance	1	0.67	1	0.67	0	0	0	0

³¹ Pertaining to period January 1967 to 2022-23.

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
Weight and Measurements	1	1.09	0	0	0	0	1	1.09
Public Works Department	9	147.80	4	27.26	1	0.12	4	120.42
Revenue (Land Acquisition)	3	331.78	0	0	3	331.78	0	0
Judiciary	1	4.44	0	0	1	4.44	0	0
Total	135	930.86	32	170.91	86	491.78	17	268.17

Source: Information received from concerned departments

The age wise analysis of these pending cases is depicted in **Table 4.14**, which indicates that 96 cases involving ₹ 4.81 crore were pending as on 31 March 2023 since more than 20 years:

Table 4.14: Age-wise analysis of pending cases of misappropriation, losses, theft etc.

(₹ in lakh)

Years ranging	Number of cases	Amount involved
0 – 5 Years (2018-19 to 2022-23)	0	0
5 – 10 Years (2013-14 to 2017-18)	0	0
10 – 15 Years (2008-09 to 2012-13)	21	400.76
15 – 20 Years (2003-04 to 2007-08)	18	49.52
20 – 25 Years (1998-99 to 2002-03)	14	82.53
Above 25 Years (1997-98 and before)	82	398.05
Total	135	930.86

Source: Information received from concerned departments

Out of a total of 135 pending cases (as on 31 March 2023) involving ₹ 930.86 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 ₹ 268.17 lakh), but recovery of the amount was pending.

4.18 Conclusion

- The State Government resorted to extra-budget borrowings through State owned PSEs/Authorities for meeting expenditure having implication on debt parameters of the State. Since these extra-budget borrowings do not form part of the Debt-Stock of the State, the debt position as reflected in Finance Accounts does not depict actual debt position.
- The State Government did not remit entire amount of employees' and employers' contributions towards the Defined Contribution Pension Scheme to the designated fund manager for its further investment.

- The State Government did not establish Uttar Pradesh Road Transport Accident Relief Fund, as required under Uttar Pradesh Motor Vehicle Taxation Act, 1997, meant to provide relief to the passengers or heirs of deceased passengers or other persons suffering casualty in which a public service vehicle is involved.
- No distinct sub head has been opened by the State Government for accounting of the additional stamp duty in the absence of which, it is not clear how much money was received by the Government on account of two *per cent* additional stamp duty and whether all the moneys received were transferred to the concerned local bodies and DUTF in specified proportions.
- A large number (30,906) of UCs aggregating ₹ 19,981.24 crore were outstanding at the close of the year 2022-23. 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.
- Classification of large amounts booked under the Minor Heads ‘800-Other Receipts/Expenditure’ does not give a complete picture in the financial reporting. Similarly, in respect of 25 grants, the expenditure under Object Head: ‘42- Other Expenditure’ was more than five *per cent* of total expenditure of these grants, which affects transparency in financial reporting.
- 343 annual accounts of 55 Autonomous Bodies/Authorities (due up to 2022-23) for audit as of 30 June 2023 have not been submitted by the concerned entities. In absence of annual accounts and their audit, proper utilisation of grants and loans disbursed to these Autonomous Bodies/Authorities cannot be vouched.

4.19 Recommendations

11. *The State Government should avoid extra-budget borrowings and credit all loans taken by SPSEs/ Authorities on behalf of State Government but serviced by the State Government, to the Consolidated Fund.*
12. *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.*
13. *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.*
14. *A distinct head should be assigned for collection of additional stamp duty and all monies received should be transferred to the concerned local bodies and DUTF as per U.P. Urban Planning and Development Act.*

- 15. The Government may ensure timely submission of utilisation certificates by the departments in respect of the grants-in-aid released for specific purposes and all pendency may be reviewed before release of fresh grants to defaulting grantees.*
- 16. 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. Further, at the object head level, indiscriminate use of object head 42-Other expenditure should be minimised.*
- 17. The Finance Department should consider evolving a system for regular review to expedite the process of compilation and submission of annual accounts by Bodies/Authorities/Departmental Commercial Undertakings in order to assess their financial position.*

CHAPTER - V

State Public Sector Enterprises

CHAPTER-V

STATE PUBLIC SECTOR ENTERPRISES

This chapter discusses the financial performance of Government Companies, Statutory Corporations and Government Controlled Other Companies (GCOCs). Impact of significant comments issued as a result of supplementary audit of the Financial Statements of these State Public Sector Enterprises (SPSEs) conducted by the Comptroller and Auditor General (CAG) of India for the year 2022-23 (or of earlier years which were finalised during the current year) has also been discussed.

5.1 Definition of Government Companies

A Government Company is defined in Section 2(45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary of a Government Company.

Besides, any other company³² 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 are referred to in this Report as Government Controlled Other Companies.

5.2 Mandate of Audit

Audit of Government Companies and Government Controlled Other Companies is conducted by the CAG of India under the provisions of Section 143(5) to 143(7) of the Companies Act, 2013 read with Section 19 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made thereunder. Under the Companies Act, 2013, the CAG appoints the Chartered Accountants as Statutory Auditors for Companies and gives directions on the manner in which the accounts are to be audited. In addition, CAG has the right to conduct a supplementary audit of the company's financial statements. The statutes governing some Statutory Corporations require their accounts to be audited only by the CAG.

5.3 SPSEs and their contributions to the GSDP of the State

SPSEs consist of State Government Companies and Statutory Corporations. SPSEs 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 2023, there were 113 SPSEs in Uttar Pradesh, including six Statutory Corporations, 86 Government Companies (including 41 inactive

³² Companies (Removal of Difficulties) Seventh Order, 2014 issued by Ministry of Corporate Affairs *vide* Gazette Notification dated 4 September 2014.

Government Companies³³) and 21 Government Controlled Other Companies³⁴ (GCOCs) under the audit jurisdiction of the CAG. The list of these SPSEs are given in **Appendix 5.1**. The nature of SPSEs in Uttar Pradesh and their position of accounts are indicated in table **5.1** below:

Table 5.1: Nature of SPSEs in Uttar Pradesh

Nature of SPSEs	Total Number	Number of SPSEs of which accounts submitted upto 30 th September 2023		
		Number of SPSEs submitted accounts for the year 2022-23	Number of SPSEs submitted accounts for the year 2021-22	Number of SPSEs submitted accounts for the year 2020-21 and previous years ³⁵
Working Government Companies ³⁶	66	10	15	41
Statutory Corporations	6	0	2	4
Total working SPSEs	72	10	17	45
Inactive Government Companies	41	0	1	40
Total	113	10	18	85

Source: As per latest finalised accounts submitted by SPSEs.

Inactive SPSEs

There are 41 inactive SPSEs (including 13 under liquidation) in the State. As per the latest available financial statements and information provided by these companies, these inactive SPSEs³⁷ have investment of ₹ 1,107.52 crore, towards capital ₹ 832.08 crore (State Government: ₹ 291.67 crore and Others: ₹ 540.41 crore) and long-term loans ₹ 275.44 crore (State Government: ₹ 223.35 crore and Others: ₹ 52.09 crore). This is a critical area as the investments in inactive SPSEs do not contribute to the economic growth of the State.

Working SPSEs

A ratio of turnover of the SPSEs to the Gross State Domestic Product (GSDP) shows the extent of activities of the SPSEs in the State economy. The details of turnover of 72 working SPSEs are given in **Appendix 5.2**. Turnover of working SPSEs and GSDP for a period of three years ending 31 March 2023 are given in **Table 5.2**.

³³ Inactive SPSEs are those which have ceased to carry out their operations.

³⁴ At serial number 48 to 66, 101 and 113 of **Appendix-5.1**.

³⁵ Four SPSEs did not submit their first accounts (Lucknow City Transport Services Limited, Agra Mathura City Transport Services Limited, Varanasi City Transport Services Limited and Uttar Pradesh Rajya Krishi Evam Gramin Vikas Nigam Limited).

³⁶ Government SPSEs include Government controlled other Companies referred to in Section 139(5) and 139(7) of the Companies Act 2013.

³⁷ Excluding 13 SPSEs under liquidation.

Table 5.2: Details of turnover of SPSEs vis-à-vis GSDP of Uttar Pradesh

(₹ in crore)

Particulars	2020-21	2021-22	2022-23
Turnover			
Power Sector SPSEs	67,007.04	69,529.64	77,053.32
Other than Power	15,946.86	16,325.46	15,643.41
Total	82,953.90	85,855.10	92,696.73
GSDP of Uttar Pradesh	16,45,317	19,74,532	22,57,575
Percentage of Turnover to GSDP of Uttar Pradesh			
Power Sector SPSEs	4.07	3.52	3.41
Other than Power	0.97	0.83	0.69
Total	5.04	4.35	4.10

Source: Compilation based on Turnover figures as per latest finalised accounts of SPSEs and GSDP figures as per data of MOSPI, Government of India.

The contribution of SPSEs to the GSDP of Uttar Pradesh reduced from 5.04 per cent in 2020-21 to 4.10 per cent in 2022-23. The contribution of Power Sector SPSEs to the GSDP was 3.41 per cent while SPSEs of Other than Power Sector contributed 0.69 per cent in the year 2022-23.

Other than Power Sector SPSEs contribution to the GSDP though was minimal (from 0.97 in 2020-21 to 0.69 per cent in 2022-23).

5.4 Investment in SPSEs and Budgetary Support

5.4.1 Equity holding and Loans in SPSEs

The sector wise Total Equity, Equity Contribution by State Government and Long- Term Loans including the loans given by State Government in 72 working SPSEs as on 31 March 2023 is given below in Table 5.3.

Table-5.3: Sector-wise investment in SPSEs

Particulars	Investment (₹ in crore)					Percentage of Total Equity and Long-Term Loans
	Total Equity	State Government Equity	Total Long-Term Loans	State Government Loans	Total Equity and Long-Term Loans	
Power Sector SPSEs	256815.30	157818.01	71931.98	64.65	328747.28	88.55
Other than Power Sector SPSEs	25673.50	11451.23	16821.20	4949.91	42494.70	11.45
Total	282488.80	169269.24	88753.18	5014.56	371241.98	100.00

Source: Information provided by the SPSEs

As on 31 March 2023, State Government had investment of ₹ 1,74,283.80 crore (Equity ₹ 1,69,269.24 crore and long-term loan ₹ 5,014.56 crore) in these SPSEs. The thrust of SPSEs investment was mainly on power sector SPSEs which had received as much as 88.55 per cent (₹ 3,28,747.28 crore) of total investment of ₹ 3,71,241.98 crore as on

31 March 2023. The State Government share was 46.95 per cent of total investment of ₹ 3,71,241.98 crore.

In addition, as per information furnished by SPSEs and their finalised accounts for the year 2022-23 ₹ 6,676.49 crore of Grants (20 SPSEs), ₹ 25,449.11 crore subsidies³⁸ (9 SPSEs) and ₹ 13.91 crore loan (2 SPSEs) was provided to these SPSEs by GoUP during the period 2022-23.

5.4.2 Market Capitalisation of equity investment in SPSEs

Market Capitalisation represents market value of shares of companies which are listed. As on 31 March 2023, shares of SPSEs of Uttar Pradesh was not listed on the Bombay Stock Exchange/National Stock Exchange in India.

5.4.3 Disinvestment, Restructuring and Privatisation

During the year 2022-23, one inactive SPSE (Southern-UP Power Transmission Company Limited) was struck off (May 2022) from the register of companies by the office of Registrar of Companies, Ministry of Corporate Affairs and the company was dissolved. There was no other case of disinvestment, restructuring and privatisation of SPSEs.

5.5 Returns from SPSEs

5.5.1 Profit earned by SPSEs

As per the latest finalized financial statements furnished by SPSEs upto 30 September 2023, the number of SPSEs that earned profit was 39 in 2022-23 as compared to 37 in 2021-22. The profit earned increase to ₹ 2,169.50 crore in 2022-23 from ₹ 1,315.53 crore in 2021-22.

The top six SPSEs which contributed maximum profit during 2022-23 are summarised in **Table 5.4**.

Table 5.4: Top six SPSEs which contributed maximum profit

Name of SPSE	Period of latest finalised account	Net profit after tax (₹ in crore)	Percentage of profit to total profit of SPSEs
1. Paschimanchal Vidyut Vitaran Nigam Limited	2022-23	991.67	45.71
2. Uttar Pradesh Jal Vidyut Nigam Limited	2021-22	275.88	12.72
3. Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	2021-22	235.66	10.86
4. Uttar Pradesh State Warehousing Corporation	2020-21	165.53	7.63
5. Uttar Pradesh Awas Evam Vikas Parishad	2021-22	144.68	6.67
6. Uttar Pradesh Rajkiya Nirman Nigam Limited	2014-15	120.38	5.55
Total		1933.80	89.14

Source: Latest Financial Statements of SPSEs.

³⁸ This included ₹ 8,007.72 crore booked as grants-in-aid as detailed in Paragraph 4.4.3.

These six SPSEs alone had contributed as much as 89.14 *per cent* of the total profit (₹ 2,169.50 crore) earned by 39 SPSEs during 2022-23.

Net profit ratio³⁹ of SPSEs is depicted in **Table 5.5**.

Table 5.5: Net Profit Ratio of SPSEs

Sector	Net Profit (₹ in crore)	Turnover (₹ in crore)	Net profit Ratio (in <i>per cent</i>)
Power Sector SPSEs	(-)30128.46	77053.32	(-)39.10
Other than Power	(-)131.94	15643.41	(-)0.84
Total	(-)30260.40	92696.73	(-)32.64

5.5.2 Dividend paid by SPSEs

The State Government had formulated (October 2002) a dividend policy under which SPSEs running in profit are required to pay a minimum dividend of five *per cent* on the share capital contributed by the State Government. Three profit making SPSEs submitted their accounts for the year 2022-23. Out of three profit making SPSEs, two SPSEs⁴⁰ having accumulated losses and one SPSE⁴¹ did not declare dividend during 2022-23.

5.6 Debt Servicing

5.6.1 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 lesser 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 in workings SPSEs which had interest burden, as per latest finalised accounts, are given below in **Table 5.6**.

³⁹ Net Profit/Turnover*100.

⁴⁰ Paschimanchal Vidyut Vitaran Nigam Limited and Kanpur Electricity Supply Company Limited.

⁴¹ Uttar Pradesh Export Promotion Council.

Table 5.6: Interest coverage ratio of SPSEs

Year	Particulars	Interest (₹ in crore)	Earnings before interest and tax (EBIT) (₹ in crore)	Number of SPSEs having liability of loans from Government, and other financial institutions	Number of companies having interest coverage ratio equal to or more than one	Number of companies having interest coverage ratio less than one ⁴²
2020-21	Power Sector SPSEs	10277.64	21.55	10	4	5
	Other than Power	275.16	-118.80	29	8	9
	Total	10552.80	-97.25	39	12	14
2021-22	Power Sector SPSEs	12647.24	6233.69	10	3	6
	Other than Power	277.21	48.80	28	8	9
	Total	12924.45	6282.49	38	11	15
2022-23	Power Sector SPSEs	12167.05	-3265.83	10	5	4
	Other than Power	212.44	-152.88	28	8	8
	Total	12379.49	-3418.71	38	13	12

Source: Latest Financial Statement of SPSEs.

From the latest financial statement of SPSEs, it was observed that five SPSEs pertaining to Power Sector which had the liability of loans, had interest coverage ratio of more than or equal one during 2022-23. However, in case of SPSEs of Other than Power, which have the liability of loans, only eight SPSEs had interest coverage ratio of more than or equal one and eight SPSEs had interest coverage ratio of less than one. Thus, these SPSEs having less than one interest coverage ratio were not generating sufficient revenues to meet their expenses on interest.

5.7 Financial performance of SPSEs

5.7.1 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 employed⁴³. The details of RoCE during the period from 2020-21 to 2022-23 are given below in **Table 5.7**.

⁴² Interest coverage ratio of the remaining 13 companies have not been calculated as the interest liability is nil during this period despite having outstanding loan.

⁴³ Capital Employed = Paid up Share capital + Free Reserves and surplus + Long term loans – Accumulated Loss-Deferred Revenue Expenditure.

Table-5.7: Return on Capital Employed

Year	Particulars	EBIT (₹ in crore)	Capital Employed (₹ in crore)	RoCE (in per cent)
2020-21	Power Sector SPSEs	17400.25	101343.76	17.17
	Other than Power	356.58	29073.01	1.23
	Total	17756.83	130416.77	13.62
2021-22	Power Sector SPSEs	-2071.60	98088.99	-2.11
	Other than Power	517.60	34904.86	1.48
	Total	-1554.00	132993.85	-1.17
2022-23	Power Sector SPSEs	-17838.09	75433.18	-23.65
	Other than Power	286.36	36425.97	0.79
	Total	-17551.73	111859.15	-15.69

Source: Latest Financial Statement of working SPSEs.

It was observed that RoCE was positive during 2020-21 for both Power Sector and Other than Power SPSEs. However, the RoCE for Power Sector reduced and became negative in 2021-22 and 2022-23 as compared to 2020-21 due to EBIT in negative.

5.7.2 Return on Equity by SPSEs

Return on Equity (RoE) is a measure of financial performance to assess how effectively a company's assets are being used to create profits. RoE is 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 net income and shareholders' funds are both positive numbers.

Shareholders' fund is calculated by adding paid up capital and free reserves minus net of accumulated losses and deferred revenue expenditure and reveals how much would be left for a company's shareholders if all assets were sold and all debts paid. A positive shareholder's fund reveals that the company has enough assets to cover its liabilities while negative shareholder equity means liabilities exceed assets.

The Return on Equity⁴⁴ (RoE) of the profit earning 39 working SPSEs stood at 6.64 per cent in 2022-23. The overall RoE in 72 working SPSEs including loss making SPSEs was negative in 2022-23.

