

**Report of the  
Comptroller and Auditor General of India  
on**

**STATE FINANCES**

**FOR THE YEAR ENDED 31 MARCH 2012**

**GOVERNMENT OF UTTAR PRADESH  
Report No. : 1 of the year 2012-13**



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## **PREFACE**

**T**his Report has been prepared for submission to the Governor under Article 151 of the Constitution.

Chapter I and Chapter 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 2012. 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 2011-12.

The Report 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 2012, 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 Fiscal Responsibility and Budget Management Act, 2004 and its Second Amendment Act, 2011, Budget Documents, Economic Review 2011-12, the 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 2012. It provides an insight into trends in overall finances of the State, Actual Expenditure *vis-à-vis* Budget Estimates, 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, preparation of Budget Estimates 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 appendix 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 including additional data, as used in this report.

## Audit Findings and Recommendations

**Performance of the State:** The Government had Revenue in surplus and at the same time it contained the Fiscal Deficit to below three *per cent* of GSDP and the Total Liability below 46.9 *per cent* of GSDP at the close of the financial year 2011-12 as envisaged in FRBM Act, 2004 and Second Amendment Act, 2011. *The Government should monitor Receipts and Expenditure continuously for ensuring adherence to the Act ibid.*

**Revised Estimates and Actuals:** There had been wide variations in the Revised Estimates and the Actual Expenditure due to lesser expenditure from what was estimated in the Revised Budget 2011-12, leading to improvement in key deficit indicators. *Adequate measures be initiated by the Government in regard to fiscal management and continuous monitoring in order to bridge the gap between the wide variations in the Revised Estimates and Actual Expenditure.*

**Revenue Receipts:** The Revenue Receipts increased by 18 *per cent* during 2011-12 over the preceding year mainly due to increase in Tax Revenue (28 *per cent*) and increase in Share of Union Taxes (16 *per cent*). However, the Revenue Receipts of ₹ 1,30,869 crore were close to the Revised Budget Estimates (₹ 1,37,622 crore). Tax Revenue of ₹ 52,613 crore which is a major constituent of

the Revenue Receipts was above the projections made by the Thirteenth Finance Commission (₹ 41,811 crore) by ₹ 10,802 crore. The Non-tax Revenue (₹ 10,145 crore) was below the projections made in the Revised Estimates (₹ 13,560 crore) by ₹ 3,415 crore (25 per cent) but was above the normative assessment made by the Thirteenth Finance Commission (₹ 8,484 crore) by ₹ 1,661 crore (20 per cent).

**Revenue Expenditure:** During 2011-12, the Revenue Expenditure increased by 15 per cent (₹ 16,209 crore) over 2010-11. Within the Revenue Expenditure, the Plan Expenditure increased marginally by ₹ 1,576 crore (seven per cent) over the previous year whereas the Non-plan Revenue Expenditure increased by ₹ 14,633 crore (17 per cent). A marginal increase under Plan Expenditure shows a slow growth of infrastructure and service network of the State. The Revenue Expenditure as a percentage of Total Expenditure increased from 83 per cent to 84 per cent during the current year. The Committed Expenditure on Salaries, Pensions, Interest Payments and Subsidies consumed a major part of Non-plan Revenue Expenditure during 2011-12. *The Government should carry out fiscal consolidation based on avoidance of un-productive Expenditure and at the same time ensure sustainable and viable service delivery.*

**Resource Mobilisation:** There had been an increasing trend in generation of State's own Revenues all along the period 2007-12. Tax Revenue/Gross State Domestic Product ratio remained constant around seven per cent during 2007-11, but it exceeded seven per cent during the current year. The Non-tax Revenue-GSDP ratio substantially decreased from 2.77 per cent in 2009-10 to 1.47 per cent in 2011-12.

**Efficiency of Expenditure Use:** The share of Capital Expenditure to Total Expenditure decreased from 16 per cent in 2010-11 to 15 per cent in 2011-12 while the share of Revenue Expenditure to Total Expenditure increased from 83 per cent in 2010-11 to 84 per cent in 2011-12. *The Government should take appropriate expenditure rationalization measures and lay emphasis on provision of Core Public and Merit Goods.*

**Review of Government Investments:** The average return on Government's investments in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives was 0.06 per cent during the last three years, whereas its average interest outgo on its borrowings was 6.48 per cent during the corresponding period. This is clearly an unsustainable proposition. *The State Government should, therefore, seek better value for money in investments.*

**Debt Sustainability:** The Debt-GSDP ratio at 35 per cent at the end of 2011-12 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 91 per cent of borrowed funds were used for discharging Debt Liabilities in last three years. *The Government should ensure a well thought out debt repayment strategy to avoid the bunching of repayments.*

**Revenue Surplus:** The fiscal position of the State has shown improvement in 2011-12 relative to previous year. The Revenue Surplus increased by ₹ 3,476 crore and the Fiscal Deficit has reduced by ₹ 1,815 crore during the year

2011-12 over the previous year. There is a scope of improvement in Revenue Surplus and Fiscal Deficit by making efforts of recovery of cost of maintenance of the Irrigation Projects and timely completion of projects of Irrigation and making these a source of Revenue.

**Oversight of Funds transferred directly by the Government of India to the State Implementing Agencies:** The Government of India directly transferred substantial amount of funds (₹ 10,683 crore) to the State Implementing Agencies, which is fraught with the risk of their improper utilization by these agencies. *A system should be in place for ensuring proper accounting, regular updation and validation of funds directly transferred by the Government of India to the State Implementing Agencies.*

**Financial Management and Budgetary Control:** During 2011-12, an overall savings of ₹ 24,506.13 crore over the total Grants and Appropriations is indicative of inaccurate budgeting. The Departments of Urban Development, Planning, Women and Child Welfare, Education, Finance (Debt Services and Other Expenditure) etc. posted large savings persistently for the last five years. Excess expenditure of ₹ 13,474.10 crore for the period 2005-11 and ₹ 1,889.66 crore for the period 2011-12 requires regularisation under Article 205 of the Constitution of India. There were instances of unnecessary/inadequate supplementary provisions 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.

**Preparation of Budget Estimates:** The Government did not follow the provisions contained in the Budget Manual relating to budget preparation. There were instances of the violation of codal provisions of the Budget Manual. *The budgetary control mechanism should be strengthened in all Government Departments. The Government should also ensure that the codal provisions of the Budget Manual relating to the budget preparations are scrupulously followed.*

**The Outcome of the Eleventh Five Year Plan Outlay, Allotment and Expenditure:** Various programmes/ schemes which were planned during the Eleventh Five Year Plan (2007-12) could either not come up or were incomplete at the end of the Plan period due to delay in execution of contracts and approval of the projects etc.

**Financial Reporting:** The Government's compliance with various Financial Rules and Procedures was deficient. Utilisation Certificates in respect of huge amounts (₹ 20,830 crore) were not obtained from the grantees. A large number of cases of misappropriations etc. were pending. An amount of ₹ 1,334 crore was retained in the Personal Deposit Account as on March 2012. Detailed Contingency bills against Abstract Contingency bills amounting to ₹ 157 crore were awaited.



# MAIN REPORT



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 20.28 crore<sup>1</sup> (2012). 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 Gross State Domestic product (GSDP) growth of the state stood at a lower rate of 12.77 *per cent* in the last decade as compared to the average GSDP growth of General Category States of 14.46 *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

The State Government presented (February 2011) budget for the financial year 2011-12 against the backdrop of price instability and economic slowdown. The Government in its budget speech, recognizing the need for economic and social empowerment and educational upliftment of socially disadvantaged groups and marginalized section of the society, proposed provisions of ₹ 10,084 crore under various social security schemes. Similarly, the Government proposed a provision of ₹ 4,761 crore for welfare of women and children. Towards infrastructure, the Government proposed a provision of ₹ 8,227 crore for the energy sector. The Government also proposed substantial provisions for roads and bridges, irrigation, urban development, agriculture and other allied activities etc. Following the recommendations of the Thirteenth Finance Commission, the State Government took several initiatives such as addressing power losses in a time bound manner and attempting reduction in transmission and distribution losses of power under energy sector.

During 2011-12, there has been an increase in GSDP. It stood at ₹ 6,87,836 crore relative to ₹ 5,88,467 crore in 2010-11. The growth rate of GSDP, all along the years 2007-12, ranged between 14.37 *per cent* and 19.78 *per cent*. Though the outstanding fiscal liabilities of the State stood at ₹ 2,43,229 crore at the close of 2011-12, the growth rate was lower as compared to the previous year. However, as percentage to GSDP, the fiscal liability declined from 48.73 in 2007-08 to 35.36 in 2011-12. The economy of the State has been experiencing revenue surpluses since 2004 and at the end of the current fiscal year the primary deficit was completely wiped out and the State had primary surplus.

This chapter provides an audit perspective on finances of the Government of Uttar Pradesh during the year 2011-12 and analyses changes observed in the

<sup>1</sup> Provisional.

major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years.

The analysis is based on the Finance Accounts of Government of Uttar Pradesh and information provided therein. The structure of the Government Accounts has been explained in *Appendix 1.2 Part A* and the layout of Finance Accounts is depicted in *Appendix 1.2 Part B*.

## 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 (2011-12), *vis-à-vis*, previous year (2010-11), while *Appendix 1.3* presents abstract of receipts and disbursements as well as overall fiscal position during the current year.

**Table 1.1: Summary of Fiscal Transactions**

(₹ in crore)

Receipts			Disbursements						
	2010-11	2011-12	2010-11				2011-12		
<b>Section A</b>									
Items	Total	Total	Items	Non plan	Plan	Total	Non plan	Plan	Total
Revenue Receipts	1,11,183.76	1,30,869.70	Revenue expenditure	86,636.08	21,039.53	1,07,675.61	1,01,269.25	22,615.92	1,23,885.17
Tax revenue	41,109.85	52,613.43	General services	47,031.83	987.34	48,019.17	52,345.19	601.73	52,946.92
Non-Tax Revenue	11,176.21	10,145.30	Social services	23,737.14	15,829.56	39,566.70	29,781.35	17,609.59	47,390.94
Share of Union Taxes/Duties	43,464.05	50,350.95	Economic services	11,502.40	4222.63	15,725.03	13,887.61	4,404.60	18,292.21
Grants from Govt	15,433.65	17,760.02 <sup>2</sup>	Grants-in-aid & Contributions	4,364.71	-	4,364.71	5,255.10	-	5,255.10
<b>Section B</b>									
Miscellaneous Capital Receipts	-	-	Capital Outlay	691.72	19581.08	20,272.80	838.86	20,735.10	21,573.96
Recoveries of Loans and Advances	485.17	133.17	Loans and Advances disbursed	350.94	617.28	968.22	561.09	414.48	975.57
Public Debt Receipts <sup>3</sup>	21,394.08	19,652.30	Repayment of Public Debt	7,383.08	-	7,383.08	8,287.61	-	8,287.61
Contingency Fund	-	39.89	Contingency Fund	39.90	-	39.90	309.64	-	309.64
Public Account Receipts	1,27,649.22	1,38,449.36	Public Account disbursements	1,17,472.99	-	1,17,472.99	1,30,970.76	-	1,30,970.76
Opening Cash Balance	3,405.36	10,304.99	Closing Cash Balance	10,304.99	-	10,304.99	13,446.70	-	13,446.70
<b>Total</b>	<b>2,64,117.59</b>	<b>2,99,449.41</b>	<b>Total</b>	<b>2,22,879.70</b>	<b>41,237.89</b>	<b>2,64,117.59</b>	<b>2,55,683.91</b>	<b>43,765.50</b>	<b>2,99,449.41</b>

Source: Finance Accounts 2011-12

Following are the significant changes during 2011-12 over the previous year:

- **Revenue Receipts** increased by ₹ 19,685.94 crore (18 per cent) over that of the previous year. The increase was mainly contributed by tax revenue (₹ 11,503.58 crore; 28 per cent) and Share of Union Taxes

<sup>2</sup> Includes Grants for Centrally Sponsored Plan Schemes of ₹ 6,337.44 crore.

<sup>3</sup> Includes net transactions under 'Ways and Means Advances'.

(₹ 6,886.90 crore; 16 per cent). **Revenue Receipts of ₹ 1,30,869.70 crore was below the revised estimates of ₹ 1, 37,622.09 by ₹ 6,752.39 crore.**

- **Tax Revenue** increased by ₹ 11,503.58 crore (28 per cent) over the previous year. The increase was mainly contributed by the Taxes on Sales, Trade etc. (₹ 8,270 crore; 33 per cent), State Excise (₹ 1,416 crore; 21 per cent) and Stamps and Registration Fee (₹1,719 crore; 29 per cent) over the previous year. *The Tax Revenue at ₹ 52,613 crore was above the normative assessment made by the Thirteenth Finance Commission (₹ 41,811 crore).*
- **Non-tax Revenue** decreased by ₹ 1,031 crore (nine per cent) over the previous year. *It was below the normative projection made in Thirteenth Finance Commission (₹ 1,661 crore) and the revised estimates (₹ 3,415 crore). This was mainly due to decrease in Miscellaneous General Services (₹ 1,085 crore; 21 per cent) and Education, Sports, Art and Culture (₹ 606 crore; 23 per cent).*
- **Grants-in-aid** from the Government of India increased by ₹ 2,326 crore (15 per cent) over the previous year. *Grants-in-aid from Government of India were ₹ 17,760 crore against the revised estimates (₹ 21,276 crore). The receipts of ₹ 17,760 crore included ₹ 6,337 crore on account of Centrally Sponsored Schemes during 2011-12.*
- **State's Share in Union Taxes and Duties (₹ 50,351 crore)** increased by ₹ 6,887 crore (16 per cent) over the previous year. However, the *Share was lower than the Revised Budget Estimates (₹ 51,920 crore) by ₹ 1,569 crore.*
- **Revenue Expenditure** increased by ₹ 16,209 crore (15 per cent) over the previous year. *However it was lower than the Revised Estimates (₹ 1,29,646 crore).*
- **Within Revenue Expenditure,** Non-plan Expenditure increased by ₹ 14,633 crore (17 per cent) and plan expenditure increased by ₹ 1,576 crore (seven per cent) over the previous year. *Non-plan Revenue Expenditure was far ahead of the Thirteenth Finance Commission's normative projections by ₹ 36,848 crore (57 per cent).*
- **Capital Expenditure** increased by ₹ 1,301 crore (six per cent) over the previous year *mainly due to increase in Capital Outlay in Water Supply, Sanitation, Housing and Urban Development under Social Sector.*
- **Recovery of Loans and Advances** decreased by ₹ 352 crore (73 per cent) over the previous year *which fell short by ₹ 404 crore (75 per cent) than the Budget Estimates (₹ 537 crore). Disbursement of Loans and Advances (₹ 976 crore) was also lower than the Revised Budget Estimates (₹ 1,240 crore).*
- **Public Debt Receipts** decreased by ₹ 1,742 crore (eight per cent) over the previous year showing improvement in the State's debt management.

However, repayment increased by ₹ 905 crore (12 *per cent*) over the previous year.

- Increase in **Public Accounts Receipts** by ₹ 10,800 crore (eight *per cent*) was observed over the previous year, mainly due to increase of balances under Suspense and Miscellaneous head (₹ 13,491 crore; 18 *per cent*) partly offset by decrease in Deposits and Advances (₹ 5010 crore; 32 *per cent*).
- **Public Accounts Disbursement and Disbursements from the Contingency Fund** registered an increase by ₹ 13,498 crore (11 *per cent*) and ₹ 269.74 crore (676 *per cent*) over the previous year.
- **Cash Balances** at the close of 2011-12 (₹ 13,447 crore) increased by ₹ 3,142 crore (30 *per cent*) from the level of ₹ 10,305 crore in the previous year.

### 1.3 Fiscal Reforms

In February 2004, Government of Uttar Pradesh responded to the recommendations of the Twelfth Finance Commission by legislating the Fiscal Responsibility and Budget Management Act, 2004 (FRBM) and setting out a reform agenda of long-term goal of securing growth with stability for its economy. The Government enacted the Act for ensuring fiscal stability and sustainability, and enhancing scope for improving the 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. Under the Act, the State 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 provisions of the Act. The Fiscal Responsibility and Budget Management Rules were notified in October 2006. The following fiscal targets were set therein 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 1<sup>st</sup> day of April 2004 and ending on 31<sup>st</sup> 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 to as much as four *per cent* of their Gross State Domestic Product.
- Ensure within a period of 14 financial years, beginning from the initial financial year on 1<sup>st</sup> 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.

The State Government also responded to the recommendations of the Thirteenth Finance Commission by amending FRBM Act, 2004 and developed its own Fiscal Consolidation Path for the years 2011-12 to 2014-15 with the key aim to eliminate revenue deficits and to bring about gradual reductions in fiscal and debt levels by 2014-15. The details are given in **Table 1.2**.

**Table 1.2: Fiscal Consolidation Path**

Year	Fiscal Deficit	Total Liability (in per cent)
2011-12	Not more than 3 per cent of GSDP	46.9
2012-13	Not more than 3 per cent of GSDP	45.1
2013-14	Not more than 3 per cent of GSDP	43.4
2014-15	Not more than 3 per cent of GSDP	41.9

Source: Uttar Pradesh Government Gazette Notification

While the aforesaid augurs well for medium-term fiscal sustainability of the Government, the eventual outcome would be shaped by the microeconomic conditions.

The performance of the State during 2011-12 in terms of the key fiscal targets set in FRBM Act as recommended by the Thirteenth Finance Commission are given in **Table 1.3**.

**Table 1.3: Performance of the State during 2011-12**

Key fiscal targets	Targets set in FRBM Act	Actuals (₹ in crore)
Revenue deficit (-) / surplus (+)	Nil deficit	(+) 6,984
Fiscal deficit (-) / GSDP (per cent)	Not more than three per cent of GSDP i.e. ₹ (-) 20,635 crore	(-) 15,433
Total liability to GSDP	46.9 per cent of GSDP i.e. ₹ 3,22,595 crore	2,43,229

Source: Uttar Pradesh Government Gazette Notification

**Table** above indicates that while the Government had a revenue surplus, the fiscal deficit and total liability to GSDP were contained. This indicated that the Government had achieved the targets set in FRBM Act in regard to revenue, fiscal deficit and total liability.

The Government intimated (September 2012) that the receipts and expenditure were monitored continuously to ensure that the aforesaid targets were not violated.

## 1.4 Budget 2011-12

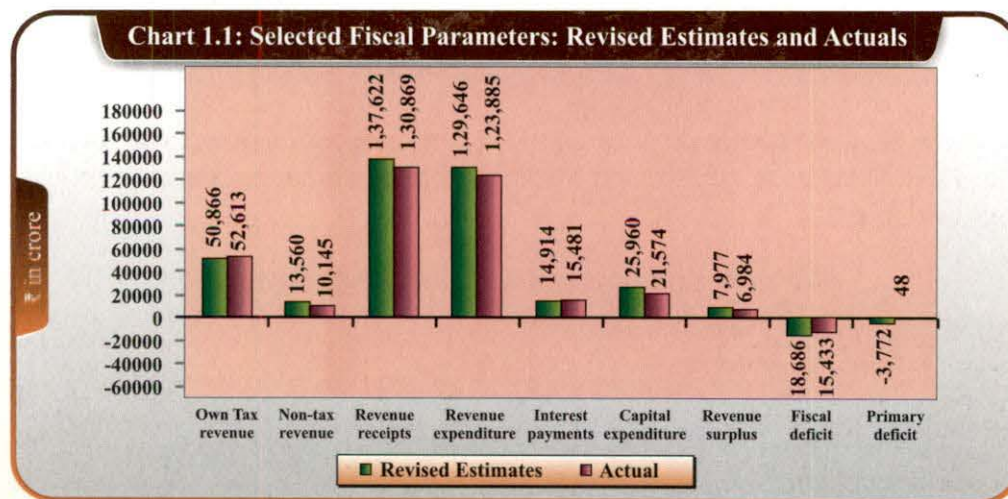
### 1.4.1 Revised Estimates

The revised estimates indicated the policy measures of the Government. On the revenue receipt side, the Government aimed at augmenting tax revenues mainly from the Government of India under Share from Union Taxes and Duties (₹ 73,196 crore) and on the expenditure side, focused at Social Services (revenue expenditure: ₹ 51,259 crore; capital expenditure: ₹ 6,835 crore) and to some extent the Economic Services (revenue expenditure: ₹ 20,291 crore; capital expenditure: ₹ 17,260 crore). On the fiscal side, the Government estimated revenue surplus, and fiscal and primary deficits.

### 1.4.2 Actuals vis- a- vis Revised Estimates

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 could be on account of unanticipated and unforeseen events or under/over estimation of expenditure or revenue at the stage of budget preparation.

The budgeted and actual figures for important fiscal parameters for the year 2011-12 are shown in **Chart 1.1** and *Appendix 1.4*.



SouSource: Budget and Finance Accounts

- During 2011-12, the **Actual Revenue Receipts** (₹ 1,30,869 crore) fell short by ₹ 6,752 crore of the revised estimates (₹ 1,37, 622 crore). However, within the revenue receipts, the actual collection of **Own Tax Revenue** during the year increased by ₹ 1,747 crore (three *per cent*) over

the revised estimates and **Non-tax Revenue** for the year decreased by ₹ 3,415 crore (25 per cent). The increase in **Own Tax Revenue** was mainly due to increase in Taxes on Sales, Trade etc. (₹ 1,543 crore; five per cent) and Land Revenue (₹ 245 crore; 100 per cent). The decrease in **Non-tax Revenue** over the Revised Estimates for the year was mainly due to decrease in Other Non-Tax Revenue (₹ 2485 crore).

- During the year 2011-12, the **Revenue Expenditure** decreased (₹ 5,760 crore) relative to the Revised Estimates. The decreases were noticed in Development Expenditure (Social Services: ₹ 3,868 crore; eight per cent and Economic Services: ₹ 1,998 crore; 10 per cent).
- Within the **Social Services**, the decrease was mainly contributed by less expenditure in Education, Sport, Art and Culture (₹1,869 crore) followed by ₹ 1,107 crore in Social Welfare and Nutrition. Similarly, within the **Economic Services**, the decrease was mainly contributed by less expenditure in Agriculture and Allied Services (₹ 850 crore) followed by Irrigation and Flood Control (₹ 792 crore) partly counter balanced by more expenditure under Transport (₹ 103 crore).
- During the year 2011-12, **Interest Payments and Servicing of Debt** exceeded by ₹ 594 crore (three per cent) over the Revised Estimates of ₹ 23,514 crore.
- **Capital Expenditure vis-à-vis Revised Estimates** fell short by ₹ 4,386 crore (17 per cent). It was mainly due to less expenditure on Social Services by ₹ 1,648 crore (24 per cent) followed by Economic Services and General Services by ₹ 2,016 crore (12 per cent) and ₹ 721 crore (39 per cent) respectively.
- **Revenue Surplus** was less by ₹ 993 crore (12 per cent) over the revised projections (₹ 7,977 crore). However, the **Fiscal Deficit** improved by ₹ 3,253 crore (17 per cent) from the estimated budget projections (₹ 18,686 crore). Alongside, the revised estimate of **Primary Deficit** of ₹ 3,772 crore turned into Primary Surplus of ₹ 48 crore.

It can also be seen from the **Chart 1.1** that the pattern of expenditure varied from what was originally envisaged at the stage of budget formulations for the year 2011-12. Substantial variations of actuals *vis-a-vis* estimates for 2011-12 under various Sectors/Sub-sectors is also detailed in **Appendix 1.4**.

### 1.4.3 Grants received under recommendations of the Thirteenth Finance Commission

To improve various organs of the State Government, the Thirteenth Finance Commission recommended grants for the Government. The financial status of some of the grants is given in **Table 1.4**.

**Table 1.4: Financial status of The Thirteenth Finance Commission grants**  
(₹ in crore)

Number and Name of Grant	Budgeted amount	Status		
		Surrenders	Savings	Total
13 Agriculture and Other Allied Department (Rural Development)	50.00	Nil	34.36	34.36
14 Agriculture and other Allied Department (Panchayati Raj)	992.77	Nil	55.87	55.87
37 Urban Development Department	429.35	Nil	259.37	259.37
40 Planning Department	118.00	Nil	118.00	118.00
42 Judicial Department	106.11	81.16	-	81.16
58 Public Works Department	62.50	Nil	62.50	62.50
92 Culture Department	25.00	Nil	25.00	25.00
94 Irrigation Department (Works)	341.00		326.25	326.25
<b>Total</b>	<b>2,124.73</b>	<b>81.16</b>	<b>881.35</b>	<b>962.51</b>

Source: Appropriation Accounts for the year 2011-12

Thus, it can be seen from the above **Table 1.4** that out of the total budgeted amount of grants received by the Government under recommendations of the Thirteenth Finance Commission (₹ 2,124.73 crore), an amount of ₹ 962.51 crore constituting 45 per cent of the total amount was either surrendered to the Government (₹ 81.16 crore) or lapsed to the Government account (881.35 crore) at the close of 2011-12.

## 1.5 Resources of the State

### 1.5.1 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 (GoI). 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 GoI as well as accruals from the Public Account.

**Table 1.5** and **Chart 1.2** depict the trends in various components of the receipts during 2007-12. **Chart 1.3** depicts composition of resources of the State during 2011-12.

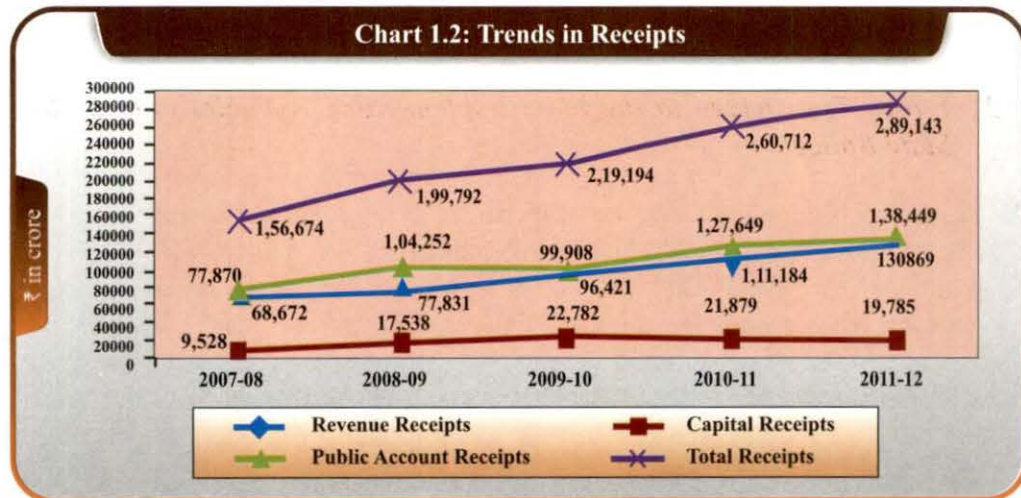


Table 1.5: Trends in Growth and Composition of Aggregate Receipts

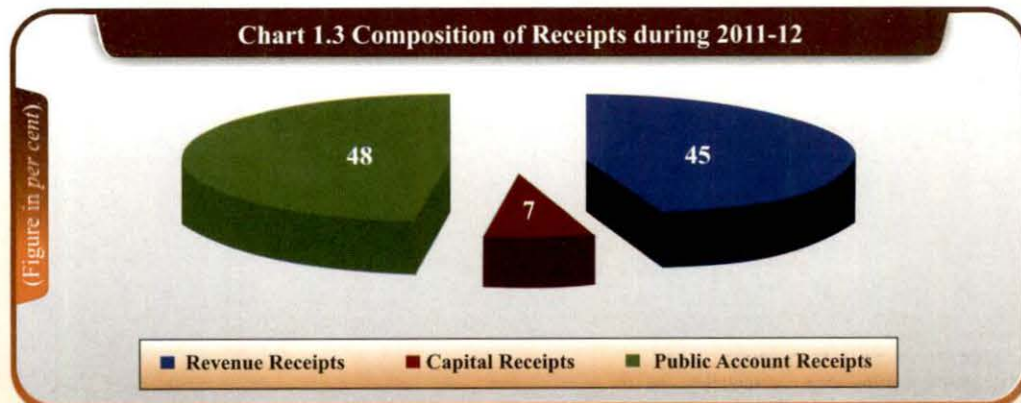
(₹ in crore)

Sources of State's Receipts	2007-08	2008-09	2009-10	2010-11	2011-12
<b>I Revenue Receipts</b>	68,672	77,831	96,421	1,11,184	1,30,869
<b>II Capital Receipts</b>	9,528	17,538	22,782	21,879	19,785
Recovery of Loans and Advances	449	778	293	485	133
Public Debt Receipts	9,079	16,760	22,489	21,394	19,652
Growth rate of debt capital receipts (in per cent)	(-) 22	85	34	(-)5	-8
Growth rate of non-debt capital receipts (in per cent)	26	73	(-) 62	66	-73
Growth rate of GSDP	14.37	15.27	19.20	19.78	16.89
<b>III Contingency Fund</b>	604	171	83	-	40
<b>IV Public Account Receipts</b>	77,870	1,04,252	99,908	1,27,649	1,38,449
a. Small Savings, Provident Fund, etc.	5,312	6,511	8,156	9,857	9,539
b. Reserve Fund	4,019	3,628	5,825	8,577	10,255
c. Deposits and Advances	19,450	22,656	17,260	15,560	10,551
d. Suspense and Miscellaneous	35,808	52,278	40,084	75,907	89,398
e. Remittances	13,281	19,179	28,583	17,748	18,706
<b>V Total Receipts</b>	1,56,674	1,99,792	2,19,194	2,60,712	2,89,143

Source: Finance Accounts



Source: Finance Accounts



Source: Finance Accounts

The Total Receipts of the State Government for the year 2011-12 was ₹ 2,89,143 crore. Of this, ₹ 1,30,869 crore was Revenue Receipts, ₹ 19,785 crore Capital Receipts, ₹ 40 crore Contingency Fund Receipts and the remaining ₹ 1,38,449 crore Public Accounts Receipts. Further, the Total Receipts of the State increased by ₹ 1,32,469 crore (85 per cent) from the level of ₹ 1,56,674 crore in 2007-08 to the level of ₹ 2,89,143 crore in 2011-12, of which increase in Revenue Receipts was 91 per cent; Capital Receipts 108 per cent and Public Account Receipts 78 per cent during the period. The increase of ₹ 1,38,449 crore was mainly shared between Revenue Receipts (₹ 62,197 crore) and Public Account Receipts (₹ 60,579).

The share of Revenue Receipts to the Total Receipts of the Government was 45 per cent, while that of Public Accounts Receipts 48 per cent and the Capital Receipts seven per cent. A meager amount of ₹ 40 crore was also drawn from the Contingency Fund.

Within the Capital Receipts, the Growth rate of Debt Capital Receipts declined from minus 22 per cent in 2007-08 to minus eight per cent in 2011-12. Apart from this, the recovery of Loans and Advances dipped from the level of ₹ 449 crore during 2007-08 to the level of ₹ 133 crore during 2011-12. Within the Public Accounts Receipts, the Suspense and Miscellaneous increased by 150 per cent. The rate of growth of Non-debt Capital Receipts decreased from 66 per cent in the previous year to minus 73 per cent during the current year.

### ***1.5.2 Funds Transferred to the State Implementing Agencies outside the State Budget***

GoI transfers funds directly to the State Implementing Agencies<sup>4</sup> 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. Direct transfer of funds from GoI to the State Implementing Agencies require to be accompanied by adequate control mechanisms for effective oversight of utilisation of funds, in the absence of which it could impact and inhibit the Fiscal Responsibility and Budget Management Act's requirement of transparency in fiscal operations and accountability.

The position of transfer of funds directly to the State Implementing Agencies by GoI is presented in **Table 1.6**.

<sup>4</sup> State Implementing Agency includes any organization/institution including Non-Governmental Organization, which is authorized by the State Government to receive funds from GOI for implementing specific programmes in the State, e.g., State Health Society of UP, Lucknow for National Rural Health Mission.

**Table 1.6: Funds Transferred directly by GoI to the State Implementing Agencies**  
(₹ in crore)

S. No.	Programme/Scheme	Implementing Agency	2010-11	2011-12
1	Mahatma Gandhi National Rural Employment Guarantee Scheme	Commissioner Rural Development	5,266.59	4,240.48
2	Pradhan Mantri Gram Sadak Yojna	UP Rural Road Development Agency Lucknow	1,278.83	213.77
3	Sarva Siksha Abhiyan	Director UP Education For All Project Board Lucknow	3,104.63	2,097.33
4	National Rural Health Mission Normal	Director Health and Family Welfare	1,691.21	505.90
5	Indira Awas Yojna	Commissioner, Rural Development, Lucknow	1,151.00	1,680.43
6	Accelerated Rural Water Supply Scheme	Managing Director, UP Jal Nigam, Lucknow	421.60	802.32
7	Swarn Jayanti Gram Swarajgar Yojna	Commissioner, Rural Development, Lucknow	222.33	271.78
8	MPs Local Area Development Scheme	District Magistrate	207.00	276.00
9	Integrated Water Shed Management Programme	District Rural Development Agencies	151.73	168.91
10	Total Sanitary Campaign	Director Panchayati Raj Institutions Lucknow	225.94	169.20
11	Swarn Jayanti Shahari Rojgar Yojna	State Urban Development Agencies Uttar Pradesh	73.24	57.73
12	District Rural Development Agency Administration (DRDA Admn.)	Commissioner Rural Development Lucknow	43.18	63.26
13	Handlooms	Director Handloom and Textiles UPSG (PSU's)	0.61	0.04
14	Research and Development Support SERC	Different Statutory Bodies etc. e.g. IIT Kanpur, Banaras Hindu University	477.54	26.53
15	Integrated Oil Seeds, Oil Palm, Pulses, Maize Development	Different Government Autonomous Bodies	5.17	6.67
16	Medicinal Plants	Government Autonomous Bodies	5.08	1.80
17	Science and Technology Programme for Socio-Economic Development	Voluntary Institute for Community Applied Science	5.60	85.38
18	National Mission on Nano Science and Nano Technology	University of Allahabad	15.34	6.31
19	Technology Development Programme	National Research Centre for Agro Forestry	0.47	5.28
20	International Cooperation S&T	Central and State Statutory Bodies PSU's etc.	0.37	1.71
21	Assistance to Panchyati Raj Institutions Voluntary Organisation Self-Help	Different NGO's As Saheed Memorial Societies	0.98	1.68
<b>Total</b>			<b>14,348.44</b>	<b>10,682.51</b>

Source: Finance Accounts

Though the funds directly transferred by GoI to the State Implementing Agencies for implementation of various schemes/programmes, declined by 26 per cent during the current year *vis-a-vis* the previous year, a sizeable quantum of funds were transferred to Mahatma Gandhi National Rural Employment Guarantee Scheme (40 per cent of the total funds

transferred), *Sarva Shiksha Abhiyan* (20 per cent of the total funds transferred) and *Indira Avas Yojna* (16 per cent of the total funds transferred).

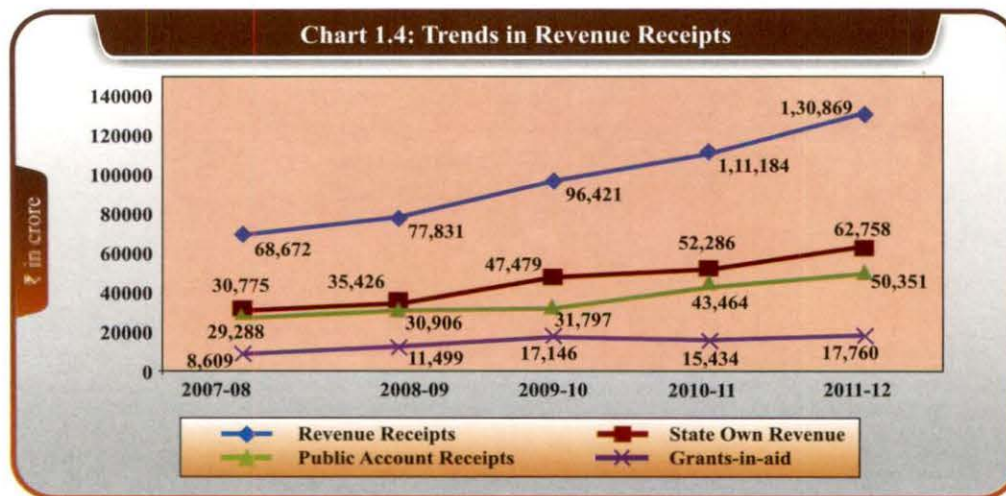
Significant decreases of ₹ 1,026.11 crore (19 per cent) under Mahatma Gandhi National Rural Employment Guarantee Scheme, ₹ 1,065.06 crore (83 per cent) under *Pradhan Mantri Gramin Sadak Yojna*, ₹ 1,007.30 crore (32 per cent) under *Sarva Shiksha Abhiyan* and ₹ 1,185.31 (70 per cent) under National Rural Health Mission, were noticed during 2011-12 over the previous year. Likewise, there were significant increases of ₹ 529.43 (46 per cent) under *Indira Avas Yojna* and ₹ 380.72 crore (90 per cent) under Accelerated Rural Water Supply Scheme during 2011-12 over the previous year.

### 1.6 Revenue Receipts

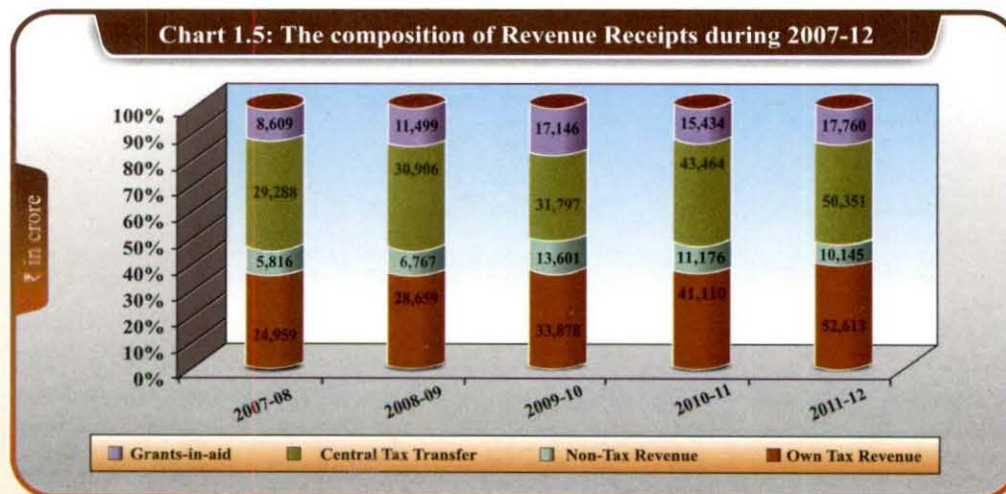
Revenue Receipts consist of State's own Tax and Non-tax revenues, Central Tax Transfers and Grants-in-aid from GoI. **Statement-11** of the Finance Accounts of 2011-12 depicts the Revenue Receipts of the Government.

