

सत्यमेव जयते

Accounts At A Glance 2021-2022



SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest



Government of Uttar Pradesh

ACCOUNTS AT A GLANCE

Government of Uttar Pradesh

2021-22

Preface

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

The purpose of this publication is to provide a summarized overview and unique perspective of the financial performance of the Government of Uttar Pradesh during the year 2021-22.

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

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



(Ram Hit)

Principal Accountant General

Place: Prayagraj

Date: 20.01.2023

Our Vision, Mission and Core Values

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

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

Our Mission

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

Our Core values

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

Table of Contents

Para	Particulars	Page No.
	Highlights of the Accounts	vii
	Chapter I - Overview	
1.1	Introduction	1
1.2	Compilation of Accounts	1
1.3	Structure of Accounts	2
1.4	Accounts at a Glance (2021-22)	2
1.5	Finance Accounts	3
1.6	Appropriation Accounts	3
1.7	Sources and Application of Funds	4
1.8	Where the Rupee came from	5
1.9	Where the Rupee went	5
	Chapter II - Fiscal Position of the State	
2.1	What do the Deficit and Surplus indicate?	6
2.2	Gross State Domestic Product and the factors affecting it	6
2.3	Deficits	7
2.4	Revenue Deficit/Surplus	7
2.5	Fiscal Deficit/Surplus	7
2.6	Debt Stock	8
2.7	Financing of the Fiscal Deficit	8
2.8	Achievement of UPFRBM Targets against the fiscal indicators	9
	Chapter III - Receipts	
3.1	Classification	10
3.2	Revenue Receipts	10
3.2.1	Trend of Revenue Receipts	11
3.3	Tax Revenue	11
3.3.1	Component of State's Own Tax Revenue	12
3.3.2	State's share of Union Taxes	13
3.3.3	Sub Sector-wise Tax Revenue	13
3.3.4	Goods and Services Tax (GST)-Sub Sector-wise	14
3.3.5	Efficiency of Tax Collection	15
3.4	Non-Tax Revenue	15
3.5	Tax Buoyancy	16
3.6	Grants-in-Aid and Contributions	16
3.7	Fifteenth Finance Commission Targets and Recommendations	16
	Chapter IV – Expenditure	
4.1	Introduction	18
4.2	Revenue Expenditure	18
4.2.1	Trend of Revenue Expenditure (2017-18 to 2021-22)	18
4.2.2	Major Components of Revenue Expenditure	19
4.2.3	Sub Sector-wise Distribution of Revenue Expenditure during 2021-22	20
4.2.4	Financial Assistance to Local Bodies and others	20

4.3	Capital Expenditure	21
4.3.1	Sector-wise Capital Expenditure during 2021-22	21
4.3.2	Trend of Sectoral Distribution of Capital Expenditure	22
4.3.3	Proportion of Borrowed Funds spent on Capital Expenditure	23
4.4	Committed Expenditure	23
4.5	Subsidies Sector-wise	24
4.6	Development Expenditure	25
4.7	Expenditure under Scheduled Castes Sub Plan (SCSP)/ Tribal Sub Plan (TSP)	25
4.8	Loans and Advances by the State Government	26
Chapter V- Public Debt		
5.1	Introduction	27
5.2	Public Debt	27
5.3	Debt Service Ratio	28
5.4	Debt Sustainability of the State	28
5.5	Debt-Maturity Profile	29
Chapter VI - Appropriation Accounts		
6.1	Budget Provisions	30
6.2	Saving/Excess during the last five years	30
6.3	Persistent Savings	31
6.4	Supplementary Provision of Funds	32
Chapter VII - Assets and Liabilities		
7.1	Introduction	33
7.2	Assets	34
7.2.1	Cash Balance and Investment of Cash Balance	34
7.2.2	Other Investment and Dividends	34
7.3	Liabilities	34
7.3.1	Increasing trend of outstanding liabilities of the State Government on account of Market Borrowings	35
7.4	Guarantees- Contingent liabilities of the State	36
Chapter VIII- Other Accounting Issues		
8.1	Compliance of Indian Accounting Standards formulated by GASAB	37
8.2	Implementation of IFMS-Mission Mode Project	37
8.3	Submission of Accounts by Treasuries/Departments	38
8.4	Abstract Contingent (AC) Bills and Detailed Countersigned Contingent (DCC) Bills	38
8.5	Utilisation Certificates Awaited	38
8.6	Reconciliation of Receipts and Expenditure	39
8.7	Non-closure and Reconciliation of PD Accounts	39
8.8	General Provident Fund	39
8.9	Defined Contribution Pension Scheme (DCPS)	40
8.10	Suspense Balances	40
8.11	Commitment on account of Incomplete Capital Works	41



Highlights of Accounts

1. **Saving /Excess against the Budget Provisions-** The Appropriation Act 2021-22 provided for gross expenditure of ₹6,01,691.47 crore under 92 Grants. Against this, the actual gross expenditure was ₹4,49,065.47 crore, resulting in net saving (i.e. saving over excess) of ₹1,52,626.00 crore (25 *per cent* of the total grant).
2. **Fiscal Position of the State Government** - As against the norms fixed for Revenue Deficit (i.e. to be zero) by the UPFRBM Act 2004, the Revenue Surplus of the State was ₹33,430.06 crore i.e. 1.79 *per cent* of GSDP for 2021-22, and the Fiscal Deficit was ₹39,236.42 crore i.e. about 2.11 *per cent* of GSDP vis-a-vis the target for Fiscal Deficit of 4 *per cent* of GSDP for the year. Thus, the State Government achieved the target fixed by the Act during the year. The State Government increased the corpus of the State Contingency Fund by ₹600.00 crore during 2021-22 (total corpus: ₹1,200.00 crore).
3. **Revenue Earning of the State Government** – During the year, the State Government earned total Revenue Receipts of ₹3,71,011.44 crore. Eighty three *per cent* of these receipts were from Tax Revenue, viz. Goods and Services Tax (including taxes on Sales, Trade etc.) (34 *per cent* of Revenue Receipts), Corporation and Income Tax (25 *per cent*), Excise and Customs (15 *per cent*), Stamps & Registration (5 *per cent*) etc., Non-Tax Revenue (including departmental receipts) (3 *per cent*) and Grants from Central Government (14 *per cent*).
4. **Borrowings and Expenditure met there-from by the State Government** - The State Government had borrowings of ₹75,751.19 crore from market, financial institutions, and the Central Government during the year. Out of this, ₹28,725.94 crore was expended for repayment for earlier loans and remaining for incurring Capital Expenditure. Eighty one *per cent* of the Capital Expenditure (₹71,442.55 crore) was mainly incurred under seven services viz.-Education, Sports, Art & Culture (2 *per cent*), Health and Family Welfare (5 *per cent*), Irrigation and Flood Control (5 *per cent*), Rural Development (5 *per cent*), Energy (15 *per cent*), Water Supply, Sanitation, Housing and Urban Development (17 *per cent*) and Transport (32 *per cent*).
5. **Debt and Liabilities of the State-** The total debt and liabilities as borrowings from internal and external sources, and other liabilities under the Public Account was ₹ 6,12,956.33 crore (i.e. 33 *per cent* of GSDP) at the end of 2021-22 with an increase of ₹ 47,984.65 crore (i.e. 8 *per cent*) over the previous year (2020-21).

6. **Contingent Liabilities of the State-** The State Government extended guarantees of ₹35,017.33 crore (i.e. 1.88 *per cent* of GSDP) to nine PSUs/ institutions as contingent liabilities of the State during 2021-22. The FRBM Act 2003 prescribed the limit of 0.5 *per cent* of GDP for giving guarantees by the Government of India. However, the State Government has not fixed any limit for giving guarantee. It has also not created Guarantee Redemption Fund for redemption of guarantee so far.
7. **Lending by the Government-** The Government advanced loans and advances of ₹ 1,613.36 crore during 2021-22. The closing stock of loans and advances mounted to ₹27,880.79 crore (i.e. 1.50 *per cent* of GSDP) at the end of the year.
8. **Investment made by the Government-** The State Government invested ₹12,025.79 crore in Public Sector Undertakings (PSUs) and other institutions during 2021-22. The total government investment in these institutions (13583) stood at ₹1,51,520.99 crore (8.13 *per cent* of GSDP) as on 31 March, 2022 and received dividend of ₹212.58 crore during the year. Besides, the Government has also invested ₹41,825.24 crore in short and long term securities out of its total cash balance of ₹44,533.16 crore as on 31 March, 2022.
9. **Utilisation Certificates awaited-** Against the grants given by the State Government up to September 2020, Utilisation Certificates (UCs) amounting to ₹18,362.56 crore (40823 in number) were awaited as on 31 March, 2022. Of these, 58 *per cent* of wanting UCs pertained to mainly four departments of the Government of Uttar Pradesh, viz., Urban Development Department (3 *per cent*), Education Department (Primary) (8 *per cent*), Agriculture and other Allied Department (14 *per cent*) and Social Welfare Department (33 *per cent*).
10. **Subsidy given by the State Government-** During 2021-22, the State Government expended on providing subsidy of ₹20,144.62 crore (i.e. about 6 *per cent* of total Revenue Expenditure) under different sectors viz. Energy (68 *per cent*), Agriculture & Allied Services (18 *per cent*) and Rural Development (12 *per cent*). It was 73 *per cent* more than subsidy given in 2020-21.

1

Overview

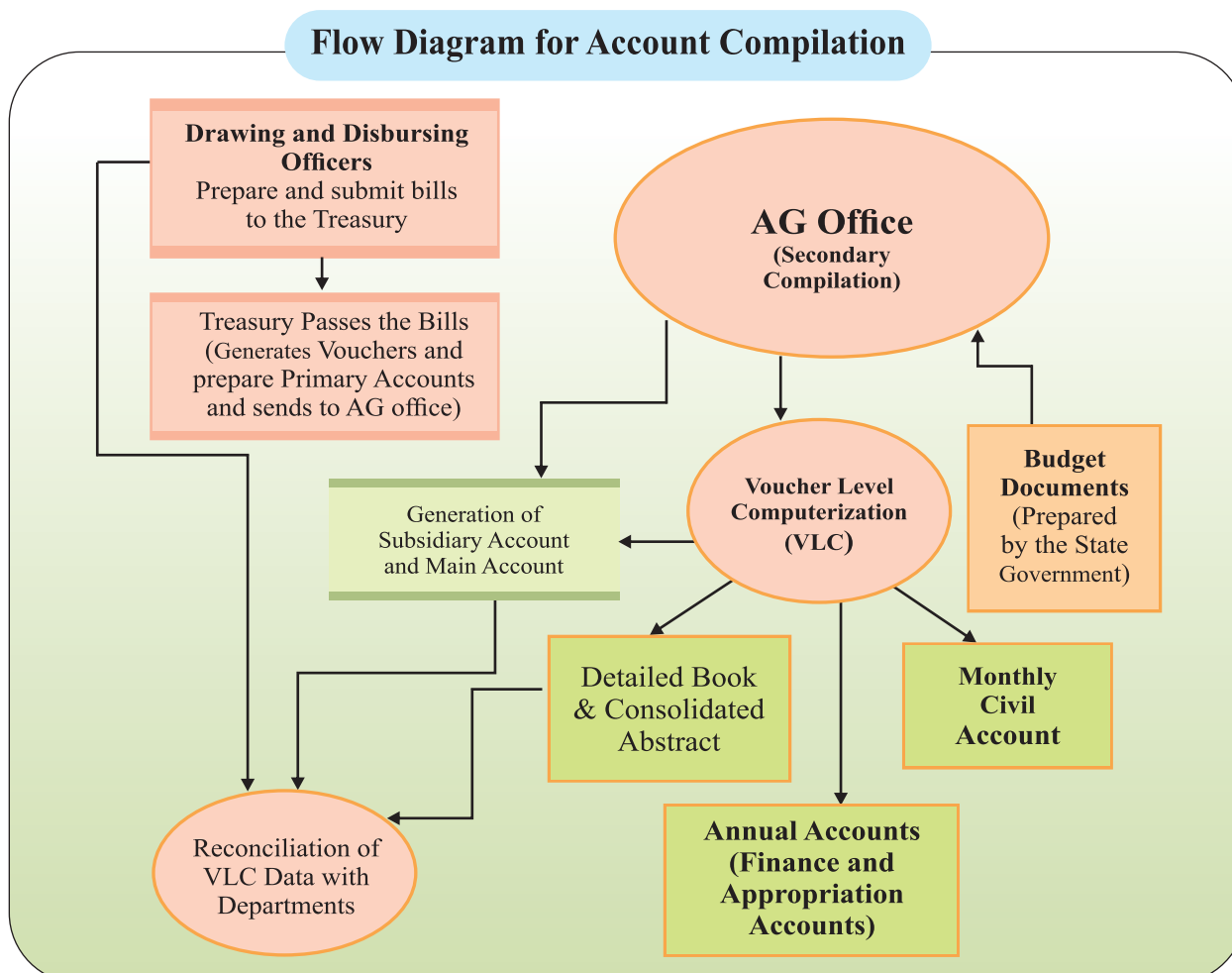
1.1 Introduction

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

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

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

1.2 Compilation of Accounts



1.3 Structure of Accounts

Government Accounts are maintained in three parts:

Part I CONSOLIDATED FUND	It includes all revenues received and debt raised by the State Government, and the repayment of loans. All expenditure and disbursement of the Government including disbursement of loans and repayment of debt are met from this Fund.
Part II CONTINGENCY FUND	The Contingency Fund is in the nature of an imprest intended to meet unforeseen expenditure pending authorization by the State Legislature. Expenditure from this Fund is recouped subsequently from the Consolidated Fund. The State Government increased the corpus of the State Contingency Fund by ₹600 crore in 2021-22. Thus, the corpus of this Fund is now ₹1,200 crore.
Part III PUBLIC ACCOUNT	All other public moneys received by or on behalf of the Government, where it acts as a banker or trustee, are credited to the Public Account. It comprises payables like Small Savings and Provident Funds, Reserve Funds, Deposits and Advances, and Suspense and Remittance heads (as transitory heads pending final booking).

