



SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थं सत्यनिष्ठा

Dedicated to Truth in Public Interest

**Report of the
Comptroller and Auditor General of India
on State Finances
for the year 2023-24**



**Government of Uttar Pradesh
Report No. 6 of 2025
(State Finances Audit Report)**

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TABLE OF CONTENTS

Particulars	Reference to	
	Paragraph	Page
Preface		v
Executive Summary		vii
CHAPTER I OVERVIEW		
Profile of the State	1.1	1
Basis and Approach to Report on State Finances	1.2	4
Overview of Government Accounts Structure and Budgetary Processes	1.3	5
Snapshot of Finances	1.4	8
Fiscal Balance: Achievement of deficit and total debt targets	1.5	11
Deficits and Total Debt after examination in audit	1.6	15
Post audit – Total Public Debt	1.7	16
CHAPTER II FINANCES OF THE STATE		
Major changes in Key fiscal aggregates of the State	2.1	19
Sources and Application of Funds	2.2	20
Resources of the State	2.3	21
State's Revenue Receipts	2.3.2	22
Capital Receipts	2.3.3	33
Application of Resources	2.4	34
Revenue Expenditure	2.4.1	37
Capital Expenditure	2.4.2	46
Public Account	2.5	54
Public Liability Management	2.6	61
Debt Sustainability Analysis	2.7	67
Utilisation of borrowed funds	2.7.1	72
Status of Guarantees-Contingent Liabilities	2.7.2	72
Management of Cash Balances	2.7.3	73
Variation in Cash Balance	2.7.4	76
Conclusion	2.8	76
Recommendations	2.9	77
CHAPTER III BUDGETARY MANAGEMENT		
Budget Process	3.1	79
Comments on integrity of budgetary and accounting process	3.2	84

Particulars	Reference to	
	Paragraph	Page
Comments on effectiveness of budgetary and accounting process	3.3	87
Conclusion	3.4	96
Recommendations	3.5	96
CHAPTER IV QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES		
Extra-budget borrowings through State owned PSEs/Authorities not being credited to the Consolidated Fund	4.1	99
Un-discharged liabilities in Defined Contribution Pension Scheme	4.2	100
Uttar Pradesh Road Transport Accident Relief Fund	4.3	101
Sub-Head/Detailed Head not created for accountal of Green Tax	4.4	103
Transfer of Central Scheme Funds to Implementing Agencies in the State	4.5	103
Delay in submission of Utilisation Certificates	4.6	104
Abstract Contingent Bills	4.7	106
Personal Deposit Accounts	4.8	107
Indiscriminate use of Minor Head 800	4.9	108
Expenditure under omnibus Object Head: '42- Other Expenditure'	4.10	110
Outstanding balances under major Suspense and Remittance Heads	4.11	112
Compliance with Accounting Standards	4.12	113
Adverse balances of Loans and Advances	4.13	114
Non-reconciliation of Departmental figures	4.14	115
Submission of Accounts/Separate Audit Reports of Autonomous Bodies/Authorities	4.15	116
Proforma Accounts of Departmental Commercial Undertakings	4.16	117
Pending cases of misappropriations, losses, thefts, etc.	4.17	117
Follow up action on State Finances Audit Report	4.18	119
Conclusion	4.19	119
Recommendations	4.20	120

APPENDICES		
Particulars	Appendix	Page
General data of State of Uttar Pradesh	1.1	123
Time series data on the State Government Finances	2.1	124
Collection of Own Tax/Non-Tax Revenue during the period 2019-2024	2.2	127
Details of Reserve Funds during the year 2023-24	2.3	128
Lump sum budgetary provisions during the year 2023-24	3.1	129
Detail of funding pattern (Central share/State share/Financial Institution) not mentioned in Central Sponsored schemes in Budget Documents 2023-24	3.2	133
Detail of cases where total of central share and state share in funding pattern more / less than 100 <i>per cent</i> or funding share of other Financial Institution/Grantee is not mentioned in Central Sponsored schemes	3.3	135
Statement showing grant-wise savings	3.4	136
Grants in which savings were above ₹ 100 crore in each case during the year 2023-24	3.5	139
Grants in which persistent savings were above ₹100 crore in the last five year during 2019-2024	3.6	143
Scheme for which Supplementary provisions could not be utilised	3.7	145
Unnecessary Re-appropriations	3.8	152
Statement showing Major Heads where 50 <i>per cent</i> or more expenditure was incurred in March 2024	3.9	156
Scheme for which original provisions could not be utilised	3.10	157
Details of Schemes for which Original provisions were re-appropriated to other schemes	3.11	159

APPENDICES		
Particulars	Appendix	Page
Summary of grants where surrenders exceed savings	3.12	164
Details of pendency in finalisation of Accounts by various Autonomous Bodies and Authorities	4.1	165
Status of finalisation of accounts of Departmental Commercial Undertakings	4.2	167
Explanation of Terms	-	169
Acronyms	-	171

PREFACE

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

2. Chapter I of this Report describes the basis and approach to the Report and the underlying data and provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the deficits/surplus.
3. Chapter II of this Report provides a broad perspective of the finances of the State and analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2019-20 to 2023-24, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
4. Chapter III of this Report is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from constitutional provisions relating to budgetary management.
5. Chapter IV of this Report provides a broad perspective on the quality of accounts rendered by various authorities of the State Government and status of compliance with prescribed financial rules, procedures and directives.
6. The Reports containing the findings of performance audits and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

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

Executive Summary

Executive Summary

About the Report

This Report of the CAG of India is on the State Finances for the year 2023-24. It provides an overview of the finances, budgetary management and quality of accounts, financial reporting practices and other matters relevant to State Finances.

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

Gross State Domestic Product (GSDP) (at current prices) grew at an average growth rate of 10.31 *per cent* from ₹ 17,00,062 crore in 2019-20 to ₹ 25,47,861 crore in 2023-24. Budget Outlay of the State grew at an average growth rate of 11.18 *per cent* from ₹ 5,26,809 crore in 2019-20 to ₹ 7,62,484 crore in 2023-24.

There was 11.55 *per cent* growth in GSDP over 2022-23. The revenue receipts grew at 11.64 *per cent* and the percentage of revenue receipts over GSDP was 18.28 *per cent* in 2023-24 against 18.27 *per cent* in 2022-23. During the year 2023-24, the State's own tax revenue increased by 10.94 *per cent* over the previous year. The total expenditure (revenue expenditure, capital expenditure, loans and advances and appropriation to contingency fund) of the State of Uttar Pradesh increased from ₹ 4,83,215 crore in 2022-23 to ₹ 5,48,358 crore in the year 2023-24, increasing by 13.48 *per cent*. Of this, revenue expenditure showed 13.11 *per cent* increase from 2022-23. Revenue surplus decreased from ₹ 37,263 crore to ₹ 36,013 crore registering 3.35 *per cent* decrease over 2022-23, while fiscal deficit increased from ₹ 64,636 crore in 2022-23 to ₹ 80,723 crore in 2023-24 increasing by 24.89 *per cent*.

Receipt-Expenditure Mismatch

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

From 2019-20 to 2023-24, revenue receipts grew from ₹ 3,66,393 crore to ₹ 4,65,801 crore, with an average annual growth rate of 8.25 *per cent*.

Capital receipts also increased from ₹ 79,450 crore to ₹ 1,22,488 crore during this period. The share of Grants-in-aid in revenue receipts was 12.02 *per cent* in 2019-20 to 11.98 *per cent* in 2023-24, indicating reliance on support from the Government of India. The State Government received ₹ 38,828 crore as grants-in-aid for the Centrally Sponsored Schemes (CSS) during 2023-24. In 2023-24, the buoyancy of State's own tax revenue was 0.95 with respect to GSDP.

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. Between 2019-20 and 2023-24, revenue expenditure increased from ₹ 2,98,833 crore (17.58 *per cent* of GSDP) to ₹ 4,29,788 crore (16.87 *per cent* of GSDP). It consistently made up a significant portion (78 to 85 *per cent*) of the total expenditure during this period, growing at an average annual rate of 7.54 *per cent*.

Result of expenditure beyond means

The gap between the revenue receipt and revenue expenditure results in revenue deficit. The State witnessed revenue surplus during 2019-24, except in the year 2020-21 which had revenue deficit of ₹ 2,367 crore. The revenue surplus of the State was ₹ 36,013 crore (1.41 *per cent* of GSDP) in the current year from ₹ 67,560 crore (3.97 *per cent* of GSDP) in the year 2019-20.

The gap between the total expenditure and total non-debt receipt of the State results in fiscal deficit. The fiscal deficit of the State increased to ₹ 80,723 crore (3.17 *per cent* of GSDP) in 2023-24 from fiscal surplus of ₹ 11,083 crore (0.65 *per cent* of GSDP) in 2019-20. The State Government spent ₹ 1,10,555 crore as capital expenditure during 2023-24, which was 20.16 *per cent* of the total expenditure in 2023-24.

Under the revenue expenditure, the quantum of committed expenditure constitutes the largest share. Committed expenditure has the first charge on the resources and consists of interest payments, expenditure on salaries and wages and pensions. Committed expenditure on interest payments, salaries and pensions constituted 56 to 62 *per cent* of revenue expenditure during 2019-20 (62 *per cent*) and 2023-24 (56 *per cent*). The Committed expenditure increased at an average rate of 7.50 *per cent*, i.e., from ₹ 1,84,604 crore in 2019-20 to ₹ 2,39,487 crore in 2023-24 {an increase of 7.44 *per cent* over 2022-23 (₹ 2,22,893 crore)}. However, share of committed expenditure in Revenue Expenditure showed a decreasing trend during 2019-20 to 2023-24.

In addition to the committed expenditure, inflexible expenditure as a percentage of revenue expenditure increased from 12.85 *per cent* (2019-20) to 15.31 *per cent* (2023-24). The inflexible expenditure increased from ₹ 56,770 crore in 2022-23 to ₹ 65,798 crore in 2023-24 registering an

increase of 15.90 *per cent*. Inflexible expenditure during the period increased from 2019-20 (₹ 38,391 crore) to 2023-24 (₹ 65,798 crore).

Taken together, the committed and inflexible expenditure in 2023-24 was ₹ 3,05,285 crore; 71 *per cent* of the revenue expenditure. Upward trend on committed and inflexible expenditure leaves the Government with lesser flexibility for other priority sectors and capital creation.

Expenditure on Subsidies

Within the non-committed expenditure, there is an increasing trend of subsidies, which increased from ₹ 14,092 crore in 2019-20 to ₹ 24,736 crore in 2023-24 i.e., from 3.85 *per cent* of the total revenue expenditure in 2019-20 to 5.31 *per cent* in 2023-24. Power subsidies constituted a significant portion, ranging from 52 *per cent* to 68 *per cent* of the total subsidies during this period.

Extra budget borrowings

The State Government, through Public Sector Enterprises raised ₹ 38,464.14 crore as Extra-budget borrowings including ₹ 910 crore during the year; which did not flow into the Consolidated Fund of the State but are required to be repaid and serviced through budget.

Contingent Liabilities on account of Guarantees

The total outstanding guarantee at the end of the year 2023-24 was ₹ 1,63,399.82 crore. The outstanding guarantees at the end of the year 2023-24 was 6.41 *per cent* of GSDP. During the year 2023-24, State Government received guarantee commission of ₹ 4.43 crore from Uttar Pradesh State Warehousing Corporation.

Fiscal sustainability

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

FRBM requirements and compliance with fiscal parameters

The FRBM Act / Rules prescribes certain limits for revenue deficit, fiscal deficit, debt as a percentage of the Gross State Domestic Product (GSDP). In 2023-24, the State has registered revenue surplus of ₹ 36,013.28 crore against target of nil revenue deficit under FRBM Act. Further, fiscal deficit for the year 2023-24 was ₹ 80,722.64 crore which was 3.17 *per cent* of

GSDP as against the limit of 3.39 *per cent* under FRBM Act. The ratio of total outstanding Liabilities to GSDP during the year 2023-24 was 29.58 *per cent* which remained within the target (32.10 *per cent*) set out in the Medium-Term Fiscal Restructuring Policy 2023.

The State Government resorted to extra-budget borrowings through State owned PSUs/Authorities for meeting expenditure having implication on debt parameters of the State. As per information furnished by the State Government, the outstanding extra budget borrowings was ₹ 38,464.14 crore as on 31 March 2024, which included borrowings of ₹ 910 crore during 2023-24. Further, if the quantum of the off-budget borrowings is included as part of debt, the overall liability (includes Public Debt and Public Account Liabilities) of the Government was 31.09 *per cent* of the GSDP.

As per the debt stabilization analysis, the public debt of the Government of Uttar Pradesh has grown on an average at a rate of 12.86 *per cent* annually of the outstanding public debt between 2019-20 to 2023-24. Public debt-GSDP ratio of Uttar Pradesh has increased from 24.50 *per cent* in 2019-20 to 26.18 *per cent* in 2023-24. However, the growth of rate of interest was lower than the rate of growth of the GSDP ($g-r>0$) in 2019-20, 2021-22, 2022-23 and 2023-24 as per the Domar model analysis. Nevertheless, when examining the Domar gap ($g-r$), the real interest rate had surpassed the real economic growth rate in 2020-21. The positive Domar gap coupled with Primary Surplus led to decline in Debt to GSDP ratio in 2021-22. Further, despite the Primary Deficit generated in 2023-24, the positive Domar Gap in 2023-24 was adequate to absorb the Primary Deficit and primarily contributed to further keep the debt to GSDP ratio in a declining trend. Further, Debt/GSDP ratio in the past five years remained fluctuating and thus, it is early to conclude that debt is on the path of stabilisation.

Budget performance

Aggregate expenditure outturn

Budget performance in terms of budgetary intent and budget implementation is examined to assess extent to which the aggregate expenditure outturn reflects the amount originally approved both in terms of excess and saving. In the Revenue section, deviation in outturn compared with Budget Estimates (BE) was (-) 16.46 *per cent*. This was due to deviation up 0 to ± 25 *per cent* in 53 grants, between ± 25 *per cent* and ± 50 *per cent* in 29 grants; and between ± 50 *per cent* and ± 100 *per cent* in nine grants. In the Capital section, deviation in outturn compared with BE was (-) 29.99 *per cent*. This was due to deviation up 0 to ± 25 *per cent* in 42 grants, between ± 25 *per cent* and ± 50 *per cent* in nine grants; and between ± 50 *per cent* and ± 100 *per cent* in 34 grants and equal to or more than 100 *per cent* in six grants.

Expenditure composition outturn

Budget performance also looks at the extent to which the re-allocation between the main budget categories during the execution have contributed to variance in expenditure composition. This measure indicates the extent of variation between the final budget and the actual expenditure. During 2023-24, deviation in outturn in the Revenue section compared with Revised Estimates (RE) was (-) 8.10 per cent. This was due to deviation up 0 to ± 25 per cent in 72 grants, between ± 25 per cent and ± 50 per cent in 12 grants and between ± 50 per cent and ± 100 per cent in seven grants. In the Capital section, deviation in outturn compared with RE was (-) 26.43 per cent. This was due to deviation up 0 to ± 25 per cent in 44 grants, between ± 25 per cent and ± 50 per cent in 16 grants, between ± 50 per cent and ± 100 per cent in 27 grants and equal to or more than 100 per cent in four grants.

It was noticed that supplementary provisions of ₹ 3,312.20 crore during the year 2023-24 in 72 cases (₹ one crore or more than ₹ one crore in each case), including 39 cases in Revenue Voted Section and 33 cases in Capital Voted Section, proved unnecessary, as the expenditure did not come up even to the level of original provisions.

Overall Budget reliability assessment indicates that the deviations between the actual expenditure and total budget as well as between the actual expenditure and the revised estimates were 23 per cent and 14 per cent respectively. Moreover, it was also noticed that in several cases, there were supplementary grants where expenditure was not even up to the original grants. A reliable budget practice should need to deal with such deviations.

Quality of Accounts and Financial Reporting

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

Regularisation of Excess over Grants/ Appropriations

The State Government has to get excesses over grants/appropriations regularised by the State Legislature as per Articles 204 and 205 (1) (b) of the constitution. It was observed that excess disbursements of ₹ 32,533.56 crore pertaining to 2005-06 to 2023-24 were yet to be regularised.

Reconciliation

As per para 124 of UP Budget Manual, Chief Controlling Officer (CCOs)/ Controlling Officer (COs) are required to reconcile their expenditure and receipts with the expenditure booked in the accounts in the Accountant General Office. The State Government reconciled 99.60 *per cent* of the total receipts and 97.33 *per cent* of the total expenditure due for reconciliation during the year 2023-24.

Compliance with IGAS

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

Operation of Personal Deposit (PD) Accounts

Uttar Pradesh Government order (March 1999) provides that Administrators of PD Accounts were required to reconcile and verify their balances with the treasury figures and annual verification certificates were also required to be submitted to the Accountant General. However, during the year 2023-24, out of 12 Administrators of PD accounts of the State, only six Administrators have reconciled and verified their balances with the treasury figures.

Funds to Single Nodal Agency

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

As per PFMS portal of the CGA, the State Government received ₹ 61,528.38 crore being Central share during the year 2023-24 in its Treasury Accounts. As on 31 March 2024, the Government transferred Central share of ₹ 34,895.37 crore received in Treasury Accounts and State share of ₹ 41,267.26 crore to the SNAs. As per PFMS portal of CGA, ₹ 19,478.31 crore is lying unspent in the bank accounts of SNAs as on 31 March 2024.

Utilisation Certificates against conditional grants

Despite the requirement of submitting Utilisation Certificates (UCs) against conditional grants within a stipulated time period, 17,963 outstanding UCs of ₹ 11,872.95 crore were pending as on 31 March 2024 in respect of grants-in-aid released by the State Government during the period 2001-02 to 2022-23 (up to September 2022). In the absence of UCs, there is no

assurance that grants-in-aid disbursed had been incurred for the purpose for which these were sanctioned/ authorised by the Legislature. Moreover, high pendency of UCs was fraught with the risk of embezzlement, diversion and misappropriation of funds.

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

Despite the requirement of submitting DCC Bills against the advance money withdrawn through AC Bills, 524 AC bills of ₹ 3.11 crore were pending for submission of DCC bills as on 31 March 2024, out of which 510 AC Bills amounting to ₹ 2.95 crore pertained to the period upto 2022-23.

Funds outside Government Account

The State Government directed (August 2013 and September 2016) to deposit the cess collected under ‘The Building and Other Construction Workers (BOCW) Welfare Cess Act, 1996’ into the nationalised bank account of the UP BOCW Board. The orders to transfer cess directly to the bank account of the Board without bringing it into Government Accounts violates the provisions of Article 266 (2) of the Constitution of India. As per information provided by the UP BOCW Board, ₹ 5,832.52 crore were available with the Board as on 31 March 2024.

Compliance with prevailing rules and codal provisions are meant to ensure control and accountability in accounting and financial reporting. Lack of timely submission of UCs against conditional grants; not submitting DCC bills against AC bills; partial compliance with IGAS; funds remaining outside Government accounts impact the quality of accounting and financial reporting adversely.

CHAPTER - I

Overview

CHAPTER-I

OVERVIEW

1.1 Profile of the State

Uttar Pradesh is the most populous State with about 17 *per cent* of India's population and fourth largest State in terms of geographical area (2,40,928 sq. km.). Administratively, Uttar Pradesh is divided into 75 districts. The State has a population density¹ of 988 persons per sq. km. as against the all-India average of 426 persons per sq. km. In terms of Gross State Domestic Product, Uttar Pradesh was the third largest State economy in the country during 2023-24. The General Data relating to the State is given in *Appendix 1.1*.

1.1.1 Gross State Domestic Product of the State

Gross State Domestic Product (GSDP) is the value of all goods and services produced within the boundaries of the State in a given time period. Growth of GSDP is an important indicator of the State's economy, as it denotes the extent of changes in the level of economic development of the State over a period of time. The trends in annual growth of Gross Domestic Product (GDP) of India and GSDP of the State at current prices are given in **Table 1.1**.

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

(₹ in crore)					
Year	2019-20	2020-21	2021-22	2022-23	2023-24
INDIA					
GDP (2011-12 Series)	20103593	19854096	23597399	26949646	29535667
Gross Value Added (GVA)	18381117	18210997	21635584	24659041	26762147
Growth rate of GDP over previous year (in per cent)	6.37	(-)1.24	18.85	14.21	9.60
Growth rate of GVA over previous year (in per cent)	7.02	(-)0.93	18.81	13.97	8.53
Per Capita GDP (in ₹)	149915	146480	172422	194879	211725
STATE OF UTTAR PRADESH					
GSDP	1700062	1640097	1981367	2284104	2547861

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

² Estimates of GDP and GSDP at current prices for the years 2020-21 to 2022-23 have been revised by the Central/State Government, hence, percentage ratio/buoyancies of various parameters with reference to GDP/GSDP for 2020-21 to 2022-23 indicated in earlier State Finances Audit Reports have also been revised.

Year	2019-20	2020-21	2021-22	2022-23	2023-24
Gross State Value Added (GSVA)	1555213	1508574	1830101	2112060	2323869
Growth rate of GSDP over previous year (in per cent)	7.45	(-)3.53	20.81	15.28	11.55
Growth rate of GSVA over previous year (in per cent)	7.79	(-)3.00	21.31	15.41	10.03
Per Capita GSDP (in ₹)	74679	71410	85293	97323	107468

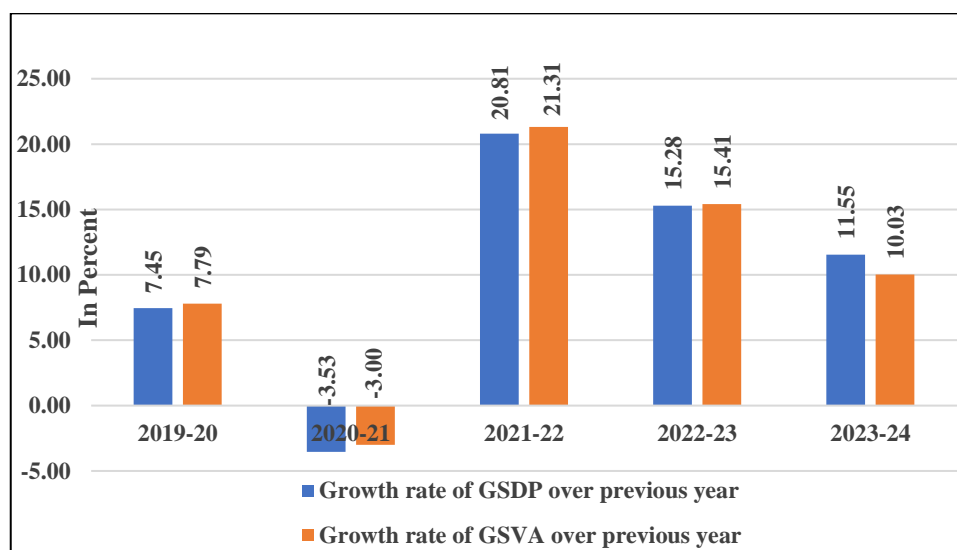
Source: Ministry of Statistics and Programme Implementation (MoSPI), Government of India (GoI)

As detailed in **Table 1.1**, GSDP of Uttar Pradesh was ₹ 25,47,861 crore in the year 2023-24 with a growth rate of 11.55 per cent over the previous year 2022-23. GSDP of the State witnessed a comparatively negative growth rate of 3.53 per cent in the COVID-19 pandemic-hit year 2020-21. However, State's GSDP subsequently grew by 20.81 per cent in the year 2021-22 as compared to the previous year. During 2023-24, the GSDP growth rate (11.55 per cent) was higher than the GDP growth rate (9.6 per cent). Further, the per capita GSDP of the State (₹ 1,07,468) though increased during 2023-24 by 10.42 per cent as compared to the previous year 2022-23 it was less than per capita GDP (₹ 2,11,725) during 2023-24.

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

The trends of GSDP and GSVA of Uttar Pradesh for the period 2019-20 to 2023-24 are indicated in **Chart 1.1**.

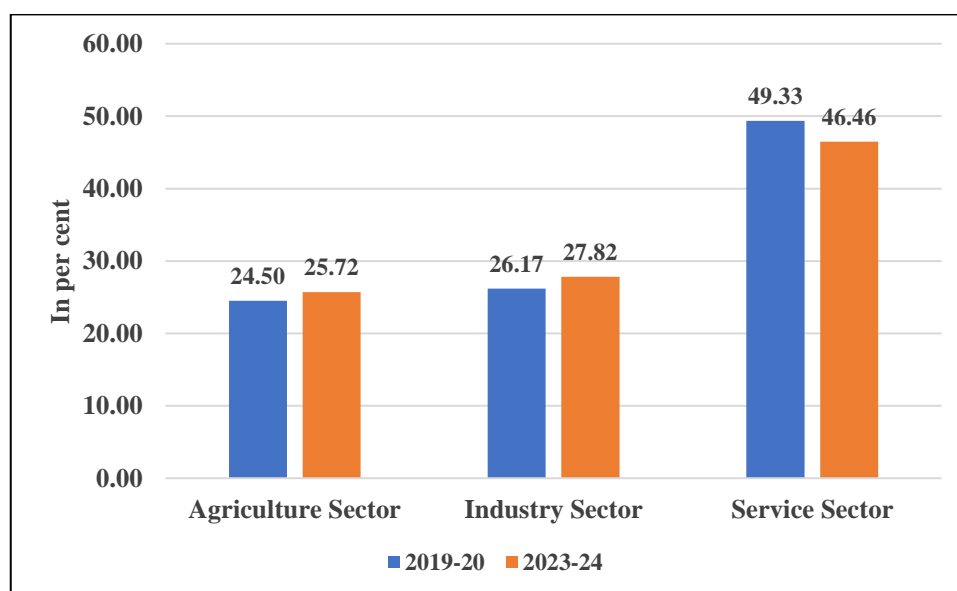
Chart 1.1: Growth rate of GSDP vs GSVA (2019-20 to 2023-24)



Source: MoSPI, GoI.

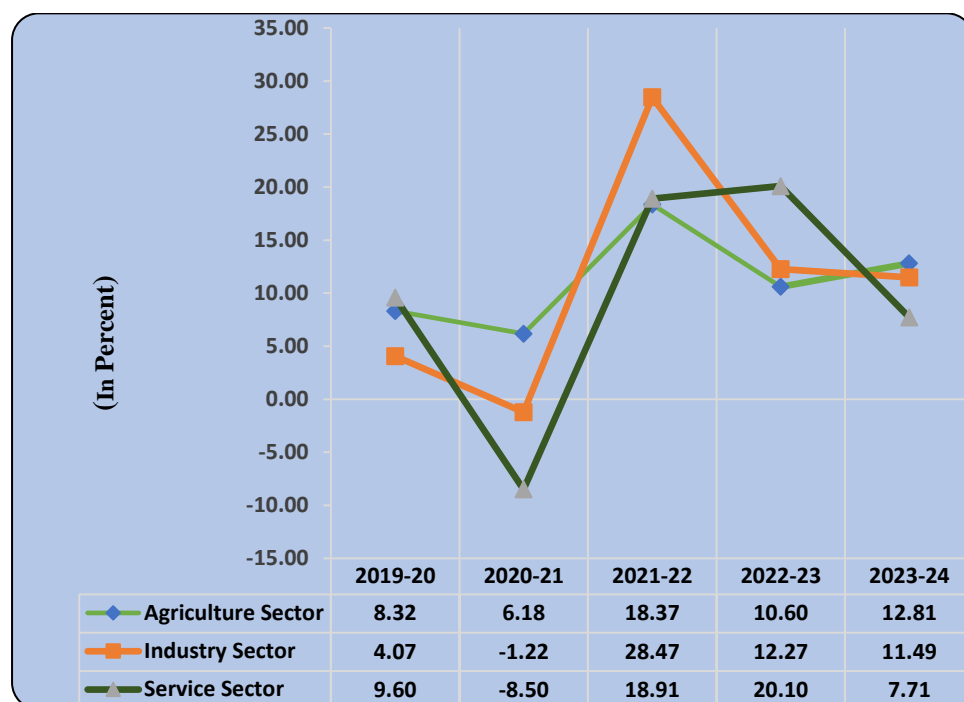
Changes in sectoral contribution to the GSDP is important to understand the changing structure of the economy. The Economic activity is generally divided into three broad categories - Agriculture, Industry and Service sectors. Comparative position of sectoral contribution to GSDP in 2023-24 with that of 2019-20 and sectoral growth rates during this period are given in **Chart 1.2** and **Chart 1.3** respectively.

Chart 1.2: Change in sectoral contribution to GSVA during the period 2023-24 as compared to 2019-20



Source: MoSPI, GoI

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

Chart 1.3: Sectoral growth rate of GSVA during the period 2019-24

Source: MoSPI, GoI

It is evident from **Chart 1.2** that Service sector was the largest contributor to State's GSVA during 2023-24 followed by Industry sector and Agriculture sector. **Chart 1.3** presents that there was a decrease in sectoral growth of Industry sector and Service sector in the year 2023-24 in comparison to the year 2022-23 though there was an increase in sectoral growth of Agriculture sector as compared to the year 2022-23.

1.2 Basis and Approach to Report on State Finances

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

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

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

- Results of audit carried out by the Office of the Accountant General (Audit);

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

The analysis was also carried out in the context of recommendations of the Finance Commissions, Uttar Pradesh Fiscal Responsibility and Budget Management (UPFRBM) Act, 2004 as amended from time to time, Budget Estimates along with Medium Term Fiscal Restructuring Policy (MTFRP), best practices and guidelines of the Government of India (GoI).

The draft SFAR was forwarded (January 2025) to the State Government for comments. Replies of the State Government were awaited.

1.3 Overview of Government Accounts Structure and Budgetary Processes

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

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

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

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

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

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

Apart from the above, all other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayable like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The balance after disbursement is the fund available with the Government for use. The net cash balance available with

the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

Budget Document

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

Revenue receipts consist of tax revenues (own tax revenue and share of Union Taxes/ Duties), non-tax revenues and grants-in-aid from GoI.

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

Capital receipts consist of:

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

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

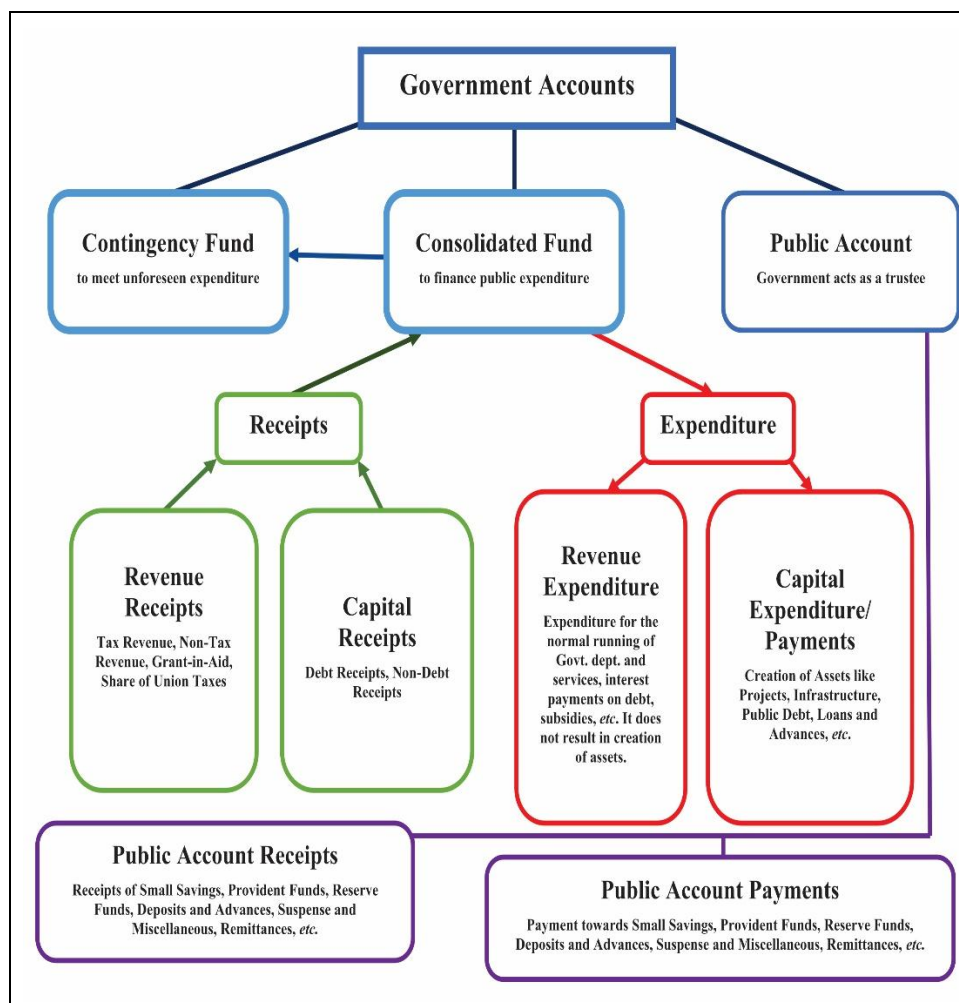
At present, there is an accounting classification system in Government that is both functional and economic.

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

The functional classification helps in identifying the department, function, scheme or programme and object of the expenditure. Economic classification helps organise these payments as revenue, capital, debt, *etc.* Economic classification is achieved by the numbering logic embedded in

the first digit of 4-digit Major Heads. Object head is the primary unit of appropriation in the budget documents.

Chart 1.4: Structure of Government Accounts



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

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

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

Finance Accounts and Appropriation Accounts

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

Finance Accounts of the State present the accounts of receipts and outgoings of the Government for the year, together with the financial results disclosed by the Revenue and Capital accounts, the accounts of the Public Debt and the liabilities and assets of the State Government as worked out from the balances recorded in the accounts. The figures in the Finance Accounts are depicted at net level, *i.e.*, after accounting for recoveries as reduction of expenditure.

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of Grants voted and Appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Articles 204 and 205 of the Constitution of India. Appropriation Accounts are on gross basis. These Accounts facilitate understanding of utilisation of funds, the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Budgetary Processes

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

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

1.4 Snapshot of Finances

Table 1.2 provides the details of actual financial results *vis-à-vis* Budget Estimates for the year 2023-24 *vis-à-vis* actuals of 2022-23.

Table 1.2: Budget Estimates vis-à-vis actuals of 2023-24 as compared to actuals of 2022-23

(₹ in crore)

Sl. No.	Components	2022-23 (Actuals)	2023-24 Budget Estimates	2023-24 (Actuals)	2023-24 Percentage of Actuals to Budget Estimates	2023-24 Percentage of Actuals to GSDP
1.	Tax Revenue of which	343832.45	445871.59	395749.04	88.76	15.53
(i)	Own Tax Revenue	174087.15	262634.00	193129.35	73.54	7.58
(ii)	Share of Union taxes/duties	169745.30	183237.59	202619.69	110.58	7.95
2.	Non-Tax Revenue	13489.46	23790.77	14249.49	59.90	0.56
3.	Grants-in-aid from GoI	59919.59	101203.30	55802.62	55.14	2.19
4.	Revenue Receipts (1+2+3)	417241.50	570865.66	465801.15	81.60	18.28
5.	Recovery of Loans and Advances (Non-Debt Capital Receipt)	1337.32	3312.18	1834.43	55.38	0.07
6.	Miscellaneous Capital Receipts	0	0	0	--	--
7.	Borrowings and Other Liabilities*	64636.26	84883.16	80722.64	95.10	3.17
8.	Total Receipts (4+5+6+7)	483215.08	659061.00	548358.22	83.20	21.52
9.	Revenue Expenditure of which	379978.06	502354.01	429787.87	85.55	16.87
10.	Interest payments	43007.98	50255.56	47277.31	94.07	1.86
11.	Capital Expenditure	93028.39	147492.29	110555.39	74.96	4.34
12.	Disbursement of Loans and advances	10208.63	9214.70	8014.96	86.98	0.31
13.	Total Expenditure (9+11+12)	483215.08	659061.00	548358.22	83.20	21.52
14.	Revenue Deficit (-)/ Surplus (+) (4-9)	37263.44	68511.65	36013.28	52.57	1.41
15.	Fiscal Deficit {13- (4+5+6)}	64636.26	84883.16	80722.64	95.10	3.17
16.	Primary Deficit (15-10)	21628.28	34627.60	33445.33	96.59	1.31

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

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

During the year 2023-24, Tax Revenue of the State was 11.24 per cent below the projections made in the budget estimates. The State had registered revenue surplus of ₹ 36,013.28 crore during the year 2023-24 which was 47.43 per cent below the projections made in the Budget 2023-24. Further, fiscal deficit for the year 2023-24 was ₹ 80,722.64 crore which was

4.90 per cent below the budget projections and it was 3.17 per cent of the GSDP.

1.4.1 Snapshot of Assets and Liabilities of the Government

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

An abstract of liabilities and the assets as on 31 March 2024 compared with the corresponding position on 31 March 2023, as depicted in Statement 1 of Finance Accounts 2023-24 of the State, is given in **Table 1.3**.

Table 1.3: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities					Assets				
Particulars		As on 31 March 2023	As on 31 March 2024	Per cent increase/ decrease	Particulars		As on 31 March 2023	As on 31 March 2024	Per cent increase/ decrease
Consolidated Fund									
A	Internal Debt	533476.54	614778.94	15.24	A	Gross Capital Outlay	798573.16	909128.55	13.84
B	Loans and Advances from GoI	34364.15	52327.08	52.27	B	Loans and Advances	36752.10	42932.63	16.82
Contingency Fund									
Contingency Fund (Corpus)		1200.00	1200	0	Contingency Fund (un-recouped)		0.06	125.58	209200
Public Account									
A	Small Savings, Provident Funds, etc.	59727.44	60675.35	1.59	A	Advances with departmental officers	58.58	58.58	-
B	Deposits	27636.11	29900.16	8.19	B	Remittance	0	0	-
C	Reserve Funds	12611.99	17190.69	36.30	C	Suspense and Miscellaneous Balances	1716.13	1690.96	(-)1.47
D	Remittances	952.62	245.49	(-) 74.23	Cash balance (including investment from Earmarked Fund)		32848.19	58373.96	77.71
E	Cumulative Excess of Receipt over expenditure	199979.37	235992.55	18.01	Cumulative Excess of Expenditure over Receipts		0	0	-
Total		869948.22	1012310.26	16.36	Total		869948.22	1012310.26	16.36

Source: Finance Accounts 2023-24

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

According to UPFRBM Act, 2004, the total liabilities means the liabilities under the Consolidated Fund of the State and the Public Account of the State. Statement 6 of the Finance Accounts 2023-24 depicts the total liabilities of the State. As on 31 March 2024, the total liabilities of the State stood at ₹ 7,67,872.25 crore which included internal debt of the State Government (₹ 6,14,778.94 crore), loans and advances from GoI

(₹ 52,237.09 crore) and other Public Account liabilities (₹ 1,00,766.22 crore). Net increase in internal debt by 15.24 *per cent* (₹ 81,302.40 crore) and Loans and Advances from GoI by 52.27 *per cent* (17,962.93 crore) during 2023-24 over the previous year were the main contributing factors for increase (₹ 1,05,555.99 crore) in total liabilities from ₹ 6,62,316.26 crore as on 31 March 2023. Debt management of the State Government is detailed in **Chapter II** of this report.

1.5 Fiscal Balance: Achievement of deficit and total debt targets

The Government of Uttar Pradesh enacted the Uttar Pradesh Fiscal Responsibility and Budget Management (UPFRBM) Act, 2004 with the objective of ensuring prudence in fiscal management by achieving sufficient revenue surplus, reducing fiscal deficit, establishing improved debt management, improving transparency in fiscal operations of the State Government and using a medium term fiscal framework. In this context, the Act provides quantitative targets to be adhered by the State with regard to deficit measures and debt level.

The performance of the State during the period 2019-24 under key fiscal indicators provided in the UPFRBM Act as amended from time to time is depicted in **Table 1.4**.

Table 1.4: Compliance with provisions of UPFRBM Act

Parameters	Fiscal targets set in the Act	Achievement				
		2019-20	2020-21	2021-22	2022-23	2023-24
Revenue Deficit (-)/ Surplus (+) (₹ in crore)	Reduce Revenue Deficit to Nil by year ending on 31 March 2009	67560	(-) 2367	33430	37263	36013
		✓	X	✓	✓	✓
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	Not more than three <i>per cent</i> of GSDP in 2019-20, five <i>per cent</i> for 2020-21 and four <i>per cent</i> for 2021-22, 3.5 <i>per cent</i> for 2022-23 and 3.39 <i>per cent</i> for 2023-24.	11083	(-) 54622	(-) 39286	(-) 64636	(-)80723
		0.65	(-) 3.33	(-) 1.98	(-) 2.83	(-) 3.17
		✓	✓	✓	✓	✓
Ratio of total outstanding liability* to GSDP (in <i>per cent</i>)	Not more than 30.00 <i>per cent</i> during 2019-20.	29.55	34.08	30.22	28.38	29.58
		✓	Targets of debt stock to GSDP under FRBM Act was not fixed for the year 2020-21, 2021-22, 2022-23 and 2023-24.			

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

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

As indicated in **Table 1.4**, the ratio of fiscal deficit to GSDP was within the targets of set out in the UPFRBM Act (as amended from time to time) during

the period 2019-20 to 2023-24. Further, on average, the debt burden of the State as measured by total liabilities to GSDP ratio observed a fluctuating trend during 2019-24. The State Government informed (October 2024) that the action on fixing the targets for debt stock to GSDP would be taken after receiving the directions of Government of India on the recommendations of Fifteenth Finance Commission regarding fiscal road map of the States. However, the ratio of total outstanding debt to GSDP (29.58 *per cent*) was within the limit (40.20 *per cent* of GSDP) recommended by 15th Finance Commission as indicative debt path for the year 2023-24.

1.5.1 Medium Term Fiscal Restructuring Policy (MTFRP)

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

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

Comparison of targets for fiscal parameters projected in MTFRP 2023 presented to the State Legislature with actuals for the year 2023-24 are depicted in **Table 1.5**.

Table 1.5: Projection in MTFRP vis-à-vis Actuals for 2023-24

(₹ in crore)

Sl. No.	Fiscal Variables	Projection as per MTFRP	Actuals (2023-24)	Variation (in <i>per cent</i>)
1	Own Tax Revenue	262634	193129	(-)26.46
2	Non-Tax Revenue	23791	14249	(-)40.11
3	Share of Union taxes/duties	183238	202620	10.58
4	Grants -in-aid from GoI	101203	55803	(-)44.86
5	Revenue Receipts (1+2+3+4)	570866	465801	(-)18.40
6	Revenue Expenditure	502354	429788	(-)14.45
7	Revenue Deficit (-)/ Surplus (+)	68512	36013	(-)47.44
8	Fiscal Deficit (-)/ Surplus (+)	(-)84883	(-)80723	(-)4.90
9	Primary Deficit (-)/ Surplus (+)	(-)34627	(-)33445	3.41
10	Debt stock-GSDP ratio*(<i>per cent</i>)	32.10	29.58	(-)7.85
11	GSDP growth rate at current prices (<i>per cent</i>) ³	19.08	11.55	(-)32.70

Source: Finance Accounts 2023-24 and budget documents of State Government.

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

³ In MTFRP 2023, the State Government had projected GSDP of ₹ 20,48,324 crore and ₹ 24,39,171 crore for the year 2022-23 and 2023-24 respectively.

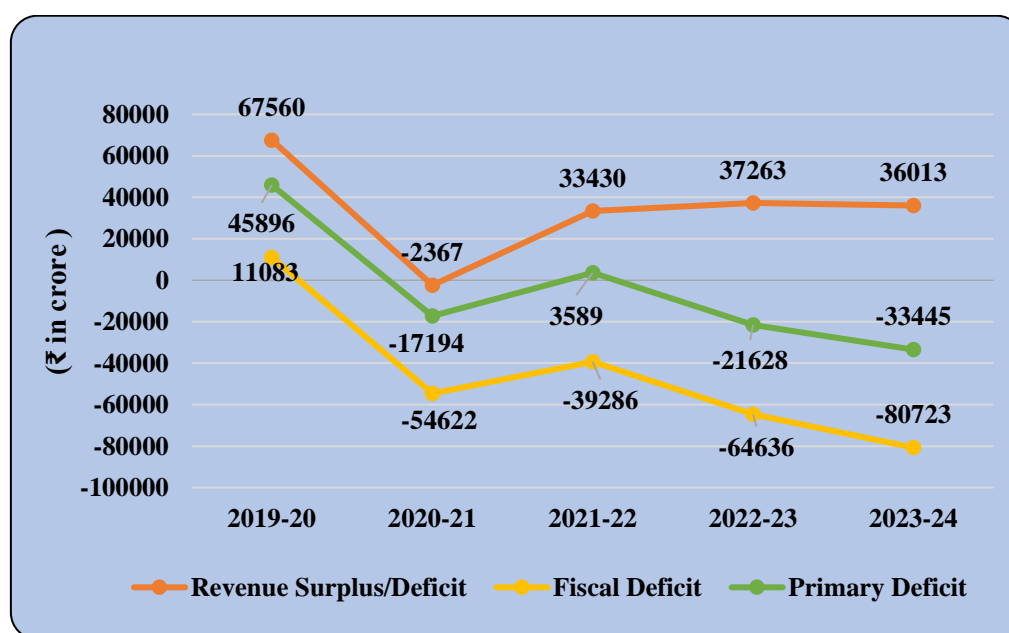
As detailed in **Table 1.5**, against the projection for Revenue Surplus of ₹ 68,512 crore in MTFRP for 2023-24, State has registered Revenue surplus of ₹ 36,013 crore during the year mainly due to shortfall of Revenue Receipts by ₹ 1,05,065 crore (18.40 *per cent*) from MTFRP projections, which was due to less receipts of Own Tax Revenue (₹ 69,505 crore), Non-Tax Revenue (₹ 9,542 crore) and Grants-in-aid from GoI (₹ 45,400 crore) as compared to MTFRP projections. However, there was increase of ₹ 19,382 crore in share of union taxes/duties as compared to MTFRP projection. Further analysis revealed that shortfalls in Own Tax Revenue *vis-à-vis* budget projections were mainly under State Goods and Services Taxes (₹ 33,065 crore) followed by State excise (₹ 12,429 crore), Taxes on sales, trade *etc.* (₹ 10,662 crore), Stamps and Registration fee (₹ 7,599 crore) and Taxes on vehicles (₹ 1,467 crore).

Less revenue expenditure (₹ 72,566 crore) as compared to MTFRP projections were due to lower expenditure under General Services (₹ 38,646 crore), Social Services (₹ 30,593 crore), Economic Services (₹ 3,327 crore) Sectors. The trend of State Government's receipts and expenditure has been analysed in **Chapter II** of the Report.

1.5.3 Trend analysis of Key Fiscal Indicators

Trend analysis for the period 2019-24 of key fiscal indicators *viz.* deficit parameters (fiscal deficit/surplus, revenue deficit/surplus and primary deficit/surplus), ratio of surplus/deficit to GSDP and fiscal liabilities to GSDP are depicted in the following **Charts 1.5, 1.6 and 1.7**.

