



सत्यमेव जयते

# Accounts At A Glance 2019-2020



लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest



Government of Uttar Pradesh



# ACCOUNTS AT A GLANCE

## Government of Uttar Pradesh

### 2019-2020





# Preface

*This is the twenty second 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 2019-20.*

*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.*

Place: Prayagraj

Date: 6 August 2021

  
(S. Ahladini Panda)  
Accountant General



# ***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.
	<b>Highlights of the Accounts</b>	vii
	<b>Chapter I - Overview</b>	
1.1	Introduction	1
1.2	Compilation of Accounts	1
1.3	Structure of Accounts	2
1.4	Accounts at a Glance (2019-20)	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
	<b>Chapter II - Fiscal Position of the State</b>	
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	6
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
	<b>Chapter III - Receipts</b>	
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	14
3.3.4	Goods and Services (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	Fourteenth Finance Commission Targets and Recommendations	17
	<b>Chapter IV - Expenditure</b>	
4.1	Introduction	19
4.2	Revenue Expenditure	19
4.2.1	Trend of Revenue Expenditure (2015-16 to 2019-20)	19
4.2.2	Major Components of Revenue Expenditure	20
4.2.3	Sub-Sector wise Distribution of Revenue Expenditure during 2019-20	21

4.2.4	Financial Assistance to Local Bodies and others	21
4.3	Capital Expenditure	21
4.3.1	Sector-wise Capital Expenditure during 2019-20	22
4.3.2	Trend of Sectoral Distribution of Capital Expenditure	23
4.3.3	Proportion of Borrowed Funds Spent on Capital Expenditure	23
4.4	Committed Expenditure	24
4.5	Subsidies- Sector wise	25
4.6	Development Expenditure	25
4.7	Expenditure under Scheduled Castes Sub Plan (SCSP)/ Tribal Sub Plan (TSP)	26
4.8	Loans and Advances by the State Government	26
<b>Chapter V- Public Debt</b>		
5.1	Introduction	28
5.2	Public Debt	28
5.3	Debt Service Ratio	29
5.4	Debt Sustainability of the State	29
5.5	Debt-Maturity Profile	30
<b>Chapter VI - Appropriation Accounts</b>		
6.1	Budget Provisions	31
6.2	Saving/Excess during the last past five years	31
6.3	Persistent Savings	32
6.4	Supplementary Provision of Funds	33
<b>Chapter VII - Assets and Liabilities</b>		
7.1	Introduction	34
7.2	Assets	35
7.2.1	Cash Balance and Investment of Cash Balance	35
7.2.2	Other Investment and Dividends	35
7.3	Liabilities	35
7.3.1	Increasing trend of outstanding liabilities of the State Government on account of Market Borrowings	36
7.4	Guarantees	37
<b>Chapter VIII- Other Accounting Matters</b>		
8.1	Compliance of Indian Accounting Standards formulated by GASAB	38
8.2	Implementation of IFMS-Mission Mode Project	38
8.3	Submission of Accounts by Treasuries/Departments	39
8.4	Abstract Contingent (AC) Bills and Detailed Contingent (DC) Bills	39
8.5	Utilisation Certificates Awaited	39
8.6	Reconciliation of Receipts and Expenditure	39
8.7	Non-closure and Reconciliation of PD Accounts	40
8.8	Lump Sum Provisions made by the State Government	40
8.9	General Provident Fund	40
8.10	Defined Contribution Pension Scheme	41
8.11	Suspense Balances	41
8.12	Commitments on account of Incomplete Capital Works	42

# Highlights of Accounts

- 1. Saving /Excess against the budget provisions-** The Appropriation Act 2019-20 provided for gross expenditure of ₹5,26,809.22 crore under 92 Grants. Against this, the actual gross expenditure was ₹3,99,426.76 crore, resulting in net saving (i.e. saving over excess) of ₹1,27,382.46 crore (24 *per cent* of the total grant). Excess disbursement of ₹ 0.11 crore under Grant no. 55- Capital (charged) requires regularisation by the State Legislature.
- 2. Non-Utilisation of Supplementary Provisions-** Under 54 Grants, the State Government received ₹17,805.73 crore as supplementary provisions (3.50 *per cent* of the original provisions of ₹5,09,003.49 crore) during 2019-20. However, the government could not utilize it for the intended purposes.
- 3. Fiscal position of the State Government -** As against the norms fixed for Revenue Deficit (i.e. to be zero) by the UPFRBM Act 2004, the Revenue Surplus of the State was ₹ 67,560.14 crore i.e. 3.76 *per cent* of GSDP for 2019-20, and the Fiscal Surplus was ₹ 11,082.69 crore i.e. 0.69 *per cent* of GSDP vis-a-vis the target for fiscal deficit of 3 *per cent* of GSDP. Thus, the State Government achieved the target fixed by the Act during the year. However, it includes the balance of ₹ 71,180.23 crore transferred from Sinking Fund during 2019-20.
- 4. Constitution of Consolidated Sinking Fund (CSF) -** In place of existing Sinking Fund, the State Government constituted a Consolidated Sinking Fund (March, 2020) for redeeming its outstanding liabilities with effect from the year 2020-21. During the year, Government has contributed ₹ 1000 crore to the Fund, which has been invested by the RBI in the government securities.
- 5. Collection of Goods and Services tax -** The State earned Goods and Services Tax (including SGST, CGST and IGST), introduced by GoI in 2017-18 (July 2017), amounting to ₹ 80,665.99 crore (4.50 *per cent* of GSDP) in 2019-20.
- 6. Debt and Liabilities of the State-** The total debt and liabilities as borrowings from internal and external sources and repayable under the Public Account was ₹ 5,02,412.02 crore (i.e. 28 *per cent* of GSDP) at the end of 2019-20 with a decrease of ₹ 15,683.48 crore (i.e. 3 *per cent*) over the previous year (2018-19).

7. **Contingent Liabilities of the State-** During 2019-20, the Government extended net guarantee of ₹4,439.64 crore to various PSUs/ institutions as contingent liabilities of the State (i.e. 0.25 *per cent* of GSDP). The FRBM Act 2003 prescribed the limit of 0.5 *per cent* of GDP for giving guarantees by GoI. However, the State Government has not fixed any limit for giving the guarantee in any financial year.
8. **Lending by the Government-** The Government advanced loans and advances of ₹ 2,120.00 crore during 2019-20. The closing stock of loans and advances mounted to ₹ 27,188.98 crore (i.e. 1.52 *per cent* of GSDP) at the end of the year .
9. **Investment made by the Government-** The State Government invested ₹9,098.09 crore in Public Sector Undertakings (PSUs) and other institutions during 2019-20. The total government investment in these institutions (13583) stood at ₹1,27,629.65 crore (7.1 *per cent* of GSDP) as on 31 March, 2020 and received dividend of ₹39.04 crore during the year. Besides, the Government has also invested ₹21,150.71 crore in short and long-term securities out of its total cash balance of ₹21,443.36 crore as on 31 March, 2020.
10. **Utilisation Certificates awaited-** Against the grants given by the State Government up to September 2018, utilisation certificates (UCs) amounting to ₹15,697.94 crore (41376 in number) were awaited as on 31 March 2020. Of these, 95 *per cent* of wanting UCs pertained to mainly four departments of the Government of Uttar Pradesh, viz., Social Welfare Department, Urban Development Department, Education Department (Primary and Secondary Education), and Agriculture and other Allied Department (Panchayat Raj and Rural Department).
11. **Subsidy given by the State Government-** The State Government expended on providing subsidy of ₹14,092.18 crore (i.e. 4.72 *per cent* of total revenue expenditure) under different sectors viz. Energy, Industry etc (especially under Energy: 65 *per cent* and Agriculture: 21 *per cent* of total subsidy) during 2019-20. It was 0.28 *per cent* more than subsidy given in 2018-19.

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# 1

## Overview

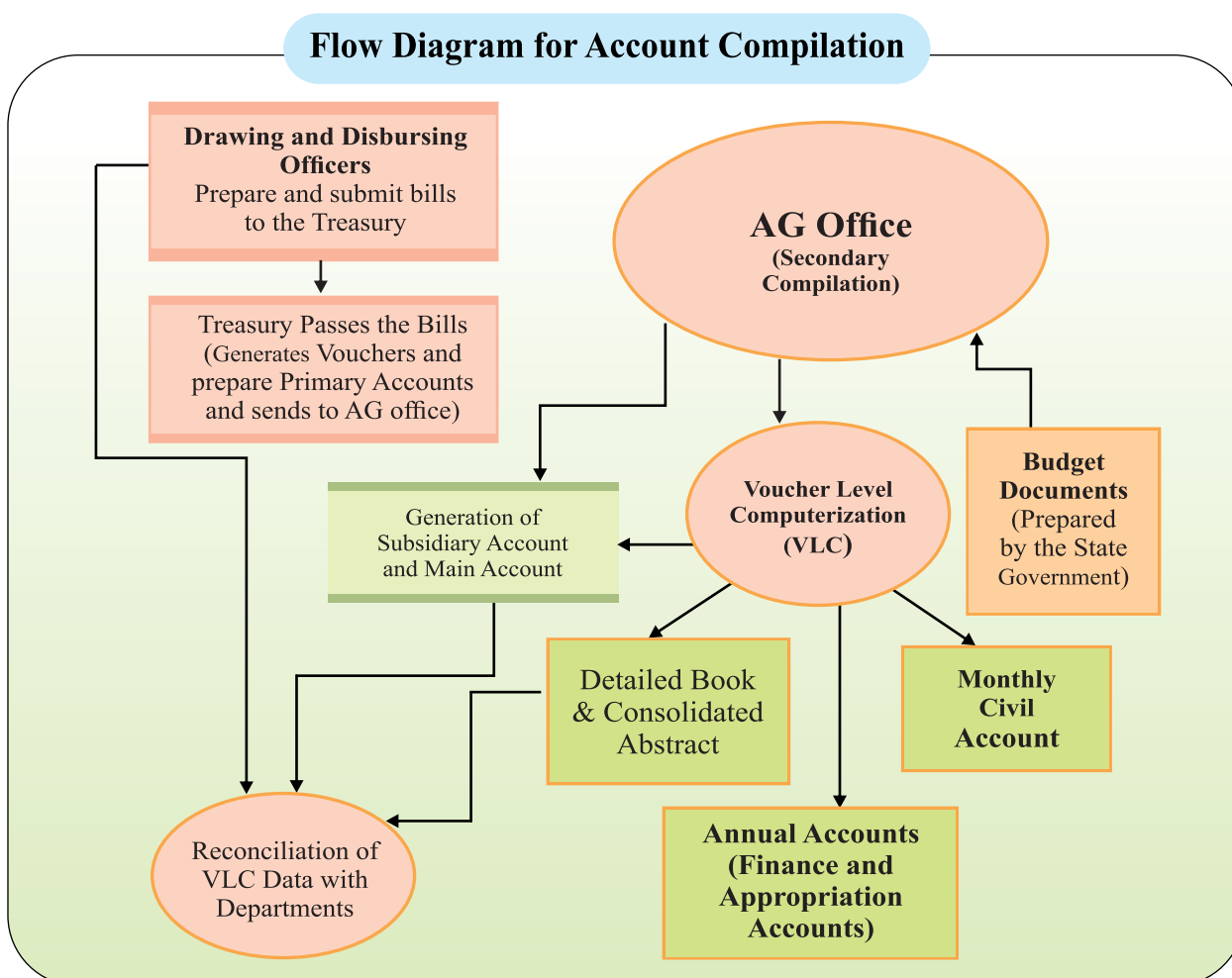
### 1.1 Introduction

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 Principal 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:

<b>Part I CONSOLIDATED FUND</b>	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.
<b>Part II CONTINGENCY FUND</b>	The Contingency Fund is in the nature of an imprest intended to meet unforeseen expenditure pending authorization by the State Legislature. Expenditure from this Fund is recouped subsequently from the Consolidated Fund. The corpus of this Fund for the Government of U.P. is ₹600 crore.
<b>Part III PUBLIC ACCOUNT</b>	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 (2019-20)

**Table 1.1 – Summary of Accounts**

(₹ in crore)

Sl. No.	Items	B.E 2019-20	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP
1.	Tax Revenue	2,93,039.17	2,40,644.13	82.12	13.41
2.	Non-Tax Revenue	30,632.96	81,705.08	266.72	4.55
3.	Grants-in-Aid & Contributions	68,062.27	44,043.97	64.71	2.45
4.	Revenue Receipts (1+2+3)	3,91,734.40	3,66,393.18	93.53	20.42
5.	Recovery of Loans and Advances	5,681.60	5,640.58	99.28	0.31
6.	Borrowings & Other Liabilities	64,914.87	(-)11,082.69	(-)17.07	(-)0.62
7.	Capital Receipts (5+6)	70,596.47	(-)5,442.11	(-)7.71	(-)0.30
8.	<b>Total Receipts (4+7)</b>	4,62,330.87	3,60,951.07	78.07	20.11
9.	Revenue Expenditure	3,74,772.40	2,98,833.04	79.74	16.65
10.	Capital Expenditure (excluding Loans & Advances)	84,200.58	59,998.03	71.26	3.34
11.	<b>Total Expenditure (9+10)</b>	4,58,972.98	3,58,831.07	78.18	20.00
12.	Loans and Advances disbursed	3,357.89	2,120.00	63.14	0.12
13.	<b>Revenue Surplus (+)/Deficit (-) (4- 9)</b>	16,962.00	67,560.14	398.30	3.76
14.	<b>Fiscal Surplus (+)/Deficit (-) {(4+5)-(11+12)}</b>	(-)64,914.87	11,082.69	(-)17.07	0.62

## 1.5 Finance Accounts

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

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

Receipts and disbursements of the Government of Uttar Pradesh as depicted in the Finance Accounts 2019-20 are given below:

**Table 1.2 - Receipts and Disbursements (2019-20)**

(₹ in crore)

<b>Receipts (Total: 3,60,951.07)</b>	<b>Revenue (Total: 3,66,393.18)</b>	<b>States' own Tax Revenue</b>	<b>1,22,825.83</b>
		<b>States' Share of Union taxes &amp; Duties</b>	<b>1,17,818.30</b>
		<b>Non-Tax Revenue</b>	<b>81,705.08</b>
		<b>Grants-in-Aid and Contributions</b>	<b>44,043.97</b>
	<b>Capital (Total: (-)5,442.11)</b>	<b>Recovery of Loans and Advances</b>	<b>5640.58</b>
		<b>Borrowings and other Liabilities</b>	<b>(-)11,082.69</b>
<b>Disbursements (Total: 3,60,951.07)</b>	<b>Revenue</b>		<b>2,98,833.04</b>
	<b>Capital</b>		<b>59,998.03</b>
	<b>Loans and Advances</b>		<b>2,120.00</b>

## 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 52 Voted Grants, 01 Charged Appropriation and 39 Grants (both Voted and Charged) in the State.

