2011-12



Audit Report : State Finance, Government of Uttar Pradesh 2010-11

Report of the Compt
Auditor General o

STATE FINAN

FOR THE YEAR ENDED 31 MA

(Report No. : 1)



Raj Bhavan Lucknow

GOVERNMENT OF UTTA

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कार्यालय प्रधान महालेखाकार
(सिविल आडिट) उत्तर प्रदेश

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PREFACE

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

Chapters I and II 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 2011. Information has also been obtained from the Government of Uttar Pradesh, wherever necessary. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the year 2010-11.

The Reports containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Revenue Receipts, Statutory Corporations, Boards and Government Companies are being presented separately.

EXECUTIVE SUMMARY

Based on the audited accounts of the Government of Uttar Pradesh for the year ending March 2011, 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 its II[nd] Amendment Act, 2011, Budget Documents, Economic Review 2010-11, Thirteenth Finance Commission Report and other financial data obtained from various Government departments and organisations. The report is structured in three Chapters.

Chapter I is based on the audit of Finance Accounts and makes an assessment of Uttar Pradesh Government's fiscal position as on 31 March 2011. 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 II 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 III 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 15 *per cent* during 2010-11 over the preceding year mainly due to 21 *per cent* increase in tax revenue and 37 *per cent* increase in share of union taxes. Revenue receipts ₹ 1,11,184 crore were very close to the target set under the Mid Term Fiscal Restructuring Policy (MTFRP) for 2010-11 (₹ 1,11,621 crore). Tax revenue which is a major constituent of the revenue receipts was below the target of MTFRP by ₹ 1,196 crore while it was above the projection made by Thirteenth Finance Commission by ₹ 3,806 crore. Similarly non tax revenue was also below the target of MTFRP by ₹ 3,809 crore but was above the normative assessment made by the Thirteenth Finance Commission by ₹ 3,577 crore.

Revenue expenditure: During 2010-11, the revenue expenditure increased by 20 *per cent* (₹ 18,302 crore) relative to 2009-10. Within revenue expenditure, plan expenditure increased by ₹ 5,338 crore (34 *per cent*) over the previous year and the non-plan expenditure increased by ₹ 12,964 crore (18 *per cent*). The increases under plan expenditure show growth of infrastructure and services network of the State. The revenue expenditure as a *percent*age of total expenditure increased from 77 *per cent* to 83 *per cent* in the current year. The committed expenditure on salaries, pension, interest payments and subsidies constituted 82 *per cent* of the non-plan revenue expenditure during 2010-11.

Priority to economic and social sector expenditure: The fiscal priority given to development, social and education sectors was not adequate in 2010-11 as their ratio to aggregate expenditure was less than the General Category States Average except education which was marginally higher.

In view of the literacy rate in the State being much below the All India Average and the infant mortality being higher than the All India Average, the Government may consider re-prioritising its public expenditure by giving priority to the Social Sector.

Resource mobilisation: There had been increasing trend in generation of State's own revenues all along the period 2006-11. Tax revenue/Gross State Domestic Product ratio remained constant around seven *per cent* and non-tax revenue-GSDP ratio substantially decreased from 2.77 *per cent* in 2009-10 to 1.90 *per cent in* 2010-11. The sharp decrease in non-tax revenue-GSDP ratio during 2010-11 was mainly due to decrease under miscellaneous general services.

Review of Government investments: The average return on Government's investments in statutory corporations, Government companies, joint stock companies and co-operatives was 0.033 *per cent* during the last three years, whereas its average interest outgo on its borrowings was 6.67 *per cent* during the corresponding period. This is clearly an unsustainable proposition. The State Government should therefore, seek better value for money in investments. ***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 at 38 *per cent* at the end of 2010-11 was on lower side especially in view of the target of FRBM (second amendment) Act 2011 to contain it to 42 *per cent* by the end of 2014-15. Nearly 92 *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 under the head '6003 Internal Debt of the State Government' may not be sufficient for amortisation of loans.

Revenue surplus: The fiscal position of the State has shown improvement in 2010-11 relative to previous year. Though the revenue surplus reduced by ₹ 3,539 crore but fiscal deficit has reduced to 2.93 *percent* of GSDP during the year 2010-11 due to low capital expenditure over the previous year. Despite this, there is scope of improving it by making efforts of 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.

Financial management and budgetary control: During 2010-11, an overall savings of ₹ 23,932.15 crore over the total grants and appropriation is indicative of inaccurate budgeting. The department of Planning, Women and Child Welfare, Finance (Debt Services and Other Expenditure) posted large savings persistently for the last five years. Excess expenditure of ₹ 11,771.48 crore for the period 2005-11 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.

Financial reporting: The Government's compliance with various financial rules and procedures was deficient. *Utilisation 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. 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. The amount of interest credited to the individual GPF accounts of the Class IV employees was not intimated by the Government for adjustment in accounts. Detailed Countersigned Contingency bills against Abstract Contingency bills were awaited since long.

Chapter I FINANCES OF THE GOVERNMENT

Profile of Uttar Pradesh

Uttar Pradesh is the fifth largest State of India; it covers an area of 2.41 lakh square kilometer with a population of 19.96 crore as per 2011 census. In the last decade, the density of population in Uttar Pradesh has also increased from 690 persons per square km to 828 persons **(Appendix 1.1).**

Uttar Pradesh has a lower literacy rate, life expectancy at birth and higher infant mortality rate and more population below poverty line (BPL) when compared to All India average. The GSDP growth of the state stood at a lower rate of 13.35 *per cent* in the last decade as compared to the average GSDP growth of General Category States of 14.68 *per cent*. The per capita income growth in Uttar Pradesh has been lower than that of the General Category States in the current decade.

1.1 Introduction

This chapter provides an audit perspective of the finances of the Government of Uttar Pradesh during the year 2010-11 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 provided by 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' (FRBM) and setting out a reform agenda of long-term goal of securing growth with stability for its economy. The Government has also responded to the Thirteenth Finance Commission's recommendations and amended its FRBM Act 2004 and developed its own fiscal consolidation path for the year 2011-12 to 2014-15 to reduce fiscal deficit and total liabilities.

A summary of Fiscal Responsibility and Budget Management Act, 2004 and Uttar Pradesh Fiscal Responsibility and Budget Management (Second Amendment) Act, 2011of the State are given in ***Appendix 1.3.1*** and ***Appendix 1.3.2*** respectively.

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 (2010-11), *vis-à-vis,* previous year (2009-10), while ***Appendix 1.5*** presents 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				
	2009-10	2010-11		2009-10	2010-11		
Section A	*Total*	*Total*	*Section A*	*Total*	*Non plan*	*Plan*	*Total*
Revenue Receipts	**96,420.95**	**1,11,183.76**	**Revenue expenditure**	**89,373.61**	**86,636.08**	**21,039.53**	**1,07,675.61**
Tax revenue	*33,877.60*	*41,109.85*	*General services*	40,641.30	47,031.83	987.34	48,019.17
Non-Tax Revenue	*13,601.09*	*11,176.21*	*Social services*	32,064.28	23,737.14	15,829.56	39,566.70
Share of Union Taxes/ Duties	*31,796.67*	*43,464.05*	*Economic services*	13,308.00	11,502.40	4,222.63	15,725.03
Grants from GoI	*17,145.59*	*15,433.65*[1]	*Grants-in-aid and Contributions*	3,360.03	4,364.71	-	4,364.71
Section B			*Section B*				
Miscellaneous Capital Receipts	-	-	**Capital Outlay**	**25,091.23**	**691.72**	**19,581.08**	**20,272.80**
Recoveries of Loans and Advances	**293.08**	**485.17**	**Loans and Advances disbursed**	**941.85**	**350.94**	**617.28**	**968.22**
Public Debt Receipts[2]	**22,489.07**	**21,394.08**	**Repayment of Public Debt**	**7,668.59**	**7,383.08**	-	**7,383.08**
Contingency Fund	**82.82**	-	**Contingency Fund**	-	**39.90**	-	**39.90**
Public Account Receipts	**99,907.88**	**1,27,649.22**	**Public Account disbursements**	**1,01,780.30**	**1,17,472.99**	-	**1,17,472.99**
Opening Cash Balance	**9,067.14**	**3,405.36**	***Closing Cash Balance***	**3,405.36**	**10,304.99**	-	**10,304.99**
Total	**2,28,260.94**	**2,64,117.59**	**Total**	**2,28,260.94**	**2,22879.70**	**41,237.89**	**2,64,117.59**

Source: Finance Account

Following are the significant changes during 2010-11 over the previous year:

- **Revenue receipts** grew by ₹ 14,762.81 crore (15 *per cent*) over the previous year. The increase was mainly contributed by tax revenue (₹ 7,232.25 crore; 21 *per cent*), and share of union taxes (₹ 11,667.38 crore; 37 *per cent*). Revenue receipts of ₹ 1,11,183.76 crore were very close to the normative projections made in the Mid Term Fiscal Restructuring Policy, 2011 (₹ 1, 11,620.61 crore).
- **Tax Revenue** increased by ₹ 7,232 crore (21 *per cent*) over the previous year. The increase was mainly contributed by the taxes on sales, trade etc. (₹ 4,012 crore; 19 *per cent*), state excise (₹ 1,057 crore; 19 *per cent*) and stamps and

[1] Includes Grants for centrally sponsored plan scheme of ₹ 5133.43 crore
[2] Including net transactions under ways and means advances of ₹ 713.88 crore.

registration fees (₹ 1,413 crore; 31 *per cent*) over the previous year. The tax revenue at ₹ 41,110 crore significantly exceeded the normative assessment made by the Thirteenth Finance Commission (₹ 37,304 crore)

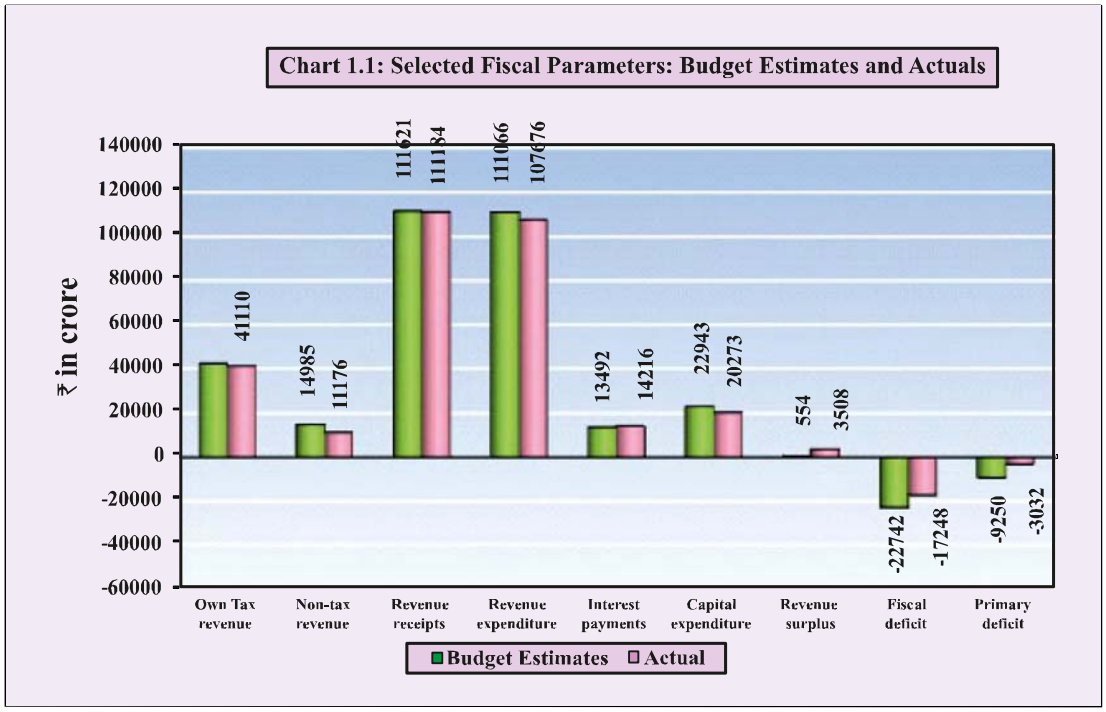
- **Non-tax revenue** decreased by ₹ 2,425 crore (18 *per cent)* over the previous year. It was however higher than the normative projection made in Thirteenth Finance Commission (₹ 3,577 crore) and lower than the projection of Mid Term Fiscal Restructuring Policy (₹ 3,809 crore). This was mainly due to decrease in miscellaneous general services (₹ 2,954 crore; 37 *per cent*) and power (₹ 79 crore; 46 *per cent)* partly offset by the increase under education, sports, art and culture by ₹ 274 crore.
- **Grants-in-aid** from Government of India decreased by ₹ 1,712 crore (10 *per cent*) over the previous year. Grants-in-aid from Government of India were ₹ 15,433.65 crore against the projections made by the State in its Mid Term Fiscal Restructuring Policy (₹ 18,812 crore).
- **State's Share** in Union taxes and duties increased by ₹ 11,667 crore (37 *per cent*) over the previous year. The share (₹ 43,464 crore) was higher by ₹ 7,947 crore (22 *per cent*) the projections made by the State in its Mid Term Fiscal Restructuring Policy (₹ 35,517 crore).
- **Revenue expenditure** increased by ₹ 18,302 crore (20 *per cent)* over the previous year. However it was lower than the projections made by the State in its Mid Term Fiscal Restructuring Policy (₹ 1, 11,066 crore).
- **Within revenue expenditure,** non-plan expenditure increased by ₹ 12,964 crore (18 *per cent*) and plan expenditure increased by ₹ 5,338 crore (34 *per cent*) over the previous year. Non-plan revenue expenditure was far ahead of the Thirteenth Finance Commission normative projections by ₹ 26,830 crore (45 *per cent*).
- **Capital expenditure** decreased by ₹ 4,818 crore (19 *per cent)* over the previous year mainly due to huge reduction in Capital outlay in Agriculture and Allied activities and Energy under Economic Services. It was even lower than the projections made by the State in its Mid Term Fiscal Restructuring Policy (₹ 22,943 crore).
- **Recovery of Loans and Advances** increased by ₹ 192 crore (66 *per cent*) over the previous year which fell short by ₹ 186 crore (28 *per cent*) than the projections made by the State in its Mid Term Fiscal Restructuring Policy (₹ 671 crore). Disbursement of loans and advances (₹ 968 crore) was also lower than the projections made by the State in its Mid Term Fiscal Restructuring Policy (₹ 1,025 crore).
- **Public Debt receipts** decreased by ₹ 1,095 crore (five *per cent*) over the previous year showed improvement in the State's debt management. Repayment also decreased by ₹ 286 crore over the previous year.
- Significant increase in **Public Accounts Receipt** by ₹ 27,741 crore (28 *per cent*) was observed over the previous year, mainly due to increase of balances under Suspense and Miscellaneous head (89 *per cent*) partly offset by decrease in remittances (38 *per cent*).

- **Public Accounts Disbursement** also registered an increase by ₹ 15,693 crore (15 *per cent*) over the previous year.
- **Cash balances** at the close of 2010-11 (₹ 10,305 crore) increased by ₹ 6,900 crore (203 *per cent*) from the level of ₹ 3,405 crore in the previous year. Of this ₹ 9,878 crore was invested in the Government of India Treasury bills and ₹ 45 crore in the Government of India securities.

1.3 Budget estimates and actuals

The budget presented by the Government provides estimated revenue receipts and expenditure for a particular fiscal year. The importance of accuracy in estimation of revenue receipts 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. It may be because of unanticipated and unforeseen events or under/over estimation of expenditure or revenue at the Budget stage. Actual realization of revenue and its disbursement, however, depends on a variety of internal and external factors.

The budgeted and actual figures for some important fiscal parameters for the year 2010-11 are shown in **Chart 1.1** and ***Appendix 1.6***.



Source: Budget and Finance Accounts

- **During 2010-11,** the actual **revenue receipts** (₹ 1,11,183.76 crore) were almost equal to the budget estimates (₹ 1,11,620.61 crore) while actual revenue expenditure fell short of ₹ 3,390.60 crore (three *per cent*) over budget estimates resulting in an increase of revenue surplus by ₹ 3,508 crore.

- The actual collection of **Own Tax Revenue** during the year also decreased by ₹ 1,196 crore (three *per cent*) over the budget estimates for the year mainly due to decrease in collection of taxes on sales, Trade etc. by ₹ 2,142 crore (eight *per cent*) and goods and passengers by ₹ 678 crore (74 *per cent*) over the budget estimates.
- **Non-tax revenue** for the year also decreased by ₹ 3,809 crore (25 *per cent*) over the budget estimates for the year mainly due to decrease in collection of miscellaneous general services by ₹ 1,997 crore (28 per *cent*) and interest receipts by ₹ 540 crore (44 *per cent*).
- The decrease in R**evenue Expenditure** during the current year was due to less expenditure under social services by ₹ 2,554 crore (six *per cent*) and economic services by ₹ 423 crore (three *per cent*).
- During the year 2010-11, **Interest payments and servicing** exceeded by ₹ 609 crore (three *per cent*) the budget estimates of ₹ 20,929 crore.
- **Capital Expenditure** vis-à-vis budget estimates fell short by ₹ 2,670 crore (12 *per cent*). It was mainly due to less expenditure on general services by ₹ 301 crore (23 *per cent*), social services by ₹ 317 crore (six *per cent*) and economic services by ₹ 2,052 crore (12 *per cent*).
- **Revenue Surplus** was considerably higher by ₹ 2,954 crore (533 *per cent*) over the estimated budget projections (₹ 554 crore).
- **Fiscal Deficit** was less by ₹ 5,494 crore (24 *per cent*) over the estimated budget projections (₹ 22,742 crore).
- **Primary Deficit** was less than the budget projections (₹ 9,250 crore) by ₹ 6,218 crore (67 *per cent*).

1.4 Resources of the State

1.4.1 Resources of the State as per Annual Finance Accounts

Revenue and Capital are the two streams of receipts that constitute the resources of the 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.

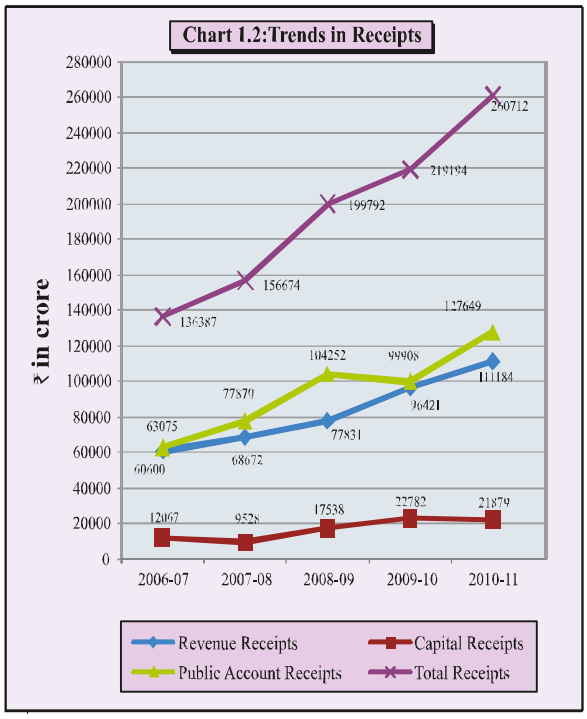
Table 1.2 and **Chart 1.2** depict the trends in various components of the receipts during 2006-11. **Chart 1.3** depicts composition of resources of the State during 2010-11.

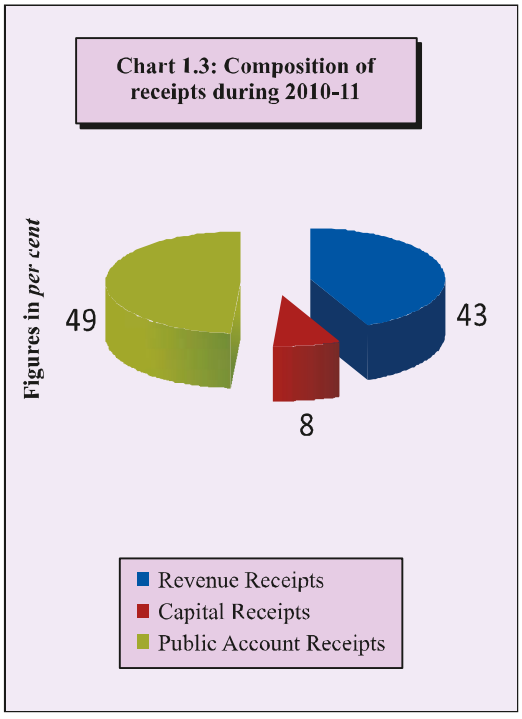
Table 1.2: Trends in growth and composition of aggregate receipts

(₹ in crore)

Sources of State's Receipts	2006-07	2007-08	2008-09	2009-10	2010-11
I Revenue Receipts	**60,600**	**68,672**	**77,831**	**96,421**	**1,11,184**
II Capital Receipts	**12,067**	**9528**	**17,538**	**22,782**	**21,879**
Recovery of Loans and Advances	356	449	778	293	485
Public Debt Receipts	11,711	9,079	16,760	22,489	21,394
Growth rate of debt capital receipts	(-) 18	(-) 22	85	34	(-)5
Growth rate of non-debt capital receipts	(-) 39	26	73	(-) 62	66
Growth rate of GSDP	12.83	14.37	15.27	19.20	19.78
III Contingency Fund	**645**	**604**	**171**	**83**	**-**
IV Public Account Receipts	**63,075**	**77,870**	**1,04,252**	**99,908**	**1,27,649**
a. Small Savings, Provident Fund, etc.	4,858	5,312	6,511	8,156	9,857
b. Reserve Fund	3,074	4,019	3,628	5,825	8,577
c. Deposits and Advances	15,249	19,450	22,656	17,260	15,560
d. Suspense and Miscellaneous	27,430	35,808	52,278	40,084	75,907
e. Remittances	12,464	13,281	19,179	28,583	17,748
V Total Receipts	**1,36,387**	**1,56,674**	**1,99,792**	**2,19,194**	**2,60,712**

Source: Finance Accounts





Source: Finance Accounts

It would be seen from the above that the total receipts of the State increased by 91 *per cent* from ₹ 1,36,387 crore in 2006-07 to ₹ 2,60,712 crore in 2010-11, of which increase in revenue receipts was by 83 *per cent*; capital receipts by 81 *per cent* and Public Account receipts by 102 *per cent* during the period.

Though there was an increasing trend in total receipts during 2010-11, which registered a growth of 19 *per cent* from ₹ 2,19,194 crore in 2009-10 to ₹ 2,60,712 crore in 2010-11 However, Capital receipts declined by four *per cent* in 2010-11 relative to the year 2009-10. This was attributable to a decline under public debt receipts by five *per cent*.

Public debt receipts, which create future repayment obligations, were 98 *per cent* of total capital receipts in 2010-11.

Public Account receipts registered an increase of 28 *per cent* over the previous year. This was attributable to a massive increase under suspense and miscellaneous head ₹ 35,822.49 crore (89 *per cent*) relative to the year 2009-10.

1.4.2 Funds transferred to State Implementing Agencies outside State Budget

Government of India transfers funds directly to State implementing agencies[3] for implementation of various Schemes/Programmes. As these funds are not routed through the State Budget/State treasury system, the annual Finance Accounts do not capture the flow of these funds and to that extent, States receipts and expenditure as well as other fiscal variables/parameters derived from them are underestimated. The position of transfer of funds directly to State implementing agencies by the Government of India is presented in **Table1.3.**

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

(₹ in crore)

Programme/ Scheme	Implementing agency in the State	2009-10	2010-11
National Rural Health Mission	State Health Society of UP, Lucknow	1,808.67	1,691.21
Total Sanitation Campaign	Department of Panchayati Raj	112.65	225.94
Pradhanmantri Gram SadakYojna	UP Rural Roads Development Agency	2,084.51	1,278.83
Indira AvasYojna	Commissioner Rural Development	814.59	1,151.00
Rural Drinking Water- Accelerated Drinking Water Supply Programme	Jal Nigam UP,Lucknow	536.61	421.60
National Rural Employment Guarantee Act	Commissioner Rural Development	5,318.86	5,266.59
Sarva Shiksha Abhiyan	Project Board UP Education for All	1,960.12	3,104.63
Swarn Jayanti Gram SwarojgarYojna	Commissioner Rural Development	413.39	222.33
MPs Local Area Development Programme	District Magistrates	155.00	207.00
Integrated Watershed Management Programme	District Rural Development Agencies	147.82	151.73
Integrated Child Development Services	Women and Child Development	141.97	0.00
Others	-	216.00	627.58[4]
	Total	**13,710.19**	**14,348.44**

Source: Finance Accounts

[3] 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.

[4] 2010-11: Assistance to Panchayati Raj Institutions ₹ 0.98 crore; DRDA Administration: ₹ 43.18 crore; Handlooms: ₹ 0.61 crore; International Cooperation S&T: ₹ 0.37 crore; ISOPOM: ₹ 5.17 crore; Medicinal Plant: ₹ 5.08 crore; National Mission on Nano Technology: ₹ 15.34 crore; Research and Development Support: ₹ 477.54 crore; Science and Technology Programme ₹ 5.60 crore; Swarn Jayanti Shahri Rojgar Yojna: ₹ 73.24 crore; Technology Development Programme: ₹ 0.47 crore.

It was observed that the Government of India transferred funds to the extent of ₹ 14,348.44 crore, directly to the State implementing agencies for implementation of various schemes/programmes against ₹ 13,710.19 crore provided in the previous year. A significant increase of ₹ 1,144.51 crore (58 *per cent*) under *Sarva Shiksha Abhiyan*, ₹ 411.58 crore (191 *per cent*) under other schemes, ₹ 336.41 crore (41 *per cent*) under *Indira Awas Yojna* and ₹ 113.29 crore (101 *per cent)* was under the Sanitation Campaign. Likewise, there was a significant decrease of ₹ 805.68 crore (39 *per cent*) under *Pradhanmantri Gram Sadak Yojna,* ₹ 191.06 crore (46 *per cent*) under *Swarn Jayanti Gram Swarojgar Yojna*, ₹ 41.97 crore (100 *per cent*) under *Integrated Child Development Services* and ₹ 115.01 crore (21 *per cent*) under Rural Drinking Water- Accelerated Drinking Water Supply Programme.

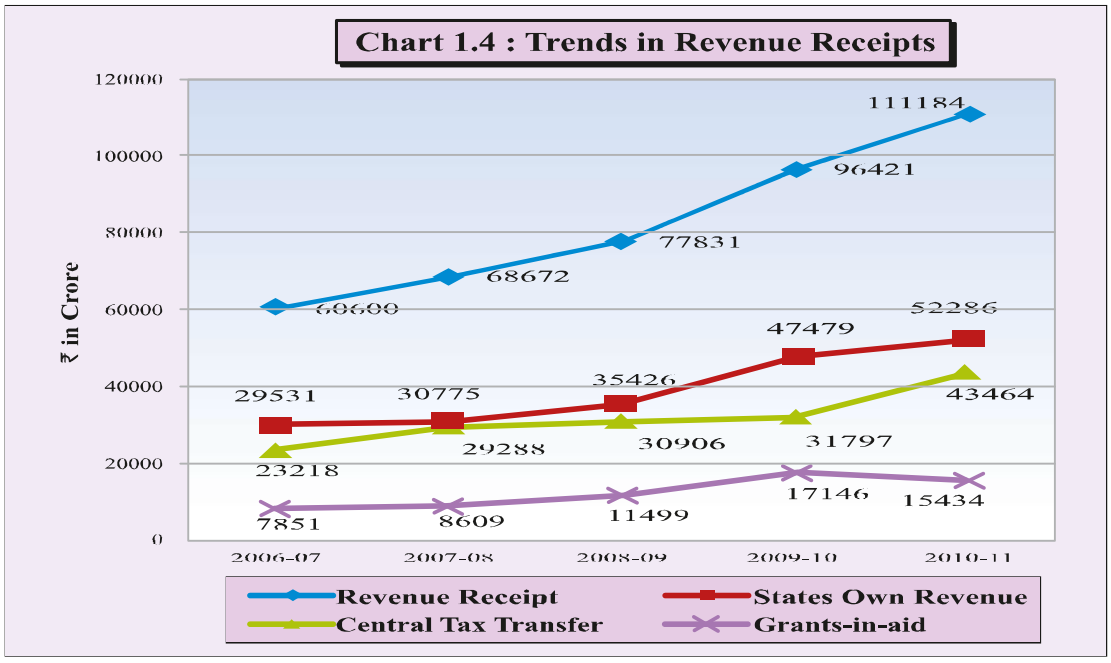
Direct transfer of funds from the Government of India to State implementing agencies runs the risk of poor oversight of utilisation of funds. Unless uniform accounting practices are followed by all the State implementing agencies with proper documentation and timely reporting of expenditure, it will be difficult to monitor the proper 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

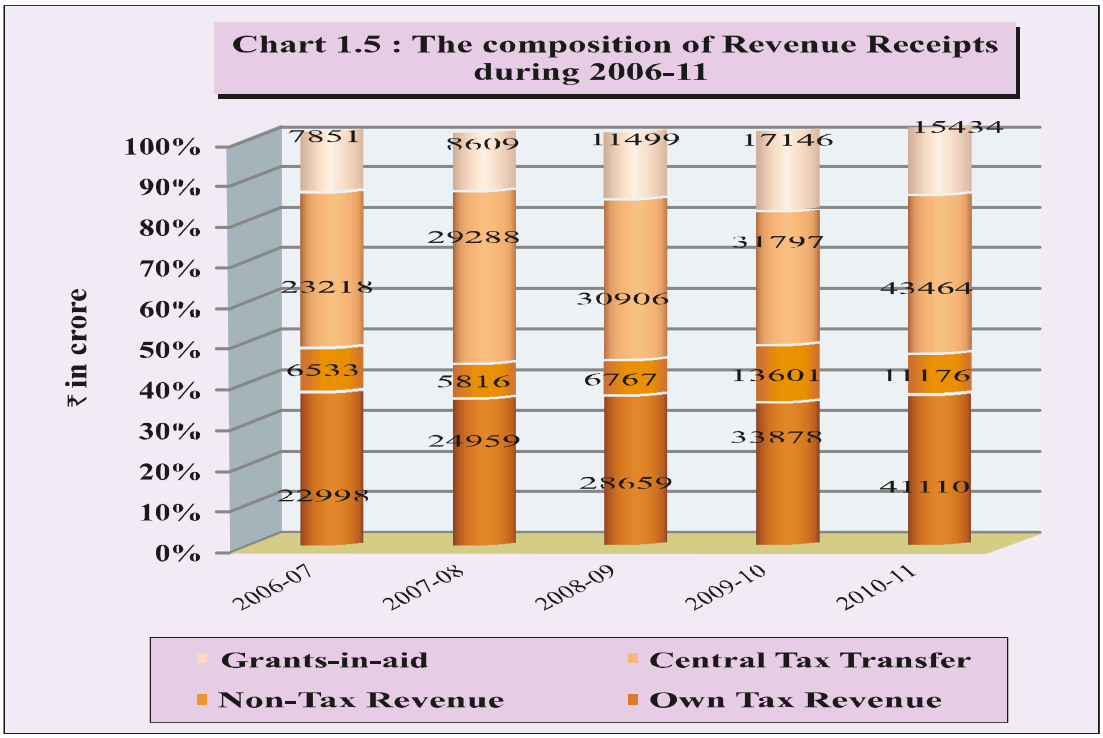
Revenue receipts consist of State's own tax and non-tax revenues, Central tax transfers and Grants-in-aid from Government of India. **Statement-11** of the Finance Accounts of 2010-11 depicts the revenue receipts of the Government.