#### 1.6.1 Trends and Composition of Revenue Receipts

Trends and composition of Revenue Receipts over the period 2007-12 is presented in *Appendix 1.5* and also depicted in *Chart 1.4* and *1.5* respectively.



Source: Finance Accounts



Source: Finance Accounts

### General Trends

- During 2011-12, Revenue Receipts of the State increased by ₹ 19,685 crore over the previous year. All along the years 2007-12, the Revenue Receipts grew steadily from ₹ 68,672 crore to ₹ 1,30,869 crore.
- During 2011-12, 48 *per cent* the revenue came from own sources and the remaining from GoI as State's Share in Union Taxes and Duties (38 *per cent*) and Grants-in-aid (14 *per cent*).
- Within the State's Own Taxes during 2011-12, Tax Revenue and Non-Tax Revenue accounted for 84 *per cent* and 16 *per cent* respectively.
- The overall Revenue Receipts at ₹ 1,30,869 crore were below (₹ 6,752 crore; five *per cent*) the Revised Budget Estimates (₹ 1,37,622 crore) made by the Government for 2011-12.

The trends in revenue receipts relative to GSDP are presented in **Table 1.7**.

**Table 1.7: Trends in Revenue Receipts relative to GSDP**

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Receipts (RR) (₹ in crore)	68,672	77,831	96,421	1,11,184	1,30,869
Rate of growth of RR ( <i>per cent</i> )	13.32	13.34	23.89	15.31	17.70
RR/GSDP ( <i>per cent</i> )	19.21	18.88	19.63	18.89	19.03
Revenue Buoyancy w.r.t. GSDP	0.927	0.874	1.244	0.774	1.048
State's Own Tax Buoyancy w.r.t. GSDP	0.594	0.971	0.948	1.079	1.657
Revenue Buoyancy w.r.t. State's own taxes	1.562	0.901	1.312	0.717	0.633
*Gross State Domestic Product (₹ in crore)	3,57,557	4,12,151	4,91,302	5,88,467	6,87,836
Growth rate of GSDP	14.37	15.27	19.20	19.78	16.89

Source: Economic Survey of Uttar Pradesh- 2011-12

Ideally, the growth rate of revenue should be higher than GSDP growth rate so that over time the budget can be better balanced. An analysis of the **Table** revealed the followings:

- Revenue buoyancy with reference to GSDP improved during the current year relative to the previous year. During 2009-10 and 2011-12, the growth rate in revenue receipts kept pace with the growth in GSDP. However, during 2007-08, 2008-09 and 2010-11 the growth was not commensurate with the growth in GSDP.
- State's Own Taxes buoyancy with reference to GSDP also marginally improved during the current year relative to the previous year.

### Grants- in-Aid

Overall Grants-in-aid from GoI increased (15 *per cent*) from ₹ 15,433.65 crore in 2010-11 to ₹ 17,760.02 crore in 2011-12. The increase was mainly under Non Plan Grants (₹ 1,303.74 crore) followed by the Grants for Centrally Sponsored Plan Schemes (₹ 1,204.01 crore) and the decrease was under

Grants for Central Plan Schemes (₹ 222.71 crore). Component-wise Grants-in-aid received from GoI is given in **Table 1.8**.

**Table 1.8: Grants-in-Aid received from GoI**

Particulars	(₹ in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Non Plan Grants	2,894.42	3,142.62	3,947.97	3,092.99	4,396.73
Grants for State plan Schemes (including Grant from UNDP of ₹ 0.12 crore)	2,795.49	5,195.76	5,624.02	6,772.07	6,813.40
Grants for Central Plan Schemes	261.90	235.36	3,992.43	435.16	212.45
Grants for Centrally Sponsored Plan Schemes	2,657.59	2,923.25	3,576.82	5,133.43	6,337.44
<b>Total</b>	<b>8,609.40</b>	<b>11,496.99</b>	<b>17,141.24</b>	<b>15,433.65</b>	<b>17,760.02</b>
Percentage of increase over previous year	9.67	33.54	49.09	(-) 9.96	15.07

Source: Finance Accounts

Analysis reveals that within the Non Plan Grants, the increases in grants received under provision to Article 275 (1) of the Constitution of India (₹ 1,481 crore) followed by 'Grant for Special Problems' (₹ 169 crore).

### Central Tax Transfers

Central Tax Transfers increased (72 per cent) from ₹ 29,288 crore in 2007-08 to ₹ 50,351 crore in 2011-12. The increase was mainly under Corporation tax (₹ 10,524 crore; 113 per cent) and Taxes on Income other than Corporation Tax (₹ 3,828 crore; 61 per cent), Custom Duty (₹ 3,194 crore; 58 per cent) and Service Tax (₹ 3,085 crore; 105 per cent).

### 1.6.2 State's Own Resources

The gross collection in respect of major Taxes and Duties as well as the Non-Tax Receipts for the period 2007-12 are presented in **Appendix 1.6**. These resources increased (104 per cent) from ₹ 30,775 crore in 2007-08 to ₹ 62,758 crore in 2011-12. Within the Revenue Receipts during 2011-12, gross collection in respect of major Taxes and Duties and the Non-tax Receipts constituted 40 and eight per cent respectively.

The actual Revenue Receipts during 2011-12, *vis-a-vis*, assessments made by the Thirteenth Finance Commission and the State Government are given in **Table 1.9**.

**Table 1.9: Revenue Receipts relative to the Thirteenth Finance Commission's Assessments and Revised Estimates**

Key fiscal variables	Thirteenth Finance Commission's assessments	Revised estimates of the Government for 2011-12	Actuals	Variations : Excess (+) and Shortfall (-)	
				Thirteenth Finance Commission's assessments	Revised estimates of the Government for 2011-12
				Per cent in bracket	
State's Own Tax Revenue	41,811.11	50,866.44	52,613.43	(+) 10,802.32 (25.84)	(+) 1,746.99 (3.43)
Non-Tax Revenue	8,483.95	13,559.81	10,145.30	(+) 1,661.35 (19.58)	(-) 3,414.51 (25.18)

Source: Thirteenth Finance Commission's recommendations, Budget Documents and Finance Accounts

State's Own Tax Revenue during 2011-12 increased by ₹ 10,802.32 crore (26 per cent) than the normative assessment made by the Thirteenth Finance Commission. It also increased by ₹ 1,747 crore (three per cent) than the Revised Budget Estimates during 2011-12.

Though performance under Non-tax Revenue registered significant improvement over the projections made by the Thirteenth Finance Commission, it failed to achieve the projections made by the State Government in the Revised Estimates.

### Tax Revenue

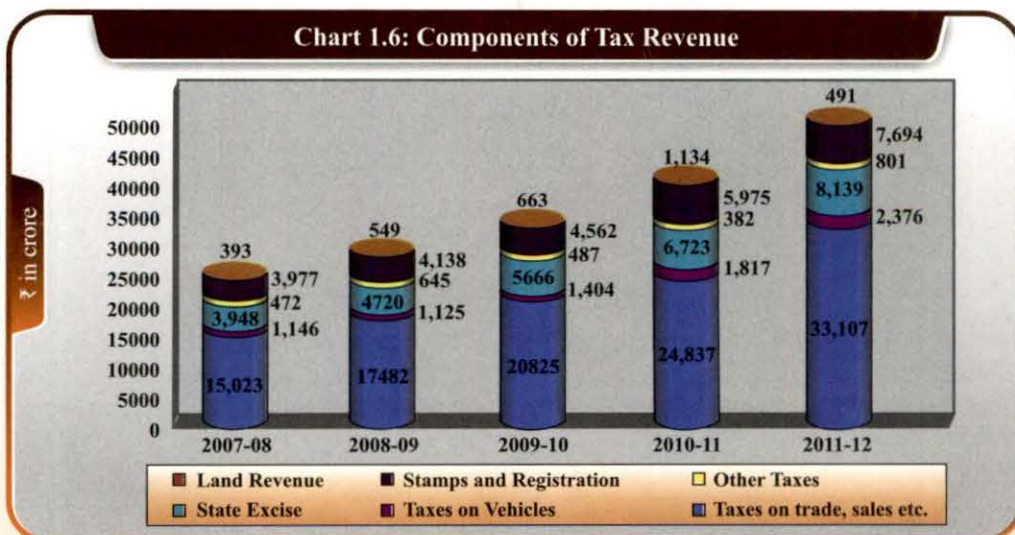
Tax Revenue comprises of Taxes on Sales and Trade etc., State Excise, Taxes on Vehicles and Stamp and Registration Fee etc. The component of Tax Revenue during five years period (2007-12) is shown in **Table 1.10** and **Chart 1.6**.

**Table 1.10: Components of Tax Revenue**

(₹ in crore)

Components of Revenues	2007-08	2008-09	2009-10	2010-11	2011-12		
					Revised Estimates	Actuals	Percentage w.r.t Budget Estimates
Taxes on Sales, Trade, etc.	15,023	17,482	20,825	24,837	31,564	33,107	104.89
State Excise	3,948	4,720	5,666	6,723	8253	8,139	98.62
Taxes on Vehicles	1,146	1,125	1,404	1,817	2536	2,376	93.69
Stamps and Registration fee	3,977	4,138	4,562	5,975	7629	7,694	100.85
Land Revenue	393	549	663	1,134	246	491	195.59
Taxes on Goods and Passengers	110	266	271	242	-	5	500.00
Other Taxes	362	379	487	382	638	801	125.55
<b>Total</b>	<b>24,959</b>	<b>28,659</b>	<b>33,878</b>	<b>41,110</b>	<b>50,866</b>	<b>52,613</b>	<b>103.43</b>

Source: Finance Accounts and Budget Documents



Source: Finance Accounts

The realization of the Tax Revenue of the State was significant during 2011-12. There was marked increase in actuals when compared with Revised Estimates for the year 2011-12 and also with that of 2010-11. As compared to the Revised Estimates, the overall increase amounted to ₹ 1,747 crore (three *per cent*) and as compared to the previous year the increase amounted to ₹ 11,503 crore (28 *per cent*). The increases were due to more collection on account of Sales Tax, more realization of State Excise Duties on country spirits and foreign liquors, realization of more taxes on sale of vehicles and taxes under Motor Vehicles Act and sale of more non-judicial stamps. The increases were also partly counter balanced by decreases in revenue collections of fixed charges and in realization of arrears from improvement Trust, Ghaziabad and the Housing Boards.

### **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 ₹ 10,145.30 crore in 2011-12 comprised mainly from Miscellaneous General Services ₹ 4,035 crore; (40 *per cent*), Education, Sports, Art and Culture ₹ 2,009 crore; (20 *per cent*), Non-ferrous Mining and Metallurgical Industries ₹ 593 crore; (six *per cent*) Interest Receipts ₹ 789 crore; (eight *per cent*), Medical and Public Health ₹ 108 crore; (one *per cent*) and Power ₹ 77 crore; (one *per cent*).

However, there was a substantial decrease of nine *per cent* in the Non tax Revenue receipts during 2011-12 over the previous year. The Receipts decreased due to less collection under 'Other Receipts' and under Miscellaneous General Services (Elementary Education).

### **State's Non-tax Revenue vis-à-vis, Revised Budget Estimates**

State's Non-tax Revenue, *vis-à-vis*, the Revised Budget Estimates for the year 2011-12 is given in **Table 1.11**.

**Table 1.11: Non-tax Revenue, *vis-à-vis*, Revised Budget Estimates**

(₹ in crore)

Particulars	Assessments made in Revised Estimates	Actuals	Variations (Excess + and Shortfall -) <i>per cent</i> in brackets
Interest Receipts	924.55	789.22	-135.33 (15)
Miscellaneous General Services	4,522.75	4035.23	-487.52 (11)
Education, Sports, Art and Culture	4500.00	2008.55	-2,491.45 (55)
Medical and Public Health	142.40	107.93	-34.47 (24)
Power	180.00	76.83	-103.17 (57)
Non-ferrous Mining & Metallurgical Industries	900.00	593.28	-306.72 (34)

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 during 2011-12, *vis-à-vis*, Revised Estimates during the year. The decrease ranged between 11 *per cent* and 57 *per cent*.

Wide variations between the Revised Budget Estimates and Actuals indicated incorrect estimations at the Budget preparation stage.

The shortfalls in Non-tax Revenue during the current year relative to the previous year and Revised Budget projections indicate that the Government needs to explore the sources of Non-tax Revenue for sustainable growth and also for strengthening medium term macroeconomic prospects.

#### ***Book adjustment of part of cost of Projects as Non-tax Revenue***

To regulate apportionment of cost of the project to be executed, the Finance Department issued an order in March 2010 according to which 93.125 *per cent* of the sanctioned cost of the project was to be released for execution of works and the remaining 6.875 *per cent* (on account of establishment charges) was to be accounted for as Non-tax Revenue, through book adjustments under the concerned departmental receipt heads. In April 2010, the above instruction was revised and the said 6.875 *per cent* was to be added to the cost of the project and the sanction was to be issued inclusive of it. Thus, if the cost of the project was ₹ 100, the Financial Sanction was to be accorded for ₹ 106.875.

We observed that in Public Works Department, Non-tax Revenue Receipts registered an increase of ₹ 4.97 crore under the heads 1054-Roads and Bridges- 800-Other receipts-05-Receipts and 0059-Public Works Department-800-General-103 Recovery of Percentage Charges during the year 2011-12 as compared to 2010-11.

The matter was referred (September 2012) to the Government for comments; the reply was awaited (November 2012).

#### ***1.6.3 Non/Short Levy of Tax***

During test check of the assessments of levy of taxes and other records of commercial tax offices, 2,451 cases of non/ short levy of tax due to misclassification of goods and applying incorrect rate of tax, allowing irregular exemption etc., came to notice during 2011-12. The details are given in **Table 1.12**.

**Table 1.12: Non/Short Levy of Tax**

S.No.	Categories	Number of Cases	Amount (₹ in crore)
1	Non/short levy of penalty/interest	949	39.21
2	Non levy/short levy of tax	230	7.41
3	Irregular grant of exemption from tax	263	32.37
4	Incorrect classification of rate of goods	256	13.26
5	Misclassification of goods	38	1.68
6	Irregularities relating to central sales tax	31	0.86
7	Mistake in computation	06	0.06
8	Turnover escaping tax	14	0.59
9	Other irregularities	664	37.23
<b>Total</b>		<b>2,451</b>	<b>132.67</b>

Source: AG (E&RSA), UP

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

#### 1.6.4 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 2009-10, 2010-11 and 2011-12 along with the relevant All India average percentage of expenditure on collection for 2010-11 are mentioned in **Table 1.13** below:

**Table 1.13: Cost of Collection**

Particular	Year	Gross Collection	Expenditure on Collection	Percentage of cost of collection to gross collection	All India Average percentage for the year 2010-11
		(₹ in crore)			
Taxes on Sales and Trade etc.	2009-10	20,825.18	358.43	1.72	-
	2010-11	24,836.52	391.45	1.58	0.75
	2011-12	33,107.34	440.89	1.33	-
Stamp Duty and Registration Fee	2009-10	4,562.23	117.19	2.57	-
	2010-11	5,974.66	147.43	2.47	1.60
	2011-12	7,694.40	149.16	1.94	-

Source: AG (E&RSA), UP and Finance Accounts

It is recommended that the Government analyse the high cost of collection and appropriate measures be taken in this regard.

#### 1.6.5 Revenue Arrears

Information regarding arrears of revenue was called for from the concerned Departments. The revenue arrears as on 31 March 2012 under some of Principal Heads of Revenue amounted to ₹ 19,358 crore, of which ₹ 11,860 crore were outstanding for more than five years (61 per cent). Further, relative to the financial year 2010-11, the revenue arrears registered an increase of ₹ 2,163 crore. The status as on 31 March 2012 under some heads is detailed in **Table 1.14**.

Table 1.14: Arrears of Revenue

(₹ in crore)

Head of Revenue	Amount of arrears	Arrears outstanding for over five years	Remarks
Taxes on Sales and Trade etc.	18,960.28	11,803.03	Out of ₹18,960.28 crore, demand for ₹ 1,576.23 crore had been certified for recovery as arrears of land revenue. Recovery certificates amounting to ₹ 913.17 crore have been sent to other States. Recoveries amounting to ₹ 4,260.46 crore had been stayed by the courts/appellate authority. Recoveries amounting to ₹ 495.62 crore were outstanding against the Government/semi Government departments. Arrears not covered under recovery certificates amounted to ₹ 10,146.84 crore. The demand for recovery of ₹ 1,498.03 crore was likely to be written off. ₹ 69.93 crore were outstanding from transporters.
State Excise	54.82	51.87	Out of ₹ 54.82 crore recoveries amounting ₹ 20.01 crore had been stayed by the courts/appellate authority, the demand for recovery of ₹ 5.56 crore was likely to be written off. The department stated that Recovery Certificates for the amount arrear ₹ 29.25 crore had been issued.
Entertainment Tax	13.37	4.61	Out of ₹ 13.37 crore, demand certificate/notice for ₹ 5.57 crore had been issued. The Department stated that Recoveries amounting to ₹ 7.80 crore stayed by the courts and appellate authority.
Stamp Duty and Registration Fee	329.53	Not furnished by the department	Out of ₹ 329.53 crore, recovery amounting to ₹ 186.59 crore had been stayed by the courts/appellate authority. The department had not furnished the details in respect of remaining ₹ 142.94 crore.
<b>Total</b>	<b>19,358.00</b>	<b>11,859.51</b>	

Source: Concerned Departments

It is recommended that the Government suitably analyse the reasons for substantial accumulation of arrears and initiate effective measures thereto.

## 1.7 Application of Resources

Analysis of the allocation of expenditure by the State Government assumes significance since the responsibility for effective management and application of the resources, is to be wielded by 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 process of fiscal correction and consolidation duly takes into account the focus of social and developmental expenditure without ignoring the increasing trend of public expenditure financed by borrowings.

### 1.7.1 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 payments for past obligations and as such does not result in any addition to the State's infrastructure and services network. Capital Expenditure increases State's infrastructure and services network (tangible assets).

### Total Expenditure

Growth rates of Total Expenditure (2007-12) its compositions, ratio and buoyancy with reference to GSDP and Revenue Receipts are presented in Table 1.15.

Table 1.15: Trends in Total Expenditure

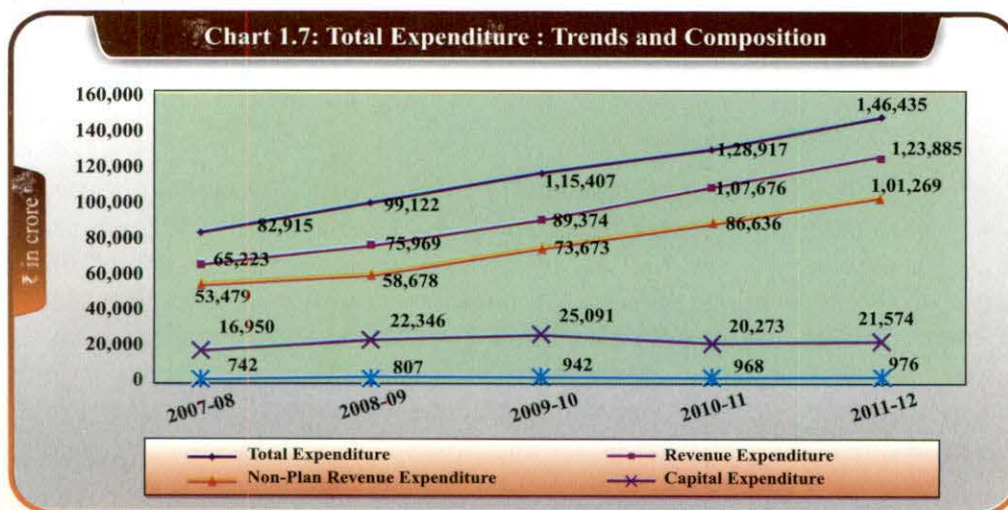
(₹ in crore)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Total Expenditure</b>	<b>82,915</b>	<b>99,122</b>	<b>1,15,407</b>	<b>1,28,917</b>	<b>1,46,435</b>
Revenue Expenditure	65,223	75,969	89,374	1,07,676	1,23,885
Non-plan Revenue Expenditure	53,479	58,678	73,673	86,636	1,01,269
Plan Expenditure	11,744	17,291	15,701	21,040	22,616
Capital Expenditure	16,950	22,346	25,091	20,273	21,574
Loans and Advances	742	807	942	968	976
<b>Rate of Growth of Total Expenditure</b>	17.49	19.54	16.43	11.71	13.59
<b>Total Expenditure/GSDP (ratio)</b>	23.19	24.05	23.49	21.91	21.29
<b>Revenue Receipts/Total Expenditure (ratio)</b>	82.82	78.52	83.55	86.24	89.37
<b>Buoyancy of Total Expenditure with</b>					
<b>GSDP</b>	1.22	1.28	0.86	0.59	0.80
<b>Revenue Receipts (ratio)</b>	1.31	1.46	0.69	0.76	0.77

Source: Finance Accounts

- The above Table indicates that Total Expenditure increased (₹ 63,520 crore; 77 per cent) from ₹ 82,915 crore in 2007-08 to ₹ 1,46,435 crore in 2011-12. The rate of growth of Total Expenditure indicates an uneven trend.
- Revenue Receipts, as a ratio to Total Expenditure, stood at 89 per cent (2011-12) as against 83 per cent in 2007-08.

Chart 1.7 presents the trends in Total Expenditure over a period of five years (2007-12).



Source: Finance Accounts

The Total Expenditure steadily increased during 2007-12. During 2011-12, it increased by ₹ 17,518 crore over 2010-11 of which, the share of Revenue Expenditure was ₹ 16,209 crore (93 per cent).

The **increase in Revenue Expenditure** during 2011-12 relative to 2010-11 was mainly under General Education, Pensions and Other Retirement

to Revenue Expenditure net of Interest Payments and Pensions during 2010-11 and 2011-12, remained almost static at 50 *per cent*.

### Pension Payments

The expenditure on Pensions showed an increasing trend during 2007-12. It increased (130 *per cent*) from ₹ 6,136 crore in 2007-08 to ₹ 14,127 crore in 2011-12. Relative to 2010-11, it increased by ₹ 1,509 crore (12 *per cent*). Actual Pension Payments, however, was above the projection of Thirteenth Finance Commission (₹ 10,467) by ₹ 3,660 crore (35 *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.

### Interest Payments

Interest Payments relative to Total Revenue Receipts reduced from 16 *per cent* in 2007-08 to 12 *per cent* in 2011-12 whereas it ranged between 12 *per cent* and 17 *per cent* during 2007-12 in relation to Revenue Expenditure. Actual Interest Payments (₹ 15,481 crore) exceeded the Revised Estimates (₹ 14,914 crore) by ₹ 567 crore and the Thirteenth Finance Commission's projections (₹ 15,326 crore) by ₹ 155 crore.

### Subsidies

Government paid Subsidies amounting to ₹ 5,601 crore during 2011-12, which constituted four *per cent* of the Revenue Receipts and four *per cent* of the Total Expenditure. Of the total subsidies paid, ₹ 3,776 crore (67 *per cent*) was disbursed under Non-plan, ₹ 1,005 crore (18 *per cent*) under Plan and ₹ 820 crore (15 *per cent*) under Centrally Sponsored Schemes<sup>5</sup>. The major activities given Subsidy included Energy (₹ 3,517; 63 *per cent*), Agriculture and Other Allied Activities (₹ 1,770 crore; 32 *per cent*), Industry and Minerals (₹ 65 crore; one *per cent*) Irrigation and Flood Control Relief (₹ 233 crore; four *per cent*) and Science, Technology and Environment (₹ 16 crore; negligible in *per cent*). Subsidy payments *vis-a-vis* Revised Estimates are detailed in **Table 1.18**.

**Table 1.18: Subsidy Payments with reference to the Revised Estimates**

Particulars	Revised estimates		Actuals		Variations	
	Amount (₹ in crore)	Per cent of GSDP	Amount (₹ in crore)	Per cent of GSDP	Amount (₹ in crore)	Per cent of GSDP
Energy	2,985	0.43	3,517	0.51	(-) 532	(-) 0.08
General	2,951	0.43	2,084	0.30	867	0.13
<b>Total</b>	<b>5,936</b>		<b>5,601</b>			

Source: Finance Accounts & State Budget

**Table** revealed that the actuals of the energy subsidy exceeded the Revised Estimates by ₹ 532 crore. This indicated that in terms of percentage to GSDP, energy sector was given more priority than the others.

<sup>5</sup> Funds routed through State Budget.

Power Losses are a major burden on the finances of the State Government. Accordingly, the Thirteenth Finance Commission recommended that the Government should take initiatives to curb the losses in a time bound manner. The Government intimated (September 2012) that various initiatives including double metering system for specified consumers, replacement of naked conductors by Aerial Bunch Conductors in excessive power theft areas, have been taken. The Thirteenth Finance Commission also recommended that the transmission and distribution losses should be reduced. In this connection, the Government also intimated (September 2012) that the Feeder Separation Scheme was introduced *ab initio* in certain areas of the State. Under the Scheme, the agriculture feeder was to be separated from the rural feeders (that is feeders for light and fan connections) However, the above scheme was reported to be in progress only in Meerut Division as of August 2012.

### 1.7.3 Financial Assistance to Local Bodies and Other Institutions

**Table 1.19** presents quantum of assistance provided by way of grants and loans to local bodies and others during the last five years and compared with current year relative to the previous year.

**Table 1.19: Financial Assistance to Local Bodies etc.**

(₹ in crore)

Financial Assistance to Institutions	2007-08	2008-09	2009-10	2010-11	2011-12
Educational Institutions (Aided Schools, Aided Colleges, Universities etc.)	10,503.38	10,642.76	10,364.69	17,919.87	18,345.95
Municipal Corporations and municipalities/ Development Agencies	948.61	1,262.59	2,461.05	1,864.41	3,567.02
Zila Parishads and Other Panchayati Raj Institutions	3,549.49	3,504.21	2,369.77	2,878.74	2,922.91
Hospitals and Other Charitable Institutions	130.18	121.76	249.65	25.95	14.63
Other Institutions <sup>6</sup>	228.73	291.16	2,674.87	7,994.17	14,363.80
<b>Total</b>	<b>15,360.39</b>	<b>15,822.48</b>	<b>18,120.03</b>	<b>30,683.14</b>	<b>39,214.31</b>
Assistance as per percentage of Revenue Expenditure	24	21	20	28	32

Source: Finance Accounts

The assistance to local bodies and other institutions increased (₹ 23,853.92 crore; 155 per cent) from ₹ 15,360.39 crore in 2007-08 to ₹ 39,214.31 crore in 2011-12. Relative to 2010-11, the growth (₹ 8531.17 crore) was 28 per cent.

The assistance, as a percentage of Revenue Expenditure, ranged between 20 and 32 per cent. However, it was at the highest level of 32 per cent during 2011-12. Within the quantum of assistance provided during 2011-12, the educational institutions continued to be the main beneficiaries of the assistance followed by *Zila Parishads* and *Other Panchayati Raj Institutions*.

<sup>6</sup> Includes (i) UP Chief Minister *Mahamaya Garib Aarthic Madad Yojana* (ii) National Programme of Mid-day meal-cooking cost (iii) Appointment of teachers (iv) Accelerated Rural Water Supply Programme (ARWSP) (v) *Mahamaya Garib Balika Ashirwad* (vi) National Social Assistance Programme (vii) Old Age/Farmer Pension (viii) Payment of residuals etc.

Benefits, Power etc. The heads under which the significant increases were noticed as discussed below:

- **General Education:** There was an increase of ₹ 5,037.12 crore (24 *per cent*) in General Education. It was due to assistance provided to the non Government primary schools under 'Drive for Education for All' and payment of pay arrears etc. However, there was decrease in expenditure of ₹ 304.10 crore under the Mid Day Meals Scheme.
- **Pensions and Other Retirement Benefits:** There was an increase of ₹ 1,509.22 crore (12 *per cent*) in Pensions and Other Retirement Benefits. This was due to payment of pension liabilities to Uttarakhand State and payment of arrears on account of revision of pension, family pension, gratuity and other retirement benefits on implementation of Sixth Pay Commission's recommendations.
- **Power:** There was an increase of ₹ 1,349.07 crore (63 *per cent*) under major head 'Power'. The expenditure increased due to grant of subsidies for compensation for loss of electricity to the UP Power Corporation Limited.
- **Appropriation for Reduction or Avoidance of Debt:** There was an increase of ₹ 1,303.92 crore (18 *per cent*) in Appropriation for Reduction or Avoidance of Debt. This was due to transfer of more amounts to the Sinking Fund.
- **Interest Payments:** There was an increase of ₹ 1,265.38 crore (nine *per cent*) in Interest Payments. This was due to payment of more interest on market loans and on special securities issued to National Small Saving Funds by GoI.
- **Social Security and Welfare:** There was an increase of ₹ 1,051 crore (14 *per cent*) in Social Security and Welfare under the programme 'Integrated Child Development Scheme', Welfare of Aged, Infirm and Destitute.

There were **decreases in Revenue Expenditure** during 2011-12 relative to 2010-11. The heads under which the significant decreases were noticed is discussed below:

- **Taxes on Sales and Trade etc.:** There was a decrease of ₹ 329 crore (26 *per cent*). This was due to less transfer of funds to Reserve Fund-Other Development and Welfare Fund- UP Trade Development Fund.
- **Crop Husbandry:** There was a decrease of ₹ 208 crore (12 *per cent*) under the Crop Husbandry. This was due to reduction in subsidies for National Agriculture Scheme etc.

The **increase in Capital Expenditure** during 2011-12 relative to 2010-11 was mainly under Urban Development, Housing etc. The heads under which the significant increases were noticed are discussed below:

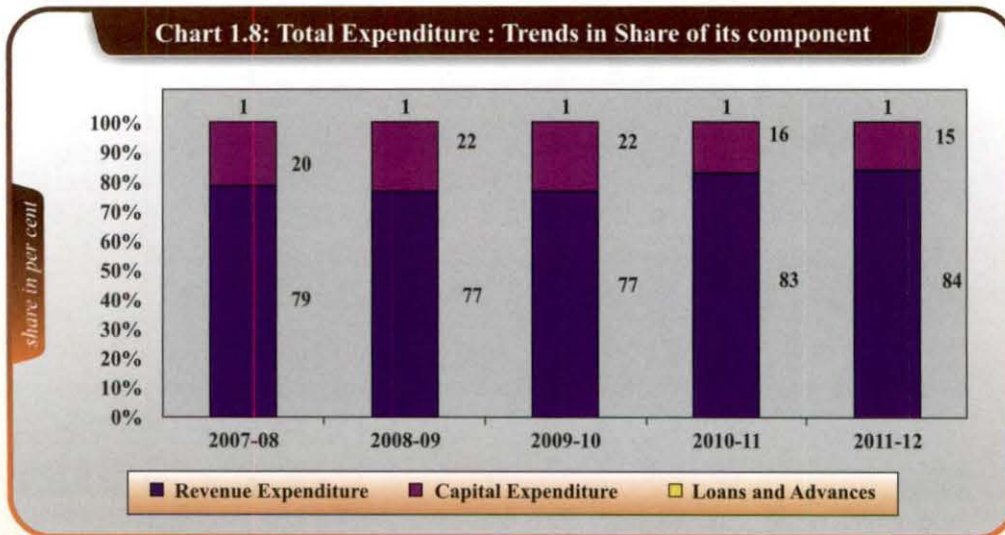
- **Urban Development:** There was an increase of ₹ 641 crore (30 per cent) under Urban Development due to more release of grant to Urban Local Bodies under JNNURM scheme.
- **Housing:** There was an increase of ₹ 561.26 crore (619 per cent) under Housing due to major construction works for residential buildings and more grants released under Special Component Plan for Scheduled Castes.
- **Food Storage and Warehousing:** There was an increase of ₹ 555 crore (46 per cent) under it for food and procurement /supply.

The decrease in Capital Expenditure during 2011-12 relative to 2010-11 was mainly under Education, Sports, Arts and Culture and Major Irrigation etc. The heads under which the significant decreases were noticed is discussed below:

- **Education, Sports, Art and Culture:** There was a decrease of ₹ 379 crore (52 per cent) under Education, Sports, Art and Culture due to less expenditure on construction works in University and higher education centres and on establishment of polytechnics and engineering colleges under Special Component Plan for Scheduled Castes.
- **Major Irrigation:** There was a decrease of ₹ 265 crore (18 per cent) under Major Irrigation due to less expenditure on maintenance of Sharda Sahayak Canal Division Project and Arjun Subsidiary Project.

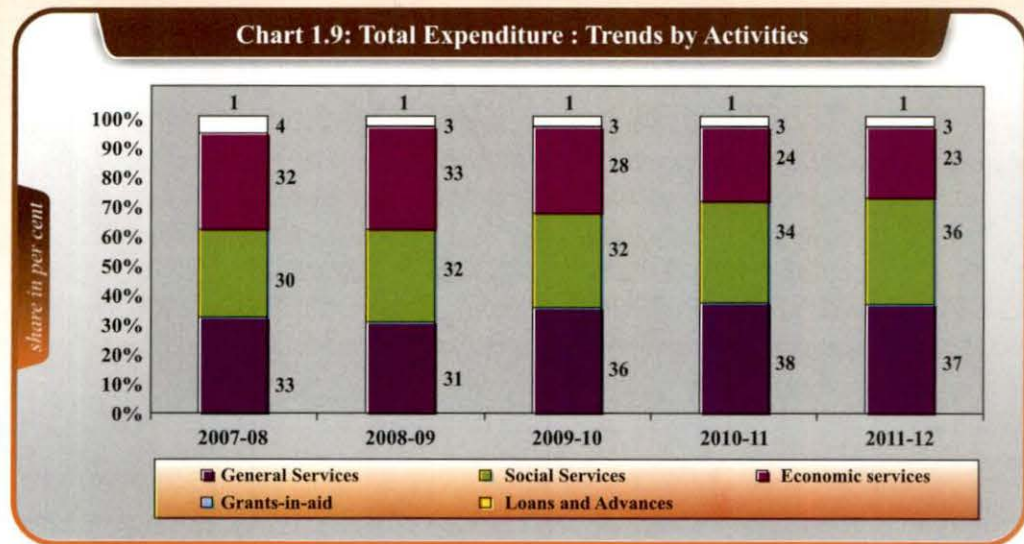
**Trends in Total Expenditure in terms of Activities**

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

Viewed against the Total Expenditure, it can be seen that the trends indicate inter-year variations in the shares of both Revenue and Capital Expenditure during the period 2007-12.

A comparison of expenditure under Economic, Social and General Services during 2011-12 with the projections made by the Thirteenth Finance Commission is indicated in **Table 1.16**.

**Table 1.16: Actual Expenditure as against the Projections of Thirteenth Finance Commission**

(₹ in crore)

Particulars	Projections of TFC	Actuals (NPRE)	Variations (excess percentage in bracket)
General services	31,765.38	52,345.19	20,579.81 (65)
Social services	5,453.40	29,781.35	24,327.95 (446)
Economic services	6,307.05	13,887.61	7,580.56 (120)

Source: TFC's recommendations, Finance Accounts

Thus, it can be seen that the actual expenditure exceeded the projections of the Thirteenth Finance Commission by 65 per cent, 446 per cent and 120 per cent under General Services, Social Services and Economic Services, respectively. The increase in Social Services was significantly higher.

### 1.7.2 Committed Expenditure

The Committed expenditure of the Government on revenue account mainly consists of Interest Payments, expenditure on Salaries and Wages, Pensions and Subsidies. This constitutes a major component of Non-developmental Revenue Expenditure and consumed 82 per cent of the NPRE. **Table 1.17** and **Chart 1.10** present the trends in the expenditure on these components during 2007-12.

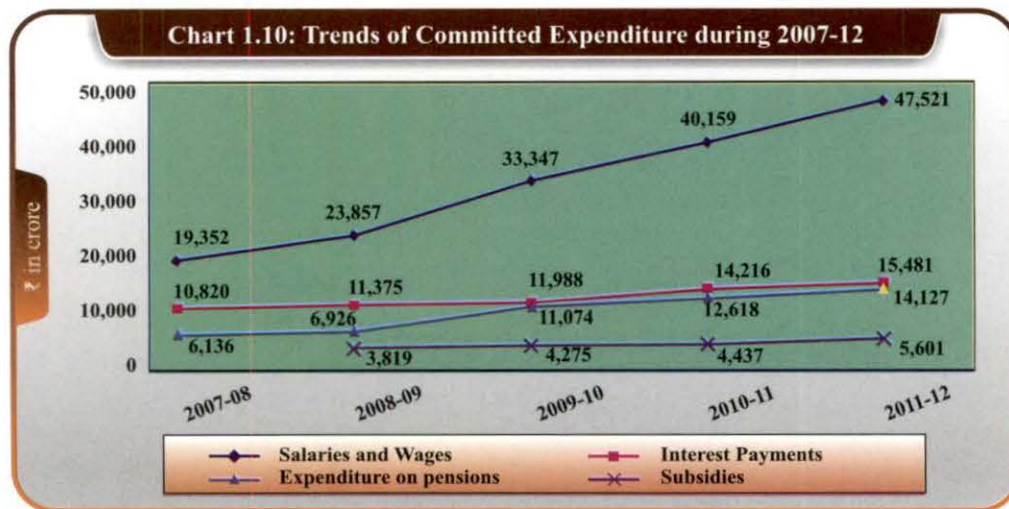
Table 1.17: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12	
					Revised Estimates	Actuals
Salaries* & wages, Of which	19,352 (28)	23,857(31)	33,347(35)	40,159(36)	47,270	47,521(36)
Non-Plan Head	18,624	22,834	31,137	36,316		42,244
Plan Head**	728	1,023	2,210	3,843		5,277
Interest Payments	10,820 (16)	11,375(14)	11,988 (13)	14,216(13)	14,914	15,481(12)
Expenditure on Pensions	6,136(9)	6,926(9)	11,074 (11)	12,618(11)	13,744	14,127(11)
Subsidies	-	3,819 (5)	4,275 (4)	4,437(4)	6,670	5,601(4)
<b>Total Committed Expenditure</b>	<b>36,308 (53)</b>	<b>45,977(59)</b>	<b>60,684 (63)</b>	<b>71,430(64)</b>	<b>82,598</b>	<b>82,730(63)</b>

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



Source: Finance Accounts

Committed expenditure of the Government showed increasing trends in all its constituents over the period 2007-12. It increased (128 per cent) from the level of ₹ 36,308 crore in 2007-08 to ₹ 82,730 crore in 2011-12. The increase was mainly under salaries, wages and pensions.

