



(SEAL OF UP)

Government of Uttar Pradesh

**ACCOUNTS AT A GLANCE
2011-2012**

**ACCOUNTANT GENERAL
(Accounts and Entitlements)
UTTAR PRADESH**



REFACE

I am happy to present the Fourteenth issue of our annual publication, the '**Accounts At A Glance**' of the Government of Uttar Pradesh. The purpose of this publication is to distil and make more accessible the voluminous information that is available in the annual Finance and Appropriation Accounts (totalling 989 pages in this year) prepared by my office under the directions of the Comptroller and Auditor General of India and placed before the Legislature in accordance with Article 149 of the Constitution of India.

The years have seen major changes in the scope and presentation of the various reports through which the IA&AD keeps the stakeholders-the Legislature, the Executive and the Public-informed. The format of the Finance Accounts has undergone significant changes, with additional statements incorporated to bring out the financial position of the Government more clearly. Consequently, the Finance Accounts, are in two volumes. In keeping with these changes, the Accounts at a Glance has also been completely remodelled and made more comprehensive. A combined reading of the Finance Accounts and Appropriation Accounts, the Report on State Finances and the Accounts at a Glance, will help the stakeholders to more effectively comprehend the various facets of the finances of the Government of Uttar Pradesh.

We look forward to comments and suggestions for improving this publication.

(P.K. Tiwari)
Accountant General (A&E)
Uttar Pradesh

Place: Allahabad
Date: 31-12-2012

Our vision, Mission and Core Values

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

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

Our **mission** enunciates our current role and describes what we are doing today

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

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

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

T ABLE OF CONTENTS

		Page
Chapter 1	Overview	
1.1	Introduction	7
1.2	Structure of Accounts	7
1.3	Finance Accounts and Appropriation Accounts	9
1.4	Sources and Application of Funds	11
1.5	Highlights of Accounts	14
1.6	What the Deficits and Surpluses indicate	15
<hr/>		
Chapter 2	Receipts	
2.1	Introduction	17
2.2	Revenue Receipts	17
2.3	Trend of Receipts	18
2.4	Performance of State's own Tax Revenue Collection	20
2.5	Efficiency of Tax Collection	21
2.6	Trend in State's share of Union Taxes	22
2.7	Grants-in-Aid	22
2.8	Public Debt	23
<hr/>		
Chapter 3	Expenditure	
3.1	Introduction	24
3.2	Revenue Expenditure	24
3.3	Capital Expenditure	26
<hr/>		
Chapter 4	Plan & Non-Plan Expenditure	
4.1	Distribution of Expenditure	28
4.2	Plan Expenditure	28
4.3	Non-Plan Expenditure	29
4.4	Committed Expenditure	30
<hr/>		
Chapter 5	Appropriation Accounts	
5.1	Summary of Appropriation Accounts	31
5.2	Trend of Savings/Excesses during the past 5 years	31
5.3	Significant Savings	32
<hr/>		

Chapter 6 Assets and Liabilities

6.1	Assets	34
6.2	Debt and Liabilities	34
6.3	Guarantees	35

Chapter 7 Other items

7.1	Lapse of cheques of Important transactions	36
7.2	Loans and Advances by the State Government	36
7.3	Financial Assistance to Local Bodies and Others	36
7.4	Cash Balance and Investment of Cash Balance	37
7.5	Reconciliation of Accounts	37
7.6	Submission of Accounts by Treasuries	38
7.7	Abstract Contingent Bills/Detailed Contingent Bills	38
7.8	Rush of Expenditure	39
7.9	Commitments on account of incomplete Capital works	40

OVERVIEW

1.1 Introduction

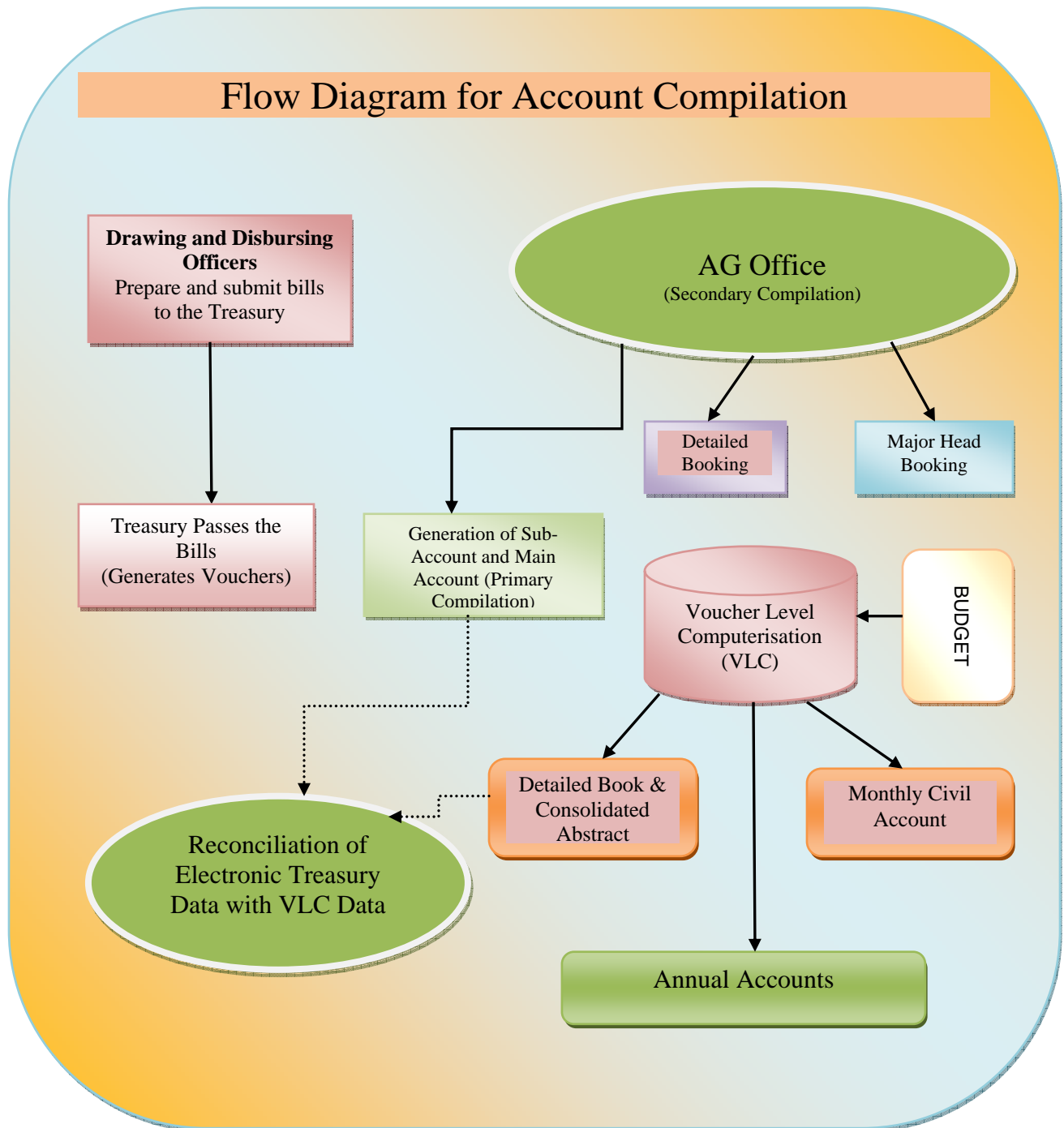
The Accountant General (Accounts and Entitlements), Uttar Pradesh compiles the accounts of receipt and expenditure of the Government of Uttar Pradesh. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India. Following such compilation, the Accountant General (A&E) prepares, annually, the Finance Accounts and the Appropriation Accounts, which are placed before the State Legislature after audit by the Principal Accountant General (General & Social Sector Audit) Uttar Pradesh and certification by the Comptroller and Auditor General of India.

1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

<p>Part 1 CONSOLIDATED FUND</p>	<p>Receipts and Expenditures on Revenue and Capital Accounts, Public Debt and Loans and Advances.</p>
<p>Part 2 CONTINGENCY FUND</p>	<p>Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.</p>
<p>Part 3 PUBLIC ACCOUNT</p>	<p>Comprises of Debt, Deposits, Advances, Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are to be cleared eventually by booking to the final heads of account.</p>

1.2.2 Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, public debt and public account balances recorded in the accounts. The Finance Accounts have been issued in two volumes, in a new format, to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarized statements of overall receipts and disbursements and 'Notes to accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume II contains other summarized statements (Part-I), detailed statements (Part-II) and appendices (Part-III).

Receipts and Disbursements of the Government of Uttar Pradesh as depicted in the Finance Accounts 2011-12 are given below:

(₹ in Crore)

Receipts (Total: 146434.70)	Revenue (Total: 130869.70)	Tax Revenue	102964.38
		Non Tax Revenue	10145.30
		Grants-in-Aid	17760.02
	Capital (Total:15565.00)	Recovery of Loans and Advances	133.17
		Borrowings and other Liabilities *	15431.83
Disbursements (Total: 146434.70)	Revenue	123885.17	
	Capital	21573.96	
	Loans and Advances	975.57	

* 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.

The Union Government transfers substantial funds directly to State Implementing Agencies/NGOs for implementation of various schemes and programmes. This year, the Government of India directly released ₹ 10682.51 crore (₹ 14348.44 crore last year). Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VII of Volume II of the Finance Accounts.

1.3.2 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'charged' on the Consolidated Fund or 'voted' by the State Legislature. There are 45 charged Appropriations and 90 voted Grants.