1.5.1 Trends and composition of revenue receipts

Trends and composition of revenue receipts over the period 2006-11 are presented in ***Appendix 1.7*** and also depicted in **Chart 1.4** and **1.5** respectively.



Source: Finance Accounts



Source: Finance Accounts

Revenue receipts have shown steady increase over the period 2006-11 with marginal changes in its composition. On an average, 47 *per cent* revenue came from States' own taxes during the period 2006-11. Within the State's own taxes during 2010-11, tax revenue and non-tax revenue accounted for 78 *per cent* and 22 *per cent* respectively. The revenue receipts at ₹ 1, 11,184 crore were very close to the projections made by the State in its Mid Term Fiscal Restructuring Policy (₹1,11,621 crore) for the year 2010-11. 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	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Receipts (RR) (₹ in crore)	60,600	68,672	77,831	96,421	1,11,184
Rate of growth of RR (*per cent*)	33.63	13.32	13.34	23.89	15.31
RR/GSDP (*per cent*)	19.38	19.21	18.88	19.63	18.89
Revenue Buoyancy w.r.t GSDP	2.621	0.927	0.874	1.244	0.774
State's Own Tax Buoyancy w.r.t GSDP	1.711	0.594	0.971	0.948	1.079
Revenue Buoyancy w.r.t State's own taxes	1.532	1.562	0.901	1.312	0.717
*Gross State Domestic Product **(₹in crore)**	3,12,627	3,57,557	4,12,151	4,91,302	5,88,467
Growth rate of GSDP	12.83	14.37	15.27	19.20	19.78

Source: Economic Survey of Uttar Pradesh

Except during 2006-07 and 2009-10, the growth in revenue receipts was not commensurate with the growth in GSDP.

Grants- in-aid

Grants-in-aid from Government of India decreased (10 *per cent*) from ₹ 17,141.24 crore in 2009-10 to ₹ 15,433.65 crore in 2010-11 (**Table 1.5**). The decrease was mainly under Central Plan Schemes ₹ 3,557.27 crore followed by non-plan grants ₹ 854.98 crore.

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

(₹ in crore)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Non Plan Grants	2,693.81	2,894.42	3,142.62	3,947.97	3,092.99
Grants for State plan Schemes	2,837.57	2,795.49	5,195.76	5,624.02	6,772.07
Grants for Central Plan Schemes	153.13	261.90	235.36	3,992.43	435.16
Grants for Centrally Sponsored Plan Schemes	2,166.09	2,657.59	2,923.25	3,576.82	5,133.43
Total	**7,850.60**	**8,609.40**	**11,496.99**	**17,141.24**	**15,433.65**
Percentage of increase over previous year	46.53	9.67	33.54	49.09	(-)9.96

Source: Finance Accounts

Decrease under non-plan grants was due to less receipt of grants under the proviso to Article 275 (1) of the Constitution of India. Decrease under Central plan schemes was due to less receipt of grants by the Food and Civil Supply Department (₹ 3,785.38 crore; 99.94 *per cent*) and Higher Education (₹ 43.71 crore; 43.71 *per cent*).

Central tax transfers

Central tax transfers increased (37 *per cent*) from ₹ 31,797 crore in 2009-10 to ₹ 43,464 crore in 2010-11. The increase was mainly under Corporation tax (₹ 3,807.21 crore; 29 *per cent*) and Taxes on income other than corporation tax (₹ 1,637.67 crore; 22 *per cent*), Custom duty (₹ 3,107.23 crore; 70 *per cent*) and Union excise duties (₹ 1,913.11 crore; 53 *per cent*).

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 2006-11 are presented in ***Appendix 1.4.*** These resources increased (77 *per cent)* from ₹ 29,531 crore in 2006-07 to ₹ 52,286 crore in 2010-11. Within revenue receipts, its share ranged between 45 *per cent* and 49 *per cent* during 2006-11.

The actual revenue receipts during 2010-11, *vis-a-vis*, assessments made by the Thirteenth Finance Commission and the State Government are given in **Table 1.6.**

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

(₹ in crore)

Key fiscal variables	Thirteenth Finance Commission	MTFRP2010-11	Actuals	Variations : Excess (+) and Shortfall (-)	
				13th Finance Commission	MTFRP 2010-11
				Per cent in bracket	
State's Own Tax Revenue	37,303.77	42,305.87	41,109.85	(+) 3,806.08 (10.20)	(-) 1,196.02 (2.83)
Non-Tax Revenue	7,598.95	14,985.48	11,176.21	(+) 3,577.26 (47.08)	(-) 3,809.27 (25.42)

Source: 13thFC's recommendations, MTFRP and Finance Accounts

State's own tax revenue during 2010-11 increased by ₹ 3,806.08 crore (10.20 *per cent*) than the normative assessment made by the Thirteenth Finance Commission but it fell short by ₹ 1,196.00 crore (2.83 *per cent*) than the projections made by the State Government in its Mid Term Fiscal Restructuring Policy 2011.

Though performance under non-tax revenue registered significant improvement over the projections made in the 13th Finance Commission but failed to achieve the projections made by the State Government in its Mid Term Fiscal Restructuring Policy 2011.

Tax revenue

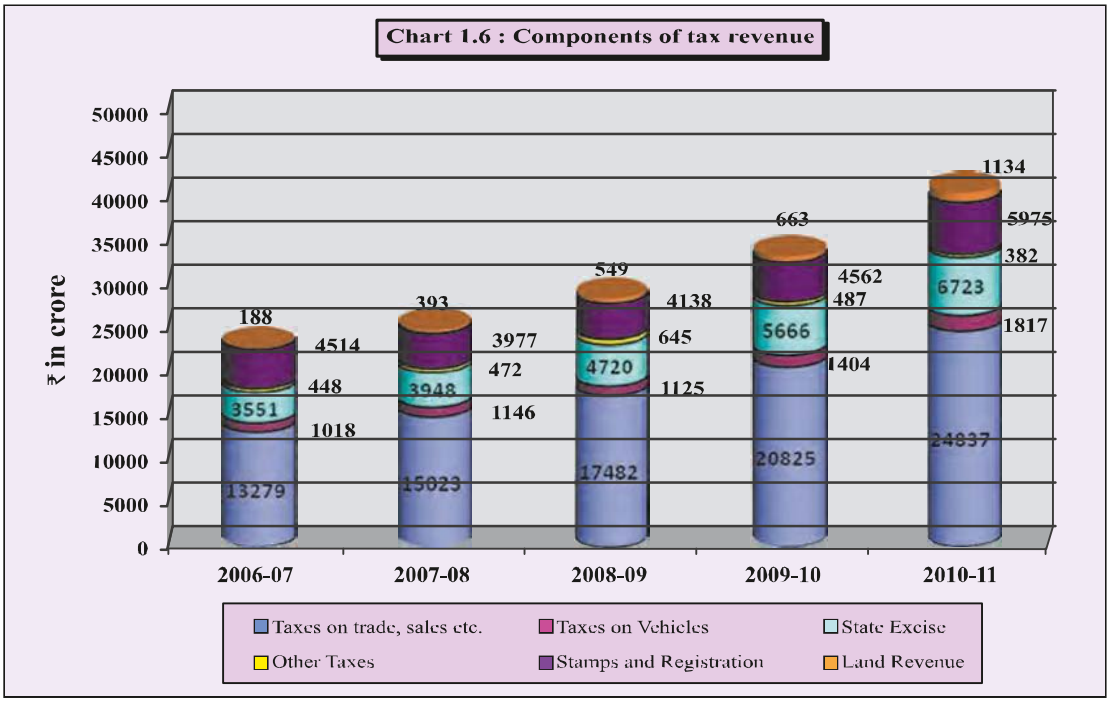
Tax revenue comprises of taxes on sales, trade, etc. state excise, taxes on vehicles, stamp and registration fee etc. The component of tax revenue during five years period (2006-11) is shown in **Table 1.7** and **Chart 1.6.**

Table 1.7: Components of tax revenue

(₹ in crore)

Components of revenues	2006-07	2007-08	2008-09	2009-10	2010-11		
					Budget estimates	Actuals	Percentage w.r.t budget estimates
Taxes on Sales, Trade etc.	13,279	15,023	17,482	20,825	26,978	24,837	92.06
State Excise	3,551	3,948	4,720	5,666	6,763	6,723	99.41
Taxes on Vehicles	1,018	1,146	1,125	1,404	1,170	1,817	155.30
Stamps and Registration fees	4,514	3,977	4,138	4,562	5,737	5,975	104.15
Land Revenue	188	393	549	663	205	1,134	553.17
Taxes on Goods and Passengers	109	110	266	271	920	242	26.30
Other Taxes	339	362	379	487	533	382	71.67
Total	**22,998**	**24,959**	**28,659**	**33,878**	**42,306**	**41,110**	**97.17**

Source: Finance Accounts



Source: Finance Accounts

The tax revenue of the State during 2010-11 was below the budget estimates by ₹ 1,196 crore. However it increased by ₹ 7,232 crore (21 *per cent*) over the previous year. The reason for increase over the previous year was due to increased realisation of Court fee under stamps and registration fee. Similarly, the increase in state excise was due to realisation of arrears fines on *Bhatti* of country liquor, fee on country wines and liquor and license fee of wine shops. The increase in land revenue was due to collection of fixed charges, realisation of arrears, current demand of land revenue/taxes, Ghaziabad Housing and Development Board and other organisations. Increase under taxes on vehicle was due to realisation of taxes on sale of vehicles and collection of taxes under State Motor Vehicle Act.

Tax revenue as a percentage to GSDP (6.99 per cent) was lower than the normative assessment made by the Government in its Mid Term Fiscal Restructuring Policy (8.30 per cent) and the projections made by the Thirteenth Finance Commission (8.27 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 ₹ 11,176 crore in 2010-11comprised mainly from miscellaneous general services ₹ 5,121 crore; (46 *per cent*), education, sports, art and culture ₹ 2,614 crore; (23 *per cent*), non-ferrous mining and metallurgical industries ₹ 653 crore; (six per *cent*) interest receipts ₹ 689 crore; (six *per cent*), medical and public health ₹ 101 crore; (one *per cent*) and power ₹ 92 crore; (one *per cent*).

However, there was a substantial decrease of 18 *per cent* in the receipts in 2010-11 over previous year. The receipts decreased by ₹ 2,954 crore (37 *per cent*) under miscellaneous general services due to less collection under sale of land and property. The decrease in Industries by ₹ 205.56 crore was due to deposit of ₹ 1.37 crore only as unspent money by the PD account holders in comparison to ₹ 211.19 crore during previous year. Under Medium Irrigation head decrease of ₹ 91.58 crore was due to less realisation of water tax on sale of water from Ghaghra and Garai canals. Power receipts also decreased by ₹ 78.92 crore due to less realisation of electric charges from rural areas.

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

State's non-tax revenue, *vis-à-vis*, budget estimates for the year 2010-11 is given in **Table 1.8**.

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

(₹ in crore)

Particulars	Assessments made in budget	Actuals	Variations (Excess + and Shortfall -) *per cent* in brackets
Interest Receipts	1,229.49	689.32	(-) 540.17 (44)
Miscellaneous General Services	7,118.06	5,120.67	(-) 1,997.39 (28)
Education, Sports, Art and Culture	2,987.49	2,614.11	(-) 373.38 (12)
Medical and Public Health	131.18	101.35	(-) 29.83 (23)
Power	270.00	91.79	(-) 178.21 (66)
Non-ferrous Mining & Metallurgical Industries	838.97	653.39	(-) 185.58 (22)

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, interest receipts and power decreased, *vis-à-vis,* budget estimates during the year. The decrease ranged between 12 and 66 *per cent.* ***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 2010-11 on test check of the assessments and other records of commercial tax offices 2,647 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

Sl. No.	Categories	Number of Cases	Amount (₹ in crore)
1	Non/short levy of penalty/interest	749	18.41
2	Non levy/short levy of tax	256	5.87
3	Irregular grant of exemption from tax	610	11.28
4	Incorrect classification of rate of goods	556	5.79
5	Misclassification of goods	53	0.96
6	Irregularities relating to central sales tax	28	0.26
7	Mistake in computation	30	0.63
8	Turnover escaping tax	21	2.30
9	Other irregularities	344	24.78
	Total	**2,647**	**70.28**

Source: AG (C&RA), UP

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 2008-09, 2009-10 and 2010-11 along with the relevant all India average percentage of expenditure on collection for 2009-10 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 per centage for the year 2009-10
Taxes on Sales,Trade etc.	2008-09	17,482.05	272.54	1.56	-
	2009-10	20,825.18	358.43	1.72	0.96
	2010-11	24,836.52	391.45	1.58	-

Source: Concerned departments

The cost of collection was about one and half 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 2011 in some of principal heads of revenue amounted to ₹ 17,194.92 crore of which ₹ 12,368.88 crore were outstanding for more than five years. Relative to the financial year 2009-10, the revenue arrears registered an increase of ₹ 77 crore under principal heads of receipts. The status of revenue arrears as on 31 March 2011 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
Taxes on Sales Trade etc.	16,665.41	11,804.32	Out of ₹ 16,665.41 crore, demand for ₹ 1,211.60 crore had been certified for recovery as arrears of land revenue. Recovery certificates amounting to ₹ 948.97 crore have been sent to other States. Recoveries amounting to ₹ 2,429.15 crore had been stayed by the courts/appellate authority. Recoveries amounting to ₹ 468.39 crore were outstanding against the Government/semi Government departments. Arrears not covered under recovery certificates amounted to ₹ 10,195.24 crore. The demand for recovery of ₹ 1,342.74 crore was likely to be written off. ₹ 69.32 crore were outstanding from transporters.
State Excise	56.72	51.56	Out of ₹ 56.72 crore recoveries amounting ₹ 21.41 crore had been stayed by the courts/ appellate authority, the demand for recovery of ₹ 2.72 crore was likely to be written off. The department stated that Recovery Certificates for entire amount arrear ₹ 56.72 crore had been issued.
Entertainment Tax	13.15	5.13	Out of ₹ 13.15 crore, demand for ₹ 4.35 crore had been certified for recovery as arrears of land revenue. The Department had not furnished the details in respect of remaining ₹ 8.80 crore.
Stamp and Registration	459.64	Not furnished by the department	Out of ₹ 459.64 crore, recovery amounting to ₹ 311.58 crore had been stayed by the courts/ appellate authority. The department stated that Recovery Certificates for entire arrears of ₹ 459.43 crore had been issued.
Total	**17,194.92**	**11,861.01**	

Source: Concerned departments

Commercial tax accounted for ₹ 16,665.41 crore i.e.97 *per cent* of the overall arrears as on 31 March 2011. Out of ₹ 16,665.41 crore, demand for ₹ 2,429.15 crore was stayed by the courts/appellate authority. The Government needs to take appropriate measures to bring down the revenue arrears.

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 (2006-11) 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)

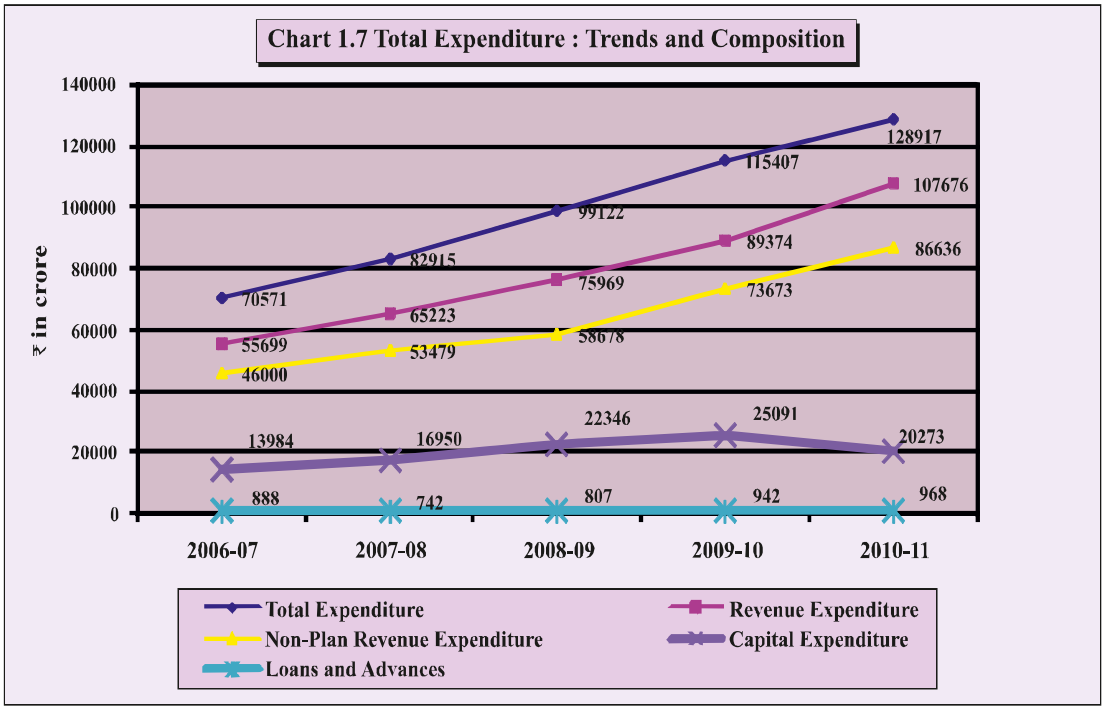
Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Total expenditure	**70,571**	**82,915**	**99,122**	**1,15,407**	**1,28,917**
Revenue expenditure	55,699	65,223	75,969	89,374	1,07,676
Non-plan revenue expenditure	46,000	53,479	58,678	73,673	86,636
Plan expenditure	9,699	11,744	17,291	15,701	21,040
Capital expenditure	13,984	16,950	22,346	25,091	20,273
Loans and advances	888	742	807	942	968
Rate of growth of total expenditure	25.99	17.49	19.54	16.43	11.71
Total expenditure/GSDP (ratio)	22.57	23.19	24.05	23.49	21.91
Revenue receipts/total expenditure (ratio)	85.87	82.82	78.52	83.55	86.24
Buoyancy of total expenditure with					
GSDP	2.03	1.22	1.28	0.86	0.59
Revenue receipts (ratio)	0.77	1.31	1.46	0.69	0.76

Source: Finance Accounts

Total expenditure increased (83 *per cent*) from ₹ 70,571 crore in 2006-07 to ₹ 1, 28,917 crore in 2010-11. Its rate of growth decreased from 25.99 *per cent* in 2006-07 to 11.71 *per cent* in 2010-11. Increase in total expenditure was due to increase in revenue expenditure (₹ 51,977 crore), capital expenditure (₹ 6,289 crore) and disbursement of loans and advances (₹ 80 crore) during 2006-11.

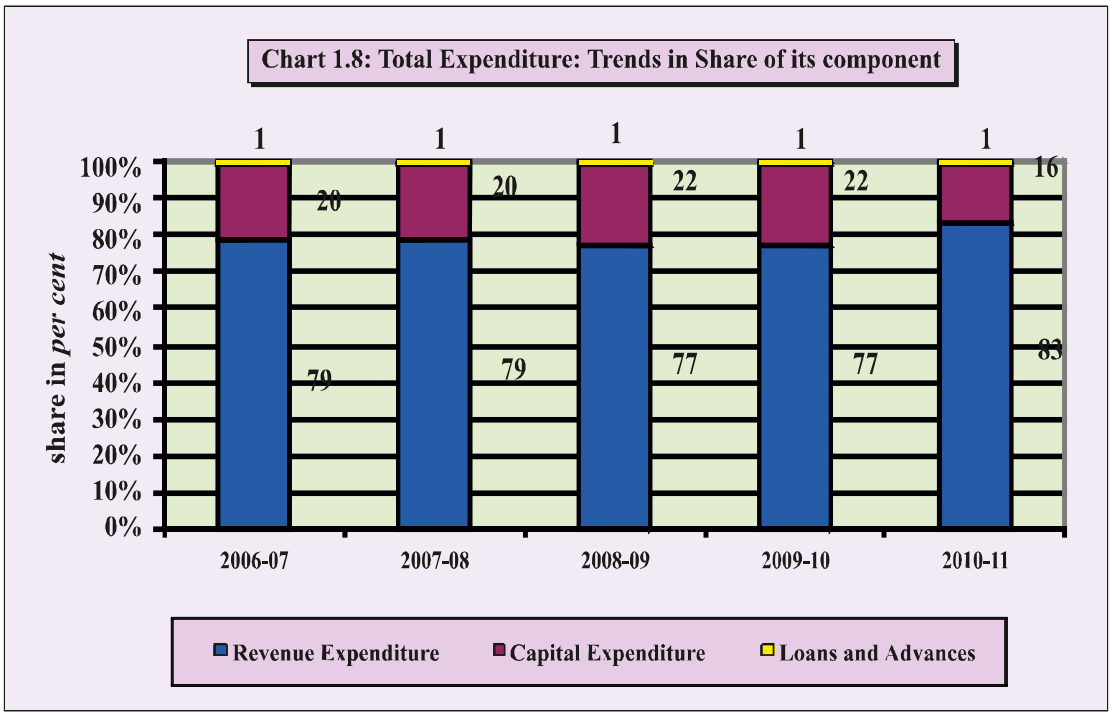
Revenue receipts, as a ratio of total expenditure, stood at 86 *per cent* (2010-11), indicating that 86 *per cent* of total expenditure was met out of revenue receipts.

Chart 1.7 presents the trends in total expenditure over a period of five years (2006-11).

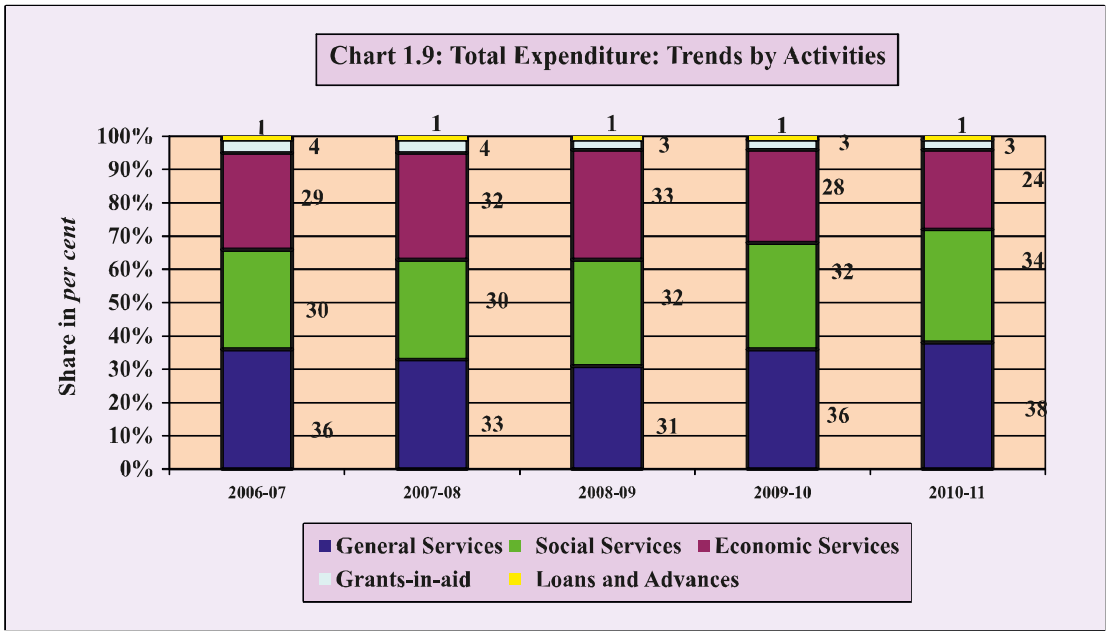


Source: Finance Accounts

The total expenditure steadily increased during 2006-11. During 2010-11, it increased by ₹ 13,510 crore over 2009-10 of which, the share of revenue expenditure was ₹ 18,302 crore (135 *per cent*) and was partly offset by decrease in capital expenditure by ₹ 4818 crore (19 *per cent*). The composition of total expenditure both in terms of 'economic classification' and 'expenditure by activities' is depicted respectively in **Charts 1.8** and **1.9.**



Source: Finance Accounts



Source: Finance Accounts

The trends indicated a declining share of revenue expenditure and increasing share of capital expenditure in total expenditure during 2006-10. However, this trend changed in 2010-11 and share of revenue expenditure increased to 83 *per cent* in total expenditure due to decrease in the share of capital expenditure which declined to 16 *per cent*. In 2009-10 their shares in total expenditure were at 77 and 22 *per cent* respectively. Loans and advances contributed one *per cent* share during 2006-11.

Expenditure by activities during 2006-11 indicated inter-year variations in its composition. Expenditure on general services ranged between 31 and 38 *per cent* while social services consumed 30 and 34 *per cent* spending during 2006-11. Expenditure on economic services was lowest at 24 *per cent* in 2010-11 which, however, ranged between 24 and 33 *per cent* in 2006-11. Share of grants-in-aid (three and four *per cent*) and loans and advances (one *per cent*) were negligible. A comparison of expenditure under economic, social and general services during 2010-11 with the projections made by the Thirteenth Finance Commission is indicated in **Table 1.13**

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

(₹ in crore)

Particulars	TFC's projections	Actual (NPRE)	Variations (excess; *percentage* in bracket)
General services	29,143.25	47,031.83	17,888.58 (61)
Social services	5,049.44	23,737.14	18,687.70 (370)
Economic services	5,973.03	11,502.40	5,529.37 (93)

Source: TFC recommendations, Finance Accounts

The expenditure exceeded the projections of the Thirteenth Finance Commission by 61 *per cent*, 370 *per cent* and 93 *per cent* under general services, social services and economic services, respectively. The increase in social services was significantly higher.

1.6.2 Committed expenditure

The 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 2006-11.

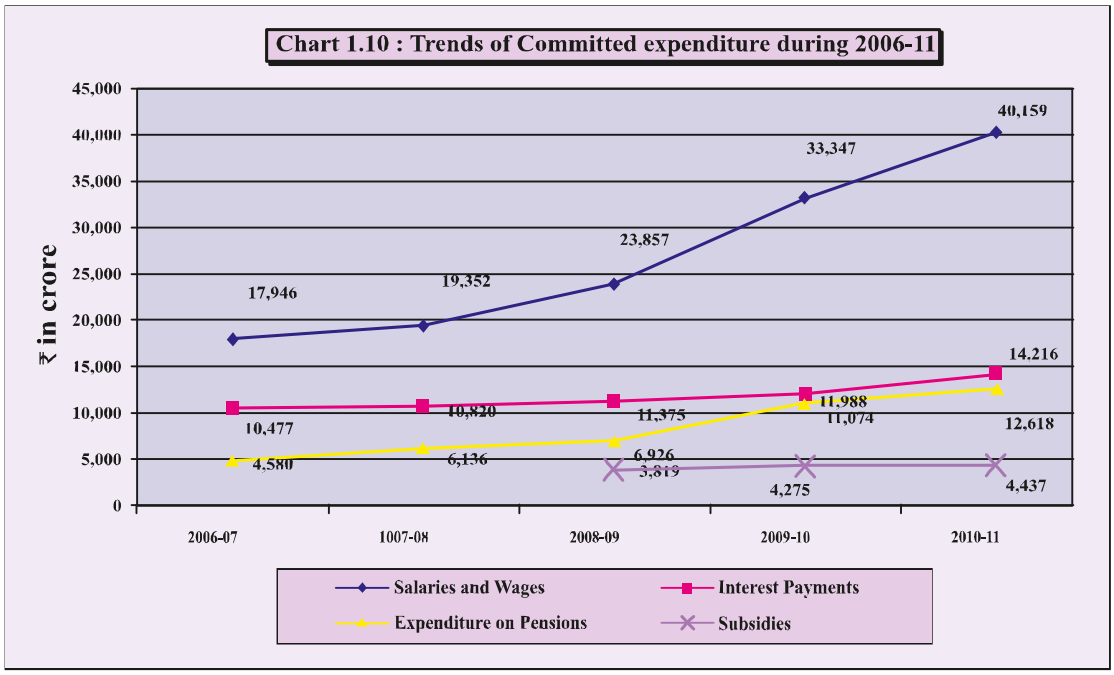
Table 1.14: Components of committed expenditure

(₹ in crore)

Components of Committed Expenditure	2006-07	2007-08	2008-09	2009-10	2010-11	
					BE	Actuals
Salaries* & Wages , *Of which*	**17,946 (30)**	**19,352 (28)**	**23,857 (31)**	**33,347 (35)**	**41,217**	**40,159(36)**
Non-Plan Head	17,204	18,624	22,834	31,137		36,316
Plan Head**	742	728	1,023	2,210		3,843
Interest Payments	**10,477 (17)**	**10,820 (16)**	**11,375(14)**	**11,988 (13)**	**13,492**	**14,216(13)**
Expenditure on Pensions	**4,850 (8)**	**6,136 (9)**	**6,926 (9)**	**11,074 (11)**	**12,857**	**12,618(11)**
Subsidies	**-**	**-**	**3,819 (5)**	**4,275 (4)**	**4,635**	**4,437(4)**
Total committed Expenditure	**33,273 (55)**	**36,308 (53)**	**45,977 (59)**	**60,684 (63)**	**72,201**	**71,430(64)**

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.



Source: Finance Accounts

Committed expenditure of the Government showed increasing trends in all its constituents over the period 2006-11. It increased (115 *per cent*) from the level of ₹ 33,273 crore in 2006-07 to ₹ 71,430 crore in 2010-11. The increase was mainly under salaries, wages and pensions.