The Appropriation Act 2019-20 made the budget provision of ₹5,26,809.22 crore for gross expenditure and that of ₹29,302.40 crore for reduction of expenditure (recoveries). Against this, the actual gross expenditure was ₹3,99,426.76 crore (76 *per cent* of total grant) and reduction of expenditure was ₹16,075.06 crore (55 *per cent* of B.E.). This resulted in a net saving of ₹1,27,382.46 crore (24 *per cent* of the total grant).



## 1.7 Sources and Application of funds

During the year 2019-20, the State Government had total financial resources of ₹ 13,16,765.10 crore. Of this, the Government mainly collected 28 *per cent* as revenue receipts, raised 6 *per cent* as public debt from market, financial institutions and loan from GoI, and received 3 *per cent* as Public Account receipts (excluding Suspense and Remittances).

Against these resources, 27 *per cent* was utilized for revenue and capital expenditure, about two *per cent* for repayment of public debt, 8 *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 2019-20 has been described as below-

**Table 1.3 - Sources and Application of Funds**

(₹ in crore)

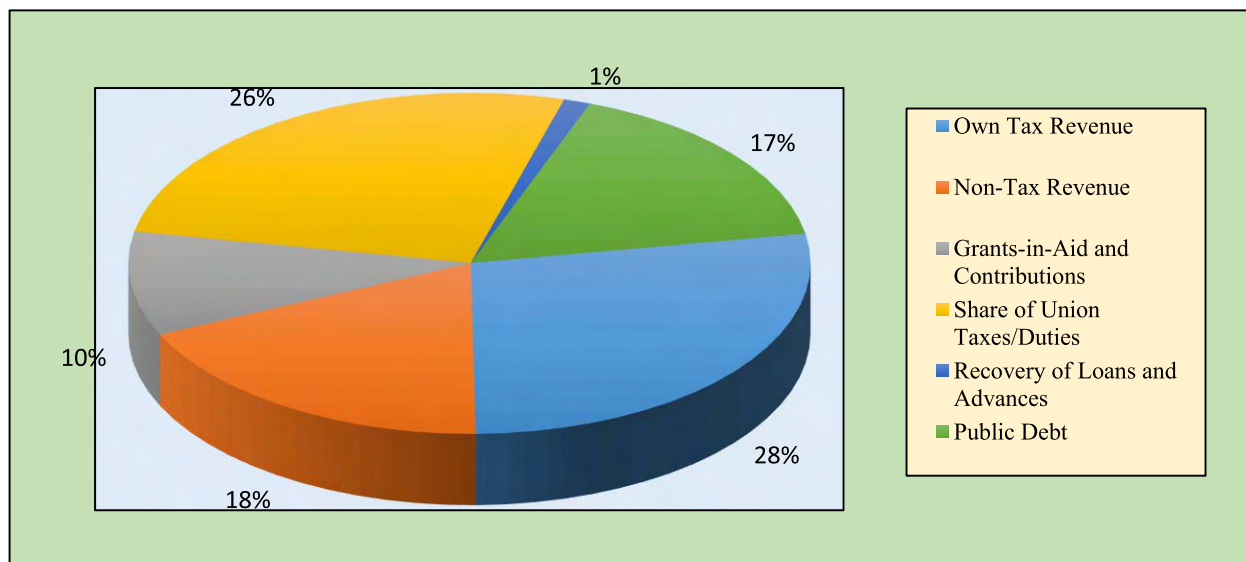
<b>SOURCES</b>	Opening Cash Balance as on 1.4.2019	171.10
	<b>Consolidated Fund</b>	
	Revenue Receipts	3,66,393.18
	Recovery of Loans and Advances	5,640.58
	Public Debt	73,808.69
	<b>Contingency Fund</b>	661.72
	<b>Public Account</b>	
	Small Savings, Provident Fund & Others	13,861.31
	Reserves & Sinking Funds	6,198.77
	Deposits Received	18,826.97
	Civil Advances Repaid	498.37
	Suspense Account	7,93,688.08
	Remittances	37,016.33
	<b>Total</b>	<b>13,16,765.10</b>
<b>APPLICATION</b>	<b>Consolidated Fund</b>	
	Revenue Expenditure	2,98,833.04
	Capital Expenditure	59,998.03
	Loans given	2,120.00
	Repayment of Public Debt	22,400.61
	<b>Contingency Fund</b>	32.00
	<b>Public Account</b>	
	Small Savings, Provident Funds and Others	10,547.64
	Reserves & Sinking Funds	74,497.29
	Deposits spent	20,933.67
	Civil Advances given	481.46
	Suspense Account	7,89,982.49
	Remittances	36,702.83
	Closing Cash Balance as on 31.3.2020	236.04
	<b>Total</b>	<b>13,16,765.10</b>

## 1.8 Where the Rupee came from

Total receipts under the Consolidated Fund of the State Government during 2019-20 i.e. sources of fund were ₹ 4,45,842.45 crore. Out of this, the major contributions were from own tax revenue (27.55 per cent of total receipts) and share of union taxes (about 26.43 per cent).

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

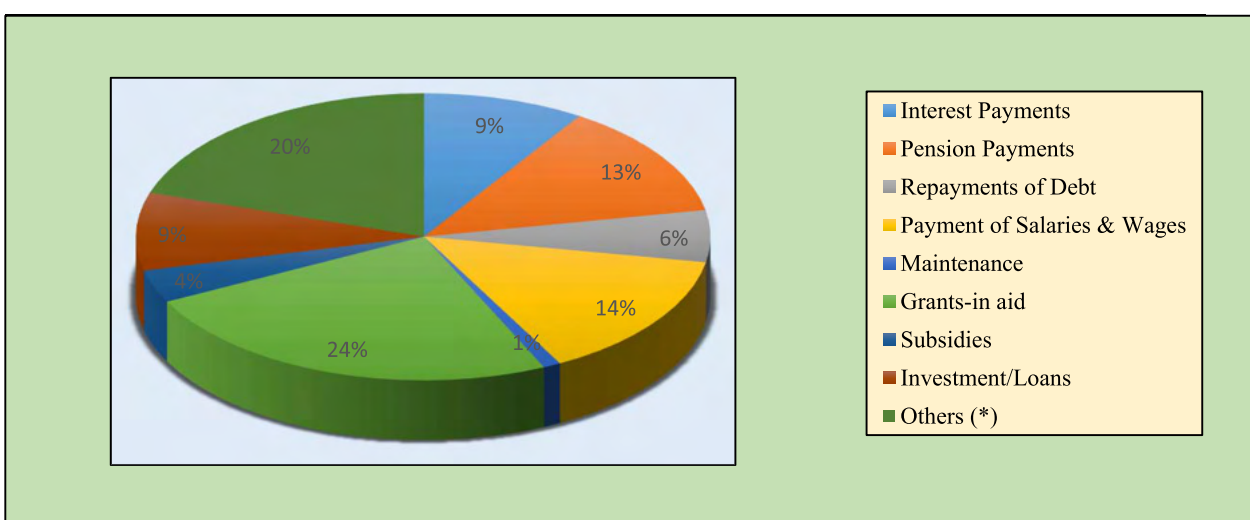
**Graph 1.1 – Actual Receipts**



## 1.9 Where the Rupee went

Total expenditure under the Consolidated Fund of the State Government during the year i.e. application of fund was ₹3,83,351.68 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.).

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# 2

## Fiscal Position of the State

### 2.1 What do the Deficit and Surplus indicate?

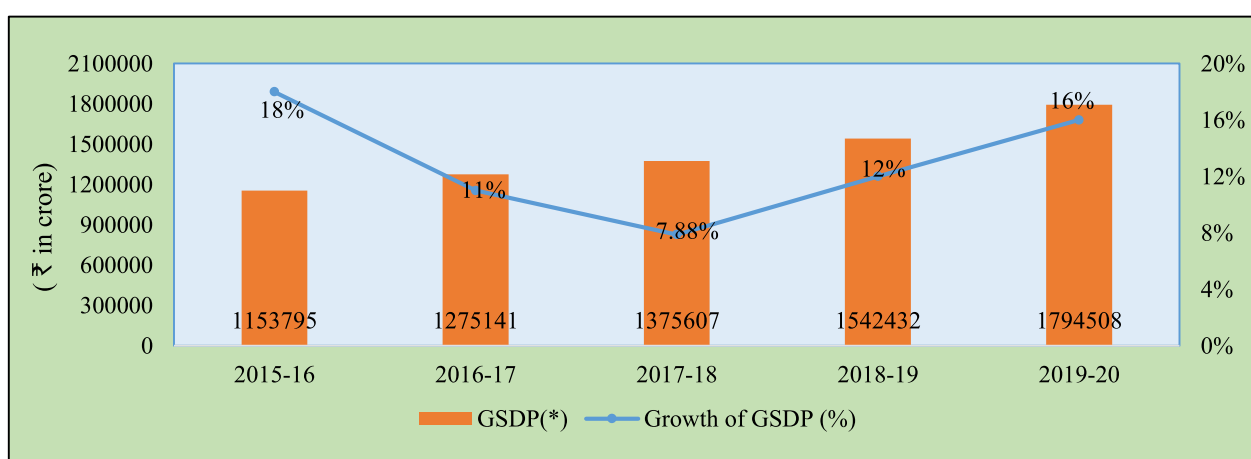
<b>Deficit</b>	Gap between revenue and expenditure.
<b>Revenue Deficit/Surplus</b>	Gap between revenue receipts and revenue expenditure. Revenue Expenditure is required to maintain the existing establishment of Government, and ideally should be fully met from revenue receipts.
<b>Fiscal Deficit/Surplus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

### 2.2 Gross State Domestic Product and the factors affecting it

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

The GSDP of the State of Uttar Pradesh for the year 2019-20 was ₹17,94,508.00 crore (as per revised estimate) with an increase of 16.34 *per cent* over 2018-19. GSDP growth was highest at 18 *per cent* in 2015-16 during the last five years. The growth is presented below:

**Graph 2.1 – GSDP Growth**



(\*) The figures of GSDP from 2015-16 to 2019-20 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 2015-16 to 2019-20 is depicted in the table below-

**Table 2.1 – Trend of Deficits and Debt Stock (2015-16 to 2019-20)**

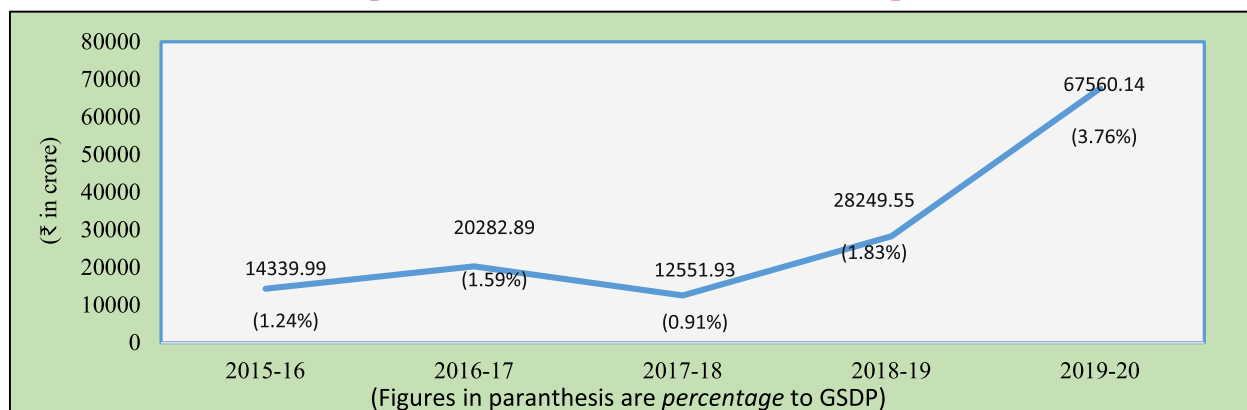
(₹ in crore)