The Appropriation Act, 2011-12, had provided for gross expenditure of ₹ 190925.42 crore and reduction of expenditure (recoveries) of ₹ 10629.10 crore. Against this, the actual gross expenditure was ₹ 166419.29 crore and reduction of expenditure was ₹ 11696.98 crore, resulting in net savings of ₹ 24506.13 crore (12.84%) and an under-estimation of ₹ 1067.88 crore (10%) on reduction of expenditure. Reduction of expenditure, under revenue and capital was more than estimates. The gross expenditure during the year includes ₹ 100.41 crore drawn on Abstract Contingent (AC) Bills, out of which ₹ 39.42 crore is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

Normally, unspent balances under PD accounts are to be transferred back to the Government Accounts at the end of the financial year. But the same has not been done in respect of 60 PD Accounts (Under 8443-106) amounting to ₹ 0.25 crore by the holders at the end of year.

As per information received from various Treasuries of the State only 508 PD Accounts out of 1572 are reported to have been reconciled. It has also been noticed that unutilized balance of budget allocation have been withdrawn through AC Bills and deposited under earmarked PD Accounts by debit to various Service major heads of Consolidated Fund.

1.4 Sources and Application of funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 4.71 crore) maintained with the RBI. During 2011-12, the Government of Uttar Pradesh did not resort to OD facilities. This has to be viewed against the fact that there were savings totaling ₹ 24506.13 crore in almost all 91 grants, resulting in a shortfall of 13% in expenditure against estimates.

1.4.2 Fund flow statement

The State had a Revenue Surplus of ₹6984.53 crore and a Fiscal Deficit of ₹ 15431.83 crore representing 1.02% and 2.24% of the Gross State Domestic Product (GSDP)¹. The Fiscal Deficit constituted 10.54% of total expenditure. This deficit was met from Public Debt (₹ 11364.69 crore), increase in Public Account (₹ 3302.92 crore), un-recouped contribution from the Contingency Fund (₹ (-) 269.75 crore), and net of opening and closing cash balance (₹ 1033.97 crore). Around 63.22% of the revenue receipts(₹ 130869.70 crore) of the State Government was spent on committed expenditure like salaries & Wages (₹ 47520.97 crore), interest payments (₹15480.95 crore), pensions (₹ 14127.06 crore) and subsidies (₹ 5600.92 crore).

¹Except where indicated otherwise, GSDP figures used in this publication are adopted from Arthik Bodh Evam Sankhya Nideshak, Government of Uttar Pradesh. Lucknow.

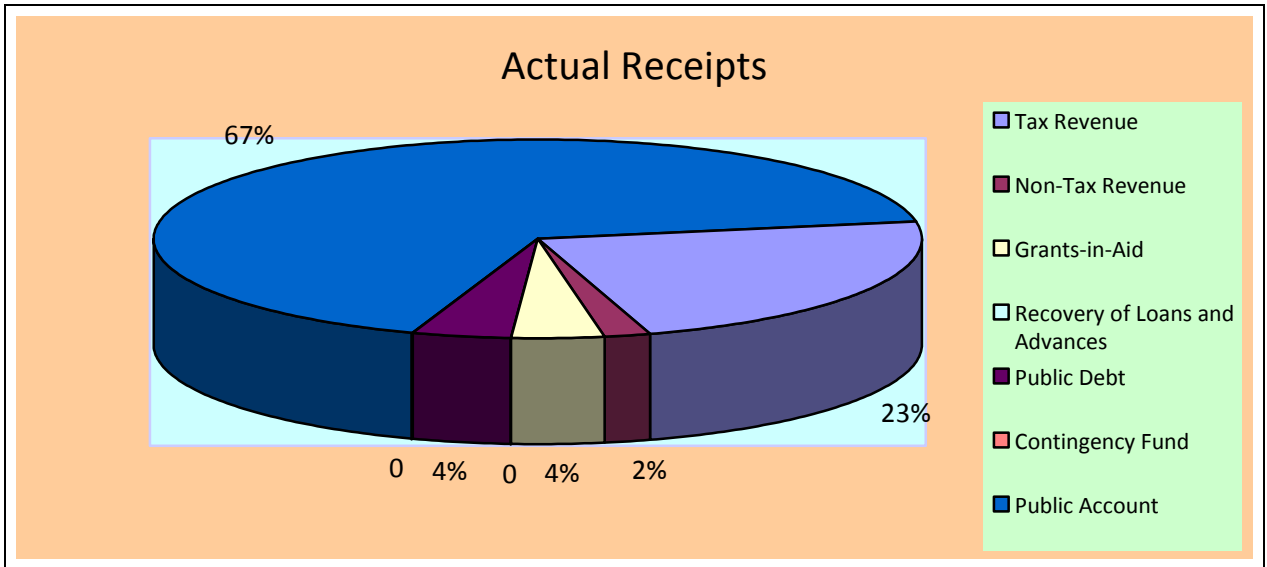
Source and Application of Funds

(₹In Crore)

SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1.4.2011	414.63
	Revenue Receipts	130869.70
	Recovery of Loans and Advances	133.17
	Public Debt	19652.30
	Contingency Fund	39.89
	Small Savings Provident Fund & Others	9539.26
	Reserves & Sinking Funds	10255.12
	Deposits Received	10401.93
	Civil Advances Repaid	148.93
	Suspense Account	257524.23
	Remittances	18705.74
	Total	457684.90

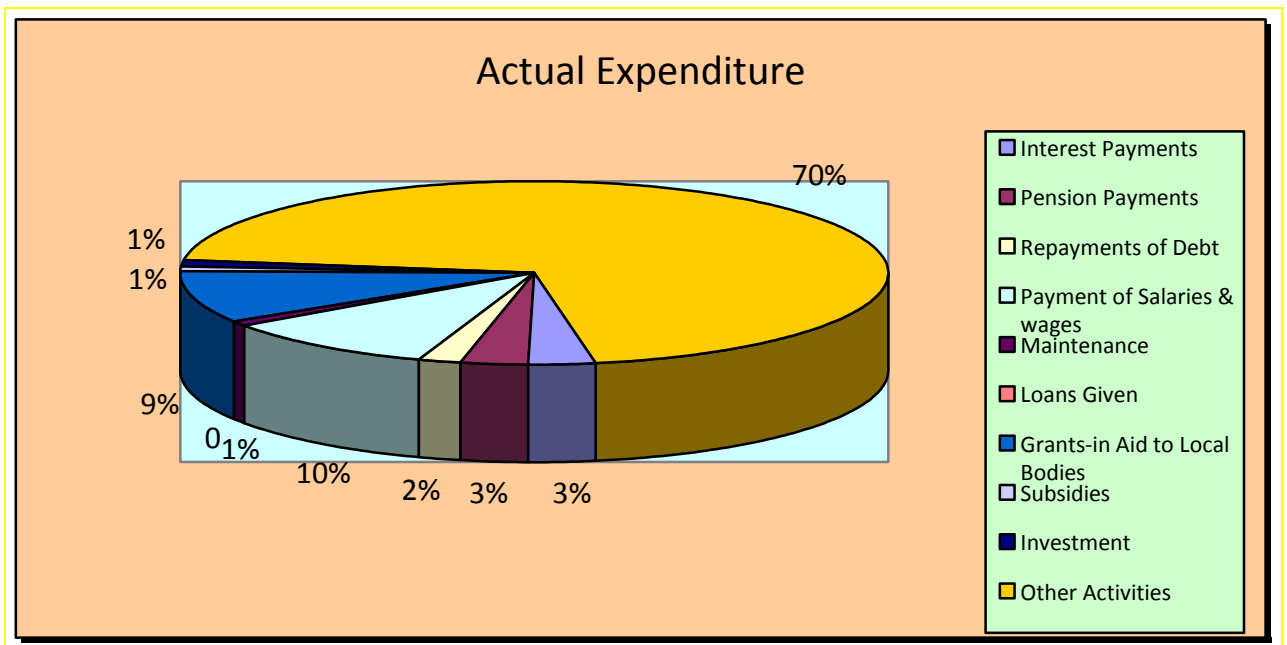
APPLICATION	Revenue Expenditure	123885.17
	Capital Expenditure	21573.96
	Loans Given	975.57
	Repayment of Public Debt	8287.61
	Contingency Fund	309.64
	Small Savings Provident Funds and Others	5908.99
	Reserves & Sinking Funds	4767.87
	Deposits spent	12440.23
	Civil Advances given	149.10
	Suspense Account	261091.68
	Remittances	18914.42
	Closing Cash Balance as on 31.3.2012	(-)619.34
	Total	457684.90

1.4.3 Where the Rupee came from



Note: Zero depicts negligible amount

1.4.4 Where the Rupee went



Note: Zero depicts negligible amount

1.5 Highlights of Accounts

(₹ in Crore)