Salaries and wages

Expenditure on salaries and wages revealed an increasing trend during 2006-11 under non-plan heads and fluctuating trend under plan heads. The expenditure under non-plan heads increased (111 *per cent*) from ₹ 17,204 crore in 2006-07 to ₹ 36,316 crore in 2010-11.A growth of 17 *per cent* was recorded during 2010-11 over the previous year. The expenditure under the plan heads increased by 418 *per cent* from ₹ 742 crore in 2006-07 to ₹ 3,843 crore in 2010-11.

Total salary bill relative to revenue expenditure net of interest payments and pensions during 2010-11 was 50 per cent which was substantially higher than the normative ceiling of 35 per cent set by the Thirteenth Finance Commission.

Pension payments

The expenditure on pensions showed an increasing trend during 2006-11. It increased (160 *per cent*) from ₹ 4,850 crore in 2006-07 to ₹ 12,618 crore in 2010-11. Relative to 2009-10, it increased by ₹ 1,544 crore (14 *per cent*). Actual pension payments (₹ 12,618 crore) exceeded the projection of Thirteenth Finance Commission (₹ 9,516 crore) by ₹ 3,102 crore (33 *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 17 *per cent* in 2006-07 to 13 *per cent* in 2010-11 whereas it ranged between 13 and 19 *per cent* during 2006-11 in relation to revenue expenditure. Actual Interest payments (₹ 14,216 crore) exceeded the Budget Estimates (₹ 13,492 crore) by ₹ 724 crore and the Thirteenth Finance Commission projections (₹ 14,200 crore) by ₹ 16 crore.

Interest payments during 2010-11 were marginally over the assessments made by the Thirteenth Finance Commission. These were, however, above the assessment made by the Government in its budget estimates.

Subsidies

Government paid subsidies amounting to ₹ 4,437 crore during 2010-11 which constituted four *per cent* of the revenue receipts and three *per cent* of the total expenditure. Of the total subsidies paid, ₹ 2,184 crore (49 *per cent*) was disbursed under non-plan, ₹ 1,503 crore (34 *per cent*) under plan and ₹ 750 crore (17 *per cent*) under centrally sponsored schemes. The major sectors given subsidy included energy (₹ 1,885 crore; 42 *per cent*), agriculture and other allied activities (₹ 1,650 crore; 37 *per cent*) and relief and rehabilitation (₹ 589 crore; 13 *per cent*).

Subsidy payments with reference to projections in Mid Term Fiscal Restructuring Policy are detailed in **Table 1.15.**

Table 1.15: Subsidy payment with reference to projections in BE

Particulars	Projection in MTFRP		Actuals	
	Amount (₹ in crore)	*Per cent* of GSDP	Amount (₹ in crore)	*Per cent* of GSDP
Energy	1,885	0.37	1,909	0.32
General	2,750	0.54	2,528	0.43
Total	**4,635**		**4,437**	

Source: Finance Accounts& State Budget

Within the subsidies projected under MTFRP, the actual of the energy subsidy was exceeded by ₹ 24 crore (one *per cent*). However, the general subsidies decreased by ₹ 222 crore (eight *per cent)* indicating that energy sector received priority over the general sector.

Subsidy payments during 2010-11 were well within the projections made by the Government in Mid Term Fiscal Restructuring Policy for 2010-11.

1.6.3 Financial Assistance by Government to Local Bodies and other Institutions

Table 1.16 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 1.16: Financial Assistance to Local Bodies etc.

(₹ in crore)

Financial Assistance to Institutions	2006-07	2007-08	2008-09	2009-10	2010-11
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	9,146.53	10,503.38	10,642.76	10,364.69	17,919.87
Municipal Corporations and Municipalities/Development Agencies	350.32	948.61	1,262.59	2,461.05	1,864.41
Zila Parishads and Other Panchayati Raj Institutions	2,742.25	3,549.49	3,504.21	2,369.77	2,878.74
Hospitals and Other Charitable Institutions	96.10	130.18	121.76	249.65	25.95
Other Institutions[5]	149.11	228.73	291.16	2,674.87	7,994.17
Total	**12,484.31**	**15,360.39**	**15,822.48**	**18,120.03**	**30,683.14**
Assistance as per percentage of Revenue Expenditure	**22**	**24**	**21**	**20**	**28**

Source: Finance Accounts

Assistance to Local Bodies and other Institutions increased (₹ 18,198.83 crore; 146 *per cent*) from ₹ 12,484.31 crore in 2006-07 to ₹ 30,683.14 crore in 2010-11. Relative to 2009-10, the growth (₹ 12,563.11 crore) was 69 *per cent*.

[5]Cooking Cost 2010-11: ₹ 1,030.36 crore; National Old Age Pension Scheme ₹ 1,064.03 crore and Payment of Residuals ₹ 1,782.61 crore.

The assistance, as a percentage of revenue expenditure, ranged between 20 and 28 *per cent*. However, it was at the highest level of 28 *per cent* during 2010-11. Within the quantum of assistance provided during 2010-11, the educational institutions continued to be the main beneficiaries of the assistance followed by Zila Parishads and Other Panchayati Raj Institutions.

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 the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key social services like, education, health etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector if it is below the respective National Average. **Table 1.17** analyses the fiscal priority of the State Government with regard to development expenditure, social expenditure and capital expenditure during 2010-11.

Table 1.17: Fiscal priority of the State in 2007-08 and 2010-11

(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) 2007-08	16.85	64.28	32.54	16.14	14.64	3.98
Uttar Pradesh's Average (Ratio) 2007-08	23.19	62.84	30.64	20.44	14.87	5.04
General Category Average (Ratio) 2010-11	16.65	64.42	36.75	13.27	17.42	4.35
Uttar Pradesh's Average (Ratio) 2010-11	21.91	58.19	34.63	15.73	16.80	5.02

*As *per cent* to GSDP

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

Fiscal Priority:

- Aggregate Expenditure of Uttar Pradesh as a ratio to Gross State Domestic Product was higher in both the years 2007-08 and 2010-11 as compared to General Category States.
- Uttar Pradesh Government has not given adequate fiscal priority to development expenditure in 2007-08 and 2010-11, as its ratio to AE was lower than the corresponding ratio for General Category States.

- The ratio of Social Sector Expenditure to AE in 2007-08 as well as in 2010-11 was lower than the corresponding ratio for General Category States.
- The ratio of Capital expenditure to AE was higher than the corresponding ratio for General Category States in 2007-08 and 2010-11.
- The ratio of expenditure on education to AE increased from 14.87 *per cent* in 2007-08 to 16.80 *per cent* in 2010-11. The priority given to education in Uttar Pradesh was higher in 2007-08 and lower in 2010-11 as compared to General Category States.
- Expenditure on health sector in Uttar Pradesh has been significant as its ratio was higher than the General Category States in 2007-08 and 2010-11.

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 rationalisation 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 1.18 presents the trends in development expenditure relative to the aggregate expenditure of the State during 2010-11, *vis-à-vis*, budgeted for the year as well as actuals in the previous years.

Table 1.18: Development Expenditure

(₹ in crore)

Components of Development Expenditure	2006-07	2007-08	2008-09	2009-10	2010-11	
					BE	Actuals
Development expenditure (a to c) (Figures in parentheses indicate percentage to aggregate expenditure)	**42,661** (60)	**52,102** (63)	**64,737** (65)	**70,554** (61)	**80,318** (59)	**75,019** (58)
a. Development revenue expenditure	28,657 (67)	35,123 (67)	42,695 (66)	45,372 (64)	58,268 (73)	55,292 (74)
b. Development capital expenditure	13,330 (31)	16,375 (31)	21,504 (33)	24,480 (35)	21,640 (27)	19,271 (26)
c. Development loans and advances	674 (2)	604 (1)	538 (1)	702 (1)	410 (0)	456 (0)
(Figures in bracket indicate percentage to development expenditure)						

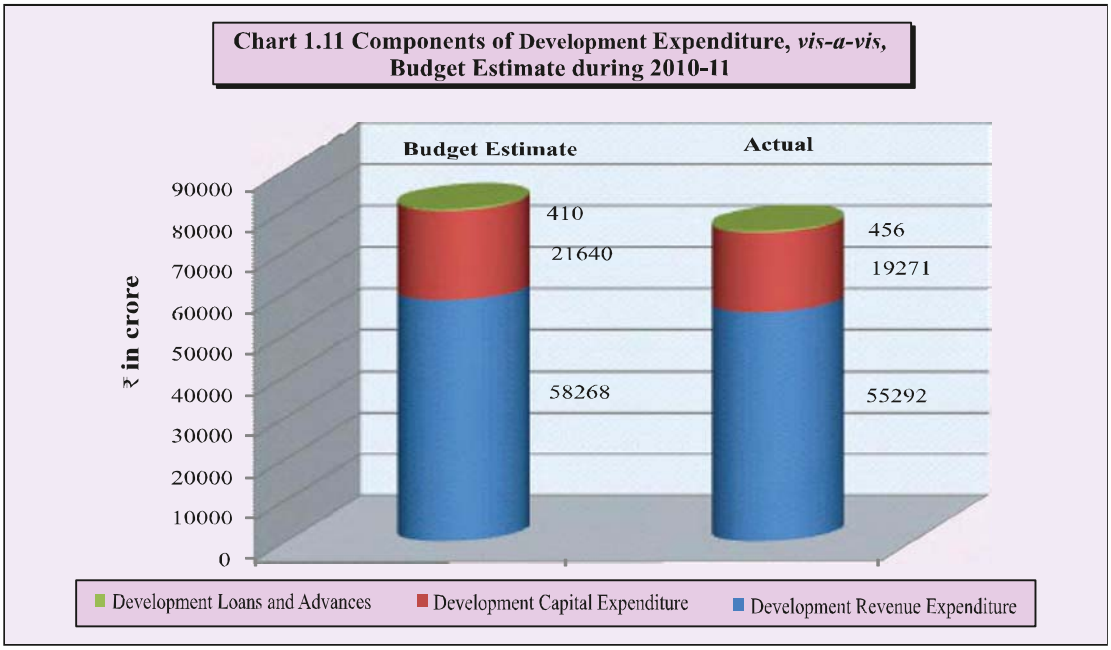
Source: Finance Accounts

Development expenditure comprising revenue and capital expenditure and loans and advances for socio-economic services increased (76 *per cent*) from the level of

₹ 42,661 crore in 2006-07 to the level of ₹ 75,019 crore in 2010-11. Relative to the previous year, the growth in development expenditure in 2010-11 was ₹ 4,465 crore (six *per cent*). Within the development expenditure, the growth was shared by revenue expenditure and capital expenditure in the ratio of 74 and 26 *per cent* respectively. The share of capital expenditure in development expenditure decreased from 35 *per cent* in 2009-10 to 26 *per cent* in 2010-11 indicating deterioration in quality of expenditure and asset creation.

The position of development expenditure, *vis-a-vis*, budget estimates during 2010-11 is presented in the **Chart 1.11** below. The chart reveals that the development capital expenditure and revenue expenditure declined from their respective estimates by ₹ 2,369 crore and ₹ 2,976 crore respectively.

Chart 1.11 Components of Development Expenditure, *vis-a-vis*, Budget Estimate during 2010-11



Source: Finance Accounts

Table 1.19 provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

Table 1.19: Efficiency of expenditure use in selected social and economic services

(In *per cent*)

Social/Economic Infrastructure	2009-10			2010-11		
	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	1.03	81.59	0.37	1.63	82.60	0.07
Health and Family Welfare	20.91	76.64	21.92	15.94	77.66	0.70
WS, Sanitation, & HUD	58.36	0.69	1.56	55.38	0.96	2.16
Total (SS)	**12.72**	**54.49**	**5.53**	**10.74**	**56.41**	**0.26**

Economic Services (ES)						
Agriculture & Allied Activities	60.23	42.89	7.12	0.00	46.50	0.97
Irrigation and Flood Control	45.02	50.74	12.83	41.39	58.95	22.36
Power & Energy	72.86	0.50	0.84	65.34	0.67	0.00
Transport	73.51	3.60	95.50	72.67	4.15	94.80
Total (ES)	**58.87**	**33.78**	**19.71**	**47.66**	**39.07**	**15.99**
Total (SS+ES)	**34.70**	**48.41**	**9.69**	**25.69**	**51.48**	**4.74**

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

Source: Finance Accounts and VLC data

The share of Capital Expenditure to Total Expenditure declined by 9.01 *per cent* during the current year over the previous year. The share of Capital Expenditure under social and economic services also decreased over the previous year by 1.98 and 11.21 *per cent* respectively. Under the social services, the decrease in the ratio of capital expenditure to total expenditure during2010-11 over the previous year was 4.97 *per cent* in the area of Health and Family Welfare and 2.98 *per cent* in the area of water supply, sanitation, housing and urban development. Under the economic services, there was cent *per cent* decrease in the area of agriculture and other allied activities, 3.63 *per cent* in irrigation and flood control, 7.52 *per cent* in power and energy and 0.84 *per cent* in transport.

The share of Operations & Maintenance expenditure in the revenue expenditure under social services decreased from 5.53 *per cent* in the previous year to 0.26 *per cent* in the current year. Similarly, the overall share of O&M expenditure in the revenue expenditure under the economic services decreased from 19.71 *per cent* in the previous year to 15.99 *per cent* in the current year. However, O&M expenditure under irrigation and flood control which is one of the constituents of economic services, increased by 9.53 *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 the 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 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 Thirteenth Finance Commission in an assessment of irrigation receipts had prescribed cost recovery rates in relation to the maintenance expenditure.

Receipts (₹ 186 crore) from the major, medium and minor irrigation projects during 2010-11 were only five *per cent* of the expenditure of ₹ 3,409 crore on their operation and

maintenance which was much below the cost recovery assessment of 25 *per cent* of the Thirteenth Finance Commission for the year**. Table 1.20** depicts that the Government could not achieve the norms fixed by the Twelfth and Thirteenth Finance Commission for the period 2006-11 in respect of the cost recovery rate and maintenance expenditure for major, medium and minor irrigation works.

Table 1.20: Cost recovery rate and Maintenance Expenditure with reference to Twelfth/ Thirteenth FC norms

Year	Revenue Expenditure	Revenue receipts	Revenue receipts to revenue expenditure	Cost recovery assessment of 12th FC (2005-10) and 13th FC (2010-15)	Shortfall in cost recovery
	₹ in crore		In *per cent*		
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
2010-11	3,409	186	5	25	20

Source: Finance Accounts and recommendations of TFC

The gap in cost recovery relative to the assessment of Twelfth Finance Commission showed increasing trend all along the periods 2006-10. The shortfall increased from 50 *per cent* in 2006-07 to 80 *per cent* in 2009-10. However, under the cost recovery assessment of the Thirteenth Finance Commission the short fall was 20 *per cent* from the assessment of 13thFC. These projects were able to recover only five *per cent* of running and maintenance expenditure incurred on these during 2010-11 which puts a question mark on their viability.

The financial results of 16 major irrigation projects with a capital outlay of ₹ 6,095 crore at the end of March 2011 revealed that revenue realised (₹ 68.14 crore) from these projects during 2010-11 increased to 1.12 *per cent* of the capital outlay from the level of 0.30 *per cent* in the previous year and was insufficient to cover even the interest (₹ 269.38 crore) on capital investments during 2010-11. The revenue realised (₹ 68.14 crore) from these 16 schemes, expenditure incurred (₹ 552.68 crore) on the working and maintenance of these schemes during 2010-11 and taking into account the interest of ₹ 269.38 crore on capital outlay, there was a net loss of ₹ 215.16 crore.

1.8.2 Incomplete projects

Blocking of funds on incomplete works impinge negatively on the quality of expenditure. The departmentwise position of incomplete projects, each costing above ₹ one crore and due for completion by March 2011, is given in **Table 1.21.**

Table 1.21: Departmentwise profile of incomplete projects

(₹ in crore)

Department	No. of Incomplete Project	Initial Budgeted Cost	Revised Total Cost of Projects	Cost Overrun[3]	Cumulative Actuals Expenditure (March 2011)
Public Works (Roads and Bridges)	93	1,124.41	151.20	33.43[1]	534.95
Irrigation	26	2,162.93	2,296.44	1,433.05[2]	2,200.26
Total	**119**	**3,287.34**	**2447.64**	**1,466.48**	**2,735.21**

1. Pertaining to 9 incomplete projects (initial budget cost : **₹ 117.77 crore**, revised cost : **₹ 151.20 crore**)
2. Pertaining to 16 incomplete projects (initial budget cost : **₹ 863.39 crore**, revised cost : **₹ 2,296.44 crore**)
3. Cost overrun in respect of revised project only.

Source: Finance Accounts

An expenditure of ₹ 2,735.21 crore (March 2011) remained largely unfruitful on the aforestated 119 incomplete projects. Further, of 119 incomplete projects, the initial budgeted cost of 25 projects was revised by the Government involving a cost overrun of ₹ 1,466.48 crore. No reasons for delay in their completion were furnished by the concerned departments. In Irrigation Department, Chaudhary Charan Singh Lahchura Dam and Rest of Gandak Canal system which were due for completion by March 2011 were lying incomplete, as of March 2011, even after an expenditure of ₹ 250.13 crore.

Non-completion of the projects within the stipulated period not only resulted in cost overrun 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 2011, Government had invested ₹ 38,272.54 crore in Statutory corporations (₹ 393.04 crore), Government companies (₹ 36,848.55 crore) and Co-operatives (₹ 1,030.95 crore). The average return on the investment was 0.033 *per cent* in the last three years while the Government paid at an average interest rate of 6.37 *per cent* on its borrowings during the same period **(Table1.22)**.

Table 1.22: Return on Investment

Investment/Return/Cost of Borrowings	2006-07	2007-08	2008-09	2009-10	2010-11
Investment at the end of the year (₹ in crore)	18,545.82	12,188.76	14,866.13	39,666.64	38,272.54[6]
Return (₹ in crore)	0.85	1.05	1.26	8.36	26.81
Return *(per cent)*	0.005	0.009	0.008	0.021	0.07
Average rate of interest on Government borrowing *(per cent)*	6.74	6.43	6.29	6.16	6.67
Difference between interest rate and return *(per cent)*	6.74	6.42	6.28	6.14	6.60

Source: Finance Accounts

[6] Includes ₹ 9,979.75 crore pertaining to 2010-11 and previous years, which is under reconciliation and it differs by ₹ 5,850.44 crore from the figures appearing in the Commercial Audit Report 2010-11.

During 2010-11, 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 ₹ 2,159.57 crore in eleven undertakings. Seven of eleven undertakings earned net profit amounting to ₹ 71 lakh against the capital investment of ₹ 9.76 crore. The main profit earning undertakings were Irrigation Workshop Divisions at Allahabad, Bareilly, Gorakhpur, Jhansi, Kanpur and Meerut under Irrigation Department. Two undertakings pertaining to Food and Civil Supplies Department and Health Department were, however, incurring losses continuously for more than five years.

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 Government has also been providing loans and advances to many of these institutions/ organizations. **Table 1.23** presents the position of outstanding loans and advances as on 31 March 2011, interest receipts, *vis-à-vis*, interest payments during the last three years.

Table 1.23: Average interest received on loans advanced by the Government

(₹ in crore)

Quantum of loans/interest receipts/cost of borrowings	2008-09	2009-10	2010-11	
			BE	Actuals
Opening Balance	**8,985**	**9,014**	**-**	**9,663**
Amount advanced during the year	807	942	1,025	968
Amount repaid during the year	778	293	671	485
Closing Balance	**9,014**	**9,663**	**-**	**10,146**
Net addition	29	649	354	483
Interest Receipts	53	39	-	65
Interest receipts as *per cent* to outstanding Loans and advances	0.59	0.41	-	0.64
Interest payments as *per cent* to outstanding fiscal liabilities of the State Government.	6.06	5.94	-	6.32
Difference between interest payments and interest receipts (*per cent*)	(-) 5.47	(-)5.53	-	(-)5.68

Source: Finance Accounts

Amounts advanced during 2010-11 decreased from the provision made in the budget by ₹ 57 crore (5.56 *per cent*) and the repayment of loans was also below the level of assessment made in the budget by ₹ 186 crore (27.72 *per cent*).

Major portion of the loans were advanced during 2010-11 under social service sector (₹ 282.78 crore) followed by economic sector (₹ 172.96 crore). Under the economic sector, the major loans and advances were given to other outlays on Industries and minerals (₹ 155.13 crore) and for consumer industries (₹ 16.53 crore). Similarly, under the social service sector, loans were given for water supply and sanitation (₹ 223.20 crore).

Amount of outstanding loans and advances increased from ₹ 9,663 crore at the close of March 2010 to ₹ 10,146 crore at the close of March 2011 that is by ₹ 483 crore. The sectorwise break-up of the major outstanding amounts was: economic services (₹ 6,664 crore) and social services (₹ 2,075 crore) and general services (₹ 1,276 crore) and Government servants (₹ 131 crore). Under the economic services, major portion of the outstanding loans pertained to the energy (₹ 2,681 crore), industries and minerals (₹ 2,988 crore) and agriculture and other allied activities (₹ 367 crore).

Interest receipts against outstanding loans and advances were well below one *per cent* all along the periods 2008-11 against interest rate of borrowed funds ranging between 5.94 *per cent* (2009-10) and 6.32 *per cent* (2010-11) 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 1.24 depicts the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.24: Cash balances and investment of cash balances

(₹ in crore)

Particulars	As on 31 March 2010	As on 31 March 2011	Increase/ Decrease (-)
Cash balances	3,405.36	10,304.99	6,899.63
Investments from cash balances (a & b)	3,194.59	9,877.81	6,683.22
a. GOI Treasury Bills	3,194.59	9,877.81	6,683.22
b. GOI Securities	-	-	-
Investment from earmarked balances (a and b)	45.20	45.20	-
a. GOI Treasury Bills	-	-	-
b. GOI Securities	45.20	45.20	-
Interest realised on Investment of cash balances	217.36	231.87	14.51

Source: Finance Accounts

Interest received on investment of cash balance was 2.35 *per cent*[7] during 2010-11 while the Government paid interest at 6.67 *per cent* on its borrowings during the year.

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

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 did not avail this facility during 2006-10. However, the Government obtained ₹ 713.88 crore as ways and means advances and repaid the entire amount during 2010-11.

1.9 Assets and liabilities

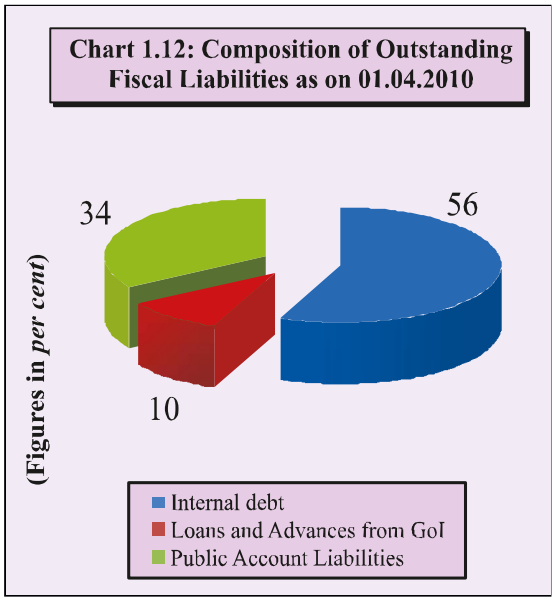
1.9.1 Growth and composition of assets and liabilities

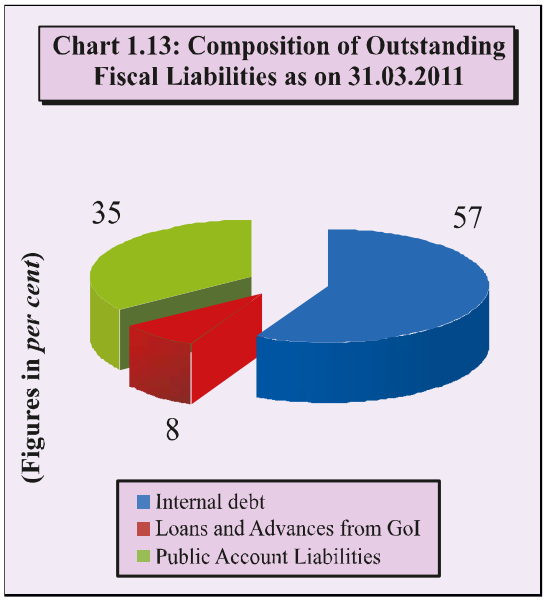
In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. ***Appendix 1.8*** gives an abstract of such liabilities and the assets as on 31 March 2011, compared with the corresponding position on 31 March 2010. 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.

1.9.2 Fiscal liabilities

Trends in outstanding fiscal liabilities of the State are indicated in ***Appendix 1.8*** and the composition of fiscal liabilities during the year 2010-11, *vis-à-vis*, previous year is presented in **Chart 1.12** and **1.13.**





Source: Finance Accounts

Table 1.25 presents 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 1.25 : Fiscal liabilities- basic parameters

	2006-07	2007-08	2008-09	2009-10	2010-11
Fiscal liabilities (₹ in crore)	1,62,156	1,74,248	1,87,411	2,01,720	2,24,785
Rate of growth (*per cent*)	8.93	7.46	7.55	7.64	11.43
Ratio of fiscal liabilities to					
GSDP (*per cent*)	51.87	48.73	45.47	41.06	38.20
Revenue receipts (*per cent*)	267.58	253.74	240.79	209.21	202.17
Own resources (*per cent*)	549.10	566.20	529.02	424.86	429.91
Buoyancy of fiscal liabilities with reference to					
GSDP (ratio)	0.696	0.519	0.494	0.398	0.578
Revenue receipts (ratio)	0.266	0.561	0.566	0.320	0.747
Own resources (ratio)	0.251	1.772	0.500	0.225	1.129

Source: Finance Accounts

Overall fiscal liabilities of the State increased (38.62 *per cent*) from ₹ 1,62,156 crore in 2006-07 to ₹ 2,24,785 crore in 2010-11. Fiscal liabilities of the State under the Consolidated Fund (₹ 1,46,535 crore) comprised internal debt (₹ 1,28,025 crore) and loans from Government of India (₹ 18,510 crore). The Public Account liabilities (₹ 78,250 crore) comprised small savings, provident fund (₹ 34,100 crore), deposits (₹ 18,054 crore) and reserve funds (₹ 26,096 crore). The growth rate of fiscal liability was 11.43 *per cent* during 2010-11as against 7.64 *per cent* in the previous year. The ratio of fiscal liabilities to GSDP decreased from 51.87 *per cent* in 2006-07 to 38.20 *per cent* in 2010-11. These liabilities stood at 2.02 times the revenue receipts and 4.30 times of the States' own resources at the end of 2010-11. The buoyancy of these liabilities with respect to GSDP during the year was 0.578 indicating that for each one *per cent* increase in GSDP; fiscal liabilities grew by 0.578 *per cent*.

The State raised loans amounting to ₹ 21,030.71 crore during 2010-11 which, amongst many sources, included ₹ 11,999.80 crore from the market. However, viewed in terms of availability of surplus cash balances raising such loans could have been avoided.

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 2011 stood at ₹ 24,179.80 crore[8] as against ₹ 20,782.48 crore in previous year.

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,

[8] A difference of ₹ 191.48 crore from CB of 8222-01-101 in Statement No. 19 of the Finance Account 2010-11 is under reconciliation. ₹ 24,179.80 crore includes credit balance of ₹ 6,166.40 crore of undivided Uttar Pradesh.

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 13th FC.***

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 1.26**

Table: 1.26 Guarantees given by the Government

(₹ in crore)

Guarantees	2008-09	2009-10	2010-11
Maximum amount guaranteed	27,892	29,311	29,778
Outstanding amount of guarantees (including interest)	16,084	20,038	20,162
Percentage of maximum amount guaranteed to total revenue receipts	35.84	30.40	26.78

Source: Finance Accounts

The maximum amount guaranteed increased (seven *per cent*) from the level of ₹ 27,892 crore in 2008-09 to ₹ 29,778 crore in 2010-11. The outstanding amount of guarantees also increased from ₹ 16,084 crore in 2008-09 to ₹ 20,162 crore in 2010-11 (25 *per cent*). The percentage of maximum amount guaranteed to total revenue receipts decreased from 35.84 *per cent* in 2008-09 to 26.78 *per cent* in 2010-11, although it decreased by 3.62 percentage points relative to 2009-10. The outstanding amount of guarantees as on 31 March 2011 was against State Financial Corporation (₹ 80.11 crore), institutions engaged in energy sector (₹ 17,140.21 crore), cooperative institutions (₹ 2,791.86 crore) and other institutions (₹ 149.85 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 42 from 38 per cent.

The fiscal liabilities relative to GSDP were on lower side especially in view of the FRBM* (second amendment) Act 2011** ***target to contain it to 42 per cent by the end of 2014-15.

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 1.27** analyses the debt sustainability of the State according to these indicators for the period of five years beginning from the year 2006-07.

Table 1.27: Debt sustainability - indicators and trends

(₹ in crore)

Indicators of debt sustainability	2006-07	2007-08	2008-09	2009-10	2010-11
Debt stabilization (Quantum spread + primary deficit)	8,424	4,664	8,426	17,733	23,413
Sufficiency of non-debt receipts (resource gap)	463	(-) 4,179	(-) 6719	1,820	1,445
Net availability of borrowed funds	2,811	1,272	1,788	2,387	8,915
Burden of interest payments (IP/RR ratio)	17	16	15	12	13

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 2006-11, 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 and 2010-11 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 16.14 *per cent* during 2006-11[9]. During the year 2010-11, Government repaid internal debt

[9]

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Receipt	34,683	37,584	49,193	53,485	55,236
Repayment (principal and interest)	31,872	36,312	47,405	51,098	46,321
Net fund available	2,811	1,272	1,788	2,387	8,915
Net fund available (in *per cent*)	8.10	3.38	3.64	4.46	16.14

of ₹ 6,083 crore, GoI loans of ₹ 1,300 crore and also discharged other obligations of ₹ 24,788 crore along with interest of ₹ 14,216 crore as a result of which percentage of availability of borrowed funds improved to 16.14 *per cent* during the year 2010-11 over 4.46 *per cent* in previous year. The trends in debt redemption ratio varied between 84 and 97 *per cent* during 2006-11. About 92 *per cent* of borrowed funds were used for discharging debt liabilities of the State in the last three years.

