Preface

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

Chapters 1 and 2 of this Report respectively contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2010. Information has also been obtained from the Government of Uttar Pradesh, wherever necessary. Chapter 3 on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the year 2009-10.

The Report containing the findings of performance audit 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.

Executive Summary

Background

This Report on the Finances of the Government of Uttar Pradesh is being brought out with a view to assess objectively the financial performance of the State during 2009-10 and to provide the State Government and State Legislature with timely inputs based on audit analysis of financial data. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government Fiscal Responsibilities and Budget Management Act, 2004 (FRBM) and in the Budget Estimates of 2009-10.

The Comptroller and Auditor General (C&AG) has been commenting upon the Government's finances for over four years since the FRBM legislation. Since these comments formed part of the civil audit report, it was felt that the audit findings on the State finances remained relatively obscure in the large body of audit findings on the compliance and performance audits. Accordingly, from the report year 2008-09 onwards, C&AG had decided to bring out a separate volume titled "Report on State Finances. This Report is the second in this endeavour.

The report

Based on the audited accounts of the Government of Uttar Pradesh for the year ending March 2010, this report provides an analytical review of the Annual Accounts of the State Government. The financial performance of the State has been assessed based on the FRBM Act and Fiscal and Correction Path of the Government, budget documents, Economic Review 2009-10, Twelfth Finance Commission Report and other financial data obtained from various Government departments and organizations. The report is structured in three Chapters.

Chapter 1 is based on the audit of Finance Accounts and makes an assessment of Uttar Pradesh Government's fiscal position as on 31 March 2010. It provides an insight into trends in committed expenditure, borrowing pattern, besides a brief account of Central funds transferred directly to the State implementing agencies through off-budget route.

Chapter 2 is based on audit of Appropriation Accounts and it gives the grant-by-grant description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter 3 is an inventory of Uttar Pradesh Government's compliance with various reporting requirements and financial rules. The report also has an appendage of additional data collected from several sources in support of the findings. ***Appendix 4*** at the end gives a

glossary of selected items related to State economy, as used in this report.

Audit findings and recommendations

Revenue receipts: The revenue receipts increased by 24 *per cent* during 2009-10 over the preceding year. These receipts were higher than the projections made in the Fiscal Correction Path (FCP) and Mid Term Fiscal Restructuring Policy (MTFRP) for 2009-10 by 26 *per cent* and two *per cent* respectively. Tax revenue which is a constituent of the revenue receipts remained very close to the projections in the FCP and MTFRP and the normative assessment made by the Twelfth Finance Commission (TFC). The arrears of revenue ending March 2010 amounted to ₹ 17,118 crore. Non-tax revenue was also significantly higher than the projections in the FCP and MTFRP and the normative assessment made by the TFC. The cost of collection of major revenue receipts during 2009-10 in the State was about two times the All India Average. The fiscal performance will gain through concerted efforts in tax compliance focusing on realisation of tax arrears.

Revenue expenditure: The revenue expenditure increased by 18 *per cent* during 2009-10 relative to 2008-09. Within revenue expenditure, plan expenditure decreased by 9 *per cent* and non-plan expenditure increased by 26 *per cent* over the previous year. Non-plan revenue expenditure exceeded TFC's normative projections by 53 *per cent* and State's own FCP by 15 *per cent* but remained close to the projections in the State's MTFRP. The revenue expenditure as a percentage of total expenditure declined from 83 *per cent* to 77 *per cent*. The committed expenditure on salary, pension, interest payments and subsidies constituted 82 *per cent* of the non-plan revenue expenditure during 2009-10. It is advisable for the Government to redefine its expenditure pattern by cutting down unproductive expenditure.

Priority to economic and social sector expenditure: The fiscal priority given to development, social and education sectors was not adequate in 2005-06 and 2009-10 as their ratio to aggregate expenditure was lesser than the General Category States Average. In view of the literacy rate in the State being much below the All India Average and the infant mortality being much above the All India Average, the Government may consider re-prioritising its public expenditure by giving greater fiscal priority to the Economic Sector and the Social Sector.

Resource mobilization: There had been increasing trend in generation of State's own revenues all along the period 2005-10. Tax revenue-GSDP ratio remained constant and hovered around 7 *per cent* and non-tax revenue-GSDP ratio sharply increased by 1.13 *per cent* relative to previous year despite withdrawal of debt waiver facility by the Government of India granted during 2008-09. The sharp increase in non-tax revenue-GSDP ratio during 2009-10 was mainly due to increase in receipts on account of conversion of *nazul* land into freehold. The Government should moblise additional resources by expanding the tax base and rationalization of user charges.

Review of Government investments: The average return on Government's investments in Statutory corporations, Government companies, Joint stock companies and Co-

operatives was 0.013 *per cent* in the last three years, whereas its average interest outgo on its borrowings was 6.29 *per cent* during the corresponding period. This is clearly an unsustainable proposition. The State Government should, therefore, seek better value for money in investments. Otherwise, high-cost of borrowed funds invested in projects with low financial return will continue to strain the economy. Projects which are justified on account of low financial but high socio-economic return may be identified and prioritised with full justification for the high-cost borrowings. The working of State-owned public sector undertakings, incurring huge losses may be reviewed and appropriate decision for their closure or otherwise may be taken depending on their strategic value and revival potential.

Debt sustainability: The debt-GSDP ratio was 41 *per cent* at the end of 2009-10. The Government of Uttar Pradesh should endeavour to achieve the normative debt-GSDP ratio as specified in Fiscal Reform legislation so that the total liabilities at the end of the financial year 2018 do not exceed 25 *per cent* of the estimated GSDP. Nearly 96 *per cent* of borrowed funds were used for discharging debt liabilities in last three years. Though the Government was maintaining a sinking fund but the balances may not be sufficient for amortization of loans. Therefore, maintaining a calendar of borrowings to avoid bunching towards the end of the fiscal year and a clear monitoring of the maturity profile of debt payments will go a long way in prudent debt management.

Oversight of funds transferred directly from the Government of India to the State implementing agencies: Government of India directly transferred substantial amount of funds to the State Implementing Agencies, which is fraught with the risk of their improper utilization by these agencies. There is no single agency monitoring its use and there is no readily available data on how much is actually spent in any particular year on major flagship schemes. A system has to be put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as by the Principal Accountant General.

Financial management and budgetary control: Overall savings of ₹ 21,511.42 crore was the result of savings of ₹ 23,193.58 crore offset by excess of ₹ 1,682.16 crore. The departments of Planning, Women and Child Welfare, Finance (Debt Services and Other Expenditure) posted large savings persistently for the last five years. Excess expenditure of ₹ 10,521.32 crore for the period 2005-09 requires regularisation under Article 205 of the Constitution of India. There were also instances of unnecessary/inadequate supplementary provision and excessive, unnecessary re-appropriations of funds. Cases of non-surrender of anticipated savings were also noticed. Rush of expenditure at the end of the year is another chronic feature noticed in the overall financial management. Budgetary control should be strengthened in all Government departments. Excessive/unnecessary re-appropriation of funds should be avoided and reasons for additional provision/withdrawal of provision in re-appropriation orders should be explained therein. Unit-wise control over expenditure should be exercised and the savings anticipated should be surrendered to the Finance Department so that the funds could be utilised for development purposes.

Re-appropriation of the funds at the fag end of the financial year should also be avoided.

Financial reporting: The Government's compliance with various financial rules and procedures was deficient. Utilization certificates in respect of huge amounts were not obtained from the grantees. A large number of cases of misappropriations, etc., were pending either for recovery or write off. Detailed bills against abstract bills were awaited since long. A huge amount was retained in the Personal Deposits against the principle of legislative financial control. Substantial portion of the expenditure was not classified programme/activity-wise. Amount of interest credited to the individual GPF accounts of the Class IV employees was not intimated by the Government for adjustment in accounts.

Assets and liabilities had not been apportioned amongst the successor States of Uttar Pradesh and Uttarakhand even after ten years of the reorganization of the State.

It is advisable for the Government that the departmental enquiries in all the cases of misappropriations, losses, defalcations, etc., should be conducted expeditiously to bring the defaulters to book. For this purpose, the internal controls in the various departments should be strengthened to prevent recurrence of such cases. Besides, the Government should issue instructions to all the grantees emphasising timely submission of the utilisation certificates. Timely submission of accounts by autonomous bodies and timely submission of the detailed contingent bills should be ensured.

The issue of apportionment of assets and liabilities between Uttarakhand and Uttar Pradesh needs to be settled expeditiously.

Chapter

1 Finances of the Government

Profile of Uttar Pradesh

Uttar Pradesh, a densely populated landlocked State, has several developmental concerns including higher poverty, higher infant mortality, lower literacy and lesser life-expectancy at birth compared to other States in the country (***Appendix 1.1***).

The State experienced lower economic growth in the past decade as the compound annual growth rate of its Gross Domestic Product for the year 2000-01 to 2008-09 has been 10.79 *per cent* as compared to 12.54 *per cent* in other General Category States. During this period, its population has grown by 17.64 *per cent* against 13.42 *per cent* in other General Category States.

With effect from November 2000, thirteen districts[1] of the composite State of Uttar Pradesh formed a new State of Uttaranchal under the Uttar Pradesh Reorganization Act, 2000. The status of allocation of balances consequent upon the reorganization of the State is indicated in ***Appendix XI*** of the Finance Accounts 2009-10.

1.1 Introduction

This chapter provides a broad perspective of the finances of the Government of Uttar Pradesh during the year 2009-10 and analyses changes observed in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years. The analysis is based on Finance Accounts of the Government and information obtained from it. The structure of Government Accounts has been explained in ***Appendix 1.2 Part A*** and the layout of the Finance Accounts is depicted in ***Appendix 1.2 Part B.***

In February 2004, Government of Uttar Pradesh responded to the Twelfth Finance Commission's recommendations by legislating its 'Fiscal Responsibility and Budget Management Act' setting out a reform agenda through Fiscal Correction Path (FCP) in the medium term with the long-term goal of securing growth with stability for its economy.

A summary of Fiscal Responsibility and Budget Management Act, 2004 of the State and the 'Outcome indicators of State's own Fiscal Correction Path' are given in ***Appendix 1.3*** and ***Appendix 1.4*** respectively.

[1] Almora, Bageshawar, Champavat, Chamoli, Dehradun, Haridwar, Nainital, Pauri Garhwal Pithoragarh, Rudraparyag Tehri Garhwal, Uttarkashi and Udhamsingh Nagar districts.

1.2 Summary of current year's fiscal transactions

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2009-10), *vis-a-vis,* previous year while ***Appendix 1.5*** provides abstract of receipts and disbursements as well as overall fiscal position during the current year.

Table 1.1: Summary of fiscal operations

(₹ in crore)

Receipts			Disbursements				
	2008-09	2009-10		2008-09	2009-10		
Section A	*Total*	*Total*	*Section A*	*Total*	*Non plan*	*Plan*	*Total*
Revenue Receipts	**77,830.73**	**96,420.95**	**Revenue expenditure**	**75,968.89**	**73,672.43**	**15,701.18**	**89,373.61**
Tax revenue	*28,658.97*	*33,877.60*	*General services*	*29,769.32*	39,817.01	824.29	40,641.30
Non-Tax Revenue	*6,766.55*	*13,601.09*	*Social services*	*28,546.01*	21,065.79	10,998.49	32,064.28
Share of Union Taxes/ Duties	*30,905.72*	*31,796.67*	*Economic services*	*14,149.35*	9,429.60	3,878.40	13,308.00
Grants from GoI	*11,499.49*	*17,145.59*[2]	*Grants-in-aid and Contributions*	*3,504.21*	3,360.03	-	3,360.03
Section B			*Section B*				
Miscellaneous Capital Receipts	**----**	**---**	**Capital Outlay**	**22,345.72**	**5,866.75**	**19,224.48**	**25,091.23**
Recoveries of Loans and Advances	**778.09**	**293.08**	**Loans and Advances disbursed**	**807.01**	**732.62**	**209.23**	**941.85**
Public Debt Receipts[3]	**16,760.03**	**22,489.07**	**Repayment of Public Debt**	**6,776.49**	**7,668.59**	**--**	**7,668.59**
Contingency Fund	**170.92**	**82.82**[4]	**Contingency Fund**	**--**	**--**	**--**	**--**
Public Account Receipts	**1,04,251.96**	**99,907.88**	**Public Account disbursements**	**1,00,026.64**	**1,01,780.30**	**--**	**1,01,780.30**
Opening Cash Balance	**15,200.16**	**9,067.14**	***Closing Cash Balance***	**9,067.14**	**3,405.36**	**--**	**3,405.36**
Total-	**2,14,991.89**	**2,28,260.94**	**Total**	**2,14,991.89**	**19,31,260.05**	**35,134.89**	**2,28,260.94**

Source: Finance Account

Following are the significant changes during 2009-10 over the previous year:

- **Revenue receipts** grew by ₹ 18,590 crore (24 *per cent*) over the previous year. The increase was mainly contributed by tax revenue (₹ 5,218.63 crore; 18 *per cent*), non-tax revenue (₹ 6,834.54 crore; 101 *per cent*) and grants-in-aid from Government of India (₹ 5,646.10 crore; 49 *per cent*). ***The revenue receipts at ₹ 96,420.95 crore, were higher than the normative projections made in the Fiscal Correction Path (₹ 76,506.76 crore) and Mid Term Fiscal Restructuring Policy (₹ 94,439.84 crore) by 26 per cent and two per cent respectively.***

[2] Includes external assistance of ₹ 4.36 crore.
[3] Excluding net transactions under ways and means advances and overdraft.
[4] Represents recoupment of the expenditure met out of the fund up to 31 March 2010.

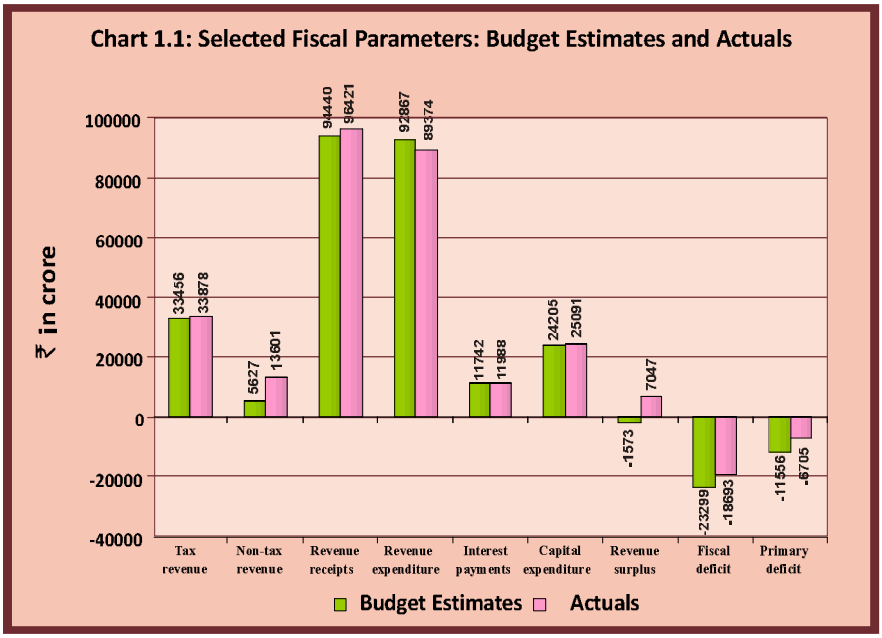
- **Tax revenue** grew by ₹ 5,218.63 crore (18 *per cent*) over the previous year. The increase was mainly contributed by the taxes on sales, trade, etc., (₹ 3,343 crore) followed by state excise (₹ 946 crore). ***The tax revenue at ₹ 33,878 crore remained very close to the projections made in State's Fiscal Correction Path (₹33,949 crore) and State's Mid Term Fiscal Restructuring Policy (₹33,456 crore) and also to the normative assessment made by the Twelfth Finance Commission (₹ 33,557 crore).***
- **Non-tax revenue** grew by ₹ 6,835 crore (101 *per cent*) over the previous year. ***It registered a significant improvement over the projections made by the Twelfth Finance Commission (₹ 5,061 crore), projections made by the Government in its Fiscal Correction Path (₹ 3,090 crore) and Mid Term Fiscal Restructuring Policy (₹ 5,627 crore). The increase was mainly due to lump sum amounts received on account of conversion of nazul land into freehold land.***
- **Grants-in-aid from Government of India** grew by ₹ 5,646 crore (49 *per cent*) over the previous year. ***Grants-in-aid from Government of India at ₹ 17,146 crore was above the projections made by the State in its Mid Term Fiscal Restructuring Policy (₹ 15,699 crore).***
- **State's share in Union taxes and duties** increased by ₹ 891 crore (three *per cent*) over the previous year. ***The share at ₹ 31,797 crore was above the projection made by the Government in its Fiscal Correction Path.***
- **Revenue expenditure** increased by ₹ 13,405 crore (18 *per cent)* over the previous year. ***The revenue expenditure at ₹ 89,374 crore significantly exceeded the assessment made by the Government in Fiscal Correction Path (₹ 72,847 crore). It was, however, below the projections made in the Mid Term Fiscal Restructuring Policy (₹ 92,867 crore).***
- **Within revenue expenditure,** non-plan expenditure increased by ₹ 14,995 crore (26 *per cent*) and plan expenditure decreased by ₹ 1,590 crore (9 *per cent*) over the previous year. ***Non-plan revenue expenditure also exceeded Twelfth Finance Commission's normative projections by 53 per cent (₹ 25,430 crore) and State's own Fiscal Correction Path by 15 per cent (₹9,502 crore) but remained close to the projections in the State's Mid Term Fiscal Restructuring Policy.***
- **Capital expenditure** (₹ 25,091 crore) increased by 12 *per cent* over the previous year mainly due to increase in capital outlays on rural development programmes and procurement of foodgrains. ***It exceeded the projections made in the Mid Term Fiscal Restructuring Policy (₹ 24,205 crore) and the Fiscal Correction Path (₹ 13,905 crore).***
- **Recovery of Loans and Advances** decreased by ₹ 485.01 crore (62 *per cent*) while their disbursement increased by ₹ 134.84 crore (17 *per cent*) over the previous year.
- **Public Debt receipts** increased by ₹ 5,729.04 crore (34 *per cent*) over the previous year. Repayment of Public Debt also increased by ₹ 892.10 crore (13 *per cent*) over previous year.

- A decrease in **Public Account receipts** by ₹ 4,344.08 crore (four *per cent*) over the previous year was mainly due to decrease of balances under suspense and miscellaneous (23 *per cent*) and deposit and advances (24 *per cent*).
- **Public Account disbursements** registered an increase of ₹ 1,754 crore (two *per cent*) over the previous year due to increase in balances under Reserve Funds (₹ 9,431 crore; 1,086 *per cent*), Remittances (₹ 9,478 crore; 50 *per cent*) and Small Savings (₹ 719 crore; 20 *per cent*) partly offset by decrease in balances under Suspense and Miscellaneous (₹ 9,860.43 crore; 19 *per cent*) and deposits and advances (₹ 8,014 crore; 32 *per cent*).
- **Cash balances** at the close of 2009-10 (₹ 3,405.36 crore) decreased by ₹ 5,662 crore (62 *per cent*) from the level of ₹ 9,067 crore in the previous year. Of this, ₹ 3,194.59 crore was invested in the Government of India Treasury Bills and ₹ 45.20 crore in the Government of India securities.

1.3 Budget estimates and actuals

Budget presented by the Government provides description about estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from the budget estimates are indicative of non-attainment and non-optimisation of desired fiscal objectives.

Budgeted and actual figures for some important fiscal parameters for the year 2009-10 are given in **Chart 1.1** and ***Appendix 1.6***.



Source: Budget and Finance Accounts

State's overall revenue receipts exceeded budget estimates by ₹ 1,981 crore. The excess realization was under non-tax revenue (₹ 7,974 crore; 142 *per cent*) and State's own taxes (₹ 422 crore; one *per cent*). Capital expenditure and interest payments also exceeded budget estimates by ₹ 886 crore and ₹ 246 crore respectively while revenue expenditure was less by ₹ 3,493 crore. Similarly, fiscal and primary deficits were lesser than their budget estimates respectively by ₹ 4,606 crore and ₹ 4,851 crore. Revenue deficit of ₹ 1,573 crore assessed in the budget estimates turned into surplus of ₹ 7,047 crore.

1.4 Resources of the State

1.4.1 Resources of the State as per Annual Finance Accounts

Revenue and Capital are two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of Union taxes and duties and grants-in-aid from the Government of India. 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/commercial banks) and loans and advances from Government of India as well as accruals from Public Account.

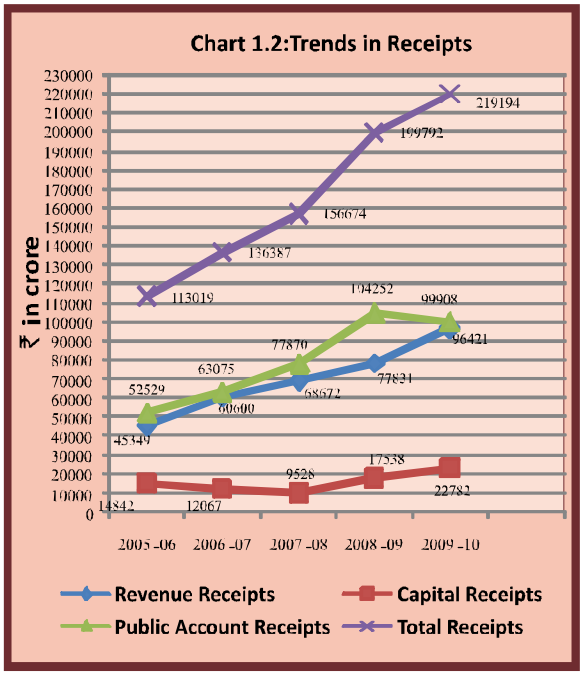
Table 1.2 and **Chart 1.2** depict the trends in various components of the receipts during 2005-10 and **Chart 1.3** depicts composition of resources of the State during 2009-10.

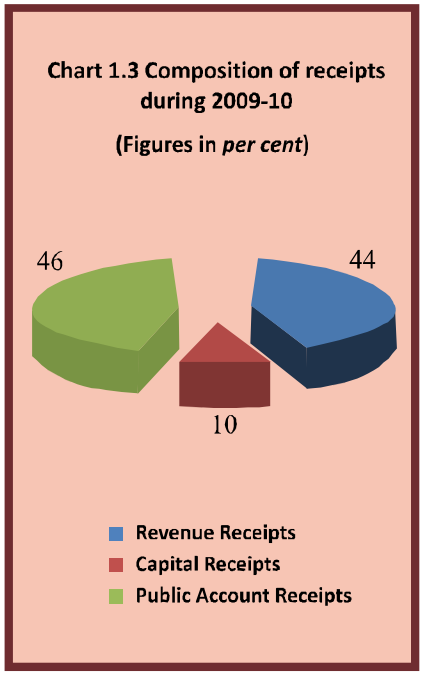
Table 1.2: Trends in growth and composition of aggregate receipts

(₹ in crore)

Sources of State's Receipts	2005-06	2006-07	2007-08	2008-09	2009-10
I Revenue Receipts	**45,349**	**60,600**	**68,672**	**77,831**	**96,421**
II Capital Receipts	**14,842**	**12,067**	**9,528**	**17,538**	**22,782**
Recovery of Loans and Advances	585	356	449	778	293
Public Debt Receipts	14,257	11,711	9,079	16,760	22,489
Growth rate of debt capital receipts	(-) 18	(-) 18	(-) 22	85	34
Growth rate of non-debt capital receipts	110	(-) 39	26	73	(-) 62
Growth rate of GSDP	11.34	12.83	14.37	15.27	19.20
III Contingency Fund	**299**	**645**	**604**	**171**	**83**
IV Public Account Receipts	**52,529**	**63,075**	**77,870**	**1,04,252**	**99,908**
a. Small Savings, Provident Fund, etc.	3,605	4,858	5,312	6,511	8,156
b. Reserve Fund	3,181	3,074	4,019	3,628	5,825
c. Deposits and Advances	16,549	15,249	19,450	22,656	17,260
d. Suspense and Miscellaneous	20,953	27,430	35,808	52,278	40,084
e. Remittances	8,241	12,464	13,281	19,179	28,583
V Total Receipts	**1,13,019**	**1,36,387**	**1,56,674**	**1,99,792**	**2,19,194**

Source : Finance Accounts





Total receipts of the State increased by 94 *per cent* from ₹1,13,019 crore in 2005-06 to ₹ 2,19,194 crore in 2009-10, of which increase in revenue receipts was by 113 *per cent*; capital receipts by 53 *per cent* and Public Account receipts by 90 *per cent* during the period.

Though there was an increasing trend in total receipts during 2005-10, Public Account receipts registered a decline of four *per cent* in 2009-10 relative to the year 2008-09. This was attributable to a decline under suspense and miscellaneous by 23 *per cent* and deposits and advances by 24 *per cent.*

Public debt receipts, which create future repayment obligations, were 99 *per cent* of total capital receipts in 2009-10. The debt receipts also registered increase by 34 *per cent* in 2009-10 relative to the previous year.

1.4.2 Funds transferred to State implementing agencies outside State budget

Government of India transfers funds directly to State implementing agencies[5] for implementation of various schemes/programmes. The position of Government of India transfer of funds directly to State implementing agencies is presented in **Table 1.3.**

5 State implementing agency includes any organization/institution including non- governmental organization, which is authorized by the State Government to receive funds from GOI for implementing specific programmes in the State, e.g., State Health Society of UP, Lucknow for National Rural Health Mission.

Table 1.3: Funds transferred directly by Government of India to the State implementing agencies

(₹ in crore)

Programme/ Scheme	Implementing agency in the State	2008-09	2009-10
National Rural Health Mission	State Health Society of UP, Lucknow	1,657.19	1,808.67
Total Sanitation Campaign	Department of Panchayati Raj	728.00	112.65
Pradhanmantri Gram Sadak Yojna	UP Rural Roads Development Agency	1,649.82	2,084.51
Indira Avas Yojna	Commissioner Rural Development	1,142.34	814.59
Rural Drinking Water- Accelerated Drinking Water Supply Programme	Jal Nigam UP, Lucknow	537.78	536.61
National Rural Employment Guarantee Act	Commissioner Rural Development	4,187.78	5,318.86
Sarva Shiksha Abhiyan	Project Board UP Education for All	3,275.15	1,960.12
Swarn Jayanti Gram Swarojgar Yojna	Commissioner Rural Development	566.57	413.39
MPs Local Area Development Programme	District Magistrates	-	155.00
Integrated Watershed Management Programme	District Rural Development Agencies	Nil	147.82
Integrated Child Development Services	Women and Child Development	Nil	141.97
Others	-	37.08	216.00[6]
	Total	**13,781.71**	**13,710.19**

Source: Finance Accounts

Government of India transferred ₹ 13,710.19 crore directly to the State implementing agencies for implementation of various programmes against ₹ 13,781.71 crore in the previous year. A significant increase of ₹ 1,131.08 crore (27 *per cent)* was under the National Rural Employment Guarantee Act followed by ₹ 151.48 crore (9 *per cent*) under National Rural Health Mission. Likewise, significant decrease of ₹ 1,315.03 crore (40 *per cent*) was under Sarva Shiksha Abhiyan followed by ₹ 615.35 crore (85 *per cent*) under Total Sanitation Campaign and ₹ 327.75 crore (29 *per cent*) under Indira Awas Yojna.

Direct transfer of funds from the Government of India to State implementing agencies runs the risk of poor oversight of utilization of funds. Unless uniform accounting practices are followed by all the State implementing agencies with proper documentation and timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers. Besides, it also inhibits the Fiscal Responsibility and Budget Management Act requirement of transparency in fiscal operations and thus bypasses accountability.

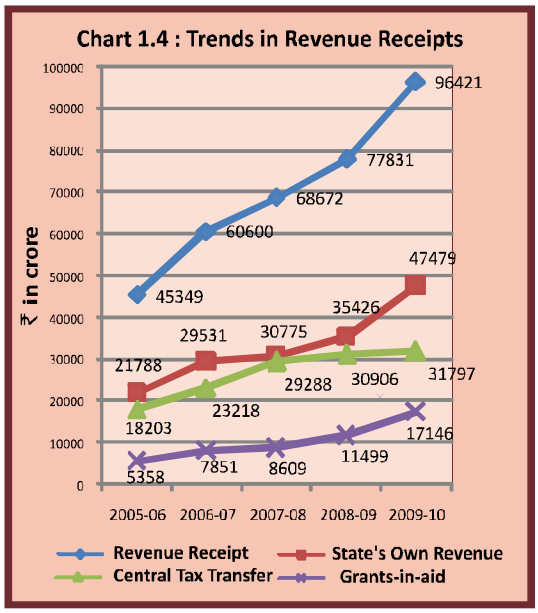
1.5 Revenue receipts

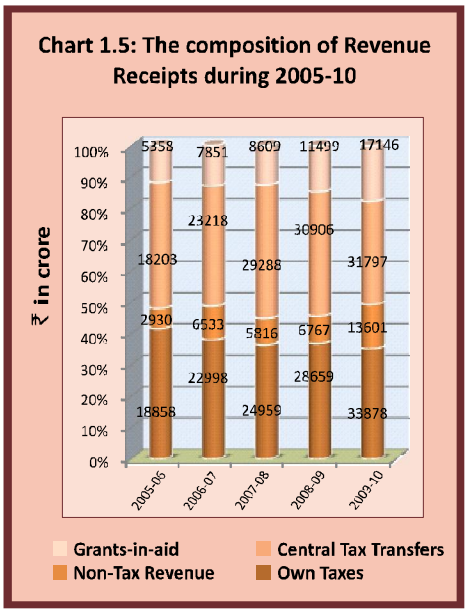
Revenue receipts consist of State's own tax and non-tax revenues, Central tax transfers and grants-in-aid from Government of India. **Statement-11** of the Finance Accounts details the revenue receipts of the Government.

6 2009-10: Swarn Jayanti Shahri Rojgar Yojna: ₹ 66.75 crore; DRDA Administration: ₹ 39.46 crore; Handlooms: ₹ 35.26 crore; Research and Development Support: ₹ 5.23 crore; Handicraft: ₹ 13.58 crore; Skill Development Initiative: ₹ 11.43 crore; ISOPOM: ₹ 11.34 crore, Medicinal Plant: ₹ 9.45 crore; Science and Technology Programmet ₹ 8.49 crore; Research and Development Support ₹ 5.23 crore; National Mission on Nano Technology: ₹ 3.43 crore; Setting up of Technology Upgradation Establishment of Food Industries: ₹ 2.96 crore; Technology Development Programme: ₹ 1.57 crore; International Cooperation S&T: ₹ 1.31 crore; Assistance to Panchayati Raj Institutions ₹ 0.51 crore.

1.5.1 Trends and composition of revenue receipts

Trends and composition of revenue receipts over the period 2005-10 are presented in ***Appendix 1.7*** and also depicted in **Chart 1.4** and **1.5** respectively.





Revenue receipts have shown steady increase over the period 2005-10 with marginal changes in its composition. On an average, 47 *per cent* revenue came from States' own taxes during the period 2005-10. Within the State's own taxes during 2009-10, tax revenue and non-tax revenue accounted for 71 *per cent* and 29 *per cent* respectively. The revenue receipts at ₹ 96,421 crore was higher than the assessment made by the Government in its Fiscal Correction Path (₹ 76,507 crore) and close to Mid Term Fiscal Restructuring Policy (₹ 94,440 crore) for the year 2009-10. The trends in revenue receipts relative to GSDP are presented in **Table 1.4**.

Table 1.4: Trends in revenue receipts relative to GSDP

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Revenue Receipts (RR) (₹ in crore)	45,349	60,600	68,672	77,831	96,421
Rate of growth of RR (*per cent*)	20.55	33.63	13.32	13.34	23.89
RR/GSDP (*per cent*)	16.37	19.38	19.21	18.88	19.63
Buoyancy Ratios					
Revenue Buoyancy w.r.t GSDP	1.812	2.621	0.927	0.874	1.244
State's Own Tax Buoyancy w.r.t GSDP	1.779	1.711	0.594	0.971	0.948
Revenue Buoyancy w.r.t State's own taxes	1.019	1.532	1.562	0.901	1.312
*Gross State Domestic Product**(₹ in crore)**	2,77,068	3,12,627	3,57,557	4,12,151	4,91,302
Growth rate of GSDP (*per cent*)	11.34	12.83	14.37	15.27	19.20

Source: Economic Survey of Uttar Pradesh

The growth in revenue receipts was not commensurate with the growth in GSDP during 2007-08 and 2008-09. However, this was overcome during 2009-10.

Grants- in-aid from Government of India

Grants-in-aid from Government of India increased (49 *per cent*) from ₹ 11,496.99 crore in 2008-09 to ₹ 17,141.24 crore in 2009-10 (**Table 1.5**). The increase was mainly under Central Plan Schemes (₹ 3,757 crore) followed by non-plan grants (₹ 805 crore) and Centrally Sponsored Plan Schemes (₹ 654 crore).

Table 1.5: Grants-in-aid from Government of India

(₹ in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
Non Plan grants	2,026.50	2,693.81	2,894.42	3,142.62	3,947.97
Grants for State plan schemes	1,916.24	2,837.57	2,795.49	5,195.76	5,624.02
Grants for Central Plan Schemes	159.48	153.13	261.90	235.36	3,992.43
Grants for Centrally Sponsored Plan Schemes	1,255.58	2,166.09	2,657.59	2,923.25	3,576.82
Total	**5,357.80**	**7,850.60**	**8,609.40**	**11,496.99**	**17,141.24**
Percentage of increase over previous year	29.13	46.53	9.67	33.54	49.09

Source : Finance Accounts

Increase under non-plan grants was due to increase in grants under the proviso to Article 275 (1) of the Constitution (₹ 554 crore), for improvement to jail administration (₹ 69.36 crore) and police (₹ 66.74 crore) and for natural calamity relief (₹ 149 crore). Increase under Central plan schemes was due to receipt of more grants by the Food and Civil Supply Department (₹ 3,786.59 crore). The increase under Centrally sponsored plan schemes was for schemes of social welfare (₹ 199.93 crore), muslim waqf (₹ 148.08 crore), women and child welfare (₹ 213.11 crore).

Central tax transfers

Central tax transfers increased (three *per cent*) from ₹ 30,906 crore in 2008-09 to ₹ 31,797 crore in 2009-10. The increase was mainly under corporation tax (₹ 2,951.22 crore) and taxes on income other than corporation tax (₹ 925.38 crore) partly off-set by decrease under custom duty (₹1,457.74 crore) and Union excise duties (₹ 1,567.82 crore).