Sl. No	Items	B.E 2011-12	Actuals	Percentage of actuals to B.E	Percentage of actuals to GSDP(\$)
1.	Tax Revenue @	98609.37	102964.38	104.42	14.97
2.	Non-Tax Revenue	12111.56	10145.30	83.77	1.47
3.	Grants-in-aid & Contributions	20707.77	17760.02	85.77	2.58
4.	Revenue Receipts(1+2+3)	131428.70	130869.70	99.57	19.03
5.	Recovery of Loans and Advances	671.77	133.17	19.82	0.02
6.	Borrowings & other Liabilities (A)	18959.66	15431.83	81.39	2.24
7.	Capital Receipts(5+6)	19631.43	15565.00	79.29	2.26
8.	Total Receipts (4+7)	151060.13	146434.70	96.94	21.29
9.	Non-Plan Expenditure (*)	103432.67	102669.20	99.26	14.93
10.	NPE on Revenue Account	101756.11	101269.25	99.52	14.72
11.	NPE on Interest Payments out of 10	14982.53	15480.95	103.33	2.25
12.	NPE on Capital Account	1676.56	1399.95	83.50	0.20
13.	Plan Expenditure (*)	47627.46	43765.50	91.89	6.36
14.	PE on Revenue Account	24037.55	22615.92	94.09	3.29
15.	PE on Capital Account	23589.91	21149.58	89.66	3.07
16.	Total Expenditure(9+13)	151060.13	146434.70	96.94	21.29
17.	Revenue Expenditure(10+14)	125793.66	123885.17	98.48	18.01
18.	Capital Expenditure(12+15) (#)	25266.47	22549.53	89.25	3.28
19.	Revenue Surplus(+)/Deficit(-)(4-17)	5635.04	6984.53	123.95	1.02
20.	Fiscal Surplus(+)/Deficit(-) (4+5-16)	(-)18959.66	(-)15431.83	81.39	2.24

@ Includes State's share of Union Taxes of ₹ 50350.95 crore

(\$ GSDP figure of ₹ 687836.28 crore (Advance) received from Arthik Bodh Evam Sankhya Nideshak, Uttar Pradesh, Lucknow.

(# Expenditure on Capital Account includes Capital Expenditure (₹ 21573.96 crore) and Loans and Advances disbursed (₹ 975.57 crore).

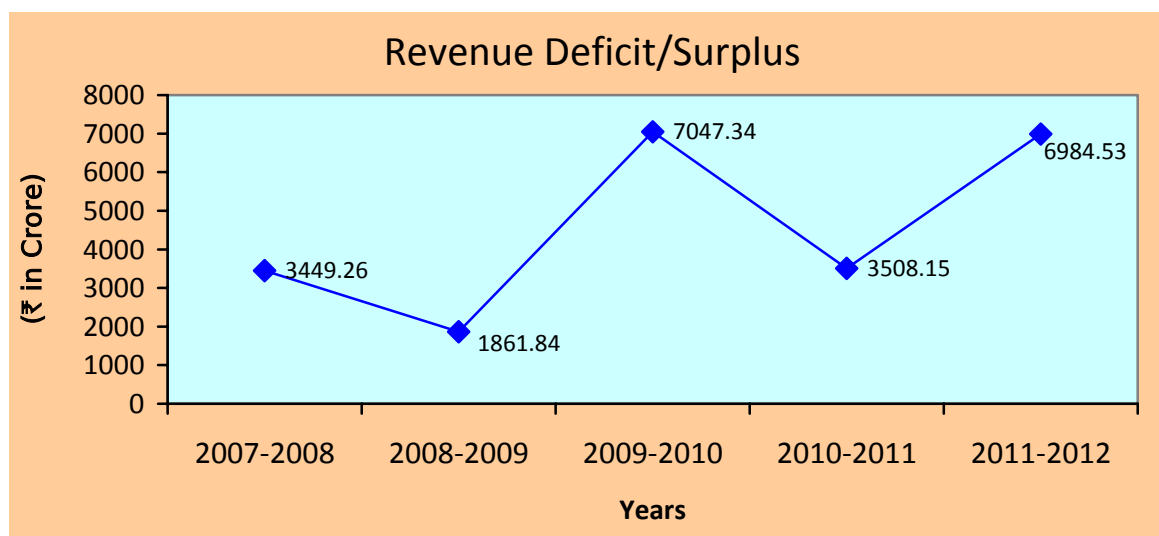
(*) Expenditure includes ₹ 561.09 crore under Non-Plan and ₹ 414.48 crore under Plan which pertains to Loans and Advances.

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

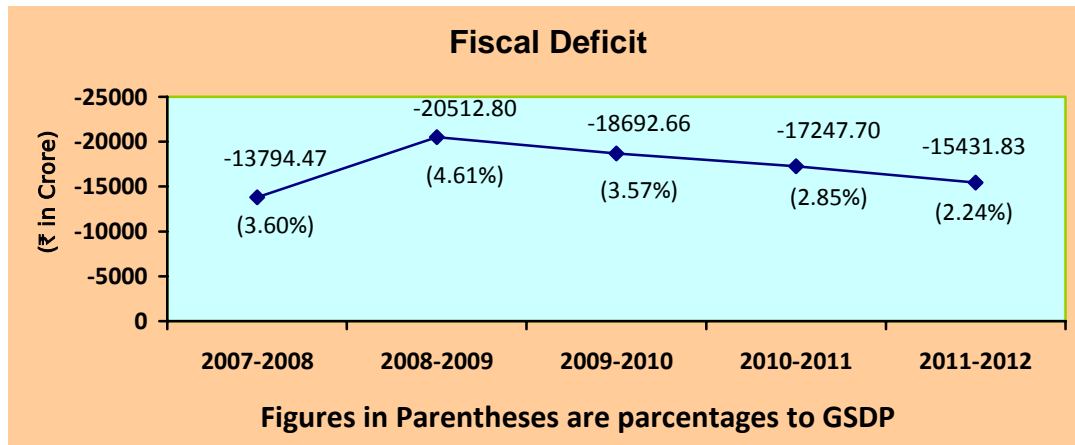
1.6 What do the Deficits and Surpluses indicate?

Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
Revenue Deficit/Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.
Fiscal Deficit/ Surplus	Refers to the gap between total Receipts (excluding borrowings) and total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the Borrowings should be invested in capital projects.

1.6.1 Trend of Revenue Deficit/ Surplus

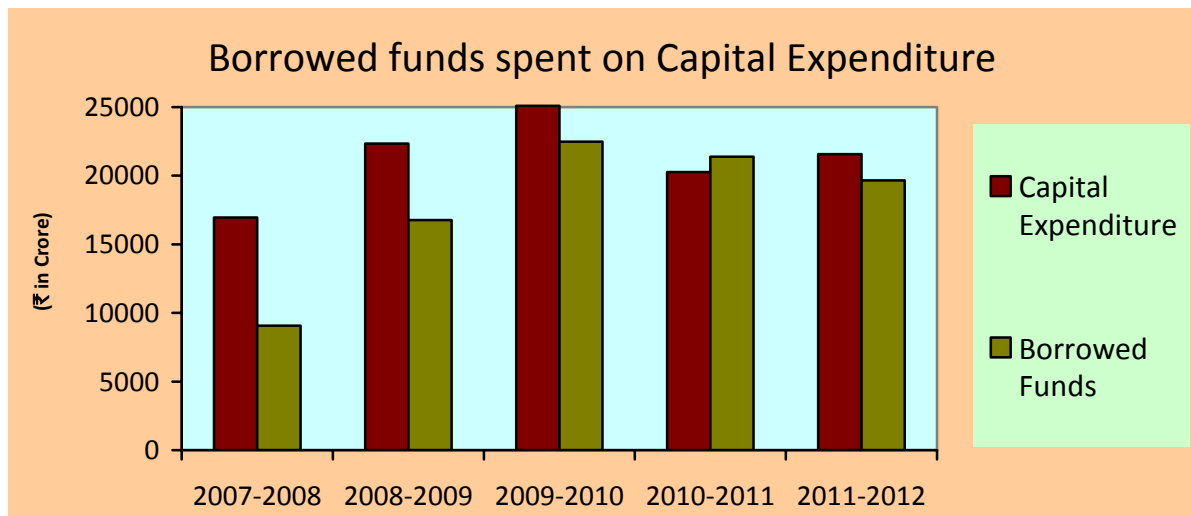


1.6.2 Trend of Fiscal Deficit



1.6.3 Proportion of borrowed funds spent on Capital expenditure.

The capital expenditure is usually met from borrowed funds. It is desirable to fully utilise borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. The State Government, however, spent 109.78 % of the borrowings of the current year (₹ 19652.30 crore) on capital expenditure (₹ 21573.96 crore).



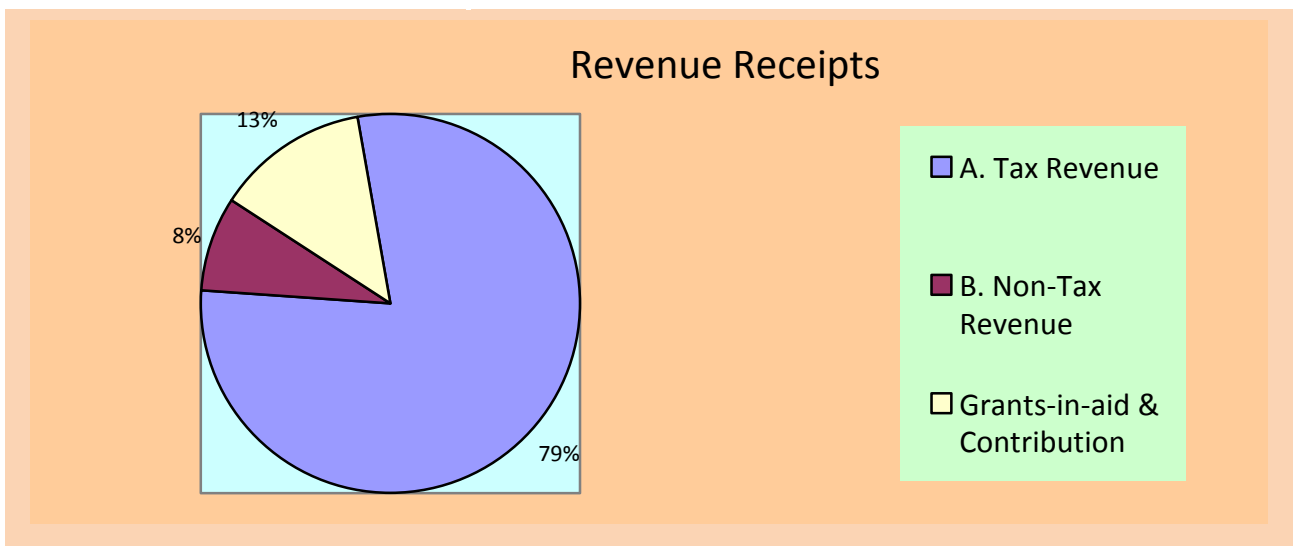
RECEIPTS

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2011-12 were ₹ 146434.70 crore.