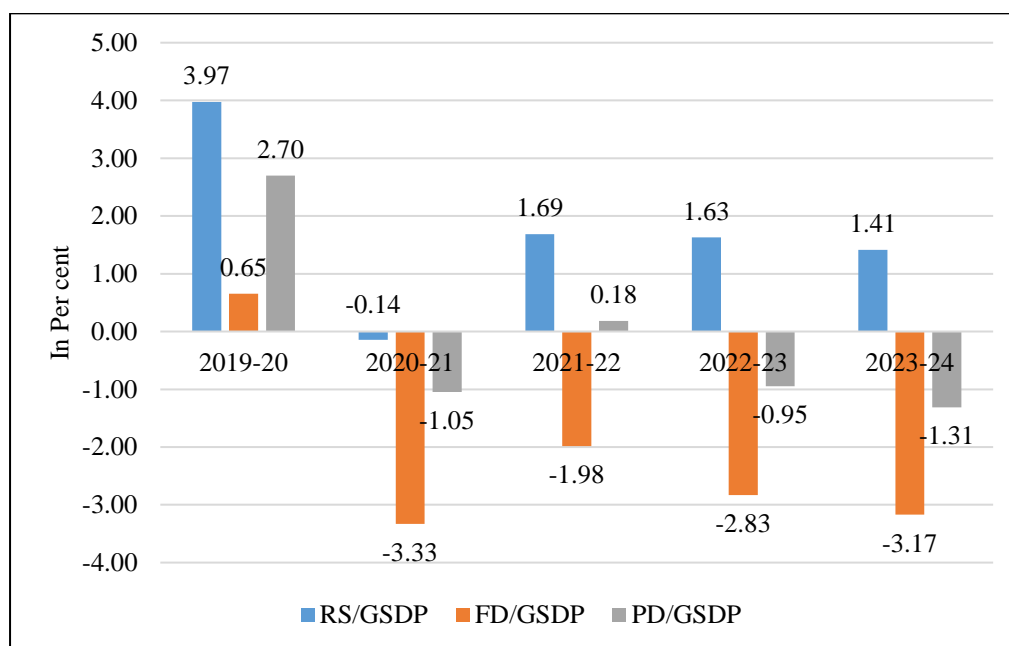
Chart 1.5: Trends in Surplus/Deficit Parameters



Source: Finance Accounts of the respective years

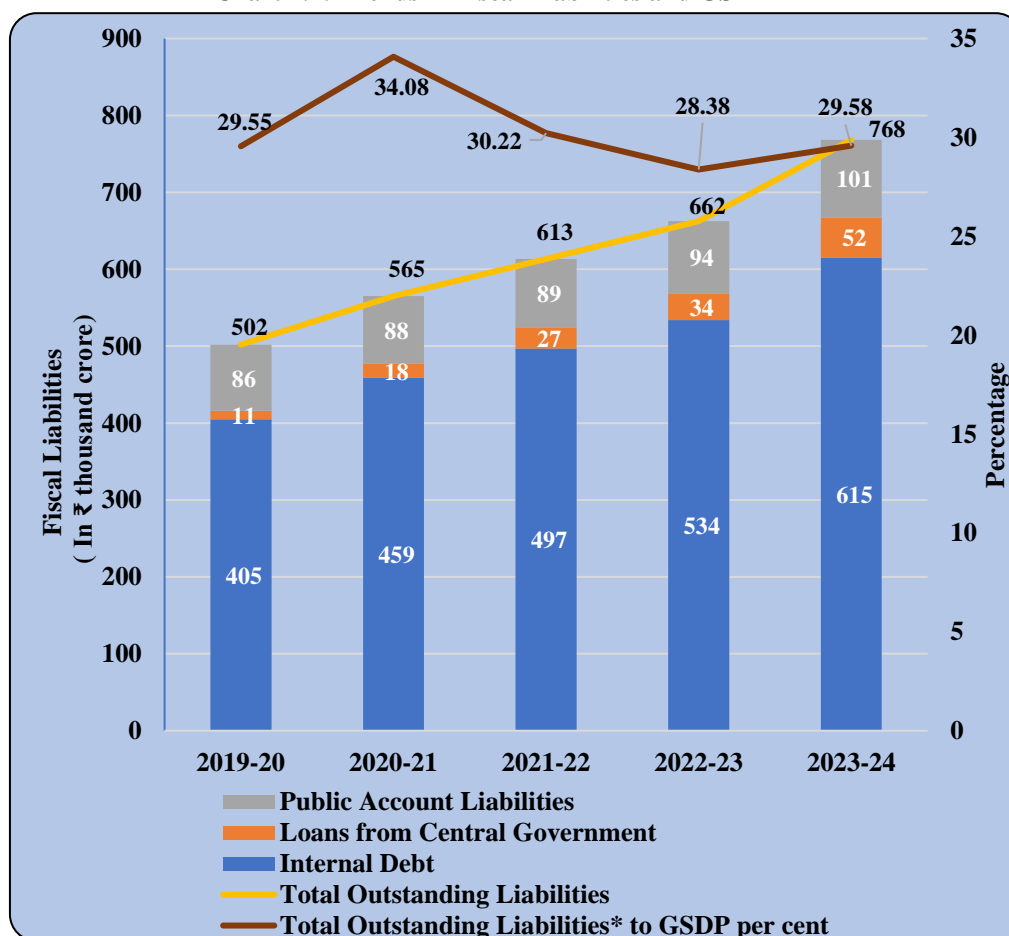
Note: Revenue Surplus, primary surplus and Fiscal Surplus during the year 2019-20 were mainly due to transfer of book balance of ₹ 71,180 crore of Sinking Fund in March 2020 to Non Tax Revenue without actual cash receipt.

Chart 1.6: Trends in Surplus/Deficit relative to GSDP



Source: Finance Accounts of the respective years and MoSPI, GoI

Chart 1.7: Trends in Fiscal Liabilities and GSDP



Source: Finance Accounts of the respective years and MoSPI, GoI

* Total outstanding liabilities to GSDP per cent has been calculated excluding back to back loan received during 2020-21 (₹ 6,007 crore) and 2021-22, 2022-23 and 2023-24 (₹ 14,146.94 crore) in lieu of GST compensation shortfall with no repayment liability to the State.

Total outstanding liabilities of the State has consistently risen during 2019-20 to 2023-24. Internal Debt increased from ₹ 4,05,049 crore in the year 2019-20 to ₹ 6,14,779 crore in the year 2023-24. During 2023-24, outstanding fiscal liabilities of the State increased by ₹ 1,05,555 crore (15.94 *per cent*) over the previous year, the total debt to GSDP *per cent* had showed a declining trend during the period 2020-21 (34.08 *per cent*) to 2023-24 (29.58 *per cent*).

1.6 Deficits and Total Debt after examination in audit

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

1.6.1 Post audit – Deficits/surplus

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

The impact of the above issues has resulted in overstatement of revenue surplus and understatement of fiscal deficit by ₹ 3,926.56 crore and ₹ 3,643.17 crore respectively during the year 2023-24 which has been worked out in **Table 1.6** and result of audit impact has been depicted in **Table 1.7**.

Table 1.6: Revenue and Fiscal Deficits post examination by Audit

(₹ in crore)

Particulars	Impact on Revenue Surplus		Impact on Fiscal Deficit	
	Over-statement	Under-statement	Over-statement	Under-statement
(1)	(2)	(3)	(4)	(5)
Short contribution to Consolidated Sinking Fund (Refer to Paragraph 2.5.2.1)	1639.76	-	-	1639.76
Misclassification of expenditure between Revenue to Capital and vice-versa (Refer to Paragraphs 3.2.2)	283.39	-	-	0
Interest not credited on balances of Defined Contributory Pension scheme (Refer to Paragraph 4.2)	33.29	-	-	33.29
Short contribution to Guarantee Redemption Fund (Refer to Paragraph 2.5.2.5)	1707.81			1707.81
Non-transfer of fund to Uttar Pradesh Road Transport Accident Relief Fund (Refer to Paragraph 4.3)	181.64			181.64
Interest not credited on balances of State Compensatory Afforestation Fund (Refer to Paragraph 2.5.2.6)	34.01			34.01
Interest not credited on balances of State Disaster Response Fund (Refer to Paragraph 2.5.2.3)	14.18			14.18
Interest not credited on balances of State Disaster Mitigation Fund (Refer to Paragraph 2.5.2.4)	32.48			32.48
Net Impact	₹ 3926.56 crore (Overstatement of revenue surplus)		₹ 3643.17 crore (Understatement of fiscal deficit)	

Source: Finance Accounts 2023-24 and audit analysis.

Table 1.7: Result of audit impact

(₹ in crore)

Sl. No.	Particular	As per Accounts	Understated (-)/ Overstated (+) by	Actual/ Post audit examination
1	2	3	4	5 = 3-4
1	Revenue Surplus	36013.28	(-)3926.56	32086.72
2	Fiscal Deficit	80722.64	(+)3643.17	84365.81

Source: Audit analysis

1.7 Post audit – Total Public Debt

Apart from usual components of debts, viz., market borrowings, borrowings from Financial Institutions/Banks, etc., the broader definition of 'total outstanding public debt' also includes the extra-budget borrowings. Extra-budget borrowings or extra-budget financing generally refer to use of those financial resources by the Government for meeting expenditure requirements in a particular year or years, which are not reflected in the budget for that year/those years for seeking grant/appropriation, and hence remaining outside legislative control. These are financed through Government owned or controlled public sector enterprises or departmental commercial undertakings, which raise the resources through market

borrowings on behalf of the Government. However, the Government has to repay the debt and/or service the debt from its budget.

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

Examination of Audit revealed that during the year 2023-24, the State Government resorted to extra-budget borrowings which is discussed in detail in **Paragraph 4.1** of the Report. As on 31 March 2024, extra-budget borrowings of ₹ 38,464.14 crore was outstanding, which has impact on the overall debt stock of the State as given in **Table 1.8**.

Table 1.8: Component of outstanding debt/liabilities as on 31 March 2024

(₹ in crore)

Borrowings and other liabilities as per Finance Accounts 2023-24	Amount
Internal Debt (A)	614778.94
Market Loans	537117.50
Loans from Financial Institutions	47412.95
Special Securities issued to National Small Savings Fund	30126.31
Other Loans	122.18
Loans and Advances from the Central Government(B)	52327.09
Ways and Means Advances	1.43
Pre 1984-85 Loans	9.94
Loans to cover gap in resources	14146.94
Block Loans	600.91
Special Assistance	70.72
Other Loans	37497.15
Liabilities upon Public Accounts (C)	100766.22
Small Savings Provident Funds etc.	60675.37
Reserve Funds	10190.69
Deposits	21131.31
Deposits, yet to be apportioned between UP and Uttaranchal	8768.85
Total (A+B+C)	767872.25
Extra-budget borrowings	
Extra budget borrowing during 2023-24	910.00
Extra-budget borrowings as on 31.03.2024	38464.14
Grand Total	806336.39

Source: Finance Accounts 2023-24 and information provided by the State Government.

Thus, the total borrowings and other liabilities of the State was 8,06,336.39 crore as on 31.03.2024. However, after excluding back to back loan received during 2020-21 (₹ 6,007 crore) and 2021-22 (₹ 8,139.94 crore) in lieu of GST compensation shortfall with no repayment liability to the State the borrowing and other liabilities of the State was ₹ 7,92,189.45 crore, which was 31.09 per cent of GSDP during the year 2023-24.

CHAPTER - II

Finances of the State

CHAPTER-II

FINANCES OF THE STATE

2.1 Major changes in Key fiscal aggregates of the State

This section gives a bird's eye view of the major changes in key fiscal aggregates of the State during the financial year 2023-24, compared to 2022-23. The analysis of the following indicators is discussed in the succeeding paragraphs.

Table 2.1: Changes in key fiscal aggregates in 2023-24 compared to the year 2022-23

Revenue Receipts	<ul style="list-style-type: none">✓ Revenue receipts of the State increased by 11.64 <i>per cent</i>✓ Own Tax receipts of the State increased by 10.94 <i>per cent</i>✓ Non-tax receipts increased by 5.63 <i>per cent</i>✓ State's Share of Union Taxes and Duties increased by 19.37 <i>per cent</i>✓ Grants-in-Aid from Government of India decreased by 6.87 <i>per cent</i>
Revenue Expenditure	<ul style="list-style-type: none">✓ Revenue expenditure increased by 13.11 <i>per cent</i>✓ Revenue expenditure on General Services increased by 7.00 <i>per cent</i>✓ Revenue expenditure on Social Services increased by 8.68 <i>per cent</i>✓ Revenue expenditure on Economic Services increased by 27.96 <i>per cent</i>✓ Expenditure on Grants-in-Aid & contribution (Compensation and assignments to Local Bodies and Panchayati Raj Institutions) increased by 31.74 <i>per cent</i>
Capital Receipts	<ul style="list-style-type: none">✓ Debt Capital Receipts increased by 80.49 <i>per cent</i>✓ Non debt Capital Receipts increased by 37.17 <i>per cent</i>
Capital Expenditure	<ul style="list-style-type: none">✓ Capital expenditure increased by 18.84 <i>per cent</i>✓ Capital expenditure on General Services increased by 53.57 <i>per cent</i>✓ Capital expenditure on Social Services increased by 12.55 <i>per cent</i>✓ Capital expenditure on Economic Services increased by 20.07 <i>per cent</i>
Loans and Advances	<ul style="list-style-type: none">✓ Disbursement of Loans and Advances decreased by 21.49 <i>per cent</i>✓ Recoveries of Loans and Advances increased by 37.17 <i>per cent</i>
Public Debt	<ul style="list-style-type: none">✓ Public Debt Receipts increased by 80.49 <i>per cent</i>✓ Repayment of Public Debt decreased by 5.74 <i>per cent</i>

Public Account	✓ Public Account Receipts increased by 15.34 <i>per cent</i> ✓ Disbursements from Public Account increased by 15.95 <i>per cent</i>
Cash Balance and Investment	✓ Cash balance and Investment increased by ₹ 25,525.77 crore (77.71 <i>per cent</i>) as on 31 March 2024 as compared to 31 March 2023.

Source: Finance Accounts of the respective year

2.2 Sources and Application of Funds

A time series data on the State Government finances for the period 2019-24 is given in **Appendix-2.1. Table 2.2** depicts the components and sub-components of the State's financial resources and application of funds during the year 2023-24 as compared to the year 2022-23.

Table 2.2: Comparison of Sources and Application of funds during the years 2022-23 and 2023-24

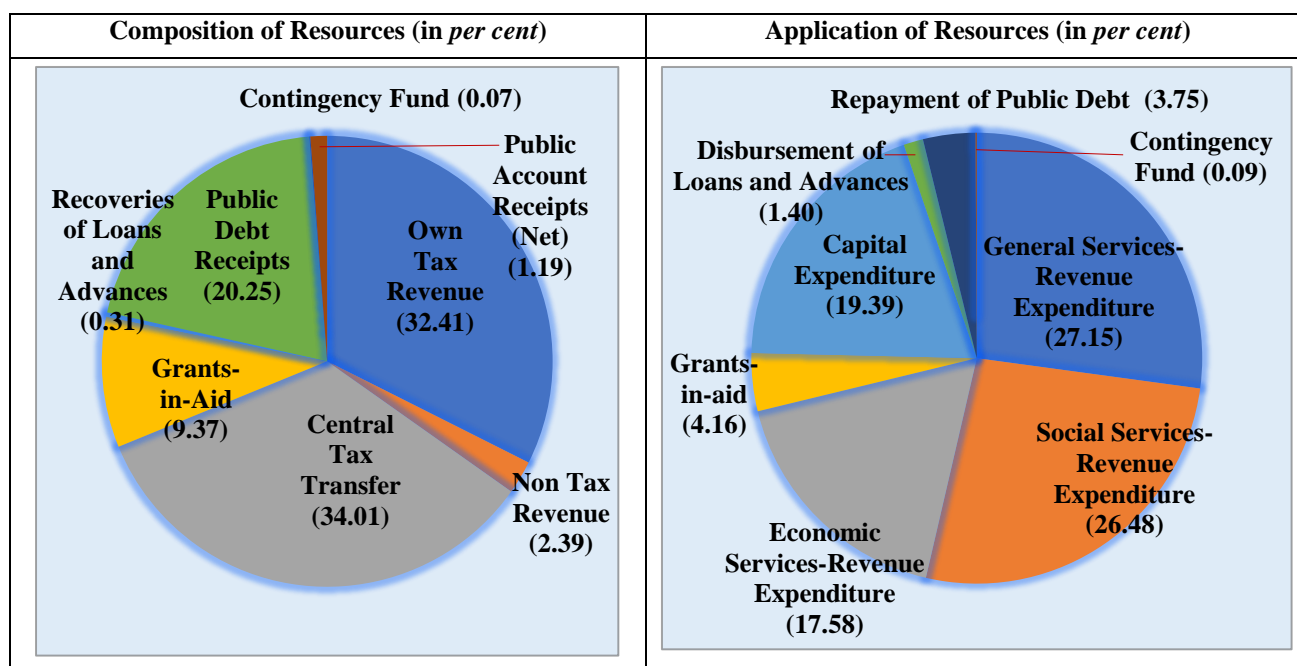
	Particulars	2022-23 (₹ in crore)	2023-24 (₹ in crore)	Increase/ Decrease (in percentage)
Sources	Opening Cash Balance and Investment	44533	32848	(-)26.24
	Revenue Receipts	417241	465801	11.64
	Recoveries of Loans and Advances	1337	1834	37.17
	Public Debt Receipts (Net)	44156	99265	124.81
	Miscellaneous Capital Receipts	0	0	-
	Public Account Receipts (Net)*	8795	7109	(-)19.17
	Contingency Fund Receipts	0	397	-
	Total	516062	607254	17.67
Application	Revenue Expenditure	379978	429788	13.11
	Capital Expenditure	93028	110555	18.84
	Disbursement of Loans and Advances	10208	8015	(-)21.49
	Disbursements under Contingency Fund	0.06	522	-
	Closing Cash Balance and Investment	32848	58374	77.71
	Total	516062	607254	17.67

Source: Finance Accounts of the respective years.

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

2.2.1 Component wise sources and applications of funds during the year 2023-24 are depicted in **Chart 2.1**.

Chart 2.1: Composition and Application of Resources during the year 2023-24



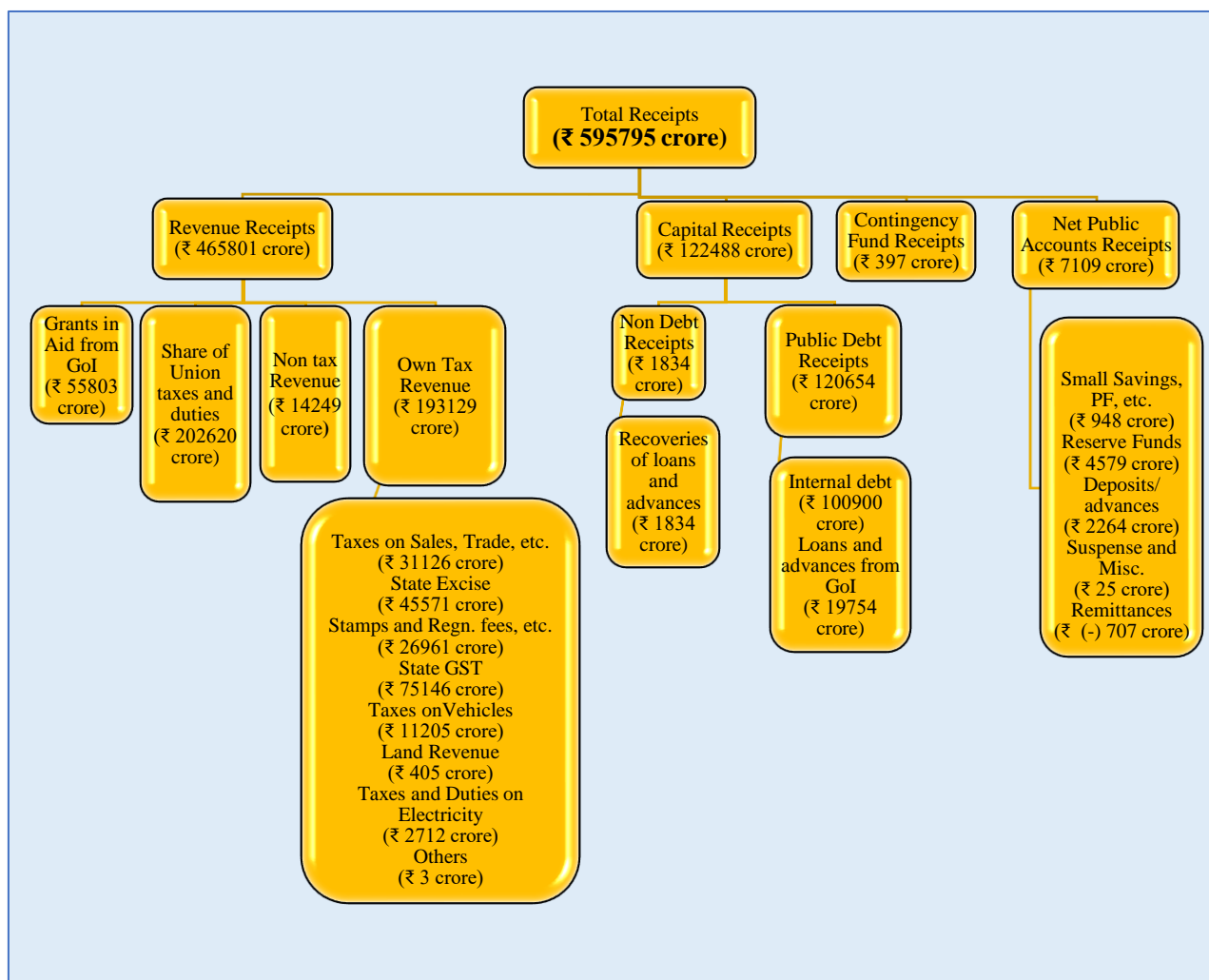
Source: Finance Accounts 2023-24

2.3 Resources of the State

This section analyses resources of the State and their trends during the years 2019-20 to 2023-24.

2.3.1 Receipts of the State

The composition of receipts of the State during the year 2023-24 is shown in **Chart 2.2**

Chart 2.2: Details of composition of receipts during the year 2023-24

Source: Finance Accounts 2023-24

The total receipts of the State during the year 2023-24 was ₹ 5,95,795 crore. It constitutes of Revenue Receipts of ₹ 4,65,801 crore, Capital Receipts of ₹ 1,22,488 crore and Net Public Account Receipt⁴ of ₹ 7,109 crore. Revenue Receipts consist of Own Tax Revenue of ₹ 1,93,129 crore, Non-Tax Revenue of ₹ 14,249 crore, Share of Union taxes and duties of ₹ 2,02,620 crore and Grants-in-Aid from GoI of ₹ 55,803 crore. Capital Receipts constitute Non-debt Receipts of ₹ 1,834 crore and Public Debt Receipts of ₹ 1,20,654 crore.

2.3.2 State's Revenue Receipts

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

⁴ Net Public Account Receipts is the net balance at the end of the financial year of Small Savings & Provident Fund, Reserve Funds, Deposit/Advances, Suspense & Miscellaneous and Remittances.

2.3.2.1 Trends and growth of Revenue Receipts

The trends and growth of Revenue Receipts with respect to Gross State Domestic Product (GSDP) over the five-year period 2019-24 are depicted in **Table 2.3**.

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

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue Receipts (RR)	366393	296176	371011	417241	465801
<i>Rate of growth of RR (per cent)</i>	11.04	(-)19.16	25.27	12.46	11.64
Tax Revenue					
Own Tax Revenue	122826	119897	147368	174087	193129
<i>Rate of Growth of own tax revenue (per cent)</i>	2.25	(-)2.38	22.91	18.13	10.94
State's share in Union taxes and duties	117818	106687	160358	169745	202620
Non-Tax Revenue	81705	11846	11436	13489	14249
Grants-in aid from GoI	44044	57746	51849	59920	55803
<i>Rate of growth of GIA from GoI (per cent)</i>	2.45	31.11	(-)10.21	15.57	(-)6.87
Own Revenue (Own Tax and Non-Tax Revenue)	204531	131743	158804	187576	207378
<i>Rate of growth of Own Revenue (per cent)</i>	36.15	(-)35.59	20.54	18.12	10.56
GSDP (2011-12 Series) (₹ in crore)	1700062	1640097	1981367	2284104	2547861
<i>Rate of growth of GSDP (per cent)</i>	7.45	(-)3.53	20.81	15.28	11.55
<i>RR/GSDP (per cent)</i>	21.55	18.06	18.73	18.27	18.28
Buoyancy Ratio⁵					
Own Tax Revenue Buoyancy w.r.t. GSDP	0.30	*	1.10	1.19	0.95

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

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

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

- Revenue Receipts of the State of Uttar Pradesh during the year 2023-24 was ₹ 4,65,801 crore. Compound Annual Growth Rate (CAGR) was 6.19 *per cent* during the period 2019-24. Revenue Receipts of the State increased by 11.64 *per cent* in the year 2023-24 as compared to previous year (2022-23). The increase in Revenue Receipts was mainly due to higher receipts of Central Goods and Services Tax (27.75 *per cent*), Taxes on Income other than Corporation Tax (25.97 *per cent*) under

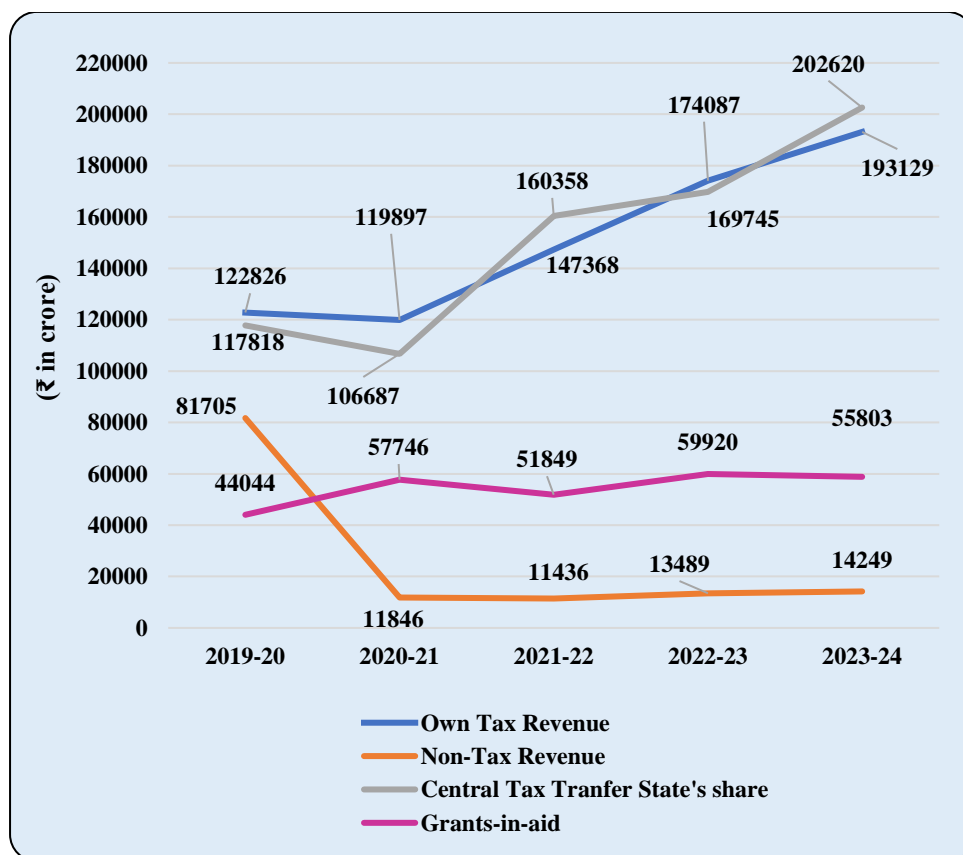
⁵ Buoyancy ratio indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable.

Central Tax Transfers and Own Tax Revenue (10.94 *per cent*) as compared to the year 2022-23.

- State Government had projected Revenue Receipts of ₹ 5,70,866 crore in Budget Estimates 2023-24 which was reduced to ₹ 5,25,218 crore in Revised Estimates. As compared to Budget Estimates 2023-24, there were shortfall in actual receipts by 26 *per cent* in Own Tax Revenue, 40 *per cent* in Non-Tax Revenue and 45 *per cent* in Grants-in-aid from GoI. State could also not achieve Revised Estimates projections due to shortfall of 9 *per cent* in Own Tax Revenue and 46 *per cent* in Grants-in-aid from GoI.
- State's own tax revenue buoyancy ratio with respect to GSDP had fluctuating trend during the period 2019-24. It was highest 1.19 in the year 2022-23 lowest 0.30 during the year 2019-20.
- Grants-in-Aid from Government of India was 11.98 *per cent* of Revenue Receipts during 2023-24 as compared to 14.36 *per cent* during 2022-23.

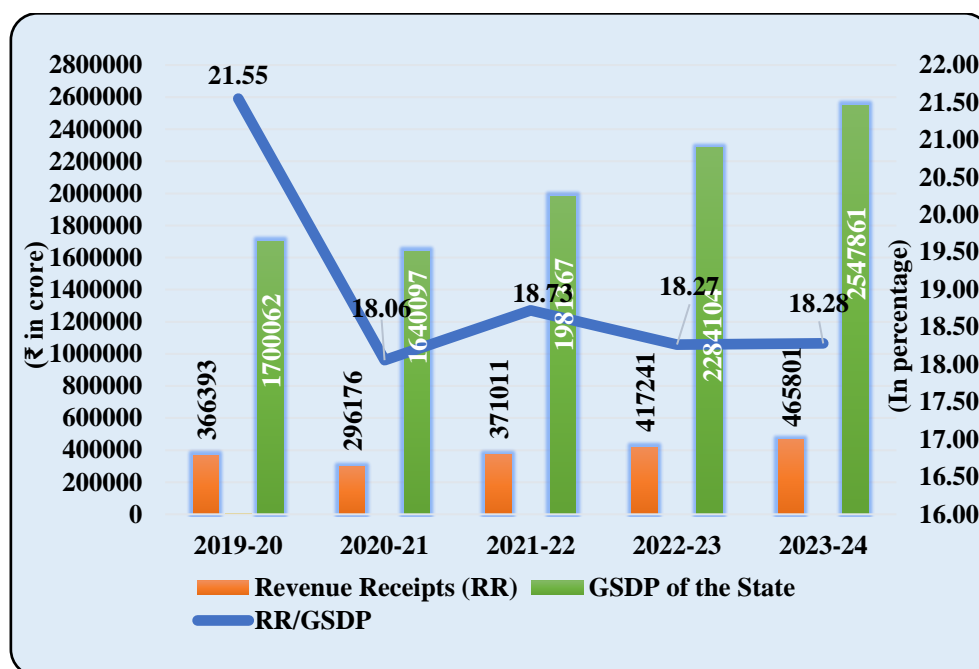
The trends and composition of Revenue Receipts as per Finance Accounts during the period 2019-24 are depicted in **Chart 2.3** and **Chart 2.4**.

Chart 2.3: Trend of Revenue Receipts during the period 2019-24



Source: Finance Accounts of the respective years

Chart 2.4: Revenue Receipts as a percentage of GSDP during the period 2019-24



Source: Finance Accounts of the respective years and MoSPI.

2.3.2.2 State's Own Resources

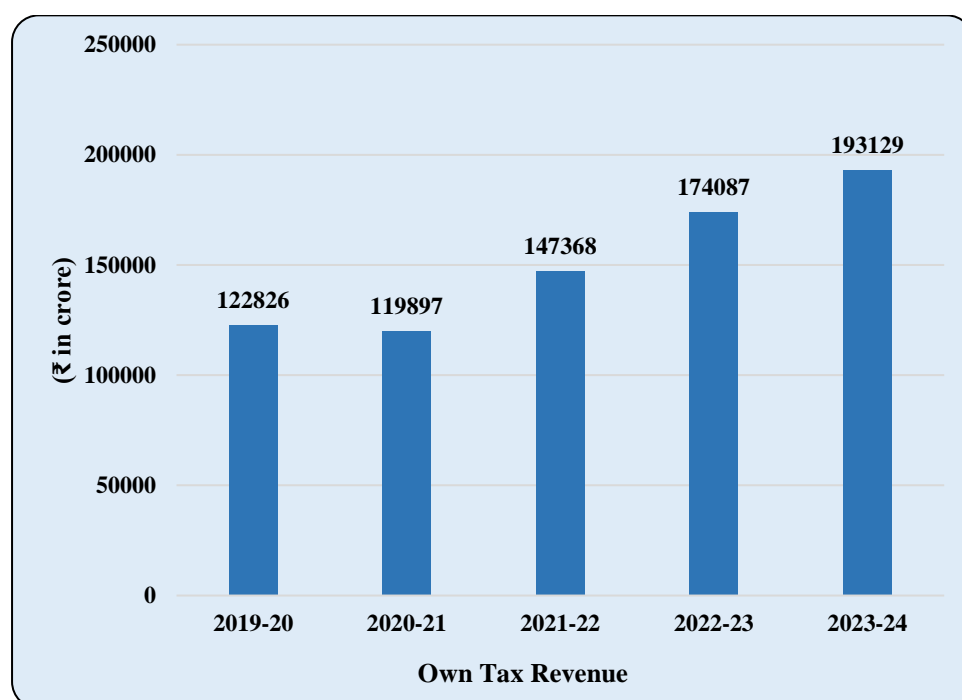
State's Own Resources comprise Own Tax Revenue and Non-Tax Revenue. Components of Own Tax Revenue of the State of Uttar Pradesh are State GST (SGST), State Excise, Taxes on Vehicles, Stamps and Registration Fees, Land Revenue, Taxes and Duties on Electricity, Taxes on Goods and Passengers, etc. The sources of Non-Tax Revenue include interest receipts from outstanding loans and advances given by Government and investment of cash balance, dividends and profits from equity investments, royalty fees for allowing use of assets held as custodian like minerals, forests and wild life, or other such services and user charges for various social and economic services provided through the apparatus of the Government. The details of collection of Own Tax / Non-Tax Revenue during the period 2019-24 are given in *Appendix-2.2*.

(i) Own Tax revenue

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

Own Tax Revenue of the State was ₹ 1,93,129 crore during the year 2023-24. During the period 2019-24, it increased by 57.24 *per cent* (₹ 70,303 crore) from ₹ 1,22,826 crore in 2019-20 to ₹ 1,93,129 crore in 2023-24. Trends of Own Tax Revenue are given in **Chart 2.5**.

Chart 2.5: Own Tax Revenue during the period 2019-24



Source: Finance Accounts of the respective year

During the period 2019-24, receipts under components of State's Own Tax Revenue are given in **Table 2.4**.

Table 2.4: Components of State's Own Tax Revenue during the period 2019-24

(₹ in crore)							
Sl. No.	Revenue Head	2019-20	2020-21	2021-22	2022-23	2023-24	Sparkline
1.	Taxes on Sales, Trade, etc.	20517	22127	27058	31979	31126	
2.	State Goods and Service Tax (SGST)	47232	42860	54594	64141	75146	
3.	State Excise	27325	30061	36320	41253	45571	
4.	Taxes on Vehicles	7715	6483	7776	9059	11205	
5.	Stamps and Registration fees	16070	16475	20048	24844	26961	
6.	Land Revenue	504	297	193	285	405	
7.	Taxes and duties on Electricity	3453	1587	1366	2519	2712	
8.	Other Taxes	10	7	13	7	3	
	Total	122826	119897	147368	174087	193129	

Source: Finance Accounts of the respective year

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

- The overall increase of 11 per cent in Own Tax Revenue during 2023-24 over previous year was mainly due to increase in receipts of State Goods and Services Tax by ₹ 11,005 crore, State Excise by ₹ 4,318 crore, Stamp and Registration Fees by ₹ 2,117 crore and Taxes on Vehicles by ₹ 2,146 crore as compared to the year 2022-23.

- State Goods and Services Tax (SGST) which is the largest component of tax revenue of the State comprised 38.91 *per cent* of the own tax revenue receipts for the year 2023-24. During the year 2023-24, the Budget estimate for SGST was ₹ 1,08,212 crore against which actual collection was ₹ 75,146 crore which was 30.56 *per cent* below the estimation. However, SGST was 17.16 *per cent* higher in 2023-24 as compared to the previous year.
- Increase (11 *per cent*) in State Excise was mainly due to increase in receipt on account of Country Spirits by ₹ 2,984.70 crore, Foreign Liquor and Spirits by ₹ 1,183.29 crore.

Goods and Services Tax (GST)

Goods and Services Tax (GST) was introduced with effect from 1 July 2017. During the year 2023-24, the State GST (SGST) collection was ₹ 75,146.62 crore compared to ₹ 64,140.91 crore in the year 2022-23, registering an increase of ₹ 11,005.71 crore (17.16 *per cent*). In addition, the State received ₹ 61,492.64 crore as its share of net proceeds assigned to the State under Central Goods and Services Tax (CGST). Thus, the total receipts under GST were ₹ 1,36,639.26 crore. The State received non-debt compensation of ₹ 4,070.32 crore as Revenue receipts during 2023-24 on account of loss of revenue arising out of implementation of GST.

During the year 2023-24, adjustment entries for ₹ 343.38 crore of SGST relating to previous year 2020-21, 2021-22 and 2022-23 was carried out by the State Government due to difference between RBI's figures and figures booked in the Finance Accounts. Hence, increase in SGST of ₹ 343.38 crore in 2023-24 is due to the adjustment.

Analysis of arrears of own tax revenue

The arrear of revenue indicates delayed realization of revenue due to the Government. As of 31 March 2024, the arrears of revenue were ₹ 53,006.27 crore, of which ₹ 15,604.83 crore were outstanding for more than five years, as detailed in **Table 2.5**.

Table 2.5: Arrears of revenue

(₹ in crore)

Sl. No.	Head of Revenue	Amount outstanding as on 31 March 2024	Amount outstanding for more than five years as on 31 March 2024
1.	Taxes on Sales, Trade etc.	32556.24	15324.46
2.	State Goods and Service Tax	16307.13	0
3.	Taxes on Vehicles	3560.25	0
4.	State Excise	46.89	42.45
5.	Stamp and Registration	532.99	237.92
6.	Taxes and Duties on Electricity	2.77	0
	Total	53006.27	15604.83

Source: Information provided by State Tax Department, Transport Commissioner, Excise Commissioner, UP Rajya Vidhyut Utpadan Nigam Ltd., Government of Uttar Pradesh.

(ii) Non-Tax Revenue

Major sources of Non-Tax revenue and their trend analysis during the period 2019-24 is given in **Table 2.6:**

Table 2.6: Trends of Non-Tax Revenue during the period 2019-24.**(₹ in crore)**

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Sparkline
(i) Interest receipts	1469	1115	1250	1259	1229	
(ii) Dividends and Profits	39	105	212	141	50	
(iii) Other Non-tax Receipts:						
(a) Miscellaneous General Services	72044	572	295	486	-800	
(b) Non-ferrous Mining and Metallurgical Industries	2181	3113	2655	3351	3987	
(c) Power	1044	1309	1769	965	1882	
(d) Irrigation (Major, Medium and Minor)	1024	1174	1120	1280	1340	
(e) Roads and Bridges	707	997	640	855	578	
(f) Education, Sports, Art and Culture	480	505	452	672	1438	
(g) Others Or Miscellaneous	2717	2956	3043	4480	4545	
Total	80197	10626	9974	12089	12970	
Grand Total [(i), (ii) and (iii)]	81705	11846	11436	13489	14249	

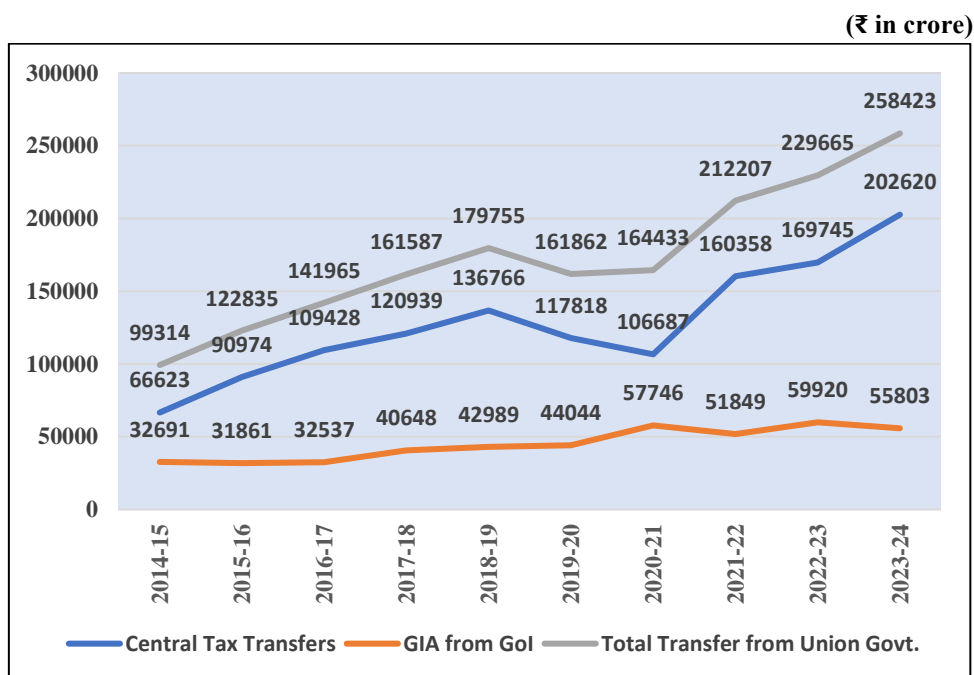
Source: Finance Accounts of the respective years.

Non-Tax receipts of the State was the highest during 2019-20. However, higher Non-Tax receipts during 2019-20 was mainly due to book transfers of balances from Sinking Fund amounting to ₹ 71,180 crore to the head 'Miscellaneous General Services' without actual cash receipts. During 2023-24, the total receipts under Non-Tax Revenue were ₹ 14,249 crore, representing an increase of 5.63 *per cent* over the previous year. Increases were mainly in receipts of Power by ₹ 917 crore (95 *per cent*) Non-Ferrous Mining and Metallurgical Industries by ₹ 636 crore (19 *per cent*), Education, Sports, Art and Culture by ₹ 766 crore (114 *per cent*). Increases were counter balanced by less receipts under Miscellaneous General Services by ₹ 1,287 crore (265 *per cent*) as compared to previous year (2022-23).

2.3.2.3 Transfers from the Union Government

Components of the State's share in Union taxes and duties are Corporation Tax, Taxes on Income other than Corporation Tax, Service Tax, Union Excise Duties, Central Goods and Service Tax and Integrated Goods and Service Tax etc. The trends of Central tax transfers and grants during the period 2014-15 to 2023-24 are brought out in **Chart 2.6.**

Chart 2.6: Trends of Transfers from Union Government



During the year 2023-24, transfers from GoI, (₹ 2,58,423 crore) which included State's share of Union Taxes and Duties (₹ 2,02,620 crore) and Grants-in-aid (₹ 55,803 crore), constituted 55 *per cent* of Revenue Receipts (₹ 4,65,801 crore) of the State. Total transfer from GoI was 13 *per cent* (₹ 28,758 crore) higher as compared to the year 2022-23.

(i) Central Tax Transfers

The actual release of share in Union taxes and duties to State Government vis-a-vis projections made by Fourteenth Finance Commission (2015-20) and Fifteenth Finance Commission for the period 2020-24 is tabulated in **Table 2.7**.

Table 2.7: Projection vis-a-vis Actual devolution of Central Share to Uttar Pradesh
(₹ in crore)

Year	Finance Commission projections	Projection as per FCR	Amount Devolved	Difference
(1)	(2)	(3)	(4)	(5)= (4)-(3)
2015-16	17.959 <i>per cent</i> of net proceeds of all shareable taxes excluding service tax and 18.205 <i>per cent</i> of net proceeds of shareable service tax (As per recommendations of 14 th FC)	104297	90973.69	(-)13323.31
2016-17		120355	109428.29	(-)10926.71
2017-18		139070	120939.14	(-)18130.86
2018-19		160892	136766.46	(-)24125.54
2019-20		186352	117818.30	(-)68533.70
2020-21	17.931 <i>per cent</i> of net proceeds of all shareable taxes. (As per recommendations of 15 th FC)	153342	106687.01	(-)46654.99
2021-22		118145	160358.05	42213.05
2022-23		131426	169745.30	38319.30
2023-24		147886	202619.69	54733.69

The trend of receipts under Uttar Pradesh's share in Union Taxes and Duties during the five-year period 2019-24 is given in **Table 2.8**.

Table 2.8: Central Tax Transfers during the period 2019-24

(₹ in crore)

Head	2019-20	2020-21	2021-22	2022-23	2023-24
Central Goods and Services Tax (CGST)	33434	31611	45919	48136	61493
Corporation Tax	40171	32258	45807	56507	60817
Taxes on Income other than Corporation Tax	31477	33080	47482	55758	70236
Customs	7468	5606	11922	6697	7101
Union Excise Duties	5192	3577	6693	2101	2687
Service Tax	0	475	2360	266	38
Other Taxes ⁶	76	80	175	280	248
Total	117818	106687	160358	169745	202620
Percentage of increase over previous year	(-)13.85	(-)9.45	50.31	5.85	19.37
Percentage of Central tax transfers to total Revenue Receipts of State	32.16	36.02	43.22	40.68	43.50

Source: Finance Accounts of the respective years.

Table 2.8 shows that during the year 2023-24, the receipts under State's share of Union taxes and duties increased by ₹ 32,875 crore (19.37 per cent) as compared to year 2022-23. State's share of Union taxes and duties constituted 43.50 per cent of total revenue receipts of the State Government.

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

The State Government received Grants-in-aid from GoI under sub major heads such as Grants for Centrally Sponsored Schemes (CSS), Finance Commission Grants and other transfers from GoI. During the period 2019-24, position of grants-in-aid from GoI is depicted in **Table 2.9**

Table 2.9: Grants-in-aid from Government of India during the period 2019-24

(₹ in crore)

Head	2019-20	2020-21	2021-22	2022-23	2023-24
Grants for Centrally Sponsored Scheme					
Grants for Centrally Sponsored Schemes (CSS)	25824	32342	31227	35575	38828
Finance Commission Grants	12965	16023	12306	12384	12891
Other Transfers/Grants to States/Union Territories with Legislature	5255	9381	8316	11961	4084
Total	44044	57746	51849	59920	55803
Percentage of increase over the previous year	2.45	31.11	(-)10.21	15.57	(-)6.87

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

Head	2019-20	2020-21	2021-22	2022-23	2023-24
Percentage of GIA to Revenue Receipts	12.02	19.50	13.98	14.36	11.98

Source: Finance Accounts of respective years

It is evident from **Table 2.9** that overall increase during the period 2019-24 under different components of Grants-in-aid from GoI was 26.70 *per cent* from ₹ 44,044 crore in 2019-20 to ₹ 55,803 crore in 2023-24. However, in the year 2023-24, there was a decrease of 6.87 *per cent* (₹ 4,117 crore) in Grants-in-aid over the previous year. The State Government received ₹ 38,828 crore under Centrally Sponsored Schemes during 2023-24 which was 9.14 *per cent* higher in comparison to the year 2022-23 mainly due to increased Grants-in-Aid under Agriculture Department by ₹ 2,712 crore (533 *per cent*), Urban Development Department by ₹ 2,705 crore (70 *per cent*), Social Welfare Department (Special Component Plan for Schedule Caste) by ₹ 1,870 crore (58 *per cent*) and Schedule Tribe Welfare by ₹ 625 crore (51 *per cent*). However, there was decrease in Grants-in-Aid under Rural Development Department by ₹ 3,419 crore (28 *per cent*), Medical Education Department ₹ 1,343 crore (100 *per cent*), Family Welfare Department by ₹ 644 crore (17 *per cent*) and Women and Child Development Department by ₹ 324 crore (13 *per cent*), etc.

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

As per PFMS portal of the CGA, the State Government received ₹ 61,528.38 crore being Central share during the year 2023-24 in its Treasury Accounts (including ₹ 16,950.03 crore for Jal Jeevan Mission/National Rural Drinking Water Mission transferred to escrow account/SNA). As on 31 March 2024, the Government transferred Central share of ₹ 34,895.37 crore received and State share of ₹ 41,267.26 crore to the SNAs. Mode of transfer for amount of ₹ 76,162.63 crore had not been provided by the State Government to Office of Accountant General (A&E) U.P. As per the SNA report, ₹ 19,478.32 crore was lying unspent in the bank accounts of SNAs as on 31 March 2024. The expenditure figures as per Finance Accounts and SNA report was under reconciliation between the State Government and Office of the Accountant General (A&E) U.P.

(iii) Fifteenth Finance Commission Grants for Local Bodies and State Disaster Risk Management Fund

Fifteenth Finance Commission recommended for grants-in-aid to State Government for Local Bodies and State Disaster Risk Management Fund. The details of amounts recommended by the Fifteenth Finance Commission, grants-in-aid received from Government of India and transferred by the State Government during the period 2020-24 are shown in **Table 2.10**.

Table 2.10: Finance Commission Grants from GoI during the period 2020-24**(₹ in crore)**

Particulars	Recommendation of			Grant received from GoI			Grants transferred by State Government		
	XV-FC	XV-FC	Total	2020-21 to 2022-23	2023-24	Total	2020-21 to 2022-23	2023-24	Total
Local Bodies (Basic and Performance Grants)									
(i) Grants to PRIs	24426	7547	31973	24426	5600.55	30026.55	24426	7547	31973
(ii) Grants to ULBs	11922	3888	15810	9577.07	4996.23	14573.3	9577.07	4996.23	14573.30
Total for Local Bodies	36348	11435	47783	34003.07	10596.78	44599.85	34003.07	12543.23	46546.30
SDRMF*	5896	2132	8028	4881	2294.20	7175.20	4881	2294.20	7175.20
Grand Total	42244	13567	55811	38884.07	12890.98	51775.05	38884.07	14837.43	53721.50

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

* State Disaster Risk Management Fund (SDRMF)

During the period 2023-24, against the total grants of ₹ 7,547 crore recommended by 15th Finance Commission under grants-in-aid for Panchayati Raj Institutions (PRIs), the State Government received ₹ 5,600.55 crore from the GoI. Against this, the State Government released ₹ 7,547 crore to PRIs. Further, against the total grants of ₹ 3,888.00 crore recommended by the 15th Finance Commission for Urban Local bodies (ULBs), the State Government received ₹ 4,996.23 crore from GoI, the State Government released entire amount to ULBs during the year.

As per the recommendations of the 15th Finance Commission, ₹ 2,842 crore (₹ 2,132 crore Central Share and ₹ 710 crore as State share) were to be deposited under SDRMF during 2023-24, which included contribution for State Disaster Response Fund (SDRF) and State Disaster Mitigation Fund (SDMF). Against this, GoI released ₹ 2,294.20 crore for SDRMF, which was transferred by the State Government to the Fund. The Contribution to SDRF and SD MF are further discussed in Paragraphs 2.5.2.3 and 2.5.2.4 of the Report.