Debt waiver under Debt Consolidation and Relief facility

Twelfth Finance Commission recommended debt waiver of ₹ 4,585.12 crore for the State during 2005-10. The State, however, received ₹ 3,617.08 crore[7] from the Ministry of Finance, Government of India during 2006-09. The receipts were accounted for under 0075-miscellaneous general services under non-tax revenue. This included ₹ 1,063.82

[7] 2006-07: ₹ 1,489.44 crore; 2007-08: ₹ 1,063.82 crore and 2008-09: ₹ 1,063.82 crore.

crore which was received provisionally during 2008-09. However, during 2009-10, the Central Monitoring Committee on Debt Consolidation and Relief Facility, while reviewing the debt waiver in March 2010, did not approve it. Accordingly, ₹ 1,063.82 crore was adjusted as loans from Central Government reducing the revenue receipts by that extent.

1.5.2 State's own resources

The gross collection in respect of major taxes and duties as well as the non-tax receipts for the period 2005-10 are presented in ***Appendix 1.7.*** These resources increased (118 *per cent)* from ₹ 21,788 crore in 2005-06 to ₹ 47,479 crore in 2009-10. Within revenue receipts, its share ranged between 45 *per cent* and 49 *per cent* during 2005-10.

The actual revenue receipts during 2009-10, *vis-a-vis*, assessments made by the Twelfth Finance Commission and the State Government are given in **Table 1.6.**

Table 1.6: Revenue receipts relative to Twelfth Finance Commission's and State's projections

(₹ in crore)

Key fiscal variables	Twelfth Finance Commission	Fiscal Correction Path 2009-10	Mid Term Fiscal Restructuring Policy 2009-10	Actuals	Variations {Excess (+) and Shortfall (-)}		
					Twelfth Finance Commission	Fiscal Correction Path	Mid Term Fiscal Restructuring Policy
					Per cent in bracket		
States Own Tax Revenue	33,557.23	33,948.95	33,455.82	33,877.60	(+) 320.37 (0.95)	(-) 71.35 (0.21)	(+) 421.78 (1.26)
Non-Tax Revenue	5,061.36	3,090.27	5,626.92	13,601.09	(+) 8,539.73 (168.72)	(+) 10,510.82 (340.13)	(+) 7,974.17 (141.71)

Source: TFC's recommendations, MTFRP and Finance Accounts

State's own tax revenue during 2009-10 was marginally less than the projection made in State's Fiscal Correction Path (0.21 *per cent*) but exceeded the normative assessment made by the Twelfth Finance Commission (one *per cent*) and State's Mid Term Fiscal Restructuring Policy (1.26 *per cent*).

Performance under non-tax revenue, however, registered significant improvement over the projections of the Twelfth Finance Commission, State's Mid Term Fiscal Restructuring Policy and Fiscal Correction Path due to sale of *nazul* land.

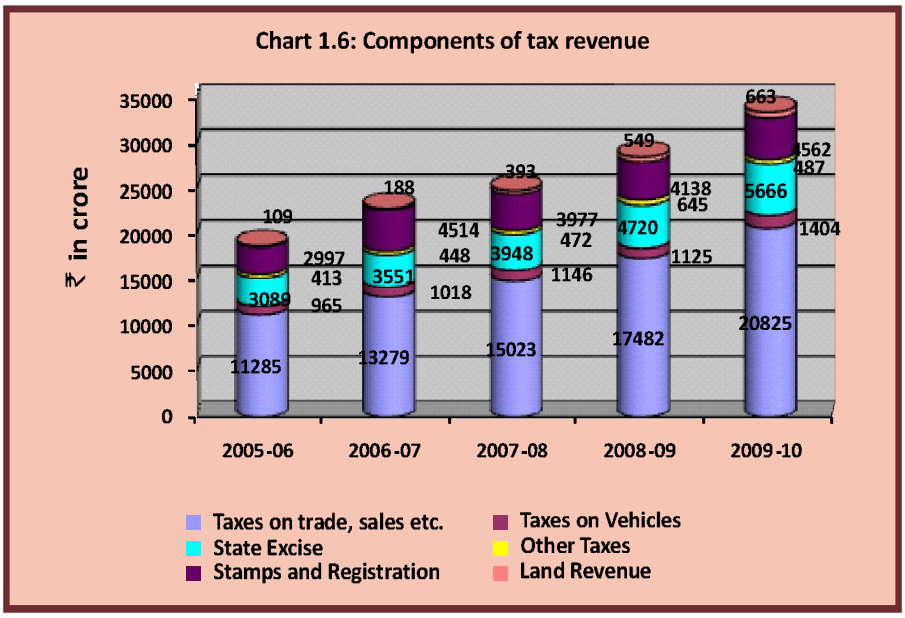
Tax revenue

Tax revenue comprises of taxes on sales, trade, etc., State excise, taxes on vehicles, stamp and registration fee, etc. The component of tax revenue during five years period (2005-10) is shown in **Table 1.7** and **Chart 1.6.**

Table 1.7: Components of tax revenue

(₹ in crore)

Components of revenues	2005-06	2006-07	2007-08	2008-09	2009-10		
					Budget estimates	Actuals	Percentage w.r.t budget estimates
Taxes on Sales, Trade, etc.	11,285	13,279	15,023	17,482	20,741	20,825	100
State Excise	3,089	3,551	3,948	4,720	5,176	5,666	109
Taxes on Vehicles	965	1,018	1,146	1,125	875	1,404	160
Stamps and Registration fees	2,997	4,514	3,977	4,138	5,351	4,562	85
Land Revenue	109	188	393	549	181	663	366
Taxes on Goods and Passengers	105	109	110	266	700	271	39
Other Taxes	308	339	362	379	431	487	113
Total	**18,858**	**22,998**	**24,959**	**28,659**	**33,455**	**33,878**	**101**



Tax revenue of the State during 2009-10 exceeded the budget estimates by ₹ 423 crore. It increased by ₹ 5,219 crore (18 *per cent*) over the previous year. Increase in taxes on sales, trade, etc., during 2009-10 was due to more realization of commercial tax. Similarly, the increase in State excise was due to more realisation of fines on *Bhatti* of country liquor, fee on country wines and liquor and licence fee on wine contracts. The increase in taxes on vehicles was due to more realization of taxes on sale of vehicles and collection of taxes under State Motor Vehicle Act. Under stamps and registration fee, there was increase in realization due to more receipts by way of court fee in 2009-10 over the previous year.

Tax revenue as a percentage to GSDP (6.90 per cent) was very close to the normative assessment made by the Government in its Fiscal Correction Path (6.91 per cent) and Mid Term Fiscal Restructuring Policy (6.81 per cent) and that made by the Twelfth Finance Commission (6.83 per cent).

Non-tax revenue

Non-tax revenue comprises receipts mainly from education, power, interest, forestry and wild life, industries, medical and public health, irrigation, agriculture and other allied activities.

Non-tax revenue receipts of ₹ 13,601 crore in 2009-10 increased by 101 *per cent* over 2008-09. The receipts comprised mainly from miscellaneous general services (₹ 8,075 crore; 59 *per cent*), education, sports, art and culture (₹2,340 crore; 17 *per cent*), non-ferrous mining and metallurgical industries (₹ 605 crore; four *per cent*) interest receipts (₹ 604 crore; four *per cent*), forestry and wildlife (₹ 270 crore; two *per cent*) and power (₹ 171 crore; one *per cent*).

There were also significant increases/decreases in the receipts in 2009-10 over previous year. The receipts increased by ₹ 6,376 crore (375 *per cent*) under miscellaneous general services due to conversion of nazul land into free hold land. Similarly, receipts increased by ₹ 1,259 crore (117 *per cent*) under education, sports, art and culture due to sale of text books, excess realization of board examination fee, other miscellaneous receipts. Likewise, receipts increased by ₹ 178 crore (42 *per cent*) under non-ferrous mining and metallurgical industries due to more realization of concession fee, rent and royalties. The receipts decreased by ₹ 524 crore (85 *per cent*) under medical and public health due to less receipts from patients, clinical services, etc.

State's non-tax revenue, vis-a-vis, budget estimates

State's non-tax revenue, *vis-a-vis*, budget estimates for the year 2009-10 is given in **Table 1.8**.

Table 1.8: Non-tax revenue, *vis-a-vis*, budget estimates

(₹ in crore)

Particulars	Assessments made in budget	Actuals	Variations (Excess + and Shortfall -) *per cent* in brackets
Interest Receipts	1,085.86	603.66	(-)482.20 (44)
Miscellaneous General Services	1,144.92	8,075.13	(+)6,930.21 (605)
Education, Sports, Art and Culture	96.22	2,339.86	(+) 2,243.64 (2,332)
Medical and Public Health	81.86	94.35	(+)12.49 (15)
Power	900.00	170.70	(-)729.30 (81)
Non-ferrous Mining & Metallurgical Industries	517.75	604.97	(+) 87.22 (17)

Source: State budget and Finance Accounts

Non-tax revenue under miscellaneous general services, non-ferrous mining and metallurgical industries, medical and public health, education, sports, art and culture increased, *vis-a-vis,* budget estimates during the year. The increases ranged between 17 *per cent* and 2,332 *per cent.*

Non-tax revenue under interest and power receipts, however, decreased, *vis-à-vis,* budget estimates during the year. The decrease ranged between 44 *per cent* and 81 *per cent.*

Interest receipts decreased due to less investment in Government treasury bills and power receipts decreased due to less realization of electric charges from rural areas.

Wide variations between the budget estimates and actuals indicated incorrect estimations at the budget preparation stage.

1.5.3 Non/short levy of tax

During 2009-10, on test check of the assessments and other records of commercial tax offices 2,710 cases of non/short levy of tax due to misclassification of goods and incorrect rate of tax, irregular exemption, etc., came to notice as detailed in **Table 1.9.**

Table 1.9: Non/short levy of tax

(₹ in crore)

Sl. No.	Categories	Number of cases	Amount
1.	Non/short levy of penalty/interest	917	25.95
2.	Non levy/short levy of tax	911	26.95
3.	Irregular grant of exemption from tax	539	16.40
4.	Incorrect classification of rate of goods	68	0.71
5.	Misclassification of goods	52	1.10
6.	Irregularities relating to central sales tax	29	0.47
7.	Mistake in computation	39	0.65
8.	Turnover escaping tax	09	0.31
9.	Other irregularities	146	4.78
Total		**2,710**	**77.32**

The Government needs to take appropriate measures to reduce the number of such cases.

1.5.4 Cost of collection

The gross collection in respect of major revenue receipts, expenditure incurred on collection and percentage of such expenditure to the gross collection during the years 2007-08, 2008-09 and 2009-10 along with the relevant all India average percentage of expenditure on gross collection for 2008-09 are mentioned in **Table 1.10** below:

Table 1.10: Cost of collection

(₹ in crore)

Particular	year	Gross collection	Expenditure on collection	Percentage of cost of collection to gross collection	All India average percentage for the year 2008-09
Commercial tax	2007-08	15,023.10	228.19	1.52	-
	2008-09	17,482.05	272.54	1.56	0.88
	2009-10	20,825-18	358.43	1.72	-

The cost of collection was about two times higher than the all India average. The Government needs to take appropriate measures to bring it down.

1.5.5 Revenue arrears

Information regarding arrears of revenue was called for from the concerned departments. The revenue arrears as on 31 March 2010 in some of principal heads of revenue amounted to ₹ 17,121.72 crore of which ₹ 11,526.81 crore were outstanding for more than five years. Relative to the financial year 2008-09, the revenue arrears registered an increase of ₹ 1,390 crore (9 *per cent*) under principal heads of receipts. The status of revenue arrears as on 31 March 2010 under some heads is detailed in **Table 1.11**.

Table 1.11: Arrears of revenue

(₹ in crore)

Head of Revenue	Amount of arrears	Arrears outstanding for over five years	Remarks
Commercial tax	16,453.30	11,462.56	Out of ₹ 16,453 crore, demand for ₹1,166.86 crore had been certified for recovery as arrears of land revenue. Recovery certificates amounting to ₹ 811.55 crore have been sent to other States. Recoveries amounting to ₹ 1,685.10 crore had been stayed by the courts/ appellate authority. Recoveries amounting to ₹ 368.79 crore were outstanding against the Government/semi Government departments. Arrears not covered under recovery certificates amounted to ₹ 11,212.96 crore. The demand for recovery of ₹ 1,208.04 crore was likely to be written off.
State Excise	63.23	58.41	Out of ₹ 63.23 crore, demand for ₹ 31.31 crore (including RC for ₹ 0.04 crore sent to other State) had been certified for recovery as arrears of land revenue. Recoveries amounting to ₹ 25.52 crore had been stayed by the courts/ appellate authority and the demand for recovery of ₹ 2.72 crore was likely to be written off. The department had not furnished the details in respect of remaining ₹ 3.68 crore.
Entertainment tax	10.36	5.84	Out of ₹ 10.36 crore, demand for ₹ 4.93 crore had been certified for recovery as arrears of land revenue. Recoveries amounting to ₹ 5.43 crore had been stayed by the courts/ appellate authority.
Stamp and registration	594.83	Not furnished by the department	Out of ₹ 594.83 crore, demands for ₹ 155.40 crore had been certified for recovery as arrears of land revenue. Recoveries amounting to ₹ 439.43 crore had been stayed by courts.
Total	**17,121.72**	**11,526.81**	

Source: Concerned departments

1.6 Application of resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially expenditure directed towards development and social sectors.

1.6.1 Growth and composition of expenditure

Total expenditure includes revenue expenditure, capital expenditure and loans and advances. Revenue expenditure is incurred to maintain the current level of services and make payment for past obligations and as such does not result in any addition to the State's infrastructure and services network. The capital expenditure increases State's infrastructure and services network (tangible assets).

Total expenditure

Growth rates of total expenditure (2005-10) its compositions, ratio and buoyancy with reference to GSDP and revenue receipts are presented in **Table 1.12**.

Table 1.12: Total expenditure-its basic parameters

(₹ in crore)

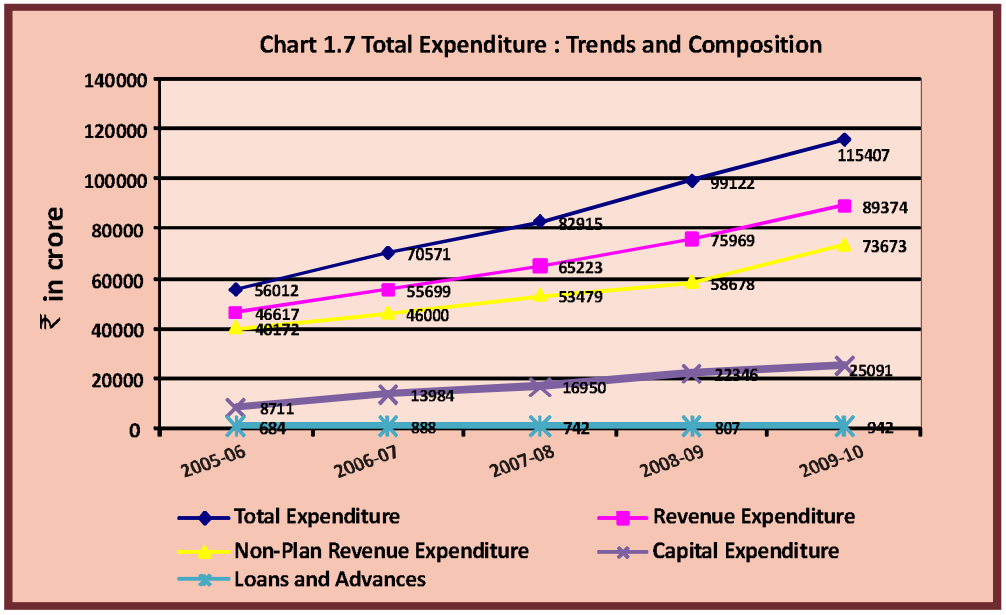
Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Total expenditure	**56,012**	**70,571**	**82,915**	**99,122**	**1,15,407**
Revenue expenditure	46,617	55,699	65,223	75,969	89,374
Non-plan revenue expenditure	40,172	46,000	53,479	58,678	73,673
Plan expenditure	6,445	9,699	11,744	17,291	15,701
Capital expenditure	8,711	13,984	16,950	22,346	25,091
Loans and advances	684	888	742	807	942
Rate of growth of total expenditure	10.06	25.99	17.49	19.54	16.43
Total expenditure/GSDP (ratio)	20.22	22.57	23.19	24.05	23.49
Revenue receipts/total expenditure (ratio)	80.96	85.87	82.82	78.52	83.55
Buoyancy of total expenditure with					
GSDP	0.89	2.03	1.22	1.28	0.86
Revenue receipts (ratio)	0.49	0.77	1.31	1.46	0.69

Source: Finance Accounts

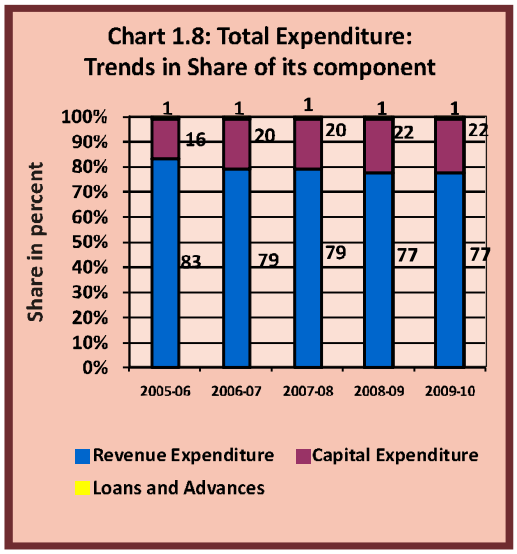
Total expenditure increased (106 *per cent*) from ₹ 56,012 crore in 2005-06 to ₹ 1,15,407 crore in 2009-10 with growth rate of 10.06 *per cent* in 2005-06 peaking to 25.99 *per cent* in 2006-07 and thereafter steadily decreasing to 16.43 *per cent* in 2009-10. Increase in total expenditure was due to increase in revenue expenditure (₹ 42,757 crore), capital expenditure (₹ 16,380 crore) and increase in disbursement of loans and advances (₹ 258 crore).

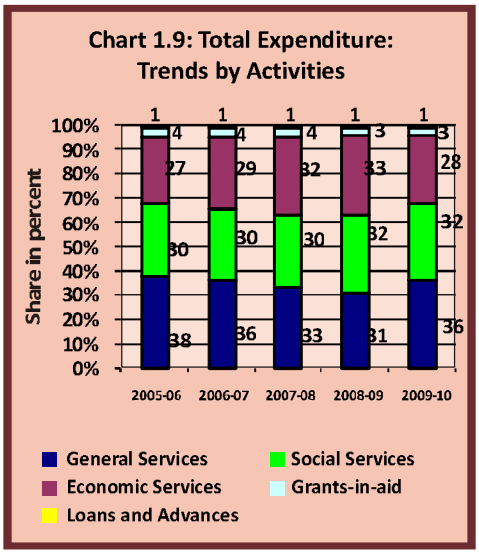
Revenue receipts, as a ratio of total expenditure, stood at 84 *per cent* (2009-10), indicating that 84 *per cent* of total expenditure was met out of revenue receipts.

Chart 1.7 presents the trends in total expenditure over a period of five years (2005-10).



Total expenditure steadily increased during 2005-10. During 2009-10, it increased by ₹ 16,285 crore over 2008-09 of which, revenue expenditure shared ₹ 13,405 crore (82 *per cent*), capital expenditure ₹ 2,745 crore (17 *per cent*) and loan and advances ₹ 135 crore (one *per cent*). Composition of total expenditure both in terms of 'economic classification' and 'expenditure by activities', is depicted respectively in **Charts 1.8** and **1.9.**





The trends indicated a declining share of revenue expenditure and increasing share of capital expenditure in total expenditure. The share of revenue expenditure in total expenditure declined from 83 *per cent* in 2005-06 to 77 *per cent* in 2009-10 and that of capital expenditure increased from 16 *per cent* in 2005-06 to 22 *per cent* in 2009-10.

Expenditure by activities during 2005-10 indicated only marginal inter-year variations in its composition. However, a comparison of expenditure under economic, social and general services during 2009-10 with the projections made by the Twelfth Finance Commission is indicated in **Table 1.13**

Table 1.13: Expenditure, *vis-à-vis*, Twelfth Finance Commission's projections

(₹ in crore)

Particulars	TFC's projections	Actuals	Variations (excess; per centage in bracket)
General services	24,375.92	39,817.01	15,441.09 (63)
Social services	14,506.15	21,065.79	6,559.64 (45)
Economic services	5,182.95	9,429.60	4,246.65 (82)

Source: TFC recommendations, Finance Accounts

The expenditure exceeded the projections of the Twelfth Finance Commission by 63 *per cent*, 45 *per cent* and 82 *per cent* under general services, social services and economic services, respectively. The increase in general services was significantly higher.

1.6.2 Committed expenditure

Committed expenditure of the Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. It constituted 82 *per cent* of the NPRE. **Table 1.14** and **Chart 1.10** present the trends in the expenditure on these components during 2005-10.

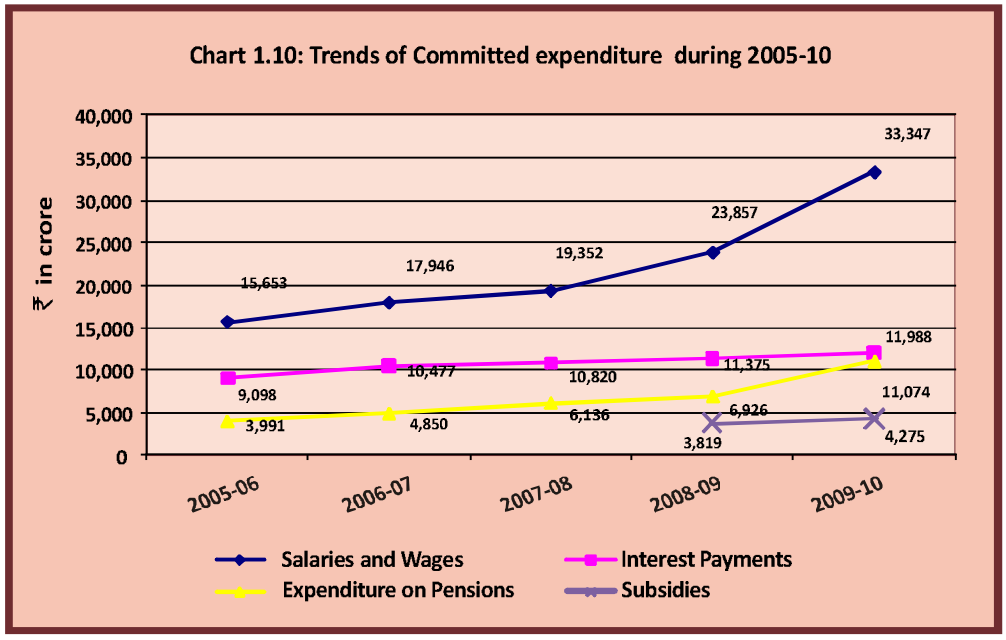
Table 1.14: Components of committed expenditure

(₹ in crore)

Components of Committed Expenditure	2005-06	2006-07	2007-08	2008-09	2009-10	
					BE	Actuals
Salaries* & Wages , *Of which*	**15,653 (34)**	**17,946 (30)**	**19,352 (28)**	**23,857 (31)**	**34,568**	**33,347 (35)**
Non-Plan Head	15,125	17,204	18,624	22,834	-	31,137
Plan Head**	528	742	728	1,023		2,210
Interest Payments	**9,098 (20)**	**10,477 (17)**	**10,820 (16)**	**11,375(14)**	**11,742**	**11,988 (13)**
Expenditure on Pensions	**3991(9)**	**4,850 (8)**	**6,136 (9)**	**6,926 (9)**	**11,026**	**11,074 (11)**
Subsidies	**-**	**-**	**-**	**3,819 (5)**	**4,506**	**4,275 (4)**
Total committed expenditure	**28,742(63)**	**33,273 (55)**	**36.308 (53)**	**45,977 (59)**	**61,842**	**60,684 (63)**

Figures in the parentheses indicate percentage to Revenue Receipts
* It also includes the salaries paid out of grants-in-aid.
**Plan Head also includes the salaries and wages paid under Centrally sponsored schemes.

Source: Finance Accounts and VLC data.



Committed expenditure of the Government showed increasing trends in all its constituents over the periods 2005-10. It increased (111 *per cent*) from the level of ₹ 28,742 crore in 2005-06 to ₹ 60,684 crore in 2009-10. The increase was mainly under salary, wages and pensions.

Salaries and wages

Expenditure on salaries and wages revealed an increasing trend during 2005-10 under non-plan heads and fluctuating trend under plan heads. The expenditure under non-plan heads increased (106 *per cent*) from ₹ 15,125 crore in 2005-06 to ₹ 31,137 crore in 2009-10. A growth of 36 *per cent* was recorded during 2009-10 over the previous year. The expenditure under the plan heads increased by 319 *per cent* from ₹ 528 crore in 2005-06 to ₹ 2,210 crore in 2009-10 with a dip in 2005-06. ***The salary expenditure, however, exceeded the projected expenditure (₹ 19,417 crore) in the Fiscal Correction Path by ₹ 13,930 crore (72 per cent) due to acceptance of the recommendations of the Sixth Pay Commission.***

Total salary bill relative to revenue expenditure net of interest payments and pensions during 2009-10 was 50 per cent which remained in excess of the Twelfth Finance Commission norm of 35 per cent.

Pension payments

The expenditure on pensions showed an increasing trend during 2005-10. It increased (177 *per cent*) from ₹ 3,991 crore in 2005-06 to ₹ 11,074 crore in 2009-10. Relative to

2008-09, it increased (60 *per cent*) by ₹ 4,148 crore. The position of pension payments, *vis-à-vis*, the Fiscal Correction Path and the Twelfth Finance Commission projections for the year 2009-10 is presented below in **Table 1.15**.

Table 1.15: Pension payments, *vis-a-vis*, FCP and TFC projections

(₹ in crore)

Year	Projections in Fiscal Correction Path	Projections by Twelfth Finance Commission	Actuals	Variations (excess/short)with	
				Fiscal Correction Path	Twelfth Finance Commission
2009-10	6,033.50	6,672.75	11,074 crore	5,040.50	4,401.25

Pension payments exceeded the projection of Twelfth Finance Commission by ₹ 4401 crore (66 per cent) and that assessed in the FCP by ₹ 5,041 crore (84 per cent).

The Government had introduced a Contributory Pension Scheme for its employees recruited on or after 1 April 2005 to mitigate the impact of rising pension liabilities in future.

Interest payments

Interest payments relative to total revenue receipts came down from 20 *per cent* in 2005-06 to 12 *per cent* in 2009-10 whereas it ranged between 13 *per cent* and 20 *per cent* during 2005-10 in relation to revenue expenditure. The position of interest payments, *vis-à-vis*, Fiscal Correction Path and Twelfth Finance Commission's projections is presented below in **Table: 1.16**.

Table 1.16: Interest payments, *vis-a- vis*, Budget Estimates, Fiscal Correction Path and Twelfth Finance Commission projections

(₹ in crore)

year	Actuals	Budget estimates	Projections by the Government in FCP	Projections by TFC	Variations (excess/short)with		
					BE	FCP	TFC
2009-10	11,988	11,742	14,888	11,703.34	(+) 246	(-) 2900	(+) 284.66

Source: Finance Accounts, State Budget, TFC recommendations

Interest payments during 2009-10 were lesser than the projections made in Fiscal Correction Path. These were, however, above the assessments made by the Twelfth Finance Commission and by the Government in its budget estimates.

Subsidies

Government paid subsidies amounting to ₹ 4,275 crore during 2009-10 which constituted four *per cent* of the revenue receipts and of the total expenditure. Of the total subsidies paid, ₹ 2,131 crore (50 *per cent*) was disbursed under non-plan, ₹ 1,126 crore (26 *per cent*) under plan and ₹ 1,018 crore (24 *per cent*) under Centrally sponsored schemes.

The major sectors given subsidy included energy (₹ 1,645 crore; 38 *per cent*), rural development (₹ 1,208 crore; 28 *per cent*), agriculture and other allied activities (₹ 857 crore; 20 *per cent*) and irrigation and flood control (₹ 180 crore; four *per cent*).

Subsidy payment with reference to projections in Mid Term Fiscal Restructuring Policy and Fiscal Correction Path is detailed in **Table 1.17.**

Table 1.17: Subsidy payment with reference to projections in BE and FCP

Particulars	Projection in MTFRP (₹ in crore)	Projections in FCP		Actuals	
		Amount (₹ in crore)	Percentage of GSDP	Amount (₹ in crore)	Percentage of GSDP
Energy	1,642	1,700	0.35	1,645	0.33
General	2,864	189	0.04	2,630	0.54
Total	**4,506**	**1,889**		**4,275**	

Source: Finance Accounts, State Budget

Within the subsidies projected under Fiscal Correction Path, the actuals of the energy subsidy were short (₹ 55 crore; three *per cent*). However, the general subsidies exceeded (₹ 2,441 crore) the projections by 1,292 *per cent*, indicating that general sector received priority over the energy sector.

Subsidy payments during 2009-10 exceeded the projections in Fiscal Correction Path but were within the projections made by the Government in Mid Term Fiscal Restructuring Policy for 2009-10.

1.6.3 Financial Assistance by Government to local bodies and other institutions

Table 1.18 presents quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years.

Table 1.18: Financial Assistance to Local Bodies, etc.

(₹ in crore)

Financial Assistance to Institutions	2005-06	2006-07	2007-08	2008-09	2009-10
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	7,622.34	9,146.53	10,503.38	10,642.76	10,364.69
Municipal Corporations and Municipalities/Development Agencies	153.03	350.32	948.61	1,262.59	2,461.05
Zilla Parishads and Other Panchayati Raj Institutions	2,331.92	2,742.25	3,549.49	3,504.21	2,369.77
Hospitals and Other Charitable Institutions	104.56	96.10	130.18	121.76	249.65
Other Institutions[8]	70.73	149.11	228.73	291.16	2,674.87
Total	**10,282.58**	**12,484.31**	**15,360.39**	**15,822.48**	**18,120.03**
Assistance as per percentage of Revenue Expenditure	**22**	**22**	**24**	**21**	**20**

Source: Finance Accounts

[8] National Old Age Pension Scheme: 2009-10- ₹ 1081.42 crore

Assistance to local bodies and other institutions increased (₹ 7,837.45 crore; 76 *per cent*) from ₹ 10,282.58 crore in 2005-06 to ₹ 18,120.03 crore in 2009-10. Relative to 2008-09, the growth (₹ 2,297.55 crore) was 15 *per cent*. The assistance, as a percentage of revenue expenditure, ranged between 20 *per cent* and 24 *per cent*. However, it was at the lowest level of 20 *per cent* during the current year. Within the quantum of assistance provided during 2009-10, the educational institutions continued to be the main beneficiaries of the assistance followed by Municipal Corporations and Municipalities/Development Agencies.

1.7 Quality of expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects, viz., adequacy of the expenditure (i.e. adequate provisions for providing public services); efficiency of expenditure use and the effectiveness (assessment of outlay-outcome relationships for select services).

1.7.1 Adequacy of public expenditure

The expenditure responsibilities relating to social sector and economic infrastructure are largely assigned to the State Governments. Enhancing human development levels requires the States to step up their expenditure on key social services like, education and health, etc. The low level of spending on any sector by a particular State may be either due to low fiscal priority attached by the State Government or on account of the low fiscal capacity of the State Government or due to both. The low fiscal priority (ratio of expenditure category to aggregate expenditure) is attached to a particular sector if it is below the General Category States average while low fiscal capacity would be reflected if the State's per capita expenditure is below the respective National average even after having a fiscal priority that is more than or equal to the National average.

Table 1.19 shows the comparison of fiscal priority given to different categories of expenditure of the State in 2005-06 (the first year of award period of the Twelfth Finance Commission) and the current year 2009-10 (the terminal year of award period of the Twelfth Finance Commission).

Table 1.19: Fiscal priority of the State in 2005-06 and 2009-10

(In *per cent*)

Fiscal Priority by the State	AE/GSDP	DE/AE	SSE/AE	CE/AE	Education/ AE	Health/ AE
General Category States Average (Ratio) 2005-06	17.75	61.76	30.76	13.97	14.95	4.05
Uttar Pradesh State's Average (Ratio) 2005-06	20.22	57.67	30.33	15.55	16.28	5.48
General Category States Average (Ratio) 2009-10	18.24	66.05	35.76	14.85	16.21	4.28
Uttar Pradesh State's Average (Ratio) 2009-10	23.49	61.14	32.02	21.74	14.48	5.24

AE: Aggregate Expenditure DE: Development Expenditure SSE: Social Sector Expenditure
CE: Capital Expenditure
Development expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.

Source : For GSDP, the information was collected from the State's Directorate of Economic and Statistics

In 2005-06 and 2009-10, the Government has given adequate fiscal priority to AE/ CE and Health as the ratio of AE/ GSDP, CE/ AE and Health/ AE was higher than the General Category States' Average.

The fiscal priority given to DE, SSE and Education was not adequate in both the years 2005-06 and 2009-10 as their ratio to AE was lesser than the General Category States Average. ***As the literacy rate in the State (56.27 per cent) is much below the All India Average (64.8 per cent) and infant mortality (67 per thousand births) is much above the All India Average (53 per thousand births), greater fiscal priority needs to be given to Economic Sector Expenditure and Social Sector Expenditure.***

1.7.2 Efficiency of expenditure use

In view of the importance of public expenditure from the point of view of social and economic development, it is important for the State Government to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods. Apart from improving the allocation towards development expenditure, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure, the better would be the quality of expenditure.

Table 1.20 presents the trends in development expenditure relative to the total expenditure of the State during 2009-10, *vis-à-vis*, budgeted and that of the previous years.