The details of Shareholders' Fund and RoE relating to working SPSEs are given below in **Table 5.8**.

⁴⁴ Return on equity= (Net Profit after Tax/ Shareholder's Equity) X 100 where Shareholder's equity= paid up capital + free reserves - net of accumulated losses - deferred revenue expenditure.

Table-5.8: Return on Equity relating to SPSEs

Year	Particulars	Net Income (₹ in crore)	Shareholders' Fund (₹ in crore)	ROE (Percentage)
2020-21	Power Sector SPSEs	6985.41	74143.10	9.42
	Other than Power	-118.01	15059.08	-
	Total	6867.40	89202.18	7.70
2021-22	Power Sector SPSEs	-14842.16	79672.94	-
	Other than Power	34.53	17884.13	0.19
	Total	-14807.63	97557.07	-
2022-23	Power Sector SPSEs	-30128.46	66880.18	-
	Other than Power	-131.94	19293.13	-
	Total	-30260.40	86173.31	-

Source: As per latest finalised accounts of SPSEs.

During 2021-22 and 2022-23, RoE could not be calculated as the net income of all SPSEs taken together was negative.

5.7.3 SPSEs incurring losses

5.7.3.1 Losses incurred

There were 27 working SPSEs that incurred losses as per latest finalised accounts as of 30 September 2023. The losses incurred by working SPSEs increased to ₹ 32,429.90 crore, as per their latest finalised accounts, from ₹ 11,366.55 crore in 2020-21 due to loss incurring Power Sector SPSEs, as detailed in **Table 5.9**.

Table-5.9: Number of SPSEs that incurred losses during 2020-21 to 2022-23

(₹ in crore)

Year	Particulars	No of loss making SPSEs	Net loss for the year	Accumulated loss	Net Worth ⁴⁵
2020-21	Power Sector SPSEs	9	-10569.28	-66215.88	77022.22
	Other than Power	23	-797.27	-5062.70	5215.41
	Total	32	-11366.55	-71278.58	82237.63
2021-22	Power Sector SPSEs	9	-15354.12	-161218.71	-32812.35
	Other than Power	20	-769.04	-4943.07	3193.76
	Total	29	-16123.16	-166161.78	-29618.59
2022-23	Power Sector SPSEs	7	-31632.60	-166029.29	-47581.10
	Other than Power	20	-797.30	-6067.42	4353.49
	Total	27	-32429.90	-172096.71	-43227.63

Source: As per latest finalised accounts of SPSEs

⁴⁵ Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits but do not include reserves created out of revaluation of assets and write back of depreciation provision.

In 2022-23, out of total loss of ₹ 32,429.90 crore incurred by 27 SPSEs having State Government's equity investment of ₹ 1,42,768.81 crore, loss of ₹ 31,632.46 crore (97.54 per cent) was attributed mainly to five⁴⁶ Power Sector SPSEs having State Government's equity investment of ₹ 1,35,759.57 crore.

5.7.4 Erosion of Capital in SPSEs

As per latest finalised Financial Statement, as of 30 September 2023, there were 34 SPSEs with accumulated losses of ₹ 1,95,724.15 crore. Of these, 24 SPSEs incurred losses amounting to ₹ 32,427.27 crore (*Appendix 5.2*).

The net worth of 15 SPSEs⁴⁷ out of these 34 SPSEs had been completely eroded by accumulated losses and their net worth was either zero or negative. The net worth of these 15 SPSEs was (-) ₹ 77,811.31 crore against equity investment of ₹ 1,46,516.94 crore as on 31 March 2023. Out of 15 SPSEs, whose capital had eroded⁴⁸, four SPSE had earned profit during 2022-23. Out of 15, there were 10 SPSEs with outstanding loans of ₹20,547.97 crore as on 31 March 2023 as detailed in **Table 5.10**.

Table 5.10: Details of SPSEs whose net worth has eroded as per their latest finalised accounts

(₹ in crore)

Sl. No.	Name of SPSEs	Latest year of accounts	Total Paid up Capital	Net Profit (+)/ Loss(-) after Dividend, Interest and Tax	(-) Accumulated Loss/+Free reserve	Net worth	State Government Equity as on 31 March 2023	State Government Loan as on 31 March 2023
1	Dakshinanchal Vidyut Vitaran Nigam Limited	2022-23	23988.47	-5073.77	-30049.98	-6061.51	Nil	Nil
2	Kanpur Electricity Supply Company Limited	2022-23	2431.28	0.51	-4186.93	-1755.65	Nil	Nil
3	Uttar Pradesh Power Corporation Limited	2022-23	119625.63	-14572.24	-95139.33	-68546.27 ⁴⁹	119625.63	Nil
4	UCM Coal Company Limited	2021-22	0.16	-0.12	-2.33	-2.17	Nil	Nil
5	UPSIDC Power Company Limited	2013-14	0.05	-0.02	-0.25	-0.20	Nil	Nil
6	The Pradeshiya Industrial and Investment Corporation of UP Limited	2020-21	135.58	4.29	-376.75	-241.17	110.58	995.41
7	Allahabad City Transport Services Limited	2019-20	4.91	-10.90	-16.48	-11.57	Nil	Nil
8	Uttar Pradesh Drugs and Pharmaceuticals Limited	2009-10	1.10	-9.21	-26.59	-25.49	1.10	Nil

⁴⁶ Uttar Pradesh Power Transmission Corporation Limited: (-) ₹ 556.26 crore (2021-22), Uttar Pradesh Power Corporation Limited: (-) ₹ 14,572.24 (2022-23), Madhyanchal Vidyut Vitran Nigam Limited: (-) ₹ 4,892.19 crore (2022-23), Dakshinanchal Vidyut Vitran Nigam Limited: (-) ₹ 5,073.77 crore (2022-23) and Purvanchal Vidyut Vitran Nigam Limited: (-) ₹ 6,610.27 crore (2022-23).

⁴⁷ Net worth of two SPSEs has been excluded as Uttar Pradesh Jal Nigam did not have capital and Noida International Airport Limited has positive net worth in 2022-23 due to infusion of equity of ₹ 8,825.47 crore during 2022-23.

⁴⁸ These SPSEs are not able meet establishment expenditure as well as other liabilities through their own source of income till support from government.

⁴⁹ ₹ 93,032.57 crore has been excluded for calculation of net worth in Uttar Pradesh Power Corporation Limited due to investment made in their subsidiaries companies.

Sl. No.	Name of SPSEs	Latest year of accounts	Total Paid up Capital	Net Profit (+)/ Loss(-) after Dividend, Interest and Tax	(-) Accumulated Loss/+Free reserve	Net worth	State Government Equity as on 31 March 2023	State Government Loan as on 31 March 2023
9	Uttar Pradesh Handicraft & Marketing Development Corporation Limited(Formerly Uttar Pradesh Export Corporation Limited)	2008-09	7.24	-1.90	-24.65	-17.41	6.34	10.59
10	Kanpur City Transport Services Limited	2017-18	0.67	-11.48	-7.41	-6.74	0.05	Nil
11	Uttar Pradesh Madhya Ganna Beej Evam Vikas Nigam Limited	2017-18	0.26	0.04	-0.76	-0.50	0.15	Nil
12	Uttar Pradesh State Handloom Corporation Limited	2000-01	47.07	-8.80	-84.93	-37.86	36.45	159.49
13	Uttar Pradesh State Spinning Company Limited	2018-19	93.24	-5.65	-274.49	-181.25	93.24	151.08
14	Aligarh Smart City Limited	2022-23	2.00	-40.91	-206.41	-204.41	0.25	Nil
15	Uttar Pradesh Financial Corporation	2012-13	179.28	17.38	-898.39	-719.11	114.51	345.94
Total			146516.94	- 19712.78	-131295.68	-77811.31	119988.30	1662.51

Source: As per latest finalised accounts of SPSEs

5.8 Audit of SPSEs

CAG appoints the statutory auditors of a Government Company and Government Controlled Other Company under Section 139 (5) and (7) of the Companies Act, 2013. CAG has a right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the statutory auditor. Statutes governing some Corporations require that their accounts be audited by the CAG and a report be submitted to the Legislature.

5.9 Appointment of statutory auditors of SPSEs by the CAG

Sections 139 (5) of the Companies Act, 2013 provides that the statutory auditors in case of a Government Company or Government Controlled Other Company are to be appointed by the CAG within a period of 180 days from the commencement of the financial year.

The statutory auditors for the audit of SPSEs were appointed by the CAG.

5.10 Submission of accounts by SPSEs

5.10.1 Need for timely submission

According to Section 394 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting⁵⁰ (AGM). As soon as may be after such

⁵⁰ In case of the first AGM, it shall be held within a period of nine months from the date of closing of the first financial year of the company and in any other case within a period of six months, from the date of closing of the financial year, *i.e.*, 30 September.

preparation, the Annual Report must be laid before Legislature, together with a copy of the Audit Report and comments of the CAG upon or as supplement to the Audit Report. Almost similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary Legislative control over the utilisation of public funds invested in the Companies from the Consolidated Fund of State.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year have to be placed in the said AGM for their consideration.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non- compliance with the provisions of Section 129 of the Companies Act, 2013.

The annual accounts of various SPSEs were pending as on 30 September 2023, as detailed in the following paragraph.

5.10.2 Timeliness in preparation of accounts by SPSEs

As of 31 March 2023, there were 107 SPSEs⁵¹ under the purview of CAG's audit. Of these, accounts for the year 2022-23 were due from 94 SPSEs excluding 13 under liquidation. However, only 10 SPSEs submitted their accounts for the year 2022-23 for audit by CAG by 30 September 2023. 1028 Accounts of 95 SPSEs were in arrears, as detailed in *Appendix 5.3*. Details of arrears in submission of accounts of SPSEs are given in **Table 5.12**.

⁵¹ Excluding six Statutory Corporations discussed in paragraph 5.10.3.

Table 5.12: Details of arrears in submission of accounts

Particulars		SPSEs	Number of Accounts
Total number of Companies under the purview of CAG's audit as on 31.03.2023		107	--
Less: New Companies from which accounts for 2022-23 were not due		0	0
Number of companies from which accounts for 2022-23 were due excluding 13 companies under liquidation		94	98 ⁵²
Number of companies which presented the accounts for the year 2022-23 for CAG audit by 30 September 2023		10	11 ⁵³
Number of companies accounts in arrears including 13 companies under liquidation		95	1028
Break- up of Arrears	(i) Working	56	305
	(ii) Inactive	28	603
	(iii) Under Liquidation	11 ⁵⁴	120
Age-wise analysis of arrears against 'Working' category	One year (2022-23)	15	16
	Two years (2021-22 and 2022-23)	07	16
	Three years and more	34	273

5.10.3 Timeliness in preparation of accounts by Statutory Corporations

Audit of six statutory corporations is conducted by the CAG and out of these, for four⁵⁵ Statutory Corporations, CAG is the sole auditor. No Statutory Corporations presented the accounts for the year 2022-23 for audit before 30 September 2023. As on 30 September 2023, 19 accounts of six Statutory Corporations were pending as detailed in *Appendix 5.3*.

5.11 CAG's oversight-Audit of accounts and supplementary audit

5.11.1 Financial Reporting Framework

Companies are required to prepare the Financial Statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards renamed as National Financial Reporting Authority⁵⁶. Statutory Corporations are required to prepare their accounts in the format prescribed under the rules framed in consultation with the CAG and any other specific provision relating to accounts in the Act governing such Corporations.

⁵² Consolidated Financial Statements of Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited, Uttar Pradesh State Sugar Corporation Limited, Uttar Pradesh Electronics Corporation Limited and Uttar Pradesh Power Corporation Limited for the year 2022-23.

⁵³ Consolidated Financial Statements of Uttar Pradesh Power Corporation Limited for the year 2022-23.

⁵⁴ Two SPSEs (Uttar Pradesh (Poorva) Ganna Beej Evam Vikas Nigam Limited and Uttar Pradesh (Rohilkhand Tarai) Ganna Beej Evam Vikash Nigam Limited) have submitted their accounts upto the date going under liquidation.

⁵⁵ Uttar Pradesh Forest Corporation, Uttar Pradesh State Road Transport Corporation, Uttar Pradesh Jal Nigam, Uttar Pradesh Awas Evam Vikas Parishad.

⁵⁶ Effective from 01 October 2018.

5.11.2 Audit of accounts of Government Companies by Statutory Auditors

The statutory auditors appointed by the CAG under Section 139 of the Companies Act, 2013, conduct audit of accounts of the Government Companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG plays an oversight role by monitoring the performance of the statutory auditors in audit of public sector enterprises with the overall objective that the statutory auditors discharge the functions assigned to them properly and effectively. This function is discharged by exercising the power to:

- issue directions to the statutory auditors under Section 143 (5) of the Companies Act, 2013; and
- supplement or comment upon the statutory auditor's report under Section 143 (6) of the Companies Act, 2013.

5.11.3 Supplementary Audit of accounts of Government Companies

The primary responsibility for preparation of Financial Statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the management of an entity.

The statutory auditors appointed by the CAG under section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the Financial Statements under section 143 of the Companies Act, 2013 based on an independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India and directions given by the CAG. The statutory auditors are required to submit the Audit Report to the CAG under Section 143 of the Companies Act, 2013.

The certified accounts of selected Government Companies along with the report of the statutory auditors are reviewed by the CAG by carrying out a supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act, 2013 to be placed before the AGM.

5.12 Result of CAG's oversight role

5.12.1 Audit of accounts of SPSEs

Sixty six Financial Statements⁵⁷ for the year 2022-23⁵⁸ and previous years⁵⁹ were received from 47 SPSEs from 1 October 2022 to 30 September 2023. Seventy-five⁶⁰ Financial Statements of 49 SPSEs were reviewed in audit by the CAG and Non-Review Certificate was issued for the 13 accounts of six SPSEs.

5.12.2 Amendment of Financial Statements

During 2022-23, there is no case of SPSEs amending their Financial Statements before laying the same in the AGM.

5.12.3 Revision of Auditors' Report

During 2022-23, there is one case of revision of statutory auditors' report as a result of supplementary audit of the Financial Statements conducted by the CAG.

5.13 Follow up action on State Finances Audit Report

State Finances Audit Report is being prepared from the year 2008-09 onwards and presented to State Legislature. The Public Accounts Committee is yet to discuss these reports.

5.14 Conclusion

As on 31 March 2023, there were 113 SPSEs including six Statutory Corporations. Out of 107 SPSEs, there are 41 inactive SPSEs (including 13 SPSEs under liquidation). SPSEs did not adhere to the prescribed timeline regarding submission of their Financial Statements. There were 1,047 accounts of 101 SPSEs in arrears.

As per latest finalised financial statements, out of the total profit of ₹ 2,169.50 crore earned by 39 SPSEs, profit of ₹ 1,933.80 crore (89.14 per cent) was contributed by six SPSEs. Also there were 34 SPSEs with accumulated losses of ₹ 1,95,724.15 crore. Of these, 24 SPSEs incurred losses amounting to ₹ 32,427.27 crore. Net-worth of 15 SPSEs had been completely eroded due to accumulated losses as per their latest finalised accounts.

⁵⁷ Including Consolidated Financial Statement (CFS) of Uttar Pradesh Power Corporation Limited for the year 2022-23.

⁵⁸ 11 Financial Statements for the year 2022-23 (including one CFS) from 10 SPSEs were received.

⁵⁹ Fifty five Financial Statements received, were for the year 2021-22 and prior to that.

⁶⁰ Including four CFS of different SPSEs.

5.15 Recommendations:

18. *The administrative departments should strictly monitor and issue necessary directions to liquidate the arrears in accounts of the SPSEs and take necessary steps to resolve the constraints in preparing the accounts of SPSEs.*
19. *State Government may review the status of inactive SPSEs which have closed their operation and take policy decision regarding commencement of liquidation process in respect of inactive SPSEs.*
20. *State Government may analyse the reason for losses in those SPSEs whose net worth had been fully eroded and take decision about continuance of operation of these SPSEs.*

Lucknow
The **21 June 2024**



(TANYA SINGH)
Accountant General (Audit-II),
Uttar Pradesh

Countersigned

New Delhi
The **27 JUN 2024**



(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

Appendices

Appendix-1.1
(Referred to in paragraph 1.1)
General Data of State of Uttar Pradesh

Sl. No.	Particulars	Figures
1	Area ¹	2,40,928 Sq. Km.
2	Population ²	
a.	Census 2011 (As on 1 March 2011)	19.98 crore
b.	Projected for the year 2023 (As on 1 March 2023)	23.57 crore
3	Decadal Population Growth ³ (2013-2023)	
	Uttar Pradesh	14.23 per cent
	All India (inclusive of UTs)	11.68 per cent
4	Literacy (as per 2011 Census) (All India Average = 73 per cent)	67.7 per cent
5	Infant mortality rate ⁴ (per 1000 live births) (All India Average = 28 per 1000 live births)	38
6	Life Expectancy at birth ⁵ (All India Average = 70 years)	66 years
7	Gross State Domestic Product (GSDP) at current prices	₹ 22,57,575 crore
8	Per capita GSDP Compound Annual Growth Rate (CAGR) (2013-14 to 2022-23)	
	Uttar Pradesh	8.74
	All India (inclusive of UTs)	9.12
9	GSDP CAGR (2013-14 to 2022-23)	
	Uttar Pradesh	10.22
	All India (inclusive of UTs)	10.34
10	Population below poverty line (BPL) ⁶ (2011-12) (All India Average = 21.92 per cent)	29.43 per cent

¹ Directorate of Economics and Statistics, Government of UP.

² Population Projections for India and States 2011-2036, Table 8 of the Report of the Technical Group on Population Projections (July 2020), National Commission on Population

³ Population Projections for India and States 2011-2036, Table 8 of the Report of the Technical Group on Population Projections (July 2020), National Commission on Population

⁴ Sample Registration System (SRS) Bulletin, May 2022 (for the year 2020), office of the Registrar General, India.