1.10.4 Maturity profile

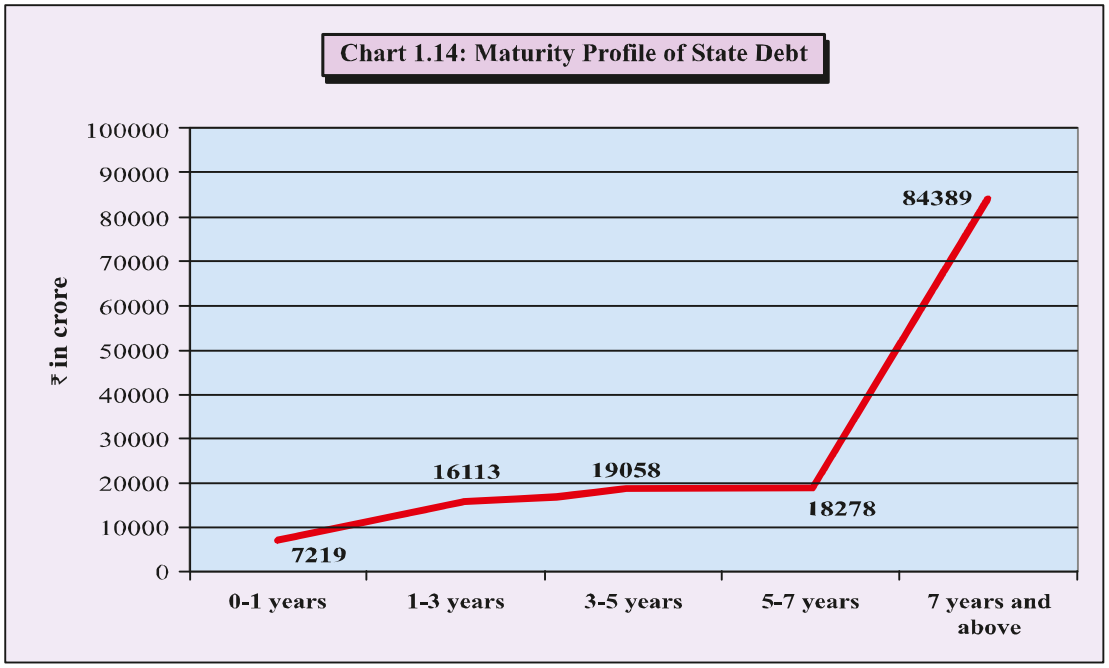
In terms of maturity profile, while the State has not defined clearly 1.01 *per cent* of the debt stock, 58 *per cent* of the outstanding State debt belonged to the maturity bracket of seven years and above. **Table 1.28** and **Chart 1.14** present the maturity profile of State debt.

Table 1.28: Maturity profile of State debt

(₹ in crore)

Maturity profile	Internal Debt	Loans & Advances from the central Government	Total	*Per cent*
0 – 1 year	5,912	1,307	7,219	4.93
1 – 3 years	13,463	2,650	16,113	11.00
3 – 5 years	16,362	2,696	19,058	13.00
5 – 7 years	15,561	2,717	18,278	12.47
7 years and above	75,249	9,140	84,389	57.59
Information not furnished by the Government	1,478	0	1,478	1.01
Total	**1,28,025**	**18,510**	**1,46,535**	**100**

Source: Finance Accounts



Source: Finance Accounts

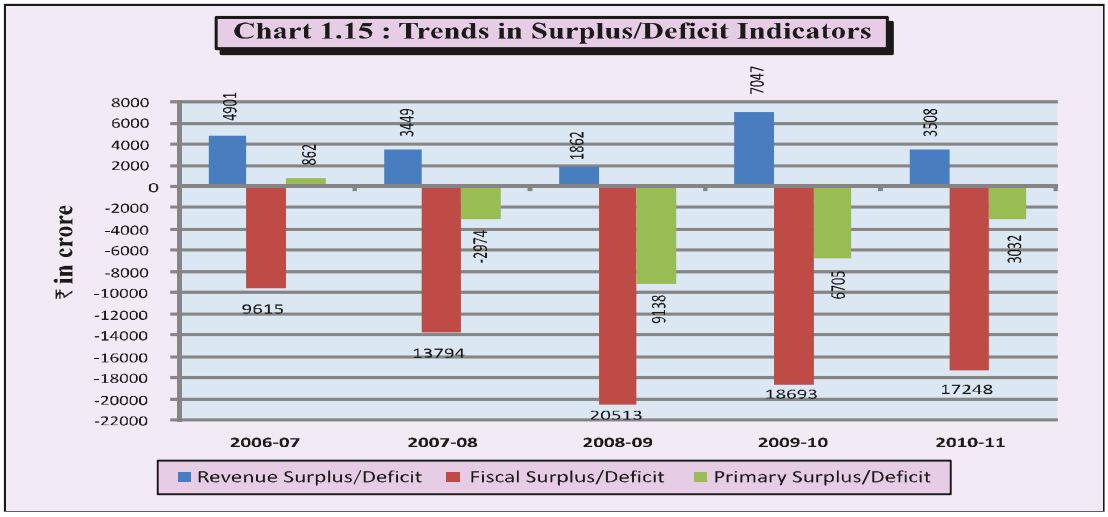
As above chart indicates, there will be bunching of repayment immediately after one year and after seven years the repayment burden will be critical. A well thought out debt re- payment strategy will ensure that no additional borrowings which mature during these critical years are undertaken.

1.11 Fiscal imbalances

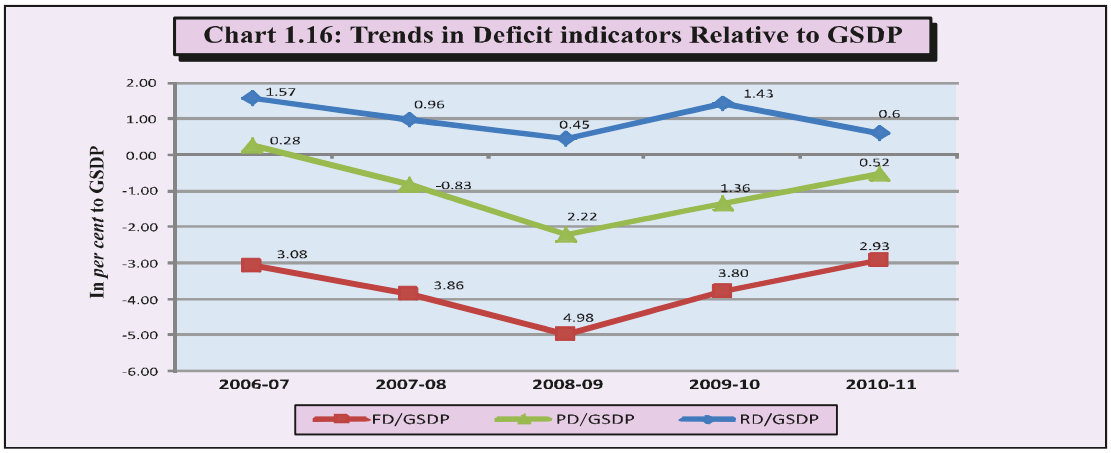
Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit 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 2010-11.

1.11.1 Trends of deficits

Chart 1.15 and **1.16** present the trends in deficit indicators over the period 2006-11.



Source: Finance Accounts



Source: Finance Accounts

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. It was further amended vide FRBM (second amendment) Act 2011 by setting the target of revenue deficit as nil and fiscal deficit to three *per cent* of GSDP by the end of the year 2011-12. However, the State achieved this target three 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. It increased to ₹ 7,047 crore in 2009-10 but again decreased to ₹ 3,508 crore in 2010-11. The decline in revenue surplus during 2010-11 was mainly due to increase of ₹ 18,302 crore in revenue expenditure against the increase of ₹ 14,763 crore only in revenue receipts relative to previous year.

The fiscal deficit decreased from ₹ 18,693 crore in 2009-10 to ₹ 17,248 crore in 2010-11 mainly due to decrease in capital expenditure by 19 *per cent* over the previous year which declined from ₹ 25,091 crore in 2009-10 to ₹ 20,273 crore in 2010-11. As a result, relative to GSDP, the fiscal deficit has declined from 3.80 *per cent* in 2009-10 to 2.93 *per cent* in 2010-11 which was below the revised FRBM norm of three *per cent*.

The primary deficit of ₹ 3,032 crore in 2010-11 declined from the level of ₹ 6,705 crore in 2009-10, primarily due to the decline in fiscal deficit in 2010-11 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 1.29**.

Table 1.29: Components of fiscal deficit and its financing pattern

(₹ in crore)

Particulars		2006-07	2007-08	2008-09	2009-10	2010-11
Decomposition of Fiscal Deficit						
Fiscal deficit (1 to 3)		**9,615 (3.08)**	**13,794 (3.86)**	**20,513 (4.98)**	**18,693 (3.80)**	**17,248 (2.93)**
1	Revenue Deficit/Surplus (-)	(-) 4,901	(-) 3,449	(-) 1,862	(-) 7,047	(-) 3,508
2	Net Capital Expenditure	13,984	16,950	22,346	25,091	20,273
3	Net Loans and Advances	532	293	29	649	483
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	2,219	2,628	10,296	11,421	10,074
2	Loans from GOI	(-) 1795	(-) 821	(-) 778	(-) 917	(-) 937
3	Special Securities Issued to NSSF	5,831	1,423	426	3,899	5,415
4	Loans from Financial Institutions	131	1,068	628	418	(-) 541
5	Small Savings, PF etc.	2,733	2,451	2,944	3,870	4,871
6	Deposits and Advances	1,794	2,683	(-) 2,525	93	1,843
7	Suspense and miscellaneous	2,277	654	973	(-) 1,365	757
8	Remittances	407	273	78	3	367
9	Others (i.e. transactions under Contingency Fund, Reserve Fund, Cash Balances Investment)	(-) 3,982	3,435	8,471	1,271	(-) 4,601
	Total	**9,615**	**13,794**	**20,513**	**18,693**	**17,248**

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 2006-11 ranged between ₹ 9,615 crore (2006-07) and ₹ 20,513 crore (2008-09). The fiscal deficit, relative to previous year, decreased by eight *per cent,* from ₹ 18,693 crore to ₹ 17,248 crore during 2010-11. Reduction of 19 *per cent* in capital expenditure over the previous year was a major factor contributing to the decline in the fiscal deficit during the current year.

There was also a compositional shift in the pattern of financing fiscal deficit in 2010-11 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 2006-11. During 2006-07, 23 *per cent* of the deficit was met from the market borrowings which increased to 58 *per cent* during 2010-11. Another major source of financing the deficit was the National Small Saving Fund loans. During 2010-11, its share in financing the deficit was 31 *per cent* which though financed the deficit to the extent of 61 *per cent* in 2006-07.

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) did not have any asset backup. The bifurcation of the primary deficit **(Table 1.30)** 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.

Table 1.30: 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)
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
2010-11	1,11,669	93,460	20,273	968	1,14,701	(+)18,209	(-)3,032

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 15 *per cent* during 2010-11 over the preceding year mainly due to 21 *per cent* increase in tax revenue and 37 *per cent* increase in share of union taxes. Revenue receipts of ₹ 1,11,184 crore were very close to the target set under the Mid Term Fiscal Restructuring Policy (MTFRP) for 2010-11 (₹ 1,11,621 crore). Tax revenue which is a major constituent of the revenue receipt was below the target of MTFRP by ₹ 1,196 crore while it was above the projection made by Thirteenth Finance Commission by ₹ 3,806 crore. Similarly non tax revenue was also below the target of MTFRP by ₹ 3,809 crore but was above the normative assessment made by the 13thFC by ₹ 3,577crore.

Revenue expenditure: During 2010-11, the revenue expenditure increased by 20 *per cent* (₹ 18,302 crore) relative to 2009-10. Within revenue expenditure, plan expenditure increased by ₹ 5,338 crore (34 *per cent*) over the previous year and the non-plan expenditure increased by ₹ 12,964 crore (18 *per cent*). The increases under plan expenditure show growth of infrastructure and services network of the State. The revenue expenditure as a percentage of total expenditure increased from 77 *per cent* in the previous year to 83 *per cent* in the current year. The committed expenditure on salary, pension, interest payments and subsidies constituted 82 *per cent* of the non-plan revenue expenditure during 2010-11. ***It is advisable for the Government to redefine its expenditure pattern by cutting down unproductive expenditure and to incur more plan expenditure for the growth of infrastructure facility especially in information and broadcasting, energy and transport sectors.***

Priority to economic and social sector expenditure: The fiscal priority given to development, social and education sectors was not adequate in 2010-11 as their ratio to aggregate expenditure was less than the General Category States Average except education which was marginally higher, development and social sectors were also less than the general category states in 2007-08. ***In view of the literacy rate in the State being much below the All India Average and the infant mortality being higher than the All India Average, the Government may consider re-prioritising its public expenditure by giving priority to the Social Sector.***

Resource mobilisation: There had been increasing trend in generation of State's own revenues all along the period 2006-11. Tax revenue-GSDP ratio remained constant around 7 *per cent* and non-tax revenue-GSDP ratio substantially decreased from 2.77 *per cent* in 2009-10 to 1.90 *per cent in* 2010-11. The sharp decrease in non-tax revenue-GSDP ratio during 2010-11 was mainly due to decrease under misc. general services. ***The Government should mobilise additional resources by expanding the tax base and rationalisation 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

0.033 *per cent* in the last three years, whereas its average interest outgo on its borrowings was 6.67 *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 38 *per cent* at the end of 2010-11.The Government of Uttar Pradesh was able to achieve the normative debt-GSDP ratio of 42 *per cent* by the year 2014-15 as specified in FRBM (second amendment 2011) Act. Nearly 92 *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 amortisation of loans.

Revenue surplus: The revenue surplus decreased from ₹ 7,047 crore in 2009-10 to ₹ 3,508 crore in 2010-11. Though the ratio of fiscal deficit to GSDP reduced from the level of 3.80 *per cent* in 2009-10 to 2.93 *per cent* in 2010-11, it was due to decrease in capital expenditure by ₹ 4,818 crore in 2010-11 over the previous year. 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.

Cash Balances: ***The Government having large cash balances should make efforts towards utilising these before resorting to fresh borrowings.***

Oversight of funds transferred directly from the Government of India to the State implementing agencies: The Government of India directly transferred substantial amount of funds to the State Implementing Agencies, which is fraught with the risk of their improper utilisation by these agencies. As 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 II

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

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 2010-11 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/ Excess(-)
Voted	I- Revenue	90,292.03	2,363.22	92,655.25	86,541.42	6,113.83
	II -Capital	36,002.83	3,042.40	39,045.23	31,557.85	7,487.38
	III -Loans and Advances	1,025.26	49.10	1,074.36	968.2	106.14
Total Voted		**1,27,320.12**	**5,454.72**	**1,32,774.84**	**1,19,067.47**	**13,707.35**
Charged	IV -Revenue	21,142.57	0.61	21,143.18	21,725.47	(-)582.29
	V- Capital	386.52	0	386.52	367.71	18.81
	VI- Public Debt- Repayment	18,164.96	6.40	18,171.36	7,383.08	10,788.28
Total Charged		**39,694.05**	**7.01**	**39,701.06**	**29,476.26**	**10,224.8**
Grand Total		**1,67,014.17**	**5,461.73**	**1,72,475.9**	**1,48,543.73**	**23,932.15**

Note: Figures of actual expenditure include recoveries adjusted as reduction of expenditure under voted revenue expenditure (* ₹ 591.28 crore*) and capital expenditure (* ₹ 11,652.77 crore*).

Source: Appropriation Accounts

Overall savings of ₹ 23,932.15 crore were the result of savings of ₹ 26,319.76 crore in 117 cases of grants and appropriations under Revenue Section and 64 cases of grants and appropriations under Capital Section including Loan Section (Public Debt-Repayments), offset by excess of ₹ 2,387.63 crore in 14 cases of grants and appropriations under Revenue Section and 10 cases of grants under Capital Section.

Savings/excesses (Detailed Appropriation Accounts) were intimated (July/August 2011) to the Controlling Officers requesting them to explain the significant variations. However, no explanations were received (September 2011).

2.3 Financial accountability and budget management

2.3.1 Appropriation, vis-à-vis, allocative priorities

Outcome of the appropriation audit revealed that in 115 cases, savings exceeded ₹ 10 crore in each case or by more than 20 *per cent* of total provision ***(Appendix 2.1)***. Against the total savings of ₹ 26,319.76 crore, savings of ₹ 25,241.39 crore (96 *per cent*) occurred in 43 cases (exceeding ₹ 50 crore in each case) relating to 29 grants and appropriations are given in **Table 2.2.**

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

(₹ in crore)

Sl. No.	Grant No.	Name of the Department	Original	Supplem-entary	Total Grant	Actual Exp.	Savings
Revenue - Voted							
1.	**5**	Industries Department (Handloom & Village Industries)	123.52	0.00	123.52	46.64	76.88
2.	**7**	Industries Department (Heavy & Medium Industries)	264.53	0.50	265.03	36.61	228.42
3.	**9**	Power Department	3,005.09	8.55	3,013.64	2,747.10	266.53
4.	**11**	Agriculture & Other Allied Department (Agriculture)	2,089.65	301.70	2,391.35	2,173.68	217.67
5.	**12**	Agriculture & Other Allied Department (Land Develop-ment & Water Resources)	215.24	51.00	266.24	173.19	93.05
6.	**13**	Agriculture & Other Allied Department (Rural Development)	1,867.39	151.14	2,018.53	1,869.59	148.94
7.	**14**	Agriculture & Other Allied Department (Panchayati Raj)	1,792.19	323.63	2,115.82	1,888.89	226.92
8.	**26**	Home Department (Police)	6,739.09	90.50	6,829.59	6,679.92	149.67
9.	**32**	Medical Department (Allopathy)	2,431.27	0.00	2,431.27	2,227.64	203.62
10.	**36**	Medical Department (Public Health)	586.82	0.02	586.84	391.48	195.36
11.	**37**	Urban Development Department	1,045.06	283.24	1,328.30	616.51	711.79
12.	**40**	Planning Department	223.81	134.21	358.02	174.31	183.71
13.	**42**	Judicial Department	882.36	127.05	1,009.42	778.83	230.59
14.	**48**	Minorities Welfare Department	714.99	96.51	811.50	539.50	272.00
15.	**49**	Women & Child Welfare Department	3,522.55	0.00	3,522.55	3,341.93	180.62
16.	**52**	Revenue Department (Board of Revenue & Other Expenditure)	1,573.86	2.96	1,576.82	1,472.42	104.39
17.	**54**	Public Works Department (Establishment)	1,121.43	0.00	1,121.43	724.88	396.56
18.	**61**	Finance Department (Debt Services & Other expenditure)	5,306.57	0.00	5,306.57	5,229.31	77.26

19.	**62**	Finance Department (Superannuation Allowance & Pension)	9,973.80	0.80	9,974.60	9,905.64	68.97
20.	**72**	Education Department (Secondary Education)	6,302.82	241.12	6,543.94	5,758.09	785.84
21.	**73**	Education Department (Higher Education)	1,871.25	25.00	1,896.25	1,324.36	571.89
22.	**80**	Social Welfare Department (Social welfare &Welfare of Scheduled Castes)	3,082.76	90.00	3,172.76	3,024.76	148.00
23.	**83**	Social Welfare Department (Special Component Plan for Scheduled Castes)	5,214.87	187.15	5,402.02	5,291.68	110.33
24.	**84**	General Administration Department	290.70	0.42	291.12	221.82	69.30
25.	**86**	Information Department	147.83	0.08	147.91	78.55	69.36
26.	**94**	Irrigation Department (Works)	1,414.90	0.00	1,414.90	1,262.53	152.37
		Total	**61,804.35**	**2,115.58**	**63,919.94**	**57,979.86**	**5,940.04**
		Capital - Charged					
1.	**21**	Food Department	2,862.04	0.00	2,862.04	1,352.72	1,509.32
2.	**61**	Finance Department (Debt Services & Other Expenditure)	15,645.36	0.00	15,645.36	6,357.30	9,288.06
		Total	**18,507.4**	**0.0**	**18,507.4**	**7,710.02**	**10,797.38**
		Capital - Voted					
1.	**7**	Industries Department (Heavy & Medium Industries)	183.53	34.00	217.53	156.66	60.87
2.	**9**	Power Department	4,795.00	100.00	4,895.00	4,263.52	631.48
3.	**11**	Agriculture & Other Allied Department (Agriculture)	593.07	24.63	617.70	567.40	50.30
4.	**12**	Agriculture & Other Allied Dept (Land Dev. & Water Resources)	0.00	75.00	75.00	0.01	74.99
5.	**21**	Food & Civil Supplies Department	10,622.97	1.24	10,624.22	6,661.22	3,963.00
6.	**25**	Home Department (Jails)	396.10	252.07	648.17	523.97	124.20
7.	**26**	Home Department (Police)	495.56	118.82	614.38	258.26	356.13
8.	**37**	Urban Development Department	2,040.14	20.00	2,060.14	1,373.02	687.12
9.	**40**	Planning Department	1,150.26	18.21	1,168.46	287.71	880.76
10.	**42**	Judicial Department	156.05	5.34	161.39	65.30	96.09
11.	**48**	Minorities Welfare Department	327.50	100.00	427.50	261.94	165.56
12.	**61**	Finance Department (Debt Services & Other Expenditure)	519.01	0.00	519.01	365.96	153.04
13.	**79**	Social Welfare Department (Welfare of Handicapped & Backward Classes)	98.67	106.59	205.26	134.72	70.54
14.	**83**	Social Welfare Department (Special Component Plan for Scheduled Castes)	3,884.88	79.80	3,964.68	3,861.06	103.62
15.	**94**	Irrigation Department (Works)	3,988.10	192.46	4,180.56	3,094.30	1,086.27
		Total	**29,250.84**	**1,128.16**	**30,379.00**	**21,875.05**	**8,503.97**
		Grand Total	**1,09,562.59**	**3,243.74**	**1,12,806.34**	**87,582.93**	**25,241.39**

Source: Appropriation Accounts

2.3.2 *Persistent savings*

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

Table 2.3: List of Grants indicating persistent savings during 2006-11

(₹ in crore)

Sl. No.	No. and name of the Grant	Amount of savings				
		2006-07	2007-08	2008-09	2009-10	2010-11
Revenue-Voted						
1	40- Planning Department	9.27	11.43	32.71	44.66	183.71
2	49- Women and Child Welfare Department	200.47	116.12	138.16	218.28	180.62
3	73-Education Department	971.23	806.72	164.51	93.50	571.89
Capital-Voted						
4	26-Home Department (Police)	157.87	46.18	69.62	145.34	356.13
5	61-Finance Department (Debt Services and Other Expenditure)	138.40	149.72	21.69	274.13	153.04

Source: Appropriation Accounts

2.3.3 *Excess expenditure*

Expenditure aggregating ₹ 44,762.61 crore exceeded the approved provision by ₹ 2,301.10 crore in nine 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 2006-11

(₹ in crore)

Sl. No.	Number and name of the Grant	Amount of excess expenditure				
		2006-07	2007-08	2008-09	2009-10	2010-11
Revenue-Voted						
1	58- Public Works Department (Communications Roads)	41.05	24.32	58.62	132.39	121.37
Capital-Voted						
2	55- Public Works Department (Buildings)	436.24	644.60	769.50	362.12	144.20
3	58- Public Works Department (Communications Roads)	861.52	1427.82	1697.88	1,140.84	1152.14

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 excess over a grant/appropriation regularised by the State Legislature. However, the excess expenditure amounting to ₹ 11,771.48 crore for the years 2005-10 was yet to be regularised as detailed in ***Appendix 2.3.*** The year-wise break-up of the amount of excess expenditure pending regularisation for grants/ appropriations is given in **Table 2.5**.

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

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
2009-10	6	6	1,250.16
Total	**66**	**19**	**11,771.48**

Source: Appropriation Accounts

2.3.5 Excess over provision during 2010-11 requiring regularisation

Table 2.6 contains the summary of total excess in nine cases of grants and appropriations amounting to ₹ 1,703 crore over authorisation from the Consolidated Fund of the State during 2010-11 and requires regularisation under Article 205 of the Constitution.

Table 2.6: Excess over provision requiring regularisation during 2010-11

(₹ in crore)

Sl. No.	Name and title of grant/appropriation	Total grant/ appropriation	Expenditure	Excess	Excess requiring regularisation
A - Revenue Voted					
1	30-Confidential Department	2.79	3.68	0.88	0.88
2	51-Revenue Department	748.46	922.81	174.35	172.26
3	91-Institutional Finance Department	145.69	147.89	2.21	2.19
	Total (A)	**896.94**	**1,074.38**	**177.44**	**175.33**
B - Capital Voted					
4	10- Agriculture and Other Allied Departments (Horticulture and Sericulture Development)	2.10	2.16	0.06	0.06
5	55- Public Works Department (Buildings)	21.78	165.98	144.20	12.85
6	58- Public Works Department (Communications-Roads)	3,217.82	4,369.96	1,152.14	919.34
	Total (B)	**3,241.70**	**4,538.10**	**1,296.40**	**932.25**
C - Revenue Charged					
7	10- Agriculture and Other Allied Departments (Horticulture and Sericulture Development)	0.835	0.842	0.006	0.006
8	23-Cane Development Department (Cane)	0.015	0.037	0.022	0.022
9	61-Finance Department (Debt Services and Other Expenditure)	20,662.870	21,278.340	615.520	594.710
10	82-Vigilance Department	2.480	2.760	0.300	0.300
	Total (C)	**20,666.2**	**21,281.979**	**615.848**	**595.038**
	Grand Total (A+B+C)	**24,800.24**	**26,894.46**	**2,089.69**	**1702.62**

Source: Appropriation Accounts

2.3.6 Unnecessary/Inadequate supplementary provision

Supplementary provision aggregating ₹ 2,070.80 crore obtained in 44 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 seven cases, supplementary provision of ₹ 1243.84 crore proved insufficient by more than ₹ two crore in each case leaving an aggregate uncovered excess expenditure of ₹ 1,558.95 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 ₹ 586.33 crore in some cases and excess of over ₹ 467.36 crore in other cases as detailed in ***Appendix 2.6***.

2.3.8 Substantial surrenders

Substantial surrenders (50 *per cent* or more of the total provision) were made in respect of 139 sub-heads either due to non-implementation or slow implementation of schemes/ programmes. Out of total provision amounting to ₹ 4,579 crore in 139 schemes, ₹ 3,234 crore (71 *per cent*) was surrendered, which included cent *per cent* surrender in 57 schemes (₹ 608.35 crore). The details of such cases are given in ***Appendix 2.7***. This indicated that budgeting was not done after proper exercise.

2.3.9 Surrender in excess of actual saving

In 16 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 ₹ 2,000.55 crore, the amount surrendered was ₹ 2,159.38 crore resulting in excess surrender of ₹ 158.83 crore. Details are given in ***Appendix 2.8***.

2.3.10 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 2010-11, there were, however, 26 cases of grants/appropriations in which savings occurred but no part was surrendered by the concerned departments. The amount involved in these cases was ₹ 2,053 crore (eight *per cent* of the total savings) ***(Appendix 2.9)***.

Similarly, out of total savings of ₹ 11,033 crore under 44 cases (savings of ₹ one crore and above), amount aggregating ₹ 8,099 crore (73 *per cent*) was not surrendered (***Appendix 2.10),*** which forms 31 *per cent* of total savings of ₹ 26,319.76 crore. Besides, ₹ 15,267 crore was surrendered in 41 cases (surrender of funds in excess of ₹ 10 crore) on the last working day of March 2011 ***(Appendix 2.11)***. This indicated inadequate financial control apart from the fact that the funds could not be utilised for other developmental purposes.

2.3.11 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 more than 50 *per cent* expenditure was incurred during last quarter and more than 40 *per cent* 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

Sl. No.	Major Head	Total expenditure during year (₹ in crore)	Expenditure during last Qtr. of 2010-11		Expenditure during March 2011	
			Amount (₹ in crore)	% of total expenditure	Amount (₹ in crore)	% of total expenditure
1.	**2040**-Taxes on Sales, Trade etc.	1,269.66	949.25	74.76	905.33	71.30
2.	**2048**-Appropriation for Reduction or Avoidance of Debt.	7,322.69	7,322.69	100.00	7,322.69	100.00
3.	**2700**-Major Irrigation.	270.32	239.22	88.49	214.61	79.39
4.	**3054**- Roads & Bridges.	1,654.54	985.68	59.57	755.70	45.67
5.	**4055**-Capital Outlay on Police.	255.87	128.26	50.13	110.12	43.04
6.	**4202**- Capital Outlay on Education, Sports, Art and Culture.	710.04	358.54	50.50	314.39	44.28
7.	**4210**- Capital Outlay on Medical & Public Health.	1,032.22	649.13	62.89	521.95	50.57
8.	**4701**- Capital Outlay on Medium Irrigation	190.62	100.42	52.68	80.19	42.07
	Total	**12,705.96**	**10,733.19**	**84.47**	**10,224.98**	**80.47**

Source: VLC data

2.4 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 ₹ 4,540.54 crore was made to the Directorate of Education (Secondary) during 2010-11 in Grant no. 72 under the Head '2202-110-03'. At the end of the year ₹ 665.87 crore was remained unspent due to non-acceptance of re-appropriations by the Government and non-furnishing of demand by the districts. It is indication of excess anticipation of budget against requirement.

2.5 Review of selected grants

Rupees 10,670 crore was provided (2010-11) under Grant Number-21 pertaining to the Food & Civil Supplies Department. Against this, ₹ 6,705 crore was spent leaving overall savings of ₹ 3,965 crore at the end of March 2011. Similarly, ₹ 3,172.76 crore was provided (2010-11) under Grant Number-80 pertaining to the Social Welfare Department. Against it, ₹ 3,024.76 crore was spent leaving over all savings of ₹ 148 crore.

Again, ₹ 5595.46 crore was provided (2010-11) under Grant Number-94 Irrigation Department. Against it, ₹ 4,356.83 crore was spent leaving overall savings of ₹ 1,238.63 crore at the end of March 2011. The details are given in **Table 2.8**.