1.4 Accounts at a Glance (2021-22)

Table 1.1 – Summary of Accounts

(₹ in crore)

Sl. No.	Items	B.E 2021-22	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP
1.	Tax Revenue	3,05,740.30	3,07,725.79	100.65	16.52
2.	Non-Tax Revenue	25,421.67	11,435.97	44.99	0.61
3.	Grants-in-Aid & Contributions	87,178.47	51,849.68	59.48	2.78
4.	Revenue Receipts (1+2+3)	4,18,340.44	3,71,011.44	88.69	19.91
5.	Recovery of Loans and Advances	2,332.00	939.43	40.28	0.05
6.	Borrowings & Other Liabilities	1,06,497.30	39,286.42	36.89	2.11
7.	Capital Receipts (5+6)	1,08,829.30	40,225.85	36.96	2.16
8.	Total Receipts (4+7)	5,27,169.74	4,11,237.29	78.01	22.07
9.	Revenue Expenditure	4,08,531.29	3,37,581.38	82.63	18.12
10.	Capital Expenditure (excluding Loans & Advances)	1,15,934.26	71,442.55	61.62	3.83
11.	Total Expenditure (9+10)	5,24,465.55	4,09,023.93	77.99	21.95
12.	Loans and Advances disbursed (*)	2,704.19	2,213.36	81.85	0.12
13.	Revenue Surplus (+)/Deficit (-) (4- 9)	9,809.15	33,430.06	340.80	1.79
14.	Fiscal Surplus (+)/Deficit (-) {(4+5)-(11+12)}	(-)1,06,497.30	(-)39,286.42	36.89	(-)2.11

(*) It includes ₹600.00 crore pertaining to MH-7999.

1.5 Finance Accounts

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

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

Receipts and disbursements of the Government of Uttar Pradesh as depicted in the Finance Accounts 2021-22 are given below:

Table 1.2 - Receipts and Disbursements (2021-22)

(₹ in crore)

Receipts (Total: 4,11,237.29)	Revenue (Total: 3,71,011.44)	States' Own Tax Revenue	1,47,367.74
		States' Share of Union Taxes & Duties	1,60,358.05
		Non-Tax Revenue	11,435.97
		Grants-in-Aid and Contributions	51,849.68
	Capital (Total: 40,225.85)	Recovery of Loans and Advances	939.43
		Borrowings and other Liabilities	39,286.42
Disbursements (Total: 4,11,237.29)	Revenue		3,37,581.38
	Capital		71,442.55
	Loans and Advances		1,613.36
	Transfer to State Contingency Fund		600.00

1.6 Appropriation Accounts

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

The Accounts depict the expenditure of the State Government against amounts 'Charged' on the Consolidated Fund of the State and 'Voted' by the State Legislature. There are 92 Grants consisting of 54 Voted Grants, 01 Charged Appropriation and 37 Grants (both Voted and Charged) in the State.

The Appropriation Act 2021-22 made the budget provision of ₹6,01,691.47 crore for gross expenditure and that of ₹35,639.65 crore for reduction of expenditure (recoveries). Against this, the actual gross expenditure was ₹4,49,065.47 crore (75 *per cent* of total grant) and reduction of expenditure was ₹9,102.24 crore (26 *per cent* of B.E.). This resulted in a net saving of ₹1,52,626.00 crore (25 *per cent* of the total grant).

1.7 Sources and Application of Funds

During the year 2021-22, the State Government had total financial resources of ₹15,56,011.35 crore. Of this, the Government mainly collected about 24 *per cent* as revenue receipts, raised 5 *per cent* as public debt from market, financial institutions and loan from the Government of India, and received 3 *per cent* as Public Account receipts (excluding suspense and remittances).

Against these resources, 26 *per cent* was utilized for revenue and capital expenditure, about 2 *per cent* for repayment of public debt, 3 *per cent* for payments from Public Account except suspense and remittance transactions. Financial position of the Government as the sources of funds and their application during 2021-22 has been described as below-

Table 1.3 – Sources and Application of Funds

(₹ in crore)

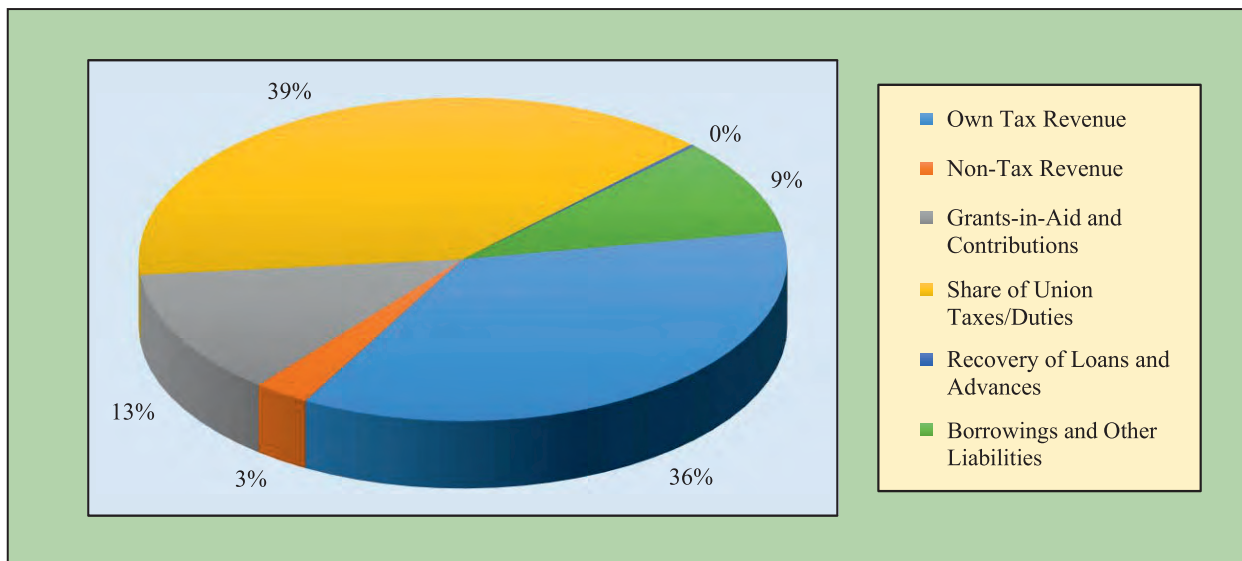
SOURCES	Opening Cash Balance as on 1.4.2021	137.10
	Consolidated Fund	
	Revenue Receipts	3,71,011.44
	Recovery of Loans and Advances	939.43
	Public Debt	75,751.19
	Contingency Fund	700.00
	Public Account	
	Small Savings, Provident Fund & Others	11,931.92
	Reserves & Sinking Funds	8,949.66
	Deposits Received	25,219.49
	Civil Advances Repaid	63.61
	Suspense Account	10,24,376.17
	Remittances	36,931.34
	Total	15,56,011.35
APPLICATION	Consolidated Fund	
	Revenue Expenditure	3,37,581.38
	Capital Expenditure	71,442.55
	Loans and Advances disbursed	1,613.36
	Repayment of Public Debt	28,725.94
	Inter State Settlement Account	0.00
	Contingency Fund	
	Transfer to State Contingency Fund	600.00
	Public Account	
	Small Savings, Provident Funds and others	11,406.80
	Reserves & Sinking Funds	7,056.65
	Deposits spent	26,678.21
	Civil Advances given	63.62
	Suspense Account	10,34,281.03
	Remittances	36,910.28
	Closing Cash Balance as on 31.3.2022	(-)348.47
	Total	15,56,011.35

1.8 Where the Rupee came from

Total receipts under the Consolidated Fund of the State Government during 2021-22 were ₹4,11,237.29 crore. Out of this, the major contributions were from own tax revenue (about 36 per cent of total receipts) and share of union taxes (39 per cent).

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

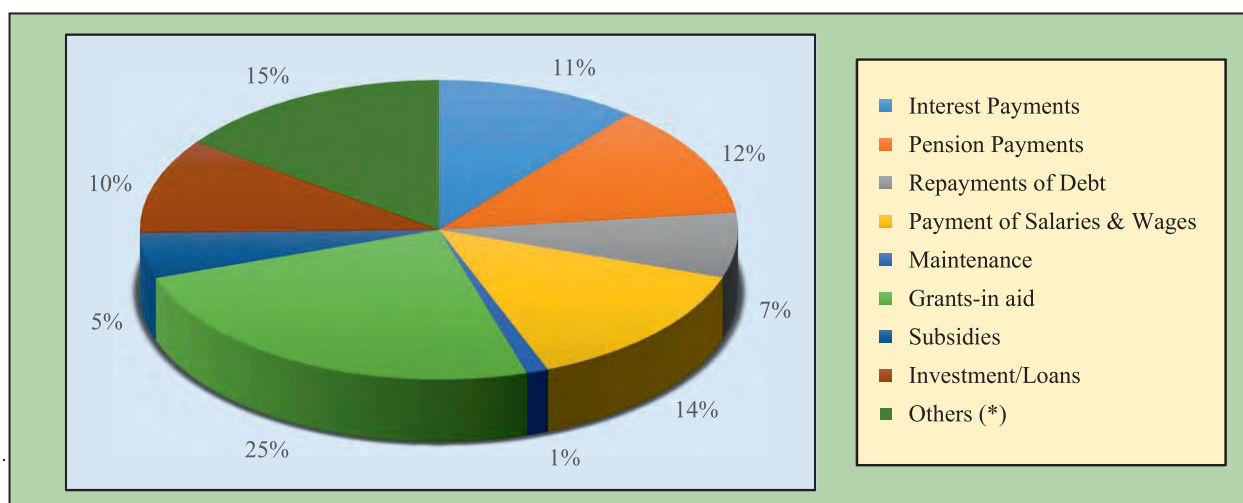
Graph 1.1 – Actual Receipts



1.9 Where the Rupee went

Total expenditure under the Consolidated Fund of the State Government during the year was ₹4,11,237.29 crore. The share of expenditure under various components viz. interest, pension, salaries, debt repayment etc. is shown below:

Graph 1.2 – Actual Expenditure



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



2

Fiscal Position of the State

2.1 What do the Deficit and Surplus indicate?

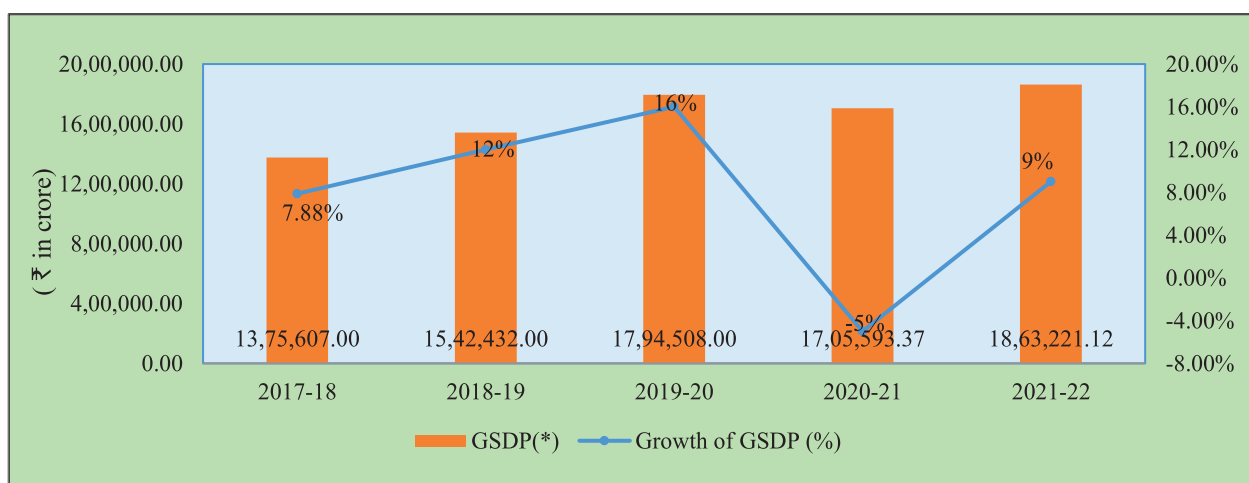
Deficit	Gap between revenue and expenditure.
Revenue Deficit/Surplus	Gap between revenue receipts and revenue expenditure. Revenue expenditure is required to maintain the existing establishment of Government, and ideally should be fully met from revenue receipts.
Fiscal Deficit/Surplus	Gap between total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

2.2 Gross State Domestic Product and the factors affecting it

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

The GSDP of Uttar Pradesh for the year 2021-22 was ₹18,63,221.12 crore with an increase of 9 *per cent* over the year 2020-21. GSDP growth was highest at 16 *per cent* in 2019-20 during the last five years. The growth is presented below:

Graph 2.1 – GSDP Growth



(*) The figures of GSDP from 2017-18 to 2021-22 used in this publication are as depicted in the Finance Accounts of the State Government.