2.2 Revenue Receipts

Tax Revenue	Comprises taxes collected and retained by the State and State’s share of Union taxes under Article 280(3) of the Constitution.
Non-Tax Revenue	Includes interest receipts, dividends, profits etc.
Grants-in-Aid	Essentially, a form of Central Assistance to the State Government from the Union Government. Includes ‘External Grant Assistance’ and ‘Aid, Material & Equipment’ received from foreign Governments and channelised through the Union Government. In turn, the State Governments also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.



Revenue Receipt Components (2011-12)

(₹ in Crore)

Components	Actuals
A. Tax Revenue	102964.38
Taxes on Income & Expenditure	29916.21
Taxes on Property & Capital Transactions	8261.60
Taxes on Commodities & Services	64786.57
B. Non-Tax Revenue	10145.30
Fiscal Services	0.06
Interest Receipts, Dividends and Profits	827.39
General Services	4906.97
Social Services	2661.56
Economic Services	1749.32
C. Grants-in aid & Contributions	17760.02
Total- Revenue Receipts	130869.70

2.3 Trend of Receipts

(₹ in Crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Tax Revenues	54247.06 (14)	59564.69 (13)	65674.27 (13)	84573.90 (14)	102964.38 (15)
Non-Tax Revenues	5816.01 (2)	6766.56 (2)	13601.09 (3)	11176.21 (2)	10145.30 (1)
Grants in Aid	8609.40 (2)	11499.48 (3)	17145.59 (3)	15433.65 (3)	17760.02 (3)
Total Revenue Receipts	68672.47 (18)	77830.73 (18)	96420.95 (18)	111183.76 (18)	130869.70 (19)
GSDP(*)	383025.52(a)	444684.86(a)	523192.83(a)	605219.23(b)	687836.28(c)

Note: Figures in parentheses represent percentage to GSDP

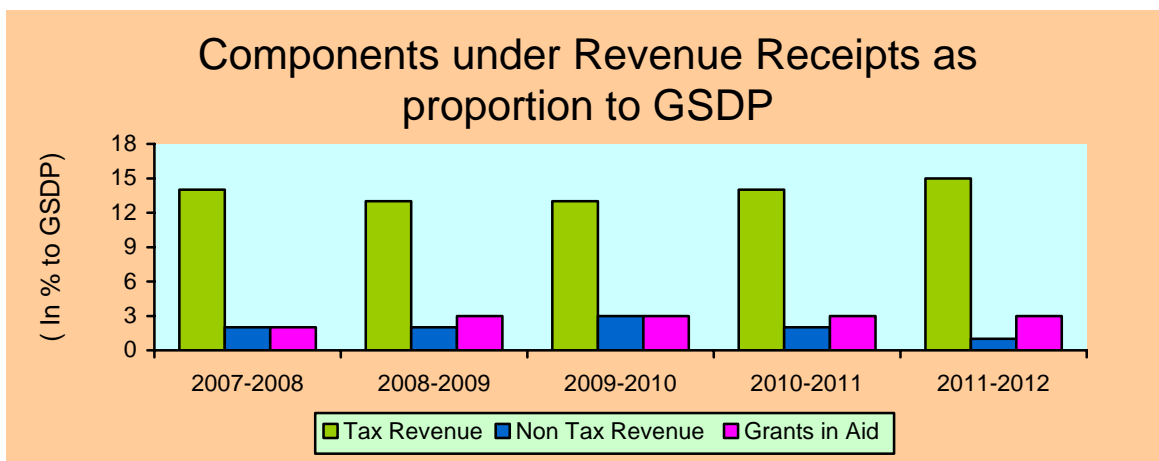
(*) GSDP (Gross State Domestic Product) is the value of final goods and services produced during the year.

(a) Figures of GSDP for 2007-08 to 2009-10 have been revised by the State Govt. and are provisional.

(b) Figure of GSDP for 2010-11 has been revised by the State Govt. and is Quick.

(c) Figure of GSDP for 2011-12 is advance.

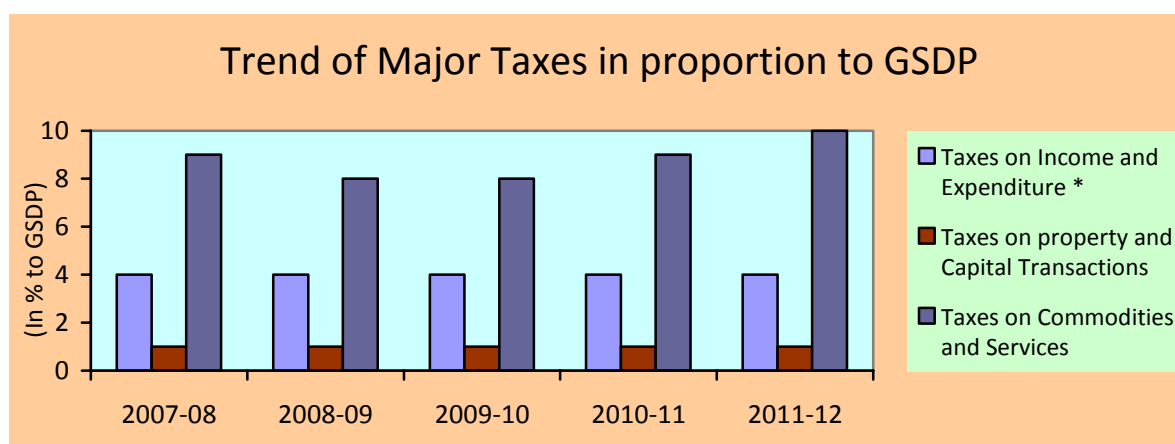
Though the GSDP increased by 13.65 % between 2010-11 and 2011-12, growth in revenue collection was only 17.71 % . While tax revenues increased by 21.74 %, non-tax revenues declined by 9.22 % despite significant increase in collections under ‘Labour and Employment’ (₹ 184.87 crore), ‘Other Administrative Services’ (₹ 168.19 crore), ‘Social Security and Welfare’ (₹ 104.47 crore), ‘Interest Receipts’ (₹ 99.90 crore) and ‘Roads and Bridges’ (₹ 54.34 crore.). The decline under non-tax revenues was mainly on account of less collection under ‘Miscellaneous General Services’ (₹ 1085.43 crore), ‘Education, Sports, Art and Culture’ (₹ 605.56 crore) and ‘Water Supply and Sanitation’ (₹ 66.54 crore) in 2011-12. The State’s own revenue under certain tax components, like ‘Taxes on Sales, trade etc’., (₹ 8270.82 crore), ‘Stamps and Registration fees’ (₹ 1719.75 crore), ‘State Excise’ (₹1415.71 crore) and ‘Taxes on Vehicles’ (₹ 558.98 crore) showed a higher trend.



Sector-wise Tax Revenue

(₹ in Crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Taxes on Income and Expenditure	15552.36	16518.92	20395.89	25845.27	29916.21
Taxes on Property and Capital Transactions	4379.53	4697.16	5254.98	7143.46	8261.60
Taxes on Commodities and Services	34315.17	38348.61	40023.40	51585.17	64786.57
Total Tax Revenues	54247.06	59564.69	65674.27	84573.90	102964.38



(*) Primarily net proceeds of central Share to the State

2.4 Performance of State's own tax revenue collection

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Amount	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2007-08	54247.06	29287.74	24959.32	6.52
2008-09	59564.69	30905.72	28658.97	6.44
2009-10	65674.27	31796.67	33877.60	6.48
2010-11	84573.90	43464.05	41109.85	6.79
2011-12	102964.38	50350.95	52613.43	7.65

2.5 Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in Crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	4379.53	4697.16	5254.98	7143.46	8261.60
Expenditure on Collection	837.64	947.91	1222.11	1568.90	1662.85
Efficiency of Tax Collection	19%	20%	23%	22%	20%

B. Taxes on Commodities and Services

(₹ in Crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	34315.17	38348.61	40023.40	51585.17	64786.57
Expenditure on Collection	345.39	482.45	1155.49	1440.15	1135.07
Efficiency of Tax Collection	1%	1%	3%	3%	2%

Taxes on commodities and services form a major chunk of tax revenue. Tax collection efficiency is excellent. However, the collection efficiency of taxes on property and capital transactions can be improved.