Table 1.20: Development expenditure

(₹ in crore)

Components of development expenditure	2005-06	2006-07	2007-08	2008-09	2009-10	
					BE	Actuals
Development expenditure (a to c) (Figures in parentheses indicate percentage to total expenditure)	**32,304** (58)	**42,661** (60)	**52,102** (63)	**64,737** (65)	**72,140** (61)	**70,554** (61)
a. Development revenue expenditure (Figures in bracket indicate percentage to development expenditure)	23,366 (72)	28,657 (67)	35,123 (67)	42,695 (66)	48,251 (67)	45,372 (64)
b. Development capital expenditure (Figures in bracket indicate percentage to development expenditure)	8,398 (26)	13,330 (31)	16,375 (31)	21,504 (33)	23,223 (32)	24,480 (35)
c. Development loans and advances (Figures in bracket indicate percentage to development expenditure)	540 (2)	674 (2)	604 (1)	538 (1)	666 (1)	702 (1)

Source: Finance Accounts

Development expenditure comprising revenue and capital expenditure and loans and advances for socio-economic services increased (118 *per cent*) from the level of ₹ 32,304 crore in 2005-06 to the level of ₹ 70,554 crore in 2009-10. Relative to the previous year, the growth in development expenditure in 2009-10 was ₹ 5,817 crore (9 *per cent*). Within the development expenditure, the growth was shared by revenue expenditure, capital expenditure and loans and advances in the ratio of 64 *per* cent, 35 *per cent* and one *per cent* respectively. The increasing trend in capital expenditure during 2005-10 indicated improvement in quality of expenditure and impetus being given to the asset formation.

The position of development expenditure, *vis-a-vis*, budget estimates during 2009-10 is graphically presented in the **Chart 1.11** below. The chart reveals that the development capital expenditure and loans and advances exceeded their respective estimates by ₹ 1,257 crore and ₹ 36 crore respectively while, development revenue expenditure fell short of estimates by ₹ 2,879 crore.

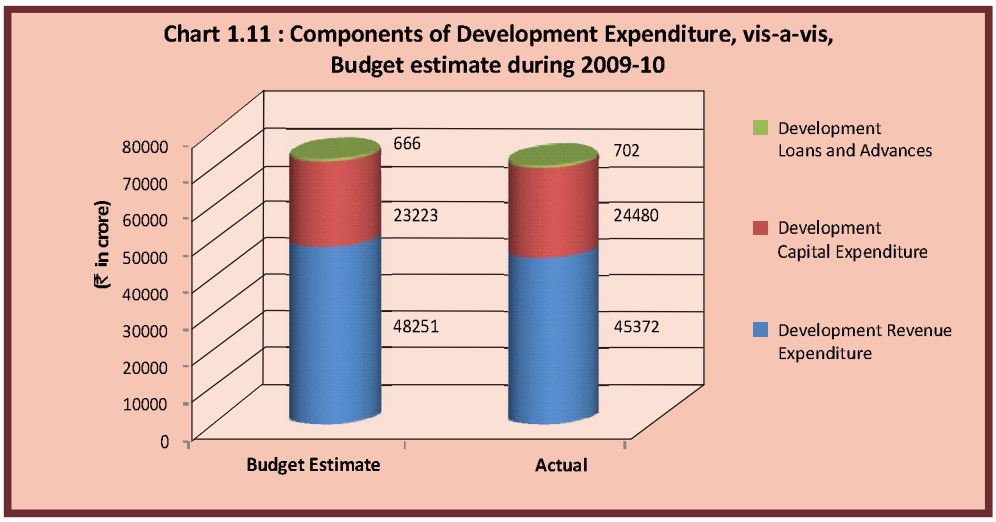


Table 1.21 provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

Table 1.21: Efficiency of expenditure use in selected social and economic services

(In *per cent*)

Social/Economic Infrastructure	2008-09			2009-10		
	Share of CE to TE	In RE, the share of		Share of CE to TE	In RE, the share of	
		S&W	O&M		S&W	O&M
Social Services (SS)						
General Education	0.31	80.45	0.19	1.03	81.59	0.37
Health and Family Welfare	24.94	64.22	3.89	20.91	76.64	21.92
WS, Sanitation, & HUD	11.37	0.23	0.69	58.36	0.69	1.56
Total (SS)	**9.35**	**45.81**	**0.73**	**12.72**	**54.49**	**5.53**
Economic Services (ES)						
Agri & Allied Activities	47.14	34.67	0.47	60.23	42.89	7.12
Irrigation and Flood Control	48.95	41.43	29.20	45.02	50.74	12.83
Power & Energy	78.79	0.55	--	72.86	0.50	0.84
Transport	77.69	2.97	94.02	73.51	3.60	95.50
Total (ES)	**56.74**	**23.49**	**16.70**	**58.87**	**33.78**	**19.71**
Total (SS+ES)	**33.50**	**38.42**	**6.02**	**34.70**	**48.41**	**9.69**

TE: Total Expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages; O&M: Operations & Maintenance.

Source: Finance Accounts and VLC data

Share of capital expenditure to total expenditure registered an improvement by 1.20 *per cent* during the current year (34.70 *per cent*) over the previous year (33.50 *per cent*). The share of capital expenditure under social and economic services also showed an improvement over the previous year by 3.37 *per cent* and 2.13 *per cent* respectively. Within the social services, the improvement in the ratio of capital expenditure to total expenditure during 2009-10 over the previous year was three-fold in the area of general education and five-fold in the area of water supply, sanitation, housing and urban development. A decline of four *per cent* was noticed under Health and Family Welfare. Within the economic services, there was 13 *per cent* increase in the area of agriculture and other allied activities while there was a decrease of six *per cent* in power and energy and four *per cent* each in transport and irrigation and flood control.

Recognising the need to improve quality of education and health services, Twelfth Finance Commission recommended that higher expenditure in education and health sectors should be encouraged and accordingly assigned the normal growth rate of six *per cent* and five *per cent* in the salary component of education and health sectors respectively and a much larger growth rate of 30 *per cent* in the non-salary components. However, trends in expenditure revealed that salary and wage component under the education sector increased by 29 *per cent* and under the health sector by 54 *per cent* while the non-salary and non-wage component increased by 20 *per cent* under the education sector and decreased by 16 *per cent* under the health sector. The expenditure pattern in education and health sectors needs to be in conformity to the norms of the Twelfth Finance Commission in the ensuing years.

Share of O&M expenditure in the revenue expenditure under social services increased from the level of 0.73 *per cent* in the previous year to the level of 5.53 *per cent* in the current year. Similarly, the overall share of O&M expenditure in the revenue expenditure under the economic services increased from the level of 16.70 *per cent* in the previous year to the level of 19.71 *per cent* in the current year. However, O&M expenditure under irrigation and flood control which is one of the constituents of economic services, decreased by 16.37 *per cent*.

1.8 Financial analysis of Government expenditure and investments

In the post-FRBM framework, the Government is expected to keep its fiscal deficit (and borrowing) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. In addition, in transition to complete dependence on market based resources, the Government needs to initiate measures to earn adequate return on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidy and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year, *vis-à-vis*, preceding years.

1.8.1 Financial results of irrigation works

For ensuring commercial viability of irrigation projects, the Twelfth Finance Commission in an assessment of irrigation receipts had prescribed cost recovery rates in relation to the maintenance expenditure.

Receipts (₹ 267 crore) from the major, medium and minor irrigation projects during 2009-10 was only 10 *per cent* of the expenditure of ₹ 2,633 crore on their operations and maintenance which was much below the cost recovery assessment of 90 *per cent* of the Twelfth Finance Commission for the year**.** The **Table 1.22** below indicates that the Government had not achieved the norms fixed by the Twelfth Finance Commission for the period 2005-09 in respect of the cost recovery rate and maintenance expenditure for major, medium and minor irrigation works.

Table 1.22: Cost recovery rate and maintenance expenditure with reference to TFC norms

Year	Revenue expenditure	Revenue receipts	Revenue receipts to revenue expenditure	Cost recovery assessment of TFC	Shortfall in cost recovery
	₹ in crore		In *per cent*		
2005-06	1,261	199	16	50	34
2006-07	1,776	182	10	60	50
2007-08	2,263	353	16	70	54
2008-09	2,520	295	12	80	68
2009-10	2,633	267	10	90	80

Source: Finance Accounts and recommendations of TFC

Shortfall in cost recovery relative to the assessment of Twelfth Finance Commission had increasing tendency all along the periods 2005-10. The shortfall increased from the level of 34 *per cent* in 2005-06 to 80 *per cent* in 2009-10. These projects were able to recover only 10 *per cent* of running and maintenance expenditure incurred on these during 2009-10 which questioned their viability.

Financial results of 16 major irrigation projects with a capital outlay of ₹ 5,356 crore at the end of March 2010 showed that revenue realised (₹ 15.96 crore) from these projects during 2009-10 decreased to 0.30 *per cent* of the capital outlay from the level of 3.68 *per cent* in the previous year and was insufficient to cover even the interest (₹ 273.60 crore) on capital investments during 2009-10. The revenue realized (₹ 15.96 crore) from these 16 schemes, expenditure incurred (₹ 543.51 crore) on the working and maintenance of these schemes during 2009-10 and taking into account the interest of ₹ 273.60 crore on capital outlay, there was a net loss of ₹ 801.15 crore.

1.8.2 Incomplete projects

Blocking of funds on incomplete works impinge negatively on the quality of expenditure. The department wise position of incomplete projects, each costing above ₹ one crore and due for completion by March 2010, is given in **Table 1.23.**

Table 1.23: Department-wise profile of incomplete projects

(₹ in crore)

	No. of incomeplete projects	Initial budgeted cost	Revised total cost of projects*	Cost over run	Cumulative expenditure as on 31.3.2010
Irrigation Department					
	3	121.32	129.17 (3 projects)	7.85 (3 projects)	126.40
Public Works Department					
Roads	102	633.54	295.90 (12 projects)	70.58 (12 projects)	536.56
Bridges	13	261.86	1.83 (2 projects)	0.50 (2 projects)	196.63
Others	8	33.10	15.00 (3 projects)	4.16 (3 projects)	21.26
Total	**126**	**1,049.82**	**441.90 (20 projects)**	**83.09 (20 projects)**	**880.85**
** Revised total cost of the projects as per the last revision by the State Government.*					

Source: Finance Accounts

An expenditure of ₹ 881 crore (March 2010) remained largely unfruitful on the aforesaid 126 incomplete projects. Further, of 126 incomplete projects, the initial budgeted cost of 20 projects was revised by the Government involving a cost overrun of ₹ 83.09 crore. No reasons for delay in their completion were given by the concerned departments. In Public Works Department, the work on upgradation of Azamgarh-Mau-Fefna Marg which was due for completion by March 2010 was lying incomplete after 77 *per cent* of work and 100 *per cent* expenditure of initial budgeted cost of ₹ 111.48 crore. In Irrigation Department, Linking of Chaudhary Charan Singh Zamnala Pump Canal System, Majgaon Dam Sahayak and Parallel Hindon Cut Canal which were due for completion by March 2010 were lying incomplete, as of March 2010, even after an expenditure of ₹ 126.40 crore.

Non-completion of the projects within the stipulated period not only resulted in cost over run but also indicated that priority was given to creation of new assets sacrificing the completion of old projects and even at the cost of the returns to service the debts.

1.8.3 Investment and returns

As of 31 March 2010, Government had invested ₹ 39,666.64 crore in Statutory corporations (₹ 431.41 crore), Government companies (₹ 38,627.64 crore), Joint stock companies (₹ 10 lakh) and co-operatives (₹ 607.49 crore). The average return on the investment was 0.013 *per cent* in the last three years while the Government paid an average interest rate of 6.29 *per cent* on its borrowings during the same period **(Table 1.24)**.

Table 1.24: Return on Investment

Investment/Return/Cost of Borrowings	2005-06	2006-07	2007-08	2008-09	2009-10
Investment at the end of the year (₹ in crore)	15,464.60	18,545.82	12,188.76	14,866.13[9]	39,666.64[10]
Return (₹ in crore)	0.15	0.85	1.05	1.26	8.36
Return *(per cent)*	0.001	0.005	0.009	0.008	0.021
Average rate of interest[11] on Government borrowing *(per cent)*	6.49	6.74	6.43	6.29	6.16
Difference between interest rate and return *(per cent)*	6.49	6.74	6.42	6.28	6.14

Source: Finance Accounts

During 2009-10, the Government mainly invested in the share capital of corporations engaged in the thermal power generation, power transmission and distribution and rural electrification, etc.

1.8.4 Departmental commercial undertakings

Activities of quasi-commercial nature are also performed by the departmental undertakings of certain Government departments.

The Government had invested ₹ 368.72 crore in ten undertakings. Seven of ten undertakings earned net profit amounting to ₹ 66 lakh against the capital investment of ₹ 6.86 crore. The main profit earning undertakings were Irrigation Workshop Divisions at Allahabad, Bareilly, Jhansi and Meerut under Irrigation Department. Two undertakings pertaining to Food and Civil Supplies Department and Health Department were, however, incurring losses.

In view of the losses of some of the undertakings, the Government should review their working so as to wipe out their losses in the short run and to make them self-sustaining in medium to long term.

1.8.5 Loans and advances by State Government

In addition to investments in co-operative societies, corporations and companies, the

[9] Does not include ₹ 13,262.56 crore pertaining to 2008-09 and previous years which is under reconciliation.
[10] Differs by ₹ 1,923.06 crore from the figures appearing in Para 1.5 of the Commercial Audit Report 2009-10.
[11] See glossary at page 107 for method of calculation.

Government has also been providing loans and advances to many of these institutions/ organisations. **Table 1.25** presents the position of outstanding loans and advances as on 31 March 2010, interest receipts, *vis-à-vis*, interest payments during the last three years.

Table: 1.25 Average interests received on loans advanced by the Government

(₹ in crore)

Quantum of loans/interest receipts/cost of borrowings	2007-08	2008-09	2009-10	
			BE	Actual
Opening Balance	**8,692**	**8,985**	**-**	**9,014**
Amount advanced during the year	742	807	127	942
Amount repaid during the year	449	778	604	293
Closing Balance	**8,985**	**9,014**	**-**	**9,663**
Net addition	293	29	(-) 477	649
Interest Receipts	31	53	-	39
Interest receipts as *per cent* to outstanding Loans and advances	0.35	0.59	-	0.41
Interest payments as *per cent* to outstanding fiscal liabilities of the State Government.	6.20	6.06	-	5.94
Difference between interest payments and interest receipts (*per cent*)	(-) 5.85	(-) 5.47	-	5.53

Source: Finance Accounts

Amounts advanced during 2009-10 exceeded the provision made in the budget by ₹ 815 crore (642 *per cent*) and the repayment of loans was also below the level of assessment made in the budget by ₹ 311 crore (51 *per cent*).

Major portion of the loans was given during 2009-10 under economic sector (₹ 510.14 crore) followed by social service sector (₹ 192.11 crore). Within the economic sector, the major loans and advances were given to consumer industries (₹ 380 crore) and for agriculture and allied activities (₹ 15.48 crore). Similarly, within the social service sector, loans were given for Nagar Vikas Yojna (₹ 188.90 crore).

Amount of outstanding loans and advances increased from ₹ 9,014 crore at the close of March 2009 to ₹ 9,663 crore at the close of March 2010 that is by ₹ 649 crore. The sector-wise break-up of the major outstanding amounts was: economic services (₹ 6,822 crore) and social services (₹ 1,791 crore) and general services (₹ 965 crore) and Government servants (₹ 84 crore). Under the economic services, major portion of the outstanding loans pertained to the energy (₹ 2,781 crore), industries and minerals (₹ 3,020 crore) and agriculture and other allied activities (₹ 395 crore).

Interest receipts against outstanding loans and advances were well below one *per cent* all along the periods 2007-10 against interest rate of borrowed funds ranging between 5.94 *per cent* (2009-10) and 6.20 *per cent* (2007-08) indicating that interest receipts were inadequate to cover the interest liabilities required to service the debt.

1.8.6 Cash balances and investment of cash balances

Table 1.26 depicts the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.26: Cash balances and investment of cash balances

(₹ in crore)

Particulars	As on 31 March 2009	As on 31 March 2010	Increase (+)/ Decrease (-)
Cash balances	9,067.14	3,405.36	(-) 5,661.78
Investments from cash balances (a & b)			
a. GOI Treasury Bills	8,961.19	3,194.59	(-) 5,766.60
b. GOI Securities	45.20	45.20	Nil
Funds- wise break- up of investment from earmarked balances (a and b)			
Investment in GOI Securities	45.20	45.20	Nil
Interest realised	581.53	217.36	(-) 364.17

Source: Finance Accounts

Interest received on investment of cash balance was 2.22 *per cent*[12] during 2009-10 while the Government paid interest at 6.16 *per cent* on its borrowings during the year.

1.8.7 Ways and Means Advances

Under an agreement with the Reserve Bank of India, the State has to maintain a minimum cash balance of ₹ 4.71 crore and in case, it falls below this limit the deficiency is made good by taking ordinary and special ways and means advances/overdrafts from time to time. The Government, however, did not avail this facility during 2009-10

1.9 Assets and liabilities

1.9.1 Growth and composition of assets and liabilities

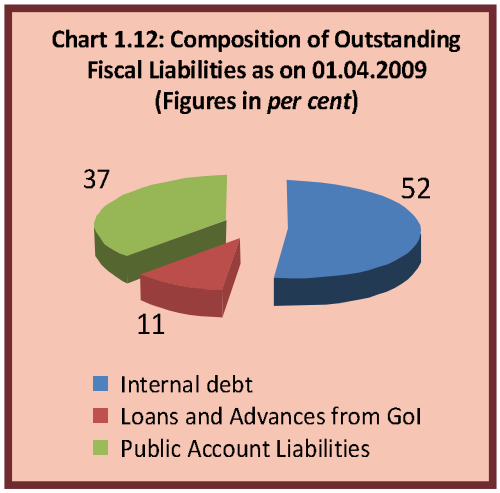
In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. ***Appendix 1.8*** gives an abstract of such liabilities and the assets as on 31 March 2010, compared with the corresponding position on 31 March 2009. While the liabilities in ***Appendix 1.8*** consist mainly of internal borrowings, loans and advances from the Government of India, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

The Uttar Pradesh Fiscal Responsibility and Budget Management Act, 2004 has defined the total liabilities as the liabilities under the Consolidated Fund of the State and the Public Account of the State. These, however, did not include pension, other retirement benefits payable to retiring/ retired State Government servants/ guarantees/ letters of comforts issued by the State Government.

[12] Rate of interest calculated on the average amount of rediscounted Treasury Bills.

1.9.2 Fiscal liabilities

Trends in outstanding fiscal liabilities of the State are presented in ***Appendix 1.8*** and the composition of fiscal liabilities during the year 2009-10, *vis-a-vis*, previous year is presented in **Chart 1.12** and **1.13.**



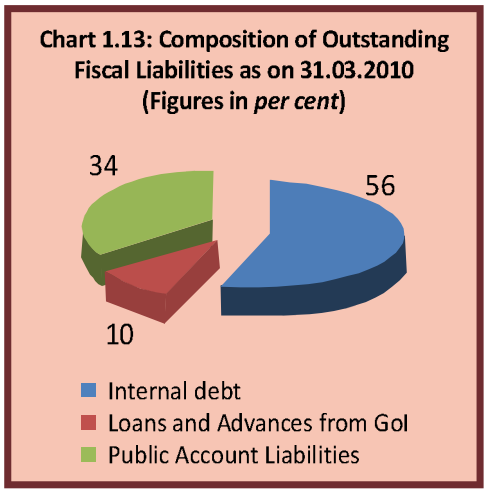


Table 1.27 gives the fiscal liabilities of the State, their rate of growth, their ratio to GSDP, to revenue receipts and to State's own resources as also the buoyancy of fiscal liabilities with reference to these parameters.

Table 1.27: Fiscal liabilities- basic parameters

	2005-06	2006-07	2007-08	2008-09	2009-10
Fiscal liabilities (₹ in crore)	1,48,868	1,62,156	1,74,248	1,87,411	2,01,720
Rate of growth (*per cent*)	13.29	8.93	7.46	7.55	7.64
Ratio of fiscal liabilities to					
GSDP (*per cent*)	53.73	51.87	48.73	45.47	41.06
Revenue receipts (*per cent*)	328.27	267.58	253.74	240.79	209.21
Own resources (*per cent*)	683.26	549.10	566.20	529.02	424.86
Buoyancy of fiscal liabilities with reference to					
GSDP (ratio)	1.172	0.696	0.519	0.494	0.398
Revenue receipts (ratio)	0.647	0.266	0.560	0.566	0.320
Own resources (ratio)	0.725	0.251	1.772	0.500	0.225

Overall fiscal liabilities of the State increased (35.50 *per cent*) from ₹ 1,48,868 crore in 2005-06 to ₹ 2,01,720 crore in 2009-10. Fiscal liabilities of the State under the Consolidated Fund (₹ 1,32,524 crore) comprised internal debt (₹ 1,13,077 crore) and loans from Government of India (₹ 19,447 crore). The Public Account liabilities (₹ 69,197 crore) comprised small savings, provident fund (₹ 29,229 crore), deposits (₹ 16,210 crore) and reserve funds (₹ 23,758 crore). The growth rate of fiscal liability was 7.64 *per cent* during 2009-10 over previous year. The ratio of fiscal liabilities to GSDP decreased from 53.73 *per cent* in 2005-06 to 41.06 *per cent* in 2009-

10. These liabilities stood at 2.09 times the revenue receipts and 4.25 times of the States' own resources at the end of 2009-10. The buoyancy of these liabilities with respect to GSDP during the year was 0.398 indicating that for each one *per cent* increase in GSDP; fiscal liabilities grew by 0.398 *per cent*.

State raised loans amounting to ₹ 22,206.41 crore which, amongst many sources, included ₹ 13,876.93 crore from the market. However, viewed in terms of availability of surplus cash balances and large amount of cash lying idle with the State implementing agencies from out of the funds directly transferred to them by the Government of India for implementation of the various schemes, raising such loans could have been avoided. ***The State needs to redefine its borrowing policy to utilize optimally the surplus cash balances and amounts lying idle with the State implementing agencies.***

The Government has set up a sinking fund for amortisation of open market loans and has been contributing every year from its revenue and interest accrued on the investments made out of the fund. The balance in sinking fund as on 31 March 2010 stood at ₹ 20,782.48 crore[13].

1.9.3 Status of guarantees – contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. According to the FRBM Act, 2004 the State Government would not give guarantee for any amount exceeding the limit stipulated under any rule or law of the State Government. ***The Government had, however, not enacted any law or framed any rules for fixing the ceiling on the guarantees to be given by the State Government. The Government had also not set up any fund for meeting contingent liabilities, which may arise on invoking of the guarantees, as recommended by the TFC.***

Consequently, the guarantee fee charged by the Government on the outstanding guarantees formed a part of the revenue receipts rather than being kept in the designated fund to meet any eventuality of invoking of the State guarantees.

As per Statement 9 of the Finance Accounts, the maximum amount for which guarantees were given by the Government and those outstanding for the last three years is given in **Table 1.28**

Table: 1.28 Guarantees given by the Government

(₹ in crore)

Guarantees	2007-08	2008-09	2009-10
Maximum amount guaranteed	18,144	27,892	29,311
Outstanding amount of guarantees	12,736	16,084	20,038
Percentage of maximum amount guaranteed to total revenue receipts	26.42	35.84	30.40

Source: Finance Accounts

[13] ₹ 20,782.48 crore includes credit balance of ₹ 6,166.40 crore of undivided Uttar Pradesh.

The maximum amount guaranteed increased (62 *per cent*) from the level of ₹ 18,144 crore in 2007-08 to ₹ 29,311 crore in 2009-10. The outstanding amount of guarantees also increased from ₹ 12,736 crore in 2007-08 to ₹ 20,038 crore in 2009-10 (57 *per cent*). The percentage of maximum amount guaranteed to total revenue receipts increased from the level of 26.42 *per cent* in 2007-08 to 30.40 *per cent* in 2009-10, although decreased by 5.44 per centage points relative to 2008-09. The outstanding amount of guarantees as on 31 March 2010 was against State Financial Corporation (₹ 122.58 crore), institutions engaged in energy sector (₹ 16,541.27 crore), roads and transport (₹ 3.94 crore), four cooperative institutions (₹ 2,943.81 crore) and fifteen other institutions (₹ 426.54 crore).

It is pertinent to note that if the liabilities arising out of the outstanding guarantees are added to the fiscal liabilities of the State Government at the close of the current year, the percentage of total liabilities to GSDP would increase to 45 per cent from 41 per cent.

The fiscal liabilities relative to GSDP appear to be on the higher side especially in view of the FRBM target to contain it to 25 per cent by the end of 2018.

1.10 Debt sustainability

Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilisation; sufficiency of non-debt receipts; net availability of borrowed funds; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.29** analyses the debt sustainability of the State according to these indicators for the period of five years beginning from 2005-06.

Table 1.29: Debt sustainability- indicators and trends

(₹ in crore)

Indicators of debt sustainability	2005-06	2006-07	2007-08	2008-09	2009-10
Debt stabilisation (Quantum spread + primary deficit)	8,152	8,424	4,664	8,426	17,733
Sufficiency of non-debt receipts (resource gap)	2,919	463	(-) 4,179	(-) 6719	1,820
Net availability of borrowed funds	8,394	2,811	1,272	1,788	2,387
Burden of interest payments (IP/RR ratio)	20	17	16	15	12

Source: Finance Accounts

1.10.1 Debt stability

An important condition for debt sustainability is stabilization in terms of debt/ GSDP ratio. When the quantum spread and primary deficit are negative, the debt GSDP ratio will be

high indicating unsustainable levels of public debt and when the quantum spread and primary deficit are positive, debt GSDP ratio will be low indicating sustainable levels of public debt.

During 2005-10, the quantum spread together with primary deficit remained positive indicating declining trends in debt/ GSDP ratio and sustainable level of public debt.

1.10.2 Sufficiency of incremental non-debt receipts (Resource gap)

Another indicator of debt sustainability is the sufficiency of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure. This positive resource gap strengthens the capacity of the State to sustain the debt in the medium to long run while the negative resource gap indicates otherwise. The negative resource gap during 2007-09 indicated that the capacity of the State to sustain the debt in the medium and long run weakened but during 2009-10 it has recovered.

1.10.3 Net availability of borrowed fund

The net funds available on account of the internal debt and loans and advances from GOI and other obligations after providing for the interest and repayments varied between 3.38 and 22.42 *per cent* during 2005-10[14]. During the year 2009-10, Government repaid internal debt of ₹ 6,469 crore, GOI loans of ₹ 1,200 crore and also discharged other obligations of ₹ 31,506 crore along with interest of ₹ 11,988 crore as a result of which percentage of availability of borrowed funds improved to 4.46 *per cent* during the year 2009-10 over 3.64 *per cent* in previous year. The trends in debt redemption ratio varied between 78 *per cent* in 2005-06 and 96 *per cent* in 2009-10. About 96 *per cent* of borrowed funds were used for discharging debt liabilities of the State in the last three years.

1.10.4 Maturity profile

In terms of maturity profile, while the State has not defined clearly 1.87 *per cent* of the debt stock, 56 *per cent* of the outstanding State debt belonged to the maturity bracket of seven years and above. **Table 1.30** gives the maturity profile of State debt and **Chart 1.14** presents it graphically.

[14]

(₹ in crore)

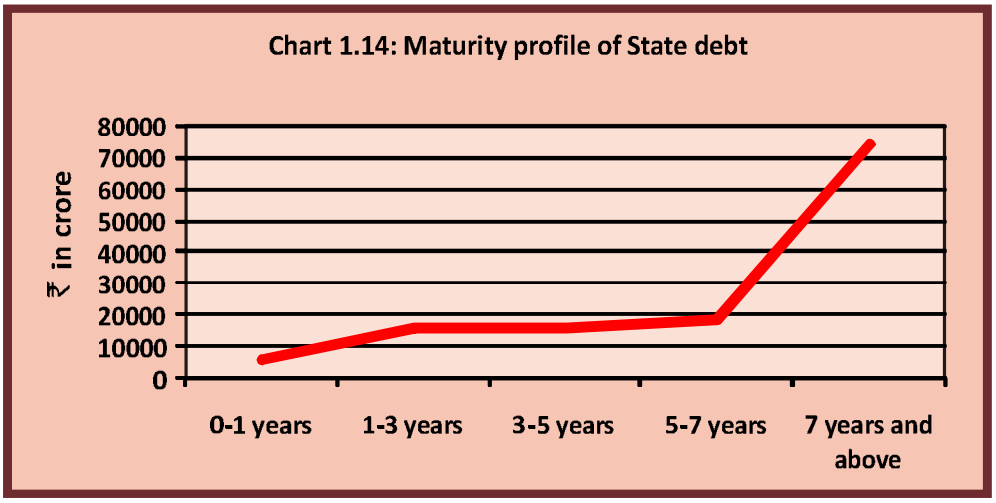
	2005-06	2006-07	2007-08	2008-09	2009-10
Receipt	37,441	34,683	37,584	49,193	53,485
Repayment (principal and interest)	29,047	31,872	36,312	47,405	51,098
Net fund available	8,394	2,811	1,272	1,788	2,387
Net fund available (in *per cent*)	22.42	8.10	3.38	3.64	4.46

Table 1.30: Maturity profile of State debt

(₹ in crore)

Maturity profile	Internal Debt	Loans & Advances	Total	*Per cent*
0 – 1 year	4,359	1,300	5,659	4.27
1 – 3 years	13,155	2,633	15,788	11.91
3 – 5 years	13,400	2,681	16,081	12.14
5 – 7 years	15,638	2,708	18,346	13.84
7 years and above	64,050	10,125	74,175	55.97
Information not furnished by the Government	2,475	--	2,475	1.87
Total	**1,13,077**	**19,447**	**1,32,524**	**100**

Source: Finance Accounts



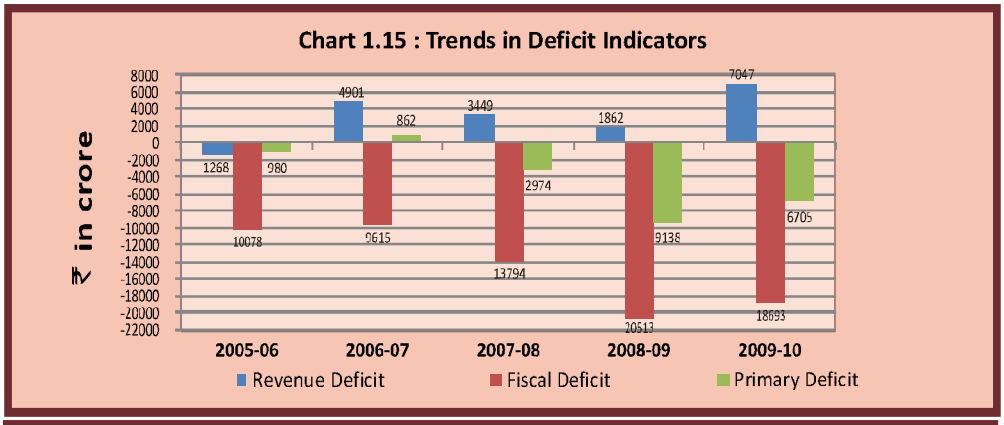
As per data, there will be bunching of repayment immediately after one year and after seven years the repayment burden will be critical. A well thought out debt payment strategy will ensure that no additional borrowings which mature in these critical years are undertaken.

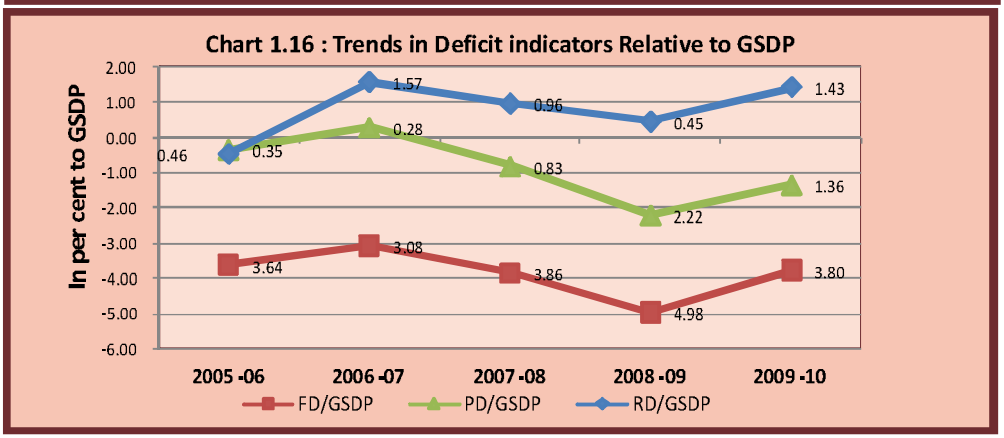
1.11 Fiscal imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - 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. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied, are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits, *vis-à-vis*, targets set under FRBM Act/Rules for the financial year 2009-10.

1.11.1 Trends in deficits

Chart 1.15 and **1.16** present the trends in deficit indicators over the period 2005-10.





As per the fiscal target set for the Government in the Fiscal Responsibility and Budget Management Act, 2004, the revenue deficit was to be reduced to nil by March 2010. However, the State achieved this target two years ahead in 2006-07 when the huge deficit turned into surplus of ₹ 4,901 crore in 2006-07 which, declined to ₹ 3,449 crore during 2007-08 and further to ₹ 1,862 crore during 2008-09. The decline in revenue surplus during 2008-09 was mainly due to increase of ₹ 10,746 crore in revenue expenditure against the increase of ₹ 9,159 crore only in revenue receipts relative to 2007-08. During the financial year 2009-10, the growth of revenue receipts (₹ 18,590 crore) exceeded the growth of revenue expenditure (₹ 13,405 crore). As a result, the revenue surplus increased to ₹ 7047 crore from the level of ₹ 1,862 crore in 2008-09.

The fiscal deficit decreased from ₹ 20,513 crore in 2008-09 to ₹ 18,693 crore in 2009-10 mainly due to increase in revenue receipts by ₹ 18,590 crore (24 *per cent*) during the year. As a result, relative to GSDP, the fiscal deficit has declined from 4.98 *per cent* in 2008-09 to 3.80 *per cent* in 2009-10 which was within the revised FRBM norm of four *per cent.*

The primary deficit of ₹ 6,705 crore in 2009-10 declined from the level of ₹ 9,138 crore in 2008-09, primarily due to the decline in fiscal deficit in 2009-10 relative to the previous year.

1.11.2 Components of fiscal deficit and its financing pattern

Fiscal deficit is the total borrowing requirement of the State and is the excess of the revenue expenditure and capital expenditure including loans and advances over revenue and non debt capital receipts. Decomposition 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. The financing pattern of the fiscal deficit is reflected in the **Table 1.31**.