2.3.3 Capital Receipts

Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions, etc.) and loans and advances from GoI. Trends in growth and composition of Capital Receipts are shown in **Table 2.11**.

Table 2.11: Trends of capital receipts during the period 2019-24

(₹ in crore)

Sources of State's Receipts	2019-20	2020-21	2021-22	2022-23	2023-24
Capital Receipts	79450	87994	76690	68184	122488
(i) Miscellaneous Capital Receipts	0	0	0	0	0
(ii) Recovery of Loans and Advances (Non Debt Receipt)	5641	1135	939	1337	1834
(iii) Public Debt Receipts of which	73809	86859	75751	66847	120654
Internal Debt	72554	78677	65003	58024	100900
Growth rate of Internal Debt (in per cent)	42.85	8.44	(-)17.38	(-)10.74	73.89
Loans and advances from GoI	1255	8182*	10748*	8823	19754
Growth rate of Loans and advances from GoI (in per cent)	56.09	551.95	31.36	(-)17.91	123.89
Growth rate of debt Capital Receipts	43.05	17.68	(-)12.79	(-)11.75	80.49
Growth rate of non-debt Capital Receipts	6.17	(-)79.88	(-)17.27	42.39	37.17
Growth rate of GSDP	7.45	(-)3.53	20.81	15.28	11.55
Growth rate of Capital Receipts (per cent)	39.61	10.75	(-)12.85	(-)11.09	79.64

Source: Finance Accounts of respective years

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

As evident from **Table 2.11** that Capital Receipts of the State increased by ₹ 54,304 crore in the year 2023-24 representing an increase of 79.64 per cent in comparison to the year 2022-23 due to more receipts of internal debt by 73.89 per cent and loans and advances from GoI by 123.89 per cent over the previous year. Internal debt receipts had increasing trend during the period 2019-21 but it had downward trend during 2021-22 and 2022-23 and it had increased during the year 2023-24. Receipts under Loans and advances from GoI fluctuated during the period 2019-24 and it was highest at ₹ 19,754 crore in the year 2023-24.

During the year 2023-24, the recovery of loans and advances (₹ 1,834 crore) increased by 37.17 per cent over the previous year (₹ 1,337 crore). The recovery of loans and advances was higher during the year 2019-20 mainly

on account of conversion of loan amounting to ₹ 4,891.72 crore under UDAY scheme to grants-in-aid to PSUs.

2.3.4 State's performance in mobilization of resources

State's performance in mobilisation of resources is assessed in terms of own tax revenue and non-tax revenue, without including State's share in Central taxes and grants-in-aid from GoI. During the year 2023-24, the realisation of State's own tax revenue was lower than the projection made by the Medium Term Fiscal Restructuring Policy (MTFRP) 2023 by 26.46 *per cent* and 28.28 *per cent* higher than the projection made by 15th FC respectively as presented in **Table 2.12**.

Table 2.12: Tax and non-tax receipts vis-à-vis projections in the year 2023-24

(₹ in crore)

Particulars	15 th Finance Commission projections for the year 2023-24	Budget Estimate s/MTFR P 2023	Actual for the year 2023-24	Percentage variation of actual over	
				XV FC projections	Budget estimates/ MTFRP 2023
Own tax revenue	150558	262634	193129	28.28	(-)26.46
Non-tax revenue	38825	23791	14249	(-)63.30	(-)40.11

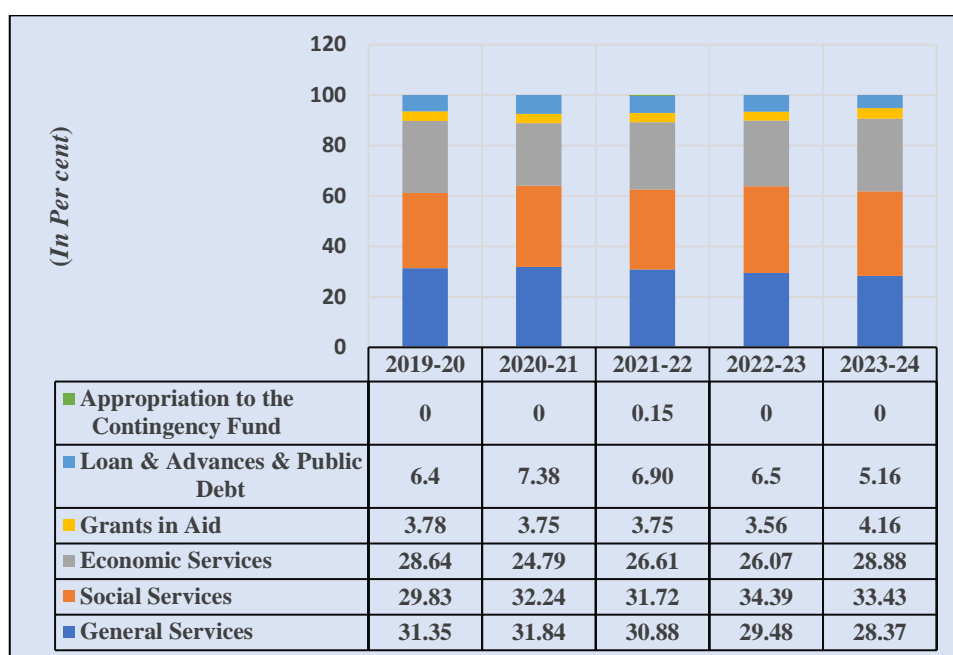
Source: 15th Finance Commission Report, Budget documents 2023-24 of the State Government and Finance Accounts 2023-24.

The Own tax revenue of the State in 2023-24 stood significantly lower than the projections made in the budget estimates/MTFRP 2023. This was mainly due to less collection of SGST by ₹ 33,065 crore, State Excise by ₹ 12,429 crore, Taxes on sales, trade, etc. by ₹ 10,662 crore and Stamps and Registration fees by ₹ 7,599 crore, as compared to MTFRP 2023 projections. However, State's performance in mobilisation of own tax revenue was better than 15th Finance Commission projections.

2.4 Application of resources

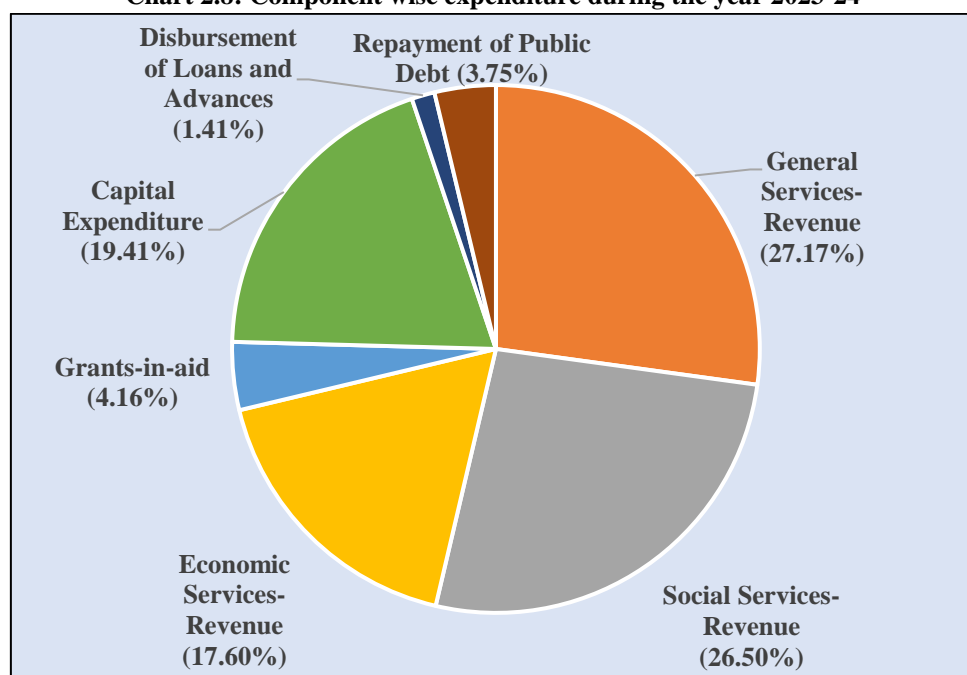
The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development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

The expenditure under Consolidated Fund is grouped into sectors according to specific functions or services, such as 'General Services', 'Social Services', 'Economic Services', 'Grants-in-Aid and contributions', 'Public Debt' and 'Loans and Advances'. The trends of category wise expenditure from Consolidated Fund of the State are presented in **Chart 2.7**.

Chart 2.7: Percentage of sector wise expenditure during the period 2019-24

Source: Finance Accounts of respective years

As evident from **Chart 2.7**, the share of expenditure on Economic Services and Grants-in-Aid increased during 2023-24 as compared to 2022-23 whereas other sectors of expenditure witnessed decrease in their respective shares in total expenditure from Consolidated Fund of the State. The component wise expenditure under Consolidated Fund of the State during 2023-24 is depicted in **Chart 2.8**.

Chart 2.8: Component wise expenditure during the year 2023-24

Source: Finance Accounts 2023-24

Chart 2.8 presents that during the year 2023-24, the revenue expenditure under General Services was highest at 27.17 *per cent* of total expenditure which includes expenditure on Organs of State, Fiscal Services, Interest Payments, Administrative Services and Pensions. The revenue expenditure on Social Services was 26.50 *per cent* of the total expenditure which includes expenditure on Education, Sports, Art and Culture, Health and Family Welfare, Social Welfare and Nutrition, Water Supply and Sanitation, Urban Development, *etc.* The revenue expenditure on Economic Services was 17.60 *per cent* which includes expenditure on Agriculture and allied activities, Rural Development, Irrigation and Flood Control, Energy, Industry and Minerals, Transport, *etc.*

Growth and composition of expenditure

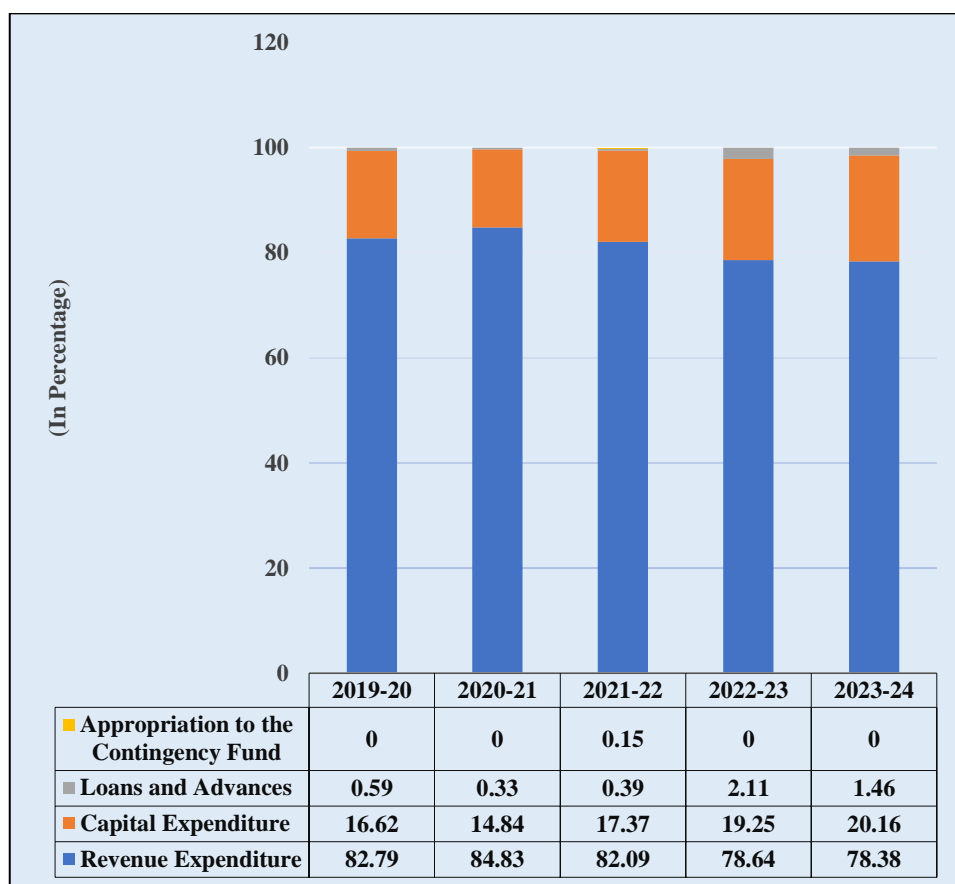
Total expenditure under Consolidated Fund of the State and its composition during the period 2019-24 are summarised in **Table 2.13** and also depicted in **Chart 2.9**.

Table 2.13: Total expenditure and its composition during the period 2019-24
(₹ in crore)

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
Total Expenditure (TE)	360951	351933	411237	483215	548358
Revenue Expenditure (RE)	298833	298543	337581	379978	429788
Capital Expenditure(CE)	59998	52237	71443	93028	110555
Loans and Advances	2120	1153	1613	10209	8015
Appropriation to the Contingency Fund	0	0	600	0	0
As a percentage of GSDP					
TE/GSDP	21.23	21.46	20.76	21.16	21.52
RE/GSDP	17.58	18.20	17.04	16.64	16.87
CE/GSDP	3.53	3.18	3.61	4.07	4.34
Loans and Advances/ GSDP	0.12	0.07	0.08	0.45	0.31

Source: Finance Accounts of respective years

Chart 2.9: Trends in components wise expenditure during the period 2019-24



Source: Finance Accounts of respective years

During the period 2019-24, total expenditure of the State increased by 51.92 *per cent* from ₹ 3,60,951 crore in 2019-20 to ₹ 5,48,358 crore in 2023-24. The increases were due to increase in revenue expenditure by ₹ 1,30,955 crore, capital expenditure by ₹ 50,557 crore and disbursement of Loan and Advances by ₹ 5,895 crore. During the period 2023-24, revenue expenditure stood at 78.38 *per cent* of the total expenditure and capital expenditure was 20.16 *per cent* of the total expenditure. Thus, Revenue expenditure had a predominant share in the total expenditure.

2.4.1 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. Revenue expenditure comprises wages and salaries, interest payments, pensions, expenditure on operation and maintenance of capital works, subsidies and transfers to local bodies, co-operatives, non-government organisations (NGOs) and others. Basic parameters of Revenue Expenditure are given in **Table 2.14**.

Table 2.14: Basic parameters of Revenue Expenditure during the period 2019-24**(₹ in crore)**

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
Total Expenditure (TE)	360951	351933	411237	483215	548358
Revenue Expenditure (RE)	298833	298543	337581	379978	429788
Rate of Growth of RE (per cent)	(-)0.96	(-)0.10	13.08	12.56	13.11
Revenue Expenditure as percentage of TE	82.79	84.83	82.09	78.64	78.38
GSDP (₹ in crore)	1700062	1640097	1981367	2284104	2547861
RE/GSDP (per cent)	17.58	18.20	17.04	16.64	16.87
Revenue Receipts	366393	296176	371011	417241	465801
RE as percentage of RR	81.56	100.80	90.99	91.07	92.27

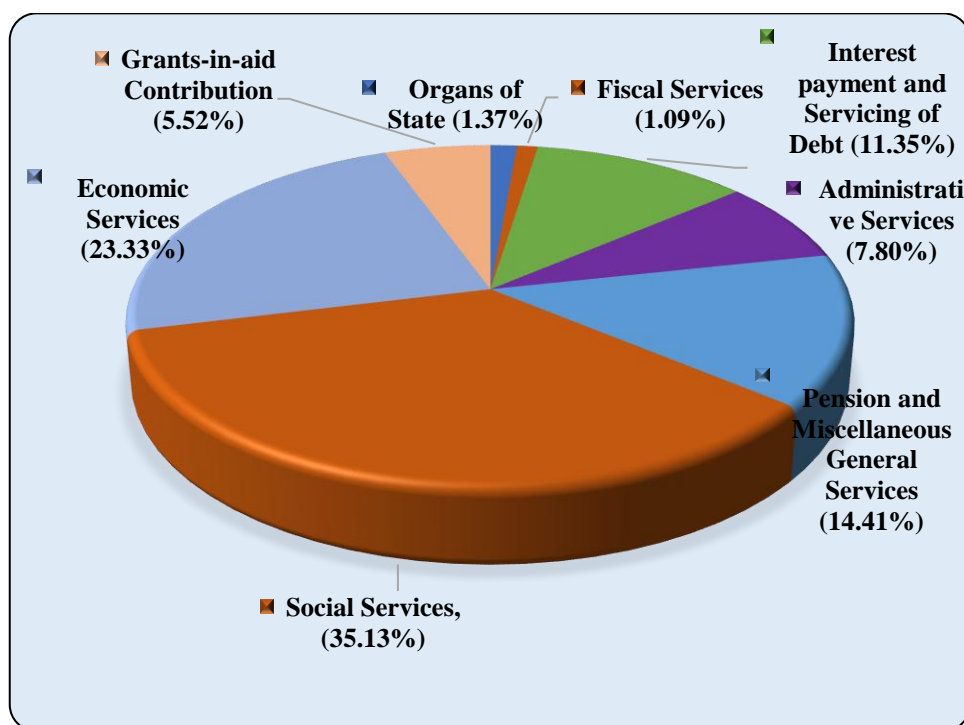
Source: Finance Accounts of respective years

Revenue expenditure continued to be the dominant component of the total expenditure, however, its share decreased from 82.79 *per cent* (2019-20) to 78.38 *per cent* (2023-24). The rate of growth of revenue expenditure was negative during 2019-20 and 2020-21 and highest 13.11 *per cent* in 2023-24. Revenue expenditure as a percentage of GSDP showed a fluctuating trend during the period 2019-24, as it was highest (18.20 *per cent*) in 2020-21 and lowest (16.64 *per cent*) in 2022-23. Revenue expenditure as a percentage of revenue receipts increased from 91.07 *per cent* in 2022-23 to 92.27 *per cent* in 2023-24.

The revenue expenditure increased by ₹ 1,30,955 crore (44 *per cent*) from ₹ 2,98,833 crore in the year 2019-20 to ₹ 4,29,788 crore in the year 2023-24. The increases in the revenue expenditure during the year 2023-24 were mainly on Urban Development by ₹ 8,758.20 crore, Compensation and Assignments to Local Bodies and Panchayati Raj Institutions by ₹ 5,713.05 crore, Power by ₹ 5,040.53 crore, Road and Bridges by ₹ 4,714.98 crore, Industries by ₹ 4,680.14 crore which was counterbalanced by less expenditure mainly under Family Welfare by ₹ 4,058.85 crore, Civil Supplies by ₹ 1,299.27 crore, Appropriation for reduction or avoidance of debt by ₹ 1,000 crore and Public Works by ₹ 667 crore.

Component of General Services and Social Services as well as Economic Services wise revenue expenditure during year 2023-24 is presented in **Chart 2.10**.

Chart 2.10: Sector-wise distribution of revenue expenditure during year 2023-24



Source: Finance Accounts 2023-24

2.4.1.1 Committed and Non-Committed Expenditure

Expenditure of the State Government on revenue account can be classified into committed and non-committed expenditure. The committed expenditure of the State Government on revenue account mainly consists of expenditure on salaries and wages, pension payments and interest payments. It has first charge on Government resources.

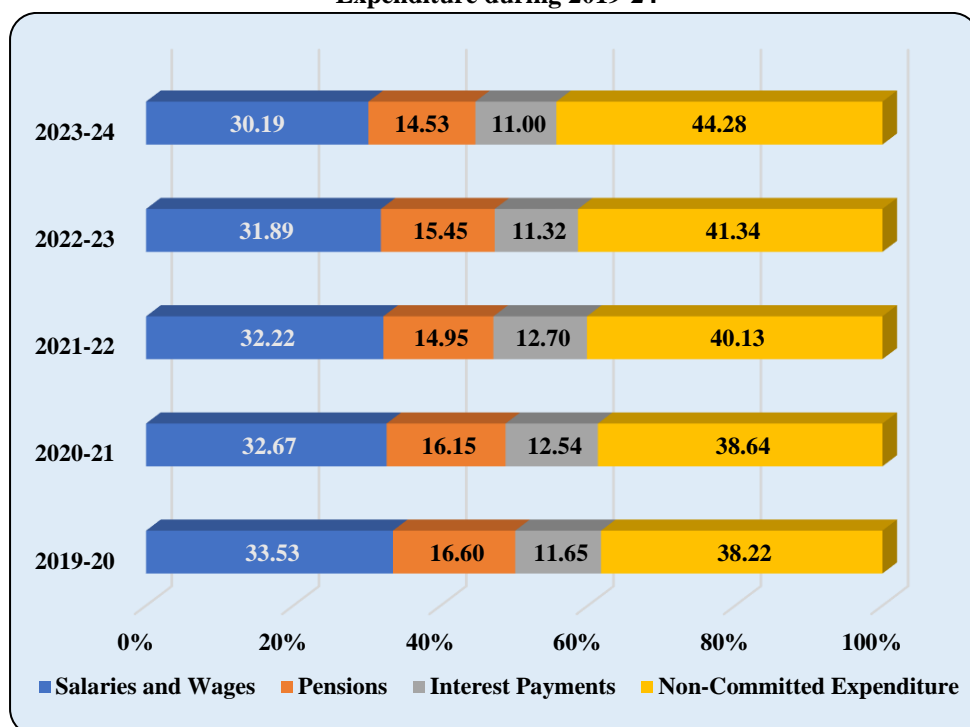
Apart from the Committed Expenditure, there are certain items of inflexible expenditure which cannot be ordinarily altered or varied or are statutorily required on an annual basis, unlike for variable transactions such as capital expenditure, etc. The following items may be considered as inflexible expenditure:

- Devolution to local bodies - statutory devolutions to local bodies for pay and allowances (devolution / transfer for expenditure)
- Statutory requirements of contribution to Reserve Funds - Contribution to Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF), State Disaster Mitigation / Response Fund (SDMF/SDRF), etc.
- Recoupment of Contingency Fund - Amount recouped within the year
- Transfer of cess to reserve fund / other body, which are statutorily required
- Share contribution of CSS against the Central Fund received

- Payment of interest on the balances of the interest-bearing funds as if they could have been invested and payment of interest on public debt as charged expenditure - interest payment

Expenditure other than committed expenditure can be classified into non-committed expenditure. Trend of share of committed and non-committed expenditure during the period 2019-24 is depicted in **Chart 2.11**.

Chart 2.11: Share of committed and non-committed expenditure in Revenue Expenditure during 2019-24



Source: Finance Accounts of respective years

Trend analysis of committed and inflexible expenditure and its components during the period 2019-24 is given in the **Table 2.15**.

Table 2.15: Components of Committed and Inflexible Expenditure during the period 2019-24

(₹ in crore)					
Components of committed expenditure	2019-20	2020-21	2021-22	2022-23	2023-24
Salaries and Wages	100188	97540	108775	121188	129753
(i) Salary	53508	50333	54727	60061	64804
(ii) Wages	1357	2363	2500	2719	2955
(iii) Grants-in-aid (Salary)	45323	44844	51548	58408	61994
Expenditure on Pensions	49603	48219	50475	58697	62457
Interest Payments	34813	37428	42876	43008	47277
Total Committed Expenditure	184604	183187	202126	222893	239487
Component of Inflexible Expenditure	2019-20	2020-21	2021-22	2022-23	2023-24
Statutory devolution to local bodies	14500	14208	16500	18000	23713

Component of Inflexible Expenditure	2019-20	2020-21	2021-22	2022-23	2023-24
Contribution to Reserve Funds	6199	5431	8950	8674	11912
Recoupment of Contingency fund	662	0	700	0	397
Share contribution of CSS against the Central Fund received	17020	22161	22366	30056	29736
Transfer of Cess to BOCW	9.96	10	9.77	40.10	40.23
Total	38390.96	41810	48525.77	56770.10	65798.23
As a percentage of Revenue Receipts (RR)					
Committed expenditure					
Salaries and wages	27.34	32.93	29.32	29.05	27.86
Expenditure on Pensions	13.54	16.28	13.60	14.07	13.41
Interest Payments	9.50	12.64	11.56	10.31	10.15
Total	50.38	61.85	54.48	53.43	51.42
Inflexible expenditure	10.48	14.12	13.08	13.61	14.13
Grand total	60.86	75.97	67.56	67.04	65.55
As a percentage of Revenue Expenditure (RE)					
<i>Salaries and wages</i>	33.53	32.67	32.22	31.89	30.19
<i>Expenditure on Pensions</i>	16.60	16.15	14.95	15.45	14.53
<i>Interest Payments</i>	11.65	12.54	12.70	11.32	11.00
Total	61.78	61.36	59.87	58.66	55.72
Inflexible expenditure	12.85	14.00	14.37	14.94	15.31
Grand total	74.63	75.37	74.24	73.60	71.03
Non-committed RE*	114229	115320	135455	157085	190301
Percentage of RE	38.23	38.63	40.13	41.34	44.28
Percentage of TE	31.65	32.77	32.94	32.51	34.70

Source: Finance Accounts of respective years

* Total revenue expenditure excluding committed expenditure

The committed expenditure affects the State in prioritising expenditure and in meeting capital investments to meet growing needs of social and economic infrastructure. The high proportion of committed expenditure to revenue receipts and revenue expenditure indicates that the State has limited flexibility in allocation of its resources for new schemes. **Table 2.15** shows that committed expenditure has increasing trend during the period 2019-24, except in the year 2020-21, when it marginal declined. The component-wise details of committed expenditure are discussed below:

Expenditure on salaries and wages

There were 13,20,850 sanctioned posts in State Government as of 31 March 2023. During the year 2023-24, expenditure on salaries with respect to the employees of the State Government was ₹ 64,804 crore. This was 13.91 *per cent* of the Revenue Receipts (₹ 4,65,801 crore) and 15.08 *per cent* of the Revenue Expenditure (₹ 4,29,788 crore). However, taking into account the expenditure under the object heads ‘Subsidiary

Grant-General (Salary)', 'Arrear of revised salary (State Aid)'⁷ and 'Wages', total expenditure on salary was ₹ 1,29,753 crore representing 27.86 *per cent* of Revenue Receipts and 30.19 *per cent* of Revenue Expenditure.

During the year 2023-24, total expenditure on salaries and wages increased by 7.07 *per cent* (₹ 8,565 crore) over the previous year 2022-23 mainly due to higher disbursement of dearness allowance (₹ 3,337 crore) and subsidiary grant-general (Salary) (₹ 3,572 crore).

Interest payments

The interest payments by the State Government on internal debt, small savings, provident funds, loans and advances from Central Government, *etc.*, are accounted under Major Head 2049-Interest Payments. During the period 2019-24, expenditure on account of payment of interest increased from ₹ 34,813 crore to ₹ 47,277 crore with Compound Annual Growth Rate (CAGR) of 7.95 *per cent*. As compared to 2022-23, interest payments increased by 9.93 *per cent* in 2023-24 mainly due to more interest payment by ₹ 3,091 crore for Internal Debt of the State Government.

Further the State Government paid interest of ₹ 28.49 crore under the head 2071-01-117 on late deposit of employer's contributions under Defined Contribution Pension Scheme (DCPS). As per the List of Major and Minor Heads of Account of Union and States (LMMH), interest on DCPS is required to be booked under the head 2049-03-117. Budgeting and payment of interest on DCPS under Major Head 2071 was in violation of LMMH, besides it understated interest expenditure under Major Head 2049.

Pension payments

There were 11,49,223 pensioners in the State as of 31 March 2023. During the period 2019-24, yearly expenditure on account of pension payment ranged between ₹ 49,603 crore and ₹ 62,457 crore. In the year 2023-24, expenditure on pension was ₹ 62,457 crore, which was 6.40 *per cent* higher than the previous year (₹ 58,697 crore). The increases were mainly under the heads of Superannuation and Retirement Allowances (by ₹ 1,470.81 crore), Pension to employees of state aided educational institutions (by ₹ 1,405.37 crore), Government Contribution for DCPS (by ₹ 1,981.75 crore) and Family Pension (by ₹ 441.49 crore). Expenditure on pension in the year 2023-24 was 13.41 *per cent* of the revenue receipts, 14.53 *per cent* of the revenue expenditure.

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

Inflexible expenditure

The components of Inflexible expenditure which include among others Statutory devolution to local bodies and contribution to Reserve Funds showed a continued increase during the period 2019-20 to 2023-24. As a percentage of revenue receipts, the inflexible expenditure was between 10.48 *per cent* to 14.13 *per cent* and as a percentage of revenue expenditure, inflexible expenditure was 12.85 *per cent* to 15.31 *per cent* during the year 2019-20 to 2023-24.

2.4.1.2 Subsidies

State Government provides subsidy under various schemes implemented by Agriculture and Other Allied Departments, Industries Department, Power Department, Science and Technology Department and Social Welfare Department, which is detailed in Appendix-II of Finance Accounts. The details of subsidies provided during the period 2019-24 are given in **Table 2.16**.

Table 2.16: Expenditure on subsidies during the period 2019-24

Particular	2019-20	2020-21	2021-22	2022-23	2023-24
Subsidies (₹ in crore)	14092	11677	20145	21267	24736
<i>of which</i>					
Power Subsidy (₹ in crore)	8920	6057	13388	14361	15175
<i>Subsidies as a percentage of Revenue Receipts</i>	3.85	3.94	5.43	5.10	5.31
<i>Subsidies as a percentage of Revenue Expenditure</i>	4.72	3.91	5.97	5.60	5.76
<i>Subsidies as a percentage of Total Expenditure</i>	3.90	3.32	4.90	4.40	4.51
<i>Power subsidy as percentage to total subsidy</i>	63.30	51.87	66.46	67.53	61.35

Source: Finance Accounts of respective years

Expenditure on subsidy was fluctuating during the period 2019-20 to 2023-24. Though it decreased from ₹ 14,092 crore in the year 2019-20 to ₹ 11,677 crore in the year 2020-21, it further increased in the year 2020-21 to 2023-24. In the year 2023-24, subsidy was highest (₹ 24,736 crore) which was 5.31 *per cent* and 5.76 *per cent* of revenue receipts and revenue expenditure respectively. During 2023-24, expenditure on subsidy also includes central assistance of ₹ 2,410.46 crore for subsidy under Central Scheme/Centrally Sponsored Schemes. The overall increase (₹ 3,469 crore) during the year 2023-24 as compared to previous year 2022-23 was mainly due to higher subsidies under ‘compensatory grant to UPPCL’ by ₹ 1,863.62 crore, ‘Golden Jubilee Village Self Employment Schemes’ by ₹ 663.85 crore, ‘Reimbursement of rebate in electricity rate to power loom weavers by ₹ 1,095.03 crore which was counterbalanced by less subsidy under the ‘Social Welfare Department (Tribal Welfare) by ₹ 395.83 crore.

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

Financial assistance is provided by the State Government to Local Bodies and other institutions by way of grants and loans. The quantum of assistance provided by way of grants to local bodies and other institutions during the period 2019-24 is presented in **Table 2.17**.

Table 2.17: Financial Assistance to Local Bodies and other institutions during 2019-24

	(₹ in crore)				
Financial Assistance to Institutions	2019-20	2020-21	2021-22	2022-23	2023-24
(A) Local Bodies					
Urban Local Bodies (Municipal Corporations and Municipalities)	9059.97	15115.15	13610.89	9802.01	15369.54
Panchayati Raj Institution (Zila Parishads and Gram Panchayats)	12517.71	10412.00	7635.03	8109.70	9288.65
Total (A)	21577.68	25527.15	21245.92	17911.71	24658.19
(B) Public Sector Undertakings (Government Companies and Statutory Corporations)	8940.17	7018.39	7391.59	10054.20	15590.59
(C) Autonomous Bodies (Universities, Development Authorities, Cooperative Institutions & Others)	37393.78	35251.87	44342.71	48527.42	52043.29
(D) Non-Government Organisations	7140.75	7040.51	7924.10	9340.91	10026.67
(E) Miscellaneous	18282.08	24050.46	19941.12	35527.75	37982.79
Total (B+C+D+ E)	71756.78	73361.23	79599.52	103450.28	115643.34
Grand Total (A+B + C +D+ E)	93334.46	98888.38	100845.44	121361.99	140301.53
GIA on Salary	45322.82	44879.90	51548.28	58408.46	61994.32
GIA on creation of capital assets	6821.79	11208.64	12028.65	10955.37	15438.94
GIA for non-salary	41189.87	42799.84	37268.51	51998.17	62868.25
GIA given in kind	No information received from the State Government				
Growth in GIA over the previous year	1.71	5.95	1.98	20.34	15.61
Revenue Expenditure	298833	298543	337581	379978	429788
Assistance as percentage of Revenue Expenditure	31.23	33.12	29.87	31.94	32.64

Source: Finance Accounts of respective years

Financial assistance of ₹1,40,301.53 crore was provided by the State Government to Local bodies and other grantee institutions by way of grants-in-aid during the year 2023-24. This includes: grants-in-aid to Urban Local Bodies (₹ 15,369.54 crore), Panchayati Raj Institutions (₹ 9,288.65 crore), Public Sector Undertakings (₹ 15,590.59 crore), Autonomous Bodies (₹ 52,043.29 crore), Non-Government Organizations (₹ 10,026.67 crore) and Miscellaneous (₹ 37,982.79 crore) which comprised release of grants-in-aid mainly under state share of centrally sponsored schemes (₹ 9,439.80 crore), payment of outstanding electricity bill of Government department (₹ 3,000 crore), assistance to Uttar Pradesh Expressways Industrial Development Authority (UPEIDA) for repayment of principal

and interest of loan for expressway projects (₹ 2,922.21 crore), Grants for maintenance of blind, mute, deaf and physically handicapped (₹ 1,241.08 crore) and for maintenance of destitute widows and for the education of their children's (₹ 3,863.79 crore), Free water facility to farmers from canals and government tube wells (₹ 1047.55 crore), Old age/farmer pension (₹ 4,929.22 crore), etc.

The grants-in-aid by the State Government to Local bodies and other grantee institutions during the year 2023-24 was 15.61 *per cent* (₹ 18,940 crore) higher as compared to the year 2022-23. It increased by ₹ 46,967.07 crore (50.32 *per cent*) during the year 2023-24 as compared to the year 2019-20. Further, as a percentage of revenue expenditure it increased from 31.23 *per cent* in the year 2019-20 to 32.64 *per cent* in the year 2023-24.

The assistance to Panchyati Raj Institutions had decreased from ₹ 12,517.71 crore in the year 2019-20 to ₹ 9,288.65 crore in the year 2023-24. Grants-in-aid released to PRIs by the State Government during the year 2023-24 was on account of transfers of grants-in-aid received from GoI under 15th FC grants for Rural Local Bodies (₹ 7,547.00 crore) and Central assistance for Centrally Sponsored Schemes (₹ 1,741.65 crore). The grants-in-aid released to PRIs under 15th Finance Commission Grants increased by ₹ 81 crore and Centrally Sponsored Schemes increased by ₹ 1,097.96 crore during the year 2023-24 as compared to the year 2022-23.

Financial assistance to Urban Local Bodies increased from ₹ 9,059.94 crore in 2019-20 to ₹ 15,115.15 crore in 2020-21. However, it decreased to ₹ 9,802.01 crore in the year 2022-23 and further increased to ₹ 15,369.54 crore during the year 2023-24. During the year 2023-24, there was overall increase of grants-in-aid by ₹ 5,567.53 crore (57 *per cent*) to ULBs as compared to the year 2022-23. The increases were under Pradhan Mantri Awas Yojna by ₹ 2,640.39 crore and Finance Commission Grants by ₹ 1,518.42 crore. The assistance to ULBs included ₹ 10,141.27 crore towards creation of capital assets.

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

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

The State Government constituted Fourth and Fifth SFCs in December 2011 and October 2015 respectively and their reports were submitted to the

Governor in December 2014 and October 2018 and their recommendations were implemented in April 2015 and April 2020 respectively.

The devolution of SFC grants to ULBs and PRIs during 2019-20 to 2023-24 was as detailed in **Table 2.18**.

Table 2.18: Devolution of funds to PRIs and ULBs during 2019-24

(₹ in crore)

Particulars	Fourth SFC devolution		Fifth SFC devolution		
	2019-20	2020-21	2021-22	2022-23	2023-24
ULBs	8700.00	8525.00	9900.00	10800.00	14239.28
PRIs	5800.00	5683.37	6600.00	7200.00	9473.78
Total	14500.00	14208.37	16500.00	18000.00	23713.06

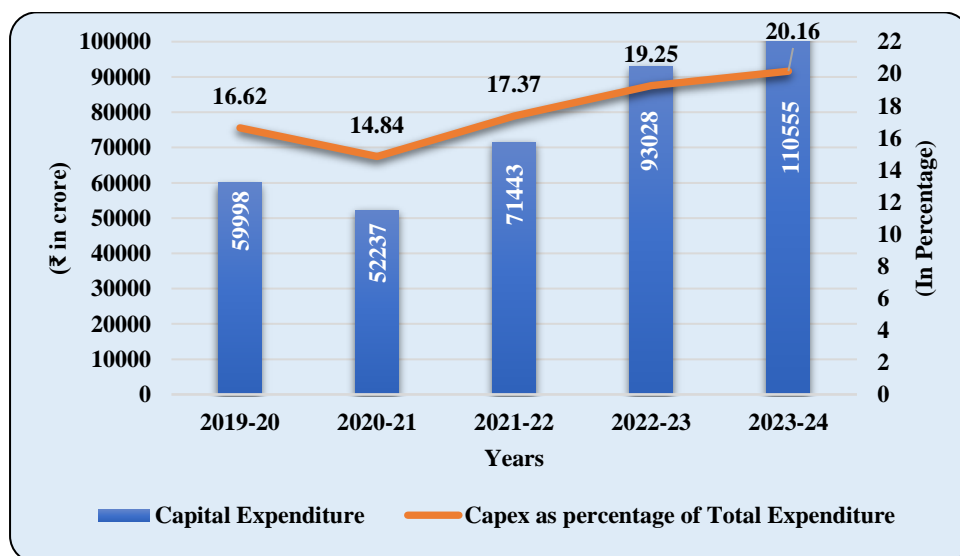
Source: Finance Accounts of respective year.

During the period 2019-24, the devolution of SFC grants to ULBs and PRIs though marginally decreased in the year 2020-21 as compared to the year 2019-20, it further consistently increased during 2021-22 to 2023-24. There was 31.74 *per cent* increase in the devolution to Local Bodies during 2023-24 as compared to 2022-23.

2.4.2 Capital Expenditure

Capital expenditure (capex) is primarily expenditure on creation of fixed infrastructure assets such as roads, buildings, etc. The State Government needs to initiate measures to earn adequate return on its investments, recover cost of borrowed funds and take requisite steps to infuse transparency in financial operations. Capital expenditure and its percentage to total expenditure during the period 2019-24 is presented in **Chart 2.12**.

Chart 2.12: Capital expenditure in the State during the period 2019-24



Source: Finance Accounts of respective years

As evident from **Chart 2.12**, the capital expenditure as a percentage of total expenditure ranged between 14.84 *per cent* and 20.16 *per cent* during the

period 2019-24 and it was lowest in the year 2020-21 and highest in the year 2023-24. Some of the Major Heads where Capital expenditure was significantly high during the year 2023-24 are depicted in **Table 2.19**.

Table 2.19: Major Head wise capital expenditure during the year 2023-24

Sl. No.	Major Head and its Nomenclature	Major Activity/Scheme	Amount (₹ in crore)
1	4215-Capital Outlay on Water Supply and Sanitation	Jal Jeevan Mission (₹ 12907.94 crore), Special Component Plan for Scheduled Caste (₹ 5746.01 crore)	18815.81
2	4801-Capital Outlay on Power Projects	Share Capital to U.P. Power Corporation Ltd. for strengthening of distribution network (₹ 3331.17 crore), Uninterrupted electricity in the State in the summer season (₹ 1500 crore), relevant State share of CSS (₹ 2402 crore)	15974.99
3	5054-Capital Outlay on Roads and Bridges	Construction of Rural Roads (₹3502 crore), Pradhan Mantri Gram Sadak Yojna (₹ 2621.35 crore), Railway Overhead Bridges (₹ 1416.05 crore), Construction of State Highways (₹ 1704.69 crore), Transfer to State Road Fund (₹ 2500 crore)	25994.74
4	4216-Capital Outlay on Housing	PM Awas Yojna-Rural (₹ 2241.29 crore), Corresponding State share of CSS (₹ 1494.19 crore), Chief Minister Housing Scheme (Rural) (₹ 1156.48 crore)	5737.80
5	4515-Capital Outlay on Other Rural Development Programmes	National Rural Employment Guarantee Scheme (₹ 2769.17 crore), Development relating work as per recommendation of members of legislature (2515.38 crore) Corresponding State share of Centrally Sponsored Scheme (₹ 805.40 crore)	6249.33
6	4217-Capital Outlay on Urban Development	Chief Minister Urban Extension/New City Promotion Scheme (₹ 2080 crore), Delhi-Ghaziabad-Meerut Corridor Regional Rapid Transit System Project (₹ 1356.00 crore)	4463.97
7	4202-Capital Outlay on Education, Sports, Art and Culture	Elementary Education - Centrally Sponsored Scheme (₹ 641.97 crore), Elementary Education-State share of Centrally Sponsored Schemes (₹ 561.88 crore), Establishment of Atal residential schools (₹ 145.11 crore), Purchase of land/construction of building, etc., of Government Higher Secondary Schools (₹ 419.59 crore)	4027.89
8	5053-Capital Outlay on Civil Aviation	Construction, extension and consolidation of Air Strips and acquisition of land (₹ 1066.49 crore), Establishment of International Airport at Jewar (₹ 505.96 crore).	1650.27

Source: Finance Accounts 2023-24

During the year 2023-24, capital expenditure was ₹ 1,10,555.39 crore. It increased by ₹ 17,527 crore (18.84 *per cent*) during the year 2023-24 in comparison to the year 2022-23. Increases were in General Services Sector by ₹ 2,383.48 crore (53.57 *per cent*) mainly under Police and Other Administrative Services, in Social Services Sector by ₹ 4,398.27 crore (12.55 *per cent*) mainly under Water Supply and Sanitation, General Education, Urban Development and in Economic Services Sector by ₹ 10,745.25 crore (20.07 *per cent*) mainly under Power, Roads and Bridges, Tourism and Food Storage and Warehousing.

2.4.2.1 Major changes in Capital Expenditure

The details of major changes in the Capital Expenditure under various Major Heads for the year 2023-24 as compared to 2022-23 are given in **Table 2.20**.

Table 2.20: Major changes in Capital Expenditure during the year 2023-24 under various Major Heads

(₹ in crore)			
Major Heads of Accounts	2022-23	2023-24	Increase (+) / Decrease (-) (percentage)
4070-Capital Outlay on Other Administrative Services	645.97	2533.35	1887.38 (292)
4801-Capital Outlay on Power Projects	10,220.50	15974.99	5754.49 (56)
4215-Capital Outlay on Water Supply and Sanitation	12227.32	18815.81	6588.49 (54)
5054-Capital Outlay on Roads and Bridges	22424.78	25994.74	3569.96 (16)
4216-Capital Outlay on Housing	8984.05	5737.80	(-)3246.25 (36)
4515-Capital Outlay on Other Rural Development Programmes	7211.41	6249.33	(-)962.08 (13)
4210-Capital Outlay on Medical and Public Health	3789.20	3351.18	(-)438.02 (12)
4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	693.52	255.73	(-)437.79 (63)

Source: Finance Accounts of respective years

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

Major Head 4070 (Capital Outlay on Other Administrative Services):

It is mainly due to increase in expenditure on Mahakumbh Mela, 2025, Prayagraj scheme (₹1,577.44 crore) and construction of jails (290.86 crore).

Major Head 4801 (Capital Outlay on Power Projects): It is mainly due to increase in expenditure on Relevant State share of Centrally sponsored Scheme (₹1,980.03 crore), for payment to consultant to be appointed for monitoring and evaluation of 'Uday' scheme (₹1,500 crore), Revamped distribution sector scheme (₹1,275 crore) and for works related to

strengthening of distribution system in municipal areas of the State (₹1,028.86 crore).

Major Head 5054 (Capital Outlay on Roads and Bridges): It is mainly due to increase in expenditure on railway overhead bridges (₹ 855.83 crore), Pradhan Mantri Gram Sarak Yojana (₹ 684.20), Arrangements for current works of sanctioned bridges under R.I.D.F. financed by NABARD (₹ 420.65 crore) and Relevant State Share of Centrally Sponsored Scheme (₹ 601.09 crore).

Major Head 4215 (Capital Outlay on Water Supply and Sanitation): It is mainly due to increase in expenditure on Jal Jeevan Mission under Rural Water Supply (₹4,789.38 crore) and Central Plan / Centrally Sponsored Schemes under Special Component Plan for Scheduled Castes (₹1,783.23 crore).

Major Head 4202 (Capital Outlay on Education, Sports, Art and Culture): It is mainly due to increase in expenditure on Purchase of land/ building and electrification, extension, construction of building of Government higher secondary schools (District Plan) (₹ 320.76 crore), Relevant State Share of Centrally Sponsored Schemes (₹ 281.29 crore), Central Plan/Centrally Sponsored Schemes (₹ 272.32 crore) and Establishment of State university in Prayagraj district (₹ 157.45 crore).

Major Head 4216 (Capital Outlay on Housing): The decrease is mainly due to a decrease in expenditure on Prime Minister Awaas Yojana (Rural) (₹2,529.07 crore) and Relevant State Share of Centrally Sponsored Schemes (₹1,686.04 crore).

Major Head 4515 (Capital Outlay on Other Rural Development Programmes): The decrease is mainly due to a decrease in expenditure on the National Rural Employment Guarantee Scheme (₹1,455.83 crore) and Relevant State Share of Centrally Sponsored Scheme (₹495.06 crore) and Centrally Sponsored Schemes (₹102.05 crore).

Major Head 4210 (Capital Outlay on Medical and Public Health): The decrease is mainly due to a decrease in the sub head-Allopathy-Centrally Sponsored Schemes (₹ 705.88 crore) and Relevant State Share of Centrally Sponsored Schemes (₹426.43 crore).

Major Head 4225 (Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities): The decrease is mainly due to a decrease in Centrally Sponsored Schemes under Special Component Plan for Scheduled Castes (₹ 561.76 crore).

2.4.2.2 Quality of capital expenditure

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

(i) Quality of investments in PSUs

Capital expenditure, investments made and loans given to State Public Sector Undertakings (PSUs) which are loss making or where net worth is completely eroded is not sustainable and affected the quality of capital expenditure.

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

Table 2.21: Return on Investment

(₹ in crore)

Sl. No.	Investment/return/ cost of borrowings	2019-20	2020-21	2021-22	2022-23	2023-24
1	Investment ⁸ at the end of the year	127630	139495	151521	164001	184667
2	Return	39.04	104.83	212.58	141.32	49.66
3	Return (per cent)	0.03	0.08	0.14	0.09	0.03
4	Average rate ⁹ of interest on Government Borrowings and other liabilities (per cent)	7.69	7.36	7.72	7.25	7.24
5	Difference between interest rate and return (per cent)	(-) 7.66	(-) 7.28	(-) 7.58	(-) 7.16	(-) 7.21
6	Difference between interest on Government borrowings and return on investment	(-) 9776	(-) 10162	(-) 11485	(-) 11749	(-) 13320

Source: Finance Accounts of the respective years.

During the year 2023-24, the return on investment was ₹ 49.66 crore (0.03 per cent). The return on investment was between 0.03 per cent and 0.14 per cent during the period 2019-20 to 2023-24, whereas average rate of interest paid by the State Government on its borrowings was between 7.24 per cent and 7.72 per cent during the same period. Over the period 2019-20 to 2023-24 (past five years) the difference in cost of Government borrowings and return on investment in PSUs and other entities was to the tune of ₹ 56,492 crore.

(ii) Loans and advances by the State Government

In addition to the investment in co-operative societies, corporations and companies, the State Government has also been providing loans and advances to many institutions/organisations. **Table 2.22** presents the positions of outstanding loans and advances as on 31 March 2024 and interest receipts *vis-à-vis* interest payments by the State Government on its borrowings during 2019-20 to 2023-24.

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

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

Table 2.22: Quantum of loans disbursed and recovered during 2019-24

(₹ in crore)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Balance of loans outstanding	30709.56	27188.98	27206.86	27880.79	36752.10
Amount advanced during the year	2120.00	1152.61	1613.36	10208.63	8014.96
Amount recovered during the year	5640.58	1134.73	939.43	1337.32	1834.43
Closing balance of the loans outstanding	27188.98	27206.86	27880.79	36752.10	42932.63
Net addition	-3,520.58	17.88	673.93	8,871.31	6180.53
Interest received	112.29	89.18	66.78	42.33	17.24
Interest rate received on Loans and Advances given by the Government	0.39	0.33	0.24	0.13	0.05
Rate of interest paid on the outstanding borrowings of the Government	7.69	7.36	7.72	7.25	7.24
Difference between the rate of interest received and interest paid (per cent)	(-) 7.65	(-) 7.03	(-) 7.48	(-) 7.13	(-) 7.19

Source: Finance Accounts of the respective years.