2.3 Deficits

The pattern of deficits and the debt stock over the last five years from 2017-18 to 2021-22 is depicted in the table below-

Table 2.1 – Trend of Deficits (2017-18 to 2021-22)

(₹ in crore)

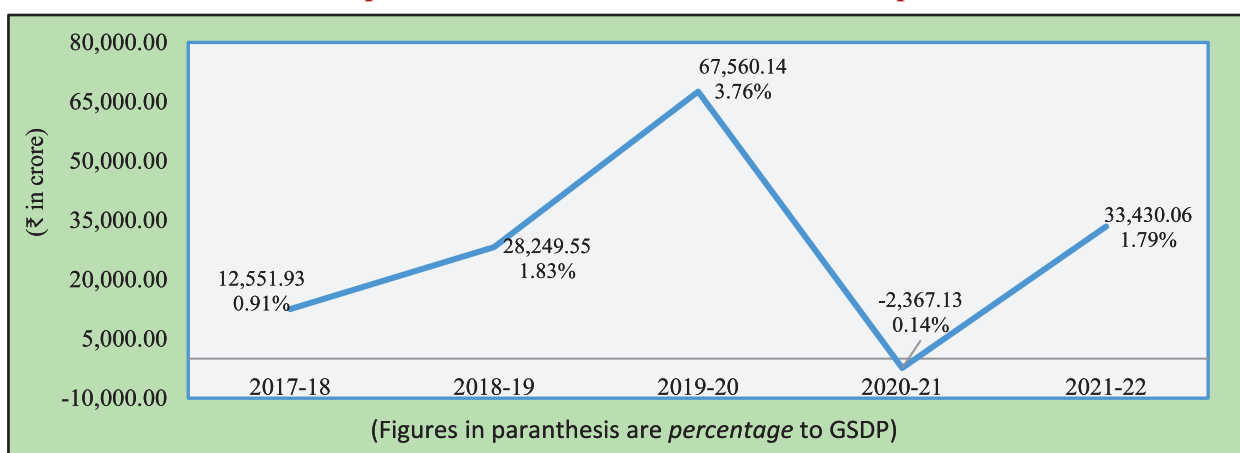
Financial Year	Fiscal Deficit (-)/Surplus(+)	Revenue Deficit (-)/Surplus(+)	GSDP
2017-18	(-)27,809.56 (2.02%)	12,551.93 (0.91%)	13,75,607.00
2018-19	(-)35,203.11 (2.28%)	28,249.55 (1.83%)	15,42,432.00
2019-20	11,082.69 (0.62%)	67,560.14 (3.76%)	17,94,508.00
2020-21	(-)54,622.11 (3.20%)	(-)2,367.13 (0.14%)	17,05,593.37
2021-22	(-)39,286.42 (2.11%)	33,430.06 (1.79%)	18,63,221.12

(Figures in parenthesis are percentage to GSDP)

2.4 Revenue Deficit/Surplus

As per the norms fixed in the Uttar Pradesh Fiscal Responsibility and Budget Management Act (UPFRBM. Act), 2004 “Revenue deficit is to be maintained up to Zero”. During 2021-22, the State Government achieved the target. The position of revenue deficit/surplus of the Government during the last five years is shown below:

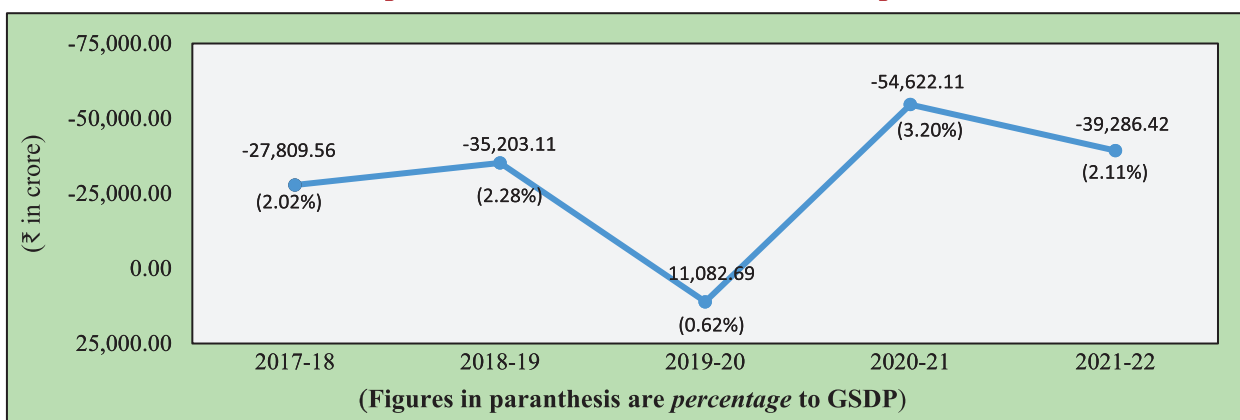
Graph 2.2 – Trend of Revenue Deficit/ Surplus



2.5 Fiscal Deficit/Surplus

The State Government achieved the norms of fiscal deficit for 2021-22 (i.e. not more than 4 *per cent* of GSDP) as fixed under the UPFRBM Act, 2004 read with its Amendment Act, 2021. Trend of fiscal deficit/surplus of the Government during the last five years is represented as under-

Graph 2.3 – Trend of Fiscal Deficit/ Surplus



2.6 Debt Stock

Debt stock comprises of government borrowings and other liabilities arising under Public Account viz- small savings, provident funds, reserve funds, deposits etc. Debt stock of the Government was ₹6,12,956.33 crore (33 *per cent* of GSDP) in 2021-22. The increase during 2017-18 to 2021-22 was 31 *per cent* and the augmentation was mainly due to regular increase in internal borrowings of the Government during the period. In 2021-22, it increased by 8.5 *per cent* over the previous year. The position of the debt stock of the government and trend in debt growth during the last five years is as under-

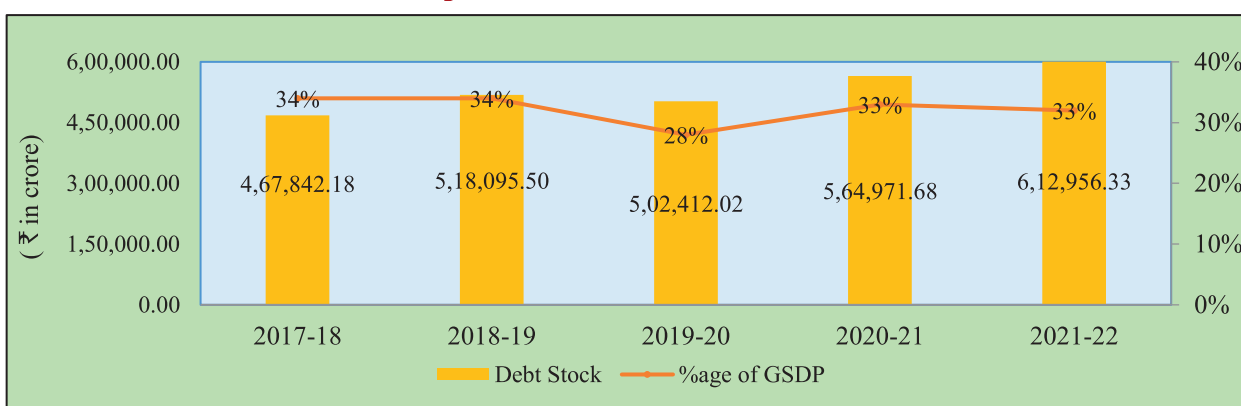
Table 2.2 – Position of Debt Stock (2017-18 to 2021-22)

(₹ in crore)

Financial Year	Outstanding Government Borrowings (A)		Other Liabilities (B)	Debt Stock (A+B)	GSDP
	Internal debt	GoI Loans			
2017-18	3,21,479.05	12,811.82	1,33,551.31	4,67,842.18	13,75,607.00
2018-19	3,53,189.92	11,979.59	1,52,925.99	5,18,095.50	15,42,432.00
2019-20	4,05,048.84	11,528.75	85,834.43	5,02,412.02	17,94,508.00
2020-21	4,58,552.23	18,106.74(*)	88,312.71	5,64,971.68	17,05,593.37
2021-22	4,96,422.89	27,261.33(*)	89,272.11	6,12,956.33	18,63,221.12

(*) It includes back-to-back loans of ₹ 6,007.00 crore (2020-21) and ₹8,139.94 crore (2021-22) in lieu of shortfall in GST compensation, where there is no repayment liabilities to the State.

Graph 2.4 – Trend of Debt Growth



2.7 Financing of the Fiscal Deficit

The Fiscal deficit is financed mainly by borrowings and other liabilities. During 2021-22, the deficit of ₹ 39,286.42 crore was financed from the sources as shown in the table below-

Table 2.3 – Financing of Fiscal Deficit

(₹ in crore)

Net of Public Debt	47,025.25
Net of Contingency Fund	700.00
Net of Public Accounts	(-)8,924.40
Net of opening and closing balances	485.57
Total	39,286.42

2.8 Achievement of UPFRBM Targets against the fiscal indicators

The UPFRBM Act, 2004 provides for ensuring fiscal discipline and long term macro-economic stability. As against the targets fixed under the said Act, and its Amendment Act, 2021, achievement indicating the fiscal position of the State is depicted in the table below-

Table 2.4 – Achievement of Fiscal Targets and Fiscal Position

Area	Target	Achievement (as on 31.03.2022)
Revenue Deficit	Zero	Revenue Surplus of ₹ 33,430.06 crore (i.e. 1.79 per cent of GSDP).
Fiscal Deficit	Not more than 4 per cent of GSDP	Fiscal Deficit of ₹39,286.42 crore (i.e. about 2.11 per cent of GSDP).
Debt Stock	28.1 per cent of GSDP (*)	₹ 6,12,956.33 crore (i.e. 32.90 per cent of GSDP).

GSDP (Gross State Domestic Product) for 2021-22: ₹18,63,221.12 crore at current prices. (Source: Website of Ministry of Statistics and Programme Implementation, New Delhi)

(*) As per State's Medium term Fiscal restructuring policy 2021.

Thus, the State Government achieved the target fixed by the Act in respect of the Revenue Deficit and Fiscal Deficit, but not for Debt Stock during the year.



3

Receipts

3.1 Classification

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

3.2 Revenue Receipts

The three main sources of the revenue receipts are:

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

During 2021-22, total revenue receipts were ₹3,71,011.44 crore, of which tax revenue, non-tax revenue and grants-in-aid were 83, 03 and 14 *per cent* respectively. The receipts under various components of revenue were as follows:

Table 3.1 – Components of Revenue Receipts

(₹ in crore)

Components	Actuals
A. Tax Revenue	3,07,725.79
Goods and Services Tax	1,00,512.94
Taxes on Income & Expenditure	93,290.91
Taxes on Property & Capital Transactions	20,252.49
Taxes on Commodities & Services	93,669.45
B. Non-Tax Revenue	11,435.97
Fiscal Services	0.07
Interest Receipts, Dividends and Profits	1,462.35
General Services	1,959.15
Social Services	1,106.63
Economic Services	6,907.77
C. Grants-in Aid & Contributions	51,849.68
Total	3,71,011.44

3.2.1 Trend of Revenue Receipts

During 2021-22, Tax revenue increased by 36 *per cent*, whereas non-tax revenue and Grants-in-Aid from Central Government decreased by 3 and 10 *per cent respectively* over the previous year. Overall revenue collection was increased by 25 *per cent*. Share of sector wise revenues receipts out of total revenue receipts during the preceding five years is depicted as below:

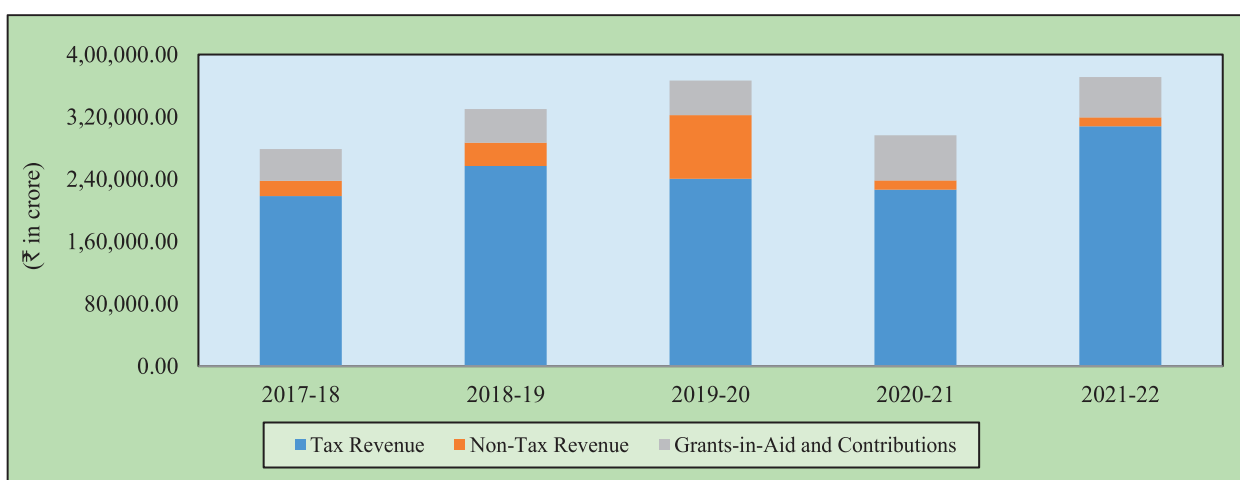
Table 3.2 Sector-wise Revenue Receipts (2017-18 to 2021-22)

Financial Year	2017-18	2018-19	2019-20	2020-21	2021-22
Tax Revenue	2,18,332.14 (16)	2,56,888.32 (17)	2,40,644.13 (13)	2,26,584.31 (13)	3,07,725.79 (17)
Non-Tax Revenue	19,794.86 (1)	30,100.71 (2)	81,705.08 (5)	11,846.15 (1)	11,435.97 (1)
Grants-in-Aid and Contributions	40,648.45 (3)	42,988.49 (3)	44,043.97 (2)	57,745.87 (3)	51,849.68 (3)
Total Revenue Receipts	2,78,775.45 (20)	3,29,977.51 (21)	3,66,393.18 (20)	2,96,176.33 (17)	3,71,011.44 (20)
GSDP	13,75,607.00	15,42,432.00	17,94,508.00	17,05,593.37	18,63,221.12

(₹ in crore)

(Figures in parenthesis are percentage to GSDP)

Graph 3.1 –Trend of Revenue Receipts



3.3 Tax Revenue

Tax revenue of the State Government during the year was ₹3,07,725.79 crore which comprises of state's own tax revenue (48 *per cent*) and state's share of union taxes (52 *per cent*). The major contributors to tax revenue were GST (33 *per cent*), Corporation Tax (15 *per cent*), Tax on Income other than Corporation Tax (15 *per cent*), State Excise (12 *per cent*) and Sales and Trade tax (9 *per cent*). The share of major contributors to the tax revenue in 2021-22 was as below-

Table 3.3 – Major Contributors to Tax Revenue (2021-22)

Head of Account	Receipts	Per cent to GSDP*
Goods and Services Tax (including SGST, CGST & IGST)	1,00,512.94	5
Corporation Tax	45,807.18	2
Taxes on Income other than Corporation Tax	47,481.49	3

(₹ in crore)

State Excise	36,319.63	2
Taxes on Sales, Trade etc	27,058.17	1
Stamps and Registration Fees	20,048.26	1
Customs	11,922.46	1
Taxes on Vehicles	7,775.82	#
Union Excise Duties	6,692.67	#

* GSDP for 2021-22: ₹ 18,63,221.12 crore {Source: Website of Statistics and Programme implementation.}
(# percentage in decimals)

3.3.1 Component of State's Own Tax Revenue

During 2021-22, state's own tax revenue (₹1,47,367.74 crore) comprised mainly of SGST (37 *per cent*), taxes on State Excise (25 *per cent*), Sales and Trades (18 *per cent*), Stamps and Registration (14 *per cent*), and Vehicles (5 *per cent*). It was 48 *per cent* of the total tax revenue of the State Government (₹3,07,725.79 crore) and 40 *per cent* of the total revenue receipts (₹3,71,011.44 crore) of the Government during the year.