Table 2.8: Grant Nos-21, 80 and 94

(₹ In thousands)

Particulars	Amount	Total	Actual expenditure	Savings	Heads of accounts
Grant No. 21 - Food and Civil Supplies Department					
Revenue Voted					
Original	46,04,89.00	46,11,14.00	44,17,29.00	1,93,85.00	2075, 3456 & 3475
Supplementary	6,25.00				
Capital Voted					
Original	1,06,22,97,47.00	1,06,24,21,75.00	66,61,21,84.00	39,62,99,91.00	4059, 4408
Supplementary	1,24,28.00				
Grand Total	**1,06,70,32,89.00**	**1,06,70,32,89.00**	**67,05,39,13.00**	**39,64,93,76.00**	
Amount surrendered:	Revenue voted		-	2,19,14.00	
	Capital voted		-	21,88,14.00	
Grant No. 80 - Social Welfare Department (Social welfare & Welfare of Scheduled Castes)					
Revenue Voted					
Original	30,82,75,95.00	31,72,75,98.00	30,24,75,99.00	1,47,99,99.00	2013, 2225 & 2235
Supplementary	90,00,03.00				
Grand Total	**31,72,75,98.00**	**31,72,75,98.00**	**30,24,75,99.00**	**1,47,99,99.00**	
Amount surrendered:	Revenue voted		-	-	
	Capital voted		-	-	
Grant No. 94 - Irrigation Department (Works)					
Revenue Voted					
Original	14,14,89,50.00	14,14,89,50.00	12,62,52,72.00	1,52,36,78.00	2700,2701, 2702 & 2711
Supplementary	-				
Grand Total	**14,14,89,50.00**	**14,14,89,50.00**	-	-	
Capital Voted					
Original	39,88,10,22.00	41,80,56,45.00	30,94,29,93.00	10,86,26,52.00	4700, 4701,4702 & 4711
Supplementary	1,92,46,23.00				
Grand Total	**55,95,45,95.00**	**55,95,45,95.00**	**43,56,82,65.00**	**12,38,63,30.00**	
Amount surrendered:	Revenue voted		-	-	
	Capital voted		-	-	

Source: Appropriation Accounts

Results of review of aforesaid grants are discussed below:

- ***Grant No. 21***

Rupees 9,971.97 crore was provided for purchase, storage and distribution of wheat and paddy under the Head '4408-01-101-31'. Out of which ₹ 6,100.35 crore only was utilized for the purpose and ₹ 3,871.62 crore was saved due to non-procurement of targeted purchase of wheat and paddy. This saving resulted in short purchase of paddy (7.54 lakh MT) and wheat (23.55 lakh MT).

Further analysis of Grant No. 21 revealed that ₹ 2,500 crore was provided for repayment of loans to State Bank of India and other Banks under the

Head '6003-30'. Out of which ₹ 1,000 crore was paid for the purpose and ₹ 1,500 crore was saved as the Government had not given the permission for drawal of budget for the repayment of loans obtained in February and March 2011. As a result, it created an extra liability of ₹ 46 crore (₹ 23 crore per month) on account of interest. Matter was referred to the Government in October 2011. Reply is yet to be received.

- ***Grant No. 80***

  Rupees 270 crore was provided for Mukhya Mantri Maha Maya Garib Arthik Madad Yojna under the head 2235-200-03-20. Out of which ₹ 167 crore was utilised for the purpose of the scheme and remaining amount of ₹ 103 crore was unnecessarily retained due to lack of wide publicity of the scheme. As a result approximately 5.7 lakh beneficiaries were deprived of the benefits of the scheme for 6 months (@ ₹ 300 per month). Matter was referred to the Government in October 2011. Reply is yet to be received.

- ***Grant No. 94***

  Rupees 441.60 crore was provided for Ban Sagar Project under the Head '4700-04-051-18'. Out of which ₹ 121.87 crore was spent and ₹ 319.73 crore was saved and surrendered as it was received in the last week of March 2011. This saving resulted in non-acquisition of land (98.41 hectare), non-completion of lining work (60.15 Kms) etc. Matter was referred to the Government in October 2011. Reply is yet to be received.

2.6 Conclusion and Recommendations

Overall savings of ₹ 23,932.15 crore was the result of savings of ₹ 26,319.76 crore offset by excess of ₹ 2,387.63 crore. The departments of Planning, Women and Child Welfare, Education, Home Department (Police) and Finance (Debt Services and Other Expenditure) posted large savings persistently for the last five years. Excess expenditure of ₹ 11,771.48 crore for the period 2005-11 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. Reconciliation of the departmental figures with the account books of the Accountant General (A&E) should invariably be done to avoid erroneous booking and discrepancies. 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 III

FINANCIAL REPORTING

This Chapter provides an overview and status of the UP Government's compliance with various financial rules during the year 2010-11.

3.1 Delay in furnishing utilisation certificates

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

However, utilisation certificates for an aggregate amount of ₹ 1,707.26 crore (paid up to 2009-10) were in arrears as of September 2011. The departmentwise break-up of the outstanding utilisation certificates is given in ***Appendix 3.1*** and the agewise delay in their submission is summarised in **Table 3.1.**

Table 3.1: Agewise arrears of Utilisation Certificates

(₹ in crore)

Sl. No.	Range of delay in number of years	Total grants paid		U Cs outstanding	
		Number	Amount	Number	Amount
1	0 - 1	1252	2,011.97	983	1,476.78
2	1 - 3	2406	395.99	1542	208.54
3	3 - 5	1133	92.17	596	21.94
Total		**-**	**2,500.13**	**3121**	**1,707.26**

Source: Records of concerned departments

Department of Industries (Handicraft) paid grants aggregating ₹ 7.49 crore during 2006-07 and ₹ 4.93 crore during 2005-06 to Director, Handloom and Textile U.P. Kanpur. However, utilisation certificates were in arrears even after four and five years respectively.

Other major departments in default were Social Welfare (₹ 1,335.08 core), Dairy Development (₹ 117.43 crore), Agriculture and Other Allied Department (Panchayati Raj) (₹ 102.13 crore), Social Welfare (ST Development) (₹ 16.79 crore), Technical Education (₹ 36 crore) and Forest Department (₹ seven crore).

3.2 Pendency in submission of DC bills against AC bills

The Drawing and Disbursing Officers are authorised 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 date of 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, 12,451 Abstract Contingent Bills involving ₹ 131.77 crore were outstanding at the end of March 2011, indicating lax financial management and lack of internal control. The agewise details of pendency in submission of DC Bills against AC Bills 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	13103	69.16	9495	55.98	3608	13.18
2005-06	5709	23.88	4345	14.81	1364	9.07
2006-07	2826	45.68	1337	37.43	1489	8.25
2007-08	2498	93.51	1174	59.86	1324	13.65
2008-09	2524	43.42	1091	36.46	1433	6.96
2009-10	2624	218.02	1078	190.64	1546	27.38
2010-11	2323	77.20	636	23.92	1687	53.28
	31607	**570.87**	**19,156**	**419.10**	**12451**	**131.77**

Source: Finance Accounts

3.3 Delays in submission of Accounts by the Autonomous Bodies

The audit of accounts of nine Autonomous Bodies[1] has been entrusted to the Comptroller & Auditor General of India. 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 3.3.**

Table: 3.3 Delays in submission of accounts

Delays in submission of accounts (in months)	No. of Autonomous Bodies	Reasons for delay
1- 6	6	Jal Sansthans at Agra, Allahabad, Chitrakoot Dham Mandal Banda, Jhansi, Kanpur and Lucknow have submitted their accounts with delay of 1-6 months.
12-18	2	Jal Sansthan Varanasi has not submitted its accounts for 2009-10. UP Khadi Gramodayog Board Lucknow and UP State Legal Services Authority, Lucknow have not submitted their accounts for 2009-10 and 2010-11.
Total	**8**	

Source: Records of concerned departments

Delayed submission of accounts is fraught with risk of fraud and leakage of funds. Further, placement of SAR in respect of Khadi and Gramodyog Board, Lucknow for the years ending 2004-05 and 2005-06 and UP State Legal Services Authority, Lucknow for the years ending 2006-07, 2007-08 and 2008-09 were in progress. The SARs of seven Jal Sansthans are not laid in the State Legislature.

[1] Jal Sanasthan at Agra, Allahabad, Chittrakoot Dham Mandal Banda, Jhansi, Kanpur, Lucknow, Varanasi, Khadi Gramodyog Board, Lucknow and UP State Legal Services Authority, Lucknow.

3.4 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 2011, there were ten such undertakings in the State. Four of these had not prepared their upto date *pro forma* accounts. The departmentwise 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 foodgrains with a Government investment of ₹ 2132.69 crore were not prepared for 2009-10 and 2010-11. 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.

3.5 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 2010-11, 157 such cases involving ₹ 829.72 lakh were pending for settlement. The departmentwise break up of pending cases and their agewise 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 3.4.**

Table 3.4: 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	32	314.84	Theft	83	31.71
5 - 10	22	49.28			
10 - 15	34	62.72	Misappropriation/Loss of material	78	799.13
15 - 20	21	21.93			
20 - 25	30	36.68	Total	**161**	**830.84**
25 & above	18	344.27	Cases settled/written off during the year	4	1.12
Total	**157**	**829.72**	**Total pending cases**	**157**	**829.72**

Source: Records of concerned departments

Out of 161 cases involving ₹ 830.84 lakh, four cases ***(Appendix 3.6)*** involving ₹ 1.12 lakh were settled/written off during 2010-11 and remaining 157 cases involving ₹ 829.72 lakh were pending as of March 2011 for various reasons as listed in **Table 3.5.**

Table 3.5: 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	17	157.45
ii	Departmental action initiated but not finalised	85	437.79
iii	Criminal proceedings finalised but execution of cases for the recovery of the amount pending	2	0.45
iv	Awaiting orders for recovery or write off	12	6.44
v	Pending in the courts of law	41	227.59
	Total	**157**	**829.72**

Source: Record of concerned departments

Matter was referred to the Government in October 2011. Reply is yet to be received.

3.6 Booking under Minor Head 800- 'Other receipts' and 'Other expenditure'

A receipt of ₹ 15,070.28 crore against total receipts of ₹ 1,11,183.76 crore was classified under Minor Head '800-Other receipts' in accounts. Similarly, ₹ 16,693.43 crore against the expenditure of ₹ 1,27,948 crore (Revenue: ₹ 1,07,675 crore Capital: ₹ 20,273 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 correctness of the accounts.

3.7 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. The book adjustment on account of interest on State Provident Fund amounting to ₹ 1,451.77 crore includes ₹ 649.62 crore as *ad hoc* interest on G.P. Fund of Class IV employees for the year 2010-11 as the actual interest has not been received from the State Government. The matter was referred to the Government in October 2011. Reply is yet to be received.

3.8 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 ₹ 189.87 crore during 2010-11. However, as no budget provision was made during 2010-11, 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 2011.

3.9 Balances lying unspent in bank accounts

The Government provides State's share to State/district level autonomous bodies/ authorities, societies, non-governmental organisations 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.

3.10 Variations in cash balances

Cash Balances with Reserve Bank of India as worked out by the Accountant General (A&E) were ₹ 414.63 crore (debit) and the Cash Balance reported by Reserve Bank of India was ₹ 248.68 crore (credit) as on 31March 2011 leading to a difference of ₹ 165.95 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 ₹ 111.52 crore (debit) have been identified and intimated (August 2011) to the Manager, State Bank of India, Fund Settlement Link Office, Kanpur for settlement.

3.11 Transfer of funds to Personal Deposit Accounts

Transfer to Personal Deposit Accounts is booked as expenditure in the Consolidated Fund (service major head) of the State. The State Government is authorised to open Personal Deposit (PD) Accounts in order to deposit funds. The Administrators are required to close such accounts on the last working day of the year and transfer the unspent balances to the Government account. However, the same was not done in respect of balances amounting to ₹ 0.43 crore (66 PD accounts) by the holders during the year. The status of PD Accounts is given in **Table 3.6.**

Table 3.6: Status of PD Accounts

(₹ in crore)

Head of Accounts	Opening balance as on 01.04.2010		Number of Accounts				Closing balance as on 31.03.2011	
			Opened/renewed during the year		Closed during the year			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
8443-106	78	26.81	08	0.56	12	26.94	66	0.43
Other than 8443-106	1624	2,822.24	47	78.49	84	47.40	1540	2,853.33
Total	**1702**	**2,849.05**	**55**	**79.05**	**96**	**74.34**	**1606**	**2,853.76**

Source: Finance Accounts

As per information received from various treasuries of the State, only 151 PD Accounts out of 1606 are reported to have been reconciled. It has been noticed that the balance of budget allocation have been seen to be withdrawn through AC Bills and deposited under earmarked PD Accounts (Refer to item 11 of Annexure III).

3.12 Working of Treasury

The important irregularities on working of Treasuries noticed during the inspection by the Accountant General (A&E) are discussed in succeeding paragraph.

3.12.1 Unadjusted amount drawn against Treasury Rule 27

Treasury Rule 27 provides that amount drawn under this rule shall be adjusted within three months of drawal or by the end of the financial year whichever is earlier.

During the year 2010-11 an amount of ₹ 4.67 crore of 14 department was outstanding for adjustment indicating financial mismanagement and lack of internal control as given in **Table 3.7**.

Table 3.7: Unadjusted Amount against drawn from Treasury Rule 27

(₹ in lakh)

Sl.No.	Name of Department	Name of District	Amount
1	Judiciary Department	Aligarh, Azamgarh, Badaun, Balrampur, Barabanki, Bagpat, Bahraich, Bareilly, Banda, Bijnore, Bullandshar, Chandauli, Deoria, Gautambudhha Nagar, Hameerpur, Hardoi, Jaunpur, JP Nagar, Kannauj, Kanpur Nagar, Meerut, Pratapgarh, Sant Ravidas Nagar, Sant Kabir Nagar, Sultanpur,	85.69
2	Agriculture and other allied Department	Aligarh, Bagpat, Bareilly, Gorakhpur, Meerut Varanasi,	25.12
3	Education Department	Aligarh, Gautambudhha Nagar, JP Nagar,	6.47
4	Health Department	Badaun	0.45
5	Social Welfare Department	Agra, Aligarh, Badaun, Banda, Bulandshahar, Gorakhpur, Kashiram Nagar, Kannauj, Mahoba, Meerut, Saharanpur,	246.03
6	Revenue Department	Auraiya, Ambedkar Nagar, Bijnor, Mahoba	64.40
7	Home Department Police	Bulandshahar	32.34
8	Home Department	Saharanpur	0.40
9	Women and Child Welfare Department	Gorakhpur	0.05
10	Secretariate Administration Department	Kashiram Nagar	0.50
11	Transport Department	Barabanki	0.95
12	Housing Department	Saharanpur	0.41
13	Minority Welfare Department	Kanpur Nagar, Mahoba	3.09
14	Labour Department	Gorakhpur	1.10
		Total Say ₹ 4.67 crore	**467.00**

Source: AG (A&E)-I

3.13: Suspense Account

Position of Suspense balances (MH 8658) show a decreasing trend since 2006-07 to 2010-11, except in the year 2009-10, in which it increased. Yearwise breakup is given in **Table 3.8**.

Table: 3.8: Position of Suspense (MH-8658) balance during last five years

(₹ in crore)

Year	Opening balance	Addition		Clearance		Net		Closing balance
		Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	
2006-07	Dr.2406.17 **Cr.1279.25***	3,09,415.27	3,30,502.54	3,24,543.69	3,45,358.14	(-) 15,128.42	(-) 14,855.60	Dr.2,133.35 **Cr. 1,279.25**
2007-08	Dr.2133.35 **Cr.1279.25**	2,36,167.89	2,64,158.82	2,52,874.35	2,80,518.71	(-)16,706.46	(-) 16,359.89	Dr.1,786.78 **Cr. 1,279.25**
2008-09	Dr.1786.78 **Cr.1279.25**	2,68,392.20	3,04,287.87	2,87,322.01	3,22,732.04	(-)18,929.81	(-) 18,444.17	Dr.1,301.14 **Cr. 1,279.25**
2009-10	Dr1301.14 **Cr.1279.25**	3,90,967.61	4,81,897.00	4,34,347.89	5,25,431.28	(-) 43,380.28	(-) 43,534.28	Dr 1,455.14 **Cr. 1,279.25**
2010-11	Dr.1455.14 **Cr.1279.25**	4,27,774.15	4,95,464.02	4,53,704.35	5,20,183.61	(-) 25,930.20	(-) 24,719.59	Dr. 244.53 **Cr. 1,279.25**
*Figurers in bold represent the unapportioned figures of undivided state of Uttar Pradesh as on 8.11.2000.								

Source: Finance Account

Further scrutiny of the suspense balances revealed that during 2010-11 new debit items of ₹ 4,27,774.15 crore were added to suspense, which was 9.41 *per cent* more than the previous year´s added debit items (₹ 3,90,967.61 crore). Similarly, new credit items increased to ₹ 4,95,464.02 crore, which was 2.82 *per cent* more than the previous years added credit items (₹ 4,81,897). During 2010-11 the debit items of ₹ 4,53,704.35 crore and credit items 5,20,183.61 crore were cleared. The clearance of debit items increased by 4.46 *percent* to previous years debit clearance, while clearance of credit items decreased by one *percent* to previous year's clearance. However, opening balance of suspense of the year 2006-07 (Dr. ₹ 2,406.17 crore) has been reduced by 89.84 *per cent* upto 2010-11 (₹ 244.53 crore) due to more clearance of suspense items against addition of new suspense items. Clearance of suspense items depends on the details furnished by the Government departments/work and forest divisions/central Ministries/PAOs/RBI etc. Matter was referred to the Government in October 2011, reply is yet to be received.

3.14: Accounting of amount of cheques lapsed during the year

Cheques issued during the month of March in a financial year, if not encashed by 30thApril of the ensuing financial year, lapse to the Government account. Since the cheques are lapsed after 30thApril therefore, it was obvious that their accounting, whatsoever, have to be done in the next financial year resulting into incomplete depiction of expenditure of the relevant year. To overcome this problem such lapsed cheques are adjusted/accounted for in March (Supplementary) accounts of the same financial year by procuring statement of cheques lapsed in all treasuries of UP during the year, from Directorate of Statistics, Government of UP.

During the course of accounting of lapsed cheques, for the entire year it was noticed that a considerable number of cheques pertaining to withdrawal/payments of advances etc. from GP Fund Accounts and Insurance Funds and also refunds of Revenue Receipts were found to have lapsed. The position of lapsed cheques for the last three years is given in **Table 3.9.**

Table: 3.9: Position of lapsed cheques during 2008-09 to 2010-11

(₹ in crore)

Year	Total Value of cheques lapsed	Value of cheques lapsed in respect of Head '8009-State Provident Funds'	Value of cheques lapsed in respect of Head '8011-GIS'	Value of cheques lapsed in respect of Refunds of Revenue Receipts
2008-09	63.01	3.40	1.03	1.91
2009-10	55.36	3.44	1.10	3.82
2010-11	83.07	3.39	1.55	5.02

Source: Finance Accounts

3.15 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 ₹ 1,27,949 crore during 2010-11, reconciliation was carried out by the controlling officers for ₹ 1,24,155 crore (98 *per cent*) and against the total receipt of ₹ 1,11,184 crore, reconciliation was done for ₹ 1,11,001 crore (99 *per cent*). However, 14 controlling officers did not reconcile (2010-2011) expenditure/ receipts amounting to ₹ 3,976 crore as given in **Table 3.10.**

Table 3.10: List of controlling officers who did not reconcile the expenditure and receipts during 2010-2011

(₹ in crore)

Sl. No.	Controlling Officer	Amount not reconciled
Expenditure		
1	Secretary, Khadi and Gramodyog, Lucknow	5.81
2	Director, Agriculture, UP, Lucknow	1,387.69
3	Chief Secretary, Agriculture Education, UP Government, Lucknow	345.15
4	Secretary, Nagar Vikas Vibhag, UP, Lucknow	301.58
5	Registrar, High Court, Allahabad	384.59
6	Secretary, Naya Evam Vidhi Paramarshi, UP Government Lucknow	16.32
7	Director, Janjati Kalyan, UP,	1.97
8	Advocate General, High Court, Allahabad	0.41
9	Commissioner/Principal Secretary, Samaj Kalayan, UP Government, Lucknow	173.22
10	Secretary, Revenue, UP Government, Lucknow	696.43
11	Director, Local Bodies, UP, Lucknow	472.68
12	Director, Deen Dayal Upadhyay Gram Vikas Evam Shodh Sansthan, Bakshi-Ka-Talab, Lucknow	6.37
13	Secretary, Nagrik Suraksha Home guard & Rajnetik Pension UP Government Lucknow	0.93
	Total	**3,793.15**
Receipts		
14	Registrar, High Court, Allahabad	57.36
15	Director, Agriculture, UP, Lucknow	42.44
6	Secretary, Nagar Vikas Vibhag, UP, Lucknow	76.07
17	Commissioner, Samaj Kalayan, UP Government, Lucknow	.003
18	Chief Audit Officer, Cooperative Societies & Panchayats UP, Lucknow	6.73
	Total	**182.60**
	Grand Total	**3,975.75**

Source: Accountant General (A&E)

3.16 Conclusion and recommendations

The Government's compliance with various financial rules and procedures was deficient. Utilisation 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.

Recommendations

- 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 and utilisation certificates by the grantees.

- The Government should take necessary steps to instruct Government Departments to furnish all relevant details alongwith account to AG (A&E) so as the suspense balances may not accumulate.



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

ALLAHABAD
THE 03 JAN 2012

COUNTERSIGNED



(VINOD RAI)
Comptroller and Auditor General of India

NEW DELHI
THE - 5 JAN 2012

Appendix 1.1

State Profile

(Reference: Paragraph 1.1; Page 1)

A. General Data			
Sl.No.	**Particulars**		**Figures**
1	Area		2,40,928 sq. km.
2	Population		
	a. As per 2001 Census.		16.62 crore
	b. 2010-11		19.96 crore
3	a. Density of Population (as per 2001 Census) (All India Density = 325 persons per sq. Km)		690 person per sq. km.
	b. Density of Population (as per 2011 Census) (All India Density = 382 persons per sq. Km)		828 person per sq. km.
4	Population below poverty line (BPL) (All India Average = 27.5 *per cent*)		32.8 *per cent*
5	a. Literacy (as per 2001 Census) (All India Average = 64.8 *per cent*)		56.27 *per cent*
	b. Literacy (as per 2011 Census) (All India Average = 74.04 *per cent*)		69.72 *per cent*
6	Infant mortality (per 1000 live births) (All India Average = 50 per 1000 live births)		63
7	Life Expectancy at birth (All India Average = 63.5 years)		60 years
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) 2010-11 at current prices		₹ 5,88,467 crore
10	Per capita GSDP CAGR (2001-02 to 2010-11)	Uttar Pradesh	9.92 *per cent*
		General Category States	11.32 *per cent*
11	GSDP CAGR (2001-02 to 2010-11)	Uttar Pradesh	13.35 *per cent*
		General Category States	14.68 *per cent*
12	Population Growth (2001 to 2011)	Uttar Pradesh	20.09 *per cent*
		General Category States	17.56 *per cent*

A. Financial Data				
Sl. No.	**Particulars**	**Figures (in *per cent*)**		
13	CAGR	2001-02 to 2009-10		2001-02 to 2010-11
		General Category States	Uttar Pradesh	Uttar Pradesh
	a. of Revenue Receipts.	15.20	18.03	17.71
	b. of Own Tax Revenue.	14.53	16.00	16.57
	c. of Non Tax Revenue.	13.87	28.88	22.57
	d. of Total Expenditure.	13.53	15.73	15.26
	e. of Capital Expenditure.	22.61	27.67	21.32
	f. of Revenue Expenditure on Education.	12.73	13.10	14.80
	g. of Revenue Expenditure on Health.	11.97	17.05	16.68
	h. of Salary and Wages[2].	11.45	14.56	15.88
	i. of Pension.	14.09	21.12	20.27

Source: Financial data is based on figures in Finance Accounts. BPL (Planning Commission & NSSO data, 61st Round), Gini Coefficient (Unofficial estimates of Planning Commission & NSSO data, 61 Round 2004-05 MRP), Life Expectancy of birth (Office of the Registrar General of India, Ministry of Home Affairs) Economic Review, 2010-11, Infant mortality rate (SRS Bulletin January 2011).

[1]Gini-coefficient is a measure of inequality of income among the population. Value rate is from zero to one, closer to zero inequality is less, closer to one inequality is higher..

[2]For the period 2001-02 to 2009-10 or 2010-11 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 Schemewise).
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 results 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

(A) 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 Thirteenth Finance Commission the Government amended its FRBM Act, named as Uttar Pradesh Fiscal Responsibility and Budget Management (Second Amendment) Act, 2011 and developed its **own fiscal consolidation path for the year 2011-12 to 2014-15 to reduce the fiscal deficit and total liabilities.** ***(Appendix 1.3-B)***

Appendix 1.3 (B) Fiscal Consolidation Path

(Reference: Paragraph 1.1 Page)

Authority	Year	Fiscal Deficit	Total Liability
FRBM (Second Amendment) Act, 2011	2011-12	**Not more than 3 *per cent* of GSDP**	46.9 percent
FRBM (Second Amendment)Act, 2011	2012-13	**Not more than 3 *per cent* of GSDP**	45.1 percent
FRBM (Second Amendment) Act, 2011	2013-14	**Not more than 3 *per cent* of GSDP**	43.4 percent
FRBM (Second Amendment) Act, 2011	2014-15	**Not more than 3 *per cent* of GSDP**	41.9 percent

Appendix 1.4

(A) Own Tax Revenue during 2006 -11

(Reference: Paragraph 1.5 Page 11)

(₹in crore)

Heads	2006-07	2007-08	2008-09	2009-10	2010-11	
					Budget Estimate	Actuals
Taxes on sales, Trade etc.	13,279	15,023	17,482	20,825	26,978	24,837
State Excise	3,551	3,948	4,720	5,666	6,763	6,723
Taxes on Vehicles	1,018	1,146	1,125	1,404	1,170	1,817
Stamp and Registration Fees	4,514	3,977	4,138	4,562	5,737	5,975
Land Revenue	188	393	549	663	205	1,134
Taxes on goods and passenger	109	110	266	271	920	242
Other taxes	339	362	379	487	533	382
Total	**22,998**	**24,959**	**28,659**	**33,878**	**42,306**	**41,110**

Source : - Finance Accounts

(B) Non-Tax Revenue during 2006-11

(Reference to paragraph 1.5 page 12-13)

(₹ in crore)

Heads	2006-07	2007-08	2008-09	2009-10	2010-11	
					Budget Estimate	Actuals
Interest Receipts, Dividend and Profits	838	1,258	1,013	631	1,229	716
General Services	2,662	1,511	2,120	8,482	7,682	5,807
Social Services	963	1,451	1,829	2,622	3,322	3,019
Economic Services	2,070	1,596	1,805	1,866	2,752	1,634
Total	**6,533**	**5,816**	**6,767**	**13,601**	**14,985**	**11,176**

Source : - Finance Accounts

Appendix 1.5

Abstract of receipts and disbursements for the year 2010- 11

(Reference: Paragraph 1.2 Page 2)

(₹ in crore)

Receipts				Disbursements					
2009-10			**2010-11**	**2009-10**			**Non-Plan**	**Plan**	**Total 2010-11**
Part-A									
96,420.95	**I**	**Revenue receipts**	**1,11,183.76**	**89,373.61**	**I**	**Revenue expenditure**	**86,636.08**	**21,039.53**	**1,07,675.61**
33,877.60		Tax revenue	**41,109.85**	**40,641.30**		**General services**	**47,031.83**	**987.34**	**48,019.17**
				32,064.28		**Social Services**	**23,737.14**	**15,829.56**	**39,566.70**
13,601.09		-Non-tax revenue	11,176.21	16,181.68		-Education, Sports, Art and Culture	16,271.54	4,682.70	20,954.24
				4,779.46		-Health and Family Welfare	4,101.45	1,342.75	5,444.20
31,796.67		-State's share of Union Taxes	43,464.05	1,647.74		-Water Supply, Sanitation, Housing and Urban Development	337.68	1,377.95	1,715.63
				42.50		-Information and Broadcasting	78.79	0.68	79.47
3,947.97		-Non-Plan grants	3,092.99	2,826.40		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	1,194.35	1,750.72	2,945.07
5,624.01		-Grants for State Plan Schemes	6,772.07	266.75		-Labour and labour Welfare	246.09	117.70	363.79
				6,272.96		-Social Welfare and Nutrition	1,446.83	6,557.06	8,003.89
7,569.25		-Grants for Central and Centrally sponsored Plan Schemes	5,568.59	46.79		-Others	60.41	Nil	60.41
4.36		External Grants Assistance	**Nil**	**13,308.00**		**Economic Services-**	**11,502.40**	**4,222.63**	**15,725.03**
				2,860.23		-Agriculture and Allied Activities	2,025.92	1,544.02	3,569.94
				3,590.90		-Rural Development	2,026.25	1,976.83	4,003.08
				79.31		-Special Areas Programme	0.31	80.52	80.83
				2,822.62		-Irrigation and Flood control	3,137.48	472.77	3,610.25

				1,896.45		-Energy	2,150.43	23.75	2,174.18
				339.73		-Industry and Minerals	201.90	97.14	299.04
				1,520.24		-Transport	1,736.86	5.59	1,742.45
				30.26		-Science, Technology and Environment	12.19	18.93	31.12
				168.26		-General Economic Services	211.06	3.08	214.14
				3,360.03		**Grants-in-aid & Contributions**	**4,364.71**	**Nil**	**4,364.71**
		Total	**1,11,183.76**	**89,373.61**		**Total**	**86,636.08**	**21,039.53**	**1,07,675.61**
	II	**Revenue deficit carried over to Section B**	**Nil**	**7,047.34**	**II**	**Revenue Surplus carried over to Section B**	**--**	**--**	**3,508.15**
96,420.95		**Total**	**1,11,183.76**	**96,420.95**		**Total**			**1,11,183.76**
Part B									
9,067.14	**III**	**Opening Cash balance including Permanent Advances & Cash Balance Investment**	**3,405.36**		**III**	**Opening Overdraft from Reserve Bank of India**	-	-	-
--	**IV**	**Miscellaneous Capital receipts**	**--**	**25,091.23**	**IV**	**Capital Outlay-**	**691.72**	**19,581.08**	**20,272.80**
				610.97		**General Services-**	**851.75**	**150.30**	**1,002.05**
				4,702.02		**Social Services-**	**59.14**	**4,736.33**	**4,795.47**
				526.68		-Education, Sports, Art and Culture	0.79	709.25	710.04
				1,263.75		-Health and Family Welfare	12.27	1,019.95	1,032.22
				2,573.82		-Water Supply, Sanitation, Housing and Urban Development	23.01	2,454.22	2,477.23
				--		-Information and Broadcasting	Nil	Nil	Nil
				83.21		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	Nil	65.28	65.28
				185.19		-Social Welfare and Nutrition	21.83	373.00	394.83
				69.36		-Others	1.24	114.63	115.87