During the year 2023-24, ₹ 8,014.96 crore was advanced as loans against ₹ 10,208.63 crore during the year 2022-23. The loans advanced during the current year includes:

- Loan of ₹ 1,300.00 crore to Uttar Pradesh Cooperative Sugar mills Federation for payment of arrears of sugarcane price of sugar factories, though loan of ₹ 2,010.00 crore was outstanding at the beginning of the year.
- Loan of ₹ 5,000 crore to the industrial development authorities for the construction of industrial areas, industrial parks and industrial hubs by private investors in State.

The total outstanding loan advanced by the State Government increased by ₹ 6,180.53 crore in the year 2023-24. Recovery of loans increased by ₹ 497.11 crore and interest receipt decreased by ₹ 25.09 crore as compared to the year 2022-23. The interest receipt was only 0.05 *per cent* of the outstanding loans advances during the year 2023-24.

(iii) Capital blocked in incomplete projects

Appendix-IX of the Finance Accounts presents the overall status of incomplete capital works. The Appendix includes the list of incomplete works in Public Works and Irrigation Department of U.P Government, though the list is not inclusive of all the incomplete works of the State Government of other Departments. Blocking of funds on incomplete projects/ works impinges negatively on the quality of expenditure and

deprives the State of the intended benefits for prolonged periods. Further, the funds borrowed for implementation of these projects during the respective years leads to the extra burden in terms of servicing of debt and interest liabilities.

As per Appendix-IX of the Finance Accounts 2023-24, there were 608 incomplete capital projects as on 31 March 2024, on which an amount of ₹ 4,444.68 crore had been incurred and payments of ₹ 4,350.89 crore were pending as given in **Table 2.23**.

Table 2.23: Department-wise incomplete projects as on 31 March 2024

(₹ in crore)

Department	No. of incomplete projects	Estimated cost	Expenditure
Public Works	603	8449.78	4281.46
Irrigation	05	195.15	163.22
Total	608	8644.93	4444.68

Source: Finance Accounts 2023-24

2.4.3 Expenditure priorities

Enhancing human development levels requires the States to step up their expenditure on key social services like education, health, etc. Low fiscal priority (ratio of expenditure under a category to total expenditure) is attached to a particular sector, if the allocation is below the respective national average. The higher the ratio of these components to total expenditure, the quality of expenditure is considered to be better. Fiscal priority of the State Government with regard to expenditure on social and economic sector, etc. is shown in **Table 2.24**.

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

(In per cent)

Category	TE/GSDP	CO/TE	Education/TE	Health & Family Welfare/TE
General Category States Average (2019-20)	15.88	12.72	15.79	5.25
Uttar Pradesh (2019-20)	21.23	16.62	15.34	5.53
General Category States Average (2023-24)	15.66	15.38	14.36	5.71
Uttar Pradesh (2023-24)	21.52	20.16	13.16	5.27

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

TE: Total expenditure and CO: Capital Outlay

Table 2.24 shows that:

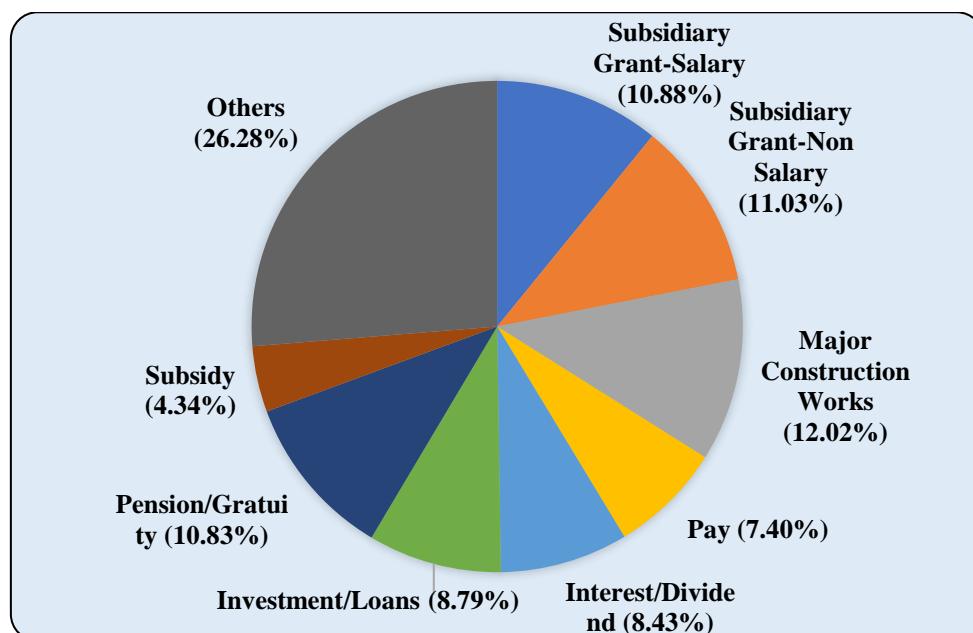
- The State Government's total expenditure to GSDP ratio was higher with comparison to the General Category States average during 2019-20 and 2023-24. Further, it increased from 21.23 per cent to 21.52 percent in the year 2023-24 with respect to the year 2019-20.

- Capital expenditure facilitates asset creation which generates opportunities for higher growth. The ratio of capital expenditure to total expenditure increased from 16.62 *per cent* in the year 2019-20 to 20.16 *per cent* in the year 2023-24. The ratio of capital expenditure to total expenditure of the State was higher than General Category States average in the year 2019-20 and 2023-24.
- The ratio of expenditure on Education to the Total Expenditure in Uttar Pradesh decreased from 15.34 *per cent* in the year 2019-20 to 13.16 *per cent* in the year 2023-24. Further, it was below General Category State's average during both years.
- The ratio of expenditure on Health and Family Welfare to total Expenditure in Uttar Pradesh decreased from 5.53 *per cent* in the year 2019-20 to 5.27 *per cent* in the year 2023-24. Further, it was below General Category State's average during 2023-24.

2.4.4 Object head wise expenditure

Object Heads are the primary units of appropriation showing the economic nature of expenditure such as pay, pension, grants-in-aid, interest, subsidy, *etc.* Object head wise expenditure during the year 2023-24 is depicted in **Chart 2.13**.

Chart 2.13: Object Head wise expenditure (in *per cent*) during the year 2023-24



Source: Finance Accounts 2023-24

As evident from **Chart 2.13**, the expenditure under object heads pay, grants-in-aid for salary and pension & retirement benefits constituted 29.11 *per cent* of overall expenditure (₹ 5,69,747 crore) under Consolidated Fund of the State. Besides, grants-in-aid (non-salary), interest/dividend and subsidy constituted 11.03 *per cent*, 8.43 *per cent* and 4.34 *per cent* of the

Consolidated Fund expenditure respectively. Expenditure on account of investment and loans and major construction works, which are capital in nature, constituted 8.79 per cent and 12.02 per cent of the Consolidated Fund expenditure respectively.

2.5 Public Account

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

2.5.1 Net Public Account Transactions

The status of receipts and disbursement under Public Account are shown in Statement 21 of the Finance Accounts and the details of Public Account (Net) transactions during the period 2019-24 are given in **Table 2.25**.

Table 2.25: Component-wise Public Account (Net) transactions during the period 2019-24

(₹ in crore)

Sector	Sub Sector	2019-20	2020-21	2021-22	2022-23	2023-24
Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	3314	1062	525	413	948
Reserve Funds	(a) Reserve Funds bearing Interest	1757	(-)252	2693	729	3045
	(b) Reserve Funds not bearing Interest*	(-)70056	753	1200	2963	1534
Deposits and Advances	(a) Deposits bearing Interest	883	607	(-)717	(-)1948	92
	(b) Deposits not bearing Interest	(-)2990	1308	(-)741	5547	2172
	(c) Advances	17	(-) 0.15	0	0	0
Suspense and Miscellaneous	(a) Suspense	(-)1743	1859	1444	(-)394	68
	(b) Other Accounts**	(-)85	(-)162	17	429	(-)43
	(c) Accounts with Governments of Foreign Countries	0	0	0	0	0
	(d) Miscellaneous	0	0	0	(-)0.10	0
Remittances	(a) Money Orders and other Remittances	308	(-)323	25	1046	(-)708
	(b) Inter- Governmental Adjustment Account	5	(-)2	(-)4	10	1
Total		(-)68590	4850	4442	8795	7109

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

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

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

2.5.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. These funds are met from contributions or grants from the Consolidated Fund of the State as well as

GoI. Detailed information on Reserve Funds and the investment from the earmarked funds is available in Statements 21 and 22 of the Finance Accounts, which is summarized in **Appendix-2.3**.

As on 31 March 2024, there was total accumulated balance of ₹ 17,190.69 crore with Reserve Funds. Out of these, ₹ 7,972.88 crore was under Reserve Funds bearing interest¹⁰ and ₹ 9,217.81 crore under Reserve Funds not bearing interest. Further, State Government had invested ₹ 7,045.20 crore of Reserve Fund balances in government securities. Detail of some of the significant Reserve Funds are discussed below:

2.5.2.1 Consolidated Sinking Fund

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

Consolidated Sinking Fund had opening balance of ₹ 5,500 crore as on 1 April 2023 which is maintained in Public Account under the head 8222-01-101-Sinking Funds. During the year 2023-24, State Government transferred ₹ 1,500 crore to the Fund from the head 2048-00-101-Appropriation for reduction or avoidance of debt under Consolidated Fund of the State. Further, there was no disbursement from the Fund during the year 2023-24. Thus, as on 31 March 2024, Consolidated Sinking Fund had a balance of ₹ 7,000 crore (excluding accrued interest which was not provided by the State Government to the Accountant General (A&E) Uttar Pradesh).

In view of guidelines of Consolidated Sinking Fund, the State Government was required to contribute at least ₹ 3,139.76 crore (0.50 *per cent* of internal debt and public account liabilities of ₹ 6,27,952.09 crore at the end of the

¹⁰ A Fund where the State Government is required to pay interest on deposits in the Fund on such rate as may be fixed by the Government.

year 2022-23) in the Consolidated Sinking fund. Thus, there was short contribution of ₹ 1,639.76 crore (₹ 3,139.76 crore - ₹ 1,500.00 crore) which could not become the part of sinking fund investment during the year 2023-24. Due to short transfer to Consolidated Sinking Fund State's Revenue Surplus was overstated and Fiscal Deficit was understated by ₹ 1,639.76 crore during the year 2023-24.

2.5.2.2 Depreciation Reserve Fund

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

During the year 2023-24, the Fund had opening balance of ₹ 14.19 crore and neither any amount was transferred to the Fund nor withdrawn from the fund during the year 2023-24. As a result, the closing balance of DRF was ₹ 14.19 crore as on 31 March 2024.

The Government prescribed that 1.5 *per cent* amount on account of DRF would be debited to work and credited to receipt head 1054-800-04. Under the provisions of Uttar Pradesh PWD DRF Rules, 2005, this amount would be transferred to DRF under Public Account for intended purposes. Audit noticed that during the year 2023-24, State Government received ₹ 113.68 crore against DRF under the head 1054-800-04 against which no amount was transferred during the year 2023-24. Thus, the Government had increased its revenue receipts by increasing the cost of work.

The matter was also highlighted in the State Finances Audit Report for the year ended 31 March 2021, 31 March 2022 and 31 March 2023.

2.5.2.3 State Disaster Response Fund

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

- The Fund will be constituted in the Public Account under the 'Reserve Funds bearing Interest' below Major Head-8121-General and Other Reserve Funds in the accounts of the State Governments concerned.
- The aggregate size of the State Disaster Response Fund of each State for each of the financial year from 2021-22 to 2025-26, would be as

recommended by the 15th Finance Commission. Of the total size of SDRF indicated, GoI will contribute 75 *per cent* for general category States and the balance 25 *per cent* will be contributed by the State Government concerned.

- The State Government shall pay interest to the SDRF at the interest applicable to overdrafts under Overdraft Regulation Guidelines of the RBI. The interest is to be credited on a half yearly basis. The accretions to the SDRF together with the income earned on the investment of SDRF is to be invested in Central Government dated Securities, auctioned Treasury Bills and other interest earning deposits with scheduled commercial banks.

During the year 2023-24, State Government maintained SDRF under the head 8121-122-SDRF. Fifteenth Finance Commission had allocated ₹ 2,273.60 crore for SDRF for the year 2023-24 which consisted of contribution from GoI (₹ 1,705.60 crore) and State Government (₹ 568 crore). Against this, State Government received ₹ 1,664.80 crore from GoI and transferred ₹ 2,219.60 crore (including State's share of ₹ 554.80 crore) to SDRF. In addition, the State Government did not receive any amount from the Central Government towards NDRF.

During the year 2023-24, the head 8121-122-SDRF had an opening balance of ₹ 3,158.36 crore and it received ₹ 2,956.13 crore during the year. Further, expenditure of ₹ 1,561.61 crore incurred on natural calamities was set off against the fund balances. Thus, the closing balance of the head 8121-122-SDRF at the end of 31 March 2024 was ₹ 4,552.88 crore, which is a reserve fund bearing interest.

Further, the State Government credited interest of ₹ 292.92 crore on the balances available under SDRF against ₹ 307.10 crore interest due for the year 2023-24. Thus, short payment of interest amounting to ₹ 14.18 crore has led to understatement of Revenue Expenditure and overstatement of Revenue Surplus of the State during the year.

2.5.2.4 State Disaster Mitigation Fund

The State Disaster Mitigation Fund (SDMF) is to be constituted under Section 48 (1) (c) of the Disaster Management Act, 2005. This Fund is exclusively for the purpose of mitigation projects in respect of disasters covered under State Disaster Response Fund (SDRF) / National Disaster Response Fund (NDRF) guidelines and the State specific local disasters notified by the State Government. Government of Uttar Pradesh had notified (August 2022) the operation of SDMF under Head 8121-130-State Disaster Mitigation Fund, which is Reserve Funds bearing interest. The Central and the State Governments are required to contribute to the Fund in the proportion of 75:25.

During the year 2023-24, the State Government received ₹ 629.40 crore from the Central Government and transferred ₹ 839.10 crore including Central share (₹ 629.40 crore) and State share (₹ 209.70 crore). Opening balance of the Fund under Head 8121-130-SDMF was ₹ 786.30 crore as on 1 April 2023 and the overall receipts under the head was ₹ 1,486.94 during 2023-24. Further, an expenditure of ₹ 136.52 crore was incurred from the Fund. Thus, closing balance of the Fund as on 31 March 2024 was ₹ 2,136.72 crore.

Further, the State Government credited interest of ₹ 92.31 crore on the balances available under SDMF against ₹ 124.79 crore interest due for the year 2023-24. Thus, short payment of interest amounting to ₹ 32.48 crore has led to understatement of Revenue Expenditure and overstatement of Revenue Surplus of the State during the year.

2.5.2.5 Guarantee Redemption Fund

State Government notified (January 2021) the scheme for constitution and administration of the Guarantee Redemption Fund of the Government of Uttar Pradesh for meeting the payment obligations arising out of the guarantees issued by the Government in respect of bonds issued and other borrowings by the State Level Undertakings or other bodies and invoked by the beneficiaries. The fund was to come in force from the financial year 2021-22 and it was to be administered by RBI. As per the guidelines¹¹, the State Government shall initially contribute a minimum of one *per cent* and thereafter at the rate of minimum 0.5 *per cent* every year of outstanding guarantees at the end of the previous year to achieve a minimum level of three *per cent* in next five years.

The position of guarantees given by the State Government on the loans availed by various institutions is given in Statements 9 and 20 of Finance Accounts, which is based on information received from the State Government. As per Finance Accounts 2022-23, outstanding guarantees executed by the State Government at the end of the year 2022-23 was ₹ 1,70,780.52 crore. However, as per Finance Accounts 2023-24, outstanding guarantees executed by the State Government at the beginning of the year 2023-24 was ₹ 1,65,556.86 crore to 19 entities, *viz.*, statutory corporations, Government companies and other institutions. Thus, there was a difference of ₹ 5,223.66 crore between the outstanding guarantee at the end of the year 2022-23 and at the beginning of the year 2023-24. The difference was under reconciliation between the Accountant General (A&E) Uttar Pradesh and the State Government.

Further, the State Government did not contribute any amount against ₹ 1,707.81 crore it was required to contribute to the Fund during 2023-24.

¹¹ As amended in December 2022

This resulted in understatement of Revenue Expenditure and overstatement of Revenue Surplus of the State during the year by ₹ 1,707.81 crore.

2.5.2.6 State Compensatory Afforestation Fund

State Compensatory Afforestation Fund (SCAF) was established under the Compensatory Afforestation Fund Act, 2016. Compensatory Afforestation Fund (Accounting Procedure) Rules, 2018 provide that the monies realized by the State Governments from the user agencies¹² are to be credited in ‘State Compensatory Afforestation Deposits’ under interest bearing section in Public Account of the State at Minor head-103 below Major Head 8336-Civil Deposits. Out of this, 90 *per cent* shall be transferred to Minor Head 129- SCAF below Major Head 8121-General and Other Reserve Funds in Public Account of State and balance 10 *per cent* shall be credited into the National Fund as per Section 3 (4) of the Compensatory Afforestation Fund Act, 2016.

As on 1 April 2023, SCAF had opening balance of ₹ 982.68 crore. During 2023-24, there was no receipt from the user agencies, further the State Government received ₹ 467.35 crore from the National Compensatory Afforestation Deposit and incurred an expenditure of ₹ 166.84 crore from the fund. The balance in the State Compensatory Afforestation Fund as on 31st March 2024 was ₹ 1,283.19 crore.

The interest on balances available under State Compensatory Afforestation Deposits under the head 8336-Civil Deposits and SCAF under the head 8121- General and other Reserve Funds is to be paid as per the applicable rate declared by the Central Government on year-to-year basis. However, the State Government did not transfer interest of ₹ 34.01 crore due on balance of SCAF at the rate of 3.35 *per cent*¹³ during 2023-24. Thus, the Revenue Surplus of the State was overstated and the Fiscal Deficit was understated by ₹ 34.01 crore during the year 2023-24.

2.5.2.7 Central Road and Infrastructure Fund (CRIF)

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

¹² ‘user agency’ means any person, organisation or company or department of the Central Government or State Government making a request for diversion or de-notification of forest land for non-forest purpose or using forest land for non-forest purpose in accordance with the provisions contained in the Forest (Conservation) Act, 1980 and the rules made and guidelines issued, thereunder.

¹³ As notified (May 2024) by Ministry of Environment, Forest and Climate Change.

received is to be transferred to the Public Account under Major Head 8449-103-Subventions from Central Road and Infrastructure Fund.

During the year 2023-24, the opening balance of the CRIF was ₹ 64.66 crore. The State Government did not receive any amount towards CRIF during the year from GoI and payment from the Fund was nil during the year. Thus, closing balance of the fund as on 31 March 2024 was ₹ 64.66 crore.

2.5.3 Funds outside Consolidated Fund or Public Account of the State

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

2.5.3.1 Building and Other Construction Workers Welfare Cess

The Building and Other Construction Workers (BOCW) Welfare Cess Act, 1996 and the BOCW (Regulation of Employment and Conditions of Service) Act, 1996 covers establishments employing ten or more building workers on any day of the preceding twelve months in any building or other construction work. The Acts, *inter alia*, provide for constitution of Welfare Boards with the aim of improving the working conditions of workers and to provide financial aid to them, and to augment the resources of the Welfare Boards through the levy and collection of cess on the cost of construction works. Accordingly, the State Government created (November 2009) the U.P. BOCW Welfare Board and in terms of the Cess Act, levied cess at the rate of one *per cent*. The U.P. BOCW Rules, 2009, as amended from time to time, provide for collection of registration fee of ₹ 20 and annual membership fee of ₹ 20 from registered workers.

Details of receipts and utilisation of cess during the period 2019-24 as provided by the Board, is given in **Table 2.26**.

Table 2.26: Status of Registration Fee, Cess realised and utilisation during the period 2019-24

(₹ in crore)

Year	Opening balance	Receipts				Total funds available	Expenditure	Corpus Fund for Atal Residential School	Closing balance
		Registration fee and annual membership fee	Labour cess received in Board account	From treasury (State Govt.)	Interest on deposits				
1	2	3	4	5	6	7 (Col. 2 to 6)	8	9	10 [Col. 7- (8+9)]
2019-20	4885.20	13.15	916.45	8.73	323.18	6146.71	362.67	0.00	5784.04
2020-21	5784.04	9.31	878.81	10.00	360.00	7042.16	882.54	0.00	6159.62
2021-22	6159.62	3.71	1007.55	9.78	310.80	7491.46	1697.50	1890.00	3903.96
2022-23	3903.96	9.63	1297.46	40.10	305.05	5556.20	626.61	450.00	4479.59
2023-24	4479.59	6.57	1730.42	40.23	437.87	6694.68	862.16	0.00	5832.52

Source: UP BOCW Welfare Board (Provisional data for the year 2023-24)

State Government appointed (November 2009 and September 2010) all District Collectors and the officers of other departments/local bodies/public sector undertakings as Cess Assessment Officer and Cess Collectors. The State Government further directed (August 2013 and September 2016) to deposit the collected cess into the nationalised bank account of the Board. It is evident from **Table 2.26** that ₹ 5,832.52 crore were available with the Board as on 31 March 2024.

BOCW Cess Rules, 1998¹⁴ provides that the cess collected shall be transferred to the Board in the head of account of the Board under the accounting procedures of the State. The orders to transfer cess directly to the bank account of the Board without bringing it into Government Accounts violates the provisions of Article 266 (2) of the Constitution of India. In the absence of accounting of cess through Government Accounts, it was also not ascertainable from the accounts of the State Government as to how much money was collected on account of cess, fee, etc., and how much money was transferred to the Board by various Cess Collectors.

It was further noticed that during the year 2023-24, Labour Cess of ₹ 8.86 crore were deposited in the State Government's accounts under Major Head 0230 and ₹ 40.23 crore was transferred to the Board.

2.6 Public Liability Management

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

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

2.6.1 Liability profile: Components

Total liabilities of the State Government typically constitutes of Internal debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund, loans from financial institutions, etc.), loans and advances from the Central Government and Public Account Liabilities.

Statement 6 of the Finance Accounts gives the status of outstanding liabilities of the State Government. The State Government did not disclose the extra-budget liabilities in budget documents. **Table 2.28** presents the component wise debt trends during 2019-20 to 2023-24.

Table 2.28: Component wise liability trends during the period 2019-24

(₹ in crore)

	2019-20	2020-21	2021-22	2022-23	2023-24
Outstanding Total Liabilities	502412	564972	612956	662316	767872
Public Debt					
Internal Debt	405049	458552	496423	533477	614779
Loans from GoI	11529	18107	27261	34364	52327
Liabilities on Public Account	85834	88313	89272	94475	100766
Rate of growth of outstanding total liabilities (percentage)	(-)3.03	12.45	8.49	8.05	15.94
Gross State Domestic Product (GSDP)	1700062	1640097	1981367	2284104	2547861
Total Outstanding Liabilities /GSDP (per cent)*	29.55	34.08	30.22	28.38	29.58
Receipts under Public Debt and Other Liabilities	112696	123555	121852	116747	185054
Repayments (Principal and interest) under Public Debt and Other Liabilities	163192	98424	116743	110395	126775
Net Fund available	(-)50496	25131	5109	6352	58279
Percentage of net funds available to receipts under public debt & other liabilities	(-)44.81	20.34	4.19	5.44	31.49

Source: Finance Accounts of respective years

*Total Outstanding Liabilities/GSDP has been calculated excluding back-to-back loan during 2020-21 (₹ 6,007 crore) and 2021-22, 2022-23, 2023-24 (₹ 14,146.94 crore) received in lieu of GST compensation shortfall with no repayment liability to the State.

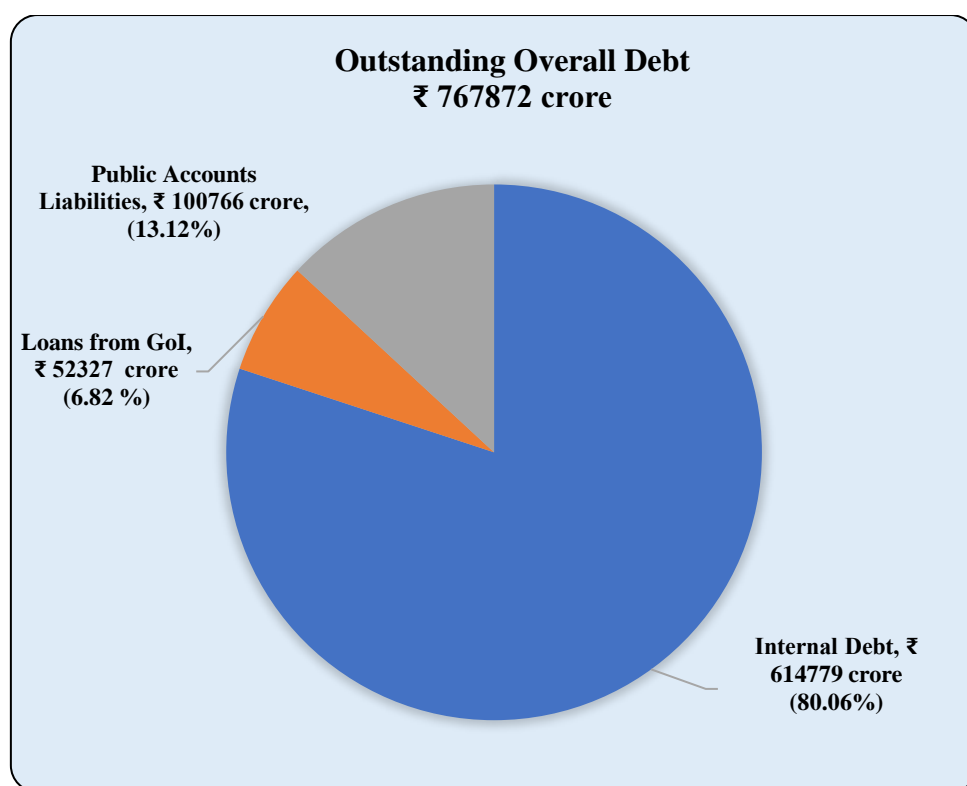
As shown in **Table 2.28**, during the period 2019-24, the Internal Debt under overall Liabilities of the State Government increased by 51.78 per cent from ₹ 4,05,049 crore in 2019-20 to ₹ 6,14,779 crore in 2023-24. During the year 2023-24, it increased by 15.24 per cent over the previous year which necessitated to finance the fiscal deficit of ₹ 80,722.64 crore. As on 31 March 2024, Internal Debt (₹ 6,14,778.94 crore) consisted of Market Loan (₹ 5,37,117.50 crore), Loan from Financial Institutions

(₹ 47,412.95 crore), Special Securities issued to National Small Savings Fund (₹ 30,126.31 crore) and other Loans (₹ 122.18 crore). Thus, Market Loan constituted 69.94 *per cent* of total fiscal liabilities (₹ 7,67,872 crore) of the State Government.

Outstanding total Liabilities of the State increased by 15.94 *per cent* during 2023-24 over the previous year 2022-23. The percentage of net fund available under Public Debt and other liabilities to their receipts had a fluctuating trend during the period 2019-20 to the year 2023-24 and it was highest in the year 2023-24 at 31.49 *per cent*.

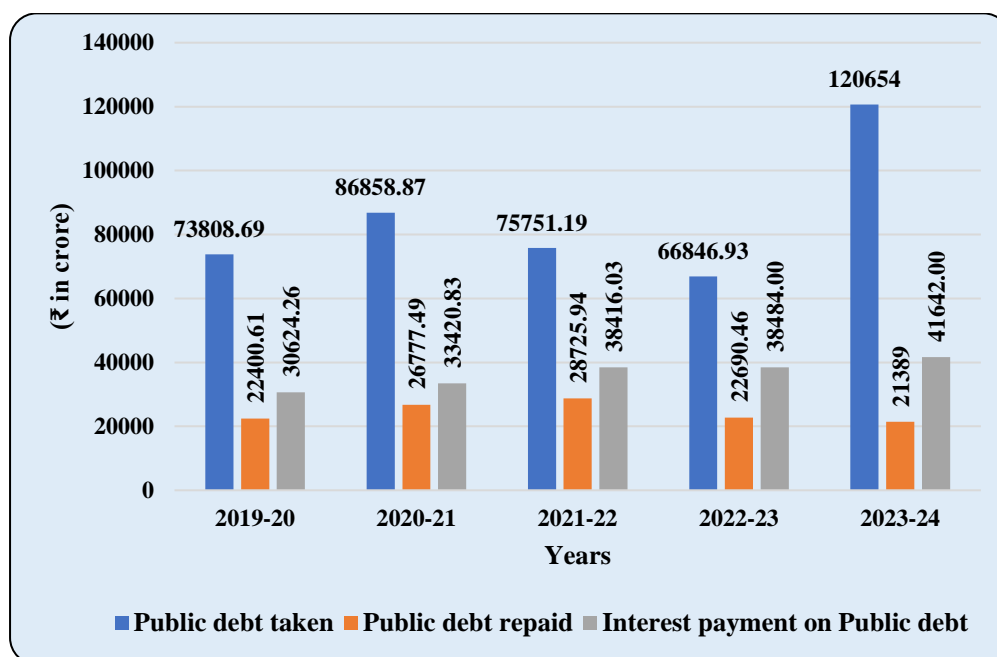
Chart 2.14 presents the status of Outstanding Overall Liabilities of the State Government as per Finance Accounts at the end of the year 2023-24.

Chart 2.14: Break-up of Outstanding Total Liabilities at the end of the year 2023-24



Source: Finance Accounts 2023-24

Trends of Public debts taken and its repayment during the period 2019-24 is depicted in **Chart 2.15**.

Chart 2.15: Public debt taken vis-à-vis repaid during the period 2019-24

Source: Finance Accounts of respective years

It is evident from **Chart 2.15** that during the period 2019-20 to 2023-24, the State Government utilised 52.24 per cent to 91.51 per cent of its public debt receipt amount in repayment of previous debts and interest liabilities, resultantly, only 8.49 per cent to 47.76 per cent of public debt was available for capital expenditure. This availability was lowest in the year 2022-23 and maximum in the year 2023-24. In the year 2023-24, the State Government utilised 52.24 per cent of its public debt receipt amount in repayment of previous debts and interest payment resultantly, 47.76 per cent was available for capital expenditure.

Components of fiscal deficit and its financing pattern

Three key fiscal parameters- Revenue Deficit/Surplus, Fiscal Deficit/Surplus and Primary Deficit/Surplus - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government Accounts represents the gap between its receipts and expenditure.

Revenue Surplus represents the difference between revenue receipts and revenue expenditure. Revenue surplus helps to decrease the borrowings. Fiscal Deficit is the excess of Revenue and Capital Expenditure including loans and advances over revenue and non-debt capital receipts. Fiscal Deficit represents the net incremental liabilities of the Government or its additional borrowings. Break-up of Fiscal Deficit reveals the extent of various borrowings resorted to by the State to meet its requirement of funds over and above revenue and non-debt receipts. Further, the manner in which the deficit is financed and the resources are applied, are important pointers to its fiscal health. This section presents trends, nature, magnitude and the

manner of financing these deficits. The overall position of key fiscal parameters is given in **Table 2.29**.

Table 2.29: Components of fiscal deficit and its financing pattern

(₹ in crore)

Particulars		2019-20	2020-21	2021-22	2022-23	2023-24
Composition of Fiscal Deficit (-)/ Surplus (+) (A)		(+)11083	(-)54622	(-)39286	(-)64636	(-)80722.64
1	Revenue Deficit(-) / Surplus(+)	(+)67560	(-)2367	(+)33430	(+)37263	(+)36013.28
2	Net Capital Expenditure ¹⁵	(-)59998	(-)52237	(-)71443	(-)93028	(-)110555.39
3	Net Loans and Advances ¹⁶	(+)3521	(-)18	(-)1273	(-)8871	(-)6180.53
Financing Pattern of Fiscal Deficit (Net)						
1	Market Borrowings	55825.80	63499.68	46670.00	46111.96	89650
2	Loans from GOI	(-)450.84	6577.99	9154.59	7102.82	17962.93
3	Special Securities issued to NSSF	(-)5122.07	(-)5122.07	(-)5122.07	(-)5122.07	(-)5122.07
4	Loans from Financial Institutions	1155.20	(-) 4874.22	(-)3677.27	(-)3936.23	(-)3225.53
5	Small Savings, Provident Funds, etc.	3313.67	1062.40	525.12	412.91	947.90
6	Deposits and Advances	(-)2089.80	1914.78	(-)1458.73	3598.74	2264.05
7	Suspense and Miscellaneous	(-)1828.11	1697.48	1461.10	34.82	25.07
8	Remittances	313.50	(-)325.46	21.06	1056.61	(-)707.13
9	Reserve Fund	(-)68298.52	500.94	3893.01	3691.79	4578.70
10	Contingency Fund	629.73	(-)100.00	700.00	(-)0.06	(-)125.51
11	Overall Deficit (B)	(-)16551.44	64831.52	52166.81	52951.29	106248.41
12	Increase (-) / Decrease (+) in cash balance (A-B)	5468.75	(-)10209.41	(-)12880.39	11684.97	(-)25525.77
13	Fiscal Deficit (11+12)	(-)11082.69	54622.11	39286.42	64636.26	80722.64

Source: Finance Accounts of respective years

Revenue Deficit and Fiscal Deficit had fluctuating trend during the period 2019-24. State's revenue surplus (₹ 67,560 crore) and fiscal surplus (₹ 11,083 crore) during 2019-20 was mainly due to transfer of book balance of ₹ 71,180 crore of Sinking Fund to revenue receipt account without any actual cash receipt to State exchequer. During the year 2023-24, State

¹⁵ Net Capital Expenditure = Miscellaneous Capital Receipts *minus* Capital Expenditure; minus figure indicates that the capital Expenditure was more than the capital receipt during the year.

¹⁶ Net Loans and advances = Recoveries of Loans and Advances *minus* disbursement of loans and advances; minus figure indicates that disbursement of loans and advances was more than the recovery during the year. In the year 2021-22, this also includes transfer of ₹ 600 crore from Consolidated Fund to Contingency Fund which was budgeted by the State Government under Loans and Advances.

registered Fiscal Deficit of ₹ 80,722.64 crore which was mainly financed through market borrowings and loans from GoI.

2.6.2 Debt profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. Out of total outstanding Overall Liabilities of ₹ 7,67,872 crore as on 31 March 2024, ₹ 1,00,766 crore pertained to Liabilities on Public Account. The maturity profile of public debt (₹ 6,67,106 crore) is shown in **Table 2.30** and **Chart 2.16**.

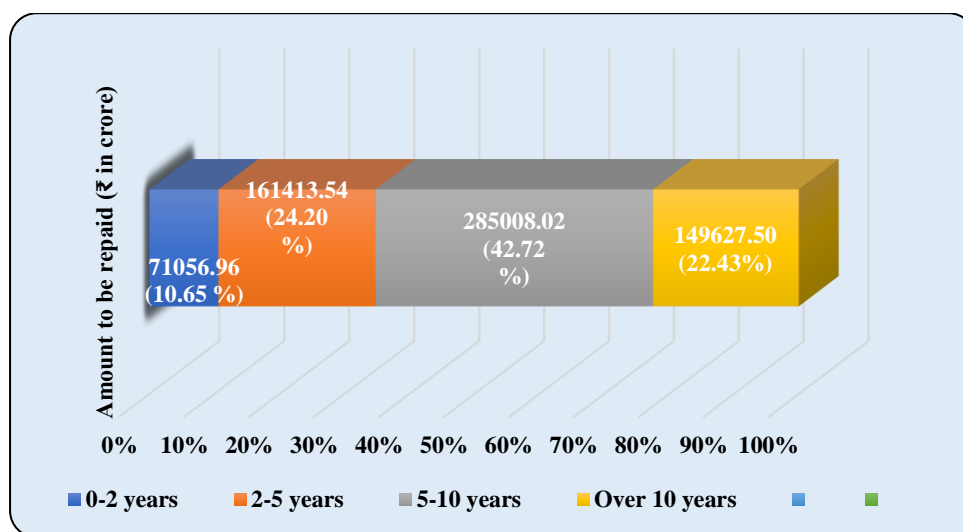
Table 2.30: Debt Maturity profile of repayment of Public Debt of the State
(₹ in crore)

Period of repayment (Years)	Public Debt	Per cent
0-2 years	71056.96	10.65
2-5 years	161413.54	24.20
5-10 years	285008.02	42.72
Over 10 years	149627.50*	22.43
Total	667106.02	100.00

Source: Calculated on the basis of Finance Accounts for the year 2023-24.

* This includes GoI loan of ₹ 43,542.01 crore against which terms of repayment of loans, viz., instalments, period of loan repayment, etc., are awaited from the Ministry of Finance (MoF).

Chart 2.16: Public Debt Maturity Profile



Source: Finance Accounts 2023-24

The maturity profile of public debt indicates that the liability of the State to repay the debt during the periods 2024-26, 2026-29, 2029-34 and after 2034 would be ₹ 71,056.96 crore (10.65 per cent), ₹ 1,61,413.54 crore (24.20 per cent), ₹ 2,85,008.02 crore (42.72 per cent) and ₹ 1,49,627.50 (22.43 per cent) respectively.

Table 2.31 shows the year-wise repayment schedule during the next nine and above years of the Public Debt outstanding as on 31 March 2024.

Table 2.31: Repayment Schedule of Public Debt

(₹ in crore)

Period of repayment	Repayment of Public Debt		Total	Per cent
	Internal Debt	Loans and Advances from GoI		
2024-25	29007.44	709.43	29716.87	4.45
2025-26	40731.06	609.02	41340.08	6.20
2026-27	51076.52	861.90	51938.42	7.79
2027-28	53172.28	675.10	53847.38	8.07
2028-29	54971.85	655.90	55627.75	8.34
2029-30	77018.87	633.36	77652.23	11.64
2030-31	81985.73	571.48	82557.21	12.38
2031-32	65419.37	474.70	65894.06	9.88
2032-33	20877.11	413.71	21290.81	3.19
2033-34	37229.32	384.38	37613.70	5.63
2034-35 and above**	101327.69	46313.62	147641.32	22.13
Under reconciliation with the State Government *	1961.69	24.49	1986.19	0.30
Total	614778.93	52327.09	667106.02	100

Source: Finance Accounts 2023-24

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

*This includes ₹ 13.12 crore to be written off by GoI.

**. This includes GoI loan of ₹ 43,542.01 crore against which terms of repayment of loans, viz., instalments, period of loan repayment, etc., are awaited from the Ministry of Finance.

2.7 Debt sustainability Analysis

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

(A) Debt sustainability is defined as the ability of the State to service its debt liability in the future. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that increase in fiscal deficit should match with the increase in capacity to service the debt. Debt sustainability also depends on the ratio of debt redemption (principal plus interest payments) to total debt receipts and application of available borrowed funds. The ratio of debt redemption to debt receipts indicates the extent to which the debt receipts were used in debt redemption indicating the net availability of borrowed funds for capital spending.

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

Table 2.32: Trend in Debt Sustainability Indicators

(₹ in crore)

Sl. No.	Debt Sustainability Indicators	2019-20	2020-21	2021-22	2022-23	2023-24
1	Overall Liability or Overall Debt ¹⁷ (in ₹ crore)	502412.02	564971.68	612956.33	662316.24	767872.25
2	Rate of Growth of Overall Debt (in per cent)	(-)3.03	12.45	8.49	8.05	15.94
3	GSDP (in nominal terms) (in ₹ crore)	1700062	1640097	1981367	2284104	2547861
4	Nominal GSDP growth (in per cent)	7.45	(-)3.53	20.81	15.28	11.55
5	Overall Debt/GSDP (in per cent)	29.55	34.08	30.22	28.38	29.58
6	Maturity Profile of Public Debt¹⁸					
6a	0-2 years	53412.02	51328.15	43864.24	51000.49	71056.96
6b	2-5 years	70543.05	91025.84	121117.55	143677.09	161413.54
6c	5-10 years	268157.27	312312.04	326181.35	297923.57	285008.02
6d	Over 10 years	24465.24	21992.94	32521.08	75239.54	149627.5
7	Repayment of Gross Borrowings (per cent)	144.81	79.66	95.81	94.56	68.51
8	Net Borrowings available as a percentage of Gross Borrowings (per cent)	(-)44.81	20.34	4.19	5.44	31.49
9	Interest payment on Overall Debt	34813	37428	42876	43008	47277
10	Effective rate of interest on Overall Debt (per cent)*	7.69	7.36	7.72	7.25	7.24
11	Interest payment to Revenue Receipts (per cent)	9.50	12.64	11.56	10.31	10.15
12	Revenue Deficit/Surplus	67560	(-)2367	33430	37263	36013
13	Primary Revenue Balance (PRB) (12+9)	102373	35061	76306	80272	83290
14	Primary Balance (PB)	45896	(-)17194	3589	(-)21628	(-)33446
15	PB/GSDP (per cent)	2.70	(-)1.05	0.18	(-)0.95	(-)1.31
16	Difference between RoI and Effective rate of interest on Overall Debt	(-)7.31	(-)7.03	(-)7.47	(-)7.12	(-)7.20
17	Liquidity Management (use of financial accommodation instruments available with RBI) (in number of occasions)	0	0	0	0	0

¹⁷ Outstanding Overall Debt is the sum of outstanding balances under the Major heads 6003-Internal Debt and 6004- Loans, Advances from the Central Government and Public Accounts Liability as on 31 March of the year.

¹⁸ Public Debt is the sum of outstanding balances under the Major heads 6003-Internal Debt and 6004- Loans and Advances from the Central Government as on 31 March of the year.

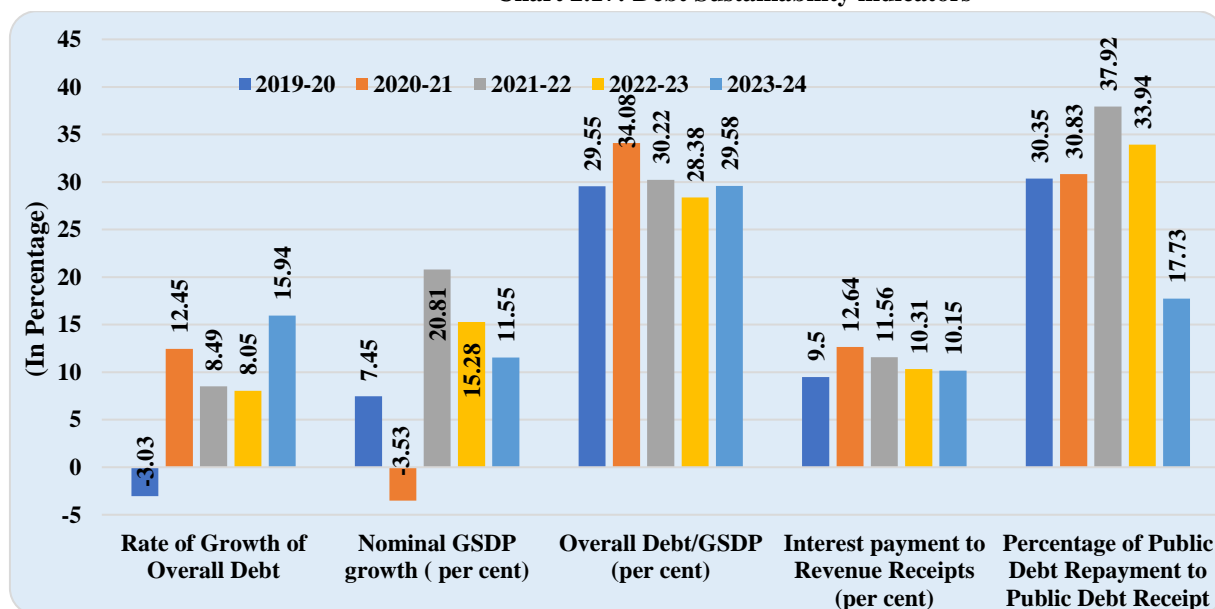
(₹ in crore)

Sl. No.	Debt Sustainability Indicators	2019-20	2020-21	2021-22	2022-23	2023-24
18	Debt Stabilization (Quantum spread + Primary Deficit)	44722	(-)75522	78931	27428	(-)3504
19	Domar Criteria					
19.a	GSDP (in constant terms)	1141630	1090378	1214875	1324255	1423358
19.b	Real Growth (in constant terms)	4.03	(-)4.49	11.42	9.00	7.48
19.c	Inflation based on CPI (per cent)	5.86	5.26	5.79	7.07	5.75
19.d	Effective rate of interest**	7.69	7.36	7.72	7.25	7.24
19.e	Real effective rate of interest (Effective rate of interest-Inflation) (19d-19c)	1.83	2.10	1.93	0.18	1.49
19.f	Growth Interest Differential (Real growth - Real effective rate of interest) (19. b-19.e)	2.20	(-)6.59	9.49	8.82	5.99

Source: Finance Accounts of respective years

* Effective rate of interest on overall debt has been calculated excluding – (a) back to back loan during 2020-21 (₹ 6,007 crore) and 2021-22, 2022-23, 2023-24 (₹ 14,146.94 crore) received in lieu of GST compensation shortfall with no repayment liability to the State (b) the 50-year interest free loan received under the scheme for ‘Special Assistance to States for Capital Expenditure/Investment’ from the GoI in the year 2020-21 (₹ 976 crore), 2021-22 (₹ 1483 crore), 2022-23 (₹ 7,940.50 crore) and 2023-24 (₹ 19,215.08 crore) and (c) Non-interest bearing Reserve Funds and Deposit in the year 2019-20 (₹ 21,295.49 crore), 2020-21 (₹ 22,356.61 crore), 2021-22 (₹ 20,814.85 crore), 2022-23 (₹ 26,824.60 crore) and 2023-24 (₹ 29,030.15 crore).

Chart 2.17: Debt Sustainability indicators



Source: Finance Accounts of respective years

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

- Overall Debt of the State, excluding back to back loan received in lieu of GST compensation shortfall during 2020-21 and 2021-22, grew from

₹ 5,02,412 crore in the year 2019-20 to ₹ 7,53,725 crore in the year 2023-24. It grew at 16.29 *per cent* in the year 2023-24 over the previous year. However, after taking into account the back-to-back loan received during 2020-21 (₹ 6,007 crore) and 2021-22 (₹ 8,139.94 crore) in lieu of GST compensation with no repayment liability to the State, the State's Overall Debt was ₹ 7,67,872.25 crore as on 31 March 2024 with growth rate of 15.94 *per cent* over previous year.

- Further, on average, the debt burden of the State as measured by total liabilities to GSDP ratio observed a fluctuating trend during 2019-24. It was 29.55 *per cent* in the year 2019-20 but witnessed a record of high of 4.53 *per cent* reached a five year high of 34.08 *per cent* in the year 2020-21, this hike can be attributed to unprecedented increase in borrowing requirements caused by the impact of the pandemic. With economic recovery and easing of fiscal stress, the State's debt burden started improving in the post-pandemic year (2021-22) and continued to decline till 2022-23 before registering a moderate increase in the year 2023-24 leading to allow the overall liabilities-GSDP ratio (29.58 *per cent*) to the pre-pandemic level.

- Year-wise analysis shows that despite the negative primary balance in 3 out of 5 years (2020-21, 2022-23 and 2023-24), Growth interest differential (GID) was fluctuating during the 2019-24 but remained favourable, leading to improvement in the overall liabilities-GSDP ratio from 34.08 *per cent* in 2020-21 to 29.58 *per cent* in 2023-24, allowing it to converge to the pre-pandemic level.

- As per the Domar criterion, despite the fluctuating trend, average real interest rate remained below the average real growth favorable during 2019-2024, indicating that the economy growth was sufficient to cover the cost of borrowing. The reduction in the real interest rate supported by the significant economic recovery in 2021-22 and followed by the sustained growth as compared to fluctuating real interest rate thereafter helped the State cover the cost of borrowing during the period 2019-2024. In contrast to the real growth, CPI inflation which was hovering between 5-7 *per cent* helped the State to keep the real interest below real growth to maintain favorable GID during 2021-2024.

- Debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would tend to be constant or debt would stabilise eventually. In case it is positive, debt-GSDP ratio would eventually be falling and on the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising. As computed in **Table 2.32**, the debt stabilization indicator, after showing a deterioration in 2020-21 turned positive during the period 2021-24.

- Higher percentage of interest payments leaves less funds for priority areas. Percentage of interest payments to revenue receipt measures the margin of safety a government has for paying interest on its debt during a given period. The percentage of interest payment on public debt to revenue receipt decreased from 12.64 *per cent* during 2020-21 to 10.15 *per cent* during 2023-24. The net fund available from borrowings for current operations after providing for interest and repayment of Public Debt had fluctuating trend during 2019-24 and it was lowest 4.19 *per cent* of total borrowings taken during the year 2021-22 and highest 31.49 *per cent* in the year 2023-24.