Table 1.31: Components of fiscal deficit and its financing pattern

(₹ in crore)

	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Decomposition of Fiscal Deficit						
Fiscal deficit (1 to 3)		**10,078 (3.64)**	**9,615 (3.08)**	**13,794 (3.86)**	**20,513 (4.98)**	**18,693 (3.80)**
1	Revenue Deficit/Surplus (-)	1,268	(-) 4,901	(-) 3,449	(-) 1,862	(-) 7,047
2	Net Capital Expenditure	8,711	13,984	16,950	22,346	25,091
3	Net Loans and Advances	99	532	293	29	649
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	2,007	2,219	2,628	10,296	11,421
2	Loans from GOI	(-) 855	(-) 1795	(-) 821	(-) 778	(-) 917
3	Special Securities Issued to NSSF	7,625	5,831	1,423	426	3,899
4	Loans from Financial Institutions	229	131	1068	628	418
5	Small Savings, PF etc	1,960	2,733	2,451	2,944	3,870
6	Deposits and Advances	3,338	1,794	2,683	(-) 2,525	93
7	Suspense and Miscellaneous	755	2277	654	973	(-) 1,365
8	Remittances	140	407	273	78	3
9	Others (i.e. transactions under Contingency Fund, Reserve Fund, Cash Balances Investment)	(-) 5,121	(-) 3,982	3,435	8,471	1271
	Total	**10,078**	**9,615**	**13,794**	**20,513**	**18,693**

Figures in brackets indicate the *per cent* to GSDP.
*All these figures are net of disbursements/outflows during the year

Source: Finance Accounts

Fiscal deficit during 2005-10 ranged between ₹9,615 crore (2006-07) and ₹20,513 crore (2008-09). The fiscal deficit, relative to previous year, decreased by 9 *per cent,* from the level of ₹ 20,513 crore to ₹18,693 crore during 2009-10. Growth of 24 *per cent* in revenue receipts over the previous year was the major factor for decline in the fiscal deficit during the current year.

There was also a compositional shift in the pattern of financing fiscal deficit in 2009-10 relative to the previous years. The role of market borrowings, Special Securities issued to the National Small Savings Fund of the Central Government and Small Savings and Provident Funds, etc., underwent significant changes in the current year.

Market borrowings dominantly continued to finance the fiscal deficit of the State during 2005-10. During 2005-06, 20 *per cent* of the deficit was met from the market borrowings

which increased to 61 *per cent* during 2009-10. Another major player of financing the deficit was the NSSF loans. During 2009-10, its share in financing the deficit was 21 *per cent* which though financed the deficit to the extent of 76 *per cent* in 2005-06.

1.11.3 Quality of deficit/surplus

The ratio of revenue deficit to fiscal deficit and decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit **(Table 1.32)** would indicate the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table 1.32: Primary deficit/surplus – bifurcation of factors

(₹ in crore)

Year	Non-debt receipts	Primary revenue expenditure	Capital expenditure	Loans and advances	Primary expenditure	Primary revenue deficit (-)/ surplus (+)	Primary deficit (-)/ surplus (+)
1	**2**	**3**	**4**	**5**	**6 (3+4+5)**	**7 (2-3)**	**8 (2-6)**
2005-06	45,934	37,519	8,711	684	46,914	(+) 8,415	(-) 980
2006-07	60,956	45,222	13,984	888	60,094	(+) 15,734	(+) 862
2007-08	69,121	54,403	16,950	742	72,095	(+) 14,718	(-) 2,974
2008-09	78,609	64,594	22,346	807	87,747	(+) 14,015	(-) 9,138
2009-10	96,714	77,386	25,091	942	1,03,419	(+) 19,328	(-) 6,705

Source: Finance Accounts

The Government, during 2006-07 for the first time, had a primary surplus of ₹ 862 crore. This turned into deficit in the succeeding years as non-debt receipts were not sufficient to meet enhanced capital expenditure. If this trend continues, debt sustainability will be jeopardised as ideally non-debt receipts every year should not only cover primary expenditure but also incremental interest burden.

1.12 Conclusion and recommendations

Revenue receipts: The revenue receipts increased by 24 *per cent* during 2009-10 over the preceding year mainly due to 18 *per cent* increase in tax revenue and 101 *per cent* in non-tax revenue. These receipts were higher than the projections made in the Fiscal Correction Path (FCP) and Mid Term Fiscal Restructuring Policy (MTFRP) for 2009-10 by 26 *per cent* and two *per cent* respectively. Tax revenue which is a constituent of the revenue receipts remained very close to the projections in the FCP and MTFRP and the

normative assessment made by the Twelfth Finance Commission (TFC). The arrears of revenue ending March 2010 amounted to ₹ 17,118 crore. Non-tax revenue was significantly higher than the projections in the FCP and MTFRP and the normative assessment made by the TFC. The cost of collection of major revenue receipts during 2009-10 in the State was about two times the All India Average. The fiscal performance will gain through concerted efforts in tax compliance focusing on realisation of tax arrears.

Revenue expenditure: During 2009-10, the revenue expenditure increased by 18 *per cent* (₹ 13,405 crore) relative to 2008-09. Within revenue expenditure, plan expenditure decreased by ₹ 1,590 crore (9 *per cent*) over the previous year and the non-plan expenditure increased by ₹ 14,995 crore (26 *per cent*). The decreases under plan expenditure were under social services (₹ 586 crore) and economic services (₹ 1617 crore) and increases under non-plan expenditure were under general services (₹ 10,260 crore), social services (₹ 4104 crore), economic services (₹ 775.43 crore). Non-plan revenue expenditure exceeded TFC's normative projections by 53 *per cent* and State's own FCP by 15 *per cent* but remained close to the projections in the State's MTFRP. The revenue expenditure as a percentage of total expenditure declined from 83 *per cent* to 77 *per cent*. The committed expenditure on salary, pension, interest payments and subsidies constituted 82 *per cent* of the non-plan revenue expenditure during 2009-10. It is advisable for the Government to redefine its expenditure pattern by cutting down unproductive expenditure.

Priority to economic and social sector expenditure: The fiscal priority given to development, social and education sectors was not adequate in 2005-06 and 2009-10 as their ratio to aggregate expenditure was lesser than the General Category States Average. In view of the literacy rate in the State being much below the All India Average and the infant mortality being much above the All India Average, the Government may consider re-prioritising its public expenditure by giving greater fiscal priority to the Economic Sector and the Social Sector.

Resource mobilization: There had been increasing trend in generation of State's own revenues all along the period 2005-10. Tax revenue-GSDP ratio remained constant and hovered around 7 *per cent* and Non tax revenue-GSDP ratio sharply increased by 1.13 *per cent* relative to previous year despite withdrawal of debt waiver facility by the Government of India granted during 2008-09. The sharp increase in Non tax revenue-GSDP ratio during 2009-10 was mainly due to increase in receipts on account of conversion of *nazul* land into freehold. The Government should moblise additional resources by expanding the tax base and rationalization of user charges.

Review of Government investments: The average return on Government's investments in Statutory corporations, Government companies, joint stock companies and co-operatives was 0.013 *per cent* in the last three years, whereas its average interest outgo on its borrowings was 6.29 *per cent* during the corresponding period. This is clearly an unsustainable proposition. The State Government should therefore, seek better value for money in investments. Otherwise, high-cost of borrowed funds invested in projects with

low financial return will continue to strain the economy. Projects which are justified on account of low financial but high socio-economic return may be identified and prioritised with full justification for the high-cost borrowings. The working of State-owned public sector undertakings, incurring huge losses may be reviewed and appropriate decision for their closure or otherwise may be taken depending on their strategic value and revival potential.

Debt sustainability: The debt-GSDP ratio was 41 *per cent* at the end of 2009-10. The Government of Uttar Pradesh should endeavour to achieve the normative debt-GSDP ratio as specified in Fiscal Reform legislation so that the total liabilities at the end of the financial year 2018 do not exceed 25 *per cent* of the estimated GSDP. Nearly 96 *per cent* of borrowed funds were used for discharging debt liabilities in last three years. The Government was maintaining a sinking fund but the balances may not be sufficient for amortization of loans. Therefore, maintaining a calendar of borrowings to avoid bunching towards the end of the fiscal year and a clear monitoring of the maturity profile of debt payments will go a long way in prudent debt management.

Revenue surplus: The fiscal position of the State shown improvement in 2009-10 relative to previous year. Not only revenue surplus increased by ₹ 5,185 crore (278 *per cent*) in 2009-10 but fiscal deficit and primary deficit decreased respectively by ₹ 1,820 crore (9 *per cent*) and ₹ 2,433 crore (27 *per cent*) when compared to previous year. Despite this, there is much scope of improving it by recovery of cost of maintenance of the irrigation projects, timely completion of projects of Irrigation and Public Works departments and making these a source of revenue.

Oversight of funds transferred directly from the Government of India to the State implementing agencies: Government of India directly transferred substantial amount of funds to the State Implementing Agencies, which is fraught with the risk of their improper utilization by these agencies. There is no single agency monitoring its use and there is no readily available data on how much is actually spent in any particular year on major flagship schemes. A system has to be put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the Principal Accountant General.

Chapter

2 Financial Management and Budgetary Control

2.1 Introduction

This chapter outlines the Uttar Pradesh Government's financial accountability and budgetary practices through audit of Appropriation Accounts. Audit of appropriations seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Acts and that the expenditure, required to be charged under the provision 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.

Box 2.1

Appropriation Accounts

Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services, *vis-à-vis,* those authorised by the Appropriation Acts in respect of both charged and voted items of budget. Appropriation Accounts thus, facilitate management of finances and monitoring of budgetary provision and are, therefore, complementary to Finance Accounts.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2009-2010 against 91 grants/ appropriations is as given in **Table 2.1**.

Table 2.1: Summarised position of actual expenditure, vis-à-vis, original/ supplementary provision

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Savings
Voted	I Revenue	76,447.54	2,901.74	79,349.28	72,445.56	6,903.72
	II Capital	31,807.43	6,959.33	38,766.76	35,299.75	3,467.01
	III Loans and Advances	1,270.95	213.20	1,484.15	941.85	542.30
	Total Voted	**1,09,525.92**	**10,074.27**	**1,19,600.19**	**1,08,687.16**	**10,913.03**
Charged	IV Revenue	16,784.65	615.73	17,400.38	17,027.41	372.97
	V Capital	416.09	1.57	417.66	412.67	4.99
	VI Public Debt-Repayment	17,888.50	0.52	17,889.02	7,668.59	10,220.43
	Total Charged	**35,089.24**	**617.82**	**35,707.06**	**25,108.67**	**10,598.39**
Grand Total		**1,44,615.16**	**10,692.09**	**1,55,307.25**	**1,33,795.83**	**21,511.42**

***Note:** Figures of actual expenditure include recoveries adjusted as reduction of expenditure under voted revenue expenditure (₹ 99.36 crore) and capital expenditure (₹ 10,621.19 crore).*

Source: Appropriation Accounts

Overall savings of ₹ 21,511.42 crore were the result of savings of ₹ 23,193.58 crore in 121 cases of grants and appropriations under Revenue Section and 69 cases of grants and appropriation under Capital Section including Loan Section (Public Debt-Repayments), offset by excess of ₹ 1,682.16 crore in 15 cases of grants and appropriations under Revenue Section and 9 cases of grants under Capital Section.

Savings/excesses (Detailed Appropriation Accounts) were intimated (July/August 2010) to the Controlling Officers requesting them to explain the significant variations. However, no explanations were received (September 2010).

2.3 Financial accountability and budget management

2.3.1 Appropriation, vis-à-vis, allocative priorities

Outcome of the appropriation audit revealed that in 118 cases, savings exceeded Rs 10 crore in each case or by more than 20 *per cent* of total provision ***(Appendix 2.1)***. Against the total savings of ₹ 23,054 crore, savings of ₹ 21,782 crore (94 *per cent*) occurred in 41 cases (exceeding ₹ 50 crore in each case) relating to 38 grants and appropriations as given in **Table 2.2.**

Table 2.2: List of Grants with savings of ₹ 50 crore and above

(₹ in crore)

Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual expenditure	Savings
	Revenue-Voted					
1	7- Industries Department (Heavy and Medium Industries)	121.39	110.11	231.50	134.16	97.34
2	9- Power Department	2,709.53	1.27	2,710.80	2,642.94	67.86
3	11- Agriculture and Other Allied Departments (Agriculture)	2,308.18	0.20	2,308.38	1,588.05	720.33
4	14- Agriculture and Other Allied Departments (Panchayati Raj)	1,766.79	0.08	1,766.87	1,432.52	334.35
5	26- Home Department (Police)	5,701.75	207.43	5,909.18	5,808.09	101.09
6	32- Medical Department (Allopathy)	2,374.79	--	2,374.79	1,960.11	414.68
7	35-Medical Department (Family Welfare)	1,170.10	160.82	1,330.92	1,246.69	84.23
8	37-Urban Development Department	538.75	5.00	543.75	489.28	54.47
9	42- Judicial Department	797.25	1.21	798.46	606.58	191.88
10	47- Technical Education Department	272.15	14.81	286.96	253.70	53.26
11	49- Women and Child Welfare Department	2,935.81	255.34	3,191.15	2,972.87	218.28
12	51- Revenue Department (Relief on account of Natural Calamities)	687.65	250.00	937.65	336.35	601.30
13	52- Revenue Department (Board of Revenue and Other expenditure)	1,405.27	24.21	1,429.48	1,364.83	64.65
14	54-Public Works Department (Establishment)	1,034.53	--	1,034.53	592.42	442.11
15	60- Forest Department	371.33	3.11	374.44	309.32	65.12
16	61- Finance Department (Debt services and Other Expenditure)	4,329.73	161.32	4,491.05	4,273.79	217.26
17	62- Finance Department (Superannuation Allowance and Pension)	8,786.83	433.36	9,220.19	9,142.35	77.84
18	71- Education Department (Primary Education)	12,296.16	10.00	12,306.16	10,992.71	1,313.45
19	72- Education Department (Secondary Education)	4,824.84	118.07	4,942.91	4,684.56	258.35

20	73- Education Department (Higher Education)	1,139.37	0.05	1,139.42	1,045.92	93.50
21	80- Social Welfare Department (Social Welfare and Welfare of SCs)	2,335.75	483.19	2,818.94	2,727.53	91.41
22	83- Social Welfare Department (Special Component Plan for Scheduled Castes)	3,635.58	--	3,635.58	3,344.02	291.56
23	96-Irrigation Department (Works)	1,408.95	--	1,408.95	1,250.43	158.52
		62,952.48	**2,239.58**	**65,192.06**	**59,199.22**	**6,012.84**
	Capital-Voted					
24	2-Housing Department	641.27	527.21	1,168.48	988.28	180.20
25	9- Power Department	7,005.95	--	7,005.95	5,135.36	1870.59
26	21- Food and Civil Supplies Department	6,912.39	4814.74	11,727.13	11,099.62	627.51
27	25- Home Department (Jails)	252.57	--	252.57	170.04	82.53
28	26- Home Department (Police)	335.90	12.62	348.52	203.18	145.34
29	32- Medical Department (Allopathy)	588.45	--	588.45	436.66	151.79
30	37- Urban Development Department	1,265.45	--	1,265.45	891.29	374.16
31	40- Planning Department	81.14	270.00	351.14	56.95	294.19
32	42- Judicial Department	131.25	8.50	139.75	23.53	107.22
33	47- Technical Education	226.22	15.69	241.91	166.55	75.36
34	48- Muslim Waqf Department	231.17	--	231.17	96.55	134.62
35	61- Finance Department (Debt services and Other Expenditure)	460.01	--	460.01	185.88	274.13
36	62- Finance Department (Superannuation Allowances and Pensions)	150.00	--	150.00	56.45	93.55
37	78- Secretariat Administration Department	62.82	--	62.82	1.00	61.82
38	83- Social Welfare Department (Special Component Plan for Scheduled Castes)	4,819.95	82.73	4,902.68	4,178.38	724.30
		23,164.54	**5,731.49**	**28,896.03**	**23,689.72**	**5,197.31**
	Revenue Charged					
39	61- Finance Department (Debt Services and Other Expenditure)	16,352.90	606.03	16,958.93	16,606.74	352.19
	Total	**16352.90**	**606.03**	**16,958.93**	**16,606.74**	**352.19**
	Capital-Charged					
40	21- Food and Civil Supplies Department	2,400.02	--	2,400.02	1,400.00	1,000.02
41	61- Finance Department (Debt services and other Expenditure)	15,866.83	--	15,866.83	6,646.87	9,219.96
	Total	**18,266.85**	**--**	**18,266.85**	**8,046.87**	**10,219.98**
	Grand Total	**1,20,736.77**	**8,577.10**	**1,29,313.87**	**1,07,542.55**	**21,782.32**

Source: Appropriation Accounts

2.3.2 Persistent savings

In three cases involving three grants, there were persistent savings during the last five years. The details are given below in **Table 2.3**. Persistent savings during the last five years indicated that the budgeting was not proper.

Table 2.3: List of grants indicating persistent savings during 2005-10

(₹ in crore)

Sl. No.	No. and name of the grant	Amount of savings				
		2005-06	2006-07	2007-08	2008-09	2009-10
	Revenue-Voted					
1	40- Planning Department	6.71	9.27	11.43	32.71	44.66
2	49- Women and Child Welfare Department	37.33	200.47	116.12	138.16	218.28
	Capital-Voted					
3	61-Finance Department (Debt Services and Other Expenditure)	25.97	138.40	149.72	21.69	274.13

Source: Appropriation Accounts

2.3.3 Excess expenditure

Expenditure aggregating ₹ 6,619 crore exceeded the approved provision by ₹ 1,676 crore in 11 cases where expenditure was more than ' 10 crore or more, in each case, or more than 20 *per cent* of the total provision. Details are given in ***Appendix 2.2***. Of these, substantial excess expenditure was observed in the following grants consistently for the last five years as detailed in **Table 2.4.**

Table 2.4: List of grants with persistent excess expenditure during 2005-10

(₹ in crore)

Sl. No.	Number and name of the grant	Amount of Excess Expenditure				
		2005-06	2006-07	2007-08	2008-09	2009-10
	Revenue-Voted					
1	58- Public Works Department (Communications Roads)	58.63	41.05	24.32	58.62	132.39
	Capital-Voted					
2	55- Public Works Department (Buildings)	198.34	436.24	644.60	769.50	362.12
3	58- Public Works Department (Communications Roads)	502.05	861.52	1,427.82	1,697.88	1,140.84

Source: Appropriation Accounts

2.3.4 Excess over provision relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, the excess expenditure amounting to ₹ 10,521.32 crore for the years 2005-09 was yet to be regularised as detailed in ***Appendix 2.3.*** The year-wise amount of excess expenditure pending regularization for grants/ appropriations is summarised in **Table 2.5**.

Table 2.5: Excess over provision relating to previous years requiring regularization

Year	Number of		Amount of excess over provision (₹ in crore)
	Grants	Appropriations	
2005-06	25	4	1,026.78
2006-07	18	6	2,484.47
2007-08	12	2	3,610.65
2008-09	5	1	3,399.42
Total	**60**	**13**	**10,521.32**

Source: Appropriation Accounts

2.3.5 Excess over provision during 2009-10 requiring regularisation

Table 2.6 contains the summary of total excess in 12 cases of grants and appropriations amounting to ₹ 1,250 crore over authorisation from the Consolidated Fund of the State during 2009-10 and requires regularisation under Article 205 of the Constitution.

Table 2.6: Excess over provision requiring regularisation during 2009-10

(₹ in crore)

Sl. No.	Name and title of grant/appropriation	Total grant/ appropriation	Expendi-ture	Excess	Excess requiring regularisation
	A-Revenue Voted				
1	58- Public Works Department	1,284.38	1,416.77	132.39	3.65
	Total (A)	**1,284.38**	**1,416.77**	**132.39**	**3.65**
	B-Capital Voted				
2	1- Excise Department	0.200	0.202	0.002	0.002
3	16- Agriculture and Other Allied Department	-	1.07	1.07	0.31
4	55- Public Works Department (Buildings)	37.85	399.97	362.12	359.47
5	58- Public Works Department (Communications- Roads)	3,103.97	4,244.81	1,140.84	884.22
6	59- Public Works Department (Estate Directorate)	102.47	104.50	2.03	2.03
	Total (B)	**3,244.490**	**4,750.552**	**1,506.062**	**1,246.03**
	C-Revenue Charged				
7	3-Industries Department (Small Industry and Export Promotion)	0.04	0.08	0.04	0.04
8	10- Agriculture and Other Allied Departments (Horticulture and Sericulture Development)	0.74	0.99	0.25	0.25
9	16- Agriculture and Other Allied Departments (Dairy Development)	-	0.03	0.03	0.03
10	48- Muslim Waqf Department	0.02	0.04	0.02	0.02
11	52- Revenue Department (Board of Revenue and Other Expenditure)	0.70	2.27	1.57	0.11
12	66- Finance Department (Group Insurance)	131.49	131.52	0.03	0.03
	Total (C)	**132.99**	**134.93**	**1.94**	**0.48**
	Grand Total (A)+(B)+(C)	**4,661.860**	**6,302.250**	**1,640.392**	**1,250.16**

Source: Appropriation Accounts

2.3.6 Unnecessary/Inadequate supplementary provision

Supplementary provision aggregating ₹ 1,119.50 crore obtained in 30 cases, (₹ 50 lakh or more in each case), during the year proved unnecessary as the expenditure did not come up to the level of original provision as detailed in ***Appendix 2.4***. In four cases, supplementary provision of ₹ 556.52 crore proved insufficient by more than ₹ two crore in each case leaving an aggregate uncovered excess expenditure of ₹ 1,541.28 crore ***(Appendix 2.5)***.

2.3.7 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive or insufficient and resulted in savings of ₹ 618.52 crore in some cases and excess of over ₹ 946.22 crore in other cases as detailed in ***Appendix 2.6***.

2.3.8 Unexplained re-appropriations

As per Paragraph 158 of the Budget Manual, reasons for additional expenditure and savings should be explained in the re-appropriation orders. However, reasons for additional provision/withdrawal of provision in 430 re-appropriation orders were not explained therein.

2.3.9 Substantial surrenders

Substantial surrenders (50 *per cent* or more of the total provision) were made in respect of 165 sub-heads either due to non-implementation or slow implementation of schemes/ programmes. Out of total provision amounting to ₹ 17,980 crore in 165 schemes, ₹ 14,517 crore (81 *per cent*) was surrendered, which included cent *per cent* surrender in 63 schemes (₹ 819 crore). The details of such cases are given in ***Appendix 2.7***. This indicated that budgeting was not done after proper exercise.

2.3.10 Surrender in excess of actual saving

In 31 cases, the amount surrendered (₹ 50 lakh or more in each case) was in excess of actual savings indicating lack of or inadequate budgetary control in these departments. As against savings of ₹ 1,361 crore, the amount surrendered was ₹ 2,442 crore resulting in excess surrender of ₹ 1,081 crore. Details are given in ***Appendix 2.8***.

2.3.11 Anticipated savings not surrendered

As per Budget Manual, spending departments are required to surrender grants/ appropriations or portion thereof to the Finance Department as and when savings are anticipated. At the end of 2009-10, there were, however, 35 cases grants/appropriations in which savings occurred but no part was surrendered by the concerned departments.

The amount involved in these cases was ₹ 4,333 crore (25 *per cent* of the total savings) ***(Appendix 2.9)***.

Similarly, out of total savings of ₹ 17,636 crore under 51 cases (savings of ₹ 1 crore and above), amount aggregating ₹ 5,724 crore (32 *per cent* of total savings) was not surrendered, the details of which are given in ***Appendix 2.10.*** Besides, ₹ 16,678 crore in 48 cases was surrendered (surrender of funds in excess of ₹ 10 crore) on the last two working days of March 2010 ***(Appendix 2.11)***. This indicated inadequate financial control apart from the fact that the funds could not be utilised for other developmental purposes.

2.3.12 Rush of expenditure

Rush of expenditure in the closing month of the financial year should be avoided in terms of Paragraph 211 (e) of the Budget Manual. **Table 2.7** presents the major heads where 40 *per cent* or more than 40 *per cent* expenditure was incurred either during last quarter or during last month of the financial year. This is indicative of the fact that control over expenditure was deficient.

Table 2.7: Rush of expenditure

(₹ in crore)

Sl. No.	Major head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2010	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1	4055- Capital Outlay on Police	197.96	125.21	63	86.09	43
2	4217- Capital Outlay on Urban Development	2,466.15	1,665.68	68	1,239.44	50
3	4235- Capital Outlay on Social Security and Welfare	185.20	153.14	83	104.71	57
4	5053- Capital Outlay on Civil Aviation	97.42	95.33	97	92.89	95
	Total	**2,946.73**	**2,039.36**	**69**	**1,523.13**	**52**

Source: VLC data

2.4 Reconciliation of expenditure/receipts

Financial Rules stipulate that expenditure/receipts recorded in their books should be reconciled every month with that recorded in books of the Accountant General.

As against the total expenditure of ₹ 1,14,465 crore during 2009-10, the reconciliation for ₹ 1,11,257 crore was completed (97 *per cent*) and as against the receipt of ₹ 96,421 crore, it was completed for ₹ 96,328 crore (99 *per cent*). However, 12 controlling officers did not reconcile (2009-2010) expenditure/receipts amounting to ₹ 3301 crore as given in **Table 2.9.**

Table 2.8: List of controlling officers who did not reconcile the expenditure and receipts during 2009-2010

(₹ in crore)

Sl. No.	Controlling officers	Amount not reconciled
	Expenditure	
1	Secretary, Revenue, UP Government, Lucknow	328.34
2	Director, Agriculture, UP, Lucknow	325.42
3	Secretary, land Development and water Resources, UP Government, Lucknow	9.75
4	Secretary, Justice and Legal Councilor	4.26
5	Director, Local Bodies, UP, Lucknow	554.43
6	Secretary, Nyay Evam Vidhi Paramarshi, UP Government Lucknow	41.92
7	Registrar, Accounts, High Court, Allahabad	318.66
8	Secretary, Khadi and Gramoudyog, Lucknow	9.91
9	Commissioner, Samaj Kalayan/ Principal Secretary, Samaj Kalayan, UP Government, Lucknow	1,615.22
	Total	**3,207.91**
	Receipts	
10	Director, Agriculture, UP, Lucknow	37.67
11	Registrar, Budget, High Court, Allahabad	4.16
12	Secretary, Nagar Vikas Vibhag, UP, Lucknow	32.36
13	Director, Agriculture, Marketing, UP, Lucknow	15.39
14	Commissioner, Samaj Kalayan/ Principal Secretary, Samaj Kalayan, UP Government, Lucknow	3.03
		92.61
	Total	**3,300.52**

Source: Accountant General (A&E)

2.5 Errors in budgeting process

As per paragraph 32 of the Budget Manual, budget estimates should be framed on the basis of expenditure to be incurred on the pay and allowances of the men in position irrespective of sanctioned strength.

However, a provision of ₹ 1.99 crore was made by the Directorate, Culture, UP Lucknow in the budget (2009-10) under the Grant 92 on the basis of sanctioned strength rather on the basis of actual men-in-position. Similarly, a provision of ₹ 97.63 lakh was made by the Directorate, Tribal Welfare, UP, Lucknow in the budget (2009-10) under Grant 81 on the basis of sanctioned strength rather on the basis of actual men-in-position. As a result, the amounts were surrendered by the Departments.

2.6 Review of selected grants

₹ 50.58 crore was provided (2009-10) under Grant Number 81 pertaining to the Social Welfare Department (Tribal Welfare) under the control of the Directorate. Against it, ₹ 31.05 crore was spent leaving over all savings of ₹ 19.53 crore at the end of March 2010. Similarly, ₹ 69.93 crore was provided (2009-10) under Grant Number 92 pertaining to the Culture Department under the control of the Directorate. Against it, ₹ 62.77 crore was spent leaving over all savings of ₹ 7.16 crore at the end of March 2010. The details are given in Table 2.9.

Table 2.9: Grant Nos-81 and 92

(In thousands of ₹)

Particulars	Amounts	Total	Actual expenditure	Savings	Heads of accounts
Grant No. 81 – Social Welfare Department (Tribal Welfare)					
Revenue Voted					
Original	42,46,06	42,46,06	30,55,26	11,90,80	2052, 2070, 2215, 2225, 2230, 2235, 2401, 2401, 2403, 2405, 2425, 2501, 2505, 2515, 2702 and 2851
Supplementary	Nil				
Capital Voted					
Original	8,11,93	8,11,94	50,18	7,61,76	4225, 4250, 4406, 4515, 4575 and 6425
Supplementary	1				
Grand Total	**50,58,00**	**50,58,00**	**31,05,44**	**19,52,56**	
Amount surrendered:	**Revenue voted**			**Nil**	
	Capital voted			**Nil**	
Grant No. 92 - Culture Department					
Revenue Voted					
Original	25,59,36	25,61,56	23,19,26	2,42,30	2052 and 2205
Supplementary	2,20				
Capital Voted					
Original	17,18,95	44,31,41	39,57,63	4,73,78	4202
Supplementary	27,12,46				
Grand Total	**69,92,97**	**69,92,97**	**62,76,89**	**7,16,08**	
Amount surrendered:		**Revenue voted**		**2,53,43**	
		Capital voted		**4,73,78**	

A review of the aforesaid Grants revealed:

- As per Paragraph140 and 141 of the Budget Manual, the controlling officers should submit a statement of anticipated savings to the Finance Department by 25 January and surrender the savings finally by 25 March. Director, Culture, however, did not

observe this and finally surrendered ₹7.27 crore (Revenue voted: ₹ 2.53 crore and Capital voted: ₹ 4.74 crore) in March 2010.

- The Department of Social Welfare (Tribal Welfare) made a provision of ₹ 5.06 crore under the Grant number 81 for construction of Ashram Type Schools for Scheduled Caste students (₹ 5 crore) and for the construction of Community Centres (₹ 6.32 lakh) in the State. However, as the administrative approvals for these items of works were not accorded during the same financial year (2009-10), the funds could not be utilized and ultimately were surrendered.
- Under Grant number 92 of the Culture Department, Government made a provision of ₹ 27.75 crore (Original: ₹ 1 crore and Supplementary: ₹ 26.75 crore) under the Major Head 4202- Capital Outlay on Education, Sports, Art and Culture for the plan scheme of construction of statues of the legendary personalities. A sum of ₹ 22.36 crore was spent leaving an unspent balance of ₹ 5.39 crore. Of this unspent balance, ₹ 4.73 crore was surrendered and the remaining amount of ₹ 65.78 lakh was re-appropriated for non-plan items of work.

2.7 Conclusion and Recommendations

Overall savings of ₹ 21,511.42 crore was the result of savings of ₹ 23,193.58 crore offset by excess of ₹ 1,682.16 crore. The departments of Planning, Women and Child Welfare, Finance (Debt Services and Other Expenditure) posted large savings persistently for the last five years. Excess expenditure of ₹ 10,521.32 crore for the period 2005-09 requires regularisation under Article 205 of the Constitution of India. There were also instances of unnecessary/inadequate supplementary provision and excessive, unnecessary re-appropriations of funds. Cases of non-surrender of anticipated savings were also noticed. Rush of expenditure at the end of the year is another chronic feature noticed in the overall financial management.

Recommendations:

Budgetary control should be strengthened in all Government departments. Excessive/ unnecessary re-appropriation of funds should be avoided and reasons for additional provision/withdrawal of provision in re-appropriation orders should be explained therein. Unit-wise control over expenditure should be exercised and the savings anticipated should be surrendered to the Finance department so that the funds could be utilised for development purposes. Re-appropriation of the funds at the fag end of the financial year should also be avoided.

Chapter

3

Financial Reporting

A sound financial reporting system based on compliance with financial rules is one of the attributes of good governance. This Chapter provides an overview and status of the Government's compliance with various financial rules during the current year.

3.1 Delay in furnishing utilisation certificates

Paragraph 369-H of the Financial Rules provides that the departmental officers should obtain utilization certificates from the grantees in respect of the grants provided for specific purposes and forward these to the Accountant General not later than 18 months from the date of sanction of the grant.

However, utilizations certificates for an aggregate amount of ₹ 1,049 crore (paid up to 2008-09) were in arrears as of September 2010. The department-wise break-up of the outstanding utilizations certificates is given in ***Appendix 3.1*** and the age-wise delay in their submission is summarised in **Table 3.1.**

Table 3.1: Age-wise arrears of Utilisation Certificates

(₹ in crore)

Sl. No.	Range of delay in number of years	Total grants paid		UCs outstanding	
		Number	Amount	Number	Amount
1	0 - 1	1,448	2,461.75	906	900.70
2	1 - 3	467	329.85	751	66.23
3	3 - 5	1,308	194.09	101	75.26
4	7 - 9	NA	6.79	89	6.79
5	9 & above	NA	0.49	1	0.48
Total		**-**	**2,992.97**	**1,848**	**1,049.46**

Source: Concerned departments

Sugar Commissioner, Uttar Pradesh, Lucknow paid grants aggregating ₹ 6.79 crore to the Sugar Mills during 2001-02. However, utilization certificates were in arrears even after seven years. Utilization certificate for ₹ 60 crore which was transferred to the *Shakkar Vishesh Nidhi* in 2005-06 under Sugar Industries Promotion Policy was outstanding even after three years.

Transport Department paid a grant of ₹ 49 lakh to the Uttar Pradesh State Road Transport Corporation for construction of Nanakmatta Bus Depot (now in Uttaranchal) in 1998-99. However, utilization certificate was awaited even after eleven years.

Other major departments in default were Urban Development (₹ 317.72 core), Social Welfare (₹ 283.58 crore), Secondary Education (₹ 117.51 crore), Technical Education (₹ 58.90 crore), Higher Education (₹ 56.26 crore) and Milk Development (₹ 55.75 crore).

3.2 Pendency in submission of DC bills against AC bills

Drawing and disbursing officers are authorized to draw sums of money through Abstract Contingent Bills by debiting service heads. They are also required to present detailed bills (vouchers in support of final expenditure) for all contingent charges within one month from the dated drawal, in terms of UP Government Order No. A-1-3 (1) Ten-10820/2001 dated 24 January 2006, to the respective controlling officers for countersignature and transmission to the Accountant General.

However, 15,233 Abstract Contingent Bills involving ₹ 122.14 crore were outstanding at the end of March 2010, indicating financial mismanagement and lack of internal control. The age wise details are given in **Table 3.2.**

Table 3.2: Outstanding Abstract Contingent bills

(₹ in crore)

Year	AC Bills drawn		DC Bills Received		Outstanding AC Bills	
	Number	Amount	Number	Amount	Number	Amount
Upto 2004-05	13,103	69.16	7,440	36.32	5,663	32.84
2005-06	5,709	23.88	3,767	14.75	1,942	9.13
2006-07	2,826	45.68	760	36.28	2,066	9.40
2007-08	2,498	93.51	766	77.91	1,732	15.60
2008-09	2,524	43.42	743	32.45	1,781	10.97
2009-10	2,624	2,18.02	575	173.82	2,049	44.20
Total	**29,284**	**4,93.67**	**14,051**	**371.53**	**15,233**	**1,22.14**

Source: Finance Accounts

3.3 Personal Deposit Accounts

Transfer to Personal Deposit accounts is booked as expenditure in the Consolidated Fund (service major head) of the State. While the Government is authorized to open Personal Deposit accounts in order to deposit funds for specific purposes, the Administrators are required to close such accounts at the last working day of the year and transfer the unspent balances to the Government accounts. However, the same was not done in respect of balances amounting to ₹ 31.17 crore by the holders during the year. Non-transfer of these balances to the Consolidated Fund overstated the expenditure to that extent. Besides, accumulation of huge amount in the PLAs was against the principle of the Legislative Financial Control under which appropriations passed in the Legislatures were valid only for one financial year.