⁵ SRS Based Abridged Life Table 2016-20 published by the Office of the Registrar General & Census Commissioner, India (October 2022).

⁶ Reserve Bank of India, Handbook of Statistics on Indian Economy 2011-12 (Table 162).

Appendix-2.1
(Referred to in paragraph 2.2)
Time series data on the State Government Finances
(Figures in bracket indicate percentages to total of each sub-heading)

(₹ in crore)

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
PART A – RECEIPTS					
1. Revenue Receipts of which	3,29,978	3,66,393	2,96,176	3,71,011	4,17,241
(i) Own Tax Revenue of which	1,20,122(36)	1,22,826(34)	1,19,897(40)	1,47,368(40)	1,74,087(42)
SGST	46,108 (38)	47,232(38)	42,860(36)	54,594(37)	64,141(37)
Taxes on Sales, Trade, etc.	23,798(20)	20,517(17)	22,127(18)	27,058(18)	31,979(18)
State Excise	23,927(20)	27,325(22)	30,061(25)	36,320(25)	41,253(34)
Taxes on Vehicles	6,929(6)	7,715(6)	6,483(5)	7,776(5)	9,059(5)
Stamps and Registration fees	1,57,33(13)	16,070(13)	16,475(14)	20,048(14)	24,844(14)
Land Revenue	631(1)	504(0.41)	297(0.25)	193(0.13)	285(0.16)
Taxes and duties on Electricity	2,978 (2)	3,453(3)	1,587(1)	1,366(1)	2,519(1.45)
Other Taxes	18(0.01)	10(0.01)	7(0.01)	13(0.01)	7(0.004)
(ii) Non Tax Revenue	3,0101(9)	81,705(22)	11,846(4)	11,436(3)	13,489(3.23)
(iii) State's Share of Union Taxes and Duties	1,36,766(42)	1,17,818(32)	1,06,687(36)	1,60,358(43)	1,69,745(41)
(iv) Grants-in-aid from GoI	42,989(13)	44,044(12)	57,746(20)	51,849(14)	59,920(14)
2. Miscellaneous Capital Receipts	0	0	0	0	0
3. Recoveries of Loans and Advances	5,313	5,641	1,135	939	1,337
4. Total Revenue and Non debt Capital Receipts (1+2+3)	3,35,291	3,72,034	2,97,311	3,71,951⁷	4,18,578
5. Public Debt Receipts of which	51,595	73,809	86,859	75,751	66,847
Internal Debt (excluding Ways and Means Advances and Overdrafts)	50,791(98)	72,554(98)	78,677(91)	65,003(86)	58,024(87)
Transactions under Ways and Means Advances and Overdrafts	0	0	0	0	0
Loans and Advances from GoI	804(2)	1,255(2)	8,182(9)	10,748(14)	8,823(13)
6. Total Receipts in the Consolidated Fund(4+5)	3,86,886	4,45,843	3,84,170	4,47,702	4,85,426⁸

⁷ During the year 2021-22, Revenue Receipts were ₹ 3,71,011.44 crore and Recoveries of Loans and Advances were ₹ 939.43 crore. Hence, total of Revenue and Non debt Capital Receipts was ₹ 371,950.87 crore.

⁸ During the year 2022-23, Revenue Receipts were ₹ 4,17,241.50 crore, Recoveries of Loans and Advances were ₹ 1,337.32 crore and Public Debt Receipts were ₹ 66,846.93 crore. Hence, Total Receipts in Consolidated Fund was ₹ 4,85,425.75 crore.

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
7. Contingency Fund Receipts	230	662	0	700	0
8. Public Account Receipts⁹	3,80,994	3,70,692	3,64,493	4,27,452	5,07,452
9. Total Receipts of the State (6+7+8)	7,68,110	8,17,197	7,48,663	8,75,853	9,92,878
PART B - EXPENDITURE/ DISBURSEMENT					
10. Revenue Expenditure of which	3,01,728(81)	2,98,833(83)	2,98,543(85)	3,37,581(82)	3,79,978(79)
General Services	1,31,057(44)	1,17,675(39)	1,19,057(40)	1,33,521(39)	1,44,688(38)
Social Services	91,312(30)	1,03,849(35)	1,09,727(37)	1,20,987(36)	1,38,928(36)
Economic Services	67,259(22)	62,809(21)	55,551(19)	66,573(20)	78,363(21)
Grants-in-aid and contributions	12,100(4)	14,500(5)	14,208(5)	16,500(5)	18,000(5)
11. Capital Expenditure of which	62,463(17)	59,998(16)	52,237(15)	71,443(17)	93,028(19)
General Services	3,419(5)	2,495(4)	1,523(3)	2,357(3)	4,450(5)
Social Services	10,589(17)	10,515(18)	12,386(24)	18,569(26)	35,049(38)
Economic Services	48,455(78)	46,988(78)	38,328(73)	50,517(71)	53,530(57)
12. Disbursement of Loans and Advances	6,303(2)	2,120(1)	1,153(0.32)	1,613(0.39)	10,209(2)
13. Appropriation to the Contingency Fund	0	0	0	600(0.15)	0
14. Total Expenditure (10+11+12+13)	3,70,494	3,60,951	3,51,933	4,11,237	4,83,215
15. Repayments of Public Debt	20,717	22,401	26,778	28,726	22,690
Internal Debt (excluding Ways and Means Advances and Overdrafts)	19,080(92)	20,695(92)	25,174(94)	27,132(94)	20,970(92)
Transactions under Ways and Means Advances and Overdraft	0	0	0	0	0
Loans and Advances from Government of India	1,637(8)	1,706(8)	1,604(6)	1,594(6)	1,720(8)
16. Total Disbursement out of Consolidated Fund (14+15)	3,91,211	3,83,352	3,78,711	4,39,963	5,05,905
17. Contingency Fund disbursements	396	32	100	0	0.06
18. Public Account disbursements	3,61,072	4,39,282	3,59,643	4,23,011	4,98,657
19. Total disbursement by the State (16+17+18)	7,52,679	8,27,666	7,38,454	8,62,974	10,04,562
PART C. DEFICITS/SURPLUS					
20. Revenue Deficit(-)/Revenue Surplus(+) (1-10)	(+)28,250	(+)67,560	(-)2,367	(+)33,430	(+)37,263

⁹ This excludes receipts under Major Head 8671 (Departmental Balances), Major Head 8672 (Permanent Cash Imprest), Major Head 8673 (Cash Balance Investment Account) and Investments under Reserve Funds, which are part of Cash Balances of the State Government.

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-14)	(-)35,203	(+)11,083	(-)54,622	(-)39,286	(-)64,636¹⁰
22. Primary Deficit (-)/Fiscal Surplus (+) (21+23)	(-)3,161	(+)45,896	(-)17,194	(+)3,589	(-)21,628
23. Interest Payment (included in Revenue Expenditure under Major Head 2049)	32,042	34,813	37,428	42,876	43,008

¹⁰ During the year 2022-23, Fiscal Deficit was ₹ 64,636.26 crore in view of Revenue Receipts (₹ 4,17,241.50 crore), recoveries of Loans and Advances (₹ 1,337.32 crore), Revenue Expenditure (₹ 3,79,978.06 crore), Capital Expenditure (₹ 93,028.39 crore), Loans and Advances Disbursed (₹ 10,208.63 crore).

Appendix-2.2

(Referred to in paragraph 2.3.2.2)
Collection of Own Tax/Non-Tax Revenue during the period 2018-23

(₹ in crore)

Heads	2018-19	2019-20	2020-21	2021-22	2022-23 Budget Estimate	Actual 2022-23
(A) Own Tax Revenue during 2018-23						
State Goods and Services Tax	46,108	47,232	42,860	54,594	88,264	64,141
Taxes on Sales, Trade etc.	23,798	20,517	22,127	27,058	36,213	31,979
State Excise	23,927	27,325	30,061	36,320	49,153	41,253
Taxes on Vehicles	6,929	7,715	6,483	7,776	10,887	9,059
Stamps and Registration Fees	15,733	16,070	16,475	20,048	29,692	24,844
Land Revenue	631	504	297	193	915	285
Taxes and duties on Electricity	2,978	3,453	1,587	1,366	5,531	2,519
Other taxes	18	10	7	13	0	7
Total (A)	1,20,122	1,22,826	1,19,897	1,47,368	2,20,655	1,74,087
(B) Non Tax Revenue during 2018-23						
Fiscal Services	0.01	0.04	0.02	0.07	0.00	0.27
Interest Receipts, Dividend and Profits	1,888	1,508	1,220	1,462	2,200	1,400
General Services	15,366	73,484	2,239	1,959	3,193	2,300
Social Services	872	978	1,046	1,107	1,836	2,151
Economic Services	11,975	5,735	7,341	6,908	16,177	7,638
Total (B)	30,101	81,705	11,846	11,436	23,406	13,489
Grand Total (A + B)	1,50,223	2,04,531	1,31,743	1,58,804	2,44,061	1,87,576

Appendix-2.3
(Referred to in paragraph 2.5.2)
Details of Reserve Funds during the year 2022-23

(₹ in lakh)

Particulars	Opening Balance	Receipts	Disbursements	Closing Balance
Reserve Funds bearing Interest				
8115-Depreciation/Renewal Reserve Fund	(-) 4,441.57	0.00	0.00	(-) 4,441.57
105-Depreciation Reserve Fund-Investment Account	(-) 4,441.57	0.00	0.00	(-) 4,441.57
8121-General and Other Reserve Funds	4,19,845.13	1,90,993.11	1,18,094.64	4,92,743.60
101-General and Other Reserve Funds of Govt. Commercial Departments/Undertaking	9.68	0.00	0.00	9.68
122-State Disaster Response Fund	3,01,559.43	1,09,196.78	94,920.22	3,15,835.99
129-State Compensatory Afforestation Fund (SCAF)	1,18,276.02	3,166.33	23,174.42	98,267.93
130-State Disaster Mitigation Fund	0.00	78,630.00	0.00	78,630.00
Total- Reserve Fund bearing Interest	4,19,845.13	1,90,993.11	1,18,094.64	4,92,743.60
Investment	(-) 4,441.57	0.00	0.00	(-) 4,441.57
Reserve Funds not bearing Interest				
8222-Sinking Fund	0.00	2,50,000.00	2,50,000.00	0.00
01-Appropriation for Reduction or avoidance of debt 101-Sinking Funds	3,00,000.00	2,50,000.00	0.00	5,50,000.00
02- Sinking Fund – Investment Account 101-Sinking Fund – Investment Account	(-) 3,00,000.00	0.00	2,50,000.00	(-) 5,50,000.00
8223-Famine Relief Fund	(-) 78.01	0.00	0.00	(-) 78.01
102-Famine Relief Fund - Investment Account	(-) 78.01	0.00	0.00	(-) 78.01
8225-Roads and Bridges Fund	55,815.81	4,05,000.00	3,75,000.00	85,815.81
101-State Roads and Bridges Fund	55,815.81	4,05,000.00	3,75,000.00	85,815.81
8226-Depreciation/Renewal Reserve Funds	(-) 610.73	3,000.00	969.84	1,419.43
102-Depreciation Reserve Funds of Government Non-commercial Departments	(-) 610.73	3,000.00	969.84	1,419.43
8229-Development and Welfare Funds	76,103.41	0.00	0.00	76,103.41
101-Development Funds For Educational Purposes	4,238.23	0.00	0.00	4,238.23
106-Industrial Development Funds	100.00	0.00	0.00	100.00
109-Cooperative Development Funds	0.01	0.00	0.00	0.01
200-Other Development and Welfare Funds	71,765.17	0.00	0.00	71,765.17
8235-General and other Reserve Funds	40,866.41	18,448.26	4,197.66	55,117.01
101-General Reserve Funds of Government Commercial Departments/Undertakings	14,009.00	2.81	0.00	14,011.81
111-State Disaster Response Fund (including ₹ 1,000 lakh as balance of State Mitigation Fund)	0.00	673.45	0.00	673.45
200-Other Funds	26,857.41	17,772.00	4,197.66	40,431.75
Total -Reserve Funds not bearing Interest	4,72,174.90	6,76,448.26	3,80,167.50	7,68,455.66
Investment	(-)3,00,078.01	0.00	2,50,000.00	(-)5,50,078.01
Grand Total	Reserve Funds	8,92,020.03	8,67,441.37	4,98,262.14
	Investment	(-)3,04,519.58	0.00	(-)5,54,519.58

Note: Minus figures in this Appendix represent debit balances.

Appendix-3.1
(Referred to in paragraph 3.2.3)
Lump-sum budgetary provision during the year 2022-23

(₹ in crore)

Sl. No.	Grant No.	Head of Accounts	Voted/ Charged	Description	Original Budget Provision	Expenditure	Per cent
1	1	4059-01-051-03	Voted	Lump sum provision for construction of Office and Godowns of Excise Department	0.61	0.41	67.21
2	9	2045-103-04	Voted	Lump sum provision for formation of Uttar Pradesh Electricity Regulatory Commission	14.61	14.61	100.00
3	9	2045-103-04	Charged	Lump sum provision for formation of Uttar Pradesh Electricity Regulatory Commission	1.86	1.86	100.00
4	11	2071-01-117-07	Voted	Lump sum payment of residual employer contribution up to 31.03.2019 of employees of Agriculture Universities covered under N.P.S.	14.00	00	0.00
5	25	4070-800-09	Voted	Lump sum provision for land purchase for construction of jails in newly created districts	50.00	50.00	100.00
6	40	2575-06-101-03	Voted	Lump sum provision for Solar Light/Solar Pump/Solar Power Fencing	0.45	00	0.00
7	40	2575-06-102-03	Voted	Lump sum provision for organisation of Committees/ Equipment/Machines/Furnishing	0.06	00	0.00
8	40	2575-06-105-04	Voted	Lump sum provision for Skill Development Mission	0.03	00	0.00
9	40	2575-06-105-05	Voted	Lump sum provision for fruits and vegetables/Spices Development	0.03	00	0.00
10	40	2575-06-800-04	Voted	Lump sum provision for review, training and evaluation	0.30	00	0.00
11	40	4575-06-101-03	Voted	Lump sum Provision for construction/extension of Veterinary Hospitals/Animal Service Centres	0.18	00	0.00
12	40	4575-06-102-03	Voted	Lump sum Provision for Water Supply Programmes	15.00	00	0.00
13	40	4575-06-106-03	Voted	Lump sum Provision for Rural Electrification	0.02	00	0.00
14	40	4575-06-201-03	Voted	Lump sum Provision for construction/extension of boundary wall of School Building	2.40	00	0.00
15	40	4575-06-337-03	Voted	Lump sum Provision for roads	18.00	00	0.00

Sl. No.	Grant No.	Head of Accounts	Voted/ Charged	Description	Original Budget Provision	Expenditure	Per cent
16	40	4575-06-800-03	Voted	Lump sum Provision for construction/extension of Community/Primary Health Centres and Sub-Centres buildings	3.00	00	0.00
17	40	4575-06-800-04	Voted	Lump sum Provision for construction/extension of building of Homeopathy Hospital	0.01	00	0.00
18	40	4575-06-800-06	Voted	Lump sum Provision for construction of Anganbadi Centres	1.20	00	0.00
19	40	4575-06-800-09	Voted	Lump sum Provision for construction of CC Road and K.C. Drains	12.57	00	0.00
20	40	4575-06-800-10	Voted	Lump sum Provision for construction of flood shelter home	0.24	00	0.00
21	40	4575-06-800-11	Voted	Lump sum Provision for construction of mini stadium	1.50	00	0.00
22	40	4575-06-800-12	Voted	Lump sum Provision for construction of boundary wall and road in premises of Scheduled Castes Ashram System School	0.03	00	0.00
23	40	4575-06-800-13	Voted	Lump sum Provision for construction of toilets	1.20	00	0.00
24	40	4575-06-800-14	Voted	Lump sum arrangement for construction of Heritage work shed tharu shilp training center /sale and exhibition center/dance music center/hut etc.(C.60/S.40-C)	0.45	00	0.00
25	40	4575-06-800-15	Voted	Lump sum arrangement for Construction/Extension/ Renovation for Tourist Place Development	0.78	00	0.00
26	40	4575-06-800-16	Voted	Lump sum provision for farmers/shed/construction of cow ranch/extension etc.	0.30	00	0.00
27	48	2071-01-117-07	Voted	Lump sum payment of residual employer contribution up to 31.03.2019 of employees covered under N.P.S. of aided Arbi Farsi Madarsas	1.00	00	0.00
28	50	4059-01-051-02	Voted	Lump sum provision for new construction / extension / reconstruction/ strengthening of non- residential buildings of divisions/ districts/tehsils of the state and purchase of land	21.01	19.52	92.91