				19,778.24		**Economic Services-**	**(-) 219.16**	**14,694.44**	**14,475.28**
				4,355.47		-Agriculture and Allied Activities	(-) 1267.44	429.87	(-)837.57
				2,394.41		-Rural Development	(-)3.75	2,736.03	2,732.28
				1,046.97		-Special Areas Programmes	(-)0.37	1,193.17	1,192.80
				2,311.02		-Irrigation and Flood Control	0.35	2,549.53	2,549.88
				5,092.37		-Energy	1,044.00	3,055.52	4,099.52
				180.80		-Industry and Minerals	9.19	(-)1.40	7.79
				4,219.06		-Transport	(-) 1.14	4,634.88	4,633.74
				177.99		-General Economic Services	Nil	96.84	96.84
				0.15		Science Technology and Environment	Nil	Nil	Nil
293.08	**V**	**Recoveries of Loans and Advances**	**485.17**	**941.85**	**V**	**Loans and Advances disbursed-**	**350.94**	**617.28**	**968.22**
		-From Power Projects	100.00	--		-For Power Projects	-	-	-
52.25		-From Govt. Servants	61.36	95.53		-To Government Servants	108.05	-	108.05
240.83		-From Others	323.81	846.32		-To Others	242.89	617.28	860.17
7,047.34	**VI**	**Revenue Surplus brought down**	**3,508.15**		**VI**	**Revenue Deficit brought down**	**-**	**-**	**-**
22,489.07	**VII**	**Public debt receipts-**	**21,394.08**	**7,668.59**	**VII**	**Repayment of Public debt-**	**-**	**-**	**7,383.08**
-		-External debt		-		-External debt	-	-	-
22,206.41		-Internal debt other than Ways and Means Advances and overdrafts	20,316.84	6,468.73		-Internal debt other than Ways and Means Advances and Overdrafts	-	-	5,368.83
-		- Net transactions under Ways and Means Advances	713.88	-		- Net transactions under Ways and Means Advances	-	-	713.88
-		- Net transactions under overdraft	-	-		- Net transactions under overdraft	-	-	-
282.65		-Loans and Advances from Central Government	363.36	1,199.86		-Repayment of Loans and Advances to Central Government	-	-	1,300.37

-	VIII	Appro-priation to Contingency Fund	-	-	VIII	Appropriation to Contingency Fund	-	-	-
82.82	IX	Amount transferred to Contingency Fund	Nil	-	IX	Expenditure from Contingency Fund	-	-	39.90
99,907.88	X	Public Account receipts	1,27,649.22	1,01,780.30	X	Public Account disbursements-			1,17,472.99
8,155.67		-Small Savings & Provident Funds	9,857.02	4,285.56		-Small Savings & Provident Funds			4,986.05
5,824.56		-Reserve Funds	8,576.84	10,298.81		-Reserve Funds			6,238.19
40,084.48		-Suspense & Miscella-neous	75,906.97	41,449.44		-Suspense and Miscellaneous			75,149.69
28,582.82		-Remittance	17,747.96	28,579.38		-Remittances			17,381.23
17,260.35		-Deposits & Advances	15,560.43	17,167.11		-Deposits and Advances			13,717.83
	XI	Closing Overdraft from RBI		3,405.36	XI	Cash Balance at end-			10,304.99
				14.19		-Cash in Treasuries and Local Remittances			#
				184.04		-Deposits with Reserve Bank			414.63
				12.54		-Departmental Cash Balance including permanent Advances			12.55
				3,194.59		-Cash Balance Investment Account			9,877.81
1,38,887.33		Total	1,56,441.98	1,38,887.33		Total			1,56,441.98

(#) – 'Amount is less than ₹ 1.00 lakh'

Appendix 1.6

Actual, vis-à-vis, Budget Estimates for 2010-11

(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*	**1,11,620.61**	**1,11,183.76**	**(-) 436.85**	**(-) 0.39**
Own Tax Revenue	**42,305.87**	**41,109.85**	**(-) 1,196.02**	**(-) 2.83**
Taxes on Sales, Trade etc.	26,978.34	24,836.52	**(-) 2,141.82**	**(-) 7.94**
State excise	6,763.23	6,723.49	**(-) 39.74**	**(-) 0.59**
Taxes on vehicles	1,170.21	1,816.89	**646.68**	**55.26**
Stamps and Registration fees	5,736.99	5,974.66	**237.67**	**4.14**
Taxes on Goods and Passenger	919.69	241.68	**(-) 678.01**	**(-) 73.72**
Land Revenue	204.89	1,134.16	**929.27**	**453.55**
Other taxes	532.52	382.45	**(-) 150.07**	**(-) 28.18**
Non Tax Revenue	**14,985.48**	**11,176.21**	**(-) 3,809.27**	**(-) 25.42**
Interest Receipts	1,229.49	689.32	**(-) 540.17**	**(-) 43.93**
Miscellaneous General Services	7,118.06	5,120.66	**(-) 1,997.40**	**(-) 28.06**
Non-ferrous Mining and Metallurgical Industries	838.97	653.39	**(-) 185.58**	**(-) 22.12**
Other Non-Tax Revenue	5,798.96	4,712.84	**(-) 1,086.12**	**(-) 18.73**
Share of Union Taxes and Duties	**35,517.22**	**43,464.05**	**7,946.83**	**22.37**
Grants-in-aid from GOI	**18,812.04**	**15,433.65**	**(-) 3,378.39**	**(-) 17.96**
Revenue Expenditure *of which*	**1,11,066.21**	**1,07,675.61**	**(-) 3,390.60**	**(-) 3.05**
General Services	**48,363.47**	**48,019.17**	**(-) 344.30**	**(-) 0.71**
Administrative services	10,202.39	9,607.87	**(-) 594.52**	**(-) 5.83**
Pension and Miscellaneous General Services	12,901.70	12,652.62	**(-) 249.08**	**(-) 1.93**
Interest Payments & Servicing of Debt	20,928.78	21,538.26	**609.48**	**2.91**
Fiscal Services	3,018.40	3,025.60	**7.20**	**0.24**
Organs of State	1,312.20	1,194.82	**(-) 117.38**	**(-) 8.95**
Social Services	**42,120.28**	**39,566.70**	**(-) 2,553.58**	**(-) 6.06**
Education, Sports, Art and Culture	21,909.65	20,954.24	**(-) 955.41**	**(-) 4.36**
Social Welfare and Nutrition	8,317.80	8,003.89	**(-) 313.91**	**(-) 3.77**
Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2,821.11	2,945.07	**123.96**	**4.39**
Health and Family Welfare	5,943.19	5,444.20	**(-) 498.99**	**(-) 8.40**
Water Supply, Sanitation, Housing and Urban Development	2,443.17	1,715.63	**(-)727.54**	**(-) 29.78**
Information and Broadcasting	148.58	79.47	**(-) 69.11**	**(-) 46.51**
Labour and Labour Welfare	471.46	363.79	**(-) 107.67**	**(-) 22.84**
Others	65.32	60.41	**(-) 4.91**	**(-) 7.52**

Economic Services	**16,147.57**	**15,725.03**	**(-) 422.54**	**(-) 2.62**
Agriculture and Allied Services	3,601.94	3,569.94	**(-) 32.00**	**(-) 0.89**
Rural Development	3,873.29	4,003.08	**129.79**	**3.35**
Special Area Programme	186.45	80.83	**(-) 105.62**	**(-) 56.65**
Irrigation & Flood Control	3,862.98	3,610.25	**(-) 252.73**	**(-) 6.54**
Energy	2,137.02	2,174.18	**37.16**	**1.74**
Industry & Minerals	593.05	299.04	**(-) 294.01**	**(-) 49.58**
Transport	1,623.66	1,742.45	**118.79**	**7.32**
Science, Technology and Environment	38.16	31.12	**(-) 7.04**	**(-) 18.45**
General Economic Services	231.02	214.14	**(-) 16.88**	**(-) 7.31**
Grants-in-aid and Contributions	**4,434.89**	**4,364.71**	**(-) 70.18**	**(-) 1.58**
Capital expenditure *of which*	**22,942.96**	**20,272.80**	**(-) 2,670.16**	**(-) 11.64**
General Services	**1,302.68**	**1,002.05**	**(-) 300.63**	**(-) 23.08**
Social Services	**5,112.54**	**4,795.47**	**(-) 317.07**	**(-) 6.20**
Education, Sports, Art and Culture	521.50	710.04	**188.54**	**36.15**
Health and Family Welfare	814.20	1,032.22	**218.02**	**26.78**
Water Supply, Sanitation, Housing and Urban Development	3,179.57	2,477.23	**(-) 702.34**	**(-) 22.09**
Welfare of Scheduled Caste, Scheduled Tribe and Other Backward Classes	103.51	65.28	**(-) 38.23**	**(-) 36.93**
Social Welfare & Nutrition	387.42	394.83	**7.41**	**1.91**
Other Social Services	106.34	115.87	**9.53**	**8.96**
Economic Services	**16,527.74**	**14,475.28**	**(-) 2,052.46**	**(-) 12.42**
Agriculture and Allied Services	(-) 665.66	(-) 837.57	**(-) 171.91**	**25.83**
Rural Development	2,510.30	2,732.28	**221.98**	**8.84**
Special Area programme	1,995.83	1,192.80	**(-) 803.03**	**(-) 40.24**
Irrigation & Flood Control	4,140.00	2,549.88	**(-) 1,590.12**	**(-) 38.41**
Energy	4,631.00	4,099.52	**(-) 531.48**	**(-) 11.48**
Industries and Minerals	10.45	7.79	**(-) 2.66**	**(-) 25.45**
Transport	3,971.24	4,633.74	**662.50**	**16.68**
Science, Technology and Environment	--	--	**--**	**--**
General Economic Services	(-) 65.42	96.84	**162.26**	**(-) 248.03**
Revenue surplus (+)/ deficits (-)	**554**	**(+) 3,508**	**2954**	**533.21**
Fiscal Deficits (-)	**(-) 22,742**	**(-) 17,248**	**5,494**	**24.16**
Primary surplus (+)/ deficits (-)	**(-) 9,250**	**(-) 3,032**	**6,218**	**67.22**

Appendix 1.7

Time series data on the State Government Finances

(Reference: Paragraph 1.5 Page 8-12)

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Part A. Receipts					
1. Revenue Receipts	**60,600**	**68,672**	**77,831**	**96,421**	**1,11,184**
(i) Own Tax Revenue	*22,998 (38)*	*24,959 (36)*	*28,659 (37)*	33,878 (35)	41,110 (37)
Taxes on Sales, Trade, etc.	*13,279 (58)*	*15,023 (60)*	*17,482 (61)*	20,825 (62)	24,837 (60)
State Excise	*3,551 (15)*	*3,948 (16)*	*4,720 (17)*	5,666 (17)	6,723 (16)
Taxes on Vehicles	*1,018 (4)*	*1,146 (05)*	*1,125 (4)*	1,404 (4)	1,817 (4)
Stamps and Registration fees	*4,514 (20)*	*3,977 (16)*	*4,138 (14)*	4,562 (13)	5,975 (15)
Land Revenue	*188 (1)*	*393 (2)*	*549 (2)*	663 (2)	1,134 (3)
Taxes on Goods and Passengers	109	110	*266 (1)*	271 (1)	242 (1)
Other Taxes	*339 (2)*	*362 (1)*	*379 (1)*	487 (1)	382 (1)
(ii) Non Tax Revenue	*6,533 (11)*	*5,816 (08)*	*6,767 (8)*	13,601(14)	11,176 (10)
(iii)State's share of Union taxes and duties	*23,218 (38)*	*29,288 (43)*	*30,906 (40)*	31,797 (33)	43,464 (39)
(iv) Grants in aid from GoI	*7,851 (13)*	*8,609 (13)*	*11,499 (15)*	17,146 (18)	15,434 (14)
2. Miscellaneous Capital Receipts	-	-	-	-	-
3. Recoveries of Loans and Advances	**356**	**449**	**778**	**293**	**485**
4. Total Revenue and Non debt Capital Receipts (1+2+3)	**60,956**	**69,121**	**78,609**	**96,714**	**1,11,669**
5. Public Debt Receipts	**11,711**	**9,079**	**16,760**	**22,489**	**21,394**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	*11,332 (97)*	*8,710 (96)*	*16,339 (97)*	22,206 (99)	20,317 (95)
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	714 (3)
Loans and Advances from GoI	*379 (3)*	*369 (04)*	421 (3)	283 (1)	363 (2)
6. Total Receipts in the Consolidated Fund (4+5)	**72,667**	**78,200**	**95,369**	**1,19,203**	**1,33,063**
7. Contingency Fund Receipts	**645**	**604**	**171**	**83**	**Nil**
8. Public Account Receipts	**63,075**	**77,870**	**1,04,252**	**99,908**	**1,27,649**
9. Total Receipts of the State (6+7+8)	**1,36,387**	**1,56,674**	**1,99,792**	**2,19,194**	**2,60,712**
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	**55,699 (79)**	**65,223 (79)**	**75,969 (77)**	**89,374 (77)**	**1,07,676 (83)**
Plan	*9,699 (17)*	*11,744 (18)*	*17,291 (23)*	15,701 (18)	21,040 (20)
Non Plan	*46,000 (83)*	*53,479 (82)*	*58,678 (77)*	73,673 (82)	86,636 (80)
General Services (including interest payments)	*24,300 (44)*	*26,551 (41)*	*29,769 (39)*	40,641 (45)	48,019 (45)
Social Services	*19,248 (35)*	*23,086 (35)*	*28,546 (37)*	32,064 (36)	39,567 (37)
Economic Services	*9,409 (17)*	*12,037 (18)*	*14,150 (19)*	13,308 (15)	15,725 (15)
Grants-in-aid and contributions	*2,742 (5)*	*3,549 (6)*	*3,504 (5)*	3,360 (4)	4,365 (4)
11. Capital Expenditure	**13,984 (20)**	**16,950 (20)**	**22,346 (22)**	**25,091 (22)**	**20,273 (16)**

	2006-07	2007-08	2008-09	2009-10	2010-11
Plan	*13,312 (95)*	*13,720 (81)*	18,088 (81)	19,224 (77)	19,581 (97)
Non Plan	*672 (5)*	*3,230 (19)*	4,258 (19)	5,867 (23)	692 (3)
General Services	*654 (5)*	*575 (3)*	841 (4)	611 (2)	1,002 (5)
Social Services	*2,180 (15)*	*2,113 (13)*	2,946 (13)	4,702 (19)	4,796 (24)
Economic Services	*11,150 (80)*	*14,262 (84)*	18,559 (83)	19,778 (79)	14,475 (71)
12. Disbursement of Loans and Advances	**888 (1)**	**742 (1)**	**807 (1)**	**942 (1)**	**968 (1)**
13. Total (10+11+12)	**70,571**	**82,915**	**99,122**	**1,15,407**	**1,28,917**
14. Repayments of Public Debt	**5,912**	**5,369**	**6,776**	**7,669**	**7,383**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	*3,738 (63)*	*4,179 (78)*	5,577 (82)	6,469 (84)	5,369 (73)
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	714(10)
Loans and Advances from Government of India	*2,174 (37)*	*1,190 (22)*	1,199 (18)	1,200 (16)	1,300 (17)
15. Appropriation to Contingency Fund	**-**	**-**	-	**-**	**-**
16. Total disbursement out of Consolidated Fund (Total Expenditure) (13+14+15)	**76,483**	**88,284**	**1,05,898**	**1,23,076**	**1,36,300**
17. Contingency Fund disbursements	**10**	**117**	**-**	**-**	**40**
18. Public Account disbursements	**52,901**	**68,560**	**1,00,027**	**1,01,780**	**1,17,473**
19. Total disbursement by the State (16+17+18)	**1,29,394**	**1,56,961**	**2,05,925**	**2,24,856**	**2,53,813**
Part C. Deficits					
20. Revenue Deficit(-)/Revenue Surplus(+) (1-10)	**(+) 4,901**	**(+) 3,449**	**(+)1,862**	**(+) 7,047**	**(+) 3,508**
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	**(-) 9,615**	**(-) 13,794**	**(-) 20,513**	**(-) 18,693**	**(-) 17,248**
22. Primary Deficit (21+23)	**(+) 862**	**(-) 2,974**	**(-) 9,138**	**(-) 6,705**	**(-) 3,032**
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	**10,477**	**10,820**	**11,375**	**11,988**	**14,216**
24. Financial Assistance to local bodies, etc.	**12,484**	**15,360**	**15,822**	**18,120**	**30,683**
25. Ways and Means Advances/Overdraft availed (days)					
Ways and Means Advances availed (days)	**-**	**-**	**-**	**-**	**4**
Overdraft availed (days)	**-**	**-**	**-**	**-**	**4**
26. Interest on Ways and Means Advances/ Overdraft	**-**	**-**	**-**	**-**	**-**
27 Gross State Domestic Product (GSDP)[@]	**3,12,627**	**3,57,557[3]**	**4,12,151[4]**	**4,91,302[5]**	**5,88,467[6]**
28 Outstanding Fiscal liabilities (year end)	**1,62,156**	**1,74,248**	**1,87,411**	**2,01,720**	**2,24,785**

[3]Figure of GSDP for 2007-08 is provisional.
[4]Figures of GSDP for 2008-09 is quick
[5]Figures of GSDP for 2009-10 is advance.
[6]Figures of GSDP for 2010-11 is quick

	2006-07	2007-08	2008-09	2009-10	2010-11
29. Outstanding guarantees (year end) (including interest)	**11,056**	**12,736**	**16,084**	**20,038**	**20,162**
30. Maximum amount guaranteed (year end)	**12,235**	**18,144**	**27,892**	**29,311**	**29,778**
31. Number of incomplete projects	**58**	**53**	98	**126**	**119**
32. Capital blocked in incomplete projects	**5,407**	**5,863**	**4,598**	**880.85**	**2,735**
Part E. Fiscal Health Indicators					
I Resource Mobilisation					
Own Tax revenue/GSDP	7.36	6.98	6.95	6.90	6.99
Own Non-Tax Revenue/GSDP	2.09	1.63	1.64	2.77	1.90
Central Transfers/GSDP	7.43	8.19	7.50	6.47	7.39
II Expenditure Management					
Total Expenditure/GSDP	22.57	23.19	24.05	23.49	21.91
Total Expenditure/Revenue Receipts	116.45	120.74	127.36	119.69	115.95
Revenue Expenditure/Total Expenditure	78.93	78.66	76.64	77.44	83.52
Expenditure on Social Services/Total Expenditure	30	30	32	32	34
Expenditure on Economic Services/Total Expenditure	29	32	33	29	23
Capital Expenditure/Total Expenditure	20	20	23	22	16
Capital Expenditure on Social and Economic Services/Total Expenditure.	19	20	22	21	15
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	-	-	-	-	-
Fiscal deficit/GSDP	(-) 3.08	(-) 3.86	(-) 4.98	(-) 3.80	(-) 2.93
Primary Deficit (surplus) /GSDP	-	(-) 0.83	(-) 2.22	(-) 1.36	(-) 0.52
Revenue Deficit/Fiscal Deficit	--	--	--	--	--
Primary Revenue Balance/GSDP	(-) 1.78	(-) 2.06	(-) 2.31	(-) 1.01	(-) 1.82
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	52	49	45	41	38
Fiscal Liabilities/RR	268	254	241	209	202
Primary deficit vis-à-vis quantum spread	(+) 8,424	(+) 4,664	(+) 8,426	(+) 17,733	(+) 23,413
Debt Redemption (Principal +Interest)/ Total Debt Receipts	92	97	96	96	84
V Other Fiscal Health Indicators					
Return on Investment (**₹ in crore**)	0.85	1.05	1.26	0.84	26.81
Balance from Current Revenue(**₹ in crore**)	12,314	12,536	13,960	14,422	19,530
Financial Assets/Liabilities	0.58	0.63	0.66	0.72	0.77

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 2011

(Reference: Paragraph 1.9 Page 30-31)

(₹ in crore)

As on 31.03.2010	Liabilities		As on 31.03.2011
1,13,076.97	**Internal Debt -**		**1,28,024.97**
	Market Loans bearing interest	65,003.77	
	Market Loans not bearing interest	2.86	
	Loans from Life Insurance Corporation of India	24.55	
	Loans from other Institutions	63,024.48	
	Ways and Means Advances	(-)30.69	
	Overdrafts from Reserve Bank of India	Nil	
19,446.83	**Loans and Advances from Central Government -**		**18,509.83**
	Pre 1984-85 Loans	9.96	
	Non-Plan Loans	108.88	
	Loans for State Plan Schemes	18,170.44	
	Loans for Central Plan Schemes	0.84	
	Loans for Centrally Sponsored Plan Schemes	218.28	
	Ways and Means Advances	1.43	
600.00	**Contingency Fund (Corpus)**		**600.00**
29,229.01	**Small Savings, Provident Funds, etc.**		**34,099.98**
16,209.79	**Deposits**		**18,054.02**
23,757.79	**Reserve Funds**		**26,096.44**
275.52	**Remittance Balances**		**642.25**
2,02,595.91	**Total**		**2,26,027.49**
	Assets		
1,36,592.58	**Gross Capital Outlay on Fixed Assets -**		**1,56,865.38**
	Investments in shares of Companies, Corporations, etc.	38,272.54	
	Other Capital Outlay	1,18,592.84	
	Contingency Fund (unrecouped)		**39.90**
9,662.53	**Loans and Advances -**		**10,145.58**
	Loans for Power Projects	2,681.49	
	Other Development Loans	7,333.30	
	Loans to Government servants and Miscellaneous loans	130.79	
45.20	**Reserve Fund Investments**		**45.20**
7.31	**Advances**		**8.94**
(-) 3,189.71	**Suspense and Miscellaneous Balances**		**(-) 3,946.99**
3,405.36	**Cash -**		**10,304.99**
	Cash in Treasuries and Local Remittances	-	
	Deposits with Reserve Bank	414.63	
	Departmental Cash Balance	12.13	
	Permanent Advances	0.42	
	Cash Balance Investments	9877.81	
56,072.64	**Deficit on Government Account -**		**52,564.49**
	(i) Accumulated deficit at the beginning of the year	56,072.64	
	(ii)**Less:** Revenue Surplus of the current year	3,508.15	
2,02,595.91	**Total**		**2,26,027.49**

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 **₹ 165.95 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 1.9

Funds Transferred by the GoI directly to State Implementing Agencies

(Reference: Paragraph 1.4.2 Page 7-8)

(₹ in crore)

Sl. No.	Programme/Scheme	Implementing Agency in the State	Amount
1	National Rural Employment Guarantee Scheme (NREGA) (90:10)	Commissioner Rural Development	5,266.59
2	Pradhan Mantri Gram Sadak Yojna (PMGSY) (100:00)	Uttar Pradesh Rural Road Development Agency Lucknow	1,278.83
3	Sarva Siksha Abhiyan (SSA) (65.35)	Director UP Education For All Project Board Lucknow	3,104.63
4	National Rural Health Mission Normal (NRHM) (85:15)	Director Health and Family Welfare	1,691.21
5	Rural Housing Indira Awas Yojna (IAY) (75:25)	Commissioner Rural Development Lucknow	1,151.00
6	Accelerated Rural Water Supply Scheme (75:25)	Managing Director UP Jal Nigam Lucknow	421.60
7	Swarn Jayanti Gram Swarojgar Yojna (SGSY) (75:25)	Commissioner Rural Development Lucknow	222.33
8	MPs Local Area Development Scheme (MPLADS)	District Magistrate	207.00
9	Integrated Water Shed Management Programme (IWMP)	District Rural Development Agencies	151.73
10	Integrated Child Development Services (ICDS) (90:10)	Director Women and Child Development Lucknow	0.00
11	Total Sanitary Campaign (TSC)	Director Panchayati Raj Institutions Lucknow	225.94
12	Swarn Jayanti Shahari Rojgar Yojna (SJSRY)	State Urban Development Agencies Uttar Pradesh	73.24
13	District Rural Development Agency Administration (DRDA Admn.)	Commissioner Rural Development Lucknow	43.18
14	Handlooms	Director Handloom and Textiles UPSG (PSU's)	0.61
15	Research and Development Support SERC	Different Statutory Bodies etc. e.g. IIT Kanpur, Banaras Hindu University	477.54
16	Handicraft	Different Registered Societies (NGO's)	0.00
17	Skill Development Initiative	Different Societies (NGO's) as Baba Saheb Ambedkar Technical Education Societies	0.00
18	Integrated Oil Seeds, Oil Palm, Pulses, Maize Development (ISOPOM)	Different Government Autonomous Bodies	5.17
19	Medicinal Plants	Government Autonomous Bodies	5.08
20	Science and Technology Programme for Socio-Economic Development	Voluntary Institute for Community Applied Science	5.60
21	National Mission on Nano Science and Nano Technology	University of Allahabad	15.34
22	Setting up of Technology Up gradation Establishment of Food	Private Sectors as Apsara Food Industries Pvt. Ltd.	0.00
23	Technology Development Programme	National Research Centre for Agro Forestry	0.47
24	International Cooperation S&T	Central and State Statutory Bodies PSU's etc.	0.37
25	Assistance to Panchyati Raj Institutions Voluntary Organisation Self-Help	Different NGO's As Saheed Memorial Societies	0.98
		Total	**14,348.44**

Appendix 2.1

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

(Reference: Paragraph 2:3:1; Page 41)

Sl. No.	Grant No.	Name of the Grant/Department	Total Grant/ Appropriation	Savings	Percentage
Revenue - Voted					
1.	**5**	Industries Department (Handloom & Village Industries)	123.52	76.88	62.24
2.	**6**	Industries Department (Handloom Industries)	37.48	8.12	21.67
3.	**7**	Industries Department (Heavy & Medium Industries)	265.03	228.42	86.19
4.	**9**	Power Department	3,013.64	266.53	8.84
5.	**10**	Agriculture & Other Allied Department (Horticulture & Sericulture Development	144.55	12.08	8.36
6.	**11**	Agriculture & Other Allied Department (Agriculture)	2,391.35	217.67	9.10
7.	**12**	Agriculture & Other Allied Department (Land Development & Water Resources)	266.24	93.05	34.95
8.	**13**	Agriculture & Other Allied Department (Rural Development)	2,018.53	148.94	7.38
9.	**14**	Agriculture & Other Allied Department (Panchayati Raj)	2,115.82	226.92	10.73
10.	**15**	Agriculture & Other Allied Department (Animal Husbandry)	422.83	20.15	4.77
11.	**16**	Agriculture & Other Allied Department (Dairy Development)	41.40	9.98	24.11
12.	**17**	Agriculture & Other Allied Department (Fisheries)	58.01	12.25	21.12
13.	**18**	Agriculture & Other Allied Department (Co-operative)	198.06	20.35	10.27
14.	**19**	Personal Department (Training & Other Expenditure)	7.60	2.88	37.83
15.	**23**	Cane Development Department (Cane)	149.32	27.78	18.60
16.	**26**	Home Department (Police)	6,829.59	149.67	2.19
17.	**27**	Home Department (Civil Defence)	367.53	10.31	2.81
18.	**31**	Medical Department (Medical Education & Training)	837.18	14.99	1.79
19.	**32**	Medical Department (Allopathy)	2,431.27	203.62	8.38
20.	**33**	Medical Department (Ayurvedic & Unani)	380.44	31.12	8.18
21.	**35**	Medical Department (Family welfare)	1,408.72	38.78	2.75
22.	**36**	Medical Department (Public Health)	586.84	195.36	33.29

23.	**37**	Urban Development Department	1,328.30	711.79	53.59
24.	**40**	Planning Department	358.02	183.71	51.31
25.	**42**	Judicial Department	1,009.42	230.59	22.84
26.	**44**	Tourism Department	21.13	5.00	23.66
27.	**45**	Environment Department	9.66	6.55	67.81
28.	**47**	Technical Department	344.40	42.53	12.35
29.	**48**	Minorities Department	811.50	272.00	33.52
30.	**49**	Women & Child Welfare Department	3,522.55	180.62	5.13
31.	**50**	Revenue Department (District Administration)	491.20	32.95	6.71
32.	**52**	Revenue Department (Board of Revenue & Other Expenditure)	1,576.82	104.39	6.62
33.	**53**	National Integration Department	1.08	0.26	24.07
34.	**54**	Public Work Department (Establishment)	1,121.43	396.56	35.36
35.	**61**	Finance Department (Debt Services & Other Expenditure)	5,306.57	77.26	1.46
36.	**62**	Finance Department (Superannuation allowance & Pension)	9,974.60	68.97	0.69
37.	**63**	Finance Department (Treasury & Accounts Administration)	156.54	24.06	15.37
38.	**65**	Finance Department (Audit, Small Saving etc.)	158.07	14.40	9.11
39.	**72**	Education Department (Secondary Education)	6,543.94	785.84	12.01
40.	**73**	Education Department (Higher Education)	1,896.25	571.89	30.16
41.	**75**	Education Department (State Council of Education Research& Training	98.17	14.43	14.69
42.	**78**	Secretariat Administration Department	398.51	21.62	5.43
43.	**79**	Social Welfare Department (Welfare of Handicapped & Backward Castes)	1,365.40	15.94	1.17
44.	**80**	Social Welfare Department (Social welfare &Welfare Scheduled Caste)	3,172.76	148.00	4.66
45.	**81**	Social Welfare Department (Tribal Welfare)	42.32	15.27	36.09
46.	**83**	Social Welfare Department (Special Component Plan For Scheduled Castes)	5,402.02	110.33	2.04
47.	**84**	General Administration Department	291.12	69.30	23.80
48.	**86**	Information Department	147.91	69.36	46.89
49.	**94**	Irrigation Department (Works)	1,414.90	152.37	10.77
50.	**95**	Irrigation Department (Establishment)	1,983.80	14.71	0.74
		Total	**73,043.34**	**6,356.55**	**983.6**

Revenue - Charged					
51.	**3**	Industries Department (Small & Export Promotion)	0.04	0.04	98.75
52.	**11**	Agriculture & Other Allied Department (Agriculture)	0.15	0.12	80
53.	**13**	Agriculture & Other Allied Department (Rural Development)	0.14	0.04	25.86
54.	**25**	Home Department(Jails)	0.10	0.10	100.00
55.	**26**	Home Department(Police)	0.75	0.71	94.88
56.	**32**	Medical Department (Allopathy)	0.20	0.19	94.30
57.	**35**	Medical Department (Family Welfare)	0.15	0.15	96.67
58.	**36**	Medical Department (Public Health)	0.01	0.01	100.00
59.	**42**	Judicial Department	167.13	22.75	13.61
60.	**47**	Technical Department	0.01	0.01	100.00
61.	**48**	Minorities Department	0.02	0.01	26.83
62.	**49**	Women & Child Welfare Department	0.10	0.10	100.00
63.	**50**	Revenue Department (District Administration.)	0.18	0.16	93.39
64.	**52**	Revenue Department(Board of Revenue & Other Expenditure)	0.70	0.44	62.67
65.	**58**	Public Works Department (Communication-Roads)	0.05	0.05	100.00
66.	**60**	Forest Department	0.14	0.12	88.32
67.	**67**	Legislative Council Secretariat	0.47	0.18	38.62
68.	**68**	Legislative Assembly Secretariat	0.66	0.25	37.36
69.	**72**	Education Deptt (Secondary Education)	0.03	0.03	100.00
70.	**73**	Education Department (Higher Education)	0.01	0.01	100.00
71.	**95**	Irrigation Department (Establishment)	0.50	0.42	84.56
		Total	**171.54**	**25.89**	**1,635.82**
Capital - Voted					
72.	**7**	Industries Department (Heavy & Medium Industries)	217.53	60.87	27.98
73.	**9**	Power Department	4,895.00	631.48	12.90
74.	**11**	Agriculture & Other Allied Department (Agriculture)	617.70	50.30	8.14
75.	**12**	Agriculture & Other Allied Department (Land Development & Water Resourses)	75.00	74.99	99.99
76.	**13**	Agriculture & Other Allied Department (Rural Development)	1,256.40	48.63	3.87