### Salaries and Wages

An analysis of the expenditure on Salaries and Wages revealed an increasing trend during 2007-12 under Non-plan heads and Plan heads. The expenditure under non-plan heads increased (127 per cent) from ₹ 18,624 crore in 2007-08 to ₹ 42,244 crore in 2011-12. The expenditure under the Plan heads increased (625 per cent) from ₹ 728 crore in 2007-08 to ₹ 5,277 crore in 2011-12.

The Thirteenth Finance Commission had recommended that the State should follow a recruitment policy such so that Salary Expenditure does not exceed 35 per cent of Revenue Expenditure net of Interest Payments and Pensions. The Thirteenth Finance Commission also limited the impact of pay revision to Salary Expenditure within the normative ceiling and recommended that the expenditure over and above the ceiling should be successively reduced by 10 per cent of the amount every year. However, the Total Salary Bill relative

### 1.7.4 Urban Local Bodies

The Urban Local Bodies (ULBs) comprise *Nagar Nigams*, *Nagar Palika Parishads* and *Nagar Panchayats*. The 74<sup>th</sup> Constitutional Amendment (1992) paved the way for decentralization of powers, transfer and devolution of more functions and funds to them. To incorporate provisions of the Amendment, the legislature enacted UP Urban Local Self Government Laws (Amendment) Act, 1994. There were 630 ULBs in the State, which were governed by an elected board of members.

#### Transfer of Functions

The Government devolved 13 out of 18 functions<sup>7</sup> (enshrined in Twelfth Schedule of the Constitution) to ULBs. However, five functions<sup>8</sup> were not devolved. In addition to 13 functions, one more function (i.e. parking places for vehicles which were outside the Twelfth Schedule of the Constitution) was also devolved. However, despite devolution neither the activities nor the functionaries in respect of six functions<sup>9</sup> out of 14 devolved, were transferred to ULBs (December 2011). Thus, the transfer of functions did not result in the devolution of funds.

#### Devolution of Grants

The Second State Finance Commission recommended that 7.5 per cent of the net proceeds of Tax Revenue of the Government should be devolved to ULBs. However, the Third State Finance Commission reduced it to seven per cent. The funds to be devolved and those actually devolved by the Government are given in **Table 1.20**.

**Table 1.20: Devolution of Grants**

Year	Net proceeds of Tax Revenue of State Government	Funds to be devolved	Funds devolved	₹ in crore	
				Short release	(per cent)
2007-08	24,959	1,872	1,838	34	(2)
2008-09	28,659	2,149	1,986	163	(8)
2009-10	33,878	2,541	2,121	420	(17)
2010-11	41,110	2,878	2,566	312	(16)
2011-12	52,613	3,683	2,751	932	(22)
<b>Total</b>	<b>1,81,219</b>	<b>13,123</b>	<b>11,262</b>	<b>1,861</b>	<b>(14)</b>

Source: Director Urban Local Bodies, Lucknow

<sup>7</sup> (i) Urban planning including town planning, (ii) Regulation of land use and construction of buildings, (iii) Planning for economic and social development, (iv) Roads and bridges, (v) Water supply for domestic, industrial and commercial purposes, (vi) Public health, sanitation, conservancy and solid waste management, (vii) Fire services, (viii) Urban forestry, protection of the environment and promotion of ecological aspects, (ix) Safeguarding the interests of weaker sections of society including the handicapped and mentally retarded, (x) Slum improvement and up gradation, (xi) Urban poverty alleviation, (xii) Provision for urban amenities and facilities such as parks, gardens, playgrounds, (xiii) Promotion of cultural, educational and aesthetic aspects, (xiv) Burials and burial grounds, cremations, cremation grounds and electric crematorium, (xv) Cattle ponds, prevention of cruelty to animals, (xvi) Vital statistics including registration of births and deaths, (xvii) Public amenities including street lighting, parking lots, bus stops and public conveniences, (xviii) Regulation of slaughter houses and tanneries.

<sup>8</sup> (i) Urban planning including town planning, (ii) Regulation of land use and construction of buildings, (iii) Roads and Bridges, (iv) Fire services, (v) Promotion of cultural, educational and aesthetic aspects.

<sup>9</sup> (i) Planning of economic and social development, (ii) Urban forestry, (iii) Safeguarding the interest of weaker sections of society, (iv) Urban poverty alleviation (v) Slum improvement and up gradation, (vi) Parking places for vehicles.

It can be seen from the **Table** above that the Government did not devolve an amount of ₹ 1,861 crore (14 *per cent*) to ULBs, thereby resulting in non-transfer of better civic services to the people. The Government reply is awaited (November 2012).

### Revenue Generated from Own Resources

ULBs generated revenues by collecting taxes, rent, fee etc. The position of targets fixed by the Government for revenue generation during 2009-12 and achievement thereagainst is given below in **Table 1.21**.

**Table 1.21: Revenue Generated from Own Resources**

Number and Name of ULBs	2009-10		2010-11		2011-12	
	Target fixed by Government	Achievement (per cent)	Target fixed by Government	Achievement (per cent)	Target fixed by Government	Achievement (per cent)
	(₹ in crore)					
13 Nagar Nigams	478.78	527.57 (110)	810.00	676.67 (84)	788.74	720.62 (91)
194 Nagar Palika Parishads	149.96	178.37 (119)	240.80	211.79 (88)	237.85	227.72 (96)
423 Nagar Panchayats	40.53	45.43 (112)	61.44	53.07 (86)	72.51	57.66 (80)
<b>Total</b>	<b>669.27</b>	<b>751.37</b>	<b>1,112.24</b>	<b>941.53</b>	<b>1,099.10</b>	<b>1,006.00</b>

Source: Director, Urban Local Bodies, Lucknow

**Table** revealed that the achievements by *Nagar Nigams*, *Nagar Palika Parishads* and *Nagar Panchayats* exceeded their targets during 2009-10. However, their achievements fell short of targets during 2010-11 and 2011-12.

### Audit Arrangement

- Director, Local Fund Audit of the State Government, is the primary auditor of the Urban Local Bodies in terms of the Uttar Pradesh Local Fund Audit Act, 1984. However, due to shortage of manpower, the accounts of such bodies ranging from 11 *per cent* to 15 *per cent* remained unaudited<sup>10</sup> during 2009-12. The Government intimated (September 2012) that the Department of Local Fund Audit organized (2011-12) 21 training programmes for audit staff, as a part of capacity building, in terms of the recommendations of the Thirteenth Finance Commission.
- Director, Local Fund Audit, in terms of Section 8 (3) of Uttar Pradesh Local Fund Audit Act, 1984, was required to prepare a consolidated audit report on the accounts of the Urban Local Bodies and submit it to the Government for placing it before the Legislative Assembly. Such reports upto the year 2008-09 only, had been prepared and placed.

<sup>10</sup>

Year	Number of units to be audited	Number of units actually audited	Units in arrear (per cent in bracket)
2009-10	623	556	67 (11)
2010-11	624	542	82 (13)
2011-12	625	529	96 (15)

### 1.7.5 Panchayati Raj Institutions

Keeping in view the 73<sup>rd</sup> Constitutional Amendment 1992, the UP *Kshetra Panchayat and Zila Panchayat Adhiniyam*, 1961 was amended in 1994 for establishing a three-tier *Panchayati Raj* Institutions (PRIs) system of elected bodies and thereby decentralizing power to the rural self-governing bodies viz., *Gram Panchayat* at village level, *Kshetra Panchayat* at intermediate level and *Zila Panchayat* at District level. The system of PRIs aimed at increasing participation of people in local governance and effective implementation of rural development programmes. At the end of March 2012, there were 51,914 *Gram Panchayats*, 821 *Kshetra Panchayats* and 72 *Zila Panchayats* in the State.

#### Devolution of Grants

Second Finance Commission recommended that five *per cent* of net proceeds of the total Tax Revenue should be devolved to PRIs. However, the Third State Finance Commission increased it to 5.5 *per cent*. The devolution of funds and actual release of funds to PRIs by the Government during 2007-12 is given in **Table 1.22**:

**Table 1.22: Devolution of Grants**

(₹ in crore)					
Year	Net proceeds of Tax Revenue of	Funds to be devolved	Funds devolved	Shortfall/ Excess	Per cent
2007-08	24,959	1,248	1441	(+) 193	(+) 15
2008-09	28,659	1,433	1,282	(-)151	(-) 11
2009-10	33,878	1,694	1,262	(-)432	(-) 26
2010-11	41,110	2,261	1,788	(-) 473	(-) 21
2011-12	52,613	2,893	2,172	(-) 721	(-) 25
<b>Total</b>	<b>1,81,219</b>	<b>9,529</b>	<b>7,945</b>	<b>(-) 1,584</b>	<b>(-) 17</b>

**Source:** Finance Accounts and Director Panchayati Raj Lucknow, Dy. Director Zila Panchayat Monitoring Cell Lucknow, Commissioner Rural Development Lucknow

We observed that while there was an overall short devolution (₹ 1,584 crore) during 2007-12, the maximum shortfall was during 2010-11 when only ₹ 1,788 crore was devolved against ₹ 2,261 crore.

#### Audit Arrangement

- The Chief Audit Officer, Co-operative Societies and *Panchayats*, is the primary auditor for all the three tiers of PRIs. However, majority of PRIs remained unaudited at the end each year. The details are given in **Appendix 1.7**.
- As per instruction of C&AG of India about the Technical Guidance and Supervision, the report of the test check conducted by Principal Accountant General<sup>11</sup> would be sent to the Chief Audit Officer, Co-operative Societies and *Panchayats* and the Director, *Panchayati Raj* for action. However, 16,037 paragraphs were outstanding at the end of 2011-12. The year wise details are given in **Appendix 1.8**.

<sup>11</sup> Re-designated as Principal Accountant General (General & Social Sector Audit) with effect from April 2012.

## 1.8 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).

### 1.8.1 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 1.23** analyses the fiscal priorities of the State Government with regard to Development Expenditure, Social Expenditure and Capital Expenditure during 2011-12.

**Table 1.23: Fiscal priorities of the State in 2008-09 and 2011-12**

(in per cent)

Fiscal Priority by the State*	AE/GS DP	DE/A E <sup>#</sup>	SSE/AE	CE/AE	Education/AE	Health/AE
General Category States Average (Ratio) 2008-09	17.00	67.09	34.28	16.47	15.41	3.97
Uttar Pradesh's Average (Ratio) 2008-09	24.05	52.56	31.77	22.54	13.95	4.98
General Category States Average (Ratio) 2011-12	16.09	66.44	36.57	13.25	17.18	4.30
Uttar Pradesh's Average (Ratio) 2011-12	21.29	59.34	35.91	14.73	17.96	4.58

\*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 Priorities:

- Aggregate expenditure of Uttar Pradesh as a ratio to GSDP was higher in both the years 2008-09 and 2011-12 as compared to General Category States.
- Uttar Pradesh Government has not given adequate fiscal priority to Development Expenditure in 2008-09 and 2011-12, as its ratio to AE was lower than the corresponding ratio for General Category States.
- The ratio of Social Sector Expenditure to AE in 2008-09 as well as in 2011-12 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 2008-09 and 2011-12.

- The ratio of expenditure on Education Sector to AE increased from 13.95 *per cent* in 2008-09 to 17.96 *per cent* in 2011-12. The priority given to Education in Uttar Pradesh was lower in 2008-09 and higher in 2011-12 as compared to General Category States.
- Expenditure on the Health Sector in Uttar Pradesh has been significant as *its ratio* was higher than *the Average* of General Category States in 2008-09 and 2011-12.

### 1.8.2 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 Goods 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 1.24** presents the trends in Development Expenditure relative to the Aggregate Expenditure of the State during 2011-12, *vis-à-vis*, budgeted for the year as well as actuals in the previous years.

**Table 1.24: Development Expenditure**

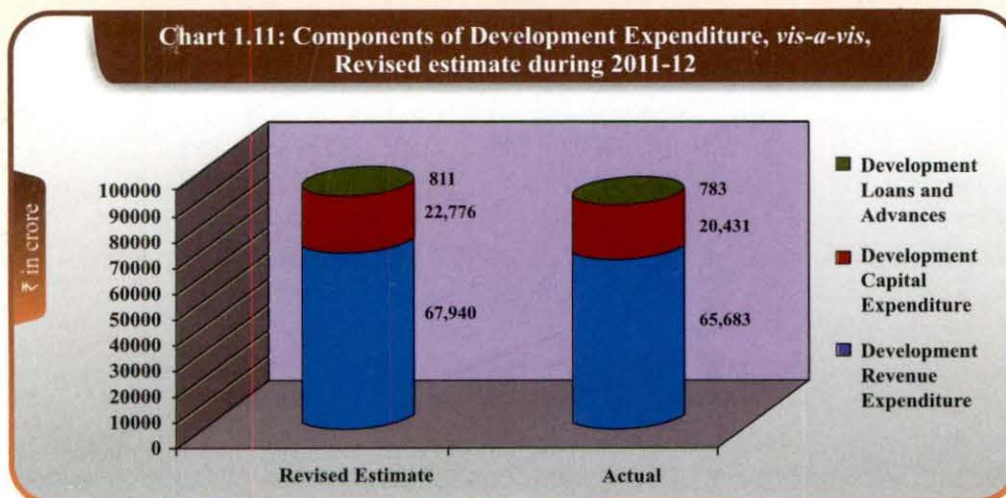
Components of Development Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12	
					Revised Estimates	Actuals
<b>Development Expenditure (a to c)</b> (Figures in parentheses indicate percentage to Aggregate Expenditure)	<b>52,102</b> (63)	<b>64,737</b> (65)	<b>70,554</b> (61)	<b>75,019</b> (58)	<b>91,527</b> (58)	<b>86,897</b> (59)
a. Development Revenue Expenditure	35,123 (67)	42,695 (66)	45,372 (64)	55,292 (74)	67,940 (74)	65,683 (76)
b. Development Capital Expenditure	16,375 (31)	21,504 (33)	24,480 (35)	19,271 (26)	22,776 (25)	20,431 (23)
c. Development Loans and Advances	604 (1)	538 (1)	702 (1)	456 (0)	811 (1)	783 (1)

Source: Finance Accounts

Development Expenditure, comprising of Revenue and Capital Expenditure and Loans and Advances for socio-economic services, increased by ₹ 34,795 crore (67 *per cent*) from the level of ₹ 52,102 crore in 2007-08 to the level of ₹ 86,897 crore in 2011-12. Relative to the previous year, the growth in Development Expenditure in 2011-12 was ₹ 11,878 crore (16 *per cent*).

Within the Development Expenditure, the growth was shared by Revenue Expenditure and Capital Expenditure in the ratio of 87 *per cent* and 10 *per cent* respectively while Loans and Advances for socio-economic services shared only three *per cent*.

The position of Development Expenditure, *vis-a-vis*, Revised Estimates during 2011-12 is presented in the **Chart 1.11** below. The chart reveals that the Development Revenue Expenditure and Development Capital Expenditure had declined from their respective Revised Estimates by ₹ 2,257 crore and ₹ 2,345 crore respectively.



Source: Finance Accounts

**Table 1.25** provides the details of Capital Expenditure and the components of Revenue Expenditure incurred on the maintenance of the selected social and economic services.

**Table 1.25: Efficiency of Expenditure use in Selected Social and Economic Services**

(In per cent)

Social/Economic Infrastructure	2010-11			2011-12		
	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
<b>Social Services (SS)</b>						
General Education	1.63	82.60	0.07	1.27	87.89	0.04
Health and Family Welfare	15.94	77.66	0.70	14.04	77.67	1.49
WS, Sanitation, & HUD	55.38	0.96	2.16	61.55	3.06	3.13
<b>Total (SS)</b>	<b>10.74</b>	<b>56.41</b>	<b>0.26</b>	<b>9.80</b>	<b>59.49</b>	<b>0.36</b>
<b>Economic Services (ES)</b>						
Agriculture & Allied Activities	0.00	46.50	0.97	- 3.61	46.41	1.07
Irrigation and Flood Control	41.39	58.95	22.36	34.64	53.96	28.90
Power & Energy	65.34	0.67	0.00	54.96	0.45	0.00
Transport	72.67	4.15	94.80	70.53	3.56	94.99
<b>Total (ES)</b>	<b>47.66</b>	<b>39.07</b>	<b>15.99</b>	<b>44.84</b>	<b>36.77</b>	<b>16.79</b>
<b>Total (SS+ES)</b>	<b>25.69</b>	<b>51.48</b>	<b>4.74</b>	<b>23.51</b>	<b>53.16</b>	<b>4.94</b>

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 (under Social Services and Economic Services) to Total Expenditure declined by 2.18 *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 0.94 and 2.82 *per cent* respectively. Under the Social Services, the decrease in the ratio of



Capital Expenditure to Total Expenditure during 2011-12 over the previous year was 1.90 *per cent* in the area of Health and Family Welfare. Under the Economic Services, there was decrease of 6.75 *per cent* in irrigation and flood control, 10.38 *per cent* in power and energy and 2.14 *per cent* in transport.

The share of Salaries and Wages to Total Expenditure increased (1.68 *per cent*) from 51.48 *per cent* in 2010-11 to 53.16 *per cent* in 2011-12. The increases were contributed by increase in Social Services (3.08 *per cent*) partly counterbalanced by decrease (2.30 *per cent*) in Economic Services. Within the Social Services, the increase of 5.29 *per cent* was noticed under General Education during 2011-12 relative to 2010-11.

The share of O&M expenditure in the Revenue Expenditure under Social Services increased from 0.26 *per cent* in the previous year to 0.36 *per cent* in the current year. Similarly, the overall share of O&M expenditure in the Revenue Expenditure under the Economic Services increased from 15.99 *per cent* in the previous year to 16.79 *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 6.54 *per cent*.

## 1.9 Financial Analysis of Government Expenditure and Investments

In the post-FRBM framework, the Government is expected to keep its fiscal deficit (and borrowings) 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.

### 1.9.1 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 (₹ 232 crore) from the major, medium and minor irrigation projects during 2011-12 were only six *per cent* of the expenditure of ₹ 3,736 crore on their operation and maintenance which was much below the cost recovery assessment of 35 *per cent* of the Thirteenth Finance Commission for the year. **Table 1.26** depicts that the Government could not achieve the norms fixed by the Twelfth Finance Commission and Thirteenth Finance Commission for the period 2007-12 in respect of the cost recovery rate and maintenance expenditure for major, medium and minor irrigation works.

**Table 1.26: Cost Recovery Rate and Maintenance Expenditure with reference to Norms of Twelfth/ Thirteenth Finance Commission**

Year	Revenue Expenditure	Revenue Receipts	Revenue Receipts to Revenue Expenditure	Cost recovery assessment of 12 <sup>th</sup> FC (2005-10) and 13 <sup>th</sup> FC (2010-15)	Shortfall in cost recovery
	₹ in crore		In per cent		
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
2011-12	3,736	232	6	35	29

Source: Finance Accounts and recommendations of TFC

The gap in cost recovery relative to the assessment of Twelfth and Thirteenth Finance Commissions showed increasing trend all along the periods 2007-10. The shortfall increased from 54 *per cent* in 2007-08 to 80 *per cent* in 2009-10.

However, the gap in cost recovery relative to the assessment of Thirteenth Finance Commission showed increasing trend. These projects were able to recover only six *per cent* of running and maintenance expenditure incurred on these during 2011-12 as against the recommended 35 *per cent*. It puts a question mark on their viability.

The financial results of 16 major irrigation projects with a capital outlay of ₹ 6,514.53 crore at the end of March 2012 revealed that revenue realised (₹ 75.20 crore) from these projects during 2011-12 increased to 1.15 *per cent* of the capital outlay from the level of 1.12 *per cent* in the previous year and was insufficient to cover even the interest on capital investments (₹ 337.05 crore) during 2011-12. The revenue realized (₹ 75.20 crore) from these 16 schemes, expenditure incurred (₹ 685.13 crore) on the working and maintenance of these schemes during 2011-12 and taking into account the interest of ₹ 337.05 crore on capital outlay, there was a net loss of ₹ 946.98 crore.

### 1.9.2 Incomplete Projects

Blocking of funds on incomplete works impinge negatively on the quality of expenditure. The department wise position of incomplete projects, each costing above ₹ one crore and due for completion by March 2012, is given in **Table 1.27**.

**Table 1.27: Department-wise Profile of Incomplete Projects**

(₹ in crore)

Department	No. of Incomplete Project	Initial Budgeted Cost	Revised Total Cost of Projects	Cost Overrun <sup>3</sup>	Cumulative Actual Expenditure (March 2012)
Public Works (Roads and Bridges)	163	2,069.62	208.50 (13 projects)	66.68 <sup>1</sup>	979.93
Irrigation	20	795.66	1,760.58 (20 projects)	964.92 <sup>2</sup>	1,473.46
<b>Total</b>	<b>183</b>	<b>2,865.28</b>	<b>1,969.08</b>	<b>1,031.60</b>	<b>2,453.39</b>

1. Pertaining to 13 incomplete projects (initial budget cost: ₹ 141.82 crore, revised cost: ₹ 208.50 crore)  
 2. Pertaining to 20 incomplete projects (initial budget cost: ₹ 795.66 crore, revised cost: ₹ 1,760.58 crore)  
 3. Cost overrun in respect of revised project only.

Source: Finance Accounts

An expenditure of ₹ 2,453.39 crore (March 2012) remained unfruitful on the aforesaid 183 incomplete projects. Further, of 183 incomplete projects, the initial budgeted cost of 33 projects was revised by the Government involving a cost overrun of ₹ 1,031.60 crore.

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

### 1.9.3 Investments and Returns

As of 31 March 2012, Government had invested ₹ 42,607.07 crore in Statutory Corporations (₹ 398.69 crore), Government companies (₹ 41,217.24 crore) and Co-operatives (₹ 991.14 crore). The average returns on the investments was 0.06 *per cent* in the last three years while the Government paid at an average interest rate of 6.48 *per cent* on its borrowings during the same period (Table 1.28).

Table 1.28: Returns on Investment

Investment/return/cost of borrowings	2007-08	2008-09	2009-10	2010-11	2011-12
Investment at the end of the year (₹ in crore)	12,188.76	14,866.13	39,666.64	38,272.54	42,607.07 <sup>12</sup>
Returns (₹ in crore)	1.05	1.26	8.36	26.81	38.17
Returns ( <i>per cent</i> )	0.009	0.008	0.021	0.07	0.09
Average rate of interest on Government borrowings ( <i>per cent</i> )	6.43	6.29	6.16	6.67	6.62
Difference between interest rate and returns ( <i>per cent</i> )	6.42	6.28	6.14	6.60	6.53

Source: Finance Accounts

During 2011-12, the Government mainly invested in the share capital of corporations engaged in the thermal power generation, power transmission and distribution and rural electrification, etc.

### 1.9.4 Loans and Advances by State Government

In addition to the investments in the Co-operative Societies, Corporations and Companies, the Government has also been providing Loans and Advances to many of these institutions/ organizations. Table 1.29 presents the position of outstanding Loans and Advances as on 31 March 2012, Interest Receipts, *vis-à-vis*, Interest Payments during the last three years.

<sup>12</sup> Includes ₹ 8,783.40 crore pertaining to 2011-12 and previous years, which is under reconciliation.

Table: 1.29 Average Interests received on Loans Advanced by the Government

(₹ in crore)

Amount of Loans/Interest Receipts/ Cost of Borrowings	2009-10	2010-11	2011-12	
			Revised Estimates	Actuals
<b>Opening Balance</b>	<b>9,014</b>	<b>9,663</b>	-	<b>10,146</b>
Amount advanced during the year	942	968	1,240	976
Amount repaid during the year	293	485	537	133
<b>Closing Balance</b>	<b>9,663</b>	<b>10,146</b>	-	<b>10,989<sup>13</sup></b>
Net addition	649	483	703	843
Interest Receipts	39	65	-	101
Interest Receipts as <i>per cent</i> to outstanding Loans and advances	0.41	0.64	-	0.92
Interest Payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government.	5.94	6.32	-	6.36
Difference between Interest Payments and Interest Receipts ( <i>per cent</i> )	(-) 5.53	(-) 5.68	-	(-) 5.44

Source: Finance Accounts

Amounts advanced during 2011-12 decreased from the provisions made in the Revised Budget by ₹ 264 crore (21 *per cent*). However, the repayment of loans (₹ 133 crore) was four times below the estimates (₹ 537 crore).

Major portion of the loans were advanced during 2011-12 under Economic Sector (₹ 456.80 crore) followed by Social Service Sector (₹ 326.38 crore). Under the Economic Sector, the major Loans and Advances were given to 'Other Outlays on Industries and Minerals' (₹ 102.14 crore) and for Consumer Industries (₹ 353.10 crore). Similarly, under the Social Service Sector, loans were given for Water Supply and Sanitation (₹ 323.17 crore).

Amount of outstanding Loans and Advances increased from ₹ 10,146 crore at the close of March 2011 to ₹ 10,989 crore at the close of March 2012 that is by ₹ 843 crore. The sector wise break-up of the major outstanding amounts were: Economic Services (₹ 7,019 crore), Social Services (₹ 2,452 crore), General Services (₹ 1,344 crore) and Government servants (₹ 172 crore). Under the Economic Services, major portion of the outstanding loans pertained to the Energy (₹ 2,681 crore), Industries and Minerals (₹ 3,362 crore) and Agriculture and Other Allied Activities (₹ 350 crore).

Interest Receipts against outstanding Loans and Advances were below one *per cent* all along the periods 2009-12 against interest rate of borrowed funds ranging between 5.94 *per cent* (2009-10) and 6.36 *per cent* (2011-12) indicating that Interest Receipts were inadequate to cover the interest liabilities required to service the debt.

### 1.9.5 Cash Balances and Investment of Cash Balances

Table 1.30 depicts the Cash Balances and Investments made by the State Government out of Cash Balances during the year. At the close of the year

<sup>13</sup> Differs by ₹ one crore due to rounding off. The opening balance for 2012-13 would be ₹ 10,988 crore.

2011-12, the Government had substantial Cash Balances amounting to ₹ 13,447 crore.

**Table 1.30: Cash Balances and Investment of Cash Balances**

(₹ in crore)

Particulars	As on 31 March 2011	As on 31 March 2012	Increase (+)/ Decrease (-)
<b>Cash balances</b>	<b>10,304.99</b>	<b>13446.70</b>	<b>3141.71</b>
<b>Investments from cash balances (a &amp; b)</b>	<b>9,877.81</b>	<b>14052.72</b>	<b>4174.91</b>
a. GoI Treasury Bills	9,877.81	14052.72	4174.91
b. GoI Securities	-	-	-
<b>Investment from earmarked balances (a and b)</b>	<b>45.20</b>	<b>45.20</b>	<b>-</b>
a. GoI Treasury Bills	-	-	-
b. GoI Securities	45.20	45.20	-
<b>Interest realised on Investment of Cash Balances</b>	<b>231.87</b>	<b>311.96</b>	<b>80.09</b>

Source: Finance Accounts

Interest received on Investment of Cash Balance was 2.22 per cent<sup>14</sup> during 2011-12 while the Government paid interest at 6.62 per cent on its borrowings during the year.

### 1.9.6 Ways and Means Advances

Under an agreement with the Reserve Bank of India, the State is required to maintain a minimum cash balance of ₹ 4.71 crore and in case it falls below this limit, the deficiency is made good by taking ordinary and special Ways and Means Advances/Overdrafts from time to time. The Government however did not avail of this facility during 2007-10 and 2011-12. However during 2010-11, the Government obtained ₹ 713.88 crore and repaid the entire amount during 2010-11 itself.

## 1.10 Assets and Liabilities

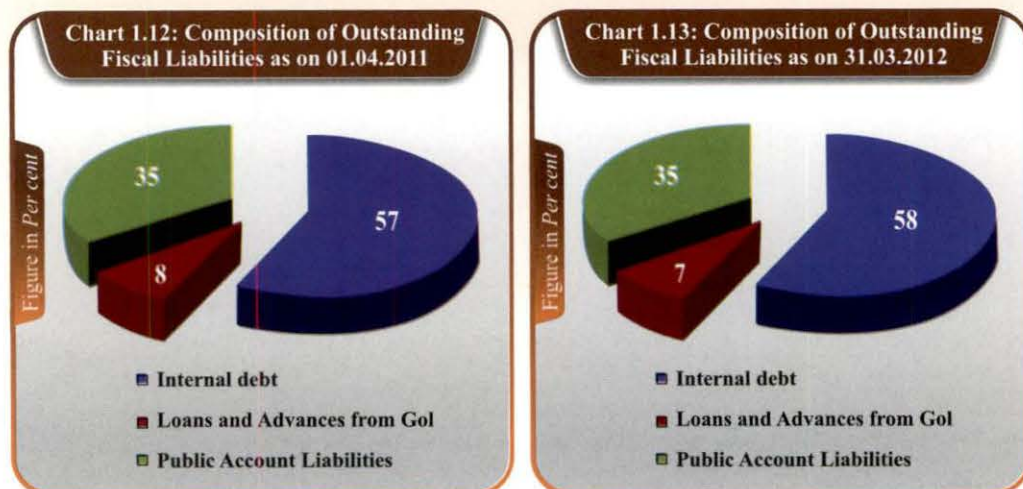
### 1.10.1 Growth and Composition of Assets and Liabilities

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 capture financial liabilities of the Government and assets created out of the expenditure incurred. **Appendix 1.9** gives an abstract of such liabilities and the assets as on 31 March 2012, compared with the corresponding position on 31 March 2011. While the liabilities in **Appendix 1.9** 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.

<sup>14</sup> Rate of interest calculated on the average amount of rediscounted Treasury Bills.

### 1.10.2 Fiscal Liabilities

Trends in outstanding fiscal liabilities of the State are indicated in **Appendix 1.9** and the composition of fiscal liabilities during the year 2011-12, *vis-à-vis*, previous year is presented in **Chart 1.12** and **1.13**.



Source: Finance Accounts

**Table 1.31** 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 1.31: Fiscal Liabilities- Basic Parameters**

	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Fiscal Liabilities (₹ in crore)</b>	1,74,248	1,87,411	2,01,720	2,24,785	2,43,229
Rate of Growth ( <i>per cent</i> )	7.46	7.55	7.64	11.43	8.21
<b>Ratio of Fiscal Liabilities to</b>					
GSDP ( <i>per cent</i> )	48.73	45.47	41.06	38.20	35.36
Revenue Receipts ( <i>per cent</i> )	253.74	240.79	209.21	202.17	185.86
Own Resources ( <i>per cent</i> )	566.20	529.02	424.86	429.91	387.56
<b>Buoyancy of Fiscal Liabilities with reference to</b>					
GSDP (ratio)	0.519	0.494	0.398	0.578	0.486
Revenue Receipts (ratio)	0.561	0.566	0.320	0.747	0.464
Own Resources (ratio)	1.772	0.500	0.225	1.129	0.410

Source: Finance Accounts

Overall Fiscal Liabilities of the State increased (40 *per cent*) from ₹ 1,74,248 crore in 2007-08 to ₹ 2,43,229 crore in 2011-12. Fiscal Liabilities of the State under the Consolidated Fund (₹ 1,57,899 crore) comprised internal debt (₹ 1,40,388 crore) and loans from Government of India (₹ 17,511 crore). The Public Account Liabilities (₹ 85,330 crore) comprised Small Savings, Provident Fund (₹ 37,730 crore), Deposits (₹ 16,016 crore) and Reserve Funds (₹ 31,584 crore). The growth rate of Fiscal Liability was 8.21 *per cent* during

2011-12 as against 11.43 *per cent* in the previous year. The ratio of Fiscal Liabilities to GSDP decreased from 48.73 *per cent* in 2007-08 to 35.36 *per cent* in 2011-12. These liabilities stood at 1.86 times of the Revenue Receipts and 3.88 times of the States' own resources at the end of 2011-12. The buoyancy of these liabilities with respect to GSDP during the year was 0.486 indicating that for each one *per cent* increase in GSDP; fiscal liabilities grew by 0.486 *per cent*.

The State raised loans amounting to ₹ 19,336.67 crore during 2011-12 which, amongst many sources, included ₹ 15,830 crore of Borrowings. However, despite the availability of surplus cash balances, the State Government raised loans without utilizing the same. In the interest of prudent financial management the State Government should have complied with the recommendation of the Thirteenth Finance Commission according to which states with large Cash Balances should make efforts towards utilizing the same before resorting to fresh borrowings.

The Government had set up a Sinking Fund for amortisation of open market loans and has been contributing every year from its revenue. The balance in Sinking Fund as on 31 March 2012 stood at ₹ 29,809.67 crore<sup>15</sup> as against ₹ 24,179.80 crore in previous year.

### 1.10.3 Status of Guarantees – Contingent Liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. According to the FRBM Act, 2004 the State Government should 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 Thirteenth Finance Commission.

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 outgo in the 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 1.32**.

<sup>15</sup> A difference of ₹ 193.87 crore from CB of 8222-01-101 in Statement No. 18 of the Finance Account 2011-12 is under reconciliation. ₹ 29,809.67 crore includes credit balance of ₹ 6,166.40 crore of undivided Uttar Pradesh.

**Table 1.32: Guarantees given by the Government**

Particulars	₹ in crore		
	2009-10	2010-11	2011-12
Maximum amount guaranteed	29,311	29,778	29,629
Outstanding amount of guarantees (including interest)	20,038	20,162	21,752
Percentage of maximum amount guaranteed to total revenue receipts	30.40	26.78	22.64

Source: Finance Accounts

The maximum amount guaranteed increased (one *per cent*) from the level of ₹ 29,311 crore in 2009-10 to ₹ 29,629 crore in 2011-12. The outstanding amount of guarantees also increased (nine *per cent*) from ₹ 20,038 crore in 2009-10 to ₹ 21,752 crore in 2011-12. The percentage of maximum amount guaranteed to Total Revenue Receipts decreased from 30.40 *per cent* in 2009-10 to 22.64 *per cent* in 2011-12, although it decreased by 4.14 percentage points relative to 2010-11. The outstanding amount of guarantees, including interest, as on 31 March 2012 stood against State Financial Corporation (₹ 80.14 crore), institutions engaged in the energy sector (₹ 17,607.58 crore), cooperative institutions (₹ 2,791.86 crore) and other institutions (₹ 1,268.48 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 39 *per cent* from 35 *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.

### 1.11 Debt Sustainability

Apart from the magnitude of debt of the 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 1.33** analyses the debt sustainability of the State according to these indicators for the period of five years beginning from the year 2007-08.

**Table 1.33: Debt Sustainability- Indicators and Trends**

Indicators of debt sustainability	₹ in crore				
	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Debt stabilization (Quantum spread + primary deficit)</b>	<b>4,664</b>	<b>8,426</b>	<b>17,733</b>	<b>23,413</b>	<b>23,134</b>
Sufficiency of Non-debt Receipts (resource gap)	(-) 4,179	(-) 6719	1,820	1,445	1,815
Net availability of borrowed funds	1,272	1,788	2,387	8,915	3,051
Burden of Interest Payments (IP/RR ratio)	16	15	12	13	12

Source: Finance Accounts



### 1.11.1 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 2007-12, the quantum spread together with primary deficit remained positive indicating declining trends in debt/ GSDP ratio and sustainable level of public debt.

### 1.11.2 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. A 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 had recovered during 2009-10, 2010-11 and 2011-12.

### 1.11.3 Net Availability of Borrowed Fund

The net funds available on account of the Internal Debt and Loans and Advances from Government of India and other obligations after providing for the interest and repayments varied between 3.38 and 16.14 *per cent* during 2007-12<sup>16</sup>. During the year 2010-11, Government repaid internal debt of ₹ 6,973 crore, GoI loans of ₹ 1,315 crore and also discharged other obligations of ₹ 23,117 crore along with interest of ₹ 15,481 crore as a result of which percentage of availability of borrowed funds declined to 6.12 *per cent* during the year 2011-12 from 16.14 *per cent* in previous year. The trends in debt redemption ratio varied between 84 and 97 *per cent* during 2007-12. About 91 *per cent* of borrowed funds were used for discharging debt liabilities of the State in the last three years.

### 1.11.4 Maturity Profile

In terms of maturity profile, while the State has not defined clearly 1.63 *per cent* of the debt stock, 52.93 *per cent* of the outstanding State debt

16

(₹ in crore)

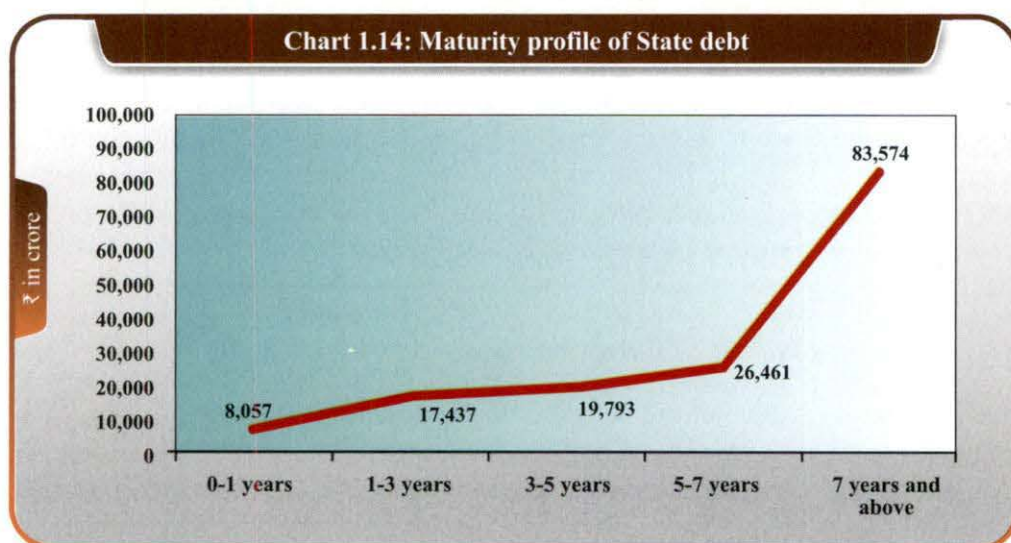
	2007-08	2008-09	2009-10	2010-11	2011-12
Receipt	37,584	49,193	53,485	55,236	49,849
Repayment (principal and interest)	36,312	47,405	51,098	46,321	46,797
Net fund available	1,272	1,788	2,387	8,915	3,051
Net fund available (in <i>per cent</i> )	3.38	3.64	4.46	16.14	6.12

belonged to the maturity bracket of seven years and above. **Table 1.34** and **Chart 1.14** present the maturity profile of State debt.