2.6 Trend in State's Share of Union Taxes over the past five years

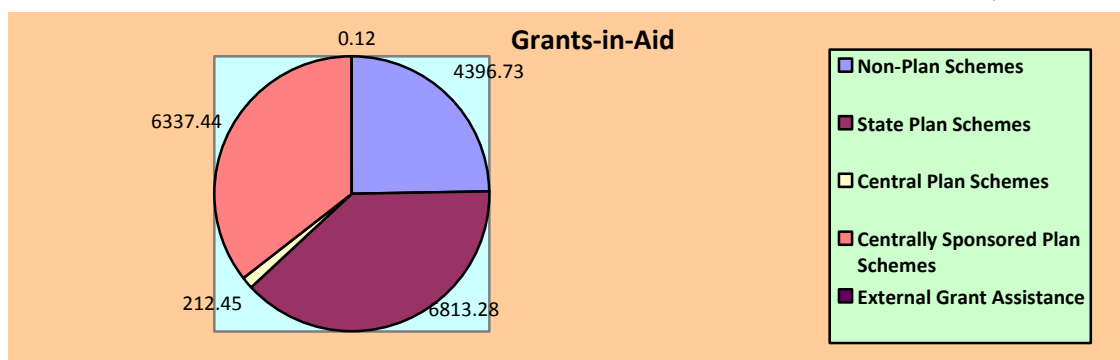
(₹ in Crore)

Major Head description	2007-08	2008-09	2009-10	2010-11	2011-12
Corporation Tax	9295.11	10134.47	13085.69	16892.90	19818.72
Taxes on Income other than Corporation Tax	6238.76	6363.88	7289.26	8926.93	10067.03
Other Taxes on Income and Expenditure	(-)0.47	(-)0.33	0.00	0.00	0.00
Taxes on Wealth	10.32	9.61	29.61	34.64	76.51
Customs	5535.94	5907.92	4450.18	7557.41	8730.00
Union Excise Duties	5284.77	5152.47	3584.65	5497.76	5649.14
Service Tax	2924.43	3338.69	3357.31	4309.45	6009.58
Other Taxes and Duties on Commodities and Services	(-)1.12	(-)0.99	(-)0.03	244.96	(-)0.03
State Share of Union Taxes	29287.74	30905.72	31796.67	43464.05	50350.95
Total Tax Revenue	54247.06	59564.69	65674.27	84573.90	102964.38
Percentage of Union Taxes to Total Tax Revenue	54	52	48	51	49

2.7 Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India and External Grant Assistance and comprise, Grants for State Plan Schemes, Central Plan Schemes, Centrally Sponsored Schemes approved by the Planning Commission, State Non-plan Grants recommended by the Finance Commission and Grants from External Agencies. Total receipts during 2011-12 under Grants in Aid were ₹ 17760.02 Crore as shown below:

(₹ in Crore)



The share of non-plan grants in total Grants-in-aid increased from 20% during 2010-11 to 25 % in 2011-12, while, the share of grants for plan schemes increased from 44 % in 2010-11 to 75 % in 2011-12. As against a budget estimate of ₹ 15534.45 Crore of Union share in State Plan schemes, central plan schemes and centrally sponsored plan schemes, the State Government has actually received ₹13363.17 crore of Grants-in-Aid (86 % of BE).

2.8 Public Debt

Trend of Public Debt over the past 5 years

Description	(₹ in Crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Internal Debt	4531.04	10762.00	15737.68	14948.00	12363.65
Central Loans	(-821.20)	(-778.45)	(-917.20)	(-937.00)	(-998.96)
Total Public Debt	3709.84	9983.55	14820.48	14011.00	11364.69

Note: Negative figures indicate that repayment is in excess of receipts.

In 2011-12, fifteen loans totalling ₹ 15830.00 crore at interest rates varying from 8.56 % to 9.28 % and redeemable in the years 2021-2022 were raised at par.

Against the total internal debt of ₹ 19336.67 crore of the State Government in 2011-12 plus the central loan component of ₹ 315.63 crore received during this period, capital expenditure was ₹ 21573.96 crore (110 %).

CHAPTER III

EXPENDITURE

3.1 Introduction

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

General Services	Includes justice, police, jail, PWD, Pension etc.
Social Services	Includes Education, Health & Family Welfare, Water Supply, Welfare of SC-ST etc.
Economic Services	Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.

3.2 Revenue Expenditure

Revenue Expenditure of ₹ 123885.17 Crore for 2011-12 fell short of budget estimates by ₹ 1908.49 crore due to less disbursement of ₹ 1421.63 crore under Plan Expenditure and ₹ 486.86 crore under Non-plan Expenditure. This shortfall is to be viewed in the light of the shortfall of ₹ 559.00 crore (0.43%) in revenue receipts and the need of the State to maintain a revenue surplus in terms of the Uttar Pradesh FRBM Act, 2004.

The shortfall of expenditure against budget estimates under Revenue section during the past five years is given below:

	(₹ in Crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Budget Estimates	67871.38	74828.67	92866.65	111066.21	125793.66
Actuals	65223.21	75968.89	89373.61	107675.61	123885.17
Gap	2648.17	(-)1140.22	3493.04	3390.60	1908.49
Percentage of gap over BE	4	2	4	3	2

Compounding the shortfall (by 0.43%) of revenue receipts against budget estimates, the State Government was faced with the problem of generating revenue surplus in terms of the FRBM Act. Nearly 67% of total revenue expenditure was committed to Non-Plan expenditure (salaries, pensions etc.) Added to this was the fact that the Government of India released only 86% of the estimated Grant-in-aid. The Plan expenditure has resultantly increased by 7.5%, from ₹ 21039.53 crore in 2010-11 to ₹ 22615.92 crore in 2011-12.

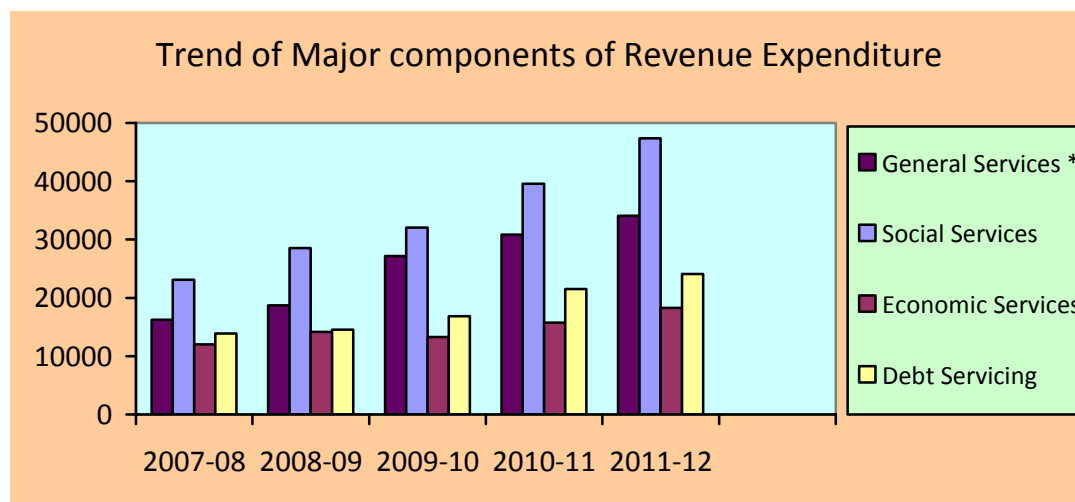
3.2.1 Sectoral distribution of Revenue Expenditure (2011-12)

(₹ in Crore)

Components	Amount	Percentage
A. Fiscal Services	2815.73	2
(i) Collection of Taxes on Property and Capital transactions	1662.85	1
(ii) Collection of Taxes on Commodities and Services	1135.07	1
(iii) Other Fiscal Services	17.81	-
B. Organs of State	1475.62	1
C. Interest Payments and Servicing of debt	24107.57	20
D. Administrative Services	10390.68	8
E. Pensions and Miscellaneous General Services	14157.32	12
F. Social Services	47390.94	38
G. Economic Services	18292.21	15
H. Grants-in-aid and contributions	5255.10	4
Total Expenditure (Revenue Account)	123885.17	100

3.2.2 Major components of Revenue Expenditure (2007-2012)

(₹ in crore)



* General Services excludes MH 2048 (Appropriation for reduction or avoidance of debts), MH 2049 (Interest Payments) and includes MH 3604 Compensation and assignment to Local Bodies and Panchayati Raj Institutions.

The expenditure on Economic Services (which includes important sectors like Rural Development, Agriculture and Irrigation) has marginal growth, as against a steady increase in other services.

3.3 Capital Expenditure

Capital disbursements for 2011-12 at 3.28% of GSDP were less than Budget Estimates by ₹ 2716.94 crore (less disbursement of ₹ 2440.33 crore under Plan Expenditure and ₹ 276.61 crore under Non-plan Expenditure).

3.3.1 Sectoral distribution of Capital Expenditure

During 2011-12, the Government spent ₹ 1763.62 crore on various Projects (₹ 1192.47 crore on Major Irrigation, ₹ 142.70 crore on Medium Irrigation, and ₹ 428.45 crore on Minor Irrigation). Apart from above, the Government spent ₹ 379.88 crore on Construction of Buildings, and invested ₹ 4379.00 crore in various Corporations /Companies /Societies.