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

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

Particulars		2019-20	2020-21	2021-22	2022-23	2023-24
Total outstanding Liabilities as percentage of GSDP	Target	31.67	40.90	40.00	40.50	40.20
	Achievement	29.55	34.08*	30.22*	28.38*	29.58*

*Computed after excluding back to back loan received during 2020-21 (₹ 6,007 crore) and 2021-22, 2022-23, 2023-24 (₹ 14,146.94 crore) received in lieu of GST compensation shortfall with no repayment liability to the State.

As seen from **Table 2.33**, total outstanding debt as a percentage of GSDP of the State was under the indicative debt path set by the Finance Commission in all five years.

As evident from **Table 2.32**, the growth of rate of interest was lower than the rate of growth of the GSDP ($g-r>0$) in 2019-20, 2021-22, 2022-23 and 2023-24 as per the Domar model analysis. Nevertheless, when examining the Domar gap ($g-r$), the real interest rate had surpassed the real economic growth rate in 2020-21. The positive Domar gap coupled with Primary Surplus led to decline in Debt to GSDP ratio in 2021-22. Further, despite the Primary Deficit generated in 2023-24, the positive Domar Gap in 2023-24 was adequate to absorb the Primary Deficit and primarily contributed to further keep the debt to GSDP ratio in a declining trend, as detailed in **Table 2.32**.

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

2.7.1 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and developmental activities. The status of utilisation of borrowed fund during the period 2019-24 is given in the **Table 2.34**.

Table 2.34: Utilisation of borrowed funds

(₹ in crore)

Sl. No	Year	2019-20	2020-21	2021-22	2022-23	2023-24
1	Public Debt receipt	73809	86859	75751	66847	120654
2	Repayment of earlier Public Debt (Principal) (percentage of Public Debt receipt)	22401 (30.35)	26777 (30.83)	28726 (37.92)	22690 (33.94)	21389 (17.73)
3	Capital Expenditure (percentage of Public Debt receipt)	59998 (81.29)	52237 (60.14)	71443 (94.31)	93028 (139.17)	110555 (91.63)
4	Net Loans and Advances disbursed (percentage of Public Debt receipt)	(-)3521 (-4.77)	18 (0.02)	674 (0.89)	8871 (13.27)	6181 (5.12)
5	Portion of revenue expenditure met out of borrowings Sl. No. 5 = Sl. No. (1-2-3-4) (percentage of Public Debt receipt)	(-)5069 (-6.87)	7827 (9.01)	(-)25092 (-33.12)	(-)57742 (-88.38)	(-)17471 (-14.48)

Source: Finance Accounts of respective years

Table 2.34 shows that revenue expenditure was not out of borrowings during the years 2019-20, 2021-22, 2022-23 and 2023-24 and a portion of expenditure on capital account was met from revenue surplus of the State.

2.7.2 Status of Guarantees – Contingent Liabilities

The State Government issues guarantees in respect of bonds issued and other borrowings by the State Public Sector Undertakings or other Bodies. Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee had been extended.

Statement No. 9 and 20 of the Finance Accounts gives details of guarantees given by the State Government. Details in this compilation are prepared directly from the information furnished by the State Government. The maximum amount for which guarantees were given by State Government and outstanding guarantees for the last five years are given in **Table 2.35**.

Table 2.35: Status of Guarantees given by the State Government**(₹ in crore)**

Guarantees	2019-20	2020-21	2021-22	2022-23	2023-24
Maximum amount guaranteed during the year	132499.27	175469.24	206431.78	193244.82	184274.02
Outstanding amount of guarantee	118696.49	150554.00	174218.42	170780.52	163399.82

Source: Finance Accounts of respective years

During the year 2023-24, addition in the guarantee was ₹ 13,493.98 crore and guarantees of ₹ 15,651.02 crore were deleted. The outstanding guarantees decreased by 4.32 *per cent* from ₹1,70,780.52 crore in the year 2022-23 to ₹ 1,63,399.82 crore in the year 2023-24. During the year 2023-24, outstanding guarantee was 35.08 *per cent* of the Revenue Receipts (₹ 4,65,801 crore) and 6.41 *per cent* of GSDP (₹ 25,47,861 crore) of the State Government during the year. The outstanding guarantee as on 31 March 2024 mainly pertained to three power sector companies (₹ 1,28,349 crore), one entity under Infrastructure and Industrial Development Department (₹ 28,450 crore), four entities under Co-operative Department (₹ 3,149 crore) and two entities under Sugar Industry Department (₹ 1,808 crore). During the year 2023-24, Guarantee Fee/Commission of ₹ 4.43 crore was received from Uttar Pradesh State Warehousing Corporation. Further, no guarantee was invoked during the year 2023-24.

2.7.3 Management of Cash Balances

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

The State Government invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The yield derived from such investments are credited as receipts under the Major Head '0049-Interest Receipts'. The cash balances include government securities investments of the Consolidated Sinking Fund.

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

During the year 2023-24 the cash balances and investments made by the State Government out of cash balances are presented in **Table 2.36**.

Table 2.36: Cash Balances and their investment during the year 2023-24

(₹ in crore)

	Opening balance on 1 April 2023	Closing balance on 31 March 2024
A. General Cash Balance		
Cash in Treasuries	0.00	0.00
Deposits with Reserve Bank of India	102.77	154.26
Remittances in transit	0.00	0.00
Investments held in Cash Balance Investment Account	27188.94	51163.20
Total (A)	27291.71	51317.46
B. Other Cash Balances and Investments		
Cash with departmental officers viz., Public Works, Forest Officers	10.78	10.79
Permanent advances for contingent expenditure with department officers	0.50	0.51
Investment in earmarked funds	5545.20	7045.20
Total (B)	5556.48	7056.50
Total (A + B)	32848.19	58373.96

Source: Finance Accounts 2023-24

The State Government's cash balances at the end of the current year amounted to ₹ 58,373.96 crore. This has increased by ₹ 25,525.77 crore (77.71 per cent) when compared with balances at the end of the year 2022-23. During 2023-24, the opening balance of investment held in Cash Balance Investment Account was ₹ 27,188.94 crore. Treasury Bills amounting to ₹ 7,45,026.39 crore were purchased and these investments amounting to ₹ 7,21,025.81 crore were sold (including ₹ 26.31 crore received as redemption under Long Term Government of India's Securities) leaving a balance of ₹ 51,163.20 crore in the account at the end of the year. The amount to ₹312.46 crore and ₹7.73 crore were received as interest on investment under Treasury Bills and Long Term Government of India's Securities respectively.

Under the Cash Balance Investment Account, the transactions of the State Government in investing in Treasury bills decreased from ₹ 4,93,843 crore during the year 2019-20 and ₹ 4,64,321 crore in the year 2020-21. It increased to ₹ 6,91,373 crore during the year 2021-22, ₹ 8,42,096 crore in the year 2022-23 and further decreased to ₹ 7,45,026 crore in the year 2023-24. Corresponding to Cash Balance Investment Account, the cash surplus (General Cash Balances) was volatile during the period 2019-24 as it increased from ₹ 21,387 crore in the year 2019-20 (31 March 2020) to ₹ 30,597 crore in the year 2020-21 (31 March 2021) and ₹ 41,477 crore in the year 2021-22 (31 March 2022). It decreased to ₹ 27,292 crore in the year 2022-23 (31 March 2023) and again increased in the year 2023-24

(31 March 2024) to ₹ 51,317 crore. Status of Cash Balance Investment Account and interest earned thereon for the period 2019-24 is shown in **Table 2.37**.

Table 2.37: Cash Balance Investment Account (Major Head 8673)

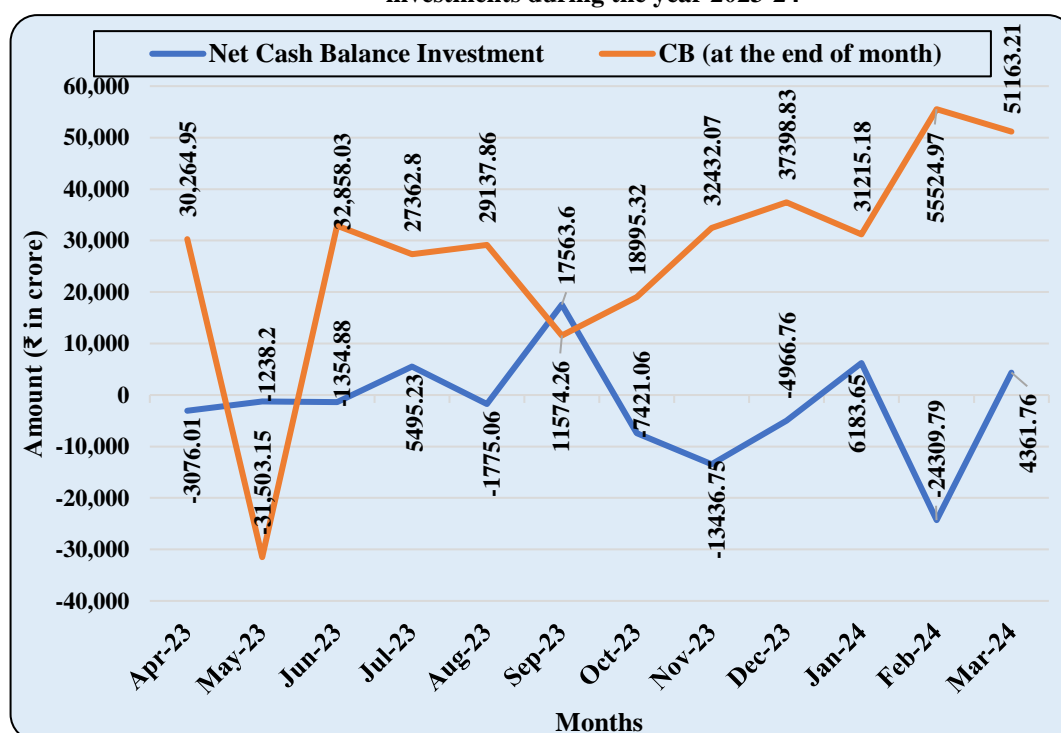
(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-) (CB-OB)	Interest earned
2019-20	26684.36	21150.71	(-) 5533.65	596.15
2020-21	21150.71	30459.45	9308.74	249.67
2021-22	30459.45	41825.24	11365.79	346.99
2022-23	41825.24	27188.94	(-) 14636.30	402.60
2023-24	27188.94	51163.20	23974.26	320.19

Source: Finance Accounts of respective years

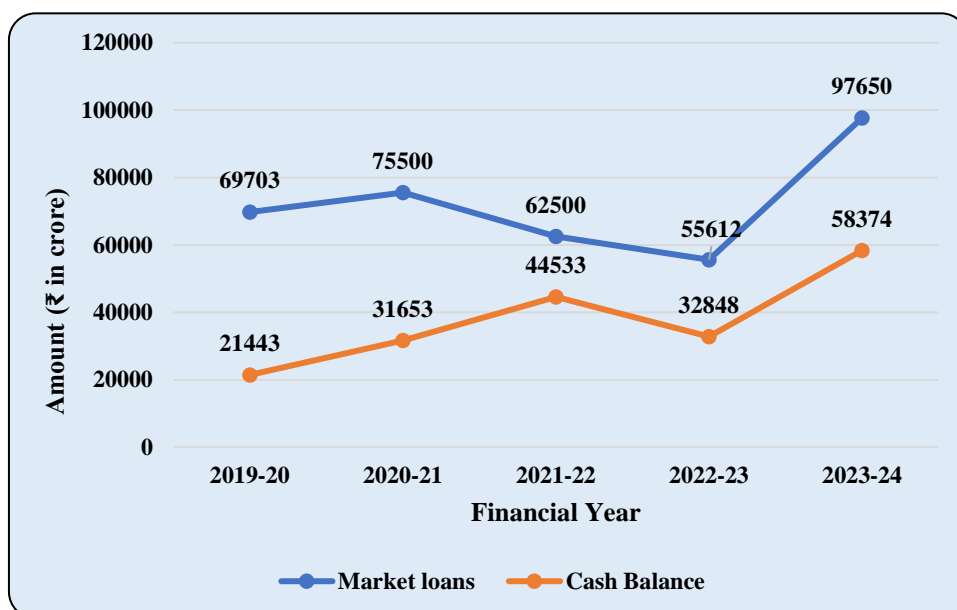
Month wise movement of Cash Balances and Net Cash Balance Investments during the year 2023-24 is presented in **Chart 2.18**.

Chart 2.18: Month wise movement of Cash Balances and net cash balance investments during the year 2023-24



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

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

Chart 2.19: Market Loan vis-à-vis Cash Balance during the period 2019-24

Source: Finance Accounts of respective years

2.7.4 Variation in Cash Balance

The Cash balance as on 31 March 2024 as per the record of Accountant General was ₹ 154.26 crore (Debit) and that reported by the RBI was ₹ 59.06 crore (Credit). There was a difference of ₹ 95.20 crore (Debit), which was under reconciliation.

2.8 Conclusion

Positive Indicators

- Fiscal Deficit (-) ₹ 80,723 crore was 3.17 *per cent* of GSDP, which was within the fiscal target of 3.39 *per cent* set in the UPFRMB (Amendment) Bill, 2021.
- Revenue Receipt in the year 2023-24 increased by 11.64 *per cent* over the year 2022-23.
- State had registered revenue surplus of ₹ 36,013 crore during the year 2023-24.
- Committed Expenditure to Revenue Expenditure shows a decreasing trend during the year 2019-20 to 2023-24. In the year 2023-24, it was 55.72 *per cent* of the Revenue Expenditure.
- Debt-GSDP ratio had decreasing trend during 2020-21 (34.08 *per cent*) to 2023-24 (29.58 *per cent*).
- The positive Domar Gap in 2023-24 was adequate to absorb the Primary Deficit and primarily contributed to further keep the debt to GSDP ratio in a declining trend.

Parameters requiring close watch

- During the year 2023-24, State Government transferred less contribution of ₹ 1,639.76 crore to the Consolidated Sinking Fund, which was to be utilised for amortization of redemption of outstanding liabilities of State Government.
- The State Government had not credited interest of ₹ 34.01 crore for the year 2023-24 on the balances of the State Compensatory Afforestation Fund.
- The State Government did not contribute ₹ 1,707.81 crore to the Guarantee Redemption Fund for meeting the debt servicing obligation arising in the event of default by the borrowing agency out of guarantees issued by the Government.

2.9 Recommendations

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

CHAPTER - III

Budgetary Management

CHAPTER-III

BUDGETARY MANAGEMENT

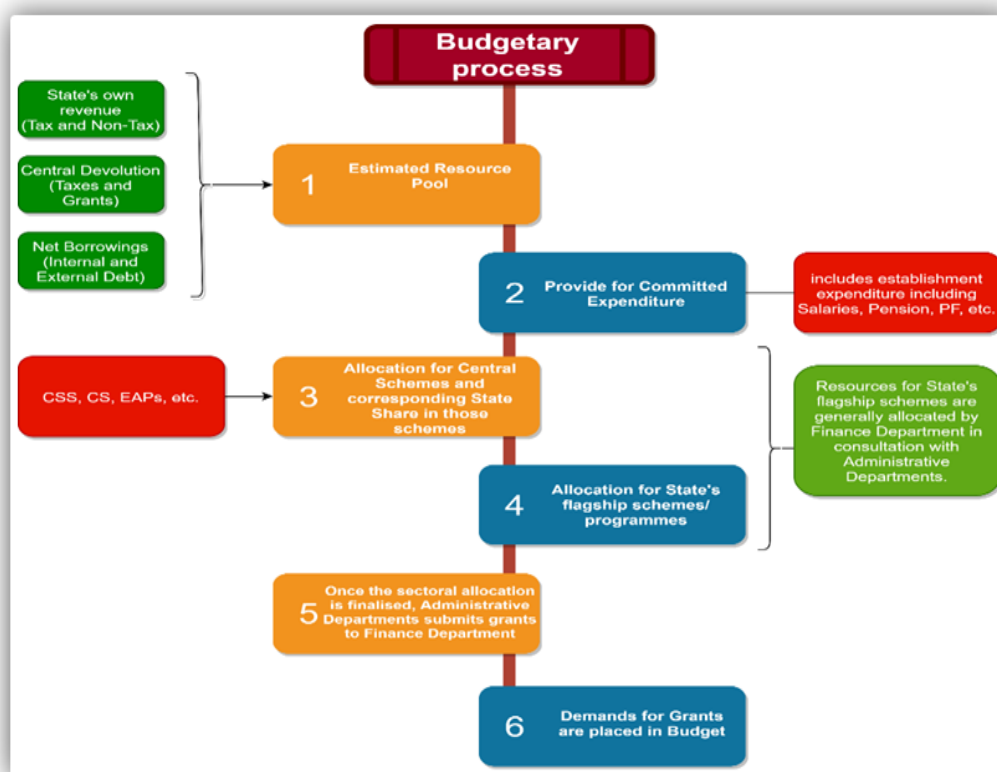
This Chapter deals with the integrity, transparency and effectiveness of the budgetary process and allocative priorities, including supplementary grants, and the concomitant financial management, assessing whether decisions taken at the policy level are implemented at the administrative level without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

3.1 Budget Process

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

As per Para 8 of UPBM, the Finance Department is responsible for the preparation of the annual budget. The Heads of Departments and other estimating officers prepare the estimates for each head of account with which they are concerned and forward these to the Finance Department. The budget is prepared on the basis of the material furnished by the departmental officers and the administrative departments of the Secretariat. The budget preparation process is given in **Chart 3.1**.

Chart 3.1: Budget preparation process

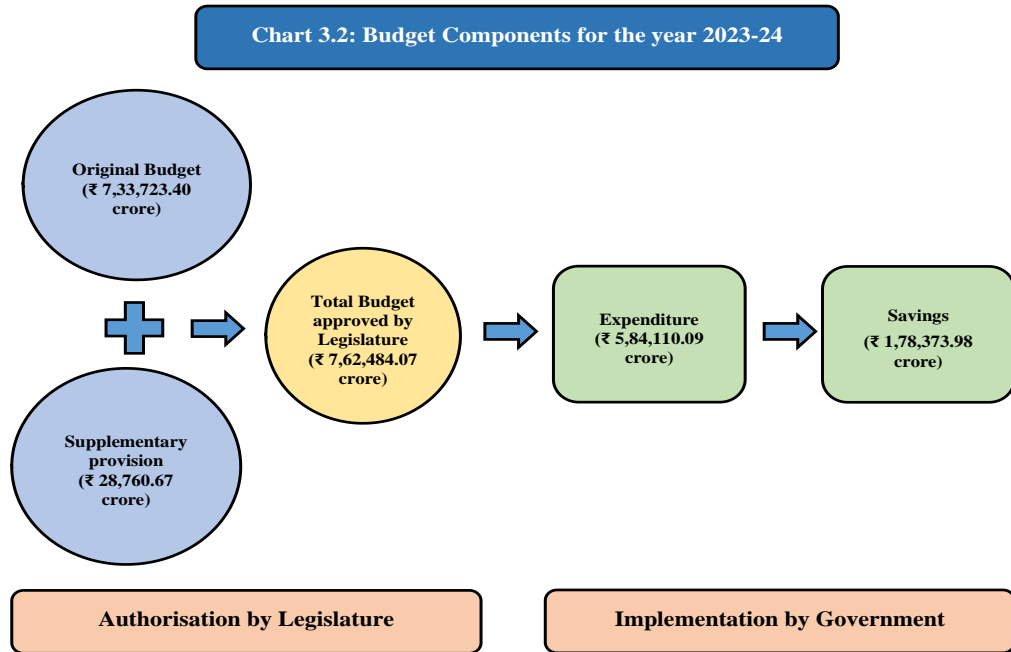


CSS: Centrally Sponsored Schemes; CS: Central Schemes; EAPs: Externally Aided Projects.

After the finalisation of the Budget, it is presented, under Article 202 of the Constitution of India, to both the Houses of the State Legislature on the recommendation of the Governor. The estimates of the expenditure embodied in the Budget show 'charged' and 'voted' items of expenditure separately and distinguish expenditure on revenue account from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the State Government. After the Grants have been voted by the Legislative Assembly, a Bill to provide for the appropriation out of the Consolidated Fund of the State of all moneys required to meet the Voted as well as the charged expenditure, is introduced in the Legislative Assembly. When the Appropriation Bill is passed by both the Houses of the Legislature and it has also received the assent of the Governor, the amounts shown therein can be expended during the financial year concerned.

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

Apart from supplementary grant, re-appropriation can also be used to re-allocate funds within the same Grant or Charged Appropriation. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure on existing service under another unit within the same section (*viz.*, Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the Grant or Charged Appropriation. The various components of budget for the year 2023-24 are depicted in **Chart 3.2**.



Source: Uttar Pradesh Annual Financial Statement and Appropriation Accounts for the year 2023-24

Appropriation Accounts depict the original budget provision, supplementary grants, re-appropriations and surrenders distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act under Articles 204 and 205 of the Constitution of India in respect of both Charged and Voted items of budget. Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

3.1.1 Summary of total provisions, actual expenditure and savings during 2023-24

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

Table 3.1: Budget provisions, expenditure and savings during 2023-24

(₹ in crore)

	Total Budget provision		Expenditure		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	484739.59	54657.84	385132.11	49588.58	99607.48	5069.26
Capital	191843.90	31242.74	127981.05	21408.35	63862.85	9834.39
Total	676583.49	85900.58	513113.16	70996.93	163470.33	14903.65

Source: Appropriation Accounts 2023-24 & Budget Documents.

During the financial year 2023-24, the actual expenditure was substantially lower than the budget provisions both under Revenue and Capital Sections which witnessed savings of 19.41 *per cent* and 33.04 *per cent* respectively. The total expenditure against the budget provision was 79.45 *per cent* in Revenue Voted section, 90.73 *per cent* in Revenue Charged section, 66.71 *per cent* in Capital Voted section and 68.52 *per cent* in Capital Charged section of Grants/ Appropriations.

3.1.2 Charged and Voted expenditure

Break-up of total expenditure into Charged and Voted and savings thereon and trend analysis during the period 2019-24 is detailed in **Table 3.2**.

Table 3.2: Expenditure under Voted and Charged during the period 2019-24
(₹ in crore)

Year	Revenue				Capital			
	Expenditure		Savings		Expenditure		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
2019-20	266083	35367	64113	22640	75556	22420	27637	12993
2020-21	263323	39047	81777	25080	66856	26798	33551	8139
2021-22	293995	45530	84220	999	80806	28734	57149	10258
2022-23	336997	46227	99264	3296	113919	22716	53234	9902
2023-24	385132	49589	99607	5069	127981	21408	63863	9834

Source: Appropriation Accounts of respective years

Table 3.2 shows that the expenditure under Revenue Voted Section decreased from ₹ 2,66,083 crore during the year 2019-20 to ₹ 2,63,323 crore during the year 2020-21 and thereafter increased to ₹ 2,93,995 crore in the year 2021-22 and further increased to ₹ 3,85,132 crore in the year 2023-24. During the year 2023-24, the expenditure under Revenue Voted Section was 14.28 *per cent* higher than the expenditure during the previous year. However, savings under Revenue Voted section had consistently increased from ₹ 64,113 crore in 2019-20 to ₹ 99,607 crore in the year 2023-24.

Similarly, expenditure under Capital Voted section was volatile during the period 2019-24 and it was highest (₹ 1,27,981 crore) during the year 2023-24 and lowest (₹ 66,856 crore) during the year 2020-21. During the year 2023-24, the expenditure under Capital Voted Section (₹ 1,27,981 crore) was 12.34 *per cent* higher than the expenditure during the previous year. However, saving under Capital Voted section increased from ₹ 27,637 crore in 2019-20 to ₹ 57,149 crore in the year 2021-22 and thereafter decreased marginally to ₹ 53,234 crore in the year 2022-23 which further increased to ₹ 63,863 crore in the year 2023-24.

3.1.3 Budget marksmanship

Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved. **Table 3.3** provides details of actual outturn as compared to original approved budget.

Table 3.3: Actual Outturn vs. original approved budget during 2023-24

(₹ in crore)

Description	Original Approved Budget (BE)	Actual Outturn	Difference between Actual and BE*
(1)	(2)	(3)	(4)
Revenue	520351.04	434720.69	(-)85630.35
Capital	213372.36	149389.40	(-)63982.96
Total	733723.40	584110.09	(-)149613.31

Source: Appropriation Accounts and Budget document

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

In Revenue section, deviation in outturn compared with BE was (-) 16.46 per cent. This was due to deviation between 0 to ± 25 per cent in 53 grants, between ± 25 per cent to ± 50 per cent in 29 grants and between ± 50 per cent to ± 100 per cent in nine grants.

In capital section, deviation in outturn compared with BE was (-) 29.99 per cent. This was due to deviation between 0 to ± 25 per cent in 42 grants, between ± 25 per cent to ± 50 per cent in nine grants, between ± 50 per cent to ± 100 per cent in 34 grants and equal to or more than 100 per cent in six grants.

Expenditure Composition Outturn

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

Table 3.4: Expenditure Composition Outturn

(₹ in crore)

Description	Original Approved Budget (BE)	Revised (RE)	Actual Outturn	Difference between BE & RE	Difference between Actual and RE*
(1)	(2)	(3)	(4)	(5)	(6)
Revenue	520351.04	473043.44	434720.69	47307.60	(-)38322.75
Capital	213372.36	203049.98	149389.40	10322.38	(-)53660.58
Total	733723.40	676093.42	584110.09	57629.98	(-)91983.33

Source: Appropriation Accounts and Budget document

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

In Revenue section, deviation in outturn compared with RE was (-) 8.10 per cent. This was due to deviation between 0 to ± 25 per cent in 72 grants, between ± 25 per cent to ± 50 per cent in 12 grants and between ± 50 per cent to ± 100 per cent in seven grants.

In capital section, deviation in outturn compared with RE was (-) 26.43 per cent. This was due to deviation between 0 to ± 25 per cent in 44 grants, between ± 25 per cent to ± 50 per cent in 16 grants, between ± 50 per cent to ± 100 per cent in 27 grants and more than or equal to 100 per cent in four grants.

3.2 Comments on integrity of budgetary and accounting process

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

3.2.1 Regularisation of excess expenditure

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

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

Excess disbursements amounting to ₹ 32,533.56 crore under 104 grants and 49 appropriations pertaining to the years 2005-06 to 2023-24, as commented in the Appropriation Accounts of respective years, are yet to be regularised by the State Legislature as detailed in **Table 3.5**.

Table 3.5: Excess expenditure yet to be regularised

(₹ in crore)		
Year	Description of Grant/ Appropriation	Amounts of excess expenditure required to be regularised
2005-06	Revenue Voted- 8,12,53,55,57,58,72 Capital Voted-15,16,18,23, 33, 34,37,38,40, 55,56, 57,58,73,75,96 Revenue Charged-1,52; Capital Charged-52,55	869.05
2006-07	Revenue Voted-9,13,55,58,61,62,73,91,95 Capital Voted-3,16,31, 37, 55,57,58,89,96 Revenue Charged-2,3,10,52,62,89	2484.47

Year	Description of Grant/ Appropriation	Amounts of excess expenditure required to be regularised
2007-08	Revenue Voted-51,55,57,58,62; Capital Voted-13,16,55,58,63,83,96 Revenue Charged-51,66	3610.65
2008-09	Revenue Voted-62,96; Capital Voted-55,58,96 Revenue Charged-52	3399.42
2009-10	Revenue Voted-58; Capital Voted-1,16,55,58,59 Revenue Charged-3,10,16,48,52,66	1250.16
2010-11	Revenue Voted-30,51,91; Capital Voted-10,55,58 Revenue Charged-10,23,61,82	1702.62
2011-12	Revenue Voted-21,62,91; Capital Voted-1,55,58 Revenue Charged-13,18,23,61,62,82	1889.66
2012-13	Revenue Voted-51,57; Capital Voted-55,58 Revenue Charged-55,62,89	2380.23
2013-14	Capital Voted – 55, 58 Capital Charged – 52	2608.18
2014-15	Revenue Voted – 57,91; Capital Voted -1,40,55,57,58 Revenue Charged -13	2225.32
2015-16	Capital Voted – 55,57,58,87 Revenue Charged – 2,23,52,62	1566.71
2016-17	Capital Voted – 55,58,87 Revenue Charged – 89; Capital Charged – 61	5662.17
2017-18	Revenue Voted- 62; Capital voted-55 Revenue Charged-91; Capital Charged-58	1337.17
2018-19	Revenue Voted -57; Capital Voted – 55, 57, 58 Revenue Charged – 52; Capital Charged – 10, 21, 55	1539.44
2019-20	Capital Charged – 55	0.11
2020-21	Revenue Voted -57; Capital Voted –55; Capital Charged – 55	8.10
2023-24	Revenue Charged - 62	0.10
Total excess expenditure relating to previous years requiring regularisation		32533.56

Source: Appropriation Accounts of respective years

Excess expenditure vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public money and its non-regularisation is an infringement of the constitutional provision. The excess expenditure over the authorisation and non-regularisation of excess expenditure have been regularly reported in previous State Finances Audit Reports of Uttar Pradesh. However, the cases of excess expenditure pertaining to the years 2005-06 to 2023-24 are yet to be placed before State Legislature for regularisation by the Finance Department. This is in violation of Articles 204 and 205 of the Constitution, which provide that no money shall be withdrawn from the Consolidated Fund except under appropriation made by Law by the State Legislature.

3.2.2 Misclassification of expenditure

The Finance Department has adopted a list of Object heads as primary unit of appropriation showing economic nature of expenditure. As such, certain Object heads correspond only to Revenue nature of expenditure as they do not result in creation of assets. Further, certain Object heads can only be associated with capital nature of expenditure since assets are created from these provisions and need to be budgeted and accounted for accordingly.

Audit noticed misclassification between revenue and capital expenditure under object heads 15 (Maintenance of vehicle and purchase of petrol, etc.), 16 (Payment for Commercial and Special Services), 25 (Minor Construction Works), 29 (Maintenance), 47 (Maintenance of Computer/ Purchase of related Stationery) and 58 (Payment for outsourcing services) as summarised in **Table 3.6**.

Table 3.6: Classification of Revenue expenditure as Capital Expenditure
(₹ in crore)

Sl. No.	Object Head	Object Head Nomenclature	Major Head	Expenditure in 2023-24
1.	15	Maintenance of vehicle and purchase of petrol etc.	4406	0.12
2.	16	Payment for Commercial and Special Services.	4059, 5054	21.18
3.	25	Minor Construction Works	4055, 4058, 4059, 4070, 4202, 4210, 4216, 4225, 4235, 4250, 4406, 4415, 4702, 4851	159.10
4.	29	Maintenance	4406, 4215	100.17
5.	47	Maintenance of Computer/ Purchase of related Stationery.	4202, 5054	1.23
6.	58	Payment for outsourcing services	4070	1.59
Understatement of Revenue Expenditure				283.39

Source: Finance Accounts 2023-24

As a result of misclassification of revenue expenditure as capital expenditure as detailed in **Table 3.6**, State's Revenue Surplus during the year 2023-24 was overstated by ₹ 283.39 crore.

3.2.3 Lump sum budgetary provisions

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

As per Para 31 of UPBM, lump sum provisions should not, as a rule, be made in the estimates except when the expenditure out of lump sum allotments is regulated by standing sanctions, instructions or rules.

During the year 2023-24, lump sum provisions of ₹ 11,022.30 crore were made under various Heads of 17 Grants without indicating scheme details (**Appendix-3.1**). Out of these lump sum provisions, actual expenditure of ₹ 6,474.16 crore (58.74 *per cent* of the provision) was incurred.

In case of Capital (Voted) section of Grant No. 58-Public Works Department (Communications-Roads), the lump sum provisions of ₹ 7,049.00 crore were made for road works in the original budget provision, which constituted 40.09 *per cent* of the budgeted original provisions of ₹ 17,582.52 crore under Capital (Voted) section of the Grant. Out of this, the actual expenditure was ₹ 5,623.21 crore.

Lump sum provisions without identifying the exact object of expenditure are against transparent budgetary practices.

3.2.4 Discrepancies in depiction of Centrally Sponsored Schemes

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

Scrutiny of Budget Documents for 2023-24 revealed that the aforesaid criteria for recording funding pattern were not adhered. In case of 22 programmes under Centrally Sponsored Schemes (**Appendix-3.2**) funding pattern (Central share/ State share/ Financial Institution) was not mentioned with detailed head. Further, in case of four programmes under Centrally Sponsored Schemes (**Appendix-3.3**) the sum total of Central share and State share was less than 100 *per cent* without specifying any reason.

The matter was also highlighted in previous the State Finances Audit Reports for the year ended 31 March 2020, 31 March 2021, 31 March 2022 and 31 March 2023.

3.3 Comments on effectiveness of budgetary and accounting process

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

3.3.1 Budget projection and gap between planning and execution

The summarised position of Budget provisions, Supplementary provisions, actual expenditure against total budget provisions and savings under Revenue Voted, Revenue Charged, Capital Voted and Capital Charged sections for the financial year 2023-24 is detailed in **Table 3.7**

Table 3.7: Summarised position of Actual Expenditure vis-à-vis Budget provisions during the year 2023-24

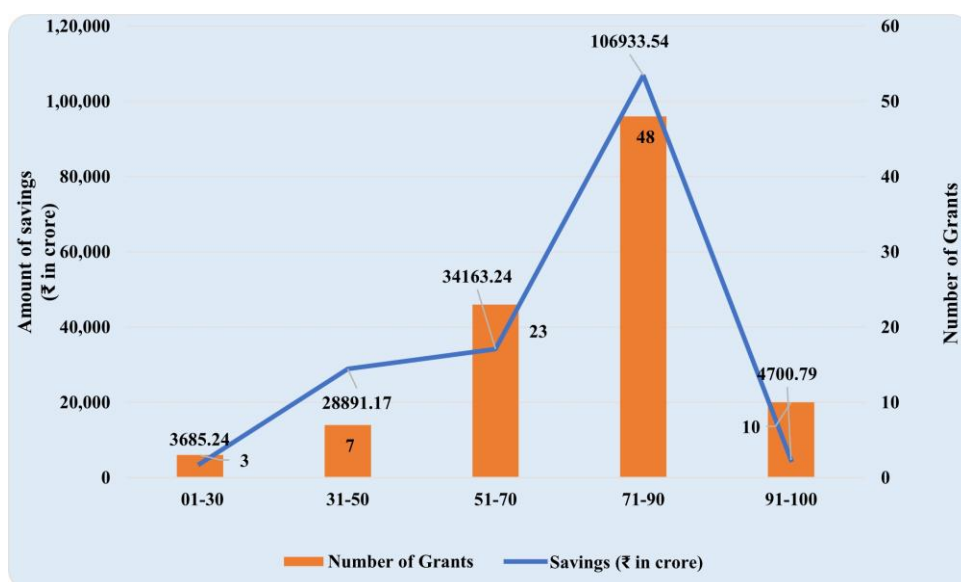
(₹ in crore)

Nature of expenditure		Original grant/ Appropriation	Supplementary Grant	Total Grant/ Appropriation	Actual Expenditure	Savings	Surrender	
							Amount	Percentage
Voted	Revenue	466547.59	18192.00	484739.59	385132.11	99607.48	20770.24	20.85
	Capital	172925.82	8821.96	181747.78	119966.09	61781.69	23200.02	37.55
	Loans & Advances	9214.71	881.41	10096.12	8014.96	2081.16	30.54	1.47
Total		648688.12	27895.37	676583.49	513113.16	163470.33	44000.80	26.92
Charged	Revenue	53803.45	854.39	54657.84	49588.58	5069.26	80.64	1.59
	Capital	50.40	1.10	51.50	19.72	31.78	23.10	72.69
	Public Debt-Repayment	31181.43	9.81	31191.24	21388.63	9802.61	00	00
Total		85035.28	865.30	85900.58	70996.93	14903.65	103.74	0.70
Grand Total		733723.40	28760.67	762484.07	584110.09	178373.98	44104.54	24.73

Source: Appropriation Accounts 2023-24

During 2023-24, actual expenditure was ₹ 5,84,110.09 crore against the total provision of ₹ 7,62,484.07 crore. The overall savings of ₹ 1,78,373.98 crore were 23.39 per cent of total provision, which was mainly under Revenue Voted (20.55 per cent) and Capital Voted (33.29 per cent) sections. This indicates wide gap between planning and execution by the State Government.

Detail of grants grouped by the percentage of utilisation along with total savings during 2023-24 has been shown in **Appendix-3.4** and **Chart 3.3**.

Chart 3.3: Distribution of the number of Grants/Appropriations grouped by the percentage of savings along with total savings

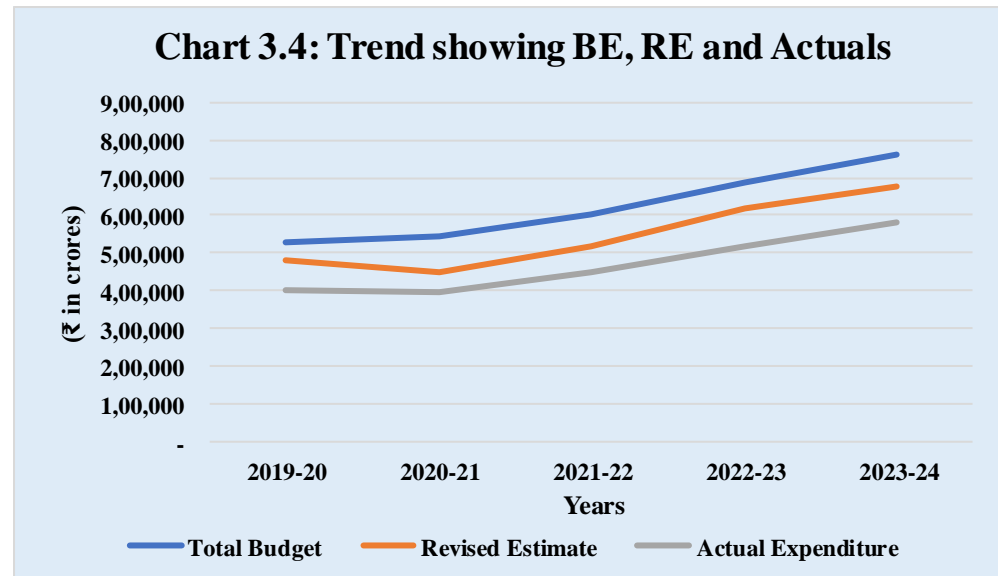
Source: Appropriation Accounts 2023-24

Trends in the original budget, revised estimates and actual expenditure for the period 2019-20 to 2023-24 are given in **Table 3.8**.

Table 3.8: Original Budget, Revised Estimate and Actual Expenditure during 2019-24

(₹ in crore)

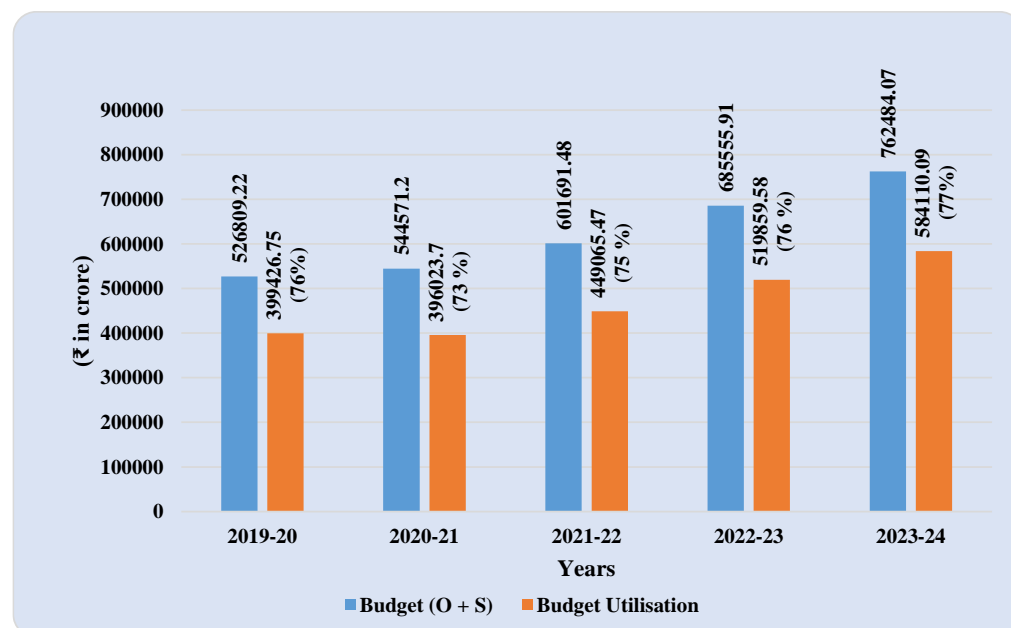
Details	2019-20	2020-21	2021-22	2022-23	2023-24
Original Budget	509003.49	544571.20	585910.43	651786.36	733723.40
Supplementary Budget	17805.73	00	15781.05	33769.55	28760.67
Total Budget(TB)	526809.22	544571.20	601691.48	685555.91	762484.07
Revised Estimate(RE)	481130.95	446224.67	517531.86	619139.44	676093.42
Actual Expenditure(AE)	399426.75	396023.70	449065.47	519859.58	584110.09
Savings	127382.47	148547.50	152626.01	165696.33	178373.98
Percentage of supplementary to original provision	3.50	00	2.69	5.18	3.92
Percentage of overall savings to the overall provision	24.18	27.28	25.37	24.17	23.39
TB –RE	45678.27	98346.53	84159.61	66416.47	86390.65
RE-AE	81704.20	50200.97	68466.39	99279.86	91983.33
(TB-RE) as % of TB	8.67	18.06	13.99	9.69	11.33
(RE-AE) as % of RE	16.98	11.25	13.23	16.04	13.61

*Source: Annual Financial Statement and Appropriation Accounts*Trend showing BE, RE and Actuals were as depicted in **Chart 3.4**.

From **Table 3.8** and **Chart 3.4**, it can be seen that over the years from 2019-20 to 2023-24, the Revised Estimate (RE) was always lower than the Total Budget (TB) of the State. The gap between the RE and the TB increased during 2023-24 as compared to 2022-23. Savings varied between 23.39 *per cent* (2023-24) and 27.28 *per cent* (2020-21) of budget provisions during 2019-24. Further, Actual Expenditure was lower than the RE throughout during 2019-24, and it ranged between 11.25 *per cent* (2020-21) and 16.98 *per cent* (2019-20). As such, the expenditure did not come up to the level of original budget provisions.

Pattern of lower budget utilisation against provision during the last five years (2019-24) has been visualised in **Chart 3.5**.

Chart 3.5: Budget provisions and utilisation of budget during last five years (2019-24)



Source: Appropriation Accounts of respective years

Chart 3.5 shows that the budgetary provisions increased consistently during the last five years (2019-24). Actual expenditure also increased during 2021-22 to 2023-24, but it remained 75 per cent to 77 per cent of budget provision. This reflects that budgetary allocations were based on unrealistic proposals. A comparison between estimated receipts and actual receipts during 2023-24 also revealed resource gap to meet the budget provisions for total budgeted expenditure, as detailed in **Table 3.9**.

Table 3.9: Budget Estimates and Actual Receipts during 2023-24

(₹ in crore)				
Item of receipts	Budget Estimates	Actual Receipts	Shortfall/excess of actual receipts vis-à-vis Budget Estimates	Percentage of Shortfall/excess
(i) Revenue receipts of which	570865.66	465801.15	(-) 105064.51	(-) 18.40
Own Tax Revenue	262634.00	193129.35	(-) 69504.65	(-) 26.46
Share of Union Taxes/Duties	183237.59	202619.69	19382.10	10.58
Non Tax Revenue	23790.77	14249.49	(-) 9541.28	(-) 40.10
Grants-in-aid from GoI	101203.30	55802.62	(-) 45400.68	(-) 44.86
(ii) Recovery of Loans and advance	3312.18	1834.44	(-) 1477.74	(-) 44.62
(iii) Public Debt	109114.90	120653.96	11539.06	10.58
Total Receipts	683292.74	588289.55	(-) 95003.19	(-) 13.90

Source: Budget document of the State Government and Finance Accounts

As evident from **Table 3.9**, there was substantial gap (₹ 95,003.19 crore) between estimated resources in Budget 2023-24 and actual receipts. Therefore, the State Government may review the increase in budget size vis-à-vis available revenue space.

3.3.2 Unspent budget provisions

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

Audit scrutiny of budget provision *vis-à-vis* savings with regards to 91 grants under Appropriation Accounts for the year 2023-24 revealed that in 57 cases pertaining to 57 Grants under Revenue-Voted and in 35 cases pertaining to 35 Grants under Capital-Voted sections (where savings in each case were more than ₹ 100 crore), savings of ₹ 99,008.04 crore and ₹ 62,584.28 crore respectively were recorded. Similarly, in two cases pertaining to two Grants under Revenue Charged Section and in one case pertaining to one Grant under Capital Charged Sections (where savings in each case were more than ₹100 crore), savings of ₹ 4,983.10 crore and ₹ 9,802.52 crore respectively were recorded during 2023-24. Thus, there were total savings amounting to ₹ 1,76,377.94 crore (24.23 *per cent*) in 95 cases of 65 Grants (exceeding ₹ 100 crore in each case) as detailed in **Appendix-3.5** and summarised in **Table 3.10**.

Table 3.10: Summary of grants having large savings above ₹100 crore during the period 2023-24

(₹ in crore)						
Sl. No	Section of Grant	Number of Cases	Total Provision	Expenditure	Savings	Savings over total provisions (<i>per cent</i>)
1.	Revenue Voted	57	465936.15	366928.11	99008.04	21.25
2.	Capital Voted	35	184753.40	122169.12	62584.28	33.87
Total Voted		92	650689.55	489097.23	161592.32	24.83
1.	Revenue Charged	2	50432.92	45449.82	4983.10	9.88
2.	Capital Charged	1	26750.56	16948.04	9802.52	36.64
Total Charged		3	77183.48	62397.86	14785.62	19.16
Grand Total		95	727873.03	551495.09	176377.94	24.23

Source: Appropriation Accounts 2023-24

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

3.3.3 Persistent Savings

Persistent savings (₹100 crore and above) had been commented upon in previous State Finances Audit Reports of Uttar Pradesh and the State Government was recommended to review the reasons for non-utilisation of provisions under various schemes for more judicious provision in future years.

In 27 cases involving 24 grants, it was noticed that there were persistent savings (₹ 100 crore and above) during the last five years ranging between ₹ 124.91 crore and ₹ 18,142.29 crore. The persistent savings are detailed in **Appendix-3.6** and summarised in **Table 3.11**.

Table 3.11: Summary of grants having persistent savings during the period 2019-24
(₹ in crore)

Nature of expenditure	No. of Cases	Amount of Savings				
		2019-20	2020-21	2021-22	2022-23	2023-24
Revenue Voted	23	47801.39	53290.45	52515.92	61142.03	65172.09
Capital Voted	04	12115.09	10233.06	11636.85	5663.27	13950.15
Total	27	59916.48	63523.51	64152.77	66805.30	79122.24

Source: Appropriation Accounts of respective years

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

3.3.4 Unnecessary Supplementary Grants

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

Appropriation Accounts for the year 2023-24 revealed that Supplementary provisions (₹ 1.00 crore or more in each case) made in 72 cases of 37 Grants amounting to ₹ 3,312.20 crore proved unnecessary due to savings of ₹ 17,051.03 crore in these Grants. The expenditure was up to or less than the level of original provisions as detailed in the **Appendix-3.7** and summarised in **Table 3.12**.

**Table 3.12: Summary of cases in which supplementary provisions
(₹ 1 crore or more in each case) proved unnecessary in 2023-24**

(₹ in crore)

Sl. No	Section of the Grant	Total Cases	Original Provision	Supplementary Provision	Total	Expenditure	Savings
1.	Revenue Voted	39	39633.54	932.80	40566.34	31993.76	8572.58
2.	Capital Voted	33	30654.84	2379.40	33034.24	24555.79	8478.45
Total		72	70288.38	3312.20	73600.58	56549.55	17051.03

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

3.3.5 Unnecessary Re-appropriations

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

Audit noticed that during 2023-24, in 47 sub-heads involving 21 Grants (*Appendix-3.8*), the total budget provision was ₹ 11,549.12 crore, and further augmentation of ₹ 473.49 crore was made through re-appropriation. However, re-appropriation proved unnecessary, as in each case, expenditure was within the total budget provision under these sub-heads. There were overall savings of ₹ 2,443.96 crore in these 47 sub-heads as summarised in **Table 3.13**.

Table 3.13: Summarised position of unnecessary re-appropriation

(₹ in crore)

Grants	Sub Head	Total Provision	Re-appropriations	Total provision after re-appropriation	Expenditure	Savings
21	47	11549.12	473.49	12022.61	9578.65	2443.96

Source: Appropriation Accounts 2023-24

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

3.3.6 Rush of expenditure

Under Rule 62 (3) of the General Financial Rules, applicable in the Central Government, rush of expenditure, particularly in the closing month of financial year, has been regarded as a breach of financial propriety. However, no specific instructions have been given in the UPBM to prevent rush of expenditure.

Audit scrutiny of Appropriation Accounts for the year 2023-24 revealed that under four Grants, the expenditure incurred during the month of March 2024 ranged between 51 and 68 *per cent* as detailed in **Appendix-3.9**. The expenditure under these Grants during the fourth quarter of the year 2023-24 ranged between 56 *per cent* and 71 *per cent*.