Graph 3.2 – Components of State's Own Tax Revenue during 2021-22

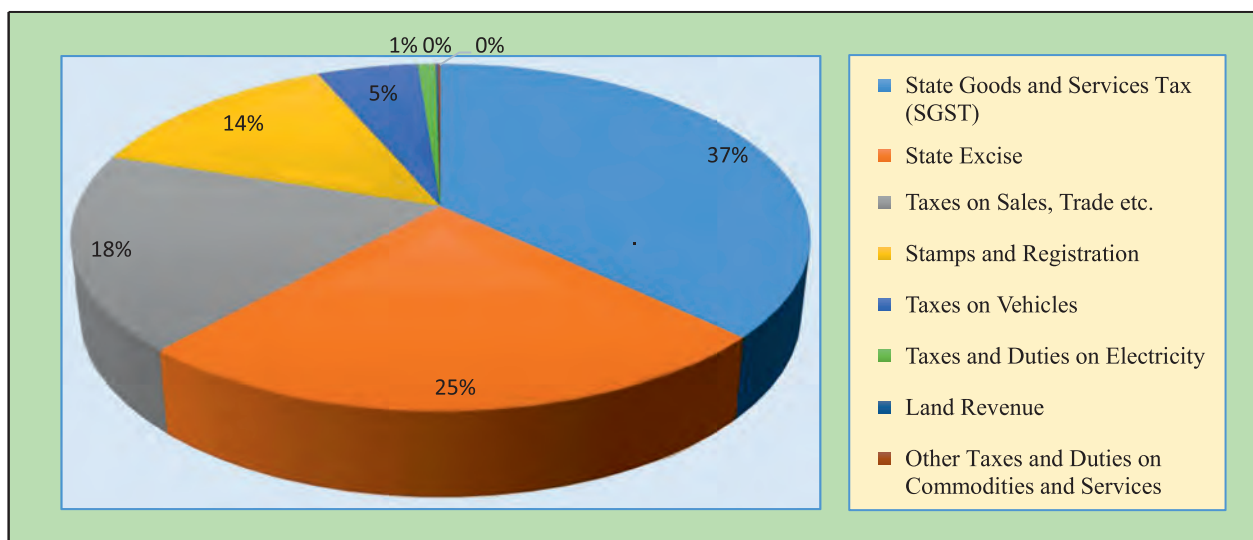


Table 3.4 - Trend of growth of State's Own Tax Revenue during 2017-18 to 2021-22

(₹ in crore)

Financial Year	Tax Revenue	State's Own Tax Revenue		
		Amount	%age growth	%age to Tax Revenue
2017-18	2,18,332.14	97,393.00	13	45
2018-19	2,56,888.32	1,20,121.86	23	47
2019-20	2,40,644.13	1,22,825.83	2	51
2020-21	2,26,584.31	1,19,897.30	(-2)	53
2021-22	3,07,725.79	1,47,367.74	23	48

Thus, there was an increasing trend in collection of own tax revenue during the period 2017-18 to 2021-22 except 2020-21. In 2021-22, it increased by 23 *per cent* over that of previous year. As regards percentage to tax revenue State's own tax revenue decreased by 5 *per cent* in comparison to previous year.

3.3.2 State's Share of Union Taxes

Proceeds of the taxes levied by the Union are distributed between the States as per the recommendations of the Finance Commission under Article 238 to 273 of the Constitution of India. During 2021-22, the State Government received ₹1,60,358.05 crore as state's share of union taxes. It was 52 *per cent* of the total tax revenue of the State Government (₹3,07,725.79 crore) and 43 *per cent* of the total revenue receipts of the Government during the year. The receipts of state's shares in the foregoing years is mentioned as under-

Table 3.5 - State's Share of Union Taxes

(₹ in crore)

Major Head Description	2017-18	2018-19	2019-20	2020-21	2021-22
Goods & Services Tax (CGST & IGST)	13,930.05	36,450.54	33,433.58	31,611.24	45,918.82
Corporation Tax	37,043.22	47,562.73	40,171.19	32,257.82	45,807.18
Taxes on Income other than Corporation Tax	31,280.37	35,027.93	31,476.84	33,079.46	47,481.49
Other Taxes on Income and Expenditure	0.00	247.71	0.00	0.00	0.34
Taxes on Wealth	(-)2.08*	17.44	1.76	0.00	11.45
Customs	12,208.00	9,694.68	7,468.05	5,606.38	11,922.46
Union Excise Duties	12,760.80	6,442.69	5,192.26	3,576.88	6,692.67
Service Tax	13,718.81	1,252.12	0.00	475.21	2,360.37
Other Taxes and Duties on Commodities and Services	(-)0.03*	70.62	74.62	80.02	163.27
Total State Share of Union Taxes	1,20,939.14	1,36,766.46	1,17,818.30	1,06,687.01	1,60,358.05
Total Tax Revenue	2,18,332.14	2,56,888.32	2,40,644.13	2,26,584.31	3,07,725.79
Percentage of State share of Union Taxes to Total Tax Revenue	55	53	49	47	52

(* Minus figure is due to refunds)

During the year (2021-22), there was an overall increase in receipts from share of union taxes by 50 *per cent* of receipts in previous year. It was mainly due to increase in receipts from GST, Corporation Tax, Income Tax, Customs, Union Excise duties and Service Tax.

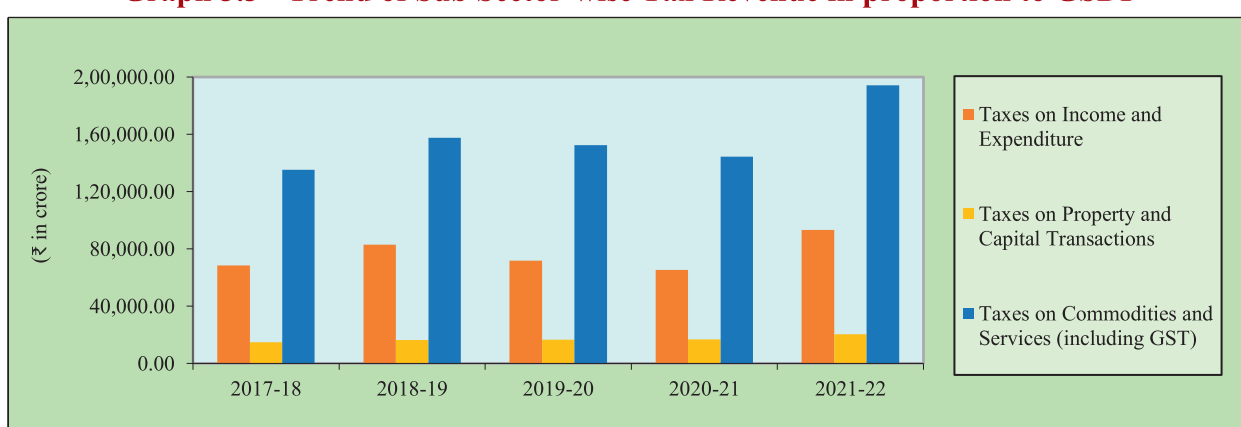
3.3.3 Sub Sector-wise Tax Revenue

Tax revenue is further divided into sub sectors viz – taxes on Goods and Services, taxes on Income and Expenditure, Property, Capital and other Transactions, and Commodities and Services. Variance in receipts under these sectors over the previous five years is depicted as below:

Table 3.6 – Sub Sector-wise Tax Revenue

(₹ in crore)

Financial Year	2017-18	2018-19	2019-20	2020-21	2021-22
Goods and Services Tax	39,304.01	82,558.57	80,665.99	74,471.27	1,00,512.94
Taxes on Income and Expenditure	68,342.74	82,839.59	71,649.25	65,338.27	93,290.91
Taxes on Property, Capital and other Transactions	14,731.95	16,381.71	16,575.18	16,772.42	20,252.49
Taxes on Commodities and Services	95,953.44	75,108.45	71,753.71	70,002.35	93,669.45
Total Tax Revenue	2,18,332.14	2,56,888.32	2,40,644.13	2,26,584.31	3,07,725.79

Graph 3.3 - Trend of Sub Sector-wise Tax Revenue in proportion to GSDP**3.3.4 Goods and Services Tax (GST) - Sub Sector- wise**

GST is an indirect tax levied on supply of goods and services and has been implemented from July 2017 in place of the indirect taxes as subsumed therein. The GST has three components – State GST (SGST), Central GST (CGST), and Integrated GST (IGST) levied on the basis of collection by the State Government and Central Government on intra and inter-state sales.

During 2021-22, component-wise GST receipts (SGST, CGST) were 54 and 46 *per cent* of total GST receipts respectively. The receipts during 2021-22 increased by about 35 *per cent* over the receipts in 2020-21. The GST receipts during the previous two years were as under-

Table 3.7 – Sub Sector-wise GST Receipts

(₹ in crore)

Financial Year	2020-21	2021-22	%age Growth
SGST	42,860.03	54,594.12	27.38
CGST	31,611.24	45,918.82	45.26
IGST	0.00	0.00	..
Total GST Receipts	74,471.27	1,00,512.94	34.97

The State Government has not received any share of Integrated GST during 2020-21 and 2021-22.

3.3.5 Efficiency of Tax Collection

Taxes on Commodities and Services (including GST) form a major chunk (i.e. about 63%) of tax revenue and its collection efficiency was 0.59 *per cent*, whereas collection efficiency of taxes on Property, Capital and other transactions was 15 *per cent*. It inclined in same way during the last five year, which has been depicted as below.

Table 3.8 - Taxes on Property, Capital, and other Transactions

(₹ in crore)

Financial Year	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Collection	14,731.95	16,381.71	16,575.18	16,772.42	20,252.49
Expenditure on Collection	2,965.97	3,206.62	3,375.31	3,029.32	3,108.19
Efficiency of Tax Collection (as Percentage)	20	20	20	18	15

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

(₹ in crore)

Financial Year	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Collection (including GST)	1,35,257.45	1,57,667.02	1,52,419.70	1,44,473.62	1,94,182.39
Expenditure on Collection	1,015.77	1061.45	1,083.50	1,070.30	1,141.74
Efficiency of Tax Collection (as Percentage)	0.75	0.67	0.71	0.74	0.59

3.4 Non-Tax Revenue

Non-tax revenue mainly accrues in the form of interest receipts, dividends and the departmental receipts etc. During 2021-22, it was about 4 *per cent* of total tax revenue and 3 *per cent* of total revenue receipts. The trend of receipts is represented as below:

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

(₹ in crore)

Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22
Interest Receipts	1,093.38	1,712.44	1,469.44	1,115.55	1,249.77
Dividends and Profits	30.84	175.48	39.04	104.83	212.58
Other Non-Tax Receipts	18,670.64	28,212.79	80,196.60(*)	10,625.77	9,973.62
Non-Tax Revenue	19,794.86	30,100.71	81,705.08	11,846.15	11,435.97
Total Tax Revenue	2,18,332.14	2,56,888.32	2,40,644.13	2,26,584.31	3,07,725.79
Percentage of Non-Tax Revenue to Total Tax Revenue	9	12	34	5	4

(*) Includes ₹71,180.23 crore transferred from Sinking Fund.

3.5 Tax Buoyancy

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

Table 3.11 -Tax Buoyancy (2017-18 to 2021-22)

(₹ in crore)

Description	2017-18	2018-19	2019-20	2020-21	2021-22
Own Tax Revenue	97,393.00	1,20,121.86	1,22,825.83	1,19,897.30	1,47,367.74
Tax Buoyancy (i.e. % Change in tax receipts to % change in GSDP)	1.69	1.92	0.14	(-)0.48	2.48
Non- Tax Revenue	19,794.86	30,100.71	81,705.08	11,846.15	11,435.97
Tax Buoyancy	(-)4.00	4.23	10.49	(-)17.27	(-)0.37
GSDP	13,75,607.00	15,42,432.00	17,94,508.00	17,05,593.37	18,63,221.12

3.6 Grants-in-Aid and Contributions

Grants-in-Aid and Contributions represent assistance from the Government of India and external grant assistance. It comprised of grants for Centrally Sponsored Schemes (including Central Assistance/ Schemes, Externally Aided Projects- Grants for Centrally Sponsored Scheme), Finance Commission grants and other grants to the State. During 2021-22, total receipts under Grants-in-Aid and Contributions was ₹51,849.68 crore, which was 14 *per cent* of total revenue receipts.

3.7 Fifteenth Finance Commission Targets and Recommendations

The Finance Commission is constituted every five years by the President under Article 280 of the Constitution mainly to make its recommendations for the period 2020-25 on distribution between the Union and the States of net proceeds of taxes, reviewing and commenting on fiscal principles for various grants etc. The 15th Finance Commission (FFC) was appointed on 27 November 2017 under the chairmanship of Shri N.K. Singh. The final report was submitted to the President on 30 October 2020.

For 2021-22 to 2025-26, the Commission recommended for devolution of taxes to states by 41 *per cent* of center's taxes, which is one *per cent* lower than the percentage of recommendation by 14th Finance Commission. The State Government received ₹1,60,358.05 crore as share of net proceeds of union taxes during 2021-22.

The FFC recommended grants to the states viz. (i) Revenue deficit grants, (ii) Grants to local bodies, (iii) Disaster management grants (iv) Sector-specific grants and (v) State specific grants.