Sl. No.	Grant No.	Head of Accounts	Voted/ Charged	Description	Original Budget Provision	Expenditure	Per cent
29	58	5054-03-337-13	Voted	Lump sum Provision State Highway	510	305.24	59.85
30	58	5054-04-337-13	Voted	Lump sum provision District Roads	2836.00	3543.33	124.94
31	58	5054-04-337-15	Voted	New construction/reconstruction/ missing link of rural connecting routes of revenue villages/ habitats to link with paved connecting routes for agricultural marketing facilities and lump sum arrangements.	400.00	79.38	19.85
32	58	5054-04-337-66	Voted	Lump sum provision for new works of rural link roads and small bridges for agriculture marketing facilities (Finance by NABARD) (District Plan)	700.00	359.10	51.30
33	58	5054-04-337-83	Voted	Lump sum provision for current works of strengthening/widening of main/other district roads of rural areas under R.I.D.F. plan financed by NABARD	500.00	325.13	65.03
34	58	5054-04-337-86	Voted	Lump sum provision for new work of strengthening/widening of main/other district roads of rural areas under R.I.D.F. plan financed by NABARD	300.00	4.86	1.62
35	58	5054-80-800-05	Voted	Lump sum provision for Management and Planning works of Information Technology	55.00	8.92	16.22
36	59	4059-80-051-03	Voted	Lump sum Provision for renovation of non-residential buildings and water distribution works	0.50	0.09	18.00
37	61	2049-04-101-03	Charged	Lump sum Loans	103.79	103.79	100.00
38	61	6004-09-101-03	Charged	Lump sum Loans	276.09	276.09	100.00
39	62	2071-01-117-07	Voted	Lump sum payment of residual employer contribution up to 31.03.2019 of Government employees covered under N.P.S.	3000.00	00	0.00
40	75	2071-01-117-07	Voted	Lump sum payment of residual employer contribution up to 31.03.2019 of Government employees covered under N.P.S.	0.10	00	0.00
41	83	5054-03-789-05	Voted	Lump sum provision for new works of state main/other district roads	212.10	72.37	34.12

Sl. No.	Grant No.	Head of Accounts	Voted/ Charged	Description	Original Budget Provision	Expenditure	Per cent
42	83	5054-04-789-19	Voted	Lump sum provision for new construction of Railway Over/Under Bridges	84.84	22.89	26.98
43	83	5054-04-789-27	Voted	Lump sum provision for current work of rural connecting roads/minor bridges for agriculture marketing facilities (NABARD financed) (District Plan)	15.00	10.02	66.80
44	84	2075-800-03	Voted	Lump sum amount as cash award to the citizens of Uttar Pradesh honoured with awards mentioned under Ashok Chakra Series	3.00	1.10	36.67
45	87	2075-104-04	Voted	Lump sum cash award/grant by State Government to winners of Veerchakra Series	3.88	3.76	96.91
46	87	2075-104-05	Voted	Lump sum Soldiers Cash Awards to soldiers of Border Security Force and recipients of War Sena Medal Award of Uttar Pradesh	2.70	2.33	86.30
47	87	2075-104-07	Voted	Lump sum grant to Medal Winners of Vishisht Sewa Medal Series	1.70	1.20	70.59
48	91	4059-01-800-03	Voted	Lump sum provision for construction of Office buildings of Stamps and Registration Department	1.00	0.84	84.00
49	94	4701-40-051-05	Voted	Lump sum arrangement for medium irrigation plan(commercial)	1.50	1.50	100.00
50	94	4701-97-051-10	Voted	Lump sum arrangement for maintenance of damaged permanent construction like pool etc. on canals.	50.00	6.06	12.12
51	94	4711-01-103-03	Voted	Lump sum provision for border dams (States Sector)	5.37	2.16	40.22
52	95	2701-02-001-07	Voted	Working Establishment (Lump sum provision for workshops employee of irrigation department)	53.64	37.53	69.97
	18			Total	9,277.05	5,254.09	56.64

Appendix-3.2

(Referred to in paragraph 3.2.4)

Detail of funding pattern (Central share/State share/Financial Institution) not mentioned in Central schemes / Central Sponsored schemes in Budget Documents 2022-23

(₹ in crore)

Grant No. and Name	Account Head	Name of Program	Amount
021-Food and Civil Supplies Department	4059-60-051-01-0102	Construction of building for Secondary Standard Laboratory / Calibration Towers	10.00
037-Urban Development Department	2230-02-101-01-0101	Establishment of a cell on state level	0.13
	4216-02-800-01-0101	Rajeev Housing Yojna	3.54
044-Tourism Department	5452-80-104-01-0109	Creation of tourism infrastructure facilities in the identified places under PRASAD scheme	16.07
047-Technical Education Department	4202-02-105-01-0105	Establishment and Strengthening of Technical Institutions under <i>Rastriya Uchatar Siksha Abhiyan</i> (RUSA)	4.80
060-Forest Department	4406-01-800-01-0112	Forest Fire Prevention and Management Scheme	0.35
075-Education Department (State Council of Education Research and Training)	4202-01-201-01-0104	New District Institute of Education and Training in three districts (Ghaziabad, Amethi and Kasganj)	3.00
081-Social Welfare Department (Tribal Welfare)	4202-01-796-01-0108	Establishment of District Education and Training Institute	0.07
083-Social Welfare Department (Special Component Plan for Scheduled Castes)	4202-01-789-01-0108	Establishment of District Education and Training Institute	1.80
Total			39.76

Appendix-3.3

(Referred to in paragraph 3.2.4)

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 Head	Name of Program	Amount
011-Agriculture and Other Allied Departments (Agriculture)	2401-114-01-0101	National Food Security Mission (OS/TBO)(C.60%/S.60%)	12.83
045-Environment Department	3435-04-103-01-0101	Establishment of hazardous waste disposal facilities and Treatment of unauthorized hazardous waste disposal sites. (C.0%/S.50%)	3.00
049-Women and Child Welfare Department	2235-02-103-01-0104	Ujjwala Scheme (C.60%/S.30%)	0.90
083-Social Welfare Department (Special Component Plan for Scheduled Castes)	2401-789-01-0110	National Food Security Mission (OS/TBO) (C.60%/S.60%)	2.04
Total			18.77

Appendix-3.4

(Referred to in paragraph 3.3.2)

Grants in which savings were above ₹ 100 crore in each case during the year 2022-23

(₹ in crore)

Sl. No.	Grant No.	Grant Name	Provision	Expenditure	Savings	Saving excluded Surrendered
Revenue Voted						
1	2	Housing Department	417.78	265.19	152.59	35.60
2	3	Industries Department (Small Industry and Export Promotion)	978.66	694.21	284.45	284.45
3	7	Industries Department (Heavy and Medium Industries)	6054.12	3843.43	2210.69	2210.69
4	9	Power Department	31629.55	27944.90	3684.65	3684.65
5	10	Agriculture and other Allied Departments (Horticultural and Sericulture Development)	1633.14	789.99	843.15	7.93
6	11	Agriculture and other Allied Departments (Agriculture)	6824.16	4701.11	2123.05	16.53
7	12	Agriculture and other Allied Departments (Land Development and Water Resources)	714.49	227.43	487.06	487.06
8	13	Agriculture and other Allied Departments (Rural Development)	3994.62	3054.56	940.07	909.49
9	14	Agriculture and Other Allied Departments (Panchayati Raj)	13236.64	11857.80	1378.84	1378.84
10	15	Agriculture and other Allied Departments (Animal Husbandry)	2282.90	1706.22	576.68	0.15
11	17	Agriculture and other Allied Departments (Fisheries)	387.53	202.68	184.85	-0.01
12	18	Agriculture and other Allied Departments (Co-operative)	792.70	588.90	203.80	203.80
13	21	Food and Civil Supplies Department	7165.32	2692.64	4472.68	4365.99
14	25	Home Department (Jails)-	1141.50	1025.73	115.77	3.14
15	26	Home Department (Police)	28737.10	24314.17	4422.93	4422.93
16	28	Home Department (Political Pension and Other Expenditure)	394.41	283.48	110.93	110.93
17	31	Medical Department (Medical Education and Training)	4932.81	4583.16	349.65	338.18
18	32	Medical Department (Allopathy)	8896.38	6398.86	2497.53	2497.52
19	33	Medical Department (Ayurvedic and Unani)	1652.41	1029.94	622.47	622.47
20	34	Medical Department (Homoeopathy)	650.97	474.38	176.59	176.59
21	35	Medical Department (Family Welfare)	15711.21	11159.72	4551.49	4551.49
22	36	Medical Department (Public Health)	1000.47	615.60	384.86	384.86
23	37	Urban Development Department	23279.10	13613.84	9665.26	9659.57
24	40	Planning Department	330.20	203.18	127.02	75.47

Sl. No.	Grant No.	Grant Name	Provision	Expenditure	Savings	Saving excluded Surrendered
25	41	Election Department	468.99	327.76	141.23	0.71
26	42	Judicial Department	3306.32	2342.96	963.36	963.28
27	43	Transport Department	475.30	348.74	126.56	126.17
28	48	Minorities Welfare Department	2424.46	1291.20	1133.25	1133.25
29	49	Women and Child Welfare Department	12036.22	9032.02	3004.20	3004.20
30	50	Revenue Department (District Administration)	1307.17	977.38	329.78	329.05
31	51	Revenue Department (Relief on Account of Natural Calamities)	3720.95	1879.00	1841.95	1841.95
32	52	Revenue Department (Board of Revenue and other Expenditure)	4467.50	3581.57	885.92	744.27
33	54	Public Works Department (Establishment)	2988.39	844.06	2144.33	2144.33
34	59	Public Works Department (Estate Directorate)	390.39	202.41	187.97	187.97
35	60	Forest Department	1010.98	671.21	339.77	339.77
36	61	Finance Department (Debt Services & other Expenditure)	20411.02	18935.35	1475.67	1475.67
37	62	Finance Department (Superannuation Allowances and Pensions)	71256.24	56175.42	15080.82	15080.82
38	63	Finance Department (Treasury and Accounts Administration)	328.75	227.01	101.74	99.37
39	69	Vocational Education Department	1038.83	807.22	231.61	30.14
40	70	Science and Technology Department	520.13	342.30	177.83	177.83
41	71	Education Department (Primary Education)	63385.11	50631.37	12753.75	911.84
42	72	Education Department (Secondary Education)	14508.14	12356.02	2152.12	2151.95
43	73	Education Department (Higher Education)	3604.29	3025.61	578.68	-1.75
44	74	Home Department (Home guards)	2891.95	2473.87	418.07	0.85
45	76	Labour Department (Labour Welfare)	557.97	372.37	185.60	185.60
46	78	Secretariat Administration Department	1599.65	1232.16	367.49	3.78
47	79	Social Welfare Department (welfare of the Handicapped and backward classes)	3461.60	3085.83	375.76	255.99
48	80	Social Welfare Department (Social Welfare and Welfare of Scheduled Castes)	9411.93	8021.95	1389.97	1.71
49	81	Social Welfare Department (Tribal Welfare)	1761.01	942.44	818.57	761.13
50	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	18886.33	12310.06	6576.27	5659.49

Sl. No.	Grant No.	Grant Name	Provision	Expenditure	Savings	Saving excluded Surrendered
51	89	Institutional Finance Department(Commercial Department)	1190.57	918.84	271.72	0.27
52	91	Institutional Finance Department (Stamps and Registration)	460.70	328.45	132.25	132.25
53	93	Namami Gangetic and Rural Water Supply Department	1331.79	869.64	462.15	409.84
54	94	Irrigation Department (Works)	5342.28	3370.64	1971.64	1971.64
55	95	Irrigation Department (Establishment)	5534.58	4172.07	1362.51	1362.51
		Total (Revenue Voted)	422917.71	324368.05	98549.60	77914.2
Capital Voted						
1	2	Housing Department	7192.12	3858.24	3333.88	3333.88
2	7	Industries Department (Heavy and Medium Industries)	14842.39	12895.09	1947.30	1947.30
3	9	Power Department	14508.41	9607.81	4900.60	4900.60
4	11	Agriculture and other Allied Departments (Agriculture)	569.11	372.76	196.36	-0.20
5	13	Agriculture and other Allied Departments (Rural Development)	20728.88	18570.27	2158.61	2158.56
6	14	Agriculture and Other Allied Departments (Panchayati Raj)	414.93	149.54	265.38	265.38
8	21	Food and Civil Supplies Department	17751.83	11140.76	6611.07	5165.32
9	24	Cane Development Department (Sugar Industry)	1470.25	1120.39	349.86	0
10	26	Home Department (Police)	4723.27	3253.59	1469.68	1469.68
11	31	Medical Department (Medical Education and Training)	4526.57	2756.92	1769.65	1763.99
12	32	Medical Department (Allopathy)	1222.65	525.83	696.82	696.82
13	35	Medical Department (Family Welfare)	2487.56	1111.12	1376.44	1376.44
14	37	Urban Development Department	801.63	336.82	464.81	60.99
15	38	Civil Aviation Department	2212.00	2013.77	198.23	0
16	40	Planning Department	2857.15	2345.91	511.24	228.24
17	42	Judicial Department	2789.20	492.60	2296.60	2296.60
18	47	Technical Education Department	183.90	79.30	104.61	104.61
19	51	Revenue Department (Relief on Account of natural calamities)	578.90	17.33	561.57	561.57
20	52	Revenue Department (Board of Revenue and other expenditure)	173.69	3.10	170.59	170.59
21	57	Public Works Department (Communication Bridges)	2969.60	2030.91	938.69	938.69
22	58	Public Works Department (Communications-Roads)	17709.51	12555.62	5153.89	5153.89
23	61	Finance Department (Debt Services & other Expenditure)	155.00	38.85	116.15	102.49
24	62	Finance Department (Superannuation Allowances and Pensions)	200.00	14.00	186.00	186.00

Sl. No.	Grant No.	Grant Name	Provision	Expenditure	Savings	Saving excluded Surrendered
25	72	Education Department (Secondary Education)	490.32	380.27	110.05	110.05
26	81	Social Welfare Department (Tribal Welfare)	523.46	309.20	214.26	146.73
27	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	11649.78	8320.94	3328.84	3155.00
28	84	General Administration Department	604.52	457.02	147.50	147.50
29	92	Culture Department	231.80	77.88	153.91	153.91
30	93	Namami Gangey and Rural Water Supply	15577.61	8229.70	7347.91	7345.05
31	94	Irrigation Department (Works)	8313.20	3367.77	4945.43	4945.43
		Total	158459.24	106433.31	52025.93	48885.11
Total (Revenue Voted + Capital Voted)			581376.95	430801.36	150575.53	126799.31
Revenue Charged						
1	42	Judicial Department	716.17	579.46	136.71	136.71
2	58	Public Works Department (Communications-Roads)	150.00	10.04	139.96	139.96
3	61	Finance Department (Debt Services & other Expenditure)	44954.86	41975.38	2979.48	2979.48
Total			45821.03	42564.88	3256.15	3256.15
Capital Charged						
1	61	Finance Department (Debt Services & other Expenditure)	28136.73	18259.84	9876.90	9876.90
Total			28136.73	18259.84	9876.90	9876.90
Total (Revenue Charged + Capital Charged)			73957.76	60824.72	13133.05	13133.05
Grand Total			655334.71	491626.08	163708.58	139932.36

Appendix-3.5
(Referred to in paragraph 3.3.3)
Grants in which persistent savings were above ₹ 100 crore in the last five year during
2018-2023

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Voted							
1	11	Agriculture and other Allied Departments (Agriculture)	888.77	1078.24	1655.00	1525.32	2123.05
2	13	Agriculture and other Allied Departments (Rural Development)	575.80	648.55	903.83	403.18	940.07
3	15	Agriculture and other Allied Departments (Animal Husbandry)	310.75	223.83	412.87	389.67	576.68
4	26	Home Department (Police)	374.07	1809.86	5594.62	4030.66	4422.93
5	32	Medical Department (Allopathy)	1282.19	1935.09	2514.99	1937.56	2497.53
6	33	Medical Department (Ayurvedic and Unani)	336.93	331.55	330.70	343.03	622.47
7	35	Medical Department (Family Welfare)	719.19	988.46	592.63	1573.99	4551.49
8	36	Medical Department (Public Health)	184.56	261.71	333.35	379.53	384.86
9	37	Urban Development Department	3451.60	8753.97	3890.80	6838.60	9665.26
10	42	Judicial Department	473.88	813.17	967.23	1014.07	963.36
11	48	Minorities Welfare Department	1034.01	1081.21	1086.58	1137.70	1133.25
12	49	Women and Child Welfare Department	2464.72	3554.23	4417.62	2195.30	3004.20
13	51	Revenue Department (Relief on Account of Natural Calamities)	1370.92	532.44	2289.91	229.38	1841.95
14	52	Revenue Department (Board of Revenue and other Expenditure)	468.34	1547.59	1134.72	1189.95	885.92
15	54	Public Works Department (Establishment)	1769.10	1878.77	2497.34	1971.55	2144.33
16	60	Forest Department	188.34	245.90	334.84	347.56	339.77
17	69	Vocational Education Department	101.54	124.91	303.76	310.20	231.61
18	71	Education Department (Primary Education)	14921.22	14407.71	13745.25	13969.60	12753.75
19	72	Education Department (Secondary Education)	379.82	1502.17	3151.50	3014.20	2152.12
20	73	Education Department (Higher Education)	761.39	342.64	813.80	760.00	578.68
21	80	Social Welfare Department (Social Welfare and Welfare of Scheduled Castes)	776.69	139.51	214.52	384.92	1389.97
22	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	4085.46	4255.67	4486.13	7052.22	6576.27

Sl. No.	Grant No.	Name of the Grant	2018-19	2019-20	2020-21	2021-22	2022-23
23	95	Irrigation Department (Establishment)	906.14	1344.21	1618.46	1517.73	1362.51
Total			37825.43	47801.39	53290.45	52515.92	61142.03
Capital (Voted)							
24	13	Agriculture and other Allied Departments (Rural Development)	9278.13	9371.66	7380.90	5605.88	2158.61
25	32	Medical Department (Allopathy)	204.87	344.64	267.39	1936.66	696.82
26	40	Planning Department	251.01	1021.53	897.57	2274.74	511.24
27	42	Judicial Department	983.23	1377.26	1687.20	1819.57	2296.60
Total			10,717.24	12,115.09	10,233.06	11,636.85	5,663.27
Grand Total (Revenue Voted +Capital Voted)			48,542.67	59,916.48	63,523.51	64,152.77	66,805.30

Appendix-3.6
(Referred to in paragraph 3.3.4)
Scheme for which Supplementary provisions could not be utilised

(₹ in crore)