Further examination revealed that out of ₹ 16,111.18 crore incurred under Grant No. 58 (PWD-Communication and Roads) during March 2024, ₹ 268.60 crore was transferred to Personal Deposit (PD)/Personal Ledger Account (PLA) (Heads 844300101 and 844300117) in six districts (Ayodhya, Baharaich, Lucknow, Prayagraj, Siddharthnagar and Varanasi). Similarly, out of ₹ 126.30 crore incurred under Grant No. 55 (PWD-Buildings) in March 2024, ₹ 4.86 crore was transferred to PD/PLA (Head 844300117) in Amethi district.

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

Para 212 of UPBM outlines that rigorous project formulation and appraisal have a major bearing on the relevance and impact of projects as well as on their timely implementation.

Audit scrutiny of Appropriation Accounts 2023-24 revealed that the State Government did not incur any expenditure under 26 schemes (**Appendix-3.10**) in 15 Grants for which budget provision of one hundred crore and above were made, as summarised in **Table 3.14**.

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

(₹ in crore)

Number of Grants	Number of Schemes	Original Provision	Total Expenditure	Saving
15	26	9859.33	0.00	9859.33

Source: Appropriation Accounts 2023-24

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

Further, the State Government provisioned ₹ 2,465.30 crore for 50 schemes under 26 Grants for which budget provision of ten crore and above were made during the year 2023-24 (**Appendix-3.11**), but no expenditure was incurred and the provisions were re-appropriated (₹ 2,465.30 crore) from these schemes.

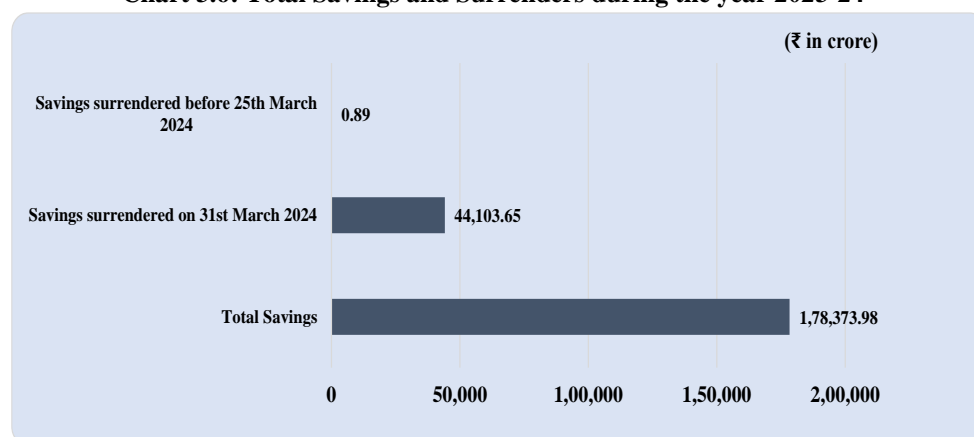
Non-utilisation of funds under above 76 schemes indicated that either the budgeting was done without due prudence or there was slippage in programme implementation.

3.3.8 Delayed surrender of Savings

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

The detail of savings and surrenders during the year 2023-24 is plotted in **Chart 3.6**.

Chart 3.6: Total Savings and Surrenders during the year 2023-24



Source: Appropriation Accounts 2023-24

It can be seen in **Chart 3.6** that out of the total savings of ₹ 1,78,373.98 crore, the amount surrendered was ₹ 44,104.54 crore (24.73 per cent). Out of total surrender, ₹ 0.89 crore was surrendered before 25 March 2024 and remaining ₹ 44,103.65 crore was surrendered on the last day of financial year. Remaining savings of ₹ 1,34,269.44 crore (75.27 per cent) was not surrendered. Further, the surrenders done on the last day of the financial year was in gross violation of the directions of UPBM.

Surrenders in Excess of actual savings

In 15 cases involving 13 Grants (₹1.00 crore or more in each case) as against saving of ₹ 10,649.42 crore, ₹ 11,926.55 crore was surrendered resulting in excess surrenders of ₹ 1,277.13 crore during the year 2023-24 (**Appendix-3.12**) and as summarised in **Table 3.15**.

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

(₹ in Crore)

Serial No.	Description	Saving	Surrender	Excess Surrender
1.	Revenue Voted (10 Cases)	6757.62	6856.92	99.30
2.	Revenue Charged (One Case)	6.45	6.49	0.04
3.	Capital Voted (Four Cases)	3885.35	5063.14	1177.79
Total		10649.42	11926.55	1277.13

Source: Appropriation Accounts 2023-24

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

3.4 Conclusion

- Out of total budget provision of ₹ 7,62,484.07 crore during the year 2023-24, there were overall savings of ₹ 1,78,373.98 crore. Budgetary provisions increased consistently during the last five years (2019-24) but utilisation of budget remained in the range of 73 *per cent* to 77 *per cent*. However, there was increase of ₹ 64,250.51 crore (12.36 *per cent*) in actual expenditure during 2023-24 over the previous year 2022-23.
- There were cases of misclassification of expenditure, rush of expenditure in the last quarter of the financial year, unutilised provisions under large number of schemes and unnecessary re-appropriation of budget provisions. Besides, Departmental Controlling Officers did not surrender savings and 75.27 *per cent* of savings lapsed.
- Excess disbursements of ₹ 32,533.56 crore under 104 Grants and 49 Appropriations pertaining to the years 2005-06 to 2023-24 are yet to be placed before the State Legislature for regularisation. Excess expenditure requires regularisation under Article 205 of the Constitution of India.

3.5 Recommendations

5. *The Finance Department should review the reasons due to which the provisions under various Grants/Appropriations remained unutilised and take steps to make more judicious budget provisions in future years.*
6. *Re-appropriations should be based on careful assessment of fund requirements. Finance Department may advice line departments to improve accuracy in cost estimation of Schemes/Projects at the time of submitting Revised Estimates in order to optimise utilisation of funds.*

7. *The Finance Department should monitor trend of expenditure by Departmental Controlling Officers, so that funds are not retained unnecessarily and are surrendered at the earliest, without resorting to last minute surrenders and lapse of allocations.*
8. *Classification of some expenditure items as Capital or Revenue nature included in certain Object Heads, as pointed out in Paragraph 3.2.2 needs review and redressal to align it with UPBM.*
9. *The Government may consider issuing guidelines to control rush of expenditure towards the closing months of the financial year especially in the month of March in order to maintain a steady pace of expenditure.*
10. *The State Government should ensure that all the existing cases of excess expenditure are placed before the State Legislature for regularisation in term of the provisions contained in Article 205 of the Constitution.*

CHAPTER - IV

Quality of Accounts and Financial Reporting Practices

CHAPTER-IV

QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES

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

Issues related to completeness of accounts

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

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

The Uttar Pradesh Fiscal Responsibility and Budget Management (UPFRBM) Act, 2004 outlined that the State Government shall take suitable measures to ensure greater transparency in its fiscal operations in public interest by disclosing the contingent liabilities created by way of guarantees; the actual liabilities arising out of borrowings by Public Sector Enterprises and Special Purpose Vehicles and other equivalent instruments where liability for repayment is on the State Government allocations. Further, the Uttar Pradesh Fiscal Responsibility and Budget Management Rules, 2006 provided that the 'Medium Term Fiscal Restructuring Policy (MTFRP) Statement' laid before the Legislature along with Budget documents shall contain the five year rolling targets with respect to Revenue Deficit, Fiscal Deficit and total outstanding debt¹⁹ of the State Government. For the year 2023-24, debt stock was targeted as 32.1 *per cent* of GSDP under MTFRP, 2023.

The State Government did not provide the details of extra-budget borrowings in the budget documents. However, as per details provided (February 2025) by the State Government to Audit, the outstanding extra budget borrowing of the State Government was ₹ 38,464.14 crore as on 31 March 2024, which included borrowings of ₹ 910.00 crore during the year 2023-24 as given in **Table 4.1**.

¹⁹ Total outstanding debt of the State indicates debt stock position or total indebtedness of the State which includes Internal Debt, Loans and Advances from GoI, Small Savings, Provident Funds, *etc.*, Reserve funds and Deposits.

Table 4.1: Detail of Extra Budget Borrowings during the year 2023-24
(₹ in crore)

Name of the Public Sector Undertaking or any other entity under the control of the state Government	Opening balance as on 01.04.2023	Funds/Loan raised during 2023-24	Loan Principal discharged/ repaid during 2023-24	Closing balance {(2+3)-4}
(1)	(2)	(3)	(4)	(5)
Uttar Pradesh Power Corporation Limited (UPPCL)				
Loan from REC/PFC	16875.16	0.00	2494.22	14380.94
Bonds issued by UPPCL	7439.20	0.00	0.00	7439.20
Total (UPPCL)	24314.36	0.00	2494.22	21820.14
Uttar Pradesh Expressways Industrial Development Authority (UPEIDA)				
HUDCO Loan for purchase of land for Ganga Expressway	2298.26	0.00	183.88	2114.38
Construction of Purvanchal Expressway	7119.31	0.00	787.87	6331.44
Construction of Bundelkhand Expressway	6640.00	0.00	408.21	6231.79
Construction of Gorakhpur Link Expressway	1243.90	910.00	187.51	1966.39
Total (UPEIDA)	17301.47	910.00	1567.47	16644.00
Grand Total	41615.83	910.00	4061.69	38464.14

Source: Information provided by the State Government.

As per Finance Accounts 2023-24, State Government had borrowings and other liabilities of ₹ 7,67,872.25 crore as on 31 March 2024, which included back-to-back loan received during 2020-21 (₹ 6,007 crore) and 2021-22 (₹ 8,139.94 crore) in lieu of GST compensation shortfall with no repayment liability to the State. As such, the borrowings and other liabilities of State as on 31 March 2024 was 29.58 per cent of GSDP. However, after including outstanding extra-budget borrowings (₹ 38,464.14 crore), the borrowings and other liabilities of State as on 31 March 2024 was 31.09 per cent of GSDP which was below the MTFRP, 2023 projection (32.1 per cent).

4.2 Un-discharged liabilities in Defined Contribution Pension Scheme

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

State Government employees recruited on or after 1 April 2005 are covered under the Defined Contribution Pension Scheme (DCPS). It is also applicable to the new entrants of government aided educational institutions and autonomous bodies financed by the State Government. In terms of the Scheme, the government employees contribute 10 per cent of basic pay and dearness allowance whereas State Government contributes 14 per cent. As per the procedure prescribed by the

Government of Uttar Pradesh, both the contributions are to be initially credited to the Public Account under the concerned Head of Accounts 8342-Other Deposit-117 DCPS for Government employees and 8342-120-Miscellaneous Deposits for Government aided Educational Institutions and Autonomous Bodies. Thereafter, the entire amount (Government's contribution and employees' contribution) so contributed to DCPS is required to be transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank. Further, the Major Head 8342 falls under the category of 'deposits bearing interest' implying thereby, that the Government is required to pay interest on untransferred balance.

During the year 2023-24, State Government booked expenditure of ₹ 8,725.78 crore under the head 2071-01-117-Government contribution for DCPS. This included ₹ 7,998.00 crore as Government contribution (₹ 4,569.44 crore for government employees, ₹ 3,425.50 crore for aided educational institutions employees and ₹ 3.06 crore for aided autonomous bodies employees) and ₹ 727.78 crore for payment of gratuity, family pension and interest on delayed deposits of employees covered under the scheme. Further, Government contribution of ₹ 8,006.43 crore was transferred to the heads designated for DCPS under Major Head 8342 in the Public Account. The difference between the amount booked as revenue expenditure (₹ 7,998.00 crore) and the amount actually transferred to designated head (₹ 8,006.43 crore) for DCPS was under reconciliation between the State Government and the Accountant General (Accounts & Entitlements).

As per Finance Accounts 2023-24, there was a closing balance of ₹ 748.85 crore under the head 8342-117-DCPS for Government Employees, which was not transferred to NSDL/Trustee Bank. The opening balance of DCPS at the beginning of the year was ₹ 481.05 crore in respect of Government employees on which the Government was required to credit interest amounting to ₹ 34.15 crore calculated as per the rate of interest payable to General Provident Fund. However, Government paid interest of ₹ 0.86 crore. The short credit of interest had an impact on the Revenue Surplus and Fiscal Deficit of the State, which was overstated and understated respectively by ₹ 33.29 crore during the year 2023-24.

Short transfers of contributions of DCPS to the designated fund manager were reported earlier in the State Finances Audit Reports for the year ended 31 March 2017, 31 March 2018, 31 March 2019, 31 March 2020, 31 March 2021, 31 March 2022 and 31 March 2023. Thus, the State Government did not discharge its liability towards DCPS and the current liability stands deferred to future year(s). As a result, the non-remitted fund did not yield any value appreciation as it could not become part of the corpus of investment of the subscribers.

4.3 Uttar Pradesh Road Transport Accident Relief Fund

The State Government did not establish Uttar Pradesh Road Transport Accident Relief Fund (UPRTARF) which resulted in a sum of ₹ 181.64 crore not being credited to UPRTARF during 2023-24.

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

A mention was made in the State Finances Audit Report for the year ended 31 March 2016 (Para No. 1.9.3.2 of Report No. 4 of the year 2016 – Government of Uttar Pradesh) regarding non-establishment of the UPRTARF by the State Government, which negated the very purpose of the provision in the UPMVT Act. The matter was reiterated in Paragraph 4.4 of the State Finances Audit Reports for the year ended 31 March 2020, 31 March 2021, 31 March 2022 and Paragraph 4.3 of the State Finances Audit Reports for the year ended 31 March 2023. It was observed that the State Government had not yet established the UPRTARF due to which a sum of ₹ 915.46 crore was not credited to the fund during 2015-16 to 2022-23.

During the period 2023-24, Transport Department realised tax and additional tax of ₹ 9,082.08 crore under Section 4 and Section 6 of UPMVT Act. As such, ₹ 181.64 crore was required to be credited to the UPRTARF as detailed in **Table 4.2**

Table 4.2: Details of tax to be credited to the UPRTARF during the period 2023-24
(₹ in crore)

Tax realised under Section 4			Addl. Tax realised under Section 6	Total Tax realised under Section 4 and Section 6	Two <i>per cent</i> to be transferred to the UPRTARF
Head of account		Total	Head of account		
0041-102-01	0041-102-03		0041-102-01		
1	2	3 = col. 1+ col. 2	4	5 = col. 3+ col. 4	6= 2% of col. 5
8317.28	420.72	8738.00	344.08	9082.08	181.64

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

Thus, a sum of ₹ 181.64 crore could not be credited to UPRTARF during 2023-24 as the fund was not established. This also had an impact on Revenue Surplus and Fiscal Deficit of the State for the year 2023-24, which was overstated and understated respectively by ₹ 181.64 crore.

Transport Commissioner, Uttar Pradesh stated (July 2024) that the creation of UPRTARF was under process at the Government level. It was further intimated (August 2024) that a sum of ₹ 28.20 lakh was provided during 2023-24 as financial assistance to 228 entitled persons suffering from accident under Major Head 2235-Social Security and Welfare in Grant Number 43-Transport Department.

However, the Government needs to comply with the provisions of the Act by establishing the UPRTARF in the Public Account of the State for providing financial assistance to the entitled persons as envisaged under the UPMVT Act, 1997.

4.4 Sub-Head/Detailed Head not created for account of Green Tax

The State Government did not create/operate distinct sub-head/detailed head for account of collected Green tax which resulted in receipt of ₹ 43.10 crore on account of Green Tax not being shown in the Government account distinctly.

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

Information provided (July 2024) by Transport Commissioner, Government of Uttar Pradesh revealed that the Transport Department had realised Green Tax amounting to ₹ 10.92 crore from 1.47 lakh vehicles during 2023-24. Realisation of Green Tax amounting to ₹ 32.18 crore from 7.66 lakh vehicles during 2015-16 to 2022-23 were reported in State Finances Audit Report for the year ended 31 March 2023.

Audit scrutiny revealed that no separate sub-head/detailed head has been created for accounting of Green Tax and therefore, the same was deposited in the Major Head-0041-Vehicle Tax along with other taxes levied by the State Government. As a result, realisation of Green tax was not ascertainable from the accounts of State Government. Further, the office of Transport Commissioner could not provide the status of actual utilisation of Green Tax for protection of the environment.

The matter was also highlighted in the previous State Finances Audit Reports for the year ended 31 March 2020, 31 March 2021, 31 March 2022 and 31 March 2023.

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

Appendix VI of Volume II of the Finance Accounts exhibits the direct transfer of central scheme funds to Implementing Agencies in the State, *i.e.*, fund routed outside State Budget, which is compiled from PFMS portal of GoI. During the year 2023-24, GoI directly transferred ₹ 880.92 crore to State Implementing Agencies (State Government DDOs: ₹ 0.04 crore, State Government PSUs: ₹ 0.29 crore, State Government Institutions: ₹ 877.94 crore, Local Bodies: ₹ 1.75 crore, Academic Institutions (Government): ₹ Nil and statutory bodies:

₹ 0.90 crore). Further, the direct transfer of Central Scheme funds to the State Government Implementing Agencies have decreased by 17.11 *per cent* in the year 2023-24 as compared to the year 2022-23 (from ₹ 1062.78 crore in 2022-23 to ₹ 880.92 crore in 2023-24).

Issues related to Transparency

4.6 Delay in submission of Utilisation Certificates

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

The purpose for which grants-in-aid were utilised can be confirmed only on receipt of UCs which would safeguard against diversion of funds for other purposes. Thus, expenditure shown in the accounts cannot be treated as final to the extent of non-receipt of UCs. The position of outstanding UCs as on 31 March 2024 for grants given up to 30 September 2022 is given in **Table 4.3**.

Table 4.3: Arrears in submission of Utilisation Certificates

Year	Number of UCs awaited (as on 31 st March)	Amount (₹ in crore)
Up to 2020-21	15732	6594.76
2021-22	1409	2268.32
2022-23 (Up to September 2022)	822	3009.87
Total	17963	11872.95

Source: Finance Accounts 2023-24

Table 4.3 shows that 17,963 UCs aggregating ₹ 11,872.95 crore were outstanding as on 31 March 2024 for grants released during the period 2001-02 to 2022-23 (up to September 2022). The total outstanding UCs include 4,211 UCs (₹ 5,294.49 crore) related to Centrally Sponsored Schemes. Further, 27,102 number of UCs amounting to ₹ 43,129.08 crore in respect of grants-in-aid released during the period 2001-02 to 2022-23 (upto 30 September 2022) were cleared during 2023-24. The age-wise status of pendency of UCs is summarised in **Table 4.4**.

Table 4.4: Year wise break up of outstanding UCs

(₹ in crore)

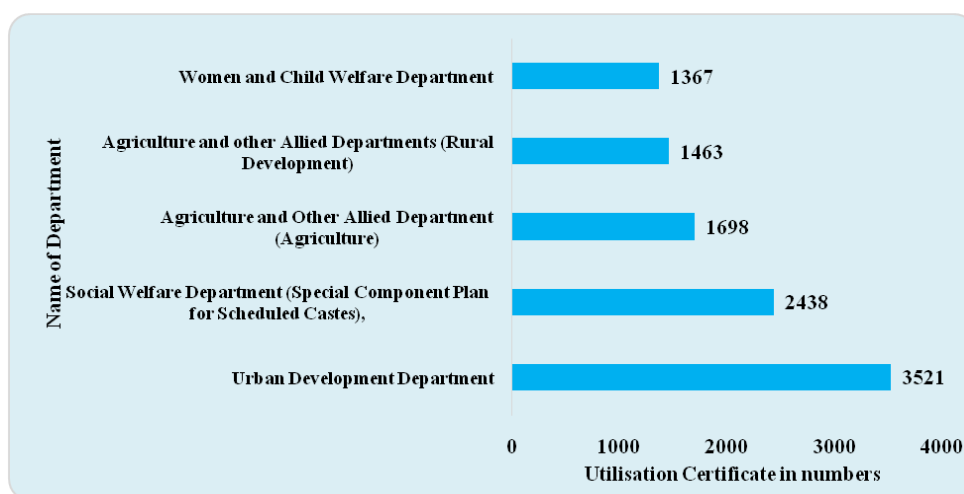
Year	Number of UCs	Amount
2001-02 to 2012-13	11299	3282.26
2013-14	670	297.80
2014-15	707	174.63
2015-16	454	363.75
2016-17	281	146.48
2017-18	202	72.67
2018-19	333	349.72
2019-20	794	392.07
2020-21	992	1515.38

Year	Number of UCs	Amount
2021-22	1409	2268.32
2022-23 (Up to September 2022)	822	3009.87
Total	17963	11872.95

Source: Finance Accounts 2023-24 and information maintained by Accountant General (A&E) U.P.

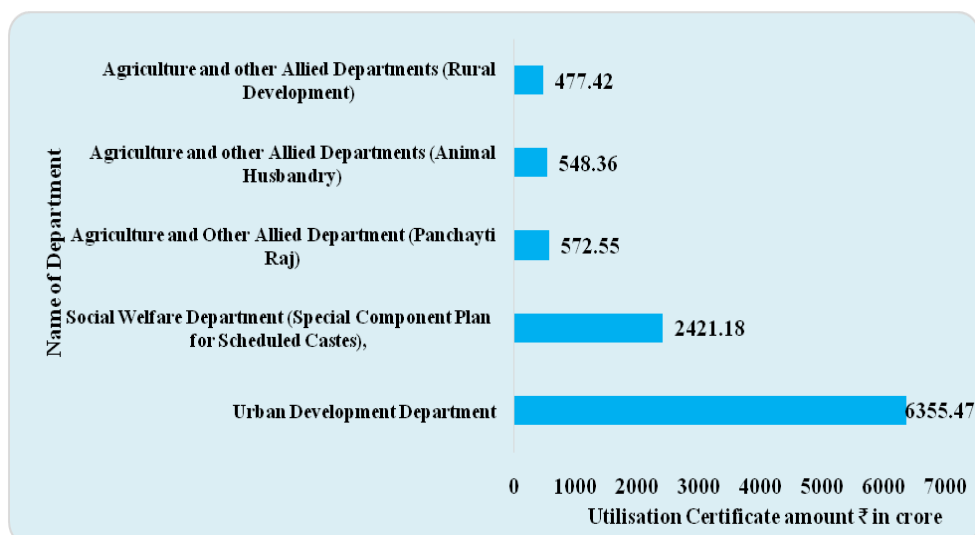
Of the total outstanding UCs, 10,487 UCs (58.38 *per cent*) amounting to ₹ 9,510.20 crore (80.10 *per cent*) pertained to five departments: Urban Development Department, Social Welfare Department (Special Component Plan for Scheduled Castes), Agriculture and Other Allied Department (Agriculture), Agriculture and other Allied Departments (Rural Development), and Women and Child Welfare Department as presented in **Chart 4.1**.

Chart 4.1: Department wise outstanding UCs in numbers



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

Chart 4.2: Department wise outstanding amount of UCs



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

In the absence of UCs, there is no assurance that grants-in-aid disbursed had actually been incurred for the purpose for which these were sanctioned/authorised

by the Legislature. Moreover, high pendency of UCs was fraught with the risk of embezzlement, diversion and misappropriation of funds.

4.7 Abstract Contingent Bills

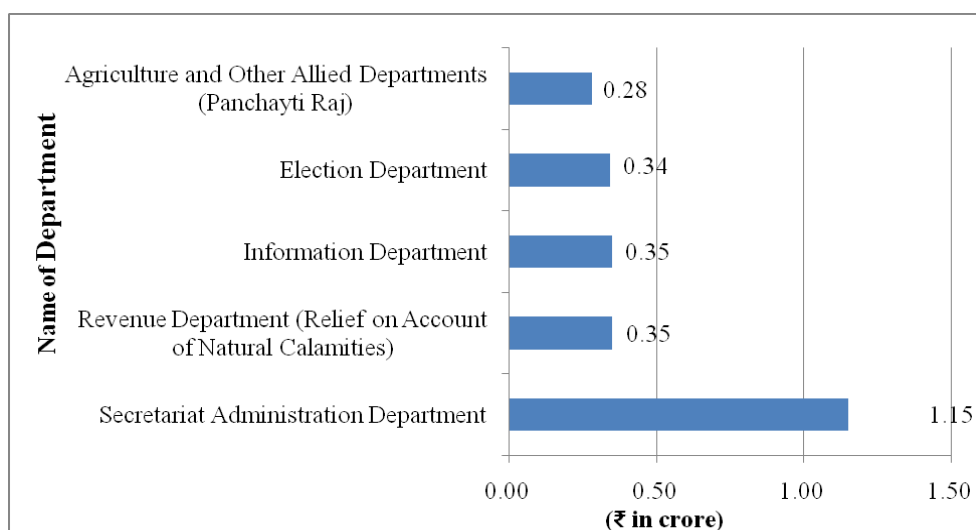
The drawal of contingent charges on items of expenditure by a State Government, for which final classification and supporting vouchers are not available at the time of drawal, are made on Abstract Contingent (AC) Bills. As per Para 183 of Financial Hand Book (Volume V) Part I, in the case of contingent charges countersigned after payment, Detailed Countersigned Contingent (DCC) bills are required to be submitted by the Head of the Office to the controlling officer or if there is no controlling officer, to the Accountant General directly by the end of the next month. Delayed submission or prolonged non-submission of supporting DCC bills renders expenditure through AC Bills opaque. The details of pending DCC bills as on 31 March 2024 are given in **Table 4.5**.

Table 4.5: Year wise status of pending DCC bills as on 31 March 2024

Year	Number of pending DCC Bills	Amount (₹ in crore)
Up to 2022-23	510	2.95
2023-24	14	0.16
Total	524	3.11

Source: Finance Accounts 2023-24

As evident from **Table 4.5**, 510 DCC bills amounting to ₹ 2.95 crore were pending for long periods from the year 2001-02 to 2022-23 and 14 outstanding DCC bills amounting to ₹ 0.16 crore pertain to the year 2023-24. Of the total outstanding AC bills, 299 bills (57.06 *per cent*) amounting to ₹ 2.46 crore (79.10 *per cent*) pertained to five departments: Secretariat administration Department (58 AC bills amounting to ₹ 1.15 crore); Revenue Department (Relief on Account of Natural Calamities) (five AC bills amounting to ₹ 0.35 crore); Information Department (85 AC bills amounting to ₹ 0.35 crore); Election Department (33 AC bills amounting to ₹ 0.34 crore); and Agriculture and other Allied Departments (Panchayati Raj) (118 AC bills amounting to ₹ 0.28 crore) as depicted in **Chart 4.3**.

Chart 4.3: Pending DCC Bills of major defaulting departments

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

Delay in submission of detailed contingent bills indicates that funds were drawn without requirement for immediate payment. Further, non-submission of DCC bills within the prescribed time not only breaches financial discipline but also increases the possibility of wastage/misappropriation/malfeasance *etc.*

4.8 Personal Deposit Accounts

Under the List of Major and Minor Heads of Accounts of Union and States, Personal Deposits are of the nature of deposits not bearing interest opened under 8443-Civil Deposits-106-Personal Deposits. As per para 4 of Uttar Pradesh Personal Ledger Account (UPPLA) Rules 1998, the State Government is authorised to open Personal Deposit (PD) accounts/PLA for specific purposes in consultation with the Accountant General. Designated Administrators are authorised to operate these PD accounts by transfer of funds from the Consolidated Fund of the State.

During the year 2023-24, an amount of ₹ 2.34 crore was transferred from the Consolidated Fund of the State to PD Accounts under head 8443-106. This includes ₹ 0.16 crore transferred to PD Accounts in March 2024. Details of PD accounts as on 31 March 2024 are given in **Table 4.6**.

Table 4.6: Status of PD Accounts during the year 2023-24

(₹ in crore)

Opening Balance (As on 01-04-2023)		Addition during the year 2023-24		Disbursement during the year 2023-24		Closing Balance (As on 31-03-2024)	
No. of Administrators	Amount	No. of Administrators	Amount	No. of Administrators	Amount	No. of Administrators	Amount
12	09.58 (Dr)	Nil	2.34	Nil	0.21	12	7.45 (Dr)

Source: Finance Accounts 2023-24

Further, Uttar Pradesh Government order (March 1999) provides that Administrators of PD Account are required to reconcile and verify their balances with the treasury figures and annual verification certificates are also required to be submitted to the Accountant General. However, during the year 2023-24, out

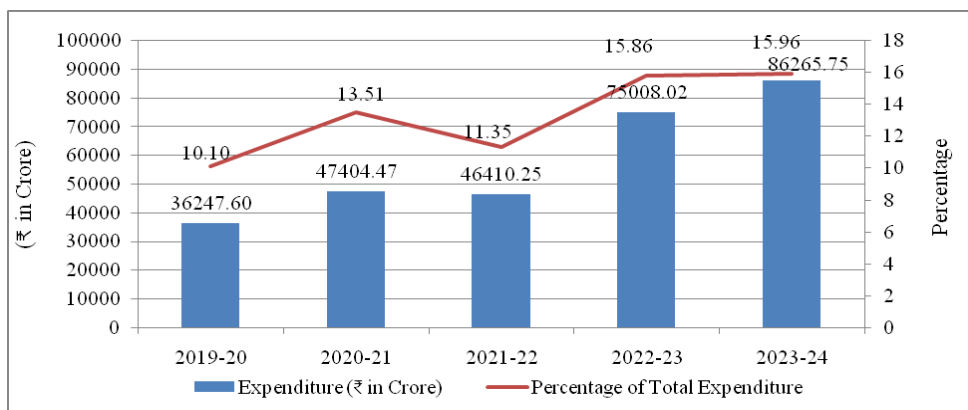
of 12 Administrators of PD accounts of the State, only Six Administrators had reconciled and verified their balances with the treasury figures.

4.9 Indiscriminate use of Minor Head 800

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

During the year 2023-24, ₹ 86,265.75 crore under 85 Major Heads of accounts on the expenditure side, constituting 15.96 per cent of the total Revenue and Capital expenditure of ₹ 5,40,343.26 crore, was classified under Minor Head 800-Other Expenditure. The trend of expenditure booked under Minor Head 800-Other Expenditure during the period 2019-24 and its percentage to total expenditure is depicted in **Chart 4.4**.

Chart 4.4: Operation of Minor Head 800 - Other Expenditure during the period 2019-24



Source: Finance Accounts of respective years

Instances where a substantial proportion (50 per cent or more of the total expenditure under the Major Head) of the expenditure was classified under minor head 800-Other Expenditure are listed in **Table 4.7**.

Table 4.7: Significant expenditure booked under Minor Head 800 – Other Expenditure during the year 2023-24

(₹ in crore)				
Major Head	Major Head Description	Expenditure under Minor Head 800	Total Expenditure	Percentage
4070	Capital Outlay on other Administrative Services	2533.35	2533.35	100
5053	Capital outlay on Civil Aviation	1650.27	1650.27	100
4875	Capital outlay on other	1334.13	1334.13	100

Major Head	Major Head Description	Expenditure under Minor Head 800	Total Expenditure	Percentage
	industries			
2040	Taxes on Sales, Trade etc.	900.48	900.48	100
2885	Other Outlays on Industries and Minerals	176.69	176.69	100
2705	Command Area Development	87.10	87.10	100
5425	Capital Outlay on Other Scientific and Environmental research	24.86	24.86	100
2407	Plantations	4.88	4.88	100
2043	Collection Charges under State Goods and Services Tax	2.40	2.40	100
4859	Capital outlay on Telecommunication and Electronic industries	2.00	2.00	100
2041	Taxes on Vehicles	1.91	1.91	100
2852	Industries	8175.61	8520.00	96
2801	Power	30637.34	32925.34	93
3053	Civil Aviation	27.72	30.74	90
3452	Tourism	165.43	203.52	81
4216	Capital Outlay on Housing	4418.92	5737.80	77
4235	Capital Outlay on Social Security and Welfare	451.53	605.43	75
4575	Capital Outlay on Other Special Areas Programmes	781.89	1055.54	74
2501	Special Programmes for Rural Development	2043.98	3023.59	68
2216	Housing	354.51	525.12	68
2211	Family Welfare	5433.88	8793.33	62
2700	Major Irrigation	542.41	885.38	61
4217	Capital Account of Urban Development	2561.37	4463.97	57
2205	Art and Culture	113.40	203.02	56
4403	Capital Outlay on Animal Husbandry	130.00	242.12	54

Source: Finance Accounts 2023-24

Further examination revealed that in two Grants, viz., Grant No. 53-National Integration Department and Grant No. 85-Public Enterprises Department, entire expenditure was booked under Minor Head 800 during the last four years 2020-21 to 2023-24.

Similarly, during the year 2023-24, revenue receipts aggregating ₹ 8,467.49 crore were booked under Minor Head 800-Other Receipts in 57 Major Heads of accounts on the receipt side constituting 1.82 *per cent* of the total revenue receipts of the State of ₹ 4,65,801.15 crore. Instances where a substantial proportion (50 *per cent* or more of the total receipts under the Major Head) of the revenue receipts was classified under minor head 800-Other Receipts during the year 2023-24 are listed in **Table 4.8**.

Table 4.8: Significant receipts booked under Minor Head 800–Other Receipts during the year 2023-24

(₹ in crore)

Major Head	Major Head Description	Receipts under Minor Head 800	Total Receipts	Percentage
1054	Roads and Bridges	646.35	578.19	112 ²⁰
0801	Power	1881.70	1881.70	100
0215	Water Supply and Sanitation	217.64	217.64	100
0217	Urban Development	177.22	177.22	100
0852	Industries	28.18	28.18	100
0875	Other Industries	3.66	3.66	100
0810	Non-Conventional Sources of Energy-	2.21	2.21	100
1456	Civil Supplies	1.93	1.93	100
0575	Other Special Areas programmes	1.55	1.55	100
0425	Co-operation	85.72	85.74	100
1053	Civil Aviation	12.68	12.69	100
0211	Family Welfare	18.00	18.01	100
0235	Social Security and Welfare	184.24	184.56	100
0056	Jails	7.91	8.01	99
0851	Village and Small Industries	158.88	161.67	98
0059	Public Works	117.94	120.76	98
1452	Tourism	7.84	8.16	96
0700	Major Irrigation	21.24	25.04	85
0070	Other Administrative Services	886.90	1067.98	83
0029	Land Revenue	321.88	404.74	80
0230	Labour and Employment	47.30	64.05	74
0403	Animal Husbandry	21.88	33.39	66
0406	Forestry and Wild Life	212.98	356.67	60
0515	Other Rural Development Programmes	77.50	136.92	57
0071	Contributions and Recoveries towards Pension and Other Retirement benefits	223.58	426.38	52

Source: Finance Accounts 2023-24

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

4.10 Expenditure under omnibus Object Head: ‘42- Other Expenditure’

With a view to bringing greater transparency in the budget of the State Government and effecting adequate security and control in planning and implementing, there is a need for budgeting provision under the appropriate heads

²⁰ Total receipt in Major Head 1054 included refunds of (-) ₹ 81.01 crore under minor head 900-Deduct Refunds, receipt of ₹ 12.85 crore under minor head 102-Tolls on Roads and receipt of ₹ 646.35 crore under minor head 800-Other receipts.

instead of the omnibus object head ‘42- Other Expenditure’. As defined in budget documents, ‘Other Expenditure’ pertains to residual items and it also includes remuneration and award related expenses and expenditure from discretionary funds.

Scrutiny of the Accounts revealed that expenditure of ₹ 34,110.76 crore was made under Object Head ‘42- Other Expenditure’ which was 5.99 *per cent* of the total disbursements of ₹ 5,69,746.85 crore out of the Consolidated Fund of the State during 2023-24. Further, it was observed that in 26 grants, the expenditure under Object Head: ‘42-Other Expenditure’ was more than five *per cent* of the total expenditure of these grants and this contributed to 26.08 *per cent* of total expenditure of these grants as given in **Table 4.9**.

**Table 4.9: Expenditure under Object Head ‘42 – other expenditure’
under various Grants**

(₹ in crore)

Sl. No.	Grant No.	Grant Description	Total Expenditure	Expenditure under Object Head 42	Percentage of expenditure under OH 42 to Total Expenditure
1	53	National Integration Department	0.44	0.36	81.66
2	35	Medical Department (Family Welfare)	8205.73	5953.67	72.56
3	78	Secretariat Administration Department	1721.40	1010.87	58.72
4	13	Agriculture and Other Allied Departments (Rural Development)	19037.89	10298.89	54.10
5	91	Institutional Finance Department (Stamps Registration)	463.86	242.48	52.27
6	03	Industries Department (Small Industry and Export Promotion)	932.96	472.77	50.67
7	28	Home Department (Political Pension and Other Expenditure)	287.51	135.80	47.23
8	45	Environment Department	13.28	5.93	43.23
9	69	Vocational Education Department	1880.65	731.66	38.90
10	92	Cultural Department	309.35	115.27	37.26
11	76	Labour Department (Labour Welfare)	544.87	191.94	35.23
12	07	Industries Department (Heavy and Medium Industries)	12982.45	4245.38	31.93
13	52	Revenue Department (Board of Revenue and other expenditure)	3031.09	944.96	24.04
14	81	Social Welfare Department (Tribal Welfare)	1397.44	270.06	19.33

Sl. No.	Grant No.	Grant Description	Total Expenditure	Expenditure under Object Head 42	Percentage of expenditure under OH 42 to Total Expenditure
15	33	Medical Department (Ayurvedic and Unani)	1093.51	196.65	17.98
16	66	Finance Department (Group Insurance)	259.28	35.00	13.50
17	37	Urban Development Department	23184.06	2851.45	12.30
18	22	Sports Department	570.34	63.49	11.13
19	83	Social Welfare Department (Special Component Plan for Scheduled castes)	25771.34	2464.35	9.56
20	29	Confidential Department (Governor Secretariat)	21.04	1.96	9.31
21	34	Medical Department (Homoeopathy)	559.30	50.07	8.95
22	17	Agriculture and other Allied Departments (Fisheries)	166.85	146.40	8.77
23	32	Medical Department (Allopathy)	8279.45	706.60	8.53
24	11	Agriculture and other Allied Departments (Agriculture)	5333.95	345.78	6.48
25	89	Institutional Finance Department (Commercial Tax)	934.34	59.40	6.36
26	21	Food and Civil Supplies Departments	5163.54	319.47	6.19
Total (Above five per cent)			122145.92	31860.66	26.08

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

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

Issues related to Measurement

4.11 Outstanding balances under major Suspense and Remittance Heads

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/Works, Forest Divisions, etc. The outstanding balances under certain major suspense heads of accounts are indicated in **Table 4.10**.

Table 4.10: Balances under Suspense and Remittance Heads**(₹ in crore)**

Suspense Head	2021-22		2022-23		2023-24	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Major Head 8658 - Suspense						
101 - PAO suspense	418.07	739.80	395.41	269.72	257.52	208.31
Net	Cr. 321.73		Dr. 125.69		Dr. 49.21	
102 - Suspense Account-Civil	15820.92	1689.57	15764.39	16431.30	15780.89	16432.73
Net	Cr. 568.65		Cr. 666.91		Cr. 651.84	
109 - Reserve Bank Suspense – Headquarters	0.00	0.00	0.00	0.01	0.01	0.01
Net	0.00		Cr. 0.01		0.00	
110 - Reserve Bank Suspense – Central Accounts Office	(-)94.54	(-)1138.62	(-)94.12	(-)1136.38	(-)94.92	(-)1136.44
Net	Dr. 1044.08		Dr. 1042.26		Dr. 1041.52	
Major Head 8782-Cash remittances and adjustments between officers rendering accounts to the same Accounts Officer						
102 - Public Works Remittances	216990.54	218840.01	232556.35	235417.30	256276.42	258390.05
Net	Cr. 1849.47		Cr. 2860.95		Cr. 2113.63	
103 - Forest Remittances	3391.12	3594.69	3701.73	3939.71	4205.85	4483.51
Net	Cr. 203.57		Cr. 237.98		Cr. 277.66	
8793-Inter State Suspense Account	66.72	0.05	56.76	0.01	56.34	0.11
Net	Dr. 66.67		Dr. 56.75		Dr. 56.23	

Source: Finance Accounts of respective years and information maintained by Accountant General (A&E) U.P.

4.12 Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India (CAG), prescribe the form of accounts of the Union and of the States. On the advice of the CAG, the President of India has notified four Indian Government Accounting Standards (IGAS). Compliance to these Accounting Standards by the Government of Uttar Pradesh as well as deficiencies therein during 2023-24 is detailed in **Table 4.11**.

Table 4.11: Compliance to Accounting Standards

Sl. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Deficiency
1	IGAS-1	Guarantees Given by the Government – Disclosure requirements	Partially Complied (Statement 9 and 20 of Finance Accounts)	Information relating to the designated authority for guarantees given by the Government was not provided by the State Government.
2	IGAS-2	Accounting and Classification of Grants-in-aid	Partially complied (Statement 10 of Finance Accounts)	Information regarding total value of Grant-in-aid given in kind was not provided by State Government.
3	IGAS-3	Loans and Advances made by Government	Partially complied (Statement 7 and 18 of Finance Accounts)	Information regarding loans in perpetuity was not provided by State Government.
4	IGAS-4	Prior Period Adjustment	Information regarding Prior Period Adjustment was not provided by the State Government to Accountant General (A&E) UP.	

Source: Finance Account & information provided by Accountant General (A&E) U.P.

4.13 Adverse balances of Loans and Advances

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

Finance Accounts for the year 2023-24 contained the following adverse balances of Loans and Advances as on 31 March 2024 are given in **Table 4.12**.

Table 4.12: Adverse balance as on 31.03.2024

Head of Account	Description	Amount (₹ in crore)
6215-02-192-04	Arrangement of Revolving fund for interest free loan for expansion and development of infrastructure facilities of Urban Bodies	0.26
6235-02-190-01	Refund of loan disbursed to U.P. Backward Finance & Development Corp Ltd	0.18
6425-00-108-03	Loans to U.P. Cooperative Bank	0.02
6860-01-190-04	Loans to Uttar Pradesh State Spinning Company Ltd.	123.78
6860-01-190-05	Loans to Uttar Pradesh State Yarn Company Ltd.	75.74
6860-04-190-02	Loan to sugar factories	1108.52
6885-01-190-06	Industrial Investment Incentive Scheme, 2003	49.19
6885-01-190-10	Loans to U.P. Financial Corporation	26.09
7055-00-190-10	Other receipts	9.95
7610-00-202	Advances for Purchase of Motor Conveyances	17.72
7610-00-203	Advance for Purchase of Other Conveyances	25.39
7610-00-800	Other Advances	3.02

Source: Finance Account 2023-24

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

4.14 Non-reconciliation of Departmental figures

To exercise effective budgetary control over revenue/expenditure and to ensure accuracy in accounts, as per para 124 of UP Budget Manual, Chief Controlling Officers (CCOs)/Controlling Officers (COs) are required to reconcile every month, the receipts and expenditure recorded in their books with the figures of the Accountant General (A&E). The status of reconciliation of figures by the Controlling Officers is given in **Table 4.13**.

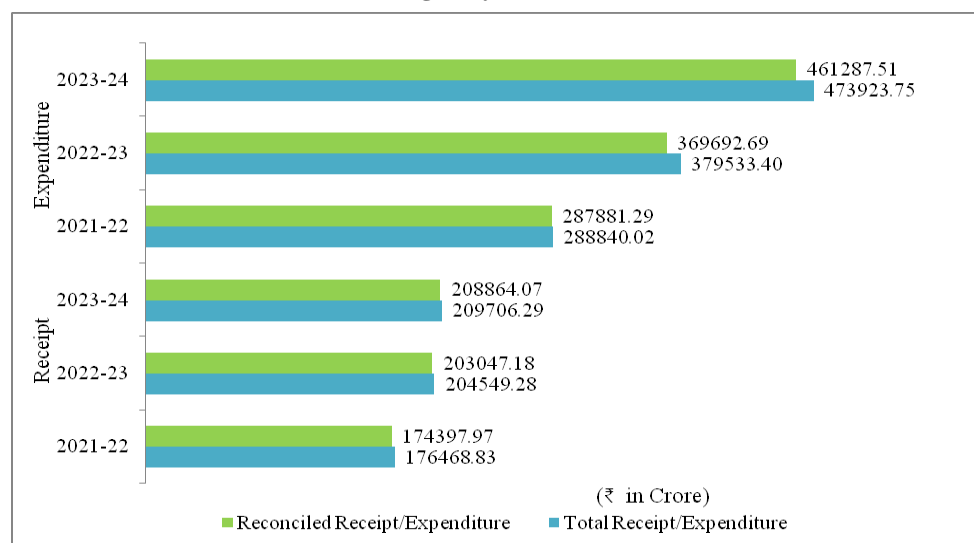
Table 4.13: Status of Reconciliation of Receipts and Expenditure by Controlling Officers

Year	Total No. of Controlling Officers	No. of Controlling Officers reconciled their receipts/ expenditure		
		Fully reconciled	Partially reconciled	Not reconciled
Receipts				
2021-22	48	43	--	05
2022-23	48	43	--	05
2023-24	48	47	--	01
Expenditure				
2021-22	180	177	--	03
2022-23	180	179	--	01
2023-24	180	178	--	02

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

Reconciliation of receipts was completed by 47 out of 48 CCOs, as they reconciled revenue receipts of ₹ 2,08,864.07 crore (99.60 per cent of total revenue receipts of ₹ 2,09,706.29 crore due for reconciliation) during 2023-24. Further out of 180 CCOs, 178 CCOs had reconciled their expenditure figures of ₹ 4,61,287.51 crore (97.33 per cent of total revenue and capital expenditure of ₹ 4,73,923.75 crore due for reconciliation) as shown in **Chart 4.5**.

Chart 4.5: Status of Reconciliation of Receipts and Expenditure during the year 2021-24



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

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

Issues related to Disclosure

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

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

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

Audit certificate to the accounts being 'true and fair' is issued in case of abovementioned autonomous bodies and authorities provided CAG is the sole auditor. Thus, these bodies and authorities are required to prepare annual accounts and submit the same to AG (Audit) for audit. Apart from Audit certificate, on completion of the financial audit, the audit office issues a separate audit report (SAR) that is part of the audit certificate on the accounts.

It was observed that 388 annual accounts of 56 Autonomous Bodies and Authorities (due up to 2023-24) for audit as on 31 July 2024 have not been submitted by the concerned entities. The Department-wise details of accounts due from Autonomous Bodies and Authorities are given in *Appendix 4.1*. Age wise pendency of these 388 accounts is given in **Table 4.14**.

Table 4.14 : Age-wise analysis of Annual Accounts due for audit but not submitted

Delay in number of years	No. of Bodies/Authorities	No. of Accounts
1-2	8	13
3-4	13	49
5-10	29	197
More than 10	6	129
Total	56	388

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

In the absence of annual accounts and their audit, proper utilisation of grants-in-aid and loans disbursed to these Bodies/Authorities and their accounting cannot be vouched. Audit has been taking up the matter of non-submission of accounts

of the defaulting bodies with the authorities concerned from time to time, but without perceivable improvement.

4.16 Proforma Accounts of Departmental Commercial Undertakings

Departmental Commercial Undertakings (DCUs) are required to finalise proforma annual accounts in the prescribed format and submit the same to the Accountant General for audit after closure of accounts. Out of the nine DCUs in the State, four DCUs (Irrigation Workshop Divisions Kanpur, Bareilly, Meerut and Prayagraj) have finalised their annual accounts for the financial year 2023-24 and two DCUs (Irrigation Workshop Divisions, Jhansi and Gorakhpur) have finalised their annual accounts for 2022-23, one DCU (Food Commissioner and CAO) has finalised its annual account for 2021-22 and another DCU (Dy. Director, Animal Husbandry Farms Corporation) has finalised its account for the year 2020-21. The remaining one DCU has not finalised its annual accounts for many years. The details are shown in **Appendix 4.2**.

4.17 Pending cases of misappropriations, losses, thefts etc.

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

The State Government reported 135 cases²¹ of misappropriation/losses/thefts etc., of Government material/money involving ₹ 9.31 crore on which final action was pending as on 31 March 2024. The department-wise break up of pending cases of misappropriation, losses, theft etc. and reasons for the delay in final disposal are given in **Table 4.15**.

Table 4.15: Pending cases of misappropriation, losses, theft etc.

(₹ in lakh)

Name of Department	Cases of misappropriation/ losses /theft of Government material		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft etc.					
			Awaiting departmental and criminal investigation		Departmental action initiated but not finalised		Criminal proceedings finalised but recovery of the amount pending	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
Food and Civil Supplies	9	28.78	0	0	7	26.83	2	1.95
Social Welfare	3	0.95	0	0	2	0.70	1	0.25
Horticulture	1	3.59	0	0	1	3.59	0	0

²¹ Pertaining to period January 1967 to March 2024.