Scrutiny (August 2010) of records of the Medical Department revealed:

Kings George Medical College, Lucknow[1] is an autonomous body and maintains its PLA under the MH 8448-110 for which no authority for its yearly renewal from the AG (A&E) is required. On the other hand, Director General, Medical Education and Training, Director Homeopathy and Director Ayurveda and Unani are the civil departments and maintain their PLAs under MH 8443-106 and could transfer funds from the Consolidated Fund but their balances were to lapse at the end of each financial year so as to obviate any misuse. Such PLAs required fresh authority from the Accountant General to operate at the beginning of the next financial year. However, Directors/Director General scrupulously avoided opening of the PLAs in their favour and transferred funds to the PLA of Kings George Medical College to facilitate withdrawals in the subsequent financial years without Accountant General's authority as given in **Table 3.3**.

Table 3.3: Deposits and withdrawals

(₹ in crore)

Year	Opening balance	Deposits	Amounts withdrawn	Closing balance	Remarks
	1	2	3	4	5
Director, Medical Education and Training					
2009-10	8.52	Nil	7.50	1.02	The amount was deposited in September/October 2009 and pertained to the construction of Heart Diseases Institute, Kanpur.
Director, Homeopathy					
2009-10	3.75	Nil	3.22	0.53	The amount was deposited in March 2008 and pertained to the construction of incomplete hospitals in rural areas.
Director, Ayurvedic and Unani					
2009-10	4.99	Nil	4.43	0.56	The amount was deposited in March 2008 and pertained to the construction of Ayurvedic and Unani hospitals and grants received from the GOI.
Total	**17.26**	**Nil**	**15.15**	**2.11**	

Source: Director, Medical Education and Training, Director, Homeopathy and Director Ayurvedic and Unani

3.4 Delays in submission of Accounts by the autonomous bodies

The audit of accounts of eight autonomous bodies[2] has been entrusted to the C&AG The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Reports (SARs) and its placement in the Legislature are given in ***Appendix 3.2***. The delay in submission of accounts to Audit is summarised in **Table 3.4.**

Table 3.4: Delays in submission of accounts

Delays in submission of accounts (In months)	No. of autonomous bodies	Reasons for the delay
1 - 6	7	Jal Sansthans at Jhansi, Allahabad, Lucknow, Varanasi, Agra, Kanpur and Chittrakoot have not submitted their accounts for 2009-10 despite reminders.
12 - 18	1	Khadi and Gramudyog Board, Lucknow has not submitted its accounts for 2008-09 and 2009-10 despite reminders.
Total	**8**	

[1] Chhatrapati Sahuji Maharaj Medical University.
[2] Jal Sansthan at Jhansi, Allahabad, Agra, Varanasi, Kanpur, Chittrakoot Dham Banda, Lucknow and Khadi Gramodyog Board, Lucknow

Delayed submission of accounts is fraught with risk of fraud and leakage of funds. Further, placement of SAR in respect of Khadi and Gramoudyog Board, Lucknow for the years ending 2004-05 and 2005-06 was in progress. The SARs of seven Jal Santhans were Non-Parliamentary.

3.5 Departmental commercial/quasi commercial undertakings

Departmental commercial undertakings prepare *pro forma* accounts in prescribed format annually showing the working results of financial operations and efficiency in their business. The accounts should be submitted to the Accountant General for audit within three months from the month of closure of accounts.

As of March 2010, there were ten such undertakings in the State. Four of these had not prepared their upto date *pro forma* accounts. The department-wise position of arrears of accounts is given in ***Appendix 3.3.*** The State Pharmacy of Ayurvedic and Unani Medicine and Criminal Tribes Settlement Tailoring Factory with a Government investment of ₹ 13 lakh (as per their latest accounts), had not prepared their accounts since 1988-89 and 1980-81 respectively. Similarly, *pro forma* accounts of the Public Distribution System of Foodgrain with a Government investment of ₹ 348.60 crore were not prepared for 2008-09 and 2009-10. As a result, Government investments remained beyond the scrutiny of Audit/State Legislature. Non- preparation of accounts also exposed the system to risk of fraud and leakage of funds.

3.6 Misappropriations, losses, defalcations, etc.

As per Paragraph 82 of the Financial Rules, defalcation or loss should be immediately reported to the Accountant General even though made good by the person responsible for it.

As of 2009-10, 157 such cases involving ₹ 7.89 crore were pending for settlement. The department-wise break up of pending cases and their age wise analysis is given in ***Appendix 3.4.*** The nature of these cases is given in ***Appendix 3.5***. The age-profile of the pending cases under each category i.e theft and misappropriation/loss emerging from these appendices are summarised in **Table 3.5.**

Table 3.5: Profile of misappropriations, losses and defalcations, etc.

Age-profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved (₹ in lakhs)	Nature/Characteristics of the cases	Number of cases	Amount involved (₹ in lakhs)
0 - 5	31	293.84	Theft	87	37.39
5 - 10	18	29.98			
10 - 15	34	66.24	Misappropriation/ Loss of material	74	757.21
15 - 20	24	18.82			
20 - 25	33	38.04	Total	**161**	**794.60**
25 & above	17	342.02	Cases settled/written off during the year	4	5.66
Total	**157**	**788.94**	**Total pending cases**	**157**	**788.94**

Source: Concerned departments

Out of 161 cases involving ₹ 7.95 crore, four cases ***(Appendix 3.6)*** involving ₹ 5.66 lakh were settled /written off during 2008-09 and remaining 157 cases involving ₹ 7.89 crore were pending as of March 2010 for various reasons as listed in **Table 3.6.**

Table 3.6: Reasons for pending cases of misappropriations, losses, defalcations, etc.

	Reasons for the delay/outstanding cases	Number of cases	Amount (₹ in lakh)
i	Awaiting departmental and criminal investigation	15	142.20
ii	Departmental action initiated but not finalised	98	135.85
iii	Criminal proceedings finalised but execution of cases for the recovery of the amount pending	1	0.67
iv	Awaiting orders for recovery or write off	8	6.04
v	Pending in the courts of law	35	504.18
	Total	**157**	**788.94**

3.7 Booking under Minor Head 800- Other receipts and Other expenditure

A huge receipt of ₹ 12,241.36 crore against total receipts of ₹ 96,421 crore was classified under Minor Head '800- Other receipts' in accounts. Similarly, ₹ 13,150.51 crore against the expenditure of ₹ 1,14,465 crore (Revenue: ₹ 89,374 crore, Capital: ₹ 25,091 crore and loans and advances ₹ 942 crore) was also classified under Minor Head '800-Other expenditure'. As a result, expenditure incurred under various programmes /activities of the Government and classified under Minor Head '800-Other expenditure' could not be depicted distinctly in the Finance Accounts thereby affecting the transparency in the accounts.

3.8 Periodical adjustments and book adjustments

In accounts, there are certain transactions which are in the nature of Book Adjustment and as such do not represent actual cash transactions. Specific details, where funds were transferred from the Consolidated Fund to Public Account through book transfer, are given in ***Annexure* III** of Volume 1 of the Finance Accounts. Some of these are discussed below:

- Ministry of Finance, Government of India waived off debt amounting to ₹ 1,063.82 crore during 2008-09. The amount was, however, written back during 2009-10. Accordingly, the amount was adjusted through book adjustment by Deduct-Recoveries of Debt Written off under Major Head '0075- Miscellaneous General Services-Other Receipts-Adjustment on debt waiver of accounts in terms of recommendation of the Twelfth Finance Commission' and by per contra entry under Major Head '6004- Loans and Advances from Central Government'. This reduced the revenue receipts of the Government and increased the public debt to that extent.
- The Government maintains the General Provident Accounts of its Class IV employees. During 2009-10, ₹ 1,829.39 crore were adjusted on account of interest on the State Provident Accounts. Of this, ₹ 539.95 crore were adjusted on *ad hoc* basis as the amount of interest actually credited to the Class IV employees was not intimated by the State Government (August 2010).

3.9 Non-transfer of amount to the Central Road Fund

Government of India releases funds for Central Road Fund as grants-in-aid and accounted for under Major Head 1601-Grants-in-aid. The amounts so released are required to be transferred to Major Head 8449-Other Deposits-103-Subventions from Central Road Fund after a provision in the budget is made by the State Government.

Government of India transferred ₹ 161.07 crore during 2009-10. However, as no budget provision was made during 2009-10, the amount could not be transferred to the Major Head 8449-Other Deposits-103-Subventions from Central Road Fund. The amount remained in the Consolidated Fund of the State at the end of March 2010.

3.10 Balances lying unspent in bank accounts

The Government provides State's share to State/ district level autonomous bodies/ authorities, societies, non-governmental organizations, etc., for implementation of Centrally sponsored/ State schemes. These bodies/authorities retain such funds, outside the Government account, in their bank accounts. As the funds are generally not spent fully by the implementing agencies in the financial year of their receipt, there remain unspent balances in bank accounts. However, the amount of the balances lying unspent in the bank accounts is not readily ascertainable. Therefore, the expenditure reflected in accounts is not final to that extent.

3.11 Variations in cash balances

Cash Balances with Reserve Bank of India as worked out by the Principal Accountant General (A&E) was ₹ 184.04 crore (debit) and the Cash Balance reported by Reserve Bank of India was ₹ 56.93 crore (credit) as on 31st March 2010 leading to a difference of ₹ 127.11 crore (debit). This was mainly due to incorrect reporting of transactions by the Agency Banks to the Reserve Bank of India and the Treasury Officers. The discrepancies amounting to ₹ 49.57 crore (credit) have been identified and intimated (June 2010) to the Manager, State Bank of India, Fund Settlement Link Office, Kanpur for settlement but the report from Reserve Bank of India, Nagpur was awaited (August 2010). Remaining amount of ₹ 77.54 crore was under reconciliation.

3.12 Non-apportionment of balances

A new State of Uttrakhand was carved out of the composite State of Uttar Pradesh under Uttar Pradesh Reorganisation Act, 2000. With a view to achieving just, reasonable and equitable apportionment of assets and liabilities amongst the successor States, the Act, *ibid*, provided for the apportionment of assets and liabilities amongst the successor States. However, the actual progress achieved in this direction was dismal even after ten years of the reorganization, as is evident from the **Table 3.7.**

Table 3.7: Apportionment of assets and liabilities

(₹ in crore)

Sl. no.	Particulars	Balances to be allocated	
		In the year 2000	At the end of 2009-10
1	Capital outlays	Dr 25,451.80	Dr 25,451.80
2	Loans and Advances	Dr 17,593.10	Dr 17,593.10
3	Contingency Fund	Dr 721.54	Dr 721.54
4	Small Savings	Cr 945.86	Cr 872.82
5	Reserve Funds	Cr 7941.44	Cr 7941.44
6	Deposits and Advances	Cr 8,684.32	Cr 8,757.37
7	Suspense and Miscellaneous	Cr 773.67	Cr 773.67
8	Remittances	Dr 618.36	Dr 618.36

Non-apportionment of these balances impacted the status of the assets and liabilities of the Government.

3.13 Conclusion and recommendations

The Government's compliance with various financial rules and procedures was deficient. Utilization certificates in respect of huge amounts were not obtained from the grantees. A large number of cases of misappropriations, etc., were pending either for recovery or write off. Detailed bills against abstract bills were awaited since long and amount was retained in the Personal Deposits against the principle of legislative financial control. Expenditure was not classified programme/activity-wise. Amount of interest credited to the GPF accounts of the Class IV employees was not intimated.

Assets and liabilities have not been apportioned amongst the successor States of Uttar Pradesh and Uttarakhand even after ten years of the reorganization of the State.

Recommendations

- The departmental enquiries in all the cases of misappropriations, losses, defalcations, etc., should be conducted expeditiously to bring the defaulters to book. For this purpose, the internal controls in the various departments should be strengthened to prevent recurrence of such cases.
- The Government should ensure timely submission of accounts by autonomous bodies, detailed contingent bills from the departments and utilisation certificates by the grantees.
- A rigorous monitoring mechanism should be put in place in the departments to adjust the advances drawn on Abstract Contingent Bills within the stipulated period, as required under the extant rules.
- The issue of apportionment of assets and liabilities between Uttarakhand and Uttar Pradesh needs to be settled expeditiously.

ALLAHABAD,
The

(MUKESH P SINGH)
Principal Accountant General (Civil Audit),
Uttar Pradesh

Countersigned

NEW DELHI,
The

(VINOD RAI)
Comptroller and Auditor General of India

Appendix 1.1

State Profile

(Reference: Paragraph 1.1; page 1)

A. General Data			
S.No.	Particulars		Figures
1	Area		240928 sq km
2	Population		
	a.	As per 2001 Census.	16.62 crore
	b.	2009-2010	19.55 crore
3	Density of Population (2001) (All India Density = 325 persons per Sq.Km)		690 sq. km.
4	Population below poverty line (All India Average = 27.5 %)		32.8 per cent
5	Literacy (2001) (All India Average = 64.8%)		56.27 per cent
6	Infant mortality (per 1000 live births) All India Average = 53 per 1000 live births)		67
7	Life Expectancy at birth (All India Average =63.5 years)		60
8	Gini Coefficient[1]		
	a.	Rural. (All India = 0.30)	0.29
	b.	Urban. (All India = 0.37)	0.37
9	Gross State Domestic Product (GSDP) 2009-2010 at current prices		491302 crore
10	GSDP[2] CAGR[3] (2000-01 to 2009-10)		11.70 per cent
11	Per capita GSDP CAGR (2000-01 to 2009-10)		9.70 per cent
12	GSDP CAGR (2000-01 to 2008-2009)	Uttar Pradesh	10.79 per cent
		Other General Category States	12.54 per cent
13	Population Growth (2000- 2001 to 2009-2010)	Uttar Pradesh	17.64 per cent
		Other General Category States	13.42 per cent

B. Financial Data					
S.No.		Particulars	Figures (in Per cent)		
1		CAGR	2000-01 to 2008-09		2000-01 to 2009-10
			General Category States	Uttar Pradesh	Uttar Pradesh
	a.	of Revenue Receipts.	14.40	15.40	16.31
	b.	of Own Tax Revenue.	13.59	12.74	13.33
	c.	of Non Tax Revenue.	12.08	16.87	24.12
	d.	of Total Expenditure.	12.38	13.81	14.10
	e.	of Capital Expenditure.	21.41	27.17	25.42
	f.	of Revenue Expenditure on Education.	9.33	9.82	11.41
	g.	of Revenue Expenditure on Health.	8.95	12.83	14.52
	h.	of Salary and Wages[4].	9.37	11.35	14.56
	i.	of Pension.	12.03	15.66	19.89

Source: Financial data is based on figures in Finance Accounts. BPL (Planning Commission & NSSO data,61st Round-http://planning commission.nic.in/data/database/Data0910/tab%2021.pdf), Gini Coefficent (Unofficial estimates of Planning Commission & NSSO data,61st Round 2004-05 MRP), Life Expectancy at birth (Office of the Registrar General of India; Ministry of Home Affairs; Economic Survey,2009-10, Infant mortality rate (SRS Bulletin October,2009), Density of population (Office of the Registrar General and census commissioner of India; Ministry of Home Affairs and Literacy (Office of the Registrar General of India; Ministry of Home Affairs).

[1] It is a measure of inequality of income distribution where zero refers to perfect equality and one refers to perfect inequality.
[2] GSDP= Gross State Domestic Product.
[3] Compound Annual Growth Rate.
[4] For the period 2001-02 to 2008-09 or 2009-2010 as the case may be.

Appendix 1.2

Structure and form of Government Accounts and Layout of Finance Accounts

(Reference: Paragraph 1.1; page 1)

Part A: Structure and form of Government Accounts
Structure of Government Accounts: The accounts of the State Government are kept in three parts: (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.
Part I: Consolidated Fund : All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans form one consolidated fund titled 'The Consolidated Fund of State' established under Article 266 (1) of the Constitution of India.
Part II: Contingency Fund: Contingency Fund of the State, established under Article 267 (2) of the Constitution, is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.
Part III: 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.

Part B: Layout of Finance Accounts	
Statement No.	**Layout**
The Finance Accounts have been divided into two volumes. Volume 1 presents the Financial Statements of the Government in the form of commonly understood summerised form while the details are presented in Volume II. **Volume I contains the certificates of the Comptroller and Auditor General of India, four summary statements as given below and notes to accounts including accounting policy.**	
Volume I	
1	Statement of financial position depicting cumulative figures of assets and liabilities at the end of the financial year.
2	Statement of receipts and disbursements depicting receipts and disbursements in all the three parts.
3	Statement of receipts in Consolidated Fund comprising revenue and capital receipts and receipts from borrowings.
4	Statement of expenditure in Consolidated Fund depicting expenditure by function and nature.
Appendix 1	Cash balances and investment of cash balances
Volume II	
Part I	
5	Statement of progressive capital expenditure detailing progressive capital expenditure the aggregate of which is depicted in Statement No 1.
6	Statement of borrowings and other liabilities depicting market loans raised by it and Loans and Advances received from the Government Of India.
7	Statement of loans and advances given by the Government of Uttar Pradesh together with recoveries.
8	Statement of Grants-in-aid given by the Government of Uttar Pradesh.
9	Statement of guarantees given by the Government for repayments of loans, etc., raised by Statutory Corporations, Government companies, Local Bodies and other Institutions during the financial year.
10	Statement of Voted and Charged expenditure presenting details of Voted and Charged expenditure.

Part II	
11	Detailed Statement of revenue and capital receipts of the Government by minor heads.
12	Detailed Statement of revenue expenditure of the Government by minor heads.
13	Detailed Statement of capital expenditure by minor heads including Plan and Non Plan figures.
14	Detailed Statement of investments of the Government depicting investments in the share capital, debentures of different concerns including types of shares held, face value, dividend received, etc.
15	Detailed Statement of borrowings and other liabilities including maturity and repayment profile of all loans.
16	Detailed Statement on loans and advances given by the Government presenting changes in loan balances, loans written off, interests received on loans, etc.
17	Detailed Statement on sources and application of funds for expenditure other than revenue account.
18	Detailed Statement of Contingency Fund and other Public Account transactions.
19	Detailed Statement on investments of earmarked funds.
Part III (Appendices)	
Appendix 2	Comparative expenditure on salary.
Appendix 3	Comparative expenditure on subsidy.
Appendix 4	Grants-in-aid given by the State Government (Institution and Scheme wise).
Appendix 5	Details of Externally Aided Projects.
Appendix 6	Plan Scheme expenditure.
Appendix 7	Direct transfers of Central scheme funds to implementing agencies that is funds routed outside the Budget.
Appendix 8	Summary of Balances under Consolidated Fund, Contingency Fund and Public Account.
Appendix 9	Financial works of Irrigation Works.
Appendix 10	Statement of Commitments on incomplete Public Works Contracts.
Appendix 11	Statement of items for which allocation of balances due to reorganization of State has not been finalized.
Appendix 12	Statement on maintenance of expenditure of the State.

Appendix
1.3

Fiscal Responsibility and Budget Management Act, 2004

(Reference: Paragraph 1.1; page 1)

The Government enacted the Fiscal Responsibility and Budget Management Act, 2004 to ensure fiscal stability and sustainability, and to enhance the scope for improving social and physical infrastructure and human development by achieving sufficient revenue surplus, reducing fiscal deficit and removing impediments to the effective conduct of fiscal policy and prudent debt management through limits on borrowings, government guarantees, debt and deficits, greater transparency in fiscal operations and use of a medium term fiscal frame work and for matters connected therewith or incidental thereto. The Government was also made responsible to lay Medium Term Fiscal Restructuring Policy along with the annual budget in the House, setting forth five year rolling targets for fiscal indicators and make rules for carrying out the provisions of the Act. The Fiscal Responsibility and Budget Management Rules were notified in October 2006. The following fiscal targets were set therein for the State Government to give effect to the principles of fiscal management as laid down in the Act.

- Reduce revenue deficit to nil within a period of five financial years beginning from 1st day of April 2004 and ending on 31st day of March 2009.
- Reduce fiscal deficit to not more than three *per cent* of estimated Gross State Domestic Product. However, considering overall slowdown in the economy, the Government of India had allowed the States to increase their fiscal deficit as much as to four *per cent* of their Gross State Domestic Product.
- Ensure within a period of 14 financial years beginning from the initial financial year on 1st day of April 2004 and ending on the 31 March 2018, that the total liabilities at the end of last financial year do not exceed 25 *per cent* of the estimated Gross State Domestic Product for that year.
- Ensure not to give guarantee for any amount exceeding the limit stipulated under any rule or law of the State Government existing at the time of the coming into force of the Act or any rules or law to be made by the State Government subsequent to coming into force of this Act.
- Further, the revenue deficit and fiscal deficit may not exceed the limits specified in the Act except on the ground(s) of unforeseen demands arising out of internal disturbances or natural calamities subject to the condition that the excess does not exceed the actual fiscal cost attributed to the calamities.

In light of the recommendations of the Twelfth Finance Commission, the Government developed its own Fiscal Correction Path indicating the milestones of outcome indicators with target dates of implementation during the period from 2004-05 to 2009-10 ***(Appendix 1.4)*** keeping in view the fiscal targets laid down in the Fiscal Responsibility and Budget Management Act, 2004 and the anticipated annual rate of reduction of fiscal deficit worked out by the Government of India for the Twelfth Finance Commission award.

Appendix 1.4

Outcome indicators of the State's own Fiscal Correction Path

(Reference: Paragraph 1.1 ; page 1)

(₹ in crore)

Items	2003-04 Actual	2004-05 Pre-Actual	2005-06 B.E.	2005-06	2006-07	2007-08	2008-09	2009-10	2005-10 Total
1	2	3	4	5	6	7	8	9	10
A. STATE REVENUE ACCOUNT									
1. Own Tax Revenue	13,601.22	15,684.50	18,290.58	19,780.00	22,640.00	25,913.52	29,660.36	33,948.95	1,31,942.83
2. Own Non-Tax Revenue	2,282.08	2,718.86	2,247.19	2,247.19	2,641.90	2,782.47	2,931.74	3,090.27	13,693.57
3. Own Tax + Non-Tax Revenue(1+2)	15,883.30	18,403.36	20,537.77	22,027.19	25,281.90	28,695.99	32,592.10	37,039.22	1,45,636.40
4. Share in Central Taxes & Duties	13,272.97	14,724.65	17,046.23	18,306.23	20,167.93	23,141.59	26,612.77	30,671.38	1,18,899.90
5. Plan Grants	1,912.47	3,721.82	3,848.46	3,712.91	4,046.84	4,414.17	4,818.22	5,262.79	22,254.83
6. Non -Plan Grants	569.22	317.12	1,235.15	2,019.45	3,101.49	3,232.02	3,375.57	3,533.47	15,262.00
7. Total Central Transfer (4 to 6)	15,754.66	18,763.59	22,129.84	24,038.59	27,316.26	30,787.78	34,806.56	39,467.54	1,56,416.73
8. Total Revenue (3+7)	31,637.96	37,166.95	42,667.61	46,065.78	52,598.16	59,483.77	67,398.66	76,506.76	3,02,053.13
9. Plan Expenditure	3,275.97	5,016.97	7,090.44	5,641.91	6,283.03	6,996.64	7,791.35	8,676.71	35,389.64
10. Non -Plan Expenditure	34,667.75	39,612.59	40,980.64	44,021.08	47,972.97	53,599.48	58,408.66	64,170.77	2,68,172.96
11. Salary Expenditure	12,444.82	13,679.64	16,012.45	15,380.20	16,303.01	17,281.19	18,318.06	19,417.14	86,699.59
12. Pension	2,900.10	3,591.28	4,149.58	4,727.53	5,021.87	5,336.60	5,673.30	6,033.50	26,792.80
13. Interest Payments	10,123.60	11,865.24	10,792.08	10,092.00	11,299.00	12,383.00	13,630.00	14,888.00	62,292.00
14. Subsidies -General	105.89	117.43	129.17	129.17	142.09	156.30	171.93	189.12	788.61
15. Subsidies-Power	935.00	1,001.80	1,287.00	1,251.80	1,501.80	1,700.00	1,700.00	1,700.00	7,853.60
16. Total Revenue Expenditure (9+10)	37,943.72	44,629.56	48,071.08	49,662.99	54,256.00	60,596.12	66,200.01	72,847.48	3,03,562.60
17. Salary + Interest+ Pension (11+12+13)	25,468.52	29,136.16	30,954.11	30,199.71	32,623.88	35,000.79	37,621.36	40,338.64	1,75,784.39
18. As% of Revenue Receipts (17/8)	80.50	78.39	72.55	65.56	62.02	58.84	55.82	52.73	58.20
19. Revenue Surplus/Deficit (8-16)	-6,305.76	-7,462.60	-5,403.47	-3,597.21	-1,657.84	-1,112.35	1,198.65	3,659.28	-1,509.47
20. Outstanding Debts	1,06,407.04	1,19,926.10	1,29,154.91	1,32,311.50	1,44,056.28	1,55,781.36	1,66,610.87	1,77,228.00	7,75,988.01
B. CONSOLIDATED REVENUE ACCOUNT									
1. Power Sector loss/profit net of actual subsidy transfer	1,083.00	2,108.00	2,186.00	2,186.00	2,152.00	1,776.00	1,208.00	418.00	7,740.00
2. Increase in debtors during the year in power utility accounts [Increase(-)]	1,070.00	1,180.00	1,170.00	1,170.00	1,031.00	854.00	617.00	309.00	3,981.00
3. Interest payments on off budget borrowing and SPV borrowings made by PSU/SPUs outside budget	521.77	517.26	531.12	531.12	594.18	743.00	827.14	862.77	3,558.21
4. Total (1 to 3)	**2,674.77**	**3,805.26**	**3,887.12**	**3,887.12**	**3,777.18**	**3,373.00**	**2,652.14**	**1,589.77**	**15,279.21**
5. Consolidated Revenue Deficit (A19+B4)	**8,980.53**	**11,267.87**	**9,290.59**	**7,484.33**	**5,435.02**	**4,485.35**	**1,453.49**	**-2,069.51**	**16,788.68**
C. CONSOLIDATED DEBT									
1. Outstanding Debts & Liabilities	1,07,490.04	1,22,034.10	1,31,340.91	1,34,497.50	1,46,208.28	1,57,557.36	16,78,183.87	1,77,646.00	7,83,728.01
2. Total Outstanding guarantee of which (a) guarantee on account off budgeted borrowing and SPV borrowing	10,354.32	11,154.32	11,954.32	11,954.32	12,754.32	13,544.32	14,354.32	15,154.32	67,771.60
D. CAPITAL ACCOUNT:									
1. Capital Outlay	3,448.52	5,652.10	7,897.91	9,154.47	9,769.92	10,278.31	11,675.73	13,905.41	54,783.84
2. Disbursement of Loans and Advances	1,242.37	681.98	592.71	710.52	714.68	771.85	833.60	900.29	3,930.94
3. Recovery of Loans and Advances	220.36	277.63	361.51	1,076.80	397.66	437.43	481.17	529.29	2,922.35
4. Other Capital Receipts	38,540.58	37,688.77	24,464.98	26,492.19	21,818.14	21,631.10	21,277.25	20,834.14	1,12,052.82
E. GROSS FISCAL DEFICIT (GFD)	**10,776.29**	**13,519.06**	**13,532.58**	**12,385.40**	**11,744.78**	**11,725.08**	**10,829.91**	**10,617.13**	**57,301.90**
1.GSDP (Rs. Crore) at current prices	2,17,673.14	2,29,413.80	2,56,943.46	2,56,943.46	2,87,776.67	3,22,309.87	3,60,987.06	4,04,305.50	16,32,322.56
2. Actual/Assumed Nominal Growth Rate (%)	---	---	---	12.00	12.00	12.00	12.00	12.00	---
3. Total Expenditure	**42,414.25**	**50,686.01**	**56,200.19**	**58,451.18**	**64,342.94**	**71,208.85**	**78,228.17**	**87,123.89**	**3,59,355.03**

Excluding ₹ 12277.40 crore (UPSEB write off amount)
Including salary (Grant-in-aid) for Teachers and Non-teaching staff of the Aided Educational Institutions
₹ 5871.83 crore of Power Bonds

Appendix 1.4

Items	2003-04 Actual	2004-05 Pre-Actual	2005-06 B.E.	2005-06	2006-07	2007-08	2008-09	2009-10	2005-10 Total
1	2	3	4	5	6	7	8	9	10
1. Own Tax Revenue as %ge of GSDP	6.25%	6.84%	7.12%	7.70%	7.87%	8.04%	8.22%	8.40%	8.08%
2. Own Non-Tax Revenue as %ge of GSDP	1.05%	1.19%	0.87%	0.87%	0.92%	0.86%	0.81%	0.76%	0.84%
3. Own Tax + Non-Tax Revenue as %ge of GSDP	7.30%	8.02%	7.99%	8.57%	8.79%	8.90%	9.03%	9.16%	8.90%
4. Share in Central Taxes & Duties as %ge of GSDP	6.10%	6.42%	6.63%	7.12%	7.01%	7.18%	7.37%	7.59%	7.28%
5. Plan Grants as %ge of GSDP	0.88%	1.62%	1.50%	1.45%	1.41%	1.37%	1.33%	1.30%	1.36%
6. Non -Plan Grants as %ge of GSDP	0.26%	0.14%	0.48%	0.79%	1.08%	1.00%	0.93%	0.87%	0.93%
7. Total Central Transfer as %ge of GSDP	7.24%	8.18%	8.61%	9.36%	9.49%	9.55%	9.64%	9.76%	9.58%
8. Total Revenue Receipts as %ge of GSDP	14.53%	16.20%	16.61%	17.93%	18.28%	18.46%	18.67%	18.92%	18.50%
9. Plan Expenditure as %ge of GSDP	1.50%	2.19%	2.76%	2.20%	2.18%	2.17%	2.16%	2.15%	2.17%
10. Non -Plan Expenditure as %ge of GSDP	15.93%	17.27%	15.95%	17.13%	16.67%	16.63%	16.18%	15.87%	16.43%
11. Salary Expenditure as %ge of GSDP	5.72%	5.96%	6.23%	5.99%	5.67%	5.36%	5.07%	4.80%	5.21%
12. Pension as %ge of GSDP	1.33%	1.56%	1.61%	1.84%	1.75%	1.66%	1.57%	1.49%	1.64%
13. Interest Payments as %ge of GSDP	4.65%	5.17%	4.20%	3.93%	3.93%	3.84%	3.78%	3.68%	3.82%
14. Subsidies–General as %ge of GSDP	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
15. Subsidies–Power as %ge of GSDP	0.43%	0.44%	0.50%	0.49%	0.52%	0.53%	0.47%	0.42%	0.48%
16. Total Revenue Expenditure as %ge of GSDP	17.43%	19.45%	18.71%	19.33%	18.85%	18.80%	18.34%	18.02%	18.60%
17. Salary + Interest+ Pension as %ge of GSDP	11.70%	12.70%	12.05%	11.75%	11.34%	10.86%	10.42%	9.98%	10.77%
18. Revenue Surplus/Deficit as %ge of GSDP	-2.90%	-3.25%	-2.10%	-1.40%	-0.58%	-0.35%	0.33%	0.51%	-0.09%
19. Capital Outlay as %ge of GSDP	1.58%	2.46%	3.07%	3.56%	3.39%	3.19%	3.23%	3.44%	3.36%
20. Disbursement of Loans and Advances as %ge of GSDP	0.58%	0.30%	0.23%	0.28%	0.25%	0.24%	0.23%	0.22%	0.24%
21. Recovery of Loans and Advances as %ge of GSDP	0.10%	0.12%	0.14%	0.42%	0.14%	0.14%	0.13%	0.13%	0.18%
22. Other Capital Receipts as %ge of GSDP	17.71%	16.43%	9.52%	10.31%	7.58%	6.71%	5.89%	5.15%	6.86%
23. GFD as %ge of GSDP	4.95%	5.89%	5.27%	4.82%	4.08%	3.64%	3.00%	2.63%	3.51%
24. Outstanding Public Debt	48.9%	52.3%	50.3%	51.5%	50.1%	48.3%	46.2%	43.8%	%
25. Consolidated Outstanding Debt	49.4%	53.2%	51.1%	52.3%	50.8%	48.9%	46.5%	43.9%	48.0%

Appendix **1.5**

Abstract of receipts and disbursements for the year 2009-10

(Reference: Paragraph 1.2; page 2)

(₹ in crore)

Receipts				Disbursements					
2008-09			2009-10	2008-09			Non-Plan	Plan	Total 2009-10
Section-A: Revenue									
77,830.73	**I**	**Revenue receipts**	**96,420.95**	**75,968.89**	**I**	**Revenue expenditure**	**73,672.43**	**15,701.18**	**89,373.61**
28,658.97		Tax revenue	33,877.60	**29,769.32**		**General services**	**39,817.01**	**824.29**	**40,641.30**
				28,546.01		**Social Services**	**21,065.79**	**10,998.49**	**32,064.28**
6,766.55		-Non-tax revenue	13,601.09	12,944.34		-Education, Sports, Art and Culture	13,689.44	2,492.24	16,181.68
				3,703.05		-Health and Family Welfare	3,597.29	1,182.17	4,779.46
30,905.72		-State's share of Union Taxes	31,796.67	3,877.27		-Water Supply, Sanitation, Housing and Urban Development	146.94	1,500.80	1,647.74
				58.13		-Information and Broadcasting	41.77	0.73	42.50
3,142.62		-Non-Plan grants	3,947.97	2,608.03		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	1,553.08	1,273.32	2,826.40
5,195.76		-Grants for State Plan Schemes	5,624.01	187.31		-Labour and labour Welfare	201.64	65.11	266.75
				5,127.22		-Social Welfare and Nutrition	1,788.84	4,484.12	6,272.96
3,158.61		-Grants for Central and Centrally sponsored Plan Schemes	7,569.25	40.66		-Others	46.79	--	46.79
2.50		External Grants Assistance	4.36	**14,149.35**		**Economic Services-**	**9,429.60**	**3,878.40**	**13,308.00**
				2,917.39		-Agriculture and Allied Activities	1,775.80	1,084.43	2,860.23
				4,507.79		-Rural Development	1,365.36	2,225.54	3,590.90
				22.87		-Special Areas Programmes	24.17	55.14	79.31
				2,713.15		-Irrigation and Flood control	2,537.67	284.95	2,822.62
				1,650.83		-Energy	1,892.80	3.65	1,896.45
				737.99		-Industry and Minerals	149.38	190.35	339.73
				1,439.37		-Transport	1,517.92	2.32	1,520.24
				19.24		-Science, Technology and Environment	7.41	22.85	30.26
				140.72		-General Economic Services	159.09	9.17	168.26
				3,504.21		**Grants-in-aid and Contributions-**	**3,360.03**	**---**	**3,360.03**
				75,968.89		**Total**			**89,373.61**
	II	**Revenue deficit carried over to Section B**		**1,861.84**	**II**	**Revenue Surplus carried over to Section B**			**7,047.34**
77,830.73		**Total**	**96,420.95**	**77,830.73**		**Total**			**96,420.95**