**Table 1.34: Maturity Profile of State Debt**

Maturity profile	₹ in crore			
	Internal Debt	Loans & Advances from the Central Government	Total	Per cent
0 – 1 year	6,729	1,328	8,057	5.10
1 – 3 years	14,744	2,693	17,437	11.04
3 – 5 years	17,064	2,729	19,793	12.54
5 – 7 years	23,710	2,751	26,461	16.76
7 years and above	75,564	8,010	83,574	52.93
Information not furnished by the Government	2,577	0	2,577	1.63
<b>Total</b>	<b>1,40,388</b>	<b>17,511</b>	<b>1,57,899</b>	<b>100</b>

Source: Finance Accounts



Source: Finance Accounts

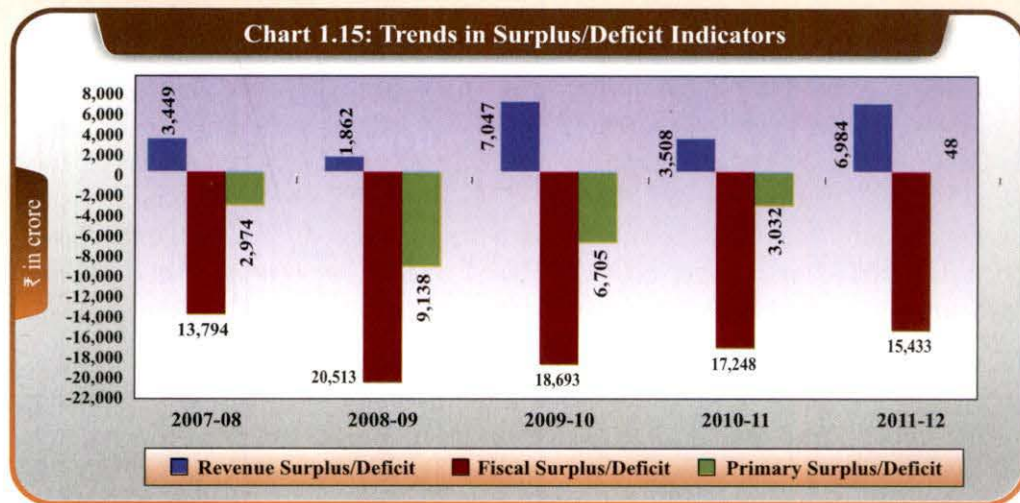
The above chart indicates that there will be bunching of repayment after one year and seven years and the repayment burden will be critical. A well thought out debt re-payment strategy will ensure that no additional borrowings which mature during these critical years are undertaken.

## 1.12 Fiscal Imbalances

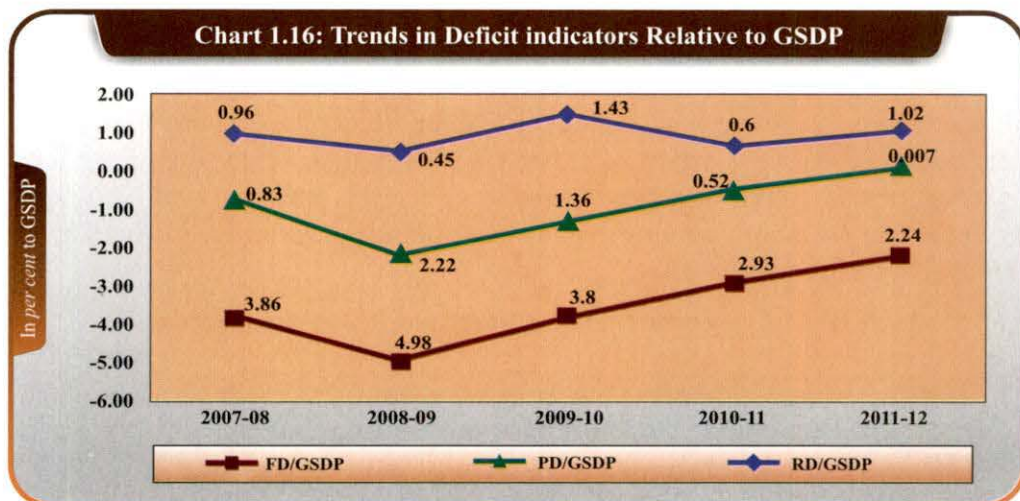
Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit 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, 2004/Rules for the financial year 2011-12.

### 1.12.1 Trends of Deficits

Chart 1.15 and 1.16 present the trends in deficit indicators over the period 2007-12.



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 amended in 2011 according to which the revenue deficit was to remain nil and the fiscal deficit was to be reduced to three percent of GSDP by the end of 2011-12.

The State achieved the target of reducing revenue deficit to nil, three years ahead in 2006-07 when the huge deficit turned into surplus of ₹ 4,901 crore in 2006-07. This surplus 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. During 2011-12, it increased to ₹ 6,984 crore. The rise in revenue surplus during 2011-12 was mainly due to lesser increase (₹ 16,209 crore) in revenue expenditure against the increase (₹ 19,685 crore) in revenue receipts relative to previous year.

The fiscal deficit declined from the level of ₹ 17,248 crore in 2010-11 to ₹ 15,433 crore in 2011-12. This was mainly due to the fact that the increase in Revenue and Capital expenditure was commensurate with increase in Revenue and non-debt Capital receipts during the current fiscal year relative to the previous year. During the current year the Revenue and non-debt capital receipts increased by 17 per cent (despite a dip of nine per cent in non-tax revenue collections during the current year relative to previous year) while the Revenue and Capital expenditure (taken together) increased by 14 per cent only. Within the Revenue and Capital expenditure taken together, the increase of ₹ 17,510 crore was mainly shared between them in the ratio of 12:1. Thus, the fiscal deficit decreased due to less expenditure in capital accounts. As a result, relative to GSDP, the fiscal deficit declined from 2.93 per cent in 2010-11 to 2.24 per cent in 2011-12 which was below the revised FRBM norm of three per cent.

The primary deficit of ₹ 3,032 crore during the previous fiscal year was completely wiped out during the current fiscal year and turned into a surplus by ₹ 48 crore. This was primarily due to a decline (₹ 1,815 crore) in fiscal deficit in 2011-12 relative to the previous year, as aforesaid coupled with an increase in Interest Payments by ₹ 1,265 crore.

### 1.12.2 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 the Revenue and Non-debt Receipts. The financing pattern of the fiscal deficit is reflected in the **Table 1.35**.

**Table 1.35: Components of Fiscal Deficit and its Financing Pattern**

(₹ in crore)

Particulars		2007-08	2008-09	2009-10	2010-11	2011-12
<b>Decomposition of Fiscal Deficit</b>						
<b>Fiscal deficit (1 to 3)</b>		<b>13,794</b> <b>(3.86)</b>	<b>20,513</b> <b>(4.98)</b>	<b>18,693</b> <b>(3.80)</b>	<b>17,248</b> <b>(2.93)</b>	<b>15,433</b> <b>(2.24)</b>
1	Revenue Deficit/Surplus (-)	(-) 3,449	(-) 1,862	(-) 7,047	(-) 3,508	(-) 6,984
2	Net Capital Expenditure	16,950	22,346	25,091	20,273	21,574
3	Net Loans and Advances	293	29	649	483	843
<b>Financing Pattern of Fiscal Deficit*</b>						
1	Market Borrowings	2,628	10,296	11,421	10,074	12,834
2	Loans from GOI	(-) 821	(-) 778	(-) 917	(-) 937	(-) 999
3	Special Securities Issued to NSSF	1,423	426	3,899	5,415	395
4	Loans from Financial Institutions	1,068	628	418	(-) 541	(-) 865
5	Small Savings, PF etc.	2,451	2,944	3,870	4,871	3,630
6	Deposits and Advances	2,683	(-) 2,525	93	1,843	(-) 2,038
7	Suspense and miscellaneous	654	973	(-) 1,365	757	608
8	Remittances	273	78	3	367	(-) 209
9	Others (i.e. transactions under Contingency Fund, Reserve Fund, Cash Balances Investment)	3,435	8,471	1,271	(-) 4,601	2,077
<b>Total</b>		<b>13,794</b>	<b>20,513</b>	<b>18,693</b>	<b>17,248</b>	<b>15,433</b>
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 2007-12 ranged between ₹ 13,794 crore (2007-08) and ₹ 20,513 crore (2008-09). The fiscal deficit, relative to previous year, decreased by 11 *per cent*, from ₹ 17,248 crore to ₹ 15,433 crore during 2011-12.

There was also a compositional shift in the pattern of financing fiscal deficit in 2011-12 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 Deposits and Advances, etc., underwent significant changes in the current year.

Market Borrowings dominantly continued to finance the fiscal deficit of the State during 2007-12. During 2007-08, 19 *per cent* of the deficit was met from the Market Borrowings which increased to 83 *per cent* during 2011-12. Another major source of financing the deficit was the National Small Saving Fund loans. During 2011-12, its share in financing the deficit was 24 *per cent* while it was 18 *per cent* in 2007-08.

### 1.12.3 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. 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 1.36**) indicates 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 1.36: 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)
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
2011-12	1,31,002	1,08,404	21,574	976	1,30,954	(+) 22,598	(+) 48

Source: Finance Accounts

- During the period 2007-08 to 2011-12, the Non-debt Receipts increased by 90 *per cent* from the level of ₹ 69,121 crore to the level of ₹ 1,31,002 crore.
- The Government experienced primary deficit ranging from ₹ 3,032 crore to ₹ 9,138 crore during 2007-08 to 2010-11 because Non Debt Receipts were not sufficient to meet the capital expenditure. However, during

2011-12, the primary deficit was wiped out and turned into primary surplus. This was due to adequacy of Non debt Receipts to meet primary expenditure.

### 1.13 Conclusion and Recommendations

**Performance of the State:** The Government had revenue in surplus and at the same time it contained the fiscal deficit to below three *per cent* of GSDP and the Total Liability below 46.9 *per cent* of GSDP at the close of the financial year 2011-12 as envisaged in FRBM Act, 2004 and Second Amendment Act, 2011.

**Revised Estimates and Actuals:** There had been wide variations in the Revised Estimates and Actuals during 2011-12. While the Revenue Receipts and Revenue Expenditure fell short of the Revised Estimates, the Interest Payments and Servicing of Debts exceeded them. It reflects non-optimisation of the desired fiscal objectives.

#### Recommendation

*Adequate measures be initiated by the Government in regard to fiscal management and continuous monitoring in order to bridge the gap between the wide variations in the Revised Estimates and Actual Expenditure.*

**Revenue Receipts:** The Revenue Receipts increased by 18 *per cent* during 2011-12 over the preceding year mainly due to 28 *per cent* increase in Tax Revenue and 16 *per cent* increase in Share of Union Taxes. Revenue Receipts of ₹ 1,30,869 crore were below the target set under the Revised Estimates (₹ 1,37,622 crore). Tax Revenue which is a major constituent of the Revenue Receipts was below the target of estimates by ₹ 1,747 crore while it was above the projection made by the Thirteenth Finance Commission by ₹ 10,802 crore. Similarly, the Non- tax Revenue was also below the Revised Estimates by ₹ 3,415 crore but was above the normative assessment made by the Thirteenth Finance Commission by ₹ 1,661 crore.

**Oversight of funds transferred directly by the Government of India to the State Implementing Agencies:** The Government of India directly transfers substantial amount of funds to the State Implementing Agencies. However, there is no mechanism available with the State Government for monitoring, on a regular basis, its utilisation.

#### Recommendation

*A system should be in place for ensuring proper accounting, regular updation and validation of funds directly transferred by the Government of India to the State Implementing Agencies.*

**Revenue Expenditure:** During 2011-12, the Revenue Expenditure increased by 15 *per cent* relative to 2010-11. Within the Revenue Expenditure, the Plan Expenditure increased by seven *per cent* over the previous year and the Non-plan Expenditure by 17 *per cent*. The increases under Plan Expenditure

show growth of infrastructure and services network of the State. The Total Expenditure had also shown increasing trends during the five years period (2007-12). The Committed Expenditure on Salary, Pension, Interest Payments and Subsidies consumed 63 *per cent* of the Revenue Receipts of the Government.

### **Recommendation**

*The Government should carry out fiscal consolidation based on avoidance of unproductive expenditure and at the same time ensure sustainable and viable service delivery.*

**Power Losses:** With a view to the addressing the problem of Power Losses in the State, the Government took various initiatives such as double metering system for specified consumers, replacement of naked conductors by Aerial Bunch Conductors in excessive power theft areas etc. and Feeder Separation Scheme.

### **Recommendation**

*The Government should consider appropriately addressing the problem relating to power losses in the State of Uttar Pradesh as a whole.*

**Returns on Government Investments:** The Average Return on Government's Investments in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives was 0.06 *per cent* in the last three years, whereas its Average Interest outgo on its borrowings was 6.48 *per cent* during the corresponding period.

### **Recommendation**

*The performance of State-owned Public Sector Undertakings, incurring losses may be reviewed.*

**Cost Recovery of Irrigation Works:** The irrigation projects were able to recover only six *per cent* of the running and maintenance expenditure incurred during 2011-12 as against 35 *per cent* recommended by the Thirteenth Finance Commission.

### **Recommendation**

*In view of the low recovery affected during 2011-12, the Government should take effective measures for ensuring the viability of the irrigation projects.*

**Incomplete Projects:** The incidence of incomplete projects pertaining to Public Works and Irrigation Departments was abnormally high as 183 projects in 2011-12 remained to be completed, thereby resulting in cost overrun in addition to the denial and non-availability of facilities to the beneficiaries.

### **Recommendation:**

*Due priority should be accorded by the Government for completion of the incomplete projects.*

**Debt Sustainability:** The trajectory of debt-GSDP ratio was declining and stood at 35 *per cent* at the end of 2011-12 from 49 *per cent* in 2007-08. The negative resource gap since 2009-10 indicated sustainability of the debt position of the State. Nearly 91 *per cent* of borrowed funds were used for discharging debt liabilities in the last three years.

**Recommendation**

*The Government was maintaining a Sinking Fund but the balances may not be sufficient for amortisation of loans. As such the Government should ensure a well thought out debt repayment strategy to avoid the bunching of repayments.*

**Cash Balances:** At the close of the year 2011-12, the Government had substantial Cash Balances amounting to ₹ 13,447 crore.

**Recommendation**

*The Government should effectively plan the utilisation of surplus Cash Balances before resorting to fresh borrowings in terms of the recommendation of the Thirteenth Finance Commission.*



Chapter

# II

## FINANCIAL MANAGEMENT AND BUDGETARY CONTROL



## 2.1 Introduction

**2.1.1** 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 are thus a control document facilitating management of finances and monitoring of budgetary provision and are therefore complementary to Finance Accounts.

**2.1.2** Audit of Appropriations by the Comptroller and Auditor General of India seeks to ascertain whether expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

## 2.2 Summary of Appropriation Accounts

The summarised position of Actual Expenditure during 2011-12 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**

Nature of expenditure		Original grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Expenditure	Excess(+)/ Savings (-)
<b>Voted</b>	I- Revenue	1,02,236.19	6,592.32	1,08,828.51	1,00,258.00	(-) 8,570.51
	II -Capital	34,389.77	3,631.42	38,021.19	32,475.23	(-) 5,545.96
	III -Loans and Advances	923.30	556.86	1,480.16	975.57	(-) 504.59
	<b>Total Voted</b>	<b>137549.26</b>	<b>10,780.60</b>	<b>1,48,329.86</b>	<b>1,33,708.80</b>	<b>(-)14,621.06</b>
<b>Charged</b>	IV -Revenue	24,004.76	57.71	24,062.47	24,328.22	(+)265.75
	V- Capital	135.21	0	135.21	94.66	(-) 40.55
	VI- Public Debt-Repayment	18,356.25	41.63	18,397.88	8,287.61	(-) 10,110.27
	<b>Total Charged</b>	<b>42,496.22</b>	<b>99.34</b>	<b>42,595.56</b>	<b>32,710.49</b>	<b>(-) 9,885.07</b>
<b>Grand Total</b>		<b>1,80,045.48</b>	<b>10,879.94</b>	<b>1,90,925.42</b>	<b>1,66,419.29</b>	<b>(-) 24,506.13</b>

*Note: Figures of actual expenditure include recoveries adjusted as reduction of expenditure under voted revenue expenditure (₹ 701.05 crore), voted capital expenditure (₹ 10,961.30 crore) and under charged capital expenditure (₹ 34.63 crore).*

Source: Appropriation Accounts

Overall savings of ₹ 24,506.13 crore were the result of savings of ₹ 26,546.00 crore in 120 cases of grants and appropriations under Revenue Section and 68 cases of grants and appropriations under Capital Section including Loan Section (Public Debt-Repayments), offset by excess of ₹ 2,039.88 crore in 11 cases of grants and appropriations under Revenue Section and 6 cases of grants under Capital Section.

Savings/excesses (Detailed Appropriation Accounts) were intimated (August 2012) to the Controlling Officers requesting them to explain the significant variations. However, no explanations were received (November 2012).

## 2.3 Financial Accountability and Budget Management

### 2.3.1 Appropriation, vis-à-vis, Allocative Priorities

Outcome of the Appropriation Audit revealed that in 119 cases, savings exceeded ₹ 10 crore in each case or by more than 20 *per cent* of total provisions (*Appendix 2.1*). Against the total savings of ₹ 26,546.00 crore, savings of ₹ 25,628.30 crore (96.5 *per cent*) occurred in 50 cases (exceeding ₹ 50 crore in each case) relating to 34 grants and appropriations and details thereof are given in **Table 2.2**.

Table 2.2 : Grants with Savings of ₹ 50 crore and above

(₹ in crore)							
Sl. No.	Grant No.	Name Of The Grant/Department	Original Grant	Supplementary	Total Grant	Actual Expenditure	Savings
<b>Revenue-Voted</b>							
1.	2	Housing Department	159.54	0.00	159.54	103.37	56.16
2.	7	Industries Department (Heavy and Medium Industries)	233.00	0.00	233.00	31.23	201.77
3.	11	Agriculture and Other Allied Departments (Agriculture)	2,486.58	300.50	2,787.08	2,020.72	766.36
4.	12	Agriculture and Other Allied Departments (Land Development and Water Resources)	447.97	0.00	447.97	213.50	234.47
5.	13	Agriculture and Other Allied Departments (Rural Development)	1,918.56	279.31	2,197.87	2,063.56	134.32
6.	14	Agriculture and Other Allied Departments (Panchayati Raj)	2,390.20	342.24	2,732.44	2,520.81	211.63
7.	26	Home Department (Police)	6,989.53	340.90	7,330.43	7,275.69	54.74
8.	32	Medical Department (Allopathy)	2,551.85	0.00	2,551.85	2,406.15	145.70
9.	36	Medical Department (Public Health)	397.66	0.47	398.13	345.53	52.60
10.	37	Urban Development Department	1,112.10	3.91	1,116.01	490.50	625.51
11.	40	Planning Department	486.10	1.24	487.34	121.88	365.46
12.	42	Judicial Department	1,147.73	76.00	1,223.73	1,051.37	172.36
13.	49	Women and Child Welfare Department	3,520.40	495.77	4,016.17	3,380.07	636.10
14.	51	Revenue Department (Relief on Account of Natural Calamities)	839.59	1,305.42	2,145.01	1,747.63	397.38
15.	52	Revenue Department (Board of Revenue and Other Expenditure)	1,659.15	51.37	1,710.52	1,640.62	69.90
16.	54	Public Works Department (Establishment)	1,219.35	0.00	1,219.35	980.81	238.54
17.	61	Finance Department (Debt Services and Other Expenditures)	5,817.10	0.00	5,817.10	5,757.37	59.73
18.	71	Education Department (Primary Education)	18,881.00	797.40	19,678.40	18,790.40	888.00

19.	72	Education Department (Secondary Education)	6,621.01	618.70	7,239.71	6,656.84	582.87
20.	73	Education Department (Higher Education)	2,074.17	41.03	2,115.20	1,369.44	745.76
21.	76	Labour Department (Labour Welfare)	179.13	358.88	538.01	181.19	356.82
22.	78	Secretariat Administration Department	434.33	0.00	434.33	356.79	77.54
23.	80	Social Welfare Department (Social Welfare and Welfare of SCs)	3,394.05	61.76	3,455.81	3,325.75	130.06
24.	83	Social Welfare Department (Special Component Plan for SCs)	6,163.03	577.77	6,740.80	5,948.34	792.46
25.	86	Information Department	144.81	0.00	144.81	83.67	61.14
26.	94	Irrigation Department (Works)	2,095.85	0.00	2,095.85	1,591.50	504.35
<b>Total</b>			<b>73,363.79</b>	<b>5,652.67</b>	<b>79,016.46</b>	<b>70,454.73</b>	<b>8,561.73</b>
<b>Revenue-Charged</b>							
27.	42	Judicial Department	187.94	50.00	237.94	172.21	65.73
<b>Total</b>			<b>187.94</b>	<b>50.00</b>	<b>237.94</b>	<b>172.21</b>	<b>65.73</b>
<b>Capital-Voted</b>							
28.	2	Housing Department	1,072.64	66.00	1,138.64	943.61	195.03
29.	7	Industries Department (Heavy and Medium Industries)	154.30	1.82	156.12	105.21	50.91
30.	9	Power Department	4,149.00	0.00	4,149.00	4,034.36	114.64
31.	11	Agriculture and Other Allied Departments(Agriculture)	687.71	62.10	749.81	648.95	100.86
32.	13	Agriculture and Other Allied Departments (Rural Development)	1,313.99	150.00	1,463.99	1,272.16	191.83
33.	21	Food and Civil Supplies Department	8,770.58	3.76	8,774.34	6,962.55	1,811.79
34.	25	Home Department (Jails)	390.10	2.50	392.60	204.50	188.10
35.	26	Home Department (Police)	604.21	270.35	874.56	386.20	488.36
36.	32	Medical Department (Allopathy)	491.57	0.00	491.57	344.43	147.14
37.	37	Urban Development Department	1,682.00	610.00	2,292.00	2,030.24	261.76
38.	40	Planning Department	1,050.56	356.86	1,407.42	747.90	659.52
39.	42	Judicial Department	210.78	50.00	260.78	182.35	78.43
40.	47	Technical Education Department	180.69	22.26	202.95	149.47	53.48
41.	48	Muslim Waqf Department	524.81	0.00	524.81	151.45	373.36
42.	56	Public Works Department (Special Area Programme)	220.00	0.00	220.00	108.68	111.32
43.	57	Public Works Department (Communication- Bridges)	1,262.42	156.91	1,419.33	1,109.09	310.24
44.	61	Finance Department (Debt Services and Other Expenditure)	519.00	0.00	519.00	117.22	401.78
45.	62	Finance Department (Superannuation Allowances & Pensions)	150.00	0.00	150.00	75.17	74.83
46.	72	Education Department (Secondary Education)	119.80	42.02	161.82	33.96	127.86
47.	83	Social Welfare Department (Special Component Plan For Scheduled Castes)	3,559.19	1,313.00	4,872.19	4,456.73	415.46
48.	94	Irrigation Department (Works)	3,306.65	11.32	3,317.97	2,583.11	734.86
<b>Total</b>			<b>30,420.00</b>	<b>3,118.90</b>	<b>33,538.90</b>	<b>26,647.34</b>	<b>6,891.56</b>
<b>Capital-Charged</b>							
49.	21	Food and Civil Supplies Department	1,200.04	0.00	1,200.04	1,090.00	110.04
50.	61	Finance Department (Debt Services and Other Expenditure)	17,209.86	0.00	17,209.86	7,210.61	9,999.25
<b>Total</b>			<b>18,409.90</b>	<b>0.00</b>	<b>18,409.90</b>	<b>8,300.61</b>	<b>10,109.29</b>
<b>Grand Total</b>			<b>1,22,381.63</b>	<b>8,821.57</b>	<b>131,203.20</b>	<b>1,05,574.90</b>	<b>25,628.30</b>

Source: Appropriation Accounts

**Table** shows that savings exceeding ₹ 500 crore occurred under Grant numbers 11- Agriculture and Other Allied Department (Agriculture), 37- Urban Development Department, 49- Women and Child Welfare Department, 71- Education Department (Primary Education), 72- Education Department (Secondary Education), 73- Education Department (Higher Education), 83- Social Welfare Department (Special Component Plan for Scheduled Castes), 94- Irrigation Department (Works) pertaining to Revenue – voted where the savings ranged from five *per cent* to 56 *per cent* of total grant. Savings exceeding ₹ 500 crore also occurred under Grant numbers 21- Food and Civil Supply Department, 40-Planning Department and 94- Irrigation Department (Works) pertaining to Capital voted where the savings ranged from 21 *per cent* to 47 *per cent* of the total grant.

### 2.3.2 Persistent Savings

In eight cases involving seven 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: Grants indicating Persistent Savings**

(₹ in crore)

Sl. No.	Number and name of the Grant	Amount of Savings				
		2007-08	2008-09	2009-10	2010-11	2011-12
<b>Revenue-Voted</b>						
1	37- Urban Development Department	1,212.43	300.97	54.47	711.79	625.51
2	40- Planning Department	11.43	32.71	44.66	183.71	365.46
3	49- Women and Child Welfare Department	116.12	138.16	218.28	180.62	636.10
4	73-Education Department (Higher Education)	806.72	164.51	93.50	571.89	745.76
<b>Capital-Voted</b>						
5	9- Power Department	1,548.62	2,176.69	1,870.59	631.48	114.64
6	26-Home Department (Police)	46.18	69.62	145.34	356.13	488.36
7	61-Finance Department (Debt Services and Other Expenditure)	149.72	21.69	274.13	153.04	401.78
<b>Capital-Charged</b>						
8	61-Finance Department (Debt Services and Other Expenditure)	9,704.02	10,001.56	9,219.96	9,288.06	9,999.25

Source: Appropriation Accounts

### 2.3.3 Excess Expenditure

Expenditure aggregating ₹ 41,288.28 crore exceeded the approved provision by ₹ 2,025.09 crore in seven 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**. Substantial excess expenditure

was observed in the following grants consistently for the five years ending 2011-12 as detailed in **Table 2.4**.

**Table 2.4: Grants indicating Persistent Excess Expenditure**

(₹ in crore)

Sl. No.	Number and name of the Grant	Excess Expenditure				
		2007-08	2008-09	2009-10	2010-11	2011-12
<b>Revenue-Voted</b>						
1	58- Public Works Department (Communication - Roads)	24.32	58.62	132.39	121.37	106.77
<b>Capital-Voted</b>						
2	55- Public Works Department (Buildings)	644.60	769.50	362.12	144.20	54.55
3	58- Public Works Department (Communication - Roads)	1,427.82	1,697.88	1,140.84	1,152.14	1,068.66

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 ₹ 13,474.10 crore for the years 2005-06 to 2010-11 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		Excess over provisions (₹ 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
2010-11	6	4	1702.62
<b>Total</b>	<b>72</b>	<b>23</b>	<b>13,474.10</b>

Source: Appropriation Accounts

### 2.3.5 Excess over Provision during 2011-12 requiring Regularisation

**Table 2.6** presents the summary of excesses in nine cases of grants and appropriations amounting to ₹ 1,890 crore, over and above authorisation from the Consolidated Fund of the State during 2011-12 and requiring regularisation under Article 205 of the Constitution.

Table 2.6: Excess over Provision requiring Regularisation during 2011-12

(₹ in crore)

Sl. No.	Number and name of grant/appropriation	Total grant/appropriation	Expenditure	Excess	Excess requiring regularisation
<b>A-Revenue Voted</b>					
1	21- Food and Civil Supplies Department	41.98	43.40	1.43	1.19
2	62- Finance Department (Superannuation Allowances and Pensions)	10,634.41	11,089.87	455.46	455.28
3	91- Institutional Finance Department (Stamps and Registration)	140.42	149.66	9.24	9.22
<b>Total (A)</b>		<b>10,816.81</b>	<b>11,282.93</b>	<b>466.13</b>	<b>465.69</b>
<b>B-Capital Voted</b>					
4	1 - Excise Department	1.41	1.88	0.47	0.47
5	55- Public Works Department (Buildings)	50.92	105.47	54.55	51.55
6	58- Public Works Department (Communication - Roads)	3,393.38	4,462.04	1,068.66	1,034.98
<b>Total (B)</b>		<b>3,445.71</b>	<b>4,569.39</b>	<b>1,123.68</b>	<b>1,087</b>
<b>C-Revenue Charged</b>					
7	13-Agriculture and Other Allied Departments (Rural Development)	0.13	0.14	0.01	0.01
8	18- Agriculture and Other Allied Departments (Cooperative)	3.927	3.929	0.002	0.002
9	23- Cane Development Department (Sugarcane)	0.015	0.050	0.035	0.035
10	61-Finance Department (Debt Services and Other Expenditure)	23,462.69	23790.98	328.29	325.22
11	62-Finance Department (Superannuation Allowances and Pensions)	16.51	28.15	11.64	11.63
12	82- Vigilance Department	2.93	3.00	0.07	0.07
<b>Total (C)</b>		<b>23,486.202</b>	<b>23,826.249</b>	<b>340.047</b>	<b>336.967</b>
<b>Grand Total (A)+(B)+(C)</b>		<b>37,748.722</b>	<b>39,678.569</b>	<b>1,929.857</b>	<b>1,889.657</b>

Source: Appropriation Accounts

### 2.3.6 Unnecessary/Inadequate Supplementary Provision

Supplementary provision aggregating ₹ 3,744.49 crore obtained in 45 cases, (₹ 50 lakh or more in each case), during the year proved unnecessary as the expenditure did not come up to the level of even the original provision as detailed in *Appendix 2.4*. In two cases, supplementary provision of ₹ 577.89 crore proved insufficient by more than ₹ two crore in each case leaving an aggregate uncovered excess expenditure of ₹ 1,077.90 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-appropriations proved excessive or insufficient and resulted in savings of ₹ 465.42 crore in some cases and excess of over ₹ 781.89 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 132 sub-heads either due to non-implementation or slow implementation of schemes/programmes. Out of total provision amounting to ₹ 12,959.19 crore in 132 schemes, ₹ 12,457.95 crore (96 per cent) was surrendered, which included cent per cent surrender in 55 schemes (₹ 10,841.14 crore). The details of such cases are given in *Appendix 2.7*. This indicated that budgeting was not done with due prudence.

### 2.3.9 Surrender in Excess of Actual Savings

In seven cases, the amounts surrendered (₹ 50 lakh or more in each case) were in excess of the actual savings. Surrenders in excess of savings amounting to ₹ 464.10 crore over and above ₹ 1,041.03 crore resulted in excess surrender of savings. 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 2011-12, there were, however, 61 cases of grants/appropriations in which savings occurred but no part was surrendered by the concerned departments. The amount involved in these cases was ₹ 6,242.11 crore (24 per cent of the total savings) (*Appendix 2.9*).

Similarly, out of total savings of ₹ 14,447.78 crore under 86 cases (savings of ₹ one crore and above), amount aggregating ₹ 10,132.55 crore (73 per cent) was not surrendered (*Appendix 2.10*), which forms 38 per cent of total savings of ₹ 26,546 crore. This is indicative of inadequate financial control and resultant blocking of funds thereby resulting in non-availability for alternative purposes of development.

### 2.3.11 Rush of Expenditure

In terms of Paragraph 211 (e) of the Budget Manual, the rush of expenditure in the closing month of the financial year should be avoided. **Table 2.7** presents the major heads where more than 50 per cent expenditure was incurred during last quarter of the financial year and more than 50 per cent of that during the last month of the financial year. This is indicative of the fact that control over expenditure was deficient.

**Table 2.7: Rush of Expenditure**

Major Head	Total expenditure during year (₹ in crore)	Expenditure during last quarter of 2011-12		Expenditure during March 2012	
		Amount (₹ in crore)	% of total expenditure	Amount (₹ in crore)	% of total expenditure
2040- Taxes on Sales, Trade etc.	940.89	625.00	66	563.05	60
2048-Appropriation for Reduction or Avoidance of Debt	8,626.61	8,626.61	100	8,626.61	100
2425-Co-operation	466.60	308.85	66	229.00	74
4070- Capital outlay on other Administrative Services	378.82	227.25	60	217.10	57

Source: VLC data

## 2.4 Outcome of Review of Selected Grants

After the voting of all Demands for Grants has completed in Legislative Assembly, an Appropriation Bill is introduced for appropriation of the Consolidated Fund of the State all moneys required to meet (a) the Grants made by the Assembly and (b) the expenditure charged on the Consolidated Fund. The Governor's assent to the Bill is obtained; and when that has been given, the amounts shown in the Act assented to by the Governor and the Schedule thereto become the sanctioned grants for expenditure under the various Demands.

Out of 91 grants as per the Appropriation Act, 2011, four grants namely Grant No. 16- Agriculture and other Allied Departments (Dairy Development), Grant No. 49- Women and Child Welfare Department, Grant No. 71- Education Department (Primary Education) and Grant No. 83- Social Welfare Department (Special Component Plan for Scheduled Castes) were reviewed in September 2012. The details of amount budgeted for, expenditure and savings etc. are summarised in **Table 2.8**.

**Table 2.8: Summary of four Grants reviewed**

(₹ in thousands)

Particulars	Amount	Total	Actual Expenditure	Savings	Head of Accounts
<b>Grant No. 16 – Agriculture and other Allied Departments (Dairy Development)</b>					
<b>Revenue Voted</b>					
Original	41,31,10	41,31,10	39,54,61	1,76,49	MH 2404
<b>Revenue Charged</b>					
Original	10	10	Nil	10	MH 2404
<b>Total</b>	<b>41,31,20</b>	<b>41,31,20</b>	<b>39,54,61</b>	<b>1,76,59</b>	
<b>Grant No. 49 – Women and Child Welfare Department</b>					
<b>Revenue Voted</b>					
Original	35,20,40,27	40,16,17,57	33,80,06,69	6,36,10,88	MH 2235
Supplementary	4,95,77,30				
<b>Revenue Charged</b>					
Original	10	10	Nil	10	MH 2235
<b>Capital Voted</b>					
Original	3,00,00	3,00,00	75,41	2,24,59	MH 4235
<b>Total</b>	<b>40,19,17,67</b>	<b>40,19,17,67</b>	<b>33,80,82,10</b>	<b>6,38,35,57</b>	
Amount surrendered:	Revenue Voted			5,47,18,13	
<b>Grant No. 71 – Education Department (Primary Education)</b>					
<b>Revenue Voted</b>					
Original	1,88,80,99,84	1,96,78,39,78	1,87,90,40,00	8,87,99,78	MHs 2071, 2202 & 2204
Supplementary	7,97,39,94				
<b>Total</b>	<b>1,96,78,39,7</b>	<b>1,96,78,39,78</b>	<b>1,87,90,40,0</b>	<b>8,87,99,78</b>	
Amount surrendered:	Revenue Voted			7,17,85,10	

Grant No. 83 – Social Welfare Department (Special Component Plan for Scheduled Castes)					
<b>Revenue Voted</b>					
Original	61,63,02,69	67,40,79,69	59,48,34,06	7,92,45,63	2070, 2202, 2203, 2210, 2215, 2217, 2225, 2230, 2235, 2401, 2403, 2404, 2405, 2425, 2501, 2505, 2506, 2515, 2702, 2810 & 2851
Supplementary	5,77,77,00				
<b>Capital Voted</b>					
Original	35,59,18,82	48,72,18,88	44,56,73,19	4,15,45,69	4202, 4210, 4215, 4216, 4217, 4225, 4250, 4406, 4515, 4575, 4702, 4801, 5054, 6225 & 6425
Supplementary	13,13,00,06				
<b>Total</b>	<b>1,16,12,98,57</b>	<b>1,16,12,98,57</b>	<b>1,04,05,07,25</b>	<b>12,07,91,32</b>	
Amount surrendered:		Revenue Voted		7,76,27,54	
		Capital Voted		3,63,35,25	
<b>Grand total of Grants No. 16, 49,71,83</b>					
<b>Revenue Voted</b>					
Original	2,86,05, 73,90	3,04,76,68,14	2,81,58,35,36	23,18,32,78	
Supplementary	18,70,94,24				
<b>Revenue charged</b>					
Original	20	20	-	20	
Supplementary	-				
<b>Capital voted</b>					
Original	35,62,18,82	48,75,18,88	44,57,48,60	4,17,70,28	
Supplementary	13,13,00,06				
<b>Grand total</b>	<b>3,21,67,92,92</b>	<b>3,53,51,87,22</b>	<b>3,26,15,83,96</b>	<b>27,36,03,26</b>	
Original					
Supplementary	<b>31,83,94,30</b>				
Amount surrendered:		Revenue voted		20,41,30,77	
		Capital voted		3,63,35,25	

Source: Appropriation Accounts

Table showed that out of the total savings of ₹ 2,736.03 crore, only ₹ 2,404.66 crore (12 per cent) was anticipated for surrender and the remaining (₹ 331.37 crore) lapsed. The followings points were further noticed:

- A provision of ₹ 24 crore was made in the budget under **Grant number 16** for the Dairy Development Schemes. However, a savings of ₹ 1.74 crore occurred due to non-sanction of ₹ 1.70 crore by the Government of India and non drawal of ₹ four lakh by the concerned controlling officers. The savings were surrendered on the last day of the financial year.
- Similarly, a provision of ₹ three crore was made under **Grant number 49** for construction of the Departmental Institutions/ Houses. However, a savings of ₹ 2.25 crore occurred due to the Government not approving the

proposals for the construction works. The savings were surrendered on the last day of the financial year. Likewise, a provision of ₹ 1.70 crore was made under the same Grant for establishment of *Mahila Ashraya Sadan*. However, a savings of ₹ 1.32 crore occurred due to excess supplementary provisions. As against the demand of ₹ 15 lakh a provision of ₹ 1.48 crore was made in the supplementary budget and the savings were surrendered on the last day of the financial year.