Further, the Commission recommended retaining the existing cost-sharing patterns (90:10 for north-eastern and Himalayan states and 75:25 for all other states) between the Centre and States for disaster management funds. The State funds will have a corpus of ₹1.6 lakh crore (Centre's share is ₹1.2 lakh crore). In 2021-22, an amount of ₹2,030.00 crore was allocated to Uttar Pradesh for SDRF. As against this, ₹1,546.40 crore was received by the State Government during the year.

The Commission has also recommended that the Centre as well as States should not resort to off budget financing or any other non-transparent means of financing for any expenditure. A standardised framework for reporting of contingent liabilities should be devised.

4

Expenditure

4.1 Introduction

Government expenditure is classified as revenue expenditure and capital expenditure. Revenue expenditure is used to meet the day-to-day running of the organisation. Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. During the year 2021-22, out of the total expenditure of ₹4,09,023.93 crore, revenue expenditure comprised about 83 *per cent* and capital expenditure 17 *per cent*.

Expenditure is categorised into sectors:

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

4.2 Revenue Expenditure

During the year, the actual revenue expenditure was ₹3,37,581.38 crore as against the budget estimates of ₹4,08,531.29 crore. Thus, there was a shortfall of 17 *per cent* against the budget during the year. This gap ranged between 12 to 24 *per cent* during the last five years as shown below:

Table 4.1 - Gap between Budget and Revenue Expenditure

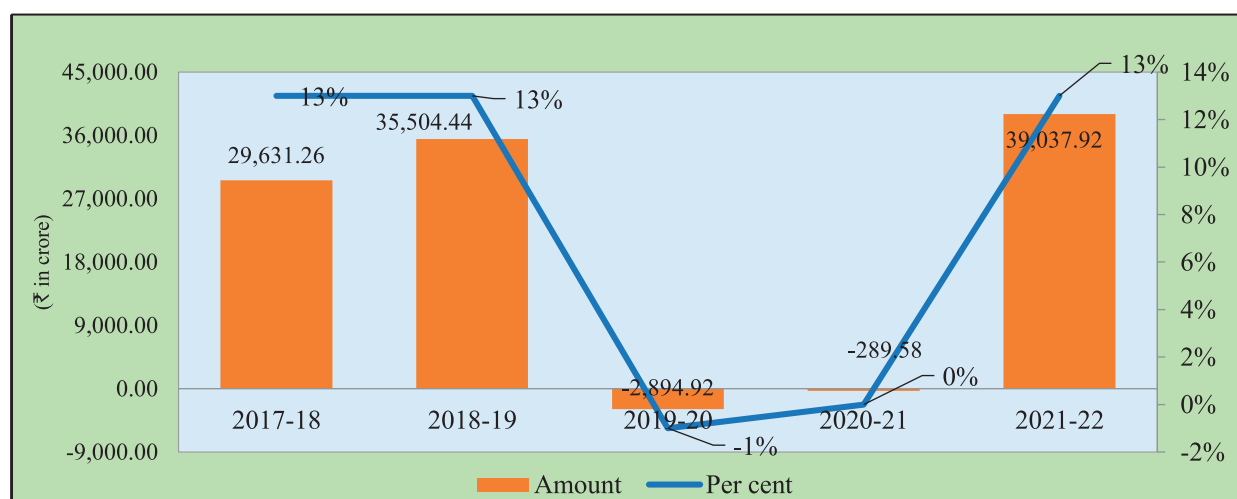
(₹ in crore)

Financial Year	2017-18	2018-19	2019-20	2020-21	2021-22
Budget Estimate	3,13,891.72	3,44,448.02	3,74,772.40	3,95,116.95	4,08,531.29
Actuals	2,66,223.52	3,01,727.96	2,98,833.04	2,98,543.46	3,37,581.38
Gap	47,668.20	42,720.06	75,939.36	96,573.49	70,949.91
Percentage of Gap over BE	15	12	20	24	17

4.2.1 Trend of Revenue Expenditure (2017-18 to 2021-22)

Revenue expenditure increased by about 13 *per cent* during the last five years except 2019-20 and 2020-21 (it declined to 1 *per cent* change in 2019-20 and next year to 0.1 *per cent*). The graph below shows the trend of variation in expenditure along with its percentage change:

Graph 4.1 - Growth in Revenue Expenditure



4.2.2 Major Component of Revenue Expenditure

Expenditure incurred on General Services (including interest payment and debt servicing), Social and Economic Services; and Grants-in-Aid Services and Contributions are major component of revenue expenditure. It was 40, 35, 20 and 5 *per cent* of the total revenue expenditure (₹3,37,581.38 crore) respectively during the year 2021-22. The sectoral distribution of revenue expenditure over the last five years has been depicted as below-

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

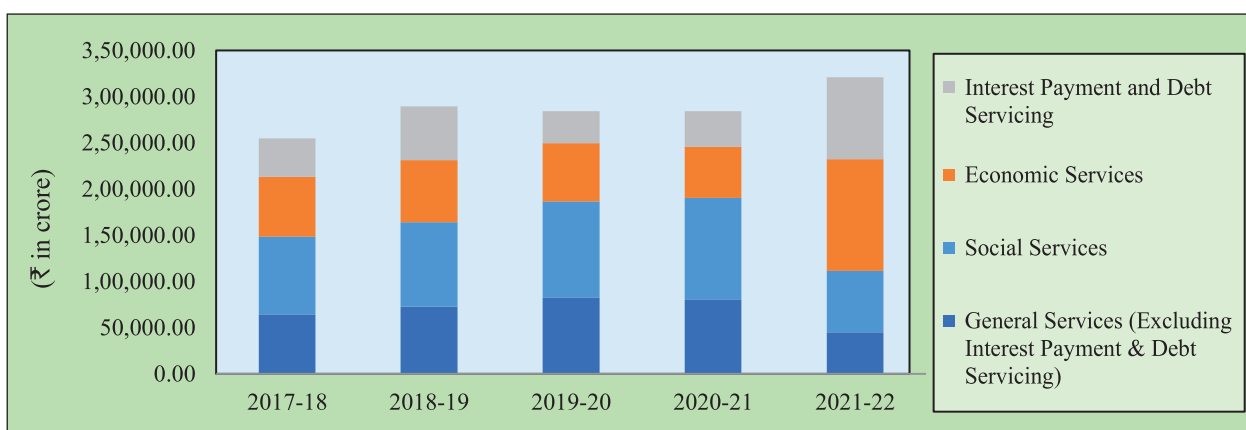
(₹ in crore)

Sl. No.	Sector	2017-18	2018-19	2019-20	2020-21	2021-22
1.	General Services	1,05,781.67 (41,368.06)	1,31,057.25 (58,446.04)	1,17,674.85 (34,813.02)	1,19,057.50 (38,428.48)	1,33,521.05 (44,875.56)
2.	Social Services	84,251.68	91,311.73	1,03,848.76	1,09,726.67	1,20,986.91
3.	Economic Services	64,634.76	67,258.59	62,809.43	55,550.91	66,573.43
4.	Grants -in -Aid and Contributions	11,555.41	12,100.39	14,500.00	14,208.38	16,499.99
Total		2,66,223.52	3,01,727.96	2,98,833.04	2,98,543.46	3,37,581.38

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

There was an increase in expenditure on General Services (by 12 *per cent*) in 2021-22 over the previous year. Increase in expenditure on interest payments was about 17 *per cent*. The expenditure under Social Services increased by 10 *per cent* during the year as compared to the forgoing year (i.e. 2020-21). It was mainly due to increase in expenditure under Education, Sports, Arts and Culture by ₹4,657.44 crore (about 9 *per cent*), Labour and Labour Welfare by ₹2,046.60 crore (i.e. 199 *per cent*) and Social welfare and Nutrition by ₹5,411.03 crore (i.e 37 *per cent*). During the year, expenditure on activities under Economic Services increased by about 20 *per cent* over the previous year mainly due to more expenditure under Energy sector (128 *per cent*), Agriculture and allied activities (11 *per cent*) and Industry and Minerals (by 192 *per cent*). There was an overall increase of expenditure by 13 *per cent* during the year. The sector-wise trend over five years from 2017-18 to 2021-22 is shown below:

Graph 4.2 -Trend of Major Components of Revenue Expenditure



4.2.3 Sub Sector- wise Distribution of Revenue Expenditure during 2021-22

Table 4.3- Sub- Sector wise Revenue Expenditure

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	4,274.16	1
B. Organs of State	3,884.09	1
C. Interest Payments and Servicing of Debt	44,875.56	13
D. Administrative Services	29,977.32	9
E. Pensions and Miscellaneous General Services	50,509.92	15
F. Social Services	1,20,986.91	36
G. Economic Services *	66,573.43	20
H. Grants-in-Aid and Contributions	16,499.99	5
Total Expenditure (Revenue Account)	3,37,581.38	100

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

4.2.4 Financial Assistance to Local Bodies and Others

The State Government provided ₹1,00,845.44 crore (30 *per cent* of the total revenue expenditure) as grants-in-aid to Panchayati Raj Institutions (PRIs), Urban Local Bodies (ULBs) and other institutions during the last five years as depicted below-

Table 4.4- Grants-in-Aid given by the State Government during 2017-18 to 2021-22

(₹ in crore)

Financial Year	Panchayati Rai Institutions (PRIs)	Urban Local Bodies (ULBs)	Other Institutions (viz. PSUs, Autonomous Bodies, NGOs etc)	Total Grants
2017-18	10,096.44 (11)	1,208.46 (1)	80,916.06 (88)	92,220.96
2018-19	16,209.80 (18)	3,081.35 (3)	72,472.98 (79)	91,764.13

2019-20	12,517.71 (13)	9,059.97 (10)	71,756.78 (77)	93,334.46
2020-21	10,412.00 (11)	11,713.15 (12)	76,763.23 (77)	98,888.38
2021-22	7,635.03 (8)	13,610.89 (13)	79,599.52 (79)	1,00,845.44

(Source: State Accounts)

(Figures in parenthesis are percentage to total grants)

4.3 Capital Expenditure

Capital expenditure of ₹73,055.91 crore (including loans and advances disbursed: ₹1,613.36 crore) for 2021-22 was less than the budget estimate (₹1,18,038.45 crore) by ₹44,982.54 crore (about 38 *per cent* of the budget). The Gap between BE and AE shows the fluctuation during the last five years as below-

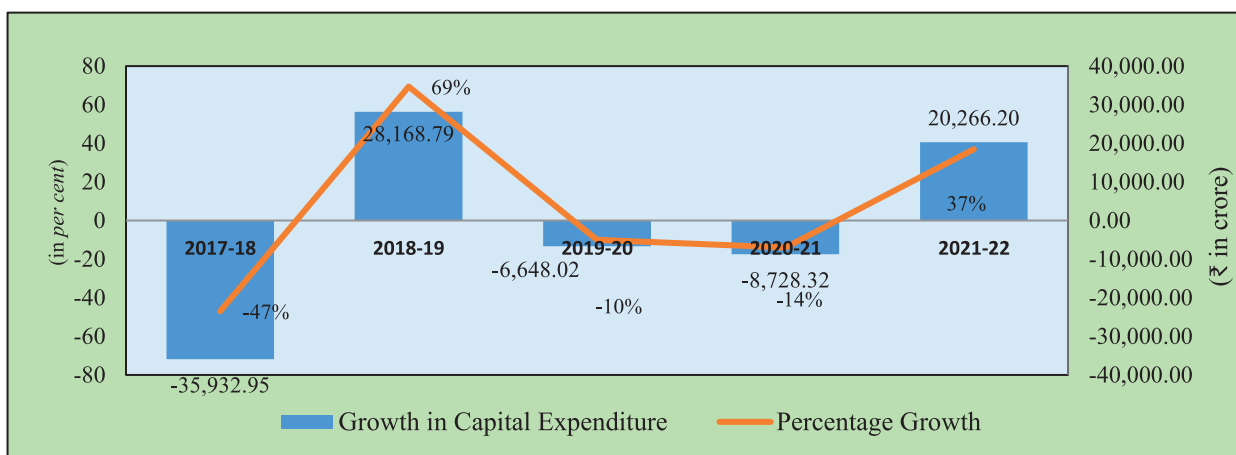
Table 4.5 - Gap between Budget and Capital Expenditure (2017-18 to 2021-22)

(₹ in crore)

Financial Year	2017-18	2018-19	2019-20	2020-21	2021-22
Budget Estimate (BE)	60,141.85	96,371.39	87,557.47	82,846.34	1,18,038.45
Actual Expenditure (AE)	40,597.26	68,766.05	62,118.03	53,389.71	73,055.91
Gap	19,544.59	27,605.34	25,439.44	29,456.63	44,982.54
Percentage of Gap over BE	32	29	29	36	38

There was percentage gap of 38 *per cent* in respect of capital expenditure over budget estimates during the year which was 2 *per cent* more than that in previous year. The capital expenditure, which is indicative of development related spending increased by 37 *per cent* in 2021-22 over that of the previous year. The graph below reflects the trend of increase and decrease in capital expenditure during the last five years –

Graph 4.3 - Growth in Capital Expenditure



4.3.1 Sector-wise Capital Expenditure during 2021-22

Sector-wise capital expenditure incurred by the government along with major expenditure under different functions of the State during 2021-22 has been exhibited as below-

Table 4.6– Sector-wise Capital Expenditure

(₹ in crore)

Sl. No.	Sector	Amount	Percentage
1.	General Services -Police, Land Revenue etc.	2,357.24	3
2.	Social Services - Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	18,568.80	26
	Capital Outlay on Medical and Public Health	3,143.92	4
	Capital Outlay on Water Supply and Sanitation	3,965.72	5
	Capital Outlay on Housing	7,276.62	10
3.	Economic Services -Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.,	50,516.51	69
	Capital Outlay on other Rural Development Programme	3,751.67	5
	Capital Outlay on Major Irrigation	2,066.36	3
	Capital Outlay on Power Projects	10,874.50	15
	Capital Outlay on Roads and Bridges	22,749.06	31
4.	Loans and Advances Disbursed	1,613.36	2
Total		73,055.91	100