(₹ in crore)

Receipts				Disbursements					
2008-09			2009-10	2008-09			Non-Plan	Plan	Total 2009-10
Section-B : Others									
15,200.16	**III**	**Opening Cash balance including Permanent Advances and Cash Balance Investment**	**9,067.14**		**III**	**Opening Overdraft from Reserve Bank of India**			
..	**IV**	**Miscellaneous Capital receipts**	**--**	**22,345.72**	**IV**	**Capital Outlay-**	**5,866.75**	**19,224.48**	**25,091.23**
				841.35		**General Services-**	**434.89**	**176.08**	**610.97**
				2,945.44		**Social Services-**	**54.07**	**4,647.95**	**4702.02**
				887.25		-Education, Sports, Art and Culture	16.31	510.37	526.68
				1,230.46		-Health and Family Welfare	13.88	1,249.87	1,263.75
				521.80		-Water Supply, Sanitation, Housing and Urban Development	23.13	2,550.69	2,573.82
				(-)6.59		-Information and Broadcasting	--	--	--
				170.95		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	--	83.21	83.21
				75.42		-Social Welfare and Nutrition	0.05	185.14	185.19
				66.15		-Others	0.70	68.66	69.36
				18,558.93		**Economic Services-**	**5,377.79**	**14,400.45**	**19,778.24**
				2,625.71		-Agriculture and Allied Activities	3,993.14	362.33	4,355.47
				736.13		-Rural Development	4.50	2,389.91	2,394.41
				1,416.42		-Special Areas Programmes	163.57	883.40	1,046.97
				2,601.99		-Irrigation and Flood Control	0.17	2,310.85	2,311.02
				6,131.87		-Energy	1,040.00	4,052.37	5,092.37
				(-)4.44		-Industry and Minerals	165.26	15.54	180.80
				5,013.33		-Transport	11.15	4,207.91	4,219.06
				37.92		-General Economic Services	--	177.99	177.99
						Science Technology and Environment	--	0.15	0.15
778.09	**V**	**Recoveries of Loans and Advances-**	**293.08**	**807.01**	**V**	**Loans and Advances disbursed-**	**732.62**	**209.23**	**941.85**
--		-From Power Projects				-For Power Projects	--	--	--
43.79		-From Govt. Servants	52.25			-To Government Servants	95.53	--	95.53
734.30		-From Others	240.83			-To Others	846.32	--	846.32
1,861.84	**VI**	**Revenue Surplus brought down**	**7,047.34**		**VI**	**Revenue Deficit brought down**			
16,760.03	**VII**	**Public debt receipts-**	**22,489.07**	**6,776.49**	**VII**	**Repayment of Public debt-**			**7,668.59**
..		-External debt	-			-External debt	--	--	--

(₹ in crore)

Receipts				Disbursements					
2008-09			2009-10	2008-09			Non-Plan	Plan	Total 2009-10
16,339.09		-Internal debt other than Ways and Means Advances and overdrafts	22,206.41	5,577.10		-Internal debt other than Ways and Means Advances and Overdrafts	--	--	6,468.73
--		- Net transactions under Ways and Means Advances	--			- Net transactions under Ways and Means Advances	--	--	--
--		- Net transactions under overdraft	--			- Net transactions under overdraft	--	--	--
420.94		-Loans and Advances from Central Government	282.65	1,199.39		-Repayment of Loans and Advances to Central Government	--	--	1,199.86
--	**VIII**	**Appropriation to Contingency Fund**	**--**		**VIII**	**Appropriation to Contingency Fund**	--	--	**--**
170.92	**IX**	**Amount transferred to Contingency Fund**	**82.82**		**IX**	**Expenditure from Contingency Fund**	--	--	**--**
1,04,251.96	**X**	**Public Account receipts**	**99,907.88**	**1,00,026.64**	**X**	**Public Account disbursements-**	**--**	**--**	**1,01,780.30**
6,510.78		-Small Savings and Provident Funds	8,155.67			-Small Savings and Provident Funds	4,285.56	--	4,285.56
3,628.26		-Reserve Funds	5,824.56			-Reserve Funds	10,298.81		10,298.81
52,278.00		-Suspense and Miscellaneous	40,084.48			-Suspense and Miscellaneous	41,449.44		41,449.44
19,178.62		-Remittance	28,582.82			-Remittances	28,579.38		28,579.38
22,656.30		-Deposits and Advances	17,260.35			-Deposits and Advances	17,167.11		17,167.11
	XI	**Closing Overdraft from RBI**		**9,067.14**	**XI**	**Cash Balance at end-**			**3,405.36**
						-Cash in Treasuries and Local Remittances	14.19		
						-Deposits with Reserve Bank	184.04		
						-Departmental Cash Balance including permanent Advances	12.54		
						-Cash Balance Investment	3,194.59		
1,39,023		**Total**	**1,38,887.33**	**1,39,023**		**Total**			**1,38,887.33**

Appendix 1.6 Actuals, *vis-a-vis*, Budget Estimates for 2009-10

(Reference: Paragraph 1.3; page 4)

(₹ in crore)

Particulars	Budget estimates	Actuals	Increase (+)/ Decrease (-)	Increase/ Decrease (-) in *per cent*
1	2	3	4 (3-2)	5
Revenue Receipts *of which*	**94,439.84**	**96,420.95**	**1,981.11**	**2.10**
Tax Revenue	**33,455.82**	**33,877.60**	**421.78**	**1.26**
Taxes on Sales, Trade etc.	20,741.27	20,825.18	**83.91**	**0.40**
State excise	5,176.45	5,666.05	**489.60**	**9.46**
Taxes on vehicles	874.89	1,403.50	**528.61**	**60.42**
Stamps and Registration fees	5,351.02	4,562.23	**(-) 788.79**	**(-) 14.74**
Taxes on Goods and Passenger	700.00	271.05	**(-) 428.95**	**(-) 61.28**
Land Revenue	181.02	663.14	**482.12**	**266.34**
Other taxes	431.17	486.45	**55.28**	**12.82**
Non Tax Revenue	**5,626.92**	**1,3601.08**	**7,974.16**	**141.71**
Interest Receipts	1,085.86	603.66	**(-) 482.20**	**(-) 44.41**
Miscellaneous General Services	1,144.92	8,075.13	**6,930.21**	**605.30**
Non-ferrous Mining and Metallurgical Industries	517.75	604.97	**87.22**	**16.85**
Other Non Tax Revenue	2,878.39	4317.32	**1,438.93**	**49.99**
Share of Union Taxes and Duties	**39658.38**	**31,796.67**	**(-) 7,861.71**	**(-) 19.82**
Grants-in-aid from GOI	**15,698.72**	**17,145.59**	**1,446.87**	**9.22**
Revenue Expenditure *of which*	**92,866.65**	**89,373.61**	**(-) 3,493.04**	**(-) 3.76**
General Services	**41,055.82**	**40,641.30**	**(-) 414.52**	**(-) 1.01**
Administrative services	9,849.55	9,314.58	**(-) 534.97**	**(-) 5.43**
Pension and Miscellaneous General Services	11,077.30	11,106.85	**29.55**	**0.27**
Interest Payments	16,608.88	16,855.09	**246.21**	**1.48**
Fiscal Services	2,446.17	2,389.64	**(-) 56.53**	**(-) 2.31**
Organs of State	1,073.92	975.14	**(-) 98.78**	**(-) 9.20**
Social Services	**33,836.00**	**32,064.28**	**(-) 1,771.72**	**(-) 5.24**
Education, Sports, Art and Culture	17,567.61	1,6181.68	**(-) 1,385.93**	**(-) 7.89**
Social Welfare and Nutrition	6,627.54	6,272.96	**(-) 354.58**	**(-) 5.35**
Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2,725.21	2,826.39	**101.18**	**3.71**
Health and Family Welfare	5,248.55	4,779.46	**(-) 469.09**	**(-) 8.94**
Water Supply, Sanitation, Housing and Urban Development	1,178.61	1,647.73	**469.12**	**39.80**
Information and Broadcasting	65.91	42.50	**(-) 23.41**	**(-) 35.52**
Labour and Labour Welfare	370.57	266.76	**(-) 103.81**	**(-) 28.01**
Others	52.00	46.80	**(-) 5.20**	**(-) 10.00**

(₹ in crore)

Particulars	Budget estimates	Actuals	Increase (+)/ Decrease (-)	Increase/ Decrease (-) in *per cent*
1	2	3	4 (3-2)	5
Economic Services	**14,415.30**	**13,308.00**	**(-) 1,107.30**	**(-) 7.68**
Agriculture and Allied Services	3,560.37	2860.24	**(-) 700.13**	**(-) 19.66**
Rural Development	3,788.54	3,590.89	**(-) 197.65**	**(-) 5.22**
Special Area Programme	95.00	79.31	**(-) 15.69**	**(-) 16.52**
Irrigation & Flood Control	3,121.67	2,822.62	**(-) 299.05**	**(-) 9.58**
Power	1,894.97	1,896.45	**1.48**	**0.08**
Industry & Minerals	338.82	339.72	**0.90**	**0.27**
Transport and Communication	1,389.69	1,520.24	**130.55**	**9.39**
Science, Technology and Environment	29.75	30.26	**0.51**	**1.71**
General Economic Services	196.49	168.27	**(-) 28.22**	**(-) 14.36**
Grants-in-aid and Contributions	**3,559.53**	**3,360.03**	**(-) 199.50**	**(-) 5.60**
Capital expenditure ***of which***	**24,204.69**	**25,091.23**	**886.54**	**3.66**
General Services	**982.19**	**610.97**	**(-) 371.22**	**(-) 37.80**
Social Services	**5,078.88**	**4,702.02**	**(-) 376.86**	**(-) 7.42**
Education, Sports, Art and Culture	514.00	526.67	**12.67**	**2.46**
Health and Family Welfare	1,254.65	1,263.75	**9.10**	**0.73**
Water Supply, Sanitation, Housing and Urban Development	2,836.86	2,573.82	**(-) 263.04**	**(-) 9.27**
Welfare of Scheduled Caste, Scheduled Tribe and Other Backward Classes	105.78	83.21	**(-) 22.57**	**(-) 21.34**
Social Welfare	295.86	185.20	**(-) 110.66**	**(-) 37.40**
Other Social Services	71.73	69.37	**(-) 2.36**	**(-)3.29**
Economic Services	**18,143.62**	**19,778.24**	**1,634.62**	**9.01**
Agriculture and Allied Services	519.69	4,355.47	**3,835.78**	**738.09**
Rural Development	1,922.56	2,394.41	**471.85**	**24.54**
Special Area programme	1,110.02	1,046.97	**(-) 63.05**	**(-) 5.68**
Irrigation & Flood Control	2,997.16	2,311.01	**(-) 686.15**	**(-) 22.89**
Energy	6,875.95	5,092.37	**(-) 1,783.58**	**(-) 25.94**
Industries and Minerals	7.80	180.81	**173.01**	**2,218.08**
Transport and Communication	4,652.61	4,219.06	**(-) 433.55**	**(-) 9.32**
Science, Technology and Environment	0.05	0.15	**0.10**	**200.00**
General economic Services	57.78	177.99	**120.21**	**208.05**
Revenue surplus (+)/ deficits (-)	**(-) 1,573**	**(+) 7,047**	**8,620**	**548.00**
Fiscal Deficits (-)	**(-) 23,299**	**(-) 18,693**	**4,606**	**19.77**
Primary surplus (+)/ deficits (-)	**(-) 11,556**	**(-) 6,705**	**4,851**	**41.98**

Appendix 1.7

Time series data on the State Government finances

(Reference: Paragraph 1.5.1 and 1.5.2; page 8 and 10)

(₹ in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
Part A. Receipts					
1. Revenue Receipts	*45,349*	*60,600*	*68,672*	*77,831*	**96,421**
(i) Tax Revenue	*18,858(42)*	*22,998 (38)*	*24,959(36)*	*28,659 (37)*	33,878(35)
Taxes on Sales, Trade, etc.	*11,285(60)*	*13,279 (58)*	*15,023(60)*	*17,482 (61)*	20,825 (62)
State Excise	*3,089(16)*	*3,551 (15)*	*3,948(16)*	*4,720 (17)*	5,666 (17)
Taxes on Vehicles	*965(5)*	*1,018 (4)*	*1,146(05)*	*1,125 (4)*	1,404 (4)
Stamps and Registration fees	*2,997(16)*	*4,514 (20)*	*3,977(16)*	*4,138 (14)*	4,562 (13)
Land Revenue	*109(1)*	*188 (1)*	*393(2)*	*549 (2)*	663 (2)
Taxes on Goods and Passengers	105	109	110	*266(1)*	271 (1)
Other Taxes	*308(2)*	*339 (2)*	*362(1)*	*379 (1)*	487 (1)
(ii) Non Tax Revenue	*2,930(6)*	*6,533 (11)*	*5,816(08)*	*6,767 (8)*	13,601(14)
(iii) State's share of Union taxes and duties	*18,203(40)*	*23,218 (38)*	*29,288(43)*	*30,906 (40)*	31,797 (33)
(iv) Grants in aid from Government of India	*5,358(12)*	*7,851 (13)*	*8,609(13)*	*11,499 (15)*	17,146 (18)
2. Miscellaneous Capital Receipts	--	--	--	--	--
3. Recoveries of Loans and Advances	**585**	**356**	**449**	**778**	**293**
4. Total Revenue and Non debt Capital Receipts (1+2+3)	**45,934**	**60956**	**69,121**	**78,609**	**96,714**
5. Public Debt Receipts	**14,257**	**11,711**	**9,079**	**16,760**	**22,489**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	*13,931(98)*	*11,332 (97)*	*8,710(96)*	*16,339 (97)*	22,206 (99)
Net transactions under Ways and Means Advances and Overdrafts	----	-----	-----	--	--
Loans and Advances from Government of India	*326(2)*	*379 (3)*	*369(04)*	421 (3)	283 (1)
6. Total Receipts in the Consolidated Fund (4+5)	**60,191**	**72,667**	**78,200**	**95,369**	**1,19,203**
7. Contingency Fund Receipts	**299**	**645**	**604**	**171**	**83**
8. Public Account Receipts	**52,529**	**63,075**	**77,870**	**1,04,252**	**99,908**
9. Total Receipts of the State (6+7+8)	**1,13,019**	**1,36,387**	**1,56,674**	**1,99,792**	**2,19,194**
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	**46,617(83)**	**55,699 (79)**	**65,223(79)**	**75,969 (77)**	**89,374 (77)**
Plan	*6,445(14)*	*9,699 (17)*	*11,744(18)*	*17,291 (23)*	15,701(18)
Non Plan	*40,172(86)*	*46,000 (83)*	*53,479(82)*	*58,678 (77)*	73,673 (82)
General Services (including interest payments)	*20,919(45)*	*24,300 (44)*	*26,551(41)*	*29,769 (39)*	40,641(45)
Social Services	*15,610(33)*	*19,248 (35)*	*23,086(35)*	*28,546 (37)*	32,064 (36)
Economic Services	*7,756(17)*	*9,409 (17)*	*12,037(18)*	*14,150 (19)*	13,308 (15)
Grants-in-aid and contributions	*2,332(5)*	*2,742(5)*	*3,549(6)*	*3,504 (5)*	3,360 (4)
11. Capital Expenditure	**8,711(16)**	**13,984 (20)**	**16,950 (20)**	**22,346 (22)**	**25,091 (22)**
Plan	*8,172(94)*	*13,312 (95)*	*13,720(81)*	18,088 (81)	19,224 (77)
Non Plan	*539(6)*	*672 (5)*	*3,230(19)*	4,258 (19)	5,867 (23)
General Services	*313(4)*	*654 (5)*	*575(3)*	841 (4)	611 (2)
Social Services	*1,159(13)*	*2,180 (15)*	*2,113(13)*	2,946 (13)	4,702 (19)
Economic Services	*7,239(83)*	*11,150 (80)*	*14,262(84)*	18,559 (83)	19,778 (79)
12. Disbursement of Loans and Advances	**684(1)**	**888 (1)**	**742(1)**	**807 (1)**	**942 (1)**
13. Total (10+11+12)	**56,012**	**70,571**	**82,915**	**99,122**	**1,15,407**

(₹ in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
14. Repayments of Public Debt	**5,252**	**5,912**	**5,369**	**6,776**	**7669**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	*4,045(7)*	*3,738 (63)*	*4,179(78)*	5,577(82)	6,469 (84)
Net transactions under Ways and Means Advances and Overdraft	*25(0)*	----	-----	--	--
Loans and Advances from Government of India	*1,182(23)*	*2,174 (37)*	*1,190(22)*	1,199 (18)	1200 (16)
15. Appropriation to Contingency Fund	----	----	----	--	---
16. Total disbursement out of Consolidated Fund (13+14+15)	**61,264**	**76,483**	**88,284**	**1,05,898**	**1,23,076**
17. Contingency Fund disbursements	**183**	**10**	**117**	**--**	**---**
18. Public Account disbursements	**43,172**	**52,901**	**68,560**	**1,00,027**	**1,01,780**
19. Total disbursement by the State (16+17+18)	**1,04,619**	**1,29,394**	**1,56,961**	**2,05,925**	**2,24,856**
Part C. Deficits					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	**(-) 1,268**	**(+) 4,901**	**(+)3,449**	**(+)1862**	**(+) 7,047**
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	**(-)10,078**	**(-)9,615**	**(-)13,794**	**(-)20513**	**(-)18,693**
22. Primary Deficit (21+23)	**(-) 980**	**(+) 862**	**(-)2,974**	**(-)9138**	**(-) 6,705**
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	**9,098**	**10,477**	**10,820**	**11375**	**11,988**
24. Financial Assistance to local bodies, etc.	**10,283**	**12,484**	**15,360**	**15,822**	**18,120**
25. Ways and Means Advances/Overdraft availed (days)					
Ways and Means Advances availed (days)	**48**	**-**	**-**	**-**	**-**
Overdraft availed (days)	**11**	**-**	**-**	**-**	**-**
26. Interest on Ways and Means Advances/ Overdraft	**5**	**-**	**-**	**-**	**-**
27 Gross State Domestic Product (GSDP)@	**2,77,068**	**3,12,627**	**3,57,557[5]**	**4,12,151[6]**	**4,91,302[7]**
28 Outstanding Fiscal liabilities (year end)	**1,48,868**	**1,62,156**	**1,74,248**	**1,87,411**	**2,01,720**
29. Outstanding guarantees (year end) (including interest)	**8,433**	**11,056**	**12,736**	**16,084**	**20,038**
30. Maximum amount guaranteed (year end)	**15,073**	**12,235**	**18,144**	**27,892**	**29,311**
31. Number of incomplete projects	**27**	**58**	**53**	98	**126**
32. Capital blocked in incomplete projects	**3,551**	**5,407**	**5,863**	**4,598**	**880.85**

[5] Figure of GSDP for 2007-08 is provisional.
[6] Figures of GSDP for 2008-09 is quick
[7] Figures of GSDP for 2009-10 is advance.

(₹ in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
Part E: Fiscal Health Indicators					
I Resource Mobilization					
Own Tax revenue/GSDP	6.81	7.36	6.98	6.95	6.90
Own Non-Tax Revenue/GSDP	1.06	2.09	1.63	1.64	2.77
Central Transfers/GSDP	6.57	7.43	8.19	7.50	6.47
II Expenditure Management					
Total Expenditure/GSDP	20.22	22.57	23.19	24.05	23.49
Total Expenditure/Revenue Receipts	123.51	116.45	120.74	127.36	119.69
Revenue Expenditure/Total Expenditure	83.23	78.93	78.66	76.64	77.44
Expenditure on Social Services/Total Expenditure	30	30	30	32	32
Expenditure on Economic Services/Total Expenditure	27	29	32	33	29
Capital Expenditure/Total Expenditure	16	20	20	23	22
Capital Expenditure on Social and Economic Services/Total Expenditure.	15	19	20	22	21
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	0.46	--	--	--	--
Fiscal deficit/GSDP	3.64	3.08	3.86	4.98	3.80
Primary Deficit (surplus) /GSDP	0.35	--	0.83	2.22	1.36
Revenue Deficit/Fiscal Deficit	12.58	--	--	--	--
Primary Revenue Balance/GSDP	(-) 3.74	(-) 1.78	(-) 2.06	(-) 2.31	(-) 1.01
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	54	52	49	45	41
Fiscal Liabilities/RR	328	268	254	241	209
Primary deficit vis-à-vis quantum spread	(+)8,152	(+)8,424	(+)4,664	(+)8,426	(+)17,733
Debt Redemption (Principal +Interest)/ Total Debt Receipts	78	92	97	96	96
V Other Fiscal Health Indicators					
Return on Investment	0.15	0.85	1.05	1.26	0.84
Balance from Current Revenue (Rs in crore)	4,482	12,314	12,536	13,960	14,422
Financial Assets/Liabilities	0.51	0.58	0.63	0.66	0.72

Figures in brackets represent percentages (rounded) to total of each sub-heading

@ GSDP figures communicated by the Government adopted.

Appendix 1.8

Summarised financial position of the Government as on 31 March 2010

(Reference: Paragraph 1.9.1 and 1.9.2; page 29-30)

(₹ in crore)

As on 31.03.2009	Liabilities		As on 31.03.2010
97,339.29	**Internal Debt -**		**1,13.076.97**
	Market Loans bearing interest	54,929.13	
	Market Loans not bearing interest	3.03	
	Loans from Life Insurance Corporation of India	(-) 36.73	
	Loans from other Institutions	58,212.23	
	Ways and Means Advances	(-) 30.69	
	Overdrafts from Reserve Bank of India	---	
20,364.03	**Loans and Advances from Central Government -**		**19,446.83**
	Pre 1984-85 Loans	9.96	
	Non-Plan Loans	116.19	
	Loans for State Plan Schemes	19,077.89	
	Loans for Central Plan Schemes	0.87	
	Loans for Centrally Sponsored Plan Schemes	240.49	
	Ways and Means Advances	1.43	
517.18	**Contingency Fund**		**600.00**
25,358.90	**Small Savings, Provident Funds, etc.**		**29,229.00**
16,116.43	**Deposits**		**16,209.79**
28,232.04	**Reserve Funds**		**23,757.79**
272.08	**Remittance Balances**		**275.52**
1,88,199.95	**Total**		**2,02,595.90**
	Assets		
1,11,501.35	**Gross Capital Outlay on Fixed Assets -**		**1,36,592.58**
	Investments in shares of Companies, Corporations, etc.	34,275.02	
	Other Capital Outlay	1,02,317.56	
9,013.76	**Loans and Advances -**		**9,662.53**
	Loans for Power Projects	2,781.49	
	Other Development Loans	6,796.94	
	Loans to Government servants and Miscellaneous loans	84.10	
45.20	**Reserve Fund Investments**		**45.20**
7.19	**Advances**		**7.31**
(-) 4,554.66	**Suspense and Miscellaneous Balances**		**(-) 3,189.71**
9,067.14	**Cash -**		**3,405.36**
	Cash in Treasuries and Local Remittances	14.19	
	Deposits with Reserve Bank	184.04	
	Departmental Cash Balance	12.13	
	Permanent Advances	0.41	
	Cash Balance Investments	3,194.59	
63,119.97	**Deficit on Government Account -**		**56,072.63**
64,981.81	(i) Accumulated deficit at the beginning of the year	63,119.97	
(-) 1,861.84	(ii) Less Revenue Surplus of the current year	(-) 7,047.34	
1,88,199.95	**Total**		**2,02,595.90**

Explanatory Notes for Appendices 1.5 and 1.8

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in ***Appendix 1.8***, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc. There was a difference of ₹ 127.11.crore (Net debit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank".

Appendix 2.1

Statement of grants/appropriations where saving was more than ₹ 10 crore in each grant/appropriation or more than 20 per cent of the total provision

(Reference: Paragraph 2.3.1; Page 42.)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Per-centage
			(₹ in core)		
(1)	(2)	(3)	(4)	(5)	(6)
		A-Revenue Voted			
1	3	Industries Department (Small Industry and Export Promotion)	98.78	10.18	10
2	6	Industries Department (Handloom Industry)	36.34	13.69	38
3	7	Industries Department (Heavy and Medium Industries)	231.50	97.34	42
4	9	Power Department	2,710.80	67.86	3
5	10	Agriculture and Other Allied Departments (Horticultural and Sericulture Development)	189.94	22.31	12
6	11	Agriculture and Other Allied Departments (Agriculture)	2,308.38	720.33	31
7	12	Agriculture and Other Allied Departments (Land Development and Water Resources)	193.27	23.92	12
8	13	Agriculture and Other Allied Departments (Rural Development)	2,080.96	33.08	2
9	14	Agriculture and Other Allied Departments (Panchayati Raj)	1,766.87	334.35	19
10	15	Agriculture and Other Allied Departments (Animal Husbandry)	390.93	19.46	5
11	17	Agriculture and Other Allied Departments (Fisheries)	57.93	17.98	31
12	19	Personal Department (Training and Other Expenditure)	6.95	3.07	44
13	23	Cane Development Department (Cane)	135.69	19.70	15
14	26	Home Department (Police)	5,909.18	101.09	2
15	31	Medical Department (Medical Education and Training)	722.68	27.37	4
16	32	Medical Department (Allopathy)	2,374.79	414.68	17
17	33	Medical Department (Ayurvedic and Unani)	353.36	42.77	12
18	34	Medical Department (Homeopathy)	171.02	25.00	15
19	35	Medical Department (Family Welfare)	1,330.92	84.23	6
20	36	Medical Department (Public Health)	379.38	49.92	13
21	37	Urban Development Department	543.75	54.47	10
22	40	Planning Department	132.04	44.66	34
23	42	Judicial Department	798.46	191.88	24
24	44	Tourism Department	19.35	5.30	28
25	45	Environment Department	15.55	11.44	74
26	46	Administrative Reforms Department	7.80	2.06	27
27	47	Technical Education Department	306.96	53.26	17
28	48	Muslim Waqf Department	813.43	350.04	43
29	49	Women and Child Welfare Department	3,191.15	218.28	7
30	50	Revenue Department (District Administration)	411.23	33.90	8
31	51	Revenue Department (Relief on Account of Natural Calamities)	937.65	601.30	64
32	52	Revenue Department (Board of Revenue and Other Expenditure)	1,429.48	64.65	5
33	53	National Integration Department	1.31	0.61	46
34	54	Public Works Department (Establishment)	1,034.53	442.11	43

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Per-centage
			(₹ in core)		
(1)	(2)	(3)	(4)	(5)	(6)
		A-Revenue Voted			
35	60	Forest Department	374.44	65.12	17
36	61	Finance Department (Debt Services and Other Expenditure)	4,491.05	217.26	5
37	62	Finance Department(Superannuation allowance and Pension)	9,220.19	77.84	1
38	71	Education Department (Primary Education)	12,306.16	1313.45	11
39	72	Education Department (Secondary Education)	4,942.91	258.35	5
40	73	Education Department (Higher Education)	1,139.42	93.50	1
41	75	Education Department (State Council of Educational Research and Training)	97.38	15.74	16
42	78	Secretariat Administration Department	348.89	30.73	9
43	80	Social Welfare Department (Social Welfare and Welfare of SCs)	2,818.94	91.41	3
44	81	Social Welfare Department (Tribal Welfare)	42.46	11.91	28
45	83	Social Welfare Department (Special Component Plan for SCs)	3,635.58	291.56	8
46	86	Information Department	85.74	39.82	46
47	87	Soldier's Welfare Department	54.12	16.90	31
48	88	Institutional Finance Department (Directorate)	34.23	14.90	44
49	89	Institutional Finance Department (Commercial-Tax)	391.70	21.18	5
50	91	Institutional Finance Department (Stamp and Registration)	135.50	11.48	8
51	95	Irrigation Department (Establishment)	1,585.40	16.76	1
52	96	Irrigation Department (Works)	1,408.95	158.52	11
		Total- A	**74,205.42**	**6,948.72**	
		B-Capital Voted			
53	2	Housing Department	1,168.48	180.20	15
54	7	Industries Department (Heavy and Medium Industries)	146.80	24.47	17
55	9	Power Department	7,005.95	1,870.59	27
56	11	Agriculture and Other Allied Departments (Agriculture)	322.04	32.74	10
57	13	Agriculture and Other Allied Departments (Rural Development)	1,051.33	19.68	2
58	14	Agriculture and Other Allied Departments (Panchayati Raj)	630.00	17.57	3
59	15	Agriculture and Other Allied Departments (Animal Husbandry)	19.70	8.54	43
60	18	Agriculture and Other Allied Departments (Co-Operative)	32.92	10.18	31
61	21	Food and Civil Supplies Department	11,727.13	627.51	5
62	25	Home Department (Jails)	252.57	82.53	33
63	26	Home Department (Police)	348.52	145.34	42
64	28	Home Department (Political Pension and Other Expenditure)	0.30	0.30	100
65	32	Medical Department (Allopathy)	588.45	151.79	26
66	35	Medical Department (Family Welfare)	70.00	40.54	58
67	37	Urban Development Department	1,265.45	374.16	30
68	38	Civil Aviation Department	124.78	11.77	9
69	40	Planning Department	351.14	294.19	84

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Per-centage
			(₹ in core)		
(1)	(2)	(3)	(4)	(5)	(6)
		A-Revenue Voted			
70	42	Judicial Department	139.75	107.22	77
71	44	Tourism Department	221.90	31.42	14
72	47	Technical Education Department	241.91	75.36	31
73	48	Muslim Waqf Department	231.17	134.62	58
74	49	Women and Child Welfare Department	1.29	0.96	74
75	50	Revenue Department (District Adminstration)	141.02	19.83	14
76	53	National Integration Department	0.01	0.01	100
77	56	Public Works Department (Special Area Programme)	313.93	11.51	4
78	57	Public Works Department (Communication-Bridges)	620.43	28.57	5
79	61	Finance Department (Debt Services and other Expenditure)	460.01	274.13	54
80	62	Finance Department (Superannuation Allowances and Pensions)	150.00	93.55	62
81	63	Finance Department (Treasury and Accounts Administration)	2.72	1.07	39
82	67	Legislative Council Secretariat	0.16	0.06	38
83	73	Education Department (Higher Education)	72.71	20.55	28
84	78	Secretariat Administration Department	62.82	61.82	98
85	81	Social Welfare Department (Tribal Welfare)	8.12	7.62	94
86	82	Vigillance Department	9.69	5.37	55
87	83	Social Welfare Department (Special Component Plan for SCs)	4,902.68	724.30	15
88	87	Solder Welfare Departement	0.86	0.81	94
89	89	Institutional Finance Department (Commercial-Tax)	7.21	2.87	40
90	96	Irrigation Department(Works)	2,630.91	22.13	1
		Total B	**35,324.86**	**5,515.88**	
		C-Revenue Charged			
91	1	Excise Department	0.10	0.02	20
92	11	Agriculture and Other Allied Departments (Agriculture)	0.15	0.15	100
93	13	Agriculture and other Allied Departments (Rural Development)	0.10	0.08	80
94	15	Agriculture and Other Allied Departments (Animal Husbandry)	0.14	0.14	100
95	23	Cane Development Department (Cane)	0.02	0.01	50
96	25	Home Department (Jail)	0.08	0.05	63
97	26	Home Department (Police)	0.66	0.63	95
98	32	Medical Department (Allopathy)	0.20	0.20	100
99	35	Medical Department (Family Welfare)	0.15	0.15	100
100	36	Medical Department (Public Health)	0.01	0.01	100
101	47	Technical Education Department	0.01	0.01	100
102	49	Women and Child Welfare Department	0.10	0.10	100
103	50	Revenue Department (District Administration)	0.18	0.18	100
104	54	Public Works Department (Establishment)	0.04	0.04	100
105	58	Public Works Department (Communications Roads)	0.05	0.05	100

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Per-centage
			(₹ in core)		
(1)	(2)	(3)	(4)	(5)	(6)
		A-Revenue Voted			
106	60	Forest Department	0.14	0.11	79
107	61	Finance Department (Debt Services and other expenditure)	16,958.93	352.19	2
108	62	Finance Department (Superannuation Allowances and Pensions)	17.55	9.70	55
109	67	Legislative Council Secretariat	0.47	0.16	34
110	68	Legislative Assembly Secretariat	0.61	0.26	43
111	72	Education Department (Secondary Education)	0.03	0.03	100
112	95	Irrigation Department (Establishment)	0.50	0.44	88
		Total -C	**16,980.12**	**364.71**	
		D-Capital Charged			
113	21	Food and Civil Supplies Department	2,400.02	1000.02	42
114	52	Revenue Department (Board of Revenue and Other Expenditure)	0.11	0.10	91
115	55	Public Works Department (Buildings)	2.10	0.54	26
116	58	Public Works Department (Communications- Roads)	5.50	1.19	22
117	61	Finance Department (Debt Services and Other Expenditure)	15,866.83	9,219.96	58
118	96	Irrigation Department (Works)	10.00	3.27	33
		Total -D	**18,284.56**	**10,225.08**	
		Total (A+B+C+D)	**1,44,794.96**	**23,054.39**	

Appendix 2.2

Statement of grants/appropriations where excess expenditure was more than ₹ 10 crore in each grant/ appropriation or more than 20 per cent of the total provision