Sl. No	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Supplementary Provision	Total	Expenditure	Savings
Revenue Voted									
1.	7	Industries Department (Heavy and Medium Industries)	2852-800-04	Swami Vivekananda Youth Empowerment Scheme	1500	300.00	1800.00	809.49	990.51
2.	26	Home Department (Police)	2055-001-03	Direction and Administration	50.67	1.80	52.47	33.14	19.33
3.	26	Home Department (Police)	2055-101-03	Intelligence Section-Main	378.36	10.00	388.36	374.68	13.68
4.	26	Home Department (Police)	2055-101-04	Research Section	468.5	3.30	471.80	392.68	79.12
5.	26	Home Department (Police)	2055-104-03	Special Police, State Arms Constabulary Main	3405.25	84.35	3489.60	3284.05	205.55
6.	26	Home Department (Police)	2055-108-03	State Headquarters Police, State Police Headquarters	119.17	1.05	120.22	107.82	12.40
7.	26	Home Department (Police)	2055-109-03	District Police, District Police (Main)	19331.34	60.00	19391.34	16463.38	2927.96
8.	26	Home Department (Police)	2055-109-05	Motor Transport Section Main	766.35	2.00	768.35	701.41	66.94
9.	26	Home Department (Police)	2055-109-07	District Police (Thana)	194.82	5.00	199.82	192.19	7.63
10.	26	Home Department (Police)	2055-109-13-100	UP 112 Project	340.88	15.31	356.19	334.99	21.20
11.	26	Home Department (Police)	2055-111-03	Railway Police, Main	544.78	5.25	550.03	408.32	141.71
12.	26	Home Department (Police)	2055-116-03	Forensic Science Laboratories	48.22	4.00	52.22	44.70	7.52
13.	31	Medical Department (Medical Education and Training)	2210-01-105-03	Allopathy, Education	4241.01	239.01	4480.02	4166.21	313.81
14.	35	Medical Department (Family Welfare)	2211-800-06	Implementation of the recommendation of the 15th	1524.41	687.66	2212.08	1099.59	1112.49

Sl. No	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Supplementary Provision	Total	Expenditure	Savings
				Finance Commission					
15.	35	Medical Department (Family Welfare)	2211-800-89	Relevant State Share of Centrally Sponsored Schemes	4181.27	1004.41	5185.68	3924.04	1261.64
16.	37	Urban Development Department	2217-05-051-01	Other Urban Development Schemes, Construction-01- Central Sponsored Scheme	5358	262.00	5620.00	2482.82	3137.18
17.	37	Urban Development Department	2217-051-89	Relevant State Share of Centrally Sponsored Schemes	3642	637.00	4279.00	2281.32	1997.68
18.	43	Transport Department	3055-800-06	Subsidy on Electric Vehicles	0	100.00	100.00	0.00	100.00
19.	49	Women and Child Welfare Department.	2235-102-03	Bal Vikas evam pushtahar	155.24	1.94	157.18	126.83	30.35
20.	49	Women and Child Welfare Department.	2235-102-89	Relevant State Share of Centrally Sponsored Schemes	3046.57	63.00	3109.57	2518.35	591.22
21.	61	Finance Department (Debt Services and other Expenditure)	2217-80-800-05	General-Transfer of 2% additional Stamp Duty collected by State Government to Dedicated Urban Transport Fund	150	251.36	401.36	150.00	251.36
22.	69	Vocational Education Department	2230-03-101—01	Industrial Training Institutes, Centrally Sponsored Schemes	21.37	3.06	24.43	9.43	15.00
23.	70	Science and Technology Department	2810-02-101-03	Solar, Solar Thermal Energy Programme, Science and Additional Energy Source	331.88	2.52	334.40	282.64	51.76
24.	72	Education Department (Secondary Education)	2202-02-108-03	Secondary Education Examinations, Madhyamik	158.38	55.00	213.38	154.91	58.47

Sl. No	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Supplementary Provision	Total	Expenditure	Savings
				Shiksha Parishad					
25.	81	Social Welfare Department (Tribal Welfare)	2211-796-89	Relevant State share of Centrally Sponsored Schemes	58.68	23.05	81.72	40.62	41.10
26.	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	2202-01-789-01	Elementary Education, Special Component Plan for Scheduled Castes, Centrally Sponsored Schemes	1757.95	2.04	1760.00	1253.11	506.89
27.	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	2202-01-789-89	Relevant State share of Centrally Sponsored Schemes	1171.97	1.36	1173.33	712.24	461.09
28.	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	2230-03-789-01	Training, Special Component Plan for Schedule Castes-Centrally Sponsored Schemes	24.1	1.30	25.40	20.86	4.54
Total Revenue Voted (Total grant 13)					52971.17	3826.77	56797.94	42369.82	14428.12
Capital Voted									
1.	9	Power Department	4801-02-190-14	Investments in Public Sector and other Undertakings	2307.6	500.00	2807.60	1522.32	1285.28
2.	24	Cane Development Department (Sugar Industry)	6860-04-101-21	Loans for works of Capacity expansion/modernisation/Co-generation plant/establishment and renovation of distillery etc. of co-operative sugar mills	195	20.00	215.00	40.39	174.61
3.	26	Home Department (Police)	4055-207-20	Establishment of Forensic Science Laboratories	90	15.00	105.00	82.13	22.87
4.	26	Home Department (Police)	4055-211-06	Construction of residential buildings of	800	200.00	1000.00	579.10	420.90

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Sl. No	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Supplementary Provision	Total	Expenditure	Savings
				Police Department					
5.	26	Home Department (Police)	4070-800-05	Other expenditure, Strengthening of Fire Brigade Services	10	20.00	30.00	0.00	30.00
6.	26	Home Department (Police)	4070-800-09	District police (main)	250	6.00	256.00	7.87	248.13
7.	26	Home Department (Police)	4070-800-18	State Radio Section	12	7.00	19.00	8.61	10.39
8.	26	Home Department (Police)	4070-800-19	Women power line	0.3	3.00	3.30	0.00	3.30
9.	26	Home Department (Police)	4250-101-03	Natural Calamities, S.D.R.F.	41.32	5.00	46.32	30.00	16.32
10.	32	Medical Department (Allopathy)	4210-02-104-10	Rural Health Services- Purchase of equipment for Community Health Centres	23	20.00	43.00	8.82	34.18
11.	35	Medical Department (Family Welfare)	4211-800-01	Other expenditure, Central Sponsored Schemes	300	369.99	669.99	196.49	473.50
12.	35	Medical Department (Family Welfare)	4211-800-89	Relevant State Share of Centrally Sponsored Schemes	200	246.66	446.66	130.99	315.67
13.	60	Forest Department	4406-01-102-89	Forestry Relevant State share of Centrally Sponsored Schemes	5.23	14.48	19.71	0.00	19.71
14.	81	Social Welfare Department. (Tribal Welfare)	4211-796-89	Tribal Area Sub Plan Relevant State share of Centrally Sponsored Schemes	21.1	2.85	23.95	1.99	21.96
Total Capital voted(4 grants)					4255.55	1429.98	5685.53	2608.71	3076.82
Total (Revenue Voted+Capital Voted)					57226.72	5256.75	62483.47	44978.53	17504.94

Appendix 3.7
(Referred to in Paragraph 3.3.5)
Unnecessary Re-appropriations

(₹ in crore)

Sl. No.	Grant No.	Head of Accounts	Total provision	Re-appropriation	Total	Expenditure	Savings
1	7	2852-Industries-07-Telecommunication & Electronic Industries- 202-Electronics-20-Implementation of Uttar Pradesh Electronics Manufacturing Policy	377.03	0.32	377.35	72.78	304.57
2	8	2058-Stationary & Printing-103-Government Presses-04-Government Press, Lucknow	61.65	0.05	61.70	41.73	19.97
3	8	2058-Stationary & Printing-103-Government Presses-06-Government Press, Rampur	8.08	0.55	8.63	7.97	0.66
4	8	2058-Stationary & Printing-103-Government Presses-07-Government Press, Varanasi	8.96	0.42	9.38	7.71	1.67
5	14	2070-Other Administrative Services-800-Other expenditure-03-Pradeshik Vikas Dal-	300.38	0.36	300.74	250.66	50.08
6	26	2055-Police-101-Criminal Investigation & Vigilance-03-Intelligence Section-Main	388.36	1.43	389.79	374.68	15.11
7	26	2055-Police-101-Criminal Investigation & Vigilance-04-Research Section	471.80	18.39	490.19	392.68	97.51
8	26	4055-Capital outlay on Police-207-State Police-19-Special Task Force-	5.75	5.00	10.75	5.71	5.04
9	31	2210-Medical & Public Health-01- Urban Health Service Allopathy-110-Hospital Dispensaries-15-Medical College/Attached Hospitals-	401.63	18.99	420.62	308.41	112.21
10	33	2210-Medical & Public Health-02-Urban Health Services-Other systems of medicine-101- Ayurveda- 03- Direction and Administration-	51.41	3.37	54.78	50.02	4.76
11	34	2210-Medical and Public Health-02-Urban Health Service Other system of medicines-102-Homeopathy-04-Hospitals and Dispensaries-	62.92	0.20	63.12	45.98	17.14
12	34	2210-Medical and Public Health-05-Medical Education Training & Research-102-Homeopathy-03- Education	81.98	0.30	82.28	59.74	22.54

Sl. No.	Grant No.	Head of Accounts	Total provision	Re-appropriation	Total	Expenditure	Savings
13	42	2014-Administration of Justice-105-Civil & Session Court-09- Family Courts	126.67	1.84	128.51	78.93	49.58
14	42	2014-Administration of Justice-105-Civil & Session Court-15-Establishment of Courts for quick disposal of cases relating to Women Victimization	38.24	0.03	38.27	30.58	7.69
15	42	2014-Administration of Justice-105-Civil and Session Court-16- Commercial Court	14.29	3.00	17.29	7.92	9.37
16	42	2014-Administration of Justice-106- Small Causes Courts-03- Establishment	24.19	0.01	24.20	15.97	8.23
17	48	2070-Other Administrative Services-001-Direction & Administration-04-Divisional and District Offices	25.63	0.47	26.10	20.79	5.31
18	49	4235-Capital Outlay on Social Security and Welfare-02-Social Welfare-102-Child Welfare-89-Relevant State Share of Centrally Sponsored Schemes-	94.05	8.11	102.16	88.94	13.22
19	54	2059- Public Works-80-General- 001- Direction and Administration- 03-Direction	179.30	9.32	188.62	162.19	26.43
20	58	5054- Capital Outlay on Roads and Bridges-03-State Highways-800-Other expenditure-13-Lump sum provision	3673.92	353.34	4027.26	3543.33	483.93
21	59	2052-Secretariat General Services-090-Secretariat- 03-Estate Department-	108.23	0.04	108.27	68.40	39.87
22	59	2059-Public Works-01-Office Building-053-Maintenance & Repairs-09-Jawahar Bhawan and Indira Bhawan compound-	34.44	0.50	34.94	16.14	18.80
23	59	2059-Public Works-60-Other Buildings-053-Maintenance and Repairs-03-Arrangement for Guest Houses situated in Lucknow-	27.49	0.32	27.81	6.09	21.72
24	63	2054- Treasury and Accounts Administration-095-Directorate of Accounts and Treasuries- 03- Treasury Directorate-	25.00	1.57	26.57	16.92	9.65
25	76	2230- Labour, Employment and Skill Development-01-Labour-001- Direction and Administration-03-Establishment of Labour Commissioner	9.98	0.65	10.63	9.01	1.62

Sl. No.	Grant No.	Head of Accounts	Total provision	Re-appropriation	Total	Expenditure	Savings
26	76	2230- Labour, Employment and Skill Development-01-Labour-101- Industrial Relations-03- Enforcement of Labour Acts	29.15	0.06	29.21	29.08	0.13
27	76	2230- Labour, Employment and Skill Development-01-Labour-101-Industrial Relation-04- Settlement of Disputes	66.81	0.02	66.83	61.30	5.53
28	76	2230- Labour, Employment and Skill Development-01-Labour-101-Industrial Relation-05-Strengthening of Industrial Management and Merger of decentralisation Committees, Assemblies and Commissions	0.36	0.07	0.43	0.32	0.11
29	83	5054-Capital Outlay on Roads and Bridges-04-District and Other Roads- 789-Special Component Plan for Scheduled Castes- 13-Work for State/Main/Other District Roads-	615.89	107.68	723.57	585.15	138.42
30	86	2220- Information and Publicity-01-Films-101- Advertising and Visual Publicity- 05-Establishment-	1159.06	2.00	1161.06	1158.06	3.00
31	93	4702-Capital Outlay on Minor Irrigation-800-Other expenditure-89-Relevant State Share of Centrally Sponsored Schemes-	11.89	3.94	15.83	11.13	4.70
	18	Total	8484.54	542.35	9026.89	7528.32	1498.57

Appendix 3.8
(Referred to in paragraph 3.3.6)
Statement showing Major Heads where 50 per cent or more expenditure was incurred in March 2023

(₹ in crore)

Sl. No.	Grant No.	Description	Expenditure of 4th Quarter	Total Expenditure during 2022-23	Expenditure during March 2023	Expenditure in March 2023 as percentage of total expenditure	Expenditure in 4th Quarter as percentage of total expenditure
1	03	Industries Department (Small Industry and Export Promotion)	769	1,074	664	62	72
2	07	Industries Department (Heavy and Medium Industries)	11,180	16,739	10,367	62	67
3	17	Agriculture and Other Allied Departments (Fisheries)	110	203	101	50	54
4	38	Civil Aviation Department	1,525	2,090	1,420	68	73
5	40	Planning Department	1,627	2,549	1,396	55	64
6	55	Public Works Department (Buildings)	167	219	135	61	76
7	56	Public Works Department (Special Area Programme)	385	499	353	71	77
8	57	Public Works Department (Communication-Bridges)	1,373	2,114	1,073	51	65
9	58	Public Works Department (Communication Roads)	14,342	19,719	11,969	61	73
10	79	Social Welfare Department (Welfare of the Handicapped & Backward Classes)	2,376	3,178	1,708	54	75

Source: VLC Data provided by A.G.(A&E.-I), UP, Prayagraj

Appendix-3.9
(Referred to in paragraph 3.3.7)
Scheme for which original provisions could not be utilised

(₹ in crore)

Sl. No.	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Expenditure	Saving
1.	2	Housing Department	4217-01-190-09	Metro rail project in Varanasi, Gorakhpur and in other cities	100.00	0.00	100.00
2.	7	Industries Department (Heavy and Medium Industries)	2885-60-800-20	New Industrial Policy	300.00	0.00	300.00
3.	7	Industries Department (Heavy and Medium Industries)	5054-03-337-14	V.G.F. amount for Ganga Expressway Project	250.00	0.00	250.00
4.	14	Agriculture and other Allied Departments (Panchayati Raj)	4515-101-01	Panchayat Raj-Central Sponsored Schemes	146.36	0.00	146.36
5.	37	Urban Development Department	2215-02-107-05	Swachh Bharat Mission 2.0	815.76	0.00	815.76
6.	42	Judicial Department	4059-01-051-08	Construction of Court Campus under pilot project	400.00	0.00	400.00
7.	42	Judicial Department	4059-01-051-18	Construction of new buildings for Lucknow bench of Hon'ble High Court, Allahabad	150.00	0.00	150.00
8.	42	Judicial Department	4070-800-04	Acquirement of land for new premises of District Court, Varanasi	200.00	0.00	200.00
9.	42	Judicial Department	4202-01-203-03	Uttar Pradesh National Law University, Prayagraj	100.00	0.00	100.00
10.	43	Transport Department	3055-800-06	Subsidy on Electric Vehicles	100.00	0.00	100.00
11.	48	Minorities Welfare Department	2225-80-800-01	Centrally Sponsored Schemes	608.98	0.00	608.98
12.	49	Women and Child Welfare Department	2235-02-102-21	Mukhyamantri Saksham Suposhan Yojna	100.00	0.00	100.00
13.	61	Finance Department (Debt Services and other Expenditure)	2075-797-03	Guarantee Redemption Fund	1200.00	0.00	1200.00
14.	61	Finance Department (Debt Services and other Expenditure)	6075-800-03	Loan Assistance for financial reorganisation of Public Sector Undertaking/Corporation/A utonomous bodies	100.00	0.00	100.00
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 N.P.S.	3000.00	0.00	3000.00
16.	62	Finance Department (Superannuation Allowances and Pensions)	2071-01-117-08	Interest on due residual employer contribution up to 31.03.2019/late deposited employer contribution	980.00	0.00	980.00
17.	62	Finance Department (Superannuation Allowances and Pensions)	2071-01-117-09	Payment of interest on late depositing subscribers contribution	100.00	0.00	100.00

Sl. No.	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Expenditure	Saving
18.	72	Education Department (Secondary Education)	2202-02-110-04	Infrastructure facility in non-government aided secondary schools	200.00	0.00	200.00
19.	76	Labour Department (Labour Welfare)	2230-01-111-09	Mukhyamantri Jan Aarogya Yojana for labours of unorganised sector	100.00	0.00	100.00
20.	94	Irrigation Department(Works)	4700-17-051-01	Centrally Sponsored Schemes	279.00	0.00	279.00
21.	94	Irrigation Department(Works)	4700-32-051-97	Externally aided Schemes (Commercial)	128.75	0.00	128.75
22.	94	Irrigation Department(Works)	4701-13-051-10	Bhoopauli Pump Canal (Commercial)	100.00	0.00	100.00
Total :13 grants					9458.85	0.0	9,458.85

Appendix-3.10
(Referred to in paragraph 3.3.7)

Details of Schemes for which Original provisions were re-appropriated to other schemes

(₹ in crore)