Name of Department	Cases of misappropriation/ losses /theft of Government material		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft etc.					
			Awaiting departmental and criminal investigation		Departmental action initiated but not finalised		Criminal proceedings finalised but recovery of the amount pending	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
Rural Development	9	3.28	1	0.74	7	2.34	1	0.20
Education	8	171.16	2	101.08	4	55.55	2	14.53
Technical Education	1	11.59	0	0	0	0	1	11.59
Animal Husbandry	16	6.55	7	5.20	9	1.35	0	0
Fisheries	3	2.61	0	0	3	2.61	0	0
Agriculture	3	7.62	2	2.17	1	5.45	0	0
Irrigation	41	121.03	4	16.07	35	36.95	2	68.01
Cooperative	2	1.45	0	0	1	0.17	1	1.28
Medical Health and Family Welfare	11	15.89	1	0.30	9	14.22	1	1.37
Home (Police, PAC)	8	56.09	7	8.61	0	0	1	47.48
Revenue	5	14.49	3	8.81	2	5.68	0	0
Finance	1	0.67	1	0.67	0	0	0	0
Weight and Measurements	1	1.09	0	0	0	0	1	1.09
Public Works Department	9	147.80	4	27.26	1	0.12	4	120.42
Revenue (Land Acquisition)	3	331.78	0	0	3	331.78	0	0
Judiciary	1	4.44	0	0	1	4.44	0	0
Total	135	930.86	32	170.91	86	491.78	17	268.17

Source: Information received from concerned departments

The age wise analysis of these pending cases is depicted in **Table 4.16**, which indicates that 101 cases involving ₹ 4.88 crore were pending as on 31 March 2024 for more than 20 years.

Table 4.16: Age-wise analysis of pending cases of misappropriation, losses, theft etc.

(₹ in lakh)

Years ranging	Number of cases	Amount involved
0 – 5 Years (2019-20 to 2023-24)	0	0.00
5 – 10 Years (2014-15 to 2018-19)	0	0.00
10 – 15 Years (2009-10 to 2013-14)	16	233.04
15 – 20 Years (2004-05 to 2008-09)	18	209.46
20 – 25 Years (1999-00 to 2003-04)	11	28.27
Above 25 Years (1998-99 and before)	90	460.09
Total	135	930.86

Source: Information received from concerned departments

Out of a total of 135 pending cases (as on 31 March 2024) involving ₹ 930.86 lakh, departmental and criminal investigation was not initiated in 32 cases involving to ₹ 170.91 lakh. Departmental action was initiated in 86 cases (involving ₹ 491.78 lakh) which were not finalised. Criminal proceedings were finalised in 17 cases (involving ₹ 268.17 lakh), but recovery of the amount was pending.

4.18 Follow up action on State Finances Audit Report

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

4.19 Conclusion

- The State Government resorted to extra-budget borrowings through State owned PSEs/Authorities for meeting expenditure having implication on debt parameters of the State. Since these extra-budget borrowings do not form part of the Debt-Stock of the State, the debt position as reflected in Finance Accounts does not depict actual debt position.
- The State Government did not remit entire amount of employees' and employers' contributions towards the Defined Contribution Pension Scheme to the designated fund manager for its further investment.
- The State Government did not establish Uttar Pradesh Road Transport Accident Relief Fund, as required under Uttar Pradesh Motor Vehicle Taxation Act, 1997, meant to provide relief to the passengers or heirs of deceased passengers or other persons suffering casualty in which a public service vehicle is involved.

- A large number (17,963) of UCs aggregating ₹ 11,872.95 crore were outstanding at the close of the year 2023-24. In the absence of UCs, there is no assurance that grants-in-aid disbursed have actually been incurred for the purpose for which they were sanctioned/ authorised by the Legislature.
- Classification of large amounts booked under the Minor Heads ‘800- Other Receipts/Expenditure’ does not give a complete picture in the financial reporting. Similarly, in respect of 26 grants, the expenditure under Object Head: ‘42- Other Expenditure’ was more than five *per cent* of total expenditure of these grants, which affects transparency in financial reporting.
- 388 annual accounts of 56 Autonomous Bodies/Authorities (due up to 2023-24) for audit as of 31 July 2024 have not been submitted by the concerned entities. In absence of annual accounts and their audit, proper utilisation of grants and loans disbursed to these Autonomous Bodies/Authorities cannot be vouched.

4.20 Recommendations

- 11. The State Government should disclose extra-budget borrowings by the SPSEs/Authorities in the State Budget.*
- 12. The State Government should transfer the entire amount of Defined Contribution Pension Scheme to the designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank so that the un-transferred amount could become the part of corpus of investment of the subscribers and yield value appreciation.*
- 13. Being the statutory requirement, the Government should create the ‘Uttar Pradesh Road Transport Accident Relief Fund’ so that the fund could be utilised for benefit of the affected persons.*
- 14. The Government may ensure timely submission of utilisation certificates by the departments in respect of the grants-in-aid released for specific purposes and all pendency may be reviewed before release of fresh grants to defaulting grantees.*
- 15. The Finance Department should, in consultation with the Accountant General (A&E), conduct a comprehensive review of all items presently appearing under minor head 800. Further, at the object head level, indiscriminate use of object head 42-Other expenditure should be minimised.*

16. *The Finance Department should consider evolving a system for regular review to expedite the process of compilation and submission of annual accounts by Bodies/Authorities/Departmental Commercial Undertakings in order to assess their financial position.*



(SANJAY KUMAR)

Lucknow

The 25 APRIL 2025 Accountant General (Audit-II), Uttar Pradesh

Countersigned



(K. SANJAY MURTHY)

New Delhi

The 30 APR 2025 Comptroller and Auditor General of India

Appendices

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

Sl. No.	Particulars		Figures
1	Area ¹		2,40,928 Sq. Km.
2	Population ²		
	a.	Census 2011 (As on 1 March 2011)	19.98 crore
	b.	Projected for the year 2024 (As on 1 March 2024)	23.81 crore
3	Decadal Population Growth ³ (2014-2024)	Uttar Pradesh	13.60 <i>per cent</i>
		All India (inclusive of UTs)	11.26 <i>per cent</i>
4	Literacy rate ⁴ (All India Average = 73.00 <i>per cent</i>)		67.7
5	Infant mortality rate ⁵ (per 1000 live births) (All India Average = 28 per 1000 live births)		38
6	Life Expectancy at birth ⁶ (All India Average = 70 years)		66 years
7	Gross State Domestic Product (GSDP) at current prices		₹ 2547861 crore
8	Per capita GSDP/GDP Compound Annual Growth Rate (CAGR) (2014-15 to 2023-24)	Uttar Pradesh	9.38
		GDP	8.89
9	GSDP/GDP Compound Annual Growth Rate (CAGR) (2014-24)	Uttar Pradesh	10.81
		GDP	10.06
10	Population below poverty line (BPL) ⁷ (2011-12) (All India Average = 21.92 <i>per cent</i>)		29.43 <i>per cent</i>

¹ Directorate of Economics and Statistics, Government of UP.

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

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

⁴ Economic Survey 2021-22.

⁵ Sample Registration System (SRS) Bulletin, May 2022 (for the year 2020), office of the Registrar General, India.

⁶ SRS Based Abridged Life Table 2016-20 published by the Office of the Registrar General & Census Commissioner, India (October 2022).

⁷ Ministry of Statistics and Programme Implementation (Based on Tendulkar methodology).

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

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
PART A – RECEIPTS					
1. Revenue Receipts of which	366393	296176	371011	417241	465801
(i) Own Tax Revenue of which	122826(34)	119897(40)	147368(40)	174087(42)	193129(42)
SGST	47232(38)	42860(36)	54594(37)	64141(37)	75146(39)
Taxes on Sales, Trade, etc.	20517(17)	22127(18)	27058(18)	31979(18)	31126(16)
State Excise	27325(22)	30061(25)	36320(25)	41253(24)	45571(24)
Taxes on Vehicles	7715(6)	6483(5)	7776(5)	9059(5)	11205(6)
Stamps and Registration fees	16070(13)	16475(14)	20048(14)	24844(14)	26961(14)
Land Revenue	504(0.41)	297(0.25)	193(0.13)	285(0.2)	405(0.21)
Taxes and duties on Electricity	3453(3)	1587(1)	1366(1)	2519(1)	2712(1.4)
Other Taxes	10(0.01)	7(0.01)	13(0.01)	7(0.004)	3(0.001)
(ii) Non Tax Revenue	81705(22)	11846(4)	11436(3)	13489(3)	14249(3)
(iii) State's Share of Union Taxes and Duties	117818(32)	106687(36)	160358(43)	169745(41)	202620(44)
(iv) Grants-in-aid from GoI	44044(12)	57746(20)	51849(14)	59920(14)	55803(12)
2. Miscellaneous Capital Receipts	0	0	0	0	0
3. Recoveries of Loans and Advances	5641	1135	939	1337	1834
4. Total Revenue and Non debt Capital Receipts (1+2+3)	372034	297311	371951	418578	467635
5. Public Debt Receipts of which	73809	86859	75751	66847	120654
Internal Debt (excluding Ways and Means Advances and Overdrafts)	72554(98)	78677(91)	65003(86)	58024(87)	100900(84)
Transactions under Ways and Means Advances and Overdrafts	0	0	0	0	0
Loans and Advances from GoI	1255(2)	8182(9)	10748(14)	8823(13)	19754(16)
6. Total Receipts in the Consolidated Fund(4+5)	445843	384170	447702	485425	588289
7. Contingency Fund Receipts	662	0	700	0	397
8. Public Account Receipts⁸	370692	364493	427452	507452	585283
9. Total Receipts of the State (6+7+8)	817197	748663	875853	992878	1173969

⁸ This excludes receipts under Major Head 8671 (Departmental Balances), Major Head 8672 (Permanent Cash Imprest), Major Head 8673 (Cash Balance Investment Account) and Investments under Reserve Funds, which are part of Cash Balances of the State Government.

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
PART B - EXPENDITURE/ DISBURSEMENT					
10. Revenue Expenditure of which	298833(83)	298543(85)	337581(82)	379978(79)	429788(78)
General Services	117675(39)	119057(40)	133521(39)	144688(38)	154819(36)
Social Services	103849(35)	109727(37)	120987(36)	138928(36)	150986(35)
Economic Services	62809(21)	55551(19)	66573(20)	78363(21)	100270(23)
Grants-in-aid and contributions (Compensation and assignments to Local Bodies and Panchayati Raj Institutions)	14500(5)	14208(5)	16500(5)	18000(5)	23713(6)
11. Capital Expenditure of which	59998(16)	52237(15)	71443(17)	93028(19)	110555(20)
General Services	2495(4)	1523(3)	2357(3)	4450(5)	6833(6)
Social Services	10515(18)	12386(24)	18569(26)	35049(38)	39447(36)
Economic Services	46988(78)	38328(73)	50517(71)	53530(57)	64275(58)
12. Disbursement of Loans and Advances	2120(1)	1153(0.32)	1613(0.39)	10209(2)	8015(1.46)
13. Appropriation to the Contingency Fund	0	0	600(0.15)	0	0
14. Total Expenditure (10+11+12+13)	360951	351933	411237	483215	548358
15. Repayments of Public Debt	22401	26778	28726	22690	21389
Internal Debt (excluding Ways and Means Advances and Overdrafts)	20695(92)	25174(94)	27132(94)	20970(92)	19598(92)
Transactions under Ways and Means Advances and Overdraft	0	0	0	0	0
Loans and Advances from Government of India	1706(8)	1604(6)	1594(6)	1720(8)	1791(8)
16. Total Disbursement out of Consolidated Fund (14+15)	383352	378711	439963	505905	569747
17. Contingency Fund disbursements	32	100	0	0.06	523
18. Public Account disbursements⁹	439282	359643	423011	498657	578175
19. Total disbursement by the State (16+17+18)	827666	738454	862974	1004562	1148445
PART C. DEFICITS/SURPLUS					
20. Revenue Deficit(-)/ Revenue Surplus(+) (1-10)	(+)67560	(-)2367	(+)33430	(+)37263	(+)36013
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-14)	(+)11083	(-)54622	(-)39286	(-)64636	(-)80723

⁹ This excludes disbursement under Major Head 8671 (Departmental Balances), Major Head 8672 (Permanent Cash Imprest), Major Head 8673 (Cash Balance Investment Account) and Investments under Reserve Funds, which are part of Cash Balances of the State Government.

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
22. Primary Deficit (-)/Fiscal Surplus (+) (21+23)	(+)45896	(-)17194	(+)3589	(-)21628	(-)33446
23. Interest Payment (included in Revenue Expenditure under Major Head 2049)	34813	37428	42876	43008	47277

Appendix-2.2

(Referred to in paragraph 2.3.2.2)

Collection of Own Tax/Non-Tax Revenue during the period 2019-24

(₹ in crore)

Heads	2019-20	2020-21	2021-22	2022-23	2023-24 Budget Estimate	Actual 2023-24
(A) Own Tax Revenue during 2019-24						
State Goods and Services Tax	47232	42860	54594	64141	108212	75146
Taxes on Sales, Trade etc.	20517	22127	27058	31979	41788	31126
State Excise	27325	30061	36320	41253	58000	45571
Taxes on Vehicles	7715	6483	7776	9059	12672	11205
Stamps and Registration Fees	16070	16475	20048	24844	34560	26961
Land Revenue	504	297	193	285	962	405
Taxes and duties on Electricity	3453	1587	1366	2519	6440	2712
Other taxes	10	7	13	7	0	3
Total (A)	122826	119897	147368	174087	262634	193129
(B) Non Tax Revenue during 2019-24						
Fiscal Services	0.04	0.02	0.07	0.27	0	0.8
Interest Receipts, Dividend and Profits	1508	1220	1462	1400	2266	1278
General Services	73484	2239	1959	2300	3245	1509
Social Services	978	1,046	1,107	2,151	1,893	2,486
Economic Services	5735	7341	6908	7638	16387	8976
Total (B)	81705	11846	11436	13489	23791	14249
Grand Total (A + B)	204531	131743	158804	187576	286425	207378

Appendix-2.3
(Referred to in paragraph 2.5.2)
Details of Reserve Funds during the year 2023-24

(₹ in lakh)

Particulars	Opening Balance	Receipts	Disbursements	Closing Balance
Reserve Funds bearing Interest				
8115-Depreciation/Renewal Reserve Fund	Dr. 4441.57	0.00	0.00	Dr. 4441.57
105-Depreciation Reserve Fund-Investment Account	Dr. 4441.57	0.00	0.00	Dr. 4441.57
8121-General and Other Reserve Funds	Cr. 492743.60	491041.83	186497.32	Cr. 797288.11
101-General and Other Reserve Funds of Govt. Commercial Departments/Undertaking	Cr. 9.68	0.00	0.00	Cr. 9.68
122-State Disaster Response Fund	Cr. 315835.99	295613.08	156161.06	Cr. 455288.01
129-State Compensatory Afforestation Fund (SCAF)	Cr. 98267.93	46734.75	16683.89	Cr. 128318.79
130-State Disaster Mitigation Fund	Cr. 78630.00	148694.00	13652.37	Cr. 213671.63
Total- Reserve Fund bearing Interest	Cr. 492743.60	491,041.83	186497.32	Cr. 797288.11
Investment	Dr. 4441.57	0.00	0.00	Dr. 4441.57
Reserve Funds not bearing Interest				
8222-Sinking Fund	0.00	150000.00	150000.00	0.00
01-Appropriation for Reduction or avoidance of debt 101-Sinking Funds	Cr. 550000.00	150000.00	0.00	Cr. 700000.00
02- Sinking Fund – Investment Account 101-Sinking Fund – Investment Account	Dr. 550000.00	0.00	150000.00	Dr. 700000.00
8223-Famine Relief Fund	Dr. 78.01	0.00	0.00	Dr. 78.01
102-Famine Relief Fund - Investment Account	Dr. 78.01	0.00	0.00	Dr. 78.01
8225-Roads and Bridges Fund	Cr. 85815.81	550000.00	531510.16	Cr. 104305.65
101-State Roads and Bridges Fund	Cr. 85815.81	550000.00	531510.16	Cr. 104305.65
8226-Depreciation/Renewal Reserve Funds	Cr. 1419.43	0.00	0.00	Cr. 1419.43
102-Depreciation Reserve Funds of Government Non-commercial Departments	Cr. 1419.43	0.00	0.00	Cr. 1419.43
8229-Development and Welfare Funds	Cr. 76103.41	2500.00	1240.55	Cr. 77362.86
101-Development Funds For Educational Purposes	Cr. 4238.23	0.00	1240.55	Cr. 2997.68
106-Industrial Development Funds	Cr. 100.00	0.00	0.00	Cr. 100.00
109-Cooperative Development Funds	Cr. 0.01	0.00	0.00	Cr. 0.01
200-Other Development and Welfare Funds	Cr. 71765.17	2500.00	0.00	Cr. 74265.17
8235-General and other Reserve Funds	Cr. 55117.01	(-) 2384.16	14039.95	Cr. 38692.90
101-General Reserve Funds of Government Commercial Departments/Undertakings	Cr. 14011.81	(-) 9906.23	0.00	Cr. 4105.58
111-State Disaster Response Fund (including ₹ 1,000 lakh as balance of State Mitigation Fund)	Cr. 673.45	(-)4991.25	0.00	Cr. 4,317.80
200-Other Funds	Cr. 40431.75	12513.32	14039.95	Cr. 38905.12
Total -Reserve Funds not bearing Interest	Cr. 768455.66	700115.84	546790.66	Cr. 921780.84
Investment	Dr. 550078.01	0.00	150000.00	Dr. 700078.01
Grand Total	Reserve Funds	Cr. 1261199.26	1191157.67	Cr. 1719068.95
	Investment	Dr. 554519.58	0.00	Dr. 704519.58

Appendix-3.1
(Referred to in paragraph 3.2.3)
Lump-sum budgetary provision during the year 2023-24

(₹ in crore)

Sl. No.	Grant No.	Head of Accounts	Voted/ Charged	Description	Original Budget Provision	Expenditure	Per cent
1	1	4059-01-051-03	Voted	Lump sum provision for construction of Office and Godowns of Excise Department	0.90	0.00	0.00
2	9	2045-103-04	Voted	Lump sum provision for formation of Uttar Pradesh Electricity Regulatory Commission	16.07	16.07	100.00
3	9	2045-103-04	Charged	Lump sum provision for formation of Uttar Pradesh Electricity Regulatory Commission	2.00	2.00	100.00
4	11	2071-01-117-07	Voted	Lump sum payment of residual employer contribution up to 31.03.2019 of employees of Agriculture Universities covered under N.P.S.	14.00	0.00	0.00
5	25	4070-800-09	Voted	Lump sum provision for land purchase for construction of jails in newly created districts	140.00	120.21	85.86
6	40	2575-06-101-03	Voted	Lump sum provision for Solar Light/Solar Pump/Solar Power Fencing	0.45	0.00	0.00
7	40	2575-06-102-03	Voted	Lump sum provision for organisation of Committees/ Equipment/Machines/Furnishing	0.06	0.00	0.00
8	40	2575-06-105-04	Voted	Lump sum provision for Skill Development Mission	0.03	00	0.00
9	40	2575-06-105-05	Voted	Lump sum provision for fruits and vegetables/Spices Development	0.03	00	0.00
10	40	2575-06-800-04	Voted	Lump sum provision for review, training and evaluation	0.30	00	0.00
11	40	4059-60-051-07	Voted	Lump sum arrangement for construction of advocates' chambers/library/bar council building/permanent structure for advocate/litigants at tehsil level	10.00	18.50	185.00
12	40	4575-06-101-03	Voted	Lump sum Provision for construction/extension of Veterinary Hospitals/Animal Service Centres	0.18	0.00	0.00
13	40	4575-06-102-03	Voted	Lump sum Provision for Water Supply Programmes	15.00	0.00	0.00
14	40	4575-06-106-03	Voted	Lump sum Provision for Rural Electrification	0.02	0.00	0.00
15	40	4575-06-	Voted	Lump sum Provision for	2.40	0.00	0.00

Sl. No.	Grant No.	Head of Accounts	Voted/ Charged	Description	Original Budget Provision	Expenditure	Per cent
		201-03		construction/extension of boundary wall of School Building			
16	40	4575-06-337-03	Voted	Lump sum Provision for roads	18.00	0.00	0.00
17	40	4575-06-800-03	Voted	Lump sum Provision for construction/extension of Community/Primary Health Centres and Sub-Centres buildings	3.00	0.00	0.00
18	40	4575-06-800-04	Voted	Lump sum Provision for construction/extension of building of Homeopathy Hospital	0.01	0.00	0.00
19	40	4575-06-800-06	Voted	Lump sum Provision for construction of Anganwadi Centres	1.20	0.00	0.00
20	40	4575-06-800-09	Voted	Lump sum Provision for construction of CC Road and K.C. Drains	12.57	0.00	0.00
21	40	4575-06-800-10	Voted	Lump sum Provision for construction of flood shelter home	0.24	0.00	0.00
22	40	4575-06-800-11	Voted	Lump sum Provision for construction of mini stadium	1.50	0.00	0.00
23	40	4575-06-800-12	Voted	Lump sum Provision for construction of boundary wall and road in premises of Scheduled Castes Ashram System School	0.03	0.00	0.00
24	40	4575-06-800-13	Voted	Lump sum Provision for construction of toilets	1.20	0.00	0.00
25	40	4575-06-800-14	Voted	Lump sum arrangement for construction of Heritage work shed tharu shilp training centre /sale and exhibition centre/dance music centre/hut etc.	0.45	0.00	0.00
26	40	4575-06-800-15	Voted	Lump sum arrangement for Construction/Extension/ Renovation for Tourist Place Development	0.78	0.00	0.00
27	40	4575-06-800-16	Voted	Lump sum provision for farmers/shed/construction of cow ranch/extension etc.	0.30	0.00	0.00
28	48	2071-01-117-07	Voted	Lump sum payment of residual employer contribution up to 31.03.2019 of employees covered under N.P.S. of aided Arbi Farsi Madarsas	1.00	0.00	0.00
29	50	4059-01-051-02	Voted	Lump sum provision for new construction/extension/	30.01	28.62	95.37

Sl. No.	Grant No.	Head of Accounts	Voted/ Charged	Description	Original Budget Provision	Expenditure	Per cent
				reconstruction/ strengthening of non- residential buildings of divisions/ districts/tehsils of the state and purchase of land			
30	58	5054-03-337-13	Voted	Lump sum Provision	760.00	1022.15	134.49
31	58	5054-04-337-13	Voted	Lump sum provision	4229.00	3502.23	82.81
32	58	5054-04-337-66	Voted	Lump sum provision for new works of rural link roads and small bridges for agriculture marketing facilities financed by NABARD (District Plan)	700.00	551.15	78.74
33	58	5054-04-337-83	Voted	Lump sum provision for current works of strengthening/widening of main/other district roads of rural areas under R.I.D.F. plan financed by NABARD	500.00	332.24	66.45
34	58	5054-04-337-86	Voted	Lump sum provision for new work of strengthening/widening of main/other district roads of rural areas under R.I.D.F. plan financed by NABARD	800.00	211.87	26.48
35	58	5054-80-800-05	Voted	Lump sum provision for Management and Planning works of Information Technology	60.00	3.57	5.95
36	59	4059-80-051-03	Voted	Lump sum Provision for renovation of non-residential buildings and water distribution works	0.50	0.00	0.00
37	61	2049-04-101-03	Charged	Lump sum Loans	78.95	78.95	100.00
38	61	6004-09-101-03	Charged	Lump sum Loans	276.09	276.09	100.00
39	62	2071-01-117-07	Voted	Lump sum payment of residual employer contribution up to 31.03.2019 of Government employees covered under N.P.S.	3000.00	0.00	0.00
40	75	2071-01-117-07	Voted	Lump sum payment of residual employer contribution up to 31.03.2019 of Government employees covered under N.P.S.	0.10	0.00	0.00
41	83	5054-03-789-05	Voted	Lump sum provision for works of state main/other district roads	135.00	188.56	139.67
42	83	5054-04-789-19	Voted	Lump sum provision for new construction of Railway Over/Under Bridges	95.45	77.02	80.69
43	83	5054-04-789-27	Voted	Lump sum provision for current work of rural connecting roads/minor bridges for	5.00	0.38	7.60

Sl. No.	Grant No.	Head of Accounts	Voted/ Charged	Description	Original Budget Provision	Expenditure	Per cent
				agriculture marketing facilities (NABARD financed) (District Plan)			
44	84	2075-800-03	Voted	Lump sum amount as cash award to the citizens of Uttar Pradesh honoured with awards mentioned under Ashok Chakra Series	3.00	2.70	90.00
45	87	2075-104-04	Voted	Lump sum cash award/grant by State Government to winners of Veerchakra Series	0.60	0.58	96.67
46	87	2075-104-05	Voted	Lump sum Soldiers Cash Awards to soldiers of Border Security Force and recipients of War Sena Medal Award of Uttar Pradesh	2.70	1.62	60.00
47	87	2075-104-07	Voted	Lump sum grant to Medal Winners of Vishisht Sewa Medal Series	1.70	0.86	50.59
48	91	4059-01-800-03	Voted	Lump sum provision for construction of Office buildings of Stamps and Registration Department	70.00	25.74	36.77
49	94	4701-40-051-05	Voted	Lump sum arrangement for medium irrigation plan (commercial)	0.98	0.28	28.57
50	94	4701-97-051-10	Voted	Lump sum arrangement for construction of project of damaged, concrete structures like bridge/small bridge, syphon, head regulator, gates on canals (commercial)	30.00	12.77	42.57
51	94	4711-01-103-03	Voted	Lump sum provision for border dams (States Sector)	1.50	0.00	0.00
	17	Total			11022.30	6474.16	58.74

Appendix-3.2

(Referred to in paragraph 3.2.4)

Detail of funding pattern (Central share/State share/Financial Institution) not mentioned in Central Sponsored schemes in Budget Documents 2023-24

(₹ in crore)

Grant No. and Name	Account Head	Name of Program	Amount
03-Industries Department (Small Industry and Export Promotion)	2851-102-01-0103	Small Industry Cluster Development Scheme- Subsidy	50.00
21-Food and Civil Supplies Department	4059-60-051-01-0102	Construction of building for Secondary Standard Laboratory/ Calibration Towers	10.00
37-Urban Development Department	2230-02-101-01-0101	Establishment of a cell at State level	0.13
42-Judicial Department	2014-102-01-0101	Establishment of Information and Technology in Hon'ble High Court	0.10
44-Tourism Department	5452-80-104-01-0109	Creation of tourism infrastructure facilities in the identified places under PRASAD scheme	15.00
47-Technical Education Department	4202-02-105-01-0105	Establishment and Strengthening of Technical Institutions under <i>Rashtriya Uchchatar Siksha Abhiyan</i> (RUSA)	4.80
48-Minority Welfare Department	4235-02-800-01-0125	Construction of Working Women Hostel under Prime Minister Jan Vikas Karyakram (Formerly MSDP Scheme)	7.46
49-Women and Child Welfare Department	2235-02-102-01-0101	Payment of salary under Integrated Child Development Scheme	424.08
60-Forest Department	4406-01-800-01-0112	Forest Fire Prevention and Management Scheme	0.19
75-Education Department (State Council of Education Research and Training)	4202-01-201-01-0104	New District Institute of Education and Training in three districts (Ghaziabad, Amethi and Kasganj)	5.75
81-Social Welfare Department (Tribal Welfare)	4202-01-796-01-0108	Establishment of District Education and Training Institute	0.08
	4210-03-796-01-0101	Establishment of Medical Colleges by upgrading 14 District Hospitals	99.75
	4210-03-796-01-0102	Increase in seats for MBBS and PG Courses	30.88
83-Social Welfare Department (Special Component Plan for Scheduled Castes)	2235-02-789-01-0103	Schemes for Teenage Girls (SAG)	9.66
	4202-01-789-01-0108	Establishment of District Education and Training Institute	2.16
	4210-03-789-01-0101	Establishment of Medical Colleges by upgrading 14 District Hospitals	282.09
	4210-03-789-01-0102	Increase in seats for MBBS and PG Courses	87.36
	4405-789-01-0101	Construction of State of Art Wholesale Fish Market under Prime Minister Matsya Sampada Yojna	82.50

Grant No. and Name	Account Head	Name of Program	Amount
94-Irrigation Department (Works)	4700-17-051-01-0101	Canals related works under Accelerated Irrigation Benefits Programme and Water Resources Program (LTIF funded)	192.00
	4700-18-051-01-0101	Canals related works under Accelerated Irrigation Benefits Programme and Water Resources Program (LTIF funded)	7.20
	4700-21-051-01-0101	Canals related works under Accelerated Irrigation Benefits Programme and Water Resources Program (LTIF funded)	0.10
	4700-22-051-01-0101	Canals related works under Accelerated Irrigation Benefits Programme and Water Resources Program (LTIF funded)	300.00
Total			1611.29

Appendix-3.3**(Referred to in paragraph 3.2.4)**

Detail of cases where total of central share and state share in funding pattern more / less than 100 per cent or funding share of other Financial Institution/Grantee is not mentioned in Central Sponsored schemes

(₹ in crore)

Grant No. and Name	Account Head	Name of Program	Amount
37-Urban Development Department	2217-05-191-01-0105	Assistance under Atal Mission for Rejuvenation and Urban Transformation (Amrit-2.0) (Cities with population more than 10 lakh) (C.25/S.33.33)	914.15
	2217-05-192-01-0105	Assistance under Atal Mission for Rejuvenation and Urban Transformation (Amrit-2.0) (Cities with population between One to 10 lakh) (C.33.33/S.50)	1021.91
	2217-05-193-01-0105	Assistance under Atal Mission for Rejuvenation and Urban Transformation (Amrit-2.0) (Cities with population less than One lakh) (C.33.33/S.50)	558.03
45-Environment Department	3435-04-103-01-0101	Establishment of hazardous waste disposal facilities and Treatment of unauthorized hazardous waste disposal sites (C.0/S.50)	3.00
Total			2497.09

Appendix-3.4
(Referred to in paragraph 3.3.1)
Statement showing grant-wise savings

(₹ in crore)

Sl. No.	Grant No.	Total Budget Provision	Total Expenditure	Saving	Utilisation (Per cent)	Range of utilisation (Per cent)
1	54	3238.91	109.49	3129.42 ¹⁰	3.38	1 to 30
2	12	686.10	131.52	554.58	19.17	
3	53	1.68	0.44	1.24	26.19	
Total		3926.69	241.45	3685.24		31 to 50
4	19	33.13	10.88	22.25	32.84	
5	17	476.83	166.85	309.98	34.99	
6	35	18606.13	8205.74	10400.39	44.10	
7	40	4150.73	1833.18	2317.55	44.17	
8	21	25748.87	11401.29	14347.58	44.28	
9	84	881.58	390.96	490.62	44.35	
10	3	1938.03	935.23	1002.80	48.26	
Total		51835.30	22944.13	28891.17		
11	1	628.23	315.70	312.53	50.25	51 to 70
12	4	81.12	41.44	39.68	51.08	
13	10	1947.84	1008.82	939.02	51.79	
14	59	614.10	338.31	275.79	55.09	
15	85	9.55	5.27	4.28	55.18	
16	92	549.63	309.34	240.29	56.28	
17	22	1011.19	570.40	440.79	56.41	
18	42	8234.06	4720.97	3513.09	57.33	
19	48	2399.73	1384.58	1015.15	57.70	
20	33	1862.77	1093.50	769.27	58.70	
21	49	12648.65	7772.11	4876.54	61.45	
22	94	13664.27	8511.80	5152.47	62.29	
23	36	1334.85	854.23	480.62	63.99	
24	18	1356.41	884.40	472.01	65.20	
25	13	29190.91	19039.59	10151.32	65.22	
26	63	350.97	230.29	120.68	65.62	
27	76	811.32	544.88	266.44	67.16	
28	81	2080.52	1397.44	683.08	67.17	
29	41	593.18	408.98	184.20	68.95	
30	27	27.41	18.96	8.45	69.17	
31	51	5671.31	3932.49	1738.82	69.34	
32	11	8104.17	5631.36	2472.81	69.49	

¹⁰ A pro rata adjustment of expenditure ₹ 2,406.54 crore from Grant number 54 has been made to other Grants, viz., Grant number 55 – Public Works Department (Buildings), Grant number 57 - Public Works Department (Communications-Bridges) and Grant number 58 - Public Works Department (Communications - Roads) as per FHB Vol VI Appendix V. Thus, actual savings in Grant no. 54 was ₹ 722.84 crore and utilisation of original provision was 77.68 per cent.

Sl. No.	Grant No.	Total Budget Provision	Total Expenditure	Saving	Utilisation (Per cent)	Range of utilisation (Per cent)
33	45	19.64	13.73	5.91	69.91	
Total		93191.83	59028.59	34163.24		
34	43	1306.34	915.76	390.58	70.10	71 to 90
35	91	650.74	463.85	186.89	71.28	
36	95	6073.81	4335.77	1738.04	71.38	
37	65	485.09	350.03	135.06	72.16	
38	89	1294.81	934.34	360.47	72.16	
39	28	397.89	287.51	110.38	72.26	
40	71	73898.71	53813.77	20084.94	72.82	
41	24	2117.76	1561.42	556.34	73.73	
42	77	156.20	115.30	40.90	73.82	
43	67	86.85	64.77	22.08	74.58	
44	39	54.30	40.58	13.72	74.73	
45	32	10956.40	8280.19	2676.21	75.57	
46	75	338.77	256.69	82.08	75.77	
47	70	960.91	728.73	232.18	75.84	
48	31	9795.86	7439.47	2356.39	75.95	
49	2	7360.00	5599.13	1760.87	76.08	
50	29	27.54	21.04	6.50	76.40	
51	73	4843.02	3713.22	1129.80	76.67	
52	93	18207.94	14042.70	4165.24	77.12	
53	16	338.63	261.46	77.17	77.21	
54	34	720.19	559.30	160.89	77.66	
55	52	5013.78	3931.10	1082.68	78.41	
56	50	1487.76	1167.48	320.28	78.47	
57	62	74954.45	58931.13	16023.32	78.62	
58	26	37636.39	29626.99	8009.40	78.72	
59	83	32669.64	25858.02	6811.62	79.15	
60	8	272.15	215.56	56.59	79.21	
61	60	1963.51	1561.93	401.58	79.55	
62	72	17573.80	14234.51	3339.29	81.00	
63	30	10.46	8.56	1.90	81.84	
64	15	3247.79	2660.76	587.03	81.93	
65	80	9759.80	8231.59	1528.21	84.34	
66	61	103030.04	87074.91	15955.13	84.51	
67	57	4288.74	3628.93	659.81	84.62	
68	5	144.10	121.94	22.16	84.62	
69	78	2029.56	1721.40	308.16	84.82	
70	82	94.66	80.33	14.33	84.86	
71	55	287.31	243.97	43.34	84.92	
72	25	2037.38	1733.84	303.54	85.10	

Sl. No.	Grant No.	Total Budget Provision	Total Expenditure	Saving	Utilisation (Per cent)	Range of utilisation (Per cent)
73	6	1780.50	1518.51	261.99	85.29	
74	87	84.77	72.92	11.85	86.02	
75	9	64359.63	55717.37	8642.26	86.57	
76	7	21116.23	18307.77	2808.46	86.70	
77	23	311.17	269.86	41.31	86.72	
78	46	27.97	24.40	3.57	87.24	
79	69	2135.23	1880.65	254.58	88.08	
80	37	26409.18	23365.34	3043.84	88.47	
81	47	973.37	862.79	110.58	88.64	
Total		553771.13	446837.59	106933.54		
82	58	31045.25	28138.88	2906.37	90.64	91 to 100
83	20	265.24	240.74	24.50	90.76	
84	74	2904.21	2649.54	254.67	91.23	
85	38	1891.60	1733.65	157.95	91.65	
86	44	1785.93	1643.57	142.36	92.03	
87	14	15567.47	14600.27	967.20	93.79	
88	68	325.06	306.45	18.61	94.27	
89	79	4227.10	4051.43	175.67	95.84	
90	86	1484.62	1434.52	50.10	96.63	
91	66	262.64	259.28	3.36	98.72	
Total		59759.12	55058.33	4700.79		

Appendix-3.5
(Referred to in paragraph 3.3.2)
Grants in which savings were above ₹ 100 crore in each case during the year 2023-24
(₹ in crore)

Sl. No.	Grant No.	Grant Name	Provision	Expenditure	Savings	Saving excluded Surrendered
Revenue Voted						
1	1	Excise Department	585.88	315.70	270.18	0.05
2	2	Housing Department	440.04	282.67	157.37	135.72
3	3	Industries Department (Small Industry and Export Promotion)	1067.25	846.61	220.64	220.64
4	6	Industries Department (Handloom Industry)	1760.40	1513.41	246.99	246.99
5	7	Industries Department (Heavy and Medium Industries)	10770.41	8641.40	2129.01	1267.85
6	9	Power Department	36974.35	32992.26	3982.09	3982.09
7	10	Agriculture and Other Allied Departments (Horticultural and Sericulture Development)	1840.13	963.52	876.61	8.77
8	11	Agriculture and Other Allied Departments (Agriculture)	7392.35	5105.80	2286.55	2165.80
9	12	Agriculture and Other Allied Departments (Land Development and Water Resources)	686.10	131.52	554.58	554.58
10	13	Agriculture and Other Allied Departments (Rural Development)	5888.42	4018.71	1869.71	1196.94
11	14	Agriculture and Other Allied Departments (Panchayati Raj)	14995.65	14265.30	730.35	644.86
12	15	Agriculture and Other Allied Departments (Animal Husbandry)	2966.10	2418.64	547.46	(-)0.96
13	17	Agriculture and Other Allied Departments (Fisheries)	476.23	166.35	309.88	309.88
14	18	Agriculture and Other Allied Departments (Co-operative)	1106.15	667.76	438.39	(-)1.81
15	21	Food and Civil Supplies Department	3684.80	1429.68	2255.12	2148.16
16	25	Home Department (Jails)	1298.50	1048.85	249.65	0.04
17	26	Home Department (Police)	32954.47	26048.15	6906.32	6902.52
18	28	Home Department (Political Pension and Other Expenditure)	390.84	287.47	103.37	103.08
19	31	Medical Department (Medical Education and Training)	6038.71	5671.40	367.31	367.31
20	32	Medical Department (Allopathy)	9776.49	7699.98	2076.51	2076.51
21	33	Medical Department (Ayurvedic and Unani)	1766.35	1021.52	744.83	744.83
22	34	Medical Department (Homoeopathy)	680.19	522.11	158.08	0.02
23	35	Medical Department (Family Welfare)	16106.69	7527.76	8578.93	8578.93
24	36	Medical Department (Public Health)	1096.17	642.67	453.50	0.07
25	37	Urban Development Department	23681.80	21390.49	2291.31	322.81
26	41	Election Department	582.78	406.14	176.64	0.22
27	42	Judicial Department	3936.76	3427.62	509.14	494.69

Sl. No.	Grant No.	Grant Name	Provision	Expenditure	Savings	Saving excluded Surrendered
28	43	Transport Department	659.04	272.05	386.99	140.19
29	48	Minorities Welfare Department	1609.93	1191.07	418.86	(-)0.39
30	49	Women and Child Welfare Department	12424.55	7730.01	4694.54	(-)80.70
31	50	Revenue Department (District Administration)	1360.52	1052.15	308.37	0.35
32	51	Revenue Department (Relief on Account of Natural Calamities)	4206.05	3054.42	1151.63	1151.63
33	52	Revenue Department (Board of Revenue and other Expenditure)	4951.01	3925.05	1025.96	180.80
34	54	Public Works Department (Establishment)	3238.32	108.94	3129.38 ¹¹	2406.69
35	59	Public Works Department (Estate Directorate)	382.78	263.04	119.74	0.13
36	60	Forest Department	917.88	689.70	228.18	0.08
37	61	Finance Department (Debt Services & other Expenditure)	26491.71	25282.25	1209.46	1205.91
38	62	Finance Department (Superannuation Allowances and Pensions)	74753.68	58928.91	15824.77	15824.77
39	63	Finance Department (Treasury and Accounts Administration)	349.13	229.05	120.08	0.00
40	65	Finance Department (Audit, Small Savings, etc.)	407.09	282.21	124.88	0.75
41	69	Vocational Education Department	1459.50	1209.96	249.54	249.54
42	70	Science and Technology Department	829.91	691.77	138.14	23.69
43	71	Education Department (Primary Education)	70709.84	52567.55	18142.29	18142.29
44	72	Education Department (Secondary Education)	15724.45	13649.88	2074.57	2074.57
45	73	Education Department (Higher Education)	4004.31	3230.46	773.85	773.85
46	74	Home Department (Home Guards)	2870.78	2647.38	223.40	(-)1.26
47	76	Labour Department (Labour Welfare)	611.65	398.68	212.97	164.70
48	78	Secretariat Administration Department	2024.55	1720.86	303.69	(-)0.50
49	79	Social Welfare Department (Empowerment of the Handicapped and Welfare of the Backward Classes)	4061.00	3938.84	122.16	10.80
50	80	Social Welfare Department (Social Welfare and Welfare of Scheduled Castes)	9759.80	8231.59	1528.21	0.39
51	81	Social Welfare Department (Tribal Welfare)	1204.70	809.37	395.33	350.74
52	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	18132.22	14438.93	3693.29	2780.61

¹¹ A pro rata adjustment of expenditure ₹ 2,406.54 crore from Grant number 54 has been made to other Grants, viz., Grant number 55 – Public Works Department (Buildings), Grant number 57 - Public Works Department (Communications-Bridges) and Grant number 58 - Public Works Department (Communications - Roads) as per FHB Vol VI Appendix V. Thus, actual savings in Grant no. 54 was ₹ 722.84 crore.

Sl. No.	Grant No.	Grant Name	Provision	Expenditure	Savings	Saving excluded Surrendered
53	89	State Tax Department	1251.91	932.63	319.28	311.08
54	91	Stamps and Registration Department	579.74	437.46	142.28	142.28
55	93	Namami Gangey and Rural Water Supply Department	1242.76	1020.53	222.23	0.04
56	94	Irrigation Department (Works)	4700.02	4204.11	495.91	495.91
57	95	Irrigation Department (Establishment)	6073.31	4335.77	1737.54	215.86
		Total (Revenue Voted)	465936.15	366928.11	99008.04	79035.39
Capital Voted						
1	2	Housing Department	6919.95	5316.46	1603.49	1603.49
2	3	Industries Department (Small Industry and Export Promotion)	870.72	88.62	782.10	782.10
3	7	Industries Department (Heavy and Medium Industries)	10345.82	9666.36	679.46	239.18
4	9	Power Department	20084.38	15425.71	4658.67	4658.67
5	11	Agriculture and Other Allied Departments (Agriculture)	711.62	525.48	186.14	98.03
6	13	Agriculture and Other Allied Departments (Rural Development)	23302.27	15020.72	8281.55	3060.75
7	14	Agriculture and Other Allied Departments (Panchayati Raj)	571.83	334.97	236.86	224.23
8	21	Food and Civil Supplies Department	22064.00	9971.61	12092.39	9664.46
9	22	Sports Department	691.66	325.97	365.69	0.00
10	24	Cane Development Department (Sugar Industry)	2048.50	1506.60	541.90	416.90
11	26	Home Department (Police)	4677.92	3577.57	1100.35	1099.46
12	31	Medical Department (Medical Education and Training)	3757.16	1768.07	1989.09	1989.09
13	32	Medical Department (Allopathy)	1179.71	580.01	599.70	599.70
14	35	Medical Department (Family Welfare)	2498.99	677.81	1821.18	1821.18
15	37	Urban Development Department	2727.38	1974.85	752.53	752.52
16	38	Civil Aviation Department	1783.65	1650.61	133.04	133.04
17	40	Planning Department	3844.26	1618.75	2225.51	41.69
18	42	Judicial Department	3479.64	636.26	2843.38	2843.38
19	48	Minorities Welfare Department	789.78	193.50	596.28	0.00
20	49	Women and Child Welfare Department	224.10	42.10	182.00	0.00
21	51	Revenue Department (Relief on Account of Natural Calamities)	610.90	23.71	587.19	587.19
22	57	Public Works Department (Communications-Bridges)	4163.74	3497.99	665.75	(-)317.52
23	58	Public Works Department (Communications-Roads)	18332.52	15187.18	3145.34	(-)838.90
24	59	Public Works Department (Estate Directorate)	231.32	75.27	156.05	154.09

Sl. No.	Grant No.	Grant Name	Provision	Expenditure	Savings	Saving excluded Surrendered
25	60	Forest Department	1045.49	872.23	173.26	0.14
26	61	Finance Department (Debt Services and Other Expenditure)	165.00	51.89	113.11	113.11
27	62	Finance Department (Superannuation Allowances and Pensions)	200.00	1.36	198.64	198.64
28	71	Education Department (Primary Education)	3188.88	1246.22	1942.66	1942.66
29	72	Education Department (Secondary Education)	1849.36	584.63	1264.73	1264.73
30	73	Education Department (Higher Education)	838.71	482.76	355.95	355.95
31	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	14537.42	11419.08	3118.34	1613.18
32	84	General Administration Department	785.26	384.16	401.10	0.00
33	92	Culture Department	307.03	114.84	192.19	192.19
34	93	Namami Gangey and Rural Water Supply Department	16965.18	13022.17	3943.01	0.04
35	94	Irrigation Department (Works)	8959.25	4303.60	4655.65	4655.65
		Total	184753.40	122169.12	62584.28	39949.02
Total (Revenue Voted + Capital Voted)			650689.55	489097.23	161592.32	118984.41
Revenue Charged						
1	42	Judicial Department	810.15	657.09	153.06	153.06
2	61	Finance Department (Debt Services and Other Expenditure)	49622.77	44792.73	4830.04	4830.04
Total			50432.92	45449.82	4983.10	4983.10
Capital Charged						
1	61	Finance Department (Debt Services and Other Expenditure)	26750.56	16948.04	9802.52	9802.52
Total			26750.56	16948.04	9802.52	9802.52
Total (Revenue Charged + Capital Charged)			77183.48	62397.86	14785.62	14785.62
Grand Total			727873.03	551495.09	176377.94	133770.03

Appendix-3.6
(Referred to in paragraph 3.3.3)
Grants in which persistent savings were above ₹ 100 crore in the last five year during 2019-2024

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue Voted							
1	11	Agriculture and Other Allied Departments (Agriculture)	1078.24	1655.00	1525.32	2123.05	2286.55
2	13	Agriculture and Other Allied Departments (Rural Development)	648.55	903.83	403.18	940.07	1869.71
3	15	Agriculture and Other Allied Departments (Animal Husbandry)	223.83	412.87	389.67	576.68	547.46
4	26	Home Department (Police)	1809.86	5594.62	4030.66	4422.93	6906.32
5	32	Medical Department (Allopathy)	1935.09	2514.99	1937.56	2497.53	2076.51
6	33	Medical Department (Ayurvedic and Unani)	331.55	330.70	343.03	622.47	744.82
7	35	Medical Department (Family Welfare)	988.46	592.63	1573.99	4551.49	8578.94
8	36	Medical Department (Public Health)	261.71	333.35	379.53	384.86	453.50
9	37	Urban Development Department	8753.97	3890.80	6838.60	9665.26	2291.31
10	42	Judicial Department	813.17	967.23	1014.07	963.36	509.14
11	48	Minorities Welfare Department	1081.21	1086.58	1137.70	1133.25	418.86
12	49	Women and Child Welfare Department	3554.23	4417.62	2195.30	3004.20	4694.54
13	51	Revenue Department (Relief on Account of Natural Calamities)	532.44	2289.91	229.38	1841.95	1151.62
14	52	Revenue Department (Board of Revenue and other Expenditure)	1547.59	1134.72	1189.95	885.92	1025.97
15	54	Public Works Department (Establishment) ¹²	1878.77	2497.34	1971.55	2144.33	3129.38
16	60	Forest Department	245.9	334.84	347.56	339.77	288.19
17	69	Vocational Education Department	124.91	303.76	310.20	231.61	249.53
18	71	Education Department (Primary Education)	14407.71	13745.25	13969.60	12753.75	18142.29
19	72	Education Department (Secondary Education)	1502.17	3151.50	3014.20	2152.12	2074.56
20	73	Education Department (Higher Education)	342.64	813.80	760.00	578.68	773.85
21	80	Social Welfare Department	139.51	214.52	384.92	1389.97	1528.21

¹² A pro rata adjustment of expenditure from Grant number 54 has been made to other Grants, viz., Grant number 55 – Public Works Department (Buildings), Grant number 57 - Public Works Department (Communications-Bridges) and Grant number 58 - Public Works Department (Communications - Roads) as per FHB Vol VI Appendix V. Thus, actual savings in Grant no. 54 was ₹ 285.15 crore (2019-20), ₹ 628.90 crore (2020-21), ₹ 512.51 crore (2021-22), ₹ 528.26 crore (2022-23) and ₹ 722.84 crore (2023-24).