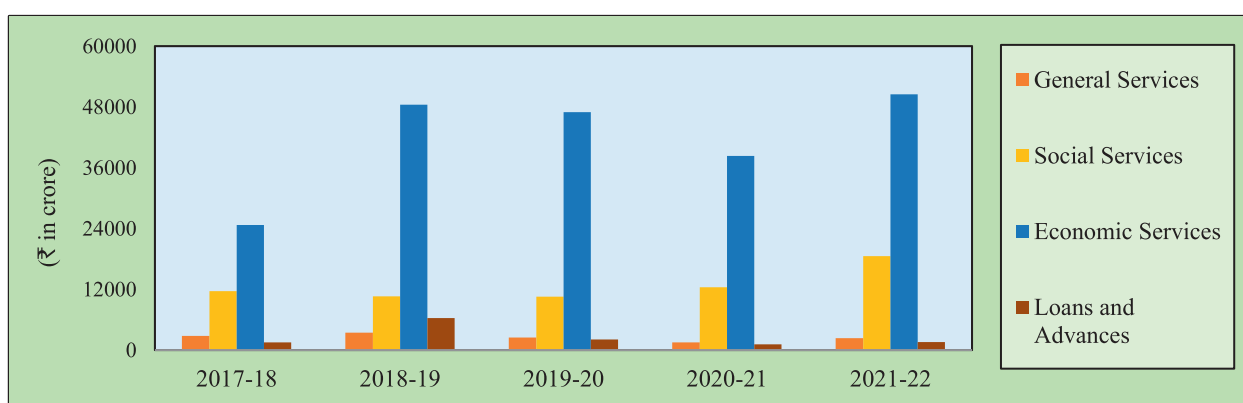
4.3.2 Trend of Sectoral Distribution of Capital Expenditure**Table 4.7- Sector -wise Capital Expenditure over the last five years**

(₹ in crore)

Sl. No.	Sector	2017-18	2018-19	2019-20	2020-21	2021-22
1.	General Services	2,775.78	3,419.43	2,495.30	1,523.10	2,357.24
2.	Social Services	11,625.13	10,589.12	10,514.70	12,386.29	18,568.80
3.	Economic Services	24,687.06	48,454.86	46,988.03	38,327.71	50,516.51
4.	Loans and Advances	1,509.29	6,302.64	2,120.00	1,152.61	1,613.36
Total		40,597.26	68,766.05	62,118.03	53,389.71	73,055.91

In 2021-22, the State Government appropriated ₹600.00 crore to the State Contingency Fund. Thus, the corpus of the Fund is now ₹1,200.00 crore.

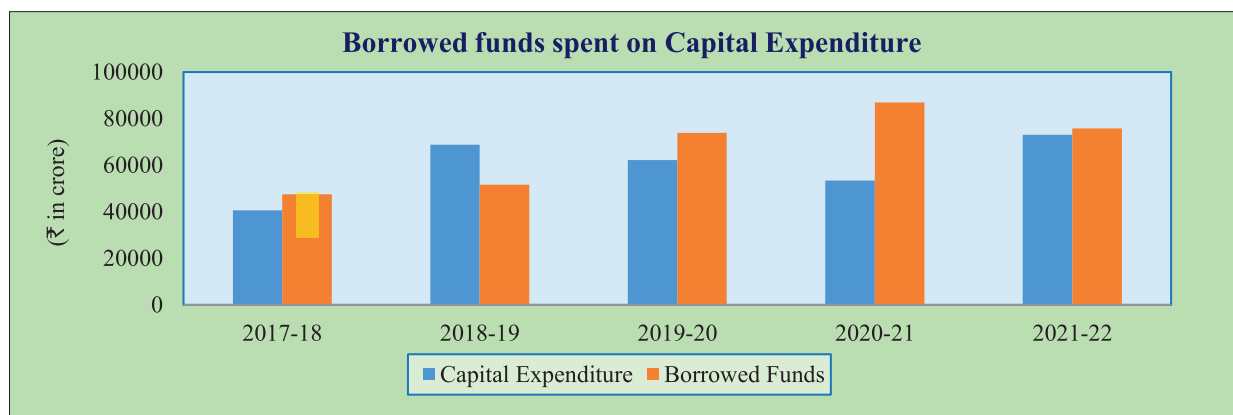
The trend of sectoral distribution of capital expenditure is graphically represented as below-

Graph 4.4 -Trend of Sectoral Distribution of Capital Expenditure

4.3.3 Proportion of Borrowed Funds spent on Capital Expenditure

Borrowed funds are meant for meeting capital expenditure for creation of capital assets. The State Government borrowed an amount of ₹75,751.19 crore from market, financial institutions, RBI and Government of India etc. during 2021-22 and utilised the borrowings for repaying the outstanding debt ₹28,725.94 crore and remaining for meeting capital expenditure (₹73,055.91 crore) during the year. A chart showing comparison of borrowed funds spent on capital expenditure during the last five years is as under:

Graph 4.5 - Borrowed funds spent on Capital Expenditure



4.4 Committed Expenditure

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

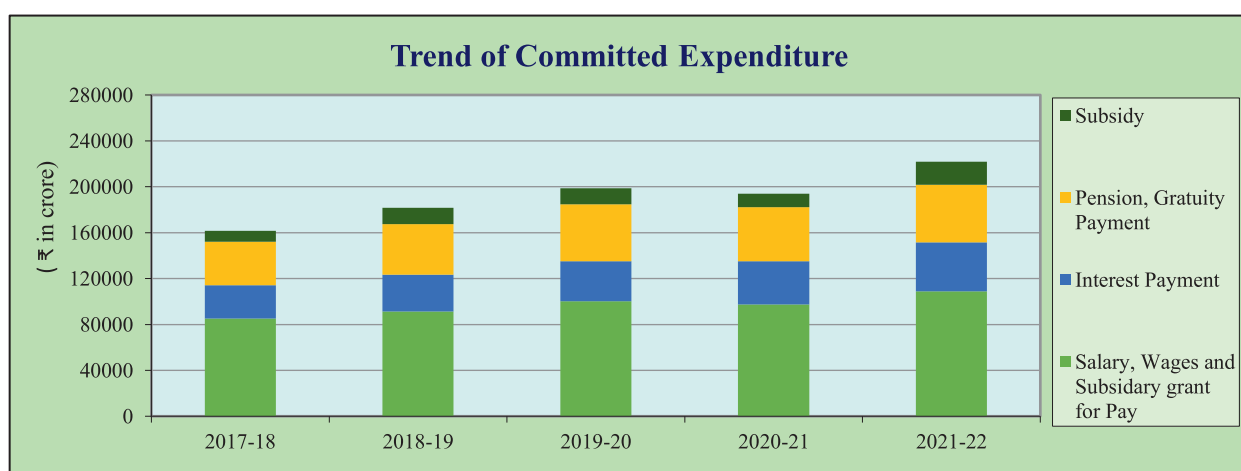
Table 4.8-Trend of Committed Expenditure (2017-18 to 2021-22)

(₹ in crore)					
Component	2017-18	2018-19	2019-20	2020-21	2021-22
Committed Expenditure (*)	1,61,489.74	1,81,531.92	1,98,734.15	1,94,015.84	2,21,755.62
Revenue Expenditure	2,66,223.52	3,01,727.96	2,98,833.04	2,98,543.46	3,37,581.38
Percentage of Committed Expenditure to Revenue Receipts	58	60	54	66	60
Percentage of Committed Expenditure to Revenue Expenditure	61	55	67	65	66

(*) It includes subsidiary assistance for salary.

The trend shows that the committed expenditure of the Government hovered around 55 to 67 per cent of the revenue expenditure in the last five financial years.

Graph 4.6 -Trend of Committed Expenditure



4.5 Subsidies Sector-wise

Subsidy is an assistance provided by the government to specific industries with aim of keeping the prices of product and services low for people to be able to afford them and also to encourage production and consumption. During 2021-22, the State Government has extended total subsidy of ₹20,144.62 crore (i.e. 5.97 *per cent* of total revenue expenditure) on various activities under different sectors viz. Agriculture, Rural Development, Irrigation and Flood Control, and Energy etc. The trend in expenditure on subsidy has been depicted as below-

Table 4.9-Trend of Expenditure on Subsidy (2017-18 to 2021-22)

Sector	Sub-Sector	2017-18	2018-19	2019-20	2020-21	2021-22
Economic Services	Agriculture & Allied services	1,684.95	3,539.28	3,007.19	3,332.24	3,556.78
	Rural Development	527.27	793.63	990.61	1,477.45	2,419.00
	Special Area Programme	33.58	27.16	47.88	0.00	0.00
	Irrigation & Flood Control	149.50	163.64	210.59	103.80	142.21
	Energy	6,180.69	8,618.20	9,126.26	6,279.48	13,599.17
	Industry & Mineral	699.33	881.35	709.65	483.80	427.45
	Transport	8.71	29.25	0.00	0.00	0.00
	Total Economic Services	9,284.02	14,052.52	14,092.18	11,676.77	20,144.62
	Total Subsidy	9,284.02	14,052.52	14,092.18	11,676.77	20,144.62
Revenue Expenditure		2,66,223.52	3,01,727.96	2,98,833.04	2,98,543.46	3,37,581.38
%age Expenditure on Subsidy over Revenue Expenditure		3.48	4.66	4.72	3.91	5.97

As evident from the above, the government has given subsidy mainly in Energy (about 68 *per cent* of total subsidy) and Agriculture sector (about 18 *per cent*) during the period. The expenditure on subsidy in 2021-22 increased by 73 *per cent* over the year 2020-21, especially in Energy, Agriculture and Allied Services and Rural Development sector.

4.6 Development Expenditure

Any expenditure incurred on activities directly related to economic and social development of the State is Development Expenditure. It signifies the extent to which resources has been utilized for development of the State. It includes expenditure on Social Services and Economic Services on Revenue and Capital Accounts, and Loans and Advances given by the State Government on these services; for example, expenditure incurred on Education, Health Care, Scientific Research, Infrastructure etc. During 2021-22, an amount of ₹2,58,222.05 crore (63 *per cent* of total expenditure of ₹ 4,10,637.29 crore including loans and advances) was spent on these activities.

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

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

Table 4.10- Trend of Expenditure under SCSP and TSP during 2017-18 to 2021-22

(₹ in crore)

Year	SCSP			TSP		
	Budget	Expenditure	Percentage Gap	Budget	Expenditure	Percentage Gap
2017-18	24,756.79	17,520.61	29	577.78	352.86	39
2018-19	26,893.28	18,671.03	31	977.23	684.57	30
2019-20	26,265.54	18,601.04	29	1,027.01	820.54	20
2020-21	26,160.06	19,235.38	26	1,195.97	950.04	21
2021-22	30,358.90	19,253.92	37	1,335.74	838.72	37

It is evident from the above data that the percentage gap in expenditure with respect to the budget provisions in respect of scheduled caste programs and scheduled tribe programs ranged between 29 to 37 *per cent* and 20 to 39 *per cent* respectively during the period from 2017-18 to 2021-22.

4.8 Loans and Advances by the State Government

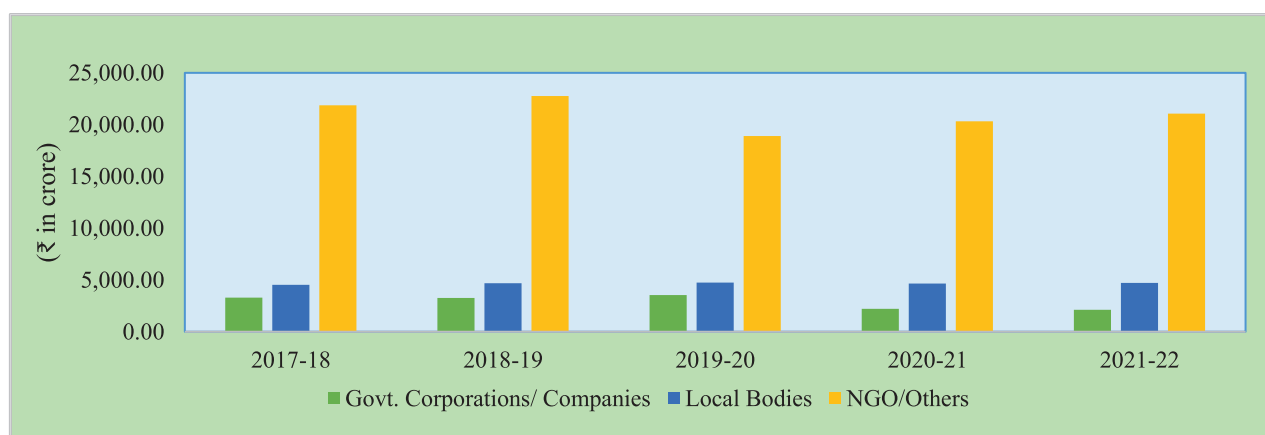
The State Government gives loans and advances to Government Corporations/ Companies, Local Bodies, Non-Government Institutions/Organisations etc. The Government advanced ₹1,613.36 crore to these institutions in 2021-22. The outstanding balance of loans and advances of these institutions was ₹27,880.79 crore as on 31 March 2022. The table below represents the institution-wise position of outstanding loans and advances given by the State Government as on 31 March of the year.

Table 4.11- Outstanding Loans and Advances by the State Government

(₹ in crore)

As on 31 March	Govt. Corporations/ Companies	Local Bodies	NGO/Others
2017-18	3,304.54	4,518.04	21,879.73
2018-19	3,249.26	4,691.98	22,768.32
2019-20	3,543.02	4,747.65	18,898.31
2020-21	2,227.91	4,662.68	20,316.27
2021-22	2,121.07	4,702.19	21,057.53

Graph 4.7- Position of Outstanding Loans and Advances



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

5

Public Debt

5.1 Introduction

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

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

There was an outstanding public debt of ₹5,23,684.22 crore as on 31 March 2022, which comprised of internal debt 95 *per cent* and GoI loans about 5 *per cent* thereof. During 2021-22, the State Government had borrowings of ₹75,751.19 crore from market/other institutions and the Government of India. Of this, ₹28,725.94 crore was expended for repayment of earlier Loans.