Financial Year	Fiscal Deficit(-)	Revenue Deficit (-)/Surplus(+)	GSDP
<b>2015-16</b>	(-)58,475.01 (5.07%)	14,339.99 (1.24%)	11,53,795.00
<b>2016-17</b>	(-)41,187.24 (3.23%)	20,202.89 (1.58%)	12,75,141.00
<b>2017-18</b>	(-)27,809.56 (2.02%)	12,551.93 (0.91%)	13,75,607.00
<b>2018-19</b>	(-)35,203.11 (2.28%)	28,249.55 (1.83%)	15,42,432.00
<b>2019-20</b>	11,082.69 (0.62)	67,560.14 (3.76)	17,94,508.00

(Figures in parenthesis are percentage to GSDP)

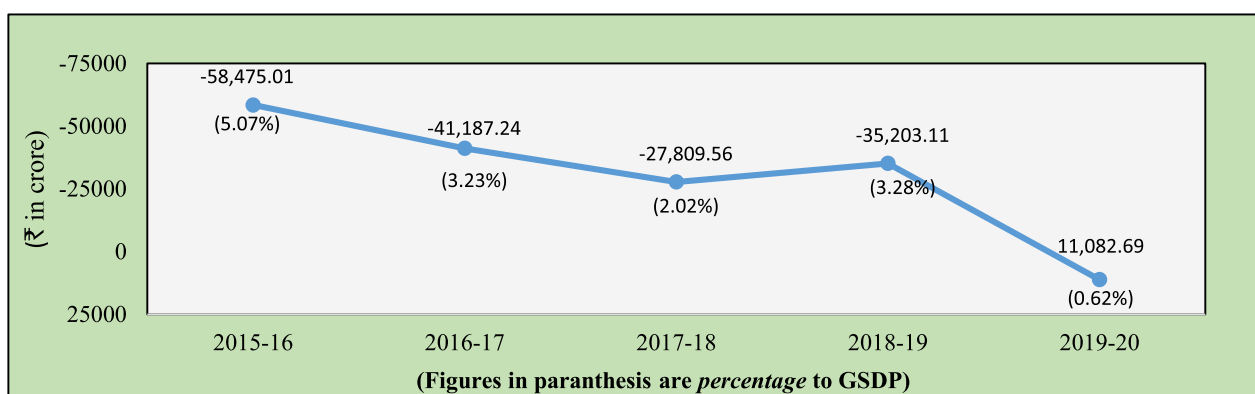
## 2.4 Revenue Deficit/Surplus

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

**Graph 2.2 – Trend of Revenue Deficit/ Surplus**

## 2.5 Fiscal Deficit/Surplus

The State Government achieved the norms of fiscal deficit (i.e. not more than 3 per cent of GSDP) as fixed in UPFRBM Act, 2004 in 2019-20 as shown below:

**Graph 2.3 – Trend of Fiscal Deficit/ Surplus**



## 2.6 Debt Stock

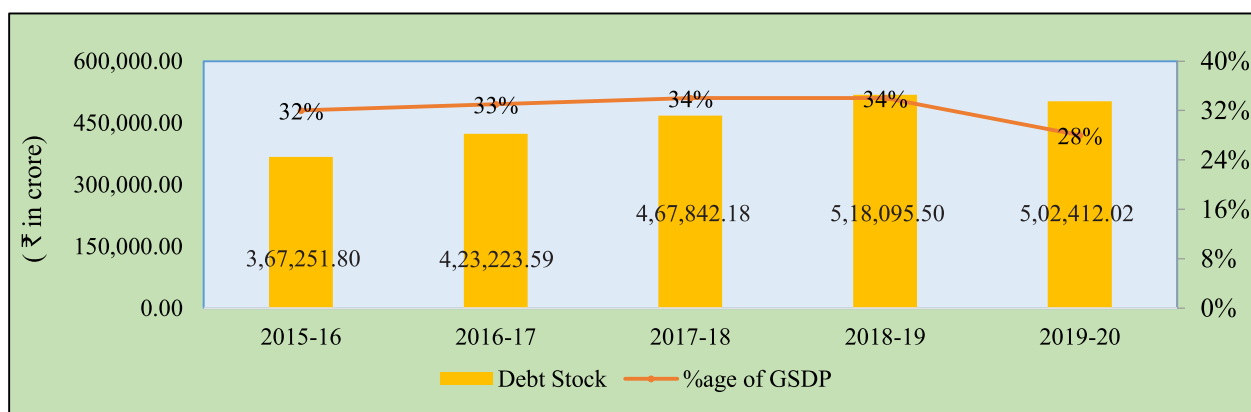
Debt stock comprises government borrowings and other liabilities arising under Public Account viz- small savings, provident funds, reserve funds, deposits etc. Debt stock of the Government was ₹5,02,412.02 crore in 2019-20 (28 per cent of GSDP). The increase during 2015-16 to 2019-20 was 37 per cent and the augmentation was mainly due to regular increase in internal borrowings of the Government (ranging between 10 to 18 per cent annual growth), during 2015-16 to 2018-19. In 2019-20, it decreased by 3 per cent. 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 (2015-2020)**

(₹ in crore)

Financial Year	Government Borrowings (A)		Other liabilities (B)	Debt Stock (A+B)	GSDP
	Internal debt	GoI Loans			
2015-16	2,40,835.79	13,658.21	1,12,757.80	3,67,251.80	11,53,795.00
2016-17	2,88,626.78	13,249.62	1,21,347.19	4,23,223.59	12,75,141.00
2017-18	3,21,479.05	12,811.82	1,33,551.31	4,67,842.18	13,75,607.00
2018-19	3,53,189.92	11,979.59	1,52,925.99	5,18,095.50	15,42,432.00
2019-20	4,05,048.84	11,528.75	85,834.43	5,02,412.02	17,94,508.00

**Graph 2.4 – Trend of Debt Growth**



## 2.7 Financing of the Fiscal Deficit

The Fiscal deficit is financed mainly by borrowings and other liabilities. During 2019-20, the deficit of ₹ 11,082.69 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	51,408.08
Net of Contingency Fund	629.72
Net of Public Accounts	(-)63,055.55
Net of opening and closing balances	(-)64.94
<b>Total</b>	<b>-11,082.69</b>



## 2.8 Achievement of UPFRBM Targets against the fiscal indicators

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

**Table 2.4 – Achievement of Fiscal Targets and Fiscal Position**

Area	Target	Achievement (as on 31.03.2020)
Revenue Deficit	Zero	Revenue Surplus of ₹ 67,560.14 crore (i.e. 3.76 <i>per cent</i> of GSDP).
Fiscal Deficit	Not more than 3 <i>per cent</i> of GSDP	Fiscal Surplus of ₹11,082.69 crore (i.e. about 0.62 <i>per cent</i> of GSDP).
Debt Stock	29.98 <i>per cent</i> of GSDP	₹ 5, 02,412.02 crore (i.e. 28.00 <i>per cent</i> of GSDP).

(Revised Advance Estimate of GSDP for 2019-20: ₹17,94,508.00 crore at current prices).

Thus, the State Government achieved the target fixed by the Act in respect of the Revenue Deficit, Fiscal Deficit and Debt Stock during the year.

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# 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:

<b>Tax Revenue</b>	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.
<b>Non-Tax Revenue</b>	Includes interest receipts, dividends and profits, and other departmental receipts.
<b>Grants-in-aid and contributions</b>	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 2019-20, the total revenue receipts were ₹3,66,393.18 crore, of which tax revenue, non-tax revenue and grants-in-aid were 66, 22 and 12 *per cent* respectively. The receipts under various components of revenue were as follows:

**Table 3.1 – Components of Revenue Receipts**

(₹ in crore)

Components	Actuals
<b>A. Tax Revenue</b>	<b>2,40,644.13</b>
Goods and Service Tax	80,665.99
Taxes on Income & Expenditure	71,649.25
Taxes on Property & Capital Transactions	16,575.18
Taxes on Commodities & Services	71,753.71
<b>B. Non-Tax Revenue</b>	<b>81,705.08</b>
Fiscal Services	0.04
Interest Receipts, Dividends and Profits	1,508.49
General Services	73,483.90
Social Services	978.24
Economic Services	5,734.41
<b>C. Grants-in aid &amp; Contributions</b>	<b>44,043.97</b>
<b>Total</b>	<b>3,66,393.18</b>

### 3.2.1 Trend of Revenue Receipts

During 2019-20, Tax revenue decreased by 6 *per cent* whereas non-tax revenue increased by 171 *per cent* over the previous year. Grants-in-aid from Central Government also increased marginally by 2 *per cent*. Growth in overall revenue collection was 11 *per cent*. Growth in non-tax revenue, consequently overall revenue growth, was due to transfer of ₹71,180.23 crore from Sinking Fund, a book balance transfer, during 2019-20. Share of sector wise revenues receipts out of total revenue receipts during the preceding five years is depicted as below:

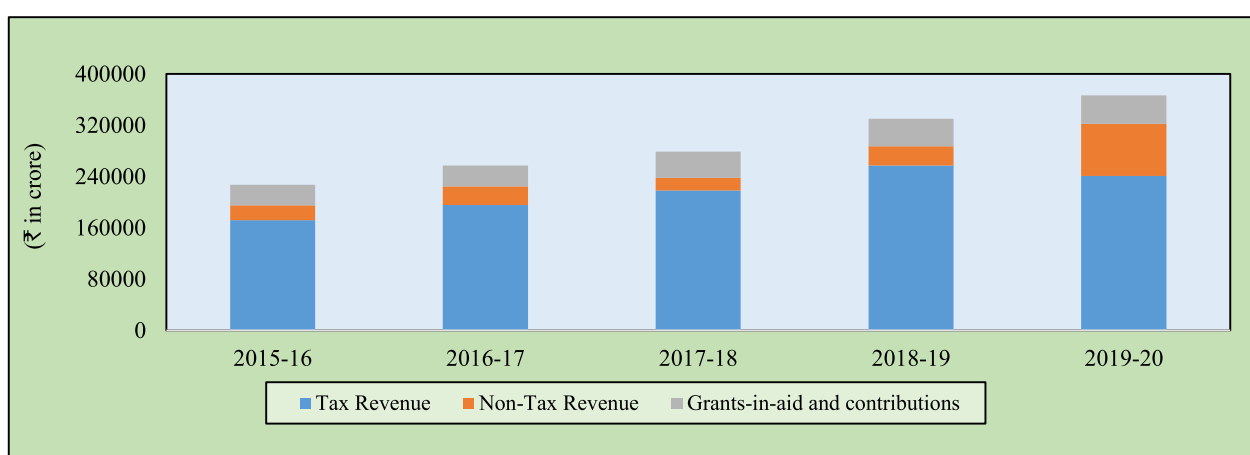
**Table 3.2 Sector-wise Revenue Receipts (2015-20)**

(₹ in crore)

Financial Year	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Tax Revenue</b>	1,72,079.95 (15)	1,95,394.21 (15)	2,18,332.14 (16)	2,56,888.32 (17)	2,40,644.13 (13)
<b>Non-Tax Revenue</b>	23,134.65 (2)	28,944.07 (2)	19,794.86 (1)	30,100.71 (2)	81,705.08 (5)
<b>Grants-in-aid and Contributions</b>	31,861.34 (3)	32,536.87 (3)	40,648.45 (3)	42,988.49 (3)	44,043.97 (2)
<b>Total Revenue Receipts</b>	2,27,075.94 (20)	2,56,875.15 (20)	2,78,775.45 (20)	3,29,977.51 (21)	3,66,393.18 (20)
<b>GSDP</b>	11,53,795.00	12,75,141.00	13,75,607.00	15,42,432.00	17,94,508.00

(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 ₹2,40,644.13 crore which comprises of State's own tax revenue (51.04 *per cent*) and State share of union taxes (48.96 *per cent*). The major contributors to the tax revenue were GST (33.52 *per cent*), Corporation Tax (16.69 *per cent*), Tax on Income other than Corporation Tax (13.08 *per cent*), Sales and Trade tax (8.53 *per cent*) and State Excise (11.35 *per cent*). The share of major contributors to the tax revenue in 2019-20 was as below-