Sl. No.	Grant No.	Name of the Grant	2019-20	2020-21	2021-22	2022-23	2023-24
		(Social Welfare and Welfare of Scheduled Castes)					
22	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	4255.67	4486.13	7052.22	6576.27	3693.29
23	95	Irrigation Department (Establishment)	1344.21	1618.46	1517.73	1362.51	1737.54
Total			47801.39	53290.45	52515.92	61142.03	65172.09
Capital (Voted)							
24	13	Agriculture and Other Allied Departments (Rural Development)	9371.66	7380.90	5605.88	2158.61	8281.56
25	32	Medical Department (Allopathy)	344.64	267.39	1936.66	696.82	599.70
26	40	Planning Department	1021.53	897.57	2274.74	511.24	2225.51
27	42	Judicial Department	1377.26	1687.20	1819.57	2296.60	2843.38
Total			12115.09	10233.06	11636.85	5663.27	13950.15
Grand Total (Revenue Voted +Capital Voted)			59916.48	63523.51	64152.77	66805.30	79122.24

Appendix-3.7
(Referred to in paragraph 3.3.4)
Scheme for which Supplementary provisions could not be utilised

(₹ in crore)

Sl. No	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Supplementary Provision	Total	Expenditure	Savings
Revenue Voted									
1.	5	Industries Department (Handloom and Village Industry)	2851-105-29	Khadi and Village Industries Development and Persistent Self-employment Incentive Policy	13.00	1.45	14.45	10.12	4.33
2.	7	Industries Department (Heavy and Medium Industries)	2852-07-202-11	Arrangement of Operating Expenses (Opex) for 01 Wi-Fi Connection and 05 Fth Connections in Gram Panchayat Under Special Assistance Scheme	0.00	10.00	10.00	0.00	10.00
3.	10	Agriculture and other Allied Departments (Horticultural and Sericulture Development)	2401-119-04	Fruits	173.93	54.02	227.95	162.89	65.06
4.	11	Agriculture and other Allied Departments (Agriculture)	2415-80-120-04	Grant to Uttar Pradesh Agriculture University, Kanpur	107.56	2.00	109.56	69.98	39.58
5.	13	Agriculture and other Allied Departments (Rural Development)	2501-01-800-02	National Rural Livelihood Mission.	1843.99	59.21	1903.20	1174.51	728.69
6.	13	Agriculture and other Allied Departments (Rural Development)	2501-01-800-89	Relevant State of Share Centrally Sponsored Scheme	1205.09	39.48	1244.57	783.01	461.56
7.	22	Sports Department	2204-104-29	Organisation of National and International level sports competitions	0.05	2.00	2.05	0.00	2.05
8.	26	Home Department	2055-109-03	109- District Police- 03-	21580.25	26.34	21606.59	17447.86	4158.73

Sl. No	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Supplementary Provision	Total	Expenditure	Savings
		(Police)		District Police (Main)					
9.	26	Home Department (Police)	2055-104-03	State Arms Constabulary - Main	3856.52	8.97	3865.49	2797.04	1068.45
10.	26	Home Department (Police)	2055-101-04	Research Section	620.31	17.73	638.04	440.33	197.71
11.	26	Home Department (Police)	2055-111-03	Main	620.66	5.30	625.96	462.45	163.51
12.	26	Home Department (Police)	2055-114-03	Police Computer Centre	311.05	1.57	312.62	154.44	158.18
13.	26	Home Department (Police)	2070-108-03	Administration	715.75	2.65	718.40	579.10	139.30
14.	26	Home Department (Police)	2055-109-04	State Radio Section-Main	495.97	1.50	497.47	361.17	136.30
15.	26	Home Department (Police)	2055-101-03	Intelligence Section-Main	522.69	4.96	527.65	392.22	135.43
16.	26	Home Department (Police)	2245-80-102-03	Formation of S.D.R.F.	81.24	9.74	90.98	49.99	40.99
17.	26	Home Department (Police)	2055-109-13	U.P. 112 Project	281.20	21.07	302.27	268.53	33.74
18.	26	Home Department (Police)	2055-104-06	Formation of India Reserve Battalion	104.93	6.57	111.50	79.44	32.06
19.	26	Home Department (Police)	2055-104-07	07-Uttar Pradesh Vishesh Parikshetra Suraksha Vahini	86.89	1.26	88.15	57.52	30.63
20.	26	Home Department (Police)	2055-001-03	Direction and Administration-Main	57.07	1.10	58.17	37.16	21.01
21.	26	Home Department (Police)	2055-108-03	State Police Headquarters	133.32	1.60	134.92	120.97	13.95
22.	31	Medical Department (Medical Education and Training)	2210-05-001-03	Direction	124.53	2.26	126.79	86.85	39.94
23.	34	Medical Department (Homoeopathy)	2210-04-102-03	Hospitals and Dispensaries	361.83	10.00	371.83	342.75	29.08
24.	36	Medical Department (Public Health)	2210-06-001-04	Establishment of Directorate Food and Drug Administration	162.28	5.00	167.28	139.47	27.81

Sl. No	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Supplementary Provision	Total	Expenditure	Savings
25.	42	Judicial Department	2014-105-03	District and Session Judge	2025.32	245.00	2270.32	1988.32	282.00
26.	42	Judicial Department	2014-105-89	Relevant State of Share Centrally Sponsored Schemes	101.91	4.00	105.91	33.08	72.83
27.	42	Judicial Department	2014-106-03	Small Causes Courts-Establishment	26.51	1.50	28.01	24.59	3.42
28.	43	Transport Department	3055-190-04	Payment of Compensation to the Corporation for arranging free travel for women above 60 years of age in State Road Transport Corporation Buses.	0.00	1.00	1.00	0.00	1.00
29.	46	Administrative Reforms Department	2070-800-03	Organization of Information Commission Uttar Pradesh	19.01	1.87	20.88	18.02	2.86
30.	47	Technical Education Department	2203-105-03	Polytechnics-General Polytechnic	538.71	4.00	542.71	511.86	30.85
31.	58	Public Works Department (Communications-Roads)	3054-80-797-04	Transfer to State Road Fund	3000.00	250.00	3250.00	3000.00	250.00
32.	68	Legislative Assembly Secretariat	2011-02-101-03	Legislative Assembly	150.57	1.63	152.20	131.15	21.05
33.	79	Social Welfare Department (Empowerment of the Handicapped and Welfare of Backward Classes)	2225-03-277-05	Non-recurring assistance and scholarship to Backward Class students studying in Class 1 to 10.	170.00	30.00	200.00	147.15	52.85
34.	81	Social Welfare Department (Tribal Welfare)	2515-796-01	Centrally Sponsored Schemes	0.00	51.28	51.28	0.00	51.28
35.	81	Social Welfare Department (Tribal	2515-796-89	Relevant State of share Centrally Sponsored	19.96	34.18	54.14	15.69	38.45

Sl. No	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Supplementary Provision	Total	Expenditure	Savings
		Welfare)		Schemes					
36.	82	Vigilance Department	2070-104-04	Vigilance Directorate	74.02	1.77	75.79	65.12	10.67
37.	86	Information Department	2220-102-03	Establishment of Information Centres	12.86	2.27	15.13	11.10	4.03
38.	89	State Tax Department	2040-800-04	Establishment of Commercial Tax Tribunal	34.56	3.52	38.08	29.88	8.20
39.	92	Culture Department	2205-101-27	International Ramayana And Vedic Research Institute Ayodhya	0.00	5.00	5.00	0.00	5.00
Total Revenue Voted (Total grant 22)					39633.54	932.80	40566.34	31993.76	8572.58
Capital Voted									
1.	2	Housing Department	4217-60-051-05	Construction Of Integrated Divisional Office In Varanasi And Gorakhpur	0.00	100.00	100.00	0.00	100.00
2.	2	Housing Department	4216-80-800-04	For Formation Of State Capital Regional Development Authority And Other Regional Development Authorities	0.00	50.00	50.00	0.00	50.00
3.	9	Power Department	4801-05-190-89	Relevant State share of Centrally sponsored Scheme	3152.00	611.00	3763.00	2402.00	1361.00
4.	26	Home Department (Police)	4070-800-09	District police (main)	250.00	14.38	264.38	35.76	228.62
5.	26	Home Department (Police)	4055-207-01	Central Sponsored Schemes	79.91	118.94	198.85	1.75	197.10
6.	26	Home Department (Police)	4055-211-06	Construction of residential buildings of Police Department	1000.00	42.47	1042.47	940.79	101.68
7.	26	Home Department (Police)	4055-211-07	Purchase of land etc. for buildings of Central Police Force (RAF/CRPF)/State Police Force	150.00	40.14	190.14	95.98	94.16
8.	26	Home Department	4070-800-11	Prevention and Control from	49.15	34.44	83.59	39.02	44.57

Sl. No	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Supplementary Provision	Total	Expenditure	Savings
		(Police)		fire-Administration					
9.	33	Medical Department (Ayurvedic and Unani)	4210-800-08	Establishment of Ayush University	65.00	10.00	75.00	50.62	24.38
10.	36	Medical Department (Public Health)	4210-800-05	Building construction of Divisional Office and Laboratories of Food and Drug Administration Department	200.00	20.00	220.00	195.00	25.00
11.	36	Medical Department (Public Health)	4210-107-03	Upgradation of Government Public Analyst Laboratories	15.54	1.28	16.82	14.86	1.96
12.	37	Urban Development Department	6215-02-191-05	Pt. Deen Dayal Upadhyaya Urban Development Schemes	50.00	25.00	75.00	43.68	31.32
13.	40	Planning Department	4575-800-04	Capital outlay on special schemes of Bundelkhand	300.00	75.00	375.00	289.63	85.37
14.	49	Women and Child Welfare Department	4235-103-07	Construction of Buildings of Government Institutions/Homes Under Chief Minister Child Shelter Scheme	0.00	1.00	1.00	0.00	1.00
15.	57	Public Works Department (Communications-Bridges)	5054-04-101-04	Construction of General Bridges (State Sector)	1181.85	39.41	1221.26	1049.51	171.75
16.	58	Public Works Department (Communications-Roads)	5054-800-58	Construction/Strengthening/Widening of roads from State Road Fund	2500.00	250.00	2750.00	2315.29	434.71
17.	58	Public Works Department (Communications-Roads)	5054-797-03	Transfer to State Road Fund	2500.00	250.00	2750.00	2500.00	250.00
18.	60	Forest Department	4406-02-110-13	Habitat and Wildlife Management Plan of Protected Areas	0.00	5.00	5.00	0.00	5.00

Sl. No	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Supplementary Provision	Total	Expenditure	Savings
19.	65	Finance Department (Audit, Small Savings etc.)	4059-01-051-05	Construction of Integrated Building for the offices of all the heads of Departments under the Finance Department	0.00	5.00	5.00	0.00	5.00
20.	71	Education Department (Primary Education)	4202-01-201-01	Central Sponsored Schemes	1103.50	9.80	1113.30	618.43	494.87
21.	71	Education Department (Primary Education)	4202-01-201-89	Relevant State share of Centrally Sponsored Schemes	735.67	6.54	742.21	546.19	196.02
22.	72	Education Department (Secondary Education)	4202-01-202-05	Purchase of land/ building and electrification, extension, construction of building of Government Higher Secondary Schools (District Plan)	500.00	383.00	883.00	419.59	463.41
23.	72	Education Department (Secondary Education)	4202-01-202-33	New Government Sanskrit Secondary School And 05 New Government Sanskrit Secondary Schools	0.00	5.00	5.00	0.00	5.00
24.	73	Education Department (Higher Education)	4202-01-203-89	Relevant State share of Centrally Sponsored Schemes	4.19	7.44	11.63	0.00	11.63
25.	73	Education Department (Higher Education)	4202-01-203-01	Centrally Sponsored Schemes	0.00	11.16	11.16	0.00	11.16
26.	75	Education Department (State Council of Education Research and	4202-01-201-01	Central Sponsored Schemes	25.42	16.13	41.55	23.54	18.01

Sl. No	Grant No.	Name of Department	Major Head	Name of scheme	Original Provision	Supplementary Provision	Total	Expenditure	Savings
		Training)							
27.	75	Education Department (State Council of Education Research and Training)	4202-01-201-89	Relevant share Centrally Sponsored Schemes of	16.95	10.74	27.69	15.69	12.00
28.	81	Social Welfare Department (Tribal Welfare)	4202- 01-796-01	Centrally Sponsored Schemes	78.64	3.88	82.52	19.59	62.93
29.	81	Social Welfare Department (Tribal Welfare)	4202-01-796-89	Relevant share Centrally Sponsored Schemes of	52.42	2.59	55.01	30.93	24.08
30.	84	General Administration Department	4250-800-13	Restoration/Repair of More Than 100 Years Old Temple/ Monastery/ Dharmashala/ Kund/Pilgrimage Place etc. Located on Public Land in UP And construction of Bhajan Evening Place/Satsang Place etc.	0.00	6.00	6.00	0.00	6.00
31.	84	General Administration Department	4250-800-12	Restoration/Reconstruction of Protected Temples of Public Utility	0.00	4.06	4.06	0.00	4.06
32.	92	Culture Department	4202-800-54	International Ramayana And Vedic Research Institute Ayodhya	0.00	20.00	20.00	0.00	20.00
33.	93	Namami Gangey and Rural Water Supply Department	4215-01-102-02	Rural Water Supply-Jal Jeevan Mission	16644.60	200.00	16844.60	12907.94	3936.66
Total Capital voted (15 grants)					30654.84	2379.40	33034.24	24555.79	8478.45
Total (Revenue Voted+Capital Voted) (Total Grant 37)					70288.38	3312.20	73600.58	56549.55	17051.03

Appendix 3.8
(Referred to in Paragraph 3.3.5)
Unnecessary Re-appropriations

(₹ in crore)

Sl. No.	Grant No.	Head of Accounts	Total provision	Re-appropriation	Total	Expenditure	Savings
1	2	2029-Land Revenue-001-Direction and Administration 03-Collector's Office (Nazool)	1.60	0.11	1.71	1.34	0.37
2	7	2852-Industries-80-800-07-Global Investor Summit-2023	0.00	50.00	50.00	0.00	50.00
3	8	2058-Stationery and Printing-103-04-Government Press, Lucknow	64.60	1.32	65.92	41.41	24.51
4	8	2058-Stationery and Printing-103-07-Government Press, Varanasi	10.39	0.05	10.44	7.34	3.10
5	8	2058-Stationery and Printing-103-06-Government Press, Rampur	8.44	0.19	8.63	8.05	0.58
6	11	2401-Crop Husbandry-109-89-Relevant State Share of Centrally Sponsored Schemes	198.19	3.82	202.01	160.69	41.32
7	11	2415-Agricultural Research and Education-80-120-27-Establishment of Agriculture University, Banda	21.89	1.60	23.49	21.55	1.94
8	11	2401-Crop Husbandry-109-09-Trained Agriculture Entrepreneur Self Dependent Scheme	6.47	0.67	7.14	5.87	1.27
9	15	2403-Animal Husbandry-101-89-Relevant State Share of Centrally Sponsored Scheme	82.15	2.93	85.08	82.15	2.93
10	18	2425-Co-operation-108-Assistance to other co-operatives-01-Centrally Sponsored Schemes	30.00	13.68	43.68	27.22	16.46
11	26	2055-Police-101-04- Research Section	638.04	5.31	643.35	440.33	203.02
12	26	4055-Capital Outlay on Police- 207-State Police- 14-U.P. 112 Project	390.00	187.56	577.56	234.95	342.61
13	26	4070- Capital Outlay on other Administrative Services- 800-18-State Radio Section	12.00	41.43	53.43	0.19	53.24
14	26	2055-Police-109-District Police- 13-U.P. 112 Project	302.28	12.74	315.02	268.53	46.49
15	26	4055-Capital Outlay on Police- 207-State Police-23-Special police operation team	2.70	4.72	7.42	1.94	5.48
16	31	2210-Medical and Public Health- 105- 03- Education	5460.88	2.00	5462.88	5236.54	226.34
17	31	4210-Capital Outlay on Medical and Public Health-03- 105- 51-Government Medical College, Azamgarh	7.50	0.75	8.25	1.00	7.25
18	31	4210-Capital Outlay on	7.00	0.41	7.41	5.64	1.77

Sl. No.	Grant No.	Head of Accounts	Total provision	Re-appropriation	Total	Expenditure	Savings
		Medical and Public Health-03- 105-55-Government Allopathy Medical College, Orai, Jalaun					
19	32	2210-Medical and Public Health-110- 10-Uttar Pradesh Medical Supplies Corporation	5.00	3.43	8.43	5.00	3.43
20	35	2211-Family Welfare 101-89-Relevant State Share of Centrally Sponsored Schemes	759.41	1.50	760.91	441.84	319.07
21	36	4210-Capital Outlay on Medical and Public Health-800-Other Expenditure-04-Directorate of Food and Drug Administration	0.10	2.99	3.09	0.09	3.00
22	42	2014-Administration of Justice 105- 89-Relevant State Share of Centrally Sponsored Schemes	105.91	0.24	106.15	33.08	73.07
23	42	2014-Administration of Justice 108- 04-Establishment of Railway Magistrates	14.87	0.42	15.29	13.49	1.80
24	44	3452-Tourism-80-General-001-Direction and Administration-03-Establishment-Tourism Directorate	15.25	1.76	17.01	11.70	5.31
25	51	2245-Relief on account of Natural Calamities-80-General-800-Other expenditure-01- Centrally sponsored schemes	0.39	0.18	0.57	0.17	0.40
26	73	4202-Capital Outlay on Education, Sports, Art and Culture-01- 203- 06-Establishment of State Universities in Unserved Divisions	0.10	1.00	1.10	0.00	1.10
27	81	2401- Crop Husbandry- 796-89-Relevant State share of Centrally Sponsored Schemes	4.91	0.22	5.13	3.03	2.10
28	83	2401- Crop Husbandry- 789-89-Relevant State Share of Centrally Sponsored Schemes	229.24	3.75	232.99	138.85	94.14
29	83	2402-Soil and water conservation-789-Special Component Plan for Scheduled Castes- 01-Centrally Sponsored Schemes	89.63	8.40	98.03	29.84	68.19
30	83	2402- Soil and water conservation 789-Special Component Plan for Scheduled Castes- 89-Relevant State Share of Central Sponsored Schemes	77.40	2.48	79.88	20.37	59.51

Sl. No.	Grant No.	Head of Accounts	Total provision	Re-appropriation	Total	Expenditure	Savings
31	86	2220- Information and Publicity 60-Others- 001-Direction and Administration-03-Establishment Expenditure	61.84	1.00	62.84	48.52	14.32
32	91	2030-Stamps and Registration-03-Registration - 001-direction and Administration-03-Headquarter	62.75	2.50	65.25	41.11	24.14
33	91	2030-Stamps and Registration-02-Stamps- Non-Judicial- 001-Direction and Administration- 03-Establishment	1.47	0.01	1.48	0.73	0.75
34	92	2205-Art and Culture 001-Direction and Administration-03-Cultural Directorate	11.06	0.63	11.69	10.36	1.33
35	92	2205-Art and Culture 101-Fine Arts Education- 07-Grant to Uttar Pradesh Sangeet Natak Academy, Lucknow	4.06	0.08	4.14	3.43	0.71
36	94	4711-Capital Outlay on Flood Control projects- 01-Flood Control- 103-Civil Works-23-Improvement in rivers and erosion preventive schemes (financed by NABARD)	1486.43	15.91	1502.34	1175.98	326.36
37	94	4711- Capital Outlay on Flood Control projects- 01-Flood Control- 103-Civil Works-09-Anti Erosion Works	143.37	25.65	169.02	36.85	132.17
38	94	4711- Capital Outlay on Flood Control projects- 01-Flood Control- 103-Civil Works-08-Construction of Embankments	206.86	6.81	213.67	103.19	110.48
39	94	4711- Capital Outlay on Flood Control projects- 01-Flood Control- 103-Civil Works-07-Unforeseen Emergency Works	50.00	38.75	88.75	37.86	50.89
40	94	4702-Capital Outlay on Minor Irrigation-102-Ground Water-03-Tubewell Schemes	762.82	3.88	766.70	727.14	39.56
41	94	4711- Capital Outlay on Flood Control projects- 01-Flood Control- 103-Civil Works- 01-Central Sponsored Schemes	105.19	9.57	114.76	77.02	37.74
42	94	4700-Capital Outlay on Major Irrigation-06-Eastern Yamuna Canal (Commercial)- 051-Construction- 10-Canals	35.10	2.30	37.40	24.93	12.47
43	94	4700-Capital Outlay on Major Irrigation-05-Lower Ganga Canal (Commercial)- 051-Construction- 13-Project regarding to make irrigation facility in development area of Jalalabad and Talgram (Dark	11.00	4.25	15.25	5.49	9.76

Sl. No.	Grant No.	Head of Accounts	Total provision	Re-appropriation	Total	Expenditure	Savings
		Zone) of district Kannauj					
44	94	4701-Capital Outlay on Medium Irrigation-93-Project of renovation of different barrages and water mechanism system of dams (Commercial)-051-Construction-07-Barrage	33.53	0.62	34.15	25.24	8.91
45	94	4711- Capital Outlay on Flood Control projects- 01-Flood Control- 103-Civil Works-06-Improvement in rivers and anti-erosion schemes	22.00	0.31	22.31	13.86	8.45
46	94	2701-Medium Irrigation11-Bijnor Canal (Commercial)-101-Maintenance and Repairs-03-Other Maintenance Expenses	1.70	4.03	5.73	1.20	4.53
47	94	2701-Medium Irrigation17-Gursarai Canal (Commercial)-101-Maintenance and Repairs-03-Other Maintenance Expenses	3.60	1.53	5.13	3.54	1.59
21		Total	11549.12	473.49	12022.61	9578.65	2443.96

Appendix 3.9
(Referred to in paragraph 3.3.6)
Statement showing Major Heads where 50 per cent or more expenditure was incurred in March 2024

(₹ in crore)

Sl. No.	Grant No.	Description	Expenditure of 4th Quarter	Total Expenditure during 2023-24	Expenditure during March 2024	Expenditure in March 2024 as percentage of total expenditure	Expenditure in 4th Quarter as percentage of total expenditure
1	17	Agriculture and Other Allied Departments (Fisheries)	93.44	166.85	84.63	50.72	56.00
2	55	Public Works Department (Buildings)	164.54	243.97	126.30	51.77	67.44
3	58	Public Works Department (Communication - Roads)	19504.74	28138.87	16111.18	57.26	69.32
4	79	Social Welfare Department (Empowerment of the Handicapped and Welfare of Backward Classes)	2863.45	4051.43	2746.41	67.79	70.68

Source: VLC Data provided by A.G. (A&E.-I) U.P. Prayagraj.

Appendix-3.10
(Referred to in paragraph 3.3.7)
Scheme for which original provisions could not be utilised

(₹ in crore)

Sl. No.	Grant No.	Name of Department	Head	Name of scheme	Original Provision	Expenditure	Saving
1.	2	Housing Department	4217-01-190-09	Metro rail project in Varanasi, Gorakhpur and in other cities	100.00	0.00	100.00
2.	3	Industries Department (Small Industry and Export Promotion)	2851-102-28	U.P. Micro, Small and Medium Enterprise Promotion Policy, 2022	100.00	0.00	100.00
3.	3	Industries Department (Small Industry and Export Promotion)	4851-102-09	Special assistance by the Government of India to the States for capital investment	200.00	0.00	200.00
4.	3	Industries Department (Small Industry and Export Promotion)	5475-800-03	Financial assistance to private sector investors for the development of Industrial Estate/ Industrial Parks	500.00	0.00	500.00
5.	7	Industries Department (Heavy and Medium Industries)	2852-800-03	Implementation of Quick Investment Promotion Policy-2020	125.00	0.00	125.00
6.	9	Power Department	4801-05-190-20	Assistance received from the Central Government for the transmission works of Green Energy Corridor-II in respect of capital share to U.P. Power Transmission corporation	100.00	0.00	100.00
7.	9	Power Department	6801-190-03	Loan received from K.F.W. for transmission works of Green Energy Corridor-II in respect of loan to U.P. Power Transmission Corporation	1020.00	0.00	1020.00
8.	24	Cane Development Department (Sugar Industry)	6860-04-190-12	Loan for works of capacity expansion/ modernisation/ Co-generation plant/ establishment and renovation of distillery, etc., of corporation	170.00	0.00	170.00
9.	35	Medical Department (Family Welfare)	4210-80-800-03	Arrangements under certain provisions of the 15th Finance Commission	408.53	0.00	408.53
10.	42	Judicial Department	4059-01-052-03	C.C.T.V. Camera and Other Security equipment for Security of Lower Courts	100.00	0.00	100.00
11.	42	Judicial Department	4070-800-04	Acquirement of land for new premises of District Court, Varanasi	100.00	0.00	100.00
12.	42	Judicial Department	4059-01-051-18	Construction of new buildings for Lucknow bench of Hon'ble High Court, Allahabad	150.00	0.00	150.00
13.	42	Judicial Department	4059-01-051-08	Construction of court campus under pilot project	700.00	0.00	700.00
14.	49	Women and Child Welfare Department	2235-02-102-21	Mukhyamantri Saksham Suposhan Yojna	100.00	0.00	100.00
15.	61	Finance Department	6075-	Loan Assistance for financial	100.00	0.00	100.00

Sl. No.	Grant No.	Name of Department	Head	Name of scheme	Original Provision	Expenditure	Saving
		(Debt Services and other Expenditure)	800-03	re-organisation of Public Sector Undertaking/ Corporation/ Autonomous bodies			
16.	62	Finance Department (Superannuation Allowances and Pensions)	2071-01-117-09	Payment of interest on late depositing subscribers contribution	100.00	0.00	100.00
17.	62	Finance Department (Superannuation Allowances and Pensions)	2071-01-117-08	Interest on due residual employer contribution upto 31.03.2019/late deposited employer contribution	980.00	0.00	980.00
18.	62	Finance Department (Superannuation Allowances and Pensions)	2071-01-117-07	Lumpsum payment of residual employer contribution upto 31.03.2019 of government employees covered under N.P.S.	3000.00	0.00	3000.00
19.	71	Education Department (Primary Education)	4202-01-201-08	Special Assistance for Capital Investment to States by Government of India	300.00	0.00	300.00
20.	72	Education Department (Secondary Education)	2202-02-800-01	Centrally Sponsored Schemes	163.80	0.00	163.80
21.	72	Education Department (Secondary Education)	4202-01-202-08	Special Assistance to States for Capital Investment by Government of India	300.00	0.00	300.00
22.	73	Education Department (Higher Education)	2202-03-800-23	Chief Minister Apprentice Incentive Scheme	100.00	0.00	100.00
23.	73	Education Department (Higher Education)	4202-01-203-18	Special Assistance to States for Capital Investment by Government of India	300.00	0.00	300.00
24.	76	Labour Department (Labour Welfare)	2230-01-111-09	"Mukhyamantri Jan Aarogya Yojana" For unorganised sector labour	100.00	0.00	100.00
25.	94	Irrigation Department (Works)	4700-17-051-01	Saryu Canal Project (Commercial)- Central Sponsored Schemes	192.00	0.00	192.00
26.	94	Irrigation Department (Works)	4700-23-051-10	Budaun Irrigation Project (Commercial)- Canals	350.00	0.00	350.00
Total : 15 Grants					9859.33	0.00	9859.33

Appendix-3.11
(Referred to in paragraph 3.3.7)

Details of Schemes for which Original provisions were re-appropriated to other schemes

(₹ in crore)

Sl. No.	Grant No.	Name of Department	Head	Name of Scheme	Provision	Re-appropriation	Total	Expenditure	Saving
1.	1	Excise Department	4059-01-051-04	Establishment of command and control centre, Lucknow	41.45	(-)41.45	0.00	0.00	0.00
2.	7	Industries Department (Heavy and Medium Industries)	5054-03-337-14	V.G.F. amount for Ganga Expressway Project	11.20	(-)11.20	0.00	0.00	0.00
3.	7	Industries Department (Heavy and Medium Industries)	5054-15	Jhansi Link-expressway Project	150.00	(-)150.00	0.00	0.00	0.00
4.	11	Agriculture and other Allied Departments (Agriculture)	2071-01-117-07	Lump sum payment of residual employer contribution up to 31.03.2019 of employees of Agriculture Universities covered under N.P.S.	14.00	(-)14.00	0.00	0.00	0.00
5.	11	Agriculture and Other Allied Departments (Agriculture)	4415-80-277-05	Establishment of Agritech Start-up/Equvation Center in Agriculture and Technology Universities	20.00	(-)20.00	0.00	0.00	0.00
6.	11	Agriculture and other Allied Departments (Agriculture)	4415-80-277-33	Establishment of Mahatma Buddha Agriculture and Technology University, Kushinagar	50.00	(-)50.00	0.00	0.00	0.00
7.	15	Agriculture and other Allied Departments (Animal Husbandry)	2403-102-08	Scheme for use of sexed/sorted semen in bovine animals at Frozen Semen Production Center, Rehmankheda, Lucknow (State Plan)	44.74	(-)44.74	0.00	0.00	0.00
8.	18	Agriculture and Other Allied Departments (Co-operative)	6425-800-04	Loan under Integrated Co-operative Development Scheme (Finance by N.C.D.C.)	25.00	(-)25.00	0.00	0.00	0.00
9.	19	Personnel Department (Training and other Expenditure)	4070-003-03	Uttar Pradesh Administrative and Management Academy	19.43	(-)19.43	0.00	0.00	0.00

Sl. No.	Grant No.	Name of Department	Head	Name of Scheme	Provision	Re-appropriation	Total	Expenditure	Saving
10.	22	Sports Department	4202-03-800-81	Sports College in district Ballia	10.00	(-)10.00	0.00	0.00	0.00
11.	22	Sports Department	2204-104-15	U.P. Sports Development Funds	25.00	(-)25.00	0.00	0.00	0.00
12.	22	Sports Department	4202-03-800-79	Construction of Velodrum in Guru Govind Singh Sports College	25.00	(-)25.00	0.00	0.00	0.00
13.	22	Sports Department	4202-03-800-76	Land purchase for developing of Sports Academy with private partnership	40.00	(-)40.00	0.00	0.00	0.00
14.	22	Sports Department	4202-03-102-13	Construction of sports infrastructure in the state with private participation	50.00	(-)50.00	0.00	0.00	0.00
15.	24	Cane Development Department (Sugar Industry)	6860-04-101-07	Work of technical upgradation for modernisation/ strengthening and to improve crushing capacity of co-operative sugar mill, Saatha	20.00	(-)20.00	0.00	0.00	0.00
16.	24	Cane Development Department (Sugar Industry)	6860-04-101-08	Work of technical upgradation for modernisation/strengthening and to improve crushing capacity of The Kisan co-operative sugar mill, Sultanpur	20.00	(-)20.00	0.00	0.00	0.00
17.	24	Cane Development Department (Sugar Industry)	6860-04-101-06	For extension of crushing capacity, distillery etc. of co-operative sugar mill, Snehrad	85.00	(-)85.00	0.00	0.00	0.00
18.	25	Home Department (Jails)	4070-800-22	Arrangement of solar energy based power plant, highmast and street light in Jails	10.00	(-)10.00	0.00	0.00	0.00
19.	26	Home Department (Police)	4070-800-24	Establishment of Solar power plant on fire fighting centres	25.00	(-)25.00	0.00	0.00	0.00
20.	31	Medical Department (Medical Education and Training)	4210-03-105-25	Establishment of Medical College in unserved Districts of State on the basis of Public Private Partnership	48.00	(-)48.00	0.00	0.00	0.00
21.	37	Urban Development Department	2217-800-08	Construction of an auditorium in the memory of freedom	15.00	(-)15.00	0.00	0.00	0.00

Sl. No.	Grant No.	Name of Department	Head	Name of Scheme	Provision	Re-appropriation	Total	Expenditure	Saving
				fighters/martyrs in Municipal Council Mau, district Mau					
22.	40	Planning Department	4215-106-03	Accelerated Economic Development Scheme	10.00	(-)10.00	0.00	0.00	0.00
23.	40	Planning Department	4575-800-09	Lump-sum Provision for construction of C.C. Road and K.C. Drain	12.57	(-)12.57	0.00	0.00	0.00
24.	40	Planning Department	4575-102-03	Rural Water Supply - Lump-sum Provision for Water Supply Programmes	15.00	(-)15.00	0.00	0.00	0.00
25.	40	Planning Department	4575-337-03	Construction of Roads- Lump-sum Provision for roads	18.00	(-)18.00	0.00	0.00	0.00
26.	40	Planning Department	2575-02-800-04	Special Schemes of Bundelkhand	36.84	(-)36.84	0.00	0.00	0.00
27.	40	Planning Department	4575-02-800-03	Special Schemes of Bundelkhand	38.16	(-)38.16	0.00	0.00	0.00
28.	40	Planning Department	4215-102-03	Accelerated Financial Development Scheme	50.00	(-)50.00	0.00	0.00	0.00
29.	48	Minorities Welfare Department	2235-02-800-01	Central Sponsored Schemes	11.87	(-)11.87	0.00	0.00	0.00
30.	48	Minorities Welfare Department	2202-01-800-89	Relevant State Share of Centrally Sponsored Schemes	80.00	(-)80.00	0.00	0.00	0.00
31.	48	Minorities Welfare Department	2202-01-800-01	Elementary Education- Central Sponsored Schemes	120.00	(-)120.00	0.00	0.00	0.00
32.	49	Women and Child Welfare Department	2235-02-102-07	Health Insurance of Aaganwadi Workers under Aayushman Bharat	25.00	(-)25.00	0.00	0.00	0.00
33.	52	Revenue Department (Board of Revenue and other Expenditure)	4070-800-01	Centrally Sponsored Schemes	50.87	(-)50.87	0.00	0.00	0.00
34.	57	Public Works Department (Communications-Bridges)	5054-04-101-39	Arrangement for restoration/renovation /re-construction of old bridge and taking consultation for establishment and implementation of project and technical studies for renovation/reconstruction/ construction of	50.00	(-)50.00	0.00	0.00	0.00

Sl. No.	Grant No.	Name of Department	Head	Name of Scheme	Provision	Re-appropriation	Total	Expenditure	Saving
				re-habilitation, ROB Flyover/bridges					
35.	58	Public Works Department (Communications-Roads)	5054-800-04	Purchase of machinery and equipment from Depreciation reserve fund	40.00	(-)40.00	0.00	0.00	0.00
36.	58	Public Works Department (Communications-Roads)	3054-04-337-06	Routine maintenance after Five Year maintenance under Pradhan Mantri Gram Sadak Yojna	50.00	(-)50.00	0.00	0.00	0.00
37.	58	Public Works Department (Communications-Roads)	3054-800-04	Payment of decretal amount	50.00	(-)50.00	0.00	0.00	0.00
38.	58	Public Works Department (Communications-Roads)	5054-800-03	Uttar Pradesh State Highways Authority	50.00	(-)50.00	0.00	0.00	0.00
39.	60	Forest Department	4406-110-17	Establishment of kukrail Night Safari Park in Kukrail Forest Area situated in District Lucknow	49.50	(-)49.50	0.00	0.00	0.00
40.	63	Finance Department (Treasury and Accounts Administration)	2054-097-04	Computerisation of Treasuries	25.00	(-)25.00	0.00	0.00	0.00
41.	74	Home Department (Home Guards)	4070-800-03	Construction of residential buildings	10.00	(-)10.00	0.00	0.00	0.00
42.	74	Home Department (Home Guards)	4070-800-04	Construction of non-residential buildings	15.00	(-)15.00	0.00	0.00	0.00
43.	79	Social Welfare Department (Empowerment of the Handicapped and Welfare of Backward Classes)	4225-277-01	Education- Central Sponsored Schemes	14.96	(-)14.96	0.00	0.00	0.00
44.	80	Social Welfare Department (Social Welfare and Welfare of Scheduled Castes)	2225-277-01	Education- Central Sponsored Schemes	12.00	(-)12.00	0.00	0.00	0.00

Sl. No.	Grant No.	Name of Department	Head	Name of Scheme	Provision	Re-appropriation	Total	Expenditure	Saving
45.	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	4235-02-789-01	Special Component Plan for Scheduled Castes- 01-Central Sponsored Schemes	10.00	(-)10.00	0.00	0.00	0.00
46.	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	4225-01-789-01	Central Sponsored Schemes	591.60	(-)591.60	0.00	0.00	0.00
47.	84	General Administration Department	4250-800-09	Construction of Bhajan Sandhya Sthal in District Prayagraj	18.50	(-)18.50	0.00	0.00	0.00
48.	84	General Administration Department	4250-800-11	Establishment of Ved Vigyan Kendra in Naimisharanya of District Sitapur	25.00	(-)25.00	0.00	0.00	0.00
49.	84	General Administration Department	4250-10	Development of public utility places and circuitous path of Maa Vindhyavasini Mandir, Maa Ashtbhuji Mandir, Maa Kali Khoh Mandir in triangular area of District Mirzapur	200.00	(-)200.00	0.00	0.00	0.00
50.	89	State Tax Department	4059-01-051-32	Construction of Facilitation Centres and Office Buildings	36.61	(-)36.61	0.00	0.00	0.00
Total: 26 Grants					2465.30	(-)2465.30	0.00	0.00	0.00

Appendix-3.12
(Referred to in paragraph 3.3.8)
Summary of grants where surrenders exceed savings

(₹ in crore)

Sl. No.	Grant No.	Grant Name	Saving	Surrender	Excess Surrender
Revenue Voted					
1	15	Agriculture and Other Allied Department (Animal Husbandry)	547.46	548.42	0.96
2	16	Agriculture and Other Allied Department (Dairy development)	67.67	67.68	0.01
3	18	Agriculture and Other Allied Department (Co-operative)	438.39	440.20	1.81
4	23	Cane Development Department (cane)	41.29	42.06	0.77
5	48	Minorities Welfare Department	418.86	419.25	0.39
6	49	Women and Child Welfare Department	4694.54	4775.24	80.70
7	55	Public Works Department (Buildings)	7.81	19.99	12.18
8	68	Legislative Assembly Secretariat	14.51	15.23	0.72
9	74	Home Department (Home guards)	223.40	224.66	1.26
10	78	Secretariate Administration Department	303.69	304.19	0.50
	10	Total (Revenue Voted)	6757.62	6856.92	99.30
Revenue Charged					
11	29	Confidential Department (Governor's Secretariat)	6.45	6.49	0.04
	01	Total (Revenue Charged)	6.45	6.49	0.04
Capital Voted					
12	15	Agriculture and Other Allied Department (Animal Husbandry)	39.43	39.48	0.05
13	55	Public Works Department (Buildings)	34.83	56.15	21.32
14	57	Public Works Department (Communications-Bridges)	665.75	983.27	317.52
15	58	Public Works Department (Communications-Roads)	3145.34	3984.24	838.90
	04	Total (Capital Voted)	3885.35	5063.14	1177.79
	13	GRAND TOTAL	10649.42	11926.55	1277.13

Appendix 4.1
(Referred to in paragraph 4.15)
Details of pendency in finalisation of Accounts by various Autonomous Bodies and Authorities

Sl. No.	Name of Department	Name of the Body/Authority	Year(s) for which accounts had not been received	Total No. of pending annual accounts
1.	Forest Department	Compensatory Afforestation Fund Management and Planning Authority (CAMPA)	2020-21 to 2023-24	04
2.	Infrastructure and Industrial Development Department	New Okhla Industrial Development Authority	2018-19 to 2023-24	06
3.	-do-	Greater Noida Development Authority	2020-21 to 2023-24	04
4.	-do-	Yamuna Expressway Industrial Development Authority	2023-24	01
5.	-do-	UP Expressway Industrial Development Authority	2017-18 to 2023-24	07
6.	-do-	Satharia Industrial Development Authority	2005-06 to 2023-24	19
7.	-do-	Gorakhpur Industrial Development Authority	2005-06 to 2023-24	19
8.	-do-	UP State Industrial Development Authority	2005-06 to 2023-24	19
9.	-do-	Lucknow Industrial Development Authority ¹³	2005-06 to 2020-21	16
10.	MSME	UP Khadi and Village Industries Board	2022-23 to 2023-24	02
11.	Energy Department	Uttar Pradesh Electricity Regulatory Commission	2023-24	01
12.	Housing and Urban Planning Department	Uttar Pradesh Real State Regulatory Authority	2023-24	01
13.	-do-	Lucknow Development Authority	2017-18 to 2023-24	07
14.	-do-	Ghaziabad Development Authority	2022-23 to 2023-24	02
15.	-do-	Agra Development Authority	2020-21 to 2023-24	04
16.	-do-	Meerut Development Authority	2020-21 to 2023-24	04
17.	-do-	Prayagraj Development Authority	2021-22 to 2023-24	03
18.	-do-	Hapur/Pilkhuan Development Authority	2020-21 to 2023-24	04
19.	-do-	Varanasi Development Authority	2017-18 to 2023-24	07
20.	-do-	Moradabad Development Authority	2017-18 to 2023-24	07
21.	-do-	Gorakhpur Development Authority	2021-22 to 2023-24	03
22.	-do-	Mathura Vrindavan Development Authority	2020-21 to 2023-24	04
23.	-do-	Aligarh Development Authority	2020-21 to 2023-24	04
24.	-do-	Bareilly Development Authority	2017-18 to 2023-24	07
25.	-do-	Raebareli Development Authority	2017-18 to 2023-24	07
26.	-do-	Saharanpur Development Authority	2017-18 to 2023-24	07
27.	-do-	Ayodhya/ Faizabad Development Authority	2020-21 to 2023-24	04
28.	-do-	Firozabad/Shikohabad Development Authority	2017-18 to 2023-24	07
29.	-do-	Kanpur Development Authority	2020-21 to 2023-24	04

¹³ Authority has been merged with Authority mentioned at Sl. No. 8 since 04 March 2021.

Sl. No.	Name of Department	Name of the Body/Authority	Year(s) for which accounts had not been received	Total No. of pending annual accounts
30.	-do-	Rampur Development Authority	2017-18 to 2023-24	07
31.	-do-	Unnao Shuklaganj Development Authority	2022-23 to 2023-24	02
32.	-do-	Jhansi Development Authority	2017-18 to 2023-24	07
33.	-do-	Muzzaffar Nagar Development Authority	2017-18 to 2023-24	07
34.	-do-	Bulandshahr Development Authority	2017-18 to 2023-24	07
35.	-do-	Khurja Development Authority	2017-18 to 2023-24	07
36.	-do-	Orai Development Authority	2017-18 to 2023-24	07
37.	-do-	Banda Development Authority	2022-23 to 2023-24	02
38.	-do-	Baghpat Badaut Khedda Development Authority	2017-18 to 2023-24	07
39.	-do-	Azamgarh Development Authority	2017-18 to 2023-24	07
40.	-do-	Basti Development Authority	2017-18 to 2023-24	07
41.	-do-	Special Area Development Authority, Shakti Nagar	2020-21 to 2023-24	04
42.	-do-	Special Area Development Authority, Chitrakoot	2017-18 to 2023-24	07
43.	-do-	Special Area Development Authority, Kapilvastu	2017-18 to 2023-24	07
44.	-do-	Special Area Development Authority, Vindhyachal-Mirzapur	2017-18 to 2023-24	07
45.	-do-	Special Area Development Authority, Kushinagar	2017-18 to 2023-24	07
46.	Law Department	Uttar Pradesh State Legal Services Authority	2021-22 to 2023-24	03
47.	-do-	Uttar Pradesh Human Rights Commission	1996-97 to 2023-24	28
48.	Handicapped welfare Department	Dr. Shakuntala Mishra National Rehabilitation Rights	2022-23 to 2023-24	02
49.	Child Welfare Department	U.P. State Commission for Protection of Child Rights	2015-16 to 2023-24	9
50.	Labour Department	Secretary, UP Building and Other Construction Workers Welfare Board, Lucknow	1996-97 to 2023-24	28
51.	Food and Civil Supply Department	Uttar Pradesh State Employees Welfare Corporation	2014-15 to 2023-24	10
52.	Agriculture Education and Research Department, GoUP	Narendra Deo Krishi Evam Prodyogik Vishwavidyalay, Ayodhya	2019-20 to 2023-24	05
53.	-do-	Chandrashekhar Azad Krishi Evam Prodyogik Vishwavidyalay, Kanpur	2019-20 to 2023-24	05
54.	-do-	Sardar Vallabhbhai Patel Krishi Evam Prodyogik Vishwavidyalay, Modipuram, Meerut	2019-20 to 2023-24	05
55.	-do-	Banda Krishi Evam Prodyogik Vishwavidyalay, Banda	2019-20 to 2023-24	05
56.	Animal Husbandary Department, GoUP	Pt Deendayal Upadhyay Pashu Chikitsa Vigyan Vishwavidyalay Evam Gou Anusandhan Sansthan, Mathura	2019-20 to 2023-24	05
Total				388

Appendix 4.2
(Referred to in paragraph 4.16)
Status of finalisation of accounts of Departmental Commercial Undertakings

(₹ in crore)

Sl. No.	Name of the undertaking	Accounts finalised up to	Investment as per the last accounts finalised
Irrigation Department			
1.	Irrigation Workshop Division, Kanpur	2023-24	2.30
2.	Irrigation Workshop Division, Jhansi	2022-23	12.56
3.	Irrigation Workshop Division, Bareilly	2023-24	4.44
4.	Irrigation Workshop Division, Meerut	2023-24	2.63
5.	Irrigation Workshop Division, Gorakhpur	2022-23	0.82
6.	Irrigation Workshop Division, Prayagraj	2023-24	4.38
Food and Civil Supplies Department			
7.	Food Commissioner and CAO	2021-22	10563.28
Animal Husbandry Department			
8.	Dy. Director, Animal Husbandry Farms Corporation	2020-21	108.03
Health Department			
9.	Dy. Director, State Ayurvedic & Unani Medicine Department	1987-88	Not available
Total			10698.44

Explanation of Terms & Acronyms

EXPLANATION OF TERMS

Terms	Explanations
Appropriation Accounts	Appropriation Accounts present the total amount of funds (Original and Supplementary) authorised by the Legislative Assembly in the budget grants under each voted grants and charged appropriations <i>vis-à-vis</i> the actual expenditure incurred against each and the unspent provisions or excess under each grant or appropriation. Any expenditure in excess of the voted grants/charged appropriations requires regularisation by the legislature.
Autonomous bodies	Autonomous bodies (usually registered Societies or Statutory corporations) are setup whenever it is felt that certain functions need to be discharged outside the governmental setup with some amount of independence and flexibility without day-to-day interference of the governmental machinery.
Buoyancy ratio	Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable.
Committed expenditure	Committed expenditure of State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages and pensions on which the present executive has limited control.
Contingent liability	Contingent liabilities may or may not be incurred by an entity depending on the outcome of a future event such as a Court case.
Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debts. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs and additional borrowings with returns from such borrowings. It means that rise in fiscal deficits should match with the increase in capacity to service the debt.
Debt stabilisation	Necessary condition for stability states that if the rate of growth of economy exceeds the

Terms	Explanations
	interest rates or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative.
Internal debt	Internal debt comprises regular loans from the public in India, also termed 'Debt raised in India'. It is confined to loans credited to the Consolidated Fund.
Net availability of borrowed funds	It is defined as the ratio of the debt redemption (Principal plus Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.
Primary Deficit / Surplus	Fiscal deficit minus interest payment gives primary deficit. It can be interpreted as the excess of non-interest expenditure of the Government over its revenue receipts and non-debt capital receipts.
Public Accounts Committee	A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India relating to the appropriation accounts of the State, the annual financial accounts of the State or such other accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinise.
Re-appropriation	Means the transfer of funds from one Primary unit of appropriation to another such unit.
Sinking Fund	A fund into which the Government sets aside money over time in order to retire its debt.
Supplementary grants	If the amount authorised by any law made in accordance with the provisions of Article 204 of the Constitution to be expended for a particular service for the current financial year is found to be insufficient for the purposes of that year or when a need has arisen during the current financial year for supplementary or additional expenditure upon some new service not contemplated in the annual financial statement for that year, Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 205 of the Constitution.

ACRONYMS

Acronym	Full Form
AC Bill	Abstract Contingent Bill
BOCW Act	Building and Other Construction Workers Act
CAG	Comptroller and Auditor General of India
CAGR	Compound Annual Growth Rate
CCO	Chief Controlling Officers
CGA	Controller General of Accounts
CSF	Consolidated Sinking Fund
DCC Bill	Detailed Countersigned Contingent Bill
DCPS	Defined Contribution Pension Scheme
FC	Finance Commission
FRBM Act	Fiscal Responsibility and Budget Management Act
GDP	Gross Domestic Product
GID	Gross Interest Differential
GSDP	Gross State Domestic Product
GoI	Government of India
GoUP	Government of Uttar Pradesh
GSDP	Gross State Domestic Product
GST	Goods and Services Tax
IGST	Integrated Goods and Services Tax
MH	Major Head
MTRFP	Medium Term Fiscal Restructuring Policy
NSDL	National Securities Depository Limited
PAC	Public Accounts Committee
PAO	Pay and Accounts Office
PB	Primary Balance
PD Account	Personal Deposit Account
PLA	Personal Ledger Account
PRI	Panchayati Raj Institution
PSUs	Public Sector Undertakings
SDRF	State Disaster Response Fund
SDMF	State Disaster Mitigation Fund
SDRMF	State Disaster Risk Management Fund
SGST	State Goods and Services Tax
UC	Utilisation Certificate
UDAY	Ujwal DISCOM Assurance Yojana
UPBM	Uttar Pradesh Budget Manual

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