(Reference: Paragraph 2.3.3; Page 44)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appropriation	Expenditure	Percentage of excess expenditure
			₹ in crore		
(1)	(2)	(3)	(4)	(5)	(6)
A-Revenue-Voted					
1	58	Public Works Department (Communications-Roads)	1,284.38	1,416.78	10
		Total	**1,284.38**	**1,416.78**	
B- Capital Voted					
2	24	Cane Development Department (Sugar Industry)	509.00	545.29	7
3	52	Revenue Department (Board of Revenue and other Expenditure)	0.48	0.99	106
4	55	Public Works Department (Buildings)	37.85	399.97	957
5	58	Public Works Department (Communications-Roads)	3,103.97	4,244.81	37
6	75	Education Department (State Council of Educational Research and Training)	0.10	0.16	60
		Total	**3,651.40**	**5,191.22**	
C- Revenue Charged					
7	3	Industries Department (Small Industries and Export Promotion)	0.04	0.08	100
8	10	Agriculture and Other Allied Departments (Horticulture and Sericulture Development)	0.74	0.99	34
9	18	Agriculture and Other Allied Departments (Co-operative)	5.83	7.93	36
10	48	Muslim Waqf Department	0.02	0.04	100
11	52	Revenue Department(Board of Revenue & Other Expenditure)	0.70	2.27	224
		Total	**7.33**	**11.31**	
		Grand Total	**4,943.11**	**6,619.31**	

Appendix 2.3

Excess over provision requiring regularization

(Reference: Paragraph 2.3.4; Page 44)

Year	Number of grants/ appropriations	Grant/ appropriation numbers	Amount of excess (₹ in crore)
2005-06	29	Revenue- Voted 8, 12, 19, 53, 55, 57, 58, 72 Capital- Voted 15, 16, 18, 23, 24, 33, 34, 37, 38, 40, 55, 56, 57, 58, 73, 75, 96 Revenue- Charged 1, 52 Capital- Charged 52, 55	1,026.78
2006-07	24	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	2,484.47
2007-08	14	Revenue –voted 51,55,57,58,62 Capital voted 13,16,55,58,63,83,96 Revenue charged 51,66	3,610.65
2008-09	6	Revenue Voted 62,96 Capital voted- 55,58,96 Revenue Charged- 52	3,399.42
		Total	**10,521.32**

Appendix **2.4**

Cases where supplementary provision (₹ 50 lakh or more in each case) proved unnecessary

(Reference: Paragraph 2.3.6; Page 46)

(In thousands of ₹)

Sl. No.	Number and name of the Grant	Original Provision	Actual expenditure	Savings out of Original Provision	Supple-mentary Provision
	A Revenue (Charged)				
1	42- Judicial Department	1,35,76,48	1,32,39,16	3,37,32	4,04,55
	Total -A	**1,35,76,48**	**1,32,39,16**	**3,37,32**	**4,04,55**
	B-Revenue (Voted)				
2	8- Industries Department (Printing and Stationery)	1,07,69,58	1,04,41,85	3,27,73	2,00,00
3	9- Power Department	27,09,53,39	26,42,94,13	66,59,26	1,26,70
4	12- Agriculture and Other Allied Departments (Land Revenue and Water Resources)	1,88,09,84	1,69,35,31	18,74,53	5,17,70
5	23-Cane Development Department (Cane)	1,31,86,56	1,15,98,87	15,87,69	3,82,00
6	31-Medical Department (Medical Education and Training)	7,11,14,42	6,95,31,45	15,82,97	11,54,00
7	37-Urban Development Department	5,38,75,49	4,89,28,03	49,47,46	5,00,00
8	40- Planning Department	1,01,71,22	87,38,48	14,32,74	30,33,00
9	42-Judicial Department	7,97,24,78	6,06,58,36	1,90,66,42	1,21,38
10	47-Technical Education Department	2,92,14,92	2,53,69,71	38,45,21	14,80,48
11	48- Muslim Waqf Department	7,64,61,71	4,63,38,74	3,01,22,97	48,81,00
12	51-Revenue Department (Relief on account of Natural Calamities)	6,87,65,58	3,36,35,19	3,51,30,39	2,50,00,01
13	52- Revenue Department (Board of Revenue and Other Expenditure)	14,05,26,76	13,64,83,45	40,43,31	24,21,61
14	60- Forest Department	3,71,33,32	3,09,32,18	62,01,14	3,11,14
15	61-Finance Department (Debt Services and Other Expenditure)	43,29,73,24	42,73,79,43	55,93,81	1,61,32,01
16	71-Education Department (Primary Education)	1,22,96,16,64	1,09,92,71,26	13,03,45,38	10,00,00
17	72- Education Department (Secondary Education)	48,24,84,49	46,84,56,11	1,40,28,38	1,18,06,82
18	82- Vigilance Department	26,42,05	26,33,30	8,75	1,65,00
19	86-Information Department	70,04,40	45,92,04	24,12,36	15,70,06
20	89-Institutional Finance Department (Comm. -Tax)	3,91,10,02	3,70,51,90	20,58,12	60,14
	Total -B	**3,07,45,38,41**	**2,80,32,69,79**	**27,12,68,62**	**7,08,63,05**
	C-Capital Voted				
21	11-Agriculture and Other Allied Departments(Agriculture)	3,08,16,40	2,89,29,88	18,86,52	13,87,39
22	22-Sports Department	31,90,64	26,87,07	5,03,57	70,23
23	26-Home Department (Police)	3,35,90,44	2,03,17,58	1,32,72,86	12,61,60
24	40-Planning Department	81,14,33	56,95,51	24,18,82	2,70,00,00
25	42-Judicial Department	1,31,25,05	32,53,00	98,72,05	8,50,00
26	47-Technical Education Department	2,26,22,16	1,66,54,95	59,67,21	15,69,00
27	60-Forest Department	1,66,17,85	1,64,04,53	2,13,32	71,36
28	71- Education Department (Primary Education)	8,34,30	7,78,09	56,21	1,00,00
29	73- Education Department (Higher education)	71,71,03	52,16,50	19,54,53	1,00,00
30	83-Social Welfare Department (Special Component Plan for SCs)	48,19,94,52	41,78,37,85	6,41,56,67	82,73,00
	Total -C	**61,80,76,72**	**51,77,74,96**	**10,03,01,76**	**4,06,82,58**
	Grant Total	**3,70,61,91,61**	**3,33,42,83,91**	**37,19,07,70**	**11,19,50,18**

Appendix
2.5

Statement of grants/appropriations where supplementary provision proved insufficient by more than ₹ two crore in each grant/appropriation

(Reference: Paragraph 2.3.6; Page 46)

Sr. No.	Grant Number	Name of the Grants and Appropriation	Original Provision	Supplementary provision	Total	Expenditure	Excess
			(₹ In Crore)				
Capital Voted							
1	24	Cane Development Department	309.00	200.00	509.00	545.29	36.29
2	55	Public Works Department (Building)	34.05	3.80	37.85	399.97	362.12
3	58	Public Works Department (Communication-Roads)	2,763.05	340.92	3,103.97	4,244.81	1,140.84
4	59	Public Works Department (Estate Directorate)	90.67	11.80	102.47	104.50	2.03
		Total	**3,196.77**	**556.52**	**3,753.29**	**5,294.57**	**1,541.28**

Appendix **2.6**

Excess/unnecessary/insufficient re-appropriation of funds

(Reference: Paragraph 2.3.7; Page 46.)

(₹ in lakh)

Sl. No.	Grant No.	Name of the Grant	Head of Account	Re-appropriations (+)	Final Excess(+)/ Saving (-)
1.	10	Agriculture and Other Allied Departments (Horticulture and Sericulture Development)	2415-80-004-07	2.20	(+) 0.14
2.			2401-001-03	48.63	(+) 14.53
3.			2415-80-004-06	13.07	(+) 63.54
4.	11	Agriculture and other allied Department (Agriculture)	2052-800-03	125.00	(+) 79.70
5.			2401-001-05	265.00	(+) 25.72
6.			2401-109-07	556.92	(-) 8.39
7.			2401-111-04	54.00	(+) 4.82
8.			2402-103-04	200.00	(-) 27.25
9.			2415-80-120-09	165.82	(-) 63.64
10.			4401-102-01	289.74	(+) 0.41
11.			4401-103-04	2,987.93	(+) 306.13
12.	12	Agriculture and other allied Department (Land Development and water Resources)	2705-800-01	166.83	(-) 1.10
13.	13	Agriculture and other allied Department (Rural Development)	2215-01-102-01	5,829.46	(+) 73.54
14.			2505-01-702-01	5,728.62	(+) 433.36
15.			2515-001-03	30.49	(+) 8.64
16.			2515-102-06	571.68	(-) 113.59
17.			2515-800-04	106.20	(+) 0.02
18.	14	Agriculture and other allied Department (Panchayati Raj)	2070-800-03	848.96	(-) 7.11
19.			2515-800-07	40.00	(+) 10.56
20.	15	Agriculture and other allied Department (Animal Husbandry)	2403-106-03	52.61	(+) 102.61
21.			2403-800-06	350.00	(+) 1.33
22.	18	Agriculture and other allied Department (Co-operative)	2425-001-03	23.04	(+) 45.25
23.			2425-001-06	32.28	(-) 1.57
24.	22	Sports Department	2204-001-03	40.00	(+) 99.23
25.	25	Home Department (Jails)	2056-001-03	17.64	(+) 1.14
26.			2056-101-03	250.14	(-) 26.42
27.			2056-800-03	6.38	(+) 19.14
28.	26	Home Department (Police)	2055-101-04	65.90	(-) 238.83
29.			2055-103-04	17.00	(-) 17.00
30.			2055-104-06	100.00	(-) 46.40
31.			2055-114-03	2.00	(-) 46.68
32.			2055-101-03	890.97	(+) 58.29
33.			2055-108-03	68.12	(+) 45.91
34.			2055-109-03	16,298.38	(+) 1,618.79
35.			2055-800-03	215.56	(+) 892.68
36.			2055-800-05	7,200.00	(-) 670.73
37.			2055-800-07	9.37	(-) 6.96
38.			2070-800-03	1,472.74	(-) 811.03
39.			4055-800-08	78.89	(-) 78.89

(₹ in lakh)

Sl. No.	Grant No.	Name of the Grant	Head of Account	Re-appropriations (+)	Final Excess(+)/ Saving (-)
40.	27	Home Department (Civil Defence)	2070-106-03	3.20	(+) 12.97
41.			2070-107-04	184.03	(+) 120.27
42.			2070-107-05	3,786.40	(-) 37.25
43.			2070-107-06	93.05	(-) 3.86
44.			4070-800-06	205.91	(+) 0.01
45.	28	Home Department (Police Pension and other Expenditure)	2235-60-800-03	196.78	(-) 190.68
46.			3055-190-03	24.70	(+) 0.38
47.	29	Confidential Department (Governor's Secretariat)	2012-03-105-03	0.10	(-) 0.02
48.			2012-03-800-03	6.78	(+) 0.01
49.	31	Medical Department (Medical Education and Training)	4210-03-105-42	141.66	(-) 33.33
50.	32	Medical Department (Allopathy)	2210-03-110-10	2,100.00	(+) 170.20
51.			4210-01-110-51	797.74	(-) 397.37
52.			4210-01-110-72	2,030.44	(-) 341.35
53.			4210-02-103-04	771.43	(-) 39.12
54.	33	Medical Department (Ayurvedic and Unani)	2210-02-101-03	35.35	(+) 11.56
55.			2210-05-101-03	4.00	(+) 10.28
56.			2210-05-103-03	32.28	(+) 31.81
57.			2210-04-103-03	1.40	(+) 192.32
58.	37	Urban Development Department	2053-094-05	87.95	(-) 87.95
59.			2053-094-03	100.00	(+) 57.51
60.			2217-80-191-12	4.25	(+) 1.29
61.	38	Civil Aviation Department	2070-114-03	10.05	(+) 10.70
62.	41	Election Department	2015-103-04	9.47	(+) 0.11
63.			2015-106-03	2.09	(+) 127.88
64.			2015-106-04	79.42	(+) 0.53
65.			2015-106-05	44.62	(+) 19.79
66.			2052-800-03	1.52	(+) 12.13
67.	42	Judicial Department	2014-114-03	59.66	(+) 13.99
68.			2014-114-04	1339.98	(-) 345.25
69.			2014-114-06	3.50	(-) 0.05
70.			4059-01-051-01	418.26	(-) 10,000.00
71.	43	Transport Department	4059-01-051-03	45.85	(-) 8.06
72.	44	Tourism Department	3452-80-800-01	10.57	(-) 10.57
73.			5452-80-104-01	14.10	(+) 236.04
74.	45	Environment Department	3435-04-001-04	7.79	(-) 4.30
75.	47	Technical Education Department	2230-03-003-10	2.00	(-) 11.44
76.			2203-001-05	6.00	(-) 1.21
77.			2203-104-07	16.76	(-) 0.01

(₹ in lakh)

Sl. No.	Grant No.	Name of the Grant	Head of Account	Re-appropriations (+)	Final Excess(+)/ Saving (-)
78.			2203-104-13	42.52	(+) 22.40
79.			2203-104-25	12.73	(-) 1.33
80.			2203-105-06	13.88	(+) 0.21
81.			2230-03-101-03	133.50	(-) 1.98
82.	48	Muslim Waqf Department	2070-105-04	11.81	(-) 0.88
83.	49	Women and Child Welfare Department	2235-02-001-03	1.50	(-) 35.40
84.			2235-02-102-08	71.81	(-) 191.74
85.			2235-02-102-13	21.51	(-) 654.02
86.	52	Revenue Department (Board of Revenue and other Expenditure)	2052-099-03	3.00	(-) 22.71
87.	54	Public Works Department (Establishment)	2059-80-001-04	37.00	(+) 2,401.13
88.	55	Public Works Department (Buildings)	2059-01-053-03	10.00	(-) 3.57
89.			4059-01-051-06	22.41	(-) 12.04
90.			4059-80-051-23	63.27	(+) 26.33
91.	58	Public Works Department (Communications-Roads)	5054-03-337-03	1,300.00	(+) 2,357.23
92.			5054-04-337-13	7,440.69	(+) 13803.86
93.			5054-04-337-74	4,172.37	(-) 381.83
94.			5054-04-337-76	477.72	(+) 205.30
95.			5054-04-337-97	200.00	(-) 199.89
96.			5054-04-800-04	2,500.00	(-) 732.10
97.	59	Public Works Department (Estate Directorate)	2052-090-03	175.00	(+) 23.38
98.			2052-091-03	22.68	(+) 0.23
99.			2059-80-053-05	0.75	(+) 7.80
100.			2216-01-700-04	31.00	(-) 6.00
101.			4059-01-051-05	98.04	(+) 503.00
102.			4059-80-051-03	329.30	(-) 0.01
103.			4059-01-051-04	300.00	(-) 94.94
104.	60	Forest Department	2406-01-001-03	121.33	(+) 0.16
105.			2406-02-110-01	88.50	(-) 4.26
106.	61	Finance Department (Superannuation Allowances and Pensions)	2049-04-101-03	36,095.43	(-) 35,311.24
107.			2049-01-123-04	700.00	(-) 0.02
108.			2049-01-200-04	106.29	(+) 0.84
109.			2049-01-305-03	305.83	(-) 34.38
110.	68	Legislative Assembly Secretariat	2011-02-103-03	256.92	(-) 0.01
111.	71	Education Department (Primary Education)	2202-01-102-07	90,000.00	(-) 5,068.81
112.			2202-01-102-23	4,222.06	(-) 474.10
113.	72	Education Department (Secondary Education)	2202-02-109-01	500.00	(-) 889.37
114.			2071-01-109-03	11.00	(+) 16.39
115.			2202-02-800-12	54.57	(-) 35.90
116.	73	Education Department (Higher Education)	2202-03-001-04	45.00	(-) 3.36
117.			2202-03-102-33	3.00	(-) 1.35

(₹ in lakh)

Sl. No.	Grant No.	Name of the Grant	Head of Account	Re-appropriations (+)	Final Excess(+)/ Saving (-)
118.			2202-03-103-04	110.00	(-) 5.66
119.			2202-03-103-06	50.00	(-) 10.76
120.			4202-01-203-05	415.06	(-) 35.29
121.	75	Education Department (State Council of Education Research and Training)	2202-80-003-09	16.35	(+) 15.78
122.			2202-80-003-20	41.97	(-) 8.06
123.			2202-80-004-03	34.75	(+) 7.51
124.			2202-80-800-01	58.20	(+) 26.17
125.	76	Labour Department (Labour Welfare)	2210-01-102-04	1.50	(+) 0.02
126.			2230-01-001-03	11.75	(+) 10.23
127.	77	Labour Department (Employment)	2230-02-001-03	0.50	(+) 91.21
128.	78	Secretariat Administration Department	2013-104-03	100.00	(-) 3.28
129.			2013-105-03	261.00	(-) 10.35
130.			2052-090-03	350.00	(+) 429.79
131.	79	Social Welfare Department (Welfare of the Handicapped and Backward Classes)	2235-02-101-03	2.88	(-) 110.87
132.			2235-02-101-14	7.20	(-) 293.64
133.			2235-02-101-07	509.34	(-) 143.10
134.			2235-02-800-04	10.00	(-) 9.51
135.	80	Social Welfare Department (Social Welfare and Welfare of Scheduled Castes)	2225-01-277-07	1,442.34	(-) 128.91
136.	81	Social Welfare Department (Tribal Welfare)	2235-02-796-03	138.38	(-) 2.22
137.	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	2215-01-789-03	3,539.57	(-) 206.21
138.			2217-04-789-01	413.10	(+) 325.18
139.			2217-04-789-04	3237.75	(-) 156.49
140.			2217-05-789-01	11,169.28	(+) 2799.09
141.			2501-01-789-01	559.65	(-) 89.11
142.			4210-02-789-04	1,465.93	(-) 31.36
143.			4250-789-05	296.87	(-) 26.04
144.			4515-789-03	20,000.00	(+) 14,478.98
145.			5054-04-789-03	11,473.50	(+) 50,344.22
146.			5054-04-789-04	140.95	(+) 156.29
147.	85	Public Enterprises Department	2052-800-03	2.40	(-) 0.01
148.	88	Institutional Finance Department (Directorate)	2052-091-05	6.01	(-) 0.03
149.	89	Institutional Finance Department (Commercial Tax)	2040-800-06	27.02	(+) 2.53
150.			2040-800-07	5.46	(-) 0.01
151.	96	Irrigation Department (Works)	2700-08-101-03	12.10	(+) 2.01
152.			2700-10-101-03	1.79	(-) 0.22
153.			2701-28-101-03	1.39	(-) 2.94
154.			2701-35-101-03	1.75	(-) 0.13
155.			2701-08-101-03	6.32	(+) 9.90
156.			2711-01-103-04	633.00	(-) 508.00

(₹ in lakh)

Sl. No.	Grant No.	Name of the Grant	Head of Account	Re-appropriations (+)	Final Excess(+)/ Saving (-)
157.			4700-15-051-05	100.00	(-) 105.69
158.			4700-34-051-05	250.00	(-) 250.00
159.			4700-60-051-03	157.24	(-) 156.76
160.			4700-87-051-04	100.00	(-) 100.00
161.			4700-88-051-04	300.00	(-) 300.00
162.			4711-01-103-24	262.08	(-) 764.52
163.			4700-04-051-05	200.00	(-) 9.46
164.			4700-54-051-03	1,091.92	(+) 26.97
165.			4700-55-051-05	3,000.00	(+) 10.82
166.			4700-56-051-03	160.50	(-) 0.07
167.			4700-57-051-05	100.00	(+) 0.07
168.			4700-79-051-05	100.00	(+) 5.79
169.			4700-82-051-05	200.00	(+) 16.12
170.			4700-83-051-05	537.88	(-) 0.02
171.			4700-84-051-03	11,856.20	(-) 0.20
172.			4700-86-051-05	291.62	(-) 0.01
173.			4701-37-051-05	61.13	(-) 0.05
174.			4701-38-051-05	200.50	(+) 0.01
175.			4701-40-051-03	178.11	(+) 1.06
176.			4701-45-051-03	124.40	(+) 2.60
177.			4701-65-051-03	97.31	(+) 400.08
178.			4701-67-800-03	1,500.00	(-) 400.01
179.			4701-74-051-03	700.00	(+) 0.21
180.			4701-80-005-03	62.76	(+) 157.73
181.			4701-85-051-03	100.00	(-) 0.06
182.			4702-101-04	488.56	(-) 99.35
183.			4711-01-103-03	153.75	(+) 18.50
184.			4711-01-103-07	100.00	(-) 43.27
185.			4711-01-103-09	100.00	(-) 0.11
186.			4711-01-103-23	2,325.00	(+) 350.11
187.			4711-01-103-29	176.84	(+) 629.68
188.			4711-03-103-11	181.33	(-) 1.38
Total				**2,89,715.27**	**(+) 94,622.18 (-) 61,851.81**

Appendix 2.7

Substantial surrenders made during 2009-10

(Reference: Paragraph 2.3.9; Page 46.)

(₹ in lakh)

Sl. No.	Number and title of grant	Name of the scheme (Head of account)	Provision	Amount surrendered	Percentage of surrender
1.	3-Industries Department (Small Industry and Export Promotion)	Central Plan/ Centrally Sponsored Schemes (2851-102-01)	827.97	786.28	95
2.		Aeroplane freight help schemes (2851-800-14)	100.00	95.00	95
3.	6-Industries Department (Handloom Industry)	Central Plan/ Centrally Sponsored Schemes (2851-103-01)	2,290.03	1,248.39	55
4.	7-Industries Department (Heavy and Medium Industries)	National E-Governance Action plan (2852-80-800-09)	2,400.00	2,400.00	100
5.		Interest free Loan to Provincial Industrial Investment Corporation under Deferred amount of Trade Tax Scheme (6885-01-190-03)	4,500.00	2,659.49	59
6.	9-Power Department	U.P. Electricity Production Nigam Ltd. (4801-02-190-14)	1,16,125.02	93,825.01	81
7.		Share Capital Investment to U.P. Electricity Corporation for special Project of APDRP (4801-05-190-05)	10,000.00	10,000.00	100
8.		Investment in Share Capital of U.P. Power Corporation for rapid electrification of rural area Rajeev Gandhi Rural Electrification Programme (4801-06-190-03)	1,00,000.00	80,959.90	81
9.	10-Agriculture and Other Allied Departments (Horticultural and Sericulture Development)	Creation of Horticultural database (2401-111-03)	122.00	122.00	100
10.		Nursery (4401-119-03)	15.00	15.00	100
11.	11- Agriculture and Other Allied Departments (Agriculture)	Central Plan/ Centrally Sponsored Schemes (2401-103-01)	534.57	534.57	100
12.		Central Plan/ Centrally Sponsored Schemes (2401-109-01)	820.00	446.21	54
13.		Kisan Mitra Yojana (2401-109-05)	5,835.76	5,462.31	94
14.		U.P. Diversified Agriculture Support Project Phase-II (2401-109-97)	1,800.00	900.00	50
15.		Payment of premium to Indian Agricultural Insurance company Ltd. for crop Insurance (2401-110-04)	5,000.00	3,750.00	75
16.		Crops production and data bank of production of statistics (2401-111-05)	456.80	234.63	51
17.		Rabi Pulse Production Programmes (2401-112-03)	3,140.90	2,886.90	92
18.		Central Plan/ Centrally Sponsored Schemes (2401-800-01)	344.00	337.66	98
19.		National Agriculture Development Scheme (2401-800-03)	51,731.47	34,503.10	67
20.		Strengthening of bio-fertilizer Production labs / scheme for encouragement of use of Bio-fertilizer (2402-101-05)	323.40	233.40	72

(₹ in lakh)

Sl. No.	Number and title of grant	Name of the scheme (Head of account)	Provision	Amount surrendered	Percentage of surrender
21.		Strengthening of Agriculture research facilities in U.P. agriculture research council (2415-80-120-26)	200.00	200.00	100
22.		Establishment of agriculture University Banda (2415-80-120-27)	20.00	10.20	51
23.		National Project of Management of soil health and fertility (4401-105-04)	245.85	245.85	100
24.		Control of insect / decease through different environmental resources (4401-107-04)	400.60	395.60	99
25.		National Agriculture Development Scheme (4401-190-03)	3,987.60	2,036.34	51
26.	12-Agriculture and other Allied Departments (Land Development and Water Resources)	Central Plan/Centrally Sponsored Schemes (2501-05-101-01)	1,048.00	695.83	66
27.	13- Agriculture and other Allied Departments (Rural Development)	Central Plan/Centrally Sponsored Schemes (2515-102-01)	198.00	117.52	59
28.		Scheme for Deepning of wells of blasting units (District Plan) (2702-02-800-03)	11.16	6.32	57
29.		Constructions of roads under Prime Minister Gramodyoga Scheme (5054-04-337-03)	3,502.00	2,723.59	78
30.		Centage charges under the Prime Minister Gram Sadak Yojana (5054-04-337-04)	1,719.00	1,639.00	95
31.	14-Agriculture and Other Allied Department (Panchayti Raj)	Construction of clean tiolets under rural cleanliness drive (2515-101-08)	10,455.00	6,984.74	67
32.		Arrangement for Election of Panchayti Raj (2515-800-11)	13,000.00	9,507.74	73
33.		Programmes Financed by backward areas grant fund (2575-02-800-03)	7,000.00	4,974.00	71
34.	15-Agriculture and Other Allied Department (Animal Husbandry)	Central Plan/Centrally Sponsored Schemes (2403-101-01)	2,308.90	1,170.99	51
35.		Fodder and Feed Development Scheme (District Plan) (2403-107-04)	20.00	10.00	50
36.		Directorate (2403-001-03)	13.79	13.79	100
37.		Constructions of Veterinary Hospital (District Plan) (4403-101-03)	1,000.00	825.72	83
38.		Central Plan/Centrally Sponsored Schemes (4403-107-01)	14.00	7.00	50
39.	16-Agriculture and Other Allied Department (Dairy Development)	Central Plan/Centrally Sponsored Schemes (2404-102-01)	155.25	123.63	80
40.		Central Plan/Centrally Sponsored Schemes (2404-191-01)	200.00	110.91	55
41.	17-Agriculture and Other Allied Department (Fisheries)	Central Plan/Centrally Sponsored Schemes (2405-109-01)	60.00	60.00	100
42.		Development of Fish Marketing (2405-120-03)	10.00	10.00	100

(₹ in lakh)

Sl. No.	Number and title of grant	Name of the scheme (Head of account)	Provision	Amount surrendered	Percen-tage of surrender
43.		Scheme of Fisheries Development (2405-120-04)	80.00	40.00	50
44.		Central Plan/Centrally Sponsored Schemes (2405-190-01)	743.00	368.00	50
45.		Central Plan/Centrally Sponsored Schemes (2405-800-01)	1,348.66	1,030.89	76
46.	18- Agriculture and Other Allied Department (Co-operative)	Investment in Debentures issued by U.P. State Co-operative and rural development Bank Ltd. (6425-108-04)	1,050.00	1,039.50	99
47.	19-Personnel Department (Training and Other expenditure)	Payment of Arrears (2052-800-03)	42.43	27.48	65
48.		Centre for good Governance (2070-800-04)	55.72	55.72	100
49.	21-Food and Civil Supplies Department	Repayment of loans received for purchase food grains (6003-107-03)	2,00,000.00	1,00,000.00	50
50.	22-Sports Department	Reconstruction of tube well Pavilion shade and Basket ball court and construction of flood light of volleyball court in Saharanpur (4202-03-800-09)	25.00	25.00	100
51.		Construction of Sports Stadium in Mirzapur (4202-03-800-11)	100.00	60.00	60
52.		Construction of mini tubewell and under ground pipe in Kaushambi (4202-03-800-14)	20.00	20.00	100
53.		Construction of Gymnasium Hall in Mahoba (4202-03-800-16)	60.00	35.00	58
54.		Construction of department pavilion (including lift) in Kanpur (4202-03-800-17)	500.00	340.00	68
55.	25-Home Department (Jail)	Construction of residence for jail staff (75% Share of Central and 25% State share based on five year jail improvement) (4070-800-04)	1,000.00	1,000.00	100
56.		Extension and renovation of present jail (75% Share of Central and 25% State share based on five year jail improvement) (4070-800-05)	1,500.00	1,492.89	100
57.		Improvement in water supply and sanitary (75% Share of Central and 25% State share based on five year jail improvement) (4070-800-06)	1,000.00	991.11	99
58.		Minor construction work in the buildings / campus of jail Department (4070-800-11)	10.20	10.20	100
59.		Provision for equipment machinery and vehicles etc. for jails. (4070-800-13)	1,869.46	1,869.46	100
60.		Rain water harvesting through ponds in jail (4070-800-15)	100.00	100.00	100
61.	27-Home Department (Civil Defence)	Central Plan/Centrally Sponsored Schemes (2070-106-01)	130.37	129.18	99
62.		Central Plan/Centrally Sponsored Schemes (4059-01-051-01)	30.00	30.00	100

(₹ in lakh)

Sl. No.	Number and title of grant	Name of the scheme (Head of account)	Provision	Amount surrendered	Percentage of surrender
63.	28-Home Department (Political Pension and other Expenditure)	Subsidiary Grant to Swatantrata Sangram Senani Sansthan for birth Centenary and construction of moments relies of freedom fighters (4250-800-03)	30.00	30.00	100
64.	32-Medical Department (Allopathy)	Establishment of Health fund (2210-80-800-06)	500.00	500.00	100
65.		Direction (2210-01-001-03)	20.00	15.39	77
66.		Construction of T.B. Clinic Building (4210-01-110-04)	350.00	346.84	99
67.		Construction of Postmortem House (4210-01-110-10)	153.00	153.00	100
68.		Construction of Patient Shelter in women Hospitals (4210-01-110-13)	200.00	200.00	100
69.		Building Construction for Plastic Surgery and Burn Unit (4210-01-110-19)	104.00	104.00	100
70.		Construction of Building of new PHC's (4210-02-103-06)	2,000.00	1,519.23	76
71.		Strengthening of infrastructure facilities of Primary Health (4210-02-103-08)	650.00	511.09	79
72.		Establishment of 100 bedded Hospitals (4210-02-110-15)	995.47	533.66	54
73.	36-Medical Department (Public Health)	Laboratories at specific points of Division (2210-06-107-03)	30.38	30.38	100
74.	37-Urban Development Department	State Sanitary Employee Commission (2070-800-03)	51.71	41.77	81
75.		Externally Aided Projects (2215-01-101-97)	1,000.00	1,000.00	100
76.		Central Plan/Centrally Sponsored Schemes (2217-80-800-01)	100.00	50.00	50
77.		Central Plan/Centrally Sponsored Schemes (2230-02-101-01)	1,254.04	626.74	50
78.		Central Plan/Centrally Sponsored Schemes (4215-02-800-01)	600.02	483.02	81
79.		Central Plan/Centrally Sponsored Schemes (4217-03-800-01)	30,200.00	27,430.38	91
80.		Slum Survey / Livelihood Cell (4217-04-800-03)	45.00	45.00	100
81.	38-Civil Aviation Department	Purchase of Helicopter / Aeroplane (5053-80-800-03)	2,350.00	1,177.40	50
82.	39-Language Department	Payment of Arrears (2052-800-03)	79.59	79.59	100
83.	40-Planning Department	Central Plan/Centrally Sponsored Schemes (2402-103-01)	43.00	40.00	93
84.		Special Schemes of Bundelkhand (2575-02-800-03)	3,000.00	3,000.00	100
85.		Arrangement for use of services of experts in process of evaluation of different schemes / programs by State Planning Institute (Estimate Section) (3451-092-07)	50.00	50.00	100

(₹ in lakh)

Sl. No.	Number and title of grant	Name of the scheme (Head of account)	Provision	Amount surrendered	Percentage of surrender
86.		Construction of Office Buildings near Kalakanker House in old Hyderabad Lucknow (4059-01-051-05)	1,000.00	600.00	60
87.		Renewal, Extension, strengthening and remodeling of economic and statistics Building (4059-60-800-07)	200.00	200.00	100
88.		Special Schemes of Bundelkhand (4575-02-800-03)	27,000.00	27,000.00	100
89.	41-Election Department	Accidental Insurance of the persons deputed for the work of Legislative Assembly Election (2015-106-07)	10.00	10.00	100
90.		Accidental Insurance of the persons deputed for the work of By-Election of Lok Sabha / Legislative Assembly (2015-106-09)	10.00	10.00	100
91.	43-Transport Department	Monetary relief to Bus passengers in case of bus accident (2235-60-200-04)	30.00	17.00	57
92.	44-Tourism Department	Central Plan/Centrally Sponsored Schemes (3452-80-104-01)	40.00	25.00	63
93.		Operation of Shilpgram Agra for whole year (3452-80-104-09)	246.00	185.24	75
94.		Externally Aided Schemes (3452-80-800-97)	100.00	89.43	89
95.		Central Plan/Centrally Sponsored Schemes (5452-80-104-01)	4,380.40	2,754.49	63
96.		Tourism Development of Garhman Lake Dhakuwa Dam water fall and Baruwasagar Fort / Lake under Bundelkhand paripath (5452-80-104-04)	100.00	100.00	100
97.		Tourism Development of Brij Area (5452-80-104-05)	1,000.00	671.80	67
98.	46-Administrative Reforms Department	Payment of arrears (2052-800-03)	97-66	63-19	65
99.	47-Technical Education Department	Construction of virtual class rooms (2203-112-19)	250.00	250.00	100
100.		Central Plan/Centrally Sponsored Schemes (2230-03-003-01)	107.80	102.15	95
101.		New vocational training in Govt. Industrial Training Institute (2230-03-101-04)	36.97	28.62	77
102.		Central Plan/Centrally Sponsored Schemes (4202-02-105-01)	500.01	380.01	76
103.		Technical University Kanpur (4202-02-800-03)	100.00	100.00	100
104.		Establishment of Govt. Industrial Training Institute in Minority Dominated Development Blocks and other areas (4250-203-03)	600.00	600.00	100
105.		Grant for establishment of Industrial Training Centers in Asevit Development Blocks (4250-203-12)	100.00	100.00	100

(₹ in lakh)