- Under **Grant number 71**, a sum of ₹ 1,041.52 crore was provided in the budget against the Department's proposal of ₹ 1,318.99 crore under 'Mid-Day Meal'. However, savings of ₹ 101.62 crore occurred mainly due to pendency of food grain bills under the scheme. Under the same Grant ₹ 1,835.81 crore was provided for *Sarva Shiksha Abhiyan*. Out of this, ₹ 620.13 crore was surrendered as the Government did not sanction the amount even though matching grants of the equivalent amount were already released by GoI for opening of the new schools and up-gradation of the primary schools etc.
- Under **Grant number 83**, ₹ 87.88 crore was provided for construction of boundary walls in 4,632 schools (₹ 23.03 crore) and electrification works in 7,552 (₹ 64.85 crore) schools of *Ambedkar Villages*. Out of which, savings of ₹ 76.19 crore occurred as the Government did not sanction the amount. Under the same Grant, ₹ 440 crore was provided for implementation of the Old Age/Farmers' Pension Scheme (State Sector). However, a savings of ₹ 334.56 crore occurred as the funds were not required at the implementation level.
- Records of **Grant Number 49 and 83** revealed that huge funds were budgeted against the demand of the departments for implementation of 17 schemes as detailed in **Table 2.9**. The amounts budgeted for during 2011-12 were not sanctioned and were surrendered on the last day of the financial year.

**Table: 2.9: Funds provided in the Budget but not sanctioned**

(₹ in crore)

Sl No.	Name of the Scheme and Head of Account	Budget Provision	Surrenders
<b>Grant Number-49 Women and Child Development Department</b>			
1	Shelter Home for Boys; 2235-02-102-01-07	7.00	7.00
2	Specialized unit for most needy children; 2235-02-102-01-10	0.97	0.97
3	Integrated Child Development Protection Unit; 2235-02-102-01-15	32.56	32.56
4	Operation of child care home through Voluntary Organizations; 2235-02-102-01-17	15.75	15.75
5	Government western monitoring organization; 2235-02-102-01-19	0.59	0.59
6	Child adoption facilitating agency; 2235-02-102-01-21	0.11	0.11

7	Adolescent Justice fund; 2235-02-102-05	0.25	0.25
8	UP Child Rights Protection Commission; 2235-02-102-15	2.64	2.64
9	UP Women funds; 2235-02-103-05	0.35	0.35
10	Women Protection and Victimization Prevention Cell; 2235-02-102-06	0.30	0.30
<b>Grant Number-83 – Social Welfare Department (Special Component Plan for Scheduled Castes)</b>			
11	Grant to voluntary institutions for construction of hostels for S.Cs. ; 2225-01-789-07	0.30	0.30
12	Scholarship and non-recurring assistance to students of SCs studying in class 9 & 10; 2225-01-789-11	4.00	4.00
13	Special upliftment programme for Kol caste; 2225-80-789-03	6.80	6.80
14	Upgradation of Government Ashram type schools up to class 12 <sup>th</sup> ; 4225-01-789-05	4.00	4.00
15	Hostels for students/girl students of Scheduled Castes in premises of voluntary institutions/ universities/colleges; 4225-01-789-08	1.00	1.00
16	Construction of buildings of coaching centre; 4225-01-789-09	2.00	2.00
17	Special upliftment programme for Kol Castes; 4225-80-789-03	3.55	3.55
<b>Total</b>		<b>82.17</b>	<b>82.17</b>

Source: Appropriation Accounts

Making provisions in the budget for various schemes and subsequently either not utilising them or not sanctioning the same for the purpose intended, indicates that the process of Budget preparation and management was inadequate as can be seen from the **Table 2.9**.

## 2.5 Preparation of the Budget Estimates

### 2.5.1 Introduction

According to Paragraph 8 of Budget Manual, the budget is prepared on the basis of material furnished by the Departmental Officers and Administrative Departments to the Finance Department by 31 October each year. The Heads of the Departments and other Estimating Officers prepares estimates (Receipts and Expenditure) for each head of account with which they are concerned and forward the same to the Finance Department for finalization and presentation to the State Legislature as the Finance Bill.

With a view to assessing compliance with budget preparation procedure prescribed in the aforesaid Manual, we scrutinised the relevant records (2007-12) between May and July 2012 in the offices of five randomly selected Administrative Departments (Secondary Education Department, Urban Development Department, Tribal Welfare Department, Home-Police and Irrigation Departments) out of 72, besides the records of the Finance Department (responsible for budget preparation) at the Government level and

their respective Directorates at the State level. The results of scrutiny are set out in the succeeding paragraphs:

### 2.5.2 Delay in Submission/ Non availability of basis of Budget Estimates

During audit of the records of five Departments, we observed that the basis of material to be furnished by the concerned Departments test checked reflected both delays and non-availability of basis on which Budget Estimates were prepared for the period 2008-12 (**Table 2.10**).

**Table 2.10: Delay/ Non-submission of Budget Estimates**

2008-09	2009-10	2010-11	2011-12
<b>Secondary Education</b>			
7 days	Record not produced	Record not produced	21 days
<b>Urban development</b>			
06 days	Record not produced	18 days	08 days
<b>Tribal Welfare</b>			
15 days	18 days	15 days	36 days
<b>Home (Police)</b>			
36 days	No Delay	10 days	No Delay
<b>Irrigation</b>			
The Engineer-in-Chief, Irrigation Department did not produce records when called for (June 2012).			

Source: Departmental figures

### 2.5.3 Violation of Codal Provision of Budget Manual

Paragraph 32 of the Budget Manual stipulates that the estimates should be framed on the basis of expenditure required to be incurred in the coming year on account of the pay (including special pay and personal pay but excluding compensatory allowances) of the officers and the staff likely to be on the duty and the actual pay to be drawn by each, irrespective of the sanctioned strength. The Finance Department had also issued directives (September/ October each year) for adherence.

We during scrutiny of the records, however, noticed (May to July 2012) that four Departments (Secondary Education Department, Urban Development Department, Tribal Welfare Department and Irrigation Department) out of five test checked Departments prepared estimates of pay and allowances on the basis of sanctioned strength during 2007-12, instead of men-in-position. The Finance Department and the respective Administrative Departments also did not check the inaccuracies which resulted in surrenders of huge funds (₹ 1,957 crore) at the end of respective financial years (**Appendix 2.11**). Maximum surrenders of ₹ 1,592 crore (2007-12) were noticed in Secondary Education Department.

### 2.5.4 Incomplete and Inaccurate Budgeting

Paragraph 28 of the Budget Manual envisages that the estimation should be as close and accurate as possible and the provision included in respect of each

item should be based on what is expected to be actually paid or spent during the financial year. Paragraph 30 of the Budget Manual also stipulates that while preparing the estimates, the average of the actuals of the past three years, as also the revised estimates for the current year, should invariably be kept in sight. However, during scrutiny of the records of the Directorates of test checked Departments observed that the Budget Estimates for the Heads (other than pay and allowances) during 2007-12 were prepared without taking such averages into consideration which had resulted in surrenders of ₹ 6,651 crore during the same period as evident from the figures reflected in *Appendix 2.12*. Maximum surrenders (₹ 3,769 crore; 2007-12) of the budgeted amounts were noticed in the Irrigation Department.

### ***2.5.5 Non-adherence to the Principles governing Preparation of Departmental Estimates***

In terms of Paragraph 25 of the Budget Manual, the key aim of preparing the budget is to achieve close approximation to the actuals. Accordingly, not merely all items of revenue and receipts that can be foreseen should be provided but also only so much, and no more, should be provided as are expected to be realized, including past arrears, in the budget year. However, we during scrutiny of the estimates for revenue and actual receipts (2007-12) noticed wide variations either excess (ranging from five to 62 *per cent*) or short (ranging from three to 68 *per cent*), indicating unrealistic estimation. The year-wise and Department-wise position of inaccurate estimation is shown in *Appendix 2.13*.

The matter was referred (September 2012) to the Government; the reply was awaited (November 2012).

## **2.6 Eleventh Five Year Plan Outlay, Allotment, Expenditure and Outcomes thereon**

### ***2.6.1 Introduction***

The Eleventh Five Year Plan (2007-12) focused on fast and inclusive growth. The Plan programmes were formulated to ensure that the weaker sections and marginalized groups are effectively participated in the developmental process while reducing the gaps amongst the various social groups and regions. The State Government reflected these priorities in the State Five Year Plan (2007-12), focusing investment in social infrastructure, strengthening social security and on 'outcomes' rather than 'expenditure'.

With a view to assessing outcomes of the Eleventh Plan outlay, we scrutinised the records (May to July 2012) of the Administrative Departments (Home –Police Department, Urban Development Department, Secondary Education Department, Tribal Welfare Department and Irrigation Department) at the Government level and their respective Directorates at the State level for the periods 2007-12, covering the Plan period.

The Department-wise results of scrutiny are set out in the succeeding paragraphs.

### 2.6.2 Home (Police) Department

With a view to creating Information Technology enabled State-of-the-art Crime and Criminal Tracking Network and System (CCTNS) project for enhancing efficiency and effective policing at all levels and especially at the Police Station level, GoI sanctioned (July 2009) a cent *per cent* Centrally Sponsored Scheme of CCTNS, for which the application software was to be supplied by GoI, at a cost of ₹ 113.78 crore. The work on the system was to be made functional by the end of the Eleventh Plan Period (2007-12).

We, during scrutiny of the records (June 2012) of the Police Headquarters, Allahabad and the Director General, Technical Services (DGTS), Lucknow observed that GoI released ₹ 31.19 crore (2009-10: ₹ 7.31 crore; 2010-11: ₹ 19.52 crore and 2011-12: ₹ 4.36 crore) directly to the Department forbidding the parking of funds. However, DGTS, Lucknow deposited (during April 2011 to December 2011) the funds in the Savings Plus Accounts and Fixed Deposits (Interest Rate: 8.5 *per cent* per annum) in the State Bank of India, *Jawahar Bhawan Branch* at Lucknow for one to two years (interest accrual: ₹ 2.14 crore) and spent only ₹ 2.91 crore. The physical progress was tardy as DGTS, Lucknow entered into an agreement with NIIT for system integration work in March 2012 and with BSNL for networking in April 2012 with a delay of approximately 24 months. DGTS, Lucknow attributed the delay in completion of CCTNS to the non-supply of Core Application Software by GoI.

### 2.6.3 Urban Development Department

We, in audit of the records of the Director, Urban Development / Local Bodies, Lucknow, noticed that *Jawaharlal Nehru National Urban Renewal Mission* (JNNURM) was launched (December 2005) with the objective of encouraging reforms and fast-tracking development of major cities with specific focus on efficiency in urban infrastructure and service delivery mechanism for completion by the end of the Eleventh Plan period i.e. March, 2012. The Mission lays thrust on: Urban Infrastructure and Governance (UIG) in seven megacities<sup>1</sup>; Urban infrastructure Development Scheme for Small & Medium (UIDSSMT) cover 46 cities<sup>2</sup>; Integrated Housing & Slum Development Programme (IHSDP) for all cities and towns except those covered under JNNURM; and Basic Services to the Urban Poor (BSUP).

The financial position of the aforesaid programmes/schemes under JNNURM during 2007-12 is brought out in the **Table 2.11** and the physical achievement thereagainst is given in *Appendix 2.14*.

<sup>1</sup> Agra, Allahabad, Kanpur Nagar, Lucknow, Mathura, Meerut, Varanasi.

<sup>2</sup> Azamgarh, Aligarh, Ambedkarnagar, Badaun, Baghpat, Bahraich, Ballia, Balrampur, Barabanki, Basti, Bijnore, Bulandsahar, Bareilly, Deoria, Etah, Etawa, Faizabad, Fatehpur, Firozabad, Farrukhabad, Ghaziabad, Gazipur, Gorakhpur, Gonda, Hardoi, Hathras, Jaunpur, Jhansi, Kannauj, Kushinagar, Lakhimpur, Manipuri, Mau, Mirzapur, Moradabad, Muzaffarnagar, Pratapgarh, Rampur, Raibareilly, Sitapur, Shahjahanpur, Siddarth Nagar, Sultanpur, Saharanpur, Sonbhadra, Unnao.



Table 2.11: Financial Performance under JNNURM

Thrust areas	Periods	Outlay Budgeted/ Allocated	Expenditure
		(₹ in crore)	
UIG	2007-12	4,180.00	2,881.41
UIDSSMT		1,394.00	881.78
IHSDP		801.38	719.94
BSUP		1,302.22	1,134.19

Source: Urban Development Department

Analysis of the data given in the *Appendix 2.14* revealed that while Intake Well and Water Treatment plant of the water supply works under UIDSSMT programme were complete (March 2012), the remaining works such as tube wells etc. were incomplete (ranging between 26 and 57 per cent). Similarly, under UIG all the water supply works were either incomplete or were not taken up. It may also be seen from the *Appendix 2.14* that performance under other components of the projects was also inadequate. The Director, State Level Nodal Agency (SLNA) attributed (June 2012) it to the delays in approval of projects and sanction of funds by GoI/ State Government.

#### 2.6.4 Secondary Education Department

Secondary Education is a crucial stage in the Educational Hierarchy as it prepares the students for higher education and also for work. Class IX and X constitute the secondary stage, whereas class XI and XII are designated as the higher secondary stage. The normal age group of the children in secondary classes is 14-16 years whereas it is 16-18 years for Higher Secondary Classes.

The targets set for Eleventh Five Year Plan (2007-12) for Secondary Education were: raising Gross Enrolments Ratio (GER) to at least 65 per cent in the general stream; reducing gender gap, a social disparity in GER, to within five per cent points; to provide a secondary school within five kilometers and higher secondary school within a distance of seven kilometers to ten kilometers of any habitation.

To achieve the targets, a sum of ₹ 2,678 crore was spent against the earmarked fund of ₹ 2,043.77 crore during the Plan period. However, the key indicators of Secondary Education panned out differently than what were envisaged. The details in *Appendix 2.15* indicate that except the upgradation of High School to Intermediate level, outcome of all other schemes/ programmes ranged between nil and 74 per cent and schemes of upgradation of *Kasturba Gandhi Girls School* to High School standard as well as opening of Residential Government. High School on the pattern of *Navodaya Vidyalaya* were not implemented. The Director, Secondary Education attributed (July 2012) shortfalls to the administrative and financial reasons.

#### 2.6.5 Tribal Welfare Department

Tribal Welfare Department received funds from GoI for Pre-Matric and Post-Matric Scholarship to Scheduled Tribes and for establishment of Ashram

Type School in Tribal Sub Area Plan. The financial and physical performance is given in **Table 2.12**.

**Table 2.12: Financial Performance**

Periods	Outlays and expenditure (₹ in crore)		Physical achievement/ outcome of the programme		
	Outlay budgeted/ allocated	Expenditure	Physical targets	Achievement	Shortfalls
<b>Pre- Matric and Post- Matric Scholarship</b>					
2007-12	7.43	1.28	59,843 Students & 12,571 Students respectively	6,831 Students (11 per cent) & 2,069 Students (16 per cent) respectively	53,012 and 10,502 students respectively
<b>Government Ashram Type School Construction (New/ Up gradation)</b>					
2007-12	3.13	3.13	13 Schools	Nil	13 school

Source: Departmental figures

While the Department could utilize only 17 per cent fund placed at its disposal, against the target of scholarship to 59,843 pre-matric students and 12,571 post-matric students, the outcome was merely 6,831 pre-matric students (11 per cent) and 2,069 post-matric students (16 per cent) by the end of Eleventh Five Year Plan period (March 2012).

Further, though the State Government sent (July 2009) a proposal for construction (new/up gradation) of 13 Ashram Type Schools, GoI sanctioned construction (extension) of two such schools at Chandan Chowki, Khiri, and Nazibabad, Bijnore at a cost of ₹ 3.13 crore each and released (October 2009) 50 per cent of the sanctioned cost as 1st installment. The construction work of the school at Chandan Chowki, Khiri commenced (December 2010) but the executive agency discontinued it after utilizing the first installment of ₹ 156.30 lakh for want of revised cost which escalated up to ₹ 8.78 crore for each school due to delay in taking up the construction activities. The work of the Ashram Type Schools at Nazibabad, Bijnore which was started in December 2010 was stopped due to land dispute. As per provisions of the sanction, GoI refused to release the revised cost and the balance amounts as the fund of Nazibabad, Bijnore School was still lying unspent and second installment was to be released only after utilization of the released fund. Thus, the target for completion of two Ashram Type Schools could not be achieved by the end of Eleventh five year plan period (March 2012).

### 2.6.6 Irrigation Department

The economy of the State is primarily based on agriculture. Approximately 80 per cent of the total geographical area is under agriculture. For the Eleventh Plan period (2007-12), the targets fixed were: creation of irrigation potential of 11.70 lakh hectare through major and medium irrigation projects and creation of irrigation potential of 3.60 lakh hectares through minor irrigation. To achieve the targets, a sum of ₹ 8,543.47 crore was spent against the earmarked

fund of ₹ 12,185.24 crore during the Plan period. However, the key indicators of irrigation panned out differently than what were envisaged (**Table 2.13**).

**Table 2.13: Creation of Irrigation Potential**

Sector	(Area in lakh hectare)			
	Level at Tenth Plan	Target for Eleventh Plan	Progress during Eleventh Plan	Level at the end of Eleventh Plan
Major and Medium Irrigation	83.19	11.70	2.18 (19)	85.37
Minor Irrigation	37.54	3.60	2.01 (56)	39.55
<b>Total</b>	<b>120.73</b>	<b>15.30</b>	<b>4.19 (27)</b>	<b>124.92</b>

Figures in brackets indicate percentage

Source: Departmental figures

Moreover, the utilization of Irrigation Potential under Major Irrigation, Medium Irrigation and Minor Irrigation was only 86.29 lakh hectare (69 per cent) against the total created Irrigation Potential of 124.92 lakh hectare during Eleventh Plan.

The matter was referred (September 2012) to the Government; the reply was awaited (November 2012).

## 2.7 Conclusion

Overall savings of ₹ 24,506.13 crore was the result of savings of ₹ 26,546.00 crore offset by excess of ₹ 2,039.88 crore. The Departments of Planning, Urban Development, Women and Child Welfare, Education, Power, Home (Police) and Finance (Debt Services and Other Expenditure) posted large savings persistently for the last five years. Excess expenditure of ₹ 13,474.10 crore for 2005-11 and ₹ 1,889.66 crore for 2011-12 requires regularisation under Article 205 of the Constitution of India. The Departments also did not follow instructions of the Budget Manual relating to the budget preparation.

## 2.8 Recommendations

- The Government should ensure that the Codal provisions of the Budget Manual relating to the budget preparations are scrupulously followed.
- Budgetary control mechanism should be strengthened in all Government Departments.
- Re-appropriation of the funds at the fag end of the financial year should be avoided.
- Savings anticipated should be surrendered to the Finance Department well in time.



Chapter

# III

## FINANCIAL REPORTING



A sound internal financial reporting system based on compliance with financial rules is one of the attributes of good governance. This Chapter provides an overview and status of the State Government's compliance with various financial rules during the year 2011-12.

### 3.1 Delay in furnishing of Utilisation Certificates

**3.1.1** 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 (Accounts and Entitlement) not later than 18 months from the date of sanction of the grant.

The position of outstanding utilization certificates against Grants-in-aid sanctioned to the various organizations upto 2011-12 is given in **Table 3.1**.

**Table 3.1: Outstanding utilization certificates**

Periods	Number of outstanding utilisation certificates	Amount (₹ in crore)
Upto 2009-10	15,757	6,703.35
2010-11	13,009	6,579.84
2011-12	20,132	7,546.70
<b>Total</b>	<b>48,898</b>	<b>20,829.89</b>

Source: Finance Accounts

Thus, 48,898 utilisation certificates involving ₹ 20,829.89 crore were outstanding at the close of 2011-12.

**3.1.2** Relevant data/information about submission of the utilization certificates were collected (September 2012) from 18 Departments. We during scrutiny of the data/ information noticed that the utilisation certificates for an aggregate amount of ₹ 4,591.94 crore (paid up to 2010-11) were in arrears as of September 2012. The Department wise break-up of the outstanding utilisation certificates is given in **Appendix 3.1** and the age-wise delay in their submission is summarised in **Table 3.2**.

**Table 3.2: Age-wise Arrears of Utilisation Certificates**

Sl. No.	Range of delay in number of years	Total grants paid		U Cs outstanding	
		Number	Amount	Number	Amount
1	0 - 1	762	4,235.91	263	1,503.25
2	1 - 3	1,613	5,202.99	785	2,855.48
3	3 - 5	1,012	308.80	474	232.92
4	5 - 7	6	0.86	3	0.29
<b>Total</b>		-	<b>9,748.56</b>	<b>1,525</b>	<b>4,591.94</b>

Source: Records of concerned Departments

Agriculture and Other Allied Departments (*Panchayati Raj*) paid grants for an aggregate amount of ₹ 1,822.91 crore during 2008-09 and ₹ 173.80 crore during 2007-08 to the District Panchayat Raj Officers. However, the utilisation certificates in respect of these Grants-in-Aid were not received even after lapse of three and four years respectively.

Other major Departments in default were Urban Development & Poverty Alleviation Programme Department (State Urban Development Agency) (₹ 189.10 crore), Dairy Development Department (₹ 102.80 crore), Social Welfare Department (₹ 79.98 crore), Women Welfare Department (₹ 21.98 crore) and Social Welfare Department (Scheduled Tribe Development) (₹ 13.13 crore).

### 3.2 Detailed Contingency Bills

In terms of Uttar Pradesh Government Order No. A-1-3 (1) Ten-10820/2001 dated 24 January 2006, the Drawing and Disbursing Officers (DDOs) are authorised to draw sums of money through Abstract Contingent (AC) Bills by debiting service heads. They are also required to present Detailed Contingent (DC) Bills (vouchers in support of final expenditure) for all contingent charges within one month from the date of drawal, to the respective controlling officers for countersignature and transmission to the Accountant General (Accounts and Entitlement).

However, we noticed that 10,939 AC Bills involving ₹ 157.54 crore were outstanding at the end of March 2012. The year-wise details of pendency in submission of DC Bills against AC Bills are given in **Table 3.3**.

**Table 3.3: Outstanding Abstract Contingent Bills**

(₹ in crore)

Year	AC Bills drawn		DC Bills Received		Outstanding AC Bills	
	Number	Amount	Number	Amount	Number	Amount
Upto 2009-10	10764	78.49	2122	1.34	8642	77.15
2010-11	1687	53.28	232	12.31	1455	40.97
2011-12	1247	100.41	405	60.99	842	39.42
<b>Total</b>	<b>13698</b>	<b>232.18</b>	<b>2759</b>	<b>74.64</b>	<b>10939</b>	<b>157.54</b>

Source: Finance Accounts

We during test check of records of the Regional Office, Uttar Pradesh Board of Secondary Education, Allahabad observed (August 2012) that ₹ 28.13 lakh was drawn to meet the expenditure for conducting annual examination of 2011-12. Of this the Detailed Contingency bills involving ₹ 21.31 lakh had not been submitted by the DDO as of August 2012. Likewise, Abstract Contingent bills involving ₹ 12.68 lakh and ₹ 14.10 lakh were drawn by Uttar Pradesh Board of Secondary Education in 2010-11 and 2011-12 respectively against which Detailed Contingent bills involving ₹ 6.05 lakh and ₹ 8.25 lakh respectively were pending as of August 2012. We during scrutiny of records of the Directorates of Basic Education, Secondary Education and Higher Education also observed that Detailed Contingent bills were submitted with delays ranging from one to eight months during 2009-12. This indicated lax financial management and absence of effective internal control.

The matter was referred to the Government (September 2012), the reply is awaited (November 2012).

### 3.3 Delay in Submission of Accounts by the Autonomous Bodies

The audit of accounts of nine Autonomous Bodies<sup>1</sup> has been entrusted to the Comptroller & Auditor General of India. The status of entrustment of audit,

<sup>1</sup> Jal Sansthan at Agra, Allahabad, Chitrakoot Dham Mandal, Banda, Jhansi, Kanpur, Lucknow, Varanasi; Khadi Gramodyog Board, Lucknow and Uttar Pradesh State Legal Services Authority, Lucknow.



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 summarized in **Table 3.4**.

**Table: 3.4 Delays in Submission of Accounts**

Delays in Submission of Accounts (in months)	No. of Autonomous Bodies	Reasons for delay
1- 12	5	Jal Sansthans at Agra, Chitrakoot Dham Mandal Banda, Jhansi, Kanpur and Lucknow have submitted their accounts with delays of 1-12 months.
12-24	2	Jal Sansthans at Allahabad and Varanasi have submitted their accounts with delays of 12-24 months.
Above 24	2	Uttar Pradesh Khadi Gramodyog Board, Lucknow and Uttar Pradesh State Legal Services Authority, Lucknow have not submitted their accounts for the years 2009-10, 2010-11 and 2011-12.
<b>Total</b>	<b>9</b>	

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 UP State Legal Services Authority, Lucknow for the years ending 2006-07, 2007-08 and 2008-09 were in arrears.

### 3.4 Departmental Commercial/Quasi Commercial Undertakings

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

As of March 2012, there were ten such undertakings in the State. Six of these had not prepared their upto date *proforma* accounts. The department-wise position of arrears of accounts is given in *Appendix 3.3*. The State Pharmacy of Ayurvedic and Unani Medicine and Criminal Tribes Settlement Tailoring Factory with a Government investment of ₹ 13 lakh (as per their latest accounts), had not prepared their accounts since 1988-89 and 1980-81 respectively. Similarly, *proforma* accounts of the Public Distribution System of foodgrains with a Government investment of ₹ 2,131.07 crore were not prepared for 2009-10 to 2011-12 and *proforma* account of Irrigation Works Division, Allahabad and Jhansi with a Government investment of ₹ 5.05 crore were not prepared for 2011-12. As a result, Government investments remained beyond the scrutiny of Audit/State Legislature. Non-preparation of accounts also exposed the entity to risk of fraud and leakage of funds. The matter was referred to the Government (September 2012); the reply is awaited (November 2012).

### 3.5 Misappropriations, Losses, Defalcations etc.

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

As of 2011-12, 159 such cases involving ₹ 890.41 lakh were pending for settlement. The Department-wise break up of pending cases and their age-wise analysis is given in *Appendix 3.4*. The nature of these cases is also given in *Appendix 3.5*. The age-profile of the 159 pending cases under each

category i.e. theft and misappropriation/ loss emerging from these appendices are summarised in **Table 3.5**.

**Table 3.5: Profile of Misappropriations, Losses and Defalcations etc.**

Age-profile of the pending cases			Nature of the pending cases		
Years ranging	Number of cases	Amount involved (₹ in lakhs)	Nature/ Characteristics of the cases	Number of cases	Amount involved (₹ in lakhs)
0 - 5	36	359.56	Theft	84	45.28
5 - 10	23	53.78			
10 - 15	29	24.56	Misappropriation/Loss of material	82	848.45
15 - 20	25	68.31			
20 - 25	27	39.23	Total	<b>164</b>	<b>893.73</b>
25 & above	19	344.97	Cases settled/written off during 2011-12	5	3.32
<b>Total</b>	<b>159</b>	<b>890.41</b>	<b>Total pending cases</b>	<b>159</b>	<b>890.41</b>

Source: Records of concerned departments

We during analysis of the Table observed that out of 164 cases involving ₹ 893.73 lakh, five cases (*Appendix 3.6*) involving ₹ 3.32 lakh were settled/written off during 2011-12 and the remaining 159 cases involving ₹ 890.41 lakh were pending as of March 2012 for various reasons as listed in **Table 3.6**.

**Table 3.6: Reasons for Pending cases of Misappropriations, Losses and Defalcations etc.**

Reasons for the delay/outstanding cases		Number of cases	Amount (₹ in lakh)
i	Awaiting departmental and criminal investigation	20	167.78
ii	Departmental action initiated but not finalised	79	471.75
iii	Criminal proceedings finalised but execution of cases for the recovery of the amount pending	7	14.32
iv	Awaiting orders for recovery or write off	11	5.03
v	Pending in the courts of law	42	231.53
<b>Total</b>		<b>159</b>	<b>890.41</b>

Source: Records of concerned Departments

### 3.6 Booking under Minor Head 800-‘Other Receipts’ and ‘Other Expenditure’

For correctness of the accounts, expenditure incurred on various programmes / activities of the Government should be classified under that programmes/ activities. However, we during scrutiny observed that receipts of ₹ 17,217.69 crore (10 per cent) against total receipts of ₹ 1,30,869.70 crore was classified under Minor Head ‘800-Other receipts’ in accounts. Similarly, ₹ 16,211.32 crore against expenditure of ₹ 1,45,459 crore (Revenue: ₹ 1,23,885 crore; Capital: ₹ 21,574 crore) was also classified under Minor Head ‘800-Other expenditure’. Some of such cases are given in **Table 3.7**.

**Table 3.7: Booking under Minor Head 800- ‘Other Receipts’ and ‘Other Expenditure’**

Particulars	Receipts		Expenditure	
	Amounts (₹ in crore)	Heads of accounts	Amounts (₹ in crore)	Heads of accounts
100 per cent and above	189.67	1456, 0023, 0217, 0575, 0801	4113.10	2801, 4070, 2705, 2407, 4853, 5053
Between 75 per cent and 99 per cent	5,055.55	0852, 1452, 0235, 0406, 0230, 0075, 0059, 0070	255.23	2575, 2700
Between 50 per cent and 74 per cent	9,810.21	1054, 0029, 0403, 0515, 1601	1298.62	2405, 4406, 4235, 2425, 4575
Below 50 per cent	1014.24	0202, 0055, 0435, 0702, 0401	2491.40	4401, 2501, 2040, 3054, 2013, 2702, 2852, 2401, 2070, 2075

Source: Finance Accounts

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. To ensure the correctness, the Government should ensure that receipts and expenditure are classified under appropriate heads.

### 3.7 Non-transfer of Amount to the Central Road Fund

GoI releases funds for Central Road Fund as grants-in-aid which is 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.

GoI transferred grants-in-aid of ₹ 210.25 crore to the Central Road Fund during 2011-12 for construction of road. However, as no budget provision was made during 2011-12 by the Government, 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 2012.

### 3.8 Variation in Cash Balances

As on 31 March 2012, the Cash Balances with Reserve Bank of India as worked out by the Accountant General (Accounts and Entitlement) were ₹ 619.34 crore (credit) and the Cash Balance reported by Reserve Bank of India was ₹ 839.85 crore (debit) leading to a difference of ₹ 220.51 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 ₹ 220.51 crore (debit) have been identified by the Agency Banks and the Treasury Officers and intimated (July, 2012) to the Manager, State Bank of India, Fund Settlement Link Office, Kanpur for settlement.

### 3.9 Transfer of Funds to Personal Deposit Accounts

Transfer of funds to Personal Deposit (PD) Accounts is booked as expenditure in the Consolidated Fund (Service Major Head) of the State. The Government is authorised to open PD Accounts in order to deposit funds. The Administrators of the PD Accounts are required to close such accounts on the last working day of the year and transfer unspent balances to the Government account. However, the same was not done in respect of balances amounting to ₹ 0.25 crore (60 PD accounts) by the holders during the year. The status of operating PD Accounts is given in **Table 3.8**.

**Table 3.8: Status of Personal Deposit Accounts**

(₹ in crore)

Head of Accounts	Opening balance as on 01.04.2011		Number of Accounts				Closing balance as on 31.03.2012	
	Number	Amount	Opened/renewed during the year		Closed during the year		Number	Amount
8443-106	66	0.43	Nil	Nil	6	0.18	60	0.25
Other than 8443-106	1,540	2,853.33	Nil	Nil	28	1,519.72	1,512	1,333.61
<b>Total</b>	<b>1,606</b>	<b>2,853.76</b>	<b>Nil</b>	<b>Nil</b>	<b>34</b>	<b>1,519.90</b>	<b>1,572</b>	<b>1,333.86</b>

Source: Finance Account

As per information received (2011-12) from treasuries, 508 out of 1,572 PD Accounts have been reconciled. It was noticed that the balance of budget allocations were withdrawn through AC Bills and deposited under earmarked PD Accounts. Test check of Personal Ledger Accounts of Uttar Pradesh *Jal Nigam*, Lucknow and Uttar Pradesh Police *Avas Nigam*, Lucknow revealed that:

- ₹ Two crore was sanctioned (2006-07) for the Director, Local Bodies, Lucknow and deposited in the Personal Ledger Accounts of Uttar Pradesh *Jal Nigam*, Lucknow. The amount remained unutilized and was ultimately transferred (March 2012) to the Government account after five years.
- ₹ 12.59 crore remained deposited for varying periods in the Personal Ledger Accounts of Uttar Pradesh Police *Avas Nigam*, Lucknow, pertaining to various activities. The amount remained unutilized and was ultimately transferred to the Government account in 2011-12.

### 3.10 Reconciliation of Expenditure

With a view to ensuring that the departmental accounts are sufficiently accurate etc. Paragraph 124 of the Budget Manual stipulate that department figures of expenditure recorded in the books of the controlling officers should be reconciled with the amounts recorded in books of the Accountant General (Accounts and Entitlement).

We observed that as against the total expenditure of ₹ 1,46,435 crore during 2011-12, reconciliation was carried out by the controlling officers for ₹ 1,44,635 crore (99 *per cent*). However, 10 controlling officers did not reconcile (2011-2012) expenditure amounting to ₹ 824.25 crore as given in **Table 3.9**.

**Table 3.9: List of controlling officers who did not reconcile the expenditure during 2011-2012**

		(₹ in crore)
Sl. No.	Controlling Officers	Amount not reconciled
<b>Expenditure</b>		
1	Commissioner, Waqf, Uttar Pradesh, Lucknow	1.22
2	Principal Secretary, Uttar Pradesh Council of Agricultural Research, Lucknow	284.96
3	Secretary, Nagar Vikas Vibhag, Uttar Pradesh, Lucknow	20.28
4	Registrar, High Court, Allahabad	45.31
5	Secretary, Technical Education, Uttar Pradesh, Lucknow	3.97
6	Commissioner/Principal Secretary, Social Welfare, Uttar Pradesh Government, Lucknow	17.69
7	Director, Local Bodies, Uttar Pradesh, Lucknow	169.22
8	Secretary, Planning Department, Uttar Pradesh, Lucknow	35.30
9	Secretary, Housing and Urban Planning Department, Uttar Pradesh Government, Lucknow	243.29
10	Secretary, Forest Department, Uttar Pradesh Government, Lucknow	3.01
<b>Total</b>		<b>824.25</b>

Source: Accountant General (A&E)

Non reconciliation of expenditure by the controlling officers indicated deficient financial management.

### 3.11 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. Detailed Contingent bills against Abstract Contingency bills involving huge amounts were also outstanding at the close of the financial year. Apart from these, 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 the accounts by the Autonomous Bodies and the utilisation certificates by the grantees.



(MUKESH P SINGH)

Principal Accountant General (G &SSA)  
Uttar Pradesh

ALLAHABAD  
THE 19 DEC 2012

COUNTERSIGNED



(VINOD RAI)

Comptroller and Auditor General of India

NEW DELHI  
THE 28 DEC 2012



## APPENDICES





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.	As per 2011 Census	19.96 crore		
3	a.	Density of Population (as per 2001 Census) (All India Density = 325 persons per sq. Km )	690 persons per sq.km.		
	b.	Density of Population (as per 2011 Census) (All India Density = persons per sq. Km )	828 persons 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 = 74.0 per cent )	69.72 per cent		
6	Infant mortality (per 1000 live births) (All India Average = 50 per 1000 live births )		63 per 1000 live births		
7	Life Expectancy at birth (All India Average =63.5 years)		60 years		
8	Gini Coefficient <sup>1</sup>				
	a.	Rural. ( All India = 0.30 )	0.29		
	b.	Urban. ( All India = 0.37)	0.37		
9	Gross State Domestic Product (GSDP) 2011-12 at current prices		₹ 6,87,836 crore		
10	Per capita GSDP CAGR (2002-03 to 2011-12)	Uttar Pradesh	11.00 per cent		
		General Category States	13.09 per cent		
11	GSDP CAGR (2002-03 to 2011-12)	Uttar Pradesh	12.77 per cent		
		General Category States	14.46 per cent		
12	Population Growth ( 2002 to 2012 )	Uttar Pradesh	17.15 per cent		
		General Category States	13.90 per cent		
B. Financial Data					
Sl. No.	Particulars		Figures (in per cent)		
	CAGR		2002-03 to 2010-11		2002-03 to 2011-12
			General Category States	Uttar Pradesh	Uttar Pradesh
13	a.	Of Revenue Receipts.	16.86	18.91	18.77
	b.	Of Own Tax Revenue.	16.74	15.74	17.04
	c.	Of Non Tax Revenue.	12.84	24.69	20.37
	d.	Of Total Expenditure.	14.58	16.68	16.33
	e.	Of Capital Expenditure.	21.25	23.30	21.30
	f.	Of Revenue Expenditure on Education.	15.41	16.76	17.54
	g.	Of Revenue Expenditure on Health.	14.00	16.86	15.60
	h.	Of Salary and Wages <sup>2</sup> .	13.43	15.46	15.77
	i.	Of Pension.	16.89	20.97	19.94

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, 2011-12, Infant mortality rate (SRS Bulletin January 2012).

<sup>1</sup> 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..

<sup>2</sup> For the period 2002-03 to 2010-11 or 2011-12 as the case may be.

## Structure and Form of Government Accounts and Layout of Finance Accounts

(Reference: Paragraph 1.1; Page 2)

### 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
<p>The Finance Accounts have been divided into two volumes. Volume I presents the Financial Statements of the Government in the form of commonly understood summarised form while the details are presented in Volume II.</p> <p>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.</p>	
<b>Volume I</b>	
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
<b>Volume II</b>	
<b>Part I</b>	
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.
<b>Part II</b>	
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.
<b>Part III (Appendices)</b>	
Appendix 2	Comparative expenditure on salary.
Appendix 3	Comparative expenditure on subsidy.
Appendix 4	Grants-in-aid given by the State Government (Institution and Scheme-wise).
Appendix 5	Details of Externally Aided Projects.
Appendix 6	Plan Scheme expenditure.
Appendix 7	Direct transfers of Central scheme funds to implementing agencies that is funds routed outside the Budget.
Appendix 8	Summary of Balances under Consolidated Fund, Contingency Fund and Public Account.
Appendix 9	Financial 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 13	Major policy decisions taken by the Government during the year and New Schemes proposed in the Budget for Future Cash Flows.