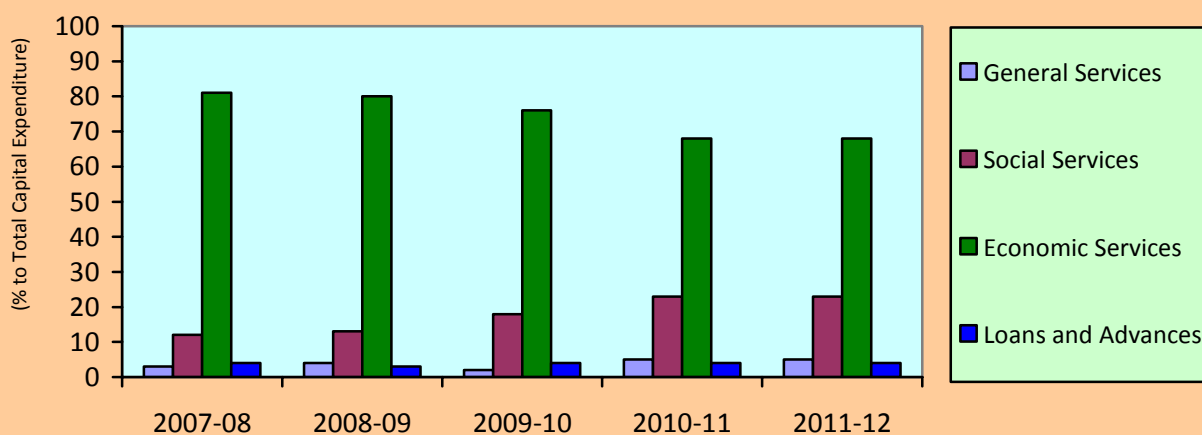
(₹ in Crore)			
Sl.No.	Sector	Amount	Percentage
1.	General Services-Police, Land Revenue etc.	1143.62	5
2.	Social Services-Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	5187.14	23
3.	Economic Services-Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.,	15243.20	68
4.	Loans and Advances Disbursed	975.57	4
Total		22549.53	100

3.3.2 Sectoral distribution of capital expenditure over the past 5 years

(₹ in Crore)

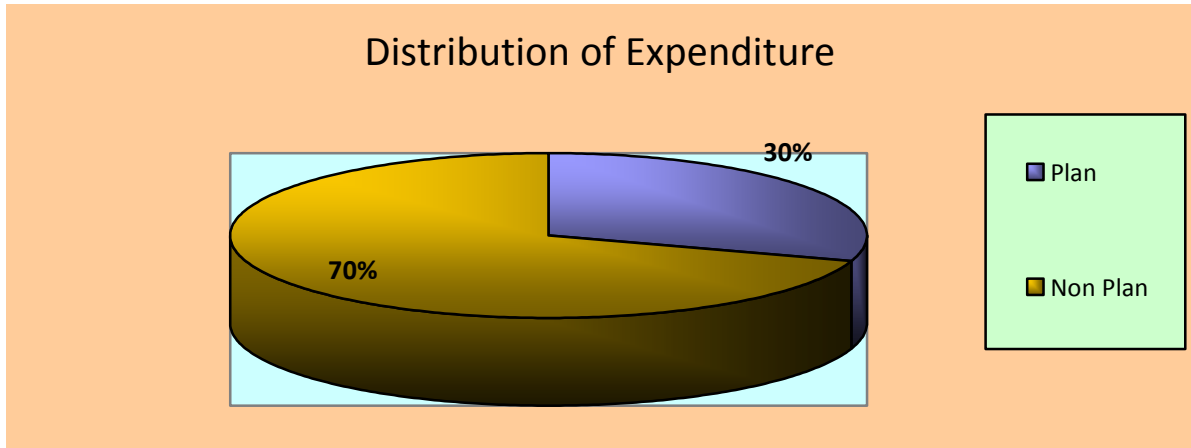
Sl.No.	Sector	2007-08	2008-09	2009-10	2010-11	2011-12
1.	General Services	574.89	841.35	610.97	1002.05	1143.62
2.	Social Services	2113.63	2945.44	4702.02	4795.47	5187.14
3.	Economic Services	14261.86	18558.93	19778.24	14475.28	15243.20
4.	Loans and Advances	741.96	807.01	941.85	968.22	975.57
Total		17692.34	23152.73	26033.08	21241.02	22549.53

Trend of Sectoral Distribution of Capital Expenditure



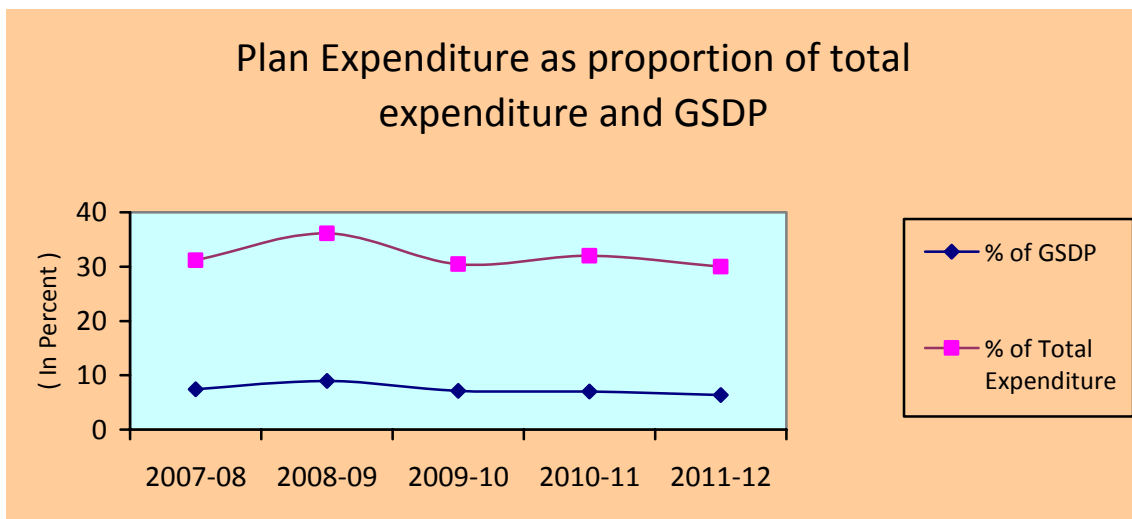
PLAN & NON PLAN EXPENDITURE

4.1 Distribution of expenditure (2011-12)



4.2 Plan Expenditure

During 2011-12, Plan Expenditure, representing 30 percent of total disbursements, was ₹ 43765.50 crore (₹ 33056.48 crore under State Plan, ₹ 10294.54 crore under Centrally Sponsored Plan Schemes and ₹ 414.48 crore under Loans and Advances).

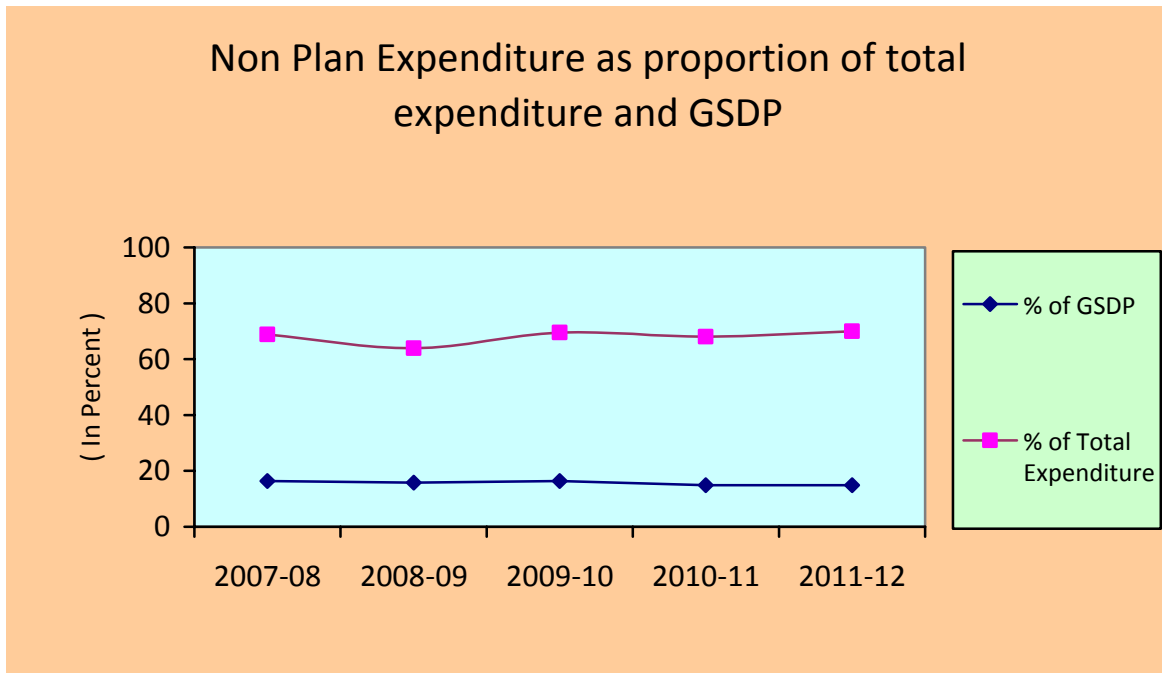


4.2.1 Plan expenditure under Capital Account

	(₹ in Crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Total Capital Expenditure	17692.34	23152.73	26033.08	21241.02	22549.53
Capital Expenditure (Plan)	14087.28	18477.81	19433.51	20198.36	21149.58
Percentage of Capital Expenditure (Plan) to Total Capital Expenditure	80	80	75	95	94