**Table 3.3 – Major Contributors to Tax Revenue (2019-20)**

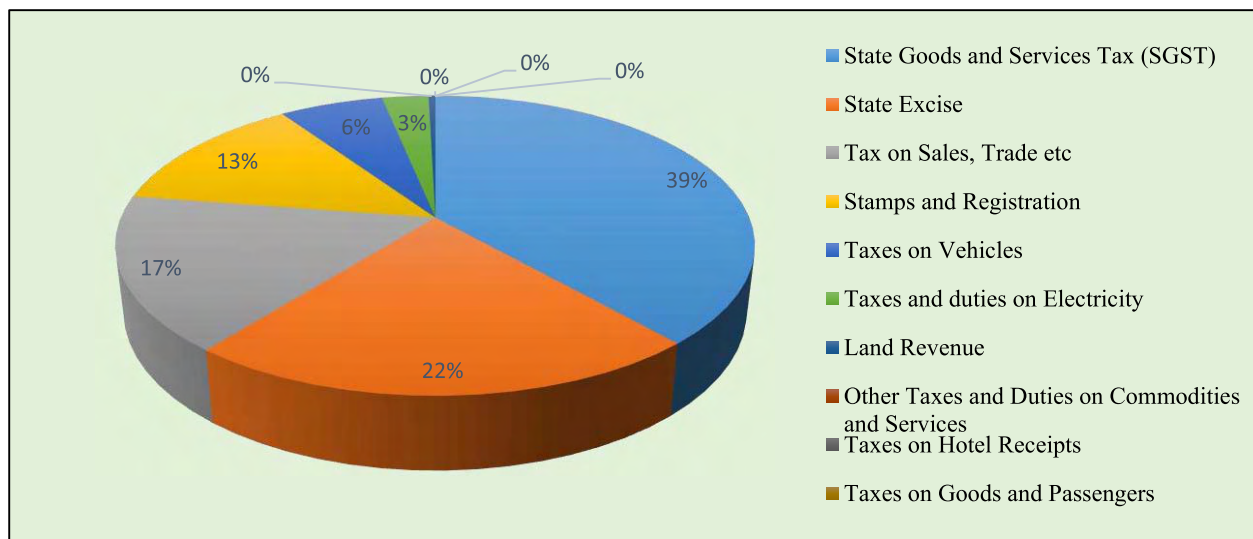
(₹ in crore)

Head of Account	Receipts	Per cent to GSDP*
Goods and Services Tax (including SGST, CGST & IGST)	80,665.99	4.50
Corporation Tax	40,171.19	2.24
Taxes on Income other than Corporation Tax	31,476.84	1.75
State Excise	27,324.76	1.52
Taxes on Sales, Trade etc	20,517.13	1.14
Stamps and Registration Fees	16,069.80	0.90
Customs	7,468.05	0.42
Taxes on Vehicles	7,714.87	0.43
Union Excise Duties	5,192.26	0.29

\* GSDP for 2019-20: ₹ 17,94,508.00 crore {Source: Directorate of Economics & Statistics, U.P.}

### 3.3.1 Component of State's Own Tax Revenue

During 2019-20, state's own tax revenue (₹1,22,825.83 crore) comprised mainly of SGST (38 *per cent*), taxes on state excise (22 *per cent*), sales and trades (17 *per cent*), stamps and registration (13 *per cent*), vehicles (6 *per cent*) and electricity (3 *per cent*). It was 51 *per cent* of the total tax revenue of the State Government (₹2,40,644.13 crore) and 34 *per cent* of the total revenue receipts (₹3,66,393.18 crore) of the Government during the year.

**Graph 3.2 – Components of State's Own Tax Revenue during 2019-20**

The state's own tax revenue was about 47 *per cent* (by average) to the tax revenue over the years from 2015-16 to 2019-20. During the year 2019-20, the state's own tax revenue increased by 2 *per cent* over that of previous year. Growth in the state's own tax revenue widely ranged between 2 to 23 *per cent* during the period. The trend of receipts of the revenue is given below:



**Table 3.4 - Trend of growth of State's Own Tax Revenue during 2015-20**

(₹ in crore)

Financial Year	Tax Revenue	State's Own Tax Revenue		
		Amount	%age growth	%age to Tax Revenue
<b>2015-16</b>	1,72,079.95	81,106.26	9	47
<b>2016-17</b>	1,95,394.21	85,965.92	6	44
<b>2017-18</b>	2,18,332.14	97,393.00	13	45
<b>2018-19</b>	2,56,888.32	1,20,121.86	23	47
<b>2019-20</b>	2,40,644.13	1,22,825.83	2	51

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

### 3.3.2 State's Share of Union Taxes

The proceed of the taxes levied by the Union are distributed between the States as per the recommendations of the Finance Commission under Article 238 to 273 of the Constitution of India. During 2019-20, the State Government received ₹1,17,818.30 crore as state share of union taxes. It was about 49 *per cent* of the total tax revenue of the State Government (₹2,40,644.13 crore) and 32 *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	2015-16	2016-17	2017-18	2018-19	2019-20
Goods & Services Tax (CGST & IGST)	-	-	13,930.05	36,450.54	33,433.58
Corporation Tax	28,603.42	35,098.94	37,043.22	47,562.73	40,171.19
Taxes on Income other than Corporation Tax	19,814.58	24,393.87	31,280.37	35,027.93	31,476.84
Other Taxes on Income and Expenditure	0.69	0.02	0.00	247.71	0.00
Taxes on Wealth	7.73	81.01	(-)2.08*	17.44	1.76
Customs	14,586.98	15,098.21	12,208.00	9,694.68	7,468.05
Union Excise Duties	12,205.56	17,240.85	12,760.80	6,442.69	5,192.26
Service Tax	15,681.47	17,515.08	13,718.81	1,252.12	0.00
Other Taxes and Duties on Commodities and Services	73.26	0.31	(-)0.03*	70.62	74.62
<b>Total State Share of Union Taxes</b>	<b>90,973.69</b>	<b>1,09,428.29</b>	<b>1,20,939.14</b>	<b>1,36,766.46</b>	<b>1,17,818.30</b>
<b>Total Tax Revenue</b>	<b>1,72,079.95</b>	<b>1,95,394.21</b>	<b>2,18,332.14</b>	<b>2,56,888.32</b>	<b>2,40,644.13</b>
<b>Percentage of Union Taxes to Total Tax Revenue</b>	<b>53</b>	<b>56</b>	<b>55</b>	<b>53</b>	<b>49</b>

(\* Minus figure is due to refunds)

### 3.3.3 Sub Sector-wise Tax Revenue

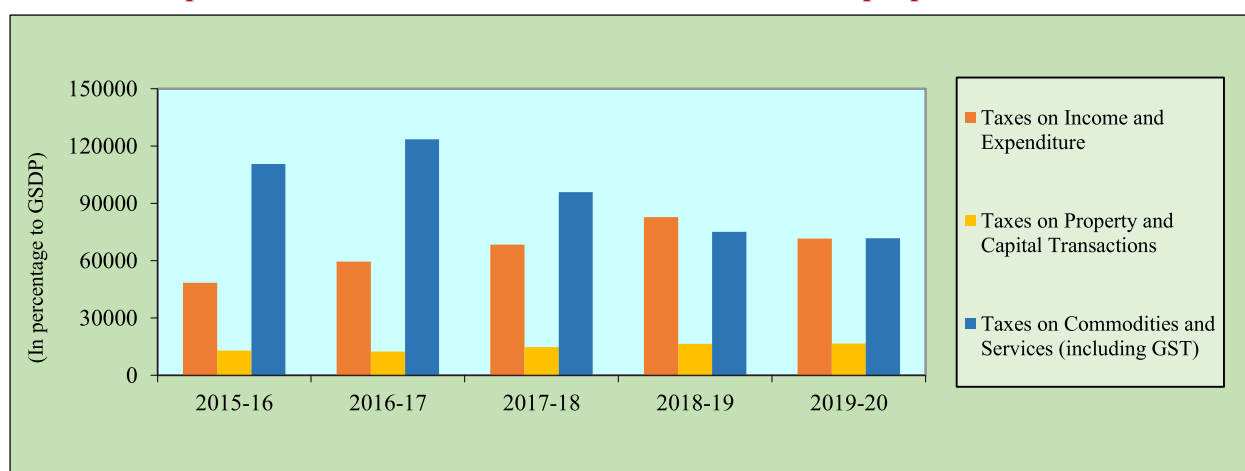
Tax revenue is further divided into sub sectors viz – taxes on Goods and Services, taxes on income and expenditure, property and capital transactions and commodities and services. Growth in these Sector over the last five years is depicted as below:

**Table 3.6 – Sub Sector-wise Tax Revenue**

(₹ in crore)

Financial Year	2015-16	2016-17	2017-18	2018-19	2019-20
Goods and Services Tax	-	-	39,304.01	82,558.57	80,665.99
Taxes on Income and Expenditure	48,468.96	59,548.63	68,342.74	82,839.59	71,649.25
Taxes on Property and Capital Transactions	12,916.75	12,405.07	14,731.95	16,381.71	16,575.18
Taxes on Commodities and Services	1,10,694.24	1,23,440.51	95,953.44	75,108.45	71,753.71
<b>Total Tax Revenue</b>	<b>1,72,079.95</b>	<b>1,95,394.21</b>	<b>2,18,332.14</b>	<b>2,56,888.32</b>	<b>2,40,644.13</b>

**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 then indirect taxes. The GST has three components – State GST (SGST), Central GST (CGST), and Integrated GST (IGST) levied on the basis of collection by the State Government and Central Government on intra and inter-state sales. During 2019-20, component wise GST receipts (SGST, CGST) were 59 and 41 *per cent* of total GST receipts respectively. No amount was received under IGST during the year. The receipts during 2019-20 declined by 2.29 *per cent* over the receipts in 2018-19. The GST receipts during the previous two years were as under-

**Table 3.7 – Sub Sector-wise GST Receipts**

(₹ in crore)

Financial Year	2018-19	2019-20	%age Growth
SGST	46,108.03	47,232.41	2.44
CGST	33,756.64	33,433.58	(-)0.96
IGST	2,693.90	0.00	..
<b>Total Tax Revenue</b>	<b>82,558.57</b>	<b>80,665.99</b>	<b>(-)2.29</b>

**3.3.5 Efficiency of Tax Collection**

Taxes on commodities and services form a major chunk of tax revenue. However, collection efficiency of taxes on property and capital transactions was about 20 *per cent*, whereas that on commodities and services was about 0.67 *per cent* during the last five years on an average.

**Table 3.8 - Taxes on Property and Capital Transactions**

(₹ in crore)

Financial Year	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Collection	12,916.75	12,405.07	14,731.95	16,381.71	16,575.18
Expenditure on Collection	2,212.78	2,592.66	2,965.97	3,206.62	3,375.31
Efficiency of Tax Collection (as Percentage)	17	21	20	20	20

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

(₹ in crore)

Financial Year	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Collection (including GST)	1,10,694.24	1,23,440.51	1,35,257.45	1,57,667.02	1,52,419.70
Expenditure on Collection	757.64	854.28	1,015.77	1,061.45	1,083.50
Efficiency of Tax Collection (as Percentage)	0.68	0.69	0.75	0.67	0.71

**3.4 Non-Tax Revenue**

Non-tax revenue mainly accrues in the form of interest receipts, dividends and the departmental receipts etc. During 2019-20, it was about 34 *per cent* of total tax revenue and 22 *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	2015-16	2016-17	2017-18	2018-19	2019-20
Interest Receipts	632.78	1,164.94	1,093.38	1,712.44	1,469.44
Dividends and Profits	42.66	86.34	30.84	175.48	39.04
Other Non-Tax Receipts	22,459.21	27,692.79	18,670.64	28,212.79	80,196.60(*)
<b>Non-Tax Revenue</b>	<b>23,134.65</b>	<b>28,944.07</b>	<b>19,794.86</b>	<b>30,100.71</b>	<b>81,705.08</b>
<b>Total Tax Revenue</b>	<b>1,72,079.95</b>	<b>1,95,394.21</b>	<b>2,18,332.14</b>	<b>2,56,888.32</b>	<b>2,40,644.13</b>
<b>Percentage of Non-Tax Revenue to Total Tax Revenue</b>	<b>13</b>	<b>15</b>	<b>9</b>	<b>12</b>	<b>34</b>

(\*) 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 (2015-16 to 2019-20)**

(₹ in crore)

Description	2015-16	2016-17	2017-18	2018-19	2019-20
Own Tax Revenue	81,106.26	85,965.92	97,393.00	1,20,121.86	1,22,825.83
Tax Buoyancy (i.e. % Change in tax receipts to % change in GSDP)	0.52	0.57	1.69	1.92	0.14
Non- Tax Revenue	23,134.65	28,944.07	19,794.86	30,100.71	81,705.08
Tax Buoyancy	0.88	2.39	-4.00	4.23	10.49
GSDP	11,53,795.00	12,75,141.00	13,75,607.00	15,42,432.00	17,94,508.00

### 3.6 Grants-in-Aid and Contributions

Grants-in-aid and contributions represent assistance from the Government of India and external grant assistance. It was comprised under 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 2019-20, total receipts under Grants-in-aid and Contributions was ₹44,043.97 crore, which was 12 *per cent* of total revenue receipts. Composition of the central assistance under different schemes during 2018-19 and 2019-20 is depicted as below-



**Table 3.12 – Central Assistance as grants during 2018-19 and 2019-20**

(₹ in crore)

Schemes	2018-19	2019-20	Growth in %age
<b>A. Centrally Sponsored Schemes (including grants for Externally Aided projects)</b>	<b>31,249.93</b>	<b>25,823.69</b>	<b>(-)17.36</b>
<b>B. Finance Commission Grants</b>	<b>9,317.81</b>	<b>12,964.76</b>	<b>39.13</b>
Grants -in -Aid for State Disaster Response Fund (SDRF)	351.45	849.30	141.65
Grants for Rural Local Bodies	7,148.74	9,659.47	35.12
Grants for Urban Local Bodies	1,817.62	2,455.99	35.12
<b>C. Other Transfers / Grants</b>	<b>2,420.74</b>	<b>5,255.52</b>	<b>117.10</b>
Grants from Central Road Fund	655.91	0.00	(-)100.00
Special Assistance	1,297.08	48.39	(-)96.27
Compensation for loss of revenue arising out of implementation of GST	308.00	5,179.52	1581.66
Grants under proviso to Article 275(i) of the Constitution	2.52	27.61	995.63
Grants towards contribution to National Disaster Response Fund (NDRF)	157.23	0.00	(-)100
<b>Total Grants (A+B+C)</b>	<b>42,988.48</b>	<b>44,043.97</b>	<b>2.46</b>

During the year 2019-20, the grants - in - aid increased by 2.46 *per cent* over the grants received in previous year. However, the grants were decreased mainly for Central Schemes, grant from Central Road Fund, Special Assistance and Grants towards contribution to National Disaster Response Fund (NDRF).