77.	**15**	Agriculture & Other Allied Department (Animal Husbandry)	17.51	9.10	52.00
78.	**21**	Food Department	10,624.22	3,963.00	37.30
79.	**25**	Home Department (Jails)	648.17	124.20	19.16
80.	**26**	Home Department (Police)	614.38	356.13	57.96
81.	**27**	Home Department (Civil Defence)	10.22	8.82	86.35
82.	**28**	Home Department (Political Pension & Other Expenditure)	0.30	0.30	100.00
83.	**31**	Medical Department (Medical Education & Training)	498.90	34.98	7.01
84.	**32**	Medical Department (Allopathy)	303.47	39.30	12.95
85.	**34**	Medical Department (Homeopathy)	0.86	0.86	100.00
86.	**35**	Medical Department (Family Welfare)	5.58	3.75	67.26
87.	**37**	Urban Development Department	2,060.14	687.12	33.35
88.	**40**	Planning Department	1,168.46	901.64	77.16
89.	**42**	Judicial Department	1,168.46	880.76	75.38
90.	**44**	Tourism Department	145.00	44.01	30.35
91.	**46**	Administrative Reforms Department	15.05	15.00	99.64
92.	**47**	Technical Department	228.63	24.11	10.54
93.	**48**	Minorities Department	427.50	165.56	38.73
94.	**49**	Women & Child Welfare Department	1.29	1.29	100.00
95.	**51**	Revenue Department (Relief on Account of Natural Calamities)	25.00	20.00	80.00
96.	**52**	Revenue Department (Board of Revenue & Other Expenditure)	25.09	24.17	96.34
97.	**53**	National Integration Department	0.01	0.01	100.00
98.	**60**	Forest Department	125.74	43.63	34.70
99.	**61**	Finance Department (Debt Services & Other Expenditure	519.01	153.04	29.49
100.	**63**	Finance Department (Treasury & Accounts Administration)	8.80	3.38	38.45
101.	**67**	Legislative Council Secretariat	0.06	0.06	100.00
102.	**71**	Education Department (Primary Education)	0.74	0.65	87.40
103.	**73**	Education Department (Higher Education)	253.71	27.27	10.75
104.	**78**	Secretariat Administration Department	47.00	46.21	98.31
105.	**79**	Social Welfare Department (Welfare of Handicapped & Backward Caste)	205.26	70.54	34.37

106.	**81**	Social Welfare Department (Tribal Welfare)	39.19	26.41	67.40
107.	**82**	Vigilance Department	12.32	9.07	73.62
108.	**83**	Social Welfare Department (Special Component Plan for Scheduled Castes)	3,964.68	103.62	2.61
109.	**94**	Irrigation Department (Works)	4,180.56	1,086.27	25.98
		Total	**34,406.94**	**9,740.53**	**2,037.44**
Capital - Charged					
110.	**21**	Food Department	2,862.04	1,509.32	52.74
111.	**52**	Revenue Department (Board of Revenue & Other Expenditure)	0.10	0.10	100.00
112.	**55**	Public Works Department (Building)	0.83	0.20	24.49
113.	**58**	Public Works Department (Communication-Road)	5.06	3.70	73.05
114.	**61**	Finance Department (Debt Services & Other Expenditure)	15,645.36	9,288.06	59.37
115.	**94**	Irrigation Department (Works)	18.40	5.58	30.35
		Total	**18,531.79**	**10,806.96**	**340.00**
		Grand Total	**1,26,153.61**	**26,929.93**	**4,996.86**

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 total provision

(Reference: Paragraph 2.3.3; Page 42)

Sl. No.	Grant No.	Name of the Department	Total Grant/ Appropriation	Expenditure	Percentage of excess expenditure
			₹ in crore		
Revenue Voted					
1	**30**	Confidential Department (Revenue Intelligence Directorate & Other Exp.)	2.79	3.68	32
2	**51**	Revenue Department (Relief on Account of Natural Calamities)	748.46	922.81	23
3	**58**	Public Works Department (Communication-Road)	1,481.38	1,602.75	8
4	**71**	Education Department (Primary Education)	14,451.17	14,476.61	0.17
		Total	**16,683.8**	**17,005.85**	
Revenue Charged					
5	**61**	Finance Deptt (Debt Services & Other Expenditure)	20,662.83	21,278.34	3
		Total	**20,662.83**	**21,278.34**	
Capital Voted					
6	**2**	Housing Department	1,302.62	1,358.98	4
7	**14**	Agriculture & Other Allied Department (Panchayati Raj)	572.66	583.50	2
8	**55**	Public Works Department (Building)	21.78	165.98	662
9	**58**	Public Works Department (Communication-Road)	3,217.82	4,369.96	36
		Total	**5,114.88**	**6,478.42**	
		Grant Total	**42,461.51**	**44,762.61**	

Appendix 2.3

Excess over provision of previous years requiring regularisation

(Reference: Paragraph 2.3.4; Page 44)

Year	Number of grants/ appropriations	Grant/appropriation numbers	Amount of excess (₹ in crore)
2005-06	25- Grants 4-Appropriations	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	18- Grants 6-Appropriations	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	12- Grants 2-Appropriations	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	5-Grants 1-Appropriation	Revenue Voted 62,96 Capital voted- 55,58,96 Revenue Charged- 52	3,399.42
2009-10	6-Grants 4-Appropriations	Revenue Voted- 58 Capital voted- 1,16, 55, 58, 59 Revenue Charged- 3, 10, 16, 48, 52, 66	1,250.16
		Total	**11,771.48**

Appendix 2.4

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

(Reference: Paragraph 2.3.6; Page 46)

(₹ in crore)

Sl. No.	Grant No.	Name of the Department	Original Provision	Ectual Expenditure	Supplementary Provision	Saving out of Original Provision
Revenue - Voted						
1	**3**	Industries Department (Small & Export Promotion)	105.49	102.12	0.56	3.37
2	**7**	Industries Department (Heavy & Medium Industries)	264.53	36.61	0.5	227.92
3	**9**	Power Department	3,005.09	2,747.1	8.55	257.99
4	**10**	Agriculture & Allied Deptt (Hort. & Sericulture Development)	142.05	132.46	2.5	9.59
5	**12**	Agriculture & Allied Deptt (Land Development & Water Resources)	215.24	173.19	51	42.05
6	**15**	Agriculture & Other Allied Department (Animal Husb&ry)	420.91	402.68	1.92	18.23
7	**22**	Sports Department	42.19	40.07	1.25	2.12
8	**26**	Home Department (Police)	6,739.09	6,679.92	90.5	59.17
9	**27**	Home Department (Civil Defence)	365.29	357.22	2.24	8.07
10	**31**	Medical Department (Medical Education & Training)	836.49	822.19	0.7	14.3
11	**35**	Medical Department (Family Welfare)	1,393.72	1,369.93	15	23.79
12	**37**	Urban Development Department	1,045.06	616.51	283.24	428.55
13	**40**	Planning Department	223.81	174.31	134.21	49.5
14	**42**	Judicial Department	882.36	778.83	127.05	103.53
15	**47**	Technical Department	341.89	301.87	2.52	40.02
16	**48**	Minorities Welfare Department	714.99	539.5	96.51	175.49

17	**50**	Revenue Department (District Administration)	476.49	458.25	14.71	18.24
18	**52**	Revenue Department (Board of Revenue & Other Expenditure)	1,573.86	1,472.42	2.96	101.44
19	**62**	Finance Department (Superannuation Allowance & Pension)	9,973.8	9,905.64	0.8	68.16
20	**63**	Finance Department (Treasury & Accounts Administration)	152.92	132.48	3.62	20.44
21	**65**	Finance Department (Audit, Small Saving etc.)	157.44	143.66	0.63	13.78
22	**72**	Education Department (Secondary Education)	6,302.82	5,758.09	241.12	544.73
23	**73**	Education Department (Higher Education)	1,871.25	1,324.36	25	546.89
24	**80**	Social Welfare Department (Social Welfare &Welfare of Scheduled Castes)	3,082.76	3,024.76	90	58
25	**81**	Social Welfare Department (Tribal Welfare)	41.82	27.05	0.5	14.77
26	**87**	Soldiers Welfare Department	45.15	40.59	1.45	4.56
27	**95**	Irrigation Department (Establishment)	1,972.4	1,969.1	11.4	3.3
		Total	**42,388.91**	**39,530.91**	**1,210.44**	**2,858.00**
		Capital - Voted				
28	**7**	Industries Department (Heavy & Medium Industries)	183.53	156.66	34	26.87
29	**9**	Power Department	4795	4,263.52	100	531.48
30	**11**	Agriculture & Other Allied Department (Agriculture)	593.07	567.40	24.63	25.67
31	**15**	Agriculture & Other Allied Department (Animal Husbandry)	11.9	8.40	5.61	3.5
32	**21**	Food Department	10,622.97	6,661.22	1.24	3,961.75

33	**26**	Home Department (Police)	495.56	258.26	118.82	237.3
34	**27**	Home Department (Civil Defence)	9.62	1.39	0.6	8.23
35	**37**	Urban Development Department	2,040.14	1,373.02	20	667.12
36	**40**	Planning Department	1,150.26	287.71	18.21	862.55
37	**42**	Judicial Department	156.05	65.30	5.34	90.75
38	**47**	Technical Department	216.63	204.52	12	12.11
39	**48**	Minorities	327.5	261.94	100	65.56
40	**60**	Forest Department	122.97	82.10	2.77	40.87
41	**63**	Finance Department (Treasury & Accounts Administration)	8.3	5.42	0.5	2.88
42	**83**	Social Welfare Department (Special Component Plan For Scheduled Castes)	3,884.88	3,861.06	79.8	23.82
43	**94**	Irrigation Department (Works)	3,988.1	3,094.30	192.46	893.8
		Total	**28,606.48**	**21,152.22**	**715.98**	**7,454.26**
Revenue - Charged						
44	**42**	Judicial Department	166.52	0.61	144.38	165.91
		Total	**166.52**	**0.61**	**144.38**	**165.91**
		Grand Total	**71,161.91**	**60,683.74**	**2,070.80**	**10,478.17**

Appendix 2.5

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

(Reference: Paragraph 2.3.6; Page 46)

Sl. No.	Grant Number	Name of the Grant/Appropriation	Original Provision	Supple-mentary provision	Total	Expenditure	Excess
Revenue - Voted							
1	**51**	Revenue Department (Relief on Account of Natural Calamities)	690.82	57.64	748.46	922.81	174.35
2	**71**	Education Department (Primary Education)	14,436.12	15.05	14,451.17	14,476.61	25.44
3	**91**	Institutional Finance Department (Stamp & Registration)	109.97	35.72	145.69	147.89	2.20
		Total	**15,236.91**	**108.41**	**15,345.32**	**15,547.31**	**201.99**
Capital - Voted							
4	**2**	Housing Department	811.69	490.93	1,302.62	1,358.98	56.36
5	**55**	Public Works Department (Building)	17.28	4.50	21.78	165.98	144.20
6	**57**	Public Works Department (Communication- Bridges)	595.70	210.00	805.70	809.96	4.26
7	**58**	Public Works Department (Communication-Road)	2,787.82	430.00	3,217.82	4,369.96	1,152.14
		Total	**4,212.49**	**1,135.43**	**5,347.92**	**6,704.88**	**1,356.96**
		Grand Total	**19,449.40**	**1,243.84**	**20,693.24**	**22,252.19**	**1,558.95**

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-appropriation	Excess	Saving
1.	3	Industries Department (Small & Export Promotion)	2851-102-19	9.43	4.01	0
2.			2852-80-001-03	189.98	0.69	0
3.	4	Industries Department (Mines & Mineral)	2853-02-004-03	7.72	26.63	0
4.			2853-02-001-03	46.71	0	55.23
5.	6	Industries Department (Handloom Industries)	2851-001-03	17.92	0	15.60
6.	7	Industries Department (Heavy & Medium Industries)	2852-80-800-06	15.00	0	1.44
7.	9	Power Department	2045-103-03	166.94	6.77	0
8.	10	Agriculture & Other Allied Department (Horticulture & Sericulture Development)	2406-02-112-03	69.00	0	40.00
9.			2415-80-004	16.00	0	1.16
10.	11	Agriculture & Other Allied Department (Agriculture)	2435-01-101-04	1.69	0.94	0
11.			2402-102-05	710.00	0	232.51
12.			2435-01-101-03	50.66	0.06	0
13.	13	Agriculture & Other Allied Department (Rural Development)	2505-01-702-01	70.14	0	5,510.85
14.			2515-001-03	15.00	98.17	0
15.			2515-102-06	400.00	0	75.66
16.			2515-800-01	1,500.00	0.26	0
17.	14	Agriculture & Other Allied Department	2204-104-01	947.10	0	23.43
18.			2515-101-04	13.60	168.39	0
19.			2515-101-800-08	10.00	140.93	0
20.	15	Agriculture & Other Allied Department (Animal Husbandry)	2403-103-800-06	150.00	6.00	0
21.	23	Cane Development Department (Cane)	2401-800-03	298.30	0	44.59
22.	25	Home Department (Jails)	2056-001-03	11.30	31.90	0
23.			4070-800-09	10,745.70	0	357.70
24.	26	Home Department (Police)	2055-101-03	416.61	0	535.22
25.			2055-104-06	147.54	0	77.71
26.			2055-109-07	150.00	0	93.93
27.			2055-111-03	88.89	15.01	0
28.			2055-113-03-116-03	6.67	41.08	0
29.			2055-800-13	7,207.00	0	970.60
30.			2070-108-03	344.50	0	21.04
31.			2055-001-03	216.01	0	5.82
32.			2055-001-101-04	1,707.08	370.78	0
33.			2055-001-104-03	4,512.87	378.53	0
34.			2055-001-108-03	27.00	306.93	0
35.			2055-001-109-03	9,719.03	2,061.24	0

36.			2055-001-109-04	2,852.88	0	650.32
37.			2055-001-109-05	2,046.00	375.42	0
38.			2055-001-113-04	122.05	45.66	0
39.			2055-001-114-03	54.80	0	13.58
40.			2055-001-115-03	304.18	4.16	0
41.			2055-001-800-03	40.43	44.66	0
42.			2235-200-10	150.00	0	8.61
43.			2251-90-03	41.50	0.15	0
44.			4055-207-06	362.43	0	2,386.87
45.			4055-211-10	899.89	184.35	0
46.			4055-211-11	2,250.52	944.69	0
47.	**27**	Home Department (Civil Defence)	2070-107-04	1,922.10	0	1.56
48.	**28**	Home Department(Political Pension & Other Expenditure)	3055-190-04	42.54	0	42.54
49.			3055-190-03	45.51	42.53	0
50.	**29**	Confidential Department (Governors Secretariat)	2012-03-108-03	10.00	2.62	0
51.	**31**	Medical Department (Medical Education & Training)	4210-105-52	1.10	38.28	0
52.	**32**	Medical Department (Allopathy)	2210-03-110-10	6,428.00	0	48.48
53.			4210-02-103-04	1,225.82	320.70	0
54.			4210–02-104-03	99.82	416.68	0
55.	**33**	Medical Department (Ayurvedic & Unani)	2210-02-101-06	411.81	0	33.70
56.			2210-02-103-03	89.00	83.21	0
57.	**35**	Medical Department (Family Welfare)	2211-101-01	5,500.98	0	925.02
58.			2211-200-04	1,750.02	0	965.33
59.	**36**	Medical Department (Public Health)	2210-06-001-03	110.40	0	0.27
60.	**38**	Civil Aviation Department	5053-02-800-20	849.87	0	437.18
61.	**39**	Language Department	2070-003-03	3.36	0	.02
62.	**40**	Panning Department	2402-103-04	13.21	0	0.30
63.			2515-004-03	63.05	1.29	0
64.			4515-800-05	40.00	16.91	0
65.			4575-02-800-04	41,070.15	0	27,514.39
66.	**41**	Election Department	2015-103-03	300.00	5.35	0
67.			2015-106-03	3.79	0.37	0
68.			2015-106-05	3.99	15.26	0
69.	**42**	Judicial Department	2014-108-03	3.81	0	61.28
70.			2014-114-04	2,324.42	0	13.74
71.			2052-091-03	12.10	0	0.02
72.			4059-01-051-01	500.00	0	553.24
73.			4059-01-051-04	57.00	535.39	0
74.			4070-800-03	445.36	0	211.79
75.	**43**	Transport Department	3055-001-03	284.00	104.75	0
76.			3055-800-03	92.42	25.44	0
77.	**44**	Tourism Department	3452-80-800-04	30.00	0	2.62

78.	**47**	Technical Department	2203-001-04	15.55	2.80	0
79.			2203-001-05	26.37	0	2.84
80.			2203-800-03	11.82	11.04	0
81.	**49**	Women & Child Welfare Department	2235-02-103-15	110.36	0	379.74
82.	**51**	Revenue Department (Relief on Account of Natural Calamities)	2245-05-800-03	19,597.00	0	3,286.48
83.			2245-80-800-08	90.02	0	90.02
84.	**52**	Revenue Department (Board of Revenue & Other Expenditure)	2052-800-03	58.00	0	79.97
85.			2052-99-03	23.00	187.80	0
86.	**54**	Public Works Department (Establishment)	2059-80-001-04	78.71	3,749.85	0
87.			2059-80-001-05	1,280.21	191.37	0
88.	**55**	Public Works Department (Building)	4059-60-21	21.04	44.37	0
89.	**58**	Public Works Department (Communication-Road)	3054-04-337-04	275.00	11,883.12	0
90.			3054-04-800-07	324.65	35.75	0
91.			5054-0337-13	1,732.67	9,284.29	0
92.			5054-0337-74	14.40	51.23	0
93.			5054-0337-76	127.67	582.74	0
94.	**59**	Public Works Department (Estate Directorate)	2052-90-03	78.00	101.84	0
95.			2059-01-053-09	99.16	0	8.61
96.			2059-01-053-05	5.50	0	3.00
97.	**60**	Forest Department	4406-01-800-01	35.92	19.16	0
98.	**61**	Finance Department (Debt Services & Other Expenditure	2049-01-123-04	5,804.82	1,440.52	0
99.	**63**	Finance Department (Treasury & Accounts Administration)	4070-052-03	25.00	20.13	0
100.	**65**	Finance Department (Audit, Small Saving etc.)	2054-800-04	2.00	104.12	0
101.			2054-098-03	82.00	0	1.53
102.	**71**	Education Department (Primary Education)	2202-01-001-03	365.24	45.67	0
103.			2202-102-07	55,400.00	9,699.04	0
104.			2202-102-23	1,159.99	0	61.83
105.			2202-104-03	240.00	302.70	0
106.			2202-800-07	70,220.00	0	10,553.58
107.	**72**	Education Department (Secondary Education)	2202-02-109-03	577.98	138.64	0
108.			2202-02-001-03	133.82	2.71	0
109.			2202-02-800-18	20,000.00	0	501.20
110.	**73**	Education Department (Higher Education)	2202-03-001-03	27.00	6.80	0
111.			2202-03-001-04	25.00	0	9.04
112.			2202-03-103-03	871.00	319.46	0
113.			2202-03-103-04	60.00	0	12.95
114.			2204-102-01	12.60	38.00	0
115.			4202-01-203-05	1,020.60	378.42	0
116.	**75**	Education Department (State Council of Education Research & Training)	2202-80--003-20	37.70	0	15.51
117.			2202-80-004-03	19.65	0	13.67

118.	**76**	Labour Department (Labour Welfare)	2230-01-101-04	74.29	57.07	0
119.			2230-01-103-05	0.30	17.20	0
120.			2230-01-800-03	0.20	6.40	0
121.	**77**	Labour Department (Employment)	2230-02-800-05	57.36	21.53	0
122.	**78**	Secretariat Administration Department	2013-104-03	40.00	65.99	0
123.			2052-090-03	965.00	934.93	0
124.	**86**	Information Department	2220-60-110-03	1,224.00	0.51	0
125.	**87**	Soldiers Welfare Department	2075-104-10	149.00	0	13.00
126.			2235-60-200-03	270.00	0	136.81
127.	**89**	Institutional Finance Department (Commercial Tax)	2040-800--06	8.85	5.42	0
128.	**92**	Culture Department	2205-103-03	23.70	3.97	0
129.	**94**	Irrigation Department (Works)	4700-08-051-11	2,496.50	0	1,384.29
130.			4701-80-005-10	477.00	0	74.49
131.			4711-01-103-03	133.61	115.06	0
132.			4711-01-103-07	105.55	0	0.84
133.			4711-01-103-08	1,536.25	0	69.87
134.			4711-01-103-25	100.00	0	0.35
			Total	**3,00,614.76**	**46,735.84**	**58,632.97**

Appendix 2.7

Substantial Surrenders made during 2010-11

(Reference: Paragraph 2:3:8; Page 46)

(₹ in Lakh)

Sl. No.	Grant No.	Name of Grant/ Department	Name of Scheme (Head of Account)	Provision	Amount surrendered	Surrender (in *Per cent*)
1.	**3**	Industries Department (Small & Export Promotion)	4851-800-04 Establishment of General Facilities	45.00	45.00	100
2.	**5**	Industries Department (Handloom & Village Industries)	2851-105-04 Khadi & Village Industries Rebate on Sale on Khadi	8,000.00	7,200.00	90
3.			2851-105-800-03 Payment Of Arrear	472.36	462.76	98
4.	**7**	Industries Department (Heavy & Medium Industries)	2852-800-04 Express Way Schemes With Corporation of Private Sector	1,500.00	1,500.00	100
5.			2852-80-800-10 Incentive to Industrial Units under Heavy Industries Investment Policy	18,000.00	17,985.00	100
6.			4885-800-01 Centrally Sponsored Schemes	200.00	200.00	100
7.			6885-01-60-190-03 Interest free Loan to Incentive To Industrial Unit Under Heavy Industry Investment Plan	5,000.00	5,000.00	100
8.	**9**	Power Department	4801-190-03 Capital Outlay On Power Project Investment In Share Capital	30,000.00	20,147.90	67
9.	**11**	Agriculture & Other Allied Department (Agriculture)	2401-111-04 study & Designing of Computerization In Agriculture Department	534.81	523.04	98
10.			2401-111-05 Data Bank Crops Production & Statistics of Production	456.80	262.30	57
11.			2401-800-01 Centrally Sponsored Schemes	344.00	344.00	100
12.			2415-120-23 Research Programme In Agriculture & technological universities	300.00	300.00	100
13.			2415-120-26 Strengthening Of Agricultural Research	200.00	200.00	100
			facilities in U.P. Agricultural Research council			

14.			2415-120-27 Establishment Of Agriculture University, Banda	216.70	132.52	61
15.			2402-102-01 Centrally Sponsored Schemes	192.00	192.00	100
16.			4401-102-01 Centrally Sponsored Schemes	200.00	200.00	100
17.			4401-107-04 Control Of Insect/Disease trough different environmental resources	400.60	262.00	65
18.			4415-277-03 Fisheries degree college, Etawah	200.00	200.00	100
19.	**12**	Agriculture & Other Allied Department (Land Development & Water Recourses)	4515-800-03 repair, renewal & renovation of water works bodies	7,500.00	7,500.00	100
20.	**13**	Agriculture & Other Allied Department (Rural Development)	2515-102-08 Ambedkar employment scheme	1,600.00	850.95	53
21.			2702-800-01 minor irrigation other expenditure centrally sponsored schemes	251.18	163.25	65
22.			4515-102-03 Capital Outlay on Other Rural Development Program	1,000.00	946.19	95
23.			5054-04-337-03 Capital Outlay Road & Bridges (Construction of Road Under P.M.G.S.)	80.00	56.00	70
24.			5054-04-337-04 Capital Outlay Road & Bridges (Centage Charges Under PMGS)	20.00	20.00	100
25.	**14**	Agriculture & Other Allied Department (Panchyati Raj)	2575-02-800-03 Other Special Area Programmes (Programmes Financed by backward areas Grant Fund)	6,309.68	6,309.68	100
26.			2515-101-01 other Rural Development Programe (Panchyati raj – central plan)	10,000.00	5,050.02	51
27.			2515-101-08 other Rural Development Programme (Construction of Clean Toilet Under Rural Cleanliness Drive)	4,410.00	2,667.90	60
28.			4070-800-03 Capital Outlay on Other Admn. Services (Construction on Rural Stadiums)	18.00	9.00	50
29.			2403-104-01 central plan	23.25	23.25	100

30.	15	Agriculture & Other Allied Department (Animal Husbandry)	2403-107-01 central plan	550.00	496.00	90
31.			2403-107-04 Fodder & Feed Development Schemes (District Plan)	16.00	16.00	100
32.			4403-101-08 Construction of Veterinary Hospital -R.I.D.F. (Dist. Plan)	800.00	800.00	100
33.			4403-107-01 Central plan	100.00	100.00	100
34.	17	Agriculture & Other Allied Department (Fisheries)	2405-109-01 Central plan	194.65	194.65	100
35.			2405-800-01 01 central plan	1,158.66	629.50	54
36.			2070-800-04 Other Administrative Services Center for good Governance	57.90	44.33	77
37.	22	Sports Department	4202-03-800-29 provision of flood light & renovation of K.D. Singh Babu Stadium	80.00	80.00	100
38.			4202-03-800-34 Construction of residential buildings of type III & IV & tube well in mayo hall Allahabad	25.00	15.00	60
39.			4202-03-800-37 Construction of multipurpose sport hall in Sant Kabirnagar	150.00	100.00	67
40.			4202-800-38 Construction of swimming pool in Bulandshahar	100.00	52.65	53
41.	23	Cane Development Department (Cane)	2401-109-01 Central Programme	680.00	680.00	100
42.	26	Home Department (Police)	2055-800-10 expenditure on Security work in Naxal affected Districts	727.70	532.73	73
43.			2055-800-14 Police Expenditure of Traffic Administration fund for Uttar Pradesh police	1,088.00	903.00	83
44.			2070-108-01 Police Central Plan	250.00	141.00	56
45.			2070-800-05 U.P. State Advisory Council (U.P.S.A.C.)	53.84	51.57	96
46.			2235-200-11 Financial assistance to victim of affright	1,200.00	695.33	58

47.			2235-800-03 Terrorism, fire-accidents etc. affecting public arrangement	1,000.00	812.95	81
48.			4055-207-04 Moderation of Police Department	9,155.00	9,067.73	99
49.			4055-207-05 Construction of non-residential building	6,000.00	3,370.78	56
50.			4055-207-07 Construction of Police building	4,750.00	4,750.00	100
51.			4055-207-08 Construction of Kamando Center of STF	7,000.00	5,870.95	84
52.			4055-207-09 Building of STF Head Quarter	1,275.00	1,275.00	100
53.			4055-211-05 Construction of Residential Building under modernization of police department	6,400.00	4,844.19	76
54.			4055-800-01Capital outlay on police (Central Schemes)	200.00	200.00	100
55.			4070-800-05 Central Schemes	500.00	271.38	54
56.	**27**	Home Department (Civil Defence)	4070-800-05 Construction of Residential Building under home guards department modernization scheme	885.00	830.65	94
57.			4070-800-06 modernization scheme of home guards department (central 60/State 40 C+S)	76.81	51.70	67
58.	**28**	Home Department (Political Pension & Other Expenditure)	2251-800-03 Payment of arrears	16.13	11.47	71
59.			4250-800-03 Subsidiary grant to Swatantrata Sangram Senani Sansthan for birth centenary & construction of monuments/ Relics of Freedom Fight	30.00	30.00	100
60.	**32**	Medical Department (Allopathy)	2210-01-97 Externally aided Project	3,500.00	3,147.99	90
61.			2210-01-110-14 Establishment of Primary Health Centers (District Plan)	511.02	511.02	100
62.			2210-01-03 Direction	20.00	16.24	81
63.			4210-800-03 Mental Health Institution & Hospital Agra)	1,977.99	1,577.99	80

64.			4210-110-09 Construction of 100 bedded joint hospital in Tarwan Azamgarh	50.00	27.16	54
65.	**37**	Urban Development Department	4215-01-101-97 Externally Aided Schemes	30,000.00	15,000.00	50
66.			4217-800-01 Central Plan	80,000.00	43,345.83	54
67.	**40**	Planning Department	2402-103-01 Central Plan	30.00	17.54	58
68.			2575-800-04 Lump-sum provision for training & estimation)	40.00	36.59	91
69.	**42**	Judicial Department	2014-105-10 Implementation of Recommendations of 13th finance Commission)	8,608.00	6,252.70	73
70.			2014-114-06 Arrangement for Strengthening of library of Advocate General of Uttar Pradesh at Allahabad & Lucknow & purchase of law books magazines/journals & annual donations & binding of books	20.00	14.95	75
71.			2014-800-10 Implementation of Recommendations of 13th finance Commission)	3,218.41	2,942.47	91
72.			2235-200-10 Implementation of Recommendations of 13th finance Commission	818.00	818.00	100
73.			2014-102-04 Implementation of Recommendations of 13th finance Commission)	61.00	61.00	100
74.			2014-800-05 Provision for maintains of department building	15.00	15.00	100
75.			4059-C01-051-01 Central Plan	11,800.01	8,702.98	74
76.			4059-60-051-10 Implementation of Recommendations of 13th finance Commission	210.59	163.09	77
77.	**44**	Tourism Department	3452-104-01 Central Plan	50.00	50.00	100
78.			3452-104-09 Operation of Shilpgram Agra for whole year	246.00	171.55	70