## Abstract of Receipts and Disbursements for the year 2011-12

(Reference: Paragraph 1.2; Page 2)

(₹ in crore)

		Receipts		Disbursements					
2010-11		2011-12	2010-11		Non-Plan	Plan	Total 2011-12		
1,11,183.76	I	Revenue receipts	130,869.70	1,07,675.61	I	Revenue expenditure	1,01,269.25	22,615.92	1,23,885.17
41,109.85		Tax revenue	52,613.43	48,019.17		General services	52,345.19	601.73	52,946.92
				39,566.70		Social Services	29,781.35	17,609.59	47,390.94
11,176.21		-Non-tax revenue	10,145.30	20,954.24		-Education, Sports, Art and Culture	21,017.07	4957.97	25,975.04
				5,444.20		-Health and Family Welfare	4,342.17	1,427.91	5,770.08
43,464.05		-State's share of Union Taxes	50,350.95	1,715.63		-Water Supply, Sanitation, Housing and Urban Development	238.61	1,656.43	1,895.04
				79.47		-Information and Broadcasting	84.09	00.42	84.51
3,092.99		-Non-Plan grants	4,396.73	2,945.07		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	1,563.41	1,819.03	3,382.44
6,772.07		-Grants for State Plan Schemes	6,813.28	363.79		-Labour and labour Welfare	274.16	167.72	441.88
				8,003.89		-Social Welfare and Nutrition	2,199.16	7580.11	9779.27
5,568.59		-Grants for Central and Centrally sponsored Plan Schemes	6,549.89	60.41		-Others	62.68	-	62.68
Nil		External Grants Assistance	00.12	15,725.03		Economic Services-	13,887.61	4,404.60	18,292.21
				3,569.94		-Agriculture and Allied Activities	2,284.42	1,367.13	3,651.55
				4,003.08		-Rural Development	2,337.72	2,191.79	4,529.51
				80.83		-Special Areas Programme	-	60.96	60.96
				3,610.25		-Irrigation and Flood control	3,400.08	609.24	4,009.32
				2,174.18		-Energy	3,500.40	35.14	3,535.54
				299.04		-Industry and Minerals	206.11	113.61	319.72

				1,742.45		-Transport	1,936.91	6.96	1,943.87
				31.12		-Science, Technology and Environment	12.78	17.88	30.66
				214.14		-General Economic Services	209.20	1.88	211.08
				4,364.71		<b>Grants-in-aid &amp; Contributions</b>	<b>5,255.10</b>	-	<b>5,255.10</b>
			<b>Total</b>	<b>1,30,869.70</b>	<b>1,07,675.61</b>	<b>Total</b>			<b>1,23,885.17</b>
-	II	Revenue deficit carried over to Section B	Nil	3,508.15	II	Revenue Surplus carried over to Section B	--	--	6,984.53
1,11,183.76		<b>Total</b>	<b>1,30,869.70</b>	<b>1,11,183.76</b>		<b>Total</b>			<b>1,30,869.70</b>
<b>Part B</b>									
3,405.36	III	Opening Cash balance including Permanent Advances & Cash Balance Investment	10,304.99	-	III	Opening Overdraft from Reserve Bank of India	-	-	-
--	IV	Miscellaneous Capital receipts	--	20,272.80	IV	Capital Outlay-	838.86	20,735.10	21,573.96
				1,002.05		General Services-	667.68	475.94	1,143.62
				4,795.47		Social Services-	38.93	5,148.21	5,187.14
				710.04		-Education, Sports, Art and Culture	3.07	328.09	331.16
				1,032.22		-Health and Family Welfare	9.65	932.74	942.39
				2,477.23		-Water Supply, Sanitation, Housing and Urban Development	24.03	3,527.38	3,551.41
				Nil		-Information and Broadcasting	Nil	Nil	Nil
				65.28		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	Nil	46.70	46.70
				394.83		-Social Welfare and Nutrition	00.22	239.87	240.09
				115.87		-Others	1.96	73.43	75.39
				14,475.28		<b>Economic Services-</b>	<b>132.26</b>	<b>15,110.94</b>	<b>15,243.20</b>
				(-)837.57		-Agriculture and Allied Activities	(-)525.84	398.46	(-)127.38
				2,732.28		-Rural Development	-	2,755.84	2,755.84
				1,192.80		-Special Areas Programmes	-	1,480.80	1,480.80
				2,549.88		-Irrigation and Flood Control	-	2,124.87	2,124.87

				4,099.52		-Energy	654.00	3,660.36	4,314.36
				7.79		-Industry and Minerals	5.06	(-) 1.49	3.57
				4,633.74		-Transport	(-) 00.96	4,652.16	4,651.20
				96.84		-General Economic Services	-	39.94	39.94
				Nil		Science Technology and Environment	Nil	Nil	Nil
485.17	V	<b>Recoveries of Loans and Advances</b>	133.17	968.22	V	<b>Loans and Advances disbursed-</b>	561.09	414.48	975.57
100.00		-From Power Projects	00.00	-		-For Power Projects	-	-	-
61.36		-From Govt. Servants	74.11	108.05		-To Government Servants	115.67	-	115.67
323.81		-From Others	59.06	860.17		-To Others	445.42	414.48	859.90
3,508.15	VI	<b>Revenue Surplus brought down</b>	6,984.53	-	VI	<b>Revenue Deficit brought down</b>	-	-	-
21,394.08	VII	<b>Public debt receipts-</b>	19,652.30	7,383.08	VII	<b>Repayment of Public debt-</b>	-	-	8,287.61
		-External debt		-		-External debt			
20,316.84		-Internal debt other than Ways and Means Advances and overdrafts	19,336.67	5,368.83		-Internal debt other than Ways and Means Advances and Overdrafts			6,973.02
713.88		- Net transactions under Ways and Means Advances	-	713.88		- Net transactions under Ways and Means Advances	-	-	-
-		- Net transactions under overdraft	-	-		- Net transactions under overdraft	-	-	-
363.36		-Loans and Advances from Central Government	315.63	1,300.37		-Repayment of Loans and Advances to Central Government	-	-	1,314.59
-	VIII	<b>Appropriation to Contingency Fund</b>	-	-	VIII	<b>Appropriation to Contingency Fund</b>	-	-	-
Nil	IX	<b>Amount transferred to Contingency Fund</b>	39.89	39.90	IX	<b>Expenditure from Contingency Fund</b>	-	-	309.64
1,27,649.22	X	<b>Public Account receipts</b>	1,38,449.36	1,17,472.99	X	<b>Public Account disbursements-</b>			1,30,970.76
9,857.02		-Small Savings & Provident Funds	9,539.26	4,986.05		-Small Savings & Provident Funds	-	-	5,908.99

8,576.84	-Reserve Funds	10,255.12	6,238.19	-Reserve Funds	-	-	4,767.87
75,906.97	-Suspense & Miscellaneous	89,398.38	75,149.69	-Suspense and Miscellaneous			88,790.15
17,747.96	-Remittance	18,705.74	17,381.23	-Remittances			1,8914.42
15,560.43	-Deposits & Advances	10,550.86	13,717.83	-Deposits and Advances			12,589.33
	<b>XI Closing Overdraft from RBI</b>	-	<b>10,304.99</b>	<b>XI Cash Balance at end-</b>			<b>13,446.70</b>
			#	-Cash in Treasuries and Local Remittances			#
			414.63	-Deposits with Reserve Bank	-	-	(-) 619.34
			12.55	-Departmental Cash Balance including permanent Advances			13.32
			9,877.81	-Cash Balance Investment Account			14,052.72
<b>1,56,441.98</b>	<b>Total</b>	<b>3,06,433.94</b>	<b>1,56,441.98</b>	<b>Total</b>			<b>3,06,433.94</b>

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

(₹ in crore)

Particulars	Budget Estimates	Revised Estimates	Actuals	Increase/Decrease (-)	Increase/Decrease(-) in per cent
1	2	3	4	5 (4-3)	6
<b>Revenue Receipts of which</b>	<b>1,31,428.70</b>	<b>1,37,622.09</b>	<b>1,30,869.70</b>	<b>-6,752.39</b>	<b>-4.91</b>
<b>Own Tax Revenue</b>	<b>50,334.19</b>	<b>50,866.44</b>	<b>52,613.43</b>	<b>1,746.99</b>	<b>3.43</b>
<i>Taxes on Sales, Trade etc.</i>	32,000.00	31,564.12	33,107.34	1,543.22	4.89
<i>State excise</i>	8,124.08	8,252.69	8,139.20	-113.49	-1.38
<i>Taxes on vehicles</i>	2,329.95	2,535.98	2,375.86	-160.12	-6.31
<i>Stamps and Registration fees</i>	6,993.99	7,629.50	7,694.41	64.91	0.85
<i>Taxes on Goods and Passenger</i>	-	-	4.81	4.81	100.00
<i>Land Revenue</i>	245.87	245.87	490.68	244.81	99.57
<i>Other taxes</i>	640.30	638.28	801.13	162.85	25.51
<b>Non Tax Revenue</b>	<b>12,111.56</b>	<b>13,559.81</b>	<b>10,145.30</b>	<b>-3,414.51</b>	<b>-25.18</b>
<i>Interest Receipts</i>	914.13	924.55	789.22	-135.33	-14.64
<i>Miscellaneous General Services</i>	4,216.01	4,522.75	4,035.23	-487.52	-10.78
<i>Non-ferrous Mining and Metallurgical Industries</i>	900.00	900.00	593.28	-306.72	-34.08
<i>Other Non-Tax Revenue</i>	6,081.42	7,212.51	4,727.57	-2,484.94	-34.45
<b>Share of Union Taxes and Duties</b>	<b>48,275.18</b>	<b>51,919.54</b>	<b>50,350.95</b>	<b>-1,568.59</b>	<b>-3.02</b>
<b>Grants-in-aid from GOI</b>	<b>20,707.77</b>	<b>21,276.30</b>	<b>17,760.02</b>	<b>-3,516.28</b>	<b>-16.53</b>
<b>Revenue Expenditure of which</b>	<b>1,25,793.66</b>	<b>1,29,645.54</b>	<b>1,23,885.17</b>	<b>-5,760.37</b>	<b>-4.44</b>
<b>General Services</b>	<b>52,545.87</b>	<b>52,787.37</b>	<b>52,946.91</b>	<b>159.54</b>	<b>0.30</b>
<i>Administrative services</i>	10,460.67	10,862.95	10,390.68	-472.27	-4.35
<i>Pension and Miscellaneous General Services</i>	13,787.84	13,782.87	14,157.32	374.45	2.72
<i>Interest Payments &amp; Servicing of Debt</i>	23,768.56	23,513.77	24,107.57	593.80	2.53
<i>Fiscal Services</i>	2,832.77	2,866.72	2,815.72	-51	-1.78
<i>Organs of State</i>	1,696.03	1,761.06	1,475.62	-285.44	-16.21
<b>Social Services</b>	<b>49,091.76</b>	<b>51,259.27</b>	<b>47,390.94</b>	<b>-3,868.33</b>	<b>-7.55</b>
<i>Education, Sports, Art and Culture</i>	27,221.01	27,843.87	25,975.04	-1,868.83	-6.71
<i>Social Welfare and Nutrition</i>	9,497.51	10,885.86	9,779.27	-1,106.59	-10.17
<i>Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes</i>	3,154.75	3,175.49	3,382.44	206.95	6.52
<i>Health and Family Welfare</i>	6,042.93	6,060.76	5,770.08	-290.68	-4.80
<i>Water Supply, Sanitation, Housing</i>	2,482.97	2,415.63	1,895.04	-520.59	-21.55



<i>and Urban Development</i>					
<i>Information and Broadcasting</i>	145.36	145.36	84.51	-60.85	-41.86
<i>Labour and Labour Welfare</i>	471.20	655.24	441.88	-213.36	-32.56
<i>Others</i>	76.03	77.06	62.68	-14.38	-18.66
<b>Economic Services</b>	<b>18,847.78</b>	<b>20,290.65</b>	<b>18,292.21</b>	-1,998.44	-9.85
<i>Agriculture and Allied Services</i>	4,003.05	4,501.15	3,651.55	-849.60	-18.87
<i>Rural Development</i>	4,063.27	4,814.57	4,529.51	-285.06	-5.92
<i>Special Area Programme</i>	316.46	113.38	60.96	-52.42	-46.23
<i>Irrigation &amp; Flood Control</i>	4,801.14	4,801.14	4,009.32	-791.82	-16.49
<i>Energy</i>	3,019.42	3,521.22	3,535.54	14.32	0.41
<i>Industry &amp; Minerals</i>	510.91	406.20	319.72	-86.48	-21.29
<i>Transport</i>	1,843.89	1,841.27	1,943.87	102.60	5.57
<i>Science, Technology and Environment</i>	34.24	34.74	30.66	-4.08	-11.74
<i>General Economic Services</i>	255.40	256.98	211.08	-45.9	-17.86
<b>Grants-in-aid and Contributions</b>	<b>5,308.25</b>	<b>5,308.25</b>	<b>5,255.10</b>	-53.15	-1.00
<b>Capital expenditure of which</b>	<b>24,343.18</b>	<b>25,959.72</b>	<b>21,573.96</b>	-4,385.76	-16.89
<b>General Services</b>	<b>1,566.82</b>	<b>1,864.88</b>	<b>1,143.62</b>	-721.26	-38.68
<b>Social Services</b>	<b>6,078.94</b>	<b>6,835.25</b>	<b>5,187.14</b>	-1,648.11	-24.11
<i>Education, Sports, Art and Culture</i>	600.74	662.82	331.16	-331.66	-50.04
<i>Health and Family Welfare</i>	1,205.87	1,262.87	942.39	-320.48	-25.38
<i>Water Supply, Sanitation, Housing and Urban Development</i>	3,450.97	4,144.47	3,551.41	-593.06	-14.31
<i>Welfare of Scheduled Caste, Scheduled Tribe and Other Backward Classes</i>	148.11	148.11	46.70	-101.41	-68.47
<i>Social Welfare &amp; Nutrition</i>	586.88	527.61	240.09	-287.52	-54.49
<i>Other Social Services</i>	86.37	89.37	75.39	-13.98	-15.64
<b>Economic Services</b>	<b>16,697.42</b>	<b>17,259.59</b>	<b>15,243.20</b>	<b>-2,016.39</b>	<b>-11.68</b>
<i>Agriculture and Allied Services</i>	38.70	110.46	(-) 127.38	-237.84	215.32
<i>Rural Development</i>	2,069.30	2,948.53	2,755.84	-192.69	-6.54
<i>Special Area programme</i>	1,980.11	1,995.57	1,480.80	-514.77	-25.80
<i>Irrigation &amp; Flood Control</i>	3,551.34	2,944.19	2,124.87	-819.32	-27.83
<i>Energy</i>	4,107.00	3,737.00	4,314.36	577.36	15.45
<i>Industries and Minerals</i>	8.00	8.00	3.57	-4.43	-55.38
<i>Transport</i>	4,876.87	5,449.74	4,651.20	-798.54	-14.65
<i>Science, Technology and Environment</i>	-	-	-	0	0.00
<i>General Economic Services</i>	66.10	66.10	39.94	-26.16	-39.58
<b>Revenue surplus (+) / deficits (-)</b>	<b>(+) 5,635</b>	<b>(+) 7,977</b>	<b>+ 6,984</b>	<b>- 993</b>	<b>- 12.45</b>
<b>Fiscal Deficits (-)</b>	<b>(-) 18,960</b>	<b>(-) 18,686</b>	<b>- 15,433</b>	<b>3,253</b>	<b>17.41</b>
<b>Primary surplus (+) / deficits (-)</b>	<b>(-) 3,977</b>	<b>(-) 3,772</b>	<b>(+) 48</b>	<b>3,820</b>	<b>101.27</b>

## Time series data on the State Government Finances

(Reference: Paragraph 1.6.1; Page 12)

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Part A. Receipts</b>					
<b>1. Revenue Receipts</b>	<b>68,672</b>	<b>77,831</b>	<b>96,421</b>	<b>1,11,184</b>	<b>130,869</b>
<b>(i) Own Tax Revenue</b>	24,959(36)	28,659 (37)	33,878(35)	41,110(37)	52,613 (40)
Taxes on Sales, Trade, etc.	15,023(60)	17,482 (61)	20,825 (62)	24,837(60)	33,107 (63)
State Excise	3,948(16)	4,720 (17)	5,666 (17)	6,723(16)	8,139 (15)
Taxes on Vehicles	1,146(05)	1,125 (4)	1,404 (4)	1,817(4)	2,376 (4)
Stamps and Registration fees	3,977(16)	4,138 (14)	4,562 (13)	5,975(15)	7,694 (15)
Land Revenue	393(2)	549 (2)	663 (2)	1,134(3)	491 (1)
Taxes on Goods and Passengers	110	266(1)	271 (1)	242(1)	5 (0)
Other Taxes	362(1)	379 (1)	487 (1)	382(1)	801 (2)
<b>(ii) Non Tax Revenue</b>	5,816(08)	6,767 (8)	13,601(14)	11,176(10)	10,145 (8)
<b>(iii) State's share of Union taxes and duties</b>	29,288(43)	30,906 (40)	31,797 (33)	43,464(39)	50,351 (38)
<b>(iv) Grants in aid from GoI</b>	8,609(13)	11,499 (15)	17,146 (18)	15,434(14)	17,760 (14)
<b>2. Miscellaneous Capital Receipts</b>	-	-	-	-	-
<b>3. Recoveries of Loans and Advances</b>	<b>449</b>	<b>778</b>	<b>293</b>	<b>485</b>	<b>133</b>
<b>4. Total Revenue and Non debt Capital Receipts (1+2+3)</b>	<b>69,121</b>	<b>78,609</b>	<b>96,714</b>	<b>1,11,669</b>	<b>1,31,002</b>
<b>5. Public Debt Receipts</b>	<b>9,079</b>	<b>16,760</b>	<b>22,489</b>	<b>21,394</b>	<b>19,652</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	8,710(96)	16,339 (97)	22,206 (99)	20,317 (95)	19,336 (98)
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	714(3)	-
Loans and Advances from GoI	369(04)	421 (3)	283 (1)	363(2)	316 (2)
<b>6. Total Receipts in the Consolidated Fund(4+5)</b>	<b>78,200</b>	<b>95,369</b>	<b>1,19,203</b>	<b>1,33,063</b>	<b>15,0654</b>
<b>7. Contingency Fund Receipts</b>	<b>604</b>	<b>171</b>	<b>83</b>	<b>Nil</b>	<b>40</b>
<b>8. Public Account Receipts</b>	<b>77,870</b>	<b>1,04,252</b>	<b>99,908</b>	<b>1,27,649</b>	<b>1,38,449</b>
<b>9. Total Receipts of the State (6+7+8)</b>	<b>1,56,674</b>	<b>1,99,792</b>	<b>2,19,194</b>	<b>2,60,712</b>	<b>2,89,143</b>
<b>Part B. Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>65,223(79)</b>	<b>75,969 (77)</b>	<b>89,374 (77)</b>	<b>1,07,676(83)</b>	<b>1,23,885 (84)</b>
Plan	11,744(18)	17,291 (23)	15,701(18)	21,040(20)	22,616 (18)
Non Plan	53,479(82)	58,678 (77)	73,673 (82)	86,636(80)	1,01,269 (82)
General Services (including interest payments)	26,551(41)	29,769 (39)	40,641(45)	48,019(45)	52,947 (43)
Social Services	23,086(35)	28,546 (37)	32,064 (36)	39,567(37)	47,391 (38)
Economic Services	12,037(18)	14,150 (19)	13,308 (15)	15,725(15)	18,292 (15)
Grants-in-aid and contributions	3,549(6)	3,504 (5)	3,360 (4)	4,365(4)	5,255 (4)
<b>11. Capital Expenditure</b>	<b>16,950 (20)</b>	<b>22,346 (22)</b>	<b>25,091 (22)</b>	<b>20,273(16)</b>	<b>21,574 (15)</b>
Plan	13,720(81)	18,088 (81)	19,224 (77)	19,581(97)	20,735 (96)
Non Plan	3,230(19)	4,258 (19)	5,867 (23)	692(3)	839 (4)

	2007-08	2008-09	2009-10	2010-11	2011-12
General Services	575(3)	841 (4)	611 (2)	1,002(5)	1,144 (5)
Social Services	2,113(13)	2,946 (13)	4,702 (19)	4,796(24)	5,187 (24)
Economic Services	14,262(84)	18,559 (83)	19,778 (79)	14,475(71)	15,243 (71)
<b>12. Disbursement of Loans and Advances</b>	<b>742(1)</b>	<b>807 (1)</b>	<b>942 (1)</b>	<b>968(1)</b>	<b>976(1)</b>
<b>13. Total (10+11+12)</b>	<b>82,915</b>	<b>99,122</b>	<b>1,15,407</b>	<b>1,28,917</b>	<b>14,6435</b>
<b>14. Repayments of Public Debt</b>	<b>5,369</b>	<b>6,776</b>	<b>7,669</b>	<b>7,383</b>	<b>8,288</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	4,179(78)	5,577(82)	6,469 (84)	5,369(73)	6,973 (84)
Net transactions under Ways and Means Advances and Overdraft	-	-	-	714(10)	-
Loans and Advances from Government of India	1,190(22)	1,199 (18)	1,200 (16)	1,300(17)	1,315 (16)
<b>15. Appropriation to Contingency Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>16. Total disbursement out of Consolidated Fund(Total Expenditure)(13+14+15)</b>	<b>88,284</b>	<b>1,05,898</b>	<b>1,23,076</b>	<b>1,36,300</b>	<b>1,54,723</b>
<b>17. Contingency Fund disbursements</b>	<b>117</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>310</b>
<b>18. Public Account disbursements</b>	<b>68,560</b>	<b>1,00,027</b>	<b>1,01,780</b>	<b>1,17,473</b>	<b>1,30,971</b>
<b>19. Total disbursement by the State (16+17+18)</b>	<b>1,56,961</b>	<b>2,05,925</b>	<b>2,24,856</b>	<b>2,53,813</b>	<b>2,86,004</b>
<b>PART C. DEFICITS</b>					
<b>20. Revenue Deficit(-)/Revenue Surplus(+) (1-10)</b>	<b>(+)3,449</b>	<b>(+)1,862</b>	<b>(+) 7,047</b>	<b>(+)3,508</b>	<b>(+)6,984</b>
<b>21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)</b>	<b>(-)13,794</b>	<b>(-)20,513</b>	<b>(-)18,693</b>	<b>(-)17,248</b>	<b>(-) 15,433</b>
<b>22. Primary Deficit (21+23)</b>	<b>(-)2,974</b>	<b>(-)9,138</b>	<b>(-) 6,705</b>	<b>(-)3,032</b>	<b>(+) 48</b>
<b>PART D. OTHER DATA</b>					
<b>23. Interest Payments (included in revenue expenditure)</b>	<b>10,820</b>	<b>11,375</b>	<b>11,988</b>	<b>14,216</b>	<b>15,481</b>
<b>24. Financial Assistance to local bodies, etc.</b>	<b>15,360</b>	<b>15,822</b>	<b>18,120</b>	<b>30,683</b>	<b>39,214</b>
<b>25. Ways and Means Advances/Overdraft availed (days)</b>					-
Ways and Means Advances availed (days)	-	-	-	4	-
Overdraft availed (days)	-	-	-	4	-
<b>26. Interest on Ways and Means Advances/Overdraft</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>27 Gross State Domestic Product (GSDP)<sup>3</sup></b>	<b>3,57,557<sup>3</sup></b>	<b>4,12,151<sup>4</sup></b>	<b>4,91,302<sup>5</sup></b>	<b>5,88,467<sup>6</sup></b>	<b>6,87,836<sup>7</sup></b>
<b>28 Outstanding Fiscal liabilities(year end)</b>	<b>1,74,248</b>	<b>1,87,411</b>	<b>2,01,720</b>	<b>2,24,785</b>	<b>2,43,229</b>
<b>29. Outstanding guarantees (year end) (including interest)</b>	<b>12,736</b>	<b>16,084</b>	<b>20,038</b>	<b>20,162</b>	<b>21,752</b>
<b>30. Maximum amount guaranteed (year end)</b>	<b>18,144</b>	<b>27,892</b>	<b>29,311</b>	<b>29,778</b>	<b>29,629</b>
<b>31. Number of incomplete projects</b>	<b>53</b>	<b>98</b>	<b>126</b>	<b>119</b>	<b>183</b>

<sup>3</sup> Figure of GSDP for 2007-08 is provisional.

<sup>4</sup> Figures of GSDP for 2008-09 is quick.

<sup>5</sup> Figures of GSDP for 2009-10 is advance.

<sup>6</sup> Figures of GSDP for 2010-11 is quick.

<sup>7</sup> Figures of GSDP for 2011-12 is received Advance Estimates.

	2007-08	2008-09	2009-10	2010-11	2011-12
<b>32. Capital blocked in incomplete projects</b>	<b>5,863</b>	<b>4,598</b>	<b>880.85</b>	<b>2,735</b>	<b>2453</b>
<b>Part E. Fiscal Health Indicators</b>					
<b>I Resource Mobilisation</b>					
Own Tax revenue/GSDP	6.98	6.95	6.90	6.99	7.65
Own Non-Tax Revenue/GSDP	1.63	1.64	2.77	1.90	1.47
Central Transfers/GSDP	8.19	7.50	6.47	7.39	7.32
<b>II Expenditure Management</b>					
Total Expenditure/GSDP	23.19	24.05	23.49	21.91	21.29
Total Expenditure/Revenue Receipts	120.74	127.36	119.69	115.95	111.89
Revenue Expenditure/Total Expenditure	78.66	76.64	77.44	83.52	84.60
Expenditure on Social Services/Total Expenditure	30	32	32	34	36
Expenditure on Economic Services/Total Expenditure	32	33	29	23	23
Capital Expenditure/Total Expenditure	20	23	22	16	15
Capital Expenditure on Social and Economic Services/Total Expenditure.	20	22	21	15	14
<b>III Management of Fiscal Imbalances</b>					
Revenue deficit (surplus)/GSDP	-	-	-	-	-
Fiscal deficit/GSDP	(-)3.86	(-)4.98	(-)3.80	(-)2.93	(-) 2.24
Primary Deficit (surplus) /GSDP	(-)0.83	(-)2.22	(-)1.36	(-)0.52	(+) 0.007
Revenue Deficit/Fiscal Deficit	--	--	--	--	--
Primary Revenue Balance/GSDP	(-) 2.06	(-) 2.31	(-) 1.01	(-)1.82	(-) 1.24
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	49	45	41	38	35
Fiscal Liabilities/RR	254	241	209	202	186
Primary deficit vis-à-vis quantum spread	(+)4,664	(+)8,426	(+)17,733	(+)23,413	(+) 23134
Debt Redemption (Principal +Interest)/ Total Debt Receipts	97	96	96	84	94
<b>V Other Fiscal Health Indicators</b>					
Return on Investment (₹ in crore)	1.05	1.26	0.84	26.81	38.17
Balance from Current Revenue(₹ in crore)	12,536	13,960	14,422	19,530	24864
Financial Assets/Liabilities	0.63	0.66	0.72	0.77	0.81

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

@ GSDP figures communicated by the Government adopted.

## 1.6

## Own Tax Revenue and Non Tax Revenue for the year 2007-12

(Reference: Paragraph 1.6.2; Page 14)

(₹ in crore)

<b>(A) Own Tax Revenue for the year 2007-12</b>						
Heads	2007-08	2008-09	2009-10	2010-11	2011-12	
					Revised Estimate	Actuals
Taxes on sales, Trade etc.	15,023	17,482	20,825	24,837	31,564	33,107
State Excise	3,948	4,720	5,666	6,723	8,253	8,139
Taxes on Vehicles	1,146	1,125	1,404	1,817	2,536	2,376
Stamp and Registration Fees	3,977	4,138	4,562	5,975	7,629	7,694
Land Revenue	393	549	663	1,134	246	491
Taxes on goods and passenger	110	266	271	242	-	5
Other taxes	362	379	487	382	638	801
<b>Total</b>	<b>24,959</b>	<b>28,659</b>	<b>33,878</b>	<b>41,110</b>	<b>50,866</b>	<b>52,613</b>

(Source: - Finance Accounts and budget document.)

(₹ in crore)

<b>(B) Non Tax Revenue for the year 2007-12</b>						
Heads	2007-08	2008-09	2009-10	2010-11	2011-12	
					Revised Estimate	Actuals
Interest Receipts, Dividend and Profits	1,258	1,013	631	716	924	827
General Services	1,511	2,120	8,482	5,807	4,523	4,907
Social Services	1,451	1,829	2,622	3,019	5,245	2,662
Economic Services	1,596	1,805	1,866	1,634	2,868	1,749
<b>Total</b>	<b>5,816</b>	<b>6,767</b>	<b>13,601</b>	<b>11,176</b>	<b>13,560</b>	<b>10,145</b>

(Source: - Finance Accounts and budget document.)

## 1.7 Details of PRI units remaining unaudited

(Reference: Paragraph 1.7.5; Page 29)

Name of the PRIs	Units to be audited		Audited		Arrear ( <i>per cent</i> )	
	Proposed for current year	Arrear of previous years	Against current	Against arrear	Against current	Against arrear
<b>2009-10</b>						
ZPs	70	173	29	58	41(59)	115 (66)
KPs	810	6,113	73	291	737 (91)	5,822 (95)
GPs	51,977	2,27,641	23,988	28,670	27,989 (54)	1,98,971
<b>2010-11</b>						
ZPs	70	156	30	36	40 (57)	120 (77)
KPs	809	6,559	58	194	751 (93)	6,365 (97)
GPs	51,944	2,26,960	19,820	15,485	32,124 (62)	2,11,475 (93)
<b>2011-12</b>						
ZPs	71	160	30	33	41 (58)	127 (79)
KPs	819	7,116	115	402	704 (86)	6,714 (94)
GPs	51,257	2,43,599	24,929	19,578	26,328 (51)	2,24,021 (92)

**Details of Outstanding Audit Paras***(Reference: Paragraph 1.7.5; Page 29)*

(₹ in lakh)

Year	Opening Balance of Paras		Para added during the year		Para settled during the year		Outstanding para	
	No.	Value	No.	Value	No.	Value	No.	Value
2005-06 to 2007-08	No. of para and value upto 2007-08				-	-	8146	28,128.92
2008-09	8146	28,128.92	1779	22,615.28	-	-	9925	50,744.20
2009-10	9925	50,744.20	2771	38,679.91	-	-	12696	89,424.11
2010-11	12696	89,424.11	1308	16,219.90	-	-	14004	1,05,644.01
2011-12	14004	1,05,644.01	2033	24,237.45	-	-	16037	1,29,881.46

(Source: Objection Book of Editing-I)

## Summarised Financial Position of the Government as on 31 March 2012

(Reference: Paragraph 1.10.1; Page 37)

(₹ in crore)

As on 31.03.2011	Liabilities		As on 31.03.2012
<b>1,28,024.97</b>	<b>Internal Debt -</b>		<b>140388.62</b>
65,003.77	Market Loans bearing interest	77,837.61	
2.86	Market Loans not bearing interest	3.21	
24.55	Loans from Life Insurance Corporation of India	18.91	
63,024.48	Loans from other Institutions	62,559.58	
(-)30.69	Ways and Means Advances	-30.69	
Nil	Overdrafts from Reserve Bank of India	-	
<b>18509.83</b>	<b>Loans and Advances from Central Government -</b>		<b>17510.87</b>
9.96	Pre 1984-85 Loans	9.96	
108.88	Non-Plan Loans	101.29	
18,170.44	Loans for State Plan Schemes	17,201.43	
0.84	Loans for Central Plan Schemes	0.80	
218.28	Loans for Centrally Sponsored Plan Schemes	195.96	
1.43	Ways and Means Advances	1.43	
<b>600.00</b>	<b>Contingency Fund (Corpus)</b>	-	<b>600.00</b>
<b>34,099.98</b>	<b>Small Savings, Provident Funds, etc.</b>	-	<b>37,730.24</b>
<b>18,054.02</b>	<b>Deposits</b>	-	<b>16,015.72</b>
<b>26,096.44</b>	<b>Reserve Funds</b>	-	<b>31,583.69</b>
<b>642.25</b>	<b>Remittance Balances</b>	-	<b>433.57</b>
<b>2,26,027.49</b>	<b>Total</b>		<b>2,44,262.71</b>
<b>Assets</b>			
<b>1,56,865.38</b>	<b>Gross Capital Outlay on Fixed Assets -</b>	-	<b>1,78,439.34</b>
38,272.54	Investments in shares of Companies, Corporations, etc.	42,607.07	
1,18,592.84	Other Capital Outlay	1,35,832.27	
<b>39.90</b>	<b>Contingency Fund (unrecouped)</b>	-	<b>309.64</b>
<b>10,145.58</b>	<b>Loans and Advances -</b>	-	<b>10,987.99</b>
2,681.49	Loans for Power Projects	2,681.49	
7,333.30	Other Development Loans	8,134.14	
130.79	Loans to Government servants and Miscellaneous loans	172.36	
<b>45.20</b>	<b>Reserve Fund Investments</b>	-	<b>45.20</b>
<b>8.94</b>	<b>Advances</b>	-	<b>9.11</b>
<b>(-)3,946.99</b>	<b>Suspense and Miscellaneous Balances</b>	-	<b>(-) 4,555.23</b>
<b>10,304.99</b>	<b>Cash -</b>	-	<b>13,446.70</b>
-	Cash in Treasuries and Local Remittances		
414.63	Deposits with Reserve Bank	-619.34	
12.13	Departmental Cash Balance	12.90	
0.42	Permanent Advances	00.42	
9877.81	Cash Balance Investments	14,052.72	
<b>52,564.49</b>	<b>Deficit on Government Account -</b>	-	<b>45,579.96</b>
56,072.64	(i)Accumulated deficit at the beginning of the year	52,564.49	
3,508.15	(ii)Less: Revenue Surplus of the current year	6,984.53	
<b>2,26,027.49</b>	<b>Total</b>		<b>2,44,262.71</b>

### Explanatory Notes for Appendices 1.3 and 1.9

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 1.9*, 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 ₹ 220.51 crore (Net debit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank".