Sl. No.	Grant No.	Name of Department	Major Head	Name of Scheme	Provision	Re-appropriation	Total	Expenditure	Saving
1.	9	Power Department	4801-05-190-18	Share capital for O.P.G.W. work under U.P. Power Transmission Corporation Ltd.	48	-48	0	0	0
2.	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 N.P.S.	14	-14	0	0	0
3.			2401-109-11	Scientific Farming and Climate Change Impact Management	15.07	-15.07	0	0	0
4.			2401-113-01	Centrally Sponsored Schemes	60	-60	0	0	0
5.			2402-102-02	National Agricultural Development Scheme	21.31	-21.31	0	0	0
6.			2402-103-01	Centrally Sponsored Scheme	58.46	-58.46	0	0	0
7.			2402-103-89	Relevant State Share of Centrally Sponsored Schemes	38.97	-38.97	0	0	0
8.			15	Agriculture and other Allied Departments (Animal Husbandry)	4403-101-18	Establishment of Veterinary Degree College in District Gorakhpur and Bhadohi	60	-60	0
9.	17	Agriculture and other Allied Departments (Fishries)	2405-800-12	Fishermen Welfare Fund	25	-25	0	0	0
10.	19	Personnel Department (Training and other Exp.)	4070-003-03	Uttar Pradesh Administration and Management Academy	19.43	-19.43	0	0	0
11.	22	Sports Department	4202-800-10	Sports College, Saharanpur	10	-10	0	0	0
12.			4202-800-79	Construction of Velodrome in Guru Govind Singh Sports College	10	-10	0	0	0
13.	24	Cane Development	2852-08-201-08	Concession/Rebate to Sugarcane Industry	25	-25	0	0	0

Sl. No.	Grant No.	Name of Department	Major Head	Name of Scheme	Provision	Re-appropriation	Total	Expenditure	Saving
		Department (Sugar Industry)		under Generation and Aaswani Promotion Policy 2013					
14.			4401-108-03	Sugarcane Farmers Institute, Moradabad	10	-10	0	0	0
15.			4415-80-004-03	Re-establishment of Sugarcane Research Institute, Gorakhpur	10.25	-10.25	0	0	0
16.			6860-04-190-11	Establishment of Cogeneration plant, Distilleries and Sulphurless Sugar Plant in Sugar Mill Pipraich (Gorakhpur)	60	-60	0	0	0
17.			6860-04-190-12	Loan for works of capacity expansion/modernisation/Co-generation plant/establishment and renovation of distillery etc. of corporation	95	-95	0	0	0
18.	25	Home Department (Jails)	4070-800-22	Arrangement of solar energy based power plant, high mast and street light in Jails	10	-10	0	0	0
19.	26	Home Department (Police)	4055-211-04	Establishment of Security Line in Lucknow	19.45	-19.45	0	0	0
20.	31	Medical Department (Medical Education and Training)	4210-03-105-09	King George's Medical University	23	-23	0	0	0
21.	40	Planning Department	4215-01-101-03	Rapid Financial Development Scheme	10	-10	0	0	0
22.			4215-01-102-03	Rapid Financial Development Scheme	50	-50	0	0	0
23.			4215-02-106-03	Rapid Financial Development Scheme	10	-10	0	0	0
24.			4575-02-800-03	Special Schemes of Bundelkhand	112.55	-112.55	0	0	0
25.			4801-05-800-03	Rapid Financial Development Scheme	10	-10	0	0	0
26.	48	Minority Welfare Department	4235-60-800-03	Construction of Boundaries of Graveyards/Cremation Places	100	-100	0	0	0
27.	58	Public Works Department (Communication-Roads)	5054-03-800-03	Uttar Pradesh State Highways Authority	50	-50	0	0	0

Sl. No.	Grant No.	Name of Department	Major Head	Name of Scheme	Provision	Re-appropriation	Total	Expenditure	Saving
28.			5054-03-800-16	Construction/Widening/Strengthening of left track of Gang Canal	200	-200	0	0	0
29.	59	Public Works Department (Estate Directorate)	4059-80-051-05	Construction of Non-residential Office building in the campus of Darulshafa	22.5	-22.5	0	0	0
30.	74	Home Department (Home Guards)	2070-107-08	Local Body Election	35.7	-35.7	0	0	0
Total :15 Grants					1233.69	-1233.69	0	0	0

Appendix-3.11
(Referred to in paragraph 3.3.7)
Statement showing grant-wise savings

(₹ in crore)

Sl. No.	Grant No.	Total Budget Provision	Total Expenditure	Saving	Utilization (Per cent)	Range of utilization (Per cent)
1	53	1.68	0.33	1.35	19.64	1 to 30
2	54	2988.98	844.06	2144.92	28.24	
Total		2990.66	844.39	2146.27		
3	12	714.49	227.43	487.06	31.83	31 to 50
4	19	32.30	11.10	21.21	34.37	
5	51	4299.85	1896.33	2403.52	44.10	
6	10	1690.69	805.36	885.33	47.63	
7	94	13660.48	6740.02	6920.46	49.34	
Total		20397.81	9680.24	10717.58		
8	42	6818.18	3415.02	3403.16	50.09	
9	92	337.55	172.60	164.95	51.13	
10	45	18.20	9.38	8.81	51.54	
11	17	387.63	202.68	184.95	52.29	
12	59	545.22	289.91	255.30	53.17	
13	93	16909.40	9099.34	7810.07	53.81	
14	2	7609.90	4123.43	3486.47	54.19	
15	81	2284.47	1251.64	1032.83	54.79	
16	21	24917.21	13833.40	11083.81	55.52	
17	85	8.19	4.72	3.47	57.63	
18	37	24080.73	13950.66	10130.07	57.93	
19	48	3039.47	1826.59	1212.88	60.10	
20	33	1784.44	1147.56	636.89	64.31	
21	36	1113.94	718.69	395.25	64.52	
22	35	18199.23	12270.89	5928.34	67.43	
23	83	30536.11	20631.00	9905.11	67.56	
24	70	550.61	372.78	177.83	67.70	
25	27	25.16	17.09	8.07	67.93	
26	4	69.40	47.29	22.12	68.14	
27	32	10119.24	6924.82	3194.41	68.43	
28	63	332.56	227.75	104.81	68.48	
29	11	7393.47	5074.03	2319.44	68.63	
30	41	476.39	328.30	148.10	68.91	
31	57	3049.60	2113.56	936.04	69.31	
32	77	141.21	98.24	42.97	69.57	
Total		160747.51	98151.37	62596.14	61.06	
33	82	103.07	72.25	30.82	70.10	71 to 90
34	67	80.47	56.80	23.68	70.59	
35	91	461.80	329.28	132.51	71.30	

Sl. No.	Grant No.	Total Budget Provision	Total Expenditure	Saving	Utilization (Per cent)	Range of utilization (Per cent)
36	28	395.31	283.48	111.84	71.71	
37	34	675.22	491.63	183.59	72.81	
38	84	634.22	464.30	169.92	73.21	
39	15	2479.07	1827.02	652.05	73.70	
40	65	405.27	299.87	105.39	73.99	
41	8	239.64	178.02	61.61	74.29	
42	18	900.95	671.82	229.13	74.57	
43	49	12316.75	9234.11	3082.64	74.97	
44	50	1442.88	1082.01	360.87	74.99	
45	95	5535.08	4172.22	1362.87	75.38	
46	24	1559.88	1176.48	383.40	75.42	
47	89	1220.87	931.05	289.82	76.26	
48	3	1404.18	1073.55	330.63	76.45	
49	76	1031.16	790.06	241.10	76.62	
50	78	1611.65	1235.18	376.47	76.64	
51	52	4641.49	3584.67	1056.82	77.23	
52	29	24.88	19.26	5.62	77.41	
53	31	9459.38	7340.08	2119.30	77.60	
54	62	71457.00	56189.95	15267.05	78.63	
55	58	25044.76	19719.29	5325.47	78.74	
56	60	2029.22	1603.48	425.73	79.02	
57	55	277.62	219.40	58.22	79.03	
58	69	1295.04	1024.57	270.47	79.11	
59	40	3187.35	2549.09	638.27	79.98	
60	7	20896.51	16738.52	4157.99	80.10	
61	71	64750.46	51974.25	12776.20	80.27	
62	47	732.59	589.79	142.80	80.51	
63	30	8.82	7.12	1.70	80.73	
64	26	33461.42	27568.59	5892.83	82.39	
65	43	846.66	698.56	148.10	82.51	
66	22	445.77	370.20	75.57	83.05	
67	73	3942.98	3279.09	663.89	83.16	
68	20	244.07	203.16	40.91	83.24	
69	39	51.09	42.77	8.32	83.72	
70	9	53814.71	45228.53	8586.18	84.04	
71	87	84.49	71.05	13.44	84.09	
72	1	348.22	293.36	54.86	84.25	
73	61	93657.61	79209.41	14448.20	84.57	
74	72	14998.46	12736.29	2262.17	84.92	
75	80	9411.93	8021.95	1389.97	85.23	
76	74	2897.13	2477.92	419.22	85.53	

Sl. No.	Grant No.	Total Budget Provision	Total Expenditure	Saving	Utilization (Per cent)	Range of utilization (Per cent)	
77	46	24.73	21.29	3.43	86.19		
78	25	1488.47	1282.83	205.65	86.18		
79	13	24723.57	21624.82	3098.75	87.47		
80	14	13651.57	12007.35	1644.22	87.96		
81	5	140.16	123.48	16.68	88.10		
82	79	3583.64	3177.63	406.01	88.67		
83	16	226.36	203.19	23.17	89.76		
Total		494345.611	404570.06	89775.55	81.84		
84	44	1104.20	993.87	110.33	90.01		91 to 100
85	38	2315.68	2089.93	225.75	90.25		
86	68	271.14	245.30	25.84	90.47		
87	23	427.20	393.44	33.76	92.10		
88	6	374.37	349.20	25.17	93.28		
89	86	1545.23	1514.17	31.06	97.99		
90	66	265.18	259.90	5.28	98.01		
91	75	271.30	268.67	2.63	99.03		
92	56	500.00	499.04	0.96	99.81		
Total		7074.30	6613.51	460.79	93.49		

Appendix 4.1
(Referred to in paragraph 4.15)
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)	2020-21 to 2022-23	03
2.	Infrastructure and Industrial Development Department	New Okhla Industrial Development Authority	2018-19 to 2022-23	05
3.	-do-	Greater Noida Development Authority	2020-21 to 2022-23	03
4.	-do-	Yamuna Expressway Industrial Development Authority	2022-23	01
5.	-do-	UP Expressway Industrial Development Authority	2017-18 to 2022-23	06
6.	-do-	Satharia Industrial Development Authority	2005-06 to 2022-23	18
7.	-do-	Gorakhpur Industrial Development Authority	2005-06 to 2022-23	18
8.	-do-	UP State Industrial Development Authority	2005-06 to 2022-23	18
9.	-do-	Lucknow Industrial Development Authority ¹¹	2005-06 to 2020-21	16
10.	MSME	UP Khadi and Village Industries Board	Nil	00 ¹²
11.	Energy Department	Uttar Pradesh Electricity Regulatory Commission	2022-23	01
12.	Housing and Urban Planning Department	Lucknow Development Authority	2017-18 to 2022-23	06
13.	-do-	Ghaziabad Development Authority	2022-23	01
14.	-do-	Agra Development Authority	2020-21 to 2022-23	03
15.	-do-	Meerut Development Authority	2020-21 to 2022-23	03
16.	-do-	Prayagraj Development Authority	2021-22 to 2022-23	02
17.	-do-	Hapur/Pilkhuan Development Authority	2020-21 to 2022-23	03
18.	-do-	Varanasi Development Authority	2017-18 to 2022-23	06
19.	-do-	Moradabad Development Authority	2017-18 to 2022-23	06
20.	-do-	Gorakhpur Development Authority	2022-23	01
21.	-do-	Mathura Vrindavan Development Authority	2020-21 to 2022-23	03
22.	-do-	Aligarh Development Authority	2020-21 to 2022-23	03
23.	-do-	Bareilly Development Authority	2017-18 to 2022-23	06
24.	-do-	Raibareilly Development Authority	2017-18 to 2022-23	06
25.	-do-	Saharanpur Development Authority	2017-18 to 2022-23	06
26.	-do-	Ayodhya/ Faizabad Development Authority	2020-21 to 2022-23	03

¹¹ Authority has been merged with Authority mentioned at Sl. No. 8 since 04 March 2021.

¹² The entrustment of Board has been received to this office up to 2018-19. SAR up to 2018-19 has been issued to the Government. The entrustment for onwards year of 2018-19 has not been received to this office. Hence, there is no arrear shown further.

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
27.	-do-	Firozabad/Shikohabad Development Authority	2017-18 to 2022-23	06
28.	-do-	Kanpur Development Authority	2020-21 to 2022-23	03
29.	-do-	Rampur Development Authority	2017-18 to 2022-23	06
30.	-do-	Unnao Shuklaganj Development Authority	2022-23	01
31.	-do-	Jhansi Development Authority	2017-18 to 2022-23	06
32.	-do-	Muzzaffarnagar Development Authority	2017-18 to 2022-23	06
33.	-do-	Bulandshahar Development Authority	2017-18 to 2022-23	06
34.	-do-	Khurja Development Authority	2017-18 to 2022-23	06
35.	-do-	Urai Development Authority	2017-18 to 2022-23	06
36.	-do-	Banda Development Authority	2022-23	01
37.	-do-	Baghpat Badaut Khekda Development Authority	2017-18 to 2022-23	06
38.	-do-	Azamgarh Development Authority	2017-18 to 2022-23	06
39.	-do-	Basti Development Authority	2017-18 to 2022-23	06
40.	-do-	Special Area Development Authority, Shakti Nagar	2020-21 to 2022-23	03
41.	-do-	Special Area Development Authority, Chitrakoot	2017-18 to 2022-23	06
42.	-do-	Special Area Development Authority, Kapilvastu	2017-18 to 2022-23	06
43.	-do-	Special Area Development Authority, Vindhyachal-Mirzapur	2017-18 to 2022-23	06
44.	-do-	Special Area Development Authority, Kushinagar	2017-18 to 2022-23	06
45.	Law Department	Uttar Pradesh State Legal Services Authority	2021-22 to 2022-23	02
46.	-do-	Uttar Pradesh Human Rights Commission	1996-97 to 2022-23	27
47.	Handicapped welfare Department	Dr. Shakuntala Mishra National Rehabilitation Rights	2021-22 to 2022-23	02
48.	Child Welfare Department	U.P. State Commission for Protection of Child Rights	2006-07 to 2022-23	17
49.	Labour Department	Secretary, UP Building and Other Construction Workers Welfare Board, Lucknow	1996-97 to 2022-23	27
50.	Food and Civil Supply Department	Uttar Pradesh State Employees Welfare Corporation	2014-15 to 2022-23	09
51.	Agriculture Education and Research Department, GoUP	Narendra Deo Krishi Evam Prodyogik Vishwavidyalay, Ayodhya	2019-20 to 2022-23	04
52.	-do-	Chandrashekhhar Azad Krishi Evam Prodyogik Vishwavidyalay, Kanpur	2019-20 to 2022-23	04
53.	-do-	Sardar Vallabhbhai Patel Krishi Evam Prodyogik Vishwavidyalay, Modipuram, Meerut	2019-20 to 2022-23	04
54.	-do-	Banda Krishi Evam Prodyogik Vishwavidyalay, Banda	2019-20 to 2022-23	04
55.	Animal Husbandary Department, GoUP	Pt Deendayal Upadhyay Pashu Chikitsa Vigyan Vishwavidyalay Evam Gou Anusandhan Sansthan, Mathura	2019-20 to 2022-23	04
Total				343

Appendix 4.2
(Referred to in paragraph 4.16)
Status of finalisation of accounts of 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	2022-23	2.26
2.	Irrigation Workshop Division, Jhansi	2022-23	12.56
3.	Irrigation Workshop Division, Bareilly	2022-23	14.31
4.	Irrigation Workshop Division, Meerut	2022-23	4.29
5.	Irrigation Workshop Division, Gorakhpur	2021-22	0.74
6.	Irrigation Workshop Division, Prayagraj	2022-23	2.54
Food and Civil Supplies Department			
7.	Food Commissioner and CAO	2021-22	10,563.28
Animal Husbandry Department			
8.	Dy. Director, Animal Husbandry Farms Corporation	2020-21	108.03
Health Department			
9.	Dy. Director, State Ayurvedic & Unani Medicine Department	1987-88	Not available
Total			10,708.01

Appendix-5.1
(Referred to in paragraph 5.3)
Statement showing list of State Public Sector Enterprises

Sl. No.	Name of SPSE	Remarks
A. Power Sector SPSEs		
1	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	Working
2	Uttar Pradesh Jal Vidyut Nigam Limited	Working
3	Jawaharpur Vidyut Utpadan Nigam Limited	Working
4	Uttar Pradesh Power Transmission Corporation Limited	Working
5	Uttar Pradesh Power Corporation Limited	Working
6	Purvanchal Vidyut Vitaran Nigam Limited	Working
7	Paschimanchal Vidyut Vitaran Nigam Limited	Working
8	Dakshinanchal Vidyut Vitaran Nigam Limited	Working
9	Madhyanchal Vidyut Vitaran Nigam Limited	Working
10	Kanpur Electricity Supply Company Limited	Working
11	UCM Coal Company Limited	Working
12	UPSIDC Power Company Limited	Working
B. Other than Power Sector SPSEs		
B (i) Working Government Companies		
13	Uttar Pradesh Alpsankhyak Vittyta Avam Vikas Nigam Limited	Working
14	Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited	Working
15	Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited	Working
16	Uttar Pradesh Food and Essential Commodities Corporation Limited	Working
17	Uttar Pradesh Bhumi Sudhar Nigam	Working
18	Uttar Pradesh Mahila Kalyan Nigam Limited	Working
19	Uttar Pradesh Waqf Vikas Nigam Limited	Working
20	Uttar Pradesh State Agro Industrial Corporation Limited	Working
21	Uttar Pradesh Rajkiya Nirman Nigam Limited	Working
22	Uttar Pradesh State Bridge Corporation Limited	Working
23	Uttar Pradesh Small Industries Corporation Limited	Working
24	Uttar Pradesh Beej Vikas Nigam Limited	Working
25	Uttar Pradesh Matsya Vikas Nigam Limited	Working
26	Uttar Pradesh Drugs and Pharmaceuticals Limited	Working
27	Uttar Pradesh Rajya Chini Avam Ganna Vikas Nigam Limited	Working
28	Uttar Pradesh State Sugar Corporation Limited (Standalone & CFS)	Working
29	Uttar Pradesh Handicraft & Marketing Development Corporation Limited (Formerly Uttar Pradesh Export Corporation Limited)	Working
30	Uttar Pradesh State Tourism Development Corporation Limited	Working
31	Uttar Pradesh Rajya Krishi Evam Gramin Vikas Nigam Limited	Working
32	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited	Working