5.2 Public Debt

Public debt of the State Government increased from 24 *per cent* of GSDP in 2017-18 to 28 *per cent* in 2021-22 mainly due to increase in internal debt, especially increase in borrowings from market. The market borrowings constituted 63 *per cent* of the total internal debt in 2017-18, which increased to 81 *per cent* in 2021-22. Thus, increasing trend in market borrowings has led to growth in government liabilities over the years. The growth of public debt during the preceding five years is depicted as below-

Table 5.1- Growth of Public Debt

Financial Year	(₹ in crore)			
	Internal Debt (A) (market borrowings out of total Internal debt)	GoI loan (B)	Public Debt (A+B)	Per cent to GSDP
2017-18	3,21,479.05 (2,02,053.39)	12,811.82	3,34,290.87	24
2018-19	3,53,189.92 (2,35,360.06)	11,979.59	3,65,169.51	24
2019-20	4,05,048.84 (2,91,185.86)	11,528.75	4,16,577.59	23
2020-21	4,58,552.23 (3,54,685.54)	18,106.74	4,76,658.97	28
2021-22	4,96,422.89 (4,01,355.54)	27,261.33	5,23,684.22	28

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

5.3 Debt Service Ratio

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

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

During 2021-22, total debt service was about 4 *per cent* of GSDP. The position of debt servicing during the last five years has been depicted as below: -

Table 5.2- Debt servicing as Percentage of GSDP

(₹ in crore)

Financial Year	2017-18	2018-19	2019-20	2020-21	2021-22
Repayment of Debt	15,002.10 (1.09)	20,716.61 (1.34)	22,400.61 (1.25)	26,777.49 (1.57)	28,725.94 (1.54)
Interest Paid	25,414.82 (1.85)	28,184.96 (1.83)	30,624.25 (1.71)	37,428.40 (2.19)	42,875.56 (2.30)
Total Debt Service	40,416.92 (2.9)	48,901.57 (3.2)	52,958.65 (2.95)	64,205.97 (3.76)	71,601.50 (3.84)
GSDP	13,75,607.00	15,42,432.00	17,94,508.00	17,05,593.37	18,63,221.12

(Figures in parenthesis are percentage to GSDP)

5.4 Debt Sustainability of the State

Public debt of the State Government increased substantially by 57 *per cent* in 2021-22 over the outstanding debt in 2017-18, whereas the economy in terms of GSDP grew by 35 *per cent*. The debt to GSDP ratio arose from 24 *per cent* in 2017-18 to 28 *per cent* in 2021-22. The debt repayment was 9 *per cent* of total tax revenue and 38 *per cent* of debt receipts during 2021-22.

The increasing trend of raising debt tends to increase the debt stock entailing debt distress on the state economy. This fiscal situation may result in augmentation of debt liabilities and reduction of capital expenditure i.e. development related spending.

Table 5.3- Indicators of Debt Sustainability of the State

(₹ in crore)

Indicators of Debt Sustainability	2017-18	2018-19	2019-20	2020-21	2021-22
Outstanding Debt	3,34,290.87	3,65,169.51	4,16,577.59	4,76,658.97	5,23,684.22
Rate of growth of Outstanding Debt	10.74	9.24	14.08	14.42	9.87
GSDP	13,75,607.00	15,42,432.00	17,94,508.00	17,05,593.37	18,63,221.12

Rate of growth of GSDP	7.88	12.13	16.34	(-)4.95	9.24
Debt/GSDP ratio	0.24	0.24	0.23	0.28	0.28
Net Debt available to State (Public Debt received (-) Total Debt Service)	6,999.64	2,693.69	20,850.04	22,652.90	4,149.69

5.5 Debt-Maturity Profile

The State Government borne an outstanding debt of ₹ 4,96,422.89 crore as internal debt from market and different financial institutions, and ₹27,261.33 crore as loans from GoI (total public debt of ₹5,23,684.22 crore) as on 31 March 2022. These debt/loans are due to be repaid on their maturity up to 2078-79 as per the specified terms and conditions. The maturity profile of the government debt is broadly depicted as below-

Table 5.4- Debt-Maturity Profile

(₹ in crore)

Year	Internal debt	Loan from Government of India
2022-23	20,869.41	1,741.77
2023-24	19,485.70	1,767.36
2024-25	29,007.45	704.64
2025-26	40,260.05	589.32
2026-27	49,955.51	600.59
2027-28	50,051.27	598.25
2028-29	53,850.84	579.05
2029-30	75,897.86	556.52
2030-31	81,335.73	494.63
2031-32	62,419.37	397.85
2032-33 and thereafter	11,172.12 (during 2032-39)	19,231.35 (during 2032-79)
Adjustment Due	2,117.60	0.00
Total	4,96,422.89	27,261.33

6

Appropriation Accounts

6.1 Budget Provisions

During 2021-22, the State Legislature approved a total provision of ₹6,01,691.47 crore under 92 grants (including supplementary grants). Against which, the actual expenditure was ₹4,49,065.47 crore (75 per cent of the total provision). Of which, total charged expenditure was 17 per cent and voted 83 per cent. Summary of the Appropriation Accounts for the year 2021-22 is given below-

Table 6.1- Summary of Appropriation Accounts for 2021-22

(₹ in crore)

Sl. No	Nature of Expenditure	Original Grant	Supplementary Grant(*)	Total	Actual Expenditure	Saving (-) Excess (+)	% of Total Grant
1	Revenue Voted	3,64,831.53	13,383.41	3,78,214.94	2,93,995.35	(-)84,219.59	22.27
	Charged	46,512.01	17.53	46,529.54	45,529.60	(-)999.94	2.15
2	Capital Voted	1,33,083.98	2,166.56	1,35,250.54	78,592.63	(-)56,657.91	41.89
	Charged	110.17	0.00	110.17	8.59	(-)101.58	92.20
3	Public Debt Charged	38,868.54	13.55	38,882.09	28,725.94	(-)10,156.15	26.12
4	Loans and Advances Voted	2,504.19	200.00	2,704.19	2,213.36	(-)490.83	18.15
Total		5,85,910.42	15,781.05	6,01,691.47	4,49,065.47	(-)1,52,626.00	25.37

(*) Supplementary Grants were provided under 26 grants.

6.2 Saving/Excess during the last five years

During the year 2021-22, there was saving of ₹1,52,626.00 crore. Saving/Excess under Revenue and Capital Expenditure heads, Public Debt and Loans and Advances over the last five years have been depicted as follows:

Table 6.2- Saving/Excess during 2017-18 to 2021-22

(₹ in crore)

Financial Year	Saving (-) / Excess (+)				Total Saving / Excess	% of Total Grant
	Revenue	Capital	Public Debt	Loans & Advances		
2017-18	(-)63,796.47	(-)21,939.87	(-)7,012.22	(-)1,019.94	(-)93,768.50	21.88
2018-19	(-)52,136.54	(-)25,963.22	(-)9,830.14	(-)1,421.71	(-)89,351.61	17.90
2019-20	(-)86,752.57	(-)26,416.68	(-)12,975.33	(-)1,237.88	(-)1,27,382.46	24.18
2020-21	(-)1,06,857.49	(-)33,085.84	(-)8,119.93	(-)484.24	(-)1,48,547.50	27.28
2021-22	(-)85,219.53	(-)56,759.49	(-)10,156.15	(-)490.83	(-)1,52,626.00	25.37

Thus, saving during the last five years was about 25 *per cent* (on an average), which shows non-achievement of about one-fourth commitments of the State Government made by the State Budget or non-observance of its authorisation by the State Legislature.

6.3 Persistent Savings

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

Table 6.3-Savings under Grants during the year 2017-18 to 2021-22

(₹ in crore)

Grant Nos.	Nomenclature	2017-18	2018-19	2019-20	2020-21	2021-22
13	Agriculture and Other Allied Departments (Rural Developments)	5,752.38	9,853.98	10,020.28	8,284.90	6,009.17
26	Home Department (Police)	1,288.38	608.17	3,731.91	6,898.22	5,292.07
31	Medical Department (Medical Education and Training)	265.92	627.07	979.37	1,707.81	2,250.29
32	Medical Department (Allopathy)	1,092.69	1,487.08	2,279.91	2,782.55	3,874.38
35	Medical Department (Family Welfare)	884.57	719.50	988.86	599.33	2,386.30
37	Urban Development Department	6,090.72	4,457.15	9,231.61	4,159.77	7,097.03
38	Civil Aviation Department	10.88	318.00	808.94	934.78	2,126.19
40	Planning Department	556.46	373.69	1,131.50	1,089.82	2,398.28
42	Judicial Department	1,357.83	1,470.07	2,285.73	2,782.44	3,007.05
49	Women and Child Welfare Department	2,376.87	2,600.25	3,622.34	4,557.07	2,379.06
61	Finance Department (Debt Services and Other Expenditure)	10,574.22	10,279.96	32,609.87	36,148.49	12,299.65
71	Education Department (Primary Education)	17,678.96	15,261.30	14,663.12	13,747.01	13,976.96
72	Education Department (Secondary Education)	787.70	651.45	1,754.32	3,177.50	3,297.14
76	Labour Department (Labour Welfare)	51.80	36.16	59.66	99.19	2,201.20
83	Social Welfare Department (Special Component Plan for Scheduled Castes)	7,211.07	8,222.19	7,562.07	6,924.80	11,107.48
94	Irrigation Department (Works)	742.09	1,156.44	1,063.17	1,579.23	4,956.52

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

6.4 Supplementary Provision of Funds

Supplementary Grants authorized under Article 205 of the Constitution of India, of ₹15,781.05 crore (3.51 *per cent* of total expenditure) proved unfruitful during 2021-22. A few instances where there were significant savings at the end of the year even against original allocations are given below:

Table 6.4-Unutilised Supplementary Provisions

(₹ in crore)

Grant No.	Nomenclature	Section	Original B.E.	Supplementary B.E.	Actual Expenditure
07	Industries Department (Heavy and Medium Industries)	Capital (Voted)	11,996.14	150.00	6,591.71
09	Power Department	Revenue (Voted)	20,796.14	3,222.50	20,531.11
13	Agriculture and Other Allied Departments (Rural Development)	Capital (Voted)	13,895.70	40.62	8,330.44
14	Agriculture and Other Allied Departments (Panchayati Raj)	Revenue (Voted)	12,860.06	263.09	11,511.52
15	Agriculture and Other Allied Departments (Animal Husbandry)	Revenue (Voted)	1,866.02	300.00	1,776.35
26	Home Department (Police)	Revenue (Voted)	27,234.13	47.88	23,251.35
35	Medical Department (Family Welfare)	Revenue (Voted)	7,793.90	129.78	6,349.69
42	Judicial Department	Revenue (Voted)	2,954.80	91.84	2,032.56
		Capital (Voted)	2,276.66	5.00	462.09
49	Women and Child Welfare Department	Revenue (Voted)	9,525.64	265.70	7,596.05
71	Education Department (Primary Education)	Revenue (Voted)	57,480.87	154.10	43,665.37
78	Secretariat Administration Department	Revenue (Voted)	1,241.10	100.00	1,018.18
84	General Administration Department	Capital (Voted)	401.71	249.70	334.54
92	Culture Department	Revenue (Voted)	94.01	0.02	76.72
		Capital (Voted)	85.30	50.00	83.65

7

Assets and Liabilities

7.1 Introduction

The Assets and liabilities of the State Government (as on March 31, 2022 and March 31, 2021) as exhibited in Statement No. 1 of the Finance Accounts of the respective year is depicted below-

Table 7.1-Assets and Liabilities of the State Government

(₹ in crore)

Assets			Liabilities		
	As on March 31, 2022	As on March 31, 2021		As on March 31, 2022	As on March 31, 2021
Cash (including RBD with RBI, Investment of Cash Balance, Investment from Earmarked Funds etc.)	44,533.16	31,652.77	Internal Debt	4,96,422.89	4,58,552.23
Capital Expenditure including Investments	7,05,544.77	6,34,102.22	Loans and Advances from Central Government	27,261.33	18,106.74
Contingency Fund (un-recouped)	0.00	100.00	Contingency Fund (Corpus)	1,200.00	600.00
Appropriation to the Contingency Fund	600.00	0.00	Liabilities on Public Account	92,272.09	89,312.70
Loans & Advances	27,880.79	27,206.86		--	--
Advances with Departmental Officers	58.58	58.58		--	--
Suspense & Miscellaneous Balances	1,750.95	3,212.06		--	--
Remittances Balances	103.99	125.05		--	--
Cumulative excess of Expenditure over Receipts	--	--	Cumulative excess of Receipts over Expenditure	1,63,315.93	1,29,885.87
Total	7,80,472.24	6,96,457.54		7,80,472.24	6,96,457.54

7.2 Assets

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

7.2.1 Cash Balance and Investment of Cash Balance

The State Government had total cash balance of ₹44,533.16 crore as on 31.03.2022, which increased by ₹12,880.39 crore as compared to 2020-21. This was mainly due to net increase in investment of cash balance (of ₹11,365.79 crore) in government securities during the year.

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

(₹ in crore)

Component	As on 31 March, 2021	As on 31 March, 2022	Net Increase (+) / Decrease
Cash Balance	137.10	(-)348.47	(-)485.57
Investments from Cash Balance (GOI Try. Bills)	30,459.45	41,825.24	11,365.79
Other Cash Balance (including cash with departmental officers and permanent cash imprest)	11.02	11.19	0.17
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) Consolidated Sinking Fund	1,000.00	3,000.00	2,000.00
Interest realised on Investment of Cash Balance	249.67(*)	346.99(*)	97.32

(*) It excludes interest on investment of accretions in the Consolidated Sinking Fund during the year as it didn't appear in the State Accounts.

7.2.2 Others Investment and Dividends

The Government invested ₹12,025.79 crore in equity shares of Statutory Corporations, Government Companies, Co-operative Societies and other institutions during 2021-22, which stood at total investment of ₹1,51,520.99 crore (8 *per cent* of GSDP) in these institutions (13,583) at the end of the year 2021-22. The dividends therefrom during the year were ₹212.58 crore (i.e. 0.14 *per cent* of total investment).