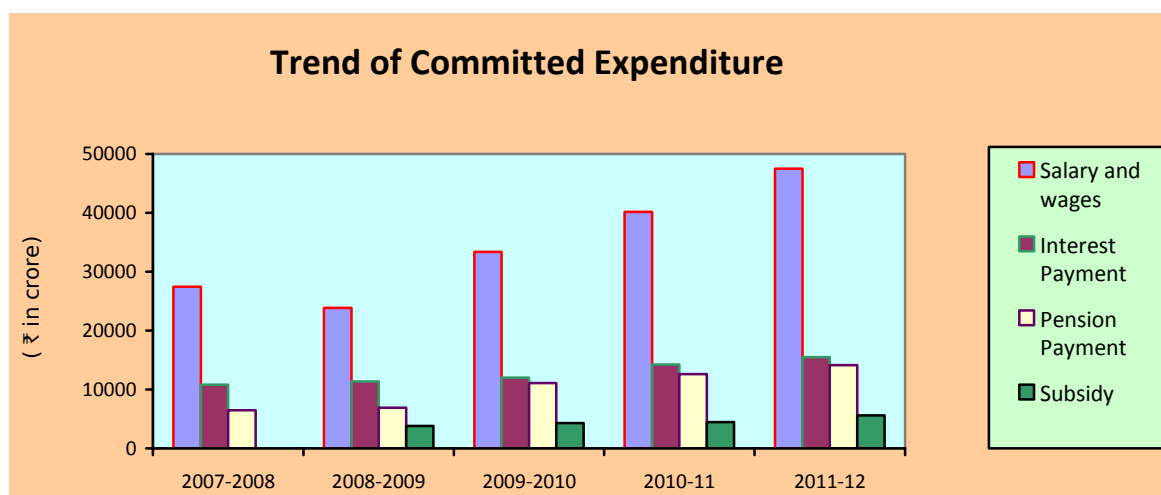
4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2011-12, representing 70 percent of total disbursements, was ₹ 102669.20 crore, (₹ 101269.25 crore under Revenue and ₹1399.95 crore under Capital).



4.4 Committed Expenditure

Component	2007-08	2008-09	2009-10	2010-11	2011-12
Committed Expenditure	44736.22	45977.27	60685.06	71429.90	82729.90
Revenue Expenditure	65223.21	75968.89	89373.61	107675.61	123885.17
Percentage of Committed Expenditure to Revenue Receipts	65	59	63	64	63
Percentage of Committed Expenditure to Revenue Expenditure	69	61	68	66	67



The upward trend on committed expenditure leaves the government with lesser flexibility for developmental spending.

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts for 2011-12

(₹ in Crore)

Sl. No	Nature of expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings (-) Excesses(+)
1	Revenue Voted	102236.19	6592.32	-	108828.51	100258.00	(-)8570.51
	Charged	24004.76	57.71		24062.47	24328.22	265.75
2	Capital Voted	34389.78	3631.42	-	38021.20	32475.22	(-)5545.98
	Charged	135.20	-		135.20	94.66	(-)40.54
3	Public Debt Charged	18356.26	41.63	-	18397.89	8287.61	(-)10110.28
4	Loans and Advances Voted	923.30	556.85	-	1480.15	975.58	(-)504.57
Total		180045.49	10879.93	-	190925.42	166419.29	(-)24506.13

5.2 Trend of Savings/Excess during the past five years

(₹ in Crore)

Year	Savings (-)/ Excess(+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2007-08	(-)4217.26	(-)1797.46	(-)10223.64	(-)200.38	(-)16438.74
2008-09	(-)6998.64	(-)335.60	(-)10001.67	(-)101.79	(-)17437.70
2009-10	(-)7276.68	(-)3472.01	(-)10220.43	(-)542.30	(-)21511.42
2010-11	(-)5531.53	(-)7506.18	(-)10778.28	(-)106.14	(-)23932.13
2011-12	(-)8304.76	(-)5586.52	(-)10110.28	(-)504.57	(-)24506.13

5.3 Significant Savings

Substantial savings under a grant indicates either non-implementation or slow implementation of certain schemes / programmes.

Some grants with persistent and significant savings are given below:

(₹ in Crore)

Grant	Nomenclature	2007-08	2008-09	2009-10	2010-11	2011-12
9	Power Department	(-)1553.29	(-)2482.65	(-)1941.92	(-)898.01	(-)116.48
14	Agriculture and Other Allied Departments (Panchayati Raj)	(-)346.95	(-)439.52	(-)351.92	(-)226.92	(-)235.76
21	Food and Civil Supplies Department	(-)2530.29	(-)334.43	(-)1627.58	(-)5474.26	(-)1921.82
32	Medical Department (Allopathy)	(-)207.77	(-)492.49	(-)568.46	(-)243.11	(-)292.92
37	Urban Development Department	(-)1226.47	(-)312.17	(-)428.64	(-)1398.91	(-)887.28
42	Judicial Department	(-)120.95	(-)278.26	(-)306.52	(-)349.42	(-)330.09
49	Women and Child Welfare Department	(-)116.22	(-)197.79	(-)219.35	(-)181.91	(-)638.36
54	Public Works Department (Establishment)	(-)337.09	(-)496.62	(-)442.15	(-)396.56	(-)238.57
61	Finance Department (Debt Services and Other Expenditure)	(-)10229.30	(-)11426.90	(-)10063.54	(-)9518.37	(-)10460.76
83	Social Welfare Department (Special Component Plan for Scheduled Castes)	(-)635.46	(-)870.11	(-)1015.85	(-)213.95	(-)1207.91

During 2011-12, supplementary grants totalling ₹ 10879.93 crore (6.54% of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below:

(₹ in Crore)

Grant	Nomenclature	Section	Original	Supple- mentary	Actual Expenditure
2	Housing Department	Capital(Voted)	1072.64	66.00	943.62
11	Agriculture and Other Allied Departments (Agriculture)	Revenue(Voted)	2486.58	300.50	2020.72
		Capital(Voted)	687.72	62.10	648.95
13	Agriculture and Other Allied Departments (Rural Development)	Capital(Voted)	1313.99	150.00	1272.16
21	Food and Civil Supplies Department	Capital(Voted)	8770.58	3.76	6962.55
49	Women and Child Welfare Department	Revenue(Voted)	3520.40	495.77	3380.07
52	Revenue Department (Board of Revenue and Other Expenditure)	Revenue(Voted)	1659.15	51.37	1640.62
57	Public Works Department (Communications-Bridges)	Capital(Voted)	1262.42	156.91	1109.10
71	Education Department (Primary Education)	Revenue(Voted)	18881.00	797.40	18790.40
73	Education Department (Higher Education)	Revenue(Voted)	2074.17	41.03	1369.44
79	Social Welfare Department (Welfare of the Handicapped and Backward Classes)	Revenue(Voted)	1412.42	2.94	1406.81
80	Social Welfare Department (Social Welfare & Welfare of S.C.)	Revenue(Voted)	3394.05	61.76	3325.75
83	Social Welfare Department (Sp. Comp. Plan for SC)	Revenue(Voted)	6163.03	577.77	5948.34
94	Irrigation Department (Works)	Capital(Voted)	3306.65	11.32	2583.11

CHAPTER VI

ASSETS AND LIABILITIES

6.1 Assets

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

Total investments as share capital in non-financial public sector undertakings (PSUs) stood at ₹ 42607.07 crore at the end of 2011-12. However, dividends received during the year were ₹ 38.17 crore (i.e. 0.09%) on investment. During 2011-12, investments increased by ₹ 4334.53 crore, while dividend income increased by ₹ 11.37 crore.

Cash Balance with RBI stood at ₹ 414.63 crore on 31st March 2011 and decreased to ₹ (-)619.34 crore at the end of March, 2012.

6.2 Debt and Liabilities

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

Details of the Public Debt and total liabilities of the State Government are as under:

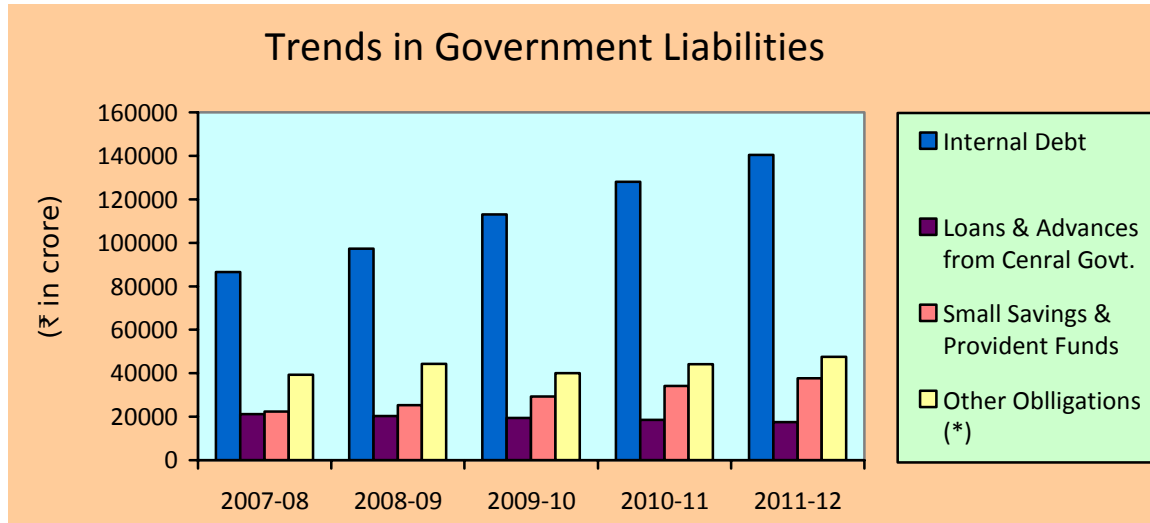
(₹ in Crore)

Year	Public Debt	% to GSDP	Public Account (*)	% to GSDP	Total Liabilities	% to GSDP
2007-08	107719.78	28.12	66528.02	17.37	174247.80	45.49
2008-09	117703.32	26.47	69707.38	15.68	187410.70	42.14
2009-10	132523.80	25.33	69196.58	13.23	201720.38	38.56
2010-11	146534.80	24.21	78250.45	12.93	224785.25	37.14
2011-12	157899.49	22.96	85329.65	12.41	243229.14	35.36

(*) Excludes suspense and remittance balances.