Sl. No.	Name of SPSE	Remarks
33	Uttar Pradesh State Spinning Company Limited	Working
34	Uttar Pradesh State Handloom Corporation Limited	Working
35	Uttar Pradesh Development Systems Corporation Limited	Working
36	U.P. Projects Corporation Limited	Working
37	U P Metro Rail Corporation Limited (erstwhile Lucknow Metro Rail Corporation Limited)	Working
38	NOIDA Metro Rail Corporation Limited	Working
39	The Pradeshiya Industrial and Investment Corporation of UP Limited	Working
40	Shreetron India Limited	Working
41	Uptron Powertronics Ltd.	Working
42	Uttar Pradesh Electronics Corporation Limited.	Working
43	Uttar Pradesh Purva Sainik Kalyan Nigam Limited	Working
44	Uttar Pradesh Police Avas Nigam Limited	Working
45	Uttar Pradesh Export Promotion Council	Working
46	Uttar Pradesh Medical Supply Corporation Limited	Working
47	Uttar Pradesh State Construction & Infrastructure Development Corporation Limited (formerly known as Uttar Pradesh Samaj Kalyan Nirman Nigam Limited)	Working
B (ii) Working Government Controlled Other Companies		
48	Lucknow City Transport Services Limited	Working
49	Meerut City Transport Services Limited	Working
50	Agra Mathura City Transport Services Limited	Working
51	Kanpur City Transport Services Limited	Working
52	Varanasi City Transport Services Limited	Working
53	Allahabad City Transport Services Limited	Working
54	Agra Smart City Limited	Working
55	Aligarh Smart City Limited	Working
56	Bareilly Smart City Limited	Working
57	Prayagraj Smart City Limited	Working
58	Varanasi Smart City Limited	Working
59	Jhansi Smart City Limited	Working
60	Moradabad Smart City Limited	Working
61	Saharanpur Smart City Limited	Working
62	Kanpur Smart Ctiy Limited	Working
63	Lucknow Smart City Limited	Working
64	Almora Magnesite Limited	Working
65	Noida International Airport Limited (NAIL)	Working
66	DMIC Integrated Industrial Township Greater Noida Limited	Working
B (iii) Working Statutory Corporation		
67	Uttar Pradesh State Road Transport Corporation	Working
68	Uttar Pradesh Forest Corporation	Working
69	Uttar Pradesh Avas Evam Vikas Parishad	Working

Sl. No.	Name of SPSE	Remarks
70	Uttar Pradesh Financial Corporation	Working
71	Uttar Pradesh State Warehousing Corporation	Working
72	Uttar Pradesh Jal Nigam	Working
B (iv) Inactive Government Companies		
73	Uplease Financial Services Limited	Inactive
74	Chhata Sugar Company Limited	Inactive
75	Ghatampur Sugar Company Limited	Inactive
76	Nandganj-Sihori Sugar Company Limited	Inactive
77	The Indian Turpentine and Rosin Company Limited	Inactive
78	Uttar Pradesh Instruments Limited	Inactive
79	Uttar Pradesh State Brassware Corporation Limited	Inactive
80	Uttar Pradesh State Textile Corporation Limited	Inactive
81	Uttar Pradesh State Leather Development and Marketing Corporation Limited	Inactive
82	Uttar Pradesh State Yarn Company Limited	Inactive
83	Uttar Pradesh Pashudhan Udyog Nigam Limited	Inactive
84	Uttar Pradesh Poultry and Livestock Specialties Limited	Inactive
85	Uttar Pradesh State Horticultural Produce Marketing & Processing Corporation Limited	Inactive
86	Uttar Pradesh (Paschim) Ganna Beej Evam Vikas Nigam Limited	Inactive
87	Uttar Pradesh Panchayati Raj Vitta Evam Vikas Nigam Limited	Inactive
88	Agra Mandal Vikas Nigam Limited	Inactive
89	Allahabad Mandal Vikas Nigam Limited	Inactive
90	Bareilly Mandal Vikas Nigam Limited	Inactive
91	Gorakhpur Mandal Vikas Nigam Limited	Inactive
92	Lucknow Mandaliya Vikas Nigam Limited	Inactive
93	Meerut Mandal Vikas Nigam Limited	Inactive
94	Moradabad Mandal Vikas Nigam Limited	Inactive
95	Tarai Anusuchit Janjati Vikas Nigam Limited	Inactive
96	Uttar Pradesh Bundelkhand Vikas Nigam Limited	Inactive
97	Uttar Pradesh Chalchitra Nigam Limited	Inactive
98	Uttar Pradesh Poorvanchal Vikas Nigam Limited	Inactive
99	Varanasi Mandal Vikas Nigam Limited	Inactive
B (v) Inactive Government Controlled Other Companies		
100	Command Area Poultry Development Corporation Limited	Inactive
B (vi) Inactive Government Companies under Liquidation		
101	Uttar Pradesh Cement Corporation Limited	Inactive (Under liquidation)
102	Vindhyachal Abrasives Limited	Inactive (Under liquidation)
103	Auto Tractors Limited	Inactive (Under liquidation)

Sl. No.	Name of SPSE	Remarks
104	Bhadohi Woollens Limited	Inactive (Under liquidation)
105	Continental Float Glass Limited	Inactive (Under liquidation)
106	Kanpur Components Limited	Inactive (Under liquidation)
107	Uttar Pradesh Abscott Private Limited	Inactive (Under liquidation)
108	Uttar Pradesh Carbide and Chemicals Limited	Inactive (Under liquidation)
109	Uttar Pradesh Plant Protection Appliances (Private) Limited	Inactive (Under liquidation)
110	Uttar Pradesh (Poorva) Ganna Beej Evam Vikas Nigam Limited	Inactive (Under liquidation)
111	Uttar Pradesh (Rohilkhand Tarai) Ganna Beej Evam Vikash Nigam Limited	Inactive (Under liquidation)
112	Uptron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Inactive (Under liquidation)
B (vii) Inactive Government Controlled Other Companies under Liquidation		
113	Electronics and Computers (India) Limited	Inactive (Under liquidation)

Appendix-5.2
(Referred to in paragraph 5.3)

Summarised financial position and working results of Government Companies and Statutory Corporations as per their latest finalised accounts as on 30 September 2023

(figure in ₹ crore)

Sl. No.	Name of SPSE	Period of Accounts	Net Profit/Loss before Dividend, Intt. & Tax	Net Profit/Loss after Dividend, Intt. & Tax	Turnover	Paid Up Capital	Capital Employed	Net worth	Accumulated Profit/Loss	Loan
1	2	3	4	5	6	7	8	9	10	11
A. Power Sector SPSEs										
1	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	2021-22	2574.79	235.66	9174.87	18580.82	37187.73	18286.08	1488.56	18901.65
2	Uttar Pradesh Jal Vidyut Nigam Limited	2021-22	286.54	275.88	98.16	435.33	358.78	291.91	-143.42	66.87
3	Jawaharpur Vidyut Utpadan Nigam Limited (Subsidiary of Sl. No.1)	2021-22	616.05	0.42	0.00	1783.30	8346.48	1788.53	5.23	6557.95
4	Uttar Pradesh Power Transmission Corporation Limited	2021-22	955.95	-556.26	3418.97	18590.01	31091.49	17188.41	-1401.42	13903.08
5	Purvanchal Vidyut Vitaran Nigam Limited (Subsidiary of Sl. No. 10)	2022-23	-3916.95	-6610.27	13560.98	25885.58	29482.48	6794.65	-19090.93	22687.83
6	Paschimanchal Vidyut Vitaran Nigam Limited (Subsidiary of Sl. No. 10)	2022-23	2066.79	991.67	21483.30	19004.09	9204.81	1034.56	-17969.53	8170.25
7	Madhyanchal Vidyut Vitaran Nigam Limited (Subsidiary of Sl. No. 10)	2022-23	-3076.13	-4819.92	13707.75	23391.02	17400.76	3045.97	-20345.05	14354.79
8	Dakshinanchal Vidyut Vitaran Nigam Limited (Subsidiary of Sl. No. 10)	2022-23	-3043.41	-5073.77	12447.81	23988.47	10346.51	-6061.51	-30049.98	16408.02

Sl. No.	Name of SPSE	Period of Accounts	Net Profit/Loss before Dividend, Intt. & Tax	Net Profit/Loss after Dividend, Intt. & Tax	Turnover	Paid Up Capital	Capital Employed	Net worth	Accumulated Profit/Loss	Loan
1	2	3	4	5	6	7	8	9	10	11
9	Kanpur Electricity Supply Company Limited (Subsidiary of Sl. No. 10)	2022-23	270.64	0.51	3161.48	2431.28	560.28	-1755.65	-4186.93	2315.93
10	Uttar Pradesh Power Corporation Limited	2022-23	-14572.24	-14572.24	0.00	119625.63	-68546.27	-68546.27	-95139.33	0.00
11	UCM Coal Company Limited (Joint Venture of Sl. No. 1)	2021-22	-0.10	-0.12	0.00	0.16	0.33	-2.17	-2.33	2.50
12	UPSIDC Power Company Limited	2013-14	-0.02	-0.02	0.00	0.05	-0.20	-0.20	-0.25	0.00
Sub Total –A			-17838.09	-30128.46	77053.32	253715.74	75433.18	-27935.69	-186835.38	103368.87
B. Other than Power Sector SPSEs										
13	Uttar Pradesh Metro Rail Corporation Limited (Lucknow Metro)	2022-23	-276.43	-319.02	91.20	5580.99	14412.37	4218.98	-1362.01	10193.39
14	NOIDA Metro Rail Corporation Limited	2022-23	-15.89	-53.98	52.24	1400.24	1929.79	1015.23	-385.01	914.56
15	The Pradeshiya Industrial and Investment Corporation of UP Limited	2020-21	6.86	4.29	4.79	135.58	754.24	-241.17	-376.75	995.41
16	Shreetron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	2021-22	2.56	1.78	28.17	7.12	18.00	16.34	9.22	1.66
17	Uptron Powertronics Ltd. (subsidiary of Uttar Pradesh Electronics Corporation)	2020-21	3.20	2.40	55.44	4.07	8.24	5.97	1.90	2.27
18	Uttar Pradesh Electronics Corporations Limited	2020-21	1.54	1.06	43.26	91.54	208.42	96.74	14.15	111.68

Sl. No.	Name of SPSE	Period of Accounts	Net Profit/Loss before Dividend, Intt. & Tax	Net Profit/Loss after Dividend, Intt. & Tax	Turnover	Paid Up Capital	Capital Employed	Net worth	Accumulated Profit/Loss	Loan
1	2	3	4	5	6	7	8	9	10	11
19	Uttar Pradesh Purva Sainik Kalyan Nigam Limited	2021-22	44.15	44.13	475.45	0.42	482.52	482.52	482.10	0.00
20	Uttar Pradesh Police Avas Nigam Limited	2020-21	8.41	6.75	251.71	3.00	21.43	21.43	18.43	0.00
21	Uttar Pradesh Export Promotion Council	2022-23	0.28	0.28	0.33	0.05	7.11	2.11	2.06	5.00
22	Uttar Pradesh Medical Supply Corporation Limited	2020-21	36.20	25.61	37.13	11.00	54.83	54.83	43.83	0.00
23	Allahabad City Transport Services Limited	2019-20	-10.90	-10.90	15.19	4.91	-5.00	-11.57	-16.48	6.57
24	Uttar Pradesh State Construction & Infrastructure Development Corporation Limited (formely known asUttar Pradesh Samaj Kalyan Nirman Nigam Limited)	2020-21	0.56	0.45	685.87	0.15	73.79	73.79	73.64	0.00
25	Uttar Pradesh Alpsankhyak Vitty Avam Vikas Nigam Limited	2005-06	2.07	-1.10	3.10	29.99	116.12	32.22	2.23	83.90
26	Uttar Pradesh Pichhra Varg Vitta Evam Vikas Nigam Limited	2016-17	0.41	-1.32	1.11	12.23	69.42	17.53	5.30	51.89
27	Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited	2017-18	3.90	2.79	54.54	230.42	384.79	344.98	114.56	39.81
28	Uttar Pradesh Food and Essential Commodities Corporation Limited	2010-11	17.23	10.86		5.50	143.13	56.87	51.37	86.26

Sl. No.	Name of SPSE	Period of Accounts	Net Profit/Loss before Dividend, Intt. & Tax	Net Profit/Loss after Dividend, Intt. & Tax	Turnover	Paid Up Capital	Capital Employed	Net worth	Accumulated Profit/Loss	Loan
1	2	3	4	5	6	7	8	9	10	11
29	Uttar Pradesh Bhumi Sudhar Nigam	2019-20	0.01	0.01	0.08	1.50	2.54	2.54	1.04	
30	Uttar Pradesh Mahila Kalyan Nigam Limited	2015-16	0.11	0.11	0.59	5.19	7.64	7.64	2.45	0.00
31	Uttar Pradesh Waqf Vikas Nigam Limited	2003-04	-0.21	-0.21	0.30	5.25	5.50	5.50	0.25	0.00
32	Uttar Pradesh State Agro Industrial Corporation Limited	2010-11	17.51	10.26	793.26	46.30	62.80	30.21	-16.09	32.59
33	Uttar Pradesh Rajkiya Nirman Nigam Limited	2014-15	190.14	120.38	3778.66	1.00	1004.09	1004.09	1003.09	0.00
34	Uttar Pradesh State Bridge Corporation Limited	2019-20	127.22	41.03	1511.18	15.00	798.45	275.58	260.58	522.87
35	Uttar Pradesh Small Industries Corporation Limited	2011-12	8.77	5.59	319.86	5.96	30.29	23.55	17.59	6.74
36	Uttar Pradesh Beej Vikas Nigam Limited	2019-20	4.08	2.15	177.46	6.92	61.93	61.93	55.01	
37	Uttar Pradesh Matsya Vikas Nigam Limited	2016-17	1.13	0.92	8.58	1.07	7.36	7.36	6.29	0.00
38	Uttar Pradesh Drugs and Pharmaceuticals Limited	2009-10	-9.21	-9.21	0.55	1.10	-25.49	-25.49	-26.59	0.00
39	Uttar Pradesh Rajya Chini Avam Ganna Vikas Nigam Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	2017-18	-3.64	-3.64	0.00	880.13	194.12	118.24	-761.89	75.88
40	Uttar Pradesh State Sugar Corporation Limited (Stand alone)	2017-18	-36.20	-36.20	146.15	1648.31	384.99	126.23	-156.16	258.76

Sl. No.	Name of SPSE	Period of Accounts	Net Profit/Loss before Dividend, Intt. & Tax	Net Profit/Loss after Dividend, Intt. & Tax	Turnover	Paid Up Capital	Capital Employed	Net worth	Accumulated Profit/Loss	Loan
1	2	3	4	5	6	7	8	9	10	11
41	Uttar Pradesh Handicraft & Marketing Development Corporation Limited(Formerly Uttar Pradesh Export Corporation Limited)	2008-09	-1.88	-1.90	5.29	7.24	-6.60	-17.41	-24.65	10.81
42	Uttar Pradesh State Tourism Development Corporation Limited	2017-18	1.55	1.55	35.78	32.60	15.57	15.57	-17.03	0.00
43	Lucknow City Transport Services Limited	Accounts not submitted	0.00	0.00	0.00		0.00	0.00		
44	Meerut City Transport Services Limited	2017-18	-8.59	-8.59	21.74	4.04	5.44	2.78	-1.26	2.66
45	Agra Mathura City Transport Services Limited	Accounts not submitted	0.00	0.00	0.00	0.00	0.00	0.00		
46	Kanpur City Transport Services Limited	2017-18	-11.48	-11.48	15.44	0.67	-6.74	-6.74	-7.41	0.00
47	Varanasi City Transport Services Limited	Accounts not submitted	0.00	0.00	0.00	0.00	0.00	0.00		
48	Uttar Pradesh Rajya Krishi Evam Gramin Vikas Nigam Limited	Accounts not submitted	0.00	0.00	0.00	0.00	0.00	0.00		
49	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited	2017-18	0.04	0.04	0.18	0.26	1.98	-0.50	-0.76	2.48
50	Uttar Pradesh State Handloom Corporation Limited	2000-01	-8.02	-8.80	25.44	47.07	0.85	-37.86	-84.93	38.71

Sl. No.	Name of SPSE	Period of Accounts	Net Profit/Loss before Dividend, Intt. & Tax	Net Profit/Loss after Dividend, Intt. & Tax	Turnover	Paid Up Capital	Capital Employed	Net worth	Accumulated Profit/Loss	Loan
1	2	3	4	5	6	7	8	9	10	11
51	Uttar Pradesh State Spinning Company Limited	2018-19	-1.37	-5.65	0.00	93.24	-79.84	-181.25	-274.49	101.41
52	Uttar Pradesh Development Systems Corporation Limited	2020-21	14.79	10.03	327.06	1.00	51.63	51.63	50.63	0.00
53	U.P. Projects Corporation Limited	2019-20	8.33	4.32	417.86	6.40	129.88	129.88	123.48	0.00
54	Agra Smart City Limited	2021-22	0.01	0.01	0.00	216.00	216.04	216.04	0.04	0.00
55	Aligarh Smart City Limited	2022-23	-40.91	-40.91	0.14	2.00	-204.41	-204.41	-206.41	0.00
56	Bareilly Smart City Limited	2021-22	0.00	0.00	0.18	0.50	0.50	0.50	0.00	0.00
57	Prayagraj Smart City Limited	2021-22	-0.04	-0.04	0.00	490.00	489.34	489.34	-0.66	0.00
58	Varanasi Smart City Limited	2021-22	0.22	0.16	0.00	200.00	200.28	200.28	0.28	0.00
59	Moradabad Smart City Limited	2021-22	0.16	0.16	0.00	100.50	92.49	92.49	-8.01	0.00
60	Saharanpur Smart City Limited	2021-22	0.00	0.00 ¹³	0.00	0.50	26.35	26.35	25.85	0.00
61	Jhansi Smart City	2019-20	0.00	0.00	0.00	0.50	0.50	0.50	0.00	0.00
62	Kanpur Smart City Limited	2017-18	-0.90	-0.90	0.00	216.00	214.50	214.50	-1.50	0.00
63	Lucknow Smart City Limited	2019-20	-4.95	-4.95	0.00	382.00	370.75	370.75	-11.25	0.00
64	Almora Magnesite Limited	2021-22	0.61	0.43	31.34	2.00	6.40	6.16	4.87	0.24
65	Noida International Airport Limited	2019-20	2.52	1.61	0.00	0.01	3604.38	-2.74	-2.75	3607.12
66	DMIC Integrated Industrial Township Greater Noida Limited	2021-22	46.45	32.65	0.00	2940.51	3018.65	3018.65	78.14	0.00

¹³ Net profit of Saharanpur Smart City Limited for the year 2021-22 was ₹ 7,011.