79.			3452-800-97 Externally Aided Schemes	100.00	100.00	100
80.			5452-800-01 Central Plan	6,110.65	3389.19	55
81.			5452-800-97 Externally Aided Schemes	1,000.00	1,000.00	100
82.	**46**	Administrative Reforms Department	4059-051-01 Central Plan	1,500.00	1,500.00	100
83.	**47**	Technical Education Department	2203-105-18 Establishment of New Polytechnic (men/women) In Bundelkhand region	27.50	15.53	56
84.			2203-112-17 Vocational Courses run by education department	31.68	24.15	76
85.			2203-800-04 Savitri Bai Phoole Girls Welfare Scheme	251.00	243.98	97
86.	**48**	Minorities Welfare Department	2202-800-01 Central Plan	6,200.00	3,282.35	53
87.			2202-800-11 Savitri Bai Phoole Girls Welfare Scheme	1,800.00	1,800.00	100
88.			4202-800-01 Central Plan	2,750.00	2,725.00	99
89.	**50**	Revenue Department (District Admn.)	2053-093-03 Collectorate Establishment	15.54	13.06	84
90.	**51**	Revenue Department (Relief on Account of Natural Calamities)	2245-800-06 Management Authority	1,161.87	641.12	55
91.			2245-800-07 District Calamity Management Authority	300.00	300.00	100
92.			4250-101-04 Preparation before Calamities, minimization of natural calamities & capital work/long term repair/ construction/ re-construction in unavoidable circumstances	1,000.00	1,000.00	100
93.			4250-101-05 Expenditure from State Disaster Mitigation Fund	500.00	500.00	100
94.			4250-101-06 Expenditure from District Disaster Mitigation Fund	500.00	500.00	100
95.	**52**	Revenue Department (Board of Revenue & Other Expenditure)	2216-700-04 Minor Construction work in residential building of Board of revenue	81.95	76.49	93

96.			2235-110-01 Central Plan	4,000.00	3,448.74	86
97.			2235-110-03 payment for premium of personal accidental insurance scheme	6,000.00	3,456.25	58
98.			4059-01-800-10 Minor Construction work in non-residential building of Board of revenue	95.45	81.66	86
99.	**54**	Public Works Department (Establishment)	2059-001-97 Externally Aided Schemes	101.03	59.49	59
100.	**57**	Public Works Department (Communication-Bridges)	5054--101-36 Construction of new bridges on different category of road in the state (Financed by NABARD)	15,180.00	11,236.70	74
101.	**58**	Public Works Department (Communication-Road)	5054-04-337-97 externally aided schemes	20,838.00	15,325.73	74
102.			5054-04-337-800-05 Lump-sum provision for management & planning work of information technology	174.80	164.80	94
103.			5054-80-800-03 other expenditure	506.00	353.05	70
104.	**59**	Public Works Department (Estate Directorate)	2216-01-700-09 Allotted to MLA's residences	845.55	595.55	70
105.	**61**	Finance Department (Debt Services & Other Expenditure)	2070-105-06 4th state finance commission committee (Panchayati Raj & Local Bodies)	100.50	100.50	100
106.			2075-190-03 Grant for re-habitation to Govt. Public Sector/ corporations/autonomous institutions & cooperative institution	500.00	500.00	100
107.			6075-190-03 Loans for rehabilitation of State Govt. public sector/corporation/ autonomous bodies & co-operative societies.	4,000.00	3,298.63	82
108.	**62**	Finance Department (Superannuation & Pension)	2071-01-106-03 Contribution to Pensions & Gratuities	150.00	150.00	100
109.	**67**	Legislative Council Secretariat	2235-60-200 Lump-sum financial Assistance to dependents of deceased members of legislature council during the period of membership.	10.00	10.00	100

110.	68	Legislative Assembly Secretariat	2235-60-200-05 Lump-sum financial Assistance to the dependents of deceased members of legislature assembly died during the period of membership.	25.00	20.00	80
111.			6075-800-03 Interest Free Loans Revolving fund of SGPGI constituted for treatment of officers/staff of legislature assembly secretariat.	10.00	10.00	100
112.	71	Education Department (Primary Education)	2202-800-06 Digital photography of student & school in primary board & higher primary school	200.00	200.00	100
113.			(2071-104-109-04) Ability Scholarship for three year @ ₹15 per month per students of class 6 to 8 in every District (District plan)	40.00	40.00	100
114.	72	Education Department (Secondary Education)	2202-02-001-05) establishment of Professional Cell in Directorate of Education under professional education scheme	20.99	20.99	100
115.			2202-02-001-11 General Education (National Scholarship to Genius Students of Rural Areas of Secondary (Class 9-10) level	24.00	19.27	80
116.			2202-02-001-13 Increase in the rate of Scholarship of high school	40.00	29.90	75
117.			2202-02-001-18 Qualification Scholarships for three year@ ₹15 per month for class 6 to 8 in the plain area of the state	45.00	45.00	100
118.			2202-109-06 Opening of New Section & Inclusion of new subject in Govt. Hr. secondary school (District Plan)	53.99	27.81	52
119.			2202-02-109-08 upgradation of Government high school up to inter level (District plan)	7,045.31	3,728.76	53

120.			2202-02-109-26 Establishment of Govt. High School at Block Level in Asevit areas & up gradation of Govt. Girls Junior High School to High School level	94.62	47.85	51
121.			2202-110-06 General Education Up gradation of Kasturba Gandhi Girls School at High School Level	2,000.00	1,422.02	71
122.			2202-110-08 Agreement for payment of Honorarium to Subject specialist in non-Government Higher Secondary School	50.00	50.00	100
123.			4202-01-202-01 Central Plan	200.00	200.00	100
124.			4202-01-202-06 Construction of education offices & residential building at district level)	137.80	94.80	69
125.	73	Education Department (Higher Education)	2202-03-102-42 Grant to Sampurnan & Sanskrit University for publication of available handwritten script	100.00	100.00	100
126.			2202-03-102-23 organisation of monitoring cell in internal quality assurance cell & U.P. State Higher Education Council	50.00	50.00	100
127.			2202-03-102-50 Increase in Block- Grant for State University	2,500.00	2,500.00	100
128.			2202-103-800-05 Payment of Arrears	80,069.83	54,342.95	68
129.			2202-03-104-05 Panchhe degree college Agra	99.00	99.00	100
130.			2204-203-15 Provision for Basic Facilities in Government Degree College	400.00	300.00	75
131.			2204-203-22 Incentive grant to State University	300.00	300.00	100
132.	78	Secretariat Administration Department	2052-090-04 Dev. & Extension of Secretariat Script Center & library	20.00	19.07	95
133.			2052-090-11 Purchase of Computer, Laptop & Related equipment under e-Governance Scheme	500.00	471.32	94
134.			4059-80-800-04 Establishment of CCTV/Camera & Related equipment)	4,700.00	4,620.64	98

135.	**84**	General Administration Department	2070-800-04 Uttar Pradesh Civil Council	11.53	10.15	88
136.	**86**	Information Department	2220-01-800-07 Establishment of Film Development Fund	50.00	50.00	100
137.	**92**	Culture Department	4202-106-09 Construction of statue of Great Person	30.00	29.19	97
138.			4202-800-03 Construction of Auditorium	50.00	50.00	100
139.			4202-800-17 Construction of Cultural ground at Lok Evem Janjati & Cultural Institute	60.00	60.00	100
			Total	**4,57,928.68**	**3,23,394.11**	

Appendix 2.8

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

(Reference: Paragraph 2:3:9; Page 46)

(₹ in crore)

Sl. No.	Grant No.	Department	Total Grant	Saving	Amount surrendered	Amount surrendered in excess
Revenue - Voted						
1.	**6**	Industries Department (Handloom Industries)	37.48	8.12	9.31	1.19
2.	**14**	Agriculture & Other Allied Department (Panchayati Raj)	2,115.82	226.92	241.51	14.59
3.	**28**	Home Department (Political Pension & Other Exp.)	103.19	6.94	12.14	5.20
4.	**32**	Medical Department (Allopathy)	2,431.27	203.62	205.15	1.53
5.	**43**	Transport Department	90.78	4.43	5.73	1.30
6.	**59**	Public Works Department (Estate Directorate)	98.17	1.64	6.26	4.62
7.	**60**	Forest Department	356.68	5.32	6.23	0.91
8.	**62**	Finance Department (Superannuation & Pension)	9,974.60	68.97	130.96	61.99
9.	**63**	Finance Department (Treasury & Accounts Administration)	156.54	24.06	24.79	0.73
10.	**65**	Finance Department (Audit, Small Saving etc.)	158.07	14.40	14.93	0.53
11.	**72**	Education Department (Secondary Education)	6,543.94	785.84	834.22	48.38
12.	**73**	Education Department (Higher Education)	1,896.25	571.89	583.73	11.84
13.	**76**	Labour Department (Labour Welfare)	172.50	1.67	2.67	1.00
14.	**89**	Institutional Finance Department (Commercial Tax)	408.88	0.83	3.34	2.51
		Total	**24,544.17**	**1,924.65**	**2,080.97**	**156.32**
Capital - Voted						
15.	**13**	Agriculture & Other Allied Department (Rural Development)	1256.40	48.63	49.70	1.07
16.	**73**	Education Department (Higher Education)	253.71	27.27	28.71	1.44
		Total	**1 510.11**	**75.9**	**78.41**	**2.51**
		Grand Total	**26,054.28**	**2,000.55**	**2,159.38**	**158.83**

Appendix 2.9

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

(Reference: Paragraph 2:3:10; Page 46)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Savings (₹ in Crore)	
			Revenue	Capital
I - Grants				
1.	**4**	Industries Department (Mines & Mineral)	0.41	0.81
2.	**25**	Home Department (Jails)	0	124.1985
3.	**31**	Medical Department (Medical Education & Training)	14.99	34.98
4.	**34**	Medical Department (Homeopathy)	3.81	0.86
5.	**35**	Medical Department (Family Welfare)	38.78	3.75
6.	**41**	Election Department	8.45	0
7.	**49**	Women & Child Welfare Department	180.62	1.29
8.	**71**	Education Department (Primary Education)	0	0.65
9.	**79**	Social Welfare Department (Welfare of Handicapped & Backward Class)	15.94	70.54
10.	**80**	Social Welfare Department (Social Welfare & Welfare of Scheduled Castes)	148.00	0
11.	**81**	Social Welfare Department (Tribal Welfare)	15.27	26.41
12.	**83**	Social Welfare Department (Special Component Plan for Scheduled Castes)	0	103.62
13.	**87**	Soldiers Welfare Department	0	0.004
14.	**94**	Irrigation Department (Works)	152.37	1,086.27
15.	**95**	Irrigation Department (Establishment)	14.71	0
		Total	**593.35**	**1,453.383**
II - Appropriations				
16.	**25**	Home Department (Jails)	0.10	0
17.	**35**	Medical Department (Family Welfare)	0.15	0
18.	**47**	Technical Department	0.01	0
19.	**49**	Women & Child Welfare Department	0.10	0
20.	**52**	Revenue Department (Board of Revenue & Other Expenditure)	0	0.10
21.	**54**	Public Works Department (Establishment)	0.005	0
22.	**73**	Education Department (Higher Education)	0.01	0
23.	**81**	Social Welfare Department (Tribal Welfare)	0.001	0
24.	**87**	Soldiers Welfare Department	0.001	0
25.	**94**	Irrigation Department (Works)	0	5.58
26.	**95**	Irrigation Department (Establishment)	0.42	0
		Total	**0.797**	**5.68**
		Grand Total	**594.147**	**1,459.063**
		Total of Revenue & Capital	**2,053.21**	

Appendix 2.10

Details of saving of ₹ one crore and above not surrended

(Reference: Paragraph 2:3:10; Page 46)

(₹ in crore)

Sl. No.	Grant No.	Name of Grants/Appropriation	Savings	Surrenders	Savings which remain to be surrendered
Revenue - Voted					
1	**2**	Housing Department	6.12	4.20	1.92
2	**7**	Industries Department (Heavy & Medium Industries)	228.42	194.94	33.48
3	**9**	Power Department	266.53	0.32	266.21
4	**11**	Agriculture & Other Allied Department (Agriculture)	217.67	148.26	69.41
5	**13**	Agriculture & Other Allied Department (Rural Development)	148.94	95.98	52.96
6	**26**	Home Department (Police)	149.67	115.16	34.51
7	**27**	Home Department (Civil Defence)	10.31	6.56	3.75
8	**31**	Medical Department (Medical Education & Training)	14.99	0	14.99
9	**34**	Medical Department (Homeopathy)	3.81	0	3.81
10	**35**	Medical Department (Family Welfare)	38.78	0	38.78
11	**36**	Medical Department (Public Health)	195.36	191.35	4.01
12	**37**	Urban Development Department	711.79	173.58	538.21
13	**40**	Planning Department	183.71	34.01	149.70
14	**41**	Election Department	8.45	0	8.45
15	**42**	Judicial Department	230.59	222.09	8.50
16	**45**	Environment Department	6.55	0.28	6.27
17	**47**	Technical Department	42.53	4.29	38.24
18	**48**	Minorities Welfare Department	272.00	173.86	98.14
19	**49**	Women & Child Welfare Department	180.62	0	180.62
20	**50**	Revenue Department (District Admin.)	32.95	31.01	1.94
21	**52**	Revenue Department (Board of Revenue & Other Expenditure)	104.39	93.53	10.86
22	**54**	Public Works Department (Establishment)	396.56	0.92	395.64
23	**61**	Finance Department (Debt Services & Other Expenditure)	77.26	57.60	19.66

24	**70**	Science & Technology Department	5.00	1.54	3.46
25	**75**	Education Department (State Council of Education Research& Training)	14.43	1.05	13.38
26	**79**	Social Welfare Department (Welfare of Handicapped & Backward Classes)	15.94	0	15.94
27	**80**	Social Welfare Department (Social welfare & Welfare of Scheduled Castes)	148.00	0	148.00
28	**81**	Social Welfare Department (Tribal Welfare)	15.27	0	15.27
29	**83**	Social Welfare Department (Special Component Plan for Scheduled Castes)	110.33	0	110.33
30	**84**	General Administration Department	69.30	61.60	7.70
31	**86**	Information Department	69.36	8.35	61.01
32	**87**	Soldiers Welfare Department	6.01	0	6.01
33	**94**	Irrigation Department (Works)	152.37	0	152.37
34	**95**	Irrigation Department (Establishment)	14.71	0	14.71
		Total	**4,148.72**	**1,620.48**	**2,528.24**
		Capital - Voted			
1	**11**	Agriculture & Other Allied Department (Agriculture)	50.30	40.37	9.93
2	**21**	Food Department	3,963.00	21.88	3,941.12
3	**26**	Home Department (Police)	356.13	332.30	23.83
4	**32**	Medical Department (Allopathy)	39.30	38.31	0.99
5	**37**	Urban Development Department	687.12	679.83	7.29
6	**42**	Judicial Department	96.09	93.68	2.41
7	**47**	Technical Department	24.11	9.52	14.59
8	**61**	Finance Department (Debt Services & Other Expenditure)	153.04	97.09	55.95
		Total	**5,369.09**	**1,312.98**	**4,056.11**
		Capital - Charged			
1	**21**	Food Department	1,509.32	0.03	1,509.29
2	**94**	Irrigation Department (Works)	5.58	0	5.58
		Total	**1,514.9**	**0.03**	**1,514.87**
		Grand Total	**11,032.71**	**2,933.49**	**8,099.22**

Appendix 2.11

Cases of surrender of funds in excess of ₹ 10 crore on 31 march 2011

(Reference: Paragraph 2.3.10; Page 46)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Amount of surrender (₹ in crore)	Total provision (in *Per cent*)
Revenue - Voted				
1.	**5**	Industries Department (Handloom & Village Industries)	76.63	62
2.	**7**	Industries Department (Heavy & Medium Industries)	194.94	74
3.	**10**	Agriculture & Other Allied Department (Horticulture & Sericulture Development	11.55	8
4.	**12**	Agriculture & Other Allied Department (Land Development & Water Resources)	93.04	35
5.	**15**	Agriculture & Other Allied Department (Animal Husbandry)	19.84	5
6.	**26**	Home Department (Police)	115.16	2
7.	**36**	Medical Department (Public Health)	191.35	33
8.	**37**	Urban Development Department	173.58	13
9.	**40**	Planning Department	34.01	9
10.	**42**	Judicial Department	222.09	22
11.	**48**	Minorities Welfare Department	173.86	21
12.	**50**	Revenue Department (District Administration)	31.01	6
13.	**52**	Revenue Department (Board of Revenue & Other Expenditure)	93.53	6
14.	**62**	Finance Department (Superannuation & Pension)	130.96	1
15.	**63**	Finance Department (Treasury & Accounts Administration)	24.79	16
16.	**65**	Finance Department (Audit, Small Saving etc.)	14.93	9
17.	**72**	Education Department (Secondary Education)	834.22	13
18.	**73**	Education Department (Higher Education)	583.73	31
19.	**84**	General Administration Department	61.60	21
		Total	**3,080.82**	
Revenue - Charged				
20.	**42**	Judicial Department	22.39	13
		Total	**22.39**	

Capital - Voted				
21.	**7**	Industries Department (Heavy & Medium Industries)	60.87	28
22.	**9**	Power Department	631.48	13
23.	**11**	Agriculture & Other Allied Department (Agriculture)	40.37	7
24.	**12**	Agriculture & Other Allied Department (Land Development & Water Recourses)	75.00	100
25.	**13**	Agriculture & Other Allied Department (Rural Development)	49.70	4
26.	**21**	Food Department	21.88	0.21
27.	**26**	Home Department (Police)	332.30	54
28.	**32**	Medical Department (Allopathy)	38.31	13
29.	**37**	Urban Development Department	679.83	33
30.	**42**	Judicial Department	93.68	58
31.	**44**	Tourism Department	44.01	30
32.	**46**	Administrative Reforms Department	15	100
33.	**48**	Minorities Welfare Department	165.56	39
34.	**51**	Revenue Department (Relief on Account of Natural Calamities)	20	80
35.	**57**	Public Works Department (Communication- Bridges)	144.13	18
36.	**58**	Public Works Department (Communication-Road)	248.54	8
37.	**60**	Forest Department	43.63	35
38.	**61**	Finance Department (Debt Services & Other Expenditure)	97.09	19
39.	**73**	Education Department (Higher Education)	28.71	11
40.	**78**	Secretariat Administration Department	46.21	98
		Total	**2,876.3**	
Capital - Charged				
41.	**61**	Finance Department (Debt Services & Other Expenditure)	9,287.64	59
		Total	**9,287.64**	
		Grand Total	**15,267.15**	

Appendix 3.1

Utilisation Certificate Ourstanding as on 31 march 2011

(Reference: Paragraph 3.1; Page 49)

(₹ in lakh)

Sl. No.	Department	Year of Payment of Grant	Total Grant paid		Utilisation Certificate				Reasons for UCs remaining outstanding
			No.	Amount	Received		Outstanding		
					No.	Amount	No.	Amount	
1	Department of Dairy Development	2007-08	881	1,17,51.94	325	4,58.66	556	1,12,93.28	Reasons not furnished
		2008-09	812	83,85.29	242	27,48.90	570	56,36.39	
		2009-10	552	10,82.07	98	2,68.59	454	8,13.48	
2	Department of Agriculture & Other Allied Activities (Nibandhak Cooperative Societies)	2009-10	9	84,94.97	6	81,59.10	3	3,35.87	Reasons not furnished
3	Department of Tourism	2005-06	NA	30.00	NA	9.50	NA	20.50	Reasons not furnished
		2006-07	NA	45.00	NA	11.50	NA	33.50	
		2007-08	NA	45.00	NA	21.00	NA	24.00	
		2008-09	NA	22.50	NA	15.28	NA	7.22	
		2009-10	NA	45.00	NA	43.50	NA	1.50	
4	Department of Industries (Handicrafts)	2005-06	542	11,49.80	304	6,56.65	238	4,93.15	Reasons not furnished
		2006-07	482	11,01.60	163	3,53.06	319	7,48.54	
		2007-08	368	3,80.68	100	5.18	268	3,75.50	
		2008-09	112	36,50.34	110	36,16.45	2	33.89	
		2009-10	110	4,00.78	107	3,53.93	3	46.85	
5	Department of Karmik (Training and Other Expenditure)	2008-09	NA	5,81.84	NA	4,28.32[1]	NA	1,53.52	Reasons not furnished
6	Department of Environment	2006-07	1	2.00	Nil	0.00	1	2.00	Reasons not furnished
		2009-10	2	84.34	Nil	0.00	2	84.34	
7	Department of Technical Education	2007-08	2	15,00.00	1	7,00.00	1	8,00.00	Reasons not furnished
		2008-09	3	21,43.55	3	16,43.55	NA	5,00.00	
		2009-10	3	30,00.00	1	7,50.00[2]	2	22,50.00	
8	Department of Languages	2008-09	NA	3,99.67	NA	3,93.53[3]	NA	6.14	Reasons not furnished
		2009-10	NA	5,52.88	NA	5,43.37	NA	9.51	
9	Department of Justice	2005-06	NA	10.40	NA	7.93	NA	2.47	Reasons not furnished
		2006-07	NA	14.43	NA	11.39	NA	3.04	

[1] Surrendered Amount included ₹ 57.15 lakh
[2] Order has been issued for depositing ₹ 750 lakh in treasury.
[3] Surrendered amount included ₹ 14.15 lakh

		2007-08	NA	3.47	NA	1.04	NA	2.43	
		2008-09	NA	2,92.77	NA	1,46.19	NA	1,46.58	
		2009-10	NA	2,59.04	NA	1,76.14	NA	82.90	
10	Department of Political Pension &Other Expenditure	2008-09	72	8.00	32	3.42	40	4.58	Reasons not furnished
		2009-10	72	8.00	Nil	0.00	72	8.00	
11	Department of Industries (Laghu Udyog)	2005-06	29	56,08.41	28	55,58.41	1	50.00	Reasons not furnished
		2007-08	11	12,60.99	9	11,35.99	2	1,25.00	
		2008-09	16	15,32.54	14	14,92.59	2	39.95	
		2009-10	17	10,04.99	16	9,20.99	1	84.00	
12	Department of Minority	2006-07	3	1,86.35	2	1,71.35	1	15.00	Reasons not furnished
		2009-10	3	5,59.27	2	2,94.27	1	2,65.00	
13	Department of Social Welfare	2008-09	7	3,13.15	2	60.35[4]	5	2,52.80	Reasons not furnished
		2009-10	295	17,39,10.44	20	4,06,55.67[5]	275	13,32,54.77[6]	
14	Forest Department (Social and Agricultural Forestry	2006-07	01	7,00.00	Nil	0.00	01	7,00.00	Reasons not furnished
15	Social Welfare Department (Backward Class Welfare)	2007-08	NA	10,00.00	NA	9,97.05	NA	2.95	Reasons not furnished
		2008-09	NA	30,00.00	NA	29,99.99	NA	0.01	
16	Social Welfare Department (ST Development)	2006-07	50	1,22.69	26	99.02	24	23.67	Reasons not furnished
		2007-08	60	8,71.30	9	2,97.32	51	5,73.98	
		2008-09	50	8,59.85	7	7.28	43	8,52.57	
		2009-10	47	5,92.16	7	3,62.98	40	2,29.18	
17	Department of Science and Technology	2007-08	12	15,96.23	10	15,73.02	2	23.21	Reasons not furnished
18	Agriculture & other allied Department (Punchayati Raj)	2009-10	142	1,12,02.61	12	9,89.81	130	1,02,12.80	Reasons not furnished
19	Director Information & Public Relation Department	2005-06	7	51.00	2	25.00	5	26.00	Reasons not furnished
		2006-07	18	1,94.86	12	1,18.86	6	76.00	
						Total	**3121**	**17,07,26.07**	

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

[4] Surrendered amount included ₹ 60.35 lakh
[5] Surrendered amount included ₹ 12.53 lakh
[6] 6563.06 Lakh outstanding utilisation certificate given by State Urban Development Agency for which Grant wise details have not been given.

Appendix 3.2

Statement showing performance of the Autonomous Bodies

(Reference: Paragraph 3.3; Page 52)

Sl. No.	Name of Body	Period of entrustment	Year upto which accounts were rendered	Period upto which SAR is issued	Placement of SAR in the Legislature	Delay in submission of accounts	Period of delay
1	2	3	4	5	6	7	8
1	Jal Sansthan, Kanpur	2001-10	2009-10	2009-10	These are not placed before the Legislature.	-	2 month
2	Jal Sansthan, Chitrakoot Dham Mandal , Banda	2001-10	2009-10	2009-10		-	2 month
3	Jal Sansthan, Allahabad	2001-10	2009-10	Under process		-	2 month
4	Jal Sansthan, Lucknow	2001-10	2009-10	2009-10		-	2 month
5	Jal Sansthan, Varanasi	2001-10	2008-09	2008-09		2009-10	14 month accounts not received
6	Jal Sansthan, Jhansi	2001-10	2009-10	Under process		-	2 month
7	Jal Sansthan, Agra	2001-10	2009-10	Under process		-	2 months
8	UP Khadi Gramodyog Board Lucknow	2004-14	2008-09	Under process	placement of SAR ending 2004-05 and 2005-06 is in process	2009-10 & 2010-11	2-14 months
9	UP State Legal Services Authority, Lucknow	As per Act Provision	2006-07 2007-08 2008-09	2006-09	placement of SAR ending 2006-07, 2007-08 and 2008-09 is in process	2009-10 & 2010-11	2-14 months

Appendix 3.3

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

(Reference: Paragraph 3.4; Page 53)

Sl. No.	Name of the Undertaking	Accounts finalised up to	Investment as per the last accounts finalised (₹ in crore)
Irrigation Department			
1	IWD, Meerut	2010-11	0.46
2	IWD, Jhansi	2010-11	0.52
3	IWD, Bareilly	2010-11	2.43
4	IWD, Kanpur	2010-11	0.24
5	IWD, Allahabad	2010-11	4.53
6	IWD, Gorakhpur	2010-11	1.54
Animal Husbandry Department			
7	State Live Stock Cum Agriculture Farm	2009-10	17.03
Food and Civil Supplies Department			
8	Scheme for Public Distribution System of Food grain	2008-09	2,132.69
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	**2,159.57**

Appendix 3.4

Departmentwise/durationwise break-up of the cases of misappropriation, defalcation, etc., (cases where final action was pending at the end of March 2011)

(Reference: Paragraph 3.5; Page 53)

(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	-	4 (9.09)	-	-	1 (0.16)	-	5 (9.25)
2	Animal Husbandry	-	2 (3.46)	5 (0.88)	4 (1.55)	4 (0.64)	1 (0.02)	16 (6.55)
3	Co-operative	-	-	1 (1.28)	1 (0.17)	-	-	2 (1.45)
4	Education	4 (111.34)		1 (5.00)	-	-	-	5 (116.34)
5	Fisheries	-	-		3 (2.07)	-	-	3 (2.07)
6	Food and Supplies	-	1 (3.06)	-	2 (4.16)	4 (19.53)	2 (2.03)	9 (28.78)
7	Irrigation	17 (58.50)	10 (0.52)	23 (4.58)	3 (5.33)	-	-	53 (68.93)
8	Judiciary	1 (4.44)	-	-	-	1 (0.66)	-	2 (5.10)
9	Land Acquisition	-	-	-	-	-	3 (331.78)	3 (331.78)
10	Medical & Health and Family Welfare	-	-	1 (1.53)	4 (5.79)	10 (11.09)	-	15 (18.41)
11	Police	1 (4.00)	-	-	1 (1.21)	1 (0.60)	3 (2.94)	6 (8.75)
12	PAC	-	-	1 (47.48)	-	1 (0.51)	-	2 (47.99)
13	PWD	8 (132.97)	4 (21.56)	-	-	-	-	12 (154.53)
14	Revenue	-	-	1 (1.72)	-	1 (0.33)	3 (6.09)	5 (8.14)
15	Rural Development	-	-	-	3 (1.65)	5 (1.48)	4 (0.71)	12 (3.84)
16	Social Welfare	-	-	1 (0.25)	-	-	2 (0.70)	3 (0.95)
17	Technical Education	-	1 (11.59)	-	-	-	-	1 (11.59)
18	Weight and Measurement	-	-	-	-	1 (1.01)	-	1 (1.01)
19	Horticulture	1 (3.59)	-	-	-	-	-	1 (3.59)
20	Finance	-	-	-	-	1 (0.67)	-	1 (0.67)
	Total	**32 (314.84)**	**22 (49.28)**	**34 (62.72)**	**21 (21.93)**	**30 (36.68)**	**18 (344.27)**	**157 (829.72)**

Appendix 3.5

Department/categorywise details in respect of cases of loss to the Government due to theft, misappropriation/loss of the Government material

(Reference: Paragraph 3.5; Page 53)

(₹ in lakh)

Name of the Department	Theft cases		Misappropriation/ Loss of Government Material		Total	
	Number of Cases	Amount	Number of Cases	Amount	Number of Cases	Amount
Agriculture	2	1.63	3	7.62	5	9.25
Animal Husbandry	11	1.78	5	4.77	16	6.55
Co-operative	1	1.28	1	0.17	2	1.45
Education	1	5.00	4	111.34	5	116.34
Fisheries	-	-	3	2.07	3	2.07
Food and Supplies	-	-	9	28.78	9	28.78
Irrigation	45	2.61	8	66.32	53	68.93
Judiciary	-	-	2	5.1	2	5.1
Land Acquisition	-	-	3	331.78	3	331.78
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	9	152.90	12	154.53
Revenue	-	-	5	8.14	5	8.14
Rural Development	5	1.34	7	2.5	12	3.84
Social Welfare	-	-	3	0.95	3	0.95
Technical Education	-	-	1	11.59	1	11.59
Weights and Measurement	1	1.01	-	-	1	1.01
Horticulture	-	-	1	3.59	1	3.59
Finance	-	-	1	0.67	1	0.67
				Total	**157**	**829.72**

Appendix 3.6

Departmentwise details of cases of settled/written off during 2010-11

(Reference: Paragraph 3.5; Page 53)

(₹ in lakh)

Sl. No.	Name of Department	Authority	Brief Particulars	No. of cases	Amount
1	Fisheries	Government of Uttar Pradesh	Theft of jeep on dated 23-12-84 from assistant Director Fisheries, Sitapur	One	0.50
2	Fisheries	Government of Uttar Pradesh	Theft of jeep No. UPG-1627 from assistant Director Fisheries, Meerut	One	0.50
3	Fisheries	Government of Uttar Pradesh	Loss by fire of jeep No. UTO-3618 in the office of Officer-in-charge Fisheries Development, Jaunpur	One	0.10
4	Fisheries	Government of Uttar Pradesh	Loss of fish from Poison in Fisheries Form Nawabganj, Unnao	One	0.02
				Total	**1.12**

Appendix 4

Glossary

Basis of calculation

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.

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-à-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.
Guarantee 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

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
FRBM	Fiscal Responsibility and Budget Management Act
GOI	Government of India
GSDP	Gross State Domestic Product
IP	Interest Payment
MTFRPS	Medium Term Fiscal Restructuring Policy Statement
NPRE	Non Plan Revenue Expenditure
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	Thirteenth Finance Commission
UC	Utilisation Certificate
ULBs	Urban Local Bodies