Sl. No.	Number and title of grant	Name of the scheme (Head of account)	Provision	Amount surrendered	Percentage of surrender
106.	48-Muslim Waqf Department	Central Plan/Centrally Sponsored Schemes (2202-01-800-01)	4,542.00	2,512.53	55
107.		Grant to 100 new Aalia level permanently recognized Arabi Farsi Madarsa (2202-01-800-10)	1,000.00	987.43	99
108.		Welfare of minorities (2225-80-190-03)	46.15	27.46	60
109.		Maulana Mohd. Ali Jauhar Scholarship (2225-80-800-05)	36.00	36.00	100
110.		Central Plan/Centrally Sponsored Schemes (2235-02-800-01)	30,000.01	26,302.03	88
111.		Central Plan/Centrally Sponsored Schemes (4202-01-800-01)	2,676.68	2,676.68	100
112.		Central Plan/Centrally Sponsored Schemes (4235-02-800-01)	20,000.01	10,784.87	54
113.	49-Women and Child Welfare Department	Externally Aided Scheme (2235-02-102-97)	25.00	25.00	100
114.		Nutrition Program for adolescent girls (Central 90% / State 10%) (2235-02-103-23)	455.42	455.42	100
115.	50-Revenue Department (District Administration)	Construction of non-residential buildings in Tehsils (4059-01-051-05)	400.00	310.00	78
116.		Construction of racks in collectorate archives (4059-01-051-07)	87.37	55.65	64
117.	52-Revenue Department (Board of Revenue and other Expenditure)	Central Plan/Centrally Sponsored Schemes (2029-103-01)	2,421.61	2,335.75	96
118.		Collection charges of Land Revenue (Mall Gujari) Taquavi Canal and other miscellaneous Govt. dues (2029-101-03)	10.50	10.50	100
119.	53-National Integration Department	Central Plan/Centrally Sponsored Schemes (2070-800-01)	20.01	19.21	96
120.	55-Public Works Department (Buildings)	Construction of Transit Hostel Officers Hostel in Different Districts of the State (4059-80-051-22)	299.99	240.43	80
121.	58-Public Works Department (Communications-Roads)	Organization of 70th Seminar of Indian Road Congress in 2009-10 (3054-80-800-08)	250.00	250.00	100
122.		Lump sum provision for new works of rural link roads and small bridges (5054-04-337-66)	18,000.00	11,281.28	63
123.	59-Public Works Department (Estate Directorate)	Construction of Dalibag club and renovation / upgradation of Butler place club (4059-80-051-10)	50.00	31.93	64
124.		Lump sum provision for viability gap funding schemes of Public Partnership Project	1,000.00	1,000.00	100
125.	60-Forest Department	External Aided Planning (2406-01-800-97)	5,490.00	5,490.00	100
126.		U.P. Bio Diversity Board fund (2406-02-110-09)	500.00	250.00	50
127.		Establishment (2406-01-001-04)	13.70	9.92	72
128.		Modernization of Forest Department (C.C.L. System) (4406-01-800-06)	198.72	198.72	100

(₹ in lakh)

Sl. No.	Number and title of grant	Name of the scheme (Head of account)	Provision	Amount surrendered	Percentage of surrender
129.	61-Finance Department (Debt Services and other Expenditure)	Grant for re-habilitation to Govt. Public sector / corporations / autonomous Institutions and co-operative Institutions (2075-190-03)	500.00	500.00	100
130.		Loans for rehabilitation to State Government public sector / corporation / Autonomous bodies (6075-190-03)	4,000.00	3,724.00	93
131.		Loans Assistance for financial reorganization to Public Sectors / Corporations / Autonomous Bodies (6075-800-03)	30,000.00	21,615.00	72
132.		House Building advances to offices of all India Services for purchase / construction / repairs or extension of houses (7610-201-03)	200.00	166.20	83
133.		Repayment of ways and means advances (6003-110-03)	10,00,000.00	9,04,004.00	90
134.	62-Finance Department (Superannuation Allowances and Pensions)	Domestic servant allowances to retired officers of U.P. judicial Services / Higher Judicial Services (2071-01-800-03)	300.00	219.81	73
135.		Deposit linked Insurance Scheme (2235-60-104-03)	1,509.00	789.12	52
136.		Interest on deposited amount in contributory pension schemes (2049-03-117-03)	1,500.00	1,353.98	90
137.		Contribution to pension and gratuity (2071-01-106-03)	150.00	150.00	100
138.	68-Legislative Assembly Secretariat	Lump-sum financial assistance to the dependents of deceased members of Legislative Assembly died during the membership period (2235-60-200-05)	25.00	20.00	80
139.	73-Education Department (Higher Education)	Operation of on-line education in Universities (2202-03-102-06)	400.00	399.50	100
140.		Establishment of Employment bureau / guidance cell / placement cell (2202-03-102-48)	300.00	214.35	71
141.		Seminar and symposium in Universities of State (2202-03-103-05)	16.50	16.50	100
142.		Punchee Degree college Agra (2202-03-104-05)	99.00	99.00	100
143.		Seminar and symposium in aided Degree colleges of State (2202-03-104-06)	16.50	16.50	100
144.		Central Plan / Centrally Sponsored Schemes (2202-03-107-01)	1,326.01	1,326.01	100
145.		Grant for programmes Financed from students welfare fund (2204-102-03)	20.00	20.00	100
146.		Provision for basic facilities in Government Degree Colleges (4202-01-203-15)	400.00	218.11	55
147.		Rajrishi Tondon Open University (4202-01-203-17)	70.00	70.00	100

(₹ in lakh)

Sl. No.	Number and title of grant	Name of the scheme (Head of account)	Provision	Amount surrendered	Percentage of surrender
148.		Extension of basic facilities in non-Government Colleges (4202-01-203-21)	1,000.00	760.00	76
149.		Operation of on line education in Government Graduate / Post Graduate Degree Colleges (4202-01-203-23)	100.00	100.00	100
150.	78-Secretariat Administration Department	Ministers, Deputy Ministers and Assembly Secretaries (2013-101-03)	83.48	53.84	64
151.		Development and Extension of Secretariat Script centre and library (2052-090-04)	48.00	32.33	67
152.		Modernization of Secretariat (2052-090-07)	881.00	651.70	74
153.		Establishment of CCTV / Surveillance Camera and related equipments in Secretariat (4059-80-800-04)	430.62	430.62	100
154.		Modernization of security arrangements of Secretariat (4070-800-03)	5,757.83	5,757.83	100
155.	82-Vigilance Department	Vigilance Directorate Building (4059-01-051-03)	400.00	393.01	98
156.	87-Soldier's Welfare Department	Construction of Buildings and Rest Houses of District Soldiers Welfare Offices (4235-60-800-09)	80.00	80.00	100
157.	89-Institutional Finance Department (Commercial Tax)	Establishment of Vyavasthapan Ayog (2040-800-05)	60.14	60.14	100
158.		Regional Offices (4059-01-051-13)	275.00	150.00	55
159.	95-Irrigation Department (Establishment)	Working Establishment (2701-02-001-04)	50.00	25.33	50
160.		Irrigation Development and Flood Control Commission (4701-02-001-07)	28.56	22.93	80
161.	96-Irrigation Department (Works)	Financed by NABARD (4700-30-051-05)	300.00	205.00	68
162.		Financed by State (4700-65-051-03)	73.00	73.00	100
163.		Financed by AIBP (4700-69-051-05)	6,797.00	4,380.80	64
164.		Financed by AIBP (4700-71-051-05)	9,500.00	8,460.00	89
165.		Central Plan/ Centrally Sponsored Schemes (4711-03-103-01)	2,500.00	2,460.00	98
		Total	**17,98,035.77**	**14,51,749.74**	

Appendix **2.8**

Surrenders in excess of actual savings (₹ 50 lakh or more)

(Reference: Paragraph 2.3.10; Page 46)

(₹ in crore)

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
Revenue – Voted					
1	1-Excise Department	72.81	0.98	2.25	1.27
2	8-Industries Department (Printing and Stationery)	109.70	5.28	5.90	0.62
3	13- Agriculture and Other Allied Departments (Rural Development)	2,080.96	33.08	39.87	6.79
4	15- Agriculture and Other Allied Departments (Animal Husbandry)	390.93	19.46	22.13	2.67
5	16- Agriculture and Other Allied Departments (Dairy Development)	25.71	2.10	3.07	0.97
6	17- Agriculture and Other Allied Departments (Fisheries)	57.93	17.98	19.61	1.63
7	21-Food and Civil Supplies Department	38.36	0.06	3.75	3.69
8	22-Sports Department	31.95	2.08	3.08	1.00
9	27-Home Department (Civil Defence)	346.95	5.24	5.74	0.50
10	28- Home Department (Political Pension and other Expenditure)	97.69	5.85	12.19	6.34
11	41-Election Department	103.83	1.87	3.91	2.04
12	61- Finance Department (Debt Services and Other Expenditure)	44.91	217.26	218.15	0.89
13	62-Finance Department (Superannuation Allowances and Pensions)	9,220.19	77.84	281.58	203.74
14	65-Finance Department (Audit, Small Savings, etc.)	137.75	9.88	10.50	0.62
15	73-Education Department (Higher Education)	1,139.42	93.50	122.56	29.06
16	75-Education Department (State Council of Education Research and Training)	97.38	15.73	16.63	0.90
17	76-Labour Department (Labour Welfare)	160.28	3.06	4.17	1.11
18	77-Labour Department (Employment)	43.28	1.12	1.74	0.62
19	87-Soldier's Welfare Department	54.12	16.90	17.85	0.95
20	89-Institutional Finance Department (Commercial Tax)	391.70	21.18	21.87	0.69
21	95-Irrigation Department (Establishment)	1,585.40	16.76	51.71	34.95
	Total	**16,231.25**	**567.21**	**868.26**	**301.05**
Capital – Voted					
22	7-Industries Department (Heavy an Medium Industries)	146.80	24.47	26.59	2.12
23	11-Agriculture and Other Allied Departments (Agriculture)	322.04	32.74	34.42	1.68
24	13- Agriculture and Other Allied Departments (Rural Development)	1,051.33	19.68	43.63	23.95
25	15- Agriculture and Other Allied Departments (Animal Husbandry)	19.70	8.54	9.04	0.50
26	21-Food and Civil Supplies Department	11,727.13	627.51	665.13	37.62
27	50-Revenue Department (District Administration)	141.02	19.83	23.56	3.73
28	57-Public Works Department (Communication-Bridges)	620.43	28.57	74.06	45.49
29	95-Irrigation Department (Establishment)	278.93	0.87	29.57	28.70
30	96-Irrigation Department (Works)	2,630.91	22.13	652.70	630.57
	Total	**16,938.29**	**784.34**	**1,558.70**	**774.36**
Revenue-Charged					
31	62-Finance Department(Superannuation Allowances and Pensions)	17.55	9.70	15.12	5.42
	Total	**17.55**	**9.70**	**15.12**	**5.42**
	Grand Total	**33,187.09**	**1,361.25**	**2,442.08**	**1,080.83**

Appendix **2.9**

Statement of grants/appropriations in which savings occurred but no part of which was surrendered

(Reference: Paragraph 2.3.11; Page 46)

Sl. No.	Name of grant/appropriation	Savings (₹ in crore)	
		Revenue	Capital
	I -Grants		
1	3- Industries Department (Small Industries and Export Promotion)	-	0.52
2	4- Industries Department (Mines and Minerals)	0.93	0.03
3	9- Power Department	67.86	-
4	23- Cane Development Department (Cane)	19.70	0.86
5	24- Cane Development Department (Sugar Industry)	5.75	-
6	26- Home Department (Police)	101.09	145.34
7	30- Confidential Department (Revenue Special Intelligence Directorate and Other Expenditure)	0.20	-
8	31- Medical Department (Medical Education and Training)	27.37	7.58
9	35- Medical Department (Family Welfare)	84.23	40.54
10	42- Judicial Department	191.88	107.22
11	43- Transport Department	-	0.08
12	45- Environment Department	11.44	-
13	49- Women and Child Welfare Department	-	0.96
14	50- Revenue Department (District Administration)	33.90	-
15	51- Revenue Department (Relief on account of Natural Calamities)	601.30	-
16	56- Public Works Department (Special Area Programme)	0.83	11.51
17	62- Finance Department (Superannuation Allowances and Pensions)	-	93.55
18	71- Education Department (Primary Education)	1,313.45	1.56
19	72- Education Department (Secondary Education)	258.35	3.68
20	79- Social Welfare Department (Welfare of the Handicapped and the Backward Classes)	5.53	4.77
21	80- Social Welfare Department (Social Welfare and Welfare of Scheduled Castes)	91.41	
22	81- Social Welfare Department (Tribal Welfare)	11.91	7.62
23	83- Social Welfare Department (Special Component Plan for Scheduled Castes)	291.56	724.30
24	86- Information Department	39.82	-
25	91- Intuitional Finance Department (Stamps and Registration)	11.48	0.07
	Total	**3,169.99**	**1,150.19**
	II- Appropriations		
1	1- Excise Department	0.02	-
2	20- Personnel Department (Public Service Commission)	0.56	-
3	26- Home Department (Police)	0.63	-
4	35- Medical Department (Family Welfare)	0.15	-
5	42- Judicial Department	7.42	-
6	49- Women and Child Welfare Department	0.10	-
7	50- Revenue Department (District Administration)	0.18	-
8	52- Revenue Department (Board of Revenue and Other Expenditure)	-	0.10
9	72- Education Department (Secondary Education)	0.03	-
10	96- Irrigation Department (Works)	-	3.27
	Total	**9.09**	**3.37**
	Grand Total	**3,179.08**	**1,153.56**
	Total of Revenue and Capital	**4,332.64**	

Appendix 2.10

Details of saving of ₹ One crore and above not surrendered

(Reference Paragraph 2.3.11; Page 46)

(₹ in crore)

Sl. No.	Number and Name of Grants/Appropriation	Savings	Surrenders	Savings which remained to be surrendered
1	2	3	4	5
	Revenue Voted			
1	3-Industries Department (Small Industry and Export promotion)	10.18	9.09	1.09
2	9- Power Department	67.86	-	67.86
3	11- Agriculture and Other Allied Departments (Agriculture)	720.33	673.65	46.68
4	14-Agriculture and Other Allied Departments (Panchayati Raj)	334.35	295.42	38.93
5	23- Cane Development Department (Cane)	19.70	-	19.70
6	24- Cane Development Department (Sugar Industry)	5.75	-	5.75
7	26- Home Department (Police)	101.09	-	101.09
8	31-Medical Department(Medical Education and Training)	27.37	-	27.37
9	32-Medical Department (Allopathy)	414.68	394.33	20.35
10	34-Medical Department (Homeopathy)	25.00	20.79	4.21
11	35- Medical Department (Family Welfare)	84.23	-	84.23
12	37-Urban Development Department	54.47	50.17	4.30
13	42- Judicial Department	191.88	-	191.88
14	45-Environment Department	11.44	-	11.44
15	47-Technical Education Department	53.26	14.61	38.65
16	49-Women and Child Welfare Department	218.28	183.55	34.73
17	50- Revenue Department (District Administration)	33.90	-	33.90
18	51- Revenue Department (Relief on account of Natural Calamities)	601.30	-	601.30
19	52-Revenue Department (Board of Revenue and Other Expenditure)	64.65	48.03	16.62
20	54- Public Works Department(Establishment)	442.11	2.83	439.28
21	59- Public Works Department(Estate Directorate)	6.41	2.96	3.45
22	60-Forest Department	65.12	63.59	1.53
23	71- Education Department (Primary Education)	1,313.45	-	1,313.45
24	72-Education Department (Secondary Education)	258.35	-	258.35
25	79- Social Welfare Department (Welfare of the Handicapped and the Backward Classes)	5.53	-	5.53
26	80- Social Welfare Department (Social Welfare and Welfare of Scheduled Castes)	91.41	-	91.41
27	81- Social Welfare Department(Tribal Welfare)	11.91	-	11.91
28	83-Social Welfare Department (Special Component Plan for Scheduled Castes)	291.56	-	291.56
29	86- Information Department	39.82	-	39.82
30	91- Institutional Finance Department (Stamps and Registration)	11.48	-	11.48
31	96-Irrigation Department (Works)	158.52	2.81	155.71
	Total	**5,735.39**	**1,761.83**	**3,973.56**

(₹ in crore)

Sl. No.	Number and Name of Grants/Appropriation	Savings	Surrenders	Savings which remained to be surrendered
1	2	3	4	5
	Capital Voted			
1	26- Home Department (Police)	145.34	-	145.34
2	31- Medical Department(Medical Education and Training)	7.58	-	7.58
3	32-Medical Department (Allopathy)	151.78	143.87	7.91
4	35- Medical Department (Family Welfare)	40.54	-	40.54
5	37-Urban Development Department	374.16	370.71	3.45
6	40-Planning Department	294.19	283.25	10.94
7	42- Judicial Department	107.22	-	107.22
8	47-Technical Education Department	75.36	39.75	35.61
9	56- Public Works Department(Special Area Programme)	11.51	-	11.51
10	61-Finance Department(Debt Services and other Expenditure)	274.13	269.40	4.73
11	62- Finance Department (Superannuation Allowances and Pensions)	93.55	-	93.55
12	71- Education Department (primary Education)	1.56	-	1.56
13	72- Education Department (Secondary Education)	3.68	-	3.68
14	79- Social Welfare Department (Welfare of the Handicapped and the Backward Classes)	4.77	-	4.77
15	81- Social Welfare Department (Tribal Welfare)	7.62	-	7.62
16	83- Social Welfare Department (Special Component Plan for Scheduled Castes)	724.30	-	724.30
	Total	**2,317.29**	**1,106.98**	**1,210.31**
	Revenue Charged			
1	42- Judicial Department	7.42	-	7.42
2	61-Finance Department(Debt Services and other Expenditure)	352.19	1.23	350.96
	Total	**359.61**	**1.23**	**358.38**
	Capital Charged			
1	61-Finance Department(Debt Services and other Expenditure)	9,219.96	9,041.70	178.26
2	96- Irrigation Department (Works)	3.27	-	3.27
	Total	**9,223.23**	**9,041.70**	**181.53**
	Grand Total	**17,635.52**	**11,911.74**	**5,723.78**

Appendix **2.11**

Cases of surrender of funds in excess of ₹ 10 crore on 30 and 31 March 2010

(Reference: Paragraph 2.3.11; Page 46)

(₹ in crore)

Sl. No.	Grant No.	Major Head	Amount of surrender	Percentage of total provision
		Revenue Voted		
1	6	Industries Department (Handloom Industry)	13.64	38
2	7	Industries Department (Heavy and Medium Industries)	97.02	42
3	10	Agriculture and Other Allied Departments (Horticulture and Sericulture Development)	21.69	11
4	11	Agriculture and Other Allied Departments (Agriculture)	673.65	29
5	12	Agriculture and Other Allied Departments (Land Development and Water Resourses)	24.00	12
6	13	Agriculture and Other Allied Departments (Rural Development)	39.87	02
7	14	Agriculture and Other Allied Departments (Panchayati Raj)	295.42	17
8	15	Agriculture and Other Allied Departments (Animal Husbandry)	22.13	06
9	17	Agriculture and Other Allied Departments (Fisheries)	19.61	34
10	28	Home Department (Political Pension and other Expenditure)	12.19	12
11	32	Medical Department(Allopathy)	394.33	17
12	33	Medical Department (Ayurvedic and Unani)	42.09	12
13	34	Medical Department(Homeopathy)	20.79	12
14	36	Medical Department(Public Health)	50.03	13
15	37	Urban Development Department	50.17	09
16	40	Planning Department	44.45	34
17	47	Technical Education Department	14.61	05
18	48	Muslim Waqf Department	349.41	43
19	49	Women and Child Welfare Department	183.55	06
20	52	Revenue Department (Board of Revenue and Other Expenditure)	48.03	03
21	60	Forest Department	63.59	17
22	62	Finance Department (Superannuation Allowances and Pensions)	281.58	03
23	65	Finance Department (Audit, Small Savings, etc.)	10.50	08
24	73	Education Department (Higher Education)	122.56	11
25	75	Education Department (State Council of Education Research and Training)	16.63	17
26	78	Secretariat Administration Department	29.86	09
27	87	Soldiers' Welfare Department	17.85	33
28	89	Institutional Finance Department (Commercial Tax)	21.87	06
29	95	Irrigation Department (Establishment)	51.71	03
		Total	**3,032.83**	

(₹ in crore)

Sl. No.	Grant No.	Major Head	Amount of surrender	Percentage of total provision
		Capital Voted		
30	7	Industries Department (Heavy and Medium Industries)	26.59	18
31	9	Power department	1,871.08	27
32	11	Agriculture and Other Allied Departments (Agriculture)	34.42	11
33	13	Agriculture and Other Allied Departments (Rural Development)	43.63	04
34	14	Agriculture and Other Allied Departments (Panchayati Raj)	17.89	03
35	18	Agriculture and Other Allied Departments (Cooperative)	10.39	32
36	21	Food and Civil Supplies Department	665.13	06
37	32	Medical Department (Allopathy)	143.87	24
38	37	Urban Development Department	371.70	29
39	40	Planning Department	283.25	81
40	44	Tourism Departament	31.41	14
41	47	Technical Education Department	39.75	16
42	50	Revenue Department (District Administration)	23.56	17
43	57	Public works Department (Communications- Bridges)	74.06	12
44	61	Finance Department (Debt Services and other Expenditure)	269.40	59
45	95	Irrigation Department(Establishment)	29.57	11
46	96	Irrigation Department(Works)	652.70	25
		Total	**4,588.40**	
		Revenue charged		
47	62	Finance Department (Superannuation Allowance and Pension)	15.12	86
		Total	**15.12**	
		Capital charged		
48	61	Finance Department (Debt Services and Other Expenditure)	9,041.70	57
		Total	**9,041.70**	
		Grand Total	**16,678.05**	

Appendix 3.1

Utilisation certificates outstanding as on 31 March 2010

(Reference: Paragraph 3.1; Page 51)

(₹ in lakh)

Sl. No.	Department	Year of payment of grant	Total Grant paid		Utilisation certificate				Reasons for the UCs remaining outstanding
			No.	Amount	Received		Outstanding		
					No.	Amount	No.	Amount	
1.	Department of Technical Education	2008-09	41	9,211.33	20	3,321.25	21	5,890.08	Reasons not furnished
2.	Department of Education (Higher Education)	2008-09	NA	5,626.28	NA		NA	5,626.28	Reasons not furnished
3.	Department of Education (Secondary Education)	2008-09	NA	17,502.88	NA	5,751.39	NA	11,751.49	Reasons not furnished
4.	Department of Urban Development (UP Jal Nigam)	2008-09	NA	39,868.43	2	8,096.11	NA	31,772.32	Reasons not furnished
5.	Department of Medical Education and Training (Dr. Ram Manohar Lohia Institute of Medical Sciences Lucknow)	2007-08	NA	4,500.00	NA	4,455.43	2	44.57	Reasons not furnished
		2008-09	2	23.00	1	20.00	01	3.00	
6.	Department of Milk Development	2007-08	NA	11,656.27	NA	6,855.39	479	4,800.88	Reasons not furnished
		2008-09	672	970.02	151	195.54	521	774.48	
7.	Department of Language	2008-09	12	270.41	4	99.32	8	171.09	Reasons not furnished
8.	Department of Karmik, Training and Other Expenditure	2008-09	NA	154.00	NA		NA	154.00	Reasons not furnished
9.	Department of National Integration	2008-09	101	6.60	41	2.40	60	4.20	Reasons not furnished
10.	Department of Agriculture and Other Allied Activities (Registrar, Cooperative Societies)	2008-09	12	2,355.77	12	470.97	NA	1,884.80	Reasons not furnished
11.	Department of Tourism	2008-09	9	45.00	9	23.88	NA	1.12	Reasons not furnished
12.	Department of Secretariat Administration	2008-09	19	5.00	18	4.75	1	0.25	Reasons not furnished
13.	Department of Forest (Chief Conservator of Forest)	2008-09	3	75.00	2	50.00	1	25.00	Reasons not furnished
14.	Department of Judiciary	2008-09	145	1,723.09	73	1,582.21	72	140.88	Reasons not furnished
15.	Department of Social Welfare	2008-09	71	28,358.23	NA		71	28,358.23	Reasons not furnished
16.	Department of Social Welfare (STs Development)	2008-09	50	859.85	7	7.28	43	852.57	Reasons not furnished
17.	Department of Women Welfare	2008-09	25	54,114.00	NA	53,308.00	25	806.00	Reasons not furnished
18.	Department of Agriculture and Other Allied Activities (Fisheries)	2008-09	142	515.33	64	207.04	78	308.29	Reasons not furnished
19.	Department of Administrative Reforms	2008-09	2	6.95	1	3.45	1	3.50	Reasons not furnished
20.	Department of Industries (Handicraft)	2004-05	438	4,459.61	438	3,959.61	NA	500.00	Reasons not furnished
		2005-06	782	2,340.27	682	1,314.73	100	1,025.55	Reasons not furnished
		2007-08	370	727.39	102	351.89	268	375.50	Reasons not furnished
		2008-09	112	858.19	110	824.29	2	33.89	Reasons not furnished
21.	Department of Political Pensions and Other Expenditure	2008-09	NA	10.42	NA	2.00	NA	8.42	Reasons not furnished
22.	Department of Sugarcane Development (Sugar Commissioner)	2001-02	NA	679.10	NA	NA	89	679.10	Reasons not furnished
		2005-06	88	12,609.00	87	6,609.00	01	6,000.00	Reasons not furnished
		2006-07	97	16,100.97	95	14,698.97	02	1,402.00	Reasons not furnished
		2008-09	30	83,614.78	29	82,114.78	01	1500	Reasons not furnished
23.	Transport Department (U.P.State Road Transport Nigam Ltd.)	1998-99	NA	49	NA	NA	01	49.00	Reasons not furnished
						Total	1848	1,04,946.49	

Note: The department has not furnished the complete information in these cases.

Appendix
3.2

Statement showing delay in submission of accounts by the autonomous bodies

(Reference: Paragraph 3.4; Page 53)

Sl. No.	Name of body	Period of entrustment	Year up to which accounts were rendered	Period up to which Separate Audit Report is issued	Placement of Separate Audit Report in the Legislature	Delay in submission of accounts	Period of delay
1	2	3	4	5	6	7	8
1	Jal Sansthan, Jhansi	2001-10	2008-09	2008-09	These are not placed before the Legislature.	2009-10	2 months
2	Jal Sansthan, Allahabad	2001-10	2008-09	2008-09		2009-10	2 months
3	Jal Sansthan, Agra	2001-10	2008-09	2008-09		2009-10	2 months
4	Jal Sansthan, Varanasi	2001-10	2008-09	2008-09		2009-10	2 months
5	Jal Sansthan, Kanpur	2001-10	2008-09	2008-09		2009-10	2 months
6	Jal Sansthan, Chitrakoot Dham, Banda	2001-10	2008-09	2008-09		2009-10	2 months
7	Jal Sansthan, Lucknow	2001-10	2008-09	2008-09		2009-10	2 months
8	Khadi Gramodyog Board Lucknow	2004-14	2007-08	2005-06	Placement of SAR ending 2004-05 and 2005-06 is in process	2008-10	2-14 months

Appendix
3.3

Statement of finalisation of accounts and investment in departmentally managed commercial and quasi-commercial undertakings.

(Reference: Paragraph 3.5; Page 54)

Sl. No.	Name of the Undertaking	Accounts finalised up to	Investment as per the last accounts finalised (₹ in crore)
Irrigation Department			
1	IWD, Meerut	2009-10	0.37
2	IWD, Jhansi	2009-10	0.53
3	IWD, Bareilly	2009-10	2.25
4	IWD, Kanpur	2009-10	0.21
5	IWD, Allahabad	2009-10	1.92
6	IWD, Gorakhpur	2009-10	1.54
Animal Husbandry Department			
7	State Live Stock Cum Agriculture Farm	2008-09	13.17
Food and Civil Supplies Department			
8	Scheme for Public Distribution System of Foodgrain	2007-08	348.60
Health Department			
9	State Pharmacy of Ayurvedic and Unani Medicines	1987-88	0.09
Samaj Kalyan Department			
10	Criminal tribes Settlement tailoring Factory (Kanpur)	1979-80	0.04
		Total	**368.72**

Appendix **3.4**

Department-wise/duration-wise break-up of the cases of misappropriation, defalcation, etc., (cases where final action was pending at the end of March 2010)

(Reference: Paragraph 3.6; Page 54)

(Figures in bracket indicate ₹ in lakh)

Sl. No.	Department	Up to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	Above 25 years	Total no. of cases
1	Agriculture	-	3 (8.91)	-	1 (0.16)	1 (0.18)	-	5 (9.25)
2	Animal Husbandry	-	1 (3.20)	3 (0.79)	7 (1.91)	4 (0.64)	1 (0.02)	16 (6.56)
3	Co-operative	-	-	1 (1.28)	1 (0.17)		---	2 (1.45)
4	Education	2 (102.27)		1 (5.00)	---	---	---	3 (107.27)
5	Finance	-	-	-	-	1 (0.67)	-	1 (0.67)
6	Fisheries	-	-		5 (2.20)	1 (0.50)	1 (0.50)	7 (3.20)
7	Food and Supplies		1 (3.06)	-	3 (7.09)	5 (18.63)	-	9 (28.78)
8	Irrigation	16 (28.50)	10 (0.52)	26 (9.91)	-	-	-	52 (38.93)
9	Judiciary	1 (4.44)	-	-	-	1 (0.66)	-	2 (5.10)
10	Land Acquisition	-	-	-	-	-	3 (331.44)	3 (331.44)
11	Medical & Health and Family Welfare	-	-	1 (1.53)	3 (4.42)	11 (12.46)	-	15 (18.41)
12	Police	1 (4.00)	-	-	1 (1.21)	1 (0.60)	3 (2.94)	6 (8.75)
13	PAC	---		1 (47.48)		1 (0.51)	-	2 (47.99)
14	PWD	10 (151.04)	1 (0.98)	-	-	-	-	11 (152.02)
15	Revenue	-	1 (1.72)	-	-	2 (1.45)	2 (4.97)	5 (8.14)
16	Rural Development	-	-		3 (1.65)	4 (0.74)	5 (1.45)	12 (3.84)
17	Social Welfare	-	-	1 (0.25)	-	-	2 (0.70)	3 (0.95)
18	Technical Education	-	1 (11.59)	-	-	-	-	1 (11.59)
19	Weight and Measurement	-	-	-	-	1 (1.01)	-	1 (1.01)
20	Horticulture	1 (3.59)	-	-	-	-	-	1 (3.59)
	Total	**31 (293.84)**	**18 (29.98)**	**34 (66.24)**	**24 (18.81)**	**33 (38.05)**	**17 (342.02)**	**157 (788.94)**

Appendix **3.5**

Department-wise/category-wise details in respect of cases of loss to Government due to theft, misappropriation/loss of Government material

(Reference: Paragraph 3.6; Page 54)

Name of the Department	Theft cases		Misappropriation/ Loss of Government Material		Total	
	Number of Cases	Amount (₹in lakh)	Number of Cases	Amount (₹in lakh)	Number of Cases	Amount (₹ in lakh)
Agriculture	2	1.63	3	7.62	5	9.25
Animal Husbandry	11	1.79	5	4.77	16	6.56
Co-operative	1	1.28	1	0.17	2	1.45
Education	1	5.00	2	102.27	3	107.27
Finance	-	-	1	0.67	1	0.67
Fisheries	2	1.00	5	2.20	7	3.20
Food and Supplies	-	-	9	28.78	9	28.78
Irrigation	45	2.61	7	36.32	52	38.93
Judiciary	-	-	2	5.10	2	5.10
Land Acquisition	-	-	3	331.44	3	331.44
Medical & Health	12	14.43	3	3.98	15	18.41
Police	-	-	6	8.75	6	8.75
PAC	-	-	2	47.99	2	47.99
PWD	3	1.63	8	150.39	11	152.02
Revenue	-	-	5	8.14	5	8.14
Rural Development	5	1.34	7	2.50	12	3.84
Social Welfare	-	-	3	0.95	3	0.95
Technical Education	-	-	1	11.59	1	11.59 45.20
Weights and Measurement	1	1.0	-	-	1	1.01
Horticulture	-	-	1	3.59	1	3.59
Total	**83**	**31.72**	**74**	**757.22**	**157**	**788.94**

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth Rate
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	[(Current year Amount /Previous year Amount)-1]* 100
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	Interest payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100
Interest spread	GSDP growth – Average Interest Rate
Quantum spread	Debt stock *Interest spread
Interest received as *per cent* to Loans Outstanding	Interest Received [(Opening balance + Closing balance of Loans and Advances)/2]*100
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts **minus** all Plan Grants and Non-Plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt.

Explanation of terms

Terms	Explanation
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. For instance, for 2008-09, revenue buoyancy at 0.8 implies that revenue receipts tend to increase by 0.8 percentage points, if the GSDP increases by one *per cent*.
Core public goods and merit goods	Core public goods are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. Merit goods are commodities that the public sector provides free or at subsidised rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidised food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc
Development expenditure	The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.
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 debt. 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 rise in fiscal deficit should match with the increase in capacity to service the debt.
Debt stabilisation	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate 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. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilise eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.
Sufficiency of non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal + 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.

Terms	Explanation
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 appropriation *vis-a-vis* the actual expenditure incurred against each and the unspent provisions or excess under each grant or appropriation. Any expenditure in excess of the grants requires regularisation by the Legislature.
Autonomous Bodies	Autonomous Bodies (usually registered Societies or Statutory Corporations) are set up whenever it is felt that certain functions need to be discharged outside the governmental set up with some amount of independence and flexibility without day-to-day interference of the Governmental machinery.
Committed expenditure	The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsides on which the present executive has limited control.
State Implementing Agency	State Implementing Agency includes any Organisation/Institution including Non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Health Mission for National Rural Health Mission and UP Rural Roads Development Agency for Pradhanmantri Gram Sadak Yojna, etc.
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.
Sinking Fund	A Fund into which the government sets aside money over time, in order to retire its debt.
Gauranttee Redemption Fund	Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per the terms of the Guarantee Redemption Fund, the State Government was required to contribute an amount equal to atleast $1/5^{th}$ of the outstanding invoked guarantees plus an amount likely to be invoked as a result of the incremental guarantees during the year
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.
Primary revenue expenditure	Primary revenue expenditure means revenue expenditure excluding interest payments.
Re-appropriation	Means the transfer of funds from one Primary unit of appropriation to another such unit.
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.

Acronyms	Full form
AC Bill	Abstract Contingency Bill
AE	Aggregate Expenditure
BE	Budget Estimates
CAG	Comptroller and Auditor General of India
CE	Capital Expenditure
DCC Bill	Detailed Countersigned Contingency Bill
DCRF	Debt Consolidation and Relief Facility
DE	Development Expenditure
FCP	Fiscal Correction Path
GOI	Government of India
GSDP	Gross State Domestic Product
FRBM	Fiscal Responsibility and Budget Management Act, 2004
IP	Interest Payment
MTFRPS	Medium Term Fiscal Restructuring Policy Statement
O&M	Operation and Maintenance
PAC	Public Accounts Committee
PRIs	Panchayati Raj Institutions
RE	Revenue Expenditure
RR	Revenue Receipts
S&W	Salaries and Wages
SAR	Separate Audit Report
SSE	Social Sector Expenditure
TE	Total Expenditure
TFC	Twelfth Finance Commission
UC	Utilisation Certificate
ULBs	Urban Local Bodies