Sl. No.	Name of SPSE	Period of Accounts	Net Profit/Loss before Dividend, Intt. & Tax	Net Profit/Loss after Dividend, Intt. & Tax	Turnover	Paid Up Capital	Capital Employed	Net worth	Accumulated Profit/Loss	Loan
1	2	3	4	5	6	7	8	9	10	11
67	Uttar Pradesh State Road Transport Corporation	2020-21	-27.82	-27.82	3830.94	981.42	77.07	47.07	-934.35	30.00
68	Uttar Pradesh Forest Corporation	2021-22	5.96	5.96	151.33	0.00	1382.91	1382.91	1382.91	0.00
69	Uttar Pradesh Awas Evam Vikas Parishad	2021-22	144.68	144.68	858.41	0.00	5308.19	5308.19	5308.19	0.00
70	Uttar Pradesh Financial Corporation	2012-13	17.40	17.38	22.22	179.28	-52.98	-719.11	-898.39	666.13
71	Uttar Pradesh State Warehousing Corporation	2020-21	223.54	165.53	594.03	13.01	1073.67	961.68	952.00	111.99
72	Uttar Pradesh Jal Nigam	2019-20	-197.80	-250.68	769.83	0.00	-724.25	-1820.15	-1820.15	1095.90
Sub Total –B			286.36	-131.94	15643.41	16051.69	36425.97	17369.28	2696.50	19056.69
Total of Power Sector= A			-17838.09	-30128.46	77053.32	253715.74	75433.18	-27935.69	-186835.38	103368.87
Total of Other than Power Sector = B			286.36	-131.94	15643.41	16051.69	36425.97	17369.28	2696.50	19056.69
Grand Total of (A+B)			-17551.73	-30260.40	92696.73	269767.43*	111859.15	-10566.41	-184138.88	122425.56

* Note:

1. Paid up capital of ₹ 2,69,767.43 crore includes an amount of ₹ 8.95 crore in holding Company at Sl. number 18 which was given by the Government for their subsidiary companies. Therefore, the amount of ₹ 8.95 crore has been excluded for calculation of net worth and capital employed. Further at Sl No. 18, the loan amount ₹ 111.68 crore included loan amount ₹ 1.86 crore and ₹ 2.27 crore given to companies at Sl No. 16 and 17 respectively.
2. Paid up capital of ₹ 2,69,767.43 crore includes an amount of ₹ 94,815.87 crore in holding Company of SPSEs at Sl. number 1 (₹ 1,783.30 crore) and at Sl. number 10 (₹ 93,032.57 crore) which was given by the Government for their subsidiary companies at Sl. no. 3,5,6,7,8,9 and 11. Therefore, the amount of ₹ 94,815.87 crore has been excluded for calculation of net worth and capital employed.
3. Net worth is the sum total of the paid-up capital and free reserves and surplus minus accumulated losses and Deferred Revenue Expenditure (DRE).
4. Capital Employed = paid up capital + free reserve + long term loan – DRE.

Appendix-5.3
(Referred to in paragraph 5.10.2 and 5.10.3)
Statement showing accounts in arrear of State Public Sector Enterprises

Sl. No.	Name of SPSEs	Year for which Accounts are in arrear	Number of Accounts in Arrear	Status of the SPSEs
A	Companies			
1	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (Standalone & CFS)	2022-23	2	Working
2	Uttar Pradesh Jal Vidyut Nigam Limited	2022-23	1	Working
3	Jawaharpur Vidyut Utpadan Nigam Limited	2022-23	1	Working
4	Uttar Pradesh Power Transmission Corporation Limited	2022-23	1	Working
5	UCM Coal Company Limited	2022-23	1	Working
6	UPSIDC Power Company Ltd.	2014-15 to 2022-23	9	Working
7	Uttar Pradesh Alpsankhyak Vittyta Avam Vikas Nigam Limited	2006-07 to 2022-23	17	Working
8	Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited	2017-18 to 2022-23	6	Working
9	Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited	2018-19 to 2022-23	5	Working
10	Uttar Pradesh Food and Essential Commodities Corporation Limited	2011-12 to 2022-23	12	Working
11	Uttar Pradesh Bhumi Sudhar Nigam	2020-21 to 2022-23	3	Working
12	Uttar Pradesh Mahila Kalyan Nigam Limited	2016-17 to 2022-23	7	Working
13	Uttar Pradesh Waqf Vikas Nigam Limited	2004-05 to 2022-23	19	Working
14	Uttar Pradesh State Agro Industrial Corporation Limited	2011-12 to 2022-23	12	Working
15	Uttar Pradesh Rajkiya Nirman Nigam Limited	2015-16 to 2022-23	8	Working
16	Uttar Pradesh State Bridge Corporation Limited	2020-21 to 2022-23	3	Working
17	Uttar Pradesh Small Industries Corporation Limited	2012-13 to 2022-23	11	Working
18	Uttar Pradesh Beej Vikas Nigam Limited	2020-21 to 2022-23	3	Working
19	Uttar Pradesh Matsya Vikas Nigam Limited	2017-18 to 2022-23	6	Working
20	Uttar Pradesh Drugs and Pharmaceuticals Limited	2010-11 to 2022-23	13	Working
21	Uttar Pradesh Rajya Chini Avam Ganna Vikas Nigam Limited	2018-19 to 2022-23	5	Working
22	Uttar Pradesh State Sugar Corporation Limited (Standalone & CFS)	2018-19 to 2022-23	10	Working
23	Uttar Pradesh Handicraft & Marketing Development Corporation Limited(Formerly Uttar Pradesh Export Corporation Limited)	2009-10 to 2022-23	14	Working
24	Uttar Pradesh State Tourism Development Corporation Limited	2018-19 to 2022-23	5	Working

Sl. No.	Name of SPSEs	Year for which Accounts are in arrear	Number of Accounts in Arrear	Status of the SPSEs
25	Lucknow City Transport Services Limited	2010-11 to 2022-23	13	Working
26	Meerut City Transport Services Limited	2018-19 to 2022-23	5	Working
27	Agra Mathura City Transport Services Limited	2010-11 to 2022-23	13	Working
28	Kanpur City Transport Services Limited	2018-19 to 2022-23	5	Working
29	Varanasi City Transport Services Limited	2010-11 to 2022-23	13	Working
30	Uttar Pradesh Rajya Krishi Evam Gramin Vikas Nigam Limited	2018-19 to 2022-23	5	Working
31	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited	2018-19 to 2022-23	5	Working
32	Uttar Pradesh State Spinning Company Limited	2019-20 to 2022-23	4	Working
33	Uttar Pradesh State Handloom Corporation Limited	2001-02 to 2022-23	22	Working
34	Uttar Pradesh Development Systems Corporation Limited	2021-22 & 2022-23	2	Working
35	U.P. Projects Corporation Limited	2020-21 to 2022-23	3	Working
36	The Pradeshiya Industrial and Investment Corporation of UP Limited	2021-22 & 2022-23	2	Working
37	Shreetron India Limited	2022-23	1	Working
38	Uptron Powertronics Ltd.	2021-22 & 2022-23	2	Working
39	Uttar Pradesh Electronics Corporation Limited.	2021-22 & 2022-23	4	Working
40	Uttar Pradesh Purva Sainik Kalyan Nigam Limited	2022-23	1	Working
41	Uttar Pradesh Police Avas Nigam Limited	2021-22 to 2022-23	2	Working
42	Uttar Pradesh Medical Supply Corporation Limited	2021-22 & 2022-23	2	Working
43	Allahabad City Transport Services Limited	2020-21 to 2022-23	3	Working
44	Uttar Pradesh State Construction & Infrastructure Development Corporation Limited(formerly known asUttar Pradesh Samaj Kalyan Nirman Nigam Limited)	2021-22 & 2022-23	2	Working
45	Agra Smart City Limited	2022-23	1	Working
46	Bareilly Smart City Limited	2022-23	1	Working
47	Prayagraj Smart City Limited	2022-23	1	Working
48	Varanasi Smart City Limited	2022-23	1	Working
49	Jhansi Smart City Limited	2020-21 to 2022-23	3	Working
50	Moradabad Smart City Limited	2022-23	1	Working
51	Saharanpur Smart City Limited	2022-23	1	Working
52	Kanpur Smart City Limited	2018-19 to 2022-23	5	Working

Sl. No.	Name of SPSEs	Year for which Accounts are in arrear	Number of Accounts in Arrear	Status of the SPSEs
53	Lucknow Smart City Limited	2020-21 to 2022-23	3	Working
54	Almora Magnesite Limited	2022-23	1	Working
55	Noida International Airport Limited	2020-21 to 2022-23	3	Working
56	DMIC Integrated Industrial Township Greater Noida Limited	2022-23	1	Working
57	Uplease Financial Services Limited	1998-99 to 2022-23	25	Inactive
58	Chhata Sugar Company Limited	2018-19 to 2022-23	5	Inactive
59	Ghatampur Sugar Company Limited	2018-19 to 2022-23	5	Inactive
60	Nandganj-Sihori Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	2018-19 to 2022-23	5	Inactive
61	The Indian Turpentine and Rosin Company Limited	2011-12 to 2022-23	12	Inactive
62	Uttar Pradesh Instruments Limited	2002-03 to 2022-23	21	Inactive
63	Uttar Pradesh State Brassware Corporation Limited	1998-99 to 2022-23	25	Inactive
64	Uttar Pradesh State Textile Corporation Limited	2021-22 to 2022-23	2	Inactive
65	Uttar Pradesh State Leather Development and Marketing Corporation Limited	2001-02 to 2022-23	22	Inactive
66	Uttar Pradesh State Yarn Company Limited	2022-23	1	Inactive
67	Uttar Pradesh Pashudhan Udyog Nigam Limited	2017-18 to 2022-23	6	Inactive
68	Uttar Pradesh Poultry and Livestock Specialties Limited	2014-15 to 2022-23	9	Inactive
69	Uttar Pradesh State Horticultural Produce Marketing & Processing Corporation Limited	1985-86 to 2022-23	38	Inactive
70	Uttar Pradesh (Paschim) Ganna Beej Evam Vikas Nigam Limited	2013-14 to 2022-23	10	Inactive
71	Uttar Pradesh Panchayati Raj Vitta Evam Vikas Nigam Limited	1996-97 to 2022-23	27	Inactive
72	Agra Mandal Vikas Nigam Limited	1989-90 to 2022-23	34	Inactive
73	Allahabad Mandal Vikas Nigam Limited	1984-85 to 2022-23	39	Inactive
74	Bareilly Mandal Vikas Nigam Limited	1989-90 to 2022-23	34	Inactive
75	Gorakhpur Mandal Vikas Nigam Limited	1989-90 to 2022-23	34	Inactive
76	Lucknow Mandaliya Vikas Nigam Limited	1982-83 to 2022-23	41	Inactive
77	Meerut Mandal Vikas Nigam Limited	2009-10 to 2022-23	14	Inactive
78	Moradabad Mandal Vikas Nigam Limited	1992-93 to 2022-23	31	Inactive

Sl. No.	Name of SPSEs	Year for which Accounts are in arrear	Number of Accounts in Arrear	Status of the SPSEs
79	Tarai Anusuchit Janjati Vikas Nigam Limited	1983-84 to 2022-23	40	Inactive
80	Uttar Pradesh Bundelkhand Vikas Nigam Limited	2011-12 to 2022-23	12	Inactive
81	Uttar Pradesh Chalchitra Nigam Limited	2010-11 to 2022-23	13	Inactive
82	Uttar Pradesh Poorvanchal Vikas Nigam Limited	1988-89 to 2022-23	35	Inactive
83	Varanasi Mandal Vikas Nigam Limited	1988-89 to 2022-23	35	Inactive
84	Command Area Poultry Development Corporation Limited	1995-96 to 2022-23	28	Inactive
A (i) Total Number of Companies Accounts in arrear excluding under liquidation			908	
85	Uttar Pradesh Cement Corporation Limited	1996-97 to 1998-99	3	Under Liquidation (UL)
86	Vindhyachal Abrasives Limited	1988-89 to 2002-03	15	UL
87	Auto Tractors Limited	1992-93 to 2002-03	11	UL
88	Bhadohi Woollens Limited	1995-96	1	UL
89	Continental Float Glass Limited	1998-99 to 2001-02	4	UL
90	Kanpur Components Limited	1978-79 to 1996-97	19	UL
91	Uttar Pradesh Abscott Private Limited	1976-77 to 1986-87	11	UL
92	Uttar Pradesh Carbide and Chemicals Limited	1993-94	1	UL
93	Uttar Pradesh Plant Protection Appliances (Private) Limited	1975-76 to 2003-04	29	UL
94	Uptron India Limited	1996-97 to 2013-14 (UL from 26.03.2014)	18	UL
95	Electronics and Computers (India) Limited	1974-75 to 1981-82	8	UL
A(ii) Total Number of Companies (UL) Accounts in arrear			120	
Total Number of Companies Accounts in arrear {A(i)+A(ii)}			1028	
B	Statutory Corporation			
1	Uttar Pradesh State Road Transport Corporation	2021-22 & 2022-23	2	Working
2	Uttar Pradesh Forest Corporation	2022-23	1	Working
3	Uttar Pradesh Avas Evam Vikas Parishad	2022-23	1	Working
4	Uttar Pradesh Financial Corporation	2013-14 to 2022-23	10	Working
5	Uttar Pradesh State Warehousing Corporation	2021-22 to 2022-23	2	Working
6	Uttar Pradesh Jal Nigam	2020-21 to 2022-23	3	Working
Total Number of Statutory Corporation Accounts in arrear (B)			19	
Total Number of SPSEs Accounts in arrear (A+B)			1047	

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 <i>vis-à-vis</i> 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/charged 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.
Buoyancy ratio	Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable.
Committed expenditure	Committed expenditure of State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages and pensions 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.
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.
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	It is 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

Terms	Explanations
	debt redemption indicating the net availability of borrowed funds.
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 unit 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.
Supplementary grants	If the amount authorised by any law made in accordance with the provisions of Article 204 of the Constitution to be expended for a particular service for the current financial year is found to be insufficient for the purposes of that year or when a need has arisen during the current financial year for supplementary or additional expenditure upon some new service not contemplated in the annual financial statement for that year, Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 205 of the Constitution.

ACRONYMS

Acronym	Full Form
AC Bill	Abstract Contingent Bill
AGM	Annual General Meeting
BOCW Act	Building and Other Construction Workers Act
CAG	Comptroller and Auditor General of India
CAGR	Compound Annual Growth Rate
CCO	Chief Controlling Officers
CGA	Controller General of Accounts
CSF	Consolidated Sinking Fund
DCC Bill	Detailed Countersigned Contingent Bill
DCPS	Defined Contribution Pension Scheme
EBIT	Earnings before interest and taxes
FC	Finance Commission
FRBM Act	Fiscal Responsibility and Budget Management Act
GDP	Gross Domestic Product
GoI	Government of India
GoUP	Government of Uttar Pradesh
GSDP	Gross State Domestic Product
GST	Goods and Services Tax
IGST	Integrated Goods and Services Tax
Ind AS	Indian Accounting Standards
MH	Major Head
MTFRP	Medium Term Fiscal Restructuring Policy
NSDL	National Securities Depository Limited
PAC	Public Accounts Committee
PAO	Pay and Accounts Office
PD Account	Personal Deposit Account
PLA	Personal Ledger Account
PPP	Public Private Partnership
PRI	Panchayati Raj Institution
PSUs	Public Sector Undertakings
RoCE	Return on Capital Employed
RoE	Return on Equity
SDRF	State Disaster Response Fund
SGST	State Goods and Services Tax
UC	Utilisation Certificate
UDAY	Ujwal DISCOM Assurance Yojana
UPBM	Uttar Pradesh Budget Manual

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