### 3.7 Fourteenth Finance Commission Targets and Recommendations

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

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

**Table 3.13: Finance Commission grants to the State Government during the year 2019-20**

(₹ in crore)

Grants	Grant to the Government
Grants for SDRF	849.30
Basic Grant for Urban Local Bodies	2,455.99
Performance Grant for Urban Local Bodies	
Basic Grant for Rural Local Bodies	9,659.47
Performance Grant for Rural Local Bodies	
	<b>12,964.76</b>

☆☆☆

# 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 2019-20, out of the total expenditure of ₹3,60,951.07 crore, revenue expenditure comprised 83 *per cent* and capital 17 *per cent*.

Expenditure is categorised into sectors:

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

### 4.2 Revenue Expenditure

During the year, the actual revenue expenditure was ₹2,98,833.04 crore as against the budget estimates of ₹3,74,772.40 crore. Thus, there was a shortfall of 20 *per cent* against the budget during the year. This gap ranged between 11 to 20 *per cent* during the last five years as given below:

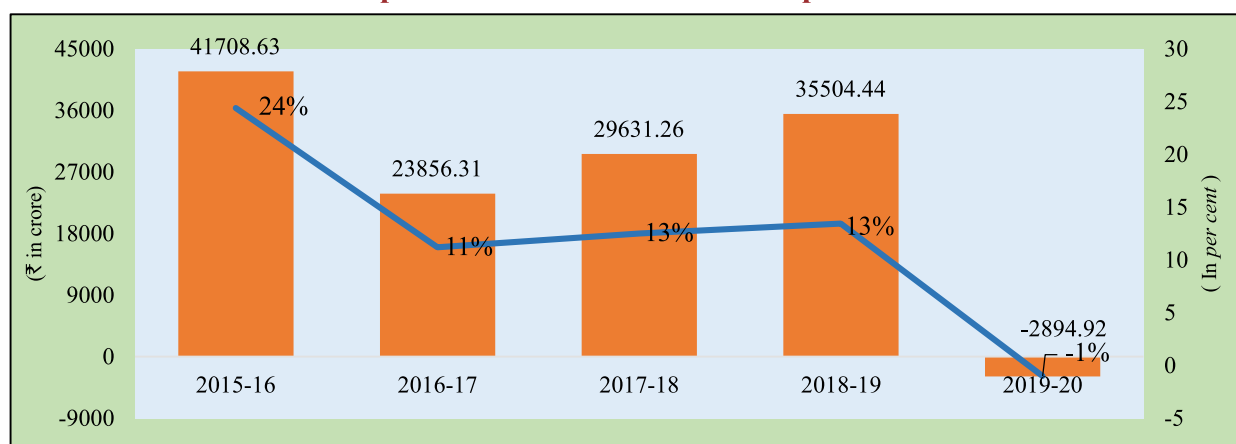
**Table 4.1 - Gap between Budget and Revenue Expenditure**

(₹ in crore)					
Financial Year	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Budget Estimate</b>	2,45,126.81	2,66,758.60	3,13,891.72	3,44,448.02	3,74,772.40
<b>Actuals</b>	2,12,735.95	2,36,592.26	2,66,223.52	3,01,727.96	2,98,833.04
<b>Gap</b>	32,390.86	30,166.34	47,668.20	42,720.06	75,939.36
<b>Percentage of Gap over BE</b>	13	11	15	12	20

#### 4.2.1 Trend of Revenue Expenditure (2015-16 to 2019-20)

Growth in revenue expenditure ranged between 11 to 24 *per cent* in the last five years except in 2019-20 during which it declined by 0.96 *per cent* over previous year. The graph below shows the trend of variation in expenditure along with its percentage increase:

**Graph 4.1 - Growth in Revenue Expenditure**



#### 4.2.2 Major Component of Revenue Expenditure

Expenditure incurred on General (including interest payment and debt servicing), Social Economic Services and Grants-in-aid and Contributions form major part of the revenue expenditure. It was 39, 35, 21 and 5 *per cent* of the total revenue expenditure (₹2,98,833.04 crore) respectively during the year 2019-20. 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**

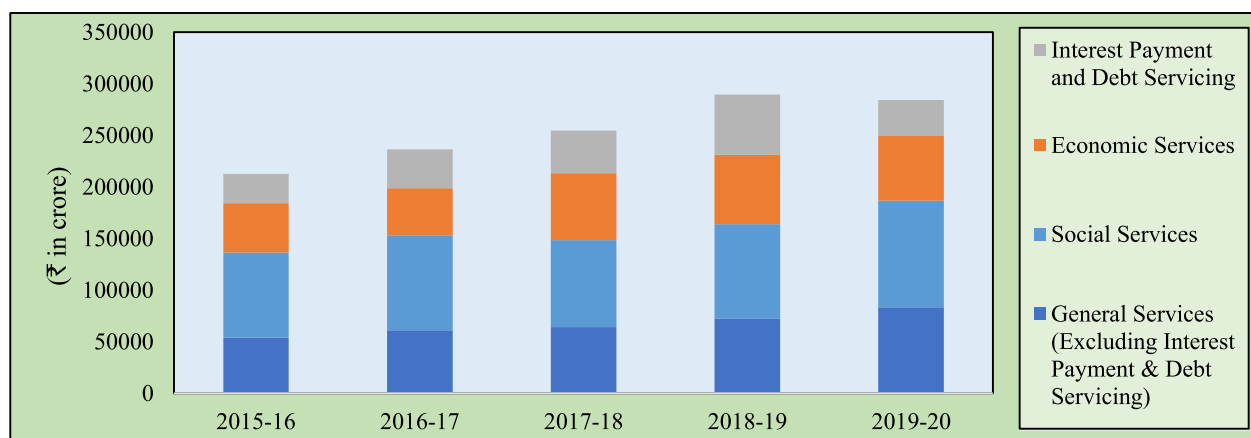
(₹ in crore)

Sl. No.	Sector	2015-16	2016-17	2017-18	2018-19	2019-20
1.	General Services	72,227.92 (28,414.65)	88,254.81 (37,708.02)	1,05,781.67 (41,368.06)	1,31,057.25 (58,446.04)	1,17,674.85 (34,813.02)
2.	Social Services	82,486.46	91,861.12	84,251.68	91,311.73	1,03,848.76
3.	Economic Services	47,881.29	45,834.17	64,634.76	67,258.59	62,809.43
4.	Grants -in -Aid and Contributions	10,140.28	10,642.16	11,555.41	12,100.39	14,500.00
Total		2,12,735.95	2,36,592.26	2,66,223.52	3,01,727.96	2,98,833.04

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

As compared to expenditure on Social Services, there was a comparative decay in expenditure on General Services (by 10 *per cent*) in 2019-20 over the previous year. Expenditure under Economic Services was also decreased by about 7 *per cent*. There was an over all decrease of 0.96 *per cent* in 2019-20. The Sector-wise trend over five years from 2015-16 to 2019-20 is shown below:

**Graph 4.2 -Trend of Major Components of Revenue Expenditure**





### 4.2.3 Sub-Sector wise Distribution of Revenue Expenditure during 2019-20

**Table 4.3- Sub- Sector wise Revenue Expenditure**

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	4,485.90	2
B. Organs of State	3,410.00	1
C. Interest Payments and Servicing of Debt	34,813.02	12
D. Administrative Services	25,431.97	8
E. Pensions and Miscellaneous General Services	49,533.96	16
F. Social Services	1,03,848.76	35
G. Economic Services *	62,809.43	21
H. Grants-in-aid and Contributions	14,500.00	5
<b>Total Expenditure (Revenue Account)</b>	<b>2,98,833.04</b>	<b>100</b>

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

### 4.2.4 Financial Assistance to Local Bodies and Others

The grants-in-aid to PRIs decreased to 13 *per cent* in the year 2019-20 from 18 *per cent* of the total grant in 2018-19, and grants to ULBs increased to 10 *per cent* in comparison to 3 *per cent* in previous year. The grants-in-aid provided by the State Government to Panchayati Raj Institutions (PRI), Urban Local Bodies (ULBs) and other institutions during the last five years have been depicted as under-

**Table 4.4- Grants-in-Aid given by the State Government during 2015-16 to 2019-20**

(₹ in crore)

Financial Year	Panchayati Rai Institutions (PRI)	Urban Local Bodies (ULBs)	Other Institutions (viz. PSUs, Autonomous Bodies, NGOs etc)	Total Grants
2015-16	3,069.63 (4)	598.84 (1)	73,400.05 (95)	77,068.52
2016-17	7,572.31 (9)	1,002.05 (1)	73,803.20 (90)	82,377.56
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

(Figures in parenthesis are percentage to total grants)

### 4.3 Capital Expenditure

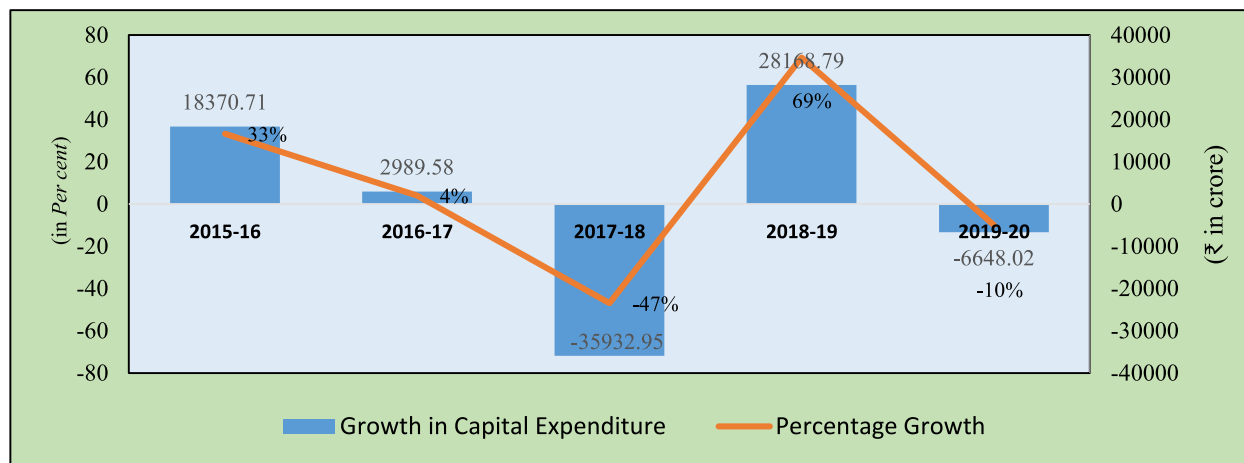
Capital expenditure of ₹62,118.03 crore (including loans and advances disbursed) for 2019-20 was less than the budget estimate (₹87,557.47 crore) by ₹25,439.44 crore (29 *per cent* of the budget). The Gap between BE and AE shows the fluctuation during the last five years as below-

**Table 4.5 - Gap between Budget and Capital Expenditure (2015-16 to 2019-20)**

(₹ in crore)

Financial Year	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Budget Estimate (BE)</b>	83,757.95	91,694.66	60,141.85	96,371.39	87,557.47
<b>Actual Expenditure (AE)</b>	73,540.63	76,530.21	40,597.26	68,766.05	62,118.03
<b>Gap</b>	10,217.32	15,164.45	19,544.59	27,605.34	25,439.44
<b>Percentage of Gap over BE</b>	12	17	32	29	29

The capital expenditure, which is indicative of development related spending decreased by about 10 *per cent* in 2019-20 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 2019-20

Sector -wise capital expenditure incurred by the government along with major expenditure under different functions of the state during 2019-20 has been exhibited as below-

**Table 4.6- Sector wise Capital Expenditure**

(₹ in crore)

Sl. No.	Sector	Amount	Percentage
1.	<b>General Services</b> -Police, Land Revenue etc.	<b>2,495.30</b>	<b>4</b>
2.	<b>Social Services</b> - Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	<b>10,514.70</b>	<b>17</b>
	Capital Outlay on Medical and Public Health	2,123.20	3
	Capital Outlay on Water Supply and Sanitation	2,383.89	4
	Capital Outlay on Housing	2,111.56	3
3.	<b>Economic Services</b> -Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.,	<b>46,988.03</b>	<b>76</b>
	Capital Outlay on Food Storage and Warehousing	3,890.04	6

	Capital Outlay on other Rural Development Programme	3,706.35	6
	Capital Outlay on Major Irrigation	4,447.89	7
	Capital Outlay on Power Projects	8,248.83	13
	Capital Outlay on Civil Aviation	1,328.79	2
	Capital Outlay on Roads and Bridges	21,376.18	34
4.	<b>Loans and Advances Disbursed</b>	<b>2,120.00</b>	<b>3</b>
<b>Total</b>		<b>62,118.03</b>	<b>100</b>