7.3 Liabilities

Government liabilities differ from the government debt to the extent that the government debt (or, public debt) comprises of Internal Debt of the State Government and Loans from GoI, whereas liabilities of the Government include Public Debt as well as other liabilities viz-Small Savings, Reserve funds and other Deposits in the Public Accounts. These liabilities are 'Debt

Stock of the State Government which increased by ₹ 47,984.65 crore (8 *per cent*) in 2021-22 as against the previous year. Position of the debt stock during the last five years is as under:

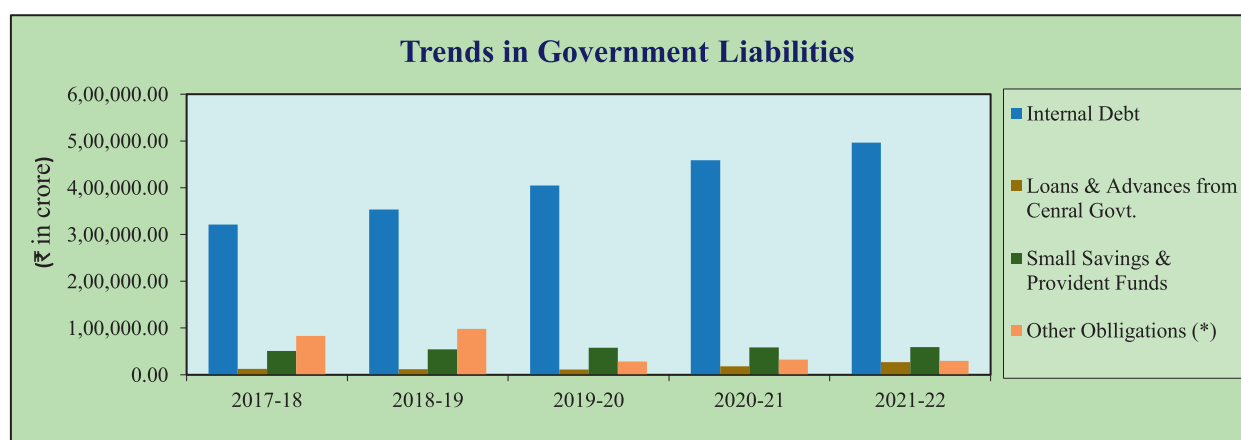
Table 7.3-Trend of State's Liabilities during the year 2017-18 to 2021-22

(₹ in crore)

Financial Year	Public Debt	Per cent to GSDP	Total Public Account Liabilities	Per cent to GSDP	Total Debt Stock	Per cent to GSDP
2017-18	3,34,290.87	24	1,33,551.32	10	4,67,842.19	34
2018-19	3,65,169.51	24	1,52,925.99	10	5,18,095.50	34
2019-20	4,16,577.59	23	85,834.43	5	5,02,412.02	28
2020-21	4,76,658.97	28	88,312.71	5	5,64,971.68	33
2021-22	5,23,684.22	28	89,272.11	5	6,12,956.33	33

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

Graph 7.1-Trends in Government Liabilities



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

The increasing trend in government liabilities is mainly due to the gradual increase in internal debt of the State Government during the period 2017-18 to 2021-22. However, the debt stock (i.e. total liabilities) of the State Government remained at 33 *per cent* of GSDP at the end of the year as it was in the previous year.

7.3.1 Increasing trend of outstanding liabilities of the State Government on account of Market Borrowings

As per the procedure adopted by the State Government for amortisation of the market borrowings, the State Government makes provisions for reduction or avoidance of debt under Major Head 2048 and appropriates it to Sinking Fund under Major Head 8222 by way of book transfer. During the year 2019-20, the State Government constituted a Consolidated Sinking Fund (CSF) in March 2020 for redeeming of the outstanding liabilities of the State (Internal debt and other liabilities under Public Accounts). During 2021-22, sum of ₹2,000.00 crore was contributed to this Fund. The Government invested the said amount in government securities.

The position of state's outstanding liabilities due to market borrowings and amount appropriated to Consolidated Sinking Fund is as below:

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

(₹ in crore)

Financial Year	Outstanding liabilities due to Market Borrowings	Amount appropriated to Consolidated Sinking Fund	Balance under Consolidated Sinking Fund (as on 31 March)
2017-18	2,02,053.39	-	-
2018-19	2,35,360.06	-	-
2019-20	2,91,185.86	0.00	0.00
2020-21	3,54,685.54	1,000.00(*)	1,000.00
2021-22	4,01,355.54	2,000.00(*)	3,000.00(**)

(*) It has been invested in government securities during the year.

(**) It excludes interest earned on investment, as it did not appear in the state accounts.

Repayments against the market loans are made by budgetary provisions. These liabilities would be redeemed from CSF from the year 2025-26 onwards.

State's liabilities on this account escalated from ₹2,02,053.39 crore in 2017-18 to ₹4,01,355.54 crore in 2021-22 (about 100 *per cent* increase during foregoing five years i.e 20 *per cent* increase per year on average).

7.4 Guarantees-Contingent liabilities of the State

The State Government has given guarantees of ₹35,017.33 crore (1.88 *per cent* of GSDP) against repayment of loans and payment of interest thereon raised by nine Statutory Corporations, Government Companies, Corporations, Authorities etc. during the year 2021-22. The position of total outstanding guarantees as on 31 March 2022 is as below-

Table 7.5- Position of Outstanding Guarantees during 2017-18 to 2021-22

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Outstanding Guarantee at the end of year (Principal)	Guarantee Commission or Fee	
			Received	Receivable
2017-18	74,303.03	74,841.22	0.82	10.56
2018-19	90,662.48	1,10,032.12	0.00	10.46
2019-20	1,32,499.27	1,18,696.49	4.93	4.93
2020-21	1,75,469.24	1,50,554.00	0.00	0.00
2021-22	2,06,431.78	1,74,218.42	0.00	0.00

The Fiscal Responsibility and Budget Management Act 2003 (FRBM Act 2003) prescribed the limit of 0.5 *per cent* of GDP for giving guarantee by GoI in a year. In spite of the fact that the volume of Guaranties given is increasing over the years, the State Government has not fixed any limit for giving the guarantee in the financial year. The Government has also not created Guarantee Redemption Fund for redemption of guarantees so far.



8

Other Accounting Issues

8.1 Compliance of Indian Accounting Standards formulated by GASAB:

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

In adherence with these standards, disclosures about the guarantees given by the State Government to various institutions have been exhibited in the Statement 9 and 20 of the Finance Accounts of the Government of Uttar Pradesh. Under the extant provisions of FRBM Act 2003, additional guarantee should not be given in respect of any loan on security of Consolidated Fund of India in excess of one half *per cent* of GDP in a financial year. However, the State Government has not fixed any limit for giving the guarantee in the financial year. The State Government has not created the Guarantee Redemption Fund for discharging the obligations arising out of guarantees executed. The State Government executed the guarantees of ₹35,017.33 crore (i.e. 1.88 *per cent* of GSDP) to nine PSUs /institutions during 2021-22.

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

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

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

In due course of implementation of IFMS in the State of Uttar Pradesh, data (of receipts & expenditure) as well as schedule of House Building Advance/ Motor Car Advance is fetched from all the eighty-two treasuries electronically (through central server of the State Government) and uploaded in VLC server in the Accountant General's office. The Monthly Civil Accounts (MCA) are generated after compilation of the said treasury data and are submitted to the State Government every month.

8.3 Submission of Accounts by Treasuries/Departments

The initial accounts of six treasuries received late for more than 30 days and the initial accounts of 18 treasuries late from 16 to 30 days. Rendition of monthly accounts by Public Works and Forest Divisions were not satisfactory due to delays in submission of accounts. Twenty five Forest Divisions monthly accounts were delayed from more than 30 days from the scheduled date of their receipt. However, no account was excluded at the end of the year.

8.4 Abstract Contingent (AC) Bills and Detailed Countersigned Contingent (DCC) Bills

In exceptional situations where money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money through AC bills without supporting documents. Such AC bills are required to be settled by submission of DCC bills to the Accountant General (A&E) within a month. As on 31 March 2022, 1,089 AC bills amounting to ₹18.39 crore were outstanding for want of DCC bills.

The major share of DCC bills (in number and percentage of total amount of the unadjusted bills) was awaited from the following Departments of the State Government:

1. Election Department	94 bills	₹7.57 crore (41.16%)
2. Secretariat Administration Department	112 bills	₹1.89 crore (10.28%)
3. Agriculture & other Allied Department (Panchayati Raj)	189 bills	₹0.46 crore (2.50 %)
4. Revenue Department (Natural Calamities and Relief)	09 bills	₹0.38 crore (2.07%)

8.5 Utilisation Certificates Awaited

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

Utilisation Certificates (40,823 in number) of ₹18,362.56 crore as against the grants given upto September 2020 were awaited, as on 31 March 2022. The departments from which the major share of UCs were awaited are:

Table 8.1- Position of Major Share of UCs awaited

(₹ in crore)

Year	Social Welfare Department (SCP for SCs)	Agriculture and other Allied Departments (PRI and Rural Development)	Education Department (Primary Education)	Urban Development Department
	Amount (Vouchers)	Amount (Vouchers)	Amount (Vouchers)	Amount (Vouchers)
2021-22	6,017.88 (32.77%)	2,650.76 (14.44%)	1,439.42 (7.84%)	588.85 (3.21%)

8.6 Reconciliation of Receipts and Expenditure

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

In 2021-22, nearly all the expenditure and receipts figures (99.67 and 98.83 *per cent* respectively) were reconciled. The status of reconciliation of the figures at the end of March 2022 is given below:

Table 8.2- Position of Reconciliation

Particulars	Total Nos. of CCOs	Nos. of CCOs who reconciled	Nos. of CCOs who didn't reconcile
Expenditure	180	177	3
Receipts	48	43	5

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

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

As on 31 March 2022, there were 13 Administrators operating PD accounts with a balance of ₹11.05 crore. During 2021-22, an amount of ₹0.99 crore was transferred from the Consolidated Fund of the State to these PD Accounts. This includes ₹0.02 crore transferred in March 2022 from the Consolidated Fund. This is 2.02 *per cent* of the total credit to PD account during the year, of which, no amount was transferred back on the last working day of March 2022.

Four Administrators (out of 13) of Personal Deposit Accounts reconciled and verified their balances with the treasury figures and 04 annual verification certificates were furnished by them to the Treasury officer for onward submission to Accountant General office.

8.8 General Provident Fund

The State Government has constituted a fund namely “General Provident Fund” under the Public Account for the government servants, wherein they subscribe their prescribed contributions. This Fund is regulated by the General Provident Fund (Uttar Pradesh) Rules 1985 and the amendments made thereunder. The Government pays interest on the GPF balance as may be admissible from time to time under the rules. The subscribers are entitled to receive temporary and final withdrawals. Final payment from the account is made to the subscribers in the event of superannuation, cessation of service, death etc. There was a total balance of ₹ 40,586.32 crore in the GPF accounts of the government employees in the State under the head 8009-01-101- GPF as on 31 March 2022. The accounts of other than class IV employees are maintained by the Accountant General and the accounts of class IV employees by the departmental authorities.

8.9 Defined Contribution Pension Scheme (DCPS)

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 government as well. In terms of the Scheme, the government employees contribute 10 *per cent* of basic pay and dearness allowance, which is matched by the State Government with 14 *per cent* contribution thereof (w.e.f. 1 April 2019), and the entire amount is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/ Trustee Bank as per the procedure prescribed by the Government of Uttar Pradesh vide G.O. No. Sa-3-379/Das-2005-301(9)-2003 dated 28 March 2005 and No.Sa-3-1067/Das-2011-301(9)-2011 dated 15 September 2011. During 2021-22, contributions to the DCPS by the State Government and its employees was as follows:

Table 8.3 - Contribution by Government and its employees

(₹ in crore)

Contribution to DCPS (under MH 8342- Other Deposit- Receipts)			Amount transferred by the State Govt. to NSDL/Fund Manager of DCPS (MH 8342-Other Deposit- Disbursement)			Amount not transferred to NSDL/Fund Manager of DCPS
Govt. Employees Contribution	Govt. Contribution for Govt. Employees	Total	Employee Contribution	Govt. Contribution	Total	Balance as on 31 st March 2022
2,265.76	3,163.13	5,428.89	2,242.47	3,132.00	5,374.47	54.42

(Source: State Government)

As regards employees of aided educational institutions and autonomous bodies, the contributions and balance has not been furnished by the State Government.

8.10 Suspense Balances

Items of receipts and payments which cannot be taken to final head of receipt or expenditure owing to lack of information as to nature or for any other reason are booked temporarily under the Major Head 8658-Suspense Accounts. These are cleared by minus debit or minus credit as the case may be on receipt of details/information. The position of balances under Suspense and Remittance Heads as on March 31, 2022 was as under-

Table 8.4-Suspense Balances

(₹ in crore)

Head	Debit	Credit
8658-Suspense Accounts-		
101- Pay and Accounts Office Suspense	418.07	739.80
Net	Cr. 321.73	
102-Suspense Accounts (Civil)	15,820.92	16,389.57
Net	Cr. 568.65	
110- Reserve Bank Suspense-Central Accounts Office	(-)94.55	(-)1,138.63
Net	Dr. 1,044.08	
8793- Inter State Suspense Account	66.73	0.06
Net	Dr. 66.67	

8.11 Commitments on account of Incomplete Capital Works

The State Government undertaken various capital works /projects (255) relating to road works/bridges and irrigation projects executed by PWD and Irrigation Departments. These were required to be completed by 2021-22 or before, instead they were incomplete. A summarized view on commitments on account of 'Incomplete Capital Works' is given below:

Table 8.5-Incomplete Capital Works

(₹ in crore)

Sl. No.	Category of Works	Estimated Cost of Work	Expenditure during the year	Progressive Expenditure to the end of the year	Pending Payments
1.	Road Work/Bridges and Irrigation Projects etc.	4,204.11	844.10	2,587.98	1,467.77

- Note: i) Detailed information towards commitments on incomplete capital works is available in Appendix IX of Finance Accounts 2021-22.
- ii) The figures exhibited in the above table are compiled from the data as provided by various Divisions/Departments.

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