## 2.1

**Statement of Grants/Appropriations where savings was more than ₹ 10 crore in each Grant/Appropriation or more than 20 per cent of the total provision**  
(Reference: Paragraph 2.3.1; Page 50)

Sl. No.	Grant No.	Name Of The Grant/Department	Total (₹ in crore)	Savings (₹ in crore)	Percentage
<b>Revenue-Voted</b>					
1.	1	Excise Department	115.74	15.09	13
2.	2	Housing Department	159.54	56.16	35
3.	7	Industries Department (Heavy and Medium Industries)	233.00	201.77	87
4.	10	Agriculture and Other Allied Department (Horticulture and Sericulture Development)	152.77	11.75	8
5.	11	Agriculture and Other Allied Department (Agriculture)	2,787.08	766.36	28
6.	12	Agriculture and Other Allied Department (Land Development and Water Resources)	447.97	234.47	52
7.	13	Agriculture and Other Allied Department (Rural Development)	2,197.87	134.32	6
8.	14	Agriculture and Other Allied Department (Panchayati Raj)	2,732.44	211.62	8
9.	15	Agriculture and Other Allied Department (Animal Husbandry)	435.36	34.21	8
10.	17	Agriculture and Other Allied Department (Fisheries)	59.18	11.10	19
11.	18	Agriculture and Other Allied Department (Co-operative)	423.18	18.95	4
12.	23	Cane Development Department. (Cane)	147.88	36.76	25
13.	26	Home Department (Police)	7,330.43	54.74	1
14.	28	Home Department (Political Pension and Other Expenditure)	110.53	21.19	19
15.	31	Medical Department (Medical Education and Training)	958.61	10.91	1
16.	32	Medical Department (Allopath)	2,551.85	145.70	6
17.	33	Medical Department (Ayurved and Unani)	382.43	17.97	5
18.	35	Medical Department (Family Welfare)	1,433.47	34.80	2
19.	36	Medical Department (Public Health)	398.13	52.60	13
20.	37	Urban Development Department	1,116.01	625.51	56
21.	40	Planning Department	487.34	365.46	75
22.	42	Judicial Department	1,223.73	172.36	14
23.	44	Tourism Department	20.75	4.77	23
24.	45	Environment Department	6.47	3.08	48
25.	46	Administrative Reforms Department	8.27	1.68	20
26.	47	Technical Education Department	351.09	34.95	10

27.	48	Muslim Waqf Department	689.66	13.69	2
28.	49	Women and Child Welfare Department.	4,016.17	636.10	16
29.	50	Revenue Department (District Administration)	473.19	32.62	7
30.	51	Revenue Department (Relief on Account of Natural Calamities)	2,145.01	397.38	19
31.	52	Revenue Department (Board of Revenue and Other Expenditures)	1,710.52	69.90	4
32.	54	Public Works Department (Establishment)	1,219.35	238.54	20
33.	61	Finance Department (Debt Services and Other Expenditure)	5,817.10	59.73	1
34.	63	Finance Department (Treasury and Accounts Administration)	159.30	36.54	23
35.	68	Legislative Assembly Secretariat	76.44	10.49	14
36.	71	Education Department (Primary Education)	19,678.40	888.00	5
37.	72	Education Department (Secondary Education)	7,239.71	582.87	8
38.	73	Education Department (Higher Education)	2,115.20	745.76	35
39.	75	Education Department (State Council of Education Research & Training)	103.97	35.90	35
40.	76	Labour Department (Labour Welfare)	538.01	356.82	66
41.	78	Secretariat Administration Department	434.33	77.54	18
42.	80	Social Welfare Department (Social welfare and Welfare of Scheduled Castes)	3,455.81	130.06	4
43.	81	Social Welfare Department (Tribal Welfare)	69.94	33.64	48
44.	83	Social Welfare Department (Special Component Plan For Scheduled Castes)	6,740.80	792.46	12
45.	84	General Administration Department	196.59	46.26	24
46.	86	Information Department	144.81	61.14	42
47.	94	Irrigation Department (Works)	2,095.85	504.35	24
48.	95	Irrigation Department (Establishment)	2,014.26	18.03	1
49.	19	Personal Department (Training and Other Expenditure)	8.33	3.49	42
<b>Total</b>			<b>87,413.87</b>	<b>9,049.59</b>	<b>--</b>
<b>Revenue-Charged</b>					
1.	1	Excise Department	0.20	0.20	100
2.	3	Industries Department (Small and Export Promotion)	0.04	0.02	50
3.	11	Agriculture and Other Allied Department (Agriculture)	0.15	0.06	40
4.	15	Agriculture and Other Allied Department (Animal Husbandry)	0.14	0.03	21
5.	25	Home Department (Jails)	0.10	0.10	100
6.	26	Home Department (Police)	0.75	0.40	53
7.	32	Medical Department (Allopathy)	0.20	0.09	45
8.	35	Medical Department (Family Welfare)	0.15	0.04	27
9.	36	Medical Department (Public Health)	0.01	0.01	100

10.	42	Judicial Department	237.94	65.73	28
11.	54	Public Works Department (Establishment)	0.04	0.03	75
12.	58	Public Works Department (Communication-Roads)	0.05	0.05	100
13.	67	Legislative Council Secretariat	0.54	0.26	48
14.	68	Legislative Assembly Secretariat	0.72	0.27	38
15.	72	Education Department (Secondary Education)	0.03	0.02	67
16.	73	Education Department(Higher Education)	0.01	0.01	100
17.	95	Irrigation Department (Establishment)	0.50	0.47	94
<b>Total</b>			<b>241.57</b>	<b>67.79</b>	<b>--</b>
<b>Capital-Voted</b>					
1.	2	Housing Department	1,138.64	195.03	17
2.	3	Industries Department (Small and Export Promotion)	2.16	1.16	54
3.	4	Industries Department (Mines and Minerals)	7.00	1.94	28
4.	7	Industries Department (Heavy and Medium Industries)	156.12	50.91	33
5.	9	Power Department	4,149.00	114.64	3
6.	11	Agriculture and Other Allied Department (Agriculture)	749.81	100.86	13
7.	13	Agriculture and Other Allied Department (Rural Development)	1,463.99	191.83	13
8.	14	Agriculture and Other Allied Department (Panchayati Raj)	593.42	24.13	4
9.	15	Agriculture and Other Allied Deptt. (Animal Husbandry)	20.50	7.88	38
10.	19	Personal Department (Training and Other Expenditure)	5.84	5.84	100
11.	21	Food Department	8,774.34	1811.79	21
12.	25	Home Department (Jails)	392.60	188.10	48
13.	26	Home Department (Police)	874.56	488.36	56
14.	27	Home Department (Civil Defence)	15.12	11.12	74
15.	28	Home Department (Political Pension & Other Expenditure)	0.30	0.30	100
16.	31	Medical Department (Medical Education and Training)	541.91	29.21	5
17.	32	Medical Department (Allopathy)	491.57	147.14	30
18.	34	Medical Department (Homeopathy)	1.81	0.42	23
19.	37	Urban Development Department	2,292.00	261.76	11
20.	38	Civil Aviation Department	76.40	35.00	46
21.	40	Planning Department	1,407.42	659.52	47
22.	42	Judicial Department	260.78	78.43	30
23.	44	Tourism Department	66.69	24.65	37
24.	46	Administrative Reforms Department	7.50	7.50	100
25.	47	Technical Department	202.95	53.48	26
26.	48	Muslim Waqf Department	524.81	373.36	71

27.	49	Women and Child Welfare Department	3.00	2.25	75
28.	51	Revenue Department (Relief on Account of Natural Calamities)	10.00	4.21	42
29.	53	National Integration Department	0.01	0.01	100
30.	56	Public Works Department (Special Area Programme)	220.00	111.32	51
31.	57	Public Works Department (Communication- Bridges)	1,419.33	310.23	22
32.	61	Finance Department (Debt Services and Other Expenditure)	519.00	401.78	77
33.	62	Finance Department (Superannuation Allowance & Pension)	150.00	74.83	50
34.	63	Finance Department (Treasury and Accounts Administration)	15.10	6.43	43
35.	65	Finance Department (Audit, Small Savings etc)	0.04	0.02	50
36.	67	Legislative Council Secretariat	0.14	0.14	100
37.	72	Education Department (Secondary Education)	161.82	127.86	79
38.	73	Education Department (Higher Education)	71.50	19.28	27
39.	75	Education Department (State Council of Education Research and Training)	0.10	0.10	100
40.	79	Social Welfare Department (Welfare of the Handicapped and Backward Caste)	97.58	13.82	14
41.	81	Social Welfare Department (Tribal Welfare)	39.68	31.55	80
42.	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	4,872.19	415.46	9
43.	87	Soldiers Welfare Department	1.03	0.27	26
44.	91	Institutional Finance Department (Stamp & Registration)	3.48	0.96	28
45.	92	Culture Department	33.35	30.28	91
46.	94	Irrigation Department (Works)	3,317.97	734.86	22
<b>Total</b>			<b>35,152.56</b>	<b>7,150.02</b>	<b>--</b>
<b>Capital-Charged</b>					
1.	9	Power Department	49.48	49.48	100
2.	21	Food Department	1,200.04	110.04	9
3.	42	Judicial Department	18.08	13.56	75
4.	52	Revenue Department (Board of Revenue & Other Expenditure)	0.11	0.11	100
5.	58	Public Work Department (Communication-Road)	5.50	2.09	38
6.	61	Finance Department (Debt Services and Other Expenditure)	17,209.86	9,999.25	58
7.	94	Irrigation Department (Works)	30.00	24.72	82
<b>Total</b>			<b>18,513.07</b>	<b>10,199.25</b>	<b>--</b>
<b>Grand Total</b>			<b>1,41,321.07</b>	<b>26,466.65</b>	

## 2.2

Statement of Grants/Appropriations where expenditure was more than ₹ Ten crore in each Grant/Appropriation or more than 20 per cent of the total provision  
(Reference: Paragraph 2.3.3; Page 52)

Sl. No.	Grant No.	Name of the Grant/Department	Total Grant (₹ in crore)	Total Expenditure (₹ in crore)	Percentage of Excess Expenditure
<b>Revenue-Voted</b>					
1	58	Public Works Department (Communication-Roads)	1,704.95	1,811.72	6
2	62	Finance Department (Superannuation Allowance and Pension)	10,634.41	11,089.87	4
<b>Total</b>			<b>12,339.36</b>	<b>12,901.59</b>	<b>--</b>
<b>Revenue-Charged</b>					
1	23	Cane Development Department (Cane)	0.02	0.05	150
2	61	Finance Department (Debt Services and Other Expenditure)	23,462.69	23,790.98	1
3	62	Finance Department ( Superannuation Allowance and Pension)	16.52	28.15	70
<b>Total</b>			<b>23,479.23</b>	<b>23,819.18</b>	<b>--</b>
<b>Capital-Voted</b>					
1	55	Public Works Department (Buildings)	50.93	105.47	107
2	58	Public Work Department (Communication-Roads)	3,393.67	4,462.04	31
<b>Total</b>			<b>3,444.6</b>	<b>4,567.51</b>	<b>--</b>
<b>Grand Total</b>			<b>39,263.19</b>	<b>41,288.28</b>	<b>--</b>

## 2.3

### Excess over provision of previous years requiring regularisation

(Reference: Paragraph 2.3.4; Page 53)

Year	Number of Grants/ Appropriations	Number of Grant / Appropriations	Amounts of excess (₹ in crore)
2005-06	25- Grants	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	1,026.78
	4-Appropriations	Revenue- Charged 1, 52 Capital- Charged 52, 55	
2006-07	18- Grants	Revenue- Voted 9, 13, 55, 58, 61, 62, 73, 91, 95 Capital- Voted 3, 16, 31, 37, 55, , 57, 58, 89, 96,	2,484.47
	6-Appropriations	Revenue- Charged 2, 3, 10, 52, 62, 89	
2007-08	12- Grants	Revenue –voted 51,55,57,58,62 Capital voted 13,16,55,58,63,83,96	3,610.65
	2-Appropriations	Revenue charged 51,66	
2008-09	5-Grants	Revenue Voted 62,96 Capital voted- 55,58,96	3,399.42
	1-Appropriation	Revenue Charged- 52	
2009-10	6-Grants	Revenue Voted- 58 Capital voted- 1,16, 55, 58, 59	1,250.16
	4-Appropriations	Revenue Charged- 3, 10, 16, 48, 52, 66	
2010-11	6-Grants	Revenue Voted – 30, 51, 91 Capital voted – 10, 55, 58	1,702.62
	4- Appropriations	Revenue Charged –10, 23, 61, 82	
<b>Total</b>			<b>13,474.10</b>

## 2.4 Cases where supplementary provision (₹ 50 lakh or more in each case) proved unnecessary (Reference: Paragraph 2.3.6; Page 54)

(₹ in crore)

Sl. No.	Grant No.	Name of The Grant/Department	Original Provision	Actual Expenditure	Supplementary Provision	Savings out of Original Provision
<b>Revenue-Voted</b>						
1.	3	Industries Department (Small and Export Promotion)	110.37	103.52	0.95	6.85
2.	10	Agriculture and Other Allied Department (Horticulture and Sericulture Development)	147.34	141.02	5.43	6.32
3.	11	Agriculture and Other Allied Department (Agriculture)	2,486.58	2,020.72	300.50	465.86
4.	15	Agriculture and Other Allied Department (Animal Husbandry)	430.96	401.15	4.40	29.81
5.	22	Sports Department	42.74	42.18	2.97	0.56
6.	28	Home Department (Political Pension and Other Expenditure)	107.84	89.34	2.70	18.50
7.	33	Medical Deptt (Ayurved & Unani)	381.27	364.46	1.17	16.81
8.	37	Urban Development Department	1,112.10	490.50	3.91	621.60
9.	40	Planning Department	486.10	121.88	1.24	364.22
10.	42	Judicial Department	1,147.73	1,051.37	76.00	96.36
11.	45	Environment Department	5.97	3.39	0.50	2.58
12.	47	Technical Department	348.64	316.13	2.45	32.51
13.	49	Women and Child Welfare Department	3,520.40	3,380.07	495.77	140.33
14.	52	Revenue Department (Board of Revenue & Other Expenditures)	1,659.15	1,640.62	51.37	18.53
15.	60	Forest Department	355.13	353.37	3.11	1.76
16.	63	Finance Department (Treasury and Accounts Administration)	158.30	122.76	1.00	35.54
17.	65	Finance Department (Audit, Small Savings etc.)	147.37	142.69	1.00	4.68
18.	68	Legislative Assembly Secretariat	75.94	65.95	0.51	9.99
19.	71	Education Department (Primary Education)	18,881.00	18,790.40	797.40	90.60
20.	73	Education Department (Higher Education)	2,074.17	1,369.44	41.03	704.73
21.	75	Education Department (State Council of Education Research and Training)	96.07	68.07	7.90	28.00
22.	79	Social Welfare Deptt (Welfare of Handicapped & Backward Caste)	1,412.42	1,406.81	2.94	5.61

23.	80	Social Welfare Department (Social welfare and Welfare Scheduled Castes)	3,394.05	3,325.75	61.76	68.30
24.	81	Social Welfare Department (Tribal Welfare)	39.34	36.30	30.60	3.04
25.	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	6,163.03	5,948.34	577.77	214.69
<b>Total</b>			<b>44,784.01</b>	<b>41,796.23</b>	<b>2,474.38</b>	<b>2,987.78</b>
<b>Revenue-Charged</b>						
26.	42	Judicial Department	187.94	172.21	50.00	15.73
<b>Total</b>			<b>187.94</b>	<b>172.21</b>	<b>50.00</b>	<b>15.73</b>
<b>Capital-Voted</b>						
27.	2	Housing Department	1,072.64	943.62	66.00	129.03
28.	7	Industries Department (Heavy and Medium Industries)	154.30	105.21	1.82	49.09
29.	11	Agriculture and Other Allied Department (Agriculture)	687.72	648.95	62.10	38.76
30.	13	Agriculture and Other Allied Department (Rural Development)	1,313.99	1,272.16	150.00	41.83
31.	14	Agriculture and Other Allied Department (Panchayati Raj)	582.19	569.29	11.23	12.90
32.	15	Agriculture and Other Allied Department (Animal Husbandry)	15.03	12.62	5.47	2.41
33.	21	Food Department	8,770.58	6,962.55	3.76	1,808.03
34.	22	Sport Department	38.50	38.17	0.80	0.34
35.	25	Home Department (Jails)	390.10	204.50	2.50	185.60
36.	26	Home Department (Police)	604.21	386.20	270.35	218.01
37.	27	Home Department (Civil Defence)	13.62	3.99	1.50	9.62
38.	33	Medical Department (Ayurved & Unani)	31.23	29.69	1.00	1.54
39.	40	Planning Department	1,050.56	747.90	356.86	302.66
40.	42	Judicial Department	210.78	182.35	50.00	28.43
41.	47	Technical Department	180.69	149.47	22.26	31.21
42.	57	Public Works Department (Communication- Bridges)	1,262.42	1,109.10	156.91	153.32
43.	60	Forest Department	122.37	121.53	4.20	0.85
44.	72	Education Department (Secondary Education)	119.80	33.96	42.03	85.84
45.	94	Irrigation Department (Works)	3,306.65	2,583.11	11.32	723.54
<b>Total</b>			<b>19,927.38</b>	<b>16,104.37</b>	<b>1,220.11</b>	<b>3,823.01</b>
<b>Grand Total</b>			<b>64,899.33</b>	<b>58,072.81</b>	<b>3,744.49</b>	<b>6,826.50</b>



**Statement of Grants/Appropriations where supplementary provision proved insufficient by more than ₹ Two crore in each Grant/ Appropriation**  
(Reference: Paragraph 2.3.6; Page 54)

(₹ in crore)

Sl. No.	Grant No.	Name of The Grant/Appropriation	Original Provision	Supplementary Provision	Total Provision	Total Expenditure	Excess
<b>Revenue-Voted</b>							
1	91	Institutional Finance Department (Stamp and Registration)	138.48	1.94	140.42	149.66	9.24
<b>Capital-Voted</b>							
2	58	Public Works Department (Communication-Roads)	2,817.43	575.95	3,393.38	4,462.04	1,068.66
<b>Grand Total</b>			<b>2,955.91</b>	<b>577.89</b>	<b>3,533.80</b>	<b>4,611.70</b>	<b>1,077.90</b>

(₹ in lakh)

Sl. No.	Grant No.	Name of the Grant	Head of Account	Re-appropriation	Excess	Saving
1.	1	Excise Department	2039-001-03	381.06	1.19	0
2.			2039-001-04	34.00	0	2.37
3.	3	Industries Department (Small Industry & Export Promotion)	2851-800-13	100.00	25.73	0
4.	9	Power Department	2045-103-03	319.00	5.51	0
5.	11	Agriculture & Other Allied Department (Agriculture)	2401-001-03	200.00	0	7.52
6.			2401-001-05	360.00	0	27.72
7.			2401-103-03	154.75	0	6.89
8.			2401-109-03	347.67	0	34.61
9.			2402-101-03	319.32	2.72	0
10.			2415-120-12	140.00	0	18.75
11.	13	Agriculture & Other Allied Department (Rural Development)	2702-005-03	400.00	0	126.64
12.			2515-003-03	203.49	0	64.91
13.			2515-102-03	1,813.50	125.56	00
14.			2515-102-04	94.26	0	11.38
15.			2515-102-06	644.59	0	67.68
16.			2515-800-01	2,566.28	0	3.01
17.		5054-337-03	7.65	0	0.01	
18.	14	Agriculture & Other Allied Department	2515-101-09	14.64	0	0.01
19.	15	Agriculture & Other Allied Department (Animal Husbandry)	2403-101-01	136.11	0	2,189.06
20.			2403-800-06	150.06	0	489.94
21.			4403-101-03	19.92	0	5.51
22.	16	Agriculture & Other Allied Department (Dairy Development)	2404-102-01	108.02	0	235.34
23.	21	Food and Civil Supply Department	4408-001-03	1,216.61	29.70	0
24.	25	Home Department (Jails)	2056-001-03	2.00	1.93	0
25.			2056-101-03	81.02	0	9.32
26.			4059-051-03	2,067.09	0	44.67
27.			4074-800-14	41.17	0	0.01
28.	26	Home Department (Police)	2055-003-04	107.80	0	1,481.88
29.			2055-101-04	39.20	0	251.34
30.			2055-109-03	2,716.87	0	1,950.61
31.			2055-800-07	0.85	0	27.41

32.			2070-108-03	1,287.99	0	266.03
33.			2070-800-04	29.31	0	30.80
34.			2055-104-03	9,306.52	0	761.61
35.			2055-108-03	134.30	0	50.31
36.			2055-109-04	2,810.17	296.56	0
37.			2055-109-05	1,763.98	0	585.05
38.			2055-109-07	879.00	0	317.18
39.			2055-111-03	629.10	3.26	0
40.			2055-113-04	148.81	0	43.38
41.			2055-115-03	202.05	0	179.32
42.			2055-116-03	5.40	46.77	0
43.			2235-200-03	252.80	275.97	0
44.			2235-200-10	100.00	79.04	0
45.			2235-800-04	10.00	0	1.73
46.	27	Home Department (Civil Defence)	2070-107-06	1,817.02	0	42.24
47.			2070-107-07	1,438.92	0	28.90
48.			2070-800-03	17.54	0	0.07
49.	28	Home Department (Political Pension & Other Expenditure)	2251-092-03	0.50	0	13.69
50.			2251-200-04	16.65	0	0.12
51.			3055-190-03	30.33	0	0.07
52.	29	Confidential Department (Governors Secretariat)	2012-090-03	15.54	0	4.20
53.			2012-800-03	6.74	6.27	0
54.	32	Medical Department (Allopathy)	2210-110-04	1,206.81	0	8,083.51
55.			2210-800-03	.58	0	455.44
56.			2211-200-04	1,750.02	0	965.33
57.	37	Urban Development Department	2053-094-04	38.50	0	18.41
58.			2215-800-01	1,061.67	0	0.01
59.			2215-800-01	343.00	0	239.01
60.			2030-101-01	6,121.65	0	2.58
61.			4215-106-01	1,639.71	1,926.85	0
62.			4215-191-03	3,000.00	1,577.15	0
63.	38	Civil Aviation Department	5053-800-13	133.35	0	133.35
64.	41	Election Department	2015-103-05	860.29	8.99	0
65.			2015-105-03	73.74	0	8.52
66.	42	Judicial Department	2014-114-03	44.13	.28	0
67.			2014-800-06	170.45	0	67.91
68.			2014-800-12	2,490.00	373.48	0
69.			2071-800-03	100.00	0	25.48
70.			2235-200-04	81.17	2.41	0
71.			2014-102-03	412.33	90.19	0
72.			4059-051-04	162.14	0	24.02
73.	45	Environment Department	3435-001-03	9.61	0	16.75

74.	46	Administration Department	2052-091-03	14.72	0.08	0
75.	47	Technical Department	2203-103-19	39.45	0	39.46
76.			2203-104-24	35.29	0	0.03
77.	48	Minorities Department	2202-800-01	2,052.92	0	303.22
78.			2225-800-03	2,500.00	0	36.11
79.	49	Women and Child Welfare Department	2235-102-08	2.50	19.39	0
80.	51	Revenue Department (Relief on Account of Natural Calamities)	2052-090-03	24.00	0	11.61
81.	52	Revenue Department (Board of Revenue & Other Expenditure)	2029-800-05	1,322.53	0	2,954.17
82.	54	Public Works Department (Establishment)	2059-001-04	2656	7,061.59	0
83.	55	Public Works Department (Building)	4059-051-23	152.81	0	51.82
84.	57	Public Works Department (Communication Bridges)	5054-101-97	232.31	0	232.31
85.			5054-101-36	1,678.00	1,102.04	0
86.	58	Public Works Department (Communication-Roads)	5054-337-64	4,000.00	0	3,122.36
87.			5054-337-77	1400.00	7.58	0
88.	59	Public Works Department (Estate Directorate)	2013-800-03	80.00	0	22.71
89.			2059-053-04	30.37	0	0.08
90.			2052-090-03	318.17	0	16.10
91.			2059-053-03	79.10	0	0.30
92.			4059-051-04	177.23	0	7.12
93.	61	Finance Department (Debt Service and other Expenditure)	2049-123-04	8,171.14	0	0.03
94.	63	Finance Department (Treasury and Accounts Administration)	2054-097-04	9.00	0	0.01
95.	65	Finance Department (Audit, Small Savings etc.)	2054-098-03	163.00	0	9.16
96.	71	Education Department (Primary Education)	2202-001-04	2,137.34	0	493.94
97.			2202-102-15	1,614.00	0	455.30
98.			2202-104-03	500.00	190.69	0
99.			2202-800-03	3.65	130.36	0
100.	72	Education Department (Secondary Education)	2202-001-03	4.58	342.62	0
101.			2202-001-04	379.97	9.33	0
102.			2202-800-20	1,524.68	30,982.55	0
103.	73	Education Department (Higher Education)	2202-103-03	400.00	0	4.59
104.	75	Education Department (State Council of Education)	2202-003-08	12.00	0	0.26
105.			2202-003-15	49.99	0	0.60

106.		Research & Training)	2202-800-01	21.50	0	3.17
107.	76	Labour Department (Labour Welfare)	2210-102-05	21.91	0	8.33
108.			2230-800-04	29.11	5.36	0
109.	77	Labour Department (Employment)	2230-001-03	0.28	7.14	0
110.	78	Secretariat Administration Department	2251-090-03	25.00	0	1,241.34
111.			2013-104-03	87.00	0	11.73
112.			2052-090-04	8.00	0	3.48
113.			2220-800-03	30.00	0	0.06
114.	79	Social Welfare Department (Welfare of the Handicapped and Backward Caste)	2235-101-06	102.39	0	29.02
115.			2235-101-14	209.71	0	89.03
116.			4235-101-19	2,000.00	0	60.30
117.	80	Social Welfare Department. (Social Welfare and Welfare of Scheduled Castes)	2225-001-03	10.00	11.33	0
118.	83	Social Welfare Department (Special Component Plan for Scheduled Castes)	2217-789-01	1,061.72	0	5.00
119.			2225-789-01	640.00	32,584.65	0
120.			4210-789-04	99.90	0	78.47
121.			5054-789-05	77,477.18	0	288.40
122.	86	Information Department	2220-101-05	2.23	0	5,618.13
123.			2220-102-03	6.83	14.04	0
124.			2220-106-03	16.02	23.91	0
125.			2220-110-03	600.00	0	0.01
126.	89	Institutional Finance Department (Commercial Tax)	2040-800-06	14.61	0	10.41
127.	90	Institutional Finance Department (Entertainment and Betting Tax)	2045-101-03	112.65	5.92	0
128.	91	Institutional Finance Department (Stamp & Registration)	2030-001-04	289.50	0	274.50
129.			2030-001-03	16.10	302.99	0
130.	92	Culture Department	2205-104-01	10.00	0	12.15
131.			2205-103-03	21.00	0	10.71
132.	94	Irrigation Department (Works)	4700-051-10	296.11	0	7,869.96
133.			4700-09-050- 10	300.15	0	591.24
134.			4711-103-03	25.00	0	627.12
135.			4700-051-12	1,933.84	0	901.26
136.			4700-051-11	100.00	0	0.02
137.			4700-050-15- 10	299.53	0	116.36
138.			4700-051-11	460.92	0	308.87
139.			4700-051-10	637.13	0	152.90
140.			4701-051-12	156.93	4.47	0

141.			4701-050-10	90.53	0	0.45
142.			4701-051-10	897.25	0	0.99
143.			4701-051-10	2,365.33	0	0.08
144.			4701-051-10	183.00	0	0.04
145.			4701-050-10	705.47	0	411.69
146.			4711103-06	397.00	0	253.20
147.			4711103-09	574.74	0	380.35
148.	<b>95</b>	Irrigation Department (Establishment)	2701-001-05	575.87	503.35	0
<b>Total</b>				<b>1,80,064.19</b>	<b>78,188.95</b>	<b>46,541.67</b>

## 2.7 Substantial surrenders made during 2011-12

(Reference: Paragraph 2.3.8; Page 55)

(₹ in Lakh)

Sl. No.	Grant No.	Name of Department	Name of Scheme (Head of Account)	Provision	Amount surrendered	Surrender in per cent
1.	1	Excise Department	2039-001-04 District Executive Establishment	20.00	19.61	98
2.			4059-051-03 Lump sum provision for construction of office and godowns of Excise Department	140.50	81.9	58
3.	3	Industries Department (Mines and Minerals)	2853-004-06 Schemes for Mineral Development	100.00	85.73	86
4.	7	Industries Department (Heavy and Medium Industries)	2852-800-04 (other Expenditure ) Express Way Scheme with Cooperation of Private Sector	1,500.00	1,500.00	100
5.			2852-800-04 (other Expenditure) Prosecution of court Cases	40.00	27.86	70
6.			2852-800-06 (other Expenditure) Dis-investment and privatisation of PPP Project etc.	700.00	350	50
7.			2852-800-10 Incentive to Industrial units under Heavy Industries Investment Policy etc.	18,000.00	18,000.00	100
8.			6860-190-07 Loans to ITR Company Barreilly for various misc. exp.	9.00	4.99	55
9.			6885-190-04 Loans to Provincial Industrial Investment etc.	100.00	85.53	86
10.			11	Agriculture and Other Allied Department (Agriculture)	2401-103-01 Seeds Central Plan	1,643.19
11.	2401-103-04 Grant for Certified Seeds	6,600.84			3,441.33	52
12.	2401-103-05 Scheme for Increase of Hybrid Seed Production	3,000.00			2,790.96	93
13.	2401-110-01 Crop Insurance Central Plan	582.16			401.48	69
14.	2401-110-01 Crop Insurance Payment of premium to Indian Agricultural Insurance Company Ltd.	5,012.83			3,102.51	62
15.	2401-111-05 Agricultural Economic and Statistics- Data bank of Crops Production etc.	518.06			289.97	56
16.	2401-113-01 Agricultural Engineering Central Plan	18.60			17.04	92
17.	2401-800-01 Other Expenditure-Central Plan	118.44			118.44	100
18.	2401-800-03 Other Expenditure-National Agriculture Development	47,900.93			2,6222.67	55
19.	2402-102-03 Schemes of irrigation and rain water reserve in Bundelkhand	6,173.66			5,415.27	88
20.	2402-102-05 Strengthening of Soil Health	6,744.00			5,669.17	84
21.	2402-103-06 Distribution of Gypsum to cure the deficiency of micro element in soil and for land improvement	1,748.00	1,217.09	70		

22.			2415-120-23 Research Program in Agriculture and Technological Universities	300.00	300.00	100
23.			2415-120-24 Agriculture extension Scheme in Agriculture and Technological Universities	200.00	200.00	100
24.			2415-120-25 Schemes operated with the Co-operation of Indian Agriculture Research Council	800.00	621.00	78
25.			2415-120-26 Schemes operated with the Co-operation of Indian Agriculture Research Council	170.69	170.69	100
26.			2402-101-05 Strengthening of Bio-fertilizer production labs ect.	575.00	395.00	69
27.			4401-103-01 Capital Outlay on Crop Husbandry- Central Plan	1,025.00	1,025.00	100
28.			4401-105-04 Capital Outlay on Crop Husbandry- National Project on Management of Soil Health and Fertility	243.25	243.25	100
29.			4401-107-04 Capital Outlay on Crop Husbandry- Control of Insect etc.	500.00	490.92	98
30.			4401-190-03 Capital Outlay on Crop Husbandry-National Agriculture Development Scheme	1,000.00	894.34	89
31.			4415-277-16 Construction of VIP Guest House in Agriculture University, Faizabad	218.96	218.96	100
32.			4415-277-28 Agricultural and Technical University ,Faizabad	3,866.23	2,861.48	74
33.		Agriculture and Other Allied Department (Panchayati Raj)	2070-800-04 Pradeshik Rakshak Dal	95.00	58.90	62
34.	14		2204-104-03 Organisation of Rural Sport and game competition ( Dist. Plan)	56.00	28.00	50
35.			2204-800-03 Contribution of youth in construction of Nation and Social Programmes	54.00	27.93	52
36.			2204-800-04 Public Awareness Programmes	16.00	8.00	50
37.			4070-800-03 Construction of Rural Stadiums	18.00	18.00	100
38.			2401-109-01 Central Plan	680.00	680.00	100
39.	23	Cane Development Department (Cane)	2401-001-03 Establishment of Cane Commissioner	1.50	0.76	51
40.	24	Cane Development Department (Sugar Industry)	2852-201-05 Payment to U.P. Sugar special fund etc.	360.00	188.98	52
41.	33	Medical Department (Ayurvedic and Unani)	4210-800-06 Unani Colleges and affiliated Hospitals	61.00	61.00	100
42.	38	Civil Aviation Department	5053-800-03 Purchase of Helicopter/Aeroplane	3,500.00	3,500.00	100
43.			2015-103-04 Legislative Council	5.50	5.38	98
44.	41	Election Department	2015-105-04 Bye Election	130.81	127.67	98



45.			2015-106-07 Accidental Insurance of the persons deputed for the work of Legislative Assembly Election Areas	50.00	28.50	57
46.			2015-106-09 Accidental Insurance of the persons deputed for the work of Bye Election of Lok Sabha/Legislative Assembly	10.00	5.00	50
47.	42	Judicial Department	2014-105-01 Central Plan	500.02	500.02	100
48.			2014-105-10 Implementation of Recommendation of the 13th Finance Commission	8,638.00	7,568.32	88
49.			2235-200-10 Implementation of Recommendation of the 13th Finance Commission	844.74	697.98	83
50.			2014-102-04 Implementation of Recommendation of the 13th Finance Commission	31.00	26.54	86
51.			2014-800-12 Payment of Arrears	1,636.91	1,097.39	67
52.			4059-051-04 Construction in Hon'ble High Court	1,807.85	1,379.51	76
53.			46	Administrative Reforms Department	4059-051-01 Central Plan	750.00
54.	49	Women and Child Welfare Department	2053-093-03 Collectorate Establishment	15.00	10.78	72
55.	52	Revenue Department (Board Of Revenue and Other Expenditures)	2049-101-03 Interest on Compensation bond and Stock Certificates	0.10	0.10	100
56.	61	Finance Department (Debt Services and Other Expenditure)	2235-200-03 Assistance to dependents of Deceased Government Employees	100.00	58.87	59
57.			4070-800-03 Expenditure on Survey, Feasibility Report, DPR etc.	5,000.00	5,000.00	100
58.			6003-110-03 Re payment of Ways and Means Advance	10,00,000.00	9,99,841.21	100
59.	63	Finance Department (Treasury and Accounts Administration)	2054-800-04 Mission Mode Plan	100.00	100.00	100
60.			4059-051-03 Misc. Construction/ Renovation Work in different Treasuries of the State	1,146.43	591.76	52
61.	72	Education Department (Secondary Education)	2202-107-11 National Scholarship to Genius Students of Rural Areas of Secondary (Class 9 to 10) level	24.00	18.90	79
62.			2202-107-13 Increase in the rate of Scholarship of High School and Inter	40.00	30.28	76
63.			2202-107-18 Qualification Scholarship for three years @ 15/-p.m. for class 6 to 8 in the plain Area of the State	45.00	45.00	100
64.			2202-110-05 Educational tour of Teacher of aided Higher Secondary School	5.00	5.00	100
65.			2202-110-08 Agreement for payment of Honorarium to subject Specialist in Non-government Higher Secondary School	50.00	50.00	100

66.			2204-102-05 Extension of Scout Scheme in Secondary School(District plan)	11.00	6.22	57
67.			4202-202-16 Present District State Library	10.50	10.50	100
68.			2202-102-42 Grant to Sampurnanand Sanskrit University for Publication of available Handwritten Script	25.00	25.00	100
69.			2202-104-06 Seminar and Symposium in aided Degree Colleges of State	16.50	9.50	58
70.			2202-800-05 Payment of Arrears	80,066.20	74,319.41	93
71.			2202-800-08 Grant to Teachers for participation in Foreign Meeting and Seminars	5.00	5.00	100
72.			2204-102-03 Grant for programmes Financed from Student Welfare Fund	20.00	20.00	100
73.			2202-102-01 Central Plan	0.02	0.02	100
74.			2202-102-03 Allahabad University	0.01	0.01	100
75.	73	Education Department (Higher Education)	4202-203-04 Establishment of new Govt. Degree College	500.00	370.00	74
76.			4202-203-06 Purchase of Land/Construction of building for office of Regional Higher Education Officer	100.00	100.00	100
77.			4202-203-16 Grant to State University for Current Construction work and other Development	500.00	500.00	100
78.			4202-203-19 Extension of Basic Facilities in State University	800.00	443.91	55
79.			4202-203-23 Operation of on line Education in Government Graduate/Post Graduate Degree College	500.00	500.00	100
80.			4202-203-24 Panchsheel Degree College	100.00	100.00	100
81.	75	Education Department (State Council Of Education Research and Training)	4202-201-01 Central Plan	10.03	10.03	100
82.			2230-111-03 Expenditure from U.P.Building and other related construction artisan welfare fund	17,700.00	17,700.00	100
83.	76	Labour Department (Labour Welfare)	2230-797-03 Transfer from or to Reserved Fund and Deposit Accounts-U.P.Building and other related construction artisan welfare fund	17,700.00	17,700.00	100
84.	78	Secretariat Administration Department	2075-104-03 Special Awards	5.00	5.00	100
85.			2215-796-03 Water Supply Programme for Scheduled Tribe	275.00	206.25	75
86.			2225-796-01 Central Plan	921.90	817.81	89
87.	81	Social Welfare Department (Tribal Welfare)	2225-796-07 Subsidiary Grant to Tribes residing in the State and presently included in Scheduled Castes	20.00	14.35	72
88.			2225-796-08 Hostel for students of Scheduled Tribes	22.95	12.12	53

89.			2225-796-10 Grant to girl students of Scheduled Tribes under Book Bank Scheme for free text books	10.00	7.24	72
90.			2225-796-12 Uniform and bicycle grant for girl students of Scheduled Tribes	50.00	29.03	58
91.			2230-796-03 Establishment of Govt. Industrial Training Institutes in Scheduled Tribes Populated areas	41.13	41.13	100
92.			2235-796-04 Nutrition Given By The State Government On Integerated Child Development Projects Under Nutrient Programme (Central 50%, State 50%)	10.00	7.54	75
93.			2235-796-03 Chief Minister " Mahamaya Garib Arthik Madad" Scheme, Uttar Pradesh	2,410.01	1,325.91	55
94.			2215-796-01 Central Plan	22.50	12.55	56
95.			4225-796-01 Central Plan	3,745.06	3,145.06	84
96.	83	Social Welfare Department (Special Component Plan for SCs)	2070-789-03 Strengthening of Prantiya Rakshak Dal	200.00	126.20	63
97.			2210-02-789-03 Govt. Ayurvedic/Unani Hospital	97.48	97.48	100
98.			2210-04-789-03 Govt. Ayurvedic/Unani Hospital	294.20	294.20	100
99.			2225-01-789-07 Grant to Voluntary Institution for Construction of hostels for S.C	30.00	30.00	100
100.			2225-01-789-09 Maintenance of Govt. Hostels/ Ashram type Govt. School	500.00	334.28	67
101.			2225-01-789-11 Scholarship of non-recurring assistance to students of S.C.studing in class 9&10	400.00	400.00	100
102.			2225-01-789-13 Monitoring and computerisation of scho;oship schemes for diffrence classes	250.00	128.38	51
103.			2225-80-789-03 Special Upliftment Programe for Kol Caste	679.50	679.5	100
104.			2230-02-789-03 Educational and Guidance Center for applicants for S.C.	146.25	108.26	74
105.			2230-03-789-03 Provincial Staff Training and Research Centre at ITI, Aliganj, Lucknow	96.55	93.76	97
106.			2230-03-789-05 Short-period Professional Training in Govt. Industrial Training Institutes	86.87	69.24	80
107.			2401-789-07 Horticultural Development Programme	300.00	150.43	50
108.			2506-789-01 Central Plan	10.00	8.79	88
109.			2515-789-01 Central Plan	4,977.50	3,289.02	66
110.			4202-01-789-03 Strengthening of primary schools situated in Ambedkar Villages	8,788.00	5,276.19	60
111.			4202-02-789-05 Establishment of Govt. Polytechnics in SC populated districts	254.26	254.26	100
112.	4202-03-789-03 Construction of Rural Stadium for S.C. Youth	200.00	200.00	100		

113.			4210-03-789-04 Govt. Allopathy Medical College, Kannauj	245.01	245.01	100
114.			4210-03-789-05 Govt. Allopathy Medical College, Orai, Jalaun	245.01	245.01	100
115.			4210-03-789-06 Para Medical College Jhansi	6,500.01	6,500.01	100
116.			4210-03-789-07 Govt. Allopathy Medical College, Saharanpur	5,000.01	5,000.01	100
117.			4225-01-789-03 Capital Investment in UP Scheduled Caste Finance and Development Corporation Ltd.	3,181.38	3,116.38	98
118.			4225-01-789-05 Upgradation of Government Ashram type schools up to class 12th	400.00	400.00	100
119.			4225-01-789-08 Hostel for Student/Girl students of scheduled castes in premises of voluntary institutions/University/College	100.00	100.00	100
120.			4225-01-789-09 Construction of Building of coaching center	200.00	200.00	100
121.			4225-01-789-10 Integrated Development scheme for most backward SC group-	750.00	499.74	67
122.			4225-80-789-03 Special Upliftment Programme for Kol Castes	355.00	355.00	100
123.			4702-789-03 Chaudhri Charan Singh Tubewell Project(Financed by NABARD)	0.01	0.01	100
124.	84	General Administration Department	2070-800-04 Uttar Pradesh Civil Council	11.53	6.88	60
125.			3475-800-04 Public Enterprises Department(Audit Cell)	14.18	7.64	54
126.	86	Information Department	2220-60-103-03 Press Information Services Programme	53.04	33.20	63
127.			2220-60-800-07 Establishment of Film Development Fund	50.00	50.00	100
128.			2220-60-800-08 Honorable Kanshi Ram remembrance function	400.00	283.25	71
129.	89	Institutional Finance Department (Commercial Tax)	2040-800-05 Establishment of Vyasthapan Ayog	55.85	45.29	81
130.			2040-800-03 Establishment of Commercial Tax Commissioner	10.00	6.84	68
131.	91	Institutional Finance Department (Stamp and Registration)	2030-02-001-03 Establishment	78.17	47.30	61
132.	92	Culture Department	2205-800-11 Economic assistance scheme for Art and Culture education, video recording of Lok parampara, eligible student and aged Artists	20.00	20.00	100
<b>Total</b>				<b>12,95,918.82</b>	<b>12,45,794.91</b>	

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

(Reference: Paragraph 2.3.9; Page 55)

₹ in crore

Sl. No.	Grant No.	Name of The Grant/Department	Total Grant	Savings/ Excess(-)	Amount Surrendered	Surrender in Excess
<b>Revenue-Voted</b>						
1	41	Election Department	104.65	2.57	8.16	5.59
2	73	Education Department (Higher Education)	2,115.20	745.76	751.18	5.42
3	91	Institutional Finance Department* (Stamp and Registration)	140.42	(-) 9.24	3.96	13.19
<b>Net Total</b>			<b>2,360.27</b>	<b>739.09</b>	<b>763.30</b>	<b>24.20</b>
<b>Revenue-Charged</b>						
4	42	Judicial Department	237.94	65.73	66.54	0.81
5	61	Finance Department (Debt Services and Other Expenditure)*	23,462.69	(-) 328.29	106.43	434.72
<b>Net Total</b>			<b>23,700.63</b>	<b>(-)262.56</b>	<b>172.97</b>	<b>435.53</b>
<b>Capital-Voted</b>						
6	1	Excise Department*	1.41	(-) 0.47	0.82	1.29
7	11	Agriculture and Other Allied Department( Agriculture)	749.81	100.86	103.94	3.08
<b>Net Total</b>			<b>751.22</b>	<b>100.39</b>	<b>104.76</b>	<b>4.37</b>
<b>Grand Total (Net)</b>			<b>26,812.12</b>	<b>576.92</b>	<b>1,041.03</b>	<b>464.10</b>

\* The amounts were surrendered despite excess expenditure in these grants/appropriations.