### 4.3.2 Trend of Sectoral Distribution of Capital Expenditure

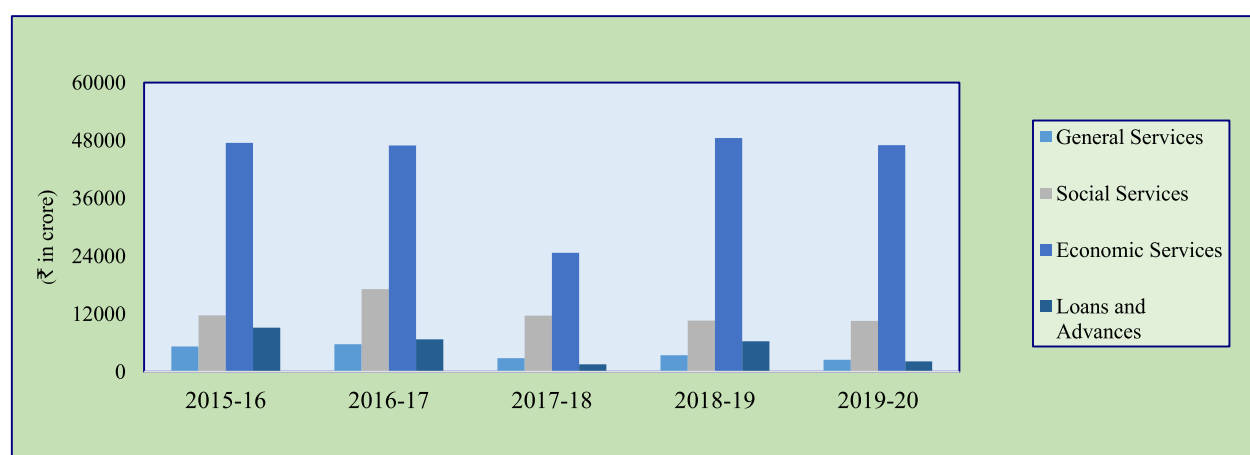
**Table 4.7- Sector wise Capital Expenditure over the last five years**

(₹ in crore)

Sl. No.	Sector	2015-16	2016-17	2017-18	2018-19	2019-20
1.	General Services	5,259.07	5,727.30	2,775.78	3,419.43	2,495.30
2.	Social Services	11,706.77	17,150.47	11,625.13	10,589.12	10,514.70
3.	Economic Services	47,456.88	46,911.35	24,687.06	48,454.86	46,988.03
4.	Loans and Advances	9,117.91	6,741.09	1,509.29	6,302.64	2,120.00
<b>Total</b>		<b>73,540.63</b>	<b>76,530.21</b>	<b>40,597.26</b>	<b>687,66.05</b>	<b>62,118.03</b>

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

**Graph 4.4 -Trend of Sectoral Distribution of Capital Expenditure**

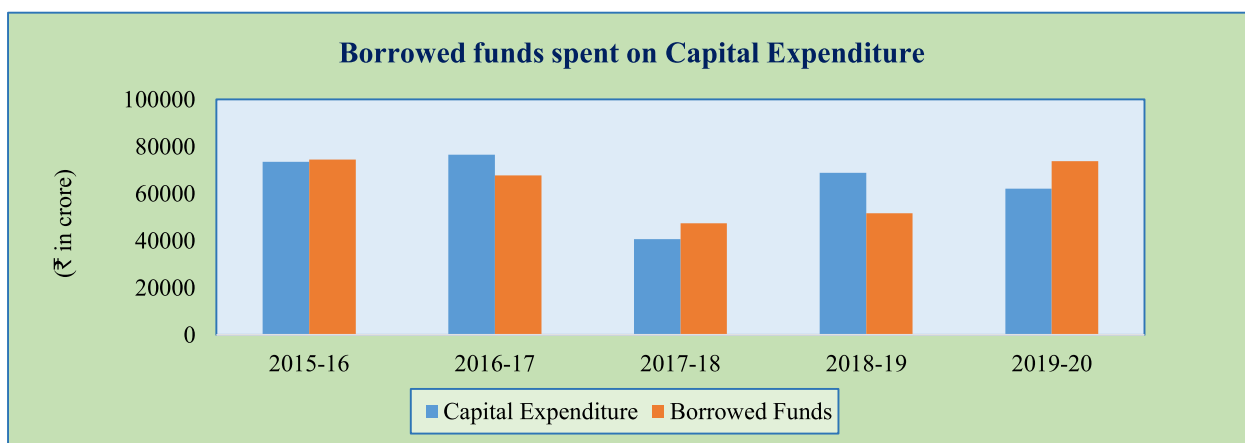


### 4.3.3 Proportion of Borrowed Funds spent on Capital Expenditure

Borrowed funds are meant for meeting capital expenditure for creation of capital assets. The State Government borrowed an amount of ₹73,808.69 crore from market, financial institutions, RBI and Government of India etc. during 2019-20 and utilised the borrowings for meeting capital expenditure during the year. A chart showing comparison of borrowed funds spent on capital expenditure during the last five years is as under:



**Graph 4.5 - Borrowed funds spent on Capital Expenditure**



#### 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 (2015-16 to 2019-20)**

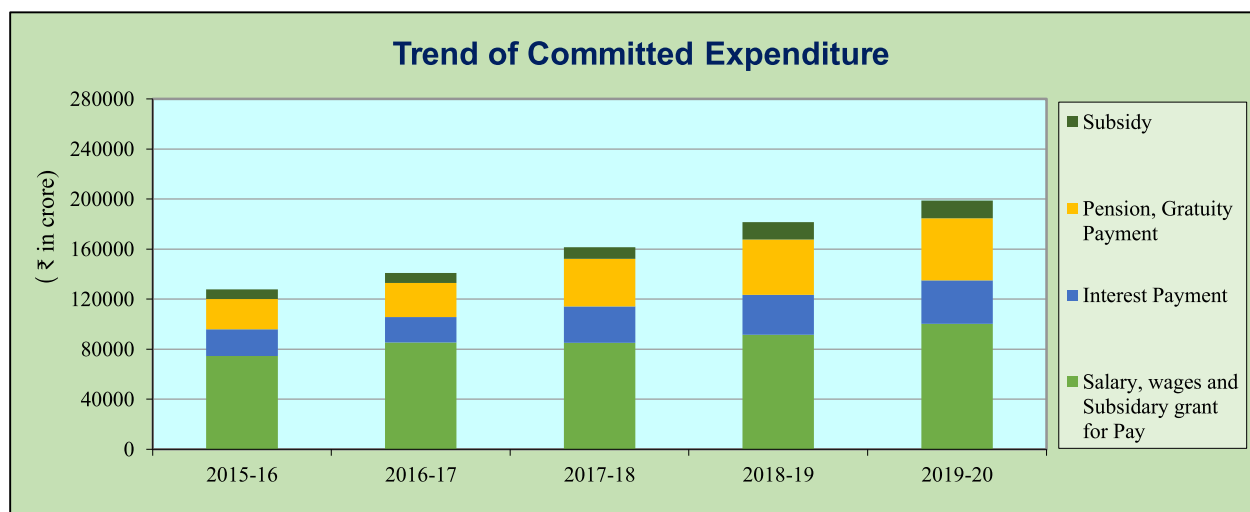
(₹ in crore)

Component	2015-16	2016-17	2017-18	2018-19	2019-20
Committed Expenditure (*)	1,27,728.12	1,48,209.09	1,61,489.74	1,81,531.92	1,98,734.15
Revenue Expenditure	2,12,735.95	2,36,592.26	2,66,223.52	3,01,727.96	2,98,833.04
Percentage of Committed Expenditure to Revenue Receipts	56	58	58	60	54
Percentage of Committed Expenditure to Revenue Expenditure	60	63	61	55	67

(\*) 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 the aim of keeping the prices of product and services low for people to be able to afford them and also to encourage production and consumption. During 2019-20, the State Government has extended total subsidy of ₹14,092.18 crore (i.e. 4.72 *per cent* of total revenue expenditure) on various activities under different sectors viz. agriculture, rural development, irrigation, flood control and energy etc. The expenditure on subsidy was highest in 2019-20 over that during the preceding five years. The trend in expenditure on subsidy has been depicted as below-

**Table 4.9-Trend of Expenditure on Subsidy (2015-16 to 2019-20)**

(₹ in crore)

Sector	Sub-Sector	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Social Services</b>	<b>Urban Development</b>	<b>0.20</b>	<b>0.11</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Economic Services</b>	Agriculture & Allied services	1,523.47	1,597.93	1,684.95	3,539.28	3,007.19
	Rural Development	225.59	363.61	527.27	793.63	990.61
	Special Area Programme	4.14	9.94	33.58	27.16	47.88
	Irrigation & Flood Control	284.12	186.87	149.50	163.64	210.59
	Energy	5,352.86	5,781.53	6,180.69	8,618.20	9,126.26
	Industry & Mineral	300.97	101.46	699.33	881.35	709.65
	Transport	0.00	3.43	8.71	29.25	0.00
	<b>Total Economic Services</b>	<b>7,691.15</b>	<b>8,044.77</b>	<b>9,284.02</b>	<b>14,052.52</b>	<b>14,092.18</b>
<b>Total Subsidy</b>		<b>7,691.34</b>	<b>8,044.88</b>	<b>9,284.02</b>	<b>14,052.52</b>	<b>14,092.18</b>
<b>Revenue Expenditure</b>		2,12,735.95	2,36,592.26	2,66,223.52	3,01,727.96	2,98,833.04
<b>%age Expenditure on Subsidy over Revenue Expenditure</b>		<b>3.61</b>	<b>3.40</b>	<b>3.48</b>	<b>4.66</b>	<b>4.72</b>

As evident from the above, the government has given subsidy mainly in energy sector (about 65 *per cent* of total subsidy) and agriculture sector (about 21 *per cent*) during the period. The expenditure on subsidy in 2019-20 increased by 0.28 *per cent* over the year 2018-19, especially in energy and agriculture 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 2019-20, an amount of ₹2, 25,913.71 crore (about 63 *per cent* of total expenditure of ₹3,60,951.07 crore) was spent on these activities.

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

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

**Table 4.10- Trend of Expenditure under SCSP and TSP during 2015-16 to 2019-20**

(₹ in crore)

Year	SCSP			TSP		
	Budget	Expenditure	Percentage Gap	Budget	Expenditure	Percentage Gap
2015-16	21,151.34	17,483.21	17	278.54	247.63	11
2016-17	22,948.63	18,698.20	19	311.24	240.79	23
2017-18	24,756.79	17,520.61	29	577.78	352.86	39
2018-19	26,893.28	18,671.03	31	977.23	684.57	30
2019-20	26,265.54	18,601.04	29	1,027.01	820.54	20

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 17 to 29 per cent and 11 to 39 per cent respectively during the period from 2015-16 to 2019-20.

#### 4.8 Loans and Advances by the State Government

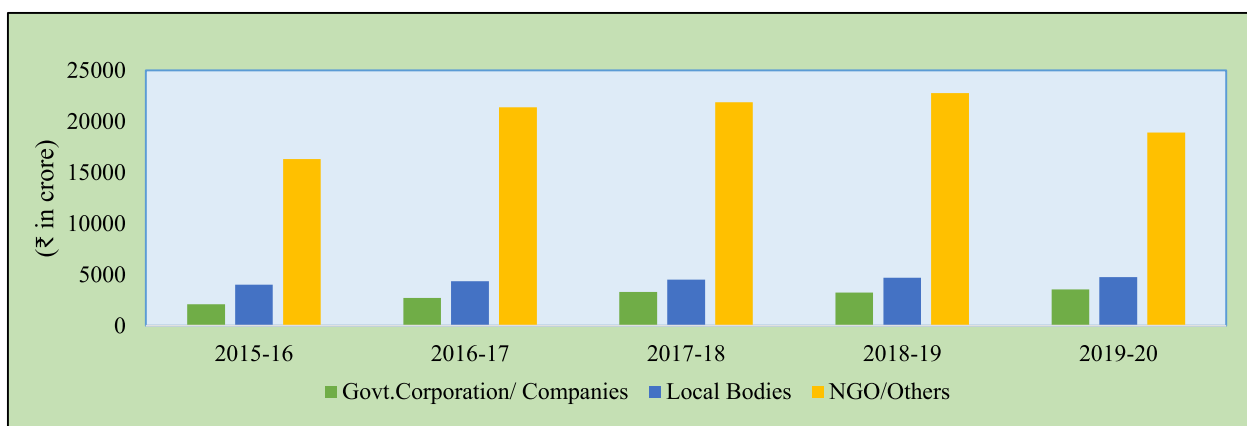
The State Government gives loans and advances to Government Corporations/ Companies, Local Bodies, Non-Government Institutions/Organisations etc. The Government advanced ₹2,120.00 crore to these institutions in 2019-20. The outstanding balance of loans and advances of these institutions was ₹27,188.98 crore as on 31 March 2020. The table below represents the institution wise position of outstanding loans and advances given by the State Government as on 31 March, 2020.