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

There is a net increase of ₹ 18443.89 crore (9%) in Public Debt and Other liabilities as compared to 2010-11.



* Non interest bearing obligations such as deposits of Local Funds, Other earmarked funds, etc.

6.3 Guarantees

The position of guarantees given by the State Government for the payment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Cooperative Societies, etc., is given below:

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 st March 2012	
		Principal	Interest
2007-08	18144.16	12735.83	0.00
2008-09	27891.55	16084.00	0.00
2009-10	29311.36	19592.26	445.88
2010-11	29778.16	20162.03	0.00
2011-12	29628.83	21659.16	92.85

CHAPTER VII

OTHER ITEMS

7.1 Lapse of cheques of important transactions

During the course of accounting of lapsed cheques, for the whole year it has been noticed that a considerable number of cheques pertaining to withdrawal/payments of advances etc. from GP Funds and Insurance Funds, refunds of Revenue Receipts and Loans and Advances to Government Servants were found to have been lapsed. Position of lapsed cheques for the last three years in this respect is as under:

(₹ in crore)

Year	Total Value of cheques lapsed	Value of cheques lapsed in respect of 8009-State Provident Funds	Value of cheques lapsed in respect of 8011-GIS	Value of cheques lapsed in respect of Refunds of Revenue Receipts	Value of cheques lapsed in respect of 'Loans and Advances to Government Servant'	Others
2009-10	55.36	3.44	1.10	3.82	-	47.00
2010-11	83.07	3.39	1.55	5.02	-	73.11
2011-12	39.34	-	-	-	0.12	39.22

7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2011-12 was ₹10987.98 crore. Of this, Loans and Advances to Government Corporations/ Companies, non-Government Institutes and Local Bodies amounted to ₹10815.63 crore. Recovery of Principal aggregating to ₹855.77 crore and Interest amounting to ₹65.96 crore is in arrears at the end of 31st March 2012.

7.3 Financial assistance to local bodies and others

During the past five years, Grants in Aid to local bodies etc., increased from ₹15360.39 crore in 2007-08 to ₹ 39214.31 crore in 2011-12. Grants to Zilla Parishads, Panchayat Samitis and Municipalities (₹5629.49 crore) represented 14.36 Percent of total grants given during the year.

Details of Grants-in-aid for the past 5 years are as under.

(₹ in Crore)

Year	Zilla Parishads	Municipalities	Panchayat Samitis	Others	Total
2007-08	15360.39
2008-09	2177.38	2940.39	472.27	15823.95	21413.99
2009-10	1878.21	2461.07	491.54	20222.70	25053.52
2010-11	959.26	1389.57	..	28400.49	30749.32
2011-12	2922.91	2706.58	..	33584.82	39214.31

7.4 Cash Balance and investment of Cash Balance

(₹ in Crore)

Component	As on 1 st April 2011	As on 31 st March 2012	Net increase (+) / decrease (-)
Cash Balances	414.63	(-)619.34	(-)1033.97
Investments from cash balance(GOI Treasury Bills)	9877.81	14052.72	(+)4174.91
Investment from earmarked fund balances-			
(a) Depreciation Reserve Fund	44.42	44.42	0.00
(b) Famine Relief Fund	0.78	0.78	0.00
(c) Other Funds	0.00	0.00	0.00
Interest realised	231.87	311.96	(+)80.09

State Government had a negative closing cash balance at the end of 2011-12, despite utilising its cash balances and earmarked fund balances towards investments. Interest receipt on these investments was increased by 35%.

7.5 Reconciliation of accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Accountant General (Accounts and Entitlements). This exercise is to be conducted by respective Heads of Departments. The reconciliation of accounts of many departments is in arrears. In 2011-12, 99.43 % (₹144634.87 crore) of the total expenditure of ₹ 145459.13 crore of the State Government was reconciled. Similarly, out of total receipts of ₹ 130869.70 crore, 99.85% (₹130673.86 crore) was

reconciled. The status of reconciliation of accounts in respect of the Chief Controlling Officers (CCO) of different departments is given below:

PARTICULARS	TOTAL NO. OF CCOs	FULLY RECONCILED	PARTIALLY RECONCILED	NOT RECONCILED
EXPENDITURE	151	135	04	12
RECEIPTS	43	35	02	06
TOTAL	194	170	06	18

Some chronic defaulters in reconciliation are listed below.

Sl.No.	Name of the Department /Chief Controlling Officer	Year/Years pending
1	Secretary, Planning Department U.P, Lucknow	2011-12
2	Secretary, Housing and Urban Planning Department U.P, Lucknow	2011-12
3	Director, Local bodies, U.P, Lucknow	2009-10 to 2011-12
4	Director, Agriculture, U.P, Lucknow	2009-10 to 2011-12
5	Principal Secretary, Agriculture Research and Education, U.P, Lucknow	2010-11&2011-12
6	Secretary, Urban Development, U.P, Lucknow	2009-10 to 2011-12
7	Registrar General, High Court of U.P, Allahabad	2009-10 to 2011-12
8	Secretary, Revenue, U.P, Lucknow	2010-11&2011-12
9	Secretary, Forest Department, U.P. Lucknow	2011-12
10	Commissioner Social Welfare/Principal Secretary Social Welfare, U.P, Lucknow	2009-10 to 2011-12
11	Secretary, Rural Development/ Commissioner Rural Development, U.P. Lucknow	2011-12
12	Secretary, Minor Irrigation, U.P. Lucknow	2011-12

7.6 Submission of accounts by Treasuries

The rendition of initial accounts by the Treasuries is satisfactory. However, submission of accounts by the Public Works and Forest Divisions should improve.

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

When money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. Such AC bills are required to be settled, within a maximum of 30 days, through submission of DC bills. The fact that to the end of 31st March 2012, 10939 DC bills

amounting to ₹ 157.54 crore was outstanding, indicates that these instructions have not been followed.

7.8 Rush of Expenditure

The financial rules stipulate that rush of expenditure, particularly in the closing month of the financial year, shall be regarded as a breach of financial regularity and should be avoided. It is observed however, that certain departments indulged in this practice to the tune of 35% to 100% of total expenditure incurred in March, as follows:

(₹ in Crore)

Head of Account	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	During March 2012	% of 3/2012 w.r.t. total expenditure of the department for 2011-12
2040	Taxes on Sales, Trade etc.	113.19	101.36	101.40	624.94	940.89	563.05	60
2215	Water Supply and Sanitation	165.10	98.86	98.78	530.45	893.19	314.44	35
2425	Co-operation	64.79	35.86	57.08	308.87	466.60	229.01	49
4058	Capital Outlay on Stationery and Printing	0.00	0.00	0.13	0.37	0.50	0.37	74
4070	Capital Outlay on Other Administrative Services	0.19	4.38	146.99	227.26	378.82	217.09	57
4250	Capital Outlay on Other Social Services	24.38	7.18	6.64	37.19	75.39	33.95	45
4401	Capital Outlay on Crop Husbandry	59.28	20.87	(-)1.29	164.88	243.74	162.39	67
4853	Capital Outlay on Non-Ferrous Mining and Metallurgical Industries	0.10	0.47	1.45	3.04	5.06	3.04	60
5055	Capital Outlay on Road Transport	0.00	0.00	0.00	40.00	40.00	40.00	100
5452	Capital Outlay on Tourism	0.83	0.37	18.75	19.99	39.94	20.58	52
6860	Loans for Consumer Industries	0.90	20.40	169.78	162.02	353.10	161.71	46

7.9 Commitments on account of Incomplete Capital Works

A total expenditure of ₹ 2453.03 crore was incurred upto the year 2011-12 by the State Government on various incomplete projects against an estimated cost of ₹ 2865.28 crore. The estimated cost was further revised to ₹ 3896.88 crore to the end of 2011-12. During 2011-12 a total expenditure of ₹ 726.70 crore was incurred by the State Government on various projects taken up by engineering departments. Payments to the tune of ₹ 449.88 crore is due to be paid to the end of 31-03-2012.

The original estimated cost (₹ 2865.28 crore) was escalated by 36% on various projects. Abnormal increase in revised estimates is noticed in respect of Irrigation projects, from ₹ 795.66 crore to ₹ 1760.58 crore by end of 31-03-2012. A summarised view on commitments on account of 'Incomplete Capital Works' is furnished below:

(₹ in Crore)						
Sl. No.	Category of Works	Estimated Cost of Work	Expenditure during the year	Progressive expenditure to the end of the year	Pending Payments	Estimated Cost after revision
1.	Road Work/Bridges	2069.62	524.81	979.57	449.88	2136.30
2.	Irrigation Projects	795.66	201.89	1473.46	-	1760.58
Total		2865.28	726.70	2453.03	449.88	3896.88

- Note: i) Detailed information towards commitments on Incomplete Capital Works is available in Appendix X of Finance Accounts 2011-12
ii) The figures exhibited in the above table are compiled from the data provided by various Divisions/Departments.