## Statement of Grants/Appropriations in which savings occurred but no part of which was surrendered

(Reference: Paragraph 2.3.10; Page 55)

I – Grants				
Sl. No.	Grant No.	Name of Grant/Appropriation	Savings (₹ in crore)	
			Revenue	Capital
1.	2	Housing Department	56.16	195.03
2.	10	Agriculture and Other Allied Department ( Horticulture and sericulture development)	11.75	0.00
3.	13	Agriculture and Other Allied Department (Rural Development)	0.00	191.83
4.	15	Agriculture and Other Allied Department (Animal Husbandry)	34.21	7.88
5.	16	Agriculture and Other Allied Department (Dairy Development)	1.76	0.00
6.	17	Agriculture and Other Allied Department (Fisheries)	11.10	0.00
7.	19	Personal Department (Training and Other Expenditure)	3.49	5.84
8.	22	Sports Department	3.54	1.14
9.	25	Home Department (Jails)	0.11	188.10
10.	26	Home Department (Police)	54.74	488.36
11.	27	Home Department (Civil Defence)	6.73	11.12
12.	28	Home Department (Political Pension and Other Expenditure)	21.19	0.30
13.	31	Medical Department (Medical Education and Training)	10.91	29.21
14.	32	Medical Department (Allopathy)	145.70	147.14
15.	34	Medical Department (Homeopathy)	3.32	0.42
16.	36	Medical Department (Public Health)	52.59	0.00
17.	37	Urban Development Department	625.51	0.00
18.	39	Language Department	0.62	0.00
19.	44	Tourism Department	4.77	24.65
20.	45	Environment Department	3.08	0.00
21.	47	Technical Department	34.95	53.48
22.	48	Muslim Waqf Department	13.69	373.36
23.	49	Women and Child Welfare Department	0.00	2.25
24.	50	Revenue Department (District Administration)	0.00	4.21
25.	51	Revenue Department (Relief on Account of Natural Calamities)	397.38	9.33
26.	52	Revenue Department (Board of Revenue & Other Expenditure)	0.00	1.72
27.	54	Public Works Department (Establishment)	238.54	0.00
28.	56	Public Work Department (Special Area Programme)	0.00	111.32
29.	57	Public Works Department (Communication- Bridges)	0.00	310.24
30.	59	Public Work Department (Estate Directorate)	0.00	2.98
31.	60	Forest Department	4.87	5.05
32.	67	Legislative Council Secretariat	3.68	0.00

33.	68	Legislative Assembly Secretariat	10.49	0.12
34.	70	Science and Technology Department	1.77	
35.	78	Secretariat Administration Department	0.00	0.52
36.	79	Social Welfare Department (Welfare of the Handicapped and Backward Castes)	8.55	13.82
37.	80	Social Welfare Department (Social Welfare and Welfare Scheduled Caste)	130.06	0.23
38.	88	Institutional Finance Department (Directorate)	0.30	0.00
39.	92	Culture Department	4.01	30.28
40.	94	Irrigation Department (Works)	504.35	734.86
41.	95	Irrigation Department (Establishment)	18.03	0.00
<b>Total</b>			<b>2,421.95</b>	<b>3,679.65</b>
<b>II - Appropriations</b>				
42.	9	Power Department	1.19	0.00
43.	10	Agriculture and Other Allied Department ( Horticulture and sericulture Development)	0.01	0.00
44.	15	Agriculture and Other Allied Department (Animal Husbandry)	0.03	0.00
45.	20	Personal Department (Public Services Commission)	0.02	0.00
46.	21	Food Department	0.00	110.04
47.	25	Home Department (Jails)	0.10	0.00
48.	26	Home Department (Police)	0.40	0.00
49.	29	Confidential Department (Governor's Secretariat)	0.09	0.00
50.	32	Medical Department (Allopathy)	0.09	0.00
51.	36	Medical Department (Public Health)	0.01	0.00
52.	47	Technical Department	0.01	0.00
53.	52	Revenue Department (Board of Revenue and Other Expenditures)	0.07	0.11
54.	54	Public Works Department (Establishment)	0.03	0.00
55.	55	Public Works Department (Buildings)	0.21	0.14
56.	58	Public Works Department (Communication-Roads)	0.05	2.09
57.	60	Forest Department	0.10	0.00
58.	67	Legislative Council Secretariat	0.26	0.00
59.	68	Legislative Assembly Secretariat	0.27	0.00
60.	94	Irrigation Department (Works)	0.00	24.72
61.	95	Irrigation Department (Establishment)	0.47	0
<b>Total</b>			<b>3.41</b>	<b>137.10</b>
<b>Grand Total</b>			<b>2,425.36</b>	<b>3,816.75</b>
<b>Total of Revenue and Capital</b>			<b>6,242.11</b>	

## 2.10

## Details of Savings of ₹ one crore and above not surrendered

(Reference: Paragraph 2.3.10; Page 55)

(₹ in crore)

Sl. No.	Grant No.	Name of Grant/Appropriation	Savings	Surrenders	Not Surrendered
<b>Revenue - Voted</b>					
1.	2	Housing Department	56.16	0.00	56.16
2.	10	Agriculture and Other Allied Department (Horticulture and sericulture development)	11.75	0.00	11.75
3.	11	Agriculture and Other Allied Department (Agriculture)	766.37	759.93	6.44
4.	12	Agriculture and Other Allied Department (Land Development and Water Resources)	234.47	191.00	43.47
5.	13	Agriculture and Other Allied Department (Rural Development)	134.31	24.26	110.06
6.	14	Agriculture and Other Allied Department (Panchayati Raj)	211.63	27.04	184.59
7.	15	Agriculture and Other Allied Department (Animal Husbandry)	34.21	0.00	34.21
8.	16	Agriculture and Other Allied Department (Dairy Development)	1.76	0.00	1.76
9.	17	Agriculture and Other Allied Department (Fisheries)	11.10	0.00	11.10
10.	19	Personal Department (Training and Other Expenditure)	3.49	0.00	3.49
11.	22	Sport Department	3.54	0.00	3.54
12.	23	Cane Development Department (Sugar Cane)	36.76	34.97	1.79
13.	26	Home Department (Police)	54.74	0.00	54.74
14.	27	Home Department (Civil Defence)	6.73	0.00	6.73
15.	28	Home Department (Political Pension and Other Expenditure)	21.19	0.00	21.19
16.	31	Medical Department (Medical Education and Training)	10.91	0.00	10.91
17.	32	Medical Department (Allopathy)	145.70	0.00	145.70
18.	34	Medical Department (Homeopathy)	3.32	0.00	3.32
19.	35	Medical Department (Family Welfare)	34.80	22.89	11.91
20.	36	Medical Department (Public Health)	52.59	0.00	52.59
21.	37	Urban Development Department	625.51	0.00	625.51
22.	40	Planning Department	365.46	3.40	362.06
23.	42	Judicial Department	172.36	165.10	7.27
24.	44	Tourism Department	4.77	0.00	4.77
25.	45	Environment Department	3.08	0.00	3.08
26.	47	Technical Department	34.95	0.00	34.95
27.	48	Muslim Waqf Department	13.69	0.00	13.69
28.	49	Women and Child Welfare Department	636.11	547.18	88.93
29.	50	Revenue Department (District Administration)	32.62	29.45	3.17



30.	51	Revenue Department (Relief on account of Natural Calamities)	397.38	0.00	397.38
31.	52	Revenue Department (Board of Revenue and Other Expenditures)	69.90	0.17	69.73
32.	54	Public Works Department (Establishment)	238.54	0.00	238.54
33.	59	Public Works Department (Estate Directorate)	1.10	0.01	1.09
34.	60	Forest Department	4.87	0.00	4.87
35.	61	Finance Department (Debt Services and Other Expenditure)	59.73	38.71	21.02
36.	65	Finance Department (Audit, Small Savings etc.)	5.69	4.28	1.40
37.	67	Legislative Council Secretariat	3.68	0.00	3.68
38.	68	Legislative Assembly Secretariat	10.49	0.00	10.49
39.	70	Science and Technology Department	1.77	0.00	1.77
40.	71	Education Department (Primary Education)	888.00	717.85	170.15
41.	72	Education Department (Secondary Education)	582.87	439.68	143.19
42.	78	Secretariat Administration Department	77.54	14.88	62.66
43.	79	Social Welfare Department (Welfare of Handicapped and Backward Castes)	8.55	0.00	8.55
44.	80	Social Welfare Department (Social welfare and Welfare Scheduled Castes)	130.06	0.00	130.06
45.	81	Social Welfare Department (Tribal Welfare)	33.64	25.77	7.87
46.	83	Social Welfare Department (Special Component Plan For Scheduled Castes)	792.46	776.28	16.18
47.	84	General Administration Department	46.26	44.46	1.80
48.	86	Information Department	61.14	5.32	55.82
49.	92	Culture Department	4.11	0.00	4.11
50.	94	Irrigation Department (Works)	504.35	0.00	504.35
51.	95	Irrigation Department (Establishment)	18.03	0.00	18.03
<b>Total</b>			<b>7,664.24</b>	<b>3,872.63</b>	<b>3,791.62</b>
<b>Capital - Voted</b>					
1.	2	Housing Department	195.03	0.00	195.03
2.	13	Agriculture and Other Allied Department (Rural Development)	191.83	0.00	191.83
3.	14	Agriculture and Other Allied Department (Panchayati Raj)	24.13	0.18	23.95
4.	15	Agriculture and Other Allied Department (Animal Husbandry)	7.88	0.00	7.88
5.	19	Personal Department (Training and Other Expenditure)	5.84	0.00	5.84
6.	21	Food Department	1811.78	8.38	1803.40
7.	22	Sport Department	1.14	0.00	1.14
8.	25	Home Department (Jails)	188.10	0.00	188.10
9.	26	Home Department (Police)	488.36	0.00	488.36
10.	27	Home Department (Civil Defence)	11.12	0.00	11.12
11.	31	Medical Department (Medical Education and Training)	29.21	0.00	29.21

12.	32	Medical Department (Allopathy)	147.14	0.00	147.14
13.	37	Urban Development Department	261.77	2.79	258.97
14.	40	Planning Department	659.52	10.00	649.52
15.	44	Tourism Department	24.65	0.00	24.65
16.	47	Technical Department	53.48	0.00	53.48
17.	48	Muslim Waqf Department	373.36	0.00	373.36
18.	49	Women and Child Welfare Department	2.25	0.00	2.25
19.	50	Revenue Department (District Administration)	4.21	0.00	4.21
20.	51	Revenue Department (Relief on Account of Natural Calamities)	9.33	0.00	9.33
21.	52	Revenue Department (Board of Revenue & Other Expenditure)	1.72	0.00	1.72
22.	56	Public Works Department (Special Area Programme)	111.32	0.00	111.32
23.	57	Public Works Department (Communication- Bridges)	310.24	0.00	310.24
24.	59	Public Work Department (Estate Directorate)	2.98	0.00	2.98
25.	60	Forest Department	5.05	0.00	5.05
26.	61	Finance Department (Debt Services and Other Expenditure)	401.78	57.75	344.03
27.	72	Education Department (Secondary Education)	127.86	0.14	127.72
28.	79	Social Welfare Department (Welfare of Handicapped & Backward Caste)	13.82	0.00	13.82
29.	83	Social Welfare Department (Special Component Plan for SCs)	415.46	363.35	52.10
30.	92	Culture Department	30.28	0.00	30.28
31.	94	Irrigation Department (Works)	734.86	0.00	734.86
<b>Total</b>			<b>6,645.5</b>	<b>442.59</b>	<b>6,202.89</b>
<b>Revenue - Charged</b>					
32.	9	Power Department	1.19	0.00	1.19
<b>Total</b>			<b>1.19</b>	<b>0.00</b>	<b>1.19</b>
<b>Capital - Charged</b>					
33.	21	Food Department	110.04	0.00	110.04
34.	58	Public Works Department (Communication-Roads)	2.09	0.00	2.09
35.	94	Irrigation Department (Works)	24.72	0.00	24.72
<b>Total</b>			<b>136.85</b>	<b>0.0</b>	<b>136.85</b>
<b>Grand Total</b>			<b>14,447.78</b>	<b>4,315.22</b>	<b>10,132.55</b>

## 2.11 Inaccurate budget estimates for pay and allowances

(Reference: Paragraph 2.5.3; page 60)

(₹ in crore)

Year	Budget provision during the year	Expenditure during the year	Savings surrendered during the year (per centage in bracket)
<b>Department of Secondary Education</b>			
2007-08	2,671.85	2,628.91	42.94 (2)
2008-09	3,208.43	3,114.10	94.33 (3)
2009-10	4,037.08	3,842.96	194.12 (5)
2010-11	5,924.19	5,129.24	794.96 (13)
2011-12	5,842.33	5,376.87	465.47 (8)
<b>Total</b>	<b>21,683.88</b>	<b>20,092.08</b>	<b>1,591.82 (7)</b>
<b>Department of Urban Development</b>			
2007-08	1.66	1.50	0.16 (10)
2008-09	1.72	1.52	0.20 (12)
2009-10	2.19	1.84	0.36 (16)
2010-11	2.17	2.05	0.12 (6)
2011-12	2.47	2.25	0.22 (9)
<b>Total</b>	<b>10.21</b>	<b>9.16</b>	<b>1.06 (10)</b>
<b>Department of Tribal Welfare</b>			
2007-08	4.27	1.61	2.88 (68)
2008-09	4.82	1.66	3.12 (65)
2009-10	5.64	2.36	3.16 (56)
2010-11	6.59	3.20	1.95 (30)
2011-12	4.12	2.95	0.57 (14)
<b>Total</b>	<b>25.44</b>	<b>11.78</b>	<b>11.89 (47)</b>
<b>Department of Home (Police)</b>			
2007-08	2,927.56	2,923.16	4.40 (1)
2008-09	3,683.74	3,602.25	80.38 (2)
2009-10	5,258.80	5,226.41	32.38 (1)
2010-11	6,021.37	5,980.86	40.51 (1)
2011-12	6,605.27	6,563.39	29.95 (1)
<b>Total</b>	<b>24,496.74</b>	<b>24,296.07</b>	<b>187.62 (0.76)</b>
<b>Department of Irrigation</b>			
2007-08	1,044.14	1,001.16	42.49 (4)
2008-09	1,196.56	1,187.09	47.46 (4)
2009-10	1,779.27	1,455.53	73.81 (4)
2010-11	1,636.88	1,599.97	0.81 (-)
2011-12	1,896.96	1,896.96	-
<b>Total</b>	<b>7,553.81</b>	<b>7,140.71</b>	<b>164.57 (0.01)</b>
<b>Grand Total</b>	<b>53,770.08</b>	<b>51,549.80</b>	<b>1,956.96 (3.64)</b>

Source: Departmental figures

## Inaccurate budget estimation other than salary

(Reference: Paragraph 2.5.4; page 61)

(₹ in crore)

Year	Budget provision during the year	Expenditure during the year	Savings surrendered during the year (per centage in bracket)
<b>Department of Secondary Education</b>			
2007-08	207.06	173.90	33.16 (12 )
2008-09	495.85	275.81	220.05 (44 )
2009-10	859.93	779.38	80.54 (9)
2010-11	741.44	735.76	18.06 (2)
2011-12	1,352.09	1,201.79	150.30 (11)
<b>Total</b>	<b>3,656.37</b>	<b>3,166.64</b>	<b>502.11 (14)</b>
<b>Department of Urban Development</b>			
2007-08	257.22	243.18	14.04 (5 )
2008-09	200.00	188.80	11.20 (6 )
2009-10	1,103.00	706.45	396.55 (36 )
2010-11	1,456.84	895.45	519.43 (36 )
2011-12	1,668.69	1,557.35	111.34 (7 )
<b>Total</b>	<b>4,685.75</b>	<b>3,591.23</b>	<b>1,052.56 (22)</b>
<b>Department of Tribal Welfare</b>			
2007-08	26.41	13.91	12.28 (46 )
2008-09	26.77	16.20	10.62 (40 )
2009-10	27.60	15.35	12.37 (45 )
2010-11	23.90	13.26	12.08 (51 )
2011-12	24.18	14.02	10.77 (43 )
<b>Total</b>	<b>128.86</b>	<b>72.74</b>	<b>58.12 (45)</b>
<b>Department of Home (Police)</b>			
2007-08	631.59	583.01	48.58 (8 )
2008-09	719.52	625.65	90.97 (13 )
2009-10	998.35	804.77	193.57 (19 )
2010-11	1,422.60	1,015.66	406.94 (29 )
2011-12	1,851.66	1,333.81	529.78 (29 )
<b>Total</b>	<b>5,623.72</b>	<b>4,362.90</b>	<b>1,269.84 (23)</b>
<b>Department of Irrigation</b>			
2007-08	2,107.24	2,051.17	56.07 (3 )
2008-09	2,423.17	2,388.21	34.96 (2 )
2009-10	2,657.79	2,005.09	652.70 (25 )
2010-11	4,202.57	2,465.95	1736.62 (41 )
2011-12	3,339.05	2,050.52	1288.53 (39 )
<b>Total</b>	<b>14,729.82</b>	<b>10,960.94</b>	<b>3,768.87 (26)</b>
<b>Grand Total</b>	<b>28,824.52</b>	<b>22,154.45</b>	<b>6,651.50 (23)</b>

## 2.13 Inaccurate estimation of revenue receipts

(Reference: Paragraph 2.5.5; page 61)

(₹ in crore)

Year	Revenue receipts estimated in the budget	Actual receipts	Excesses (+) Shortfalls viz-a viz estimates (per cent excess / shortfall in bracket)
<b>Department of Secondary Education</b>			
2007-08	52.34	54.99	(+) 2.65 (5)
2008-09	55.54	58.44	(+) 2.90 (5)
2009-10	64.12	61.97	(-) 2.15 (3)
2010-11	63.11	68.51	(+) 5.40 (9)
2011-12	64.57	81.84	(+) 17.27 (27)
<b>Total</b>	<b>299.68</b>	<b>325.75</b>	<b>Net (+) 26.07 (9)</b>
<b>Department of Home (Police)</b>			
2007-08	367.15	147.17	(-) 219.98 (60)
2008-09	261.07	160.59	(-) 100.48 (39)
2009-10	246.11	118.43	(-) 127.68 (52)
2010-11	246.84	177.53	(-) 69.31 (28)
2011-12	308.22	196.41	(-) 111.01 (36)
<b>Total</b>	<b>1,429.39</b>	<b>800.13</b>	<b>Net (-) 628.46 (44)</b>
<b>Department of Irrigation</b>			
2007-08	216.14	351.59	(+) 135.45 (62)
2008-09	229.10	285.33	(+) 56.23 (25)
2009-10	166.81	261.75	(+) 94.94 (57)
2010-11	580.18	186.44	(-) 393.74 (68)
2011-12	616.25	197.92	(-) 418.33 (68)
<b>Total</b>	<b>1,808.48</b>	<b>1,283.03</b>	<b>Net (-) 525.45 (29)</b>
<b>Grand Total</b>	<b>3,537.55</b>	<b>2,408.91</b>	<b>Net (-) 1,127.84 (32)</b>

Source: Departmental figures

## 2.14 Outcome of the expenditure

(Reference: Paragraph 2.6.3; page 62)

Sl. No.	Description of work	Unit	UIG		UIDSSMT	
			Target	Achievement (per cent)	Target	Achievement (per cent)
<b>Water Supply</b>						
1	Water Works	In Number	7	Nil	-	-
2	Tube Wells(New)	In Number	245	182 (74 per cent)	401	295 (74)
3	Tube Wells(Rebore)	In Number	102	98 (96 per cent)	29	20 (69)
4	Rising/Feeder Main	In Kilometer	413.98	73.66 (18 per cent)	224.71	132.49 (59)
5	CWR	In Number	175	19 (11 per cent)	46	20 (43)
6	OHT	In Number	190	50 (26 per cent)	158	74 (47)
7	Distribution system	In Kilometer	5,121.22	972.97 (19 per cent)	3,266.01	2,149.02 (66)
8	Intake Well	In Number			1	1 (100)
9	Water Treatment Plant	In Number			1	1 (100)
10	Pumping Plant	In Number			466	240 (51)
<b>Sewerage</b>						
1	Sewerage Treatment Plant (STP)	In Number.	10	One (10 per cent)	6	1 (17)
2	Sewage Pumping Station	In Number	26	1 (4)	9	1 (11)
3	Trunk Sewer/Branch Sewer	In Kilometer	2269.25	164.10 (7)	449.85	- (0)
4	Rising Main (Sew)	In Kilometer	-	-	17.85	- (0)
<b>Drainage</b>						
1	Drain New	In Kilometer	-	-	13.95	- (0)
2	Drain Remodelling	In Kilometer	-	-	7.41	- (0)
3	Drain Rep.	In Kilometer	-	-	4.41	- (0)
<b>Strom Water Drainage</b>						
1	Drain(New & Rehabilitation)	In Kilometer	401.80	165.97 (41)	-	-
2	Drains (Repair)	In Kilometer	30.08	-	-	-
<b>Solid Waste Management</b>						
1	Solid Waste Management (Project)	Towns	7	- (0)	19	- (0)

## Position of key indicators under Eleventh Five Year Plan in Secondary Education Department

(Reference: Paragraph 2.6.4; page 63)

Enrolment					
Item	Level at the end of 10 <sup>th</sup> plan	Progress during 10 <sup>th</sup> plan	Level at the end of 11 <sup>th</sup> plan	Progress during Eleventh Plan	Comments
Class 9-10	57.96 lakh	24.46 lakh	68.97 lakh	11.01 lakh	The increase in enrolment in schools during 11 <sup>th</sup> plan was 50% less than 10 <sup>th</sup> plan.
Class 11-12	31.96 lakh	12.46 lakh	39.47 lakh	7.51 lakh	
No. of Schools					
Govt. and Govt. aided schools	5834	851	6115	281	The increase of new schools during 11 <sup>th</sup> plan was 33 per cent less than 10 <sup>th</sup> plan.
Gross Enrolment Ratio of Class IX to XII (14-18 years)					
Boys	62 per cent			The gross enrolment ratio was less than the 11 <sup>th</sup> Plan target of 65 per cent.	
Girls	56 per cent				
Total	59 per cent				
Gender gap					
Year	Boys Enrollment	Girls Enrollment	Difference		
	(In percent)				
2007-08	60.61	39.39	21.22		
2008-09	62.94	37.06	25.88		
2009-10	59.31	40.69	18.62		
2010-11	55.49	44.51	10.98		
2011-12	57.34	42.66	14.68		
Outcome of schemes					
Period	Financial outlays and expenditure (Rs. in crore)		Physical achievement/outcome of the programme		
	Outlay budgeted/ allocated	Expenditure	Physical targets	Achievement/out come	
Upgradation of upper primary school to higher secondary school					
2007-12	699.41	312.04	3753 schools	1021 (27)	
Model schools					
2007-12	446.96	184.80	200 schools	148 (74)	
Girls hostel					
2007-12	8.70	-	344 hostels	- (0)	
One time assistance for opening of new schools by Private Management in rural area					
2007-12	10.00	-	5000 schools	- (0)	
Opening of new Govt. High School and upgrading of Government JHS to HS standard					
2007-12	3.43.	1.79	15 schools	6 (40)	
Upgradation of High Schools to Intermediate level					
2007-12	149.27	101.12	257 schools	257 (100)	
Opening of additional sections in Government Schools					
2007-12	1.26	1.00	25 schools	05 (20)	
Up gradation of Kasturba Gandhi Girls School to High School Standard					
2007-12	13.02	-	Not implemented		
Opening of residential Govt. High School on the pattern of Navodaya Vidyalaya					
2007-12	-	-	Not implemented		

Figures in bracket indicate percentage of achievement

Source: departmental figures

## 3.1

## Utilisation Certificates Outstanding as on 31 March 2012

(Reference: Paragraph 3.1.2; Page 67)

(₹ in lakh)

Sl. No.	Name of the Department	Year of Payment of Grant	Total Grant paid		Utilisation Certificate				Reasons for Utilisation Certificates remaining outstanding
			No.	Amount	Received		Outstanding		
					No.	Amount	No.	Amount	
1	Department of Dairy Development	2007-08	881	11,752.28	476	6,484.28	405	5,268.00	Reasons not furnished
		2008-09	812	8,385.30	415	4,597.77	397	3,787.53	
		2009-10	552	1,082.07	321	595.46	231	486.61	
		2010-11	317	1,960.64	159	1,214.43	158	746.21	
2	Registrar, Co-operative Societies, U.P.	2009-10	09	8,494.97	8	8,376.10	1	118.87	Reasons not furnished
3	Department of Tourism	2005-06	NA	30.00	NA	23.24	NA	6.76	Reasons not furnished
		2006-07	NA	45.00	NA	36.63	NA	8.37	
		2007-08	NA	45.00	NA	33.61	NA	11.39	
		2008-09	NA	22.50	NA	21.28	NA	1.22	
4	Department of Industries (Handicrafts)	2007-08	NA	264.45	NA	155.70	NA	108.75	Reasons not furnished
		2010-11	273	198.23	263	191.64	10	6.59	
5	Department of Environment	2009-10	03	84.34	02	4.34	1	80.00	Reasons not furnished
		2010-11	01	2.48	Nil	0.00	01	2.48	
6	Department of Industries (Heavy and Medium Industries) Grant on 07	2010-11	27	27,056.56	25	26,996.56	02	60.00	Reasons not furnished
7	Department of Social Welfare	2009-10	NA	2,23,486.98	NA	2,18,822.11 <sup>1</sup>	NA	4,664.87	Reasons not furnished
		2010-11	NA	2,14,557.11	NA	2,11,224.48 <sup>2</sup>	NA	3,332.63	
8	Social Welfare Department (Sheduled Tribes) Development)	2006-07	50	122.69	33	99.91	17	22.78	Reasons not furnished
		2007-08	60	871.30	15	470.70	45	400.60	
		2008-09	50	859.85	13	352.87	37	506.98	
		2009-10	40	575.29	9	373.45	31	201.84	
		2010-11	44	207.08	9	26.43	35	180.65	
9	Agriculture & Other Allied Department (Panchayati Raj)	2007-08	NA	17,380.00	Nil	0.00	NA	17,380.00	Public Works Department and Rural Engineering Services had not given the UC.
		2008-09	NA	1,82,290.94	Nil	0.00	NA	1,82,290.94	
		2009-10	142	93,322.90	Nil	0.00	NA	93,322.90	
		2010-11	NA	1,24,739.36	Nil	0.00	NA	1,24,739.36	

<sup>1</sup> UC received includes ₹ 23,129.81 lakh as surrendered amount.<sup>2</sup> UC received includes ₹ 24,342.09 lakh as surrendered amount.



10	Director Information & Public Relation Department	2005-06	6	46.00	3	26.00	3	20.00	Reasons not furnished
		2006-07	18	194.86	12	118.86	6	76.00	
11	Department of Ayurvedic Services, UP	2010-11	01	6.87	01	6.78	Nil	0.09	Reasons not furnished
12	Women Welfare Department, U.P.	2010-11	27	2,422.50	18	224.77	09	2,197.73	Reasons not furnished
13	Director of Technical Education	2010-11	NA	287.51	NA	144.89	NA	142.62	Reasons not furnished
14	Urban Development & Poverty Alleviation Programme Department (State Urban Development Agency)	2010-11	NA	52,081.97	NA	33,171.55	NA	18,910.42	Reasons not furnished
15	Department of Minority (UP State Haj Committee Lucknow)	2006-07	3	186.35	2	176.35	1	10.00	2 cases of ₹ 5.00 lakh each for distribution to deceased pilgrims are under process at DM office.
		2009-10	3	559.27	2	549.27	1	10.00	Reasons not furnished
16	Department of justice (U.P. State Law Commission Lucknow)	2005-06	NA	10.40	NA	7.93	NA	2.47	Due to good governance and management
		2006-07	NA	14.43	NA	11.39	NA	3.04	
		2007-08	NA	3.47	NA	1.04	NA	2.43	
		2008-09	NA	69.68	NA	63.98	NA	5.70	
		2009-10	NA	96.70	NA	50.71	NA	45.99	
		2010-11	NA	62.70	NA	62.09	NA	0.61	
17	Department of Language	2008-09	NA	399.67	NA	393.53 <sup>3</sup>	NA	6.14	Reasons not furnished
		2009-10	NA	552.88	NA	543.37	NA	9.51	
18	Department of Karmik (Training and other Expenditure)	2008-09	72	8.00	33	3.57	39	4.43	Reasons not furnished
		2009-10	72	8.00	25	3.44	47	4.56	
		2010-11	72	8.00	24	2.07	48	5.93	
<b>Total</b>							<b>1,525</b>	<b>4,59,194</b>	

<sup>3</sup> UC received includes ₹ 14.15 lakh as surrendered amount.

## 3.2

Statement showing performance of  
the Autonomous Bodies

(Reference: Paragraph 3.3; Page 69)

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.	-	9 months
2	Jal Sansthan, Chitrakoot Dham Banda	2001-10	2009-10	2009-10		-	8 months
3	Jal Sansthan, Allahabad	2001-10	2009-10	2009-10		-	19 months
4	Jal Sansthan, Lucknow	2001-10	2009-10	2009-10		-	8 months
5	Jal Sansthan, Varanasi	2001-10	2009-10	2009-10		-	21 months
6	Jal Sansthan, Jhansi	2001-10	2009-10	2009-10		-	12 months
7	Jal Sansthan, Agra	2001-10	2009-10	2009-10		-	11 months
8	UP Khadi Gramodyog Board, Lucknow	2004-14	2008-09	2008-09	SAR for 2004-05 to 2008-09 placed in Legislature	2009-10, 2010-11 & 2011-12	2-26 months
9	UP State Legal Services Authority, Lucknow	As per provision of the Act	2006-07, 2007-08 & 2008-09	2006-07, 2007-08 & 2008-09	Placement of SAR ending 2006-07 to 2008-09 is in process	2009-10, 2010-11 & 2011-12	2-26 months

## 3.3

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

(Reference: Paragraph 3.4; Page 69)

Sl. No.	Name of the Undertaking	Accounts finalised up to	Investment as per the last accounts finalised (₹ in crore)
<b>Irrigation Department</b>			
1	Irrigation Works Division, Meerut	2011-12	0.53
2	Irrigation Works Division, Jhansi	2010-11	0.52
3	Irrigation Works Division, Bareilly	2011-12	2.36
4	Irrigation Works Division, Kanpur	2011-12	0.26
5	Irrigation Works Division, Allahabad	2010-11	4.53
6	Irrigation Works Division, Gorakhpur	2011-12	1.59
<b>Animal Husbandry Department</b>			
7	State Live Stock Cum Agriculture Farm	2009-10	17.03
<b>Food and Civil Supplies Department</b>			
8	Scheme for Public Distribution System of Food grain	2008-09	2,131.07
<b>Health Department</b>			
9	State Pharmacy of Ayurvedic and Unani Medicines	1987-88	0.09
<b>Social welfare Department</b>			
10	Criminal Tribes Settlement Tailoring Factory (Kanpur)	1979-80	0.04
<b>Total</b>			<b>2,158.02</b>

## 3.4

## Department-wise/duration-wise break-up of the cases of misappropriation, defalcation etc. (cases where final action was pending at the end of March 2012)

(Reference: Paragraph 3.5; Page 69)

(Figures in bracket indicate ₹ in lakh)

Sl. No.	Name of the 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 Department	-	4 (9.09)	-	-	-	-	4(9.09)
2	Animal Husbandry Department	-	1(0.26)	2 (0.39)	7(4.06)	5(1.82)	1(0.02)	16 (6.55)
3	Co-operative Department	-	-	1(1.28)	1(0.17)	-	-	2(1.45)
4	Education Department	5(112.94)	-	1(5.00)	-	-	-	6(117.94)
5	Fisheries Department	-	-	-	3(2.07)	-	-	3(2.07)
6	Food and Supplies Department	-	1(3.06)	-	1(0.3 0)	5(23.39)	2(2.03)	9(28.78)
7	Irrigation Department	20(111.62)	10(0.52)	23(4.58)	3(5.33)	-	-	56(122.05)
8	Judiciary Department	-	1(4.44)	-	-	-	-	1(4.44)
9	Land Acquisition Department	-	-	-	-	-	3(331.78)	3(331.78)
10	Medical, Health and Family Welfare Department	-	-	-	4(5.79)	9(10.77)	-	13(16.56)
11	Police Department	2(4.00)	-	-	1(1.21)	-	3(2.89)	6(8.10)
12	PAC	-	-	-	1(47.48)	1(0.51)	-	2(47.99)
13	Public Works Department	6(118.12)	6(36.41)	-	-	-	-	12(154.53)
14	Revenue	2(9.29)	-	1 (1.72)	-	1(0.33)	3(6.09)	7(17. 43)
15	Rural Development Department	-	-	-	3(1.65)	4(0.73)	5(1.46)	12 (3.84)
16	Social Welfare Department	-	-	-	1(0.25)	-	2(0.70)	3(0.95)
17	Technical Education Department	-	-	1(11.59)	-	-	-	1(11.59)
18	Weights and Measurements Department	-	-	-	-	1(1.01)	-	1(1.01)
19	Horticulture Department	1(3.59)	-	-	-	-	-	1 (3.59)
20	Finance Department	-	-	-	-	1(0.67)	-	1 (0.67)
<b>Total</b>		<b>36</b> <b>(359.56)</b>	<b>23</b> <b>(53.78)</b>	<b>29</b> <b>(24.56)</b>	<b>25</b> <b>(68.31)</b>	<b>27</b> <b>(39.23)</b>	<b>19</b> <b>(344.97)</b>	<b>159</b> <b>(890.41)</b>

## 3.5

### Department-wise/category-wise details in respect of cases of loss to the Government due to theft, misappropriation/loss of the Government material (Reference: Paragraph 3.5; Page 69)

(₹ 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 Department	1	1.47	3	7.62	4	9.09
Animal Husbandry Department	11	1.78	5	4.77	16	6.55
Co-operative Department	1	1.28	1	0.17	2	1.45
Education Department	2	6.60	4	111.34	6	117.94
Fisheries Department	0	0	3	2.07	3	2.07
Food and Supplies Department	0	0	9	28.78	9	28.78
Irrigation Department	47	15.54	9	106.51	56	122.05
Judiciary Department	0	0	1	4.44	1	4.44
Land Acquisition Department	0	0	3	331.78	3	331.78
Medical Health & Family Welfare Department	10	12.58	3	3.98	13	16.56
Police Department	0	0	6	8.10	6	8.10
PAC Department	0	0	2	47.99	2	47.99
PWD	3	1.63	9	152.90	12	154.53
Revenue Department	0	0	7	17.43	7	17.43
Rural Development Department	5	1.38	7	2.46	12	3.84
Social Welfare Department	0	0	3	0.95	3	0.95
Technical Education Department	0	0	1	11.59	1	11.59
Weights and Measurement Department	1	1.01	0	0	1	1.01
Horticulture Department	0	0	1	3.59	1	3.59
Finance Department	0	0	1	0.67	1	0.67
				<b>Total</b>	<b>159</b>	<b>890.41</b>

## 3.6

## Department-wise details of cases settled/written off during 2011-12

(Reference: Paragraph 3.5; Page 70)

(₹ in lakh)

Sl. No.	Name of Department	Authority	Brief Particulars	No. of cases	Amount
1	Home (Police) Department	Government of Uttar Pradesh	The Court abated the case of misappropriation of Government money	One	0.65
2	Medical and Health Department	Government of Uttar Pradesh	Theft of cash chest PHC Rehana Bazar, Gonda in September 1990	One	0.32
3	Medical and Health Department	Government of Uttar Pradesh	Theft case - Dr. Ram Manohar Lohia Joint Hospital Farrukhabad in January 1998	One	1.53
4	Agriculture Department	Government of Uttar Pradesh	Theft of motor parts in the office of the Assistant Director, Soil testing/Culture, District Varanasi	One	0.16
5	Judicial Department	Government of Uttar Pradesh	Cases of forged tickets in District Court, Azamgarh	One	0.66
				<b>Total</b>	<b>3.32</b>

## 4 GLOSSARY (ADDITIONAL DATA)

## 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)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	Interest payment / $[(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$
Interest spread	GSDP growth – Average Interest Rate
Quantum spread	Debt stock * Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	Interest Received $[(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
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 <b>minus</b> 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 <i>per cent</i> .
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 subsidies 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 at least 1/5 <sup>th</sup> 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
GOI	Government of India
GSDP	Gross State Domestic Product
FRBM	Fiscal Responsibility and Budget Management Act
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