**Table 4.11- Outstanding Loans and Advances by the State Government**

(₹ in crore)

As on 31 March	Govt. Corporation/ Companies	Local Bodies	NGO/Others
2015-16	2,111.56	4,025.44	16,321.55
2016-17	2,711.95	4,355.21	21,379.63
2017-18	3,304.54	4,518.04	21,879.73
2018-19	3,249.26	4,691.98	22,768.32
2019-20	3,543.02	4,747.65	18,898.31

**Graph 4.7- Outstanding Loans and Advances as on 31 March 2020**



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).

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# 5

## Public Debt

### 5.1 Introduction

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

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

In 2019-20, total public debt (₹4,16,577.59 crore) comprised internal debt about 97 *per cent* and GoI loans 3 *per cent* thereof.

### 5.2 Public Debt

Public debt of the State Government increased from 22 *per cent* of GSDP in 2015-16 to 23 *per cent* in 2019-20 mainly due to increase in internal debt. GoI loans came down by 16 *per cent* in 2019-20 over the year 2015-16, while internal debts escalated by 68 *per cent*.

The increase in internal debt is mainly due to borrowings from market in the form of State Development loans. The market borrowings constituted 53 *per cent* of the total internal debt in 2015-16, which increased to 72 *per cent* in 2019-20. 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**

(₹ in crore)

Financial Year	Internal Debt (A) (market borrowings out of total Internal debt)	GoI loan (B)	Public Debt (A+B)	Per cent to GSDP
2015-16	2,40,835.79 (1,27,970.97)	13,658.21	2,54,494.00	22
2016-17	2,88,626.78 (1,64,875.39)	13,249.62	3,01,876.40	24
2017-18	3,21,479.05 (2,02,053.39)	12,811.82	3,34,290.87	24
2018-19	3,53,189.92 (2,35,360.06)	11,979.59	3,65,169.51	24
2019-20	4,05,048.84 (2,91,185.86)	11,528.75	4,16,577.59	23

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



### 5.3 Debt Service Ratio

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

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

During 2019-20, total debt service was 2.95 *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	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Repayment of Debt</b>	17,672.76 (1.53)	20,302.67 (1.59)	15,002.10 (1.09)	20,716.61 (1.34)	22,400.61 (1.25)
<b>Interest Paid</b>	17,607.99 (1.52)	23,205.64 (1.82)	25,414.82 (1.85)	28,184.96 (1.83)	30,624.25 (1.71)
<b>Total Debt Service</b>	35,280.75 (3.0)	43,508.31 (3.4)	40,416.92 (2.9)	48,901.57 (3.2)	52,958.65 (2.95)
<b>GSDP</b>	11,53,795.00	12,75,141.00	13,75,607.00	15,42,432.00	17,94,508.00

(Figures in parenthesis are percentage to GSDP)

### 5.4 Debt Sustainability of the State

Public debt of the State Government increased substantially by 63.69 *per cent* in 2019-20 over the outstanding debt in 2015-16, whereas the economy in terms of GSDP grew by 55.53 *per cent*. The debt to GSDP ratio rose from 22 *per cent* in 2015-16 to 23 *per cent* in 2019-20. The debt repayment was 13 *per cent* of total tax revenue and 44 *per cent* of debt receipts during 2019-20.

The increasing trend of raising debt tends to increasing 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	2015-16	2016-17	2017-18	2018-19	2019-20
Outstanding Debt	2,54,494.00	3,01,876.40	3,34,290.87	3,65,169.51	4,16,577.59
Rate of growth of Outstanding Debt	28.76	18.62	10.74	9.24	14.08
GSDP	11,53,795.00	12,75,141.00	13,75,607.00	15,42,432.00	17,94,508.00
Rate of growth of GSDP	18.18	10.52	7.88	12.13	16.34
Debt/GSDP ratio	0.22	0.24	0.24	0.24	0.23
Net Debt available to State (Public Debt received(-)Total Debt Service)	39,232.83	24,176.76	6,999.64	2,693.69	20,850.04

**5.5 Debt-Maturity Profile**

The state government borne an outstanding debt of ₹ 4,05,048.84 crore as internal debt from market and different financial institutions, and ₹ 11,528.75 crore as loans from GoI (total public debt of ₹ 4,16,577.59 crore) as on 31 March 2020. These debt/loans are due to be repaid on their maturity upto 2078-79 as per the specified terms and conditions. The maturity profile of the government debt is broadly depicted as below-

**Table 5.4- Debt-Maturity Profile**

(₹ in crore)

Year	Internal debt	Loan from Government of India
2020-21	23,081.81	1,629.94
2021-22	27,036.11	1,664.16
2022-23	20,387.41	1,664.16
2023-24	18,542.29	1,685.18
2024-25	27,641.54	622.48
2025-26	38,820.97	480.22
2026-27	49,811.79	465.88
2027-28	48,871.26	463.54
2028-29	53,012.54	444.34
2029-30	75,364.93	421.80
2030-31 and thereafter	18,315.62 (during 2030 -39)	1,987.05 (during 2030 -79)
Adjustment due	4,162.57	0.00
<b>Total</b>	<b>4,05,048.84</b>	<b>11,528.75</b>

☆☆☆

# 6

## Appropriation Accounts

### 6.1 Budget Provisions

During 2019-20, the State Legislature approved a total provision of ₹ 5,26,809.22 crore under 92 grants (including supplementary grants). Against which, the actual expenditure was ₹ 3,99,426.76 crore (76 per cent of the total provision). Of which, total charged expenditure was 14 per cent and voted 86 per cent. Summary of the Appropriation Accounts for the year 2019-20 is given below-

**Table 6.1- Summary of Appropriation Accounts for 2019-20**

(₹ in crore)

Sl. No	Nature of Expenditure	Original Grant	Supplementary Grant(*)	Total	Actual Expenditure	Saving (-) Excess (+)	% of Total Grant
1	Revenue Voted	3,19,696.99	10,499.19	3,30,196.18	2,66,083.12	(-) 64,113.06	19.42
	Charged	57,890.39	116.17	58,006.56	35,367.05	(-) 22,639.51	39.03
2	Capital Voted	93,276.05	6,559.46	99,835.51	73,436.47	(-)26,399.04	26.44
	Charged	37.14	0.00	37.14	19.50	(-) 17.64	47.50
3	Public Debt Charged	35,374.47	1.47	35,375.94	22,400.61	(-) 12,975.33	36.68
4	Loans and Advances Voted	2,728.45	629.44	3,357.89	2,120.01	(-) 1,237.88	36.86
Total		5,09,003.49	17,805.73	5,26,809.22	3,99,426.76	(-) 1,27,382.46	24.18

(\*) Supplementary Grants were provided under 54 grants.

### 6.2 Saving/Excess during the last five years

During the year 2019-20, saving was ₹ 1,27,382.46 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 2015-16 to 2019-20**

(₹ in crore)

Financial Year	Saving (-) / Excess (+)				Total Saving / Excess	% of Total Grant
	Revenue	Capital	Public Debt	Loans & Advances		
2015-16	(-)32,416.34	(-)7,499.85	(-)3,713.76	(-)763.72	(-)44,393.67	12.24
2016-17	(-)29,234.42	(-)13,248.19	(+)4,790.18	(-)903.60	(-)38,596.03	9.95
2017-18	(-)63,796.47	(-)21,939.87	(-)7,012.22	(-)1,019.94	(-)93,768.50	21.88
2018-19	(-)52,136.54	(-)25,963.22	(-)9,830.14	(-)1,421.71	(-)89,351.61	17.90
2019-20	(-)86,752.57	(-)26,416.68	(-)12,975.33	(-)1,237.88	(-)1,27,382.46	24.18



There was a significant saving of about 24 *per cent* in 2019-20 which was 06 *per cent* higher than that in the previous year.

### 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 2015-16 to 2019-20**

(₹ in crore)

Grant Nos.	Nomenclature	2015-16	2016-17	2017-18	2018-19	2019-20
07	Industries Department (Heavy and Medium Industries)	142.11	2,490.67	1,293.18	1,529.17	1,232.90
13	Agriculture and Other Allied Departments (Rural Development)	1,877.88	3,603.82	5,752.38	9,853.98	10,020.28
14	Agriculture and Other Allied Departments (Panchayati Raj)	3,256.90	96.54	1,293.33	4,352.52	4,281.31
26	Home Department (Police)	1,628.93	1,338.67	1,288.38	608.17	3,731.91
32	Medical Department (Allopathy)	1,043.21	1,369.74	1,092.69	1,487.08	2,279.91
37	Urban Development Department	1,565.68	2,791.05	6,090.72	4,457.15	9,231.61
42	Judicial Department	589.02	1,057.41	1,357.83	1,470.07	2,285.73
48	Minorities Welfare Department	1,488.25	1,318.78	1,194.73	1,348.57	1,449.31
49	Women and Child Welfare Department	1,134.95	1,142.41	2,376.87	2,600.25	3,622.34
54	Public Works Department (Establishment)	1,384.05	1,778.41	996.65	1,769.14	1,879.36
71	Education Department (Primary Education)	3,773.38	3,691.07	17,678.96	15,261.30	14,663.12
72	Education Department (Secondary Education)	1,524.74	630.16	787.70	651.45	1,754.32
83	Social Welfare Department (Special Component Plan for Scheduled Castes)	3,664.49	4,182.19	7,211.07	8,222.19	7,562.07
95	Irrigation Department (Establishment)	934.30	1,180.71	701.73	906.49	1,346.20

(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 ₹ 17,805.73 crore (4.46 *per cent* of total expenditure) proved unfruitful during 2019-20. A few instances where expenditure was less than original budget provision, the supplementary provision proved unjustified in the grants are depicted below:

**Table 6.4-Unutilised Supplementary Provisions**

(₹ in crore)

Grant No.	Nomenclature	Section	Original B.E.	Supplementary B.E.	Actual Expenditure
9	Power Department	Revenue (Voted)	17,233.75	1,600.00	16,333.65
		Capital (Voted)	8,247.66	311.63	6,244.09
		Capital (Charged)	3,152.79	1.47	72.50
26	Home Department (Police)	Capital (Voted)	2,668.87	250.00	996.88
31	Medical Department (Medical Education and Training)	Capital (Voted)	2,071.41	363.14	1,701.08
37	Urban Development Department	Revenue (Voted)	15,354.80	1,306.46	7,907.29
42	Judicial Department	Revenue (Voted)	2,529.85	180.00	1,896.68
		Capital (Voted)	1,963.63	57.00	643.37
44	Tourism Department	Revenue (Voted)	126.72	11.00	56.06
		Capital (Voted)	732.90	152.00	428.79
48	Minorities Welfare Department	Revenue (Voted)	2,453.81	42.85	1,415.45
		Capital (Voted)	593.22	195.00	420.13
62	Finance Department (Superannuation and Pensions)	Revenue (Voted)	49,828.89	3,000.00	48,425.32
71	Education Department (Primary Education)	Revenue (Voted)	53,408.65	1,300.00	40,300.94
72	Education Department (Secondary Education)	Revenue (Voted)	11,160.24	536.22	10,194.29
		Capital (Voted)	374.42	25.01	147.28
73	Education Department (Higher Education)	Revenue (Voted)	2,613.70	171.97	2,443.02
		Capital (Voted)	282.98	25.00	233.00
83	Social Welfare Department (Special Component Plan for Scheduled Castes)	Revenue (Voted)	17,427.54	13.14	13,185.01
		Capital (Voted)	8,630.78	201.43	5,525.82

# 7

## Assets and Liabilities

### 7.1 Introduction

The Assets and liabilities of the State Government (as on March 31, 2020 and March 31, 2019) as exhibited in Statement No. 1 of the Finance Accounts of the year 2019-20 and 2018-19 respectively is depicted below-

**Table 7.1-Assets and Liabilities of the State Government**

(₹ in crore)

Assets			Liabilities		
	As on March 31, 2020	As on March 31, 2019		As on March 31, 2020	As on March 31, 2019
Cash(including RBD with RBI, Investment of Cash Balance, Investment from Earmarked Funds etc)	21,443.36	26,912.11	Internal Debt	4,05,048.84	3,53,189.92
Capital Expenditure including Investments	5,81,865.12	5,21,867.09	Loans and Advances from Central Government	11,528.75	11,979.59
Contingency Fund (un-recouped)	0.00	629.73	Contingency Fund(Corpus)	600.00	600.00
Loans & Advances	27,188.98	30,709.56	Liabilities on Public Account	86,034.84	1,52,925.99
Advances with Departmental Officers	58.43	75.34		--	--
Suspense & Miscellaneous Balances	4,909.54	3,081.44		--	--
Remittances Balances	0.00	113.09		--	--
Cumulative excess of Expenditure over Receipts	--	--	Cumulative excess of Receipts over Expenditure	1,32,253.00	64,692.86
<b>Total</b>	<b>6,35,465.43</b>	<b>5,83,388.36</b>		<b>6,35,465.43</b>	<b>5,83,388.36</b>

## 7.2 Assets

The existing form of accounts depicts valuation of physical assets and financial assets at historical cost i.e. the value in the year of acquisition/purchase. The Government assets mainly comprise 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 a cash balance of ₹21,443.36 crore as on 31.03.2020, which decreased by ₹5,468.75 crore as compared to 2018-19. This was mainly due to net decrease in investment of cash balance (of ₹5,533.65 crore) in government securities during the year.

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

(₹ in crore)

Component	As on 1 April, 2019	As on 31 March, 2020	Net increase (+) / decrease
Cash Balance	171.10	236.04	64.94
Investments from Cash Balance (GOI Try. Bills)	26,684.36	21,150.71	(-)5,533.65
Other Cash Balance (including cash with departmental officers and permanent cash imprest)	11.45	11.41	(-)0.04
Investment from Earmarked Fund Balances-			
(a) Depreciation Reserve Fund	44.42	44.42	0.00
(b) Famine Relief Fund	0.78	0.78	0.00
Interest realised on Investment of Cash Balance	1088.56	596.15	(-)492.41

### 7.2.2 Others Investment and Dividends

The Government invested in equity shares of Statutory Corporations, Government Companies, Co-operative Societies and other institutions, which stood at ₹1,27,629.65 crore in 2019-20. There was an increase of ₹9,098.09 crore over that of previous year. The dividends therefrom during the year were ₹39.04 crore (i.e. 0.03 per cent on this investment).

## 7.3 Liabilities

Government liabilities differ from the government debt to the extent that the government debt (or, public debt) comprises of Internal Debt of the State Government and Loans from GoI, whereas liabilities of the Government include Public Debt as well as other liabilities viz-Small Savings, Reserve funds and other Deposits in the Public Accounts. These liabilities are 'Debt Stock of the State Government which declined by ₹ 15,683.48 crore (about 3 per cent) in 2019-20 as against the previous year. Position of the debt stock during the last five years were as under

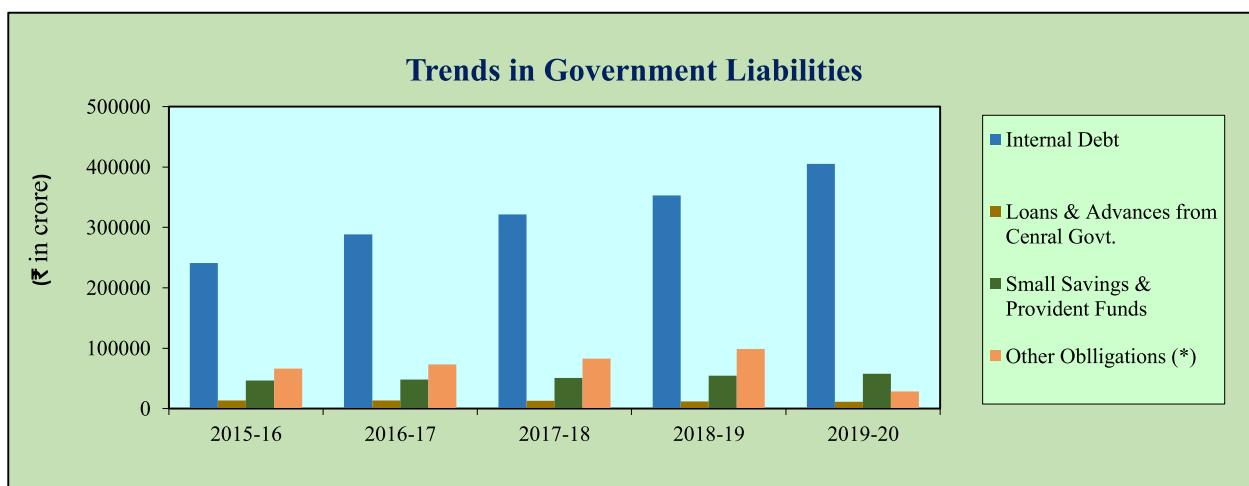


**Table 7.3-Trend of State's Liabilities during the year 2015-16 to 2019-20**

(₹ 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
2015-16	2,54,494.00	22	1,15,453.81	10	3,69,947.81	32
2016-17	3,01,876.40	24	1,24,827.73	10	4,26,704.13	33
2017-18	3,34,290.87	24	1,33,551.32	10	4,67,842.19	34
2018-19	3,65,169.51	24	1,52,925.99	10	5,18,095.50	34
2019-20	4,16,577.59	23	85,834.43	5	5,02,412.02	28

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

**Graph 7.1-Trends in Government Liabilities**

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

The increasing trend is due to the gradual increase in internal debt of the State Government during the period 2015-16 to 2019-20.

### 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. Out of this Fund, an amount equivalent to repayment of market borrowings is transferred and credited to Revenue Account (Major Head 0075) under Consolidated Fund. The data relating to the amounts appropriated to Sinking Fund and further transfers from this Fund to Revenue Account during the previous five years have depicted below –



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

(₹ in crore)

Financial Year	Market Borrowings	Amount appropriated to Sinking Fund	Transfer from Sinking Fund to Revenue Account (equivalent to repayment of market borrowings)	Balance under Sinking Fund (as on 31 March)
2015-16	30,000.00	6,966.78	4,699.04	43,042.64
2016-17	41,050.00	10,772.35	4,145.61	49,659.38
2017-18	41,600.00	12,332.23	4,422.00	57,469.61
2018-19	46,000.00	26,403.95	12,693.33	71,180.23
2019-20	69,703.00	0.00	71,180.23	0.00

The State Government has transferred the balance of ₹ 71,180.23 crore (as on 31.03.2019) in the Sinking Fund to Revenue Receipts in 2019-20 and constituted a Consolidated Sinking Fund (CSF) for redeeming its outstanding liabilities w.e.f. 2020-21.

#### 7.4 Guarantees

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

**Table 7.5- Position of Guarantees during 2015-16 to 2019-20**

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding at the end of year	
		Principal	Interest
2015-16	78,825.64	57,159.87	458.48
2016-17	66,702.20	55,825.49	#
2017-18	74,303.03	74,841.22	#
2018-19	90,662.48	1,10,032.12	#
2019-20	1,32,499.27	1,18,696.49	#

(#) Information not furnished by the State Government.

The net guarantee of ₹4,439.64 crore was given by the State Government during 2019-20 (i.e. 0.25 per cent of GSDP). The Fiscal Responsibility and Budget Management Act 2003 (FRBM Act 2003) prescribed the limit of 0.5 per cent of GSDP for giving guarantee by GoI in a year. However, the State Government has not fixed any limit for giving the guarantee in any financial year.

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# 8

## *Other Accounting Issues*

### **8.1 Compliance of Indian Accounting Standards formulated by GASAB:**

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

In adherence with these standards, disclosures about the guarantees given by the State Government to various institutions have been exhibited in the Statement 9 and 20 of the Finance Accounts of the Government of Uttar Pradesh. However, the State Government has not created the Guarantee Redemption Fund for discharging the obligations arising out of guarantees executed. The State Government executed the net guarantees of ₹4,439.64 crore during 2019-20 (i.e. 0.25 *per cent* of GSDP). Under the extant provisions of FRBM Act 2003, additional guarantee should not be given in respect of any loan on security of Consolidated Fund of India in excess of one half of GDP in a financial year. However, the State Government has not fixed any limit for giving the guarantee in a financial year.

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

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

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

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 all the treasuries were rendered timely during the year. Rendition of monthly accounts by Public Works and Forest Divisions were not satisfactory as receipt of these accounts were delayed from 2 to 15 days from the scheduled date of their receipt. However, no account was excluded at the end of the year.

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

In exceptional situations where money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money through AC bills without supporting documents. Such AC bills are required to be settled by submission of DC bills to the Accountant General (A&E) within a maximum of 30 days. As on 31 March 2020, 1323 AC bills amounting to ₹17.06 crore were outstanding for want of DC bills.

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

1. Secretariat Administration Department	129 bills ₹7.06 crore (41.38%)
2. Election Department	79 bills ₹4.57 crore (26.79%)
3. Women & Child Welfare Department	81 bills ₹1.30 crore (7.62%)
4. Home Department (Home Guards)	11 bills ₹1.03 crore (6.04 %)

### 8.5 Utilisation Certificates Awaited

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

As on 31 March 2020, UCs (41376 in number) of ₹15,697.94 crore for the grants given upto September 2018 were awaited. The departments from which the major share of UCs were awaited are:

(₹ in crore)

Year	Social Welfare Department (SCP for SCs)	Urban Development Department	Education Department (Primary Education)	Education Department (Secondary Department)	Agriculture and other Allied Departments (PRI and Rural Development)
	Amount (Vouchers)	Amount (Vouchers)	Amount (Vouchers)	Amount (Vouchers)	Amount (Vouchers)
2019-20	4,540.61 (6960)	3,950.79 (4834)	1,380.01 (2401)	1,239.38 (1975)	2,338.14 (4195)

### 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 2019-20, nearly all the expenditure and receipts figures (99.01 and 98.74 *per cent* respectively) were reconciled. The status of reconciliation of the figures at the end of March 2020 is given below:

**Table 8.1- Position of Reconciliation**

Particulars	Total Nos. of CCOs	Nos. of CCOs who reconciled	Nos. of CCOs who didn't reconcile
Expenditure	179	166	1
Receipt	48	43	3

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

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

As on 31 March 2020, there were 781 PD accounts with a balance of ₹4,348.74 crore. Out of these, 556 were operative and 225 were inoperative. The inoperative accounts with unspent balance of ₹9.75 crore were required to be closed, but the same has not been done by the State Government so far.

These accounts were also required to be reconciled by the respective treasuries. At the end of the year (2019-20), only 47 out of 77 treasuries in the State informed that the PD accounts maintained by them had been reconciled. The status of reconciliation of the remaining 30 treasuries has not been made available by them.

### **8.8 Lump Sum Provisions made by the State Government:**

The State Government made lump sum provisions of ₹6,767.78 crore under various heads in its Budget 2019-20 in anticipation of future expenditure without indicating scheme details, and incurred expenditure amounting to ₹6,572.33 crore (97.11 *per cent* of the provisions) there against. In such cases, it was required on the part of the Government to re-appropriate the provisions well in advance against the specific schemes (Sub Heads). In the previous year (2018-19), an expenditure of ₹7,083.58 crore was also incurred as against lump sum provisions of ₹8,225.67 crore. However, the State Government agreed in principle to curtail the lump sum provisions (July 2020).

### **8.9 General Provident Fund**

The State Government has constituted a fund namely “General provident Fund” under the Public Account for the government servants, wherein they subscribes 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. The 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 ₹ 40,091.20 crore in the GPF accounts of the government employees in the State under the head 8009-01-101-G.P.F as on 31 March 2020. 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.



## 8.10 Defined Contribution Pension Scheme

The government employees recruited on or after 1 April 2005 are covered under the Defined Contribution Pension Scheme. It is also applicable to the new entrants of government aided educational institutions and autonomous bodies financed by the government as well. In terms of the Scheme, the government employees contribute 10 *per cent* of basic pay and dearness allowance, which is matched by the State Government with 14 *per cent* contribution thereof (w.e.f. 1 April 2019), and the entire amount is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/ Trustee Bank as per the procedure prescribed by the Government of Uttar Pradesh vide G.O. No. Sa-3-379/Das-2005-301(9)-2003 dated 28 March 2005 and No.Sa-3-1067/Das-2011-301(9)-2011 dated 15 September 2011. During 2019-20, contribution by government and employees was as follows:

**Table 8.2 - Contribution by Government and employees**

Contribution made by the Government under the scheme ( under the head 2071-01-117)			Amount deposited /transferred by the State Govt. as government contribution (under MH 8342-other deposit)			Amount not deposited /transferred by the State Govt. as government contribution (under MH 8342-other deposit)		
For Govt. Employees	For aided Educational & A.B. employees	Total	For Govt. Employees	For aided Educational & A.B. employees	Total	For Govt. Employees	For aided Educational & A.B. employees	Total
2,299.04	1,179.53	3,478.57	1,650.29	1,973.92	3,624.21	648.75	(-)794.39(*)	(-)145.64(*)

(A.B. represents Autonomous Bodies)

(\*) It represents that the arrear pertaining to employees of Aided Educational Institutions paid in 2019-20.

## 8.11 Suspense Balances

Items of receipts and payments which cannot be taken to final head of receipt or expenditure owing to lack of information as to nature or for any other reason are booked temporarily under the Major Head 8658-Suspense Accounts. These are cleared by minus debit or minus credit as the case may be on receipt of details/information. The position of balances under Suspense and Remittance Heads as on March 31, 2020 was as under-

**Table 8.3-Suspense Balances**

(₹ in crore)

Head	Debit	Credit
<b>8658-Suspense Accounts-</b>		
<b>101- Pay and Accounts Office Suspense</b>	427.72	181.76
<b>Net</b>	Dr. 245.96	
<b>102-Suspense Accounts (Civil)</b>	17,250.45	15,426.11
<b>Net</b>	Dr. 1,824.34	
<b>110- Reserve Bank Suspense-Central Accounts Office</b>	(-)88.84	(-)83.08
<b>Net</b>	Cr. 5.76	
<b>8793- Inter State Suspense Account</b>	60.46	(-)0.09
<b>Net</b>	Dr. 60.55	

## 8.12 Commitments on account of Incomplete Capital Works

The State Government had undertaken various capital works /projects (462) relating to road works/bridges and irrigation projects executed by PWD and Irrigation Departments. These were required to be completed by 2019-20 or before, instead they were incomplete. A summarized view on commitments on account of 'Incomplete Capital Works' is given below:

**Table 8.4-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.	10,093.18	2,377.24	9,175.40	5,323.76

- Note: i) Detailed information towards commitments on Incomplete Capital Works is available in Appendix IX of Finance Accounts 2019-20.
- ii) The figures exhibited in the above table are compiled from the data as provided by various Divisions/Departments.

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